

MANAGEMENT AND SUSTAINABILITY REPORT 2021

Grupo COQUECOL









STATEMENT FROM THE PRESIDENT OF THE BOARD OF DIRECTORS

On behalf of the Board of Directors and the more than 1,193 employees of the Coquecol Group who share our purpose "To contribute to human progress by generating trust and sustainability from the origin of steel", it is gratifying to share with you the results of the management in 2021, which reflect the teamwork and the commitment of our organization to the formalization of our sector, the implementation of good practices of sustainability and innovation as strategic axes to overcome the challenges imposed by the global context and the market environment.

We ratify our commitment to sustainable development through our adherence to the United Nations Global Compact and the incorporation of ESG criteria as a fundamental input for decision making, growth of our business and the generation of shared value for our stakeholders, thus promoting a competitive, flexible and agile organization that aims to meet the expectations of its customers by providing high quality products and contributing to the social and economic development of the areas of influence.

Throughout this Report you will be able to see the actions developed by the companies of the group to finish the year with important results that reflect our commitment to digital transformation and innovation to optimize and make eco-efficient our processes; how we care for our employees and their families by providing the best conditions of well-being, health and quality of life; the articulation of our activities to generate long-term value to our suppliers as a fundamental element for the growth of the business and the management to contribute to the progress and development of the communities in the areas of influence.

We will continue to operate focused on contributing to the country, to its economic reactivation, to the generation of employment and opportunities for the municipalities where we operate and to the formalization of the sector.

OMAR GONZALEZ PARDO

President of the Board of Directors





STATEMENT FROM THE CEO

We work on updating our purpose as a group.

Facing this context requires a resilient company, a company capable of rethinking itself, assessing its social, environmental, and economic impacts and managing its responsibilities with stakeholders, creating trust and long-term relationships. For this reason, the Coquecol group updated its purpose "To contribute to human progress by generating trust and sustainability from the origin of steel".

Based on this premise, we continued working on strengthening the ethical culture through the update of corporate values, integrity, responsibility, innovation and trust as the solid foundation where the relationships with its stakeholders are based.

2 We continue working to meet our customers' expectations

We believe in the value of a constant and assertive relationship with our customers; therefore, we continue to strengthen the management of end customers and traders, which allowed us to achieve important results in sales and generate a 70% growth in revenue compared to previous year, representing more than 175 million dollars and more than 699 thousand tons of metallurgical coal delivered, despite the 11% decrease in tonnages compared to 2020, that represents a drop compared to the previous year. We also do periodic analyses to understand the dynamics of the domestic and international markets.

We work for the safety and well-being of our people.

Our commitment to our collaborators is based on guaranteeing safe and healthy environments for everyone; for this reason, Coquecol acquired 1200 vaccines (2 doses) to be delivered to the work team and their families. Additionally, through communication, education, and sensitization campaigns, we ensured compliance with biosafety protocols and offered psychotherapy and virtual coaching processes, thus contributing to their mental and physical health.

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We want our employees to feel proud and happy to work for the company, so we continue to strengthen their benefits plan, we strive to contribute to their personal and professional growth, and we generate constant training scenarios. As a result of this effort, we were ranked as one of the 10 companies in the sector with the best reputation according to the workers of the sector.

We prioritize the management of innovation and digital transformation projects that contribute to the fulfillment of strategic objectives.

We advanced in the development of 12 prioritized initiatives aimed at improving our processes and becoming more efficient through research and the development of practices that strengthen relationships with our customers, employees and suppliers, that implement cleaner and more environmentally friendly technologies, and help us offset the impacts generated in the operation.

We are committed to the formalization of the sector through alliances with unions and the national government.

Our sector has been getting stronger through the important work done in alliance with the unions. We work as a team to show government entities and the media the contribution of the mining sector to the development of the country and the importance of managing sustainable practices that contribute to the formalization of mining.



IN JANUARY 2021, WE MADE OUR FIRST DIRECT SALE OF 25,300 TONS TO CSN.

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We committed to apply the 'Towards Sustainable Mining' Standard promoted by the Mining Association of Canada and standardized for Colombia by the Colombian Mining Association, which through a battery of indicators seeks to achieve the implementation of the highest parameters worldwide in terms of environmental, social and climate change practices, which strengthens the sustainability strategy and ensures continuity over time.

We continue to strengthen our reputation in the sector based on our management of relationships and alliances, which has allowed us to occupy the 5th place among the best companies to work for in the mining sector according to Brújula Minera.

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We understand sustainability as a strategic pillar.

We consolidated the sustainable management model of the organization, integrating sustainability into the business strategy to generate shared value for our stakeholders and thus incorporate social, environmental and governance criteria in the decision-making process of our organization.

This approach has allowed us to continue strengthening valuable relationships with our suppliers through the recognition of their expectations and the vision of creating assertive and trusting long-term relationships, achieving the definition, construction and negotiation of coal supply contracts covering the needs of the Coquecol group.

We joined the National Carbon Neutrality program, led by the Ministry of the Environment, where 100 companies from different sectors signed the will agreement to work on strengthening and recognizing the proper management of Greenhouse Gas (GHG) emissions.

Additionally, we updated the Coquecol Foundation's strategy based on a joint construction with the communities and local government entities of the municipalities in the areas of influence, focusing the management in three relevant areas to contribute to socioeconomic development: Entrepreneurship, care of natural resources, female empowerment and generation of skills for children and young people.

We keep contributing to the communities with the development of our social impact programs, with that benefited more than 5,500 people in the areas of Cundinamarca, Boyacá and Cúcuta.

We updated the corporate risk matrix with our partner AON.

Focused on strengthening the group's risk culture, we worked together with our partner AON to update the Coquecol group's strategic risk matrix and we worked on action plans for the different processes to mitigate this risks.

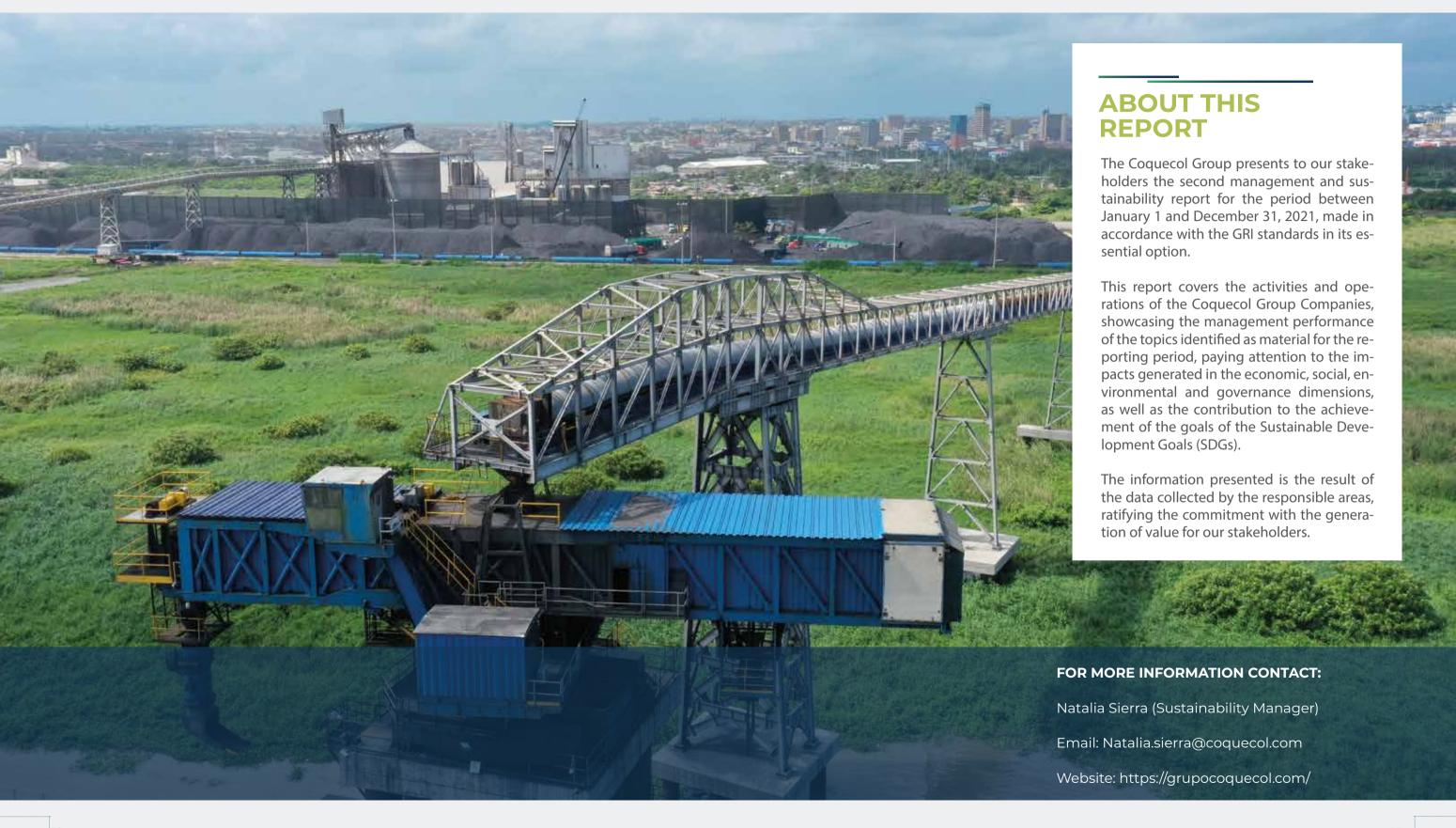
8 We participated in international events achieving more visibility in the market.

As part of our strategic initiative to conduct research and market analysis, we participated in important national and international scenarios such as the National Mining Congress, MINExpo, Eurocoke Summit, Expo Dubai where the trends of the mining sector worldwide are shared with an important focus on sustainable mining and technification and new relationships with clients are built.

RICARDO BLANCO MANCHOLA

CEO







ECONOMIC AND GLOBAL CONTEXT OF THE SECTOR

2021 was a year marked by hope thanks to the beginning of the vaccination processes in the world that contributed to normalizing the social processes. In the economy, growth gradually recovered after the pandemic, increasing by 5.5% year-on-year. Two-year economic projections point to slight declines due to worsening poverty and inequality, with the UN forecasting that world economic activity will grow by 4% in 2022 and 3.5% in 2023.

At the same time, a significant number of central banks raised interest rates and are expected to continue to do so to control inflationary processes in economies, while governments are expected to contribute to growth through fiscal stimuli.

Simultaneously, the G7 proposed the creation of a global minimum tax of 15% on multinationals, and there were changes of leaders within this group of countries: the take office of Joe Biden, the departure of the Japanese Prime Minister Yoshihide Suga and the well-known German Chancellor Angela Merkel.

During 2021, the world population committed to take better care of the planet; however, the objectives



adopted by COP26 must be achieved because climate catastrophes are increasing and conflicts between the world's great powers have become more and more accentuated.

In line with the above, Colombia had several events that marked 2021, the arrival of the vaccines against Covid-19, the strong social protests against the tax reform and the impact of hurricane lota in the archipelago of San Andres. However, the rebound of the economy was the main achievement of the country since the GDP is expected to be 10.6%, much higher than previous years since 2020 was -6.8% and 2019 at 3.3%; on the contrary, inflation closed with the highest figure in five years at 5.62%, almost four percentage points higher than the 1.61% recorded 2020.

As for our industry, it was a historic year as steel, iron ore, coke and metallurgical coal reached historic highs, increasing prices by up to 300%. Due to the trade tensions between China and Australia since the end of 2020, new trade flows were created in the world that allowed market recovery and stability. It is also important to highlight that several countries began to focus their efforts on reducing emissions and creating projects based on clean energies.



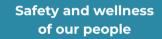
WE ARE THE COQUECOL GROUP

RFI FVANT FACTS AND FIGURES





- We designed technological tools to bring our customers closer to us and let them know the traceability of their orders.
- We continued with the implementation of 12 prioritized initiatives to improve our processes and become more efficient through research and development of practices that strengthen relationships with our customers.





- We acquired 1,200 vaccines that were delivered to the work team and their families.
- We complied with biosafety protocols and offered psychotherapy and virtual coaching.
- We strengthened the benefits plan, increased personal and professional growth and continuous training scenarios.
- Formalization of the sector with the industry, unions and national government

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- We disseminated the contribution of the mining sector to the country's development and the importance of managing sustainable practices that contribute to the formalization of mining.
- Together with ACM, we assumed the commitment to apply the TSM Standard 'Towards Sustainable Mining'.

Sustainability as a strategic foundation



- We consolidated the organization's sustainable management model to generate shared value for our stakeholders and incorporating social, environmental and governance criteria.
- We joined the National Carbon Neutrality program.
- We updated the strategy of the Coquecol Foundation with a focus on entrepreneurship, natural resources, female empowerment, good use of free time for children and young people.



