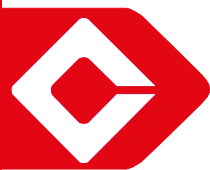


REVISTA



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The transformation
of the Port

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The direct loading port: **a joint accomplishment**

One of our largest projects in recent years, the construction of the direct loading system at Puerto Drummond, is a reality thanks to the efforts of the entire team of employees from the company, as well as our contractors and suppliers, the vast majority of which are domestic companies, who participated in its construction.

This port is also a confirmation of the company's commitment to the country's economic development, which seeks to make the export process more efficient, always within a mechanism that aims to protect the environment and work to minimize the impacts that the coal mining, transportation and exporting activities can generate.

On March 31, 2014, we started port operations with the first shipment of coal through this system. We have invested more than USD \$360 million into this infrastructure with a modern system that is designed to load ships of all sizes, which will operate with two ship loaders and have an installed capacity of 60 million tons per year.

Moreover, this port has the capacity to store up to 1,500,000 tons of coal according to its characteristics and helps us to prepare the appropriate mixes at the time of shipment, to meet the quality requirements for each of our clients in different parts of the world.

But it is not just a matter of increasing our efficiency and competitiveness. All of Drummond's resources are focused, primarily, on living together in a working environment that is safe and accident-free, and on proper environmental management, which includes monitoring and improving air quality, protecting our water and caring for the flora and fauna in the area.

We are proud to note that, thanks to this commitment, during the first quarter of this year, the international agency Lloyd's Register Quality Assurance (LRQA) certified our environmental management system under the ISO 14001 standard. We also obtained OHSAS 18001 industrial safety and occupational health, BASC secure international commerce and ISPS physical security and port protection re-certifications.



Photo: Juan Manuel Pinilla

José Miguel Linares
President ↑

These human, technical and financial efforts are also proof of our willingness to self-regulate in order to have operations that are safe and sustainable, aimed at complying with operational standards for the benefit of the country, the region, our employees and their families.

Assuming responsibility for the environmental aspect in each one of our processes challenges us to continue our efforts to maintain the "social license" that the community grants us every day and that is a pillar of our operations.



The transformation of the Port



On March 31, 2014, Drummond resumed its port operations and, for the first time, it used the new direct loading system. Learn about the details of its construction.

With an investment of more than USD 360 million, the company debuted the system for direct loading onto ships. The planning and construction of Puerto Drummond in

Cienaga (Magdalena) took six years and since March it has become a reality, thanks to the hard work of the company's team, as well as that of the domestic and international contractors and suppliers that were involved in the project.



The direct loading process reduces time and has an installed capacity of 60 million tons per year.

The barge loading system had a capacity between 26 and 30 million tons per year.

The work performed included the construction of the direct loading system, dredging of the turning basin and significant changes to the coal storage yard.

For Juan Ignacio Saavedra, Drummond's construction manager, the great benefit of implementing the new system is eliminating the transfer of material from one vessel to another, as happened with the barge system.

Currently, the system has the capacity to load one ship at a time, but two vessels can be moored to the pier: one on each side.

"When we finish the ship loading pier, we will be able to moor four vessels and load two at a time, one with each ship loader. Today we are at 70%," said Saavedra.

According to the national government's requirements, the direct loading system should have started on January 1, 2014, but due to the strike that took place between July and September 2013, three months of work were missed, which kept the company from meeting the date set out and, therefore, the first loading took place on March 31st.

Construction will continue during the second half of this year, when the two ship loaders are installed and operating. At that time, Puerto Drummond will have an installed capacity of 60 millions of tons per year.



"In May 2012, we started laying the basis for the foundations (concrete slabs) for the yards, tunnels and new stackers, and the civil engineering work for the construction of the new rotary car dumpers,"
Juan Ignacio Saavedra.

THE STARTING POINT

Nineteen years ago, in 1995, the port began operations with the barge loading system, which was composed of conveyor belts and feeders that carried the coal from the storage yards and the loading station to the barge-loading pier. Then, the barges were taken to the ship and with marine cranes the coal was removed and then



This port was made possible through the efforts of the company's entire team of workers, as well as the domestic and international contractors and suppliers that participated in its construction.

deposited in the ship's holds. This system, as it was originally installed, had a capacity between 26 and 30 million tons per year.

In 2007, through Decree 3038 the Colombian government ordered that as of January 1, 2010, coal companies must perform direct loading. However, the regulations required an environmental license to make

The pier has industrial water drainage, containment and management, dust suppression and water sprinkling systems.

the required adjustments, which delayed implementation of the method requested by the State.

