SUSTAINABILITY REPORT

2017

STANDARD AND LEVEL OF COMPLIANCE

This report has been drafted according to the core option of the Global Reporting Initiative (GRI) standards.

CONSOLIDATION

Cerrejón’s Corporate Affairs and Communications Division

EXTERNAL CONSULTANCY

PwC

EXTERNAL INDEPENDENT VERIFICATION

DELOITE

DESIGN

TRiBU Estudio

FOR MORE INFORMATION ABOUT OUR SUSTAINABLE MANAGEMENT, PLEASE CONTACT:

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Our Operations in La Guajira

Our integrated operation involves the exploration, extraction and transportation of coal, after which it is loaded on ships and exported. The operations comprise a mine producing approximately 30 million tonnes of coal per year, a 150 km-long railroad and a port in the Alta Guajira, where our product is shipped to diverse international destinations using a direct-loading system.

VISION

To be the leading coal producer and exporter globally, and to be a key partner for progress and sustainable development in La Guajira.

MISSION

To produce and export coal efficiently, reliably and cost-effectively while meeting the highest standards in safety, health, environment and corporate ethics, and also contributing to the progress of our people – our neighbouring communities and La Guajira.

La Guajira

Capital: Riohacha
Number of municipalities: 15

The department is characterized by mining due to the exploitation of natural resources such as salt, gas and coal. Mine and quarry activities represent 44% of the total GDP.

POPULATION

2017
1,012,926 inhabitants
Source: Cámara de Comercio de La Guajira

The indigenous communities are concentrated on the northern side of the municipality of Uribia and on the municipalities of Manaure and Maicao. The rancherías (where indigenous communities live) are homogeneously distributed in the Alto Guajira. (DANE)

Multi-ethnic population:
Wayuu, Koguis, Wiwa, Arhuacos Kankuamos, Zenua, Ingas, mestizos, blancos, afrodescendientes y arábigos.

LA GUAJIRA
COLOMBIA
SOUTH AMERICA

We are committed to generating mutually beneficial relationships with the local communities where we operate. Our engagement is focused largely on the large indigenous communities of Wayuu, Koguis, Wiwa, Arhuacos Kankuamos, Zenua, Ingas, mestizos, blancos and afrodescendientes.

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RURAL POPULATION

Source: DANE

LA GUAJIRA
COLOMBIA

URBAN POPULATION

Source: DANE

LA GUAJIRA
COLOMBIA

45% 25%
55% 75%

INTEGRATED OPERATIONS

Our integrated operation involves the exploration, extraction and transportation of coal, after which it is loaded on ships and exported. The operations comprise a mine producing approximately 30 million tonnes of coal per year, a 150 km-long railroad and a port in the Alta Guajira, where our product is shipped to diverse international destinations using a direct-loading system.

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Coal Production Process

We have an integrated operation: mine, railroad and port, aligned with the highest standards and following the best practices of the industry, which ensure a responsible activity for our workers, the neighboring communities and the environment.

INITIALLY

PROSPECTION
To discover zones with substantial coal deposits.

EXPLORATION
To determine the amount of resources, quality of the deposit and its mining potential.

WILDLIFE RESCUE AND RELOCATION
Inventory of species for rescue and relocation to suitable areas.

TOPSOIL REMOVAL
Boreholes are drilled and emulsion is placed in them to fragment the overburden (rock).

REMOVAL OF OVERBURDEN
Done with mechanical shovels for loading on 240- and 320-tonne trucks. Deposited in dumps or backfill areas for the land reclamation process.

STACKING
Once the coal seams are uncovered, the material is mined. Front-end loaders and/or shovels load the coal onto 190-tonne trucks.

TRAIN LOADING
Each wagon’s load is leveled, wetted and compacted to prevent coal dust emissions.

DIRECT-LOADING SYSTEM SINCE 1985
To load the coal into ship holds.

UNLOADING AT THE PORT
The coal is automatically unloaded and transported by conveyor belts to stock yards or directly onto ships.

LAND RECLAMATION

POST-MINING
Mature forests, protected conservation areas and ecosystem services.

REVETEMENT
Biological diversity, native species and applied research.

SOIL STABILIZATION
Protection, genesis, organization and development.

LAND PREPARATION
Land reconfiguration, forming new topsoil, and sustainability.

HISTORY
1980: First coal delivery
1985: Union of the coal production process
1990: Inauguration of CMC

ECONOMIC VALUE GENERATED AND DISTRIBUTED

Payments to national suppliers and contractors $633,826,238
Payments to employees $803,243,439
Payments to shareholders $1,482,391,200
Depreciation and amortization $810,627,865
Private royalties paid to the owner of the mining resource $60,421,384
Payments to foreign suppliers and contractors $2,138,538,496
Payments to the State $1,667,181,435
Total economic value distributed $7,596,230,057
Total economic value produced $5,996,338,857

OPERATING REVENUE $7,475,967,205
NON-OPERATING REVENUE $120,262,852

OUR PEOPLE 12,119 WORKERS
December 2017

DIRECT EMPLOYEES 5,997
CONTRACTOR FIRMS 6,122

ENVIRONMENTAL INVESTMENT 2017

COP 206,365 billion
ENVIRONMENTAL
COP 24,156 billion
SOCIAL

MARKET SHARE

Coal exported over three decades

1985 2017

WORLD COLOMBIA CERREJÓN

1.5% 12% 35.7% 29% 320 tonnes 190 tonnes

1,260 M tonnes 660 M tonnes (5 M tonnes)

10,500 tonne each

Crushing Plant 1: 6,000 tonne/h
Crushing Plant 2: 2,200 tonne/h
Crushing Plant 3: 800 tonne/h

ECONOMIC VALUE GENERATED AND DISTRIBUTED

Total economic value produced $5,996,338,857
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Figures in thousands of pesos as of December 31, 2017. Prepared by the CMC (Coal Marketing Company), the marketing agency for Cerrejón coal.

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Message from the CEO

Claudia Bejarano
Cerrejón Interim CEO

It is an honour for me to have the opportunity to present our management accountability report, part of our commitment to principles of responsible operations, which includes prevention, mitigation and compensation of our impacts and support for the sustainable development of La Guajira. Our activities and this report, are a manifestation of our commitment to the ten principles of the United Nations Global Compact, the UN Guiding Principles on Business and Human Rights, the core ILO conventions, the performance standards of the International Finance Corporation (IFC), the Universal Declaration of Human Rights, the Extractive Industry Transparency Initiative (EITI) and the Voluntary Principles on Security and Human Rights. The Sustainability Report represents accountability regarding the most relevant topics for our stakeholders and the company. It presents the impacts of Cerrejón’s operations and our management measures, while documenting our history and transparently describing the challenges we have as an industry and the goals we have set for ourselves. This is in line with our commitment to be a company that responsibly manages its impacts, contributes to the preservation of the indigenous culture of La Guajira, and provides for this region’s development.

In this new edition, we describe how we have been contributing to the objectives of the Sustainable Development Goals (SDG). To this end, we conducted an analysis of our management based on “Mapping Mining to the Sustainable Development Goals,” a publication of the World Economic Forum, the United Nations Development Programme (UNDP) and Columbia University. This process has allowed us to reflect on how we can contribute to achieving goals that are within our scope and responsibility, as well as to evaluate different positions on the contribution of mining to development.

As the leader of the sustainability strategy and first woman to occupy the position of CEO of Cerrejón, I would like to highlight our priorities in the field of sustainability, equality and compliance with standards, together with introducing our perspective on the biggest challenges facing the Colombian coal industry.

We propose having a safe operation that allows us to guarantee the integrity of the company’s people and assets, to promote the development of La Guajira, and to ensure our social and environmental performance meets the highest standards in ethics and respect for employees, communities and the environment. Our goal is to attract, develop and protect the necessary human talent in a suitable work environment, to reinforce the continuous improvement of our operations according to performance standards, and to continuously optimize our processes in order to be one of the most competitive thermal coal operations worldwide.

Our actions diligently seek to identify, mitigate, prevent and, if necessary, compensate for the impacts caused by our operations, as well as to transparently engage with our stakeholders. Consequently, we have a robust Comprehensive Environmental Management Plan (CEMP) that includes more than 1,600 environmental and social obligations, and for which the National Environmental Licensing Authority (ANLA, its acronym in Spanish) carries out the respective monitoring and control. Compliance with mining regulations as well as the application of best practices and industry standards are a cross-disciplinary commitment throughout our value chain.

In 2017, we have a robust Comprehensive Environmental Management Plan (CEMP) that includes more than 1,600 environmental and social obligations, and for which the National Environmental Licensing Authority (ANLA, its acronym in Spanish) carries out the respective monitoring and control. Compliance with mining regulations as well as the application of best practices and industry standards are a cross-disciplinary commitment throughout our value chain.

Throughout this report, you will find descriptions of the most important milestones we experienced in 2017, which include, among others, an historical record in terms of safety regarding our reportable injuries and the merger of our Foundations System to integrate the entire range of our human talent and learning with the aim of continuing to contribute to the development objectives of La Guajira. Similarly, I would like to highlight the construction of a complete Biodiversity Offset Plan, submitted to the regional environmental authority, for the preservation of ecosystems.

Since we started our operation more than thirty years ago, we have implemented advanced practices in managing environmental impacts and cutting-edge technology in our operation. Faithful to this purpose, in 2017 we managed to reinforce our air-quality monitoring system through a real-time predictive system, which has allowed us to take preventive measures to avoid raising levels of particulate matter (dust) in the air. Likewise, since 2008 we have had joint committees to verify our environmental management with communities, academia and regional entities. We know we still have a long way to go to reduce information asymmetries regarding these results and to generate constructive and informed spaces that will lead to improvements and greater understanding of our operations. This will result in ongoing trust-building.
An important challenge in the short-term will be the feasibility of moving forward with the Cerrejón Mining Plan in the La Puente Pit. The Constitutional Court decided in 2017 to suspend progress of the operation in this pit to the natural channel of Bruno Creek until a technical study is conducted that offers a response to new uncertainties and questions raised by its Plenary Session, which must be resolved through an Inter-Institutional Roundtable. The partial modification of the streambed of Bruno Creek was completed in 2017 on the last 5 km of its lower basin, on Cerrejón property, where there are no communities. This is a section of the stream that is seasonal and remains dry most of the year. The works were the subject of thorough studies and evaluations in order to adequately manage their social and environmental impacts, including actions and compensations to ensure the preservation of the stream and its environmental services. Its review included participation by the 16 entities of the central government that formed an Inter-Institutional Roundtable in 2016. The national and international consultants who participated in its design and execution incorporated numerous experiences of interventions on water bodies carried out on a global level. All information associated with this project is available on our website.

Although we are proud that, in the last six years, our social and environmental programs have been recognized with 15 national and international awards, we are aware of the challenges we face as an industry in the midst of global discussions on adapting to climate change. At Cerrejón, we have identified one way to face this challenge — to open our operations to total transparency as a means of generating informed discussions. In 2017, we hosted 14,231 visitors, the vast majority tourists and students. In addition, we are working on various initiatives to contribute to the international debate on climate change and renewable energies (World Coal Association and Coal Industry Advisory Board) and the strengthening of the trade association (Colombian Association of Mining). Our goal is to assist as facilitators and coordinators in the processes for social transformation. Another major challenge will be to maintain an ongoing and constructive conversation with our stakeholders regarding the negative impacts of our operation and its management measures. This includes perceived impacts for which there is no scientific certainty or direct relationship with our activities. In 2017, we were notified of a ruling by the Constitutional Court that requires us to carry out a social, environmental and cultural compensation plan. This plan must include consultation with communities directly affected by our operations. At Cerrejón, we see this consultation space as an opportunity to strengthen engagement with our stakeholders through ongoing, constructive dialogue within the framework of their traditions and customs.

We will also continue to promote equality as a fundamental value, having seen significant progress in an industry that has traditionally been male-dominated. Changes in recent years have seen acceptance and promotion of the role of women within our operation. It should be noted that, in 2017, we set some specific goals to promote diversity in the recruitment process in order to include a larger number of women, indigenous people and staff from neighboring communities. Towards this end, we changed the policy for equal opportunities to incorporate the component of equality.

Finally, I would like to mention that, given the importance of mining in La Guajira and the fact that it is a business that will eventually complete its cycle (with the current contracts scheduled to terminate in 2034), we continue to move forward with the Mine Closure Plan. This includes coordinating actions to promote increased employment and local procurement, the strengthening of institutional and community capacities, the search for solutions associated with watershed protection, access to drinking water and the development of high-impact projects that promote other economic activities in partnership with the government, the private sector, civil society and communities.
On the drafting of this report

This is our 13th uninterrupted year of sustainability reports (hereinafter, IS 2017 or Report), which we have been drafting yearly since 2005 to disclose the economic, social and environmental performance of our operations. This report has been drafted in accordance with the Global Reporting Initiative (GRI) standards, core option. It is drafted by Cerrejón’s Corporate Affairs and Communications Division with the support of PwC and assurance by Deloitte & Touche, following revised international standard ISAE 3000.

We hereby present the performance and information on

All reports issued by Cerrejón are available at www.cerrejon.com

Carbones del Cerrejón Limited, a 100% privately owned foreign partnership domiciled in Anguilla, British Western Indies, and Cerrejón Zona Norte S.A., a 100% privately owned Colombian limited liability company with its main domicile in Bogotá (both hereinafter Cerrejón), during the January 1 to December 31, 2017 period.

When the formula or calculation base of an indicator has had to be modified vis-à-vis data reported in previous reports, as well as adding significant changes that have taken place during the period analysed as regards the size, structure, ownership interest or company supply chain, the corresponding explanation has been included in each section.

As part of the ongoing dialogues undertaken with our stakeholders to draft the materiality analysis, a survey was applied in regards to the perception to our 2016 report, to which we received 65 responses. Its 109-page length was considered to be adequate (71%); its presentation and design were deemed to be agreeable (92%), and its general evaluation was positive in comparison to other reports (88%). Likewise, upon consulting about material topics, the respondents considered that the information was clear and easy to understand (78%).

However, its structure was deemed to be a point to be improved upon (60%) since the content was not easy to find (61%), some considered that the information was not sufficient and useful (58%), and challenges could not easily be found (64%). These recommendations were incorporated into this new edition.

As part of a continuous enhancement process, a peer review was conducted for the first time, spearheaded by the Colombian Corporate Council for Sustainable Development (Consejo Empresarial Colombiano para el Desarrollo Sostenible or Cecodes, its acronym in Spanish) to analyze and obtain feedback from two benchmark sustainability companies in regard to our report and consolidation process. This session was of great value for the drafting of the 2017 report.
Materiality Analysis

Our materiality analysis was carried out for the purposes of identifying the value-adding operational items that were relevant for our shareholders in the short, medium- and long-term within the framework of the perception of risk and impact (in social, environmental and economic terms), the context of sustainability and the completeness principle.

**Identification of Material Issues**

- In order to define the material issues, 17 external information sources were consulted, including the National Mining Development Plan for Horizonte up to 2025 of the Energy Mining Planning Unit (UPME, its initials in Spanish), the sustainability reports of our shareholder companies (Anglo American, BHP and Glencore), the sustainability yearbooks from RobecoSAM, the 2016–2017 La Guajira Development Plans and the Dow Jones and FTSE4Good indices, among others.

- Based on this analysis, the 18 most relevant aspects were defined and later prioritized during two specific dialogue sessions for this report in La Guajira and Bogotá, including 81 representatives from indigenous communities, employees, suppliers, the media, authorities, academia, government reps, journalists and NGOs. One hundred and fifty-five online surveys were also conducted to prioritize the issues, and the ten issues with the highest importance were selected.

