

Sustainability: *Committed to the future*





The silos conveyor belt decorated by the Trinitarias



Index

Strategy and analysis	4
President's declaration	6
Cerrejón's Concept of Sustainable Development	10
Economic Expectations	18
Profile of Carbones del Cerrejón Limited	24
Sustainability Report Parameters	32
Government, commitments and participation	40
Information on management by dimensions approach	66
Economic Dimension: Exploring progress	68
Environmental Dimension: Coal is also green	90
Social Dimension: Weaving society	114
Society: Hand in hand with the Community	117
Human Rights, Cerrejón's Duty	137
Employee practices, Work Force	145
Product: Colombia's best coal for the world	157
Mining Sectorial Indicators	160
Sustainability Indicators	172

* See in this chapter subscripts which appear in the text.



STRATEGY AND ANALYSIS ⁽¹⁾



Overburden Loading at the Mine



León Teicher, President of Carbones del Cerrejón Limited

PRESIDENT'S STATEMENT (I.I)

For a very long time, there has been vigorous argument as to private companies' role in society and the nature of their social responsibility.

A company's main obligation is to comply with all the regulations and laws of the country in which it operates. This includes labour and tax law, as well as environmental, industrial safety and all other types of regulations. Unfortunately, not all companies have historically fulfilled this simple, essential commitment. Suffice it to say that it is a fundamental minimum practice of Cerrejón to act in accordance with the law.

In particular, since multi-national companies are familiar with more advanced rules governing the safety of their employees and contractors, environmental issues and how to relate to the communities where they operate, they are under the obligation to comply with international norms, providing they are not in violation of local law.

The concept of technology transfer and best practices is applicable in the area of social responsibility equally with any other aspect of business administration. This is the criterion by which Cerrejón has always run its activities in Colombia.

But, what is social responsibility really about? One school of thought has it that the only social responsibility programme that a private company must assume is that of creating good quality, competitively paid jobs which enjoy stability in a respectful work environment that promotes individual development. We at Cerrejón consider that this is the most basic of our responsibilities, but by no means the only one. We feel that a company operates in economic, social, environmental and political surroundings and that it is an important player in that environment, that is, part of that "ecology".

As such, a company takes and gives, receives and returns, and is permitted to operate, for which it owes improvement to its surrounding area. This is why we have adopted a slogan that reflects our conviction: "we don't do the required minimum, we do the maximum possible". The required minimum is acceptable, as it complies with all the legal rules, while the maximum possible reflects our conviction that, amidst the restrictions within which a business must be competitively administered and provide an adequate long term return for all its interest groups, we must always set ourselves the goal of achieving the maximum for society.

Human economic and social development are faced with a dichotomy in environmental matters. The need for efficient crops to feed the growing population, for roads to transport products to the market and for cities where people have access to efficient public services, among others, contrasts with the wish to keep the environment as close to its natural state as possible. The response lies in balance rather than in extremes. Neither development at all costs, regardless of the environment, nor conservation at all costs, regardless of humanity's progress.

This dichotomy is even more acute in our case. Cerrejón is a mining company which produces coal in order to permit electricity generation, which, on the one hand, is required for development and human welfare and, on the other, it impacts the communities surrounding its operation. We therefore have an additional responsibility, that is, not only to mitigate the negative impacts in exchange for the benefits produced (jobs, payment of taxes, royalties, purchasing local goods and services), but also to work hand in hand with national, regional and municipal governments and the communities themselves, improving the local population's quality of life and ensuring its sustainability.

It is thus our belief that we at Cerrejón must support governmental efforts, as the latter's prime responsibility is the welfare of its people, leveraging and

empowering these endeavours as much as we possibly can, reaching beyond the payment of the taxes and royalties which are designed to compensate for the resource obtained and to pay a proper percentage of our income. It was with this in mind that the Cerrejón Foundation was created over twenty years ago, during which it has contributed to development in La Guajira by creating more than 17,300 individual jobs, employment for 85,500 solidarity groups and granting COL\$3,172 million pesos in a total of 1,478 micro-credits for individuals to develop their own micro-enterprises, thus generating more local employment and wealth. In addition, Cerrejón runs programmes targeted to the vulnerable Wayuu indigenous population in our region, such as the PAICI Indigenous Communities Integral Aid Plan, the Cerrejón Excellence Scholarships Programme and strengthening Wayuu handicrafts.

Cerrejón will intensify its social development work La Guajira by promoting four new Foundations that will work to strengthen regional institutions, the development of Indigenous communities, improved water supply, the establishment of companies and job creation.

At Cerrejón, we also put our explicit, committed policy on Human rights into practice. To do so, we follow the parameters of the Universal Declaration of Human Rights, the Voluntary Principles and the United Nations Global Compact. Our policy in this area is to involve employees, contractors, third persons who participate in the operation, clients and the public in general in this policy. It is backed in these efforts by national and international entities, such as the Red Cross, the Ombudsman's Office, the General Comptrollership of the Republic, the National Attorney General's Office and the Colombian Vice Presidency.

At Cerrejón, we believe that responsible management of the environment begins with the necessary investment in technology and appropriate processes, as well as raising awareness among all our people to the vital importance of this type of management. The integrated operation of the Mine, the railway and the Port, the results of the investment of billions since 1980, is the principal component of the Company's environmental policy, which has been certified in compliance with the ISO 14001 environmental management standard since 2003. Our programme of recovering land and returning it to its natural state is the most aggressive and ambitious in Colombia and an example to the rest of the world. To date, we have recovered over 2,500 hectares of intervened land.

