



Sustainability Report



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

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Who we are

We are a private sector Colombian company operating in the palm agribusiness. We process and trade palm tree oil using the best manufacturing practices with the highest quality standards, meeting our clients' needs



Assessed and Certified by RSPO and ISCC

Economic dimension	<p>In OPERATION FOR</p> <p>19</p> <p>YEARS</p>	<p>Our installed production capacity is</p> <p>60</p> <p>Tonnes/hour</p>	<p>In 2020 we collected</p> <p>97,758</p> <p>Tonnes</p> <p>of RSPO - certified fruit</p>	<p>13 mayor CLIENTS</p> <p>between traders and refiners</p>	<p>OUR PRODUCTION</p> <p>Tonnes in 2020</p> <table border="1"> <thead> <tr> <th></th> <th>Certified</th> <th>Conventional</th> </tr> </thead> <tbody> <tr> <td>Crude palm oil</td> <td>21,188</td> <td>20,424</td> </tr> <tr> <td>Crude palm kernel oil</td> <td>915</td> <td>1,892</td> </tr> <tr> <td>Palm kernel cake</td> <td>1,316</td> <td>1,460</td> </tr> </tbody> </table>		Certified	Conventional	Crude palm oil	21,188	20,424	Crude palm kernel oil	915	1,892	Palm kernel cake	1,316	1,460						
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<p>Crude palm oil destination 2020</p> <table border="1"> <thead> <tr> <th></th> <th>Exportation</th> <th>National</th> </tr> </thead> <tbody> <tr> <td>RSPO</td> <td>15%</td> <td>85%</td> </tr> <tr> <td>ISCC</td> <td>100%</td> <td>-</td> </tr> <tr> <td>Conventional</td> <td>45%</td> <td>55%</td> </tr> </tbody> </table>		Exportation	National	RSPO	15%	85%	ISCC	100%	-	Conventional	45%	55%	<p>Oil destined for the food industry (%)</p> <table border="1"> <tbody> <tr> <td>RSPO Conventional crude palm oil</td> <td>86.79%</td> </tr> <tr> <td>Conventional crude palm oil</td> <td>67%</td> </tr> <tr> <td>RSPO palm kernel oil</td> <td>100%</td> </tr> <tr> <td>Conventional palm kernel oil</td> <td>100%</td> </tr> </tbody> </table>		RSPO Conventional crude palm oil	86.79%	Conventional crude palm oil	67%	RSPO palm kernel oil	100%	Conventional palm kernel oil	100%	<p>Tonnes of (RFF) Fresh Fruit Clusters purchased from our strategic PARTNERS</p> <p>91,368 RFF tonnes/year</p>
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Social dimension	<p>Development of LOCAL COMPANIES</p> <p>38 allied service PROVIDERS</p> <p>AMOUNT PAID IN SERVICE FEES</p> <table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>4,053 million COP</td> <td></td> <td>6,114 million COP</td> </tr> </tbody> </table>		2019	2020	4,053 million COP		6,114 million COP	<p>TRAINING</p> <p># of trained persons: 88</p> <p># de horas de formación: 3,520</p> <p>79% of programmed trainings took place, all of which were held with necessary biosafety protocols.</p>	<p># PEOPLE TRAINED among strategic partners</p> <p>297</p>	<p>Strategic PARTNERS</p> <p>2020 136</p> <p>66% of our providers are SMALL PRODUCERS</p>													
		2019	2020																				
4,053 million COP		6,114 million COP																					
<p>EMPLOYMENT generation</p> <p>38% of strategic and tactical positions are held by women</p> <table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>64</td> <td>66</td> <td>70</td> <td>74</td> </tr> <tr> <td>6</td> <td>8</td> <td>7</td> <td>7</td> </tr> </tbody> </table>		2019	2020	TOTAL	64	66	70	74	6	8	7	7	<p>BENEFITS to direct employees</p> <table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>35 million COP</td> <td>64 million COP</td> <td></td> </tr> </tbody> </table>		2019	2020	35 million COP	64 million COP		<p>Our TURNOVER RATE was reduced by 31% compared to 2019</p>	<p>SOCIAL investment</p> <p>2020 141 million COP</p>	<p>TOTAL investment in adapting to respond to COVID-19</p> <p>145 million COP</p>	
	2019	2020	TOTAL																				
64	66	70	74																				
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	2019	2020																					
35 million COP	64 million COP																						
Environmental dimension	<p>ENERGY consumption reduced by 16% compared to 2019</p> <p>2020 78.25 kWh/tCPO</p>	<p>ENERGY produced from renewable fuels</p> <p>2020 63%</p>	<p>Our CO₂ emissions were reduced by 4%</p>	<p>CARBON footprint of our operation in 2020</p> <p>765.9 Kg Co₂ eq/dry ton CPO</p> <p>*ISCC Methodology</p>	<p>WATER consumption REDUCED by 3% compared to 2019</p>	<p>Investment in environmental MANAGEMENT</p> <table border="1"> <tbody> <tr> <td>2019</td> <td>197 million COP</td> </tr> <tr> <td>2020</td> <td>506 million COP</td> </tr> </tbody> </table>	2019	197 million COP	2020	506 million COP													
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Members of the **ZERO DEFORESTATION** agreement of the Palm Oil Chain