- Additionally, we analyzed news reported about the company in the news media and social media, the corporate risk matrix, the study on human rights impacts and risks, and the topics discussed as part of relating to employees, suppliers, contractors, NGO representatives, foreign governments and clients. The full list of external sources can be consulted in the digital attachment to this Report.

**Prioritization**

- Finally, in order to draft this report we aligned our material issues with the company’s strategic guidelines and validated the ten prioritized material issues through a workshop with the top people responsible in each area and people reporting to the company.

**Validation**
Material issues aligned to our strategic axes

Level of importance: obtained from the exercise of prioritization of material issues between Cerrejón and its stakeholders, in accordance with the economic, environmental and social impacts.
Alignment with Sustainable Development Goals (SDGs)

Through the National Planning Department (DNP, its initials in Spanish), the Colombian government issued a document by the National Council on Economic and Social Policies (CONPES, its acronym in Spanish) in March 2018, the purpose of which was to generate a strategy for the implementation of SDGs in Colombia. Although it is a public policy document, it declares the importance of the private sector in materializing this agenda up to 2030. In this regard, as per the commitment to sustainable development in La Guajira and nationwide, we have commenced analysing our contributions to this endeavour.

In regard to the SDGs, our basis was the Atlas on Mapping Mining, which identifies five goals that must be prioritized in mining as they represent the highest direct impact. This exercise was reinforced by analysing the SDG Selector, a PwC tool that uses more than 200 data sources to rate the performance of countries against each SDG based on surveys sent to company leaders asking what represents an impact or an opportunity for their business.

Additionally, the guidelines used were based on a document prepared by the Global Compact, the Global Reporting Initiative (GRI), and PwC (An Analysis of the Goals and Targets), which presents a proposal to align specific SDG goals to the GRI standard and other performance indicators issued by the World Bank and the UN Global Compact.
Engagement, ethics and risks

At Cerrejón, we understand stakeholders to be people or groups that are, or could be, directly or indirectly impacted by our operations or the programs we undertake. We therefore prioritize dialogue as the best channel to get to know our interlocutors, as well as the various sectors and groups interested in our engagement. This helps us to understand their perceptions, expectations and interests, and to discuss our engagement. It is our main goal to establish permanent, transparent, constructive, informed and significant dialogue with our stakeholders through various mechanisms.

Ethics and Good Governance

According to Transparency International, the global fight against corruption is one of the main hindrances to attaining sustainable development, especially in Latin America. Colombia is no exception to this since it is in the ninety-sixth position out of one hundred and eighty nations in that agency’s Corruption Perception Index, and no improvements have been made in the past four years. There is also a similar challenge in La Guajira, according to the 2015–2016 Departmental Transparency Index. The foregoing is coupled with increased empowerment of civil society to demand more transparency and access to information, and with the recent induction of Colombia into the Organization for Economic Cooperation and Development (OECD). This situation implies an improvement in the various dimensions of corporate standards, putting us in a challenging position for the implementation of our corporate governance model, the application of behaviour policies and guidelines, and our anti-corruption engagement.

Corporate governance

At Cerrejón, we have a work framework that has been agreed upon with our shareholders (Anglo American, BHP and Glencore) to engage in transparent, ethical operations that avoid the materialization of identified risks and reflects the importance we give to how our business results are achieved. To that end, we have a Delegation of Authority Guide (DOAG) and a Policies and Conduct Guidelines Manual, which set out our working guidelines. These guidelines make it possible to increase controls associated with corporate risks, losses due to irregular acts or any type of violation of rules and laws, both national and international. The Manual includes 19 policies that are mandatory for our workers,
Engagement with stakeholders

**Mechanisms**

- Engagement meetings (continual)
- Forums and events (as programmed)
- Visits
- Answering information requests or consultations (continual)
- Complaints Office (permanent)
- Partnerships
- Studies or investigations on our operations
- Reports on the status of the Independent Review Panel (bi-annual)
- Air Quality Oversight Committee
- Dialogue roundtables on safety impacts (on an as-needed basis)
- Community service office (permanent)
- Yearly roundtable
- Meeting of CEO Communications (bi-annual)
- Proximity plan (dialogue sessions amongst executives and the entire operations)
- Hotline reporting channels (permanent)
- La Guajira Regional Competitiveness and Innovation Commission
- Private Competitiveness Council
- Meetings and boards of directors (as required)
- Regional journalism contest (annual)
- Workshops/diploma studies for journalists (on an as-needed basis)
- CEO’s accountability to journalists
- Meeting with contractors (every two years)
- Collective bargaining convention follow-up committees

Contractors and third parties with whom we interact. It includes work guidelines regarding ethics and corruption prevention, customer relations and product quality, conflict of interests, communications, political activities, management control and fraud control, human rights, social responsibility at work, more job opportunities for members of communities in the area of influence, risk management, safety, health, environment, and communities, systems security, use of drugs and alcohol, travel expenses, management positions and combating money laundering and the financing of terrorism. The Equal Opportunities Policy was updated in 2017 to incorporate equity.

By means of lectures and courses for employees, contractors and business associates, the Internal Control area has a policy of permanent disclosure regarding policies and lessons learned. An example of this is our professional employees’ certification every two years and the orientation courses, after the holiday season, for qualified technical personnel (operators, technicians, assistants, secretaries and clerks).

The following committees follow up on the adoption, implementation and monitoring of policies, guidelines and programs.

**Committees**

- **SHAREHOLDERS COMMITTEE** Approves corporate strategy and the budget, and evaluates company performance.
- **AUDIT AND FINANCIAL COMMITTEE** Deals with issues related to controls and external and internal audits, and reviews financial aspects.
- **INTERNAL CONTROL COMMITTEE** Evaluates deviations from the Behaviour Policies and Guidelines and approves sanctions if required. Also approves any changes to these policies.
- **MANAGEMENT DEVELOPMENT COMMITTEE (MDC)** Evaluates human management issues, such as changes in the organizational structure, the establishment of new programs and policies, and makes decisions regarding personnel, performance, talent development, compensation, work and occupational health.
- **OPERATIONAL INTEGRITY COMMITTEE** Follows up and evaluates management and results of operational integrity.
- **SOCIAL INVESTMENT COMMITTEE** Reviews and approves the programs and projects associated with impact management of the company.
- **MANAGEMENT COMMITTEE (MCC)** Approves required cases in accordance with the Delegation of Authority Guide (DOAG), mainly associated with purchases and contracts.
- **RISK COMMITTEE** Reviews the catalogue of material risks and the controls designed for their management. Informs on new material risks identified or on updates to catalogue risk assessment.
- **CEO’S COMMITTEE** Deals with topics that require the direction and decision of senior management.
- **STRATEGIC COMMITTEE FOR SAFETY, HEALTH, ENVIRONMENT AND COMMUNITIES (SSCHEC)** Strategically deals with security, health, environment and community aspects of Cerrejón.

754 employees were trained in policies in 2017
Prevention of corruption and conflicts of interest

At Cerrejón we promote a culture of zero tolerance for corruption and, to that end, we have implemented a program for its prevention and to prevent transnational bribery, money laundering and terrorist financing. Our organization, at all levels, is aware and committed to the prevention of these crimes, and we have established procedures to ensure this objective.

A fundamental mechanism for prevention is due diligence, which consists in a set of steps and measures designed to investigate in advance the third parties with whom we interact. Therefore, we request information from the third party, consult restrictive lists, and analyse possible conflicts of interest in order to ensure that any transaction is aligned with our policy of zero tolerance for corruption and the Risk Management System for Money Laundering and Financing of Terrorism (SARLAFT, its initials in Spanish).

The effectiveness of our anti-corruption and SARLAFT programs depends on the commitment of employees, suppliers and contractors. We have therefore implemented a training plan to remind, update and strengthen knowledge on corruption prevention, transnational bribery, money laundering and terrorist financing.

The sessions for employees included face-to-face workshops in which we reviewed concepts, discussed practical cases and analysed essential aspects of the due diligence procedure. For the certification process of employees who work in positions that could have greater exposure to these risks, we have an online course and a qualification exam that must be taken every two years.

100% of Cerrejón’s transactions with third parties underwent due diligence.

In 2017 1,908 due diligences were carried out. 822 of them were considered high risk and were analysed by the Compliance Office.

Reporting Channels

Internal Control management is responsible for managing any claims, conducting the necessary investigations and ensuring that the required actions are taken in case of deviations from policies and behaviour guidelines.

We have the following complaint channels so that any employee, contractor or third party can anonymously or confidentially report any possible deviations from the policies.

<table>
<thead>
<tr>
<th>Channel</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethics Line served by Navex Global (Independent third party) From Colombia: 01-800-911-0011 Extension: 844-287-1872</td>
<td>Website: <a href="http://www.eticaacerrejoncmc.ethicspoint.com">www.eticaacerrejoncmc.ethicspoint.com</a></td>
</tr>
<tr>
<td>Internal Control Management</td>
<td>1. Outside of Cerrejón (57-1) 995-2777 2. From Cerrejón - Extension 2777 3. Email: <a href="mailto:controlinterna@cerrejon.com">controlinterna@cerrejon.com</a></td>
</tr>
</tbody>
</table>

We received 52 complaints during 2017, 50 were investigated and resolved in the same year and the remaining 2 are under analysis. There were no incidents of corruption during the year.

The programs have been evolving and spreading to all areas of the company since 2013, and we can now say that they have reached a degree of maturity that is reflected in our organizational culture and the results seen in the audits.
Risk management

Cerrejón has a risk management policy that demonstrates our commitment to systematic risk management. Cerrejón’s risk management process has been developed following the standards defined in ISO 31000, and is based on the identification, analysis, evaluation and addressing of risks by each company area in order to characterize them according to the impact they would generate if they occurred.

We must ensure that our employees understand that it is everyone’s responsibility to get to know those with whom we establish business relationships and, therefore, that they must be increasingly careful and aware of the risks and serious consequences associated with bribery, corruption, financing of terrorism and money laundering.

We must explore the possibilities of establishing links with national and international initiatives that aim to combat these crimes in order to share our model and harvest new ideas to constantly update our programs and make them even more efficient.

We must constantly innovate our methods, contents and tools to transmit the message of prevention, increasing training for employees and third parties who are business associates.

We must identify opportunities for improvement in the timeliness and simplification of due diligence processes, maintaining their effectiveness.

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<thead>
<tr>
<th>REGULATIONS</th>
<th>ACTIONS TAKEN BY CERREJÓN</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>- Awareness-raising sessions on the risk of corruption for senior managers and employees in sensitive positions.</td>
</tr>
<tr>
<td>2014</td>
<td>- Designation of a Compliance Officer.</td>
</tr>
<tr>
<td></td>
<td>- Anticorruption commitment of senior management.</td>
</tr>
<tr>
<td></td>
<td>- Risk analysis and identification of sensitive areas.</td>
</tr>
<tr>
<td></td>
<td>- Design of due diligence procedures.</td>
</tr>
<tr>
<td></td>
<td>- Communications to suppliers and contractors on the obligation to comply with the Anticorruption Guidelines.</td>
</tr>
<tr>
<td></td>
<td>- Training and certification in anti-corruption for employees in sensitive positions.</td>
</tr>
<tr>
<td></td>
<td>- Policies design SARLAFT.</td>
</tr>
<tr>
<td>2015</td>
<td>- Systematization of the due-diligence process.</td>
</tr>
<tr>
<td></td>
<td>- Application of due diligence to the process of personnel selection and sale of surpluses.</td>
</tr>
<tr>
<td></td>
<td>- Implementation of SARLAFT in all areas.</td>
</tr>
<tr>
<td></td>
<td>- Training in anti-corruption and SARLAFT.</td>
</tr>
<tr>
<td>2016</td>
<td>- Design and implementation of due-diligence monitoring.</td>
</tr>
<tr>
<td></td>
<td>- Continuous training in corruption prevention and SARLAFT.</td>
</tr>
<tr>
<td></td>
<td>- Recertification in anti-corruption of employees in key positions.</td>
</tr>
<tr>
<td>2017</td>
<td>- Anticorruption Program Update in accordance with the new regulations on transnational bribery.</td>
</tr>
<tr>
<td></td>
<td>- Design of segmentation methodology in SARLAFT.</td>
</tr>
<tr>
<td></td>
<td>- Continuous training in corruption prevention, transnational bribery and SARLAFT.</td>
</tr>
</tbody>
</table>
We take the precautionary principle as a reference to avoid taking risks in our operation that could cause irreversible damage to our stakeholders or to the environment if they occur, even if we do not have scientific certainty of it.

Senior management is responsible for compliance with the Risk Management Policy.

Cerrejón has established the assessment of compliance with the associated controls in order to ensure the effectiveness of risk management. This is how we know the effectiveness and timeliness of the actions established to prevent and mitigate risks. Action plans are established.

112 people at the company were trained in risk management and the use of the tools that support the process.

Our stakeholders must be kept informed of the status of the corporate risk register.

To that end, they receive an updated risk report every four months that includes: assessment of the risk according to the probability of occurrence and impacts, the main events related to the risks, and whether the existing risk is tolerable for the regular running of the operation.

Study of Risks and Impacts on Human Rights

An impact on human rights is conceived as a favourable or unfavourable effect on the exercise or enjoyment of human rights as a result of business activity. For us, it is essential to recognize the actual, potential and perceived impacts of our operations on stakeholders, including impacts on human rights, to establish timely and relevant measures and thus prevent, mitigate and, when necessary, compensate them.

We have adopted different standards to carry out our operation responsibly, respecting the people who are part of our chain of value, the communities neighbouring our operations and the environment.

We have corporate policies, which include our Policy on Human Rights (pursuant to Colombian regulations), the Universal Declaration of Human Rights and international standards adopted by the company: the United Nations Guiding Principles on Business and Human Rights, the ten principles of the Global Compact, the Voluntary Principles on Security and Human Rights, Performance Standards No. 1, 5 and 7 of the International Finance Corporation (IFC) and the basic conventions of the ILO.

Human Rights

Due Diligence Process in Human Rights

- Approximately 90 interviews were conducted with representatives of communities in our area of direct influence (ADI), departmental and municipal governments, academic sector, research centres and civil organizations in the municipalities of Riohacha, Albania, Barrancas, Hatonuevo, Maicao and Uribia.
- 350 interviews with our own employees.
- 44 interviews with different areas of our operation.
- 1 focus group with the participation of 11 Cerrejón contractors.
POSITIVE IMPACTS
1. Payment of royalties.
2. Institutional strengthening: citizen participation and social oversight of the investment of royalties, support for the modernization of public administration, and education in public administration.
3. Building infrastructure: construction and facilitation of the mobility of neighbouring communities, allowing them access to goods and services.
4. Improvement in the levels of education of stakeholders through the Educational Excellence Fund, scholarships and educational aid, and the creation of TecnoGuajira.
5. Access to drinking water for the Wayuu communities through water supply, sanitation and hygiene solutions; comprehensive management of water sources, and the use of railway lines for water distribution and supply.

VERIFIED IMPACTS
These are the adverse effects that have been generated, or continue to be generated, and of which there is certainty of the causality between the impact and an activity at Cerrejón. The study found seven impacts, and we list below the ones identified as being of high magnitude.

1. Visual changes in the ADI territory of Cerrejón (impact on landscape).
   We have created visual changes in the territory of the area of direct influence, both at the mine and on the railway line.
   We are aware of this situation, and are committed to recovering the affected areas in order to restore their fauna and flora so that these lands may be used for agricultural activities or environmental conservation within a reasonable timeframe.

