

Letter from  
the Chairman

2023  
Milestones

We are  
Ultramar

Sustainability Strategy  
and Materiality

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# 04. SOCIAL DEVELOPMENT

# Passion

Our relationships with key local stakeholders, especially local communities and suppliers, focus on creating shared value in each country.



# Create Opportunities that Contribute to the Development and Quality of Life of our Local Communities

## Why is this a significant material issue?

Ultramar and its companies are committed to being key players in the sustainable development of each country. They generate employment, strengthen the value chain and promote economic opportunities in each country. They have adopted a shared value approach that generates a positive impact on the quality of life of people and their socio-environment.

Ultramar and its SBUs aim to become a "good neighbor" to their local communities and help them to sustainably develop through joint initiatives with various local stakeholders. This involves collaborating with stakeholders, such as employees and their families, customers, suppliers, national and local authorities, and a wide variety of civil society organizations.

Ultramar has moved away from following a philanthropic vision based on donations and specific support for neighbors, to one of shared value, where synergies between local stakeholders and the productive and commercial ecosystem create opportunities for sustainable development.

It has been implementing a triple-impact approach at its SBUs since 2022. These are economic, social and environmental impacts. Sixty-two (66%) of the 94 reporting SBUs stated that they had clearly identified all their stakeholders. Fifty-eight SBUs (62%) reported having a well-defined Community Engagement Program, and 45 SBUs (48%) reported having a formal channel for receiving complaints from stakeholders in the local community.

Thirty-eight (40%) of the 94 SBUs implemented programs based on the requirements of local communities, while 28 (30%) launched committees, working groups, discussions, digital consultation surveys and other meetings to create and participate in programs with local communities.

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**62%**  
of SBUs have a local community engagement plan.



**66%**  
of SBUs have clearly identified all their stakeholders.



	2022				2023*			
	DAIS	KAPTAN	NELTUME	CONSOLIDATED	DAIS	KAPTAN	NELTUME	CONSOLIDATED
Reporting SBU	48	16	18	82	55	18	21	94
SBUs with a local community engagement plan	31	15	15	61	25	18	15	58
SBUs with a stakeholder map	30	15	17	62	32	13	17	62
SBUs with a formal complaints process for local communities	19	15	15	49	17	13	15	45
SBUs with programs based on local community requirements	24	11	15	50	16	11	15	42
SBUs with committees and consultation processes with local communities that include vulnerable groups	21	7	10	38	11	8	10	29

\* This year more SBUs submitted individual reports, which made the information more accurate. As a result, some figures are down from the previous year.

**DJSI: 3.11**

**OWN INDICATOR 15**

**OWN INDICATOR 16**

**OWN INDICATOR 18**

**GRI 413-1**

"Report of social indicators (coverage)"

Number and % of SBUs with identified Stakeholders

Number and % of SBUs with a Community Relations Plan

Number and % of SBUs with a formal process for complaints and claims for the communities

Operations with local community engagement, impact assessments, and development programs

## Social Investment

Every year, Ultramar's Strategic Business Units carry out various social initiatives that are philanthropic or are driven by their local community engagement plan.

	Plan-Related Investment (USD)	Donations (USD)	Total Social Investment (USD)	Plan-Related Investment as a percentage of the Total	Number of people who benefited	Number of institutions who benefited
<b>2019</b>	547,493	1,165,307	1,712,799	32.0%	146,228	N/A
<b>2020</b>	865,943	633,270	1,499,213	57.8%	33,555	363
<b>2021</b>	576,787	893,720	1,470,507	39.2%	39,255	548
<b>2022</b>	830,284	1,752,351	2,582,635	32.1%	47,957	571
<b>2023</b>	<b>970,867</b>	<b>1,239,688</b>	<b>2,210,555</b>	<b>43.9%</b>	<b>141,576</b>	<b>474</b>

The number of people who benefited from social investment grew rapidly during 2023, compared to the previous three years, with an increase in the percentage of social investment driven by the local community engagement plan, which formed 43.9% of total social investment.



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 **USD 2,210,555**  
was the total investment in these initiatives



**Total social investment analysis**

Investment category	Community Engagement (USD)	Donations (USD)	Total Social Investment (USD)	% of Total Investment 2022	% of Total Investment 2023	Change 2022/2023
<b>Education and culture</b>	354,313	407,573	761,886	34.47%	41.2%	-6.73%
<b>Professional and technical training</b>	159,767	111,387	271,154	12.27%	3.41%	8.86%
<b>Health and sport</b>	161,163	219,220	380,383	17.21%	28.47%	-11.26%
<b>Housing</b>	81	4,100	4,181	0.19%	0.90%	-0.71%
<b>The environment</b>	79,691	3,945	83,636	3.78%	4.95%	-1.17%
<b>Enterprise and work</b>	36,262	58,048	94,310	4.27%	3.46%	0.81%
<b>Other social development</b>	99,974	404,727	504,701	22.83%	17.68%	5.15%
<b>Total</b>	<b>970,867</b>	<b>1,239,668</b>	<b>2,210,535</b>	<b>100%</b>	<b>100%</b>	

The investments with the highest growth in 2023 were "Professional and technical training" with 8.86%, which represented 12% of total social investment, and "other local/social developments" with 5.15%, which represented 22.83%. The increase in investment in "other local/social developments" is progress with identification and segmentation, in order to focus these investments.

