

# Drummond

in numbers

2022



**DRUMMOND LTD.**  
COLOMBIA





## Mining projects

### La Loma

Located in the municipalities of El Paso, La Jagua de Ibirico, and Chiriguana.

#### Mining started

1995

#### Contract area

6,560 ha

#### Production 2022

5.746.008 tons of coal

#### Projected production 2023

6.7 million tons of coal

### El Descanso

Located in the municipalities of Becerril, Agustín Codazzi, El Paso, La Jagua de Ibirico, and Chiriguana.

#### Mining started

2009

#### Contract area

31,559 ha

#### Production 2022

20.424.769 tons of coal

#### Projected production 2023

22.3 million tons of coal

### El Corozo

Located in the municipalities of La Jagua de Ibirico, and Chiriguana.

#### Mining started

Late 2020

#### Contract area

16,397 ha

#### Production 2022

1.433.730 tons of coal

#### Projected production 2023

1.8 million tons of coal

### Future mining projects

#### Cerrolargo

Contract area: 213 ha

### Operations

#### Coal exports



In 2022, we exported **27.7 million** tons of coal from the La Loma, El Corozo and El Descanso mining projects.

On December **31, 2022** the coal yards at **La Loma, El Corozo, El Descanso and Puerto Drummond** held **1.210.160** tons of coal.

#### There are

**14** minable coal seams at La Loma and El Corozo

and more than

**20** at El Descanso, the thickness of which ranges from **0.3 to 6** meters, approximately.

Lowest elevation projected for the mining projects:

#### La Loma and El Descanso

**300** meters below sea level

#### El Corozo

**250** meters below sea level.

- The names of the seams allude to important features of the region, such as: **Cazador, Gran Madre, Monito, or Babilla.**
- The strip ratio for both mines is close to 8. That means **mining one ton of coal requires removing approximately 8 cubic meters of waste rock.**
- The average parameters for the coal we send our customers are **11,000 BTU per pound, 5% ash and 0.6% sulfur.**
- A high percentage of the waste rock removed during mining is used to backfill areas already mined, which facilitates the recovery of areas, helps mitigate landscape impacts, and reduces emissions.
- With the purpose of minimizing and controlling emissions from the mining operations, we have several systems in place for wetting the coal during the mining. These include spray systems and fog canons at storage areas and systems for wetting and compacting the coal while loading it in train cars, and wetting systems at loadout at the port. In addition, we have a fleet of **32 water trucks,** the largest in the country per production unit, to wet roads continuously.



### Royalties and compensations

In **2022**, the company paid **US\$1,014.8 million** for Royalties and Participation in High Prices, and **US\$583.1 million** for Taxes, Rates, and Contributions.





## Trains

The railway system from Cesar to the export ports in Magdalena is under concession to Fenoco and is used by the mining companies. The distance from the mining complex to Puerto Drummond is **191 kilometers**. The trains belong to and are operated by each company.

At Drummond we have

**44** locomotives, 

**1.995** railway cars 

**153**  
crew members

Fenoco installed the **Satellite-based Incremental Train Control System, or ITCS**. This advanced technology tracks and controls trains at every point along the route. Designed with safety first, the ITCS speed enforcement and vital positive stop functions mean that the train will never go past a boundary or exceed the safe limits of operation.

The configuration of the trains is **3 locomotives** and **150 cars** in each train.



1 car carries **50 tons.**



1 train has **150 cars,** and carries **7,500 tons.**



## Port

Investment in the direct ship loading system and port expansion:

**US \$440M**


**3** car dumpers for unloading coal (single, double and quadruple).

Two direct ship loading systems of 8,000 tons/hour each.

Annual capacity of Puerto Drummond:

**60**  
million  
tons

A conveyor belt system feeds into two main belts with a capacity of 8,000 tons per hour each.

**1** Train  is unloaded in 1.45 hours at the

quadruple car dumper and in 2 hours at the double car dumper.



## Additional information

Coal production began in the year 1995 with exports from Puerto Drummond.

After operating a barge-based loading system for years, on March 31, 2014 Drummond's port operations made the first coal shipment using a direct ship loading system.

