

The background of the cover is a photograph of a lush forest with a stream flowing through it. The image is overlaid with large, diagonal, semi-transparent geometric shapes in shades of blue, green, and yellow. The text is positioned on the left side, partially overlapping the green and blue shapes.

MANAGEMENT AND SUSTAINABILITY REPORT 2022

Grupo
COQUECOL

MANAGEMENT AND
SUSTAINABILITY
REPORT
2022



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STATEMENT FROM THE PRESIDENT OF BOARD OF DIRECTORS

GRI: (2-22)

As President of the Board of Directors and on behalf of the entire team that makes up the Coquecol Group, we are pleased to present the results obtained on 2022, which continue to reflect the organization's commitment to the fulfillment of our purpose: *"To contribute to human progress by generating trust and sustainability from the origin of steel"*.

Coquecol group works every day in conformity with the axes that mobilize our corporate strategy, **Sustainability, Our People, Innovation, and Digital Transformation**, making them leverages for the generation of value for all our stakeholders and differentiating elements that contribute, through the implementation of good practices, to the positioning of the sector as a generator of economic growth and social development in the areas of influence of our business.

Throughout this report, you will find the relevant progress we made in 2022 in terms of sustainability and the actions that reflect our commitment to sustainable development and the United Nations Global Compact. We also highlight the creation and strengthening of our ESG system, which incorporates environmental, social, economic, and government criteria, as a key element for making business development decisions and for monitoring and following up the indicators that evaluate corporate performance in this area.

We stay committed to the well-being, development, and safety of our collaborators and their families, their commitment to the goals we have set as a team has made our organization a recognized company in the sector that has achieved important milestones for the country and the industry.

Focused on progress and innovation, we thoroughly implemented different innovation and digital transformation projects that have led us to be more efficient, flexible, and competitive, connecting our activities with different processes and inviting us to explore innovative solutions and technological changes to improve the results of our company.

Motivated to continue contributing to our country and the industry, we will remain committed to promoting sustainable change that will make us more competitive and allow us to meet our customers' expectations. We will continue to operate as responsible corporate citizens with the society and the environment, and we will continue to contribute to sustainable development and manage high-impact projects that benefit our customers, suppliers and communities.

OMAR GONZALEZ PARDO
President of Board of Directors



STATEMENT FROM THE CEO

GRI: (2-22)

(2-22) In 2022 we continue to consolidate our management to fulfill the purpose we defined as a team “To contribute to human progress by generating trust and sustainability from the origin of steel”.

We work use innovation and digital transformation to meet the expectations of our customers, we apply the best sustainability practices and we consolidate as an employer that contributes to the reputation of the industry by generating shared value for all its stakeholders.

As a company, we have established priority commitments with our stakeholders to achieve mutually beneficial work that allows us to strengthen sustainability through the construction of a new business model that contributes to the balance between economic growth, the environment, and social welfare. Under this premise, the milestones that marked our management in 2022 are:

Sustainability evolution from strategy to action in the processes.

*Our consolidation has become a reality thanks to the values of our organization that have framed the integrated, transparent, trusting, and long-term relationships that are the base of our interrelationship model, **positioning us among the 10 companies in the sector with the best reputation** and in third place preferred by employees, according to the study conducted for this period by Brújula Minera.*

In compliance with the Toward Sustainable Mining (TSM) sustainable mining protocols, Coquecol completed the first diagnosis of the implementation of these practices in the organization's processes related to Child Labor, Safety and Health, Mine Closure, Crisis and Communications, Community Relations, Water, Biodiversity and Climate Change; this evaluation helped us build our sustainability model on an ESG management system, which monitors the way we manage processes using indicators that evaluate organizational performance and value generation for stakeholders.

Our commitment to a responsible supply chain

Working with our logistics, raw materials, and other suppliers, providing them with technical and corporate tools to contribute to their growth is essential to build trusting and long-term relationships that allow Coquecol to fulfill the high-quality standards of its commercial commitments. This is how we established valuable alliances with our strategic suppliers to meet the expectations of our customers.

Likewise, focused on creating a sustainable supply ecosystem, we offered training and technical support for quality and sustainability processes, bringing in 55 strategic suppliers that completed evaluation and sensibilization.

In our attempt to highlight the best sustainable mining practices with our suppliers, in 2022 we held the first version of the “Suppliers with sustainable actions for mining done right” award, where more than 100 companies participated and 15 were awarded in the categories of labor, social, environmental, responsible supply chain and governance practices.

Customers are our priority

Our company’s strength comes from high standards of quality and sustainability as key factors for the development of our business; strengthening the relationship with our clients through actions such as field visits to the operation (Gerdau, Erdemir, CSN, Autlán, and Trafigura), follow-up and accompaniment for the commercial relationship and constant communication. We also reinforced our participation in important national events such as the ACM National Mining Congress and Fenalcarbón’s MetCoke, and international events such as the MetCoke Summit in Pittsburgh, Eurocoke Summit, and PDAC, where the trends of the mining sector worldwide are shared with an emphasis on sustainable mining and technification and new relationships with companies are cultivated.



Our commitment to the environment

From the environmental perspective, we confirm our corporate and regulatory commitment by mitigating the aspects and impacts identified in the operation that derived in the process of measuring the carbon footprint in 100% of our industrial, mining, and administrative processes (Scope 1, 2 and 3). In alignment with the measurement, we completed its verification by ICONTEC. Based on this information, we identified action plans that will enable us to reduce our emissions.

We have strengthened the circular economy strategy, transforming more than 120 thousand tons of industrial operation waste into by-products, which today are an important element in the value chain of other industries. We proposed the route to define our biodiversity strategy and participated in different initiatives in our areas of influence that seek to protect the environment, such as the emissions reduction mechanism, the Green Agreement “Cielos Azules Montañas Verdes” of Corpoboyaca and the Carbon Neutrality Program (second year) of the Ministry of the Environment.

Our environmental management with the communities focused on supporting reforestation and environmental protection processes in the areas of influence; we planted 34,441 trees with the help of the Community Action Boards and trained 827 children as environmental leaders who replicate their knowledge within the educational institutions and communities.



34.441

trees in collaboration with the Community Action Boards.

827

children
trained
as environmental leaders

We continue to advance our **social commitment to communities** and local government entities.

After conducting dialogues with the communities in our areas of influence, we adapted our strategic social plan, integrating their expectations into the lines of action and programs of our Foundation. This year, through different alliances with other entities, we have trained 81 women and 88 young people in entrepreneurship; we delivered, in alliance with the EAN University, 500 virtual education licenses in programming, languages, and entrepreneurship to young people interested in new opportunities for the development of technical skills.

We also developed, together with educational institutions, training programs in communication, social media, and culture for more than 515 students, and we provided 70 university scholarships and financial support for their maintenance.

Additionally, together with local governments, we have opened scenarios to support entrepreneurship, leading more than 21 local fairs, to increase the sales of small entrepreneurs in the municipalities and leverage the socioeconomic reactivation of our areas of influence.

Similarly, we opened six sports schools in the municipalities, benefiting more than 263 children, and focused on the well-being of local communities; health brigades were done with different specialists, benefiting more than 494 people.

Through institutional articulation exercises with local entities and communities, we have benefited more than 12,272 people by developing activities and delivering donations in the areas of influence.

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

Strengthened our corporate benefits and welfare program by formalizing the policy of educational allowances for graduate studies and expanding the well-being plan with two new benefits: educational allowances for the best students among children of employees, and the delivery of tablets in recognition of the completion of higher education.

In occupational health and safety, we reduced the company's accident rate by 10% thanks to training and support that raised awareness of the importance of safety and the use of personal protection equipment in operations.

As part of the implementation of process automation in the company, we implemented a platform to control and systematize the payroll and OSH process, achieving greater efficiency in the management of our processes.

Innovation as a **key element for business transformation**

During this period we implemented different modules that reduce response times, improve processes, save costs, and increase Coquecol's recognition as a competitive and efficient company; some of these modules are:

Implementation of Business Intelligence, technological tools for efficiency of the operating model, Occupational Health and Safety module, and the completion of the research phase and definition of prototypes to be developed in the online inventory project.

Development of more than 15 strategic projects that different areas of the company prioritized and managed and that pursue the consolidation of Coquecol as a leading company in innovation and digital transformation serving the business, like: Coking processes update, online inventory, Green Coal, supply strategy, climate action, use of waste from the production process, suppliers and customers portal.

Transparency and **Business Ethics Program**

As part of the operation of the Transparency and Business Ethics Program, in 2022 we established the Ethics Committee, whose objective is to promote a culture of ethics, transparency, and integrity within Coquecol Group and manage all reports generated by our stakeholders on ethics.

We exported the largest shipment of coal and coke in Colombia's history.

As part of the 2022 milestones, Colombia reached a new milestone in the supply of essential minerals to the international market.

From Puerto Brisa, in Guajira, the Coquecol Group shipped 96,251 tons of 100% Colombian metallurgical coal and coke, on the vessel Santa Sophia, with Brazil as the final destination.

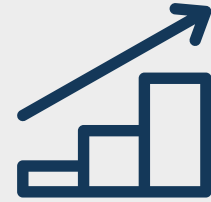
It was an achievement for the country and we at the Coquecol Group are proud to have made it possible thanks to the synergy we achieved with our customers, suppliers, collaborators, logistics operators, transporters, and authorities. This shipment is a clear example of what we can do to benefit Colombia when we coordinate our actions and think about the common good.

Ricardo Blanco Manchola
CEO



KEY FIGURES

MILESTONES 2022



Market share

- Colombia reached a new milestone in the supply of metallurgical coke for the global steel industry.

Exported **96.251 ton**

of coal and metallurgical coke, setting an important record for the logistics and maritime transportation sector in Colombia.



Responsible Sourcing

8

strategic coal suppliers were trained in quality control and good operational practices.

55

coal suppliers started the training process on responsible supply chain plans.

100 companies participated in the first version of the Sustainable Actions for Mining Done Right award



Corporate Relations and Communication

- Consolidated our relationship with **government entities, unions, environmental authorities, and academia.**
- Strengthened our relationship with our clients Gerdau, Erdemir, CSN, Autlan and Ucinimas.
- +35 publications** in **nationally recognized media** positioning Coquecol as a company that applies the best sustainability practices.

Total Revenue:
\$1.071
billion COP

EBITDA (17%):
\$162
billion COP

Net Income (7,9%):
\$85
billion COP



Financial Highlights

Efficient Environmental Management



• **127.710**
tons of byproducts
sold as part of the waste
utilization project.



• Recognized for participating in the **Colombian Carbon Neutral Strategy of the Ministry of Environment**

• **Measured the carbon footprint** for 100% of our industrial and mining operations, verified and certified by ICONTEC.

Sello Verde de Verdad recognition granted by the company CO₂ to organizations committed to actions to reduce climate change.



• **+900 million Colombian pesos** invested as part of CorpoBoyaca's program Cielos Azules Montañas Verdes (Blue Skies - Green Mountains)

We measured energy quality, analyzed compensation, and implementation of clean energy in the operation.

SOCIAL IMPACT



169
people impacted



21
fairs

Entrepreneurship
support

778
people impacted



500
virtual education licenses



Social
development

70
scholarships



34.441
trees



827
people impacted

Environmental
development

12.566
people impacted.



Other
activities

4
sessions

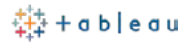


Strategic Risk Management



- **+180 employees trained**, strengthening our Comprehensive Risk Management System (Managers, Chiefs, and process leaders) regarding the Risk Policy, Manual, and Matrix.
- Audited **17 company processes** in alignment with the plan

Innovation and Digital Transformation



Connecta Document management
Digitalization of payroll processes

• Expanded the product portfolio

for our clients and implemented different tools for the digitalization of industrial and logistics processes.

Our people



- **Reduced by 10% the accident rate** in Coquecol's operation.
- **100% compliance** with the **health and safety training matrix** and 92% coverage
- **Broadened the wellness plan** with two new benefits: **Educational allowances** for the best students (employees' children) and **tablets for students** completing their higher education.

Sustainability



- **Consolidated our ESG system** in alignment with the policy and model of sustainability.
- **+302 employees** trained online in sustainability through the Univirtual Coquecol platform.
- **Trained** our team with the best global practices.
- **Completed the first risk assessment**, launched the Human Rights Committee, and implemented the channel for queries, requests, and complaints on our website.



ABOUT THIS REPORT

GRI: 2-2; 2-3



The Coquecol Group presents to our stakeholders the third management and sustainability report for the period between January 1 and December 31, 2022, 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.

More information about this report:

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WE ARE THE COQUECOL GROUP

GRI: 2-1; 2-2

We are leaders in the metallurgical coal market in Colombia, adding value to our processes and products with the highest quality standards, and meeting the expectations of our customers. Our management has supported the steady growth of the last 5 years, strengthening our financial structure and diversifying our product portfolio.

“

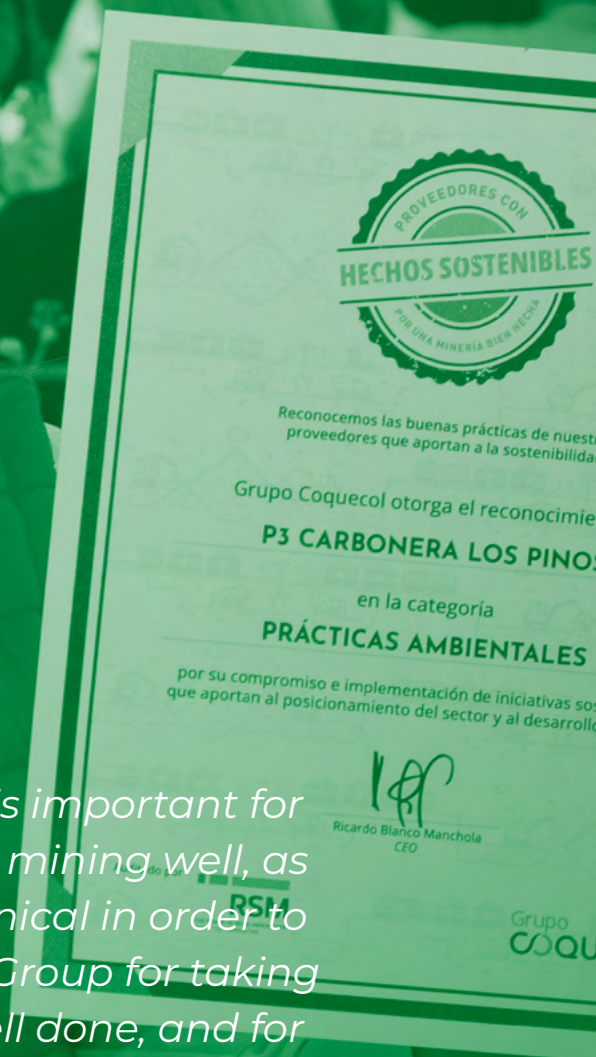
We received this award with great joy. It is important for us to be environmentally conscious to do mining well, as well as to aim to be more and more technical in order to evolve. We are very grateful to Coquecol Group for taking us into account, for defending mining well done, and for being a role model for us.

”

Benedicta Velásquez

P3 Carbonera los Pinos

Winner of Environmental practices award



Who we are

GRI: 2-1; 2-6;

Coquecol Group is integrated by four Colombian companies that operate with the highest quality standards in the chain of extraction, production, logistics, and commercialization of coal and metallurgical coke. During 2022 we achieved the objectives proposed in the framework of the group's strategy for each of the companies that make up the group, guaranteeing the satisfaction of our customers through a comprehensive customer service model.



Location

The business units are strategically located in the areas of metallurgical coal reserves in Colombia.

Ports

Brisa Port
Barranquilla Port
– Riverport
– Sociedad Portuaria
– Palermo

Atlantic coast

Puerto Buenaventura

Costa Pacífica

NORTE DE SANTANDER

Alcala plant
Presidente mine

Cucuta

CUNDINAMARCA

COQUECOL
RC CARGA

DG Bogotá

Castilla Plant
La Mana mine
Laberinto mine
El Manzano mine
Guacheta

Guachetá

RC Carga
Ubaté

BOYACÁ

Salamanca plant

Samaca

Andalucía plant
Compostela plant

Paz del Río / Socha

Altiplano mine

Manto 3 mine

Manto 6 mine

Manto 9 mine

Zona Altiplano /Ráquira

RC Carga

Duitama



Markets served

GRI: 2-6

Our clients and strategic alliances

Coquecol is positioned as a multiclient company, with more than 12 international clients such as Gerdau, CSN, British Steel, Erdemir, Autlan, Trafigura, Hargreaves, Noble, and Glenclore among others.



Strengthen relationships with our customers

- Worked to maintain a close and constant relationship with our customers and traders, achieving outstanding results in sales and in the positioning of the Group.
- Strengthened the market and client analysis and research process with important partners such as Wood Mackenzie and S&P Global Platts.
- Developed long-term contracts that allowed us to secure sales for the company.
- Participated in international events and brand exposure.



“

*Our leadership has led us to find and establish valuable partnerships to **manage circular economy and industrial waste management.***

Our connections with organizations from multiple sectors are established to develop industrial symbiosis to close the flow of mixed materials from the washing plant, generated in our coal-washing processes, which will allow the production of cement to build houses, buildings, and bridges.

”

Our purpose:

“To contribute to
human progress
by generating
trust and
sustainability
from the origin of steel”

In the COQUECOL Group we act within the framework of our purpose: “To contribute to human progress by generating trust and sustainability from the origin of steel” and corporate values and that is why in 2022 we adopted the annual strategic plan that prioritizes a sustainable performance of our operations by balancing profitability, social development and mitigation of environmental impact; this way we meet the needs and expectations of our stakeholders, under the applicable requirements in aspects such as quality, environmental protection, safety and health at work, social management and the development of good corporate practices.

The values framework is approved by the Board of Directors after validating them. Subsequently, the human resources and communications team is responsible for the diffusion and training process at all levels of the Group.



Corporate Values



Integrity

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

Responsibility

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



Innovation

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

Trust

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



Our Strategic Thinking

During 2022 the fulfillment of our purpose and the development of the strategy with a long-term vision focused on the following strategic axes that boost opportunities and position us as a competitive company in our sector:

Innovation and Transformation

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

Sustainability

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

Our People

To have high-performance human talent, who are happy, and proud of working in our company in safe and healthy conditions.

Value generation

Sustainability:

become a company responsible with the environment, and communities, that generates value.

Corporate Governance:

implement a structured and disciplined approach in our governing bodies.

Product Quality:

Focus on meeting the expectations of customers and stakeholders in general.

Circular economy:

implement a more efficient production model endeavoring the reuse of materials for other industries.

Responsible sourcing strategy:

implement sustainability as a differentiating and value-generating element in our relationship with our stakeholders.

Innovation and digital transformation strategy

implement innovation and digital transformation initiatives to improve business performance.

Position ourselves

in the international coal and metallurgical coke market.

Our People:

have high-performance collaborators, happy and proud to work in our company.

