

SUSTAINABILITY REPORT 2022

Executive Summary



Sucroal

Science and innovation for a
sustainable future



About this Report

At Sucroal, we are driven by the purpose of building a sustainable future for the country through science and innovation, which is reflected in the creation of value both for the Company and for shareholders, customers, employees, suppliers, and other stakeholders. For this reason, we present our **2022 Sustainability Report**, prepared in accordance with the Global Reporting Initiative - GRI Standards for the period between January 1, 2022, and December 31, 2022. In it, we share our progress, actions, and goals in terms of the economy, the environment, and people.

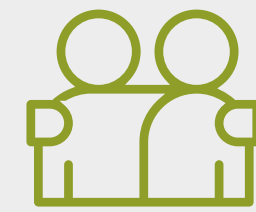


About Sucroal

We are a Colombian company located in Palmira, Valle del Cauca, belonging to the Ardila Lülle Organization. We have 57 years of experience providing chemical and biotechnological solutions through the transformation of **42,400 tons of sugar per year** into products such as citric acid, salts, alcohols, acetic acid, and other products that are used in different foods and in the industrial sector.

We grow together towards a sustainable future based on our values, which guide us in our day-to-day work.

Corporate Values



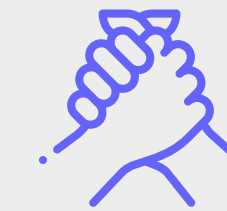
Inspire
confidence

01



Humility

02



Respect

03



Integrity

04



Passion &
commitment

05

2022 was a year of great growth, which allowed us to establish a MEGA that responds to the vision for the period 2023-2027: **To reach revenues of COP \$1 billion by the end of the fifth year.**

To achieve this, we set ourselves the following strategic pillars:



We work so that our highest-quality products are present in more than 30 countries in America, Asia, Europe and Oceania. We are proud to present our results for 2022:



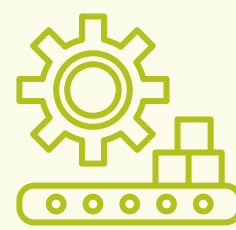
TOTAL ECONOMIC VALUE

COP \$746,195 MM
+50 % vs. 2021



EXPORTS

USD 63 MM
+77.8 % vs. 2021



PRODUCTION

108,830 Tons
+9 % vs. 2021



GENERATED JOBS

444
+26 % vs. 2021

Our Government

Transparency is the basis for making strategic decisions and corporate actions, established by the Board of Directors and managers of the Company. Below, we highlight the following milestones of our management in 2022:

- ✓ We built and approved the Good Governance Code, focusing on respect for human rights, prevention of money laundering, and promotion of diversity and equality.
- ✓ We approved the regulations of the Board of Directors, which measure the management of members according to the fulfillment of their responsibilities and, additionally, contemplates the communication of conflicts of interest.



Anti-corruption

With the purpose of fostering relationships of trust and transparency with stakeholders, we have consolidated a solid institutional structure that does not admit any type of act of corruption. At the same time, we apply different programs related to the prevention of money laundering, financing of terrorism, corruption, bribery, fraud, and risks associated with the protection of personal data, which establish the structural elements as a framework to prevent, detect, investigate, and correct events that may be associated with corruption.

In 2022, these were our achievements:

01**0**

Confirmed cases of corruption

02**0**

Events of corruption that have violated the human rights of stakeholders.

03

No situations associated with Transnational Bribery and Corruption - ST/C risks were identified in the third parties evaluated through the Third-Party Risk Profiling Matrix.

04

We trained and communicated to **84 %** of the strategic personnel related to the ST/C prevention program, and to **100 %** of the Board of Directors, our anti-corruption policies and procedures.

+11 % vs. 2021



Sustainability Strategy

Since **2010**, we have been linked to the United Nations Global Compact, and we have established a commitment to apply and promote its ten principles throughout the value chain. Likewise, the Sustainable Development Goals - SDGs have guided us towards the implementation of actions that allow us to contribute to meeting global challenges.

At Sucroal, we carried out a **Materiality Analysis** this year

The materiality analysis allowed us to identify and update issues that are important and that represent risks and opportunities for the organization; these are the ones that structure the content and data of this report.

For more information, see the Materiality Section in the Full Report.



