



EXTRACTORA
del Sur de Casanare

Sustainability Report 2019

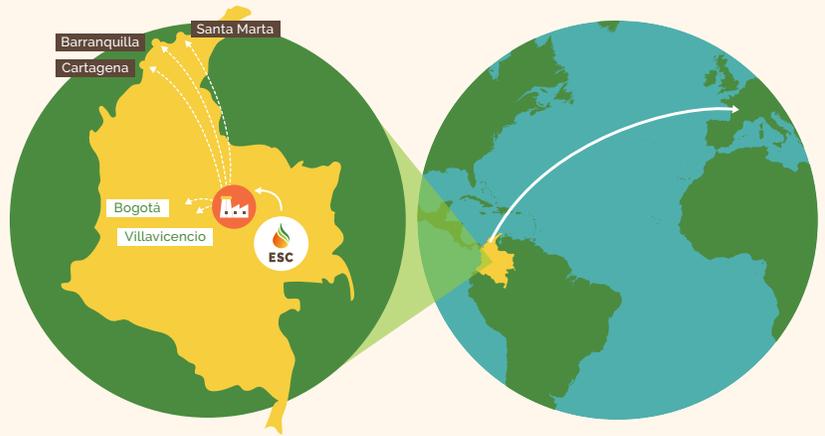
We contribute to sustainable development in our country creating value in all our relations.

www.esc.com.co



Who are we?

We are a private sector Colombian company operating in the palm agribusiness. We process and market palm tree oil using the best manufacturing practices with the highest quality standards, meeting our clients' needs and bringing development to the communities in which we operate.



RSPO and ISCC evaluated and certified

Economic dimension

In operation for
18
YEARS

Our installed
PRODUCTION
capacity is
60
Ton RFF/hour

We
COLLECT
97,064
tonnes
of **RSPO**
certified fruit

18
MAJOR CLIENTS
between
marketers and
refiners

OUR PRODUCTION
Tonnes in 2019

	RSPO	Conventional
Crude palm oil	20,080	19,891
Crude palm kernel oil	1,020	830
Palm kernel cake	-	4,322

CRUDE PALM OIL
destination 2019

Export		National	
RSPO	25%	RSPO	75%
Conventional	64%	Conventional	36%

Oil destined for the
FOOD INDUSTRY

Crude palm oil		Crude palm kernel	
RSPO	76%	RSPO	100%
Conventional	73%	Conventional	69%

In 2019
WE PROCESSED
3,716 Ton
Of **RSPO**
almonds

Tonnes of **FFB**
bought from our
strategic
PARTNERS
2019 | **90,450**

Social dimension

DEVELOPMENT OF LOCAL COMPANIES

10 ALLIED
service providers

Amount paid in service fees

2018	5,692	million COP
2019	4,053	million COP

Training

trained people

2019	287	in SST
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Strategic
PARTNERS

2019	139
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2,935 hectares of capacity with **RSPO** trained strategic partners

59% of partners with plantations smaller than 50 hectares

Direct employees

2018	59	6	TOTAL	65
2019	64	6		70

BENEFITS
to direct employees

2019

35 million COP

Our turnover
RATE

2%

compared to 2018

Health
BRIGADES

Communities of El Fical and San Marcos

86 beneficiaries

Environmental dimension

ENERGY
consumption

2018	85.2	kwh/tCPO
2019	93.3	kwh/tCPO

ENERGY
produced from
RENEWABLE
FUELS

2019 | **69%**

Carbon
FOOTPRINT
of our
production chain

2019	797.8	Kg Co2 eq/dry ton CPO
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*ISCC methodology

Water
consumption
REDUCED BY

30%

between 2018 and 2019

2019
investment in
ENVIRONMENTAL
management

197
million COP

Members of the **ZERO DEFORESTATION** agreement of the Palm Oil Chain

Sustainability

We promote marketing of
DIFFERENTIATED OILS



Our certifications



We constantly verify good agriculture, environmental and social practices determined by the **RSPO** principles and criteria.



We obtained the International Sustainability and Carbon Certification (**ISCC**), focusing our efforts in the sustainable use of soil, traceability and the verification of greenhouse gases throughout the supply chain.