Corporate governance, ethics and transparency

GRI: 2-9; 2-11; 2-12

We have a corporate governance model that applies the best control and monitoring practices. This is how our board directors is made up:



Omar González Pardo

Board of Directors President

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



Frank Joseph Pearl

- High Commissioner for Peace
- Environment, sustainability and development secretary Government 2011
- Government representative on the Peace treatment



Otto Giraldo Salazar

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



Federico Ochoa Barrera

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



Iván Trujillo Pantoja

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

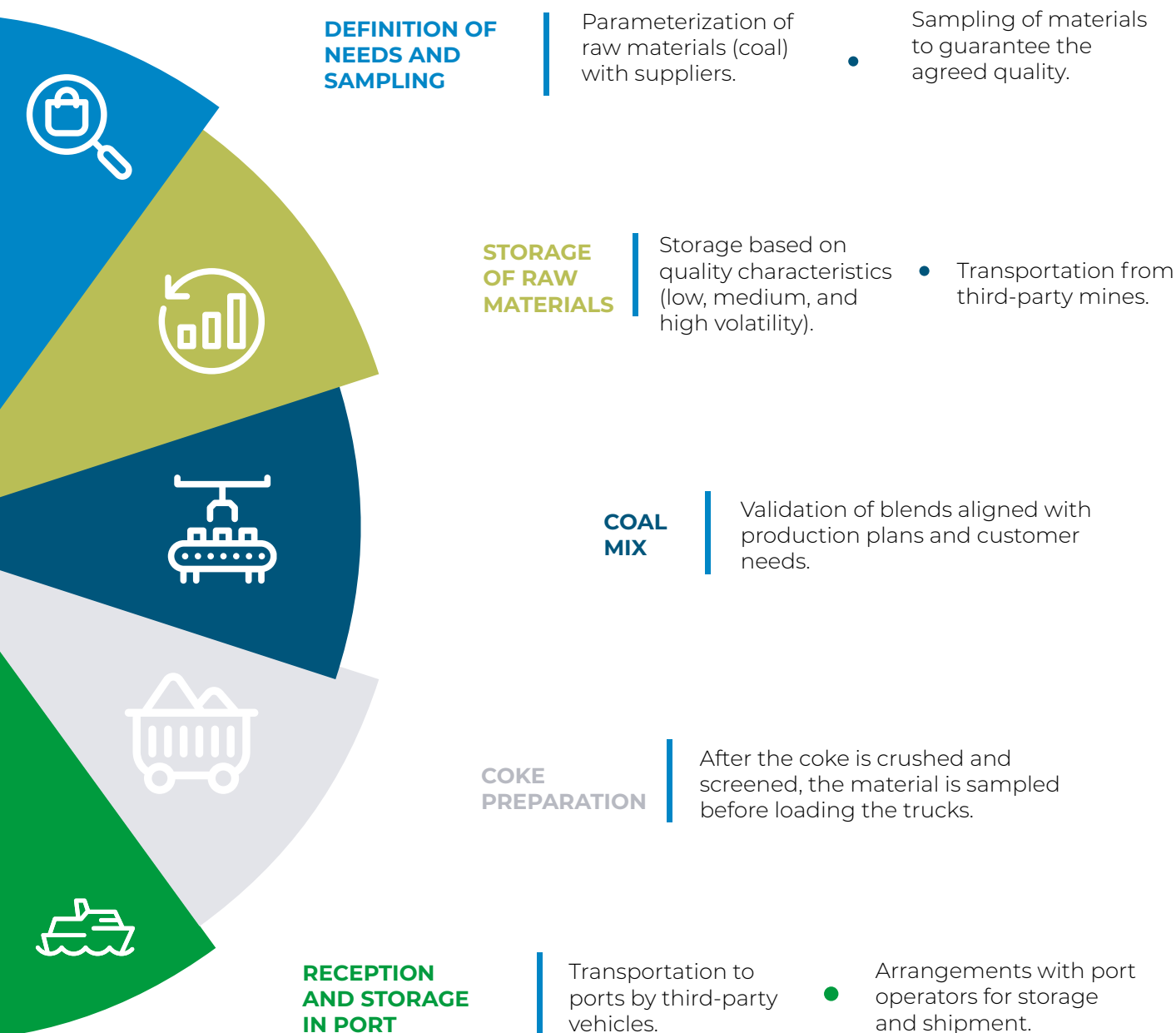
The role of our Board of Directors has been fundamental for the fulfillment of our purpose and the achievement of our organizational objectives. With their sustainable vision, they have contributed with supervision and with the approval of the strategic plan-

ning, with their participation, and control of the results of the environmental, social, and governance management, with their cooperation with the management team and the execution of the monthly strategic committee where sustainability issues are discussed.

Our supply chain

We have worked with our suppliers of goods, logistics, and raw materials, providing them with technical and corporate tools to contribute to their growth; this is essential to achieve trusting and long-term

relationships that allow Coquecol to meet its commercial commitments with high standards of quality and sustainability. Our supply chain is composed of five fundamental axes as follows:



Affiliation to associations

GRI: 2-28

As part of our commitment to the social and economic development of the country and the sector, we have joined different trade, environmental, and other associations, to reach common goals and achieve results, that can be achieved more easily when joining forces with other entities or companies. With this collective thinking, the general goals established have become more important, given the political situation that the country is going through. Accordingly, COQUECOL is a member of the following associations or guilds.



➤ **FENALCARBÓN:** a trade organization that congregates companies that produce and trade coal and coke, and related industries in Colombia and promotes the competitive and sustainable development of the industry. We participated in the MetCoke World Summit 2022 led by Fenalcarbón.

In 2022
we participated in the
MetCoke World Summit 2022
made by FENALCARBÓN





» Colombian Mining Association:

Represents explorers, producers, and providers of goods and services related to the mining sector in the country, dedicated to the generation of responsible and sustainable mining.

As part of this association, we aspire to contribute to the good positioning of the coking industry.

We participated in the National Mining Congress, specifically in the Sustainability Committee to define the commitments of the sector that were presented during the congress.



» **ASOCARBONOR:** trade association that represents coal producers and traders in the department of Norte de Santander, that 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 the region. Being a member of this association, the company strengthens its commitment to mining safety, corporate social and environmental responsibility in the area, and to the growth and productivity of the sector.



Corpoboyacá

» Regional GHG Reduction Mechanism Corpoboyacá:

The main purpose of this association is to promote actions for the prevention, control, and reduction of the effects related to climate change and carbon emissions in the Boyacá region.

Awards

- We were finalists in the category of the best company in sustainability and corporate governance in the contest of the Association of Public Utilities and Communications companies, Andesco.
- We were ranked third among the best mining companies according to workers in the sector and ninth among mining companies with the best reputation in Colombia. According to a study conducted by Brújula Minera.
- We obtained the Green Seal of Truth recognition granted by the company CO2 to companies committed to actions to reduce climate change.







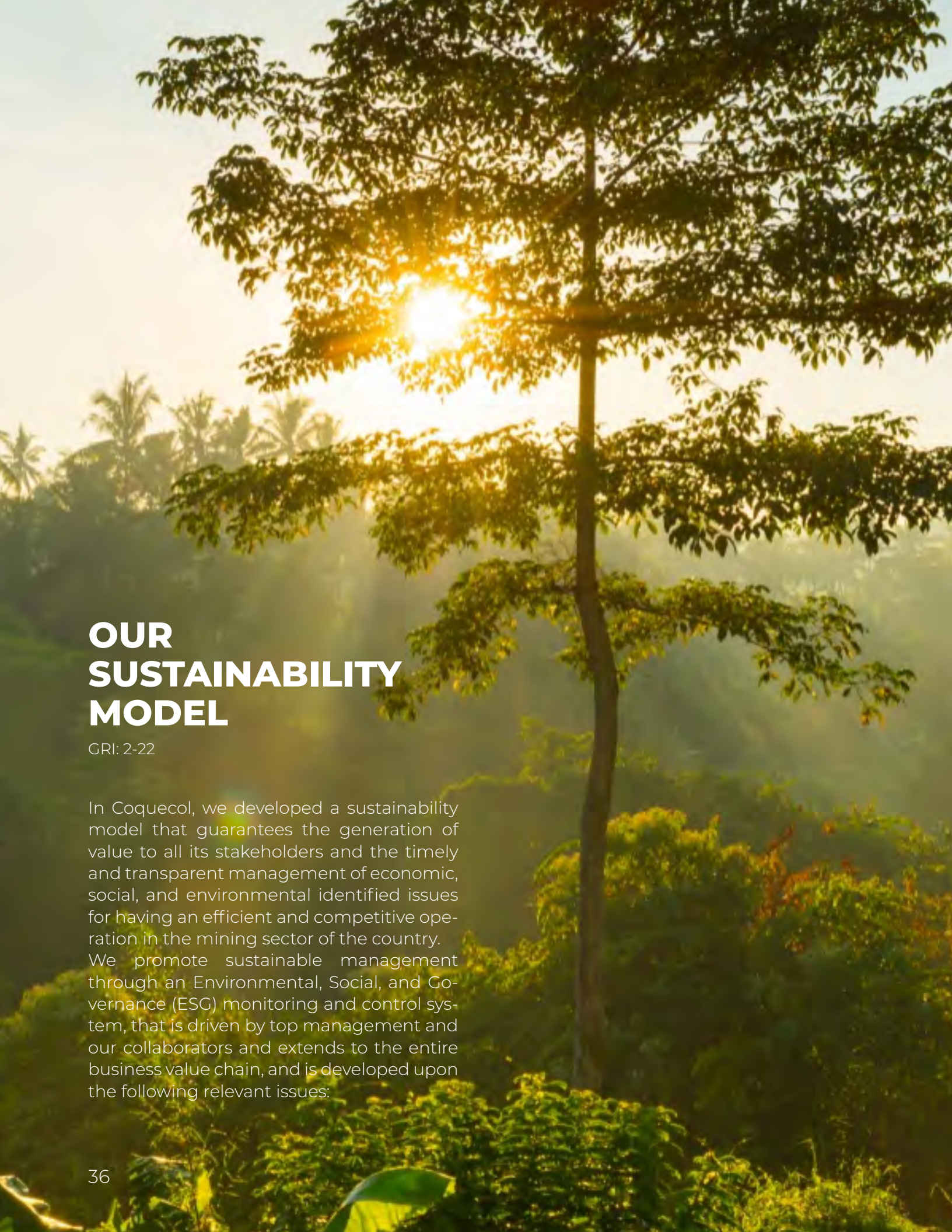
OUR SUSTAINABILITY MANAGEMENT

“

Since I was very young, I became a volunteer in the community programs led by the company. I received a scholarship from the Coquecol Group and, thanks to this support, I graduated from a Finance Administration Program. Today I am contributing to my family's dream of having our own home, thanks to Grupo Coquecol and its Foundation.

”

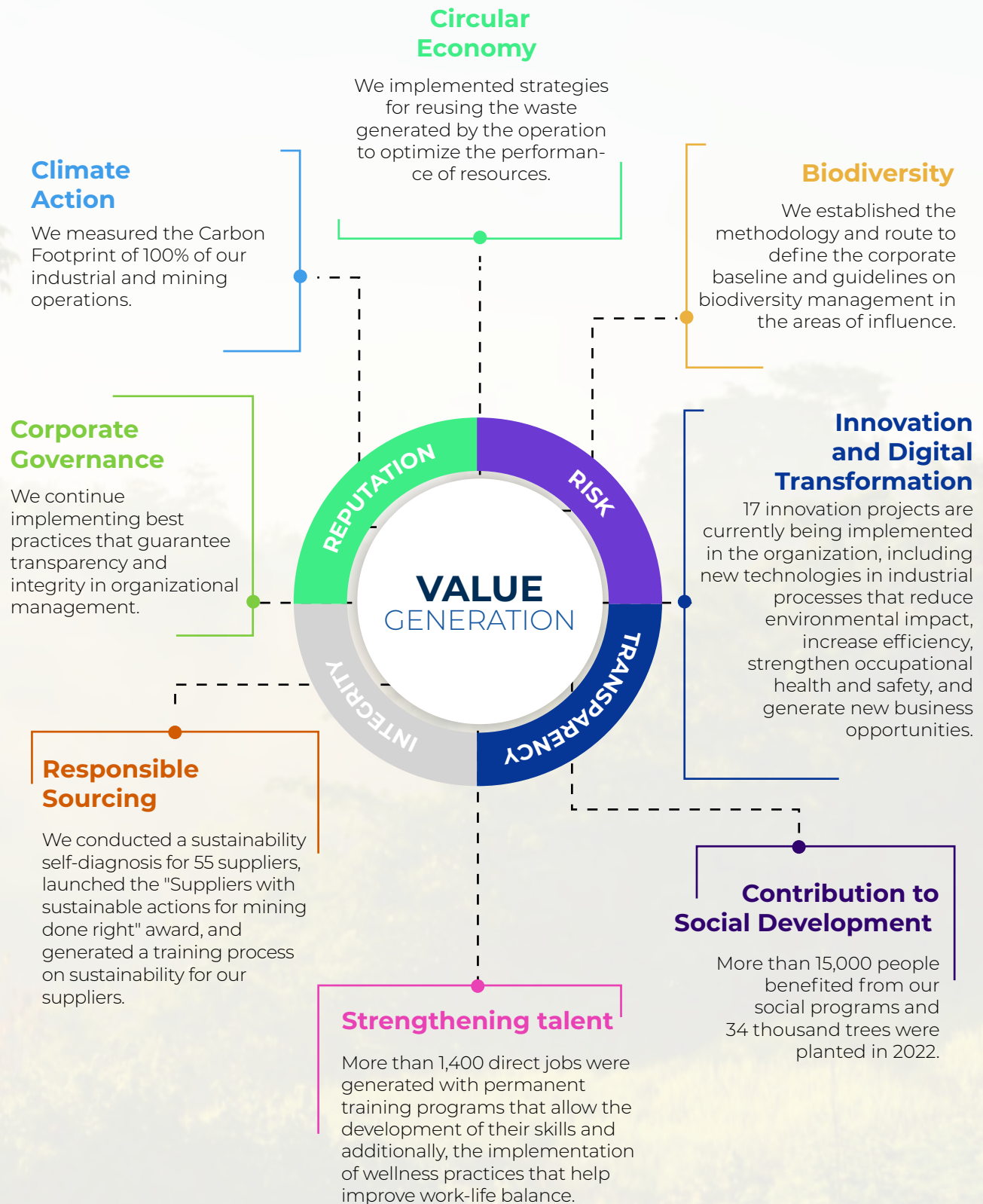
Carlos Andrade
Castilla Plant Coordinator
Coquecol Group



OUR SUSTAINABILITY MODEL

GRI: 2-22

In Coquecol, we developed a sustainability model that guarantees the generation of value to all its stakeholders and the timely and transparent management of economic, social, and environmental identified issues for having an efficient and competitive operation in the mining sector of the country. We promote sustainable management through an Environmental, Social, and Governance (ESG) monitoring and control system, that is driven by top management and our collaborators and extends to the entire business value chain, and is developed upon the following relevant issues:



STAKEHOLDERS

GRI: 2-29

Stakeholders are crucial for the sustainable growth of the Coquecol Group. We constantly work to maintain long-term relationships based on trust, and transparency, generating open and bidirectional communication spaces.

We identify our stakeholders based on the definition of the impact of the organizations or entities on the business and internal processes. Building on this definition, we have

built our plans for stakeholder relations and communications, achieving not only open and bidirectional communications plans but also the inclusion of their needs and expectations in the corporate strategy and the analysis of the relevant issues of the materiality process.

The following is a list of our stakeholders with the defined communication objectives:

Stakeholders

Communication Objective



Employees

Integrate the corporate strategy with the processes and report the communication actions that contribute to brand positioning, identity, and strengthening of the organizational culture.



Shareholders and Board of Directors

Act transparently, disseminate the organization's good practices and maximize sustainable value creation.



State

Actively participate in the spaces that position the mining sector by generating information and awareness scenarios, identifying and building best practices, and generating alliances.



Guilds

Promote the image of the sector through the generation of alliances and participation in spaces and meetings to disseminate best practices aligned with the business strategy.



Suppliers

Be strategic allies that promote the construction of shared value for society's development and the sector's sustainable growth.



Customers

Be strategic allies that develop trusting and long-term relationships focused on differentiating experiences and the fulfillment of their expectations, through actions that strengthen the image of the Coquecol Group.



Community

Generate social development through knowledge of our communities and the correct implementation of programs and projects that create new development opportunities.



Media and opinion makers

Communicate our sustainable management in an integrated and transparent manner by raising awareness of the importance of the sector to the prioritized media.

Based on our sustainability strategy, we conduct ongoing dialogues with stakeholders, where we share our initiatives and get to know their expectations and integrate them into the group's strategy. The topics address-

sed included corporate governance, ethics, integrity and transparency, responsible labor practices, responsible supply chain, responsible environmental practices, carbon footprint, and human rights.

COMMUNICATION CHANNELS

GRI: 2-26

During 2022 we continued with our comprehensive relationship and corporate reputation strategy, not only strengthening our image in the sector but also coming closer to our stakeholders and establishing new alliances.

For the execution of this strategy, we leveraged various tools and channels as follows:

Tools and Channels



- » Corporate Mail
- » News and articles section
- » Virtual University Group Coquecol
- » "Somos" Newsletter
- » POP Material
- » Informative billboards
- » Wallpapers
- » Corporate Whatsapp
- » Whatsapp Leaders
- » Audiovisual Content



- » Website
- » Media Relations

	Social Media	Followers
	Comunicaciones Grupo Coquecol	10,000
	Fundación Coquecol	5,960
	Coquecol	591
	@coquecol	498
	Grupo Coquecol	6,142
	Comunicaciones Coquecol	88

MATERIALITY ANALYSIS

GRI: 3-1; 3-2

As Coquecol group we contribute to the sustainable development of our country and the formalization and positioning of the mining sector by incorporating sustainability as a fundamental element of our corporate strategy.

We build on the vision of a new business model, that recognizes the importance of the balance needed between economic growth, respect for the environment, and social well-being, so we focus our management on the fulfillment of our purpose and the implementation of innovative social, environmental and economic practices that guarantee the generation of value for all our stakeholders in the long term.

With the support of an external consultancy, we implemented our ESG management system, which includes environmental, social, and corporate governance guidelines based on international best practices that also allow us to define corporate action plans and follow up with indicators that reflect the challenges and progress made by our organization in terms of sustainability.

To obtain the results of our materiality, we conducted an analysis that began by researching the current state of the mining sector, international sustainability standards, and internal documents, that have the greatest impact on business management, with the final purpose of validating and updating our most recent exercise and reorienting our sustainability strategy in the short, medium and long term:

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 is possible to review and register the most important issues and the main sustainability expectations that are mobilized internationally to manage businesses, proposed by initiatives, guidelines, and international standards on sustainability.

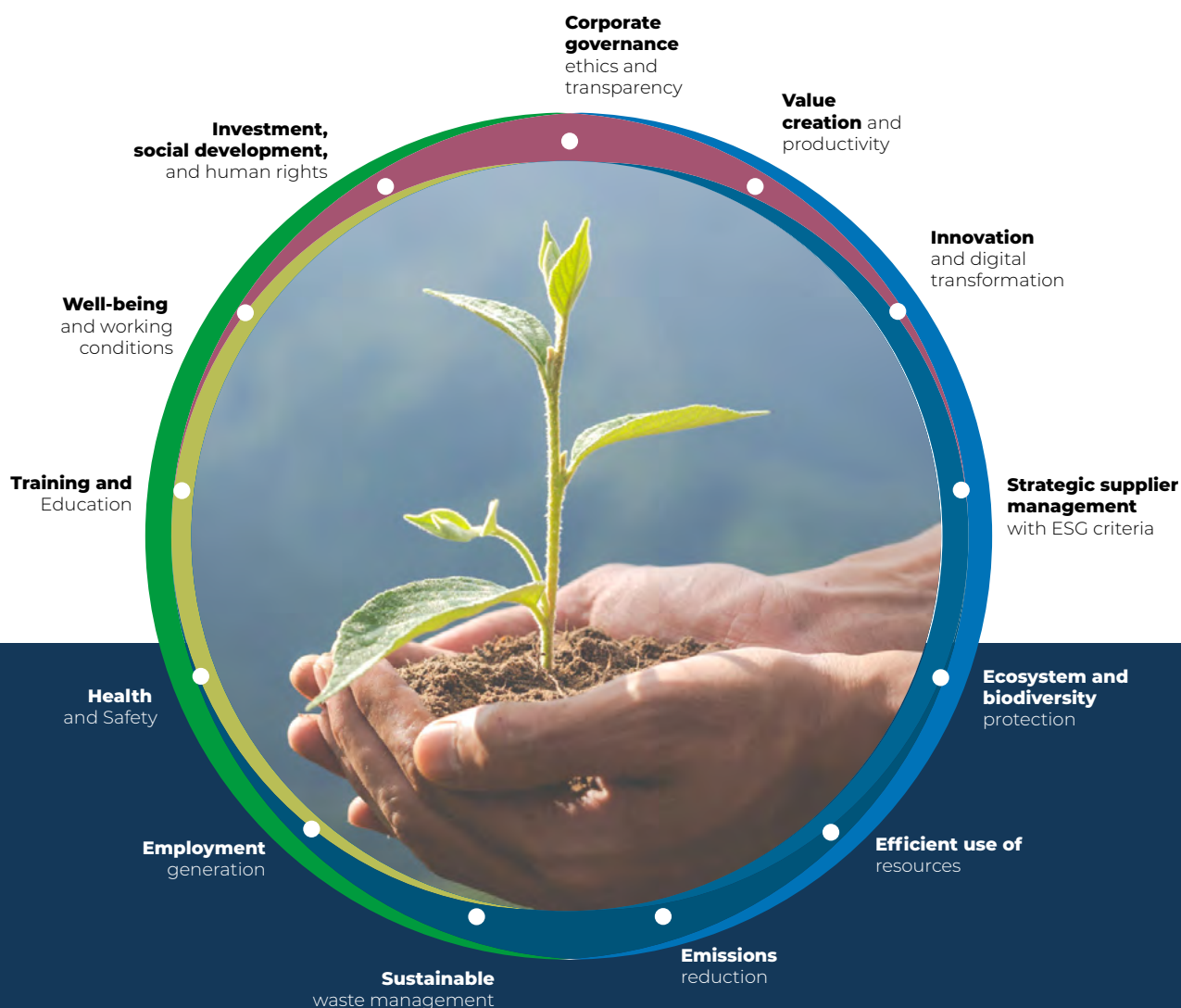
Institutional Context

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

These factors have enriched the materiality exercise conducted in 2021 from which we obtained the list of the most important issues for our permanence in time, and also allows us to identify and manage the im-

pacts and include the needs and expectations of stakeholders through the dialogues conducted with them, resulting in the issues presented below:

Material issues



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

TSM PROTOCOLS

GRI: 2-24

From our commitment to the development and positioning of our sector as an administrator of best practices at a global level and additionally, as a lever of our materiality, we have progressed in the incorporation of the TSM protocols we signed our adhesion within 2021 and which are part of a sustainability program developed by the Mining Association of Canada (MAC) that improves environmental and social practices in the mining sector.