**OWN INDICATOR 19:** Social investment (USD)  
**DJSI: 3.6.2** "Type of philanthropy initiatives"  
**DJSI: 3.6.3** "Philanthropic Contributions"

## Local impact with shared value: the experience of Local Development Convergence Groups in Mejillones and Arica.

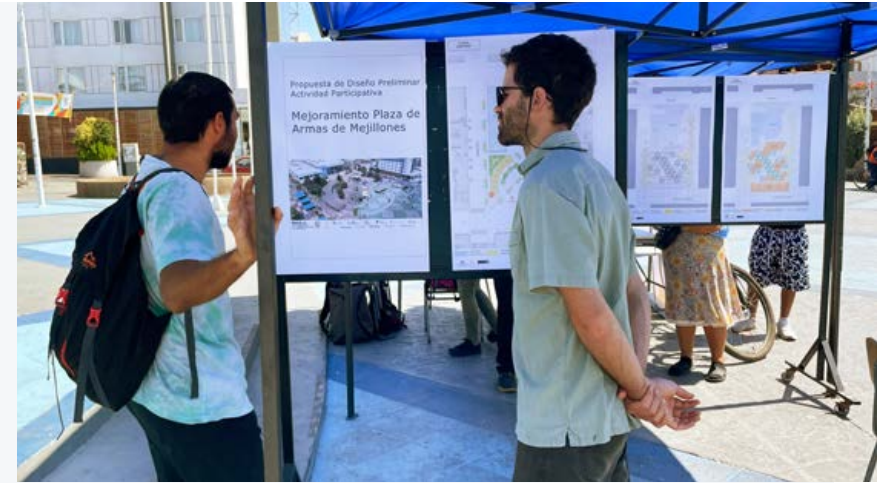
The convergence group for sustainable local development in Mejillones was launched in 2022, with support from the Huella Local Foundation and leadership at the Mejillones Municipality.

During 2023, eleven participatory processes were carried out with over 1,300 neighbors, other Mejillones participants, Ultramar SBUs such as Puerto Angamos, Puerto Mejillones, Ultramar Agencia Marítima, Ultraport, Axinntus and Noracid, and other companies such as CPM, Minera El Abra, Aguas Antofagasta,

Bet Logística and Polpaico from 2023. The aim was to co-design and support the municipality's technical teams to develop local initiatives.

The project portfolio was prioritized by this public-private alliance and contains five medium and large projects, where Ultramar and its companies are the main sponsors of the alliance and committed resources to design these projects.

Project	Beneficiaries	Estimated public investment (USD)	Neighbors in participatory processes	Project starts
<b>Improvement to Mejillones Main Square</b>	13,467 (total population)	1,581,310	584	2025
<b>Construction of Public Sports Promenade - Stadium Sector</b>	13,467 (total population)	2.893682	56	2024/2025
<b>Improvements to Green Areas 1 - 3 at Squares in Emilio de Vidts</b>	10,130	325,496	130	2024/2025
<b>Improvements to Green Areas 2 at Square in Luis Cuadra</b>	8,004	175,444	52	2024/2025
<b>Prefeasibility of Bus Terminal Construction</b>	13,467 (total population)	1,901,035	-	2024/2025



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After the initial stages are completed, the municipality applies to Regional Government (GORE) public funds and the Antofagasta Regional Development Sub-secretariat (SUBDERE) for financing for the construction and execution stage.

This project portfolio will attract over USD 2.2 million in public investment for the Mejillones municipality, which will multiply the companies' contribution by 37 times.

The pre-feasibility study for a new portfolio of initiatives is in progress, which will renew the alliance and the commitments of Convergence Group members.

The same approach was adopted to develop the "Improvement of Public Lighting on Access to Highway 5, Santiago Arata Avenue" project under the framework of the Arica Development Convergence Group. Five participatory processes were carried out with 106 neighborhood councils and over 20 coordination meetings with the municipal teams.

Project	Beneficiaries	Estimated public investment (USD)	Neighbors in participatory processes	Project starts
<b>Improvement of Public Lighting on Access to Highway 5, Santiago Arata Avenue</b>	255,195 (total population)	1,846,786	106 neighborhood councils	2024

The project received a satisfactory technical recommendation from the Ministry of Social and Family Development, and subsequent financing from the Regional Government of over USD 1.8 million. This multiplied the contributions of the committee by 96 times. The Committee was comprised of Terminal Puerto Arica (TPA), Mallplaza, Cementos Bío Bío, Arica Municipality and the local Civil Society Council.

This initiative will benefit all Arica residents, since Santiago Arata Avenue is a structural avenue, and this project will secure road safety and beautify the sector.

Currently, the Group wants to attract new companies, and TPA has committed to sponsoring the important "Integral Improvement of Máximo Lira Avenue" project.



