

SUSTAINABILITY

REPORT

2023



INTRODUCTION

SUSTAINABILITY REPORT

GRUPO LA FABRIL

This Sustainability Report reflects our commitment to social responsibility, environmental care and the creation of economic value. Through this report, we detail the progress of our sustainable initiatives, the positive impact on our communities and the efforts we have made to mitigate the environmental effects of our operations. Our vision is to achieve balanced growth, always prioritizing the well-being of our stakeholders and that of the environment in which we operate.



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MESSAGE FROM THE PRESIDENT

At La Fabril Group, sustainability is a fundamental pillar that drives our growth and strengthens our competitiveness. In 2023, we redoubled our efforts to integrate sustainable practices in all our operations, aligning ourselves with the Sustainable Development Goals of the 2030 Agenda. These actions generate long-term value for both our strategic partners and the communities with which we work.

During this period, we consolidated our corporate governance with the creation of a Trust Council, which now includes external members representing the interests of the shareholders. We also established boards of directors for our two holding companies: Holding La Fabril, which groups our agro-industrial and mass consumption companies; and Holding Montecristi, which includes our real estate, forestry and livestock activities. Both boards have a majority of external directors, experts in their fields, selected for their in-depth knowledge in various areas of the business sector.

Robust and transparent corporate governance not only improves strategic decision making, but also ensures the implementation of sustainable policies, ethical resource management and a positive impact on the community. This integrated approach has enabled us to manage environmental, social and governance (ESG) risks more effectively, reinforcing our commitment to responsible and sustainable development.

In this Sixth Sustainability Report, we highlight our progress and key strategies, demonstrating how sustainability and corporate governance best practices have become drivers of growth and efficiency. We are convinced that, by working together, we can continue to build a more prosperous future for all.

I sincerely thank all our strategic allies for their constant support.



Santiago Terán
Chairman of the Board
La Fabril Group

OUR IDENTITY

At La Fabril we lead with integrity, responsibility and commitment, driving innovative solutions that create shared value. We focus on sustainable practices that protect the environment and promote the development of the palm oil sector. Our objective is to simplify the lives of our customers with high quality products, generating a positive and lasting impact on our communities and partners, while building a more responsible and sustainable future.



VALUES

INTEGRITY

Clear conscience before myself and others.

- Be transparent: say what I think with facts and figures.
- No cheating
- Play fair.

RESPECT

Acceptance of diversity makes me stronger.

- Listening.
- Value diversity.
- No aggression.

COMMITMENT

A constant effort to keep my word.

- Go the extra mile.
- Make decisions as if you were the owner.
- Be a good sport.



LEADERSHIP

Passion for serving others.

- Learn and teach.
- Lead continuous improvement.
- Seek excellence

RESPONSIBILITY

I assume the consequences of my actions.

- Acknowledge mistakes.
- Take charge and keep promises.
- Act with discipline.

OUR 2023 MILESTONES



La Fabril reached fourth place in the food sector and ranked 13th nationally among the companies with the best reputation, according to Merco ranking.

Ekos

In addition, it was recognized in the top 3 of the leading companies in the mass consumption sector, according to a market analysis carried out by Ekos Group.



Aceite La Favorita, a Brand of the Food Division of La Fabril, was recognized as one of the most influential brands in the country, according to the IPSOS 2023 corporate reputation study, which analyzed seven dimensions and 60 key attributes.



Ciclón was recognized as the number one detergent brand in Ecuador by Worldpanel by Kantar. Similarly, the Guayaquil Stock Exchange identified La Fabril as the industrial Company with the highest amount placed in the stock market.



Vistazo magazine listed us as one of the industries with the greatest trajectory and growth in its ranking of the 500 largest companies in Ecuador.



The Duet soap Brand won a Silver Effie Award in the "Social Networks" category for its "Living Realities" campaign, an initiative that visualizes outstanding women through real statues in public spaces.



In the 2023 Ekos Power Digital Brands edition, we obtained seven awards, thanks to the effective digital presence of our brands: Favorita, Ciclón, Girasol, Olimpia and Lavatodo.



Our Intima brand was granted the "Huella Vivir en Familia" award, granted by the Ministry of Economic and Social Inclusion.



MESSAGE FROM THE CEO

At La Fabril, we are aware that the actions we take today have consequences in the future. For this reason, for many years we have been sowing seeds that are bearing fruit day by day. We firmly believe that sustainability is more than a responsibility; it is a key enabler for innovation and, consequently, growth. With a clear vision for the future, we understand that, to remain market leaders, we must evolve sustainable practices to develop our people, build competitive processes and ensure customer and consumer loyalty. At the same time, we must generate value for all our stakeholders, now and in the future. All this is achieved through strong values, passion and determination.

For many years we have been convinced that sustainable success lies in building solid and beneficial relationships for all those involved in our value chain: from the palm growers and extractors to our employees, customers and suppliers.

This collaborative network is fundamental to promote development in Ecuador. I have had the privilege since I was a child to travel around the country; from its inhospitable highlands to its dense jungles and coral reefs that are loaded with a unique biodiversity; as unique and diverse as we Ecuadorians. We live in a wonderful country, and we must take care of it.

Our commitment goes beyond regulatory compliance; it is about generating value in all our operations, from agriculture to production and distribution, thus creating solutions that respond to today's needs and anticipate tomorrow's demands. We must be faster and more efficient every day. This approach not only allows us to be more competitive, but also reinforces our mission of contributing to the growth and well-being of people by providing brands and practical solutions that generate memorable experiences.

I invite you to explore in this report our sustainability progress, which reflects both our commitment as well as the tangible results we have achieved towards making people more prosperous and environmentally conscious. At La Fabril, "The Industry of the Ideas" we are ready to continue building a brighter future.



Felipe González Artigas
CEO
La Fabril

COMPANY PROFILE

[GRI 2-1, GRI 2-2, GRI 2-6, GRI 2-7]

La Fabril Group is an Ecuadorian conglomerate, distinguished by its integrated approach to agribusiness and the production of consumer goods. Through its companies Energy & Palma and Extractora Río Manso, it leads the production of palm oil and agricultural by-products, which it then transforms into high value-added products such as edible oils, toiletries and biofuels.

Its commitment to sustainability and innovation is at the core of all its operations, ensuring that both the agricultural and industrial sectors adopt responsible practices that minimize environmental impact and promote economic development. La Fabril Group creates value for its customers and consumers, promoting a more sustainable future.



Our headquarters are located in the Montecristi Industrial Complex. We have two additional plants in the city of Guayaquil and we have commercial agencies nationwide, strategically located in: Quito, Cuenca, Imbabura, Machala, Santo Domingo, Manta, Guayaquil and Ambato. We also have operations in the United States, through La Fabril USA, with an office on site.

It is worth mentioning that the entities that constitute the basis on which information on the different material topics will be presented are La Fabril, Exa Río Manso and Energy & Palma.

VALUE CHAIN

Our value chain describes each of the stages and companies involved in our production process, from planting to the delivery of the final product to our customers.



80 Independent palm growers

09 Palm harvesting centers

Organic production **NHA Plantations**



2,500 Independent palm growers

Provide **fruit** for extraction processes

Sustainable agricultural practices
and **certified products**



La Fabril is responsible for refining crude palm oil (CPO)



Quality
products



Guaranteed
Efficiency



Strict
standards

End Customer

Direct CPO Exports to industrial clients



B2B



B2C



Organic

COMPLIANCE WITH LAWS AND REGULATIONS

[GRI 2-7]

We operate in strict compliance with the national and international regulations that govern our activities. We ensure that we adhere to local environmental, labor, and safety laws and regulations, while complying with internationally recognized standards in sustainability, quality, and social responsibility.

This alignment with global best practices enables us to ensure products and processes that respect the environment, promote social well-being and maintain integrity throughout our operations.



NATIONAL REGULATIONS

- Civil Code and Civil Procedure
- Commercial Code
- Organic Law for the Regulation and Control of Market Power
- Organic Code of Territorial Organization, Autonomy and Decentralization
- Organic Administrative Code
- Organic Law for Consumer Defense
- Organic Code of the Social Economy of Knowledge, Creativity and Innovation and its Regulations
- Companies Act
- Labor Code
- Occupational Health and Safety Regulations
- Organic Code of Production, Commerce and Investments
- Unified Text of Secondary Legislation of the Ministry of the Environment
- Organic Code of the Environment and its Regulations
- Organic Law for the Protection of Personal Data and its Regulations
- Organic Law to Promote the Violet Economy and its Regulations
- Organic Law for Equal Salary between Women and Men
- Organic Law for the Rationalization, Reuse and Reduction of Single-use Plastics and its Regulations
- Tax Code
- Law of Internal Tax Regime and its Regulations
- Organic Law of Inclusive Circular Economy
- Organic Law for the Rationalization, Reuse and Reduction of Single-use Plastics and its Regulations
- Sanitary Technical Standards
- INEN Standards

INTERNATIONAL REGULATIONS

- Andean Community Decision 486
- Andean Community Decision 584
- Andean Community Decision 533
- Andean Community Decision 816
- Andean Community Decision 351
- ISO Standards
- Incoterms Rule



CURRENT CERTIFICATIONS

1994	KOSHER Certification	2004	Quality Management System ISO 9001
2005	Organic Certification: National - USDA/NOP - EU	2005	BASC Control and Safety Management System
2005	INEN Quality Standards	2010	ISO 14001 Environmental Management System
2013	Laboratory Quality Management System ISO 17025	2013	HACCP Codex
2014	Food Safety Management System FSSC22000	2013	BPM Codex
2016	International Sustainable Carbon Certification ISCC	2016	BPM Agrocalidad Food for Veterinary Use
2016	BPM Agrocalidad Veterinary Cosmetics	2017	BPM ARCSA Sanitary Technical Standards - Food Division
2018	BPM ARCSA Sanitary Technical Standards - HCP Division	2018	RSPO
		2022	Italian National Scheme Certification INS

SUSTAINABLE DEVELOPMENT GOALS

La Fabril, Exa Río Manso and Energy & Palma have aligned their activities with the Sustainable Development Goals (SDGs) seeking to contribute to global sustainability and social responsibility goals. Each has adopted specific approaches to integrate these objectives into their operations.

