



DRUMMOND LTD.
COLUMBIA

Sustainability Report 2021



ENERGY FOR THE FUTURE



Sustainability Report 2021

[Goal 12.6] The 2021 Sustainability Report has been prepared in strict compliance with the established management content and approaches, in accordance with the Core option of the GRI Standards and their respective content and quality principles. All of the above is ensured through the external verification conducted by the firm BSD Consulting, an Elevate Company.

In addition, the "GRI Materiality Disclosure Service" was requested to check that the GRI content index is clearly presented and that the references for content 102-40 to 102-49 are aligned with the appropriate sections in the body of the report.

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VERIFICATION

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for Sustainable Development



Sustainability Report 2021

ENERGY FOR THE FUTURE

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For an economically viable, socially responsible and environmentally sustainable operation!



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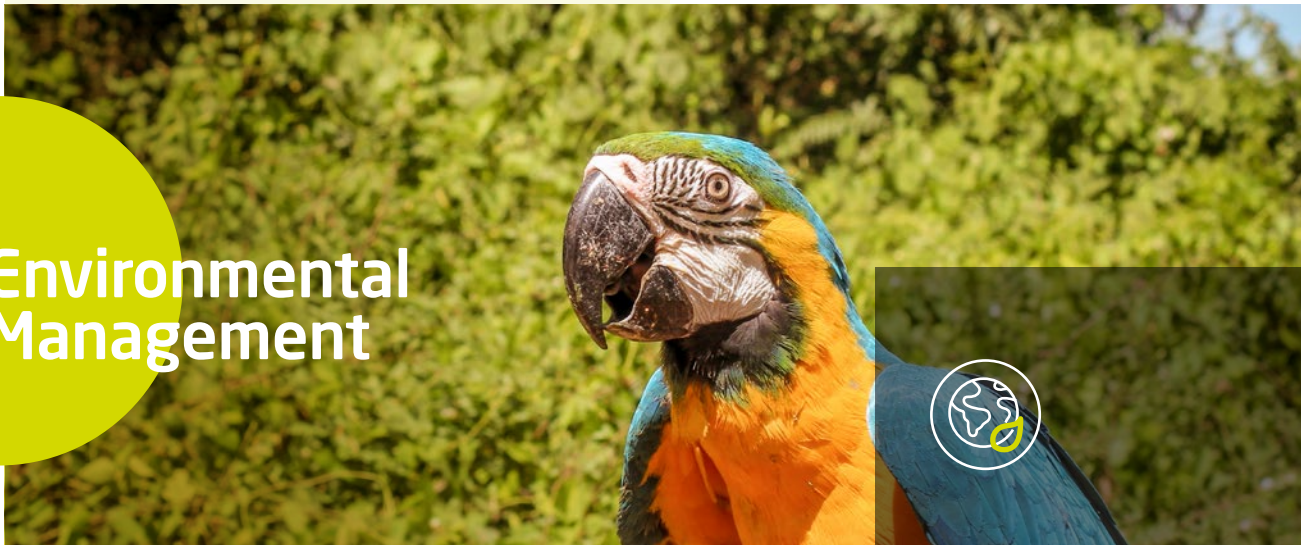
E S G

Corporate

management achievements

2021

Environmental Management



[Target 6.4]

**100 %
compliance**

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



[SDG 12 - 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.**

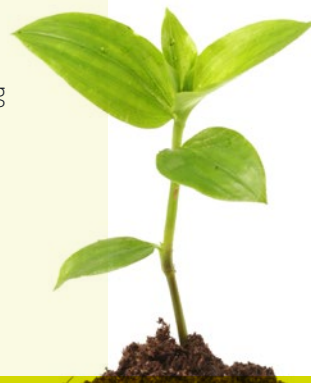


[Target 15.1] [Target 15.2]

**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.**





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.



[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 contractors' personnel are from the Caribbean region.



USD 18,274,236
spent on social
management in 2021

[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 9.1]

USD 587,099

invested in **10 new** institutional and community infrastructure projects.



[Target 16.1]

270

children and young people participating in programs on values and reweaving 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]

3rd

human rights conversation with communities and authorities in the cities of Valledupar and Santa Marta.

7th

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.



Corporate Governance Management



2021 SUSTAINABILITY REPORT

2021 CORPORATE MANAGEMENT ACHIEVEMENTS

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.



53.6%

of the nation's coal production comes from the Department of Cesar.

27.7%

of the GDP of the Department of Cesar comes from the mining sector.

52.3%

of the country's coal production is contributed by Drummond Ltd.



6th

consecutive year as Colombia's largest Company in terms of volume of coal production and exports.

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

2nd

place in overall reputation in the Colombian mining sector.



[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



Drummond LTD.'S Operations

We do mining done right!



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 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
Drummond Ltd.

6th

consecutive year as Colombia's largest Company in terms of volume of coal production and exports.

2nd

place in overall reputation in the Colombian mining sector.

53.7 %

of the country's coal production is provided by Drummond Ltd.

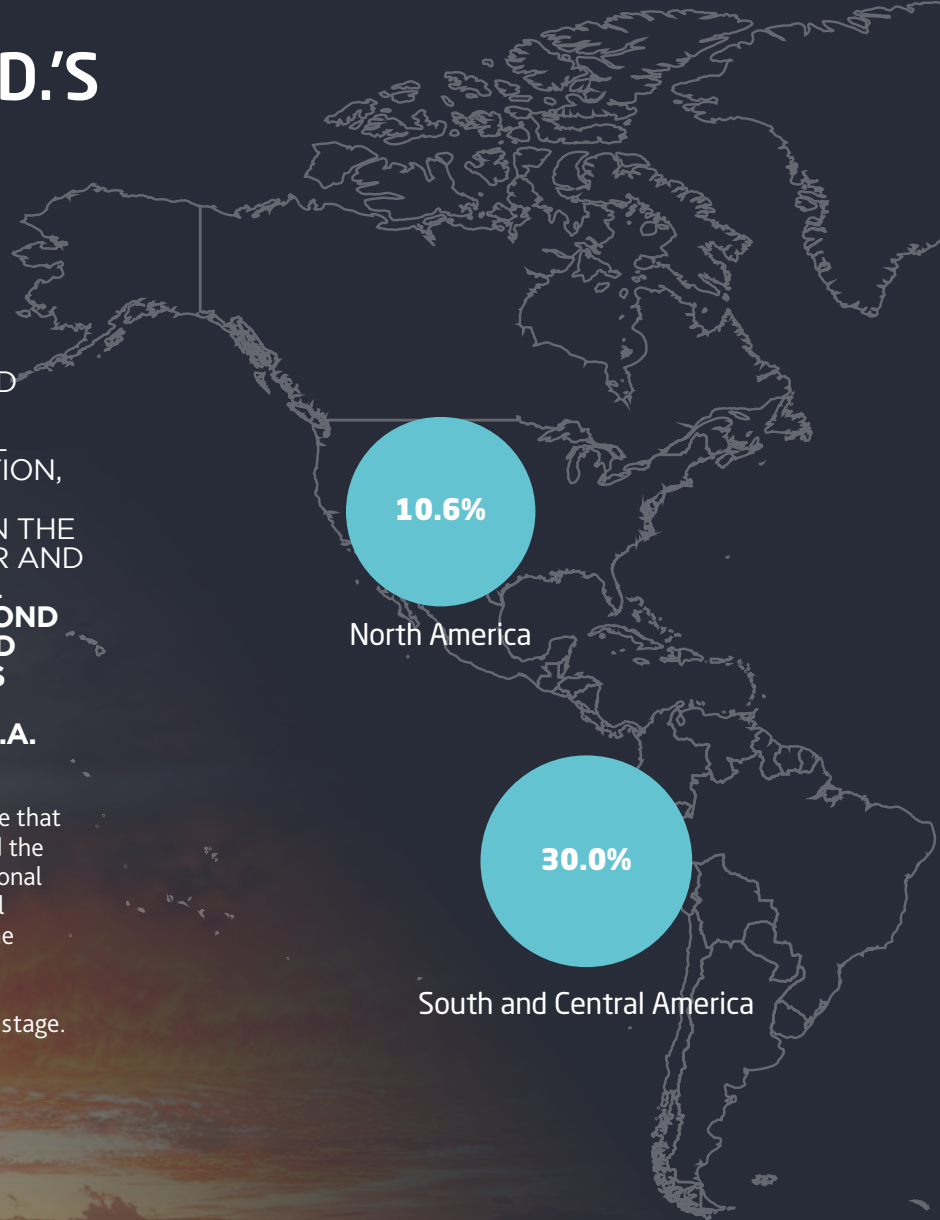


- [GRI 102-1] Name of the organization
- [GRI 102-2] Activities, brands, products and services
- [GRI 102-3] Location of headquarters
- [GRI 102-4] Location of operations
- [GRI 102-5] Ownership and legal form
- [GRI 102-6] Markets served
- [GRI 102-10] Significant changes to the organization and its supply chain

Drummond LTD.'S operations

DRUMMOND LTD. IS AN ORGANIZATION ENGAGED IN MINING STEAM COAL THAT CARRIES OUT COAL EXPLORATION, PRODUCTION, TRANSPORTATION AND EXPORTING ACTIVITIES IN THE DEPARTMENTS OF CESAR AND MAGDALENA, COLOMBIA. **IT IS OWNED BY DRUMMOND INTERNATIONAL LLC AND ITS AFFILIATES, WITH ITS HEADQUARTERS IN THE STATE OF ALABAMA, U.S.A.**

For this year, it is important to note that Drummond Company Inc. acquired the 20% stake in Drummond International LLC that was owned by Itochu Coal Americas, Inc., and thus became the owner of 100 % of the company. Additionally, the mining project at El Corozo is now in the production stage.





- **EXPLORATION**

- **PRODUCTION**

La Loma, El Descanso and El Corozo in the department of Cesar. (The Cerrolargo project has not yet begun operations.)

- **TRANSPORTATION**

44 locomotives and 1,992 railcars for 14 trains, from the mining operations to Puerto Drummond. The railway lines within the mining operations connect with the national railway corridor.

- **EXPORTING**

Capacity to export 60 million metric tons per year.

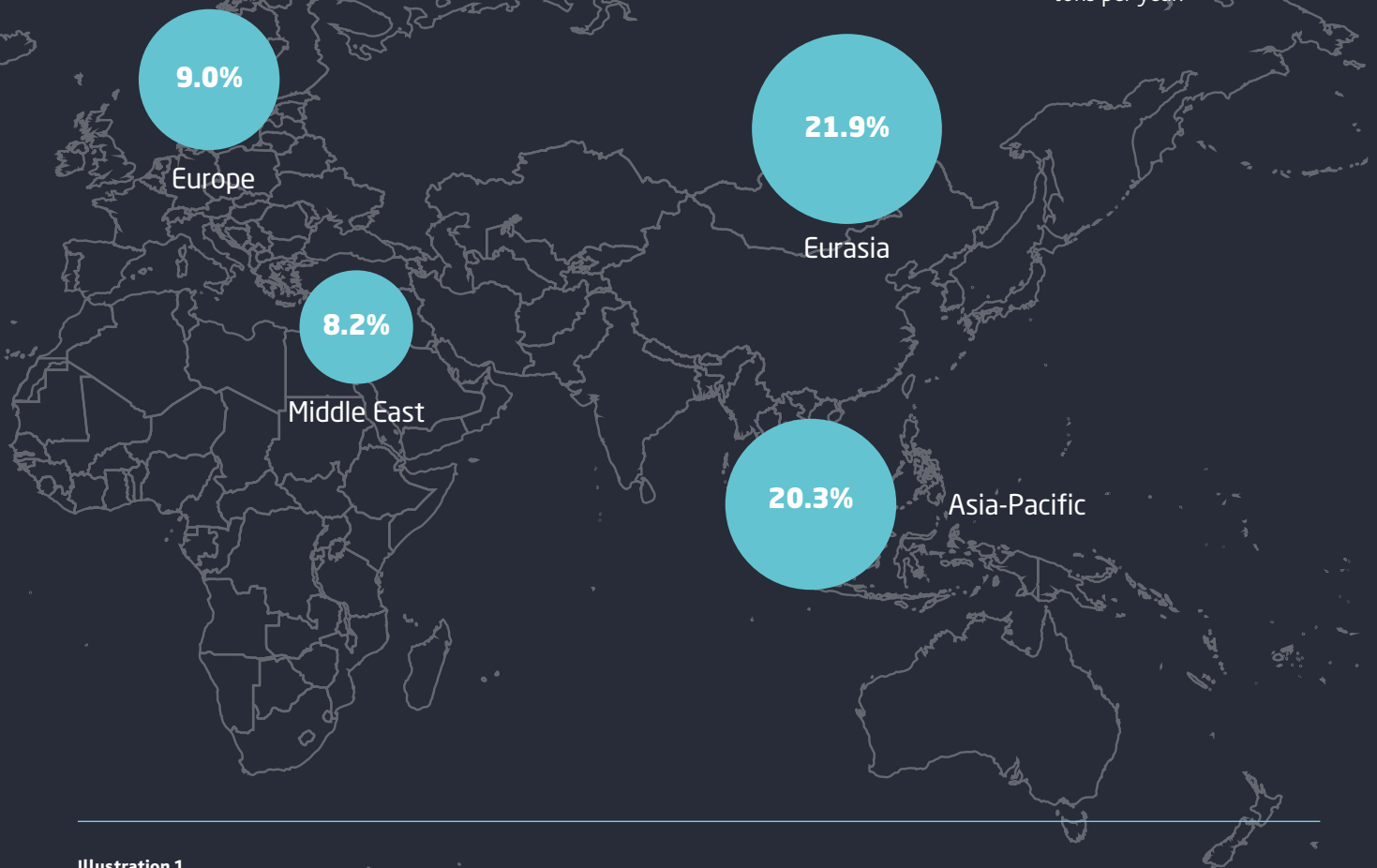


Illustration 1.
Export destinations



[GRI 102-7] **Size of the organization**

As of December 31, 2021, Drummond Ltd. had 5,053 employees for its three operations, located in Magdalena, Cesar y Bogotá.

For 2021, the main economic performance figures are presented below in millions of USD:



TOTAL ASSETS	INCOME FROM EXPORTS	SALES AND OPERATING COSTS
USD 2,834	USD 2,459	USD 1,934

Capitalization

TOTAL LIABILITIES	TOTAL EQUITY	METRIC TONS OF COAL EXPORTED
USD 897	USD 1,937	TON 31,544,795



[GRI 102-8]

Information on employees and other workers

Below is the information on Drummond Ltd.'s employees and other workers, which is compiled from the data administered and managed in the Company's systems.

Table 1.
Total number of direct employees

Operation/ Number of employees	Men	Women	Total
Mining operations and Valledupar	4,106	97	4,203
Port operations and Cartagena support	729	78	807
Bogotá	23	20	43
Total employees	4,858	195	5,053

Table 2.
Total number of direct and indirect employees

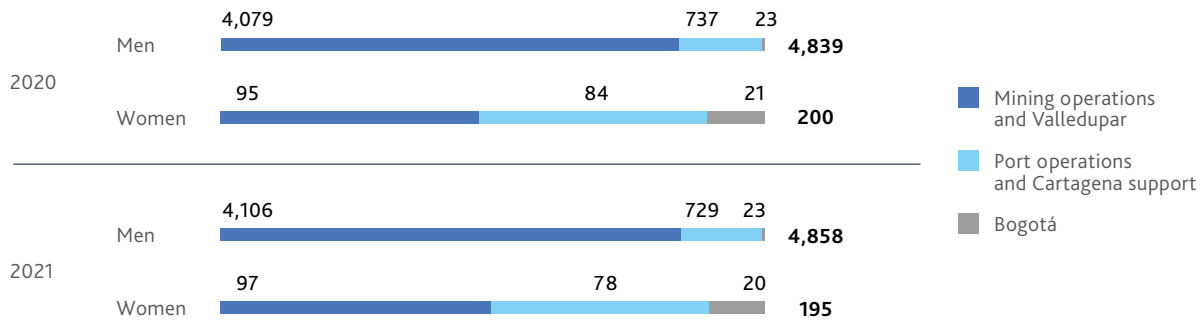
Direct and indirect employees	2020				2021			
	Direct company employees		External workers		Direct company employees		External workers	
	Men	Women	Men	Women	Men	Women	Men	Women
Mining operations and Valledupar	4,079	95	5	5	4,106	97	5	4
Port operations and Cartagena support	737	84	3	1	729	78	6	2
Bogotá	23	21	-	-	23	20	-	-
Total employees	4,839	200	8	6	4,858	195	11	6



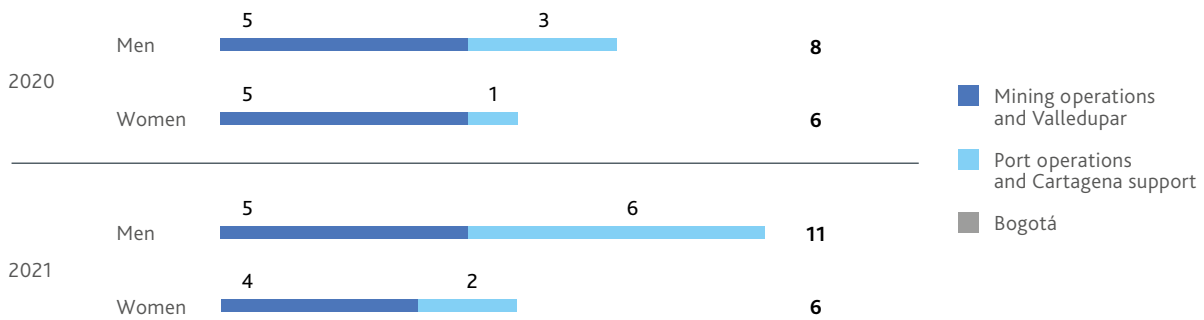
E S G



Graphic 1.
Direct employees



Graphic 2.
External employees (hired through temporary agencies)



Graphic 3.
Direct employees by type of contract

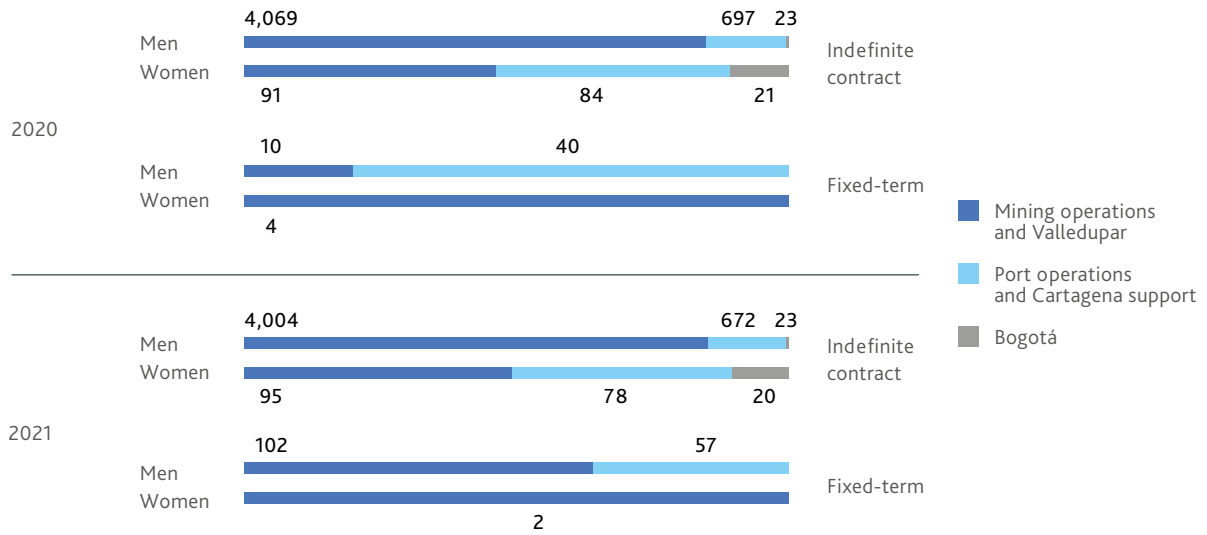


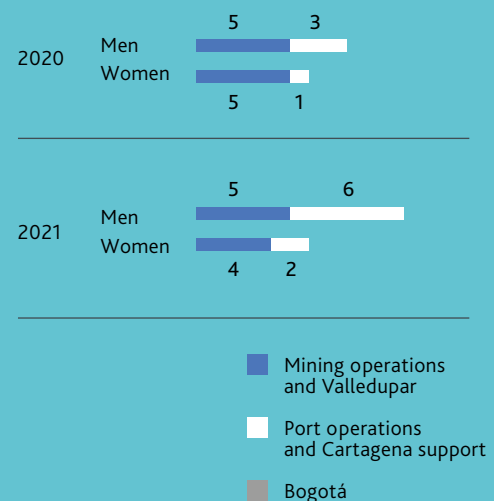
Table 3.
Direct employees by type of contract

Direct employees by type of contract	2020				2021			
	Indefinite contract		Fixed-term		Indefinite contract		Fixed-term	
	Men	Women	Men	Women	Men	Women	Men	Women
Mining operations and Valledupar	4,069	91	10	4	4,004	95	102	2
Port operations and Cartagena support	697	84	40	-	672	78	57	-
Bogotá	23	21	-	-	23	20	-	-
TOTAL	4,789	196	50	4	4,699	193	159	2

Table 4.
External employees by type of contract

External employees by type of contract	2020		2021	
	Other (hired through temporary agencies)		Other (hired through temporary agencies)	
	Men	Women	Men	Women
Mining operations and Valledupar	5	5	5	4
Port operations and Cartagena support	3	1	6	2
Bogotá	-	-	-	-
TOTAL	8	6	11	6

Graphic 4.
External employees by type of contract
Other (hired through temporary agencies)





Report Profile

- [GRI 102-32] Highest governance body's role in sustainability reporting
- [GRI 102-50] Reporting period
- [GRI 102-51] Date of most recent report
- [GRI 102-52] Reporting cycle
- [GRI 102-54] Claims of reporting in accordance with the GRI Standards
- [GRI 102-56] External assurance

[GRI 102-54] THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE CORE OPTION OF THE GRI STANDARDS, UNDER THE LEADERSHIP OF THE CHIEF SUSTAINABILITY OFFICER. **IT WAS ALSO VALIDATED BY THE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE AND EXTERNAL VERIFICATION BY THE FIRM ELEVATE, WHOSE CONCLUSIONS CAN BE FOUND IN THE INDEPENDENT VERIFICATION STATEMENT IN THE ATTACHMENTS TO THIS DOCUMENT.**

As of 2012, under the GRI Standard, Drummond Ltd. has been reporting its economic, social and environmental performance to the public each year. This report is prepared for the period from January 1 to December 31.

For this year, the Company used the materiality analysis, updated during 2020, due to the specific situations caused by COVID-19 and coal price dynamics, which has been used as the basis for defining the content that will be reported. It maintains the traceability of the procedures presented in previous years, demonstrating its contribution to the Sustainable Development Goals, the Global Compact and other initiatives to which Drummond Ltd. has voluntarily adhered as part of its Corporate Social Responsibility Strategy.



[GRI 102-53]
Contact point for questions regarding the report

Any comments, suggestions or questions about this sustainability report should be sent to:

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Vice President of Sustainability
Phone: +60 1 5871000
Email:
jarteaga@drummondLtd.com



[GRI 102-14] Statement from senior decision-maker

[GRI 102-15] Key impacts, risks, and opportunities



Message from the CEO

Despite the challenges of the global pandemic, the Company continues to successfully operate with the support of our primary stakeholders, our employees, and the communities that surround the Company's operations. The Company has been at the forefront of implementing policies and procedures to protect the safety and health of our employees and the communities in which they work and live.

In this year's report, we highlight our environmental, social and corporate governance performance which we believe has assisted our neighboring communities and the country of Colombia progress through the global pandemic. We also acknowledge, throughout the report, the positive contribution of our suppliers and other partners that make up the entire Colombian operations.

We have made a significant investment in Colombia and its people and are pleased to be able to partner with other businesses throughout the country to improve the economic and social development of the people in the country. We seek to work with our peers and the government to provide better living conditions for the citizens of Colombia, especially the most vulnerable.

Over the past year, in the midst of the most challenging of circumstances, the Company maintained all jobs and honored all of its labor agreements. The Company also continued its social investment program and

continued implementation of its corporate social responsibility strategy. The Company and its employees throughout the mining, rail, and port operations are proud of the Company's integrity and commitment to its stakeholders.

As a representative of many in our communities, we understand that we have an important responsibility to help progress the lives of those around us. To that end, we have invested in programs like the Entrepreneurship Incubator, where entrepreneurs in our areas of influence are provided tools that allow them to develop their projects and improve their families' quality of life.

This year, we are pleased to announce the appointment of our Company's first Chief Sustainability Officer. This demonstrates our commitment to making sustainability and environmental, social and governance factors an integral part of the Company's strategies and activities.

In early 2021, we renewed our commitment to Colombia and our employees by successfully purchasing ITOCHU's 20% interest in Drummond International, the Company's Colombian operations. We appreciate the great partnership that we had with ITOCHU and are pleased that both companies will continue to work together to expand market opportunities.

The evolving world demands greater transparency from businesses and citizens in terms

of environmental performance and how to avoid, mitigate, and manage operational impacts. This report highlights the progress we have made in exceeding established international standards and how this translates into tangible, real benefits for the environment and the communities near our operations.

THANK YOU AGAIN FOR ALLOWING US TO SHARE OUR JOURNEY WITH YOU. WE WILL CONTINUE TO WORK DILIGENTLY ON ALL THINGS IMPORTANT TO OUR STAKEHOLDERS. WE KNOW THAT TRUST IS BUILT THROUGH POSITIVE ACTIONS AND HARD WORK.

Richard Mullen
CEO of Drummond Company Inc.



[GRI 102-14] Statement from senior decision-maker

[GRI 102-15] Key impacts, risks, and opportunities



Message from the president

The year 2021 started out with one of the pandemic's worst peaks and the arrival of new variants. As the months went by, however, the arrival of vaccines gave us hope and an even greater commitment to working to resolve the health crisis and generate development for the country, especially at this time of such great need.

Our figures for the year demonstrate the huge effort and responsibility our entire team took on, rising to this challenge. After a difficult 2020, with all the effects of the health crisis, in 2021 we were able to produce 28,889,000 tons of coal and export 31,545,000 tons to 21 countries. This positioned the company for the sixth consecutive year as the country's main coal producer.

We also celebrated the first year of operations of our El Corozo mine. Opening this mine has helped maintain our production levels and the more than 10,000 direct and indirect jobs in our area of influence, making a contribution to the sustainable development of Cesar and Magdalena.

In terms of our social investment, our commitment never wavered to keep our initiatives that have a positive impact on our communities. We continued with our corporate social responsibility strategy in Cesar and Magdalena with a budget of more than 10 billion pesos to benefit more than 681,000 people in our area of influence.

The yearly opinion survey by Brujula Minera reported that the social license for mining in Cesar

and La Guajira was on the 'confidence threshold.' This means that communities not only consider the companies in the industry to be legitimate, meaning they believe in or approve of their operations, but also that companies like Drummond Ltd. have managed to build deep trust in the region where we operate. In confirmation of this, Drummond Ltd.'s favorability in Cesar went from 65% in 2018 to 80% in 2021, a fact that gives us great pride.

We are also honored to recognize that our direct and indirect employees understood the importance and rose to the challenge of continuing to help the country get through the most difficult moments of the pandemic. With a sense of ownership and of responsibility toward their families and communities, they fully complied with the organization's biosafety standards established to preserve lives and health, and they also gave their full support to the National Vaccination Plan. Currently, more than 90% of our workers have received at least one dose of the COVID-19 vaccine, and we have made vaccination stations available for booster shots.

Another commitment we kept was to environmental development. Not only were we the mining sector company making the largest contribution to the #Sembramosune (#PlantingBringsUsTogether) program, planting more than 543,800 trees, but we also, through Drummond Energy, signed a memorandum of understanding with the French company EDF Renewables for the potential development of



WE ARE ALSO HONORED TO RECOGNIZE THAT OUR DIRECT AND INDIRECT EMPLOYEES UNDERSTOOD THE IMPORTANCE AND ROSE TO THE CHALLENGE OF CONTINUING TO HELP THE COUNTRY GET THROUGH THE MOST DIFFICULT MOMENTS OF THE PANDEMIC.



solar energy projects. EDF Renewables is one of the most important players in the world's efforts to generate renewable energy.

As part of our constant work to strengthen our sustainability strategy, in 2021 Drummond Ltd. joined the United Nations Global Compact. We adopted this initiative based on our commitment to promote the 10 universally-accepted principles for fighting corruption, and incorporate best practices in the areas of human rights, labor rights, and the environment. We thus contribute to the global commitment to strengthen the mining sector by promoting actions that confirm the work of these companies toward responsible and sustainable mining.

Each achievement this year has brought us significant lessons learned. It was a challenge to adjust the operation in order to meet all our commitments to our customers, as well as to the country, which needed the resources that come from mining. Despite the difficult circumstances, which, in many aspects, have continued, in 2021 we generated USD 368.2 million in roy-

alties and close to USD 275.1 million in taxes, fees, and contributions.

The world's new geopolitical and economic context has also put in evidence the importance of energy security. The production of steam coal is a fundamental part of energy security, making countries such as Colombia key players. But coal's relevance is not limited to this current conjuncture. Long-term in the energy transition, coal must continue to play a vital role. According to BP Energy Outlook, coal will continue to have a share of more than 20% in the world's new energy mix out to the year 2040.

Thank you for continuing to accompany us in our mission to contribute to Colombia's development with our mining and port operations that continuously pursue better environmental and social performance and more effective corporate governance. This meticulously-developed report is an x-ray of everything we are and everything we want to be in the pursuit of world-class mining that meets the Sustainable Development Goals and that contributes greatly to the well-being for all Colombians.

THIS METICULOUSLY-DEVELOPED REPORT IS AN X-RAY OF EVERYTHING WE ARE AND EVERYTHING WE WANT TO BE IN THE PURSUIT OF WORLD-CLASS MINING THAT MEETS THE SUSTAINABLE DEVELOPMENT GOALS AND THAT CONTRIBUTES GREATLY TO THE WELL-BEING FOR ALL COLOMBIANS.

José Miguel Linares
President of Drummond Ltd.



E S G

Corporate strategy



AS ITS VALUE-ADDED PROPOSITION, DRUMMOND LTD IS COMMITTED TO PROVIDING HIGH-QUALITY COAL UNDER COMPETITIVE CONDITIONS, **IN ADDITION TO DEVELOPING PRODUCTS AND SERVICES TO RESPOND TO MARKET DEMANDS WITH ECONOMIC, SOCIAL AND ENVIRONMENTAL SUSTAINABILITY CRITERIA, PROTECTING THE ENVIRONMENT AND PEOPLE'S LIVES AND HEALTH.**





Drummond Ltd. assesses and manages its impacts, both internally and outside the company, based on three aspects:



Economic pillar

- Incorporate sustainability strategies into our mining operations that respond to changing markets and technology.
- Maintain an efficient recovery of reserves at a competitive cost, to maintain the dynamism of local economies.
- Monitor best practices and incorporate them when appropriate, seeking to maintain the highest industry standard.



Social pillar

- Contribute to the socio-economic development of Colombia and the region, going above and beyond what is mandatory.
- Actively coordinate with local governments, implementing programs for the development and benefit of the communities.
- Respect and promote workers' rights and ensure their well-being, maintaining a good organizational climate and the necessary conditions so they can do their work comfortably, efficiently and safely.



Environmental pillar

- Control, mitigate and compensate for the impacts of mining throughout the entire value chain.
- Maintain high standards in environmental practices to protect and restore the natural environment.



The following policies, codes, manuals and documents serve as a guide to manage the fulfillment of commitments for all workers in every area and at every level:

Sustainability Policy: establishes the Company's commitment to having a positive impact on stakeholders and contributing to sustainable development.

<https://www.drummond.com/wp-content/uploads/DLTD-Sustainability-Policy-Aug-2022.pdf>

Community Relations Policy: establishes the guidelines for how Drummond Ltd. handles its relationships with the communities in its area of influence and how strategies are designed that ensure that it maintains and strengthens its social license to operate.

<https://www.drummond.com/wp-content/uploads/SIG-4631-CommunityRelationsPolicy.pdf>

Human Rights Policy: establishes respect for and promotion of Human Rights within the Company.

<https://www.drummond.com/wp-content/uploads/Human-Rights-Policy-Drummond-Ltd.pdf>

Environmental Policy: establishes the Company's commitment to abiding by environmental laws, and the continuous evaluation and reduction of potential impacts on this resource.

<https://www.drummond.com/wp-content/uploads/Politica-de-Sostenibilidad-Ambiental-ENG-Feb262020-1.pdf>

Occupational Health and Safety and Environment Policy: outlines how caring for health, safety and the environment is key to carrying out all operations.

<https://www.drummond.com/wp-content/uploads/Drummond-Politica-SST-2021.pdf>

Human Resources Policy: encompasses the labor rights recognized and respected in Colombia.

<https://www.drummond.com/wp-content/uploads/Human-Resources.pdf>

Selection and Recruitment Policy: seeks to attract and hire people with high ethical and professional standards.

<https://www.drummond.com/wp-content/uploads/SELECTION-AND-RECRUITMENT-POLICY-CHANGE.pdf>

Code of Conduct and Compliance Manual: establishes some ethical guidelines for employees and stakeholders based on the principles of honesty and integrity.

<https://www.drummond.com/wp-content/uploads/Code-of-Conduct-approved-RM.pdf>

<https://www.drummond.com/wp-content/uploads/Compliance-Manual-1.pdf>



Anti-Bribery and Corruption Policy: establishes a commitment to abiding by the applicable laws and regulations, carrying out the operations honestly and ethically.

<https://www.drummondLtd.com/wp-content/uploads/Policy-Against-Bribery-and-Corruption-20210310-EN.pdf>

Salary Policy: provides the guidelines for attracting, motivating and retaining talent that will contribute to the organizational objectives.

<https://www.drummondLtd.com/wp-content/uploads/Salary.pdf>

Conflict of Interest Policy: offers guidelines for avoiding and resolving these types of conflicts.

<https://www.drummondLtd.com/wp-content/uploads/CONFLICTS-OF-INTEREST-AT-DTLD-signed.pdf>

Communications Policy: describes the guidelines for the communications generated by the Company.

<https://www.drummondLtd.com/wp-content/uploads/Communications.pdf>

Resettlement Policy: contains the guidelines that the Company must follow in resettlement situations, always contributing to the sustainable development of the communities in its areas of influence.

<https://www.drummondLtd.com/wp-content/uploads/DLTD-Resettlement-Policy-Aug-2022.pdf>

Remote Work Policy: establishes guidelines that allow both the company and employees to clearly understand the conditions for this new way of working.

<https://www.drummondLtd.com/wp-content/uploads/Remote-Work-Policy-ENG.pdf>



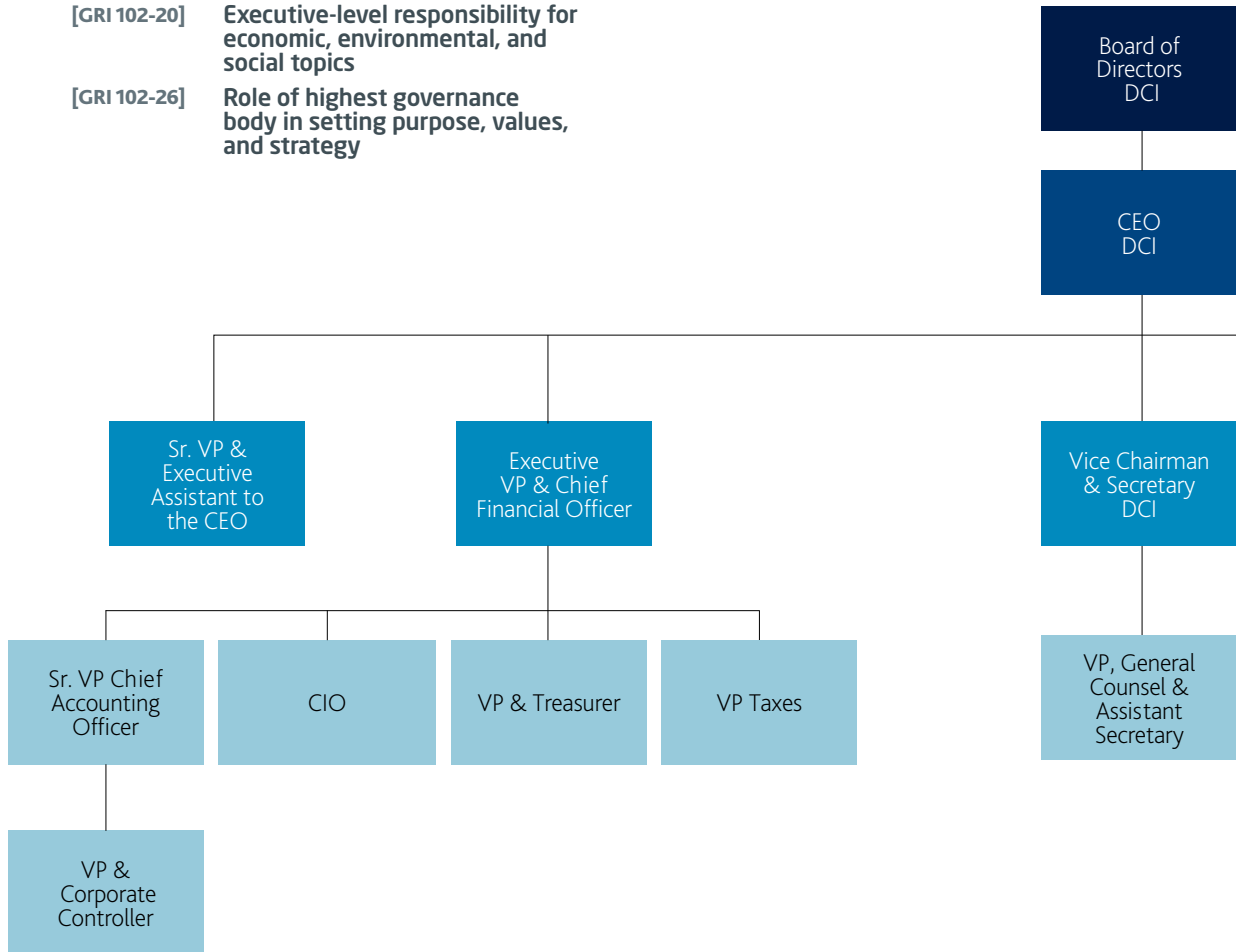
E S G

Governance Structure



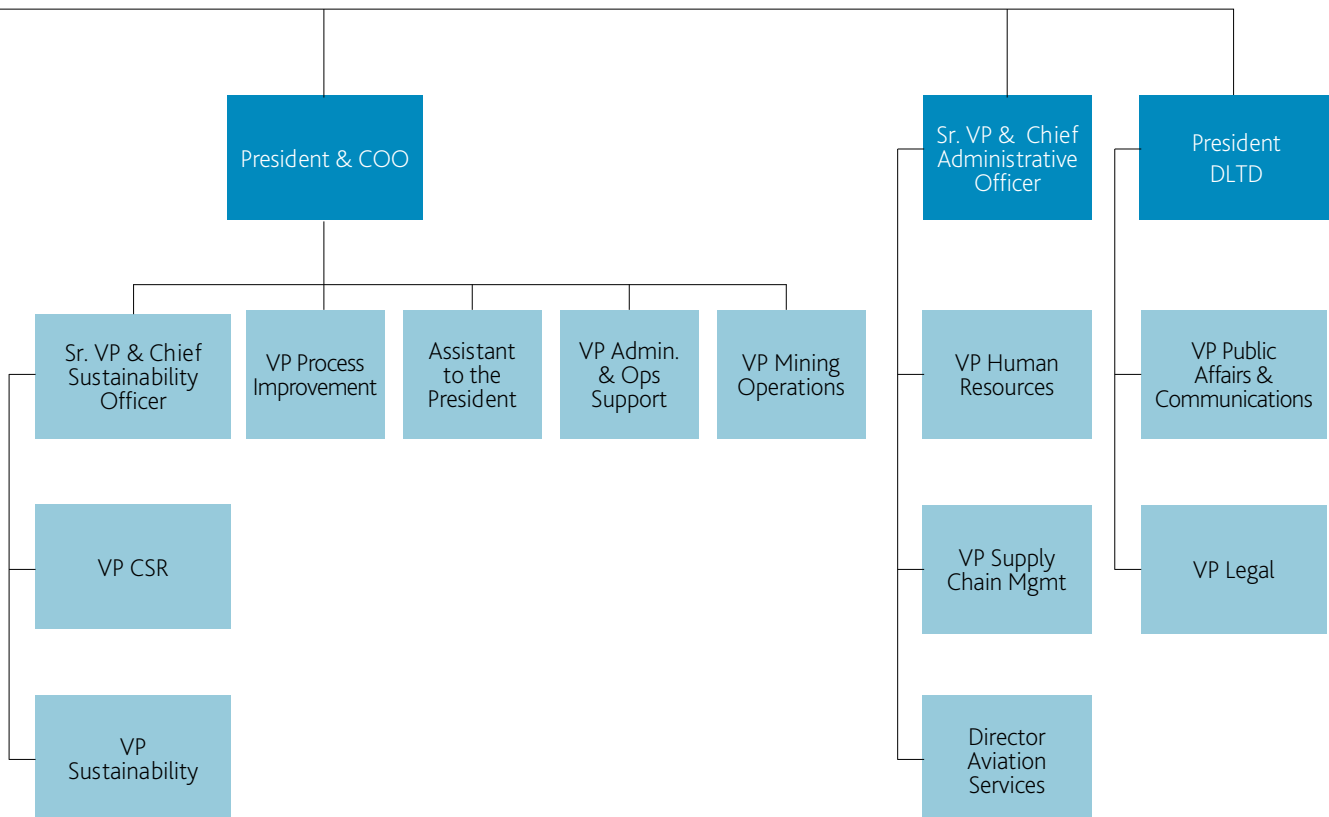
Board of Directors

- [GRI 102-18] Governance structure
- [GRI 102-20] Executive-level responsibility for economic, environmental, and social topics
- [GRI 102-26] Role of highest governance body in setting purpose, values, and strategy





THE BOARD OF DIRECTORS IS THE COMPANY'S MAIN GOVERNING BODY AND, THEREFORE, IS DIRECTLY RESPONSIBLE FOR ITS STRATEGY AND DIRECTION. **THE BOARD IS CHAIRED BY THE CEO OF DRUMMOND COMPANY, INC. AND INCLUDES THREE OTHER DIRECTORS.**





[GRI 102-19] Delegating authority
 [GRI 102-33] Communicating critical concerns



Committees

Board Committees

EXECUTIVE MANAGEMENT COMMITTEE
 Approves major investments within the operations

Management Committees

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

ETHICS COMMITTEE
 Reviews compliance with the Code of Conduct and the policies that support the Business Ethics Program

AUDIT COMMITTEE
 Reviews and monitors the effectiveness of internal controls

SUSTAINABILITY COMMITTEE
 Guides the Company toward a sustainable development model

COMMUNICATIONS COMMITTEE
 Promotes and facilitates access to and exchange of information with stakeholders

The committees transmit information and alerts related to economic, environmental and social issues to the President of Drummond Company Inc. and the President of Drummond Ltd.



Then, they communicate directly with the CEO and the President of the Board of Directors, who inform the other Board members to evaluate the situations and make decisions.



[GRI 102-34]

Nature and total number of critical concerns

The matters and alerts transmitted to the Board of Directors can mainly be summarized in the following categories:

Development of the Mining Plan

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

Situation of the Coal Market

The impact of the price of coal on operating costs and changes in customers and international markets were analyzed.

Changes in Legislation

The repercussions of legislative changes on the Company's operations were analyzed, including resolutions and decrees related to COVID-19 and the declaration of a health emergency.

Social Responsibility Programs

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

Environmental Issues

The plan for compliance with legal obligations was communicated. Measures and practices to avoid, mitigate, restore and offset the impacts caused by the operations.

Information Published about the Company

Regular reports on industry news and summaries of mentions and articles about the Company were published. Additionally, the results of the mining reputation survey were presented.

Progress with Social Processes

The legal provisions of a social nature developed by the Company in the area where it operates were shared. For example: resettlement processes.

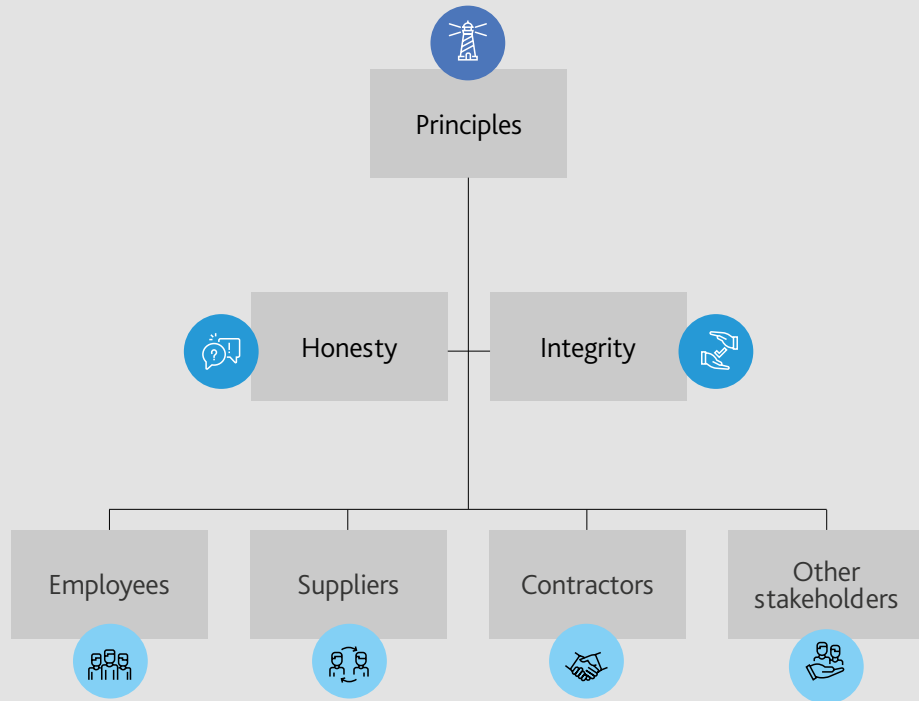


E S G

Compliance Work



- [GRI 102-16] Values, principles, standards, and norms of behavior
- [GRI 102-17] Mechanisms for advice and concerns about ethics





Business Ethics Program

Drummond Ltd.'s organizational culture is based on integrity and ethical behavior, which is why the Company has a Business Ethics Program that is focused on its people. This program identifies inappropriate behaviors, and has a system of internal controls focused on the prevention of situations that would violate the law, regulations and internal policies, combining policies, guidelines and procedures that are communicated internally to employees through corporate email and on the

Company's website,¹ ensuring access to information by stakeholders. Additionally, the Compliance Officer conducts periodic training sessions for employees, suppliers and contractors on this matter.

The organization's Code of Conduct² contains a declaration of the Company's principles of behavior, which is shared frequently with all stakeholders to promote ethical behavior throughout the value chain.

1. <https://www.drummondLtd.com/about-us/our-commitment/?lang=en>
2. <https://www.drummondLtd.com/wp-content/uploads/Code-of-Conduct-approved-RM.pdf>



The Ethics Committees are made up of these divisions or their delegates.

They meet at least once a year and/or when specific situations arise whose impact must be reviewed.

- Ensure compliance with the guidelines of the Code of Conduct.
- Ensure compliance with the Policies that support the Business Ethics Program.



DRUMMOND LTD. HAS A COMPLAINTS CHANNEL SO THAT ANY SUSPICION OR KNOWLEDGE OF AN IRREGULARITY IN TERMS OF COMPLIANCE WITH POLICIES, **REGULATIONS, CONTRACTS OR OTHERS CAN BE REPORTED SAFELY BY THE COMPLAINANT AND RESOLVED PROMPTLY.**


Additionally, it is available to answer questions or address needs related to compliance with the Company's Business Ethics Program.


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 solution in a fair and comprehensive way through a prior review. Throughout the process, the confidentiality of the information and protection of the complainant against any type of retaliation is guaranteed.


The following are the means provided by Drummond Ltd. to file complaints:

 **Email:**
denuncias@drummondLtd.com

 **Telephone:**
Ethics line - toll free
018000919161

 **Direct line:**
57 (5) 5719499
Internal extension: 8499

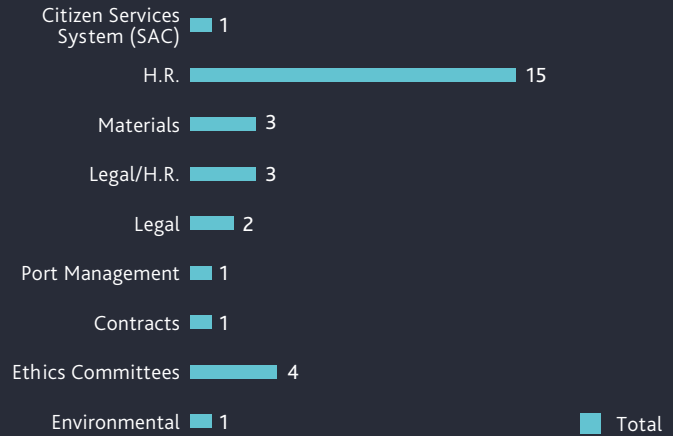
 **Online portal for citizen services:**
<https://drummond.boreal-is.com/portal/drummond>

 **Mailing address:**
Calle 72 No. 10-07,
oficina 1302, Bogotá, D.C.

IN 2021, 60 REPORTS WERE RECEIVED, OF WHICH 48% WERE NOT COMPLAINTS BUT RATHER COMMERCIAL INFORMATION, RIGHTS OF PETITION, PERSONAL REQUESTS, RESUMES OR NOTIFICATIONS OF LEGAL PROCEEDINGS.

The 31 complaints received were investigated and closed, and were directed to the following areas of the Company:

Graphic 5.
Complaints - area responsible



Compliance management with stakeholders:



Employees

- The disciplinary process for matters related to Drummond Ltd. workers is carried out in accordance with labor laws and the internal labor rules.
- As part of the Corporate Onboarding Program that is conducted for all employees who join the Company, the Compliance Officer presents topics related to the Compliance Systems. Through this onboarding process, the policies, guidelines, procedures and responsibilities of each Drummond Ltd. employee are explained.



Suppliers and Contractors

- Drummond Ltd.'s suppliers and contractors must comply with the terms of their contractual agreements, since they define the rights and obligations of the parties, including the parameters of ethical conduct, and the legally established ways to terminate the relationship, if necessary.
- Training sessions are held regularly for suppliers and contractors on all Compliance matters.



Communities in the area of influence

- In the case of communities in its areas of influence, Drummond Ltd. has Community Service Offices, where, among others, these types of situations are channeled when they are reported to Compliance, where appropriate. More information on this channel is provided in the Community Relations chapter.



To keep stakeholders informed, periodically the Company publishes information using its internal and external media (emails and social media) from the Communications Department, sharing the guidelines and policies of the Business Ethics Program and the systems to prevent any type of illegal activity that could affect

the Company's operations, as well as the measures to protect personal information and data, in compliance with Drummond Ltd.'s principle of responsibility with its stakeholders.

During 2021, the Company published documents on the following topics:



These publications reached the Company's more than

5,000
direct employees

Generated more than

22,000
views on Drummond Ltd.'s official social media accounts:



Facebook, Twitter, Instagram and LinkedIn, created to maintain constant interaction with its stakeholders.



Comprehensive Self-Regulation and Management System for the Risk of Money Laundering, Terrorism Financing and Financing the Proliferation of Weapons of Mass Destruction - SAGRILAFT

FOR DRUMMOND LTD., IT IS CRITICAL TO MAINTAIN CREDIBILITY AND TRUST WITH ITS STAKEHOLDERS AND THE GENERAL PUBLIC.

Therefore, since 2014, it has strengthened its processes and procedures with the aim of preventing and minimizing the likelihood that the Company, in the course of its operations or business dealings, could be used directly or indirectly to carry out illegal activities related to money laundering or terrorism financing. In compliance with Bulletin 100-000016 of December 24, 2020 – Comprehensive Modification to Chapter X of the Comprehensive Legal Bulletin issued

by the Superintendency of Corporations, Drummond has a Comprehensive Self-Regulation and Management System for the Risk of Money Laundering, Terrorism Financing and Financing the Proliferation of Weapons of Mass Destruction (SAGRILAFT, in Spanish).³

This system has been developed by taking into account the characteristics of mining activity and of the Company, defining the general

3. <https://www.drummondlt.com/wp-content/uploads/POLITICA-PARA-LA-PREVENCIÓN-Y-CONTROL-DEL-RIESGO-DE-LAFT-V3-EN.pdf>



Operations
Puerto Drummond,
Ciénaga, Magdalena

Personal data protection

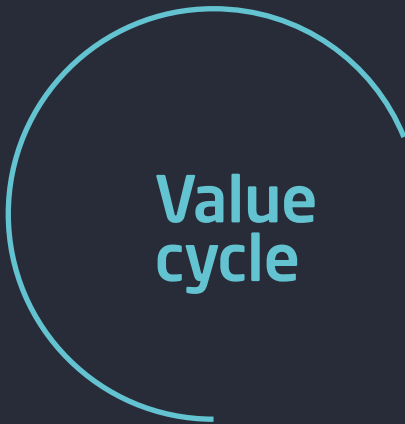
concepts and guidelines that must be followed for the prevention and control of these types of risks. It also has a Manual for Managing the Risk of Money Laundering, Terrorism Financing and Financing the Proliferation of Weapons of Mass Destruction that contains the procedures and controls to reduce and manage the likelihood of occurrence or the impact of related risk events. Additionally, Drummond Ltd. established the STR (Suspicious Transactions Reporting) procedure to respond to requests by the authorities.