   MANAGEMENT MEASURES
   • Rehabilitation of 3,789 hectares, preservation of more than 48 million m³ of land, and the sowing of more than 1.6 million trees of 40 native species since 1990.
   • Operation of the Wildlife Refuge Centre, which receives between 1,200 and 1,800 animals annually.

2. Impact on the tranquility of the Cerrejón ADI communities
   The emission of particles, noise and generation of bad odours caused by our operations have affected the right to tranquility.
   The causes of these discomforts are within maximum allowable levels, and scientific studies have ruled out their effect on health. However, we have implemented a series of measures to mitigate them.

   MANAGEMENT MEASURES
   • We use high-flow sprinklers in the piles of extracted material.

3. Impact on the health of the communities within Cerrejón’s area of influence
   This refers to the health effects attributed to environmental pollution by the emission of particulate matter from coal, generated by extraction and transportation operations. This impact, for the communities, is based on the visible presence of this material.

   MANAGEMENT MEASURES
   • Implementation of a monitoring system that measures total suspended particles and particles with a potential impact on the community and human health.
   • Monitoring stations that measure emissions to control and keep them below accepted parameters.
   • About 60% of investments in environmental performance are allocated to air-quality control.

4. Perception of effects on the quality of water resources
   We are aware of this situation, and we list below the ones identified as being of high magnitude.

   1. Perception of effects on the health of the communities within Cerrejón’s area of influence
      This refers to the effects on the quality of waters by the emission of particulate matter from coal, generated by extraction and transportation operations. This impact, for the communities, is based on the general scarcity that characterizes living conditions in La Guajira.

   MANAGEMENT MEASURES
   • 92% of the water used in our operations is industrial, which prevents human or animal consumption or for crop irrigation.
   • We use our train to supply drinking water to 92 neighboring communities (8,100 people) with 89,000 litres per week.
   • We designed a desalination prototype following Wayuu traditions and customs for the treatment of 100 litres of water per day.

5. Perception of restrictions on the use or exploitation of water resources
   One of the main concerns of communities is what they see as the excessive use of water on the part of Cerrejón. This is amplified if we take into account the general scarcity that characterizes living conditions in La Guajira.

   MANAGEMENT MEASURES
   • 92% of the water used in our operations is industrial, which prevents human or animal consumption or for crop irrigation.

   SEE MORE MANAGEMENT MEASURES IN THE SECTION "WATER IN MINING ACTIVITY."
which creates collaborative dialogue networks around matters that are important in real-life situations in order to generate ideas, agreements, and creative, innovative courses of action in an agreeable, friendly atmosphere. The conversation addressed the most relevant aspects of the Wayuu culture and the way in which we can jointly contribute to preserving their traditional values and customs.

To address the impacts and risks found in the independent study, we implemented a plan of action with specific activities to prevent and mitigate the impacts. This plan has defined managers, a schedule and regular monitoring.

In the context of Cerrejón’s human rights policy and the implementation of the Voluntary Principles on Security and Human Rights standard, five roundtables were held in 2017 with the communities of the 4 de Noviembre, Yaman, Oroco, Jisentirra and Media Luna in Puerto Bolívar with the participation of those responsible for the public and private security plan that protects the communities, people and infrastructure of Cerrejón.

These dialogues have allowed us to improve our comprehensive understanding of the risks, both to us and to the communities, through a better understanding of the surrounding conditions. At the same time, the roundtables have allowed us to align communities, civil authorities, security forces, companies and private surveillance around common objectives. These include strengthening security conditions in the area of influence and ensuring that the company’s security management is in line with the commitments made in terms of the Voluntary Principles standard and corporate human rights policy.

**Complaints Office**

Since 2010, we have had a Complaints Office (CO) designed under the framework of the UN Guiding Principles on Business and Human Rights. This office is responsible for receiving, investigating, arranging solutions, monitoring and closing the cases filed by our stakeholders in relation to possible impacts generated by the operations that could have an impact on human rights.

The Complaints Office seeks to fulfill the principles defined for these types of mechanisms, which are guided by the remediation pillar to be legitimate, accessible, predictable, equitable, compatible, transparent, equitable, compatible, transparent.

**How does it work? Process of the complaints office (CO)**

1. A person submits their complaint to the CO or a Cerrejón official.
2. The CO records the complaint in the software application.
3. This confirms the filing.
4. The CO classifies the complaint.
5. The complaint is routed to the responsible area according to the details of the case.
6. The researcher gathers the information and performs the necessary interviews.
7. The case is documented in the software application.
8. The CO initiates or facilitates meetings with the areas involved to reach an agreement.
9. The CO, or the investigator, reach an agreement with the person on a possible solution.
10. The CO carries out a follow-up to the implementation of the agreement.
11. In the event of an appeal by the person filing the complaint, a new investigator is appointed.

**Managing complaints**

In 2017, there were 264 complaints filed with our office, of which 93.5% were related to impacts on communities, the main one relating to animals being run over by the train that hauls coal to Puerto Bolívar. There were 213 cases reported due to this type of impact by the operations, representing 81% of the total number of complaints.

To prevent these incidents, we continue to work with members of the communities in the vicinity of the rail line, who want to install fences bordering the railway tracks to enable landowners and livestock herders to open gates for the monitored transit of animals.

Within the process established in the Complaints Office, gathering information is carried out jointly with the complainant, seeking to understand the event presented and its possible effects, as well as their expectations. If the investigation corroborates an impact caused by the operation, the process continues with the complainant to find a solution and reach an agreement between the parties.

For those cases where it is not possible to reach an understanding on the impact and the expectations of a solution on the part of the claimants, the Complaints Office has a resource for hiring independent experts, whose knowledge and experience can contribute to resolving the claim. These experts can formulate recommendations and measures for their management.
Complaints about rights of indigenous communities

In these cases, we have identified incidents related to indigenous rights because they involve their identity, traditions, customs, territory and culture.

In 2017, we reported 264 cases, of which 248 correspond to events that affected members of indigenous communities. The majority of the claims (213 cases) correspond to animals being run over on the railway tracks.

In relation to the previous year, almost the same trend is noted due to the fact that the measures to prevent these incidents have not been sufficiently effective. A solution requires actions by both the company and the community.

Measures to prevent potential impacts on Human Rights

In order to deepen our commitment to addressing social impacts and risks to stakeholders who are or may be impacted by the operation, we have various tools. These include social standards adopted publicly by the company’s internal policies on human rights and communities, social and human rights clauses in contracts, training for employees and contractors (including public security forces and private security staff), communication tools to raise awareness, and the promotion of knowledge on human rights by means of clear messages for all levels of the operations.

Employees

• We provided human rights training to 625 new employees during their induction on our policy, fundamental rights, constitutional actions, social standards and remediation mechanisms.
• We adopted a plan of awareness-raising and training on human rights for employees and contractors.
• We provide internal communication pieces to promote an understanding of the role of businesses regarding human rights, using a variety of means that include radio programmes through our trunking radio system (which can be tuned into in the operations vehicles), posters and online material.

Security Personnel

• We include Annex E: Voluntary Principles and Human Rights in 100% of the contracts in force/signed for the provision of private security services in order to ensure their commitment to compliance with the Voluntary Principles on Security and Human Rights; the Cerrejón Human Rights Policy; respect for the human rights of vulnerable people or groups; respect for the traditions, customs and cultures of indigenous communities; respect for the rights of freedom of association and labour; and the elimination of child labour, among others.
• We trained 818 members of the private security personnel and 4,239 of the public security forces that operate with the participation of the indigenous communities; requirements, human rights and social labour; and the elimination of child labour, among others.
• We include Appendix D: Health, Safety and Environmental Standards and Procedures Compliance for Contractors and Suppliers for contractors and suppliers.


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exceeding 192 million. According to its
report “World Employment and Social
Impact: Trends 2018,” the vulnerable
employment figure is increasing while
the rate of reduction in the number of
working poor is decreasing. In 2017,
approximately 1.40 billion workers held
vulnerable jobs, particularly women in
developing countries (82%) compared
to men in emerging countries (72%).
In Cerrejón’s case, our employees have
been considered the company’s most
valuable resource from the beginning
of our mining operations. Consequent-
ly, we focus on promoting their health
and safety, strengthening their abilities,
and creating a work environment that
promotes fairness and equal opportu-
nity. In our hiring, we favour local and
regional applicants, including fairness
and diversity criteria. Along the same
lines, we promote responsible leaders-
ship concerning risk management at all
management and supervisory levels.
In 2017, we continued strengthening
the five cultural attributes essential
to the company, which reflect what
we want and require to carry out our
operations.

1. We create value
We look after Cerrejón’s
resources as if they were
our own and propose and
carry out ideas to achieve
the best possible results
in all company areas
for the purpose of doing
better and achieving
maximum productivity.

2. Capable of change
We are always evolving
and adapting to the
specific circumstances
of the company, region
and country in order to
overcome challenges
and be sustainable.

3. Flexible and simple
We make our processes
easier, make decisions,
and act to reach higher
levels and achieve
better results.

4. Empowered
We own our results,
trust in others and
work as a team.

5. Awareness of self-
protection
We are committed to
watching out for our
safety and health,
promoting a balanced
work and personal life.

Employment, diversity
and supply chain

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the rate of reduction in the number of
working poor is decreasing. In 2017,
approximately 1.40 billion workers held
vulnerable jobs, particularly women in
developing countries (82%) compared
to men in emerging countries (72%).
In Cerrejón’s case, our employees have
been considered the company’s most
valuable resource from the beginning
of our mining operations. Consequent-
ly, we focus on promoting their health
and safety, strengthening their abilities,
and creating a work environment that
promotes fairness and equal opportu-
nity. In our hiring, we favour local and
regional applicants, including fairness
and diversity criteria. Along the same
lines, we promote responsible leaders-
ship concerning risk management at all
management and supervisory levels.
In 2017, we continued strengthening
the five cultural attributes essential
to the company, which reflect what
we want and require to carry out our
operations.

1. We create value
We look after Cerrejón’s
resources as if they were
our own and propose and
carry out ideas to achieve
the best possible results
in all company areas
for the purpose of doing
better and achieving
maximum productivity.

2. Capable of change
We are always evolving
and adapting to the
specific circumstances
of the company, region
and country in order to
overcome challenges
and be sustainable.

3. Flexible and simple
We make our processes
easier, make decisions,
and act to reach higher
levels and achieve
better results.

4. Empowered
We own our results,
trust in others and
work as a team.

5. Awareness of self-
protection
We are committed to
watching out for our
safety and health,
promoting a balanced
work and personal life.

Creating
jobs
There are 5,997 people working at
Cerrejón. Sixty-eight percent of us
come from La Guajira, and we are
working to make our operation safe,
be responsible towards the natural
environment surrounding us, and to
do our jobs in a healthy, productive
work environment. Over the years,
we have implemented various initia-
tives to stimulate women’s roles in
mining activities. We have a cons-
tructive relationship with our unio-
ized employees, promoting different
training activities to expand their
abilities and implementing a system
to ensure the health and safety of our
workers. We share with our contrac-
tor firms the responsibility with our
environment and with our workers,
and we are challenged with conti-
uing to strengthen these actions
throughout our value chain.

We create 5,997 direct jobs at
Cerrejón (78% of indefinite length
and 22% fixed-term) and hire the
services of more than 6,100 people
through our contractor companies.
We are aware of the importance
of promoting fairness and equal
opportunities in our organization.
That is why 68% of our employees
are natives of La Guajira, and star-
ting in 2017 we established a po-
licy and annual goals seeking to
increase the proportion of women,
indigenous people and residents of
neighbouring communities.
EMPLOYEES BY REGION

66% 3,089 employees are La Guajira natives.

26% 1,837 from other areas of the coastal region.

8% 469 come from the rest of Colombia.

Two (2) employees are foreigners.

EMPLOYEES BY TYPE OF POSITION

- Apprentices: 291
- Professional Analysts and Specialists: 453
- Professional Management Personnel: 4,839
- Professional Supervisory Personnel: 1,577
- Technical Personnel: 307
- By age range:
  - > 50 years old: 211
  - 30 - 50 years old: 54
  - < 30 years old: 24

OUR PERSONNEL BY GENDER

- Women: 440 (7%)
- Men: 5,557 (93%)

HIRING

We hired 370* workers in 2017 (61 women and 309 men), 20% more than the year before.

They come from:
- La Guajira: 250 persons
- Coastal Region: 97 persons
- Rest of Colombia: 23 persons

TOTAL 5,997

*Figure excludes trainee contracts and people hired more than once in the same year.

HIRING BY REGION

- 66% 3,989 employees are La Guajira natives.
- 26% 1,537 from other areas of the coastal region.
- 8% 469 come from the rest of Colombia.
- Two (2) employees are foreigners.

HIRING BY AGE

- > 50 years old: 211
- 30 - 50 years old: 54
- < 30 years old: 24

ORGANIZATION CHART
OUR STRUCTURE BY GENDER

Women comprise 7% of our workforce.

OUR STRUCTURE BY AGE

- **Under 30**: 12.1% of turnover
- **30-50**: 58.9% of turnover
- **Over 50**: 29.0% of turnover

The turnover rate decreased by 0.63% compared to 2016. Wayuu workers accounted for 0.12% of the turnover total.

TURNOVER RATE BY REGION AND GENDER

- **La Guajira**: 7.10%
- **Rest of Colombia**: 4.77%
- **Rest of Coastal Region**: 6.6%

TURNOVER RATE BY AGE

- **Under 30**: 477 persons
- **Between 30-50**: 3,252 persons
- **Over 50**: 1,280 persons

- **Senior management**: 49 persons
- **Management/Executive**: 15 persons
- **Division heads/General Superintendent**: 1 persons
- **Senior management**: 15 persons
- **Management/Executive**: 31 persons
- **Division heads/General Superintendent**: 0 persons
- **Senior management**: 34 persons
- **Management/Executive**: 188 persons
- **Division heads/General Superintendent**: 111 persons
- **Senior management**: 37 persons
- **Management/Executive**: 267 persons
- **Division heads/General Superintendent**: 149 persons

- **Operations personnel**: 955 persons
- **Operations personnel**: 2,655 persons
- **Operations personnel**: 1,520 persons

- **Senior management**: 253 persons
- **Management/Executive**: 325 persons
- **Division heads/General Superintendent**: 128 persons
- **Senior management**: 286 persons
- **Management/Executive**: 47 persons
- **Division heads/General Superintendent**: 1 persons
- **Senior management**: 5 persons
- **Management/Executive**: 0 persons
- **Division heads/General Superintendent**: 0 persons
- **Senior management**: 1 persons
- **Management/Executive**: 1 persons
Fairness and Equal Opportunity

Cerrejón wants to conduct an operation that acknowledges and favours diversity by virtue of gender, age, race, colour, ethnic origin, religion, sexual orientation, political opinions and any other relevant condition. We wish to promote equality of labour opportunity among our collaborators and foster fair treatment conditions for promoting the role of women in this kind of activity. To that end, we formed a Committee of Women in the Operation to review (with the managers in Production and various support areas) issues associated with infrastructure, policies, equipping women in operational areas, and promoting the assignment of a greater number of women in these activities. This was how we achieved it:

- Conducted interviews and workshops with 75% of the women in the operation to gain a greater understanding of the issues we should address.
- Initiated internal and external campaigns to promote the role of women in the mining industry.
- Created changes in equipment, such as uniforms produced by women.
- Installed bathrooms for women.
- Increased the awareness and sensitivity of supervisors.

