

— Management of year —

2023

First sustainability
report



FreshColombia
Shaking Hands With Nature

We transform **farming by liking it to the world:** a vision that nurtures both the land and our global communities.



Greetings from our management

We are very pleased to present our Sustainability Report, a document that reflects our strong commitment to environmental, social and economic responsibility in our operations.

In a world facing increasingly urgent challenges related to climate change, resource scarcity and social inequality, it is imperative that companies take an active role in promoting sustainable practices. In our organization, we deeply understand this responsibility and constantly strive to integrate sustainability into everything we do.

Additionally, we understand that Colombian agriculture plays a crucial role in the national economy and in the food security of our population, which is why at FreshColombia, our purpose is to "Transform agriculture by connecting it to the world". However, we also face significant challenges, from the sustainable management of natural resources to equity in supply chains and climate resilience. In our report, we highlight our initiatives to address these challenges in a comprehensive manner, and we are committed to continuing to work closely with all stakeholders to drive a positive and lasting change in Colombian agriculture.



José Julián Sánchez



Nicolás Perdomo



This report represents not only an account of our sustainability actions and achievements over the past year, but also a renewed commitment to a more sustainable future. From the implementation of actions carried out by our environmental management department, to the promotion of fair and transparent relationships with our employees, customers and suppliers, every step we take reflects our vision of a better and more equitable world.

However, we are aware that there is still much work to be done. As we move into the future, we are committed to continuing to innovate, collaborate and improve our practices to address current and future challenges more effectively.

We sincerely thank all those who have contributed to our progress on this sustainability journey: our employees, business partners, government agencies, customers and the community in which we operate. Their support and collaboration are critical to our shared success.

We hope this report will inspire meaningful action and foster a constructive dialogue on how we can work together to build a more sustainable and prosperous world for all.

A handwritten signature in black ink, appearing to read "Jose Julian Sanchez Sarzosa".

Jose Julian Sanchez Sarzosa
Comercial Manager

A handwritten signature in black ink, appearing to read "Nicolas Perdomo Londoño".

Nicolas Perdomo Londoño
Operations Manager



Content

1. Greetings from our management	02
2. About Us	05
Map of our producers in the national territory:	
Map of the places in the world where we arrived:	
3. Corporate governance	08
4. Strategic objectives	09
5. Our values	11
6. Fresh Culture: Mission and Vision	12
7. Milestones and certifications: Contributing to the planet	13
8. Certifications:	16
9. Contents Sustainability Report 2023	17
1) Environmental Compliance: Ensuring a Sustainable Future	
2) Water	
3) Energy	
4) Waste	
5) Quality and safety	
6) Talent development and well-being	
7) Producers	
8) Processes and operation	
9) New products: Research and Development	
10) Customer and Commercial Strategy	
10. Building a Sustainable Future	37
11. Articulation with the SDGs:	39
SDGs and actions with which we develop these goals.	
12. From Avocado to the Horizon:	41
Navigating the Road to the Future	
13. GRI (Global Report Initiative) Table of Contents	43
14. References	45



About Us

At FreshColombia we believe that enjoying a 100% natural and healthy guacamole without preservatives is possible. We are a company dedicated to the manufacture of guacamole and avocado pulp of 100% natural origin.

We have the highest quality standards in the production process, committed to sustainability and the environment.

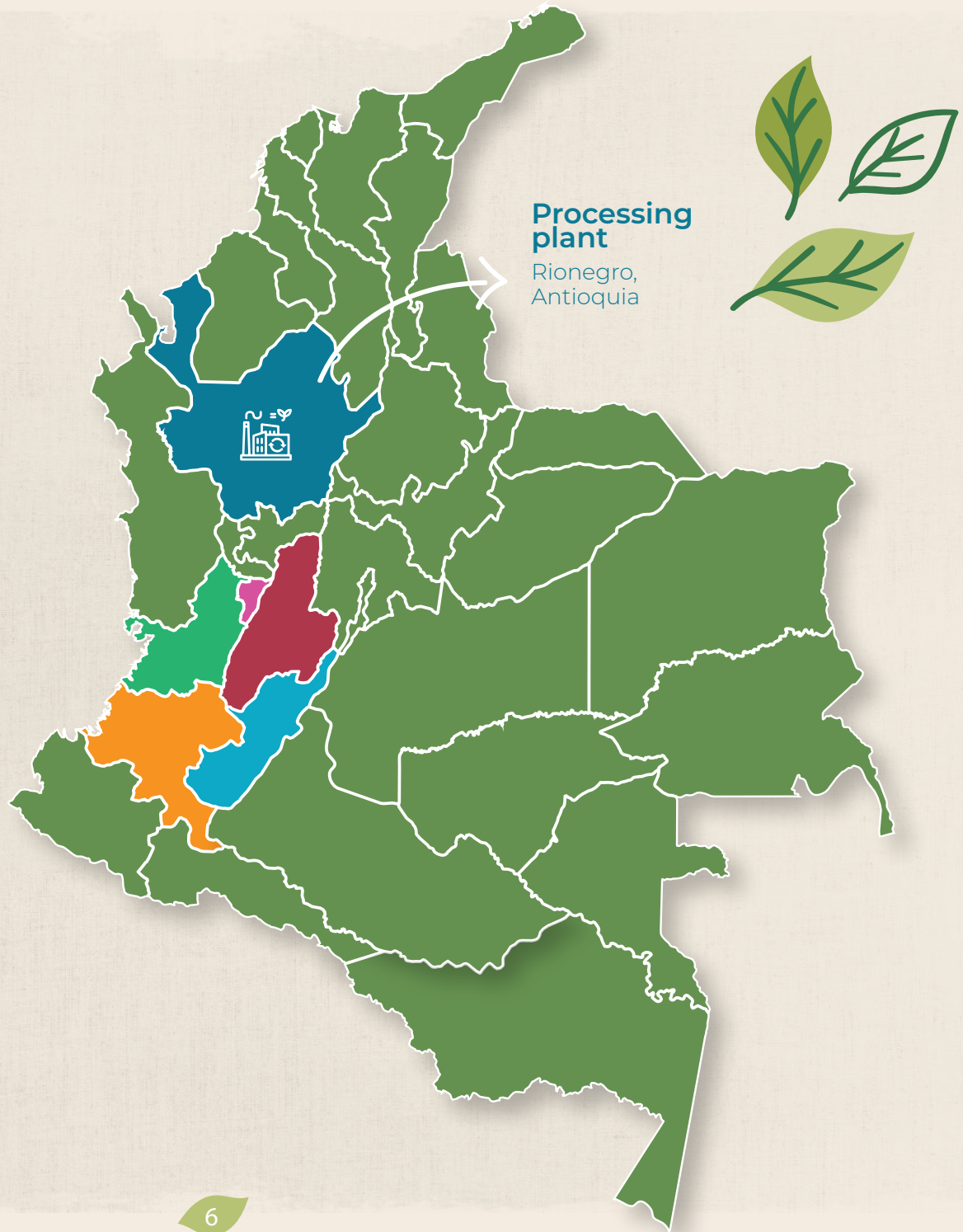
Map of our producers in the national territory:



8.792
producers



55.000
hectares



The market

we serve



Corporate governance

Our corporate governance structure is made up of shareholders and management, which consists of: operations manager, commercial manager, sales manager, head of operations and heads for each of the essential areas. We also have a complete team of professionals who, through the fulfillment of strategic objectives and indicators, manage the daily challenges and respond to customers and shareholders.



stakeholders:



Avocado growers



Suppliers of goods and services



Collaborators



Customers



Shareholders



Community



Government entities



Certifying bodies

Strategic objectives

To achieve our highest standards of quality, production and sustainability, our objectives are framed in four perspectives:

1 Financial

To achieve our goal of pounds sold through sales strategy and strategic collaborations.

2 Client

Focused on fulfilling the satisfaction of our clients and the expansion of our presence in strategic markets.



Strategic **objectives**

3 Internal

Focused on the standardization of processes that meet rigorous quality standards through product innovation.

4 Growth

This objective not only aims to continue promoting the organizational culture but also to implement sustainability and corporate social responsibility practices that demonstrate our commitment to the community and the environment.



Our values



Proximity

We are always close, understanding the needs and expectations of our clients and collaborators to provide effective and personalized solutions.



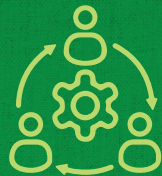
Empathy

We value empathy as the foundation of our relationships. We put ourselves in others' shoes, listen and understand to offer genuine support.



Adaptability

Adaptability is an essential part of our culture. We move with agility and flexibility to address changes and challenges effectively.



Collaboration

We believe in the power of working together. We foster internal and external collaboration, leveraging everyone's strengths to achieve outstanding results.



Transparency

We act with transparency in all our interactions. We communicate openly and honestly, building solid relationships based on trust.

Fresh Culture: Mission and Vision



1 Mission

We are an agro-industrial company committed to profitable and sustainable growth, specialized in the processing and marketing of high value products derived from Hass avocado. We integrate innovative technology, continuous improvement and quality and safety standards from the origin. We value our human team as the fundamental basis of our work and consider the welfare of our stakeholders.

2 Vision

By the year 2025, we project ourselves as the leading agroindustrial company in the production and commercialization of innovative and sustainable products derived from Hass avocado for the prioritized markets. We will be recognized for the quality of our products, as well as for our contribution to the wellbeing of the communities and the care of the environment.

ga



BRCGS AA

Participation in different fairs around the world

Container #1000



Milestones and certifications: **Contributing to the planet**



Renewal of BRCGS certification with AA rating.

Participating in different trade fairs in Europe, Asia and the Middle East around the world has been a crucial milestone for us. Each meeting has allowed us to learn about international market trends and adapt our offer to the changing and specific needs of it.

In September 2023, we exported our 1,000th container, demonstrating our motivation to continue connecting with the world.

"It is a pride and a dream come true to achieve the export of our 1000th container, four years ago we saw it very far away. Today, we are happy to be able to transform Colombian agriculture and connect it with the world, in this way we get the smallest producer to put the fruit to produce it and thus reach a market in Europe"

José Julián Sánchez - Commercial Manager.





Implementation of acoustic adjustments

Growth of operating and administrative personnel

Recognition of labor inclusion of people in human mobility by Comfenalco 2022

Milestones and certifications: Contributing to the planet

Acoustic barriers were implemented in the cooling towers and the enclosure and installation of sound-absorbing material. Thanks to the development and implementation of these improvements, there has been a considerable decrease in noise emissions according to internal measurements and accredited by the contracted laboratory, thus demonstrating our commitment and responsibility to the community and the environment. These actions contribute to SDG 9: Industry, Innovation and Infrastructure, specifically target "9.4 By 2030, modernize infrastructure and retrofit industries to make them sustainable, using resources more efficiently and promoting the adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities".

New administrative positions were created in different areas of the company, in addition to the creation of two new areas: Environmental Management and Research and Development. Growth in the areas of Human Resources, Purchasing, Maintenance and Sizfra.

This recognition seeks to encourage good practices of companies to promote the hiring of populations that historically have had greater difficulties in obtaining decent employment. In 2022, we obtained second place in the category "Labor Inclusion of People in Human Mobility", which recognizes organizations that have implemented inclusive actions to facilitate the hiring of migrants, refugees and internally displaced persons.



**Nomination for the
Gender Inclusion in
the Workplace
Award 2023**

Certifications

**Circular
economy**

**Environment al
management**

Milestones and certifications: **Contributing to the planet**

This award recognizes the implementation of inclusive actions that provide job opportunities for women, LGTBIQ+ population and co-responsible masculinities.

In 2022 FreshColombia was re-certified in SQF and certified for the first time under the BRCGS standard. In 2023 we were re-certified in both standards with the change to version 9 of both management systems. We were also certified as a HALAL plant, a certification acquired for specific product items. Finally, the organic product line for the United States and the European Union was also recertified.

