

REVISTA



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Committed to

Environmental Compensation



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Sustainability, a Pillar of Our Operations

Since the start of its operations, Drummond has been committed to performing responsible and sustainable mining to ensure protection of the environment, while also generating benefits for the community. This principle has become the roadmap for Drummond's operations and has prompted us to implement various strategic projects for the company.

One project is the Forest Compensation Program in the Serranía del Perijá. It is a pilot strategy at a national level, which has been underway since 2009 with the support of other companies from the mining sector in the region. This initiative promotes work in cooperation with the communities to recover ecosystems, protect conservation areas and establish production systems, in addition to improving and maintaining roads and schools.

Since its implementation, the program has protected 4,526 hectares and carried out reforestation work on another 140 hectares. Additionally, agroforestry systems have also been implemented on 366 hectares.

All of these actions are complemented and strengthened under our social responsibility program, through which we contribute to the development of the communities in the 13 municipalities in our area of influence in the departments of Cesar and Magdalena.

Another noteworthy project during the second half of this year was the launch of the Soccer for Peace program, an initiative that was carried out in the village of Cordobita, located in the municipality of Ciénaga. The main objective is to strengthen, through sports, the values of approximately 500 children in the area. This work is being performed in partnership with Taliana Vargas' Casa en el Árbol foundation and the Carlos García Mayorca School.

Drummond also promotes the safety and welfare of our more than 5,000 employees on an ongoing basis. For this reason, both our mining and port operations have stringent control measures and state-of-the-art technology. Indeed, with the implementation of fog cannons, we have mitigated our workers' exposure to the particulate material generated in our operations.


Our commitment to industrial safety led us to be honored as the winner in the category of Leading



José Miguel Linares,
President



Companies in Prevention, a recognition awarded by Colmena Vida y Riesgos Laborales insurance company.

With respect to our commitment to foster good relationships with our stakeholders, both domestic and international, it is important to note that we have received hundreds of visitors this year, including communities, students, officials, journalists and diplomats – such as the recent tour by the United States Ambassador to Colombia, Kevin Whitaker, at the Pribbenow Mine – among others. These visitors have been able to see that the company takes on industrial safety as a way of life and sees coal as a path to development for its employees and the communities in its area of influence. This motivates us to continue innovating and working for a better Colombia. 



Sowing the Seeds of Life

The Forest Compensation Program in Serranía del Perijá has changed the culture and the way rural people think about environmental protection.

Serranía del Perijá is located in the north of the country, on the border with Venezuela, and is also known as Serranía de los Motilones. This land is richly diverse in plants and wildlife, an area that stretches for approximately 425 km, 115 of which are located in La Guajira and 310 in El Cesar. Its elevation rises from 500 to 3,500 meters above sea level. It is a perfect habitat for living close to heaven.

This imposing region is located in the area of influence of Drummond's operation, and for that reason it has become one of the

company's major environmental commitments. Since 2010, the watersheds of the Sororia and Tucuy Rivers (tributaries of the Calenturitas River), located in this region, have been the focus of the Forest Compensation Program. This program is an initiative in which several mining companies operating in the region participate, with accompaniment from the Department of Forests, Biodiversity, and Ecosystemic Services at the Ministry of the Environment and Sustainable Development, the National Authority for Environmental Licenses (ANLA), the Autonomous Regional Corporation of Cesar (Corpocezar) and other



local organizations. The program is operated by the Pro-Sierra Nevada de Santa Marta Foundation and the Biosierra Foundation.

The project has had a positive impact on farms such as the one owned by Lauterio Rincón, originally from the Argentina Norte district in the upper part of this mountainous area, some 30 km from La Victoria de San Isidro, in the jurisdiction of La Jagua de Ibirico, Cesar.

Lauterio and his immediate family, comprising his wife and four children, became one of the 127 families involved in the project as 'Environmental Protectors.' Their mission is to cultivate areas in a manner that is friendly toward the environment.

"One of the requirements of the Ministry of the Environment for companies that are not able to fully mitigate, correct, or prevent environmental impacts is to develop compensation programs based on reforestation. They consist of planting 700 to 1,100 trees per hectare mined. Drummond,

in cooperation with other mining companies, and in coordination with Corpocesar and the Ministry of the Environment, have gone beyond that, making the program into a strategy for conservation. It was so successful that it has become a national benchmark for new projects," stated the Director of Compensation at Drummond, Armando Calvano.

