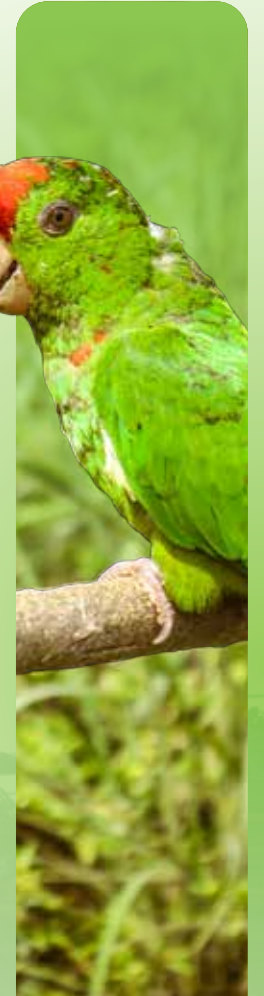
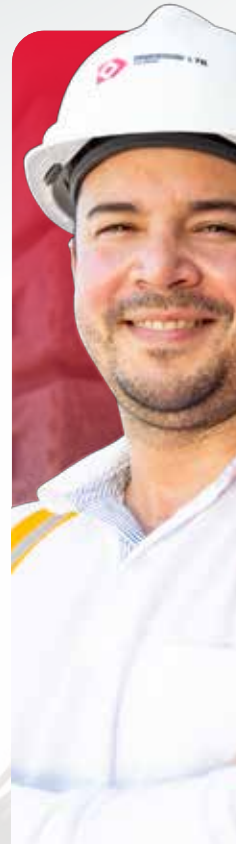




Sustainability
Report

2023



ENERGY FOR THE FUTURE

SUSTAINABILITY REPORT 2023

(Target 12.6)

You have in your hands a comprehensive and high-quality sustainability report that we have prepared for our stakeholders as an exercise in transparency, communication and accountability regarding the impacts, risks and opportunities of our work in 2023.

We have prepared our 2023 Report in accordance with the 2021 GRI Standards and under the guidelines for the Sector Standard for Coal: GRI 12, as well as the metrics of the SASB Standard – Coal Operations. This is the result of our commitment to communicating our efforts on key ESG issues, using different reporting standards that have been supplementing our reports since 2012.

All of this has been done with the assistance of the firm KPMG Advisory, Tax & Legal S.A.S. and external verification by the firm ERNST & YOUNG AUDIT S.A.S., E&Y, two of the world's leading professional services firms.

As we have done for the over 30 years that we have been present in the country, we will continue to create value for Colombia through mining that is economically viable, environmentally sustainable and socially responsible.



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WRITTEN BY

Drummond Ltd. Colombia
KPMG Advisory, Tax & Legal S.A.S.

VERIFICATION

ERNST & YOUNG AUDIT S.A.S, E&Y

PHOTOGRAPHY

GOOD ;) Communication for sustainable development
Drummond Ltd. Communications Department.

DISEÑO Y DIAGRAMACIÓN

GOOD ;) Communication for sustainable development



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Corporate Management Achievements



Goal 6.4

100% compliance with the Water Savings and Efficient Use Program (PAUEA, in Spanish).

2,062,405 m³ of water saved in our mining operations.

We used only 21% of the total water concession granted to the port operations.

100% compliance with discharge standards.

Certification:



82% of the waste generated was recovered (**24,932 tons of the 30,581 tons of waste produced**).

Goal 12.4

72% of all hazardous waste generated was recovered (8,355.9 tons).

Goal 12.5

87% of all non-hazardous waste generated was recovered (16,576.3 tons).

5,598.9 tons of used tires from mining equipment and light vehicles used in reuse, recycling and energy recovery processes.



Goal 15.1

Goal 15.2

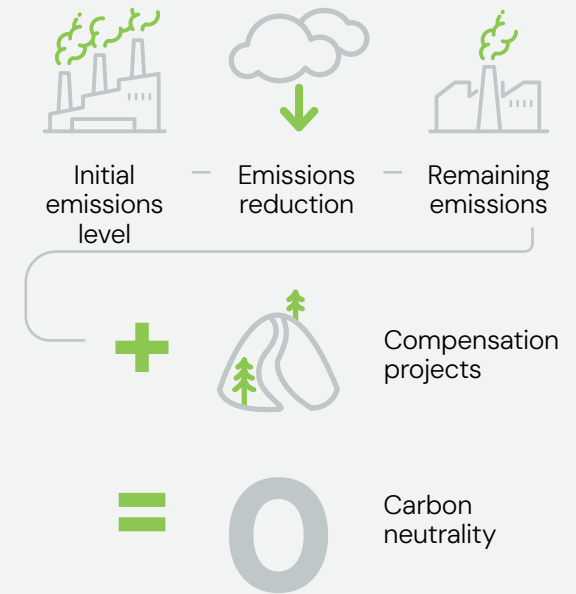
986.32 ha in conservation and restoration processes in the Forestry Compensation Program at the Pribbenow and El Descanso mining projects.

1,946 hectares at the Pribbenow and El Descanso mines have been covered by the area recovery protocol, which is nearly **22% of the total** surface area affected by the advance of the mining operations.

165 hectares recovered at the Pribbenow and El Descanso mines.

Where are we headed?

In response to the challenge of climate change, and in order to move towards a future with lower emissions, **at Drummond we have adopted a strategy to achieve carbon neutrality by 2050.**



At Drummond, we understand the transition as an integral, gradual and collaborative process that builds a shared vision of the future by taking advantage of the opportunities of the present. Our commitment is to contribute our capabilities to achieve this For the benefit of the communities, the region and the country.

(USD 26,694,056)
 invested in **social management** in 2023



Goal 2.a
Goal 2.3
Goal 2.4

287 producers/suppliers participated in the Local Producers Development Project. Revenue exceeding USD 415,691. **+825 tons** of agricultural products sold.

75 families from ASOCOPE (Association of Cocoa Growers of Perijá) participated in the project to improve cocoa crops.



Goal 4.1

+6,000 students and teachers participated in highquality educational programs.

Goal 4.2

+50 interventions in building and providing equipment for Child Development Centers and programs for children from ages 0 to 5.

Goal 4.3

- **227 young people** awarded college scholarships:

90 scholarship recipients have graduated.
41 professional interns working at DLTD.
22 professional scholarship recipients hired by DLTD or contractors.

Goal 4.4

- **922 people** from the area of influence have benefitted from the In House Program, which aims to train young people, men and women from our area of influence on the operation of mining equipment.
- **88 young** people participated in the Professionals in Training program to become leaders in the mining and port operations.

Goal 4.a

- **+500** investments in educational infrastructure.
- **1,104** school classrooms built.
- **1st construction** of an Ethnoeducational school: San Genaro – Sokorpa Reservation, Yukpa community.

Goal 4.6

3,000 fewer illiterate adults in the five municipalities in the mining corridor in Cesar.



Goal 8.3

- **Entrepreneurship incubators +1,280 entrepreneurs** identified in our Business Incubators project. **381 business plans** financed by the Company to help them grow. **498 business plans** developed to create new business units.
- **2 fishermen's federations** in the municipality of Ciénaga: FEDEMARCARIBE and FEDECENAGA, made up of **20 fishermen's associations undergoing processes** to strengthen their business units through business training and formalization activities.
- **151 young people both attending and not attending school** participated in the Youth Entrepreneurship School project.

Goal 8.5

- **11,393** direct and indirect jobs.
- **72%** of our direct employees were born in Cesar and Magdalena.
- **92%** of our direct employees are from the Caribbean Region.



Goal 8.7

0 cases of discrimination, child labor, forced labor or human rights violations.

Goal 8.8

- **146 employees** benefitted from college scholarships.
- **456,584 hours of education and training** for employee education.
- **5% reduction** in lost-time safety incidents involving the Company and contractors: 58% reduction in lost-time incidents for direct employees.
- **6% reduction** in safety incidents with medical treatment for the Company and contractors: 50% reduction in lost-time incidents for direct employees.
- **Year 2020: 0.30**
Year 2023: 0.13
Significant reduction in the Recordable Injury Frequency (RIF).
- **4 strategic lines** to achieve the stage of interdependence in 2026: operational discipline, effective communication, empowerment and safety leadership.

Certification:



Goal 9.1

- **+300 projects** involving institutional, community and road infrastructure (construction, maintenance, expansion, remodeling and providing equipment for health centers, development centers, churches, paving and road maintenance).
- **158 families benefitted** from high-impact projects through the provision of housing to reduce poverty and improve quality of life.

Spending on local suppliers

750 domestic suppliers
(90 %): **USD 991,234,691.**

Of these, 310 local suppliers:
USD 245,047,009.

We make **25%** of all domestic purchases from suppliers in the Caribbean Region.

We are committed to Colombia. We work for world-class operations that contribute in the long term to the fulfillment of the global sustainable development agenda and that translate into well-being for all Colombians.



Goal 16.1

- **+5,800 young people and children** participated in programs related to values and reconstruction of the social fabric.

Goal 16.6

- **60 leaders of community action boards** participated in training processes.
- **+80 leaders of community action boards** participated in support and institutional strengthening programs.

Goal 16.10

- **100%** of security personnel have received human rights training.
- **5th Dialogue on Human Rights with communities and authorities** in the cities of Valledupar and Santa Marta.
- **9th Dialogue on Human Rights** with contractors and suppliers.
- **4th Good Governance Seminar**, with the objective of strengthening institutional capacities for newly-elected mayors, council members, deputies and governors from the municipalities in the area of influence in the departments of Cesar and Magdalena so that they can carry out responsible public planning and management.

For the **8th consecutive year**, we are the company with the largest volume of coal production and exports in Colombia, and we hold **2nd place** in overall reputation in the Colombian mining industry.

Our coal reached:

Europe 28.5%	South & Central America 15.7%
North America 23.5%	Eurasia 6.9%
Asia & The Pacific 19.2%	Middle East & North America 6.2%

We exported

27.0 million tons
50% of the country's coal production

WE PAID THE NATIONAL GOVERNMENT:

2023

Royalties:
USD 632.6 million

Surcharges for high prices:
USD 432.7 million

Taxes, fees and contributions:
USD 723.2 million

= USD 1,788.5 million

1995 - 2023

587.4 million
tons produced

Royalties:
USD 5,254.4 million

Surcharges for high prices:
USD 2,541.7 million

Taxes, fees and contributions:
USD 5,364.6 million

= USD 13,160.7 million



AS AN INDUSTRY WE HAVE BEEN RESILIENT AND ADAPTIVE, AND WILL CONTINUE TO BE, SO THAT OUR COMMUNITIES AND ALL OF OUR STAKEHOLDERS CAN BE ABSOLUTELY SURE THAT WE ARE PARTNERS IN THE EVOLUTION THAT IS BEING PROPOSED.

WE ARE CONVINCED THAT, IN THE LONG TERM, WE WILL CONTINUE TO OPERATE RESPONSIBLY AND EFFICIENTLY, MAINTAINING A SCENARIO THAT IS ECONOMICALLY, SOCIALLY AND ENVIRONMENTALLY SUSTAINABLE.



REPORT PROFILE

Entities included in the presentation of sustainability reports

(GRI 2-2)

Reporting period, frequency and point of contact

(GRI 2-3)

External verification

(GRI 2-5)

Highest governance body's role in sustainability reporting

(GRI 2-14)

Our Sustainability Report covers the actions taken by Drummond Ltd. during the period from January 1 to December 31, 2023, which coincides with the period for which our financial reports are issued. We have prepared it in accordance with the 2021 GRI Standards and under the guidelines of the Sector Standard for Coal. **We also included the disclosures under the Coal Operations metrics from the Sustainability Accounting Standards Board (SASB).** Our report is prepared, reviewed and approved under the leadership of the Chief Sustainability Officer, on behalf of the highest governance body. It has been approved by the Managers and Vice Presidents responsible for each of the material topics, who are members of the Company's Strategic Committee that also validates the contents of the report. Additionally, the content related to the GRI and SASB standards has been externally verified by the firm ERNST & YOUNG AUDIT S.A.S., whose conclusions can be found in the independent verification statement in the attachments to this document.

Any comments, suggestions, feedback or concerns about our sustainability report and corporate management can be submitted through our Online Community Assistance Portal, on our website <https://drummond.boreal-is.com/portal/drummond>, or through the VP of Sustainability:

Juan Pablo Arteaga De Brigard

Vice President of Sustainability

Phone +60 1 5871000

Email jarteaga@drummondltd.com

Statement on the Sustainable Development Strategy

(GRI 2-22)

MESSAGE FROM THE CEO



Richard Mullen
CEO of Drummond Company, Inc.

In December 2023, the International Energy Agency (IEA) reported a historic milestone: global coal consumption reached a record 8.53 billion tons. This surge was primarily driven by increased demand from countries such as China, India, Indonesia, Vietnam, and the Philippines, which together accounted for over 70% of the global coal demand.

These figures indicate that coal will continue to play a pivotal role in supporting growth in many countries, which increasingly require more energy to drive their progress. Coal will remain a critical component in the energy transition, aiding the development of alternative sources. It's no surprise, then, that coal demand grew by 1.4% in 2023 compared to the previous year.

This scenario underscores the necessity of adapting to global market trends, where domestic and international geopolitical dynamics can significantly impact coal supply and demand. To navigate these conditions successfully, we must consistently strive for operational efficiency while upholding the highest standards of environmental, social, and corporate governance (ESG).



This commitment is reflected in our performance. Despite a challenging industry environment in 2023, Colombia exported 54.5 million tons of steam coal, valued at USD 7.6 billion. Our company contributed significantly, producing over 29.5 million tons and exporting more than 27 million tons to markets including the Netherlands, Mexico, Poland, South Korea, Turkey, and Japan, among others, marking a 7.1% increase in production.

Our achievements, which made us the largest coal producer and exporter in Colombia for the eighth consecutive year, demonstrate the enduring value of coal. But for us, it signifies more: coal is a partner in Colombia's transformation and development, contributing tangibly to the wellbeing of communities in Cesar and Magdalena and protecting the environment in our areas of influence for over three decades.

In this edition of our 2023 Sustainability Report, we detail how our results stem from a comprehensive analysis of our corporate ESG strategy, which guides our company's direction. Together, we have established an action plan with short, medium, and long-term goals, along with metrics to assess our management and progress.

Implementing this action plan will come with challenges and will need to adapt to the industry's and climate's unique dynamics. Nonetheless, it involves updates to our roadmap that will clearly guide us for the benefit of all our stakeholders.

With tools such as the Bettercoal Code (adopted in 2014), our membership in the Global Compact network, and our voluntary adherence to six other international sustainability standards or initiatives, we are committed to ensuring our performance contributes tangibly to the socioeconomic development of our operating regions, and to preventing, mitigating, and compensating for our environmental impact.

This vision has driven our operations in Colombia for over 30 years, proving that economically viable, socially responsible, and environmentally sustainable mining provides essential resources for the welfare of all our communities. This same vision will continue to guide us toward our goal of carbon neutrality by 2050. Drummond is committed to reducing its greenhouse gas emissions and creating a new investment portfolio to enhance Colombia's energy reliability.

We take this opportunity to reaffirm our commitment to Colombia and its people and proudly reiterate our support for leading the energy and production transition in the mining sector.

At Drummond, we will continue to innovate, driven by a relentless pursuit of efficiency and adherence to the highest standards, enabling us to remain a world-class company in a challenging and dynamic market. We recognize the role we must play in the transformations our planet demands, and we are dedicated to forging new paths, proposing innovative solutions, and making our operations increasingly sustainable.



MESSAGE FROM THE CHIEF SUSTAINABILITY OFFICER



Carolina Riaño

Sr. VP and Chief Sustainability Officer
of Drummond Company, Inc.

A recent article by the Thomson Reuters Institute predicted that 2024 will be the year when environmental, social, and governance (ESG) criteria transform from a trend to a business essential. According to the Institute, while this shift began due to regulatory compliance and risk management needs, by 2024, companies will be integrating ESG issues as core elements of their corporate strategies, crucial for generating sustained value.

I mention this article because our 2023 Sustainability Report demonstrates our long-standing commitment to crafting strategies that yield tangible positive impacts. ESG criteria have guided us in reviewing, modifying, and updating our processes, allowing us to integrate both Colombian and international frameworks and standards to implement best practices.

However, this journey has not been without challenges. As leaders of the company, we have had to develop the necessary sustainability skills and competencies to understand and incorporate ESG criteria into our corporate strategy and decision-making. This effort has enabled us to address risks, mitigate impacts within our sphere of influence, understand stakeholder expectations, and enhance institutional and industry capabilities to generate value.



As detailed in this Report, our ongoing exploration to build a sustainability vision has benefited our stakeholders and the environment. It has also fostered relationships based on shared responsibility, contributing positively to the present and future of the community, the region, and the country, while simultaneously creating business value.

In our 2022 Sustainability Report, we outlined a six-phase roadmap designed to strengthen our business sustainability strategy. On behalf of the entire management team and our employees, I am proud to announce that in 2023, we completed our corporate ESG strategy and defined the related action plans.

Additionally, in 2023, we updated the socioeconomic baseline and assessed the impact of our activities within our area of influence. This assessment will help define the long-term actions to be implemented based on our Social Management Plan.

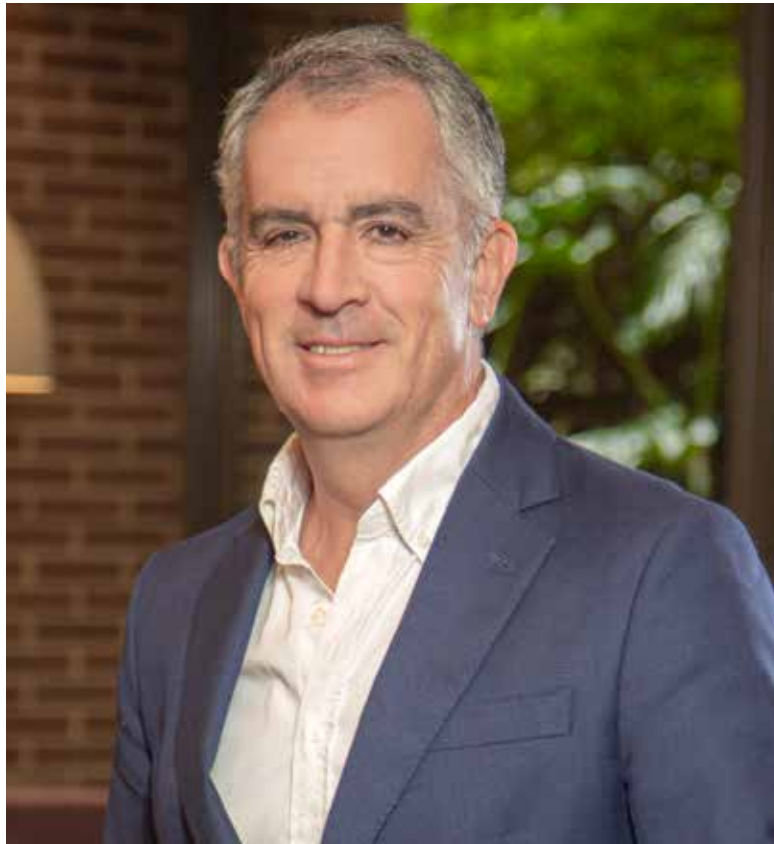
In my message from last year's Report, I mentioned our plan to align with the new Bettercoal code in 2023. Today, we have not only developed that roadmap but also created a matrix to analyze the new terms of Bettercoal 2.0 and their implementation in our processes. Our goal for 2024 is to identify gaps with the Code across various departments and areas of our Company.

As members of the United Nations Global Compact Network, in 2023, we reaffirmed our commitment by submitting our Communication on Progress (COP), demonstrating compliance with the 10 principles that enhance our corporate management toward a sustainable model.

Our Sustainability Report will continue to serve as a transparent account of our achievements, challenges, and lessons learned on this path toward sustainability.

Guided by our ESG criteria, we are committed to fostering sustainable regional development by strengthening capabilities and maintaining trusting relationships with our stakeholders. We will implement our strategy by focusing our efforts on a social and economic transition that builds a shared vision of the future by leveraging present opportunities. Thank you for your trust and support along this journey.

MESSAGE FROM OUR PRESIDENT



José Miguel Linares
President of Drummond Ltd.

The exercise of reporting to you year after year on the main impacts, risks, and opportunities of our performance is a valuable scenario to reflect on the lessons we have learned, on what we are most passionate about in our work, and on the goals we have set for ourselves. On behalf of the entire work team, we trust that this 2023 Sustainability Report will allow us to share with you our vision of the mining that we do, our commitment to Colombia, and our commitment to be allies of energy for the future.

Despite the challenges faced by the industry, associated with geopolitical and regulatory changes and an uncertain local situation, the results obtained last year fill us with optimism to continue working, as we have been doing for more than 35 years, with the objective of making coal mining an agent of change that drives development in our areas of influence.

In this regard, global coal consumption figures show that the market for this mineral will prevail for decades, and this represents a great opportunity for producers such as Colombia, which must take advantage of the resources generated by mining activity to leverage the transformations that are needed.

The fact that Drummond's extractive activity translates into well-being for an entire country and into an ally of the business fabric in other economic sectors, as you will see in the following pages, is a source of pride. The fact that our more than 5,000 direct employees, in turn, stimulate the



economy of their communities with stable and well-paid jobs, also implies, as indicated by the Colombian Mining Association, a greater consumption capacity of households in these territories, which leads to the generation of industrialization processes and the promotion of trade.

Having increased our production by 7.1% in the midst of such a challenging environment shows us that mining done well, governed by the highest ESG criteria and standards, pays off. Today it is clear that conducting extractive activities that mitigate and compensate for environmental impacts and generate value and social wellbeing, is possible.

In this 2023 Sustainability Report you will learn how we are incorporating strategies that respond to the evolution of markets and technology. We maintained efficient reserve recovery at a competitive cost to preserve the dynamics of local economies and monitored best practices, seeking to maintain the highest industry standards.

Likewise, we contribute to the socioeconomic development of Colombia and the region, acting beyond what is required by law, and working in coordination with local governments, implementing programs for the development and benefit of the populations in our area of influence. With an investment of more than 115 billion pesos (USD 26,694,056), we promoted the rights of the communities and our employees, ensuring their well-being, preserving a good organizational climate, and the necessary conditions for them to work comfortably, efficiently, and safely.

Convinced of the importance of going one step further, in 2023 we presented our vision to lead the sector's energy and production transition. Our carbon neutrality strategy seeks an alignment and coordination of efforts and initiatives with the Colombian government, in which we can build real, relevant alternatives, based on the characteristics and needs of the territory, for the benefit of the communities and the country. In 2023 we invested in assets to successfully connect the mining operation to the electrical grid, which in 2023 represented a decrease in natural gas consumption of 97,023,691m³ and a reduction of 142,751 CO₂eq emissions. This is another demonstration of our commitment to reduce, offset, and manage, to achieve carbon neutrality by 2050.

Of course, none of this would be possible without our team, who every day give their absolute best to continue positioning us as the leading company in Colombia. I would like to take this opportunity to express my sincere gratitude to each of the more than 11 thousand direct employees, contractors, and suppliers, without whose ongoing commitment we would not be where we are today, nor would we be able to move towards the future we want.

Finally, I cannot fail to reiterate the strategic role that coal will play in the energy and socio-productive transition. Therefore, I invite you to read this report in which we share the initiatives we are leading to contribute to the sustainable development of the country and the competitiveness of the communities in our area of influence, who must be the protagonists of any transformation.

OUR OPERATIONS

Organizational Details

(GRI 2-1)

Activities, value chain and other business relationships

(GRI 2-6)

STEAM COAL PRODUCTION

(EM-CO-000.a)

We are Drummond Ltd., a privately held company, owned by Drummond International LLC and its affiliates, headquartered in Alabama, United States. Our main activity is steam coal mining, which includes coal exploration, production, transportation and exporting activities. We operate in Colombia in the departments of Cesar and Magdalena.



Mining operations:

La Loma, El Descanso and El Corozo, in the department of Cesar.

Transportation operations:

44 locomotives and 1,993 railcars, for 12 sets of trains, from our mining operations to Puerto Drummond. Railway lines within our mining operations are connected to the national railroad corridor.

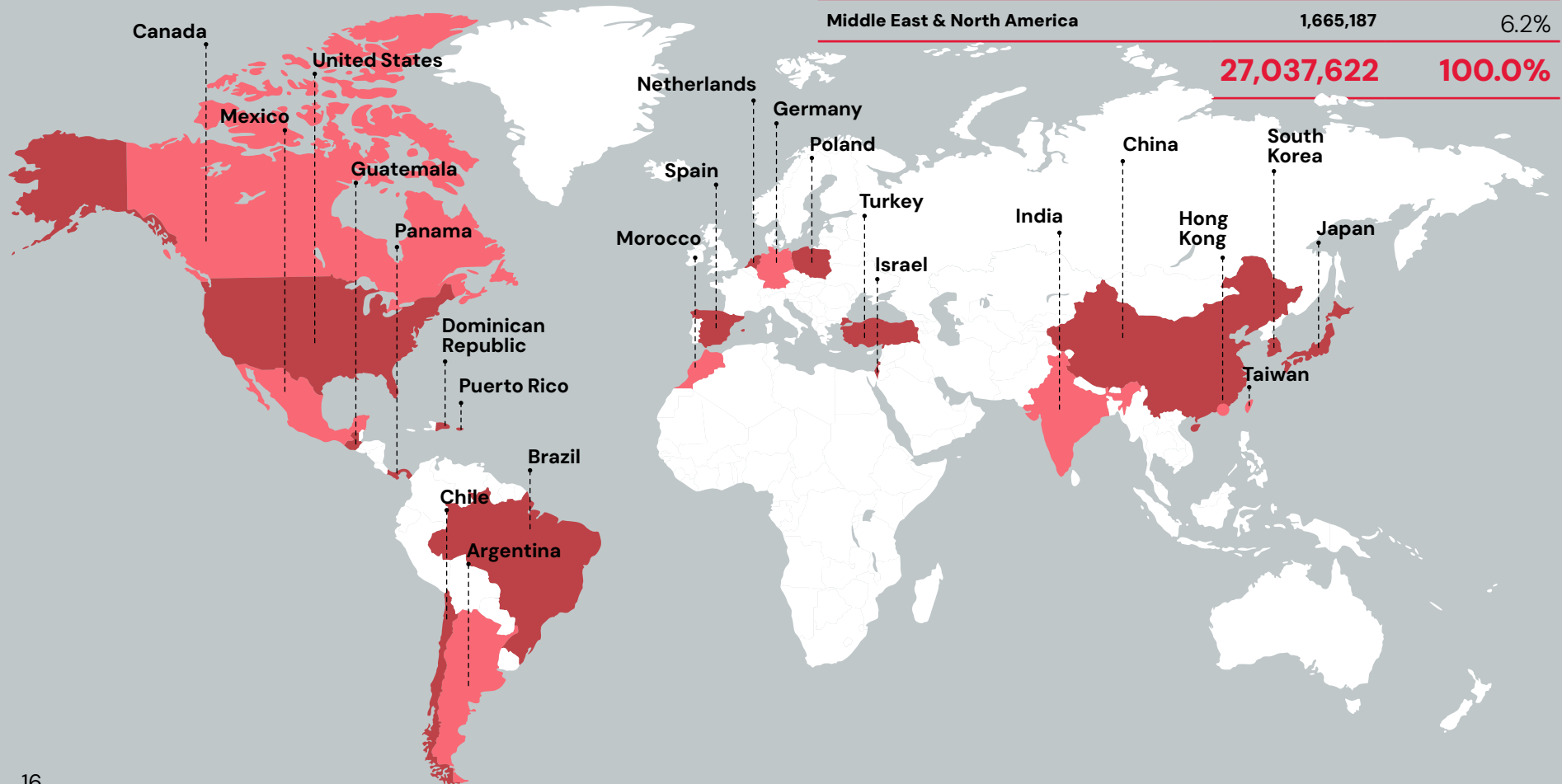
Port operations:

Capacity to export 60 million metric tons of coal per year. Two direct loading systems, each with a capacity of 8,000 tons/hour.



According to the Global Industry Classification Standard (GICS) classification, we are in the energy sector, group 10102050 Coal. Our value chain is based on exporting steam coal to six continents, in countries such as:

Europe	7,706,154	28.5%
North America	6,365,819	23.5%
Asia & The Pacific	5,199,426	19.2%
South & Central America	4,233,063	15.7%
Eurasia	1,867,971	6.9%
Middle East & North America	1,665,187	6.2%



MAIN PERFORMANCE FIGURES

Below are our main economic performance figures for 2023, in millions of Colombian pesos and millions of US dollars.



Table 01. Economic performance results –
Figures in millions of COP and USD

Total Assets

COP 12,457,932
USD 3,259



Income from exports

COP 16,574,206
USD 3,809



Sales and operating costs

COP 11,234,968
USD 2,605



Table 02. Capitalization –
Figures in millions of COP and USD

Capitalization

Total liabilities

COP 3,133,489
USD 820

Total equity

COP 9,324,443
USD 2,439

In 2023, we exported **27,037,622** metric tons of coal.



VALUE CYCLE

Our value chain includes all of the stages that we carry out to perform our main activity: large-scale, high-tech open-pit mining. Accordingly, our value cycle begins with economic feasibility studies that must guarantee operational efficiency and, at the same time, preserve the natural and cultural wealth of the areas and regions where we operate. Additionally, our value cycle seeks to guarantee monitoring and control processes to care for the environment, our communities and employees.



Archaeological rescue, relocation of wildlife, collection of native seedlings and seeds, implementation of forestry projects and collection of soil samples.



Design, development, assembly and preparation of our mines.



Extraction: Waste is managed using practices that ensure the smallest possible environmental impact.



The coal, once extracted, is transported from our mines to the collection center and train loading station, where it is classified and crushed so that the final product meets the quality conditions required by our customers and the market.



Finally, the coal is transported to Puerto Drummond on our trains for export. There, the product is classified according to its characteristics and quality, so that at the time of shipment, mixtures can be prepared according to each customer's quality requirements.

In order to view our Value Chain, please click on the image:





OUR EMPLOYEES AND CONTRACTORS

Employees
(GRI 2-7)



At the end of 2023 we had a total of

5,340 employees.

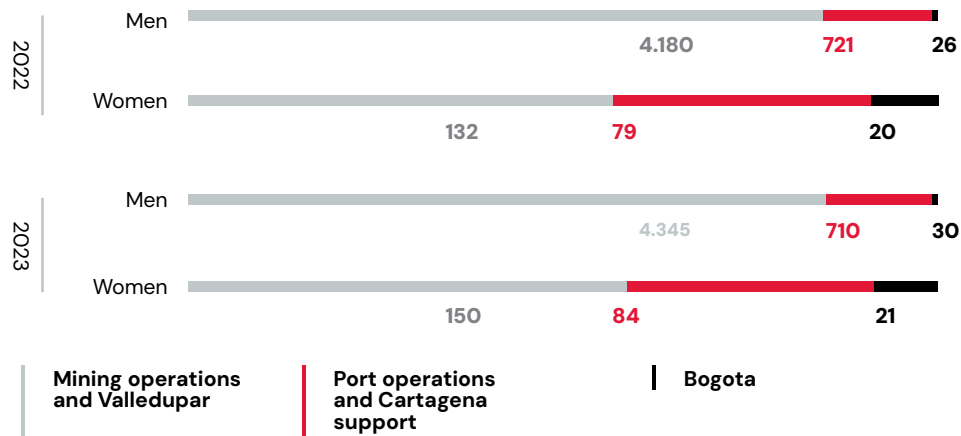
Below is the information on our employees, which we collected from the personnel data managed in our People-Soft system as of December 31, 2023:

Table 03. Total number of employees in 2023

Operation/Number of Employees	Men	Women	Total
Mining operations and Valledupar	4,345	150	4,495
Port operations and Cartagena support	710	84	794
Bogota	30	21	51
Total employees	5,085	255	5,340



Chart 01. Employees 2022-2023



During 2023 we had employees under different types of contracts to provide sufficient support for our operations. We note that no employees were hired on an hourly basis.

Table 04. Distribution of direct employees by region, gender and type of contract

Direct Employees by Region/Type of Contract	Indefinite		Fixed term	
	Men	Women	Men	Women
Mining operations and Valledupar	4,120	134	225	16
Port operations and Cartagena support	663	83	47	1
Bogota	30	21	0	0
Total employees	4,813	238	272	17





Workers who are not employees (GRI 2-8)

We consider workers who are not employees to be those who are hired through temporary contracts or who provide their services to our suppliers and contractors who provide us with goods and services.

As of December 31, 2023, we had a total of 14 full-time indirect employees on our team, hired through a Temporary Services Company, who perform various tasks, both operational and administrative, in different areas of our Company, or covering roles during periods of vacation, leave or disability. During 2023, we had no part-time indirect employees.

Table 05. Employees hired through temporary agencies

Employees hired through temporary agencies/ Operation/Year	Employees hired through temporary agencies			
	2022		2023	
	Men	Women	Men	Women
Mining operations and Valledupar	5	4	3	2
Port operations and Cartagena support	2	2	6	2
Bogota	0	0	0	1
Total employees	7	6	9	5

As of December 31, 2023, our contractor and supplier companies had **6,053** employees, of which **5,438** were at the mining operations, **614** at the port operations and 1 in Bogota, and who mainly carried out maintenance, welding, food services, hospitality, gardening, transportation of personnel and supplies, cleaning, security and other activities. It should be noted that we do not control our contractors' work methods, since the companies are autonomous and independent.

Table 06. Comparison of Contractor Employees by Year and Gender

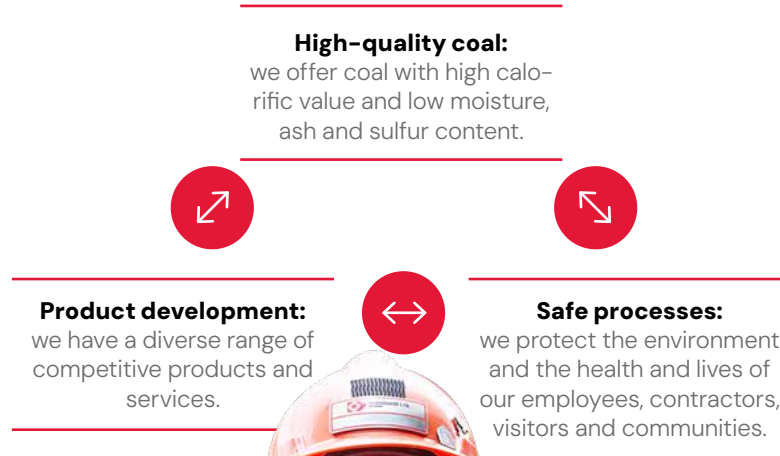
Employees of our suppliers and contractors	2022		2023	
	Men	Women	Men	Women
Mining operations and Valledupar	4,815	600	4,817	621
Port operations and Cartagena support	545	87	527	87
Bogota	0	1	0	1
Total employees	5,360	688	5,344	709

The total number of employees has been very stable over the last two years. In our contractors' numbers we can see an increase in the **share of women**, whose participation increased by **3.1%** in the last year.

CORPORATE STRATEGY

Our corporate and sustainable development strategy is based on producing high-quality steam coal in a competitive and efficient way, ensuring compliance with economic, social and environmental sustainability criteria, protecting the environment and people's lives and health.

Figure 01. Corporate Strategy



We deliver on our value proposition, making sure to evaluate and address the impacts we generate both internally and externally, based on three dimensions:

Economic pillar

- We incorporate sustainability strategies into our operations that respond to changing markets and technology.
- We maintain an efficient recovery of reserves at a competitive cost, to preserve the energy of local economies.
- We monitor best practices to incorporate them when appropriate, seeking to maintain the highest industry standards.

Social pillar

- We contribute to the socio-economic development of Colombia and the region, going above and beyond what is mandatory.
- We maintain active coordination with local governments, implementing programs for the development and benefit of our communities.
- We respect and promote the rights of our communities and employees. We ensure their well-being, maintaining a good organizational climate and the necessary conditions so that they can work comfortably, efficiently and safely.

Environmental pillar

- We prevent, control, mitigate and compensate for the impacts of mining along our entire value chain.
- We maintain high standards in environmental practices, to protect and restore the natural environment.

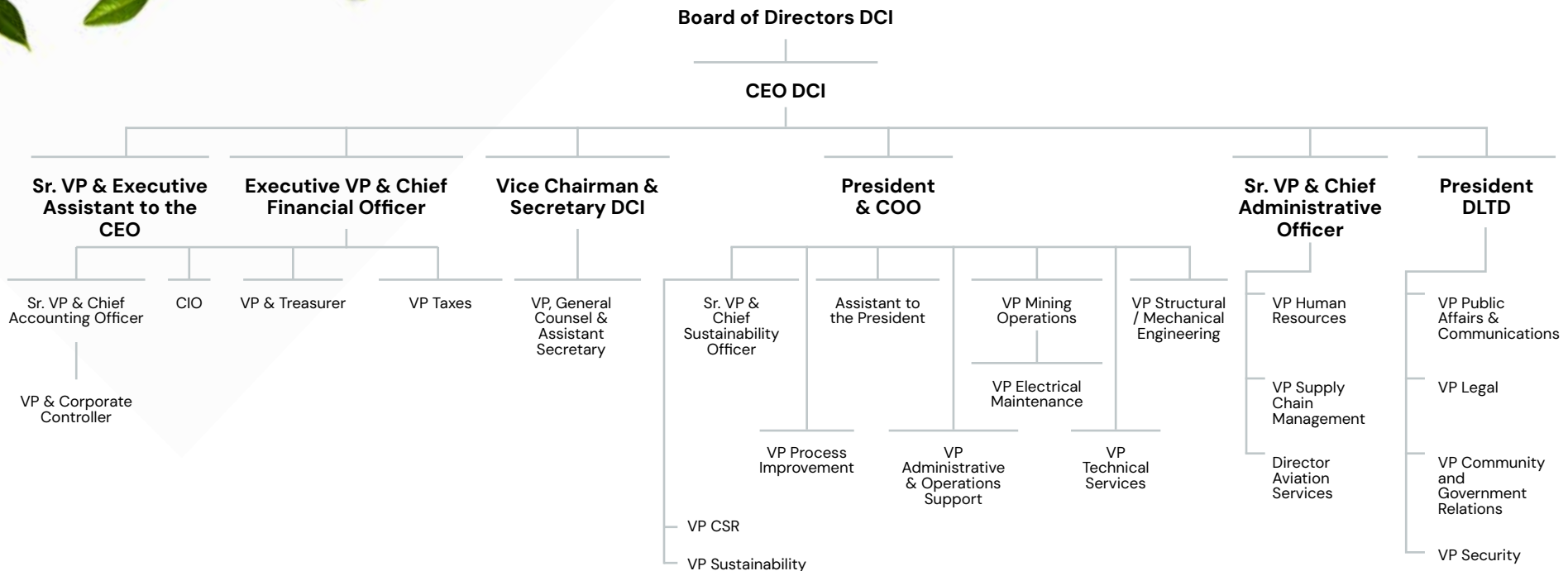


GOVERNANCE STRUCTURE

Governance Structure and Composition (GRI 2-9)

Chair of the highest governance body (GRI 2-11)

Our main governing body is the Board of Directors, and the one that has direct responsibility for strategy and management. The Board is chaired by the CEO of Drummond Company Inc., and includes three other directors.



COMMITTEES

Board Committee



Executive Management Committee

Approves major investments within our operations.

Management Committees



Strategic Committee

Supports the development of the Company's mission, aligning our business with the best ESG (environmental, social and corporate governance) practices.



Audit Committee

Reviews and monitors the effectiveness of our internal controls.



Ethics Committee

Reviews compliance with our Code of Conduct and our policies that support the Transparency and Business Ethics Program.



Communications Committee

Promotes and facilitates access to and exchange of information with our stakeholders.



Collective knowledge of the highest governance body (GRI 2-17)

During 2023, the highest governance body was actively involved in the planning of our ESG strategy. We recognize that sustainability is crucial to carrying out our long-term strategic management; for this reason, our Board of Directors participated in various training and educational activities on issues related to sustainability, standards and international trends applicable to our company.

The development of skills and competencies related to sustainability allows our managers to understand and incorporate ESG criteria into our corporate strategy and decision-making. This makes it possible to address impacts from our area of influence, understand our stakeholders' expectations and increase institutional and sectoral capacities to generate value.



Role of the highest governance body in overseeing the management of impacts

(GRI 2-12)

Delegation of responsibility for managing impacts

(GRI 2-13)

Communication of critical concerns

(GRI 2-16)

Our highest governance body sets long-term objectives and plans to implement the different actions and initiatives that guide our sustainable development model. Our commitment to sustainability contributes to the well-being of stakeholders and the environment, and adopts a way of connecting that benefits the present and the future of the communities, the region and the country, while simultaneously creating value for our business. All this is with the support and active participation of our senior management, which monitors compliance with our corporate management and ensures that the incorporation and approval of our policies and strategies contribute to sustainable development and reflect our organizational values.

Our governance structure, led by this body, is represented by various Vice Presidents responsible for our organization's ESG management, who report to the Board of Directors periodically on the progress made in our corporate management. Social, environmental and corporate governance management represent critical areas for fulfilling our commitments and principles in terms of sustainability and corporate social responsibility, which extend throughout our value chain and are closely monitored by our senior management in all processes.



THE ISSUES AND ALERTS COMMUNICATED TO OUR BOARD OF DIRECTORS CAN MAINLY BE SUMMARIZED IN THE FOLLOWING CATEGORIES:

Development of the Mining Plan

Progress and compliance with the projected production schedule. Review of budgets and management of resources.

Situation of the coal market

Impact of the price of coal on our operating costs and changes in our customers and international markets.

Information published about our corporate management

Regular reports on industry news and summaries of mentions and articles about our corporate management. Additionally, the results of the mining reputation survey are presented.

Changes in legislation

Repercussions of government legislative changes on our operations.

Social responsibility programs

Progress with our investment plans and fulfillment of the social clauses that make our social license to operate possible.

Environmental issues

Plan for compliance with our legal obligations. Measures and practices to avoid, mitigate, restore and compensate for the impacts caused by our operations.

Progress with social processes

Legal provisions of a social nature implemented by our Company in the area where we operate.

Resettlement: progress on the measures implemented in the communities of Plan Bonito, El Hatillo and Boquerón.

Prior consultation: implementation of a consultation and post-consultation process for the La Loma, El Descanso and Corozo mining projects, as a result of Judgment T-375 of 2023, issued by the Constitutional Court.

The Company's different committees transmit information and alerts related to economic, environmental and social issues to the CSO and our President through spaces such as our Strategic Committee, where the Company's main leaders participate. During 2023, 40 committee sessions were held.



Afterwards, the Committee communicates directly with the CEO and the Chairman of the Board of Directors, who informs the other Board members to evaluate material issues and make decisions.



COMPLIANCE WORK

Commitments and Policies

(GRI 2-23)

Embedding policy commitments

(GRI 2-24)

We establish standards of behavior, expectations, values and principles in our commitments and policies to guide responsible business conduct.

We have various mechanisms in which all relevant parties contribute to the process of building commitments and policies, ensuring that they are appropriate and legitimate. By doing so, our responsible business conduct is generated not only through inclusive processes, but it also guarantees that systematic progress reviews and monitoring are carried out to fulfill our commitments.

The main responsibilities for managing and monitoring our commitments and policies are assigned based on the roles assigned within the Company, with the aim of making them simultaneous and relevant.

We recognize the importance of encouraging reflection on appropriate conduct throughout our value chain; therefore, in business relationships with suppliers and contractors, we take different actions to ensure that they are aware of our responsible business conduct. This involves including mandatory compliance with these policies and commitments in contracts, as well as the communication of these policies through meetings and sessions of the Drummond Dialogue on Human Rights. Additionally, in these sessions we discuss the functioning of the Self-Regulation, Prevention and Management System for the Risk of Money Laundering, Terrorism Financing and Financing the Proliferation of Weapons of Mass Destruction (SAGRILAFT, in Spanish), and the Transparency and Business Ethics Program (PTEE, in Spanish).

We have policies, codes, manuals and documents that guide our responsible business conduct and help us fulfill the commitments we have made. These guidelines apply to all our employees, regardless of their area or level, and to all stakeholders, and are available at: <https://drummondltd.com/en/our-company/about-us/policies-and-commitments/>



MANAGEMENT OF HUMAN RIGHTS

We recognize and reaffirm our commitment to respecting human rights, as established in the Colombian Constitution, the Universal Declaration of Human Rights and the international treaties ratified by our country. Our Human Rights Policy explicitly reflects standards such as the United Nations "Guiding Principles on Business and Human Rights" and the "Voluntary Principles on Security and Human Rights." Additionally, they are projected in all of our policies.

The expectation we have is that our employees, contractors and suppliers will also commit to this approach. Although we do not explicitly mention the "Precautionary Principle" in the policies, our measures to manage human rights risks, including environmental risks, use this principle as a frame of reference, which promotes the adoption of effective measures, considering costs, to prevent, mitigate, correct or compensate for adverse impacts.

After being initially drafted by Company management, the Human Rights Policy has been reviewed and updated in conjunction with an external consultant specializing in this matter and based on the conclusions reached during the

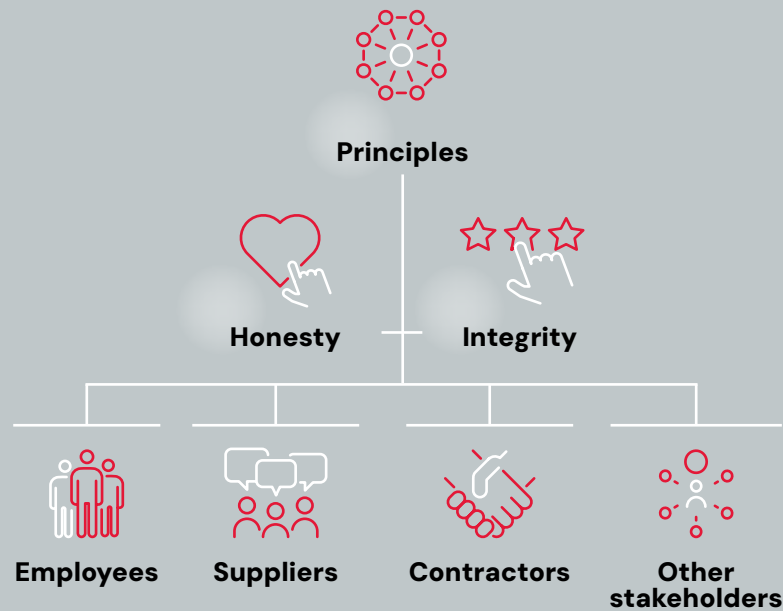
Drummond Dialogues on Human Rights, which involve all our stakeholders.

We emphasize that this policy has been approved by the Company's President. The document includes commitments that cover all of our stakeholders, including employees, unions, contractors, suppliers, communities, local and national authorities, customers and governments of the countries where our customers operate.

This policy is communicated mainly through the "Drummond Dialogues on Human Rights," which are held with all our stakeholders, and through its publication on the website. Various aspects of our policy are communicated through internal and external channels, such as newsletters, press releases and Drummond Magazine. We also share this information through our social media accounts, such as X (Twitter), Facebook, YouTube, LinkedIn and Instagram. We also ask our employees, contractors and suppliers to acknowledge that they are aware of and committed to our policy.



THE PRINCIPLES THAT GUIDE OUR ACTIONS ARE:



Processes to remediate negative impacts (GRI 2-25)

We prioritize prevention actions over remediation and mitigation actions, resorting to compensation when these measures are not sufficient. We are also committed to managing our impacts. Each of these commitments stems from our policies, including Human Rights, Resettlement, Sustainability, Environmental, Workplace Health and Safety, Community Relations, and Safety and Security.

It is very important to us that stakeholders are involved in the design and operation of the complaint and grievance mechanisms. For this reason, we have our own mechanism for responding to complaints called the Stakeholder Attention System (SAC, in Spanish), which is based on the **“Guiding Principles on Business and Human Rights,”** specifically principle 31, which defines the characteristics that a grievance mechanism must have, and on the eight effectiveness criteria from the International Council on Mining and Metals (ICMM), in its guide entitled **“Handling and Resolving Local-level Concerns and Grievances: human rights in the mining and metals sector.”**

We make the SAC available to our stakeholders, especially the local communities, employees, contractors and suppliers, to obtain feedback on its design and operation.



Additionally, our Community Assistance System accepts, without restriction, complaints, claims, requests, suggestions, congratulations and reports, using the following mechanisms:

● **“Contact” button on our website**
<https://www.drummondltd.com/contacto/>

● **At our Community Services Offices located in La Loma (Cesar), Puerto Drummond (Cienaga, Magdalena), Valledupar (Cesar) and Bogota**

● **By telephone [to landlines in Cienaga (+57-5) 432-8000, La Loma and Valledupar (+57-5) 571-9300 and Bogota (+57-1) 587-1000]**

● **Via email:**
atencionalusuario@drummondltd.com and
atencionalusuariop@drummondltd.com

● **Mailing address: Calle 72 No. 10-07, Suite 1302, Bogota, D.C.**



It should be noted that our SAC is managed by the Vice President of Community Relations and Government, who is responsible for management, analysis, monitoring, communication and reporting about the system and its progress. All SAC records, regardless of how they are received, are handled confidentially, and anonymously if requested, and are consolidated in a single database for processing.

At our Company, we proactively address the complaints we receive from the public through the SAC. Colombia, as a member of the Organization for Economic Cooperation and Development (OECD), allows any person to submit complaints or grievances to the “National Contact Point” established by the country. Using the SAC or the National Contact Point does not prevent anyone from using the judicial and administrative procedures available in Colombian to resolve disputes or disagreements related to facts or the proper interpretation of applicable laws.

We conduct follow up to evaluate the effectiveness of the response through a survey sent to the email address of the person who submitted the request. By doing so, **we seek to measure the level of satisfaction with the response provided, how the system functions and response times to continuously improve the SAC**, which reports receipt of a complaint, claim, suggestion, request, congratulation or report, and the resolution of each case when it is decided or concluded. The SAC is available in Spanish, because it is the language used by the people to whom it is addressed. More detailed information related to monitoring SAC indicators is provided in the chapter on Community Relations.



Compliance with laws and regulations

(GRI 2-27)

During the reporting period for 2023, we did not record any cases of non-compliance with environmental or social laws that would result in fines or non-monetary sanctions. This result reflects our strong commitment to regulatory compliance and corporate responsibility, as well as our dedication to complying with all applicable regulations.

Mechanisms for seeking advice and raising concerns

(GRI 2-26)

We have the following mechanisms for seeking advice, raising concerns or filing complaints:



Email:

denuncias@drummondltd.com

Toll-free line:

Toll-free line: 018000919161

Mailing address:

Calle 72 No. 10-07, Suite 1302, Bogota, D.C.

Online Community Assistance Portal:

<https://drummond.boreal-is.com/portal/drummond>

These mechanisms are available to our stakeholders and are provided so that any suspicion or knowledge of an irregularity in compliance with policies, regulations, contracts or others can be reported safely to the complainant and resolved promptly. They are also available to answer questions or address needs related to compliance with our Transparency and Business Ethics Program.

We emphasize and guarantee the confidentiality of the information obtained throughout the process, since, once any question or complaint is received, it is sent discreetly and confidentially to the Ethics Committee, which reviews and studies the evidence and related circumstances, and objectively discusses the situation, to provide a fair and complete solution through a prior review. Individuals who wish to do so may also request that their case be handled anonymously.

In 2023, we received **165** submissions, of which there were **24** complaints, **3** requests for coal, **11** actions for the protection of fundamental rights, **20** resumes, **4** submissions of information on employee garnishments, **92** requests for commercial information, **1** notification of an executive process, **3** requests for certificates and **7** from the “other” category, which are generally requests for information from stakeholders. The **24** complaints received were investigated and closed.



Conflicts of interest

(GRI 2-15)

Within the framework of the prevention and mitigation of conflicts of interest, we have the Transparency and Business Ethics Program, which includes the Conflicts of Interest Policy, which establishes the procedures that must be followed to mitigate, prevent and/or address situations of this nature among our stakeholders and their interactions with us.

We provide information to our employees, job applicants, suppliers, contractors and other stakeholders about this policy, and request confirmation of their understanding and comprehension. **The Ethics Committee is the only body at our Company responsible for determining whether or not there is a conflict of interest, providing a response in a timely manner.**

Specifically, we have established an exclusivity clause from the beginning of the contractual process, specifying that our employees cannot provide services to third parties, either individuals or legal entities. If situations of cross-shareholding with suppliers or other stakeholders arise, they are evaluated by the Ethics Committee, which determines the actions to be taken in accordance with the Conflicts of Interest Policy.

As a company, we have not established any prohibitions on our employees participating on the Boards of Directors of other organizations.

Process to determine remuneration

(GRI 2-20)

We have a Salary Policy, which guarantees compensation agreements with the aim of motivating, attracting and retaining our human talent. First, for management personnel not covered by the scope of the current collective bargaining agreements, the Vice President of Human Resources and the Office of Personnel Management analyze the variables that allow us to comply with the general guidelines of our Salary Policy and make recommendations to the top level of the organization for review and approval.

Second, **in the case of employees covered by the scope of the current collective bargaining agreements**, the committee appointed by the Company to lead the negotiation process analyzes the variables that allow us to comply with the general guidelines established in the Salary Policy, and makes recommendations to the top level of the organization for their corresponding adjustment or approval. The proposals from the workers' representatives and the Company's proposals are then discussed within the process of negotiating the collective bargaining agreement, with the aim of seeking the best possible agreement for the parties.

When we determine that market circumstances warrant it, independent specialized firms are hired to carry out salary studies that allow us to monitor our competitiveness, either against the market as a whole or a specific benchmark.



ESG VISION

COMMITTED TO HAVING A POSITIVE IMPACT!

We contribute to sustainable regional development by strengthening capacities and maintaining relationships of trust and co-responsibility with our stakeholders.

In our search for a sustainability strategy that generates tangible positive impacts, our senior management has chosen to include domestic and international frameworks and standards that allow us to implement best practices based on environmental, social and governance (ESG) criteria.

This approach begins by identifying and managing each of the material topics associated with our operation in the country, implementing our Sustainability Policy, in which we reaffirm our commitment to our stakeholders, to sustainable development, to the law, to international standards and to incorporating social responsibility into all of our business activities.

We continue to strengthen our strategic vision of “increasing and sharing the benefits of our business project with the stakeholders in its areas of influence, through building strengthening local capacities.” This is based on the four core pillars of our work:

¹ Drummond Ltd. Sustainability Policy: <https://www.drummondlt.com/en/our-company/about-us/policies-and-commitments/>

Strategic vision

Building and strengthening capacities



Peace and human rights

Strengthen our stakeholders' capacities to build a peaceful, just, responsible society that promotes respect for human rights

- Training and promotion
- Peace and social dialogue
- Coexistence and conflict resolution



Governance for development

Strengthen local capacities for greater efficiency in public planning and management

- Transparency and citizen oversight
- Institutional and community strengthening



Environmental performance

Strengthen business capabilities that ensure world-class environmental performance

- Environmental sustainability
- Conservation and restoration



Comprehensive development

Strengthen local capacities for the well-being and prosperity of employees and their families, and the communities in our area of influence

- Education and training
- Generation of opportunities
- Work environment



We incorporate programs and projects into our business activities that contribute to the fulfillment of the U.N. Sustainable Development Goals through alignment with the following SDGs:



Alignment of our ESG (Environmental, Social and Governance) and CSR strategies with the SDGs and our material topics:

<h3>Environmental management</h3> <p>Pillar: Environmental performance Material topics:</p> <ul style="list-style-type: none"> Water resource management Protecting biodiversity Climate change and energy transition Air quality Waste management cycle 	<h3>Social management</h3> <p>Pillars: Peace and human rights Material topics:</p> <ul style="list-style-type: none"> Due diligence in human rights de derechos humanos <p>Comprehensive development Material topics:</p> <ul style="list-style-type: none"> Talent management Union relations Workplace health and safety Community relations Supplier and contractor management Resettlement 	<h3>Corporate governance management</h3> <p>Corporate governance management Material topics:</p> <ul style="list-style-type: none"> Economic performance Communications management <p>Pillar: Comprehensive development Material topic:</p> <ul style="list-style-type: none"> Regional participation and relations
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IN 2023 WE CONTINUED TO WORK TOWARDS SUSTAINABLE ESG MANAGEMENT:



In terms of sustainability, our Strategic Committee continued to function, with the goal of carrying out exhaustive weekly monitoring of the risk map and the changes involved in the different scenarios at the local, regional and national levels.

In order to develop investment plans that are aligned with the needs and interests of our communities, we updated our socioeconomic baseline and evaluated the impact of our work in our area of influence. Additionally, we **continued to strengthen our management of the social risks** created by our operations, implementing the industry's best practices and recognizing that we are part of a dynamic environment in which we build based on common interests. In 2024, we will define long-term actions that will be implemented in our Social Management Plan.