ZERO deforestation agreement



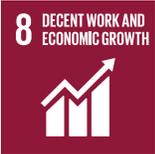
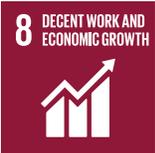
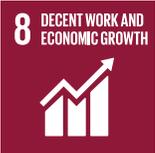
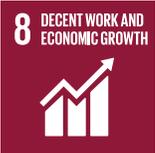
We signed the
“ZERO DEFORESTATION agreement for the palm oil supply chain”.

Deforestation in states with palm crops.
2011 - 2017: **0.4% (4,455 hectares)**.*

*FEDEPALMA 2011-2017 report

Contribution to the SUSTAINABLE DEVELOPMENT GOALS

Actions in SDG in accordance with organizational objectives and goals, as part of our contribution to the United Nations Organization 2030 agenda.

OBJECTIVES	2020 GOALS	SDG PRIORITY
Reduce the process cost	3.5%	 
Improve operational efficiency (Ton/hour)	 Improve by 8%	 
Reduce carbon footprint	 Reduce by 10%	
Manage knowledge	100% of the company's key processes	
Develop succession plans for key positions	1 successor for each key department	

Our sustainability policy

At Extractora del Sur de Casanare, we are committed to sustainable development, selling palm oil, kernel oil and their by-products and integrating in our actions good economic, workplace, environmental and social practices.

Our main purpose is to contribute to sustainable development in our country creating value in all our relations.

All our actions are framed in our **corporate values**: honesty, diligence, discretion, fairness and equity, excellence, innovative spirit and commitment to the country.

Our principles:



Conservation of **biodiversity**

We monitor mammals with camera trapping to identify the presence, ecologic value and state of conservation of fauna species living near our plant.

FAUNA MONITORING RESULTS

We identified the presence of: yaguarundi, picture, chigüiro, oso palmero and maicero.



YAGUARUNDI

Puma yagouaroundi cacomitli



PICTURE

Dasyprocta fuliginosa



CHIGÜIRO

Hydrochoerus hydrochaeris



OSO PALMERO

Tamandua tetradactyla



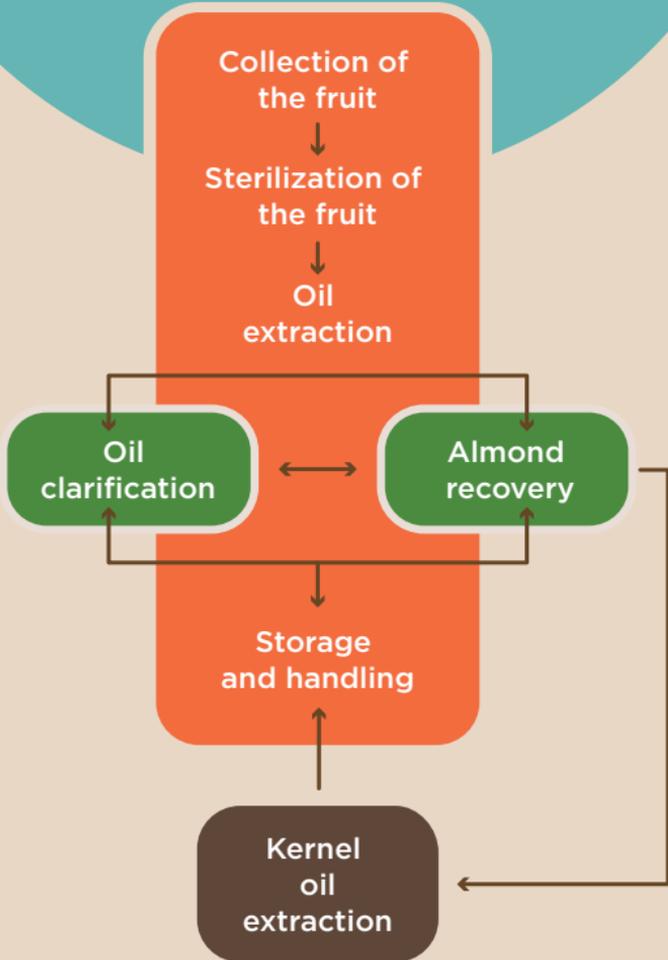
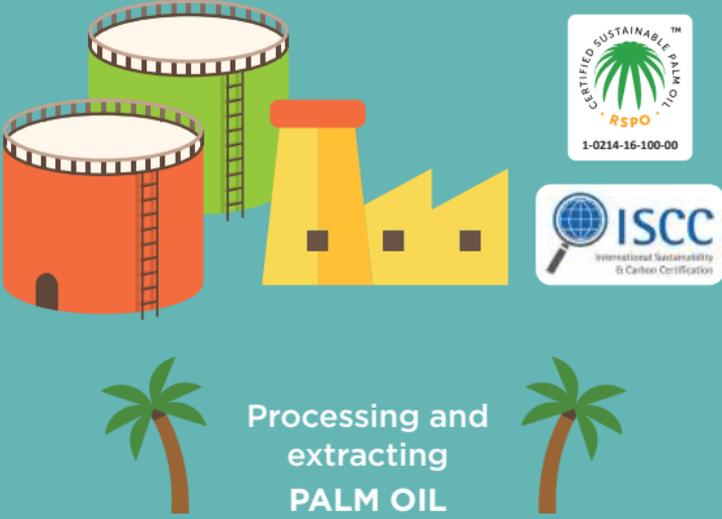
MAICERO