# NELTUME PORTS

TPS

**3** winners were selected. Cerro Arrayán Neighborhood Council 36 presented a project the Enaires Cultural, Sports and Social Center, and the "Las Azucenas" Senior Citizen's Club



## Competitive Grants

Terminal Pacífico Sur Valparaíso (TPS) launched its first TPS Competitive Grant scheme to finance projects that contribute to solving socio-environmental problems in Valparaíso. These grants help the company to finance initiatives that improve the quality of life of Valparaíso residents, encourage local development and strengthen social organizations.

Applications were invited by the Sustainability department and were aimed at local, civil and social organizations in Valparaíso that aim

to improve community areas, promote healthy environments, encourage education and environmental culture.

Thirty-seven organizations applied and three winners were selected. Cerro Arrayán Neighborhood Council 36 presented a project to improve its square, while the Enaires Cultural, Sports and Social Center held four environmental workshops for children from Valparaíso, and the "Las Azucenas" Senior Citizen's Club purchased equipment to make life more comfortable for its 50 members.

TPS Competitive Grants were supported by the "Simón de Cirene Corporation", which helped to implement the winning projects and guarantee success at each stage. This organization was also responsible for administering these resources, as this time they were CLP 1,500,000 for each project (around US\$ 1,730).



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# NELTUME PORTS

TPA

**3,500** people and gave them the opportunity to run through the Terminal.



## Community Development in Arica

Terminal Puerto Arica (TPA) is committed to generating a positive impact on its local community and the environment. Its 2023 strategy has three initiatives. These are the TPA Soccer School, which promotes sports and education among local children; the TPA Half Marathon, which promotes integration, physical activity and good health among participants; and a strategic alliance with the Sewing Club, which develops the local circular economy by reusing materials.

The TPA Soccer School is important for approximately 100 girls and boys in various categories. It is an official subsidiary of the San Marcos de Arica Sports Club. It integrates TPA's values of Passion, Integrity, Excellence and Safety and it significantly contributes to forming young people who are committed to their environment and society.

Collaboration with the Sewing Club involved collecting 60 uniforms, which members of this club used to make a variety of products, such as bags, key rings and souvenirs. These articles were distributed during the launch of TPA's Sustainability Report. Finally, the TPA Half Marathon brought together more than 3,500 people and gave them the opportunity to run through the Terminal. The event contributed to social cohesion and illustrated the Port's commitment to regional sustainable human development.

# NELTUME PORTS SUATILCO

**4,200**  
applications and  
1,400 entered the  
selection process.

## Transforming Lives: Social Inclusion through Employment.

Suatilco is a port operator and provides stevedoring services to UPM at Montevideo port. In April 2023, it began unloading, storing and loading 2 million tons of pulp per year. It also established alliances with the NGO “Fey Alegría” (Faith and Joy) and the Los Pinos Foundation, who run training and job placement programs in parts of Montevideo where highly socially vulnerable people live, with the aim of encouraging young people to complete their education and find decent employment.

The agreement supports selection, universal skills training and post-entry support for all the company's operatives. Accordingly, crane operators, foremen, stevedores, terminal tractor and clamptruck operators were selected and trained. This process ensured

that all aspiring equipment operators received a legal certificate testifying that they have been trained to use that equipment. After being selected, they formally joined the company and began a rigorous professional training program with in-house training courses on safety and the business that were taught by the company's own teams.

A total of 25,800 hours of training were provided, which began six months before the first pulp arrived. The organizations received 4,200 applications and 1,400 entered the selection process. Finally 400 people began in-house training and 220 were recruited. Where 72% of the workforce is under 30 years old. Although the initial goal was to recruit 50% women, in practice only 33% was achieved.



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# NETUME PORTS

TPC

TPC began to participate in two places within the González Street Zigzag stairway. Recycled material was used, which focused on the community's historical and port heritage.



## Coquimbo, a Port City

Terminal Puerto Coquimbo (TPC) launched the "Coquimbo, a port city" project in 2023, which publishes public and private contributions to artistically participate in the famous "Zigzags" (public stairways) around the upper part of the city, with the final goal of creating a Heritage Route in that area that attracts tourists and visitors arriving on cruise ships calling at the port.

TPC began to participate in two places within the González Street Zigzag stairway, together with the Fosfato,

Vicuña, Shangri-La, Riquelme and 4 Esperanzas Neighborhood Councils, the Coquimbo School and the Coquimbo Municipality. Recycled material was used, which focused on the community's historical and port heritage.

The initiative was managed by TPC's Sustainability and Communications Department together with the Coquimbo Municipality, the National Tourism Service (Sernatur) and the Regional Economy and Culture Service. Other Zigzag stairways will be decorated in

subsequent years, which will position Coquimbo as a cultural hub in the central northern region of Chile. The aim is to declare that Zigzag stairways are officially Cultural Heritage, which would increase the community's chances of applying for state funds to improve their quality of life and the safety of their neighborhoods, within the framework of a long-term sustainability strategy.