In compliance with the law, and with the objective of strengthening understanding of the Company's policies and systems, Drummond Ltd. conducts periodic training and education sessions for its employees to strengthen their ethical behavior. During 2021, 231 employees participated in training on the SAGRILIFT System and the Business Ethics Program.

Drummond Ltd. recognizes that information is an important asset, not only for the Company but for employees and other stakeholders. For this reason, in accordance with the Personal Data Protection Law, the Company continues to strengthen the Personal Data Protection Program, taking the measures necessary to comply with the legal provisions.

The Personal Data Protection Program has a Manual of Internal Policies and Procedures for Handling Personal Data,⁴ which contains the appropriate and effective measures for complying with Drummond Ltd.'s responsibility for stakeholders' personal data. The Company complies with the National Registry of Databases (RNBD, in Spanish), described in External Circular 002 of 2015, issued by the Superintendency of Industry and Commerce.

4. <https://www.drummondLtd.com/wp-content/uploads/PERSONAL-DATA-PROTECTION-POLICIES-AND-PROCEDURES-MANUAL-signed.pdf>



DRUMMOND LTD.'S VALUE CHAIN IS FOCUSED ON ITS MAIN ACTIVITY, WHICH IS LARGE-SCALE, **HIGHLY TECHNOLOGICAL OPEN PIT MINING.**

Based on this, the value cycle begins with economic feasibility studies that must guarantee operational efficiency subject to the preservation of the natural and cultural wealth of the areas of operation, and guarantee the monitoring and control processes to care for the environment, the communities and the employees.

1.

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

2.

Design, development, assembly and preparation of mines.

3.

Extraction: waste is managed using practices that guarantee the smallest possible environmental impact.

4.

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

5.

Finally, the coal is transported to Puerto Drummond on the Company's 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 the quality requirements of each client.

CERTIFICATIONS AT THE MINING OPERATIONS

- ISO 45001
- ISO 14001

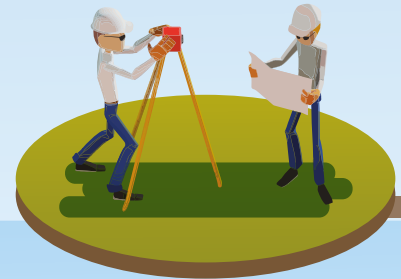
CERTIFICATIONS AT THE PORT OPERATIONS

- ISO 45001
- ISO 14001
- Seguridad Física y Protección Portuaria - PBIP
- Alianza Empresarial para el Comercio Seguro - BASC

Our value chain

We conduct operations that are environmentally responsible, complying with our legal obligations and taking steps to protect our environment through good practices.

GEOLOGICAL, MINING AND ENVIRONMENTAL STUDIES



Mining process

Mining environmental design

1.

Disposal of overburden

The overburden is taken to dumping areas that are later rehabilitated / replanted.

We base our processes on high standards and quality principles

2.

Removal of alluvial material

4.

Removal of overburden

3.

Drilling and blasting

Water truck



We are aware of the importance of having a sustainable operation, which is why we work every day to keep Drummond Ltd. a world class benchmark.

We implement our environmental management, monitoring and control plan



We apply the control measures that are necessary to reduce environmental pollution.



We recognize that water is an essential element for life and nature, and critical within the mining process. We treat our water for use and management.



We reduce water consumption, using additionality criteria, according to which we comply with environmental regulations and reduce our consumption even further.

MINING ENVIRONMENTAL DESIGN



Ecological Rehabilitation

Cleaning and extraction of coal
The coal cycle continues

5.

Coal storage

Coal unloading

7.

Crusher

Sampling station and quality testing lab

6. Handling and Loading of Coal Mine - Port transportation

Wetting and compacting

Loading facilities



We have air quality control strategies that are sufficient to preserve the health of the population and our workers, as well as the natural environment.



We have a constant Irrigation Plan for roads, coal storage yards and the communities to maintain air quality.



We take measures to preserve, conserve and recover ecosystems, and also protect the fauna and flora given their importance to sustain current and future generations.



We separate our waste for storage and management.



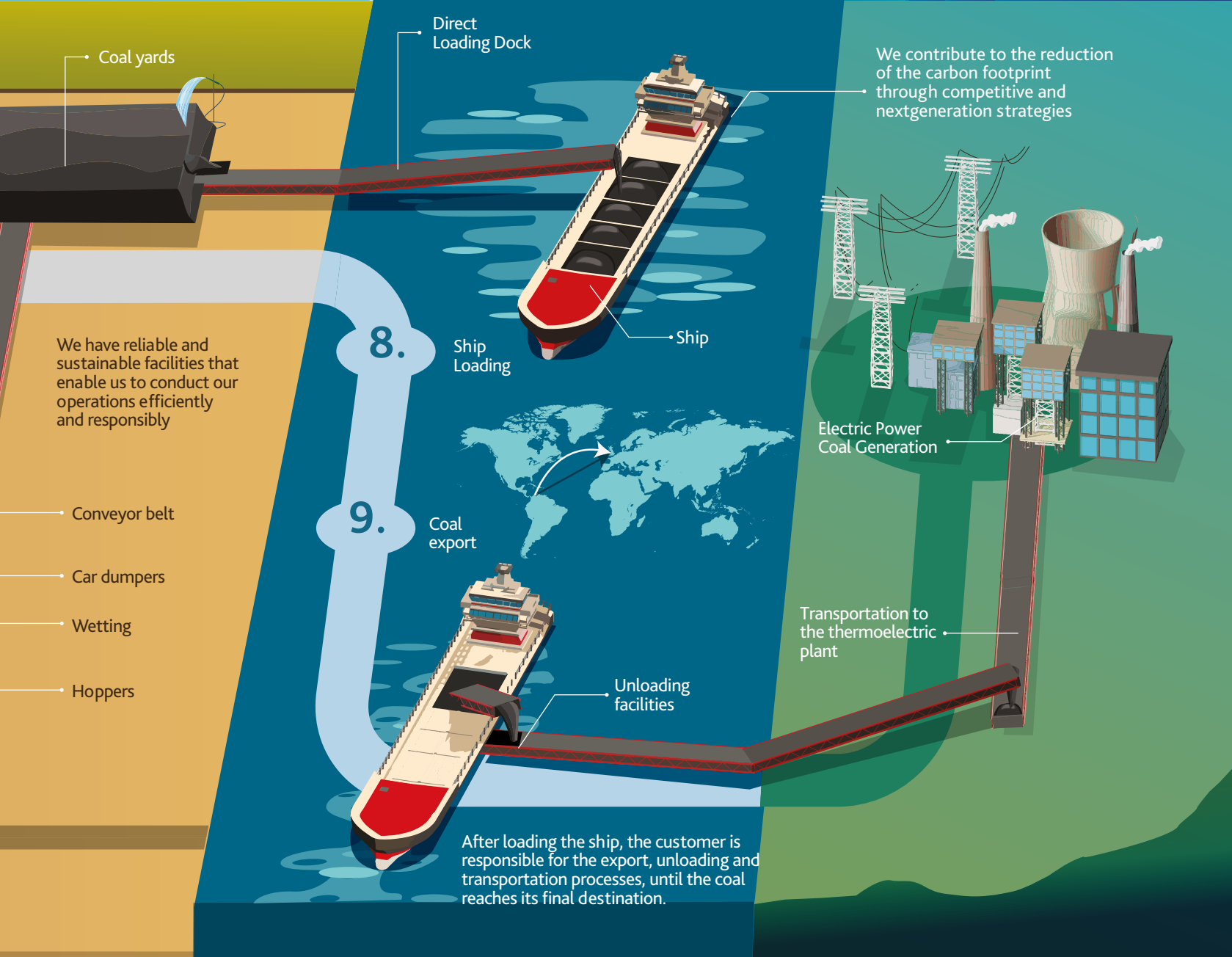
We have a positive impact, we respect the communities, and we work to improve quality of life in the area where we operate. These actions are fundamental pillars for our organization's sustainable development.



Forestry

- Collection of seedlings and seeds
- Soil collection and storage

COMPLIANCE WITH LEGAL OBLIGATIONS



We promote and respect the human rights of all people involved in our operations in Colombia, and of those who live in our areas of influence.



We manage our Human Talent and maintain a healthy work environment, nurturing productivity with increasingly specialized knowledge, a team-oriented business culture and comprehensive work.



Industrial safety is our way of life. We make sure to protect the environment and the health and life of all of our employees, contractors, visitors and communities.



We work to hire and develop local companies in our area of influence, taking into account their economic and social impact.







ESG Vision



Committed to having a positive impact!



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 and Chief Sustainability Officer (CSO).

31.5

million tons exported.

USD

18,274,236

spent on social management in 2021.

0

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

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.



E S G

On the path to sustainability

TO CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT OF THE AREAS OF INFLUENCE OF ITS OPERATIONS, THE SUSTAINABILITY MODEL INCORPORATED INTO THE COMPANY'S BUSINESS STRATEGY INCLUDES SOCIAL, ENVIRONMENTAL AND CORPORATE GOVERNANCE DIMENSIONS.

This work begins with the identification and management of each of the material topics associated with the operation in the country, and is aimed at strengthening the capacities of the communities and the direct relationship with its stakeholders, so that the Company generates shared value and a greater positive impact.

Based on its Sustainability Policy,⁵ Drummond Ltd. reaffirms its commitment to its stakeholders, to sustainable development, to the law and international standards, and to incorporating social responsibility into all of its business activities.

The Company continues to strengthen its strategic vision of "increasing and sharing the benefits of its business project with the stakeholders in its areas of influence, through building and strengthening local capacities," based on the four core pillars of its work:

5. Drummond Ltd.'s Sustainability Policy: <http://www.drummondLtd.com/wp-content/uploads/DLTD-Pol%C3%ADtica-Sostenibilidad-Feb26-2020pdf.pdf>

PEACE AND HUMAN RIGHTS



Strengthen capacities among stakeholders to build a peaceful, fair and responsible society that promotes respect for **human rights**.

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

ENVIRONMENTAL PERFORMANCE



Strengthen business capabilities that ensure world-class **environmental performance**.

- Environmental Sustainability
- Conservation and restoration

CONSTRUCTION & STRENGTHENING OF CAPABILITIES

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
- Working Environment

GOVERNANCE FOR DEVELOPMENT

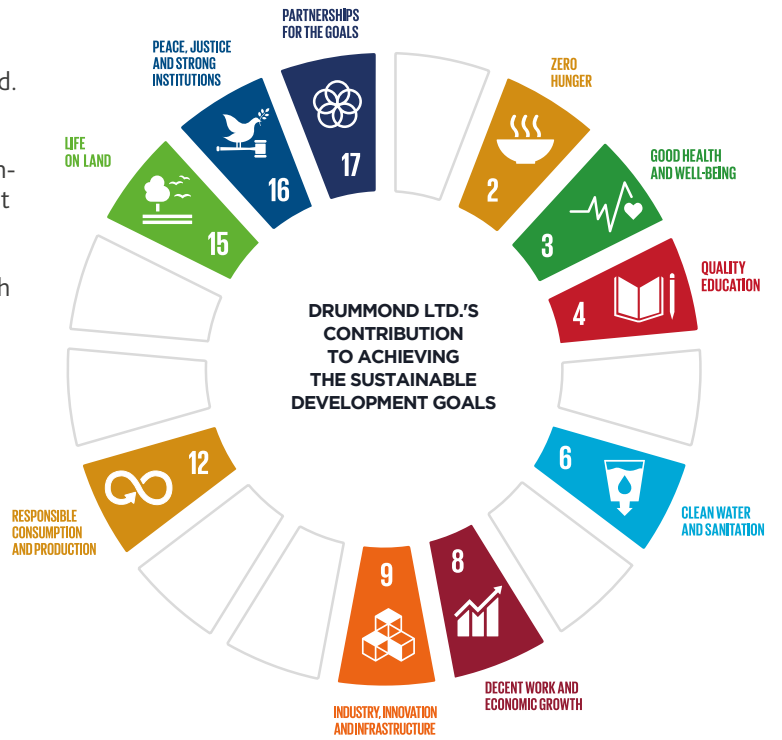


Strengthen local capacities for greater efficiency in **public planning and management**.

- Transparency and citizen oversight
- Institutional and community strengthening



Through its Corporate Social Responsibility strategy, Drummond Ltd. incorporates programs and projects into its business activities that contribute to the fulfillment of the U.N. Sustainable Development Goals, based on alignment with the following SDGs:



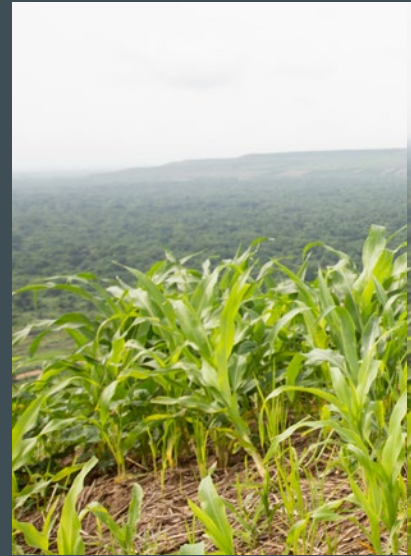
Alignment of the Environmental, Social and Governance (ESG) and CSR strategies with the SDGs and Drummond Ltd.'s material topics:

<p>CORPORATE GOVERNANCE</p>	<p>Corporate governance management Material topics:</p> <ul style="list-style-type: none"> Economic performance Communications management 	<p>Comprehensive development Material topic:</p> <ul style="list-style-type: none"> Supplier and contractor management 
<p>SOCIAL MANAGEMENT</p>	<p>Peace and human rights Material topic:</p> <ul style="list-style-type: none"> Due diligence in human rights 	<p>Comprehensive development Material topics:</p> <ul style="list-style-type: none"> Talent management Workplace health and safety Relationships with unions Relationships with communities Regional participation and relations Resettlement management 
<p>ENVIRONMENTAL MANAGEMENT</p>	<p>Environmental performance Material topics:</p> <ul style="list-style-type: none"> Water resource management Air quality Protecting biodiversity Waste management⁶ 	<p>6. Drummond Ltd. recognizes that waste management is a priority for its ESG management; therefore, it manages this issue across its entire operations.</p>



Committed to a sustainable ESG vision

SINCE ITS INCEPTION, DRUMMOND LTD. HAS WORKED TO MAINTAIN AN ECONOMICALLY VIABLE, SOCIALLY RESPONSIBLE AND ENVIRONMENTALLY SUSTAINABLE OPERATION.



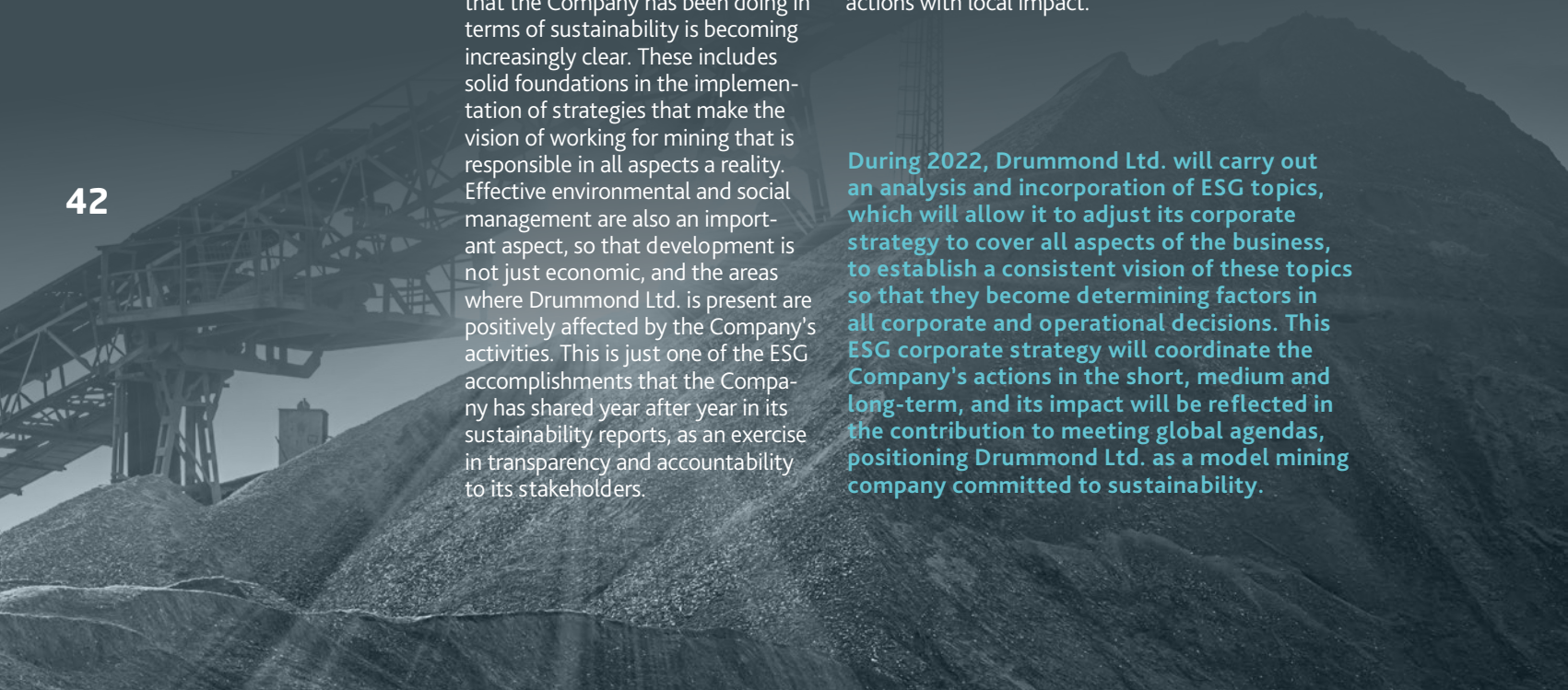
During 2021, the Company's Board of Directors reaffirmed this commitment with the creation of the position of Chief Sustainability Officer (CSO), responsible for incorporating environmental, social and corporate governance (ESG) topics from the very source of Drummond's corporate strategy.

This decision regarding sustainability reiterates Drummond Ltd.'s commitment to implementing continuous improvement processes in managing stakeholder expectations, and thereby ensuring high standards of sustainability throughout its operation.

The path to strengthening the work that the Company has been doing in terms of sustainability is becoming increasingly clear. These includes solid foundations in the implementation of strategies that make the vision of working for mining that is responsible in all aspects a reality. Effective environmental and social management are also an important aspect, so that development is not just economic, and the areas where Drummond Ltd. is present are positively affected by the Company's activities. This is just one of the ESG accomplishments that the Company has shared year after year in its sustainability reports, as an exercise in transparency and accountability to its stakeholders.

Drummond Ltd. is not immune to all the social, economic and environmental changes that have occurred in recent years. For this reason, the Company, in order to be part of the solution and understanding the global dynamics, the pressures on the economic sector in which it operates and the expectations of its stakeholders, has declared that a detailed review of its ESG strategy is one of its fundamental objectives. The purpose of this review is to identify the successes and gaps in the work that it is doing currently, to align its actions with the needs of its primary conversational counterparts, and thus respond in a coordinated manner to the great challenges it faces in terms of sustainability, executing actions with local impact.

During 2022, Drummond Ltd. will carry out an analysis and incorporation of ESG topics, which will allow it to adjust its corporate strategy to cover all aspects of the business, to establish a consistent vision of these topics so that they become determining factors in all corporate and operational decisions. This ESG corporate strategy will coordinate the Company's actions in the short, medium and long-term, and its impact will be reflected in the contribution to meeting global agendas, positioning Drummond Ltd. as a model mining company committed to sustainability.





CSR in the business strategy

IN TERMS OF SUSTAINABILITY, THE STRATEGIC COMMITTEE CREATED IN RESPONSE TO THE COVID-19 CRISIS CONTINUED TO FUNCTION IN 2021, WITH THE AIM OF CARRYING OUT EXHAUSTIVE MONITORING EACH WEEK OF THE RISK MAP AND THE CHANGES IMPLIED BY NEW SCENARIOS AT THE LOCAL, REGIONAL AND NATIONAL LEVELS.

In the last quarter of 2021, a survey was conducted to Company leaders, which sought to identify whether it would be appropriate to reactivate the *Sustainability Committee*, a group created to incorporate the Company's strategic level. The objective was to identify, analyze and evaluate the risks and impacts derived from the operations in the areas of influence and with all stakeholders, and to design, implement and monitor actions that guide the organization towards a sustainable model in social, environmental and governance (ESG) dimensions. With the results of that survey at the end of 2021, the Committee met, prioritizing not only strategic issues for the Company's operation, but also issues of general interest related to sustainability topics that contribute to implementing the corporate strategy and the training of Company leaders. During 2022, the *Sustainability Committee* will return to its quarterly meetings.

Within the framework of the Social Management System, the Company continued to work on strengthening processes and incorporating policies, procedures and formats that help to continue the responsible execution of its social investments. This is done to strengthen Drummond Ltd.'s commitment to consolidating its systematic, continuous, orderly and comprehensive management of the social risks created by its

operations, implementing the best practices in the industry.

In 2021, Drummond Ltd. aligned its Corporate Social Responsibility strategy with the United Nations Global Compact, adopting this initiative with the commitment to promoting the ten universally accepted principles to combat corruption and incorporate the best practices in terms of human rights, labor rights and the environment.

This adherence is an ideal scenario to reiterate the Company's commitment to work on implementing international standards that improve its practices in terms of sustainability, contributing to the global commitment to strengthening the mining sector in promoting actions that reaffirm the work to make mining responsible and sustainable.

Under the corporate leadership of the *Chief Sustainability Officer*, the company will continue to implement this strategy, directing its actions toward productive regional development. The projects that are part of this course of action will be vital for the sustainability and viability of the business, bearing in mind that Drummond Ltd. is called to position itself as a change agent, a strategic partner of the region, leading a process for socio-economic transition and a future beyond mining activity.



International standards and sustainability initiatives



[GRI 102-12] External initiatives

Drummond Ltd. has signed or voluntarily abides by the following initiatives:

INITIATIVE	DESCRIPTION
• 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 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.
• 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.
• 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.



Drummond Ltd. has implemented the protocol to recover affected areas on almost 18.43% of the total area affected by the progress of the mining operations (1,490 ha).



[GRI 102-13]

Membership in associations

Additionally, the Company is a member of five trade union and promotion organizations:



National Association of Entrepreneurs of Colombia - ANDI



Colombian Mining Association - ACM



Colombian Petroleum Association - ACP



Council of American Companies - CEA



Colombo-American Chamber of Commerce - AMCHAM Colombia

INITIATIVE

DESCRIPTION

- | | |
|---|---|
| <ul style="list-style-type: none"> • IFC Performance Standards on Environmental and Social Sustainability | <ul style="list-style-type: none"> • 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. |
| <ul style="list-style-type: none"> • Working Group on Human Rights and Coal | <ul style="list-style-type: none"> • 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. |
| <ul style="list-style-type: none"> • Mining and Energy Committee | <ul style="list-style-type: none"> • 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. |
| <ul style="list-style-type: none"> • Extractive Industries Transparency Initiative (EITI) | <ul style="list-style-type: none"> • Global standard to promote the open and responsible management of extractive resources. |



Stakeholder relations



[GRI 102-42]

Identification and selection of stakeholders

From the start of its operations in Colombia, Drummond Ltd. took steps to build relationships with the actors present in the area to execute the operational plans and social management in its 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 for preparing sustainability reports: stakeholder participation, sustainability context, materiality and completeness. Their 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, an analysis of industry benchmarks and a press analysis, which allowed Drummond Ltd. to understand which stakeholders should be prioritized, also taking into account their impact on the operation under the criteria of dependency and influence:

BASED ON THIS IDENTIFICATION, WHICH WAS CONDUCTED EXHAUSTIVELY AND HAS BEEN VALIDATED IN RECENT YEARS USING THE MATERIALITY UPDATES, TAKING INTO ACCOUNT THE SPECIFIC ECONOMIC, SOCIAL AND ENVIRONMENTAL CIRCUMSTANCES, THE COMPANY RECOGNIZES AND CONSIDERS THE NEEDS AND EXPECTATIONS OF ITS STAKEHOLDERS TO BE ABLE TO HAVE A POSITIVE IMPACT, WORKING IN COORDINATION AND GENERATING SYNERGIES THAT PROMOTE DEVELOPMENT AND SOCIAL WELL-BEING.






 "Design Villas," participant in Drummond Ltd.'s Business Incubation and Development Model. Casacara, Agustin Codazzi, Cesar.

In order to maintain its relationships with stakeholders, the Company, through its Communications Department, promotes the strengthening of these relationships, facilitating direct, transparent, timely and accurate access to the information that the company generates and is in its stakeholders' interest.

The communications work adds value to the Social Responsibility Strategy, since its goal is to preserve a foundation of trust, which 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.

Drummond Ltd. has different channels of communication specifically aimed at stakeholders, as well as all of the actors that are part of its geographic, political and socio-economic environment and the local, national and global markets. Through its channels of communication, the Company informs its stakeholders of the work it is doing related to meeting their expectations and interests.

- [GRI 102-40] List of stakeholder groups
- [GRI 102-43] Approach to stakeholder engagement
- [GRI 102-44] Key topics and concerns raised

To efficiently manage the issues discussed with each group of stakeholders, the Company prepares a definition using criteria for relevance and pertinence, selecting important issues for each group and appropriate language to facilitate understanding and empathy.

Topics discussed with each stakeholder group	Employees and families	Suppliers and contractors	Communities	Organizations, community associations	Government	Clients	Shareholders	Competitors	Public opinion
Water resource management	•	•	•		•				
Air quality	•	•	•		•				
Workplace health and safety	•	•			•				
Economic performance	•	•	•	•	•	•	•		
Due diligence in human rights	•	•	•	•	•	•	•	•	•
Talent management	•								
Community relations	•	•	•	•	•	•			
Regional relations			•	•	•				
Resettlements			•		•				
Communications management	•	•	•	•	•	•	•	•	•
Protecting biodiversity	•	•	•	•	•				
Union relations	•								
Supplier and contractor management		•							

[GRI 102-46]

Defining the content and coverage of the reports

In 2018, Drummond Ltd. carried out a significant materiality analysis, taking into account:

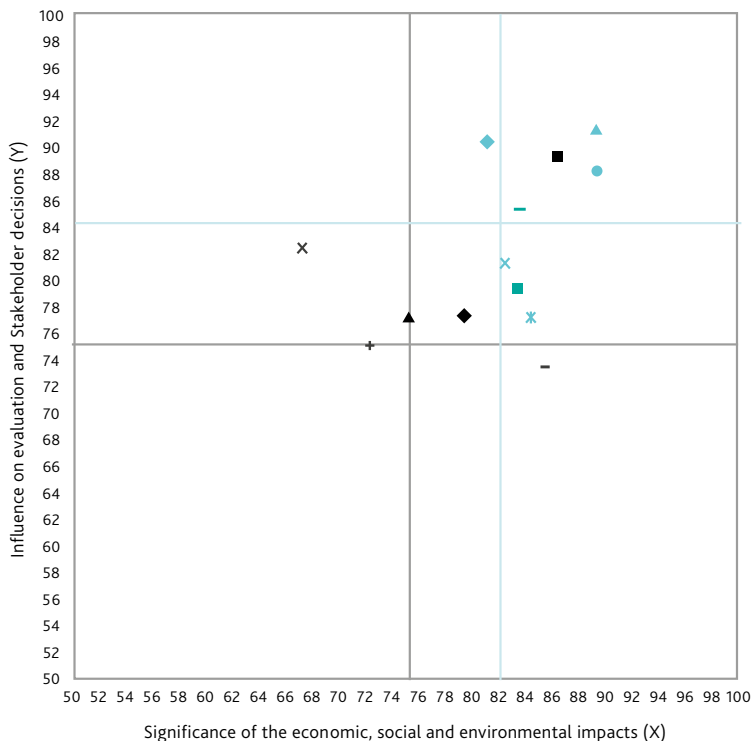
- Materiality report baseline "Update to the 2016 Materiality Analysis."
- Drummond Ltd.'s Corporate Social Responsibility Strategy.
- Human Rights Strategy.
- "Socio-economic study of households in the area of influence of Drummond Colombia's operations," Grupo DIS 2016.
- Report on "Identification, mapping and consultation with relevant stakeholders," Grupo DIS 2016.
- Materiality in the mining sector.
- International standards: Global Compact and standards from the Sustainability Accounting Standards Board (SASB).
- News from Drummond and the mining sector in Colombia.

Given that 2020 changed all the dynamics, this year Drummond Ltd. reviewed its materiality analysis and updated it based on interviews with those responsible for the Company's economic, environmental and social topics, and a review of sources that represent stakeholder perceptions, maintaining the scope of the mining and port operations.

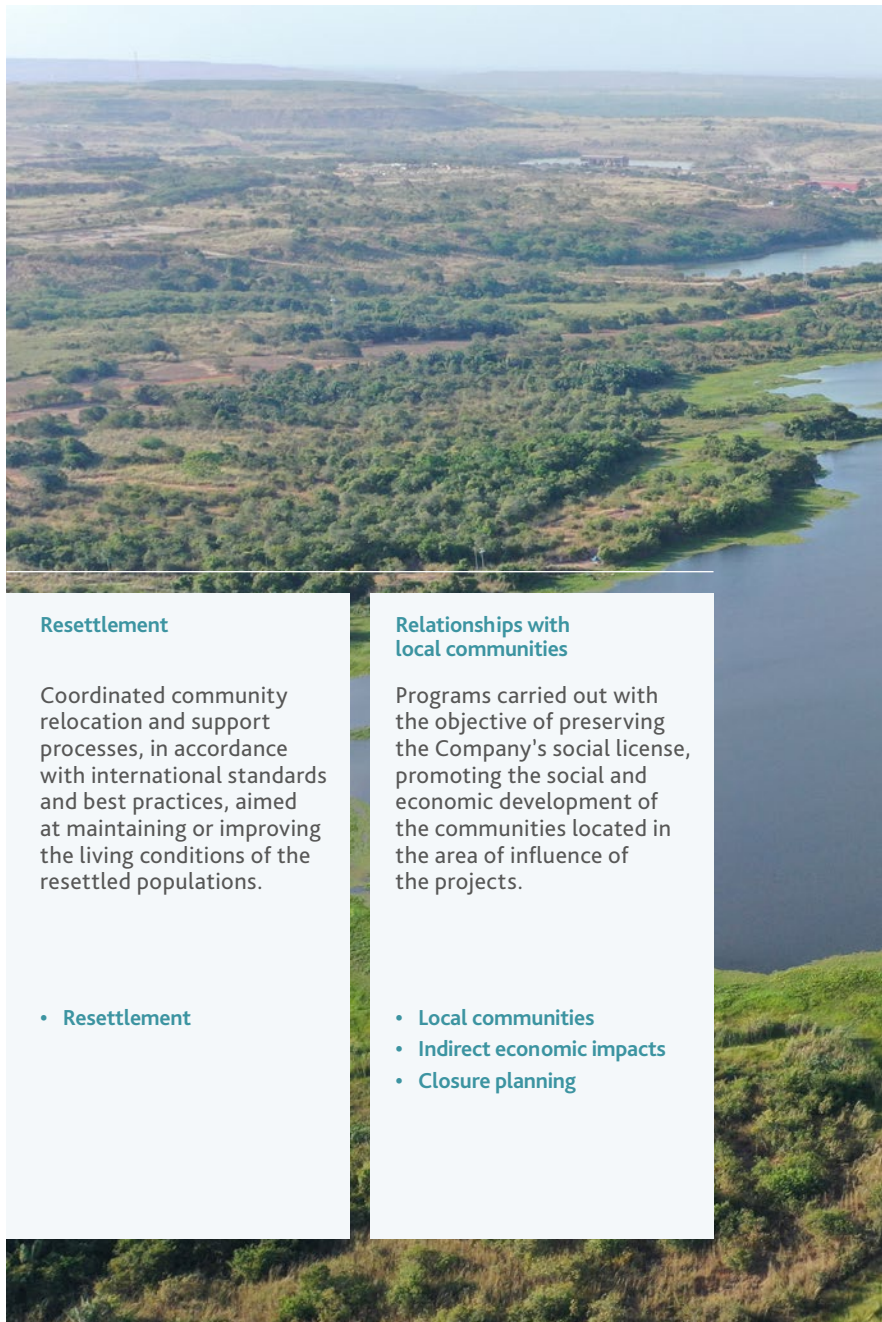
Taking into account the above, this report presents the handling of the Company's material topics, based on the materiality analysis that was carried out in 2018 and recently updated, with the aim of efficiently managing risks, identifying and prioritizing important topics for the Company and its stakeholders, and their impact on the business model.

[GRI 102-47]

List of Material topics



- ▲ Workplace health and safety
- ◆ Due diligence in human rights
- ✕ Economic performance
- ▲ Regional participation and relations
- Resettlement
- Talent management
- Supplier and contractor management
- Relationships with local communities
- ✕ Air quality
- ◆ Biodiversity protection
- ▲ Regional participation and relations
- ✕ Union relations
- + Communications management
- Water resource management



MATERIAL TOPIC Workplace health and safety

DESCRIPTION OF THE TOPIC Programs implemented in order to conduct operations safely, maintaining the comprehensive management system, aimed at protecting and preserving the health and lives of employees.

ASSOCIATED GRI ASPECT

- Workplace 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.

- Resettlement

Relationships with local communities

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 the projects.

- Local communities
- Indirect economic impacts
- Closure planning

MATERIAL TOPIC Due diligence in human rights

DESCRIPTION OF THE TOPIC Policies and practices to promote respect for human rights and prevent any action that could cause their violation in the value chain.

ASSOCIATED GRI ASPECT

- Non-discrimination
- Child labor
- Forced labor
- Security practices
- Rights of indigenous peoples
- Evaluation

Talent management

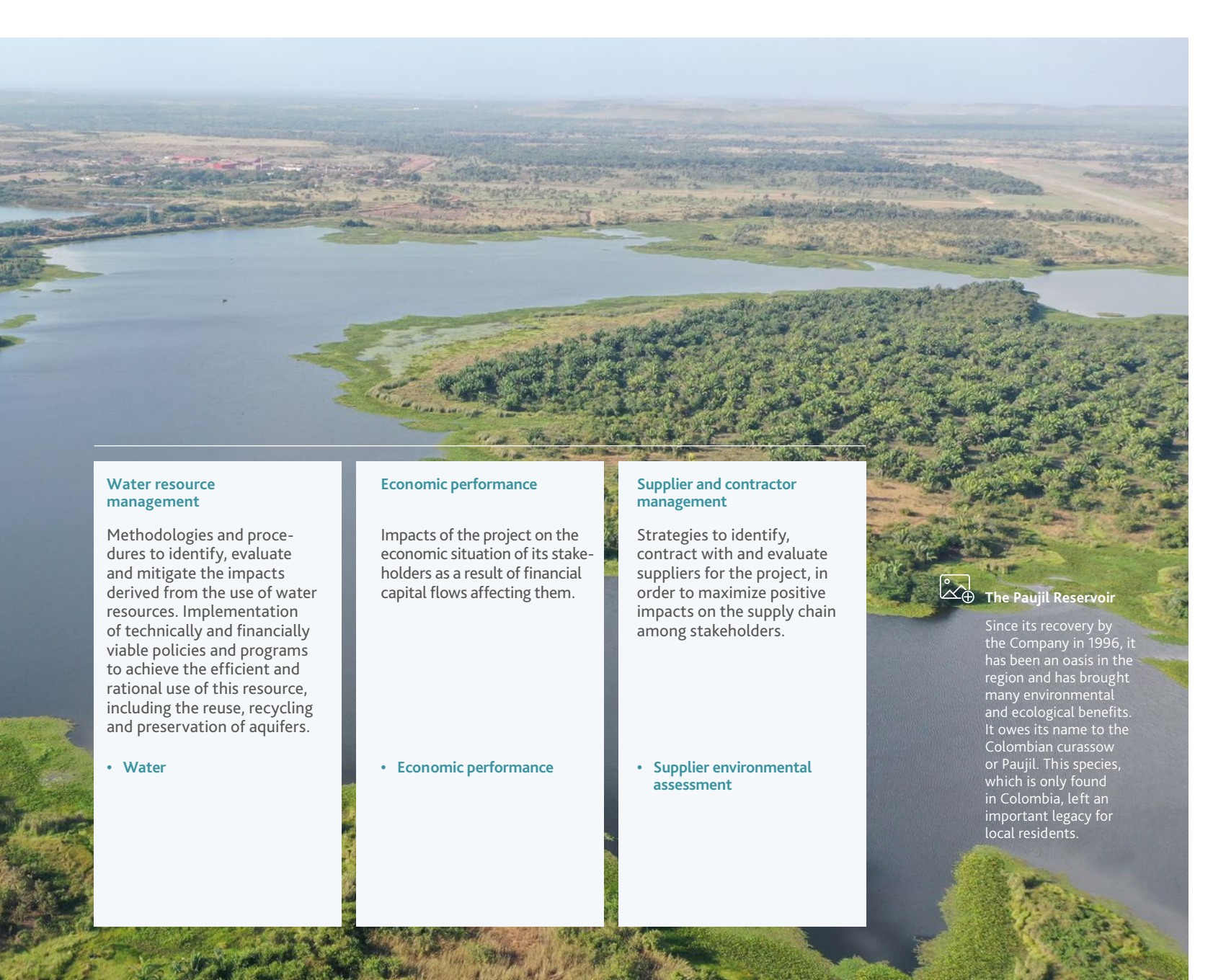
Actions that are aimed at selecting, training and developing employees who contribute to the sustainability of the business and meeting the objectives set, operating with honesty, integrity and openness in a team-oriented corporate culture.

- 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.

- Emissions (partial non-GHG)



Water resource management

Methodologies and procedures to identify, evaluate and mitigate the impacts derived 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 preservation of aquifers.

- Water

Economic performance

Impacts of the project on the economic situation of its stakeholders as a result of financial capital flows affecting them.

- Economic performance

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.

- Supplier environmental assessment



The Paujil Reservoir

Since its recovery by the Company in 1996, it has been an oasis in the region and has brought many environmental and ecological benefits. It owes its name to the Colombian curassow or Paujil. This species, which is only found in Colombia, left an important legacy for local residents.

Biodiversity protection

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 the operations.

- 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.

- Public policy

Union relations

Practices to guarantee the free association of workers and response to requests by the existing union organizations in a respectful and harmonious manner.

- Freedom of association and collective bargaining

Communications management

Communication actions and strategies to maintain the corporate image and reputation, reporting the company's actions transparently, directly, accurately and at the appropriate time to all of its stakeholders through all of its existing communication channels.

- Communications management





ESG

Corporate Management

For an economically viable, socially responsible and environmentally sustainable operation!



ESG Vision

Corporate Governance Management





USD
2,834 million
Total assets

USD
2,459 million
Income from exports

USD
1,934 million
Sales and
operating costs

USD
897 million
Total liabilities

USD
1,937 million
Total equity





Being economically viable honors the Company's commitment to Colombia and its people, to being one of the leaders in foreign investment that generates employment and development in the regions where it operates, and that is an important player in the national economy, contributing through the payment of royalties, taxes and contributions. All of this has been achieved thanks to responsible corporate management, organizational discipline, strict cost optimization practices, in combination with a strategy of coal sales to customers on the medium- and long-term markets, achieving excellent economic performance to meet the needs of the region and the country."

DIANA TABARES TABARES
Financial and Administrative Manager
Drummond Ltd.

DRUMMOND LTD.'S CORPORATE GOVERNANCE HAS AN OVERARCHING PERSPECTIVE OF THE COMPANY'S OPERATIONS AND ITS RELATIONSHIP WITH STAKEHOLDERS. THEREFORE, PART OF RECOGNIZING THE CONDITIONS OF THE ENVIRONMENT, BOTH EXTERNAL AND INTERNAL, TO ADAPT AND RESPOND SUSTAINABLY TO THE CHALLENGES THAT THEY REPRESENT FOR THE COAL INDUSTRY AND COLOMBIAN BUSINESSES.

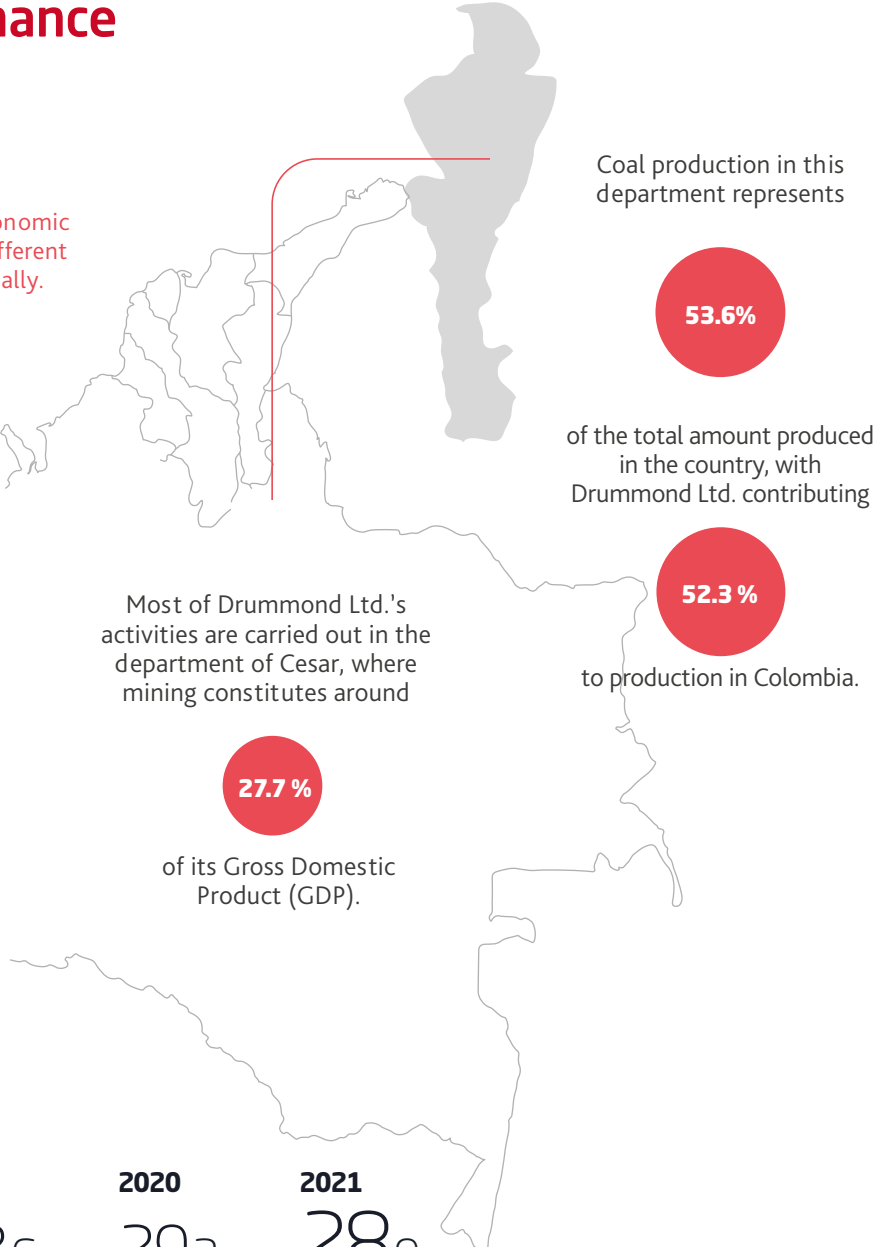
The effects of COVID-19 associated with stakeholder relations, the availability of raw materials and the economic stability of the region and the Company are some of the challenges that Drummond Ltd.'s Corporate Governance Management addressed during 2021.

Below are the four material issues that make up Drummond Ltd.'s Corporate Governance Management:



Economic performance

[GRI 103-1] Drummond Ltd. recognizes the great economic impact that its operations have on its different stakeholders, both nationally and regionally.



Drummond Ltd. has various mechanisms for monitoring economic performance, including a detailed and ongoing review of production costs and their execution as compared to the budget, a fundamental aspect for the viability of the Company's operations.

For the sixth consecutive year, Drummond Ltd. remained the largest producer and exporter of coal in Colombia:

PRODUCTION VOLUME

2017	2018	2019	2020	2021
32.5 million tons	30.8 million tons	32.6 million tons	29.3 million tons	28.9 million tons

EXPORTS

2017	2018	2019	2020	2021
32.4 million tons	31.5 million tons	31.1 million tons	29.7 million tons	31.5 million tons



[GRI 103-2]

One of the main indicators of economic performance is EBITDA⁷ and EBITDA margin (EBITDA margin /operating income), which has behaved as follows in recent years:

EBITDA

2017	2018	2019
USD 362.2 Million	USD 480.1 Million	USD 420.0 Million
USD 11.2 / Ton	USD 15.3 / Ton	USD 13.5 / Ton

2020	2021
USD 225.8 Million	USD 689.0 Million
USD 7.6 / Ton	USD 21.8 / Ton

EBITDA / OPERATING INCOME

2017	2018	2019
18.2 %	21.9 %	20.5 %

2020	2021
15.1 %	28.0 %

[GRI 103-3]

EBITDA per ton went from USD 7,6/Ton in 2020 (USD 225,8 million/ 29,7 million Ton) to USD 21,8/ton in 2021 (USD 689,0 Million / 31,5 million Ton) EBITDA margin (EBITDA/operating income) reflects an increase from 15.1 % in 2020 (USD 225,8 Million / USD1.496,8 Million) to 28.0 % in 2021 (USD 689,0 Million / USD 2.458,8 Million).

7. EBITDA is constructed based on the results of the following companies: Drummond Ltd., Transport Services L.L.C., American Port Company Inc., Drummond Coal Mining L.L.C. and Coal Resources Colombia Ltda. C.I.



Supplier and contractor management

[GRI 103-1] To guarantee the Company's long-term operation and sustainability, it is essential to have suppliers and contractors that are committed to and aligned with meeting the criteria defined by Drummond Ltd.

For this reason, rigorous evaluation and selection processes are carried out on an ongoing basis, initially with suppliers from the region with the necessary capacity and ensure that the purchasing and contracting of goods and services provide the appropriate quality, offer competitive prices, are delivered in a timely manner and guarantee after-sales service.

[GRI 103-2] To accomplish this, the Company has six tools focused on controlling and ensuring proper management of its suppliers and contractors:




 "Local Plaza," regional production development project. Becerril, Agustin Codazzi, La Jagua de Ibirico Cesar

1. 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 Manual for Contractors and Suppliers.
- Checking personnel references.

2. Policies and guidelines

- Dissemination of our Internal Policy on Human Rights and Conflicts of Interest.
- Requiring the issuance, dissemination and compliance with internal policies y each supplier or contractor.

3. Inspections and audits on industrial safety, the environment and human rights

- Opportunities for exchange related to compliance: periodic meetings, inspections, chats, audits and trainings.

4. Managerial walk-throughs

- Sessions for direct interaction between the Company's leadership and contractors' supervisors and operations, performing industrial safety and environmental verifications.

5. Regular meetings with contractor managers

- Dissemination of results related to workplace health and safety, both at our own operations and those of our contractors.

6. Comprehensive Manual for Contractors

- The document that informs our contractors of the main responsibilities, for themselves and their subcontractors, related to physical safety, environmental, corporate social responsibility and workplace health and safety aspects during the execution of services for Drummond Ltd.



Additionally, to properly select suppliers and contractors, the Company has the following guidelines to mitigate integrity, financial, reputational, industrial safety, environmental, human rights and operational risks:



Emphasize the hiring and development local companies in the area of influence of the port and mining operations, bearing in mind their economic and social impact.



Ensure that both suppliers and contractors follow the standards of the Money Laundering and Terrorist Financing Risk Management System (SARLAFT, in Spanish) and are not included on the OFAC list and other local databases, to comply with the national and international standards that it follows as a company. It is important to note that, at Drummond Ltd., a SARLAFT review is conducted every three months.



Hire solvent companies that demonstrate the traceability of the source of their capital and comply with labor, foreign exchange and tax regulations, among others.



Hire companies with proven experience to ensure the supply of goods and services, implementing best practices at the national and international level, following good management practices and ISO 45001, ISO 14001 and other guidelines.

Specifically, in terms of human rights, child labor and gender equality, the Company seeks to categorically prevent these types of situations from arising, so the preventive actions that it takes are based on the implementation and continuous improvement of rigorous access controls and reference-checking processes to prevent minors from entering the Company's operations. Drummond Ltd. also promotes gender equality and reminds its suppliers and contractors to follow these guidelines.

Taking all of this into account, in 2021 Drummond Ltd. held its seventh human rights discussion, at which representatives from more than 100 contractors talked about the issues that are most relevant to them in their work on these topics.

Additional, to strengthen the Company's position on preventing money laundering and terrorism financing (SAGRILAFT, in Spanish), two clauses were included in the standard form contract, one that defines which assets are subject to extinction of ownership, and another that establishes the contractor's duty to provide information related to SARLAFT that is truthful and verifiable, and to update the data provided at least once a year.

Similarly, to manage suppliers and contractors, the Company has established controls in its different selection criteria, always with the aim of minimizing any negative impacts that could arise, especially considering that there may be conflicts of interest with local suppliers and contractors in the region, a situation to which Drummond Ltd. is very attentive, which is why it shares its Code of Ethics internally and externally.



- Declaration of Conflicts of Interest, which is reported by our employees to the H.R. Department (during the hiring process, in the annual evaluation and when it arises).



- Declaration of Conflicts of Interest, which is reported when suppliers and contractors are registered with our Company's Supplier Control Area.



- Implementation of the Conflict of Interest Committee, which meets periodically and no less than once a year, to evaluate the impacts and risks associated with suppliers and the operation, as well as the establishment of controls aimed at mitigating or eliminating these impacts.



"Development of Local Producers" Project, Becerril, Agustin Codazzi, La Jagua de Ibirico - Cesar



[GRI 103-3]

The management of suppliers and contractors carried out using a risk prevention and mitigation approach, which is why the Company conducts audits, prioritizing different criteria according to the criticality and cost of the goods and/or services provided, including, among others, environmental, social, industrial safety and governance criteria.

Personal

- Competencies
- Hiring guidelines
- Payment of wages
- Work shifts and rotations
- Delivery of uniforms and PPE
- Payment of social security contributions
- Training sessions

Occupational health and safety

- Overview of risk factors
- Emergency response program
- Accident rate indicators
- Performance indicators

Human rights

- Conflict of Interest Policy
- Human Rights Policy
- Complaints and claims mechanism
- Payment of wages

Environmental

- Matrix of environmental impacts
- Compliance with environmental standards
- Compliance with environmental obligations

THE TOPICS COVERED IN THE CONTRACTORS' EVALUATION INCLUDE THEIR HANDLING OF **GENDER EQUALITY AND THE PERCENTAGE OF EMPLOYEES FROM THE COMPANY'S AREA OF INFLUENCE.**

Additionally, Drummond Ltd. has a Community Attention System (CAS), which functions as a tool to monitor and evaluate suppliers' and contractors' performance. This is thanks to the fact that the CAS enables anyone to file a report anonymously or directly, reporting conflicts, anomalies, failures or deviations from the Company's Business Ethics Policy and, if necessary, the report may be on a matter that could affect the operations⁸.

During 2021, Drummond Ltd. conducted three audits whose scope covered five contracts. These audits of contractors covered social and human rights issues and their work on environmental, labor and industrial safety matters, among other aspects. Additionally, on a monthly basis,

the Company reviews payments to the social security, pension and severance systems for contractors' employees.

The topics covered in the contractor evaluation included their handling of gender equality and the percentage of employees from the Company's area of influence. Additionally, during visits to suppliers' facilities, which may or may not be scheduled, Drummond Ltd. verified their hiring guidelines and policies, as well as the spaces used to perform the work, seeking to confirm that all of the criteria that apply to the work carried out at Drummond Ltd.'s facilities are also met at the contractors' or suppliers' facilities.

8. <https://www.drummondLtd.com/wp-content/uploads/MECHANISM-TO-REPORT-IRREGULARITIES-PRESENT-CLAIMS-signed.pdf>



Supply chain



[GRI 102-9]

Supply chain

To achieve the adequate and efficient provision of the goods and services associated with Drummond Ltd.'s main activity, large-scale, high-tech open pit mining, the Company has developed and implemented different actions so that its contractors and suppliers are aligned with its policies, procedures, controls, guidelines and activities, which are aimed at complying with the highest industry standards.

All of this takes place from a comprehensive perspective, which includes operational, technical and economic aspects.

Drummond Ltd. promotes responsible, high-quality management in terms of industrial safety, occupational health, the environment, social responsibility, human rights and ethics, in aspects that are critical to the provision of services and

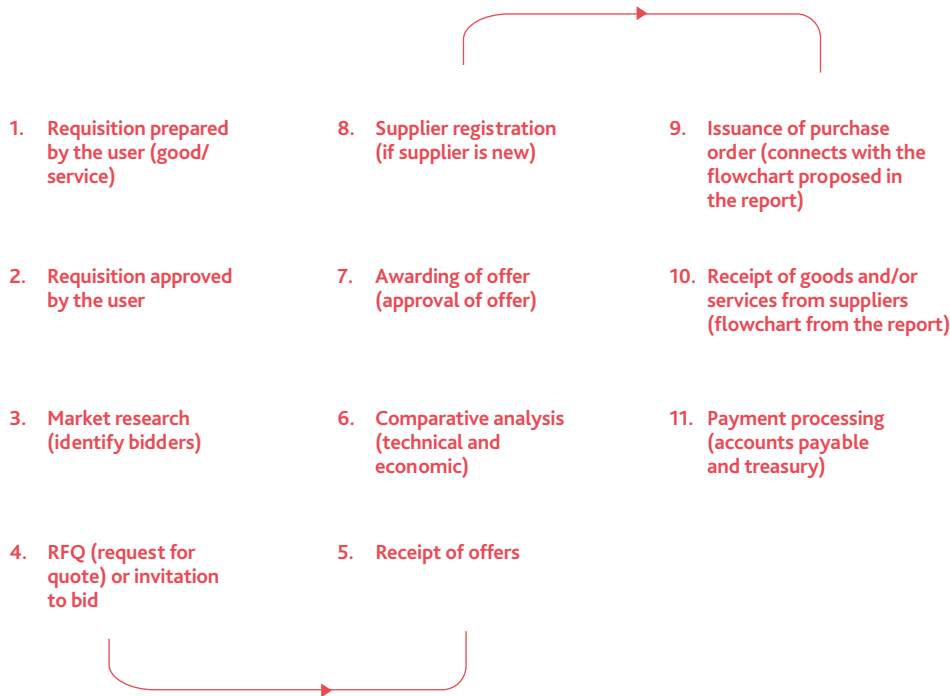
supply of goods by its contractors and suppliers. All of this begins with compliance with current legal regulations.