This is the first mining sustainability standard in the world that required fieldwork evaluations and is mandatory for all companies that are members of the implementing associations. TSM Sustainable Mining Standard Colombia is the result of adopting it to the Colombian social, economic, and regulatory context, to support the sustainable development of the mining industry and the country, an initiative promoted by the Colombian Mining Association (Asociación Colombiana de Minería - ACM), with the participation of member companies, including the Coquecol group.

In this first year of adoption, we conducted a self-diagnosis in which we verified the corporate framework of policies and procedures, management and sustainability reports, manuals, and protocols used in Coquecol. Based on this information, an ESG control board was designed and we identified the potentialities, gaps, and opportunities for improvement in the implementation of the 8 TSM protocols. For each protocol, management and gap closure plans were established, which will be implemented in 2023.

The protocols of the TSM Sustainable Mining Standard Colombia, are:

- Protocol **for Climate Change.**
- Protocol **for Biodiversity Management.**
- Protocol **for Water Management.**
- Protocol **for Mine Closure.**
- Protocol **for Community Relations.**
- Protocol **for the verification of Child Labor and Forced Labor.**
- Protocol **for Health and Safety Management.**
- Protocol **Crisis and Communications.**





Evaluation of the incorporation of TSM

The TSM protocols were reviewed for Coquecol, evaluating all their levels of compliance. This evaluation, conducted by a third party, was exhaustive and aimed to determine the degree of implementation reached by the organization, evidencing the existence of robust, articulated, and fully operational management systems, which report governance, environmental and social issues.

The rating structure of the protocols is basically a set of indicators, associated with a grading table that goes from the lowest level (C) to the highest (AAA). The highest levels, AA and AAA, are given when, in addition to self-assessment, the organization can certify compliance with the indicators through audits. For almost all protocols, the AA level is certified through an internal audit, while the AAA level requires an external audit.

The evaluation evidenced that in Coquecol we manage and report the most relevant aspects in ESG terms. In general, the findings showed that in our company there are very robust systems for risk management, as well as for Occupational Health and Safety and some of the most sensitive environmental aspects. The other protocols are perceived as isolated actions, that involve one or two areas.

The self-diagnosis process evidenced that we completed stakeholder engagement exercises in aspects such as expectations consultation, dialogue workshops, and accountability spaces, among others, which served as a basis for the definition of the materiality of the management and sustainability report.

In terms of Human Rights, we highlight our process of building a corporate policy that addresses this issue, which we need to articulate through due diligence processes and procedures, on issues such as child labor, forced labor, and evaluation of suppliers.

Finally, this review shows that Coquecol has advanced towards sustainability, with our internal management we have become aware of the path we have walked, and we have to own what is yet to be built, as evidenced by the fact that we are currently developing corporate plans for Climate Action, Biodiversity or the aforementioned Human Rights.

Given the findings and opportunities, we have action plans and strategic interventions, management indicators, and simulations for 7 of the protocols, which will be gradually implemented in 2023, including child labor and forced labor, crisis and communications, community relations, water management, biodiversity management, climate change, and mine closure.

Value creation model – SDG alignment



ENABLERS OF OUR VALUE CREATION



OUR BUSINESS



Risk Management

Strategic risk: Legal/regulatory, reputational, market changes accelerated market changes.
Operational risk: Shortage of labor, injuries or non-compliance to employees and third parties, productivity, raw materials, resources and supplies, technological infrastructure.

VALUE CREATION AND SUSTAINABLE DEVELOPMENT

OUR PURPOSE

To contribute to human progress generating trust and sustainability from the origin of steel

OUR STRATEGIC STRATEGIC THINKING



MATERIAL ISSUES

- Climate action
- Biodiversity
- Circular Economy
- Corporate Governance
- Responsible sourcing
- Contribution to social development
- Innovation and digital transformation
- Strengthening of human talent

OUR SOCIAL GUIDELINES



RESULTS



The **largest export** in Colombia's history
96.251 Ton



Suppliers training on responsible sourcing.

- 55 coal suppliers self-diagnosed on sustainability

Net Profit 7.9%.

Sales 1,071 million COP

- We launched the first edition of the program "Suppliers with Sustainable Actions for mining done right" program.

- More than 15,000 people impacted by our social actions.

- We developed the waste reuse project, achieving **sales of 127.710 tons** of byproducts.

- We completed 100% of the audit plan on 17 company's processes and we followed up on the action plans.



Recognition Green Seal of Truth awarded by the company CO2



34,441 reforested trees for protection and natural compensation



Reused 44 thousand tons of waste



Reduced the accident index by 10%



Created more than 1400 direct jobs with the permanent training programs

Financial risk: Liquidity, credit, product price fluctuations
Exchange rate risk: Global economic conditions, changes in exchange, and tax matters.
Operational Risk: Labor shortages, injuries.
External risk: Political, environmental.

TSM Protocols

Crisis communications
Communicative relationship
Water management
Child labor and forced labor

Biodiversity management
Climate change
Mining closure

Coquecol Group contribution to the 2030 agenda

As business group we adopt sustainable development as part of our strategic thinking, and it guides our actions and management to ensure the generation of value in the economic, social, and environmental dimensions, in a comprehensive manner with all our stakeholders.

Therefore, to face the global challenges that the planet and humanity present today, we orient our actions and social investment to impact and align with the 2030 agenda and the 17 Sustainable Development Goals (SDGs) of the United Nations (UN); through the different efforts that we make as Coquecol Group and our foundation, we have contributed directly to most of the goals associated with this agenda, of which we prioritize and directly impact the following:

ODS SDG – Support/ action axis	1 FIN DE LA POBREZA	4 EDUCACIÓN DE CALIDAD	6 AGUA LIMPIA Y SANEAMIENTO	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO	12 PRODUCCIÓN Y CONSUMO RESPONSABLES	13 ACCIÓN POR EL CLIMA	15 VIDA DE ECOSISTEMAS TERRESTRES	17 ALIANZAS PARA LOGRAR LOS OBJETIVOS
Sustainability model					Waste reuse	Climate action plan	Baseline and corporate guidelines	Transversal
TSM Protocol			X	X		X	X	X
Entrepreneurship support axis	fairs, training, and support in entrepreneurship topics (x4)	fairs, training, and support in entrepreneurship topics (x4)		fairs, training, and support in entrepreneurship topics (x4)				fairs, training, and support in entrepreneurship topics (x4)
Social development management axis			Health days					
Environment development management axis						Education and activism	Education and activism	
						Planting processes	Planting processes	



NO POVERTY

SDG Targets

1.2 By 2030, eradicate extreme poverty for all people in the world, currently measured by a per capita income of less than \$1.25 per day.

1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and most vulnerable.

Coquecol Management and Impact

One of our defined axes for social management is Management for entrepreneurship and we have achieved the following:

- Participation in 13 entrepreneurship fairs.

- Execution of 7 fairs with strategic allies supporting local entrepreneurship.

- 81 women trained in entrepreneurship.

- 88 young people trained in entrepreneurship.

Coquecol Management and Impact

From the different axes that make up our social investment guidelines and in alliance with public and private entities, we have achieved:

- In 2022, 500 programming, language, and entrepreneurship licenses were distributed through different alliances with other entities.

- We co-developed, with educational institutions, skills training programs in communication, social networks, and culture for more than 515 students.

- We provided 70 university scholarships and maintenance support.

- 827 people trained in our environmental education program.

- 263 children and young people benefited from our Sports Schools program.

QUALITY EDUCATION

SDG Targets

4.3 By 2030, ensure equal access of all women and men to affordable and quality technical, vocational, and tertiary education, including university

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

4.7 By 2030, ensure that all learners acquire the knowledge and skills necessary to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

CLEAN WATER AND SANITATION



SDG Targets

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes.

6. b Support and strengthen the participation of local communities in improving water and sanitation management.

Management and impact Coquecol

- 827 people trained in our environmental education program.

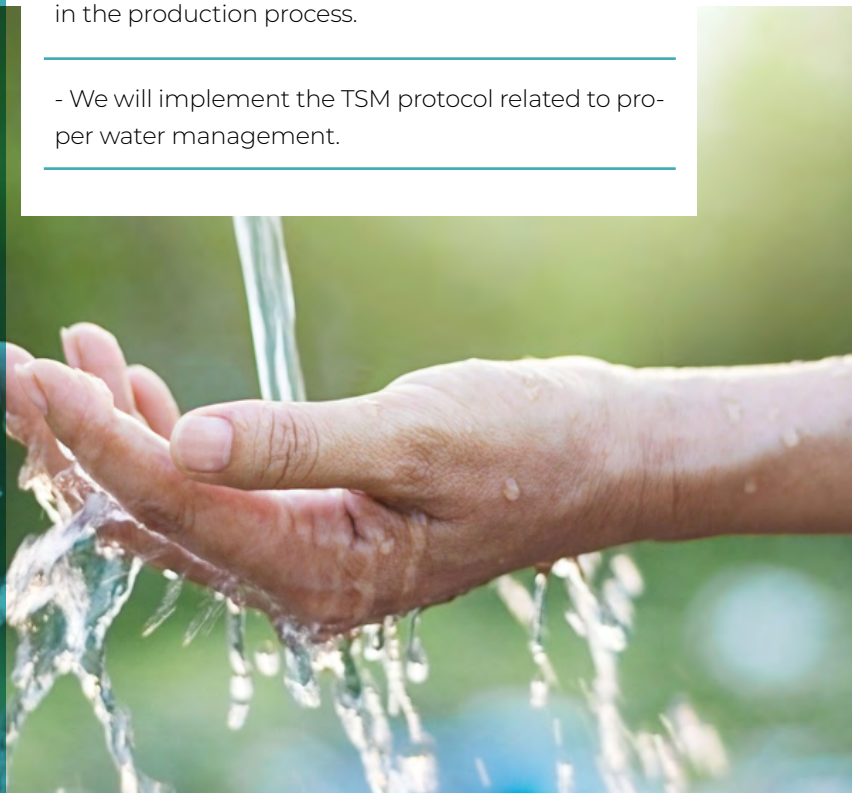
- 5,700 trees planted in buffer zones of the Boyacá moorlands.

- Design and construction at the Salamanca Plant of all the water management and treatment constructions in the coal storage areas, which also included storage works for these waters to recirculate and reuse them in industrial processes, eliminating discharges and optimizing the use of the resource. This investment exceeded 700 million pesos and complies with Corpoboyacá's "Blue Skies, Green Mountains" green agreement, to which we adhere.

- At Coquecol, we have treatment systems for domestic wastewater (ARD), according to the needs of each industrial operation. In the case of non-domestic wastewater (NDW), we have passive treatment systems such as artificial wetlands, sedimentation, aeration, and filtration systems.

- Design and construction at the Salamanca plant for handling and storing rainwater for subsequent reuse in the production process.

- We will implement the TSM protocol related to proper water management.



DECENT WORK AND ECONOMIC GROWTH

SDG Targets

8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 percent gross domestic product growth per annum in the least developed countries

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high value-added and labor-intensive sectors.

8.6 By 2020, substantially reduce the proportion of youth not in employment, education, or training.

8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.

8.8 Protect labor rights and promote a safe and secure working environment for all workers, including migrant workers, in particularly women migrants, and those in precarious employment.

Coquecol management and impact

- Outstanding economic performance, which significantly contributes to the growth of our nation from the national economy.

- 962 jobs were generated in the areas of Norte de Santander, Boyacá, and Cundinamarca.

- 169 entrepreneurs participating in entrepreneurship fairs, opening spaces for marketing and offering products and services.

- We implemented all OSH, labor welfare, training, and development programs, etc. as part of one of the pillars of our strategic thinking: Our people

We established a commitment to respect Human Rights through the policy, the committee, and the identification of risks of this type in the operation.



RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG Targets

12.2 By 2030, achieve sustainable management and efficient use of natural resources

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Management and impact Coquecol

- Evaluation and implementation of the TSM protocol related to climate change.

- We made progress in the construction of the Climate Action Plan to mitigate the impacts generated by our activity in terms of greenhouse gas (GHG) generation.

- 827 people trained in our environmental education program, working on environmental issues such as climate action, circular economy, air management, and water management.

Management and impact Coquecol

- Evaluation and implementation of TSM protocols.

- 827 people trained in our environmental education program, working on environmental topics such as climate action, circular economy, air management, and water management.

- Implementation of the circular economy strategy that opened new markets for our waste and co-products, which has allowed other companies to reduce raw material extraction processes and water and energy consumption in mining activities.

CLIMATE ACTION



SDG Targets

13.2 Integrate climate change measures into national policies, strategies, and planning

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

LIFE ON LAND



SDG Targets

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent their extinction of threatened species

Management and impact Coquecol

- Assessment and implementation of TSM protocols associated with Biodiversity management.

- 34,441 trees planted for reforestation, compensation, and protection of nature reserves.

PARTNERSHIPS FOR THE GOALS



SDG Targets

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

Coquecol management and impact

Thanks to the alliances we create with different actors and institutions, we have promoted the impact of the different SDGs proposed, especially in:

- We participate in different associations and initiatives that promote the implementation of good practices in the mining sector.

- We have established valuable alliances for the management of a circular economy successfully promoting the reuse of our industrial waste in other industries.

- We have made alliances with academia and the Shared Value Network of the Bogota Chamber of Commerce to contribute to the professional development of students and to the research of processes that optimize the operation.

- In alliance with ENEL, the Mayor's Office of Ubaté, and WOM, we set out to build the first TIC Center in the municipality of Ubaté, for the promotion and appropriation of information technologies, contributing to the reduction of the digital gap in this municipality.



ECONOMIC PERFORMANCE



BRITISH
STEEL

“

We strengthen trust-based and long-term relationships with our customers, to generate value and develop new business opportunities.

”



ECONOMIC AND GLOBAL CONTEXT FOR THE COAL SECTOR

In 2022 the context was uncertain, and the world economy was negatively affected by different causes such as the volatility in the Covid-19 cases and the war between Russia and Ukraine. The main economic indicators such as gross domestic product, inflation, and interest rates recorded record highs in the world's major economies.

This uncertainty may continue into 2023, as entities such as the International Monetary Fund (IMF) and the World Bank have predicted a 2.9% drop in world GDP in 2023, an increase to 3.1% in 2024, and inflation of 6.6% in 2023.

In 2022, Colombia's economy returned to normal, thanks to the decrease in Covid-19 cases and industrial reactivation.

According to the National Administrative Department of Statistics (DANE), inflation was 13.12% at the end of 2022 and Banco de la Republica forecasted 8.7% for 2023 and 3.5% for 2024.

Uncertainty in the world steel industry has been permanent due to the impacts of the war, the energy crisis, and the slowdown of industries in China, all these have generated permanent volatility in steel and raw material prices; international prices reached historical highs between March and April 2022, which were not sustainable due to the decrease in world demand.

For 2023, as long as the war continues, expectations are that international trends continue downward as economic fundamentals are not promising, and the steel market is still weak.

In conclusion, 2022 was a year of contrasts due to the economic recovery and the control of the pandemic, which allowed the reactivation to continue, however, the impacts of the war will continue to negatively affect the world.



CORPORATE GOVERNANCE, ETHICS AND TRANSPARENCY

GRI: 3-3;2-9; 2-11; 2-12;2-13; 2-14

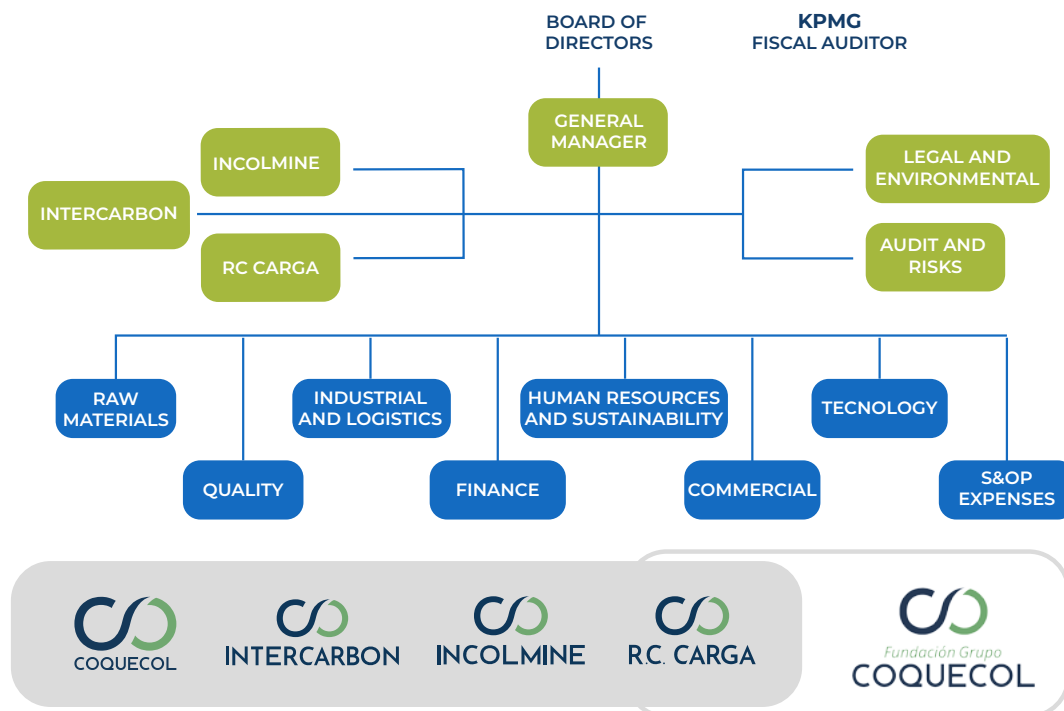
3-3 It is of utmost importance for our company to maintain and strengthen our corporate governance guidelines. These guidelines are a fundamental element of integrity, credibility, and trust in our stakeholders' eyes and help us preserve a healthy, responsible, sustainable and competitive economic environment.

As a company, we aim to strengthen and improve good business practices, trust, participation, communication, community outreach, and transparency as these are relevant aspects for the company and society.

The corporate governance policies adopted aim to implement the initiatives proposed within the framework of the corporate strategy, to ensure the sustainability of the organization in the long term, constant innovation in processes, and compliance with the expectations of the different stakeholders.

2-9 In COQUECOL we have a formal and structured corporate governance model, our Board of Directors is made up of five (5) first level external members and an international firm that does the fiscal auditing. Our organization has a governance structure established and approved by the Board of Directors. The General Manager meets with the management team, on an ongoing basis, to guide their work toward the fulfillment of the established corporate objectives. Corporate management is continually evaluated by the highest governance body and the different area managers and committees make it viable based on the following structure:

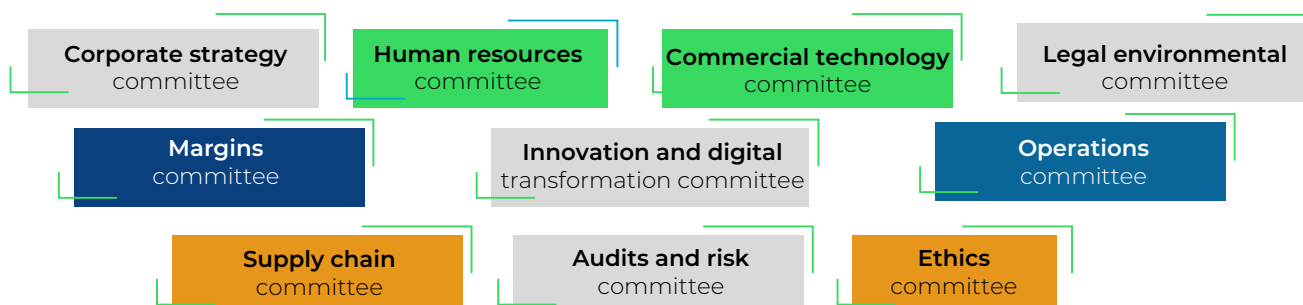




DELEGATION OF AUTHORITY

2-11;2-13;2-14 The Board of Directors approves the delegation of the functions it deems appropriate to the Legal Representative. It also approves the company's strategic plan and the annual budget. In addition, it provides the economic, environmental, and social guidelines it considers appropriate, based on the recommendations and analysis of the Sustainability Committee, among others. It should be noted that neither the president of the General Shareholders' Meeting nor the president of the Board of Directors holds executive positions in the organization.

Once the aforementioned guidelines are delivered, we report their management to the highest governance body. In this process, the organization's management and leadership report their performance to the CEO and receive feedback through various follow-up committees, such as:





2-12 In addition, we continue to have a Sustainability Committee to ensure executive-level responsibility in economic, social, and environmental issues. The members of this committee include the Chairman of the Board of Directors, the General Manager, the Finance Manager, and the Commercial Manager. This Committee addresses all relevant issues associated with business continuity, operations, liquidity management, and environmental and social issues, which are brought to the Board of Directors monthly to be analyzed.