Partnership with Aceites Verdes for the reception and transformation of our organic waste into avocado-based oils.

The Company complies with environmental permits, ensuring that they remain in force. Likewise, it gives timely response to the corporations regarding their requests after the monitoring and control visits; in addition to the adequacy of facilities and the implementation of technology that ensures the reduction of environmental impact.





Certifications

Our commitment to excellence is reflected in our globally recognized certifications and customer satisfaction.

These certifications are a testimony to our responsibility to ensure the quality and safety of our products, to maintain high standards, to constantly seek new ways to optimize our operations, to promote respect for the environment and to generate social responsibility:



BRCGS

**BRCGS AA+
Brand
Reputation
Compliance
Global Standards**



**SQF v.9 Safe
Quality Food
(Food Safety
Code)**



Halal



Kosher



USDA Organic




EU Organic



**SMETA
4 Pillars**





Contents Sustainability Report 2023

1

Environmental Compliance:
Ensuring a Sustainable Future

2

Water

3

Energy

4

Waste

5

Quality and safety

6

Talent development and well-being

7

Producers

8

Processes and operation

9

New products: Research and Development

10

Customer and Commercial Strategy



FreshColombia

De la mano con el campo

At FreshColombia, we understand that sustainability is not only a commitment, but also a fundamental responsibility in building a prosperous and equitable future. In our continuous effort to promote responsible business practices, we recognize the importance of addressing material issues in a comprehensive manner in our sustainability report. Material issues encompass a wide range of aspects within our operation, from the efficient use of natural resources, to proper waste management, production and the supply chain. In this report we will explain in detail how we address these challenges, seeking to maximize positive and minimize negative impacts on our environment and the communities in which we operate. From responsible fruit selection and purchasing to the implementation of sustainable production practices, every decision we make has significant implications in terms of materiality. Furthermore, we recognize the importance of transparency and accountability in this process, and are committed to honestly and fully sharing our initiatives, achievements and challenges in this report, as well as the integrated work we do with avocado growers. By taking a proactive approach to material issues, we aim not only to comply with regulatory standards, but also to lead by example and contribute positively to sustainable development and Colombian agriculture. Through innovation, collaboration, and stakeholder engagement, we aspire to continue moving toward a future where sustainability drives our business success and enhances the well-being of generations to come.

1

Environmental Compliance: Ensuring a Sustainable Future

Environmental legal requirements are a priority for FreshColombia, as we are committed to compliance with current regulations. In our constant improvement process, we have implemented renovations in infrastructure and technology, demonstrating our commitment and responsibility to the community and the environment.

To manage these requirements, we have a legal matrix that includes all applicable regulations. This matrix is updated whenever there are changes that are adaptable to our company, thus ensuring that we are aware of all our legal obligations and their scope.

Since FreshColombia operates within the Rionegro Free Trade Zone, we are not required to obtain separate environmental permits, since the Free Trade Zone has the necessary permits for water resource management and waste disposal. However, we are always vigilant and responsive to any requirement or control visit from government authorities.

Environmental compliance (discharges, noise, emissions)

Year 2022 93%

Wastewater Discharge Resolution 0631/2015: **100%**
Emissions Resolution 909/2008: **100%**
Noise Resolution 627/2006: **79%**

Year 2023 97.3%

Wastewater Discharge Resolution 0631/2015: **100%**
Emissions Resolution 909/2008: **100%**
Noise Resolution 627/2006: **92%**

One of our challenges for the year 2023 was to reduce noise emissions, which we have achieved through the development and implementation of technical, operational and personnel measures. We have also conducted noise measurements with a certified laboratory and established a communication channel with the community to report complaints and manage immediate corrective actions. This approach ensures compliance with environmental guidelines and regulations, while protecting natural resources and safeguarding public health.

v

Our greatest challenge for 2024 will be to achieve 100% compliance with all current environmental regulations.

2

Water

Water is essential to sustain life, and today its supply worldwide faces the risk of scarcity due to climate change and excessive waste. Aware of this problem, our company has made the efficient management of this natural resource a priority.

According to Water Footprint Network, "producing one avocado requires more than 227 liters of water, more than twice the amount needed for other fruits, and approximately 389 liters to produce one kilogram in a semi-arid region." However, Colombia's tropical location and the presence of our crops in regions with high rainfall eliminate the need for irrigation in avocado production. This provides a significant advantage in terms of water efficiency and gives us a competitive edge in fruit production.

Wastewater treatment:

Reasons why the treatment of water derived from the manufacture of guacamole and avocado pulp is important:

Organic pollution: Processing avocados to produce guacamole and pulp generates organic waste such as fruit, peels, and seeds. These materials can decompose and release nutrients and organic matter into the water, which can lead to algal blooms and a reduction in dissolved oxygen, negatively affecting aquatic life.

Suspended solids loading: During manufacturing, suspended solids can be generated in the water, such as avocado pieces or pulp particles. These solids can clog sewage systems and cause problems in wastewater treatment plants if not properly removed.

Impact on water quality: Wastewater from guacamole and avocado pulp production may contain organic compounds, fats, oils, greases and other contaminants that affect water quality if released untreated into receiving water bodies.

Public health risks: If contaminated wastewater is discharged without treatment, it can pose public health risks by contaminating drinking or recreational water sources and spreading waterborne diseases.

To ensure adequate wastewater treatment, FreshColombia has its own Industrial Wastewater Treatment Plant. This plant receives all the wastewater generated in the production process and subjects it to a physicochemical process that eliminates solids, decomposes organic matter, reduces nutrients, and disinfects the water before it is discharged. This procedure is carried out in compliance with current environmental regulations, thus protecting the environment, preventing water contamination, and safeguarding public health. This initiative allows us to actively contribute to sustainability and environmental responsibility in the food industry.

Year 2023 results on water-related issues:

Indicator	Result 2022	Result 2023
[303-5] Water consumption (m3/year)	77.510	86.493
[303-5] Water consumption/production (m3/year/lb)	0,0051	0,0059
[303-5] Water discharged (m3/year)	54.488	65.837

65.837

To further improve the use of this vital resource, we are assessing the feasibility of implementing a rainwater collection system for its utilization and optimization. Additionally, we plan to conduct precise water consumption measurements at critical points in the process, such as the main piping of the pulpers and the tray washing stations. We also intend to install valves to regulate water flow during the process.