Cerrejón is an excellent partner for its employees, contractors, communities, suppliers and clients. From our employees' safety to the reliability of

our supplies to clients, including a serious, responsible relationship with our contractors, Cerrejón constantly invests in technology, training, methodologies and administrative processes to enable us to continue as pioneers among responsible mining companies, as we have done so far. This second Sustainability Report, prepared according to the international Global Reporting Initiative, in the adoption and practice of which we are one of the leading regional companies, is aimed at putting us in the public eye and measure our activities with transparency.

Cerrejón is one of the largest companies in the Colombian economy and, at the same time, has the biggest open cast coal mining for export operation in the world, is the driving force behind the La Guajira economy and accounts for 6 per cent of all Colombia's exports. We are one of the largest income taxpayers in this country and, moreover, one of its most important generators of royalties. All Cerrejón employees build a true life plan within the Company, whose policies include stability, education, health, quality of life, freedom of association, safety and economic development of the workers and their families. Our work improves the standard of living and protects the cultural heritage of the Indigenous communities and other inhabitants of La Guajira. In a developing country and a zone that suffers from violence and social conflict, we are fully committed to respecting the people's Human Rights.

This Sustainability Report is the result of Cerrejón's social will and commitment to the economic and social development of Colombia; it is our best response to a land that is rich in human talent and natural resources. Cerrejón coal is La Guajira's energy for the world. But there is much more to be done. Cerrejón has been doing more every day since 1980. **We don't do the minimum necessary, but the maximum possible.**



León Teicher
President

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- The Global Compact is an international United Nations initiative proposal. Its purpose is for entities to assume its voluntary social responsibility commitment through the introduction of the Ten Principles based on human, labour related and environmental rights and the fight against corruption.
 - The Global Reporting Initiative -GRI- was established in 1997 and was created as a joint initiative between the United States CERES (Coalition for Environmentally Responsible Economies) non-governmental organisation and USEP (United States Environmental Programme). Its purpose is to promote the quality, rigour and usefulness of companies' Memories of Sustainability.



CERREJÓN'S CONCEPT OF SUSTAINABLE DEVELOPMENT (1.2)



Dancing the Yonna



Green, the color of the reforestation.

A company with social responsibility

Mining activity is a mixture of social and economic factors which influence its evolution: manual labour, services, commerce, owners of land where explorations are carried out, environmental impact and income received by the Nation in respect of taxes and royalties, are only some of these factors.

Mismanagement of any of these aspects could cause conflicts between the Company, municipal and national authorities and the inhabitants. In view of this possibility, Cerrejón's policy is to continue all its operations according to the concept of sustainable development. Its priority is to control environmental impacts and to work increasingly towards improvement in the quality of life of its direct employees, contractors and the population in the mine's area of influence.

Cerrejón will continue to strengthen its relationship with the institutions and the groups adjacent to its area of operations by implementing its social development plan, based on the possibility of establishing relations which are mutually beneficial and to build social capital.

Effective and Efficient Policies

In 1989, the International Labour Organisation -ILO- issued Convention 169 on Indigenous and Tribal People in Independent Countries. This document encourages consultation of the inhabitants involved through the appropriate participative processes, whenever measures which might affect them directly are to be introduced. The Agreement came into force on September 6, 1991 and was ratified by a group of Nations, among them Colombia.

La Guajira Department where Cerrejón operates and in addition to job opportunities **(close to 70 per cent of the work force is from La Guajira)**, the neighbouring communities have benefited from the Company's systematic social engagement, which constantly seeks to foster their development while respecting conduct and action principles in matters of human rights and cultural heritage.

Therefore, effective, efficient Corporate Social Responsibility policies not only benefit the community but also the Company, as they impart the degree of legitimacy that is indispensable in this activity.

There are many differing opinions around the world on placing a country's resources in the hands of foreign private capital. It is precisely on this point that **Cerrejón endeavours to contribute to economic and social development and environmental sustainability, based on an ethical commitment**, not forgetting that there are many eyes focused on coal production activities.

Cerrejón's priority is to control environmental impacts and to work increasingly towards improvement in the quality of life of its direct employees, contractors and the population in the mine's area of influence.

Some 2,500 hectares have been rehabilitated, a million trees have been planted and, thanks to 18 air quality monitoring stations, mining activity is kept below the limits established by the international breathable air standard.

Cerrejón has been following up the destination and use of the resources from mining activity since 2004. This year, Cerrejón signed an agreement with the General Comptrollership of the Nation and the General's Attorney Office, which led to the creation of the Coal Royalties Follow-up and Evaluation Committee, whose purpose is to ensure that resources in respect of royalties are invested in social development and that this is reflected in the region's prosperity.

Mining is considered one of the sectors with greatest responsibility for environmental contamination. To minimize this negative impact, **Cerrejón bases its mining activity on protection of the ecosystem:** some 2,500 hectares have been rehabilitated, a million trees have been planted and, thanks to 18 air quality monitoring stations, mining activity is kept below the limits established by the international breathable air standard. The challenge is to improve on the standards fixed in the ISO 1401 clean development standard. Its application has enabled us to implement the environmental directioning system, which also covers water quality and the protection of wild fauna.

