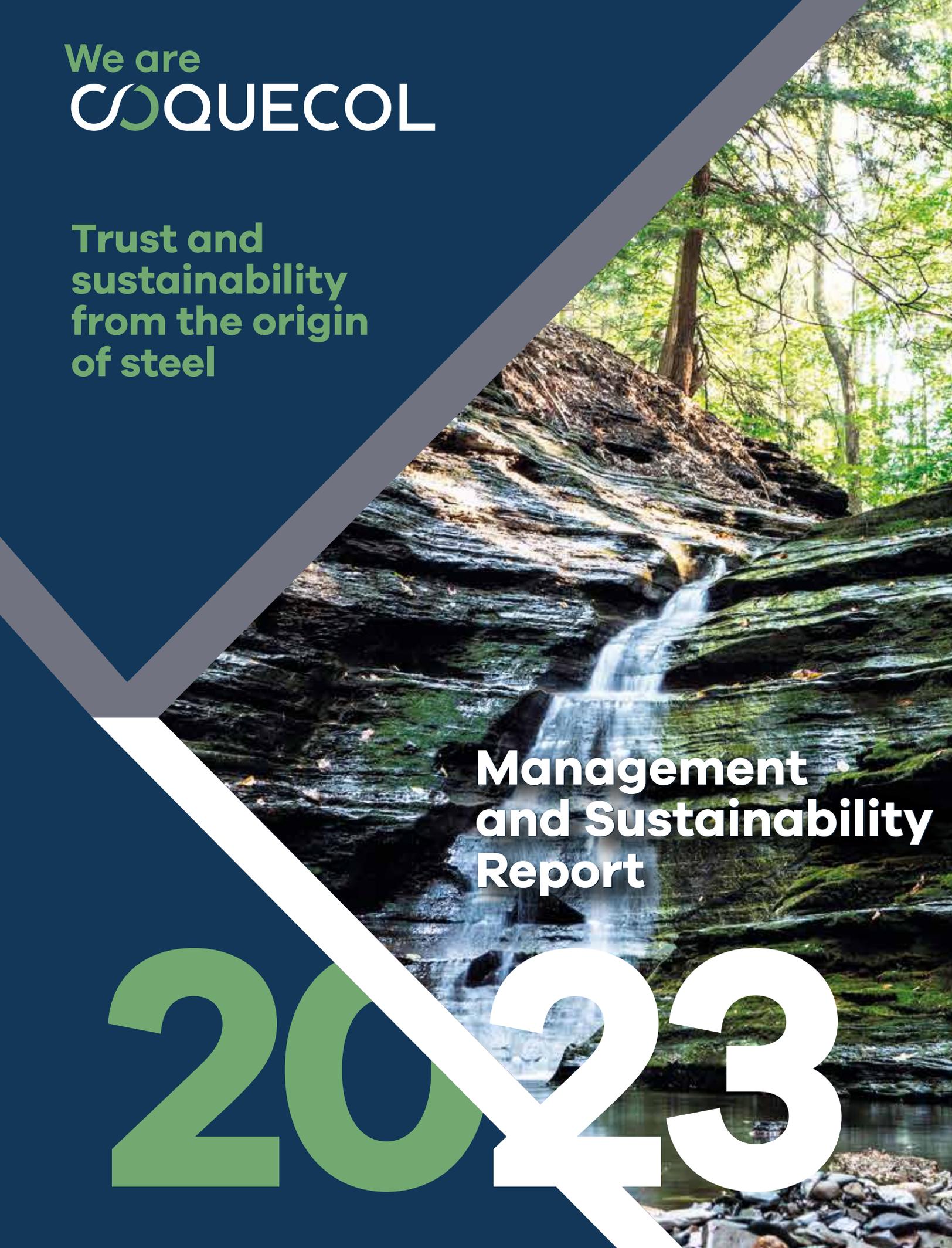


We are
COQUECOL

**Trust and
sustainability
from the origin
of steel**

**Management
and Sustainability
Report**

2023



2023

Management and Sustainability Report



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Message from the Chairman of the Board of Directors

We celebrate our seventh year of operation as Grupo Coquecol in 2023, a 100% Colombian commitment that has allowed us to continue contributing to the development of the regions and the progress of the communities from the metallurgical coal industry through the implementation of sustainable and innovative practices that pursues shared value generation.

As President of the Board of Directors, it is with great pride that I share the management results for 2023 and the actions that show our commitment to sustainable development and the United Nations Global Compact. These results were achieved by this great team that continues to focus on the fulfillment of our corporate purpose and strategy having as premises: **people, sustainable practices, innovation and digital transformation** for the development of initiatives and high-value projects that today position us in the sector as a company committed to the generation of economic growth and social development in the territories. These actions are reflected in our premises:

- Develop a comprehensive vision that allows to implement sustainable

practices with a business model that projects the expansion of opportunities and new businesses into the future.

- Make decisions within the framework of corporate governance processes and practices, focused on generating value for stakeholders.
- Contribute to the improvement of the quality of life in our areas of influence, providing new opportunities for local development and employment.
- Provide technological solutions that contribute to a responsible, safe and quality operation.
- Generate trusting and long-term relationships with our stakeholders, based on ethics, transparency, respect and promotion of human rights.

- Recognize our environmental impacts and work to restore, care for and protect the environment surrounding our operation.

From the Board of Directors we will continue guiding the Coquecol Group to fulfil its strategic plan with an ambidextrous vision that guarantees the execution of transforming and sustainable actions and keep it in the market as a reference of change, transformation and development, leader in the management of environmental, social and governance issues. ■

“We recognize the importance of people as a fundamental axis to continue leading actions of change and sustainable management that guarantee the development of the country and a better future for the next generations.”

Omar González Pardo
Board of Directors
President

¹ Coquecol SAS CI, Intercarbon mining SAS, Incolmine SAS, RC Carga y Fundación Coquecol

Statement from the CEO

GRI 2-22

As part of our commitment to the Board of Directors and other stakeholders, we share with you our Integrated Management and Sustainability Report 2023, which includes the most significant aspects and achievements of Grupo Coquecol and the companies of the group during the previous year.

Proud of the learning and evolution we have achieved as a company, I am pleased to reaffirm our commitment to the sustainable development of our country and the industry as an axis of competitiveness and progress, and is demonstrated by the results presented in this document.

At the beginning of 2023, the Board of Directors directed our team to develop a strategic plan that complemented initiatives and projects with a vision of exponential development, with an ambidextrous approach, targeting the fulfillment of the organizational purpose, business growth and management of good practices, in order to continue positioning ourselves as a leading company in the sector.

Despite facing important challenges, such as the high volatility of the coal and coke market in terms of price and

demand, due to situations in the global and national environment generated by the geopolitical uncertainty of the Ukraine-Russia war, changes in government, the impacts of climate events on productivity, the government's vision on energy transition, the increase in inflation and the slowdown of the economy, among others; we stay motivated, demonstrating the importance of being a resilient organization that projects itself to endure, building its initiatives and projects for this period on the strategic axis of sustainability, people, digital transformation and innovation

The achievements obtained in operational, financial and sustainability terms demonstrate our commitment and exhibit the progress and outlook of an organization focused on the fulfillment of its goals, the

implementation of best practices, the creation of long-term relationships based on trust, efficiency and operational quality with each of our stakeholders:

Our products and their quality as a differentiating element

We continue to consolidate a culture based on the service and quality of our products. For this reason, we developed an initiative called Cultura Pro, that trained 100% of our employees in the most important concepts of our business operation, our products and market, homogenizing the knowledge about our company and improving our customers' experience. Additionally, we made different visits that helped us identify new business opportunities, strengthen our commercial relationships. We also participated in important national events

Our strategy in 2023 was based on three strategic pillars: Sustainability, Innovation and Transformation, and Our People.



Ricardo Blanco Manchola
CEO

such as the National Mining Congress of ACM, MinEXPO Colombia 2023, CE-API Ibero-American Congress and the Colombian Coal Summit of Fenalcarbón and international events such as the Eurocoke Summit, the Carbon Forum, The Economist Sustainability Week, SAP Sapphire, where trends in the mining sector are shared worldwide with an emphasis on sustainability and opportunities for innovation and technological transformation are identified.



More than
10 thousand
people were
benefited with our
activities and
33 thousand
trees were planted

We understand and apply sustainability as a business model

We bring sustainability to our processes by identifying environmental, social, economic and political impacts, developing high value initiatives and projects to strengthen and appropriate our sustainable management system. Today, our model integrates the company's material issues aligned to the strategy with a platform of indicators that reports the different processes periodically.

We have developed different internal training activities on sustainability topics, managed new initiatives and valuable alliances, and implemented best practices such as the TSM (Toward Sustainable Mining) protocols of the Colombian Mining Association, in which we have made progress by creating internal work plans on human rights, health and safety, climate change, biodiversity, community relations, water management, communications and crisis, becoming a benchmark in the sector and working jointly with the unions to reinforce these types of practices.

We developed the **biodiversity** baseline for the Guacheta area, to have an updated flora and fauna map with which we will trace the

management and ecosystem services route for the areas of influence of our operations in the coming years. We also strengthened our circular economy strategy through the implementation of initiatives that encourage the culture of reusing materials, the development of metrics, guidelines and business models, based on four lines of action: the circularity of materials, the effectiveness of processes, innovation (R&D&I) and cooperation with stakeholders.

Additionally, and as part of our **contribution to the triple impact** in the communities where we operate, we highlight the articulated work done with each municipality, contributing to their growth and socioeconomic development through activities such as fairs for entrepreneurs, courses with universities and SENA, scholarships, protection of environmental surroundings, education, planting of more than 33 thousand trees, and creation of spaces for the good use of free time for children and young people. This year, we did different social dialogue processes with the communities, actively listening to their concerns and creating joint solutions to improve the environment; this was the case of the launching of the pedestrian path in Guachetá, where we prioritize the well-being and health of the children by providing a more pleasant space for the community.

Commitment to generating value for our stakeholders.

We build alliances with our stakeholders to generate sustainable development aligned with the people and companies that work with us. In this way, with the support of the **Corporación Autónoma de Cundinamarca (CAR)**, we launched the first Coquecol Group Forest, where we planted more than 2 thousand native and fruit trees that we project can support ecosystem services for the communities surrounding our operation. We also implemented with the **Mayor's Office of Ubaté and WOM** the first ICT Center in the municipality, which aims to manage with the neighboring communities training processes in new technologies to generate knowledge, skills and competencies that contribute to closing the digital divide in Ubaté and its surroundings.

We worked with **Grupo Solla**, one of our main logistical allies, in the Nutriendo Sueños program, installing a new Soya plant in the community of Guachetá to generate gastronomic entrepreneurship for the sector, benefiting more than 71 young people and older adults. We are partners and founding allies of **Proboyacá**, an initiative created to strengthen business leadership to work in favor of the communities of Boyaca, allowing more opportunities in alliance with the Departmental and National governments, international cooperation and academia.

Our management as an articulating entity that always seeks to maximize its positive impact is reflected in our reputation and positioning, once again we were recognized nationally as the tenth mining company with the best reputation in the country according to the survey conducted by **Brújula Minera in 2023.**

Evolving to a sustainable sourcing ecosystem

We are focused on strengthening the raw material supply process within the framework of the triple impact, contributing to the sustainable development of our suppliers, the fulfillment of their expectations and the projection of the business in the short, medium and long term.

This year we focused our management on getting to know each of our suppliers in order to reduce existing gaps, generate training processes that provide new skills, create guidelines that allow us to evaluate their performance in sustainability issues and strategically prioritize those suppliers with whom we have built alliances that allowed us deliver the products required by our customers. In 2023, we highlight the visit of seven suppliers to the facilities of Gerdau, a strategic customer in Brazil, as part of our supplier loyalty program, to appreciate the importance of our sector for the sustainable development of all stakeholders.

Exponential development: a vision for new businesses

We created the Exponential Development area, which leads teams to develop research processes that generate new opportunities and business models, with a short-, medium- and long-term sustainability vision, according to market trends. We performed a trend analysis from the energy transition and decarbonization point of view, that let us determine the focus of investment and capture enough information for proper decision making and project development.

Desde la implementación de la innovación y transformación digital

As part of our DNA, our culture encourages the management of innovation and digital transformation and the approach of value projects that contribute to the fulfillment of the strategy. In 2023 we stayed at the forefront of best practices, promoting research and strengthening our operational management through digitalization procedures that align the efficiency, quality and productivity of the business. Similarly, during this period, 13 projects were completed and were decisive for the fulfillment of annual goals, the evolution of the business and the review of new alternatives, including technological upgrades, increased operating capacities, the consolidation of a new logistics model, energy efficiency management, among others, which contribute to our positioning as a competitive brand in the sector.



We are our human talent

Aware of the importance of people in our organization, we work with our employees for their well-being, training and development. This year we highlight the work done with SENA and ACM on leadership, sustainability, energy transition, agile methodologies, mine planning and power BI, where more than 187 employees acquired new knowledge.

Additionally, we implemented the exponential talent platform as a comprehensive development tool for employees; we strengthened the virtual university; systematized and strengthened the performance management system, aligning the competency model with the corporate strategy and; launched the Grupo Coquecol Group Ambassadors, a program that strengthens the positioning of Grupo Coquecol Group with our stakeholders from the vision of sustainability.

We know that we still have many challenges, but we are motivated to continue working and receiving recognitions such as the Brújula Minera, an industry tool that evaluates each year the perception of employees regarding the management of our talent and, with which, in 2023 we were awarded as the fifth best company in the sector preferred by employees.

We are proud of our results, which are proof of the commitment of our employees and the guidance of our Board of Directors who, committed to the generation of sustainable and responsible value for society, advances year after year in the implementation of the corporate strategy focused on contributing to human progress by generating trust and sustainability from the origin of steel.

We will continue to develop projects that have an important return for all our stakeholders, contribute to the agenda of the Sustainable Development Goals of United Nations and make our industry an example of development, efficiency, competitiveness and change. ■

 [@coquecol](#)

 [Grupo Coquecol](#)

 [@comunicacionescoquecol](#)

About this report

GRI 2-1, 2-3, 2-4

The Coquecol Group presents to our stakeholders the third management and sustainability report for the period between January 1 and December 31, 2023, made in accordance with the GRI standards in its essential option.

This report covers the activities and operations of the Coquecol Group Companies, showcasing the management performance of the topics identified as material for the reporting period, paying attention to the impacts generated in the economic, social, environmental, and governance dimensions, as well as the contribution to the achievement of the goals of the Sustainable Development Goals (SDGs).

The information presented is the result of the data collected by the responsible areas, ratifying the commitment to the generation of value for our stakeholders. This report did not present any restatement of information and as part of the validation process of the information presented, the document was audited and verified by the company's internal audit management. ■

More information about this report:

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🌐 <https://grupocoquecol.com/>





Katia Romero Molina
Law Manager

We Are Coquecol Group

GRI 3-3

Coquecol Group, manages its organization with an equitable corporate conduct and good governance, has a clear structure that ensures an informed and transparent decision making process, where its ethical values and strategic axes, constitute for the entire company, the pillars for its management; allowing an ethical performance in the economic, political and social context, and a diligent leadership to face the challenges and identify opportunities in its environment as a lever for the sustainable development of the country.

In this scenario, the milestones in terms of corporate governance and strategy for 2023, focused on the efficient management of the Board meeting time, with the modification of its periodicity, which allowed a more rigorous agenda and planning, which transcended the Board and internal committees. The updating of the organization's cross-cutting policies to bring greater efficiency, in Purchasing, the guidelines in the environment, sustainability, purchasing, commercial and supply strategy.

As for challenges for 2024, we expect to consolidate, according to the parameters of the Coquecol Group's parent company, the Code of Good Corporate Governance, Human Rights Policy, stakeholders, conflicts of interest, update of the Data Protection Policy, Transparency and Business Ethics Program (PTEE) and SAGRILAFT. ■

CHAPTER 1



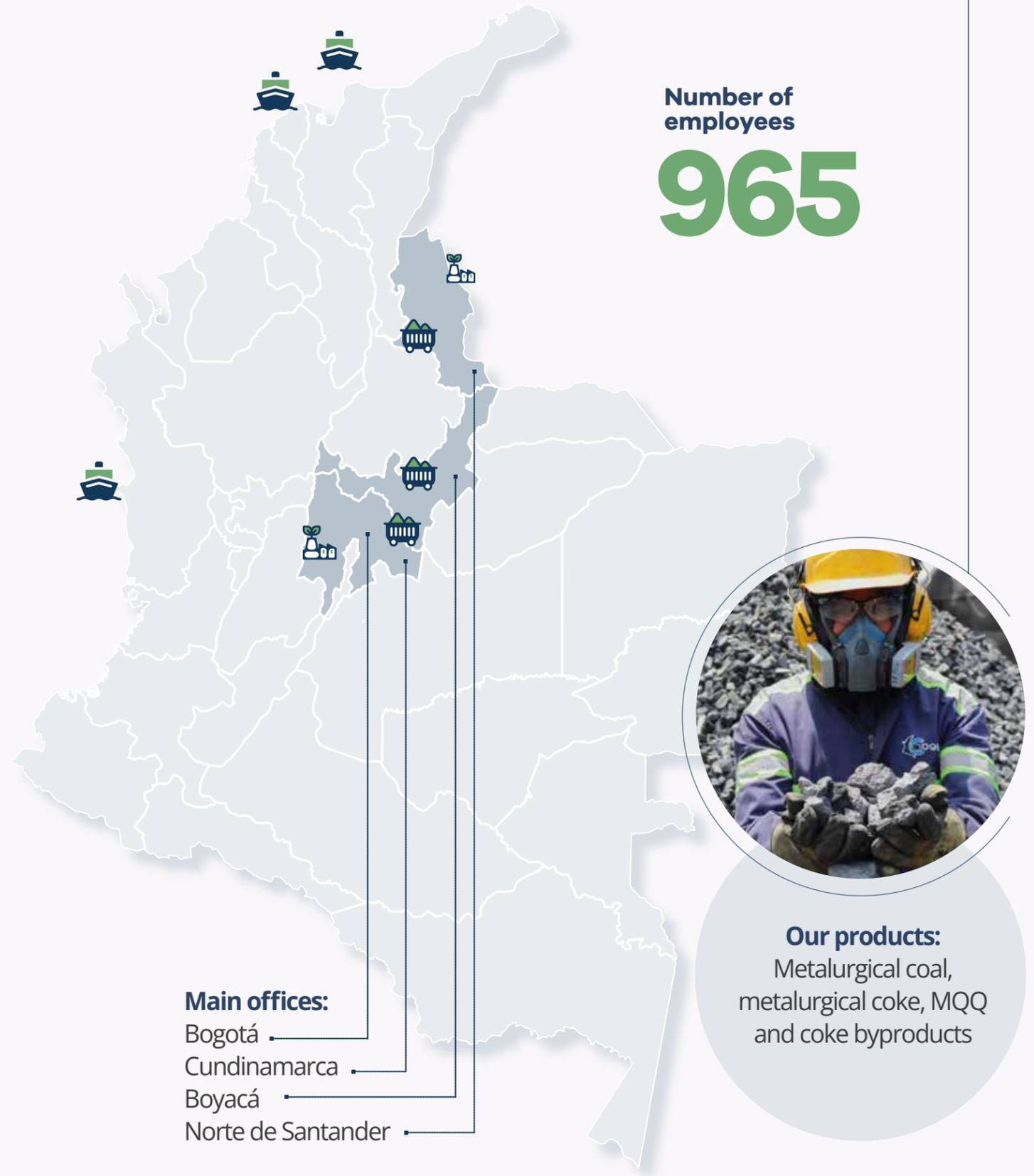
Who we are

Grupo Coquecol a company with sustainable vision

GRI 2-2, GRI2-6, GRI2-7

Grupo Coquecol is a group of Colombian companies dedicated to the production and commercialization of coal and metallurgical coke, main input in the production of Steel. We focus on the fulfillment of our superior purpose through the implementation of a differentiating business model that centers its management on the generation of value and the creation of trusting and long-term relationships with its stakeholders in order to positioning itself as an entity that contributes to economic growth, social development and environmental care in the areas of influence of the business.

The Coquecol Group's operations are in the departments of Cundinamarca, Boyacá and Norte de Santander, where daily management is promoted under the best standards of sustainability, quality and safety.





Our markets:
Number of clients

22



Corporate values

From its integrity, responsible and innovative actions, Coquecol Group generates bonds of trust that allow lasting and high value relationships, promoting the industrial and mining sector as a generator of social, economic and environmental development at a global level.

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 technical 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.



Strategy 2023

As every year, the Coquecol group completed its annual strategic review supported by an expert in strategic planning with whom we not only validated the three management axes once again: Innovation and Digital Transformation, Sustainability and Our People; but also defined more than 10 initiatives that mobilized the industrial, mining and logistics operations of the companies of the group.



Generate differential experiences for our stakeholders through excellence and flexibility in our value chain.

Innovation and transformation



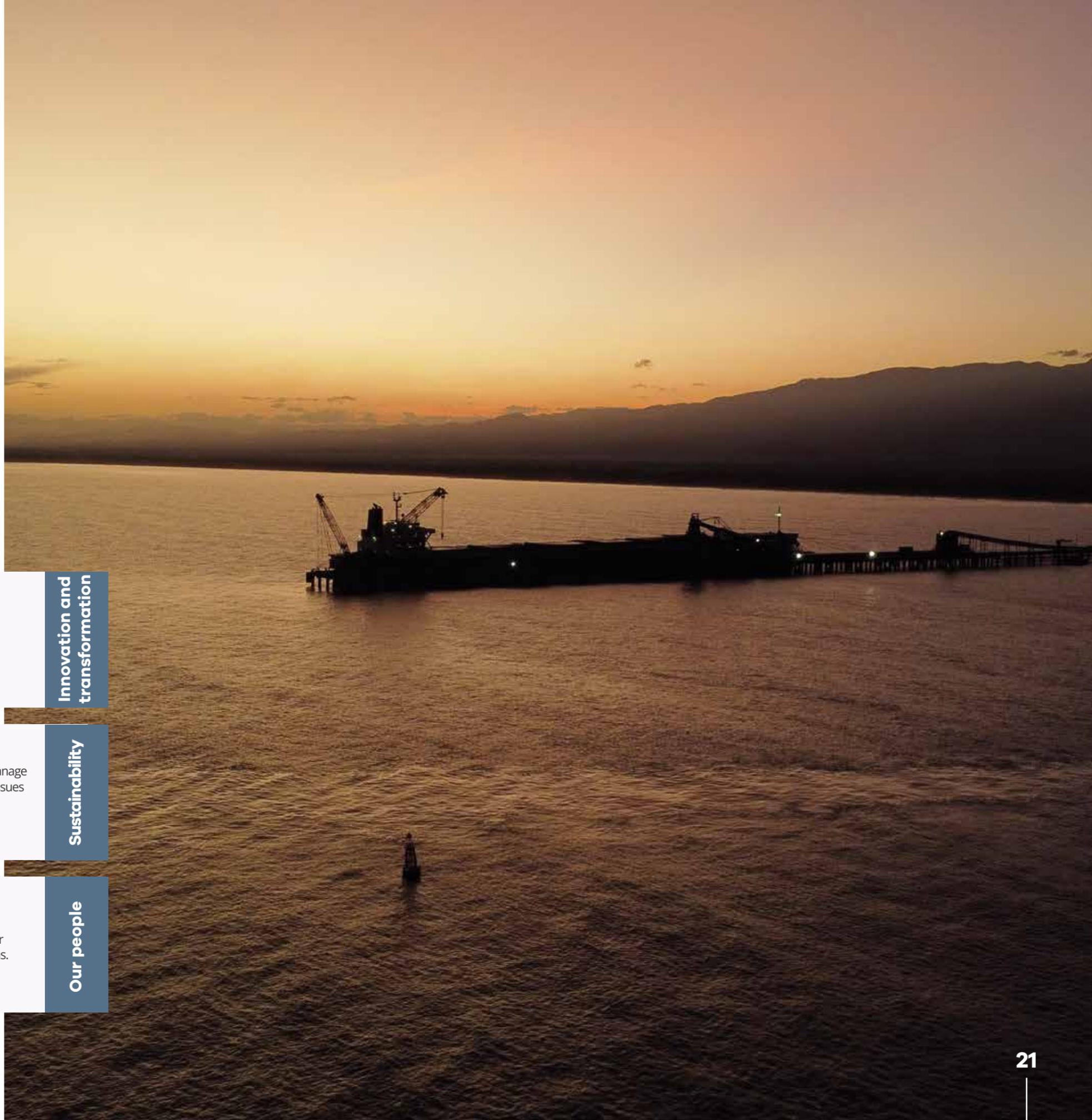
Ensure the generation of value and manage economic, social, and environmental issues in a timely and transparent manner.

