SUSTAINABILITY Report

2023

PROPAL

Carvajal

DOING THINGS RIGHT

Carvajal

DOING THINGS RIGHT

120 Years Transforming Lives

About this REPORT

GRI: 2-3; 2-5; 2-14

This annual sustainability report of Carvajal Pulpa y Papel S.A. covers the period from January 1, 2023, to December 31, 2023.

It provides details of our sustainability practices, policies, programs and strategies, as well as financial results for the year 2023. The report includes a review of the economic, social and environmental value created by the company.

The company has used the Global Reporting Initiative (GRI) 2021 Standards as a reference for preparing its sustainability reports. Prior to publication, this report was reviewed and approved by the highest government body, and also by the external auditor ICONTEC. The execution of the external verification of the Sustainability Report was approved by the top management of the organization.

The Shareholders' Meeting, which is the highest governance body of the Organization, approves the Sustainability Report together with the material topics identified.

There have been no updates to the information covered during the reporting period.

The financial reports are audited by external parties and presented annually to the Board of Directors, stakeholders and other authorities interested in this information. This financial information is aligned with the Sustainability Reports and, in turn, seeks to disclose the operational reality of Carvajal Pulpa y Papel during the period covered therein.

About Carvajal Pulpa y Papel and this Annual Sustainability Report

Website:
https://www.carvajalpulpaypapel.com.co/

Disclosure of the annual report with information:
Website

Cycle to prepare the report:
Annual

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CEO Letter

GRI: 2-22

In the Carvajal Organization, and especially in Carvajal Pulpa y Papel S.A., sustainability isan integral part of our nature and therefore a fundamental pillar of our corporate strategy to ensure our long-term operation and our competitiveness as a company.

For the Carvajal Organization, and in particular for Carvajal Pulpa y Papel S.A., sustainability is an integral part of our nature and therefore a fundamental pillar of our corporate strategy. This, in turn, guarantees our long-term viability and competitiveness as a company.

Our team is committed to the idea of leaving a better planet than the one we found, in terms of the environment, economic activity, opportunities and contribution to the generation of development of the territories in which we operate.

Every day, we make Carvajal's higher purpose a reality, “Promoting economic and social development by doing things right" based on the following premises:

- We align all our actions with the philosophy,principles, and values of the Carvajal Organization.
- We think and act systemically, within a dynamic model that is permanently updated based on a dialogue heldwith all stakeholders, in a global and localenvironment.

Beyond standards and regulations, the fundamental driver of our sustainability initiatives is our belief in our responsibility to current and future generations.

On the other hand, changes in consumer habits, influenced by greater environmental and social awareness, are a powerful market force that in practice guides the company's decisions.

Based on an ESG sustainability model, our main challenge is to conserve resources and transform our portfolio to serve a green market.

In terms of the environment, we focus on mitigate climate change by managing the carbon footprint of our products, which implies the development of energy efficiency projects in the process.

We are strengthening the circular economy to integrate our industrial waste into production chains and close the cycle of by-products generated in the production at our plants. This has led us to build alliances with different sectors to create new opportunities for use.

From a social perspective, we see ourselves as an organization in which the people who, day after day, make possible the realization of our higher purpose prevail. We care about knowing, supporting and realizing the emotional, physical, mental and financial security of each person who is part of our team.

We achieve this through our Quality of Life and Wellness Strategy, which commits us to promoting spaces of diversity, inclusion and flexibility that allow us to be present in the moments that are important to our employees, providing them with support and assistance in moments of happiness and in those that involve difficulties, learning and challenges, as well as integration activities with colleagues and family.

The development of the communities in our area of influence allows us to manage our higher purpose in the territory, through various assistance programs that promote the development of our employees and the communities, taking care of people and improving their quality of life.

It is important to highlight the work of the **Fundación Propal,** which focuses its actions on transforming the living conditions located in the areas in wich we operate, betting on the generation of skills and empowerment, fundamental characteristics of sustainability.

Our priority is to uphold our corporate philosophy of respect, legal compliance, and sustainable transformation. For this reason, the company has been working on the development of functional barriers for folding cartons and flexible packaging, contributing to the innovation and sustainability of packaging in harmony with the environment.

ABOUT
Carvajal
PULPA Y PAPEL

GRI: 2-1; 2-2; 2-6; 2-23; 2-28

Carvajal Pulpa y Papel S.A. is part of the corporation of the Carvajal Organization, a family-owned business group with more than 119 years of experience, united by the purpose of promoting economic and social development by doing things right. We have developed in the Paper and Packaging Sector, which brings together manufacturing companies specialized in the design, production, sale, and marketing of products for printing and writing, notebooks, and folding cartons and flexible packaging for different uses.

We also have two production plants and our sales cover more than 15 countries. Carvajal Pulpa y Papel S.A. contributes to the development of the communities near its mills through the Fundación Propal. We're proud to be celebrating our 62nd anniversary and to be the only company in Colombia that produces paper and paperboards from sugarcane bagasse. We use this agro-industrial by-product to produce high quality paper for printing, writing and packaging.

(2-2)

This report covers only Carvajal Pulpa y Papel S.A. and consolidates financial statements that do not differ between the entities mentioned in the financial and sustainability reports.

Our Operations

Our production plants:

Plant 1:

Yumbo – Valle del Cauca

Plant 2:

Guachené – Cauca

COLOMBIA

Markets We Supply

We supply the printing, writing and packaging markets in Colombia, the United States, Canada, Costa Rica, Mexico, Puerto Rico, the Dominican Republic, Germany, the Netherlands, Peru, Ecuador, Chile, Brazil, Bolivia, Uruguay and South Korea, among others, with our white and natural papers and paperboards made out of sugarcane bagasse.

Consumption

White and natural papers for photocopies, printing, and writing, intended for companies in different sectors, copy centers, and SOHO.

Graphic Arts

White and natural papers coated and uncoated, intended for companies that print books, textbooks, magazines, public advertisements, flyers, cards, inserts, and POP material in general.

Notebooks

Ordinary paper and coated paperboards intended for large manufacturers of low-cost notebooks, added value, blocks, and notepads using different technologies.

Packaging

White and natural coated and uncoated paperboards, MG and MF papers intended for manufacturers of folding cartons and flexible packaging used in the food, pharmaceuticals, cosmetics, and general consumer segments.

Other Converters

Companies that manufacture paper-based products such as continuous forms, envelopes, rolls for adding machine and labels, among others.

Our Brands

REPROGRAF BLANCO

White paper in 75 gsm, alkaline and Elemental Chlorine Free (ECF) for printing, photocopying, and writing, compatible with all printing technologies.

REPROGRAF NATURAL

PAPEL DE CAÑA DE AZÚCAR

Natural paper in 72 gsm, alkaline for printing, photocopying, and writing, with the same caliber of White Reprograf, compatible with all printing technologies.

PROPAL BOND / PROPAL OFFSET / PROPAL FORMAS

Multipurpose uncoated white papers, ideal for printing and writing. Includes Propal Bond for all types of POP materials, Propal Offset for printing in the editorial sector including polychromes or color-demanding processes, and Propal Formas for printing continuous formats.

PROPALCOTE®

Más que un papel, una solución.

Papers and paperboards coated on one or both sides for printing, with a gloss or dull finish, excellent smoothness, shine, rigidity, quick drying, and high surface resistance to detachment for production of books, magazines, POP materials, labels and bags, among others.

PROPALCUADERNOS

Uncoated white papers to manufacture notebooks, notepads, blocks, and parts for ring folders.

PROPALCOTE® SBS / PROPAL PAC

White paperboards and MG papers to make folding cartons and flexible packaging. Several are coated to a higher printing quality, others have functional barriers to retain grease and/or humidity for food packaging.

earth pact

Alternative fiber-based paper

A brand of natural colored paper and board, produced for all segments, as an alternative that fulfills our pact with the planet. During its production, this line saves approximately 30% of water, 70% of steam, and 11% of energy compared to our traditional white papers, as measured in 2023. In addition, no additional bleaching chemicals are used in the production process other than those already found in the post-industrial waste of white papers, which we utilize and incorporate into the mix. This allows the paper to retain the natural hue of the sugar cane bagasse.

Engagements and Policies

(2-23; 2-24)

Maintaining the business philosophy that has distinguished us since our founding in 1961 is a mission that requires the alignment of the business strategy, the work team, and the principles and policies of the organization. In order to achieve this, we have a Corporate Governance Model, adapted to the Carvajal Organization, which provides the guidelines for structuring, managing and controlling the assignment of responsibilities at different levels.

As responsible members of society, we are aware that our productive and service activities must be developed within a framework that protects and cares for the environment and human health. This is based on compliance with applicable laws and other commitments to which we have voluntarily subscribed.

Likewise, our commitment to protect and care for the environment is embedded in our strategic direction and is an important pillar of the organization. It aims to promote continuous improvement of the various production and service processes in order to support sustainable development and clean production.

For more information about our policies, scan this QR code

Our Certifications

- Colombian Environmental Stamp (or SAC) under the NTC 6019 – 2015 standard.
- Large Fuel Consumer Certificate granted by ICONTEC.
- Accreditation of environmental laboratories under the NTC-ISO-IEC 17025 – 2005 standards, granted by IDEAM.
- BASC (Business Anti-Smuggling Coalition) Standard VS. Authorized economic operator in the export and import modality.
- ISEGA certification for food contact according to FDA (Food and Drug Administration) and BfR (Bundesinstitut für Risikbewertung) for paperboards and MG papers (machine glaze) for packaging.

Associations in which we participate

(2-23; 2-24)

We are a member of ANDI (National Association of Industrialists), which allows us to participate in the National Environmental Committee and the Territorial Committees of Valle and Cauca, where we contribute to the development of strategies for the sustainability of the sector. We are also a member of the Colombian Chamber of Pulp, Paper and Paperboard, which aims to make the paper industry a sustainable sector that creates jobs, drives progress throughout the country and makes a positive contribution to the economy.

We have partnered with CEMPRE (Corporate Engagement to Recycling) to ensure that the packaging of our products is part of the supply chain in production models focused on the circular economy.

A private, non-profit organization created in 1993 by PROPAL, now Carvajal Pulpa y Papel S.A., the sugar mills of La Cabaña, Castilla Agrícola and INCAUCA, and the sugar cane growers in the area of influence, to promote the protection and conservation of the Palo River sub-basin and its surroundings.

In line with the Sustainable Development Goals, since 2010 we have been actively involved in the corporate citizenship initiative known as Global Compact Colombia. This initiative is used as a framework for action to provide social legitimacy to companies and markets in which we share the belief that business practices based on universal principles contribute to the creation of an increasingly stable, equitable and inclusive global market and to the promotion of more prosperous societies.

SUSTAINABILITY STRATEGY

GRI: 2-23; 2-29; 3-1; 3-2 2-24

Sustainability is key to ensuring the longevity and viability of the business, in line with our parent company's overarching purpose of *"promoting economic and social development by doing things right"*. For this reason, we have found great value in three frameworks for action that guide our daily work.

01

First, an appropriate corporate governance model that enables us to have clear rules, policies and procedures that guide the decisions and actions of all our employees.

02

Second, the prioritization of the social component, remembering the words of Don Manuel Carvajal Sinisterra: "It is not possible to have a healthy company in a sick environment".

03

Finally, the intention to leave the environment in a better state than the one in which we find ourselves today is not only a responsibility and a commitment to future generations, but also a real requirement of the markets we serve.

Carvajal Pulpa y Papel S.A. is committed to sustainability and therefore aligns with Corporate with the Sustainability Strategy for its operations, ensuring that we assume a commitment to sustainable management and with the environment to be profitable, based on good practices with our stakeholders.

This strategy provides us with a roadmap for doing the right things and includes an internal policy aimed at improving our business performance, developing and caring for our people, and managing our operations responsibly.

(2-23)

Engagement and Policy

In addition, our Sustainability Policy includes instruments that support the management of our actions, namely:

- Environmental Policy
- Climate Change Policy
- Safety Policy
- Diversity, Equity, and Inclusion Policy(DEI)
- Quality Policy
- Occupational Health and Safety Policy(OHS)
- Data Policy
- Biodiversity Policy

Learn more about our policy

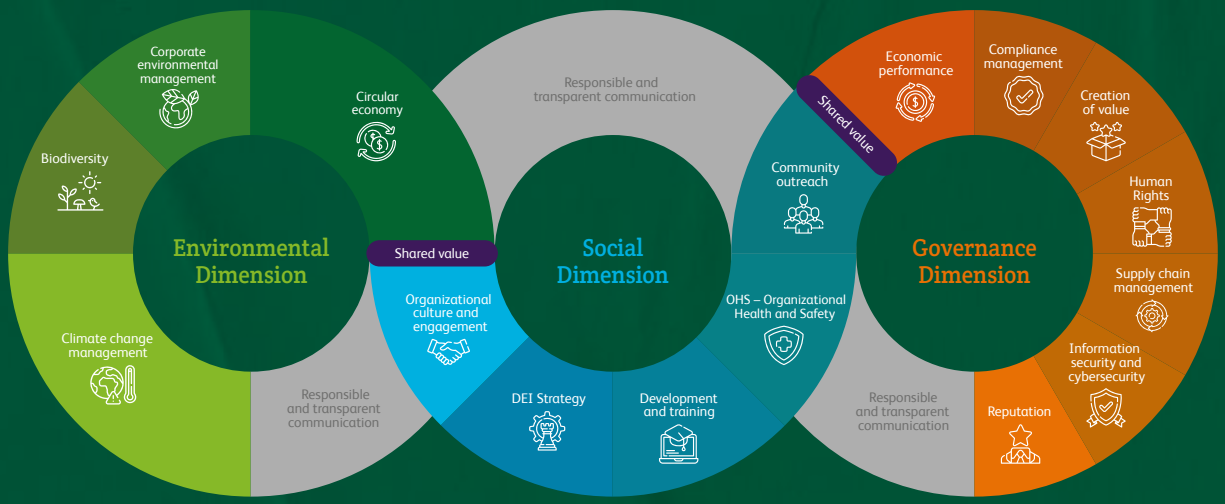
As mentioned above, we operate under three frameworks of action: environmental, social and governance, which cross-cutting have allowed us to consolidate a sustainability model that is aligned with materiality and permeates the actions of the Group's companies.