Environmental management must continue developing in a preventive way as mining progress and in the rehabilitated areas, acting as a necessary support for successful mining activity.

Cerrejón's Stakeholders

Cerrejón will, of its own volition, continue to apply the United Nations Global Compact initiatives and the Voluntary Principles in order to succeed in conciliating its business activity interests and processes with civilian requirements, and to support the United Nations Organisation (UNO) projects and those of national, international and union related Non Governmental Organisations.

Local expectations and needs create serious socio-economic challenges which must be taken up, such as, among others, the following: land acquisition, contractors' standards, housing programmes and compensation, according to a social and educational investment strategy.

As far as its employee policy is concerned, **Cerrejón will voluntarily continue to adhere to the Social Labour Responsibility Management System and the provisions governing the OHSAS 18001** standards on employee safety and health and environmental protection.

The standards Cerrejón applies are aimed at guaranteeing the basic rights of its employees, as well as the respective ethical and social principles, and also to maintain continuous reduction in accident indices, ensure that its procedures are in line with the needs of the Company's activities and that its policies and procedures are not outdated in relation to the technological



Indigenous beauty

The standards Cerrejón applies are aimed at guaranteeing the basic rights of its employees, as well as the respective ethical and social principles.

changes that arise and any new regulations, whether they are the result of collective bargaining agreements or local legislation. Likewise, these standards strengthen the mechanisms of communications with employees and satisfy contractors' need to keep in line with the same dynamics as direct workers.

The standards Cerrejón applies are aimed at guaranteeing the basic rights of its employees, as well as the respective ethical and social principles

Procedures to keep the interested parties informed of data and information on compliance with these regulations are likewise strengthened and the appropriate records are kept to demonstrate compliance with the commitments made. Maintaining this policy is intended to limit social and work related risks and presupposes increased productivity for the Company and improvement in employees' quality of life, thus creating a climate of legitimacy and trust in Cerrejón.

Cerrejón CSR progress reports

In the year 2003, the Global Compact Office adopted a new policy on Progress Reports, according to which the signatories must report their achievements in the application of the Global Compact principles. These are annual financial reports, sustainability reports, other important public reports, websites and other media.

Cerrejón is one of the 2000 international companies which are voluntarily registered in the Global Compact and one of the 250 Colombian companies which participate in this initiative, which unites the interests of Civilian Society, private enterprise and the United Nations.

Cerrejón prepares a Progress Report -COP- every year. Its purpose is to inform its stakeholders of the Company's progress in the implementation of the ten Global Compact principles in matters of Human Rights, labour, the environment and the fight against corruption.

Cerrejón seeks to maintain its commitment to its stakeholders and also contribute to this United Nations COP initiative. The set of Progress Reports is built up as a resource with which to strengthen the Global Compact and all those who wish to use this information as a learning process base for continuous improvement or to make its business activities known.

The Report includes a description of the practical actions which Cerrejón, as a participative entity, has undertaken to implement and continue its adherence to the 10 Global Compact Principles. Pursuant to this, it uses measuring processes which have already been introduced into the Company's operating system, based on compliance with the established regulations of both Colombian and international control entities.

Cerrejón's important GRI indicators form the basis for the preparation of the COP report, on the understanding that the Global Compact considers them appropriate to evaluate progress in its actions on the 10 Principles:

- **Principle 1:** Support and respect the protection of internationally proclaimed human rights.
- **Principle 2:** Avoid any involvement in human rights abuses.
- **Principle 3:** Freedom of association and effective recognition of the right to collective bargaining.
- **Principle 4:** Elimination of all forms of forced and compulsory labour.
- **Principle 5:** Effective abolition of child labour.
- **Principle 6:** Elimination of discrimination in employment and occupation.
- **Principle 7:** Support for a precautionary approach to environmental challenges.
- **Principle 8:** Undertake initiatives to promote environmental responsibility.
- **Principle 9:** Encourage the development and diffusion of environmentally friendly technologies
- **Principle 10:** Fight against corruption in all its forms.

Cerrejón prepares reports on its progress in Corporate Social Responsibility -CSR-, knowing that prosperous, healthy and safe communities are a more favorable setting for mining activity.

Cerrejón's COP - Progress Report is available at:
www.unglobalcompact.org
<http://www.cerrejoncoal.com/PactoMundialEspanol.pdf>

Foundations for development and progress in La Guajira

The economic activity surrounding coal mining represents nearly 48 per cent of La Guajira's Gross Domestic Product. However, coal is not eternal and La Guajira and its inhabitants must participate in the new economic and social dynamics that guarantee the sustainable development of the region. Cerrejón wants to help build a La Guajira independent of coal and has set itself the task of establishing a system of foundations seeking the transformation of La Guajira society and also its own growth in order to achieve truly sustainable development.

The Company has decided to set up four new foundations to promote sustainable development in this Department, working to strengthen its regional institutions, the development of the its Indigenous communities and water supply, as well as creating both companies and jobs.

This group of new foundations is intended to unite the efforts of the private sector and the entities to promote initiatives for the creation of new and better conditions in this region of Colombia in the medium and long term.



ECONOMIC EXPECTATIONS



Silos coal collection centre



The mine operating night and day

Responsible growth

In recent years, Cerrejón has followed a continuous growth pattern. **Coal production increased by 65 per cent, from 17.2 Million tons per year in 2002 to 28.4 Million tons per year in 2006.** At present, the Company is aiming to reach 32 Million tons in the year 2008, and over 40 Million tons at medium term.