Sustainability



To have high-performance human talent, happy, and proud to work in our company in safe and healthy conditions.

Our people



Our business model

GRI 2-2

Comprised of five Colombian companies that intervene with the highest quality standards in the chain of extraction, production, logistics, and commercialization of coal and metallurgical coke and a foundation responsible for making the social strategy viable.



Grupo COQUECOL



Production and trade of coal and metallurgical coke



Development of proprietary mining



Production of reactive coke and proprietary mining of high volatile coal



Strategy and logistics development



Diversify new businesses and customers and implement best practices with a vision of sustainability.



MILESTONES

TONS SOLD:
819,084
Tons

TOTAL REVENUE:
\$804
Billion COP

GROSS PROFIT:
\$124
Billion COP

Key figures 2023

EBITDA:
\$104
Tons

GROSS NET INCOME:
\$26
Billion COP



Gerdau visit with strategic coal suppliers.

Siembra Vida Empresarial certification.

Consolidation of end consumers of the co-products line with 4 clients: Cementos Alión, Cementos Argos, Cemex Colombia and Cristalería Peldar.

Completion of "Study of Forests in Norte de Santander" to estimate carbon reservoirs and propose a management plan for conservation alternatives".

Launch of the Guide of Good Supplier Practices.

Pedestrian path in Guachetá and Ubaté TIC Center.



Sustainability

Received the Sello Verde de Verdad (SVDV) awarded by CO2Cero, to companies committed to actions to reduce climate change.

"Mujer Minera Boyacense" award, Boyacá Government.

Implementation of the MERO platform as a reporting tool for sustainability and strategic indicators, consolidating our sustainability model and ESG system.

14%
Market share.

694,635
Tons exported.

11,326
Tons sold nationally.

8
international clients and

14
national clientes



Sold **12,2546 tons** of co-products within the framework of the Circular Economy.



Launched the Coquecol Group Forest by planting **2,240 trees** in alliance with CAR.

Value of environmental investment:
\$1.810.426.264.

Social Impact (People and trees).

Social programs that benefited **10,000** and **33,328,000** trees planted.



We were awarded by **Brújula Minera** as the **tenth best reputation mining company in the country.**

Inclusion and **pilot with a fleet of gas-powered vehicles to reduce the carbon footprint and first female driver** of RC Carga.



Innovation and transformation digital transformation

Parnaby II Plant Installation and Parnaby I Plant capacity update.

Consolidated a **Strategic Alliance with Grupo Solla Group.**

Operational automation of processes to achieve greater efficiency and productivity.

Sale of laboratory analysis services to SGS and Acerías Paz del Río.



We were awarded by Brújula Minera as the 5th best reputation mining company in the country.

Our people

Launch and implementation of the Exponential Talent platform, where we align the performance management model with corporate strategy.

230

Employees assessed

Launch and development of the Coquecol Group Ambassadors program, where we broadened and improved their communication skills by promoting new communication scenarios with our stakeholders.

20

Ambassadors

Alliance with SENA to develop training in finance, powerBI, energy transition, sustainability, agile methodologies, leadership, and mine planning.

187

Employees participated

Diagnosis of the Group's infrastructure and prioritization of needs for the optimization of the premises (plants, mines, and administrative headquarters).



Unification of benefits for Intercarbon and RC Carga employees (meal cards, payroll credits).





Corporate governance Coquecol Group

Governance with ESG criteria

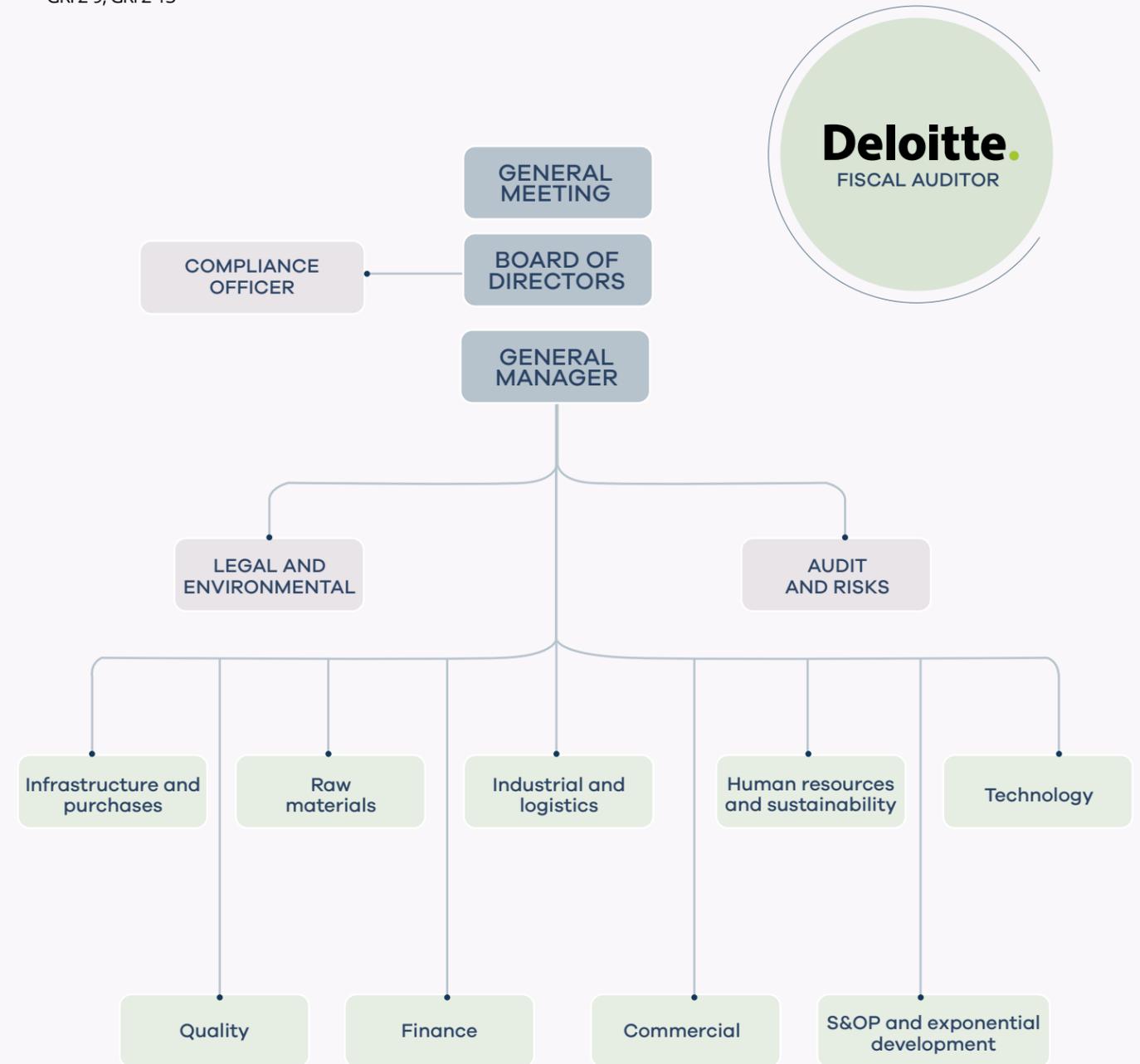
GRI3-3

Grupo Coquecol's corporate governance is characterized by the application of practices based on the highest standards of transparency, integrity, and knowledge in environmental, social and economic issues, always seeking to advise and guide the organization for proper decision-making with a vision that contributes to the construction of a better country, the growth of the areas where it operates and the generation of value for stakeholders.

During this period, the Company continued working on the adoption of best practices in its relationship with shareholders, the Board of Directors and the management team; aligned with national and international corporate governance standards, the company recognizes the importance of having solid guidelines that leverage integrity, credibility and trust before the different stakeholders and they help us preserve a healthy, responsible, sustainable and competitive economic environment.

Governance structure

GRI 2-9, GRI 2-13





General Shareholders' Meeting

GRI 2-10

The General Shareholders' Meeting (also, the "General Meeting") is the highest corporate body of Coquecol and is currently constituted by only one foreign shareholder, who is duly registered in the Shareholders' Registry Book. During the year 2023, two General Meetings were held: one ordinary and one extraordinary. This is in order to comply with the current legal and statutory codes, as well as to meet Coquecol's operating needs.

The decisions approved at the General Meetings were:

- 1** Management Report and Special Business Group Report for the second fiscal year, as well as the Sustainability Report.
- 2** Year-end financial statements.
- 3** Profit distribution project.
- 4** Ratification of members of the Board of Directors and settlement of their fees.
- 5** Reading of the Fiscal Auditor's report.
- 6** Appointment of Deloitte & Touche S.A.S. as the new Fiscal Auditor and settlement of their fees.
- 7** Socialization and eradication of conflicts of interest of Administradores de la Sociedad.
- 8** Amendments to the Company's Bylaws to modify the frequency with which the Company's Board of Directors meets and unification of the two social activities
- 9** Authorizations to the legal representatives to enter legal transactions that are exclusive competence of the General Meeting.

Board of directors

GRI 2-11

The Board of Directors is a collegiate body of administrative, advisory, and collaborative nature for the proper functioning of Grupo Coquecol. The Board is comprised of five main members and their respective personal alternates.

The Board includes members with an indirect shareholding interest and independent members.

The inclusion of independent members on the Board allows for impartial and objective decision making. Additionally, independent members bring an external and critical perspective that helps to enhance the sustainability and continued growth of the organization. By not being directly involved in day-to-day management, independent Board members can more objectively evaluate the decisions made by management. This leads to a diversity of opinions and experiences that enriches the Board's decision-making process. By considering a variety of perspectives, the Board can better identify and address the challenges and opportunities the company faces.



Omar González
Board of Directors President

- International law and diplomacy (Universidad Jorge Tadeo Lozano)
- Master of Science in International Logistics (Georgia Tech)
- President of Almacénar and Oportunidad Colombia
- President of Proboyacá
- Member of CEPAL board of directors
- Currently President and Chairman of Trinity Capital



Frank Pearl

- Economist (Universidad de Los Andes), MBA from Richard Ivey Business School in Canada and master's in public administration
- President of the Colombian Association of petroleum and gas
- High commissioner of peace
- Environment and sustainability minister 2011
- Government representative on the Peace treatment



Otto Giraldo

- Business Administrator
- Finance Manager at Grupo Mayaguez
- General Manager Coquecol Group



Federico Ochoa

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



Iván Trujillo

- Lawyer (Universidad Javeriana)
- Public Management Specialist (Universidad Los Andes)
- Master in Global Strategic Communications (Georgetown University and Universidad de Lovaina in Belgium)
- Degree on Energy and environmental law, Kum Laude



Operation of the Board of Directors

GRI 2-12 GRI 2-13 GRI 2-16

The following functions of the Board of Directors are highlighted as they represent good corporate governance practices:

- Actively participate in the preparation of the Company's strategic planning, approve the annual income and expense budget, and follow up to determine the needs for strategic redirection.
- Control and evaluate the execution of the managers and senior management. This includes the Legal Representatives, principal or alternates, and employees of the immediately lower grade.
- Present to the General Shareholders' Meeting, together with the Legal Representative, the year-end financial statements, the management report, a project for the distribution of distributable profits, and other reports required by current and applicable law.

Board Support Committees

Coquecol's Board has internal support committees, including the following: The Appointments and Remuneration Committee, the Corporate Governance Committee, Commercial Strategy Committee and Logistics Strategy Committee, which happen with the complete participation of the Board, so that they can generate added value with the wide and varied experience, of its members.

From this approach, this governing body actively participates in defining and proposing sustainable organizational objectives and constantly monitors their fulfillment, and also supports issues that require external advisors to make recommendations.



Audit Committee

In the meeting held on February 13, 2019, some members of the Board of Directors of Grupo Coquecol, registered on minute number 96, the request of some members of the board of directors to formalize of the Audit Committee of the Board was approved. The main functions assigned to this committee were:

- Supervise the integrity of the information contained in the financial statements.
- Evaluate the scope and effectiveness of the systems established by management to identify, evaluate and follow up on financial and business risks.
- To review the effectiveness and efficiency of the internal audit; and to review the efficiency and effectiveness of the Fiscal Audit.

Likewise, it was approved that the Audit Committee should have as its strategic guidelines to effectively manage risk, consolidate the company's risk control systems and guarantee the generation of value of the company's assets.

The committee's regulations, issued on June 12, 2019, established the composition of three (3) members of the Board of Directors, who must have sufficient experience and knowledge to fully comply with the functions assigned to the Committee. Additionally, it empowered the Committee to invite to its meetings people it deems necessary for their development. The Chief Executive Officer, Chief Financial Officer and the Chief Legal Officer were established as permanent guests, or when so required by the Audit Committee.

General Manager

Finance Manager

Legal Management

The following primary functions were assigned in its regulations to the Audit Committee:

- 1 Evaluate the Company's internal control structure, to establish whether the procedures designed reasonably protect the Company's assets, as well as those of third parties it manages or has custody of, and whether there are controls to verify that transactions are being adequately authorized and recorded.
- 2 Ensure that the preparation, presentation and disclosure of financial information is in accordance with the provisions of the applicable standards, verifying that the necessary controls are in place, submitting to the consideration of the Board of Directors, the corresponding projects, with their notes, but also the opinions, observations of the control entities, results of the evaluations made by the competent committees and other related documents.
- 3 Propose to the Board of Directors programs and controls to prevent, detect and adequately respond to the risks of fraud and misconduct, understanding fraud as an intentional act committed to obtain an illicit gain, and misconduct as the violation of laws, regulations or internal policies, and evaluate the effectiveness of such programs and controls.
- 4 Supervise the functions and activities of the internal audit and statutory auditors, in order to determine their independence and objectivity in relation to the activities they audit, determine the existence of limitations that prevent their adequate performance and verify whether the scope of their work satisfies the entity's control needs.
- 5 Follow up on the levels of risk exposure, its implications for the entity and the measures adopted for its control or mitigation, at least every six (6) months, or more frequently if appropriate.
- 6 Evaluate the control reports issued by the Fiscal Auditor, internal auditor, or other bodies, verifying that management has heeded their suggestions and recommendations.
- 7 Request reports appropriate for the proper performance of its duties.



Senior management compensation

GRI 2-19, GRI 2-20

Compensation of the members of the Board of Directors is set by the General Shareholders' Meeting, according to the recommendation of the Appointments and Compensation Committee, taking into account the following aspects:

- Structure of the Board of Directors.
- Duties and responsibilities.
- Personal and professional qualities and experience in positions of high responsibility.
- Time to be dedicated to the activity.
- Participation in the different committees of the Board of Directors.
- Legal responsibility in accordance with current regulations.
- Benchmark with other comparable companies at national and international level.

Corporate governance management

Board of Directors' support to management

GRI2-12

The board of directors and the company's CEO define an annual work plan that includes the issues to be addressed at each work session, including those with the greatest economic, environmental and human impact. The board of directors meets every two months. Listed below are the main topics addressed in 2023:



Management and Sustainability Report

GRI 2-14

The company communicates to its stakeholders annually on its website the Management and Sustainability Report, approved by the General Shareholders' Meeting, providing timely information on economic, social and environmental performance.

The general manager and the Board of Directors present the Company's Management and Sustainability Report to the General Shareholders' Meeting, in accordance with the guidelines established by law and the Company's bylaws. Likewise, the strategy committee guides the organization in the implementation of best practices in environmental, social and corporate governance matters, and reviews and verifies the Management and Sustainability Report.

Communication of critical concerns

GRI 2-16

The Legal Management channels the concerns presented by the different stakeholders and collaborates with the General Management, to timely address the needs and requirements formulated through different corporate communication channels.

In 2023, a complaint from the Cabrera community in Guachetá was addressed and taken to the Board of Directors, which was duly presented to this instance, to establish a special work plan for this community from the operational and social point of view, to attend their requests.



Governing Bodies training

GRI 2-17

In August 2023, a workshop was held for the Directors, with the transformation expert, Alvaro Gonzalez Alondra, to establish an experience for the Board, on topics related with Transformational Leadership, Powerful Conversations and 3 spaces for transformation, called: your family, your friends and your company.

Conflicts of Interest

GRI 2-15

Coquecol has established good corporate governance mechanisms to outline guidelines to manage potential conflicts of interest; for example, the establishment of a Stakeholder Policy and a Conflict-of-Interest Policy.

Legal and environmental compliance

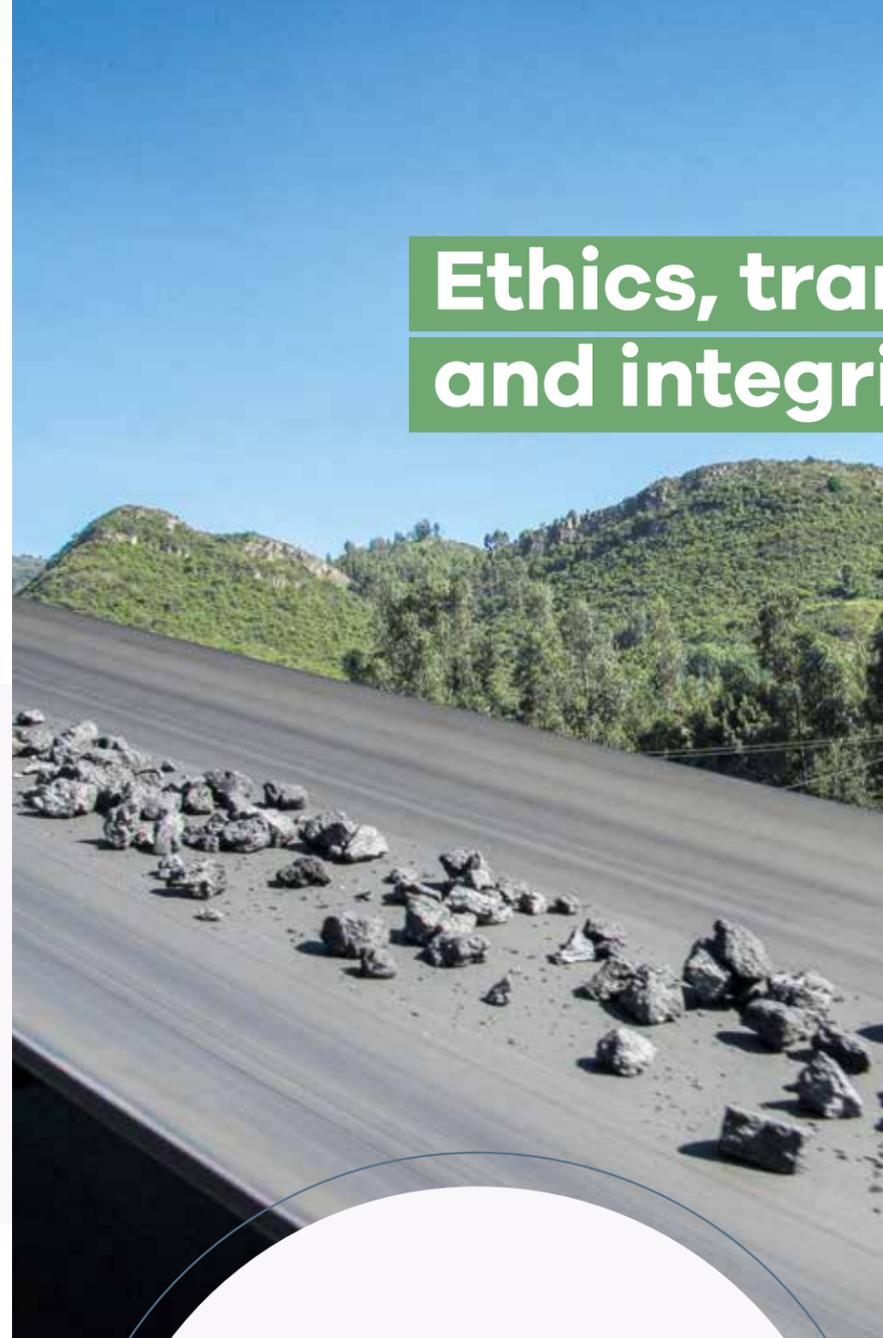
GRI 2-27

Regulatory compliance is a corporate responsibility, as well as are the timely attention to administrative, judicial and environmental requirements and the exercise of an adequate defense of the interests of the company and its stakeholders. The organization complies with these activities through the follow-up of legal matters carried out by the Company's General Manager with the Legal Department.

On January 24, 2023, the company was notified by the Division of Customs Inspection and Liquidation of Sanctions and Definition of Legal Situation of the Sectional Directorate of Customs of Bogota of the DIAN of Resolution No. 6260-1-000280, Legal

and Environmental Compliance that sentenced Coquecol S.A.S. C.I. in the amount of COP \$87,332,221, for not exporting the goods within six (6) months from the date of issuance of the corresponding certificate to the supplier, as provided in the applicable regulations. This sanction was subject to appeals in governmental channels and upon its confirmation, the company proceeded to pay the sanction imposed and to file the corresponding action of nullity and reestablishment of rights, taking into account that the company considers this sanction as unjustified, in view of the damage presented by the DIAN platform at the time when the export should have been registered, being this the reason for the non-compliance indicated.

Ethics, transparency, and integrity



As a company recognized in the market for its integrity and transparency in management and processes, Grupo Coquecol continued to develop its management framed in this important principle, which has contributed to the consolidation of a safe work environment, trust and long-term relationships with its stakeholders; the company prioritizes compliance with regulations and integrity for the generation of sustainable value.

The policies of the Transparency and Business Ethics Program (PTEE acronym for its name in Spanish) and the system for the prevention of money laundering and terrorist financing risk (SAGRILAFI acronym for its name in Spanish) were updated in accordance with the requirements of the Superintendency of Companies part of the commitment of the company to preserve integrity and ensure regulatory compliance and aligned with the latest trends and regulations in the sector. This comprehensive strengthening of the ethical and operational framework seeks to optimize organizational responsiveness to current business challenges, ensuring efficient and transparent document management.

SAGRILAFI Risk Management

GRI205-1

The company has methodologies to identify, measure, control and monitor risks associated with money laundering, financing of terrorism and business ethics. In 2023, 2,794 consultations were completed in risk centers of the different stakeholders, in order to collect relevant information and evaluate the associated risks.

Number of employees/
Entity

- **473**
Grupo Coquecol
- **115**
Incolmine
- **358**
Intercarbón
- **19**
RC Carga



Communication and training

GRI205-2

In 2023, communication, awareness and training actions related to ethical management focused on strengthening a culture of compliance in the operational and administrative management, based on transparency and integrity. Based on this objective, the compliance area developed a training plan for suppliers and employees to raise awareness and communicate guidelines and procedures on: Ethics Line, Code of Ethics, Transparency and Business Ethics Program, handling of gifts, attentions and courtesies, thus reporting the following trained collaborators.

At the same time, the compliance team participated in events and activities on this subject, positioning Grupo Coquecol as a role model in this matter and generated communication and education campaigns to socialize the basic concepts of SAGRILAFI and compliance, which were delivered to all stakeholders.



Mechanisms for attention and ethics management

GRI2-16, GRI 2-26; GRI205-3

The ethics hotline, is a confidential channel created by Grupo Coquecol so that stakeholders can safely and anonymously communicate behaviors that do not comply with the Code of Ethics, company policies, internal regulations, or current legislation. In 2023, 21 reports were submitted, reviewed, and analyzed by the company's ethics committee. 100% of the cases were redirected to be closed by the responsible areas.

The objective of the Ethics Committee is to foster an organizational culture based on ethics, integrity, and transparency. It is also responsible for managing all claims, requests, and complains related to ethical issues and conflicts of interest, which are handled through the appropriate internal processes.

The members of this committee are the company's CEO, Human Resources Management, Legal Management, Audit and Risk Management and the Compliance Officer. In 2023 they met once every quarter to analyze and manage all the company's ethical issues.



Affiliation to associations

GRI2-28

As part of our commitment to the comprehensive development of the country and the mining sector, the company kept strengthening its relations with different trade, environmental, and other associations, to join forces to work in the positioning and implementation of best practices that contribute to the vision of a sustainable and competitive industry for future generations. Accordingly, COQUECOL is a member of the following associations or guilds.