Our **Materiality**



Based on the identification of the most relevant topics and the construction of the strategy for 2027, the Sustainability Axes have been established that will guide the Company's strategy in its commitment to maintain sustainable operations and preserve resources for future generations. The main objectives of the strategy are described below.

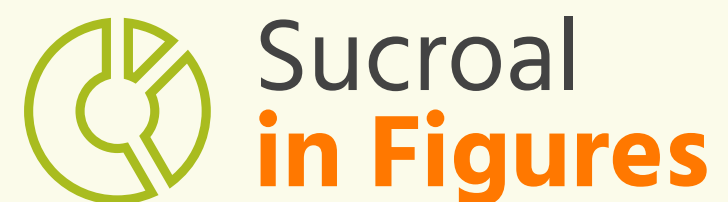
Sustainability Model



Since we started participating in the evaluation process in 2016, we have achieved outstanding results, as in 2022 we were awarded the EcoVadis Silver medal, a significant achievement that demonstrates progress compared to the recognition obtained in 2020, when we received the bronze medal.



Economic Performance



At Sucroal, we believe that a sustainable company seeks to maximize its profits, and in turn, cares about the impact it has on its environment and on people's lives.



**WE ARE EXPORT LEADERS
IN COLOMBIA.**

According to the *latest ANDI
foreign trade report*,
we are in the

**top 5 Colombian
exporting companies within
the chemical industry.**

+77.8 % vs. 2021

OPERATIONAL ECONOMIC VALUE

COP \$731,479 MM

+49 % vs. 2021

NON-OPERATIONAL ECONOMIC VALUE

COP \$14,716 MM

+165 % vs. 2021



**FINANCIAL
RESULTS**

EBITDA

22%

+15 % vs. 2021

This year, our
**TOTAL ECONOMIC
VALUE** was:

COP \$746,195 MM

+50 % vs. 2021

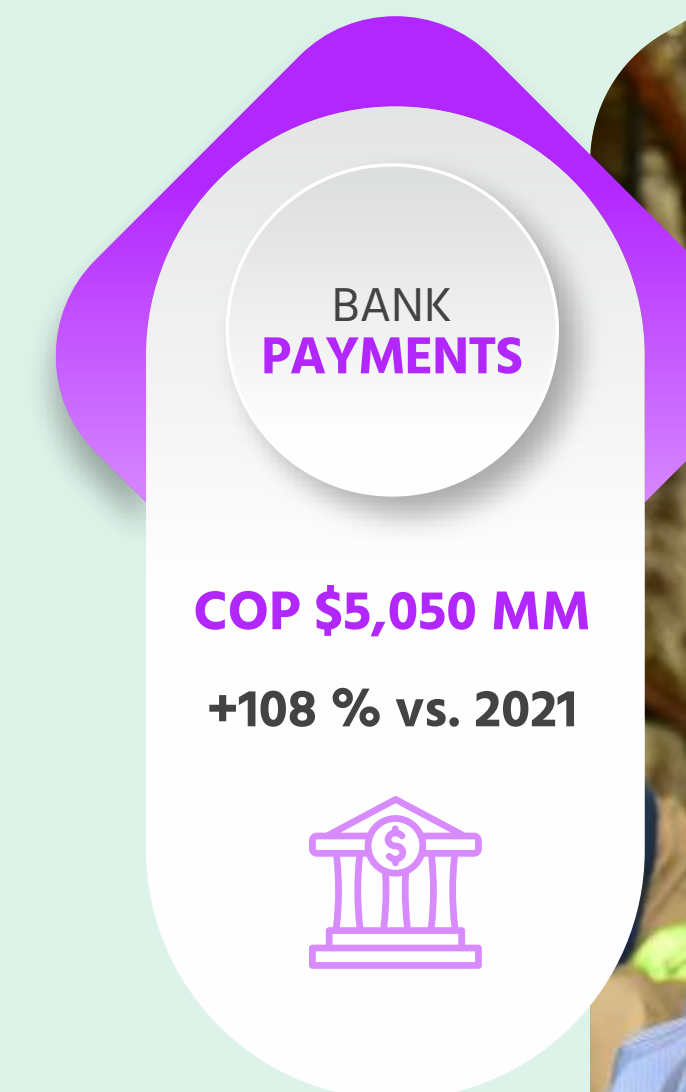
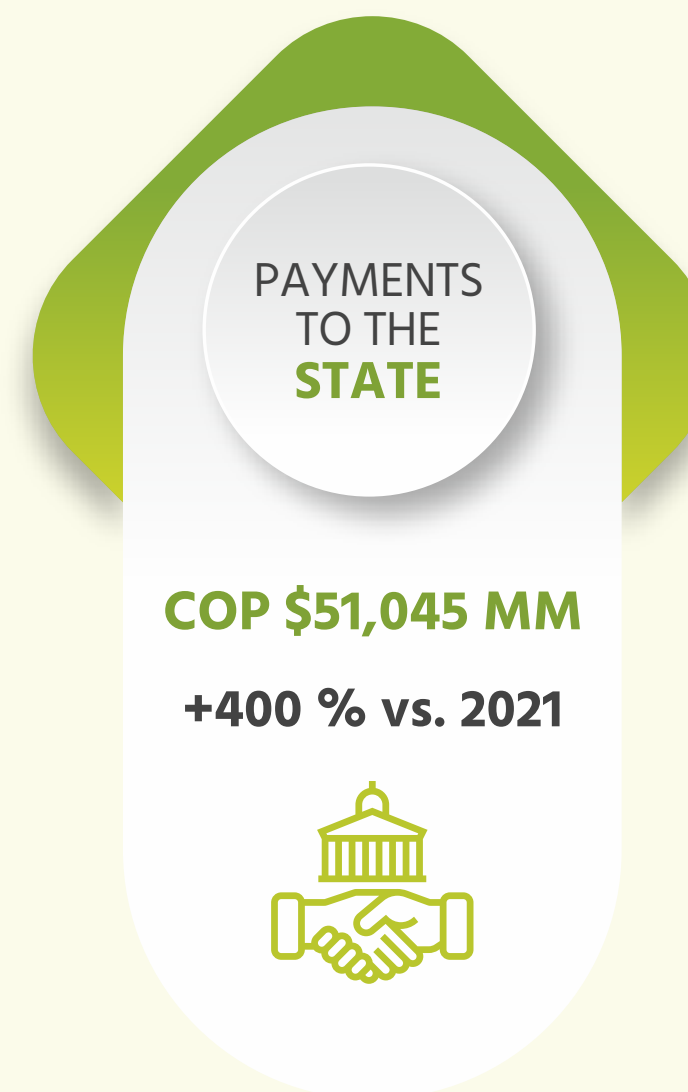
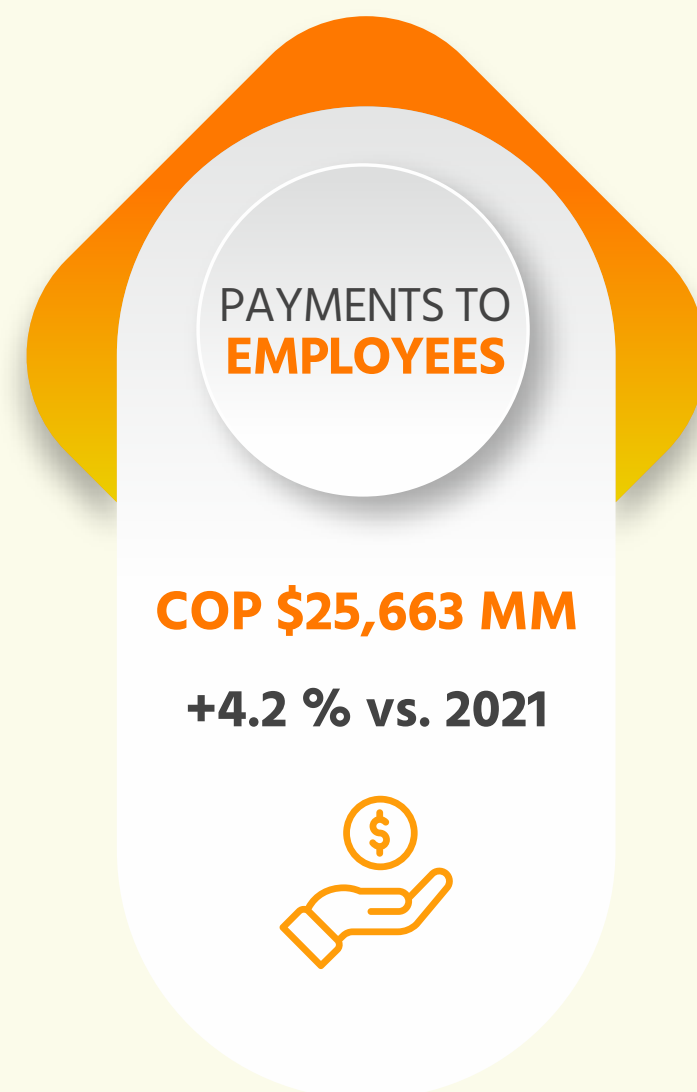
We obtained
a record result by
achieving a net profit
of **COP \$83,918 MM**
thanks to the valuable
contribution of
all areas.