In terms of the Bettercoal Code, which promotes improvements in the socio-environmental performance of the coal supply chain and evaluates companies' work, we continue to make process in the evaluation of our mining and port operations. Since 2014, we have adhered to these audit processes, working together to improve our practices. In 2023, we established a work plan to begin to implement the improvement actions to address the finding made during the verification visit in 2022. Additionally, we developed a matrix to analyze the new provisions of the Bettercoal Code 2.0 and its implementation in the different processes that we have been carrying out, as part of our commitment to continuous improvement and incorporating the best sustainability practices into our operations. In 2024, we will conduct an analysis of gaps with the code in all of our areas.

As members of the United Nations Global Compact Network, we confirmed our commitment with the submission of our Communication on Progress (CoP) in 2023, indicating compliance with the ten principles that strengthen our corporate work in terms of sustainable development, focusing on a prospective sustainability mode.

In 2023 we held, for the first time at our operations, Sustainability Week, an event whose purpose was **to promote the different corporate actions on environmental, social and economic topics, to raise awareness among our different stakeholders** about the importance of maintaining and promoting more responsible and sustainable practices in everyday life.

Through training, education and promotion processes, talks, workshops, entrepreneurship fairs, corporate volunteerism and sports activities, we promoted sustainability in all of its aspects and encouraged our Company's stakeholders to participate building a more sustainable and equitable future.



117 employees participated in training exercises on equality and inclusion, healthcare and healthy habits.

Six operators and their families learned about our sustainability work thanks to our Operations Department's virtual visits program.



19 entrepreneurs participated in the Entrepreneurship Fair at our mining operations, earning more than **COP 14 million pesos (USD 3,233)**. The entrepreneurs from our **"Entrepreneurship Incubator"** project belong to the food, drink, tourism, clothing, agriculture, manufacturing and service sectors, and represent the municipalities of Agustín Codazzi, Becerril, Chiriguaná, El Paso and La Jagua de Ibirico, in the department of Cesar.

35 employees and 50 community representatives, including children, adults, teachers and leaders, participated in **"Corporate Volunteerism"** in La Guajirita, located in Becerril, Cesar, in order to clean up and update infrastructure at the town's school.



+110 employees participated in sports activities.

120 employees participated in a day of planting trees and environmental education.



And since our goal is to be even closer to our stakeholders, with more than 450 attendees, we carried out **the Path of Sustainability** in the cities of Valledupar (Cesar) and Santa Marta (Magdalena), an academic and relationship-building event to talk about sustainability and create opportunities for regional participation.

Additionally, we received **1,533** visitors through our **Visitors Program** at the mining and port operations, to showcase our sustainability work, and we carried out a **training cycle on sustainable management**, in which **2,218** employees from all levels of our mining operations participated.

We are committed to having a positive impact on our stakeholders; for this reason, we will continue to implement the tools needed to be able to demonstrate the best ESG practices and make them active participants in our corporate actions. In 2023, we updated our website to maintain closer communication with our readers and establish dynamic and informative channels that allow us to interact with and receive feedback on our work².

Under the leadership of our Chief Sustainability Officer, we will continue to implement our strategy, directing our actions towards a social and economic transition, maintaining a world-class operation that builds a shared vision of the future by taking advantage of the opportunities of the present.

² <https://www.drummondltd.com/>





COMMITTED TO A SUSTAINABLE ESG VISION

**WE WORK TO ENSURE THAT OUR
OPERATIONS ARE ECONOMICALLY
VIALE, SOCIALLY RESPONSIBLE AND
ENVIRONMENTALLY SUSTAINABLE.**

During 2023, we continued to work on defining our ESG strategy. This year, with representatives from our senior management, we defined our ESG ambitions, setting a course of what we want to achieve as a company. Based on these ambitions and the results of the previous phases, we built our corporate ESG strategy and defined the short-, medium- and long-term action plan, as well as the indicators to measure our work and progress. In 2024, we will manage approval of the ESG strategy by representatives from our senior management at the corporate level to begin its implementation.



Methodology

01

ESG Assessment:

- Maturity analysis.
- Initiative mapping.
- Application of ESG maturity criteria panel.

02

Comparative Analysis (benchmark):

- Document review.
- Mapping and evaluation of best practices according to global initiatives (e.g. GRI, TCFD, SASB, DJSI, etc.).
- Comparative analysis (benchmarking) with industry examples (global and regional companies in the sector)

03

Review of our materiality

- Validation and adjustment of key ESG issues identified at Drummond Co., Drummond ABCCoke, and Drummond Energy.

04

Understanding of the ESG vision and goals:

- Understanding of our vision on ESG issues
- Internal meetings with senior management and our key stakeholders to understand their ESG goals.

05

ESG Strategy:

- Construction of our ESG strategy.

06

Road map:

- High-level roadmap for the implementation of the strategy.



INTERNATIONAL STANDARDS AND SUSTAINABILITY INITIATIVES

EXTERNAL INITIATIVES
(DLTD-06)

WE HAVE SIGNED OR VOLUNTARILY ABIDE BY THE FOLLOWING INITIATIVES:

Bettercoal
Voluntary code that reviews management systems, sustainable performance and impacts, comparing them to the terms of its Code. It works with the Company to improve its practices.

United Nations Global Compact
Initiative established in 2009 that promotes a commitment by the private sector, the public sector and civil society to align strategies with 10 universally-accepted principles under four pillars: anti-corruption, human rights, labor rights and the environment.

IFC Performance Standards on Environmental and Social Sustainability
An IFC initiative for corporate commitment to sustainability, with a focus on managing risks and impacts, that provides guides for identifying situations related to sustainability in all phases of a project or investment.

Working Group on Human Rights and Coal
Multi-stakeholder initiative to share experiences, identify replicable lessons and opportunities for improvement. Public policy recommendations are made, human rights and business initiatives for the companies and their operational areas to work on together are promoted.

Extractive Industries Transparency Initiative (EITI)
Global standard to promote the open and responsible management of extractive resources.

Mining and Energy Committee
Multi-actor initiative for the promotion, protection and respect for human rights as they relate to security. It is especially linked to the Voluntary Principles on Security and Human Rights.



U.N. Guiding Principles on Business and Human Rights
Behavior and performance parameters related to the responsibility of States and companies to respect and promote human rights in regards to the impacts of corporate operations.

Voluntary Principles on Security and Human Rights
Voluntary code of business conduct aimed at facilitating the management of risks related with public and private security in terms of human rights, particularly those derived from operating in areas where illegal armed groups are active.



Membership associations

(GRI 2-28)

Additionally, we belong to the following trade union and promotion organizations:



National Association of Entrepreneurs of Colombia – ANDI



Colombian Mining Association – ACM



Colombian Petroleum Association – ACP



Working Group on Human Rights and Coal (WGHRC)



Council of American Companies – CEA



Colombo-American Chamber of Commerce – AMCHAM Colombia



Mining and Energy Committee on Security and Human Rights (MEC)



Red Colombia

Global Compact Local Network – Colombia



Three of the associations listed are primarily concerned with reflecting on how to manage human rights challenges (MEC, Global Compact Local Network – Colombia and WGHRC; the other associations deal with a variety of issues). We have signed or voluntarily abide by these initiatives to also strengthen our sustainability practices.

STAKEHOLDER RELATIONS

Approach to stakeholder management

(GRI 2-29)

From the start of our operations in Colombia, we have taken steps to build relationships with the actors present in the region to execute our operational plans and social management in our area of influence. In 2012, the Company conducted the first exercise to identify stakeholders, based on the guidelines and principles of the Global Reporting Initiative (GRI) standard. Our mapping was fundamentally based on the review and identification of the actors with whom the various areas of the organization maintain relationships that are fundamental for the Company's operations. This identification was also based on an analysis of secondary information, a review of industry benchmarks and a press analysis, which allowed us to understand which stakeholders should be prioritized, also taking into account their impact on our operations **based on the criteria of dependency and influence:**



Influence

Their ability to affect organizational decision-making.



Dependency

Those who are affected by the Company's decisions.

Based on this identification, which we have conducted exhaustively and has been validated in recent years using the materiality updates and taking into account specific economic, social and environmental circumstances, we as a company recognize and consider the needs and expectations of our stakeholders in order to have a positive impact, working in coordination and generating synergies that promote development and social well-being.

In order to maintain effective relationships with our stakeholders, our company, through the Communications Department, promotes the strengthening of these relationships, facilitating direct, transparent, timely and accurate specific to the information that the company generates and is of interest to our stakeholders. The communications work adds value to our current Social Responsibility Strategy, since its goal is to preserve a foundation of trust that is strengthened not only to be used in the Materiality Analysis and the preparation of the Sustainability report, but also to establish true relationships of empowerment, co-management and co-responsibility.



We have different channels of communication specifically aimed at our stakeholders, as well as all of the actors that are part of our geographic, political and socio- economic environment and the local, national and global markets. Through these channels, we inform our stakeholders of the work we are doing related to meeting their expectations and interests.

To effectively manage the issues discussed with each group of stakeholders, we apply criteria for relevance and pertinence, selecting issues that are important for each group and using appropriate language to facilitate understanding and empathy.



	Employees and families	Suppliers and contractors	Communities	Organizations, community associations	Government	Customers	Shareholders	Competitors	Public opinion
Water resource management	x	x	x	x	x				
Protecting biodiversity	x	x	x	x	x				
Climate change and energy transition	x	x	x	x	x	x	x		
Air quality	x	x	x	x	x				
Waste management cycle	x	x	x	x	x				
Talent management	x								
Union relations	x								
Occupational health and safety	x	x			x				
Due diligence in human rights	x	x	x	x	x	x	x	x	x
Community relations	x	x	x	x	x	x			
Supplier and contractor management		x							
Resettlement			x		x				
Economic performance	x	x	x	x	x	x			
Regional participation and relations			x	x	x				
Communications management	x	x	x	x	x	x	x	x	x

	Employees and families	Suppliers and contractors	Communities	Organizations, community associations	Government	Customers	Shareholders	Competitors	Public Opinion
Ongoing dialogue	X	X	X	X	X	X	X	X	X
360° chats	X								
Corporate policies	X	X	X	X	X	X	X	X	X
Informational meetings	X	X	X	X	X	X			X
Community Assistance System	X	X	X	X	X	X	X	X	X
Training workshops	X	X	X	X	X				
Communication of projects	X	X	X	X	X	X			X
Visits to operations	X	X	X	X	X	X			X
Radio program	X	X	X	X					
Sustainability report	X	X	X	X	X	X	X	X	X
Drummond Te Informa	X	X	X	X	X		X	X	X
Newsletter						X			
Revista Drummond	X	X	X	X	X	X	X	X	X
Press releases	X	X	X	X	X	X	X	X	X
Financial reports					X		X		X
Help centers			X	X					X
Email	X		X	X	X		X		X
Complaints@drummondLtd.com	X	X	X	X	X	X	X	X	X
Website	X	X	X	X	X	X	X	X	X
X: @DrummondLtdCo	X	X	X	X	X	X	X	X	X
Instagram: @drummondLtdco	X	X	X	X	X	X	X	X	X
YouTube: DrummondLtdCo	X	X	X	X	X	X	X	X	X
LinkedIn: Drummond Ltd.	X	X	X	X	X	X	X	X	X
Facebook: Drummond Ltd.	X	X	X	X	X	X	X	X	X



MATERIALITY DRUMMOND LTD.

Process to determine material topics (GRI 3-1)

In 2018, we carried out a significant materiality analysis, taking into account:

- Materiality report baseline **“Update to the 2016 Materiality Analysis.”**
- Drummond Ltd.’s Corporate Social Responsibility Strategy
- Human Rights Strategy.
- **“Socio-economic study of households in the area of influence of Drummond Colombia’s operations”** Grupo DIS 2016.
- Materiality in the mining industry.
- **International standards:** GRI, Global Compact and standards from the Sustainability Accounting Standards Board (SASB).
- News from Drummond and the Colombian mining industry.



Given that 2020 changed all of our dynamics, **during that year we reviewed our materiality and updated** it based on interviews with those responsible for economic, environmental and social issues, and a review of sources that represent stakeholder perceptions.

As part of the creation of our corporate ESG strategy, in 2022 we conducted a double materiality analysis of the company based on our materiality, taking into account the guidelines to determine material topics defined by GRI, as well as the methodological changes to include financial materiality. Therefore, to identify the actual and potential impacts, we took into account the following:

- **Sector Standar for Coal:** GRI 12.
- Sustainability Accounting Standards Board for Coal Operations – SASB.
- ESG Materiality map from Morgan Stanley Capital International.
- The identification of risks and impacts in Human Rights from the International Council on Mining and Metals.
- The risk analysis from the World Economic Forum.
- The recommendations from the Working Group on Climate-Related Financial Disclosures (TCFD).
- The materiality analyses from industry peers who are leaders in ESG management.

In this exercise, we consulted stakeholder representatives, including employees, suppliers and the communities, as well as experts, who together rated the severity and probability of the impacts, which allowed us to prioritize them based on their importance. Once the results were analyzed, we presented them to senior management and members of the highest governing body to approve our Company's corporate materiality. As a result of this process, we included the material topics of climate change and energy transition, and the waste management cycle.

Based on the above, **this report presents the work on our Company's material topics based on the materiality analysis** conducted in 2018 and updated in 2020 and 2022, with the aim of efficiently managing the actual and potential impacts, identifying and prioritizing the issues important to us and our stakeholders, and their impact on our business model.



List of material topics

(GRI 3-2)

Material topic	Description of the topic	Related GRI aspect	Realted SASB aspect
Workplace health and safety	Programs implemented in order to conduct operations safely, maintaining the comprehensive management system, aimed at protecting and preserving the health and lives of employees.	<ul style="list-style-type: none"> Workplace health and safety 	<ul style="list-style-type: none"> Workforce health and safety
Resettlement	Coordinated community relocation and support processes, in accordance with international standards and best practices, aimed at maintaining or improving the living conditions of the resettled populations.	<ul style="list-style-type: none"> Resettlement 	
Community relations	Programs carried out with the objective of preserving the Company's social license, promoting the social and economic development of the communities located in the area of influence of our projects.	<ul style="list-style-type: none"> Local communities Indirect economic impacts Closure planning 	<ul style="list-style-type: none"> Community relations
Due diligence in human rights	Policies and practices to promote respect for human rights and prevent any action that could cause their violation in the value chain.	<ul style="list-style-type: none"> Non-discrimination Child labor Forced or Security practices Rights of indigenous peoples Evaluation 	<ul style="list-style-type: none"> Rights of indigenous peoples
Talent management	Actions that are aimed at selecting, training and developing employees who contribute to the sustainability of our business and meeting the objectives set, operating with honesty, integrity and openness in a team-oriented corporate culture.	<ul style="list-style-type: none"> Employment Training and education Diversity and equal opportunity Equal pay for men and women 	
Air quality	Procedures for the prevention, reduction and control of atmospheric emissions and particulate matter in the operations, and for responding to emergency situations, abnormal emissions and dispersion and excess situations, with respect to the standards and measures allowed under air quality criteria, minimizing health impacts.	<ul style="list-style-type: none"> Emissions (partial non-GHG) 	
Water resource management	Methodologies and procedures to identify, evaluate and mitigate impacts from the use of water resources. Implementation of technically and financially viable policies and programs to achieve the efficient and rational use of this resource, including the reuse, recycling and conservation of aquifers.	<ul style="list-style-type: none"> Water 	<ul style="list-style-type: none"> Water management
Economic performance	Impacts of our projects on the economic situation of our stakeholders as a result of financial capital flows affecting them.	<ul style="list-style-type: none"> Economic performance 	<ul style="list-style-type: none"> Valuation of reserves and capital investments



Material topic	Description of the topic	Related GRI aspect	Realted SASB aspect
Supplier and contractor management	Strategies to identify, contract with and evaluate suppliers for the project, in order to maximize positive impacts on the supply chain among stakeholders.	<ul style="list-style-type: none"> Percentage of spending on local suppliers Supplier environmental assessment Supplier social assessment 	
Protecting biodiversity	Policies and programs focused on effective environmental management in order to protect, preserve, mitigate, restore and compensate for the biodiversity of the affected land and areas of influence of the mine and port, to maintain the value and functionality of priority ecosystems and to increase resource efficiency in our operations.	<ul style="list-style-type: none"> Biodiversity 	<ul style="list-style-type: none"> Effects on biodiversity
Regional participation and relations	Relationship and partnership actions with national and regional stakeholders, aimed at jointly building and promoting shared visions of the future of the region.	<ul style="list-style-type: none"> Public policy 	
Union relations	Practices to guarantee the free association our workers and response to requests by the existing union organizations in a respectful and harmonious manner.	<ul style="list-style-type: none"> Freedom of association and collective bargaining 	<ul style="list-style-type: none"> Labor relations
Communications management	Communication actions and strategies to maintain our corporate image and reputation, reporting our actions in a transparent, direct, timely and accurate manner to our stakeholders through all of our existing communication channels.	<ul style="list-style-type: none"> Communications management 	
Climate change and energy transition	Strategy, policies and practices to promote the energy transition and decarbonization within our mining operations and our value chain; reduction of greenhouse gas (GHG) emissions and contribution to global climate agreements.	<ul style="list-style-type: none"> Emissions (Greenhouse Gases) Economic performance Energy 	<ul style="list-style-type: none"> Greenhouse gas emissions
Waste management cycle	Applying the principles of a circular economy to transform our mindset from a traditional extractive model to a more circular one, which seeks to provide materials efficiently while also properly managing and minimizing hazardous and non-hazardous waste throughout the value chain.	<ul style="list-style-type: none"> Waste 	<ul style="list-style-type: none"> Waste management



WATER RESOURCE MANAGEMENT CHAPTER

Management of material topics (GRI 3-3)

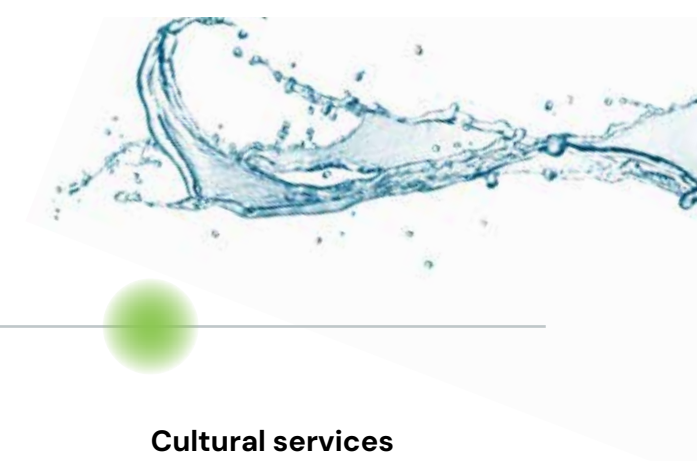


At Drummond Ltd. we have an Environmental Management System (EMS) certified under the ISO 14001:2015 standard, through which we carry out a systematic process of identifying, assessing and managing environmental impacts. As a result, we have identified that the interaction and use of water resources in our value chain generates positive and negative impacts, such as:

- Changes in the dynamics and decrease in the availability of water resources
- Increase in the concentration of pollutants in the water
- Changes in lotic and lentic environments

These negative impacts can have potential short- or long-term effects, and their probability of occurrence depends on several factors, including weather, as a result of the presence or absence of rainfall, or local factors, which depend on the type of chemical and physical characteristics of the soils and/or rocks in the areas where we carry out our operations.

On the other hand, as a real positive impact, we identified the short- and long-term ecological and environmental benefits obtained from the Paujil reservoir and other bodies of water that we have built, which include:



Regulation services

Flow regulation: the reservoir has ensured a continuous flow of water during dry periods into the San Antonio stream, which has meant that it maintains an appreciable flow during these periods when water resources are limited. During rainy periods, a significant amount of water is stored, which reduces the risk of flooding in low-lying areas of this same channel, which occurred commonly in the past.

Support services

- Ecosystems have been formed that have attracted the presence of numerous species of birds, reptiles and mammals and different animals typical of wetland areas.
- In the case of the Paujil reservoir, having a constant inflow and outflow of water makes it behave like a swamp, allowing numerous species of fish typical of the area to develop and reproduce there. This characteristic promotes the creation of several food chains, which contributes to the conservation of other types of mammals and reptiles.

Supply services

Provision of water to those living near the project for their grazing animals and their own needs in times of drought.

Cultural services

Improvement of the landscape: previously, the landscape was made up of vast dry savannas and small forests that bordered the streams. Now, our bodies of water provide a peaceful and pleasant appearance, with lagoons surrounded by savannas and forests, and abundant birds, fish, reptiles and mammals.

Through our environmental policy, we reaffirm our commitment to addressing and managing each of the impacts caused by our operations, so that we can carry out our activities in a responsible and sustainable way. Based on this policy, we have developed specific programs within the framework of our management system to continuously improve our environmental performance, notably the Water Resource Management and Monitoring Program, in which we identify and evaluate the effects of each process and establish prevention, mitigation and control measures, as well as

the necessary monitoring activities. We believe it is essential that all of our water resource management be carried out within the framework of preservation and care, both in terms of water quality and quantity, avoiding affecting surrounding communities or the environment. Therefore, our commitment goes beyond simply complying with the regulations and obligations established by the National Environmental Licensing Authority (ANLA) and the Regional Autonomous Corporations (CAR).



THE MEASURES WE HAVE TAKEN TO PREVENT OR MITIGATE POTENTIAL NEGATIVE IMPACTS INCLUDE:



For the mine: Preventive

Considering alternatives from the mining planning itself, to avoid and reduce impacts on surface water resources.

Locating external dumping areas and managing mining progress so that they do not affect water buffer zones or regulation areas.

Implementing automatic water level monitoring systems that make it possible to generate preventive alerts for changes in the dynamics and decrease in the availability of water resources.

Monitoring groundwater levels on a bi-monthly basis through a network of piezometers installed within and around our operations.

Having an environmental laboratory to carry out specific water quality tests, which has proven to be useful in identifying situations that may arise in our operations and taking the appropriate actions.

Implementing a monitoring plan that constantly evaluates the efficiency of the water treatment systems, the quality and quantity of the water and compliance with wastewater regulations.

Responding to requests, complaints or claims that, along with the monitoring results, help to identify the needs or concerns of the local communities and water users in the area and the possible impacts that may arise.

Holding training talks for employees and contractors to share our different actions related to managing impacts and the efficient use of water resources.

Conducting monthly monitoring and follow-up inspections of the entire water supply network, including the water treatment plants.

Carrying out periodic inspections of the entire water network, including the treatment systems, to identify possible deviations from proper water management and treatment.

Monitoring daily water consumption at our facilities to detect sudden increases that indicate the presence of leaks in the distribution lines.

Installing water-saving devices on toilets, urinals, showers, sinks and supply points in the operations.

Implementing automation and control systems to optimize the drinking water supply.

Periodically reviewing the condition of the valves and pipes to detect and correct leaks that many occur in the water supply and delivery system for the camps.

Corrective

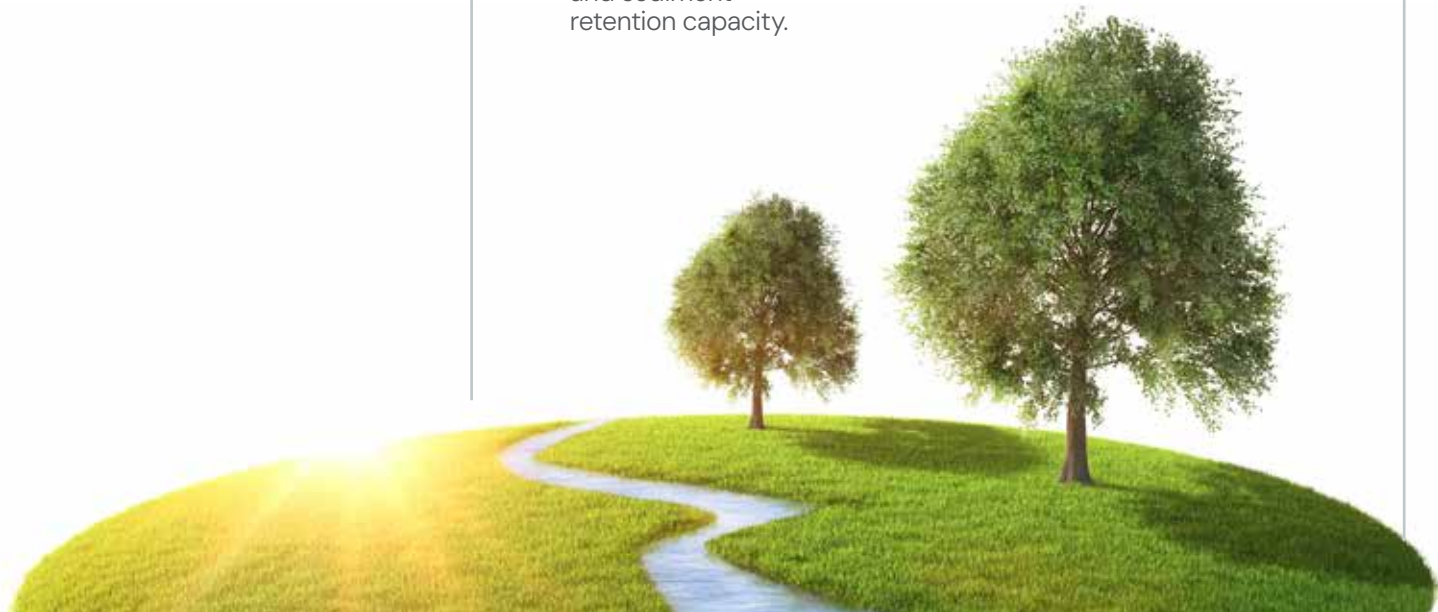
Taking actions to reduce water consumption.

Performing maintenance activities on the water distribution network to control losses.

Performing periodic maintenance on channels and pools to improve their hydraulic and sediment retention capacity.

Application of dust suppressants on roads to reduce water consumption on perimeter roads during dry periods when the resource is scarcer.

Application of flocculants to keep suspended solids levels within acceptable limits when increases occur during times of heavy precipitation.





For the port:

Preventive

Performing maintenance work on the pipes in the distribution network to prevent leaks.

Installing water meters in the area to establish plans for reducing and optimizing water use.

Reviewing the technical and operational conditions of the meters installed on the distribution lines.

Daily monitoring and recording of consumption from water meters to detect excessive consumption, which can be caused by leaks in the distribution lines.

Implementing a restroom and cafeteria inspection program to identify water leaks.

Installing water-saving devices on toilets, urinals, showers and sinks.

Implementing a monitoring plan that evaluates the efficiency of the water treatment systems, water quality and compliance with wastewater regulations.

Identifying good consumption practices in the different areas of the port.

Conducting inspections of garden irrigation devices to identify any water leaks.

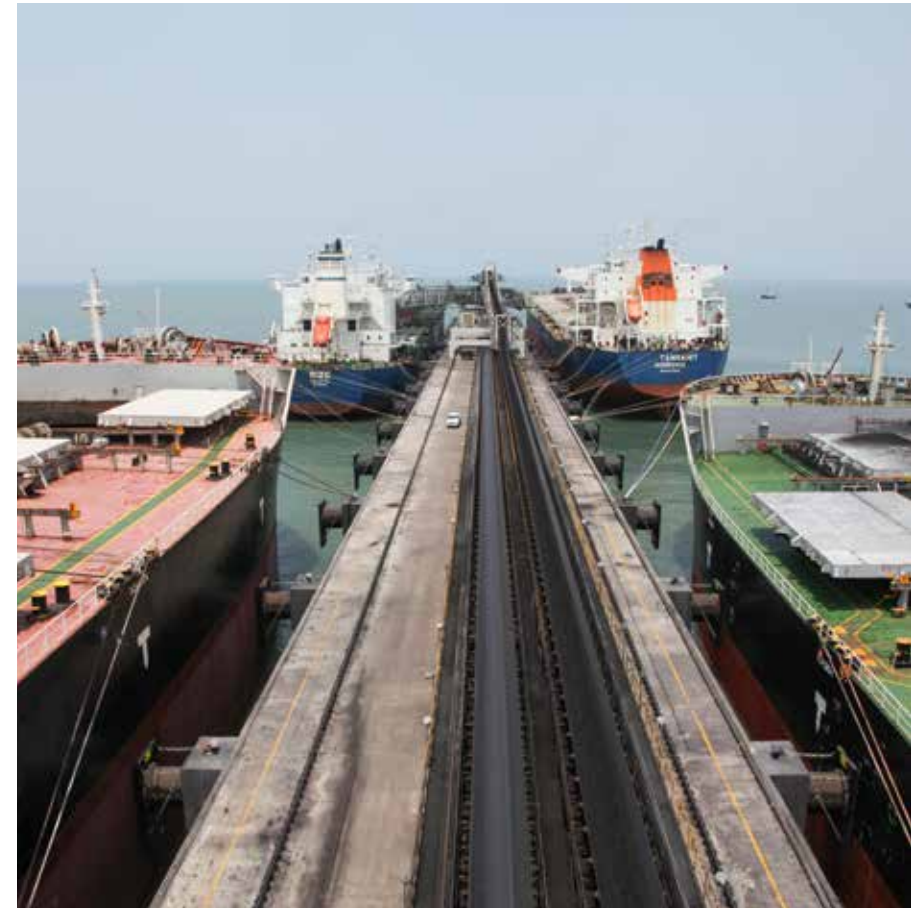
Optimizing irrigation systems for internal and external gardens.

Environmental awareness-raising among employees and contractors on topics related to managing impacts and the efficient use of water resources.

Preparing monthly reports and environmental performance indicators.

Corrective

Correcting any water leaks identified at the port facilities.



Additionally, the measures we have taken to address and manage real and potential negative impacts, including actions to facilitate or assist in their remediation, include:

- The construction of drainage networks to collect and direct runoff and bilge water.
- The implementation of treatment systems (septic tanks, grease/hydrocarbon traps, oil removal systems, oxidation pools, physical and chemical sedimentation pools).
- The design and implementation of water treatment systems that properly regulate flows.
- The construction of projects to realign and use waterways, following technical guidelines that prevent and control negative environmental effects.
- The implementation of coordinated and timely revegetation processes during the construction of landfills and slopes in the diversion and use projects.
- Raising environmental awareness through education campaigns regarding efficient water use and changes in water consumption habits.
- The reuse of 10% of the water condensed in the power plant.
- The reuse of water condensed from the cooling of machines in the emulsion plant.
- Performing maintenance on the water distribution network to control losses, and on channels and pools to improve their hydraulic and sediment retention capacity.

Storing rainwater during periods of heavy precipitation and using it, especially to control particulate matter during the dry season, has proven to be the best practice to prevent many negative environmental effects. The regulating effect of storing water in the pits that are no longer operational makes it possible to reduce discharges, and therefore, minimize overflows from the channels in downstream areas, which is even more important in the face of possible increases in torrential rainfalls as a result of climate change, while reducing the transfer of sediment and other variables into the channels from discharges.

This also ensures a permanent source of water to meet the different demands of our operations without having to use surface or underground sources. This has generated a change in procedures, **and our mining projects now have large rainwater storage areas**, which provides us with volumes of water allow us to regulate and meet the water demands of our operations.

Monitoring is a critical element that provides technical information based on which we can formulate new strategies in the mining and port operations to minimize the impact on natural resources and our communities. We monitor the measures adopted and their effectiveness through audits, site inspections and quantitative measurements of water quality, quantity, consumption and levels.



Below we list the processes we have implemented:

- Planning and executing monitoring inspections during the construction and operation of the projects for collection, conveyance, storage, treatment, realignment and use of waterways.
- Planning and executing periodic physicochemical monitoring campaigns.
- Planning and executing periodic hydrometric monitoring campaigns.

Finally, the inspection visits that are frequently conducted on our projects to evaluate our work, such as scheduled audits (internal and external) under the ISO 14001:2015 standard, audits of the certified management system, follow-up visits by regulatory bodies (ANLA, ANM, CORPAMAG) and private entities, such as Bettercoal or consultants hired by the company, are also sources of monitoring the effectiveness of these measures.

WE HAVE DEFINED THE FOLLOWING GOALS, OBJECTIVES AND INDICATORS TO EVALUATE OUR PROGRESS:

Activity	Objective	Target	Indicator
Compliance with the maximum limits allowed in discharges.	To adequately manage and treat our mining and port wastewater.	To maintain compliance with the standard at all times.	Compliance with the maximum limits allowed in discharges.
Water quality index for receiving channels.	To evaluate the possible impact of discharges on the receiving channels.	To keep water quality levels in ranges similar to those measured upstream.	IQW_IDEAM water quality indicator.
Water savings and efficient use programs.	To reduce and/or control water consumption levels based on savings measures and efficient water use in the different processes in the mining operations, which make it possible to conserve and reduce pressure on water sources in the area of influence of the mining and port projects.	Different goals for each activity that uses water in the mining and port projects.	Recirculation, use of stored rainwater and maintaining consumption rates at acceptable levels.

In periodic reviews, the oversight agencies have validated the compliance measures adopted, approving or monitoring their effectiveness. Likewise, our communities, through the Community Assistance System, have made it possible to identify some

measures that go beyond our mining and port operations, such as the cleaning and removal of weeds from the channels downstream of our mining projects, requested by our neighbors, which have helped to improve the flow in the channels on their properties.

Interaction with water as a shared resource

(GRI 303 - 1)

Given the nature of our mining projects, at Drummond Ltd. we interact with water resources in different ways:

01

Rainwater:

collected in the operating areas and external dumping areas to be stored temporarily and then conveyed through channels and pipes to treatment systems before being discharged into natural riverbeds. Some of the stored water is used to control emissions of particulate matter through irrigation and spraying on roads and at material loading areas; the rest is returned to the environment through controlled and treated discharges.

02

Underground aquifers:

due to the excavation work carried out to extract the coal, part of the aquifer units that transport the groundwater are blocked, causing leaks in the project pits. Some of this water is used to control emissions of particulate matter through irrigation and spraying on roads and at material loading areas; the rest is returned to the environment through controlled and treated discharges.

03

Surface water:

it is collected from the Paujil reservoir, whose maximum storage capacity is up to **10 million** cubic meters. It is used in several industrial processes in the power plant and for irrigating the access roads to the plant and green spaces.

04

Groundwater:

it is collected from different deep wells at various points in our mining projects; its main use is domestic and for human consumption in our mining operations.



In the case of our port operation, the interaction takes place as follows:

1. _____

Surface water:

it is collected from the Nirvana creek, a channel of the Toribio River; its main use is industrial in the coal receiving, handling and loading operations.

2. _____

Groundwater:

it is collected from deep wells located in the area of the quadruple car dumper. Its main purpose is to supply the water treatment plants that meet the water needs for domestic use and human consumption at our port operations, and to a lesser extent for industrial use.

In all cases, the wastewater generated from the operation is treated in different way, depending on its use, and discharged in compliance with the environmental regulations on the matter and the special regulations established by the environmental authorities in the permits granted.

All uses, both in our mines and in the port, are carried out respecting the uses and volumes authorized by the environmental authorities.

Potential environmental effects related to water resources are initially identified from the Environmental Impact Assessment (EIA), which is conducted before operations begin or updated when new areas or operating processes are required. **This EIA covers the different activities carried out by the project, from the planning phase, through the operational activities, and finally the closure phases. It includes the impacts that our operations do cause or may have on the availability and quality of the water used.** Through the EIA, we have developed several initiatives that seek to reduce, mitigate, control or compensate for our impacts through both reactive and proactive assessments, to ensure a consistent supply of water resources, and to preserve its quality.

Before and during our operations, we conduct monitoring programs to track the presence, evolution and magnitude of potential environmental effects related to water resources over time. These monitoring programs, in addition to tracking the effectiveness of the measures implemented to address environmental effects, help to identify new environmental impacts.





Once the impacts on water resources have been identified and their potential effects evaluated, we establish different management measures that are documented in the management plans for each mining project and the port, due to each one's particular conditions. The management plans, established and approved by the competent environmental authorities, have programs with specific objectives that seek to ensure that the measures implemented are effective over time, setting specific goals to measure their effectiveness periodically as part of the monitoring that is conducted to properly manage water and wastewater.

The goals and objectives are based on regulatory compliance to minimize the impact on water resources and conserve water to allow us to operate in a way that is sustainable and respectful of the environment and our neighboring communities.

In this sense, we take public policy into account to guarantee the sustainability of our water resources, as follows:

- None of our mining or port operations affect or alter ecosystems on which the regions where the projects are located depend for their water supply.
- With the goal of preserving watersheds and water quality, for more than 25 years at Drummond Ltd. we have promoted the conservation of riparian forests and other sensitive ecosystems near the Paujil reservoir, the San Antonio, El Zorro and Las Animas creeks, and the Paraluz and Garrapatas streams.



- We respect the hydrological processes that supply the neighboring ecosystems and communities, ensuring that surface water flows maintain similar conditions of quality and quantity to those upstream.
- Our main use, spraying of roads, returns water resources to the environment through evaporation.
- Our water collection at the mining and port operations meets requirements in terms of their uses and the maximum volumes allowed.
- Water discharges are carried out in compliance with the maximum allowable limits and under quality conditions that do not affect the intended uses or quality objectives established for the receiving channels, given the water quality determined upstream.
- In the case of our mining projects, the surface water we use, which represents only 4%, is collected from a reservoir that stores water throughout the year and, therefore, does not compete with users of water resources located downstream.
- Groundwater collection for human and domestic consumption mainly comes from very deep aquifers that are not used by nearby populations.
- We do not collect water in areas categorized as highly deficient (ENA, 2022).
- Discharges from our mining operations comply with current regulations and with the pollutant load targets established by the local environmental authorities.

As a result of our work focused on efficient water use, the water collected for our operations in 2023 did not exceed the limits established in the concessions. Therefore, the water performance evaluations show that the pressure on water supply sources is slight because our annual collections do not exceed **5% of the water mass of the reservoir, the main source of surface water for the mine. For the port, surface water collections do not exceed 18% of the total authorized flow.**



CONTRIBUTIONS BY OUR SUPPLIERS

As part of our commitment to water conservation, we have arranged some activities with our contractors to guide their actions to the care for this resource.

Work with suppliers	
Initiatives with suppliers to help improve their water management practices	Results of the collaboration
Environmental education and awareness campaigns on efficient water use, use of water-saving devices and changes in water consumption habits.	During 2023 there was a cumulative savings of 231,085 m³ of water in the camps at the mining projects.
Periodically review the condition of valves and pipes to detect and correct any leaks that many occur in the water supply and delivery system for the camps.	During 2023, there was a 1.4% reduction compared to 2022 in the consumption of drinking water in our offices and the camp at the port operations.
Maintain condensed water recirculation in the power plant at 10% .	5,724 m³ of condensed water reused.
Reuse water condensed from the cooling of machines in the emulsion plant.	10,831 m³ of condensed water reused.
Conduct training sessions on the efficient use of water resources.	Environmental training of contractor company personnel.
Periodically review the condition of valves and pipes to detect and correct any leaks that many occur in the water supply and delivery system for the camps.	Optimize water consumption in garden, dining hall and camp areas for the efficient use of the resource.



Water withdrawal (GRI 303 - 3)

(1) TOTAL FRESH WATER WITHDRAWN, (2) TOTAL FRESH WATER CONSUMED; PERCENTAGE OF EACH IN REGIONS WITH HIGH OR EXTREMELY HIGH BASELINE WATER
(EM-CO-140a.1)

During 2023, **94.8%** of the water used in our mining operations came from rainwater and mining water; **1.4%** came from natural surface sources, and only **3.8%** came from water collected from underground wells . This small share of surface and groundwater consumption is a reflection of our commitment to minimizing pressure on this essential resource. It should be noted that at Drummond Ltd. we do not collect or consume water in areas categorized as highly deficient (ENA, 2022).

1 All water from underground wells and natural surface sources is considered to be part of the freshwater category.



In 2023 we were able to slightly decrease our consumption of surface and groundwater compared to 2022, mainly thanks to the use of rainwater stored at our mining projects and recirculation in some of our industrial processes. However, the consumption of bilge and mining water increased in 2023 due to a drop in precipitation in the area, which led to greater demand for water to control emissions of particulate matter through the spraying of roads.

As for our port operations, during 2023 we only used **21%** of the total flow granted in concession by the environmental authorities, meeting the goal set for the year ($\leq 40\%$). In addition, thanks

to the implementation of the strategies for raising awareness, monitoring and optimizing water consumption at the facilities, there was an **8%** reduction in the total collection of groundwater and surface water compared to 2022.

Below (Tables 07, 08 and 09) we present the historical water collection results, compiled based on measurements taken, where possible, with properly calibrated and adjusted macrometers or, in their absence, with volumetric gauges and pumping time measurements. It is important to note that during 2023, we did not exceed the authorized limits for any of the water concessions granted to our mining projects and port operations.

Mine:

Table 07. Water withdrawal (mine)

	Category	Unit	2020	2021	2022	2023
Withdrawal	Surface water	ML	448	164	162	157
	Groundwater*	ML	6.79	7,766	8,892	10,949
	Total fresh water (total suspended solids $\leq 1,000$ mg/l)	ML	-	-	6,926	5,948
	Other water (total suspended solids $> 1,000$ mg/l)	ML	-	-	-	5,158

* This classification includes both groundwater from wells and water from pit depressurization, bilge water and drains.

Port:

Table 08. Water withdrawal (port)

	Category	Unit	2020	2021	2022	2023
Withdrawal	Surface water*	ML	673	781	494	421
	Groundwater*	ML	200	174	272	284
	Total fresh water (total suspended solids \leq 1,000 mg/l)	ML	873	955	766	706

Table 09. Water stored directly by the Company

	Category	Unidad	2020	2021	2022	2023
Withdrawal	Rainwater, surface and groundwater	ML	35	36	37	41

At both our mining and port operations, the volumes of rainwater captured or collected are not considered as part of the surface water withdrawn because this water is returned to the environment through discharges. Given the nature of our mining and port operations, it is impossible to quantify with acceptable accuracy how much of this rainwater has been leaked, stored or released in discharges.

Due to this difficulty, the water withdrawals reported under indicator **GRI 303-3** and the water consumption reported under indicator **GRI 303-5** for our mining and port operations result in similar amounts. It is important to clarify that, since the discharges include rainwater that is returned to the environment, it is not possible to estimate consumption solely based on withdrawal and discharge amounts.

* For the port operation, water withdrawals correspond to the water collected from surface and underground sources.





Management of water discharge-related impacts

(GRI 303 – 2)

Water discharge

(GRI 303 – 4)

NUMBER OF INCIDENTS OF NON-COMPLIANCE ASSOCIATED WITH WATER QUALITY PERMITS, STANDARDS, AND REGULATIONS

(EM-CO-140a.2)

Drummond Ltd.'s commitment to the protection of natural resources means that we are aware of our regulatory obligations, which is why our mining operations are aligned with the requirements established in **Resolution 631 of 2015** and the amounts recommended in the guidelines on the environment, health and safety for the mining sector from the International Finance Corporation (IFC) of the World Bank Group. At our operations, we have formulated environmental measures and controls for the management and disposal of wastewater, mainly associated with the following parameters: Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), total suspended solids, fats and oils, pH and metals or metalloids such as mercury, arsenic, cadmium, zinc, copper, chromium, iron, nickel and lead, which are the parameters of greatest interest in terms of water discharge management.

Our port operations are subject to the requirements established under **Resolution 0699 of 2021**, for compliance with the following parameters: temperature, pH, COD, BOD, total suspended solids, sedimentable solids, fats and oils, phenols, methylene blue active substances, electrical conductivity, total phosphorus, nitrates, total nitrogen, sodium absorption ratio, chlorides, sulfates, aluminum, cadmium, zinc, copper, chromium, manganese, silver, lead, total hydrocarbons and total coliforms.

To obtain discharge permits from the competent environmental authorities, the potential effects of all discharges on the quality of the environment were estimated through modeling the quality of the effluents and the assimilation capacity of the receiving environment, in order to ensure that the discharge does not cause a concentration of pollutants that may exceed, **in the most likely critical scenarios, the water quality criteria located outside a mixing area, in the case of the mining projects, and the soil quality criteria for the port operations.**

As environmental measures for managing mining wastewater, we have implemented treatment systems in the mining operations, mainly composed of sedimentation pools with the appropriate size to ensure that the water remains in the pools long enough for the suspended solids to precipitate out. When they do not precipitate out through purely physical means, flocculants and/or coagulants are used to assist in the sedimentation of the smallest particles, which can be difficult to remove during treatment. In the case of domestic wastewater, we have implemented oxidation pools that are responsible for



retaining water long enough to ensure the satisfactory decomposition of organic matter through anaerobic/aerobic bacterial action. The water discharged from these pools is channeled to the sedimentation pools that treat the mining wastewater.

Additionally, our port operations have implemented environmental measures to manage industrial wastewater, which is transported through perimeter channels from the coal yards to a treatment system that consists of four sedimentation pools that work in parallel; the effluent from sedimentation pool No. 4 is discharged by overflow into the forest area located within the facilities. Additionally, domestic wastewater is sent through the sewer network to the wastewater treatment plant, where, after being treated, it is discharged into sedimentation pool No. 4, from which it is later discharged into the forest area mentioned above.

In order to evaluate compliance with environmental regulations, **we have installed monitoring stations in the runoffs from the wastewater treatment systems from our mining and port operations, where water samples are taken periodically** (monthly in the case of the La Loma mine, biweekly for the El Descanso Norte and El Corozo mines, and quarterly for the port) by laboratories duly accredited by the Institute of Hydrology, Meteorology and Environmental Studies of Colombia (IDEAM).

During 2023, all the measurements of the variables analyzed in the discharges from our mining projects complied with the discharge standards established in Article 10 of Resolution 631 of 2015 and the values recommended in the guidelines on the environment,

health and safety for the mining sector from the International Finance Corporation (IFC) of the World Bank Group. In the case of our port operations, in 2023 all of the measurements of the variables analyzed in the discharges complied with the regulatory limits established in Resolution 699 of 2021.

Below we present the information on water discharges from our projects. As noted above, the water quality and flow measurements were carried out by laboratories duly accredited by the IDEAM. The total volume discharged has been estimated through automatic level meters installed in all of the treatment systems that, when combined with level-flow calibration curves, make it possible to calculate the actual volumes discharged at any time. In the case of the port operations, since the volumes were significantly smaller, the volume discharged was measured using a macrometer installed at the outlet from sedimentation pool No. 4.

As a general characteristic of the discharges from our mining projects, it is evident that the discharge points are located in freshwater areas (total dissolved solids \leq 1,000 mg/l), and none of these are located in areas with water stress.



Mining operations:

Year	2020	2021	2022	2023
Surface water discharges/year (ML)	26,972,955	30,313,302	56,689.90	44,301.72
BOD (tons/year)	126.8	64.2	133.4	177.2
COD (tons/year)	640.2	561.1	1,112.30	797.4
SST (tons/year)	430.1	509.8	1,218.40	813.7

Port:

Year	2020	2021	2022	2023
Surface water discharges/year (ML)	109.06	80.46	111.57	80.8
BOD (tons/year)	21.4	2.1	1.7	0.7
COD (tons/year)	47.2	4.4	3.9	2.5
SST (tons/year)	11.1	5.4	3.8	2.3

INVESTMENT IN WATER RESOURCES (DLTD-03)

For our execution of the strategies for water resource management defined by the Environmental department, in 2023 we invested **USD 2,312,386 (COP 9,878,259,941)²** at our mining projects, and **USD 388,978 (COP 1,661,714,325)²** at our port operations. Thanks to these investments, we have had a positive impact on the protection of water sources and the availability of clean, high-quality water for the population, minimizing the negative environmental impacts associated with the use of water resources.

² The exchange rate used to calculate the investment is COP 4,272.



Milestones

- We met 100% of the goals set under the Water Savings and Efficient Use Program.
- We were able to keep condensed water recirculation at 10% of the cumulative consumption from the Paujil reservoir.
- We were able to reduce consumption from the Paujil reservoir by **1,491,233 m³**. This achievement was possible thanks to the re-circulation from our indoor pools of rainwater collected during the rainy season.
- We reused **90%** of the water condensed from the cooling of machines in the emulsion manufacturing plant.
- We saved **2,062,405 m³** of water in our mining operations thanks to the strategies and initiatives from the Water Savings and Efficient Use Program (PAUEA).
- We kept the industrial water consumption rate below 35 L/ton of coal exported at our port operations.
- We kept the drinking water consumption rate below 140 L/person per month at our port operations.
- We only used 21% of the total concession granted to our port operations by the environmental authorities.
- All of the measurements of the variables analyzed in the discharges from our mining operations complied with the discharge standards established in Article 10 of Resolution 631 of 2015.
- All of the measurements of the variables analyzed in the discharges from our port operations complied with the discharge standards established in Article 4 of Resolution 0699 of 2011.
- None of the monitoring visits by the environmental authorities or internal audits of the environmental management system found nonconformities with the measures implemented to control discharges.
- We saved **2,062,405 m³** of water, which would otherwise have been required from natural sources; 72% of this savings at our La Loma project was due to the use of rainwater stored inside the mining project, which meant significantly reducing the use of surface water from the Paujil reservoir for mine activities, mainly associated with road spraying and coal washing.

Challenges

- Collect and reuse of a volume of condensed water **≥ 10,000 m³/year** in the emulsion (ANFO) production plant.
- Maintain the volume of water collected from the Paujil reservoir – Pribbenow mine at levels below **860,000 m³/year**.
- Keep more than 80% of the water used in our mining operations from water from our internal rainwater storage pools.
- Keep use of the total flow granted in concession below **40%** at our port operations.
- Keep the industrial water consumption rate below **35 L/ton of coal exported** at our port operations.
- Keep the drinking water consumption rate below **140 L/person per month** at our port operations.



PROTECTING BIODIVERSITY

Management of material topics (GRI 3-3)

DESCRIPTION OF ENVIRONMENTAL MANAGEMENT POLICIES AND PRACTICES FOR ACTIVE SITES (EM-CO 160a.1)

At Drummond Ltd. we have an Environmental Management System (EMS) to address the positive and negative impacts we generate at our mining and port operations. To this end, we have implemented an environmental policy based on continuous improvement, optimizing environmental performance and the well-being of the communities surrounding our operations. This commitment not only seeks to minimize the negative impacts on flora, fauna and soil, but also focuses on promoting the well-being of nearby residents and working together with our stakeholders.

Our EMS approach is based on practices and standards used internationally and supported by our ISO 14001:2015 certification. We also carry out a systematic process of identifying, evaluating and managing environmental impacts, both positive and negative. In this process, our EMS establishes guidelines that prioritize prevention measures over mitigation, correction and compensation, with the aim of ensuring that our operations protect the natural environment and promote sustainable practices. This process is carried out on an ongoing basis by the Company, based on the activities conducted at the mining and port operations, both directly and through work by suppliers and contractors.

Our commitment to protecting biodiversity and minimizing the impact on ecological communities is implemented jointly with the Company's mining development. Along these lines, at Drummond Ltd. we have designed and implemented programs for managing and monitoring soil banks, replanting landfill areas, creating areas for wildlife, allocating areas for the conservation and restoration of the tropical dry forest, as well as environmental compensation



programs to properly manage the negative impacts of our activities on the soil, fauna and flora.

Below are the actions that make up our strategy for caring for and protecting biodiversity, which are the result of the exhaustive knowledge and systematic monitoring of the behavior of the ecosystems that we have achieved as a Company from monitoring the areas under conservation and those in the ecological recovery process:



Impact

Impact on flora and soil

Preventive measures

- Slope stabilization
- Employee training
- Collection of seeds and seedlings

Mitigation or compensation

- Revegetation program
- Plant production program
- Spreading soil in landfill areas
- Production of plant material (forest nursery)
- Recovery of disturbed areas
- Organic soil storage (soil banks)
- Compensation program

Impact on wildlife

- Wildlife management program
- Employee training
- Installation of environmental signs
- Wildlife capture and relocation
- Safe driving policy on roads
- Wildlife removal

- Compensation program
- Wildlife Receiving Areas (WRAs): areas intended for the relocation and movement of wildlife
- Fish repopulation program
- Biosensor zones



In accordance with our EMS, we monitor the effectiveness of the measures we have implemented by carrying out monitoring and control inspections at all our mining and port operations, as well as conducting internal and external audits under NTC ISO 14001:2015. In addition, we carry out semi-annual monitoring of flora and fauna in our biosensor or conservation areas.

We work to protect biodiversity with the support of our stakeholders. **Employees, suppliers and contractors participate in training processes, which improved their awareness about caring for the environment and protecting the wildlife found in our operations.** They report to our wildlife rescue unit when they see that an animal is inside our operations and may be in danger. The community also participates in the mining progress, wildlife rescue, landfill restoration and compensation programs through the companies in the region that hire and train local labor, thus encouraging the region's socio-economic dynamics and increasing social awareness through a sense of belonging and environmental commitment.

Government entities recognize our commitment to caring for the environment, demonstrating this by entrusting us to release wildlife in the biosensor areas within the Company's operations, which has made us a national benchmark in terms of environmental management. Additionally, we communicate the results of our work and the effectiveness of our environmental measures to stakeholders through different channels such as internal training cycles, communications with the communities, reports to environmental and local authorities, and visits to the Company by the communities, schools and universities.

By 2023, we set the following goals for our mining operations:



Goal 1:

Recover and store 90% of the soil layers from all of the mining processes to mitigate the possible environmental impacts caused by soil loss.

Goal 2:

Rescue 90% of the wildlife affected by the mining and port operations to prevent and mitigate the impacts caused by disturbing natural areas, including removing vegetation and soil cover or diverting riverbeds and carrying out mining activities, on the wildlife communities that live in the Company's projects.

As a result of the measures taken in the organic soil recovery processes, in 2023 we recovered a total of **6,149,585 m³** of soil; we removed and relocated wildlife in 100% of the areas with mining progress, and we managed to rescue and relocate **2,509** individuals in the mining progress process and **2,367** with the rescue unit. We also produced **139,545 native trees** in the nursery, thanks to our rescuing of seedlings and seeds in our protect areas for the conservation of flora and fauna and where there is mining progress.

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

(GRI 304-1)

At Drummond Ltd. we do not have operational facilities owned, leased or managed that are adjacent to, contain or are located in protected and unprotected areas of high biodiversity value.



Significant impacts of activities, products and services on biodiversity

(GRI 304-2)

At Drummond Ltd. we recognize that due to the operations involved in the open-pit mining process, we generate an impact on biodiversity. The negative environmental impacts on the biodiversity of the operations that have been identified and assessed are not significant and are reversible, and the organization is committed to implementing recovery and rehabilitation programs in the affected areas.

The main impacts on biodiversity are derived from the following actions, related to Drummond's mining operations, which include:

- Change of land use: mining development and road and railroad transportation infrastructure, construction of civil and electrical projects.
- Habitat transformation in areas susceptible to intervention.
- Impact on resources: flora and fauna.



To carry out the activities associated with coal mining, we implement monitoring and control measures that, as a result of an environmental assessment, are aimed at preventing, **mitigating and correcting the environmental impacts and effects that have been identified and compensating for the residual impacts through the creation and implementation of habitat conservation and restoration actions and the replacement of felled trees.**

To mitigate our impacts, the company carries out management measures related to collecting seeds and seedlings in the areas to be affected, which are received in the forest nursery at Drummond Ltd.'s Pribbenow mine for production and growth. **This facility has the capacity to produce 600,000 trees per year.** Additionally, tree species in threatened or protected categories in the sapling and pole stages are rescued and relocated to the conservation areas established as habitats, to ensure their survival before the forest is affected.

In 2023, the Company carried out forest harvesting (trees identified with Diameter at Breast Height (DBH) >10 cm) **in an area covering 378.19 ha, equivalent to a commercial volume of 14,997.5 m³ of wood.** Table 10 describes the species of plant life affected. However, all of the interventions performed are reversible. Additionally, they are subject to environmental compensation by implementing conservation or restoration projects through the actions, methods, mechanisms, quantities and forms authorized under each environmental management document.