We believe this phase’s greatest achievement was the establishment of guidelines for the comprehensive development of women in the operation, so we defined career paths that would permit their development, adaptation, to the mining environment and promotion to leadership positions within the company. On this journey, we have come to understand that the topic of equality must have a comprehensive perspective and, even though the focus on women in the operation continues to be an important challenge, we must continue to work on the promotion of equality on all fronts in our company, including the inclusion of Wayuu personnel, taking into account their traditions and customs. Therefore, we have:

- Established a hiring goal with a focus on diversity. In 2017, 45.6% of the professional personnel and 38.3% of the operating personnel hired were women and Wayuu indigenous people.
- Transformed our Equal Opportunity Policy into the Equal and Fair Opportunity Policy.
- Created changes in uniform regulations permits it, we apply selection criteria intended to favour minority populations (e.g., women, indigenous peoples).

Leaders are responsible for implementing and administering this policy, maintaining a work environment free of discrimination, and identifying and promptly resolving any problem related to equal opportunities in employment.

Hiring

In the recruiting and selection processes, we include resumes from men and women, attempt to obtain an equal proportion in accordance with the position’s requirements, and in those cases in which the job description permits it, we apply selection criteria intended to favour minority populations.

- Trained more than 1,000 women in leadership programs.

Follow-up

At Cerrejón, we reject any type of harassment, discrimination, intimidation, or reprisals due to exercising the rights protected by our policy. We have thus created various channels for filing complaints on any potential case, including engaging in direct dialogue with supervisors or Human Resources and Services management, or providing opportunities to confidentially file claims so they can be investigated and resolved.

In 2017, we participated in the ranking performed by Aequales, a private company that provides consulting services to transform organizations through gender equality and diversity based on the organization’s evaluation in four areas: management of objectives, organizational culture, organizational structure and talent management. As a result, we were ranked 28th out of 110 private sector organizations.

Areas under Evaluation

<table>
<thead>
<tr>
<th>Area</th>
<th>Average Answer by participants</th>
<th>Top 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of objectives</td>
<td>67.8</td>
<td>61.3</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>72.3</td>
<td>46.7</td>
</tr>
<tr>
<td>Organizational structure</td>
<td>64</td>
<td>49.8</td>
</tr>
<tr>
<td>Talent management</td>
<td>61.3</td>
<td>41.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rank</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pfizer</td>
</tr>
<tr>
<td>2</td>
<td>Fundación Plan</td>
</tr>
<tr>
<td>3</td>
<td>Sanofi</td>
</tr>
<tr>
<td>4</td>
<td>Johnson &amp; Johnson</td>
</tr>
<tr>
<td>5</td>
<td>P&amp;G</td>
</tr>
<tr>
<td>6</td>
<td>Citibank</td>
</tr>
<tr>
<td>7</td>
<td>3M Colombia S.A.</td>
</tr>
<tr>
<td>8</td>
<td>SAP</td>
</tr>
<tr>
<td>9</td>
<td>Equin</td>
</tr>
<tr>
<td>10</td>
<td>Codensa - Ermega</td>
</tr>
<tr>
<td>25</td>
<td>Cerrejón</td>
</tr>
</tbody>
</table>
SUSTAINABILITY REPORT

Wayuu ethnic group. for the traditions and customs of the motes respect for human rights and diversity component and pro-

of fairness, promoting the importan-

challenge will be establishing plans

analysis in matters of equality and

bilities, work model, preliminary

Committee in which six men and six

In 2017, we started our first Fairness

• We revised the fixed-term hiring during pregnancy policy (9 to 6 months).
• The making and changing of private security uniforms was placed under the charge of Wayuu women, promoting the traditions and customs of the community and generating 80 potential new jobs.
• Starting in 2017, a plan was initiated to upgrade facilities and infrastructure in light of the increase in the number of women in the operation.

The next step will be to create a fairness work plan based on our policy. We have defined a corporate hiring key indicator (KPI) in order to gradually increase the percentage of women and Wayuu indigenous people hired to fill vacancies and retirement va-
cances in upcoming years until it reaches 30% of technical personnel and 45% of professio-
nal personnel.

In terms of equality, our greatest challenge is to find common ground within the values that promote best practices in matters of fairness. Other challenges are to promote fair practices that go beyond the workplace in order to contribute to national goals in terms of fairness, with a special emphasis on the topic of gender as it represents a significant challenge for our industry.

Results

• We revised the fixed-term hiring during pregnancy policy (9 to 6 months).
• The making and changing of private security uniforms was placed under the charge of Wayuu women, promoting the traditions and customs of the community and generating 80 potential new jobs.
• Starting in 2017, a plan was initiated to upgrade facilities and infrastructure in light of the increase in the number of women in the operation.

In 2017 alone, COP 289 M was invested in the remodelling of facilities for this purpose.

We maintain temporary positions for pregnant women when their normal activities can represent a risk to their pregnancy. In these cases, they are reassigned to administrative and filing activities that do not pose any potential risks.

Fairness Committee

In 2017, we started our first Fairness Committee in which six men and six women (of different training, origins and functions in the company) promote initiatives that permit Cerrejón to become a more fair, diverse and inclusive company. In this first year of training, the Committee worked to define their scope and responsibilities, work model, preliminary analysis in matters of equality and short-term work actions. Its main challenge will be establishing plans for positioning company mechanis-
mism, policies and strategies in matters of fairness, promoting the importan-
ce of diversity and designing a me-
dium- and long-term action plan that manages to incorporate an ethnic and diversity component and pro-
motes respect for human rights and for the traditions and customs of the Wayuu ethnic group.

We have come a long way in strengthening the region’s job skills, and we continue to make our workforce increasingly more inclusive and diverse.

In 2017, COP 289 was invested in the remodelling of facilities for this purpose.

In 2017, we worked to identify as-
psects for improvement within our Work Safety and Health Management System (OHS-SST, its initial in Spanish) and to continually highlight well-executed tasks, thereby motivating our workers to continue protecting their health as part of their daily activities.

Other challenges are to promote fair practices that go beyond the workplace in order to contribute to national goals in terms of fairness, with a special emphasis on the topic of gender as it represents a significant challenge for our industry.

Safe and Healthy Work Environment

The International Labour Organization indicates that every day 6,300 people die because of accidents or work-related illnesses in the world, which means more than 2.3 million deaths per year. Likewise, an-
nually more than 317 million work ac-

Since the beginning of our opera-

tion, completing jobs under the best

safety precepts has been a fundamen-
tal value. We have therefore imple-
mented a Safety, Health, Environment and Community policy through which we protect the lives and integrity of our workers, and promote their safety and health in an optimum workplace in order to prevent accidents, illnes-

and occupational medicine processes in order to identify occupational risk conditions in a timely fashion and implement controls to mitigate them through Epidemiological Monitoring Programs, among other activities.

Likewise, we have a Fatal Risk Management System that starts with the identification of unsafe condi-
tions that could cause a fatal incident and the implementation of controls that avoid their materialization. Du-

We focus on self-care, strengthening each worker’s responsibility to take the necessary measures to preserve their health and operate in safe conditions.

2. Ongoing Recognition

We systematically reinforce the recognition of good deeds with respect to safety and health in our operation’s daily activities.

3. Occasions for Dialogue and Participation

We opened additional occasions in the Joint Committee for Safety and Health at Work (COPASIST) to discuss key topics on this front with personnel from throughout the operation. We set up monthly meetings between the vice president of Operations and union representatives and local branches of the national labor union to discuss the most pressing issues of workers. We also support initiatives for our workers to express their concerns through the Joint Committee and in the areas of Community policy through which we protect the lives and integrity of our workers, and promote their safety and health in an optimum workplace in order to prevent accidents, illnesses and any situation that could pose a risk to their physical integrity or to that of the personnel of contractor companies.

In order to achieve this goal, we are adopting nationally and internationally recognized standards and practi-

ces at our operations while promoting a culture of self-care in which each person is responsible for heeding their health, applying safety rules and re-

In 2017, we invested approxi-
mately USD 1.3 million in occupa-
tional health and approximately USD 2 million in industrial safety for a total of USD 3.3 million. This was a historic year with respect to safety since we had no fatalities and our lowest ever recordable injury fre-

KEY FACTORS

1. Self-Care

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5. Safe and Healthy Work Environment

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In order to achieve this goal, we are adopting nationally and internationally recognized standards and practi-

ces at our operations while promoting a culture of self-care in which each person is responsible for heeding their health, applying safety rules and re-

In 2017, we invested approximately USD 1.3 million in occupational health and approximately USD 2 million in industrial safety for a total of USD 3.3 million. This was a historic year with respect to safety since we had no fatalities and our lowest ever recordable injury frequency rate (RIFR). Additionally, the Cerrejón in Motion program managed to surpass its membership and partic-

44 — 45
leadership in order to address topics related to industrial safety and health in our workplace. We have thus managed to evaluate and improve safety conditions in the operation as well as the implementation of improvements in related processes.

In 2017, we achieved a record of 201,000 hours of participation in industrial safety and health activities at the operation.

**Cerrejón in Motion**
This program began in 2013 as a pilot program, with nearly 200 people from three municipalities in La Guajira participating to promote a culture of self-care and generate healthy living habits among our workers and their families, contractors and the community of La Guajira. This initiative, which now has the support of local municipalities, the Departmental Institute of Sports of La Guajira, and employee and cooperative funds, currently has more than 4,000 active members in La Guajira, Valledupar, Barranquilla, Santa Marta, Cartagena and Bogotá.

The program generates around 15 direct jobs and 13 indirect jobs and also contributes to the region’s social development. It was awarded a High Distinction (Health, Safety, Environment and Community) award in the Health category by BHP, one of our shareholder companies.

Based on three pillars (physical activity, healthy eating, and cross-cutting educational processes), the model has contributed to lowering obesity rates, thus providing favourable results based on a survey of 397 participants:

- 98% of participants consider that the initiative improved their work performance.
- 93% improved their family relationships.
- 93.5% improved their eating habits.
- 95% improved their quality of sleep.
- 94% considered that the participation of a family member increased their enthusiasm and longevity in the program.

In 2017, we exceeded our goals of adherence and participation in the program, achieving the active participation of 3,509 individuals (67% employees and 40% family members). We increased the total number of participants by 24.3% compared to 2016, and we attained 66% adherence for them.

**SEMINAR ON THE CULTURE OF CARE IN LA GUAJIRA**
In order to continue promoting healthy living habits, we held this first meeting in May 2017 in Riohacha, in partnership with the Colombian Heart Foundation, and with the participation of other regional and national institutions. The importance of self-care regarding good nutrition and regular physical activity was discussed in more than 10 lectures led by doctors, nutritionists, psychologists and other healthcare professionals. More than 400 people attended this event.

**Absenteeism**
The percentage of absenteeism for 2017 was 3.64%. This result was lower than the previous year thanks to the strengthening of self-care and permanent adherence to good practices. Although we do not monitor contractor absenteeism related to health causes, we are notified if there are deviations in the audits by the Colombian Safety Council.

Since 2016, we have been strengthening the hygiene and control skills of our occupational health and safety leaders to ensure that the prevention, mitigation and follow-up measures are correctly implemented, and that our 3,317 employees with the highest risk of acquiring work-related diseases may operate safely, while also maintaining their health.

**PREVENTION OF OCCUPATIONAL DISEASES**
Since 2016, we have been strengthening the hygiene and control skills of our occupational health and safety leaders to ensure that the prevention, mitigation and follow-up measures are correctly implemented, and that our 3,317 employees with the highest risk of acquiring work-related diseases may operate safely, while also maintaining their health.

**Types of exposure**

<table>
<thead>
<tr>
<th>Number of workers who carry out the activity</th>
<th>Main prevention, mitigation and monitoring measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPOSURE TO NOISE LEVELS ABOVE THE CORRECTED TLVs</strong></td>
<td>3,260</td>
</tr>
<tr>
<td><strong>EXPOSURE TO PARTICULATE MATTER WITH A SILICA CONTENT THAT EXCEEDS THE CORRECTED TLVs</strong></td>
<td>47</td>
</tr>
</tbody>
</table>

*TTLV - Threshold Limit Value: Maximum concentration allowed for exposure of workers to different occupational risks.*

**COLLABORATIVE RESEARCH**
We started a study (which will end in 2018), along with Sintracarbón, on the possible relationship between working conditions and respiratory diseases among Cerrejón’s workers. This study was carried out with the participation of 50 researchers from the University of Rosario and with technical supervision by the Colombian Society of Occupational Medicine (SICM, its initials in Spanish). It is the first time we have conducted a scientific study together with Sintracarbón, which generates more trust in the results.
Ratio of lost days
(Calendar days, excluding the day of the accident)
The result of the ratio was 2.16, the lowest in the last five years.
Men: 2.32
Women: 0
Contractors: 1.80

Follow-Up Committees

**JOINT COMMITTEE ON SAFETY AND HEALTH AT WORK (COPASSST)**
Our employees (50% representation) actively participate in a delegation of 16 people elected by the workers & representatives from the mine workers, 4 workers from Bogota and 4 from Puerto Bolivar and 16 appointed by the Cerrejón administration. Issues such as the investigation of work accidents, planned inspections and the review of epidemiological surveillance systems are evaluated by the committee.

**HEALTH COMMITTEE WITH SINTRACARBÓN**
Comprised of 12 representatives, four from the administration and eight from Sintracarbón, the majority union at Cerrejón.

**COMMITTEE WITH SINTRACERREJÓN**
Made up of eight representatives, four from the administration and four from Sintracarrejón. This committee deals with health issues and all other issues related to workers affiliated to this union.

Work reinsertion program
In order to ensure reinsertion into the workforce under safe and healthy conditions of employees who, due to a health situation, cannot return to the position for which they were hired, we have implemented a program that includes: training in computer software, involvement of the employee’s family and psychosocial support, ongoing medical surveillance, evaluation of the ergonomic and general health and safety conditions of the new assigned position and physical conditioning (depending on their specific health situation) at the gym located at the company’s facilities, during work hours.

An internal classification is used to monitor the location and performance of these employees. We also have ongoing interactions with different social security entities to ensure the best health and safety conditions for this staff.

The 155 employees participating in the program have continued within the company, performing their duties safely. In order to ensure the success of the relocation process, and its sustainability over time, employees’ relatives, the ARL, and other actors associated with social security are involved, in addition to Cerrejón’s personnel. In 2017, we created 47 positions for the work reinsertion process.

**Strengthening the emergency response structures**
We restructured this system in 2017 by inaugurating an Emergency Training Centre, increasing the number of emergency response members at the Mine from 130 to 270, equipping it with additional emergency response teams, adding eight staff members to the Emergency Response Centres and replacing three ambulances to improve response times.
Training and Well-Being

At Cerrejón, we promote a healthy, respectful and safe environment for our employees, based on transparent and constructive dialogue, the generation of decent and fair working conditions regarding compensation, recognition and remuneration, the establishment of benefits to improve the quality of life of our workers, and by empowering and strengthening them in terms of work skills. This is why promoting our workers’ skills has been one of our priorities, and it is the reason we carry out continuous training and evaluation programs that allow them to perform their work safely and effectively.

We provided 345,554 hours of training in 2017. The results of some of these efforts were seen in areas such as Production and Maintenance. In Production, we carried out apprenticeship training and reinforcement of operational practices while, in Maintenance, we focused on developing the skills of our current technicians.