In 2008, Drummond began working on the preliminary de-

sign, its pre-feasibility, feasibility and, in general, the entire process involved in developing a project of this size. For example, the conceptual design for building the new system was the responsibility of the Engineering and Design Department of the parent company in the United States, with the help of an American advisor who is an expert in port construction.



Years later, the decree became law with Article 113 of Law 1450 of 2011 of the 2011-2014 National Development Plan, and all coal exporting companies needed to eliminate loading with barges as of January 1, 2014.

At that time, Drummond started the licensing process to be able to make the modifications to the Port, and the necessary formalities with the authorities and national agencies. Once the government agencies authorized the final conceptual design, based on that we started to work in detail on the design part of the project.

“In 2012, we obtained the modification of the environmental license to build the pier and expand the Port, since in addition to the work on the pier, the project also consisted of expanding the existing facilities or creating new ones to be able to increase our production capacity,” said Juan Ignacio Saavedra, Drummond’s construction manager.

THE CONSTRUCTION PROCESS
Once we had the license in 2012, the construction phase began, to which a change in the license was added for dredging the turning basin for ships to

“The port had one double and one single rotary car dumper; now we are finishing construction of a quadruple, that is, it will dump four train cars at a time,” Juan Ignacio Saavedra.



At the ship-docking pier we have two ship loaders: the first arrived on December 22, 2013, which started the direct loading, and the second arrived in May of this year.

enter the direct loading pier, which was approved in 2013.

“In May 2012, we started laying the basis for the foundations (concrete slabs) for the new yards, tunnels and stackers, and the civil engineering work for the construction of the new rotary car dumpers. Previously, the port had one double and one single rotary car dumper; now we are finishing construction

of a quadruple, that is, it will dump four train cars at a time, which will double our unloading capacity at the port,” said Saavedra.

Regarding construction of the pier, in September 2012 it started on land, and in October of the same year we started to drive the pilings in the water to be able to build the pier’s walkway.

The pier consists of two sections: the first is similar to a viaduct and it takes the conveyor belts from land to the ship-docking pier; and the second is the part where the vessels are moored to be loaded. The first phase of construction was completed on May 31, 2013 and that same day construction of the ship-docking pier started.

“The walkway, which goes from the beach to the mooring point, has a length of 1,525 meters into the sea, and from that point to the end there are 800 linear meters. This last part is currently under construction. To be able to start direct loading, we have completed approximately half of that pier, that is, 400 linear meters,” said the construction manager.

The ship-docking pier has two ship loaders: the first arrived on December 22, 2013, which started the direct loading, and the second arrived in May.

“We did very well with the first load. Obviously we had already done tests with the entire system empty, that is, without coal. Everything was already approved, but the ultimate test is with cargo. The first week we conducted tests. Even though we’re still adjusting the system, we are already getting to the point of constant work,” concluded Juan Ignacio Saavedra.





From rock to energy

Coal is the world's main source of electric power. But how does it arrive at the port in its mineral state to ultimately be transformed into electricity? These are the main steps in the process from the time that the coal reaches the port from the mines.

1 Unloading the trains

Once the trains arrive at the port, they are unloaded by one of the three car dumpers (one single, one double and one quadruple). The combined capacity of these pieces of equipment is **8,000** tons per hour.

1A Stacking and sorting

The unloaded coal is moved using conveyor belts to the storage yard, where it is sorted according to its physical and chemical characteristics, or to the ship loading pier. Two traveling stackers with a capacity of **8,000** tons per hour each are used in the storage process. The storage yards have a capacity of **1.5** million tons.

5 Transportation to the power plant

In some cases, the power plants are located a few meters from the ports, so in these cases the mineral is moved on conveyor belts. When that is not the case, the coal is transported to the power plants using different means of transportation, such as railroads, trucks or barges.



2 Transportation to the pier

Two 84-inch conveyor belts with a capacity of **8,000** tons per hour each move the coal from the train unloading points or from the collection systems from the storage yard to the ship loading pier.