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.



Biodiversity conservation

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

Our principles

- Implement the best operational practices
- No deforestation of areas with high conservation value or high carbon stock
- Preserve fauna and flora
- Take action to mitigate climate change
- Work in a safe and healthy way
- Respect and promote development in the communities
- Promote sustainable practices throughout the value chain
- Implement and promote the best workplace practices
- Act in a transparent, ethical and responsible manner



YAGUARUNDI
Puma yagouaroundi cacomitli



PICTURE
Dasyprocta fuliginosa



CHIGÜIRO
Hydrochoerus hydrochaeris



OSO PALMERO
Tamandua tetradactyla

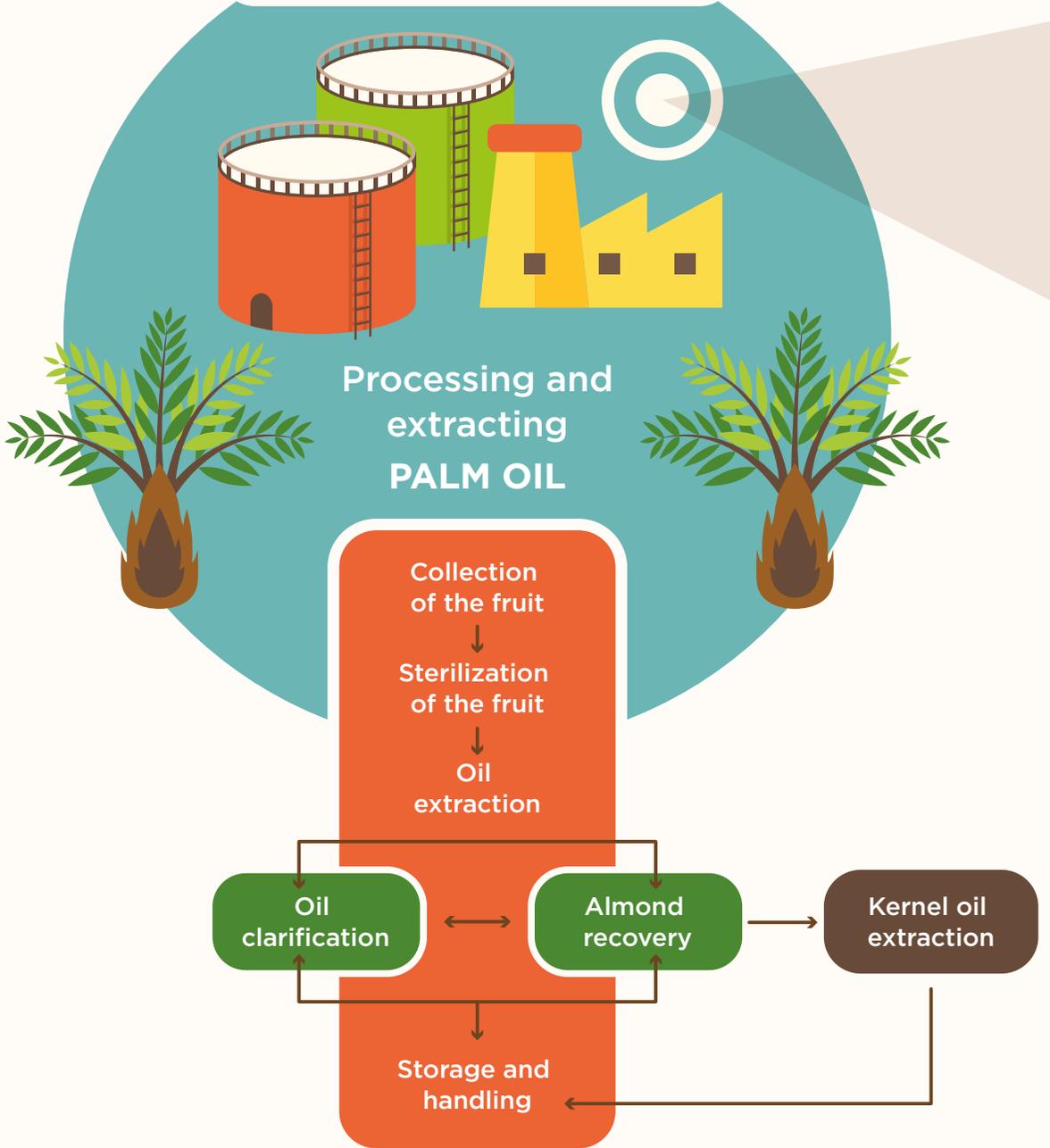


MAICERO
Sapajus apella

FAUNA MONITORING RESULTS
We identified the presence of: jaguarundi, picture, chigüiro, ant bear y maicero.

We create value

EXTRACTION PHASE



Our certifications

We maintain the following **CERTIFICATIONS** and **ADOPTION** of agreements



SINCE 2015



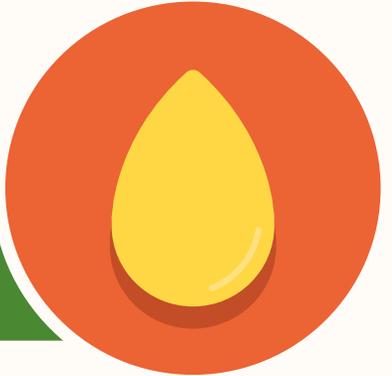
SINCE 2019



SINCE 2017

Sustainability