We include topics such as employment engagement and benefits in our induction process, as well as training on the following company policies:

- Human Rights. Respect and promotion of human rights throughout the operation, national and international laws, and workers’ rights and liberties.
- Equity and Equal Opportunity. We administer our personnel policies, programs and practices, in all aspects, without discrimination based on gender, age, race, colour, ethnic origin, religion, sexual orientation, political opinion or any other condition.
- Productive Work Environment. Any form of stalking or harassment of a sexual, ethnic or racial nature, or for any other reason, by and toward employees, contractors, suppliers and customers is prohibited.

We had 521 active courses in 2017, which allowed us to strengthen our workers’ skills by focusing on the following categories:

- Techniques. Training aimed at improving operational technical skills: 322 courses.
- Operational Integrity. Training on safety, health and environmental issues, and communities: 94 courses.
- Functional, personnel effectiveness, and managerial development. Functional — specific training appropriate to the technology of each area; personnel effectiveness — training focused on developing staff skills; and managerial development — training aimed at improving the knowledge and skills of different supervisory levels: 105 courses.

In 2017, we conducted 8,030 hours of awareness and training on work principles, and 521 on environmental management.
The Well-being of our Workers

The main benefits for a worker at Cerrejón are listed below.

<table>
<thead>
<tr>
<th>Main Benefits</th>
<th>2016 Investment (in millions of COP)</th>
<th>2017 Investment (in millions of COP)</th>
<th>Covers All Employees</th>
<th>Covers Only Employees by Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complementary healthcare plans to meet the medical needs of our employees and beneficiaries in a private healthcare program</td>
<td>29,009</td>
<td>33,565</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Security Plan to promote long-term savings and asset-building</td>
<td>20,525</td>
<td>21,405</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Housing loans under better market conditions</td>
<td>9,643</td>
<td>17,249</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Comprehensive Insurance Plan aimed at financial security and protecting the families of our employees in case of death due to natural causes or disability</td>
<td>7,939</td>
<td>13,529</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Predictive Bonus. Encourages our employees to comply with operational goals and safety and quality indicators</td>
<td>7,253</td>
<td>8,328</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Travel expenses for medical treatment, and assistance to cover travel and accommodation in case of medical treatment in a city other than where our employee resides</td>
<td>2,291</td>
<td>2,871</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Educational Aids. Aid in covering the costs of school and university education for the children of our workers</td>
<td>17,061</td>
<td>21,051</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Educational Assistance Plan. Helps our employees develop skills that allow them to perform better in their current position or positions they may hold in the future</td>
<td>298</td>
<td>224</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Special Bonus to encourage our employees to comply with operational goals and safety and quality indicators</td>
<td>16,699</td>
<td>1,202</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Conventional Loans. Financial support for our employees with financial difficulties</td>
<td>3,547</td>
<td>578</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Conventional Aids</td>
<td>664</td>
<td>272</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Holiday Bonus</td>
<td>19,039</td>
<td>20,360</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Christmas Bonus</td>
<td>17,847</td>
<td>18,848</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Conventional Premiums</td>
<td>5,035</td>
<td>8,122</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

To improve the capacity and quality of training to address the growing demand for generational changeover. Approximately 850 employees will retire and receive a pension in the next five years, and their replacements must be trained to take over their functions in a safe, timely and productive manner.

To train personnel in the operation and maintenance of the new mining equipment that will be replaced.

To continue to improve our safety and productivity indicators for the different company processes and areas.

Engagement with Trade Unions

Cerrejón has two trade unions: Sintracarbón and Sintracerrejón. Together, they account for 3,923 workers, representing 65.4% of our workforce. We have signed 16 collective bargaining agreements with Sintracarbón and two with Sintracerrejón.

| COMPOSITION OF THE TRADE UNIONS |
|-----------------------------|---------------|---------------|
| Sintracarbón | 3,822 | 100% |
| Sintracerrejón | 135 | 3.82% |

In 2017, we started negotiating a new collective bargaining agreement, with each trade union presenting its list of demands. In this new process, we have promoted respectful dialogue and the joint work between the parties.

Supply Chain

Our supply chain is made up of suppliers and contractors from different sectors, who offer the goods and services required to carry out our operations.

We work to ensure that our entire supply chain is aligned with the principles of our business model and make certain that it complies with Cerrejón’s policies and guidelines:

- We evaluate 100% of the suppliers who participate in our contracting processes with the SA 8000 Standard (labour management and occupational health). SA 8000 is an international certification standard that encourages companies to develop, maintain, and apply socially acceptable practices in the workplace.
- We evaluate financial capacity (in hiring processes), perform legal validation, and make database queries in terms of anti-corruption and money laundering (SARLAFT) for 100% of the companies we are going to hire contractually.
- We evaluate 100% of the companies that participate in the contracting processes in terms of their standards and performance in industrial safety. We demand low levels of accidents and severity, and high scores in the evaluation of safety occupational health and environmental systems for contractors.
- We perform due diligence processes for all our contracts and master orders (contracts with multi-year purchase agreements) and for
The Purchasing and Contracting Process

We promote sustainable commercial relationships with the companies supplying goods and services to our operations, aligning them with our corporate guidelines, especially with the Ethics Policy and its Guidelines for the Prevention of Corruption and the Policy of the Auto-Monitoring System and Management of the Risk of Laundering of Assets and Financing of Terrorism. Likewise, we try to encourage the hiring of suppliers from within the region and to strengthen their businesses.

We ensure the autonomy and independence of these companies, both administratively and operationally, and allow them to be responsible for their personnel and the provision of supplies in order to provide the agreed upon services or goods.

We manage the contracting of suppliers and contractors required by our operations through interdisciplinary teams, with agreements that comply with the highest technical and industrial safety standards, at a competitive cost.

2017 INVESTMENT IN PURCHASES AND CONTRACTS ACCORDING TO REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>Purchases</th>
<th>Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Guajira</td>
<td>$8,202</td>
<td>$131 suppliers</td>
</tr>
<tr>
<td>Domestic</td>
<td>$56,224</td>
<td>$448 suppliers</td>
</tr>
<tr>
<td>International</td>
<td>$1,611,367</td>
<td>$42 suppliers</td>
</tr>
</tbody>
</table>

STAGES OF THE PROCESS

1. Purchase and contract planning
2. Supply strategy
3. Preliminary selection of suppliers and contractors
4. Submission of requests for bids
5. Receipt of bids
6. Evaluation and recommendation of awards
7. Improvement of agreement
8. Contract administration

Any company that wishes to submit its offer may do so through the platform provided for contractors and suppliers on our website at www.cerrejon.com.

Business Strengthening Program

Through our commitment to the socioeconomic development of La Guajira, we seek to strengthen businesses in the region and increase Cerrejón’s contracts and purchases within the department. For this reason, we launched a Supplier Development Program in 2016 which aims to promote local competitiveness and develop better capabilities to strengthen La Guajira’s business fabric.

RESULTS

- We contributed to the strengthening of 21 companies in terms of human management, legal management, general management, marketing, finance and organizational management.
- Six companies participated in Expoagro, the largest trade fair for the commercial promotion of the productive sectors of La Guajira.

To continue the strengthening program with the 21 initial companies to ensure implementation of what has been learned, and support in search of new markets.

New cycle of strengthening to include 20 additional La Guajira companies.

- 18 companies participated in a business forum held by Cerrejón which served as a setting to present their portfolios of products and services.
- 19 of these companies signed contracts with Cerrejón and its Foundation, and five of them signed or renewed contracts in 2017.
- Annual invoicing is around COP 18 billion.
Management of environmental impacts

The world increasingly has more, and better, information on how the environmental impacts of human activity affect our future and that of the planet. Likewise, today various forms of knowledge and technology can be accessed to identify and evaluate these impacts and to prevent them when possible, or to mitigate and compensate them when they are inevitable. Based on our commitment to comply with the law, achievement of the objectives established in the Sustainable Development Goals and the implementation of national and international standards available in the mining industry, we work continuously to identify the necessary measures to generate the lowest possible impact.

Consequently, during the last seven years, our environmental investment has tended to rise, with an increase of 52%. For 2017, this environmental investment amounted to COP 206,365 million, close to 18% above what was recorded in 2016. Seventy-nine percent of these resources were intended for the efficient use of water and dust suppression in order to prevent negative impacts on employees, communities and the environment. As an organization, we have the challenge of working on larger initiatives in the face of climate change, implementing energy efficiency projects to reduce greenhouse gas emissions.
Water in Mining Activity

According to the United Nations Conference on the Development of Water Resources, in 2018 more than two billion people worldwide lack access to safe drinking water and more than twice that do not have access to sanitation. This, together with rapid world population growth, leads to estimates that the demand for water will increase by slightly more than 30% for the year 2050.

While in our country there are noteworthy achievements, such as access to drinking water for 6.5 million people, according to the National Planning Department’s second national voluntary report on the Sustainable Development Goals (SDG), in Colombia and especially in La Guajira access to water remains one of the main challenges. Although La Guajira has surface and groundwater resources, its geographical characteristics, water stress, and vulnerability to phenomena such as El Niño expose it to extreme droughts and water scarcity. A further complication is the geographical dispersion of its population. According to Fundesarrollo, La Guajira is six times the size of the Atlantic department and has less than half its population, making it difficult for interventions and services offered by the State to reach all those who need it.

- Precipitation 0–500 mm
La Guajira is the department where it rains the least in Colombia, with an annual average rainfall of 0 to 500 mm, close to the Sahara Desert, where rainfall can be approximately 100 mm.

- Highly deficient in water
It is one of the regions with the greatest water deficit in the Caribbean hydrographic area, with a dryness index of 0.6, highly deficient in water compared to Quibdó (Chocó), one of the municipalities with the highest water surpluses in Colombia, with an index of 0.15.

- Index of critical water use
The pressure of demand exceeds supply.

- Water retention and regulation
La Guajira has the lowest water retention and regulation in Colombia.


The watershed of the Ranchería River has an area of 4,070 km² and is located in the lower part of the department. The Ranchería River begins in the Sierra Nevada de Santa Marta and, after a distance of approximately 249 km, empties into the Caribbean Sea in Riohacha, the capital of La Guajira. This basin is considered to be high in biodiversity and is populated by different cultures. It is of vital importance to the community and indigenous peoples according to information from the Management Plan of the Ranchería River Watershed.

The watershed covers about 20% of the total surface area of La Guajira, supplying almost 400,000 inhabitants. As in other industrial activities, water is a necessary input for mining operations. In addition, it presents an important opportunity to catalyse and support collective solutions that contribute to improving water security and sanitation for all. This is what we have understood since the start of our operations.

Thanks to the lessons we have learned and the knowledge we have acquired throughout our history with respect to the availability of water in the region, we have developed a Comprehensive Water Management strategy that reflects our commitment and responsibility to the promotion, conservation and responsible use of water on three fronts:

1. Efficient use of water.
We watch every detail of our production process closely to protect this resource.

2. Watershed approach.
We conserve and protect water resources to make them sustainable.

3. Participation in access solutions.
We engage with stakeholders to understand their priorities and participate in water solutions.
RANCHERÍA RIVER WATER QUALITY

The water quality index of the Ranchería River is calculated following the methodology and estimations of the Water Quality Index (WQI) established by the National Sanitation Foundation (NSF) of the USA. The WQI assesses nine sanitation parameters: dissolved oxygen, pH, temperature, faecal coliforms, biochemical oxygen demand (BOD), nitrates, turbidity, total solids, and phosphates.

ICA 2017 Annual Average in the Ranchería River

<table>
<thead>
<tr>
<th>CLASSIFICATION OF THE NSF WQI</th>
<th>PALOMINO STATION - UPSTREAM</th>
<th>CUESTECITA STATION - DOWNSTREAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>100-90 Excellent</td>
<td>77 - Good</td>
<td>72 - Good</td>
</tr>
<tr>
<td>90-70 Good</td>
<td>Before entry to Cerrejón’s area of influence.</td>
<td>At the exit of Cerrejón’s area of influence.</td>
</tr>
<tr>
<td>70-50 Fair</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-25 Bad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-0 Terrible</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MAIN INITIATIVES

• We implemented automatic reporting of water withdrawal and use to get accurate, precise data.
• We updated a water-budget model to optimize our management of low-quality water and achieve zero discharges in the short-term.
• We approved a project to decrease leaks (accounting for unmetered water) and reduce our withdrawals of high-quality water.
• We developed a management plan for water in the dump sites to prevent erosion from affecting our reclaimed areas and bodies of water. The goal of this plan is to design and build perimeter drains to collect the water and lead it to holding ponds, thus preventing topsoil erosion and sediment-laden water from reaching bodies of water.
• A deep well was drilled in the community of Charito (municipality of Albania).

SUSTAINABLE PRODUCTION SYSTEMS

• Five tonnes of food grown, valued at COP 16,614,600.
• 2,200 kilos of bio-prepared products produced.
• 45 species of food crops grown.

ECOSYSTEM CONNECTIVITY

• 36 preliminary voluntary agreements on conservation of areas and implementation.
• Five community plant nurseries: built for four, and one for commercial sales.
• Sale of 8,044 plants for a revenue of COP 36,198,000.
• 1,200 plants planted in riparian buffer zones along Pupurema Creek.

WATER GOVERNANCE

The goal of this component is to provide communities with tools for management so that they are responsible for water solutions. Therefore, we formed 28 committees, achieving the following in 2017:
• Training 21 participants in the production and marketing of nursery plants through the SENAs.
• Strengthening seven local committees.
• Launching a community association in La Horqueta (municipality of Albania), generating income for 12 families.

Catchment Basin Protection

As La Guaíra has a water deficit, at Cerrejón we promote actions aimed at conservation and also water and soil management, which are directed at preserving and restoring regional micro-basins. This approach includes conservation projects for the watersheds of the Bruno, Pupurema, El Pasito, Majagüita, and Paladines creeks, providing social and economic benefits and promoting their sustainability.

These water-recharge zones supply water for domestic as well as farming and livestock purposes. In addition, they share cultural, biological and social information with the Montes de Oca reserve, the Sierra Nevada del Perijá and the Sierra Nevada de Santa Marta. Thus, we actively work with communities to conserve watersheds.

These actions have made it possible to plant in the areas of certain headwaters and other bodies of water and seen the use of sustainable production systems (organic fertilizers, vegetable gardens, cleaner production) in which the work of local committees and forest guards has been fundamental. These programs comprise four components:

INTEGRATED WATER MANAGEMENT

• 62 storage systems with 2,100-litre plastic tanks for domestic as well as farming and livestock use.
• 101 people trained in the efficient use of water and the management of solid waste.
• 45 species of food crops grown.

SUSCEPTIBLE PRODUCTION SYSTEMS

• Five committees that plant food and vegetables to improve the local economy.

ECOSYSTEM CONNECTIVITY

• 36 preliminary voluntary agreements on conservation of areas and implementation.
• Five community plant nurseries: built for four, and one for commercial sales.
• Sale of 8,044 plants for a revenue of COP 36,198,000.
• 1,200 plants planted in riparian buffer zones along Pupurema Creek.

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• Strengthening seven local committees.
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CLEAN WATER AND SANITATION GOALS: 1 / 4 / 6
Since 2014, we have contributed to access to water for these communities through various actions.

- 19 deep wells with an extraction system, storage and animal trough.
- 1,643 water tanks delivered (500, 1000 and 5000 litre sizes).

For a total water-storage capacity of 1.4 million litres.

- Distribution of 89 million litres of drinking water to our neighbouring communities using a tanker wagon on our mining train and truck tankers to transport the water to the delivery points agreed upon with communities.
- Repair of 106 windmill-driven water pumps, providing about 2.8 million litres of water a day.
- Building 14 traditional small reservoirs (jagüeyes) in areas with extended seasonal droughts.