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# DAIS AMS

**AMS designed a comprehensive program that provides management assistance and financial support with a special focus on young people.**

## Educational Outreach to Young People

AMS is committed to playing a significant role in local development by demonstrating its social responsibility and creating value for these communities through education. Therefore, it has developed a close relationship with the “Salir Adelante Foundation”, and this has grown during the year as it encouraged students to complete their high school education in public schools, supported the expansion of their educational journey, and supported training that develops their socio-emotional skills and builds citizenship.

AMS designed a comprehensive program that provides management assistance and financial support with a special focus on young people.

The company helped the Foundation to optimize its databases and improve the efficiency of student monitoring, both while they were in the program and after leaving it. The company directly interacted with the students during a workshop on Personal Finance, which had been identified as crucial for young people. AMS also welcomed students interested in an accountancy career to its offices, and gave them the opportunity to share experiences with the Administration and Finance team, and to explore potential career paths.



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# KAPTAN SITRANS

**50**  
people participated  
in this initiative,  
who represented  
external  
contractors and  
internal contract  
administrators.



## Strengthening its relationship with Suppliers and Contractors

Sitrans is committed to sustainability and engaging with local suppliers and contractors. Accordingly, it implemented a nationwide initiative that standardizes the recruitment process for contractor's operational employees and provides them with a comprehensive recruitment and selection service.

This initiative is comprised of various activities, which include talks in cities between Iquique and Puerto Montt. These talks explain the advantages of free access to recruitment and selection services, which would help them to recruit

competent and suitable employees for their businesses. A skills improvement and professionalization plan was proposed for employees in operational positions and the recruitment process was professionalized.

Sitrans is also committed to providing contractors with advice and support in key areas, such as people management and skills-based interviewing tools. Finally, Sitrans evaluated the socio-environmental criteria used by each contractor and used this information to show them how to become more sustainable.

About 50 people participated in this initiative, who represented external contractors and internal contract administrators. It has strengthened Sitrans' relationship with its suppliers and contributed to the social and sustainable development of its employee network.

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## Corporate Volunteering

A Corporate Volunteering Program was arranged by 43 of the 94 reporting SBUs during 2023, equivalent to 46%, 20 in the DAIS business line, 15 in KAPTAN and 8 in NELTUME PORTS. The time dedicated to volunteering increased considerably from 4,034 hours

to 21,633, although the percentage of employees decreased compared to 2022. So, the challenge remains to involve more employees in community engagement and philanthropic initiatives.

	Number of employees in the Volunteering Program	Percentage of the total workforce at reporting SBUs	Percentage of Ultramar's total workforce	Total volunteering hours	Average volunteering hours per employee
<b>2020</b>	414	---	3%	437	1
<b>2021</b>	463	13.3%	3.6%	2,476	16.4
<b>2022</b>	1,852	22%	13.2%	4,034	3.6
<b>2023</b>	<b>1,452</b>	<b>32%</b>	<b>10%</b>	<b>21,633</b>	<b>13.7</b>

### Ultramar's Volunteers in Action Program

This year, the "Volunteers in Action" volunteer program was developed in conjunction with Trascender Foundation. This involved students from the Claudio Matte School in La Granja, Santiago, Metropolitan Region. Twenty-two employees participated, who represented 24% of Ultramar's corporate employees, with an average of five hours of voluntary work per employee.

Ultramar invested USD \$17.313 in this initiative and donated 116.5 hours, valued at over USD \$9.233.

Employee commitment to the initiative significantly increased in 2023, so we will plan more voluntary time next year.



**OWN INDICATOR 21:** Corporate volunteer initiatives

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### Beneficiaries by voluntary activity

Activity	Number of events	Maximum number of volunteers	Number of beneficiaries	Beneficiaries
Corporate volunteer program launch	1	20	N/A	Ultramar employees
Maths Club	8	12	10	Claudio Matte School students
English Club	5	6	10	
Shadows Day	1	11	7	
Insalco Day	1	1	60	
Insalco Reinforcement	2	2	4	

### Voluntary Hours

Activity	Number of volunteers	Maximum number of volunteers	Hours of induction	Hours of preparation and execution	Total hours
Corporate volunteer program launch	20	20	0	1	20
Maths Club	6	12	0.5	2.5	33
English Club	4	6	0.5	2.5	17
Shadows Day	11	11	0.5	3	38.5
Insalco Day	1	1	0	2	2
Insalco Reinforcement	2	2	0	3	6
<b>Total</b>				<b>14</b>	<b>116.5</b>



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## Choshuenco Foundation

Choshuenco Educational Foundation is a Chilean non-profit organization that aims to positively impact everyone involved in infant education. It implements educational programs and training courses, and manages kindergartens and family centers using a Pedagogical Management Model that helps persevering and creative leaders to grow.

It focuses on fundamental aspects of child development, such as good quality education, families participating as primary educators, and efficient public policies that develop the skills and conditions for children to achieve their dreams.