We promote the production of palm oil with the highest **SUSTAINABILITY** standards



Actions contributing to the SDGs

From our organizational management we have taken action to contribute to the various SDGs by maintaining principles of sustainability in the management of each of our company's areas.



Actions that create value

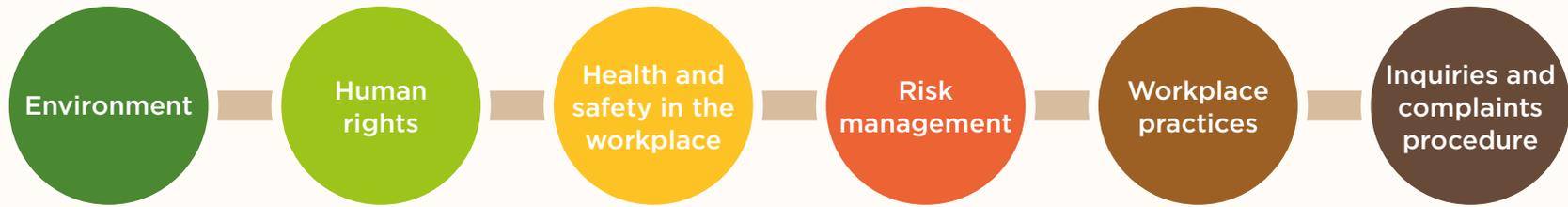
TOGETHER WE ARE+ voluntary work

As a **Team Foods** strategic provider, we participated in the **TOGETHER WE ARE+** voluntary work, which was meant to convey good environmental practices throughout our production chain. This work allowed us to bring together the experience of our work team and academic knowledge in order to strengthen our strategies and action plans focused on the development of our sustainability policy.

PROGRAM PARTNERS:

				24 external volunteers (students)
				23 Internal volunteers from Alianza Team

14 WORKING SESSIONS based on the following themes:



RESULTS:

Identification of opportunities aimed at strengthening the organization's policies and procedures.
Structuring tools that help strengthen communication channels established by the company to communicate with its stakeholders.