At present, Cerrejón has an important growth alternative: not only is it in a process of expansion, but it also has competitive prices in a strong coal market. Added to this is that the quality of the operation is recognized by shareholders and external entities, and so future operations have every chance of success.

What is needed to achieve these goals is availability of loading and transporting equipment, as from the operation of these fleets depends to a large extent the consolidation of future growth scenarios. Likewise, **a complete revision of the organizational process is to be carried out to identify and eliminate any activities which do not generate value and might prevent us from reaching our efficiency goals.** This implies an analysis of operational work. We must also create competitive conditions and good relationships with the Nation and the communities in order to facilitate our expansion.



Cerrejón has an important growth alternative: not only is it in a process of expansion, but it also has competitive prices in a strong coal market

To continue on its upward trend, Cerrejón will strengthen its measures to satisfy consumers' coal needs in terms of quality, performance and technical assistance. For the purpose, all its corporate functions must be aligned and coordinated, i.e. planning, mining operations, crushing, transport, shipping and marketing. To this effect, and to guarantee its performance, operational and sales plans in harmony with the mine's production and operating capacity are to be implemented.

Cerrejón has an important growth alternative: not only is it in a process of expansion, but it also has competitive prices in a strong coal market

To enhance the Company's efficiency and competitiveness, all its processes, in both the operational and administrative areas, such as marketing, must be innovative. This coordination helps Cerrejón to maintain its position in the first quartile of the world's coal mines, without this implying that its expansion objectives or long term mining production stability will be endangered. At the same time, it is seeking business opportunities that will bring added value to coal production and sales.

Capital is needed in order to develop these growth plans. It is therefore vital to present the financial results to the shareholders, with top quality information, internal control data and external audit studies. Likewise, an outline for the



Coal transport, full steam ahead

diffusion of Cerrejón's corporate policies and its management control system to ensure an adequate control environment must be maintained.

The mining industry has changed considerably over the last two decades. Large companies such as Cerrejón have included sustainable development and social responsibility as a substantial part of its business strategy. In the case of mining, it has progressed from the paradigm of reduced costs to that of creating value. From this perspective, the concept of both environmental and social development is no longer looked upon as a cost chargeable against the business's economic objectives, but as a condition to be able to achieve them.



CARBONES DEL CERREJÓN PROFILE (2)



Coal for the world

Cerrejón is an integrated operation, with a Mine, a Railway and a Port, producing world class results and with a competitive position in the international coal market.



Exploring Cerrejón

Carbones del Cerrejón Limited is dedicated to exploring, extracting, transporting, shipping and exporting thermal coal (its raw material) . It operates in the Cerrejón deposits on the La Guajira peninsula to the north east of Colombia. Its operation is homogenous, produces a single commodity, that is, without differentiation as to brand or service. At present, coals of the following qualities are produced: Oversize (OVS), D, Dm, E products and Compliance ^(2.1, 2.2).

Cerrejón: Mine, Railway and Port. ^(2.3)

Cerrejón is a integrated operation and **the success of its activity is founded on pillars: exploring for coal in the mine, transporting it along the railway line and exporting it through Puerto Bolívar.**

• **The Mine**

Cerrejón mining activity is open cast. It begins with cleaning the surface and carefully removing the top soil layer which is stored for future rehabilitation

*Cerrejón is dedicated
to exploring, extracting,
transporting, shipping and
exporting thermal coal.*

of the intervened land. This is followed by drilling, blasting and removal of overburden material until the coal seams are exposed.

• **The Railway**

150 kilometres of railway connect the mine to the port (Puerto Bolívar). **Some 120 wagon trains are loaded at the silos in a continuous process.** The complete cycle, including loading, transportation, unloading at the port and returning to the mine takes about 12 hours. An average of seven trains a day are dispatched. A special train is used exclusively for the transportation of supplies, materials and spare parts. Rail transport is supervised by a Centralized Traffic Control System.

• **The Port**

Puerto Bolívar is the most important coal terminal in Latin America and one of the largest in the world. It is 150 kilometres to the north of the Mine on the Caribbean Sea and can receive ships of up to 180,000 tons dead weight, 300 metres in length with a beam of 45 metres. Their navigation channel is 19 metres in depth, 265 metres in width and four kilometres in length.

The train unloading station is at Puerto Bolívar, with three stacker-reclaimers and the lineal ship loader which places the coal in the holds of the ships at a rate of 5,500 tons per hour. It also has a commodities pier which takes ships of up to 30,000 tons with machinery, spare parts, fuels and other mining operation inputs.

Support services

There are other facilities which provide support for an operation of this magnitude: two airports (one at the mine and the other at Puerto Bolívar), as well as satellite telecommunications and advanced information systems in all areas.