To protect the environment, Drummond's train unloading set up places spray systems at the points where coal is dumped, in order to control environmental emissions. Similar systems are also located where coal is offloaded directly onto ships. All conveyor belts are enclosed, and transfer points are sprayed with water.

In line with needs and the availability of ships, coal is either sent to the stockpiles or directly to the cargo holds of ships waiting at the dock

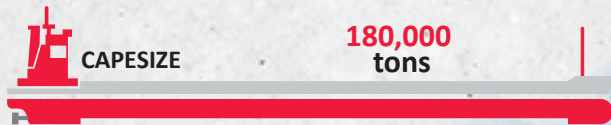
- The coal is stored in the tunnel yards using two longitudinal stackers. Yard 1 uses a combination of radial stackers, front loaders, and coal haulers. The piles are separated and classified according to the quality of the coal and the mine of origin.
- If the coal goes directly to ship cargo holds, conveyor belts are used to transport the coal to the loading arm on the direct ship loading dock.



## Infrastructure

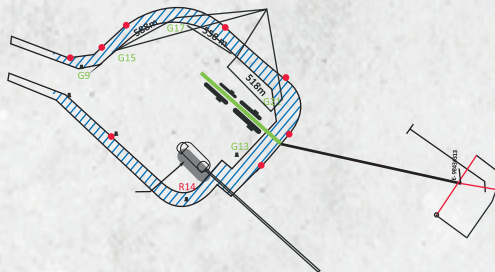
In addition to being fed by the car dumpers, the conveyor belts are also fed from the storage areas by hoppers and front loaders.

We can moor up to four Cape size ships at the dock, giving us sufficient infrastructure to load two ships simultaneously. Puerto Drummond is the most modern coal loading terminal in South America and its capacity is among the world's largest



Our system can load Handy, Supramax, Panamax, Cape Size and New Castle Max ships.

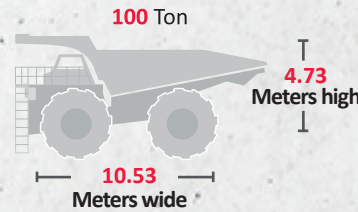
The access channel is of public use, and is regulated, managed, directed and controlled exclusively by the General Directorate of Maritime Affairs (DIMAR).



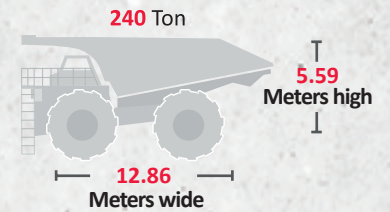
## Mining Equipment

- 16** hydraulic front excavators (Komatsu, Demag)
- 4** Bucyrus **495** excavators
- 18** Backhoe (Demag, Komatsu and Hitachi)
- 3** Draglines (2 Bucyrus and 1 Marion)
- 18** Front loaders (Caterpillar)
- 106** tracked tractors (Caterpillar) (73 D11, 13 D10, 15 D9, 5 D6)
- 261** off road trucks with a capacity of 240 tons (247 Caterpillar and 14 Komatsu)
- 58** off road trucks with a capacity of 100 and 240 tons ((44) 777 and (14) 793 Caterpillar)

### 777 TRUCKS



### 793 TRUCKS



### TANKERS



**32** Tankers models Caterpillar 777C and 777D:

**17** at the El Descanso mine, **13** at the Pribbenow mine and **2** at Puerto Drummond

The water tanker operator controls the spraying electronically from the cab, depending on road conditions. The tanker has the capacity to spray for approximately 30 minutes before the tank must be refilled.

### DRAGLINES

- Marion 8750 Dragline**  
Weight: **5.897** tons.  
Bucket capacity: **88** cubic meters of waste rock
- Bucyrus (Tobie II) 2570W dragline**  
Weight: **5.386** tons  
Bucket capacity: **88** cubic meters of waste rock
- Bucyrus (Elza) 1570 dragline**  
Weight: **3.282** tons.  
Bucket capacity: **57** cubic meters of waste rock



**5 hours**  
**200 Km**  
 from La Loma, Cesar to  
 Ciénaga, Magdalena.



**The coal is exported to:**

**Americas:**

- Canada
- United States
- Mexico
- Puerto Rico
- Dominican Republic
- Guatemala
- Panama
- Brazil
- Chile
- Argentina

**Europe-Asia**

- Poland
- Croatia
- Spain
- The Netherlands
- France
- Turkey

**Asia and the Pacific**

- South Korea
- Japan
- China
- Taiwan
- Hong Kong

**North Africa & Middle East**

- Israel
- United Arab Emirates
- Morocco

Thermal coal, which is the type of coal exported by Drummond, is used mainly for the generation of electrical energy in thermoelectric plants and to a lesser extent for furnaces in cement and steel plants.