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Coquecol Group around the world



We participated in national and international events such as the National Mining Congress, MINExpo, Eurocoke Summit, ExpoDubai to generate greater knowledge and positioning of our company in the global market.



Mining titles generation



 We initiated the negotiation process for additional economic consideration, in the integration of areas of the Mina Presidente Project.

 We made progress in the management of operating subcontracts and our owned titles.



Suppliers' strategic management



 We defined and negotiated coal supply contracts that ensure compliance with our customers' expectations.



Reputation



- We are among the top 10 companies in the sector with the best reputation according to our employees. Study conducted by Brújula Minera.
- We ranked 5th among the best companies to work for in the mining sector according to Brújula Minera.



Quality



- External quality audit of the Coquecol laboratory located in the Salamanca plant, obtaining a positive report from Bureau Veritas.
- Investment in infrastructure and equipment in Alcalá laboratory.
- Investment in a photometer, increasing the lifespan of the equipment and guaranteeing measurement reliability.





Corporate risk

- With the support of AON, we strengthened the risk culture by updating the matrix and defined articulated action plans to mitigate them.
- Risk management was integrated into the group's audit area.



Intercarbon management



- 100,450 tons sold in 2021.
- EBITDA 2021: **25.9%**.
- We began the implementation of the geological model.
- Creation of a high-performance technical team in geology, mine planning and topography.



RC Carga management



- We met the Tons transported budget, exceeding the 2020 figure by 78.87%.
- We consolidated a base of 350 active third party cars nationwide in all operations, starting a driver loyalty plan.



ABOUT US

GRI 102-1, 102-3 Contents

Grupo Empresarial Coquecol is integrated by four Colombian companies that operate with the highest quality standards in the chain of extraction, production, logistics and commercialization of coal and metallurgical coke.

As part of our management and execution, during 2021 we achieved the strategic objectives for each of the Group's companies, while guaranteeing the satisfaction of our customers through a comprehensive service model.



"WE MANAGE CORPORATE SOCIAL RESPONSIBILITY THROUGH

GEOGRAPHIC LOCATION

GRI 102-4 Content

THE BUSINESS UNITS ARE

RESERVES IN COLOMBIA.

STRATEGICALLY LOCATED IN THE

AREAS OF METALLURGICAL COAL

Our operations are located mainly in three departments: Cundinamarca, Boyacá and Norte de Santander; in addition to the ports on the Atlantic Coast and Pacific Coast through which our products go abroad.

NORTE DE SANTANDER Alcala plant Presidente mine Cucuta **BOYACA**

> Andalucía plant Compostela plant Paz del Rio/Socha

Salamanca plant

Samaca

Altiplano mine Manto 3 mine Manto 6 mine Manto 9 mine Altiplano zone/Raquira

RC Carga Duitama

CUNDINAMARCA COQUECOL RC CARGA Bogota

> Castilla Plant La Mana mine Laberinto mine El Manzano mine Guacheta

RC CARGA **Ubate**

PORTS Brisa Port

Barranguilla Port

- Riverport
- Sociedad Portuaria
- Palermo

Atlantic coast

Buenaventura Port **Pacific coast**



THE COQUECOL BUSINESS GROUP FOUNDATION".



OUR PRODUCTION PLANTS

CUCUNUBA PLANT



Area: 20 Hectares

Storage Capacity: 18,000 tons of Coal/6,000 tons of Coke

Operational Furnaces: 133

Production Capacity: 40,000 tons of metallurgical coke, yearly.

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CASTILLA PLANT



Area: 52 Hectares

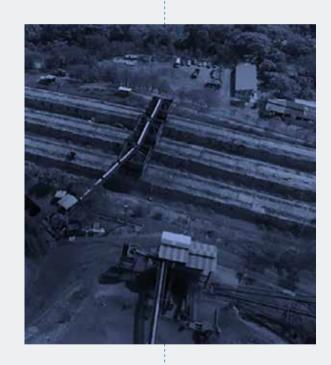
Storage Capacity: 85,000 tons of Coal/5,000 tons of Coke

Operational Furnaces: 605

Production Capacity: 168,000 tons of metallurgical coke, yearly.

3

SALAMANCA PLANT



Area: 15.5 Hectares

Storage Capacity: 30,000 tons of Coal/5,000 tons of Coke

Operational Furnaces: 284

Production Capacity: 87,000 tons of metallurgical coke, yearly.

4

ALCALA PLANT



Area: 100 Hectares

Storage Capacity: 65,000 tons of Coal/20,000 tons of Coke

Operational Furnaces: 465

Production Capacity: 145,000 tons of reactive coke, yearly.



MARKETS SERVED AND STRATEGIC ALLIES

GRI 102-6 Content

- Close and strong relationship with customers and traders, achieving outstanding results in sales and in the positioning of the Group.
- Strengthening of the analysis process for market and customer research
- Development of long-term contracts to ensure the company's sales.
- Participation in international events and brand exposure.



STRATEGIC ALLIES

















OUR CORPORATE PURPOSE AND VALUES

Contents GRI 102-16, 102-17

Our corporate values are approved by the Board of Directors, which validate and approve them. Subsequently, the human resources team is responsible for the communication and training process at all levels of the Group; thi9s values are also included in the Code of Ethics and are socialized through different media.



INTEGRITY

We ensure maximum compliance with the law regardless of the cost, understanding that we will never benefit from anything that might damage human well-being.



RESPONSIBILITY

We develop all our projects within the highest standards of sustainability and safety, working from and towards the communities that support us.



INNOVATION

We are in a continuous process of transformation to align the progress of the mining sector in Colombia with our values, promoting a reliable, sustainable sector that is proud of its work.



TRUST

We understand all our relationships as a pursue of mutual trust, creating lasting ties with our collaborators, clients and suppliers that go beyond the transactional.

OUR STRATEGIC THINKING

GRI 102-15 Contents

The administration was guided by the monitoring and achievement of the strategic objectives, which marked the organization's action line in 2021 and ensured the creation of value for our stakeholders. These guidelines are the basis

for the content structure of this report.

Additionally, we completed the 2022 strategic planning exercise for the business group, which reinforces our commitment to the fulfillment of our corporate purpose,

"to contribute to human progress by generating trust and sustainability from the origin of steel". This exercise allowed us to prioritize the strategic guidelines: sustainability, innovation and digital transformation, and our people, which will be the fundamental axis of the following year's management.



Ensure an efficient, agile, and effective internal service chain.



Fulfill shareholder's profitability expectations in the medium and long term to assure group sustainability



Consolidate relations with current customers and develop new clients to achieve more growth

OUR PEOPLE

Achieve our strategic objectives with a highperforming employee base, happy and proud of working in our company

SUSTAINABILITY

Be a company with a sustainability model that allows us to be sustainable in the long term



OPPORTUNITIES AND SECTOR RISKS

Based on the analysis of risks and opportunities for the sector, we have identified technological innovation and the inclusion of environmental and social criteria as fundamental elements

for the development of our business and the reputation of the sector, we highlight some of the most representative ones, which will be managed in the 2022 strategic plan.

TOPIC RISK OPPORTUNITY Motivate reputational changes Perception of limited interest of through associations. the new generations in working in Labor mining. Implement social, shortage environmental and economic Reputation of the mining sector. best practices Technological transformation Climate change processes **Environmen-**Use of polluting technologies in the tal Acquisition of environmentally sector sustainable assets Clean technologies At sector level, generate Inclusion of economic, social, and industrial renovation governance aspects in the credit processes using clean granting processes of financial Liquidity technologies and applying institutions. environmental standards to promote legality in the industry.

RESPONSIBLE SOURCING

Contents GRI 102-09, 102-10





Parameterization of raw materials (coal) with suppliers.
Sampling of materials to guarantee the agreed quality

STORAGE OF RAW MATERIALS



Transportation from third party mines. Storage based on quality characteristics (low, medium and high volatility).

COAL MIX



Validation of blends aligned with production plans and customer needs.

COKE PREPARATION



After the coke is crushed and screened, the material is sampled before loading the trucks.

RECEPTION AND STORAGE IN PORT



Transportation to ports by third party vehicles. Management with port operators for storage and shipment.



CORPORATE GOVERNANCE

BOARD OF DIRECTORS



OMAR GONZÁLEZ PARDO Board of directors President

- > International law and diplomacy (Universidad Jorge Tadeo Lozano)
- Master of Science in International Logistics (Georgia Tech)
- > President of Almacenar and Oportunidad Colombia
- > Currently President of Trinity Capital



FRANK JOSEPH PEARL

- High commissioner for peace
- Environment, sustainability and development secretary
- Government2011
- Government representative on the Peace treatment



OTTO GIRALDO SALAZAR

- BusinessAdministrator
- Finance Manager at Grupo Mayaguez
- General ManagerCoquecol



FEDERICO OCHOA BARRERA

- Economist (Harvard University)
- Vice-president of Citibank
- Executive
 Vice-president
 of Grupo
 Bancolombia
- Macrofinanciera and IQ Outsourcing Board of Directors



IVÁN TRUJIILO PANTOJA

- Lawyer (Universidad Javeriana)
- PublicManagementspecialist
- Master in Global Strategic Communications (Georgetown University)
- Director of International Affairs at Grupo Argos

AFFILIATIONS AND EXTERNAL **INITIATIVES**

GRI 102-12 Contents

We continuously seek to contribute to the sustainability and reputation of the sector, connecting with different stakeholders and participating in different initiatives where we share and learn about and sustainability best practices.

For instance, we are part of the following external initiatives:

 Sustainable Mining Standard (TSM), since October 2021, in alliance with the Colombian Mining Association (ACM). Blue Skies" Voluntary Agreement Green Mountains" since November 2021 -Corpoboyacá.

- Emission Reduction Mechanism since October 2021 - Corpoboyacá.
- Carbon Neutrality Initiative since July 2021 - Ministry of Environment and Sustainable Development.
- United Nations Global Compact since September 2021.

AFFILIATION TO ASSOCIATIONS
GRI 102-13 Contents







RECOGNITIONS 2021



The only syndicated study of the mining sector in the country, that features perceptions, expectations and concerns of stakeholders about the mining sector.

- We are in the 10th place in the reputation ranking of the mining sector in Colombia.
- We ranked fifth in the ranking of best companies in the mining sector in Colombia.

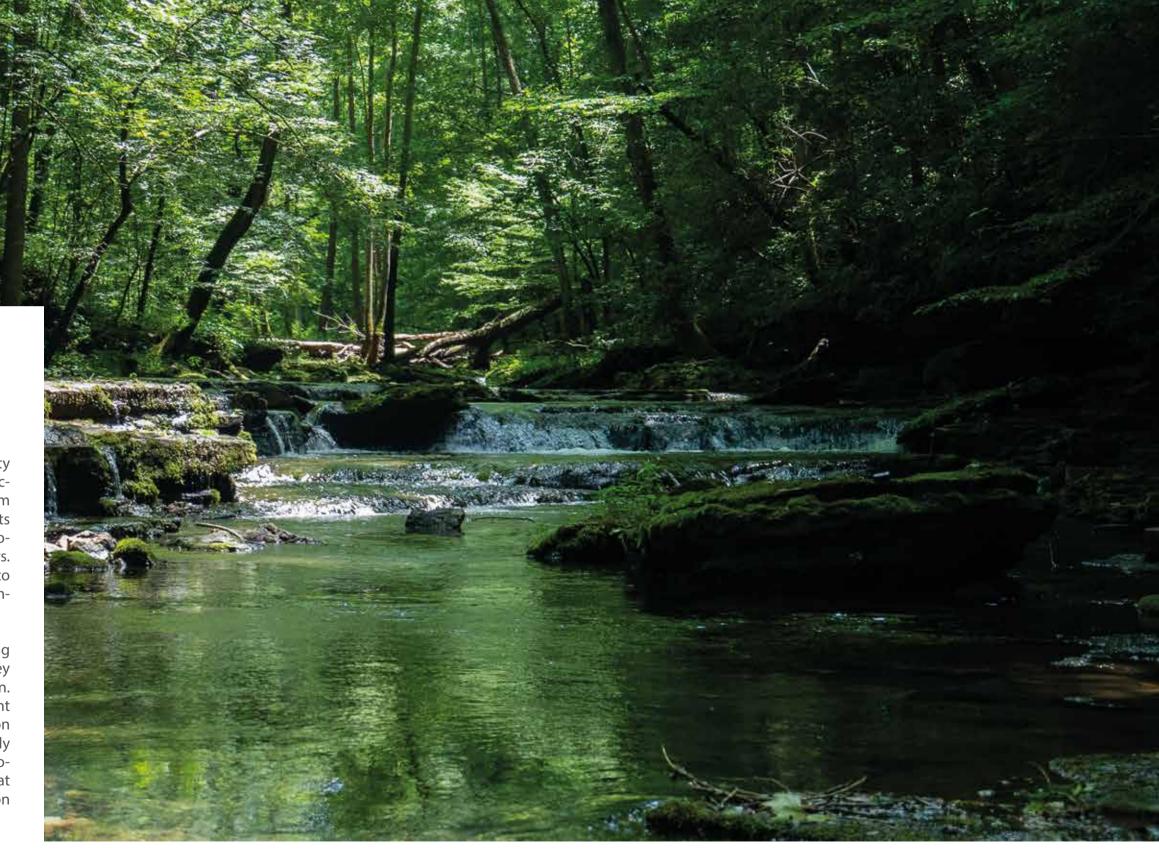




SUSTAINABILITY **STRATEGY**

The Coquecol Group understands sustainability as the generation of shared value within structure of the contribution to human progress from the origin of steel, the respect for human rights and the environment, the Sustainable Development Goals and the trust of our stakeholders. With this clear objective in mind, we decided to integrate in our management sustainability, environmental and human rights policies.