## Water supply and treatment solutions

<table>
<thead>
<tr>
<th>SHORT-TERM INITIATIVES</th>
<th>BENEFICIARY COMMUNITIES</th>
<th>LITRES OF DRINKING WATER DELIVERED IN 2017</th>
<th>LITRES OF SAFE WATER AVAILABLE PER DAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of water</td>
<td>162</td>
<td>24,000,000</td>
<td></td>
</tr>
<tr>
<td>Repairing windmill-driven water pumps</td>
<td>27</td>
<td>-</td>
<td>1,166,400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEDIUM-TERM INITIATIVES</th>
<th>NO. OF SOLUTIONS</th>
<th>LITRES OF SAFE WATER PRODUCED DAILY</th>
<th>LITRES OF DRINKING WATER PRODUCED DAILY</th>
<th>STORAGE CAPACITY (LITRES OF WATER)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solution well + extraction + storage + animal trough</td>
<td>2</td>
<td>30,000</td>
<td>-</td>
<td>40,000</td>
</tr>
<tr>
<td>Optimization of current systems</td>
<td>3</td>
<td>20,000</td>
<td>80,000</td>
<td>295,000</td>
</tr>
<tr>
<td>Comprehensive supply solution</td>
<td>1</td>
<td></td>
<td></td>
<td>In 2017, we implemented Phase II — Sanitation Infrastructure</td>
</tr>
</tbody>
</table>

| TOTAL | 6 | 50,000 | 80,000 | 335,000 |

## Challenges and Opportunities

- Continue to carry out responsible, informed and collaborative mining that can significantly contribute to La Guajira’s challenges in water security.
- Wherever possible, replace the use of high-quality water in our operations.
- Contribute to creating knowledge (especially locally) about La Guajira’s reality in regard to access to water in order to identify solutions deriving from the diversity and know-how of different actors and points of view.
- Comply with the maximum allowable discharges established in Resolution 0631 of 2015.

Participation in Access Solutions

At Cerrejón, we work to aid in physical access to water for Guajiran communities by: implementing suitable technologies for the collection, storage, distribution and treatment of water; strengthening the population’s skills in its use and maintenance; and comprehensive participatory management to promote sustainability of these systems.

In 2008, our Foundations System created a specific line to support handling water challenges, which cuts throughout our management to improve access to water and develop solutions that respect ethnic diversity and indigenous culture, prioritizing projects with indigenous and rural communities.

Continue to carry out responsible, informed and collaborative mining that can significantly contribute to La Guajira’s challenges in water security.

Wherever possible, replace the use of high-quality water in our operations.

Contribute to creating knowledge (especially locally) about La Guajira’s reality in regard to access to water in order to identify solutions deriving from the diversity and know-how of different actors and points of view.

Comply with the maximum allowable discharges established in Resolution 0631 of 2015.
Dust Suppression in the Operations

Air quality is a fundamental issue for us given the nature of our open-pit mining operation, which has the potential to cause particulate matter emissions into the air. This material, commonly known as dust, occurs mainly during activities involving hauling and the removal and handling of overburden, topsoil, and coal.

Consequently, we have focused on the design and execution of specific initiatives, plans and measures (together with state-of-the-art technology) contained in our air-quality management system. We thus assess, control, mitigate and monitor our operations’ impacts with equipment in and outside our operations.

Our air-quality management system is continuously being improved as, year after year, we research and take actions aimed at strengthening our control of dust emissions in our operations. This system comprises a dispersion model, application of controls, a reactive forecast system, monitoring of emissions in outside areas and an environmental oversight committee.

All our sprinkler systems in our particulate matter control systems use low-quality water not fit for human consumption or for agriculture or livestock and come from coal seams and runoff in the mining area.

In 2017 57% of environmental investment were for air-quality monitoring and control.
Air Quality Predictive and Reactive Measurement System

To supplement our air dispersion model, we use a real-time (meteorological and scheduled air quality) predictive and monitoring system comprised of internal stations located on the fringes of our operations and external stations in the nearest downwind communities.

INSIDE THE OPERATION

We have eleven stations that allow the real-time measurement and visualization of the concentration of suspended particles under 15 microns (PM10) and wind direction throughout the entire operation, and an early alert system for taking immediate measures so as to avoid affecting any worker and communities in the area of influence of the operation as well as to ensure and verify the operations control level and guarantee our compliance with environmental laws. The implementation of this system (which is unique in Latin America) is an expression of our commitment to the environment and health of our employees, contractor companies and neighboring communities, as well as our compliance with the standards set forth by the nation’s environmental authorities.

RESULTS AT THE MINE

The results of our air-quality management process are reported to the competent environmental authorities:

1. The Ministry of the Environment and Sustainable Development.
2. The Regional Autonomous Corporation of La Guajira.
3. The Air Quality Information System (SISAIRE, its acronym in Spanish).

Additionally, our results are constantly verified:

1. Internal and certification audits on our integrated management system, based on ISO 14001:2004.
2. Inspections by environmental authorities to ensure compliance with our air-quality plans and controls.
3. Air Quality Oversight Committee which, in the course of 2017, became the Environmental Oversight Committee, with the participation of representatives from our neighboring communities, Corpoguajira (the regional environmental authority) and the University of La Guajira. This committee is entrusted with following up on the application of control measures and monitoring results, and participates in finding opportunities to improve the process.

FINAL RESULTS OF THE 2017 AIR QUALITY MONITORING PROGRAM

Although the station at Provinciales has measurement records dating back to 2003, as of July 6, 2017, members of the community have hindered the entry of Cerrejón and Corpoguajira to the monitoring site. In spite of this, we have followed up on the effects of these operations on air quality by monitoring in real time at the edges of the mining front near the reservation and validating the dispersion model for 2017 by estimating the results. Finally, we requested that the National Ombudsman’s Office and Corpoguajira mediate in order to restart the measurements, and through engagement we obtained permission to enter up until March 5 of 2018. Consequently, the data cannot be compared to the yearly standard.

The specific conditions and risks at the operations in Puerto Bolívar led the company to devise an additional risk forecasting system based on a predictive model at the IDEAM’s weather forecasting station.

The monitoring system has been integrated with the company’s comprehensive air quality management system, combining internal and external stations, and the company is seeking to further optimize the system by increasing the number of internal and external stations in order to optimize the air dispersion model.
During the wildlife monitoring performed between 2016 and 2017, we found more than 540 animal and plant species at our operations.

**Biodiversity at Cerrejón**

With a 65,346 hectare mining concession area (of which 14,188 hectares have been intervened), Cerrejón is located between two protected areas, the Serranía del Perija and the foothills of the Sierra Nevada de Santa Marta, bordering the Ranchería River (where various streams converge), resulting in an area with a very high biological value for Cerrejón.

In this zone, shrub cover and re-creating fragments of dry tropical forests predominate, being one of the three ecosystems that are the most degraded, fragmented and least well known, with only 5% of the original covering estimated at 80,000 km2. In addition, different ecosystems from gallery forests to desert scrublands coexist in the area, creating a unique biodiversity.

Due to their ecosystemic value, at Cerrejón we seek a sustainable interaction between wildlife species and our operations, evaluating our impacts and establishing operational measures that include actions to improve the connectivity of ecosystems and wildlife relocation programs.

The decrease and deterioration of ecosystemic services and the loss of biodiversity reduce the economic and social system’s ability to ensure the availability of food, human health, air supply and the availability of potable water. Consequently, it has been our commitment, since the start of our operations, to establish clear policies targeting the mitigation, control, and compensation of impacts caused in the mining process life cycle, as we recognize that our challenge does not only reside in the production and export of the best-quality coal, but also in the generation of well-being for our surroundings and our communities.

Therefore, prior to starting our operations, we carried out studies to learn about this region in great detail and identify possible environmental impacts in order to devise management plans to prevent, mitigate and compensate the effects of our current operations. Our strategies include wildlife monitoring and tracking, biodiversity management and environmental compensation activities.

Thanks to the resources assigned to the research and monitoring of ecosystems in La Guajira, we have been able to analyse the species in their natural environment. This revealed that in this area there are Type I High Conservation Values (HCV), which indicates the presence of threatened, endangered, endemic and migratory species with a large number of individuals and viable populations, which confirms that the ecosystems within and around the mining complex offer substantial resources for the survival of these species.

In 2017, we found 24 animal and plant species whose habitats are located in areas used by Cerrejón. These species appear on national (Colombian Red List, Resolution 0192/14) and international (IUCN Red List) lists.

**Biodiversity in the World**

Thanks to the resources assigned to the research and monitoring of ecosystems in La Guajira, we have been able to analyse the species in their natural environment. This revealed that in this area there are Type I High Conservation Values (HCV), which indicates the presence of threatened, endangered, endemic and migratory species with a large number of individuals and viable populations, which confirms that the ecosystems within and around the mining complex offer substantial resources for the survival of these species.
Fish are the best-known organisms in aquatic habitats. In La Guajira, they are considered to be biological indicators as these animals are sensitive to changes in water quality.

Species at Cerréjón

29

Fish

Plants

198

Species at Cerréjón

Each plant species in the Cerréjón valley ecosystems is of great importance since a lot of animal species depend on these plants for their diet and protection.

Mammals

47

Species at Cerréjón

The mammals in La Guajira are one of the most important groups in tropical ecosystems because they play a key role in maintenance and regeneration.

Amphibians and reptiles

45

Species at Cerréjón

Due to their terrestrial and aquatic life cycles, amphibians are considered to be good indicators of overall environmental health. Therefore, the presence or absence of these animals in certain ecosystems may reveal its conservation status.
Biodiversity Management

At Cerrón, we are implementing different strategies that contribute to the preservation and growth of plant life, successfully facilitating the return of wildlife species that have gradually been settling into the area such as the grey brocket, giant anteater, oncilla, red-footed tortoise and jaguar. These initiatives involve the monitoring, tracking and rehabilitation of wildlife as well as the conservation of protected areas.

WILDLIFE MONITORING AND TRACKING

Principal Objective. Determine the state of conservation of the different ecosystem units and reception sites of displaced wildlife, recording information about shelter availability, food supply, habitat quality and more. By monitoring different populations in the Tabaco, La Puente, Palomino, Bruno, Paladines and Cerrón creeks, the Ranchería River, Mushaisa offset area and the Aguas Blancas-Manantial rehabilitation zone, the degree of effectiveness of mitigation measures is established and new strategies are proposed to minimize the impact of human activity.

Actions. We are analysing the composition of the species, their abundance, diversity and spatial-temporal distribution in populations of amphibians, reptiles, birds and mammals. The monitoring program proceeds in parallel with rescue and relocation processes in which (prior to mining), an expert team identifies and captures low-mobility animals for their immediate relocation to conservation or rehabilitated areas suitable for their proper development.

Results. We have logged the presence of five jaguars in areas adjacent to the mine, which is an indicator of the recovery of the tropical dry forest’s ecosystem.

WILDLIFE REHABILITATION AND CONSERVATION

Principal Objective. Undertake wildlife rescue strategies prior to mining and in the nearby community as well as rehabilitation, release and various conservation strategies for threatened species in the region with the participation of local communities.

Actions. Our Wildlife Refuge Centre functions as a temporary home to various animal species that need to be attended to in optimal conditions. A multidisciplinary team of biologists, veterinarians, and assistants work to properly care for the animals, their recovery and long-term survival options. This rehabilitation avoids animal suffering due to human causes and reintroduces healthy animals into their natural habitats. Through the Centre, we are making the community aware of the impacts caused by the illegal possession, poaching and trafficking of wildlife in the region.

Results. We have rescued 41,000 animals since 2007. In the last year, we have doubled the number of rescued animals with respect to 2016 and achieved a 96.7% success rate in their relocation. These results are explained by the drought conditions in 2017 due to which various fish species (most in danger of extinction) needed to be rescued. In 2017, we rescued 302 reptiles, 178 birds and 28 mammals. Moreover, we received 1,590 calls for the donation or rescue of animals from the community.

VOLUNTARY CONSERVATION PROGRAMS

1. Our conservation program for sea turtles (Caretta caretta and Chelonia mydas) has been underway for eight years in Bahía Honda (Alta Guajira) alongside the community and under the supervision of the regional environmental authority (Corporación Autónoma Regional de La Guajira). 2.3 kilometres of beaches are currently being conserved, allowing for the arrival, nesting and hatching of sea turtles. In the last few years, more than 6,800 specimens have been released into the sea.

2. In the American Crocodile (Crocodylus acutus) protection program, an infant section at the Wildlife Refuge Centre receives crocodile specimens to raise and protect them until they are large enough (in both size and weight) for their release into the wild. Three nest management strategies were implemented: habitat or nesting area enrichment, transfer of broods at risk of loss and protected incubation.
Three years ago, two raccoons arrived from Europe one evening and immigrated to Puerto Bolívar. They were only seen by an operator who, while attempting to catch them, lost their trail when they escaped on the beach. The identified raccoons are of a species native to North America, but since the 20th century have spread throughout Europe. For several years, their footprints were seen in different parts of Puerto Bolívar without anyone being able to find them. “In an attempt to rescue an alligator who, while attempting to catch them, lost their trail when they escaped on the beach,” recounts Luis Madriñan, superintendent of Biodiversity and Land Reclamation at Cerrejón. The eyes were from those two raccoons, who for three years resided under the structure and went out only in search of food like small shells and mollusks. The biggest surprise was discovering during the rescue that the two raccoons from Europe had had another one raised in Colombia. The three animals were rescued and brought to the Cerrejón Wildlife Refuge Centre. Corpoguajira was immediately informed in order to perform medical and genetic tests on them in order to determine the best place for them to be released.

In 2016, people from the neighbouring community of Los Remedios contacted us to inform us that a female monkey was being held in captivity in the garden of a house and was in poor condition. The community delivered the monkey to us, noting that she had been tied to a tree with multiple fractures and had been biting her arm because of the pain. The monkey was transferred to the Wildlife Refuge Centre for recovery and care. She had been experiencing so much pain that she was pulling off pieces of her skin with her mouth. Unfortunately, her arm had to be amputated as there was a high risk of infection. However, thanks to her strength to survive, she managed to gradually recover. A few days later, we were contacted by the National Police, who had confiscated five howler monkeys being illegally trafficked and who were transferred to the Wildlife Refuge Centre for recovery. The five monkeys were younger than the female monkey who was already at the Centre and, over the next few days, it was incredible to see how she adopted those five small monkeys. She helped raise and care for them, creating a family, until they were old enough for their soft release to be started. This process starts with the opening of the cage’s doors, which permits the animals to feel safe while they leave and explore. The monkeys adapted very well and managed to join a group of howler monkeys residing near the Wildlife Refuge Centre. This is one of the few successful cases in which a population of monkeys that were raised and cared for in captivity has successfully returned to their natural environment and become a part of a group of wild monkeys.

Protected Areas

Main Goal. The mid-basin of the Ranchería River contains important connectivity and core areas that comprise biological corridors for many species and, undoubtedly, significant connections between forest patches that are fundamental for sustaining wildlife. Connectivity and communication between these isolated forested areas in the Cerrejón Valley are of vital importance for all national and international conservation protocols since both the Perija and the Sierra Nevada are ecosystems with High type-II Conservation Values (HCV), sheltering populations of species subject to high probability of extinction. Therefore, our main objective is to preserve and protect conservation areas.

Actions. We have contributed to the declaration of more than 60,000 hectares of protected areas in the region, seeking to ensure the preservation of ecosystem services in this region in partnership with Conservation International, the Caribbean Environmental Heritage and Corpoguajira. These areas include the Forest Reserve of Montes de Oca, the delta and lower basin of the Ranchería River and Bahía Portete National Park.

