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SUSTAINABILITY POLICY

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TRACKED CHANGES		
Version	Date	Brief description of the change
1	February 2018	Initial version.
2	February 26, 2020	General update for the social responsibility system. Inclusion of objective, scope, definitions, persons responsible and reference documents.

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1. OBJECTIVE

To establish a reference framework, from which a sustainability model can be incorporated into the Company’s business strategy, that ensures that its operations contribute to stakeholders’ development in its areas of influence, in the framework of responsible and sustainable mining.

This Sustainability Policy includes the basic principles of action related to this work, which Drummond Ltd. must comply with and which contributes to the development of the UN Sustainable Development Goals, in its economic, social and environmental dimensions, and to compliance with the law and international standards.

2. SCOPE

Applicable to all stakeholders.

3. DEFINITIONS

Corporate social responsibility¹: responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that: contributes to sustainable development, including health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization and practiced in its relationships.

Corporate strategy: Company guidelines that establish how, through social responsibility policies, procedures and actions, Drummond will achieve its business objective of producing coal in a sustainable manner, implementing the highest quality standards and the best ethical, socioeconomic, environmental and workplace health and safety practices.

Stakeholders: individual or group that has an interest in any decision or activity of an organization.²

Sustainability Committee: the coordinating and strategic management body created to direct the organization toward a sustainable development model, aligning the business with leading practices in the global mining and energy sector through the integration of CSR actions throughout the organization’s entire value chain.

¹ Guidance on social responsibility, ISO 26000:2010 (official translation).

² Guidance on social responsibility, ISO 26000:2010 (official translation).

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4. POLICY GUIDELINES

At Drummond we work to have a positive impact on Colombia and its people, ensuring that our operations contribute to the sustainable development and well-being of our employees and the communities in our area of influence.

We understand that our responsibility goes beyond mitigating the impacts that our operational activities and organizational decisions have on society and the environment, and that it is not limited to complying with the law and mitigating risks.

We have adopted a way of building relationships that benefits the present and future well-being of the community, the region and the country, while simultaneously creating value for the business.

Commitment to Sustainable Development

We recognize that as a company, like governments and citizens, we have a joint responsibility to achieve the UN’s sustainable development agenda, in its economic, social and environmental aspects. Drummond contributes to meeting these goals, aimed at eradicating poverty, protecting the planet and ensuring prosperity for all, working primarily on:

SDG 16. Peace, justice and strong institutions. Working for peace is an essential step in building a prosperous and tolerant society. We aspire to be an active participant in this effort, supporting activities that contribute to the construction of peace, justice, Human Rights and institutional strengthening as the basis for development.

Our corporate actions also contribute to the achievement of at least the following SDGs:

- SDG 2. Zero hunger.
- SDG 4. Quality education.
- SDG 6. Clean water and sanitation.
- SDG 8. Decent work and economic growth.
- SDG 9. Industry, innovation and infrastructure.
- SDG 12. Responsible consumption and production.
- SDG 15. Life on land.
- SDG 17. Partnerships for the goals.

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Commitment to stakeholders

Our corporate management recognizes and takes into account essential social and environmental needs, as well as stakeholders’ expectations, in order to have a positive impact on people’s lives. To play a positive role in the region’s development, we address social issues, environmental obligations and opportunities for economic development with a long-term vision across all business areas.

Commitment to the Law and international standards

We comply with the Law and work to go even further. We are committed to being consistent with international standards conceived and designed to strengthen the work and sustainability of companies and their projects in terms of their environment and stakeholders. To this end, we have implemented the Bettercoal and Global Reporting Initiative (GRI) standards and abide by the UN’s Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights.

Commitment to incorporating CSR into our corporate actions

We integrate CSR actions into the organization’s entire value chain. We have a Sustainability Committee, comprised of the leaders of administrative and operational areas, which ensures the alignment of CSR corporate actions based on this Policy. We also have an Advisory Committee, comprised of the organization’s management team, which incorporates sustainability into the corporate structure and the business.

5. PERSONS RESPONSIBLE

- **VP of Risk and CSR / VP of Sustainability:** establish the directives that will guide the Company toward a sustainable development model. Identify the adjustments required by this policy, as part of the continuous improvement process and monitor compliance.
- **Sustainability Committee:** ensure the implementation of and compliance with the corporate and social responsibility strategy throughout the Company.
- **Stakeholders:** understand the Company's corporate social responsibility policy and strategy and participate in its implementation and continuous improvement processes.
- **Audit Committee:** periodically review and monitor compliance with the policy.

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6. REFERENCE DOCUMENTS

- Corporate Social Responsibility Strategy.
- Sustainable Development Goals – UN.
- Guidance on social responsibility, ISO 26000:2010 (official translation).