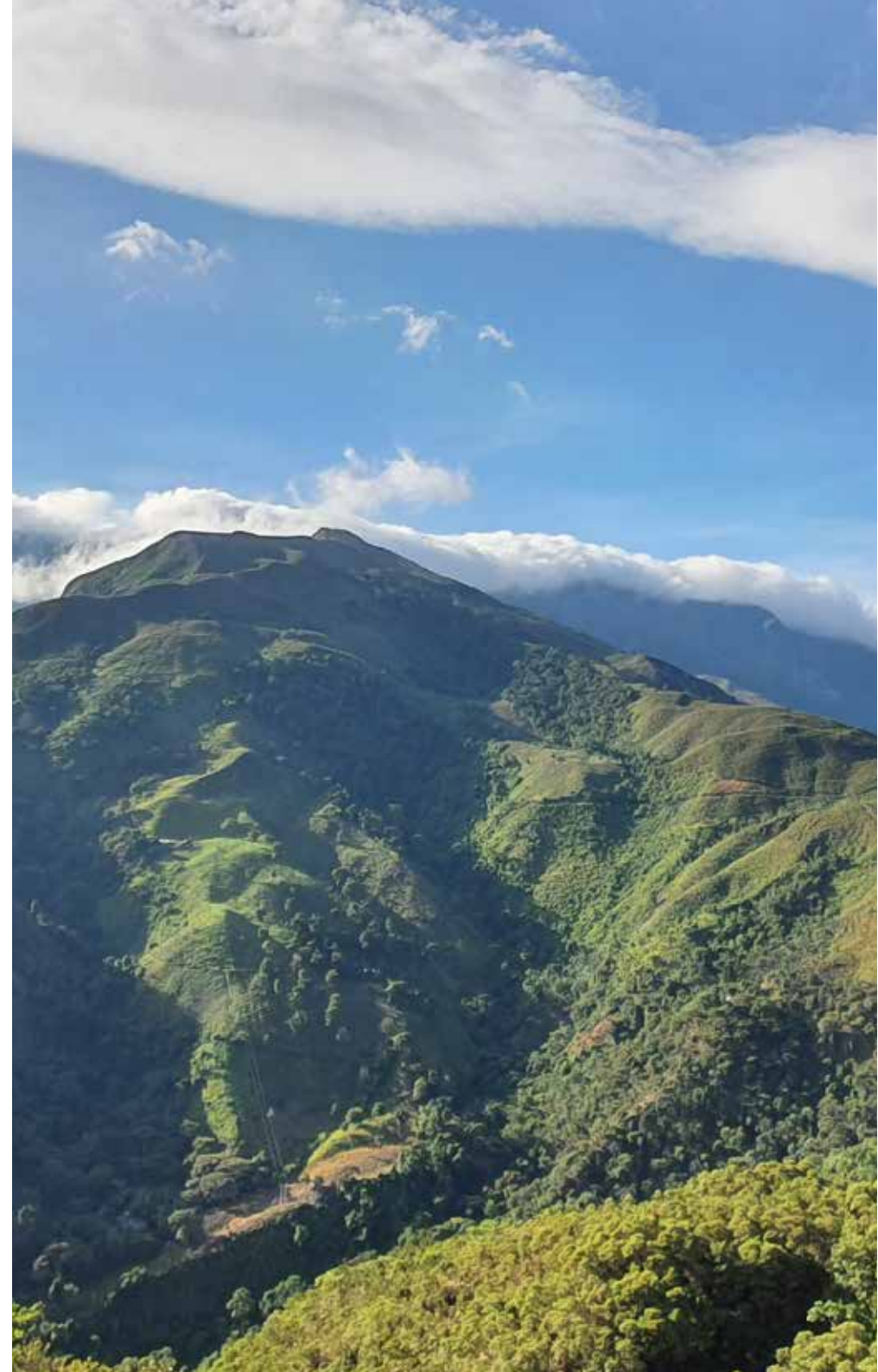


Table 10

Location of the impact	Plant cover affected	Area affected by coverage (ha)	Species affected	Number of plants affected by species	Number of species affected by coverage	Duration of impact/ Reversibility
El Descanso Norte Mine	Gallery and/or riparian forest	124.47	<i>Attalea butyracea, Bulnesia arborea, Albizia niopoides</i>	24,475	3	Temporary/ Reversible
El Descanso Norte Mine	Disturbed secondary forest (fragmented forest)	81.48	<i>Attalea butyracea, Bulnesia arborea, Albizia niopoides, Cordia alliodora, Syzygium cumini, Samanea saman</i>	20,575	6	Temporary/ Reversible
El Descanso Norte Mine	(Wood-pastures)	89.56	<i>Albizia niopoides, Guazuma ulmifolia, Bulnesia arborea, Prosopis juliflora, Samanea saman</i>	3,642	5	Temporary/ Reversible
El Descanso Sur Mine	High secondary vegetation	27.22	<i>Attalea butyracea, Guarea guidonia, Handroanthus ochraceus, Hymenaea courbaril, Vochysia lehmannii, Xylopia aromatica, Terminalia amazonia, Spondias mombin, Trichilia Sp</i>	4,982	10	Temporary/ Reversible
El Descanso Sur Mine	Low secondary vegetation	26.8	<i>Attalea butyracea, Curatella americana, Guazuma ulmifolia, Handroanthus ochraceus, Machaerium capote, Trichilia Sp, Vochysia lehmannii, Xylopia aromatica, Albizia niopoides</i>	4,274	9	Temporary/ Reversible
El Descanso Sur Mine	Low secondary vegetation of open shrubland	28.66	<i>Attalea butyracea, Curatella americana, Handroanthus ochraceus, Vochysia lehmannii, Xylopia aromatica</i>	1,624	6	Temporary/ Reversible
TOTAL		378.19		59,572		

To minimize these impacts, during 2023 we executed biodiversity management, wildlife protection, land rehabilitation and ecosystem services projects aimed at minimizing the amount and magnitude of residual impacts based on the hierarchy of prevention, correction and mitigation.



Habitats protected or restored

(GRI 304-3)

At Drummond Ltd. we are committed to the protection and conservation of biodiversity. We are currently developing compensation programs associated with our mining projects, which include restoration, conservation and sustainable use activities, with the goal of counteracting any residual negative impacts on biodiversity as a result of the Company's mining operations.

We manage the protection and conservation areas through conservation agreements established with people in the community who own or occupy the properties that have been included in Drummond Ltd.'s compensation program, who are referred to in the compensation plan as environmental protectors.

These agreements set out the commitments that must be met by both parties during the implementation of the program; additionally, they are overseen and monitored by the National Environmental Licensing Authority (ANLA).

In Table 11 we present our progress in the actions carried out during 2023; it should be noted that the compensation activities implemented are those that are approved by ANLA in the Environmental Management Plans (EMPs) for the licenses.

Table 11. Habitats preserved, restored or in the compensation process at the mining operations

LA LOMA	
Status	In the compensation process
Description	Comments
San Antonio Creek forest compensation program	During 2023 we carried out compensation actions in the area through conservation agreements with the community, with the aim of enhancing the conservation of areas of environmental importance.
Colombia, municipality of La Jagua de Ibirico	
Area: 583.44 ha	
Area located in the upper part of the San Antonio stream basin, in the municipality of La Jagua de Ibirico.	
Status	In the compensation process
Description	Comments
Environmental compensation program for biodiversity loss from the southern expansion project at the La Loma mine	During 2023 we carried out compensation actions on properties owned by Drummond Ltd.
Colombia, municipality of La Jagua de Ibirico	
Area: 36.31 ha	
Area located in the middle and lower part of the San Antonio stream basin, in the municipality of La Jagua de Ibirico.	



EL DESCANSO

Status	In the compensation process
Description	Comments
Environmental compensation program at the El Descanso mine, northern sector, and El Corozo	
Colombia, municipality of Becerril.	
Area: 320.94 ha	During 2023 we carried out compensation actions on properties owned by Drummond Ltd.
Area located in the middle and lower part of the El Zorro stream basin, in the municipality of Becerril.	

EL DESCANSO LANDFILL AREAS

Status	Rehabilitación
Description	Comments
Landfill Eight	
Colombia, municipality of Becerril.	
Area: 887 ha	
In 2023, we continued with the implementation of the ecological rehabilitation protocol with progress on 83.53 ha rehabilitated in Landfill Area Eight at the El Descanso Norte mining project; in this area, we carried out the construction of canals and pools for water management.	During 2023 we planted 33,630 native trees in the landfill area.
Implementation of the recovery process in the affected areas is verified by the National Environmental Licensing Authority (ANLA), the agency responsible for monitoring compliance with the legal/environmental obligations arising under the environmental licenses for the mining projects.	



LA LOMA □ LANDFILL □ AREAS

Status	Rehabilitation
Description	Comments
West Landfill Area 1	
Colombia, municipality of Chiriguaná.	
Area: 580.3 ha	
In 2023, we carried out revegetation operations within the framework of the La Loma mining project, covering an area of 9.64 hectares. We also carried out maintenance work on areas that had previously been revegetated, covering an area of 31.32 ha, to ensure that the vegetation cover in the recovered areas lasts	During 2023 we planted 4,577 native trees in the areas recovered in the landfill area.
Implementation of the recovery process in the affected areas is verified by the National Environmental Licensing Authority (ANLA), the agency responsible for monitoring compliance with the legal/environmental obligations arising under the environmental licenses for the mining projects.	

Status	Rehabilitation
Description	Comments
North Landfill Area	
Colombia, municipality of El Paso	
Area: 760.7 ha	
In 2023, we carried out maintenance operations on areas that had previously been revegetated, within the framework of the La Loma mining project, covering an area of 16.33 ha, in order to ensure that the vegetation cover in the recovered areas lasts.	During 2023 we planted 4,577 native trees in the areas recovered in the landfill area.
Implementation of the maintenance process in the affected areas is verified by the National Environmental Licensing Authority (ANLA), the agency responsible for monitoring compliance with the legal/environmental obligations arising under the environmental licenses for the mining projects.	



PAUJIL AND SAN ANTONIO CREEKS

Status

Rehabilitation

Description

Comments

Paujil and San Antonio Creeks

Colombia, municipality of La Jagua de Ibirico

Area: 80 ha

The Paujil and San Antonio creeks are the result of the diversion of the natural riverbed of the Paujil canal and the San Antonio stream, work that was carried out several years ago at the La Loma-Pribbenow Mine coal project. In this realignment, we implemented the rehabilitation protocol. In 2023, we continued the rehabilitation process with the revegetation of 5.5 ha, on which we planted 2,611 trees.

During 2023 we planted 2,611 native trees.

Implementation of the recovery process in the affected areas is verified by the National Environmental Licensing Authority (ANLA), the agency responsible for monitoring compliance with the legal/environmental obligations arising under the environmental licenses for the mining projects.

Additionally, at Puerto Drummond we have successfully completed two environmental compensation projects in the municipality of Cienaga:

The first of these was carried out in the Toribio river basin, covering an area of 25.05 hectares. This compensation program ended and improved the ecological dynamics of the area, increasing the diversity of flora and fauna species and supporting the natural regeneration process. According to the analysis of the structure and composition of the plant community, at the end of the project the trees that were planted reached an average height of 10 meters, with species such as *Cassia fistula* (golden rain), *Annona muricata* (soursop), *Inga*

sapindoides (guamo), *Pterocarpus acapulcensis* (sangregao) and *Piper aduncum* (cordoncillo), standing out due to their abundance and dominance. This program was received and closed to the satisfaction of the Regional Autonomous Corporation of Magdalena (Corpamag), and was verified in the field.

The second project was carried out in the rainforest near Puerto Drummond, covering an area of 0.90 hectares. This compensation program was also received and closed to the satisfaction





of the Regional Autonomous Corporation of Magdalena (Corpamag), and was verified in the field. This concludes this activity, within the framework of the environmental management program at Puerto Drummond.

The methodologies implemented for conservation and restoration actions depend on the type of action and are based on those established in management plans and official documents, such as the Biodiversity Loss Compensation Manual (2012), the Biotic Component Compensation Manual (2018), National Restoration Plan, technical guides from the Ministry of the Environment, and technical specifications from the National Environmental Licensing Agency (ANLA) and regional and local environmental authorities, among others.

1.

The success of the restoration measures for these areas are approved through ICA reports, in which management verifications are conducted periodically by the competent authority, acting as an independent third party, and a certificate of verification and fulfillment of the required actions is submitted later.

2.

The number of hectares defined in this section include both the portion covered in 2023 and the historical data from the previous years, in accordance with the conservation agreements that were signed.

IUCN Red List species and national conservation list species with habitats in areas affected by operations

(GRI 304-4)

We have areas dedicated to the conservation and restoration of ecosystems in our mining and port operations; these represent habitats for the different species of fauna and fauna typical of the region. At the same time, the landfill areas or overburden deposits become a refuge for wildlife through the revegetation process, promoting the natural regeneration of native species once they begin their rehabilitation process.

The actions we have taken to preserve **biodiversity provide a significant benefit for the development of the species of fauna and flora** present in the areas where we operate.

In Table 12 we list the species whose habitats, during 2023, were found on our properties -of which there is a record-, and which are on the lists of endangered species.

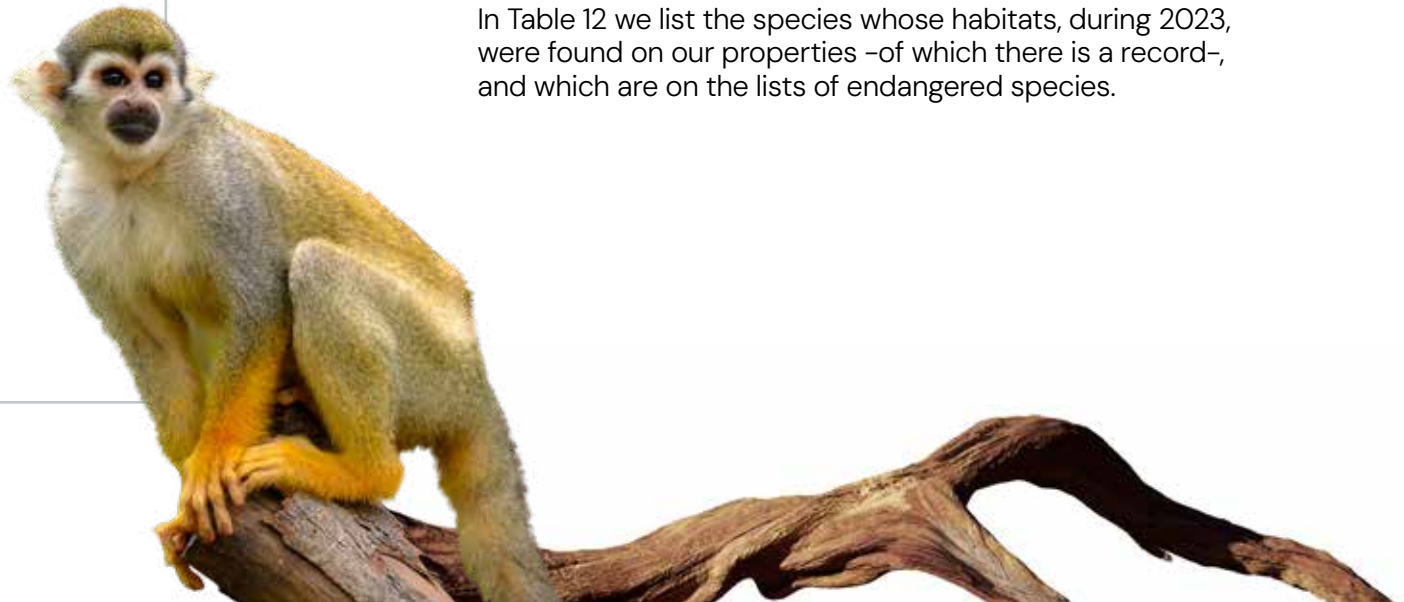


Table 12

Class	Species	Common name	IUCN Red List	Red Book of Colombia	Resolution 0126 of 2024	Season last recorded	Mining project
Mammals	<i>Aotus griseimembra</i>	Gray-bellied night monkey, grey-legged douroucouli or lemurine owl monkey	VU	VU	VU	TS - 2023	PBN
	<i>Cebus versicolor</i>	Varied white-fronted capuchin	EN	NT	NE	TH - 2023	PBN
	<i>Myrmecophaga tridactyla</i>	Giant anteater	VU	VU	VU	TH-2023	EDN
Amphibians	<i>Allobates ignotus</i>	Trans-Andean nurse frog	EN	NE	NE	TH-2023	CL
Reptiles	<i>Trachemys venusta callirostris</i>	Colombian slider turtle	NE	VU	VU	TS-2023	CL, EDS, PBN
	<i>Chelonoidis carbonarius</i>	Red-footed tortoise	NE	VU	VU	TH-2023	PBN
Birds	<i>Crax alberti</i>	Blue-billed curassow	CR	CR	CR	TH-2023	PBN
	<i>Ageneiosus pardalis</i>	Driftwood catfish	LC*	VU	VU	TS-2023	EDN
Actinopterygii (fish)	<i>Curimata mivartii</i>	Toothless characins	NT	VU	VU	TS-2023	EDN
	<i>Leporinus muyscorum</i>	Large leporinus	VU	VU	VU	TS-2023	EDN
	<i>Prochilodus magdalenae</i>	Bocachico	NE	VU	VU	TS-2023	PBN
		Blanquillo	NE	VU	VU	TS-2023	EDN
Magnoliopsida (plants)	<i>Bulnesia arborea</i>	Verawood	NE	EN	EN	TH-2023	EDN, EDS
	<i>Lecythis minor</i>	Monkey-pot tree	LC*	NE	EN	TH-2023	EDN, EDS
	<i>Parinari pachyphilla</i>	Rusby	NE	EN	EN	TH-2023	CL, EDS, PBN



- **Category of Species:** NE: Not Evaluated; LC: Least Concern; NT: Near Threatened; VU: Vulnerable; EN: Endangered; CR: Critically Endangered.
- **Season last recorded:** DS: Dry season; RS: Rainy season
- **Mining project:** PBN: Pribbenow; CL: Cerrolargo; EDN: El Descanso Norte; EDS: El Descanso Sur
- * The Least Concern (LC) category is not defined as a threat risk and represents a low probability of extinction for species (IUCN, 2024). However, IUCN threat categories are universal and cover the entire distribution of species, which may differ from national conservation lists, depending on country's cultural and ecosystemic context. Therefore, in this report we only include species that appear as a Least Concern (LC) worldwide, but that face some degree of threat at our operations at the national level.



According to the above, the total number of threatened flora and fauna species according to the IUCN Red List is:

Criteria	2022		2023	
	Flora	Fauna	Flora	Fauna
Critically Endangered (CR)	0	1	0	1
Endangered (EN)	0	2	0	2
Vulnerable (VU)	0	5	0	3
Least Concern (LC)	1	2	1	1
Near Threatened (NT)	0	4	0	1
Not Evaluated (NE)	4	4	4	2
TOTAL	5	18	5	10

Amount of land (owned or leased, for production activities or extractive use) altered or rehabilitated

(DLTD-13)

At Drummond Ltd. we have designed and implemented a recovery protocol for affected areas, whose objective is to induce plant succession processes and recover the ecological function of the landfill areas and diverted riverbeds. This protocol is developed in two main stages:

Revegetation:

a phase that includes planting herbaceous and shrubby species, as well as native tree species.



Soil preparation: aims to improve physical conditions through morphological restructuring, incorporating the soil's organic horizon and plowing or scarification.



Below we present an account of the areas affected by the progress of the mining projects and those that have been recovered:

(DLTD-13) Land disturbed and rehabilitated (hectares)¹

Topic	2023	2022	2021	2020	2019
Total amount of land disturbed and not rehabilitated in the beginning (A)	8,720	8,334	7,266	6,701	6,302
Total amount of land disturbed, excluding the land taken into account in the component above (B)	1,033	574	1,214	669	518
Total amount of land rehabilitated (C)	165	188	146	104	119
Total amount of land disturbed and not rehabilitated: $A + B - C = (D)$	9,588	8,720	8,334	7,266	6,701

In 2023, we have seen progress in the mining projects in terms of the area involved in the expansion of the pits, the installation of infrastructure and the construction of dumping areas, either for overburden or organic material. It is important to note that not all of the affected surfaces are rehabilitated immediately; the majority of these areas will be restored in the progressive closure phase of the project.



To date, we have implemented the recovery protocol for **1,946 hectares of the Pribbenow and El Descanso projects**, that is, almost 22% of the total area affected by the progress of the mining operations.

¹ After reviewing the documentary support provided in the ICA Environmental Compliance Report, there is evidence of a change in the data submitted for this indicator in the last four years (2019–2022). This is because the data initially submitted for variable C did not match the data submitted in the Environmental Compliance Report, which is why the correction is made. According to the structure of the formula ($A+B-C=D$), by changing variable C, variable D automatically changes and, therefore, so does variable A in subsequent years, while variable B remains the same.



Percentage of mine sites where acid drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation

(EM-CO 160a.2)

At Drummond Ltd. we have carried out geochemical and mineralogical characterization studies, complemented by static tests on the materials found in the landfill, the rocks enclosing the mining pits and the backfill areas. **The findings from these studies reveal that the probability of acid rock drainage is extremely low in 100% of the mines.** In fact, regular monitoring of mining discharges has shown that they lack an acidic nature and do not exhibit the typical characteristics of acid drainage. This condition is mainly attributed to the scarce presence of sulfur-rich materials and the abundant presence of alkaline compounds in the geological substrate of our mining projects. Given the remote possibility of an acid drainage event, **we have established a comprehensive action plan that ensures active mitigation in 100% of the mines,** through neutralization processes.



Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species.

(EM-CO-160a.3)

At Drummond Ltd., we do not have any areas with proven or probable reserves in our projects with protected conservation status or habitats for endangered species, or nearby.

The number and percentage of total sites identified requiring biodiversity management plans according to stated criteria, and the number and percentage of those sites with plans in place

(DLTD-07)

At Drummond Ltd. we have Environmental Management Plans (EMPs) at each of the projects we are executing, which include management data sheets that we use to manage the impact of our operations on the flora and fauna. **The focus of these sheets includes rescuing animals in the areas of intervention of the operations and releasing them in areas designated for their protection, which are relics of natural ecosystems that have conditions similar to those of their original habitat and offer adequate space for the species to survive. In the case of vegetation, we also rescue seeds and seedlings to be propagated or kept in forest nurseries, and then plant them in ecological recovery areas, such as our landfill areas.** It should be noted that these plans are approved by the National Environmental Licensing Authority (ANLA) when granting the environmental license for each of the projects.



The impact that the mining and port projects have had on the biological resources has been based on water resource management in the mines and at the port. Thanks to this work, the community and the wildlife that remains in the middle and lower basins of the San Antonio creek and the Toribio river have a constant flow of water, even during dry periods. **This makes it possible to supply and protect the forests and grasslands that are the habitat for wildlife communities, and where some nearby residents hunt or fish for their livelihood.** This work has also strengthened the ecosystem regulation services, reflected in the maintenance of key ecological functions, such as water and microclimatic regulation and the conservation of habitats for fauna and flora that are provided by the areas under conservation and in the recovery process.

Based on the above, the six areas that have Environmental Management Plans (EMP) require specific biodiversity conservation work. **During 2023, we carried out conservation activities in 100% of these areas to protect them from third-party interventions and to relocate wildlife, managing several criteria such as frequency, richness and abundance of biodiversity, evaluated annually.**

The environmental education projects focusing on our communities, employees, contractors and visitors are a critical part of our work at the Company, reflecting our interest in conserving ecosystems and offering cultural ecosystem services.

Emerging risks (DLTD-05)

Unsuccessful recovery processes in areas affected by drought, phytosanitary problems or low soil fertility represent emerging risks in biodiversity management. These scenarios can cause high mortality rates in plants or decreased germination.

An increase in wildlife populations can attract poachers, creating a risk to wildlife conservation. Finally, there are forest fires, which, although they are part of the dynamics of the area's ecosystems, they are sometimes caused by the improper disposal of waste and/or inappropriate agricultural practices on neighboring properties, which, despite our internal efforts, jeopardize the areas under conservation or in recovery carried out by the Company.



Milestones

- In 2023, we continued with the execution of the Forestry Compensation Programs at the Pribbenow and El Descanso mining projects, totaling 986.32 hectares, detailed in the table below:

Mining project	Compensation program	Compensation action implemented	Area under execution (ha)
La Loma/ Pribbenow	San Antonio creek forest compensation	Conservation	496.71
		Active restoration	34.85
		Passive restoration	51.88
El Descanso Norte - El Corozo	Forest compensation	Conservation	24.58
		Passive restoration	6.62
		Passive restoration	18.63
		Conservation	353.05
Total			986.32

- During 2023, we rehabilitated **165** hectares within the Pribbenow and El Descanso mining projects.

Challenges

- Continue with the implementation of the compensation programs for the Pribbenow and El Descanso mining projects (North Sector and South Sector – Corozo).
- Implement the recovery protocol for affected areas on no less than 150 hectares within the Pribbenow and El Descanso mines.
- Continue to protect the conservation areas on Drummond Ltd. properties and to rescue and protect all wildlife that is identified in our areas of operation.
- Begin the implementation, with the preparation phase, of the Forest Compensation Program for the El Descanso Mining Project (South Sector Phase II).





CLIMATE CHANGE AND THE ENERGY TRANSITION

Management of material topics (GRI 3-3)

At Drummond Ltd., we are confident that we are part of a viable and sustainable future in a low-emissions world. That is why, during 2023, we officially launched the Carbon-Neutrality Strategy¹ to all of our stakeholders, confirming the organization's commitment to climate change. Our strategy, approved by senior management, focuses on three core concepts: reduction, compensation and management, with the goal of achieving carbon neutrality by 2050. This strategy was shared through virtual and in-person meetings with representatives of our stakeholders, employees, local authorities, suppliers and representatives of government institutions, among others, and media coverage at both the regional and national levels.

¹ Currently, Drummond Energy Inc., a subsidiary of Drummond Ltd., is responsible for leading the actions under the Carbon Neutrality Strategy, which includes the management of Drummond Ltd.'s emissions.



The actions that we have proposed in the short term are associated with reducing direct emissions from our operations. We have done so because the activities associated with open-pit coal mining, which include the removal of soil, overburden and coal, the use of machinery, the consumption of fossil fuels and the transport of materials, generate greenhouse gases (GHG), which contribute globally to rising temperatures and the frequency of climatic events, such as droughts and floods. Additionally, they have the potential to affect ecosystems, as well as water and soil quality.

In our risk identification and analysis exercise, at Drummond Ltd. we have taken into account both transitional and physical aspects. As an organization, we recognize the risks and opportunities associated with changes in Colombian legislation, the implementation of new technologies, the energy transition, and other aspects, without neglecting the physical conditions that may affect our operations, by identifying resources that are essential for the mining and port operations. Therefore, based on our governance of the organization, we consider all of these implications in our decision making and strategic planning. This vision includes the characterization, monitoring and evaluation of these risks, as well as the active search for sustainable and low-carbon business opportunities.

As part of our implementation of this strategy, we are making progress in strengthening teams' competencies and defining roles to achieve our carbon-neutrality goals and contribute to meeting reduction targets at the national level. This strategy was created by different departments within the Company, organized into three groups according to their role: operational, managerial and strategic. It is also aligned with our Environmental Policy and the Sustainability

Policy, whose objectives are to continuously improve our environmental performance, ensuring the well-being of the communities in the area of influence and the protection and preservation of the environment.

As monitoring and follow-up measures, we have considered indicators to evaluate its short-, medium- and long-term effectiveness, and follow-up meetings.

At Drummond Ltd. we generate direct carbon dioxide (CO₂) emissions, mainly associated with our mining and port operation activities (scope 1) and our electricity consumption (scope 2). Additionally, in December 2022 we completed the implementation of a diversified energy matrix thanks to the connection to the national transmission system. In 2023, the feasibility studies for the Cañahuate Solar Park project were completed, and the environmental license was obtained for the construction of this park, with a capacity of 240 MW (AC). Drummond Energy Inc., a subsidiary of Drummond Ltd., is the owner of this park, which will be built in several stages; the first, called Cañahuate I, will have a capacity of 54 MWac, and the energy produced will be used primarily to supply up to 30% of the energy required by the Company for its mining operations. With these initiatives, we expect to reduce emissions related to energy production for our operations by about 40,000 tons of CO₂eq.

Learn more about our carbon-neutrality strategy at [Carbon Neutrality - Our path to carbon neutrality \(carbonneutraldrummond.com\)](https://carbonneutraldrummond.com)



Discussion of short- and long-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets

(EM-CO-110a.2)

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

(GRI 201-2)



At Drummond Ltd., we recognize our commitment to move towards a future with fewer emissions in the face of the global challenge posed by climate change. Therefore, our Carbon Neutrality Strategy is aimed at promoting a more competitive industry by being leaders in the country's energy transition, not only reducing greenhouse gas emissions, but creating a new portfolio of investments from non-conventional energy sources that increases the industry's energy reliability.

The physical and transitional climate risks that we have identified, aligned with our understanding of the current situation regarding emissions and energy security, have a direct impact on our operations and their sustainability. Therefore, our strategy defines actions to transition toward the carbon neutrality goal and to address the associated risks and opportunities, while maintaining our license to operate.

Identification of financial risks and impacts

At Drummond Ltd., we have prioritized the risks arising from climate change that could affect our operations by identifying essential resources, such as water resources to carry out our mining and port operations. In the event of possible shortages as a result of climate change, we would face significant operational, social, economic and environmental risks.

Within the framework of physical risks, the "Guidelines for preparing comprehensive corporate climate change management plans for the Mining and Energy Sector" (Minminas, 2022) have identified the following risks for large-scale coal mining: water shortages, floods, mass wasting, forest fires, rising temperatures (heat waves), storms (hurricanes).

At Drummond Ltd., we have identified the following relevant impacts associated with these physical risks.

Physical risks due to climate change

RISK	DESCRIPTION	EXPECTED IMPACTS
Water shortage	It is the main risk and the trigger for the most significant impacts.	<ul style="list-style-type: none"> In case of water shortages, given the supply priorities (DUR 1076/2015), if there is competition for water, consumption by humans and livestock is given first priority. In the absence of water to carry out irrigation activities, emissions control work becomes impossible, and this limits our operations. Other effects are related to increases in torrential rains, which, although not directly related, can lead to shutdowns in our operations. <p>If these scenarios do occur, they would cause socio-environmental conflicts, and the environmental authorities could restrict or deny the granting or renewal of permits to use this resource, or for the operation of our projects in general.</p>
Forest fires	By definition, the areas around our mining operations are devoid of vegetation and, therefore, are not susceptible to this type of risk. However, the assessment of this threat is not limited solely to endogenous risks, since the last forest fires that occurred at our operations were caused by the materialization of exogenous risks.	<ul style="list-style-type: none"> Effects on support infrastructure areas such as camps, workshops, transmission lines, etc. Effects on areas subject to reforestation and/or application of compensation measures. Contribution to high levels of particulate matter concentrations in the atmosphere, reaching levels that could lead to the suspension of our operations due to emergency declarations under the terms of Resolution 2254 of 2017, "By which the ambient air quality standard is adopted and other provisions are issued."
Rising temperatures (heat waves)	High temperatures do not have direct repercussions for our operations, but some of the expected impacts are indirect.	<ul style="list-style-type: none"> Increased energy consumption associated with cooling needs. Increase in convection phenomena in the atmosphere that, combined with low-speed conditions, can contribute to high atmospheric instability and increased concentrations of particulate matter at the ground level in areas near the sources. Increased evaporation rates, with the resulting increase in water consumption rates for irrigation.



In terms of the transitional risks, they are prioritized to be recognized and mitigated in the short term. At Drummond Ltd. we have identified the following transitional risks.

Physical risks due to climate change

RISK	DESCRIPTION	MANAGEMENT METHODS
Regulatory and legal	Changes in Colombian regulations	<ul style="list-style-type: none"> Constant review and updating of internal processes in accordance with regulations. Carbon Neutrality Strategy Roadmap.
Technology	Use of low-emission technologies	<ul style="list-style-type: none"> Evaluation of competitive technologies and low carbon emission initiatives for the implementation of the Carbon Neutrality Strategy.

The Company has made progress in identifying transition risks and opportunities related to climate change throughout our value chain, as well as in identifying the financial impacts of the risks and opportunities related to climate change. To date, we continue to work on strengthening the identification of risks and opportunities, as well as their impacts, to then carry out the estimation and financial analysis involved in the implementation of mitigation measures for the physical and transitional risks.

Financial implications

The risks generated by climatic factors bring financial implications arising from their impact on our operations. For this reason, the Company continuously evaluates the possible effects of climate change on our operations, as well as the mitigation and adaptation alternatives applicable to the mining and port operations. Therefore, Drummond Ltd.'s strategic decisions consider the risks and opportunities associated with climate change, in terms of the diversification of our investment portfolio and our investments in technology. For this reason, we strive to ensure that the risks and opportunities related to climate change are aligned with an efficient environmental policy and cost controls that allow new investments to be made.

At Drummond Ltd. we have an investment plan that is aligned with managing climate change and the energy transition in terms of the following opportunities:



1.

Process efficiency: we have invested in assets to successfully connect the mining operations to the electricity grid, a process that culminated in 2022; this represented a 2,990,790 m³ decrease in natural gas consumption in 2023 and a reduction of 155,924 tons of CO₂eq emissions.

2.

Portfolio diversification through investment in the development of natural gas projects.

3.

Future development and investment in renewable energy projects that provide opportunities for innovation and mitigation of greenhouse gases.

In 2023, the cost of managing the risks associated with climate change amounted to

USD 25,336,758
(COP 108,235,842,253).²

² The exchange rate used to calculate the investment is COP 4,272 per USD.

Financial implications and other risks and opportunities due to climate change

(GRI 201-2)

The risks and impacts identified by Drummond Ltd. were analyzed based on our operational experience and associated risks, domestic and international regulatory analysis and industry market research. These risks are assessed based on their impact and probability, in order to establish a prioritization time frame for each one.

We carried out the risk identification process using the methodology recommended by the Colombian authorities (MinMinas, 2022), based on an identification of threats, exposure and vulnerability, the latter understood as the ratio of sensitivity to the adaptive capacity of large-scale coal mining in Colombia in the area where the mining operations are located. Based on this information, the confirmation and assessment process for the specific conditions at our mining and port operations is carried out and is defined based on the assessment of the mitigation measures, if applicable.

As for the prioritization of risks, at Drummond Ltd. we have chosen to identify risks in accordance with the guidelines proposed by the Colombian authorities, and in the case of risks associated with water shortages, we have implemented measures that allow us to address the current situation in the country.



Risk management

In our quest to reduce the impact and likelihood of occurrence of physical risks due to climate change, we have developed the following initiatives:

Extension of our network for rainwater collection, storage and use.

Water savings and efficient use campaigns.

Use of plant species better adapted to extreme conditions for recovery in the landfill areas.

Implementation of the water resource management plan, whose core is our Water Saving and Efficient Use Program (PUEAA, in Spanish), which guarantees the availability of water for our operations each year, and even for our neighboring communities, if necessary.

Restoration of areas affected by forest fires.

Implementation of new techniques to control particulate matter.

Reinforcement of the fire prevention and management program within our projects and in the neighboring communities. Creation of guardrails to protect natural and revegetated areas.

Maintenance of areas in conservation, which helps the forests contribute to water and climate regulation, and act as carbon sinks, as well as the sites where our forest compensation program is executed or where the recovery protocol for affected areas is implemented.

Continuous improvement of the effectiveness of the forest fire prevention and management program, which has an immediate response protocol with the support of the local disaster management offices, which train the population on fire-related topics.



We have also taken the following actions to manage the transitional risks:



Action plan, definition of roles and work teams for the implementation of ISO 14064-1 and measuring our carbon footprint.



Ongoing research and analysis of technological developments to reduce emissions from our mining operations.



Feasibility studies for low-emissions initiatives.



During the reporting period, there have been no regulatory changes involving management.



Direct GHG emissions (scope 1)

(GRI 305-1)

GROSS GLOBAL SCOPE 1 EMISSIONS

(EM-CO-110a.1)

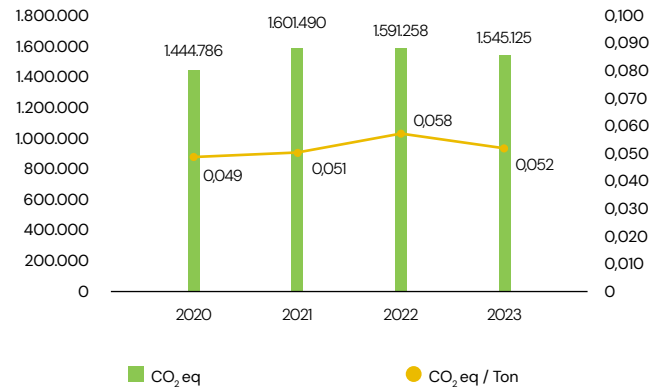
In the emissions inventory at Drummond Ltd. we include CO₂, CH₄, HFC and N₂O gases for our mining projects, applying the Colombian Fuel Emission Factors - FECOC (2016), the Australian guidelines for estimating emissions associated with the use of explosives and the factors described by the Mining-Energy Planning Unit (UPME, in Spanish) in order to estimate the emissions associated with coal seams under an operational control approach.

In 2023, direct GHG emissions at the mines totaled 1,545,125 tons of CO₂eq; this slight decrease is due to a reduction in natural gas consumption compared to 2022. The rate of direct GHG emissions per ton of coal produced showed a slight decrease due to the reduction in emissions.



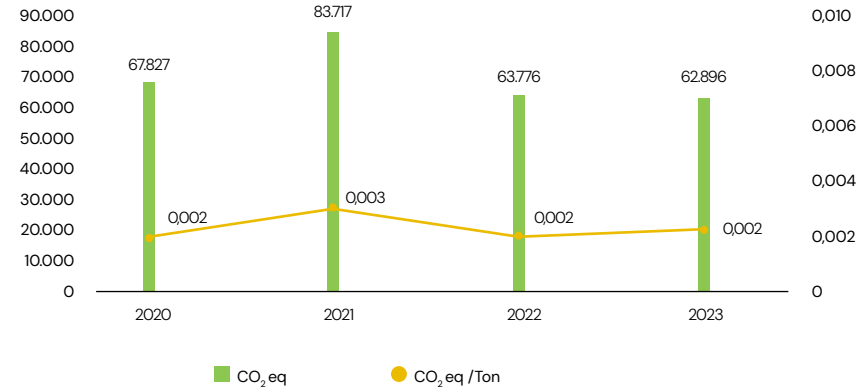


Direct GHG emissions at the mine – tons of CO₂eq



Additionally, the direct emissions generated in 2023 by the port operations were estimated based on the FECOC factors referred to above, resulting in 62,896 tons of CO₂eq, slightly lower than in 2022. This reduction was due to the decrease in coal exports in 2023, compared to 2022, which demanded lower fuel consumption. The rate of GHG generation per ton of coal exported has not changed significantly in recent years, which suggests that there were no different sources or processes that generated higher GHG emissions.

Direct GHG emissions at the port – tons of CO₂eq



For the 2023 period, we generated total of 1,608,021 tons of CO₂eq. In terms of biogenic emissions estimates, these are not considered relevant to our GHG estimate because we do not burn biomass and the emissions resulting from its biodegradation processes are insignificant compared to our total emissions, since they are only related to spill accidents and degradation in our wastewater treatment systems.

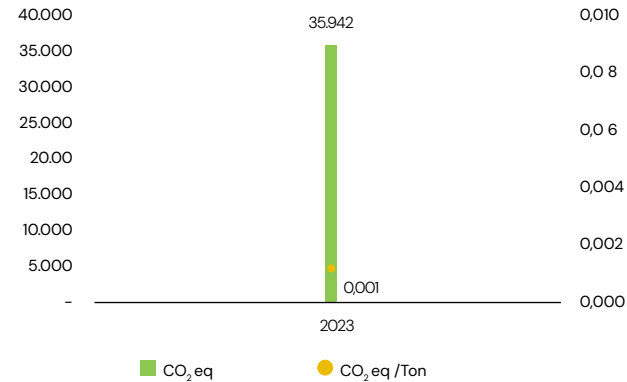
In terms of defining the base year for direct emissions, the Company is carrying out the necessary evaluations to identify and define the base year for our emissions inventories.

Indirect GHG emissions when generating energy (scope 2) (GRI 305-2)

Until 2022, Drummond Ltd. carried out its mining operations using energy that was generated internally from a power plant that mainly used natural gas as its energy source. The greenhouse gas (GHG) emissions from this plant were included in the direct emissions for that year. In 2023, the Company’s mining projects were connected to the national electricity supply, which is provided by the National Interconnected System (SIN). The changes in CO₂eq emissions presented in this document are due to changes and/or updates to the National Interconnected System’s (SIN) GHG emission factor, UPME Resolution 0762 of November 22, 2023, which defined the GHG emission factor for the SIN for 2022. This same factor was used for 2023, since the UPME has not yet defined an emission factor for 2023.

To calculate these GHG emissions from electricity consumption, the emission factor for the national electricity network given by the UPME was used, and a total of 35,942 tons of CO₂eq was calculated for 2023 as a result of the mining projects. To calculate scope 2, only CO₂ emissions were included.

Indirect GHG emissions at the mine – tons of CO₂eq

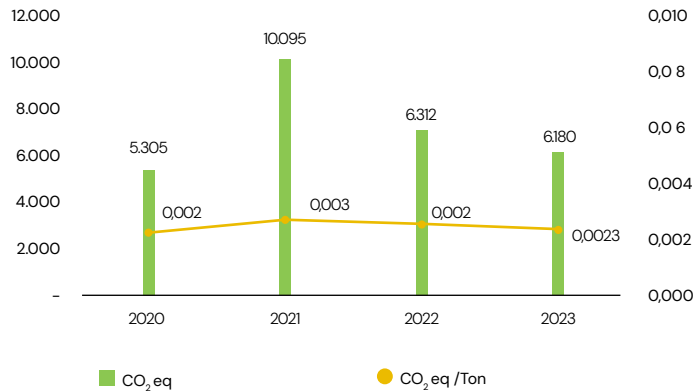


For the port operation and our offices in Bogota and Valledupar, electricity is provided by the National Interconnected System (SIN). To estimate emissions from the electricity supplied, we used the emission factor for the national electricity network given by the UPME in Resolution 0762 of November 22, 2023; this emission factor for electricity generation provides emissions directly as CO₂.

The total indirect emissions generated during this reporting period fell to 6,180 tons of CO₂eq.



Indirect GHG emissions at the port – tons of CO₂eq



In 2023, we saw a decrease compared to 2022, due to the reduction in coal exports in 2023, which led to reduced operations at the port and, therefore, lower electricity consumption. Additionally, the emissions from our offices in Bogota and Valledupar totaled 13 tons of CO₂eq in 2023, which is not considered significant compared to the emissions generated by the operations, so we did not take them into account in the total reported.

In terms of defining the base year for indirect emissions, the Company is carrying out the necessary evaluations to identify and define the base year for our emissions inventories.

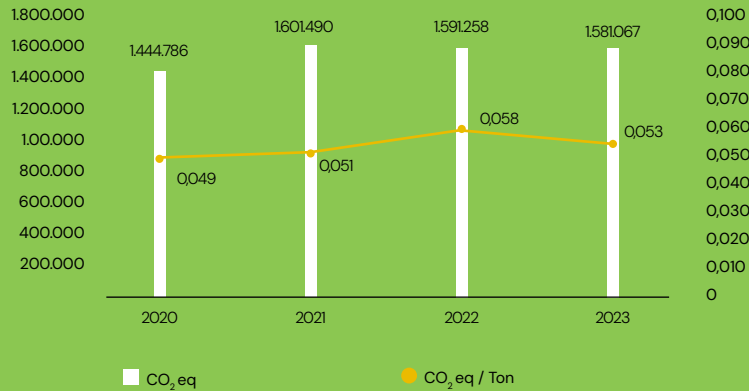


GHG emissions intensity³

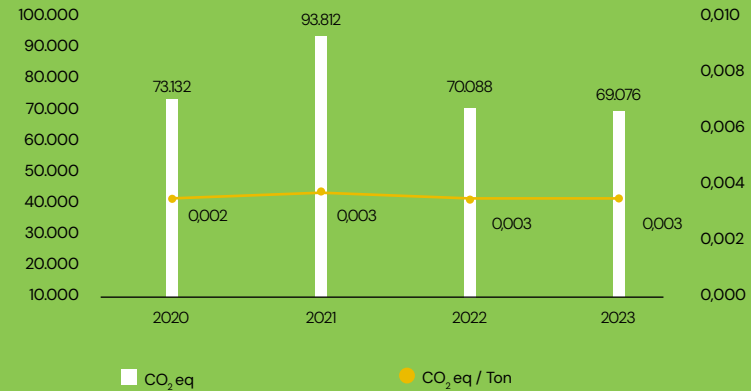
(GRI 305-4)

For 2023, the total intensity ratio for the direct (scope 1) and indirect GHG emissions associated with energy (scope 2) for our mining and port operations was calculated together.

Total GHG emissions, scope 1 + scope 2 in mines – tons of CO₂eq



Total GHG emissions at the port – tons of CO₂eq



³ The parameters used to calculate the emissions intensity ratio corresponds to the total tons of coal produced in the reporting period, and the gases included in the calculation are CO₂, CH₄, HFC and N₂O.



Energy consumption within the organization

(GRI 302-1)

Energy intensity

(GRI 302-3)

Our mining projects are powered by the National Interconnected System (SIN), and in 2022 the Mine Yard Switch was built at the Pribbenow facilities. This is the connection point for the SIN, the Power Plant and the mine load. This power plant, whose main source is natural gas, can operate in coordination with the SIN to supply energy to meet demand from the mining operations and, additionally, it can send surplus energy to the SIN. 36% of the gas is supplied by Drummond Energy, while the remaining 64% is purchased from Transportadora de Gas Internacional (TGI). The plant can also be powered with diesel, but only in emergency situations or when there are problems with the natural gas supply. Electricity for the mining operations can come from a combination of the power plant and the SIN,

or from one of the two, depending on the energy market. On the other hand, the port operations use electricity that comes from the National Interconnected System (SIN). The port also has a power plant whose main source is diesel, which is used only as a backup in case of problems with the national grid.

At Drummond Ltd. we do not generate additional expenses from renewable sources and we do not use energy for heating, cooling or steam consumption activities. All energy generated and purchased by the Company is fully used in our operations, and for the reporting period there were no surpluses for sale. The table below presents the fuel used by the power plant and the electricity purchased.

	Unit	2022		2023	
		Mine	Port	Mine	Port
Non-renewable Fuel Consumed	GJ	4,861,584.79	2,308.86	1,492,457.57	9,093.7
Purchased electricity consumption	GJ	313.27	227,884.38	1,155,272.8	186,822.1
Total consumption	GJ	4,861,898.06	230,193.24	2,647,730.37	195,915.7
Energy intensity ratio ⁴	GJ/Ton of coal	0.174190	0.00828	0.088770	0.00656

⁴ The energy intensity ratio for the mine operations was calculated based on the number of tons of coal produced, and for the port operations, the number of tons of coal exported.

Reduction of GHG emissions

(GRI 305-5)

At Drummond Ltd. we have set the goal of achieving carbon neutrality by 2050, including direct emissions from our own sources and indirect emissions from the purchase of electricity, as our main ambition. To this end, our Carbon Neutrality Strategy will make it possible to develop reduction initiatives with goals that can significantly contribute to reducing our carbon footprint and are in line with the objectives of the country's mining and energy sector. Considering the above, there are no initiatives or results to reduce GHG emissions for the period covered by this report; they will be reported in the sustainability reports for the years 2024 and beyond.



Milestones

- Launch of the Carbon Neutrality Strategy to all of our stakeholders.

2024 Challenges

- Start-up of the first phase of the Cañahuate solar energy project.
- Implementation of the ISO 14064-1:2018 standard.
- Project to implement the Task Force on Climate-Related Financial Disclosures (TCFD) standard.



AIR QUALITY

Management of material topics

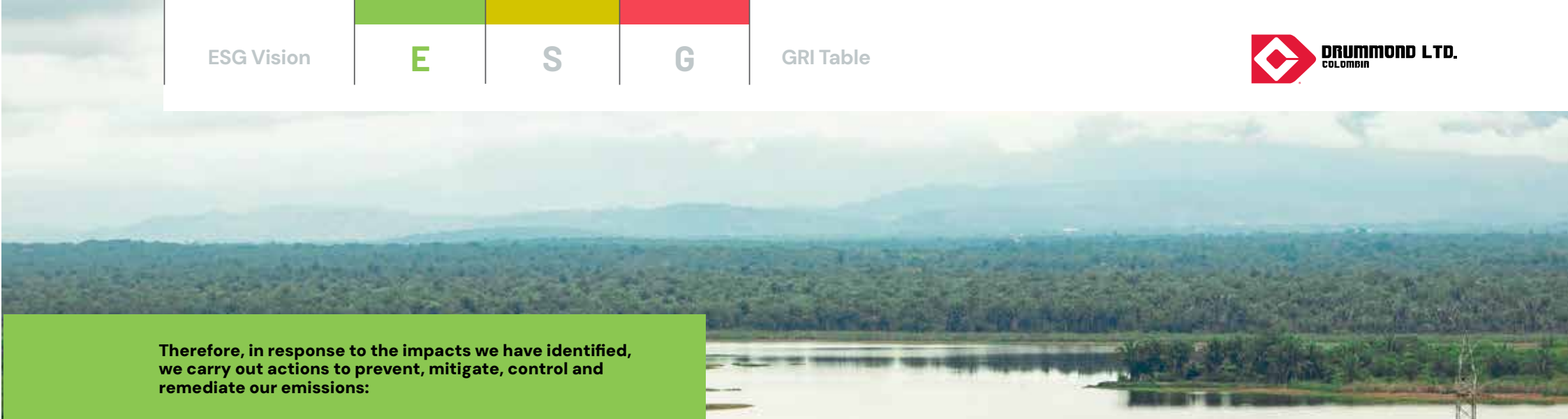
(3-3)

We are committed to the sustainable management of our operations. We recognize that the activities that we carry out at our mining projects, such as the loading, transportation and unloading of soil, overburden and coal and the receiving, handling and loading of coal on ships at the port, generate emissions of particulate matter. For this reason, we have implemented concrete strategies to address these impacts and constantly improve our environmental performance.

Our actions are based on a detailed analysis of the main sources of emissions in both the mining and port operations. Through the Air Quality Environmental Management and Monitoring Program, we identify and evaluate the effects of each process, and in this way we establish the prevention, mitigation and control actions. This approach allows us to not only comply with the regulations established by the National Environmental Licensing Authority (ANLA) and the Regional Autonomous Corporations (CAR), but also to prioritize the health of our employees, the communities in our area of influence and the environment.

We understand that environmental management goes beyond regulatory compliance. Therefore, our commitment extends to developing specific programs to continuously improve our environmental performance. We aspire to be leaders in the implementation of global best practices to prevent, mitigate or control particulate matter emissions, thus contributing to a more sustainable and healthy future for all.





Therefore, in response to the impacts we have identified, we carry out actions to prevent, mitigate, control and remediate our emissions:

Impact identified

Emissions of particulate matter generated by blasting (low intensity environmental impacts).

Emissions of particulate matter at our blasting fronts.

Emissions of particulate matter generated by transportation within the projects, which represents 60% of our operation's total emissions.

Emissions of particulate matter in landfill areas.

Prevention, mitigation, control and remediation actions

Implementing a proper blasting design, carrying it out at the time when there will be the least dispersion of particulate matter.

Providing turbine-type mist generating equipment (fog cannons) and water cannons, which operate on the shovels and extraction fronts to control emissions when loading our trucks.

- Reducing the amount of material to be transferred to outside landfills, prioritizing backfilling.
- Locating soil and/or overburden storage yards closer to the areas of operation to reduce distances.
- Scheduled and continuous irrigation of our project roads, using an adequate number of tanker trucks.
- Controlling the speed of our vehicles.
- Replacement of rolling stock on perimeter roads with materials that generate lower emissions from light traffic.
- Water reduction campaigns with the use of chemical dust suppressants (biodegradable) to control emissions of particulate matter on perimeter roads during the dry seasons.

The closed landfill areas are rehabilitated as soon as possible, implementing our plant restoration management program.





Impact identified

Emissions of particulate matter when unloading trains.

Emissions of particulate matter in the handling of coal in our storage yards.

Emissions of particulate matter in the transportation of coal from our storage yards to the direct loading dock.

Emissions of particulate matter in the loading of coal at our direct loading dock.

Prevention, mitigation, control and remediation actions

Spraying water during the train unloading process.




- Spraying water during the creation of the coal stacks.
- Spraying water while feeding coal into front hoppers.
- Controlling the height of the coal stacks.
- Encapsulation of return points on conveyor belts.
- Spraying of our internal roads.

- Covering of conveyor belts.
- Encapsulation of transfer points on conveyor belts.
- Spraying water at transfer points on conveyor belts.
- Preventive and corrective maintenance on roofs, sprinkler systems and transfer points.

- Spraying water during loading of ships.
- Encapsulation of return points on conveyor belts.
- Spraying water at return points on conveyor belts.
- Preventive and corrective maintenance on roofs, sprinkler systems at transfer points.
- Particulate material extraction and washing system in transfer tower 11, located on the direct loading dock.



ADDITIONALLY, WE HAVE ADOPTED THE FOLLOWING MEASURES TO MANAGE THE NEGATIVE AND POTENTIAL IMPACTS IDENTIFIED:

- 
 Analysis of the events that exceeded air quality standards to identify the main sources of emissions at our mining and port operations.
- 
 Development of dispersion models to calculate the cumulative contribution by our mining and port operations to sensitive receptors.
- 
 Timely responses to complaints or claims related to emissions generated by our mining and port operations.

According to the emissions inventories and the information obtained from dispersion models, we found that the largest sources of particulate matter emissions comes from our heavy and light equipment traffic on unpaved roads (>60%). To address this, we have implemented a system to measure the water actually used to spray our roads, which allows us to track the effectiveness of the irrigation according to projected needs.

To evaluate the effectiveness of all of the measures implemented, we have installed **PM10 and PM2.5** measurement systems around our mining projects and inside our port operations, whose results allow us to track emissions over time and act as early warnings. We also carry out inspection visits and internal and external audits for ISO 14001:2015 certification, follow-up visits by regulatory bodies (ANLA, ANM, CORPAMAG) and private actors such as Bettercoal or consultants hired by our Company.

We are committed to effectively managing the emissions we generate. *To do so, we actively participate in the meetings held by the Regional Autonomous Corporations in the departments of Magdalena and Cesar at which the results of air quality measurements are published and where we share the measures we have implemented and their effectiveness.* We also communicate and circulate the results if the Environmental Management Plan for the previous year through campaigns with the community in the areas where we operate. Additionally, we report semi-annually and annually on the effectiveness of our air quality management measures in our environmental compliance reports submitted to the environmental authorities.



Furthermore, thanks to our Stakeholder Attention System (SAC in Spanish), we have identified some management measures that go beyond our mining and port operations, but that are equally important in improving air quality in the area of influence. In these cases, we have implemented measures such as controlling forest fires through prompt responses with our tanker trucks and fire engines, donating water to put out fires, cleaning public roads and supporting garbage collection campaigns to prevent trash burning.



During 2023, the results of our indicators allow us to show that the measures implemented in operational control, monitoring and follow-up have been effective in preventing, mitigating and controlling atmospheric emissions in our mining operations.

According to the measurements taken in 2023 by the Industrial Air Quality Monitoring System (SVCAI, in Spanish), which monitors our mining projects in real time, no amounts were detected that exceed the prevention range for PM10 as established in Article 10 of Resolution 2254 of 2017. In terms of the daily PM10 standard of **75 µg/m³**, we saw that **99.95% of the time emissions remained within the limit established in Article 2 of the aforementioned resolution.** The amounts that exceeded the standard were related to some events of high concentration of particulate matter cause by forest fires that came from properties outside the Company.

Additionally, the PM2.5 measurements by the SVCAI did not show that the daily PM2.5 standard defined in Resolution 2254 of 2017 was exceeded. Regarding the annual standard, in 2023 none of the SVCAI stations exceeded the PM10 **(50 µg/m³)** and PM2.5 **(25 µg/m³)** limits set in the resolution. For 2023, the Company's contributions at the Corpocesar stations (SEVCAZCC) located in the population centers of the area of **influence of our operations were less than 14.3% of the average annual PM10 amounts at those stations.**

As for our port operations, the monitoring carried out internally and through the Air Quality Surveillance System (SVCA, in Spanish) by the CORPAMAG regional authority in the population centers in our area of influence showed that the measures we implemented for operational control, monitoring and follow-up have been effective in mitigating and controlling emissions of particulate matter in the coal receiving, handling and ship loading processes.

In terms of the PM10 measurements taken at our port operations, the concentrations recorded did not exceed the PM10 prevention range established in Article 10 of Resolution 2254 of 2017. Moreover, regarding the measurements taken by CORPAMAG's Air Quality Surveillance System (SVCA) in the port's area of influence, 99.3% of the concentrations recorded in the measurements taken by CORPAMAG's SVCA in the port's area of influence complied with the maximum allowable limit for the daily PM10 standard (75 µg/m³) established in Article 2 of the same resolution. The port's annual contributions in 2023 at CORPAMAG's SVCA stations located in the population centers of the area of influence of our port operation, were less than 15.5% of the average annual PM10 amounts measured at the monitoring stations.

Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions

(GRI 305-7)

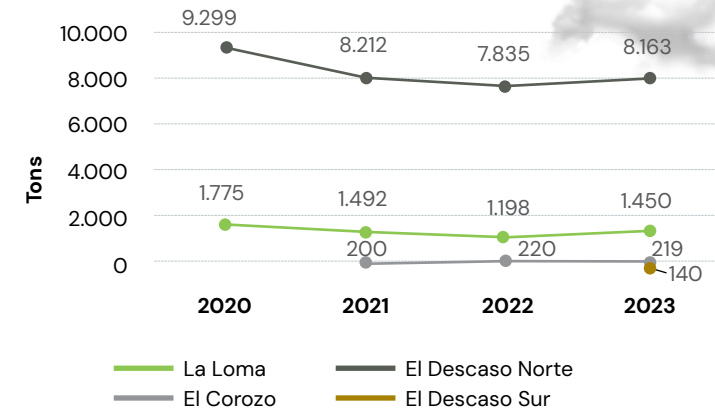
To quantify the particulate matter at our projects, we use estimates based on emissions factors, leveraging factors developed in AP-42 from the United States Environmental Protection Agency (EPA)¹. The results obtained in 2023 show a slight increase in emissions of both PM10 and PM2.5 particulate matter at the Pribbenow (La Loma) and El Descanso Norte mines, which is mainly the result of an increase in coal extraction and/or the areas of operation compared to 2022.

Below we present the emissions data from our El Descanso Sur mine, which began operations in early 2023. We also present the data from our El Corozo mine, which began operations in early 2021, and which shows a slight increase in its emissions associated with the growth of its operations, **and finally the emissions data from our La Loma and El Descanso Norte mines, which have operated for several years:**

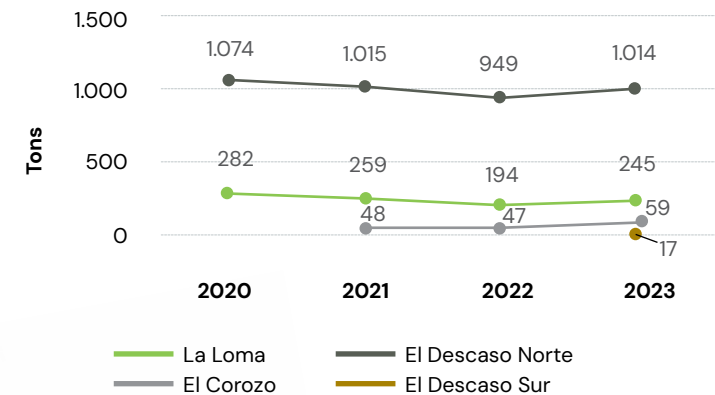


¹ Air Emissions Factors and Quantification, AP-42: Compilation of Air Emissions Factors (2009), United States Environmental Protection Agency - EPA; consulted [online]: <https://www.epa.gov/air-emissions-factors-and-quantification/ap-42-compilation-air-emissions-factors>

PM10 Emissions (Tons/year)



PM2.5 Emissions (Tons/year)

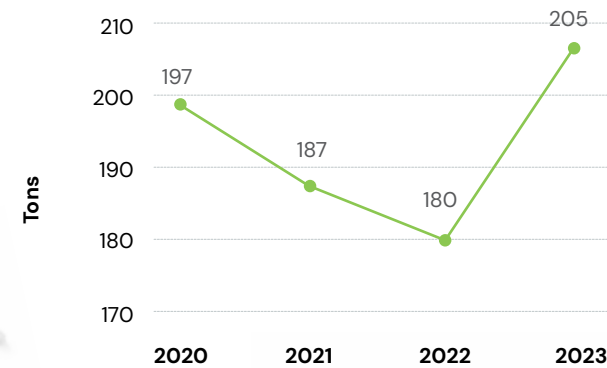




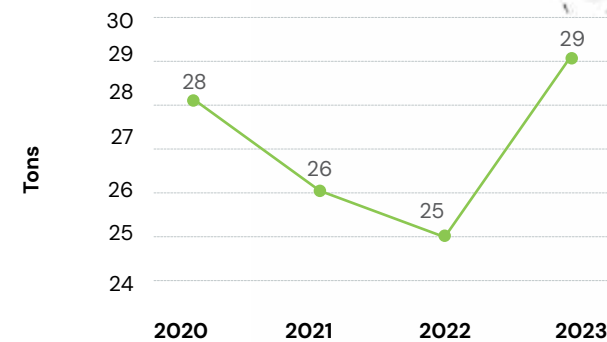
The results of the measurements of PM10 and PM2.5 emissions from our port operations show an increase for 2023. This is attributed to the fact that, this year, the number of days with rain exceeding 0.254 mm dropped considerably, from 72 days in 2022 to 38 in 2023, since both the amount of coal received at the port and the amount of coal exported were very similar in 2022 and 2023.

BELOW ARE THE RESULTS OF OUR PM10 AND PM2.5 EMISSIONS MEASUREMENTS AT OUR PORT OPERATIONS:

PM10 Emissions (Tons/year)



PM2.5 Emissions (Tons/year)



Milestones

During 2023, the Industrial Air Quality Monitoring System (SVCAI, in Spanish) carried out continuous monitoring of the air quality around our mining projects using eight pieces of equipment located strategically between nearby towns and the mining operations.

99.95% of the measurements taken through this network, which operated 365 days a year, were within the levels of the daily PM10 and PM2.5 standard established in Resolution 2254 of 2017. The amounts that exceeded the standard were related to forest fire events in the area. This demonstrates the low concentrations of the contributions from our mining operations in the nearby town and confirms the results of the air quality modelling exercises that we have carried out.

Challenges

- To keep daily concentrations of PM10 particulate matter in the areas adjacent to our mining projects within regulatory limits (**<75 $\mu\text{g}/\text{m}^3$**).
- To keep daily concentrations of PM2.5 particulate matter in the areas adjacent to our mining projects within regulatory limits (**<37 $\mu\text{g}/\text{m}^3$**).





MANAGING AND CLOSING THE WASTE CYCLE CHAPTER

Management of material topics (3-3)

**DESCRIPTION OF WASTE MANAGEMENT
POLICIES AND PROCEDURES FOR ACTIVE
AND INACTIVE OPERATIONS**
(EM-CO-150a.8)

At Drummond Ltd., we have implemented a systemic process to identify, assess and manage our environmental impacts, based on all of the activities at our mining and port operations, which allows us to identify the actions carried out by each operational area, evaluate the impacts associated with them and establish the environmental controls that allow us to prevent, mitigate, correct or compensate for the negative environmental impacts and maximize the positive effects of our operations, giving priority to preventative measures by implementing world-class environmental practices and standards. All of the above is done as part of our Environmental Management System (EMS), certified under the ISO 14001:2015 standard, and our environmental policy, which establishes our commitment to continuous improvement, protecting and preserving the environment, improving our environmental performance and the well-being of the communities near our operations.

Currently, we have identified a real negative impact on the soil caused by the waste generated by our operational, administrative and maintenance activities at our mine and port operations. This impact is limited to our Company's properties and, therefore, does not affect stakeholders in a way that requires their participation in the definition and implementation of the management measures we have put in place to address it. On the other hand, as a real positive impact, we have identified a reduction in the disposal of ordinary, recyclable and hazardous waste, through the proper implementation of waste source separation, sorting and reuse processes as part of our circular economy strategy.

Along these lines, we have structured and implemented comprehensive waste management and bioremediation programs for soil contaminated with hydrocarbons in order to properly manage the negative impacts on the soil, applying strategies focused on the effectiveness of the management and monitoring measures implemented.

Some of the measures adopted to manage the real and potential negative impacts that we have identified are:



Creating and sharing the Environmental Rules Manual: a document that establishes guidelines that all of our employees and contractors must meet to prevent, mitigate and correct the environmental impacts associated with the generation of waste.

Link to access the Environmental Rules Manual, Paujil mobile application:

Android:



Apple:



Creating and sharing Environmental Guides: documents that establish the environmental standards that must be met at our mining and port operations to manage the waste that is generated; the goal of this process is to raise awareness among our employees and contractors, activities carried out through the in-person and virtual training cycles conducted at our Company.

Creating and implementing the Comprehensive Waste Management Program: it contains objectives, goals and environmental indicators, as well as measures to control and monitor the effectiveness of the waste sorting, classification, reuse and waste disposal processes.

Structuring and implementing the Soil Bioremediation Program: it contains objectives, goals, environmental indicators as well as measures to control and monitor the effectiveness of the treatment process for soil contaminated by hydrocarbons as the result of spills that may occur in the mining operations from time to time.

Operation of four sorting and temporary storage stations for recyclable, hazardous and special waste.

Installation and maintenance of 565 recycling centers in the different areas of our mining and port operations: used to separate ordinary, recyclable and hazardous waste.



Planning and executing the Environmental inspection program: verifying compliance with the environmental standards established by the company to properly manage its waste. **1,229** inspections were carried out by environmental professionals with extensive experience on the matter; any deviations identified in the process were recorded in our Company's Environmental Monitoring System (<https://sef.drummondco.net>) to be managed appropriately and in a timely manner.

Creating and developing the "Paujil" application: designed for company employees, contractors and visitors to look up relevant environmental information online.

Link to access the application:

Android:



Apple:



Planning and executing training and environmental awareness sessions for employees and contractors on waste management: in 2023 four training and awareness sessions were held, providing **11,177** man-hours of training on the topics listed below:

- Handling of equipment containing dielectric oils and handling of waste contaminated with PCBs.
- Comprehensive waste management (standards for separation, use and disposal).
- Waste management applied to organizing and cleaning.
- **"SE-PA-RATE, IT'S IN YOUR HANDS"** environmental awareness campaign.

Operation and maintenance of the landfill: an environmental facility intended for the disposal of ordinary waste generated in the mining operations.

Hiring companies specializing in the collection, transportation, sorting, reuse and disposal of the waste generated in the mining and port operations: in 2023 we invested **COP 2,904,243,336 (USD 660,742)** in the internal management of the waste generated at our operations.

Hiring specialized environmental managers authorized for the collection, transportation, reuse, treatment and disposal of the hazardous waste generated in the mining and port operations: in 2023 we invested **COP 10,558,929,416 (USD 2,402,252)** in the external disposal and reuse of the waste generated in our operations through specialized environmental managers.



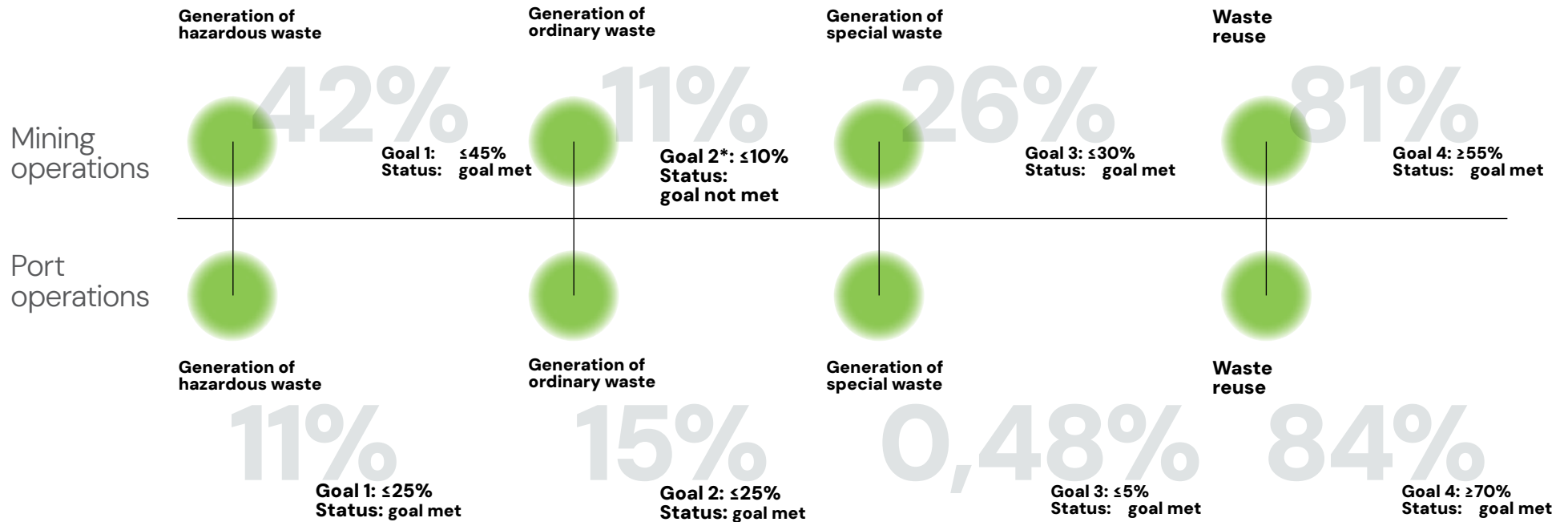


At Drummond Ltd., we have established mechanisms for the management and monitoring of our waste management cycle strategies, which include:

- Scheduling and executing environmental monitoring and control inspections of all the activities carried out in our mining and port operations, as well as those carried out by our contractors.
- Scheduling and executing operational inspections of environmental facilities that support the waste source separation, sorting, reuse and disposal processes.
- Scheduling and executing ISO 14001:2015 internal and external audits of the Environmental Management System.
- Scheduling and executing environmental compliance audits of the Environmental Managers responsible for waste transportation, reuse and disposal.
- Structuring and implementing the integrated waste management and bioremediation programs for soil contaminated by hydrocarbons, to properly manage the negative impact of soil damage through the application of strategies focused on the effectiveness of the management and monitoring measures implemented.



TO EVALUATE COMPLIANCE WITH AND THE EFFECTIVENESS OF THE MEASURES IMPLEMENTED BY DRUMMOND LTD., WE ESTABLISHED GOALS AND CONDUCTED THE APPROPRIATE MONITORING:



* With respect to the 2023 goal for the Generation of ordinary waste, it is important to note that the goal set in 2022 (≤10%) established a very strict limit for the waste generation variable. For this reason, in 2023 this goal needed to be updated, setting it based on the limit established in the environmental performance indicators from the environmental management plans for the La Loma and El Descanso mining projects. Along these lines, the new goal for the Generation of ordinary waste variable is ≤35%.

Thanks to the effectiveness of the measures implemented in the waste separation, sorting and reuse processes, in 2023 we met the majority of the goals set in our comprehensive waste management program. **As a result, we reused 82% of the waste generated in our mine and port operations, that is, we reused 24,932 tons of the 30,581 tons of waste produced.**

The management and implementation of the strategies that we have developed are part of a continuous improvement process, which includes holding environmental meetings as an initiative to share the results of the environmental performance achieved by our contractors that perform operational activities at our operations.

As part of the management strategies implemented, in the second half of 2023 we conducted the **“SE-PA-RATE, IT’S IN YOUR HANDS,”** environmental campaign, an activity aimed at our employees and contractors whose main objective was to raise awareness about good practices in separating waste.

Finally, the Company has the Paujil mobile application, a technological platform that provides online access to environmental information of interest to our employees, contractors and visitors. Through this application, we involve our stakeholders in the implementation of our work.





Waste generation and significant waste-related impacts (306-1)

As a result of the process of identifying and evaluating our environmental impacts, we present the balance of inputs (supplies, materials and equipment) and outputs (hazardous, recyclable and ordinary waste) associated with the operational and administrative activities in our operations that have real significant impacts on our soil resources.



FRAMEWORK 01. CHARACTERIZATION OF WASTE-GENERATING ACTIVITIES

Inputs

Type: Inputs and Materials

- Elements
- Food preparation supplies
- Cleaning supplies and materials
- Lubricants (greases and oils)
- Fuel (diesel and gasoline)
- Industrial packaging
- Civil construction supplies and materials
- General chemical products
- Ammonium nitrate
- Degreasers
- Equipment parts and replacements

Type: Equipos

- Elements
- Mining and support equipment

Activities

- Office cleaning
- Food preparation
- Infrastructure maintenance
- Extraction and hauling of overburden
- Coal mining and hauling
- Loading coal onto trains
- Electrical and electronic maintenance
- Mining equipment maintenance
- Light equipment maintenance
- Unloading coal at the Port
- Loading coal onto ships

Outputs

Elements

- Hazardous waste
- Recyclable waste
- Ordinary waste

Environmental impact

Negative:

Soil damage

Positive:

Reuse and recycling

In the Environmental Department, we update the identification and evaluation of the environmental impacts using the balance of inputs and outputs each year.

Management of significant waste-related impacts (306-2)

NUMBER OF SIGNIFICANT INCIDENTS ASSOCIATED WITH HAZARDOUS WASTE MANAGEMENT DURING THE REPORTING PERIOD
(EM-CO 150a.7)

As a key management measure, at Drummond Ltd. we sort all waste generated according to its characteristics. To do so, we have provided **215 containers for handling ordinary waste and 350 clean containers for recyclable and hazardous waste at our mining and port operations**, making it possible to sort and separate waste at the source.

The management, disposal and reuse of all waste takes place by separating it at the sorting stations in each of the waste-generating areas, classified according to the color code assigned based on its characteristics. The waste separated in the corresponding containers is collected **and transported as follows:**



Hazardous waste:

it is collected and transferred to the hazardous waste sorting and storage station (RESPEL), where it is stored temporarily until it is delivered to the authorized environmental managers for its transportation, reuse, treatment and final disposal.



Recyclable waste:

it is collected and transferred to the sorting and storage station, where it is temporarily stored until it is handed over to our environmental managers for inclusion in the reuse and recycling processes.



Ordinary waste:

in the mining operations, it is collected and moved to the landfill at the Pribbenow Mine for final disposal; at the port operations, it is collected by the public sanitation service operator in Santa Marta.



Organic waste:

it is generated at food production sites and stored in special rooms until it is delivered to our environmental managers to be included in biotransformation and composting processes.



Additionally, as part of our strategy for properly managing our waste, we constantly raise awareness among our employees, contractors and visitors about how we manage the waste generated in our operations, and we also have an audit program aimed at verifying the contractual obligations, technical operational aspects and legal requirements that the environmental managers hired for the collection, transportation, disposal, treatment and reuse of our waste must meet. As part of that program, in 2023 we conducted 14 audits, which showed compliance with the technical aspects and legal requirements based on the information contained in the disposal and reuse certificates that were issued.

Finally, our waste management process ends by consolidating information on the generation and reuse of waste in databases, which makes it possible to trace the types of waste generated and how they are handled by operating site (mine and port).

During 2023, there were no incidents related to hazardous waste management.

Waste generated (306-3)

TOTAL WEIGHT OF NON-MINERAL WASTE GENERATED
(EM-CO-150a.2)

TOTAL WEIGHT OF HAZARDOUS WASTE GENERATED
(EM-CO-150a.5)

TOTAL WEIGHT OF HAZARDOUS WASTE RECYCLED
(EM-CO-150a.6)

As a result of our work and monitoring of waste generation and management, in 2023 we obtained the results presented in Table 13.



Table 13. Solid waste generation in 2023

Type of waste	Unit of measure	2022			2023		
		Waste generated	Directed for reuse or recycling	Directed for disposal	Waste generated	Directed for reuse or recycling	Directed for disposal
Weight of hazardous waste	Ton	10,798.3	8,925	2,573.7	11,624.5	8,355.9	3,334.4
Weight of non-hazardous waste (recyclable and ordinary)	Ton	21,254.7	19,599.7	2,321.7	18,956.5	16,576.3	2,347.5
Total weight of all waste	Ton	32,053.0	28,524.7	4,895.4	30,581	24,932.3	5,681.9



In accordance with the guidelines established in our environmental policy, we successfully implemented the management and monitoring measures established in our Comprehensive Waste Management (CWM) program; as a result, **we were able to reuse 82% of the waste generated in our mine and port operations**, using **24,932.3 tons** of the **30,581 tons** produced. It is important to note that 54% of the waste that was reused (16,576.3 tons) corresponded to non-hazardous waste, such as: scrap metal, wood, cardboard, plastic, glass and used tires, while the remaining 27% (8,355.9 tons) corresponded to

hazardous waste, such as: oily solids, used oils, fluorescent lights, batteries, soils contaminated by hydrocarbons and electrical appliances and electronics.

The amount of hazardous waste generated totaled **11,624.5 tons**, and the non-hazardous waste totaled 18,956.5 tons, for a total of **30,581 tons** of waste generated. It is important to mention that the reuse statistics included **65.8 tons** of waste from the 2022 period, corresponding to soils contaminated with hydrocarbons that were reused during 2023.



Waste diverted from disposal

(306-4)

We manage and consolidate the data on the waste generated that is directed for final disposal; the results obtained for the 2023 period are presented in Table 14.

Table 14. Waste generated directed for reuse

Type of waste	Unit	2022		2023	
		Waste generated	Type of waste	Waste generated	Type of waste
Hazardous waste directed for reuse or recycling, which will be reused ¹	Tons	1,405.5	Hazardous waste: bioremediated soils	967.7	Hazardous waste: bioremediated soils
Hazardous waste directed for reuse or recycling, which will be recycled ²	Tons	5,688.4	Hazardous waste: used oils, batteries, fluorescent lights, drums and containers for chemical products and electrical and electronic waste	5,689.2	Hazardous waste: used oils, batteries, fluorescent lights, drums and containers for chemical products and electrical and electronic waste
Hazardous waste directed for reuse or recycling, which will be used in recovery processes ³	Tons	1,831.1	Hazardous waste: oily solids	1,699.1	Hazardous waste: oily solids
Total weight of hazardous waste directed for reuse or recycling	Tons	8,925,0		8,355,9	
Non-hazardous waste directed for reuse or recycling, which will be reused ⁴	Tons	1,541.4	Non-hazardous waste: wood	1,436.4	Non-hazardous waste: wood
Non-hazardous waste directed for reuse or recycling, which will be recycled ⁵	Tons	12,146.9	Non-hazardous waste: scrap metal, wood, cardboard, plastic, glass and organic waste	9,541,0	Non-hazardous waste: scrap metal, wood, cardboard, plastic, glass and organic waste
Non-hazardous waste directed for reuse or recycling, which will be used in recovery processes ⁶	Tons	5,911.4	Non-hazardous waste: used tires	5,598.9	Non-hazardous waste: used tires
Total weight of non-hazardous waste directed for reuse or recycling	Tons	19,599.7		16,576.3	
Total weight of waste directed for reuse or recycling	Tons	28,524.7		24,932.3	

- ¹ Weight of hazardous waste directed for reuse or recycling, which will be reused:
 - Bioremediated soils: internally, 967.6 tons were used in replanting processes in the areas disturbed by the mining operation.
- ² Weight of hazardous waste directed for reuse or recycling, which will be recycled:
 - Used oils: internally, 1,942.2 tons were recycled as an input in the explosive agent manufacturing process for blasting. Externally, 3,404.6 tons were recycled by an authorized environmental manager.
 - General RESPEL (batteries, fluorescent lights and electrical and electronic waste): 342.3 tons were recycled externally by authorized environmental managers through post-consumption plans.
- ³ Weight of hazardous waste directed for reuse or recycling, which will be used in recovery processes:
 - Oily solid waste: externally, 1,699.1 tons of waste were managed through energy recovery processes.

- ⁴ Weight of non-hazardous waste directed for reuse or recycling, which will be reused:
 - Wood: internally, 1,436.4 tons were used as an organic material input in the soils used in the replanting processes in areas disturbed by the mining operations.
- ⁵ Weight of non-hazardous waste directed for reuse or recycling, which will be recycled:
 - Recyclable waste: this waste was incorporated externally into new production processes. (scrap metal (8,140.3 tons), cardboard (235 tons), plastic (58.5 tons) and glass (3.1 tons).
 - Organic waste: this waste was incorporated externally into biotransformation and composting processes for the production of organic fertilizer (1,104 tons).
- ⁶ Weight of non-hazardous waste directed for reuse or recycling, which will be used in recovery processes:
 - Used tires: used tires from mining equipment and light vehicles (5,589.9 tons) were managed externally by environmental managers through their incorporation into energy recovery processes.

IT SHOULD BE NOTED THAT THE FOLLOWING WASTE IS MANAGED OUTSIDE OF OUR FACILITIES:

Organic waste and used vegetable oils.

Recyclable waste: plastics, cardboard, glass and metals

General hazardous waste: fluorescent lamps, lead and acid batteries, alkaline batteries, drums and containers for chemical products, and electrical and electronic equipment waste.

Oily hazardous waste: used lubricating oil, used hydraulic oil, drums from grease and lubricants.





In 2023, we had a 15% drop (16,576.3 tons) in the reuse of non-hazardous waste compared to the data from 2022 (19,599.7 tons); the drop was mainly due to the reduction in reuse of scrap metal (24%), glass (43%), wood (7%) and used tires (5%), which was related to the 11% drop (18,956.5 tons) in the generation of non-hazardous waste in 2023 as compared to 2022.

Additionally, we had a 6% drop (8,355.9 tons) in the reuse of hazardous waste as compared to 2022 (8,925 tons); this drop was mainly due to the 31% reduction in the reuse of soils contaminated with hydrocarbons.

The proper management of hazardous and non-hazardous waste is supported by reports, records and certificates (of receipt, disposal or reuse), issued by authorized our environmental managers. All of the information on the generation and reuse of waste is recorded in a database for its consolidation and analysis.⁷

⁷ The management and safe keeping of the supporting documents corresponding to hazardous and non-hazardous waste management are the responsibility of our Environmental Department.



Waste directed to disposal (306-5)

Type of waste	Unit	2022		2023	
		Waste generated	Type of waste	Waste generated	Type of waste
Hazardous waste directed for disposal by incineration, with energy recovery	Tons	0		0	
Hazardous waste directed for disposal by incineration, without energy recovery	Tons	0.7	Hazardous waste: biosanitary	0,9	Hazardous waste: biosanitary
Hazardous waste directed for disposal in landfill	Tons	387.7	Hazardous waste: general	384,9	Hazardous waste: general
Hazardous waste directed for disposal in other disposal operations	Tons	2,185.3	Hazardous waste: oily water	2.948,6	Hazardous waste: oily water
Total weight of hazardous waste directed for disposal⁸	Tons	2.573,7		3.334,4	
Non-hazardous waste directed for disposal by incineration, with energy recovery	Tons	0		0	
Non-hazardous waste directed for disposal by incineration, without energy recovery	Tons	0		0	
Non-hazardous waste directed for disposal in landfill	Tons	2.321,7	Non-hazardous waste: ordinary waste	2.342,7	Non-hazardous waste: ordinary waste
Non-hazardous waste directed for disposal in other disposal operations	Tons	0		4,8	Non-hazardous waste: demolition and construction waste (DCW)
Total weight of non-hazardous waste directed for disposal⁹	Tons	2,321.7		2,347.5	
Total weight of waste directed for disposal¹⁰	Tons	4,895.4		5,681.9	

⁸ Weight of hazardous waste directed for disposal by incineration without energy recovery: corresponds to biosanitary and/or hospital waste resulting from medical care for staff, which are treated through an incineration process by an authorized environmental manager.

- Weight of hazardous waste directed for disposal in landfill: corresponds to hazardous solid waste that, due to its characteristics, cannot be used and is encapsulated in safety containers by an authorized environmental manager.
- Weight of hazardous waste directed for disposal in other disposal operations: corresponds to oily water from industrial wastewater treatment systems that

is collected by an authorized environmental manager and subsequently treated in treatment plants.

⁹ Weight of non-hazardous waste directed for disposal in landfill: corresponds to ordinary common waste that, due to its characteristics, cannot be reused and is disposed of in the landfill.

¹⁰ Weight of non-hazardous waste directed for disposal in other disposal operations: corresponds to demolition and construction waste (DCW), which is collected by an authorized environmental manager.



THE FOLLOWING WASTE WAS MANAGED OUTSIDE OUR FACILITIES THROUGH OUR AUTHORIZED ENVIRONMENTAL MANAGERS:

- General hazardous waste:** items coated in paints and solvents, empty chemical product containers (bags of ammonium nitrate, Solkaflam fire extinguishers, emulsifier bags, freon cylinders, etc.).
- Biosanitary and/or hospital waste:** the result of medical care for staff.
- Hazardous oily waste:** oily water, items or materials contaminated by hydrocarbons (gloves, burlap cloths, rags, oil filters, rubber, plastic, mineral grease, hydraulic hoses, etc.).

During 2023, we had a 16% increase (5,681.9 tons) in the disposal of waste generated as compared to the data from 2022 (4,895.4 tons). We also had a 1% increase (2,347.5 tons) in the disposal of non-hazardous waste as compared to the data from 2022 (2,321.7 tons). This was mainly caused by the 2% increase in the disposal of ordinary waste in the landfill and the inclusion of the demolition and construction waste (DCW) data in the statistics. We had a 30% increase (3,334.3 tons) in the disposal of hazardous waste are compared to the data from 2022 (2,573.7 tons). This was caused by the increase in the disposal of biosanitary waste and oily water.

TOTAL WEIGHT OF WASTE ROCK GENERATED DURING THE REPORTING PERIOD (EM-CO 150a.4)

2023: 421,720,300
2022: 459,987,051
Rock

2023: 6,398,874
2022: 2,410,432
Soil

TOTAL WEIGHT OF WASTE ROCK GENERATED (TONS)
2023: 572,438,497

2022: 561,939,798

2023: 144,319,323
2022: 99,542,315
Alluvial

In 2023, we generated 572,438,497 tons of rock, alluvial material and soil waste. 100% of this waste was deposited inside our property. Specifically, 31.75% (181,765,539 tons) was deposited in backfill areas and 68.25% (390.672.957 tons) was deposited in landfill areas.¹¹

¹¹ These numbers come from the dispatch system, where we store records by load. Each load is indexed with the weight recorded by the truck scale at the time of loading.



Milestones

- We reincorporated 16,576.3 tons of non-hazardous waste into the reuse and recycling processes, achieving a reuse rate of 87% for this type of waste.
- We reincorporated 8,355.9 tons of hazardous waste into the reuse and recycling processes, with reuse rate of 72% for this type of waste.
- We reincorporated 5,598.9 tons of used tires from mining equipment and light vehicles into the reuse, recycling and energy recovery processes.
- We internally recycled 1,942.2 tons of used oil, utilized at the Pribbenow Mine, as an input in the blasting agent manufacturing process.

Challenges

Mining operations

- To keep total waste reuse above 55%.
- To keep the reuse of non-hazardous waste at or above 35%.
- To keep the reuse of hazardous waste at or above 15%.

Port operations

- To keep total waste reuse above 70%.
- To keep the reuse of non-hazardous waste at or above 50%.
- To keep the reuse of hazardous waste at or above 20%.



TALENT MANAGEMENT

Management of material topics (GRI 3-3)

We recognize the importance of promoting the comprehensive development of our employees through the four pillars of organizational culture: equality, respect, transparency and tolerance. This allows us, on the one hand, to create healthy spaces and environments, focusing on productivity and teamwork, and on the other hand, to have a significant impact on our surroundings by creating employment opportunities in the areas of influence of our operations, prohibiting discrimination and child labor, offering benefits to improve the quality of life of our employees and stakeholders, and also promoting equity and an environment that is conducive to the execution of our operations.



We manage human talent in accordance with our different corporate policies, which contain key guidelines on human resources, human rights, freedom of association, compensation and wages for our employees, recruitment and hiring, as well as matters related to the right to disconnect and remote work . All of the above is in accordance with the three main areas of focus established in our policies: recruitment and hiring; compensation and benefits; and labor relations.

¹ <https://www.drummondLtd.com/en/about-us/policies-and-commitments/>

Areas of focus in talent management



Recruitment and hiring:

To hire qualified personnel, with high professional and ethical standards, who can rise to our organizational challenges and adapt to the dynamics of our employment relationships.



Compensation and benefits:

To generate well-being and quality of life for our employees and their families.



Labor relations:

To promote a work environment based on values such as respect, communication and tolerance, among others, which are fostered through our employees' soft and technical skills.

For us the continuous improvement of our processes and operations is critical, which is why we have our Internal Audit Department, whose mission is to review compliance with our guidelines, directives, the applicable laws and our established policies and procedures, order to identify opportunities for improvement, as well as internal controls and the management of risks associated with the sustainability and continuity of our operations. We have also implemented several management systems that periodically audit the Human Resources department

to verify the measures taken to comply with our policies, procedures, guidelines and commitments established as opportunities for improvement.

All of our processes related to human talent are carried out with the active participation of our employees, taking into account the importance of both continuous improvement and listening to their feedback regarding the actions, programs and strategies that are designed and incorporated into our operations.



Diversity of governance bodies and employees

(GRI 405-1)

At the end of 2023, we had 5,340 direct employees in our administrative, mining and port operations, which represents an increase of 182 employees compared to the number of employees at the end of 2022.



Table 15. Classification of employees by age and job level

	Operations		Support		Professional		Tactical		Strategic		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Employees under the age of 30	283	15	38	17	40	15	0	0	0	0	361	47
Employees between the ages of 30 and 40	1,358	25	81	22	252	47	7	2	2	0	1,700	96
Employees between the ages of 40 and 50	1,197	27	44	4	297	36	50	5	40	3	1,628	75
Employees over the age of 50	1,015	3	13	7	244	18	44	3	80	6	1,396	37
Total employees in 2023	3,853	70	176	50	833	116	101	10	122	9	5,085	255

Graph O2. Classification of employees by age and job level

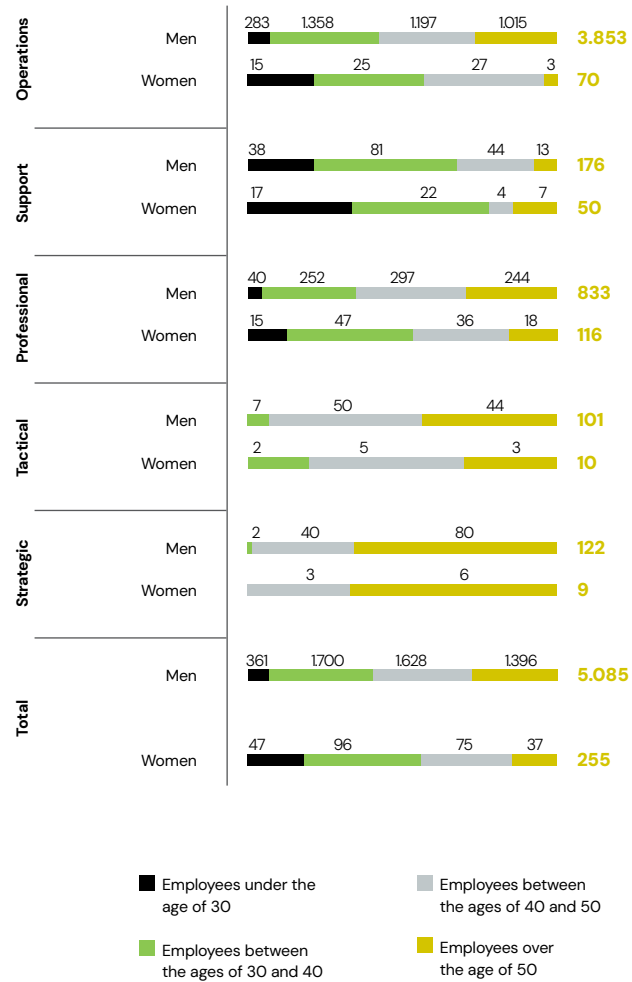


Table 16. Percentage of employees by job category and gender

	Men	Women
Operations	98%	2%
Support	78%	22%
Professional	88%	12%
Tactical	91%	9%
Strategic	93%	7%
Total	95%	5%

Table 17. Percentage of employees by job category and age group

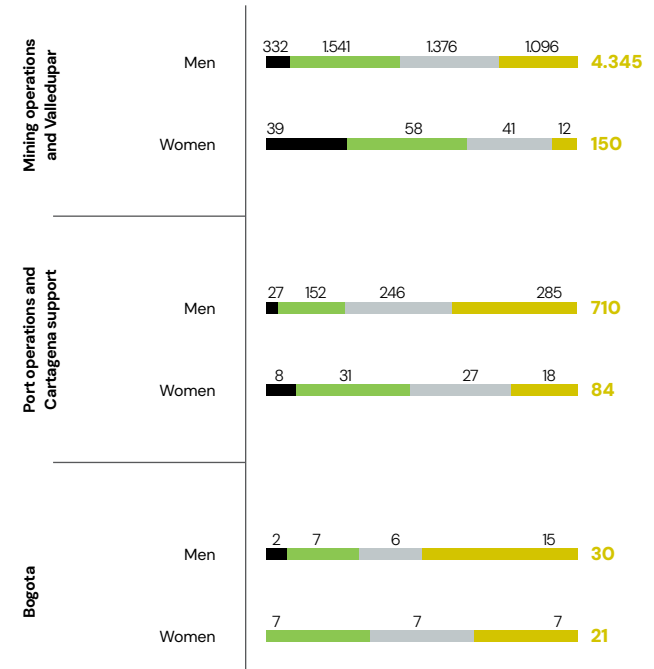
	Operations	Support	Professional	Tactical	Strategic	Total
Employees under the age of 30	8%	24%	6%	0%	0%	8%
Employees between the ages of 30 and 40	35%	46%	32%	8%	2%	34%
Employees between the ages of 40 and 50	31%	21%	35%	50%	33%	32%
Employees over the age of 50	26%	9%	28%	42%	66%	27%



Table 18. Employees by age, gender and center of operations

	Mining operations and Valledupar		Port operations and Cartagena support		Bogota		TOTAL	
	Men	Women	Men	Women	Men	Women	Men	Women
Employees under the age of 30	332	39	27	8	2	0	361	47
Employees between the ages of 30 and 40	1,541	58	152	31	7	7	1,700	96
Employees between the ages of 40 and 50	1,376	41	246	27	6	7	1,628	75
Employees over the age of 50	1,096	12	285	18	15	7	1,396	37
Total employees by age	4,345	150	710	84	30	21	5,085	255

Chart 03. Employees by age, gender and center of operations



- Employees under the age of 30
- Employees between the ages of 30 and 40
- Employees between the ages of 40 and 50
- Employees over the age of 50



New employee hires and staff turnover

(GRI 401-1)

During 2023 we saw a significant change in employment trends with 383 new hires, which represented an increase of 60.92% compared to 2022. It is important to highlight that hiring opportunities have been created, in large part, to fill vacancies that have arisen due employee retirements.

Our recruiting practices prioritize inclusion and equity. Eliminating barriers related to age, gender, sexual orientation, ideology or race represent a critical aspect of attracting the best talent in the recruitment processes during this period.



Table 19. New hires by age, gender and center of operations

	Mining operations and Valledupar		Port operations and Cartagena support		Bogota		TOTAL		NEW EMPLOYEE HIRE RATE	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
New hires under the age of 30	104	15	10	5	1	0	115	20	31.86	42.55
New hires between the ages of 30 and 40	172	9	9	1	4	2	185	12	10.88	12.50
New hires between the ages of 40 and 50	41	0	2	1	0	1	43	2	2.64	2.67
New hires over the age of 50	6	0	0	0	0	0	6	0	0.43	0.0
Total new hires by age	323	24	21	7	5	3	349	34	6.86	13.33



We promoted the hiring of employees from the departments of Cesar and Magdalena and the Caribbean Region, generating employment opportunities for people from our area of influence.

The increase in hiring from these regions of the country and our hiring practices demonstrate our ongoing commitment to creating an inclusive work environment that fosters innovation and professional growth for our employees.



Table 20. New hires by region, gender and center of operations

	Mining operations and Valledupar		Port operations and Cartagena support		Bogota		TOTAL		NEW EMPLOYEE HIRE RATE	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
New hires from the department of Cesar	240	20	1	1	0	0	241	21	8.04	16.15
New hires from the department of Magdalena	19	1	12	5	0	0	31	6	4.73	12
New hires from the Caribbean Region	50	1	7	0	0	0	57	1	6.37	4.17
New hires from other departments in Colombia	14	2	1	1	5	3	20	6	3.73	11.76
Total new hires by region	323	24	21	7	5	3	349	34	6.86	13.33

Table 21. Employee separations by age, gender and center of operations

	Mining operations and Valledupar		Port operations and Cartagena support		Bogota		TOTAL		PERSONNEL TURNOVER RATE	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Employee separations under the age of 30	13	3	0	0	0	0	13	3	3.60	6.38
Employee separations between the ages of 30 and 40	45	1	4	1	0	0	49	2	2.88	2.08
Employee separations between the ages of 40 and 50	12	1	3	0	0	1	15	2	0.92	2.67
Employee separations over the age of 50	90	1	26	1	1	1	117	3	8.38	8.11
Total separations by age	160	6	33	2	1	2	194	10	3.82	3.92

Table 22. Employee separations by region, gender and center of operations

	Mining operations and Valledupar		Port operations and Cartagena support		Bogota		TOTAL		PERSONNEL TURNOVER RATE	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Employee separations from the department of Cesar	69	2	2	0	0	0	71	2	2.37	1.54
Employee separations from the department of Magdalena	10	1	13	1	0	0	23	2	3.51	4.00
Employee separations from the Caribbean Region	49	2	5	0	0	0	54	2	6.03	8.33
Employee separations from other departments in Colombia	32	1	13	1	1	2	46	4	8.58	7.84
Total employee separations by region	160	6	33	2	1	2	194	10	3.82	3.92

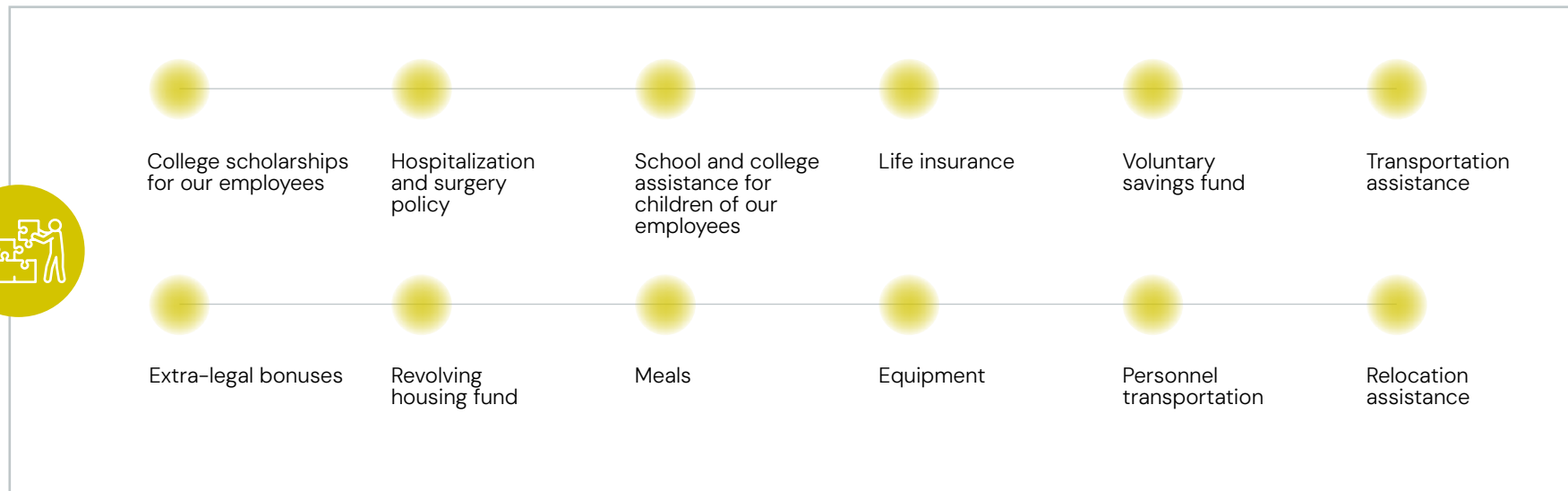


Benefits provided to full-time employees that are not provided to part-time or temporary employees

(GRI 401-2)

As an organization, we are proud of the significant progress we have made in terms of benefits for our employees and their families. Our dedication and commitment to creating a work environment that promotes well-being and improves our employees' quality of life has been critical in this process.

Additionally, to be an attractive employer, we offer a compensation scheme with additional benefits for our direct employees, which includes their families in some cases and for specific benefits. The mining and port operations, which are our significant places of operation, account for 98.88% of this population. The main benefits we offer include:



Parental Leave

(GRI 401-3)

We understand the needs of our employees in terms of their family life, and we have actively supported their parental responsibilities. To this end, we offer parental leave, to the extent that our employees require it. As a

result of these actions, the data for 2023 shows that of 239 employees who requested maternity/paternity leave (4 women and 235 men), 238 returned to work after their leave ended, which represents a 99.58% return rate.

Table 23. Return to work

	Units	2023		2022		2021		2020	
		Women	Men	Women	Men	Women	Men	Women	Men
a. Number of employees due to return to work after their maternity/paternity leave during the reporting period	Number	4	235	6	245	6	291	10	273
b. Number of employees who returned to work after the end of their maternity/paternity leave during the reporting period	Number	3	235	6	245	6	291	10	273
c. Return to work rate	Percentage	75	100	100	100	100	100	100	100
b. Number of employees who returned to work after the end of their maternity/paternity leave in the year before the reporting period	Number	6	245	6	291	10	273	10	332
e. Number of employees who continue to work at the Company 12 months after returning from their maternity/paternity leave	Number	6	237	6	288	9	271	10	332
f. Retention rate after maternity/paternity leave	Percentage	100	97	100	98.96	90	99.26	100	100



Average hours of training per year per employee

(GRI 404-1)

Programs for upgrading employee skills and transition assistance programs

(GRI 404-2)

Our employees' ongoing development is critical to us. We recognize that training and support programs during job transition periods primarily benefit the growth of our human resources and promote the overall success of our operations. During 2023, our Training, Industrial Safety, Occupational Health, Human Resources and Environmental departments worked together under the following principles:

- To provide training on knowledge and skills that have an impact on our Company.
- To maintain a balanced approach between the development of technical skills and human-related matters, which are useful in areas outside the Company and working life and, therefore, can be used by our employees after they leave.
- To develop a multi-skilled workforce.
- To strengthen safety and productivity by implementing work procedures.
- To provide high-quality training by identifying needs and selecting qualified instructors.

Based on these principles, we encourage academic training for our employees through partnerships with universities and by providing scholarships for employees who are pursuing undergraduate, postgraduate and/or master's degrees. As part of the results of these programs, during 2022, 124 employees were recipients of scholarships awarded by our Company, while in 2023 we awarded 146.

Employee scholarship recipients



We understand the importance of continuously improving the performance and efficiency of our operations, based on implementing training plans aimed at strengthening our employees' skills and knowledge. These plans designed based on the needs of the Company's profiles, categories and roles, including technical, theoretical and practical training sessions, as well as on-site talks and safety, health and environmental campaigns, among others.

As a result, during 2023 we provided a total of 369,966 hours of training at the operational level, 12,386 hours at the support level, 64,932 hours at the professional level, 5,744 hours at the tactical level and 3,556 at the strategic level.

Table 24. Training sessions

Topic	Units	Level 1 (Operational)	Level 2 (Support)	Level 3 (Professional)	Level 4 (Tactical)	Level 5 (Strategic)
Total number of hours of training given to men	Number	354,832.8	10,010.1	61,265.7	5,449.7	3,398.3
Total number of hours of training given to women	Number	15,133.5	2,375.6	3,665.8	294.8	158
Total hours of training	Number	369,966	12,386	64,932	5,744	3,556
Total number of male employees	Number	3,853	176	833	101	122
Total number of female employees	Number	70	50	116	10	9
Total number of employees	Number	3,923	226	949	111	131

Table 25. Average hours of training in 2023

Average	Level 1 (Operational)	Level 2 (Support)	Level 3 (Professional)	Level 4 (Tactical)	Level 5 (Strategic)
Average hours of training received by men in 2023, by employee category	92.1	56.9	73.5	54.0	27.9
Average hours of training received by women in 2023, by employee category	216.2	47.5	31.6	29.5	17.6
Average hours of training received by employees in 2023, by employee category	94.3	54.8	68.4	51.8	27.1



Drummond Tech Training Centre

During 2023, our Drummond Tech Training Center continued to solidify its work in the mining operations, focusing on strengthening employee motivation, skills and performance through specialized training and the implementation of interactive and innovative learning methodologies and techniques.

During this period, we remodeled and opened five new classrooms, which contributed to implementing the curricula designed specifically for the operations, maintenance, administrative, electricians, welders and process leaders groups.

Our Drummond Tech Training Centre has a team of high-level outside instructors, including professionals from the National Apprenticeship Service (SENA). These instructors not only have the necessary educational and technical skills, but are also committed to excellence in training.

This collaboration reflects our firm commitment to providing employees with the highest quality in their professional development, thus ensuring the continued success of our mining operations.

COMPREHENSIVE LEADERSHIP PROGRAM

To strengthen leadership at all levels, in 2023 we introduced the Comprehensive Leadership Program, a strategic corporate initiative implemented at our mining, port and Bogota operations, which aims to improve communication skills and cultivate effective leadership among our process leaders. This effort was conceived and launched by the Human Resources Recruitment and Development area, in close cooperation with the Training Department and the Drummond Tech Training Center, in partnership with a nationally-recognized university.

In this first stage of the program, we focused on developing key skills, such as effective communication and leadership and the ability to influence, which are critical for the success of our leaders in a dynamic and challenging environment.



Percentage of employees receiving regular performance and career development reviews

(GRI 404-3)

By measuring our performance, we monitor opportunities for improvement and recognize our teams' talent and hard work. We evaluate employees annually using the 90° methodology, which consists of setting goals by the employee and their supervisors that must be measurable and traceable throughout the year. At the end of the period, we carry out a performance evaluation, which identifies the achievements made and establishes the improvement plans for the following year.

The results of the performance evaluations have become a tool that has allowed us to identify opportunities for improvement among our leaders in soft skills, with the aim of carrying out various initiatives, such as the Comprehensive Leadership Training Program, to strengthen them.

Table 26. Percentage of employees who received performance evaluations²

	Level 1 (Operational)	Level 2 (Support)	Level 3 (Professional)	Level 4 (Tactical)	Level 5 (Strategic)
Men	7%	94%	94%	95%	64%
Women	45%	92%	95%	90%	67%
Percentage evaluated out of the total number of employees	10%	93%	94%	95%	64%

Table 27. Percentage of employees who have received performance evaluations, by level (2020-2023)

	Level 1 (Operational)	Level 2 (Support)	Level 3 (Professional)	Level 4 (Tactical)	Level 5 (Strategic)
2020	11%	97%	95%	93%	62%
2021	12%	97%	97%	99%	64%
2022	10%	87%	93%	97%	61%
2023	10%	93%	94%	95%	64%

² The calculation is based on the total data for salaried employees, since hourly employees are evaluated daily.



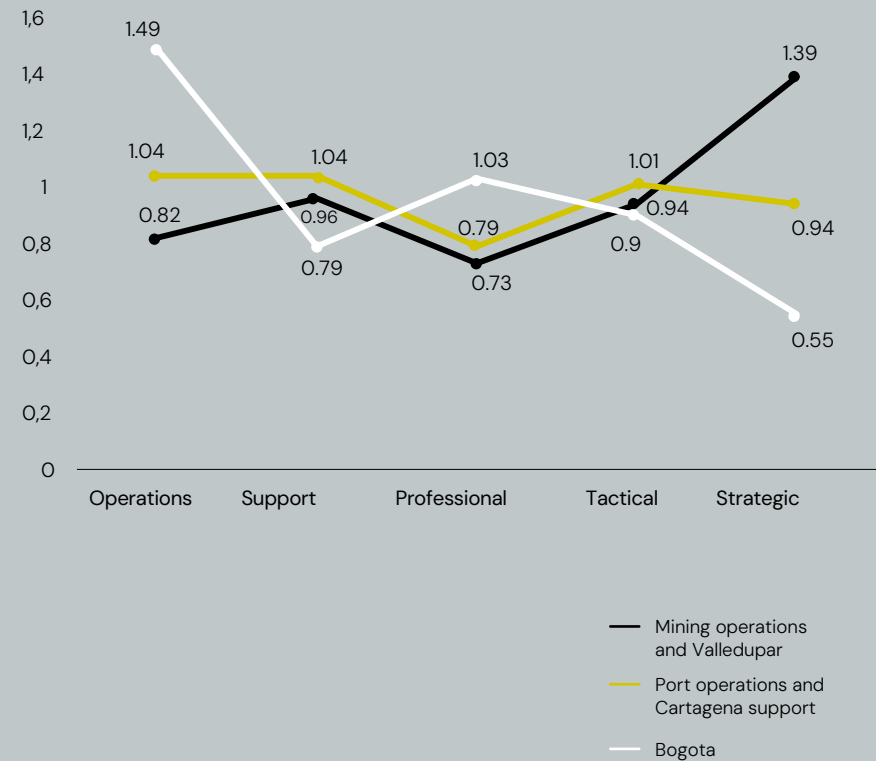
Ratio of basic salary and remuneration of women to men

(GRI 405-2)

Equal pay is essential, not only to retain our best talent, but also to promote a fair working environment for all staff. At Drummond Ltd., we have consistently promoted equity among employees. As evidence of the above, our policies indicate that salary distribution is based on objective criteria to establish fair compensation for each role, in order to avoid any wage gaps. Below we present our report on salary ratios by position at our Company's significant operations:

Level	Mining operations and Valledupar	Port operations and Cartagena support	Bogota
Operations	0.82	1.04	1.49
Support	0.96	1.04	0.79
Professional	0.73	0.79	1.03
Tactical	0.94	1.01	0.9
Strategic	1.39	0.94	0.55

Chart 04. Salary Ratio by Position (Male/Female)



Milestones

- We conducted our In-House training programs for 64 people (56 men and 8 women).
- We completed the Professionals in Training program at the mining operations for 20 professionals from our area of influence (Cesar); 18 of those professionals continue to work in operational and support areas at our company.
- Through Drummond Tech, we conducted training sessions aimed at topics specific to our employees' activities or positions.
- We started the Comprehensive Leadership Training program aimed at our employees in supervisory roles.

Challenges

- Complete the Professionals in Training program at the port.
- Continue with our In-House program based on the needs of our operation, and establish that in the In-House mining truck operation groups, 30% of recruitment will be for single mothers.
- Continue the leaderships training program for Colombians and expats.
- Promote tools that allow for continuous learning, such as podcasts.





OCCUPATIONAL HEALTH AND SAFETY

Management of material topics (GRI 3-3)

Occupational Health and Safety Management System (GRI 403-1)

Conscious of our commitment to ensure a safe and healthy working environment, we have implemented, based on the Company's internal policies, a series of occupational health and safety practices to contribute to protecting our employees. Additionally, we have seen that the main negative impacts are related to the occurrence of work-related accidents and occupational diseases. However, the real positive impacts on our employees and contractors correspond to the activities carried out to strengthen our safety culture. They are grouped into different self-care and prevention programs to comply with occupational health and safety standards, **which creates an increased perception of risk and self-care among our employees which allows us to turn industrial safety into a way of life.**

We have recognized that the occurrence of work-related accidents is directly related to our coal exploration, extraction, transportation and shipment activities. For this reason, we have implemented and maintained an Occupational Health and Safety Management System (OHSMS) to mitigate the causes that create risks for our employees. Additionally, for employees of our contractors who are also exposed to the risks inherent to their work and to the dangers that exist at our facilities, since 2012, we have adopted the RUC® model for our contractors, under which **the Colombian Safety Council carries out annual audits focused on evaluating effective risk management and compliance with Colombian occupational health and safety laws.** All of this is aligned with our Occupational Health and Safety Policy, which establishes our commitment to implementing actions aimed at promoting safe and healthy working conditions, such as:

- Identifying hazards to establish operational controls that allow us to prevent risks that could generate negative impacts.



- Constantly identifying hazards and applying preventing controls in accordance with the hierarchy mentioned above, as a measure to address potential negative impacts and their remediation.
- Reporting of unsafe acts and/or conditions by our employees and contractors, which helps us continuously improve our risk management processes and review the effectiveness of our operational controls, allowing them to be restructured, if necessary.

In terms of monitoring the effectiveness of the measures we have adopted, we carry out:

- Internal and external OHSMS audits, and each year we highlight and define their goals and objectives.
- Monitoring of management and impact indicators associated with the fulfillment of those goals.

Our employees, contractors, internal auditors and unions have participated in the measures that we have adopted to manage occupational health and safety. Some of these measures are: updating the hazard identification, defining the safety inspection programs, behavioral observations, managerial walk-throughs, reporting substandard actions and/or conditions, updating work procedures, participating

on the Joint Committee on Occupational Health and Safety (COPASST, in Spanish), and attending regular central committee meetings, and accident audits and investigations.

Additionally, external stakeholders such as the LRQA and Bettercoal certifying agencies have contributed to identifying opportunities for improvement in our OHSMS, as well as our Occupational Risk Administrator (ARL, in Spanish), which has advised us on the implementation of risk prevention and control programs. We have also received assistance from oversight entities, government agencies and external consultants, which have contributed to improving our performance in managing the health and safety of our employees and contractors.

