



Sustainability Report

2023



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Message from senior management

(GRI 2-1, 2-2, 2-3, 2-4, 2-22)

Reporting on sustainability-focused actions helps us make visible our leading positive impact showing results in economic, environmental, and social aspects. Sustainability orients our actions and is a transversal policy in our organization.

We share **Extractora del Sur de Casanare's** 2023 management, integrating in our reports international principles outlined by sustainability-focused entities such as the **Global Reporting Initiative** and the **Sustainable Development Goals**, which allows us to measure our work in this important issue with international standards.

We are constantly challenging ourselves, working with conviction with our groups of interest, and establishing partnerships to accomplish the goals defined in our vision of the future. Thank you for being part of this purpose.

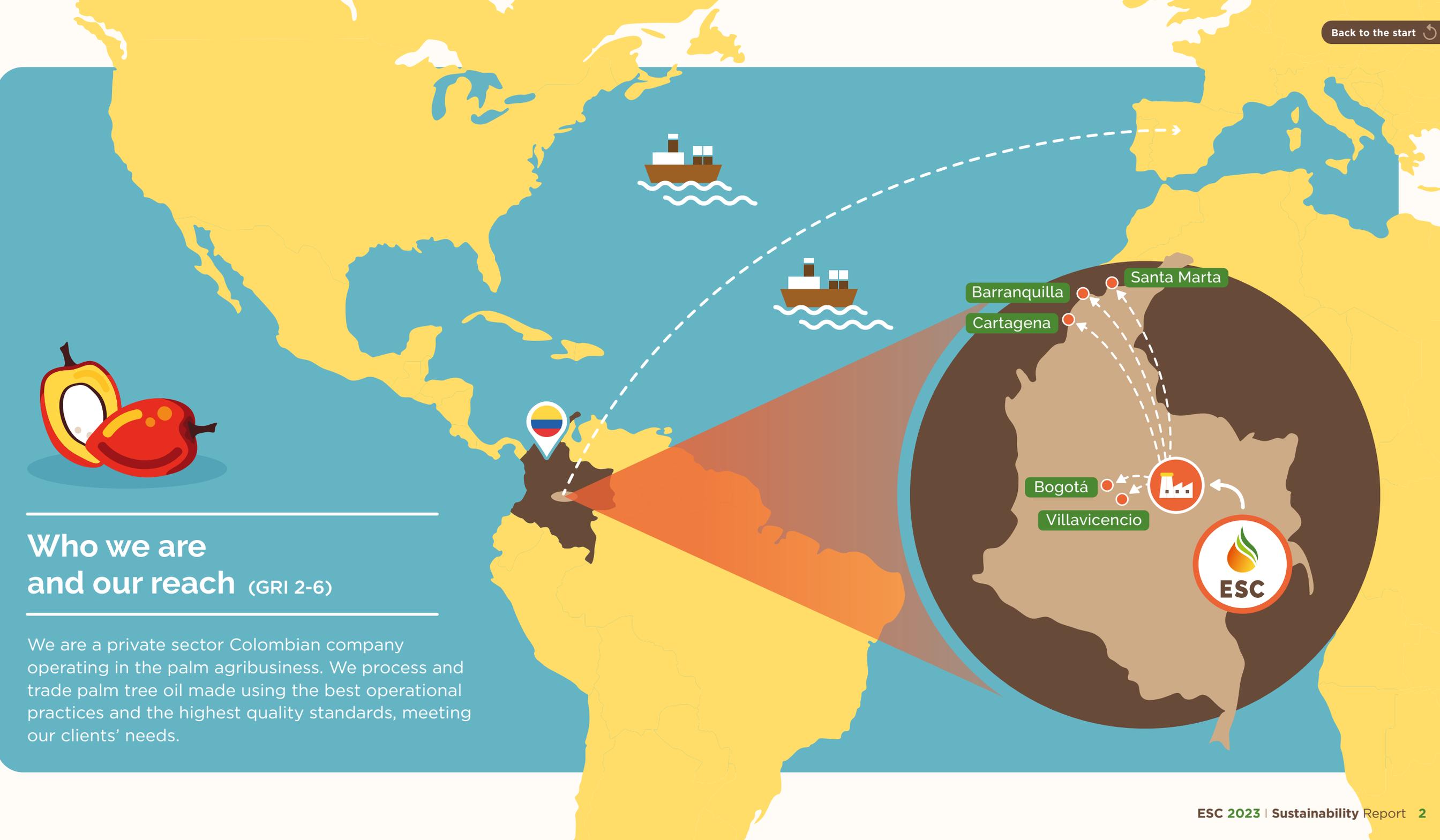


You can contact us at www.esc.com.co/canales-de-comunicacion



Who we are and our reach (GRI 2-6)