### PERSEVERING AND CREATIVE CHILD LEADER

OBJECTIVES	STRATEGIES	APPROACH
Promote high quality infant education through challenging learning experiences that encourage full socio-emotional, cognitive and psycho-motor development.	High scope curriculum	<b>Academic:</b> Specialization of pedagogical teams.  Internal and external continuous improvement evaluation.  Pedagogical Leadership and Innovation.  Systematization of administrative and pedagogical processes.  Efficient resource management.
	Warm and high-quality adult-child interactions	
	Emphasis on spoken language development	
	Choshuenco language strategy	
	Science development using Inquiry-Based Pedagogy	
Support families by contributing to their role of primary educators, through the Family Center and incorporating them into the learning process.	Encourage creativity through the arts and play.	
	Parenting Skills Development Program (Triple P)	
	Growing together with virtues	
	Personal development talks and workshops.	
	Developing parental skills.	

### MANAGEMENT MODEL FOR CHOSHUENCO EDUCATIONAL CENTERS



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It built its fourth kindergarten educational center in La Pintana during 2023. This center will start providing services in 2024, by welcoming over 180 children and their families.

It is installing Family Centers, which focus on improving parenting skills and have contributed to the educational enrichment of 3,570 children and their families. The Foundation had 49 centers throughout Chile in 2023.

**The Foundation's 13-year-old image was renewed, with a new logo that reflects its commitment to providing infant education and high-quality educational experiences.**



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Meanwhile, the "United to develop infant education by 2030 for the future of Chile" initiative aims to generate long-term impact on the quality and equity of infant education. It formed a collaborative network of various civil society and academic organizations, who collaborated to develop and implement a long-term strategic plan for infant education nationwide.

The project arose from the concerns of over 20 educational organizations, most of them managers of free nursery schools and kindergartens, and institutions interested in researching and improving the quality of infant education within vulnerable communities in Chile. It is led by the Pontificia Universidad Católica de Chile and the Choshuenco Educational Foundation.

This initiative undertook a diagnosis of infant education in Chile in 2023, which focused on its coverage and value. The results were developed with various institutions in this network and presented at a seminar at the Pontificia Universidad Católica de Chile. A strategic plan was developed together with participating organizations, to define the focus for the 2024-2026 period.



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## Be Partners to our Suppliers, Creating Opportunities for Innovation and Entrepreneurship

### Why is this a significant material issue?

Ultramar started as a small local business and grew into an international company in the Americas. Its growth over the decades has been based on a strong strategic commitment to all our partners and suppliers. This commitment has continued despite the challenging global environment for everyone involved in value chains.

Ultramar strengthened its strategic engagement with its partners and suppliers during 2023, using its Supplier and Contractor Management Policy and its Supplier and Contractor Management Recommendations.

The Supplier and Subcontractor Management Policy applies to all Ultramar's subsidiaries and associates and supports their business relationships. Its objectives are to:

- Describe the principles that guide sustainable development initiatives in supply chains for goods and services.
- Encourage our suppliers and subcontractors to develop, especially local ones, in order to guarantee the standards required by Ultramar, optimize business processes and respond to environmental challenges.
- Encourage long-term alliances and make the most of opportunities to strengthen relationships with suppliers and subcontractors.
- Incorporate sustainable practices into our processes together with our suppliers and subcontractors, to mitigate risks and generate shared value.
- Standardize internal processes covering the approval, registration, rating, control and evaluation of suppliers and subcontractors.

	Do you have supplier and subcontractor development policies or programs?	Percentage of SBU total (Business Line and Ultramar)	Do you have a Code of Conduct for suppliers and subcontractors?	Percentage of SBU total (Business Line and Ultramar)	Do you have internal supplier and subcontractor profiling?	Percentage of SBU total (Business Line and Ultramar)
--	--	--	---	--	--	--

<b>DAIS</b>	17	21%	32	40%	21	26%
<b>KAPTAN</b>	10	45%	14	64%	8	36%
<b>NELTUME PORTS</b>	7	29%	15	63%	10	42%
<b>Consolidated</b>	34	27%	61	48%	39	31%

Note: Percentages are based on all Ultramar's SBUs, 80 SBUs in DAIS, 22 in KAPTAN and 24 in Neltume Ports.



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Ultramar's companies are supported by

**20,395** > **95%**  
suppliers and subcontractors in America. are local<sup>1</sup>.



Business Line	Description	Local Suppliers and Subcontractors	National and International Suppliers and Subcontractors	Total Suppliers and Subcontractors	Percentage of local Suppliers and Subcontractors
<b>DAIS</b>	Number of suppliers and subcontractors	8,1621	615	8,777	93%
	Number of suppliers that individually represent more than 10% of total purchases during the period.	619	251	870	71%
	Total purchases of goods and services from suppliers and subcontractors in USD	1,383,250,332	86,967,363	1,470,217,695	94%
	Average payment days to suppliers and subcontractors	18	10	14	
	Maximum payment days to suppliers and subcontractors	28	14	21	
	Number of micro, small and medium-sized suppliers and subcontractors (MSMEs)	1,967	4	1,971	100%
	Total purchases of goods and services from MSME suppliers and subcontractors during the year	103,909,706	21,113	103,930,818	100%
	Average payment days to MSME suppliers and subcontractors	6	6	6	
	Maximum payment days to MSME suppliers and subcontractors	7	7	7	

<sup>1</sup> A local supplier is defined as an organization or individual that provides goods or services to the company and whose operational base is in the same geographical market as our business. Local suppliers within the DAIS business line represent 93% of all suppliers, while in Kaptan they represent 96% and in Neltume Ports 97%.

