



APSColombia

SUSTAINABLE COLOMBIAN PALM OIL

How we are transforming
rurality in Colombia

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Let's start with a face.



Meet Adolfo and Luis Enrique

Winners of the “Best Smallholder Award”

40+ tons of FFB / 7+ tons of oil per hectare

African and American palm Hybrid

Urabá region in the north zone

Colombian Palm Oil at a glance



Fourth-largest producer worldwide



The largest producer in America



The second largest crop (590 thousand hectares)



21 Regions



161 Municipalities (48 PDET y 77 ZOMAC)



69 active palm oil mills



12 biodiesel Plants



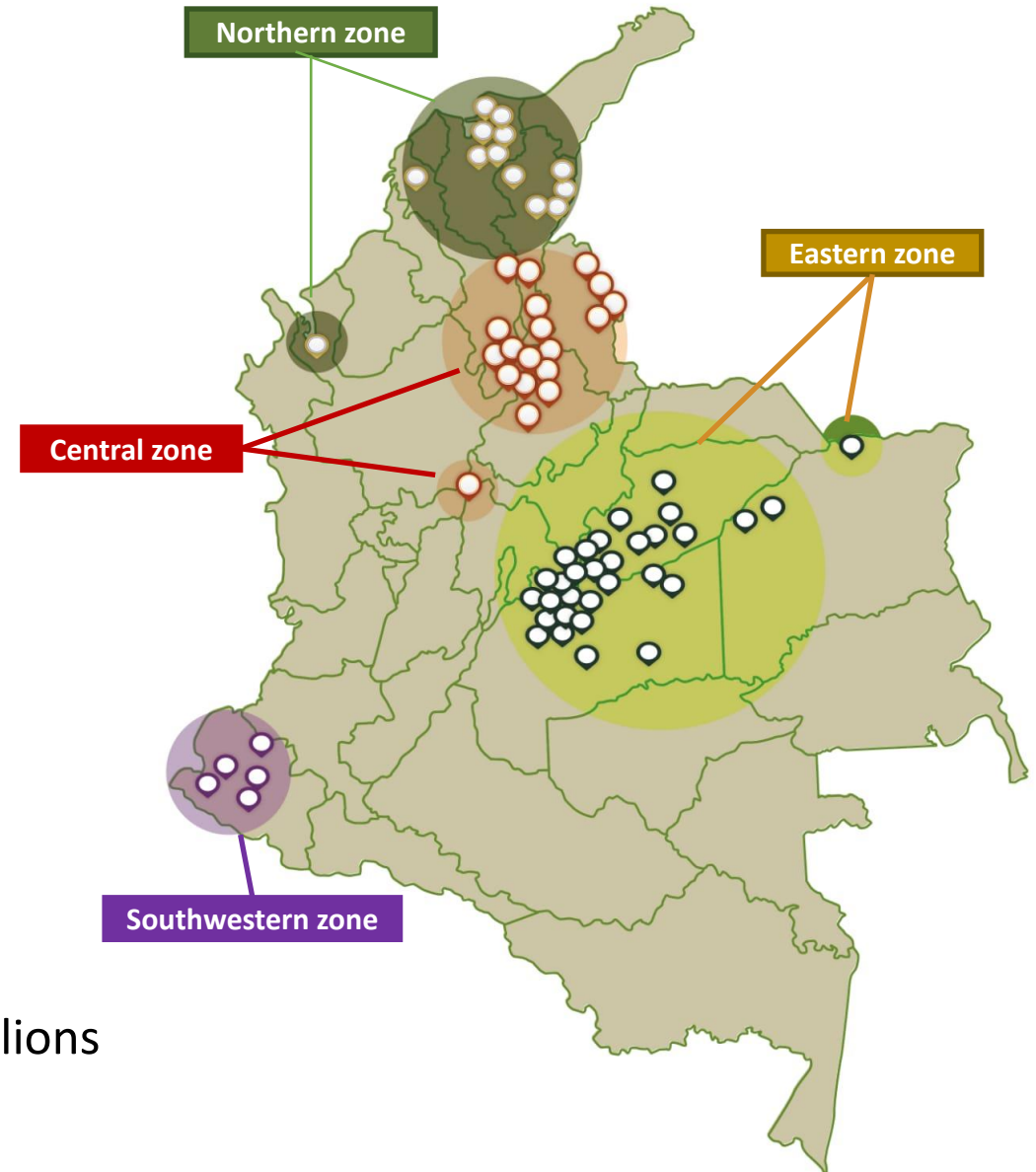
Four geographical zones



6.856 oil palm growers
(85% small-scale y 12% medium-scale)



Production 2021: 1.75 million tons and USD 1.98 Billions



Our ENVIRONMENTAL commitment with the ESG's

Oil palm plantations

in Colombia have been developed in transformed areas, previously used for other crops or pastures.

Colombia

may grow in agricultural production area **without deforestation.**



ZERO DEFORESTATION AGREEMENT

Sponsored by the Ministry of Environment, Fedepalma and several palm oil producing companies signed the Zero Deforestation Agreement for the Colombian Palm Oil Supply Chain. According to IDEAM, between 2011 and 2017 the deforestation related to oil palm crops in Colombia accounted for 1.5% of the total deforestation in the country. Oil palm has not been a significant driver of deforestation in Colombia.