La Fabril, Exa Río Manso and Energy & Palm have focused their efforts on the following SDGs:



SDG 8 - Decent Work and Economic Growth

La Fabril Group promotes a safe and dignified work environment, fostering the creation of stable and sustainable jobs, while promoting responsible economic growth.



SDG 10 - Reduction of Inequalities

The organization combats all forms of prejudice and discrimination through comprehensive inclusion, diversity and gender equality policies.



SDG 12 - Responsible Production and Consumption

It implements practices to reduce the environmental impact of its operations, efficiently managing resources and minimizing waste.



SDG 13 - Climate Action

The company has worked to reduce its greenhouse gas emissions, promoting the use of clean energy and mitigating its carbon footprint.



SDG 15 - Life on Land

La Fabril Group participates in the conservation and restoration of biodiversity, working on biodiversity conservation projects and our private nature reserve.

RELATIONSHIP WITH OUR STAKEHOLDERS

[GRI 2-29 GRI 3-3]

STRATEGIC RELATIONSHIPS



People



Operational
Excellence



Sustainable
Growth

La Fabril places strong emphasis on its human capital, recognizing the talent of its employees and fostering an organizational culture based on results, values and ethics. This focus on people nurtures internal development to drive operational excellence and is essential to its long-term success.

The company seeks to maximize efficiency and quality in all its processes, ensuring that each stage of production and service is aligned with the highest standards. In turn, this operational excellence is the engine that enables the company to move towards sustainable growth, focused on innovation and diversification of its offerings.

Thanks to this vision, we protect our market leadership by functioning as an integrated ecosystem.





MESSAGE FROM THE CEO

In the agro-industrial division of Grupo La Fabril, we focus on a sustainable agricultural innovation model that prioritizes operational efficiency and the continuous development of our people. Our commitment is based on the implementation of agricultural practices that not only improve productivity, but also meet the highest certification standards, ensuring that our operations are responsible and sustainable.

The key to our success has been understanding and adapting our strategies to the needs and culture of our team, which has resulted in a committed and highly effective work group. We know that the challenges in agriculture do not stand still, so we continue to innovate to optimize every aspect of our operations.

A concrete example of this innovation is the valorization of palm by-products. We are currently transforming palm rachis into biomass pellets, which are used as a source of renewable energy in other industrial plants of the Group.

This effort not only allows us to make the most of our resources, but also to reduce our dependence on fossil fuels, thereby reducing our carbon footprint. The implementation of renewable energies and the optimization of our production processes are fundamental to reducing greenhouse gas emissions, minimizing our environmental impact and making a tangible contribution to sustainability.



Jaime González Artigas

CEO

Río Manso and Energy & Palma
Extraction Plants

OUR POLICIES, COMMITMENTS AND GUIDELINES

[GRI 2-23, GRI 2-27]

La Fabril's policies and regulations are designed to ensure a work environment that is ethical, safe and aligned with the company's core values.

ETHICAL CONDUCT GUIDE

Establishes the principles that should guide the behavior of all employees, promoting integrity, transparency and respect in all interactions.

BEHAVIOR GUIDELINES BASED ON OUR ORGANIZATIONAL VALUES

It focuses on fostering attitudes and actions that reflect La Fabril's core values, ensuring that each employee acts in a manner consistent with the organizational culture.

INTERNAL REGULATIONS FOR OCCUPATIONAL HEALTH AND SAFETY

It focuses on fostering attitudes and actions that reflect La Fabril's core values, ensuring that each employee acts in a manner consistent with the organizational culture.

INTERNAL WORK REGULATIONS

This defines the rules that regulate the labor relationship, including rights and duties of both the company and its workers, ensuring compliance with labor laws and harmony in the work environment.

These documents are essential to preserve the well-being of our workers and the operational sustainability of La Fabril.

OUR ECONOMIC PERFORMANCE

DIRECT ECONOMIC VALUE: GENERATED AND DISTRIBUTED

[GRI 2011]

Our commitment to sustainability is reflected in our environmental, social and labor practices, as well as in the generation and distribution of economic value through our three business units: Energy & Palma, Río Manso and La Fabril.

We seek economic growth that promotes social well-being and environmental protection. We are transparent about our economic contributions and our stakeholders evaluate the financial impact of our operations, as shown in the breakdown of economic value generated and distributed in fiscal year 2023.



GENERATED

656,622,949

Income from ordinary activities

6,999,257

Other income

5,233,528

Financial income

2,545,193

Deferred income tax

TOTAL

660,400,92



DISTRIBUTED

-502,493,756

Cost of sales

-2,809,774

Other expenses

-120,436,093

Administrative, sales and general expenses

-18,894,398

Financial costs

-330,208

Gains (losses) from impairment of financial assets

-4,861,734

Current income tax

TOTAL

-649,825,963

Net income for the year

10,574,969,00 \$

It is important to note that the costs and expenses mentioned above include a significant portion corresponding to the economic value distributed to employee benefits, such as salaries, social benefits, defined benefit plans and additional benefits, as follows:

	2022	2023
Wages/Salaries	46.301.831	47.984.563
Social benefits	17.335.550	18.137.447
Defined benefits	1.626.023	2.848.161
Employee Profit Sharing		
Total	67.533.201 \$	71.245.143 \$

Between 2022 and 2023 we highlight a general increase in all items, reflecting a greater investment in employee compensation and welfare. In addition, employee profit sharing also shows an increase, reinforcing the company's commitment to the growth of benefits for its employees.



Below is a detailed breakdown of the direct economic value generated and distributed during Energy & Palma's fiscal year 2023.

GENERATED

42,998,304

Income from ordinary activities

938,276

Gain on fair value of biological assets

TOTAL

660,400,92 \$



DISTRIBUTED

-38,647,672

Sales cost

-682,727

Administrative, sales and general expenses

-3,818,828

Financial net costs

-82,858

Other net income and expenses

-116,500

Current income tax

-340,009

Deferred income tax

TOTAL

-43,688,594 \$

Net income for the year

247,986 \$

Based on detailed data corresponding to Energy & Palma, we present in greater detail the costs and expenses related to the benefits granted to its employees in fiscal years 2022 and 2023.

	2022	2023
Wages/Salaries	8.056.953	8.644.395
Social benefits	4.965.610	5.096.471
Defined benefits	534.231	529.616
Employee Profit Sharing	207.257	-
Compensation	126.903	108.844
Others	77.416	41.671
Total	13.968.370 \$	14.420.977 \$

This analysis shows an increase in wages, salaries and fringe benefits in 2023, while defined benefits had a slight decrease. No employee profit sharing is reported for 2023, unlike the previous year. Severance pay and other expenses also decreased slightly. Overall, total employee benefit expenses were higher in 2023 compared to 2022.



As EXA Río Manso we present a detailed breakdown of the direct economic value generated and distributed during fiscal year 2023.

GENERATED

84,753,772

Income

208,001

Other income

183,552

Deferred income tax

TOTAL

85,145,325 \$

DISTRIBUTED

-79,979,864

Sales cost

-774,301

Financial net costs

-2,599,209

Administrative and sales cost

-556,743

Current income tax

TOTAL

-83,910,117 \$

Net income for the year

1,235,208 \$

These are the expenses incurred for the granting of benefits to its workers:

	2022	2023
Wages/Salaries	3.960.150	4.847.616
Social benefits	2.207.800	1.764.468
Defined benefits	40.793	758.867
Employee Profit Sharing	545.269	283.835
Total	6.754.012 \$	7.654.783\$

This analysis highlights an overall increase in benefits for the year 2023 compared to 2022, which implies a greater effort by the organization to improve the benefits chain for our workers.

EMPLOYEE BENEFITS EXPENSES IN COMPANIES

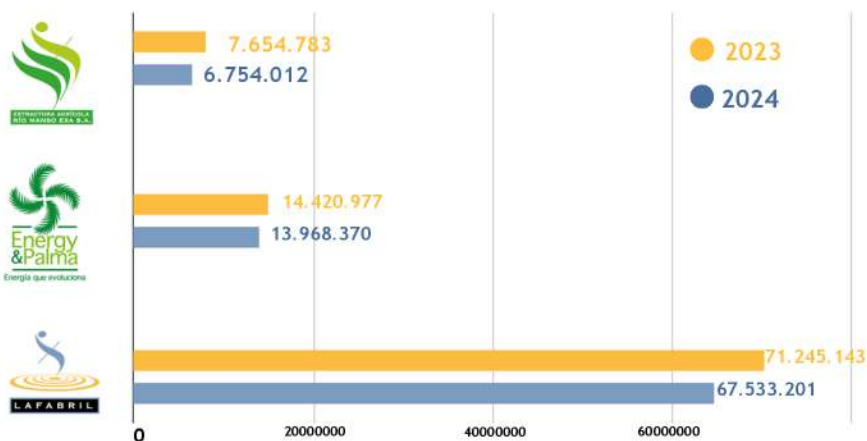


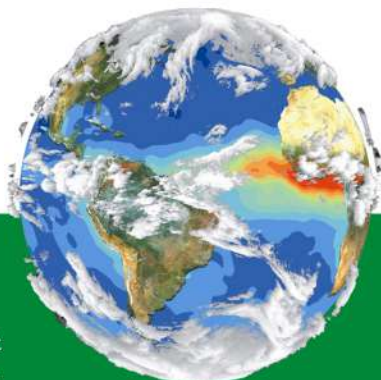
Chart 2: Comparison of employee benefit expenses in companies for 2022 and 2023.

This is a general graph showing the increase in employee benefits expenses for the different companies. In 2023, La Fabril increased these expenses by 5% compared to 2022, while Energy & Palma recorded an increase of 3% and EXA Río Manso a notable increase of 13%, both in relation to the previous year.