Business Line	Description	Local Suppliers and Subcontractors	National and International Suppliers and Subcontractors	Total Suppliers and Subcontractors	Percentage of local Suppliers and Subcontractors	
<p>Letter from the Chairman</p> <p>2023 Milestones</p> <p>We are Ultramar</p> <p>Sustainability Strategy and Materiality</p> <p>Reliability and Transparency <b>01.</b></p>	<p><b>KAPTAN</b></p>	Number of suppliers and subcontractors	4,614	191	4,805	96%
		Number of suppliers that individually represent more than 10% of total purchases during the period.	673	86	759	89%
		Total purchases of goods and services from suppliers and subcontractors in USD	82,783,044	3,560,535	86,343,579	96%
		Average payment days to suppliers and subcontractors	27	15	21	
		Maximum payment days to suppliers and subcontractors	36	20	28	
		Number of micro, small and medium-sized suppliers and subcontractors (MSMEs)	3,474		3,474	100%
		Total purchases of goods and services from MSME suppliers and subcontractors during the year	23,498,007		23,498,007	100%
		Average payment days to MSME suppliers and subcontractors	23	11	17	
		Maximum payment days to MSME suppliers and subcontractors	32	14	23	
		<p>Our People <b>02.</b></p> <p>Customers and Operational Excellence <b>03.</b></p> <p><b>Social Development</b> <b>04.</b></p> <p>Caring for the Planet <b>05.</b></p> <p>GRI Index</p> <p>Appendix</p>	<p><b>NELTUME</b></p>	Number of suppliers and subcontractors	6,642	171
Number of suppliers that individually represent more than 10% of total purchases during the period.	599			66	665	90%
Total purchases of goods and services from suppliers and subcontractors in USD	284,445,537			45,083,589	329,529,126	86%
Average payment days to suppliers and subcontractors	20			36	28	
Maximum payment days to suppliers and subcontractors	35			23	29	
Number of micro, small and medium-sized suppliers and subcontractors (MSMEs)	2,920			21	2,941	99%
Total purchases of goods and services from MSME suppliers and subcontractors during the year	22,882,106,356				22,882,106,356	
Average payment days to MSME suppliers and subcontractors	17			6	11	
Maximum payment days to MSME suppliers and subcontractors	24			12	18	

Business Line	Description	Local Suppliers and Subcontractors	National and International Suppliers and Subcontractors	Total Suppliers and Subcontractors	Percentage of local Suppliers and Subcontractors
<b>CONSOLIDATED</b>	Number of suppliers and subcontractors	19,418	977	20,395	95%
	Number of suppliers that individually represent more than 10% of total purchases during the period.	1,891	402	2,293	82%
	Total purchases of goods and services from suppliers and subcontractors in USD	1,750,478,913	135,611,487	1,886,090,400	93%
	Average payment days to suppliers and subcontractors	22	20	21	
	Average maximum payment days to suppliers and subcontractors	33	19	26	
	Number of micro, small and medium-sized suppliers and subcontractors (MSMEs)	8,361	25	8,386	
	Total purchases of goods and services from MSME suppliers and subcontractors during the year	23,009,514,069	21,113	23,009,535,181	100%
	Average payment days to MSME suppliers and subcontractors	15	7	11	
	Average maximum payment days to MSME suppliers and subcontractors	21	10	16	

**OWN INDICATOR 22:** Number of SBUs with supplier and contractor development policies or programs

**OWN INDICATOR 23:** Outstanding supplier and contractor development and/or training initiatives

**OWN INDICATOR 24:** Number of SBUs with a Code of Conduct for suppliers and contractors

**DJSI: 1.6.1** "Code of Conduct for Suppliers"



## Supplier Payments

Ultramar incorporates best practices that help suppliers at all its SBUs to develop and even exceed the legal requirements in each country. These include shortening payment terms for suppliers and subcontractors, which is critical for micro, small and medium-sized companies. This period dropped to 11 days on average for MSME suppliers during 2023, while the average supplier payment period was 26 days, which was a decrease of 6.3 days compared to 2022.

Payments to MSME suppliers	DAIS	KAPTAN	NELTUME	ULTRAMAR
Average payment period for MSME suppliers	6	17	11	11
Payment deadline for MSME suppliers	7	23	18	16

In 2023, the total amount of purchases of goods and services from suppliers reached more than **USD 1,800** millions, with a **93%** intended for local suppliers.

