

REVISTA

# DRUMMOND

4 DRUMMOND IS MORE THAN A GOOD NEIGHBOR

12 WHY DOES DRUMMOND USE HIGHWALL?

16 EDUCATION TO CHANGE THE FUTURE



**Education**

An Appropriate Goal



## DIRECTOR

Jose Miguel Linares

## EDITORIAL BOARD

Alfredo Araújo  
Amilcar Valencia  
Diana Tabares  
Enrique Álvarez  
Margarita Saade  
Pablo Urrutia  
Paulo González

## EDITORIAL ASSISTANCE

Mediática Comunicaciones

## PHOTOS

Proyectos Semana S.A.  
Comunicaciones Drummond Ltd. Colombia  
Patricia Rincón Mautner

## DRAFTING, EDITING AND PUBLISHING

Proyectos Semana S.A.

**Revista Drummond** is a publication edited by Drummond Ltd. Colombia.



The opinions in the articles reflect only the view of the authors. Any full or partial reproduction of the editorial and graphic material published here without the express permission from the authors is prohibited.

## 3. EDITORIAL

## 4. MAIN TOPIC

Drummond is More than a Good Neighbor

## IN OUR OPERATION

- 10. Highwall Mining: Greater Efficiency and Productivity
- 12. Why Does Drummond Use Highwall?

## CURRENT NEWS

- 14. Like Clockwork

## CSR

- 16. Education to Change the Future
- 18. "Without Drummond, we might not be talking about the Sierra Nevada de Santa Marta today"

## 20. IN BRIEF

Drummond Promotes Sports

## 22. OUR TALENT

Security: An Essential Factor for Drummond

## 26. INDUSTRIAL SAFETY

If it's Not Safe, Make it Safe



4



12



14



# Our Commitment

Since the start of our operations in Colombia in the early 90s, Drummond has always focused on developing our mining projects based on the following principles: respect for the rights of our workers, the communities, and the environment, respecting the law and be transparent in all of our actions.

This can be seen in our relationship with our surroundings and stakeholders, where Drummond has become a leading figure in social responsibility projects that encourage the development of the people and the areas within the company's influence, which include 13 municipalities divided between the departments of Cesar and Magdalena, in an area whose population is close to 350,000.

In turn, Drummond's more than five thousand employees and their families are and will always be our priority. This is why our Human Resources management policies foster a sense of belonging among our employees, their families and the community. We also promote, as our policy states, the concept that "Safety is our way of life and it guides everything we do, protecting those around us, our surroundings, our resources and ourselves." This is also reflected in the standards that we require of the nearly four thousand contractors that work side by side with us.


In that sense, this edition of *Revista Drummond* describes our Good Neighbor philosophy and the framework of a sustainable social responsibility strategy, with pillars such as education and training, healthcare and the environment.

On the other hand, an international organization such as Drummond also invests in developing good relationships with key stakeholders in the United States, Europe and other places where our customers are located. An example of this is our recent trip to the Netherlands (Holland), Germany and Switzerland, along with representatives from the Colombian government, other mining companies, the mining unions, and community representatives.



Photo: Juan Manuel Pinilla

José Miguel Linares ↑  
President

On this visit, the Colombian government showed leadership in promoting the industry as a critical element in the country's development, under a model of mining that is performed responsibly and properly. It is now evident to the European buyers of our coal that our work meets the highest technical, social and environmental standards, and that we generate many benefits regarding employment, training, improvement of education and healthcare. 



# Drummond is More Than a Good Neighbor

Drummond Ltd. Colombia invests in social sustainability programs as a way to have a positive impact on the municipalities where we operate. Our top commitment is education, which mutually benefits the company and the community.

**D**rummond is the mining company with the largest and most populous area of influence in all of Colombia, in addition to being one of the few that operates in two departments. Therefore, our Social Responsibility program covers 13 municipalities: 7 in Cesar and 6 in Magdalena, which include the mining municipalities of Becerril, Codazzi, Chiriguana, El Paso and La Jagua

de Ibirico and the railway corridor that starts at the Pribbenow and El Descanso Mines, goes through the municipalities of Bosconia and El Copey in Cesar, Algarrobo, Fundación, Aracataca and Zona Bananera in Magdalena, ending at the export port located in Ciénaga. Additionally, projects are occasionally carried out in the two departmental capitals, Valledupar and Santa Marta, so it is estimated that the beneficiary



In 2014, Drummond invested 155 billion pesos (USD 77 million) in all internal and external Social Responsibility programs. 12.5 billion pesos (USD 6.25 million) are allocated annually to education programs.

population for our various social responsibility programs exceeds 300,000 people. The budget for our Social Responsibility program in 2014 was 155 billion pesos (USD 77 million).

At Drummond we know that every project impacts our employees, the communities and the territories. Therefore, in each location where we operate, issues such as the environment, community development, and job creation and, especially, education, are key issues. We never aim, as stated by Alfredo Araújo, Drummond’s Community Relations Manager, to take on the State’s role with respect to community development, but rather to “ensure fulfillment of what we call the good neighbor program. We are in a territory with major shortcomings, especially in education, and the company, with its resources and its programs, helps address them. Our philosophy since the program was created has been to be a good neighbor and ensure that the individuals in the communities improve their lives due to our presence in the region.” In addition to being included in the various municipal development plans, the company’s social responsibility projects are coordinated with the official establishment, which ensures its participation through the duration of the investment (especially in the design and technical direction of the projects), and works best with the commitment of the beneficiary community.



## THE FIELDS IN WHICH WE WORK

### EDUCATION

“Education is the basis for transformation and development, and that is why we have targeted it with so much force and diligence, to make it a sector that has the growth that the region needs,” says Alfredo Araújo. The examples are clear. We are aware of the vital importance of education. Investing in education is very productive and strategic for Drummond. This is why we allocate approximately 12.5 billion pesos (USD 6.25 million) annually to education programs through our social responsibility work.