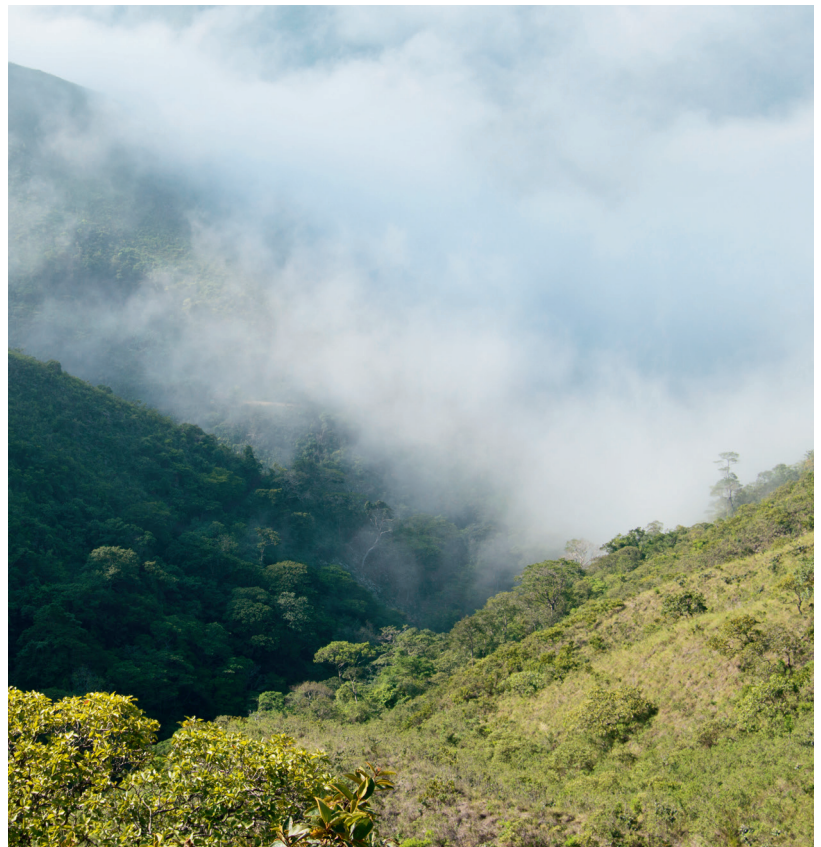
IMPLEMENTATION BEGINS

The idea for the Compensation Program started in 2007, when Corpocesar determined there was a need for a more comprehensive project that would involve families and contribute to conservation to help regulate the region's water sources.

According to Calvano, the mission is to work hand-in-hand with families to change the culture relative to how they managed their farms, making each property into a prosperous family business.

Subsequently, in 2009, the Pro-Sierra Nevada de Santa Marta Foundation led the

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way with the accompaniment of discussion group participants, the Mayor of La Jagua de Ibirico, and Corpocesar, to confirm the voluntary participation of local farmers who had previously expressed a desire to participate.

To do that, they signed a “Contract for Environmental Protection and Sustainable Development as part of the Sororia and Tucuy River Forest Compensation Plan.” The contract establishes the commitment of each Environmental Protector to set aside a minimum of 20 hectares for conservation (land that cannot be intervened, plowed, or burned) for 15 years. The goal of the project is for this area under conservation to become a mature forest that will act like a sponge as it absorbs water, and help regulate the flow of water in the Calenturitas River. The Environmental Protectors also made a commitment to participate in educational and training sessions. The contract also lists the obligations of the mining companies, including paying the Environmental Protectors a monthly monetary incentive called a ‘payment for environmental services’ for the first four years.

The goal of the project is for this area under conservation to become a mature forest that will act like a sponge as it absorbs water, and help regulate the flow of water in the Calenturitas River.

The minimum payment is Cop \$435,000 for farmers who set aside from 20 to 50 hectares, Cop \$560,000 for those who contributed from 51 to 90 hectares, and Cop \$700,000 for those who committed more than 90 hectares.

The contract also includes the implementation of agroforestry productive systems that focus on planting coffee, cacao, avocado, tree tomato, and lulo by the mining companies. A total of 365.5 hectares were planted and are now in the productive stage.

140 hectares were restored using 160 species of native plants, an initiative that required setting up a greenhouse in La Victoria de San Isidro using plant material and seeds recovered from the region.

“To do that, we took an inventory of each of the native species found in the territory. We organized brigades to gather seeds and seedlings, which were taken to the greenhouse, where they were nurtured for later planting in the area selected for restoration. You can’t bring in seeds from other places, because they could carry



electricity, and we have faith in a more prosperous future,” states Lauterio Rincón.

CULTURAL CHANGES

Vivian Arbesú, member of the Pro-Sierra Foundation and leading coordinator of the program’s social component, explained that the initiatives not only implemented productive systems and restoration, but also included other types of practical components, under the category of ‘other actions,’ which included improving existing roads and preventing fires, since this is one of the main threats to the sustainable conservation of these hectares.



Traditionally, burning is a strongly rooted cultural practice among the people who live in this region for preparing the ground for planting. But it represents a possible risk to areas under conservation.

On this front, the Program created incentives for the creation of ‘Forest Brigades,’ and there are currently five or six in each town. They are staffed by volunteers who were trained by Firefighters in Valledupar. In addition to teaching their neighbors and friends about other ways to prepare for planting, they are available to provide aid if a fire breaks out. This initiative was incorporated into La Jagua de Ibirico’s Development Plan, which gave it official status in this municipality.

The lives of Lauterio and his family have improved greatly.

diseases, or they might not be strong enough to properly develop in this area,” indicated Drummond’s Compensation Director.

The project design proposed 195 properties for involvement in the Program. Resolution 1465 of 2008 that approved the project, however, defined the minimum areas that a family desiring to participate would have to contribute. After a technical review it was confirmed that not all of the families met the requirement of a minimum of 20 hectares for conservation as established in the mentioned resolution. That was the most important reason for the inclusion of only 134 properties owned or possessed by 127 families, since some of those families own two properties.

This initiative has now become an example for other municipalities, thanks to the results: a total of 4674 hectares are under conservation, with joint investments of more than \$13.5 billion.

“Now I am planting corn, beans, avocado, and coffee. I make better use of the land, and I no longer burn before I plant. Our life has improved greatly. We have roads,

One of those volunteer firefighters is Víctor Manuel Reyes, who stated: “They encouraged us to become firefighters, and today I’m proud of being one. We are useful to people who are going to plant. We show them how to prepare the land without burning it. We’re now using a method called ‘slash-mulch,’ which has ended forest fires in the area.”