The Sustainability Committee addresses relevant issues associated with business continuity, operations, liquidity management, and environmental and social issues.

2-17 Some of the critical issues presented in 2022 to the highest governance body were:

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

We also held a monthly Legal-Environmental Committee, in which the Legal Manager informs our General Manager of all legal and environmental matters that have been processed and those that may have an impact on the organization's activities.

Regulatory compliance, ethics, and anticorruption

GRI: 3-3; 2-15; 2-23; 2-24; 2-25; 2-26; 2-27; 205-1; 205-3; 3-3, 2-23, 2-24, 2-25, 2-26

3-3 In Coquecol Group we work every day to ensure compliance with regulations and guidelines generated by the entities that regulate us; in this way, we strengthen our culture of prevention under a risk-based approach ensuring integrity and transparency in our processes.

To guarantee compliance with actions aligned with our corporate values we have different policies, guidelines, and programs within the company and throughout the supply chain:

1. Code of Ethics: guides us on the good conduct we should have in our daily work interactions.

2. PTEE Program (Transparency and Business Ethics Program): implemented to comply with the Circular of the Superintendency of Companies and governs a regulatory framework for the prevention of bribery and transnational fraud for public officials.

3. SAGRILAF: this System for Self-Control and Integral Risk Management of Money Laundering and Financing of Terrorism was implemented in 2017, following the regulatory framework that applies to the sector.

4. Policy for handling gifts and courtesies: Provides guidance and establishes procedures for employees on the proper handling of gifts, hospitality, courtesies, and how to act in the event of improper offers.

5. Ethics Committee: promotes a culture of ethics for all our stakeholders. Members of this committee are the general manager of the company, the Human Resources Manager, the Legal Manager, the Audit and Risk Manager, and the Compliance Officer. Among its various functions, this team is the one that receives the concerns that come through the ethics line.

In 2022 we held 3 meetings.

To achieve the understanding and adoption of these mechanisms, during the year we conducted training sessions for our employees and issued internal communications to raise awareness through the SOMOS newsletter.

Fight against corruption and bribery

205-1; 205-3 Based on the ISO 31000 methodology, we conduct periodic risk assessments on the prevention of money laundering and terrorist financing and analyze topics related to fraud, corruption, and bribery by measuring the probability of impact of risks quantitatively and qualitatively, generating action plans according to the possibility of occurrence and severity.

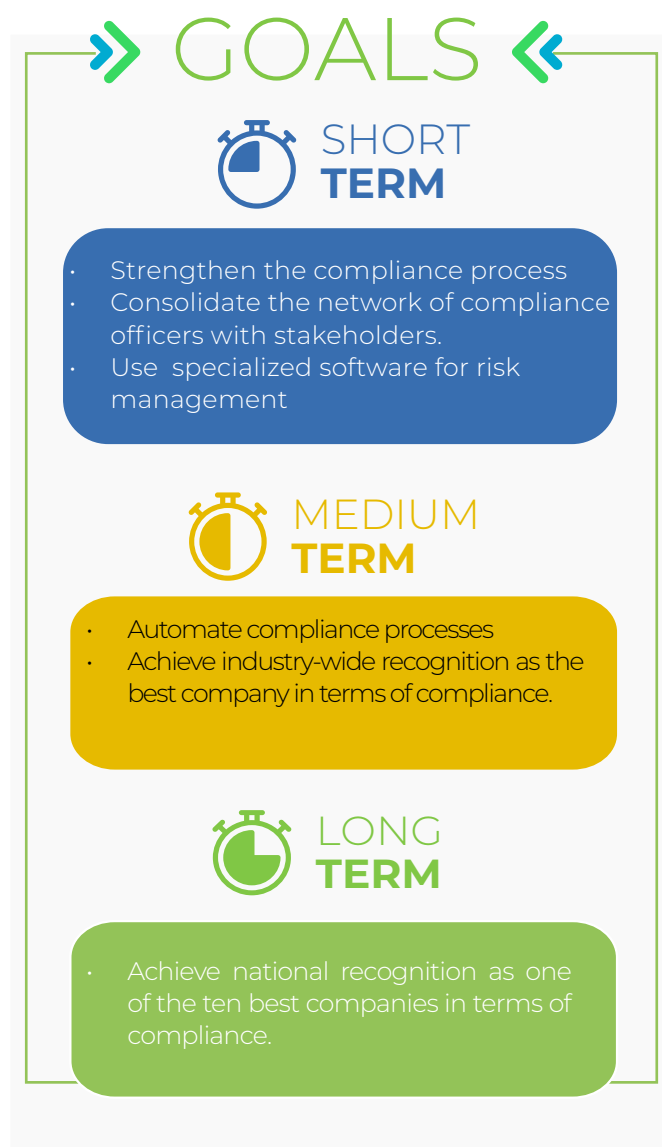
As a result of these actions and aligned with the concepts described above, we recognize that it is important to continue managing anything related to possible cases of corruption, strengthening our internal operation and being a guarantee of transparency for our stakeholders. We can ensure that there were no corruption-related cases in any of our operations nor we received related cases through the various channels enabled, which are transversal to our entire operation and follow due process; there were no public legal cases related to corruption against the company or any of our employees.

Ethics Hotline

2-26 The ethics hotline is the confidential channel for our stakeholders to safely and anonymously communicate behaviors that do not comply with our code of ethics, company policies, internal regulations, or current legislation.

Recognizing that our collaborators are the best ally to guarantee an ethical, integrated, and transparent culture, we promote communication spaces such as the sustainability course and the training, onboarding, and in-job training processes within the organization; also, through the different communication channels provided by the Company, such as the email: lineaetica@coquecol.com

and website: www.coquecol.com. In addition, our website has a section that includes claims, requests, and complaints related to the community and human rights.



Ethics hotline
channel

www.coquecol.com
lineaetica@coquecol.com



ETHICS HOTLINE

The ethics hotline is a confidential channel created by Coquecol Group for employees, suppliers, clients, and the general public to communicate safely and confidentially behaviors that are not aligned with our Code of Ethics, the policies and rules of the company, and current legislation.

¿Qué temas podemos tratar a través de la Línea Ética?

- ▶ Violations to our Code of Ethics
- ▶ Corruption
- ▶ Money laundering or terrorist financing
- ▶ Fraud, bribery, illegal compensation
- ▶ Theft or robbery
- ▶ Drugs, alcohol, or weapons in the facilities
- ▶ Disclosure of inside information
- ▶ Conflict of interests
- ▶ Harassment and/or discrimination
- ▶ Breach of environmental law
- ▶ Financial statements manipulation
- ▶ Breach of health and safety laws
- ▶ Deceitful transactions
- ▶ Inappropriate political contributions
- ▶ Breach of free competition law
- ▶ Misuse of company assets

What will the company do with the information received?

1. Receive and register the complaint
2. Analyze the case and gather evidence
3. Trigger procedures, if necessary
4. Make decisions depending on the topic
5. Close the case

Thanks to you we will continue creating a culture of transparency!

Grupo
COQUECOL

The ethics hotline is available through the following channels:

Email

lineaetica@coquecol.com
available 24x7

Website

www.coquecol.com
available 24x7

Phone

(57) (601) 530 1053
available Monday thru Friday
8:00 am to 5:00 pm

The company will not tolerate any retaliation for good faith reports.

Conflicts of interest

GRI 2-27 y 206-1

2-15 In Coquecol we have a policy to manage gifts, hospitality, and courtesies, which details the mechanisms established to detect, determine and resolve potential conflicts of interest between companies, their executives, shareholders, and other related parties. In addition, our ethics committee evaluates controversies, conflicts, and misconduct related to the Code of Ethics, including possible conflicts of interest. In 2022, there were no cases associated with conflicts of interest.

2-27; 206-1 The rules presented are framed within the applicable regulations and good institutional practices, which promote a culture of legality and transparency among employees and stakeholders, making it possible to prevent situations that influence their judgment and/or generate conflicts of interest, favoritism, bribery, money laundering, financing of terrorism and other practices against the rules of the organization and the applicable regulations.

206-1; 2-27

We act based on ethical and transparent guidelines that are reflected in the results obtained in 2022, as there were no regulatory sanctions or non-compliance with the legislation that governs us”.



A hand is shown holding a small white house with an orange roof, which is placed on a pile of coins on a grassy surface. The background is a blurred green field. The image is overlaid with a green vertical bar on the right and a green curved line that arches over the top and left sides of the page.

Distributed and generated economic value

3-3 In Coquecol we recognize the importance of efficient financial management, demonstrated in the annual results of the company and in the generation of long-term value that we deliver to our stakeholders. We fulfill with integrity, transparency, and efficiency our obligations and the proposed goals. This is how we focus on the execution of our strategy from the economic perspective:

- We share our sustainability results with financial entities.
- As part of our commitment and to strengthen the relationship with our stakeholders, we continuously monitor compliance with accounting and tax regulations, thus avoiding penalties for violations of the law.



201-1 The company achieved an outstanding economic performance during 2022, which supports our management focused on the fulfillment of corporate goals and our higher purpose.

With these results we contribute to the socioeconomic development of our areas of influence and the mining sector, contributing to the generation of value for our stakeholders, with a long-term vision.

» GOALS «



SHORT TERM

- Improve the information analysis process to identify more efficient solutions in processes that require this.



MEDIUM TERM

- Reduce delivery times for supplies to each of the operational areas.



LONG TERM

- Integrate more suppliers that provide services or materials to achieve more efficient processes.

Opportunities and risks of the sector

Risk management model

Our Corporate Governance established the creation of structured internal committees to complete the internal evaluation of the business. Among these, we have the audit and risk committee, which measures and monitors the strategic risks that may affect the development of the business. Proactive risk management allows the fulfillment of organizational objectives, incorporating environmental, social, and governance issues into the decision-making, as well as operational, financial, and external risks that may impact our company.

We have an audit committee composed of three members of the Board of Directors, two independent members, and the president of the company. The CEO, the Financial, Legal, and Audit Management, and the statutory auditors also participate in this committee. This committee reviews strategic risks in quarterly meetings.

The audit area constantly monitors, from its perspective, the risks that arise, and works hand in hand with the environmental, industrial, logistics, sustainability, and quality areas. We do it this way because risks will always have an impact on our operations, so we build our risk identification and mapping models from a cross-cutting perspective, based on comprehensive criteria and a complete assessment of the group's status.

*As a commitment to the creation of a culture of risk prevention, in 2022, more than **158 employees** in management positions were trained in the policy, manual, and risk matrix.*

*In addition, **24 workshops** were held to identify operational risks with the inclusion of strategic risks to mitigate their impact from the source.*

158
management
collaborators trained
in the policy, manual
and risk matrix

24
risk
identification
workshops

In addition, to minimize the impacts at the organizational level and on third parties in environmental, social (including human rights), and economic issues, managers were appointed in the risk matrix for each process to monitor them permanently, in conjunction with the risk area. We also promoted risk self-management in 24 processes and 9 innovation projects, with permanent monitoring of extreme and high risks.

Coquecol Group Risk Map

- 1 Political Risk
- 2 IT Risk
- 3 Economic Slowdown
- 4 Productivity Risk
- 5 Reputational Risk
- 6 Environmental Risk
- 7 Credit Risk
- 8 Liquidity Risk
- 9 Workforce Shortage

GOALS

SHORT TERM

- Automate the risk management system, to eliminate manual operations and to have online information on our SIGR.
- Implement TSM protocols as requested by the ACM.
- - Continue with the progressive update of our risk matrix.
- Use the budget needed to mitigate risks associated with climate change.
- Develop the different projects of the company within the sustainability framework.

MEDIUM TERM

- Have employees certified in ISO 31001 of 2018 for risk measurement, control, and monitoring.
- Develop 100% of the company's projects within the sustainability framework.

Responsible supply

GRI: 204-1 ; 308-1; 414-1; 414-2

To achieve a sustainable supply ecosystem, we work every day to maintain a trusting and long-term relationship with our suppliers based on collaborative work.

Currently, we have action guidelines such as the code of ethics and the purchasing policy that help us materialize our ethical commitment in the purchase of goods and services.

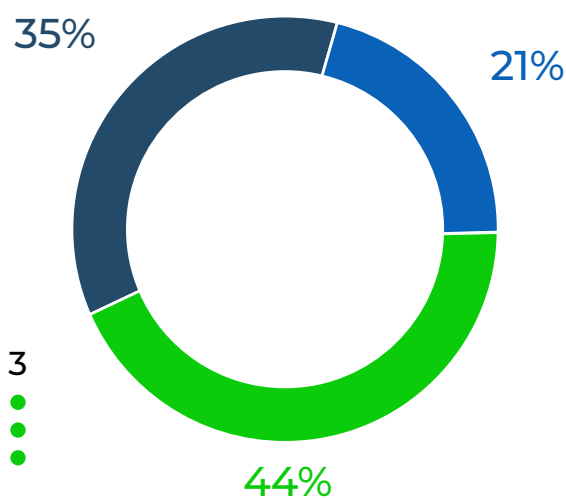
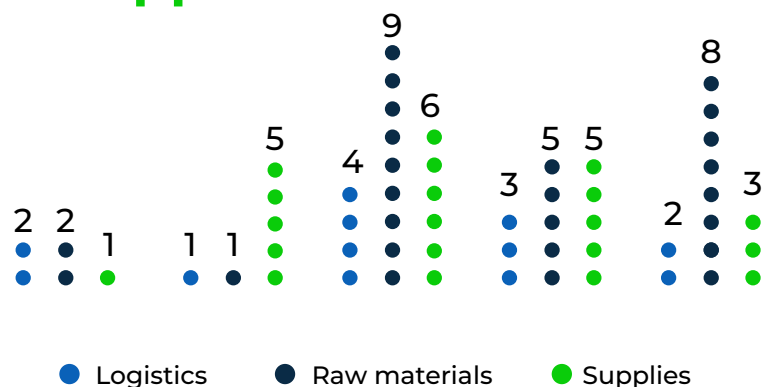
In 2022, we developed different initiatives for this supplier support. We began the evaluation of their sustainability practices through a self-diagnosis of 55 suppliers that showed their strengths and opportunities for improvement in the implementation of ESG best practices. The tool evaluated six categories: governance and human rights, labor practices, social practices, environmental practices, service promise, and mining titling.

55 Suppliers evaluated

308-1; 414-1; 414-2 To positively impact our supply chain, we began implementing ESG criteria in some suppliers in the logistics area, where 6 of the 40 new suppliers (15%) that we had during 2022, passed selection filters with environmental and social criteria.

Subsequently, we launched the first version of the sustainability award “Suppliers with Sustainable Actions for mining done right”, which aims to recognize the efforts and practices of suppliers of supplies, logistics, and raw materials. To ensure transparency throughout the process, we hired the external auditing firm RSM, who accompanied the verification of the information and the selection of the winning companies in the following categories:

Applications by type of supplier



Finally, we signed a voluntary agreement between Coquecol and its suppliers to advance in the implementation of good sustainability practices. This agreement includes nine corporate commitments to responsible conduct, ranging from protecting the safety and health of our employees to respecting and protecting the rights of nearby communities. To strengthen their commitment and due compliance, we offered a training process in which we included topics such as:

- 1 Corporate governance, ethics, integrity, and transparency
- 2 Responsible labor practices
- 3 Responsible supply chain
- 4 Responsible environmental practices
- 5 Carbon footprint
- 6 Human Rights

Supply management in Coquecol Group is a fundamental part of the business continuity, due to the importance of the timely and adequate acquisition of materials, services and the satisfactory development of the business object. In line with this, we have three management areas: supplies, raw materials, and logistics.



Supplies

The procurement management of the supply process is based on the Procurement Manual and the Purchasing Policy.

The processes that exceed a specific amount must be submitted to a purchasing committee made up of different representatives of the management team to select suppliers transparently, according to technical, economic, and financial variables. Of the purchases we make in the Group, approximately 26% are with suppliers from our areas of influence, thus contributing to the economic development of our stakeholders, and at the same time, we carry out initiatives to strengthen their capabilities in sustainability factors. In this way, we initiate transformation processes that are in line with one of the pillars of the company's strategy.

Results

2022 was a year of supply challenges and market variations that challenged us to be more flexible and adapt to the different changes to provide continuity to the processes. This year we carried out the "Supply Process Diagnostic" consulting project to identify opportunities for improvement and develop action plans that would allow us to create a continuous improvement strategy. We seek to contribute to the alignment of the process with the company's strategy on all fronts and the main trends that are marking the future of procurement and competitive business.

Among the achievements obtained this year by the purchasing area are:

1

Conferring of key contracts for critical categories of the operation.

2

Identification of technological improvement opportunities for the purchasing and supply area.

3

Identification of the maturity level of the purchasing and supplies process.

4

Management of the risk matrix and main categories of products and services.

» GOALS «



SHORT TERM

- Update process documentation to include environmental, social, and governance concepts.

- Reinforce training for the procurement and supply team.

- Determine new sourcing strategies for the Coquecol Group.

- Socialize with our suppliers the policies and/or procedures regarding Compliance once they have been finalized and approved.

- Ensure the supply of goods and services, efficiency and effectiveness, as well as the implementation of strategic sourcing projects that guarantee savings, competitiveness, and sustainability.



MEDIUM TERM

- Strengthen the purchasing and supply team for the companies associated with the Coquecol Group.



LONG TERM

- Standardization and/or certification of the process quality.

Raw Materials

The supply of metallurgical coal is a strategic process for the operation in terms of quality, cost, and quantity. We purchase raw materials annually in the departments of Boyacá, Cundinamarca, and Norte de Santander, making us one of the largest buyers of this product and with the biggest national presence.

The management of our process is based on the Raw Materials policy, which sets out the guidelines for purchasing management, ensuring transparency and an organized process aligned with the goals of the Coquecol Group.

In addition to the Raw Materials policy, we rely on additional policies that allow us to mitigate fraud risks such as the SAGRILAF policy, free competition policies, and counterparty risk analysis procedures.

Results

In 2022, the project "Redesign of the raw material sourcing approach" was executed to incorporate value levers to create a balance between price, risk, quality, and purchasing opportunity, in addition to proposing improvements in the efficiency of the operating model.

Achievements:

1

We implemented innovative relationship strategies with allies that allowed us to strengthen ties and create long-term relationships.

2

We reduced the time that vehicles remain in the area during the entry process of coal purchased at the stockpile yards.

3

We provided technical training to operating personnel of coal suppliers with visits to Coquecol's main laboratory.

4

We provided training in contaminant cleaning.

5

We provided technical support in quality control, mine planning, and geological modeling to coal suppliers.

6

We implemented new technological tools to strengthen and dynamize supplier management.



GOALS



SHORT TERM

To strengthen the Group's raw material supply process by 2024, moving towards a sustainable supply model that guarantees the needs of the business in the short, medium, and long term. To achieve this, we are working on the following fronts:

- Motivate and guide coal suppliers in the implementation of ESG strategies.

- Improve the coal supplier loyalty strategy.

- Develop and ensure the availability of coal for washing at the Parnaby coal plant.

- Develop a strategy for adapting supply to strong changes in demand

- Diversify high volatile, high fluidity coals

- Strengthen the technical development process with a focus on improving the quality of the coal purchased

- Optimize the extended supply chain

- Implement data analytics in raw materials, to use commercial, technical, and geological information to develop predictive models for decision-making.

- Conduct coal reserve depletion studies.

Logistics

For Coquecol Group it is a fundamental commitment to deliver products with the agreed quality and in the expected time. As an exporting company,

we have the logistics area and the company RC Carga through which we transport, in tractor-trailer type vehicles, our product from the origin to the port. Focused on meeting daily transportation goals, RC Carga participates in approximately 15% of this mobilization and the rest is carried out thanks to 18 other transportation companies.

As responsible for the transportation between plants and ports, we promote the management of good practices in the areas of ethics, environmental care, social and legal management, and the well-being of the employees of the transportation companies.

Our main contribution to the business and the socioeconomic development of the areas of influence was reflected in the improvement of freight rates and the growth of local companies in the port areas.

Results

To guarantee the standards that our clients expect and need, we rely on the support of the quality area, which follows up based on a technical list that we make of the operation of the dispatches. In this sense, we emphasize that:

1

We have achieved the consolidation of our fleet of companies for transport to the port, increasing the cargo with this type of supplier.

2

We were able to achieve good results thanks to the collaboration with our suppliers, this being an important strategic alliance for the sustainability of the group's operations and the sustainability of its operations.



204-1 Finally, committed to contributing to national development, the Coquecol Group is committed to local suppliers, and in alignment with this, 97.60% of our suppliers are national, distributed as follows:

Number of Active Suppliers 2022	Raw Materials	Logistics	Supplies	Total
Number of domestic suppliers	69	40	589	698
Number of international suppliers		0	17	17
				715

In addition to promoting economic development, this allows us to generate efficiencies in costs, time, and general logistics.