Distributed Value

We believe that the generation of distributed value is key to sustainable success. For this reason, we have established fair and sustainable relationships with our suppliers, employees, and other stakeholders, as shown below:



Presence on the Market

At Sucroal, we believe that success is measured in terms of financial achievements and in our ability to be agents of positive change in society.



WE FORMALIZED
103 WORKERS

who were previously contractors, providing them with greater labor and social guarantees.

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INFORMATION HERE



SUCROAL MINIMUM WAGE
\$ 1.300.000

30 % above the current legal minimum wage in Colombia for 2022.

Procurement Practices

At Sucroal, we prioritize the acquisition of raw materials, supplies, and services in order to provide a reliable guarantee. **For more information, see the Full Report.**



53 %

Of the expense corresponds to **local suppliers** and to raw materials such as cane sugar, lime, sulfuric acid, among others.

COP \$243,408 MM

Were purchases made from **suppliers in the Valle del Cauca region.**

We managed to standardize one of our packaging materials that came from Turkey, and **a local supply was developed.** We continue working to standardize some spare parts and supplies **with a national supplier.**

We created the **Market Analysis Committee** and the **Purchasing Committee** to analyze offers, selection, trends, prices, and export dynamics, allowing us to make decisions that reinforce sustainability in the supply.

Materials

Taking into account the principles of circular economy, we manage materials to extend their lifespan in order to generate efficiency and guarantee the continuity of the processes through the use of resources throughout the production chain.

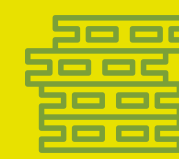
01

We use activated carbon, and instead of throwing it away when it's worn out, we salvage it and send it to a local supplier to reactivate it and restore its functionality.

In 2022

63 %

of the carbon was reused

02

We have a workshop dedicated to the remanufacturing and recovery of wooden pallets, in which we take care of giving new life to used ones.

We recovered

8.906 pallet units**03**

We give seemingly obsolete spare parts an opportunity to be used again in the operation.

We saved

COP \$ 123 MM

Energy

At Sucroal, energy is an essential resource to ensure the normal course of production and offer the best products.

Energy consumption was

287 GWH

+12.7 % vs. 2021



We achieved a significant increase in our production, which has resulted in higher energy consumption compared to previous years.

We are aware of the importance of this resource, which is why we focus on optimizing energy consumption through environmental programs throughout the factory.

This year we invested

COP \$2,206 MM

in the implementation of the Phase 1 Energy Efficiency Project



The project consists of making use of vacuum-generating ejector systems in low-pressure citric acid processes, and thus, reducing gas consumption and replacing old compressors and motors with more efficient ones.

In the coming years, we will focus on **Phase II of the Energy Efficiency Project**, whose main objective is to gradually replace energy from fossil fuels with cleaner and renewable energy sources.

