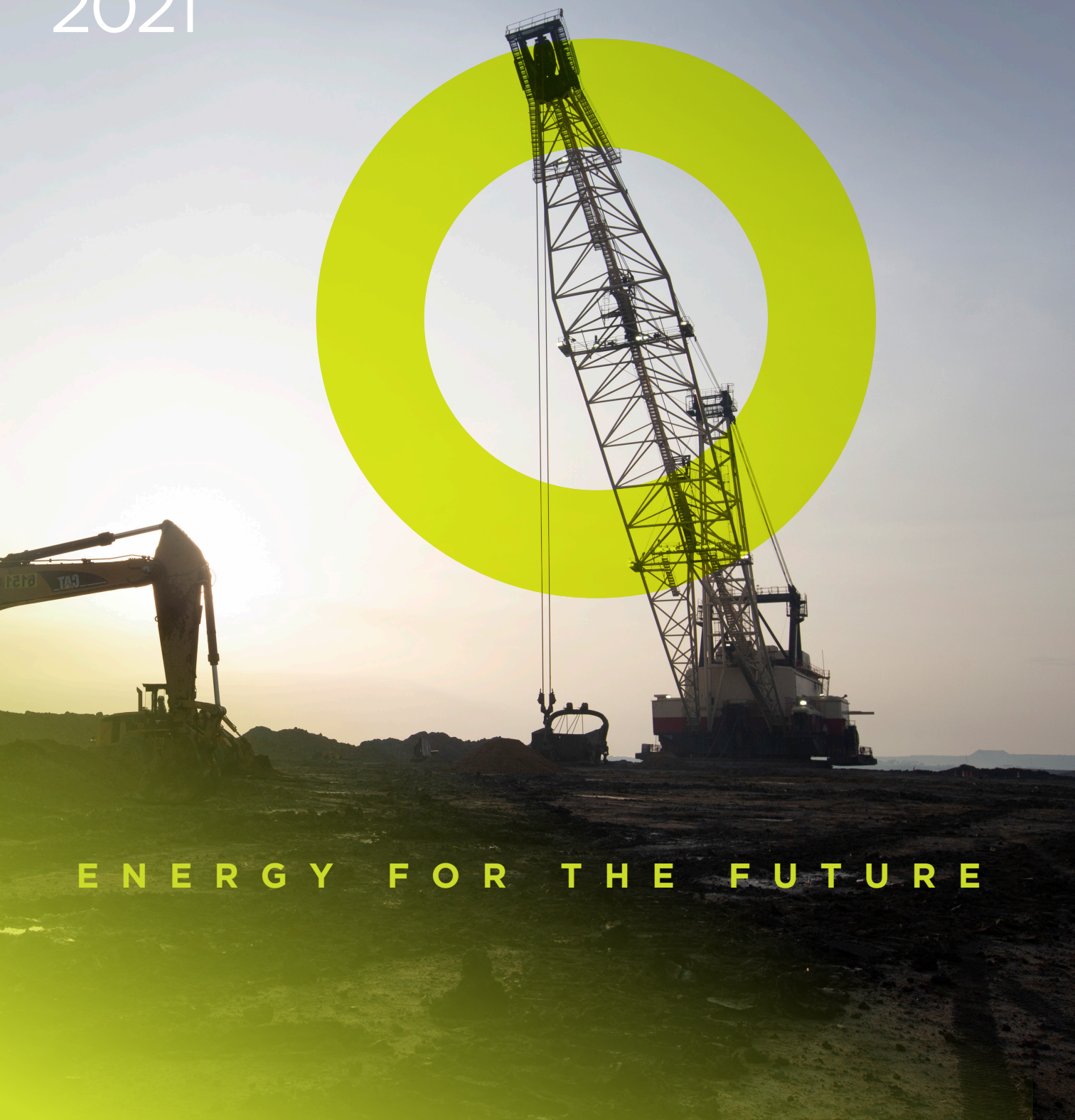




DRUMMOND LTD.  
COLOMBIA

# Sustainability Report 2021



ENERGY FOR THE FUTURE

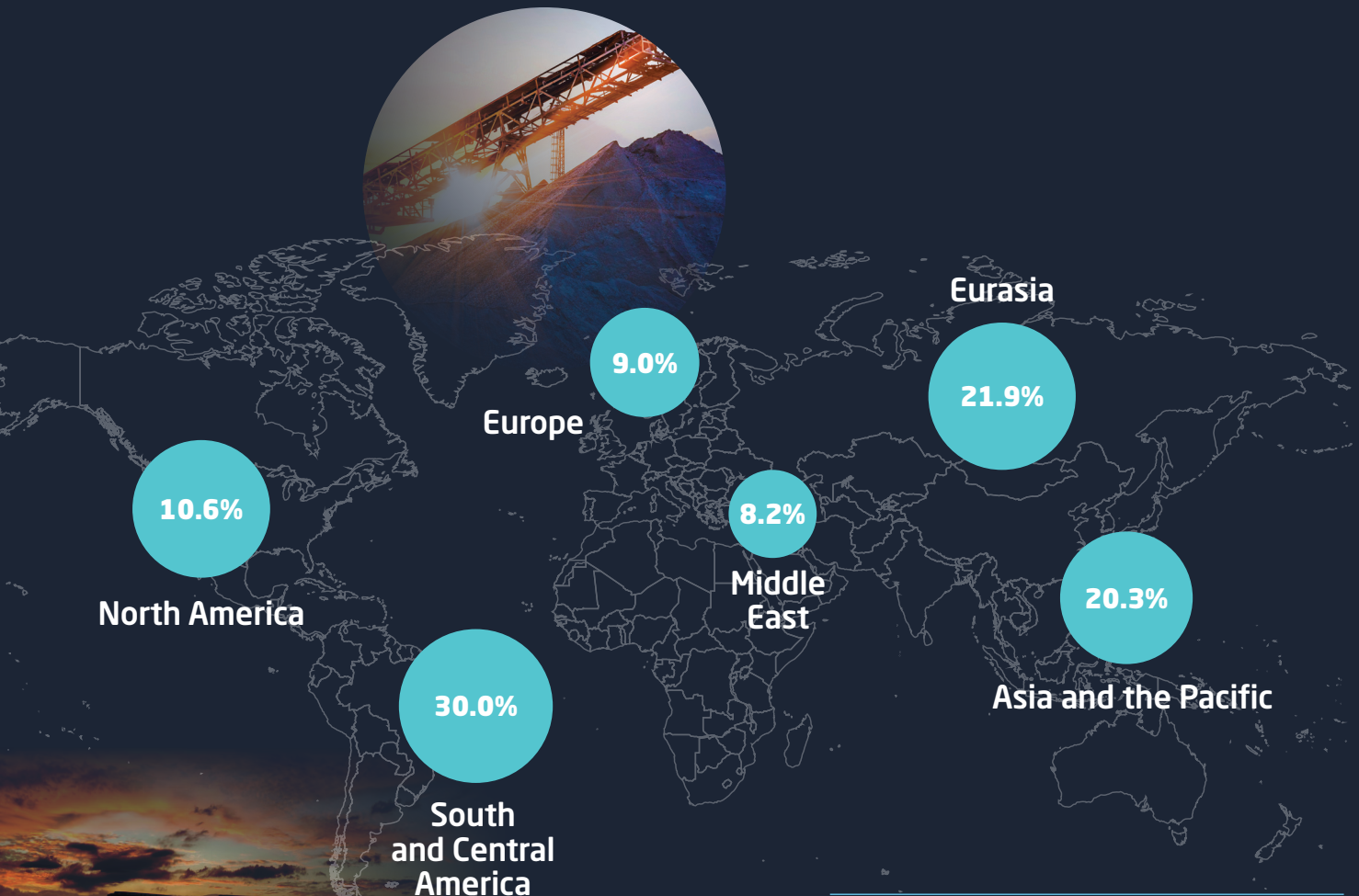
## The Sustainability Report 2021

has been prepared in strict compliance with the established content and management approaches, in accordance with the Core option of the GRI standards and the respective principles for content and quality. It has been externally assured by Elevate, and reviewed by the GRI Materiality Disclosures Service.



These last two years have represented a challenge for the Company and the world in general. Nevertheless, the effort and enormous responsibility with which our entire workforce decided to take on this challenge, has positioned Drummond for the sixth consecutive time as the main producer and exporter of Colombian coal. Our commitment is with Colombia, as well as with our customers in more than 20 countries around the world. In the energy transition process, our mineral will also continue to play a key role. It is for this reason that we will continue working with our employees, contractors and communities, ratifying our commitment to responsible and sustainable mining.”