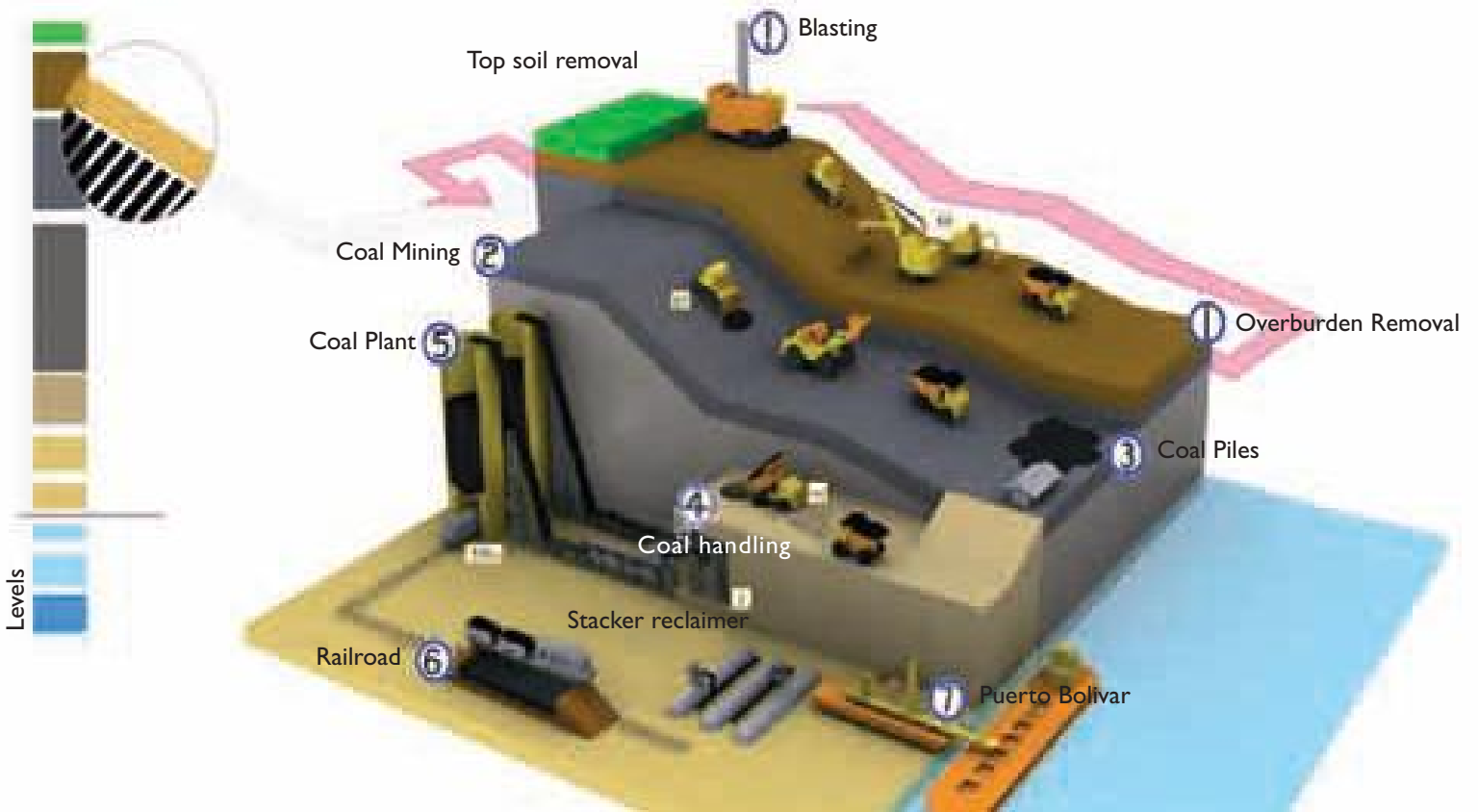
The Mine



The Railway



The Port

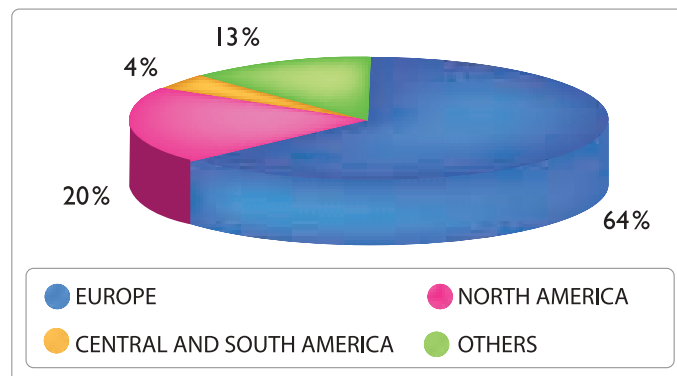


Coal Production Process

Open cast wealth

The Cerrejón mining activity is open cast, its infrastructure is located on the La Guajira peninsula, South America's northernmost location. The mining area is 50 kilometres in length along the River Rancheria Valley, between the Sierra Nevada of Santa Marta and Serranía del Perijá, for a total area of 68,700 hectares. ^(2,4)

Carbones del Cerrejón operates in Colombia . It is a private, limited liability company, incorporated in accordance with the laws of Anguilla, British West Indies. It belongs to the consortium of subsidiaries whose members are BHP Billiton plc, Anglo American plc and Xtrata. ^(2,5, 2,6)



Coal exports.