2020 fruit provider management

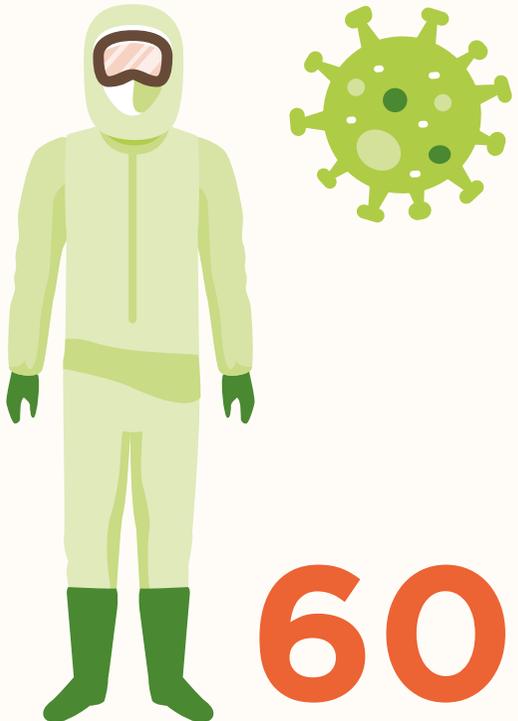
2020 small-scale producer **best productivity AWARD**



Rafael Ernesto Vargas Pérez, one of our producers, won the eastern region's first place of the small-scale producer awards with best productivity in 2020. The award, given by **Fedepalma**, highlights the importance of palm growers with planting areas under 50 hectares, who are pillars of development in their regions and have a big impact because of their use of technology for **Best Agricultural Sustainability Practices**.

<p>Capacitamos 297 socios estratégicos</p> 	<p>+60 horas de capacitación en TEMAS TÉCNICOS para el fortalecimiento y desarrollo</p> 
<p>Capacitaciones manejo de la PANDEMIA: procedimientos y lineamientos para la prevención y mitigación del contagio</p> 	<p>Invertimos 105 COP millones en la gestión con nuestros socios estratégicos</p> 
<p>Capacitación para aplicadores de AGROQUÍMICOS 24 aplicadores</p> 	<p>Se realizaron CAPACITACIONES Y DIAGNÓSTICOS VIRTUALES para la implementación de prácticas de sostenibilidad en el cultivo de los proveedores</p> 

Adaptation to COVID-19

Actions within ESC		We support the COMMUNITY		
	Beneficiaries			
Vehicle disinfection protocol campaign. We delivered: disinfection kits.	150 fruit providers	 <p>200 grocery packs DELIVERED</p> <hr/> <p>to our communities</p>	 <p>60 biosafety suits DELIVERED</p> <hr/> <p>in the local hospital of Villanueva, Casanare</p>	
“Care is in your hands” campaign. We delivered: COVID-19 kits.	73 direct 55 contractors			
Campaign for the use of face masks. Monthly deliveries of anti-fluid face masks.	73 direct			
Installation of cleaning and disinfection points.	73 direct 55 contractors	 <p>6,000 basic foods kits DELIVERED</p> <hr/> <p>to the communities within our area of influence, our contractors’ workers, local authorities and ESC employees</p>		
Implementation of isolation protocols for transport personnel.	73 direct			
Adaptation of fully equipped medical attention points.	72 direct 5 contractors			
Disinfection days in work areas and vehicles for passenger transport.	120 fruit providers 73 direct 7 contractors			

Investments in COVID-19 | **\$111.7** million COP

Investments in COVID-19 | **\$33.7** million COP

Generated and distributed economic value

In alignment with our company's dynamics, we have accomplished an integral and profitable growth with which we share economic value generated in a sustainable way. We distributed the generated financial resources amongst groups of interest from commercial and/or local relations.

Generated, distributed and retained economic value		
Economic value*	2020	
Generated	100%	\$114,653
Distributed	99.4%	\$113,938
Retained	0.6%	\$715
We share our progress		
Distributed economic value*	2020	
 Operational costs	\$109,817	
 Employees' salaries and benefits	\$2,394	
 Payment to creditors	\$163	
 Government taxes	\$1,423	
 Investments in the community	\$141	

*Numbers in million COP

In year 2020 our generated economic value **increased by 22%** adding to our business profitability and to the growth of our collaborators, producers and other stakeholders of the value chain. We distributed **99%** of the total generated income.

2020 achievements and 2021 challenges

Safety and health at work system management

2020 achievements

- Based on inspections programmed throughout the year, we warn about unsafe conditions in the finding plan so that improvement actions can be taken. 60% of the reported findings were 100% managed. The remaining 40% was executed up to 50%.
- We trained 100% of our personnel in the process of hazard identification in order to make them part in the development of the company's risk matrix. Additionally, personnel received training in the application of safe care after having identified the risks present in their workplaces.

2021 challenges

- Avoid COVID-19 outbursts in the company, through the effective implementation of biosafety protocols, based on the principles of prevention, protection and mitigation.
- Adapt the **preventive observation program** in order to carry out pilot tests that lead to reporting of unsafe actions and conditions and the application of necessary corrective measures.
- Strengthen the **road safety program** sharing it with contractors, providers and all the directly involved.
- Promote Healthy Lifestyles and Work to improve the employees work and health conditions.