### Purchases of goods and services from suppliers

### 2022 Total Amount

### Monto Total 2023 (USD)

DAIS	Total purchases of goods and services from suppliers	1,087,190,431	1,470,217,695
	Total purchases from local suppliers	950,361,219	1,383,250,332
	<b>% of purchases from local suppliers</b>	<b>87%</b>	<b>94%</b>
KAPTAN	Total purchases of goods and services from suppliers	258,214,582	86,343,579
	Total purchases from local suppliers	237,032,018	84,445,537
	<b>% of purchases from local suppliers</b>	<b>92%</b>	<b>96%</b>
NELTUME PORTS	Total purchases of goods and services from suppliers	196,444,464	329,529,126
	Total purchases from local suppliers	162,868,848	284,445,537
	<b>% of purchases from local suppliers</b>	<b>83%</b>	<b>86%</b>
Consolidated	Total purchases of goods and services from suppliers	1,541,849,477	1,886,090,400
	Total purchases from local suppliers	1,350,262,085	1,750,478,913
	<b>% of purchases from local suppliers</b>	<b>87.6%</b>	<b>93%</b>

**OWN INDICATOR 26:** Total number of national and international suppliers and contractors

**OWN INDICATOR 27:** Number and % of local suppliers and contractors

**OWN INDICATOR 28:** Number and % of small-medium suppliers and contractors

**OWN INDICATOR 29:** Number and % of SBUs with internal characterization of suppliers and contractors

**OWN INDICATOR 30:** Total purchase amount of goods and services from suppliers and contractors

**GRI 204-1** Proportion of spending on local suppliers

**OWN INDICATOR 31:** Total amount and % of purchase of goods and services from small-medium suppliers and contractors

**OWN INDICATOR 32:** Average days of payment to suppliers (and small-medium suppliers))

**OWN INDICATOR 33:** Days of maximum term (and small-medium suppliers)





## Supplier selection using environmental criteria

Ultramar uses technical, social and environmental criteria to select its suppliers, to ensure the sustainability of its value chain. Accordingly, 27 of Ultramar’s 94 reporting SBUs use environmental criteria to select their suppliers and 9 also use social criteria.

	Percentage of new suppliers that were screened using environmental criteria.	Number of suppliers and subcontractors assessed for their environmental impacts.	Number of suppliers and subcontractors causing significant potential and actual negative environmental impacts.	Percentage of suppliers and subcontractors causing significant potential and actual negative environmental impacts, where improvements have been agreed as a result of the assessment.	Percentage of suppliers and subcontractors causing significant potential and actual negative environmental impacts, where the relationship has been terminated as a result of the assessment and the reason for termination has been provided.
<b>DAIS</b>	19%	177	89	19%	20%
<b>KAPTAN</b>	9%	139	72	0%	0%
<b>NELTUME PORTS</b>	12%	57	3	0%	0%
<b>Consolidated</b>	13% (average)	373 (total)	164 (total)	6% (average)	7% (average)

Note: This information was received from 59 of the 94 reporting SBUs.

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The significant negative environmental impacts or risks in SBU supply chains during 2023 were:

- Greenhouse gas emissions.
- Contamination of soil and water bodies that affected fauna and flora, due to product or waste spillages that contained hydrocarbons.
- Used tires sent to landfills, without recycling.
- Inadequate waste management and soil deterioration due to accumulated non-recyclable solid waste.

The significant negative social impacts or risks in the supply chain were:

- Business disruption or anything that affects normal business.
- High employee rotation.
- Deterioration of public infrastructure due to the impact of heavy cargo on the local community.
- Accidents involving employees or third parties.



	Percentage of new suppliers and subcontractors that have been screened using social criteria during the procurement of goods or services.	Number of suppliers and subcontractors assessed for their social impacts	Number of suppliers and subcontractors causing significant potential and actual negative social impacts.	Percentage of suppliers and subcontractors causing significant potential and actual negative social impacts, where improvements have been agreed as a result of the assessment.	Percentage of suppliers and subcontractors causing significant potential and actual social impacts, where the relationship has been terminated as a result of the assessment and the reason for termination has been provided.
<b>DAIS</b>	11%	127	4	17%	17%
<b>KAPTAN</b>	25%	231	0	25%	8%
<b>NELTUME PORTS</b>	13%	50	0	0%	0%
<b>Consolidado</b>	16% (average)	408 (total)	4 (total)	14% (average)	8% (average)

Note: This information was received from 60 of the 94 reporting SBUs.

**GRI 308-1** New suppliers that were screened using environmental criteria

**GRI 414-1** New suppliers that were screened using social criteria

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## Supplier Satisfaction Survey

The first Supplier Satisfaction Survey was carried out between October 26 and December 23, with the support of the consulting firm Criteria, who used an online form that was completed by 407 companies. The objective is to regularly measure satisfaction, similarly to our customers, in order to identify gaps and

improve the relationship with suppliers in the three business lines. Supplier data was requested from 17 countries, although Costa Rica, Bolivia and Guatemala decided not to participate. Therefore, 14 countries sent invitations to their suppliers, although no suppliers responded in Barbados.



**13 countries**

Argentina, Brazil, Canada, Chile, Colombia, Ecuador, USA, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay.