Sapajus apella

We create **value**

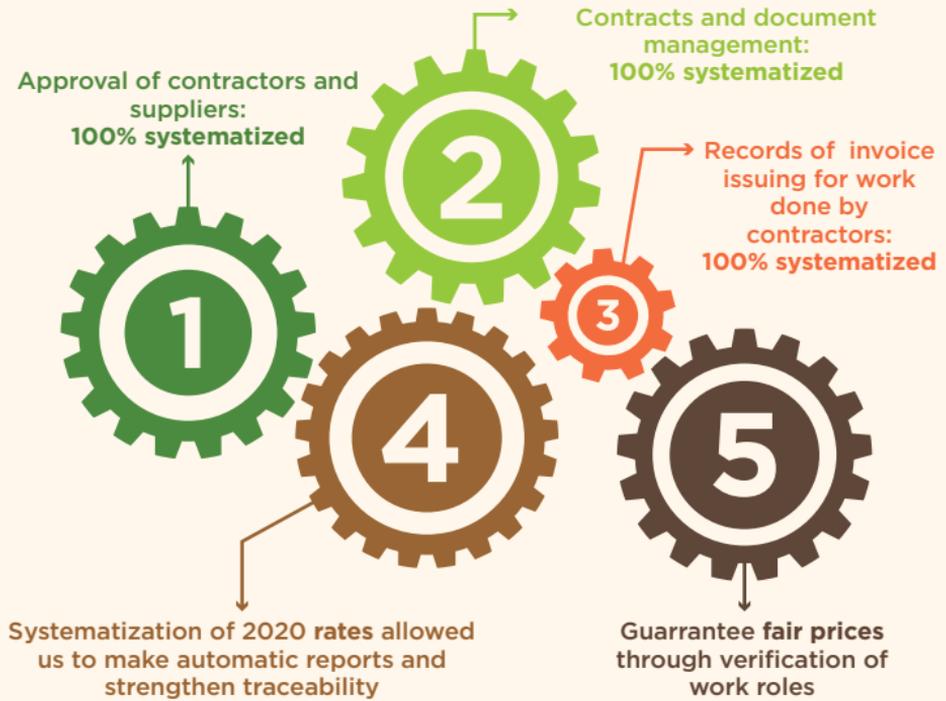
We promote sustainable practices in all our value chain.

EXTRACTION PHASE



Hiring process systematization

By implementing our process efficiency, organization and control project, we improved information and control traceability in our operations. **Some achievements are:**



We promote our contractors' development

Our Human Resources and Supply and Service departments formulated a **contractors' development plan** which promotes sustainable activities that integrate and align different company areas.



Service unit for strategic partners

Our fruit providers are strategic business partners. We provide technical assistance in crop maintenance and development promoting good agricultural practices in order to increase productivity which allows them to offer a high quality fruit.

2019 fruit providers management

We granted the 2019

Best small-scale producer in the EASTERN REGION AWARD



With the Uniemprender association

We trained

88



strategic PARTNERS



17 sanitary surveyors

among certified providers.