Cerrejón Location

Nearly 92 per cent of Cerrejón coal is used to generate electricity and the remaining 8 per cent for the cement and steel industries, among other uses. Coal is exported to Europe, North America and Central and South America. ^(2.7)

However, the Company could not possibly be managed without the performance of its most highly prized asset: its staff and workers. The number of Cerrejón's permanent personnel had reached 8,440 employees by 2006. Of this number, 4,561 were under direct contracts, including temporary workers, and 3,879 of contractors. Cerrejón also has 71 professionals in practise under fixed term contracts. ^(2.8)

Prize awarded for effort

In 2006, the Colombo British Chamber of Commerce in London awarded Cerrejón The British & Colombian Business and Social Awards, BSA, in recognition its good performance and contributions and that its efforts have strengthened investment, trade and social ties between the United Kingdom and Colombia. ^(2.9)

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SUSTAINABILITY REPORT PARAMETERS ⁽³⁾





A glance at the children

Sustainability Report Parameters

This Sustainability Report covers the period between the 1st of January and 31st of December 2006 . Cerrejón had already presented a sustainability report for the same length of time, but of 2005, which is available at www.cerrejoncoal.com. Other websites of interest relating to the information in this Report are the following.^(3.1, 3.2)

BHP Billiton
<http://www.bhpbilliton.com>

Anglo American
<http://www.angloamerican.co.uk/>

Xstrata
<http://www.xstrata.com>

Fondo de Empleados de Cerrejón
<http://www.fondecor.org.co/>

Iniciativa Global de Reportes (Global Reporting Initiative, GRI)
www.globalreporting.org

Pacto Global de Naciones Unidas (UN Global Compact)
www.unglobalcompact.org

Consejo Internacional de Minería y Metales
International Council on Mining and Metals
(ICMM)
www.icmm.com

Instituto Mundial del Carbón
www.wci.org

The Cerrejón Sustainability Report is presented annually.^(3.3)



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Scope and Coverage of the Report

The information contained in this Report is documented and validated by the different areas or departments which produce it. In the specific case of the Operational Integrity System (SIO)*, the information is backed by respective internal and external verifications of our system. ^(3.4, 3.5)

This document was prepared taking the auditable protocols proposed by the latest version of the Global Reporting Initiative GRI G3 of October 2006 and the mining sector supplement.

The economic, social and environmental aspects covered by this memory are the result of the analyses made by the organisation based on the application of international standards in these areas and form part of the strategic overview, which seeks the sort of sustainability to guarantee financial viability, reparation of any possible environmental damage and contributing to regional social development.

The stakeholders in the Sustainability Report have been defined according to the economic activity carried out over a period of 25 years, the direct relationships established and the programmes implemented in order to establish their respective needs and points of view:

- Shareholders
- Employees
- Buyers
- Workers/ Employees
- Inhabitants of the extraction zone
- Indigenous groups and organisations
- Workers' associations
- The media
- Local and national Governments
- Non Governmental Organisations
- Clients
- Local and foreign environmentalists.

In response to the requirements of the principle of exhaustive content, coverage and scope, this Sustainability Report includes the Company's activities, as well as its relations with stakeholders in 2006. Including social, economic and environmental issues.

This Report is not limited to Cerrejón's activities, but also includes those of the Cerrejón Foundation. The data provided on environmental, social and economic matters are taken from the Company's information protocols and, in the majority of cases, are supported by external audits. ^(3.6)

The Memory also covers all the impacts and projections of Cerrejón's sustainable management, which are reflected in its central and additional indicators. ^(3.7)

As there are no joint ventures with other companies, the comparison between periods can be direct and voluntary, developing the management indicators. ^(3.8)

The GRI indicator protocols are applied in this Report. Some are not reported because they are not adaptable to the sector or services inherent in Cerrejón's activity. A detailed explanation will be presented in these cases. ^(3.9)

The techniques used to measure the data are based on a compilation of the different values that result from Cerrejón's internal records system or from the standards applied by the organisation for each case during the period covered by this Memory. A type of measurement is established for each indicator.

The information repeated from previous Memories does not have a representative effect on the 2006 Sustainability Report, as there have not been any changes in the denomination of concepts or in the nature of the business or measuring methods. ^(3.10)

Neither have there been any significant changes in the scope or coverage applicable to the 2006 Report in comparison with that of 2005, with the exception of the style of presentation, which has rigorously followed the GRI methodology in this year's Report. ^(3.11)

The GRI 2006 Sustainability Report is available at www.cerrejoncoal.com ^(3.12)

A table on which each of the indicators can be found and the page on which readers will find them is included at the end of this document.

Verification ^(3.13)

External verification of the Memory is a voluntary process recommended by GRI. Cerrejón will not request external verification for its 2006 Sustainability Report as this Memory is supported by the regular certification obtained by the Company by applying international standards to each area: environment, social and occupational health, as well as internal audits on the same aspects, and economic performance.

Likewise, all Cerrejón's actions are in accordance with Colombian law and are covered by the Operational Integrity System (SIO), the environmental standard governing the ISO 14001 and its occupational health and hygiene system are in accordance with the OHSAS 18001 standard.

Cerrejón's accounting system complies with Colombian legislation, as established in decrees 2649 and 2650 of 1993. In addition, the Company includes testimonies from its stakeholders to support the information set out herein.



Self assessment

The 2006 Cerrejón Sustainability Report is based on the Global Reporting Initiative (GRI) G3 guides. According to the new GRI guidelines, companies must assess themselves as a function of the level of their GRI application.

According to the Company's self assessment, this Report is classified at level A GRI application, because the document contains all the information required by the entity and, moreover, is backed by compliance with rigorously documented international standards and internal protocols, in addition to the creation of clear policies and strategies in matters of Social Responsibility.