**110**  
Large companies



**138**  
Medium companies



**129**  
Small companies



**30**  
Micro companies

They were asked to evaluate the following aspects:

1. We are known for building good relationships with our suppliers in general.
2. We are known for building good relationships with our employees.
3. We are known for issuing clear and complete service requests.
4. We are known for appropriately responding to your requests and keeping you informed throughout the process.
5. We are known for our integrity and ethics when delivering our services.
6. We are known for efficiently and rapidly solving problems.
7. We are known for our occupational safety.
8. We are known for our environmental care.
9. We are known for building good relationships with our stakeholders and local communities.



The three aspects best evaluated by suppliers were ranked as good supplier relations, service integrity and ethics, and occupational safety.

These three aspects were first in DAIS and in KAPTAN. Safety was second in KAPTAN. The first three for NELTUME PORTS were good supplier relations, occupational safety and environmental care.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
<b>Good supplier relations</b>	<b>66%</b>	27%	2%	1%	4%
<b>Service integrity and ethics</b>	<b>61%</b>	31%	3%	1%	4%
<b>Occupational safety</b>	<b>61%</b>	28%	7%	0%	4%
Environmental care	58%	29%	9%	0%	4%
Good relationships with stakeholders and local communities	56%	31%	8%	0%	4%
Clear service requests	55%	34%	8%	0%	4%
Good relationships with our employees	54%	31%	11%	0%	4%
Response to requests	53%	34%	4%	3%	5%
Effective problem solving	52%	34%	8%	1%	4%

Note: "Based on your experience as a supplier, please indicate how far you agree with the following statements about our company."

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Suppliers were asked whether they had problems with the employees of Ultramar and its SBUs. The response "None" was selected by 86%.

		Total	Large Company	Medium Company	Small Company	Micro Business
Problems with employees	None	86%	89%	85%	83%	93%
	Few	13%	11%	14%	16%	7%
	Many	1%	0%	1%	2%	0%

Suppliers were asked whether they had any problems with late payments from Ultramar companies. The response "None" was selected by 76%.

		Total	Large Company	Medium Company	Small Company	Micro Business
Delays in payment	None	76%	72%	75%	79%	83%
	Few	22%	25%	22%	19%	17%
	Many	2%	3%	3%	2%	0%



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Suppliers were asked whether there were any aspects that could be improved in the relationship. Suggestions for improvement are shown, using categories defined from how the open-ended question was coded.

	ULTRAMAR	DAIS	KAPTAN	NELTUME
None	59%	58%	63%	57%
Clear and fluid communication	19%	22%	14%	21%
Provide more information	10%	10%	10%	9%
Engagement and treatment of people	9%	9%	9%	8%
Agree shorter payment terms	6%	6%	7%	5%
Streamline billing	5%	3%	10%	5%
Maintain and renew technology	4%	2%	2%	7%
Participation in decision making	4%	5%	3%	2%
Reward for supplier loyalty	3%	3%	1%	5%
More job opportunities	2%	2%	3%	3%

The probability of recommendation was calculated using the Net Promoter Score (NPS) as the difference between "promoters" (ratings of 9 to 10) and "detractors" (ratings of 1 to 6). It was also calculated as the average number of responses for each category divided by the total number.



**NPS is calculated as the difference between promoters (score 9 or 10) and detractors (score 1 to 6)**

	1	2	3	4	5	6	7	8	9	10	NPS
<b>ULTRAMAR</b>	0%	0%	0.2%	0%	1%	1.5%	3.2%	8.6%	18.9%	66.6%	<b>82.8</b>
<b>DAIS</b>	0%	0%	0%	0%	1.2%	0.6%	3.5%	9.9%	23.3%	61.6%	<b>83.1</b>
<b>KAPTAN</b>	0%	0%	0%	0%	0%	1.9%	4.8%	1.9%	18.1%	73.3%	<b>89.5</b>
<b>NELTUME PORTS</b>	0%	0%	0.8%	0%	1.5%	2.3%	1.5%	12.3%	13.8%	67.7%	<b>76.9</b>

Note Values are the percentage of responses for each score

**The average is the number of responses for each score divided by the total**

	1	2	3	4	5	6	7	8	9	10	Average
<b>ULTRAMAR</b>	0%	0%	0.2%	0%	1%	1.5%	3.2%	8.6%	18.9%	<b>66.6%</b>	9.42
<b>DAIS</b>	0%	0%	0%	0%	1.2%	0.6%	3.5%	9.9%	23.3%	<b>61.6%</b>	9.38
<b>KAPTAN</b>	0%	0%	0%	0%	0%	1.9%	4.8%	1.9%	18.1%	<b>73.3%</b>	9.56
<b>NELTUME PORTS</b>	0%	0%	0.8%	0%	1.5%	2.3%	1.5%	12.3%	13.8%	<b>67.7%</b>	9.35

Note: Values are response counts for each score.



Overall, Ultramar achieved an NPS of

**82.8**



**66.6%**

of suppliers confirmed that they were extremely likely to recommend Ultramar as a customer (score of 10).