Environmental Dimension
Caring for
natural resources.

Social Dimension
Caring for
people and their rights.

Governance Dimension
Caring for our
corporate philosophy.

These three dimensions are the core and drive our sustainability model. This model is aligned with materiality and ensures shared value across each dimension.



MATERIALITY

Our materiality responds to the exercise conducted in 2022 with conTREEbute, an expert firm in sustainability issues. During this exercise, we interacted with our stakeholders through interviews, workshops, and surveys, to validate that we are addressing their priorities and needs.

(3-1)

Process to Determine Material Issues

To conduct our materiality analysis, with the help of an expert consulting team, we focused on:

- Reviewing the global and sectoral frameworks to identify the material issues that best fit our needs.
- In turn, we reviewed benchmarks of companies similar to ours or in our sector to complement our material issues. We also reviewed and analyzed the Organization's external documents.
- Once we completed this exhaustive review of references, we validated the most relevant topics for our Company to move on to the next stage of the process, that is,conversations with our stakeholders.
- Once we identified the material issues and stakeholders, we proceeded to holdworkshops, interviews, and surveys to learn about their perceptions of the relevance of the topics selected.
- With the results obtained, we prepared a materiality matrix, where we contrasted thevision of the stakeholders and the Company,and prioritized the issues one last time.
- Lastly, we made an appraisal with the Sustainability team and the Executive Committee and determined the issues that frame the roadmap of our management incoming years.

(3-2)

List of Material Issues

The results of this exercise led us to state the following material issues:

There have been no recent changes or updates to materiality. In the next report, we will take a closer look at each of the topics mentioned here and others that we consider relevant for managing and communicating with our stakeholders.

OUR STAKEHOLDERS

(2-29)

The pillar of our sustainability strategy is supported by our stakeholders, with whom we build a relationship of mutual growth. Therefore, every day we strive to develop responsible and sustainable relationships with the stakeholders with whom we interact, based on their expectations and experiences, which are dynamic and change over time. However, the relationship with each stakeholder is measured by the company's ethical behavior and a set of principles and policies aimed at long-term sustainable relationships and mutual well-being.

Through the company's materiality study, we identify the stakeholders that we constantly monitor. These are the communication channels, the objective of the relationship and its characterization:

Stakeholder	Relationship Objective	2023 Relationship Spaces
Employees	Our relations with our employees are based on paying attention to the person, mutual trust, and ongoing respect for human rights.	Mass mailings. Personalized and collective meetings where all levels of the company are involved. Joint Committee
Clients	We strive to build long-term relations with our clients, based on ethics, quality, good performance, seriousness, honorability, and spirit of service.	There are many: Face to face, phone, e-mail, Whatsapp, digital platforms like Microsoft Teams.
Suppliers and Creditors	These are our partners to meet the needs of clients. Hence, purchasing decisions are based on criteria of reliability, efficiency, quality, service, and cost, seeking long-term and mutually beneficial equitable relations.	Through committees, phone calls, corporate mails, external audits, and specific meetings for each client or supplier
Competition	We believe in the social benefits of healthy competition, under our policies and the law. We act with loyalty, transparency, and good faith in our business relationships.	Through committees, phone calls, corporate mails, external audits, and specific meetings for each client or supplier

Stakeholder	Relationship Objective	2023 Relationship Spaces
The State	We respect the institutions and authorities recognized in the countries in which we operate, which correctly apply their laws and regulations. As a result, we must cooperate with the authorities, in particular by fulfilling our legal obligations to provide available information to facilitate their investigations.	Ongoing participation through spaces determined by government-owned entities and guilds of the country.
Shareholders	Our responsibility to our shareholders is to provide them with an attractive return above the cost of capital. The purpose is to improve, expand, and increase the sustainability of the organization. We are also committed to providing transparent, timely, and complete information about our performance.	During Board meetings, performance reports are conducted by the Board and the CEO and later presented to the Shareholders' Meeting.
Society / Community	One of our commitments to society is to contribute to the economic and social development of the communities in which we operate. Our actions contribute to the development of the environment and the communities in which we operate. In addition, we seek the appropriate means to actively participate in community, industry and regional affairs.	A frank, mature, and ongoing dialogue is kept to ease the tensions related to company-community interactions daily. "Direct communication Bulletins Informative channels and social media Regular meetings with leaders".

OUR SUSTAINABILITY GOALS

Environmental

By 2030, 45 % of the industrial solid waste (ISW) generated from manufacturing paper will be incorporated into another value chain. By 2030, we will reduce the intensity of our emissions (Scope 1 and 2) by 50 % TON of CO2e / YEAR.

By 2030, the intensity of CO2e emissions will be reduced by 50% compared to the base year 2019.

Innovation: Transformations based on actions

By 2030, 30 % of sales will target the packaging market.
Develop recyclable and biodegradable aqueous barriers with grease, moisture and water vapor resistance features.

Social – Employees

In 2022, our female share in level 3+ was 34 %. By 2030, we expect to increase this figure to 40 %.

Our goal: 0,9 events of accident frequency rate by 2030.

Social - Community

By 2030, we are aiming to reach 85 % of the population to help 1 million people and make a significant difference in their lives.

SUSTAINABLE DEVELOPMENT GOALS

Carvajal Pulpa y Papel S.A. is aware that every action contributes to the achievement of the SDGs. Therefore, we base our higher purpose and actions on a responsible business vision, guided by the principles of sustainability and added value for our stakeholders. The SDGs that we influence in different dimensions are:

FRAMEWORK FOR ACTION

CORPORATE GOVERNANCE, ETHICS AND COMPLIANCE

(3-3)

Our business philosophy goes hand in hand with the Carvajal Organization and is based on the implementation of an adequate corporate governance structure in all phases of the operation. This is reflected in the integration of the organizational strategy, the work team and the principles and policies of the Group. This ensures consistency and coherence between the different strategic aspects of the company.

Corporate Governance

Aligning our corporate strategy, teamwork, and organizational principles and policies is part of our mission. To this end, we have a corporate governance model that is adapted to the Carvajal Organization. This model seeks to establish relationships within the administration, the Board of Directors, the shareholders and other stakeholders. In turn, it provides a structure in which the organization's objectives are established along with the means to achieve them.

(2-9)

Our supreme governing body is the Shareholders' Meeting, which is registered in the share register and, in turn, determines the shareholders or their representatives. The Shareholders' Meeting is responsible for appointing the members of the Board of Directors, who are responsible for overseeing compliance with the Company's strategic objectives.

The structure of the Company is described below:

1. Shareholders' Meeting
2. Board of Directors
3. Leading or Senior Team

Members of the Board of Directors from January 1, 2023 to December 31, 2023

Principle Members:

- Tomas Gonzales Estrada
- Juan Pablo Molina
- Diana Paola García Cardona
- Juan Guillermo Castañeda

Alternate Members:

- Ana Milena Muñoz Roldan
- Pedro Felipe Carvajal Cabal
- Julián Prado Lorza

In addition, the Company has various management bodies that are responsible for monitoring compliance with our higher purpose, guiding the implementation of the corporate strategy and reporting to the highest governance body. **The above is achieved with the support of various committees.**

The senior management team is as follows:

The Committees that are strategic for the decision-making process are:

- Weekly Quick meeting of critical performance drivers
- Leadership or Management Team Committee
- Purchasing committee
- Coal committee
- Finance committee
- Operations Management Committee
- Supply Management Committee
- Commercial Committee
- Production Planning Committee

In 2023 the firm Ernst & Young Audit S.A.S., performed the role of Statutory or External Auditor.

In 2023, the role of Internal Auditor was performed by KPMG.

ETHICS AND COMPLIANCE

GRI: 2-15, 2-26; 2-16; 2-23, 205-1; 205-2; 205-3; 206-1; 3-3

At Carvajal Organization, we base our behavior on ethical principles. These principles influence the way we work, the decisions we make and our entire production process, and are the driving force behind our business strategy.

In our organization, we are committed to acting with integrity at all levels, from employees to suppliers, in strict compliance with the law and maintaining our corporate values in the pursuit of our strategic objectives. Ethics and compliance are fundamental to earning the trust of our stakeholders, promoting the integral development of our operations, strengthening our corporate governance and building a solid business reputation that makes us a reference in the marketplace.

(2-23)

Carvajal has corporate guidelines that frame our behavior in terms of:

1. **Ethics**
2. **Compliance**
3. **Asset laundering prevention**
4. **Loyal competition**
5. **Anti-corruption**
6. **Personal data protection**
7. **Complaint mechanisms**
8. **Employee training programs**
9. **Disclosure to stakeholders**

To learn more about our ethical engagement

Clic here

(2-24)

On the other hand, the Carvajal Organization has a risk matrix linked to the Ethics and Compliance Program, which makes it possible to visualize the controls and mitigations that allow the management of possible incidents to which it may be exposed at the Group level. This management is aimed at minimizing the impact of such incidents and reinforcing the culture of compliance, as well as promoting the correct implementation of ethics and compliance policies.

As a result, the Group operates on the basis of integrity, which has a positive impact on various aspects of the organization. These include the trust generated with stakeholders, the strengthening of the organizational culture and the support of the corporate brand. To date, there have been no risk events that have had a negative impact on any of the companies that are part of the organization.

Conflicts of Interest

(2-15)

Each year, as part of the Carvajal Citizenship Certification process, employees of Carvajal Pulpa y Papel S.A. and its subsidiaries are required to report situations they may encounter in the course of their professional activities. This is the case when they are confronted with personal interests or those of their relatives that are incompatible with those of the Organization.

If an employee believes that he/she has a real or potential conflict of interest, he/she must declare it on the form provided for this purpose and send it to the Human Resources Department, which will assess the importance of the obstacle and try to find a solution.

The types of conflicts of interest for Carvajal Pulpa y Papel S.A. and its subsidiaries are described below:

- Investments
- Relations with Third Parties
- External Employment
- Personal Relations
- Seat in Boards of Directors

In 2023, a total of 102 employees reported potential conflicts of interest. These were reviewed and addressed by the respective Ethics Committee.

Type of Conflict	Amount
Personal relations	86
Relations with third parties	5
Investments	3
External employment	3
Participation in boards of directors / Personal relations	2
Participation in boards of directors	1
External employment / Participation in boards of directors	1
Investments / Personal Relations	1
Total General	**102**

Ethics Line

(2-16)

Our employees are the best allies in the process of strengthening ethics because they keep their ethical values intact. They are not tempted by the circumstances around them and ignore the false paradigms of keeping quiet to keep their jobs. On the contrary, they open the doors to report without fear of retaliation or punishment.

The Corporate Ethics Committee of the Carvajal Organization, to which Carvajal Pulpa y Papel S.A. belongs, manages the ethical line and reports every three months to the Central Board of Directors of the Organization for review and decision.

The company's firm stance against temptation and its zero-tolerance policy for unethical behavior are fundamental to strengthening a culture of transparency and honesty. Our desire to promote ethics, values and morals in the organization has been supported by building an environment of trust and respect with all our stakeholders.

Since 2013, we have implemented a whistleblower hotline to report unethical activities as a confidential and centralized communication channel. This channel allows employees, suppliers and customers to report and channel inconsistencies and irregularities that may affect the interests and reputation of Carvajal Pulpa y Papel S.A., its subsidiaries or its stakeholders, through the principles and values that guide our business.

The following situations can be reported:

- Fraud or embezzlement.
- Misuse of Company resources.
- Improper relations with our clients.
- Theft.
- Work harassment.
- Discrimination.
- Retaliation or punishment.
- Claims of product quality or product tampering.
- Financial conflicts of interest.
- Trade with internal information.
- Inadequate accounting and auditing practices.
- Gifts, bribes, and commissions.
- Improper behavior among employees.
- Personal conflicts of interest.
- Unfair labor practices.

In 2023, a total of 9 cases were received and analyzed according to the ethical management procedures and the principles and values of the organization. For each situation, an investigation plan was established with a multidisciplinary team. Depending on the seriousness of the situation, the General Manager, the Human Resources Manager and the Risk Area of the country of origin of the reported case were involved.

Carvajal Pulpa y Papel S.A. reiterates its commitment that its business activities will always be guided by its organizational principles and values. Although we are aware that this is not an easy and continuous process, we are convinced that it is the only way to be sustainable. This includes ensuring the trust, commitment and loyalty of our employees, customers and suppliers, as well as preserving the reputation of our organization.

(2-26)

The Organization has established a Code of Ethics that governs all of its operations and must be adhered to by all employees. To ensure compliance, it has established an Ethics Hotline, managed by an external provider, as a mechanism for reporting situations that violate the established ethical behavior. This mechanism, its operation and responsibilities are communicated to all employees of the Company.

Reports received through this mechanism are confidential, are investigated by an established group of individuals, and the results are known only to the Ethics Committee and the Compliance Officer. Reports may be made anonymously. The reports are managed by the Competitiveness Manager, who regularly reports to the Ethics Committee on the cases reported, the time taken to manage and close them, and any highly critical situations identified.

Anti-corruption Management

At Carvajal, we participate in initiatives that promote transparency and integrity in business processes.

Corporación Transparencia por Colombia presented the results of the 2023 Measurement of Business Management of Corruption Risks (MGERC), a tool that evaluates how companies address corruption from their internal structures. Our organization voluntarily participated in this measurement, along with 16 companies, allowing Transparencia to measure and evaluate our progress in implementing internal anti-corruption measures.

"The companies' efforts in implementing systems for reporting acts of corruption are recognized, but opportunities for improvement should be addressed in the implementation of whistleblower protection policies, as this is an issue that companies are still developing," the report states.

We remain committed to our goal of continuing to drive economic and social development by doing the right thing.