Innovation and Digital Transformation

Customers

3-3 The economic sustainability of any company depends on its ability to generate income. At Coquecol, we recognize the importance of our customers as fundamental stakeholders in the fulfillment of our purpose. We seek to understand their needs and meet their expectations, always offering a differentiated service that guarantees quality, excellence, and flexibility in our commercial relationships.

We need to understand how different actors can affect the company, which is why, through business intelligence, we have implemented a more comprehensive and rigorous process of market research and analysis. In this process, we evaluate the markets of our chain, as well as other markets and related industries. This approach allows us to analyze situations and act proactively in making decisions that favor the business.

In addition, we work hand in hand with local and governmental entities to continue working and operating harmoniously.





Thanks to our management, in 2022 we were able to meet 100% of our sales and commercial commitments. In addition, during the year we received visits from customers to our facilities, where they learned about the company, our people, our processes, and our corporate strategy's focus on sustainability. This guarantees the quality of the product we offer. We would also like to highlight that through our PQRSD channel, we received a total of 109 requests or cases, which were attended entirely; governed by our policy and procedure for the attention of questions, complaints, claims, suggestions, and denunciations, which is transversal to the entire business group to attend promptly everything related to these issues.

“

*...through our PQRSD channel, we obtained a total of **109 requests or cases**, which were fully attended”.*

”



Our strategic projects

At Coquecol, we strive to remain at the forefront of innovation and digital transformation to meet our customer's needs and fulfill our long-term sustainability goals.

One of the strategic projects we are developing is Green Coal, which aims to define the most viable technological option for the industrial reconversion of the coking plant. This initiative is fundamental for achieving more sustainable production and reducing the environmental impact of our operations. In addition, we are working on the technification of the operation to achieve a more efficient production process that minimizes the environmental impact and offers a better product promptly.

Another important project is Hurry Up, which seeks to strengthen our commercial and marketing scheme through consulta-

tion tools that allow our customers to view the progress of their negotiations and deliveries online. The objective of this project is to improve the customer experience and achieve greater customer loyalty, as well as document management of the sales process. In line with our culture of innovation, we are implementing Salesforce as the company's CRM to bring more value to our customers.

At the same time, the Online Inventory project is fundamental to improving the efficiency of our supply chain, as it allows 100% of our inventory to be consulted online by the system without the need for additional calculations. This allows us to be more efficient and respond in a timely manner to our customers' needs.

Finally, the Supplier Portal project is essential to establish efficient communication with our suppliers and strengthen our commercial relationships.

We are working on the implementation of this tool to achieve more efficient management of the supply chain and guarantee the quality of our products.

Conecta Platform

In an attempt to improve process times and facilitate our employees' work, we decided to develop the Conecta Platform.

This project allows us to preserve the technical memory of the Coquecol Group, facilitate knowledge transfer, and automate and structure processes by eliminating manual tasks, simplifying activities, and document control and also reduces the use of paper, and enhances data management and process integration.

At Coquecol we are committed to innovation and digital transformation to meet our long-term sustainability goals and satisfy our customers' needs. We are working on different strategic projects that enable us to improve the efficiency of our operations, reduce our environmental impact, and offer a differentiated experience to our customers.

GOALS



SHORT TERM

- Continue improving the customer experience: in 2023 we want to be recognized by the different customs offices worldwide through the certificate issued by the DIAN as an Authorized Port Operator. This certification guarantees that our supply chain is secure.
- Achieve strategic communications, that is, to communicate the company's achievements assertively to our different stakeholders.
- Develop end customers in more distant markets, grow market share, and strengthen relationships.
- Implement Salesforce as the company's CRM to provide more value to our customers.
- Launch the Hurry Up project, which allows customers to have traceability of their purchases and document management of the sale.



MEDIUM TERM

- Sign long-term contracts for metallurgical coke to provide greater stability to our operations.
- Invest in the technification of the operation to achieve a higher technology and more efficient production process to have a better product in a more timely manner, that also minimizes the impact on the environment.



SOCIAL RESULTS



“ Thanks to Coquecol I have contributed
to the welfare of my family and
to my technical training to become
a better person.

”

Olvera Gómez

Worker

Mina La Mana



Our team

GRI: 3-3; 2-7; 405-1; 401-1; 401-2; 401-3.

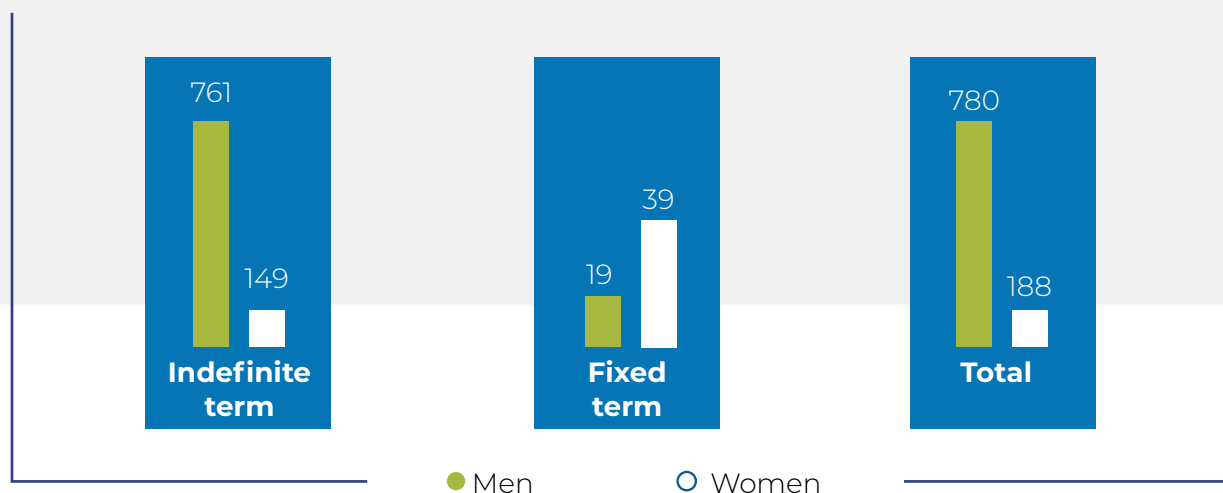
3-3 Taking care of our work team is a fundamental component to guarantee the operation, the continuity of the business, and the execution of the corporate strategy. The human talent axis of our corporate strategy is strengthened through teamwork, results-oriented management, and the development of competencies at all levels.

As a team, we have developed actions to become a labor benchmark in the industry, which focuses all its initiatives on having high-performance, happy, proud employees in safe and healthy conditions, motivating our employees, and reducing turnover rates. Additionally, we guarantee decent work and the right to live with dignity to all our employees.

401-2 Our achievements, consequence of the management framed in our policies of wellbeing, training, human rights, and

occupational health and safety, were complemented in 2022 with the strengthening of our wellbeing plan, extra-legal benefits, and even the sustainability strategy with its corporate course on sustainability fundamentals. This course integrates the different processes of the organization in its three main lines of action: social, environmental, and governance. In addition, all our employees with permanent contracts have life insurance, funeral insurance, prepaid health, educational support for postgraduate studies, Christmas bonus and gifts, paternity allowance, and paternity leave.

(2-7) In 2022 our workforce was composed of 968 employees, of which 20% are women and 80% men. Compared to 2021, we obtained an increase of 38 women in our workforce, which represents an increase of more than 20% and reflects our commitment to implementing our gender equity program, reaching the target defined for 2022. The breakdown by type of contract and gender is as follows:



Workers by type of contract and regions of operation:

Our work team is concentrated in the departments of Cundinamarca, Norte de Santander, Boyacá, and Atlántico. In line with our purpose of promoting the socioeconomic development of the regions where we operate, we continue to hire people from our areas of influence, providing opportunities for personal and professional development, thus improving the quality of life of the local population.

Region	Direct employees	
	Indefinite	Fixed
Cundinamarca	452	24
Norte de Santander	139	9
Boyacá	307	29
Atlántico	8	0
Total	906	62

(405-1) Workers by age group and employment category:

	Younger tan 30	31 to 50	Older tan 50
Executives	0%	0%	0,11%
Managers	0%	0,97%	0,11%
Leaders	0%	1,50%	0,11%
Specialists	0,54%	4,30%	0,54%
Other levels	41,57%	47,69%	2,58%
Total	42,11%	54,46%	3,44%

During 2022, the human talent management strived to stabilize our talent, which results are starting to be evident with the increase, compared to 2021, in our operating force in the age group between 31 and 50 years old, a growth of more than 7% and contributing to the decrease in the turnover rate of employees under 30 years old.

New hires

401-1 During 2022 we had 698 new hires, most of which were made by our Intercarbon business unit.

New hires by age range and gender:

	Coquecol	Intercarbón	Incolmine	RC Carga	Total
Younger than 30	137	200	91	2	430
31 to 50	74	123	60	5	262
older than 50	1	1	3	1	6
Total	212	324	154	8	698

	Coquecol	Intercarbón	Incolmine	RC Carga	Total
Women	33	49	9	3	94
Men	179	275	145	5	604
Total	212	324	154	8	698

Most of the new hires were people under 30 years of age, a young workforce with which we seek to develop and enhance the talent of our company.

Retirements by age range and gender:

	Coquecol	Intercarbón	Incolmine	RC Carga	Total
Younger than 30	199	139	163	1	502
31 to 50	150	128	138	2	418
older than 50	7	3	11	1	22
Total	356	270	312	4	942

	Coquecol	Intercarbón	Incolmine	RC Carga	Total
Women	27	33	12	2	74
Men	329	237	300	2	868
Total	356	270	312	4	942

Most of the turnover is people between 18 and 30 years of age; compared to 2021 we had a significant increase in the number of leavings for this age range, this encourages us to continue working toward the loyalty of talent and to strengthen the well-being offering.

We recognize our good results, but we know that there is still a way to go, we need to implement greater automation in our production processes, to increase women hiring in operational positions, which is why we continue to focus on innovation and technological improvement.

Below is a breakdown of our workforce by gender and labor category:

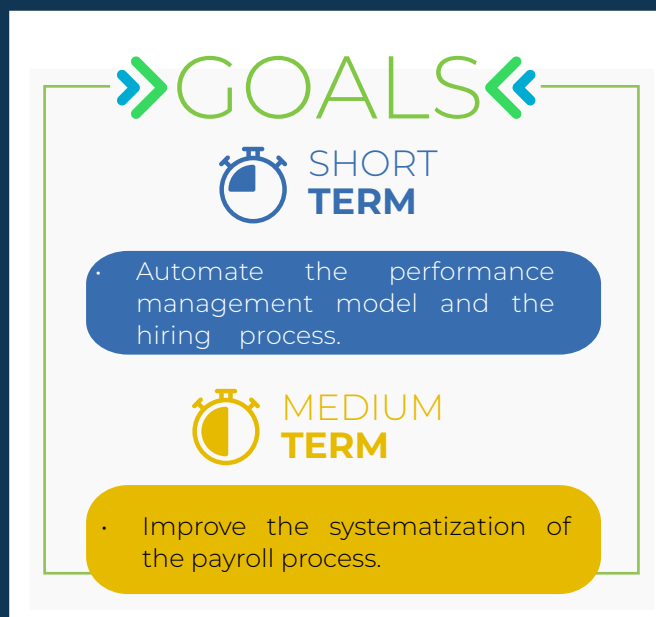
Workers by gender and employment category:

(405-1)

	Women	Men
Executives	0%	100%
Managers	50%	50%
Leaders	60%	40%
Specialists	34%	66%
Other levels	16,60%	83,40%
Total	19,40%	80,60%

(401-3)

*Of the 971 employees who were entitled to parental leave, 4% took parental leave in 2022, **an increase of two cases compared to 2021.***



Learning and development

GRI: 3-3; 404-1; 404-2; 404-3;

3-3 Taking care and developing our human capital is a fundamental factor. We must have a competent and prepared team for the execution of the company's operational tasks.

The training programs allow us to provide tools for the proper development of personal and professional skills, seeking to improve performance and increase the motivation of our employees, strengthening the organizational culture, and operational processes, and meeting the change requirements in the industry.

In pursuit of excellence and the fulfillment of our organizational objectives, we developed a training plan that has been implemented throughout 2022. This has allowed us to have a direct impact on all areas that make up the organization. Some important topics of our training plan are:

- Universidad Virtual Coquecol (Univirtual), is an e-learning platform where training is available for all levels, and all our employees have access. In Univirtual we not only kept the available trainings in the platform, but we have also expanded the range of courses and ensured accessibility for our entire team. This training mechanism has been accompanied by asynchronous and face-to-face sessions.
- We formalized strategic alliances with educational entities such as the Universidad Tecnológica y Pedagógica de Co-



429

workers

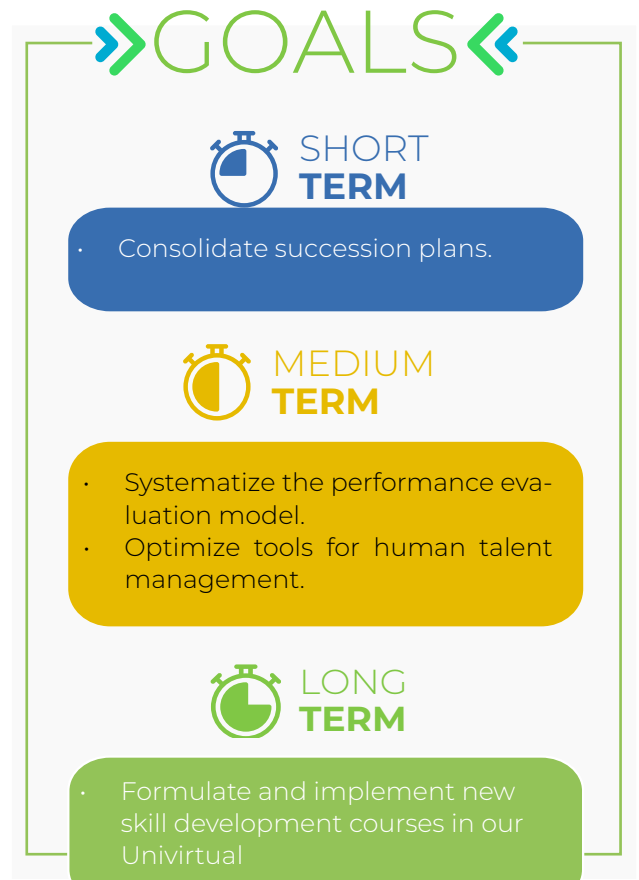
Formed through
Univirtual



lombia (UPTC), SENA, and the Colombian Mining Association (ACM), with whom we execute specialized training initiatives for our employees.

- To increase motivation and a sense of belonging, we generated soft skills modules. The main needs were identified through an assessment with leaders, thus focusing our efforts on guaranteeing competent talent. With Univirtual, we continued to implement courses to improve the competencies of our employees that include change adaptation, the art of leading without failing in the attempt, social skills, and stress management, among others.
- We defined financial aid plans to promote academic training in postgraduate studies; these plans include support for master's degrees and specializations of our employees, who are recognized within the company for the completion of these studies.

Through the 2022 training plan, we increased our employee's productivity in the workplace and, in turn, minimized errors, reprocesses, and incidents that could delay operations. We provided the same training opportunities for all our talent, thus guaranteeing the right personnel for each of our positions aiming to be recognized as a company that has a differentiating factor in the mining sector in Colombia.



Talent development Coquecol

404-2 During 2022 our training plans were diverse, mainly targeting the personnel with high growth potential within the organization with training process.

The training strategies derived from performance evaluations, allowed us to identify opportunities for improvement and areas for development with our employees.

We executed coaching plans that contributed to the emotional well-being of our team, benefiting their soft skills and their participation in social dynamics within the organization.

404-1 Total and average hours of training by gender and job category in 2022:



	Hours of training	Total number of employees trained	Average number of training hours per employee
Women	3,85	173	22,3
Men	4,8	758	6,3
Total	8,65	931	9,3

	Hours of training	Total number of employees trained	Average number of training hours per employee
Executives	50	1	50
Managers	330	10	33
Leaders	350	15	23,3
Specialists	1,25	50	25
Other levels	6,67	855	7,8
Total	8,65	931	9,3

Our commitment to a robust and high-impact training plan for the organization is reflected in the 19% increase in the number of hours trained for women and more than 46% for men compared to the previous year. This way we continue to positively impact all our employees and areas that make up the organization.

(404-3) Likewise, to maintain a highly trained staff in Coquecol, every year we conduct performance evaluations to identify gaps to work on so that we can strengthen our talent, all to promote the professional and personal development of our team, while we approach the fulfillment of the organizational objectives.

	Number of employees evaluated	Total number of employees	Percentage of employees evaluated
Women	59	173	34%
Men	83	758	11%
Total	142	931	15%

	Number of employees evaluated	Total number of employees	Percentage of employees evaluated
Executives	1	1	100%
Managers	10	10	100%
Leaders	12	15	80%
Specialists	40	50	80%
Other levels	79	855	9%
Total	142	931	15%

*The purpose of **fostering the professional and personal development of our team**, while we move closer to the fulfillment of organizational objectives.*

Commitment to people's health and safety

GRI: 3-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7 403-8; 403-9; 403-10.

Occupational health and safety

3-3 Our team is fundamental for the development of our business, for this reason, we promote safe and healthy work environments that prevent and mitigate the occurrence of occupational diseases and work accidents. To guarantee the integrity of the people who work in our operation, we defined an internal regulatory framework that provides guidelines to generate a culture of healthy and safe work safety, we highlight:

- 1 Occupational Health and Safety (OHS) Policy
- 2 Human Rights Policy
- 3 Internal health and safety regulations
- 4 Contractors policy
- 5 Drug and alcohol consumption prevention policy
- 6 Road Safety Policy
- 7 OSH Management System Tools.
- 8 General inspection programs
- 9 Training plan

Through the management and implementation of various policies and regulations, we build safe environments in our operations, and guarantee good extractive practices, thus contributing to the strategic pillar "Our People" and complying with National Government regulations. With this we benefit our collaborators, ensuring their physical and emotional well-being and working to reduce or eliminate work accidents and occupational diseases that may affect their quality of life.

Beyond compliance with the standard, we promote a culture of safety and personal development, we have a more committed team that enjoys familiar and cultural work environments that are safer and healthier.

We recognize that as Coquecol Group we must strive to maintain the highest standards of care for our employees and safety for operations. With this work, we seek to prevent unsafe extractive practices from being replicated in our areas of influence and to control unsafe work environments along the value chain, where stakeholders such as suppliers are covered by our occupational health and safety frameworks.

GOALS



SHORT TERM

- By 2025 reduce the frequency and accident rate of mining operations by 40% compared to the 2022 result.
- Achieve zero serious accidents in the group's mining and industrial operations.
- Reach the defined accident rate with ARL for 2022 results.
- Continue building the seven prioritized mining risks, including coal dust control, heights, hazardous energies, drainage, ventilation, support, and mining transportation.
- To be recognized in the sector for the implementation of differentiated OSH practices.



MEDIUM TERM

- By 2027 reduce the frequency and accident rate of mining operations by 70% compared to the 2022 result.
- Implement UVAE (Vocational Business Learning Unit) in our organization, which is endorsed by SENA in specific competencies of all employees on operational risks.



LONG TERM

- Implement software that allows the identification of conditions and immediate management for loss control.
- Implement a program to identify and continuously monitor hazardous atmospheres in 100% of mining production units.
- Propose a TECHNOLOGICAL reconversion project to eliminate the number of people exposed to coke extraction operations.

403-8)

*With the **Occupational Health and Safety Management System** we provide coverage to 100% of the employees who are part of the Coquecol Group*

Hazard identification, risk assessment and incident investigation

403-2 At Coquecol we analyze the hazards and potential risks of the tasks, processes, and activities of each position through the GTC-4518 methodology, which allows us to prioritize control measures through an annual evaluation.

This enables the implementation of a program of prioritized critical risks for industrial and mining operations that was designed under the guidance of regulatory frameworks. These risks are also evaluated by committees happening every month or quarter that allow the standardization of processes in 100% of the production units.

Likewise, we track potential incidents, hazards, and accidents with reports done by employees, writing the risk situation so that the area leaders review and prioritize the identified risk to act upon it, which generates the results that are presented monthly in the safety committee of the company. This process allows employees to withdraw from situations in which they consider that their integrity may be affected, where, through the report with the leader, the confirmation of the risk for the employee can be evaluated, ending in the correction of the cause that generates the risk.

Finally, in terms of investigation, in Coquecol we manage a chain of communication that allows the OSH area, process coordinators, and the head of operations to notify in a timely manner the occurrence of accidents. These actions are complemented by investigation processes that are based on two methodologies that allow us to identify the immediate causes of the accidents and then execute actions of investigation.

Occupational health services.

(403-3; 403-6; 403-7) We generate synergies to do interdisciplinary work that evaluates, reviews, and guarantees the quality of the results obtained in the controls established and the risks mitigated in the processes of reducing hazards in the workplace. We do so through various services offered by occupational risk management companies, occupational medicine, medical-occupational recommendations, and other services.