With the construction of a second storage yard in 2015, the port now has the capacity to store up to **1,500,000 tons**.

**13 to 15 trains run daily**

for average annual transportation of

**32,000,000 tons.**



**Employment generation**

The company's selection policy is framed in giving priority to personnel from the departments where Drummond has its operations. **As of December 31, 2022, we had:**

- **11.205** workers (**5,158** direct employees and **6.047** contractors)
- **70%** of the direct employees were born in Cesar and Magdalena.
- **78%** of the direct employees live in Cesar and Magdalena.
- **88%** of the direct employees come from the Atlantic coast.

**Benefits**

- **A complementary health plan (hospitalization and surgery policy)**

Covers **100% of the cost.** Benefits more than **18,300 people** (employees and their families).

- **Group life insurance policy:** paid **100% by the company.**

- **Company Savings Plan:**

Employees can save up to **10%** of their basic salary and the Company will match **30%** of the employee's contribution. More than **2,190** employees benefit.

- **Relocation subsidy/ support:** More than **1,800** employees have benefited who live apart from their families during their rotation.
- **Extra-legal bonuses**
- **Assistance for eyeglass lenses and frames:** More than **1,900** employees benefited in 2022.
- **Seniority Bonus**
- **Transportation:** Drummond Ltd. has a fleet of buses to transport its employees from different towns in Cesar and Magdalena, and also gives a transportation subsidy to more than **1,150** employees located outside this area of influence.

- **Investment in education for employees and their children:**

More than **7,900** children of employees received educational assistance.

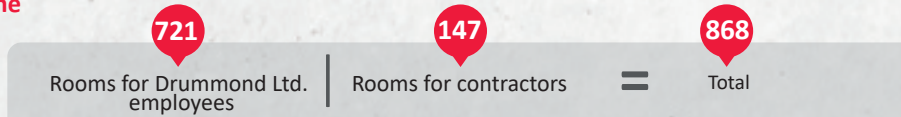
**124** employees have received college scholarships.

- **Home loans:** **83 employees** received home loans in 2022.



## Employee Welfare

### Mine



Daily meal services for Drummond Ltd. employees: **7.650**  
 Monthly role: **1.350**  
 Daily role: **6.300**  
 Daily services to contractors (DR and DM): **750**



### Employee Wellbeing - Port

Lodging in Staff House, **25 rooms** with **22%** permanent occupation. Approximately **4950** meal services per year.

- Casino dining room with 200 daily services.
- Bath House service point, 600 daily services of packaged on-the-go meals.
- Casino packaged food service point, 250 meal services daily.

### We implemented online programs:

#### In House:

Since 2009, and through 2022, 785 individuals have received the In House training program.

- Qualified labor is trained in the operation of mining equipment.
- It generates the greatest number of jobs for the inhabitants of the municipalities in our mining area of influence, in the department of Cesar.
- It's socially responsible with our neighbors.
- The result is trained personnel who provide the company with their knowledge in the operation of mining equipment.