The main guidelines that must be met, within the framework of carrying out the purposes of the contracts, are established in the contract and in the "Contractors' Manual," which establishes, among others:

1. A reference framework for the process of supplying goods and/or services to Drummond Ltd.
2. The clear assignment of roles and responsibilities (user, contract administrator and contractor/supplier).
3. The hiring of local labor, services and supplies, responses to requests, complaints and claims, and reporting of voluntary social investments related to the Corporate Social Responsibility strategy and the operation's technical requirements.
4. In terms of human rights, the criteria for contractors/suppliers to adopt measures to prevent all types of conflicts of interest, child labor or exploitation, gender inequality or inequity, forced labor, human trafficking, workplace harassment; additionally, they must allow their employees to exercise their right to freedom of association and respect labor rights by guaranteeing opportunities, among others.
5. In terms of social investment, contractors/suppliers may freely design, finance and implement voluntary social investment projects in furtherance of their social responsibility policies.
6. Finally, it defines the way for contractors/suppliers to establish the appropriate mechanisms for receiving, recording, monitoring and responding, in a timely and accurate manner, the Requests, Complaints or Claims (PQRS, in Spanish) that are submitted by stakeholders through the Community Attention System (CAS).



The supply process for all goods and services required is illustrated below, which includes the following stages:



During 2021, the Company had commercial relationships with

696

DOMESTIC SUPPLIERS

which represented 92% of all suppliers

Of those, **290**

are located in the Caribbean region, mainly in the departments of:



and their billings totaled

USD 279,484,208



Communications management

[GRI 103-1]

Transparent interactions with its various stakeholders is a critical part of the development of Drummond Ltd.'s operations, since this makes it possible to:

- Improve competitiveness.
- Better adapt to changes in the environment.
- Achieve the objectives and goals that have been set.
- Maintain a good working environment.
- React quickly to labor and crisis situations.
- Involve all stakeholders and maintain good relationships with them.

The communication that Drummond Ltd. seeks to develop is characterized by being direct, transparent, timely and accurate with stakeholders and interest groups, through commitments assumed and managed by the Company, such as: having an operation that cares for and protect the environment, reducing risks and respecting human rights, and strengthening the development of the communities in the area of influence.

Good communications management is based on having great organizational performance, which in turn will be beneficial by creating a positive assessment of the Company's reputation.

[GRI 103-2]

Drummond Ltd. has tools, such as press releases, billboards, internal email, Cacica Stereo (commercial FM radio), radio base, Drummond *Te Informa*, Drummond *Te Informa Special Edition*, *Revista Drummond*, *La Nota Bacana*, the *Buenas Nuevas* newsletter, website, daily videos for the virtual billboards in the dining halls and social media (Twitter, Instagram, YouTube, LinkedIn and Facebook) for internal and external communication, with specific objectives to build relationships with its various stakeholders, identified as follows:



 Mining Operations Communications Team.

Actors

Scope

Internal communication

Employees and contractors that manage the brand on an ongoing basis

Pribbenow, El Descanso and El Corozo mines in the department of Cesar; Puerto Drummond, in Ciénaga, department of Magdalena; Bogotá, Valledupar, Santa Marta and Cartagena

External communication

Government entities, oversight agencies, suppliers, customers, civil society organizations, media organizations and communities

Areas of influence (Cesar and Magdalena), Bogotá and, on many occasions, at the national and international levels

AN OPTION FOR STAKEHOLDERS TO SEND FEEDBACK ON THE COMMUNICATION PROCESS IS AVAILABLE ON THE COMPANY'S WEBSITE.

9. <https://www.drummondlt.com/contact-us/?lang=en>



[GRI 103-3]

Drummond Ltd. has implemented the following mechanisms to measure its communications performance:



- Perception survey of the mining sector called "Mining Compass," which is conducted annually and is executed by Jaime Arteaga y Asociados, in conjunction with the National Consulting Center.



- Documentary and audit evaluation that includes visits to our Company's operations and chats with different stakeholder audiences (both internal and external).

To guarantee the protection and biosecurity measures to respond to the health emergency caused by COVID-19, in 2021 mostly virtual meetings and some small group visits by stakeholders were held. In this way, the Company ensured the continuity of its relationships, which allowed it to identify external perceptions regarding its performance, identify possible risks, effectively manage internal and external messages and be more proactive in improving its corporate image.

During 2021, 23 requests regarding these processes were received.



Learn about
Drummond Ltd.'s
**Corporate
Governance
Management**

2021



Drummond's contribution to its communities is the largest contribution of royalties at the departmental level, and for us it is the greatest benefit at this time. Its social management has also been a very significant, a huge help, which has allowed us to move forward with our development plan, thanks to the tangible benefits that have been shared with the community."

OMAR ENRIQUE BENJUMEA OSPINO
 Mayor
 Agustin Codazzi, Cesar

1. Economic performance

THE ECONOMIC PERFORMANCE RESULTING FROM DRUMMOND'S ACTIVITIES IN COLOMBIA IS DIRECTLY RELATED TO THE PROPER OPERATIONAL MANAGEMENT IN EACH OF ITS COAL MINING, TRANSPORTATION AND SHIPPING ACTIVITIES. IT ALSO RELATES TO SEVERAL VARIABLES ASSOCIATED WITH A CHANGING ENVIRONMENT, SUCH AS THE BEHAVIOR OF INTERNATIONAL COAL PRICES, THE AVAILABILITY OF CARGO SHIPS, PROBLEMS ASSOCIATED WITH THE GLOBAL SUPPLY CHAIN, ENVIRONMENTAL REGULATIONS AND THE GENERATION OF ELECTRICITY FROM LESS EXPENSIVE AND MORE ENVIRONMENTALLY FRIENDLY ENERGY SOURCES.

The COVID-19 pandemic led to a global lockdown, which significantly reduced industrial and manufacturing activity and, consequently, there was less coal consumption, which affected the international prices, as evidenced in 2020, for example, when the price of coal dropped to USD 34.69/ton. As vaccination efforts progressed globally, there was an economic reactivation that led to demand for larger volumes of coal and its price improved, reaching, in the first quarter of 2021, an average of USD 56.64/ton, which represented an increase of 63%.

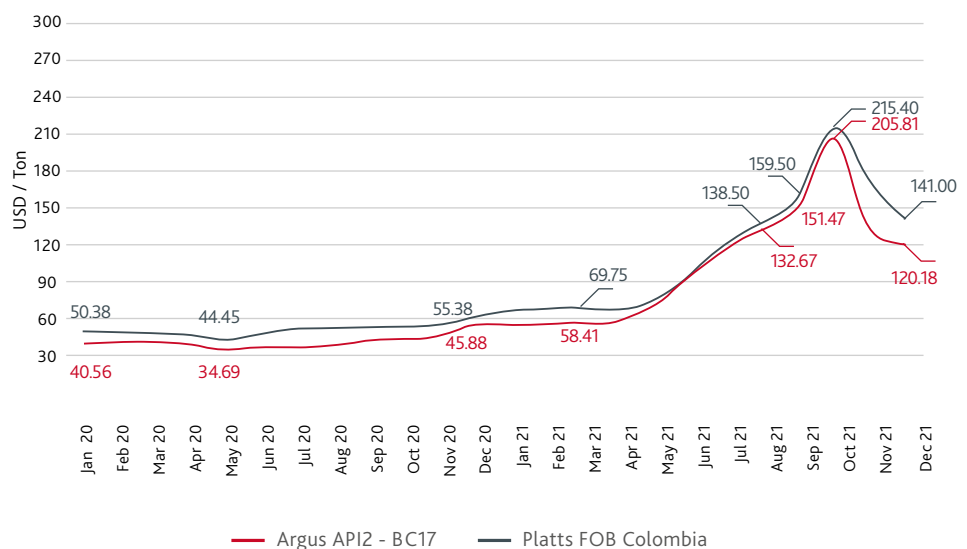
USD
34.69/ton
 May 2020

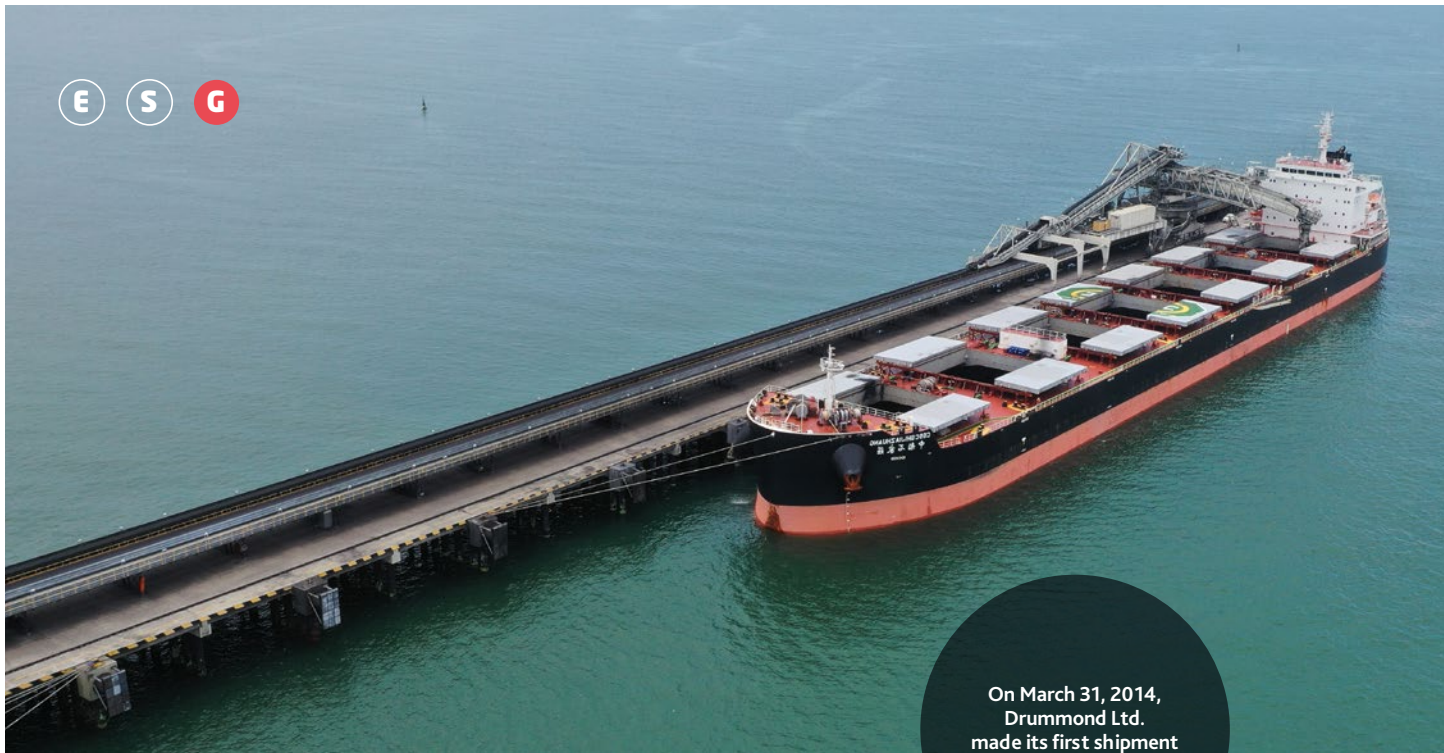
USD
56.64/ton
 First quarter of 2021

Increase
63%

The graph below shows the behavior of the price of coal, using as references the indices recognized by the national government and from which several of the economic considerations related to royalties and compensation are paid.

Graphic 6.
 Reference price - FOB Colombian Port





On March 31, 2014, Drummond Ltd. made its first shipment of coal using the direct loading system.

According to the information published by the DANE, during 2021 the Colombian economy showed a Gross Domestic Product (GDP) growth of 10.6%. It is important to note that mining and quarrying (which includes oil) grew by 0.4%, and coal mining had a positive impact of 12.1%.

At a global level, the coal industry has been facing a problem of market loss since the world started to head towards a change in the energy matrix. This is a process that began a few years ago in Europe and has recently spread to other regions, giving greater importance to renewable energy sources such as solar, wind and gas power generation, which are seen as more environmentally friendly as compared to energy sources generated from fossil fuels such as oil or coal.

Therefore, it is increasingly difficult for Colombia to place its coal reserves on the international markets, since the market that remains dynamic in terms of coal consumption is in the Pacific (mainly countries such as China, India, Malaysia, South Korea, Japan and Taiwan), which is supplied by the world's

largest coal producers, such as Indonesia, Australia and South Africa, which, in addition to having a developed coal industry, also have a favorable geographic location.

Colombian coal exports have fallen in recent years, as follows: **2017:** 101.2 million tons (MT); **2018:** 81.7 MT; **2019:** 69.6 million tons, **2020:** 66.1 MT and **2021:** 54.3 MT. This, in terms of percentages, has represented decreases of -19.2%, -14.8%, -5.0% and -17.8%, respectively.

DESPITE THE CHALLENGES THAT ARISE GLOBALLY, DRUMMOND LTD. WILL CONTINUE TO BE A RELIABLE SUPPLIER OF COAL TO THE WORLD, WHICH GENERATES DEVELOPMENT FOR COLOMBIA, FOR THE MUNICIPALITIES IN THE AREA OF INFLUENCE OF ITS OPERATIONS, FOR ITS EMPLOYEES AND ITS COMMUNITIES.



[GRI 201-1] Direct economic value generated and distributed¹⁰

Throughout 2021, Drummond Ltd. made capital investments in accordance with its long-term mining plans, and this allowed it to maintain and develop its activities for the year.

In order to promote sustainability and social stability, resources were invested in education and training, strengthening businesses and generating income, institutional and community infrastructure, promoting human rights, peace, the environment and health.

As part of its commitment to complying with the 2030 agenda, during 2021 the Company was able to maintain employment levels with all of the extra-legal and contractual benefits, without suspending any employment contracts, guaranteeing a decent, safe

and equitable work environment through equal compensation in terms of work for equal value (Goal 8.5). Additionally, it contributed to economic growth by its stakeholders in the area of influence, seeking to sustain or raise levels of economic productivity, reactivating the local economy and generating opportunities in the region.

Jointly, Drummond Ltd., Transport Services LLC, American Port Company Inc., Drummond Coal Mining LLC and Coal Resources Colombia Ltda. C.I. have achieved the following results:

10. This indicator was built 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.

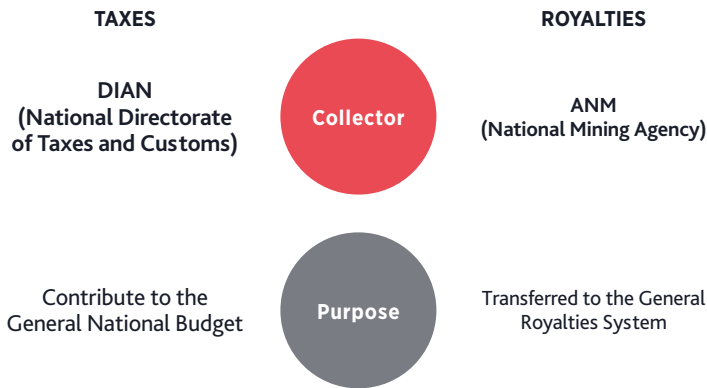
Item	2019 amount (USD)	2020 amount (USD)	2021 amount (USD)
Income from net sales	2,050,912,868	1,496,750,144	2,458,813,638
Income from financial investments	5,839,836	4,939,176	1,394,857
Income from asset sales	5,210,179	2,885,749	3,810,456
Direct Economic Value Generated	2,061,962,883	1,504,575,069	2,464,018,951
Operating expenses	907,232,042	718,176,092	1,057,134,324
Employee wages and benefits	305,348,163	277,595,003	233,471,383
Payments to capital providers	0	0	0
Payments to governments	544,314,718	341,009,932	654,929,383
Investments in communities	19,092,088	18,237,002	18,274,236
Economic Value Distributed	1,775,987,011	1,355,018,029	1,963,809,325
Economic Value Withheld	285,975,872	149,557,040	500,209,625



Payments to Government

Institutional stability, good performance in transparency indicators and a general atmosphere of trust in civil society are essential for the country's mining and energy investment. For this reason, Colombia voluntarily joined the Extractive Industries Transparency Initiative (EITI), which seeks to develop a tool to complement government management to promote transparency and accountability in the extractive sector, aligned with national initiatives.

Administration of extractive industry resources by the Colombian State



At the end of 2021, Drummond Ltd. had produced:

28.9 million tons at its mining operations, which was 0.4 million tons lower than the amount produced in 2020.	La Loma	El Corozo	El Descanso
	7.6 million tons (municipality of La Jagua de Ibirico)	0.7 million tons (municipality of La Jagua de Ibirico)	20.6 million tons (municipalities of Agustin Codazzi and Becerril)

Since their start, Drummond Ltd.'s mining operations in Colombia

Have produced and exported:

532.6 million tons

Have paid, by way of royalties and compensation

USD 5.1 billion

USD 3.6 billion in taxes, fees and contributions

USD 8.7 billion

TOTAL



[GRI 201-3]

Obligations under the defined benefits plan and other retirement plans

Drummond Ltd. manages the contributions corresponding to the legally established pension funds that are freely chosen by each employee, as established by the General Pension System in Colombia. In 2021, the estimated value of the defined benefits and contributions paid by the Company was USD 25,529,205.

For contributions through pension funds, it paid an amount equivalent to 16 % of base wages, corresponding to the income for the year for each employee, of which 12% corresponds to employer contributions and 4% from employees. Drummond Ltd. participates in retirement plans through the social security contributions required by law, so the Company does not have additional retirement plans.

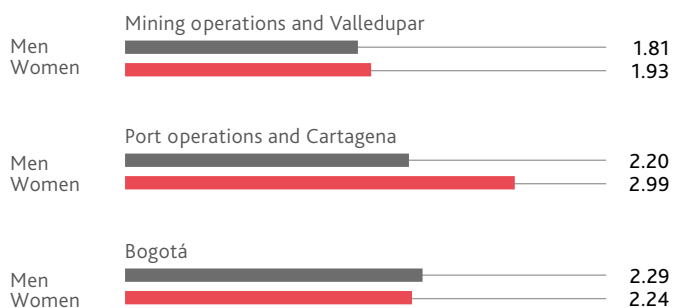


[GRI 202-1]

Ratio of standard entry-level wage by sex compared to the local minimum wage¹¹



Graphic 7.
Relationship between the minimum wage paid by the company and the country's minimum wage for 2021



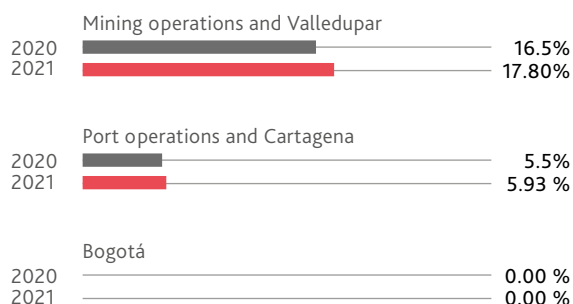
11. Calculations are made based on the minimum wage in Colombia for 2021, which was USD 242

[GRI 202-2]

Proportion of senior executives hired from the local community

Drummond Ltd. promotes local talent and has senior managers who, in addition to being from the local community, that is, the Departments of Cesar and Magdalena, also meet the characteristics required by the Company, such as: i) experience in the industry, ii) appropriate academic profiles and iii) familiarity with the areas in which it operates, to have not only the best talent but also to generate value through professional competitiveness and local employability at all levels.

Graphic 8.
Proportion of senior executives hired from the local community in 2021



This percentage is calculated based on the total number of employees at the Company's managerial level, including: president, vice presidents, superintendents, managers and assistant superintendents, who are defined as senior executives.



[GRI 201-2] Financial implications and other risks and opportunities derived from climate change

The Company has identified risks and opportunities related to climate change and the management of greenhouse gases (GHG). It identified physical and transitional risks, as well as potential impacts and benefits in the short-, medium- and long-term horizons. To do so, the Company has established periods as follows: short-term means three years (2025), medium-term means 10 years (2032), and long-term means more than 10 years (+2032).

Description of risks

Physical risks

Drummond Ltd. has prioritized the risks arising from climate change that could affect its operations by identifying essential resources, such as water, for the development of the mining and port operations. In a situation of scarcity, caused by climate change, the Company would face significant risks in operational, social, economic and environmental terms. The risk scenarios that could occur that are related to the availability of water include: severe winters or extreme droughts that could cause floods and landslides or, conversely, reduce the availability of water, not only for the company, but also for other users in the basin. Either of these two situations would lead to socio-environmental conflicts and the environmental authorities could even restrict or deny the granting or renewal of permits for the use of this resource, or for the general operation of the project.

Transitional risks

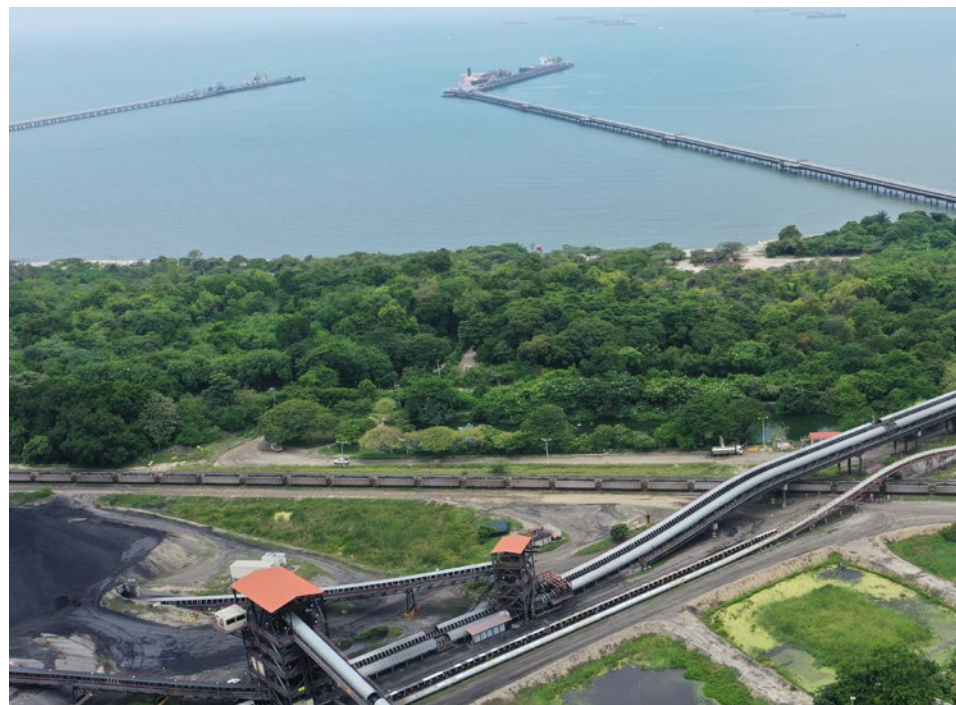
The Company recognizes the risks and opportunities associated with regulatory and legal changes, including the fact that Colombia has implemented new climate change regulations (Climate Action Law, 2021). Therefore, an increase in the coal prices is expected with the implementation of the National System of Tradable Quotas in the coming years, as well as a reporting obligation, since regulation is becoming increasingly demanding.

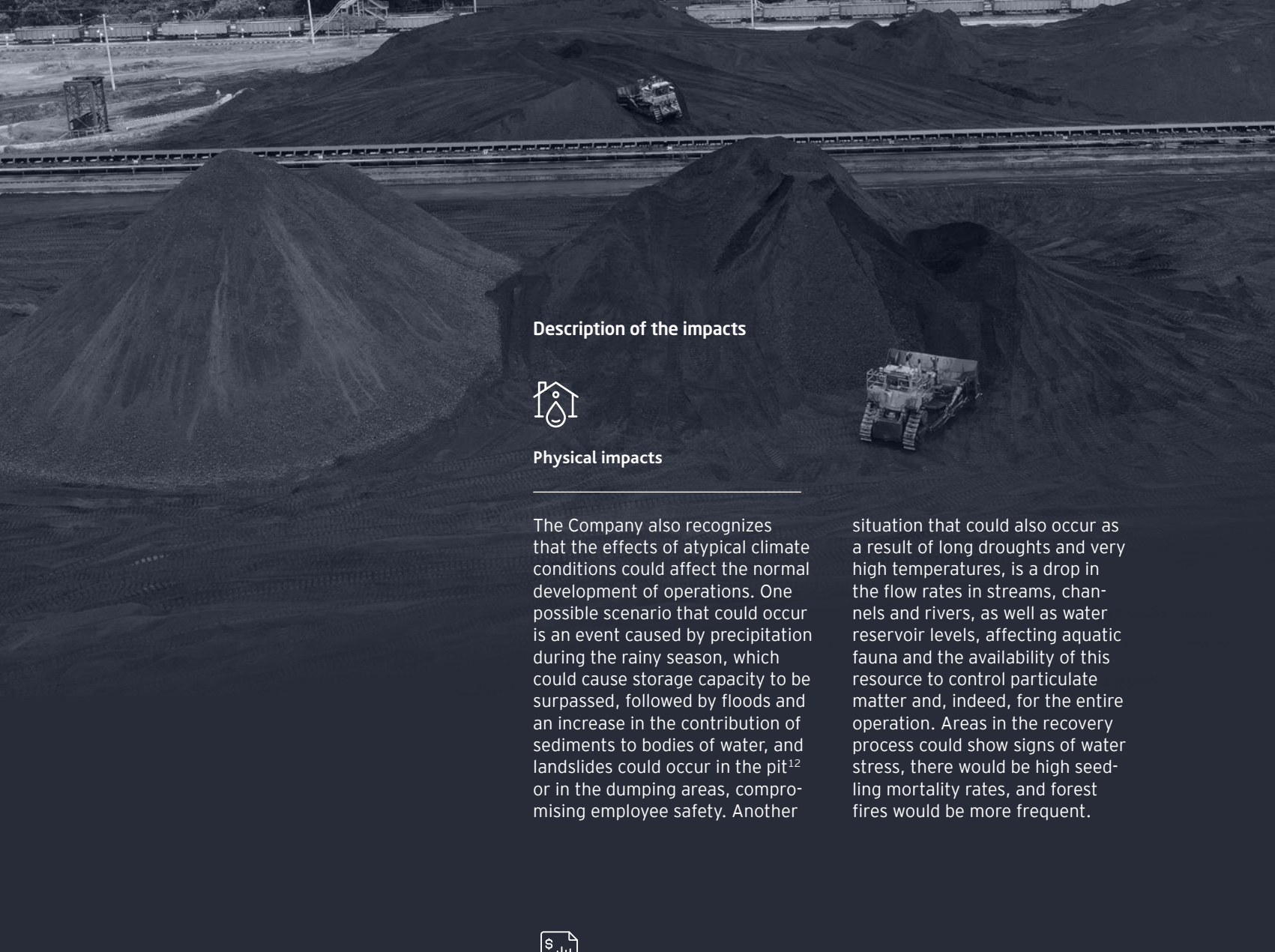
Technological risks

The use of low-emission technologies is also considered within the Company's risks, since they affect costs and income.

Market risks

Additionally, changes in consumer preferences, increases in the prices of raw materials and reputational risks associated with the stigmatization of the industry are analyzed.





Description of the impacts



Physical impacts

The Company also recognizes that the effects of atypical climate conditions could affect the normal development of operations. One possible scenario that could occur is an event caused by precipitation during the rainy season, which could cause storage capacity to be surpassed, followed by floods and an increase in the contribution of sediments to bodies of water, and landslides could occur in the pit¹² or in the dumping areas, compromising employee safety. Another

situation that could also occur as a result of long droughts and very high temperatures, is a drop in the flow rates in streams, channels and rivers, as well as water reservoir levels, affecting aquatic fauna and the availability of this resource to control particulate matter and, indeed, for the entire operation. Areas in the recovery process could show signs of water stress, there would be high seedling mortality rates, and forest fires would be more frequent.

12. *Pit*: in the extraction mining method, a descending bank is created and a circular pyramid to the bottom is formed. Taken from the Colombian Ministry of Mines and Energy's technical mining glossary.



Transitional and market impacts

Transitional risks have a greater impact and are perceived as risks with a high probability of occurrence and a large economic impact on the company. Therefore, they are prioritized, to be recognized and mitigated in the short term.

Transitional risks can:

- Increase operating costs (due to exposure to litigation risk and reputational damage).
- Increase capital investments in new technologies (change in fuels).
- Increase the cost to implement emissions management processes.
- Make it difficult to access financial markets and, therefore, generate higher costs.
- Cause a loss of competitiveness, due to the late implementation of new technologies.
- Generate reduced income, due to a decrease in demand caused by changes in consumer preferences and global trends, such as an increase in the use of renewable energies.





Financial implications

The risks caused by climate factors have financial implications derived from their impact on the operations. A possible total cessation of operations, as indicated by industrial safety protocols, caused by situations such as fires, floods or large landslides, would have serious economic consequences for the Company, as well as negative environmental and social impacts.

Methods for managing risks

In its quest to reduce the impact and probability of occurrence of risks derived from climate change, Drummond Ltd. has developed the following initiatives:

- Expansion of the network for rainwater collection, storage and use.
- Expansion of water treatment systems prior to discharge.
- Campaigns on saving and efficiently using water.
- Use of plant species better adapted to extreme conditions in the recovery of the dumping areas.
- Identification of climate change risks and inclusion in the Company's risk matrix.
- Restoration of areas affected by forest fires.
- Implementation of new techniques to control particulate matter.
- Solar Park feasibility study.
- Action plan for the implementation of ISO 14064-1 to calculate the Company's Carbon Footprint.
- Ongoing research and analysis of technological developments to reduce emissions from the mining operations, including changing the fuel used in the truck fleet.
- Reinforcement of the fire prevention and management program within the operations and in the neighboring communities. Creation of guardrails to protect natural and replanted areas.



THE COMPANY HAS IDENTIFIED RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE AND THE MANAGEMENT OF GREENHOUSE GASES (GHG)

The Company also has a range of strategies that include:

- Carbon neutrality and emission reduction strategy.
- The maintenance of conservation areas, which means that forests contribute to water and climate regulation, and also act as carbon sinks, as well as the areas where the forestry compensation program is executed or the protocol for recovering affected areas is implemented.
- Continuous improvement in the effectiveness of the program to prevent and manage forest fires, which has an immediate response protocol and support from the local disaster response offices that train residents on fire-related topics.
- Implementation of the water resource management plan, whose central concept is the Program to Save and Efficiently Use Water, which ensures the availability of water for the operation, and even for neighboring communities, if necessary, 12 months a year.

Opportunities

Limiting greenhouse gas (GHG) emissions offers opportunities as new technologies and markets develop.

Financial



Efficiency in processes.



The implementation of resource efficiency leads to an increase in production capacity, higher revenues and reduced costs.



Product diversification.



New technological advances in fuels with low emissions lead to a reduction in energy use and lower costs to carry out the operation. New technologies lead to a reduction in operating costs and an increase in production capacity and energy efficiency.

Regulatory and market



With the current trend of reducing the use of products with high carbon emissions, new products, services and markets can be developed to diversify the Company's portfolio.

Costs associated with the actions taken to manage risks

Drummond Ltd. constantly evaluates the possible effects of climate change on its operations and the alternatives to mitigate the impacts or adapt its mining and port operations. During 2021, the cost of risk management was USD 24,573,884 in order to guarantee the environmental and economic sustainability of the business; additionally, the Company invested USD 153,240 to conduct, during 2021 and 2022, an analysis of risks, impacts and opportunities that will allow the Company to define a strategic carbon neutrality plan that involves all of Drummond's business units.

In all, the Company invested during 2021



USD

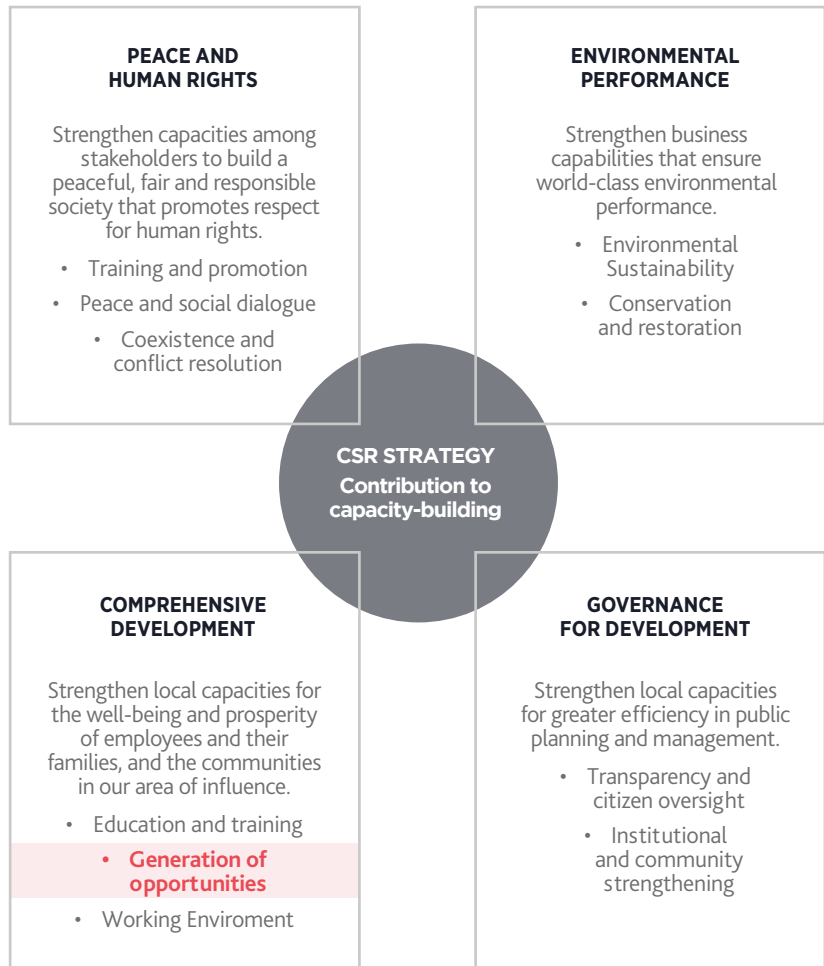
\$ 24,727,124

in actions associated with managing risks related to climate change.

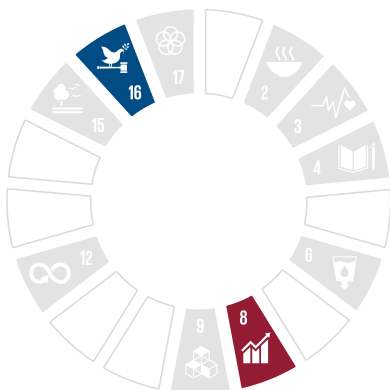


2. Supplier and contractor management

Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its management of suppliers and contractors, it contributes to:



CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS





When we started working with Drummond, we had 5 assistants, then we went on to 18 workers, and today we have grown to 130, all from the area of influence. Drummond's work with its contractors is excellent, 10/10. It is a responsible company that cares about safety and is interested in seeing its contractors grow and improve their standards, implementing all of their policies and receiving quality certifications."



MILCIADES CASTAÑEZ ORTA
CEO
Contractor Company Villa Loly



A work team from the contractor Villa Loly

TARGETS

Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services.

Target 8.5: Achieve full and productive employment and decent work for all men and women, including youth and people with disabilities, as well as equal pay for work of equal value.

Target 8.6: Reduce the proportion of young people who are not in employment, education or training in the communities in the area of influence.

Target 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking. Also, contribute to the abolition of all forms of child labor at the Company's various locations and among its stakeholders.

Target 8.8: Protect labor rights and promote decent working environments, with growth opportunities, that are safe and secure for all workers.

Target 16.1: Significantly reduce all forms of violence and human rights violations at the Company's various locations and among its stakeholders.

Target 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.

Target 16.10: Ensure that all direct employees and contractors of Drummond Ltd. have access to information and training on human rights, to the promotion and to the protection of their fundamental freedoms.



HAVING A SUPPLY CHAIN THAT GUARANTEES THE COMPANY'S LONG-TERM OPERATION IS A CRITICAL NEED FOR THE SUSTAINABILITY OF DRUMMOND LTD.'S WORK.



For this reason, the various suppliers and contractors that support the operation undergo rigorous evaluation and selection processes, in order to ensure that the purchasing and hiring of goods and services provide the necessary level of equality, offer competitive process, are delivered in a timely manner and guarantee after-sales service, which ultimately generates growth and competition in the market.

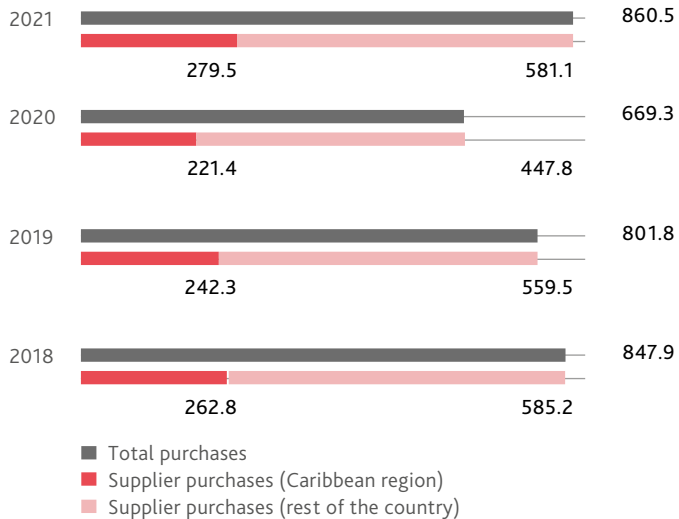


[GRI 204-1]

Percentage of spending on local suppliers

Direct interaction with Drummond Ltd.'s local suppliers¹³ of goods and services generates significant regional economic dynamics and a substantial number of direct and indirect job opportunities with high standards in terms of technology, industrial safety and environmental protection, and contributes to the professional and business development of the municipalities in the area of influence of the mining and port operations.

Graphic 9.
Purchases made from domestic suppliers in millions of USD



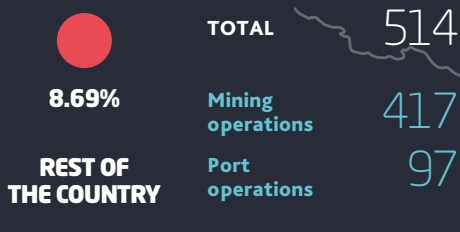
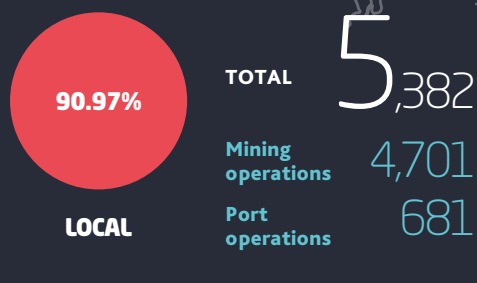
13. At Drummond Ltd., local suppliers or contractors are understood to be those companies whose headquarters are located in the Caribbean Region.

DURING 2021, DRUMMOND LTD. HAD COMMERCIAL RELATIONSHIPS WITH 756 SUPPLIERS, WITH BILLINGS OF USD 1,214,255,869. OF THESE SUPPLIERS, 696 ARE DOMESTIC (92 %), AND THEY GENERATED BILLINGS OF USD 860,542,490 (71 %). OF THE DOMESTIC SUPPLIERS, 290 ARE LOCATED IN THE CARIBBEAN REGION, AND THEIR BILLINGS WERE USD 279,484,208, EQUIVALENT TO 32 %.

Local labor¹⁴

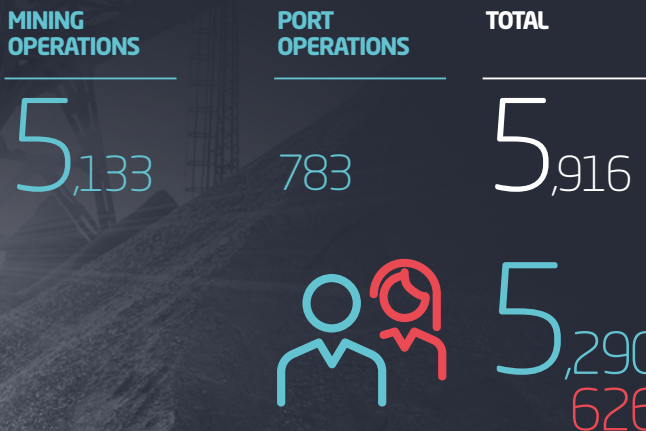
Additionally, continuing with the policy of favoring hiring of regional labor, in 2021 there was an increase of 6.88 % in local hiring compared to 2020.

Table 5.
Local, national and international hiring of suppliers and contractors in 2021



In 2021, the percentage of contractor employees born in the municipalities in the area of influence increased. Hiring of these people in the mining operations increased from 1,462 to 1,488, and at the port it went from 113 to 144 employees. Both figures represent an increase of more than 3.62 %.

14. At Drummond Ltd., the departments understood to be local include Atlántico, Cesar, Magdalena, Bolivar and Guajira.



This is the result of the inclusion in the standard contract of a clause that establishes that the contractor must hire as many local employees as possible, and the parameters that must be taken into account to do so.



[GRI 308-2] Negative environmental impacts in the supply chain and actions taken

[GRI 414-2] Negative social impacts in the supply chain and actions taken

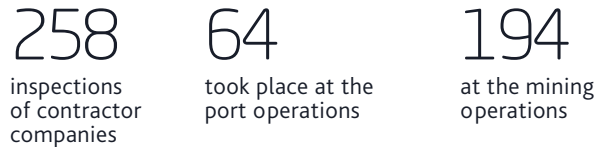
Table 6.
Results of the social and environmental assessment of suppliers

	Environmental	Social
Total number of suppliers and contractors with which the Company had a relationship in 2021, whose impact has been evaluated	73	0
Number of suppliers and contractors that present significant actual or potential negative impacts	73	0
Percentage of suppliers and contractors with which improvements have been agreed to 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 %

The contractor or supplier that shows progress or growth in terms of these indicators has a better chance of maintaining its ties to the mining project. Additionally, the request for goods and services from the contractor and its employees is considered to the extent that it increases aggregate demand.

For the 2021 period, no actual or potential negative social impacts were identified. Likewise, in no case has the Company been obliged to terminate a contractual relationship as a result of an evaluation related to this item.

On environmental matters, during 2021 the Company conducted



An additional 14 environmental compliance audits were conducted of suppliers of critical environmental services. The main aspects evaluated were:

1. Waste management (recyclables, ordinary, hazardous and special waste)
2. Handling of chemical substances; hydrocarbons management
3. Prevention and control of spills of hydrocarbons and chemical substances
4. Compliance with the environmental standards established in the SIG-2003 Environmental Guide for Monitoring Suppliers and Contractors

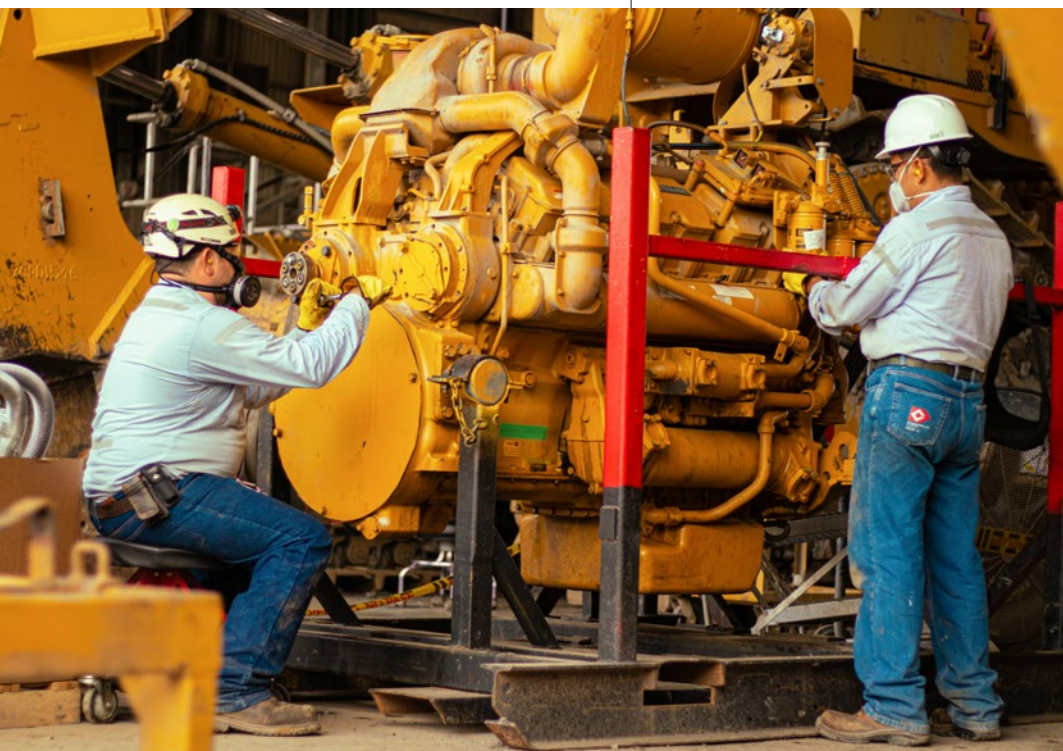
THE IMPLEMENTATION OF THE INSPECTIONS PROGRAM HAS CONTRIBUTED TO IMPROVING THE CONTRACTORS' ENVIRONMENTAL PERFORMANCE AND CREATING AN ORGANIZATIONAL CULTURE AIMED AT CARE FOR AND PROTECTION OF THE ENVIRONMENT.

MILESTONES

- ▶ Billings by local suppliers increased by 7 %, exceeding the goal by 4 %, as an increase of 3 % was expected.
- ▶ There was an increase of 3.62 % in hiring of personnel from the area of influence, both by suppliers and contractors.
- ▶ A human rights awareness talk was held with the managers and legal representatives of the Company's suppliers and contractors.
- ▶ Progress was made in modifying the procedure for evaluating suppliers on social and human rights issues.

CHALLENGES

- ▶ Increase billings by local suppliers by 3.5 %.
- ▶ Increase hiring of personnel from the area of influence by 3.5 %.
- ▶ Provide 60 openings in developing a dual training program with employees who are all from the area of influence.
- ▶ Hold a human rights awareness talk was held with the managers and legal representatives of the Company's suppliers and contractors.
- ▶ Increase the amount of food provided by local suppliers in the supply chain by 40 tons, to generate more economic growth and high-quality jobs.
- ▶ Carry out an organizational strengthening program for ten community associations and local businesses to reduce the risks associated with local hiring and strengthen business management practices in the cooperatives, foundations and small businesses that operate in the area of influence.





The work by Drummond's Communications Department is excellent. We are coming out of some very difficult years in which communication was essential and overarching, and Drummond was not left behind. We always see the agility, fluidity, immediacy and responsibility with which it reports, clearly demonstrating all of its processes."

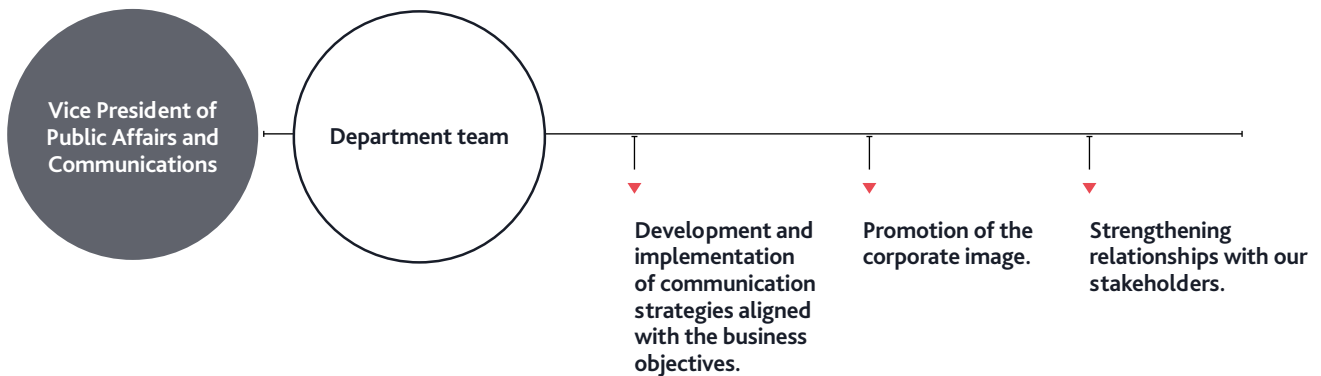
MARÍA ELVIRA MARULANDA
President
Valledupar Circle of Journalists

3. Communications management

[DLTD-01]

Coordination and communication objectives

Drummond Ltd. has designed its communications plan based on its organizational structure, which guarantees the successful development of the various processes that are required and fulfillment of the communication objectives. This is how it works at Drummond Ltd.:





Drummond Ltd. also has a Corporate Communications Strategy, comprised of five core concepts on which it bases its practices and determines its communications management. To measure the success of these efforts, relevant indicators have been implemented that establish compliance with the communication plans:

- **Media analysis**
- **Digital transformation**
- **Relationship with stakeholders**
- **Promoting the corporate identity**
- **Crisis management**

Due to the health emergency caused by COVID-19 and its variants during 2021, the Communications Department prepared a strategic plan that included all actions and campaigns to support the Company's plan to communicate messages of prevention, to encourage employees to take care of themselves and others, and get vaccinated against the virus. It also worked on preparing a strategy to continue to reaffirm the message of mining with a positive impact and safe mining, sharing all of the Company's social, environmental, operational and safety work through the various channels of communication available, positioning it through the use of new trends in communication and digital transformation.

The Communications department maintained its commitment to ensuring the proper dissemination of information to stakeholders, serving as a bridge between all areas and departments of the Company with all of their different audiences in order to share any actions, processes and activities for these groups.

During 2021, more than

260

informational announcements were created, aimed at different audiences within the Company.

More than

1,200

corporate emails were sent, representing an increase of 380% as compared to 2020.

The Communications department also prepared more than 17 radio spots and more than 70 audiovisual projects to support the Production, Maintenance, Industrial Safety, Human Resources, CSR, Community Relations, Engineering, Environmental and Management areas, among others.

Additionally, there was an increase of

160%

in the number of publications.

IT CONTINUED TO HIGHLIGHT THE ROLE OF COMMUNICATIONS IN THE COURSE OF THE COMPANY'S BUSINESS. IT BECAME MORE VISIBLE THROUGH DIFFERENT ACTIONS AND CHANNELS, WHICH SHOWS THAT DRUMMOND LTD. IS A COMPANY THAT PERFORMS RESPONSIBLE MINING, APPLYING ALL NECESSARY MEASURES TO REMAIN A MAJOR PLAYER IN THE DEVELOPMENT OF THE REGION AND THE COUNTRY.



From the Communications Department, new campaigns were created in response to the health emergency caused by COVID-19 and the availability of vaccines, which were added to some that had already been carried out in 2020.

CAMPAIGNS CARRIED OUT IN 2021 INCLUDED:

- #YoPrevengoElContagio:**
 - Self-care messages continue to be reinforced inside and outside the operations, aimed at preventing the spread of COVID-19, in accordance with government decisions.
- #VacúnatePorLaVida:**
 - Inform our stakeholders about COVID-19 vaccines and encourage vaccination.
- Mining with #ImpactoPositivo:**
 - Show the positive actions taken by the mining industry.
- #UnidosPor:**
 - Communicate Drummond Ltd.'s contributions to the transformation, growth and development of its areas of influence to its various stakeholders.
- Differentiation strategy:**
 - Show internal and external audiences the Company's commitment and responsibility to the country, contributing to the economic reactivation and maintaining guarantees for its employees, contractors and support for its area of influence.
- 'Contribute to #MineríaSegura':**
 - A campaign supported by COPASST and the Production and Maintenance Departments, which seeks to empower operations employees and contractors on issues related to industrial safety and the sharing of information of interest to all.
- Retirees and pre-retirees:**
 - Invite Drummond Ltd. employees who are close to retirement age or who have already reached it, to attend trainings provided by the Company through CREA and thus contribute to their future.
- Food campaign:**
 - Demonstrate the strict controls and protocols used in our food preparation processes.
- Social media activation:**
 - Increase our engagement and number of followers on Facebook, Instagram, Twitter, LinkedIn and YouTube.
- #UnidosPorLaNavidad
#ConDrummondEnNavidad:**
 - Share touching messages of unity to highlight this family holiday season, and communicate the year-end activities and events organized by the Company.

PARTNERSHIP CAMPAIGNS:



Employability - Comfacesar:
Communications support for the training sessions, sharing the different job offers in the region in a transparent, agile and efficient way.



Participation in national campaigns:

- Sembratón (Plant-a-thon)
- Energía Joven (Energy for the Young)
- Ministry of Health
- Colombian Mining Association – launch of the #LoQueNosUne app

ADDITIONALLY, IT CREATED STRATEGIES TO STRENGTHEN THE CULTURE OF INDUSTRIAL SAFETY, REINFORCE MESSAGES ABOUT THE BENEFITS THAT THE COMPANY PROVIDES, THE POSITIVE IMPACTS IT HAS ON ITS SURROUNDINGS AND TO CONSOLIDATE THE BRAND.

