

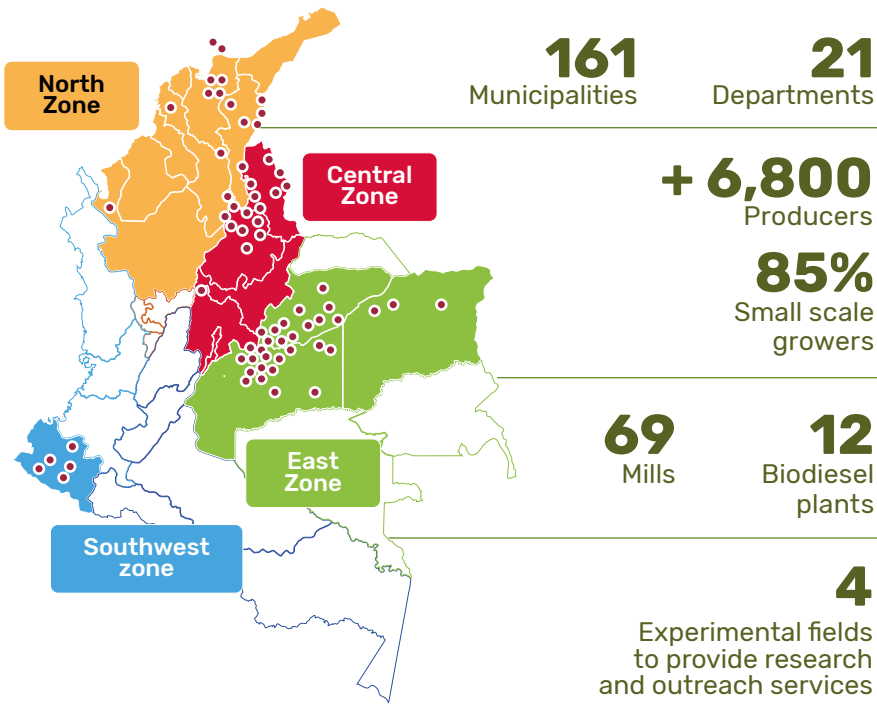
SUSTAINABILITY REPORT OF THE COLOMBIAN PALM OIL SECTOR 2018-2021

Main Results of our Sustainability Efforts

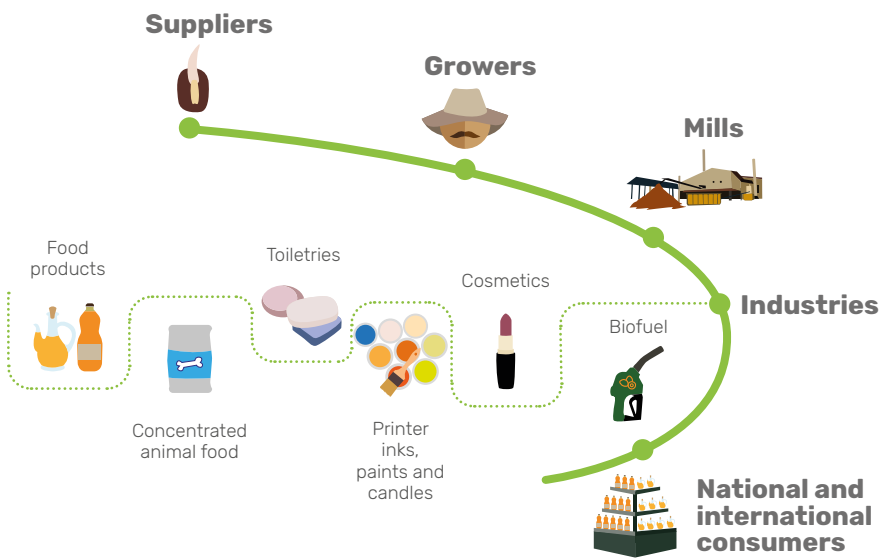
**A sustainable and reliable origin that generates
value for growers and producers, and has a positive
impact for the communities and the environment**

