

 <b>DRUMMOND LTD.</b> <small>COLOMBIA</small>	<b>ENVIRONMENTAL SUSTAINABILITY POLICY</b>	Version 1
		02/26/2020
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<b>TRACKED CHANGES</b>		
<b>Version</b>	<b>Date</b>	<b>Brief description of the change</b>
1.0	10/01/2019	Initial version

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## 1. OBJECTIVE

The objective of this policy is to establish the principles, values and commitments that will drive environmental sustainability performance of Drummond Ltd., and which will form the basis of the company's environmental management system.

## 2. SCOPE

This policy applies to all employees, suppliers and contractors of Drummond Ltd.

## 3. POLICY GUIDELINES

Drummond Ltd. conducts its operation in a responsible and environmentally sustainable<sup>1</sup> manner, according to the guidelines of its environmental management system. This environmental management system was conceived for the continuous improvement of its environmental performance, the protection and conservation of the environment, while seeking to maintain the welfare of the communities surrounding its operations.

To comply with this policy, DRUMMOND LTD. COLOMBIA has secured the necessary resources and it is committed to the following actions:

1. To comply with environmental legislation and with the requirements of the environmental standards, codes, protocols and initiatives to which the company subscribes.
2. To implement identification and assessment procedures of environmental risks and impacts, applying internationally accepted standards, taking into account the surrounding geopolitical, ecological and social context, including communities in the area of influence, stakeholders, and local, regional and national authorities.
3. To establish a management approach that allows preventing, minimizing and mitigating the environmental impacts caused by mining and port operations, prioritizing the control

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<sup>1</sup> following the mitigation hierarchy (avoid, minimize, mitigate, rehabilitate and compensate) to manage potential impacts, respecting the natural areas of high conservation value, the species in the IUCN red list or national conservation lists, avoiding intervention of UNESCO world heritage sites, IUCN protected areas in category 1 and 1b, the extinction of endangered species, and the introduction or promotion of invasive species of native ecosystems in their rehabilitation or compensation areas.

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of them main risks and impacts on the environment, through the application of international best practices.

4. To implement strategies aimed to prevent environmental impacts and minimizing them, and where residual impacts remain, apply mitigation measures, where technically and financially feasible.
5. To structure and develop environmental management programs to save and efficiently use water resources and energy, mitigate air emissions, recover, protect, conserve and promote the biodiversity and ecosystem services, avoiding a net loss in any case.
6. To design and execute relevant, reliable, timely and transparent environmental monitoring schemes, based on an appropriate technology that provide sufficient tools for decision making and that allow the follow-up and supervision of authorities and the community.
7. To have reliable and qualified personnel to adequately design and implement the environmental management system of the company, assuring continuous training of all company personnel.
8. To select suppliers and contractors who are honest and competent, in order to ensure compliance with the company's environmental objectives and goals.

#### 4. RESPONSIBILITY

- **Environmental Manager:** Establish the directives that will guide the Company toward the execution of environmental best practices in accordance with this policy's guidelines. Identify any changes required by this policy, as part of the continuous improvement process and monitor compliance.
- **Employees and contractors:** Become familiar with the policy and adopt the recommendations
- **Audit Committee:** Periodically review and monitor compliance with the policy.

#### 5. REFERENCES

- Decree 1076 of 2015. Environmental Sector and Sustainable Development. Government of Colombia.
- Ecosystem Services and Biodiversity. European Commission. Issue 11. May 2015.

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- Integrated Mine Closure. Good practice guide, 2<sup>nd</sup> Edition. International Council on Mining & Metals. 2019
- Bettercoal Code. Version 1.1. Bettercoal. July 2018
- DLTD Comprehensive Policy.