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

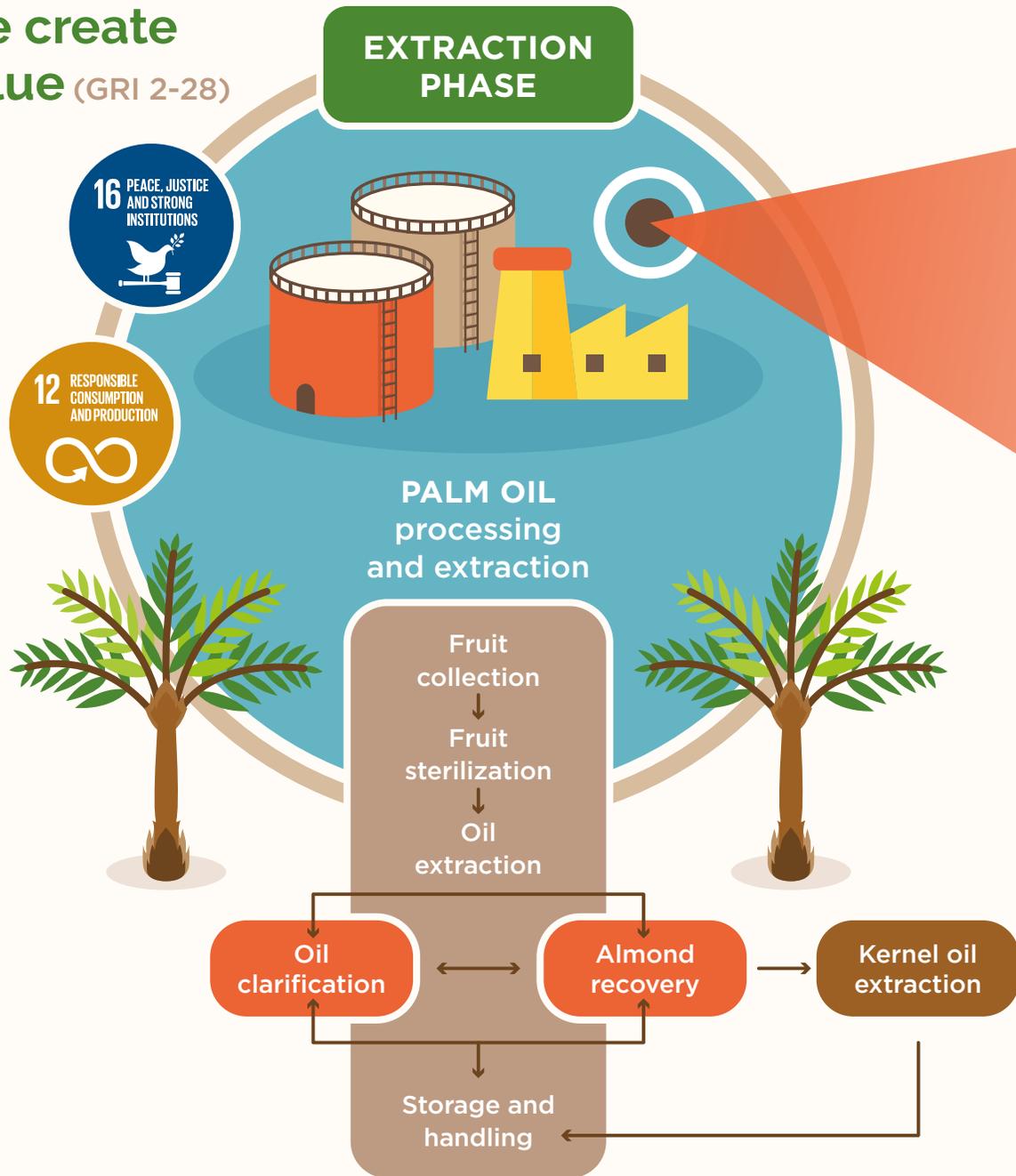


Our triple impact numbers (GRI 2-7, 205-5, 302-1, 303-5, 305-1, 404-1, 413-1)