The Colombian palm oil sector

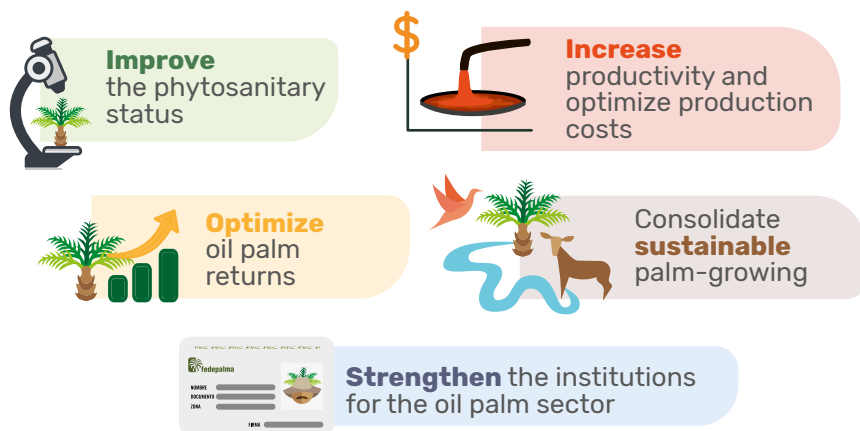
Figures as of December 31, 2021



The palm oil sector and its products

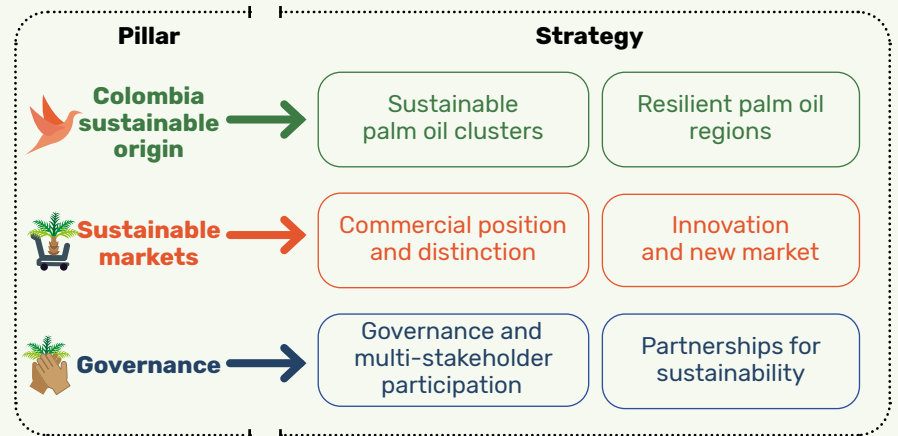


Strategic challenges of the palm oil sector



Sector's sustainability strategy

Contribute to the **well-being, prosperity and resilience** of oil palm environments and to achieve the Sustainable Development Goals by producing Colombian sustainable palm oil that is **recognized in Colombia and internationally**.



Principles of Colombian Sustainable Palm Oil

Our value promise is based on a **sustainable and reliable origin** that generates the **highest value for growers and producers** and has a **positive impact for the communities and the environment**.

ECONOMIC



1 Productive, competitive and resilient agribusiness



6 Value generation from biomass

ENVIRONMENTAL



2 Adequate and efficient use of land, water and energy



3 Zero deforestation and no conversion of HCV



4 Oil palm crops in harmony with natural environment and biodiversity

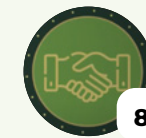


5 Prevention and mitigation environmental pollution

SOCIAL



7 Decent work and respect for workers' rights



8 Responsible supply chains and inclusive business models



9 Responsible relations with communities and protection of human rights



10 Ethical, legal and transparent behavior

Main economic, environmental and social impacts of the sector

ECONOMIC

Fourth

Largest producer of palm oil in the world



2,1% of world production

First

Producer in Latin America



596.000 ha

Oil palm crops in Colombia



Second crop by area

First

Product of non-traditional exports



Fourth

of agricultural exports

3,45 t/ha

Yield of crude palm oil in 2021

10% higher than in 2020

2021 production

1,7 million t Crude palm oil (CPO)

7,8 million t Fresh fruit bunches

312 thousand t Palm kernel



Market share

70% local

1.2 million t of crude palm oil sold in 2021

30% exports



Mexico - Brazil - Spain - Italy - The Netherland

USD 660 Value of exports as of 2021

USD 1,98 billions

value of production in 2021

85% more than in 2020



16% of agricultural GDP

26,3%

Production CPO certified under international sustainability standards (**459 thousand t**)



+ 82% Formal jobs



+ 197,000 Total jobs in 2021



63% Have contracts for more than one year

1,5 minimum salary

Average monthly salary of a worker

+31% of producers are women



89% of them are small-scale producers

SOCIAL

A 1% increase in the density of the area planted is related to an increase in:

Educational coverage



2.69% Primary education



2.8% Secondary education

Health care coverage

2% Contributive regime

1.5% Subsidized regime



+ 244,000 Families benefit directly from the sector

Oil palm crops are associated with a

14%

reduction in illegal crops in municipalities affected by conflict

PALM SOLIDARITY FUND

+725,000

potential beneficiaries received assistance during the COVID-19 pandemic



ENVIRONMENTAL

Environmental Guidelines for the Colombian Oil Palm Sector

We promote the adoption of best environmental practices throughout the production chain



42%

of the Colombian crude palm oil is produced by the palm companies that signed the Zero Deforestation Agreement

Use of byproducts

25

Mills in Colombia have composting systems



Energy generation from biomass

7

Mills have methane capture systems to reduce GHG.