3 Loading ships

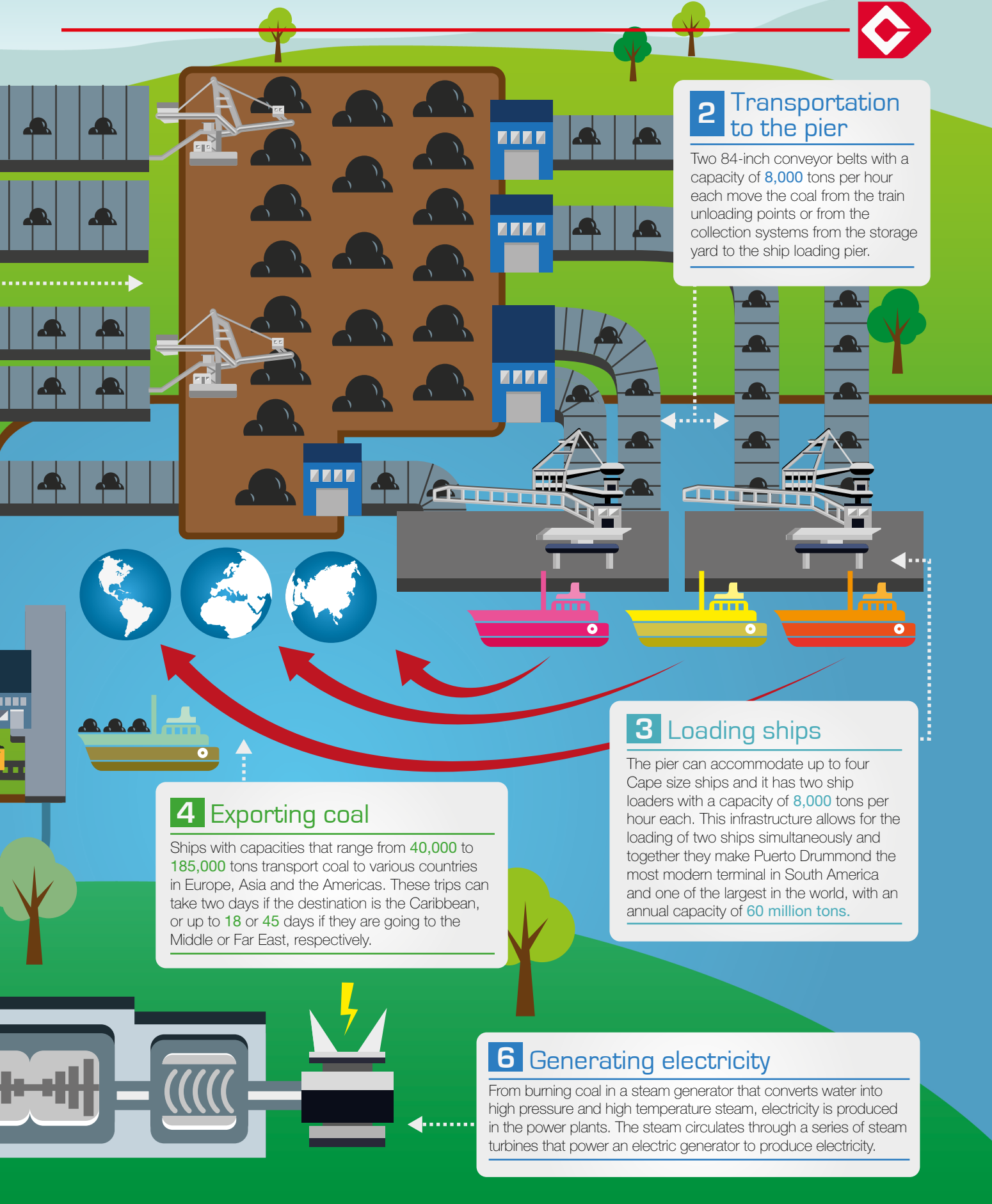
The pier can accommodate up to four Cape size ships and it has two ship loaders with a capacity of **8,000** tons per hour each. This infrastructure allows for the loading of two ships simultaneously and together they make Puerto Drummond the most modern terminal in South America and one of the largest in the world, with an annual capacity of **60 million tons**.

4 Exporting coal

Ships with capacities that range from **40,000** to **185,000** tons transport coal to various countries in Europe, Asia and the Americas. These trips can take two days if the destination is the Caribbean, or up to **18** or **45** days if they are going to the Middle or Far East, respectively.

6 Generating electricity

From burning coal in a steam generator that converts water into high pressure and high temperature steam, electricity is produced in the power plants. The steam circulates through a series of steam turbines that power an electric generator to produce electricity.





Let's get to work!

During the first half of 2014, Drummond's social efforts have focused on helping the communities in its area of influence. At the same time, it has made a significant investment in the Departments of Cesar and Magdalena. These are some of its most noteworthy actions.



RESTORING THE MANZANARES RIVER

On March 22, cleanups of the Manzanares River started in the city of Santa Marta, organized by the District Administrative Department for the Environment (Dadma, in Spanish) and supported by Drummond through its donation of tools for collecting trash, snacks, sports drinks and the participation of several of our employees. These activities, which will continue to be performed during the course of 2014, seek to involve the neighboring communities in the conservation of their natural resources, and with the involvement of organizations such as Interaseo, the fire department, the Boy Scouts, the University of Magdalena, the National Policy, the District Mayor's Office and Metroagua.