We are members of the ZERO DEFORESTATION agreement of the palm oil supply chain

Evaluated and certified by RSPO and ISCC	Environmental dimension	ENERGY consumption 2023 86.18 Kwh/tCOP	WATER consumption 1.38 m³/TRFF	2 ha of native species PLANTED	Carbon FOOTPRINT 1,097 Kg Co ₂ eq/dry ton CPO* *ISCC methodology	FOSSIL FUEL energy consumption reduced by 3%	89% of energy generated in 2023 came from renewable fuels (Biomass)	Investment in ENVIRONMENTAL management 2023 385 million COP														
	Social dimension	Development of LOCAL COMPANIES 38 allied service suppliers, 34% of them are LOCAL TRADE		AMOUNT PAID IN SERVICE FEES <table border="1"> <tr> <td>2022</td> <td>11,255 million COP</td> </tr> <tr> <td>2023</td> <td>9,709 million COP</td> </tr> </table>		2022	11,255 million COP	2023	9,709 million COP	Social impact and investments in the COMMUNITY <table border="1"> <tr> <td>2022</td> <td>176 million COP</td> </tr> <tr> <td>2023</td> <td>175 million COP</td> </tr> </table>	2022	176 million COP	2023	175 million COP	TRAINING # of people TRAINED: 87 # of training HOURS: 71 100% of programmed trainings took place	STRATEGIC PARTNERS <table border="1"> <tr> <td>2022</td> <td>139</td> </tr> <tr> <td>2023</td> <td>125</td> </tr> </table> 61% of our suppliers are SMALL PRODUCERS	2022	139	2023	125		
	2022	11,255 million COP																				
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Economic dimension	33% of strategic and tactical positions are held by WOMEN	DIRECT employees <table border="1"> <tr> <td></td> <td></td> <td></td> <td>TOTAL</td> </tr> <tr> <td>2022</td> <td>69</td> <td>12</td> <td>81</td> </tr> <tr> <td>2023</td> <td>67</td> <td>12</td> <td>79</td> </tr> </table>				TOTAL	2022	69	12	81	2023	67	12	79	Benefits to DIRECT EMPLOYEES <table border="1"> <tr> <td>2022</td> <td>86 million COP</td> </tr> <tr> <td>2023</td> <td>88 million COP</td> </tr> </table>	2022	86 million COP	2023	88 million COP	# of people trained among CONTRACTORS 48 PEOPLE	Our turnover RATE decreased by 4.7% compared to 2022	4 HEALTH BRIGADES benefiting families from 7 COMMUNITIES
			TOTAL																			
2022	69	12	81																			
2023	67	12	79																			
2022	86 million COP																					
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22 years in OPERATION		Our installed production capacity 60 Tonnes RFF/hour	In 2023 we collected 109,482 Tonnes of RSPO certified fruit	OUR 2023 PRODUCTION in Tonnes <table border="1"> <thead> <tr> <th></th> <th>Certified</th> <th>Conventional</th> </tr> </thead> <tbody> <tr> <td>Crude palm oil</td> <td>56%</td> <td>44%</td> </tr> <tr> <td>Crude palm kernel oil</td> <td>57%</td> <td>43%</td> </tr> <tr> <td>Palm kernel cake</td> <td>23%</td> <td>77%</td> </tr> </tbody> </table>			Certified	Conventional	Crude palm oil	56%	44%	Crude palm kernel oil	57%	43%	Palm kernel cake	23%	77%					
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Tonnes of RFF (Fresh Fruit Clusters) bought from our strategic partners 2023 43.8% of processed TRFF		11 major clients between refiners and traders	Crude palm oil DESTINATION 2023 <table border="1"> <thead> <tr> <th></th> <th>National</th> <th>International</th> </tr> </thead> <tbody> <tr> <td>RSPO</td> <td>94%</td> <td>6%</td> </tr> <tr> <td>Conventional</td> <td>88%</td> <td>12%</td> </tr> </tbody> </table>			National	International	RSPO	94%	6%	Conventional	88%	12%	OIL destined for the food industry (%) <table border="1"> <tbody> <tr> <td>RSPO crude palm oil</td> <td>89%</td> </tr> <tr> <td>Conventional crude palm oil</td> <td>57%</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	89%	Conventional crude palm oil	57%	RSPO palm kernel oil	100%	Conventional palm kernel oil	100%
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We create value (GRI 2-28)