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES ARISING FROM CLIMATE CHANGE

[GRI 201-2]

We recognize that climate change presents both challenges and opportunities that can have significant implications for our operations and financial results. Below, we describe the strategies we are implementing to address them.



REGULATORY RISKS

We are committed to complying with all relevant regulations and we stay ahead of regulatory changes. Therefore, we have the following measures in place:

- ✔ Strict follow-up of the environmental management plan to maintain the environmental license.
- ✔ Biannual environmental monitoring.
- ✔ Annual reports on compliance with the environmental plan
- ✔ Biannual compliance audit.
- ✔ Insurance policy for faithful compliance with the environmental management plan.

PHYSICAL RISKS

Climate change can cause extreme weather events that significantly impact our operations, especially in the Energy Palma and Río Manso business units. The main climatic threats include increased temperatures, decreased rainfall, and increased incidence of pests.

Conditions such as temperatures between 27 and 30°C, high relative humidity and low solar radiation favor the development of the fungus that causes bud rot (CBD). The PC disease represents a particular risk for the southern zone of our crops, which has 900,000 tons of fruit available, of which we purchase 270,000 tons. These events can disrupt the supply chain, damage infrastructure and reduce the availability of raw materials.

To mitigate these risks, we have implemented the following measures:

- ✔ Avoid the transfer of fruit from the north to the south to prevent the introduction of the vector responsible for PC.
- ✔ Encourage the planting of hybrids in the southern zone, diversifying crops between guineensis and hybrids to increase crop resilience.
- ✔ Provide palm growers with technical assistance in sanitary management to improve cultivation practices and control the spread of the disease.

MARKET RISKS

The growing awareness and demand for sustainable products significantly influences consumer preferences and market conditions. Failure to adapt to these trends could result in a loss of competitiveness and market share. To address this challenge, La Fabril ensures that it complies with current environmental regulations and maintains a robust sustainability report.

These actions ensure our commitment to sustainability and reinforce our position in the market by aligning us with best practices in the industry.



DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

[GRI 201-3]

Our three business units, Energy Palma, Río Manso and La Fabril, maintain adequate provisions to cover obligations related to pension plans, which include:

✓ Retirement plans

✓ Eviction Bonuses

The estimated value of these obligations is backed by the organization's general resources, guaranteeing compliance with these commitments in each unit.

To ensure full coverage of these obligations, even in the event that the allocated fund is not sufficient, La Fabril has implemented a comprehensive strategy. Each business unit generates specific working capital to guarantee compliance with labor obligations, including retirement plans for employees entitled to employer retirement benefits.

34% of salary is allocated to the pension plan

MARKET PRESENCE

RATIOS BETWEEN THE STANDARD ENTRY LEVEL WAGE BY GENDER AND THE LOCAL MINIMUM WAGE

[GRI 201-1]

At La Fabril we are committed to maintaining wage equity in our business units, Energy Palma, Río Manso and La Fabril.

To ensure transparency in remuneration, we report the ratio between the entry level wage by gender and the local minimum wage in our significant locations, which are those with a high proportion of employees, considerable community impact, or relevant local wage regulations.



A “key operational area” is considered to be any site or business unit where:



The number of employees represents a significant percentage of La Fabril's total workforce.



Operations have a significant impact on the local community or on the economic environment.



There are local wage conditions or regulations that require a detailed assessment of compliance with minimum wage standards.

Below is the corresponding data for each of the key areas of our business units:

Senior Management	Workers than earn the minimum wage		Workets that earn more than the minimum wage		% over the minimum wage	
	Men	Women	Men	Women	Men	Women
Key operational areas:						
Supply chain	3	0	1.724	170	99,83%	100,00%
General Management	2	0	8	7	75,00%	100,00%
Legal	0	0	1	2	100,00%	100,00%
Audit	0	0	6	5	100,00%	100,00%
Human Resources	0	0	6	35	100,00%	100,00%
Financial	0	0	110	61	100,00%	100,00%
Projects	0	0	19	11	100,00%	100,00%
B2C Sales	0	0	263	344	100,00%	100,00%
B2B Commercial	0	0	52	45	100,00%	100,00%
R&D	0	0	32	24	100,00%	100,00%
Marketing	0	0	6	24	100,00%	100,00%
Total	5	0	2.227	728	99,78%	100,00%

Table 8: Data between the standard entry level wage by gender and the local minimum wage.

It is important to note that the ratios between the entry level wage and the minimum wage were not included, as there were not a significant number of employees with minimum wages. All La Fabril workers receive salaries above the minimum wage, in line with its compensation and benefits policy.

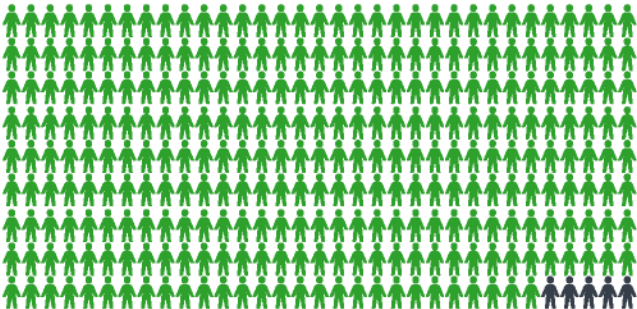
The graph below shows the corresponding ratios.

RATIOS BETWEEN THE ENTRY LEVEL WAGE AND THE MINIMUM WAGE

728 out of 728 Workers (Women) that earn more than the minimum wage



2227 out of 2232 Workers (Men) that earn more than the minimum wage



Here we look at a comparison between employees earning the minimum wage and those earning more than the minimum wage, broken down by gender and key operational areas, such as supply chain, general management, legal, B2C sales, B2B commercial, research and development (R&D), and marketing.

In most of these areas, both men and women earn more than the minimum wage, with a high percentage of equity in salaries above minimum wage, although there are some notable differences in areas such as general management.

RATIO ANALYSIS OF ENTRY LEVEL WAGE BY GENDER VS. LOCAL MINIMUM WAGE:



SUPPLY CHAIN

The majority of workers, both men (99.83%) and women (100%), earn more than the minimum wage, with a minimal difference between genders.



GENERAL MANAGEMENT

There is a significant gap, with 75% of men earning more than minimum wage versus 100% of women.

LEGAL, AUDIT, H, FINUMAN RESOURCES, FINANCE, PROJECTS, B2C SALES, B2B COMMERCIAL, R&D AND MARKETING:

All workers in these areas, regardless of gender, earn more than the minimum wage, in accordance with our equitable wage policy.

This data reflects our efforts to ensure fair compensation and to comply with minimum wage standards in our key operational areas.



PROPORTION OF SENIOR EXECUTIVES RECRUITED FROM THE LOCAL COMMUNITY

[GRI 202-2]

The following is the percentage of senior executives from the local community (Ecuadorians) compared to foreigners in our main business units:

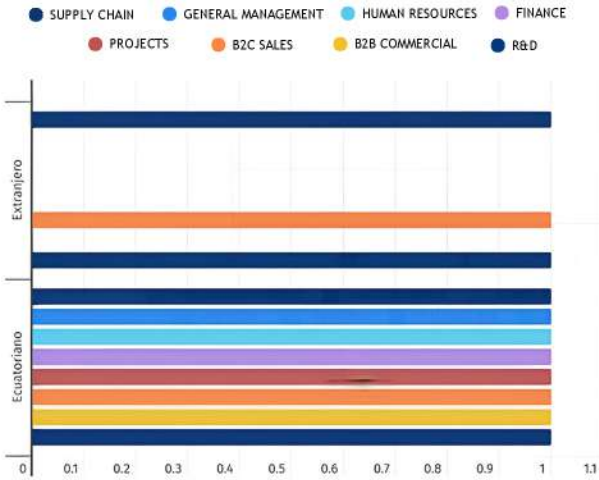
LA FABRIL	ECUADORIAN		FOREIGN	
	Men	Women	Men	Women
Supply Chain	-	-	1	-
General Management	2	-	-	-
Human Resources	1	-	-	-
Financial	1	-	-	-
Projects	1	-	-	-
B2C Sales	-	-	1	-
2B2 Commercial	1	-	-	-
R&D	-	-	1	-
Marketing	-	1	-	-
Total	6	1	3	0
Percentage	70%		30%	

Table 9: Percentage of senior executives at key operational locations recruited from the local community.



At La Fabril, 70% of senior executives are Ecuadorian, so we maintain our focus on hiring local talent, as is the case in General Management, Human Resources, Finance, Projects, and B2B Commercial. In contrast, units such as Supply Chain, B2C Sales, R&D have a significant percentage of foreign executives.

Percentage of senior executives recruited from the local community.



GTable 4: Percentage of senior executives in key operational areas in la Fabril for the year 2023.

While the data show that the local community is the most representative among the senior executives distributed within the company's key operational locations, in certain areas the presence of foreign senior executives is observed, which enriches the cultural and professional diversity within the organization.





MESSAGE FROM THE R&D, PROJECTS AND SUSTAINABILITY MANAGER

"At La Fabril Group, we understand that sustainability is not just a concept, but a responsibility that permeates each of our decisions and operations. As part of our commitment to long-term value creation, we adopt a comprehensive ESG (environmental, social and governance) approach, which guides all our activities and drives us to be leaders in the implementation of responsible business practices.

Transparency is a fundamental pillar of our sustainability strategy. We are committed to providing clear and accurate information to all our stakeholders, from our local communities and workers to customers, suppliers and investors.

At La Fabril, our goal is to continue building a company that, in addition to being profitable, is respectful of the planet, committed to people and transparent in its actions".