In the last five years, the various education programs led by Drummond have benefitted more than 100,000 people. Alfredo Araújo

illustrates the company’s work in this area with a clear example: “When we arrived 20 years ago, La Loma had only one educational institution, a school that had less than 300 students. Last year, that school had 4,800 students. Today

↑ A proper environment facilitates the internalization of the educational process.



La Loma needs three rural primary schools to meet the demand and ensure that everyone who wants to go to school has access.”

Drummond’s goal in 2015 is to guarantee educational coverage for all people from its areas of influence, while focusing on making further progress in improving the quality of education, to ensure students that they will have an opportunity to access other levels of university education or technical and technological training.

Along with the construction of more than 500 classrooms (including digital and computer classrooms) and 25 cafeterias for children, the remodeling of schools,

## THE STRUCTURE

The Community Relations Department has 7 members and its offices are located in Valledupar and La Loma (El Paso) in Cesar, and in Ciénaga, Magdalena.

laboratories, playgrounds, music schools, technical training for high school graduates and teacher training, one of the company’s core programs is scholarships and grants.

The scholarships and grants have been developed using the following categories:

- **Student aid.** Intended for the children of all company employees during their primary, high school and university education.
- **Scholarships for children of employees killed in workplace accidents.** 40 young people have benefitted since this program was implemented; 13 of them have obtained professional degrees and 27 are currently receiving this scholarship that covers



all of their university studies in the location and degree of their choice in Colombia.

- **University scholarships.** This is a scholarship program for the top graduates of public high schools in our area of influence. The success of this program comes from the fact that, in addition to covering the costs of their university degree, it includes a section for a monthly stipend of 850,000 pesos (USD 414) for room and board. The award system includes a rigorous dual filter selection process. First, the principals from each school nominate the top two students from their educational institution, and then these academic files are reviewed along with other factors like their

↑ Drummond invests in education because it wants to contribute to the creation of a better society.

family's income level (the lower their income level, the higher their score), and the final awarding of the scholarships takes place. To date, this program has benefitted 75 students, 28 of whom have already graduated. Many of them studied degrees that are related to mining, and are working for the company.

Other featured education programs are those related to the technical and technological training of high school graduates, and the programs related to music schools.

- **Training high school graduates.** This program provides technical and technological training for high school graduates with the aim of facilitating their access to jobs with the company. One of the major problems that Drummond encountered when it arrived in the area was the shortage of skilled labor that would allow it to comply with its policy of giving preference to the workforce from its area of direct influence. This is why one of the main focuses of our educational programs is to train professionals who can become the skilled labor that the company needs.
- **Music schools.** There are currently 10 schools where more than 1,500 children between the ages of 4 and 12 have received musical training. It is one of the most successful social responsibility programs that we have implemented, and a source of satisfaction for the company "to have managed to change the aspiration of our children to be famous *vallenato* singers and to transform them into trained musicians, organized, disciplined, reading sheet music and participating in training processes like these. It is a process that gives us great satisfaction," says Alfredo Araújo. Drummond's contribution to this musical training process is focused on providing instruments and uniforms, and construction building.

## THE ENVIRONMENT

Through its "Improving the Environment" program, Drummond works on activities such as eliminating landfills, paving, repairing and maintaining roads and planting trees. To date, more than 30,000 trees, produced in the nurseries at the mine and the port, have been planted by students and faculty along various streets and parks, and at the schools themselves.

## HEALTHCARE

Our emphasis on social responsibility projects related to healthcare is focused on improving hospital infrastructure and childhood nutrition.



→  
The health of employees and communities nearby is also an important aspect of Drummond's Social Responsibility program.



In regards to healthcare, Drummond's work has facilitated the construction of hospitals in La Jagua, Becerril and El Paso, as well as the expansion of the facilities in Chiriguaná, Bosconia, Fundación and Aracataca. Our contributions have included the construction and building of maternal and child care centers, healthcare centers, and the donation of the equipment for these medical centers.

With regards to childhood nutrition, Drummond works with two partners, the Genesis Foundation (which serves more than 580 children in Magdalena) and with the Soy Doy Foundation in Cesar. Along with the Soy Doy Foundation, we are working on creating a soy-based plant to manufacture a product with high calorific and protein content. The plant, which will begin operating in Chiriguaná, will serve 600 children in the first year, with the possibility of expanding to 1,000 during following years. It is a program that seeks to be self-sustaining and to be managed by the community after the first five years. We also address nutrition at the child development centers managed by the Family Welfare Institute.

**Projects for the eradication of extreme poverty is one of the main objectives of Drummond's social programs for 2015.**

Drummond's social responsibility work at these centers is based on providing nutritional supplements for children ages 0 to 4, to ensure proper development. We have also contributed through financial donations to improve the technical conditions and infrastructure at these centers.

#### SPORTS

The company also supports programs that promote sports and fitness. "We believe that, to the extent that children have these kinds of activities, they stay away from the risks and dangers that the street can create for children who are idle," says Alfredo Araújo. Consistently, year after year, we strengthen sports programs through providing equipment and uniforms and improving the fields and sports infrastructure which has allowed training academies to emerge, such as those that already exist in La Jagua or in La Loma.

#### IMPROVING RELIGIOUS INFRASTRUCTURE

As part of our respect for the traditions and values of the communities in our areas of





influence, and after studying the socio-economic impact of these projects, Drummond developed the program to improve religious infrastructure, which included the building of chapels and churches. We have contributed to the reconstruction of the Cathedral of Santa Marta. “Today we are important allies of the religious community, not only in the construction, expansion and improvement of infrastructure, but also as contributors to the cultural activities that take place through religious festivals. That is part of respecting the beliefs of the people who are in our area of influence,” says Alvaro Daza, who is part of the Community Relations Department.



← Drummond's Communities program has created and supported music schools in the towns of Codazzi, Becerril, La Jagua de Ibirico, El Paso and Bosconia. More than 1500 children ages 4 through 15 have benefited from this program.