Early detection of **DISEASE**



We provided **agrochemical application** and **equipment calibration TRAINING**



We invested

84 million COP

in strategic PARTNER management



72% of our **strategic PARTNERS**

keep records of their fieldwork



We conducted **6** workshops

for producers on **sustainability standard** implementation



Generated and distributed economic value

We generate economic value in a sustainable way and co-responsibly in local areas where we share territory with other companies. Regarding economic performance, we are oriented towards distributing generated financial resources among local or commercial interest groups.

Generated, distributed and retained economic value

Economic value*	2018		2019	
Generated	100%	\$80,479	100%	\$93,888
Distributed	97%	\$78,047	80%	\$75,132
Retained	3%	\$2,432	20%	\$18,756

We share our progress

Distributed economic value*		2018	2019
	Operational costs	\$74,641	\$71,694
	Employees' salaries and benefits	\$2,085	\$2,197
	Payment to creditors	\$262	\$209
	Government taxes	\$945	\$1,030
	Investments in the community	\$114	\$2

*Data in million COP

In 2019, our generated and distributed economic value continued to increase making our business profitable while supporting the growth of our collaborators, producers and other stakeholders in the value chain.

2019 achievements and 2020 commitments

Sustainable development management

Achievements

- We made sure our fruit supply base comes from deforestation-free crops.
- We obtained the ISCC certification.

Commitments

- Ensure the fruit delivered by strategic partners comes from crops from Zero Deforestation areas.
- Adjust to RSPO 2018 principles and criteria.

Safety and health at work management

Achievements

- 100% of our employees obtained a Safe working at heights and confined spaces certification.
- 41% adicional brigade members.
- Constant sharing of lessons learned at Work Accidents (AT's).

Commitments

- Launch the "Safety Guardians 2.0" campaign focusing on reducing unsafe actions in our operation.
- Strengthen SST processes based on self-care awareness.

Environmental management

Achievements

- We monitored mammals in the vicinity of the plant via camera trapping.
- We did maintenance to the wastewater treatment system, extracting approximately 25,000 m³ of organic mud to be properly disposed of.
- We reduced by 14% our generation of hazardous waste compared to 2018.

Commitments

- Manage post-consumer waste for strategic partners
- Measure the blue water footprint of the extraction process.
- Reduce water consumption in the process to 1 m³/FFB ton.

Human resources management

Achievements

- 1 leader certified as work skills evaluator.
- We participated in the Biodiversity and ecosystem services and rural expansion techniques courses.

Commitments

- Strengthen our integrated training plan.
- Certify 5 evaluators in work skills.
- Certify 30% more employees in work skills.
- Implement our integrated training system.

Supply and service chain management

Achievements

- We conducted administrative audits to permanent contractors, which showed a 19% improvement compared to 2018.
- We included permanent contractors in the company's insurance program in order to make the hiring process more efficient.

Commitments

- Carry out 100% of the contractors' audit plan.
- Include all contractors in the insurance policy program.
- Check with our legal area the possibility of including everyone in the insurance policy program.

Strategic partner service unit management

Achievements

- Through workshops, (in-crop sessions and a technical tour) we made producers aware of the need to implement sustainable processes in their production units.

Commitments

- Train 80% of our providers in sustainability practices.
- Differentiate small-scale producers with registered good agricultural practices.
- Carry out sustainability pre-audits with providers.
- Prepare an advanced group of providers for the ISCC audit.

Financial management - production

Achievements

- We improved almond press with a 9% increase of the extraction rate (TEA).
- We analyzed improvements to make adjustments in collection and clarification for a better line separation.
- We updated our management strategy to reduce financial and operational risks thus guaranteeing long-term sustainability for the business.

Commitments

- Keep the extraction rate (TEA) of palm kernel at 39%.
- Define and implement improvements required for the separation of production lines.
- Reduce by 20% downtimes caused by mechanical and operational failures.

Logistics management and sales

Achievements

- We controlled 99% of transportation policy expirations.
- We set up an invoice booth for direct exporting clients.
- We generated larger revenue by negotiating the price of the kernel ton.

Commitments

- Systematize freight negotiation for the transportation of our products.
- Systematize the process of adding clients and suppliers to our system.
- Design and implement a money laundering self control system.
- Systematize the process of creating credit notes.