CONTROLLING FOREST FIRES IN THE SIERRA NEVADA

The forest fires that affected the Sierra Nevada de Santa Marta, mainly in the areas of La Secreta and Guacamayo, the La Aguja ravine and Siberia, were brought under control with the help of Drummond. The company offered its port facilities to carry out the operation and facilitate the landing of the Colombian Air Force's helicopters. Additionally, during the duration of the emergency, from March 28 to April 8, it made a meeting room for managing the crisis, food and transportation available to the authorities. In all, Drummond contributed more than 70,000 gallons of water from its reserves to put out fires in the approximately 3,000 hectares that were affected.





SUPPLYING WATER FOR MAGDALENA AND CESAR

During the month of April, Drummond formed part of the solution for the communities affected by water shortages in both departments. In the village of Bosconia, it distributed close to 966,000 liters; in the village of La Loma, it contributed approximately 552,000, and in communities such as La Paz, Pescaito, La Victoria and Los Lirios, among others, it offered three tanker trucks with a capacity of 50 liters each, providing a total of 1,292,000 liters of water that were used to supply 646 homes and approximately 3,520 people from the region.



UNIVERSITY SCHOLARSHIPS

In January of this year, 11 high school graduates from Cesar and Magdalena received university scholarships from Drummond's Social Responsibility program for 2014. This strategy, which was started in 2006, has allowed low-income students to receive higher education, benefitting a total of 64 young people from the company's area of influence. These scholarships are also accompanied by a stipend for living expenses.

DELIVERING GIFT BASKETS

As part of its Social Responsibility initiatives, Drummond gave approximately 500 food baskets to families, single mothers and the elderly in the Departments of Magdalena and Cesar. In the latter, single mothers from the village of La Loma and senior citizens from the lowest socio-economic strata from Chiriguaná benefited. Between March 3 and 11, 200 of them were delivered in the communities of Cordobita and Jolonura during an event attended by the National Agency for the Eradication of Extreme Poverty.



Taking care of the environment was one of our priority issues for the first half of this year.

ENVIRONMENTAL MANAGEMENT FOR ALL

So that the communities can get to know the company better, Drummond shared its Environmental Management Plan with them. In the Department of Cesar, it had meetings with the communities from the municipalities of La Jagua de Ibirico, Becerril, Codazzi, Chiriguaná, the villages of Loma and La Guajirita; while in Magdalena, it interacted with residents of the municipality of Ciénaga. In both departments, topics such as its social investments, the re-settlement of lands within the mining operations and the construction project for the direct loading pier at the port were explained.

Committed to the community



In order to have a positive impact on its area of influence, Drummond focuses much of its efforts on conducting social responsibility programs that benefit the local population. Education, health care, strengthening institutions and caring for the environment are some of its priorities.



Photo: Juan Manuel Pinilla

In the departments of Cesar and Magdalena in Colombia, a population of approximately 350,000 people benefit from Drummond's commitment to the community. Activities that allow for the full development of the region, timely response to complaints and grievances, priority given to the local workforce and fulfillment of its environmental, hygiene, occupational health, industrial safety and human rights obligations are part of the corporate policies that frame each one of the company's axes for social action. These are the main ones:

1. EDUCATION AND CULTURE PROGRAMS

Learning and training projects, both for adults and children, are the most important area of social responsibility for the company. Broadly speaking, they include building, remodeling, maintaining and equipping schools, as well as training teachers, building school

dining rooms, creating music schools, setting up computer and science labs, providing university scholarships for the best students, and training high school graduates in mining activities.

SOME OF THE RESULTS:

- Remodeling, expanding and equipping 529 classrooms.
- Educational scholarships for approximately 68 students, fully covering their tuition plus a monthly stipend for living expenses.
- 158 teachers trained.
- 27 school dining rooms built.
- Equipment for nine music

schools and more than 1,500 children trained at them.

- Primary and secondary school scholarships for employees and their families (5,577 children and 2,855 employees have benefitted).
- University scholarships for employees and their families (1,371 family members and 1,035 employees).

Some of the schools built, remodeled or expanded are: the Southern Rural School in Bosconia (first stage), the Enoc Mendoza Rural School in Ciénaga, the School of Arts and Crafts in the township of Río Frío in Zona

AREA OF INFLUENCE

Mine: Becerril, Codazzi, Chiriguaná, El Paso, La Jagua de Ibirico.
 Rail corridor: Aracataca, Algarrobo, Bosconia, Fundación and Zona Bananera.
 Port: Ciénaga.
 Capitals: Valledupar (Cesar) and Santa Marta (Magdalena).