3

Energy

Controlling electricity consumption is essential for our company, as this energy powers our machinery, supports the entire production process, and drives critical activities such as the operation of the wastewater treatment plant. This is why the company contributes positively to the use of renewable energy since the energy used for the plant comes from a hydroelectric plant located in the municipality of Popayán, Colombia.

To address this issue, we carry out regular maintenance on our equipment and closely monitor our energy consumption meters. However, we will continue to work on initiatives that will enable us to reduce our consumption below current levels. Our goal is to minimize the impact of our energy demand, while remaining at the forefront in the implementation of efficient, energy-saving technologies.



4

Waste

Our company's production activity generates various organic wastes, such as avocado trimmings, pits, peels, pits, non-conforming products, counter samples, ingredients and destructions. These wastes require special handling to avoid excessive accumulation and difficult disposal.

To manage this waste, we use a transport system that moves it from the processing area to a hopper located outside the plant. It is then collected by dump trucks and/or dumpers and transported to a company that manufactures avocado-based oil. In this way, our waste is converted into raw material for production, supporting the circular economy and reaffirming our commitment to waste reduction.



Estefanía Román, Environmental Analyst
Jaime Enrique Garrido, Aceites Verdes

The processing of these waste is important because:

- 1) It avoids their final disposal, which would be complex and would generate additional costs.
- 2) They are part of the company's circular economy process.
- 3) Support is provided to companies in the agricultural sector.

Some Environmental, Social, and Economic Impacts of This Resource:

If this organic waste is not treated properly, it can lead to community complaints and discomfort, an increase in pests, higher sanitation fees, and additional disposal expenses.

Positive Impacts:

1.Environmental Benefits: Utilizing organic waste contributes to SDG 12: Responsible Consumption and Production, promoting sustainability.

2.Social Benefits: We form partnerships with industry stakeholders to ensure the proper treatment of organic waste, which helps eliminate odors and creates job opportunities for communities within our area of influence.

Indicator

**Result
2022**

**Resultado
2023**

[306-1] Organic waste generation (kg/year) (kg/año)	5.484.320,00	4.443.979,00
[306-1] Generation of usable waste (kg/year)	27.952,50	59.382,40
[306-1] Ordinary waste generation (m3/year (m3/año)	1.187,33	1.240,19

Testimonial: "FreshColombia's environmental management, framed within solid waste management, allows the treatment of 100% of organic waste, thanks to the circular economy, our waste is used for the manufacture of avocado-based oils and production of compost. Likewise, we will continue to work on initiatives that allow us to reduce our current water and energy consumption, seeking to minimize the impact caused by our high demand, while we remain at the forefront in the implementation of low consumption technologies."

Estefanía Román - Environmental Analyst.



5 Quality and safety

Quality and safety are the pillars of consumer confidence, stemming from resource optimization, compliance with standards, and competitiveness. At FreshColombia, quality and safety are a collective commitment. This focus positively impacts our brand's reputation by meeting high standards, resulting in significant benefits for the company, including market expansion, sustainability, and the establishment of long-term commercial agreements.

Indicator	Result 2022	Result 2023	Remarks/comments
RFT: Right at first time (Quality at first time)	96,39	98,82	We are on track to achieve our goal of 98% by the end of 2023, thanks to effective process controls and a multidisciplinary commitment to continuous improvement, complying with the defined controls of the process so that they are products with quality and safety so as not to generate any retention or rejection .
Complaints	2,54	8,22	There is a proportional increase in complaints is evident in relation to the pounds produced. In the initial periods of production, the lessons learned and the continuous increase in controls and organizational commitment in favor of continuous improvement are reflected.





Indicador	Resultado 2022	Resultado 2023	Observaciones comentarios
SQF certification audits	96	95	Good results are being maintained as we enter a sustaining phase.
BRCGS certification audits	AA	AA	Good results are being maintained as we enter a sustaining phase.
NOP-COR Organic Certification Audits	✔	✔	Good results are being maintained as we enter a sustaining phase.
EU Organic certification audits		✔	The scope was extended to the European Union.
HALAL certification audits		✔	Inclusion is included in the market declaration
Kosher certification audits		✔	Inclusion is included in the market declaration

We are committed to continuous improvement, promoting organizational development that enables the production of safe, high-quality food. Our focus is on mitigating risks and hazards throughout all processes, from the reception of raw materials to the final consumer. This commitment is achieved through an annual management review of results, the re-evaluation of objectives, and the establishment of clear commitments. We manage indicators daily, weekly, and monthly to address identified deviations promptly, ensuring effective intervention and the proper management of action plans.

Testimonial: "It is a company committed to the highest standards of quality and product safety, with the implementation of management systems certified by external recognized worldwide that guarantee the management, preventive controls and commitments acquired to meet the needs of the market and the different stakeholders" Yanury Ramirez - Head of Quality and Safety.

6

Talent development and welfare

At FreshColombia, we focus on building an employer brand that not only attracts the necessary personnel for our operations but also ensures equal opportunities and attractive benefits for our employees, positively impacting their families as well. Our goal is to provide high-quality human resources while ensuring legal compliance with our obligations, including social security system affiliations and timely payroll payments. We prioritize the physical safety and comprehensive care of our staff, fostering an environment based on respect, justice, ethics, and equality.

How do we impact our stakeholders and the organization?

Positive impact:

Job Opportunities: We provide the community with the opportunity to secure their first job through a training program that equips them to meet the company's quality standards and performance expectations.

Flexible Scheduling: Our rotating schedules allow employees to have the necessary time to spend with their families.

Inclusion and Equality: We implement policies that promote the employment of women and migrants within the company, free from age discrimination.

Benefits Plan: A comprehensive benefits plan is available to employees from their first day of employment.

Transportation Support: In addition to providing the legal transportation allowance, we offer transportation routes for employees across all municipalities in Eastern Antioquia.