**JOSÉ MIGUEL LINARES**  
President of Drummond Ltd.





## Committed to a sustainable ESG vision

Alignment of the ESG (environmental, social, and corporate governance) strategy with the SDGs and with Drummond Ltd.'s material topics:



### CORPORATE GOVERNANCE

#### Material topics:

- Economic performance
- Communications management
- Supplier and contractor management



### SOCIAL MANAGEMENT

#### Material topics:

- Due diligence in human rights
- Human talent management
- Occupational health and safety
- Trade union relations
- Community relations
- Participation and outreach in the region
- Resettlement work



### ENVIRONMENTAL MANAGEMENT

#### Material topics:

- Water resources administration
- Air quality
- Protection of biodiversity
- Waste management



For Drummond, it is essential that all business units meet the highest quality and sustainability standards. Effectively executing our ESG strategy requires understanding of industry developments and global dynamics, and delivering on stakeholder expectations, all while honoring our promise to incorporate best practices in environmental, social, and corporate governance (ESG) into our platform. As we leverage available opportunities, the success of the Company will be reflected in the regions where we operate with responsible and sustainable methods”.

**CAROLINA RIAÑO SAIZ**  
Sr. VP & Chief Sustainability Officer (CSO)

## Corporate Governance

**SIXTH CONSECUTIVE YEAR**  
AS COLOMBIA'S LARGEST  
COMPANY IN TERMS  
OF VOLUME OF COAL  
PRODUCTION AND EXPORTS.

### TOTAL ASSETS

USD **2,834** million

### INCOME FROM EXPORTS

USD **2,459** million

### SALES AND OPERATING COSTS

USD **1,934** million

### TOTAL LIABILITIES

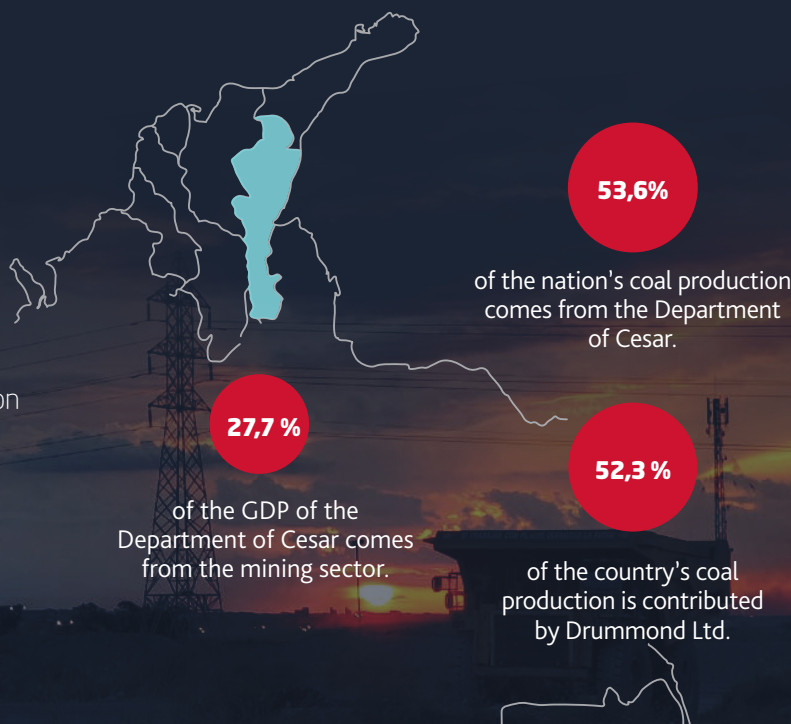
USD **897** million

### TOTAL EQUITY

USD **1,937** million

**31.5**  
**million**  
tons  
exported.

**2.<sup>nd</sup>**  
**place**  
in overall reputation  
in the Colombian  
mining sector.



Since the start of the  
operations in Colombia,  
Drummond Ltd. has produced  
and exported a total of

**532.6**  
**million tons**

producing the following  
payments to  
the Nation:

Royalties and  
compensation  
USD **5,140** million

Taxes, fees  
and contributions  
USD **3,625** million



[Target 8.3]

**32 %**  
**of Drummond Ltd.'s**  
**domestic purchases** are from  
suppliers in the Caribbean region.

**696**  
**domestic suppliers**  
**(92 %)** with a total  
amount of purchases of  
USD **860,542,490**  
**(71 %).**

Of these,  
**290**  
**are local suppliers,**  
with a total amount  
of purchases of  
USD **279,484,208**

## Social Management



[Target 2.a] [Target 2.3] [Target 2.4]

183

**local producers**

have joined the supplier program, with **more than USD 143,039** in income by the close of 2021.

40

**families**

are participating in food security projects.



[Target 4.3]

186

**young people**

have benefited from college scholarships and support in the form of stipends.

[Target 4.6]

1,515

**new literate adults**

in the five municipalities in the area of influence in the Department of Cesar.

[Target 4.a]

11

**new projects**

to develop educational infrastructure.