Bananera, Rural Mixed school in the township of La Primavera, and the music school in Becerril.

2. HIGH-QUALITY HEALTH CARE AND NUTRITION

Seeking to meet the region's medical needs, the health care projects are focused on building, repairing and expanding hospitals and care centers. They also include the donation of medical and dental equipment, and the establishment of medical brigades. In addition to the above, the social responsibility programs in this sector have partnered with the Genesis and SoyDoy foundations to improve nutrition for children between the ages of 0 and 5.

SOME OF THE RESULTS:

- Reconstructing, expanding and equipping the San Juan Bosco Local Hospital in Bosconia.
- Completing construction of the Hospital Paz del Río in the municipality of Fundación.
- Construction of the hospital

for the municipality of Aracataca, co-financed by Ecopetrol, FundePalma, Fundauniban, Corbanacol, Fonade, Social Action by the Office of the President of the Republic, the governor's office and the mayor's office.

- Donating many pieces of medical equipment.

3. PROMOTING RECREATION AND SPORTS

With the goal of promoting healthy fun and the use of appropriate spaces for recreation for children and families, Drummond has carried out projects to construct, expand and remodel parts. Additionally, it encourag-

es children and the community in general to practice sports.

SOME OF THE RESULTS:

- Construction of stages to present folkloric and cultural events.
- Construction of a park in the township of La Loma, in El Paso.
- Donation of children's play modules in the various communities.
- Construction of bike paths in the municipality of Chiriguaná.

4. GREENER TOWNS

Maintenance and preservation of the environment in the communities in the area of influence of its operations is a priority for the company, and it aims to do so through reforestation campaigns in the different municipalities. To achieve better results and better planting processes, Drummond works in partnership with the Municipal Units for Technical Assistance (UMATAS in Spanish), the Community Action Boards and the educational community for the area as well as the public schools and the SENA.

Learning and training projects, both for adults and children, are the most important area of social responsibility for the company.





CLEAR GOALS

In addition to the projects that were implemented, other objectives are in the process of being executed. These are the goals that Drummond has set for itself starting in 2014:

- Facilitate access to science and technology for students and teachers.
- Encourage the implementation of Supply Chains around the mining projects.
- Sponsor trainings in activities other than Mining.
- Strengthen partnerships to eradicate extreme poverty.
- Strengthen fishing activities in the port area of influence.
- Join forces with public and private actors to recover and strengthen tourist destinations, through a Beach Certification program.

the programs in the area of impact are: Road Maintenance, Asoreloma (Association of Recyclers of La Loma), Women's Association of La Loma, Association of Single Mothers of Cienaga and work cooperatives from Plan Bonito and El Hatillo.

SOME OF THE RESULTS:

Implementation of the Road Maintenance Program in the municipality of El Paso. 135 single mothers trained through the company Retazos y Carpetas Industriales. Training women from the Association of Single Mothers of Cienaga.

6. STRENGTHENING INSTITUTIONS

Thanks to partnerships with renowned universities, Drummond conducts training sessions to improve the institutional strength of public agencies and their employees in formulating and implementing their projects.

SOME OF THE RESULTS:

- The creation of Funregalías and the Committee for Monitoring and Evaluating Investments of Royalties, CSIR in Spanish.
- The implementation of a culture of accountability.
- The organization and strengthening of Citizen Oversight Networks.
- Holding a seminar on good governance, at which governors, mayors, representative and council members elected from the area of influence were trained.

In the departments of Cesar and Magdalena in Colombia, a population of approximately 350,000 people benefit from Drummond's commitment to the community.



SOME OF THE RESULTS:

- Annual planting of approximately 30,000 trees in the departments of Cesar and Magdalena.
- Reforestation with fruit trees in the municipality of El Paso.
- Reforestation campaign in the municipality of Cienaga, where donations of seedlings were received and then planted along the main avenues.

5. STRENGTHENING THE COMMUNITY

Through support for productive and environmental initiatives in the communities in its area of influence, Drummond is committed to the overall development of the population and their environment. Also, in addition to support for existing activities, the company also conducts trainings, strengthens leaders, Community Action Boards and Citizen Oversight groups. Some of



Photo: Carlos Forero

Sustainability lessons

Recently, the company invited a group of experts in social responsibility in Colombia to learn more about the work that is being done in this regard in the operation's areas of influence. Erick Pichot, one of the attendees, shared with **Revista Drummond** his insights after this experience.

Drummond Magazine: How do you perceive Drummond?

Erick Pichot: It is a company that has a big impact on mining in Colombia. That by the nature of its operations, it has many controversies and some serious reputation and communication issues, but I think it is opening up its work to share with people who are knowledgeable on Social Responsibility matters what it has been doing in this area.

