



# Sustainability Report

2021



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><b>20</b> years in <b>OPERATION</b></p> <p>Our installed <b>production capacity</b> <b>60</b> Ton RFF/hour</p> <p>In 2021 we <b>collected 101.010</b> Tonnes of RSPO <b>certified fruit</b></p> <p><b>7 major CLIENTS</b> between refiners and traders</p>	<p><b>OUR PRODUCTION</b> Tonnes in 2021</p> <table border="1"> <thead> <tr> <th></th> <th>Certified</th> <th>Conventional</th> </tr> </thead> <tbody> <tr> <td>Crude palm oil</td> <td>22,612</td> <td>21,995</td> </tr> <tr> <td>Crude palm kernel oil</td> <td>966</td> <td>1,147</td> </tr> <tr> <td>Palm kernel cake</td> <td>1,377</td> <td>1,646</td> </tr> </tbody> </table>			Certified	Conventional	Crude palm oil	22,612	21,995	Crude palm kernel oil	966	1,147	Palm kernel cake	1,377	1,646								
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<p><b>Crude palm oil destination 2021</b></p> <table border="1"> <thead> <tr> <th></th> <th>Export</th> <th>National</th> </tr> </thead> <tbody> <tr> <td>RSPO</td> <td>155</td> <td>16,689</td> </tr> <tr> <td>ISCC</td> <td>1,807</td> <td>0</td> </tr> <tr> <td>Conventional</td> <td>6,686</td> <td>19,405</td> </tr> </tbody> </table>		Export	National	RSPO	155	16,689	ISCC	1,807	0	Conventional	6,686	19,405	<p>Oil destined for <b>the food industry (%)</b></p> <table border="1"> <tbody> <tr> <td>RSPO crude palm oil</td> <td>100%</td> </tr> <tr> <td>Conventional crude palm oil</td> <td>92%</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 crude palm oil	100%	Conventional crude palm oil	92%	RSPO palm kernel oil	100%	Conventional palm kernel oil	100%	<p>Tonnes of <b>RFF</b> fresh fruit clusters bought from our <b>STRATEGIC partners</b> <b>98,255</b> Ton RFF/year</p>	
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Social dimension	<p><b>Development of LOCAL COMPANIES</b></p> <p><b>27 ALLIED</b> service providers</p> <p><b>AMOUNT PAID IN SERVICE FEES</b></p> <table border="1"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>million COP</td> <td>6,114</td> <td>9,755</td> </tr> </tbody> </table>		2020	2021	million COP	6,114	9,755	<p><b>Training</b></p> <p># of trained persons: <b>111</b></p> <p># of training hours: <b>101</b></p> <p>92% of programmed trainings took place, all of which were held with necessary biosafety protocols</p>	<p><b># of people trained among CONTRACTORS</b></p> <p><b>50</b></p>	<p><b>Strategic PARTNERS</b></p> <p><b>2021 126</b></p> <p>74% of our providers are <b>SMALL PRODUCERS</b></p>													
		2020	2021																				
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<p><b>Employment generation</b></p> <p><b>38%</b> of strategic and tactical positions are held by <b>women</b></p> <table border="1"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>66</td> <td>67</td> <td>74</td> <td>76</td> </tr> <tr> <td>8</td> <td>9</td> <td>74</td> <td>76</td> </tr> </tbody> </table>		2020	2021	TOTAL	66	67	74	76	8	9	74	76	<p><b>BENEFITS to direct employees</b></p> <table border="1"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>million COP</td> <td>84</td> <td>79</td> </tr> </tbody> </table>		2020	2021	million COP	84	79	<p>Our turnover <b>RATE</b> decreased in <b>1.21%</b> compared to 2020</p>	<p><b>SOCIAL investment 2021</b></p> <p><b>67</b> million COP</p>		
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<p><b>DOSES administered during 2021 PALMARES campaign</b></p> <table border="1"> <tbody> <tr> <td>Doses</td> <td>126</td> </tr> <tr> <td>Direct</td> <td>87</td> </tr> <tr> <td>Contractors</td> <td>24</td> </tr> <tr> <td>Communities</td> <td>15</td> </tr> </tbody> </table>	Doses	126	Direct	87	Contractors	24	Communities	15	Environmental dimension	<p>Fossil fuel <b>ENERGY</b> consumption reduced by <b>19%</b></p>	<p><b>ENERGY</b> produced from <b>renewable fuels</b> <b>2021</b> <b>69%</b></p>	<p><b>CARBON footprint</b> of our operation 2021 <b>895.5*</b> Kg Co<sub>2</sub> eq/dry ton CPO *ISCC methodology</p>	<p><b>WATER</b> consumption <b>1.26</b> m<sup>3</sup>/TRFF</p>	<p><b>Investment in environmental MANAGEMENT 2021</b> <b>474</b> million COP</p>									
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Members of the **ZERO DEFORESTATION** agreement of the Palm Oil Chain

# Our history



**2001**

Extractora del Sur de Casanare was founded in 2001.