Alejandro Maldonado
R&D, Projects and
Sustainability Manager
La Fabril Group



ENVIRONMENT

MATERIALS

RECYCLED PRODUCTS AND PACKAGING MATERIALS

[GRI 301-3]

At La Fabril we have implemented several strategies for the recovery of products and packaging materials, which has resulted in the following recovery per business unit:

Business unit	Material used	Quantity used (kg)	Quantity recovered (kg)	Percentage recovered (%)
Soap	PET	437.280,00 kg	3560 kg	0,82%
Factory	Plastic (packaging)	800.667 kg	5590 kg	0,70%
Margarines	Plastic (oils and fats)	1.830.000 kg	94.561,60 kg	5,17%
Margarines	Plastic (total)	3.661.610 kg	237.742,08 kg	6,49%

Table 10: : Products and Materials Recovered

4.1



ENERGY

ENERGY CONSUMPTION IN THE ORGANIZATION

[GRI 302-1]

In 2023, La Fabril reaffirmed its commitment to sustainability.

The consumption of non-renewable fuels, including diesel until August and LPG since September, reached 620,860 kg.

On the other hand, the consumption of renewable fuels, such as PKS and rachis pellets, was 21'509,177.67 kg. In addition, electricity consumption during the year totaled 54'105,630.71 kWh.

Total energy consumption in the year:

167.226.271,31

88.9%

Renewable Energy

11.1%

Non-renewable Energy

● RENEWABLE ENERGIES ● NON-RENEWABLE ENERGIES

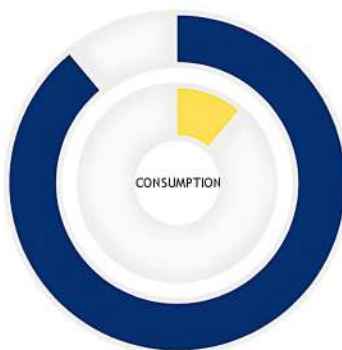


Gráfico 5: Energy consumption in La Fabril for the year 2023

Most of our energy comes from renewable sources, thanks to our commitment to reducing our carbon footprint and promoting sustainable practices.



150.395,38 gal.

Fuel derived from non-renewable sources

11'227.183,81 kwh

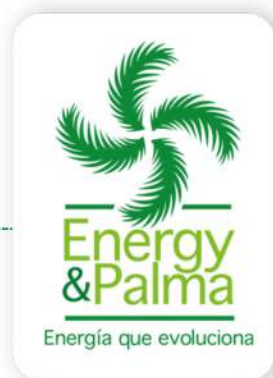
Electricity consumption

44'775.219,9 MJ

Value consumption

225.216,72 gal

Fuel derived from non-renewable sources



8788,4 gal.

Fuel consumption

13 CLIMATE ACTION



Our energy generation comes from renewable sources, which responds to our alignment with the fulfillment of Sustainable Development Goal 13 “Climate Action”.

ENERGY INTENSITY

[GRI 302-3]

At La Fabril the energy intensity ratio is measured in kWh per ton of production, using a monthly average of 135,011 kWh/ton for the year 2023.



REDUCTIONS IN ENERGY CONSUMPTION

[GRI 302-4]

As of October 2023, La Fabril made a change in the company's energy matrix; reductions in the four types of energy are contemplated as of the second half of 2024.





WATER AND EFFLUENTS

INTERACTION WITH WATER AS A SHARED RESOURCE AND WATER ABSTRACTION

[GRI 303-1, GRI 303-3]

La Fabril uses two main sources of water. The first is water from EPAM's public network or from tankers, and the second is water extracted from wells. Both are treated in a sustainable manner prior to use. Water from EPAM or tankers undergoes a softening process to reduce its hardness, while water from wells undergoes a reverse osmosis treatment to ensure its quality.

Water abstraction in La Fabril(2023)

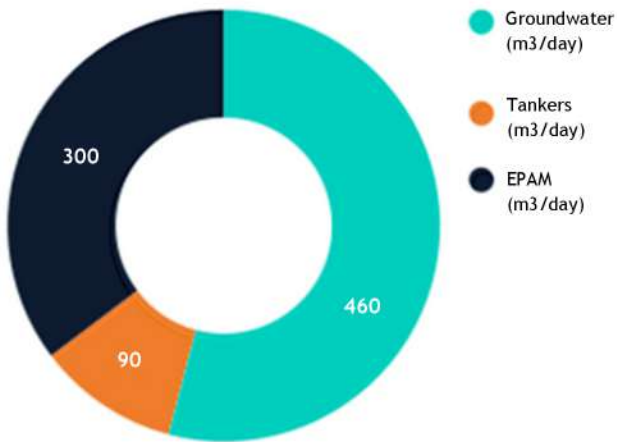


Figure 6: Water abstraction for use in La Fabril's operations in the year 2023.

La Fabril obtains water from three main sources. It draws 460 m³/day from groundwater, 300 m³/day from the Public Municipal Water Company (EPAM), and 90 m³/day from tankers. Most of the water comes from groundwater sources, followed by EPAM, and the smallest volume is obtained from tankers.

For the collection of this data, mechanical flow meters are used to allow precise control of water intake and consumption at La Fabril's facilities.

FRESH WATER EXTRACTION



EXTRACTORA AGRÍCOLA
RÍO MANSO EXA S.A.

2.669.470 m³

Groundwater Sources

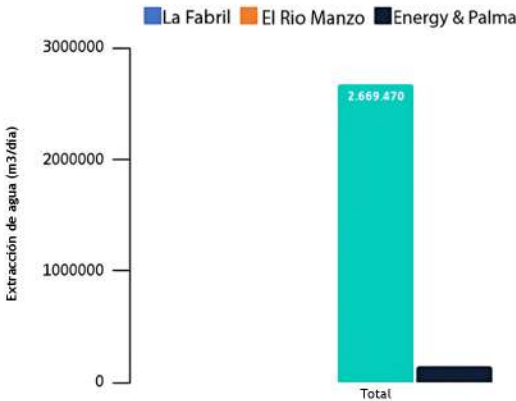


Energy & Palma

Energía que evoluciona

150.530 m³

Surface water source (estuary)



When considering the productive activities of the companies analyzed (La Fabril, Exa Río Manso and Energy & Palma), Exa Río Manso is the one that extracts the largest amount of water, with a total of 2,669,470 m³ /day during 2023, while the business unit that extracts the least amount of water is La Fabril with 850 m³ /day.

Figure 7: Comparison of water extraction at La Fabril, Exa Río Manso and Energy & Palma in 2023.

MANAGEMENT OF WATER DISCHARGE RELATED IMPACTS

[GRI 303-1, GRI 303-3]

At La Fabril, the effluent generated by the industrial processes is managed through two treatment methods.

82,4% 

of the effluent is subjected to biological treatment, using oxidation and phytoremediation pond.

17,6% 

is chemically treated by coagulation-flocculation and incorporated into the water treatment system.

The minimum quality standards for effluent discharges in areas without specific local regulations are based on the table in Ministerial Agreement 0.97A and are adjusted to the parameters of the corresponding industrial sector.

Effluent analyses before and after treatment are compared, although no mention is made of whether the profile of the receiving water body is considered in this assessment.

BIOLOGICAL DEGRADATION PROCESS OF ENERGY & PALMA ORGANIC MATTER

7ponds with a total volume of 45.355m³



Guarantee 120 days of retention and degradation

Return to natural tributaries



WATER DISCHARGE

[GRI 303-4]

At La Fabril we carefully manage the discharge of domestic water generated at its facilities. This water is discharged into the sewage system managed by the Municipal Public Water Company (EPAM).

DISCHARGE VOLUME

Daily **120 M3**

Exa Río Manso **10.356,65**

Energy & Palma **147.396M3**

All effluents discharged comply with the limits established in Ministerial Agreement 0197A, which defines quality parameters such as BOD, COD, suspended solids and pH.

In addition, the company continuously monitors its discharges to detect and correct any deviations in a timely manner, thus ensuring compliance with regulations.



WATER CONSUMPTION

[GRI 303-5]

In 2023, La Fabril recorded a total consumption of 278,643 m³ of water in its production plant, from various sources. Most of the water came from the EPAM public network with 113,056 m³, followed by 154,919 m³ of osmosed water, which guarantees the quality required for sensitive processes.

In addition, 10,670 m³ of water from tankers were used to cover specific demands, ensuring operational continuity in periods of high demand or low availability from other sources.

Below is the monthly and total water consumption according to the different sources of water for La Fabril in 2023. The month with the highest consumption was March, while February recorded the lowest consumption. As of June, water from tankers was no longer used.

● RENEWABLE ENERGIES

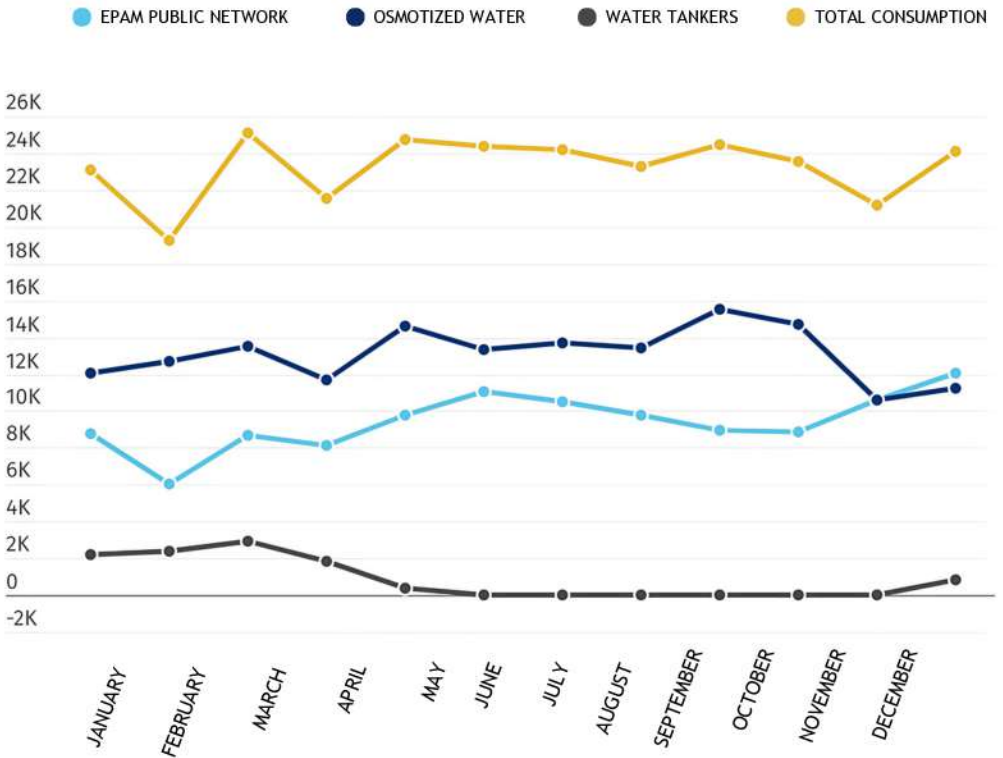


Table 11: Total water consumption, La Fabril, 2023



BIODIVERSITY

[GRI 304-1, GRI 304-2, GRI 304-3, GRI 304-4]

Energy & Palma carries out productive activities that include oil palm agriculture, oil extraction, and research into new genetic materials. These operations are located in San Lorenzo, Esmeraldas.