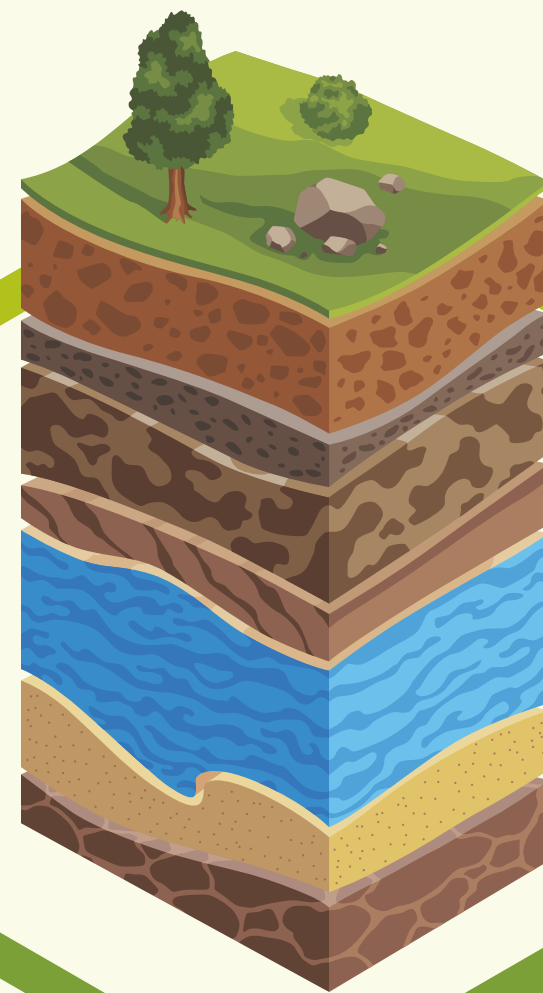
Water and Effluents

Water is the most important natural resource for our operation, which is why we are aware of the importance of properly managing discharges to generate the least environmental impact.

1,628,484 m³

Water consumed
which was obtained
from underground
sources in 2022.

+21 % vs. 2021
Associated with
the increase
in production



We discharge wastewater into an artificial channel that also receives drainage water from irrigation systems for sugarcane crops. This water is processed in our treatment plant and can then be reused for irrigation.

Emissions

We actively contribute to the achievement of national goals related to the reduction of Greenhouse Gas - GHG emissions. We have a climate strategy that measures our current impact, which is oriented towards energy efficiency initiatives, investment, and the future growth of Sucroal. These were the Greenhouse Gas Emissions that we generated in 2022:

Measurement of greenhouse gases (GHG)

Direct GHG emissions	40,067.96 t CO2 eq
Indirect GHG emissions associated with energy consumption	6,501.85 t CO2 eq
Biogenic emissions	4,786 t CO2 eq



Waste

At Sucroal, we recognize the importance of responsible waste management, which is why we have implemented comprehensive waste management, in accordance with the objectives that the Company has set.



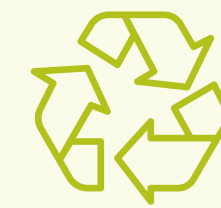
We have built a new collection center with which we have increased our storage capacity by **75 %**



In 2022 we generated

732 Tons

+21 % vs. 2021



We managed to make the most of **66 % of the waste generated**, subjecting it to utilization processes such as new fuels, recovery of components, and use in other production processes. This is how we demonstrate our commitment to circular economy and the minimization of environmental impact.

We have set ourselves two goals for the year 2023:

01

To take advantage of more than 70 % of the waste generated in our post-industrial operations by the end of the year.

02

To carry out a life cycle analysis of one of the main products with the aim of identifying opportunities to reduce the environmental impacts associated with it.



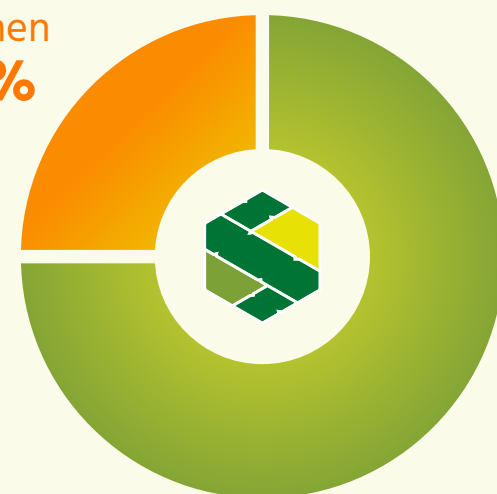
Employment

Human talent is the central axis of Sucroal. We are proud to have a group of highly trained and committed employees who share our purpose of building a sustainable future for the country through science and innovation.

**444****Direct collaborators****+26 % vs. 2021**

This increase is due to the direct hiring of 70 people.

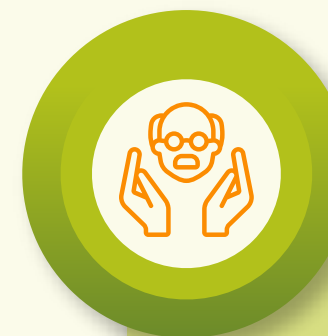
Women
25 %



Men
75 %



We exceeded **50 % of women**
in management positions

35 management
positions**16** men**19** women**40**

Employees between
20 and 30 years at Sucroal

37

Employees more
than 30 years at Sucroal

17 % of the
Company's total

We recognize those employees who have been in the Company for **more than 20 years** as being a fundamental piece in the construction of the Sucroal's strength.