These are the same services that are offered to employees in the form of affiliation to occupational risk management companies





(ARL) and contributory health insurance companies, and we promote access to physical conditioning programs, medical health brigades for healthy companies, or even to specific services such as vaccination days like COVID, which are available to employees.

Understanding the above is a priority focus of our organization, we observe human beings from their integrity, understanding them as a value that must be above any emergency, production, or results where nothing justifies putting at risk the health and safety of the people under our management, whether they are our collaborators, contractors or communities.

Occupational health and safety committees

403-4 403-4 Our employees are represented on a committee whose purpose is to ensure occupational health and safety. This committee, in addition to its other responsibilities, promotes, disseminates, and informs about occupational health programs for workers, while at the same time acting as overseer of the program objectives compliance and proposing occupational health and safety training activities to make workplaces safer environments for those who work in them.

The committee has a chairman who leads the meetings and suggests topics to be discussed during the meetings, more importantly, acts as the liaison representing the committee's decisions to the company's administrative bodies.

Health and safety trainings

403-5 During 2022 different training activities were completed with our employees on topics such as:

Course – Scope	Scope
Healthy lifestyles	100% of employees
Alcohol and drugs policies	100% of employees
Use, care, and replenishment of PPEs	100% of employees
Defensive driving in rad safety	100% of employees
Communication of IVPR matrix / prioritized risks	100% of employees
First aid fundamentals	100% of employees
HSE management system – 50-hour course	Manager – COPASST – Supervisors - Coordinators
Accidents at work investigations	COPASST
	coordinators
	supervisors
	HSE team
Internal auditor ISO 45001-312	COPASST
	coordinators
	supervisors
General inspections	COPASST
	coordinators
	supervisors
Legal responsibility in HSE HST TSA	Managers, HST employees
Emergency squads	Squad members
Posture hygiene	100% of employees
Respiratory protection	100% of employees
Visual protection	100% of employees
HST inspectors	HST coordinators
Assertive communication	100% of employees
Danger and risk identification	100% of employees

Health and safety system follow up

Labor accident injuries

403-9 We present the accident index in the following way:

	 COQUECOL	 INTERCARBON	 INCOLMINE	 RC CARGA
# of serious labor accidents	2	1	0	0
# of minor labor accidents	31	85	60	0
Employee accidents rate	5,66	21,81	15,21	0

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

Employee accident rate: (# of recordable injuries for labor and driving accidents/# of worked hours)*200,000

Company	# of accidents	annual average	Sick days	Accident rate	Severity rate
 COQUECOL	40	541	215	7,39	39,74
 INTERCARBON	100	398	1115	25,13	280,15
 INCOLMINE	60	228	567	26,32	248,68
 RC CARGA	0	20	0	0	0
Fundación	0	1	0	0	0

Tasa de frecuencia: # de eventos /# de trabajadores expuestos*100
Tasa de severidad: (# de días de incapacidad + DD AT) /# de trabajadores expuestos*100

(403-9) (403-10) During 2022 we had zero cases of fatalities due to occupational accidents involving employees and contractors, and we also had zero cases of diseases or occupational illnesses recorded.

Contribution to social development

GRI: 3-3

3-3 Social management represents for us the bond of closeness and trust with our stakeholders and the awareness, commitment, and respect for the environment in which we operate. We focus on social development by identifying the needs of the community, the strengths of our allies, and the socioeconomic characteristics of the areas where we operate.



Social development is a pillar that is constantly being managed and that strengthens our purpose, allowing us to positively impact the quality of life of the inhabitants of the areas of influence.

Our social strategy focused on the development of three axes to articulate corporate guidelines; these guidelines focus on promoting sustainability as an element of change.



Entrepreneurship support

Productive chains and Entrepreneurship.



Management for environmental development

Reforestation and environmental protection.

Training communities for the efficient use of natural resources.

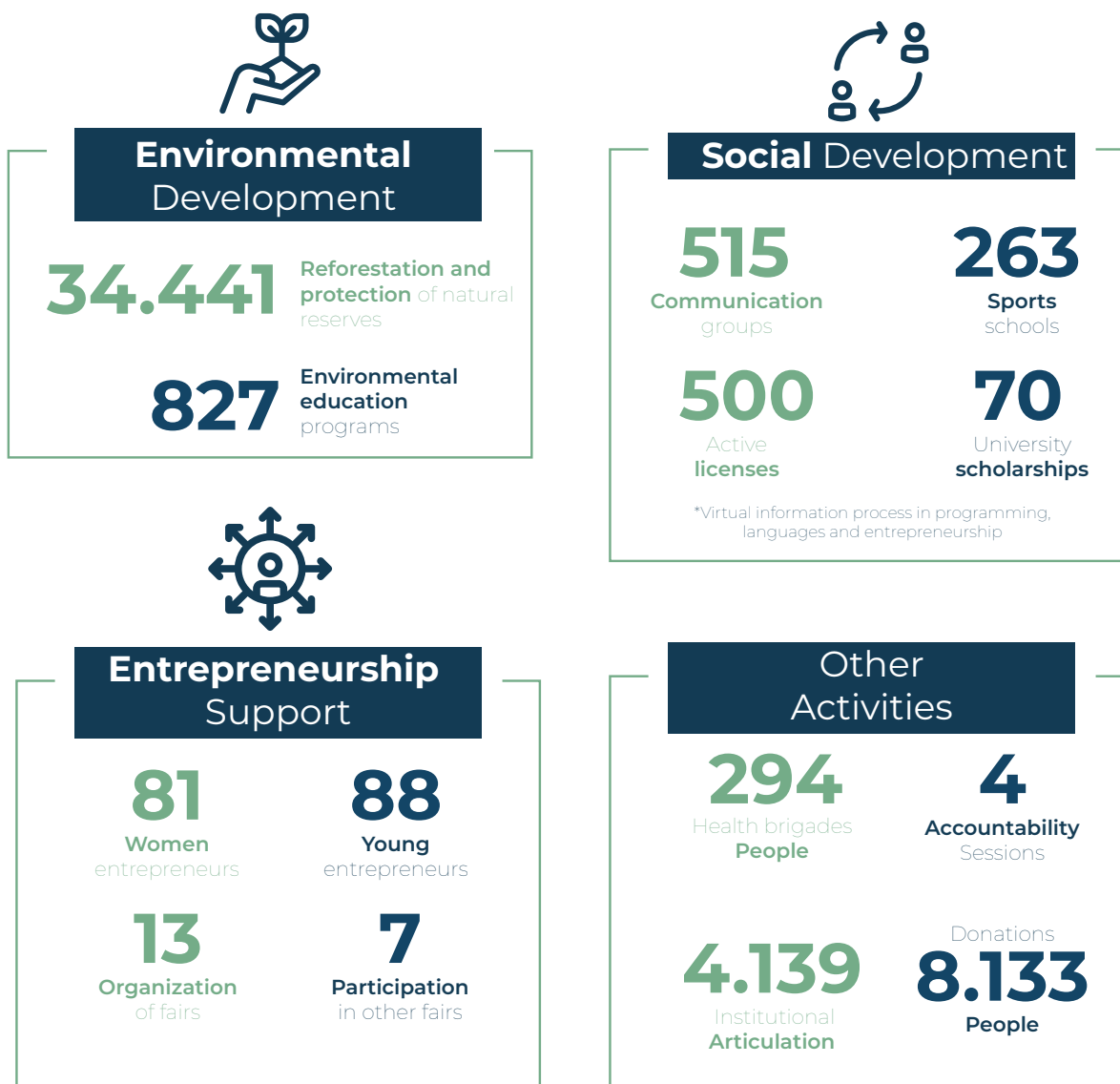


Social development

Programs to promote communication, culture, and sports.

Training for young people in skills for their professional development

We promote economic, social and environmental development to install capacities that contribute to the social development of current and future generations in the communities. Through this work, the following impacts have been generated in Norte de Santander, Boyacá and Cundinamarca:



We currently have open channels with the communities and our stakeholders to mitigate real or potential negative impacts with our social management:

1. The contact us channel on our website serves as a mechanism for receiving communications from stakeholders, letting us track responses to the requests made to the company.

2. We have a process of accountability, where we conduct dialogues directly with communities and authorities so that the relationship with these groups is constantly being strengthened. This practice has allowed us to publicize the results of our social management and in turn, we identify needs, and opportunities to generate new projects and promote an articulated work with different actors in the territory.
3. Articulated work with actors in the territory: we enter strategic alliances with public and private entities. This allows us to broaden the impact of our social initiatives while making more efficient use of resources by working as a team with entities located in the areas where we operate.

In 2022 we managed to position the Coquecol Group Foundation socially, we became a key player by supporting local entrepreneurship in our areas of influence and we promoted the creation of a pilot project for the construction of technological spaces in Cundinamarca collaborating with allied and key entities in the territory.

GOALS



SHORT TERM

- (0 to 2 years) To increase the coverage of participants in the different programs offered by the Coquecol Group Foundation to achieve a greater and more positive impact in all regions.



MEDIUM TERM

- (3 to 5 years): To be a social, environmental reference and sustainable in each of the municipalities where the Coquecol Group Foundation is present.



LONG TERM

- - (6 years or more): Maintain the culture of digital transformation through ICT centers in all areas of influence. Digitalizing everything to improve our productivity.
- - Create alliances with national and local government entities to generate value within the sustainability strategy.

In 2023 we will still support the development of activities with our communities to maintain the quality of life of those who live in our areas of influence, allowing economic, social, and environmental development while achieving economic dynamism in our sector.

Human Rights promotion and respect

GRI: 2-23 ; 406-1;

At Coquecol we are actively committed to promoting an organizational culture that respects and enforces the human rights enshrined in the international charter of the United Nations, the American Convention on Human Rights, and the guidelines established by the International Labor Organization (ILO) or any other nationally and internationally accepted standard.

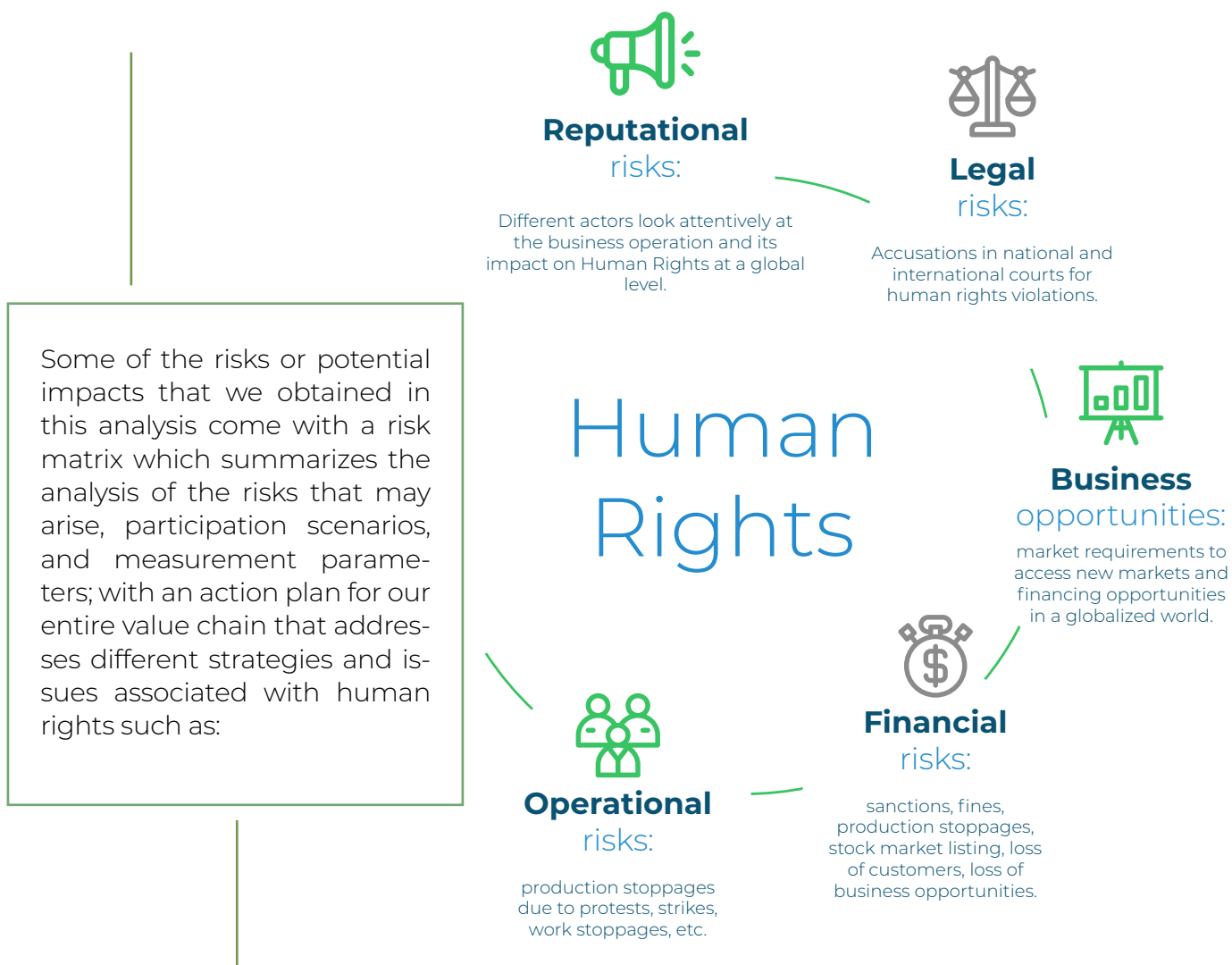
This work is reflected in our Human Rights guidelines, which cover all our stakeholders and are transversal to all business units. Through this work, we can guarantee ethical management and the promotion of good practices that foster the well-being of society and our employees, which brings us closer to building a better future that is sustainable by guaranteeing due diligence in human rights. The commitments that govern our strategic management in this area are:

- 1 Guarantee respect, fair treatment, and equal opportunities.
- 2 Protect the safety and health of our employees.
- 3 Guarantee adequate employment and salary
- 4 Promote gender equality and support the eradication of violence against women.
- 5 Prevent child labor in the development of any business activity.
- 6 Care for the environment
- 7 Promote integrity, transparency and the fight against corruption.

In Coquecol we use a risk matrix that has been developed with an audit specifically for the social management we perform. Through this, action plans are created to strengthen relationships of trust with the communities living in our area of influence and with any other stakeholders that may be mapped within it.

Understanding that there are reputational, legal, operational, and financial risks around human rights, in 2022 we started building a due diligence process that, with the Universidad de la Sabana and the Bogotá Chamber of Commerce, identified the real or potential risks or impacts in terms of human rights violations. This exercise allowed us to identify the risks related to our operation.





- 1 Espacios de sensibilización
- 2 Monitoreo de las relaciones comerciales
- 3 Cumplimiento de compromisos
- 4 Divulgación y transparencia con nuestros grupos de interés
- 5 Auditoría periódica en campo
- 6 Conformación de comité de derechos humanos
- 7 Protocolo para la violencia de género
- 8 Generación de valor compartido

Additionally, we have a Human Rights Committee, which meets quarterly to generate follow-up actions, disclosure, and control of due diligence in this area. It is currently composed of twelve members from different areas of the Company, always seeking to achieve a comprehensive view of the risks and action plans developed by the Organization.



Implementation of the gender equity program.

From the identification of the gaps that exist in the sector in terms of gender equity, in 2022 we implemented various actions to include and enhance the role of women in our activities, aligning this process with our corporate vision to fulfill our commitment to contribute to the empowerment and participation of women in the sector.

We have progressed in identifying the positions with the greatest opportunity for women's participation. We consolidated a strategy in our selection and hiring processes, where, considering the rotation in some positions, we managed to increase the level of women's participation with significant results such as The participation of women in administrative and leadership positions is currently 56% and men 44%.

At the tactical level,
women have
a 42%
share and **men 58%.**

We continue our ongoing actions and commitment to promote diverse, equitable and inclusive workplaces and in alignment with this, our Gender Equity Program has achieved the following:

We identify operational positions where there may be greater participation of women.

We sensitized leaders to work on an internal cultural change so that we are more open to hiring women in operational positions.

We developed a hiring training focused on breaking paradigms when selecting talent.

We implemented greater mechanization in our production processes so that we can have more female labor in a greater number of operational positions.

We developed spaces where the work of women in mining was highlighted, such as our participation in the She Is Forum, an event on gender equity and women's empowerment.



These spaces were fundamental in the management of our group since they are actions that are integrated into our sustainability strategy, not only because it is ethically correct, but also because protecting human rights has a positive impact on our business and society in general.

*(406-1) During 2022
**we had zero reported
cases of discrimination
and harassment***

We at Coquecol are committed to protecting, respecting, and remedying human rights always under principles and values of respect and good faith, working for the dignity of our employees and rejecting any act of our collaborators or contractors that may go against human rights.



GOALS



SHORT TERM

- By 2023, continue focusing efforts on gender equity to define actions that lead to WEPS.
- By 2024 start acting on issues related to diversity and disability.
- Continue participating in initiatives of allied entities (Global Compact, Women in Mining).
- Generate follow-up on commitments made with suppliers around human rights.
- Train continuously the HR committee, contractors, and suppliers on human rights topics.



MEDIUM TERM

- Initiate a phase of knowledge and understanding of the concepts of diversity, to scale it to senior management and implement related programs.
- To be a social, environmental reference and sustainable in each of the municipalities where the Coquecol Group Foundation is present.





ENVIRONMENTAL RESULTS



OPERADOR
MINERA
CAPARRAPI

We received the recognition given to us by the Coquecol Group with great joy because it is the result of the effort we have made to contribute to the care of the environment, and this shows that it is possible to do things well, to do mining well. These initiatives show us the example and it is these companies that help us to grow”.

Cristóbal Pérez

P3 Carbonera los Pinos

Winner of the Environmental Practices Award

COQUECOL GROUP AND THE ENVIRONMENT

As Coquecol Group, we are committed to respecting and protecting the environment and natural resources. We work to efficiently manage available resources, to properly manage our aspects and impacts, and to identify circular economy initiatives to close the life cycle of our waste and co-products. We are aware of the importance of implementing strategic measures that make our production chain sustainable over time to ensure our growth and that of our stakeholders.

To achieve this, we have strategic guidelines that include efficient environmental management related to operational environmental responsibility, including policies, environmental analysis, plans, programs, projects, and follow-up and verification actions, as well as guidelines on issues related to the circular economy and climate action. Through the management carried out on these fronts, we seek to maintain the balance between our operation and the environment.



Environmental management

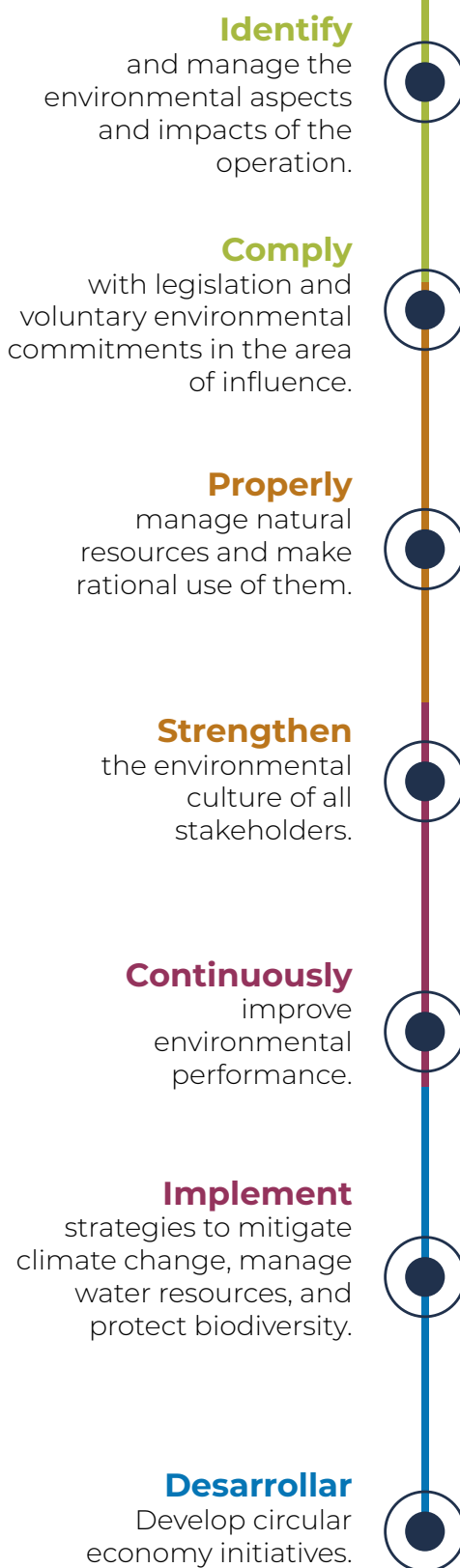
GRI: 3-3;

3-3 As Coquecol Group we proactively do environmental management, seeking to mitigate and reduce the impacts derived from our operation. We focus on the constant search for solutions that allow us to have optimal environmental performance in our industrial and mining operations.