We have a total of 13,736 ha, of which 5,500 ha are dedicated to conservation. The facilities, which include camps and an extraction plant, are in areas that do not affect conservation zones. It is important to note that our operation does not intersect with state-declared protected areas.

Some species are impacted by Energy & Palma's operations. The degree of impact has been determined according to national conservation lists and the IUCN Red List.

VULNERABLE

Blue Crab
Morrocoy of the jungle
Guaracha colorada

RISK LEVEL

Tagua
Bush Dog
River otter
Jagua
Guayaquil woodpecker
Brown-billed toucan
Blue-crowned parrot
Devil toad



NEAR THREATENED

In 2023 La Fabril intensified its efforts to conserve vulnerable species and minimize impacts on local biodiversity through several specific projects described below.



EMISSIONS

DIRECT GHG EMISSIONS (SCOPE 1)

[GRI 305-1]

La Fabril recorded a total of 69,584.61 metric tons of CO₂ equivalent in direct GHG emissions (Scope 1). In addition, 50,213.742 metric tons of biogenic CO₂ equivalent emissions were accounted for, reflecting the comprehensive approach in measuring all sources of emissions under its control.



EXTRACTORA AGRÍCOLA
RÍO MANSO EXA S.A.

4.141,59

Metric tons of greenhouse
gas emissions

25.263,1

Metric tons of CO₂ biogenic
emissions



Energy
&Palma

Energía que evoluciona

4.979,33

metric tons of CO₂
biogenic emissions

2023 is the base year adopted for determining the carbon footprint. This year has been chosen due to the greater level of detail and accuracy of the data obtained, which has been calculated strictly following the guidelines of the GHG Protocol, the internationally recognized standard for GHG emissions accounting and reporting.

The emissions management strategy is based on financial and operational control, using the nodes established in the Leaf GHG platform for greater accuracy in monitoring and reporting our emissions. This platform allows us to track emissions more effectively and set clear and achievable reduction targets. Another guideline we followed was ISO 14064-2018.

INDIRECT GHG EMISSIONS ASSOCIATED WITH ENERGY

[GRI 305-2]

8.018,52 mt of CO2 equivalent in indirect GHG emissions associated with energy (Scope 2).

2.288,87 mt of CO2 equivalent for indirect GHG emissions associated with market-based energy.

Source of emission factors and global warming potential (GWP) rates: CO2 Emission Factor of the National Interconnected System of Ecuador-Report 2022.



1.041,479

Metric tons of
CO2



410,782

Metric tons of
CO2

The consolidation approach adopted for emissions is based on financial and operational control. Calculations are performed using monthly electricity spreadsheets and conform to the standards, methodologies and assumptions necessary to ensure the accuracy of the reported data, complying with ISO 14064-1:2018.

ACTION PLAN

Optimization of energy efficiency in internal transport processes.

Equipment modernization

Adoption of more efficient technologies

Constant monitoring of energy consumption

Preventive maintenance strategies

These initiatives seek not only to reduce environmental impact, but also to generate significant savings in operational costs, contributing to a more responsible use of resources.

OTHER INDIRECT GHG EMISSIONS (SCOPE 3)

[GRI 305-3]



39601,24 Of CO2 equivalent in indirect GHG emissions (scope 3)

INDIRECT EMISSIONS

Exa Rio Manso

1.310,34 metric tons of CO2

Energy & Palma

56,341 metric tons of CO2

ACTIVITIES



Transport of raw materials



Transport of finished products



Hazardous waste treatment

To estimate these emissions, sources such as the GHG Protocol and DEFRA, among other recognized certificates, were used. In addition, the nodes established in the Leaf GHG platform were used.

REDUCTION OF GHG EMISSIONS

[GRI 305-5]

During 2023, La Fabril implemented various initiatives to reduce greenhouse gas emissions, covering both direct emissions (Scope 1) and indirect emissions associated with energy (Scope 2), as well as other indirect emissions (Scope 3).

As a result of these efforts, a total of 57,973,132 metric tons of CO2 equivalent were reduced through initiatives to optimize operational processes, improve energy efficiency and adopt cleaner technologies.

Such initiatives are described below:



Reduction of energy consumption on conveyors

Optimization of energy efficiency in material handling by modernizing equipment, adopting more efficient technologies, and constantly monitoring energy consumption. Preventive maintenance strategies have been proposed to minimize energy losses and improve overall performance.



Recycling of steam condensates

Other actions implemented are focused on the recycling of steam condensates for the heating of raw materials and semi-finished products. This process takes advantage of the condensates generated during the use of steam in its production systems, allowing them to be reused instead of being discarded.



- **Installation of state-of-the-art equipment**
- **Wastewater treatment plants:** Advanced equipment for water recycling and reuse.
- **Energy cogeneration systems:** They use thermal energy generated in industrial processes to produce electricity, thus optimizing the use of energy resources and reducing CO2 emissions.
- **Biomass boilers:** They use agricultural or forestry waste as fuel, thus replacing the use of fossil fuels and significantly reducing greenhouse gas emissions.
- **Waste management systems:** Automated equipment that allows waste classification at the plant, thus promoting the reduction of industrial waste.



- **High-efficiency air filter:** They reduce the emission of particles and harmful gases in industrial processes, improving air quality both inside and outside the facilities.
- **Energy-efficient technology:** Implementation of energy-efficient engines, compressors and LED lighting systems, thus optimizing energy use in all operations.
- **Real-time environmental monitoring:** Automated control systems that measure emissions and resource consumption, allowing immediate adjustments to minimize environmental impact.
- **“Ice Condensing” Vacuum generation system**

The Ice Condensing vacuum generation system, implemented by La Fabril, is a technological innovation that replaces the traditional vacuum generation equipment used in industrial processes.

NITROGEN OXIDES (NO_x), SULFUR OXIDES (SO_x) AND OTHER RELEVANT AIR EMISSIONS

[GRI 305-7]

In 2023, La Fabril calculated its emissions of Nitrogen Oxides (NO_x), recording 5.486.403 metric tons. This calculation was made using internationally recognized methodologies, such as the GHG Protocol and DEFRA, in order to ensure accuracy and alignment with global standards.

In addition, it implemented the Leaf GHG platform in order to monitor and report emissions in real time, thus enabling continuous and data-driven management.





WASTE

WASTE GENERATED, WASTE NOT INTENDED FOR DISPOSAL, WASTE INTENDED FOR DISPOSAL

[GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5]

In 2023, at La Fabril we generated a total of:



2.350.675 kg
of industrial waste.

Of these, the most significant waste in terms of volume were:



358.920 kg
Wooden pallets



612.751 kg
Cardboard waste



576.894 kg
Plastic materials

The amount of industrial waste generated by category during the reported year is presented below:

LA FABRIL: TOTAL WASTE (KG)	
WASTE	TOTAL
Scrap	192.231
Plastics	576.894
Cardboard	612.751
Anatomical section	44.617
Paper	10.681
heartburn	17.366
Packaging	204.247
Pallets madera	658.920
Plastic pallets	32.296
Tarps	672
TOTAL	2.350.675

Table 10: Total waste generated, La Fabril, 2023

Industrial waste in 2023 is smaller in volume, due to its scarcity, since it is re-inserted in the various processes carried out in the company. All waste with little usefulness is destined for disposal, such as tarpaulins, canvases and plastic pallets.

Below are the wastes with the lowest generation in 2023 compared to 2022 at La Fabril.

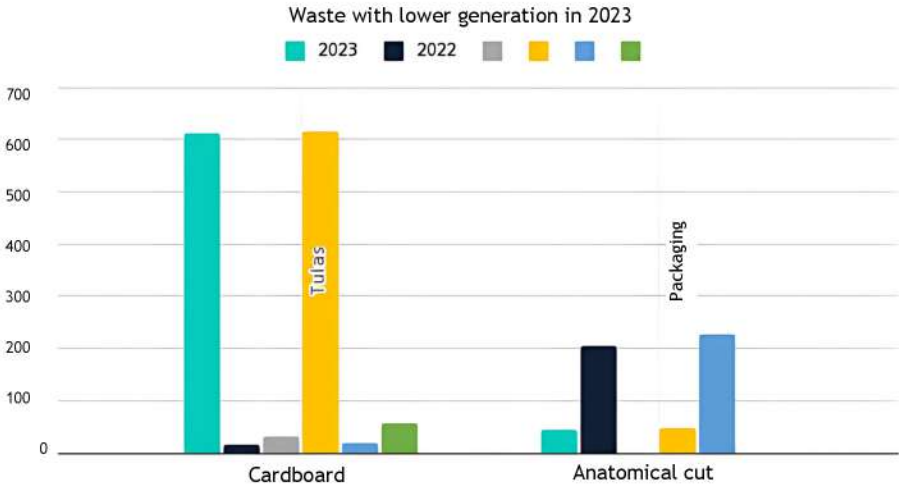


Chart 9: Waste with lower generation in La Fabril during 2023

On the other hand, Exa Río Manso generated a total of 141,900 kg in hazardous waste. It is worth mentioning that the largest volume of waste corresponds to contaminated scrap with 124,890 kg, followed by used oils with a total amount of 14,420 kg during 2023.