In 2021 we assumed the challenge of including sustainability in the corporate strategy as a key element to accomplish our value proposition. We take this as the starting point to implement an action model that guarantees the generation of value to all our stakeholders and the timely and transparent management of economic, social and environmental issues identified, so that we have an efficient and competitive operation in the mining sector of the country.





COQUECOL SUSTAINABILITY MODEL

Conscious of the importance of complying with our commitment to sustainability, we promote sustainable management from

top management and our employees are committed with the compliance of the guidelines to create value for our stake holders.



OUR STAKEHOLDERS

GRI 102-40 Contents

Stakeholders are fundamental for the sustainable growth of the Coquecol Group. We constantly work to maintain relationships of trust and transparency, generating open

communication spaces. The criteria to define or identify our stakeholders are based on the impact of the organizations or entities on the business and the internal processes.

















Clients

Employees

Communities

Suppliers

Shareholders

Government

landar turn



Grupo COQUECOL

COMMUNICATION CHANNELS

GRI 102-43 content

During 2021 we implemented a comprehensive relationship and organizational reputation strategy as part of our corporate image renewal process. For its execution we leveraged various tools and channels in the following way:

TOOLS AND CHANNELS:

- "Somos" Newsletter
- POP Material
- Informative billboards and wall papers
- Corporate mail
- News and articles section in Universidad Vitual Coquecol
- WhatsApp groups
- POP Material (repetido)



MATERIALITY ANALYSIS 2021

Contents GRI 102-46, 102-47

In the last quarter of 2021, we reviewed and updated the materiality of the Coquecol Group, in order to identify those topics that impact the sector in social, environmental and economic areas and the significant aspects for our main stakeholders.

The importance of this exercise lies in identifying and managing our impacts and including the needs and expectations of our stakeholders to:











Achieve strategic objectives

Ensure business continuity

Maintain and enhance reputation Mitigate risks Enhance positive impacts

Taking into account the above, we developed a materiality analysis process that included a review of the sustainability context in three stages as follows:

BUSINESS CONTEXT:

We identified those main issues that are managed by other organizations in the mining and coke sector, whose operations are similar to Coquecol's.

INTERNATIONAL CONTEXT:

This global environment allows the review and registration of the most important sustainability issues and main expectations that are taken into account at international level for business management; this topics are proposed by initiatives, guidelines, and international standards on sustainability.

INSTITUTIONAL CONTEXT:

This component includes elements of Coquecol's corporate strategy, such as its strategic framework, values, and objectives, as well as other documents or measurements of its business management, which allow identifying the way in which the main sustainability expectations are articulated in the organization's strategic planning.



The review and analysis of these inputs led us to define the following list of material topics for the Coquecol Group:

MATERIAL TOPIC	DESCRIPTORS					
	Code of ethics and corporate values					
	Business ethics, integrity, and transparency program					
	Stakeholder reporting and accountability practices					
	Strategic alliances (Strength)					
	Reputation of the sector - company (Challenges)					
	Promotion of formality in the sector					
Corporate governance,	Social and environmental licenses and mining titles					
ethics, and transparency	Risk identification and management					
	Internal and external audits					
	Prevention of bribery and corruption					
	Practices and communication of anti-corruption procedures					
	Anti-corruption training					
	Policy for handling gifts, hospitality, and courtesies					
	Corruption risk assessment in operations					
	Economic value generated and distributed					
	Tax payments					
	Indirect economic impacts					
Value creation and	EBITDA and shareholder returns					
productivity (Economic and financial performance)	Cost-effective and competitive solutions with customer focus					
mandar perrormance,	Commercial management					
	S&OP and costs					
	Pilot projects for emissions reduction (GGII Mention)					
	Focus: productivity, transformation, innovation culture and pragmatism					
Innovation and digital	Process and product quality (Stakeholder comments)					
transformation	Traceability by customers					
	Virtualization (procedures, formats and/or operations)					
	Studies, baselines, data analytics					

TEMA MATERIAL	DESCRIPTORES				
	Definition of environmental and social criteria				
Strategic supplier	Local procurement				
management with	Technical and business strengthening criteria				
ESG criteria	Diagnosis, gap closure and development of suppliers				
	Management and flow of inventories (raw materials)				
	Investment in environmental protection				
Protection of ecosystems	Reforestation practices				
and biodiversity	Environmental education and awareness				
	Environmental management policy				
	Water management (rainwater, efficient use, ARD and ARND)				
Efficient use of resources	Discharges				
(Water and energy)	Energy efficiency within the company				
	Consumption measurements				
	Awareness and sensitization for the adequate use of resources.				
	Measurement of emissions (Scope 1, 2 and 3)				
Emissions reduction/carbon	Reduction strategies				
footprint	Offsetting strategies (aligned with biodiversity and ecosystem protection)				
	New opportunities for managing tailings and other waste				
Sustainable waste management (circular	Waste separation within the operations (hazardous - non-hazardous) (Recyclable - non-recyclable)				
economy)	Final disposal (tailings)				
	Noise control in activities				
	Air quality in areas of influence				
	Human resources management				
Employment	Talent attraction				
creation	Hired personnel				
	Inclusion, diversity, and gender equity				
	Occupational health and safety management system				
Health and safety	Prevention of occupational injuries, illnesses and accidents				
	COVID-19 management				



TEMA MATERIAL	DESCRIPTORES						
	Knowledge and experience management						
Training and development	Training and development plans						
	Univirtual coquecol platform						
	Talent retention						
	Incentive plan						
Wellness and	Employee benefits						
working conditions	Comprehensive wellness plan						
	Freedom of association						
	Organizational culture						
	Improvement of the quality of life of communities						
	Social infrastructure (housing, health, roads and/or education)						
	Health programs (previous materiality) (Context COVID-19)						
	Education promotion (Parenting school, school kits, scholarships and technical training)						
	Food security (family gardens)						
Social investment and	Productive linkages						
development and Human Rights	Institutional strengthening and alliances						
	Promotion of sports and cultural activities						
	Due diligence						
	Identification of human rights risks						
	Prevention of child labor and forced labor in operations and in the value chain.						
	Human rights policy						

The identified topics and their respective descriptors will guide the sustainable management of the Coquecol Group in the short, medium and long term, to position ourselves as leaders in the mining and coke sector, generating benefits to our stakeholders and the environment.

OUR CONTRIBUTIONS TO THE 2030 AGENDA

SDG

SDG 4. Quality education



TARGET

- **4.1** Ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.
- **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

OUR CONTRIBUTION

Goal 4.1: Our Foundation, through its education axis, provides educational tools and support to enable children to receive quality education in educational institutions.

Goal 4.4: We provide continuous education and training to our employees in the development of skills and attitudes that promote personal and professional growth. We also provide courses available for the communities to development skills that ease their employability.

SDGS. 5 Gender equality



- **5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- family axis that implemented a women's empowerment program to develop and boost their skills to start new businesses, lead and mitigate risks associated with gender violence.

Goal 5.5: The foundation's strategy has a

- **5.b** Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.
- Goal 5.b: In 2021 we conducted studies to involve women in operational activities of the Group. Additionally, our innovation and transformation component seeks to incorporate new technology that allows for greater involvement of women in our activities



ODS

META

NUESTRO APORTE

SDG 8.
Decent work and economic



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.

Goal 8.5: One of our 2021 milestones was the generation of employment complying with all legal requirements, as well as training and education focused on productivity and wellbeing without distinction of gender, race, opinion; mainly in the areas of influence contributing to the economic growth of the regions.

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Goal 8.8: We ensure the best safety and working conditions for our employees, promoting legality and best practices, positioning ourselves as a grat company to work for in the Brújula Minera measurement.

SDG 9. Industry, innovation and infrastructure



9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

Goal 9.3: We involve small, medium and large national companies in the logistics and production processes of our value chain and, starting in 2022, we will start a diagnostic process and business strengthening of suppliers that will enable them to grow and access markets and financing.

SDG 13. Climate action



13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Goal 13.3: We participate in initiatives that promote climate change mitigation, keep abreast of best practices and environmentally friendly technologies and raise awareness among our stakeholders to acquire sustainable habits that contribute to the fight against climate change.

ODS

META

NUESTRO APORTE

SDG 16.
Peace, justice and strong institutions



16.5 Significantly reduce corruption and bribery in all their forms

We implement corporate governance best practices to prevent corruption in our operations, and we continuously train and communicate practices that help prevent corruption.

SDG 17. Partnerships for the goals



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

We are aware of the importance of good relationships with the different actors in society, both public and private, for this reason, we promote and participate in partnerships and initiatives that enhance the positive impacts of our actions when we implement of our impact programs.



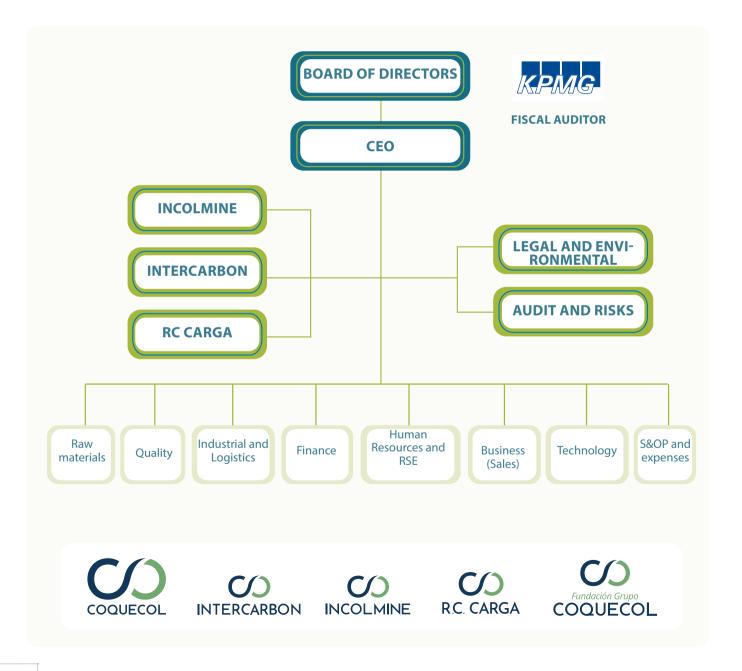




GOVERNANCE STRUCTURE

Our organization has a governance structure established and approved by the Board of Directors. The General Manager meets with the management team on a regular basis to guide management towards the fulfillment of corporate objectives.

The management and leadership stay active through monitoring committees such as: Corporate Strategy Committee, Operational Areas, Human Management, Margins, Commercial, Supply Chain, Technology, Innovation and Digital Transformation, and Audit and Risk.





Due diligence: identification and impact management

GRI 102-29 Content

Due diligence is performed through internal control system where a set of actions, policies, records, procedures and methods are established aiming to prevent possible risks that could affect the Organization. To complete this type of evaluations we have:

- Mechanisms of control environment through the implementation of policies and policies and procedures.
- Risk assessment through a risk and audit committee, where the types of risks, and sources are reviewed, and control measures are established.

In the aforementioned committees, evaluation, control and supervision activities are done using the results presented by the Internal Auditor, the Fiscal Auditor, the Compliance and Risk Management Officer.

Nomination and selection of the highest governing body

At the Ordinary General Shareholders' Meeting, the Chairman of the Assembly submits for consideration his proposal for the members of the Board of Directors, which is subject to approval by the Assembly. The professional profile of the members focuses on people with diverse visions, experience and disciplines, such as legal, economic, environmental and social.



DELEGATION OF **AUTHORITY**

Content GRI 102-19

The Board of Directors approves the delegation of the functions it deems appropriate to the Legal Representative. It also approves the Company's strategic plan and annual budget. Additionally, it delivers the guidelines it considers appropriate in economic, environmental and social matters, supported by the recommendations and analysis of the Sustainability Committee.