SUSTAINABILITY

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

We move forward with our providers

8 DECENT WORK AND ECONOMIC GROWTH

8.4 Improve resource efficiency in consumption and production.



7 producers were certified in **APS** (Sustainable Palm Oil) Colombia sustainability Standard validated by **Icontec** under NE-001.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

12.4 Sound management of chemical waste.



36 plantations were strengthened on **technology** and proper **pest and disease management**.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

9.3. Increase access to financial services and markets.

More than **20 providers** benefitted from our **fertilizer financing program**.

15 LIFE ON LAND

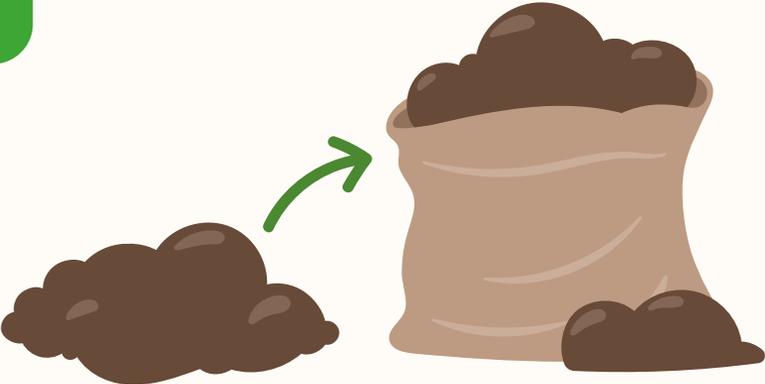
15.1 Preserve and restore terrestrial and inland fresh water ecosystems.

608 million COP invested in developing our **providers**.



643 of our providers' employees were **trained in harvest and prune improvement**, implementation of good agricultural practices, and formalization of labor.

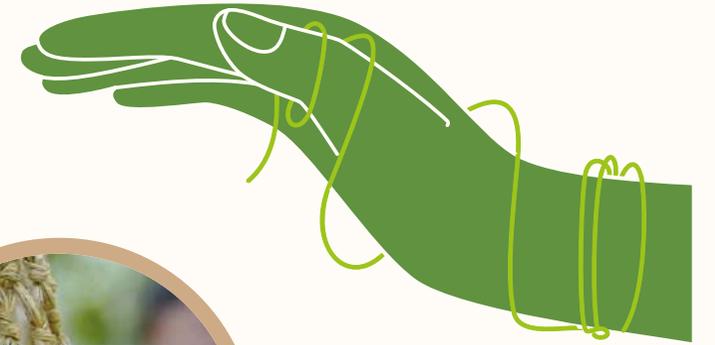
Delivery of the extraction plant's subproducts as organic input for their crops.



Women weaving dreams



The Women weaving dreams initiative brings together household **head mothers** from the municipality of **Villanueva**, who have found in processing organic waste an opportunity to generate income for their families. In the project, the material known as “calceta de platano” is processed by extracting its fibers to elaborate utilitarian objects (weaves and bags) and crafts for the home. Although this dream began in 2023, in **2024 we project to: formalize an association, train artisans in personal finances**, and achieve a substantial improvement in the **income perceived** by their family groups.



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.



2.3 Double agricultural productivity and the incomes of small-scale food producers, particularly family farmers.

We began to set up family subsistence crops made from **recycled material** (ex. tires) looking to meet the families' needs for basic agricultural products (tomato, lettuce, onion, pepper, celery).



3.4 Reduce by one-third pre-mature mortality from non-communicable diseases (NDCs) through prevention and treatment, and promote mental health and wellbeing.

We have the health and safety in the workplace system and its program **"Safety Guardians"** which focuses on working to reduce unsafe actions within our operation.

We comply with all the **SST** management goals.

We conduct **health brigades** with collaborators and the community.