#### CHALLENGES FOR 2015

- **Eradicating extreme poverty.** Two years ago we signed an agreement between the entire mining sector and the Department of Social Prosperity. Drummond has focused its efforts on matters related to eradicating extreme poverty in three districts in Cesar and a sector of the town of Ciénaga. Projects have focused on generating income, health and education, through productive projects and training including home gardens, market gardens, planting permanent crops such as avocados and strengthening the fishing sector in the port's area of influence. “In the end, people start to overcome poverty when you can assure them that they have enough to live on, a way to sustain themselves, to keep up their houses, to pay for their children's

Being a good neighbor, and ensure that communities positively transform their lives due to our presence in the region, is the base of our Social Responsibility programs.

education, and to access healthcare services. I think it's a program that really shows that with solidarity we can achieve significant results in this challenge that we face as Colombians,” says Alfredo Araújo.

- **Production projects.** The program's goal is to have the communities start to build profitable strands around our mining activity, focused on traditional activities and those that provide the community with productive opportunities other than work in the sector.
- **Institutional strengthening.** Training has been provided for civil servants through a program that has been sustained over the years that seeks to ensure that all civil servants have the capacity to formulate and present projects that can be successful in fundraising. ☒

# Highwall MINING

Greater Efficiency and Productivity

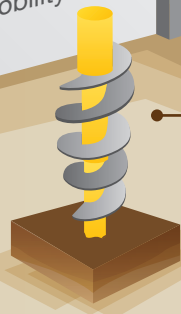
Developed with North American technology, a Highwall Mining System is an ideal method for underground coal extraction in areas that are beyond the economical limits of the mine by conventional surface mining methods. This system is the perfect combination between maximum productivity and easy mobility.

## What is Highwall mining?

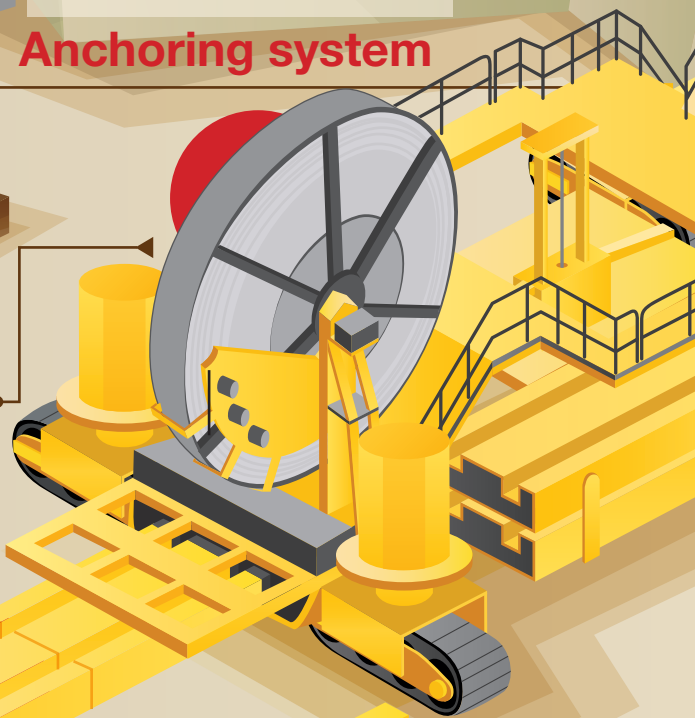
Highwall mining is a method in which a machine is used to maximize coal extraction from a coal reserve in which most other mining methods have been exhausted due to unfeasible economic or geotechnical limits. The machine is located on the pit floor and performs a cut with a rectangular unit (cutter head) that cuts and follows the coal seam underground to a maximum depth of around 300 meters. The module is pushed by 2 hydraulic cylinders that apply pressure to a series of push beams that at the same time transport the extracted coal towards the surface.

**1** The machine is anchored to the terrain at the selected spot determined by a team of engineers. The anchoring point is determined through **ground studies**, slope of the terrain, and a GPS reference.

### Anchoring system

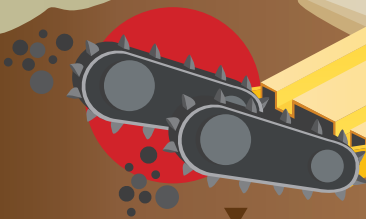


### Reel and supply chain

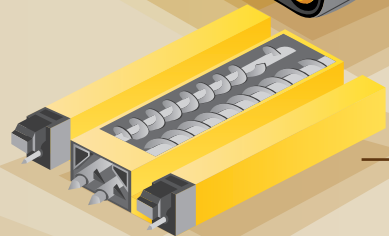


**2** The cutting head works through hydraulic force. To achieve the recovery of the coal, the cutting head **is moved from top to bottom of the coal seam** while the steel bits on the cutter head cut the coal underground.

### Cutting head



### Methane and gamma ray sensors





With this method, as much as **4,600 tons** of coal have been extracted from one highwall miner hole of 275 meters in length.

Currently **two holes** per day are being mined.