The Communications Department has a variety of tools to meet its objectives, which include:



Communications Policy

<https://www.drummond ltd.com/wp-content/uploads/Communications.pdf>



Corporate Identity Manual

As part of the development of communications strategy in the corporate identity indicator, the Company updated its Identity Manual for the third time, establishing fundamental rules and guidance for the projection of a solid image.



Bulletin "Drummond Informs You"

Monthly publication.
Aimed at all stakeholders, mainly employees.



Bulletin "Drummond Informs You - Special Edition"

Published whenever it is necessary.
Aimed at all stakeholders, mainly employees.



Press releases

At least two are issued per week.
Directed mainly to the media. These are also shared with employees, suppliers, contractors, public officials, embassies, among others.



Drummond Magazine

Published every three months.
Aimed at all stakeholders.



Digital billboards

Updated weekly.
Aimed at employees.
Location: Employee dining rooms in mine and port operations.



Physical billboards

Updated permanently.
Aimed at employees.
There are 30 in total, distributed at the mine and port operations.



Internal mail

Information is sent every time it is necessary.
Aimed at employees.



Web page

www.drummond ltd.com
Updated permanently.
Aimed at all stakeholders.



Organizational announcements

Published monthly.
Aimed at administrative employees.



Cacica stereo

(Commercial FM radio)
Daily broadcasts.
Aimed at all employees and stakeholders in the area of influence and those who listen online.



Drummond in the News newsletter

Published monthly.
Aimed at external stakeholders (contractors, suppliers, authorities, etc.)



"La Nota Bacana"

Published monthly.
Aimed at all employees.



Connect with Drummond program

As support for the operations, radio programs are broadcast through the Company's radio base. It is aimed at truck operators from the Production and Coal areas.



Social media



Twitter

@DrummondLtdCo

Updated daily.
Aimed at all stakeholders.



Instagram

@drummondLtdCo

Updated daily.
Aimed at all stakeholders.



Facebook

@DrummondLtdCo or
Drummond Ltd. Colombia

Updated daily.
Aimed at all stakeholders.



LinkedIn

Drummond Ltd.

Updated constantly.
Aimed at all stakeholders.



YouTube

DrummondLtdCo

Videos on different Company processes are published occasionally, and they are aimed at all stakeholders.

Corporate Identity Manual

As part of the development of the communication strategy in its Corporate Identity indicator, and after beginning the third update to the Identity Manual, rules and parameters were established and adjusted, so that the user has a consolidated and uniform image. This manual is proposed as part of the Company's Communications Policy, and all departments must use and consult it.

Email

rhcomunicaciones@drummondLtd.com¹⁵

Using this communication channel, information associated with internal publications or official Company messages is sent to Drummond Ltd. employees to reinforce inclusive contact with its internal audience on issues related to Human Resources and related areas (Industrial Safety, Payroll, Environmental). This account is only used for sending automated messages. However, we constantly receive concerns, requests or comments from our workers, 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 for their work tasks, usually 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.

15. rhcomunicaciones@drummondLtd.com - This email account was created for purposes related exclusively to Drummond Ltd. employees and is used for automated mailings only.
16. comunicacionesdrummond@drummondLtd.com - This email account was created in 2020, to send corporate information to all our stakeholders; it is used for automated mailings only.

Since 2014, Drummond Ltd. has provided its employees with this option through the 'Leave us your email' campaign, through which it also reduced the use of paper.

**Stakeholder services:
communications email, Citizen
Services System (CSS) and website**

The Communications Department responds to requests and concerns submitted by stakeholders through the Online Citizen Services Portal and other Company channels, as they relate to communications issues, facilitating a direct link to journalists, the media or associated companies, to provide communication services, among others.



**Email
comunicacionesdrummond@drummondLtd.com¹⁶**

Through this email account, the Company stays in contact with its various stakeholders, employees, contractors and other outside audiences. It is used to send all information associated with the Company's internal and external publications or official messages. Any concerns, requests or comments received are redirected to different departments so that they can provide a proper response. This channel is available for:

- Employees who use corporate email for their work tasks, usually 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, Drummond Ltd. has provided its employees with this option through the 'Leave us your email' campaign, through which it also reduced the use of paper.
- Other audiences that are part of our stakeholders and are included in our database and have agreed or requested to be included in it.



[DLTD-02] Media plan

Since 2012, the Company has 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 it develops.

This plan is mainly aimed at employees, their families and the communities from the municipalities in the mining, port and rail areas of influence (departments of Cesar and Magdalena). Added to these are local and regional authorities, regulatory agencies, media outlets, contractors and stakeholders in general.

Some of the topics covered are: employment, benefits, environmental management, corporate social responsibility, community support, industrial safety, human rights, our operations, innovation and technology, and compliance.



During 2021, it communicated the Company's work in its different departments, and also highlighted information related to the mining with a positive impact campaigns and others associated with the topic of preventing infection and the importance of vaccination as part of preventing the spread of the COVID-19 virus.

For communications management, and especially for the development and implementation of the Regional Medial Plan, the following resources were allocated during 2021:



Financial

- More than USD 200,000 per year



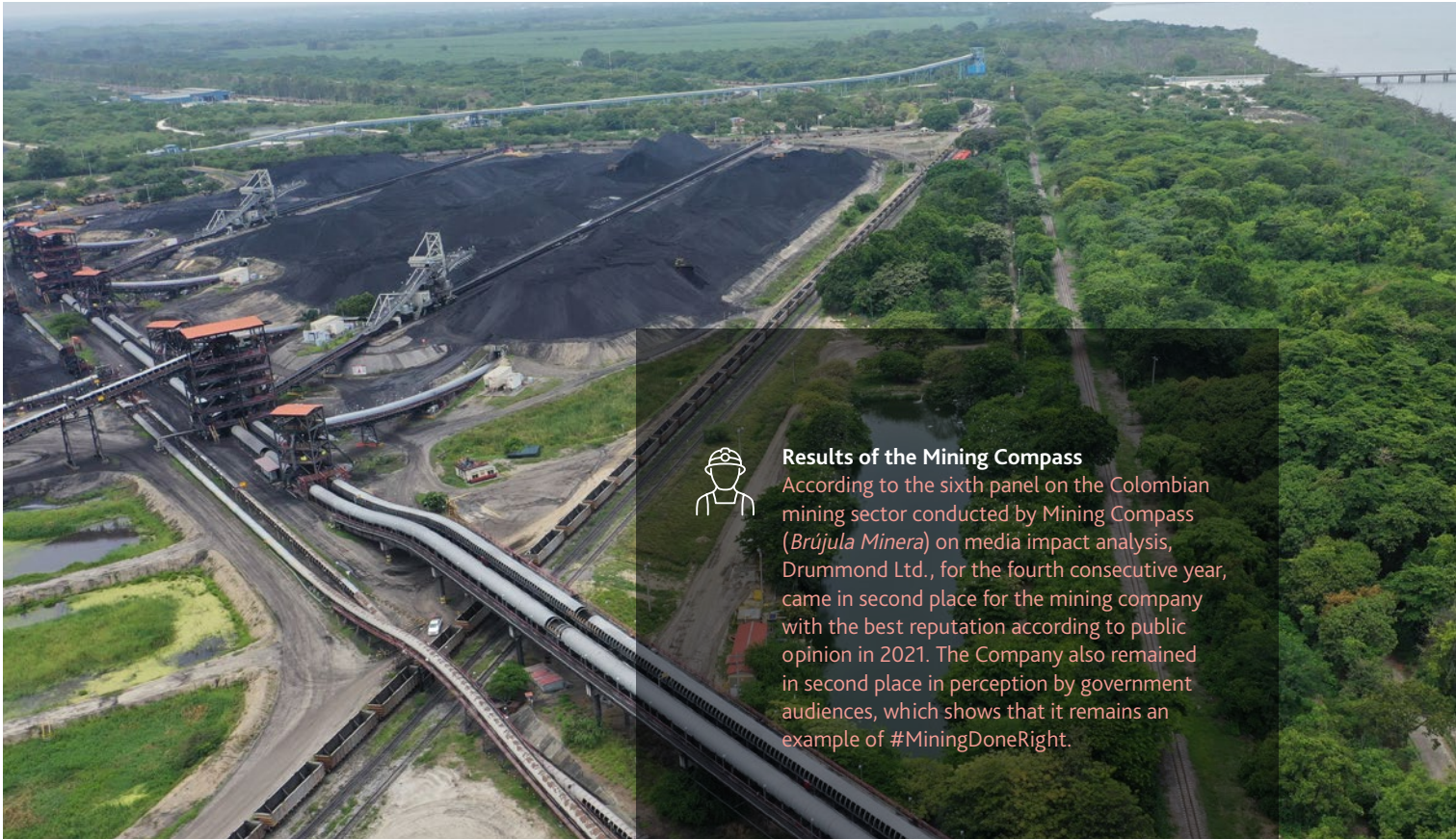
Human Resources

- 1 Vice President of Public Affairs and Communications
- 1 Director of Communications
- 3 Communications Analysts
- 1 Assistant
- 5 Student Interns



Technological

- Computers
- Photographic and video camera, with their respective memories and accessories such as lenses, tripods, flash, batteries
- Headphones
- Cell phones
- Voice recorders
- Tablet and tripod



Results of the Mining Compass






According to the sixth panel on the Colombian mining sector conducted by Mining Compass (*Brújula Minera*) on media impact analysis, Drummond Ltd., for the fourth consecutive year, came in second place for the mining company with the best reputation according to public opinion in 2021. The Company also remained in second place in perception by government audiences, which shows that it remains an example of #MiningDoneRight.

CHALLENGES

MILESTONES






Social media:

Comparison of the numbers of followers at the end of 2020, compared to the end of 2021.

	End of 2020	End of 2021	Increase in 2021	Percentage increase
	7,392	15,593	8,201	111 %
	10,900	12,148	1,248	11 %
	18,794	22,613	3,819	20 %
	68,120	117,970	49,850	73 %
	890	1,236	346	39 %

Social Media/Engagement

To measure the level of interaction and engagement by users with profiles on the social media networks in which Drummond Ltd. participates, as of 2021 the percentage of engagement was included in the metrics reports, which determines the audience participation rate.

					
Goal	4 %	15 %	3 %	20 %	15 %
Achievement	4.4 %	30 %	3 %	38 %	17 %

▶ Continue to promote the work of the Communications Department with various audiences.

Share the actions of the Communications Department.

▶ Continue to positively position the Company with its various stakeholders.

Work with the different departments to highlight achievements and projects.

▶ Continue to strengthen social media presence.

Increase the number of followers on each of the Company's social networks.

▶ Continue to strengthen and consolidate relationships based on trust and transparency.

Develop more publications, through digital platforms and social media.

Create campaigns aimed at strengthening relationships between the company and its employees.

▶ Present the Annual Communications Report.

▶ Strengthen the Company's internal communication by migrating to digital.

Digital billboards

▶ Develop a Communications event presenting the Company's various processes. It would have a central theme.



ESG Vision

Social Management

186

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

1,515

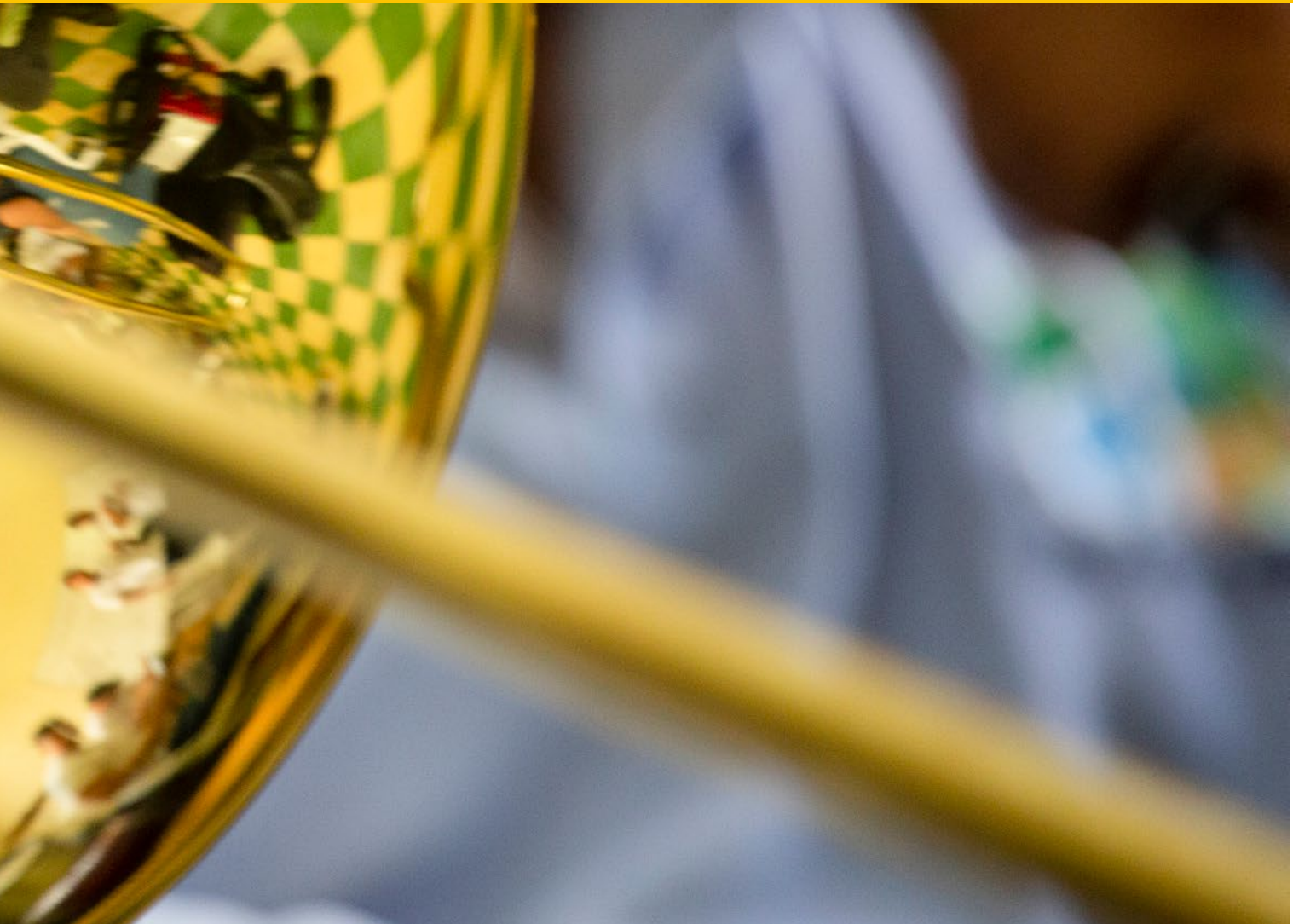
new literate adults
in the five municipalities in the area of influence in the Department of Cesar.

620

participants in the business incubator program - 265 projects financed by Drummond and other entities.

10,969

direct and indirect jobs created.





Being a socially responsible company means not just committing to complying with the law, for Drummond it represents working on building synergies and relationships of trust and co-responsibility with all of its stakeholders, strengthening their capabilities, generating employment, investing in communities and in its people, under a model that generates prosperity and social well-being.”

JUAN PABLO ARTEAGA
Vice President of Sustainability
Drummond Ltd.

ONE OF THE MOST IMPORTANT DIMENSIONS IN THE DEVELOPMENT OF DRUMMOND LTD.’S ACTIVITIES IS THE PROPER MANAGEMENT OF ITS SOCIAL ASPECTS.
THE SCOPE OF THIS STANDARD IS (ESG) BROAD AND IS AIMED AT ALL COMPANY EMPLOYEES, THEIR FAMILIES AND SOCIETY AT LARGE.

With regards to employees, it covers issues related to the development and well-being of the Company’s human resources, industrial safety and health in the workplace, and the different channels of communication established for these stakeholders, always ensuring that their personal and labor rights are guaranteed. In terms of society, the relationship with the communities and the regions where Drummond Ltd. operates is undoubtedly one of its priorities

and, therefore, the Company proposes and establishes opportunities for construction, dialogue and cooperation to understand and respond to the needs of the communities, always seeking to maintain relationships of trust and co-responsibility between the Company and society to strengthen the social fabric.

Below are the seven material topics that make up Drummond Ltd.’s social strategy:

Talent Management

[GRI 103-1] Drummond Ltd.'s organizational culture is focused on promoting institutional values that promote equity, inclusion, respect, transparency and integrity among its human resources, in order to guarantee its employees a healthy work environment for intellectual and professional growth, as well as productivity and teamwork.

All human capital management at Drummond Ltd. is handled by its Human Resources Department, where, through the guidelines defined for the department's internal processes, the corporate policies¹⁷ on Human Resources, Recruiting and Hiring, salary issues and the Employee Handbook are implemented.

[GRI 103-2] Drummond Ltd. is aware that managing its human talent using new and better tools and knowledge aimed at its employees is essential for their professional growth and has a positive impact on improving the quality of the operations. For this reason, it holds training and educational sessions whose activities are designed based on the needs of the

organization's profiles, categories and roles, with technical and theoretical training in the field, and, on some occasions, with studies abroad, as well as talks at the worksite and occupational health and safety campaigns.

[GRI 103-3]

Additionally, at Drummond Ltd. the continuous improvement of its processes and operations is essential, which is why it has established an Internal Audit Department whose mission is to conduct tests to identify processes with opportunities for improvement, making it possible to strengthen internal controls and manage the risks associated with sustainability and inherent in the operations.

17. <https://www.drummondtd.com/about-us/our-commitment/?lang=en>





Workplace Health and Safety

[GRI 103-1]

For Drummond Ltd., it is essential to provide its employees with healthy, safe and sustainable environments, aligned with the Occupational Health and Safety (OSH) programs, always in accordance with current legal regulations and certifications in international standards such as, for example, the Industrial Safety and Occupational Health Management System, ISO 45001:2018, and the Environmental Management System, ISO 14001:2004.



Occupational Health Team Mining operations

[GRI 103-2]

Drummond Ltd. has an Occupational Safety and Health (OSH) system that is certified under the ISO 45001:2018 standard, which seeks to prevent accidents and occupational diseases by designing activities that are safe for all employees. To do so, it has identified high-priority risks in all stages of the process, and based on this it implements operational controls including elimination, replacement, engineering controls, signage, warnings, administrative controls and personal protective equipment. Additionally, the Company has an emergency preparedness and response plan, led by brigades trained in each of the areas, and it has strategies to respond effectively to any emergency that may arise at its facilities.

It also has several training centers, one at the mining operations and another at the port, that were maintained in 2021 as UVAEs (Spanish acronym for Business Learning Vocational Units) by the Ministry of Labor, where technical and operational training is provided to certify its employees and prepare them to perform their duties safely.

[GRI 103-3]

The strengthening of the Company's internal controls and management of the risks inherent in the operation are verified through the external certification audit that the Companies receives from Lloyd's Register LRQA, an international certifying agency for the implementation of occupational health and safety management systems.

For 2021, in addition to verifying compliance with the standard's requirements, the auditors reviewed the activities and processes related to the El Corozo mine, considering the different aspects that this new operation includes, and they were able to confirm the integrity of Drummond Ltd.'s Occupational Health and Safety management system.

GIVEN THE CONDITIONS CAUSED BY THE PANDEMIC, THIS YEAR THE AUDIT WAS DIVIDED INTO TWO STAGES: THE FIRST BEGAN IN MAY AND THE SECOND IN NOVEMBER 2021, AND THE RESULTS WERE: ZERO NONCONFORMITIES AND THE MAINTENANCE OF THE SYSTEM CERTIFICATION UNDER THE ISO 45001:2018 INTERNATIONAL STANDARD, WHICH IS VALID UNTIL JULY 3, 2023.

Relationships with unions

[GRI 103-1] Drummond Ltd. recognizes the significance and importance of guaranteeing the right of association, the right to organize and collective bargaining, as a mechanism to maintain good labor relations, which in addition to having a positive impact within the organization, reduces the possibility of harm to stakeholders, to the Company's objectives and to its corporate reputation.

[GRI 103-2] To ensure the processes of association and collective bargaining, Drummond Ltd. has formalized respect for these practices, in addition to their protection and promotion, as established in the Code of Conduct, among other Company policies.

[GRI 103-3] Having opportunities for social dialogue, as a mechanism for interaction with employees and their representatives, makes it possible to conduct evaluations and monitor issues of general interest to workers, and to do so the Company has the following mechanisms that allow for direct communication:

- Open meetings with our 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 trade union organizations.
- Occasional meetings requested by union organizations with senior management (president, vice presidents, managers, superintendents).
- Meetings of the Special Committee for Monitoring and Recommendations to optimize services under the Hospitalization and Surgery insurance policy.
- Participation on the Food and Transportation Committee.
- Participation on the Recreation and Culture Committee.
- 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).

Due diligence in human rights

[GRI 103-1] The promotion of and respect for human rights are fundamental aspects for Drummond Ltd.'s operation. Their relevance stems from understanding that people are the cornerstone of the Company and of society. For this reason, through corporate policies, it promotes ethics and integrity, in line with international norms and standards.

[GRI 103-2]

Drummond Ltd.'s tools for evaluating and monitoring human rights management include due diligence, which makes it possible to prevent, manage or mitigate risks and impacts on human rights in the different phases of the entire chain that makes up the Company's operations.

[GRI 103-3]

The Company also carries out systematic evaluations to ensure compliance with the various management measures implemented to mitigate risks related to the environment, labor, workplace health and safety, the right to land, social issues, ethnic minorities, resettlements and risk measures related to physical security.



Relationships with communities

[GRI 103-1] Through strengthening local capacities and a commitment to having a positive impact, Drummond Ltd. adds value to its communities, transforming the region, with the aim of achieving sustainable development.



Due to this relationship with its communities, Drummond Ltd. provides opportunities for dialogue, for building the social fabric and for communication and information, which allow it to understand the expectations and interests of the communities with which it interacts, helping to consolidate relationships of respect

and co-responsibility. The proper management of those interests and expectations is reflected in a solid reputation and maintaining its social license to operate.

Drummond Ltd. currently has three objectives in the search for a positive relationship and constant communication:



Guarantee and generate conditions for coexistence and good dialogue between the Company and the community.



Promote and encourage projects that strengthen local skills in the area of influence.



Maintain constant communication and dialogue with the different actors in the community.

[103-2]

Through the four pillars of its Corporate Social Responsibility Strategy: Peace and Human Rights, Governance for Development, Comprehensive Development and Environmental Performance, Drummond Ltd. has developed programs and projects that strengthen and improve local capacities in its area of influence, by promoting its human talent, generating employment and income, training and promoting human rights, peace, coexistence and reintegration. This strengthens an enterprising and productive units culture and sports, and institutional

and community strengthening, all with an emphasis on education and training with the understanding that creating skills and knowledge is the best input for building social fabric.

[103-03]

Drummond Ltd. uses different practices to ensure that it manages the expectations of its various stakeholders; its main practices include:



Opinion surveys conducted in the communities each year



External audits



Work in coordination with different institutions, foundations and companies



Regional Participation and Relations

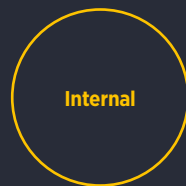
[GRI 103-1]

Drummond Ltd. understands and celebrates the importance of proper communication and intervention in the areas where it operates, based on the principle of transparency as a pillar that generates solid and lasting relationships.

Based on each of its material issues, the Company maintains relationships with its main stakeholders, seeking to strengthen its corporate management and generate shared value and a greater positive impact.

Specifically, from its regional participation and relationships, to identify and properly manage the risks associated with this material issue, the Company takes relationship and partnership actions with international, national and regional stakeholders, with the aim of jointly building and promoting, through these synergies, a shared vision of the future of the region. This is how the future is imagined, from the planning and daily work of maintaining an economically viable, socially responsible and environmentally sustainable operation that generates development for its stakeholders and the area where it operates.

To build this shared vision, Drummond Ltd. works based on two perspectives, one internal and the other external:



- Strategic Committee
- Sustainability Committee
- Corporate Policies
- Citizen Services System



- Bettercoal
- Council of American Companies (CEA)
- United Nations Global Compact
- Colombian Mining Association (ACM)
- National Association of Entrepreneurs of Colombia (ANDI)
- Working Group on Human Rights and Coal
- Mining and Energy Committee (CME)
- Extractive Industries Transparency Initiative (EITI)
- Committee for Monitoring and Evaluation of the Investment of Royalties from Cesar (CSIR Cesar)
- Initiative to build trust in Cesar



E S G



[GRI 103-2] Regional relationship risks are managed from an internal standpoint through the establishment of specific objectives that are based on corporate sustainability policies,¹⁸ as well as environmental, human rights, community and resettlement policies. Based on these, Drummond Ltd.'s Strategic and Sustainability Committees hold meetings at which they identify, analyze and evaluate the risks and challenges and opportunities derived from regional relationships, and generates strategies to manage them.

In its external approach, the Company's work takes place through constant relationships with other key actors in the initiatives in which Drummond Ltd. participates: 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 and the Mining and Energy Committee on Security and Human Rights (CME), the Local Multi-Stakeholder Committee of Cesar (EITI), Committee for Monitoring the Investment of Royalties from Cesar (CSIR Cesar) and the Initiative to Build Trust in Cesar, where opportunities and risks related to regional management are discussed and identified.

[GRI 103-3] Drummond Ltd. takes different actions to ensure that it maintains good relationships with its stakeholders and its participation in different international, national and regional scenarios. This allows it to be a dynamic actor and strategic ally in the area, which contributes to building a shared vision of the future of the region.

Its main actions include:



External audits



Participation in the report published by the Extractive Industry Transparency Initiative (EITI)



Supporting the Committee for Monitoring the Investment of Royalties (CSIR) in Cesar



Citizen Services System (SAC)

18. <https://www.drummondLtd.com/quienes-somos/politicas-y-compromiso/>



Resettlement management

[GRI 103-1] Managing social, economic, environmental and reputational aspects makes it possible to control risks, improving relationships with stakeholders and guaranteeing the Company's license to operate.

Resettlement Management is only one of the aspects where the Company focuses its efforts to generate benefits not only for the operations, but also for the communities involved. The process consists of preparing a Resettlement Action Plan (RAP), agreeing with the community on the impacts and management measures, complying with international standards and norms on resettlement, and thereby ensuring the well-being of the communities and the durability of the operation.

[GRI 103-2]

To ensure that each RAP is structured properly, in the context of defending human rights, the participation of institutions such as the National Environmental Licensing Authority, regional and local governments and the Office of the Ombudsman is encouraged in the dialogue and negotiation process.

THROUGH NEGOTIATION COMMITTEES, MADE UP OF REPRESENTATIVES FROM THE COMMUNITY AND THE MINING COMPANIES, LED BY THE OPERATOR AND SUPPORTED BY THE AUDITOR, **AGREEMENTS ARE CREATED TOGETHER TO CARRY OUT THE RESETTLEMENT OF THE POPULATION; THESE TALKS ARE ATTENDED BY ADVISORS FOR EACH COMMUNITY.**



In 2010, the National Environmental Licensing Authority (ANLA), through Resolutions 970 and 1525, ordered the resettlement of the villages of Plan Bonito, Boquerón and El Hatillo in the department of Cesar, stipulating that the companies CNR, Prodeco and Drummond must participate proportionally in the process.

Currently, the three resettlement processes are in different stages, in accordance with each community's independent and autonomous decisions. The community of Plan

Bonito is in the RAP closing phase. The community of El Hatillo is in the individualized implementation phase, in accordance with the orders by the environmental authority in Resolutions 1640 and 1961 of 2010. 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; this document was filed in December 2021 and is in the process of being approved for its subsequent implementation.

[GRI 103-3]

TO STRENGTHEN THE PROCESS AND PROVIDE OPPORTUNITIES FOR DIALOGUE, THERE IS A MECHANISM FOR RECEIVING PETITIONS, COMPLAINTS, CLAIMS AND REQUESTS (PQRS, IN SPANISH) INCORPORATED INTO THE COMPANY'S CITIZEN SERVICES SYSTEM, AND WITH A PROCEDURE AIMED AT THE COMMUNITIES AND STAKEHOLDERS INVOLVED. **THE PQRS HAVE ESTABLISHED RESPONSE TIMES AND SPECIFIC PROCEDURES THAT HAVE BEEN DETERMINED. THE COMPANY HAS SPECIALIZED OPERATORS TO RESPOND TO EACH OF THE OBLIGATIONS DERIVED FROM THE PROCESSES WITH EACH OF THE THREE COMMUNITIES.**





Learn about
Drummond Ltd.'s
Social Management

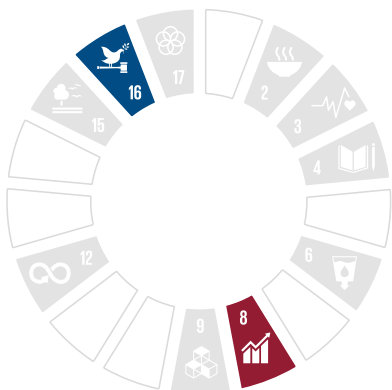


1. Due diligence in human rights

Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its due diligence in human rights, it contributes to:



CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS





Today, Drummond has become a model for private companies, since it has been the only one in the Department of Cesar that joined the Return Plans [for victims of violence in Colombia]. This Company is an example of how to take positive steps on behalf of the communities, which allow them to rebuild social ties in the communities that have been victims of the conflict, that were displaced and dispossessed, so that they can be empowered again, reestablishing their roots in the region and have their rights respected.”



VÍCTOR HUGO MOSQUERA G.
Cesar-Guajira Territorial Director

TARGETS

Target 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking. Also, contribute to the abolition of all forms of child labor at the Company's various locations and among its stakeholders.

Target 8.8: Protect labor rights and promote decent working environments, with growth opportunities, that are safe and secure for all workers.

Target 16.1: Significantly reduce all forms of violence and human rights violations at the Company's various locations and among its stakeholders.

Target 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.

Target 16.5: Promote a culture of legality, to reduce and prevent corruption and bribery in all their forms and ethical, human rights and corporate breaches at the Company's various locations and among its stakeholders.

Target 16.6: Participate in and create spaces at all levels of effective and transparent institutions that are accountable.

Target 16.10: Ensure that all direct employees and contractors of Drummond Ltd. have access to information and training on human rights, to the promotion and to the protection of their fundamental freedoms.



[GRI 412-1] **Operations that have been subject to human rights reviews or impact assessments**

PROMOTING AND RESPECTING HUMAN RIGHTS AT DRUMMOND LTD. ARE FUNDAMENTAL ASPECTS FOR ITS OPERATIONS.

Their importance is based on the recognition that people are the backbone of the Company and of society. For this reason, through its corporate policies it promotes ethical and honest actions, aimed at complying with different international norms and standards.

To ensure respect for human rights, Drummond Ltd acts with due diligence, based mainly on the United Nations' Guiding Principles on Business and Human Rights, as well as the Voluntary Principles on Security and Human Rights. These make it possible to prevent, manage and mitigate human rights risks and impacts in

the different parts of the Company's entire chain of operations.

Additionally, the Company has a risk and control matrix that is reviewed and updated regularly, and it carries out systematic evaluations to ensure compliance with the different management measures selected to mitigate risks to the environment, as well as occupational hazards, workplace health and safety, those related to the right to land, social risks, ethnic minorities, resettlements and those related to physical security. In 2021, 100% of the Company's eleven operations¹⁹ underwent human rights evaluations.

19. The operations evaluated in human rights were: Office of the President, Physical Security, Legal, Human Resources, Industrial Safety, Office of the Vice President of Materials (purchasing of goods and services and contracts), Sustainability, Community Relations, Environmental, Operations, Drummond Energy.



Table 7.
Risk management instruments

Risk category	Possible impact	Management approach	Mechanisms for evaluating the approach
General human rights risks	Violations of labor and HSE rights	<ul style="list-style-type: none"> • Ensure compliance with legal provisions on HSE. • Certify the Company under ISO 45000. • Ensure that contractors comply with legal provisions on HSE y and Drummond Ltd.'s requirements. • Conduct and attend periodic labor and HSE audits. • Receive verifications from independent third parties. • Carry out HSE prevention programs. • Talk regularly and systematically with employees and contractors. • Communicate the work being done. • Publicize the complaints channel. • Align the complaints system with U.N. Guiding Principle #31. 	<ul style="list-style-type: none"> • Compliance indicators for the management methods included in the risk matrices related to human rights, reviewed and updated regularly. • Inclusion of the subject in the regular audit plans.
	Impact on the environment and the social setting	<ul style="list-style-type: none"> • Ensure compliance with environmental licenses and permits. • Maintain ISO 14000 certification. • Ensure preparedness for response to environmental emergencies. • Receive verifications by independent third parties. • Ensure the implementation of the mine closure plans. • Ensure compliance with the mutual aid plan. • Ensure compliance with environmental agreements signed with the State. • Talk regularly and systematically with stakeholders. • Promote community participation in environmental monitoring. • Align the complaints system with U.N. Guiding Principle #31. • Ensure that contractors adopt environmental management systems that meet Drummond Ltd.'s requirements. • Raise awareness among employees and contractors about respect for the communities. • Manage the public health risk. • Monitor impacts. • Collaborate with the State to improve its presence in the area of influence. 	<ul style="list-style-type: none"> • Compliance indicators for the management methods included in the risk matrices related to human rights, reviewed and updated regularly • Independent audits by clients and organizations such as Bettercoal. • Support in understanding and managing the effects of the pandemic on stakeholders.



Risk category	Possible impact	Management approach	Mechanisms for evaluating the approach
General human rights risks	Impacts on the rights of ethnic groups	<ul style="list-style-type: none"> Diligently identify risks that could affect ethnic groups. Respectfully dialogue with ethnic groups. Respectful and responsible Prior Consultation processes. Strictly comply with the agreements signed in Prior Consultations. Support the draft law regulating Prior Consultations. Study the jurisprudence on Prior Consultations. Align the complaints system with U.N. Guiding Principle #31. 	<ul style="list-style-type: none"> Compliance indicators for the management methods included in the risk matrices related to human rights, reviewed and updated regularly. Legal control procedures implemented through management processes related to ethnic groups.
	Poorly-managed resettlements	<ul style="list-style-type: none"> Establish constructive relationships with the communities and authorities. Ensure fulfillment of the commitments assumed by the Company. Ensure compliance with the International Finance Corporation's Performance Standards for resettlements. Align the complaints system with U.N. Guiding Principle #31. 	<ul style="list-style-type: none"> Compliance indicators for the management methods included in the risk matrices related to human rights, reviewed and updated regularly. Strengthening and monitoring of the channel for reporting events and concerns by the community.
	Acquisition of rights to properties that have been subject to dispossession or forced abandonment	<ul style="list-style-type: none"> Maintain acquisition processes in accordance with the law. Adopt the recommendations of the Human Rights and Coal Working Group for the acquisition of real estate rights in properties that could be subject to dispossession. Align the complaints system with U.N. Guiding Principle #31. 	<ul style="list-style-type: none"> Implementation of due diligence and legal control procedures within acquisition processes.
Human rights risks related to physical security	Violation of human rights or IHL by the armed forces, contractors, employees or third parties in the area of influence	<ul style="list-style-type: none"> Systematically dialogue with key stakeholders about security-related human rights risks. Prepare cooperation agreements with the armed forces in accordance with the Ministry of Defense's Agreement Manual. Ensure understanding of the Mining and Energy Committee on Security and Human Rights' recommendations and adopt them progressively. Align the complaints system with U.N. Guiding Principle #31. Implement the "Rules for the use of force" developed by Drummond Ltd. in 2019. Act diligently when information is received about threats to the life or integrity of stakeholders, using the protocol recommended by the Human Rights and Coal Working Group. Renew commitment to the Human Rights Policy by all employees and contractors in the Security Department. Apply the Blockade Risk Management protocol prepared by Drummond Ltd. in 2019. Refrain from providing concrete military aid to the armed forces. Apply IHL Protocol II in terms of not violating the principle of distinction. 	<ul style="list-style-type: none"> Compliance indicators for the management methods included in the risk matrices related to human rights, reviewed and updated regularly. Strengthening and monitoring of the channel for reporting events and concerns by the community.

Additionally, the management measures take into account legal obligations and the best voluntary international standards, as presented in the table of risk management instruments and the list of proactive contributions.

Figure 1.
Proactive contributions to exercising human rights

- ▼
Opportunities for dialogue with audiences of regional and national interest.
- ▼
Contribution to improving access to education.
- ▼
Develop security activities for employees, infrastructure and assets, as well as the residents of the areas of operation, in a framework of respect for human rights.
- ▼
Voluntary social investments to strengthen institutions and manage the effects of the pandemic.
- ▼
Contribution to peace through training programs on values and actions that promote rebuilding social connections, including agreements with the Agency for Reintegration and Normalization (ARN) and the Unit for Comprehensive Victim Support and Reparation (UARIV, in Spanish).
- ▼
Trust-building opportunities to prevent conflict and promote agreements.
- ▼
Participation in multi-actor spaces, such as the Human Rights and Coal Working Group, and the Mining and Energy Committee (MEC) for Security and Human Rights.
- ▼
Local purchasing and contracting to energize other sectors and mitigate the employability problems caused by the pandemic.
- ▼
Strengthening infrastructure for healthcare services, with a special focus on needs arising from the pandemic.



3rd Human Rights dialogue with communities and the authorities - Drummond Ltd. 2021 Valledupar, Cesar





Cases of discrimination, child labor and forced labor

- [GRI 406-1] Incidents of discrimination and corrective action taken**
- [GRI 408-1] Operations and supplier at significant risk for incidents of child labor**
- [GRI 409-1] Operations and supplier at significant risk for incidents of forced or compulsory labor**

Drummond Ltd. categorically prohibits any type of activity, situation and/or scenario related to child labor, discrimination or forced labor. To prevent and manage them, it has corporate policies on Human Resources, Selection and Recruitment and the Code of Conduct.²⁰ In 2021, none of the Company's operations and/or suppliers were at risk of incidents of child labor or young workers exposed to

hazardous work.²¹ Likewise, no operations or suppliers with risks associated with forced or compulsory labor were identified.

During 2021, Drummond Ltd. did not have any cases of discrimination, child labor or forced labor through the formal channels for receiving requests from stakeholders (the Community Attention System and the Complaints Channel).

20. <https://www.drummondlt.com/quienes-somos/politicas-y-compromiso/>

21. Hazardous work means "work which, by its nature or the conditions under which it is performed, is likely to be dangerous to the health, safety or morals of children."



Table 8.
Preventive actions taken by Drummond Ltd.

Content	Preventive actions taken by Drummond Ltd.
Discrimination [406-1]	<ul style="list-style-type: none"> - The Company has Human Resources, Selection and Recruitment, Wage, Community Relations and Human Rights policies²² and the Code of Conduct, which clearly state its rejection of all discrimination and also communicate the mechanisms for identifying possible deviations from those policies, and establish the protocols to be followed in the event that they occur. - Drummond Ltd. has different channels in its Community Attention System (SAC, in Spanish) that can be used to report situations of discrimination.²³ The following are currently available for stakeholders: Complaints Channel, Ethics Hotline, Citizen Services Portal and the Coexistence Committees at all locations, to respond to any case that may be filed by a stakeholder.
Child labor [408-1]	<ul style="list-style-type: none"> - 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 and, at the same time, the complaint channels are open to report any circumstances that could constitute a human rights violation, including child labor. - Drummond Ltd. has a Community Attention System,²⁴ through which stakeholders can report any case associated with child labor. - There are security checkpoints where access is limited for those people who do not have a citizenship identification card; this makes it possible to restrict access by minors to the operations. - Contractors are required, through the terms of their contracts, to prohibit any type of labor agreement with minors. - Preventive controls are implemented to identify cases of child labor; for example, there are random inspections of payments to social security and to contractors. Additional controls include audits, information sessions on Drummond Ltd.'s policies and specific clauses about this issue in contracts.
Forced labor [409-1]	<ul style="list-style-type: none"> - 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 ILO Conventions 29, 138 and 182, ratified by Colombia through Law 23 of 1967, Law 515 of 1999 and Law 704 of 2001, respectively, which, therefore, are part of constitutional body of law. - Also, as in the case of the risk of discrimination and child labor, the reporting channels are open to report any circumstances that could constitute a human rights violation, including forced labor. - Additionally, Drummond Ltd. conducts audits of its contractors that verify different aspects that control the risk of forced labor, including compliance with: <ul style="list-style-type: none"> • Recruitment processes • Compensation policies • Working hours and shift rotations • Social security contributions

22. <https://www.drummondLtd.com/quienes-somos/politicas-y-compromiso/>

23. <https://www.drummondLtd.com/contactenos/>

24. <https://www.drummondLtd.com/contactenos/>



[GRI 410-1]

Human rights in security management

Drummond Ltd.'s Physical Security Department has a training program that covers 100% of the security staff, employed directly and by third parties, who have received training on the organization's policies and on specific procedures related to human rights and their application to security.

These training sessions were carried out to cover all members of the department. The topics addressed were:

Figure 2.
Topics of communications in 2021 related to human rights



THE THREE COMPANIES THAT PROVIDE SURVEILLANCE AND PRIVATE SECURITY SERVICES ARE FULLY ALIGNED WITH DRUMMOND LTD.'S HUMAN RIGHTS POLICY.

Drummond Ltd. understands that security, both public and private, can and should be provided with respect for human rights, so the associated risks are analyzed by choosing the best measures for managing them, also systematically monitoring their execution and making adjustments when necessary.



[GRI 412-2] Employee training on human rights policies and procedures

Below are the figures from the training sessions related to promoting human rights that the Company held during 2021:

Table 9.
Training sessions on issues related to human rights

Topic	2017	2018	2019	2020	2021
Total hours of employee training on policies, procedures and aspects related to human rights relevant to the operations.	8,190	74	0	2,006	548
Total hours of training for security personnel on policies and procedures related to human rights relevant to the operations.	55	219	419	352	421
Employees trained on policies and procedures related to human rights HH.	4,095	357	0	1,237	334
Percentage of employees trained on policies, procedures and aspects related to human rights that are relevant to the Company.	81 %	6.91 %	0 %	24.5 %	6.6 %
Percentage of security personnel trained on policies and procedures related to human rights that are relevant to the Company.	100 %	100 %	100 %	100 %	100 %



[GRI 412-3]

Significant investment agreements and contracts with human rights clauses or subject to human rights assessments

Drummond Ltd. manages, from the Company's Contracts Department, the provision of goods and services that are essential for the operation; generally, significant investment agreements are worth more than US \$563,115,815 per year. As of December 2021, there were 147 significant investment contracts and agreements signed by the Company, equivalent to 89.09 % of all contracts, which include clauses on human rights or have been subject to evaluation on this topic.

THIS FIGURE HAS INCREASED BY 21, EQUIVALENT TO 16.67 PERCENTAGE POINTS, AS COMPARED TO 2020.

The measures for promoting and disseminating information on human rights to stakeholders, especially to contractors and suppliers, include:

- The appendix of Terms and Conditions attached to the commercial bids accepted by Drummond Ltd. include the parties' commitments to understand fundamental human rights and to provide their services in strict compliance with them.
- Dialogue sessions regarding the human rights strategy in order to increase commitment to the policy, communicate the risks and management measures and receive feedback.
- The Contractors Manual established that contractors must respect all rules regarding human rights.

MILESTONES

- ▶ Progress was made in the implementation of the third version of Drummond Ltd.'s human rights strategy, which was created based on the complete review that took place in 2020. As of the December 2021 cutoff date, i.e., the 11th progress review since 2016, the following results had been achieved:
 - Information was collected on the progress made for 92 of the 93 management measures (98.9 %) within thirty (30) days following the cutoff date.
 - Only two of the 93 management measures showed no significant progress to date.
 - Most of the management measures are successive. Nonetheless, five of the 93 management measures are 100% complete.
- ▶ Systematic monitoring and adjustments began on the third version of Drummond Ltd.'s human rights strategy.
- ▶ The third human rights dialogue with communities and the authorities was held in the cities of Valledupar and Santa Marta.
- ▶ The seventh human rights dialogue with contractors and suppliers was also held.
- ▶ Training sessions were held for contractors to reinforce their understanding of Drummond Ltd.'s human rights policies.
- ▶ All new contractors signed clauses related to respect for human rights.
- ▶ Contractor evaluations began, taking into account the inclusion of aspects related to human rights.
- ▶ Since 2020, and as a result of the challenges presented by COVID-19, inspection, verification and control processes for employees, contractors and visitors have been carried out that have put its progress and respect for human rights to the test, identifying new alternatives and defining the adoption of preventive measures to prevent illegal acts from occurring, now and in the future.
- ▶ For Physical Security personnel, information analysis and knowledge management were strengthened, expanding coverage of technological tools and promoting best practices in terms of security conditions, effectively mitigating risks and increasing employees' and contractors' commitment to respecting human rights.
- ▶ In terms of due diligence in human rights, during 2021 risks associated with money laundering and terrorist financing were identified to prevent legal, reputational and operational risks to the Company.
- ▶ As part of the risk management process in terms of human rights, the Company trained its private security provider on: legitimate defense, rules on use of force, due diligence and the annual human rights assessment.
- ▶ Management indicators were applied in the Physical Security Department to monitor the private security contractors' performance throughout the Company.

CHALLENGES

- ▶ Carry out systematic dialogue sessions on managing human rights risks with each group of stakeholders: communities, authorities, suppliers and contractors.
- ▶ Carry out systematic dialogue sessions on managing human rights risks with employees and unions systematic.
- ▶ Continue to evaluate contractors, taking into account the new parameters included on human rights topics.



2. Talent Management

Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its human resource management, it contributes to:



CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS





For employees, our company represents opportunities, wellbeing and commitment. Being part of Drummond Ltd. means quality of life for us and our families, it is knowing that we have educational, health and financial benefits that allow us to grow personally and professionally.”

SHEYLA JOHANNA RODRIGUEZ PEÑA
Truck production supervisor

TARGETS

Target 4.4: Substantially increase the number of youth and adults who have relevant skills, particularly technical and professional skills, for employment, decent jobs and entrepreneurship.

Target 8.5: Achieve full and productive employment and decent work for all men and women, including youth and people with disabilities, as well as equal pay for work of equal value.

Target 8.6: Reduce the proportion of young people who are not in employment, education or training in the communities in the area of influence.

Target 8.8: Protect labor rights and promote decent working environments, with growth opportunities, that are safe and secure for all workers.



THE COMPANY'S HUMAN RESOURCES DEPARTMENT MANAGES THE WORKFORCE **THROUGH THREE MAIN AREAS OF FOCUS THAT MEET THE GUIDELINES ESTABLISHED IN ITS POLICIES:**

1.

RECRUITMENT AND HIRING

To hire the right personnel, with high professional and ethical standards, who can rise to the organizational challenges and adapt to the dynamic of the employment relationship.

2.

COMPENSATION AND BENEFITS

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

3.

LABOR RELATIONS

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





[GRI 405-1]

Diversity of governance bodies and employees

During 2021, the Company had **5,053 direct employees** in its administrative, mining and port operations:

Graph 10.
Classification of employees by age and job level

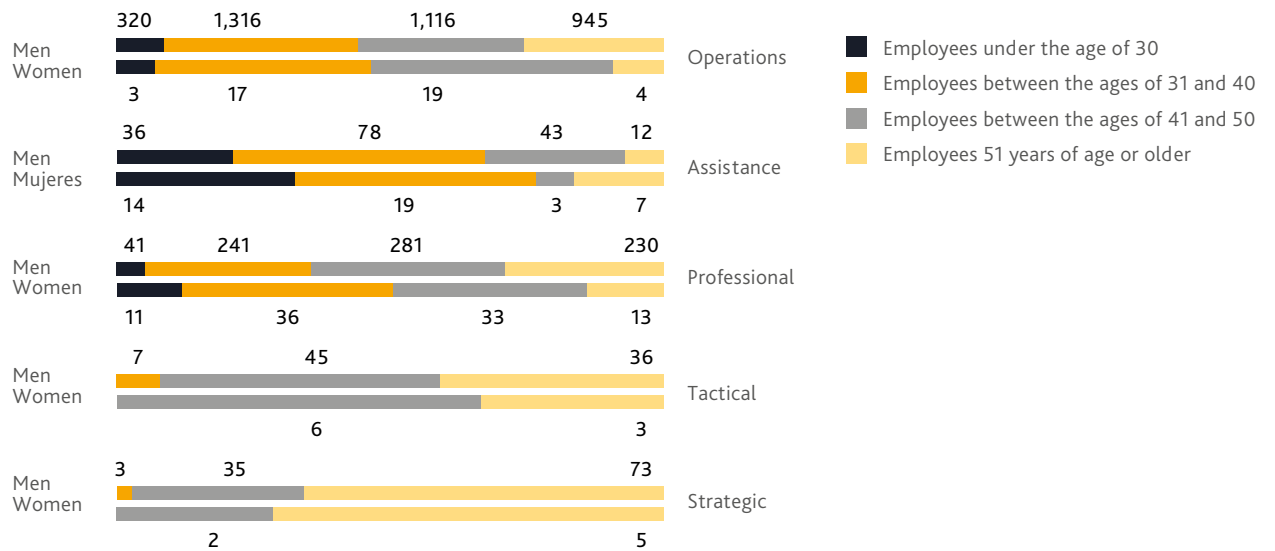


Table 10.
Classification of employees by age and job level

	Operations		Assistance		Professional		Tactical		Strategic		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Employees under the age of 30	320	3	36	14	41	11	0	0	0	0	397	28
Employees between the ages of 31 and 40	1,316	17	78	19	241	36	7	0	3	0	1,645	72
Employees between the ages of 41 and 50	1,116	19	43	3	281	33	45	6	35	2	1,520	63
Employees 51 years of age or older	945	4	12	7	230	13	36	3	73	5	1,296	32
Total employees in 2021	3,697	43	169	43	793	93	88	9	111	7	4,858	195



Graph 11.
Employees by age, gender and center of operation

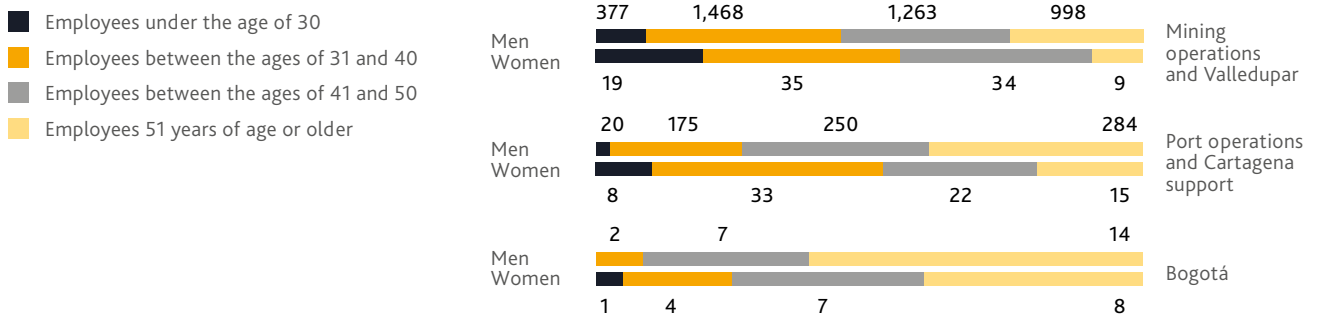


Table 11.
Employees by age, gender and center of operation

	Mining operations and Valledupar		Port operations and Cartagena support		Bogotá		TOTAL	
	Men	Women	Men	Women	Men	Women	Men	Women
Employees under the age of 30	377	19	20	8	0	1	397	28
Employees between the ages of 31 and 40	1,468	35	175	33	2	4	1,645	72
Employees between the ages of 41 and 50	1,263	34	250	22	7	7	1,520	63
Employees 51 years of age or older	998	9	284	15	14	8	1,296	32
Total employees by age	4,106	97	729	78	23	20	4,858	195



Graph 12.
Employees by region, gender and center of operation

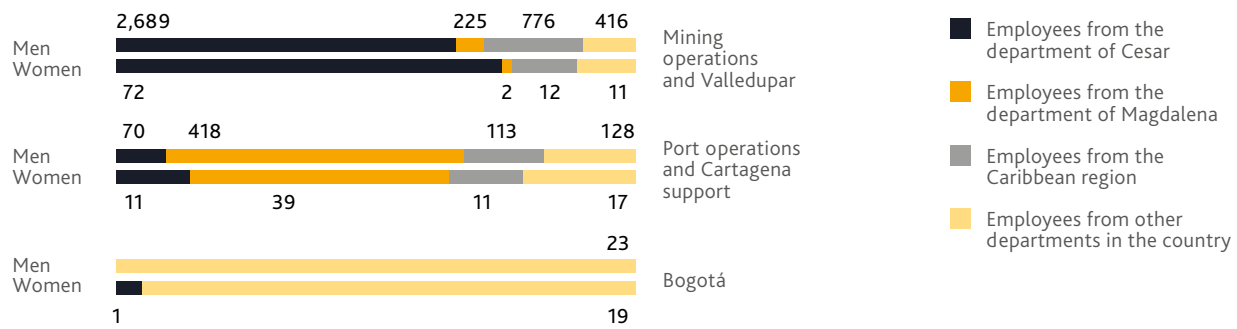


Table 12.
Employees by region, gender and center of operation

	Mining operations and Valledupar		Port operations and Cartagena support		Bogotá		TOTAL	
	Men	Women	Men	Women	Men	Women	Men	Women
Employees from the department of Cesar	2,689	72	70	11	0	1	2,759	84
Employees from the department of Magdalena	225	2	418	39	0	0	643	41
Employees from the Caribbean region	776	12	113	11	0	0	889	23
Employees from other departments in the country	416	11	128	17	23	19	567	47
Total employees by region	4,106	97	729	78	23	20	4,858	195



[GRI 401-1]

New employee hires and staff turnover

Drummond Ltd. operates from different regions of the country, so its employees come from a variety of backgrounds, which enriches the Company's departments through diversity and contributes to the inclusion and well-being of all.