4.3 Equal access to technical, vocational and tertiary education.

We executed an integrated training plan for all the workers, which included online and in-person training in order to guarantee all our employees had access to our **training programs**.

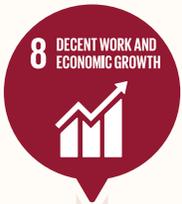
Our training programs extended into Villanueva's town center where our employees and their families live. By screening films we instilled the need for all children of worker families to complete all stages of their education thus reducing desertion numbers.



7.2 Increase the share of renewable energy in the global energy mix.

89% of the energy consumed is self-generated by biomass.

We assessed the implementation of **renewable energy projects**.



8.8 Universal labor rights and safe working environments.

We created direct work opportunities for more than 81 people.

We have procedures and policies to guarantee worker rights of direct personnel and contractors within the framework of Colombian legislation and guidelines established in the RSPO certification process.

20 local companies which comply with environmental, labor and safety and health in the workplace regulation were hired to provide services at the extraction plant.



12.1 Implement the 10-Year Framework of Programs on sustainable consumption and production.

We trade differentiated, certified and verified oils promoting responsible production and consumption.

12.5. Substantially reduce waste generation through prevention, reduction, recycling, and reuse.

We began the Women Weaving Dreams program with household head women from rural areas that transform “calceta de platano” into into crafted products for the home.

12.6 Encourage companies to adopt sustainable practices.

We trained our fruit suppliers in good agricultural and sustainability practices.

We conducted 10 trainings related to environmental issues.

87 workers were trained in issues related to workplace wellbeing (human rights, community committee, enquiries and complaints response, selfcare, and safe behavior, ergonomics, etc.).

We conducted the Training for Trainers program (Agrolearning) for 153 people.



15.2 Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

We are members of the Zero Deforestation Agreement of the palm oil supply chain for the preservation of forests and action against climate change.

We installed artificial buffer zones in lakes to mitigate risks and affecting fauna.

We completed 91% of environmental trainings planned.

We planted native species in 2 ha in order to restore and preserve the riparian buffer zone of caño el Vigía.



16.5 Substantially reduce corruption and bribery in all their forms.

We strengthen our contractors in administrative matters.

We ensure SAGRILAF compliance with every client.

Through our ethical guidelines and our enquiries and complaints response procedure, we guarantee transparency in our operation and in the relations with our stakeholders.



17.17 Promote effective partnerships.

In partnership with Fedepalma and Asobancaria we carried out personal finance trainings focused on women.

We work in communities of influence.

We develop partnerships with Orinoquía’s Autonomous Regional Corporation.

We are part of Together for SDGs.

Zero deforestation in the supply chain project with Solidaridad.