EXA RÍO MANSO: TOTAL HAZARDOUS WASTE (KG)					
Hazardous Waste	Total	Hazardous waste not intended for disposal (Destination)	Total	Hazardous waste destined for disposal (Destination)	Total
Triple-washed agrochemical containers	15,7	OR1	15,7	-	-
Used oils	14420	TQ6-TQ4	14420	-	-
Contaminated scrap metal	124890	TT1	124890	-	-
Used oil filters	14020	-	-	DF1	14020
Luminaires	152	-	-	DF1	152
Biohazardous	32	TDB1	32	-	-
Electronic and electrical equipment	995	RM3	995	-	-
TOTAL	154.524,7	TOTAL	140.352,7	TOTAL	14.172

*OR1: Other recovery methods

TQ6-TQ4: Chemical treatment

TT1: Thermal treatment (Incineration)

TDB1: Sterilization (Autoclave)

RM3: Secondary casting

DF1: Final provision

Table 14: Total hazardous waste generated by Exa Río Manso 2023.

The total hazardous waste generated at Exa Rio Manso is 90.83%, which is not destined for disposal and is treated by various processes to be reused, recovered or processed so that it can be put to a new use, thus contributing to the circular economy.

On the other hand, Energy & Palma in 2023 produced a total of 216,185,080 kg. Effluent waste was the most significant with 147,395,990 kg, followed by Rachis with 28296230 kg, while sludge waste constituted 13864760 kg.

ENERGY & PALMA: TOTAL HAZARDOUS WASTE (KG)			
Non-Hazardous Waste Destined for Disposal	Total	Hazardous waste not intended for disposal	Total
Raquis	28'296.230	Dangerous	1400
Fiber	26'589.340	Specials	37,36
About	13'864.760	-	-
TOTAL	68'750.330	TOTAL	1437,36

Table 15: Total hazardous waste generated by Energy & Palma 2023.

Energy & Palma generated more than 68 tons of non-hazardous waste, most of which is recycled: the rachis is transformed into organic matter, the fiber is used as biomass for boilers, and the sludge is sold as animal feed. Hazardous waste is managed by an authorized agent. The data come from a weekly mass balance and are reported annually.

Recycling and reuse of waste are closely linked to several Sustainable Development Goals (SDGs).





MESSAGE FROM PRIVATE LABELS

“At La Fabril, we drive the sustainable growth of our private label brands, focusing on practices that promote efficiency and operational excellence, while exploring new markets with a responsible vision and always thinking about

Euri Pacheco

Private Label Manager

La Fabril

MESSAGE FROM CORPORATE FINANCE



“Our financial decisions are geared toward sustainable economic growth, prioritizing investments that not only generate economic value, but also promote responsible practices and the well-being of all our stakeholders.”

Liliana Roca

Head of Corporate Finance

La Fabril

MESSAGE FROM BRAND MANAGER



“At La Fabril, we are committed to female empowerment and menstrual wellness through our Intima brand. Since 2019, we have impacted more than 70 thousand girls in Ecuador, providing educational kits and workshops on menstrual hygiene and empowerment. In addition, we provide information about their menstrual cycles, helping more women feel confident and aware of their well-being, while promoting a more equitable and healthy future.”

Yamel Ortiz

Brand Manager

La Fabril



MISIÓN

Producir y
superior
eficien
de ser
estru
equ
en
in



SOCIAL

EMPLOYMENT NEW HIRES AND STAFF TURNOVER

In 2023, **La Fabril** made a total of **354 new hires**, reflecting our ability to attract and retain talent in a competitive market.

When analyzing the breakdown by age group, it is noted that new hires belong to people **under 30 years of age**, underscoring our interest in attracting and developing young talent that brings new ideas and innovative perspectives to the company.

A significant portion of our new hires were in the 30 to 50 age group, which provides balance in terms of experience and maturity within our workforce

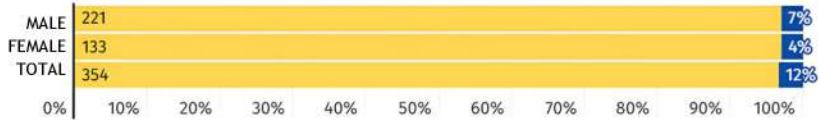
8 DECENT WORK AND
ECONOMIC GROWTH



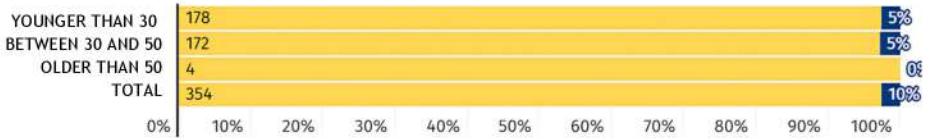
With these actions, La Fabril is making progress towards the achievement of SDG 8 Decent work and economic growth.

We present the total new hires in 2023 with the corresponding index:

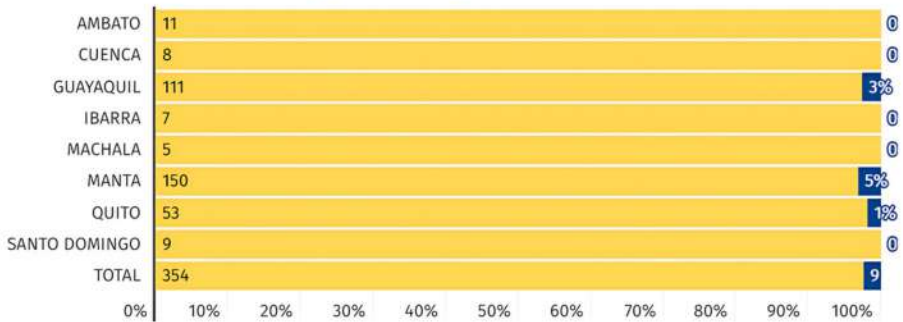
● NUMBER ● PERCENTAGE



● NUMBER ● PERCENTAGE



● NUMBER ● PERCENTAGE

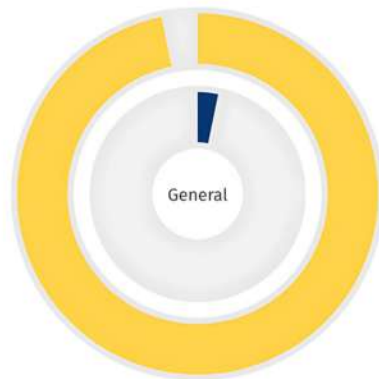


Taking into account the tables, from top to bottom in the following order: Gender, age and location.

In 2023, La Fabril had a staff turnover rate of 12.86%, reflecting our ability to manage human talent in a competitive labor market.

When broken down by gender, turnover is slightly higher among men (7.77%) than among women (5.08%).

● TOTAL HIRINGS ● INDEX



In terms of age distribution, employees between 30 and 50 years of age have the highest turnover with 7.57%. They are followed by those under 30 years of age with 4.22%, and those over 50 years of age, who have the lowest turnover with 1.06%.

By location, Manta has the highest turnover rate, with 5.18%, followed by Guayaquil (4.68%) and Quito (1.43%). In other cities such as Ambato, Cuenca, Machala, Santo Domingo and Ibarra, turnover remains below 1%, thus highlighting the stability of the team in these areas.

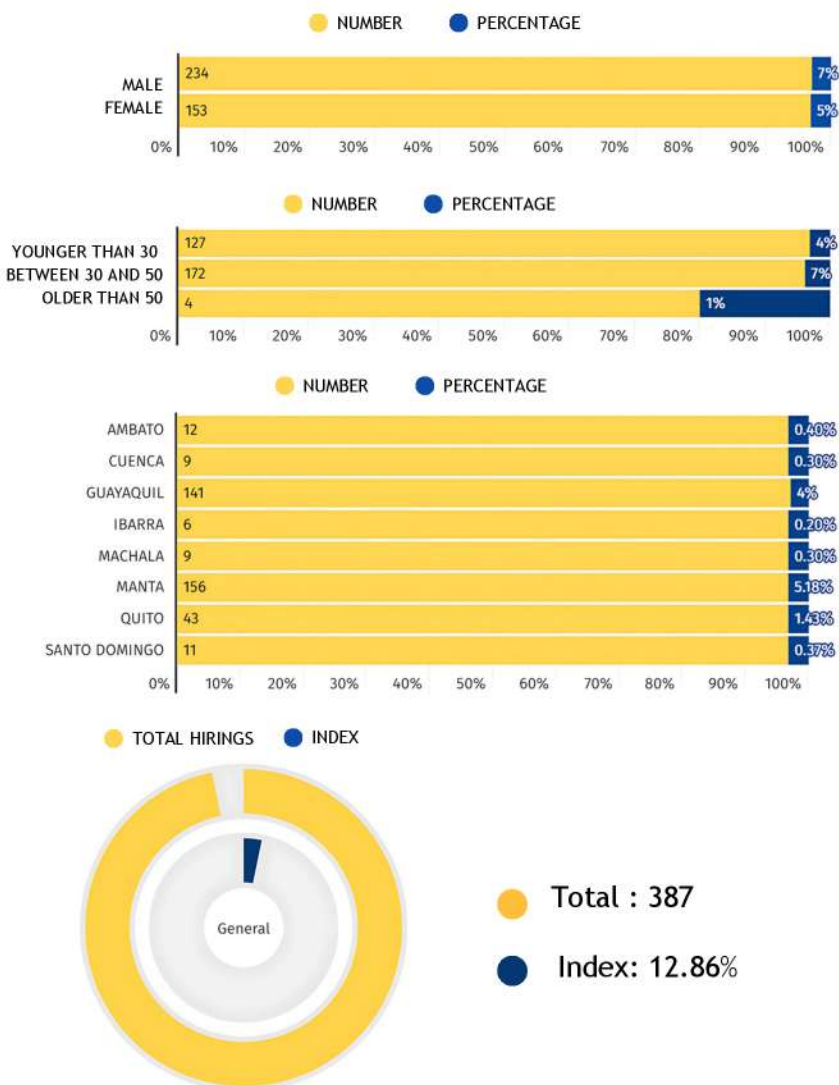


Table 14: Staff turnover

BENEFITS FOR FULL-TIME WORKERS THAT ARE NOT PROVIDED TO PART-TIME OR TEMPORARY WORKERS

[GRI 401-2]

La Fabril offers a comprehensive benefits package to its employees, recognizing the value of human talent as a fundamental cornerstone for the company's success.