We do this through the prevention, mitigation, and control of our environmental aspects and impacts, evaluating different risks and opportunities related to our operation. This allows us to broaden our environmental perspective and go beyond regulatory compliance.

In 2022 we worked on updating the Environmental Management Policy, establishing guidelines for the prevention of environmental impacts, optimization and protection of natural resources and compliance with the legal requirements established for our activity:

As a Group, we base our management on a PHVA cycle, which starts with the Environmental Policy and regulatory compliance, environmental analysis, the definition and adoption of environmental management measures, monitoring, and follow-up activities using indicators that allow us to qualitatively and quantitatively measure environmental management in terms of significant environmental aspects and impacts, water consumption, reuse of waste, number of native species planted, and volumes of mine drainage discharges.





During 2022 we have not had non-compliance with environmental regulations.

This shows that we are on the right path and that the environmental guidelines have allowed us to continuously advance in our industrial operating process; we have managed resources adequately, positively strengthened our environmental responsibility, and showed the different action fronts with which we approach our environmental management.

We joined the Green Agreement called “Blue Skies, Green Mountains”, convened by Corpoboyacá, whose objective was to promote actions by the industrial sector to reduce impacts and comply with regulations; we made an investment of more than 800 million pesos in one of our industrial units to comply with the Green Agreement to which we adhere.

During 2022 we made significant investments in the Coking plants, which reduce and control the main impacts of our operations. We highlight the following actions and impacts:

We installed artificial barriers such as scaffold nets in the Salamanca and Castilla stockpile areas, the value of this investment was **\$336 million.**

We purchased two permanent weather stations at the Salamanca and Patio Compostela plants.

We conducted air quality studies to measure PM10 and PM2.5, we installed a total of 13 air quality stations at the coking plants and stockpile yards.

We located 12 stations to measure noise emissions and conducted isokinetic studies in 14 chimneys in the different zones of the plant. 14 chimneys in the different coking areas.

As a group, we recognize the importance of advancing in environmental topics at the same pace as our operations, which is why we are strategically strengthening our team to meet the goals that consolidate us as an organizational group at the forefront of strategic environmental sustainability issues. Our next actions will target:

Implementation of internal audits called IGP (Planned General Inspections), to improve the evaluation and follow-up process.

Alignment of Coquecol Group's environmental management to ESG criteria and TSM standards.

Implementation of platforms to report environmental indicators and monitor legal requirements.

Efficient use of resources

GRI: 3-3; 302-1; 302-3; 303-1; 303-2; 303-3; 303-4; 303-5

We understand that the preservation of natural capital and the efficient use of natural resources is an essential requirement for sustainable growth that allows us to improve productivity without compromising the needs of future generations.

At Coquecol Group we promote a constantly evolving organization that works for the care and preservation of natural resources, contributing to the company's sustainability.

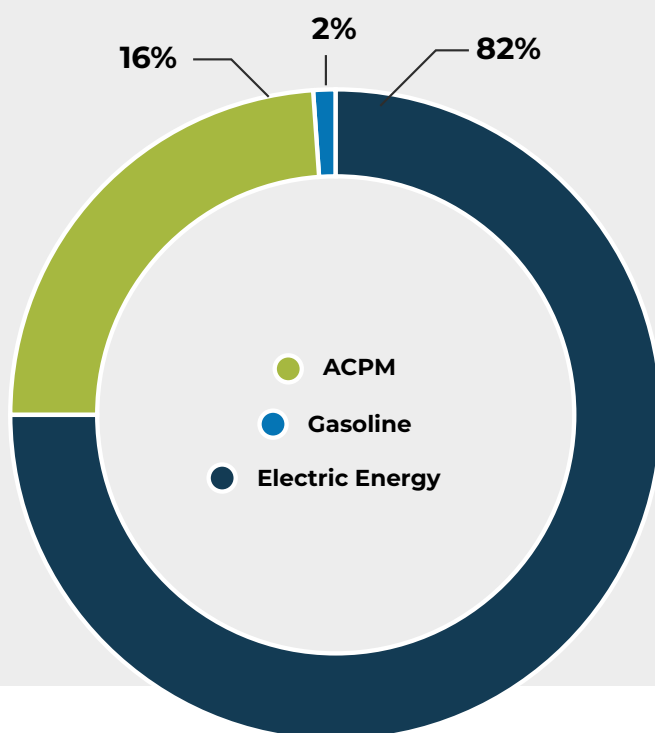
Efficient management of natural resources is aligned with the sustainability strategy and is directed by senior management. We identify the main impacts or risks for the operation, to generate action and adaptation plans to avoid the inadequate management of natural resources that may directly affect the business with ecological imbalances, economic losses, and effects on the community in the area of influence.

Energy

GRI: 302-1; 302-3;

302-1 Aligned with our environmental commitment, we monitor energy consumption throughout our operation, to guarantee the efficient use of this resource, due to its importance within our activity. In Coquecol Group, we consume energy from fossil fuels (gasoline and ACPM) and electric energy from the national energy matrix.

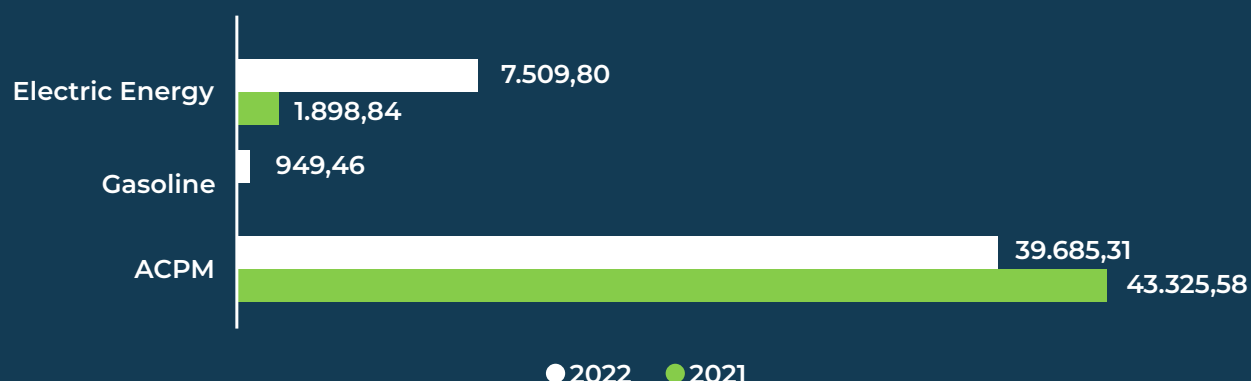
Energy consumption distribution



During 2022, we consumed a **total of 48,144.57 GJ** of energy, increasing our consumption by 6.47% compared to 2021, this increase responds to a significant increase in the consumption of ACPM.

From 1,898.84 GJ to 7,509.80 GJ consumption. However, electricity consumption decreased by 8.04% compared to the previous year, with a monitored consumption of 39,685.31 GJ.

GJ generation by energy consumption



302-3 Coke production in 2022 was 242,994.05 tons, consuming 20.37 kWh per ton of coke produced in the plants Castilla, Salamanca (Coquecol) and Alcalá (Incolmine). For the metallurgical coal mined, we reduced the exploitation by 17% in the Ráquira, Altiplano

, and Guachetá areas, which are part of Inter-carbon, and the President Mine, which is part of Incolmine, considering a total of 113,879.13 tons of metallurgical coal mined, for which 52.70 kWh were consumed per ton mined.

Energy intensity	2021	2022	Variation
kWh/Ton of coke produced	15,31	20,37	33,05%
kWh/Ton of coal mined	47,02	52,70	11%

Water management

GRI: 303-1; 303-2; 303-3; 303-4; 303-5.

303-1 The water resource is very important in the company's industrial processes, the biggest volumes are consumed in furnace shut-down and coal washing, and this is why we do our best to use this resource efficiently.

303 - 3 Water extraction



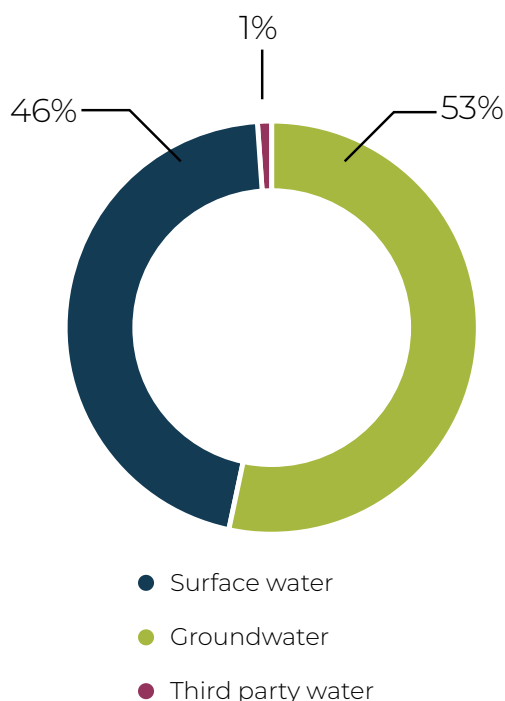
303 - 5 During 2022, some of our operations were shut down, for this reason, water consumption in industrial activities was reduced; however, in the industrial operating units, there was a permanent control of water consumption and activities within the Water Saving and Efficient Use Programs.

Awareness-raising sessions are held to encourage the care and conservation of resources.

303-2 At Coquecol, we have treatment systems for domestic wastewater (DWW),

according to the needs of each industrial operation; in the case of non-domestic wastewater (NDWW) we have passive treatment systems such as artificial wetlands, sedimentation, aeration, and filtration systems. With these treatments we try to ensure the quality of effluent and compliance with regulatory requirements; we also monitor the discharges annually and have a risk management plan for their management. In 2022, we discharged a total of 362,310.1 m³ of DWW and NDWW water.

303 - 4 Water discharge

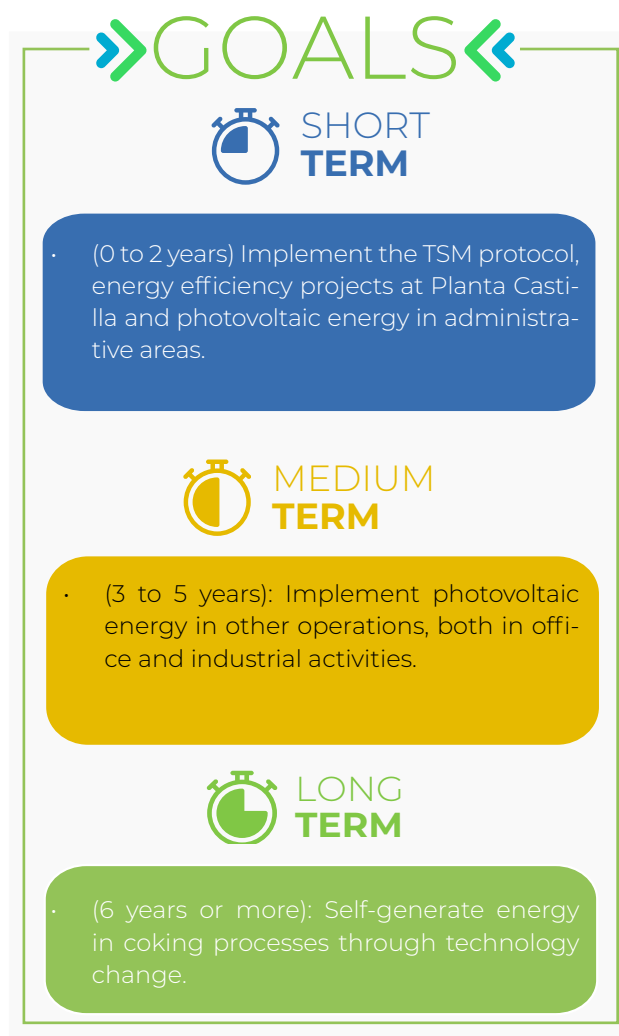


During 2022, we worked on actions that allowed us to strengthen ties with stakeholders, and ratify our commitment to the proper management of natural capital and the importance of generating value strategies to enable economic growth while using fewer natural resources.

Among the outstanding actions were the design and construction of rainwater management and storage constructions for subsequent reuse in the production process at the Salamanca plant. In addition, we developed a circular economy strategy that allowed us to find a market for our waste and co-products, allowing other companies to reduce the extractive processes of raw materials and water and energy consumption in mining activities.

As Coquecol Group, we are ambitious and constantly work to improve our operation and relationship with natural resources.

Our purposes are:



*We developed a **circular economy strategy** that allowed us to find a market for our waste and co-products.*

Climate change

GRI: 3-3; 305-1; 305-2; 305-3; 305-4; 305-5

In Coquecol Group we understand that climate change is a global issue that must be viewed from the social, environmental, and economic spheres to have a comprehensive approach to the crisis that the planet is going through.

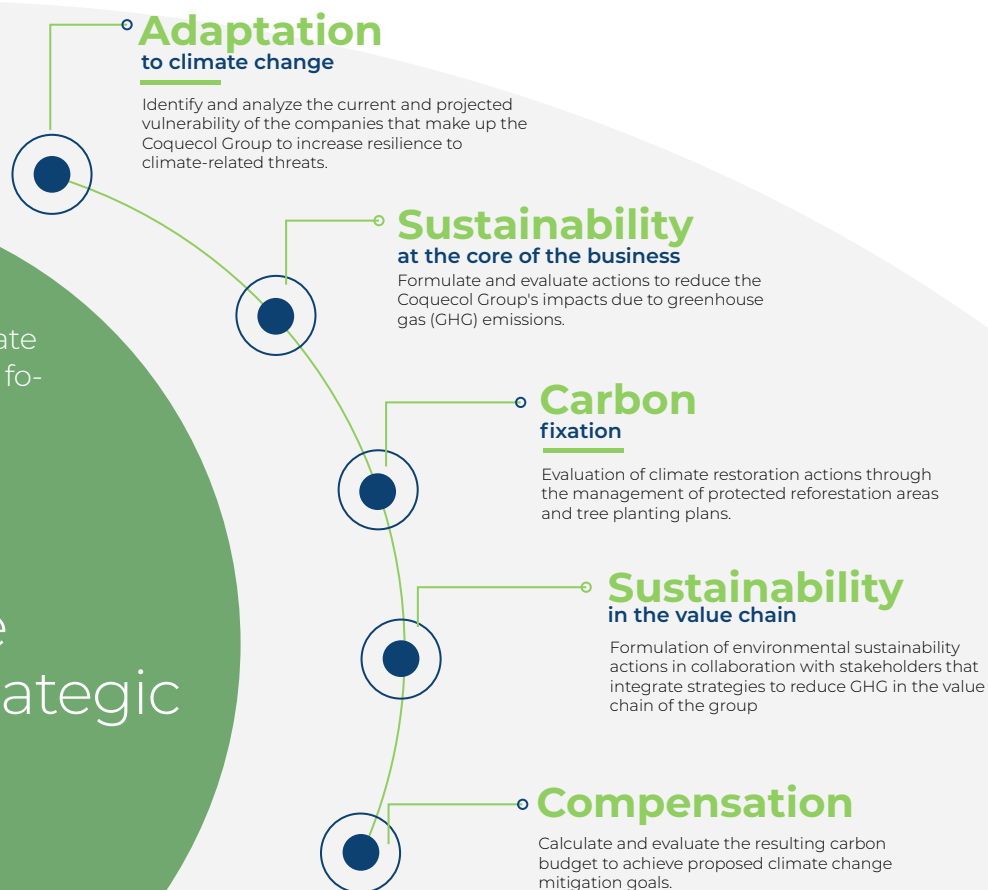
We adopted climate action as an integrated line in the sustainability strategy within the framework of efficient environmental management, which is why in 2022 we worked on the development of the climate action plan that included the inventory of GHG emissions at the group level, the diagnosis of climate vulnerability in our areas of operation and the identification of strategic lines for the definition of projects to advance in actions to reduce, mitigate and adapt to climate change.



We were recognized with the Green Seal of Truth, a voluntary environmental label that ratifies our environmental commitment and identifies us in the market as a company with a focus on sustainability in its production processes and, also, committed to climate change mitigation.

In 2022 we built our climate action plan based on the following guidelines:

The **climate action plan** contains the following strategic axes:



Our company has a greenhouse gas inventory of 100% of our operations, in scope 1, 2 and 3, which allows us to monitor our behavior with respect to GHG emissions and thus identify measures to reduce and mitigate the effects of climate change.

Our carbon footprint was verified by ICON-TEC during this period, guaranteeing compliance and methodological rigor establi-

shed by the Greenhouse Gas Protocol (GHG Protocol) and the Intergovernmental Panel on Climate Change (IPCC). Our carbon footprint calculation has a base year of 2021 and the data consolidation approach corresponds to operational control; this calculation is developed through a platform developed by the consulting firm CO2CERO S.A.S. in the following way:

GHG Emissions (Ton CO2e)	2021	2022
[305 - 1] Direct GHG Emissions (Scope 1)	449.931,08	276.380,35
[305 - 2] Indirect GHG emissions (Scope 2)	1.520,96	1.238,82
[305 - 3] Other indirect GHG emissions (Scope 3)	273.804,47	284.447,99
Total GHG emissions	725.256,51	562.067,16

305-5 In 2022 we obtained a 22.50% reduction in total emissions compared with 2021.

For scopes 1 and 2 corresponding to direct and indirect emissions, we had a reduction of 38.57% and 18.55% respectively, while for scope 3 emissions we had an increase of 3.88%. This reduction was due to the temporary shutdown of some of our coking plants.

305-4 Group management of our emissions for 2022:

Category	Emission source	Description	tCo2e	% of share
Direct emissions	mobile fuels sources	Liquid fuels	247,3	0,04%
	Stationary fuel sources	Liquid fuels	281,31	0,05%
	Process emissions	Coking process	249.539,27	44,50%
	Wastewater treatment	Domestic wastewater	50,22	0,01%
	Fugitive emissions	underground mining	26.262,43	4,67%
	Total scope 1		276.380,35	49,17%
Indirect emissions	Electricity consumption		1.238,82	0,22%
	Total scope 2		1.238,82	0,22%
Other indirect emissions	Outsourced fuel consumption	Consumption of liquid fuels in yellow machinery	1.547,72	0,28%
	Outsourced transportation	Corporate flights	114,81	0,02%
		Corporate routes	22.064,36	3,93%
		Exports by sea	137.207,84	24,41%
		Product dispatch (Internal transfers)	4.302,87	0,77%
		Product Dispatch (Plant-Port)	106.383,09	18,93%
		Coal entries	10.695,43	1,90%
		Other coal revenue (3rd party Yards)	2.028,92	0,36%
	Generation of waste in operations	Generation of waste	102,96	0,02%
Total scope 3			284.447,99	50,61%
TOTAL			562.067,16	100%

SWe are aware that there are risks derived from climate change, so we are preparing ourselves by adapting our business and working on strategies to reduce our impact in

terms of greenhouse gas generation. For this specific issue, a matrix was developed and is reviewed every two months by the environmental and auditing areas.



Climate risk management

GRI 201-2

Coquecol's management of risks derived from climate change is done by analyzing each of its facilities. Understanding that climate risks are associated with financial risks, the objective of this analysis is to maximize opportunities to respond to the impacts of this problem that affects the environmental, social, and economic factors.

Scope

Geographic scope definition
Operational scope definition
Data collection



Horizon year

Horizon selection and period for IPCC projections



Current vulnerability

Exposure and geographically localized hazards
Historical hazard analysis



Weather forecast

Emission scenario selection



Risk analysis

Identification of potential future impacts
Evaluation of identified impacts
Risk matrix application

As a result of this process, we identified different risks or opportunities of a physical or regulatory nature, as follows:

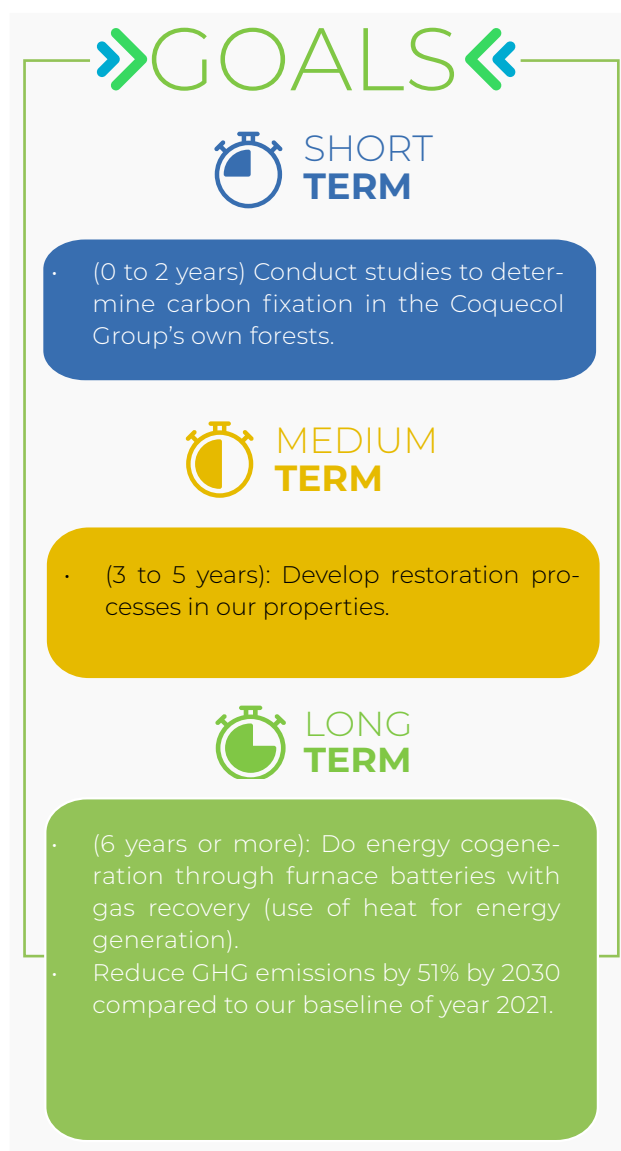
Risk	Opportunities
Landslides	Improvements in energy efficiency in the facilities
Floods	Reuse and appropriate use of water resources
Water resource scarcity	Greenhouse gas capture through nature-based removal strategies (Carbon fixation project)
Energy resource scarcity	
Difficulty in the process of supplying our raw material.	