As part of our anti-corruption policy, the Carvajal Organization expressly prohibits bribery, extortion, blackmail, extortion by giving or offering bribes, as well as any form of abuse of power aimed at obtaining an unlawful advantage, both directly and indirectly, for all our employees, agents and other intermediaries.

To consult our anti-corruption policy

Click Here

Our Ethics and Compliance Program focuses on a number of initiatives designed to strengthen our reputation and foster transparent and trusting relationships with our stakeholders.

We require our employees and managers to make a personal commitment to act with integrity and transparency and in accordance with our corporate philosophy.

In 2023, we implemented several key initiatives:

- Annual Carvajal Citizen Re-certification.
- First Meeting of Sustainable Suppliers, where we shared our sustainability strategy and the most relevant aspects.
- Fourth Risk Week is a training activity aimed at employees to strengthen the risk culture.
- Publication of the first risk bulletin to report on the management of different types of risks.
- Participation in the initiative to measure corporate management of corruption risks led by Transparencia por Colombia, to evaluate our compliance program.

In addition, we have participated in specialized settings of ethics and compliance, such as:

- Colombian Institute of Corporate Governance (members).
- Colombian Corporate Compliance Committee (members since 2022).
- Community of dialogue and business practice on anti-corruption issues(founding member since 2022).

Since 2010, we have been a member of the Global Compact, reflecting our commitment to ethical management and corporate sustainability. We have a risk matrix associated with the Ethics and Compliance Program to visualize controls and mitigations, which facilitates the management of potential incidents and strengthens the culture of compliance. In 2023, there were no risk events that harmed the organization.

TRANSPARENCIA POR COLOMBIA
CAPÍTULO TRANSPARENCIA INTERNACIONAL

(205-1)

Operations reviewed for risks related to corruption.

Total number and percentage of operations assessed for risks related to corruption.

Processes reviewed in terms of fraud corruption	2021	2022	2023
Number of processes identified (process map):	22	22	23
Number of processes reviewed (compliance matrix):	6	7	8
Percentage of processes reviewed	27 %	30 %	35 %

The risks identified during the review are listed below and were managed based on internal risk management processes.

- Bribery events in compliance with environmental regulations applicable to the Company's operation.
- Accepting or giving payments to transportation companies for their benefit or that of third parties.

(205-2)

Communication of engagements and policies related to ethics and compliance.

The total number and percentage of employees briefed on the organization's anti-corruption policies and procedures, broken down by job category and region, are described below.

Communication of Anti-Corruption Policies and Procedures	2021	2022	2023
Number of administrative employees:	242	269	269
Number of operational employees:	415	873	838
Percentage of employees briefed:	58 %	100 %	100 %

***The number of employees is as of the end of August 2023.**

The total number and percentage of employees trainined on anti-corrupction, broken down by job category and region, are described below.

Training on Anti-Corruption Policies and Procedures	2021	2022	2023
Number of administrative employees:	131	269	269
Number of operational employees:	0	873	838
Percentage of employees briefed:	12 %	100 %	100 %

100 % of our suppliers in the year 2023 received information associated with anti-corruption policies and procedures through the supplier kit, which is available on the following link:

https://www.carvajal.com/proveedores/

(205-3)

In 2023, no proven corruption cases took place within the Carvajal Organization.

(2-27)

In 2023, no actions were non-compliance with legal legislation was presented.

Free Competition

(206-1)

During the reporting period, there were no claims related to unfair competition, monopolistic practices or anti-competitive behavior.

As part of the Ethics and Compliance Program, we have implemented initiatives that stem from our business philosophy and our desire to develop positive relationships with our stakeholders. These initiatives are based on principles and values that aim to continuously strengthen trust and promote a solid corporate reputation, which we consider a valuable asset for our company.

Our ethical stance requires our employees and managers to act with integrity and transparency and in accordance with applicable laws, policies and codes of ethics.

- Annual Carvajal citizen certification.
- First meeting of sustainable suppliers.
- Risk week, an organizational training space foremployees to enhance the risk culture.

As an organization, in 2023 we participated in specialized relations spaces on ethics and compliance issues to enhance our understanding and enrich our institutional position:

- Members of the Colombian Institute of Corporate Governance.
- Member of the Colombian Corporate Compliance Committee (2022).
- Founding member of the Community of Business Dialogue and Practice on Anti-Corruption Issues(2022).

Through our Holding, we have adhered to the Global Compact since 2010, which demonstrates our firm conviction in the commitment to the ethical management of companies and their commitment to corporate sustainability.

Challenges and Goals

Short-term goals or projects (0 to 2 years)

- Hold the Second Meeting of Sustainable Suppliers, aimed to continue building relations with our stakeholders, focused on the Organization's sustainability strategy.

- Enhance the compliance program based on the opportunities identified in the measurement of corporate management of corruption. During 2023, the Carvajal Organization participated, voluntarily, in the Corruption Risk Management Measurement, an activity carried out by Transparency for Colombia, which seeks to measure the compliance programs of organizations. Carvajal obtained a satisfactory result in this measurement.

Medium-term goals or projects (3 to 5 years)

- Becoming Icontec ISO 37001 certified (Anti-Bribery Management System) is fundamental to confirming our commitment to the implementation of the most outstanding practices about the compliance program and constant improvement. In addition, having the backing of a certifying body that endorses the excellence of our practices is paramount.

ECONOMIC DIMENSION

ECONOMIC PERFORMANCE

GRI: 3-3, 201-1

(3-3)

Sustainability is fundamental to ensuring the permanence and viability of the company over time. Therefore, the economic component plays an important role in our pillars, as it allows us to maintain healthy finances to provide peace of mind to shareholders, suppliers, customers and employees. By focusing on these elements, we will be able to align ourselves with the higher purpose of the Carvajal Organization: promoting economic and social development by doing the things right.

Likewise, the appropriate model of corporate governance allows us to have clear rules, policies and procedures that guide the decisions and actions of the organization and all its employees, and to be consistent with the higher purpose.

During and after the pandemic, major logistics problems were observed worldwide, which in turn hindered supply chains given the increased inventory levels. Faced with this situation, we sought, on the one hand, to adequately manage our pricing policy and, on the other, to strengthen our customer loyalty, all to reduce the negative impact on the financial result due to the drop in prices.

In 2023, we responded to our business challenges to lead the printing and writing paper market in Colombia. We also contributed to sustainability by participating in the packaging market, supported by a competitive value chain and reliable supply, with the goal of reducing our carbon footprint.

Economic Performance

(201-1)

***Figures in millions of Colombian Pesos.**

Indicator	Variable	2023	2022
Direct economic value generated	Net revenue/sales	1.157.356	1.305.183
Economic value distributed	Operating costs	976.378	995.044
	Employee salaries and benefits	114.074	103.104
	Capital payments to suppliers	103.213	38.497
	Payments to the government (per country)	21.285	42.419
	Investments in the community	1.016	959
Economic value withheld		-58.610	125.160
	Debt	338.028	317.709
	Capital	324.219	418.736

The challenges of Propal in the future are:

- Improve the value perception of our alternative fibers by strengthening technical support and obtaining certifications.
- Establish strong strategic relationships with alternative fiber suppliers to ensure a reliable and efficient supply.
- Achieve comprehensive competitiveness throughout the value chain by optimizing cash costs and effectively managing associated costs and expenses.
- Develop the ability to manage and reduce the carbon footprint, as well as address other environmental issues, to contribute to the sustainability and environmental responsibility of the company.

CREATION OF VALUE, TRANSFORMATION AND INNOVATION

GRI: 3-3

(3-3)

Managing Material Issues

Cybersecurity is a key priority in our strategy of value creation, transformation, and innovation. We recognize that it is a key element that directly impacts the effective development of our business. We have identified cybersecurity as a strategic risk because any attack on our information systems could result in significant economic loss. For this reason, we have made significant investments in software, hardware, and human resources to ensure security, confidentiality, and availability.

By prioritizing cybersecurity, we have made a positive impact and built trust with our stakeholders. This focus has been pivotal to safeguard confidential information, mitigate the risk of data violation, and preserve our positive reputation. This solid protection ensures the normal flow of our daily operations and allows us to guarantee the security, reliability, and availability of information.

Aware of the growing reality of cyber risks, we have taken proactive measures. Together with the Corporate Internal Control team, we have developed a detailed matrix that assesses the likelihood and impact of key risks. This approach allows us to develop effective strategic plans to mitigate these risks and ensure the resilience of our operations in the face of potential threats.

As part of our ongoing commitment to cybersecurity management, we have established a committee made up of leaders from various areas. This committee includes the Corporate Director of Technology of CVS, the Director of BPO of CTS, the Manager of Network Services and Cybersecurity, the Head of Internal Control of CTS, the Corporate Director of Internal Control, the Director of Competitiveness of Carvajal Empaques and the IT Director of Pulp and Paper. Its main responsibilities include:

- Propose information safety and cybersecurity strategies.
- Determine and monitor compliance with proceedings related to the execution of the strategy.
- Follow up on the implementation of action plans recommended in audit reports.
- Follow up on reports related to compliance with controls and validation of exceptions identified.

In addition, the Corporate Cybersecurity Committee covers the following topics:

Leadership and Governance

- Information safety strategy
- Cybersecurity strategy
- Technology policies and regulations

Human Factor

- Specialized knowledge in CT&S
- Safety culture – adhesion to the Carvajal culture
- Measurement – training - communication

Risk Management

- Risk identification
- Intelligence model/forums – CT&S
- Enhance a control-audit setting

Compliance and Business Continuity

- Drills – incidents management
- Cybersecurity scenarios
- Business continuity

Operation and Technology

- ITGC – overall technology controls
- SOC – safety operations center – CT&S
- Perimeter safety
- Cybersecurity
- Local network security
- Access security
- Host/Apps security
- Data security
- Vulnerabilities management
- *Ethical hacking – pen test*

Major Achievements, Results and Lessons

In 2023, we made significant progress on several planned activities, some of which are still ongoing. Our dedication and efforts translated into tangible results, consolidating important milestones in the achievement of our goals. These achievements provide us with a solid foundation to continue on our path, strengthening our commitment to excellence and achieving even more ambitious goals in the future. Some of the achievements include:

- Cybersecurity represents an extremely important risk for our organization, so we determined the need to hire an external assessment service. The purpose of this service is to evaluate and measure the maturity level of the controls related to the mitigation of this risk. This process is currently underway.
- One of the key goals we set out to achieve in 2023 is to become a member of FIRST (Forum of Incident Response and Security Teams). We are currently actively working on this process, demonstrating our ongoing commitment to improving our incident response capabilities.
- We are making progress in the certification of the ISO27001 standard, which will allow us to adjust our information security processes. This activity is currently in progress.
- In the area of culture and the human factor, we plan to reinforce training for employees regarding the position they should adopt on information security and cybersecurity. Social engineering exercises will be carried out in 2024 to strengthen awareness and to strengthen the preparedness of our team for potential threats and vulnerabilities.
- We contrasted the 2023 risk matrix with the 2022 risk matrix, and as a result, 4 additional risks emerged. In addition, we reviewed the cybersecurity trends in the market for this year.
- The results of information security and cybersecurity management were presented to the committee, using data and statistics gathered from the security tools implemented. These are:
  - Security Incident Management (January and February)
  - Vulnerability management: we focused especially on those classified as high and critical. This process included a detailed assessment to determine whether investment or specific action is required.
  - SOC Management Report (January and February): events detected and escalated through the Security Event Information and Management System (SIEM) are detailed. In addition, an analysis of the events in the Endpoint Detection and Response System (EDR) is presented, as well as the events detected by Advanced Threat Prevention (ATP) and Sandboxing. Also included are connections identified by Privileged Access and Account Management (PAM), to provide a complete view of our security posture.

Short, Medium, and Long-term Goals

Our goal is to ensure the continuity of the projects initiated in 2023 that are still ongoing, as well as to make progress in the implementation of the activities outlined in the scope of the Cybersecurity Committee.

Our Chain Value

Promotion and Enhancement of Local Suppliers

Through the "Development of Productive Services" initiative, we seek to reduce the high unemployment rates and promote new alternatives for income generation by contributing to the purchase of productive goods and services for entrepreneurs and micro-entrepreneurs in the community of the village of El Guabal, in the municipality of Guachené (Norte del Cauca). The contracted services and goods range from specialized services in metal mechanics and engineering to recycling, painting, purchase of pallets, and cleaning services, among others.

Local suppliers developed: 6 businesses

Investment in 2023: $ 9.359.272.925 COP

Investment in 2022: $ 7.495.267.376 COP

Investment in 2021: $7.172.276.567 COP

Read here the story of
Fabio Nelson Valencia

Suppliers upstream of our chain value:

- Suppliers of raw materials,consumables, spare parts, etc.
- Suppliers of freight andtransportation and distributionservices.
- Suppliers of maintenanceservices, and labor.
- General operation suppliers.

Clients downstream of our chain value:

- Transformers.
- Large surfaces.
- Consumption - Notebookand paper.
- Graphic arts.

Our supplier management model includes supplier evaluation, selection, contracting, payment and the quality of their products, services and sustainability. To carry out this activity, we monitor the process to ensure that it complies with our procurement policies and our Authorized Economic Operator (AEO) certifications.

The AEO certificate is granted by the customs authority to a company that is committed to the security of its supply chain, complies with security requirements and has a satisfactory record of customs obligations.

Now, within the strategies defined by the company, we have the supplier management procedure, which classifies the different types of suppliers. The suppliers classify the different contractors and set up an internal audit according to the standards defined by the company's management systems.

(GRI 204-1)

Our suppliers contribute to excellence in the production and distribution of our products. We had commercial relationships with 815 suppliers in 2023. Of these, 87 % are local, reflecting our commitment to the Colombian economy and business development. These local suppliers provide the raw materials and services necessary for the efficient operation of the company. It is important to note that they should be considered local and located within the geography of Colombia. The remaining 9 % of suppliers are international, providing a global perspective to the company's supply chain.