Supply and service chain management

2020 achievements

- We completed 100% of management audits to contractors, conducting timely follow-ups to contractors requiring to strengthen management aspects.
- We checked and updated 100% of the tracking matrix in accordance with new legal guidelines.
- We included 90% of our contractors in the **insurance policy program**.

2021 challenges

- Continue to review the **policy program** for providers.
- Reinforce a final evaluation that includes the quality of the operation for new contracts.

Strategic partner service unit management

2020 achievements

- In the past three years we trained 80% of our fruit providers in good agricultural and sustainability practices.
- 50% of small producers implemented best agricultural practices outlines in their plantations.
- We conducted virtual follow-ups.

2021 challenges

- Determine the group of providers who will begin the process of implementing RSPO/ISCC regulations.
- Draw up a plan to certify providers.
- Draw up a technical assistance **strategic plan**.
- Cenipalma-ESC: 12 strategic partners participatory plots focused on best agricultural practices and sustainability.
- Implement the **ESC Excellent Strategic Partner Plan: Palmero Exitoso, Orientador Élite, Corteros Chachos**".

Human resources management

2020 Achievements

- We conducted the comprehensive plan of training for all workers which included virtual and in-person training processes.
- We have 2 competence assessors.
- We integrated the work training plan.
- We drew up the Human Resources process.
- We effectively implemented remote work for the plantation's administrative staff and Bogotá offices.
- We guaranteed the continuity of the operation, which kept the workers income unaffected.
- We provided psycho-social support through a program designed to face quarantine situations with talks on themes such as the emotional impact of quarantine, and dealing with anxiety and depression.

2021 challenges

- Continue with the work competence assessors certifications in order to reach our 5 assessor established goal.
- Carry out the work competencies certification process.

Economic management - production

2020 achievements

- We managed to keep the palm kernel oil extraction rate.
- We identified the improvements required for line spacing. We drew up –and are now in the process of assessing and getting approved– improvements in the clarification process.
- We reduced by 25% downtimes due to mechanic and operational failure.
- We started “**Sustainability and Risk Assessment**”, a pilot project to assess the crops where our fruit comes from.
- By 2020, we have carried 6 diagnosis visits to assess fruit providers’ compliance with sustainability standards.

2021 challenges

- Maintain the palm kernel oil extraction rate.
- Reduce downtimes due to mechanic and operational failure by 10% compared to 2020.

Environmental management

2020 achievements

- We identified strategic partners located in places with high risk of deforestation activity.
- The plantation’s environmental programs were reviewed and updated responding to improvement recommendations outlined in the environmental impact study.
- We strengthened the strategy for management of post-consumption containers with fruit providers from the extraction plant.

2021 challenges

- Measure our water footprint.
- Support handling of post-consumption waste generated by strategic partners.
- Establish monitoring mechanisms to verify the source of the fruit we purchase within the framework of compliance with the **ZERO DEFORESTATION** agreement of the palm oil chain.
- Complete the construction of the deep well and obtain a groundwater abstraction permit.
- Reduce water consumption in the process.

Sustainable development management

2020 achievements

- We conducted audits in the recertification process in hybrid working (remote and in site). As a result, we obtained RSPO and ISCC recertification.
- We updated our socio-environmental study .
- We documented 100% of the organization’s main support processes in our company’s management systems.
- We structured the virtual platform so documents of the company’s integrated management system can be accessed there.

2021 challenges

- Review and update purpose processes.
- Make the virtual platform operative and socialize it so that the company’s integrated system documents can be accessed there.
- Conduct proper follow-up and corresponding controls of documentation established for each process.
- Execute the second phase of “**Together we are+**” along with Alianza Team.
- Start the pilot for ESC fruit providers monitoring and traceability along with our client Alianza Team.
- Begin the process of identifying risks in the company’s support processes.



Logistic management and sales

2020 achievements

- We systematized 100% of the credit generation process.
- We systematized 100% of the freight win for transportation of our products.
- We reached an 80% coverage of first web phase in the systematization of the process of creating clients and providers.

2021 challenges

- Develop systematization of operation and quality report.
- Develop and implement a virtual visualization of supplier payments.
- Conduct the second phase of systematized coverage.
- Develop and produce **Qlik Sense**.
- Raise awareness and train CRM fruit providers.