The project’s other actions include environmental education and support for work to improve schools and strengthen the social fabric and community social organizations.

“One of the most valuable incentives is the technical assistance component. People in the field, during the four years of this phase, had access to a team of technicians and professionals who accompanied them in the development of their productive systems and all the activities related to the project,” pointed out Arbesú.



Relative to the main results in terms of the environment, the Coordinator of the Program's Social Component expressed: "The farmers understand that there are many benefits in terms of the environment. For example, despite the intense dry season and climate changes, they are more aware about how to better manage the soil. People have learned different practices for incorporating production systems, the soil has improved, and in some zones we have seen the return of different types of wildlife, such as the spectacled bear, tigers, and a great variety of birds."

The Compensation Director at Drummond, Armando Calvano, indicated that, in support of the communities, a conservation corridor was designed to protect headwaters, regulate water flow, and facilitate connections between the upper part of the watershed and the lower part where the creeks feed into other rivers.

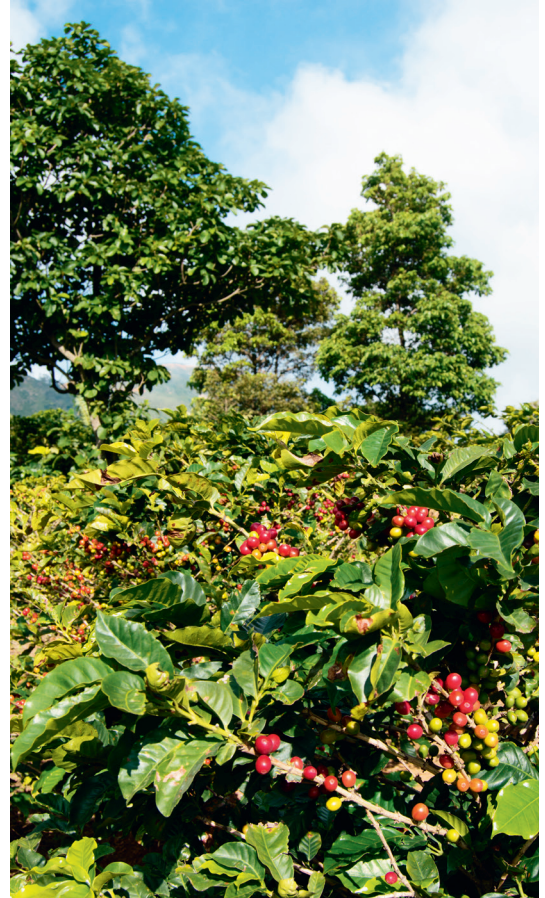
"We are trying to establish a conservation corridor - not just a structural one but a functional one - so that the animals living in the region can move around and seeds can



We are trying to establish a conservation corridor - not just a structural one but a functional one - so that the animals living in the region can move around and seeds can be dispersed.

be dispersed in favor of a more accelerated reestablishment of ecosystemic services, and the quality of life can be improved for the people here," indicated the Director.

Thanks to this program, 'Environmental Protectors' have better ways for handling solid waste and managing forests. When they need firewood, they collect it from a tree that has fallen. If they have to cut down a tree, they plant others to ensure a steady supply. They have a culture of making sure their livestock do not damage other farms. They are no longer thinking individually, but as a village, and they have a protocol for living as a community that works in favor of conservation.



The project has had a positive impact on farms such as the one owned by Lauterio Rincón.



The four years for implementation have concluded. The next stage includes follow-up and monitoring, which will last for 11 years. During that time the mining companies will work together to meet all of the objectives established for this incredible project.

COMPENSATION IN THE FUTURE

The results and benefits produced by the Program in Serranía del Perijá has motivated Drummond to undertake a new challenge. The company is currently designing a new compensation project in the watershed next to the Sororia watershed, that of the San Antonio River, in the municipalities of Becerril and La Jagua de Ibirico.

“For this initiative, we are projecting the involvement of 150 to 200 rural families, who must contribute from 3,000 to 5,000 hectares and implement productive systems, which have been proven to help to connect forest areas and provide food for wildlife,” added Calvano.

Based on the fact that there were a few weaknesses in the Program, including a lack of planning in the productive area in terms of commercializing products, this time the farmers will be encouraged to identify the buyers of their products before they decide which productive project to implement.

The good results of the Program in Serranía del Perijá have helped farmers now believe in the comprehensive conservation projects organized by mining companies such as Drummond. They have a new vision for the future. They get up every morning, certain that the rising sun not only brings the dawn, but also brings them closer to harvesting the fruit produced through unity, technique, patience, and hard work. ▶



DRUMMOND PROTECTS the Serranía del Perijá

Conserving and restoring the environment in a sustainable manner in the region called Serranía del Perijá, in the Department of Cesar, is essential for water regulation, oxygen production, wildlife preservation, and community development. As a result, beginning in 2009, Drummond, along with other mining companies in the region, implemented a Forest Compensation Program in Serranía del Perijá as a national pilot for a new strategy for conservation.

OBJECTIVE

This initiative recognizes the ecosystemic services provided by rural inhabitants. They are involved in protecting, conserving, and restoring the environment, by implementing agroforestry systems, and taking action to promote conservation and the wellbeing of the community.


COVERAGE


This initiative's objective is the conservation of 4,674 hectares in the Tucuy and Sororia Rivers' watershed areas. One hundred and forty of those hectares in the municipality of La Jagua de Ibirico, Department of Cesar, are being restored by establishing biological corridors, enrichment planting, and plant colonization as tools for landscape management.