Certifications



FOLLOW OUR PROGRESS AT:
<https://rspo.org/members/1-0214-16-000-00/>

CERTIFIED SINCE 2015

We are

RSPO CERTIFIED

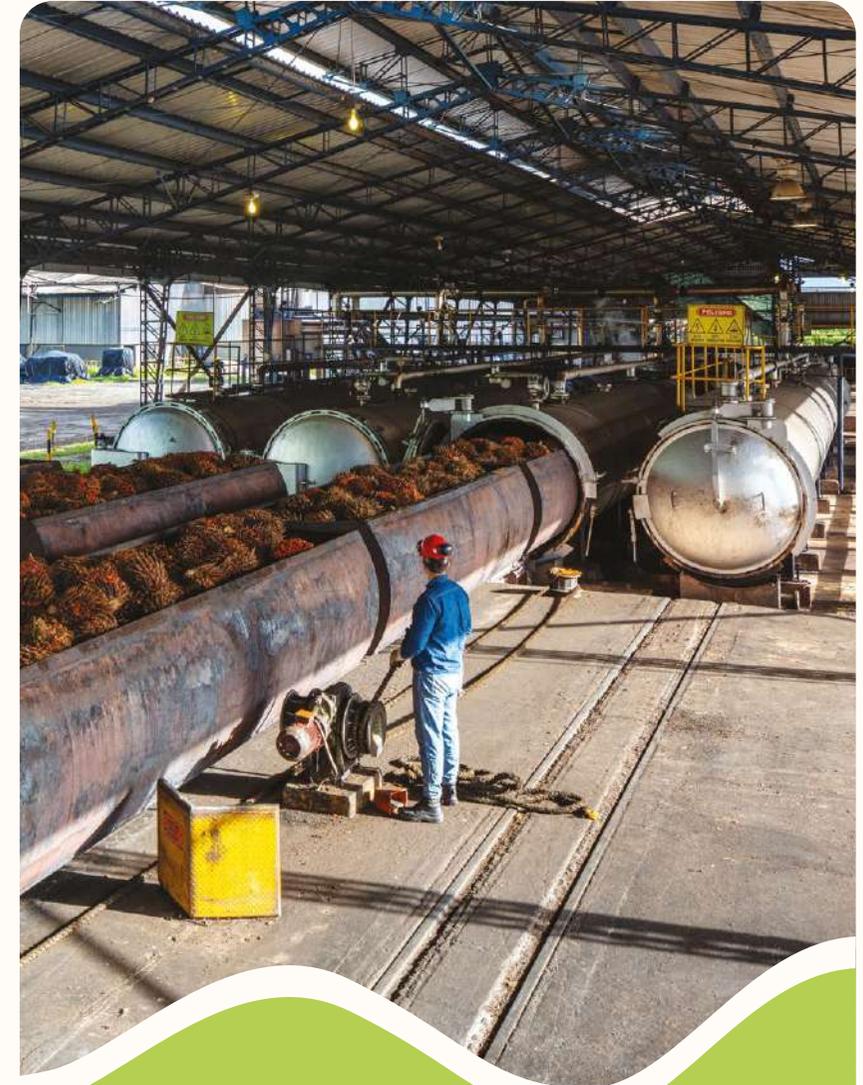
since 2015
(Roundtable on Sustainable Palm Oil)



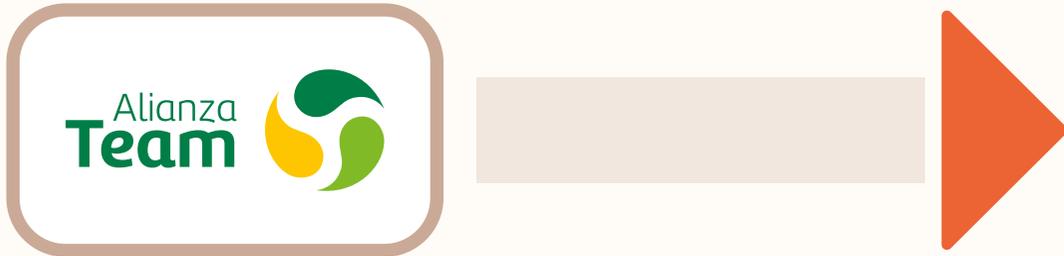
CERTIFIED SINCE 2019

We are certified since 2019 and our ISCC (EU and PLUS) certificates were renewed. This standard focuses on carbon footprint, which allows us to guarantee GHG emission reduction in the production of our oils.

The company also received a Point of Origin certification for the proper management of oil waste stream.



Strategic partnerships



In 2023 we took part in assessing the 2022 **Together for SDGs program**, a **Global Pact initiative** seeking to promote knowledge of the **2030 agenda** and the **Sustainable Development Goals** which aims to include all companies in their consecution as well as measuring, making visible and presenting the organizations' contribution to the country's sustainable development.



During 2023 we worked with **Solidaridad NGO** to carry out the project **“Deforestation Monitoring in Extractora del Sur de Casanare”** confirming that our supply base is deforestation free.

2023

In 2023 we completed a comprehensive economic, environmental and social characterization of **ESC's** entire supply extensive through **25,789 ha**. Our collaboration is ongoing in 2023 and we accomplished important milestones in the project such as:

The team at **Fundación Proyección Ecosocial** developed and implemented the online platform called **Vp-Visiprast** which gives access to our chain's environmental, economic, and social characterization as well as risk analysis, producers' reports, and cartography, among others.

As part of the **Amazonía Connect Program** we hosted a webinar to share the experience of using the **VP-Visiprast platform** with different palming industry companies, NGOs and public entities at a national and regional scale.

After visiting fields of providers with identified environmental and deforestation risks, we outlined a **work plan** focused on compensating and mitigating impact and promoting regenerative agriculture practices.