GOVERNMENT, COMMITMENTS AND PARTICIPATION ⁽⁴⁾



The rewards of a job well done



Beginning land rehabilitation

Everybody participates

It is mistakenly thought that the success of a company is the responsibility of its employees and production processes. Success is shared among all the members of the organization and is the **result of team work led by a hierarchical structure which delegates individual responsibilities and supports and protects its employees' performance.**

Cerrejón understands that its employees are its most valuable asset and it has established the respective governance structure for them according to their own needs, those of the market and those of its area of influence.

This structure is aimed at achieving efficient administration of its human resources and the Company's operational activity while minimising any organisational risks.

Cerrejón's governance structure includes a Shareholders Committee, Board of Shareholders, Marketing Board, Technical Operational Committee and Management Committee. (4.1, 4.2)

Shareholders Committee

The members of the Cerrejón Shareholders Committee are a principal and an alternate representative of BHP Billiton, Anglo American and Xstrata. The three entities are listed on the London stock exchange. The Committee meets three times a year to follow up the actions established in the annual plan and to approve investments. At one of these meetings the **budget for the following year and the five year plan are approved.**

The Board of Shareholders

This meeting is held in April, September and December of each year and are divided into two parts: a Financial Committee and the Board of Shareholders itself.

Marketing Board

During this Board's meetings, matters pertaining to clients, contracts, fulfilment of the sales plan, price projections and sales, among other things, are discussed.

Cerrejón understands that its employees are its most valuable asset and it has established the respective governance structure for them according to their needs, those of the market and those of its area of influence

Technical and Operation Review Committee, TORC

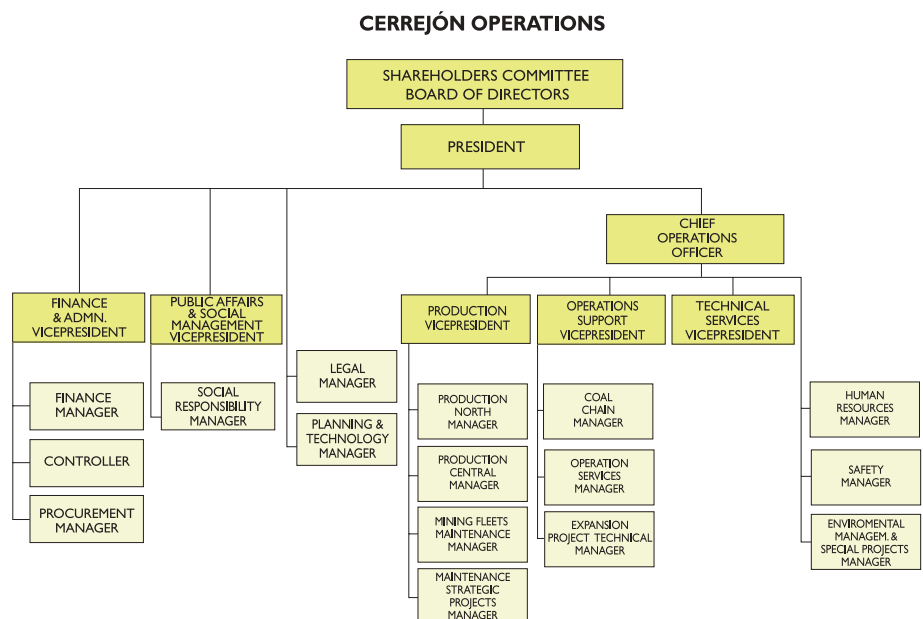
This Committee has four meetings per year and reviews detailed mining planning, makes a preliminary review of the capital applications to be approved subsequently by the Board of Shareholders, and aspects of the medium and long term expansion plan and mining areas are reviewed and approved.

Management Committee

The main function of this Committee is to take decisions on Cerrejón's satisfactory operation, such as those involving high approval level capital investment projects, contracts and contracting for all areas of the Company and, in general, issues which require review and approval at the highest level.

Its members are the President, the Vice Presidents, the Legal Department Manager; the Corporate Planning Department Manager; the Human Resources Manager and the Controller's Department Manager; the latter acting as the Committee's secretary.

Cerrejón has no unitary management order, nor does it have independent non-executive members. However, several meetings for shareholders to impart their recommendations are organised in the Company. The Boards of Shareholders and Marketing meet three times a year and the results of the technical-operational review are presented at four meetings in the year.^(4.3)



December 2007



Moreover, a meeting by telephone is programmed to review performance at monthly intervals when queries regarding, and comments on the operational financial report sent to the shareholders every month are considered.

The Cerrejón Vice President and Managers meet on a weekly, monthly and quarterly basis:

- With the Executive Operations Vice President, the Vice Presidents and Managers of the mine every week. Likewise, a weekly Operational Integrity meeting is held with the presence of the Executive Operations Vice President and Vice Presidents and Managers of the mine.
- A monthly meeting of the Financial Vice Presidency's team, in which the Procurement, Controller's and Systems Departments participate. A meeting of the President, Vice Presidents and all the Managers is also held to review the monthly report to be sent to the shareholders.
- At the quarterly plans and departmental indicators follow-up meetings, all the Managers, vice Presidents and the President have the opportunity to interact on a single meeting.

Employees with speaking and voting rights

Cerrejón, as a company, is committed to the integral development and welfare of its employees and promotes the right to free association and collective bargaining, as well as establishing balanced, transparent relationships with its suppliers and contractors.