Fenalcarbón: guild that congregates companies that produce and trade coal and coke, and related industries in Colombia.

Fenalcarbón



Colombian Mining Association: Represents explorers, producers, and providers of goods and services related to the mining sector in Colombia, dedicated to the generation of responsible and sustainable mining.

ACM



AsocarboNorte: Promotes activities, programs, and projects related to safe and responsible coal mining, to bolster the sustainable development of the coal industry and improve the quality of life of communities in Norte de Santander.

AsocarboNorte



CAR: With this entity, Grupo Coquecol developed environmental plans, programs, and projects to create social networks and contribute to the sustainable and harmonious development of Cundinamarca.

CAR



WIM: Initiative that promotes participation and professional development of women in the national mining industry

WIM



Regional mechanism to reduce GHG Corpoboyaca: The main purpose of this association is to promote actions to prevent, control, and reduce the effects of climate change and carbon emissions in the Boyaca region

Corpoboyacá



Proboyacá: Promotes economic, social, and human development of the Libertadora region, which includes the ABC departments (Arauca, Boyacá, and Casanare). This is done through the construction of a shared long-term vision of sustainable and human development, led by businessmen and built jointly with civil society, institutions, and academia.

Proboyacá



Reconocimientos

We were recognized with the **1st Mujer minera Boyacense award** to the best company for our commitment to gender equity.

Received the **Sello Verde de Verdad (SVDV)** awarded by CO2Cero, to companies committed to actions to reduce climate change.

Uniminuto- Recognition for promoting comprehensive education of students in the region.

Universidad de Santander- **Recognition to the Coquecol Group Foundation** for social actions in Norte de Santander.

Socha Nodriza de la Libertad medal of merit as the highest recognition and exaltation to people who have contributed to the development, progress, and welfare of the municipality of Socha, awarded by the Socha mayor's office.

Recognition to 6 Intercarbón mining rescuers for their special support to the National Mining Agency.



Sustainability as a business model

—
Ángela Garcés Jaramillo
Human Resources and
Sustainability Manager

We continue consolidating our sustainability model as a fundamental element of our organizational culture and strategy. As an organization, we have understood the value of implementing best practices in our processes, always considering social, environmental, and governance criteria for decision-making that contribute to the business and all our stakeholders.

We promote the premise: “We all make sustainability” and we share it in different scenarios such as The Sustainability Week, where we socialize with our employees the practices we have been implementing in the company, the processes involved, and the indicators standardized in the MERO platform to follow up on management according to international reporting methodologies in this area.

Another important element of our sustainability model is our responsibility to strengthen a sustainable sourcing ecosystem. In line with this objective, we developed a management module that allows us to share the guidelines we have designed for suppliers of raw materials and logistics; We also support their evolution in the implementation of social, environmental, and governance issues through technical support meetings and training processes, strengthening their competitiveness in the market.

Being an ambidextrous organization with a sustainable vision has led us to identify new business opportunities for the company and for the communities based on studies and diagnostics on topics such as biodiversity, circular economy, and climate change, challenges that our sector must face to be sustainable in the long term. ■

Sustainability strategy of Coquecol Group

According to the guidelines defined by the Board of Directors and the management team, sustainability in Grupo Coquecol is the tool that makes its business model more viable and efficient. It also ensures compliance with our corporate purpose and represents the teamwork of the different levels of the organization for the care of the environment, people, finances, and customer satisfaction, shaping the sustainable growth of all stakeholders and the regions where we operate.

The company continued to ensure the implementation of good ESG practices (environmental, social, and governance) by updating the sustainability model, which was reviewed in the annual strategic planning. Similarly, the Coquecol Group's ESG management system was created, to document the processes and procedures necessary to continue strengthening sustainability in the different areas, identifying key indicators that demonstrate organizational performance and commitment.

This year, we focused on the knowledge and involvement of the different areas, and their projects, with the sustainability guidelines and got other stakeholders, such as suppliers, to incorporate sustainable criteria in their decision-making strategy, thus extending our influence throughout the value chain.



Materiality

GRI: 3-1; 3-2

The materiality process is a prospective exercise that guides the Coquecol Group's decision-making to manage the environmental, social, and governance impacts generated in the operation of the business and the way in which the interests and expectations of stakeholders are considered in the strategic planning processes and in the company's activities, considering the following criteria:

- 1 Achieve strategic objectives.
- 2 Ensure business continuity.
- 3 Maintain and improve reputation.
- 4 Mitigate risks.
- 5 Advance positive impacts and mitigate negative ones.

Taking this into account, we developed a materiality analysis process that included the review of the sustainability context in the following three moments:

Business context

Identify the main issues that are managed by other organizations in the mining and coke sector with operations similar to Coquecol.



International Context

With the current global setting it is possible to review and register the most important topics and the main expectations of sustainability used internationally for business management. These topics are proposed by initiatives, guidelines, and international standards on sustainability, which invite, motivate, and guide various sectors to contribute to sustainable development.



Institutional Context

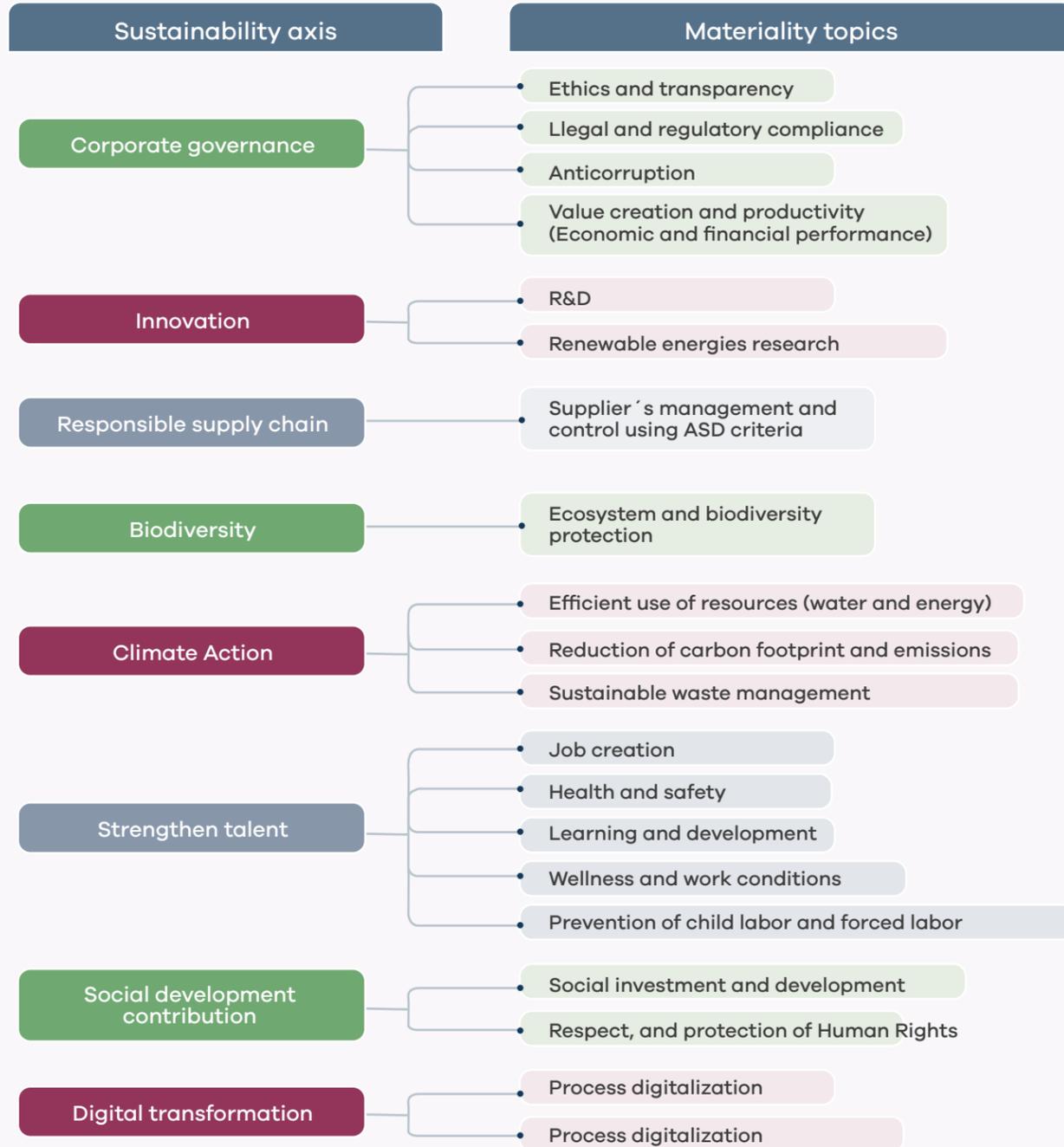
This component includes elements of Grupo Coquecol's corporate strategy, such as its strategic framework, values, and objectives, as well as other documents or measurements of its business management, which demonstrate how the main sustainability expectations are articulated in the organization's strategic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



The company understands the importance of completing the materiality update exercise in alignment with its sustainability strategy, taking into account the characteristics of the company's operations in the country, and a set of management tools that fulfill the expectations of stakeholders in the context in which

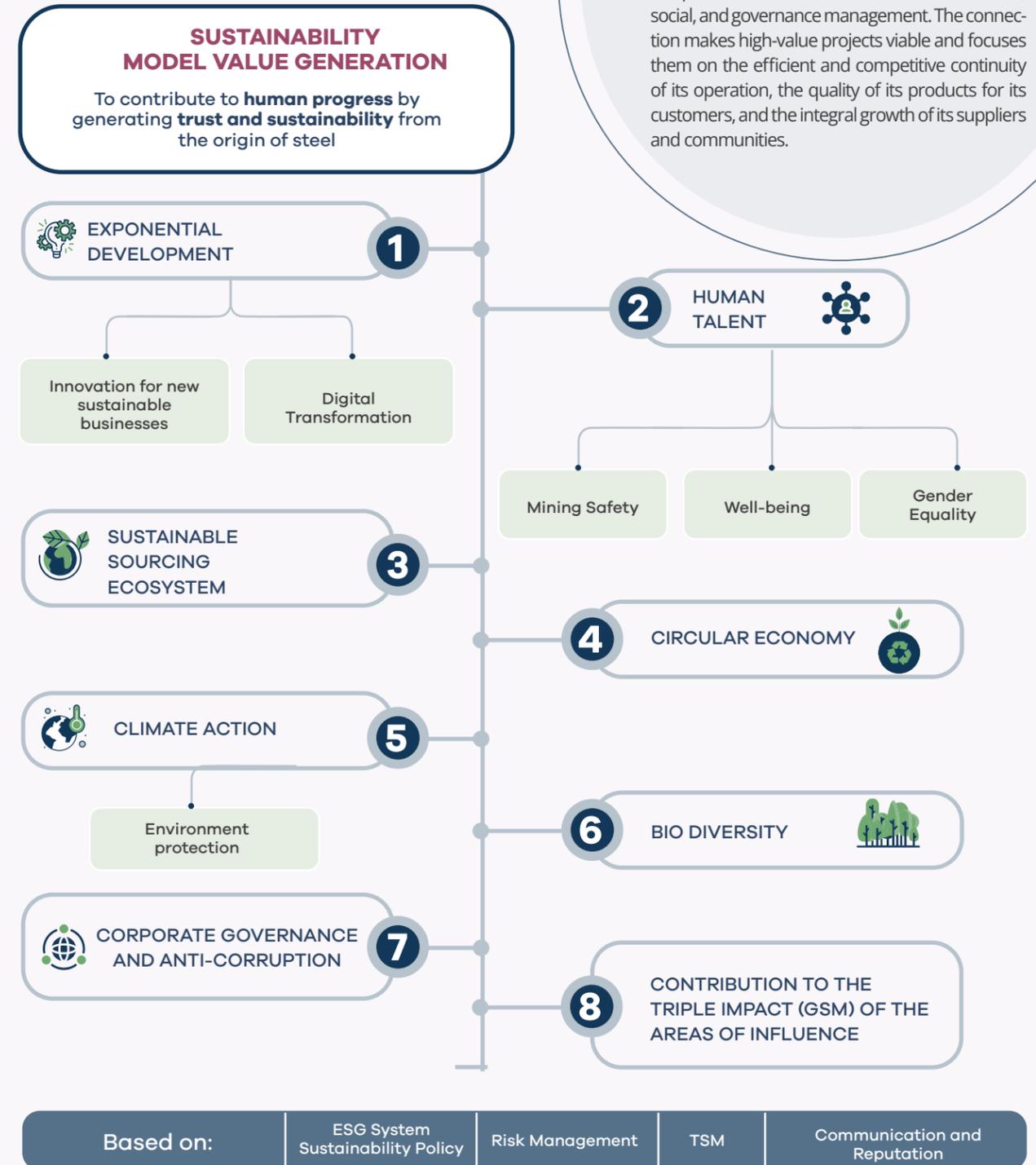
they are developed. This is why the company plans to do the materiality analysis again in 2024.

The following is the materiality update process completed in 2021 in compliance with the principles of the GRI methodology.



Sustainability model

GRI 2-23



During 2023 the company updated its sustainability model, with the information from the materiality process and its alignment with the corporate strategy. This sustainability model connects our business vision with the strategic focuses and developed initiatives that included environmental, social, and governance management. The connection makes high-value projects viable and focuses them on the efficient and competitive continuity of its operation, the quality of its products for its customers, and the integral growth of its suppliers and communities.

TSM Progress in TSM Protocols

GRI 2-24

After adhering to the TSM (*Towards Sustainable Mining*) protocols in 2021, the organization made a commitment to responsibly, transparently, and credibly implement environmental, social, and climate change practices under the highest global parameters. Based on this standard, a self-diagnosis process helped us identify the existing organizational gaps to achieve the implementation from the different areas. This way, in 2023, follow-up and support matrices were defined to monitor the application of the protocols and their level of implementation.

Similarly, the company developed the process of identifying social and environmental risks and impacts with stakeholders in all areas of influence, according to the gaps identified in the preparation process with the TSM standard, the ESG framework, and the Sustainable Development Goals.

This process was done with different representatives of the communities, local entities, government, and strategic allies with whom the company has generated new opportunities for socioeconomic development. It had different stages that included a documentation analysis, an experiential stage (management at operational fields) and participatory stage (social diagnosis interviews) that generated important results,

such as the update of the socioeconomic characterization of each of the areas of influence. This was done based on a review of the demographic, spatial, economic, and cultural components of each municipality, and on an analysis of the main positive and negative impacts generated in the environment.

This document was used as a key input in the collection of information for strategic planning and relationship planning, as it serves as a baseline for the evolution of the company's sustainable management actions. Finally, the company prepared for the first internal audit of the protocols in the first half of 2024, to continue with the process and to close gaps in each of the activities of the protocols.

Stakeholder's relations and reputation

GRI2-29

Grupo Coquecol has established trusting and long-term relationships based on dialogue and collaboration, thus contributing to the generation of value for the stakeholders it wants to impact positively with its management. This has been achieved through communication and feedback scenarios that allow us to know their expectations and build new strategic alliances for the benefit of the communities, the municipalities where the company operates, and in general for the mining sector.

The company's relationship model allows it to establish structured, systemic, and productive relationships that contribute to building responsible business practices. The com-



pany focuses on building trust to facilitate a constructive and open dialogue with stakeholders associated with its activities and impacts.

Within this framework, nine stakeholders were identified with whom each leader manages activities and creates new opportunities for growth and positioning through value practices.





Communication channels



- Corporate email
- News and articles section
- Exponential talent Coquecol ambassadors
- "Somos" newsletter
- POP material
- Information cardboards
- Wallpapers
- Corporate whatsapp
- Leader 's whatsapp
- Audiovisual content
- Relationship with the CEO: Quarterly video and breakfast with operational and administrative collaborators.



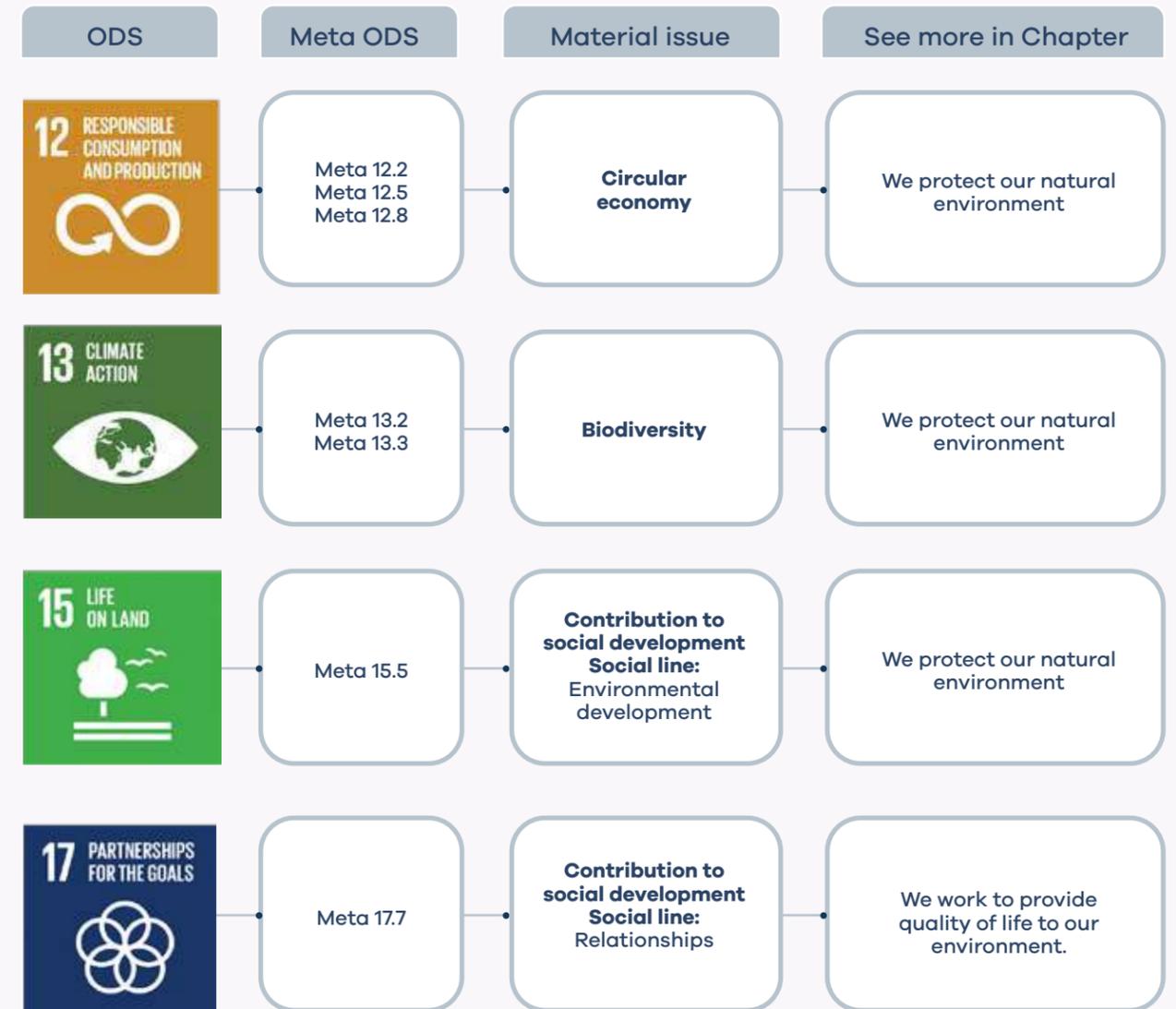
- Newsletter for strategic partners
- Coquecol group communications **13.000** followers
- Coquecol Foundation **6.260** followers
- **1.022** followers
- **674** followers
- **9.451** followers
- **105** followers

Strategic Alliances

Within the framework of sustainable management, the different stakeholders were addressed in dialogue scenarios such as accountability meetings in the municipalities, meetings with local government entities, the development of social programs, knowledge management scenarios that were built with suppliers of raw materials and logistics, trade union meetings, press management, committees, and internal meetings that happened throughout the year. These scenarios allowed the company to know the expectations and address critical issues with a constructive approach that contributed to business development, fulfillment of the strategy, and positioning of Grupo Coquecol as a company with socially responsible management.

Business contribution to the Sustainable Development Goals

In compliance with the business strategy and its focus on sustainability, the company identified the Sustainable Development Goals and their targets and contributes to them through its activities, operations, and value chain. The following is the route to identify the business contribution of Grupo Coquecol's programs, activities, and alliances:



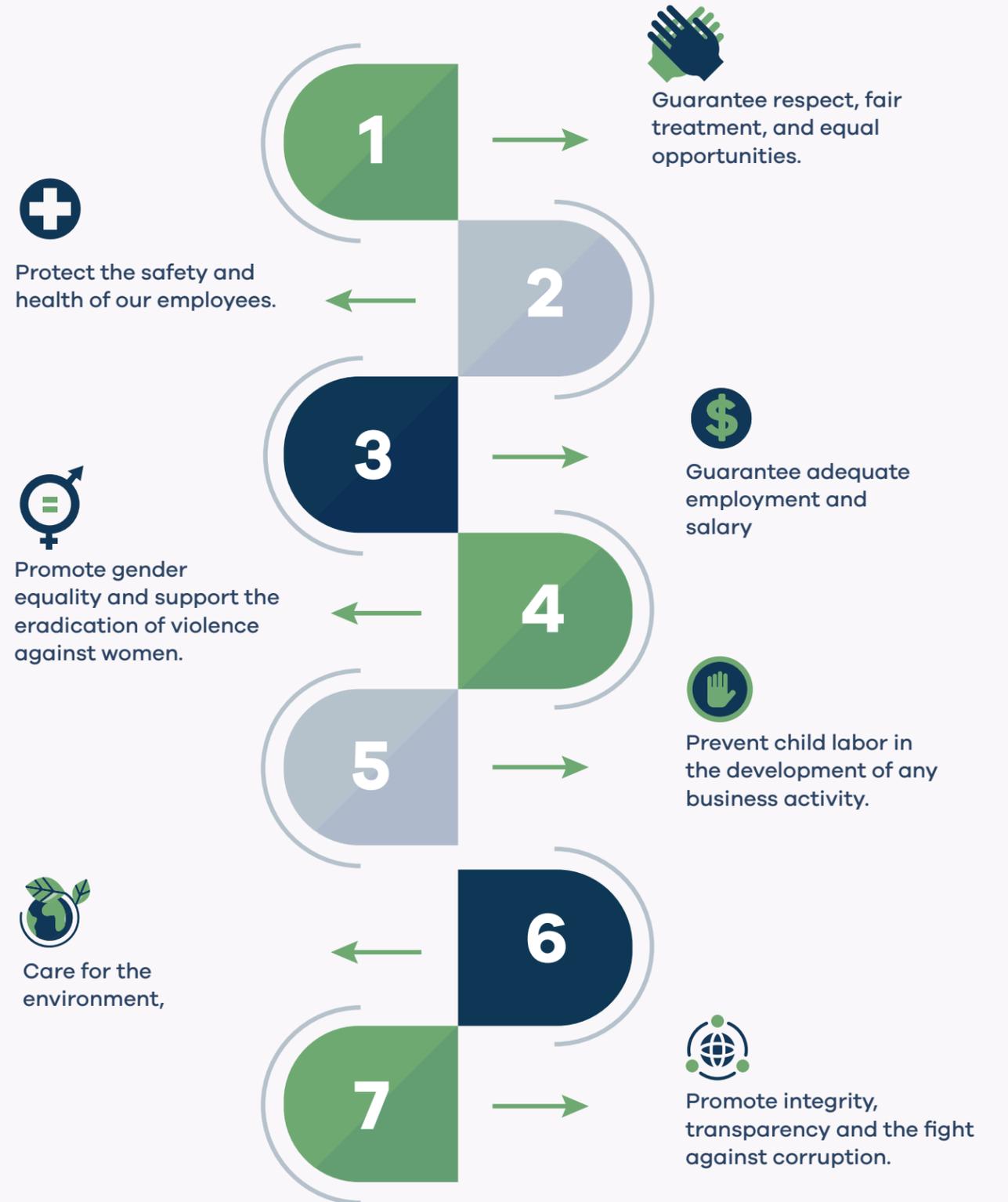
Organizational management of Human Rights

GRI 410-1

Respecting human rights is a key premise of our business vision. The Company has established the necessary organizational guidelines to express its commitment to respect human rights, and how this involves the people who are part of the organization and includes those who collaborate along the value chain, as well as the communities that live around its operations and production chains. This is done to conduct the company ethically and to promote good practices for the well-being of society and the workers, inspiring them to join the company in the work of building together a better, sustainable, and responsible future with human rights.