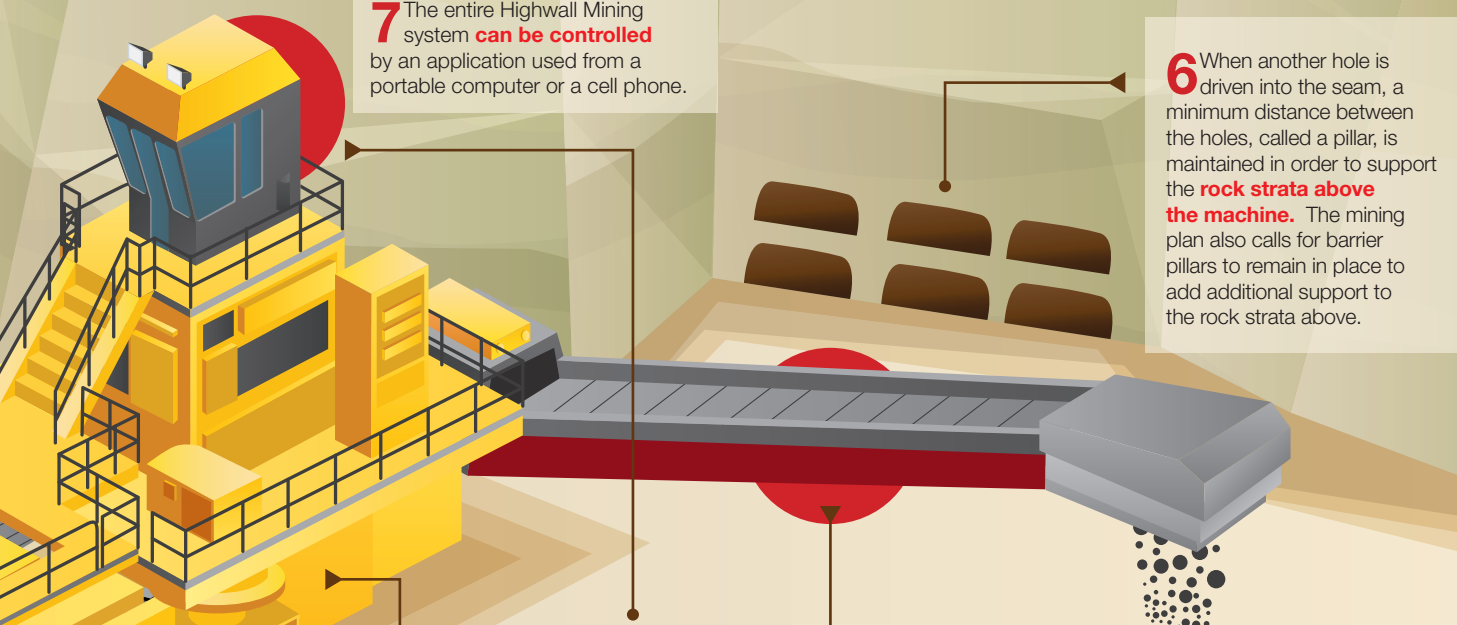
The speed at which the machine mines the coal is approximately **4.32 centimeters** per second, a very high velocity if talking in terms of excavations.

When the methane gas concentration inside the highwall hole is **2%**, the machine automatically shuts down, as the risk of an explosion may be present.

Apart from the supervisors, **six mechanics** and helpers also work on the machine.

**7** The entire Highwall Mining system **can be controlled** by an application used from a portable computer or a cell phone.

**6** When another hole is driven into the seam, a minimum distance between the holes, called a pillar, is maintained in order to support the **rock strata above the machine**. The mining plan also calls for barrier pillars to remain in place to add additional support to the rock strata above.



### Control cabin

**5** All functions are controlled from the operations cabin with two **video screens**. From there the operators (two American supervisors and one Colombian) utilize special software that controls all movements of the system.

### Hydraulic Cylinders

### Push beams that connect to each other

**3** Reinforced steel push beams shaped like long rectangular steel boxes are connected to the system to push the cutting head underground, and at the same time, they transport the extracted coal to the surface using two augers that are inside each push beam. These pieces are the **spinal column** of the machine since they also serve as a duct for the supply chain through which the control cables, communications, electricity, hydraulic lines, and water all go through.



**4** After the coal is discharged from the highwall mining system, a **conveyor belt** piles all the coal so that front end loaders can load it into large haul trucks for transport to the train loading station.

Infographic: Alejandra Sarmiento



## Why Does Drummond Use **Highwall?**

Since 2013, Drummond owns and operates a machine that has had positive impacts on the operational processes and in the sustainability of the business. Jason Young, Manager of Engineering and Environment, and Ron Damron, VP of Mining Operations, tell us what the benefits of this method have been.

**C**urrently, the company has one *Highwall Mining* extraction machine, the only one in the country, which has allowed the maximization of coal recovery, reduction of operational costs, while maintaining the highest industrial safety standards for our employees.

In September of 2013 –after five years of studies, planning, and visits from expert engineers who determined the adaptability of the machine to the terrain– Drummond made the decision to

bring this technology with an investment of approximately 15 million dollars.

This measure has brought multiple benefits for the company's production and for our employees at the mine.

- 1. Costs:** Highwall mining is much more cost effective than other conventional extraction methods due to lower implementation and development costs, as well as the increase in production at a lower operating cost. Roof support,



After 5 years of research and planning, the Company decided to invest close to 15 million dollars in this technology.


- coal transport and ventilation system costs are all reduced in comparison to conventional underground mining.
- 2. Time:** the way in which the machine's push beams are connected together, and the speed with which the machine cuts through the terrain, allow the reduction of the coal's extraction times, which in turn is translated into larger gains.
  - 3. Pure Production:** compared to other traditional methods, highwall mining spends much more time in production of coal. Using the Highwall machine, everything that is cut is coal that is ready for the customer.
  - 4. Flexibility:** the machine can access smaller coal blocks and can more easily avoid adverse conditions that hurt production.
  - 5. Easy transport:** it is easy to move about the mine and to anchor in the established spots, thanks to its own crawler transport system, anchoring drills, and automated navigation system.
  - 6. Applicability:** since the coal cutting operation works by remote control, it can work in very low seam thicknesses, since traditional underground mining equipment and personnel never go into the highwall mining excavation. The equipment can also work in steeper terrain slopes than traditional underground mining equipment.
  - 7. Safety:** operations are safer since these are performed by remote control and all the personnel is outside of the highwall miner holes. In this way, those involved are not exposed to rock falls, toxic gases, pillar bursts, dust or flooding. "Having employees located underground in coal seams is always risky; this is why having this machine will be a lot safer for them." Additionally, this goes along with our main objective this year, which is zero lost time accidents at the mine", affirms Ron Damron, Vice President of Mining Operations.
  - 8. Large bet on Colombia:** "Apart from offering Colombian engineers the know-how to use this technology, Highwall benefits the production of coal in Colombia, since we are



Photo: Juan Manuel Pineda

↑ The Highwall system perfectly adapts to the conditions of the mine.

extracting resources that would have never been recovered due to the depth in which they are located. This is an advanced mining machine that is on the cutting edge of technology for the region, because no one else in the country has it", explains Jason Young.