D.M.: What were you able to see during your visit to this mining company's places of operation?

E.P.: During the three days of the visit, Drummond allowed us to get to know a large part of its business management, its relationship with its stakeholders and its production; how it has been doing things and, at the same time, to be able to confirm on site certain things that are sometimes treated lightly by the media. I had

the opportunity to see firsthand its relationship with the communities that live in the area. Without trying to replace the state, it has responded to the needs demanded by these social groups.

D.M.: What reflection can you make after this experience?

E.P.: It is a very important company for the region, with high-impact activities, that is doing interesting things, but that should go deeper



ERICK PICHOT

Is a social communicator and journalist from the Universidad de La Sabana. He is the editor of the magazine **RS**, a publication specializing in Social Responsibility issues in Colombia, and serves as Director of Communications for the International Center on Social Responsibility and Sustainability.

in its own understanding of social responsibility, not understood as a social investment but rather as a strategic issue. That is, that its social responsibility and sustainability strategies arise from the backbone of the business.

D.M.: What is that impact?

E.P.: In the field of sustainability, at the social level, Drummond's business and production involves a large geographic environment and it has relationships with important social groups. I am surprised, for example, that from Bogota we hear fundamental criticisms of the company and that the communities hold demonstrations, but these are the same social groups that hope to join a company at this level because they see them as the only hope for progress. This is an issue of inconsistency in the relationship. On the other hand, I think its work in education and cultural enrichment is very interesting. In regions affected by violence, music, art and knowledge help the communities raise their levels of awareness, of relationships and of harmony.

D.M.: This is on topic of social issues, and in an environmental aspect?

E.P.: It is undeniable that mining generates an environmental impact and at the landscape level, it makes an impression. In Drummond's case, I see that it is doing interesting things such as the Paujil reservoir, the systems to mitigate the impact on air quality and the environmental monitoring systems, which has even set standards above what

the law and the responsible agencies have established. There are a number of technical issues that they presented to me and that lead me to believe that the company is concerned about the issue of environmental impacts.

D.M.: On economic matters, what is the impact?

E.P.: Economically it is a company that contributes much to the mining industry and that benefits the country through royalties. However, from a public management perspective, it needs to work better for the communities to have access to them.

D.M.: How can companies like Drummond contribute so the communities can have greater access to royalties?

E.P.: I think the companies today play an important role in these sustainable development issues. Companies like this have a big influence on the regions and should

promote opportunities for training regional leaders that contribute to local development. For the companies, it is better to interact with communities that are better informed on the issue of rights and duties, and that can establish a mechanism for dialogue that improves the system of relations. While companies should not replace the State, they can contribute to the communities' development so they can have better levels of public management.

D.M.: Do you think that Drummond is doing a good job in terms of social responsibility and sustainability?


E.P.: I think it's started to do a comprehensive job, but it needs to articulate it in a policy and a management system for social responsibility. They are doing many things on the right track. Their sustainability report indicates some significant actions and resources, but it can still do much more. It is an organization that is starting to see sustainability from a different perspective and it wants to work on it to make things better. And this is the way it should be for its business and its relationships to flow better. 



Photo: Juan Manuel Pinilla

↑ According to Erick Pichot, Drummond has begun a comprehensive work program on social responsibility and sustainability.



Safety is a life style

At Drummond, Industrial Safety is a core value and, for that reason, its actions are aimed at creating a work environment is that free of accidents, protecting people, their surroundings and our resources.

This program has been strengthened in different stages, which has ensured that the company has developed a solid and structured risk management system. First, the initial stage dealt with complying with the current legal requirements and establishing occupational health committees. Then, in the maturity stage, and in accordance with the growth of our operations, we developed a safety management

system based on different elements such as leadership, risk prevention and assessment, communication and documentation, operation and maintenance, among others. Lastly, in the maturation stage, we obtained the OHSAS 18001:2007 certification granted by Lloyd's Register Quality Assurance (LRQA), which legitimizes the company's practices and progress in this area.