The commitments that govern our strategic management in this area are:



To achieve this objective, the company promotes practices that support its social license to operate and focus on the promotion and protection of the human rights of all people related to its business activities, following the United Nations Guiding Principles on Business and Human Rights.

We highlight the following actions completed by Coquecol Group within the framework of Human Rights in this period:



Continuity of the meetings of the Human Rights Committee, which has twelve members from different areas of the Company. This committee is responsible for advising and guiding the action plans developed in this area, prioritizing actions in alignment with the strategy and the risks identified from the operation point of view. Similarly, it promotes due diligence of human rights in the Coquecol Group and the efficient management of all claims, requests, and complaints generated in this area.

Consolidation of the due diligence process to identify possible risks or real and potential impacts that violate human rights. This process is based on the Guiding Principles that establish the responsibilities within the framework of the United Nations: protect, respect, and remedy.

Considering that a company's due diligence in Human Rights refers to the measures it must take to comply with its obligations to know, prevent, and respond to cases of abuses or violations of rights that arise, Grupo Coquecol has a model that manages these issues and analyzes the different actions for monitoring and reporting.

Update and follow up of the risk matrix, which has been developed with auditing specifically for social management. The action plans that result from this matrix allow us to strengthen relationships of trust with the communities living in our areas of influence.

Identification of the gaps that exist in the sector in terms of gender equity. Different actions were executed to involve and enhance the role of women in the operation's activities, aligning this process with the corporate vision and its commitment to contribute to the empowerment and participation of women in the sector.

Use of the WEPS tool (Global Compact Initiative and UN Women) allowed us to define a specific action plan to strengthen gender topics and eliminate unconscious biases in the participation of women in the mining and industrial operation.

Grupo Coquecol has human rights reporting channels to process non-conformities or complaints, and other claims and requests, on its website to strengthen stakeholder relations. This channel is shared with stakeholders through the company's foundation activities and social networks.

Participation in scenarios such as the Global Compact inclusion and diversity roundtable, Women in Mining, among others, to make visible the company's commitment and good practices with different stakeholders.

Held meetings to follow up on the training provided by the security company G4S, with whom we develop all our security activities, to ensure the existence of internal policies and procedures to raise awareness of respect for Human Rights.

Launched the commitment to sustainable practices, which was signed by suppliers as a symbol of promotion and respect for human rights and sustainability.



**We work for
improving quality of
live in our environment**

Interview:
Ángela María Garcés Jaramillo
Human resources and
sustainability manager

How is it managed?

GRI3-3

We know that people are the backbone of our company; therefore, in compliance with the annual strategic plan, we continue to strengthen our human talent management model by addressing issues of well-being, learning and development, organizational culture, leadership, and occupational health and safety. Keeping our team motivated and proud to work in the company allows the development of the operation and the fulfillment of the objectives we set as an organization every year.

We are a high-performance and commitment team that has become a benchmark in the sector regarding the implementation of differentiating practices in the labor market, focusing on the development of employees not only from the professional point of view, but also focused on work-life balance, which facilitates an innovative and sustainable culture ready to face the challenges of the industry and the metallurgical coal market.

The organization's commitment to people is reflected in the positive perception of employees from the reputation measurement of Brújula Minera, which annually evaluates the level of satisfaction of employees of the companies in the sector regarding wellbeing, training, career plans, among others. In the survey conducted in 2023 we highlight figures such as the appreciation of stability 95%, training and learning 90%, company pride 93%, respectful treatment 94%, which in general are above the industry average. ■

Our team

GRI 2-7;2-8

The Coquecol Group keeps working to have high performance employees, proud and committed to the achievement of organizational goals, through the implementation of wellbeing practices, professional development, health, safety and quality of life.

All team members are direct employees from different regions of the country, and are distributed in the departments of Cundinamarca, Norte de Santander, Boyacá and Atlántico.

In 2023, there were 965 employees in the team, of which 18.1% were women and 81.8% men. The company has implemented leadership strategies that today allow it to have 36% participation of women in the management team. However, the company will continue strengthening its gender equity program, to implement new strategies to promote the participation of women in the operation. The organization's workforce had the following characteristics:

| | | |
|-------------|-------|------------|
| 2023 | Total | 965 |
| 2024 | Total | 968 |



Workers by age group, location and employment category

GRI 405-1

Employment category

| | Women | Men | Total |
|----------------------|------------|------------|------------|
| COQUECOL | | | |
| • Executives | 0 | 1 | 1 |
| • Managers | 5 | 7 | 12 |
| • Leaders | 9 | 6 | 15 |
| • Coordinators | 14 | 19 | 33 |
| • Tactical positions | 32 | 46 | 78 |
| • Interns | 13 | 5 | 18 |
| • Assistants | 30 | 286 | 316 |
| Total | 103 | 370 | 473 |
| INTERCARBON | | | |
| • Executives | 0 | 0 | 0 |
| • Managers | 0 | 1 | 1 |
| • Leaders | 0 | 1 | 1 |
| • Coordinators | 1 | 8 | 9 |
| • Tactical positions | 7 | 21 | 28 |
| • Interns | 9 | 6 | 15 |
| • Assistants | 38 | 266 | 304 |
| Total | 56 | 302 | 358 |
| INCOLMINE | | | |
| • Executives | 0 | 0 | 0 |
| • Managers | 0 | 0 | 0 |
| • Leaders | 0 | 0 | 0 |
| • Coordinators | 1 | 4 | 5 |
| • Tactical positions | 2 | 6 | 8 |
| • Interns | 0 | 1 | 1 |
| • Assistants | 7 | 94 | 101 |
| Total | 10 | 105 | 115 |
| R.C. CARGA | | | |
| • Executives | 0 | 0 | 0 |
| • Managers | 0 | 1 | 1 |
| • Leaders | 0 | 0 | 0 |
| • Coordinators | 1 | 1 | 2 |
| • Tactical positions | 5 | 11 | 16 |
| • Interns | 0 | 0 | 0 |
| • Assistants | 0 | 0 | 0 |
| Total | 6 | 13 | 19 |

Age group

| | Women | Men | Total |
|-------------------------------|------------|------------|------------|
| COQUECOL | | | |
| • Younger than 30 years old | 40 | 148 | 188 |
| • Between 31 and 50 years old | 61 | 203 | 264 |
| • Older than 50 years old | 2 | 19 | 21 |
| Total | 103 | 370 | 473 |
| INTERCARBON | | | |
| • Younger than 30 years old | 35 | 143 | 178 |
| • Between 31 and 50 years old | 22 | 147 | 169 |
| • Older than 50 years old | 1 | 10 | 11 |
| Total | 58 | 300 | 358 |
| INCOLMINE | | | |
| • Younger than 30 years old | 5 | 56 | 61 |
| • Between 31 and 50 years old | 4 | 47 | 52 |
| • Older than 50 years old | 2 | 1 | 3 |
| Total | 11 | 104 | 115 |
| R.C. CARGA | | | |
| • Younger than 30 years old | 2 | 4 | 6 |
| • Between 31 and 50 years old | 4 | 9 | 13 |
| • Older than 50 years old | 0 | 0 | 0 |
| Total | 6 | 13 | 19 |



Location

| | Women | Men | Total |
|----------------------|------------|------------|------------|
| COQUECOL | | | |
| • Boyacá | 23 | 72 | 83 |
| • Cundinamarca | 41 | 299 | 297 |
| • Norte de Santander | 3 | 8 | 11 |
| • Atlántico | 2 | 3 | 5 |
| • Bogotá | 43 | 34 | 77 |
| Total | 112 | 416 | 473 |
| INTERCARBON | | | |
| • Boyacá | 34 | 175 | 209 |
| • Cundinamarca | 24 | 125 | 149 |
| • Norte de Santander | 0 | 0 | 0 |
| • Atlántico | 0 | 0 | 0 |
| • Bogotá | 0 | 0 | 0 |
| Total | 58 | 300 | 358 |
| INCOLMINE | | | |
| • Boyacá | 0 | 0 | 0 |
| • Cundinamarca | 0 | 0 | 0 |
| • Norte de Santander | 10 | 105 | 115 |
| • Atlántico | 0 | 0 | 0 |
| • Bogotá | 0 | 0 | 0 |
| Total | 10 | 105 | 115 |
| R.C. CARGA | | | |
| • Boyacá | 2 | 2 | 4 |
| • Cundinamarca | 3 | 6 | 9 |
| • Norte de Santander | 1 | 1 | 2 |
| • Atlántico | 0 | 4 | 4 |
| • Bogotá | 0 | 0 | 0 |
| Total | 6 | 13 | 19 |



New hires

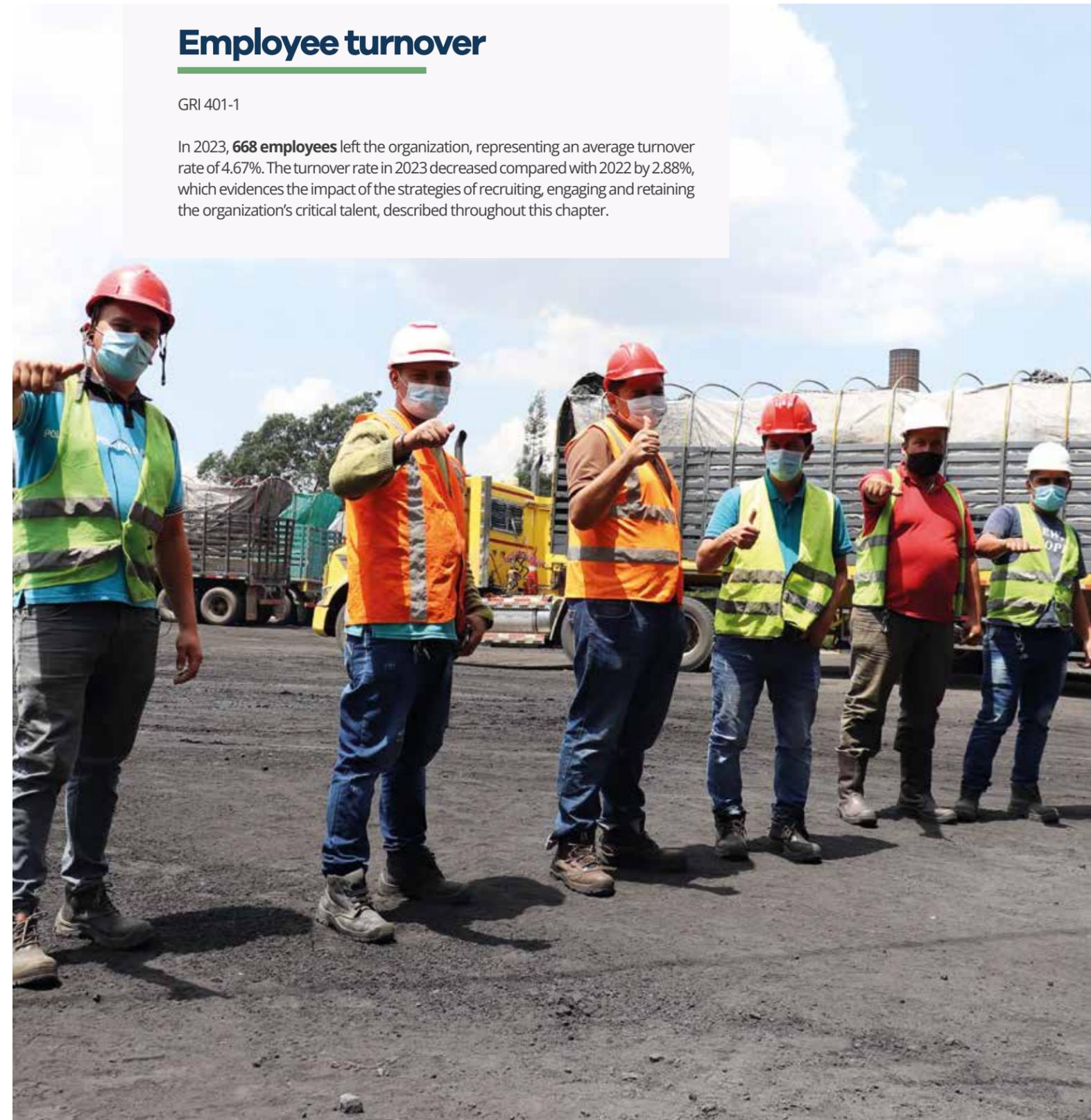
In the Coquecol Group, hiring processes are executed without any discrimination based on race, sex, nationality, religion or other aspects, ensuring the promotion of diversity and inclusion. The company offers full-time positions and does not establish part-time employment contracts.

| | Women | Men | Total |
|----------------------|-----------|------------|------------|
| COQUECOL | | | |
| • Executives | 0 | 0 | 0 |
| • Managers | 1 | 0 | 1 |
| • Leaders | 1 | 1 | 2 |
| • Coordinators | 0 | 2 | 2 |
| • Tactical positions | 17 | 17 | 34 |
| • Interns | 20 | 10 | 30 |
| • Other levels | 20 | 264 | 284 |
| Total | 59 | 294 | 353 |
| INTERCARBON | | | |
| • Executives | 0 | 0 | 0 |
| • Managers | 0 | 0 | 0 |
| • Leaders | 0 | 1 | 1 |
| • Coordinators | 0 | 5 | 5 |
| • Tactical positions | 1 | 8 | 9 |
| • Interns | 8 | 11 | 19 |
| • Other levels | 22 | 157 | 179 |
| Total | 31 | 182 | 213 |
| INCOLMINE | | | |
| • Executives | 0 | 0 | 0 |
| • Managers | 0 | 0 | 0 |
| • Leaders | 0 | 0 | 0 |
| • Coordinators | 1 | 2 | 3 |
| • Tactical positions | 3 | 1 | 4 |
| • Interns | 2 | 3 | 5 |
| • Other levels | 7 | 103 | 110 |
| Total | 13 | 109 | 122 |
| R.C. CARGA | | | |
| • Executives | 0 | 0 | 0 |
| • Managers | 0 | 0 | 0 |
| • Leaders | 0 | 0 | 0 |
| • Coordinators | 0 | 0 | 0 |
| • Tactical positions | 4 | 1 | 5 |
| • Interns | 0 | 1 | 1 |
| • Other levels | 0 | 0 | 0 |
| Total | 4 | 2 | 6 |

Employee turnover

GRI 401-1

In 2023, **668 employees** left the organization, representing an average turnover rate of 4.67%. The turnover rate in 2023 decreased compared with 2022 by 2.88%, which evidences the impact of the strategies of recruiting, engaging and retaining the organization's critical talent, described throughout this chapter.



Work environment and well-being

GRI 401-2

We promote an optimal work environment for all employees, with a benefits plan to improve their quality of life and well-being, thus contributing to the results and sustainability of the business. Below are the benefits offered in 2023 to the entire organization:

| Benefits | Objectives |
|--------------------------------|---|
| Family Day | Space for employees and their families to enjoy 2 days a year in an experience that strengthens family ties. |
| Maternity and paternity leave | Time off for new parents; two additional days are granted in addition to the time off granted by law. |
| Bereavement leave | Leave of absence of five working days for employees who have lost a loved one |
| Birthday free half-afternoon | The benefit of enjoying an afternoon with family or friends for birthday celebrations. |
| Meals | Cafeteria service and meal card. |
| Calamity leave | Leave for employees to be absent from work due to a domestic or family calamity, agreed with their team leader. |
| Transportation service | Transportation service for employees in the operating units. |
| Additional vacation days | Additional vacation days for employees who have worked in the company for more than three, five, ten and fifteen years. |
| Five-year bonuses | Tribute to employees who complete five, ten, fifteen and twenty years of work in the company with a bonus. |
| Gift on university graduation | The company gives a gift to employees who complete their professional training. |
| Bonus payment | Bonus for achieving annual organizational goals. |
| Mental health platform MOMENTU | Digital platform for employees where experts assist them to improve their emotional well-being. |



Education allowances and Coquepilos

This benefit is intended to strengthen the competencies of our employees to develop their work more effectively, in line with the organizational trends and needs. In 2023, 7 education allowances for specializations and 1 for master's for master's degrees were assigned. We also continued awarding prizes to the children of operation employees with the best academic averages, as follows:

| Coquepilos | Men | Women | Total |
|--------------|-----|-------|-----------|
| Coquecol | 39 | 13 | 52 |
| Intercarbon | 21 | 5 | 26 |
| RC Carga | 1 | 2 | 3 |
| Total | | | 81 |

Life, health, and burial insurance

Life insurance and burial insurance are provided to all employees; the latter extends to the core family of each employee. Likewise, we developed an Alliance with Colsanitas to offer a 50% discount on the price of health insurance for employees and their families

| Benefit | Amount of people impacted |
|----------------------------|---------------------------|
| Life insurance | 931 |
| Burial insurance | 931 |
| Health insurance allowance | 24 |

Maternity and paternity leave

GRI 401-3

Maternity law

Maternity and paternity leave during 2023:



Employee learning and development

GRI 404-1; 404-2

Based on our knowledge of the training needs of our employees and targeting to keep building a culture of innovation and agility, the company focused its efforts on the personal and professional development of its employees through the acquisition of technical and strategic knowledge with universities and nationally and internationally recognized educational institutions.

In alliance with SENA and the Colombian Mining Association, we continued developing the Specialized Continuing Education Program agreement, which focuses on the training needs of the mining industry and especially on developing skills in sustainability, environment, territorial public management, energy transition, leadership, agile methodologies, digital transformation and mining formalization. In this way, the company contributes to the development of the country and the achievement of a more sustainable mining industry.



Training per employment category

2023

| Employment category | 2023 | |
|----------------------|----------------|------------|
| | Hours | Employees |
| COQUECOL | | |
| • Executives | 108 | 1 |
| • Managers | 104,4 | 12 |
| • Leaders | 224 | 14 |
| • Coordinators | 57,6 | 32 |
| • Tactical positions | 54,6 | 78 |
| • Interns | 8,5 | 17 |
| • Assistants | 78,75 | 315 |
| Total | 424 | 473 |
| INTERCARBON | | |
| • Executives | 0 | 0 |
| • Managers | 17,6 | 1 |
| • Leaders | 48 | 1 |
| • Coordinators | 252 | 9 |
| • Tactical positions | 784 | 28 |
| • Interns | 0 | 15 |
| • Assistants | 5.436 | 302 |
| Total | 6.537,6 | 356 |
| INCOLMINE | | |
| • Executives | 0 | 0 |
| • Managers | 0 | 0 |
| • Leaders | 0 | 0 |
| • Coordinators | 140 | 5 |
| • Tactical positions | 224 | 8 |
| • Interns | 0 | 1 |
| • Assistants | 0 | 101 |
| Total | 364 | 115 |
| R.C. CARGA | | |
| • Executives | 0 | 0 |
| • Managers | 43 | 1 |
| • Leaders | 0 | 0 |
| • Coordinators | 129 | 3 |
| • Tactical positions | 602 | 14 |
| • Interns | 43 | 1 |
| • Assistants | 0 | 0 |
| Total | 817 | 19 |



Exponential Talent Platform

We implemented the “**Talento Exponencial**” tool to provide a differentiating experience to Coquecol Group employees. It is an intuitive and user-friendly platform that allows centralization of internal communication, evaluation of employee skills, visualization of the organizational structure and generation of automated reports in real time.

Additionally, it has an LMS module, where all online and offline courses are managed, monitoring the progress of the courses, conducting tests and evaluations to measure learning and to certify the courses available to all employees of the organization.

Performance management

GRI 404-3

The company uses a development methodology that focuses on the comprehensive and individual evaluation of each employee, to enhance and improve their skills, as well as to promote the acquisition of new competencies and their connection with the corporate strategy. This approach not only stimulates employee motivation, but also generates tangible benefits for the organization by encouraging greater dedication and commitment of its team.

Below is a list of the percentage of employees evaluated in the period from each business unit:

230
collaborators assessed in 2023, an increase of **35%** compared to 2022.

Performance evaluation 2023

| Company | Number of target employees | Number of assessed employees |
|-------------|----------------------------|------------------------------|
| Coquecol | 157 | 155 |
| Incolmine | 12 | 12 |
| Intercarbon | 40 | 37 |
| RC carga | 21 | 21 |

Internal promotions

The Coquecol Group is a place for opportunities, where employees can project themselves professionally and achieve growth, guiding their training towards the improvement of their professional profiles and their continuous development. This approach is reflected in the acquisition of tools that facilitate the performance of their functions and their commitment to the achievement of organizational goals.

Listed below are the professionals who were promoted to vacant roles during the reporting period, as well as the SENA apprentices and university interns who were hired by group's companies:

| Promotions | Direct employees | SENA Apprentices -University interns |
|--------------|------------------|--------------------------------------|
| Coquecol | 42 | 10 |
| Incolmine | 2 | 2 |
| Intercarbon | 6 | 0 |
| RC Carga | 1 | 0 |
| Total | 51 | 12 |

Safe and healthy operation

GRI 403-1;403-2; 403-8

The Coquecol Group's occupational health and safety management system aims to influence two essential pillars: legal compliance and the promotion of a culture of safety and health.

This is done to ensure safe and healthy work environments, avoiding work accidents, preventing occupational diseases and ensuring compliance with current regulations, as well as the implementation of practices with high standards, contributing to consolidate the company as a high-performance company in the sector.

Every year there is an improvement plan for the operating units, which is led by the health and safety analysts in each area, with technical, human, and financial resources. The system covers the company's employees, contractors, and communities in its areas of influence.

The company has an occupational health and safety policy that reaffirms its commitment to the integrity of its employees. This policy identifies and controls hazards and risks by applying the GTC-45 methodology. In addition, reports of unsafe conditions and acts, investigations of work accidents are completed, and the policy establishes the refusal to perform high-risk tasks.

The company's technical team is responsible for providing technical assistance for the implementation of safety and health programs; the technical team provides support and constant monitoring to control the hazards and risks identified in each operation.





Occupational health services

GRI 403-3;403-6; 403-7

The company promotes strategies that facilitate the management of interdisciplinary work plans through various services provided by the Occupational Risk Management Company SURA, Health Service Provider Institutions (IPS), and medical-labor recommendations. The purpose of these plans is to evaluate, review, and guarantee the quality of the results obtained in the control measures established, and also to mitigate risks in the processes of reducing hazards in the workplace. These services provide access to physical fitness programs, health brigades, healthy lifestyle training, and mental health promotion and are available to employees.