PHASE 1

Formulation of the Compensation Program, Approval by Environmental Authorities, and Adjustments to the Plan

 Corpocesar determined that the watersheds intervention would be located on the **Tucuy and Sororia Rivers**.

 **195 families** expressed an interest in joining the program and becoming environmental protectors.

 Information about the program was shared with the municipal mayor and the Community Action Boards in the selected area.

 The environmental characteristics and conditions of properties were evaluated with ecologists and biologists, **127 properties** that met the conditions established in the Resolution were chosen.

PHASE 2

Four aspects of the program were implemented:

1. Financial incentives:
The Environmental Protectors received payments during the **first 4 years** of the Program, in recognition of the ecosystemic services they provided. The amount was determined based on the number of hectares set aside for conservation.

2. Agroforestry production systems:
Rural dwellers were trained in best-practices for the agricultural production of coffee, cacao, avocado, and fruits on up to **3.5 hectares** of their properties.



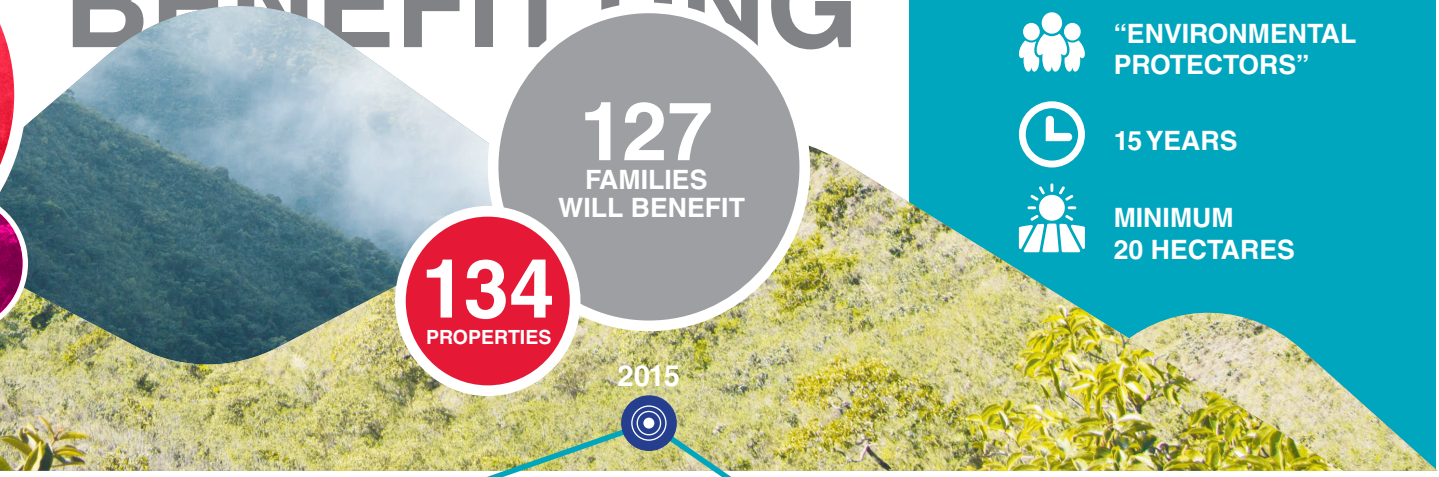


There are 127 families that will benefit from this project. They live on 74 properties in the Tucuy River watershed area, including the districts of Argentina Norte, Nueva Granada and Zumbador, and 60 properties in the districts of Guarumera, Argentina Sur, Esperanza, Sororia Alto and Caudaloso.

The program is being developed as part of Drummond's commitment to comply with Resolution 1465 of 2008

issued by the Ministry of the Environment. The program is in conjunction with other mining companies and is supported by the Autonomous Regional Corporation of Cesar (Corpocezar), the Forest, Biodiversity, and Ecosystemic Services at the Ministry of the Environment and Sustainable Development, the National Authority for Environmental Licenses (ANLA). The operators are the Pro-Sierra Nevada de Santa Marta Foundation and the Biosierra Foundation.

PEOPLE BENEFITTING



3. Conservation Corridors:

A 4,674-hectare conservation corridor was designed to connect different forest areas making use of rivers and their banks and restoring 140 hectares. These corridors assist in the recovery of water regulation, the movement of wildlife, and natural seed dispersal.

4. Other actions:

Promotion of cultural changes in terms of the relationship of rural communities with the environment. These actions strengthened the social fabric through forest fire prevention, healthcare promotion, road maintenance, and school improvements, without taking over the role of the government.

PHASE 3 Maintenance and Follow-up



The mining companies and Corpocezar will identify the status of the conservation and restoration areas to implement the best actions in this phase to consolidate the Conservation Program. Meanwhile, the Environmental Protectors will continue to take care of the land, not only because they are committed to it under the Program, but also because they have now experienced a permanent change in the way they relate to the environment.

PROGRAM DEVELOPMENT

The rural families that voluntarily join the program, becoming "Environmental Protectors," must set aside a minimum of 20 hectares for 15 years for conservation and environmental restoration. They can develop up to 3.5 hectares using agroforestry, a land use management system where trees, bushes and subsistence crops are planted together in the same area. In return, they receive two incentives, one financial and another non-monetary. The non-monetary incentive includes assistance in setting up the production systems, training in best agricultural practices, technical assistance, programs to strengthen the community, forest fire prevention, and environmental education.