FOLLOW-UP AND CONTROL COMMITTEES

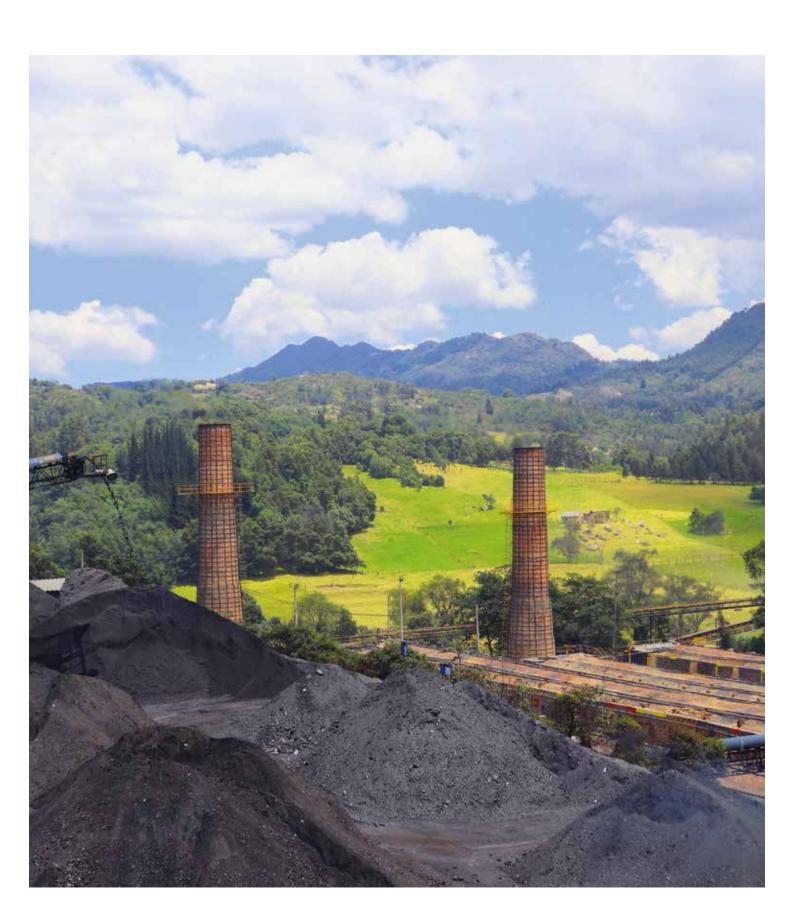
Content GRI 102-20, 102-33

To ensure the responsibility of the executive level in economic, social and environmental issues, we gave continuity to the Sustainability Committee, that includes the President of the Board of Directors, the General Manager, the Finance Manager and the Commercial Manager.

This Committee was created to address all relevant issues associated with business continuity, operations, pandemic management, liquidity management, environmental and social issues that must be brought to the Board of Directors for their respective analysis on a monthly basis.

Throughout the year, some critical issues were transmitted to the highest governance body, the highlighted ones were:

- Contractual issues
- Market challenges



- Changes in legal representation and corporate image
- Budget, strategic plan and evolution of corporate strategies
- SAGRILAF policy and manual and modification of legal fees.
- Development of the strategic plan for social management and its impact on the communities of influence.

REMUNERATION POLICIES

Content GRI 102-35, 102-37

The remuneration of senior management is set by the Board of Directors, following the recommendations of the Appointments and Remuneration Committee. For these purposes, it is taken into account the level of responsibility of their functions and that the remuneration is competitive, compared to equivalent functions of peer companies in the local market.

On the other hand, we have a Compensation and Salaries Committee, in which the Board of Directors and senior management participate to define salary scales and policies, annual general increases, and leveling and adjustments in the organizational structure.

THE PRESIDENT OF THE GENERAL SHAREHOLDERS' MEETING AND THEPRESIDENT OF THE BOARD OF DIRECTORS DO NOT HOLD EXECUTIVE POSITIONS IN THE ORGANIZATION.



COMPLIANCE AND **ANTI-CORRUPTION**

GRI 103-1, 103-2, 103-3, 205-1 Content



"WE ARE A COMPANY THAT PROMOTES AND IS FRAMED IN LEGALITY".

Regulatory compliance allows us to develop internal controls to instill a culture in everyone who act on behalf of the Group and to count with their support to continuously improve the processes. Senior management provides the organization with ethical guidelines that are reflected in the Code of Ethics, supported by policies, procedures and audits that strengthen the reputation and the appropriate relationship with stakeholders.

For an optimal management, we perform a risk analysis with those with whom we have any commercial relationship, according to the type of product and service, amounts, advances and/or if they are publicly exposed individuals. In addition, we have policies for the management of gifts, hospitality, and courtesies, which establish guidelines for the actions of our employees and guarantee transparency in contracting.

SARLAFT systems and programs, business ethics and cybersecurity

The Coquecol Group is an organization of the real sector supervised by the Superintendence of Corporations that adheres to a regulatory framework that orders it to develop a system for the prevention of money laundering, terrorism financing and proliferation of weapons of mass destruction. We also developed a corporate ethics and transparency program for the protection of personal data, habeas data and information and cybersecurity.

OPERATIONS ASSESSED FOR CORRUPTION RISKS

Content GRI 205-1

The operations assessed for corruption risks are presented below.

Significant corruption-related risks identified through the assessment.

OPERATION ASSESSED

DESCRIPTION OF RISK IDENTIFIED

Establish and/or maintain links with Natural or Legal Persons that are related to ML/FT activities, corruption in restrictive or binding lists for Colombia.

Deficiencies in the control and monitoring procedures of the operations carried out by PEPs.

Omission in the identification and/or reporting of unusual or suspicious operations.

Deficiencies in the detection of new typologies or modalities used for money laundering, financing terrorism or bribery

Omission of prevention and control activities against ML/FT and corruption.

Deficiencies or omissions in the training or feedback processes to collaborators and/or third parties related to the Company.

ML/FT/FATF and Corruption Risk

Deficiency in due diligence

Inadequate application of the criteria for assessing a warning signal.

Non-compliance with regulations due to inadequate execution of methodologies for ML/FT and corruption management.

Front or paper companies and use of false documentation.

Carry out operations with companies that are not legally constituted or do not have the required permits to carry out their activity.

Make payments of invoices, petty cash, legalization, donations, payroll, etc. to stakeholders, where there is no support for the transaction.

Carry out operations with non-cooperating countries, reported to the FATF.

Stakeholders that handle large cash transactions.

Stakeholders offering products and services outside market conditions.

THROUGHOUT 2021, WE BEGAN TO GENERATE AN ACTION PLAN TO CREATE AN ETHICS COMMITTEE THAT SEEKS TO ADDRESS COMMUNICATIONS RECEIVED THROUGH THE ORGANIZATION'S ETHICAL CHANNELS. THIS COMMITTEE WILL BE PRESENTED TO THE BOARD OF DIRECTORS FOR APPROVAL IN 2022.



TRAINING AND COMMUNICATION OF ANTI-CORRUPTION PRACTICES

content GRI 205-2, 205-3

It should be noted that we communicate our policies and practices to prevent corruption in our activities to 100% of our collaborators during the onboarding process. In the Virtual University we have a training program where we communicate our pol-

icies on this matter. Our anti-corruption policies are communicated to our suppliers from the moment they are hired, and there is a space on their registration form where they assure that they have read and accepted them.

FTHICS AND INTEGRITY

Mechanisms for communicating ethical concerns

As an organization, we have established different ethical mechanisms, completely confidential, where stakeholders can report any behavior contrary to corporate values and the guidelines of the Code of Ethics.



Email:

lineaetica@coquecol.com



Website:

https://grupocoquecol.com/ https: www.coquecol.com











NON-MANDATORY CONTRIBUTIONS 2021



"OUR MINING PROCESSES ALLOW US TO MITIGATE RISKS IN TIMES OF CRISIS AND REMAIN COMPETITIVE IN THE MARKET".

\$300 Million Purchased 1,175 doses of vaccines for Coquecol employees.

\$10 Million To the municipality of Socha, fore economic reactivation initiatives.

\$5 Millions To the elaboration of the Orquídeas de Boyacá -Corpoboyacá booklets.

VALUE CREATION AND **PRODUCTIVITY**

Mining processes

The group companies responsible for this phase are Intercarbon and Incolmine, which manage the coal mining operations. This production process is fundamental to ensure competitive operating costs and allow us to provide a quality product in the international market and to meet the expectations of our customers.

In the acquisition of the resource, the Group buys around 65 thousand tons of coal, our mines deliver around 9 thousand tons from Intercarbon and 3 thousand tons from Incolmine, accounting for approximately 18% of coal purchases at competitive market prices.

"OUR PURPOSE IS TO ENSURE COMPLIANCE WITH MINING, ENVIRONMENTAL AND GROWTH LAWS TO ACHIEVE GREATER COMPETITIVENESS AND POSITION OURSELVES AS A DIFFERENTIATING AGENT IN THE MINING SECTOR".



Grupo COQUECOL

INDUSTRIAL AND LOGISTICS PROCESSES

Industrial and logistics

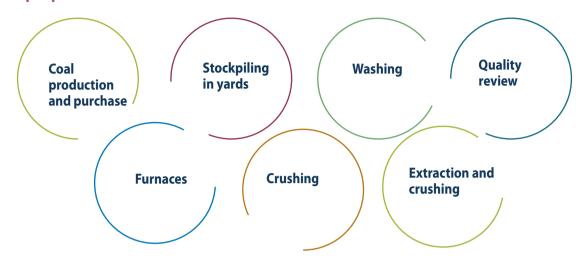
The group company responsible the development of industrial and logistic processes is Coquecol, which manages the transformation of the coal extracted from the mines and acquired from third parties into coke. Once the final product is ready, it is transported from our operating units to the final customer with the characteristics and requirements requested.

Our commitment is to deliver the products within the established times with the agreed quality, taking care of the environment and people, generating trust and loyalty with

our customers. For the management of these processes, we count on the industrial and logistic areas that include:

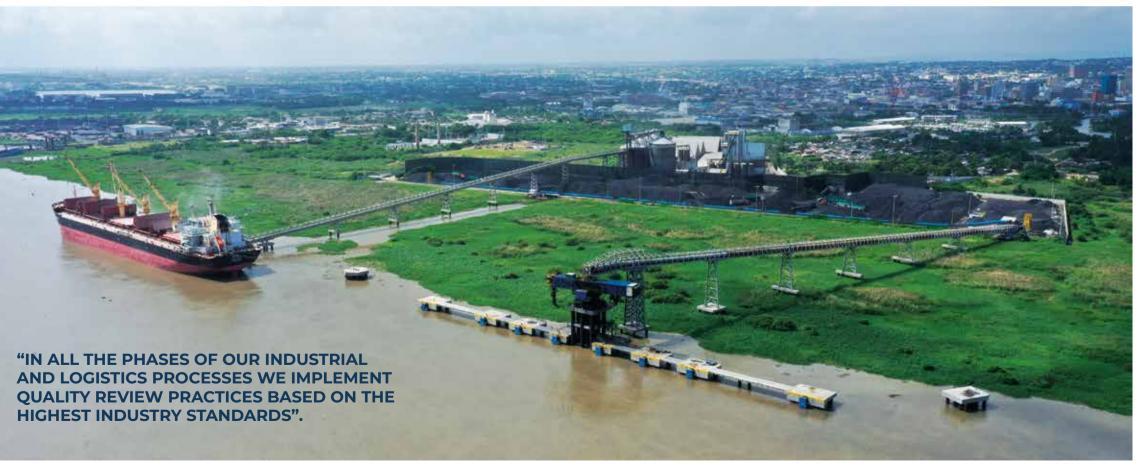
These processes are relevant for the Group because they are the ones that materialize and connect our products and the value offered to our customers. We coordinate the operations areas and the logistics team to deliver, initiating in this way the production of coke in our operating units and having the vehicles that are responsible for transporting this production.

Coke preparation



"WE CURRENTLY HAVE 558 ACTIVE AND RECURRING SUPPLIERS FOR THE THREE COMPANIES (COQUECOL - INCOLMINE - INTERCARBON) OUT OF WHICH, ACCORDING TO THE VALUE OF PURCHASES, 46.1% IS LOCAL OR FROM THE AREA OF INFLUENCE".







LOGISTIC PROCESSES

Logistics and transportation to final customer

Once the products are ready in the Operational Units, the logistics team schedules the vehicles, which are loaded with the material, sealed and leave for the port. When the vehicles arrive at the unloading ports, where they are already planned to arrive, they are unloaded in the port yards, the lines are formed, and the shipments are assembled with loads of between 30,000 and 33,000 tons of coke.

We support the vessels until the delivery of the last material with their respective weight certifications and invoicing the client of the deliveries.

R.C. Cargo

R.C Carga is the company of the Group responsible for an important percentage of the coal and coke transportation operations, authorized by the Ministry of Transportation. Its management contributes significantly to maintain adequate costs of freight and transportation rates due to the value of the intermediation margin and its strategic management of drivers loyalty and third party vehicles with whom the service is provided.

The main activities of R.C. Carga are associated with the internal transportation of the Operating Units, the transportation of 100% of the raw materials for operations and the movement of products to the ports for their arrival to the final customer.