During this period, the following activities were done to guarantee the health conditions of the employees:

| Activity | Impact |
|--|--------------------------|
|  Periodic occupational medical examinations | 700 Employees |
|  Application of psychosocial risk assessments | 600 Employees |
|  Corporate health brigades | 520 Employees |
|  Cardiovascular risk screening | 800 Employees |
|  Physical fitness program and activity breaks | 1000 Employees |

Occupational Health and Safety Committees

GRI 403-4

Grupo Coquecol has different committees that strengthen the focus of the Occupational Health and Safety programs, as follows:

| Committee | Objective | Meetings completed |
|--|---|--------------------|
| Industrial/Mining OSH Committee | Follow-up on activities that promote the OSH policy and operational risk controls. | 18 |
| Management Results | Follow-up on OSHMS objectives and accident indicators. | 3 |
| COPASST | Ensure compliance with health and safety work plans. | 12 |
| Work coexistence committee | Ensure good relations and mitigate workplace harassment. | 6 |
| Health and special cases committee | Follow up on medical cases and facilitate redirection to expedite treatments and processes. | 12 |
| Committee of prioritized critical risks Industrial/Mining | Monitor the control risks classified as critical by following up on intervention plans. | 9 |
| Road Safety Committee | Ensure compliance with good practices in road safety. | 6 |

Occupational health and safety trainings

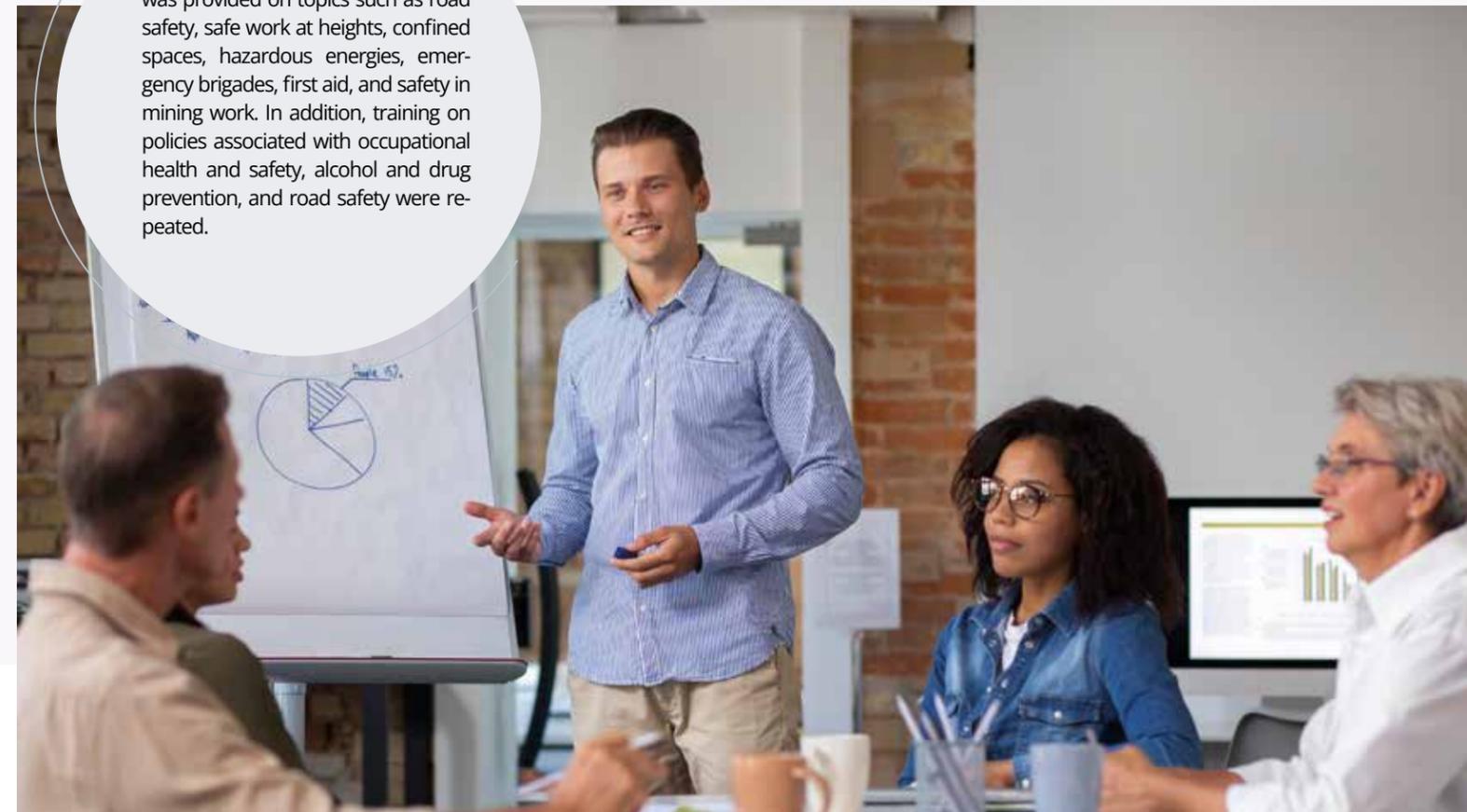
GRI 403-5

The Coquecol Group has its health and safety training matrix, which was completed 92% during this period.

The most important training processes were the ISO 39001 internal auditors course, the program for the use of hand tools, the use, care and replacement of personal protection equipment, and the 32-hour safety leadership course. Other important topics of this training and education program are:

| Course | Scope |
|---|--------------------------|
| Healthy lifestyles | • 850 Employees |
| Use, care, and replenishment of PPEs | • 930 Employees |
| Alcohol and drugs policies – Road safety strategy – HSE (Health safety environment) | • 1.015 Employees |
| Defensive driving in road safety | • 80 Employees |
| Use and handling of hand tools | • 830 Employees |
| Legal responsibility in HSE HST | • 1.000 Employees |
| Hand protection: Golden rules for hand care | • 1.000 Employees |
| Geomechanical risks | • 320 Employees |
| Coquecol OSH Policies -alcohol- PESV | • 1.020 Employees |
| Respiratory protection and diseases | • 1.000 Employees |
| Confined spaces | • 350 Employees |
| Use and handling of mining equipment / self-rescuer - multidetector | • 350 Employees |

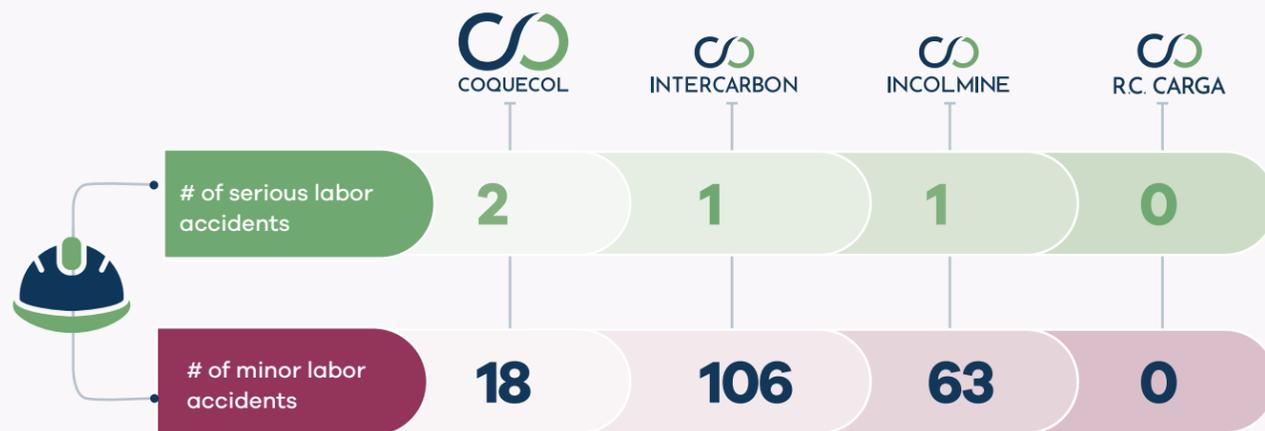
In terms of legal compliance, training was provided on topics such as road safety, safe work at heights, confined spaces, hazardous energies, emergency brigades, first aid, and safety in mining work. In addition, training on policies associated with occupational health and safety, alcohol and drug prevention, and road safety were repeated.



Health and safety system follow up

GRI 403-9; 403-10

We present the accident index in the following way:



Additionally, we present our accident and severity rates under resolution 0312/19 of the Colombian regulations:

| Company | # of accidents | Annual average | Sick days | Accident rate | Severity rate |
|-------------|----------------|----------------|-----------|---------------|---------------|
| Coquecol | 20 | 450 | 247 | 4,44 | 54,9 |
| Intercarbon | 107 | 349 | 1.566 | 30,66 | 448,7 |
| Incolmine | 64 | 116 | 529 | 55,2 | 456 |
| RC Carga | 0 | 0 | 0 | 0 | 0 |
| Fundación | 0 | 0 | 0 | 0 | 0 |

Although we had an increase in severity and frequency rates, the Coquecol Group continues to maintain safety guidelines. In 2023, the Occupational Health and Safety System was standardized, homogenizing guidelines and practices in both the industrial and mining areas; because of this process, there were no fatal accidents in the mining and industrial operations by the end of the year.

The mining safety and health management team implemented a gas monitoring system for the "La Mana" mine, which allows online tracking of methane and oxygen gases generated in this operation through the installation of state-of-the-art sensors; an external consultant specializing in mining safety advised on how to develop plans to prevent methane gas and coal dust explosions.



Social development of our environment and communities

Grupo Coquecol's social management strategy is based on the conviction and responsibility of contributing to the development and growth of the communities in its areas of influence, as these initiatives are strategic to obtain the social license that allows the execution of its operations. The company leverages its relationship with the communities through dialogues that support its social strategy and create bonds based on trust and transparency in the areas of operation.

The commitment is evident in the execution of social programs and is visible through the activities included in the action plans that have a high impact on the communities served; in this way, there are more opportunities for intervention and management based on sustainability. With this approach since 2023, we managed different spaces with the communities that allowed the organization to have a comprehensive strategic social plan, that incorporated the main expectations identified in each region, in its lines of action as follows:



Strategic social investment of more than **1,200,000 million** pesos in the communities of Cundinamarca, Boyacá, and Norte de Santander.


Entrepreneurship support

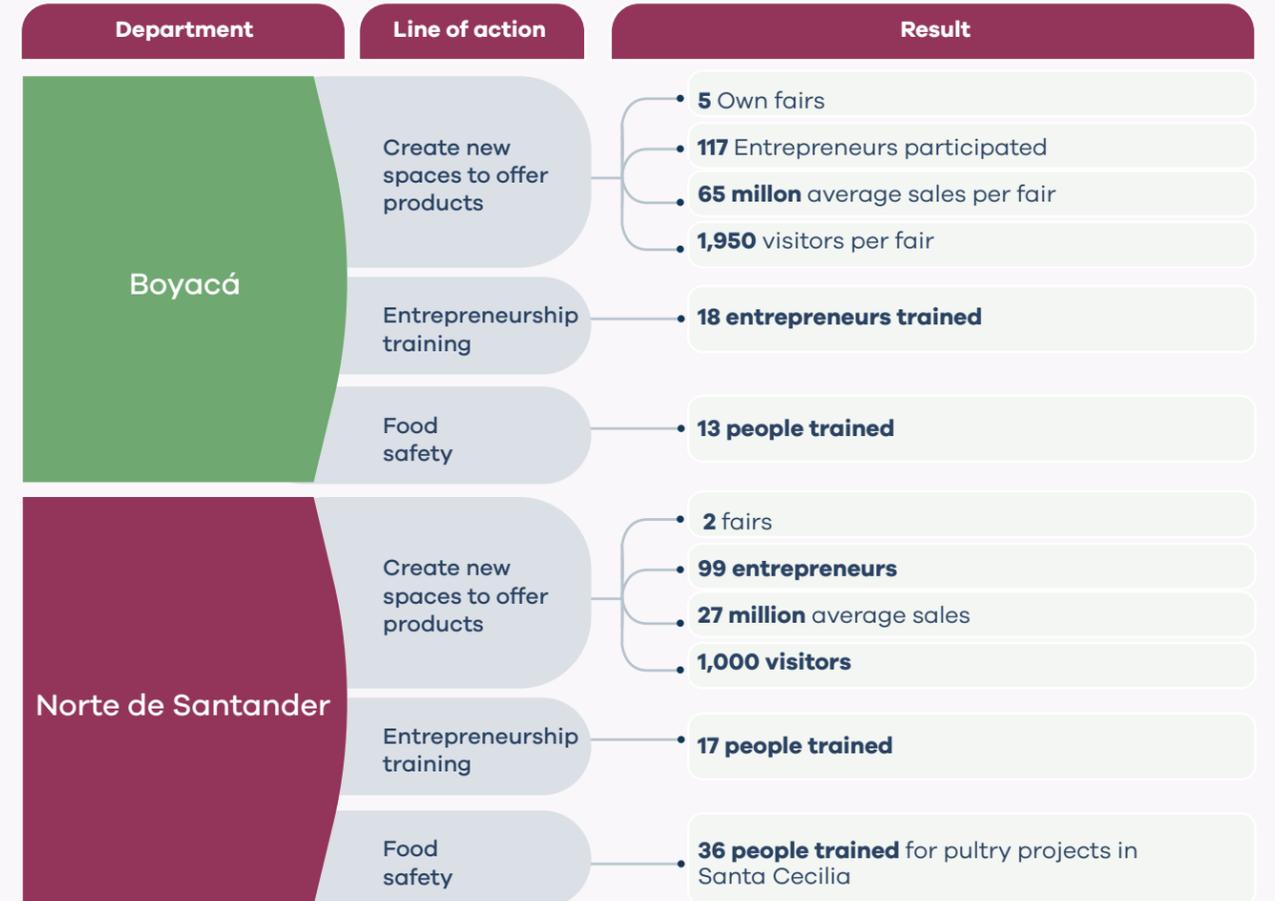
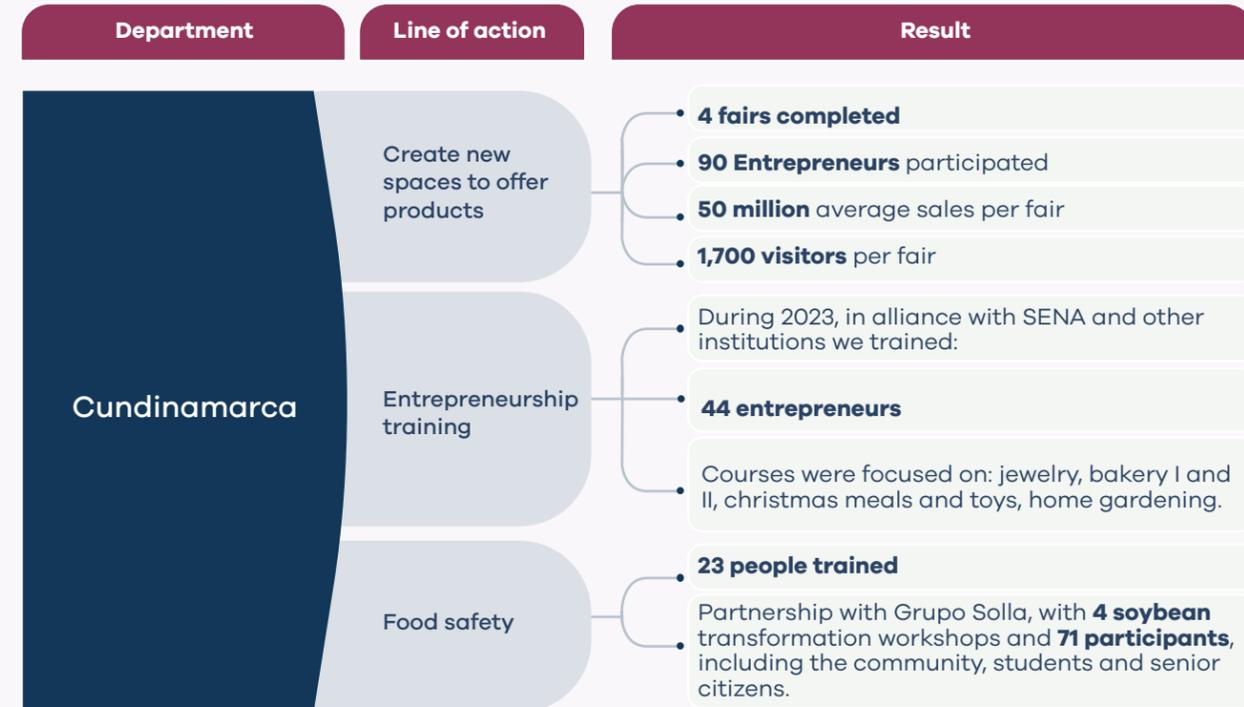

Environmental development management


Social development


Relationship building

Entrepreneurship Support

The company maintains its commitment to entrepreneurship as an essential element for social development and the creation of new opportunities, to empower and strengthen the entrepreneurial capacities of communities. This commitment was evident during this period through three lines of action:

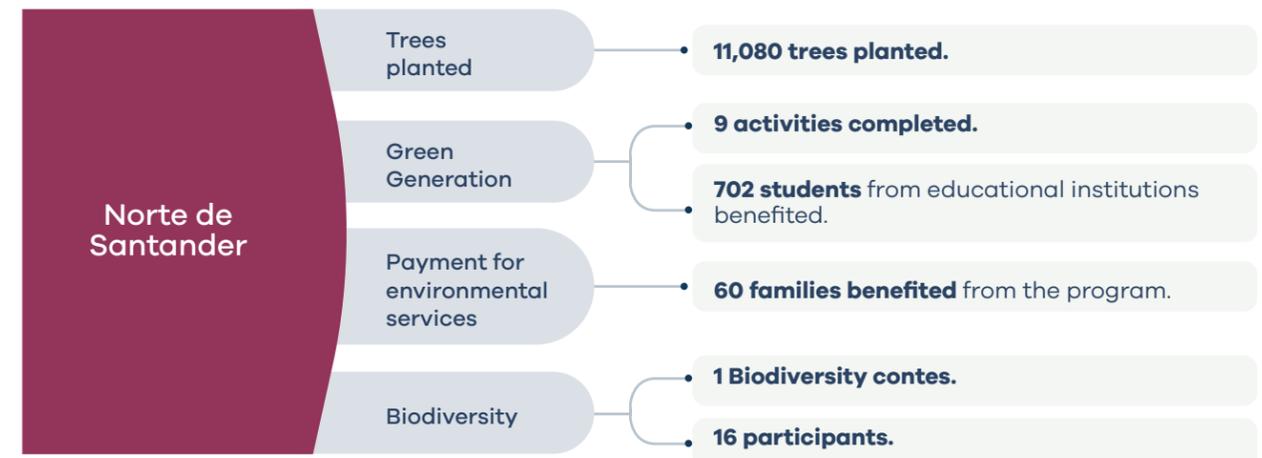
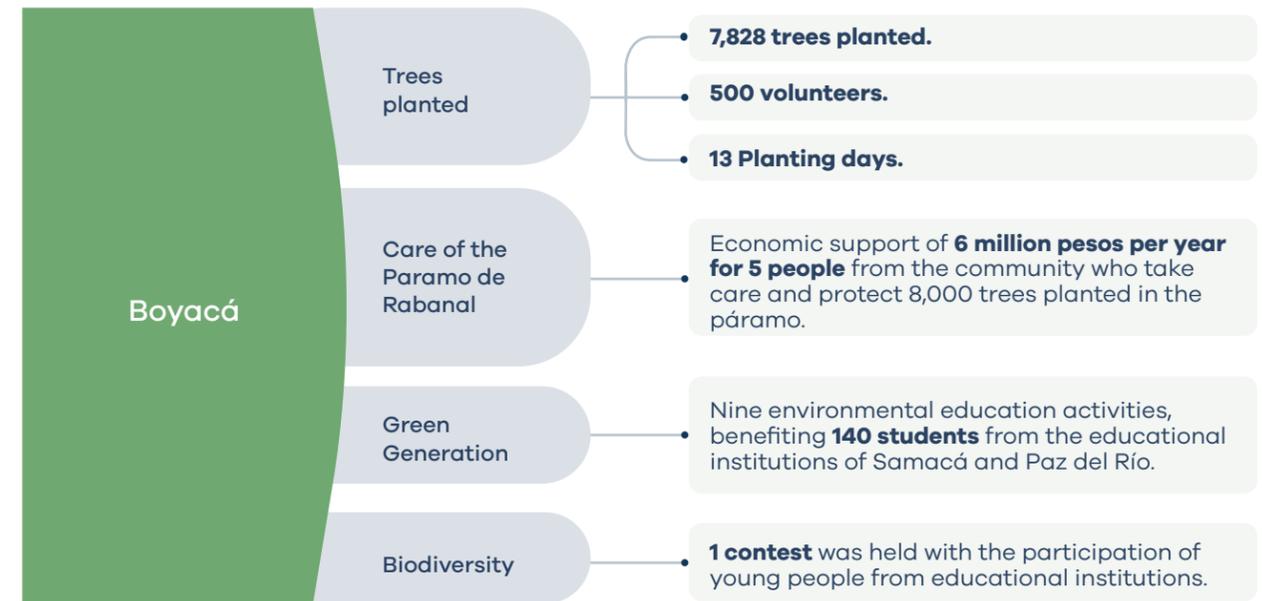


Tú Fest 2023 was held on May 28 at the main park Los Libertadores in Ubaté, where **49 entrepreneurs** participated, classified in different categories such as gastronomy, handicrafts, accessories, service, and games; achieving average sales of **50 million** and the participation of more than **1,500 people**.

Environmental development management

The company promotes sustainable development and its commitment to the environment and the natural surroundings, developing strategic actions with different allies that protect the flora, fauna, and biodiversity of the areas of influence. Additionally, it manages and completes training processes with students from educational institutions to promote good practices in the use of natural resources. In this line, the following activities were developed:

| Department | Line of action | Result |
|--------------|------------------|---|
| Cundinamarca | Trees planted | 13,440 trees planted in Guachetá, Ubaté y Ráquira. |
| | Coquecol Forest | 2,240 trees planted. |
| | Biodiversity | 2 Biodiversity photography contests, 56 participants between 9 and 67 years old, from the municipalities of Guachetá, Ubaté, Carupa, Fúquene, Sutatausa, and Lenguazáque. |
| | Green Generation | Environmental education program for communities: 529 people trained. |



In 2023 the Coquecol Group and the Corporación Ambiental de Norte de Santander signed an agreement to implement a payment scheme for environmental services in the municipality of Herrán. This project was developed over seven months with the objective of pooling technical, financial, and administrative resources to protect natural resource conservation areas and prevent deforestation. It benefited **60 families in the area**, who worked in protecting and taking care of this important environment.

