

Peace Process and Post-Conflict

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Colombian Peace Process

Drummond supports the efforts of the Colombian government to reach a peace agreement with the FARC, and we wholeheartedly hope that this reconciliation process is successful, strengthening democracy and contributing to a more sustainable future for Colombia and every citizen therein. We also support the government's intention to provide development and prosperity in rural regions of Colombia affected by violence that promote adequate conditions for the compensation of victims of human rights violations.

Drummond will continue to improve the conditions for recovery and reconciliation during the post-conflict through its corporate social responsibility programs, which will continue to benefit the people of this region. This is a great opportunity to help close a chapter that has negatively affected all Colombians for many years.

Reconciliation Procedure

We unequivocally embrace the principles of a reconciliation procedure based on the reestablishment of human rights and the implementation of political, economic and cultural mechanisms that facilitate the coexistence of all sectors of Colombian society. This process should be based on structural changes that foster transformation in society and tolerance. As it is widely known, the Colombian government has publicly stated that the responsibility for the design and implementation of a reconciliation plan (once an agreement is reached with FARC and is ratified by the Colombian people) is the government's. Proactively, Drummond is in regular contact with government officials in the Post-conflict Ministry, the President's Human Rights Advisor's Office, members of the Santos Administration's negotiating team in Havana, and with trade associations, so we can be informed of any progress or initiatives that are being put together in the regions where we (the companies) operate, and be positioned to provide support to communities and contribute to sustainable development and peaceful coexistence. These efforts need to be properly coordinated amongst all stakeholders.

Drummond has already started working on projects with the Colombian Agency for Reintegration (ACR, for its acronym in Spanish), such as the construction of a **multiple sports complex** that will benefit more than 700 children and has involved labor from a group of people that are currently in the reintegration process. These activities and projects have been dubbed "Peace Scenarios" where, through sports and activities, positive values are promoted in children, which helps prevent their recruitment by unlawful groups.

So far, forty-six people in the reintegration process have participated in the social responsibility programs that Drummond Ltd. is coordinating with the Colombian Agency for Reintegration.

Drummond will continue its commitment to sustainable development in our area of influence, and the respect of human rights. As expressed before, our contribution to progress and our commitment to protecting and

promoting human rights in Colombia provides a foundation for recovery and reconciliation. As an example of this, we recently signed an agreement with the government's Department of Social Progress (DPS), in which we are co-financing programs aimed at fighting extreme poverty issues (Goal 1 of the United Nations Millennium Development Goals). Furthermore, we are evaluating our policies in light of the recently released UN Sustainable Development Goals. (See: <https://sustainabledevelopment.un.org/?menu=1300>)

Many of our Corporate Social Responsibility activities have provided the means to satisfy the most basic human rights in our area of influence. These are included in our "Good Neighbor" policy, which focuses on improving the quality of life of the communities in our area of influence by building and improving the infrastructure in schools, hospitals, clinics, water and sewer systems and roads.

Our policies favor the local and regional population in the generation of employment opportunities, as well as in the purchase of goods and services from providers in the area of influence. Also, we work hand in hand with local officials through training to help them formulate development plans that benefit, when possible, all the inhabitants in the region.

Human Rights Violations

Drummond publicly condemns any and all human rights violations that have occurred in our area of influence or any other location. At all times, we have worked with the governmental institutions to make sure that any alleged human rights violations, including threats against our employees, are investigated.

Drummond also expressly prohibits any form of human rights violations and does not tolerate any practices that contravene these rights. We have also adopted the Voluntary Principles on Security and Human Rights (VP) as part of our corporate policies, as well as the United Nations Guiding Principles on Business and Human Rights (UNGPs).

We have also been working jointly with the Colombian Government on the promotion of human rights through the Human Rights Advisor to the Nation's Presidency, the Ministry of Mines and Energy, the National Mining Agency, and other coal mining companies in a pilot program through which we are exchanging experiences in the use of the UNGPs and VPs, and developing input to contribute to the Government's formulation of its National Action Plan (NAP) on Business and Human Rights. Its first version was published last December by President Juan Manuel Santos, and the task group has continued to work on it, as it is a dynamic process of continuous improvement.