RESPONSIBLE SUPPLY CHAIN

The policies that provide management guidelines in each of the phases contemplated in the supply process are as:



Contracting manual

Purchasing and supply policy



and registratio

evaluation

Stock Management Policy





Coal suppliers

and SAGRILAFT.

This area is responsible for the procurement of goods and services focused on optimizing resources and controlling expenses. Its objectives are to guarantee efficiency and control in the purchasing and supply process of the business, as well as establishing the necessary activities for the management of the materials located in the warehouses, securing inventory levels.

The raw materials team evaluates the viabili-

ty of potential suppliers to determine the le-

gality conditions of coal, characteristics and

volumes through verification visits. Once

validated by the corresponding areas, a risk

analysis of the supplier is performed, which

includes consultation with credit bureaus

Driver and vehicle management

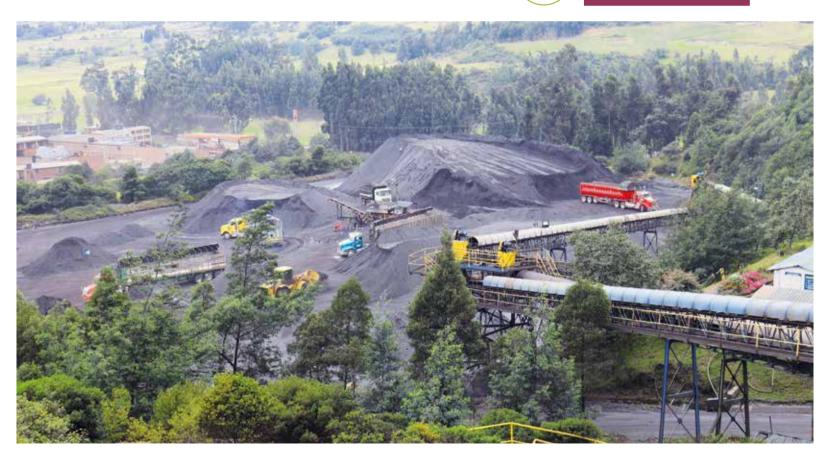
The vehicle managers have a database of

1,200

Currently

450

provide services on an ongoing basis



Value in purchase orders placed:

109,466,098,383 COP

Average payment time:

30

Local purchase percentage:

46.1%



INNOVATION AND DIGITAL TRANSFORMATION

Material topic: Innovation and digital transformation Content GRI 103-1, 103-2, 103-3

Innovation and digital transformation is important because it contributes to the continuous improvement of processes, efficiency and operational optimization; aspects that are key to business continuity, decision making and market positioning.

Therefore, we work to better capture and centralize the information available through digital transformation, achieving the homogenization of data to facilitate decision making and improve the management of the knowl-

edge within the Group; the innovation and digital transformation leader is responsible for these processes.

To achieve this, an Ideas Bank was created, a portal where potential projects are systematized, qualified, prioritized and notified. Employees identify and systematize initiatives to improve and make processes more efficient and at the same time facilitate the collection of strategic information. In 2021 we obtained:

Ideas received

Refine process: viable ideas

Chose considered of higher priority.



The ideas received are studied by the project committee, which analyzes the feasibility, viability and impacts (economic, social and environmental), in addition, the Committee is also responsible for monitoring and controlling the implementation of the approved initiatives. Finally, the prioritization of initiatives takes into account the Group's strategic pillars and guidelines.

In 2021, progress was made in the implementation of 12 initiatives, that include several projects; for each initiative we formed "Cells", which are composed of a leader in charge and the appropriate team for the implementation and execution of each of these. The following is a description of the prioritized initiatives, their objectives, and the percentage of progress in their implementation by 2021:

Strategic projects

Implementation of the initiatives defined in the innovation and digital transformation agenda:



adaptation



Usage of production process waste



Define a new supply strategy

Hurry Up



Develop sustainability strategy for the Group



Develop inventory planning tools



Update coke

preparation

processes

Digitize payroll process for Coquecol group



Climate

change

Document management



Green coal





Innova Coquecol



portal

It should be noted that the initiatives implemented are robust and complex, requiring execution times in the short, medium and long term. They also have internal

metrics and the progress percentages that allow monitoring and follow-up, as well as decision making to achieve the objectives.







We continually seek that all our employees feel identified with these pillars and represent them, therefore, we have developed a leadership model that allows us to consolidate a clear DNA, based on communication, appropriate relationships and optimal knowledge management. This has allowed us to provide spaces in which work teams propose, express themselves freely, face challenging situations and generate new ideas for change. As a business group, we want to go beyond what is defined in the legislation, because our focus is to create a differentiating value that consolidates long-term bonds with our collaborators. In human resources management there are three key processes, which define the guidelines and management of each of the operating units:

Compensation and payroll process

Compensation and payroll process

Compensation and payroll process

In order to materialize our commitments and become a high-impact management, we have the following corporate policies that guide our actions with our employees:

- Wellness policy (approach and wellness plan)
- · Training and development policy
- Salary policy

We are aware of the importance of feedback and the continuous improvement that we must implement to continue positioning ourselves as a responsible company with our employees. Therefore, we have mechanisms to meet their needs and expectations, such as the ethics line, PQR's and the Coexistence Committee.

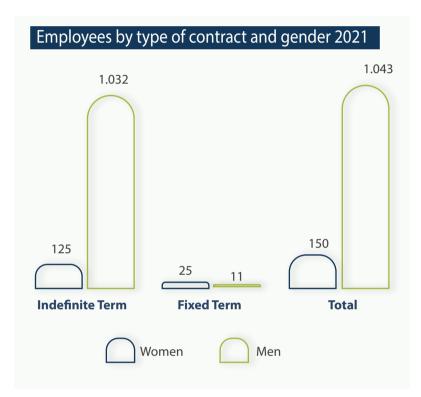
Similarly, to monitor and follow up on the management, we have an Internal Audit Area and, in 2021, we had an industrial safety audit; we also have labor counseling to keep us in compliance with the regulations and informed about the best employment practices in the sector.



OUR COOUECOL **TEAM**

Material topic: Employment generation GRI content 401-1, 405-1, 405-2

In 2021 our work team consisted of 1,193 employees, of which 87.4% are men and 12.5% are women.





Type of ea	mployment		Direct workers	
3,740,10		Men	Women	Total
Indefinite	Term	1,032	125	1,157
Fixed	Term	11	25	36
	otal	1,043	150	1,193



Our team is mainly located in the departments of Boyacá, Cundinamarca, Atlántico and Norte de Santander.

In alignment with our commitment to impact the local communities in our areas of influence, we hire 60% of people from these communities, providing opportunities for personal and professional development and improving income levels in the places where we are present.

Most women in the organization are between 31 and 50 years of age in the administrative area, while the majority of men in the same age range are in the operations.

Davison	Direct workers			
Region	Indefinite	Fixed		
Cundinamarca	486	8		
Bogotá	70	3		
Norte de Santander	288	8		
Boyacá	375	12		
Atlántico	375	0		
Valle del Cauca	1	0		
Total	1.085	31		

	Age group	Between 18 and 30 years			Between 30 and 50 years		Older than 50 years	
	Gender	#	%	#	%	#	%	
	Men	0	0%	5	0.4%	1	0.1%	
Senior Management	Women	0	0%	3	0.2%	0	0%	
Management	Total	0	0%	8	0.7%	0	0%	
	Men	0	0%	16	1.3%	1	0.1%	
Management Level	Women	0	0%	5	0.4%	0	0%	
	Total	0	0%	21	1.7%	1	0.1%	
Coordinators	Men	6	0.5%	26	2.2%	2	0.2%	
	Women	1	0.1%	9	0.7%	4	0.3%	
	Total	7	0.6%	35	2.9%	6	0.5%	
	Men	21	1.7%	31	2.6%	0	0%	
Technical	Women	2	0.2%	0	0%	0	0%	
	Total	23	1.9%	31	2.6%	0	0%	
	Men	23	1.9%	20	1.7%	2	0.2%	
Administrative	Women	24	2.0%	24	2.0%	1	0.1%	
	Total	47	3.9%	44	3.7%	3	0.2%	
Production	Men	407	34.1%	455	37.9%	29	2.4%	
	Women	47	3.9%	28	2.3%	1	0.1%	
	Total	454	38.5%	483	40.2%	30	2.5%	
Tota	ıl	531	44.9%	622	51.8%	40	3.3%	

New Hires

Regions		en 18-30 ars	Between 30-50 years		Older than 50 years		Total
	Women	Men	Women	Men	Women	Men	
Cundinamarca	30	165	9	87	1	2	294
Norte de Santander	12	169	2	108	1	2	294
Boyacá	35	193	5	124	0	1	358
Atlántico	0	1	1	0	0	0	2
Total	77	528	17	319	2	5	948

Most of the hires made in 2021 were people between the ages of 18-30, mainly in operational positions where we have the highest turnover.

Retirements

Regions	Between 18-30 years		Between 30-50 years		Older than 50 years		Total
	Women	Men	Women	Men	Women	Men	
Cundinamarca	11	115	0	51	0	2	179
Norte de Santander	9	99	3	93	0	3	207
Boyacá	20	122	6	104	1	2	255
Atlántico	0	0	0	0	0	0	0
Total	40	336	9	248	1	7	641

Most of the turnover is in operational personnel located in the areas of Boyacá and Cundinamarca, where the vast majority are men between the ages of 18 and 30.



IMPLEMENTATION OF THE GENDER EQUITY PROGRAM

Understanding the existing gender equity gaps in the sector, we have developed a series of actions that seek to involve and empower women in our activities.

For this reason, in 2021 we identified those operational positions in which there are opportunities for greater participation of women, as well as awareness processes for leaders that allow us to work on internal cultural changes that predispose us to hire women in operational positions.

Additionally, we developed training spaces to break paradigms in recruitment processes and we take advantage of turnover in positions that can be occupied by women, which allows us to achieve the gender equity we have established.

We continually seek to implement greater mechanization in our production processes that will allow us to have more female labor in a greater number of operational positions, where we have our largest number of collaborators.



TALENT WELLNESS

Material issue: Well-being and working conditions Contents GRI 401-2, 406-1, 407-1

We understand the importance of providing spaces and conditions that guarantee well-being at work and allow our people to build a life project within the Group.

For this reason, we comply with and monitor labor regulations periodically, offer decent salaries, have optimal training and development processes, and seek a balance between work, family and personal life of our employees.

In this sense, we involve the families of our employees, especially women, providing opportunities for growth and development, which allows us to build a social and family network around the Group's organizations everyday.

In order to achieve comprehensive, human and impactful support for our employees, we defined our welfare strategy based on the characterization and identification of the particular needs of each of our employee segments.

Below are the benefits offered to our employees throughout 2021:

Benefit	Description	Number of employees benefited
Life insurance	Coquecol Group assumes 100% of the value of life insurance for direct employees -	1,193
Medical insurance	All employees are entitled to prepaid medical insurance, at management levels the organization assumes 100% of the value of the insurance, and for the rest of the employees the organization assumes 50% of the value.	16
Pension fund	Provided to both direct and indirect employees	1,193
Half day off for birthdays	On birthdays, employees are entitled to a half day off	1,193
Funeral insurance	The company assumes 100% of the value of funeral insurance for direct employees	1,193
Momentum	Psychological support, coaching sessions, financial management for tactical-strategic hierarchical positions	246
Advance	This is a platform that allows us to make payroll payments in advance to employees who require it in the event of situations that may arise.	1,193
Family Day	The employee is entitled to enjoy one paid day off per semester	1,193
Annual bonus	An annual bonus is given to employees.	1,193
Christmas gift	Employees and their children under 10 years of age are given a Christmas gift.	1,193



Maternity and paternity leave

Contents GRI 401-3

42 employees were entitled to maternity and paternity leave, of which 40 were men and 2 were women, all of them exercised their right to leave, of which 100% of the men were effectively reinstated, while the rate of reinstatement of women was 50%.

Organizational climate results and internal reputation

We intend to have a motivated work force focused on achieving the Group's goals, for this reason, we measure organizational climate and internal reputation as part of our evaluation and monitoring activities of well-being management within the Group.

By 2021, 92% of employees believe that Coquecol treats its workers well, an aspect that reflects the good work, management, and continuous improvement of the Group in these issues; among other results we highlight: of the Employees feel proud to be part of the Company.

Of the Employees feel treated with respect

92% Of employees feel they have job stability

Of the employees have a good relationship with their superiors.

91% Of the Employees feel that they work in comfortable facilities

Of the employees feel that the Group's operations are environmentally friendly.

Work environment:

8,4/10

Professional development:



"AT COQUECOL GROUP WE PROMOTE AND RESPECT THE RIGHT TO FREEDOM OF ASSOCIATION, DESPITE THIS, THERE HAVE BEEN NO COLLECTIVE BARGAINING AGREEMENTS, NOR HAVE UNIONS BEEN FORMED DUE TO THE EXCELLENT HUMAN MANAGEMENT CARRIED OUT AND RECOGNIZED IN THE "BRUJULA MINERA" MEASUREMENT".