Competitive Salaries: We pay salaries that exceed the legal minimum wage in our country.

Occupational Safety and Health (OSH) Management: Our OSH Management System covers 100% of the company's risks, with guidance from ARL SURA.

Chemical Risk Program: We have implemented a chemical risk program to monitor chemical products and assess potential risks for employees handling these substances.



Liriam Flores, Fruit Sorter

Edwin Cardona, Supply Operator

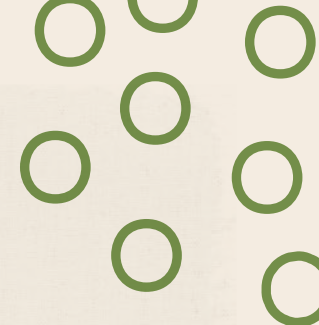


Apolinar Correa, Supply Operator
 Neyris Milagros, Fruit Sorter
 Yeylander Rojas, Supply Operator

Indicator	Result 2023
[401-1] Staff turnover	7%
[403-2] Accident rate	1,20%
[405-1] Recruitment of young people between 18 and 25 years of age	39%
[405-1] Hiring of persons over 45 years of age	4,39%
[401-1] Hiring of personnel (#employees)	1867
[405-1] % women (#women/#employees)*100	66%
[405-1] % men (#men/#employed)*100	34%



FreshColombia Team





7

Producers

Avocado growers play a vital role in FreshColombia by not only ensuring a steady supply of Hass avocados for our production plant but also significantly contributing to the development of the Colombian agricultural sector, its integration with the international market, and overall business continuity.

The following points emphasize the close collaboration we maintain with our producers, who are strategic partners for FreshColombia. Their efforts not only drive the growth of the Colombian agricultural sector but also enable our company to fulfill its mission of connecting Colombian agriculture with the world.

Boosting Colombia's agricultural sector: Avocado growers are integral to the growth and development of Colombia's agricultural sector. Their efforts not only create employment in the regions where they operate but also promote investment in infrastructure and agricultural technology, enhancing efficiency and productivity throughout the value chain.

Income generation and opportunities: Avocado production provides a crucial source of income for Colombian farmers, many of whom are small family producers. This income not only directly benefits local communities, but also contributes to reducing rural poverty and strengthening the overall economy.

Direct relationship with farmers: The elimination of any type of intermediation for both the purchase process and payment guarantees a better return for the production of small producers. This mainly benefits those whose sale of their discarded Hass avocado represents an important source of income.

Exporting and opening international markets: FreshColombia plays a key role in connecting these producers to international markets by exporting guacamole and avocado pulp to four continents.





Promoting quality standards and sustainability: FreshColombia prioritizes not only quantity but also the quality and sustainability of the products it markets. We work closely with avocado growers to ensure that the highest standards of quality and food safety are met. Additionally, we promote sustainable agricultural practices that protect the environment and encourage the long-term conservation of natural resources. Here are some key initiatives:

- 1) We purchase organic products.
- 2) 44% of our fruit purchases are Global GAP certified.
- 3) 27% of our avocado purchases come from Rain Forest certified crops.
- 4) 21% of fruit purchases are SMETA audited.
- 5) We conduct residuality tests to ensure products are free of any chemicals or contaminants.

Development of long-term business relationships: FreshColombia not only acts as an intermediary between producers and international buyers, but also establishes solid, long-term business relationships. This not only benefits producers by guaranteeing them a stable and reliable market for their products, but also provides international buyers with a supply of products of 100% natural and healthy origin, without any added preservatives.

Boosting drivers of the vehicles that transport avocados: The growth of the production plant has not only allowed us to increase sales of guacamole and avocado pulp, but we have also managed to formalize the transporters and they are creating their own transportation businesses.



Indicator	Result 2023
FreshColombia's contribution to Colombian agriculture, directly to the producers (\$/year)	23.000.000.000
Conventional avocado purchases	10.994.991kg
Organic avocado purchases (Peru and Ecuador)	2.115.712 kg

Conventional avocado: most of the fruit in the Colombian territory is conventional avocado, it does not have the same certifications as those coming from organic crops.

Organic avocado: crops certified as organic, which have a different agronomic management and do not allow the application of chemical products according to the standard with which they are certified.