Social development

The company works closely with educational entities and the community to create safe, productive, and quality environments for students in the municipalities located in its areas of influence. During this period, we continued strengthening activities such as sports schools to promote the good use of free time and the generation of new knowledge to create new skills and opportunities for children and young people. Likewise, they contribute to the development of the region by providing higher education scholarships that contribute to the growth and development of the communities.

| Department | Line of action | Result |
|--------------------|------------------------------------|--|
| Cundinamarca | Scholarship program | Scholarships with Minuto de Dios University: 43 students benefited from careers such as Occupational Safety and Health Administration, Financial Administration, and others. |
| | Sports schools | Three indoor soccer sports schools that benefited 58 boys and girls . |
| | Communication collectives program. | 82 young people benefited from this program. |
| Boyacá | Sports schools | Three sports schools with 68 children benefiting from them. |
| | Communication collectives program. | <ul style="list-style-type: none"> 3 communication collectives. 81 workshops conducted. 70 students from educational institutions benefited. |
| | Scholarship program | 12 university scholarships were awarded to students with high academic averages in the municipalities of direct influence. |
| Norte de Santander | Sports schools | 2 soccer sports schools that benefited 56 boys and girls with more than 15 sporting events. |
| | Communication collectives program. | <ul style="list-style-type: none"> 1 communication collective. 25 workshops held. 238 students from educational institutions. |
| | Scholarship program | 11 scholarships awarded. |

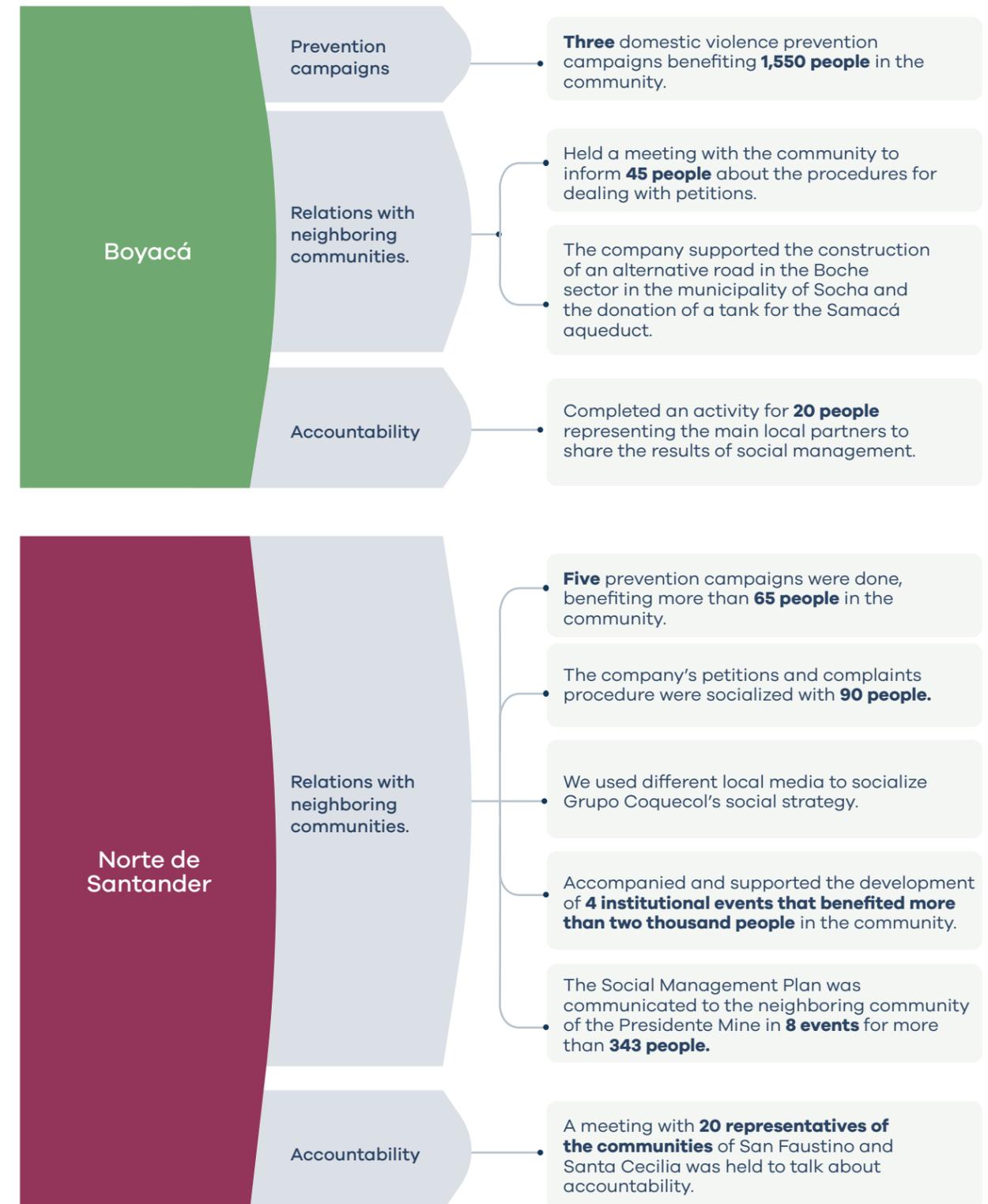
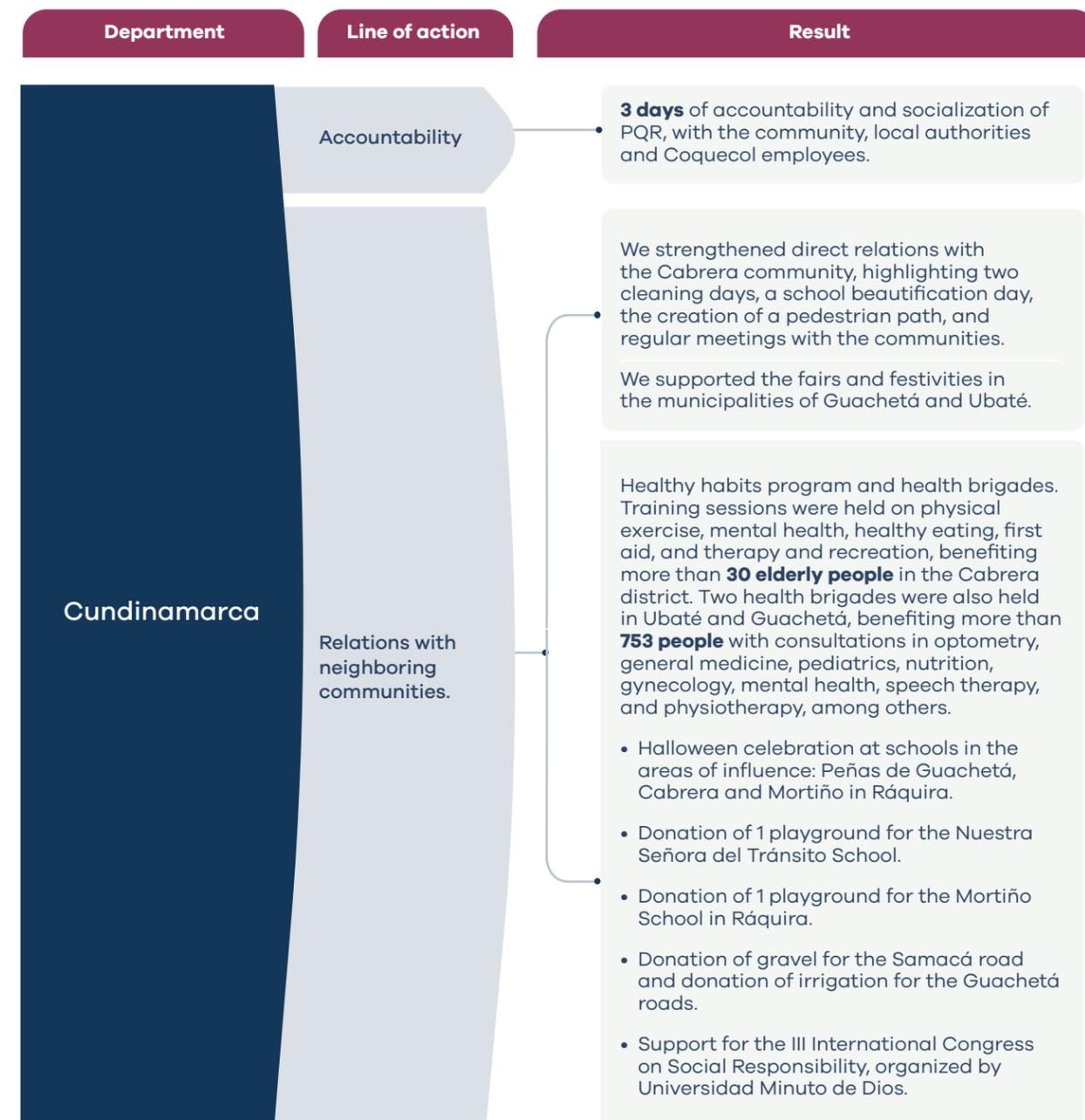


Success story: To provide students in the municipalities of Socha and Paz del Río with sports spaces dedicated to volleyball and physical activity, the Coquecol Group collaborated with highly experienced sports coaches, to deliver a training program focused on the practice of this sport as a tool to promote healthy lifestyle habits and an adequate use of free time. In total, **68 boys and girls** from these municipalities actively participated in these training schools.



Relationship building

Focused on strengthening relations with local entities and communities, the company continued working closely with different entities that ensure the welfare and development of the communities in the areas of influence. In this way, we continued to generate community participation scenarios that allowed us to identify the needs and expectations of the communities, integrating valuable actions to support vulnerable populations in the territory.





The Coquecol Group built and delivered to the inhabitants of the Cabrera de Guachetá area, a new pedestrian path of more than **890 meters** to protect and embellish the spaces used by the children and neighbors of the Castilla Plant.



Attention to stakeholder's requests

The company has communication channels open to the communities and other stakeholders, to receive communications and concerns, manage them, and integrate them into the strategy according to the opportunity. During this period the following mechanisms were available:

-  Contact Us channel on the website
-  Annual accountability processes
-  Strategic alliances with local entities

Connecting with our economic future

The Coquecol Group understands the importance of sustainability as a management model to generate differentiated value for all its stakeholders.

Financial sustainability is, based on a comprehensive approach that aims to balance economic growth, social welfare, and environmental management associated with our business operation. We have implemented innovative and integrative strategies that not only maximize our, our suppliers', and customers' profitability in the short term but also ensure long-term viability and contribute to sustainable development.

Our commitment to the implementation of good, ethical, and transparent practices and to the production of high-quality materials for the steel industry is reflected in the trust-based, long-term relationships we have with our strategic allies. Regardless of the complexity of the market environment, we keep meeting the expectations of our Board of Directors and shareholders, remaining faithful to the strategy of exponential growth that defined the path to the results established for this period.

This achievement has been accomplished through proactive risk management and the execution of high-value innovation and digital transformation projects that incorporate environmental, social, and governance criteria into financial decision-making. With this approach, we recognize the importance of sustainability in driving strong and sustainable long-term growth. We are committed not only to meeting financial targets but also to creating sustainable value for all stakeholders, thus contributing to the comprehensive and responsible development of the company in the current context. ■

Gabriel González Oñate
Commercial Manager

What we do best

Economic and global context of the sector in 2023

"If 2022 was a year of uncertainty, 2023 was the year of inequality," says the World Bank. 2023 was marked by wars that generated a worldwide economic impact, not to mention natural events that reopened the debate on global warming and the environmental commitments agreed upon by the major powers. Despite the warlike tensions in Ukraine and Gaza and the considerable and irreparable human losses, oil prices remained stable, and natural gas prices were halved. Undoubtedly, the evolution of the prices of these raw materials has contributed to the deflationary trend of 2023.

GDP growth rates are holding up better than expected, despite the economic slowdown. IMF economic projections indicate global growth slowing from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, below the historical average. Global inflation will decline steadily from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, due to tighter monetary policies and lower commodity prices.

According to the World Economic Forum, "volatility" could be the word to sum up what awaits the global economy in 2024. From a geopolitical perspective, the elections in Taiwan in January, and those in the United States in November, as well as an increase in tensions in Ukraine or Gaza and the conflict in the Red Sea, have the potential to generate repercussions at a global level, with an economic impact whose magnitude is difficult to anticipate.

For Colombia, the OECD forecasts moderate growth rates of 1.2% in 2023 and 1.4% in 2024, accelerating to 3% in 2025. Factors such as inflation, high interest rates, and political uncertainty could affect domestic demand in 2024. To control inflation, the central bank has raised interest rates. Inflation is expected to decline gradually, reaching 9.6% in 2023, 5.4% in 2024 and 3.8% in 2025. An increase in oil prices could benefit the fiscal situation.



In addition to the economic slowdown, the drop in investment at more than double-digit rates is a cause for concern, generating uncertainty about medium and long-term economic performance. At the same time, imports are decreasing sharply, although the Ministry of Finance indicates that this is due to a process of import substitution; this process can be positive as it suggests an increase in domestic production instead of relying only on imports.

As for the steel industry, in 2023 the average international prices of steel and its raw materials had a year-on-year reduction of 22%; however, they exceeded the annual average of the pre-pandemic figures.

The steel industry has faced difficulties since the end of 2019 due to the pandemic, geopolitical changes, inflation, and economic slowdown. Over the next 12 to 18 months, global demand is expected to stabilize, determining growth for the next 4 to 5 years.

According to the World Steel Association, global steel demand is expected to grow 1.8% in 2023 (1,814 million tons), 1.9% in 2024 (1,849 million tons), and 1.5% in 2025. According to Wood Mackenzie in 2024, the recovery in demand for steel, coal, and metallurgical coke in all regions will cause a mild reactivation in the world market.

By 2024, metallurgical coal end-users are expected to continue diversifying purchases to reduce their reliance on Australian coal to control production costs. For metallurgical coke, rapid capacity expansion has led to widespread market concerns about a global supply surplus. ■

Financial and results strategy

GRI 201-1, GRI 201-4

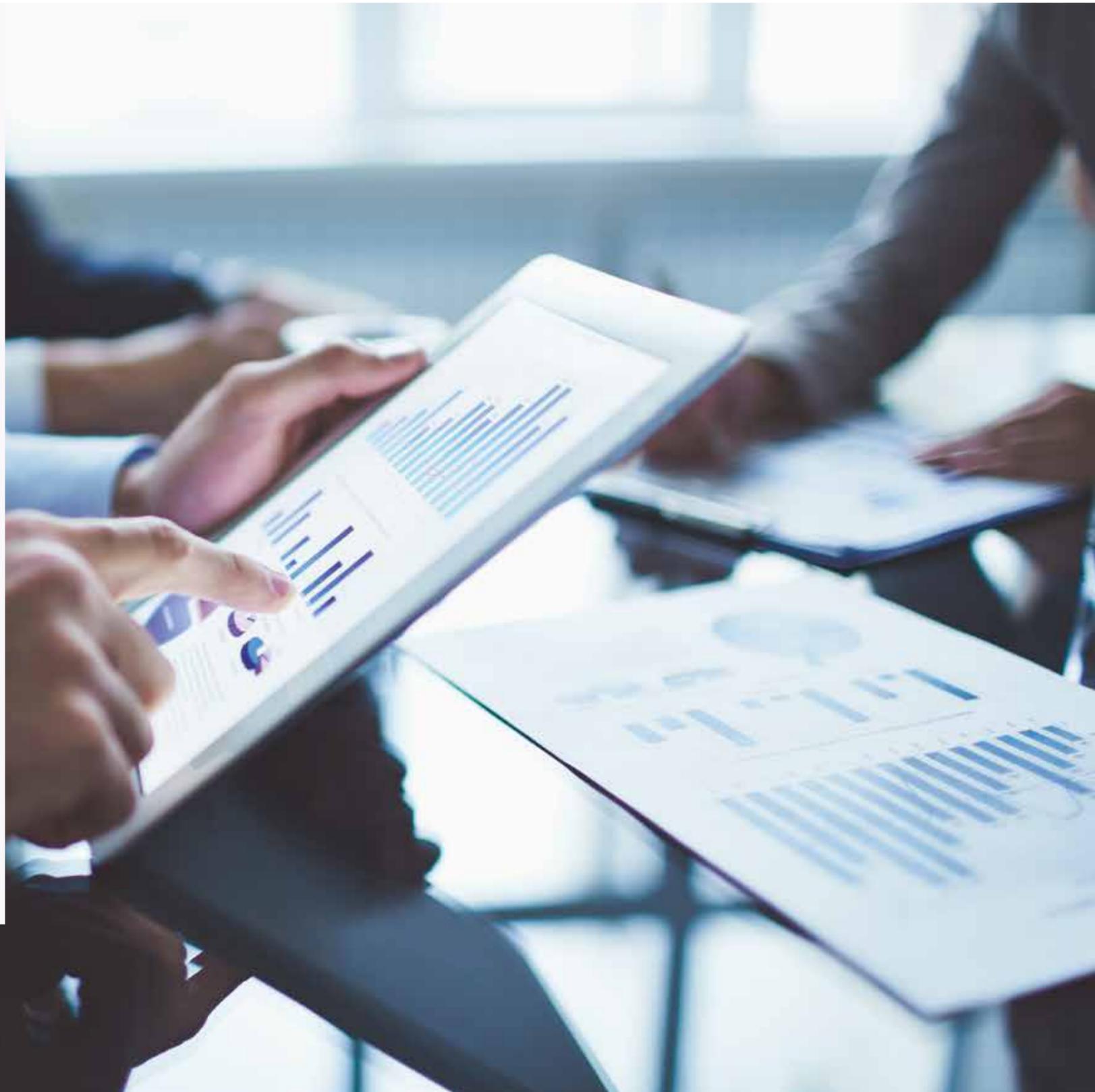
The Coquecol Group generated excellent financial results by the end of 2023 with a net profit of **COP 25,997,078**, an EBITDA of **COP 103,688,307** with an EBITDA margin of 12.9%. This solid financial performance was leveraged by the long-term relationships it has built with its customers and the quality and commitment we make the company's products.

Distributed and generated economic value

Revenues 2023

804 billion COP

| Economic value distributed | |
|--|----------------------------|
| Revenues | 2023 |
| Operating costs (cost of sales and operating expenses) | \$680 billion COP |
| Salaries and employee benefits (expense) | \$13 billion COP |
| Payments to capital providers | \$101 billion COP |
| Community investments | \$1,100 billion COP |



Comprehensive risk management and audits

Integrated Risk Management System in Coquecol

As a fundamental element to minimize impacts for and from stakeholders, the team continues to consolidate its management by analyzing identified risks both in the global and national environment, where different factors such as geopolitical, market, financial, technological, social, and environmental; guided the team to generate action plans from the different areas of the company to mitigate and control their possible effects, thus facilitating the appropriate decision making and the achievement of objectives within the framework of legal and regulatory compliance.

In addition to the above, during 2023 the actions of the Integrated Risk Management (IRM) focused on:

Update the strategic risk map, which currently has **17 defined** strategic risks and action plans from each area to mitigate those risks with more than **172 controls**.

Knowledge management and training of the audit team to update the main risks identified in the sector at national and international level.

Completion of more than **30 training** courses for **190 people** of the organization to raise awareness of the system and its importance.

New business view

Innovation and digital transformation

In 2023, the Technology Department reviewed the main trends of digital transformation applied to mining with the support of AWS (Amazon Web Services); after getting to know Coquecol's management, the AWS team prepared a report with best practices for the improvement and use of information as the main input for decision making (Data Driving (Driven?) Company).

Our commitment to productivity and efficiency

Similarly, the company has incorporated digital transformation to strengthen the operational management to impact efficiency, productivity, and sustainability. For the reporting period, the following activities were developed to mark an important route to support the different processes in our annual goals, as follows:

Automation of five business processes, thus increasing the productivity and efficiency of the financial, industrial, raw materials, environmental, and commercial teams for achieving the area's objectives.

Migration of SAP platform to AWS, moving all the data infrastructure and website to the cloud that uses 100% renewable energy sources and is committed to being carbon neutral by 2024.

Implementation of Coquecol's CRM using Salesforce as a tool to manage the relationship with Coquecol's customers. This company has been carbon neutral since 2017 and all its energy sources are renewable.

Implementation of data analytics initiatives to consolidate financial, commercial, cost, and raw material information.

Satellite internet implementation for some of the company's sites.

Coquecol's strategic projects

The organization defined 13 projects that resulted from the strategic and innovation process, that support the actions to ensure continuous improvement, the digital transformation of its processes, and the fulfillment of the goals proposed for 2023. Below are the main advances of the year:

- 1 Increase own mining capacity:** the diagnosis of the current status of each of the Intercarbon and Incolmine mines was performed by Jhon T Boyd to determine the scope required to start the efficiency project in the own mining production capacity.
- 2 Coking technology and coke preparation processes update:** This project is part of the industrial reconversion process and its main activity in 2023 was the diagnosis that will allow the organization to set a course of action for this objective.
- 3 Increase coal washing capacity:** Installed a new washing plant in Paz del Río and improved the capacity of the plant located in Guachetá.
- 4 Strengthening of the sustainable supply ecosystem:** The organization has established trusting relationships with its suppliers through different levers such as knowledge, alliances, and sustainability, which allows us to end the year meeting the expectations of our customers and generating new strategies to continue working in this line of action.
- 5 Innovation in the logistics model:** Given the importance of logistics in 2023, the company did a self-diagnosis to identify the different alternatives and logistics models that could be more efficient for the development of the business.
- 6 Create a differentiating customer experience:** The company continues generating strategies to improve the experience by building internal knowledge of customer needs. To support this, the Cultura Pro e-learning course was launched and marketing and benchmarking actions of good practices of other companies in the sector at the international level were completed.

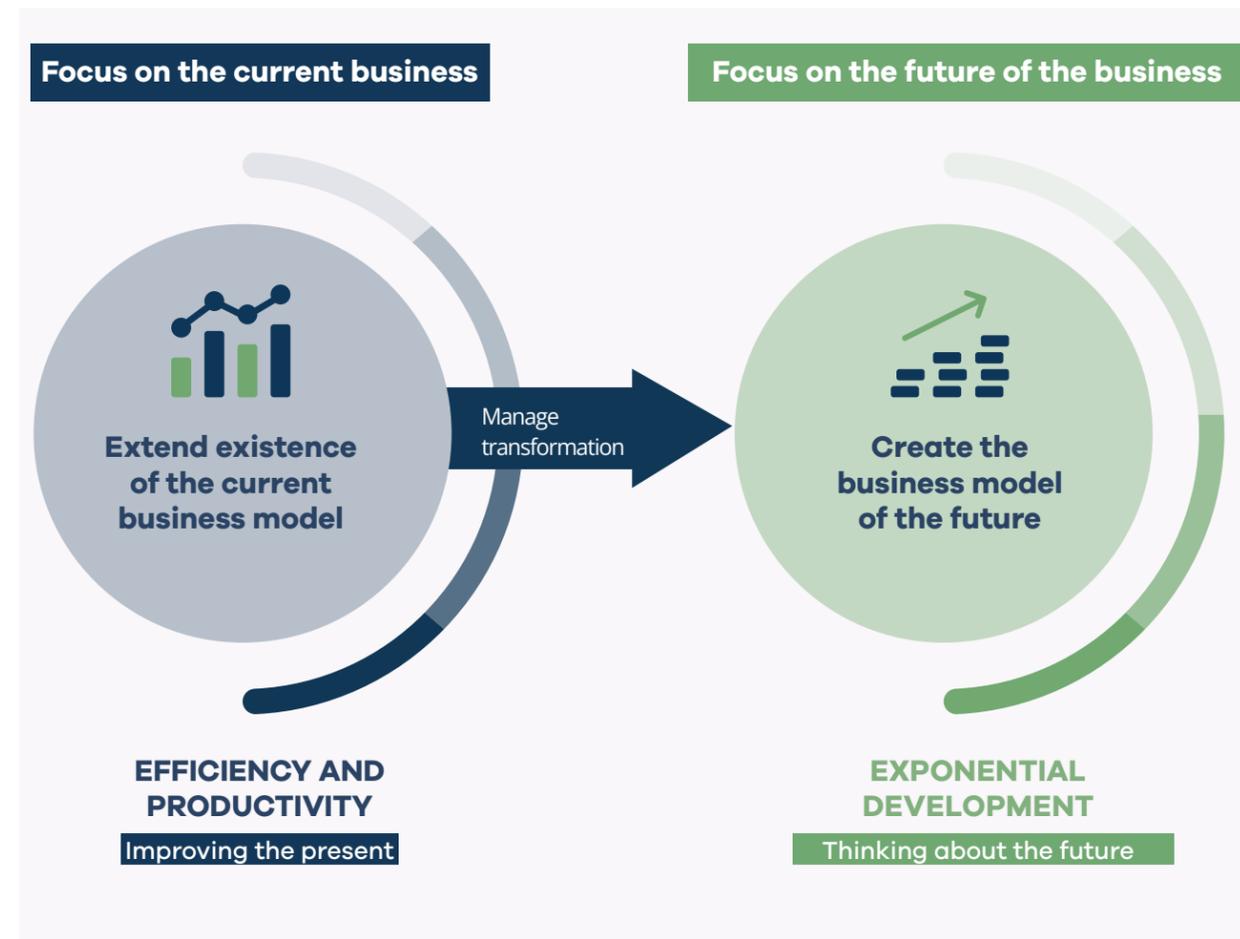
- 7 ESG monitoring and control model:** Considering that the company developed its own ESG system, it implemented the MERO tool to collect information and indicators to evaluate management and collect information that is reported annually in the management and sustainability report.
- 8 Implementation of clean energy and energy efficiency:** The company worked to make its energy management more efficient, generating significant savings in monthly energy payments. At the same time, it completed a diagnostic process to implement clean energy and analyzed different energy models to learn about best practices.
- 9 Development and implementation of the Circular Economy strategy:** The company's circular economy strategy was launched. This process was based on the identification of operational issues and the review of best practices with companies with a long track record in this area.
- 10 Strengthening the control and financial execution of CAPEX and OPEX:** This project sought to strengthen processes and procedures to better control costs and expenses.
- 11 Continuity in the automation of processes:** The objective was to automate and improve the management of internal processes using technological tools to ease the management thus contributing to the digital transformation of the company.
- 12 Culture, innovation, and agile:** Created a schedule for the training and development of soft skills. Defined a team of innovation managers, responsible for channeling ideas from different areas of the company.

Exponential development

The Coquecol Group implemented the Exponential Development process to project into the future, addressing the management of transformation processes and exploring new opportunities to create sustainable business models. For the first time, this transformational vision has been integrated into the strategic planning process, defining the projects to “Exploit” to enhance current processes and the projects to “Ex-

plore” to identify areas of opportunity to build scalable, robust, and sustainable models.

The Exponential Development team leads the evolutionary and disruptive cells, researching new opportunities and business models with a sustainability-oriented vision. It also presents short-, medium- and long-term proposals, aligned with market trends.



This area manages evolutionary and disruptive transformation processes, to create the business models of the future. Its focus is on a structure that anticipates and plans the future of the business, while simultaneously, the other teams work on the extension and enhancement of the current business.

In this reporting period, the team established a process of analysis and research of trends that impact the Coquecol Group, with a special focus on energy transition and sustainability. This analysis provided input to develop long-term strategic planning. This approach allowed the company to identify the areas of opportunity in which the group will concentrate its efforts during 2024, looking for new business opportunities.

Sustainable sourcing ecosystem

GRI 204-1

To strengthen the process of sourcing raw materials, supply, and logistics, within the framework of the triple impact, ensuring the needs and projections of the business in the short, medium, and long term, the Coquecol Group continued consolidating its sustainable sourcing ecosystem through a strategy of awareness, loyalty and outreach that facilitated actions for the supplier stakeholder group, as follows:

Technical support

As part of the supplier loyalty and strengthening process, we determined the supplier service needs within the operation by analyzing purchase and supply management during this period. With the application of this tool, priorities were established, risks and opportunities for efficiency were identified, and costs for the organization were reduced. In this way, the foundations were set to achieve strategic relationships with key suppliers for the development of innovative solutions.