	DOMESTIC	EXPORTS	
PURCHASE	$835,217,834,208	$48,074,524,527	$883,292,358,735
	95 %	5 %	
# OF SUPPLIERS	709	106	815
	87 %	13 %	

In terms of major sites, at Carvajal Pulpa y Papel S.A. we focus our efforts on the Yumbo and Guachené mills, where most of our finished products are manufactured.

Our commitment to suppliers and creditors

"Suppliers and creditors are our partners in meeting customer needs. Our purchasing decisions must be based on criteria such as reliability, efficiency, quality, service and cost, seeking fair and mutually beneficial relationships in the long term. The Carvajal Organization will enable local suppliers in the communities where we operate to participate in our projects and will also ensure compliance with the conditions agreed upon in the negotiations conducted".

As part of our commitment to sustainability and continuous improvement of our processes, in 2023 we launched our Supplier Development Program, the first phase of which included a sustainability assessment of 10 suppliers in Colombia. This assessment will allow us to measure and improve our common practices and ensure that we continue to promote sustainability standards throughout the supply chain.

We set three goals for this assessment:

01

Review the performance of our suppliers in key areas of sustainability, including environmental, social, and economic factors.

02

Identify areas of improvement and opportunities in which we can cooperate to adopt increasingly sustainable practices, which in turn create long-term mutual benefits.

03

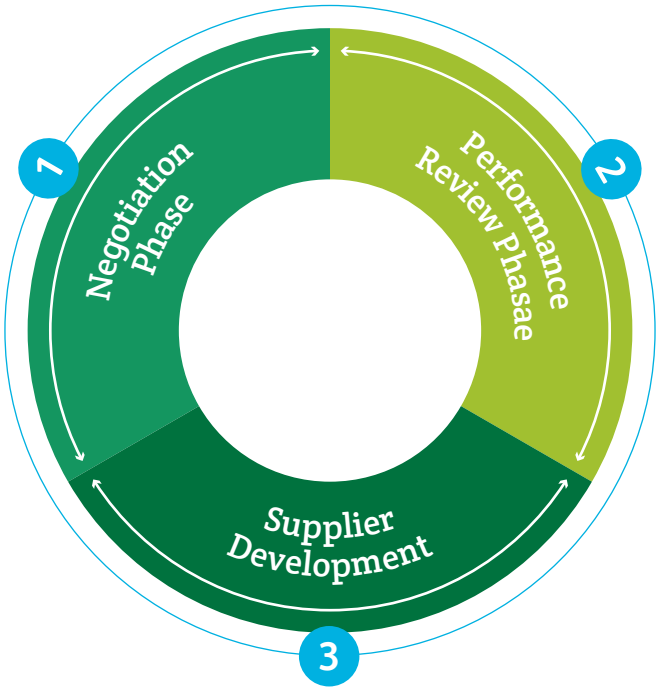
Increasingly reinforce our cooperation and enhance our commercial relations based on transparency and responsibility.

Managing Sustainable Suppliers
Monitoring – Review

1
- Participation in the definition of evaluation indicators.
- Sustainability clauses in contracts.
- Audit (physical visit)

2
- Definition of suppliers to be reviewed according to criticality.
- Monitoring of suppliers on sustainability performance and business variables.
- Audit (physical visit).
- Qualification of social, environmental, and business variables according to the defined methodology.
- Definition of suppliers to be developed.

3
- Training of suppliers in gaps to be closed.
- Identification of best practices to share among all.



Supplier Management - Monitoring
Sustainability Matrix - Tool Defined

Economic and Strategic Sustainability Management.

- Sustainable organizational governance strategy.
- Customer, supplier, andproduct management.
- Promotion andorganizational strategic management.
- Economic and financial management

Environmental Sustainability Management.

- Environmental Management.
- Natural Resources Management.
- Climate Change.
- Environmental Culture.
- Other environmental strategies.

Social Sustainability Management.

- Occupational health andsafety.
- Shared value.
- Talent management.
- Working conditions.
- Management of communities of influence.
- Human rights management.
- Ethical practices management.

Supplier Management
Timeline - Assessment Pilot

October 2023 — **1**

Configuration of the pilot, launching of the evaluation tool with the selected suppliers, and delivery of the selection commitment letter with instructions for use and generalities of the pilot.

Deployment and completion of the tool by the suppliers selected to execute the pilot. The term they will have to fill out the tool will be fifteen (15) working days from receipt of the letter of commitment.

December 2023 — **2**

Receipt of information and analysis of the same. At this point, ten (10) suppliers per region (Colombia and Mexico) will be selected to audit the responses receive and validate their support.

December 2023 – Semester 1 of 2024 — **3**

Identification of critical gaps in the sustainability assessment and initiation of the the supplier development program through monitoring and improvement plans for suppliers with low results. improvement plans for suppliers with low results. This program will be extended This program will last until the first half of 2024, and will also include adjustments to the supplier evaluation tool. will also include adjustments to the supplier evaluation tool.

Mutual growth with our allies invites us to continue proposing actions and objectives that contribute to the development of our suppliers and the strengthening of our value chain. We have therefore set ourselves a number of challenges and objectives:

Challenges and Goals:

Short-term (0 to 2 years):

- Implement the centralized strategic sourcing model.
- Design and implement a cross-cutting purchasing policy for the entire organization.
- Standardize purchasing processes in all regions where the organization is operating.
- Stabilize processes in the Smart GEP tool for strategic sourcing, which will provide a transversal service for all group companies. Including segmentation, evaluation, certification follow-up, contract management, selection, and evaluation for suppliers throughout the organization.
- Structure the Supplier Development program for the entire organization under the strategic sourcing model, taking the good practices initiated in some of the Group's organizations and applying them transversally to all companies.
- Design and implement a cross-cutting procurement manual for the entire organization based on the segmentation of suppliers, defining the supplier segmentation, and defining the attention routes and requirements to link suppliers.
- Incorporate the Oracle Fusion tool, as an Enterprise Resource Planning (ERP) for the entire organization that will allow traceability, control of the entire process, a single repository of all information, management, and monitoring of all purchasing processes from the evaluation, selection, and operation for all suppliers.
- Complete the supplier development pilot in the first half of 2024.
- Introduce the sustainable supplier development model into the Organization's procurement model.

Medium-term (3 to 5 years):

- To achieve a supply area maturity level of 3.5 out of 5. Currently, the Carvajal Organization is at a "Discovery" level.

Source Better → **Spend Better** + **Plan Better**

Discovery

Ensure "Sourcing"

- < 25 % Visibility of Spending
- < 50 % Spending controlled by Sourcing
- < 10 % Sourcing activities by *Strategic Sourcing*

Reactive

Supply + "Negotiating" Price

- < 50 % Visibility of Spending
- < 65 % Spending Controlled by sourcing
- < 20 % *Strategic Sourcing* activities in several categories

Focus: Processes and Expense Visibility

- Few Contracts
- Building Maturity
- eProcurement

Proactive

The lowest Price at the lowest TCO – "Procurement Expert"

- > 90 % Visibility of Spending
- < 80 % Spending Controlled by sourcing
- < 30 % Strategic sourcing activities.

Focus on Efficiency and Effectiveness of the Procurement Area

- Administrative Expense
- Strategic Sourcing
- Contract Management
- Savings Reports
- Relations with Suppliers

Strategic Value

Creating Value - "Business Partner"

- -3.5 % - 5.0 % + of savings
- > 98 % Spending Visibility
- > 90 % Spending controlled by "Strategic Sourcing"
- Clear separation of strategic, tactical, and transactional activities.
- > 90 % Contactless transactions.

Focus: Creating Sustainable Innovation

- Total Cost of Ownership (TCO)
- RPA % Catalogues
- Purchases creating value
- Compliance management
- Unified Technological Platform

Future-proof

"Trendsetter" - Industry Innovator and Leader

Focus: Developing Purchasing Trends

- Agile Operation Model
- Artificial Intelligence
- Predictive Models
- Automatic Approvals
- Advanced Analytics
- Integrated Market Intelligence

- Likewise, as a strategic sourcing area, we have the following goals to determine the success of the transformation project:

Vision	Contribute to the competitiveness and agility of Carvajal's business through a world-class focused sourcing process.			
Business Results	Design and implementation of a model of the purchasing function in Carvajal, through the use of technological tools and best practices that contribute to the competitiveness of the business.			
Goals	Create value for businesses derived from savings through negotiations.		Guarantee the timely supply of goods and services.	To have an agile model to manage suppliers and to meet all requirements.
Strategies	Expenses of Carvajal under a Sole Taxonomy	Robust process of Strategic Supply	A "Procure to Pay" process that is agile and creates value for the business	Supplier management point-to-point
Metrics	Classified Expenses	Expense managed (procurement under contract). General savings	Sourcing time management (sourcing cycle)	Suppliers updated. Time to create suppliers

Current / Objective

Objective	12 months	24 months	36 months
Class. Expense	90 %	95 %	>95 %

Objective	12 months	24 months	36 months
Direct expenses managed	85 %	95 %	>95 %
Indirect expenses managed	75 %	90 %	>90 %
Savings	75 %	90 %	>90 %

Objective	12 months	24 months	36 months
MRO Parts	<10 Days	<7 Days	<5 Days
MRO Services	<20 Days	<15 Days	<10 Days
Direct	<3 Days	<2 Days	<1 Days
Prof. Serv.	<7 Days	<5 Days	<3 Days

Objective	12 months	24 months	36 months
Suppliers Created	85 in 8 working days	95 in 8 working days	<95 in 8 working days
Suppliers Updated	70 %	80 %	95 %

SOCIAL DIMENSION

Engagement and Organizational Culture

GRI: 2-7; 2-8; 3-3; 401-1; 401-2; 401-3; 404-1; 404-2; 404-3; 405-1; 405-2; 406-1

(3-3)

One of the most important assets of any company is its people. They are the essence of the company, the engine to do things with excellence and to last in time. Therefore, it is important to work for a commitment and an organizational culture that fosters pride and a sense of belonging to the workplace.

At Carvajal Pulpa y Papel S.A., we are convinced that our culture is a fundamental element in achieving results and fulfilling the strategic objectives of our company. The measurements and action plans we carry out in these areas are directly related to the fulfillment of our higher purpose, the creation of sustainable value and the achievement of the necessary transformations and innovations.

In addition, given the special nature of our business, it is important to have engaged talent. This has an impact on reducing indicators such as attrition, ensuring adequate knowledge management that allows us to consolidate our leadership position in the market and attracting the diverse and competent talent required to face the challenges of the sector.

Our culture is broken down into three pillars:

RESPONSIBLE Culture

Principles
Sustainability
Clients

COMPETITIVE Culture

Innovation
Achievement
Leadership

HUMANIST Culture

Talent
Relations
Communication

The most important stakeholder affected by culture and engagement management is our employees. We identify as positive impacts of management in these areas, having a healthy work culture and environment that provides opportunities for growth, development, experience of values and care for the employee and his or her family from the moment he or she joins the organization until the end of his or her relationship with us.

This allows us to have employees who are committed to the organization, which improves business performance indicators, reduces turnover, and improves the process of attracting new talent and reputation, among other things.

On the other hand, failure to manage employee culture and engagement can have a direct impact on attracting and retaining diverse and competent talent, for example, by increasing voluntary resignations and lack of interest in joining the organization from candidates. In addition, a lack of employee engagement can impact business results.

We are committed to engagement management and culture. For this reason, we have been working continuously since 2021, in which we have set ourselves the task of carrying out a process of alignment and definition of the required culture through the strategic guidelines, corporate values and policies that are promoted in the Group and the business.

We have carried out culture and engagement measurements to know our desired and current culture, identify the gaps we need to work on, and formulate action plans based on reality to close these gaps and carry out a process of continuous improvement. improvement process. We started our measurements in 2021, and in 2023 we conducted a pulse and discussions with the areas to understand the results. Our next measurement will be in 2024.

Diversity, Equity, and Inclusion

In addition to managing commitment and organizational culture, we have been working in parallel on an issue that is becoming increasingly relevant for us: Diversity, Equity and Inclusion (DEI). At Carvajal Pulpa y Papel S.A., we believe that part of the management of commitment and organizational culture should be given by understanding and defending that each person can contribute to the success of the organization. For this reason, we value the different perspectives and points of view of our employees. One of our corporate values is respect, and we strive to provide a safe, dignified, and healthy work environment that rejects discriminatory or disrespectful attitudes.

As a company with a defined DEI policy, we have a direct impact on attracting and retaining talent currently seeking to work for diverse, equitable and inclusive companies. We believe that being a DEI company encourages our employees to contribute fully to the success of the company and, in turn, the organization.

In our management, we are committed to respecting the dignity of people, recognizing and accepting them equally and fairly, and avoiding any act of discrimination, whether by word or deed, based on disability, ethnic origin, religion, sexual orientation, age, gender, political affiliation, marital status or national origin.

We have an Ethics Hotline, a centralized channel operated by a third party that allows employees, suppliers, customers and other related groups to report suspicious and irregular behavior that may affect the reputation and interests of stakeholders.

Currently, the organization has diversity not only in our board of directors, but also in our workforce. We also evaluate whether there are any instances of discrimination and, if so, take corrective action.

(405-1)

Percentage of people in governance bodies that the Organization broke down by gender and age group.

GOVERNANCE BODIES (DIVISION MANAGER + VP)

Type	Age Group	Total
Leading team	30 to 50	29 %
	Older than 50	71 %
	Total general	100 %

Type	Gender	Total
Leading team	Female	29 %
	Male	71 %
	Total general	100 %

(405-1)

Percentage of employees per labor category broken down by gender and age group.