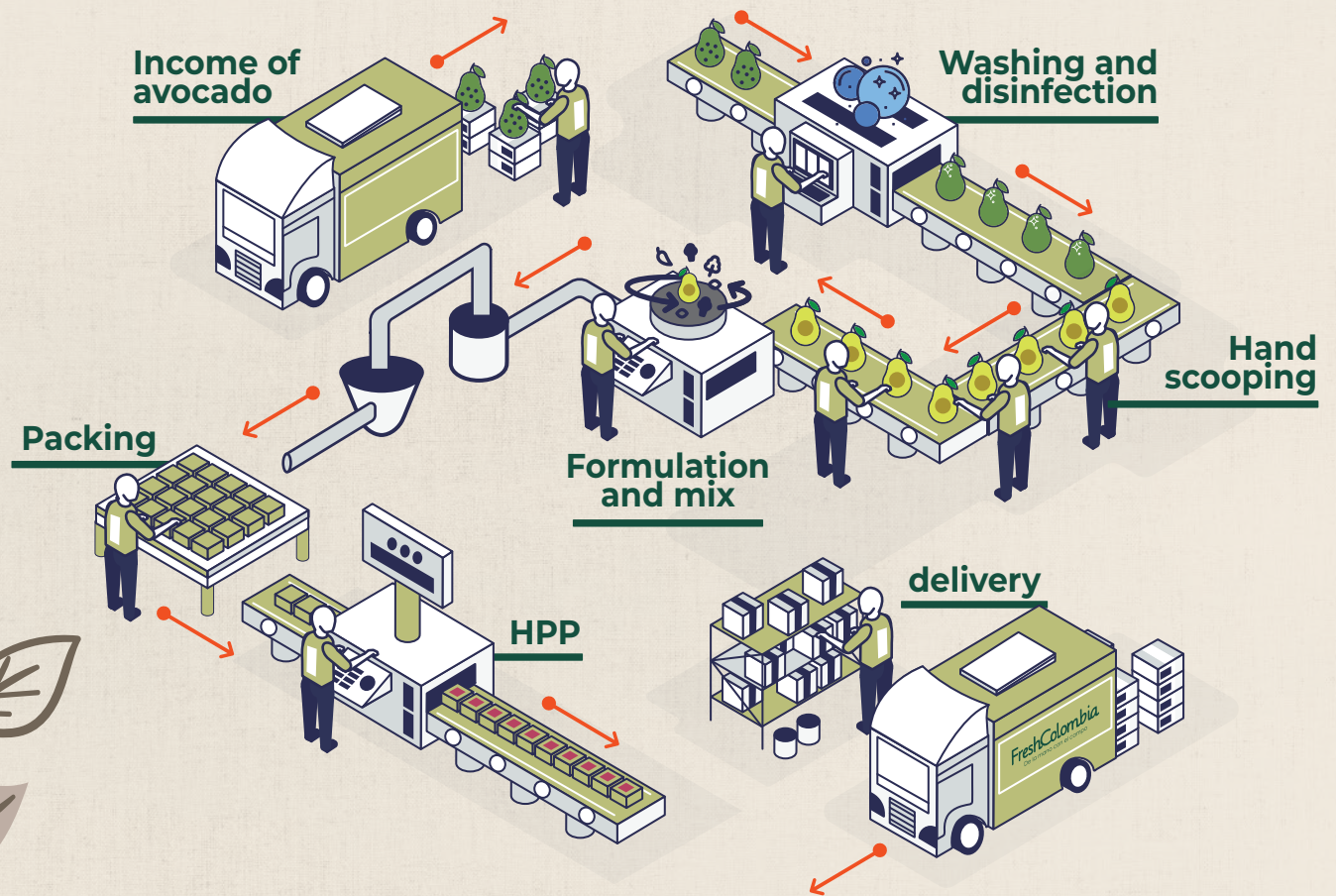


A clear example of our commitment to boosting and supporting small producers in the most remote regions or regions affected by the armed conflict in Colombia is the story of Don Ramón and his farm, La Jiménez, located in the municipality of Urrao, Antioquia. In 2023, we partnered with Don Ramón to purchase his entire crop, which included 12,605 kg of fruit. This purchase represents the totality of what he produced during that year.

8

Processes and operation

Do you know how we transform agriculture and connect it to the world?



We receive fruit from various regions of Colombia. Upon arrival at our plant, the fruit is carefully sorted and subjected to rigorous quality controls, including pest analysis and mechanical verifications. Once these checks are successfully completed, the fruit is moved to the ripening rooms to achieve the optimum level of ripeness, preparing it for the guacamole and pulp production process.



In the washing area, the fruit undergoes peduncle removal and brushing to eliminate any dirt adhering to the avocado peel. It then proceeds to the production line, where it is manually pulped to separate the pulp from the pit and peel, the latter being the main residue of the process.

Depending on the product being manufactured, the pulp is sent to a vacuum mixer for homogenization before being packaged using sealing machines, resulting in bags or containers with the final product.

A crucial stage in our process occurs in the Ultra High Pressure (UHP) area, where machines subject the products to high pressures to deactivate any biological agents present in the avocado. After this, the products are cooled at low temperatures to maintain the cold chain and preserve product quality, guaranteeing that they contain no preservatives and are 100% natural.

Once the product reaches optimal conditions, it is transferred to the freezing area, and finally, the packaging, storage, and dispatch of the finished product are carried out.

FreshColombia understands that in-plant production has a direct impact on the efficiency, quality and profitability of the business, which is why we have monitored our significant positive impacts and challenges for each of the company's key factors:

Clients/consumers:

Positive impact: Efficient production management can ensure product quality and availability, leading to satisfied and loyal customers.

Challenge: If there are quality or food safety problems due to poor production management, consumer confidence can be damaged, negatively affecting the company's reputation.

Employees:

Positive impact: Efficient production can provide stable employment and professional development opportunities for workers.

Challenge: If production management involves hazardous working conditions, long hours or low wages, employee productivity may be negatively affected and labor disputes may arise.



Suppliers:

Positive impact: Effective production management can create strong, long-term relationships with suppliers, which can result in better prices and terms for the company.

Challenge: If the company does not properly manage payments or supplier relations, it can lead to distrust and difficulties in obtaining key supplies.

Shareholders:

Positive impact: Efficient production management can increase the company's profitability, which benefits shareholders.

Challenge: Problems in production management, such as delivery delays or unforeseen costs, can negatively affect financial results and, consequently, the value of the shares.

Community:

Positive impact: Well-managed production can contribute positively to the local community through job creation, support for social initiatives and compliance with environmental regulations.

Challenge: If production generates pollution or non-compliance with environmental legislation, it can affect the health and welfare of the local community, as well as generate conflicts with regulators and residents.

Indicator	Result 2022	Result 2023	Remarks/comments
POUNDS/hr./ person	60	54	Target 2024: 60
FILL RATE SHIPMENTS (%)	92%	98%	Target 2024: 98%
OVERALL YIELD	51,85%	50,20%	Target 2024: 53%
POUNDS PRODUCED	15383024	15046743	Goal 2024: 14650319
Process OEE	56%	56%	Target 2024: 63%



9


New products: Research and Development

Our company drives innovation and new product development through the establishment of the Research and Development (R&D) Department.

This department is dedicated to exploring and creating new formulas, packaging materials and presentations that allow us to stay at the forefront. We focus on understanding market trends and the needs of our customers, both current and potential, in order to adapt in an agile and efficient manner.

This approach allows us to expand our product offering and enter new markets with innovative, high-quality solutions.

As our department is in an early stage of development and implementation, we have identified a number of challenges for the year 2024:



Develop new formulas that allow us to expand our customer base and penetrate new distribution spaces.

Conduct collaborative innovation sessions to generate ideas and concepts that drive our growth and differentiation in the market.