As part of this effort, strategic suppliers visited Gerdau's facilities in Brazil to share their vision of product quality for the steel industry and strengthen relationships based on an understanding of the customer's vision of excellence and quality.

Sustainability route

After creating the sustainability baseline with strategic suppliers of raw materials, the self-diagnosis conducted in 2022 was socialized with more than 30 companies, identifying and prioritizing opportunities and needs for alignment of expectations and loyalty based on personalized knowledge.

Similarly, five partners that won the first version of the “Suppliers with Sustainable Facts for a well-done mining” award received strategic support, and they were able to develop their annual sustainability plan, facilitating the path to strengthen the strategic management of these companies.



Knowledge management

As part of the knowledge management led by the Coquecol Group, we continued with the knowledge circles for suppliers, socializing of fundamental topics such as Sustainability as a competitive advantage in the mining sector, circular economy, climate action, and the importance of the supply chain. **More than 300 people attended the four virtual training courses** held during this period. Suppliers and strategic partners that have implemented practices that benefit society, the environment, and the business, participated in these trainings.

We also identified the need to deepen our knowledge of important topics for the market and for the development of new trends, through training processes that expand the knowledge of suppliers, the environment, and the business. This is why we launched the Sustainability Academy for Suppliers, which addresses topics such as understanding and monitoring the coal market, ethics based on behaviors, efficient use of resources, strategic planning, and sustainability as a business model.



Strengthening the documentation structure

Similarly, the company continued standardizing its processes and procedures to provide guidelines to support the sustainable development of its suppliers, which is currently supported by the guide of good practices for suppliers. This guide is a voluntary commitment based on the compliance of ten principles that seek to generate knowledge and support sustainability management for the mining and industrial sectors.

Finally, committed to contributing to national development, the Coquecol Group believes in local suppliers and we managed to have 100% of national suppliers, distributed as follows:

| Productive chain suppliers | Raw Materials | Logistics | Supplies |
|---|---------------|-----------|----------|
| Total number of suppliers | 59 | 33 | 579 |
| Percentage of sales to national suppliers | 100% | 100% | 100% |
| Percentage of local suppliers hired | 78% | 42% | 31,3% |

Our relationship with customers

In line with the business purpose, the commercial area continued to develop actions to strengthen ties and relationships with suppliers to ensure product quality. As part of this initiative, eight strategic suppliers visited the plants of the company's main customer, Gerdau. This activity represented a significant milestone in supplier relations as Gerdau shared its customer's vision of excellence and quality, providing suppliers with the opportunity to learn about the steel industry, its practices, and quality requirements so that they can better understand the scope and relevance of the coal they supply to the company. This collaborative approach strengthens business relationships, fosters transparency, and reinforces the joint commitment to high-quality standards and sustainable supply chain practices. ■

Valuable relationships with customers and suppliers are strategic milestones that go beyond the transactional.





The company keeps implementing interdisciplinary actions to highlight quality as a differentiating element of its products. More than 250 employees of the quality have been trained in fundamental concepts and controls, which are essential for the proper control and assurance of processes and products. Additionally, quality audit plans are performed on an ongoing basis, and training continues to be provided to employees to certify their technical knowledge in areas such as petrographic analysis of unit coals and coal blends.

This management has allowed the company to achieve 99% compliance with the quality parameters of the exported products, strengthening the bonds with customers and consolidating products with the highest quality standards,

becoming one of the best options for coal and metallurgical coke customers worldwide. During this period the commercial team and the quality team aligned to establish and strengthen commercial relationships, achieving meetings with major customers: British Steel, to understand the needs and quality requirements of customers, to support the supply chain, and to deliver an optimal product according to their needs.

Similarly, the company continued to participate in national and international events to learn about market trends and customer expectations, and to share the best practices it has been implementing as part of its strategic plan. The main commercial activities were:

- 

Launch of the Cultura Pro course as an internal training tool to bring all employees closer to the customer experience.
- 

Developed plans to establish commercial contracts in the medium and long term.
- 

Used the Margins committee as an evaluation and follow-up mechanism to guarantee profitability, quality, and opportunities to fulfill customers' needs.
- 

Market intelligence and research with international experts such as S&Platts and Wood Mackenzie Coke Market Report help us deepen our knowledge of the industry, the market, and the relationship with the global situation; this has become an important element for decision-making.
- 

Standardized the sales process for circular economy
- 

Increased the portfolio of products with the customer Gerdau

Management of affiliated companies

As part of the management that ensures strategic compliance with the corporate purpose of: "Contributing to human progress by generating trust and sustainability from the origin of steel", the main activities developed by the companies of the Coquecol Group in this reporting period are listed below:



Environment dimensión:

Together we keep our environment save

Millerlandy Rodríguez Roa
Environmental Manager

How is it managed?

GRI3-3

As members of the Coquecol Group, we are committed to preserving and safeguarding the environment and its resources. We strive to efficiently manage the available resources, manage adequately our aspects and impacts, and explore circular economy initiatives that allow us to close the life cycle of our waste. We recognize the importance of implementing strategic measures that ensure the long-term sustainability of our production chain, thus guaranteeing our growth and that of our stakeholders.

To achieve these objectives, we follow strategic guidelines that encompass efficient environmental management related to operational responsibility in environmental topics. This includes the creation of policies, environmental analysis, plans, programs, projects, and follow-up and verification actions. In addition, we have established guidelines in areas that contribute to the fulfillment of the circular economy and climate action strategy. Through our actions in these fields, we try to maintain a harmonious balance between our operations and the surrounding environment.

We continue to work on strategic alliances and projects that contribute to our vision of business growth and efficiency. We participated in the Regional Emissions Mechanism, we were awarded for the second consecutive year by CO²CERO thanks to our climate action management, and we have embarked on new energy efficiency initiatives based on studies that will allow us to use clean energy in our operations and greater control and efficiency in the use of energy resources. ■

Coquecol's environmental management

The premise on which Grupo Coquecol develops all its activities is focused on protecting the natural environment through the implementation of good practices; the identification of the main environmental aspects and impacts; the adoption of policies, guidelines, programs and dialogues with neighboring communities, favoring the prevention of potential events that may strain on natural resources.

Maintaining the balance between these axes has allowed the company to efficiently manage its operation based on the correct use of available resources, extending their life cycle and reusing some of these important inputs in production chains in other industries, making our circularity strategy a success story in the sector.

Similarly, Coquecol continued consolidating a closer relationship with the communities, reaffirming its socio-environmental license to operate and putting important environmental topics on the agenda of suppliers, an activity that was developed to achieve a sustainable supply ecosystem for the business value chain.

Based on its materiality analysis the company has prioritized four focuses of action on environmental issues: efficient use of resources, Climate Action, Circular Economy, and biodiversity; the execution of these facilitates the progress of its organizational strategy and the contribution to the 2030 agenda of the United Nations (ODS). In this way, we contribute to having a more sustainable planet for future generations with the activities done by each business of the Coquecol Group.

In 2023, the team continued aligning its actions to the ESG system, achieving an efficient environmental performance for mining and industrial operations. This management is based on the prevention, mitigation, and control of environmental aspects and impacts and risks associated with the operation, complying with environmental regulations and environmental policies developed within the company.

Total investment on environmental topics
1,810'426,264





Material environmental



Environmental responsibility (efficient use of resources)



Climate change



Biodiversity



Circular economy

Environmental and sustainability policies and legal requirements

Plans, programs and projects

Monitoring and follow-up (Indicators, committees and audits)

Issues

Environmental analysis
Water management
Waste management
Air management
Energy management

Climate action plan

Initiatives to value and conserve biodiversity

Circular economy strategy

Lines of action

- 1 Environmental aspects and impacts matrix
- 2 Check list of environmental requirements

- 1 Adaptation
- 2 Sustainability in the core business
- 3 Carbon fixation
- 4 Sustainability in the value chain
- 5 Compensation

- 1 Conservation and care of nature
- 2 Governance and creation of public value
- 3 Knowledge and information management

- 1 Processes effectiveness
- 2 Innovation (R&D&I)
- 3 Cooperation with stakeholders
- 4 Circularity of materials

Milestones 2023

- 1 Water concession permit for the Salamanca Plant and discharge permit for the Andalucía Plant, emissions permit for the Andalucía Plant.
- 2 Reduction in discharge points and recirculation of ARnD at the Castilla Plant.
- 3 2 environmental campaigns (Water Day and World Environment Day).
- 4 **146,056,8 Ton** of CO2e carbon reserves in the Norte de Santander properties.
- 5 More than **2,975 trees** were planted inside the operations.
- 6 **One thousand trees were planted** in strategic sites defined by the Mayor's Office of Guachetá, and received recognition from Siembra Vida Empresarial.
- 7 For the second consecutive year, the company received the **Green Seal of Truth** recognition for its actions in favor of climate action.
- 8 Execution of the study "Initiatives to value and conserve Biodiversity", in the areas of influence of the COQUECOL Group's operations - Guachetá zone, with more than **2,000 hectares analyzed.**
- 9 Savings **150 million pesos** with the energy efficiency and renewable energy project

Environmental education and sensibilization

Efficient use of resources

GRI: 3-3

The Coquecol Group is committed to the protection of the environment and conservation of natural resources, contributing in this way to the sustainable development of the country. The company integrates the efficient management of natural resources into the sustainability strategy and receives permanent guidance from senior management to develop high-value projects.

Additionally, in line with current environmental regulations, the company complies with all the requirements, established by the competent environmental authorities, for each of the mining and industrial operating units.

Water management

GRI: 303-1; 303-2; 303-4; 303-5.

Ensuring the proper care, preservation, and maintenance of the water bodies in the areas of influence is fundamental for the COQUECOL group, as this resource is one of the most important ecosystems for its operations. It is essential for some of its main activities, such as furnace shutdown and coal washing, a process that increases the quality of its products. Among the main activities in 2023 related to water management are:

- Obtaining the surface water concession permit for the Salamanca Plant; renewal and modification of the discharge permit for the Andalucía Plant.
- Water saving campaigns (World Water Day).
- Reduction and recirculation of non-domestic wastewater discharge points (nWDW).

2,975 trees

of native species planted inside and outside our facilities.

33.328

In areas important for water .

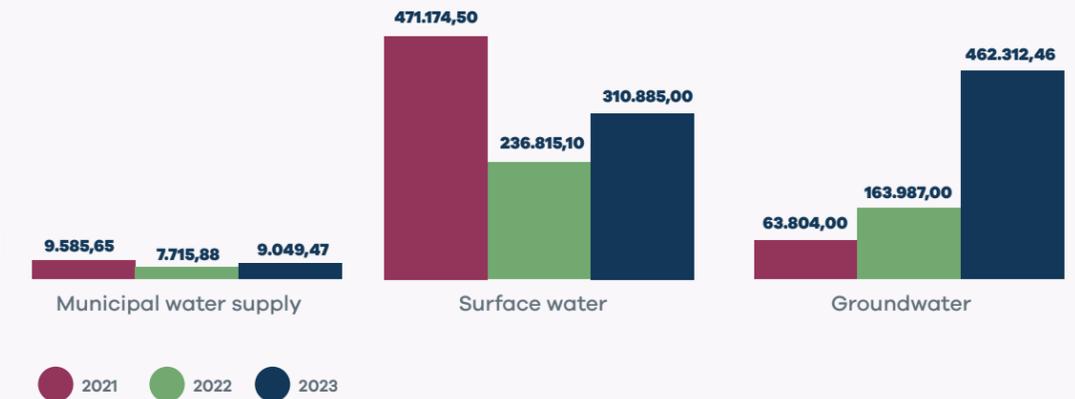
338 million pesos

Investment in topics related to the implementation and optimization of water management during this period was executed in the areas of water monitoring, treatment system optimization, recirculation, and consulting.

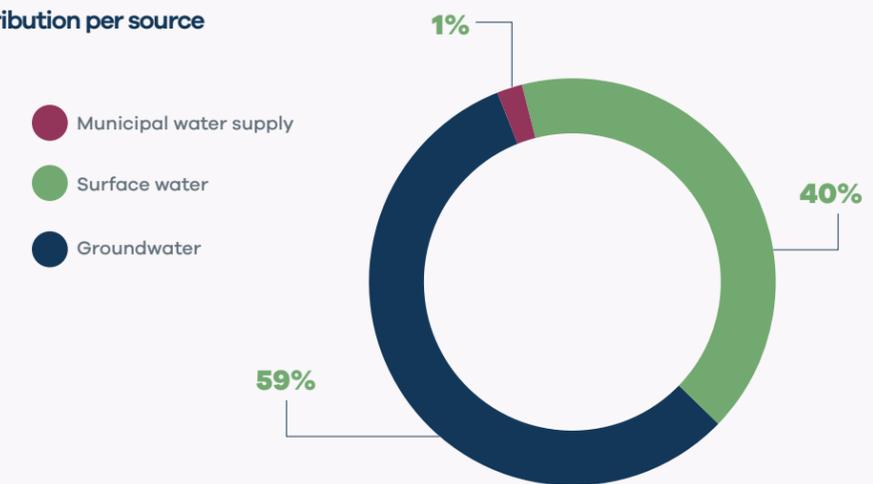
Water consumption and extraction by source.

GRI 303-3; 303-4

Consumption per source m3 per year



Distribution per source



In 2023 we achieved the recirculation of 9,343 m³ of water, which represents 3% of the water required in the group's operation. Additionally, we generated training spaces for our employees on the efficient use of water resources at all operational levels, emphasizing the good practices that the Coquecol Group adheres to in our processes.

Water discharge

GRI 303-5

For 2023, 454,213.62 m³ of domestic wastewater and non-domestic wastewater were discharged into surface sources, all of which were discharged in full compliance with the parameters defined in current environmental regulations. The increase perceived compared with the previous period is due to the fluctuation in rainfall presented in the first half of 2023.



Challenges 2024:

- Increase our percentage of adherence to the TSM protocol for water management.
- Expand water storage capacity.
- Continue reducing non-domestic wastewater discharge points (nWDW) and their recirculation.

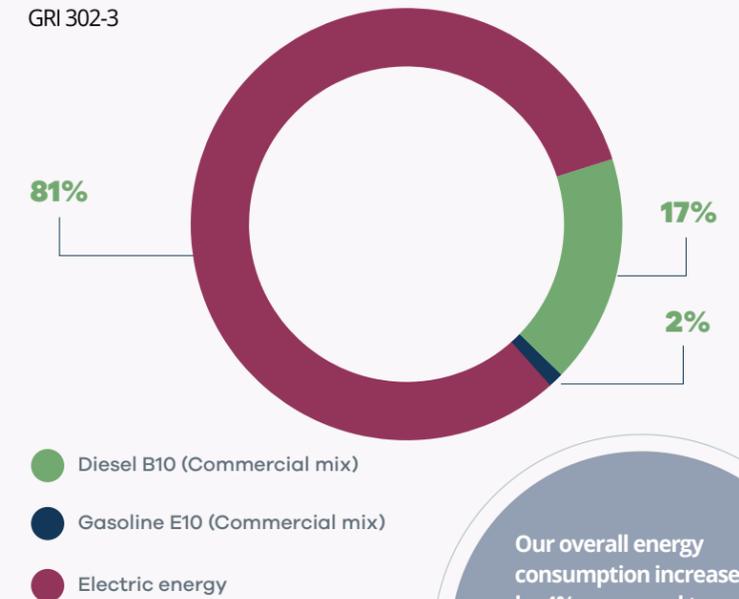
Energy management

GRI: 302-1; 302-3

In line with the global challenge of energy transition, the Coquecol Group advanced in the implementation of a strategic project of "energy efficiency and alternative energies", evaluating new sources of energy generation to have an online analysis of energy consumption for industrial processes. With this approach, we acquired a dynamic compensator that controls the reactive energy generated by the operation, compliant with current national regulations on energy issues, that generated savings of 150 million pesos in the reporting period

Energy consumption distribution

GRI 302-3



Our overall energy consumption increased by 4% compared to 2022 and remained 3% below 2021, due to the temporary cessation of operations at our units.

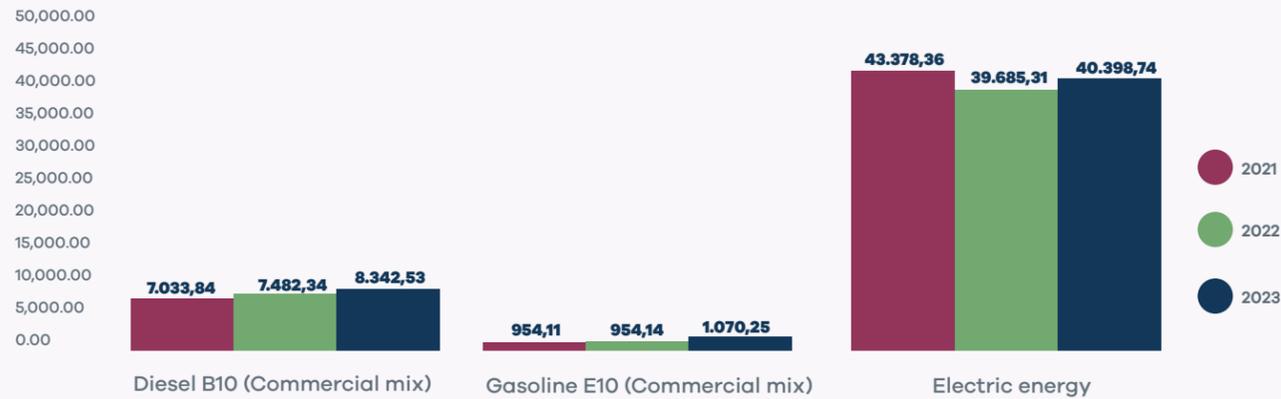
The energy consumption was distributed in the following way:

- 40,398.74 GJ** for electricity consumption in all our units with industrial operation and offices, that represents **81%** of total consumption and increased by **2%** compared to 2022.
- Consumption of ACPM contributes **17%** of the total, with a total of **8,342.53 GJ** and an increase of **11%** compared to the year 2022.
- The remaining **2%** is contributed by gasoline consumption.

Coquecol invested more than **142 million pesos** in the development of the energy efficiency project.

Coke production in 2023 was 153,667.88 tons, consuming 20.37 kWh per ton of coke produced at the Castilla Plant. In 2023, we consumed 49,811 GJ of energy, increasing our consumption by 4% compared to 2022. This increase is a consequence of a significant increase in the consumption of all energy sources.

We worked with the electricity supplier ISAGEN, to start technical support to implement the organization's energy management system. This contributes to the efficient management of these resources and work will continue in 2024.



- Advance in the control of reactive energy in all our operating facilities.
- Consolidate the energy management system in the organization.
- Start implementing new renewable energy sources in the operation.
- Implementation of online energy performance measurement equipment.
- Application of statistical models to make a much more efficient use of energy resources.

Air management

In this period 11 air quality stations were installed to measure PM10 and PM2.5, and 10 noise measurement stations, thus complying with the environmental legal requirements. These actions demonstrate the corporate commitment of Coquecol Group to the environment and the welfare of the communities near the operation.

The air quality and noise studies completed were filed with the competent environmental authorities complying with the parameters indicated in resolution 2254 of 2017, resolution 909 of 2008 for fixed sources and resolution 627 of 2006 for noise emissions. The main management milestones for this resource were:

Renewal of the emissions permit for the Andalucía Plant.

Installation of 300 linear meters of construction covers and live barriers in the coal stockpile areas and expansion of the capacity of the sprinkler systems at the Castilla Plant.

Online training for employees on good practices to reduce the suspension of particulate matter.

La inversión 2023 en el marco de 668 million pesos investment in the framework of efficient air use management in 2023



Keep installing construction covers and live barriers in our plants.

Climate action

Grupo Coquecol is firmly committed to the responsible management of natural resources, especially considering the recent World Economic Forum's Global Risks report for 2024. This report projects that, over a ten-year horizon, environmental risks are emerging as the most critical threats to the world in the long term. These risks not only represent significant potential dangers to people and the planet, but also stand out as the most damaging threats related to climate change. These include "extreme weather," "critical Earth system change," and "biodiversity loss and ecosystem collapse."

In light of these findings, the company reinforces its commitment to practices that contribute to the mitigation of these risks and the preservation of the natural environment through the annual execution of the carbon footprint for all its facilities and operations, identifying opportunities for improvement focused on reducing emissions. Within the actions framed in the climate action plan, we have considered alternatives in much more efficient and less impacting technologies in terms of greenhouse gas generation.

In line with the climate action plan built in 2022, the organization has been advancing the following initiatives focused on its compliance and recognition of Coquecol Group as a company committed to climate action:



Climate action plan



Additionally, Coquecol Group offered internal training on topics related to climate change available to all company employees and continued to develop the action plan for the TSM protocol. The company's investment in these topics was 135 million pesos.

Greenhouse gas inventory

GRI 305-1; 305-2; 305-3; 305-5

Annually, the company manages its comprehensive greenhouse gas (GHG) inventory, covering 100% of operations in scopes 1, 2, and 3. This inventory provides the company with the ability to monitor its performance related to GHG emissions, enabling it to identify measures to reduce and mitigate the impacts associated with climate change.

The baseline for carbon footprint calculation is 2021, and the data consolidation approach is based on operational control. This calculation is made through a tool developed by the consulting firm CO2CERO S.A.S., which yielded the following calculation for the reporting period:

| GHG EMISSIONS (Ton CO ₂ e) | 2023 | 2022 | 2021 |
|--|-------------------|------------------|------------------|
| [305 - 1] Direct GHG Emissions (Scope 1) | 160.858,69 | 276.380,35 | 449.931,35 |
| [305 - 2] Indirect GHG emissions (Scope 2) | 1,064,07 | 1.238,82 | 1.520,96 |
| [305 - 3] Other indirect GHG emissions (Scope 3) | 372.895,95 | 284.447,9 | 273.804,4 |
| Total GHG emissions | 534.818,71 | 562.067,1 | 725.256,5 |

By 2023, the Coquecol Group generated a total of 534,818.71 tCO₂e distributed as follows: 30% for directly operated activities and processes, 0.2% for energy consumption and 69% representing outsourced activities, being the most representative scope in this period.

It is important to highlight that for this period there were temporary closures in some operating units producing metallurgical coke, which is reflected in the scope 1 emissions with a decrease of 64% compared to the base year 2021.