USD 18,274,236  
SPENT IN SOCIAL  
MANAGEMENT IN 2021



[Target 8.3]

620

**Participants in the business incubator program - 265**

projects financed by Drummond and other entities.

10

**productive associations**

and local companies involved in processes for organizational strengthening.

[Target 8.5]

10,969

**direct and indirect jobs** created.

90.97 %

**of all personnel**

at contractors are from the Caribbean region.





[Target 9.1]

**More than**  
**USD 587,099**  
invested in **10 new**  
institutional and community  
infrastructure projects.

[Target 8.7]

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

[Target 8.8]

**98.99 %**  
**of direct employees**  
benefit from the  
extralegal compensation  
and benefits package.

**117**  
**employees**  
received college  
scholarships.

**124,786**  
**hours of education**  
and training provided as  
part of employee training.

**7,665**  
**hours of education**  
and training in the virtual  
format - 1,004 employees  
participating.

Certification under the  
**ISO 45001:2018**  
**standard for occupational**  
**health and safety**  
**management systems.**



[Target 16.1]

**270**  
**children and young**  
**people** participating in  
programs on values and re-  
weaving the social fabric.

[Target 16.2] [Target 16.5]

**89.09 %**  
**of all significant**  
**investment** contracts  
and agreements signed by  
Drummond Ltd. include human  
rights clauses.

[Target 16.6]

**3<sup>rd</sup>**  
**human rights**  
**conversation** with  
communities and authorities  
in the cities of Valledupar  
and Santa Marta.

**7<sup>th</sup>**  
**human rights**  
**conversation** with  
contractors and suppliers.

**70**  
**public servants and**  
**community leaders**  
trained in project  
formulation, management,  
and evaluation.

**34**  
**participants**  
received training in the  
formulation of community  
development plans.

[Target 16.10]

**334**  
**employees**  
trained in aspects of human  
rights and human rights  
policies and procedures.

**100 %**  
**of security personnel**  
have received human  
rights training.

## Environmental Management



[Target 6.4]

100 %

**compliance**

with the goals proposed by the Water Savings and Efficient Use Program (PUEAA for the Spanish).



[SDG12 - Drummond target]

**Reconversion of light vehicles** to CNG, to reduce GHG emissions.

**Replacing use of diesel** with biodiesel in light vehicles, with the goal of helping mitigate the effects of climate change.

[Target 12.4]

73 %

**reuse** of all hazardous waste products generated.

[Target 12.5]

85 %

**reuse** of all non-hazardous waste products generated.

79 %

**overall reuse** of all waste products generated at the mining and port operations  
**(20,698 tons of waste recovered, out of the 26,097 tons generated).**

THE COMPANY CONDUCTED AN EPIDEMIOLOGICAL STUDY IN THE AREAS OF INFLUENCE OF THE COAL MINING OPERATIONS IN THE DEPARTMENT OF CESAR, AND NO STATISTICALLY SIGNIFICANT ASSOCIATION WAS FOUND BETWEEN HEALTH CONDITIONS AND THE DISTANCE FROM THE MINING OPERATIONS OF THE HOUSEHOLDS STUDIED.



[Target 15.1] [Target 15.2]

144.06 ha

**were rehabilitated** at the Pribbenow and El Descanso mines.

Work has been done on  
**1,490 ha** of the Pribbenow and El Descanso mines as part of the area recovery protocol, which is almost **18.43 % of the total** surface area affected by the advance of the mining operations.

**63,839**  
**trees planted.**



## Stakeholder Attention System



DRUMMOND LTD. MAKES A VARIETY OF COMMUNICATION CHANNELS AVAILABLE TO ALL EMPLOYEES AND OTHER STAKEHOLDERS. THE CHANNELS CAN BE USED TO FILE PETITIONS, COMPLAINTS, CLAIMS, SUGGESTIONS, CONGRATULATIONS, OR GRIEVANCES, **AND TO REPORT ANY POSSIBLE CONDUCT CONNECTED WITH BRIBERY OR CORRUPTION, VIOLATIONS OF ETHICS OR CORPORATE VALUES, OR ANY DOUBTS ABOUT THE APPLICATION OF THE BUSINESS ETHICS PROGRAM.**



### Report to the postal address:

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



### Ethics hotline:

018000919161 - Direct line  
57 (5) 5719499, extension 8499



### Email:

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atencionalusuario@drummondLtd.com  
atencionalusuariop@drummondLtd.com



### Web page:

<https://www.drummondLtd.com>



### Online Portal for Attention to the Public:

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



### Offices for Attention to the Community

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