Thanks to the competitive advantage that using this extraction method provides, the purchase of a second machine is being evaluated. Meanwhile, our goal is to extract over 750 thousand tons of coal per year with the use of this cutting edge technology. 



# Like Clockwork

The different departments that make up Drummond's operations in Colombia are essential to its optimal performance. One of these sections is led by Martin Ahrens, the Director of the Materials Department.

**M**artin Ahrens joined the company 19 years ago, and in 2003 he was appointed to the position that he holds today. No one understands the operations and the minutiae of what happens inside the Materials Department in greater detail; in an interview with **Revista Drummond**, Ahrens explained the work being done in his department.

The Materials Department is divided into three areas: purchasing and contracts, warehouses, and imports and logistics. Efforts by these three areas allow the company's internal processes to work efficiently and conduct high-quality operations. The Materials Department has 230 employees, most of whom work in the warehouse area and are responsible for safekeeping

and delivering the materials in inventory. Currently, the company has 5 warehouses both at the port and at the mines.


The purchasing and contracts area has a team of 25 purchasers who are distributed between the mine and port operations. They perform transactions with suppliers to purchase the necessary spare parts and machinery. Perry Supply is one of Drummond's



The Materials department has 230 employees. The majority work in the warehouse area and are in charge of the custody and delivery of inventory.

sister companies and it is responsible for making major purchases in the United States and shipping the materials to Colombia. Additionally, there is a team of 10 purchasers who specialize in major supply and service contracts.

The warehouse area is responsible for maintaining the databases that account for the supplies in stock. According to Ahrens, they currently have a total of 230 million dollars in materials, more than 60,000 items, and they receive and deliver up to 80 million gallons of fuel annually. They are responsible for moving up to 80,000 tons of ammonium nitrate and store up to 800 spare tires sized for CAT 777 and CAT 793 trucks. The warehouse assistants' main task is to receive, store and deliver material in inventory, particularly for the Maintenance and Production Departments, and to keep the corresponding records in the Peoplesoft inventory system up-to-date.

Finally, the imports and logistics team is made up of 13 employees. The purpose of this area is to process the necessary permits with customs to import products from abroad. This group has the enormous responsibility of complying with all rules and regulations that govern the importing process, ensuring speedy clearance by customs and release to Drummond's operations. 



↑ Effective communication enables coordination of all processes which is essential to provide the necessary precision to our operation.

# Education to Change the Future

## “CLEAR GOALS”

Eduardo Almario, born in Valledupar but raised in Bosconia, Cesar, is one of many young people who have gained access to a college education thanks to the educational opportunities provided by Drummond. In 2007, when he was in his last year of high school, he was chosen by his school to be one of the scholarship candidates, and that is when his relationship with the company began. He is now 24 years old, and he is in his last semester of industrial engineering at Universidad del Magdalena, in Santa Marta.

“I chose this major because I’m really passionate about everything related to improvement processes and mathematics. Plus, with this major I can contribute to the development of my town and my region, using entrepreneurship,” says Eduardo.

After receiving the highest score on the ICFES tests at his school and earning excellent grades, he applied to Drummond’s La Loma scholarship program and took second place among all of the candidates, winning one of the scholarships. This young man describes his college experience as simply extraordinary. “I was able, most importantly, to start with some clearly established goals, something I wouldn’t have been able to do without the scholarship,” he adds.

Eduardo recently did a 6-month internship in the Production Engineering Department at Drummond, an opportunity for his personal and professional development. In his own words: “Perhaps the most important thing I learned was to increase my work capacity, and I was able to apply many of the things I learned in college. There is no doubt that the company’s practices are the best in the region.”

Eduardo is currently looking forward to graduating, and hopes to continue to develop as an excellent professional in order to make a contribution to his region, based on the education he has received. Another of his goals is to continue his involvement with Drummond in return for the aid and support he received during his college years.



↑ Drummond’s Scholarship Program confirms the Company’s commitment to generating value through education.

Eduardo did an internship in the Production Engineering Department at Drummond, an opportunity for his personal and professional development.





Due to the Company's college scholarships in the Departments of Cesar and Magdalena, young people from low-income families, who have a vision to continue serving their regions, can receive an education.


"MY DREAM WAS ALWAYS TO EARN A DEGREE."

Juan Martínez is only 20 years old, was born in Cartagena, and grew up in Aracataca. He is in his last year of civil engineering at Universidad del Magdalena. He credits God, his excellent grades, and the support from Drummond for making his dream a reality.

"Regardless of whether or not I won the scholarship, I have always dreamed of getting a degree and giving my parents that satisfaction. The difference is, without this opportunity, I would have had to get a job to cover the costs of tuition, as well as room and board. For someone who doesn't live in the city where he's going to school, those costs can be higher than tuition itself," Juan says with gratitude.

His love of civil engineering is oriented toward construction processes and the satisfaction of completing a job. He has an additional focus of a social nature: "With this major you can transform the surroundings in which we operate, and improve them. You can take progress and quality of life to many regions of the country by building homes, roads, hospitals, schools, and water and sewage systems," adds the student.

Thanks to his excellent performance, Universidad del Magdalena, through the Dean's office and the office of International Relations, gave him a scholarship to study a semester abroad. During the second half of 2014, Juan was able to take classes at Universidad Estatal de Campinas, the second most important University in Brazil. The program covered airline tickets, international health insurance, and room and board in the city.

His short-term goals are to graduate, start postgraduate studies, and to improve his family's living conditions. In addition, like hundreds of recent graduates, he wants to maintain his connection with Drummond and contribute to the development of his region. 



↑ Through this program, Drummond has made a great contribution to Colombia.

During the second half of 2014, Juan de Jesús was able to take courses at Universidade Estadual de Campinas, the second most important university in Brazil.

# “Without Drummond, we might not be talking about the Sierra Nevada de Santa Marta today”



According to the Office of Risk Management and Disaster Relief, Drummond’s role in response to the worst environmental tragedy that the region has seen was critical to avoiding an even bigger disaster.

