

Bogotá, 18 de enero de 2018

## **Response to the “Business and Human Rights Centre” on a Banktrack report regarding allegations of human rights violations**


Drummond Ltd. has had previous queries about Banktrack reports on this same topic regarding alleged human rights violations. There are no grounds for these allegations, and this fact has been confirmed both in the US and Colombian judicial system. This is something that the banking institutions we do business with have also concluded, after carrying out robust due diligence processes, covering issues such as:

- Regulatory compliance
- Performance benchmarked against the IFC Performance Standards, which covers human rights issues such as labor rights, stakeholder engagement, and grievance mechanisms
- Internal controls, including payments to vendors
- Security management in Colombia benchmarked against the Voluntary Principles on Security and Human Rights

Regarding the civil suit filed against Drummond that followed the Alien Tort Claims Act lawsuit filed in 2002 in Alabama, the company was taken to trial and found not guilty, a verdict that was confirmed by the Federal Appeals court. There have been three additional law suits filed, with similar allegations, all of which have concluded in rulings that have cleared the company of any wrong doing. The Colombian authorities have carried out investigations on those same allegations and have found no evidence to support them.

We provided the banks with ample documentation related to the allegations. We have also provided them information pertaining to our Corporate Social Responsibility programs, which are based on four pillars – Peace and Human Rights, Governance for Development, Environmental Performance, and Economic Development. Drummond adheres to the Voluntary Principles on Security and Human Rights, as well as the United Nations’ Guiding Principles on Human Rights and Business.

Drummond has carried out a conscientious human rights risk identification matrix and management program, as well as grievance and complaints mechanisms for both our employees and our external stakeholders. We are also active participants in Business




and Human Rights initiatives in Colombia, working with institutions such as the Presidential Human Rights Advisor's Office.

We recently became members of the Human Rights Mining and Energy Council (CME is the acronym in Spanish), where the implementation of Voluntary Principles on Security and Human Rights in the business community is promoted, with the participation of several of the energy companies operating in Colombia, as well as representatives from several embassies and Non-Governmental Organizations such as International Alert, the Ideas for Peace Foundation (FIP in Spanish) and the Institute for Human Rights and Business representative in Colombia (CREER-IHRB).

Regarding Colombia's peace process and the current situation in the country, Drummond has been explicit in its support of the process and proactive in engaging with the Colombian Government's Post-conflict Ministry and the presidential Human Rights Advisor's Office, as well as the Ministry of Mines and Energy, working on initiatives related to the peace process and reconciliation. The latter has also included alliances with organizations like USAID.

Recently we received a special recognition by the Colombian Agency for Reincorporation and Normalization (ARN in Spanish), the institution in charge of promoting the return to legality of demobilized former combatants, in the category "Arenas for Reconciliation" for Drummond's contribution to peace-building in the country. Since 2016, Drummond has developed initiatives for people in the Reincorporation Process, helping them engage in social service. The Company believes that this recognition by the ARN is another way to underscore our work with the community and the commitment of former combatants to projects with social value. In this sense, the company remains committed to the ARN, to demobilized persons, to communities and to the country.

In terms of getting the Human Rights message out to the operation, as a part of the human rights program Drummond has been implementing for the last three years inside the company, close to 80% of the employees have received training sessions on the Voluntary Principles on Security and Human Rights and the United Nations Guiding Principles on Business and Human Rights. Last November we organized a session with a group of more than 100 people, representing several of the main contractors and providers of Drummond Ltd.'s mining and port operations. The meeting covered topics



related to the Company's Human Rights Policy, and future expectations regarding greater awareness and adoption of the afore mentioned standards.

**About Drummond Ltd.:**

*\* In 2016, Drummond reached the record number of 32.6 million tons of coal exported. This result came along with the OHSAS 18001 Certification in Industrial Safety and Occupational Health in its mining operations, a CORPOCESAR recognition for the company's leadership in environmental compensation and performance projects, the implementation of new programs and projects that contribute to the growth and sustainable development of the communities in its area of influence, with a special emphasis on Human rights, institutional strengthening, and support for comprehensive education and healthcare services.*

FOR MORE INFORMATION

Pablo Urrutia – Cel 3187357445, Tel (1) 587 1000 Ext. 5809

Margarita Saade – Cel 3163124180, Tel (5) 5719300 Ext. 8581

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

**\*For concerns and complaints contact us at: [atencionalusuario@drummondLtd.com](mailto:atencionalusuario@drummondLtd.com)**



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