At Drummond Ltd., **we implement the Occupational Health and Safety System (OSH)**, which complies with the guidelines of the ISO 45001:2018 standard and has certifications for our Pribbenow, El Descanso and El Corozo mines, and the receipt, handling and loading of coal at Puerto Drummond. Through this system we promote proactive control actions to prevent risks associated with accidents and occupational diseases, covering 100% of our permanent and temporary employees, students, interns and contractors in our different workplaces and during all of their shifts.





DISCUSSION OF MANAGEMENT OF ACCIDENT AND SAFETY RISKS AND LONG-TERM HEALTH AND SAFETY RISKS (EM-CO 320a.2)

Our senior management maintains as a fundamental principle the protection of the lives and integrity of our employees, contractors and visitors. Therefore, we constantly support the strengthening of the emergency preparedness and response process, which constitutes the last barrier when our risk controls have failed. **This process is based on four core concepts, which were addressed during 2023:**

- Tests to evaluate our response through emergency drills.
- Strengthening the skills of our brigade members and personnel involved in emergency response through training.
- Strengthening the emergency response structure through our Incident Command System.
- Securing emergency response equipment, which includes the addition of new rescue equipment, equipment for vehicle rescues and equipment for rescues in confined spaces.

Thanks to the support and commitment of our leaders in the emergency preparation and response process, we achieved the best coverage indicators in the training of brigade members and personnel involved in emergency response in the operation, maintenance and administrative areas. This exercise was supported by audits to verify the OHSMS requirements with Bettercoal and the LRQA certifying entity. Additionally, based on the identification and rating of threats and their level of risk, we have developed a series of Standard Operating Procedures (SOPs) to provide a specific response should these threats materialize. These responses indicate the procedures that must be followed by all those involved in responding to the emergency.



Identification of hazards, assessment of risks and investigation of incidents

(GRI 403-2)

To identify hazards within the Company, we have multiple sources, such as:

- The identification of all processes that we carry out in our operations and their related hazards.
- Change management: any change that is made in technology, tools and administrative decisions to change personnel, either temporary or permanent.
- The identification of hazards or Safe Work Analysis (SWA), which each employee performs before starting any non-routine work.
- The establishment of previously unidentified hazards, included in the hazard matrices, through the final analysis report on the causes of unwanted events.
- The communications, participation, concerns and suggestions from our employees through the different meetings and spaces we provide, which allow us to identify hazards.

Once the hazards have been identified, we assess the associated risks. This evaluation is carried out through a process of estimating the risks associated with the hazards identified and considering the effectiveness of the existing controls, the level of exposure, the probability of occurrence and the possible consequences. By doing so, we establish and implement operational controls using the following hierarchy:



When defining the operational controls, we carry out a planning process, which consists of establishing a monitoring plan for all controls, with a frequency that depends on the priority of the risk. After evaluating it, we verify the implementation of the controls along with their effectiveness in preventing accidents and diseases, in order to establish other preventive measures in addition to the controls or strengthen the existing ones.



We have several means for employees and contractors to report hazards or unsafe work conditions, such as: daily safety chats, direct communication with their supervisor, the Safety Observations Program, updating the hazard identification matrices and Safe Work Analysis (SWA), reports of health conditions (physical and mental) during the different types of occupational evaluations and corrective measures such as internal road safety citations. **Additionally, we encourage our employees and contractors to participate in the identification of hazards and risks, and in the timely reporting of any unsafe conditions.** Therefore, our employees or contractors have the autonomy to report hazards and, if necessary, stop any unsafe activity, work, action or condition that they identify, reporting it immediately and without reprisals. This is based on the fact that our employees have received risk management and self-care training, which includes hazard identification, risk evaluation and identification of operational controls.

If there is a workplace incident or accident, we implement the following procedure:

1. Creation of the investigative team
2. Gathering of evidence
3. Reconstruction of the events
4. Determination of causes
5. Implementation of corrective and improvement actions

In addition, we send all the reports and legal briefs to the relevant entities, such as the Occupational Risk Administrator (ARL, in Spanish), the Health Promotion Entities (EPS, in Spanish), the Regional Labor Office and the Special Labor Office under the Ministry of Social Protection.

Occupational health services

(GRI 403-3)

Promotion of worker health

(GRI 403-6)

Our main goal is to prevent and mitigate workplace accidents and occupational diseases throughout our operations. Therefore, we guarantee compliance with the ISO 45001:2018 standard, which encourages us to perform activities that are safe at all of our worksites for all of our employees and in all of the processes that we carry out. To comply with the above, **we identify high-priority risks at all stages of the process to implement operational controls, such as:** elimination, replacement, engineering controls, signage, warnings, administrative controls, personal protective equipment. We also have an emergency preparedness and response plan led by trained brigade members in each of the areas of operation, as well as strategies to respond effectively to any emergency situation that may arise.

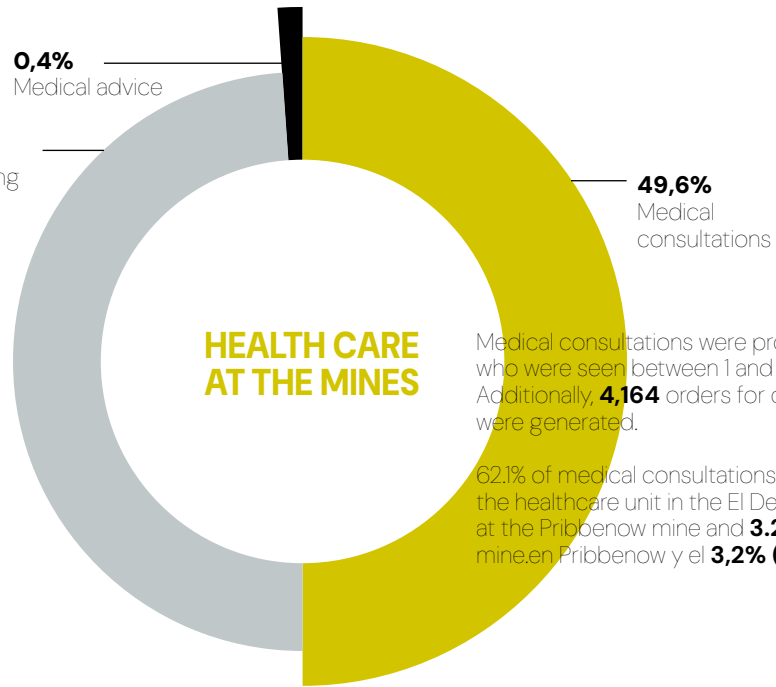
We facilitate and guarantee access to health care services inside and outside our facilities; additionally, director or in coordination with the Health Promotion Entities (EPS, in Spanish) or health insurance policy, we carry out activities in accordance with the priorities identified in medical diagnoses or according to the alerts and epidemiological information from each region, promoting the constant care of our employees and contractors at all locations. This is done with a focus that ensures their well-being and healthy lifestyles.

MINES

During 2023,

10,276

medical treatments were provided at the healthcare units at the mines, of which 5,138 were nursing visits, 5,100 were medical consultations and 38 were for medical advice. Of the total of 5,138 nursing visits, 4,182 (81.4%) were for administering drug and alcohol tests and 955 (18.6%) were for nursing procedures, and there was one visit to provide care for a non-priority case (triage 5). The 5,100 medical consultations were for 4,398 non-priority patients (triage 4 and 5) and 13 priority or urgent cases, in addition to 689 examinations for return to work.



HEALTH CARE AT THE MINES

Medical consultations were provided to **2,741** employees, who were seen between 1 and 12 times during the year. Additionally, **4,164** orders for occupational exams were generated.

62.1% of medical consultations (**3,166**) were carried out at the healthcare unit in the El Descanso mine, **34.7% (1,772)** at the Pribbenow mine and **3.2% (162)** at the El Corozo mine. en Pribbenow y el **3.2% (162)** en El Corozo.

DISTRIBUTION OF MEDICAL CONSULTATIONS CARRIED OUT AT THE MINING OPERATIONS

Of the total number of treatments provided,

4,476

(87.8%) were to our employees (directs or temporary, trainees or applicants) and 603 (12.2%) were to contractors from different companies.



DISTRIBUTION OF MEDICAL CONSULTATIONS CARRIED OUT AT THE MINING OPERATIONS

Of the **4,476** treatments provided to our employees, 2,314 (**51.7%**) were to personnel from the Production Department, **1,111 (24.8%)** were to Maintenance personnel, **514 (11.5%)** were to Administrative and Materials personnel, 508 (11.3%) to Coal and Load Out personnel, and **29 (0.6%)** to employees from other departments and locations.

Of the total number of treatments, the groups of health disorders that were most frequently found were:

- Diseases of the musculoskeletal system or connective tissue (22.0%).
- Abnormal symptoms, signs and findings with no diagnostic definition (20.3%).
- Diseases of the respiratory system (16.0%).





PORT

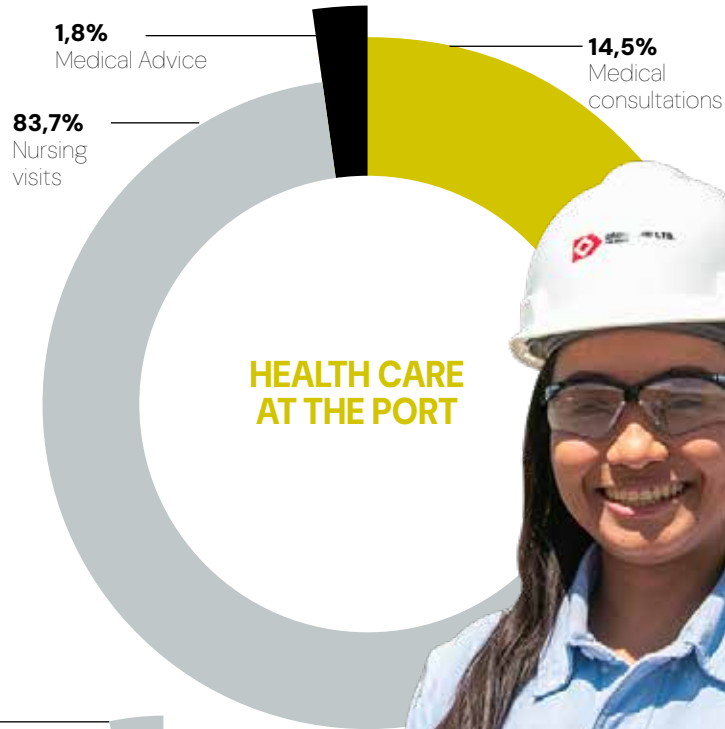
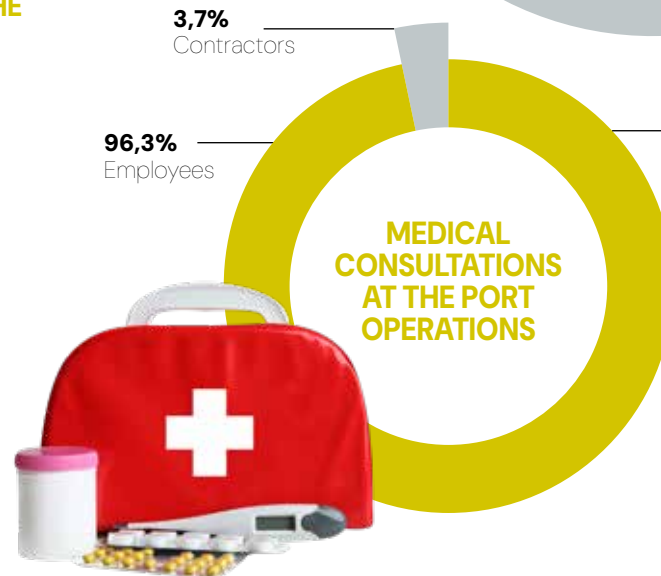
During 2023, 1,123 medical treatments were provided

1,123

at the healthcare unit at the port, of which 940 were nursing visits, 163 were medical consultations and 20 were for medical advice. Of the total number of nursing visits, 502 (53.4%) were for initial consultations by our employees in the absence of the port doctor (especially triages 4 and 5), 246 (26.2%) were for nursing procedures and 192 (20.4%) were for administering drug and alcohol tests. Additionally, 163 medical consultations were provided to 118 employees, who were seen between 1 and 5 times during the year.

DISTRIBUTION OF MEDICAL CONSULTATIONS CARRIED OUT AT THE PORT OPERATIONS

Of the total number of treatments provided, 157 (96.3%) were to our employees (directs or temporary, trainees or applicants) and six (3.7%) were to contractors from different companies.



HEALTH CARE AT THE PORT

Of the 157 treatments provided to our employees, 50 (37.3%) were to personnel from the Storage Yards, 41 (30.6%) were to Administrative and Materials personnel and 40 (29.9%) were to Railroad personnel.

The groups of health disorders that were most frequently found were:

- Diseases of the musculoskeletal system (26.4%).
- Factors that influence health status and contact with health services (21.5%).
- Trauma and external causes (8.6%).

Both in our mines and in the port, in cases of suspicion of illness of a presumed work-related origin, we conduct medical investigations in cooperation with the ARL, respecting the confidentiality of medical records. Also, at Drummond Ltd. we offer voluntary health promotion services and programs to our workers to address health risks that are not work-related. These include the Alcohol and Drug Program and employee vaccination, where we monitor vaccination schedules, taking into account the epidemiological conditions of the areas of influence.



Worker participation, questions and communication on occupational health and safety

(GRI 403-4)

We involve our employees and contractors in the process of reporting hazards or dangerous situations at work through options for communication and consultation on occupational health and safety matters, such as:

- Meetings between operational staff and process managers.
- Industrial safety governance structure (Central Safety Committees).
- Regular training cycles.
- Quarterly meetings held by the President of Mining with all workers.
- Direct communication between the employee and their supervisor.
- 360° safety talks.

- Joint Committee on Occupational Health and Safety (COPASST, in Spanish)
- Regular meetings with contract administrators and representatives of contractor companies.

Through COPASST, we guarantee the representation and protection of our employees and contractors, while also complying with Colombian legal regulations. This committee is made up of representatives from our company's different areas and job categories, and its main responsibility is to ensure management of the health and safety of all work groups through actions to ensure compliance with the norms, standards and procedures established in our Occupational Health and Safety Management Systems.



Additionally, we provide the core members of the COPASST committee with at least four hours per week during their work schedules to facilitate the committee's operation. This committee and the central safety committees made up of different categories of workers from the same process **are the working groups that develop safety projects, proposals and innovations and to be presented to the Strategic Health and Safety Committee.** This committee is made up of members of the Company's senior management, who are constantly working to continuously improve health and safety at Drummond Ltd., guiding and directing the development of policies and standards that proactively strengthen our health and safety culture. These committees meet monthly on an ordinary basis, and may also meet on an extraordinary basis when necessary.

During 2023, the COPASST carried out all of its activities, complying with its monthly meetings and the training sessions on high-priority topics for our management system; additionally, the results of the ongoing OSH programs and were shared. The committee also reviewed the training plans and annual internal audits for each year, participated in the investigation of work-related accidents and supported the area inspections and internal audits at all of our worksites.

Our senior management supports COPASST by holding regular meetings with the committee, at which **feedback is provided on the different occupational health and safety actions** that our company carries out, such as:

- Investigations of workplace incidents.
- Site walks and safety inspections.
- Promoting training activities and communicating health and safety policies and guidelines.

Worker training on occupational health and safety

(GRI 403-5)

During 2023, we continued to strengthen our training and education process, in line with our Occupational Health and Safety Policy, with the aim of achieving a healthy, safe and world-class environment. Our training offerings have evolved, in order to have different in-person and virtual training opportunities and to have thematic content that respond to the needs of our operations, the results of the operational control process and legal requirements, showing continuous improvement not only in terms of the topics covered, but also in the methodology used. By doing so, we carry out trainings that are aimed at managing risks in all of the Company's locations and departments, in order to provide our employees with the training they need to improve their skills and competencies to perform their tasks properly and safely, as well as to strengthen our safety culture and operational discipline in all of our processes.

Additionally, we continue to develop the e-learning training platform, and 2023 was its third year of operation. This platform has allowed us to streamline training processes, to provide a new alternative that gives our employees greater flexibility. The topics covered in the training sessions include training for new employees and supervisors, defensive driving, electrical risk control, accident investigation, operational discipline, safe working at heights and in confined spaces, and training of internal auditors and COPASST committee members.





All of the training processes that we offer are provided free of charge, during our employees' working hours and in the language that they require. Additionally, the training is carried out by internal and external instructors who have the necessary competencies to strengthen the skills participants need to execute their tasks according to the established procedures, **as well as reinforce compliance with the rules and application of the corresponding controls.** Finally, to evaluate the effectiveness of the training, we confirm application of the knowledge acquired in the tasks carried out by our employees.



Workers covered by an occupational health and safety management system (GRI 403-8)

The OHSMS covers 100% of the company, including the mining operations, the transportation department, the centers of operation in Bogota, Valledupar and Cartagena, as shown below:

Occupational Health and Safety system coverage	Number	Percentage (%)
Direct employees who are covered by the OHS system.	5,354	100
Workers who are not employees but whose work or workplace is controlled by the Company and who are covered by the OHS system.	6,053	100
Employees that are covered by the OHS system, which has been audited internally.	5,354	100
Workers who are not employees but whose work or workplace is controlled by the Company and who are covered by the OHS system, which has been audited internally.	6,053	100
Employees that are covered by the OHS system, which has been audited or certified by a third party.	5,354	100
Workers who are not employees but whose work or workplace is controlled by the Company and who are covered by the OHS system, which has been audited or certified by a third party.	6,053	100

- Direct employees include our workers at the Company and those hired on a temporary basis.
- Workers who are not employees are our contractors.



We have an audit system for the Occupational Health and Safety Management System classified as: first-party, second-party and third-party. In our first-party or internal audits, we verify internal fulfillment of the legal requirements related to Occupational Health and Safety and the requirements of the ISO 45001:2015 standard. **In second-party audits, we and our clients evaluate our contractor companies** to determine whether the services provided meet the requirements established for Occupational Health and Safety. Third-party audits are conducted by accredited certification organizations, at the Company's request.

Injuries from work-related accidents

(GRI 403-9)

(1) TOTAL RECORDABLE INCIDENT RATE, (2) FATALITY RATE AND (3) NEAR MISS FREQUENCY RATE (NMFR) FOR (A) DIRECT EMPLOYEES AND (B) CONTRACT EMPLOYEES

(EM-CO-320a.1)

The Company's record of work-related injuries is managed by the TRASA (TRAINING-SAFETY) system, which facilitates the storage of information. As a complement to this tool, we document the information, including reports and investigations on workplace accidents. We calculate the rate using the OSHA 1904.7 standard and the definitions established under the SASB standard, as follows:

LTIR

Lost Time Incident Rate

$(\text{No. of lost time incidents} * 200,000) / \text{No. of man-hours worked}$

FI²

Fatality Rate

$(\text{No. of fatalities} * 200,000) / \text{No. of man-hours worked}$

RIF¹

Recordable Injury Frequency

$(\text{No. of recordable incidents} * 200,000) / \text{No. of man-hours worked}$

NMFR

Near Miss Frequency Rate

$(\text{No. of near misses} * 200,000) / \text{No. of man-hours worked}$

- ¹ Given that SASB and GRI have the same calculation methodology, this index also corresponds to the SASB Total Incident Rate EM-CO-320a.1.
- ² Since SASB and GRI have the same calculation methodology, this index also corresponds to the SASB Mortality Index EM-CO-320a.1.

Therefore, applying the OSHA 1904.7 standard and the SASB requirements, we present the following results of our OSH management for our employees and contractors:

Employees

Year	Man-hours worked	Fatalities	Lost-time incidents	Incidents with medical treatment	Incidents with medical treatment	Near misses	LTIR	RIF	FI	NMFR
2019	15.538.133	0	8	13	21	46	0,10	0,27	0	0,59
2020	15.398.370	0	11	12	23	40	0,14	0,30	0	0,52
2021	15.253.560	0	8	8	16	49	0,10	0,21	0	0,64
2022	15.550.164	0	12	10	22	24	0,15	0,28	0	0,31
2023	15.288.000	0	5	5	10	26	0,07	0,13	0	0,34



Contrators

Year	Man-hours worked	Fatalities	Lost-time incidents	Incidents with medical treatment	Total recordable incidents	Near misses	LTIR	RIF	FI	NMFR
2019	16.086.247	0	19	19	38	7	0,24	0,47	0,00	0,09
2020	14.169.840	1	12	9	22	16	0,17	0,31	0,01	0,23
2021	15.227.856	0	15	6	21	20	0,20	0,28	0,00	0,26
2022	16.264.332	0	8	6	14	8	0,10	0,17	0,00	0,10
2023	15.847.440	0	15	10	25	15	0,19	0,32	0,00	0,19

We identify our risks with respect to injuries caused by work-related accidents that are mainly associated with wounds, fractures, muscle strains, bruises, lower back pain, sprains, dislocations, trauma, amputation, cuts and burns, categorized as traffic, mechanical and location-related accidents. **These risks are determined according to the parameters established by our company and defined in the TRASA system.** Additionally, we define the controls to be implemented to eliminate these hazards and minimize risks using a hierarchy of control: elimination controls, replacement, engineering controls, administrative controls and the use of PPE. **We describe these controls for hazards related to injuries and illnesses in greater detail below:**

Injury-Related Occupational Hazards

Occupational hazards and measures taken to eliminate them and minimize risks using a hierarchy of control

Transit

- Installation of seat belts for each seat in equipment/vehicles.
- Backup alarms.
- Buggy Whip in light and mid-sized vehicles.
- Preventive maintenance program.
- Pre-operational inspection.
- Strategic Road Safety Plan.
- Safe driving policy.
- Random alcohol and drug testing by shift.

Electrical

- Use and maintenance of appropriate tools, cables and equipment.
- Use of cables that provide for reporting of unsafe conditions.
- Restricted access control to electric power generation, transformation and distribution areas.
- Design of surge protection systems.
- Equipment with grounding.
- Basic PPE: helmet / safety glasses / safety boots / gloves.

Injury-Related Occupational Hazards	Occupational hazards and measures taken to eliminate them and minimize risks using a hierarchy of control
Mechanical	<ul style="list-style-type: none"> • Guards for moving system. • Emergency stopping system. • Mechanical aids for handling cargo. • Design and manufacture of screens as a protection barrier around components. • Tools and support equipment with appropriate technology for each task. • Mantenimiento preventivo y correctivo de los equipos de las áreas de mantenimiento. • Maintenance of tools and equipment. • Risk checklist. • Communication during simultaneous work on the same equipment or component. • High-risk procedures or tasks. • Operating Control Procedures (OCP).
Location	<ul style="list-style-type: none"> • Design of stairs, platforms with handrails, lifelines, fall protection equipment. • Planned and supervised work. • Reporting of unsafe conditions. • Limited exposure time. • Start-of-shift meetings to organize work. • Signage. • Organization and cleanliness. • Possibility of changing positions and work rotation. • Basic PPE: helmet / safety glasses / safety boots / engineering-type gloves / inserted hearing protectors / N-95 masks.

Disease-Related Occupational Hazards	Occupational hazards and measures taken to eliminate them and minimize risks using a hierarchy of control
Psychosocial	<ul style="list-style-type: none"> • Labor, wage, human resource management and well-being policies. • Work planning. • Other risks are controlled to reduce stress load.
Ergonomic	<ul style="list-style-type: none"> • Use of shock absorbers and ergonomic seats for vehicles and equipment, ergonomic chairs for offices. • Breaks and pauses during the day. • Opportunity to change position. • Postural hygiene.
Physical (noise, vibration and temperature)	<ul style="list-style-type: none"> • The equipment is enclosed and hermetically sealed. • The equipment has a pressurization system in the cabin, which makes it possible to isolate outside noise. • Program for reporting unsafe conditions. • Preventive maintenance of equipment and vehicles. • Use of inserted hearing protectors, with double protection if the noise level increases. • Use of appropriate clothing to perform the tasks (cotton-polyester). • Availability of hydration. • Air conditions systems in equipment, vehicles and offices. • Shock absorbers and ergonomic seats for vehicles and equipment, ergonomic chairs for offices. • Road maintenance.
Chemical (dust, vapors and fumes)	<ul style="list-style-type: none"> • Use of fans and extractors. • The equipment is enclosed and hermetically sealed. • Program for reporting unsafe conditions. • Inventory, signage, labeling, safety data sheets, training on chemicals classified as hazardous. • Personal protective equipment such as N-95 masks for particulate matter, masks for organic vapors or metal welding fumes.





Mine

Hazard	Observations	
Safety	High-risk tasks	Transit
	Mechanical risk	Entrapment
Health	Chemical (dust, vapors, fumes)	Biological (example: COVID-19)
	Static and dynamic physical load	Mental load
	Noise and vibration	Temperature

Port

Hazard	Observations	
Safety	High-risk tasks	Mechanical risk
	Transit	Movement of coal through tunnels
Health	Static and dynamic physical load	Biological (example: COVID-19)
	Noise	Temperature
	Mental load	Chemical (vapors, fumes)

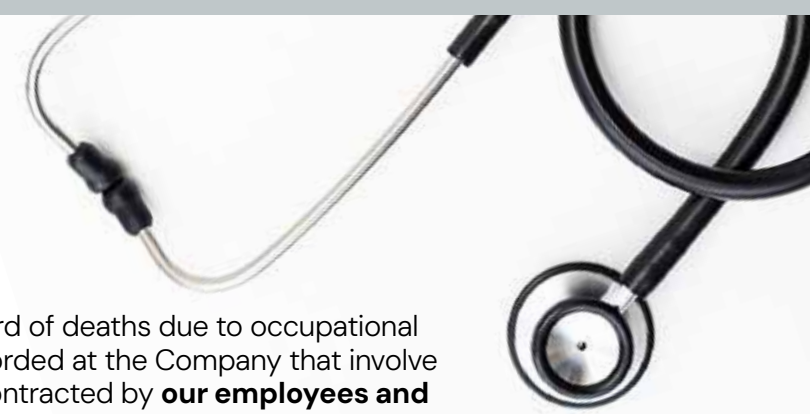
Work-related ill health (GRI 403-10)

Each year, we identify the occupational diseases that have occurred at our operations, both for our employees and our contractors, which are classified as follows:

Occupational disease	
Drummond Ltd. Employees	Diseases of the musculoskeletal system or connective tissue (rotator cuff syndrome)
	Cervical disc disorder
Contractors	Lumbalgia crónica
	Discopathy
	Rotator cuff syndrome
	Musculoskeletal disorders in the shoulder and hand

Below we present the record of deaths due to occupational disease and the cases recorded at the Company that involve an occupational disease contracted by **our employees and contractors during 2023:**

	Drummond Employees			Contractors		
	Men	Women	Total	Men	Women	Total
Deaths resulting from an occupational disease	0	0	0	0	0	0
Cases of recordable occupational diseases	6	0	6	3	0	3



Milestones – Industrial safety

- We maintained the certification of our Occupational Health and Safety Management System under the ISO 45001:2018 standard.
- We achieved a 5% reduction in lost-time incidents for the Company and contractors, with a 58% reduction in lost-time incidents for direct employees.
- We achieved a 6% reduction in safety incidents with medical treatment for the Company and contractors, with a 50% reduction in safety incidents for direct employees.
- There was a significant reduction in the Recordable Injury Frequency (RIF), comparing the results from 2019 (0.37) to the results from 2023 (0.13). As a point of reference, the data reported by MSHA (Mine Safety and Health Administration) in 2020 (1.26) and in 2023 (1.09) confirmed the improvement in recordable injury rates.
- We established four new strategic lines to achieve the stage of interdependence in 2026: operational discipline, effective communication, empowerment and safety leadership.

Milestones – Health

- With the use of Personal Protective Equipment (PPE), we have kept the occupational exposure index (EI) to crystalline silica below 0.5 (the level that requires action).
- We established four new strategic lines to achieve the stage of interdependence in 2026: operational discipline, effective communication, empowerment and safety leadership.

Challenges

Challenge	Year
Industrial safety	
Zero fatalities at our operations.	2024
Maintain the OHSMS certification under the ISO 45001:2018 standard.	2024
Reduce all safety events throughout Drummond Ltd.'s operations by 15%.	2024
Health	
Keep the occupational Exposure Index (EI) to crystalline silica and coal dust below 0.5 (the level that requires action) with the use of Personal Protective Equipment (PPE).	2024
Cover 100 % of the at-risk population with prevention activities.	2024
Carry out 100% of the activities from the monitoring programs and systems for high-priority risks.	2024



DUE DILIGENCE IN HUMAN RIGHTS

Management of material topics (GRI 3-3)

For us, the promotion of and respect for human rights is a fundamental component of our operations, and of the provision of the related goods and services. Therefore, we identify and recognize the potential impacts, both negative and positive, that our activities may have on all rights, including the right to a healthy environment, to land, to non-discrimination, to life, to freedom, to peaceful assembly, to security, as well as labor rights, workplace health and safety, and the rights of ethnic minorities.

We clearly identify the real negative impacts in our socio-environmental documents, such as the environmental licenses and permits under which we operate, which are managed in accordance with the law and the instruments themselves.



The risks/impacts related to human rights that we have identified include:



General human rights risks:

negative environmental impacts, labor and workplace health and safety impacts, acquiring real estate rights to properties that were subject to dispossession, negative social impacts, ignoring ethnic minorities with the right to prior consultation, appearance of supervening minorities, mismanagement of involuntary resettlements.



Security-related human rights risks:

violation of human rights or international humanitarian law by law enforcement in our area of influence, violation of human rights or international humanitarian law by our contractors or our employees, use of excessive force by law enforcement during blockades, violence against our Company or contractors, and violations of the **"Principle of Distinction"** in international humanitarian law by providing concrete military aid.

OUR HUMAN RIGHTS POLICY IS THE MAIN INSTRUMENT WE USE TO MANAGE HUMAN RIGHTS-RELATED RISKS. OUR POLICY:

Details our commitments, focusing on due diligence, which allows us to prevent and mitigate risks in all phases of our operations.

Is explicit in prohibiting our employees, contractors and suppliers from committing any form of human rights violation.

Recognizes that human rights are those established in the Colombian Constitution, in the Universal Declaration of Human Rights and in the international Human Rights treaties ratified by Colombia, which includes the ILO conventions referred to in the **"ILO Declaration on Fundamental Principles and Rights at Work,"** to combat forced labor, discrimination and child labor, and to defend freedom of association.

Is explicit in the decision to align our policies, procedures and actions with the United Nations' "Guiding Principles on Business and Human Rights," which means, among other things, a commitment to remedy the impacts that we have created or contributed to, and to having an effective complaints mechanism such as our **"Community Assistance System,"** available for all of our stakeholders through multiple channels,

including our website:



Managing human rights risks is the responsibility of all our employees. Led by the Office of the President, we identify and prioritize our risks, choose the best management measures, and systematically monitor and adjust them. The main roles are fulfilled by the following vice presidents: Environmental, Human Resources, Sustainability, Materials, Security and Public Affairs. All of our human rights risk management measures have people responsible and the necessary resources for their implementation.

To ensure compliance with our policy and ensure that all of our human rights risks are appropriately addressed, we periodically review the risks we have identified and the management measures we are implementing, which include:

- Ensuring compliance with our environmental license and environmental permits.
- Keeping our environmental management recertified under ISO 14001.
- Ensuring our operational preparedness to respond to environmental emergencies.
- Verifying our environmental management by independent third parties (such as Bettercoal).
- Ensuring the implementation of our mine closure plans, updated every seven years.
- Ensuring compliance with the mutual assistance plan for responding to environmental emergencies response at Puerto Drummond.



- Ensuring fulfillment of the environmental agreements that we have signed with government agencies.
- Speaking frequently and systematically with our stakeholders to take into account their perspectives on human rights risks and management measures, showing our commitment to human rights, receiving feedback and building trust, creating synergies with other dialogue initiatives at our Company.
- Aligning our Community Assistance System with Guiding Principle No. 31, including remedies for possible human rights violations.
- Ensuring that our contractors, subcontractors and suppliers adopt environmental management systems that meet our requirements.

We monitor the execution of management measures every six months, identifying opportunities for improvement with the help of external advisors. Then, these opportunities are discussed by our Sustainability Committee to select the ones that should be implemented. Additionally, using objective indicators, we measure the timeliness of our semi-annual reports and the number of management measures that show little or no progress.

Also, as a Company, we have implemented the **“Drummond Conversations on Human Rights”** initiative, in which we meet with all our stakeholders to present our work on this matter and receive feedback that allows us to identify opportunities for improvement. These sessions have the additional effect of communicating Drummond’s commitments to respecting human rights and our expectation that everyone will act in a manner that is consistent with them. They have been conducted with our employees, unions, contractors and suppliers, communities, local and national authorities, clients and the governments of our clients’ countries. The feedback that we have received at these sessions is taken into account to adjust our handling of the risks identified.

In 2023, regarding human rights, we also started a prior consultation process as the result of a decision by the Colombian Constitutional Court, which, through **Ruling T-375** of 2023, ordered Drummond Ltd., Prodeco S.A., the Ministry of the Interior, the National Environmental Licensing Authority, the Office of the Attorney General and the Office of the Ombudsman to convene the Yukpa indigenous people, through the representatives of the six reservations, to carry out a consultation and post-consultation process regarding the Calenturitas, La Jagua, Pribbenow, El Descanso and El Corozo mining projects.



Incidents of discrimination and corrective actions taken

(GRI 406-1)

Operations and suppliers at significant risk for incidents of child labor

(GRI 408-1)

Operations and suppliers at significant risk for incidents of forced or compulsory labor

(GRI 409-1)



We categorically prohibit our employees and contractors from engaging in any activity that could involve child or forced labor, or any form of discrimination based on ethnicity, gender, language, religion, political or any other opinion, national or social origin, economic position, birth or any other condition. To prevent and manage these risks, we have corporate Human Resources and Recruitment and Hiring policies, and our Code of Conduct, in addition to our Human Rights Policy and management measures that are reflected in our Company's actions.

During 2023, we did not identify any risks of child labor at any of our operations or by the Company's suppliers, nor did we identify cases of young workers exposed to hazardous work. Similarly, we did not find any operations or suppliers with risks associated with forced or compulsory labor. No cases of potential discrimination were submitted to us through the formal channels to receive requests from our stakeholders, including the Community Assistance System and our Complaints Channel.

¹ <https://www.drummond.com/en/our-company/about-us/policies-and-commitments/>

² Hazardous work is understood as "work that, due to its nature or the conditions in which it is performed, may be dangerous to the health, safety, or morality of children."





Preventive actions undertaken



Discrimination (GRI 406-1)

- We have Human Resources, Selection and Recruitment, Wage, Community Relations and Human Rights policies and a Code of Conduct, which clearly set out our rejection of all discrimination, communicate the mechanisms for identifying possible deviations from those policies and establish the protocols to be followed in the event that they do occur.
- We have different channels in our Stakeholder Attention System (SAC) that can be used to report situations of potential discrimination. Currently, the Complaints Channel, the Ethics Line, the Online Community Assistance Portal and the Coexistence Committees are available to stakeholders at all offices to respond to any case that is filed by a stakeholder.



Child labor (GRI 408-1)

We have not identified operations or suppliers with a significant risk of child labor or young workers exposed to hazardous work. We have the following measures in place:

- As in the case of the risk of discrimination, the Company's hiring processes do not allow for the employment of minors, not even in cases where it is allowed by law.
- Our complaints channels are open to report any circumstances that could constitute a human rights violation, including child labor.
- We have a Stakeholder Attention System (SAC in Spanish) through which stakeholders can report any cases associated with child labor.
- We have set up security checkpoints to control and limit access for people who do not have a citizenship identification card; this makes it possible to restrict access by minors to our operations.
- We require our contractors, through the terms of their contracts, to prohibit any type of labor agreement with minors.
- We implement preventive controls to identify cases of child labor in the value chain; for example, we conduct random inspections of social security payments by our contractors. We also hold information sessions to discuss our Company's policies and the specific clauses about this topic in contracts.



Forced labor (GRI 409-1)

- As in the case of the risk of discrimination and child labor, hiring practices do not allow forced labor, understood as, "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily," in accordance with the ILO Conventions.
- Our complaints channels are open to report any circumstances that could constitute a human rights violation, including forced labor.
- Additionally, we conduct audits of our contractors to verify different aspects that control the risk of forced labor, including compliance with:
 - Recruitment processes.
 - Compensation policies.
 - Working hours and shift rotations.
 - Social security contributions.

³ <https://www.drummondltd.com/en/our-company/about-us/policies-and-commitments/>
⁴ <https://www.drummondltd.com/en/contact/>
⁵ ILO Conventions 29, 138, and 182, ratified by Colombia through Laws 23 of 1967, 515 of 1999, and 704 of 2001, respectively, and which are part of the constitutional block.

Security personnel trained in human rights policies or procedures (GRI 410-1)

The main goal of our human rights training sessions is to promote respect for and protection of rights, which allows us to prevent and mitigate possible impacts associated with this topic. The training program is conducted with our Security Department and the private security companies hired at our various locations, covering **100%** of their personnel.

We communicate and promote a culture of respect for rights, using the legal frameworks and national and international standards related to this topic, as well as ensuring that the exercise of security activities do not cause or contribute to negative impacts on the rights of our employees, contractors, visitors or stakeholders in general.



Topics addressed in training sessions in 2023 related to human rights



Annual human rights assessment



We understand that security, both public and private, can and should be provided with respect for human rights, so we analyze the associated risks to choose the best measures for managing them, also systematically monitoring their execution and making adjustments when necessary.

DURING 2023 WE PROVIDED 555 HOURS OF HUMAN RIGHTS TRAINING TO 54 EMPLOYEES FROM OUR SECURITY DEPARTMENT AT ALL OF OUR OPERATIONS, AND 5,528 HOURS TO 502 EMPLOYEES OF OUR PRIVATE SECURITY COMPANY.

Incidents of violations involving rights of indigenous peoples

(GRI 411-1)

DISCUSSION OF ENGAGEMENT PROCESSES AND DUE DILIGENCE PRACTICES WITH RESPECT TO THE MANAGEMENT OF INDIGENOUS RIGHTS

(EM-CO-210a.2)

TOTAL NUMBER OF OPERATIONS TAKING PLACE IN OR ADJACENT TO INDIGENOUS PEOPLES' TERRITORIES; AND NUMBER AND PERCENTAGE OF OPERATIONS OR SITES WHERE THERE ARE FORMAL AGREEMENTS WITH INDIGENOUS PEOPLES' COMMUNITIES

(DLTD-08)

PERCENTAGE OF (1) PROVED AND (2) PROBABLE RESERVES IN OR NEAR INDIGENOUS LAND

(EM-CO-210a.1)

In 2023 we started a prior consultation process as the result of a decision by the Colombian Constitutional Court, issued through Ruling T-375 of 2023 (September 25, 2023). Although, with the help of an internal team, an external advisory firm and the Colombian authorities with jurisdiction over the matter, it was determined that there was no potential for our activities to have negative impacts on ethnic minorities, and that we acted in accordance with our Human Rights Policy, ILO Convention 169, the United Nations Guiding Principles on Business and Human Rights and the Constitutional Court's case law, contained in Ruling





SU-123 of 2018, the Court issued Ruling T-375 of 2023 in which it found impacts had occurred and ordered us to carry out a consultation and post-consultation process with the Yukpa indigenous community with respect to the Pribbenow, El Descanso and El Corozo mining projects, overturning the decisions in the first and second instances that had ruled otherwise. For this reason, during the reporting period, we have created a working team to carry out due diligence on the consultation and post-consultation process with the Yukpa indigenous community, in accordance with the Court's order, and with the support of the appropriate government authorities.

In 2023 the preparatory pre-consultation meeting and inter-institutional dialogues were held with the Yukpa indigenous people to define agreements during the pre-consultation process. In 2024, the parties will define the methodological path to comply with **Ruling T-375** of 2023, ordered by the Constitutional Court.

With respect to the total number of operations that take place in or adjacent to indigenous peoples' territories, and the percentage of proven and probable reserves in or near indigenous territories, according to the reference used by SASB, using a distance of 5 km from indigenous reservation territories, we do not have proven or probable reserves near the Yukpa indigenous reservations.



Milestones

- During 2023 we provided **555 hours** of human rights training to **54 employees** from the Security Department at all of our locations and **5,528 hours** of training to **502 employees** of our private security company.
- We held the 5th “Drummond Human Rights Dialogue” with our communities, using the “World Café” methodology, attended by **50 presidents** of community action board associations from the municipalities in our area of influence.
- We also held the 9th version of this event with our suppliers and contractors, with over **100 participants**.
- **We held a “Good Government Seminar,”** inviting mayors, council members, representatives and governors elected in October 2023, discussing a range of topics including our work on human rights management.
- We created human rights management indicators to monitor the performance of our private security contractors at all of our locations on all matters related to the prevention, promotion, protection and respect for human rights, such as: recruitment processes, visits to towns, complaints and grievances, use of force, environmental impacts and human rights violations.
- We demonstrated our commitment to due diligence in human rights by identifying risks associated with money laundering and terrorist financing, actions that pose legal, reputational and operational risks for our company.
- As members of the Mining Energy Committee on Security and Human Rights (MEC) and its Board of Directors, the Global Compact Colombia local network and the Human Rights and Coal Working Group we continue to actively participate in discussions by these multi-actor initiatives and generating ideas in the working groups.



Challenges

- Make the Drummond Conversations on Human Rights with our employees, unions, and local authorities more systematic.
- Ensure the full implementation of the recommendations from the Human Rights and Coal Working Group to manage the risk of displacement.
- Use “Performance Standard” #4 from the International Finance Corporation as a guide to diligently manage the public health risk associated with the business activity.
- Analyze the implications of the Escazú Agreement.
- Analyze the implications of the **United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas.”**
- Decide which recommendations from the review of the “Final Report” of the Commission for Clarification of the Truth, Coexistence and Non-Repetition should be adopted.
- Participate appropriately in the consultation and post-consultation process with the Yukpa indigenous people, in accordance with the order by the Constitutional Court.
- Continue to promote the development of values and peaceful co-existence through sustainability programs.



COMMUNITY RELATIONS

Management of material topics (GRI 3-3)

Significant indirect economic impacts (GRI 203-2)

Operations with significant actual and potential negative impacts on local communities (GRI 413-2)

DISCUSSION OF PROCESS TO MANAGE RISKS AND OPPORTUNITIES ASSOCIATED WITH COMMUNITY RIGHTS AND INTERESTS (EM-CO-210b.1)

It is important for us to include, within our sustainability model, the identification and management of the most significant environmental, social and corporate governance (ESG) impacts, risks and opportunities for our Company, given that this model is aimed at generating shared value with our stakeholders through building and strengthening local capacities.

Our management of these ESG impacts, risks and opportunities recognizes and considers the priorities and expectations of our stakeholders. **Through our annual Social Investment Plan,¹ we carry out programs and projects that respond to the needs of local communities,** to good practices in the industry and international recommendations on social investments. Additionally, our social management is based on different national and international initiatives, frameworks and standards, such as: the Bettercoal Code, the United Nations Global Compact, the Voluntary Principles on Security and Human Rights, the U.N. Guiding Principles on Business and Human Rights, the IFC Performance Standards on Environmental and Social Sustainability, the Working Group on Human Rights and Coal, the Energy Mining Committee, the Extractive Industry Transparency Initiative (EITI) and the U.N. Sustainable Development Goals.



¹ The social investment reported in this chapter refers to what is defined under the “Annual Plan for Social Investment in Communities” and is distinguished from the social investments reported under Indicator 201-1 because it does not include employee benefits.



To identify and classify our Company's risks and social impacts, we carry out mapping and socio-economic characterization of our stakeholders, a materiality analysis and environmental impact studies. We conduct these processes based on participatory methodologies and two-way communication mechanisms in the different phases of our mining projects.

Through environmental impact studies and materiality analysis, we have identified that, as a result of the execution of our coal mining and transportation operations, **there are impacts that may occur in the communities in our area of influence, including:**

Main negative indirect economic and social impacts on the community

- Increase in the cost of living in the municipalities in the area of influence of our mining operations due to our presence in the region.
- Floating population from outside the area that settles in the municipalities by our mining operations. This generates shortfalls in the provision of residential public utilities, increased insecurity in the surrounding areas and pressure on land tenure, especially for communal use.
- Cultural changes in the local population.

The municipalities of our area of influence have direct economic dependence on mining activity, which generates demand for the following services: room rentals, hotel services, restaurants, recreation sites, commerce, among others.

Main opportunities and positive indirect economic impacts on the community

- Creation of direct and indirect jobs associated with our operations.
- Generation and strengthening of local capacities in activities other than mining through training, education and entrepreneurship.
- Generation of income related to strengthening the commercial, financial, hotel, restaurant and service sectors in general.
- Adding small- and medium-sized businesses in our area of influence to the supply chain that meet all of the specifications and conditions to provide goods, materials and services.
- Reduced risk of the inappropriate use of free time by children and young people as a result of support for education, culture and sports.

We have a Community Relations Policy, which allows us to manage our relationships with respect and constant communication with our communities, helping to build trust and co-responsibility. This policy is supplemented by our Sustainability and Human Rights policies and the Stakeholder Attention System (SAC) Handbook, to guide interactions with members of the local community and other stakeholders. Through this approach, we seek to create opportunities to strengthen the social fabric, communication and addressing requests, complaints, claims, suggestions, congratulations and reports related to the execution of our mining and port projects.



Our Community Relations and Corporate Social Responsibility departments are responsible for leading the social risk and impact assessment processes, which are our main instruments to prioritize social investments and the programs/projects we implement. These programs/projects are carried out based on the four core pillars of our Corporate Social Responsibility strategy:



Peace and human rights

Strengthen stakeholders' capabilities to build a peaceful, just and responsible society that promotes respect for human rights.



Governance for Development

Strengthen local capacities for greater efficiency in public planning and management.



Comprehensive development

Strengthen local capacities for the well-being and prosperity of our employees, their families and the communities in our area of influence.



Environmental performance

Strengthen business capacities that ensure world-class environmental performance.

Our programs/projects seek to strengthen and improve local capacities in our area of influence by promoting its human talent, generating employment and income, training and promoting human rights, peace, coexistence, strengthening enterprises and production units and institutional and community strengthening.

The identification of risks and opportunities enables us to develop best practices to manage and **reduce risks during all stages of our operations:**

Best practices for risk reduction



Before entering a community

We create a baseline identification through the Environmental and Social Impact Assessment.



During the operations in the community

Throughout the duration of our projects we make changes at the socio-environmental level and update the status of the Impact Assessment. Then we create different management plans and measures that allow us to strengthen the social and natural environments.



When leaving the community

We create a closure plan and project management and monitoring measures, also including information and communication programs for our communities on the closure of the projects and the restoration or compensation measures for the relevant area.



We promote the stakeholder participation with the aim of improving the measures we adopt to manage the impacts that may be caused by our relationship with our communities, mainly through ongoing dialogue, holding roundtable discussions on human rights and through our Stakeholder Attention System (SAC). Through this participation, we have been able to strengthen our relationship with our communities, identify local needs to execute projects in the sectors addressed and verify the effectiveness of the measures adopted.



COORDINATION AND FOLLOW-UP WITH THE AUTHORITIES

As stated in our Sustainability Policy, we are committed to having a positive impact on Colombia and its people. For this reason, we strive to ensure that our operations contribute to the sustainable development and well-being of our employees, their families and the communities in our area of influence. **We understand that corporate social responsibility goes beyond mitigating the impacts on society and the environment from our operational activities and organizational decisions, and that it is not limited to compliance with the law and risk mitigation.** In this sense, our Social Management Plan consolidates, in a methodical and organized way, the fulfillment of all our commitments and obligations with the competent authorities for the mining industry, so its implementation, follow-up and monitoring is carried out in coordination with the National Mining Agency (ANM) and

the National Environmental Licensing Agency (ANLA), with the specific reports required in each case.

Regarding compliance with the obligations under our environmental management plans, each year we report on our progress in the implementation of the social component through Environmental Compliance Reports (ICA), which we submit to the ANLA in accordance with the timeline established in Resolution 077 of 2019. The monitoring process carried out by ANLA is also supplemented by the verification visits it conducts at our mining operations and our area of socio-economic influence defined in the corresponding environmental impact studies. As part of this monitoring, we incorporate different recommendations made by this agency through the corresponding monitoring orders and resolutions.



Operations with local community engagement, impact assessments and development programs

(GRI 413-1)

We continue to strengthen our relationships with our local communities through more than 60 projects under our Social Investment Plan, which we work on hand-in-hand with the local, regional and national authorities and in partnership with other actors. Our projects are aligned with the municipal development plans, the SDGs and in accordance with the four pillars of our social responsibility strategy.

The main results of our programs and projects are focused on strengthening the capacities of our local communities, focusing our efforts on: education and training, strengthening businesses and income generation, institutional and community strengthening, social investments for building relationships and promoting peace and human rights.

With an investment of more than

USD 8,596,450

(COP 37.2 billion)

we implemented social projects in our communities in **2023**, achieving the following results:



Education and training:

- **227** young people benefited from college scholarships and living stipends.
- **+500** investments in education infrastructure (construction, maintenance, expansion, remodeling and providing educational supplies).
- **3,000** newly literate adults in the department of Cesar.
- **+6,000** students and teachers participating in high-quality educational programs.



Institutional and community strengthening:

- **60** leaders of community action boards participated in training processes.
- **+300** investments in institutional, community and road infrastructure (construction, maintenance, expansion, remodeling and equipping health centers, development centers, churches and road paving and maintenance).
- **+80** community leaders from community action boards participated in support and institutional strengthening projects.
- **158** families benefited from high-impact projects through the provision of housing to reduce poverty and improve quality of life.





Strengthening businesses and income generation:

- **287** producers/suppliers participating in the Development of Local Producers project, with revenues of more than USD 415,691 (COP 1.8 billion), and +825 tons of agricultural products sold.
- **75** families from ASOCOPE (Association of Cocoa Growers of Perijá) participated in the project to improve cocoa crops.
- **+1,280** entrepreneurs identified in the Entrepreneurship Incubator project, with 381 business plans financed by the Company to strengthen them and 498 formulated to create new business units.
- **2 fishermen's federations in the municipality of Cienaga: FEDEMARCARIBE and FEDECIENAGA**, made up of 20 fishermen's associations undergoing processes to strengthen their business units through business training and formalization activities with the National Aquaculture and Fisheries Authority – AUNAP.
- **151** young people both attending and not attending school participated in the Youth Entrepreneurship School project.



Promotion of human rights and peace: Partnerships with:



- **+5,800** children and young people participating in programs related to values and rebuilding the social fabric.

Relationship-building social investments:

- **+80,000** beneficiaries from cultural activities and other investments for the general strengthening of the local communities.

100% of the municipalities that are part of the area of influence of our mining, railroad and port operations were associated with development programs, which were evaluated through surveys to review the social and environmental aspects, generating greater involvement by our local communities through consultation processes and other mechanisms that allowed us to maintain our relationships and build feedback channels. Additionally, both the Company's Social Investment Committee and² the Corporate Social Responsibility Operating Committee have³ participated in planning, executing, follow-up and monitoring of the programs and projects of the Social Investment Plan, as well as verifying the strategic relevance and approval of each of the initiatives based on internal policies on sustainability, community relations, the mining contracts and local and national development plans.

² Entity created to verify the strategic importance and approve each of the social investment initiatives based on the Sustainability Policy, the Corporate Social Responsibility Strategy, community relations, the terms of the social clauses of the mining contracts and the municipal, departmental and national development plans. This committee is made up of the president of the Company and representatives from the strategic level of the Social Responsibility department (CSO, Senior VP of Risk Management & CSR, VP of Social Responsibility and VP of Sustainability), the Community Relations department and the Government Affairs department. Its functions are set out in the Social Management Plan SIG-4488.

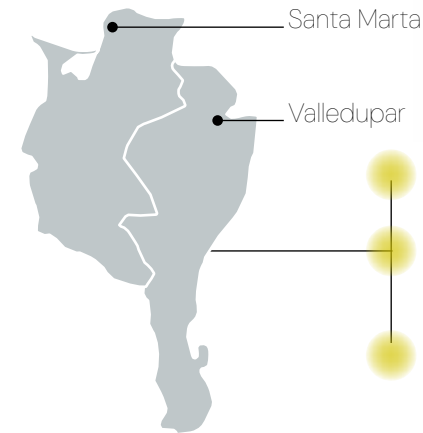
³ Committee for coordination and cooperation at the operational level, which aims to facilitate planning, implementation, follow-up and monitoring of the Social Management Plan. Its functions are set out in the Social Management System Manual SIG-4486.



We have an Environmental Management Plan that is monitored periodically to evaluate the level of compliance with the commitments made and to identify new interests and needs that serve as the basis for our Corporate Social Responsibility (CSR) program. We also updated the socio-economic study of our area of influence to strengthen our commitment to consolidating systematic, continuous, orderly and comprehensive management of the social risks created by our operations. We did so by implementing the best practices in the sector and building our investment plans according to the needs and interests of our communities. **By doing so, we continue to identify the social factors affected by our operations and on which we carry out the necessary impact assessments. In these assessments we take into account:**

- Characteristics of the population in the area of influence (location and population growth rate, among others).
- Nearby access to education, healthcare and recreation services for the population.
- Programs proposed in the municipal development plans.
- The local government's capacity to generate production chains and job opportunities in other economic sectors.

OUR AREA OF INFLUENCE IS MADE UP OF 12 MUNICIPALITIES AND THE CAPITALS OF THE DEPARTMENTS OF CESAR AND MAGDALENA.



Port operations

Ciénaga

Railroad operations

Algarrobo, Aracataca, Bosconia, El Copey, Fundación, Zona Bananera

Mining operations

Agustin Codazzi, Becerril, Chiriguana, El Paso, La Jagua de Iberico



Infrastructure investments and services supported

(GRI 203-1)

We generate a positive impact at the local, regional and national levels, with the aim of building a relationship with our communities based on respect, trust, growth and harmony. For this reason, we have taken it upon ourselves to create value by investing resources in projects that promote sustainable development. To ensure that the allocation of resources has a significant impact, we carry identified the needs and interests of our communities through a two-way assessment:

Endogenous

Originates from within our Company to the communities.



Exogenous

Originates from our communities.

Once the initiatives have been identified and proposed, we evaluate their feasibility, scope and impact. To strengthen our understanding of their needs, we created outreach opportunities through site visits by different leaders and social actors in the municipalities in our area of influence or through the Community Services Offices. **These actions allow us to align the objectives of our investments and projects with the municipal development plans,** to contribute to achieving local government goals based on the design and implementation of programs for the

development and benefit of our communities. Additionally, we train representatives from the local authorities and community leaders from the municipalities in our area of influence to strengthen their capacities and to be co-managers of social projects.

Every year we establish our Social Investment Plan, taking into account the guidelines, investment priorities and development plans from the Social Management Plan. Our Social Investment Plan is approved by the Company's Social Investment Committee and executed by teams from the Community Relations and Government and Corporate Social Responsibility departments. All investments are made through the provision of materials, supplies, in-kind benefits and capacity-building processes. They are not based on commercial arrangements, and we do not provide financial resources, donations, or *pro bono* services.





In 2023 we executed 100% of our social investments, as follows:

Social Investment Plan executed in communities, 2023.

	Unit	Social Investment	Other social investment contributions	Total investment
Education and training	COP	\$ 10,985,844,693	\$ 1,317,735,716	\$ 12,303,580,409
	USD	\$ 2,537,064	\$ 304,318	\$ 2,841,382
Strengthening businesses and income generation	COP	\$ 3,319,867,665		\$ 3,319,867,665
	USD	\$ 766,689		\$ 766,689
Institutional and community strengthening	COP	\$ 3,186,519,975	\$ 16,051,373,654	\$ 19,237,893,629
	USD	\$ 735,893	\$ 3,706,895	\$ 4,442,788
Relationship-building social investments	COP	\$ 892,895,212	\$ 1,212,453,193	\$ 2,105,348,405
	USD	\$ 206,205	\$ 280,003	\$ 486,208
Promotion of peace and human rights	COP	\$ 257,136,614		\$ 257,136,614
	USD	\$ 59,383		\$ 59,383
Total	COP	\$ 18,642,264,159	\$ 18,581,562,563	\$ 37,223,826,722
		\$ 4,305,234	\$ 4,291,216	\$ 8,596,450

STAKEHOLDER ATTENTION SYSTEM (SAC, IN SPANISH)



We strengthened the Stakeholder Attention System (SAC), especially the Online Community Assistance Portal, as our main channel to maintain effective relationships with our communities and stakeholders, fostering a dynamic of participation and constant communication, within the principles of our Community Relations Policy.

We executed a communications strategy to strengthen the image of the SAC, generating awareness and usability among our different stakeholders; in particular, **we reached 100% of our employees and contractors.** We also carried out various activities such as publications on social media, press releases, E-Learning sessions, live streaming on social media, training cycles, among others.