Applying and updating an environmental, economic, and social **characterization tool**, in two ESC plantations starting by validating its borders and then analyzing coverage changes and environmental risks.

Analyzing results in the **VP-Visiprast platform** and generating action plans per producer according to provided answers.

ZERO DEFORESTATION supply chain

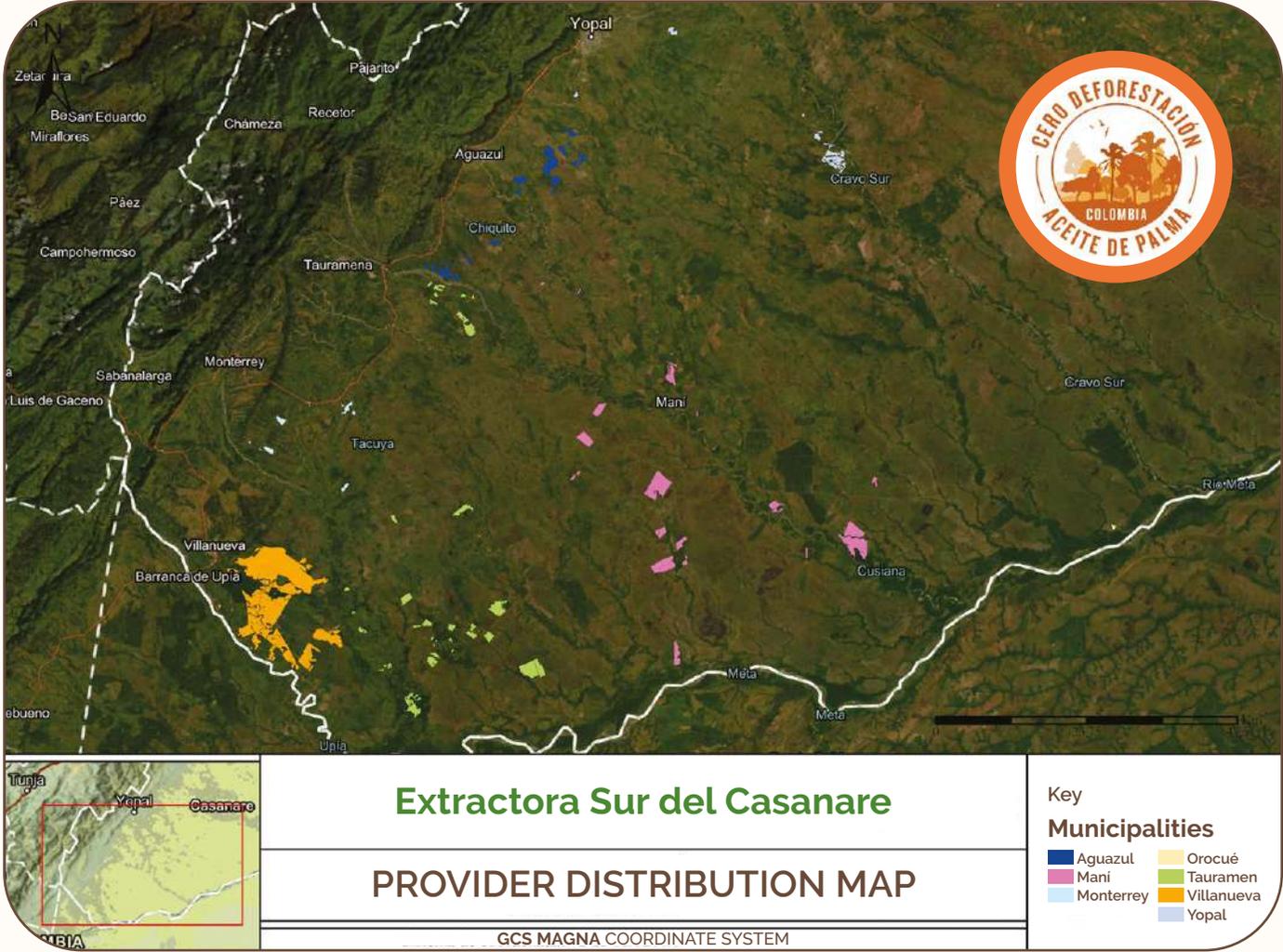
During 2023 we worked with **Solidaridad NGO**, to carry out the project “Deforestation monitoring in Sur de Casanare”.