**B**eginning on March 28, 2014, and for the next 11 days, one of the largest forest fires ever recorded in Colombia burned in the Sierra Nevada de Santa Marta. More than three thousand hectares were consumed by flames, seriously affecting the region’s ecosystem and the

integrity of dozens of families. The rapid coordination by the Municipal Council for Risk Management and Disaster Response of Cienaga, various regional and national agencies, and the support of Drummond Ltd., as part of its social and environmental commitment, together managed to avoid a bigger tragedy.



**Revista Drummond** talked to Eddie Alfonso Pabón Bustamante, Coordinator of the Municipal Council for Risk Management and Disaster Response, about the essential role that Drummond played in this emergency.

**Revista Drummond: Exactly what happened during the emergency that took place over one year ago in the Sierra Nevada de Santa Marta?**

**Eddie Pabón:** We're talking about a forest fire that destroyed approximately 3,000 hectares of forest, with its main impact in La Secreta and Jolonura. The fire became particularly dangerous because it affected the tops of the trees. When a fire becomes a "crown" fire, intervention by firefighters becomes nearly impossible, and it has to be put out from the air. Not to mention the fact that when the crown of a tree burns, it is left without its vegetative parts and it never recovers. This is in addition to the fact that, in the Jolonura sector, more than 30 families were affected, and in the area of La Secreta (Carro Quemado, Guacamayo and El Filo del Águila sector) nearly 200 families were affected.

**R.D.: At what point in the emergency did the need to involve Drummond arise?**

**E.P.:** Almost from the beginning. One of the most affected areas, Jolonura, is a spot that is right in front of Puerto Drummond. Given the characteristics of the fire, it was important to define a strategic point where the local disaster relief system could be located, and from which the team could arrive in a timely manner at each of the two areas. That is why we asked to contact the Port manager to obtain an authorization so that we could set up a crisis room there to provide support to respond to the emergency. A crisis

room is the meeting place for the different representatives from the institutions that make up the national disaster risk management system: the Mayor, Secretary, Risk Management Coordinator, Operational Agencies, in this case the firefighters, the Red Cross, civil defense, police, Air Force, that is, each of the actors that are coming together according to the needs created by the emergency.

This request was answered positively and immediately. Since our arrival, we not only had the support of the head of industrial activities and the Port Manager, but also of every one of their employees.

**R.D.: What did the support provided by Drummond consist of?**

**E.P.:** In addition to the physical space to set up the crisis office, Drummond made available its communications room, the management meeting room for teleconferences, the company's heliport. Some internal routes were established to ensure the flow and circulation of the transportation that was needed (Colombian Red Cross, civil defense, firefighters from around the nation, firefighters from Ciénaga, Santa Marta, Fundación, Zona Bananera, forestry engineers, the national police, the rescue police, the judicial police, the Colombian Army, Departmental coordination and municipal risk management, representatives from the national risk management unit, the rural community and the Air Force). All of this along with the logistical needs of the 185 people who made up this system in terms of refreshments, midday meals, dinner in the evening and at night, because we're talking about long workdays.

Additionally, Drummond made their staff available as needed to support us in bringing together and assembling the infrastructure.



↑ Eddie Alfonso Pabón Bustamante, City Council coordinator for disasters and risk management.

They provided their heliport so that the four aircraft that participated in the operation could land and stock up on water, as well as the portable pools that required constant refilling to dispatch the aircraft properly. They also provided vehicles and machinery and all of the company's 10,000-gallon tanker trucks were made available during the emergency.

**R.D.: Aside from this specific emergency, have you received support from Drummond on other occasions?**

**E.P.:** Absolutely. After this one, there were other fires, fortunately not of the same magnitude, and we have reopened the crisis room. Since then we have been very well-coordinated, which allows us to respond to emergencies in a more timely and immediate manner. In this sense, the work provided by Puerto Drummond is a fundamental source of support.

**R.D.: What would have happened if you had not had the support of Drummond in response to this emergency?**

**E.P.:** If Puerto Drummond had not provided us with this support and cooperation, we might not be talking about the Sierra Nevada de Santa Marta today. ▶



### LIBRARY SUPPLIES

The company donated 70 million pesos (USD 34,000) to the *La Divina Pastora* branch of the Comfacesar library to benefit the community of Codazzi in Cesar. The donation was earmarked to purchase books on several topics, which will increase the inventory and will benefit children, young people and adults from the municipality.



# Drummond Promotes Sports

With the aim of encouraging a sports culture, Drummond Ltd. is the official sponsor of the Santa Marta 10k event. The race, organized to benefit the Red Cross Magdalena Branch, brought together 1,200 participants who gathered in Simon Bolivar Park. This is the second time that the race has taken place in this city, and it was organized by the National Trade Federation.

### HEALTHCARE AND EDUCATION FOR BECERRIL

Becerril, one of Drummond Ltd.'s areas of influence, has benefited from the donation of a fully equipped ambulance that was delivered through an agreement made with the San José Hospital. Other donations included various musical instruments, stands and plastic chairs to support the opening of the municipality's Symphony Orchestra Center.



### SUPPORTING YOUNG SPORTS TALENT

Drummond Ltd., in an effort to encourage recreational opportunities for young people, has supported the Girls' Soccer Team of Magdalena and the team from Boquerón in Cesar with a donation of sports equipment. The items that were delivered included uniforms, balls, stopwatches and cleats. The goal is to motivate children and young people to have fun in a healthy way.



## MUTUAL AID PLAN

In order to activate the Mutual Aid Plan, which seeks to integrate different entities in case of an emergency, a mock oil spill was conducted in Pozos Colorados. Several institutions, including Drummond Ltd., actively participated in the event, which included 150 participants. During the exercise, both human resources and emergency response equipment were deployed.



## SUPPORT FOR FAMILIES FROM LA AURORA

The communities of La Aurora and the village of Ojo de Agua, in the municipality of Chiriguana in Cesar, were seriously affected by a windstorm. As a result, the company donated food and mattresses for immediate relief. Additionally, we donated zinc and Eternit sheets so that families could begin to rebuild their homes.