"ENVIRONMENTAL PROTECTORS"



15 YEARS



MINIMUM 20 HECTARES

THE FUTURE

With the experience gained from the Compensation Program described above, in 2016, Drummond plans to implement the same Forest Compensation Program in the watershed of the San Antonio Creek. The new area will provide from 3000 to 5000 hectares for conservation and the implementation of agroforestry systems, with the involvement of 150 to 200 families as Environmental Protectors.



127 families involved

134 properties in the program

260 headwaters under restoration

74 environmental protectors in Tucuy River

60 environmental protectors in Sororia River



At the Forefront in Controlling Airborne Dust

At Drummond our mining operations take place with profound respect for the environment. That is why we make sure our technology is on the cutting edge for preventing and mitigating emissions of dust into the air caused by our activity. The company's environmental controls include fog sprayers, a system that has decreased the airborne particles produced by operating shovels and by activities in the coal storage yards.

To reduce emissions of particulate matter into the environment and contribute to the air quality in the towns in our area of influence, Drummond has developed, among other measures, a comprehensive dust suppression system that includes spray cannons, four-way micro sprayers, water tanker trucks and, of course, fog sprayers, which we will examine in greater depth in this issue of Drummond Magazine.

FOG CANNONS IN THE MINING SECTOR AND CONSTRUCTION

Fog sprayers were first used for the demolition of buildings in the United States to capture airborne particulate matter in a curtain of

The company will install more of these cannons as they are needed.

An internal monitoring system will be implemented at the beginning of 2016.

mist generated by atomizing water. Due to the excellent results, its use was replicated in the international mining and construction sectors. Drummond decided to import this equipment, becoming the first coal company to implement this technology in Colombia.

Since 2012, the company has used these sprayers to control the airborne dust produced when material is loaded onto trucks and coal is placed on conveyor belts. There are currently six water cannons situated at the shovels and one at the coal yard.

"This equipment can guarantee a 90% reduction in total suspended particles in



the air, a 50% reduction of PM10 (particles smaller than 10 μ), and a 70% reduction in PM2.5 (particles smaller than 2.5 μ),” indicated a report in 2013 by SGS, a company that provides international certification services.

Each one of these sprayers has a reach of 15 to 20 meters and uses 15 m³ of water daily, 90% of which comes from rainwater stored in ponds. The remaining percentage comes from groundwater.

According to Alexander Contreras, Director of Drummond’s Environmental Laboratory, “these spray cannons reduce the amount of water used for these activities, because they atomize the water and multiply the water particles, generating fog. In addition, they operate in harmony with the normal water cycle. In other words, first it rains, that water is stored, and it is subsequently used for spraying. It then evaporates, causing this natural resource to return to the environment.”

HANDLING AND ADAPTATION OF THE SPRAYERS

The spray cannons are operated by the shovel supervisor, who is responsible for placing them strategically for maximum reduction of airborne particles. He/she must also check to make sure the equipment and the 4000-gallon tanks installed to supply them have sufficient water reserves.

Since the water used by these cannons comes from rainwater and therefore contains some dirt, the company’s engineers have adapted filtration

systems (special nozzles) on the sprayers, to guarantee that the blower will not become clogged and the water is properly atomized.

According to the Director of the Environmental Laboratory, the company will install more of these cannons as they are needed. An internal monitoring system may be implemented at the beginning of 2016 to make real-time measurements and improve monitoring of the operation’s air emissions using three stations. ❖

SGS DECLARATION OF CONFORMITY

On December 20, 2013, the international certification firm SGS evaluated Drummond’s equipment for controlling airborne particles and determined:

“Based on the documented audit and field visit made to the Drummond Ltd. facilities, we have verified and validated that this firm uses equipment and control systems that employ the world’s latest technology for the prevention, control, and mitigation of possible emissions generated during the processes and activities related to the extraction of coal. The equipment and its control systems are being maintained and validated according to the suggestions of the suppliers and in application of known international standards.”





Working Together **for Peace**

Drummond continues to strengthen its commitment to the community, working hand in hand with other organizations that, like the company, believe in the benefits of building its social fabric.

Soccer for Peace is an initiative led by the Casa en el Árbol Foundation, run by the actress, former Miss Colombia and United Nations goodwill ambassador, Taliana Vargas. This organization seeks to promote peaceful coexistence and strengthen the values of the residents of the community of Ciénaga, Magdalena, through this sport.

Drummond has joined this project to honor its commitment to the communities located in the area of influence of its operations. According to Álvaro Daza, Drummond's Community Relations Coordinator, this program has been developed in cooperation with Taliana and her team to benefit and contribute to the social sustainability of the region.

Revista Drummond spoke with Taliana Vargas, who shared her experience and the challenges of the Soccer for Peace program.

Revista Drummond:

What does this program entail?

Taliana Vargas: Soccer for Peace is not a conventional sports school. Its goal is not to discover talent to make it visible at the national or international level. It's much more than that. It is an initiative that trains and educates through sports. While the program has a training component, it also has psychosocial support for the children and young people who benefit from it, through group or individual therapy and recreational activities focused on strengthening values.

This methodology allows us to work with the parents who attend the trainings. In Cordobita, a district of Ciénaga, Magdalena, we have a school of 30 adults that is dedicated exclusively for parents to attend. There they receive psychological counseling and address important issues such as parenting guidelines and good ways to spend their free time.

Drummond has great human capital, from its President to each of its employees. Our relationship has been very clear from the start. The intention to help vulnerable communities brought us to this point, which is to be a real team, committed to benefitting others.



R.D.: How has the integration process between the Foundation and Drummond been?