Graph 13.
New hires by age, gender and center of operation

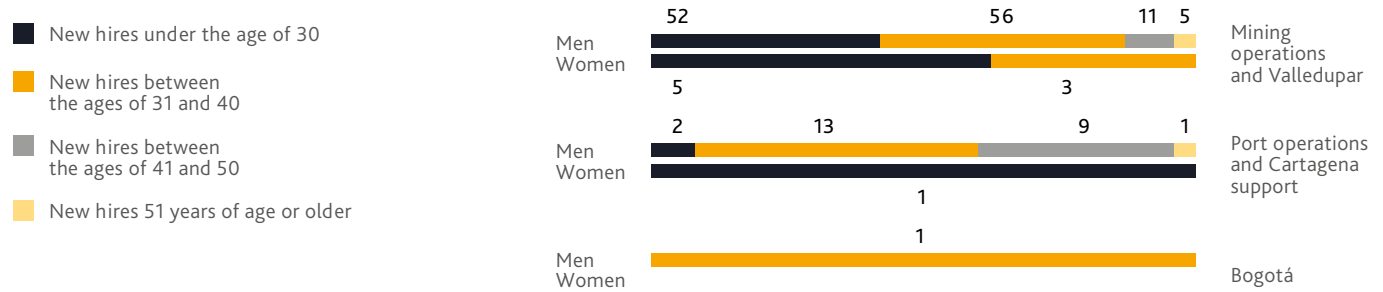


Table 13.
New hires by age, gender and center of operation

	Mining operations and Valledupar		Port operations and Cartagena support		Bogotá		TOTAL	
	Men	Women	Men	Women	Men	Women	Men	Women
New hires under the age of 30	52	5	2	1	0	0	54	6
New hires between the ages of 31 and 40	56	3	13	0	1	0	70	3
New hires between the ages of 41 and 50	11	0	9	0	0	0	20	0
New hires 51 years of age or older	5	0	1	0	0	0	6	0
Total new hires by age	124	8	25	1	1	0	150	9



Graph 14.
New hires by region, gender and center of operation

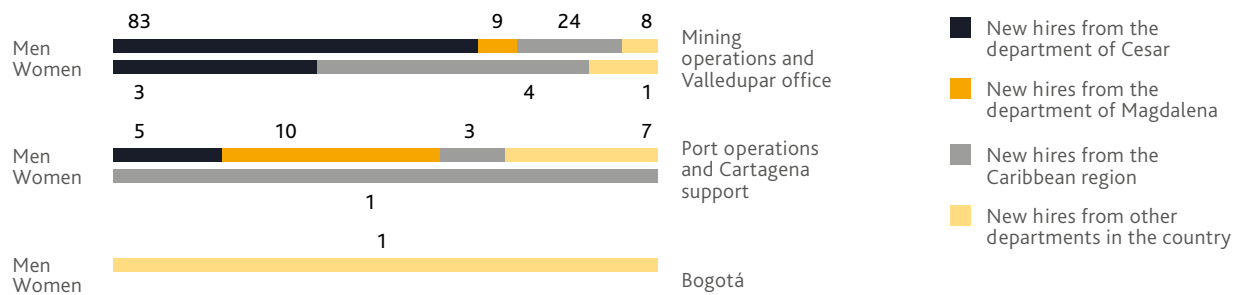


Table 14.
New hires by region, gender and center of operation

	Mining operations and Valledupar office		Port operations and Cartagena support		Bogotá		TOTAL	
	Men	Women	Men	Women	Men	Women	Men	Women
New hires from the department of Cesar	83	3	5	0	0	0	88	3
New hires from the department of Magdalena	9	0	10	0	0	0	19	0
New hires from the Caribbean region	24	4	3	1	0	0	27	5
New hires from other departments in the country	8	1	7	0	1	0	16	1
Total new hires by region	124	8	25	1	1	0	150	9



E S G



Graph 15.
Employee separations by age, gender and center of operation

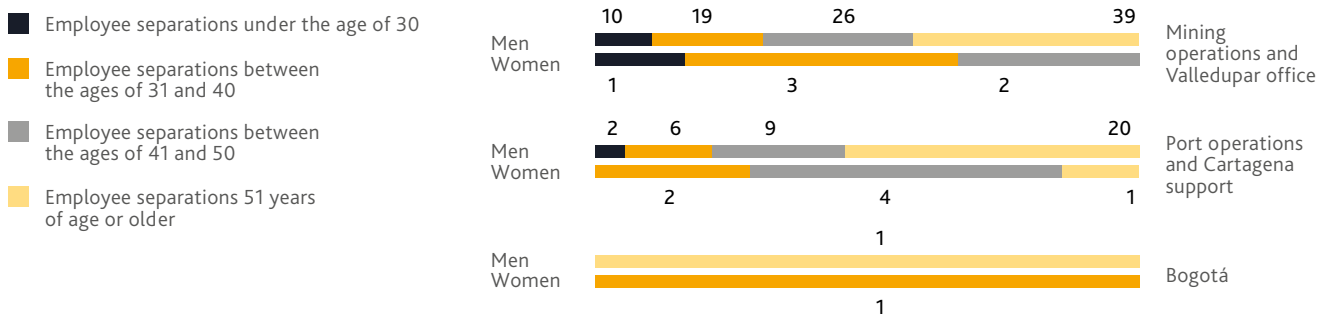


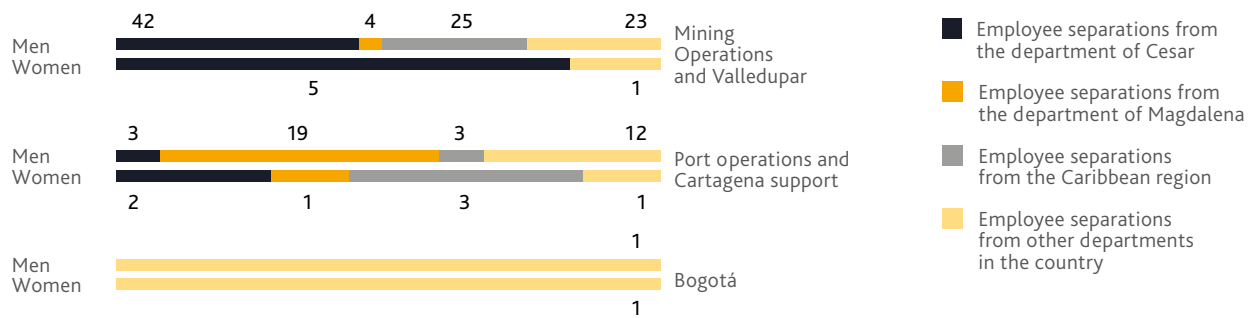
Table 15.
Employee separations by age, gender and center of operation

	Mining operations and Valledupar office		Port operations and Cartagena support		Bogotá		TOTAL	
	Men	Women	Men	Women	Men	Women	Men	Women
Employee separations under the age of 30	10	1	2	0	0	0	12	1
Employee separations between the ages of 31 and 40	19	3	6	2	0	1	25	6
Employee separations between the ages of 41 and 50	26	2	9	4	0	0	35	6
Employee separations 51 years of age or older	39	0	20	1	1	0	60	1
Total employee separations by age	94	6	37	7	1	1	132	14

Table 16.
Employee separations by region, gender and center of operation

	Mining Operations and Valledupar		Port operations and Cartagena support		Bogotá		TOTAL	
	Men	Women	Men	Women	Men	Women	Men	Women
Employee separations from the department of Cesar	42	5	3	2	0	0	45	7
Employee separations from the department of Magdalena	4	0	19	1	0	0	23	1
Employee separations from the Caribbean region	25	0	3	3	0	0	28	3
Employee separations from other departments in the country	23	1	12	1	1	1	36	3
Total employee separations by region	94	6	37	7	1	1	132	14

Graph 16.
Employee separations by region, gender and center of operation





[GRI 401-2] Benefits provided to full-time employees that are not provided to temporary or part-time employees

For Drummond Ltd., it is critical to be an attractive employer, which is why it provides its human talent with a compensation scheme and additional benefits that cover direct employees and, in some cases, their families. The mining and port operations, understood as the Company's significant places of operation, account for 98.99 % of this population. The main benefits that it offers include:



College scholarships for employees



Hospitalization and surgery policy



School and college assistance for children of employees



Life insurance



Voluntary savings fund



Transportation assistance



Extra-legal bonuses



Revolving housing fund



Relocation assistance



Equipment



Personnel transportation



Meals





[GRI 401-3] Parental leave

Drummond Ltd. is aware of the needs of its employees in terms of their family life. For this reason, it promotes and participates in its employees' parental responsibilities:

Table 17.
Return to Work in 2021

[GRI 401-3] Return to work and retention rates of employees that took parental leave, by gender

	Units	2021		2020		2019	
		Women	Men	Women	Men	Women	Men
a. Number of employees due to return to work after their parental leave ended during the reporting period ²⁵	Number	8 ^[26]	309 ^[26]	273	10	332	10
b. Number of employees who returned to work after their parental leave ended during the reporting period	Number	8	309	273	10	332	10
c. Return to work rate	Percentage	100 %	100 %	100 %	100 %	100 %	100 %
d. Number of employees who returned to work after their parental leave ended in the year before the reporting period	Number	10	273	332	10	298	7
e. Number of employees who continue to work for the Company 12 months after their return to work after parental leave	Number	8	267	332	10	296	7
f. Retention rate after parental leave	Percentage	80%	98 %	100 %	100 %	99 %	100 %

25. This information includes a. The total number of employees who were entitled to parental leave, and b. The total number of employees who have taken parental leave, by gender; defined in indicator GRI 401-3.

26. 100 % of Drummond Ltd. employees who were entitled to parental leave during the reporting period took advantage of this benefit.



[GRI 404-1]

Average hours of training per year per employee

[GRI 404-2]

Programs for upgrading employee skills and transition assistance programs

So that its strategy brings together all of its operations' processes, Drummond Ltd. works to create synergies between its departments. For this reason, the Training, Industrial Safety, Occupational Health, Human Resources and Environmental departments work together, based on the following overarching philosophy:



1.

Provide training on knowledge and skills that have an impact on our Company.

2.

Use an approach that balances the development of technical capabilities with human-related matters, which are useful in areas outside the Company and working life and, therefore, can be used after people leave.

3.

Develop a multi-skilled workforce.

4.

Strengthen safety and productivity by executing work procedures.

5.

Provide high-quality training by identifying needs and selecting qualified instructors.



Table 18.
Trainings in 2021

	Units	Level 1 (Operations)	Level 2 (Assistance)	Level 3 (Professional)	Level 4 (Tactical)	Level 5 (Strategic)
Average number of hours of training given to men	Number	97,707	2,754	16,945	1,967	1,262
Average number of hours of training given to women	Number	1,306	756	1,886	118	83
Total hours of training	Number	99,014	3,510	18,832	2,085	1,345
Total number of male employees	Number	3,697	169	793	88	111
Total number of female employees	Number	43	43	93	9	7
Total employees	Number	3,740	212	886	97	118

Table 19.
Average hours of training in 2021

	Level 1 (Operations)	Level 2 (Assistance)	Level 3 (Professional)	Level 4 (Tactical)	Level 5 (Strategic)
Average number of hours of training received by men in 2021, by employee category	26.43	16.30	21.37	22.36	11.37
Average number of hours of training received by women in 2021, by employee category	30.38	17.57	20.28	13.06	11.86
Average total hours of training received by employees in 2021, by employee category	26.47	16.56	21.25	21.49	11.40

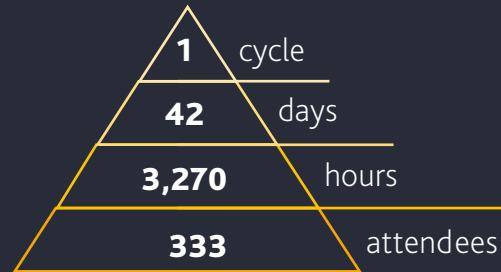


Regular training cycles

During 2021, due to the global health emergency, the number of training sessions was affected because in-person and overseas trainings were suspended.

AT THE MINING OPERATIONS, THE REGULAR TRAINING PROGRAM WAS NOT CONDUCTED, AND AT THE PORT OPERATIONS ONE TRAINING CYCLE WAS COMPLETED, **DURING WHICH TOPICS RELATED TO INDUSTRIAL SAFETY, ENVIRONMENTAL MANAGEMENT, OCCUPATIONAL HEALTH AND PHYSICAL SAFETY WERE DISCUSSED.**

Illustration 2.
Regular training cycles in 2021 – Port operations



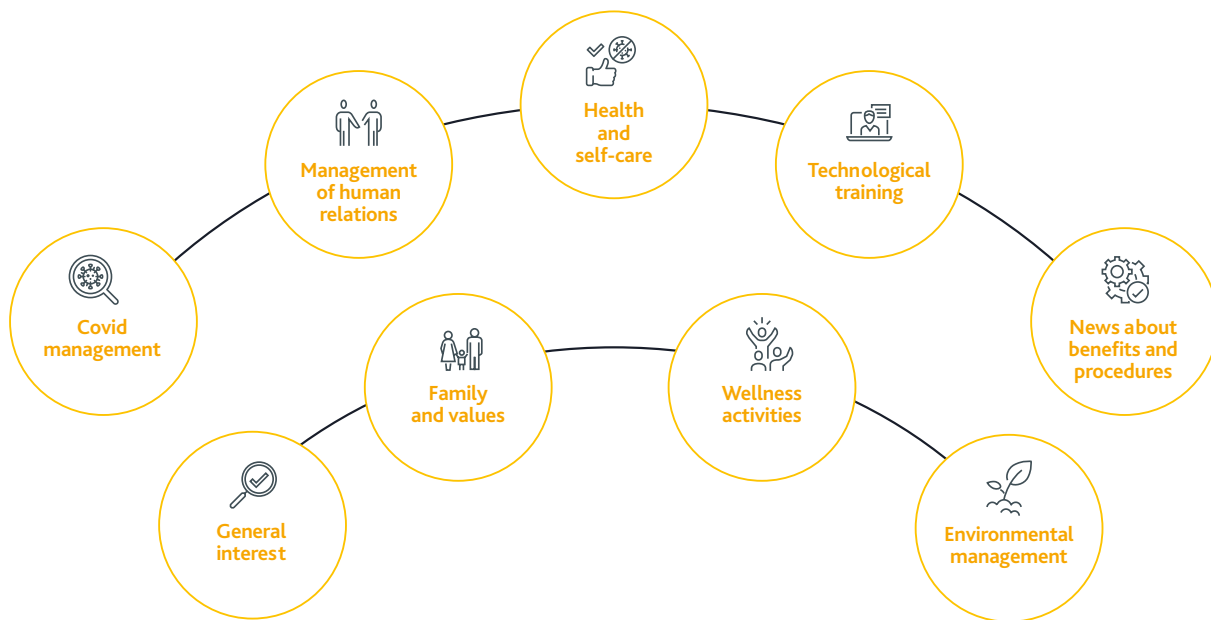
REGULAR TRAINING CYCLE PORT OPERATIONS			
COMPETENCIES DEVELOPED	CONTENT	CYCLE 1	Total hours
Industrial safety	What is the key to acting safely? Safe thinking and behavior.	1,608	1,608
Environmental	Environmental management system	672	672
Occupational health	Mental health in the time of COVID-19	672	672
Physical safety	PBIP, BASC management systems	318	318
	HOURS		3,270
	ATTENDEES		333
	DAYS		42



During 2021, virtual training sessions continued throughout the Company, giving priority to training processes to strengthen employees' skills, knowledge and abilities related to managing occupational health and safety, environmental management, technical and operational management, without forgetting person-focused training.

IN TOTAL, 7,665 HOURS OF TRAINING WERE PROVIDED TO 1,004 EMPLOYEES UNDER THE VIRTUAL MODALITY.

Illustration 3.
Topics covered under the virtual training modality



Drummond Tech Training Center

In the mining operations, in order to strengthen the training system, a strategy was prepared and reinforced in 2021 to establish the **Drummond Tech Training Center**, which will begin training employees in 2022. This training space will replace regular training and its main objective is to strengthen employee motivation, skills and performance through specialized training, with interactive and innovative learning methods and techniques.

The **Drummond Tech Training Center** seeks to strengthen knowledge in specific employee roles or profiles, grouping them into three training areas: Operations, Maintenance and Administration. Each of these areas has a study plan tailored to the tasks, functions and processes carried out in the Company.

Support for employee education

The professional growth of its work force is extremely important for Drummond Ltd. For this reason, the Company encourages academic training among its employees through partnerships with universities, providing scholarships for workers who are pursuing undergraduate, postgraduate and/or master's degrees; during 2021, 117 employees benefitted from this scholarship program.



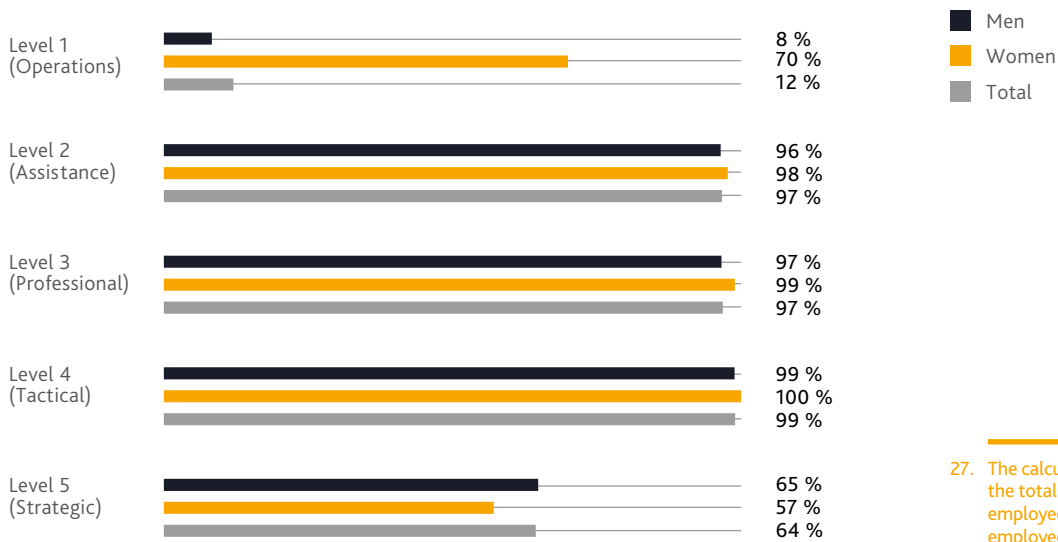
[GRI 404-3]

Percentage of employees receiving regular performance and career development reviews

Measuring employee performance makes it possible to monitor opportunities for improvement and recognize outstanding talent. Drummond Ltd. evaluates its employees annually, using the 90° methodology.

This consists of setting goals by the employee and their supervisor, which must be measurable and traceable throughout the year, to carry out a performance evaluation at the end of the period that identifies the achievements made and establish improvement plans for the next year.

Graph 17.
Percentage of workers who received performance evaluations



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

Table 20.
Percentage of workers who received performance evaluations²⁷

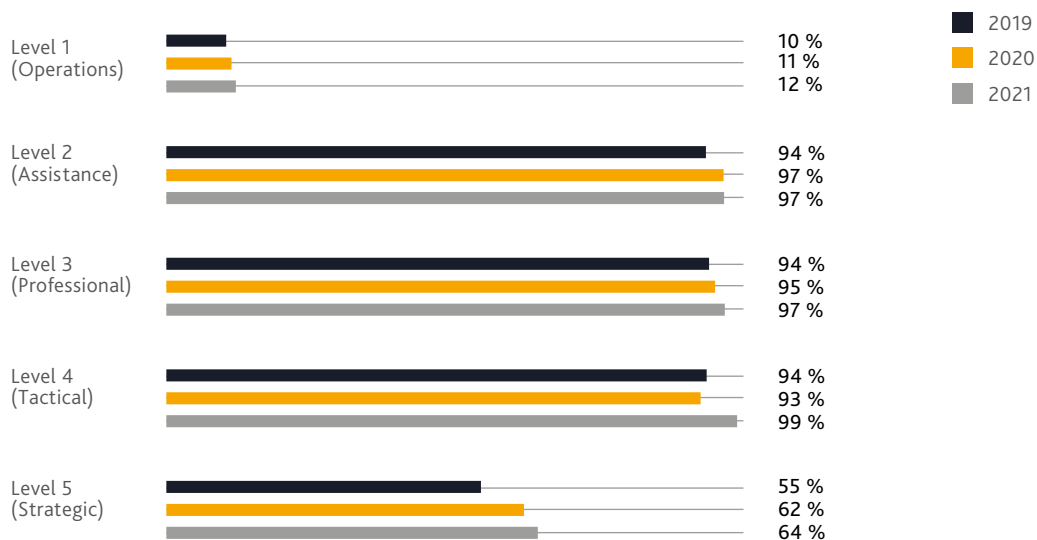
	Level 1 (Operations)	Level 2 (Assistance)	Level 3 (Professional)	Level 4 (Tactical)	Level 5 (Strategic)
Men	8 %	96 %	97 %	99 %	65 %
Women	70 %	98 %	99 %	100 %	57 %
Total	12 %	97 %	97 %	99 %	64 %



Table 21.
Percentage of workers who received performance evaluations, by job level (2019-2021)

	Level 1 (Operations)	Level 2 (Assistance)	Level 3 (Professional)	Level 4 (Tactical)	Level 5 (Strategic)
2019	10 %	94 %	94 %	94 %	55 %
2020	11 %	97 %	95 %	93 %	62 %
2021	12 %	97 %	97 %	99 %	64 %

Graph 18.
Percentage of workers who received performance evaluations, by job level (2019-2021)





[GRI 405-2]

Ratio of basic salary and remuneration of women to men

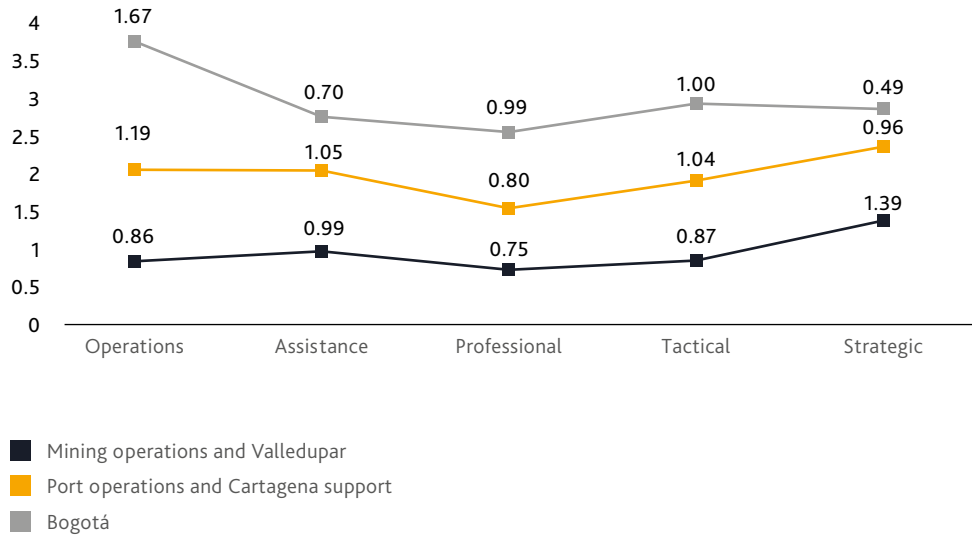
Drummond Ltd. promotes equity among its employees. This is evident in its policies, which indicate that the salary distribution uses objective criteria to set adequate compensation for each role, in order to avoid any wage gaps.

Table 22.
Salary ratio by position (men/women)

	Mining operations and Valledupar	Port operations and Cartagena support	Bogotá
Operations	0.86	1.19	1.67
Assistance	0.99	1.05	0.70
Professional	0.75	0.80	0.99
Tactical	0.87	1.04	1.00
Strategic	1.39	0.96	0.49



Graph 19.
Salary ratio by position (men/women)



MILESTONES

- ▶ Drummond Ltd. migrated to the Peoplesoft tool to manage performance reviews, increasing the number of employees receiving these evaluations and minimizing response time in the preparation of the evaluations.



3. Workplace health and safety

Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its workplace health and safety management, it contributes to:



CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS



TARGET

Target 8.8: Protect labor rights and promote decent working environments, with growth opportunities, that are safe and secure for all workers.



Drummond Ltd. has been working hard on transforming its OHS culture with its stakeholders to achieve sustained success in its operations, managing its risks. As a result, it was recognized with an honorable mention at the "Honoris CCS" awards, the highest distinction for occupational health and safety and environmental protection performance. I highlight its responsibility in choosing RUC as its model for contractor management to ensure safer work practices. Drummond means dedication, care for others and commitment."

ADRIANA SOLANO LUQUE

CEO
Colombian Security Council

[GRI 403-1]

Occupational Health and Safety Management System²⁸

Drummond Ltd. has implemented an Occupational Health and Safety (OHS) System that meets the guidelines of the ISO 45001:2018 standard and has a certification that covers the Pribbenow, El Descanso and El Corozo mines, and the receipt, handling and loading of coal at the Drummond port. This means it covers 100% of employees and workers, seeking to promote proactive actions to prevent risks associated with occupational accidents and diseases.

28. Drummond Ltd. has an Occupational Health and Safety System (OSH) in accordance with Colombian legislation. Additionally, it is certified under the ISO 45001: 2018 standard; however, it is not regulatory in scope.

[GRI 403-2]

Identification of hazards, assessment of risks and investigation of incidents

To identify hazards within the company, there are multiple sources, which include the following:



The identification of all processes carried out in the operations and the related hazards.



Change management: any change that occurs in terms of technology, tools and administrative decisions to change personnel, either temporary or permanent.



Employee communication, participation, concerns and suggestions through the various meetings and spaces provided by the Company makes it possible to identify hazards.



Identification of risks or safe work analysis (SWA) that each worker performs before starting their work.



Through the final analysis report on the causes of events, it is possible to identify hazards that had not previously been identified, included in the hazard matrices.



After identifying the hazards, their risks and respective controls are evaluated, which seek to reduce the likelihood that damage associated with accidents or diseases will be caused:

Level one

Identify whether the risk can be eliminated.

Level two

Verify if it can be replaced with another risk with much a lower impact or severity.

Level three

Implement engineering controls (hard barriers).

Level four

Implement administrative controls, such as procedures, signage, training, etc.

Level five

Implement protection measures; at this point, the use of Personal Protective Equipment (PPE) is no longer a matter of prevention, but rather of protection.



When defining the operational controls, Drummond Ltd. carries out operations planning, which consists of establishing a monitoring plan for all controls. The frequency of the monitoring depends directly on the priority of the risk.

Finally, after the risk is evaluated, implementation of the controls is verified along with their effectiveness in preventing accidents and diseases, which makes it possible to establish other preventive measures in addition to the controls or strengthen the existing ones.

Employees or contractors have the autonomy and authority to report any hazards and, in that case, stop any unsafe activity, work, action or condition that they may identify, reporting it immediately.

To prevent the recurrence of all accidents and labor incidents, Drummond Ltd. uses the following process:

1.

Report

When a worker reports an accident or incident, if it is a personal injury, they are transferred to the health center, which is open 24/7 with doctors, paramedics and all the tools necessary for their care. If the worker needs to be transferred to the nearest hospital, the Company has the resources to use an ambulance to do so.

2.

Evidence collection process

Through a procedure established and developed with personnel trained as investigators, the Company seeks and gathers evidence related to people, the work method, working conditions, machinery and tools, to later process them. Using a methodology that makes it possible to identify and analyze the root causes, the Company establishes which of these caused the accident and later defines the corrective actions, and thus prevent its reoccurrence.



[GRI 403-3]

Occupational health services

In order to prevent accidents and occupational diseases, Drummond Ltd. identifies the

high-priority risks in all stages of the process, and based on this it implements operational controls, such as: elimination, replacement, engineering controls, signage, warnings, administrative controls and personal protective equipment. This is in accordance with its Occupational Health and Safety (OHS) System, certified under the ISO 45001:2018 international standard, which allows it to perform activities that are safe for all employees.

In addition to these controls, the Company has an emergency preparedness and response plan, led by trained brigades in each of the areas, and it has strategies to respond effectively to any emergency that may arise at its locations.



[GRI 403-4]

Worker participation, questions and communication on occupational health and safety

Drummond Ltd. employees are part of 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



Safety governance structure (central safety committees)



Regular 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)

COPASST is the mechanism that ensures that employees are represented and protected. Through its establishment, Drummond Ltd. complies with Colombian regulations. This committee has representatives from different areas and levels of the company, and its objective is to ensure management of the safety and health of all work groups through actions to monitor compliance with the rules, standards and procedures established in the Occupational Health and Safety Management Systems.

Drummond Ltd.'s senior management supports COPASST by holding regular meetings with the committee, at which feedback is provided on the different occupational health and safety actions taken at the Company, including:



Investigations of workplace incidents



Site walks and safety inspections



Promotion of training activities and communication of health and safety policies and guidelines

In addition to COPASST, the Strategic Health and Safety Committee is another group made up of members of the Company's senior management that guides and directs the development of policies and standards that make it possible to strengthen and improve the proactive health and safety culture.



[GRI 403-5]

Worker training on occupational health and safety

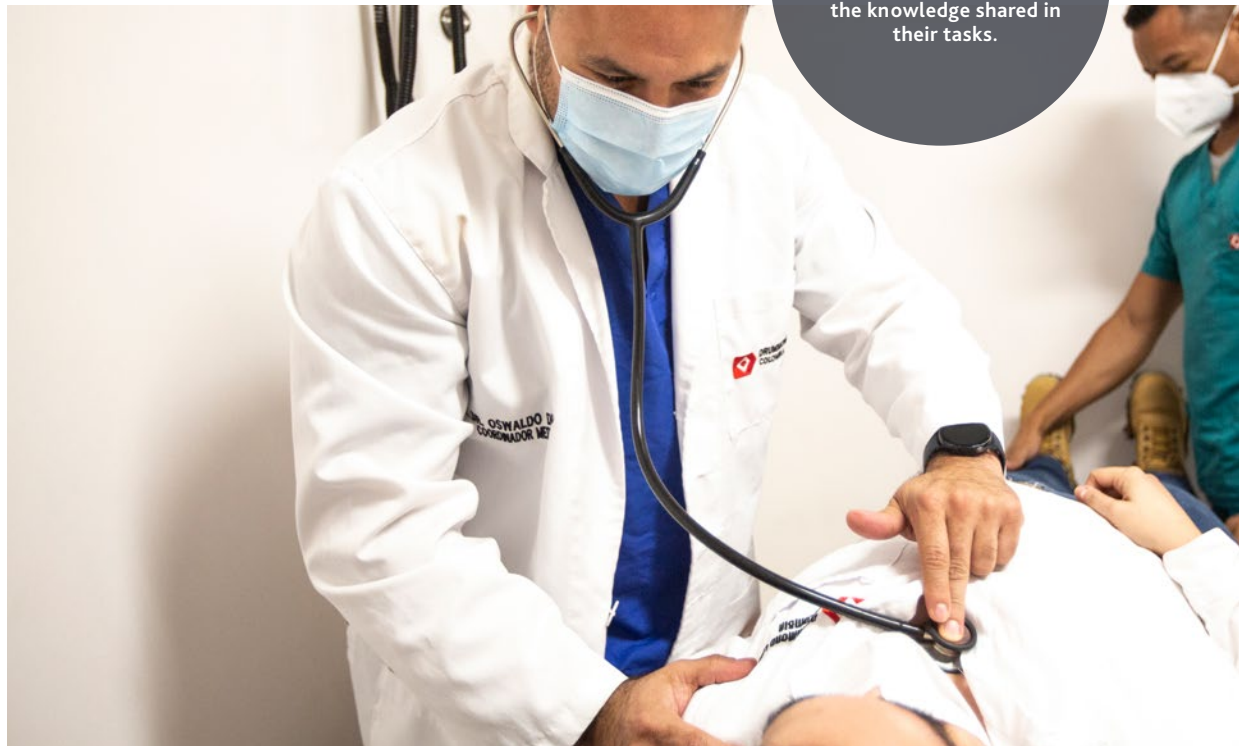
With the declaration of the COVID-19 health emergency, the Company was forced to suspend the activities that had traditionally been established for training sessions. Nonetheless, some of them continued with adaptations to biosecurity protocols, and in a few cases virtual media was used to fulfill the plans for worker training, based on analysis of the processes, goals and objectives that the Company seeks to achieve.

Drummond Ltd. has coordinated its employee training processes on occupational health and safety topics around the needs that currently exist within the company on these matters, strengthening its employees' skills and abilities through free training sessions that take place during working hours, and are adapted to the Company's work environment.

During 2021, the training program was adapted to provide continuity on topics related to: biosafety protocols, risk perception, hazard identification, working safely at heights, ergonomics, prevention of psychosocial risk, addiction prevention, how to handle chemicals, remote work, and others, which provide employees with tools for growth that promote a better quality of life and prevent accidents and occupational diseases.

The company evaluates the effectiveness of the training sessions through an assessment of the inclusion of the lessons learned into the employees' work. This evaluation is carried out by area supervisors, together with the Occupational Health and Safety Department.

The Company evaluates the effectiveness of its training sessions by checking employee integration of the knowledge shared in their tasks.





[GRI 403-8]

Workers covered by an occupational health and safety management system

100% of the Company's workers are covered by the OSH-MS, which includes the mining operations, the transportation department, the centers of operation in Bogotá, Valledupar and Cartagena, as explained below:

	Numbers	Percentage (%)
Direct employees that are covered by the OHS system.	5,070	100
Workers who are not employees but whose work or workplace is controlled by the Company and who are covered by the OHS system.	5,916	100
Employees that are covered by the OHS system that has been audited internally .	5,070	100
Workers who are not employees but whose work or workplace is controlled by the Company and who are covered by the OHS system that has been audited internally .	5,916	100
Employees that are covered by the OHS system that has been audited or certified by a third party .	5,070	100
Workers who are not employees but whose work or workplace is controlled by the Company and who are covered by the OHS system that has been audited or certified by a third party .	5,916	100



Direct employees include Drummond Ltd. workers and those hired on a temporary basis.



Workers who are not employees are Drummond Ltd. contractors.

The methodology implemented to conduct internal audits at Drummond Ltd. is based on the ISO 19011 technical standard.



[GRI 403-9]

Injuries from work-related accidents

Drummond Ltd.'s record of injuries from work-related accidents is managed by the TRASA (*TR*aining-*SA*fety) system, which facilitates the storage of information. As a supplement to this tool, the information is documented, including reports and investigations into work-related accidents. At Drummond Ltd., the rates are calculated using the OSHA 1904.7 standard, as follows:

- **LTIR**
Lost Time Incident Rate • (No. of lost time incidents * 200,000) / No. man-hours worked
- **RIF**
Recordable Injury Frequency • (No. of recordable injuries * 200,000) / No. man-hours worked
- **FI**
Fatality Index • (No. of fatalities * 200,000) / No. man-hours worked

Applying the OSHA 1904.7 standard, Drummond Ltd. presents the following results of its OSH management for employees and contractors:

29. (*) OSHA 1904.7 - General recording criteria.
30. (*) OSHA 1904.7 - General recording criteria.



Employees

Year	Man-hours worked	Fatality	Lost time incident	Incident with medical treatment	Total recordable injuries ²⁹	LTIR	RIF	FI
2021	15,253,560	0	8	8	16	0.10	0.21	0
2020	15,398,370	0	11	12	23	0.14	0.30	0
2019	15,538,133	0	8	13	21	0.10	0.27	0
2018	15,343,154	0	11	25	36	0.14	0.47	0

Contractors

Year	Man-hours worked	Fatality	Lost time incident	Incident with medical treatment	Total recordable injuries ³⁰	LTIR	RIF	FI
2021	15,227,856	0	15	6	21	0.20	0.28	0
2020	14,169,840	1	12	9	22	0.17	0.31	0.014
2019	16,086,247	0	19	19	38	0.24	0.47	0
2018	15,460,848	1	22	20	43	0.28	0.56	0.012



Drummond Ltd. identifies its hazards with respect to injuries caused by work-related accidents mainly associated with muscle strains, bruises, wounds, sprains, insect bites, fractures, irritations, mental traumas, acoustic traumas and multiple traumas, categories as traffic, electrical, mechanical and geological accidents.

Below is a more detailed description of these controls for each type of hazard:

Measures taken to eliminate these hazards and minimize risks using a hierarchy of control

Transit	Electrical	Mechanical
<ul style="list-style-type: none"> • Installation of seat belts for each seat in equipment/vehicles • Backup alarms • Buggy Whip in light and midsized vehicles • Preventive maintenance program • Pre-operational inspection • Strategic Road Safety Plan • Safe driving policy • Random drug and alcohol testing by shift 	<ul style="list-style-type: none"> • 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 system • Equipment grounding • Basic PPE: helmet / safety glasses / safety boots / gloves 	<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 • Preventive and corrective maintenance on equipment in the maintenance areas • Maintenance of tools and equipment • Risk checklist • Communication during simultaneous work on the same equipment or component • Procedures in high risk tasks • Operating Control Procedures (OCP)



Location

- 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
- Order and cleanliness
- Possibility of changing position and work rotation
- Basic PPE: helmet / safety glasses / safety boots / engineering-type gloves / inserted hearing protectors / N-95 masks.

Psychosocial

- Labor, wage, human resource management and well-being policies
- Work plans
- Other risks are controlled to reduce stress load

Ergonomic

- Use of shock absorbers and ergonomic seats for vehicles and equipment, ergonomic chairs for offices
- Breaks and pauses during the day
- Possibility of changing position
- Postural hygiene

Physical

- The equipment is enclosed and hermetically sealed
- The equipment has a pressurization system in the cabin, which makes it possible to isolate outside noise
- Reporting of unsafe conditions
- Preventive maintenance of equipment and vehicles
- Use of inserted hearing protectors, with double protection if the noise level increases.

FOR THE 2021 PERIOD, **THERE WERE NO OCCUPATIONAL ACCIDENTS WITH MAJOR CONSEQUENCES IN RELATION TO THE PRIORITY HAZARDS.**



The following are the hazards identified for mining and transportation operations:

MINE	Hazard	Observations
Safety	High risk tasks *	Transit
	Mechanical risk	Entrapment
Health	Chemical (dust, steam, fumes)	Biological (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 (COVID-19)
	Noise	Temperature
	Mental load	Chemical (steam and fumes)



[GRI 403-10]

Occupational diseases

Each year, Drummond Ltd. identifies the occupational diseases that have occurred at the Company. In 2021, they were classified as follows:

DRUMMOND LTD. EMPLOYEES

- Musculoskeletal or connective tissue diseases
- Diseases of the ear or mastoid process
- Mental, behavioral and neurodevelopmental disorders

CONTRACTORS

- Chronic lower back pain
- Discopathy
- Rotator cuff syndrome
- Shoulder and hand musculoskeletal disorders
- Other specified disorders of the lumbar intervertebral discs
- Hearing loss
- Lumbago with sciatica
- Carpal tunnel syndrome
- Epicondylitis
- Supraspinatus tendinopathy
- Tenosinovitis





MILESTONES

Below is a record of deaths caused by occupational disease and the cases recorded at the Company that involve occupational diseases occurring in employees and contractors in 2021:

Drummond Employees

	Men	Women	Total
Deaths resulting from an occupational disease	0	0	0
Cases of recordable occupational diseases	5	0	5

Contractors

	Men	Women	Total
Deaths resulting from an occupational disease	0	0	0
Cases of recordable occupational diseases	16	4	20

- ▶ Maintained certification of the OHS-MS under the ISO 45001:2018 standard.
- ▶ The Company achieved its goal of reducing its accident rate by 20 %, recording a total reduction of 26 % in events classified as major, as compared to 2020.
- ▶ The occupational Exposure Index (EI) to crystalline silica was kept below 0.5 (the level that requires action) with the use of personal protective equipment (PPE) in 2021.
- ▶ Sufficient and appropriate resources were maintained to respond to the health emergency, with the participation of the crisis committee, senior management, health personnel and members of the joint committees and the emergency brigades.



- ▶ The Company launched the new specialized application to manage observations made in the field, as a new module in the TRASA system.
- ▶ COVID-19 cases within the Company have been contained, taking into account the comparative indicators relative to the situation in the country and in the areas of influence.
- ▶ The goals and objectives of the COVID-19 management program have been fulfilled, as well as the applicable legal requirements.
- ▶ The programs related to managing the pandemic were adjusted appropriately (promotion and prevention, management of chemical risks, prevention of psychosocial risks and musculoskeletal injuries, occupational hygiene).
- ▶ The Company has kept functioning properly in spite of the impacts of the pandemic, and its productivity has been increased.

CHALLENGES

Industrial safety

- ▶ Zero fatalities at Drummond Ltd.'s operations
- ▶ Maintain OHS-MS certification under the ISO 45001:2018 standard
- ▶ Reduce the accident rate throughout Drummond Ltd.'s operations by 15%, especially in events classified as major, and the accident rate for contractors by 30%.
- ▶ Continue to improve the program to strengthen the safety culture at Drummond, making progress in the execution of different activities, through the improvement of strategies in the application of biosecurity and COVID-19 prevention measures.
- ▶ Continue to strengthen the program on Observations for Safe Behavior, through a new specialized app for managing safety observations.

Health

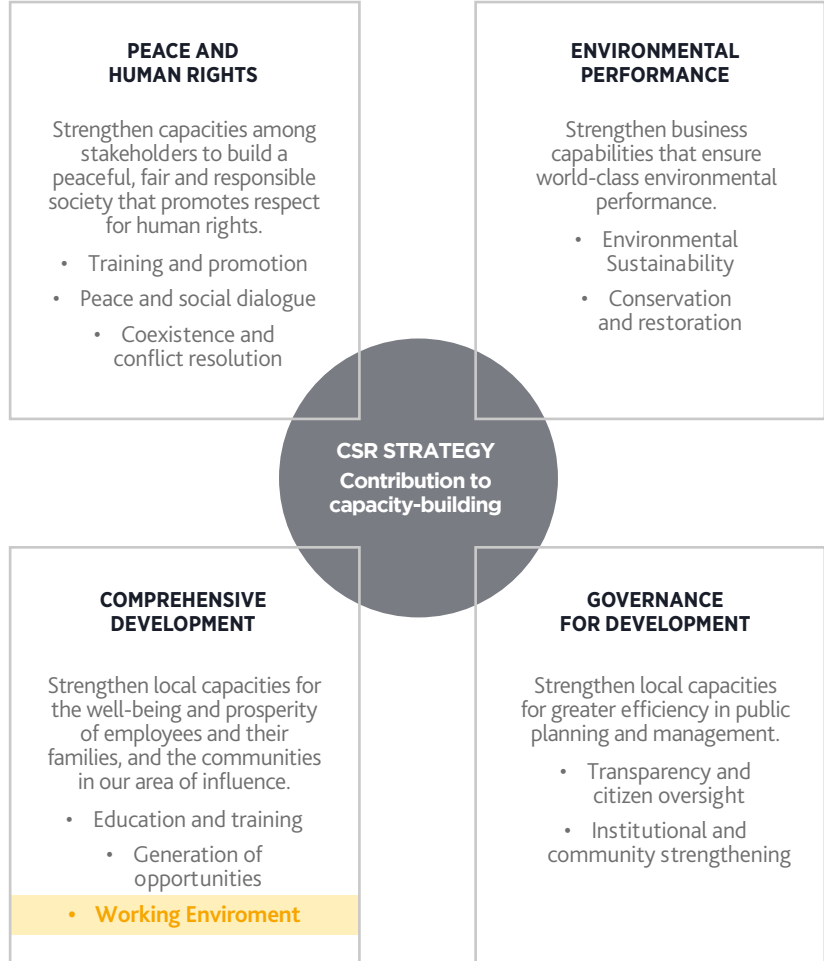
- ▶ Keep the occupational Exposure Index (EI) to crystalline silica below 0.5 (the level that requires action) with the use of personal protective equipment (PPE).
- ▶ Maintain and strengthen the COVID-19 Management Program and its 15 biosecurity protocols.
- ▶ Establish Occupational Health and Safety to respond to the pandemic of the new coronavirus that causes COVID-19 to maintain safe and health workplaces and comply with the applicable legal requirements.
- ▶ Cover 100 % of the at-risk population with prevention activities.
- ▶ Comply with the work plan established in the COVID-19 Management Program.





4. Relationship with Unions

Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its management of its relationships with unions, it contributes to:



CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS



TARGET

Target 8.8: Protect labor rights and promote decent working environments, with growth opportunities, that are safe and secure for all workers.



[GRI 407-1]

Operations and suppliers whose right to freedom of association and collective bargaining could be at risk³¹

STRENGTHENING RELATIONSHIPS WITH ALL UNION ACTORS REMAINS A CORNERSTONE FOR THE COMPANY.

It takes on this challenge based on respect for the right of association, freedom of association and collective bargaining and complying with the provisions established in Colombian labor laws, as established by corporate policies.

Additionally, it is critical to have opportunities for social dialogue, as a mechanism for interaction with workers and their representatives that make it possible to conduct evaluations and monitor issues of general interest to workers. To do so, the Company has the following spaces that are conducive to reaching consensus:

- **Townhall meetings with our 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 trade union organizations.**
- **Meetings with our employees led by Industrial Safety and operational area managers (360°).**
- **Meetings of the Special Committee for Monitoring and Recommendations to optimize services under the Hospitalization and Surgery insurance policy.**
- **Possible meetings requested by union organizations with senior management (president, vice presidents, management, superintendents).**
- **Recreation Committee.**
- **Participation on the Food and Transportation Committee.**
- **Participation in the labor relations network with other companies in the industry.**
- **Visits from external stakeholders (clients, NGOs, international unions).**

31. During 2021 there were no operations and/or suppliers whose right to freedom of association and collective bargaining could be at risk.



[GRI 102-41]

Collective bargaining agreements

DRUMMOND LTD., IN COMPLIANCE WITH ALL BIOSECURITY RECOMMENDATIONS ISSUED BY THE NATIONAL GOVERNMENT AND THE WHO REGARDING TO COVID-19, CONTINUES TO PARTICIPATE IN AND PROMOTE OPPORTUNITIES FOR DIALOGUE WITH ITS UNION ORGANIZATIONS. **IT ALSO CONTINUES TO COMPLY WITH THE COMMITMENTS MADE IN THE CURRENT COLLECTIVE BARGAINING AGREEMENTS, WHICH BENEFIT 74.83% OF ALL OF ITS WORKERS. IT IS IMPORTANT TO NOTE THAT 64.46% OF THE COMPANY'S WORKERS ARE UNIONIZED.**

[GRI MM4]

Number of strikes and lock-outs exceeding more than one week's duration, by country

DURING 2021 THERE WERE NO STRIKES OR CLOSURES, AND THERE WERE NO TERMINATIONS **OR SUSPENSIONS OF EMPLOYMENT CONTRACTS AS A RESULT OF COVID-19.**

Additionally, and as a complement to the mechanisms for social dialogue, Drummond Ltd. workers and other stakeholders have a Complaints Channel at their disposal to submit complaints, concerns and/or claims on labor and employment issues, which guarantees absolute confidentiality. This mechanism can be accessed in the following ways:



Email:
denuncias@drummondltd.com



Telephone:
Ethics Line – Toll Free:
018000919161



Direct line:
+57 (5) 5719499 Internal extension: 8499



Online portal for citizen services:
<https://drummond.boreal-is.com/portal/drummond>



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

All communications sent through these mechanisms are managed and answered through a committee, which includes members of Drummond Ltd.'s senior management, for purposes of guaranteeing the transparency and confidentiality of the information provided.



Finally, Drummond Ltd. has the appropriate means to communicate the steps that it has taken to promote and protect this right in all of its operations, such as:



If there are any complaints, concerns or claims regarding respect for these rights, in addition to the mechanisms provided under Colombian labor law, we also have the measures that we have mentioned above.



[GRI 402-1] Minimum notice periods for operational changes

As a result of the emergency caused by the COVID-19 pandemic, Drummond Ltd. has strengthened its corporate communications channels to report on operational changes through emails, memos, newsletters, press releases, billboards and newspaper and magazine

publications. This is how the company communicated the reduction of in-person work at its operations and the progressive return of employees to the Company's facilities, following all protocols and recommendations made by the national government and the WHO.

THE COMPANY DOES NOT HAVE MINIMUM TIME PERIODS FOR REPORTING ON OPERATIONAL CHANGES; EACH CHANGE IS ANALYZED INDEPENDENTLY ACCORDING TO ITS COMPLEXITY AND IS COMMUNICATED TO STAKEHOLDERS IN A TIMELY MANNER.



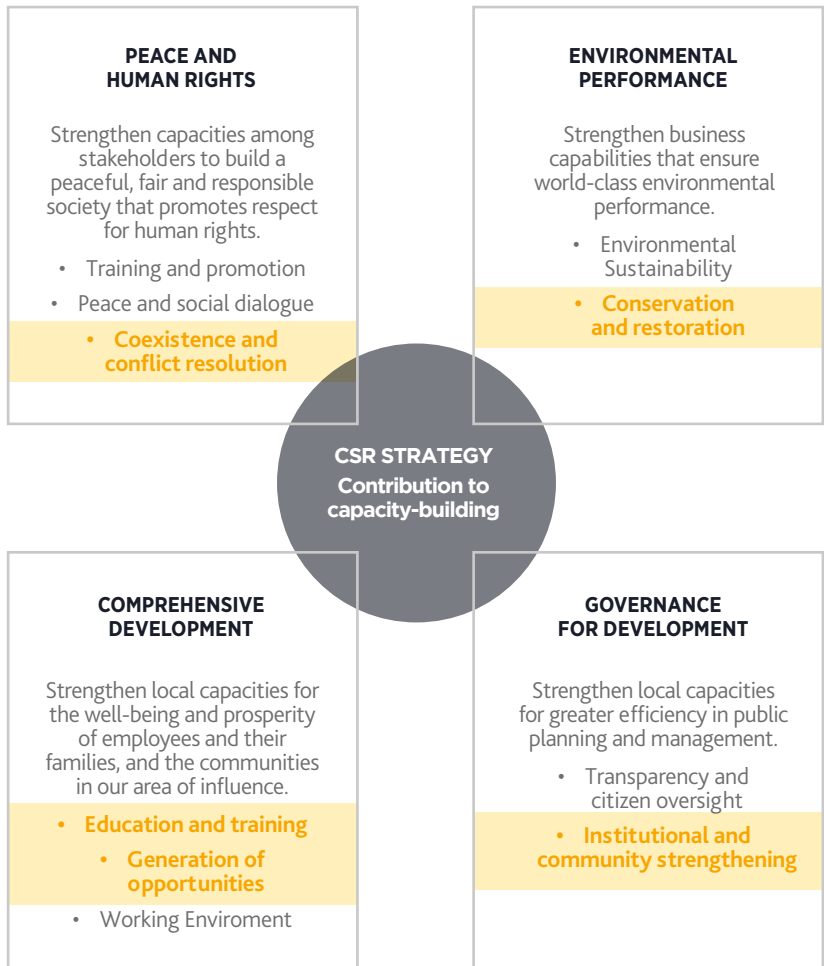
- ▶ For the Company it is very important to highlight that during 2021, Drummond Ltd. maintained employment levels with all of the extra-legal and collective bargaining benefits that its employees enjoy, and did not suspend any employment agreements, in spite of the difficult conditions caused by COVID-19 and the crisis in the domestic and international coal market.

- ▶ Continue to carry out the commitments acquired in the different collective bargaining agreements and continue working to maintain good working relationships through dialogue and negotiations.
- ▶ To sign the collective bargaining agreements that result from the negotiations that will be held in 2022, for the benefit of the workers and Drummond Ltd.



5. Relationships with communities³²

Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its community relations, it contributes to:



CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS



32. The social investment reported in this chapter refers to what is defined in the framework of the "Annual Plan for Social Investment in Communities" and is distinguished from the social investment reported in indicator 201-1, since it does not include employee benefits.



Drummond's social management has given life to our village. The company's relationship with the communities is excellent, its best work is to serve, and it has opened doors for us so that today Casacara has a Health Center, updates and good classrooms in its public school, opportunities for entrepreneurs and income for young people and single mothers who now work for the Company."

ADELMO RODRÍGUEZ

President of the Community Action Board
Village of Casacara
Agustin Codazzi, Cesar

TARGETS

Target 2.a: Increase investment in rural areas to improve agricultural productivity.

Target 2.3: Double agricultural productivity and incomes through secure and equal access to land, productive resources and inputs, knowledge, financial services, markets and opportunities.

Target 2.4: Ensure the sustainability of food production systems and implement resilient agricultural practices that increase productivity and production.

ODS 3 - Own target: Support activities to combat health crises caused by communicable diseases, strengthening the healthcare sector to provide quality services and social well-being.

Target 4.1: Help the girls and boys in the area of influence of Drummond Ltd.'s operations to have a quality education that enables them to have relevant and effective learning outcomes.

Target 4.2: Ensure that all girls and boys have access to quality early childhood care and development and pre-primary education so that they are ready for primary education.

Target 4.3: Ensure that all men and women in the area of influence of Drummond Ltd.'s operations have opportunities to access quality technical, vocational and tertiary education, including university.

Target 4.6: Help all youth and at least a substantial proportion of adults, both men and women, in Drummond Ltd.'s area of influence, have reading, writing and numeracy skills.

Target 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.

Target 4.c: Contribute to the training and qualification of the educational practices of the teachers in Drummond Ltd.'s area of influence.

Target 6.b: Support and strengthen the participation of local communities for improving water and sanitation management.

Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services.

Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional infrastructure, to support economic development and human well-being.

Target 16.1: Significantly reduce all forms of violence and human rights violations at the Company's various locations and among its stakeholders.

Target 16.6: Participate in and create spaces at all levels of effective and transparent institutions that are accountable.

Target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.



[GRI 102-17]

Mechanisms for advice and concerns about ethics

Drummond Ltd. is committed to conducting its relations with the different stakeholders in the communities through statements of respect and ongoing communication, helping to build trust and co-responsibility in its relationships and in the projects and programs developed as part of the Company's social management.

Drummond Ltd. has three key objectives associated with its relationship actions:

1.