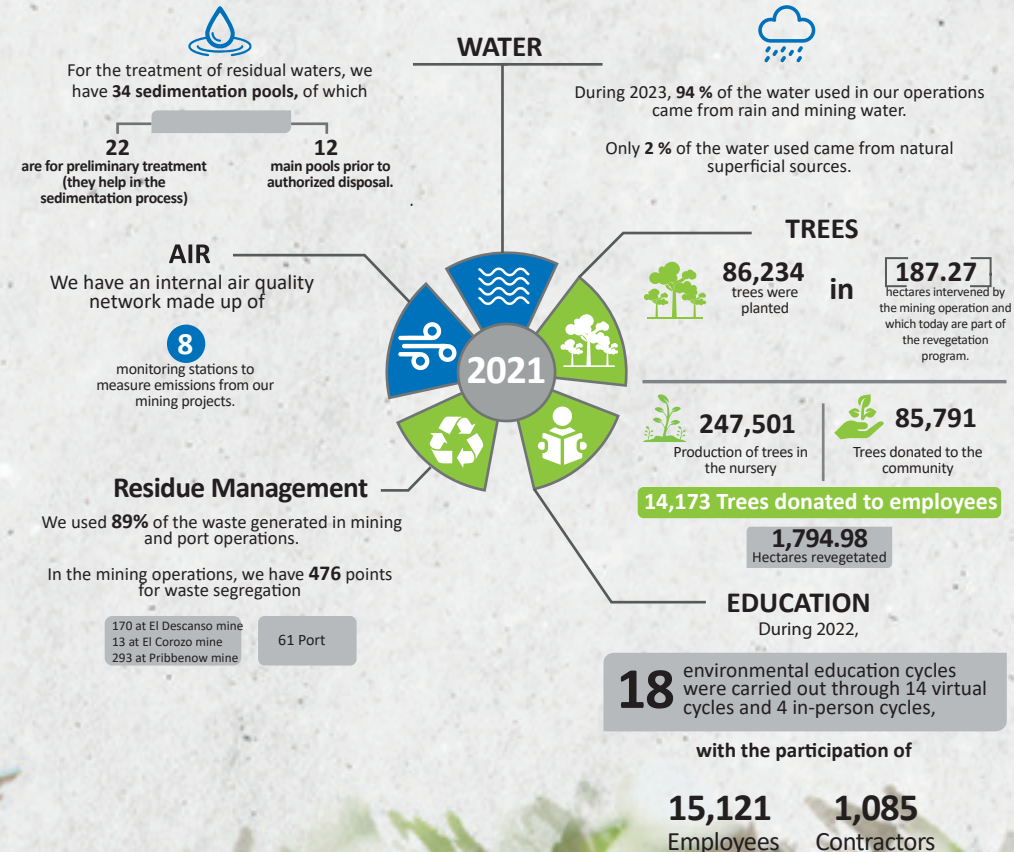
#### Family Day:

On the 4, 10, and 18 of December of 2022, three recreational activities were conducted: "With Drummond at Christmas". Attended by a total of 1.182 employees.

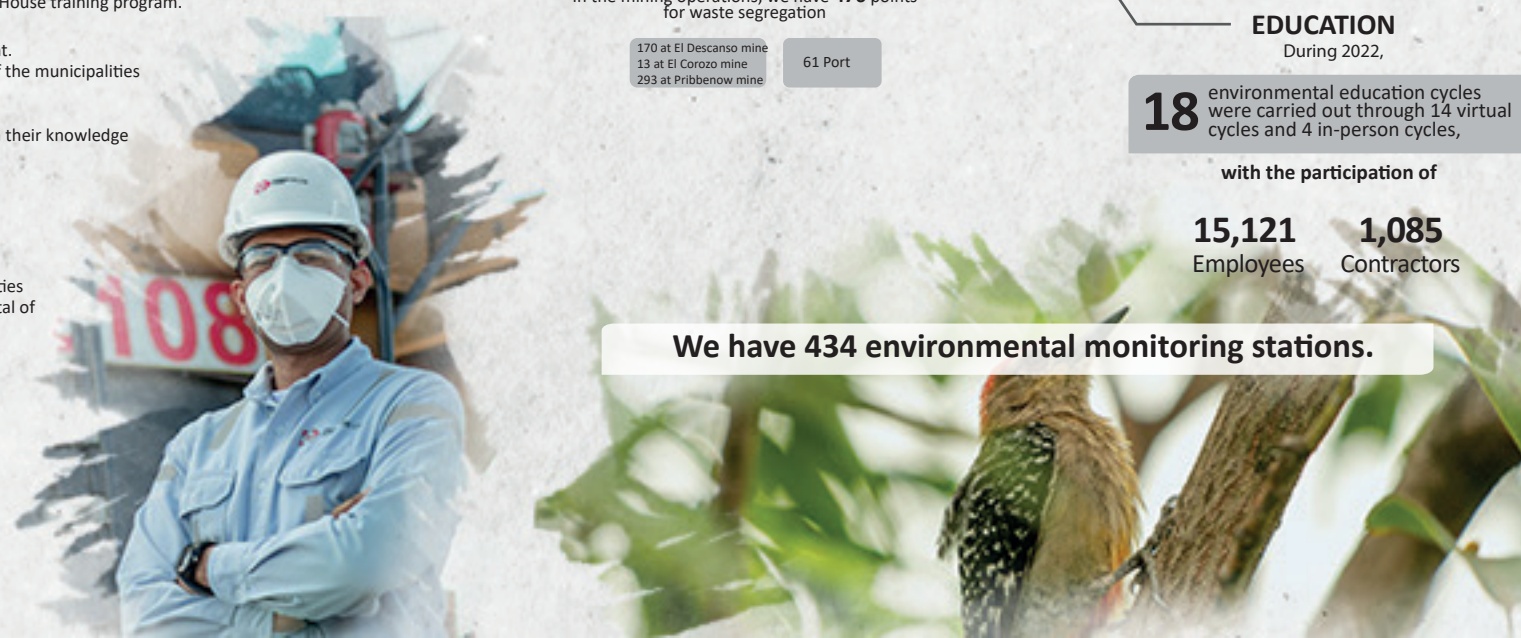
Event date	Attendees	Total
• December 4 of 2022	289	1.182
• December 10 of 2022	438	
• December 18 of 2022	455	