T.V.: If I had to describe it in one word, I would say excellent. Drummond has great human capital, from its President to each of its employees. Our relationship has been very clear from the start. The intention to help vulnerable communities brought us to this point, which is to be a real team, committed to benefitting others.

R.D.: How does the Foundation and the Soccer for Peace program contribute to the social fabric of vulnerable communities?

T.V.: The Casa en el Árbol Foundation works to build the social fabric with children, adolescents and women from vulnerable sectors through training and labor inclusion, education, recreation, sports and psychosocial support, which in turn generates opportunities for productivity and transformation towards peace and a healthy coexistence. This is achieved through the three flagship programs that we currently work with: School support and tutoring, Soccer for Peace, and job training for women and community mothers.

R.D.: What are the Foundation's major achievements?

T.V.: Since 2013 we have achieved several successes. One of them is the love and acceptance of all of the communities where we have worked, both in Los Milagros and in Ciudad Equidad, neighborhoods in Santa Marta, and in Cordobita. The families receive us with open arms and hearts, ready to take part in the programs and really receive help to build a new social fabric. This facilitates and enhances our fieldwork.

On the other hand, we have succeeded in having larger institutions, both public and private, in Santa Marta to see the Foundation as a serious and structured entity to help vulnerable populations. Today, for example, we work with institutions such as the Universidad del Magdalena, the SENA, Cajamag, L'Oréal Colombia and Drummond.

R.D.: What are the Foundation's challenges for the future?

T.V.: The Foundation's challenges include being able to replicate the programs that promote building a social fabric at the local, regional and national levels. Along with Drummond, we have taken the first step in regionalization, which was to reach Cordobita, but there are many more communities in need.

R.D.: What other projects are being carried out by the Foundation?

T.V.: The Casa en el Árbol Foundation has additional school support and tutoring programs, whose main goal is to strengthen learning and comprehensive training for children and adolescents through educational, recreational and family spaces. It also provides job training for women and community mothers in order to strengthen the family unit through their emotional empowerment and vocational training, which allows them to be competitive in the labor market and generate income for themselves and their families. Consequently, they improve their quality of life and their surroundings. ▶

Along with Drummond, we have taken the first step in regionalization, which was to reach Cordobita, but there are many more communities in need.

↓
Taliana Vargas sharing values with the kids benefited by the Foundation

BUILDING PEACE

The Casa en el Árbol Foundation was born on February 14, 2013, with the goal of eradicating extreme poverty and helping to improve people's quality of life through opportunities for training, reeducation, counseling, recreation, sports and new employment opportunities.

Its headquarters is located in Santa Marta and one of its most important social programs is being carried out in "Comuna 9," specifically in the neighborhood of Los Milagros, an area with 24,000 residents who have been victims of extreme poverty, war, abuse and inequality. ▶





Drummond, a Good Neighbor

The development of the communities in our area of influence is a commitment we made from the start of our operations.

Therefore, every day, we carry out initiatives that strengthen the social fabric of these communities. Some of these actions include:



DRUMMOND FOSTERS HIGHER EDUCATION

As a contribution to higher education, in 2015 Drummond Ltd. has awarded 11 scholarships to outstanding, low-income high school graduates who are residents of the regions of Cesar and Magdalena.

Specifically, the villages that have benefitted have been Orihueca and Rio Frío, in the municipality of Zona Bananera, department of Magdalena, as well as Casacará and Llerasca, in the municipality of Codazzi; Rincón Hondo, in the municipality of Chiriguaná; La Loma, in the municipality of El Paso, and the municipalities of La Jagua de Ibirico and Bosconia in Cesar. Since 2006, through the scholarships program, the Company has supported the studies of 70 youngsters.

BOATS FOR THE FISHING COMMUNITY OF MAGDALENA

Through the fishing hub, and as a community-building strategy being carried out by the Company, ten boats were refurbished to improve the quality, conditions and working tools of the fishing community near Drummond Ltd.'s area of influence.



DEPUTY MINISTER OF MINES, ON A TOUR OF DRUMMOND'S OPERATIONS

During her visit to Drummond Ltd.'s facilities, the Deputy Minister of Mines, María Isabel Ulloa, was able to observe, along with the President of the Company, José Miguel Linares, the direct loading project and learn more about the exporting process. During her tour of the mines, she also observed the coal exploration and mining operations, the controls, technology and various actions that the Company implements to ensure that its mining activities contribute to the sustainable development of the country.





WITH HOME FILTERS, WATER IS OPTIMIZED FOR FAMILIES IN MAGDALENA

Thanks to the partnership between Drummond Ltd., the National Apprenticeship Service (SENA) and the C.I. Unibán S.A. Social Foundation (Fundaunibán), 137 home water filters were delivered. They will make it possible to optimize water quality in communities in several villages in Zona Bananera that do not have access to the public water system.



WE TAKE CARE OF OUR TIRES TO BENEFIT THE ENVIRONMENT

One of the strategies implemented by the company to reinforce the operation's responsibility with the environment consists of encouraging truck operators to take care of the tires on their equipment. The campaign is called "Taking care of your tires pays off," and it identifies the employees who operate their equipment efficiently so that their tires exceed their useful life of 9,000 hours. This environmental action is very important because it reduces the amount of waste generated.



DRUMMOND LTD., A COMPANY THAT PROTECTS WILDLIFE

One of Drummond Ltd.'s priorities is to protect the wildlife living inside its projects. Therefore, before starting to work in an area, environmental engineers along with biologists, animal scientists and veterinarians drive out and capture the animals to perform translocation (transfer) or relocation procedures to conservation areas or gallery forests that ensure their survival and reproduction. In 2015, the Company has protected 360 animals of various species in its mining projects.