Guarantee and generate conditions for peaceful coexistence and having productive dialogue between the Company and the community.

2.

Promote and execute projects that improve local skills in the area of influence.

3

Maintain constant contact and dialogue with the various stakeholders in the community.



In order to respond to the challenges posed by these objectives, Drummond Ltd. has different mechanisms, tools and channels to promote management, communication and open dialogue:



Guarantee and generate conditions for coexistence and having productive dialogue between the company and the community

Community Relations Policy

- Establishes the guidelines for how Drummond Ltd. conducts its relations with the communities in its area of influence, the importance of this relationship for the Company, and the way in which strategies are designed to ensure compliance with the law, respect for human rights, conditions of coexistence and good dialogue with stakeholders, and maintaining and strengthening its social license to operate.



<https://www.drummondLtd.com/wp-content/uploads/SIG-4631-CommunityRelationsPolicy.pdf>



OBJECTIVE
2

Promote and execute projects that improve local skills in the area of influence

Through the four pillars of its Corporate Social Responsibility Strategy: Peace and Human Rights, Governance for Development, Comprehensive Development and Environmental Performance, Drummond Ltd. has developed programs and projects that strengthen and improve local capacities in its area of influence through promoting its human talent, generating employment and income, training and promoting human rights, peace, coexistence and reintegration, strengthening enterprise and productive units, culture, sports and institutional and community strengthening, all with an emphasis on education and training as the best option to develop human capital and build social connections.

DURING 2021, DRUMMOND LTD. MANAGED APPROXIMATELY 40 PROJECTS FOR ITS COMMUNITIES IN THE AREA OF INFLUENCE, AND BY DOING SO IT CONTRIBUTED TO FULFILLING THE SUSTAINABLE DEVELOPMENT GOALS AND WORKED HAND-IN-HAND WITH LOCAL, REGIONAL AND NATIONAL GOVERNMENTS AND IN PARTNERSHIP WITH OTHER ACTORS.

With an investment of

USD
\$2,790,657
Million

we carried out the investment in communities in 2021

External communications

- Disclosure of information through the Company's communication and information channels: social media, press releases, radio programs and advertising, publications in newspapers and magazines, informational email messages, website and technological media.

Internal communications

- Disclosure of information through internal channels: emails, physical and digital billboards, press releases, the *Revista Drummond* magazine, website and newsletters.



Education and training



Strengthening businesses and income generation



Institutional and community strengthening



Promotion of human rights and peace



Relationship-building social investments



EDUCATION AND TRAINING



Scholarships for higher education

186

young people benefiting from education and living stipends

Educational infrastructure

10

educational infrastructure projects

Music and dance training

730

young people and parent participants

Alfabetizate (Literacy Project)

1,515

fewer illiterate people in the Dept. of Cesar

Community support

34

participants in training on the formulation of community development plans

Institutional and community infrastructure

10

projects at healthcare centers, development centers, and road paving and maintenance

Training for civil servants and local leaders

70

participants in the training program on the formulation, management and evaluation of projects

Support for the Committee for Monitoring and Evaluation of the Investment of Royalties from Cesar (CSIR).



STRENGTHENING BUSINESSES AND INCOME GENERATION



Entrepreneurship incubator



Mining corridor

803

entrepreneurs identified

482

entrepreneurs characterized

481

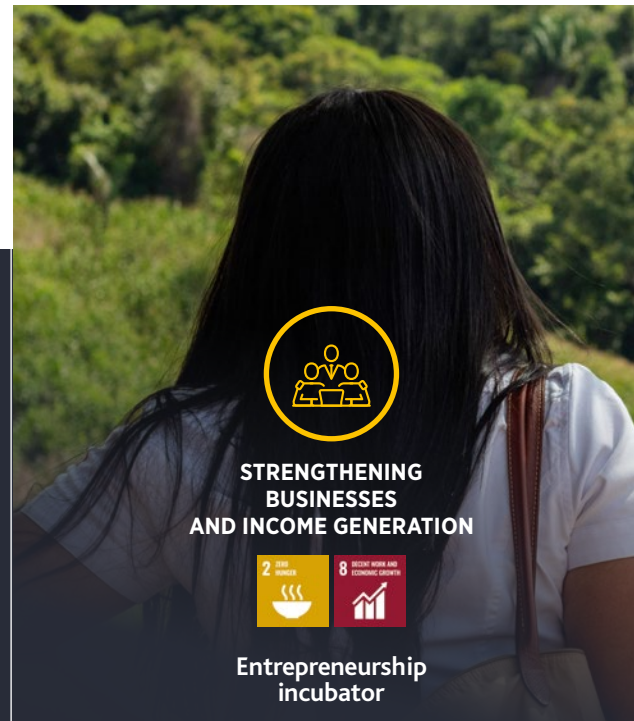
entrepreneurs in training

25

business plans financed by DLTD. 92 families

114

ventures routed to other sources of financing





Railroad corridor

120

individual entrepreneurs
characterized
and financed



**Development of
local producers**

381

producers
characterized



**Strengthening
businesses**

10

productive associations
and local companies
in organizational
strengthening processes

18

entrepreneurship
associations characterized

183

producers/suppliers

3

income-producing
association for fishermen
south of Santa Marta

6

entrepreneurship
associations financed

344,727

kilograms sold



**Food
security**

100%

of participants trained

USD
143,039

million
income for producers/
suppliers

40

families participating
in food security projects



**PROMOTION
OF HUMAN
RIGHTS AND PEACE**



+700

victims benefitted from
institutional and community
strengthening projects

270

young people and children
participating in programs
on values and rebuilding
social connections



**RELATIONSHIP-BUILDING
SOCIAL INVESTMENTS**

155

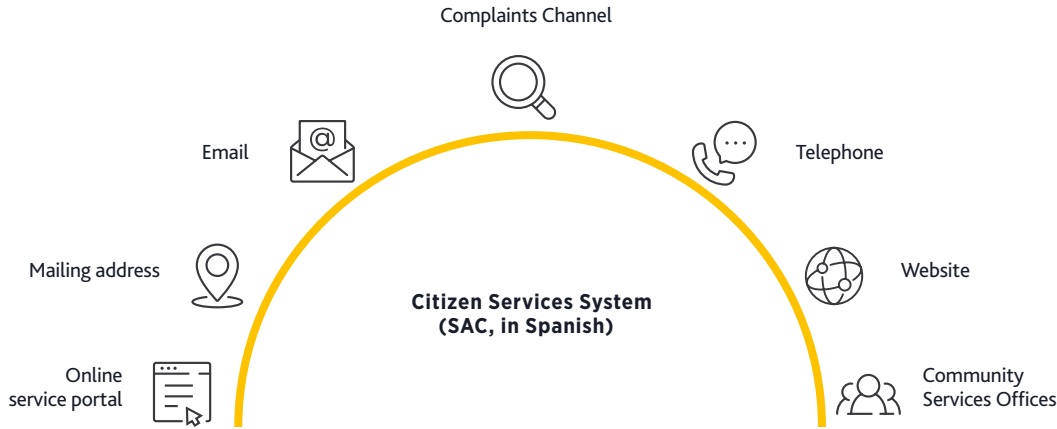
+1,200

beneficiaries from
cultural activities and
other investments for the
general strengthening of
the local communities



OBJECTIVE
3

Maintain constant contact and dialogue with the various actors in the community



At Drummond Ltd., communication with its stakeholders is an essential part of its relationship strategy. It also allows it to make improvements in the organization's internal processes, which is why it has different channels for responding to requests that are managed transparently and aligned with the eight ICMM (International Council on Mining and Metals) in its guide 'Handling and Resolving Local-Level Concerns and Grievances: Human rights in the mining and metals sector.'

DURING 2021, THE CITIZEN SERVICES SYSTEM WAS STRENGTHENED, MAINLY IN THE USE OF THE CITIZEN SERVICES PORTAL AS THE COMPANY'S MAIN CHANNEL FOR MAINTAINING EFFECTIVE RELATIONSHIPS, STRENGTHENING TIES WITH THE COMMUNITY AND STAKEHOLDERS, MAINTAINING A DYNAMIC OF PARTICIPATION AND CONSTANT COMMUNICATION, WITHIN THE PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY.

WHAT WAS ACHIEVED IN 2021?

- The team of superusers that manage the platform was consolidated, led by the Community Relations Department and the Vice President of Sustainability.
- Clear guidelines were established to standardize processes in the portal (unification of criteria for managing requests).
- Monitoring SAC management in real time.
- Reports and announcements were prepared to learn about the work being done and improve decision-making.
- Some stakeholder groups recognized that requests, complaints, claims, suggestions, congratulations and reports should be channeled through the Online Citizen Services Portal.
- Aligning the Company's management of requests with international standards.
- Comply with human rights management measures.
- Formalize all documents related to handling requests, complaints, claims, suggestions, congratulations and reports, updating the Manual for the Citizen Services System.

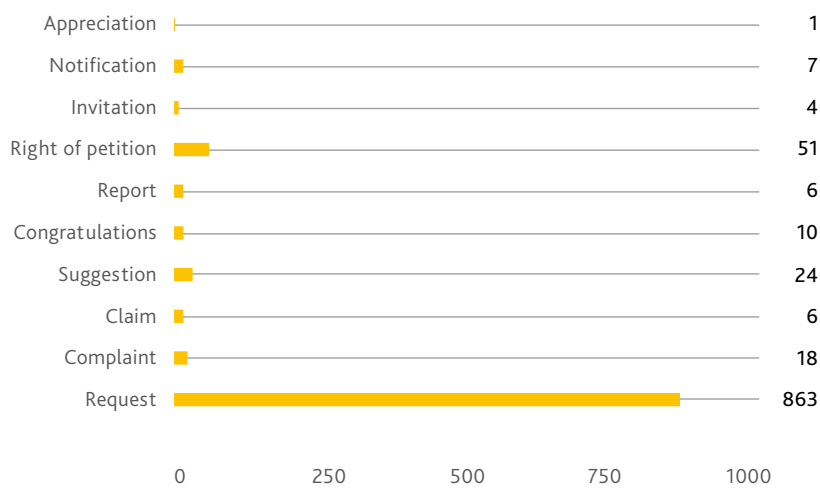


Response to requests, complaints, claims, suggestions, congratulations and reports, 2021

As part of its commitment to responding to citizen services cases, Drummond Ltd. has established mechanisms for access and assistance in response to possible effects on and/or violations in the exercise of certain rights, creating spaces for communication that are accessible, timely and efficient.

During 2021, 990 cases were received, which were analyzed using the following indicators:

Graph 20.
Distribution of requests by type

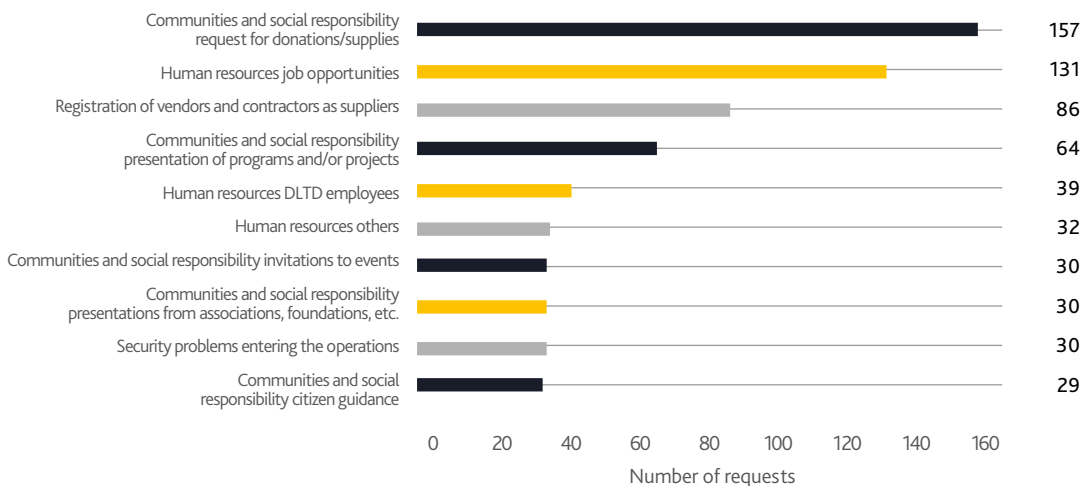


During 2021, the Citizen Services System received **990 submissions**, which were classified as:

- 863 requests
- 7 notifications
- 4 invitations
- 51 rights of petition
- 10 congratulations
- 24 suggestions
- 6 claims
- 6 suggestions
- 1 note of appreciation
- 18 complaints

Of them, the most representative were:

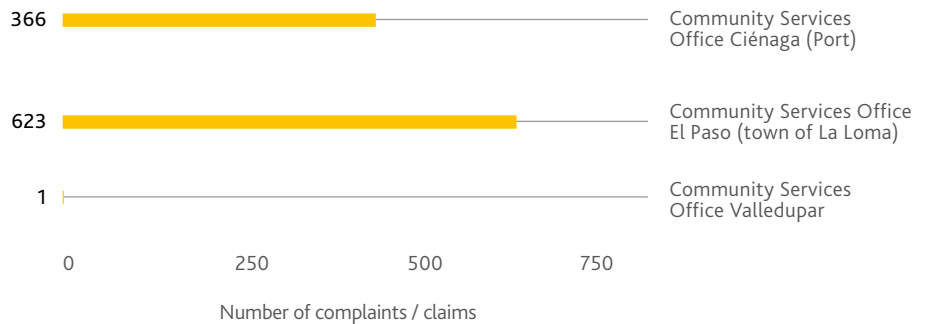
Graph 21.
Topics with the most interaction





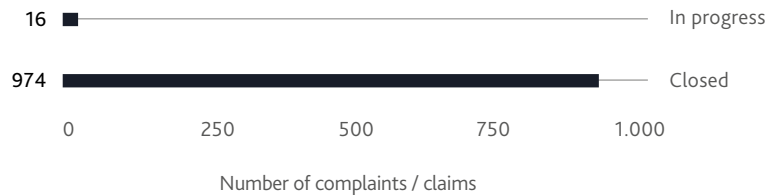
Drummond Ltd. has different channels to handle citizen services cases: in-person at the community services offices in the town of La Loma, the municipalities of La Jagua de Ibirico and Valledupar, and at Puerto Drummond in Ciénaga, online through the email addresses atencionalusuario@drummondLtd.com and atencionalusuariop@drummondLtd.com, or the Online Citizen Services Portal linked to the Company's website <https://drummond.boreal-is.com/portal/drummond>, through the phone lines established for that purpose, or the Complaints Channel, created exclusively to address situations related to possible behaviors involving any form of bribery or corruption, violation of ethical and corporate standards, or questions about the application of the Business Ethics Program.

Graph 23.
Distribution of requests by service channel and community services office



As of December 31, 2021, below is the status of the requests received:

Graph 24.
Distribution of requests by status



The resolution of requests that are still "in progress" requires special review or they are issues related to the allocation of resources, inclusion in investment plans or processes with third parties that require mandatory permits, such as, for example, requests related to environmental matters: donations of wood, etc.

Of the
974
closed requests

541

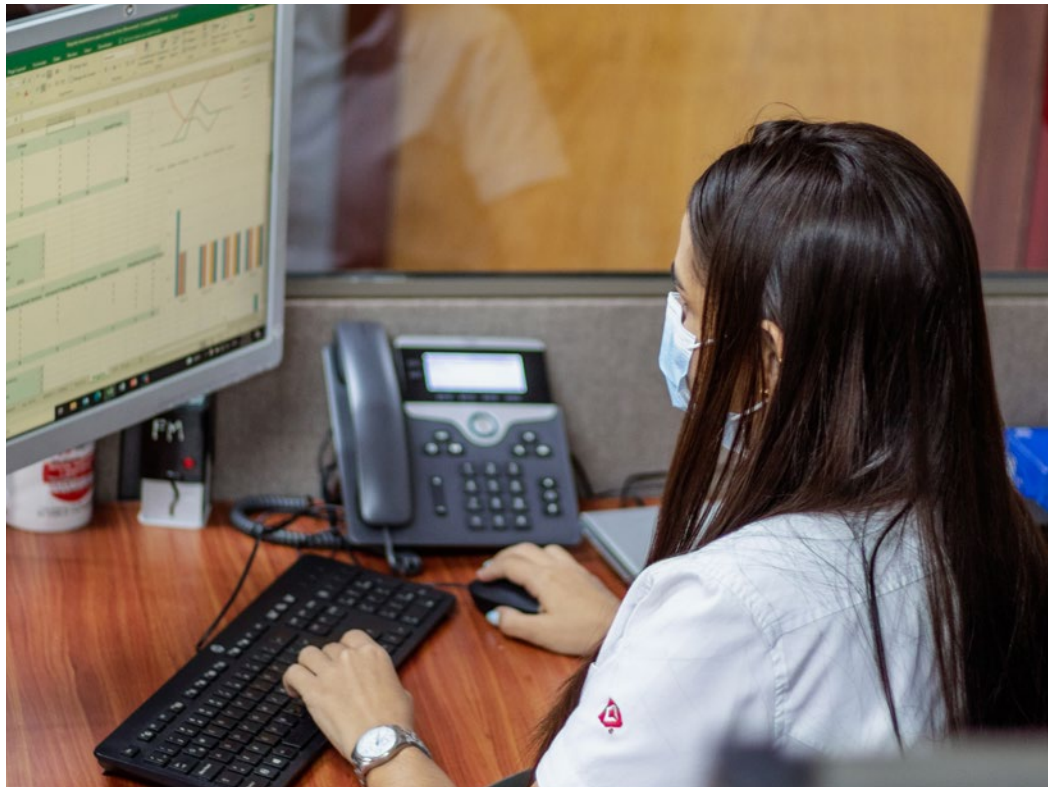
were resolved in a timely manner, that is, within the 15 business days established

194

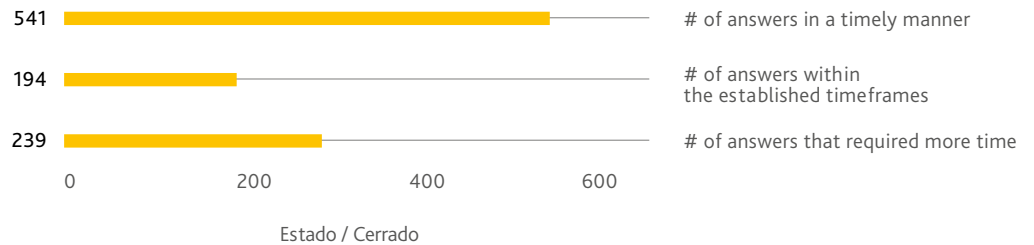
were processed within the 30 business days legally provided for any query or request that requires analysis and evaluation by the Company, informing the user of the state of progress

239

requests required more time for processing, providing the proper status information to petitioners.



Graph 25.
Number of responses / Resolution time



55.5%
of citizen services cases were resolved in a timely manner during 2021, compared with the indicator for the previous year of 76.6%.

Graph 26.
Percentage of responses / Resolution time



31.6
calendar days was the average response indicator for 2021.



60.7%

of the requests recorded during 2021, came from the municipalities in the mining, railway and port corridor.



27.4%

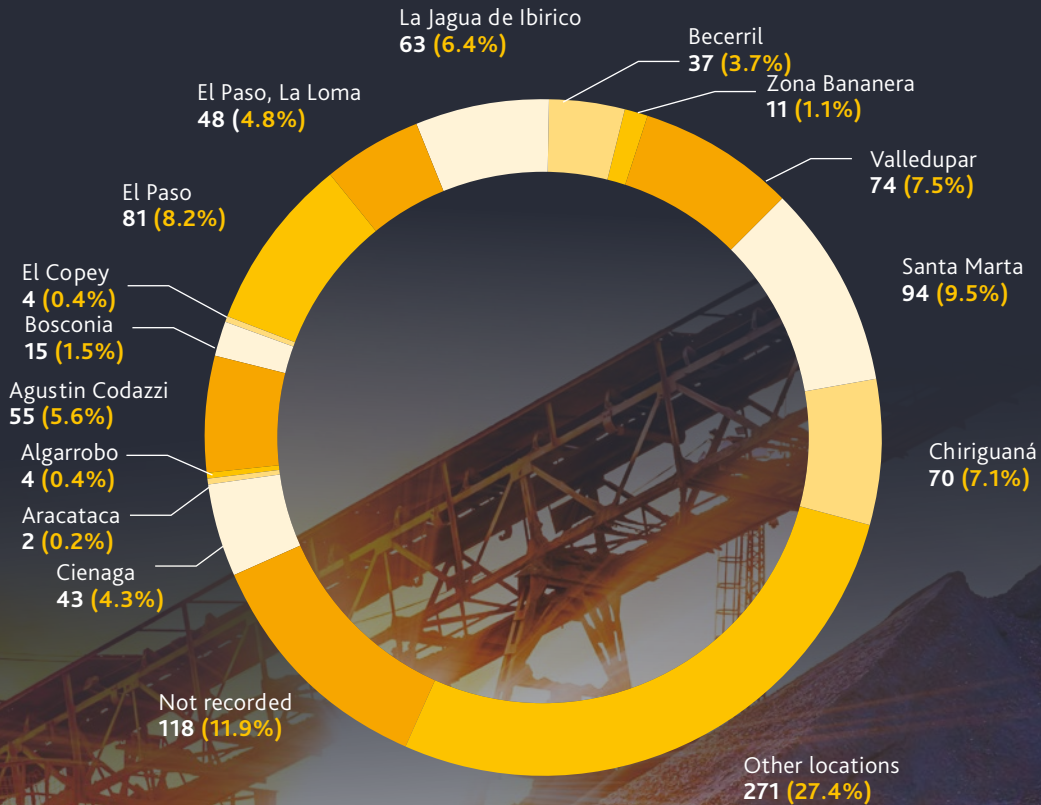
of the requests came from people from inside and outside country, and from the Caribbean area, but that are not part of the municipalities in the mining area of influence: Bogota, Medellín, Cucuta, Curumani, Cartagena, Houston, Miami, etc.



11.9%

did not record their place of origin in their requests.

Graph 27. Percentage of requests by municipality





Managing stakeholder expectations

[Goal ODS 17.17]

Strategic partnerships



Drummond Ltd., aligned with the Sustainable Development Goals, established SDG 17: Partnerships to achieve goals, as a central concept of the company's entire Corporate Social Responsibility Strategy, prioritizing Goal 17.17, which seeks to promote the establishment of effective public, public-private, and civil society partnerships, leveraging its experience and strategies that make it possible to maximize resources for the benefit of the territory where it operates.

For Drummond Ltd., the creation of partnerships, collaborative agreements and all of these processes of creating associations between institutions are part of its vision of sustainability, which becomes important in its relationships with stakeholders. Drummond Ltd. believes that it must move from managing relationships to creating synergies. And it is through these synergies that actions and results increase, because together with its partners a common goal is set, and to achieve that goal they add resources,

knowledge, experience, human talent, intellectual property and technology and expenses and risks are shared, always in search of the best outcome by joining forces, because the main goal is for the result to always be better than what could have been achieved by acting individually.

During 2021, Drummond Ltd. relied on more than 30 strategic partners to carry out the Company's sustainability actions, including municipal and departmental administrations and the

National Government, private companies, foundations and different organizations with which it has maintained excellent relationships, resolving any difficulties encountered in the processes, enhancing their strengths and always achieving the expected results of the partnerships.

Strategic partners:

- Municipal and departmental administrations
- Agency for Reincorporation and Normalization – ARN
- Association of Banana Growers of Magdalena and La Guajira – ASBAMA
- ASOJUNTAS, ASOCOMUNALES, Community Action Boards
- Community business associations
- National Authority for Aquaculture and Fisheries – AUNAP
- Family Compensation Fund of Cesar – COMFACESAR
- Committee for Monitoring and Evaluation of the Investment of Royalties from Cesar – CSIR
- Regional Center for Responsible Businesses and Entrepreneurship – CREER
- Colombian National Army
- Soccer with Heart – FCC
- Aprendiendo a Cooperar Foundation – FUNACO
- Amigos Forjando Futuro Foundation
- BANASAN Foundation
- Vida Natural Foundation – FUNDAVID
- FUNDAUNIBAN
- Ministry of Culture
- Crea Foundation
- Fundación Universitaria del Área Andina
- TECBACO S.A. Social Foundation – FUNDEBAN
- United Way Colombia
- Colombian Institute of Family Welfare – ICBF
- Public schools from the municipalities in the area of influence
- National Learning Service – SENA
- Universidad del Magdalena
- Unit for Comprehensive Assistance and Reparation to Victims
- Agrobiz
- Corporación Vital
- Casa en el Árbol Foundation – FCA
- Colombian National Army Reserves
- Chamber of Commerce of Santa Marta
- Colombian Food Bank Association – ABACO
- Consultorías y Proyectos del Cesar S.A.S.
- PINTUCO
- Consultorías y Proyectos del Cesar S.A.S.
- Universidad Sergio Arboleda



[GRI 413-1]

Operations with local community engagement, impact assessments and development programs

To add value to the communities from the operation's area of influence, Drummond Ltd. maintains an ongoing relationship with the local community. To do so, it holds periodic labor inclusion meetings for contractors and unemployed members of the community, to make connections and promote social mobilization.

The Company also has an Environmental Management Plan (that includes socio-economic aspects identified in the impact assessment), which is monitored periodically to assess the level of compliance with the commitments made and identify new interests and needs as an input for the Corporate Social Responsibility (CSR) program.

During 2021, 100% of the mining and port operations had development programs. The results of these programs are measured through surveys that aim to evaluate the social and environmental aspects of the program, leading to greater participation by the local communities through consultation processes and other mechanisms that make it possible to maintain the relationship and build channels for providing feedback in the areas of influence. Additionally, the Company has various opportunities for its workers covered in the chapter

on Workplace Health and Safety. As of the date of publication of this Sustainability Report, surveys have not been conducted to evaluate the programs from 2021. However, once they are submitted to the National Environmental Licensing Service (ANLA, in Spanish), they are publicly accessible by all stakeholders, who may request the results through the Citizen Services System (SAC, in Spanish) (<https://drummond.boreal-is.com/portal/drummond>).

At the same time, Drummond Ltd. has a community relations policy, which aims to generate opportunities for development, building social ties, communication, information and responding to requests, complaints, claims, suggestions, congratulations and reports that may arise in relation to the execution of the mining and port projects, and that are managed through the Citizen Services System (SAC, in Spanish).



In addition, social factors that may be affected by the operation are constantly being identified. The social factors that are taken into account for the impact assessment are the following:

- Characteristics of the population in the area of influence (location and population growth rate, among others).
- This population's access to education, healthcare and recreation services.
- Programs proposed in the Municipal Development Plans.
- The local government's capacity to generate production chains and job opportunities in other economic sectors.

DURING 2021, 100% OF THE MINING AND PORT OPERATIONS HAD DEVELOPMENT PROGRAMS.



Local community engagement and development programs

[GRI 203-1]

Infrastructure investments and services supported

Having a relationship based on respect, growth and harmony with the communities is a core concept in Drummond Ltd.'s operations. The Company seeks to generate a positive impact at the local and national level, creating value by investing resources in projects that promote sustainable development.

For the allocation of resources to have a significant impact, the needs and interests of the communities are identified through a two-way evaluation:



After interests and initiatives are identified and proposed, their feasibility and scope are evaluated and their impact is determined. To strengthen this understanding of the needs, opportunities for building relationships are created through site visits to the different leaders and social actors in the municipalities of the area of influence, or through the Community Service Offices. These actions make it possible to align the objectives of investments and projects with the strategies of the Municipal Development Plans and contribute to meeting local government goals, and programs are designed and implemented for the development and benefit of the communities. Additionally, representatives from the local authorities and community leaders from the municipalities in the Company's area of influence are trained on formulating projects, strengthening their capacities so they can be co-managers of social projects that benefit their communities.

The evaluation of impacts and social factors is an input for the Community Relations and Corporate Social Responsibility departments' investment projects, which are developed based on these four strategic pillars:

- | | |
|---|--|
| <ul style="list-style-type: none"> • Peace and human rights | <ul style="list-style-type: none"> • Strengthen stakeholders' capacities to build a peaceful, just, responsible society that promotes respect for human rights. |
| <ul style="list-style-type: none"> • Governance for development | <ul style="list-style-type: none"> • Strengthen local capacities for greater efficiency in public planning and management. |
| <ul style="list-style-type: none"> • Comprehensive development | <ul style="list-style-type: none"> • Strengthen local capacities for the well-being and prosperity of employees, their families and the communities in the area of influence. |
| <ul style="list-style-type: none"> • Environmental performance | <ul style="list-style-type: none"> • Strengthen business capabilities that guarantee world-class environmental performance. |



Investment in infrastructure and support for services

Drummond Ltd. is concerned with creating strategies that have a positive impact and contribute to creating value for the community, such as the investments listed below:

Table 23.
Social investment plan executed in communities, 2021

Strategic Approaches from the Social Management Plan	Social investment	Other social investment contributions	Total investment
Education and training	\$ 4,732,372,235		\$ 4,732,372,235
Institutional and community strengthening	\$ 2,239,424,091	\$ 785,879,440	\$ 3,025,303,531
Strengthening businesses and income generation	\$ 1,949,332,311		\$ 1,949,332,311
Promotion of peace and human rights	\$ 538,562,839		\$ 538,562,839
Relationship-building social investments	\$ 130,069,030	\$ 81,619,034	\$ 211,688,064
Total	\$ 9,589,762,502	\$ 867,498,474	\$10,457,260,981

During 2021, the Annual Social Investment Plan was executed 100 %.





[GRI 413-2] Operations with significant actual and potential negative impacts on local communities³³

[GRI 203-2] Significant indirect economic impacts

The identification and management of the significant indirect economic impacts generated by the Company is a significant part of Drummond Ltd.'s sustainability model, since its vision is aimed at "Increasing and sharing the benefits of its business project with the stakeholders in its areas of influence, through building and strengthening local capacities."

To manage these impacts, the Company recognizes and considers the needs and priorities of its stakeholders, as well as their expectations; for this reason, it develops programs and projects with and for the local communities through its Annual Social Investment Plan. Additionally, it participates in and voluntarily adheres to different relevant initiatives at the national and international levels, such as: Bettercoal, 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.

In this sense, despite the fact that the coal mining and transportation operations provide economic growth and employment opportunities to the residents, Drummond Ltd. has identified the risks and impacts that may arise in the surrounding communities as a result of its economic activity:

33. The identification and management of negative environmental impacts are described in the chapters on Waste, Protecting Biodiversity, Water Resource Management and Air Quality.

Table 24.
Main indirect negative economic and social impacts on the community

<ul style="list-style-type: none"> Increased cost of living in the municipalities in the mine's area of influence due to Drummond Ltd.'s presence in the region. 	<ul style="list-style-type: none"> Large floating population from outside the area that settles in the towns because of the mining operations. This can generate shortfalls in the provision of public utilities for households and pressure on land holdings, especially for communal use. 	<ul style="list-style-type: none"> Cultural changes in the local population. Higher taxes in the municipalities in the area of influence. Increased insecurity in the surrounding areas.





Table 25.
Main indirect positive economic and social impacts on the community



- Generation of direct and indirect jobs associated with the 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 the area of influence that meet all specifications and conditions to provide goods, materials and services to the supply chain.
- Reduced risk of the inappropriate use of free time in children and young people by supporting education, culture and sports.



The identification of risks and impacts makes it possible to develop best practices to manage and reduce these risks during all stages of the operation:

Illustration 4.
Best practices for risk reduction



A baseline identification is created through the Environmental and Social Impact Assessment.

Throughout the project, changes are made at the socio-environmental level and the status of the impact study is updated. Then, different plans are created and the social and natural environments are strengthened.

A closure plan is created and management and monitoring measures are forecasted, including information and community dissemination programs on the closure of the project and the restoration or compensation measures for the relevant territory.



[GRI-MM6]

Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous peoples

[GRI-MM7]

The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous peoples and he outcomes

Drummond Ltd., in response to legal requirements, obligations and requests, responds to land restitution proceedings in administrative and judicial stages that have been filed by individuals who request that the State return properties to them that they sold in the past to third parties, who years later sold them to Drummond Ltd. In these cases, the Company continues to exercise its right of defense, opposing restitution as a third party purchaser in good faith and pointing out the material and legal impossibility of restitution.

During 2021, no additional requests for land restitution were submitted. Cases are still underway for 33 properties, and adjustments to two unfavorable rulings are pending.

[GRI-MM10]

Number and percentage of operations with closure plans

Within the mining and port operations, the activities from the Closure Plans for each project must be reviewed periodically, in accordance with the licenses granted by the environmental authorities. Some phases of the closure plans are executed simultaneously with other activities, such as mining and the ecological recovery of the dumping areas or the perimeter areas of the port. Others, such as the dismantling and/or demolition of the facilities and buildings, and the physical and chemical stabilization of the areas that were disturbed or the

morphological reshaping of the land, will only be carried out after the mining ends, so it is necessary to periodically review the proposed activities and adjust them in accordance with modifications to the project and changes in the context of the country's social, economic, legal and environmental conditions.

The Company has a budget provision for the Closure Plans for each of its operations, which is updated annually to guarantee availability of the resources necessary for their execution.

Table 26.
Operations with closure plans

	2021
Total number of Drummond Ltd. operations ³⁴	5
Company operations with approved closure plans	5
Percentage of operations with closure plans	100 %

34. They correspond to: El Descanso Norte, La Loma, El Descanso Sur, El Corozo and the Port.



Drummond Ltd. has taken action to generate socio-economic reconversion processes in the region

Focused on promoting and managing the sustainable development of the local communities, Drummond Ltd., led by the Corporate Social Responsibility and Community Relations departments, has developed a Social Management Plan to strengthen local capacities and generate well-being and prosperity for the communities in the area of influence.

The Social Management Plan's strategic approaches are strengthening businesses and support for

income generation in the surrounding communities, through which projects and actions are executed to increase the positive impact of the mining operation in aspects such as managing local suppliers, promoting regional productive development and local job creation. The projects listed in this chapter, in goal 2, are part of these processes, designed with a view to the socioeconomic transition and a future beyond mining activities, where Drummond Ltd. is called to position itself as a change agent and strategic partner for the region.

DRUMMOND LTD. IS CALLED TO POSITION ITSELF AS A CHANGE AGENT AND STRATEGIC PARTNER FOR THE REGION.



The closure of Drummond Ltd.'s projects and their communication

Within the framework of the progressive Closure Plan, the Company has been holding annual communication meetings with the communities in the area of influence about the progress made in the Environmental Management Plans for the projects and the different programs developed to benefit the communities. During 2021, the meetings were held virtually due to the conditions caused by COVID-19; however, the communication meetings were held at the mining operations, giving attendees the opportunity to learn about the progress of the closure plans, seeing the areas that are in recovery and have been released by the operation, to show the communities the ecological recovery protocols where food crops are used, such as sorghum, pigeon

pea, beans and rice, which are fast-growing and provide nitrogen, showing positive results and being well received by the communities.

The El Descanso project will be operational until 2063. Subsequently, it will enter a five-year closure phase and two additional years of post-closure for monitoring of the closure plan. As the mining project progresses, affected areas are released so the implementation of the progressive closure plan is carried out from the start.

In terms of the La Loma project, it will be operational until 2032, contemplating the same closure and monitoring period as the one planned for the El Descanso project.



MILESTONES

- ▶ USD 2,790,657 were invested in the communities in the area of influence as part of the Corporate Social Responsibility strategy.
- ▶ 100% of the Annual Social Investment Plan was executed.
- ▶ Facilitation of the return to in-person work with improvements to educational infrastructure.
- ▶ The indicators for the Scholarship Program increased, reaching 186 beneficiaries: 67 graduates, of which 16 are working at Drummond Ltd.'s operations, and 38 students in professional practices.
- ▶ Contributions were made to strengthening local capacities and skills for employment, and communities were formed to maintain sports venues.
- ▶ The Online Citizen Services Portal was strengthened for handling requests, complaints, claims, suggestions, congratulations and reports.
- ▶ The Manual for the Citizen Services System was updated.
- ▶ Assistance was provided to consolidate business projects, providing training, guidance and consulting services to more than 1,000 entrepreneurs in the area of influence, most of them in vulnerable economic and social conditions.

CHALLENGES



- ▶ Return to in-person programs for rebuilding social connections and improving educational quality, strictly complying with biosafety protocols.
- ▶ Comply with 100% of the Social Investment Plan approved for 2022.
- ▶ Establish a plan for disseminating communications about the Social Investment Plan's projects and programs.
- ▶ Update the documentary component of the Social Management System.



5. Regional participation and relations

Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its relational participation and relations, it contributes to:

PEACE AND HUMAN RIGHTS

Strengthen capacities among stakeholders to build a peaceful, fair and responsible society that promotes respect for human rights.

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

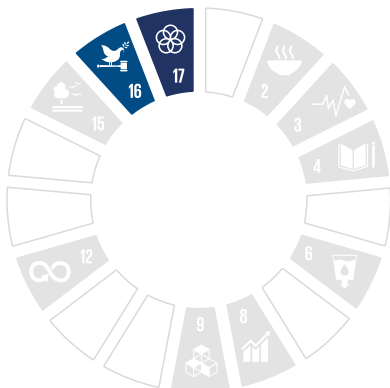
ENVIRONMENTAL PERFORMANCE

Strengthen business capabilities that ensure world-class environmental performance.

- Environmental Sustainability
- Conservation and restoration



CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS



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
- Working Environment

GOVERNANCE FOR DEVELOPMENT

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

- **Transparency and citizen oversight**
- Institutional and community strengthening

TARGETS

Target 16.5: Promote a culture of legality, to reduce and prevent corruption and bribery in all their forms and ethical, human rights and corporate breaches at the Company's various locations and among its stakeholders.

Target 16.6: Participate in and create spaces at all levels of effective and transparent institutions that are accountable.

Target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and re-sourcing strategies of partnerships.



There are two key aspects that the Company has used to strengthen its relationships in the region, transparency and accountability. Drummond has understood that communication and informed dialogue strengthen its information, awareness-raising and promotion mechanisms. Today it actively participates as a member of the Local Multi-Stakeholder Committee of Cesar (CML EITI-Cesar). Its role in this group is essential to promote trust-building processes in the industry that have an impact on quality of life and contribute to the development of the territory.”

MARÍA LORENA ROA
National Coordinator
EITI Colombia

FOR A SHARED VISION OF THE **FUTURE OF THE REGION**

For Drummond Ltd. it is essential to promote an effective relationship with its stakeholders, especially those that are located in the area where it operates, recognizing and considering their needs and expectations to be able to have a positive impact, working in coordination and generating synergies that promote regional development and social well-being.

Additionally, participating in efforts at the international, national and regional level to identify and analyze the social conditions of the region and evaluate initiatives that contribute to the vision shared by all of the actors present in the area of influence of the mining, rail and port operations.

Maintaining active participation and effective regional relationships allows Drummond Ltd. to proactively manage this material issue to coordinate the Company's actions in the short-, medium- and long-term with the expectations of the stakeholders present in the area, hoping that this shared vision can be reflected in its contribution to complying with these regional, national and global agendas, positioning Drummond Ltd. as a model mining company that is committed to sustainability and incorporates its stakeholders into its corporate management.

[GRI 415-1]

Contributions to political parties and/or representatives

DRUMMOND LTD., IN ACCORDANCE WITH THE COMPANY'S CODE OF CONDUCT, EXPRESSLY PROHIBITS MAKING DONATIONS AND CONTRIBUTIONS TO POLITICAL PARTIES AND/OR THEIR MEMBERS.



[DLTD-04]

Bettercoal

FOR DRUMMOND LTD., IT IS CRITICAL TO PROMOTE TRANSPARENCY IN ITS PRACTICES, TO MAINTAIN A GOOD REPUTATION AND TO STRENGTHEN ITS RELATIONSHIPS WITH STAKEHOLDERS.

For this reason, during 2019, its mining and port operations were independently evaluated under the Bettercoal Code, which promotes improvements in the socio-environmental performance of the coal supply chain and evaluates companies' work.

Having its performance evaluated by a third party is the most effective way to show the progress and sustainability of its operation. The Company is proud to note that in 2014 it was the first coal mining company in the world to be audited under the Bettercoal Code, and it underwent a new audit cycle in 2019. The code consists of 10 principles and 31 provisions with ethical, environmental and social focuses.


With the aim of boosting the Company's economic, environmental, social and ethical performance, in 2021 it fully implemented the Continuous Improvement Plan, a result of the audit, which met all of the requests made by Bettercoal during the year.

Thanks to the efforts and work plans created, practices were improved in areas related to the Community Service System, the implementation of human rights matters in its response system, the Company's Social Closure Plan, its work in terms of gender equality, issues related to the environment and workplace health and safety, which improve the well-being of its employees and all of its stakeholders. In 2022, a field visit will be conducted to

finalize the Continuous Improvement Plan.

The work evaluated based on the principles of the Bettercoal Code, its related provisions and the Continuous Improvement Plan show satisfactory progress and Drummond Ltd.'s work to constantly improve the processes in its operations and to become a world-class benchmark.



 Training project for the development of cultural music and dance skills. Zona Bananera, Magdalena

MILESTONES

- ▶ Adherence to the U.N. Global Compact's CSR strategy, contributing to that shared global vision of combating corruption and incorporating best practices in human rights, labor rights and the environment, strengthening the mining sector in the promotion of activities that support the work of the companies that carry out responsible and sustainable mining (*information reported in the ESG Vision section of this report*).
- ▶ Meetings of the Strategic and Sustainability Committees as the corporate bodies 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.
- ▶ 100% implementation of the Bettercoal Continuous Improvement Plan.
- ▶ Updating the risk matrix related to human rights, including the methods for managing each risk.
- ▶ Providing information for the preparation of the EITI Colombia Report.
- ▶ Supporting the work of the Committee for Monitoring the Investment of Royalties (CSIR Cesar), the Human Rights and Coal Working Group, the Mining and Energy Committee on Security and Human Rights (CME), and the initiative to Build Trust in Cesar.

CHALLENGES

- ▶ Submit the first COP (Communication on Progress) to the U.N. Global Compact.
- ▶ Continue monitoring risks and establishing strategies to preserve the stability of the operating environment and the social license through the Strategic and Sustainability Committees.
- ▶ Begin an analysis of gaps with Bettercoal Code 2.0 and implement an action plan.
- ▶ Receive the Bettercoal field visit to finalize the Continuous Improvement Plan that was implemented.
- ▶ Continue the analyses of human rights risks into the Company's strategic management.
- ▶ Continue to support regional and national initiatives to promote transparency and social dialogue.





6. Resettlement management



[GRI - MM9]

Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process³⁵



TO COMPLY WITH THE REQUIREMENTS ESTABLISHED BY THE NATIONAL ENVIRONMENTAL LICENSING AUTHORITY (ANLA) THROUGH RESOLUTIONS 970 AND 1525, DRUMMOND LTD. HAS WORKED IN COORDINATION WITH TWO OTHER COMPANIES, GUARANTEEING THE WELL-BEING OF THE COMMUNITIES INVOLVED.

In 2020, CNR entered a corporate reorganization process, within the framework of Law 1116 of 2006, seeking to meet its obligations and find alternatives to rescue its operations. Prodeco, in turn, made the decision to return its mining titles and close its operations in Cesar. This posed a challenge for the entire process and the actors involved, as a result of which the ANLA, through administrative acts (resolutions and orders), ordered that the responsibilities be broken down by company.

To manage the difficulties in the process caused by the situation described above, Drummond Ltd. continued with the implementation of a contingency plan, which allowed it to protect the quality of life of the families to be resettled, while the Environmental Authority defined the conditions necessary

to continue with the process. The process was carried out in coordination with the municipal mayors' offices and the communities.

Within this context, the Superintendency of Corporations only authorized CNR to use the funds deposited in the trust for the resettlement processes starting in April 2021. As a result, as of May 2021, several of the processes gradually normalized, including all payments due, even those items that required retroactive payments. Therefore, there were no conflicts related to resettlements for this reporting period, and any tensions that may have been caused as a result of some delays in the activities were resolved quickly through dialogue.

The results from each of the projects are presented below.

35. Possible negative impacts on livelihoods continued to be managed, in compliance with the respective Resettlement Action Plans (RAP) signed with the communities of El Hatillo and Plan Bonito, and the Socioeconomic Management Plan (SMP) for the community of Boquerón.



Drummond has always been committed; it has never abandoned us, even when things were difficult with the resettlement process in the community of El Hatillo. Thanks to their work with the authorities to break down its obligations individually, we have made progress in complying with what was agreed to with the community. I would give Drummond a 10 for its efficiency in the process, because their desire to move forward has been clear, it has never thrown up any obstacles, it's always said 'I am here.'

JOSÉ DEL CARMEN CORREA

Community Leader
Village of El Hatillo
El Paso, Cesar

El Hatillo

THROUGH ORDER 2382 OF APRIL 2021, THE ANLA ORDERED THE MINING COMPANIES CNR, PRODECO AND DRUMMOND LTD. TO SUBMIT A PLAN TO BREAK DOWN THEIR RESPONSIBILITIES FOR THE RESETTLEMENT PROCESS CONTAINED IN THE RESETTLEMENT ACTION PLAN (RAP) SIGNED WITH THE COMMUNITY IN NOVEMBER 2018. THE PROPOSAL WAS SUBMITTED AND FILED WITH THE ENVIRONMENTAL AUTHORITY AND APPROVED THROUGH RESOLUTIONS 1640 OF SEPTEMBER 2021 AND 1961 OF NOVEMBER 2021.

Drummond Ltd., committed to fully complying with its individual obligations, hired the Socya Foundation as operator, which maintained telephone, electronic and in-person channels of communication with the 207 resident families. It also began the information and consultation process with the 104 families that chose individual resettlement, and ensured that community assistance was available and delivered to each home, in coordination with the community, the amendment to the contract breaking down Drummond Ltd.'s individual responsibilities.

Based on the authorization received from the Superintendency of Corporations, in coordination with CNR and Prodeco, the outline for the Transition Plan was maintained, providing assistance, such as groceries, to families from the food bank, monthly economic

support for training, *in situ* healthcare through a contract with the ESE Hospital Hernando Quintero Blanco, funeral support and the emergency fund. Until 2021, the companies had supported:

90
students have
benefitted from the
Higher Education Fund.

37
beneficiaries have
completed their
academic training.



Boquerón

THE MINISTRY OF ENVIRONMENT AND SUSTAINABLE DEVELOPMENT, THROUGH RESOLUTION 71 OF FEBRUARY 2021, RECLASSIFIED THE AREAS IDENTIFIED AS SOURCES OF CONTAMINATION IN THE CESAR COAL REGION, EXCLUDING THE TOWN OF BOQUERÓN. THIS SHOWED THAT, AS A RESULT OF THE COMPANIES' MINING ACTIVITIES, THERE HAS BEEN NO IMPACT ASSOCIATED WITH AIR QUALITY THAT WOULD REQUIRE THE TOWN TO BE RESETTLED, NOR IS THERE EXPECTED TO BE ANY IN THE FUTURE.

The ANLA, in response to the Ministry's reclassification, proceeded to issue Non-Resettlement instructions for Boquerón through Resolutions 640 of April 2021 and 975 of June 2021, which ordered that a Socioeconomic Management Plan (SMP) be prepared instead. Drummond Ltd., in conjunction with Prodeco and CNR and in compliance with the regulatory instructions, filed a proposed SMP with that authority on December 15, 2021, including the diagnostic and measures to manage the impact of Non-Resettlement, broken down for each mining company in 18 investment datasheets. The SMP was prepared with the assistance of a suitable consultant with extensive local experience (CESORE/Bitácora & Territorio), with the on-going participation of the community and delegates from national, regional and local institutions (the Office of the Ombudsman, the Office of the Attorney General, the Office of the Comptroller General, the Office of the Governor of Cesar, the Office of the Mayor of La Jagua de Ibirico and the Office of the Municipal Attorney). It is also important to mention that the preparation of the diagnostic was the result of a characterization process carried out through home visits to each of the housing units and their residents, and that the management measures were identified and agreed to with the community during several workshops.

Together with Prodeco and CNR, Drummond Ltd., during the year, carried out activities to improve the quality of life of the population, such as the health contract with the ESE Hospital Jorge Isaac Rincón Torres to provide primary care services, support for the operation of the Solid Waste Treatment Plant



Drummond Ltd. maintains constant contact and dialogue with the different stakeholders in the community of Boquerón.

(SWTP) - Boquerón Recicla Foundation, which serves 379 homes and generates five jobs, collecting, sorting and processing solid waste from the town center, and nutritional support for senior citizens. Additionally, to date, the mining companies have supported 25 residents in pursuing higher education in different technical, technological and professional disciplines, from both public and private institutes and universities. To date there have been two graduates.

Individually, Drummond Ltd., as part of the construction and donation of the Center for Social Entrepreneurship (CSE) that took place in 2020, guided and sponsored the first bakery and pastry business in 2021 through the operator Coorambiental, supporting the promotion of local projects to generate income and benefit four families.

THE MINING COMPANIES HAVE SUPPORTED 25 RESIDENTS IN PURSUING HIGHER EDUCATION IN DIFFERENT TECHNICAL, TECHNOLOGICAL AND PROFESSIONAL DISCIPLINES, FROM BOTH PUBLIC AND PRIVATE INSTITUTES AND UNIVERSITIES.

Plan Bonito

THE RELOCATION OF THE 98 FAMILIES OF THIS COMMUNITY WAS COMPLETED IN 2014. SINCE THEN, THE LIVELIHOOD RESTORATION PROGRAM HAS BEEN IMPLEMENTED BY THE THREE MINING COMPANIES INVOLVED. THE PROGRAM PROMOTES INITIATIVES RELATED TO EDUCATION, ENTREPRENEURSHIP, SOCIAL INCLUSION AND ACCESS TO BASIC SERVICES, WHICH BENEFIT FAMILIES AND POSITIVELY IMPACT 475 PEOPLE.

To date

110
students have benefited

from the Higher Education Fund (HEF), which will be in effect until 2025.

43
beneficiaries have now graduated

from different programs. Likewise, support has been maintained for families that had businesses and income-producing projects, providing them with seed capital and granting microcredits that benefited

51 families.



MILESTONES

During 2021, the business context of the other mining companies involved in the resettlement processes was taken into account; the main milestones achieved include:

1.

Drummond Ltd. ensured the continuity, throughout the year, of the contingency plan to ensure that the community would continue to receive assistance through the system for petitions, complaints, claims and requests (PQRS, in Spanish) and the provision of healthcare services in Boquerón and El Hatillo.

2.

Drummond Ltd. guaranteed and contributed the financial resources for tuition fees for higher education for young people from the three communities.

Specifically for each community, the following milestones were reached:

El Hatillo

1.

The Environmental Authority approved the program for breaking down the resettlement obligations individually; this was communicated to the community and launched as one of the company's obligations.

2.

The Multi-Active Workers' Cooperative of El Hatillo (Coomultraha) was strengthened through service orders that contributed to job creation.

3.

The availability of legal services and community communications were maintained to guide and support the families in the implementation of the RAP.

4.

The benefits of the Transition Plan and its payments were reactivated, applying retroactively for some items.



Boquerón

1.

The Socioeconomic Management Plan (SMP) was prepared and filed for approval by the Environmental Authority for the town of Boquerón, created through a participatory process.

2.

The Foundation for the Comprehensive and Sustainable Development of Boquerón (Fundeboquerón) was strengthened through service orders that contributed to job creation.



Plan Bonito

1.

Measures were taken that helped financially strengthen the community's business units, financial strengthening as a result of COVID-19 and loan forgiveness.

2.

The Plan Bonito Foundation (FUNPLANB) was strengthened through service orders contributed to job creation.

CHALLENGES

- ▶ Continue with the implementation of the breaking down of the resettlement program from the RAP for El Hatillo in terms of the individual resettlements in the components corresponding to Drummond Ltd.
- ▶ Define the breakdown of responsibilities for the implementation of the collective resettlement for the community of El Hatillo.
- ▶ Approve and implement the management measures to be paid for by Drummond Ltd. that were proposed in the Socioeconomic Management Plan (SMP) for Boquerón.
- ▶ Finalize the resettlement of the community of Plan Bonito in all its phases, including the documentary phase.



ESG Vision

Environmental Management

100 %

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

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).

144.06 ha

were rehabilitated at the Pribbenow and El Descanso mines.

63,839

trees planted.





For us at Drummond, environmental responsibility is summed up as respecting the communities, the Colombian government, the environment, our employees and all stakeholders that benefit directly and indirectly from this project that represents progress, and in which the greatest commitment is to assert the legitimate right to live in a healthy environment, where natural assets are preserved and even strengthened, so that future generations have the resources for their support and development.”

AMÍLCAR VALENCIA NÚÑEZ
Environmental Manager
Drummond Ltd.

FOR DRUMMOND LTD., ENVIRONMENTAL RESPONSIBILITY INVOLVES REAL ACTIONS AIMED AT RESPONDING APPROPRIATELY, PROMPTLY AND PROPORTIONALLY FOR THE IMPACTS OF ITS OPERATIONS. BY DOING SO, THE SUSTAINABILITY OF ITS PROJECTS CAN BECOME A REALITY, SINCE A BENEFIT IS CREATED IN THE PRESENT FROM THE USE OF NATURAL RESOURCES AND, IN TURN, THERE IS ALSO THE POSSIBILITY THAT FUTURE GENERATIONS CAN TAKE ADVANTAGE OF THE AFFECTED AREAS.

To achieve this, the team responsible for corporate environmental management leads the implementation of an effective environmental management model through the entire mining cycle, from the project design to the closure phase. This includes the design and implementation of tools to make the projects compatible

with the dynamics of the ecosystems, by taking management actions that prevent, mitigate, control and compensate for the environmental impacts generated by the operation of the projects.

Below are the four material topics that make up Drummond Ltd.'s environmental strategy:



Water resource management



[GRI 103-1] For Drummond Ltd. the management of water is essential and strategic, given the importance of this resource for the communities and ecosystems in the area of influence, and the prevalence of water in the Company's value chain.