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**Our achievements in
workplace well-being**

This year, the collective bargaining convention entered into force, which covers **92 % of employees.** This is valid until 2025 and includes within the agreements, the bonus payment in June for staff according to their seniority, as well as loans for housing and remodeling.

We granted educational benefits to **15 children of employees** who had exceptional achievements at the primary, secondary, basic, middle, and higher levels.

We contributed **30% of the tuition fee to 7 of our collaborators** who obtained an average equal to or greater than 4.0 in their higher education studies, with our Sucro Scholarships recognition program.

Health And Safety of Workers

At Sucroal, we know that the engine that drives us toward success are our collaborators, so their safety and well-being are our priority. We have a Comprehensive Occupational Health and Safety Management System SG-SST that complies with Colombian regulations, protects health and well-being, promotes a culture of self-care, and manages hazards and risks in processes.



Industrial Safety

Is the commitment to protect the life and physical integrity of our workers in the work environment.

01

Preventive Medicine

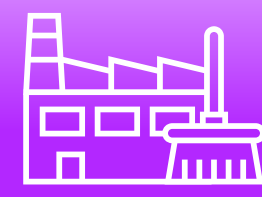
Is the systematic evaluation and analysis of potential risks in the work environment to prevent accidents and illnesses.

02



Emergency Management

Is the planning, coordination, and execution of preventive and response actions to minimize the effects of unwanted events.

03

Industrial Hygiene

Is the prevention of occupational diseases related to the environment and working conditions.

04

Our goals for 2027 are focused on achieving a record **of 0 work accidents**. For 2023, we have proposed to reduce as much as possible the number of accidents to a **total of 6**.