Momentum Platform

Momentum is a comprehensive platform for managing corporate mental health and emotional well-being that features:

- Virtual coaching
- Virtual psychotherapy

- Yoga and guided meditation group sessions.
- Support to improve professional performance, stress and anxiety management and promotion of healthy lifestyles.



TRAINING AND **DEVELOPMENT**

Material topic: Training and teaching Content GRI 404-1, 404-2, 404-3

Thanks to the significant efforts made by Our human resource in introducing a culture of innovation and digital transformation, developing talent and knowledge management, we have grown and positioned ourselves in recent years in the sector. In 2021 we executed the following total and average hours of training by gender and labor category:

Job Category		Number of employees trained		Total hours of training		Average number of training hours	
	Men	Women	Men	Women	Men	Women	
Senior management	7	6	3,276	3,126	468	521	
Middle managers	3	10	81	4.990	27	499	
Coordinators	65	12	97,760	15,612	1,504	1,301	
Technicians	19	4	114	16	6	4	
Administrative	153	151	74,358	91,657	486	607	
Production	1,230	350	38,130	3,850	31	11	

In addition, we sponsor up to 50% of our employees' postgraduate academic training, including master's degrees and specializations.



Culture of innovation and digital transformation

We have a change management program (PTID) and an innovation training strategy, a transformation that for this reporting period consisted of the following activities:

- Implementation of the innovation committee.
- Continuity to the boom of initiatives defined within the digital transformation and innovation agenda.
- Development of digital transformation and innovation methodological skills in 40 participants.

TEAM OF LEADERS

OBJECTIVE:

To provide tools to lead innovation project teams.

CONTENTS:

Bases of digital transformation and innovation, how to lead a creative process, team identity and agile productivity.

TEAM OF PROFESSIONALS

OBJECTIVE:

To appropriate innovation tools and methodologies.

CONTENTS:

Methodological bases of a creative design process, stages and methodology of Design Thinking, Lean Startup and Agile.

Coquecol Talent Development

We have three programs that make up our leadership model focused on strengthening the skills of the Group's leaders as follows:

Leadership to enhance innovation:

20
Leaders

Diploma in leadership (Javeriana University):

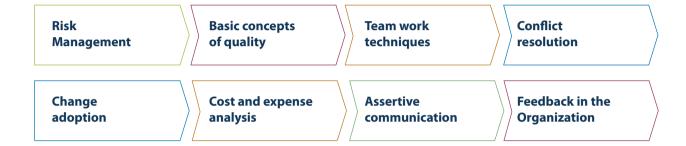
Diploma leaders in health and safety prevention:

operation leaders



Knowledge management Coquecol

Every year we execute a training plan defined based on the performance evaluations of the immediately preceding period. By 2021 we conducted a total of 15,834 hours of training in 45 training courses, reaching 75% compliance with the training program. Among the courses given were:



Coquecol Virtual university

On the other hand, we have boosted the Coquecol Virtual University, where our employees since the onboarding process

can access the different training courses according to their responsibilities and we plan to include the following courses in the near future:



OCCUPATIONAL HEALTH AND SAFETY

Material topic: Occupational health and safety GRI content 401-1, 405-1, 405-2

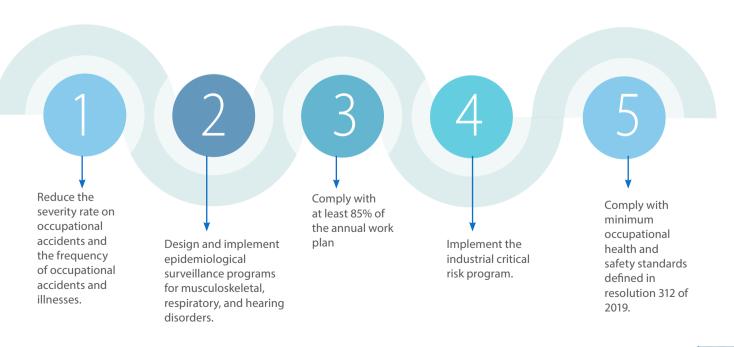
People are the basis and center of all our processes, and for this reason, caring for their health and safety is of utmost importance, both for all our employees, as well as for contractors, visitors and communities in the areas of influence.

We developed and implemented a set of good practices in health and safety at work that seek to care for the life and integrity of all the actors of our operations, taking care of the image and reputation of the Coquecol Group. To materialize our health and safety management, we have different tools such as:

 The results of the previous year, where we evaluate the rating of occupational diseases, the occurrence of accidents and their respective causes, as well as the risks and hazards that caused them.

- The matrix of identification and assessment of hazards and risks, which facilitates the priorization exercise and creation of action plans for their mitigation.
- Internal and external audits of the management system framed in the regulations governing our economic activity (Decree 1886/2015 and resolution 312/2019), which provides us with a navigation chart for its development and implementation.
- We have an analysis of critical operational risks where we address the prioritized risks in the critical points of industrial operation.

In this sense, the goals set in the Coquecol Group for the year 2021 in the areas of occupational health and safety were:





It should be noted that we operate under the framework of our integrated management policy where we establish our commitment to the Group's health and safety issues as follows:

"To guarantee safe and healthy working conditions for the development of the different activities through the promotion and protection of health, by identifying occupational hazards and risks that threaten the physical, mental and social wellbeing of the collaborators in order to mitigate the occurrence of work accidents and development of occupational diseases, promoting "zero tolerance" for all acts and conditions that affect the integrity of the people acting under our areas of influence."

Likewise, the Group's senior management has shown its commitment to comply with these guidelines through the respective allocation of human, financial and medical resources to carry out an appropriate management of the matter.

The guidelines and procedures for occupational health and safety management are communicated to 100% of the employees located in the operating areas in the onboarding processes, we recognize that communication is key for optimal management and prevention of undesirable situations.

Responsibilities

The group has a multidisciplinary structure suitable for managing occupational health and safety issues that covers 100% of the operating and administrative units.

Health and safety communication

We understand the importance of having communication channels that allow interested parties to communicate and report their concerns, either by identifying hazards, risks and/or opportunities to improve our management.

EMPLOYEES



- They have a program for reporting hazards and near misses, which are assessed by the supervisor and subsequently analyzed by internal committees.
- These hazards are then consolidated by each unit and presented to industrial management to define action plans.
- · Direct reports to management.
- Comprehensive management dialogues held on Mondays, Wednesdays and Fridays.
- Task rejection.

COMMUNITY



The communities in the areas of influence of the group have the channel of the Coquecol Foundation, who channel all types of complaints associated with the affectation of their daily life, as well as the virtual channels of the web site and attention to PQR's.

In addition to this, we conducted a Preliminary Risk Analysis (PRA) that helps us identify operational risks in non-routine or non-standardized tasks and allows us to generate actions to define control mechanisms.

Occupational health and safety committees

GRI 403-1 content

Our employees are represented in committees whose purpose is to ensure health and safety at work, in which they actively participate. In this sense, we have three committees as follows:

despite this there was one fatal event in Intercarbon's operations. Based on this situation, we deployed an action plan to continue strengthening operational processes, training and support to employees in the management of occupational health and safety practices.

Occupational illnesses

GRI 403-3 content

Our operational activities entail a series of risks that in the long term may affect the health of our employees; for this reason, we periodically monitor the working conditions and health of our employees to identify potential illnesses that may result from

Committee	Description	Participating managers	Participating employees
COPASST	Joint occupational health and safety committee	9	7
INTERNAL	Monthly occupational health and safety follow up committee	5	20
RESULTS	Quarterly senior management review of health and safety results	4	2

Monitoring, follow-up and control mechanisms

To evaluate the management performed during the reporting period, we conducted internal and external audits. In 2021, internal and external monitoring processes were completed, showing a significant progress in the structuring of controls and action plans to ensure the safety of our employees.

Workplace accidents

During the period we reported a general decrease in the frequency of work accidents,

from the tasks performed and implement measures to mitigate these risks.

Biosafety protocol and actions against covid-19

In 2021, the health emergency derived from Covid-19 remained in force, therefore, it was important for the Group to continue to ensure our biosafety protocols, taking care of our personnel and their families.

In this regard, we acquired 2,400 doses of SINOVAC vaccine against Covid-19, with which we vaccinated 850 direct employees,



Company	Fatal event	Serious event	Frequency rate	Severity rate
Intercarbon	1	2	Decrease of 19%	N/A
Incolmine	0	0	Decrease of 39.7%	Decrease of 27%
Coquecol	0	1	Decrease of 36%	Increase of 7%

210 family members and/or community members, 80 contractors and donated 60 doses to other companies.

Mitigation measures

In 2021, the risk of Covid-19 infection remained latent due to the exponential expansion of contagion at a global level, to face this we completed:

- Adequacy of ventilation systems.
- Institutional protocol for the management of COVID-19 disease.
- Follow-up of health conditions.
- Training and communications on the management of PPE, biosecurity measures in the presence of the SARS-CoV-2 virus.
- Measures for managing schedules and work activities at home.
- · Videoconferences.

- Signaling markup of Social Distancing areas.
- Personal protective equipment classified according to the level of exposure.
- Delivery of N95 / Conventional / Cloth masks; coveralls, safety goggles, face shields and gloves.
- We developed a campaign called "Guardians of Covid" to prevent and reduce cases of contagion in intra and extra labor spaces.

Occupational health and safety training

Contents GRI 403-5

Health and safety training is important as it allows us to minimize the occurrence of health and safety accidents and the occurrence of occupational diseases. To define the contents of the training during the year, we considered:

"87% OF OUR EMPLOYEES RECEIVED THE 2 DOSES OF THE VACCINE AND WE FOLLOW UP EXISTING CASES ON A MONTHLY COMMITTEE".

- The analysis of results obtained in the immediately preceding period.
- The characterization of the accidents presented
- Continuous review of legal compliance
- The update or modification of processes

We completed around 1,100 training activities with direct personnel, achieving 22,940 hours of training in 2021, addressing 15 previously mentioned topics.

We also completed 80 training activities with contractors and third parties, with a total of 1,200 hours of training on two topics.

Training	Participants
Healthy lifestyles	100% of employees
Use and care of personal protective equipment	100% of employees
Responsibilities in OSHMS (Occupational Safety and Health Management System)	100% of the collaborators
Socialization of IVPR matrix	100% of employees
Integrated policy - alcohol and drugs	100% of the employees
Re-onboarding OSH	100% of employees
50 Hrs Course - OSHMS	100% of the employees
Investigation of work accidents 2021	COPASST Coordinators Supervisors
Internal auditor OSHMS 2021	Coordinators Supervisors
General inspections 2021	COPASST Coordinators Supervisors
Legal responsibility in OSH 2021 Managers	COPASST Supervisors Coordinators HR CCL
Roles and responsibilities of COPASST and CCL 2021	Manager COPASST Supervisors Coordinators HR CCL
Work at heights of 1.5 m high	TSA Workers
Emergency brigades	Voluntary participation
Safe work in mining activities procedures	Mining Operating Units





SUSTAINABILITY

CONTRIBUTION TO SOCIAL **DEVELOPMENT**

Material Issue: Investment and social development

Contents GRI 103-1, 103-2, 103-3

Our social management is based on the conviction and responsibility to contribute to the development and growth of the communities located in our areas of influence, taking into account that these efforts are strategic to obtain the social license that allows the execution of our operations.

It is also important that the communities understand our strategy based on education, care for the environment, strategic alliances and the family as key pillars of success and community development.

Grupo COQUECOL

For 7 years we have been working with community leaders, local governments and different actors that have helped us identify and understand their needs and expectations. For this purpose, we have the following relationship mechanisms:

In this way, we prioritize and focus our activities and programs, aligned with the business strategy, ensuring high-impact interventions and development of capacities and skills that make community actors responsible for their development and mitigate potential risks existing in the territories.

In 2021, we executed the strategic plan under four axes as follows:





At the end of each period, we hold accountability sessions with the participation of educational institutions, local authorities,

community leaders and other stakeholders, to share the management initiatives developed and their main results.



In this first axis we develop three areas associated with training and parenting guidelines, empowerment of women and health brigades. Among the main results obtained during the year, we highlight the following:

Parenting school

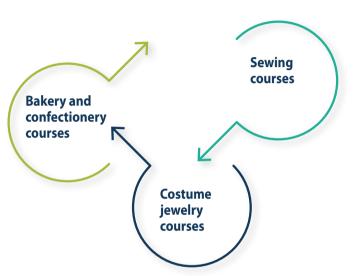
Through the parenting school we generated spaces where we guide and reinforce, through different tools, better parenting guidelines, aiming to consolidate more united families and mitigating psycho-family risks in the short, medium and long term. In this way, we contribute to the construction of social networks, peace and optimal lifestyles for children, young people and adults.