[GRI 103-2]

Understanding and incorporating water resource management from a socio-ecological approach is essential to be able to project and manage the availability of water in a way that ensures the sustainability of the business provides access to this resource by different actors and preserves the ecosystems and the services they provide.

The proper management of water resources is one of the Company's commitments, which is reflected in its Environmental Policy³⁶. Drummond Ltd.'s work includes regulatory compliance as a basic part of its management and the development of strategies associated with an effective environmental management model, which contribute to:



Prevent impacts from the mining design itself.



Properly implement the management measures that have been defined.



Conduct the relevant environmental monitoring.



Build a sustainable future from the start of the operations.

Consistent with this model, monitoring is a critical element that provides technical information, based on which Drummond Ltd. can formulate new strategies in its extraction and operation processes in order to minimize the impact on natural resources and nearby communities.



Air quality

[GRI 103-3]

The Company's environmental management is evaluated and audited using different mechanisms that make it possible to verify compliance with the established parameters and goals, to understand and measure Drummond Ltd.'s performance in terms of water resource management. The external mechanisms include control and follow-up visits carried out by the Regional Autonomous Corporations and the National Environmental Licensing Authority (ANLA), in order to verify regulatory compliance. Similarly, other entities such as the Office of the Attorney General, the Office of the Comptroller General, the National Mining Association, Bettercoal, the certifier of the ISO 14001 Environmental Management System, consultants and others carry out periodic inspections to verify the Company's work.

Internally, Drummond Ltd. monitors and tracks management and performance indicators to identify any existing gaps and take management steps that contribute to continuous improvement.



[GRI 103-1]

OPEN-PIT COAL MINING, WHICH INCLUDES THE REMOVAL OF SOIL, WASTE MATERIAL AND COAL, THE USE OF MACHINERY, AS WELL AS THE TRANSPORTATION OF MATERIALS, GENERATES PARTICULATE MATTER AND GREENHOUSE GASES, LIKE ANY OTHER PROJECT OF ITS KIND IN THE WORLD.

Aware of the effects that this generates on the health of workers and local communities, as well as on the balance of the ecosystems in the area of influence of the projects, Drummond Ltd. prioritizes the design, implementation and monitoring of prevention strategies and the control of emissions into the environment, which are characterized by being technically feasible, socially beneficial and environmentally effective.

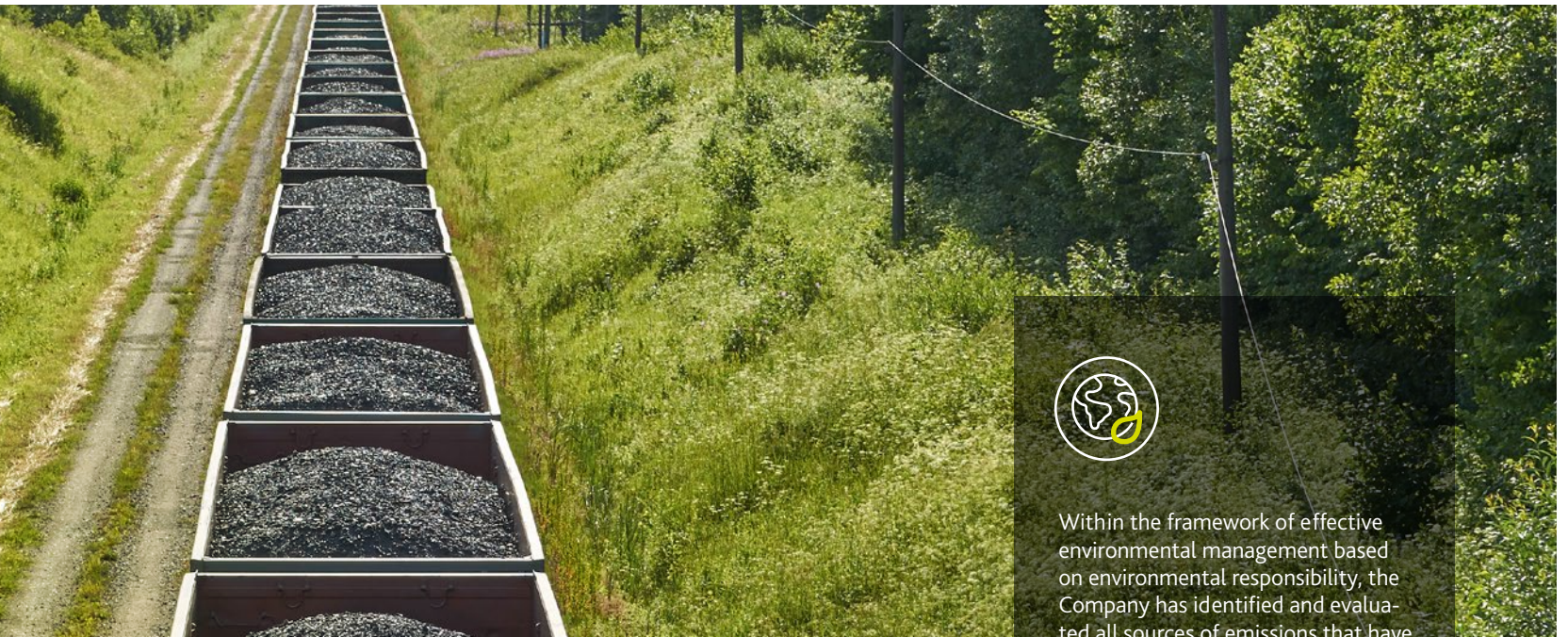
[GRI 103-2]

The Company's Environmental Policy also includes a commitment to air quality, based on the fact that this is one of the greatest environmental challenges in any open-pit mining operation. The Air Quality Environmental Management and Monitoring Program that Drummond Ltd. has developed seeks to identify and evaluate the effects of each process, to establish the prevention, mitigation and control activities, as well as the necessary follow-up activities.

IMPACT IDENTIFIED

PREVENTION, CONTROL AND MITIGATION ACTIONS

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Emissions of particulate matter generated by blasting (low intensity environmental impacts). 2. Emissions of particulate matter at blasting fronts. 3. Emissions of particulate matter generated by transportation within the projects, which represents 60% of the operation's total emissions. | <ul style="list-style-type: none"> • Implement the proper blast design and carry it out at the time when there will be the least dispersion of particulate matter. • Provide turbine-type mist generating equipment (<i>fog cannons</i>) and/or water cannons, which operate on the shovels and extraction fronts to control emissions when loading trucks. • Reduce the amount of material to be transferred to outside dumps, increasing backfilling. Locate soil and/or overburden storage yards closer to the areas of operation to reduce distances. • Scheduled and continuous irrigation of project roads. • Control vehicle speed. |
|---|---|



Within the framework of effective environmental management based on environmental responsibility, the Company has identified and evaluated all sources of emissions that have a potential impact on the communities, and established the Company's contribution to these emissions and its responsibility is the well-being of the communities and the implementation of actions that are socially beneficial for them. For this reason, it identifies and evaluates the sources of emissions that have an impact on the communities, in order to establish the contribution from the Company's emissions and its responsibility, and those contributions coming from other sources, an analysis that has encouraged public management to improve the environmental conditions in these locations. In this sense, the company has taken actions that include the following:

- 4. **Emissions of particulate matter generated at material transfer points.**
 - Encapsulation of dust and coal particles through water spraying processes, using micro-sprinklers, tanker trucks and cannons.
- 5. **Water consumption for spraying.**
 - Water reduction campaigns with the use of chemical dust suppressants (biodegradable), to control emissions of particulate matter on perimeter roads.
- 6. **Emission of particulate matter in dumping areas.**
 - The closed dumping areas are rehabilitated as soon as possible, implementing the plant restoration management program.
- 7. **Emission of particulate material when unloading trains.**
 - Spraying water during the process of unloading trains.
- 8. **Emission of particulate material on conveyor belts and transfer points.**
 - Covering of conveyor belts.
 - Encapsulation and spraying water at coal transfer points.
 - Inspection and preventive and corrective maintenance plan for roofs and sprinkler systems at the transfer points.
- 9. **Emission of particulate material in the handling of coal.**
 - Spraying water with cannon or mist systems.
- 10. **Emission of particulate material in loading of coal on the dock.**
 - Spraying water during loading of ships.
 - Encapsulation and spraying water at coal transfer points.
 - Inspection and preventive and corrective maintenance plan for decks and sprinkler systems at the transfer points.

IMPACT NOT CAUSED BY DRUMMOND LTD. CONTRIBUTION TO MITIGATION



Traffic on urban roads
Proposals to reorganize traffic, and to pave and wash down critical roads, such as those executed in La Loma in the municipality of El Paso, Cesar.



Trash burning
Economic and logistical support for the implementation of an integrated solid waste management system in the town of Boquerón, in the municipality of La Jagua de Ibirico, Cesar.



Forest fires
Direct, constant communication with the group of firefighters from the central region of Cesar to respond to forest fires in a timely manner.



[GRI 103-3]

To monitor and evaluate the management steps and compliance with the established parameters and goals, Drummond Ltd. has an air monitoring network that allows it to measure, in real time and in a standardized manner, the PM10 particulate matter that originates from the mining projects, verify compliance with its legal obligations, ensure that emissions are below the threshold that could affect the air quality of the nearby communities, identify any deviations and implement control actions and contingency plans when necessary.

Additionally, the Company is subject to monitoring and control through periodic visits to the ongoing projects by the Environmental Authorities, which constitutes an external verification mechanism for the environmental management work it carries out.

Protecting biodiversity

[GRI 103-1]

DRUMMOND LTD. MAINLY CARRIES OUT ITS MINING AND PORT OPERATIONS IN THE TROPICAL DRY FOREST, ONE OF THE COUNTRY'S MOST THREATENED ECOSYSTEMS, WHOSE AREA DECREASED IN RECENT YEARS.

[GRI 103-2]

Because the removal of vegetation affects the soil, as well as the flora and fauna, it is essential for the Company to develop processes and actions that help protect biodiversity. For this reason, it focuses its efforts on preventing and mitigating these impacts, as primary forms of management and compensates for the impact caused when these measures are not sufficient.

Drummond Ltd.'s mining project is executed in synergy with its commitment to protecting biodiversity in a way that minimizes its impact on ecological communities. The strategies implemented are the result of an exhaustive and systematic understanding of the behavior of the ecosystem that the Company has achieved through monitoring the areas under conservation and those that are in the ecological recovery process. Below are the actions that make up Drummond Ltd.'s structured strategy in terms of caring for and protecting the region's biodiversity:





Drummond Ltd. takes steps to preserve, conserve and recover ecosystems, protecting the flora and fauna.

In addition, Drummond Ltd. designs and implements strategies that will make it possible to return and reintegrate the affected areas into their surroundings, environmentally and socially. To do so, the Company takes forest rehabilitation and compensation actions. The former consists of incorporating the rehabilitated area into the surrounding ecosystems, in such a way that it can even serve as a wildlife refuge. At the same time, forest compensation seeks to create biological corridors that connect with the mining area to integrate the ecosystems. Active and passive restoration processes, implemented in external ecosystems that are adjacent to the mine and in basins that feed into these ecosystems, guarantee the environmental construction of a sustainable future for the affected areas.

[GRI 103-3]

The effectiveness of the Company's management strategy is evaluated and audited through different parameters that make it possible to verify the fulfillment of its objectives, understanding and measuring Drummond Ltd.'s performance in terms of the different environmental management components to protect biodiversity. Additionally, the oversight and verification performed by the Environmental Authorities allows the Company, from an external position, to evaluate its performance.

- Before doing work that would disturb land or aquatic ecosystems, relocate wildlife using a displacement, rescue and release protocol with a team of experts and multiple capture techniques, to guarantee their care.
- Before logging, rescue seedlings and seeds from the most ecologically important forest species or those that are threatened to some degree.
- Recover soil from the disturbed areas for later use in the areas affected by the progress of the mining and/or port activity.
- Propagate native species from the tropical dry forest in the forest nurseries at the mine and port.
- Protect, preserve and restore any natural areas that will not be disturbed (streams, forests, grasslands), in such a way that it is possible to maintain natural ecosystems with a significant number of species of fauna and flora.
- Rescue animals that are at risk and/or that represent a risk at the mining and port operations with the implementation of a permanent brigade that operates 24 hours a day.
- Assist in the ecological recovery process in the dumping areas and diverted riverbeds.
- Make all employees, contractors and visitors aware of respecting and protecting biodiversity.





Waste management

[GRI 103-1] THROUGHOUT THE VALUE CHAIN, A LARGE VOLUME AND DIVERSITY OF WASTE IS GENERATED, INCLUDING HAZARDOUS WASTE, WHICH HAS THE POTENTIAL TO CAUSE A NEGATIVE IMPACT ON NATURAL RESOURCES AND ECOSYSTEMS IN THE AREA OF INFLUENCE, AND TO AFFECT THE HEALTH OF THE LOCAL COMMUNITIES AND EMPLOYEES.

For Drummond Ltd., managing the waste that is generated is a priority, using practices that ensure the smallest possible environmental impact. This means that it is necessary to incorporate criteria with suppliers, since they are also part of the value chain, and their work must be consistent with the impacts that they could potentially generate.

[GRI 103-2] Drummond Ltd. begins its comprehensive waste management by categorizing it in a way that makes it possible to identify its risks and the possibilities for handling it, the related handling to ensure its proper treatment, use and/or final disposal. The Company also identifies the steps necessary to minimize, as much as possible, the generation of certain types of waste through, for example, replacing polluting or dangerous supplies with others that are more environmentally friendly. At the same time, it takes actions to recover and incorporate waste into new value chains and thereby contribute to the national circular economic strategy.

[GRI 103-3]

On a constant and regular basis, the Company monitors waste generation indicators, which serve as inputs for submitting management reports to the Environmental Authorities. It also conducts external audits of its waste management suppliers to verify regulatory compliance, since the principle of shared responsibility applies to the proper management of hazardous waste.



Learn about
Drummond Ltd.'s

environmental management

2021



1. Water resource management

Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its administration of water resources, it contributes to:

PEACE AND HUMAN RIGHTS

Strengthen capacities among stakeholders to build a peaceful, fair and responsible society that promotes respect for human rights.

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

ENVIRONMENTAL PERFORMANCE

Strengthen business capabilities that ensure world-class environmental performance.

- **Environmental Sustainability**
- Conservation and restoration



CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS



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
- Working Environment

GOVERNANCE FOR DEVELOPMENT

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

- Transparency and citizen oversight
- Institutional and community strengthening

TARGET

Target 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.



In this region, water is a very complex thing. For this reason, we appreciate Drummond's work in listening to us as neighbors and working to think through any problems that may arise. People don't realize how hard Drummond is working to review and compensate for the impacts of its operation. I would rate its work as 8/10."

CRISTÓBAL JOSÉ GARCÍA
Neighbor of the project



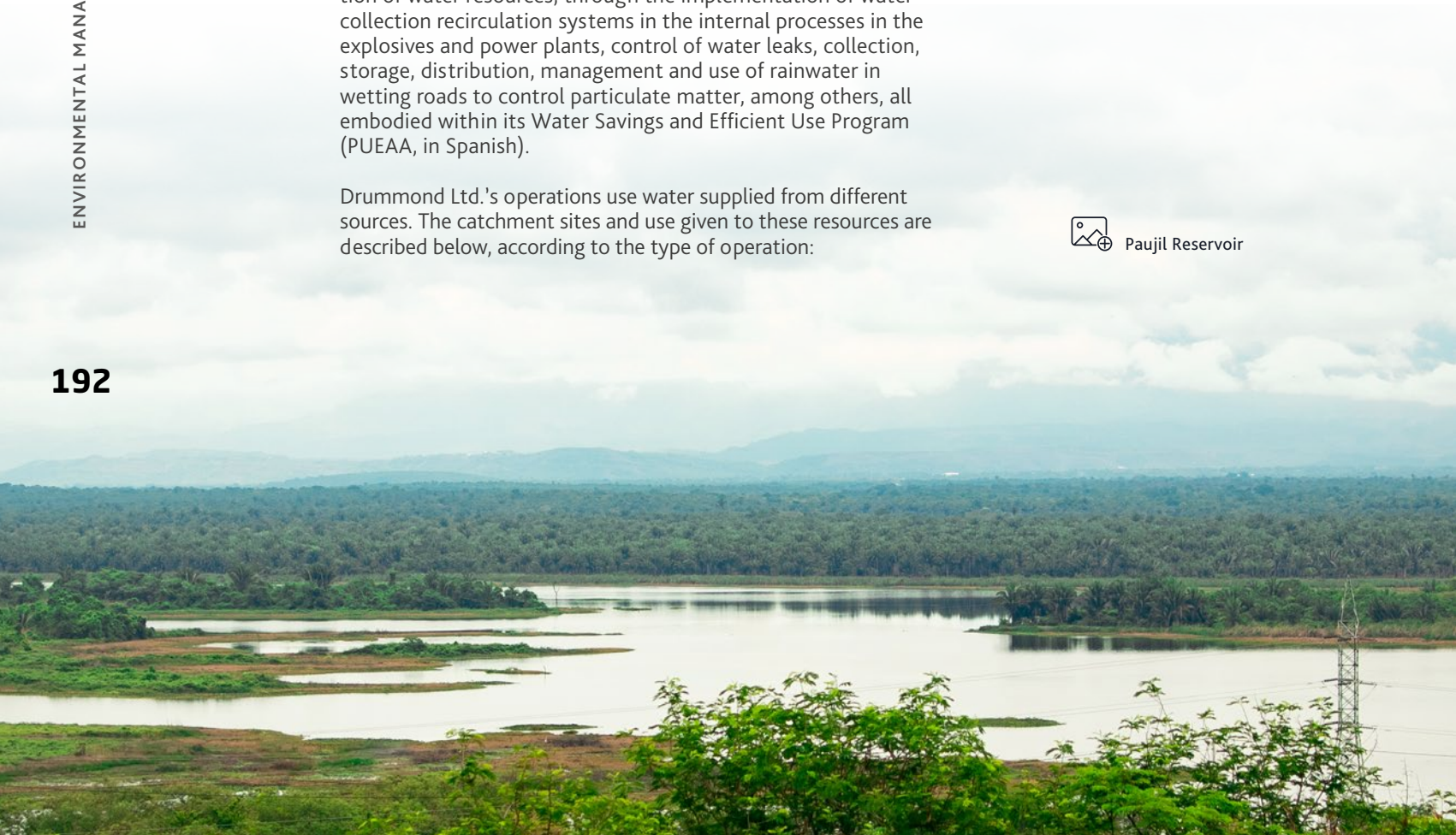
GRI [303-1] Interaction with water as a shared resource

Understanding the importance of water resources for the communities and the conservation of ecosystems, Drummond Ltd. has added, as part of its management plans and programs, initiatives focused on the efficient use and reduced consumption of water resources, through the implementation of water collection recirculation systems in the internal processes in the explosives and power plants, control of water leaks, collection, storage, distribution, management and use of rainwater in wetting roads to control particulate matter, among others, all embodied within its Water Savings and Efficient Use Program (PUEAA, in Spanish).

Drummond Ltd.'s operations use water supplied from different sources. The catchment sites and use given to these resources are described below, according to the type of operation:

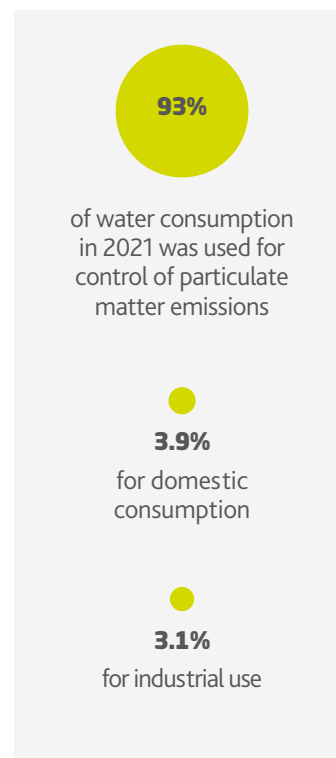


Paujil Reservoir



FOR THE MINING OPERATIONS

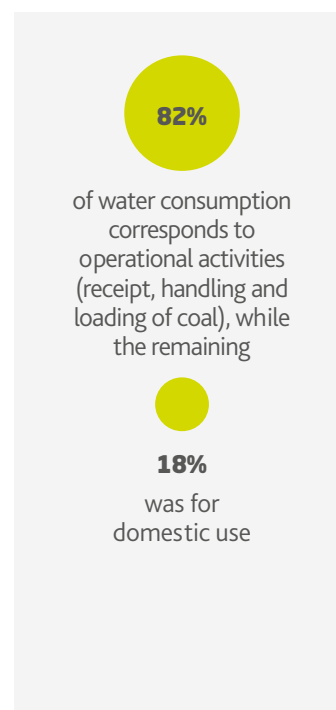
SOURCE	COLLECTION	USE
Rainwater	It is captured in the operating areas and in external dumping areas to be stored temporarily and then conveyed through channels and pipes to treatment systems before being discharged into natural streams.	Part of the stored water is used to control emissions of particulate matter through irrigation and sprinkling on roads and material loading areas.
Underground aquifers	Due to the excavation work done to extract the coal, a part of the aquifer units that transport the underground water is intercepted, causing infiltrations in the project's pits. It is returned to the environment through controlled and treated discharges.	Part of the water is used to control emissions of particulate matter through irrigation and sprinkling on roads and material loading areas.
Surface water	It is captured from the Paujil reservoir, whose maximum storage capacity is 10 million cubic meters. Use of this water never exceeds the amounts approved by the environmental authorities.	Industrial use in various processes in the power plant.
Ground water	It is captured from different deep wells at various points in the mining projects.	Its main use is domestic and for human consumption in the mining operations.



FOR THE PORT OPERATIONS

SOURCE	COLLECTION	USE
Surface water	It is collected from the Nirvana creek, a channel of the Toribio River that begins in the foothills of the Sierra Nevada de Santa Marta, in the municipality of Ciénaga, on the edge of the Danta at 1,500 meters above sea level.	Industrial use (coal receipt, handling and loading operations).
Underground aquifers	It is collected through pumping deep wells located in the quadruple car dumper area.	Its main use is domestic and for human consumption in the port operations.

The operations carried out by Drummond Ltd. interact with water resources in different aspects; one of the most relevant is through its consumption. For this reason, the company has established processes to mitigate its impacts and return water to the environment, either into the atmosphere when the water used to wet the roads evaporates, or into natural channels without compromising its quality, through controlled discharges from its treatment systems.





CONTRIBUTION BY OUR SUPPLIERS

As part of its commitment to conserving water resources, Drummond Ltd. has arranged to carry out certain activities with its suppliers, aiming its actions to protecting this resource:

Table 27.
Contribution by our suppliers



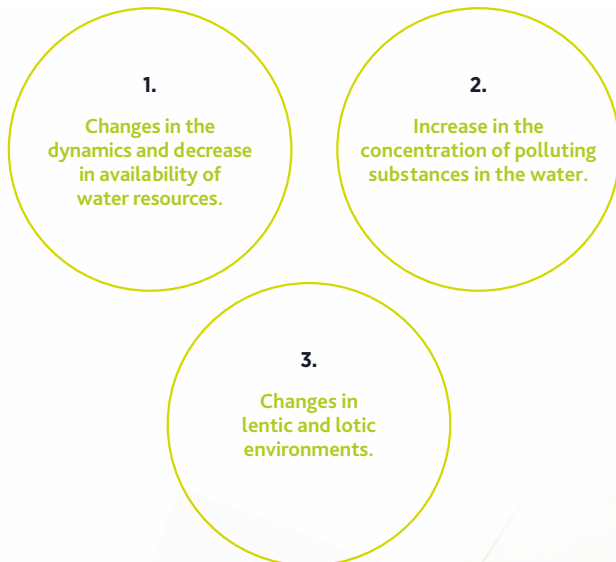
	INITIATIVES WITH SUPPLIERS TO HELP THEM IMPROVE THEIR WATER MANAGEMENT PRACTICES	NUMBER OF SUPPLIERS/ CONTRACTORS INVOLVED	RESULTS OF THE COLLABORATION
MINE 	<ul style="list-style-type: none"> Educational campaigns. Environmental awareness campaigns about efficiency, the use of water-saving devices and changes in water consumption habits. 	4	<p>During 2021 there was a cumulative savings of 243,539 m³ of water in the mining projects' camps.</p> <p>Reduce and/or maintain water consumption in the camps.</p>
	Periodic review of the status of valves and pipes, with the aim of detecting and correcting leaks that may occur within the system to supply water resources to the camps.	1	
	Maintain the reuse of condensed water at 10% in the power plant.	1	42,092 m ³ of condensed water reused
	Reuse the water condensed from the cooling of machines in the emulsion plant.	1	8,080 m ³ of condensed water reused.
PORT 	Trainings on the efficient use of water resources.	27	Environmental training of contractor company personnel.
	Periodic review of the status of valves and pipes, with the aim of detecting and correcting leaks that may occur within the system to supply water resources to the camps.	3	Optimize water consumption in garden, casino and camp areas for the efficient use of this resource

Table 28.
Future plans and objectives to work
with suppliers and reduce water-related impacts

Plan	Objective
Environmental education and awareness campaigns on efficient water use and changes in water consumption habits.	Reduce water consumption and avoid contamination of water resources
Reuse of water condensed in the emulsion plant.	Reuse at least 90% of water condensed from the cooling of machines.
Reuse of water condensed in the power plant.	Maintain the reuse of condensed water at 10% of cumulative consumption from the Paujil reservoir.

WATER-RELATED IMPACTS

Drummond Ltd. has identified that making use of or interacting with the water resources in its value chain can generate impacts, which include, mainly:



AS A RESULT OF THE WORK ASSOCIATED WITH THE EFFICIENT USE OF WATER, WATER WITHDRAWALS FOR DRUMMOND LTD.'S OPERATIONS IN 2021 DID NOT EXCEED THE LIMITS GRANTED IN CONCESSION. THEREFORE, THE PERFORMANCE EVALUATIONS SHOWED THAT PRESSURE ON SUPPLY SOURCES IS MINOR, BECAUSE THE COMPANY DOES NOT COLLECT MORE THAN 5% OF THE RESERVOIR'S WATER MASS EVERY YEAR, THE MAIN SOURCE OF SURFACE WATER.



The company's management of this resource is established through its Environmental Impact Assessment (EIA), a document that combines the impacts that the company's operations do cause or could cause on the availability and quality of the water used. Through this EIA, Drummond Ltd. has developed different initiatives, with which it seeks to reduce, mitigate, control or offset its impacts through both proactive and reactive evaluations, in order to guarantee the consistent supply of water resources, as well as to preserve its quality.



FOR THE MINE



PREVENTIVE

Having an environmental laboratory to conduct specific water and air quality tests, which has proven useful in identifying situations that may arise in the operation.

Considering alternatives to avoid and reduce impacts on surface water resources.

Locating the external dumping areas and managing the progress of the mining activities in such a way that they do not affect water buffer or regulation areas.

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

Monitoring groundwater levels on a bimonthly basis through the network of piezometers installed within and around the mining projects.

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

Holding training talks for employees and contractors to communicate different actions regarding the efficient use of water resources.

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

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

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

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

CORRECTIVE

Taking actions to reduce water consumption.

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

FOR THE
PORT



PREVENTIVE

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

Installation of water meters in all areas to establish plans to reduce and optimize water use.

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

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

Implementation of bathroom and cafeteria inspection program to identify water leaks.

Conducting inspections of garden irrigation devices to identify water leaks.

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

Optimization of irrigation systems for internal and external gardens.

Identification of good consumption practices in the different areas of the Port.

Worker training on issues related to the reasonable use and protection of sources of this resource.

Communication of the program to employees and contractors through on-site talks.

Monthly presentation of environmental performance reports and indicators.

CORRECTIVE

Reporting and correction of water leaks identified at the port facilities.

WITH THE GOAL OF PRESERVING THE SUPPLY BASINS AND THE QUALITY OF THEIR WATER, FOR MORE THAN 25 YEARS DRUMMOND LTD. HAS PROMOTED THE CONSERVATION OF RIPARIAN FORESTS AND OTHER SENSITIVE ECOSYSTEMS ADJACENT TO THE PAUJIL RESERVOIR, THE SAN ANTONIO, EL ZORRO AND LAS ÁNIMAS CREEKS, AND THE PARALUZ AND GARRAPATAS STREAMS.



[GRI 303-3] **Water collection**

[GRI 303-5] **Water consumption**

During 2021, 93 % of the water used in the mining operations came from rainwater and mining water; 2,1 % came from natural surface sources, and only 4,9 % came from water captured from underground wells³⁷.

This small share of the consumption of surface and groundwater is a reflection of the company's commitment to reduce pressure on this essential resource as much as possible. It should be noted that Drummond Ltd. does not collect water in highly deficient areas (ENA, 2018).

Puerto Drummond is one of the last users of surface water captured from the Nirvana canal, a channel of the Toribio River that begins in the foothills of the Sierra Nevada de Santa Marta, in the municipality of Ciénaga, on the edge of the Danta at 1,500 meters above sea level and empties into the north, from east to west, in the Caribbean Sea.

In addition to this permit, the port has a groundwater concession that authorizes the collection of water through pumping from 15 deep wells, which alternate use to adjust to the concession granted, all of which are adapted to measurement systems that record the amount of water consumed by the company.

Below are the historical water consumption results, which have been compiled from measurements taken, when possible, from properly calibrated micrometers or, in their absence, through volumetric gauging and pumping time measurements:



37. All of the water from underground wells and natural surface sources is considered to within the category of fresh water.

MINE

Table 29. Drummond Ltd. water consumption.

Category	Unit	2021	2020	2019	2018	2017
Surface water	m ³	164,328	448,212	1,165,838	634,267	860,793
Groundwater	m ³	390,486	385,941	433,177	353,825	414,017
Bilge (or mining water)	m ³	7,376,280	6,404,283	7,866,894	8,203,354	7,284,550
Total	m³	7,931,095	7,238,435	9,465,909	9,191,446	8,559,360
Rainwater, surface water and groundwater collected directly and stored by the Company	Hm ³	36	35	26.63	20.30	20.15

PORT

Table 30. Drummond Ltd. water collection

Category	Unit	2021	2020	2019	2018	2017
Surface water	m ³	780,584	672,642	560,174	464,185	486,107
Groundwater	m ³	174,534	200,254	655,347	621,286	656,133
Total	m³	955,118	872,896	1,215,521	1,085,471	1,142,240



Drummond Ltd. has developed a range of initiatives through which it seeks to reduce, mitigate, control or compensate for its impacts, to guarantee a constant supply of water and to preserve its quality.



[GRI 303-2] Managing impacts related to water discharges

[GRI 303-4] Discharges

Drummond Ltd.'s commitment to the protection of natural resources means that it is aware of its regulatory obligations, and so, in accordance with the requirements described in Resolution 631 of 2015, it has drawn up environmental measures and controls for the management and disposal of wastewater at its operations, 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.

As environmental measures for managing mining wastewater, treatment systems have been implemented at 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 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, the Company has 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 carried through channels to the sedimentation pools that treat the mining wastewaters.

Additionally, Puerto Drummond has established environmental controls for managing wastewater in accordance with the use that



was granted to it. In the case of industrial wastewater, it is transported through perimeter channels from the coal yards to a treatment system consisting of four sedimentation pools that work in parallel; the effluent from the pool is discharged by overflow into the hygrophytic forest. Additionally, domestic wastewater is sent through the sewer network to the Wastewater Treatment Plant, where after being treated, it is discharged into sedimentation pool 4, and from there it is later discharged into the hygrophytic forest.

Finally, to evaluate compliance with environmental regulations, monitoring stations are installed in the runoffs from the wastewater treatment systems from the mining and port operations, where water samples are taken periodically by laboratories duly accredited by the Institute of

Hydrology, Meteorology and Environmental Studies of Colombia (IDEAM). As a result of these measurements, in 2021 there were no breaches of the maximum limits allowed.

Below is the information on water discharges from the projects. As noted above, the water quality and flow measurements were performed 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 flow curves, make it possible to know the volumes actually

discharged at any time. In the case of the port, since the volumes were significantly smaller, the volume discharged was measured using a micrometer installed at the outlet from the sedimentation pool.

DRUMMOND LTD.'S COMMITMENT TO PROTECTING NATURAL RESOURCES MEANS THAT IT IS AWARE OF ITS REGULATORY OBLIGATIONS, CREATING ENVIRONMENTAL MEASURES AND CONTROLS FOR ITS OPERATIONS TO MANAGE ITS IMPACTS.



Table 31.
Discharges from Drummond Ltd. mining projects

MINE



Discharge point	Surface water discharges year m ³ - 2020	Quality of the water discharged	2021	2020	2019	2018	2017
Garrapatas stream: E 4935808.8 - N 2613768	7,671,197	DBO (tons/year)	22.8	62.5	27.6	46.3	50
		DQO (tons/year)	178.6	268.2	201.4	312.4	258.5
		SST (tons/year)	106.1	108.6	1,463.3	1,569.7	444.6
Paraluz stream: E 4943053.4 - N 2619612.3	5,561,050	DBO (tons/year)	8.5	36.7	9.3	18.0	18.2
		DQO (tons/year)	76.1	173.4	76.9	99.4	85.6
		SST (tons/year)	49.9	75.0	72.2	75.3	72.4
Paujil channel: E 4948980 - N 2612946	231,898	DBO (tons/year)	0.1	0.4	0.9	1.5	1.1
		DQO (tons/year)	1.3	3.8	8.0	11.1	5.5
		SST (tons/year)	0.6	2.2	2.4	21.6	2.7
San Antonio creek N.º 4 (pool 7): E 4944045 - N 2613383	712,264	DBO (tons/year)	-	1.2	0.0	9.4	31.7
		DQO (tons/year)	-	8.8	2	56.6	157.5
		SST (tons/year)	-	7.1	16	256.7	222.6
San Antonio creek N.º 4 (pool 8) E 4944304.7, N 2610968.0	613,094	DBO (tons/year)	3.7	1.2	0.3	-	-
		DQO (tons/year)	36.2	9.0	2.2	-	-
		SST (tons/year)	35.9	11.9	2.5	-	-
San Antonio creek N.º 4 (pool 9) E 4949052, N 2610317	2,685,874	DBO (tons/year)	4.5	4.6	0.6	-	-
		DQO (tons/year)	45.3	25.3	12.4	-	-
		SST (tons/year)	40.8	49.8	6.1	-	-
El Mocho stream: E 4935281 - N 2631744	29,866	DBO (tons/year)	0.1	0.0	0.3	-	1.4
		DQO (tons/year)	1.1	0.2	3.9	-	6.9
		SST (tons/year)	1.1	0.1	1.9	-	20.6
El Zorro creek (D3): E 4943654 - N 2635861	6,988,032	DBO (tons/year)	16.7	13.2	20.9	16.2	87.6
		DQO (tons/year)	162.8	99.8	241.4	120.7	420.7
		SST (tons/year)	190.5	139.7	604.7	1,283.1	976.1
Arroyo El Zorro (D4): E 4945145 - N 2634410	503,885	DBO (tons/year)	4.0	3.2	4.7	2.7	6.2
		DQO (tons/year)	25.7	23.9	50.0	18.1	30
		SST (tons/year)	41.8	4.6	80.3	212.5	132.5
El Zorro creek (D5): E 4948187 - N 2637404	1,975,795	DBO (tons/year)	3.2	3.8	1.8	0.2	0.2
		DQO (tons/year)	28.2	27.8	12.9	1.1	0.9
		SST (tons/year)	37.7	31.1	22.9	2.9	1.1
Las Ánimas creek (DS1): N: 2606600.7 - E: 4943706.2	339,638	DBO (tons/year)	0.6	0.6			
		DQO (tons/year)	5.8	5.8			
		SST (tons/year)	5.2	5.2			
Las Ánimas creek (DS2): N: 2605642.8 - E: 4945224.0	15.811	DBO (tons/year)	0.0	0.0			
		DQO (tons/year)	0.1	0.1			
		SST (tons/year)	0.1	0.1			
Total	26,972,955	DBO (tons/year)	64.2	126.83	79.84	74.86	221.2
		DQO (tons/year)	561.1	640.24	638.14	542.35	1,095.3
		SST (tons/year)	509.8	430.10	2,281.84	5,368.35	2,110.1

* The discharges into the Las Ánimas creek (DS01 and DS02) went into operation in 2021; for this reason, no data from previous years is presented.





PORT



Table 32. Discharges from Puerto Drummond

Discharge point	Surface water discharges year m ³ - 2020	Quality of the water discharged	2021	2020	2019	2018	2017
Hygrophytic forest: E 985092 - N 1715645	109,110	DBO (tons/year)	2.1	21.4	13.5	1.7	0.32
		DQO (tons/year)	4.4	47.2	27.2	7.5	1.39
		SST (tons/year)	5.4	11.1	9.4	16.1	1.44

As a general characteristic of Drummond Ltd.'s discharges, it is clear that the discharge points are located in areas in the freshwater category, and none of them are located in areas with hydric stress.



[DLTD-03]

Investment

To execute the water-management strategies defined by the Environmental department related to managing water resources, during

USD 2,593,096

was invested in the mining projects

USD 373,706

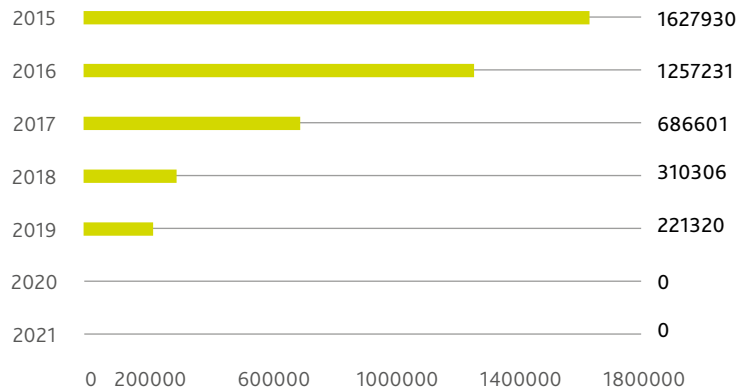
at Puerto Drummond

As a result, there has been 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.

Case study

In 2021, thanks to the execution of the activities proposed in the Water Savings and Efficient Use Program (PUEAA, in Spanish), during the second half of the year it was not necessary to use water from the Paujil reservoir for the activities to control particulate matter at the mine; therefore, water consumption was significantly lower compared to previous periods. This great savings was made possible thanks to planned storage in internal systems during the rainy season, and the efficient distribution of that water during drier periods in the second half of the year.

Graphic 28. Consumption volume in m³



MILESTONES

- ▶ During 2021, 100% of the goals set for the Water Savings and Efficient Use Program (PUEAA, in Spanish) were met.
- ▶ Reuse of condensed water remained at 10% of cumulative consumption from the Paujil reservoir.
- ▶ Consumption from the Paujil reservoir was reduced by 200,000 m³ during 2021; this volume was recirculated from the internal pools.
- ▶ 90% of the condensed water from the cooling of machines was reused in the emulsion manufacturing plant.
- ▶ Through the strategy and initiatives of the Water Savings and Efficient Use Program (PUEAA, in Spanish), in 2021 995,936 m³ of water were saved at the mining operations.
- ▶ At the port operations, the industrial water consumption index was kept below 35 lt/ton of coal exported.
- ▶ At the mine operations, the drinking water consumption index was kept below 140 lt/person per month.
- ▶ Water collection at the port operations remained below 40 % of the flow granted in concession.

CHALLENGE

- ▶ By 2022, collect and reuse a volume of condensed water $\geq 31,433$ m³/year at the Power Plant.
- ▶ Maintain the volume of water collected from the Paujil reservoir – Pribbenow mine at levels below 860,000 m³/year.
- ▶ At Puerto Drummond, keep use of the flow granted in concession below 40 %.
- ▶ At Puerto Drummond, keep the rate of industrial water consumption below 35 lt/ton coal-exported.





2. Air quality



Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its air quality management, it contributes to:

PEACE AND HUMAN RIGHTS

Strengthen capacities among stakeholders to build a peaceful, fair and responsible society that promotes respect for human rights.

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

ENVIRONMENTAL PERFORMANCE

Strengthen business capabilities that ensure world-class environmental performance.

- **Environmental Sustainability**
- Conservation and restoration



COMPREHENSIVE DEVELOPMENT

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

- Education and training
 - Generation of opportunities
- Working Environment

GOVERNANCE FOR DEVELOPMENT

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

- Transparency and citizen oversight
- Institutional and community strengthening

CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS



TARGET

ODS 12 - Own target: Implementing strategies for the prevention and control of air quality, which include not only technically viable options, but also ones that are environmentally effective and socially beneficial, is essential to care for the health of workers and the surrounding communities, as well as the natural environment around the projects.



I have always told the community that Drummond has been a company that is 100% responsible in managing its air quality and in social matters in the communities that are related to the company. Drummond has been involved with managing environmental issues, which has led it to install monitoring stations in many municipalities along the mining corridor.”

EPIFANIO PALMERA
Community Leader
Corregimiento La Loma
El Paso, Cesar

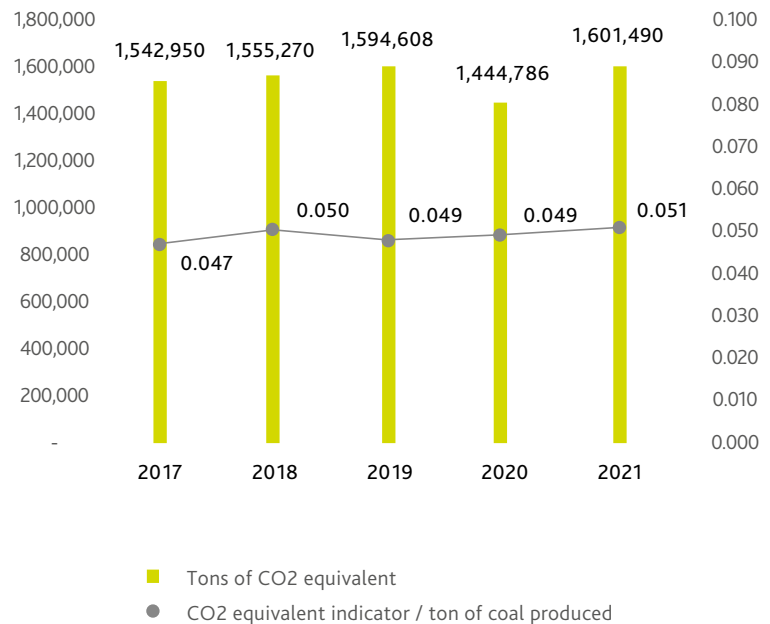


[GRI 305-1]
Direct GHG emissions (scope 1)

Within its inventory of Greenhouse Gas (GHG) emissions, Drummond Ltd. includes CO₂, CH₄ and N₂O gases for its mining project, applying for its calculation the FECOC 2016 emission factors for Colombia, 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) to estimate the emissions associated with coal seams.

For 2021, Scope 1 GHG emissions at the mines totaled 1,601,490 tons of CO₂ equivalent, a figure that is slightly higher than in previous years, due to the entry into operation of new mining fronts that demanded a larger gross use of fuel, and net use per unit of production. Nonetheless, the rate of GHG emissions per ton of coal produced remained relatively constant, which is an indicator that the Company is not using technologies or production methods that generate higher emission rates.

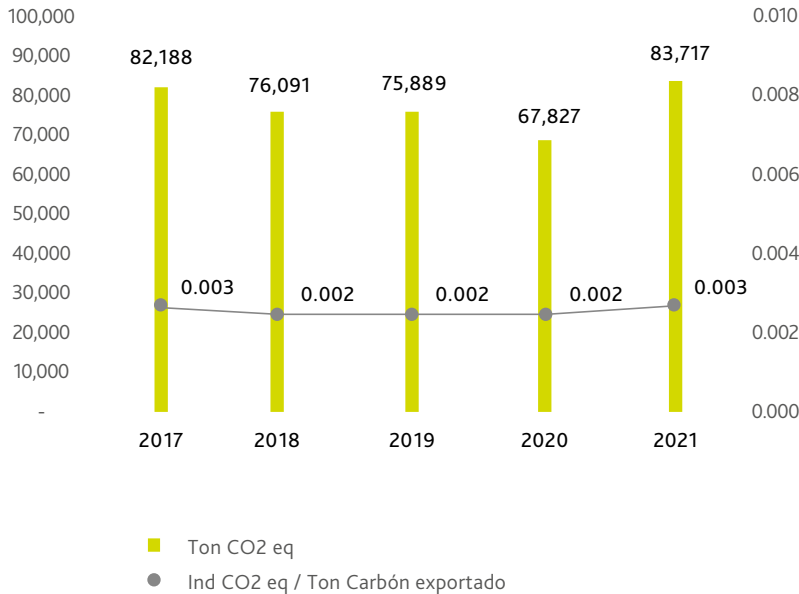
Graphic 29.
Direct GHG emissions at the mine - ton CO₂eq. Scope 1





Additionally, the emissions generated by the port operations were estimated based on the FECOC factors referred to above, which resulted in 83,717 tons of CO₂ equivalent, a number higher than the previous three years, due to the increase in coal exports in 2021, which required greater fuel consumption. In spite of these increases, like at the mine, the rate of GHG generation per ton of coal exported did not change significantly in recent years, which suggests that there were no different sources or processes that generated higher GHG emissions.

Graphic 30.
Direct GHG emissions at the port - ton CO₂eq. Scope 1



[GRI 305-2]

Indirect GHG emissions when generating energy (scope 2)

The mining projects developed by Drummond Ltd. use energy that is generated internally, through plants whose main source is natural gas; therefore, they generate emissions that are included within the Scope 1 direct emissions.

For the port operations, electricity comes from the National Interconnected System (NIS). To estimate the emissions from the energy supplied, which are part of Scope 2, the emission factor for the national electricity network indicate by UPME 2021 is used; that electricity generation emission factor directly provides emissions such as CO₂.

During 2021, Drummond Ltd. generated a total of 1,685,207 tons of CO₂eq.



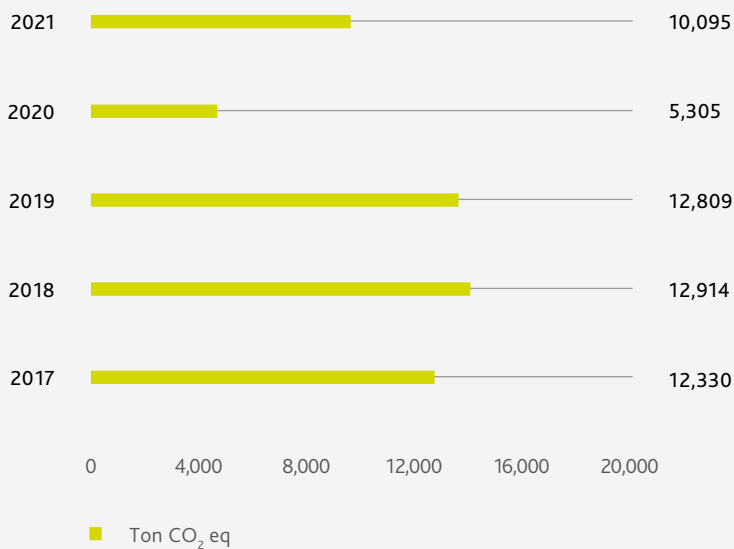


[GRI 305-7]

Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions³⁸

The quantification of particulate matter in the various projects carried out by Drummond Ltd. is based on estimates through the use of emission factors, leveraging calculations on the factors developed in AP-42 from the United States Environmental Protection Agency (EPA). The results obtained in 2021 show a slight decrease 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 meteorological effects associated with increased rainfall.

Graphic 31.
Indirect GHG emissions at the port - ton CO₂eq. Scope 2

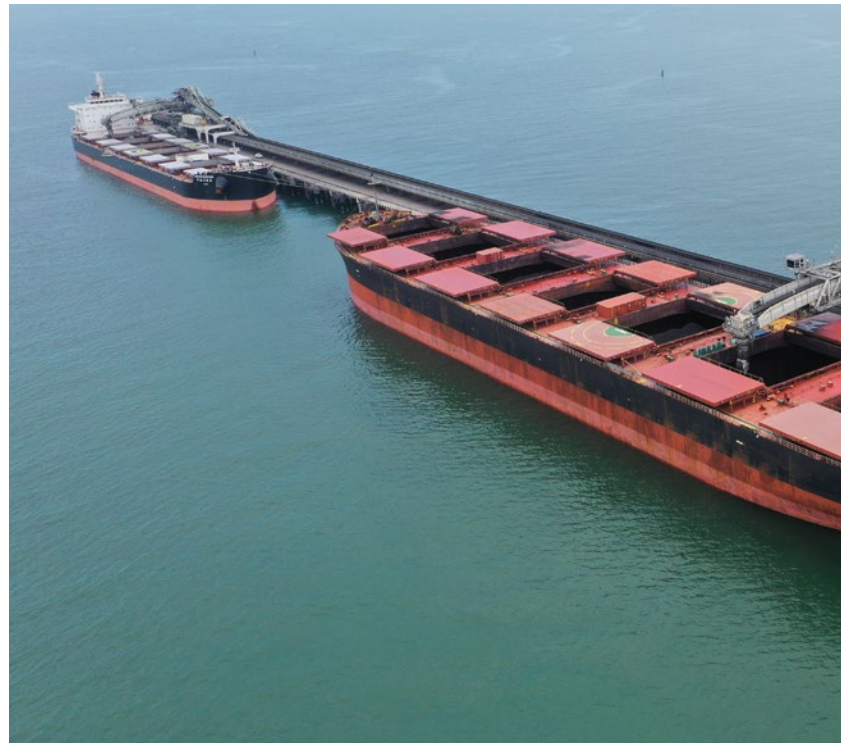


For 2021, an increase was seen compared to 2020, which was an atypical period around the world due to the effects of COVID-19, which reduced operations at the port and led to a drop in electricity consumption.

Nonetheless, emissions from 2021, corresponding to 10,095 tons of CO₂eq, are less than those generated on average over the last five years.

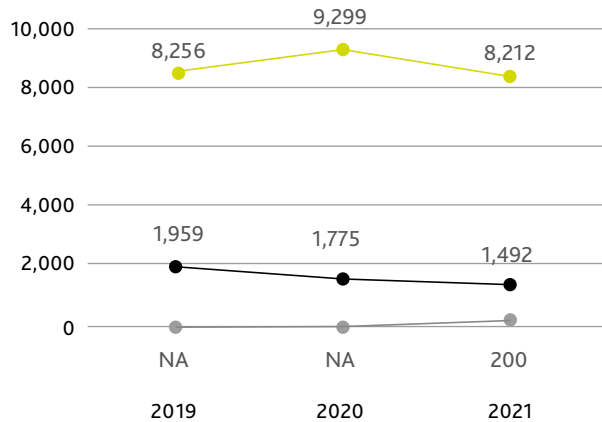
38. For Drummond Ltd., its NOx and SOx emissions are not significant, since the measurements taken at the projects have historically shown values that comply with environmental regulations, even below the quantification limits used in the analysis methods. At the same time, Drummond Ltd. has not considered the emissions from Persistent Organic Pollutants (POPs) to be significant, given that it does not use substances or carry out processes that could potentially generate emissions from these pollutants. In terms of Volatile Organic Compounds (VOCs), the Company 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 analytes evaluated, and in the case of Hazardous Air Pollutants (HAPs), 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.

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



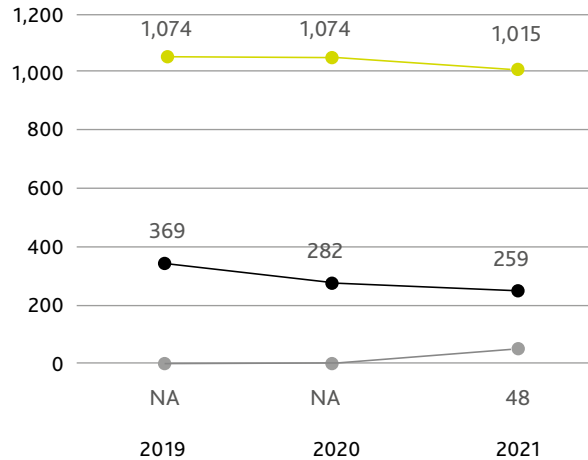
Another important factor that accounts for the decrease in emissions of particulate matter at the operations is the use of backfilled areas to dispose of the material excavated. While at the Pribbenow (La Loma) mine, in both 2020 and 2021, 100% of its excavated material was disposed of in backfilled areas, at the El Descanso Norte mine, in 2020, it was close to 45%, and in 2021, 57% of the material was disposed of in backfilled areas. In 2021, the data from Rincón Hondo-El Descanso Sur Phase I, the Company's new mining project was reported:

Graphic 32.
PM10 in tons/year at the mines



● El Descanso Norte ● La Loma ● Rincon Hondo - EDS F1

Graphic 33.
PM2.5 in tons/year at the mines



● El Descanso Norte ● La Loma ● Rincon Hondo - EDS F1

AS PART OF ITS EFFORTS TO CONTROL ATMOSPHERIC EMISSIONS, DRUMMOND LTD. MONITORS IN REAL TIME THE AIR QUALITY ASSOCIATED MAINLY WITH THE MINING PROJECTS, THE OPERATIONAL FACTORS GENERATING NEW EMISSIONS AND THE CLIMACTIC VARIABLES IN THE AREA, WITH AN EARLY ALERT SYSTEM THAT ACTIVATES ADDITIONAL MEASUREMENTS IN SPECIFIC SECTORS OF THE OPERATIONS IF THERE ARE SIGNIFICANT CONTRIBUTIONS FROM THE MINING PROJECTS



MILESTONES



[DLTD-05]

Climate change

Drummond Ltd. has set a goal of reducing its GHG emissions from the use of fossil fuels. In order to do so, it has developed a series of initiatives that include the implementation of practices and operations that allow it to optimize use of and demand for the different sources of energy that the Company needs, using a turbo generator plant that uses mostly natural gas to operate, producing lower emissions compared to the use of fossil fuels, and implementing a fleet of tractor trailers that operate with compressed natural gas, sustainable transportation that reduces annual CO2 emissions, which is operated by the contractor Consorcio DIA S.A.