TOTAL CPP (GENDER AND AGE GROUP)

Type	Gender	Age group	Total
Leading team	Female	30 to 50	1
		Older than 50	1
	Male	30 to 50	1
		Older than 50	4
Total EQL			**7**
Managers	Female	Older than 50	1
	Male	30 to 50	2
Total Managers			**3**
Chief	Female	30 to 50	8
		Older than 50	1
	Male	30 to 50	12
		Older than 50	15
Total Chief			**36**
Support	Female	30 to 50	53
		Older than 50	19
		Younger than 30	26
	Male	30 to 50	430
		Older than 50	364
		Younger than 30	104
Total Support			**996**
Total General			**1042**

(405-2)

Ratio of basic salary and remuneration of women and men

TOTAL CPP (SALARY X GROUP X GENDER RATIO)

Type	Female	Male
Leading Team	43,1	27,5
Managers	16,4	13,9
Chiefs	9,8	12.0
Support	3,4	3,0

(406-1)

Cases of Discrimination and Corrective Actions Made

In May and June 2023, a survey was conducted among employees to obtain a comprehensive diagnosis of well-being, health, and DEI. The participation of the Pulp and Paper Division was 771 employees, representing 13 % of the population of the Carvajal Organization. The objective of this diagnosis was to get to know the employees in depth and comprehensively, to facilitate the definition of actions and the implementation of programs, and to identify needs and expectations.

On the other hand, although there was no complete measurement of culture and engagement in 2023, a pulse was taken in October to measure some critical issues. The results are as follows:

- There is evidence of a 1 % improvement in the questions asked compared to 2022. Therefore, we will generate an action plan with the areas that will focus on reviewing with the teams why the actions taken have not had the expected impact, given that 83 % of employees surveyed recognize that they are working on actions to improve the level of engagement and culture.
- The issue that had the greatest overall decrease is related to: "I can be who I am in the organization," which implies understanding what changes have affected this perception in our employees.
- Another factor that has had a considerable influence on the result is leadership. Hence, the "Leaders Who Transcend" program is being developed.
- A 2 % improvement in variables related to compensation and acknowledgment. This underscores the investment of over $2.000 million in leveling processes and internal mobilities.

In the discussions with employees and leaders, we will continue to raise awareness of these issues and validate the focus actions that we must carry out to impact the results.

Employee Well-being

We continue to work on our 6 dimensions of well-being, which have allowed us to continue to connect with our employees and foster a healthy work environment where there is a sense of belonging to the place where they work and where our employees feel that they are our priority.

Well-being Dimensions	01 Mental Health	02 Physical Health	03 Financial Health	04 Emotional Health	05 Social Health	06 Personal Health
Total Number of Programs 114	24 Mental Health	10 Physical Health	22 Financial Health	11 Emotional Health	21 Social Health	02 Personal Health

In addition to providing more channels of communication, we have created: *"Así Vamos"*, (This is how we are doing), a space for the Vice President of the Mill and the Leadership Team to talk about results, actions and programs. This space was launched in November, and we also launched the *"Propal para ti"* (Propal for you) campaign to reinforce the benefits and programs.

(GRI 401-2)

Benefits for Full-Time Employees Not Given to Part-Time Employees

At Carvajal Pulpa y Papel S.A., the contract with employees is permanent and full-time. For us, our employees must have benefits that encourage them to remain in our organization. For this reason, we have a plan of services and benefits that they can access:

01 We bet on your development and that of your family:

- Scholarships and allowances for employees and their children for school studies, and technical and technological studies.
- Special scholarship for children of employees with diagnosed learning difficulties.

02 We ensure your future:

- Housing loans to our employees for purchase and improvement with fair and reasonable terms.

03 We take care of you:

- Payment of 100 % of the disability of our employees, with the company assuming 33.4 %.
- Complementary health plan.
- Exclusive rates on life, funeral, automobile, and housing insurance.

04 We make your life easier:

- Student loans for employees with 0 % monthly interest.
- Loans for children's studies at a rate of 0.66 % per month.
- Loans for domestic calamity with 0 % monthly interest.

05 Your prosperity matters to us

- Eyeglasses allowance.
- Aid for the birth of children.
- Aid for the death of family members.
- Vacation bonus.
- Christmas bonus.
- Seniority bonus.
- Bonus for retirees depending on their years of service in the Organization.

06 Other benefits for you + Time:

- Additional vacation days in addition to those established by law.
- Day off for birthdays.
- Day off for graduation.
- Days off for wedding.
- Additional maternity/paternity days, extended leave.
- Additional days for out-of-town Bereavement Law.

07 Among other services:

- Cafeteria service.
- Bank and ATM services.
- Chapel - First Communions.
- Food vending machine.
- Training rooms.
- Transportation service.
- Medical attention service.
- Parking lot.
- Breastfeeding room.
- Personalized attention with allied advisors in EPS, insurance, cooperatives, among others.

(401-3)

Parental Leave

Categoría	Hombre	Mujer	Total
Employees entitled to parental leave	19	0	19
Employees returning after parental leave	19	0	19
Employees who have taken parental leave	19	0	19
Employees who have returned and are still employees 12 months after returning to the job	19	0	19
Rate of returning to work and employees retained after taking parental leave	100 %	0 %	100 %

Employee Development

(404-1)

In 2023, the following training was provided:

Position Level	# of Employees	# of Hours	Position Average
Support	648	16725	25.8
Professional	80	2703	33.8
Chiefs	11	274	24.9
Middle Management	12	235	19.6
Top Management	6	153	25.5

(404-2)

We had several programs, some new, others from other years back, but we still provide:

Programs to Develop Skills:

- **Transcending Leaders Program:**
  It began in August and its purpose is to develop close leaders who empower their collaborators. As a challenge in the program, each leader must develop a project that will be measured with the results of culture and engagement in 2024.

- **Flexibilíze:**
  Paid leave is granted for employees to run personal errands.

- **Training strategies:**
  Training and education days are held for our collaborators focused on the growth of skills and knowledge, which guarantee the sustainability of the business.

- **Well-being and quality of life:**
  Carvajal Pulpa y Papel S.A. has a series of programs for our collaborators, where they find benefits that will help them remain in the organization.

Program for Integral Attention to Pre-pensioned Employees:

- **Pre-Retirement Assistance Program(PAIP):**
  Designed for employees who are three years or less from retirement, this program is designed to prepare these individuals for this new phase of their lives. It consists of six 8-hour days in which the employee and his or her partner are taught about topics such as the transition to retirement, personal finances, gerontology, family economics, policies and benefits, family rights, pensions and benefits, communication and coexistence, mental and sexual health, among others.

  However, until 2023, although the program was in effect, it was not implemented because we did not have personnel who met the criteria described. The project is expected to be resumed in the first quarter of 2024.

(404-3)

In 2023, 228 administrative and professional employees underwent performance reviews. This represents 100 % of the company's administrative and professional population.

In 2024, we expect to implement performance reviews for operational positions, as well as recognition programs, implementation of the career path pilot, mentoring in primary groups of areas, and internal mobility feedback processes.

(2.7)

Number of Employees

Plant	Total
Plant 1	716
Plant 2	326
Total general	1042

**Employees have a full-time employment contract*

(2-8)

Distribution of collaborators that are not employees

Plant	Guachene	Yumbo	Total general
Plant 1	0	1	1
Plant 2	5	26	31
Total general	5	27	32

(401-1)

Hiring New Employees and Turnover

Total number and rate of new employees hired in 2023 per age, gender and region.

Total in 2023
1042

Retirements
75

% Turnover
7,1%

Age

From 18 to 25
11

From 25 to 35
42

From 35 to 45
19

From 45 to 55
3

Older than 55
0

Gender

Man
56

Woman
19

Zone

Yumbo
55

Guachene
20

Total number of personnel and turnover in 2023

Total in 2023
1042

Hired
82

% Hired
7,9%

Challenges and Goals:

Short-term (0 to 2 years):

- Obtain a score equal to or higher than 2.91 in the 2024 engagement measurement and 3.0 in 2025.
- Obtain a score equal to or higher than 86 % in the 2024 culture measurement and 87.5 % in 2025. 87.5 % in 2025.
- Raise awareness among company leaders, to move towards more inclusive and diverse more inclusive and diverse business environments, through talks and/or workshops.
- Hiring women in operational positions currently held only by men and there is feasibility depending on the conditions of the positions.
- Continue making alliances with public entities for the industrial training of the community surrounding plant 2.
- Achieve processes for hiring people who are part of the Compromiso Valle program.

Medium-term (3 to 5 years):

- Achieve a score of 3.08 or higher on the 2027 engagement measurement.
- Adjust the plan of services and benefits with an offer that responds to the that responds to the diversity of our employees.

Long-term (6 years or more):

- Obtain a score equal to or higher than 3.2 in the 2030 culture edition.

Occupational Health and Safety

GRI: 2-7; 2-8; 3-3; 401-1; 401-2; 401-3; 404-1; 404-2; 404-3; 405-1; 405-2; 406-1;403-1, 403-2

(3-3)

For Carvajal Pulpa y Papel S.A., Occupational Safety and Health (OSH) means improving processes and preventing injuries and illnesses caused by the work environment to which our employees are exposed. This is achieved by improving the working environment and promoting the physical, mental, emotional, and social aspects of our employees.

Through our Sustainability Strategy and our Human Talent Model, we seek to constantly strengthen our Occupational Health and Safety mechanisms in order to promote the growth and productivity of the Carvajal Organization, contributing to the achievement of our strategic objectives, which include reducing the incidence of accidents and occupational illnesses, and ensuring the availability and well-being of our most valuable resource, our talent.

Through OSH management, we ensure the lives and integrity of employees, contractors, customers and visitors to our plants and facilities over which we have influence. It is the actions implemented in the OSH management system that allow us to maintain safe working conditions by influencing the behavior of each actor associated with our productive activities.

Through OSH-related programs, we can identify risks and opportunities for our business, allowing us to avoid the materialization of risks that would affect the integrity of our employees and the achievement of the company's strategic objectives, which could cause reputational consequences or lawsuits for occupational diseases, serious or fatal work accidents, and major emergencies.

These impacts are considered in our hazard and risk matrices. In our vulnerability analysis, we identify controls to reduce the likelihood of these events, complemented by investments in projects that promote the well-being and integrity of our stakeholders. The implementation of actions that guarantee a dignified life and work, respecting human and labor rights, principles that are manifested in our Health and Safety Policy, approved by the President of the Organization.

Occupational Health and Safety System

(403-1) (403-2)

At Carvajal Pulpa y Papel S.A., we have implemented our Occupational Health and Safety Management System, which covers all activities, employees and stakeholders, based on the following requirements of Resolution 0312 of the Ministry of Labor, issued in 2019. In addition, as a voluntary initiative of the company, we decided to implement and certify the ISO45001 standard of 2018, renewed in 2023.

Our management system allows us to identify the:

opportunities / Weaknesses / Strengths / Threats

In OSH aspects of our business model. The above added to a methodology for identifying hazards and risks, which we have appropriated from the technical guide GTC 45 version 2012, adopting it to the needs and requirements of the organization. This allows us to determine the effectiveness of our controls and establish improvement actions, which ultimately mitigate risks that could adversely affect our employees.

In accordance with the control hierarchy scheme, we establish intervention actions that allow us to reduce or eliminate the probability of events occurring or to mitigate their impact. The strategy focuses on actions that allow us to eliminate, replace and then establish engineering and administrative controls, but does not exclude the use of personal protective equipment.

We have also designed a safety program for contractors that guarantees their integrity and well-being and that of all stakeholders linked to our value chain, promoting equal conditions and health guarantees for all companies.

We have implemented a training plan, starting with induction and re-induction for direct personnel, contractors, and visitors, where all the hazards and risks identified in the company are socialized, along with prevention measures, standards, procedures, and internal norms that allow us to protect ourselves from these risks. This is aligned with the development of safety culture and levels of safety leadership. Evaluations are carried out to measure the level of understanding of the training.

In addition, there is a training program in the workplace, through which the risks associated with the job are made clear, as well as the internal standards for the activity, teaching the standard operating procedures for the performance of the activities, and an evaluation plan is carried out for the change of level, which makes it possible to measure the level of safety knowledge of the position to which one aspires.

From our safety policy, we declare the importance of safety and health in the company. In the first point, we state that the life and integrity of people are above the business operations, which allows an employee to analyze the safety and health of employees.

Through the company's Maintenance Asset Management Program and scheduled inspections, all employees can report hazardous situations and conditions so they can be managed and corrected. We have an incident investigation methodology aligned with Resolution 1401 of 2007, through which we identify root causes using the 5 Whys analysis method, we identify the root causes of events, which allows us to establish action plans to prevent the recurrence of events.

Our OSH business model is based on the six strategic pillars listed below:

1

Taking Care of Life

The life and integrity of people are above the operations of our business. We provide safe working conditions that prevent injuries and health degradation.

2

Continuous Improvement

Continuously improve the OHS results through a cultural transformation process and every labor category of the company.

3

Visible and Proven Leadership

Every manager is responsible for the management, results, and everything that happens to the employees in their work.

4

Risk Management

To guide the efforts to eliminate dangers and to reduce risks.

5

Legal Requirements

Constantly meet the national law in force and other voluntary commitments.

6

Compliance

The compliance of our OSH Policy is a condition for the job.

To see our OSH policy and strategies

Click HERE

The Carvajal Organization decided to invest US$532,000 in the "Cuidarte" OSH program, and at CARVAJAL PULPA Y PAPEL the investment was US$73,353. internal motivators on a daily basis, impacting all plants in the Industrial Sector in Colombia Sector plants in Colombia, Peru, Mexico and Salvador, improving OSH systems in 15 plants, involving nearly 9,000 direct and indirect employees.

As a result of our management, commitment, and interest in promoting safety and health at work of our employees, we have achieved:

Through the "Cuidarte" program, we have managed to identify the level of safety awareness that exists in the organization, benchmarking other companies recognized for good practices implemented in OSH issues, allowing us to enter the year 2024 with improvement plans to increase our safety levels while promoting operational excellence, firmly asserting the integration of safety in our DNA.