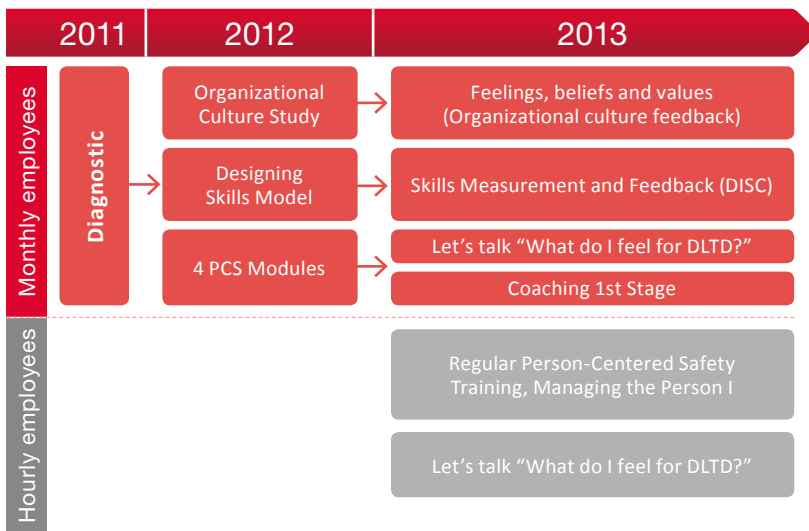
As a result, we have continued to work on making progress around

the notion of Industrial Safety, and in 2012 it was redefined as: "Our life style that guides everything we do by protecting ourselves, those around us, our environment and resources." For this reason, each area develops their risk identification, assessment and control according to the activities that they perform, ensuring compliance with the Industrial Safety policy.

In this regard, Drummond's Health and Occupational Safety



PERSON-CENTERED SAFETY (PCS)
INDUSTRIAL SAFETY CULTURAL TRANSFORMATION



Program provides ongoing support throughout the process with two departments, industrial safety and occupational health, that make it possible to report incidents directly to the Vice President of Human Resources.

In all activities, both labor and non-labor, there are risks that affect or may affect people's health and safety. Aware of this fact, Drummond Ltd. has implemented a Safety and Health Management System in its activities, aimed at promoting safe and healthy working environments that allow the organization to identify and control its health and safety risks, reduce the potential for accidents, support compliance with the law and improve overall health and safety performance.

The health and safety of our employees, contractors and visitors are our primary concern. From its inception, Drummond Ltd. has conducted its operations without losing sight of the importance of industrial safety. This was the source of the decision to implement the highest standards with regards to accident prevention.

Strict compliance with industrial safety standards is a feature of Drummond Ltd. and one of its corporate guidelines. Each one of the company's areas always carry out their activities under the idea of identify-

ing, evaluating and controlling the risks associated with the activities performed, in conjunction with stakeholders, ensuring compliance in practice with our Health, Industrial Safety and Environment policy.

A high percentage of the causes of accidents are due to persons' actions or omissions. Therefore, the accident prevention program includes training programs at all levels of the organization with elements to constantly reinforce the concept of self-care in its own employees and the employees of all of its contractors.

In the area of self-care, we have evolved from "someone else's responsibility to our own responsibility." Today, we have an industrial safety program with Managers, Superintendents, Supervisors,

Operators, Technicians and Contractor Employees with greater empowerment and leadership.

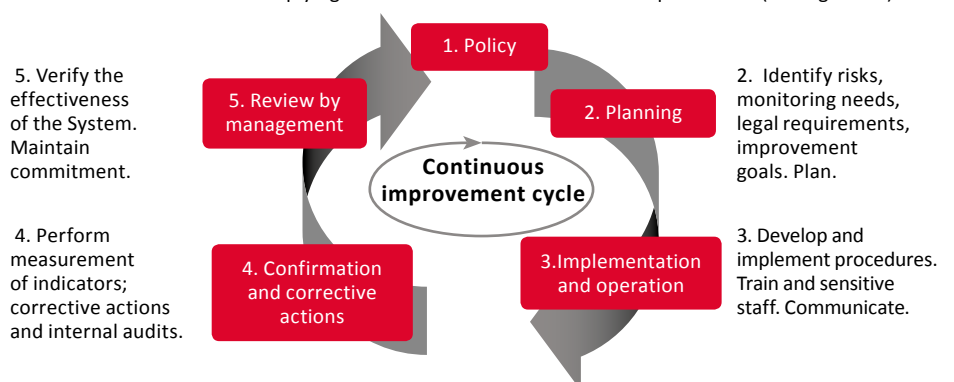
The figure to the left illustrates the process that has been implemented since 2012 for a cultural transformation from an industrial safety perspective for Monthly Employees (Managers, Superintendents, Supervisors, etc.) and Hourly Employees (technicians and operators) to make safety a value. This strategy is designed to reinforce the supervisor's role as the industrial safety leader, constantly teaching and applying the safe work rules, standards and procedures in each of the activities they lead.

ACHIEVEMENTS

- A greater level of commitment to prevention by each operator, technician, supervisor, superintendent and even each contractor employee permeates their work, certain that it is for their own well-being and that of their families and, as a result, it has caused a significant reduction in the accident rate.
- The number of work accidents recorded and reported to the ARL has decreased, as compared to 2010, by 26%.
- Greater commitment by contractors' managers to preventing accidents. ❖

SAFETY AND HEALTH MANAGEMENT SYSTEM AT DRUMMOND LTD.