ADOPTION OF INTERNATIONAL SUSTAINABILITY STANDARDS

By 2020

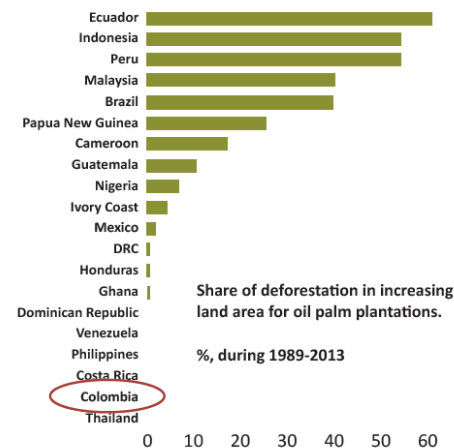
33 Colombian palm companies certified with sustainability standards (RSPO, ISCC, Rainforest), equal to **28%** of crude palm oil production.

Fedepalma

Is a member of the Roundtable on Sustainable Palm Oil (RSPO) and, since 2021, of ISCC.

* The Impacts of Oil Palm on Recent Deforestation and Biodiversity Loss

Varsha Vijay, Stuart L. Pimm, Clinton N. Jenkins, Sharon J. Smith



- less than **1%** of oil palm expansion between 1989 and 2013 took place on forested land
- less than 0,4% of deforestation in our country came from palm oil from 2011 to 2017 and less than 0,22% in 2018

Our SOCIAL commitment with the ESG's

Education

For every 1% increase in the planted area, the coverage in education increases.

2,69%

in primary education

2,08%

in secondary education

increasing the likelihood of accessing higher education and university programs.



Coca crops substitution

14%

less planted hectares

Impact of increasing the area planted with oil palm by 1%.

Health

+ 1,99%

affiliates to healthcare/1,000 habitants compared to other municipalities.



82% labor formality
over 190 thousand
direct and indirect jobs.



1.5 Minimum Salaries

Average monthly salary



84%

of growers are smallholders.
They own less than 50 hectares.



84% of producers
are part of associative
schemes and partnerships

This allows smallholders to access financial services, revolving credits, social security, housing improvements, etc.

SOCIAL AND ECONOMIC EFFECTS OF OIL PALM

An increase of 1% of oil palm planting area in a municipality is linked to:



Employment formalization

0,3% improvement in the formalization rate and 0,9% in the contributions rate (IBC**)

GREATER LOCAL investment

9,7% in investments aimed towards per capita development (without royalties)

307.000
HECTARES OF PALM
2007

590.189
HECTARES OF PALM
2021



GREATER Education COVERAGE

2.7% in primary education, 2.1 % in secondary education, 2.2 % in elementary and middle school and 1.4% in high school.



Health COVERAGE

2% increase in health plan affiliations and 1.5% increase in the subsidized health system



Illicit crops substitution

14% reduction in coca hectares.



Environment

8% improvement on quality of water (IRCA*)



fedepalma

C-Análisis

*Water quality risk index

**Basic contribution income



WHAT IS APSColombia

- ✓ Colombia's tailor made strategy to be a **100% sustainable and differentiated Palm Oil** origin by 2030.
- ✓ Country impact model to secure **environmental, social, governance and economic** benefits across the PO value chain.
- ✓ A **sustainability verification platform** for due diligence of small, medium and large producers.
- ✓ A multistakeholder mechanism to **connect producers and consumers**, increasing transparency and value for all.



THE IDEA IN A NUTSHELL



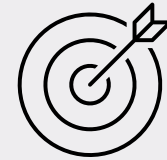
APSColombia

- APSColombia secures the **national commitment** to sustainability.
- The Sustainability Protocols and Indicators are totally aligned with **EU regulations**, aiming to be recognized for a future due diligence.
- It is a **voluntary verification** mechanism for all Colombian PO suppliers (no certification).
- Serves as **due diligence tool** for the PO supply chain.
- All **stakeholders can see and validate** the status and progress by Palm growers and mills.



WHAT HAS BEEN DONE

- ✓ Voluntary self regulation system in place, with Sustainability protocols and standards aligned with **ESG, SDG, EU regulations and certifications**.
- ✓ **Index and traceability tools** established and tested to meet Colombian conditions.
- ✓ **Sustainability index baseline** with 3,000 PO producers (38% of total).
- ✓ Secured governance through the independent **APSColombia Corporation**.
- ✓ National and international **support and strong institutional backup**.



2025 TARGETS

Deliver on the Colombian PO
Zero Deforestation Commitment

75% Sustainable and Differentiated Palm Oil offer to the market.

50% of Colombian Palm Oil producers adopting the protocols.

A validated **Quality and Diversity Management System** established for Colombian Palm Oil varieties (DXP y OXG).

Best practices to ensure sustainability

Sustainable Colombian Palm Oil Principles

Economic
Environmental



1. A productive, competitive, and resilient industry



2. Adequate and efficient use of land, water and energy



3. Zero deforestation and no conversion of High Conservation Value (HCV) areas



4. Oil palm crops in harmony with biodiversity and the natural environment



5. Pollution prevention and mitigation



6. Value creation with oil palm biomass



7. Decent work and respect for workers' rights



8. Responsible supply chains and inclusive business models



9. Responsible community relations and protection of human rights



10. Ethical, legal, and transparent behavior

Social



The challenge of traceability in Palm oil



(...and more)

Takeaway

One size **does not fit** them all

It's the **producers...**

Inclusion is “**no producer left behind**”

Productivity is the first step for sustainability

It's a **shared risk** and a **shared responsibility**

Colombia needs **strong partners**





**Thank you for partnering for a positive
Colombian Palm Oil legacy!**



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During his career he has led several organizational transformation processes in public and private entities. He was assistant administrative and financial manager of Fedegán (National Cattle Federation), human resources manager of Bureau Veritas Colombia and for the last seven years has been responsible for leading the representation and stakeholder management and member service processes at Fedepalma.



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