OCCUPATIONAL SAFETY AND HEALTH (OSH) INDICATORS

(403-9) (403-10)

Number and rate of deaths from an injury derived from an occupational accident (Direct workers + Agency + Contractors)

Year	Number of Deaths	Man-Hours Worked	(Deaths *K) / Man-Hours
2022	0	5.027.280	-
2023	0	4.630.330	-

Number and rate of injuries derived from occupational accidents with major consequences (excluding death) * (Direct workers + Agency + Contractors)

Year	Number of Accidents with Major Consequences	Man-Hours Worked	(Accidents with Major Consequences * K) Man-Hours
2022	7	5.027.280	1,39
2023	4	4.630.330	0,86

* In Colombia, the term serious accident is aligned with Resolution 1401 of 2017

* K = 1.000.000

Recordable number and rate of injuries derived from occupational accidents*
(Direct workers + Agency + Contractors)

Year	Recordable Accidents	Man-Hours Worked	Rate (Serious Accidents K) / Man-Hours
2022	62	5.027.280	12,33
2023	31	4.630.330	6,69

* Recordable accident for the organization refers to accidents with days lost

* K = 1.000.000

Main types of injuries
(Direct workers + Agency + Contractors)

	2022	2023
Mechanical	44 %	50 %
Location	41 %	35 %
Physical	2 %	3 %
Biomechanical	3 %	3 %
Chemical	7 %	6 %
Biological	3 %	0 %
Public	0 %	0 %
Electric	0 %	3 %
Public	0 %	0 %

Accident rate data
(Direct workers (including interns) + Agency + Contractors)

Country	Company	Disabling Accidents in 2022	Days Lost in 202	Man-Hours in 2022	Disabling Accidents in 2023	Days Lost in 2023	Man-Hours in 2023
Colombia	Pulpa y papel	62	1478	5.027.280	31	739	4.630.330

Country	Company	Disabling Injuries Index in 2022	Severity Rate in 2022	Disabling Injuries Index in 2023
Colombia	Pulpa y papel	12,33	1478	6,69

Number and rate of deaths derived from an occupational injury (Direct Workers + Agency)

Year	Number of Deaths	Man-Hours Worked	(Deaths * K) / Man-Hours
2022	0	3.170.400	0
2023	0	3.454.800	0

* K = 1.000.000

Number and rate of occupational accidents with major consequences (excluding death) * (Direct Workers + Agency)

Year	Number of Accidents with Major Consequences	Man-Hours Worked	(Accidents with Major Consequences * K) / Man-Hours
2022	6	3.170.400	1,89
2023	2	3.454.800	0,58

* In Colombia, the term serious accident is aligned with Resolution 1401 of 2017

* K = 1.000.000

Recordable number and rate of injuries from occupational accidents* (Direct Workers + Agency)

Year	Recordable Accidents	Man-Hours Worked	Rate (Accidents with Major Consequences * K)/ Man-Hours
2022	42	3.170.400	13,25
2023	21	3.454.800	6,08

* Recordable accident for the organization refers to accidents with days lost

* K = 1.000.000

Main types of injuries (Direct Workers)

	2022	2023
Mechanical	45%	57%
Physical	41%	33%
Biomechanical	0%	5%
Chemical	7%	0%
Biological	2%	0%
Public	0%	0%
Electric	0%	0%
Public	0%	0%

From the characterization of work accidents, mechanical risk is the most influential factor in the occurrence of events, in terms of direct relationship or machine-man contact.

A mechanical risk management program is established through machine safety, with which we intend to establish together safe machines (focused on ensuring that they have all the necessary control elements that prevent direct contact with the worker), safe operators (focused on training and ensuring safe behavior in operation) and safe practices and behaviors (focused on establishing safe work procedures). (focuses on establishing standardized work procedures standardized work procedures that allow work to be performed safely). This program is based on ISO 12100 of 2010, Design and Risk Assessment.

Challenges and Goals set forth:

Short-term (0 to 2 years)

- Completion of the CUIDARTE project by 2025.
- Installation of the overhead piping Plant 1 and improvement of sprinkler systems of the fire protection system with priority in storage warehouses and paper machines, upgrade of Plant 2 alarm detection system.

Medium-term (3 to 5 years)

- Give continuity to the CUIDARTE project at the end of the 30-month stage, defining improvements for the lines of action implemented or for new strategies.

Long-term (6 years or more)

- Improve the disabling injuries frequency index, from 6.69 to 0.88 by 2030.

Community Development

GRI: 3-3

(3-3)

For more than three decades, the Fundación Propal has been an agent of transformation for the communities located near the Carvajal Pulpa y Papel S.A. production plants in the departments of Cauca and Valle del Cauca. Its sustainable approach translates into a continuous commitment to local development and improvement of living conditions, maintaining a clear focus on capacity building and empowerment of communities, consolidating its role as an agent of positive change in the region.

(413-1)

These activities are developed in the area of influence of Planta 2, which represents 50 % of our activities. Through strategic alliances, the Foundation addresses social challenges in the areas of health and sanitation, early childhood, income generation, and a good neighbor program for the community of El Guabal.

In terms of social investment, the Fundación Propal implemented social programs **with an investment of $6,492 million,** strengthening its commitment to sustainable development. Funding for social initiatives came from:

- 86 % of resources contributed by Carvajal Pulpa y Papel, Carvajal Pulpa y Papel S.A.S. Zona Franca Permanente Especial and own resources generated by the IPS of Fundación Propal.
- The remaining 14 % came from allied entities, including Universidad Icesi, the Mayor's Office of Guachené and the National Learning Service - SENA, among others.

Health and Basic Sanitation Program

Fundación Propal continued to improve the health conditions of communities in northern Cauca, focusing on the prevention and promotion of diseases such as sickle cell anemia, hypertension, and diabetes, among others.

The main achievements of each programmatic line are listed below:

- **IPS Fundación Propal:** Through the Fundación Propal, we have made it possible for the community to access primary health care services in a timely fashion and with quality through the implementation of **163.887 activities,** emphasizing health promotion and maintenance.

  The alliance with the Faculty of Health Sciences of the Universidad Icesi has allowed 145 students in their last semester of medicine to carry out their internships in pediatrics and 112 students to develop public health activities in the municipality of Puerto Tejada. This care improves access to medical care and strengthens the educational commitment to health.

  The IPS of the Fundación Propal created the Sickle Cell Disease Program 5 years ago to improve the quality of life of people diagnosed with this disease. In 2023, more than 160 people were treated with a model focused on early detection of the disease and timely referral for appropriate emergency management.

- **Community health:** Fundación Propal continued to develop the community health program, bringing health services to rural areas and serving the school, vulnerable, and displaced population. A total of 10,822 health promotion and maintenance activities were developed.

- **Basic sanitation:** In partnership with the Mayor's Office of Guachené, we continued to improve the living conditions of the population in the rural and urban areas of the municipality, focusing our actions on the improvement and construction of houses. In 2023, 30 houses were intervened, helping an average of 115 beneficiaries.

The investment in the health and sanitation program in 2023 amounted to

$4.288 Million pesos

The activities per total beneficiaries of the program were:

174.824

In collaboration with the Colombian Society of Pediatrics, Valle and Cauca Region, the pediatric update symposium "Running for the Valley" was held for the first time in the department of Cauca. The Fundación Propal was the main venue in its VI version. The event created a space for learning and updating for professionals in the region and, at the same time, a pediatric day was held with 60 children, most of them without health insurance. The population attended and participated in educational talks and recreational activities aimed at acquiring good health and nutrition habits.

Early Childhood Program

Fundación Propal, in its firm commitment to improve the nutritional status of children from 0 to 6 years old and pregnant mothers, will improve the program's coverage in 2023, reaching 14 villages in the municipalities of Guachené and Puerto Tejada. This comprehensive program includes three components that focus on restoring the nutritional status of young children and educating children, families and teachers about eating habits that promote overall development.

A total of 680 children in these communities have benefited. The multidisciplinary team of pediatricians, nutritionists, nurses, hygienists and dentists carried out more than 3,514 educational and support activities to restore children's health - and support activities to restore the nutritional status of the beneficiary population.

A total of **82,5%** of boys and girls involved in the nutritional recovery component reached their nutritional recovery.

The project's total investment amounted to

$469 million pesos

Income Generation Program

In 2023, the Fundación Propal continued to work for the generation of skills, the increase of income levels and empowerment, prioritizing women and young entrepreneurs in the municipalities of Guachené, Puerto Tejada and Caloto. These interventions were developed in a public-private partnership with the participation of allies such as SENA, the Chamber of Commerce, the WWB Colombia Foundation and the Fundación Carvajal, developing more than 3,025 activities.

The Fundación Propal is part of two important alliances: the Northern Cauca Cocoa Farmers Alliance and the Northern Node of the Cauca Entrepreneurship Network, which aim to strengthen productive and entrepreneurial capacities and reach more than 800 participants in the region.

The project's total investment amounted to

$689 million pesos

The Good Neighbor Program

Committed to the integral development of the community of El Guabal, neighbors of the Carvajal Pulpa y Papel S.A. Mill 2, we developed programs in health and sanitation, education, income generation and housing improvement. In the area of health, we operated the community health center in 2023, offering services focused on prevention and promotion, and we provided medical care through clinics.

In the area of education, we have implemented various strategies that focus on the comprehensive education of children and youth in the village. In collaboration with the Fundación Carvajal, in the framework of the "Aula Global" project, we carried out the methodological transfer to the group of teachers and students to strengthen the basic competencies in language and mathematics for 80 students from second to fifth grade.

We also contributed to the access to higher education for young people in the village, supporting a group of 70 young beneficiaries of the "El Salto Afro" strategy in the community of Guachené, through financial and maintenance grants, allowing them to advance in their aspirations to study technical, technological and professional careers, strengthening the life projects of these young people and promoting their educational and professional dreams.

The Fundación Propal, in collaboration with the Mayor's Office of Guachené, Sena Cauca, and Carvajal Pulpa y Papel S.A., from the Income Generation Program, led the "Youth of Peace" project, with the aim of strengthening their skills, allowing them to reformulate their life projects and contribute to the improvement of their environment. This initiative benefited 11 young people who participated in human development activities, technical visits and the delivery of equipment for agricultural and livestock projects.

With the Consorcio para el Desarrollo Corporation, we continued the implementation of the Territorial Strategic Plan -PET- developed by the community under the Model of Integral Territorial Development -DIT-, accompanying the leaders of the village in the follow-up of the proposed objectives to include sustainability and the generation of individual and collective capacities. Likewise, with Fundación Propal we are committed to community development through the integration of initiatives based on leadership, teamwork and the generation of community capacities.

For this reason, in alliance with Fundación Carvajal, we highlighted a strategic project focused on leadership and capacity building of 27 community leaders and members of the Community Action Boards. This project strengthened teamwork by carrying out activities and integration events for the community; these projects enabled the relationship with the community with more than 3,939 activities.

In order to provide the children with a safe and stimulating educational environment, we have begun to renovate the school's infrastructure to provide them with appropriate learning spaces. This infrastructure improvement is part of a comprehensive project that aims to improve the quality of education, contribute to their training and build the social fabric of the village, the works will be handed over to the community in February 2024.

The Good Neighbor program's total investment amounted to

$886 million pesos

Activities made in Yumbo, Valle del Cauca, in 2023.

With the "Alianza Empresarial de Yumbo", composed of Celsia, Smurfit Kappa Foundation, Argos, Gases de Occidente, Fundación Empresarial para el Desarrollo de Yumbo - FEDY and Fundación Propal, we have addressed four fundamental lines:

1. Education, promoting citizen management, harmonious transition in early childhood, access to tertiary education, and public-private articulation aimed at improving the quality of education in Yumbo, positively impacting 1059 students and the educational community.

2. Income generation focused on strengthening micro enterprises and providing job training. Through strategic alliances, 172 people benefited, achieving the socioeconomic reactivation of the municipality.

3. Coexistence and peace, implementing strategies to build a culture of peace and coexistence. These actions strengthen the social structure of the municipality and benefit 538 people.

The project's total investment by the Foundation amounted to **$160 million pesos** and benefitted **3.227 people**

Our Goals:

Short-term (0 to 2 years)

- Consolidate the model of Integral Territorial Development (DIT) in the village of El Guabal.
- Scaling up of the nutrition project for children from 0 to 6 years old and pregnant mothers in the area of influence.
- Develop the transformation program of the educational center in the El Guabal village, which seeks to become a regional reference, both in terms of pedagogy and infrastructure.
- Measurement of the impact of the Famiempresas (family-owned companies) program and revision of the model according to the findings.

Medium-term (3 to 5 years)

- Transform the primary healthcare model with a focus on community outreach, risk management and health education.

ENVIRONMENTAL
Dimension

Environmental management falls under the strategic pillar of reducing the environmental footprint of our operations. In this sense, management has focused on generating continuous improvement processes to strengthen the sustainable development of our operations, establishing controls that allow the use of water and energy resources and the proper management of waste generated in the value chain.

AMBIENTAL Management

GRI: 3-3; 303-1;303-3;303-4;303-5; 307-1

(3-3)

We seek to strengthen the sustainability of paper production using sugarcane bagasse as a renewable and environmentally friendly raw material. It contributes to the efficiency and productivity of operations, compliance with legal requirements, prevention and mitigation of environmental impacts, and social development of the communities in which the company operates.

In terms of environmental management, Carvajal Pulpa y Papel S.A. is committed to:

- Pursue innovation and transformation as drivers of sustainable development, offering products and services that surprise and improve the lives of our consumers and customers.
- To have a social sense and a commitment to the development of the people and communities where we operate, through social and environmental intervention programs, benefiting people and communities.
- Leverage our resources and distinctive competencies to position ourselves competitively in international markets, using sugarcane bagasse, a renewable agro-industrial waste.
- To guarantee compliance with quality, safety, and transparency standards by obtaining certifications and accreditations that endorse its management and responsibility to the environment.

In this way, we ensure that the by-products generated are incorporated into new developments in the circular economy. This allows us to think in the future about the possibility of accumulating solid industrial waste in our plants.