- ▶ With the goal of contributing to mitigating the effects of climate change, Drummond Ltd. used biodiesel in its vehicles during 2021. The biofuel from plant and renewable sources is provided by the Biocosta group, a Colombian company that is an international seller of palm oil and producer of biodiesel with five extraction plants located in Cesar and Magdalena, the only producer of distilled biodiesel in the country.
- ▶ In 2021, an epidemiological study was completed to determine whether there is any relationship between personal risk factors, access to healthcare and environmental factors, and the respiratory and dermatological health of the people residing in the area of influence of the coal mining operations in the center of the Department of Cesar. According to the results of this study, no statistically significant relationship was found between health conditions and the proximity or distance of the homes studied from the mining operations.

CHALLENGES

- ▶ To keep daily emissions of particulate matter at the port below 300 $\mu\text{g}/\text{m}^3$.
- ▶ To keep daily concentrations of PM10 particulate matter in the surrounding areas outside the mining projects to amounts less than 254 $\mu\text{g}/\text{m}^3$.

40. The study was carried out by the Institute of Public Health of the Universidad Javeriana de Colombia.



3. Protecting biodiversity



Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its protection of biodiversity, it contributes to:

PEACE AND HUMAN RIGHTS

Strengthen capacities among stakeholders to build a peaceful, fair and responsible society that promotes respect for human rights.

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

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.

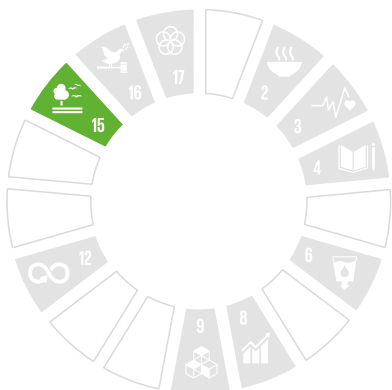
- Education and training
 - Generation of opportunities
- Working Environment

GOVERNANCE FOR DEVELOPMENT

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

- Transparency and citizen oversight
- Institutional and community strengthening

CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS



TARGETS

Target 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.

Target 15.5: Take urgent and significant action within Drummond Ltd.'s operations to reduce the degradation of natural habitats, halt the loss of biodiversity, protect threatened species and prevent their extinction.



Drummond's management of biodiversity is excellent and constructive. I am the first to admit that I'm pleasantly surprised by a mining company like Drummond in terms of its restoration and compensation programs. I had been influenced by the media and I had the preconception that after mining work, everything was destroyed and polluted, and by having direct contact with the Company thanks to its good connections, I could see its work in its operations; not only have the species that were there been preserved, but animals and plants also survive there. Drummond has become an agent of conservation and salvation of biodiversity. I support and applaud their work."

TOMÁS DARÍO GUTIÉRREZ HINOJOSA

Lawyer, Historian, University professor, Environmentalist

[GRI 304-3] Habitats protected or restored

Drummond Ltd., in its commitment to the protection and conservation of biodiversity, has dedicated its efforts to conducting periodic biotic studies to identify the state of conservation of the ecosystems where its operations are carried out.

With the results, management protocols serve as a roadmap in each stage of the projects, in order to prevent, control, mitigate and compensate for the impacts on biodiversity. The company manages the areas of protection and conservation with its allies Pro

Sierra Nevada de Santa Marta Foundation, the George Dahl Hydrobiological Foundation, Fundalianza, the Regional Autonomous Corporation of Cesar (Corpocesar), municipal governments, the Committee of Coffee Growers of Cesar-Guajira, Community Action Boards and Environmental Protectors.

Below, tables 33 and 34, describe the areas in which the protocols have been implemented, both at the mining operations and at the port:





San Antonio Creek
Village of La Trinidad

Table 33.
Habitats preserved, restored or being compensated at the mine

SORORIA RIVER BASIN

● **STATUS:**
COMPENSATED – RESTORATION



Description

Sororia River

Colombia, municipality of La Jagua de Ibirico

Area: 11 ha

The restoration process of the areas where the measures were implemented is progressing in accordance with the established goals.

The Regional Autonomous Corporation of Cesar (Corpocesar) verified the project's progress during 2021.

Comments

In 2021, monitoring was conducted to establish the progress of the areas undergoing restoration. The results were positive in terms of the successional state of the vegetation and the production of the 260 water sources identified.

● **STATUS:**
COMPENSATED – PRESERVATION

Sororia River

Colombia, municipality of La Jagua de Ibirico

Area: 382 ha

The areas remain in a good state of conservation.





DUMPING AREAS EL DESCANSO PROTECT



● STATUS:
RECOVERY

Description

Dumping Area Eight

Colombia, municipality of
Agustin Codazzi

Area: 887 ha.

In 2021, the implementation of the ecological protocol continued, with 131 ha in the dumping areas from the El Descanso mine, and on the construction of the corresponding water management system.

The implementation of the recovery process in the affected areas is verified by the National Environmental Licensing Authority (ANLA), the entity in charge of monitoring compliance with the legal-environmental obligations derived from the environmental licenses for the mining projects.

Comments

63,839

NATIVE TREES WERE
PLANTED IN THE
NORTH DUMPING AREA,
DURING 2021.

PAUJIL AND SAN ANTONIO CANALS



● STATUS:
RECOVERED

Description

Paujil and San Antonio Canals

Colombia, municipality of
La Jagua de Ibirico

Area: 17.7 ha

The Paujil and San Antonio canals are the result of the diversion of the natural riverbed of the Paujil canal and the San Antonio stream. Those projects were executed years ago at the La Loma – Pribbenow Mine coal project. In 2021, the protocol for the recovery of affected areas was implemented again, along some sections of the banks of the canals where the expected results were not obtained. For this reason, in 2022 the re-planting process will move forward.

The implementation of the recovery process in the affected areas is verified by the National Environmental Licensing Authority (ANLA), the entity in charge of monitoring compliance with the legal-environmental obligations derived from the environmental licenses for the mining projects.

Comments

DURING 2021 THE NATIVE
TREE SPECIES THAT HAD
BEEN PLANTED WERE
MAINTAINED.

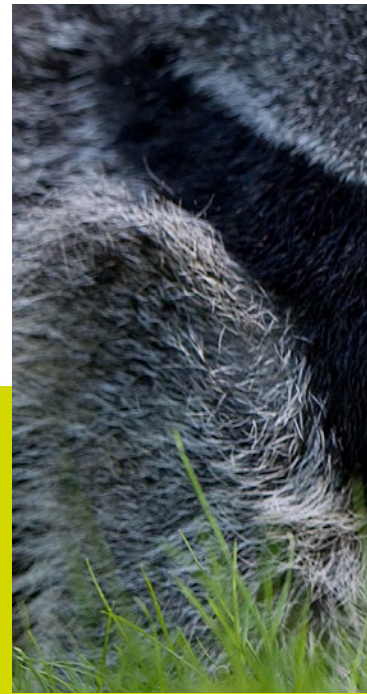


Tabla 34.
Habitats preserved, restored or being compensated at the port

TORIBIO RIVER BASIN



- **STATUS:**
COMPENSATED – RESTORATION

Description

Toribio River Basin

Colombia, city of Santa Marta

Area: 26 ha

In 2021, maintenance of the species planted in the Port Forestry Compensation Program was carried out. According to the analysis of the structure and composition of the plant community, it was established that the trees already planted have an average height of 9 m, with species such as *Cassia fistula* (golden shower), *Annona muricata* (sour sop), *Inga sapindoides* (guamo), *Pterocarpus acapulcensis* (sangregao) and *Piper aduncum* (spiked pepper), standing out due to their abundance and dominance.

The compensation program is verified by the Regional Autonomous Corporation of Magdalena (Corpamag).

Comments

The compensation program has improved the ecological dynamics of the forest, since the diversity of flora and fauna species has increased, and the natural regeneration process has benefitted.

HYGROPHYTIC FOREST



- **STATUS:**
COMPENSATED – RECOVERY

Description

Colombia, municipality of Ciénaga

Area: 0.9 ha

During 2021, the maintenance plan for the conservation areas was fulfilled.

The compensation program is verified by the Regional Autonomous Corporation of Magdalena (Corpamag).

Comments

Puerto Drummond's hygrophytic forest continues to advance through the recovery process, becoming a habitat that offers important resources for numerous species of flora and fauna (aquatic and terrestrial).



Drummond Ltd. has areas dedicated to the conservation and restoration of ecosystems, which are habitats for different species of flora and fauna typical of the region.



[GRI 304-4]

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

The mining and port operations have areas dedicated to the conservation and restoration of ecosystems, which are the habitats for different species of flora and fauna typical of the region. At the same time, the dumping areas or overburden deposits become a refuge for wildlife and niches for the natural regeneration of native species, once they begin their ecological restoration process.

THE INTERVENTIONS CARRIED OUT BY DRUMMOND LTD. CONSTITUTE A MAJOR BENEFIT IN FAVOR OF ECOLOGICAL DEVELOPMENT, AND AT THE SAME TIME REPRESENT AN OPPORTUNITY TO PRESERVE THE POPULATIONS OF FLORA AND FAUNA PRESENT IN THE AREAS OF THE MINING AND PORT OPERATIONS.



Table 35 list the species whose habitats are found on the company's premises – of which there is a record – and are included on the lists of endangered species.



Table 35.

Species in a threatened category (CR, EN, VU) recorded at Drummond Ltd.'s mines: El Descanso Norte, La Loma or Pribbenow, and Cerro Largo, according to the lists contained in The Red Book of Mammals of Colombia, The Red Book of Amphibians of Colombia, The Red Book of Reptiles of Colombia, The Red Book of Birds of Colombia, The Red Book of Freshwater Fish of Colombia, The Red Book of Plants of Colombia, Vol. 1, 4; the IUCN Red List of Threatened Species; Resolution 1912 of 2017, endangered wildlife species, (Cruz-Rodríguez et al., 2017).

NE Not Evaluated
LC Least Concern
NT Near Threatened

VU Vulnerable
EN Endangered
CR Critically Endangered

Class	Species	Common Name	IUCN Red List	Red Book of Colombia	Resolution 1912 of 2017
Mammals	<i>Aotus griseimembra</i>	Gray-handed night monkey	VU	VU	VU
	<i>Lontra longicaudis</i>	Neotropical otter	NT	VU	VU
	<i>Marmosa xerophila</i>	Guajira mouse opossum	VU	NE	NE
	<i>Myrmecophaga tridactyla</i>	Giant anteater	VU	VU	VU
Amphibians	<i>Allobates ignotus</i>	Trans-Andean nurse frog	EN	NE	NE
Reptiles	<i>Micrurus aff. sangilensis</i>	Sanguileña coral snake	VU	VU	VU
	<i>Trachemys venusta callirostris</i>	Colombian slider turtle	NE	VU	VU
	<i>Chelonoidis carbonarius</i>	Red-footed tortoise	NE	VU	VU
Birds	<i>Crax alberti</i>	Blue-billed curassow	CR	CR	CR
	<i>Chauna chavaria</i>	Northern Screamer	NT	VU	VU
	<i>Abramites eques</i>	Headstander	LC	VU	VU
	<i>Curimata mivartii</i>	Toothless characins	NT	VU	VU
Actinopterygii (fish)	<i>Ichthyoelephas longirostris</i>	Ray-finned fish	VU	EN	EN
	<i>Leporinus muyscorum</i>	Large leporinus	VU	VU	VU
	<i>Prochilodus magdalenae</i>	Bocachico	NE	VU	VU
	<i>Sorubim cuspidatus</i>	Blanquillo	NE	VU	VU
Magnoliopsida (plants)	<i>Aspidosperma polyneuron</i>	Peroba Rosa	NE	EN	EN
	<i>Bulnesia arborea</i>	Verawood	NE	EN	EN
	<i>Elaeis oleifera</i>	Oil Palm	NE	NE	EN
	<i>Microdesmia (Licania) arborea</i>	Garcero	LC	EN	EN
	<i>Pterocarpus acapulcensis</i>	Sangregado	NE	EN	EN
	<i>Parinari pachyphilla</i>	Rusby	NE	EN	EN



According to the above, the total number of threatened flora and fauna species is:



Critically Endangered



Endangered species



Vulnerable species



TOTAL



The species are placed in the category with the highest threat, according to the classifications from the three lists identified above.



[GRI-MM1]

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

Drummond Ltd. has designed and implemented a recovery protocol for areas where mining activity has taken place, aimed at inducing plant succession processes and recovering the ecological function of the dumping areas and diverted riverbeds. This protocol is developed in two main stages:

PREPARING THE LAND

its objective is to improve physical conditions through morphological restructuring, incorporating the organic soil horizon and plowing or scarification.

REVEGETATION

A phase that includes sowing herbaceous and shrub species, and planting tree species.



Below is an account of the areas disturbed by the progress of the mining projects and those that have been recovered:

Table 36.
Land disturbed and rehabilitated

Tema	2021	2020	2019	2018	2017	2016
Total amount of land disturbed and not rehabilitated at the beginning (A)	7,290 ha	6,722 ha	6,302 ha	5,647 ha	5,534 ha	5,486 ha
Total amount of land disturbed, excluding the land taken into account in the component above (B)	1,214 ha	669 ha	518 ha	772 ha	256 ha	119 ha
Total amount of land rehabilitated (C)	144 ha	101 ha	98 ha	117 ha	143 ha	71 ha
Total amount of land disturbed and not rehabilitated $A + B - C = (D)$	8,360 ha	7,290 ha	6,722 ha	6,302 ha	5,647 ha	5,534 ha

In 2021, progress in the mining projects was seen in terms of the area disturbed to expand the pits, the installation of infrastructure or the construction of dumping areas. It is important to note that not all affected surfaces are recovered immediately. The majority of the areas will be restored during the project closure phase.

TO DATE, THE PROTOCOL FOR THE RECOVERY OF THE AFFECTED AREAS HAS BEEN IMPLEMENTED ON 1,490 HECTARES OF THE PRIBBENOW AND EL DESCANSO PROJECTS, THAT IS, ALMOST 18.43 % OF THE TOTAL AREA AFFECTED BY THE PROGRESS OF MINING OPERATIONS.



[GRI-MM2]

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

Each of the projects developed by Drummond Ltd. has its corresponding Environmental Management Plans (EMPs) approved by the ANLA when the environmental license was granted.

These plans include management data sheets used to manage the impact that the operation of the projects has 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 designed for their protection, which are relics of natural ecosystems that have conditions equivalent to those of their original habitat and offer a habitat that is appropriate for their survival. In the case of vegetation, seeds and seedlings are also rescued to be propagated or kept in forest nurseries and later plant them in areas in ecological recovery, such as the dumping areas.

The way that the mining and port projects have managed their biological resources is based on the management and efficient use of water in the mines and at the port, so that the community and spe-

cies that use the middle and lower basins of the San Antonio stream and the Toribio river have a permanent water flow, even during dry periods. Efficiently preserving the forests and grasslands that are a habitat for wildlife communities, and where some nearby residents hunt or fish for their livelihood, is also key.

Additionally, the work done has strengthened the ecosystem regulation services, which are reflected in the maintenance of key ecological functions, such as water and microclimate regulation, and

the maintenance of habitats for flora and fauna that are provided by the areas in conservation and in the recovery process.

In accordance with the above, the six areas that have environmental management areas require specific work to preserve biodiversity. During 2021, conservation activities were carried out in 100% of these areas associated with relocating wildlife, managing criteria such as frequency, richness and abundance of biodiversity, with annual evaluations.

THE ENVIRONMENTAL EDUCATION PROJECTS FOCUSED ON THE COMMUNITIES, EMPLOYEES, CONTRACTORS AND VISITORS ARE A CRITICAL PART OF THE WORK UNDERTAKEN BY DRUMMOND LTD., AS PART OF ITS INTEREST IN PROTECTING ECOSYSTEMS AND THEREFORE PROVIDING CULTURAL ECOSYSTEM SERVICES.



[DLTD-05]

Emerging risks

The emerging risks that arise in biodiversity management are the unsuccessful results of the recovery processes in areas affected by drought, phytosanitary problems or low soil fertility, which can cause high seedling mortality rates or low germination percentages.

The risks to wildlife are related to the increase in their populations, which attracts poachers,

who represent a constant threat to the animals. There are also forest fires, which, although they are part of the natural dynamics of the ecosystems of the area, are sometimes caused by the improper disposal of waste and/or unsuitable agricultural practices on neighboring properties that, despite internal management, jeopardize the areas under conservation or recovery by the Company.



 National Planting Day
Serrania del Perija

CHALLENGES

MILESTONES

- ▶ During 2021, Drummond Ltd. moved forward with execution of the Forest Compensation Program for the Pribbenow Mine coal project on at least 1,205 hectares of the San Antonio stream subbasin.
- ▶ During 2021, Drummond Ltd. recovered 144.06 ha within the El Descanso and El Corozo mines, and planted 63,839 trees.
- ▶ Corpamag closed the Forestry Compensation Program obligation at Puerto Drummond because the requirements had been met.
- ▶ An agreement was reached with Corpocesar and approved by the ANLA on the Compensation Programs for the La Loma and El Descanso Coal Projects.

- ▶ Request the closure of four of the files from the Forest Compensation Program for the Toribio river basin (Puerto Drummond project) from the Regional Autonomous Corporation of Magdalena (Corpamag).
- ▶ Begin the implementation, with the preparation phase, of the Biodiversity Loss Compensation Program for the southern expansion of the La Loma-Pribbenow Mine coal project.
- ▶ Begin the implementation, with the preparation phase, of the Forestry Compensation Program for the El Descanso Mining project (North Sector and Phase 1 South).
- ▶ Implement the recovery protocol for the affected areas on no less than 150 ha within the Pribbenow and El Descanso mines.





4. Waste management

Drummond Ltd. confirms its commitment to continue working for economically viable, environmentally sustainable and socially responsible mining, through the operational management of its Corporate Social Responsibility Strategy, which contributes to meeting the Sustainable Development Goals. Through its waste management, it contributes to:

PEACE AND HUMAN RIGHTS

Strengthen capacities among stakeholders to build a peaceful, fair and responsible society that promotes respect for human rights.

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

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
- Working Environment

GOVERNANCE FOR DEVELOPMENT

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

- Transparency and citizen oversight
- Institutional and community strengthening

CONTRIBUTION TO MEETING SUSTAINABLE DEVELOPMENT GOALS



TARGETS

Target 12.4: Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle. Significantly reduce their release into the air, water and soil.

Target 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse at Drummond Ltd.'s operations.



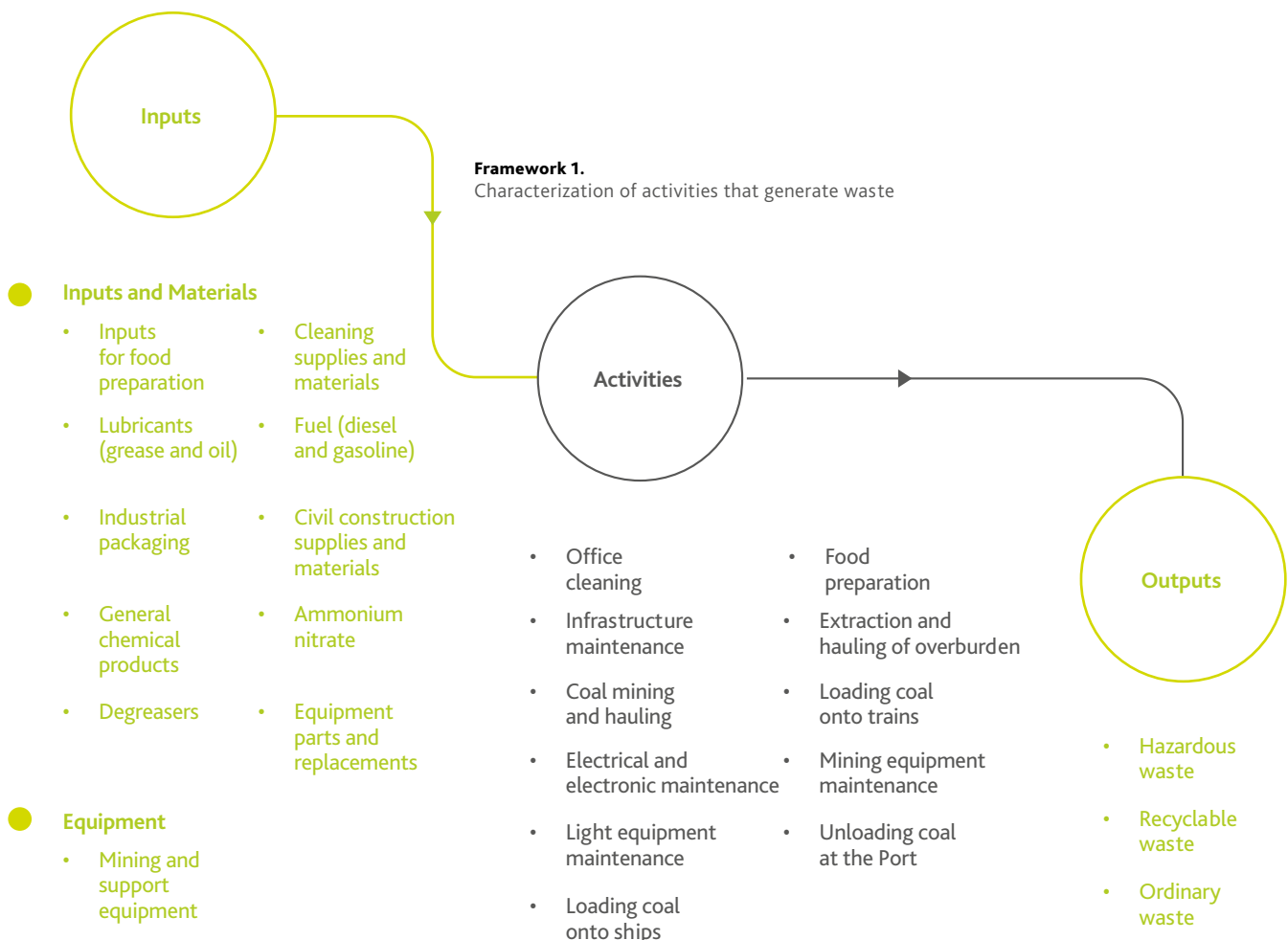
Today we are learning hand-in-hand with the Environmental Department, and every year our waste management is excellent because we can use many materials that we have in the mine. We sort and transform the material a little, we give it added value, that is our job.”

DEIVYS VARGAS MARTÍNEZ
Operations Coordinator
Interaseo

[GRI 306-1]

Waste generation and significant waste-related impacts

As part of the measures adopted by Drummond Ltd. to properly manage its resources, the Company has identified, in its evaluation of environmental aspects and impacts, the inputs, materials and equipment that are used both in its operational and administrative activities and that affect waste generation with an impact on the soil. By doing so, it was able to complete the evaluation that appears in the framework 1.





[GRI 306-2]

Waste by type and disposal method

As a key management measure, Drummond Ltd. separates the waste generated according to its characteristics.

To do so, the Company has 229 containers for ordinary waste and 312 recycling centers for handling recyclable and hazardous waste at its mine and port operations, making it possible to properly classify and separate waste at the source.

The measures described above ensure optimal storage conditions for the delivery of hazardous and recyclable waste to authorized environmental managers, who carry out the disposal, use or sale, as appropriate. Likewise, this guarantees the transfer and proper distribution of ordinary solid waste in the landfill.

Additionally, as part of its strategy for proper waste management, Drummond Ltd. constantly works to raise awareness among its employees, contractors and visitors about how

it manages the waste generated by its operations. It also has an audit program for environmental managers responsible for the collection, transportation, disposal and use of waste, through which compliance with environmental legal requirements is reviewed and the technical aspects of the processes that support the disposal and use certificates are verified.

Finally, the waste management process at Drummond Ltd. ends with the consolidation of information on the generation and use of waste in databases, which make it possible to trace the types of waste generated and how they are handled by operating site (mine and port).

DRUMMOND LTD. CARRIES OUT ONGOING AWARENESS CAMPAIGNS FOR EMPLOYEES, CONTRACTORS AND VISITORS ON THE MANAGEMENT OF THE WASTE GENERATED WITHIN ITS OPERATIONS.

[GRI 306-3]

Waste generated

As a result of the Company's work and monitoring of waste generation and management, in 2021 it obtained the results shown in table 37.

Table 37. Generation of solid waste in 2021 and management measures adopted

Type of waste	Unit of measurement	Waste generated	Waste directed for use or recycling	Waste directed to disposal
Weight of hazardous waste	Tons	11,739	8,564	2,879.8
Weight of non-hazardous waste (recyclable and ordinary)	Tons	14,358	12,134	2,223.6
Total weight of all waste	Tons	26,097	20,698	5,103.4

This information is obtained from the steps taken by Drummond Ltd. and the authorized environmental managers responsible for waste management.



[GRI 306-4] Waste diverted from disposal

[GRI 306-5] Waste directed to disposal

Additionally, Drummond Ltd. manages and consolidates the waste generated that is directed for use or recycling, with the results listed in table 38 obtained in 2021.

Table 38.
Waste generated that is directed for use
Unit of measure: tons

Type of waste	Data reported for the current period	Type of waste
Weight of hazardous waste intended for use or recycling, which will be reused	6,413.5	Used oils Bioremediated soils
Weight of hazardous waste intended for use or recycling, which will be recycled	181.2	General hazardous waste
Weight of hazardous waste intended for use or recycling, which will be used in recovery processes	1,969.3	Oily solids
Total weight of hazardous waste intended for use or recycling	8,564	-
Weight of non-hazardous waste intended for use or recycling, which will be reused	0	-
Weight of non-hazardous waste intended for use or recycling, which will be recycled	11,258	Recyclable waste: Scrap metal, wood, cardboard, plastic and glass
Weight of non-hazardous waste intended for use or recycling, which will be used in recovery processes	876	Organic waste and used vegetable oils
Total weight of non-hazardous waste intended for use or recycling	12,134	-
Total weight of waste intended for use or recycling	20,698	-

It should be noted that the following waste is managed outside of Drummond Ltd.'s facilities:



Organic waste and used vegetable oils.



General hazardous waste:

- fluorescent lights, lead and acid batteries, alkaline batteries, drums and packaging for chemical products, electrical and electronic equipment waste.



Oily hazardous waste:

- used lubricating oil, used hydraulic oil, drums from grease and lubricants.



Recyclable waste:
plastics, cardboard, glass and metals.



Similarly, the Company manages and consolidates the waste generated that is destined for final disposal, with the following results obtained for 2021 (table 39).

Table 39.
Waste generated that is destined for final disposal
Unit of measure: tons

Type of waste	Data reported for the current period	Type of waste
Weight of hazardous waste destined for disposal by incineration, with energy recovery	0	
Weight of hazardous waste destined for disposal by incineration, without energy recovery	0.8	Bio-sanitary waste
Weight of hazardous waste destined for disposal in a landfill	2,436.6	Oily water
Weight of hazardous waste destined for disposal in other disposal operations	442.4	General hazardous waste
Total weight of hazardous waste destined for disposal	2,879.8	
Weight of non-hazardous waste destined for disposal by incineration, with energy recovery	0	
Weight of non-hazardous waste destined for disposal by incineration, without energy recovery	0	
Weight of non-hazardous waste destined for disposal in a landfill	2,224	Ordinary waste
Weight of non-hazardous waste destined for disposal in other disposal operations	0	
Total weight of non-hazardous waste destined for disposal	2,224	
Total weight of waste destined for disposal	5,103.8	

The following waste was managed outside Drummond Ltd.'s facilities through authorized environmental managers:



General hazardous waste:

- items soaked with paints and solvents, empty chemical product containers (bags of ammonium nitrate, Solkaflam fire extinguishers, emulsifier bags, freon cylinders, etc.), clinical bio-sanitary waste resulting from health care services.



Oily hazardous waste:

- oily water, elements or materials contaminated with hydrocarbons (gloves, burlap cloths, rags, oil filters, rubber, plastic, mineral grease, hydraulic hoses, etc.).

This information is obtained from Drummond Ltd.'s internal management and the information generated by the authorized environmental managers responsible for handling the waste produced by the Company.

MILESTONES

- ▶ The Company achieved overall use of 79 % of the total waste generated in the mining and port operations; that is, 20,698 tons of waste were recovered out of the 26,097 tons generated.
- ▶ It used 85 % of the total non-hazardous waste generated.
- ▶ It used 73 % of the total hazardous waste generated.

CHALLENGES

- ▶ Use 65 % of the total waste generated in the mining and port operations.
- ▶ Use 60 % of the non-hazardous waste generated in the mining and port operations.
- ▶ Use 60 % of the hazardous waste generated in the mining and port operations.





GRI TABLE

GRI Content Index



**MATERIALITY
DISCLOSURES SERVICE**

2022

[102-55]

For the "Materiality Disclosures Service" (Materiality Disclosures Service), GRI Services has reviewed that the GRI content index is clearly presented and the references for contents 102-40 to 102-49 are aligned with the appropriate sections in the body of the report. The service was performed based on the Spanish version of the report.

GENERAL DISCLOSURES

Drummond Ltd. GRI Content Index

GRI STANDARD	CONTENT	NAME OF GRI CONTENT	PAGE / URL / COMMENTS	OMISSION	VERIFICATION	PRINCIPLES OF THE GLOBAL COMPACT	SUSTAINABLE DEVELOPMENT GOAL (SDG)	SDG TARGETS
GRI 102: GENERAL DISCLOSURES 2016	GRI 101: 2016 Foundations							
	Organizational profile							
	102-1	Name of the organization	p. 12		YES			
	102-2	Activities, brands, products and services	p. 12		YES			
	102-3	Location of headquarters	Bogotá, D. C. p. 12		YES			
	102-4	Location of operations	p. 12		YES			
	102-5	Ownership and legal form	Branch of a foreign private corporation. p. 12		YES			
	102-6	Markets served	p. 12		YES			
	102-7	Size of the organization	p.14		YES			
	102-8	Information on employees and other workers	Drummond Ltd. does not have part-time employees. p.15		YES	Principle 6	8. Decent work and economic growth	8.8. Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
	102-9	Supply chain	p.62		YES			
	102-10	Significant changes in the organization and its supply chain	The only significant change in the organization and in its supply chain corresponds to the fact that in 2021 Drummond Ltd. acquired the 20% stake in the company from Itochu Coal Americas Inc., and thus became the owner of 100% of the company. p. 12		YES			
	102-11	Precautionary principle or approach	The Company's position regarding the precautionary principle is, first of all, to carry out due diligence applying all the research tools that make it possible to establish whether any of its actions could cause a serious risk to public health or the environment, avoiding those that may cause it or even those of which there is no certainty but there is a probability. It is essential in these cases to apply the strategy based on impact prevention by searching for operating alternatives that avoid generating the unknown impact.		YES			
102-12	External initiatives	p.44						
102-13	Membership in associations	p.45						



GRI STANDARD	CONTENT	NAME OF GRI CONTENT	PAGE / URL / COMMENTS	OMISSION	VERIFICATION	PRINCIPLES OF THE GLOBAL COMPACT	SUSTAINABLE DEVELOPMENT GOAL (SDG)	SDG TARGETS
GRI 102: CONTENIDOS GENERALES 2016								
Strategy								
102-14	Statement from the most senior decision-maker of the organization		p.19,20		YES			
102-15	Key impacts, risks and opportunities		p.19,20		YES			
Ethics and Integrity								
102-16	Values, principles, standards and norms of behavior		http://www.drummondLtd.com/quienes-somos/politicas-y-compromiso/ p.30		YES	Principles 2 and 10	16. Peace, justice and strong institutions	16.6. Develop effective, accountable and transparent institutions at all levels.
102-17	Mechanisms for advice and concerns about ethics		p.30,152		YES			
Governance								
102-18	Governance structure		p.26		YES			
102-19	Delegation of authority		p.28		YES			
102-20	Executive-level responsibility for economic, environmental and social topics		p.26		YES			
102-26	Role of the highest governance body in selecting objectives, values and strategies		p.26		YES			
102-32	Role of the highest governance body in preparing sustainability reports		p.18		YES			
102-33	Communication of critical concerns		p.28		YES			
102-34	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.		p.29		YES			
Stakeholder engagement								
102-40	List of stakeholder groups engaged by the organization		p.47		YES			
102-41	Collective bargaining agreements		p.148		YES	Principle 3	8. Decent work and economic growth	8.8. Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
102-42	Identification and selection of stakeholders		p.46		YES			
102-43	Approach to stakeholder engagement		p.47		YES			
102-44	Key topics and concerns mentioned		p.47		YES			

GRI STANDARD	CONTENT	NAME OF GRI CONTENT	PAGE / URL / COMMENTS	OMISSION	VERIFICATION	PRINCIPLES OF THE GLOBAL COMPACT	SUSTAINABLE DEVELOPMENT GOAL (SDG)	SDG TARGETS
GRI 102:		Practices for Preparing Reports						
CONTENIDOS GENERALES 2016	102-45	Entities included in the organization's consolidated financial statements	Companies included in the sustainability report: Drummond Ltd., Drummond Coal Mining L.L.C., Transport Services L.L.C., American Port Company Inc., Coal Resources Colombia Ltd. C.I., Drummond USA Inc.					
	102-46	Defining the report content and Aspect Boundaries	p.49		YES			
	102-47	List of material aspects	p.49		YES			
	102-48	Restatement of information	There were no restatements presented in the 2021 sustainability report. 2021.		YES			
	102-49	Changes in report preparation	This Drummond sustainability report included 2020 GRI Standard 306, associated with waste management.		YES			
	102-50	Reporting period	p.18		YES			
	102-51	Date of most recent report	p.18		YES			
	102-52	Reporting cycle	p.18		YES			
	102-53	Contact point for questions regarding the report	p.18		YES			
	102-54	Claim of reporting in accordance with the GRI Standards	p.18		YES			
	102-55	GRI Content Index	p.229		YES			
	102-56	External verification	p.18		YES			



TOPIC STANDARDS

Drummond Ltd. GRI Content Index

	THEMATIC CONTENT	PAGE / URL / COMMENTS	OMISSION	VERIFICATION	PRINCIPLES OF THE GLOBAL COMPACT	SUSTAINABLE DEVELOPMENT GOAL (SDG)	SDG TARGETS
CORPORATE GOVERNANCE MANAGEMENT							
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	p.57,58,64		YES		
	103-2	The management approach and its components	p.58,64		YES		
	103-3	Evaluation of the management approach	p.58,61,65		YES		
Economic performance							
GRI 201: ECONOMIC PERFORMANCE 2016	201-1	Direct economic value generated and distributed	p.69		YES	Principle 1	
	201-2	Financial implications and other risks and opportunities due to climate change	p.72		YES	Principle 7	
	201-3	Defined benefit plan obligations and other retirement plans	p.70		YES	Principle 6	
Market presence							
GRI 202: MARKET PRESENCE 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	p.71		YES	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	p.71		YES		
Indirect economic impacts							
203: INDIRECT ECONOMIC IMPACTS 2016	203-1	Infrastructure investments and services supported	Investments and services are not commercial arrangements, either in kind or pro-bono, as they are part of what is defined in the framework of the Social Investment Plan. p.163		YES	Principle 1	2. Zero hunger 3. Health and well-being 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
	203-2	Significant indirect economic impacts	p.165		YES		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 target: 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 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.

THEMATIC CONTENT	PAGE / URL / COMMENTS	OMISSION	VERIFICATION	PRINCIPLES OF THE GLOBAL COMPACT	SUSTAINABLE DEVELOPMENT GOAL (SDG)	SDG TARGETS
						<p>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.</p> <p>4.6. Ensure that all youth and a substantial proportion of adults, both men and women, from Drummond Ltd.'s areas of influence achieve literacy and numeracy.</p> <p>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.</p> <p>4.c. Contribute to the training and qualification of the educational practices of the teachers in Drummond Ltd.'s area of influence.</p> <p>6.b. Support and strengthen the participation of local communities in improving water and sanitation management.</p> <p>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.</p> <p>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.</p> <p>8.6. Substantially reduce the proportion of youth not in employment, education or training in the communities in the area of influence.</p> <p>9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being.</p> <p>16.1. Significantly reduce all forms of violence and violations of human rights at the Company's locations and among its stakeholders.</p> <p>16.6. Participate in and create spaces at all levels of effective and transparent institutions that are accountable.</p> <p>17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.</p>
Procurement practices						
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers p.78		YES	Principle 1	8. Decent work and economic growth	<p>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.</p>

ENVIRONMENTAL MANAGEMENT



	THEMATIC CONTENT	PAGE / URL / COMMENTS	OMISSION	VERIFICATION	PRINCIPLES OF THE GLOBAL COMPACT	SUSTAINABLE DEVELOPMENT GOAL (SDG)	SDG TARGETS
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	p.183, 184, 186, 189		YES		
	103-2	The management approach and its components	p.183, 184, 186, 189		YES		
	103-3	Evaluation of the management approach	p.184, 186, 187, 189		YES		
Water							
GRI 303: WATER 2018	303-1	Interactions with water as a shared resource	As part of the Company's regular training talks, during 2021 it discussed water management at the mining operations, with a focus on the engineering and monitoring steps taken for water treatment and channel realignment. In the case of the port, as part of its regular training, in 2021 a talk on the Water Saving and Efficient Use Program was held. p.192		YES	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.
	303-2	Management of water discharge-related impacts	p.199		YES		
	303-3	Water withdrawal	p.198		YES		
	303-4	Water discharge	p.199		YES		
	303-5	Water consumption	p.198		YES		
	Biodiversity						
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.		YES		
	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.		YES		

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GRI 304: BIODIVERSITY 2016	304-3	Habitats protected or restored	p.211		YES	Principles 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.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	p.215		YES	Principles 8	15. Life on lands	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.
	MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	P.217		YES	Principles 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 MINING AND METALS SECTOR SUPPLEMENT	MM2	The number and percentage of total sites identified as requiring biodiversity management plans, and the number (percentage) of those sites with plans in place	P.219		YES			
Emissiones								
GRI 305: EMISSIONS 2016	305-1	Direct (Scope 1) GHG emissions	Drummond Ltd. is evaluating the base year for calculating GHG emissions, based on the decision on the possible certification of GHG inventories and the guidelines of the country's mining and energy sector. Additionally, the Company has not calculated biogenic CO ₂ emissions for the reporting period. p.205		YES	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	p.206		YES			
	305-6	Emissions of ozone-depleting substances (ODS)	Drummond Ltd. does not produce, import or export ozone-depleting substances.		YES			
	305-7	Óxidos de nitrógeno (Nitrogen oxides (SOx), sulfur oxides (SOx), and other significant air emissions), óxidos de azufre (SOx) y otras emisiones significativas	p.207	The air quality information does not include other components that are not particulate matter since this is the pollution criterion that Drummond Ltd. considers to be a determining factor in its operations.	YES	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.



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Waste								
GRI 306: WASTE 2020	306-1	Waste generation and significant waste-related impacts	p.223		YES	Principle 8	12. Responsible production and consumption	12.4. Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil.
	306-2	Management of significant waste-related impacts	p.224		YES	Principle 8	12. Responsible production and consumption	12.4. Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil. 12.5. Substantially reduce waste generation through prevention, reduction, recycling and reuse at Drummond Ltd.'s operations.
	306-3	Waste generated	p.224		YES	Principle 8	12. Responsible production and consumption	12.4. Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil. 12.5. Substantially reduce waste generation through prevention, reduction, recycling and reuse at Drummond Ltd.'s operations.
	306-4	Waste diverted from disposal	p.225		YES			
	306-5	Waste directed to disposal	p.225		YES			
Environmental compliance								
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1	Non-compliance with environmental laws and regulations	The Company was not subject to fines for violations of laws or regulations on environmental matters related to managing water resources, air quality and biodiversity protection.			Principle 8	16. Peace, justice and strong institutions	16.6. Develop effective, accountable and transparent institutions at all levels.
Supplier environmental assessment								
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	New suppliers that were screened using environmental criteria	For 2021, Drummond Ltd. carried out environmental criteria assessments of 6 new contractors and 4 new environmental service providers, corresponding to 100% of its critical suppliers and contractors. The other new suppliers and contractors that are not considered critical were not evaluated using environmental criteria.		YES	Principle 8		
	308-2	Negative environmental impacts in the supply chain and actions taken	p.80		YES	Principle 8		

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SOCIAL MANAGEMENT							
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	p.93,94,95,96,97,99		YES		
	103-2	The management approach and its components	p.93,94,95,96,98,99		YES		
	103-3	Evaluation of the management approach	p.93,94,95,96,98,100		YES		
Employment							
GRI 401: LABOR/ MANAGEMENT 2016	401-1	New employee hires and employee turnover	p.120	Drummond Ltd does not report its new hire rate because it is not representative in relation to the total number of employees.	YES	Principles 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. 8.6. Substantially reduce the proportion of youth not in employment, education or training in the communities in the area of influence.
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.124		YES	Principles 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.
	401-3	Parental leave	During 2021, there were no withdrawals of employees who had to be rehired after parental leave related to resignations, contract terminations or dismissals with or without just cause.		YES		8.8. Protect labor rights and promote safe and secure working environments for all workers, with opportunities for growth.
Labor/Management relations							
GRI 402: LABOR/ MANAGEMENT RELATIONS 2016	402-1	Minimum notice periods regarding operational changes	At Drummond Ltd. there are no minimum notice periods for carrying out collective bargaining processes. p.149		YES	Principles 3	8. Decent work and economic growth 8.8. Protect labor rights and promote safe and secure working environments for all workers, with opportunities for growth.
GRI MINING AND METALS SECTOR SUPPLEMENT	MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	During 2021 there were no strikes or closures of the operations.		YES		
Occupational health and safety							
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1	Occupational health and safety management system	p.135		YES	Principio 1	8. Decent work and economic growth 8.8. Protect labor rights and promote safe and secure working environments for all workers, with opportunities for growth.
	403-2	Hazard identification, risk assessment, and incident investigation	p.135		YES		
	403-3	Occupational health services	p.137		YES		
	403-4	Worker participation, consultation, and communication on occupational health and safety	p.137		YES		
	403-5	Worker training on occupational health and safety	p.138		YES		



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GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-6 Promotion of worker health	During 2021 Drummond Ltd. offered workers and their immediate families, as an extralegal benefit, the option to join the Hospitalization and Surgery Policy, whose cost is fully covered by the Company and offers them the ability to access general and specialized medical consultations and medications, among other services, for its more than 18,100 beneficiaries.		YES	Principle 1	8. Decent work and economic growth	8.8. Protect labor rights and promote safe and secure working environments for all workers, with opportunities for growth.
	403-8 Workers covered by an occupational health and safety management system	p.139		YES			
	403-9 Work-related injuries	p.140		YES			
	403-10 Work-related ill health	p.143		YES			
Training and education							
GRI 404: FORMACIÓN Y ENSEÑANZA 2016	404-1 Average hours of training per year per employee	p.126		YES	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 safe and secure working environments for all workers, with opportunities for growth.
	404-2 Programs for upgrading employee skills and transition assistance programs	p.126	Partially reported: Drummond Ltd. does not have assistance programs to facilitate the adaptation and management of the end of the professional careers of the organization's employees.	YES	Principle 6	8. Decent work and economic growth	8.8. Protect labor rights and promote safe and secure working environments for all workers, with opportunities for growth.
	404-3 Percentage of employees receiving regular performance and career development reviews	p.130	Partially reported: only salaried employees are considered, whose performance is assessed regularly. Hourly employees receive regular feedback from their supervisor.	YES			

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Diversity and equal opportunity							
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	Diversity of governance bodies and employees	p.117	Partially reported: the information from the entire workforce is broken down, omitting information from the organization's governance bodies because it is confidential.	YES	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.
	405-2	Ratio of basic salary and remuneration of women to men	p.132	Drummond Ltd., does not report its employees' base salaries since it is sensitive and confidential information.	YES		
Non-discrimination							
GRI 406: NON-DISCRIMINATION 2016	406-1	Incidents of discrimination and corrective actions taken	p.108,109		YES	Principles 1, 2 and 6	8. Decent work and economic growth 16. Peace, justice and strong institutions 8.8. Protect labor rights and promote safe and secure working environments for all workers, with opportunities for growth. 16.1. Significantly reduce all forms of violence and violations of human rights at the Company's locations and among its stakeholders.
Freedom of association and collective bargaining							
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	Drummond Ltd. does not have operations and/or suppliers whose rights to freedom of association and collective bargaining could be at risk, since its actions are in line with what is established under Colombian labor regulations.		YES	Principle 3	8. Decent work and economic growth 8.8. Protect labor rights and promote safe and secure working environments for all workers, with opportunities for growth.
Child labor							
GRI 408: CHILD LABOR 2016	408-1	Child labor	p.108,109		YES	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 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. End abuse, exploitation, trafficking and all forms of violence against and torture of children at the Company's locations and among its stakeholders.
Forced or compulsory labor							
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p.108,109		YES	Principle 4	8. Decent work and economic growth 8.7. Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking. Contribute to the elimination of child labor in all forms at the Company's locations and among its stakeholders.



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Security practices								
GRI 410: RIGHTS OF INDIGENOUS PEOPLES 2016	410-1	Incidents of violations involving rights of indigenous peoples	p.110		YES	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.	
	Rights of indigenous peoples							
	GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	411-1	Incidents of violations involving rights of indigenous peoples	Drummond's operations are not performed in areas with the indigenous presence, so there have been no violations of this population's human rights.				
Human rights assessment								
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	p.104		YES	Principle 1		
	412-2	Employee training on human rights policies or procedures	p.111		YES	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.	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Significant agreements for Drummond Ltd. are contracts that have a value of USD 50,000 or more per year, or those that may be considered strategic by the Company's senior management. p.112		YES	Principle 2		
GRI MINING AND METALS SECTOR SUPPLEMENT	MM5	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	Drummond's operations are not performed in areas with the indigenous presence, so there have been no violations of this population's human rights.					
	Local communities							
GRI 413: LOCAL COMMUNITIESS 2016	413-1	Operations with local community engagement, impact assessments, and development programs	In the stakeholder mapping processes conducted by Drummond Ltd. in 100% of its operations, it identifies involvement and participation activities with the aim of obtaining information, based on their vision, that makes it possible to identify and adequately manage the Company's ESG matters. p.162		YES	Principle 1		
	413-2	Operations with significant actual and potential negative impacts on local communities	p.165		YES	Principle 1		

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GRI MINING AND METALS SECTOR SUPPLEMENT	MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples	p.167		YES	Principle 1	
GRI MINING AND METALS SECTOR SUPPLEMENT	MM7	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	p.167		YES	Principle 1	
GRI MINING AND METALS SECTOR SUPPLEMENT	MM10	Number and percentage of operations with closure plans	Due to Company policies, the global financial provision data for the closure plans cannot be published.			Principle 8	
Supplier social assessment							
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	New suppliers that were screened using social criteria	Drummond Ltd. did not evaluate new suppliers in 2021 based on social criteria.		YES	Principles 1 y 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	p.80		YES		
Public policy							
GRI 415: PUBLIC POLICY 2016	415-1	Political contributions	Drummond Ltd. does not make contributions to political parties. p.171		YES	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. Develop effective, accountable and transparent institutions at all levels.
Socioeconomic compliance							
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	419-1	Non-compliance with laws and regulations in the social and economic area	During 2021, at Drummond Ltd. there were no cases of non-compliance with laws or regulations associated with social or economic matters.			Principle 2	16. Peace, justice and strong institutions 16.6. Develop effective, accountable and transparent institutions at all levels.
Resettlement							
GRI MINING AND METALS SECTOR SUPPLEMENT	MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	p.174		YES	Principle 1	



Assurance Statement

Compliance with GRI Standards

Independent Assurance Report for the 2021 Drummond Ltd. Sustainability Report Based on GRI Standards

ELEVATE has conducted the Independent Assurance for the 2021 Drummond Ltd. Sustainability Report, to provide independent conclusions upon:

- The application of the GRI Standards principles for the report content and quality.
- Compliance with the Standards in relation to the disclosure of the contents, according to the chosen option of compliance.

Independency

ELEVATE works independently and ensures that no member holds consulting contracts or other commercial or familiar ties with Drummond Ltd.

Proficiency

ELEVATE is a global consultancy company that provides knowledge and solutions for sustainable development. The company has proven experience developing sustainability reports, external verification, and certified training.

This assurance has been conducted by experienced professionals with expertise and training in sustainability reporting according with GRI Standards, stakeholder engagement and external assurance.

Drummond Ltd. and ELEVATE responsibilities

The reporting, stakeholder engagement and materiality processes are Drummond's responsibilities. The Report's evaluation based on the adherence to GRI Standards principles and disclosures, and the confirmation of the "in accordance" option are ELEVATE's responsibilities.

Scope and limitations

The scope of this assurance corresponds to the nonfinancial information of Drummond Sustainability Report 2021. The process of assurance was Type 2 and moderate level following the guidelines of AA1000 Assurance Standard (AA1000AS v3).

The application of the principles of content and quality for the preparation of the report was verified, as well as the inclusion of the general and topic disclosures indicated in the GRI Standards. ELEVATE verifies adherence to standards and does not issue a concept about the company's performance.

Methodology

ELEVATE assurance process included:

- Review of the materiality process assessment.
- Interviews with employees of key areas of sustainability management and reporting of material topics.
- Review of quality and reliability of selected information, through verifications sessions with key areas and review of supporting documentation and data sources.
- Critical reading of the final draft of the report and request of adjustments and clarifications.

General Findings and Conclusions

Based on the work performed by ELEVATE, nothing has come to suggest that the information and data contained in 2021 Drummond Ltd. Sustainability Report does not come from reliable sources or systems, or that the assumptions used are inappropriate.

ELEVATE concluded that the 2021 Drummond Ltd. Sustainability Report complies with the content and quality principles established by the GRI. The following are particularly observations and opportunities for improvement on the application of the principles.

Content Principles

Stakeholder Inclusiveness

The company presents in its report its performance on material issues, pointing out which topics are most relevant to different stakeholders.

The company presented evidence of having a permanent relationship led by the Communications department, which has several interaction channels established for each type of audience.

Sustainability Context

The company presents its understanding of sustainable development within the framework of its operations and describes the management of its value chain on social, environmental, and economic issues, through information and metrics that correspond to the context of the sector and the geographical region of its operations.

Drummond presents information on its commitment to the current context and sustainable development, the progress made for the management of social, environmental, and economic issues in the reporting



Assurance Statement

Compliance with GRI Standards

year, such as the creation of the position of Chief Sustainability Officer (CSO), and the plans for strategic update and reactivation of the Sustainability committee stipulated for 2022.

It is recommended that the next reporting exercise present the updated ESG corporate strategy, and the process carried out for its definition, including how the broader sustainability context was taken into account and how stakeholders were involved. In addition, it is recommended to include more information about the future of the operation within the framework of the energy transition and how the organization will respond to this context in the long term.

Materiality

The company used the materiality analysis updated in 2020 for the 2021 reporting exercise. This process was supported by a third party using as a starting point the material issues identified in the analysis carried out in 2018, which was based on international standards such as GRI, Global Compact and SASB; as well as the company's Corporate Social Responsibility and Human Rights strategies.

In addition, it was supported by internal stakeholder engagement exercises and a press analysis, review of news related to Drummond the mining sector in Colombia.

The 13 topics identified in 2018 remain as the relevant issues and in 2020, no additional topics, that were not covered by such materiality, were identified, nor were topics removed.

The 13 material themes continue to reflect the company's most significant impacts on the economy, the environment and society.

It is recommended that the organization develops a new updated materiality exercise, which takes into account the risks, opportunities and impacts, and that involves a greater number of external stakeholders; so the Company includes the updated material issues and the impacts, risks and opportunities identified in the next reporting exercise. This updated materiality exercise can be an important basis for the update of the corporate ESG strategy planned for 2022.

Completeness

The report describes the performance on material topics within the framework of the boundaries indicated for each.

These boundaries are properly identified and disclosed.

Quality principles

Balance

The report presents in a balanced manner the main milestones reached in 2021 and the challenges it faces for the coming period. It is recommended to present information on the challenges in the medium and long term.

Clarity and Accuracy

The report presents information in clear language and accessible to different audiences. The information is presented concretely and with a concise explanation of the data and calculations.

It is recommended, where applicable, to include more detail on the methodology, assumptions and limitations related to the calculations of quantitative indicators.

Comparability

The report presents, for most indicators, information from at least the last two years, which makes it possible to compare the company's performance between periods.

As an opportunity for improvement, it is recommended, when applicable, to make an analysis of trends that allow to understand the significant changes in the results of the indicators.

Reliability

During the interviews with those responsible for the reported information, it was verified that the company has information management systems and documented records, to continuously monitor quantitative and qualitative information.

It is recommended that the Company defines procedures for the indicators traditionally reported in the report, to have a standardized methodology and criteria complying with GRI requirements.

Timeliness

This report was published in the third quarter of the year.

It is expected that the company will continue to improve in the timeliness of its report, to make information about its performance available to stakeholders in a timely manner to feed their decision-making.



Assurance Statement

Compliance with GRI Standards

In accordance option

In accordance with the above, ELEVATE states that Drummond Ltd.'s 2021 Sustainability Report meets the requirements corresponding to the "Core" in accordance option of the GRI Standards.

The report includes the general disclosures of standard 102. Likewise, for all material topics, it was verified that all management approaches were adequately reported in accordance with the GRI 103 Standard and that at least one topic disclosure was presented in accordance with the related Topic Standards. For those material topics that do not have a related Topic Standard, the company adequately reported the disclosures of the management approach as well as its own topic disclosures.

Marcela Romero Merino
General Director
ELEVATE S.A.S

Assurance leader:
Valeria Garbin
Senior Consultant

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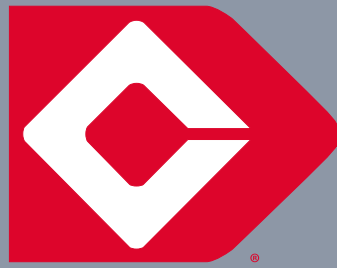
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