Empowerment of women

Through this program we develop women of the surrounding communities in topics associated with personal growth, as they are a fundamental axis of the families and, therefore, of society. Our objective is to contribute to their empowerment, to the development of their personality and self-esteem, contributing to mitigate risks associated with gender and domestic violence.

In this sense, with the participation of women of all ages, we implement different courses for their personal growth and development of potential skills for the consolidation of enterprises and/or productive processes that provide them with economic and financial freedom, among these skills are:

"BY 2021 WE HAVE REACHED A TOTAL OF 1,206 PARENTS IMPACTED WITHIN THE PARENTING SCHOOL".



By 2021 we provided business training and productive support in virtual mode to 400 women in Samacá and Paz del Río, 28 women in Norte de Santander and 17 women in Guachetá.

- 48 hours of virtual training
- 12 hours of face-to-face support
- Development of a business model by a female entrepreneur

Faced with the new challenges derived from the Covid-19 epidemic, we have transitioned to train women in ICT skills, which facilitate the execution of the programs and leverage their startups.

"OUR SOCIAL MANAGEMENT IS MATERIALIZED THROUGH THE COQUECOL GROUP FOUNDATION, WHICH HAS THREE SOCIAL MANAGEMENT COORDINATIONS IN THE AREAS OF OPERATIONS".



Women's empowerment campaigns

Total population benefited in campaigns	285 women
Breast cancer day	100
Emotions workshop	70
Mothers leaders of families in action program	15
Displaced population women program	100

Health brigades

In alliance with the Manos Pintadas de Azul Foundation, we provide medical care services twice a year, offering services in different medical specialties and promoting healthy lifestyles in the communities, impacting 954 individuals.

In 2021, we provided specialized care to 369 people in the community through a health day and an oral hygiene workshop for 335 children, young people, and the community in general as part of the "smile again" campaign.

Additionally, we implemented the nutrition program "Mannapack" that delivered 36 bags of food to each family for three months, after identifying 10 children in a state of malnutrition and assisting another 174 people.





Education is the mechanism by which people and communities move forward and develop better lifestyles. In the Coquecol Group we are aware of the power of education and training for change and, consequently, we develop lines of action that allow children and teenagers to access quality education spaces, improve their skills and solve the community needs in their territories.

Educational tools and support

Through these activities we support educational institutions and students located in the areas where we operate, by strengthening study spaces and providing educational support to improve their educational processes. In 2021 we reached 18 schools in the departments of Cundinamarca, Boyacá and Norte de Santander; through:

school kits

335 Tablets

50 scholarships

23 children participating in sports schools

Program: Communication collectives

The purpose of the "Communication collectives" is to develop skills in groups of pre-school children and teenagers, so that they can focus their time and energy on reading, writing and communication activities. In 2021, 57 students participated in:



Photography contests



Storytelling contests



School radio stations



Film club



Journalism

Courses open to the community

Likewise, we offer a series of courses, technical and/or technologists in alliance with SENA, that are open to the community, especially to young people. These courses were defined after identifying a series of needs in the community. In this way, we contribute to the projection and personal and professional growth of young people who finish high school by providing training in agriculture, yellow machinery, construction, among others.



ENVIRONMENT AXIS

Understanding the close relationship and importance of the territory for the communities, we strive to implement actions that promote environmentally friendly habits and encourage people to take care of their resources and ecosystems. To this end, we carry out environmental activities for the protection, care and restoration of ecosystems and provide environmental education and awareness to the communities.

Environmental activities

These activities consist mainly of reforestation, care and cleaning of rivers and basins, recycling and proper separation of waste, which generate community interactions in favor of the environment.

3,200

trees and seedlings planted in reforestation days throughout 2021".

The internal volunteers completed a cleaning brigade of the Santander and Portachuelo creek, collecting 850 kg of waste. In addition, 1,000 native seedlings were planted in the Rabanal páramo by employees and members of the community.

"We conducted bicycle recycling campaigns, environmental storytelling contests and family vegetable gardens for 65 families".



We supported the community of Guachetá with the donation of 500 Eugenia plants, 24 packages of husk and black soil within the framework of the "Living Fences" project led by the mayor's office.

Environmental education and awareness

Within our work team we have people who have extensive technical knowledge in environmental management and care, therefore, we rely on them to provide and share in educational institutions their knowledge of waste management, proper use of water, recycling, among others.

The purpose is to make people of the community acquire and improve their habits as they impact the environment, generating in this way a culture of care for their ecosystems and spaces.



"En las campañas de educación ambiental contamos con la participación de 54 niños y niñas".





INTEGRAL RELATIONSHIP AXIS

In recent years we have made efforts to consolidate alliances with other foundations and companies in the sector, as well as with local authorities and the National Government, to formulate and implement projects of greater impact such as road repairs,

community infrastructure works, gender equity programs, risk prevention and nutrition activities.

We also deployed a corporate volunteering and donations program with the following results:

Support and donations to benefit the community		
Total population benefited in campaigns	1,200 people	
Guachetá transit IE teachers uniforms	20 teachers	
Children's Day celebration	120 children	
Christmas gifts	250 children	
Support for road repair Cucunubá	400 people benefited	
Support for road repair Guachetá	430 people benefited	











Legislation in Colombia covers all aspects of air, water, soil, energy and emissions, thus providing us with a clear roadmap for the proper management of our impacts. It is important to mention that to address the environmental impacts and affectations of our activities, we rigorously comply with the existing environmental legislation for the sector.

It is for this reason that every year we identify all those legal requirements based on the impacts we generate, an activity that allows us to define action plans to operate responsibly with the environment and the communities.

In this sense, within our integrated management policy we have defined as an integral objective the commitment with the environment as follows:

"Prevent and control pollution by identifying aspects and minimizing environmental impacts through the implementation of good practices, sustainable use of natural resources, compliance with applicable legal requirements and environmental education".

Throughout 2021, we made progress in the construction of an Environmental Policy that will begin to govern environmental management from 2022, given the importance of these issues for the companies of the group.



We start from the identification of the main impacts and affectations, which are classified and evaluated with a level of significance, frequency and severity; these actions allow us to position ourselves in the communities to develop our social management programs and to have the social license to operate.

We have a measurement system based on indicators in each of our plants and operations to diagnose, guide and prioritize the activities to be completed in each area, due to the differences in operations between mines, coke plants, yards and collection centers.

These measurements help us know which and how many resources we use, the waste we generate, and facilitate the monitoring that shows whether the management is appropriate for the expected results through the Significant Aspects Conformity Indicator.

Each plant has its own tool which establishes the monitoring of indicators, goals, and the areas responsible for achieving them; we follow-up quarterly and those impacts with greater difficulty to correct are identified in order to formulate

CAPEX and align them with the Companies' investment projection.

Responsibilities:

The environmental area reports to the legal area and we have a specialized team in each of the operations, who report to the plant managers and supervise environmental matters. We have a monthly follow-up and control committee for all units where we review the management of relevant points, and compliance with legal requirements every three months through a legal committee with management.



OUR MANAGEMENT STRATEGIES

Environmental management strategy

- Innovation and technological transformations in operations.
- Monitoring of new production trends and substitute products.
- Reduction of environmental impact.
- Appropriate waste management.
- Climate change.
- Responsible use of water.

Formality strategy

- Management of environmental permits for operation.
- · Management of mining titles.
- · Land management.

Environmental management strategy

Air component:

In our coking processes our main impact is related to atmospheric pollution and air quality, due to the emissions we generate and the poor condition of the roads in the areas of influence. For these reasons in 2021:

 Emissions and carbon footprint

GRI contents 305-1, 305-2, 305-3 We did our first carbon footprint and emissions measurement that included the business units over which we have operational and financial control, such as the coking plants, coal mines, yards and offices.

We monitored 18 chimneys

We measured 2 chimneys in collaboration with MinAmbiente We have 16 air quality stations for measuring PM10

We have 15 stations for measuring noise emission The largest generation of direct emissions (Scope 1) is associated with the coking process, representing 93.5% of direct emissions, followed by underground mining activities, which accounted for 6.3% of emissions.

Scope 2 emissions are related to the consumption of electricity in our operations, while Scope 3 emissions are associated with internal and external transportation activities, where the dispatch of products to port represents 35.3% of emissions and maritime exports represent 52.9%. Below is a breakdown of our 2021 emissions by scope:

Scope 1: // / O O 2 1 O Q

 $449,931.08_{\text{Ton CO}_2\text{eq}}$

Scope 2:

1,520.96 Ton CO_2 eq

Scope 3: 273,804.47 Ton CO₂eq

	Source of generation	Emissions ton CO ₂ eq	Type of gases	
	Fuels from mobile and stationary sources	479.16	CO ₂	
	Emissions from underground mining	28,538.37	CH ₄ , CO ₂	
Scope 1	Leakage of refrigerant gases	0.83	HCFCs, Carbon dioxide gas	
	Process emissions	420,877.99	CH ₄ , CO ₂	
	Wastewater treatment	45.62	CH ₄	
	Total	449,934.77		
Scope 2	Electricity consumption	1,520.96	CO ₂	
Scope 2	Total	1,520	20.85	
	Transportation of raw materials (coal)	6,433.17	CO ₂	
	Dispatch to port	96,778.81	CO ₂	
	Internal Transfers	17,951.75	CO ₂	
	Maritime export	144,912.59	CO ₂	
Scope 3	Corporate Flights	72,35	CO ₂	
	Employee transportation	5,503.37	CO ₂ , CH ₄ , N ₂ O	
	Waste	56.12	CO ₂ , CH ₄	
	Outsourced machinery	2,096.31	CO ₂ , CH ₄ , N ₂ O	
	Total	272,03	38. 3 7	



RESULTS OF CARBON FOOTPRINT

Category	Emission source	Description	tCO2e	% of participation
	Fuels from mobile sources	Liquid fuels	334.15	0.05%
	Fuels from stationary sources	Liquid fuels	137.81	0.02%
	Leakage of refrigerant gases	Fire extinguishers	0.83	0.00%
Direct emissions	Process emissions	Coking process	420,877.99	58.17%
	Wastewater treatment	Domestic wastewater	45.62	0.01%
	Fugitive emissions	Emissions from underground mining		3.94%
ndirect emissions	Electricity consumption		1,520.85	0.21%
	Consumption of outsourced fuels	Consumption of liquid fuels in yellow machinery	2,062.36	0.29%
		Corporate flights	72.35	0.01%
		Mobility of employees	2.47	0.00%
		Corporate routes	7,110.93	0.98%
		Maritime exports 144,912.59		20.03%
Other indirect	Outsourced transportation	Product dispatch (internal transfers)	17,951.75	2.48%
emissions		Dispatch of product (Plant-Port)	96,778.81	13.38%
		Coal entries	1,848.27	0.26%
		Other coal entries (Outsourced Yards)	1,242.72	0.17%
	Waste generation in operations	Waste generation	56.12	0.01%
OTAL			723,494.0	100.00%

TON CO2e			
Scope 1	449,934.77	62.19	
Scope 2	1,520.85	0.21	
Scope 3	272,038.37	37.6	
Total 1,2 y 3	723,493.99	100%	

Scope 1	449,934.77	100%	
Coking process	420,877.99	93.54%	58.17% of total
Underground Mining	28,538.37	6.43%	3.94% of total

On the other hand, we carried out our emissions report in accordance with the guidelines of the ISO:14064-1 standard in its 2020 update; in the same way, the calculations were made by theoretical estimation according to the guidelines of the Intergovernmental Panel on Climate Change (IPCC).

Water component

GRI 303-1, 303-3 content

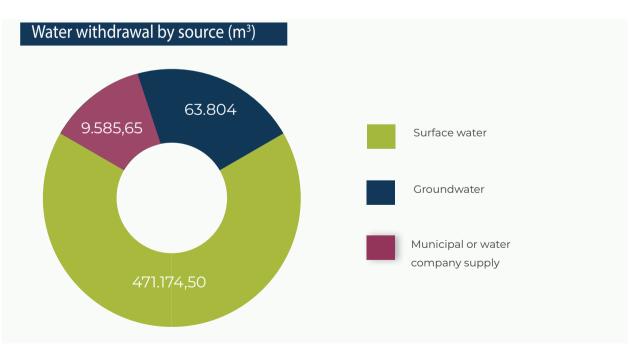
Throughout our industrial coking processes, we use water resources for coal washing processes and other domestic uses.

The water extraction we do within the activities comes from surface water sources, groundwater and municipal water supply or from other companies; which in total for 2021 was 544,564.15 m3/year1, distributed by source as follows:

In our operations, the activity that consumes the most water is the shutdown of ovens to produce coke. On the other hand, the water discharged was destined for surface sources, reaching a use of 557.93 ML and all of it was treated physically (70.6%) and physio-chemically (29.3%).