## Environment

At the beginning of 2023, we obtained ISO 14001:2015 recertification from the international certification entity LRQA, which ratifies our commitment to maintaining an effective Environmental Management System that allows us to act responsibly in the prevention, mitigation, and compensation of the environmental impacts of our operations.



We have 434 environmental monitoring stations.



**Social Contribution - Good Neighbor Policy**



**1.034** school classrooms intervened, built, and remodeled: **44.761** beneficiaries

**75** school dining rooms intervened, built, and remodeled:

**21.797** beneficiaries.

**209** Scholarships for university degree programs college scholarships awarded to high school students from public institutions in the municipalities of the area of influence in Cesar and Magdalena.

**12** hospitals repaired, built or remodeled: **456,352** beneficiaries  
**22** health posts built or rebuilt, and equipped: **111.757** beneficiaries  
**63** sports fields built: **116,009** beneficiaries

**In-house training program for mining activities**

**18** music schools sponsored: **8.294** beneficiaries.

**\$8.019.945.200** invested since 2010 in the urban road repair program.



**Corporate Social Responsibility**

There are **2,215** fewer illiterate adults in the five municipalities of the Cesar mining corridor with the "Alfabetizate" program.

**75 families** benefited from cocoa crop improvement projects.

**235 local producers** linked to the food supply program, with **COP +1000** million in income at the end of 2022.

More than **1,280 entrepreneurs** identified to be strengthened in our business incubators.

- **367 ventures** financed with an investment of COP 1,602,206,559
- **498 business plans** with support in their formulation.
- **COP \$4.673.813.168** invested in support, training, advice, financing and guidance of entrepreneurs.
- **10.18%** increase in invoicing by the companies in the area of influence.

**Human Rights Policy**

Share human rights risk management with stakeholders



- Two reviews were conducted of the execution of the management measures established for each risk, representing the 11th and 12th follow-ups since the HR risk matrix was generated.
- 99% of the information was collected within 60 days of cutoff date #11.
- 100% of the information was collected within 60 days of cutoff date #12.
- 97.7% of the management measures had significant progress in follow-up #11.
- 93.5% of the management measures had significant progress in follow-up #12. Management measures with little progress were adopted a few days before the cut-off date.

**About the "Drummond Human Rights Dialogues" with stakeholders:**

They have been conducted **8 times** with contractors and suppliers;  
**105 persons** participated in the 2022 session.

They have been conducted **4 times** with communities and Community Action Boards:  
**142 persons** participated in the 2022 session.

They have been conducted **2 times** with employees in 2022, **with 217 participants**, in addition to 20 during regular training sessions.





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