## SPORTS COME TO THE COASTAL AREA OF CIÉNAGA

Together with the support of the Ministry of Culture and Sports of Ciénaga, Drummond Ltd. organized a soccer tournament in this municipality in Magdalena, in which 10 communities from the region participated. To carry out the event, the company provided all of the sporting goods (uniforms, balls, etc.) needed for the referees and the team members.



## BRIGADES FOR BETTER HEALTHCARE

Communities like Altamira and Faustino Mojica in Magdalena have benefited from the continuation of the health brigade squads sponsored by Drummond Ltd. These squads have paid special attention to the Nueva Esperanza, El Poblado and La Milagrosa child development centers in the municipality of Ciénaga, giving the children a special place in their activities.

# Security:

## An Essential Factor for Drummond

Drummond manages its security policies in its mining operations by providing a safe environment for workers and protecting the company's assets.

David De La Cruz Rugeles, Special Services Supervisor

Regardless of the activity that a company conducts, the fulfillment of its corporate objectives can be affected by countless external factors. Properly controlling them is an essential task to ensure the continuity and sustainability of any company. To carry out energy mining projects, especially in a country like Colombia (with law and order problems and constant attacks on this sector's infrastructure), having the capacity to provide adequate security conditions is a particularly important job.


Drummond is aware of its importance and has established a series of parameters so that employees can carry out their jobs with ease, while constantly protecting its other assets from possible hostile actions. It is a colossal undertaking to keep more than 10,000 people, 32,000 hectares of its mining complex, 193 kilometers of railway, a state-of-the-art port, properties in four department capitals and a multimillion dollar investment in goods and services safe. This requires the participation of hundreds of able, motivated and dedicated people, giving their best.

This is a challenge assumed by the Security Department (Special Services), observing and abiding by Colombia law, international treaties and public-private initiatives, with a special emphasis on respect for human rights. The management system is certified under the BASC standard and the ISPS code, complying with ISO 31000, ISO 27000, ISO 28000 and C-TPAT standards. The staff is trained and prepared as required by the curriculum structure from the Superintendency of Surveillance and Private Security (an agency within the Ministry of Defense, which exercises control over and inspects all entities authorized to provide these types of services).



Drummond has established a series of parameters so that all employees enjoy a safe environment to perform their jobs.

Drummond is not working alone in this safety effort. In addition to having three security services companies that are strategic partners rather than just contractors, the Department's management maintains fluid communication and interaction with the Armed Forces and the Police at all levels. The constant support of the Armed Forces in carrying out its constitutional mission has provided the necessary conditions for its various exploration, extraction, transportation and export operations to be a success.

This has helped to make the entire coal process viable by strengthening the value chain, and safeguarding the organization's integrity, reputation and interests. The contributions provided by the Security Department ensure that, at the farthest latitudes, people continue to receive high quality steam coal. 



Open letter from Maintenance Area employee  
Johny Ruiz

↑ Johny Ruiz, works in the maintenance area and has been in the company for 14 years.

When I see the progress in the town of La Loma, with the sewage system and the paved main street, the word DRUMMOND came to mind; made up of two syllables that could be translated as DRUM: the beat of a drum, and MOND: a short version of *Monday*. These syllables transported my imagination into the past, recalling two popular tales.

The first has to do with DRUM, the beat of a drum, an instrument that is traditionally tied to those of us who, since the time of our ancestors, played it to celebrate special events. Either outside of the church to announce a wedding, at school to change classes, in the tribes to announce the New Year, as a safety alert to warn of danger and try to avoid it, in astronomy in response to the approach of an eclipse, in the villages announcing the passage of a criminal to the gallows, and even at the opening of the market and for some religious festivals, the drum was always present.

Today the drumbeats are sent out to the “four winds,” announcing important dates and to sing about the symbiosis between Drummond and the community for their mutual development.

The second syllable, MOND, transports me to *Lunes* in Spanish, which in Latin means

moon, glow, gleam... I can't help but remember the tale of the cobbler's Monday. The father cobbler, as a punishment, sent his son to work in the shoe store every Monday, the first day of the week. Tired of the punishment, the young man left home and started working as a baker. Since he wasn't very good at his job, his coworkers started to say, “Let the cobbler stick to his last.” Subsequently, the young man reconsidered and eventually went back to working on what he did best, repairing shoes.

Monday is the beginning of the glow of hope, of work and progress. It is a day that is so important that the Emiliani Act (establishing that most national holidays will be observed on Mondays), took it into account to give people a day of reflection between the revelry of the weekend and the start of the workweek.

And that is how I see DRUMMOND: A start of major events in the region, especially in the town of La Loma, where residents must contribute in the preparation of great changes and celebrate them to the sound of a drum.

Lastly, let us recall that Monday, a day of firsts, can be today, and that today is a synonym for the present. To close with another play on words: a present is a gift, and so, “the present is the best gift that God gives us.”

Thank you DRUMMOND for being the best present. As such, we celebrate it to the sound of the drum on an Emiliani Monday.

Johny Ruiz

# Drummond:

## Dreams that Come True

Open letter from Maintenance area employee,  
Saine Suárez

If I could use just one word to express all of the feelings that I have for Drummond, it would be GRATITUDE. I can still remember the time when dreams fluttered around in my head, when my desire to work and better myself was larger than my fear of leaving home; when every piece of scenery that I passed sowed hope... And then, the time when “Lucho” brought me to my destination. I have now spent many years in “the Mine,” but today I remember them all with great happiness.

It was May 10, 1999, when the main checkpoint was a straw silo, when there was no train and we traveled along the path from the checkpoint to the camp by hitching a ride on a coal truck and it took us an hour and a half to arrive. Weekends were for fishing and bonfire nights at El Paujil. All of the women slept in the old Borrego house and we’d all stay in one room while people told ghost stories.


Our recreation area was on the site where the Life Support offices are today. There was only one television and that old sofa that they still keep, and we spent our leisure time playing dominoes, parcheesi or chess games.

At that time, there were only Staff 1 and 2 and two buildings: administrative and maintenance. There were two dining rooms: the Colombian one and the American one. The bar was free and for the holiday parties the women dressed up in high heels and danced all night.