Results. Declared protected areas where Cerrejón has worked for their conservation:

1. The Lower Ranchería River Basin Comprehensive Management District, with 32,443 hectares in the municipalities of Riohacha, Manaure, Maicao and Albania.
2. The Ranchería River Delta Comprehensive Management District, with 3,601 hectares in Riohacha.
4. Montes de Oca, with 12,284 hectares. The first private civilian conservation reserve (RUNAP) is in the process of being declared and will comprise 1,964 hectares. It comprises Aguas Blancas Santa Helena, with 1,661 hectares in Albania and Hatonuevo and 313 hectares in Mushaisa.

Howler Monkey, Adoptive Mother

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Environmental Compensation

At Cerrejón, we are committed to complying with compensation for the loss of biodiversity, which is why we filed our Compensation Plan with the environmental authority in 2017 to go forward with our main objective of ensuring that environmental impacts are offset through actions to restore, improve or preserve an equivalent ecosystem in places other than where the project is carried out.

To continue with the process of declaring two protected areas in the department of La Guajira (the Ranchería River Delta, and a transition zone of the tropical dry forest in the municipalities of Albania, Riohacha and Maicao.)

Construction of artificial offset lagoons to improve the biodiversity of fauna and flora.

Three Decades of Land Restoration

Since we began our operations, our Land Reclamation program has been a management measure for the effects of forestry exploitation, required to start the mining process. With this program, we have transformed areas of the mining operation (pits more than 200 metres deep) into areas covered by species of trees typical of the region, where we have identified the presence of several species of wildlife that are indicative of the quality of the soil.

About the Process

This process covers a set of activities that are the product of teaching and lessons learned over years of continuous experimentation and validation in the field. Practical work and accumulated experience have shown that it is possible to transform deep pits (where open-pit coal mining was carried out) into areas suitable for the establishment and maintenance of restored ecosystems.

Our Land Reclamation Plan aims to rebuild the terrestrial ecosystem of the areas intervened by the mining operation (mine, dumps and facilities) in such a way that its dynamics, structure and ecological functions are sustainable, and that its new status (in terms of production of environmental services) is similar to or better than that which existed before mining began.
Results

We have managed to reclaim 3,789 hectares to date, which corresponds to 93% of the land where we have already completed the extraction of coal. Of this area, 3,703.4 hectares have been stabilized (sown with grass) and another 2,909.3 have been revegetated (trees planted).

In these areas, the preservation and development of plant life have contributed to the return of wildlife species such as the red gray brocket, the anteater, the oncilla, the red-footed tortoise and the jaguar. They are joined by a wide variety of species of birds, insects, amphibians and reptiles (some threatened to some degree), which are included in the Colombian Red Book of the Humboldt Institute, and on the red list of threatened animals in South America of the International Union for the Conservation of Nature (IUCN).

For more than 10 years, we have been promoting the Research and Application Program for Sustainable Agri-Silviculture Production Systems, whose goal is to promote the fight against poverty, land degradation and desertification of areas occupied mainly by Wayuu indigenous communities.

With this project, we have achieved the following goals in these ten years in which more than 150 people have participated:

1. Improvement of soil quality indicators in more than 70 hectares.
2. Production of more than 50 tonnes of food (beans, watermelon, ahuyama squash and corn) by communities seeking food security.
3. Increased land productivity by improving the physical, chemical and biological properties of the soil.
4. Strengthening communities’ understanding and knowledge transfer on sustainable agricultural practices.

Our challenge is to continue expanding the number of hectares to be rehabilitated annually until 2033, and thus gradually close the mining cycle.
Our lessons learned over 30 years in operation have led us to understand that our viability and sustainability are linked to those of this region. We have used social programs to benefit our neighbouring communities since the start of our operations. However, over the years, we have transformed our business vision to incorporate our interest and intention of being a strategic partner for La Guajira’s development. This commitment to the future of La Guajira is tied to promoting projects that contribute to decreasing development gaps, where the State, non-governmental organizations, the community and the private sector all join forces to envision, structure and execute impact initiatives to allow the region to drive its own development in the medium- and long-term.

Our social engagement is delimited by high standards and responsible practices, as well as by significant engagement with our stakeholders. These pillars guide our performance in order to build trust, support the implementation of a shared vision of the region’s future and manage our operational impacts. Beyond responding to expectations and obligations, constructive and participatory engagement allows us to contribute to improving the population’s standards of living and La Guajira’s development.

We propose to contribute to overcoming the main challenges facing the department. Therefore, we have focused on watershed protection and access to water by communities, strengthening community and institutional skills and developing strategic projects in sectors with the potential for development (such as tourism) in order to generate a positive impact on regional conditions. To learn more about watershed protection and access to water by communities.

100% of our programs are aimed at the communities in the area of influence of our integrated operations (Mine, Railway, Port) in partnership with State agencies and various civilian organizations, taking into account the relevant topics identified jointly during our ongoing engagement with communities.

The Prospective Agenda for La Guajira 2026 is the result of talks between civil society, businesses, the United Nations Development Programme in Colombia (UNDP), the local think tank (Guajira 360°), and regional public bodies including the regional government of La Guajira, the Regional Guajira Public Ombudsman, the regional environmental authority (Corpoguajira), the Chamber of Commerce and the regional National Apprenticeship Service (SENA) to define a shared vision of the department up to 2026. The exercise was headed by TRUST and identified the following agenda objectives: Consolidate the department’s economic model with diverse competitive and sustainable sectors, build an educational model to strengthen Guajiran human resources, take advantage of its multicultural heritage and its geostrategic location, and improve the efficiency of its public, political and administrative structure.

In 2017, we invested COP 24.156 billion in our social programs. Over the last 15 years, this investment has exceeded COP 250 billion.
Social Intervention

Strengthening institutional capabilities
We work for the development and sustainability of the department of La Guajira by strengthening the capabilities and skills of regional public bodies, planning agencies, social organizations and leaders, and civil society.

- Five municipalities supported: Barrancas, Hatonuevo, Maicao, Uribia and Manaure. Of these, the three latter have exceeded the department average (58.3) in the Comprehensive Performance Index.
- 321 civil servants supported and trained.
- 45 civil servants certified in public investment project planning.
- Support given to planning for nine (9) projects: seven (7) were approved by the OCAD, one of them regional and municipal for a total of COP 11,829 billion.
- We signed an agreement with the Comptroller’s Office of La Guajira to promote citizen oversight and social monitoring of strategic investment projects and compliance with the 2016–2020 Development Plans for the municipalities of Barrancas, Hatonuevo and Albania.

Strengthening community capabilities
We strengthen capabilities in project planning and self-administration in order to empower indigenous and non-indigenous associations neighbouring our operations.

- 200 people from four indigenous reservations and two settlements participate in our programs.
- Certification of 41 people in investment project planning focused on logical frameworks.
- Support in project planning for nine (9) participating groups.
- Seven community participation events held to present and validate projects planned.
- Training of 74 people in the General Royalty System and 30 in organizational strengthening.
- In order to contribute to improving the quality of life in indigenous communities, we concentrated on strengthening the traditional Wayuu production system through programs in food security and artisan strengthening.

Business strengthening
Our goal is to strengthen the capabilities of suppliers in La Guajira to improve their quality, safety, efficiency and competitiveness; open them to the demand for goods and services in the region; and have them contribute to the region’s socio-economic development.

We undertook a supplier-development program that concluded its first phase in 2017 with the participation of 21 companies.
Social investment sector programs
Our programs in education, culture, and sports aim to strengthen our engagement with our neighbouring communities, complement formal education, develop the capacity of children and youths to establish healthy, constructive relationships, promote a healthy body, mind, and emotions; create healthy lifestyle habits; and reduce the consumption of alcohol and drugs in youths and adults. Some highlights of our results in 2017 include:

EDUCATION
At Cerrejón, we support educational reinforcement in the region through scholarships, grants and programs to promote the technical and professional training of Guajirans and thus improve their employability, both with our company and other regional and national businesses. We have contributed to the universitv or vocational training of over 12,000 young people. Tecnoguajira. In 2012 we founded the Tecnoguajira Institute of Vocational Studies for vocational and human development in the department. This institution (the only one of its type in the department) and its programs have an institutional quality certification, granted by Centro Latinoamericano de Certificación. We believe that this strategy contributes to the region’s development, closing existing gaps in order to improve the future outlook with the hope that these young people can provide La Guajira with the knowledge and good practices acquired during their training. Since its launch, 1,024 students have enrolled and 579 have graduated, mainly in programs for mining equipment operation and maintenance.

In addition, 11 students from the community of Los Remedios were provided support; graduating thanks to the secondary school validation program; 35 students from Campo Herrera and 230 from the Alusapa Indigenous Boarding School participated in our educational reinforcement program for basic skills; and 108 students from our neighbouring communities received support for access to higher education. Another 106 students were also supported through the Cerrejón Educational Fund (run by Lumni Colombia) in its various types of sponsorship.

SPORTS
• 70 communities (700 athletes and their families) actively participated in the football tournaments sponsored by the company.
• We coordinated 15 football tournaments in our neighbouring communities.

COMMUNITY INFRASTRUCTURE SUPPORT
• We donated a 4,500 m² property in downtown Albania for the construction of infrastructure for the Police, Cultural Centre and House of Justice, which are priority projects in the municipality’s development plan.

HOUSING IN URIBIA
• We made progress in building the last two houses in the Uribia town centre as part of the construction and handover of 21 houses for the Malla Sur communities (Piaulekat and Piuula). They will be finished and delivered to these communities in 2018.

CULTURE
• The Cerrejón Symphonic Orchestra held five concerts in La Guajira for over 3,000 audience members.
• 430 children participated in our music program, 64% more than the previous year.
Strategic Projects

Our goal is to promote a prosperous future for La Guajira through development partnerships for strategic projects for economic and social transformation.

4 VÍAS TOURISM MARKET
A plot of land was provided to start construction on an open-air tourism market to provide a safe, organized area to offer tourism products and services. The necessary permits and resolution are already in hand.

GUAJIRA 360°
In 2016, we took part in the formation of the Centre for Regional Studies Guajira 360° (the first think tank for regional development) in partnership with Promigas and with the additional support of Fundesarrollo and the La Guajira Chamber of Commerce. The Centre’s goal is to generate reliable, pertinent technical data to build a local critical mass to impact economic and social development. This initiative celebrated its first year in operation in 2017 with its first publication: Why Invest in La Guajira. Our aim is to position the think tank in decision-making to benefit development in La Guajira.

PROSPECTIVA FASE II
Various actors from the public and private sectors and communities have joined us to try to define and share a plan of action for the La Guajira prospective agenda, thinking about how we want it to be in the next 10 years from a standpoint integrating its political, economic, social and cultural conditions. In the second phase, the goal is to advance in appropriation of the document agreed on in the first phase and to build its plan of action.

SUPPORT FOR RIOHACHA LIBRARY
Donation delivered to support the construction of a computer room in the Riohacha public library.

HOTEL WAYA
In 2013, we inaugurated the Hotel Waya Guajira, resulting from an agreement amongst the companies Abacus, Contempo, Inversor and EGSA. It is the first four-star hotel in the region that is LEED certified (Leadership in Energy and Environmental Design). The hotel has hosted over 80,000 guests since its opening, promoting a flow of tourists through the region. In addition, it has generated formal employment, mainly for Guajiran natives (82% of staff in 2017) and has contracted regional suppliers for more than 40% of its goods for 2017.

Our objective is to tie in tourism initiatives developed by communities with the tours offered by the Hotel Waya to promote tourism, employability and strengthening of community economic development.
Cerrejón Foundation: A Year of Transition and Integration

In 2017, we took on the challenge of fusing our four foundations into a single organizational structure — the Cerrejón Foundation for Progress in La Guajira. This foundation brings together the more than ten years of experience of a team committed to contributing to the development of La Guajira through actions to jointly identify work strategies focusing on the most pressing regional needs so that the communities lead the required transformations.

Therefore, we work on projects aimed at preserving ancestral indigenous traditions, seeking sustainable solutions for water access and conservation, strengthening the capabilities of institutions, communities, businesses and the Wayuu traditional production system, and promoting strategic projects that generate new investment and employment in the region.

Since 2008, our Foundation has allocated COP 96 billion to our programs with the support of various partners who share our vision and vocation of contributing to the development of La Guajira.

**PARTNERSHIPS**

In 2017, we generated over 18 partnerships to strengthen our social investment projects in La Guajira. This year, we had greater involvement in philanthropic initiatives benefiting the Wayuu indigenous communities. Our project portfolio has 12 initiatives, of which we managed to leverage 59% of the total resources invested as well as sourcing resources for other projects totaling USD 1.8 million in third-party co-financing.

**CHALLENGE AND OPPORTUNITIES**

Support municipalities in urban planning (as part of our institutional strengthening program) so that their development is aligned with the region's goals for the future.

Contribute to making the business units of companies participating in our business strengthening program more robust and launch the second edition, which seeks to attract new participants.

Promote our Artisanal Reinforcement Program through a potential partnership with Artesanías de Colombia. This agreement will allow us to drive artisan production and marketing, and provide the possibility of getting an appellation of origin for the products. These steps contribute to leveraging the sector and achieving a better standard of living for the communities involved in this activity.

Manage better coordination of our interventions and centralization of efforts to contribute to the department's development after combining our Foundations System into the Cerrejón Foundation for Progress in La Guajira.

**Resettlements**

Since 2009, we have carried out participatory resettlements with four communities: Roche, Patilla, Chancleta, and Las Casitas. Furthermore, in 2006 we began the resettlement of Tamaquillo II, an indigenous community that itself requested relocation from the Barrancas Mayor's Office, arguing they were becoming isolated due to the relocation of the other communities.

The relocation of a family from their original site of residence to an agreed-upon destination site is a measure of last resort that we take to protect a community from environmental impacts that could affect them due to mining activity. Our main challenges in this process are to contribute to improving the standard of living, conservation of their social fabric and the relationship with their natural surroundings.

The resettlement process involves an action plan agreed upon with the entire community and following the guidelines of the World Bank's International Finance Corporation (IFC).

**Results**

- Availability of 100% drinking water in line with the highest indicators (WQI) for resettlements.
- Repairs to 50% of the houses for resettlements.
- Progress in providing irrigation infrastructure for the provision of water for production projects in the communities of Roche, Patilla and Chancleta.
- Consolidation of the educational process for resettled communities with the participation of over 330 people.

**STATUS OF RESETTELEMENTS IN 2017**

- Families in their place of origin
- Families in new sites
- Families confirmed for resettlement
- Families resettled at new sites

**SANITATION**

- Roche: 99
- Patilla: 84
- Chancleta: 96
- Las Casitas: 62
- Tamaquillo II: 110

**INDUSTRY, INNOVATION AND INFRASTRUCTURE**

- Roche: 99
- Patilla: 89
- Chancleta: 99
- Las Casitas: 66
- Tamaquillo II: 110
Roche
• 100% has been released in the area of origin. We delivered 100% of the properties at the site of origin. The last family was relocated to the destination site in 2016. The programs laid out in the resettlement agreements are currently in course for the relocated families.

Patilla
• All the families that signed in 2016 were relocated in 2017.
• All the families (46 families eligible for relocation were relocated in 2013) continued to receive the programs laid out in the resettlement agreements.