CAFÉ PERIJÁ, FROM THE SERRANÍA TO DRUMMOND LTD.'S DINING HALLS

Starting in 2015, Drummond Ltd. and Aseres decided to support the 800 families that make up Café Perijá's labor force. It is a microenterprise with a factory in the municipality of Codazzi, and its crops in the towns of La Jagua de Ibirico and Becerril. By doing so, Café Perijá became one of the coffee suppliers for consumption by the Company's employees. By purchasing this product, Drummond Ltd. supports the connectivity of the forests in the Serranía del Perijá and endorses the coffee growers in the region.



James Jackson, and the Love for Nature and Wildlife

The company's Environmental Department has a new member, James Jackson, who has been working as the department's senior manager for three months. In an interview with **Revista Drummond**, this lover of mining, nature and animals talks about his life, his work and the expectations that he has in his new position.

With 35 years of professional experience in mining, of which half have been in the United States and the other 50% in countries like Mexico, Honduras, Peru, Chile and Argentina, among others, James Jackson, who goes by Jim with his close friends, says that serving as the Manager of Drummond Ltd.'s Environmental Department is a big, but wonderful, challenge.

Revista Drummond: What has James Jackson's life been like?

James Jackson: I was born on the border between Mexico and the United States, specifically in the State of California. I'm 59 years old and I have a degree in Atmospheric Sciences from the University of Washington, and a Master of Science

in Environmental, Health, and Safety Management.

I am married to a wonderful woman of Dutch origin whose parents were missionaries in Africa, and with whom I have seven children, four adopted and three biological. The first two are from Chile and Peru, and the second two are from the U.S.

We have lived in Peru for approximately 20 years, so we consider it our home and second homeland. However, my three older children, now college graduates and independent, are living in the United States.

My new job with Drummond Ltd. as Environmental Manager means the start of a new stage personally and

professionally, which I'm sure will bring only good things.

R.D.: What are your expectations for your new position?

J.J.: I'm looking to generate positive impact, to further strengthen the department and to create a certain level of independence between the Environmental and the Engineering Departments. Additionally, I want to strengthen the team implementing the international experience I have built over the years.

Currently, the Environmental Department has extraordinary human talent that understands how the area is managed within the company and has extensive experience at the local level.



I'm at Drummond to support the existing team in responding to the needs that may arise, properly complying with the international standards that apply to the sector in environmental matters.

R.D.: What are your most notable professional skills?

J.J.: I have what it takes to manage environmental issues, an aspect that is made up of determining factors such as water, air, waste, contingencies and risk control. My training and professional experience in the mining sector will allow me to play a positive role in managing the company's Environmental Department.

R.D.: What is it like to work at Drummond?

J.J.: Working at Drummond makes me very happy because it is a mature company in all aspects. It has an organizational climate that is suited to maintaining friendly relationships with other co-workers. It has an environment where people can grow personally and professionally, and it allows people to have the chance to contribute not only through their work experience, but also from the point of view of their own ideas.

On top of that, its business management, its innovation in terms of processes and its implementation of the latest technology in its

operations makes the company a more than suitable place to work.

R.D.: What has it been like to work in Colombia for the first time?

J.J.: Undoubtedly it has been a pleasant surprise, since abroad there is a view of this beautiful country that is a little far from the truth, and often completely wrong.

In my short experience in Colombia, I have noticed that people are very respectable and polite. It also has a high level of academic training in different areas, as I have seen at the company. The technology implemented in the mining sector is brand new. The environmental and business culture within companies, and specifically at Drummond, is solid and committed.

Honesty, ethics and a commitment to achieving personal and professional dreams are almost a way of life, and all of Drummond's employees use them to spearhead their activities.

R.D.: What does it mean to live in Peru and work in Colombia?

J.J.: I have a ranch in Peru, specifically in Huaraz, a beautiful area known for its tourist activity. To go to work, I take a bus that travels seven hours from Huaraz to Lima. From there, I board a plane to Bogota, I switch planes to fly to Cartagena, and then from the capital of Bolivar I finally take the road to the mine. I work for 14 days, and return home for seven days, and then repeat the whole process. It is a long journey, but completely worth it.

R.D.: What do you do in your free time?

J.J.: I consider myself a lover of nature and animals. On the ranch, along with my family, we have a number of horses, turkeys, chickens, pigs and dairy cows. One of the things I enjoy most in life is sharing time with my loved ones surrounded by nature.

I also like to help people in vulnerable situations and the community of Huaraz through campaigns that I carry out with my friends and family for the collective good.

I also like to surf, a sport that I would say is my favorite and that I love to do every time I get the chance. ➡

I want to strengthen the team implementing the international experience I have built over the years.



Drummond, Makes Dreams Come True



↑ By: Guillermo Eliceo Solano Zárate
Training Department Group 1

It was the year 2000 and I was going through a very difficult financial situation. I had been working at a small coal mining company in La Jagua de Ibirico. It was one of those contractors that were abundant in those days, which paid two weeks of pay every two months, and then would declare bankruptcy and leave their employees with their families stranded in the uncertainty of unemployment. I experienced such a situation personally toward the middle of that same year.