Group management of our emissions

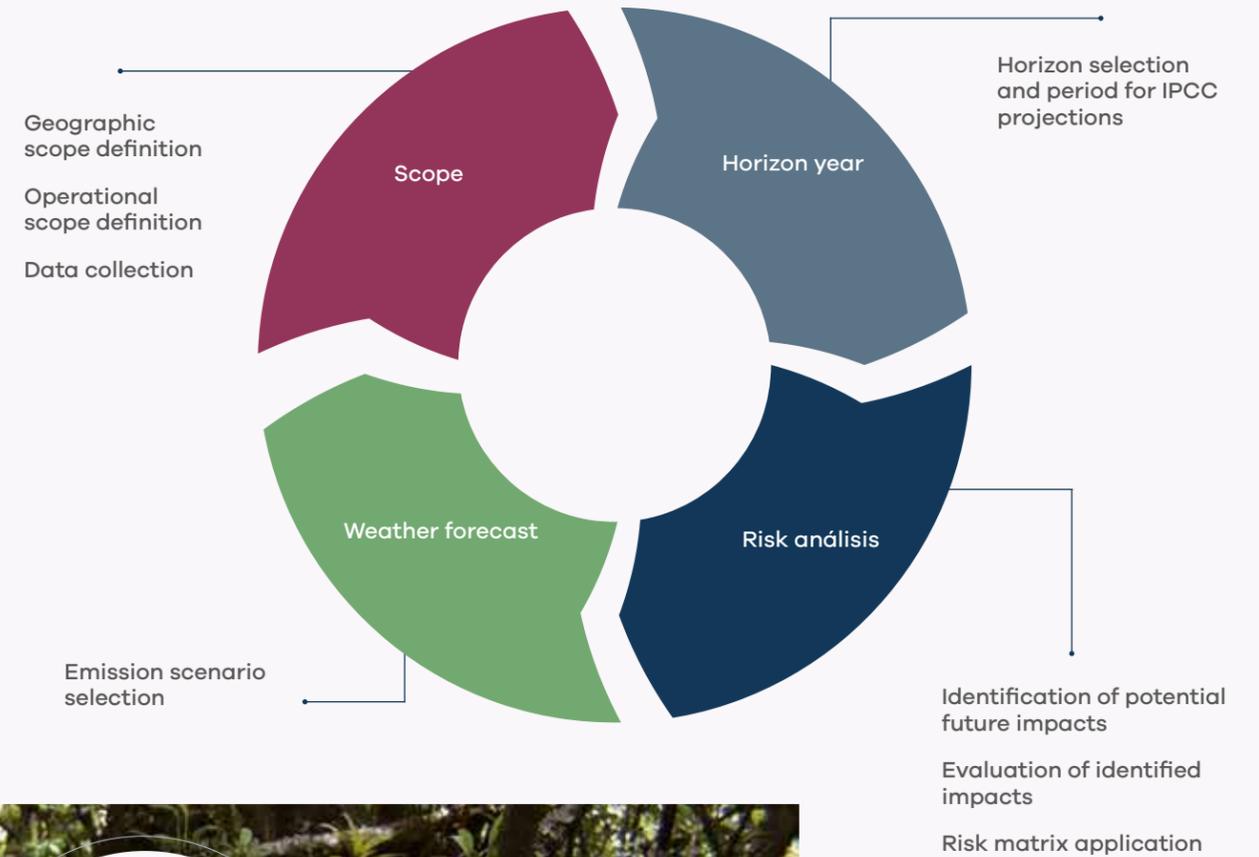
GRI 305-4

| Category | Emission source | Description | tCO ₂ e | % of share |
|--------------------------|------------------------------|---|---------------------|-----------------|
| Direct emissions | Mobile fuels sources | Liquid fuels | 284,37 | 0,05% |
| | Stationary fuel sources | Liquid fuels | 308,26 | 0,06% |
| | Process emissions | Coking process | 136.021,53 | 25,43% |
| | Waste water treatment | Domestic waste water | 45,60 | 0,01% |
| | Fugitive emissions | Underground minning | 24.198,93 | 4,52% |
| Total scope 1 | | | 160.858,69 | 30,08% |
| Indirect emissions | Electricity consumption | | 1.064,07 | 0,20% |
| | Total scope 2 | | | 1.064,07 |
| Other indirect emissions | Outsourced fuels consumption | Construction machinery liquid fuels consumption | 1.273,18 | 0,24% |
| | | Corporate flights | 116,55 | 0,02% |
| | Outsourced transportation | Corporate routes | 14.570,31 | 2,72% |
| | | Exports by sea | 236.616,25 | 44,24% |
| | | Product dispatch (internal transfers) | 2.931,73 | 0,55% |
| | | Product dispatch (plant to port) | 114.104,72 | 21,34% |
| | | Coal entries | 1.337,48 | 0,25% |
| | | Other coal entries (3rd party yards) | 1.869,07 | 0,35% |
| | | Generation of waste in operations | Generation of waste | 76,65 |
| Total scope 3 | | | 372.895,95 | 69,72% |
| Total 2023 | | | 534.818,70 | 100,00% |
| Total 2022 | | | 562.067,16 | 100,00% |

The Coquecol Group did not generate 1,285 tCO²e in 2023 with the following strategies:

Achieved a 14% reduction in energy consumption, thanks to the electricity purchased from its network operators of renewable sources. Acquired I-REC certificates validating more than 5,000,000 kWh low in greenhouse gas emissions, both for coking plants and mining operations.

Outsourced cargo transportation is one of the most important sources of greenhouse gas emissions. In line with the commitment to climate action, 49 cargo vehicles operated with natural gas for vehicles (NGV) transporting more than 1,600 tons of product; an initiative that generated a **reduction of 204.2 tCO²e** in Scope 3 for the emission source of product dispatches to shipping ports.



Climate risk management

GRI 201-2

At Coquecol, we address the management of climate change risks through a comprehensive analysis at all our sites. Since climate risks are intrinsically linked to financial risks, the purpose of this analysis is to maximize opportunities to respond to the impacts derived from this issue, which affects environmental, social and economic aspects. As a result of this process, we identified different risks or opportunities of a physical or regulatory nature, as follows:

| Risk | Opportunities |
|--|---|
| Landslides | Implementation of erosion controls and improvement of soil coverage. |
| Floods | Appropriate management of runoff water at the facilities. |
| Water resource scarcity | Management and use of resources projects in the different industrial and mining processes. |
| Energy resource scarcity | Continue with the sustainable supply project, focusing on activities related to efficient water management. |
| Difficulty in the process of supplying our raw material. | |

Challenges

- Involve our suppliers in the process of calculating the carbon footprint of their activities.
- Increase our level of adherence to Climate Action TSM protocols.
- New sources of energy generation.
- Change of coking technology.

Concerning environmental impact, risks were categorized according to environmental damage and its influence over time. In the economic area, risks were classified according to the magnitude of the impact, measured by the reduction in EBITDA (ranging from 0 to 20%), depending on the type of financial impact. These risks and opportunities are prioritized and incorporated into the risk management matrix under the designation "risks related to climate change". Within this framework, specific controls and triggers were established to enable the organization to be prepared for the prioritized risks, assigning responsibilities in various areas. Additionally, several of the company's strategic projects are focused on mitigating and controlling these risks.

Biodiversity

GRI 3-3;304-1;304-2

Within the context of its corporate strategy, the Coquecol Group has oriented sustainability as an essential component for the growth of its business. Consequently, its sustainability model shows a firm commitment to biodiversity, considering it as a fundamental element that provides an integral vision of the impacts derived from its industrial and mining operations in the territory.

In this period we did the study "Initiatives to value and conserve biodiversity in the areas of influence of the operations of Grupo Empresarial Coquecol - Guachetá Zone". This project was completed in six months with the participation of 15 professional biologists, and experts in vascular flora, mammals, birds, herps, and surface water hydrobiology. The objective was to consolidate the biodiversity baseline of the area of influence of Guachetá, covering an area of approximately 2,263.5 hectares of the municipality.

367
million pesos
were invested in
this project

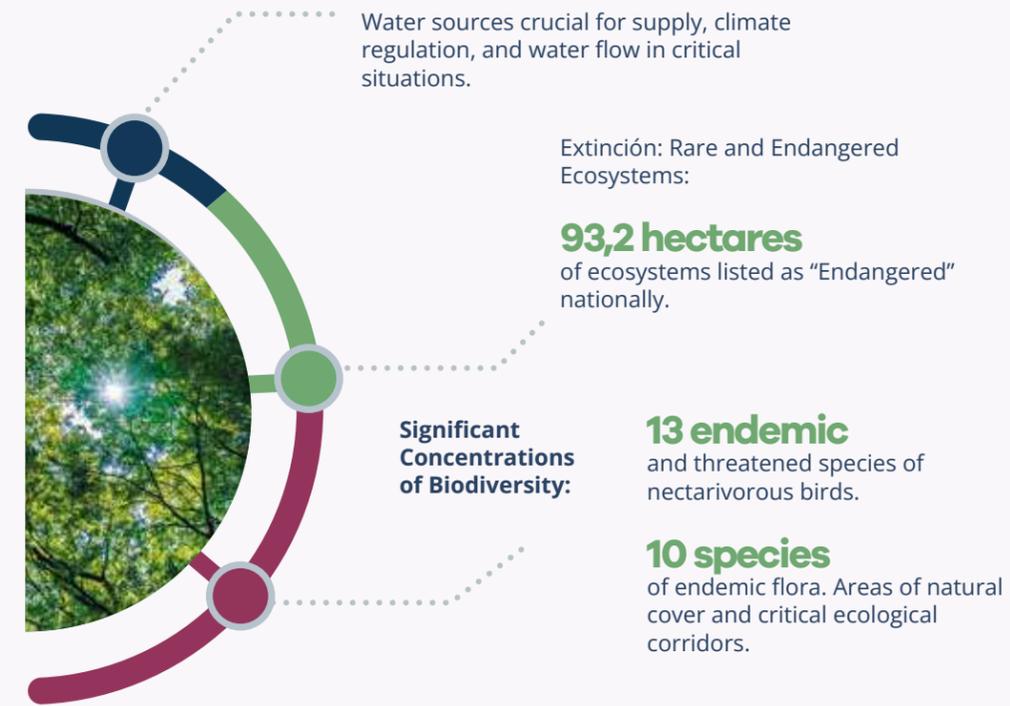


Among the main species and biodiversity of interest were the following:

| Vegetation | Mammals | Birds | Amphibians and reptiles |
|---|---|---|---|
| <p>63 species</p> <p>No records before the baseline</p> <hr/> <p>2923 individuals</p> <hr/> <p>9 endemic species</p> <p>Oak (<i>Quercus humboldtii</i>) Closed and "Vulnerable" at the national level.</p> <hr/> <p>Tíbar (<i>Escallonia discolor</i>) "Near Threatened" Globally</p> <hr/> <p>The oak forest is the main source of carbon fixation in the area.</p> | <p>18 species</p> <p>No records before the baseline</p> <hr/> <p>40 individuals</p> <p>Cusumbo (<i>Nasuella Olivacea</i>) and Tinajo, guagua (<i>Cuniculus taczanowskii</i>) "Near Threatened" Globally</p> | <p>77 species</p> <p>53 species before the baseline</p> <hr/> <p>1011 individuals</p> <hr/> <p>8 Near-endemic</p> <p>Endemic Cundiboyacense Chamicero (<i>Synallaxis subpudica</i>)</p> <hr/> <p>Globalmente Calzoncitos Cobrizo (<i>Eriocnemis cupreovertris</i>) "Near threatened" Globally</p> | <p>7 species (4 amphibians/3 reptiles)</p> <p>Species before the baseline</p> <hr/> <p>170 individuals</p> <p>Rain frog (<i>Pristimanti renjiforum</i>) "Endangered" Globally and "Vulnerable" Nationally</p> |

The ecosystem services identified in the area of influence that are essential to maintain the health and functionality of the ecosystems in the areas surrounding Coquecol's operation were:

| Types | Identified in the area of Influence |
|--|--|
| <p>Provisioning</p> <p>Direct benefits in terms of tangible resources, such as food, water, timber, fiber, and other natural products.</p> | <p>Wild plants and their products.</p> <p>Wild animals and their products.</p> <p>Masses stabilization and control of erosion rates.</p> |
| <p>Regulation and maintenance</p> <p>Benefits of regulating natural processes and maintaining balances that are crucial for the functioning of the area.</p> | <p>Flood protection</p> <p>Maintenance of populations and habitats</p> <p>Micro and regional climate regulation</p> |
| <p>Cultural</p> <p>Benefits of regulating natural processes and maintaining balances that are crucial for the functioning of the area.</p> | <p>Pest and disease control</p> <p>Spiritual symbols and symbolic interactions</p> |



The findings identified in this initiative, the national standards and policies for the integrated management of biodiversity and the sustainable mining protocol for the same purpose, will be the theoretical foundation of the action plan to be developed for the following years under three specific lines of action:

- 1 Main line of action 1:** Biodiversity, conservation, and care of nature.
- 2 Main line of action 1:** Biodiversity, conservation, and care of nature.
- 3 Main line of action 3:** Biodiversity, knowledge, and information management.

Identification and Prioritization of High Conservation Values

High conservation values represent unique and critical elements of the area of influence, including biodiversity, natural resources, and ecosystem services. Their conservation contributes directly to strengthening the sustainability of business operations and reinforces the company's social and environmental responsibility.



- Achieve greater adherence to the TSM Biodiversity protocol.
- Initiate biodiversity conservation and care measures in the area under study.
- Consolidate strategic alliances that contribute to the conservation measures mapped in the plan.
- Generate spaces for knowledge transfer and understanding of this type of project in the sector.

Waste management

GRI: 306 -3

At Grupo Coquecol, solid waste management focuses on reducing negative impacts on both human health and the ecosystem. With its management, the company seeks to mitigate its impact on natural resources and optimize the reuse of waste through its classification and proper disposal.

In 2023, we generated 59,645.50 tons of waste in the operating units. As part of the efficient environmental management implemented, 62% of this waste was reused, equivalent to 36,974.95 tons. Of this total, 2.64 kg were hazardous waste that we were able to reuse.

| Disposal method | Hazardous waste (tons) | Non hazardous waste (tons) |
|----------------------------|------------------------|----------------------------|
| Internal or external reuse | 2,64 | 36.972,31 |
| MDA | 0,00 | 22.632,39 |
| Composting | 0,00 | 0,00 |
| Energy recovery | 0,00 | 0,00 |
| Controlled incineration | 2,30 | 0,00 |
| Security cell | 2,17 | 0,00 |
| landfill | 0,00 | 33,69 |
| Total | 7,12 | 59.638,38 |

Disposal of generated waste

GRI 306-4; 306-5

Within the framework of this management, the amount of waste that is not sent for disposal increased by 62%. In this way, the useful life of the waste was prolonged and an overdemand on landfills and natural resources was avoided. It should be noted that the waste generated and classified as hazardous is disposed of by competent entities that guarantee compliance with regulations.



As part of the process of strengthening the circular culture, training opportunities were created for employees at all levels on the proper management of waste, the handling of RESPEL, and regulatory compliance in this area. The organization invested 109 million pesos to manage this topic.

| | 2023 | 2022 | 2021 |
|---------------------------|--------|--------|---------|
| Intended for disposal | 22.670 | 55.250 | 42.449 |
| Not intended for disposal | 36.974 | 46.736 | 112.219 |

Circular economy strategy

GRI3-3

The circular economy emerges as an integral factor that favors the achievement of objectives related to the energy transition, zero net carbon emissions, the reduction of the water footprint, the efficient closing of the materials and waste cycle, as well as the sustainable management of natural capital. The Coquecol group recognizes the relevance of the circular economy as an essential component in the sustainability strategy, and based on this premise has built a management model to efficiently manage the materials generated and the resources used in its industrial processes.

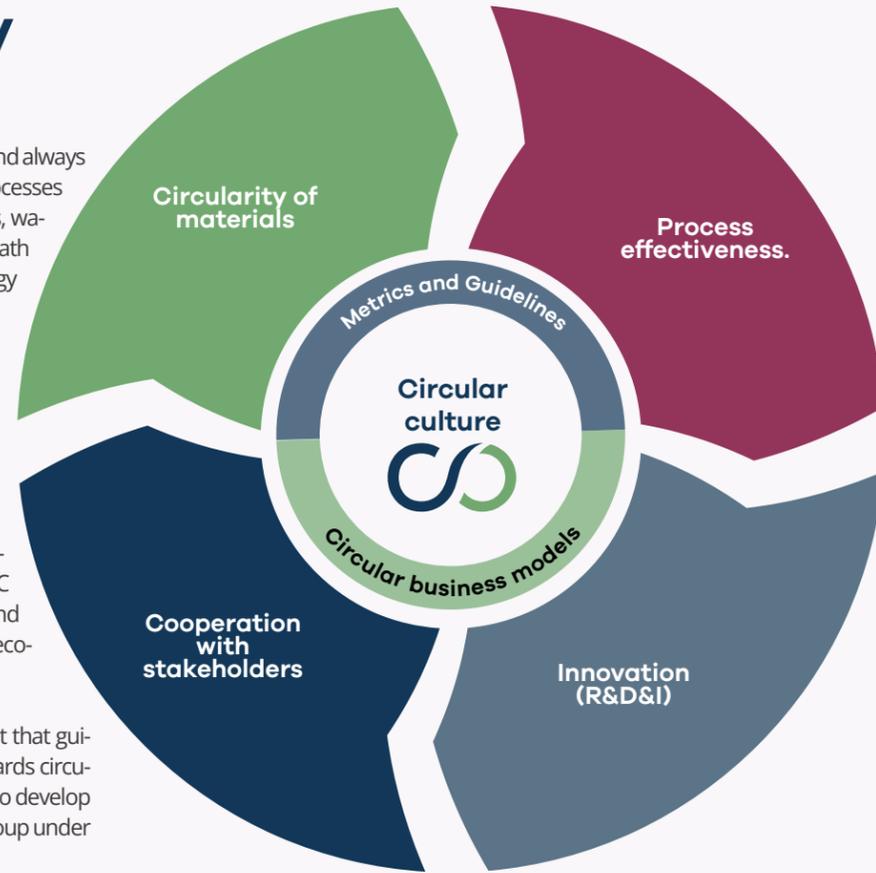


Definition of Circular Economy Strategy

Under the leadership of senior management and always seeking the implementation of operational processes that promote efficiency in the use of materials, water and energy, the company structured the path for the creation of its circular economy strategy by 2023.

To achieve this objective, we evaluated the corporate maturity level and stakeholder expectations. An exhaustive analysis of best practices in the market was conducted, supported by interviews with prominent leaders, research from nationally and internationally recognized entities (Ellen MacArthur, ECLAC, UN, Government of Colombia, among others), and the GTC 314 standard, which provides a framework and guidelines for the implementation of circular economy principles in organizations.

This information was the essential component that guided the organization in defining the path towards circularity and allowed it, based on these analyses, to develop a circular economy model for the Coquecol Group under the following premises:



Lines of action

| | | | | |
|-----------|--|---|---|--|
| 2024-2030 | Materials Circularity Maximize the use of materials and resources used in operations, such as water, energy and waste, recycling them as much as possible internally and/or externally, thus extending their life cycle. | Process Effectiveness Effectiveness, defined as the sum of efficiency + efficacy, refers to reducing resources, materials, and supplies used in the processes and enhancing the recirculation of output streams generated, seeking "not to waste anything". | Innovation (R+D+i) Innovate, research, and develop, seeking to appropriate and adapt knowledge, generating advanced solutions that accelerate, make viable, and implement economically, socially, and environmentally profitable initiatives within the Coquecol Group. | Cooperation with Stakeholders Promote cooperation and integration with internal and external stakeholders, allowing the development of an integral ecosystem based on the applicability of circular economy, fostering industrial symbiosis and resilient communities. |
| | Metrics Design, socialization, and implementation of metrics (indicators) related to measuring the level of progress of circular economy maturity in Grupo Coquecol and the level of circularity (water, energy, materials, etc.). | Guidelines Definition, implementation and monitoring of processes related to supply, procurement, industrial, mining, logistics, maintenance and trade. | Circular business models Identify, socialize and implement circular business models within each process generating new revenues for the company. Some models we can consider implementing are: waste valuation, life extension models, products as services model, platform models. | Circular culture Implement circular culture strategies that promote the adoption of circularity as a priority and the identification of opportunities. |

With this strategy, Coquecol Group stands out as an organization where nothing is wasted, and that works effectively, cooperatively, and innovatively to contribute to the care of life and human progress. This purpose drives its actions, making it an active agent of change towards a more sustainable future and setting the path for the circular economy to become an intrinsic part of Coquecol's DNA.

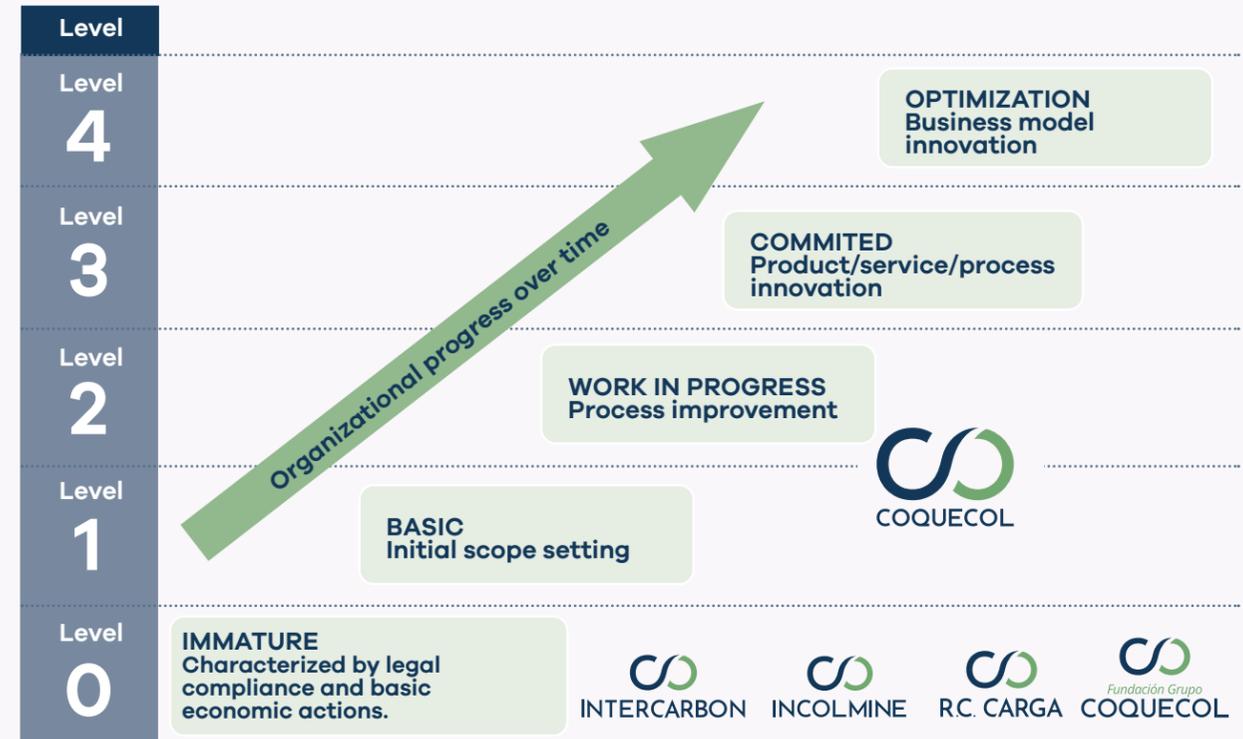
Circularity maturity level

The GTC314 methodological guide defines the fundamental principles for self-assessment of the circular economy, where key aspects such as systemic thinking, innovation, responsible management, collaboration, value optimization and transparency are valued. Based on this guide, the company

evaluated for the first time its maturity level through qualitative and quantitative metrics that allowed it to build its baseline and outline the main actions that will be part of the roadmap that the organization set for 2030. This measurement was based on four information-gathering tools as follows:



This process facilitated the short-, medium- and long-term vision of Coquecol Group, but also exhibited the strengths and opportunities for improvement of the organization in the implementation of circular practices, which are presented in the following evolution matrix:



Additionally, **with the implementation of circular economy practices, we have achieved in recent years the significant use of co-products derived from the coking process, reaching the reuse of more than 122,546 tons by 2023.** This practice not only contributes to waste reduction, but also reflects the company's active commitment to sustainable development, through industrial symbiosis practices with key cement companies in the Colombian market, which integrate Coquecol's co-products into their industrial process. In 2023, three (3) strategic allies were consolidated for the final use, achieving stability in deliveries and ensuring the compe-

titiveness and sustainability of circular business models in the long term for the company.

Leveraging the search for alternatives in a circular economy, the company collaborated with the Universidad Pedagógica y Tecnológica (UPTC) to apply research processes in the Coquecol Group's co-products. During these processes, considerable potential was identified in the use of these materials, proposing their application in energy recovery within thermal production processes. In 2024, we plan to socialize the results of this research and to maintain collaboration with other institutions of higher education, unions, and research institutions.

Internal audit report

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.

For completed this work I applied tests to evaluate the degree of compliance with the legal and regulatory provisions determined by the entity's management, as well as the functioning of the internal control process, for which the management is also responsible.

For this evaluation, legal and regulatory compliance was verified where the following criteria were reviewed:

- Legal norms that affect the entity's activity;
- Statutes of the entity;
- Minutes of the General Meeting and Board of Directors.
- Other relevant documentation such as duly formalized committee minutes.

For the internal control evaluation of, I used the COSO model, this model is not mandatory for the company, but it is an internationally accepted reference to configure an adequate internal control process.

The internal control of an entity is a process done by people responsible for corporate governance , management and other personnel, appointed to provide reasonable assurance regarding the preparation of reliable financial information, compliance with legal and internal regulations and the achievement of a high level of effectiveness and efficiency in operations.

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

In my opinion, the entity has complied with all the important aspects of applicable laws, regulations and by-laws of the Board of Directors and Shareholders Meeting.

In my opinion, society's internal control is adequate in all the important aspects.



Ciro Rojando Herrera Castañeda
Audit chief

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

14 de marzo de 2024.

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Use declaration

This report was benchmarked against the Global Reporting Initiative Standards and the first review of the coal sector standard was carried out.

GRI 1

Foundation 2021

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We are
COQUECOL