Improve process times to ensure a rapid response to our customers' demands and remain competitive in a dynamic environment.

Establish performance standards for ingredients and materials, with the objective of reducing waste and optimizing our processes to improve efficiency and profitability.

A close-up photograph of a hand holding a square tortilla chip with a grid pattern, positioned over a bowl of vibrant green guacamole. The guacamole is garnished with fresh cilantro leaves. The background is a light, textured surface, possibly a table or countertop, with some scattered chips and cilantro leaves.

10

Customer and Commercial Strategy

Customer satisfaction directly impacts the company's reputation, sales, and market position. By understanding customer needs and expectations, FreshColombia can enhance its products, services, and business relationships, contributing to its success and long-term sustainability. Therefore, addressing this material customer issue involves maintaining open communication, responding appropriately to concerns, and ensuring customer satisfaction to foster strong and sustainable business relationships.

Impactos positivos

Reputation: Providing excellent customer service and meeting customer needs can enhance FreshColombia's reputation as a company committed to quality and customer service.

Revenue generation: Satisfied customers are more likely to make repeat purchases and recommend FreshColombia's products or services to others, which can increase the company's revenue.

Customer loyalty: Effective management of the material customer issue can foster customer loyalty, so that they are more willing to continue purchasing FreshColombia products rather than turning to competitors.

Improved relations with communities: By meeting customer needs, FreshColombia can contribute positively to the communities where it operates, strengthening relationships with them and generating a positive impact on its reputation.

To manage material customer issues, FreshColombia has implemented several key actions aimed at achieving its target of £5 million in direct sales by 2025. These actions include:

Continuous improvements in customer service through training and feedback.
Product development focused on customer needs, identified through market research programs.

Establishment of loyalty programs to incentivize repeat purchases.

Transparent communication with customers regarding products and policies.

Utilization of data analytics systems to monitor purchasing behavior and make informed decisions.



Who do we impact with the establishment of this material issue?

The material customer issue applies to a diverse range of stakeholders, including both domestic and international customers of FreshColombia. It encompasses employees who are in direct contact with customers, such as customer service, sales, and marketing personnel. Additionally, it extends to those employees who, while not directly interacting with customers, perform functions that indirectly affect the customer experience—such as production, logistics, and quality teams. In summary, the material customer issue has broad coverage and impacts all customers and employees involved in FreshColombia's value chain.

Building a Sustainable Future

We are on track towards our strategic objective: "To implement sustainability and corporate social responsibility practices that demonstrate our commitment to the community and the environment".

Sustainability refers to the capacity to endure over time. In the environmental context, it involves maintaining the balance of natural systems without depleting resources or damaging the environment. Additionally, it encompasses managing resources to meet present needs while ensuring that future generations can also meet theirs.

This concept integrates economic, social, and environmental dimensions, striving for a balance among them to ensure sustainable development. In our approach to sustainability, social responsibility is a fundamental aspect that is deeply integrated into our business philosophy.

We implement various strategies to promote sustainability:

Circular Economy: This approach aims to minimize waste and maximize resource efficiency throughout a product's life cycle. In avocado oil production, we take advantage of plant waste, such as pits and peels, to extract oil. By transforming these byproducts into valuable resources, we close the product's life cycle, reduce waste generation, and lessen dependence on finite natural resources. This not only benefits the environment but can also create new income and job opportunities within the avocado value chain. The use of plant waste to manufacture avocado oil exemplifies the principles of a circular economy.



Wastewater Treatment: We have implemented measures to reduce the environmental impact on water bodies through effective wastewater treatment practices.

Cost Saving Program: FreshColombia has established a Cost Saving Program aimed at encouraging employees to propose projects that generate both economic and environmental savings. As part of this program, employees receive financial incentives based on the achievement of established goals.

Food Waste Reduction: Since the introduction of the 2015 Sustainable Development Goals, reducing food loss and waste has become a primary focus for the food industry. FreshColombia has developed a robust system to rescue 99 million avocados per year. By purchasing and reusing these avocados, we help prevent valuable products from being wasted.

According to FAO figures, approximately 1.3 billion tons of food are wasted annually worldwide, accounting for 33% of the total food supply intended for human consumption (Departamento Nacional de Planeación, 2016). In Colombia, the total supply of food available for human consumption is 28 million tons per year; however, losses and waste throughout the food chain amount to 9.76 million tons (Departamento Nacional de Planeación, 2016).





FreshColombia makes avocado donations to the Fundación Banco Arquidiocesano de Alimentos de Medellín. These donations include fruits that do not meet product specifications, such as quality tests and overripe fruits. Through this project we seek to generate a positive impact on the environment, society and the economy, since previously all fruit that did not meet our quality standards was considered organic waste.

We now contribute to the delivery of this food to people who can benefit from it, providing nutrients and health benefits. In addition, these donations allow us to obtain tax benefits. In short, through this initiative we transform what was once considered waste into an opportunity to help others and contribute to social and environmental well-being.

Fruit delivered to the foundation in the year 2023: 500,879 kg

These actions not only benefit the environment, but also generate value for our customers and stakeholders.

With the development and consolidation of the Environmental Management Department, we were able to work on and carry out the following aspects:

Responses to environmental requirements and procedures with Cornare and Zona Franca.

We provided continuity and complemented the baseline for the establishment of environmental indicators.

We train and sensitize our personnel on environmental issues, social responsibility and sustainability.

We accompanied our partner Parametrix in the delivery of results for the year 2023 for the measurement of the corporate carbon footprint based on the GHG Protocol.





We responded to our clients' requests and requirements in sustainability and social responsibility issues.

A 24-hour hotline was set up for community noise complaints and a form was developed so that the porter's staff can register the calls and immediately pass the information on to the area in charge, in order to take the necessary corrective action and avoid inconveniencing neighbors.

Articulation with the SDGs:

SDGs and actions with which we develop these goals.

1 End of Poverty



SDG 1: End poverty

1.4 By 2030, ensure that all men and women, particularly the poor and most vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other assets, inheritance, natural resources, new technologies and economic services, including microfinance.