**2009**

The plant's extension was increased from 40 to 60 RFF Tons/hour.

**2010**

In 2010 the company kept carrying out improvement plans to impact the amount, capacity and quality of the fruit processed at ESC, which has the highest processing capacity in the country's eastern region.

**2015**

We received the RSPO Principles and Criteria certification as a recognition of our commitment with the environment, community development and constant improvement of our processes.

**2017**

ESC is a company with an entrepreneurial spirit; it is visionary, committed with the country, and an employment generator that contributes to the development of the South Casanare region.

We process and trade palm tree oil and fruit. Our plant has a capacity of 60 tons/hour, and we have more than 70 providers of fruit between small, medium and large producers.

**2019**

We received the ISCC International Sustainability and Carbon Certification and focused our efforts on sustainable use of soil and greenhouse gases traceability and verification throughout the supply chain.

# Sustainability policy

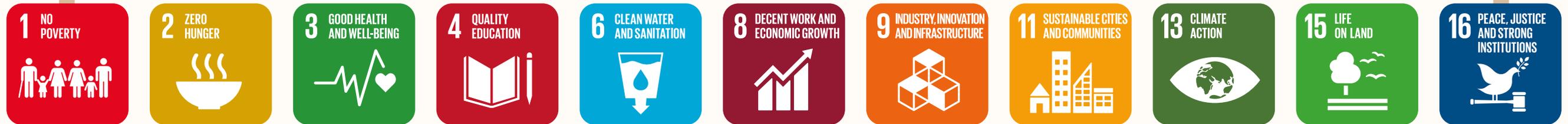
At **Extractora del Sur de Casanare**, we are committed to sustainable development, selling palm oil, kernel oil and their by-products and integrating in our actions good economic, workplace, environmental and social practices. Our main purpose is to contribute to sustainable development in our country creating value in all our relations. All our actions are framed in our **corporate values**:

- 1. Honesty
- 2. Diligence
- 3. Discretion
- 4. Fairness and equity

- 5. Excellence
- 6. Innovative spirit
- 7. Commitment to the country

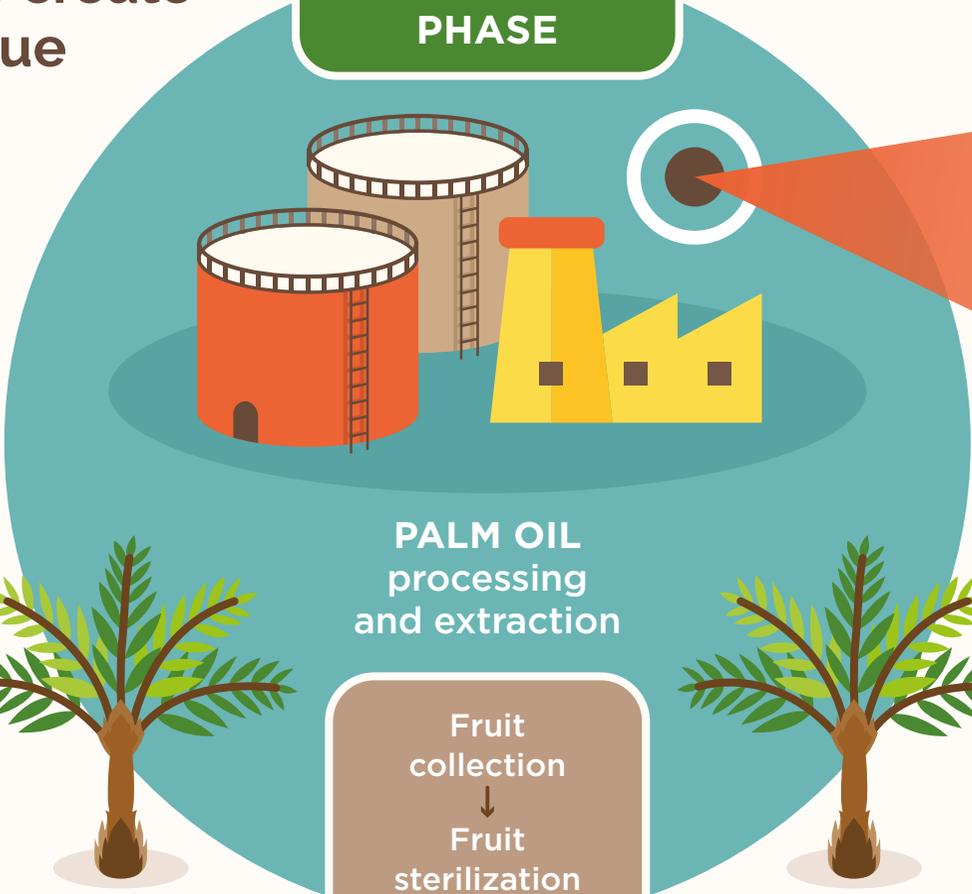


## SUSTAINABLE DEVELOPMENT GOALS

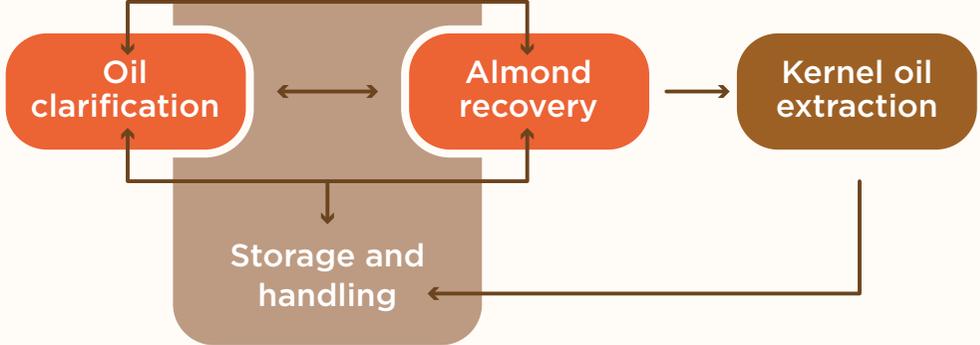


We create value

### EXTRACTION PHASE



Fruit collection  
↓  
Fruit sterilization  
↓  
Oil extraction



### Our certifications

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



SINCE 2015



SINCE 2019



SINCE 2017

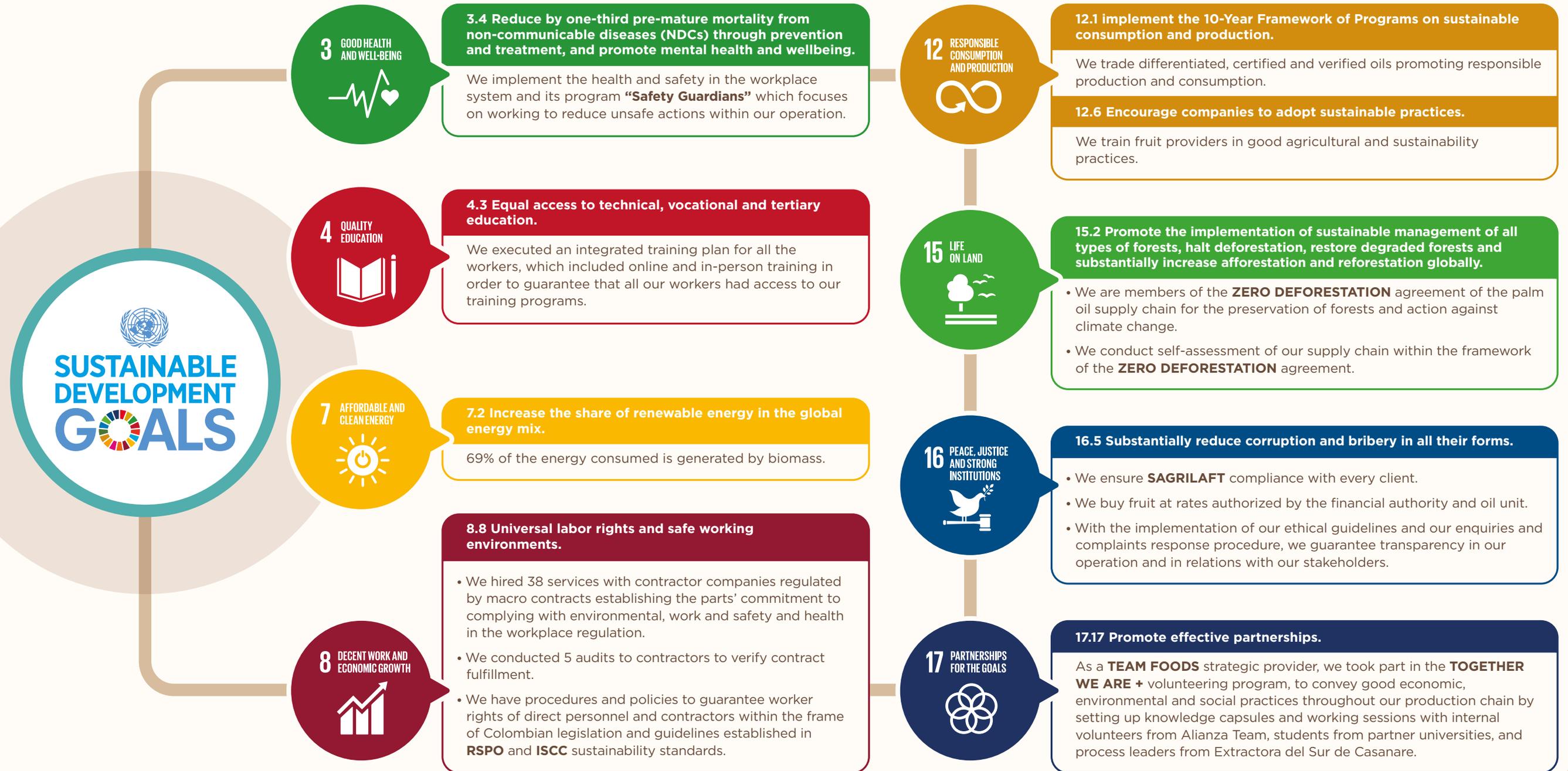


### SUSTAINABILITY

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.

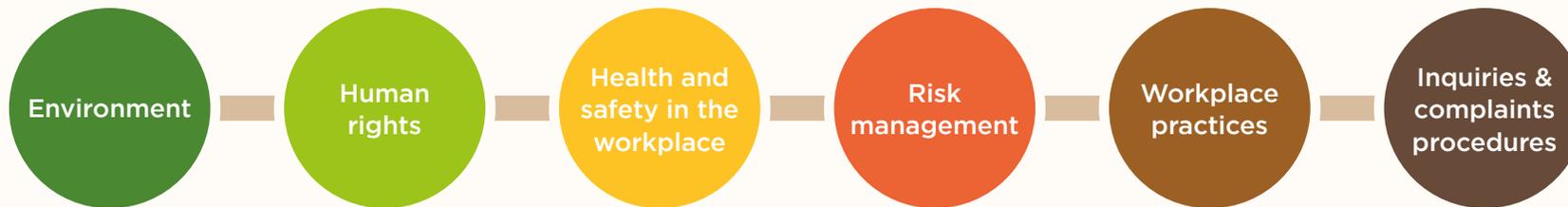
## PROGRAM PARTNERS:



24 external volunteers (students)

23 internal volunteers from Alianza Team

## 14 WORK SESSIONS based on the following themes:



## RESULTS

We completed the first and second stages of the project giving our personnel training in human rights, risk management, environment, enquiries and complaints procedures, workplace practices, business continuity, and a module on carbon footprint.

## 2021 fruit provider management



**AWARD** for the best productivity of a **SMALL-SCALE PRODUCER** in the eastern region 2021

**STRATEGIC PARTNER**  
Excellence Plan Program:

**Palm Tractor with 35 plantations**



**+70 hours**

of training in technical subjects such as:

### TRAINING PROGRAMS:

Chachos (corteros)	300 people
Elite advisors	25 supervisors
Successful palm growers	35 managers

integrated pest and disease management, fertilization, adoption of new technologies and good agricultural practices



We trained

**105** **strategic PARTNERS**

We invested

**181** million COP in management with our **strategic partners**

**AGROCHEMICAL APPLICATOR training**

**72** applicators

We conducted training in

**NEW technologies** (participatory plots) and **loyalty activities**

# Generated and distributed economic value

In line with our business dynamic, we have accomplished a comprehensive and profitable growth and shared generated economic value in a sustainable way. We distribute generated financial resources amongst local and commercial stakeholders.

Generated, distributed and retained economic value		
Economic value*	2021	
Generated	100%	\$193,138
Distributed	98%	\$189,795
Retained	2%	\$3,343
<b>We share our progress</b>		
Distributed economic value*	2021	
 Operational costs	\$177,420	
 Employees' salaries and benefits	\$3,168	
 Payments to creditors	\$184	
 Government taxes	\$3,840	
 Others	\$5,184	

\*Numbers in million COP

In year 2021 our generated economic value **increased by 68%** and contributed to our business profitability and to the growth of our collaborators, producers and other stakeholders of the value chain by distributing **98%** of the total generated income.