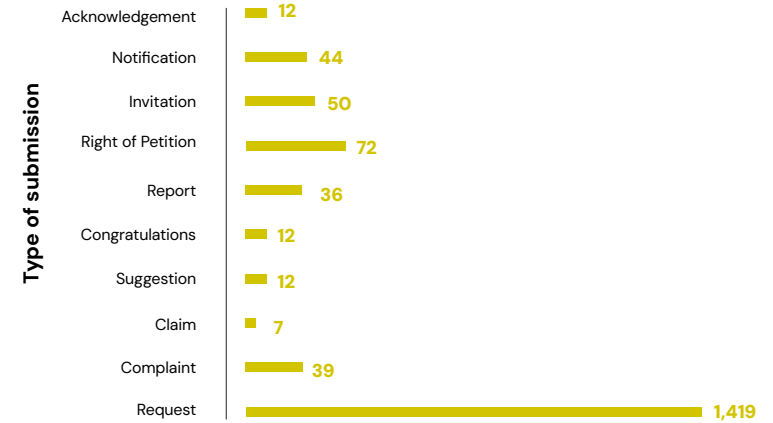
Requests received through the Stakeholder Attention System (SAC)

Type of submission	2022	2023
Requests	1,183	1,419
Invitations	49	50
Complaints	42	39
Rights of petition	40	72
Reports	23	36
Notifications	20	44
Suggestions	13	12
Claims	12	7
Acknowledgements	11	12
Congratulations	7	12
Total	1,400	1,703

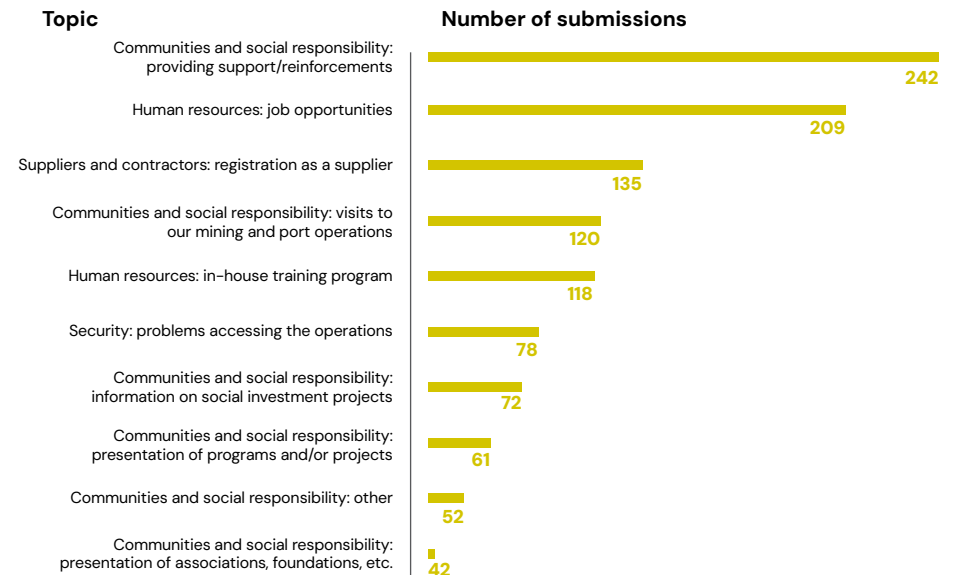
The most common topics were:

Topic	Number of submissions
Communities and social responsibility: providing support/reinforcements	242
Human resources: job opportunities	209
Suppliers and contractors: registration as a supplier	135
Communities and social responsibility: visits to our mining and port operations	120
Human resources: in-house training program	118
Security: problems accessing the operations	78
Communities and social responsibility: information on social investment projects	72
Communities and social responsibility: presentation of programs and/or projects	61
Communities and social responsibility: other	52
Communities and social responsibility: presentation of associations, foundations, etc.	42

Distribution of submissions by type



Topics with the most interaction



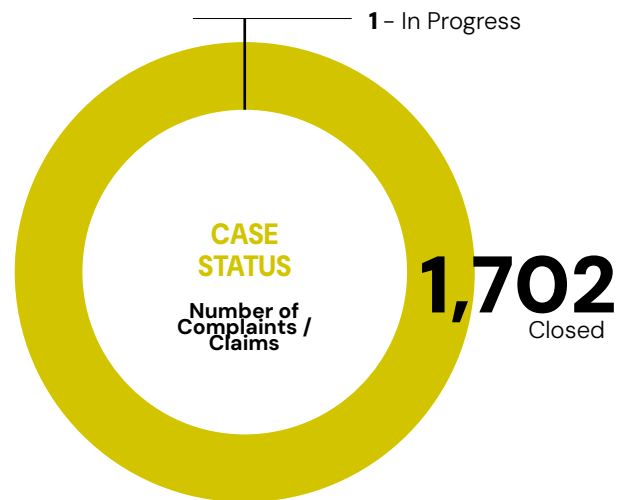


Our stakeholders see the SAC as a channel for reporting conditions related to irregularities in compliance with policies, regulations, contracts, workplace harassment, and where they can receive support to manage these types of adverse situations. Of the 1,703 requests received, one was fell under this category, which was handled accordingly.

Human Rights Assessment

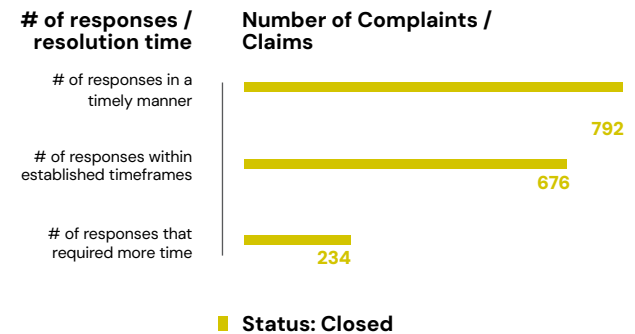


BELOW WE PRESENT THE STATUS OF THE RESPONSE TO SUBMISSIONS RECEIVED IN 2023:



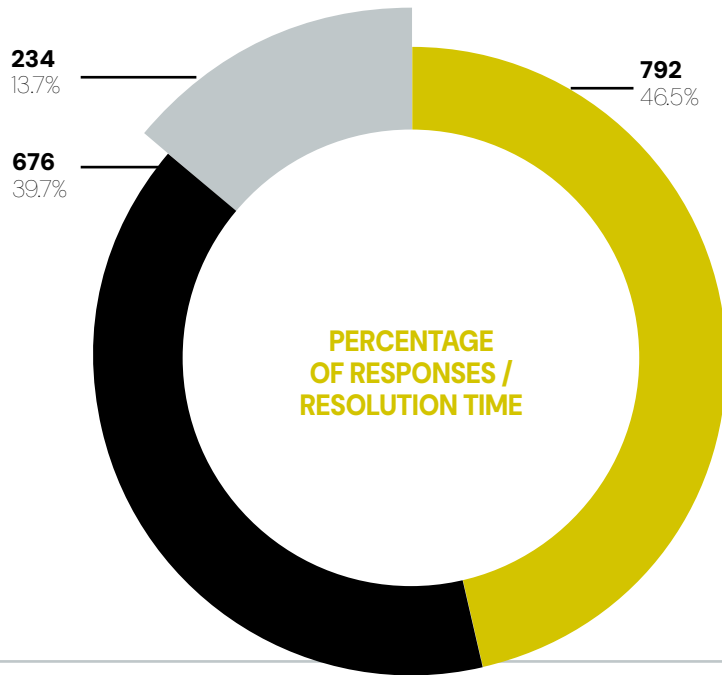
Of the **1,702** cases that have been closed, **792** were answered in a timely manner, that is, within the **15** business days established; **676** were handled within the **30** business days legally provided for any inquiry or request that requires analysis and evaluation by the Company, informing the user of the status of their case, and **234** cases required more time for processing, providing the proper status information to the petitioners. The resolution of the case that is “in progress” is still under evaluation by the area responsible for providing a response.

Number of responses / Resolution time



THE TIMELY RESPONSE INDICATOR WAS 46.5% DURING 2023, COMPARED TO 58.5% IN 2022.

Percentage of responses / Resolution time



- # of responses in a timely manner
- # of responses within established timeframes
- # of responses that required more time

The average response indicator for 2023 was 25 days, compared to the indicator for the previous year of 28.9 days. 67.1% of the submissions recorded during 2023 came from the municipalities from our mining, railroad and port corridor (area of influence in Cesar and Magdalena). It should be noted that 28.4% came from people from inside and outside the country, and from the Caribbean area, but who are not from the municipalities in our mining area of influence: Barranquilla, Bogota, Cali, Medellín, Mocoa, Monteria, Pamplona, Villavicencio, etc. Finally, 4.3% did not record their place of origin in their submissions.

Origin of submissions to the Stakeholder Attention System (SAC)

Municipality	Number of submissions	% by location
Agustin Codazzi	104	6.1%
Becerril	73	4.3%
La Jagua de Ibirico	162	9.5%
Chiriguaná	126	7.4%
El Paso	212	12.6%
El Paso, La Loma	26	1.5%
Bosconia	20	1.2%
El Copey	11	0.6%
Valledupar	123	7.2%
Zona Bananera	12	0.7%
Fundación	6	0.4%
Cienaga	95	5.6%
Aracataca	8	0.5%
Algarrobo	5	0.3%
Santa Marta	160	9.4%
Other locations	485	28.4%
Unidentified locations	75	4.3%
Total	1,703	100.0 %

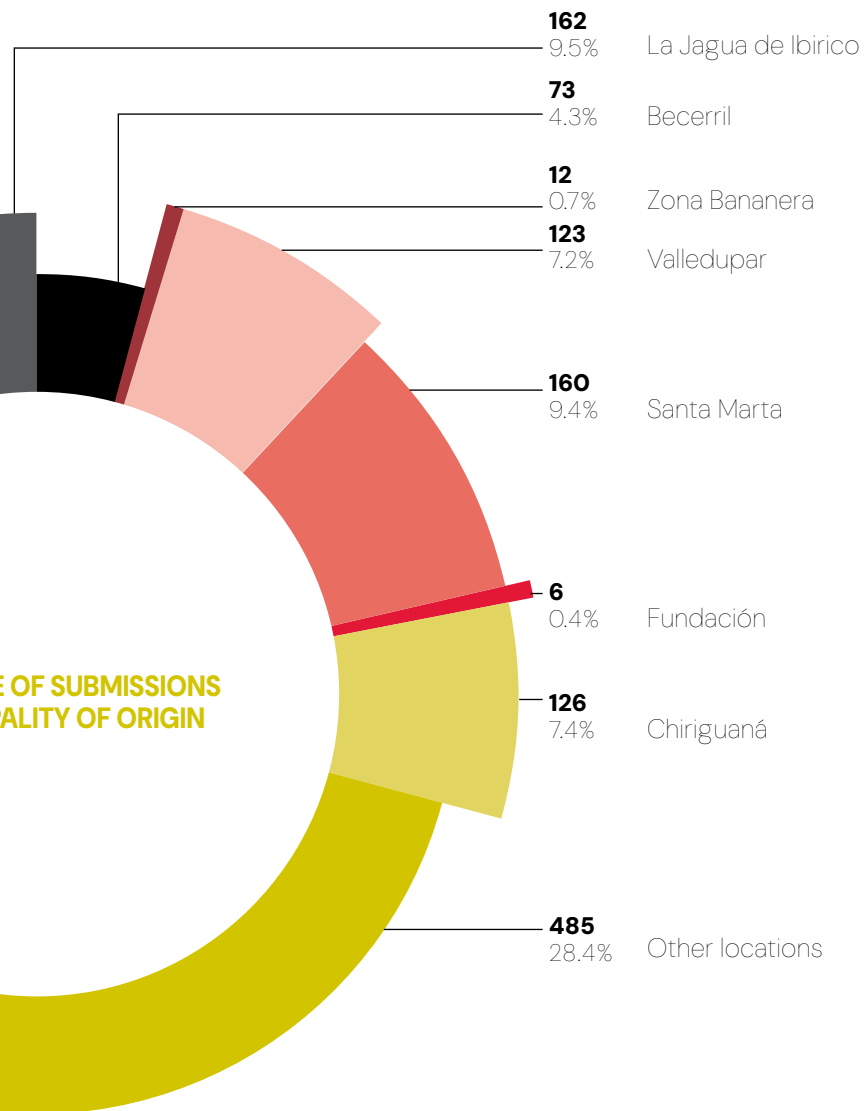


Area of influence	Number of submissions	Municipality %
Department of Cesar	857	50.3%
Department of Magdalena	286	16.8%
Other locations	485	28.4%
Unidentified locations	75	4.3%
Totales	1,703	100.0 %

Origin of submissions to the Stakeholder Attention System (SAC)

El Paso, La Loma	26 1.5%
El Paso	212 12.6%
El Copey	11 0.6%
Bosconia	20 1.2%
Agustín Codazzi	104 6.1%
Algarrobo	5 0.3%
Aracataca	8 0.5%
Ciénaga	95 5.6%
Unidentified	75 4.3%

PERCENTAGE OF SUBMISSIONS BY MUNICIPALITY OF ORIGIN



NUMBER AND DESCRIPTION OF SIGNIFICANT DISPUTES RELATED TO LAND USE, CUSTOMARY RIGHTS OF LOCAL COMMUNITIES AND INDIGENOUS PEOPLES

(DLTD-09)

We have handled land restitution processes in administrative and judicial stages that have been filed by individuals who request that the State return properties sold in the past to third parties, who years later sold them to us. In these cases, we continue to exercise our right of defense as a bona fide third party purchaser in good faith, emphasizing the material and legal impossibility of restitution.

During 2023, no additional requests for land restitution were submitted. A total of 33 properties with current and ongoing processes remain under dispute, with significant disputes being understood as all those that may represent a reputational or economic risk for the company. As of December 31, 2023, we have been notified of five unfavorable rulings, of which one of the properties has already been delivered to the petitioner, and one was delivered to the Land Restitution Unit Fund. Of the remaining three properties, no date has been set for their material delivery. One of the properties can be delivered to the petitioner, and the other two have already been disturbed by our operations.

Regarding indigenous peoples, the Constitutional Court, through Ruling T-375 of 2023, ordered Drummond Ltd., Prodeco S.A., the Ministry of the Interior, the National Environmental Licensing Authority, the Office of the

Attorney General and the Office of the Ombudsman to convene the Yukpa indigenous people, through the representatives of the six reservations, to carry out a consultation and post-consultation process regarding the Calenturitas, La Jagua, Pribbenow, El Descanso and El Corozo mining projects. We began the pre-consultation process by participating in the roundtable discussion and dialogue with the parties involved in the process. The next steps include agreeing on a methodological path, visiting our mining operations, impact and agreement workshops, and formalizing protocols, which will take place during 2024.

RESOLUTION OF CONFLICTS RELATED TO LAND USE OR CUSTOMARY RIGHTS OF COMMUNITIES AND/OR INDIGENOUS PEOPLES THAT WERE RESOLVED THROUGH USE OF THE COMPLAINTS MECHANISMS

(DLTD-10)

When we receive notice of requests by claimants, we fully document all of our actions and file our answers to the claims at the corresponding stages, seeking to demonstrate, in every possible way, that we are bona fide third party purchasers in good faith. Additionally, when we receive complaints that are not considered critical, we respond to them by visiting the places allegedly affected by our operations and taking samples and/or technical studies, which usually in the company of the environmental authorities. We send the results to the claimant and explain that our activities fall within the measurements required by the environmental authorities, when the results demonstrate this.





In the case of judicial proceedings, our Land Department provides the necessary support to the Legal Department to participate in the proceedings. In the case of other types of claims, these are generally managed by our Environmental, Community Relations and Government and Land departments, which work together to conduct visits, verify the results of the studies that are carried out and share them with the claimant.

To resolve land-related disputes, we do not use the conventional mechanisms for petitions, complaints and claims established in our Stakeholder Attention System (SAC). We handle these cases through judicial channels, which we become aware of through the judicial notifications sent by the corresponding courts. The SAC mechanisms are used to handle complaints and requests of a different nature.





Number and percentage of operations with closure plans

(DLTD-12)

We have closure plans at our mining operations, all located in the department of Cesar, and at the port operations in the department of Magdalena, which are carried out simultaneously with other mining activities, such as the rehabilitation of released areas and morphological reconstruction, using the mitigation hierarchy (avoid, minimize, restore, compensate) and the proper management of biodiversity risks and opportunities.

On an ongoing basis, through compliance monitoring by the environmental and mining authorities, we confirm and adjust the measures and activities that make up these plans and ensure fulfillment of the commitments established for their proper execution.

Operations with closure plans.

	2022	2023
Total number of operations that Drummond Ltd. owns	5	5
Company operations with approved closure plans	5	5
Percentage of operations] with closure plans	100%	100%

NUMBER AND DURATION OF NON-TECHNICAL DELAYS

(EM-CO 210b.2)

During 2023, our operations had no delays caused by non-technical factors, including those resulting from pending regulatory permits, protests by our communities or stakeholders, or armed conflicts. Although there were blockades and protests in the area of influence of our mining operations aimed at local mayors due to the lack of public utility services, these did not create delays in our operations.

Milestones

- We implemented 100% of our Annual Social Investment Plan.
- We implemented the “Path to Sustainability and Sustainability Week” initiatives with our stakeholders to promote our social initiatives. We also carried out a training cycle on sustainable management with **2,218** employee participants.



- We executed a communication strategy to promote and strengthen our Stakeholder Attention System (SAC) and generated awareness among our stakeholders, reaching **100%** of our employees and contractors.
- We inaugurated our new Community Relations and Government Office in the municipality of La Loma, El Paso, Cesar, to improve our assistance to and relationships with the local communities.
- Our Online Community Assistance Portal became the most frequently used services channel, with **1,427** of the **1,703** submissions received for a share of **83.79%**.
- Of the **1,703** submissions received during the period from January 1 to December 31, we were able to close **1,702** files, accounting for 99.94%.
- We paved more than 2,000 linear meters of road in the municipality of El Copey, Cesar, under the community collaboration-self-management modality. By doing so, we improved transportation on the roads, property values, quality of life for residents and economic dynamism in the newly-paved neighborhoods.
- In our Scholarship Program, we reached **227** beneficiaries: **90** graduates, of whom **21** are employed at our operations, and **41** are students in professional internships. Notably, six students participated in national and international exchange programs during their academic studies.

- We began implementation of Stage 1 of the High-Impact Project, corresponding to the construction and delivery of housing to 158 families in the municipalities of La Jagua de Ibirico and Chiriguaná, in the department of Cesar.
- We reached our five-year goal of **3,000** newly literate adults in the department of Cesar.
- We updated our socio-economic study of the area of influence and evaluated our social management, with the goal of reviewing this document that allows us to build our investment plans according to the needs and interests of the communities.

Challenges

- Fulfill 100% of our social obligations to maintain our social license to operate.
- Execute 100% of the Social Investment Plan approved for 2024.
- Comply 100% with our value proposition described in our Community Assistance Manual regarding closing cases in a timely manner (within 15 business days).
- Finish Stage 1 of the High-Impact Project; deliver Stage 2 in the municipalities of La Jagua de Ibirico and Chiriguaná, Cesar, and begin implementation of this project in the municipality of El Paso, Cesar.





SUPPLIER AND CONTRACTOR MANAGEMENT

Management of material topics (GRI 3-3)

Having a supply chain that ensures our long-term operability is essential to the sustainability of our business. For this reason, the suppliers and contractors that support our operations undergo a rigorous evaluation and selection processes, in order to ensure quality, competitive prices, timely delivery and after-sales service, which ultimately drives growth and competitiveness in the market.

We currently have six tools aimed at monitoring and **ensuring proper management of our suppliers and contractors:**



1. Policies and guidelines:

- Dissemination of our Human Rights and Conflicts of Interest Policy.
- Requiring the issuance, dissemination and compliance with internal policies and legal requirements by each supplier or contractor.


2. Comprehensive Contractor Manual:

- The document that informs our contractors of the main responsibilities, both for themselves and their subcontractors, related to physical safety, the environment, corporate social responsibility, industrial safety and occupational health while providing their services.


3. Commitments acquired in the provision of goods and services:

-  Contracting using clear commercial offers in terms of responsibilities, commitments and scope of services.
-  Duly signed terms and conditions.
-  Irrevocable declarations.
-  Dissemination of the Contractors Manual.
-  Checking personnel references.

4. Inspections and audits on industrial safety, the environment and human rights:

-  Meeting regarding compliance: regular meetings, inspections, talks, audits and trainings.

5. Regular meetings with contractors' managers:

-  Dissemination of results related to industrial safety, occupational health and the environment, both from our operations and those of our contractor companies.

6. Managerial walk-throughs:

-  Sessions for direct interaction between the company's leadership and supervisors and our contractors' operational staff, carrying out industrial safety and environmental inspections.



Additionally, we recognize the importance of our activity as a driver of economic development for the industry and for the benefit of our areas of influence. For this reason, we pay special attention to and emphasize the following aspects in our recruitment processes:

Hiring of personnel from the region:

each quarter, we monitor the percentage of personnel from our areas of influence that our contractor companies use to execute their services.

Hiring of minors: We prohibit the hiring of minors by all of the companies associated with our operations.

Gender equality in hiring: we track the percentage of men and women hired by our contractors and suppliers.

Production chain: we map the purchases made by our contractors to understand their requirements. By doing so, we encourage the purchasing of local products. Today, our food contracts purchase products such as cheese, fish, coffee, water and other perishable goods from farmers in our area of influence. They also acquire equipment, personal protective equipment and cleaning materials. These products are ordered directly and indirectly from local businesses.

Personnel training: Through our Dual Training Program, our contractor companies have trained more than 120 young people from our area of influence on technical skills such as welding, mechanics, hospitality and food and beverage handling. This is done with the aim of increasing the number of people employed in more technically specialized services in our operations. As of March 2024, our contractor companies have employed a total of 35 young beneficiaries of these training programs. Our contractors are committed to ensuring that this figure continues to increase throughout 2024 and beyond.

Hiring companies with proven experience: we ensure the supply of goods and services by implementing best practices at the national and international level, following good management practices and the ISO 45001, ISO 14001 and other guidelines.

Compliance with regulations such as SAGRILAF and the OFAC list: we ensure that our suppliers and contractors comply with SAGRILAF standards and are not included on the OFAC list or other local databases, to comply with the relevant national and international regulations. It is important to note that we conduct a SAGRILAF review every three months.

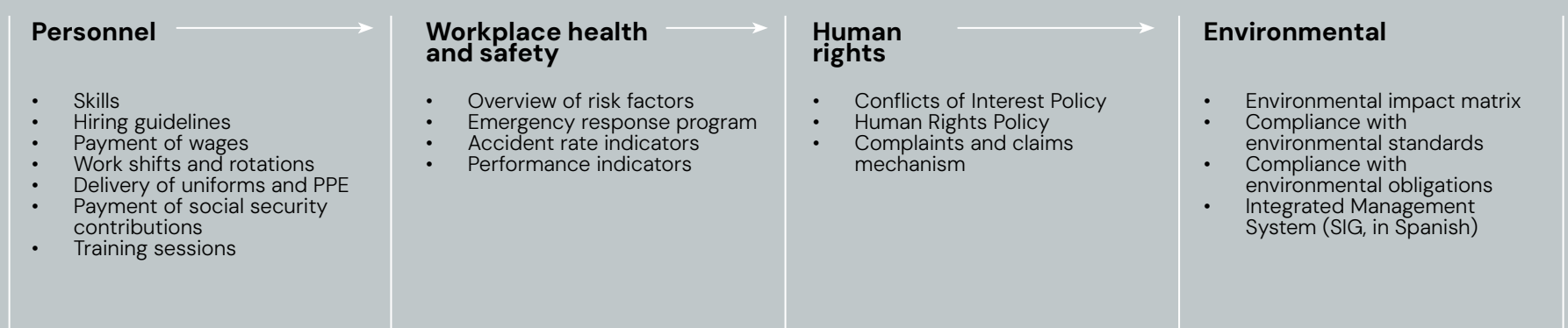




We are aware of the impacts generated by our operations and business relationships, so we constantly strive to improve our processes and relationships with our suppliers and contractors. As part of our work, we carry out a process of identifying, evaluating and managing real and potential impacts in cooperation with the Company's different departments. During 2023, **we verified a total of 75 contracts in progress that could have negative impacts.** For these contracts, we established special mandatory compliance controls in areas such as Occupational Health and Safety, Hygiene, the Environment and Human Rights, aligned with our Contractor Manual, to which all our contractor companies agree when starting

their business relationship with our company. To reinforce this work, we share policies related to Workplace Health and Safety, the Environment, Human Rights, Ethics, Sustainability, among others, with our suppliers and contractors.

We conduct audits prioritizing different criteria according to the criticality and value of the goods and/or services provided, including, among others, environmental, social, industrial safety and governance criteria. We evaluate social criteria when carrying out the procedures for contracting with our Company. The management of our suppliers and contractors is carried out from a risk prevention and mitigation approach.





Additionally, we have our Stakeholder Attention System (SAC), which allows us to monitor and evaluate our suppliers' and contractors' performance. This is due to the fact that, through the SAC, anyone can submit a report anonymously or directly, reporting conflicts, irregularities, failures or deviations from our Business Ethics Program. If necessary, reports may address any matters that may affect our operations.

WE MAINTAIN TRUSTING RELATIONSHIPS WITH OUR SUPPLIERS AND CONTRACTORS TO DEVELOP COLLABORATIVE TIES THAT GENERATE MUTUAL BENEFITS.

This practice begins with our contractor selection process and is maintained on an ongoing basis to ensure that companies can face challenges with us and adapt to our work and labor relations dynamics.

Percentage of spending on local suppliers (GRI 204-1)

Local suppliers or contractors are understood to be those companies whose main headquarters are located in the Caribbean Region and are registered with the Chambers of Commerce from this region. **Our direct cooperation with regional suppliers of goods and services encourages significant local economic activity and generates many employment opportunities, both direct and indirect.** Additionally, we promote high standards in terms of technology, industrial safety and environmental protection, which contributes to professional and business growth in the municipalities in the area of influence of our mining and port operations.

Table 28. Percentage of the procurement budget for significant operating locations¹ that is used by suppliers in the location of the operation (as a percentage of products and services purchased locally)

	Unit	2022	2023
Total procurement budget	COP	4,285,779,779,718	4,304,334,973,414
	USD	1,000,453,855	991,234,691
Procurement budget for significant operating locations	COP	1,078,466,958,671	1,063,806,066,804
	USD	252,844,554	245,047,009
Percentage of the procurement budget for significant operating locations	%	25.16	24.71
		25.20	24.72



¹ The significant operations locations correspond to the departments of Atlántico, Cesar, Magdalena, Bolívar and La Guajira.

During 2023 we had commercial relationships with:

Number of suppliers	Unit	Billings	
824 Total suppliers	COP	6,211,521,746,853	
	USD	1,429,808,955	
Of the total suppliers, 750 were domestic (90%)	COP	4,304,334,973,414	69% of total billings
	USD	991,234,691	
310 of the total number of domestic suppliers are located in the Caribbean Region	COP	1,063,806,066,804	25% of total domestic billings
	USD	245,047,009	

We continue to strengthen our commitment to the development and growth of suppliers in the region through contracting local services that were previously provided by national or foreign companies. In recent years, this has allowed us to strengthen our supply from local companies, which in 2023 had more than 139 employees working at our mining and port projects, generating jobs in our area of influence and economic growth for the region.

New suppliers that were screened using environmental criteria

(GRI 308-1)

New suppliers that were screened using social criteria

(GRI 414-1)

Criteria	Environmental	Social
Number of new suppliers	4	67
Number of new suppliers that were screened using environmental and social criteria	4	67
Percentage of new suppliers that were screened using environmental and social criteria	100%	100%

In 2023, we registered **67 new suppliers**, of which 4 were included as part of the environmental monitoring process. These contractors are considered critical and they may eventually have an impact on our environmental performance, so we apply the established performance and management controls.



As for new contractors interested in providing their services to us, they must meet the following 3 social criteria:

1. Have a Corporate Social Responsibility policy.
2. Have shared this policy at all levels of the organization.
3. Have made investments aimed at the region's social development.

In terms of the performance evaluation for our contractors and suppliers, we collect information regarding corporate social responsibility from new contractors in order to include social performance aspects.



Negative environmental impacts in the supply chain and actions taken

(GRI 308-2)

Negative social impacts in the supply chain and actions taken

(GRI 414-2)

Table 29. Results of the social and environmental evaluation of suppliers

	Ambiental	Social
Total number of suppliers and contractors with which the Company had a relationship in 2023 whose impact has been evaluated	73	0
Number of suppliers and contractors with significant real or potential negative impacts	73	0
Percentage of suppliers and contractors with which improvements have been agreed after the evaluation	100 %	0
Percentage of suppliers and contractors with which the contractual relationship has been terminated as a result of the evaluation	0 %	0 %



During 2023 we did not identify any adverse social effects, real or potential, so we did not have to terminate any contracts for this reason. In terms of environmental impacts, we identified negative impacts caused by the work of our contractors and suppliers, including spills of hydrocarbons and chemical substances and/or products. These impacts are addressed through management mechanisms and measures in compliance with the applicable regulations.

In line with the above, during 2023 **we carried out 307 environmental inspections of our contractors, of which 47 were carried out at our port operations and 260 at our mining operations**; we also carried out 14 environmental compliance audits of environmental service providers. The main components evaluated were: waste management, handling of chemical substances, hydrocarbon management, prevention and control of hydrocarbon spills. It is important to note that the 73 companies of environmental interest that were evaluated are classified as Critical Suppliers and Environmental Contractors², and do not correspond to the total number of companies with which the Company has a commercial relationship.

The implementation of our Inspection Program has contributed to the continuous improvement of our contractors' environmental performance, and has fostered an organizational culture aimed at environmental conservation and protection. The contractors or suppliers that show progress and growth in these areas have a greater chance to maintaining their ties to our operations.



- ² SIG-2003 Monitoring Guide for Environmentally Critical Suppliers and Contractors:
- Definition of an Environmentally Critical Contractor. One that constantly carries out activities and/or special projects that have a significant impact on the Company's environmental performance.
 - Definition of an Environmentally Critical Supplier. One that provides services related to waste collection, transportation and disposal, pest control, transportation of dangerous goods and harmful substances.



Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

(GRI 403-7)

We continuously monitor the safety conditions at our work sites and the progress of our equipment maintenance programs to ensure the safety of our employees, contractors and visitors. Additionally, **we have a Contractors Manual that establishes Occupational Health and Safety (OHS) guidelines** that must be met throughout the contracting process, and we constantly monitor their impact on the provision of the service.

To improve our contractors' safety, occupational health and environmental performance, we have implemented the RUC® model at the contractual level since 2012, which involves annual audits conducted by the Colombian Safety Council, in order to assess risk management and compliance with Colombian laws. Areas such as leadership, development and execution of the Occupational Health and Safety Management System (OHSMS), risk management, evaluation and monitoring, and impact on the accident rate are evaluated. As a result of the implementation of this model, we have improved the ratio of the number of contractor supervisors for each employee. This has helped make our operations and those of our contractors safer. Since 2019 we have had specific elements exclusive to our operations as part of the RUC® audits.



The results of the RUC® evaluation, in addition to those obtained from the internal audit processes carried out by the Occupational Health and Safety Management System, have provided information to define strategies in the search for continuous improvement and excellence in processes, which leads to strengthening the Occupational Health and Safety Management Systems for both our contractors and our company.

Milestones

- We awarded three contracts for high-impact projects (building houses in our area of influence).
- We evaluated all of the compensation programs and redefined the scope of future contracts in this area.
- We attended Mine-Expo in Medellin with our contractors from our area of influence to provide them with exposure and promote their work.
- We held 19 meetings with the communities in our area of influence (mines and port) to share our corporate management in the communities.
- We organized the Expo-Opportunities Fair in Valledupar, attended by our local contractors and subcontractors, with the aim of developing the production chain in the region.
- We helped organize the Good Governance Seminar with the mayors, governors, council members and representatives elected in 2023.
- We increased the percentage of our contractors' local workforce, from 4,241 to 4,367 (2.97%).
- We supported the development of new suppliers in our area of influence (Incimetco SAS, Comercial Agropecuaria y Prestadora de Servicios de Becerril SAS, SYSEG Servicios y Suministro Empresariales Guajirita SAS, Servicio Integral La Palmita SAS).
- We successfully held the ninth Human Rights Dialogue with our suppliers' and contractors' managers and legal representatives. A total of 102 employees from our contractor companies attended.

Challenges

- Maintain the operations in the face of an increase in mining taxes, and logistical constraints due to various conflicts around the world.
- Hold the tenth Human Rights Dialogue with our suppliers' and contractors' managers and legal representatives.
- Conduct our Dual Training Program for at least 30 people, in order to train personnel from our area of influence and continue increasing the local workforce in our operations.
- Implement a project that generates energy from sunlight.
- Ensure compliance with the law that reduced the work day, without affecting the compensation for employees of our contractor companies.
- Ensure the supply of ammonium nitrate necessary for our operations in spite of the political crisis between Russia and Ukraine. This is considering that these countries are leaders in the production and export of this product.



RESETTLEMENTS

Management of material topics

(GRI 3-3)

Since 2010, we have been implementing the obligations established by the Ministry of Environment and Sustainable Development for the resettlement of communities in our area of influence. Through Resolutions **970 and 1525**, the Ministry ordered Drummond and two other companies to resettle the villages of Plan Bonito, Boquerón and El Hatillo in the department of Cesar, stipulating each company's proportional participation in the process. Currently, the three resettlement processes are in different stages of progress, in accordance with each community's independent and autonomous decisions.

On the one hand, the community of Plan Bonito is in the closure and ex-post evaluation stage of the Resettlement Action Plan (RAP in Spanish). On the other hand, the community of El Hatillo is currently in the individual implementation phase, in compliance with the orders made by the environmental authority in Resolutions 1640 and **1961 of 2021**. In the case of the community of Boquerón, the environmental authority, through Resolution 640 of April 2021, modified the obligation, ordering that the village not be resettled, and in its place a Socio-Economic Management Plan was created.

Within the framework of the participatory construction of the Resettlement Action Plan (RAP) with the communities of El Hatillo and Plan Bonito, we have identified and assessed the alterations, impacts, losses and changes caused by involuntary displacement at the collective and family level, using a comprehensive approach from a social, historical, cultural, economic and habitat perspective. We carried out the process of agreeing to the RAP with the communities, the regional and local governments, the National Environmental Licensing Authority (ANLA) and the Office of the Ombudsman, in defense of human rights.

These plans include a compensation framework that covers all management measures that will be applied to restore the population's living conditions, detailing, in accordance with the eligibility criteria, which people will receive these measures, according to the impacts identified, assessed and qualified. The implementation of the RAP follows international World Bank standards (WB/IFC) and best practices regarding resettlement.

As for the Socio-Economic Management Plan (SMP) for Boquerón, it is based on a diagnosis of the community's situation and proposes the implementation of 18





management measures, which will be implemented individually by each of the mining companies. Drummond Ltd. is responsible for the implementation of 10 of the approved sub-programs. The plan is the result of multiple in-person and virtual workshops held with the community of Boquerón, with the support of the regional authorities and oversight agencies. The plan was also shared and explained to the community and the local authorities, who submitted comments to be reviewed and included, based on their feasibility and appropriateness.

The three plans include a chapter on monitoring and follow-up measures, which include the periodic comparative and systematic identification and evaluation of quantitative and qualitative variables. **Its purpose is to establish the results and progress of the actions taken, as well as to set the level of effectiveness in fulfilling the goals and objectives,** in such a way that the respective adjustments are made to the programs. This is in line with our Resettlement Policy,¹ which states our commitment to avoiding or minimizing circumstances that could lead to involuntary resettlements of communities, avoiding conditions that could lead to the formation of new uncontrolled settlements, and to implement appropriate measures to mitigate adverse effects in cases where resettlement is inevitable.

¹ <https://cjk.e1d.myftpupload.com/wp-content/uploads/2022/08/resettlement-policy-Drummond-LTD.pdf>



RESETTLEMENT MANAGEMENT AND SOCIOECONOMIC MANAGEMENT PLAN (SMP)

(DLTD-1)

Through Order No. 2382 of April 23, 2021, the National Environmental Licensing Agency (ANLA), established the obligation for the mining companies Drummond Ltd., Prodeco and CNR to submit the *“Work Program breaking down their responsibilities for the actions to be executed to fully comply with the PAR for the communities of Plan Bonito and El Hatillo.”* In the case of the community of Plan Bonito, the plan was approved under Order No. 6150 of August 11, 2021. In the case of the community of El Hatillo, the plan was approved under Resolution 1640 of September 16, 2021, Resolution 2743 of November 18, 2022 and Resolution 317 of February 21, 2023. In the case of the community of Boquerón, the mining companies submitted the SMP, which was approved under Resolution 664 of March 29, 2022.

Below, we present the work we have carried out in each of the communities, according to our obligations and best practices in this field:

Plan Bonito

The relocation of the families from this community was completed in 2014. Since then, the three mining companies involved have implemented the Livelihood Restoration Program. This program promotes initiatives related to education, entrepreneurship, social inclusion and access to basic services, benefiting **98 families** and positively affecting **475 people**.

To date, **121 students** have benefited from the Higher Education Fund (HEF), which will be in effect until 2025, and **51 students have graduated** from different programs. We have also continued to provide support to families with businesses and income-producing projects, providing seed capital and granting microcredits to **51 families**.



In 2023, we conducted the ex-post evaluation of the resettlement process, based on which we will ask the environmental authorities to end our obligation.



El Hatillo

During 2023, we continued to fully comply with our individual obligations to this community, **as follows:**



Management Measure

Habitat and housing

Economic base

Description

Replacement housing: includes notary and registration costs and furnishings.

Implementation of income-producing projects: includes compensation for lost earnings and relocation payment.

Operator

Corporación Organización Minuto de Dios

Coordinadora Ambiental y Gestión Social Zona Caribe (Coorambiental)

Additionally, we maintained the framework for the Transition Plan, providing assistance such as groceries for the remaining families from the food bank, monthly financial support for training, funeral assistance and the emergency fund. Until 2023, the companies have helped all of the more than **200 families registered** for this temporary support.

Families relocated

47

2023:

2022: 15





Boquerón

The SMP approved by the ANLA includes 18 management measures, of which our Company is responsible for ten:

Program	Management measure	Description	Progress 2023	Operator
Social infrastructure	Updates to the local school	Improvements to the infrastructure for the Boquerón Educational Center, with the objective of meeting the educational needs of children and young people with quality educational infrastructure that makes it possible to increase the academic offering, starting from 7th grade to 11th, considering the resources required.	We began the civil works, both the construction of new classrooms and restrooms and improvements to the current infrastructure, to optimize it and be able to offer a full baccalaureate course through grade 11. Status: will be completed in 2024.	Corporación Organización Minuto de Dios
	Improvements to the nursing home	Remodeling and providing equipment for the Life Center nursing home, with the goal of improving care for senior citizens in Boquerón, creating the physical conditions to receive food, recreation, training and general care.	We began the updating and remodeling work, expanding the total area and seating capacity for 96 senior citizens. Status: will be completed in 2024.	Corporación Organización Minuto de Dios
	Improvements to living conditions	Reducing the housing deficit in the village of Boquerón through the construction or improvement of homes on their own sites.	We submitted the socioeconomic characterization of 424 homes, as well as the cartographic and topographic information for the village. We created the urban design request, which is the responsibility of the Municipal Mayor's Office.	In the selection process
	Improvements to the water treatment plant	Diagnostic, technical evaluation and intervention at the water treatment plant to ensure availability and water quality in the village of Boquerón.	We carried out an assessment of the system and the engineering in detail, which makes the work technically and contractually viable. Status: complete	Tecnoaguas
	Tree planting and urban landscaping	Improvement in the conditions related to environmental temperature and beautification of the village of Boquerón.	We began the process of contracting the operator in charge of performing the work. Status: will be completed in 2024.	In the selection process
			We identified the native species to plant in the village and coordinated their availability with our in-house nursery. We created the urban design request, which is the responsibility of the Municipal Mayor's Office.	In the selection process





Program	Management measure	Description	Progress 2023	Operator
Social infrastructure	Integrated solid waste management system and composting	Construction and operation of the technical-administrative process for comprehensive solid waste management and composting in the community of Boquerón, considering the environmental education component.	We identified the lot that will be used, in coordination with the Municipal Mayor's Office.	In the selection process
			We operate the collection, sorting and processing of solid waste (garbage) through the Boquerón Recycles Foundation and with the technical support of Coorambiental, serving more than 350 homes and creating four jobs.	
Livelihoods and human capital	Job and human development training	Execution of the comprehensive training process to develop technical-labor knowledge and skills in areas relevant to demand in the labor market in the department of Cesar.	We conducted a study on the <i>"Labor market trends in Cesar and the mining corridor, in a productive transition scenario to identify job training opportunities,"</i> which serves as the diagnostic basis for implementing the sub-program.	CESORE e Inclusión S.A.S.
			Status: complete	
			We awarded 126 technical labor education scholarships in five training areas: Civil works officer, Welding technician, Administrative assistant, Nursing assistant and Occupational health and safety technician.	Uparsistem
We began direct training sessions on Sundays from 7:00 a.m. to 3:00 p.m. in the village; they include educational material, uniforms and food and drinks for each session.				
			Status: will be completed in 2024.	
	Training for higher education	Acceptance and continuation of high school graduates living in the village of Boquerón in professional degree courses and higher education studies at accredited institutions in the region through enrollment, psycho-social monitoring and living stipends.	We offered 71 spots, including 11 additional students who were participating in the previous program. To date, 58 are actively enrolled students.	Coorambiental



Program	Management measure	Description	Progress 2023	Operator
	Adult literacy	Training with educational elements for illiterate youth, adults and senior citizens, which allows them to become literate and participate significantly in daily, personal, family and community processes, improving their self-esteem and civil contributions.	<p>We enrolled 118 qualified beneficiaries, and their training sessions started on Saturdays from 7:00 a.m. a 1:00 p.m. in the village; they include educational material, uniforms and food and drinks for each session.</p> <p>Status: will be completed in 2024.</p>	Comfacsar
Culture and skill-building	Local skill-building	Training and strengthening of leadership skills in individuals and community organizations, with the goal of promoting the sustainability and self-management of Boquerón in the medium and long term.	<p>We certified 100 participants in the training portion of the Boquerón Capaz (Boquerón is Capable) project, distributed as follows: 16 organization members trained in <i>Effective management and leadership in civic and community organization</i>; 41 people trained in <i>Citizen oversight and social monitoring</i>, 32 women and 11 young people trained in <i>Leadership and empowerment</i>.</p> <p>We achieved 127% fulfillment of what we had planned, and created a Citizen Oversight Office for the village. For training citizen observers, we achieved 605% fulfillment of our goal, and for training women and young people, we achieved 530% fulfillment of our goal.</p>	Fundación Universitaria del Área Andina, Valledupar campus



Milestones

During 2023 we achieved the following milestones for each community:

Plan Bonito

- We completed the ex-post evaluation, making it possible to establish the level of compliance with the Resettlement Action Plan RAP.
- We continued to implement the Higher Education Fund for the enrolled beneficiaries.

El Hatillo

- We implemented the habitat and housing component for 47 families/households.
- We implemented 46 income-producing projects for the relocated families and the payment of lost earnings.
- We maintained the availability of legal and communications advice for the community to guide and support families in the implementation of the RAP.
- We are continuing with the benefits of the Transition Plan.



Boquerón

Of the **10 management** measures for which we are responsible, we completed execution of the **CULT 2-17** sub-program Local Skill-Building, and began execution of six more, as follows:

Program	Number	Sub-program	Status
Social Infrastructure	IS 1-1	Improvements to the local school	In progress
	IS 4-4	Improvements to the Life Center nursing home	In progress
	IS 6-6	Improvements to the water treatment plant	In progress
Livelihoods and human capital	MDV 2-14	Job and human development training	In progress
	MDV 3-15	Training for higher education	In progress
Culture and skill-building	CULT 1-16	Adult literacy	In progress
		Local skill-building	Complete

Challenges

- To submit the ex-post evaluation of the Resettlement Action Plan to the environmental authorities and request closure of the obligation for the community of Plan Bonito.
- To continue with the implementation of the breaking down of the program from the RAP for El Hatillo in the components for which we are responsible.
- To continue with the execution of the management measures under our responsibility in the SMP for Boquerón, with co-responsibility by the Office of the Mayor of La Jagua de Ibirico, Cesar.



RELATIONSHIPS WITH UNIONS

Management of material topics (GRI 3-3)

NUMBER AND DURATION OF STRIKES AND LOCKOUTS (EM-CO 310a.2)

At Drummond Ltd., we recognize the importance of guaranteeing the right of association, the right to organize and collective bargaining as a cornerstone for maintaining good labor relations, having a positive impact within our organization and reducing the possibility of negative impacts on our stakeholders, the Company's objectives and its corporate reputation. To ensure the above, we have publicly formalized, in our Code of Conduct and other policies, our commitment and dedication to respecting, protecting and promoting these rights, through good practices, which have had very positive results on our labor relations.

Having opportunities for social dialogue, as a mechanism for interaction, allows us to conduct evaluations and monitor issues of general interest to our employees, their representatives and the Company. To do so, we have the following opportunities for **direct communication with these stakeholders:**



- Open meetings with employees, led by the Vice Presidents of Operations and Human Resources.
- Regular meetings with our unions within the framework of the Collective Bargaining Agreement.
- Visits to work sites with representatives of the union organizations.
- Occasional meetings, requested by the union organizations, with senior management (president, vice presidents, superintendents, managers).
- Food and Transportation Committee.
- Recreation and Culture Committee.

- Follow-up meetings to optimize services under the Hospitalization and Surgery insurance policy.
- Open meetings with our employees led by Industrial Safety and operational area managers (360°).
- Participation in the labor relations network with other companies in the industry.
- Visits from external stakeholders (clients, NGOs, international unions).

By implementing these mechanisms, we promote dialogue and consensus on topics of interest to the parties, so that our operations maintain their normal course and, therefore, prevent negative impacts, such as closures or suspensions of activities, which may affect our employees, the Company and the local, regional and national economy. The results of our efforts on this material topic are reflected in the fact that our operations did not stop during the period covered by this report.

Collective bargaining agreements (GRI 2-30)

PERCENTAGE OF ACTIVE WORKFORCE COVERED UNDER COLLECTIVE BARGAINING AGREEMENTS, BROKEN DOWN BY DOMESTIC AND FOREIGN EMPLOYEES (EM-CO 310a.1)

At the end of 2023, **3,891** of our employees were covered by collective bargaining agreements, which corresponds to **72.87%** of our Company's total employees. Those who are not covered by those agreements with the union organizations, i.e., the remaining **27.13%**, are part of our extra-legal benefits program.



Percentage

2023:

72.87%

2022: 72.92%

Number

2023:

3,891

2022: 3,761



Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

(GRI 407-1)

For us, it is essential to strengthen relationships with our employees and union actors at all levels, including our contractors and/or suppliers. We take on this challenge based on respect for and promotion of the right of association, freedom of association and collective bargaining.

Additionally, our employees and other stakeholders can use a Complaints Channel to submit complaints, concerns and/or claims on labor and employment issues, and we guarantee their absolute confidentiality. **This channel can be accessed as follows:**



Email:

denuncias@drummondltd.com

Online community assistance portal:

<https://drummond.boreal-is.com/portal/drummond>

Ethics line - toll free:

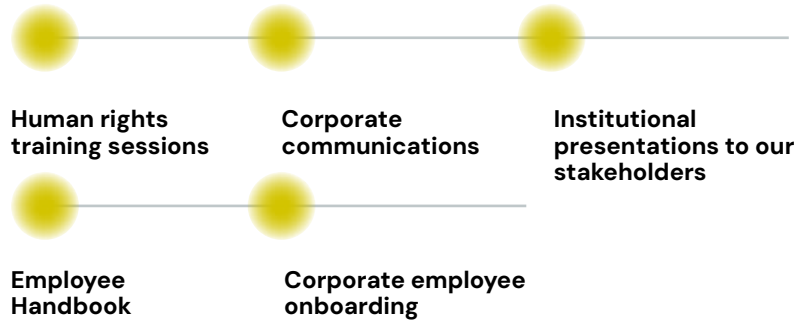
018000919161

Mailing address:

Calle 72 No. 10-07, Suite 1302, Bogotá, D. C.



We manage and respond to the communications sent using these mechanisms through a committee that includes members of Drummond Ltd.'s senior management, to ensure the transparency and confidentiality of the information submitted. Finally, we have several mechanisms to promote and protect these rights in all of our operations, and to **communicate the actions we have taken:**



In 2023, we did not identify any operations or suppliers where the rights to freedom of association or collective bargaining could have been at risk.

Minimum notice periods for operational changes

(GRI 402-1)

We have strengthened our corporate communications channels to inform all of our stakeholders of significant operational changes. These channels include emails, meetings, memos, newsletters, press releases, billboards and newspaper and magazine publications.

At the Company, we do not have minimum deadlines to report operational changes. Each change is analyzed independently, according to its complexity, and is promptly communicated to our stakeholders.

Milestones

- We maintained spaces for dialogue and consensus with our different union organizations, resulting in a good work environment and making it possible to achieve the Company's objectives.
- We conducted a successful collective bargaining process with another union organization, which led to the signing of a new collective bargaining agreement at the direct agreement stage. By doing so, we ended 2023 with **11 collective bargaining agreements** in effect with the same number of unions, which demonstrates our willingness to seek negotiated agreements to labor disputes and, therefore, our respect for the right of association, the right to organize and collective bargaining.

Challenges

To fulfill the commitments made in the collective bargaining agreements signed and strengthen labor relations through dialogue and consensus, because next year a new collective bargaining process will begin with the majority of our labor unions.



ECONOMIC PERFORMANCE

Management of material topics (GRI 3-3)

The year 2023 represented a major challenge worldwide with respect to steam coal sales, since the global capacity for electricity generation through other renewable sources, such as solar and wind, is experiencing unprecedented growth. Also, the use of liquefied natural gas (LNG) has increased in many parts of the world because its price is lower than coal and, in addition, it is a more environmentally-friendly fuel. At the same time, hydroelectric energy generation has increased in some countries in South America, which has reduced demand for coal.

During the last United Nations Climate Change Conference (COP28) held in the United Arab Emirates in 2023, several agreements were reached, which included recognizing the global importance of gradually reducing dependence on fossil fuels, a fundamental step to mitigate greenhouse gas emissions and limit global warming. The urgency of the situation was highlighted and the need to carry out “deep, rapid and sustained reductions” in emissions was

underscored to avoid the consequences of exceeding the 1.5° C threshold established in the Paris Agreements. Additionally, it was noted that there is a real opportunity to triple global electricity generation capacity from renewable sources by 2030.

By the end of 2023, coal prices FOB Colombian Port (API2-BC17) had plummeted 55%, going from USD 215.43/ton in December 2022 to USD 97.74/ton in December 2023. This decline is primarily due to the increased use of liquefied natural gas (LNG), leading to a buildup of inventories held by producers. Another event that has contributed to this drop in prices is the accumulation of significant coal reserves in several generators in European countries, including Germany, as a preventive measure to guarantee supply during the winter. Furthermore, the bans that Russia has faced as a result of the invasion of Ukraine has led to the sale of large volumes of coal at low prices in the markets in China, Turkey, India and Korea. Coal surpluses from Indonesia and South Africa, which normally supply these markets, have also been offered on the European market, further increasing supply and putting greater pressure on coal prices. In January 2023 alone, the international price of coal dropped USD 57/ton, compared to December 2022.

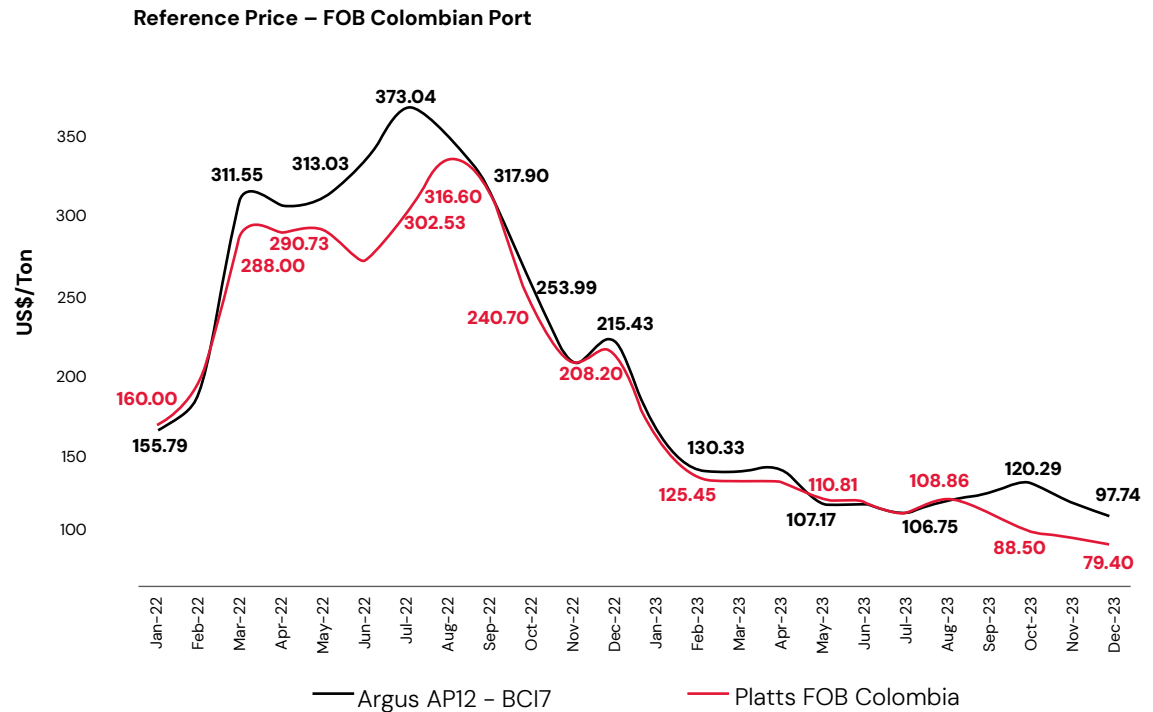
Given these circumstances, economic performance was crucial for the Company’s sustainability, especially the operational management by all areas, from mining



to the transportation and shipping of coal, in order to maintain an efficient cost structure. Our operational work was integrated into the corporate efficiency strategy and our commitment to provide high-quality steam coal at competitive prices, while promoting safe practices in all areas. This commitment to being a reliable, high-quality supplier covers several aspects, such as job creation, local economic development, the contribution of significant resources to the General Royalties System and to the National Budget, the comprehensive management of environmental and social impacts, as well as guaranteeing health and safety in the workplace for all of the Company's employees and ensuring respect for human rights. All of this is supported by various policies, codes of conduct, manuals and measures to comply with best practices and international standards.

Additionally, within the Company, we regularly monitor the effectiveness of the measures that we adopt to manage our economic performance and related impacts. The results of this monitoring help us to identify opportunities for improvement and incorporate the lessons learned into our Company's policies and practices.

The graph below shows the behavior of coal prices based on the indices recognized by the national government, and which determine many of the economic considerations related to royalties and surcharges for high prices.





The Executive Director of the International Energy Agency (IEA), Fatih Birol, said that “The power sector currently produces more CO2 emissions than any other in the world economy, so it’s encouraging that the rapid growth of renewables and a steady expansion of nuclear power are together on course to match all the increase in global electricity demand over the next three years.”

The continued expansion of the use of coal shows that it remains an essential part of key energy systems, in spite of the rapid deployment of renewable energies, such as solar and wind. Although many parts of the world, such as Europe and North America, are taking steps to gradually reduce their dependence on coal for electricity generation, the importance of coal mining, as well as its use in electricity generation, remains significant in Asia. **Despite the geographic decline in coal use and trade, total extraction, exports and consumption in power plants continues to rise.** In 2023, Indonesia led the world in steam coal exports, with a record volume of 505.4 million tons, 54 million more than in 2022, an increase of 12% over the previous year. Australia was the second largest exporter, with 198 million tons, 12.5 million (7%) more than

in the previous year, followed by Russia, South Africa and Colombia. China led the world in steam coal imports, with a record volume of 325 million tons, 109 million more than in 2022, followed by India, Japan, South Korea, Taiwan, the Philippines and Vietnam, all with considerable increases compared to the previous year.

In Colombia, according to the information published by the DANE, during 2023 the economy showed Gross Domestic Product (GDP) growth of 0.6%. It is also important to note that mining and quarrying (which includes oil) grew by 2.6%, and coal and lignite mining grew by 2.3%.