In terms of environmental impact, we classified the risks according to the environmental damage and its effect over time; in economic terms, we classified according to the scale of impact, which is given in the reduction of Ebitda (from 0 to 20 %) according to the type of financial impact.

We prioritized and integrated these risks and opportunities in our risk management matrix as “risks associated with climate change” where we defined the controls and respective triggers that allow us to prepare and adapt to each prioritized risk, each measure has responsible for the different areas. In addition, some of the company’s strategic projects are aimed at mitigating and controlling these risks.

The costs associated with measures to manage these risks and opportunities amount to 900 million pesos.

Within the projection of goals, we have a rigorous agenda that delivers concrete actions, that bring about quantitative and qualitative results that are beneficial to our operation:



Biodiversity

GRI: 3-3

As a company, we are committed to the protection and conservation of biodiversity, so we are in the process of building a challenging project called:

*“Generation of initiatives to value and **conserve biodiversity in the areas of influence** of the Coquecol business group operations”; the project will start from a baseline in the areas of influence.*

Coquecol Group needs to define the strategy, actions, and plans that will allow greater conservation of biodiversity and the benefits of the ecosystems in the areas of its operation, and that these are incorporated into the guidelines and policies of the company, to be fully implemented afterward.

This strategy will have two phases, a first one that will include studies, characterization, and diagnosis, and a second one, which will define the strategy, actions, and plans to be developed.

Waste management and circular economy

GRI: 3-3;

To develop responsible management of the waste we generate in our industrial activity, in 2022 we succeeded in: identifying new options for reusing some of our waste and co-products that enter new production cycles.





Our management and utilization of waste and co-products, seeks to enhance the following for our customers:

Decrease in the overexploitation of raw materials.

Reduction of water consumption in the mining processes

Mitigation in the generation of GHGs derived from mining activities.

Reduction of energy consumption in the operation.

To ensure compliance with our strategy, we manage our operations in two ways. On the one hand, we continue to make progress in the integrated management of solid waste in our operation through proper classification and disposal; In 2022, on the other hand, we decided to strengthen the Circular Economy strategy, which aims to take advantage of some co-products and waste generated in our operation and thus extend their useful life.

Solid waste management

GRI: 306 -3; 306-4; 306-5;

In Coquecol Group, solid waste management allows us to reduce negative impacts on human health and the ecosystem and also encourages us to minimize the pressure exerted on natural resources and their use. For this reason , we plan to classify and pro-

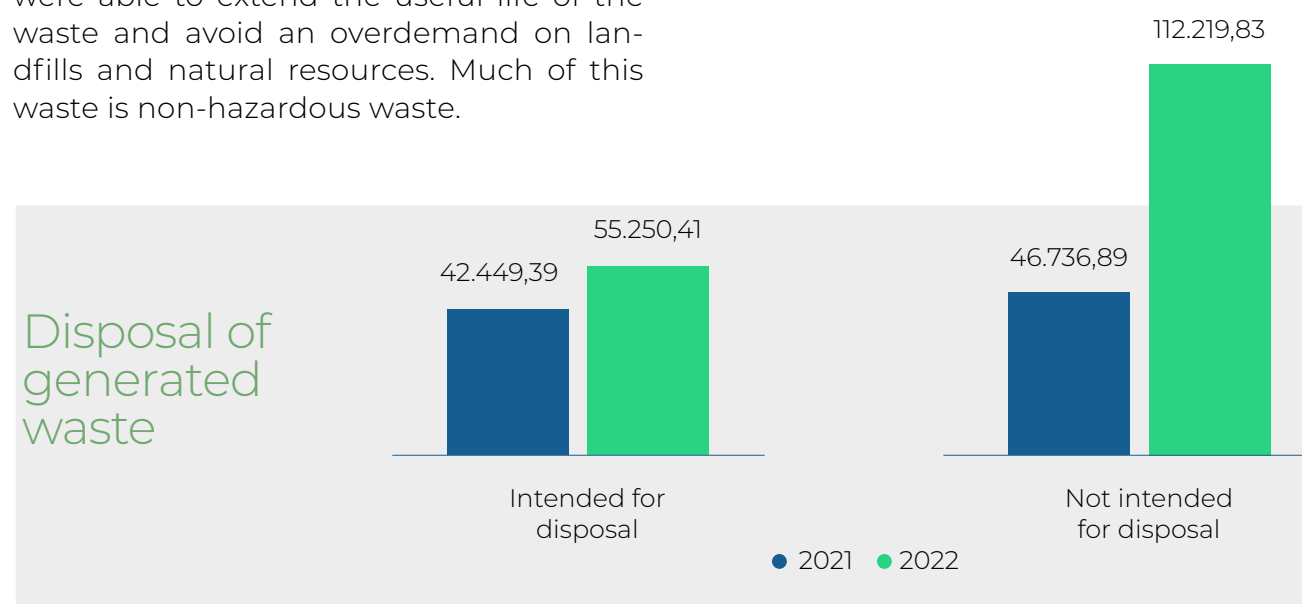
perly dispose our waste, understanding that its inadequate final disposal can cause negative impacts with consequences that alter the environment and the ecosystem.

[306 - 3] In 2022 we generated a total of 167,470.24 tons of solid waste, of which 99% of the waste corresponded to non-hazardous waste. Compared to 2021 we increased by 19% of the waste generated.

Disposal method	Hazardous waste	Non-hazardous waste
Internal or external reuse	0,34	112.219,37
Composting	0	0
Energy recovery	0,12	0
Incineration	5,17	0
Safety landfill	1,44	0
Landfill	0	55.243,79
Total	7,08	167.463,16

Thanks to our management in 2022, we managed to increase the waste that is not sent for disposal by 58%. In this way, we were able to extend the useful life of the waste and avoid an overdemand on landfills and natural resources. Much of this waste is non-hazardous waste.

[306-4] [306-5] Waste destined and not destined for disposal.



Within the proper management of waste, we highlight the delivery of materials such as scrap, used as raw material for the steel mills, and the proper disposal of paper, cardboard, and plastic that enter new production processes.

Circular economy

We embrace the concept of circular economy as a key strategy for the efficient management of natural capital. We focus on reducing the overexploitation of raw materials and the reduction of Greenhouse Gases (GHG), giving way to an energy transition that preserves biodiversity and promotes the implementation of best environmental practices for the sector.

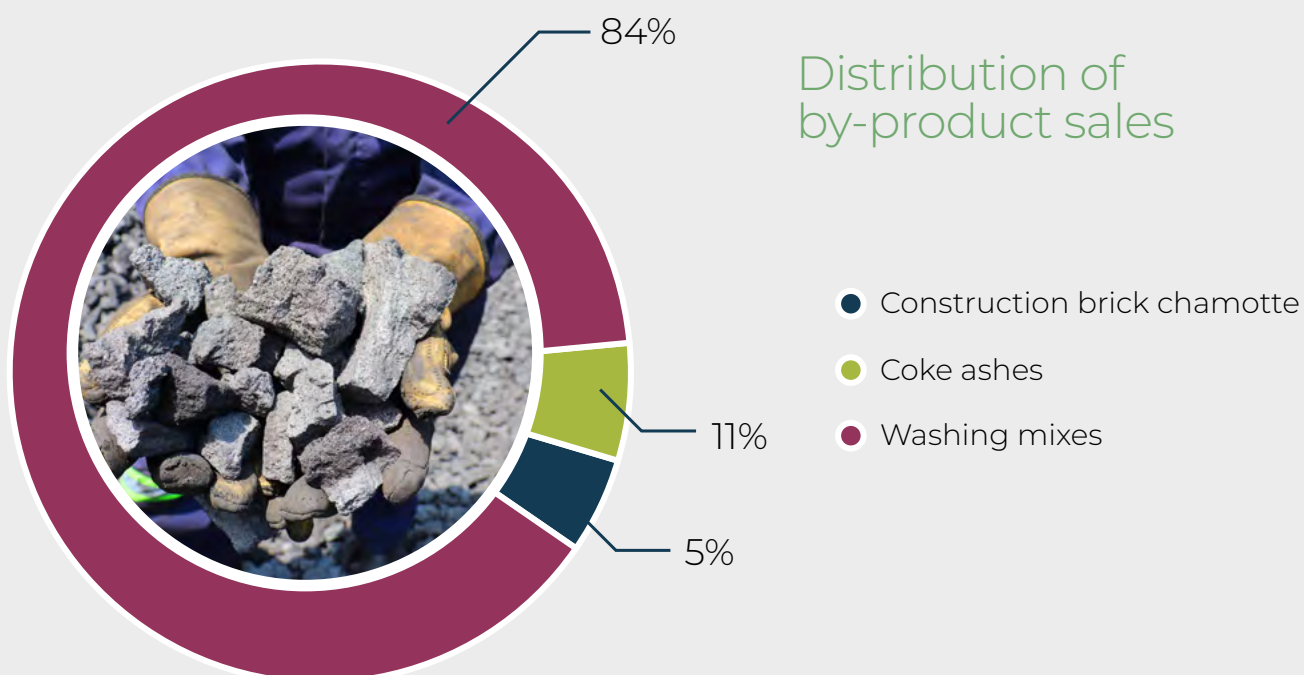
As part of our management strategy, in 2022 we developed the circular economy project focused on reducing the waste we generate in our operation. We provided other alternative uses for by-products such as the ash generated in our coking process through new industrial symbiosis processes that allow these elements to reach new markets. This added great value in energy and combustion processes for the cement and thermoelectric industries, among others.

*We managed
to market
127.710
tons
within the framework of the
circular economy project*

Thanks to this strategy, we were able to extend the life cycle of 127.710 tons of waste (construction brick chamotte, coke ash, and mixed washings) and obtain new income for the company. In this way, we guarantee the fulfillment of our purpose of reducing the negative impacts of our operation and guaranteeing the subsistence of our business.

Materials managed from January to December 2022

Type of Material	Quantity (Tons) From January to December 2022
Coke ash	6.255,62
Washing Mixtures	107.654,55
Chamote	13.800,00
Total	127.710,17



One of our objectives is to involve academia and seek reuse possibilities for other materials generated in our industry, thus strengthening industrial symbiosis and promoting actions that are not only in line with the recycling model but also transcend to the non-generation of waste. For this reason, it is essential to have the support of senior management, to enhance the innovation of by-products, generate greater value and interest, and strengthen teamwork between the generator and the consumer to develop projects that promote the circular economy.

Proposing short-term goals continues to be our priority, which is why we must work on projects that aim at a sustainable economy over time. Our main goals are:

» GOALS «



- Continue with the circular economy strategy to maximize the percentage of co-products that can be used.
- Strengthen the scrap and plastic recycling strategy.
- Effectively comply with our “zero paper” strategy and propose alternatives for the reuse of mining tailings.

Internal Auditor 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.

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

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

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


Ciro Rolando Herrera Castañeda

Audit chief
Designated by Coquecol S.A.S C.I.
March 17th 2023

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



Use declaration:

COQUECOL S.A.C.I has presented the information cited in this GRI index for the period from January 1 to December 31, 2022, using the GRI standards as a reference.

GRI Used

GRI 1: Fundamentals 2021

GRI table - Management and sustainability report COQUECOL GROUP 2022	RESPONSE	PAGE
General content		
GRI 2-1: Organizational details	Who we are	20
	GRI Table: COQUECOL S.A C.I Incolmine S.A.S RC CARGA. S.A.S INTERCARBON MINIG S.AS	
GRI 2-2 Entities included in the sustainability reporting	About this Report	17
	Who we are	20
	GRI Table: COQUECOL S.A C.I Incolmine S.A.S RC CARGA. S.A.S INTERCARBON MINIG S.AS	
GRI 2-3 Reporting period, frequency, and point of contact	About this Report	17
GRI 2-4 Information update	GRI Table: There were no updates to the information presented in previous reporting periods.	
GRI 2-5: External verification	GRI Table: Not applicable to this report	
GRI 2-6: Activities, value chain, and other commercial relationships	Who we are	20
	Markets served	23
GRI 2-7: Employees	Our team	80
GRI 2-8: Workers that are not employees	GRI Table: We do not offer this type of contract in our company.	
GRI 2-9: Corporate governance structure	Corporate governance, ethics and transparency	29
GRI 2-10 Appointment and selection of the highest governance body	2-10 The process of appointment and selection of the highest governance body and its committees happens at the Ordinary Meeting of the General Assembly of Shareholders; the Chairman of the Assembly submits his proposal for consideration to the members of the Board of Directors, which is subject to approval by the Assembly. The professional profile of members should demonstrate a long track record with diverse visions, experience, and disciplines, including legal, economic, environmental, and social.	
GRI 2-11: President of the highest governance body	Corporate governance, ethics and transparency	29, 59
GRI 2-12: Role of the highest governance body in supervising the management of the impacts	Corporate governance, ethics and transparency	29, 59

GRI 2-13: Delegation of responsibility for impact management	Corporate governance, ethics and transparency	59
GRI 2-14: Role of the highest governance body in sustainability reporting	The efficiency and transparency of our board are a consequence of its constitution and the implementation of best practices in Corporate Governance, highlighting the fact that none of our members has an executive function within the company, three of them are declared as independent, and the seniority of our highest governing body has an average length of service of 6 years. In addition, the average attendance of the members of the board was over 90% and none of them declared a conflict of interest in participating in this body; even our president, who belongs to three other instances of the same level.	59
GRI 2-15: Conflict of interest	Regulatory compliance, ethics, and anticorruption	64
GRI 2-16 Communication of critical concerns.	Delegación de autoridad	60
	GRI Table: In addition, in this way, and during the meetings of the Board of Directors and the General Shareholders' Meeting, multiple reports, concerns, and proposals throughout the year expose the implementation of new strategies and policies that will allow us to feed back into the business and operation, achieve several of the proposed goals, and have a positive impact on our stakeholders. Remuneration Policies	
GRI 2-17 Collective knowledge of the highest governance body	Delegation of authority	60
	GRI Table The constant communication between the different areas of the company, the highest governing body, and the top executives allows the training and an updated flow of information about the company's different lines of business and matters of sustainable development. This frequent training has broadened the collective experience of the highest governance body, establishing and continuing to position the company as sustainable and competitive in society and the national and international economy.	
GRI 2-19 Compensation policies.	GRI Table: The compensation of members of senior management is set by the Board of Directors following the recommendations of the Nomination and Compensation Committee. For these purposes, the following aspects are considered: level of responsibility of their functions; competitive compensation compared to equivalent functions in peer companies in the local market.	
GRI 2-20 Process to define compensation	GRI Table: Additionally, we have a Compensation and Salaries Committee, in which the Board of Directors and senior management participate to define the salary scales and policies, annual general increases, leveling, and adjustments to the organizational structure.	
GRI 2-22: Statement on sustainable development strategy	Statement from the President of Board Of Directors	7
	Statement from the CEO	9

GRI 2-23: Commitments and policies	Regulatory compliance, ethics, and anticorruption	61
	Human Rights promotion and respect	97
GRI 2-24: Incorporation of commitments and policies	TSM Protocols	44
	Regulatory compliance, ethics, and anticorruption	61
GRI 2-25: Processes to remediate negative impacts	Regulatory compliance, ethics, and anticorruption	61
GRI 2-26: Mechanisms for seeking advice and raising concerns	Communication channels	40
	Regulatory compliance, ethics, and anticorruption	62
GRI 2-27: Compliance with laws and regulations	Regulatory compliance, ethics, and anticorruption	61
GRI 2-28: Affiliation to associations	Affiliation to associations	31
GRI 2-29: Approach to stakeholder engagement	Stakeholders	38
Material Topics		
GRI 3-1: Process to determine the material issues	Materiality analysis	41
GRI 3-2: Material topics list	Materiality analysis	42
GRI 3-3: Material topics management	Corporate governance, ethics and transparency	58
	Distributed and generated economic value	65
	Innovation and Digital Transformation	74
	Sustainable supply	80
	Learning and development	84
	Commitment to people's health and safety	88
	Contribution to social development	94
	Environmental management	105
	Efficient use of resources	108
	Climate change	112
	Biodiversity	117
	Waste management and circular economy	117
GRI 200: Economic performance		
GRI 201-2 Financial implications and other risks and opportunities arising from climate change.	Climate risk management	115
GRI 204-1: Spending ratio for local suppliers	Responsible supply	73
GRI 205-1: Operations assessed for corruption-related risks	Regulatory compliance, ethics, and anticorruption	61
GRI 205-3: Confirmed cases of corruption and measures taken	Regulatory compliance, ethics, and anticorruption	61

GRI 400: Social results		
GRI 401-1: New employee hires and staff turnover	Our Team	81,82
GRI 401-2: Benefits for full-time employees that are not provided to part-time or temporary employees	Our Team	80
GRI 401-3: Permiso parental	Our Team	82
GRI 403-1 Occupational health and safety	Currently, our occupational health and safety management system is based on the Colombian regulatory framework, specifically Decree 1072/15 and resolutions 0312/19 - 1886/15 - 944/22. 0312/19 - 1886/15 - 944/22. Under this premise, we seek to comply with the current Colombian legal frameworks while adding value to each one of the practices that help us manage and maintain an updated and rigorous policy.	88
GRI 403-2: Hazard identification, risk assessment, and incident investigation	Commitment to people's health and safety	89
GRI 403-3 Health services at work	Commitment to people's health and safety	90
GRI 403-4 PWorker participation, consultation, and communication on health and safety at work	Commitment to people's health and safety	91
GRI 403-5 Training of workers on occupational health and health and safety at work	Commitment to people's health and safety	92
GRI 403-6 Health promotion of workers	Commitment to people's health and safety	90, 91
GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	Commitment to people's health and safety	90, 91
GRI 403-8 Coverage of the health and safety management system	Commitment to people's health and safety	89
GRI 403-9: Injuries due to work accident	Commitment to people's health and safety	93
GRI 403-10: Occupational diseases and illnesses	Commitment to people's health and safety	93
GRI 404-1: Average hours of training per year per employee	Learning and development	86
GRI 404-2: Programs to develop employee competencies and transition assistance programs	Learning and development	86
GRI 404-3: Percentage of employees receiving regular performance and development assessments	Learning and development	87
GRI 405-1: Diversity in governing bodies and employees	Our Team	81, 83
GRI 406-1: Cases of discrimination and corrective actions taken	Human Rights promotion and respect	97

GRI 300: Environmental results		
GRI 302-1: Energy consumption within the organization	Efficient use of resources	108
GRI 302-2: Energy consumption outside of the organization	Efficient use of resources	110
GRI 303-1: Interaction with water as a shared resource	Efficient use of resources	110
GRI 303-2: Management of impacts related to water discharge	Efficient use of resources	110
GRI 303-3: Water extraction	Efficient use of resources	110
GRI 303-4: Water discharge	Efficient use of resources	111
GRI 303-5: Water consumption	Efficient use of resources	110
GRI 305-1: Direct GHG emissions (Scope 1)	Climate change	112, 113
GRI 305-2: Indirect GHG emissions associated with energy (Scope 2)	Climate change	112, 113
GRI 305-3: Indirect GHG emissions associated with energy (Scope 3)	Climate change	112, 113
GRI 305-4: Intensity of GHG emissions	Climate change	114
GRI 305-5: Reduction of GHG emissions	Climate change	113
GRI 306-3: Waste generated	Waste management and circular economy	119
GRI 306-4: Waste not destined for disposal	Waste management and circular economy	119
GRI 306-5: Waste destined for disposal	Waste management and circular economy	119



A lush green forest scene with a stream flowing through it. A vibrant rainbow is visible in the lower right portion of the image, arching over the water. The trees are tall and dense, with sunlight filtering through the leaves.

MANAGEMENT AND **SUSTAINABILITY** REPORT **2022**