2 Zero hunger



SDG 2: Zero hunger

2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equitable access to land, other production resources and inputs, knowledge, financial services, markets and opportunities for value addition and off-farm employment.

2.4 By 2030, ensure the sustainability of food production systems and implement resilient agricultural practices that increase productivity and production, contribute to the maintenance of ecosystems, strengthen resilience to climate change, extreme weather events, droughts, floods and other disasters, and progressively improve soil and land quality.

2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effects, in accordance with the mandate of the Doha Development Round.

6 Clean water and sanitation



SDG6: Clean water and sanitation

6.4 By 2030, significantly increase the efficient use of water resources in all sectors and ensure the sustainability of freshwater withdrawal and supply to address water scarcity and significantly reduce the number of people suffering from water scarcity.

8 Decent work and economic growth



SDG 8: Decent work and economic growth

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, focusing on high value-added and labor-intensive sectors.

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.

8.7 Take immediate and effective measures to eradicate forced labor, end contemporary forms of slavery and human trafficking, and ensure the prohibition and elimination of the worst forms of child labor, including the recruitment and use of child soldiers, and by 2025 end child labor in all its forms.

8.8 Protect labor rights and promote a safe and secure working environment for all workers, including migrant workers, in particular migrant women and those in precarious employment.

SDG 9: Industry, innovation and infrastructure

9 Industry, innovation and infrastructure



9.4 By 2030, upgrade infrastructure and convert industries to make them sustainable, using resources more efficiently and promoting the adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.





12 Responsible production and consumption



SDG 12: Responsible production and consumption

12.2 By 2030, achieve sustainable management and efficient use of natural resources.

12.5 By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse.

12.6 Encourage companies, especially large companies and transnational corporations, to adopt sustainable practices and incorporate sustainability information into their reporting cycle.

17 Partnerships to achieve the goals



SDG17: Partnerships to achieve the goals

17.15 Respect each country's policy space and leadership in establishing and implementing policies for poverty eradication and sustainable development.

From ~~Avocado~~ to the Horizon: Navigating the Road to the Future

Challenges for 2024-2025, looking at it from the three spheres of sustainability:

Economic

Innovation in products to reach different international and national markets.

Continue contributing to Colombian agriculture through the purchase of avocados from small and medium-sized producers.

Implementation of environmental tax benefit projects for new technologies and innovation in the production plant.





Social

Continue to identify the farms of small and medium-sized Hass avocado producers in the different avocado-growing regions of the country, thus generating greater connection and proximity.

Increase the number of visits to the avocado farms where we buy the fruit, reaching the most remote regions and villages.

Finance and accompany producers to receive the ICA audit on Good Agricultural Practices.

Articulate volunteer programs linked to specialized foundations (environmental education, early childhood classes).

Environmental

Generate strategic alliances for environmental and social management.

Promote and integrate the culture of quality, safety and environmental management.

Implement an integrated leadership program (work environment, care management and personal development).

To continue the practice of circular economy by monitoring and controlling the different stages of the process in an effort to maintain it for the collection of all waste, thus guaranteeing the proper management of organic resources and reducing the environmental impacts generated by the final disposal of waste.

Implement good operational energy practices.

A rainwater collection system is currently under consideration to optimize resource use for consumption in sanitary units. The municipality of Rionegro, where our plant is located, experiences significant rainfall, with an annual average between 1,800 and 2,500 mm³. Additionally, we are measuring water consumption at critical points in the process, such as the main pipe of the pulper belt and tray washing. Valves are being installed to regulate water flow throughout the process.



Continue to manage legal compliance effectively by responding promptly to requests from regulatory entities and maintaining various environmental permits. Moreover, to ensure adherence to internal programs and activities that promote the rational and responsible use of resources.

To reduce CO₂ emissions from the production process and transportation of products, we are measuring our corporate carbon footprint. This will help us identify areas for improvement and actions to implement in order to offset our CO₂ emissions.

GRI (Global Report Initiative) Table of Contents

Material Subject	GRI Standard	SDGs and targets	SDGs and targets	Report page
Environmental Compliance: Ensuring a Sustainable Future	GRI 307 Environmental compliance	SDG17: Partnerships to achieve the goals 17.5	Compliance with environmental regulations	19
Water	GRI 303 Water and effluents	SDG6: Clean water and sanitation 6.4 SDG 12: Responsible production and consumption 12.2	Water consumption and water discharge	20-21
Energy	GRI 302 Energy	SDG 12: Responsible production and consumption 12.2	Energy	Energy



Material Subject	GRI Standard	SDGs and targets	SDGs and targets	Report page
Waste	GRI 306 Waste	SDG 12: Responsible production and consumption 12.5	Indicators for organic, usable and ordinary waste generation	22-23
Quality and safety	GRI 103 Management approach	SDG 2: Zero hunger 2.4	Quality and safety indicators	24-25
Talent development and well-being	GRI 403 SST	ODS 8: Trabajo decente y crecimiento económico 8.8	Accident rate	26-27
Talent development and well-being	GRI 401 Employment	SDG 1: End poverty 1.4 SDG 8: Decent work and economic growth 8.5	Staff turnover, hiring of young people between 18 and 25 years of age, hiring of people over 45 years of age.años	27
Talent development and well-being	GRI 202 Market presence	SDG 8: Decent work and economic growth 8.7	Well-being at	26-27
Producers	GRI 103 Management approach	SDG 1: End poverty 1.4 SDG 2: Zero hunger 2.3	Food Waste Small and medium-sized producers	28-29-30, 38



Material Subject	GRI Standard	SDGs and targets	SDGs and targets	Report page
Processes and operation	GRI 103 Management approach	SDG 2: Zero hunger 2.4	Significant positive impacts	31-32-33
New products: Research and development	GRI 103 Management approach	SDG 8: Decent work and economic growth 8.2	Challenges for the year 2024	35
Customers and Commercial Strategy	GRI 103 Management	SDG 2: Zero hunger 2b	Who do we impact with the establishment of this material issue?	36-37

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FreshColombia

Shaking Hands With Nature