For the eighth consecutive year, we remained the largest producer and exporter of coal in Colombia. Through November 2023, our production represented 50% of the entire country’s production. After the COVID-19 pandemic, steam coal production in Colombia continues to strengthen, going from 54.4 million tons in 2020 to 59.1 million tons in 2021 and 58 million tons in 2022. As of November 2023, the country’s total steam coal production was 54 million tons.





We confirmed our commitment to the United Nations Sustainable Development Goals (SDGs) in the implementation of our sustainability strategy. To that end, we designed a strategy and a path towards carbon neutrality that is based on core concepts such as the reduction of greenhouse gases (GHG) and the implementation of offset strategies and the management of indirect emissions throughout our supply chain, including suppliers of goods and services and customers. One of the initial milestones in this strategy is a 30% reduction in direct CO₂ emissions by 2030.

We are aware that we play a fundamental role in a global context, in which our commitment is to reducing GHGs, guaranteeing countries' energy security and promoting a fair and progressive socio-environmental transition.



Direct economic value generated and distributed¹ (GRI 201-1)

During 2023, we continued with our capital investments based on our long-term mining plans, in addition to the comprehensive development of our workers. In order to strengthen our sustainability work and our positive social impact, we have invested in education and training, community relations, human talent, workplace health and safety and, in general, in managing our material topics.



Also, consistent with our 2030 agenda, during 2023 we succeeded in:

1.

Remaining the largest producer and exporter of coal in Colombia for the eighth consecutive year, generating value for our stakeholders;

2.

Having the second best reputation for a mining company in the country



3.

Continuing to contribute to the social well-being of our communities and employees with an investment of more than 116 billion pesos (USD 29,694,056) in 2023, and

4.

Continuing to provide training at the Drummond Tech Training Center and implementing our Leadership Program to strengthen effective communication and leadership, and the impact of our influence on the leaders of our operations.

¹ This indicator was prepared based on the parameters established in the Guide for Preparing Sustainability Reports from the Global Reporting Initiative (GRI). Therefore, figures related to depreciation and amortization were not considered within operating expenses.

In financial terms, Drummond Ltd. has achieved the following results:

Table 30. Economic results, 2023

Item	2021 Amount (COP)	2022 Amount (COP)	2023 Amount (COP)
Income from net sales	9,274,192,218,715	16,606,503,626,140	16,574,206,012,584
Income from financial investments	5,233,800,595	7,515,736,753	9,905,925,227
Income from asset sales	14,241,728,551	21,091,074,793	25,732,965,932
Direct economic value generated	9,293,667,747,860	16,635,110,437,686	16,609,844,903,743
Operating expenses	3,759,516,922,554	4,782,885,143,728	4,642,871,464,198
Employee wages and benefits	1,042,971,769,070	1,163,649,489,754	1,230,639,110,010
Payments to capital providers	0	0	0
Payments to governments	2,522,094,855,113	7,147,804,133,520	7,130,080,225,967
Social investment ²	68,477,946,906	78,736,414,814	115,588,997,756
Economic Value Distributed	7,393,061,493,642	13,173,075,181,815	13,119,179,797,931
Economic Value Withheld	1,900,606,254,218	3,462,035,255,871	3,490,665,105,812

² The social investment reported in this indicator includes the value of the benefits granted to employees, plus the value invested within the framework of the "Annual Social Investment Plan" in the communities in our area of influence, reported in the chapter on Community Relations.

Item	2021 Amount (USD)	2022 Amount (USD)	2023 Amount (USD)
Income from net sales	2,458,813,638	3,862,951,773	3,808,789,106
Income from financial investments	1,394,857	1,737,145	2,285,373
Income from asset sales	3,810,456	4,965,966	6,035,435
Direct economic value generated	2,464,018,951	3,869,654,883	3,817,109,914
Operating expenses	1,057,134,324	1,109,510,491	1,079,895,976
Employee wages and benefits	233,471,383	280,077,178	287,480,926
Payments to capital providers	0	0	0
Payments to governments	654,929,383	1,600,217,832	1,723,083,992
Social investment ³	18,274,236	18,495,230	26,694,056
Economic Value Distributed	1,963,809,325	3,008,300,732	3,117,154,950
Economic Value Withheld	500,209,625	861,354,151	699,954,964

³ The social investment reported in this indicator includes the value of the benefits granted to employees, plus the value invested within the framework of the "Annual Social Investment Plan" in the communities in our area of influence, reported in the chapter on Community Relations.



Approach to tax

(GRI 207-1)

Tax governance, control and risk management

(GRI 207-2)

Stakeholder engagement and management of concerns related to tax

(GRI 207-3)



Our tax strategy is specifically designed to minimize risks and ensure tax efficiency. This strategy, as well as any significant changes or other relevant tax matters, may include input from external advisors and is reviewed and approved by our Chief Financial Officer (CFO), Chief Executive Officer (CEO) and the Board of Directors, when necessary. We have a dedicated team specializing in taxes in Colombia and the U. S. that reports directly to the CFO. **Each department is responsible for constantly monitoring and implementing our tax strategy.** The CFO is the main person responsible for overseeing day-to-day tax functions and compliance with our strategy.

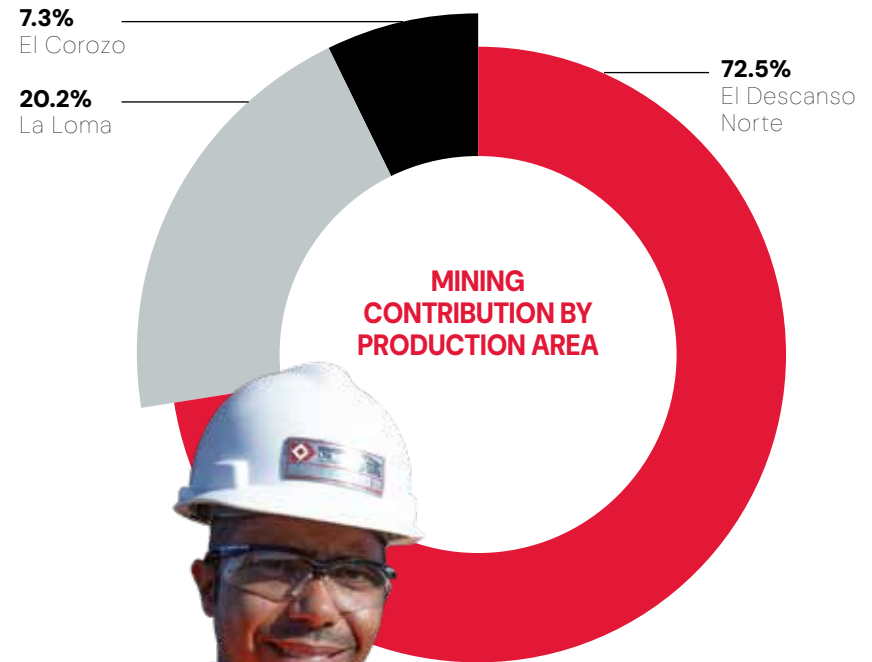
Our tax approach seeks to comply fully with the applicable tax legislation in all jurisdictions where we operate, submit all information and tax returns required by the relevant government agencies and pay the corresponding taxes on our income.

We maintain an open dialogue and are proactive in our interactions with the tax authorities, as our various tax returns are subject to regular tax audits. These audits involve a dialogue and substantial exchange of information, which allows us to better understand the tax authorities' approach, their areas of concern and how to appropriately address them to minimize any disputes and/or risks.

Our Coal Flow System allows us to monitor and control the movements of coal, both from the Company's different mining contract areas and coal that we may acquire from third-party mining titles, from the mines to Puerto Drummond and its later shipment on export vessels. **The mining inspection carried out by the mining authority (National Mining Agency, ANM) focuses on coal production and export activities and takes place through two activities:** (i) documentary evaluation of the Work and Construction Schedules, the basic mining forms and statements and payments of royalties, fees and surcharges for high prices; and (ii) field inspections conducted to verify the mining progress, the different aspects and oversight that is established, its supporting documentation and all aspects associated with the coal flow system and the social investment made in the communities.

In 2023, the government continued to perform very well in terms of the collection of royalties, fees and surcharges for high prices and taxes from steam coal mining.

In 2023, we achieved a total production of **29.6 million tons** at our mining operations, representing an increase of **2.0 million tons compared to 2022, a 7.1% rise.**



In 2024, it is estimated that production will be close to 32.4 million tons.

Table 31. Agencies for the collection of royalties and taxes from the extractive industry

Administration of resources from the extractive industry by the Colombian government		
	Taxes	Royalties
Collector	DIAN (National Tax and Customs Authority)	ANM (National Mining Agency)
Purpose	Contribute to the nation's General Budget	Transferred to the General Royalties System



2023 was a record year in terms of revenue for the National Government as a result of our dynamics with respect to production, transportation and export activities, as well as the high sales prices on the international steam coal market.



THE REVENUE IS BROKEN DOWN AS FOLLOWS:

royalties,
COP 2.7 trillion
(USD 632.6 million);

surcharges for high prices,
COP 1.9 trillion
(USD 432.7 million)

taxes, fees and contributions,
COP 2.8 trillion
(USD 723.2 million),

FOR A TOTAL OF
COP 7.4 trillion
(USD 1.78 billion)

Since we started our operations in Colombia, our total contribution has been

COP 45.6
(USD 13.16 billion)

BROKEN DOWN AS FOLLOWS:

royalties
COP 17.7 trillion
(USD 5.25 billion);

surcharges for high prices
COP 9.8 trillion
(USD 2.54 billion)

taxes, fees and contributions
COP 18.1 trillion
(USD 5.36 billion)

Stakeholder engagement and management of concerns related to tax (GRI 207-3)

In our dialogues with the communities, we share and communicate our tax contributions and issue statements on this topic. Specifically, we support citizen oversight exercises, in order to promote transparency, accountability and civic oversight of public institutions in the communities in our area of influence in their exercise of good governance.

If stakeholders have concerns about the Company's tax activities, we have the mechanisms described in GRI 2-26 available for this purpose.

Defined benefit plan obligations and other retirement plans (GRI 201-3)

At Drummond Ltd. we manage our contributions in accordance with the General Pension System in Colombia. With respect to contributions to pension funds, we contributed an amount equivalent to **16%** of base wages, corresponding to the income for the year for each employee, of which we as the employer contribute **12%** and **4%** comes from the employee. Additionally, we participate in retirement plans through the social security contributions required by law, so we do not have additional retirement plans.

During 2023, the amount paid in pension contributions was

COP 109,607,937,400

corresponding to

USD 25,312,851

which does not include interest.





Ratio of standard entry-level wage by sex compared to the local minimum wage

(GRI 202-1)

The information that we provide in this indicator is calculated based on the minimum wage in Colombia for 2023. To analyze the ratios, at Drummond Ltd. we made the relevant calculations based on a group of employees that is smaller than 2%, given that 98% of our workers have a base salary that is at least 3 times higher than the current legal minimum wage in Colombia, which was

COP 1,160,000
in 2023

At the Company, we seek to maintain a competitive position in the market in terms of compensation for our personnel. Our corporate guidelines on compensation and benefits are defined by our Salary Policy.

Table 32. Relationship between the minimum wage paid by the company and the country's minimum wage for 2022

Mining operations and Valledupar



Port operations and Cartagena support



Bogota



Proportion of senior executives hired from the local community

(GRI 202-2)

At Drummond Ltd., we promote local talent and have senior executives who, in addition to being from our area of influence, i.e., Cesar and Magdalena, provide the characteristics that we require, including:

1. experience in the industry
2. appropriate academic profiles
3. familiarity with the areas where we operate.

By doing so, we seek not only to have the best talent, but also to generate value through professional competitiveness and to promote local employability at all levels.

The percentage of senior executives is calculated based on the total number of our employees at the managerial level, including: president, vice presidents, superintendents, managers and assistant superintendents. They are defined as senior executives and work at our significant mining and port operations.

Table 33. Proportion of senior executives hired at significant operations, 2023

Mining operations and Valledupar

19.85%

Port operations and Cartagena support

7.63%

Bogota

0.00%





Operations assessed for risks related to corruption (GRI 205-1)

At Drummond Ltd. we have a Transparency and Business Ethics Program, supported by various policies, guidelines and procedures. These include our Anti-Bribery and Corruption Policy, Conflicts of Interest Policy, guidelines on gifts, donations and favors, Complaints Channel and the Ethics Committee, all focused on preventing situations that could violate the law. These guidelines are shared with our employees through corporate email and on our website, ensuring that our stakeholders have access to this information. Additionally, our Compliance Officer conducts periodic training sessions for employees, suppliers and contractors.

We assess the risks of corruption in all our processes, covering 100% of our operations (mine, transportation and administrative offices in Bogota) as well as their counterparts (employees, suppliers and contractors), both at the time of hiring and periodically, ensuring that we maintain commercial or contractual relationships with third parties that do not engage in crimes such as bribery, corruption, money laundering, terrorism financing or proliferation of weapons of mass destruction.

As a result of this evaluation, we did not identify significant risks whose scores would result in them being considered extreme or high risks.



Communication and training about anti-corruption policies and procedures (GRI 205-2)

We share the policies, guidelines and procedures that support our Transparency and Business Ethics Program internally through corporate email to our salaried employees in administrative and support roles who, as part of their duties are responsible for making decisions, and we have identified that, as a result of these activities, they may be more exposed to corruption risks. Additionally, we conduct at least one annual training on these topics and invite our salaried employees, in addition to our suppliers and contractors. A part of our Corporate Onboarding Program, which we conduct for all new employees of the Company, the Compliance Officer presents the topics related to the Compliance Systems. Through this onboarding process, we explain the policies, guidelines, procedures and responsibilities that each employee has in terms of these systems:



Table 34. Communication and training about anti-corruption policies and procedures

	Number 2022	Number 2023
Number of employees to whom the company's anti-corruption policies and procedures have been communicated.	1,594	1,642
Percentage of employees to whom the company's anti-corruption policies and procedures have been communicated.	100%	100%
Number of employees who have received anti-corruption training.	225	259
Percentage of employees who have received anti-corruption training.	14.1%	15.77%
Number of suppliers to whom the company's anti-corruption policies and procedures have been communicated. These suppliers correspond to those who provide services to the Company.	148	57
Percentage of suppliers to whom the company's ethics, compliance and anti-corruption policies and procedures have been communicated.	100%	100%



Confirmed incidents of corruption and actions taken (GRI 205-3)

At Drummond Ltd., we have a Complaints Channel where any suspicion or knowledge of irregularities regarding compliance with policies, regulations, contracts, or other matters can be safely reported by the complainant and promptly addressed. This channel is also available to address questions or concerns related to compliance with our Transparency and Business Ethics Program. Once any question or complaint is received, it is sent discreetly and confidentially to our Ethics Committee. This committee reviews and studies the evidence and circumstances and objectively discusses the situation to provide a fair resolution.

During 2023, we had one case of corruption related to one of the Company's departments that showed irregularities in bidding processes with contractors. The case ended with the resignation of the person related to the case, after the respective investigation process and a review of the evidence submitted through our complaints mechanism.



Milestones

Second place for the mining company with the best reputation in Colombia and eight years as the company with the largest volume of coal production and exports, representing 47% of coal exports in 2023.

- We paid USD 1.78 billion in royalties, taxes, fees and contributions.

Challenges

- Maintain our Company's financial stability and social and environmental investments, taking into account external factors such as volatility in coal prices, competition from other coal producers, regulatory changes, and risks associated with economic and geopolitical uncertainty.

REGIONAL PARTICIPATION AND RELATIONS

Management of material topics (GRI 3-3)

To manage participation and relationships with our stakeholders, we focus on assessing and addressing their needs and expectations. For us, it is critical to foster and maintain effective relationships, especially with those who are in the area of influence of our operations, in order to contribute positively to regional development and social well-being through teamwork and the creation of synergies.

Additionally, we encourage participation in efforts at the regional, national and international level to evaluate the region's social conditions and explore initiatives that can contribute to the vision shared by all of the actors present in the area of influence of our mining, railroad and port operations, using transparent and participatory communication to maintain solid and lasting relationships.

Based on each of our material issues, we maintain relationships with all of the stakeholders in the region, in order to generate shared value, a positive impact and corporate growth.

To carry out our work on participation and relationships, we have policies on Community Relations, Sustainability, Human Rights and our Community Assistance System Manual, which guide our relationships with stakeholders according to the guidelines from international standards.





Through our work on this material topic, we generate positive impacts related to:

- Social investments in our area of influence.
- Creation and strengthening of local capacities.
- Effective relationships with our stakeholders.
- Participation in strategic scenarios at the local, regional and national levels.
- Voluntary adherence to international standards that result in better sustainability practices for our stakeholders.

Managing regional relationship risks



Internal approach

We manage these risks internally through the establishment of specific objectives, based on our corporate sustainability policies, as well as environmental, human rights, community and resettlement policies. As part of this process, the Company's Strategic Committee holds meetings at which they identify and evaluate the risks, challenges and opportunities arising from regional relationships, and develop strategies to manage them.



External approach

We manage these risks through ongoing relationships with other key actors in the initiatives in which we participate: the U.N. Global Compact, the Council of American Companies (CEA), the Sustainability, Environmental, Human Rights and Communications Committees of trade associations such as the Colombian Mining Association (ACM), the National Association of Entrepreneurs of Colombia (ANDI), the Coal and Human Rights Working Group, the Mining and Energy Committee on Security and Human Rights (CME), the Local Multi-Stakeholder Committee of Cesar (EITI), where we discuss and identify opportunities and risks related to regional management.

For possible disagreements that may arise with our stakeholders or negative impacts on the social environment, we approach our corporate actions through constructive dialogue and using all of the channels established in our Community Assistance System, providing solutions that can become reality and generate shared value.



In order to mitigate as much as possible the negative impacts that we may cause in managing regional participation and relationships, we have launched the following initiatives:

- Execution of our annual Social Investment Plan, which coordinates our business plan with the institutional plans from the municipalities in our area of influence, in order to contribute to fulfilling the Municipal Development Plans. All of the projects we carry out through our social management respond to the real needs of the regions, in cooperation with the municipal authorities on behalf of the State, recognizing the legitimacy of regional or local planning exercises, aligned with the SDGs.
- Creation of our Citizen Assistance System to maintain a systematic and frequent dialogue that is assertive and respectful with our stakeholders, seeking to understand their perspectives on risks and management measures, demonstrating our willingness from our corporate actions to receive feedback and build trust.
- Implementation of our Strategic Committee, which seeks to monitor and identify impacts and risks to establish and adjust control and management measures.
- Communicating our corporate work, especially our sustainability work, through our annual report.
- Training audiences, especially our communities, on each party's responsibilities, visualizing and projecting their region, identifying their needs and coordinating strategies to promote their development.
- Building skills for our communities, community leaders and public officials, to manage resources that make it possible to promote initiatives, programs and projects.
- Building skills for our local authorities through our "**Good Government Seminar,**" so that they can carry out responsible public planning and management.
- **Establishing partnerships:** as part of our alignment with the Sustainable Development Goals, we established SDG 17 as the core of our Corporate Responsibility Strategy, prioritizing Target 17.17, under which we seek to promote the creation of effective partnerships in the public and public-private spheres and in civil society, leveraging the experience and strategies that allow us to maximize resources for the benefit of the region.
- Implementation of our Social Management System.
- Voluntary adherence to international standards.
- Participating in multi-stakeholder initiatives, such as the Mining and Energy Committee on Human Rights and Business and the Coal and Human Rights Working Group.
- Talks with our employees, contractors and communities about the risks associated with human rights.



Maintaining participation and effective regional relationships allows us to manage this material topic proactively. This allows us to align our short-, medium- and long-term actions with the expectations of our stakeholders present in the area. Our aim is for this shared vision to be reflected in our contribution to fulfilling regional, national and global agendas, positioning us as a model mining company that is committed to sustainability and including its key actors in its corporate management.

Through our Citizen Assistance System, we receive various suggestions and requests as part of our continuous improvement process, which we manage and provide timely responses to our stakeholders. Additionally, we encourage participation in the different scenarios that we facilitate, strengthening our relationships with our stakeholders and providing the opportunity to participate in international, national, regional and local events. This partnership positions us as a dynamic actor and a strategic ally of the region, and contributes to a shared vision of the regional future.

Contribution to political parties and/or representatives

(GRI 415-1)

Direct and indirect contributions to political representatives, causes or processes are prohibited by our Company policies. At Drummond Ltd. we do not make financial or in-kind contributions to political parties and/or representatives.

BETTERCOAL

(DLTD-04)

The implementation of the Bettercoal Code represents a valuable opportunity for us, since it allows us to demonstrate to our stakeholders, through a transparency exercise, our business and operational achievements from a sustainability perspective. Bettercoal is a voluntary code that reviews management systems, sustainable performance and impacts, comparing them to its terms. Its implementation seeks to improve our practices.

Since 2014, we have evaluated our mining and port operations independently under this code, which promotes continuous improvement in the socio-environmental performance of the coal supply chain and evaluates companies' work.

In recent years, we have maintained a firm commitment to continuous improvement and compliance with the code. In 2014, we submitted an initial assessment and became the first coal mining company in the world to be assessed. During the period from 2014 to 2018, we implemented and validated our Continuous Improvement Plan. In 2019, we completed a second assessment, which showed the progress made with our strategy and resulted in the

continuation of the Improvement Plan for the next few years. Finally, in 2022 we had a verification and closure visit for the findings made in 2019.

During 2023, we developed a work plan to begin implementing improvement actions for the finding made during the verification visit in 2022. We also implemented a matrix to analyze the new provisions of the **Bettercoal Code 2.0** and its integration into the different processes that we have been developing, as part of our commitment to continuous improvement and incorporating the best sustainability practices in our operations. By 2024, the analysis of gaps with the code in all areas of the company will be carried out.

The constant implementation of continuous improvement plans has allowed us to significantly advance our social, environmental and governance practices each year. Our performance, evaluated based on the principles of the Bettercoal Code, shows satisfactory progress in our management, aimed at improving our operations' processes to become a global benchmark.





Milestones

- Submitting our first Communication on Progress (CoP) in 2023 in accordance with the ten principles of the Global Compact, which strengthen our commitment to sustainable development, focusing on a prospective model of sustainability.
- Holding meetings of the Strategic Committee as the corporate body responsible for identifying, analyzing and evaluating the risks and impacts derived from the operations in the areas of influence, and that guides the organization toward a sustainable model in terms of social, environmental and governance (ESG) issues.
- Double update of the risk matrix related to human rights, including management methods.
- Providing information for the preparation of the Extractive Industries Transparency Initiative (EITI Colombia) Report.
- Holding our **“Good Government Seminar,”** with the goal of strengthening the institutional capacities of the newly-elected mayors, council members, representatives and governors in the municipalities in the area of influence in Cesar and Magdalena to carry out responsible public planning and management.

Challenges

- Continuing to monitor risks and establishing strategies to preserve the stability of the operating environment and the social license through the Strategic Committee.
- Analyzing gaps with the Bettercoal **Code 2.0** in all areas of the company, in addition to the adoption of the TSM standard.
- Continuing to incorporate human rights risk analysis into the into our strategic management.
- Continuing to support local, regional and national initiatives to promote transparency and social dialogue.



COMMUNICATIONS MANAGEMENT

Management of material topics (GRI 3-3)

We recognize the importance of transparency and communication with our stakeholders, for this reason we work to maintain clear and effective communication in all of our activities. We recognize the impacts that our activities can have on society, the environment and the economy. For this reason, we strive to actively and effectively involve and keep our stakeholders informed in our decision-making and in our communications.

We have a dedicated communications team that strives to ensure that relevant information is communicated in a timely manner. **This transparent and timely approach allows us to:**

- Better adapt to changes in the environment and manage our reputation more effectively.
- Strengthen our corporate image.
- Achieve the objectives and goals that we have set and shared.
- Maintain an excellent working and business environment.
- Respond quickly to delicate and crisis situations, where the opinions of our stakeholders can be both positive and negative.

We strive to establish direct, transparent, timely and accurate communication with our stakeholders. We fulfill this commitment through a range of actions, such as ensuring an operation that preserves and protects the environment, reduces labor and operational risks, promotes and respects human rights, and contributes to the development of the communities in our area of influence.

Additionally, we maintain constant contact with the media in the areas where we operate, both in the Caribbean region and in Bogota. We also engage in communication campaigns through the trade associations to which we belong, including the Colombian Mining Association (ACM). We also advise other areas of our Company on their engagement strategies with their target audiences, such as trade association councils and academic institutions.

The effectiveness of our communications management is based on organizational performance, which contributes to a positive reputation in the market.



Stakeholders

Internal communication

Employees and contractors that manage the brand on an ongoing basis.

External communication

Government entities, oversight agencies, suppliers, customers, civil society organizations, media organizations and communities.



Scope

- Pribbenow, El Descanso and El Corozo mines
- Puerto Drummond
- Bogota, Valledupar, Santa Marta, Cartagena and Cienaga
- Cesar and Magdalena (areas of influence)
- Bogota
- National and international spheres

On our website, an option is enabled for stakeholders to send feedback on our communication processes.



We have also implemented the following mechanisms to measure our communications management:

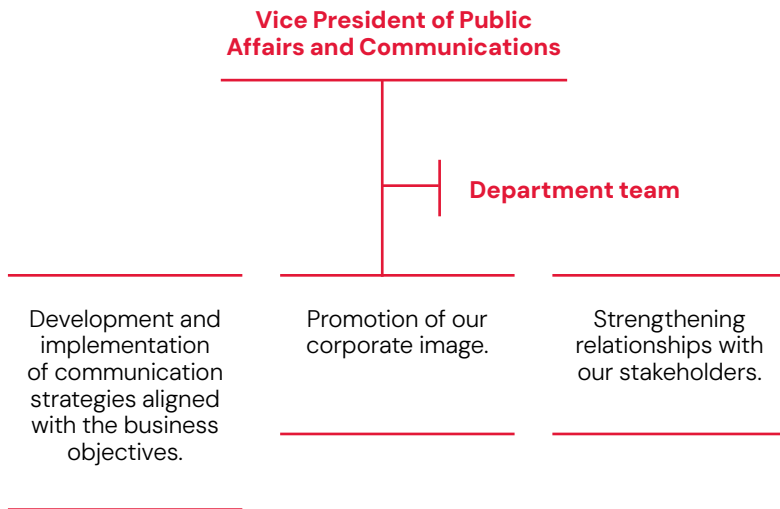
An opinion survey of the mining industry called “Mining Compass,” which is carried out annually by Jaime Arteaga y Asociados in conjunction with the National Consulting Center. In 2023, the ninth panel on the Colombian mining industry was held, in which we remained, for the seventh consecutive year, in second place for the mining company with the best reputation according to public opinion in 2023. We also came in second place for the best mining company, according to executives, government authorities and public opinion in the mining municipalities. This shows that we remain an example of **#MiningDoneRight**.

We carry out documentary evaluations and audits, which include visits to our company’s operations and talks with different stakeholder audiences (both internal and external).

COORDINATION AND COMMUNICATION OBJECTIVES

(DLTD-01)

We have designed a communications plan in line with our organizational structure, which guarantees the successful development of the various processes that are required and fulfillment of our communication objectives, **which functions as follows:**



Additionally, we have a Corporate Communications Strategy, comprised of five core concepts, on which it we base our practices and determine our communications management. To measure the success of our strategy, we have implemented relevant measurement indicators that allow us to evaluate the fulfillment of our communication plans:



- Media analysis
- Digital transformation
- Relationships with stakeholders
- Promoting the corporate identity
- Crisis management

During 2023, the Communications Department prepared a strategic plan that included all actions and campaigns to share the positive impact of mining on our country. **We also broadly shared all of our work on social, environmental, operational and safety aspects, and supported the launch of our carbon neutrality strategy.** All of this took place through our various channels of communication, further consolidating our position through the use of new trends in communication and digital transformation.



We maintained our solid commitment to ensuring the proper dissemination of information, serving as a bridge between all areas and departments and their different audiences and stakeholders to share their actions, processes and activities.



In terms of our work with the national media and opinion leaders, we are a reliable source for issues related to the mining sector, the business environment and sustainable development, and **we raise awareness among new audiences in the region and at a national level about the positive impact of our corporate management.**

As part of this effort, we have strengthened an educational process that has evolved to incorporate our vision of the energy transition, based on the presentation of our roadmap to carbon neutrality, and which continues to amplify timely and substantiated information on the positive impact of coal mining and our management for the sustainable development of the country.

During 2023, we generated more than 390 informational announcements, aimed at our various audiences; we fulfilled approximately 195 requests for coverage and support from different areas of the Company, using the new request form that was implemented, and provided 52 responses through our Stakeholder Attention System (SAC, in Spanish) portal. We prepared and published 86 press releases, 97 audiovisual projects and 195 graphic pieces, in support of the Production, Maintenance, Industrial Safety, Human Resources, Corporate Social Responsibility (Sustainability), Community Relations, Engineering, Environmental, Training and Management departments, among others.



Through various actions and channels, we continue to highlight the role of communications in conducting business, which shows that we are a company that engages in responsible mining, applying all of the necessary measures to remain a major player in the development of the region and the country. From the Communications Department, we create new campaigns and strategies to strengthen our industrial safety culture, reinforce the messages about the benefits we provide as a Company, the positive impacts we have on the region, and to consolidate our brand.

Campaigns carried out during 2023

Mining with #ImpactoPositivo:

we continue to show the positive actions taken by the mining industry.

Environmental Management Plan communication

strategy: we communicated to our different stakeholders all information related to the publication of our Environmental Management Plan in the municipalities in our area of influence.

Stakeholder Attention System (SAC, in Spanish) communication

strategy: we strengthened the image of the Community Assistance System, generating awareness among our different target audiences.

Drummond Energy complaints channel communication

strategy: we strengthened and improved communication about Drummond Energy's complaints channel.

Cake delivery mini campaign:

we explained and shared the process of delivering cakes by our Communication Department to our mining operations employees on daytime and nighttime shifts.

'Contribute to #MineríaSegura' – Coal:

we empowered our operations employees and contractors on matters related to industrial safety and also shared information of interest to everyone. In this chapter, for the Coal Department, the work focused on communicating to our employees their responsibility and the benefits of correctly completing the pre-operational inspection. This entire campaign was supported by the Joint Committee on Occupational Health and Safety (COPASST, in Spanish) and the Production and Maintenance departments.

'Contribute to #MineríaSegura by operating without distractions':

we empowered our employees (operators from the Production, Trucks, Dumping Areas, Roads and Coal departments) on matters related to industrial safety and shared prevention messages that allow us to avoid and reduce accidents and incidents in our operations, especially those that occur due to distractions.

'We come together at a corporate level' campaign:

we communicated the changes made at Puerto Drummond as a result of the consolidation of groups at the corporate level at all of our locations.

#SemanaDe LaSostenibilidad Strategy:

we communicated the actions and activities carried out during Sustainability Week.

'Every cap counts' campaign:

we encouraged our employees to place plastic caps in the containers provided for this purpose. They are donated to the Sanar Foundation, an organization that raises funds through recycling to provide support for children with cancer.





Partnership campaigns

Colombian Mining Association

- **#AquíElegimos:** in the context of the country's regional elections, a social media campaign promoted the importance of participating in elections to encourage democratic civic activity. At Drummond Ltd., we work on producing videos and images in which our employees shared messages explaining why they chose mining.
- **Miner's Day – #EnLasBotasDelMinero campaign:** to celebrate Miner's Day, we participated in this Colombian Mining Association campaign, highlighting the role of our employees in contributing to the industry's growth through videos and images shared on our social media accounts.
- **Mother's Day:** to celebrate mothers on their special day, we shared some photographs of mothers from our operations.
- **Huellas Award:** an award that recognizes the commitment and leadership of women in developing our industry. At Drummond Ltd., we carried out an internal campaign to encourage our women to apply for the award. Additionally, on the social network X we also extended the invitation to women from our communities.

Relianz: on Miner's Day, along with our contractor Relianz, we paid tribute to miners on their special day. Congratulatory messages were sent on our social media accounts to the people who work in the mining industry.

- **Let's Celebrate Miner's Day Together:** we developed a proposal based on Relianz's invitation to pay tribute to miners on their special day. We encouraged employees to share short videos giving three reasons why they were proud to be miners and two features of their favorite CAT equipment.
- **Relianz WIN "More Women Miners" Mining Forum:** in support of the event, organized by Relianz, in 2023 supervisors from our operations participated in the panel 'Equality is a men's issue too,' and a female mining employee participated in the panel 'Impact Stories: inspiring new generations from regions of Colombia.' They shared their experiences and the contributions they make to gender equality in mining. Additionally, a female truck operator received a Wow Honor, a recognition given to outstanding women from different mining companies.

Ministry of Mines and Energy

- **Miner's Day:** support for the commemoration of National Miner's Day in Colombia.

Corpamag

- **Post-consumer waste:** we supported Corpamag in sharing information about the Post-Consumer Waste Collection Campaign through notices and information sent to our internal target audiences by email, and to external audiences through our social media accounts.

Compromiso Magdalena

- **Launch, sharing and business roundtable:** we supported by sharing information with our stakeholders and actors from partner organizations to reinforce positive actions for the Department of Magdalena.

Impact on public opinion

Through work with national and regional media, in 2023 we were able to raise awareness among strategic audiences with messages that reflect the positive impact of our operations.

86%

of the more than 1,700 media reports about Drummond had a positive or neutral tone.

63%

of the publications with a positive or neutral tone were published online, which strengthens our digital footprint on platforms with high information consumption.

62%

of these reports came from regional media, especially those that impact the communities from the area of influence of our operations in the departments of Cesar and Magdalena.

More than 600 media hits

on projects associated with our social and environmental work, especially related to topics such as education, the environment, human rights, healthcare and income-producing projects.

More than 20 opinion leaders,

directors and editors of media outlets were made aware of Drummond's impact on the country's development.

More than 300 publications

on topics associated with our vision of the energy transition and our carbon neutrality strategy.

More than 260 hits

on our economic performance and its contribution to job creation.



Using our digital strategy, we develop organic content to answer questions about us and coal mining to create an informed community through our digital assets.

62%

of the conversation about our operations on social media is positive or neutral.

More than 180 pieces of content

(reels, stories, polls, posts that have been created separately) to raise awareness.



The Communications Department has a variety of tools to meet its objectives, which include:

Communications Policy:

[ps://www.drummondltd.com/wp-content/uploads/2023/11/Communications-Policy.pdf](https://www.drummondltd.com/wp-content/uploads/2023/11/Communications-Policy.pdf)

Corporate Identity Manual (CIM):

as part of the development of our communications strategy under the corporate identity indicator, in 2023 we updated the CIM for the third time, establishing fundamental rules and guidance to project a solid image.



Aimed at all stakeholders, especially employees

“Drummond Te Informa” newsletter: a monthly publication that highlights activities carried out by the different teams within our Company, including those related to industrial safety, specific aspects of our mine and/or port operations, and highlighting the achievements of some of our employees.

“Drummond Te Informa – Special Edition” newsletter: six were published in 2023.

Aimed at employees

- **Digital billboards:** updated weekly.
- **Location:** employee dining rooms in our mine and port operations.
- **Physical billboards:** updated constantly. There are a total of 26 billboards, distributed throughout our mine and port operations.
- **Internal email:** information is sent whenever necessary.
- **Organizational announcements:** when necessary, sent to our administrative employees.
- **“La Nota Bacana”:** published monthly.
- **“Conéctate con Drummond” program:** as support for the operations, radio programs are broadcast through the Company’s base radio. It is aimed at truck operators from the Production and Coal departments

- **Email rhcomunicaciones@drummondltd.com**

Using this communication channel, we send information associated with internal publications or official Company messages to our employees to reinforce inclusive contact with our internal audience on topics regarding Human Resources and related areas (Industrial Safety, Payroll, Environmental). This account is used for automated mailings only. However, we constantly receive concerns, requests or comments from our employees, which are redirected to the different areas so that they can then provide an appropriate response. This channel is available for:

Employees who use corporate email as one of their work tools, usually our employees in administrative areas or with supervisory roles.

Operational personnel who do not have access to corporate email but have authorized the use of their information to receive official company information sent to their personal and/or authorized email address. Since 2014, we have provided our employees with this option through the ‘Leave us your email’ campaign, through which we have also reduced the use of paper.

Aimed at all stakeholders

- **Press releases:** At least three are issued per week. Directed mainly to the media; also shared with our employees, suppliers, contractors, public officials, embassies, among others.
- **Revista Drummond:** published quarterly.
- **Website:** www.drummondLtd.com. Updated constantly.
- **Cacica Stereo (commercial FM radio):** Daily broadcasts. Aimed at our employees and all stakeholders in our area of influence and those who listen online.
- **'Drummond Buenas Nuevas' newsletter:** monthly publication on news from different media sources at the local, regional or national level. Aimed at our external stakeholders (contractors, suppliers, authorities, among others).
- **Social media:**



X: @DrummondLtdCo. Updated daily.

Instagram: @drummondLtdCo. Updated daily.

Facebook: @DrummondLtdCo o Drummond Ltd. Colombia. Updated daily.

LinkedIn: Drummond Ltd. Updated constantly.

YouTube: DrummondLtdCo. Videos on different Company processes and projects are published occasionally.

Corporate Identity Manual

As part of the development of our communication strategy and after completing the third update to our Corporate Identity Manual, we established and adjusted rules and parameters so that users can find a consolidated and uniform image. **This manual is intended to be part of our Communications Policy, and all departments must use and consult it.**

In 2023, we continued to communicate changes and new features to the formats that use them. We shared it internally through spaces such as Online Learning and different publications for our internal audience.

Communications Policy

During 2023, we included the new version of our Communications Policy in the Integrated Management System and circulated it widely using our different internal communication channels. Additionally, we continued to share our communications work and relevant corporate information when employees are hired and in onboarding processes for professionals in training.



STAKEHOLDER SERVICES: COMMUNICATIONS EMAIL, STAKEHOLDER ATTENTION SYSTEM (SAC) AND WEBSITE

Our Communications department responded to the requests and concerns that our stakeholders submitted through the Online Citizen Service Portal and other Company channels, as they relate to communications issues, facilitating a direct link to journalists, the media or partner companies, among others.

Email comunicacionesdrummond@drummondltd.com

Through this email account, we stay in contact with our various stakeholders, employees, contractors and other external audiences; we use it to send all information associated with internal and external publications, campaigns or our official messages. Additionally, any concerns, requests or comments that are received are redirected to different departments so that they can provide the appropriate response. This channel is available for our personnel and the people who are included in our database and have agreed or asked to be added.

MEDIA PLAN (DLTD-02)

Since 2012, we have had a Regional Media Plan, whose primary objective is to strengthen the image of a company that is committed to its stakeholders and that provides information to the communities in its area of influence about the programs and projects that we implement.

This plan is mainly aimed at our employees, their families and our communities from the municipalities in the mining, port and rail areas of influence (Departments of Cesar and Magdalena). It also covers local and regional authorities, regulatory agencies, media outlets, contractors and stakeholders in general.

Some of the topics that we cover are: employment, benefits, environmental management, corporate social responsibility, community support, industrial safety, human rights, our operations, innovation and technology, and compliance.



During 2023, our work with different departments was evident; we also highlighted information related to the mining with a positive impact campaigns, the carbon neutrality strategy, education issues and Company milestones. We allocated the following resources to the media plan:

Financial

- More than **USD 199,787** (COP 822,000,000) per year for communications management.
- Of these funds, the spending budget for the Media Plan was **USD 100,898.60** (COP 385,639,580*)

Humans

- 1 Vice President of Public Affairs and Communications
- 1 Director of Communications
- 3 Communications Analysis
- 1 Communications Assistant
- 5 student interns

Technological

- Computers
- Photographic and video camera, with their respective memory cards and accessories, such as lenses, tripods, flashes, batteries
- Headphones
- Cell phones
- Voice recorders
- Tablet and tripod

* Exchange rate used: COP 3,822.05, in accordance with the terms of the financial statements.

Milestones

- We constantly communicated our work in different areas, including different activities such as special announcements and achievements in all areas of our corporate management through our various channels.
- We issued 86 press releases during the year.
- We published more than 63 sponsored reports in national and regional media, achieving an estimated increase of more than 22% compared to 2022.
- We received 57 visits to our mining and port operations, for a total of 1,533 visitors, which were covered by the Communications department and reported on in our newsletters and social media posts.
- We conducted 24 campaigns on a variety of topics, such as industrial safety.
- We planned, prepared and hosted the launch events for the carbon neutrality strategy in the month of April.
- We prepared special reports on our work and our contribution to the sustainable development of the region, coordinated by the Colombian Mining Association, which resulted in important publications in El Tiempo, RCN and Caracol.



Social media

- We were included in the “LinkedIn Top Companies” list of the best companies to advance your career in Colombia.
- This year, for the first time, we broadcast our Drummond 2023 Cesar Scholarship Ceremony, which took place in the city of Valledupar, live on Facebook and YouTube. More than 4,600 personas signed in to watch.
- We provided more than 50 responses each day to requests/comments received on our social media accounts, maintaining direct and ongoing contact with our followers.
- Through our social media, we interacted with users from different location in Colombia and around the world, including countries such as the United States, Mexico, Spain, Peru, the United Kingdom, Russia and Germany.
- For the second consecutive year, we were the Colombian coal mining company with the largest number of followers on X (formerly Twitter), and the most followers on LinkedIn for the fourth consecutive year.
- Our numbers of followers increased for all of our social media accounts:

	2022 Followers	2023 Followers	Increase
LinkedIn	150,964	182,953	31,989 (21%)
Facebook	23,442	34,989	11,547 (49%)
Instagram	27,440	33,953	6,513 (24%)
X	13,913	16,015	2,102 (15%)
YouTube	1,524	1,798	274 (18%)



Challenges

CHALLENGES	YEAR	GOAL
Continue implementing new strategies to enhance the different social networks in which we participate and launch new networks, if necessary.	2024	Complete registration with the trade association. Get the group involved in recognition activities in the company.
Implement training opportunities, holding an external communications event to present our different processes and training sessions for social media optimization and use, to share Drummond's communications experiences and success stories.	2024	Identify beneficiaries and spokespersons for our stakeholders.
Continue with the implementation of proposals/campaigns to strengthen our image with our various stakeholders, aligned with our business objectives and the current circumstances.	2024	Work on expanding our Media Plan, based on our needs.
Continue strengthening the processes exclusive to the department.	2024	Raise awareness about the department's work.
Continue consolidating the strategy to carry out actions and activities for the benefit of the journalism trade association in Magdalena, leading to awarding the Communications Scholarship in that department.	2024	Develop a general report with the department's activities.
Continue positively increasing Drummond's brand recognition.	2024	Generate notices to be shared with different audiences.
Continue reinforcing the Regional Media Plan and relationships with regional media outlets and others, not limited to the regional plan.	2024	Ensure the proper use and application of our corporate image by the different areas of the company.
Continue strengthening strategies to share our Communications Department's activities through the new digital channels we have implemented. Strengthen the culture at the communications level, having an impact on our stakeholders.	2024	Design, purchase and implement digital billboards and App proposal.
Continue strengthening informational campaigns using our channels to strengthen our reputation with stakeholders. Strengthen advertising strategies within our Regional Media Plan to boost our corporate impact on the digital environment.	2024	Strengthen the foundations of the processes.
Continue creating spaces and strengthening campaigns to enhance our corporate identity both internally and externally. Create a culture of good use of our corporate image by our internal audience.	2024	Develop new tools that improve response times and keep channels up to date.
Strengthen our Company's internal communication, migrating to digital.	2024	Design, purchase and implement digital billboards and App proposal.
Continue strengthening administrative processes and other assigned tasks in the department.	2024	Strengthen the foundations of the processes.
Continue strengthening the department's timely processes and response times by supporting the implementation of different communication channels and, at the same time, keeping our stakeholders informed and updated in a timely manner.	2024	Develop new tools that improve response times and keep channels up to date.



DRUMMOND LTD. GRI CONTENT INDEX

Drummond Ltd. GRI Content Index.

Drummond Ltd. SASB Content Index.

**Alignment of Drummond Ltd.'s corporate management
with the principles of the Global Compact and the
Sustainable Development Goals (SDGs).**

Drummond Ltd. GRI Content Index



2024

“For the Content Index – Advanced Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the Spanish version of the report.”

Statement of use:	Drummond Ltd. has prepared the report in accordance with the GRI Standards for the period from January 1 to December 31, 2023.
GRI 1 used:	GRI 1: Foundation 2021
Applicable sector standards:	GRI 12: Coal Sector 2022

GRI standard	Content	Name of GRI disclosure	Page / URL / Comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
				Requirement omitted	Reason	Explanation		
General disclosures								
Organizational profile								
GRI 2: General Disclosures 2021	2 - 1	Organizational details	P.15					YES
	2 - 6	Activities, value chain and other business relationships	For the reporting period, there were no significant changes in the Company's industries, value chain and other commercial relationships. Furthermore, at Drummond Ltd. we do not have commercial relationships in addition to those identified in the value chain.					YES
	2 - 7	Employees	P.20					YES
	2 - 8	Workers who are not employees	P.22					YES
	Strategy							
	2 - 22	Statement on sustainable development strategy	P.9					YES



GRI standard	Content	Name of GRI disclosure	Page / URL / Comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
				Requirement omitted	Reason	Explanation		
General disclosures								
Governance								
GRI 2: General Disclosures 2021	2 – 9	Governance structure and composition	P.24					YES
	2 – 10	Nomination and selection of the highest governance body		a. describe the nomination and selection processes for the highest governance body and its committees; b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: i. views of stakeholders (including shareholders); ii. diversity; iii. independence; iv. competencies relevant to the impacts of the organization.	Confidentiality restrictions	The information requested for this disclosure is confidential to Drummond Ltd. The Company does not disclose information related to its governance structure and strategic decisions in order to protect the privacy and security of the members of its highest governance body.		YES
	2 – 11	Chair of the highest governance body	P.24					YES
	2 – 12	Role of the highest governance body in overseeing the management of impacts	P.26					YES
	2 – 13	Delegation of responsibility for managing impacts	P.26					YES
	2 – 15	Conflicts of interest	P.33		b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: iii. existence of controlling shareholders; iv. related parties, their relationships, transactions, and outstanding balances.	Not applicable	Drummond Ltd. does not have controlling shareholders	YES
	2 – 16	Communication of critical concerns	P.26					YES
	2 – 17	Collective knowledge of the highest governance body	P.25					YES

GRI standard	Content	Name of GRI disclosure	Page / URL / Comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification	
				Requirement omitted	Reason	Explanation			
General disclosures									
GRI 2: General Disclosures 2021	2 – 18	Evaluation of the performance of the highest governance body		a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people; b. report whether the evaluations are independent or not, and the frequency of the evaluations; c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.	Confidentiality restrictions	The information requested for this disclosure is confidential to Drummond Ltd. The confidentiality of performance evaluations is related to strategic decisions by the Company, since it is part of internal continuous improvement processes and minimizes reputational risks to the organization, the members of the highest governance body and its employees.		YES	
	2 – 19	Remuneration policies		describe the remuneration policies for members of the highest governance body and senior executives; b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	Confidentiality restrictions	The information requested for this disclosure is confidential to Drummond Ltd. The Company protects the privacy and security of the members of its highest governance body, for this reason, it does not disclose information related to their compensation in order to avoid exposing them to risks that may affect their integrity.		YES	
	2 – 20	Process to determine remuneration	P.33						YES
	2 – 21	Annual total compensation ratio		a. report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual); b. report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual); c. report contextual information necessary to understand the data and how the data has been compiled.	Confidentiality restrictions	The information requested for this disclosure is confidential to Drummond Ltd. The Company protects the privacy of its employees, and for this reason it does not disclose information related to pay and/or compensation. At Drummond Ltd, we avoid exposing our employees to risks that may affect their performance or integrity.		YES	



GRI standard	Content	Name of GRI disclosure	Page / URL / Comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification	
				Requirement omitted	Reason	Explanation			
General disclosures									
Ethics and Integrity									
GRI 2: General Disclosures 2021	2 - 23	Policy commitments	P.28					YES	
	2 - 24	Embedding policy commitments	P.28					YES	
	2 - 25	Processes to remediate negative impacts	P.30					YES	
	2 - 26	Mechanisms for seeking advice and raising concerns	P.32					YES	
	2-27	Compliance with laws and regulations	P.32					YES	
	Stakeholder engagement								
		2 - 28	Membership associations	P.42					YES
	2 - 29	Approach to stakeholder engagement	P.43					YES	
	2 - 30	Collective bargaining agreements	P.203					YES	
Own	DLTD-06	External initiatives	P.41					NO	
Prácticas para la elaboración de informes									
GRI 2: General Disclosures 2021	2 - 2	Entities included in the organization's sustainability reporting	P.8					YES	
	2 - 3	Reporting period, frequency and contact point	P.8					YES	

GRI standard	Content	Name of GRI disclosure	Page / URL / Comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
				Requirement omitted	Reason	Explanation		
General disclosures								
GRI 2: General Disclosures 2021	2 - 4	Restatements of information	There was an update to the information reported for 2022 for the following Disclosures: 305-1 - Direct GHG emissions (scope 1), 305-2 - Indirect GHG emissions associated with energy (scope 2), 302-1 - Energy consumption and 302-3 - Energy intensity, because an adjustment was made to the source of information related to gas and electricity consumption for both the mine and the port. Additionally, emissions from the port in 2022 were updated with the emission factor issued by the UPME in Resolution 0762 of November 22, 2023.					YES
	2 - 5	External assurance	P.8					YES
	2 - 14	Role of the highest governance body in sustainability reporting	P.8					YES
Material Topics								
GRI 3: Material Topics 2021	3 - 1	Process to determine material topics	P.46					YES
	3 - 2	List of material topics	P.48					YES



Specific Standard Disclosures

GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification	
			Requirement omitted	Reason	Explanation			
CORPORATE GOVERNANCE MANAGEMENT								
Material Topic: Economic Performance								
GRI 3 – Material Topics 2021	3-3	Management of material topics	P.206			12.8.1 12.20.1 12.12.1	NO	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	P.210			12.8.2 12.21.2	YES	
	201-4	Financial assistance received from the government		a. Total monetary value of financial assistance received by the organization from any government during the reporting period. b. The information in 201-4-a by country. c. Whether, and the extent to which, any government is present in the shareholding structure.	Not applicable	This disclosure is not applicable, since at Drummond Ltd. we do not receive any financial assistance from the government.	12.21.3	NO
	201-3	Defined benefit plan obligations and other retirement plans	P.215					NO
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	a. This information is reported in the Economic Performance chapter on page 216. b. Employees of suppliers and temporary companies that carry out the organization's activities are not included in the calculation. When hiring these workers, Drummond Ltd. requires compliance with Colombian regulations regarding the current legal minimum wage established by the local government. Pay above the minimum wage is subject to the profile required and the activities performed by each worker. c. There is a minimum wage in Colombia and it does not vary at the locations of Drummond Ltd.'s significant operations. P.216			12.19.2	YES	
GRI 202: Presencia en el mercado 2016	202-2	Proportion of senior management hired from the local community	P.217			12.8.3 12.19.3	YES	

GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification	
			Requirement omitted	Reason	Explanation			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	P.218			12.20.2	YES	
	205-2	Communication and training about anti-corruption policies and procedures	During 2023, the members of the governing bodies were not informed or trained on the policies, guidelines and procedures that support the Transparency and Business Ethics Program.	a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	Information not available or incomplete	For the reporting period, the Company does not have the information broken down by region regarding the total number and percentage of members of governing bodies or employees who have been informed of or trained on anti-corruption issues. The areas responsible for consolidating the data are working on consolidating the information by region and job category, to be reported in the next period.	12.20.3	NO
	205-3	Confirmed incidents of corruption and actions taken	P.220			12.20.4	NO	
GRI 207: Tax 2019	207-1	Approach to tax	P.212			12.21.4	NO	
	207-2	Tax governance, control and risk management	P.212			12.21.5	NO	



GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
GRI 207: Tax 2019	207-3	Stakeholder engagement and management of concerns related to tax	P.212, 215			12.21.6	NO
	207-4	Country-by-country reporting		a. All tax jurisdictions where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes. b. For each tax jurisdiction reported in Disclosure 207-4-a: i. Names of the resident entities; ii. Primary activities of the organization; iii. Number of employees, and the basis of calculation of this number; iv. Revenues from third-party sales; v. Revenues from intra-group transactions with other tax jurisdictions; vi. Profit/loss before tax; vii. Tangible assets other than cash and cash equivalents; viii. Corporate income tax paid on a cash basis; ix. Corporate income tax accrued on profit/loss; x. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax c. The time period covered by the information reported in Disclosure 207-4.	Not applicable	Not applicable because at Drummond Ltd. we declare our tax information in a single country, Colombia.	12.21.7

GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
Material Topic: Regional Participation and Relations							
GRI 3 – Material Topics 2021	3-3	Management of material topics	P.221			12.3.1 12.21.1 12.22.1 12.12.1	NO
GRI 415: Public Policy 2016	415-1	Political contributions	P.225			12.22.2	YES
Own	DLTD-04	Bettercoal	P.225				NO
Material topic: Communications management							
GRI 3 – Material Topics 2021	3-3	Management of material topics	P.227			12.12.1	NO
Own	DLTD-01	Coordination and communication objectives	P.229				NO
	DLTD-02	Media plan	P.236				YES
ENVIRONMENTAL MANAGEMENT							
Material topic: Water resource management							
GRI 3 – Material Topics 2021	3-3	Management of material topics	P.50			12.7.1 12.12.1	NO
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	P.57			12.7.2	NO
	303-2	Management of water discharge-related impacts	P.64			12.7.3	NO
	303-3	Water withdrawal	Reporting of water withdrawals from seawater sources or third party water does not apply. P.61			12.7.4	YES
	303-4	Water discharge	Reporting of discharges by destination for groundwater, seawater and third party water does not apply. P.64			12.7.5	YES



GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification	
			Requirement omitted	Reason	Explanation			
GRI 303: Water and Effluents 2018	303-5	Water consumption	We did not have any changes in water storage that would cause any significant water-related impacts.	<ul style="list-style-type: none"> a. Total water consumption from all areas in megaliters. b. Total water consumption from all areas with water stress in megaliters. c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact. d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors. 	Information not available or incomplete	Due to the fact that the characteristics of our operations make it difficult to measure the rainwater included as part of the surface water that is withdrawn, and since it is a fundamental part of the consumption formula, it is not possible to calculate water consumption and respond to the requirements of this standard.	12.7.6	YES
	Own	DLTD-03	Investment in water resources	P.66				NO
Material topic: Protecting biodiversity								
GRI 3 – Material Topics 2021	3-3	Management of material topics	P.68			12.5.1 12.12.1	NO	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Drummond Ltd. does not have operating facilities that are owned, leased or managed that are adjacent to, contain or are located in protected areas and areas of high biodiversity value outside protected areas. P.71			12.5.2	NO	

GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	Drummond Ltd. recognizes that its open pit mining operations have an impact on biodiversity. However, Drummond Ltd.'s operations do not generate significant impacts on the biodiversity of protected areas or areas of high biodiversity value arising from its activities, products and services. P.71			12.5.3	NO
	304-3	Habitats protected or restored	<p>1. The success of the restoration measures for these areas is approved through the ICA reports, where management verifications are conducted periodically by the competent authority, which acts as an independent third party and later sends a certificate of verification and compliance with the necessary actions.</p> <p>2. The area indicated in this section includes both the portion of land disturbed in 2023 and the historical data from previous years, in accordance with the period of validity of the restoration agreements that have been signed.</p>			12.5.4	YES
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	The table "Species whose habitats were found on our properties -of which there is a record- and which are on the lists of endangered species," was updated by eliminating the historical data and reporting only information for 2023. P.78			12.5.5	YES
	Own	DLTD-05	Emerging risks	P.84			



GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
Own	DLTD-07 The number and percentage of total sites identified requiring biodiversity management plans according to stated criteria, and the number and percentage of those sites with plans in place	P.83					NO
Own	DLTD-13 Amount of land (owned or leased, for production activities or extractive use) altered or rehabilitated	P.80					YES
Material topic: Climate change and the energy transition							
GRI 3 – Material Topics 2021	3-3 Management of material topics	P.86				12.11 12.2.1 12.12.1	NO
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Drummond Ltd. is carrying out an assessment of the financial implications associated with the opportunities arising from climate change, with special emphasis on the opportunities to diversify its electrical energy matrix towards renewable energy sources, aligned with the national energy transition scenario. P.88, 91				12.2.2	YES
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P.98				12.1.2	NO

GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
GRI 302: Energy 2016	302-2	Energy consumption outside of the organization	<p>a. Energy consumption outside of the organization, in joules or multiples.</p> <p>b. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>c. Source of the conversion factors used.</p>	Information not available or incomplete	At Drummond Ltd. we do not measure energy consumption outside of the organization. We are evaluating the period in which this measurement will begin, as part of our long-term carbon-neutrality strategy.	12.1.3	NO
	302-3	Energy intensity	P.98			12.1.4	NO
GRI 305: Emissions 2016	305-1	<p>Direct (Scope 1) GHG emissions</p> <p>The calculation of GHG emissions is based on published criteria, such as emission factors and GWP rates, based on the following guidelines, which provide information in this regard:</p> <ul style="list-style-type: none"> National Greenhouse Accounts Factors, Australian National Greenhouse Accounts, August 2016. Particularly for matters related to the handling of explosives. Emission factors for Colombia FECOC (UPME, 2016). Greenhouse Gas Protocol. Corporate Accounting and Reporting Standard. Revised Edition. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 2013. Proposal for calculating the factor, in order to estimate fugitive emissions from coal mining in the department of Cesar (DLTD, 2023). <p>The calculation tool used for GHG emissions corresponds to an Excel spreadsheet prepared by Drummond Ltd. P.93</p>	<p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent</p> <p>d. Base year for the calculation, if applicable, including:</p> <ol style="list-style-type: none"> the rationale for choosing it; emissions in the base year; the context for any significant changes in emissions that triggered recalculations of base year emissions. 	Information not available or incomplete	At Drummond Ltd. we do not currently have the base year defined; however, internal processes are being carried out to identify and record it. Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent are not considered relevant within the GHG estimate, given that Drummond Ltd. does not burn Biomass and the emissions created from its biodegradation processes are negligible compared to total emissions, because they are only related to accidents with spills and degradation in wastewater treatment systems.	12.1.5	NO



GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> The calculation of GHG emissions is based on published criteria, such as emission factors and GWP rates, based on the following guidelines, which provide information in this regard: National Greenhouse Accounts Factors, Australian National Greenhouse Accounts, August 2016. Particularly for matters related to the handling of explosives. Emission factors for Colombia FECOC (UPME, 2016). Greenhouse Gas Protocol. Corporate Accounting and Reporting Standard. Revised Edition. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 2013. Proposal for calculating the factor, to estimate fugitive emissions from coal mining in the department of Cesar (DLTD, 2023). The consolidation approach corresponds to an operational control and the methodology of the GHG Protocol and ISO 14064-1:2018 is partially applied. The data is consolidated using the calculation tool, which is an Excel spreadsheet prepared by Drummond Ltd. P.95 	<ul style="list-style-type: none"> b. Gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent. d. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. 	Information not available or incomplete	The gross value of indirect GHG emissions associated with energy (scope 2) based on the market in metric tons of CO2 equivalent and the base year have not yet been calculated by the Company. For future reports, the Company plans to make this calculation and report it.	12.1.6	YES

GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions		a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO ₂ equivalent. b. If available, the gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all. c. Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: i. the rationale for choosing it ii. emissions in the base year iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. g. Standards, methodologies, assumptions, and/or calculation tools used.	Information not available or incomplete	Drummond Ltd. does not currently measure scope 3 GHG emissions. The company is evaluating the period in which it will begin this measurement as part of its long-term Carbon Neutrality strategy.	12.17	NO
	305-4 GHG emissions intensity	P.97				12.1.8	NO
	305-5 Reduction of GHG emissions	P.99	a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO ₂ equivalent. b. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used.	Information not available or incomplete	For the period covered by this report, there are no initiatives or results on reducing GHG emissions. These will be published in subsequent sustainability reports.	12.2.3	NO



GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification	
			Requirement omitted	Reason	Explanation			
Material topic: Air quality								
GRI 3 – Material Topics 2021	3-3	Management of material topics	P.100			12.4.1 12.12.1	NO	
	305-6	Emissions of ozone-depleting substances (ODS)		The reporting organization shall report the following information: a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable	AT Drummond Ltd. we do not produce, import or export ozone-depleting substances.	NO	
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	P.105	a. Significant air emissions, in kilograms or multiples, for each of the following: i. NOx ii. SOx iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP)	Not applicable	For Drummond Ltd., its NOx and SOx emissions are not significant, since the measurements taken at the projects have historically shown values that comply with environmental regulations, even below the quantification limits used in the analysis methods. Drummond Ltd. has not considered the emissions from Persistent Organic Pollutants (POPs), Volatile Organic Compounds (VOCs) or Hazardous Air Pollutants (HAPs) to be significant, given that: i) for POPs it does not use substances or carry out processes that could potentially generate emissions from these pollutants; ii) for VOCs it has carried out occupational evaluations of sources and activities that could generate these emissions, and it found in most cases that concentrations did not exceed the quantification limits for the analytical technique for each of the substances evaluated; and iii) for HAP the estimated emission rates are very low, given the few events associated with incomplete coal combustion, due to its intrinsic conditions and the meteorological variables in the area. Taking into account the above, these emissions do not affect the negative impacts identified within the management of the material topic of air quality.	12.4.2	YES

GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
Material topic: Waste management cycle							
GRI 3 – Material Topics 2021	3-3	Management of material topics	P.108			12.6.1 12.12.1	NO
	306-1	Waste generation and significant waste-related impacts	P.114			12.6.2	NO
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	P.115			12.6.3	NO
	306-3	Waste generated	P.116			12.6.4	YES
	306-4	Waste diverted from disposal	P.118			12.6.5	YES
	306-5	Waste directed to disposal	P.121			12.6.6	YES
SOCIAL MANAGEMENT							
Material topic: Talent Management							
GRI 3 – Material Topics 2021	3-3	Management of material topics	P.124			12.15.1 12.19.1 12.12.1	NO
	401-1	New employee hires and employee turnover	P.129			12.15.2	YES
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P.132			12.15.3	NO
	401-3	Parental leave	P.133			12.15.4 12.19.4	NO
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	P.134			12.15.6 2.19.5	YES



GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification	
			Requirement omitted	Reason	Explanation			
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	P.134	b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Information not available or incomplete	At Drummond Ltd., we have not implemented transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. We are evaluating which initiatives will be developed within its long-term socio-economic transition process.	12.3.3 12.15.7	NO
	404-3	Percentage of employees receiving regular performance and career development reviews	P.137					NO
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	P.126	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	Confidentiality restrictions	The information requested for this disclosure is confidential to Drummond Ltd. The Company protects the privacy and security of the members of its highest governance body, and for this reason it does not disclose information related to their identity, roles or other diversity indicators. At Drummond Ltd., we avoid exposing the members of the highest governance body to risks that may affect their integrity.	12.19.6	YES
	405-2	Ratio of basic salary and remuneration of women to men	P.138				12.19.7	YES
Management of material topics: Occupational Health and Safety								
GRI 3 - Material Topics 2021	3-3	Management of material topics	P.140				12.14.1 12.12.1	NO
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	P.140				12.14.2	NO

GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification	
			Requirement omitted	Reason	Explanation			
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	P.143			12.14.3	NO	
	403-3	Occupational health services	P.144			12.14.4	NO	
	403-4	Worker participation, consultation, and communication on occupational health and safety	P.147			12.14.5	NO	
	403-5	Worker training on occupational health and safety	P.148			12.14.6	NO	
	403-6	Promotion of worker health	P.144			12.14.7	NO	
	403-8	Workers covered by an occupational health and safety management system	P.150			12.14.9	NO	
	403-9	Work-related injuries	P.151			12.14.10	YES	
	403-10	Work-related ill health	P.154			12.14.11	YES	
	Material Topic: Human Rights Due Diligence							
	GRI 3 – Material Topics 2021	3-3	Management of material topics	P.156			12.3.1 12.11.1 12.16.1 12.17.1 12.12.1	NO
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	P.159, 160			12.19.8	YES	



GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	P.159, 160			12.16.2	NO
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	P.159, 160			12.17.2	NO
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	P.161			12.12.2	YES
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Since the beginning of its operations, the Company has applied for all of the permits related to the certification of the presence of indigenous communities in the area of influence of its projects in Colombia. However, in 2023, as a result of a judicial action, an incident with the Yukpa community was identified, reported through the Constitutional Court of Colombia, which ordered a consultation process with this indigenous community under Ruling T-375 of 2023, covering Drummond Ltd. and other public and private entities, with respect to our Pribbenow, El Descanso and El Corozo mining projects. The Company is abiding by the Court's decision and has started to comply with the ruling, within the terms defined by the ruling and/or as established by law and within the framework of a process of dialogue, agreement and respect with the Yukpa community.			12.11.2	YES

GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
Own	DLTD-08 Total number of operations taking place in or adjacent to Indigenous Peoples' territories; and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities	P.162					YES
Material Topic: Community relations							
GRI 3 – Material Topics 2021	3-3 Management of material topics	P.166				12.9.1 12.12.1	NO
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	P.173				12.8.4	YES
	203-2 Significant indirect economic impacts	The requirements for this disclosure are reported in Disclosure 3-3 Management of Material Topics: Community Relations. P.166				12.8.5	NO
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P.170				12.9.2	NO
	413-2 Operations with significant actual and potential negative impacts on local communities	The requirements for this disclosure are reported in Disclosure 3-3 Management of Material Topics: Community Relations. P.166				12.9.3	NO
Own	DLTD-09 Number and description of significant disputes related to land use, customary rights of local communities and indigenous peoples	P.179					YES



GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
Own	DLTD-10	Resolution of conflicts related to land use or customary rights of communities and/or indigenous peoples that were resolved through use of the complaints mechanisms	P.179				YES
Own	DLTD-12	Number and percentage of operations with closure plans	P.181				NO
Material topic: Supplier and contractor management							
GRI 3 – Material Topics 2021	3-3	Management of material topics	P.184			12.12.1	NO
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	The proportion of spending on local suppliers is calculated based on the total procurement budget used for suppliers in Colombia, not considering the procurement budget used for suppliers abroad.			12.8.6	YES
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	P.189				NO
	308-2	Negative environmental impacts in the supply chain and actions taken	P.190				YES
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	P.189			12.15.8 12.16.3 12.17.3	NO
	414-2	Negative social impacts in the supply chain and actions taken	P.190			12.15.9	NO

GRI STANDARD	Disclosure	Page / url / comments	Omission			REF. NO. FOR GRI SECTOR STANDARD	Verification
			Requirement omitted	Reason	Explanation		
GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P.192			12.14.8	NO
Material topic: Resettlement							
GRI 3 - Material Topics 2021	3-3	Management of material topics	P.194			12.10.1 12.12.1	NO
Own	DLTD-11	Resettlement management and Socioeconomic Management Plan (SMP)	P.196				YES
Material Topic: Union relations							
GRI 3 - Material Topics 2021	3-3	Management of material topics	P.202			12.18.1 12.12.1	NO
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	P.205			12.3.2 12.15.5	NO
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P.204			12.18.2	YES

Topics in the applicable GRI Sector Standards considered non-material

Material topic	Explanation
12.13 Asset integrity and critical incident management	The management of the material topic of Asset Integrity and Critical Incident Management is part of the management of all material topics, as Drummond Ltd., prioritizes incident prevention and control measures for the impacts it may have on society, including human rights and the environment. This material topic does not include Disclosure 306-3 Significant spills, since Drummond Ltd. does not have tailings at its operations.



Drummond Ltd. SASB Content Index

Specific Standard Disclosures	Page / URL / Comments	Omission	Modification	Verification	
CORPORATE GOVERNANCE MANAGEMENT					
Material Topic: Economic Performance					
Valuation of reserves and capital investments	EM-CO-420a.1	Sensitivity of coal reserve levels to future price projection scenarios that account for a price on carbon emissions.			NO
	EM-CO-420a.2	Estimated carbon dioxide emissions embedded in proven coal reserves	Currently, we have not conducted this analysis. However, we are considering including these analyses as part of the long-term Carbon Neutrality strategy.		NO
	EM-CO-420a.3	Discussion of how price and demand for coal or climate regulation influence the capital expenditure strategy for exploration, acquisition and development of assets			NO
ENVIRONMENTAL MANAGEMENT					
Material topic: Water resource management					
Water resource management	EM-CO-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, (3) percentage of each in regions with high or extremely high baseline water stress.	P.61		NO
	EM-CO-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	P.64		NO
Material topic: Protecting biodiversity					
Effects on biodiversity	EM-CO-160a.1	Description of environmental management policies and practices for active sites	P.68		SI
	EM-CO-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	P.82		NO

	Specific Standard Disclosures		Page / URL / Comments	Omission	Modification	Verification
Effects on biodiversity	EM-CO-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	At Drummond Ltd., we do not have any areas with proven or probable reserves in our projects with protected conservation status or habitats for endangered species, or nearby.			NO
	Material topic: Climate change and the energy transition					
Greenhouse gas emissions	EM-CO-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	The percentage covered under the regulatory limit for GHG emissions does not apply to our operations, given that there is no regulation associated with those emissions in Colombia. P.93			SÍ
	EM-CO-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	P.88			NO
Material topic: Waste management cycle						
Waste management	EM-CO-150a.2	Total weight of non-mineral waste generated	P.116			SÍ
	EM-CO-150a.3	Total weight of tailings produced	At Drummond Ltd. we do not generate tailings within our operations, so this metric does not apply for information reporting purposes.			NO
	EM-CO-150a.4	Total weight of waste rock generated	P.122			NO
	EM-CO-150a.5	Total weight of hazardous waste generated	P.116			SÍ
	EM-CO-150a.6	Total weight of hazardous waste recycled	P.116			SÍ



	Specific Standard Disclosures		Page / URL / Comments	Omission	Modification	Verification
Waste management	EM-CO-150a.7	Number of significant incidents associated with hazardous waste management during the reporting year	P.115			NO
	EM-CO-150a.8	Description of waste management policies and procedures for active and inactive operations	P.108			NO
SOCIAL MANAGEMENT						
Management of material topics: Occupational Health and Safety						
Workforce Health and Safety	EM-CO-320a.1	(1) MSHA All-Incidence rate, (2) fatality rate, and (3) near miss frequency rate (NMFR)	P.151			SÍ
	EM-CO-320a.2	Discussion of management of accident and safety risks and long-term health and safety risks	P.142			NO
Material Topic: Human Rights Due Diligence						
Rights of indigenous peoples	EM-CO-210a.1	Percentage of (1) proved and (2) probable reserves in or near indigenous land	P.162			NO
	EM-CO-210a.2	Discussion of engagement processes and due diligence practices with respect to the management of indigenous rights	P.162			NO
Material topic: Community relations						
Community relations	EM-CO-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	The requirements for this disclosure are reported in Disclosure 3-3 Management of Material Topics: Community Relations. P.166			NO
	EM-CO-210b.2	Number and duration of non-technical delays	P.181			NO
Material Topic: Union relations						
Labor relations	EM-CO-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	P.203			SÍ
	EM-CO-310a.2	Number and duration of strikes and lockouts	P.202			SÍ

Specific Standard Disclosures	Page / URL / Comments	Omission	Modification	Verification
ACTIVITY METRICS				
EM-CO-000.A	Production of thermal coal	P.15		SÍ
EM-CO-000.B	Production of metallurgical coal	Drummond Ltd. produces steam coal, so this metric does not apply for information reporting purposes.		NO



Alignment of Drummond Ltd.'s corporate management with the principles of the Global Compact and the Sustainable Development Goals (SDGs)

GRI standard	Content	Name of GRI disclosure	Principles of the Global Compact	Sustainable Development Goals (SDGs)	SDG Goals
GRI 2: General disclosures	2 - 7	Employees	Principle 6	8. Decent work and economic growth	8.8. Protect labor rights and promote a decent, safe, and risk-free work environment with growth opportunities for all workers.
	2 - 8	Workers who are not employees			
	2 - 23	Policy commitments	Principles 2 and 10	16. Peace, justice and strong institutions	16.6. Develop effective, accountable and transparent institutions at all levels.
	2 - 30	Collective bargaining agreements	Principle 3	8. Decent work and economic growth	8.8. Protect labor rights and promote a decent, safe, and risk-free work environment with growth opportunities for all workers.
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Principle 1		
	201-3	Defined benefit plan obligations and other retirement plans	Principle 6		
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Principle 6	8. Decent work and economic growth	8.5. Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
	202-2	Proportion of senior management hired from the local community			

GRI standard	Content	Name of GRI disclosure	Principles of the Global Compact	Sustainable Development Goals (SDGs)	SDG Goals
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	Principle 1	<ul style="list-style-type: none"> 2. Zero hunger 3. Health and wellbeing 4. Quality education 6. Clean water and sanitation 8. Decent work and economic growth 9. Industry, innovation and infrastructure 16. Peace, justice and strong institutions 17. Partnerships for the goals 	<ul style="list-style-type: none"> 2.a. Increase investment in rural areas to improve agricultural productivity. 2.3. Double agricultural productivity and incomes through secure and equal access to land, productive resources and inputs, knowledge, financial services, markets and opportunities. 2.4. Ensure the sustainability of food production systems and implement resilient agricultural practices that increase productivity and production. ODS 3 – Own goal. Support activities to combat health crises caused by communicable diseases, strengthening the healthcare sector to provide quality services and social well-being. 4.1. Ensure that the girls and boys from the area of influence of Drummond Ltd.'s operations receive high quality education for relevant and effective learning outcomes. 4.2. Ensure that all girls and boys from the area of influence of Drummond Ltd.'s operations have access to quality early childhood development, care and pre-primary education so that they are ready for primary education. 4.3. Ensure equal access for women and men in the areas of influence of Drummond Ltd.'s operations to affordable and quality technical, vocational and tertiary education, including university. 4.4. Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 4.6. Ensure that all youth and at least a substantial proportion of adults, both men and women, from Drummond Ltd.'s areas of influence have reading, writing and math skills. 4.a. Build and upgrade education facilities that are child, disability and gender sensitive, and that provide safe, non-violent, inclusive and effective learning environments for all residents of the communities in Drummond Ltd.'s areas of influence. 4.c. Contribute to the training and qualification of the educational practices of the teachers in Drummond Ltd.'s area of influence. 6.b. Support and strengthen the participation of local communities in improving water and sanitation management. 8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. 8.5. Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.6. Substantially reduce the proportion of youth not in employment, education or training in the communities in the area of influence. 9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being. 16.1. Significantly reduce all forms of violence and violations of human rights at the Company's locations and among its stakeholders. 16.6. Participate in and create spaces at all levels of effective and transparent institutions that are accountable. 17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.
	203-2	Significant indirect economic impacts			



GRI standard	Content	Name of GRI disclosure	Principles of the Global Compact	Sustainable Development Goals (SDGs)	SDG Goals
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Principle 1	8. Decent work and economic growth	8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
	205-1	Operations assessed for risks related to corruption			
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Principle 10	16. Peace, justice and strong institutions	16.5. Promote a culture of legality to substantially reduce corruption and bribery in all their forms, and ethical, human rights and corporate breaches at the Company's locations and among its stakeholders.
	205-3	Confirmed incidents of corruption and actions taken			
GRI 207: Tax 2019	207-1	Approach to tax			
	207-2	Tax governance, control and risk management	Principle 10		
	207-3	Stakeholder engagement and management of concerns related to tax			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource			
	303-2	Management of water discharge-related impacts	Principles 7 and 8	6. Clean water and sanitation	6.4. Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
	303-3	Water withdrawal			
	303-4	Water discharge			
	303-5	Water consumption			

GRI standard	Content	Name of GRI disclosure	Principles of the Global Compact	Sustainable Development Goals (SDGs)	SDG Goals
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored			15.2. Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation at Drummond Ltd.'s operations.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Principle 8	15. Life on land	15.5. Take urgent and significant action within Drummond Ltd.'s operations to reduce the degradation of natural habitats, halt the loss of biodiversity, and protect and prevent the extinction of threatened species.
Own	DLTD-13	Amount of land (owned or leased, for production activities or extractive use) altered or rehabilitated			
Own	DLTD-07	The number and percentage of total sites identified requiring biodiversity management plans, according to stated criteria, and the number and percentage of those sites with plans in place	Principle 8	15. Life on land	15.2. Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation at Drummond Ltd.'s operations.
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Principle 7		
GRI 302: En-ergy 2016	302-1	Energy consumption within the organization	Principle 8		
	302-2	Energy consumption outside of the organization			
	302-3	Energy intensity	Principles 8 and 9		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Principles 7 and 8	12. Responsible production and consumption	Own goal. Implement strategies for the prevention and control of air quality, which includes not only technically viable options but also those that are environmentally effective and socially beneficial, is essential to caring for the health of workers and the surrounding communities, as well as the quality of the projects' natural environments.
	305-2	Energy indirect (Scope 2) GHG emissions			



GRI standard	Content	Name of GRI disclosure	Principles of the Global Compact	Sustainable Development Goals (SDGs)	SDG Goals
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	Principles 7 and 8	12. Responsible production and consumption	Own goal. Implement strategies for the prevention and control of air quality, which includes not only technically viable options but also those that are environmentally effective and socially beneficial, is essential to caring for the health of workers and the surrounding communities, as well as the quality of the projects' natural environments.
	305-4	GHG emissions intensity			
	305-5	Reduction of GHG emissions	Principle 9		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Principles 7 and 8		
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Principle 8	12. Responsible production and consumption	12.4. Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle. Significantly reduce their release into air, water and soil.
	306-2	Management of significant waste-related impacts	Principle 8	12. Responsible production and consumption	12.4. Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle. Significantly reduce their release into air, water and soil.
	306-3	Waste generated			12.5. Substantially reduce waste generation through prevention, reduction, recycling and reuse at Drummond Ltd.'s operations.
	306-4	Waste diverted from disposal			
	306-5	Waste directed to disposal			
GRI 308: Supplier Environmental Assessment 2016	308-1	GRI 308: Supplier Environmental Assessment 2016	Principle 8		
	308-2	Impactos ambientales negativos en la cadena de suministro, y medidas tomadas			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Principle 6	8. Decent work and economic growth	8.5. Achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value. 8.6. Substantially reduce the proportion of youth not in employment, education or training in the communities in the area of influence.

GRI standard	Content	Name of GRI disclosure	Principles of the Global Compact	Sustainable Development Goals (SDGs)	SDG Goals
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Principle 6	8. Decent work and economic growth	8.5. Achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value. 8.8. Protect labor rights and promote safe and secure working environments for all workers.
	401-3	Parental leave			
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Principle 3	8. Decent work and economic growth	8.8. Protect labor rights and promote a decent, safe, and risk-free work environment with growth opportunities for all workers.
	403-1	Occupational health and safety management system			
	403-2	Hazard identification, risk assessment, and incident investigation			
	403-3	Occupational health services			
GRI 403: Occupational Health and Safety 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	Principle 1	8. Decent work and economic growth	8.8. Protect labor rights and promote a decent, safe, and risk-free work environment with growth opportunities for all workers.
	403-5	Worker training on occupational health and safety			
	403-6	Promotion of worker health			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
	403-8	Workers covered by an occupational health and safety management system			
	403-9	Work-related injuries			
	403-10	Work-related ill health			



GRI standard	Content	Name of GRI disclosure	Principles of the Global Compact	Sustainable Development Goals (SDGs)	SDG Goals
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Principle 6	4. Quality education 8. Decent work and economic growth	4.4. Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 8.8. Protect labor rights and promote a decent, safe, and risk-free work environment with growth opportunities for all workers.
	404-2	Programs for upgrading employee skills and transition assistance programs	Principle 6	8. Decent work and economic growth	8.8. Protect labor rights and promote a decent, safe, and risk-free work environment with growth opportunities for all workers.
	404-3	Percentage of employees receiving regular performance and career development reviews			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Principle 6	8. Decent work and economic growth	8.5. Achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value.
	405-2	Ratio of basic salary and remuneration of women to men			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Principles 1, 2 y 6	8. Decent work and economic growth 16. Peace, justice and strong institutions	8.8. Protect labor rights and promote a decent, safe, and risk-free work environment with growth opportunities for all workers. 16.1. Significantly reduce all forms of violence and violations of human rights at the Company's locations and among its stakeholders.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Principle 3	8. Decent work and economic growth	8.8. Protect labor rights and promote a decent, safe, and risk-free work environment with growth opportunities for all workers.
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Principle 5	8. Decent work and economic growth 16. Peace, justice and strong institutions	8.7. Take immediate and effective measures to eradicate forced labor, end modern forms of slavery and human trafficking. Contribute to the elimination of child labor in all forms at the Company's locations and among its stakeholders. 16.2. Contribute to the abolition of abuse, exploitation, trafficking, torture and all forms of violence against children at the Company's various locations and among its stakeholders.

GRI standard	Content	Name of GRI disclosure	Principles of the Global Compact	Sustainable Development Goals (SDGs)	SDG Goals
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Principle 4	8. Decent work and economic growth	8.7. Take immediate and effective measures to eradicate forced labor, end modern forms of slavery and human trafficking. Contribute to the elimination of child labor in all forms at the Company's locations and among its stakeholders.
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Principle 1	16. Peace, justice and strong institutions	16.10. Ensure that Drummond Ltd.'s direct employees and contractors have access to information and training related to human rights and the promotion and protection of fundamental freedoms.
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Principle 1		
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Principle 1		
	413-2	Operations with significant actual and potential negative impacts on local communities			
Own	DLTD-09	Number and description of significant disputes related to land use, customary rights of local communities and indigenous peoples	Principle 1		
Own	DLTD-10	Resolution of conflicts related to land use or customary rights of communities and/or indigenous peoples that were resolved through use of the complaints mechanisms	Principle 1		



GRI standard	Content	Name of GRI disclosure	Principles of the Global Compact	Sustainable Development Goals (SDGs)	SDG Goals
Own	DLTD-12	Number and percentage of operations with closure plans	Principle 8		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Principles 1 and 2	16. Peace, justice and strong institutions	16.1. Significantly reduce all forms of violence and violations of human rights at the Company's locations and among its stakeholders.
	414-2	Negative social impacts in the supply chain and actions taken			
GRI 415: Public Policy 2016	415-1	Political contributions	Principle 10	16. Peace, justice and strong institutions	16.5. Promote a culture of legality to substantially reduce corruption and bribery in all their forms, and ethical, human rights and corporate breaches at the Company's locations and among its stakeholders. 16.6. Participate in and create spaces at all levels of effective and transparent institutions that are accountable.
Own	DLTD-11	Resettlement management and Socioeconomic Management Plan (SMP)	Principle 1		



Building a better working world

AS-8471-24
October 3, 2024

Independent Limited Assurance Report

To the Management of Drummond LTD

1. Scope

We have been contracted by Drummond LTD Branch in Colombia (hereinafter "Drummond" or "the Company"), to develop a limited assurance engagement, as defined by the International Standards for Assurance Engagements (hereinafter "the Engagement"), on the identified sustainability information (the "Subject Matter") detailed in Annex 1 and contained in Drummond's "Informe de Sostenibilidad 2023" Spanish version for the period between January 1 and December 31, 2023 (the "Report").

2. Criteria Applied by Drummond

In preparing the Subject Matter detailed in Annex 1, Drummond applied the criteria of the GRI Global Reporting Initiative Standards in accordance with self-declared conformity, the SASB Sustainability Accounting Standards Board standards, and its custom criteria included in Annex 2 of this Report (the Criteria). The custom criteria were designed to complement the Report with respect to the material issues identified by Drummond; as a result, the information on the subject matter may not be suitable for another purpose.

3. Drummond's Responsibilities

The management of Drummond is responsible for selecting the Criteria and presenting the Subject Matter in accordance with those Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, adequate record keeping, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatements, whether due to fraud or error.

4. EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We have conducted our engagement in accordance with the International Standards for Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000) and the contractual terms and conditions for this engagement agreed with Drummond on February 28, 2024. These standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that should be made to the Subject Matter for it to be in accordance with the Criteria, and to issue a report.

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Sirs. Drummond LTD

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The nature, timing, and extent of the selected procedures depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

5. Our Independence and Quality Control

We have maintained our independence and confirm that we comply with the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires that we design, implement, and operate a quality management system that includes policies and procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

6. Description of the Procedures Performed

The procedures performed in a limited assurance engagement vary in nature and timing and are less extensive than those for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include tests of controls or procedures related to the verification, aggregation, or calculation of data within information technology - IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Subject Matter detailed in Annex 1 and related information, and the application of analytical procedures and other appropriate procedures.

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Our limited assurance procedures included:

- a. Conducting interviews with the Company's personnel to understand the business and the process of preparing the Report.
- b. Conducting interviews with those responsible for the Report to understand the process of collecting, consolidating, and presenting the information of the Subject Matter.
- c. Verifying that the calculation criteria have been correctly applied in accordance with the methodologies described in the Criteria.
- d. Carrying out analytical review procedures to support the data.
- e. Identifying and verifying the assumptions underlying the calculations.
- f. Testing, on a sampling basis, the source information to verify the accuracy of the data.
- g. Comparing the contents presented in the Report with the self-declared conformity by the Company in accordance with the GRI Standard 1 compliance requirements.

We have also executed other procedures that we considered necessary given the circumstances.

Limitations of Our Assurance Engagement

Our assurance engagement was limited to the Subject Matter included in Annex 1 contained in the Report for the period between January 1 and December 31, 2023. It does not cover information from previous years included in the Report, or projections or future targets.

Also, it did not aim to determine whether the technological tools used for the development of the Report are the most appropriate and/or efficient.

7. Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information detailed in Annex 1 of this report and included in Drummond's Sustainability Report, for the period between January 1 and December 31, 2023, in order for it to be in accordance with the Criteria included in Annex 2.



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Other Information

The notification to the Global Reporting Initiative (GRI) about the publication of the Report, following the guidelines of the GRI Standard 1: Foundation, Compliance Requirement 9: Notify GRI (the organization must notify GRI of the use of the GRI Standards and its declaration of use, by sending an email to reportregistration@globalreporting.org), is the responsibility of the Company's management, and they have indicated to us that it will be done within 5 business days following the issuance of this conclusion.


Rodrigo Albarracín C
Audit Partner
Professional License: 80739-T
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ANNEX 1

Subject Matter

The identified sustainability information contained in the Drummond LTD Sustainability Report in the following table:

Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
Waste Cycle Management	GRI	306-4 Waste generated	Hazardous Waste: 11.624,5 Tons Non-Hazardous Waste: 18.956,5Tons Total Waste Generated: 30.581,0Tons
	GRI	306-4 Waste diverted from disposal	Literal a. Total weight of waste not destined for disposal: 24.932,3 Tons Literal b. Weight of hazardous waste not destined for disposal: 8.355,9 Tons Literal c. Weight of non-hazardous waste not destined for disposal: 16.576,3 Tons Literal d. Waste not destined for disposal is managed off-site Literal e. Waste management is supported through reports, minutes, and certificates of reception, disposal, or recovery, issued by authorized environmental managers.
	GRI	306-5 Waste directed to disposal	Literal a. Total weight of waste destined for disposal: 5.681,9 Tons Literal b. Weight of hazardous waste destined for disposal: 3.334,4 Tons Literal c. Weight of non-hazardous waste destined for disposal: 2.347,5 Tons Literal d. Waste destined for disposal is managed off-site Literal e. Waste management is supported through reports, minutes, and certificates of reception, disposal, or recovery, issued by authorized environmental managers.
Biodiversity Protection	GRI	304-3 Habitats protected or restored	Literal a. The size and location of protected or restored habitat areas, and whether the success of the restoration measure was or is approved by independent external professionals: <ul style="list-style-type: none"> • Forest compensation program for Arroyo San Antonio: 584,05 Hectares • Environmental compensation program for biodiversity loss from the La Loma Mine south expansion project: 36,31 Hectares • Environmental compensation program for El Descanso mine northern sector and El Corozo: 320,95 Hectares • LANDFILL AREA EIGHT Eight: 83,53 Hectares • West Overburden Dump 1: 9,64 Hectares • North Overburden Dump: 16,33 Hectares • Paujil and San Antonio Channels: 5,5 Hectares

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
GRI	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Literal b. Whether partnerships with third parties have been created to protect or restore habitat areas other than those supervised by the organization and in which restoration or protection measures have been applied: Conservation agreements established with community members who are holders or occupants of the properties that have been linked to the DLTD compensation program. Literal c. The status of each area based on its condition at the end of the reporting period: <ul style="list-style-type: none"> • Forest compensation program for Arroyo San Antonio: In the process of compensation • Environmental compensation program for biodiversity loss from the La Loma Mine south expansion project: In the process of compensation • Environmental compensation program for El Descanso mine northern sector and El Corozo: In the process of compensation • Overburden Dump Eight: Rehabilitation • West Overburden Dump 1: Rehabilitation • North Overburden Dump: Rehabilitation • Paujil and San Antonio Channels: Rehabilitation Literal d. The Standards, methodologies, and assumptions used: The compensation activities implemented are those approved by the National Authority of Environmental Licenses (ANLA) in the Environmental Management Plans of the licenses.	Literal a. The total number of species listed on the IUCN Red List and national conservation lists whose habitats are located in areas affected by the organization's operations, according to the level of extinction risk: <ol style="list-style-type: none"> Critically endangered: 1 Endangered: 2 Vulnerable: 3 Near threatened: 1 Least concern: 2
			custom



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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
Occupational Health and Safety		managed for production activities or extractive use) disturbed or rehabilitated	<ul style="list-style-type: none"> - Total amount of land newly rehabilitated within the reporting period to the agreed end use (C) = 165,49 Hectares - Total land disturbed and not yet rehabilitated (D= A+B-C; closing balance) = 9,588,18 Hectares
	GRI	403-9 Work-related injuries	<p>Employees</p> <ul style="list-style-type: none"> • 0 deaths due to work accidents • 5 high-consequence work-related injuries (excluding fatalities), rate: 0,065 per 200.000 hours • 10 recordable work-related injuries, rate: 0.13 per 200.000 hours • Hours worked: 15.288,000 <p>Contractors</p> <ul style="list-style-type: none"> • 0 deaths due to work accidents • 15 high-consequence work-related injuries (excluding fatalities), rate: 0,19 per 200.000 hours • 25 recordable work-related injuries, rate: 0,32 per 200.000 hours • Hours worked: 15.847,440
	GRI	403-10 Work-related ill health	<p>Employees:</p> <ul style="list-style-type: none"> • Work-related ill health: 0 • Recordable work-related ill health: 6 <p>Contractors:</p> <ul style="list-style-type: none"> • Work-related ill health: 0 • Recordable work-related ill health: 3
SASB	EM-CO-320a.1 (1) Tasa de incidencia total de la MSHA, (2) tasa de mortalidad y (3)	<p>Employees</p> <ul style="list-style-type: none"> • Total incidence rate: 0,13 • Mortality rate: 0 • Incident frequency index: 0,34 <p>Contractors</p>	

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
		<p>índice de frecuencia de incidentes (IFP)</p> <ul style="list-style-type: none"> • Total incidence rate: 0,32 • Mortality rate: 0 • Incident frequency index: 0,19 	
Communications Management	Custom	DLTD-02 Media plan	<p>Budget Execution of the Media Plan</p> <p>385.639,580 COP</p> <p>100.898,6 USD</p>
	GRI	204-1 Proportion of spending on local suppliers	<p>24,71 % as a percentage of the budget spent on suppliers from the locality of the operation, which are also part of the significant operation locations.</p> <p>Literal a. The number of suppliers evaluated in relation to environmental impacts: 73</p> <p>Literal b. The number of suppliers identified as having potential and actual significant negative environmental impacts: 73</p>
Supplier and Contractor Management	GRI	308-2 Negative environmental impacts in the supply chain and actions taken	<p>Literal c. The significant negative environmental impacts - potential and actual - identified in the supply chain: In relation to environmental impacts, Drummond Ltd. has identified negative impacts resulting from the management of contractors and suppliers, among which are oil spills and spills of substances and/or chemicals. These impacts are managed through mechanisms and management measures in compliance with applicable regulations.</p> <p>Literal d. The percentage of suppliers identified as having significant negative environmental impacts - potential and actual - with whom improvements have been agreed upon as a result of an evaluation: 100%</p> <p>Literal e. The percentage of suppliers identified as having significant negative environmental impacts - potential and actual - with whom the relationship has been terminated as a result of the evaluation, indicating the reason: 0%</p>
RResettlements	Custom	DLTD-11 Resettlement Management and Socioeconomic	<p>Number of resettled communities: 2 (Plan Bonito and El Hatillo)</p> <p>Plan Bonito: Benefited students: 121</p> <p>El Hatillo: Number of resettled families: 47</p>

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
		Management Plan (PMS)	Socioeconomic Management Plan - PMS for the community of the populated center of Boquerón
Regional Participation and Engagement	GRI	415-1 Political contributions	Contributions made to political parties and/or political representatives: \$0 COP
	GRI	406-1 Incidents of discrimination and corrective actions taken	Zero (0) cases of discrimination during the reporting period
Human Rights Due Diligence	GRI	410-1 Security personnel trained in human rights policies or procedures	Percentage of security personnel with formal training in Human Rights (HR): 100% The Human Rights training program was developed by the Physical Security Department in conjunction with the private surveillance and security companies contracted by Drummond, whose members are also required to take these trainings.
	GRI	411-1 Incidents of violations involving rights of indigenous peoples	Number of identified cases of human rights violations: 1
	Custom	DLTD-08 Total number of operations taking place in or adjacent to indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with indigenous peoples' communities	<ul style="list-style-type: none"> Number of sites on or adjacent to indigenous territories: 0 Number or percentage of these sites covered by formal benefit agreements or community development plans with indigenous communities: 0

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value		
Human Talent Management	GRI	401-1 New employee hires and employee turnover	Hiring		
			Hiring by Age Group		
				Mining Operations and Valledupar	
			Age Group	M	F
			Between 18 and 30	104	15
			Between 31 and 40	172	9
			Between 41 and 50	41	0
			Over 50	6	0
				Port Operation and Support Cartagena	
			Age Group	M	F
			Between 18 and 30	10	5
			Between 31 and 40	9	1
Between 41 and 50	2	1			
Over 50	0	0			
	Bogota				
Age Group	M	F			
Between 18 and 30	1	0			
Between 31 and 40	4	2			
Between 41 and 50	0	1			
Over 50	0	0			
	Total				



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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value	
		Age Group	M	F
		Between 18 and 30	115	20
		Between 31 and 40	185	12
		Between 41 and 50	43	2
		Over 50	6	0
		Total by gender	349	34
		Hiring Rate by Age Group:		
			Hiring Rate	
		Age Group	M	F
		Between 18 and 30	31,86%	42,55%
		Between 31 and 40	10,88%	12,50%
		Between 41 and 50	2,64	2,67
		Over 50	0,43%	0,0%
		Total by gender	6,86%	13,33%
		Hiring by Place of Origin		
		Department of Origin	Mining Operations and Valledupar	
			M	F
		From Cesar	240	20
		From Magdalena	19	1
		From the Caribbean	50	1
		From other departments	14	2
		Department of Origin	Port Operation and Support Cartagena	

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value	
			M	F
		From Cesar	1	1
		From Magdalena	12	5
		From the Caribbean	7	0
		From other departments	1	1
			Bogota	
		Department of Origin	M	F
		From Cesar	0	0
		From Magdalena	0	0
		From the Caribbean	0	0
		From other departments	5	3
			Total	
		Department of Origin	M	F
		From Cesar	241	21
		From Magdalena	31	6
		From the Caribbean	57	1
		From other departments	20	6
		Total by gender	349	34
		Hiring Rate by Place of Origin		
			Hiring rate	
		Department of Origin	M	F
		From Cesar	8,04%	16,15%

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value	
		From Magdalena	4,73%	12,00%
		From the Caribbean	6,37%	4,17%
		From other departments	3,73%	11,76%
		Total by gender	6,86%	13,33
Turnover				
Turnover by age				
		Mining Operations and Valledupar		
Age Group		M	F	
Between 18 and 30		13	3	
Between 31 and 40		45	1	
Between 41 and 50		12	1	
Over 50		90	1	
		Port Operation and Support Cartagena		
Age Group		M	F	
Between 18 and 30		0	0	
Between 31 and 40		4	1	
Between 41 and 50		3	0	
Over 50		26	1	
		Bogota		
Age Group		M	F	
Between 18 and 30		0	0	

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value	
		Between 31 and 40	0	0
		Between 41 and 50	0	1
		Over 50	1	1
		Total		
Age Group		M	F	
Between 18 and 30		13	3	
Between 31 and 40		49	2	
Between 41 and 50		15	2	
Over 50		117	3	
Total by gender		194	10	
Turnover Rate by Age Group				
		Turnover Rate		
Age Group		M	F	
Between 18 and 30		3,60%	6,38%	
Between 31 and 40		2,88%	2,08%	
Between 41 and 50		0,92%	2,67%	
Over 50		8,38%	8,11%	
Total by gender		3,82%	3,92%	
Retiros por lugar de procedencia				
		Mining Operations and Valledupar		
Department of Origin		M	F	



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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value	
		From Cesar	69	2
		From Magdalena	10	1
		From the Caribbean	49	2
		From other departments	32	1
		Port Operation and Support Cartagena		
	Department of Origin	M	F	
	From Cesar	2	0	
	From Magdalena	13	1	
	From the Caribbean	5	0	
	From other departments	13	1	
		Bogotá		
	Department of Origin	M	F	
	From Cesar	0	0	
	From Magdalena	0	0	
	From the Caribbean	0	0	
	From other departments	1	2	
		Total		
	Department of Origin	M	F	
	From Cesar	71	2	
	From Magdalena	23	2	
	From the Caribbean	54	2	

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value	
		From other departments	46	4
		Total by gender	194	10
		Turnover rate by Place of Origin		
	Department of Origin	Turnover rate		
		M	F	
	From Cesar	2,37%	1,54%	
	From Magdalena	3,51%	4,00%	
	From the Caribbean	6,03%	8,33%	
	From other departments	8,58%	7,84%	
	Total by gender	3,82%	3,92%	
		Average Training Hours:		
		Men:		
		<ul style="list-style-type: none"> Operational: 92,1 Support: 56,9 Professional: 73,5 Tactical: 54,0 Strategic: 27,9 		
		Women:		
		<ul style="list-style-type: none"> Operational: 216,2 Support: 47,5 Professional: 31,6 Tactical: 29,5 Strategic: 17,6 		
		Total Average by Category:		
		<ul style="list-style-type: none"> Operational: 94,3 		
GRI		404-1 Average hours of training per year per employee		

Free translation

Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value																																							
			<ul style="list-style-type: none"> Support: 54,8 Professional: 68,4 Tactical: 51,8 Strategic: 27,1 																																							
		Percentage of Employees by Job Category in Each of the Following Diversity Categories:																																								
		<table border="1"> <thead> <tr> <th rowspan="2">Job Category</th> <th colspan="2">Gender</th> </tr> <tr> <th>M</th> <th>F</th> </tr> </thead> <tbody> <tr> <td>Operational</td> <td>98%</td> <td>2%</td> </tr> <tr> <td>Support</td> <td>78%</td> <td>22%</td> </tr> <tr> <td>Professional</td> <td>88%</td> <td>12%</td> </tr> <tr> <td>Tactical</td> <td>91%</td> <td>9%</td> </tr> <tr> <td>Strategic</td> <td>93%</td> <td>7%</td> </tr> <tr> <td>Total</td> <td>95%</td> <td>5%</td> </tr> </tbody> </table>		Job Category	Gender		M	F	Operational	98%	2%	Support	78%	22%	Professional	88%	12%	Tactical	91%	9%	Strategic	93%	7%	Total	95%	5%																
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GRI	405-1	Diversity of governance bodies and employees																																								

Free translation

Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
		Salary Ratio by Region:	
		Valledupar	<ul style="list-style-type: none"> Operational: 0,82 Support: 0,96 Professional: 0,73 Tactical: 0,94 Strategic: 1,39
		Cartagena:	<ul style="list-style-type: none"> Operational: 1,04 Support: 1,04 Professional: 0,79 Tactical: 1,01 Strategic: 0,94
		Bogotá:	<ul style="list-style-type: none"> Operational: 1,49 Support: 0,79 Professional: 1,03 Tactical: 0,94 Strategic: 0,55
		405-2 Ratio of basic salary and remuneration of women to men	
GRI	405-2	Ratio of basic salary and remuneration of women to men	
		407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Zero (0) operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may have been at risk.
Relationship with Unions	GRI	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	



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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
Economic Performance	GRI	201-1 Direct economic value generated and distributed	EVG: \$16.609.844.903.743 EVD: \$13.119.179.797.931 EVR: \$3.490.665.105.812
	GRI	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Valledupar: <ul style="list-style-type: none"> Men: 1,21 Women: 1,21 Cartagena: <ul style="list-style-type: none"> Men: 1,75 Women: 1,75 Bogotá: <ul style="list-style-type: none"> Men: 2,22 Women: 2,18
	GRI	202-2 Proportion of senior management hired from the local community	Proportion of senior executives hired from the local community: Mining Operations and Valledupar: 19,85% Port Operation and Support Cartagena: 7,63% Bogotá: 0,00%
Engagement with Communities	GRI	205-1 Operations assessed for risks related to corruption	The corruption risk assessment was carried out covering 100% of the operations (mining, transportation, and administrative).
	GRI	203-1 Infrastructure investments and services supported	<ul style="list-style-type: none"> 100% of the planned social investments were executed Impacts presented on page: 174 Social investments are not made in response to commercial arrangements, in-kind contributions, or pro bono work.
	Custom	DLTD-09 Number and description of significant disputes	In 2023, no additional land restitution claims were filed.

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value										
Air Quality	GRI	relating to land use, customary rights of local communities and indigenous peoples	DLTD-10 The extent to which grievance mechanisms were used to resolve disputes relating to land use, Customary rights of local communities and indigenous peoples, and the outcomes										
		Custom		PQR mechanisms through the SAC are not used. Cases are managed through judicial channels.									
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<table border="1"> <thead> <tr> <th>Literal a. Significant air emissions, in kilograms or multiples</th> <th>Tons / year</th> </tr> </thead> <tbody> <tr> <td>Literal a. Significant air emissions, in kilograms or multiples for PM10 - El Descanso Norte</td> <td>8.163</td> </tr> <tr> <td>Literal a. Significant air emissions, in kilograms or multiples for PM10 - El Descanso Sur</td> <td>140</td> </tr> <tr> <td>Literal a. Significant air emissions, in kilograms or multiples for PM10 - La Loma</td> <td>1.450</td> </tr> <tr> <td>Literal a. Significant air emissions, in kilograms or multiples for PM10 - El Corozo</td> <td>219</td> </tr> </tbody> </table>	Literal a. Significant air emissions, in kilograms or multiples	Tons / year	Literal a. Significant air emissions, in kilograms or multiples for PM10 - El Descanso Norte	8.163	Literal a. Significant air emissions, in kilograms or multiples for PM10 - El Descanso Sur	140	Literal a. Significant air emissions, in kilograms or multiples for PM10 - La Loma	1.450	Literal a. Significant air emissions, in kilograms or multiples for PM10 - El Corozo	219
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Free translation

Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
		Literal a. Significant air emissions, in kilograms or multiples for PM10 - Port	205
		Literal a. Significant air emissions, in kilograms or multiples for PM2.5 - El Descanso Norte	1.014
		Literal a. Significant air emissions, in kilograms or multiples for PM2.5 - El Descanso Sur	17
		Literal a. Significant air emissions, in kilograms or multiples for PM2.5 - La Loma	245
		Literal a. Significant air emissions, in kilograms or multiples for PM2.5 - El Corozo	59
		Literal a. Significant air emissions, in kilograms or multiples for PM2.5 - Port	29
		Literal b. The source related to the emission factors used: The factors developed in the AP-42 of the United States Environmental Protection Agency (EPA)	
		Literal c. The Standards, methodologies, assumptions, and calculation tools used: 99.95% of the measurements made through this network, which operated 365 days a year, were found within the daily standard levels of PM10 and PM2.5 established in Resolution 2254 of 2017.	
Water Resource Management	GRI	303-3 Water withdrawal	Literal a. Total water withdrawal at the Port: Surface water: 421ML Groundwater: 284ML Total freshwater (total dissolved solids ≤ 1000 mg/l): 706ML Total water withdrawal at the Mine: Surface water: 157ML

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
			Groundwater: 10.949ML Total freshwater (total dissolved solids ≤ 1000 mg/l): 5.948ML Other waters (total dissolved solids > 1000 mg/l): 5.158ML Literal b. No water is captured in highly deficient areas. Literal c. All extracted water falls within the category of freshwater (total dissolved solids ≤ 1000 mg/l). Literal d. The contextual information of the indicator is disclosed on page 61.
			Literal a. Total water discharged at the Port: 80,8 ML Total water discharged at the Mine: 44.301,72 ML Literal b. Discharges are made in areas with freshwater category (total dissolved solids ≤ 1000 mg/l) Literal c. No discharges are made in water-stressed areas Literal d. The company monitors priority risk substances regulated by Resolution 0699 of 2021 for the Port as well as Resolution 631 of 2015 for the Mine Literal e. The contextual information of the indicator is disclosed on page 64
			Indicator omitted due to unavailable or incomplete information.
Cambio climático y transición energética	GRI	201-2 Financial implications and other risks and opportunities due to climate change	Literal i. • Physical Risks: <ul style="list-style-type: none"> Water scarcity: It is the main risk and the trigger for the most significant impacts. Forest fires: By definition, the areas of mining operations are devoid of vegetation and therefore are not susceptible to this type of risk.



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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
			<ul style="list-style-type: none"> Increase in temperature: The increase in temperature does not have high repercussions on the operation directly, but some of the expected impacts are indirect. Transitional Risks: <ul style="list-style-type: none"> Regulatory and legal: Changes in Colombian regulation. Technology: Use of low-emission technologies. For more details on the description of the risks, see page 89. Literal ii. Information on the expected impacts of the identified risks is disclosed on page 88. <p>Literal iii. Drummond Ltd. is assessing the financial implications associated with the risks and opportunities that emerge from climate change, with a special emphasis on diversifying its electric energy matrix towards renewable energy sources.</p> <p>Literal iv. For the management of the identified risks, Drummond uses the "Guide for the formulation and implementation of comprehensive climate change management plans 2022" established by MINAMBIENTE and MINMINAS.</p> <p>Literal v. The costs for the management of risks associated with climate change during 2023: COP \$108.235.842.253 (USD 25.336.758), using the exchange rate reported to the mining authority (4.472).</p>
GRI		305-2 Energy indirect (Scope 2) GHG emissions)	<p>Literal a. Gross value of indirect GHG emissions associated with energy (Scope 2) based on location in metric tons of CO2 equivalent - mine: 35.942 Ton CO2 eq.</p> <p>Literal a. Gross value of indirect GHG emissions associated with energy (Scope 2) based on location in metric tons of CO2 equivalent - port: 6.180 Ton CO2 eq.</p> <p>Literal b. If applicable, gross value of indirect GHG emissions associated with energy (Scope 2) based on the market in metric tons of CO2 equivalent: Omission under Not Applicable</p>

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Relevant Issue (Material)	Criteria	Indicator / Content	Assured Value
			<p>Literal c. If available, the gases included in the calculation: CO2, CH4, N2O, HFC, PFC, SF6, NF3 or all: CO2</p> <p>Literal d. Base year: Omission under Information not available or incomplete as the Company is conducting the necessary assessments to identify and define the base year for its emission inventories.</p> <p>Literal e. The source of the emission factors and the global warming potential (GWP) rates used or a reference to the GWP source: Resolution 762 of 2023 Literal f. The consolidation approach for emissions: operational control Literal g. The Standards, methodologies, assumptions, and calculation tools used:</p>



ANNEX 2 – Criteria

GRI Content Criteria

The assurance criteria that are applicable to the Subject Matter and the statement of conformity presentation are defined based on what is established in the GRI 1 Foundation 2021 document, its thematic contents on web site: <https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-spanish-translations-dCustomload-center/>

SASB Indicator Criteria

The assurance criteria that are applicable to the Subject Matter are defined based on what is established in the Extractive & Mineral Processing Sector document of the Sustainability Accounting Standard, available on the page Extractive & Mineral Processing Sector - Coal Operations.

Custom Indicator Criteria

Below are detailed the assurance criteria that are applicable to the indicators, subject to limited assurance.

Indicador	Criterion
	Calculation methodology: sum of all resources used and recognized in media and communication to comply with the media plan for the year 2023.
DLTD-02 Media Plan	<p>The media plan is focused on communicating to employees, their families, and the communities of the municipalities in the mining, port, and railway corridor area of influence (departments of César and Magdalena). Added to these are local and regional authorities, regulatory bodies, media, contractors, and stakeholders in general.</p> <p>Some of the topics that are sought to be communicated through the different initiatives of the plan are: employment, benefits, environmental management, corporate social responsibility, community support, industrial safety, human rights, our operation, innovation and technology, and compliance.</p>



The objective of the indicator is to present the value invested by the company in these communications.

	<ul style="list-style-type: none"> - This indicator should be reported in hectares. - This indicator refers to land disturbed by the company's operations. - This indicator refers to land that is owned or leased and is being managed for production activities or extractive use. - 'Land' may refer to sea, lake or river beds if appropriate.
DLTD-13 Amount of land (Customed or leased, used for production activities or extractive uses) altered or rehabilitated	<ul style="list-style-type: none"> - Report the following data: <ul style="list-style-type: none"> • Total land disturbed and not yet rehabilitated (A: opening balance); • Total amount of land newly disturbed within the reporting period (B); • Total amount of land newly rehabilitated within the reporting period to the agreed end use (C); • Total land disturbed and not yet rehabilitated (D= A+B-C; closing balance). <p><u>Note: The indicator is based on the criteria to be reported from the GRI G4 Sectorial Mining and Metals.</u></p>
DLTD-08 Total number of operations taking place in or adjacent to indigenous peoples' territories; number and percentage of operations or sites with formal agreements with indigenous communities	<ul style="list-style-type: none"> - 'Adjacent' refers to land physically contiguous to, or influenced by, the operating site. - 'Formal agreements' refer to written agreements or other agreements that are recognized by the appointed leaders of the community. - If a site impinges upon a number of different indigenous communities, then the status of the agreement reached with each should be reported. - Report the number of sites on or adjacent to indigenous territories. - Report the number or percentage of these sites covered by formal benefit agreements or community development plans with indigenous communities.



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Formula:

1. Total sum of indigenous territories covered by formal benefit agreements or development plans with indigenous communities.
2. Percentage = (Number of indigenous territories covered by formal benefit agreements or development plans with indigenous communities / Total number of indigenous territories) * 100%

Note: The indicator is based on the criteria to be reported from the GRI G4 Sectorial Mining and Metals.

Identify significant disputes relating to land or resource use of local communities and Indigenous Peoples associated with current, planned or proposed future operations of the reporting organization. The criteria for classifying disputes as 'significant' should be reported.

The indicator seeks to report the total number of significant disputes and the description of the nature of these, along with the criteria for significance of the disputes*.

Report the number of these disputes and describe their nature.

Formula:

1. Total sum of significant disputes related to the use of lands or resources of local communities and/or indigenous peoples.

*The significance of the disputes is based on all those that could materialize a reputational or economic risk for Drummond Ltd.

Note: The indicator is based on the criteria to be reported from the GRI G4 Sectorial Mining and Metals.

DLTD-09 Number and description of significant disputes related to land use, customary rights of local communities, and indigenous peoples

DLTD-10 The extent to which grievance mechanisms were used to resolve disputes relating to land use,

The indicator refers to disputes related to the use of lands or resources of local communities and Indigenous Peoples as reported in DLTD-09.

Report the status of the disputes and actions taken, including the use and outcome of any grievance procedures.



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Customary rights of local communities and indigenous peoples, and the outcomes

Note: The indicator is based on the criteria to be reported from the GRI G4 Sectorial Mining and Metals.

The indicator seeks to report:

- Identify the sites where community resettlement occurred.
- Report the number of households involved in any resettlement program (1). If available, the number of people or an informed estimate can also be reported.
- Report the consultation processes and measures implemented to restore the affected community, mitigate any impact of relocation, and the outcomes in terms of livelihoods, including sustainable land use.
- Report any significant dispute related to resettlement and the processes employed to resolve outstanding issues.

Formula: Total sum of households involved in any resettlement program.

Note: The indicator is based on the criteria to be reported from the GRI G4 Sectorial Mining and Metals.

DTLD 11 Management of resettlements and Socioeconomic Management Plan (PMS)

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Sirs. Drummond LTD
Bogota, D.C.

AS-8471-24
November 21st, 2024

To the Management of Drummond LTD

The 2023 Sustainability Report of Drummond LTD as of December 31, 2023, has been prepared in reference with the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) standards and company's own criteria.

Ernst & Young Audit S.A.S., acted as independent verifier of the identified sustainability information, contained in the Sustainability Report, and its limited assurance report was released on October 3rd, 2024. Our engagement was conducted in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000').

According to your request, we have reviewed the Spanish version of the Sustainability Report and translated our respective limited assurance report as independent auditor.

Cordially,

RODRIGO
GERMAN
ALBARRACIN
CRUZ

Digitally signed by
RODRIGO GERMAN
ALBARRACIN CRUZ
Date: 2024.11.21
10:38:30 -05'00'

Rodrigo Albarracin
Audit Partner
Ernst & Young Audit S.A.S.

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