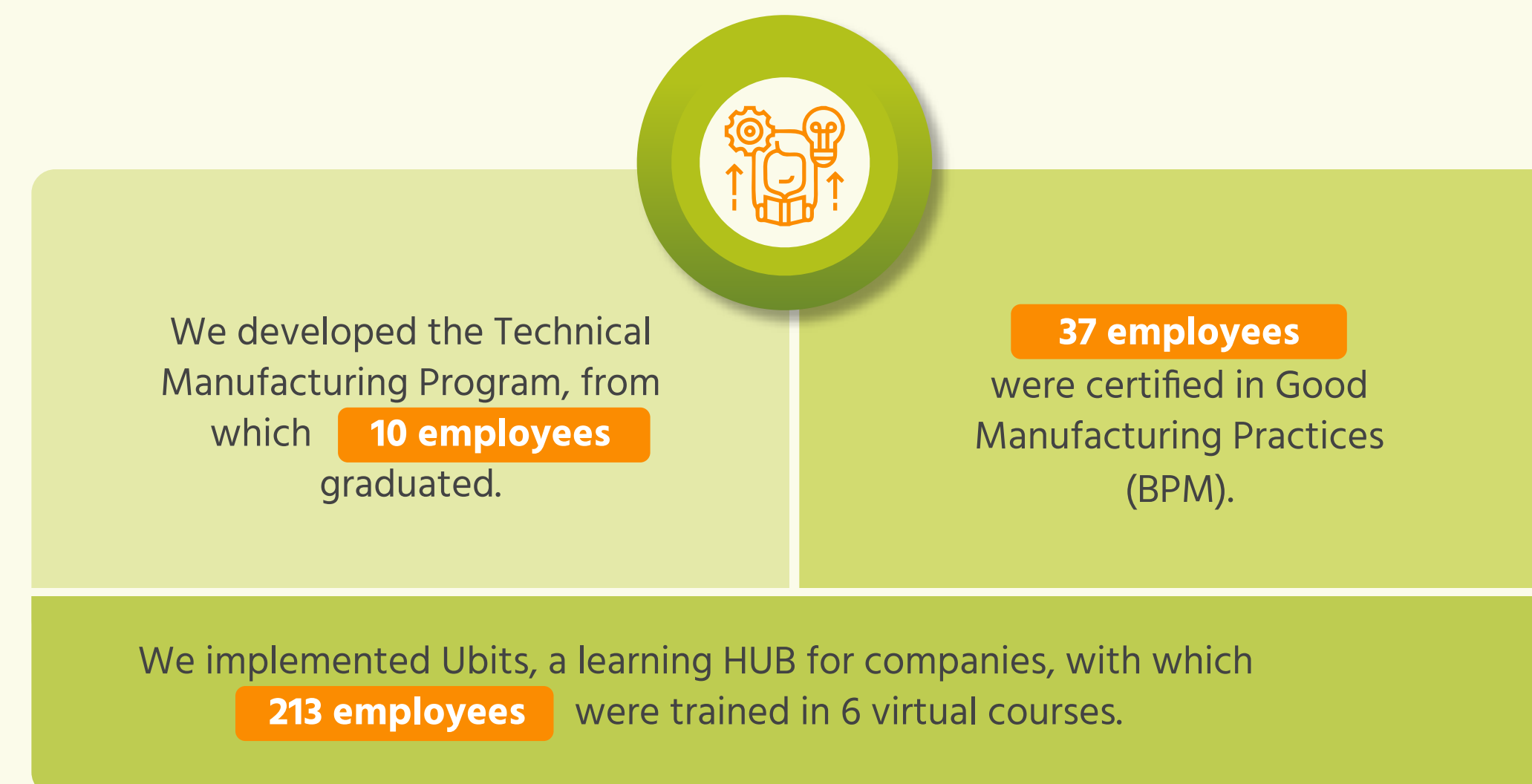
Training and Education

In training, we see an opportunity to develop the competencies, abilities, and skills of our employees in order to support their professional growth. To achieve this, we have a training plan that contemplates the training needs of each area. These are the results in training and education in 2022:



GENDER	
Men	90 %
Women	10 %
POSITION	
Operating staff	78 %
Administrative staff	22 %

* Average hours of training per year per employee.



Local Communities

Our efforts are focused on investing in high-impact initiatives related to education and food security. Through the following actions we seek to provide a better quality of life for the communities and contribute to the social progress of the region.



We made an investment of **COP \$260 million** in social projects and donations to the communities.

+ COP \$197 million vs. 2021



We participated in the Compromiso Valle initiative, led by Fundación Propacífico, where we impacted 20 young people from the community and contributed COP \$150 million for the development of the initiative.



We donated 300 kg of food to the Cali Food Bank and 160 kg to the pastoral care of La Buitrera de Palmira Church. Together with 12 Sucroal volunteers, we delivered more than 200 food services to affected communities.





Apoyamos la iniciativa de Incauca Fútbol Club para beneficiar a jóvenes destacados en la práctica deportiva. Impactamos a 130 jóvenes del departamento de Cauca. Realizamos un aporte de COP \$25 millones.



En conjunto con Providencia Centro de Formación Integral, se definieron las necesidades para dotar con equipos la Sala Maker para ciencia, computación y robótica. Por medio de un aporte de COP \$40 millones, los estudiantes de tercero a onceavo grado podrán acceder a una educación enfocada a metodologías STEAM (Ciencia, Tecnología, Ingeniería, Artes y Matemáticas).



Health and Safety of Customers



At Sucroal, we believe that our customers deserve products that reflect the best of us and of our commitment to excellence. To achieve this, we strive to comply with regulations and to maintain relationships of trust and transparency with all clients.

We have a comprehensive policy based on the quality and excellence of all products and services, which allows us to guarantee customer satisfaction, as well as the safety and well-being of employees.

Internal survey on the Culture of Quality and Safety, in which all Company personnel participated, including contractors.

**75 %
participation**

+29 % vs. 2021

These were the results of our customer satisfaction survey:

87.3 %

+0.1 % vs. 2021

0 claims

Associated with impacts of product and service categories on health and safety in 2022

Sucroal's goals are to maintain food safety programs and legal requirements in all countries, as well as to ensure that all staff are trained and aware of customer health and safety policies and practices. In addition, the Company seeks to maintain constant communication with its customers regarding its health and safety policies and practices, and to develop a quality and safety culture program.



This was our journey in 2022, with which we have grown while assuming a responsible role with society, the environment, and the development of the local and national economy, through our commitment to a **sustainable future**.

We invite you to review our Sustainability Report in detail. [click aquí.](#)



Sucroal
Science and innovation for a sustainable future