In terms of certification, we have the COLOMBIAN ENVIRONMENTAL SEAL, which certifies that we have a sustainable use of the natural resources we use as inputs for our processes. In addition, we minimize the use of raw materials that are harmful to the environment.

(303-3)

Water Extraction

Water Extraction	2023 (ML)	2022 (ML)	2021 (ML)
Underground water	1.446	1.036	367
Surface water	28.357	28.989	28.510
TOTAL	**29.803**	**30.025**	**28.877**
Reduction Percentage	0,74 %	-3,98 %	1,07 %

- None of the operations that extract water are considered water stressed. According to the World Resources Institute's ACUEDUC WATER RISK ATLAS tool, this method has confirmed that our operations are not located in water stressed areas. According to the analysis performed, the basins where the production plants are located are not in water stressed areas.

Click HERE

- Surface and groundwater consumption come from freshwater with total dissolved solids less than or equal to 1,000 mg/l.

(303-4)

Water Discharge

	2023 (ML)	2022 (ML)	2021 (ML)
Water Discharg	27.905	28.550	27.451

- The discharge is carried out in surface waters of the Cauca and Palo rivers, areas identified without water stress, and is below the dissolved solids parameter of 1000 mg/l.

  Based on the World Resources Institute's ACUEDUC WATER RISK ATLAS tool, it has been confirmed that our operations and where our production plants are located are not located in water stress zones.

Click HERE

- Discharges comply with the parameters established by regional environmental authorities for priority risk substance limits.

(303-5)

Total Water Consumption

	2023 (ML)	2022 (ML)	2021 (ML)
Consumption Total	1.898	1.475	1.426

Total water consumption increased in the first half of 2023 due to the variation in the quality of the water withdrawn, which had higher turbidity caused by the rains during the aforementioned period. As a contingency plan, the company made a total intervention in the industrial water purification system, which reduced water withdrawal in the second semester.

Interaction with water as a resource shared

(303-1)

We have an environmental management policy that covers all employees, suppliers and external entities, with the main objective of protecting and caring for natural resources, allowing planning and control to be attentive to the impacts that may affect our company and its environment, putting us in conversations of high importance such as climate change management and reducing the carbon footprint of our operations and our suppliers.

Controlling water consumption and ensuring the quality of the water we return to the Cauca and Palo Rivers is and will always be a goal that is part of our strategy, knowing the importance of this resource for the region and the communities that live around the aforementioned watersheds.

For this reason, during 2023 we focused on raising awareness among our employees, promoting different campaigns that left a clear message about the importance of caring for this valuable resource and involving their families. In addition, as a result of the search for opportunities to use water more efficiently, in alliance with the operational areas and the maintenance group, we proposed to upgrade the water purification systems of the industrial water treatment plant, reducing the intake of raw water.

(307-1)

Regulatory Compliance

In 2023, we did not present any type of non-compliance with environmental regulations or fines related to this issue.

Some of the challenges and goals we set for ourselves were:

Short-term goals (0 to 2 years)

- Incorporate 28 % of our industrial by-products into new production chains.
- Reduce water consumption.
- Reduce the carbon footprint of our scopes 1 and 2.

Medium-term goals (3 to 5 years)

- Incorporate 35 % of our industrial by-products into new production chains.
- Reduce water consumption.
- Reduce the carbon footprint of our scopes 1 and 2.

Long-term goals (6 years or more)

- Incorporate 45 % of our industrial by-products into new production chains.
- Reduce water consumption.
- Reduce the carbon footprint of our scopes 1 and 2.

CLIMATE Change

GRI: 3-3; 302-1; 302-4; 305-1; 305-2; 305-4; 305-5

13 CLIMATE ACTION

(3-3)

Climate change is a global challenge that requires a response that is both unified and determined.

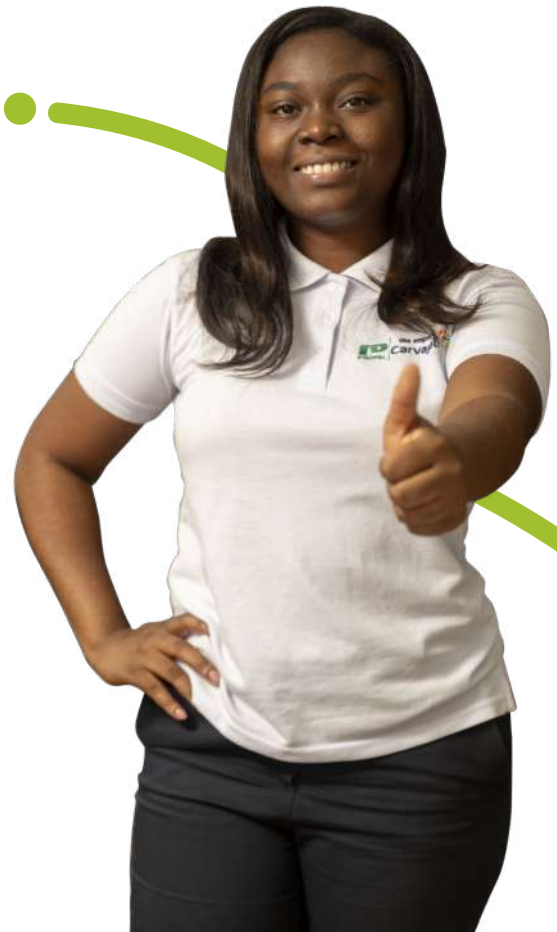
In the context of our paper business, we recognize the critical importance of addressing this challenge by taking proactive steps to reduce our carbon footprint and promote sustainable practices. We are positioning ourselves as an agent of positive change.

We play an important role in a climate change strategy where conservation and adaptation of natural resources are necessary to maintain the long-term viability of our operations. The transition to renewable energy sources, process optimization and responsibility are paramount to mitigating climate change.

We view climate change as a reality that allows us to develop opportunities for innovation and industry leadership. By driving sustainable practices, we not only answer the call for sustainability, but also inspire others to join a collective conscience, preserve our planet and create competitive advantage.

Our commitment to climate change management is reflected in the definition of a clear target focused on a 50% reduction in greenhouse gas emissions from Scope 1 and 2, with 2019 as the base year.

By managing climate change, we can reduce operational risks associated with extreme weather events and regulatory changes, develop a climate adaptation and resilience strategy, and ensure business continuity. We also encourage innovation in greener practices that reduce greenhouse gas emissions. This proactive approach not only strengthens the company's resilience, but also positions us as a leader in an environment that increasingly values environmental responsibility.



(302-1)

Energy Consumption

Energy Consumption	2023 (GJ)	2022 (GJ)	2021 (GJ)	2020 (GJ)
Total fuel consumption from non-renewable sources	8.516.533	7.552.554	7.166.941	7.599.467
Electricity consumption	1.279.429	1.249.579	1.227.411	1.225.690
TOTAL	**9.795.962**	**8.802.133**	**8.394.352**	**8.825.157**
Percentage of reduction	-6.2 %	4.6 %	9.0	4.4 %

- The calorific value of coal, dust, and black liquor is obtained from accredited laboratory analysis.
- The calorific value of ACPM, natural gas, and fuel oil are taken from the Colombian mining and energy planningunit.

In 2023, there was an increase in energy from non-renewable fuels due to damage to the power boiler domes at Plant 2. This was due to the interruption of dust consumption, which resulted in an increase in coal consumption. However, at Carvajal Pulpa y Papel S.A. we have a comprehensive energy efficiency and decarbonization program.

This program involves a management that includes continuous monitoring, control and supervision of energy and fossil fuel consumption. The essence of this initiative is the strategic optimization of our resources and the responsible management of our energy inputs.

In collaboration with a company specialized in identifying the risks associated with climate change, we have defined different scenarios that allow us to identify the impact generated on our business.

In order to prevent possible negative impacts, we are developing the monitoring, evaluation and control of fuel consumption, intensifying efforts to increase the use of biomass (dust + primary sludge), focused on reducing the use of fossil fuels.

At the corporate level, we have conducted educational campaigns with leadership training and employee awareness programs to promote a better understanding of sustainable practices, encourage individual and collective responsibility, and highlight the importance of sustainability in our operations. We also actively seek feedback from communities to tailor our actions to their needs.

Our efforts include regular training on green practices, promoting energy efficiency and responsible resource management. By empowering our employees with knowledge and environmental awareness, we aim to create a team committed to the company's sustainable values, contributing not only to the personal and professional development of our employees, but also to strengthening an organizational culture focused on sustainability and a positive impact on the community and the environment.

(305-7)

Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and other significant air emissions

Due to the nature of our steam generation and chemical recovery operations, we have stationary sources that use renewable and non-renewable fuels and meet regulatory requirements for their operation.

Indicator	Unit	2023 CPP Data	2022 CPP Data
Atmospheric NOx emissions	Ton	733	780
Atmospheric SOx emissions	Ton	4,890	1,505
Atmospheric PM emissions	Ton	158	134

*These results are obtained by monitoring atmospheric emissions under the environmental regulations in force by laboratories accredited by IDEAM.

Highlights:

- We increased the efficiency of turbo-generator 5 of P2, obtaining a 44.4 % increase in generation concerning 2022.
- We are searching for the break-even point to replace coal with biomass.
- We burn primary sludge, evaluating the optimal operating conditions to reduce coal consumption.

  We successfully launched a high-efficiency process turbogenerator project that significantly outperformed its predecessor, achieving a 51.2 % increase in power generation. This milestone represents a significant advance in our capacity and a solid step toward continuous improvement in energy efficiency.
- We obtained the Colombian Environmental Seal, which validates our efforts to maintain high standards in environmental management highlights our standards in environmental management, and underscores our active role in the preservation of the environment in Colombia.
- We have obtained compensation of 1753 tons of CO_2e from Kaeser for the compressors at our plants in Colombia. for the compressors at our Yumbo and Guachené plants. This is equivalent to a 0.23 % reduction in our 2022 carbon footprint.

(305-1; 305-2; 305-5)

GHG Emissions

	2022		2021	
Emissions (Ton CO2 eq)	Scope 1 761.309	Scope 2 11.636	Scope 1 786.245	Scope 2 11.636
Decrease / Increase per scope compared with baseline (2019)	↓ Decreased 157.494	↑ Decreased 54	↓ Decreased 132.557	↑ Increased 12
TOTAL	772.944		797.947	
Decrease / Increase total per scope compared with baseline (2019)	↓ Decreased 157.548	Reduction Percentage 16,92 %	↓ Decreased 132.545	Reduction Percentage 14,2 %

	2020		Año base 2019	
Emissions (Ton CO2 eq)	Scope 1 862.531	Scope 2 19.704	Scope 1 918.802	Scope 2 11.690
Decrease / Increase per scope compared with baseline (2019)	↓ Decreased 56.271	↑ Increased 8.014	↓ Decreased Not applicable	↑ Decreased Not applicable
TOTAL	772.944		797.947	
Decrease / Increase total per scope compared with baseline (2019)	↓ Decreased 48.257	Reduction Percentage 5,2 %	Not applicable	

- Emissions of scopes 1 and 2 are measured under the GHGPROTOCOL method.

Looking at GHG emissions in 2022, we reduced 16.92 % of total net emissions relative to the base year, exceeding the 14 % target set at the corporate level.

Scope 2 GHG emissions, which reflect the energy efficiency initiatives developed by the company, decreased for the first time compared to the base year.

(305-4)

Emission Intensity

	2022		2021		2020		2019	
Intensity of missions (Ton CO2 eq/Ton produced)	Scope 1 2,77	Scope 2 0,04	Scope 1 2,83	Scope 2 0,04	Scope 1 3,11	Scope 2 0,07	Scope 1 3,06	Scope 2 0,04
TOTAL	2,82		2,87		3,18		3,10	
	Reduction Percentage 9,0 %		Reduction Percentage 7,4 %		Reduction Percentage -2,6 %			

Several challenges and goals:

Short-term goals (0 to 2 years)

- Condensate recovery. Affects lower make-up water for boilers and higher feed water temperature (less steam to deaerator).
- Increase of solids in weak Black Liquor in p1. Currently, 7 % solids, the target would be 9 % as in P2.
- Increase solids in liquor to nozzles -P2. Target 60 % solids.

Medium-term goals (3 to 5 years)

- By 2027, our goals is to reduce carbon print by 35 % compared to 2019 figures.

Long-term goals (6 years or more)

- By 2030, our goal is to reduce carbon footprint by 50 % compared to 2019.
- By 2030, our goal is to reduce carbon footprint by 15 % compared to 2019.

CIRCULAR Economy

GRI: 3-3; 301-1; 301-2; 301-3; 306-1; 306-2; 306-3; 306-4; 306-5

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

(3-3) (306-1)

At Carvajal Pulpa y Papel, the use of industrial by-products in new economic developments plays an important role, as we transform the waste generated by the company into raw materials that reduce the use of non-renewable materials. The circular economy has been present since our beginnings and is part of our DNA, converting sugarcane bagasse into paper.

Generating a development that allows us to strengthen the growth of the circular economy in the region has been a relevant aspect, focusing on providing a solution to what we previously saw as a problem due to the high costs of storage and handling in the company's internal yards.

The incorporation of by-products is one of our strategic goals. We have set ourselves the challenge of using 45 % of by-products in new production chains by 2030. This drives us to constantly seek new developments by creating synergies with other industries.

Our main solid industrial waste is listed below:

- Carbonilla (botton Ash): Coarse ash - Power boilers.
- Fly Ash: Fly ash - power boilers.
- Lime sludge: Rejects from quicklime production
- Primary sludge: Material resulting from the primary treatment of the wastewater treatment plant.
- Fiber rejects: Material resulting from the primary washing of bagasse.
- Secondary sludge: Material resulting from secondary lagoon cleaning.

(306-2)

From the top, we have promoted projects focused on the use of by-products by other industries, where the synergy that exists with the cement and agricultural business sectors has led us to implement large-scale projects such as the use of ashes in the cement industry, the reclamation of acidic soils and the leveling of flooded land.