11

Mills have co-generation systems that supply **+59% of the electric power** required to extract palm oil

Our stakeholders

Basic

Government

Media

Strategic partners

Vendors and contractors

Essential

Palm oil producers

Governance bodies

Workers

Important

Clients and consumers of the palm oil value chain

Clients of the Federation's services

Communities

Contribution of the sector to sustainability

The Colombian palm oil agribusiness actively contributes to the targets of the Sustainable Development Goals (SDGs) as part of the United Nations 2030 agenda.

Alignment of the Colombian Sustainable Palm Oil Principles with the



Productive,
competitive and resilient agribusiness



Adequate and efficient use
of land, water and energy



Zero deforestation
and no conversion of HCV

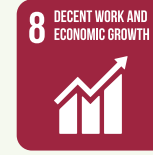
Oil palm crops in harmony
with natural environment and
biodiversity



Prevention and mitigation environmental pollution



Value generation
from biomass



Decent work
and respect for
workers' rights



Responsible supply chains
and inclusive business models



Responsible relations
with communities and protection of human rights



Ethical, legal and transparent behavior

Consult the contribution of the sector
to the achievement of the Sustainable
Development Goals (SDG)



Biodiverse palm landscape



A commitment of the Colombian palm oil sector to develop an agribusiness that **RESPECTS OUR NATURAL WEALTH.**

Three key moments to include environmental considerations in the decision-making process of oil palm projects



1 **FEASIBILITY** analysis for new oil palm projects

Result: Better oil palm plots purchase and placement decisions, minimizing environmental risks

2 **DESIGN** of oil palm plots

Result: Better design of oil palm plots that respect biodiversity and the environment



3 **Operation and MANAGEMENT**

Result: Adequate environmental management of oil palm crops



Sectorial strategy for zero deforestation



We work together so that the companies that signed this agreement can demonstrate that their **supply chain is free from deforestation of natural forests.**



0,2% of national total deforestation is related to oil palm crops

Oil palm deforestation baseline 2018 (IDEAM, 2021)

Our partners



Decent work and workers' rights

The Colombian palm oil sector socializes and promotes guidelines for due diligence and **respect of human rights**



We promote job formalization and the implementation of Work Safety Systems through **a Sponsorship Plan**

Stage 1 of the project:

four

palm clusters involved with formalized employees of small-scale growers

Our partner |



Palm Sustainability Network

We promote the coordination of programs and services between the Federation and oil palm foundations to benefit communities.



46

Members of oil palm companies



24

Foundations

Women palm oil producers network

We promote leadership and education tools for women palm growers aimed at strengthening their role and closing gaps in the palm oil sector.

+100 women enrolled



179 women trained

Household risks prevention workshops

Women palm oil producers network

Child labor prevention workshops

Training programs for women in the sector

Entrepreneurship workshops

Partnership for rural women programs

Promoting the Production of Sustainable Palm Oil of Colombia



We established the requirements and good practices for the production of sustainable palm oil in crops and mills.

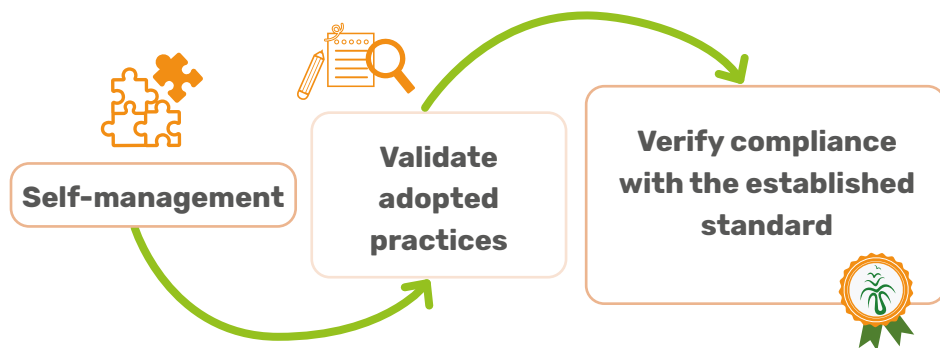


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Colombian Sustainable Palm Oil Protocol



It is a **gradual scheme to validate and verify** the adoption and compliance with the practices related to the 10 Principles of Colombian Sustainable Palm Oil.

Sustainable Palm Oil of Colombia Corporation - APSColombia

Corporación APSColombia

Independent organization with its own governance, which manages the APSColombia Protocol and **promotes the participation of different actors -whether or not they are palm growers- engaged in the value chain and other partners of the sector.**