To reduce the impact on the water sources surrounding our operations and make responsible use of the resource:

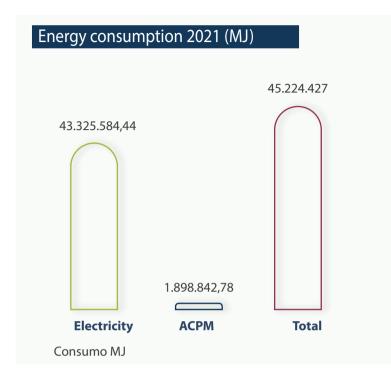
- We repaired and started up the drinking water treatment plant at the Mina Presidente Camp.
- We did corrective maintenance of the domestic wastewater treatment plant at Mina Altiplano, reducing the impacts generated on the Las Puertas stream.



For this measurement we considered: The calculation of all our industrial operations, (Coking plants, Mining, stockpile yards) both
for drinking water and water for industrial use or irrigation. The calculations for industrial water consumption or irrigation consider the data provided by the meters in each operation, which are kept using the format (SG-F-MA-05_WATER_CONSUMPTION).

For the calculation of drinking water, the water bills and the water consumption in block were considered.





WE STARTED A PROJECT TO ANALYZE DIFFERENT INDUSTRIAL SECTORS IN ORDER TO BROADEN THE PORTFOLIO OF POSSIBILITIES SO THAT OUR INDUSTRIAL WASTE (WASHING PLANT TAILINGS, RUBBLE AND ASHES) CAN BE INCORPORATED INTO NEW PRODUCTION PROCESSES.

Energy

GRI 302-1, 302-3 Contents

Electricity consumption is due to the level of automation achieved in our operations because the entire system is interconnected from the yard process, coal washing and preparation, coking, coke preparation, and the dispatch or loading of vehicles to the port.

These processes make up the system that is connected by hoppers, washing plants, belts, mills, and screens, which are made up of a considerable number of motors that represent the Group's sources of energy consumption.

For the calculation of the electric energy generated from the consumed

ACPM, the following data were considered:

- Hours worked ON the Diesel generating plant.
- Generation capacity of the Diesel generating plant in (kW).
- ACPM consumption during the year.
- Nominal consumption of the plant in gallons per hour (Gal/hr).

For the measurement of electricity consumed in 2021, data from the Organization's electricity bills were collected, analyzed and tabulated.

Energy intensity

Coking process: for 2021 the Alcalá, Castilla and Salamanca plants produced 416,210,089 tons of coke according to the data recorded in the IDP of each operation and 6,373,714.491 kw/h were consumed; from this data, the coking process had an energy intensity of 14.73%. kW/ hr per ton of coke produced.

Coal mining process: in the coal mines, which belong to the Intercarbon Mining company (Ráquira Zone, Guachetá Zone and Altiplano Zone) and Incolmine (Presidente mine), 132,886.8 tons of coking coal were extracted, and 6,247,910.5 kW/hr were consumed; in that sense, energy intensity was 47.19 kW/hr per ton of coal mined.

Coke:

14.73 kW/hr*Ton

Coal:

 $47.19_{\text{kW/hr*Ton}}$





Waste management:

GRI 306-1, 306-2 Contents.

The Company's environmental management in terms of waste management is based on the identification of the aspects that cause impacts, giving priority to the most significant ones. This indicator makes it possible to establish the amount of waste generated and the amount that can be used internally or externally.

For this management, we take into account the environmental regulations governing the sector to comply with them, especially the ones related with internal management and final disposal. For this reason, we have identified the main real and potential impacts associated with waste as follows:



ACTUAL IMPACTS

Water contamination and soil contamination as a result of industrial activities such as coking, coal washing, mining activities, maintenance activities and leaching processes of some of the waste, as well as landscape contamination due to storage of industrial waste such as ash, scrap and tailings.

POTENTIAL IMPACTS

Water and/or soil contamination due to hydrocarbon spills from the storage of fuel, oils, grease, and petroleum derivatives, as well as the proliferation of vectors from mining camps, and contamination of aquifers due to the accumulation of waste on bare soil.

To manage the impacts mentioned above, we seek internal and external reuse, so that part of our waste can be included in new productive processes. The management and final disposal of this waste is done by an external controller duly certified in accordance with the single decree for the environment 1076 of 2015 in its title 6.

The waste generated in the septic systems is managed by the company SAYA S.A.S and INGEALIMENTOS, which ensures proper final disposal. Finally, ordinary waste is delivered to the public utilities of each municipality.

The following mechanisms are available for proper control of information on disposal:

- Waste control form
- · Waste collection manifests
- Scale outputs for ash, scrap metal, and debris.
- Final disposal reports

Hazardous waste with no potential for utilization is disposed by an external controller in each of our units, who generates a final disposal record that includes the amounts per type of waste and its respective hazardousness.



TYPES OF WASTE AND DISPOSAL **METHODS**

Composition of waste	Waste generated (Ton) ¹	Waste not destined for disposal(Ton) ²	Waste for disposal (Ton)
Hazardous waste	7.33	0.234	6.19
Non-hazardous waste	13,605.32	6,105.11	33.32
Others ³	122,124.87	40,631.55	42,409.88
Total waste	135,757.52	46,736.9	42,449.39

¹ Information on waste generated is recorded on forms to record these quantities (Form: SG-F-MA-002 WASTE GENERATION AND RE-USE).

² Waste destined for disposal is classified as ordinary waste and is sent to the sanitary landfill for final disposal

³ The quantities registered in others correspond to industrial waste such as mine tailings, ash and tailings from the coal washing process; a large percentage of these wastes are destined for reuse.





WASTE NOT **DISPOSED**

In our activities we generate a series of wastes that are not destined for disposal and we encourage their reuse. See below a detailed description of the methods of utilization for hazardous and non-hazardous waste:

Residuos peligrosos

	Utilization		
Waste	Method of use	Weight (KG)	%
Lamp waste	Through an external controller that has the required certifications within the environmental regulatory framework, sent to post-consumption programs	171	93,44%
Other	WEEE: Through an external controller that has the required certifications within the environmental regulatory framework, sent to post-consumption programs.	63,5	16%

Non-hazardous waste

	Utilization		
Waste	Method of use	Weight (KG)	%
Plastic, paper, cardboard, glass, tetra pack, aluminum, scrap metal, wood, big bags.	Plastics, paper and cardboard: Donation to recyclers in each of the municipalities where we operate. Scrap: Sold to an external controller to manufacture steel from this input. Wood: Through the green route program, wood waste from our mining operations is exchanged for native species to be planted in our facilities; the rest of the wood waste is donated to community residents.	Paper and cardboard plastics: 11,028.45 Scrap: 148,995 Wood: 59,236	Paper and cardboard plastics: 91% Scrap: 99% Wood: 92%
Rubber and tire waste.	The band that comes out of our production processes is donated to neighboring mines for reuse in reflective signs inside the mines, and the tires are reused in the same operation to make materials and gardening arrangements.	250	83%
Waste from civil works.	The debris that comes out of our furnace maintenance and preservation processes is managed through an ally, and after grinding and homogenization processes with other materials, is sent to recycling processes in the manufacture of other materials.	5.885.604	44%
Sludge, dust and process samples	Ash: Ash is sold to be used in other production processes. Washing plant tailings: The tailings are managed by an ally for recovery and recycling in other production processes.	Ashes: 7,225,440 Washing plant tailings: 33,406,310	Ashes: 49.61% Washing plant tailings: 61.89%



Waste disposed⁴

Hazardous waste is disposed of by a duly certified external controller.

See below a detailed description of the waste disposed of and its respective method:

Type of waste	Waste	Disposal method	Weight (Kg)	%
Hazardous waste	Used oil	Disposal is carried out through a duly certified external manager, either in incineration chambers at 1200°C or final disposal in safety cells.	196	76%
	Others	Personal protective equipment, material contaminated or impregnated with hydrocarbons, oil and air filters, paint jars and contaminated plastic: Through a duly certified external controller, disposal is done either in incineration chambers at 1200°C or final disposal in safety cells. Tonners: Through a duly	EPP'S: 1,858.1 Contaminated material: 3.374,4 Oil and air filters: 283 Paint pots: 293 Contaminated plastic: 181,3	PPE: 99%. Contaminated material: 99 % Oil and air filters: 87% Paint pots: 48%. Contaminated plastic: 77 %
		certified external controller, final disposal in safety cells	Tonners: 6.6	Tonners: 12%
Non- hazardous waste	Non-recove- rable organic and inorganic waste	Municipal utilities landfill.	33.316,25	100%
	Sludge, dust and process samples	Mine tailings ⁵ : managed through properly designed tailings dumps with perimeter ditches and filters for runoff water.	42.409.884	79,14%

⁴ The analysis did not include data on tailings stored in SITU within our operations at the end of 2021.

It should be noted that within our units we have existing collections of hazardous, non-hazardous and industrial waste, which, as of December 31, 2021, were still in our facilities. On the other hand, hazardous waste that goes to post-consumption corresponds to WEEE and luminaries.



In general, the percentages for reuse and disposal, incorporating the above data, are distributed as follows:



⁵ Stored mine tailings are stored for short periods of time in hoppers and the remaining tailings are used for backfilling at the mining operations.



Our administrative, mining and industrial processes generate a series of wastes that we manage for internal and external reuse in order to reduce our impact and make a timely disposal of these wastes through various initiatives:

Green Route Program

We joined this program to deliver wood from the Altiplano and Ráquira mines for reuse in other industries, in exchange for which we receive native trees.

POTENTIAL IMPACTS

We delivered more than 40 tons of wood and were recognized by the mayor's office of Samacá

Strengthening alliances with third parties

For an appropriate management of industrial waste from Coquecol's units, we achieved an internal and external reuse of 70% of the units:

Ash

7 (311



Recyclatones

Throughout the year 2021 we actively participated in the "recyclatons" developed by the mayor's office of Guachetá together with the local community, allowing us to strengthen community relations and with local authorities.

Our commitment to combat climate change:

We committed to curb the effects of climate change, as well as multiple business, state, and social actors. For this reason, in 2021 we developed the following actions to favor the mitigation of this phenomenon that impacts us all globally:

- We completed the corporate carbon footprint measurement exercise for the 2020 period with the support of FENALCO.
- We were certified in the greenhouse gas (GHG) emissions of Boyacá in 2019, within the mechanism of emission reduction for the Salamanca, Andalucía and Compostela units.
- We entered the national Carbon Neutrality program led by the Ministry of the Environment, where more than



Washing tailings



Scrap

100 companies from different sectors signed an agreement to work on strengthening and recognizing the proper management of emissions.

• ¡ Other environmental awareness and care activities:

Every year we execute activities related to awareness and training campaigns for our internal and external stakeholders, with the purpose of incorporating environmentally friendly habits into the culture and actions of people.

In this sense, we celebrate dates of the environmental calendar, we completed planting activities reaching a total of 5,415 trees for the year, which were distributed in our companies as follows:



Onboarding of 100% of employees on environmental issues.



Trained in the handling of hazardous substances and waste.



Saving and efficient use of water



Atmospheric pollution and GHGs.



Other workshops and talks on environmental issues.

Finally, in training areas we implemented the following activities:

Formality strategy.

As we have previously mentioned, the legal and regulatory compliance component is fundamental for the development of our activities; therefore, we carried out an important management of environmental permits for the operation. In that order of ideas, during 2021 we achieved:

- Renewal of the emissions permit for the Salamanca plant, which was in process since 2012 (Resolution No. 685 of May 6, 2021).
- Renewal of the emissions permit for the Compostela yard, which had been in process since 2015. (Resolution N° 0464 of March 25, 2021).
- Obtain the riverbed occupation permit for the El Pozo stream of the Castilla plant, which was in process since 2019 (Resolution DJUR 50217000765 of July 2021).
- The surface water concession permit for the Alcalá plant (Resolution 861 of September 10, 2021).



COQUECOL

INTERNAL AUDITOR'S REPORT

Bogotá D.C., March 24, 2022.

Dear Sirs:

Audit Committee of Colombiana de Carbones y Coques S.A.S. C.I. - Coquecol S.A.S. C.I.:

Opinion

I have audited the processes of Coquecol S.A.C.I, its policies, procedures and other explanatory information and I express my concept about them.

I obtained the information necessary to perform my audit and conducted my audit in accordance with the standards of assurance my examination in accordance with the information assurance standards accepted in Colombia and International and International Standards on Auditing - ISA.

I obtained the required information to fulfill my duties and I completed my assessment in accordance with the Information Assurance Standards accepted in Colombia and International Standards on Auditing - ISA. Such standards require compliance with ethical planning and performance requirements that give reasonable assurance about whether the processes are free of material importance errors.

I consider that the evidence obtained through the audit gives a reasonable base to state my concept:

The society's internal control is adequate in all material respects.

Ciro Rolando Herrera Castañeda

Audit chief

Designated by Coquecol S.A.S C.I.

www.grupocoquecol.com Tel. (57) (601) 530 1053 Calle 100 # 19 A - 30, piso 7 Bogotá, Colombia



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