During the implementation of industrial by-product utilization projects, we have identified that the development of sustainable relationships with the company's external and internal parties are the engine drives and enables growth in the number of tons utilized in new economic developments. These actions allowed us to obtain a result 31 % higher than the 21 % target set for 2023.

We developed an exercise to level a flooded land with a mixture of inorganic waste and dead rock that was monitored by the environmental authority, promoting our by-products as raw materials suitable for soil leveling and compaction activities.

(306-3, 306-4, 306-5)

Waste Generation and Management

Not for Disposal

2023 (Ton)	2022 (Ton)	2021 (Ton)	2023 (Ton)	2022 (Ton)	2021 (Ton)
2.069	2.689	2.835	25,5	27,10	31,10
Non-hazardous			Hazardous		

For Disposal

2023 (Ton)	2022 (Ton)	2021 (Ton)	2023 (Ton)	2022 (Ton)	2021 (Ton)
628	661	966	0,064	0,070	0,068
Non-hazardous			Hazardous		

- Non-hazardous waste not destined for disposal is disposed of by authorized third parties through recycling.
- Hazardous waste not destined for disposal is disposed of in safety cells by authorized third parties.
- Non-hazardous waste destined for disposal is disposed of in approved sanitary landfills.
- Hazardous waste for disposal is incinerated without energy recovery by an authorized third party.

Challenges and goals set in this regard:

Short-term goals (0 to 2 years)

- Next year we plan to start with the first production development of soil recuperators with organic waste at our Yumbo plant, to take advantage of the material accumulated in our internal yard, and we will continue leveling flood lands with inorganic by-products (soot, charcoal and lime sludge).

Medium-term goals (3 to 5 years)

- In the medium term, the objective is to strengthen the alliance with cement industries to increase the use of inorganic by-products in the clinker manufacturing process.

Long-term goals (6 years or more)

- By 2030, we aim to have 45 % of our industrial by-products used as raw material for the development of new circular economy models in the region.

Memorandum of ASSURANCE

DECLARATION OF CONFORMITY FOR
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Statement "Reference to GRI 2021 Standards"

2023 SUSTAINABILITY REPORT OF CARVAJAL PULPA Y PAPEL S.A.
CARVAJAL PULPA Y PAPEL S.A.

This report has been prepared for the exclusive use of **CARVAJAL PULPA Y PAPEL S.A.**

The adaptation of the contents of the 2023 **CARVAJAL PULPA Y PAPEL S.A. SUSTAINABILITY REPORT of CARVAJAL PULPA Y PAPEL S.A.** has been verified according to the Global Reporting Initiative Sustainability Reporting Guidelines - GRI Universal Standards 2021 and the Sustainability Report Verification Process carried out by Icontec.

The management of CARVAJAL PULPA Y PAPEL S.A. is responsible for the preparation, content, and declaration of the "Reference to GRI 2021 Standards" of the verified report, as well as for the definition, adaptation, and maintenance of the management and internal control systems from which the information is derived.

Our responsibility is to express an opinion on these financial statements based on our limited review. The scope of the assurance engagement was planned and performed by the protocol for the Icontec Sustainability Reporting Verification Service based on the GRI Guidelines.

The scope of the assurance engagement was agreed upon with Icontec. It included verification of a sample of the activities described in the report and a review of the application of the principles and the general and specific basic content that present the sustainability performance for the period 2023-01-01 to 2023-12-31.

We have carried out our work of verification and validation of the information presented in the 2023 SUSTAINABILITY REPORT OF CARVAJAL PULPA Y PAPEL S.A., which allows us to conclude the nature and extent of the organization's compliance with the principles of transparency and the reliability of its general standards.

The assurance procedures consisted of evidence-gathering procedures and included confirmatory inquiries of the various corporate processes responsible for determining materiality and the management approach to the preparation of the Sustainability Report. The focus was on the reliability of the information.

The external verification was carried out by the Icontec team remotely and in person at the company's premises from 2024-02-14 to 2024-02-15. The following is a description of the analytical procedures and substantive testing performed to arrive at our conclusions:

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Pre-reading and review of the CARVAJAL PULPA Y PAPEL S.A. 2023 SUSTAINABILITY REPORT completed; to review the activities carried out by CARVAJAL PULPA Y PAPEL S.A. about and in consideration of its stakeholders, as well as the coverage, relevance, and completeness of the information, based on the company's understanding of the requirements of its stakeholders.
Preparation of the Verification Plan, sent to the company on 2024-02-02 and approved by the organization.
Analysis of the adaptation of the contents of the report using the "Sustainability Reporting Guidelines" of the Global Reporting Initiative - GRI Universal Standard as a reference.
Meetings with personnel responsible for the different contents of the report to learn about the management approaches applied and to obtain the information necessary for external verification. Nine interviews with each of the processes responsible for the activities selected for verification were conducted from 2024-02-14 to 2024-02-15.
Analysis of the design process of the Management Report and the data collection and validation processes, as well as a review of the information related to the management approaches applied to the reported content, performed from 2024-02-14 to 2024-02-15.
Verification, on a sample basis, of the quantitative and qualitative information of the basic content included in the report and its compliance with the criteria established in the Guide. This review included standards 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.22, 2.23, 2.24, 2.27, 2.28, 2.29, 2.30 and performance indicators: 201-1, 204-1, 205-1, 205-2, 205-3, 206-1, 301-1, 301-2, 302-4, 303-1, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 307-1, 401-1, 401-2, 401-3, 403-1, 403-2, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1,405-2, 406-1, 413-1.
The Report’s contents do not contradict any relevant information provided by the Company in the documents analyzed.

Conclusion:

As a result of our limited review, we conclude that the 2023 SUSTAINABILITY REPORT OF CARVAJAL PULPA Y PAPEL has been prepared, in all material aspects, using as a reference the Sustainability Reporting Guidelines of the Global Reporting Initiative - GRI Universal Standard, under the "Reference to GRI 2021 Standards", and is in accordance with the principles for its preparation and is reliable according to the procedures performed. No information has come to our attention that causes us to believe that the revised aspects described are materially misstated.

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A limited review is substantially less in scope than an audit. Accordingly, we do not express an opinion on the CARVAJAL PULPA Y PAPEL S.A. 2023 SUSTAINABILITY REPORT.

The organization was provided with a detailed report on the aspects to be improved for the finalization of the report, as identified during our review.

Independence:

We conducted our work by the guidelines outlined in our Code of Ethics, which requires, among other things, that members of the verification team, such as the audit firm, be independent of the insured client, including those who were not involved in the written report. The Code also contains detailed requirements to ensure the conduct, integrity, objectivity, professional competence, professional diligence, confidentiality, and professional conduct of verifiers. Icontec International has systems and processes in place to monitor compliance with the Code and to prevent conflicts of independence.

Restrictions on Use and Distribution:

This report has been prepared solely for assurance on the contents of the 2023 SUSTAINABILITY REPORT OF CARVAJAL PULPA Y PAPEL S.A., for the year ended December 31, 2023, by the procedure for assurance on sustainability reports prepared by Icontec International, and may not be used for any other purpose.

Our report is intended solely for presentation to stakeholders and readers of the 2023 SUSTAINABILITY REPORT OF CARVAJAL PULPA Y PAPEL S.A. and should not be distributed or used by any other party.

ICONTEC Colombian Institute of Technical Standards and Certification.

Juan Felipe Mora Arroyave
Director Regional
Fecha 2024-03-07

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GRI Table

GRI CONTENT INDEXES

Declaration of Use

Carvajal Pulpa y Papel S.A. has presented the above information in this GRI Index for the period from January 1, 2023, to December 31, 2023, using the GRI Standards as a reference.

GRI used

GRI 2021

GRI STANDARD	LOCATION / COMPLEMENTARY INFORMATION	PAGE
General Disclosures		
The Organization and its Practices to Present Reports		
GRI 2-1 Organizational details	About Carvajal Pulpa y Papel S.A.	
GRI 2-2 Entities included in the organization's sustainability reporting	About Carvajal	
GRI 2-3 Reporting period, frequency and contact point	About this Report	
GRI 2-5 External assurance	About this Report	
Activities and Workers		
GRI 2-6 Activities, value chain and other business relationships	About Carvajal Pulpa y Papel S.A.	
GRI 2-7 Employees	Social Dimension – Engagement and Organizational Culture	
GRI 2-8: Workers who are not employees	Social Dimension – Engagement and Organizational Culture	
Gobernance		
GRI 2-9 Governance structure and composition	Framework of Action – Corporate Governance, Ethics and Compliance -Corporate Governance Structure	
GRI 2-10 Nomination and selection of the highest governance body	Framework of Action – Corporate Governance - Corporate Governance Structure	
GRI 2-11 Chairman of the highest governance body	Framework of Action – Corporate Governance - Corporate Governance Structure	

Governance	
GRI 2-12 Role of the highest governance body in overseeing the management of impacts	Framework of Action – Corporate Governance - Corporate Governance Structure
GRI 2-13 Delegation of responsibility for managing impacts	Framework of Action – Corporate Governance
GRI 2-14 Role of the highest governance body in overseeing the management of impacts	About this Report
GRI 2-15 Conflicts of interest	Framework of Action – Corporate Governance, Ethics and Compliance
GRI 2-16 Communication of critical concerns	Framework of Action – Corporate Governance, Ethics and Compliance

Strategy, Policies and Practices	
GRI 2-22 Statement on sustainable development strategy	CEO Letter
GRI 2-23: Engagement and policies	About Carvajal Pulpa y Papel – Engagements and Policies
	Strategy and Sustainability
	Framework of Action – Corporate Governance, Ethics and Compliance
	Main Impacts of Managing the Topic
GRI 2-24 Embedding policy commitments	Information pending
GRI 2-27 Compliance with laws and regulations	Framework of Action – Corporate Governance, Ethics and Compliance
GRI 2-28 Membership associations	About Carvajal Pulpa y Papel – Associations in which we Participate

Stakeholder Participation	
GRI 2-29 Approach to stakeholder engagement	Strategy and Sustainability – Our Stakeholders
GRI 2-30 Collective bargaining agreements	

Contents of Material Issues

GRI 3-1 Process to determine material topics	Sustainability Strategy – Materiality
GRI 3-2 List of material topics	Sustainability Strategy – Materiality
GRI 3-3 Management of material topics	

Contents of Material Issues

Theme Contents

GRI 200: Economic Dimension

GRI 204-1 Proportion of spending on local suppliers	Economic dimension – Management of the sustainable supply chain –
GRI 205-1 Operations assessed for risks related to corruption	Framework for Action – Corporate Governance, Ethics and Compliance – Management of Ethics and Compliance
GRI 205-2 Communication and training about anti-corruption policies and procedures	Framework for Action – Corporate Governance, Ethics and Compliance – Management of Ethics and Compliance
GRI 205-3 Confirmed incidents of corruption and actions taken	Framework for Action – Corporate Governance, Ethics and Compliance – Management of Ethics and Compliance
GRI 206-1 Confirmed incidents of corruption and actions taken	Framework for Action – Corporate Governance, Ethics and Compliance

GRI 300: Environmental Dimension

GRI 301-1 Materials used by weight or volume	Environmental Dimension – Climate Change
GRI 301-2 Recycled input materials used	Environmental Dimension – Climate Change
GRI 301-3 Reclaimed products and their packaging material	Environmental Dimension – Climate Change
GRI 302-1 Energy consumption within the organization	Environmental Dimension – Climate Change
GRI 302-4 Reduction of energy consumption	Environmental Dimension – Climate Change
GRI 303-1 Interactions with water as a shared resource	Environmental Dimension – Environmental Management

GRI 300: Environmental Dimension	
GRI 303-3 Water withdrawal	Environmental Dimension – Environmental Management
GRI 303-4 Water discharge	Environmental Dimension – Environmental Management
GRI 303-5 Water consumption	Environmental Dimension – Environmental Management
GRI 305-1 Direct (Scope 1) GHG emissions	Environmental Dimension – Climate Change
GRI 305-2 Energy indirect (Scope 2) GHG emissions	Environmental Dimension – Climate Change
GRI 305-3 Other indirect (Scope 3) GHG emissions	No information
GRI 305-4 GHG emissions intensity	Environmental Dimension – Climate Change
GRI 305-5 Reduction of GHG emissions	Environmental Dimension – Climate Change
GRI 305-7 Nitrogen oxides (NOx), Sulphur oxides (Sox), and other significant air emissions	No information
GRI 306-1 Waste generation and significant waste-related impacts	Environmental Dimension – Circular Economy
GRI 306-2 Management of significant waste-related impacts	Environmental Dimension – Circular Economy
GRI 306-3 Waste generated	Environmental Dimension – Circular Economy
GRI 306-4 Waste diverted from disposal	Environmental Dimension – Circular Economy
GRI 306-5 Waste directed to disposal	Environmental Dimension – Circular Economy
GRI 307-1 Non-compliance with environmental laws and regulations	Environmental Dimension – Circular Economy

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GRI 401-1 New employee hires and employee turnover	Social Dimension – Engagement and Organizational Culture
GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Dimension – Engagement and Organizational Culture
GRI 401-3 Parental leave	Social Dimension – Engagement and Organizational Culture

GRI 400: Social Dimension	
GRI 403-1 Occupational health and safety systems	Social Dimension – Occupational health and safety - Management of Occupational Health and Safety
GRI 403-2 Hazard identification, risk assessment, and incident investigation	Social Dimension – Occupational health and safety - Management of Occupational Health and Safety
GRI 403-9 Work-related injuries	Social Dimension – Occupational health and safety - Indicators of occupational health and safety
GRI 403-10 Work-related ill health	Social Dimension – Occupational health and safety - Indicators of occupational health and safety
GRI 404-1 Average ours of training per year per employee	Social Dimension – Engagement and Organizational Culture
GRI 404-2 Programs for upgrading employee skills and transition assistance programs.	Social Dimension – Engagement and Organizational Culture
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GRI 406-1 Incidents of discrimination and corrective actions taken	Social Dimension – Engagement and Organizational Culture

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