Among the benefits and perks for full-time workers are the following:



Life Insurance:

Full-time employees have access to life insurance, designed to offer security and peace of mind to our workers.



Medical Assistance:

In addition to basic health coverage, full-time employees receive additional medical assistance, such as access to specialized medical services, preventive consultations and wellness programs.



Lines of credit at supermarkets:

The company offers its full-time employees the possibility of accessing lines of credit at certain supermarkets, thus facilitating the purchase of essential products.



Lines of credit at pharmacies:

To ensure that our employees have access to medications, we offer lines of credit at certain pharmacies for those facing unforeseen medical needs.



PARENTAL LEAVE

[GRI 401-3]

A key benefit we offer is parental leave, available to our full-time workers. This benefit allows our employees to take a period of time off to care of a child, either by birth, adoption or foster care.

In 2023, we had a total of **93 workers take advantage of this benefit**, of which 52 were men and 41 were women.

All workers who took parental leave returned to work at the end of the leave period, and they all continued working in the organization for at least 12 months after returning to work, which translates into a 100% return to work and retention rate for both genders.



OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM, OCCUPATIONAL HEALTH SERVICES, PROMOTION OF WORKERS' HEALTH

[GRI 403-1, GRI 403-3, GRI 403-6]

In accordance with Ecuadorian legislation, La Fabril's occupational health and safety management system is supported by the provisions of Resolution 957, which regulates the Andean Occupational Health and Safety Instructions (OSH), as well as by other legal bodies issued by the Ministry of Labor, which acts as the governing body in this area.

At La Fabril, we have an integrated policy that guides our occupational health and safety management, which is articulated through procedures established within the framework of the Hazard Prevention Management System.

The health and safety management system at La Fabril is applicable to all workers, as well as to external personnel and visitors, ensuring a safe and healthy work environment.

In addition, La Fabril Group has a medical department that evaluates the health of its employees and performs periodic medical examinations to prevent health problems and allow timely intervention.



HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

[GRI 403-2]

At La Fabril, we have a structured approach to identify and evaluate occupational hazards, complying with current regulations. We start by identifying the workstations, the number of exposed workers and vulnerable groups, as well as the risks associated with each activity.

We use a probability-by-consequence matrix to systematically assess the severity and likelihood of identified risks. Based on this assessment, we establish controls according to a strict hierarchy.



Elimination:

It seeks to eliminate the hazard at its source.



Substitution:

If it is not possible to eliminate the hazard, substitution by a less hazardous alternative is considered.



Engineering controls:

Implementation of design or process changes to mitigate risks.



Administrative controls:

Procedures and policies that limit exposure to risk.



Personal Protective Equipment (PPE):

As a last line of defense, provide appropriate PPE to workers.

La Fabril's Industrial Safety and Environment Department manages occupational health and safety through a team of professionals who continuously identify and evaluate hazards. This work is key to improving the Occupational Health and Safety Management System, ensuring the protection of all employees.

The HSE Internal Regulations allow employees to interrupt their work if they detect an imminent risk and report it to their manager. In case of incidents, a reporting mechanism is activated, which then leads to an investigation to identify causes and propose preventive measures, ensuring a safe environment.

WORKER PARTICIPATION, CONSULTATION AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

[GRI 403-4]

LFSA has established a Central Joint Committee in Montecristi, along with nine regional subcommittees to ensure compliance with occupational risk prevention regulations and to review the internal Health and Safety Regulations. These committees carry out inspections and support prevention campaigns organized by the Industrial Safety Department and the Medical Center.

The Central Committee meets every two months, while the subcommittees meet monthly. Each group is made up of three representatives of the workers and three representatives of the company, with alternates. Workers can present their concerns about occupational health and safety, and the information is shared through WhatsApp, institutional emails and process leaders.

TRAINING WORKERS ON HEALTH AND SAFETY AT WORK

[GRI 403-5]

At La Fabril, occupational health and safety information is based on training needs due to legal, technical, developmental and regulatory requirements. Topics are included according to the identified occupational risks of the job. In 2023, the training mentioned in the following table was provided:

THEMES	N° EMPLOYEES TRAINED
Industrial Brigades	209
Health and Safety Committee	42
Fire Control	68
Personal Protective Equipment	1690
Fire Extinguisher Handling	289
Waste Management and Environment	763
Emergency Plan	219
Prevention and Health Promotion	7338
Safety and Hygiene Regulations	174
Safety Rules	532
Workplace Accident Report	276
Psychosocial Risk Results	90
Ergonomic Risks	5001
Occupational Hazards	1041
Mechanical Hazards	258
Chemical Hazards	412
Security Contractors	24
Awareness and socialization Psychosocial Risk	908
Environmental Management System	25
Electrical Risk Certification	9
Construction and Works Risk Certification	79

Table 16: Training for Exa Río Manzo employees



THEMES	N° EMPLOYEES TRAINED
Health at work	340
Basic first aid	340
Alcohol consumption in the workplace	340
Sexual and reproductive health	340
Vulnerable groups	340
Prevention of psychosocial risks.	340

Exa Río Manzo also provides training to its employees in order to safeguard the safety and health of all its collaborators.

PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS DIRECTLY LINKED THROUGH BUSINESS RELATIONSHIPS

[GRI 403-7]

Our occupational safety and health (OSH) management system includes measures to protect visitors and suppliers entering our facilities. First, an access control is carried out to validate their documentation. Visitors are accompanied during their visit.

For suppliers, compliance with legal health and safety requirements is verified, and they are given an induction on the risks related to their activity, which will be supervised by the Industrial Safety Department.

COVERAGE OF THE OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

[GRI 403-8]

The following is the number and percentage of employees and workers who are not employees, but whose work or workplace is controlled by the organization, who are covered by the system, who have been internally audited or who have been audited or certified by an external party, corresponding to **La Fabril**.

N° of Workers	Employment Status	Coverage Percentage
3010	Employee	100%
10345	Non-Employee	100%

Tabla 17: Coverage of the Health Management System

WORK-RELATED INJURIES

[GRI 403-9]

In 2023, La Fabril recorded a total of 87 occupational accidents, with an injury rate of 2.55%. Among the most common injuries resulting from these accidents are the following:

- Finger injuries.
- Ankle sprains and strains.
- Shoulder and arm contusion.
- Knee contusion.
- Hip and thigh trauma.
- Superficial head trauma.
- Superficial leg trauma.

During this period, a total of 6,818,177.52 man-hours worked were recorded, resulting in the following cases of injuries caused by work accidents:



At Exa Río Manso, 26 work-related accidents were reported, while at Energy & Palma, 68 were reported. All cases were treated at the corresponding medical clinics.

Medical Activities La Fabril 2023	Total
Number of general medical visits	10716
Number of occupational diseases reported to work risks	0
Number of work-related pathologies	
Lumbalgias	333
Painful shoulder	53
Epicondilitis	2
Cervicalalgia	60
Painful hand	36
Painful foot	34
Painful knees	56
Most common pathologies of the year 2023	
ARF (acute respiratory failure)	2537
EDA (water-borne diarrheal disease)	738
Pharyngitis tonsillitis	168
Lithiasis RU	105
High Blood Pressure	151
Diabetes	73
Disabled	71
Catastrophic	17
Number of Workplace Accidents	119
Number of accidents reported to Occupational Risks	48
Number of days of absence due to work accidents 2023	1335
Number of days lost due to general illness	17164

Table 18: Injuries caused by work accidents

DIVERSITY AND EQUALITY OF OPPORTUNITIES

DIVERSITY OF GOVERNING BODIES AND WORKERS

[GRI 405-1]

La Fabril values diversity in its governing bodies and among its employees as a key to promote inclusion and equal opportunities. It considers this diversity as a driver of innovation and improvement in decision making. The company works to achieve a balance in the representation of gender and age groups, fostering a work environment that appreciates the differences of each worker.

The percentages of diversity in the organization's governing bodies are presented below.

	Gender		Age			Others
	Masculine	Female	Under 30	Between 30 and 50	Over 50	Disabled
Senior Management						
Audit	0,20%	0,17%	0,17%	0,07%	0,13%	0,00%
Supply Chain	57,64%	5,71%	7,61%	9,77%	45,98%	2,36%
Comercial B2B	1,73%	1,59%	0,13%	0,33%	2,86%	0,03%
Financial	3,85%	2,09%	1,06%	1,20%	3,69%	0,33%
General Management	0,40%	0,20%	0,03%	0,33%	0,23%	0,03%
Research and Development	1,13%	1,00%	0,37%	0,40%	1,36%	0,07%
Legal	0,03%	0,07%	0,00%	0,03%	0,07%	0,00%
Marketing B2C	0,20%	0,80%	0,20%	0,00%	0,80%	0,00%
Projects	0,66%	0,47%	0,27%	0,07%	0,80%	0,00%
Human Talent	0,23%	1,33%	0,33%	0,03%	1,20%	0,00%
B2C Sales	9,04%	11,46%	4,78%	0,50%	15,22%	0,23%
Total	75,12%	24,88%	14,95%	12,72%	72,33%	3,06%

Table 19: Percentage of people within the governing bodies of the organization

The table shows the diversity of La Fabril's governing bodies, where 75.12% of the members are men and 24.88% are women. In terms of age, 72.33% are over 50 years of age, followed by 12.72% between 30 and 50 years of age and 14.95% under 30 years of age. In addition, 3.06% of the members have a disability. These data indicate a predominantly male and older age group, which highlights the need to improve equity and diversity in the organization.