1,110 palm tree lots were assessed corresponding to 25,789 ha. of the extraction plant's fruit providers.

Geospatial analysis of identified areas was conducted via de **Satelligence** tool basing interpretation on layers reported by **IDEAM** (Corine Land Cover) and **Global Forrest Watch**.

Cross-checking with data from IDEAM and Global Forest Watch 2011 -2023 we concluded that there is no record of natural or intervened forests within these boundaries, which confirms that our supply base is deforestation free.



Sustainable value, hand in hand with the communities

We act based on our **sustainability** principle to respect and promote the development of communities and care of natural resources.

2023 ACTIVITIES



We responded to **231 health needs** benefiting neighbors of villages San Marcos and Fical. Additionally, the day was complemented with a beauty activity.



We used the educational space offered by the Don Rafael school to strengthen teaching processes with recreational and pedagogic activities. **76 children** used these ludic spaces and enjoyed a variety of snacks.



Our commitment to the company's workers was extended to their families who live in Villanueva's town center. We hosted film screenings and healthy learning activities benefitting **250 children and their families**.



223 children and their families attended the community film screenings. Movies with social messages were played aiming to reduce school desertion numbers, reject child labor, and promote human rights policies within the company.

Generated and distributed economic value (GRI 201-1)

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

GENERATED, DISTRIBUTED AND RETAINED ECONOMIC VALUE

ECONOMIC VALUE*		2022		2023
Generated	100%	\$218,218	100%	\$205,627
Distributed	98.8%	\$215,601	99.8%	\$204,799
Retained	1.2%	\$2,617	0.40%	\$828

DISTRIBUTED ECONOMIC VALUE*

	2022	2023
 Operational costs: Investment in fixed assets, environmental, operation, infrastructure and sustainability	\$206,218	\$195,683
 Employees' salaries and benefits	\$3,551	\$4,184
 Payments to creditors	\$689	\$1,305
 Government taxes	\$4,218	\$2,581
 Others	\$925	\$1,046

*Figures in COP million



In year 2023 we contributed to our business's profitability and to the growth of our collaborators, producers, and other actors of the value chain. By reducing operational costs, we increased benefits for our collaborators (18%), promoted our providers' development doubling their payments, and grew in other costs by 62%, including socio environmental investments and personnel training.

Our commitments for 2024

Environmental

We are committed to maintaining and promoting in our supply chain, the declared sustainable development principles, constantly improving in the efficient use of resources, waste management, climate mitigation and caring for the environment.

In 2024 we have set out to:

Continue to execute our plans of action and constantly improve of our RSPO and ISCC sustainability standards.

Start moving towards being able to reuse waste waters through **Fertirriego**.

Recycle and reuse water inside the extraction plant.

Use rainwater in the extraction plant's main covered areas.

Develop the project to generate electric energy with **solar panels** in administrative areas.

Implement a policy to eliminate **single-use** plastic products.

Implement a **cooling system** for industrial wastewater.

Begin with the project to increase **generation of electric and thermal energy** through use of solar energy and gas produced at the extraction plant's waste discharge.

Social

We are committed to maintaining and promoting among our groups of interest the declared principles of sustainable development working in a safe, healthy way, implementing the best practices respectfully, and promoting the development of communities.

In 2024 we have set out to:

Strengthen the economic empowerment project for women in the region to generate wellbeing for their families.

Set up the **Organic Growers School** with neighbors of the extraction plant in order to strengthen their subsistence crops.

Begin with the **"Environmental Guardians"** program to create awareness among children and youngsters of conservation and responsible use of natural resources.

Implement among all operational personnel and contractors the **"We are all safety guardians"** program to report on unsafe conditions and actions.

Economic

We are committed to maintaining and promoting among our groups of interest the declared principles of sustainable development, implementing the best operational practices, transparency, ethics and responsibility. Promoting sustainable practices throughout the value chain.

In 2024 we have set out to:

Standardize subproduct delivery to clients.

Implement a **third shift** to respond timely fruit increase.

Promote **strategic partner** development.

Structure a WhatsApp **"24/7 contact center"** to respond to provider's needs.