These were times when all of the administrative staff fit in one van. We participated with a volleyball team in the tournaments in Valledupar and one time we were the winners. I’m talking about when we thought about Miss Lucy and Mr. Nando as our parents, when the capybaras crossed our paths (they still do), when the gym was in a container and there were very few athletes, when shorts were

work clothes for women, and when we had to attend class for an hour a day to learn English.

Today, nearly 16 years after I arrived at Drummond with a technical degree, I am extremely grateful. Drummond has not only given me the most wonderful opportunity by hiring me. I also thank my superiors for their trust by allowing me to move up within my department, my co-workers for their support and understanding and, above all, I thank the company for making me grow personally, occupationally and professionally, helping me finish my career as an Engineer and allowing me to learn another language. These are satisfactions that I share today with my household, made up of a family that feels the same gratitude and conviction I had that first day as I watched the scenery as I arrived. Our dreams and goals will continue to become a reality.

With immense gratitude,  
Saine Suárez 

Saine Suárez works in the maintenance area and has been working at Drummond since 1999.







# An Example of **Self-improvement**

After 19 years characterized by commitment and loyalty to the company, Álvaro Pérez is known as one of the most proactive workers in the Industrial Safety Department.

Álvaro joined Drummond in September 1995, and began working as a conveyor belt mechanic. Five years later, a work-related accident changed his life. While he was replacing a steel cable, the tower holding up the conveyor belt fell to the ground, seriously wounding him in several places and requiring surgery.


“I am very grateful to God, because He gave me the opportunity to work at a company that gave me its full support after the accident. They backed me up in everything I needed,” stated Álvaro, who now uses his knowledge to help diminish risks in the operations as a member of the Industrial Safety Department.

Drummond helped Álvaro acquire training and professional development. He earned a diploma as a business administrator, and has also taken several courses in the SENA and the Colombian Industrial Safety School. His knowledge is matched by an excellent attitude, as he constantly encourages his co-workers to work safely and to gain new skills.

“I’m not a passive employee. On the contrary, I’m always looking for something to do. Whenever I get the chance, I work on safe work procedures,” he says. Recently, when a quadruple car dumper was built, on his own initiative Álvaro built a scale model that eliminated many of the risks of the procedures and optimized times for changing steel cables. He has thus taken advantage of his life experiences to inspire positive change inside the Company.

Álvaro is a hard worker and enjoys family time with his wife and children. His future projects are focused on one of his



dreams: “to make a significant contribution to achieving the company’s objectives and to be an example for upcoming generations.” Although he says this is a future goal, his coworkers and others who know him might say he’s already met that goal. 



# If it's Not Safe, Make it Safe


A commitment to the welfare of the individual has been and always will be the cornerstone supporting the Drummond family. That's why Drummond involves all of its personnel in the process of making everyday tasks safer.

One of Drummond's most important objectives is looking out for the safety of its employees. That's why promoting a safety-oriented culture is one of our basic business principles. Beyond the precautions required on the job, we should live our lives with the idea of taking care of ourselves and our neighbors. As a result, we are working hard to achieve progressive improvements on work conditions. Safety is more than just regulations for workers to follow. It has to become a lifestyle.

Asking yourself, 'Is this safe?' before taking any action, is one of the basic premises of everyday life in a safety-oriented culture. From that starting point, it then becomes possible for everyone to put his or her integrity and health above any other mission during their working hours. The

Asking yourself, 'Is this safe?' before taking any action, is one of the basic premises of everyday life at the Company.

key to this is getting workers to adopt and internalize the idea of safety as a culture and as a premise for their lives. Employees must be capable of identifying the hazard of taking an action if the proper conditions are not in place, and then make the necessary improvements to eliminate those risks.

With this in mind, Drummond has taken the initiative with projects, plans, and training sessions that will eliminate different job hazards. One hundred and six hours per year are dedicated to employee safety preparation. Each year, new programs are established to coordinate the Health and Safety Management System and promote risk prevention. Beyond teaching basic safety lessons, these courses help workers take responsibility for safety in both the professional and personal arenas of their lives. 



## EFFECTIVE SAFETY

Drummond Ltd.'s commitment to the safety of our workers has been relentless. This has been reflected by the constant and periodic work carried out in this regard, which not only includes the drafting of policies and programs, but also their compliance and permanent evaluation. The pillars that support this effort include the continuous meetings conducted to assess issues and problems that could affect the safety of our employees, including their solutions. Much of the success of the safety program at Drummond Ltd. is due to the implementation of a Safety-Focused approach, which seeks to make workers increasingly aware of the importance of their health and the efforts to safeguard it. As part of the development of the Safety-Focused approach, we have implemented coaching programs in leadership and safety. These programs focus on developing individual and group skills necessary to ensure a material reduction of labor-related risks. Members of the company at all levels are constantly being evaluated in three core competencies to meet the safety parameters: building trust, safety, health and environment, and effective communication. For Drummond Ltd., this is a very important subject, since one of our main objectives is to ensure the physical, mental, moral and emotional health of all of our employees. Similarly, as stated by Oscar Vega, Manager of Industrial Safety- Mining Operations, safety is the foundation of productivity.

	DRUMMOND LTD	MHSA
2012	0,27	1,15
2013	0,26	1,06
2014	0,21	1,05

## ACCIDENT AT PUERTO DRUMMOND

Last March, during maintenance work at a hopper feeder at Puerto Drummond, two of our employees were seriously injured. All security and emergency protocols were immediately activated. Unfortunately, despite every effort, Deiner Noguera Sierra and Jhon Jairo Mendoza Bolaño passed away due to their injuries. Drummond is deeply saddened by this incident and has since reinvested in guaranteeing the safety of our people by ensuring our employees comply with all safety protocols and precautions.

**Disabling accident rate compared to the rate of the Mine Safety and Health Administration (MHSA).**

REVISTA

# DRUMMOND



Cuidar el Medio  
Ambiente es nuest-  
ra responsabilidad.

[www.drummondLtd.com](http://www.drummondLtd.com)

 @DrummondLtdCo