However, a new employment opportunity opened up for the working class when the multinational Drummond Ltd. came on the scene. I saw that the company was creating jobs and improving the standard of living for many of my friends who were working for them. But I had little chance of getting hired, because I

didn't know how to send my résumé to Drummond's Human Resources Department. Then one day my friend Ignacio Restrepo showed me how to send it in. I poured all of my hopes into that résumé, as my savings continued shrinking.

I patiently waited for the call that would give me an appointment for an entry exam. Finally, my cell phone rang one afternoon in March. The great employment opportunity of my life had arrived because Drummond was providing it. I showed up on time on the date they gave me and went through the entire process to join the company, in the expectation that my life and that of my family would change from that moment on. And as of March 21, 2001, everything did begin to change. I had not been mistaken.

I began to work with the company as a truck operator in the Production Department. I stayed there for several years. Meanwhile, my five children were growing up, some in grade school and others in high school, but thanks to my job all the bases were covered. One day they told us about an invitation from the company. Through an agreement with the Boyacá office of the SENA, a great number of workers could get training as Professional Open Pit Mining Technicians. The most appealing thing about it was that Drummond would cover all of the expenses. I checked the entry requirements, and didn't think twice about signing up, since all I had was my high school degree.

This was undoubtedly another great opportunity provided by the company for me to get more




education and improve my résumé. My great expectations for the course were fully satisfied. Although some of my coworkers left the program along the way and couldn't continue, I was able to finish, with the satisfaction of being accompanied by the company in my training process. Finally, the day came when Drummond invited a good number of us to attend a graduation ceremony hosted in the Hotel Sicarare, in the city of Valledupar. It was an unforgettable moment, because I had managed to take a step up with my education.

The story continues with more good news. Thanks to my income, my wife was able to go to college and get her degree. She began a career, which in turn further increased our family's standard of living. Drummond holds a good bit of the responsibility for all of this. As if all of that weren't enough, I have been able to build the house I'd always dreamed of, in a good sector of the city, and two of my children are in college. I have so many reasons for continuing to work with dedication to this great company, which I owe such a debt of gratitude.

We have an excellent work team, with each of us making our best effort every day to not disappoint the confidence the company has placed in us.

In my continued thirst for more education, I have had the opportunity to get my college degree through the company's higher education scholarship program for its employees. That's how I was able to register as an undergraduate in Mining Engineering at Fundacion Universitaria del Área Andina. I have to emphasize that Drummond's financial assistance was extremely helpful, given that at that time I already had two kids in college, and the cost of education in our country is very high. So without Drummond's support it would not have been possible for me to pay for my studies, and I am therefore infinitely grateful.

I currently have my degree in Mining Engineering, and I have three children in college, thanks to the company's scholarship program for the children of employees. My wife is getting a PhD in Education, and the company has given me an opportunity to serve as a Specialist Trainer in the Training Department. We have an excellent work team, with each of us making our best effort every day to not disappoint the confidence the company has placed in us. 



Road Safety is Everyone's Job

Road safety is one of the preventive programs at Drummond Ltd. that protects and promotes the well-being of employees, contractors, and suppliers. The company has a strong and comprehensive Road Safety Program to reinforce good driving habits and reduce the number of accidents, contributing to the development of a culture of prevention.



The company has had a Road Safety Program from the beginning, but the program has evolved over the years.

In 2012, the program changed from being merely reactive, issuing tickets to drivers who committed infractions, to a proactive program.

Because mitigating traffic risks is a priority in our mining operations, we have implemented a strategy to include every area and roads in the mines. To do that, control points have been established with support from a group of workers with medical restrictions, in favor of an excellent implementation of the Road Safety Plan.

In the year 2013, port operations were strengthened through the implementation of measures to mitigate traffic risks.

Currently, the road safety program is underway in all of Drummond Ltd.'s operations (Mines, Port, Railroad and Hydrocarbons).

The program has a dual benefit. It strengthens safe driving behaviors while constituting a productive activity for employees with medical restrictions.

The Road Safety Program has the following lines of action:

RISK MANAGEMENT

This line of action involves work at the corporate level to define goals and objectives, review legal requirements related to road safety, identify and assess risks, do audits of workers and contractors, establish inspection and vehicle observation programs, and monitor speed.

The program has a dual benefit. It strengthens safe driving behaviors while constituting a productive activity for employees with medical restrictions.

DRIVER MANAGEMENT

This raises awareness about driving risks for employees and contractors. Education on road safety is essential for good performance. That's why Drummond is always looking for ways to inform and train people about what should be done and known in order to make road safety a priority for everyone.

SAFE VEHICLES

This covers inspecting, maintaining, and taking care of the fleet of vehicles.



THE RESULTS OF THIS PROGRAM INCLUDE:

- ▶ Significant decrease in traffic accidents as a result of reinforcing safe driving practices
- ▶ Attendance by drivers committing infractions at the road education program
- ▶ Increased compliance with vehicle standards
- ▶ Greater awareness among drivers of road safety issues
- ▶ Joint organization of road safety campaigns with contractors
- ▶ Increased empowerment of contractors through the constitution of the Drummond and Contractors Road Plan Committee




SAFE INFRASTRUCTURE

This line of action is based on periodic inspection of road conditions. We study routes or intersections that have a high vehicle flow to optimize their functioning and prevent all types of risks for heavy and light vehicles. One of the key elements, especially in Hydrocarbons, has been developing maps of road risks.

EMERGENCY RESPONSE

This is directly related to the preparation, availability and response by staff and rescue teams in the case of any type of road emergency.

ROAD SAFETY COMMITTEE

This committee meets periodically to analyze, review, evaluate, and propose solutions to possible problems related to road safety. 

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