# 2021 achievements and 2022 challenges

### Strategic partner service unit management

**2021 achievements**

- We started implementing an APP to improve customer and fruit supplier relationships management.
- We implemented the Strategic Partner Excellence Plan in 35 plantations.
- The FFB quality score obtained by fruit suppliers was 81%.

**2022 challenges**

- Consolidate client relationship management through the acquired APP, among fruit suppliers and the organization's technical assistants.
- Increase by 3% the quality assessment of fruit bought in the year.
- Conduct trainings and implement BPA.
- Train producers in formalization of employment.
- Implement better plant health practices in 1,000 ha of strategic partners.

### Occupational health and safety system management

**2021 achievements**

- We prevented COVID-19 transmission in the company through the effective implementation of biosafety protocols.
- We conducted 3 COVID-19 vaccination campaigns in the company's facilities.
- We obtained a 95.5% score for compliance with resolution 0312 of 2019 on the implementation of minimum requirements of the of the occupational health and safety system.

**2022 challenges**

- Adjust the preventive observation program in order to conduct pilot tests for reporting unsafe actions and conditions and the application of necessary corrective measures.
- Strengthen the road safety program including all those directly involved, contractors and suppliers.
- Promote healthy lifestyles and healthy work to improve workplace conditions and workers' health.

### Human resources management

**2021 achievements**

- 49 workers were certified in labor skills.
- Palm plantation school "Every drop counts" began offering education on technology, operational tasks and load handling.

**2022 challenges**

- Implement phase 2 of the "Every drop counts" program.
- Continue with SENA's labor skill certification program.

### Supply and service chain management

**2021 achievements**

- We reached 100% administrative audits to contractors, completing timely follow-ups with contractors who needed to strengthen administrative aspects.
- We assessed and updated 100% of the monitoring matrix to match new legal guidelines.
- We included 90% of contractors in our insurance policy program.

**2022 challenges**

- Continue to review the supplier insurance policy program.
- Consolidating the final assessment to include operation quality for new contracting.





## Sustainable development management

### 2021 achievements

- We assessed and updated our mission statement.
- We implemented and introduced the online platform to consult the company's integral management system documentation.
- We executed phase 2 of "TOGETHER WE ARE +" projects along with Alianza Team.
- We implemented the pilot project for monitoring and traceability of fruit delivered by ESC suppliers along with Alianza Team.

### 2022 challenges

- Assess and update our mission statement.
- Make known among personnel the SharePoint Palmares tool and train them to use it.
- Control and monitor documentation and forms established for each process.
- Execute the third phase of "TOGETHER WE ARE +" along with Alianza Team.
- Finish the pilot for monitoring and traceability of fruit delivered by ESC suppliers along with Alianza Team under an agreement with Fundación Ecosocial.
- Begin identifying risks within the organization's support processes.
- Move forward with the "Formando Formadores" program along with Solidaridad organization in order to improve environmental practices among our fruit suppliers.

## Logistics and sales management

### 2021 achievements

- We developed the systematization of operation and quality reporting.
- We conducted the systematization of accounting processes to maintain information about coverage.

### 2022 challenges

- Develop and implement online display of payments to suppliers.
- Include freight management and control in Palmasys web, as well as traceability of products delivered to clients.

## Economic management - production

### 2021 achievements

- We were able to maintain the palm kernel extraction rate (KER).
- We managed to decrease the downtimes caused by mechanic and operational failures by 19%.
- We improved the equipment set up method before production peaks.
- We set up equipment and structure for the dynamic clarification phase.
- We ran tests on the fruit arrangement and feeding system of the presses.

### 2022 challenges

- Increase the palm kernel extraction rate (KER) to 39.5%.
- Maintain downtimes caused by mechanic and operational failures at 19%.
- Set up the fruit arrangement and feeding system for all the presses.
- Automate the press system.
- Implement the dynamic clarification system.

## Environmental management

### 2021 achievements

- We identified strategic partners located in places with high risk of deforestation activity.
- We constructed a deep well for which subterranean water collection permit is pending.
- We conducted training and awareness activities regarding the proper use of water with our employees and contractors.
- Water consumption decreased by 6% compared to 2020.
- The water treatment system was optimized.

### 2022 challenges

- Recover 40% of the process's wastewater to reduce the plant's water consumption.
- Make sure that 70% of production comes from deforestation-free suppliers.
- Estimate our water footprint.
- Reduce our discharge by 10% vs 2021.
- Reduce water consumption in the process by 20%.