1. Commitment to complying with the laws and to continuous improvement (Management)



Determination and passion for **his work**

This is a brief account of one of the men who are making their mark on Drummond, setting an example of leadership and personal growth for the younger generations.

Aristides Morgan Moreno, a native of El Paso, Cesar, grew up listening to the vallenato music that his father and older brother played. Like any good resident of the coast, he loves fresh fish and the countryside. On July 11, 1996, he started writing the first chapter of his work history when, with no experience and having recently graduated from a technical institute for mining training, he decided to knock on Drummond's door.

"The only position that I could hold was general services, due to my lack of experience, so I accepted the opportunity. I was in that position for a year and a half, and during that time I was able to show my skills and my work, and that was how I became the Supervisor of that department," he says proudly.

Now he has been with the company for 17 years and the assessment could not be better: he has had five promotions. First, he was Production Supervisor, then Senior Pumps Supervisor, Senior Production Supervisor and Assistant Superintendent, up to his current position of Production Superintendent.

Once he joined the company, he was able to start and finish his degree in Mining Engineering at the Fundación Universitaria del Área Andina at the Valledupar campus. "I have worked for Drummond for my entire career. I am very happy and satisfied with the growth I've achieved and I'm also grateful to the company for having believed in me and trusted me and my work," he says.


Aristides Morgan is one of the examples of growth and future in the Company.



Aristides' shift starts every day at 3:30 a.m. Half an hour later, he has a meeting where he receives the shift that is ending, and at 5:00 a.m. he meets with Management to plan and coordinate the day's activities and to assess the shift from the previous night. He starts the regular workday by receiving staff, operators and teams to inform them of their tasks. Twelve hours later, at 5:00 p.m., he submits the assessment for the day and turns over the shift to those who are coming on. Then he takes time to exercise, and heads to the gym after a long and productive day.

"Accountability is essential and loving what you do, for me, is the key to success. When you like what you do, you're happy. I love what I do, and I think the success I've had is due to this. It's my career, what I studied and trained for, and that's why I enjoy it all the time."

Aristides is full of energy and he likes challenges. He says that the organization has many areas that challenge him and demand that he find better ways to work, something that he is passionate about.

He spends his days off with his family at his house in the country. He loves being in the pool, spending the morning, evening, night or a weekend with his wife and three children, ages 16, 11 and 9, listening to Diomedes Diaz, eating fish and avoiding dessert and soda, since "after you turn 40, your belly starts to grow and you have to take care of yourself," he laughs. 



Sense of belonging

Drummond's Human Resources team, since January, has been conducting a series of training sessions that has allowed them to have a closer relationship with the operators and technicians that work in the Mining Operations and at the Port, sharing information with them on the company's various processes and fostering a sense of belonging.



Social responsibility, environmental policies and production are only some of the issues addressed in the Human Resources training sessions. They are always looking for the most relevant approaches to come up with activities that allow them to share this information in the best way possible, highlighting the role that this area plays within the company and the roles of each of its members.

One of the first activities that was conducted successfully this year was the Ecotour. Development of this program started in January in Mining Operations and it was focused on letting the participants know about the measures that Drummond takes to promote environmental conservation. This event was a great success because the participants themselves were the ones who made the presentations on the progress on environmental issues. After this, they took an outdoor tour where employees

visited the reforestation areas, the Paujil reservoir and the air and water laboratory, among others.


In March, a new training session was begun dedicated to informing employees of how the company fulfills its social responsibility. Under the slogan 'Drummond, a good neighbor,' an interactive newscast was presented that showed the company's work with the communities, the scholarships that it grants and its investments in the neighboring municipalities.

The third training session, held at the Port and later in Mining Operations, is focused on Drummond's entire production process. The intent is for all employees to know and understand what the company's other locations do. In this case, the entire coal process is explained through photos, videos and fun activities. How is it extracted? How is it transported? What machinery is used?

All of the training sessions are delivered during a period of 63

days each. Day after day, various groups of participants receive the information. The general idea is to use different interactive activities that allow employees not only to listen, but also to really understand and comprehend all of the information that is being shared with them. It also allows people from the human resources department to be in closer contact with employees from the operations area, making them feel that they are an important and vital part of the company.

EDUCATING LEADERS

Similarly, individual training sessions have been carried out with the leaders from Mining Operations and the Port to show them strategies that they can use to learn how to handle different labor situations. This opportunity has allowed the human resources department to advise its leaders and in this way to develop a closer relationship with employees. 

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