Chanlleta
• After the agreement reached in the prior consultation, the conclusion of agreements with five families not eligible for relocation are pending.
• Of the total families eligible for relocation, 38 collectively moved to the new site in 2013 and nine decided on their own to move to other municipalities.
• The nine additional families that participated in the prior consultation relocated individually.
• Of the relocated families, one family has been taken off the list as its only member passed away before the relocation.

Las Casitas
• All of the families (31) were relocated in 2017.

Tamquito II
• We continue to implement the agreement signed in 2016 regarding income generation.
• All of the families collectively relocated to the new site in 2013 and, to date, continue to receive the programs set out in the resettlement agreements.

Results of Post-Resettlement Programs

Educational Assistance
We provided support to people in gaining access to vocational, technological and higher or advanced education as our contribution to developing their abilities.

Beneficiaries of Educational Aid in 2017

<table>
<thead>
<tr>
<th>Technological/Vocational</th>
<th>Professional</th>
<th>Specialisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roche</td>
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<td>1</td>
</tr>
<tr>
<td>Patilla</td>
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<td>7</td>
</tr>
<tr>
<td>Chancleta</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Tamquito II</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Las Casitas</td>
<td>1</td>
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</tbody>
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Infrastructure
With the goal of improving the living conditions of resettlement housing, we signed three infrastructure agreements in 2016 and 2017 with the communities to carry out repairs on the homes. These agreements included the repairs for 75 of the 109 homes that form part of the Patilla, Chancleta and Roche communities.

• In 2017, we signed 50 individual settlement agreements for repairing homes in the Patilla, Chancleta, and Roche communities.
• The owners of 46 homes were satisfied with the repair work.

We shared the message of being responsible for taking good care of their properties in the context of the written agreements. With the formal delivery notice of satisfaction, the community action boards gave each family recommendations regarding use, regular preventive maintenance and conservation to guarantee the quality and longevity of the repairs.

Thirty-one (31) people entered the educational assistance program for 2017 to finance enrolment costs and living expenses for their vocational, technological and professional studies in national educational institutions.

Thirty-six (36) members of resettled families completed their studies through this program in 2017.

Educational Strengthening
This program, currently in its fifth year, seeks to develop the skills and abilities of children to achieve high performance levels in their schools, with an eye towards increasing their chances of gaining access to higher education.

The program has promoted social mobilization amongst children, young people, adults, parents and the general community centred on educational activities. Over 280 children from the five communities participate in the program’s strengthening skills in school subjects, ICT, art and culture, early childhood and special projects.

One of the most significant achievements in 2017 is the rise in the average passing rate for students to 92%, an increase of 20% over 2016. This advance represents a decrease in the number of over-age students required to repeat grades, especially in the Tamquito II community. It also motivates students to keep moving ahead with their education, as they pass their courses and can continue on to the next grades.
creating income (production projects)
We continued managing production projects with 179 resettled families in 2017. Throughout this process, we have supported 163 families in undertaking 203 production projects, of which 122 are now active and 81 still pending.

water for human consumption
- We supply drinking water through the community public services company Asoawinka RPC, who operate the drinking water treatment plant (PTAP) and the wastewater treatment plants (PTAR) in each of the resettlement sites.
- The 2016–2017 cooperation agreement with Asoawinka RPC includes operation of the present infrastructure by the municipality and the evaluation of connecting these communities to the municipality’s aqueduct system in the long term.
- We are evaluating different alternatives for improving the present PTAP in order to supply water fit for human consumption to the communities from the surface water source of the Ranchería River and improve the water quality (especially its hardness and taste).
- During the upgrading works on the PTAP, we supplied water to the resettled communities with tanker trucks, coordinating with Asoawinka RPC.
- We continue to analyse the drinking water at Cerrejón’s laboratory and an outside laboratory accredited by the IDEAM (Institute of Hydrology, Meteorology and Environmental Studies).
- We obtained a favourable health authorization for the surface water license from the La Guajira regional Secretary of Health.
- The license for surface water of 81 litres per second from the Ranchería River will also be used on the lands of jointly owned properties in undertaking agricultural and livestock projects by the resettled families.

- Implementation of provisional irrigation system (motor pump on banks of the Ranchería River) for use in agricultural and livestock activities in Roche.
- Design of definitive model for supplying water to all properties of resettled families.
- Construction of infrastructure interrupted due to disagreements by leaders of the communities over technical specifications of project.
- Agreement with communities to resume the work and continue implementation of the project.
- Construction of water collection intake on banks of the Ranchería River.
- Repair of two reservoirs with capacity of 5,000 m³. Rebuilding of main water supply pipelines, with the reservoirs filled by the end of 2016.
- The irrigation system has been finished to supply water to 109 properties in the communities of Roche, Patilla, and Chancleta.
- Connection of these communities to the municipality’s sewage system in the long-term.
- Implementing a comprehensive development strategy for resettlements with the aim of restoring their livelihoods (income generation, education, employability, etc.)
- Complete agreements with owners of 11 uninhabited properties in Patilla and Chancleta to vacate 100% of the area.
- Complete improvements in the drinking water plant and distribution system for the Roche, Patilla, Chancleta and Las Casitas communities.
- Move ahead on the home repair process with the 25 families with whom we signed agreements for repairing the homes.
Preparation for mine closure

**M**ineral resources are finite, so the closure of mining operations is inevitable. Planning for closure is a critical business practice for mining companies that must be considered from the initial design phase of the operation. This enables the company to minimize adverse impacts in the best possible way and maximize positive impacts for all stakeholders.

With our Mine Closure Plan (MCP), we are making a commitment to planning and defining the actions necessary for the gradual, systematic closure of the mine in compliance with legal requirements and voluntarily adopting international practices. The intention is to close down, anticipate and compensate socio-environmental liabilities derived from our operation. We are moving ahead with progressive closure actions simultaneously with our mining operation, as detailed in our MCP and other measures included in our Environmental Management Plan.

Mine closure planning

With the intention of responding efficiently to the increasingly demanding challenges and environmental requirements both nationally and internationally, we are identifying organizational adjustments made in the Environmental Management area. These actions also address and act on the recommendations detailed in the updated 2016 MCP and the need to assemble a team for planning the MCP. We created a new Superintendency of Environmental Sustainability, responsible for the strategic direction of the closure and developing the mine closure plans in line with the current phase.

Since we will be finishing the preliminary phase in 2018 and entering the draft phase in 2019, the planning over the last year has been targeted at this transition period. It has been facilitated by the methodological support of personnel from one of our stakeholders, Anglo American, a company with extensive experience in planning and carrying out mine closures.
We continue engaging in actions related to the identification, monitoring and control of fires, with inventory updated twice a year. For 2017, our goal for preventive control encompassed a surface area of 114,000 m². But we surpassed that goal, reaching 128% by protecting an area of 146,343 m². We are going ahead with a research project with the faculty of Mining at the National University of Colombia based in Medellín to increase understanding of the spontaneous combustion process and identify new methods for effectively controlling it.

**SPONTANEOUS COMBUSTION CONTROL**

We continue building the network of drains around the perimeters of dump sites, pits, backfill zones and coal piles to divert rainwater and clean runoff water as the mining operation advances. We are moving ahead with building settling ponds to retain water drainage from reclaimed dump sites, which act as sedimentation reservoirs prior to the water’s return to surface bodies of water. We began the construction of structures for handling runoff water in reclaimed dump sites.

**WATER MANAGEMENT**

In 2017, we disposed of 36% of the total annual volume of waste rock in backfill zones. Our new mining plan makes maximum use of backfill zones to reduce the need to affect new areas required by dump sites.

**MINE AREA**

In 2017, we began to implement actions to meet the permitting conditions for the Patilla Pit. Under the PATF (Ministry of Environment) requirements, the Patilla Pit will be closed 75 years after its operation begins, on the condition that it continues to meet the prevention, control and monitoring requirements established for the environmental aspects required by the mining permit. This plan considers the mining project for the Patilla Pit.

**LAND RECLAMATION**

We brought our profile of long-term reclamation of affected areas up to date, based on the mining plan currently in effect. We continue to reclaim land, keep financial records for the reclaimed areas, and the amount of topsoil stored. This year we added 115 hectares of reclaimed lands to bring the cumulative total to 3,789 hectares that are constantly monitored.

**POST-CLOSURE (5–15 years)**

We will verify the effectiveness of the actions taken through monitoring, verification and documentation.

**PREMATURE CLOSURE**

Closure of mining project before the planned date due to unpredicted financial, legal, judicial, environmental or social restrictions.

**COMMUNICATION AND INFORMATION**

We presented our preliminary mine closure plans to the labour leaders of Sintracarbón in the collective bargaining process, where we received and resolved their concerns.

**COMPENSATION**

We developed and presented to national and local authorities the compensation plans required for different resolutions and administrative actions. Some of them were approved in 2017 and we began executing them accordingly.

**FINAL CLOSURE (0–5 years)**

We will finish up all administrative and operational activities in the closure process. We will formally hand over the areas and infrastructure to the Colombian state.

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We continued building the network of drains around the perimeters of dump sites, pits, backfill zones and coal piles to divert rainwater and clean runoff water as the mining operation advances. We are moving ahead with building settling ponds to retain water drainage from reclaimed dump sites, which act as sedimentation reservoirs prior to the water’s return to surface bodies of water. We began the construction of structures for handling runoff water in reclaimed dump sites.

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Third-Party Review Memorandum

Responsibilities of Cerrejón senior management and of Deloitte

• The preparation of Cerrejón’s 2017 Sustainability Report, and its contents, is the responsibility of the organization. The company is also responsible for defining, adapting, and maintaining the management systems and internal control from which the data is obtained.

• Our responsibility is to issue an independent report based on the procedures applied in our review.

• This report has been prepared exclusively for the organization in accordance with the terms in our service proposal. We do not accept any responsibility from third parties other than the company’s senior management.

• Our work has been carried out in accordance with the standards of independence required by the ethics code of the International Federation of Accountants (IFAC).

• The scope of a limited review is substantially lower than that of an audit. Therefore, we provide no audit opinion on the sustainability report.

Scope of our work

We have reviewed the conformity of Cerrejón’s 2017 Sustainability Report contents to the guidelines for the preparation of the Global Reporting Initiative’s Sustainability Reports (GRI Standards).

Assurance standards and processes

This work has been carried out in accordance with the ISAE 3000 International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accounts (IFAC).

Our review work has comprised asking questions of management and of the diverse areas of Cerrejón that have been part of the preparation of the 2017 Sustainability Report and applying certain analytical procedures and review tests by sampling as described below:

• Interviews with Cerrejón personnel to learn about the principles, systems, and management approaches used to prepare the report.

• An analysis of how (based on the materiality exercise) the contents, structure, and indicators in the report are defined, in accordance with the suggestions in the GRI methodology.

• Assessment of processes for gathering and validating data presented in the report.

• Verification using review tests based on the selection of samples of the quantitative and qualitative information corresponding to the GRI indicators and their own indicators included in the sustainability report and its appropriate compilation based on the data supplied by Cerrejón’s sources of information. Visit to Cerrejón’s operations in La Guajira to verify the information in the respective material topics.

Confirmation that Cerrejón’s 2017 Sustainability Report has been prepared in accordance with the GRI standard (core option) following the guidelines.

Basic general contents

It was confirmed that the report is aligned with the requirements of the core option in accordance with the guidelines as regards basic general contents.
Basic specific contents
We reviewed the GRI management approach and contents for the following material topics1:

<table>
<thead>
<tr>
<th>Material topics</th>
<th>GRI contents and/or Cerrejón’s own indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local procurement, strengthening suppliers and production chains in the region.</td>
<td>102-9. Description of the organization’s supply chain, including the main elements related with the organization’s activities, main brands, products, and services.</td>
</tr>
<tr>
<td>Ethics and good governance</td>
<td>Own. Claims presented, investigated, and closed in the year (on non-compliance with policies).</td>
</tr>
<tr>
<td></td>
<td>Own. Due diligence of third parties.</td>
</tr>
<tr>
<td>Engagement with community and contributions to improving their quality of life</td>
<td>Own. Operations in which programs have been carried out with the community and engagement.</td>
</tr>
<tr>
<td>Job creation and diversity</td>
<td>102-8. Information on employees and other workers.</td>
</tr>
<tr>
<td></td>
<td>401-1. Total number and rate of new hires and turnover by age, gender, and region.</td>
</tr>
<tr>
<td></td>
<td>Own. Company’s senior management by gender and age.</td>
</tr>
<tr>
<td>Impact management in human rights</td>
<td>413-2. Operations with potential or real significant negative impacts on local communities.</td>
</tr>
<tr>
<td></td>
<td>Own. Number of complaints received, closed, and in course</td>
</tr>
<tr>
<td></td>
<td>Own. Supplier workforce audit.</td>
</tr>
<tr>
<td></td>
<td>Own. Status of resettlements and main results of post-resettlements.</td>
</tr>
<tr>
<td>Responsible air-quality management</td>
<td>305-7. Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions.</td>
</tr>
<tr>
<td>Workplace well-being and occupational safety</td>
<td>403-2. Types of accidents and frequency rates of accidents, occupational diseases, lost days, absenteeism, and number of fatalities due to work accidents or occupational disease.</td>
</tr>
<tr>
<td></td>
<td>403-3. Employees with a high incidence or high risk of occupational disease.</td>
</tr>
<tr>
<td></td>
<td>401-1. Average hours of training per employee.</td>
</tr>
</tbody>
</table>

1 *Topics: Strengthening suppliers and generating production chains in the region, improved quality of life of communities in the area of influence, and engagement with the community of La Guajira were not verified by Deloitte.

Conclusions
Our review has found no aspect leading us to believe that the 2017 Sustainability Report contains any significant errors or has not been prepared in accordance with the guidelines for the preparation of Global Reporting Initiative core option reports.

Main observations and recommendations as regards the GRI and WBCSD principles
Sustainability/Materiality Context

General Observations
There are changes in materiality from year to year, including changes not only in the topics but also in the associated indicators, which are a reflection of the assurance with relevant stakeholders for Cerrejón.

Recommendations
We suggest maintaining the names of the material topics to allow year-to-year comparisons and include indicators associated with climate change mitigation and adaptation. Furthermore, we suggest including climate change as a material topic given its global importance and the relevance of the appropriate management of its impacts.

Punctuality
General Observations
Although the report’s assurance process and preparation was more timely than last year, for the second consecutive year the report is being issued in the last quarter of the year, thereby losing its strategic value as a decision-making tool in sustainability.

Recommendations
We recommend strengthening and optimizing the report publication times so it can be used as a tool for management and decision-making for senior management and others in charge of the organization’s sustainability management.

2 World Business Council for Sustainable Development.
Commitments and Goals

General Observations
It should be stressed that Cerrejón has identified the most important challenges it faces concerning its material topics. In addition, we should highlight its commitment to complying with the Sustainable Development Goals and the 2030 agenda by identifying objectives prioritized by the mining sector and preparing the report based on that approach.

Recommendations
We suggest setting goals for the short, middle, and long term regarding material topic management in order to measure organizational performance and progress in sustainability management. This will allow an annual evaluation on targets exceeded or not met and establish related plans of action.

APPENDIX Declaration of Independence
Deloitte is one of the largest companies providing professional services in auditing, taxes, consulting, and finance and sustainability advice to public and private organizations in various industries. Deloitte provides its world-class skills and high-quality service to clients via a global network of member firms in over 185 countries. Approximately 250,000 professionals are committed to being a standard for excellence.

We confirm our independence from Cerrejón. All of our employees take yearly refresher training in our Ethics Policy, where we specifically declare we have no conflict of interest with Cerrejón, its subsidiaries, or its stakeholders.