The percentage of workers by job category in each of the following diversity categories is as follows:

Job Type	Gender		Age			Others
	Masculine	Female	Under 30	Between 30 and 50	Over 50	Disabled
LF Group Directory	0,03%	0,00%	0,00%	0,03%	0,00%	0,00%
General manager	0,03%	0,00%	0,00%	0,00%	0,03%	0,00%
Senior Manager	0,23%	0,03%	0,00%	0,03%	0,23%	0,03%
Managers	0,63%	0,30%	0,00%	0,37%	0,56%	0,00%
Bosses	1,89%	1,20%	0,03%	0,66%	2,39%	0,17%
Coordinators/Specialists	6,81%	2,72%	0,50%	2,03%	7,01%	0,33%
Analysts	10,73%	6,25%	2,99%	1,16%	12,82%	0,13%
Assistants	5,98%	11,30%	4,92%	1,30%	11,06%	0,30%
Assistants/Operators/Assistants	48,77%	3,09%	6,51%	7,14%	38,21%	2,09%
Total	75,12%	24,88%	14,95%	12,72%	72,33%	3,06%

Tabla 20: Percentage of workers by job category

At La Fabril, 75.12% of employees are men, and the majority (72.33%) are over 50 years old. Women represent 24.88% of the workforce, predominantly in operational and support roles. However, senior management, such as Directors and Managers, is mostly composed of people over 50 years of age.

In addition, 3.06% of employees at La Fabril have a disability, reflecting the company's commitment to labor inclusion. This action is aligned with SDG 8 on decent work and SDG 10, which seeks to reduce inequalities, promoting an inclusive environment that facilitates the participation of these individuals in the economy and reduces social barriers.

La Fabril Group is committed not only to the environment, but also to social welfare and labor justice. Below are some key points about these policies and their impact on the organizational culture:



Diversity and Inclusion Policies

La Fabril promotes inclusion through hiring policies that ensure equal opportunities for people of diverse backgrounds, genders and abilities. In addition, its training programs have fostered greater diversity in its workforce, enhancing innovation and strengthening employee loyalty.



Support for work and family reconciliation

La Fabril has adopted work-family reconciliation policies that include flexible schedules, extended parental leave for both men and women, and support programs for workers with caregiving responsibilities. This flexibility has contributed to workers feeling valued in both their professional and personal lives, which has strengthened loyalty to the company.



Diversity and inclusion training programs

La Fabril offers ongoing training programs for all personnel on topics related to diversity, inclusion and equity. These programs help raise awareness of the importance of respecting and valuing individual differences, and they also foster a culture of respect and collaboration.





LOCAL COMMUNITIES

LOCAL COMMUNITY ENGAGEMENT PROGRAMS, **IMPACT ASSESSMENT AND DEVELOPMENT**

[GRI 413-1]

“Let’s break the cycle by helping more girls without fear” Campaign

In 2023, La Fabril Group launched the campaign “Let’s break the cycle by helping more girls without fear”, reaching 38,000 girls in various regions of the country. In collaboration with Plan International Ecuador, the Intima brand delivered 9,000 sanitary product kits to girls in vulnerable sectors.

This initiative is part of the WASH project, which seeks to improve access to education and basic services in provinces such as Imbabura, Azuay and Guayas. The campaign not only promoted health and hygiene, but also helped to eliminate barriers affecting girls’ school attendance, improving their well-being and future opportunities.





Socio-Educational Transformation Project at the Baron de Carondelet School

In 2023, La Fabril Group, in collaboration with Unidos por la Educación, carried out an initiative to improve educational facilities in vulnerable areas, standing out the project at the Baron de Carondelet School in San Lorenzo.

This effort impacted 180 students and 11 teachers, focusing on improving school infrastructure and teacher training. The initiative seeks to create a safe and inclusive learning environment, promoting sustainable change in the community and improving educational opportunities for future generations.



Support for Young Cultural Agents

In 2023, Grupo La Fabril awarded scholarships to three low-income students as part of the Support for Young Cultural Agents initiative, in collaboration with the Fuegos Foundation and Iche Lab. This program aims to promote projects that revalue the gastronomic heritage of Manabí.

The young beneficiaries receive training in cultural promotion and participate in the creation and promotion of initiatives that highlight the culinary heritage of the region, contributing to its preservation and dissemination. This effort reflects La Fabril's commitment to education, culture and sustainable development.

MARKETING AND LABELING

REQUIREMENTS FOR INFORMATION AND LABELING OF PRODUCTS AND SERVICES

[GRI 417-1]

La Fabril complies with the requirements established for the information and labeling of all its products, adapting to the specific characteristics of each category.

- **For food products.**

Follows the following guidelines:



NTE INEN STANDARD 1334-1:

Establishes the minimum requirements to be met by labels or tags on containers of food products for human consumption.

NTE INEN STANDARD 1334-2:

Defines the requirements for nutrition labeling of processed and packaged foods. It also regulates voluntary nutrition and health claims on food labels.

- **For cosmetic products, it follows Resolution N° 2310**

Andean Technical Regulations for the Labeling of Cosmetic Products, which seeks to prevent deceptive practices and protect the health and safety of consumers.

- **For household hygiene products, it adheres to Decision 706,**

It regulates the sanitary and quality control regimes in the production, processing, packaging, commercialization and other aspects related to these products.

This approach ensures that all La Fabril products meet the quality and transparency standards required by current regulations.

CASES OF NON-COMPLIANCE RELATED TO PRODUCT AND SERVICE INFORMATION AND LABELING

[GRI 417-2]

In the year 2023, a sanctioning process was registered, considering that, in a random inspection at retail stores, the **POLAR** product was reviewed, which indicated a longer shelf life than the one declared in the dossier and NSO.



Non-compliance

Both the dossier and NSO stated a shelf life of 12 months, while the labeling of the inspected product stated a shelf life of 36 months. In this case, the National Agency of Regulation, Control and Sanitary Surveillance imposed a fine of 10 basic unified salaries (\$4,500.00). It is worth mentioning that the fine was duly paid, and the file has been archived.

GRI CRITERIA INDEX

Declaration of use	La Fabril Group has prepared the report in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2023.		
GRI 1 used	GRI 1: Fundamentals 2021		
GRI standard	Content	Location	Omission
GRI 1: Fundamentals 2021			
GRI 2: General Contents 2021			
Strategy, policies and practices	2-27 Compliance with legislation and regulations	Page 11	
	2-23 Our policies, commitments and guidelines	Page 16	
Commitments to stakeholders	2-29 Approach to stakeholder engagement	Page 14	
GRI 3: Material Topics 2021			
	3-3 Management of material issues	Page 14	
GRI 201: Economic Performance			
	201-1 Direct economic value, generated and distributed	Page 17	
	201-2 Financial implications and other risks and opportunities arising from climate change	Page 22	
	201-3 Obligations of defined benefit plans and other retirement plans	Page 24	
GRI 202: Market presence			
	202-1 Ratios between initial category salary by gender and local minimum wage	Page 27	
	202-2 Proportion of senior executives hired from the local community	Page 28	
GRI 301 Materials			
	301-3 Recovered products and packaging materials	Page 31	
GRI 302 Energy			
	302-1 Energy consumption within the organization	Page 32	
	302-3 Energy intensity	Page 34	
	302-4 Reductions in energy consumption	Page 34	

GRI 303 Water and Effluents			
	303-1 Interaction with water as a shared resource	Page 35	
	303-2 Management of impacts related to water discharge	Page 37	
	303-3 Water extraction	Page 37	
	303-4 Water discharge	Page 38	
	303-5 Water consumption	Page 38	

GRI 304 Biodiversity			
	304-1 Operational sites owned, leased or managed located within or adjacent to protected areas or areas of high biodiversity value outside protected areas.	Page 40	
	304-2 Significant impacts of activities, products and services on biodiversity.	Page 40	
	304-4 Species appearing on the IUCN Red List and on national conservation lists whose habitats are found in areas affected by the operations.	Page 40	

GRI 305 Emissions			
	305-1 Direct GHG emissions (scope 1)	Page 41	
	305-2 Indirect GHG emissions associated with energy (scope 2)	Page 42	
	305-3 Other indirect GHG emissions (scope 3)	Page 43	
	305-5 Reduction of GHG emissions	Page 43	
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant emissions to air.	Page 45	

GRI 306 Effluents and Waste			
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	306-3 Waste generated	Page 41	
	306-4 Waste not intended for disposal	Page 42	
	306-5 Waste intended for disposal	Page 43	
GRI 401: Employment			
	401-1 Hiring new employees and staff turnover	Page 45	
	401-2 Benefits for full-time employees that are not given to part-time or temporary employees	Page 47	
	401-3 Parental leave	Page 48	

GRI 403: Occupational Health and Safety			
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	403-2 Hazard Identification, Risk Assessment and Incident Investigation	Page 56	
	403-3 Occupational health services	Page 56	
	403-4 Worker participation, consultation and communication on occupational health and safety	Page 57	
	403-5 Training of workers on health and safety at work	Page 58	
	403-7 Prevention and mitigation of impacts on health and safety at work directly linked through business relationships	Page 59	
	403-8 Coverage of the occupational health and safety management system	Page 59	
	403-9 Workplace injuries	Page 60	
	GRI 405: Diversity and equal opportunities	Page 61	
	405-1 Diversity of governing bodies and employees	Page 61	

GRI 413 Local Communities			
	413-1 Operations with local community participation programs, impact evaluations and development	Page 64	
GRI 417 Marketing and Labelling			
	417-1 Requirements for information and labelling of products and services	Page 66	
	417-2 Cases of non-compliance related to information and labelling of products and services	Page 67	