These guidelines constitute Cerrejón's social policy of responsibility towards its human resources. The provisions are administered through a Management System which covers all levels of the operation and promotes dialogue, cooperation and continued improvement. At the same time, it facilitates regular revision and evaluation, both internal and external to the organisation.

Cerrejón, as a company, is committed to the integral development and welfare of its employees and promotes the right to free association and collective bargaining, as well as establishing balanced, transparent relationships with its suppliers and contractors.

Cerrejón employees have speaking and voting rights, participate on the different committees at which decisions are taken. One of them is the Management and Employees Occupational Health Committee (COPASO) which plays a definitive role in the design and implementation of programmes to diagnose and improve the health and industrial safety situation in the different areas of the Company. Employees participate on this Committee in order to preserve the industrial safety standards and coordinate relations with the professional risks administrator.

In this same area, the processes involved in activities such as transportation and meals are also coordinated jointly with specialised committees, all with employee participation.

The concept of Corporate Social Responsibility, CSR, as interpreted, is a purely voluntary, unilateral commitment and it is **of vital importance to Cerrejón that all legal requirements are complied**, establishing internal action protocols to guarantee the viability of the mining project and contribute to constant improvements in occupational safety.

Programme 3XI: Stop, Think, Act

Identification of dangers in the tasks necessary to extract coal, from start to finish, including changes in working conditions, **are an essential practice in the 3XI: Stop, Think, Act** programme.

This safety tool was introduced in 2006 and is aimed at creating a culture of safety which, through habits of identification, evaluation and control, is intended to permanently remind employees of the need to maintain a careful attitude, paying full attention to any activity being carried out in the mine and **requires careful thought about the task in question whenever it is begun.**

BEFORE BEGINNING ANY ACTIVITY/TASK/JOB

¿STOP! ¿What could go wrong?

¿What is the worst thing that could happen if something goes wrong?

¡THINK! ¿Do I have the knowledge necessary to carry out this task safely? • ¿Do I have the right tools and personal protection equipment?

¡ACT! ¡to certify safe operations!

Take the necessary steps to ensure that any job is done safely. Follow the procedures. Ask for help if you need it.

**DO NOT PROCEED UNLESS
EVERYTHING IS SAFE!**



Cerrejón

Likewise, through games and formal communication activities proposed by employees in the Accident Prevention Process based on conduct, awareness of industrial safety to guarantee the health of the human resources was raised.

Excellence at work

The economic ties between top management and the respective monthly retribution are justified because of their full time, exclusive dedication to the Company's activities. ^(4,5)

There are no economic or special retribution agreements on job abandonment. In its performance in social, environmental and economic aspects, Cerrejón has a variable bonus system for all executive levels, which depends on the achievements of the annually fixed goals.

Cerrejón has Policies on both Ethics and Conflicts of Interests. All the Company's employees, including its board of directors, are committed to complying with them. **Its employees, both executive staff and professional technical personnel** with approval responsibilities, are informed of them annually and all of them **sign a certificate of awareness of, and compliance with these policies.**

Qualified human resources ^(4,7)

At all levels, the Company's contracting profile is based on the personal abilities and professional qualifications which are most suitable to the objective demands of the duties to be performed. Cerrejón recruits and selects its employees, including those at executive level and its board of directors, on each person's personal, professional and educational merit, regardless of race, religious beliefs, origin, gender or age.

It is important for candidates to prove their personal and professional adherence to the corporate values that govern top level multi-national companies, their university education at recognized national and international institutions, as well as a sound and successful employment background, taking into account their outstanding successes where they have worked.

During the recruitment and selection process, an in depth analysis and validation of the candidates' academic and work credentials, as well as their personal qualities, through interviews and references of previous employers.

Values and abilities are developed and/or strengthened through Company policies and both internal and external training are provided in accordance with the regular performance evaluation process. Cerrejón applies a structured career development process, taking into account the organisation's needs, employees' abilities and the stage of the individual person's career.



Objective: to be the best ^(4.8)

Carrejón's Vision is to be recognised in the international thermal coal market and in Colombia as the most efficient and reliable world class producer and exporter and as an excellent partner which complies with the highest standards of safety, health, the environment and sustainable development, as a company of exemplary ethical conduct which respects human rights and contributes effectively to community welfare and development and promotes its people's participation, development and excellence, while achieving the highest profitability for its shareholders.

To ensure that both plans and activities are targeted to the Vision, six Strategic Objectives have been defined, surrounding which the strategies and plans of the different divisions of the Company are aligned and articulated.

1. Safety and Health:

To establish a culture of free from accidents, constantly reducing accident rates and minimising the occurrence of occupational diseases.

2. Social Responsibility:

As a responsible private company, to promote and support the sustainable development of the communities within the area of interest of our operations in such a way as to effectively contribute to progress in the region and the country; to carry out all our activities with integrity, respecting the principles of conduct and action in the areas of human rights, employee relations and the prevention of corruption; to ensure that our operations are undertaken in accordance with the concept of sustainable development through the application of the best practices for effective control of adverse impacts on the environment.



Open cast mine operation

3. World Class Human Resources:

To create organisational conditions that attract, motivate, train, develop and ensure the presence of suitable human talent and, at the same time, guarantee that there is sufficient permanent knowledge and competence to carry out our operations according to world class standards and, likewise, to provide an excellent working environment for all the members of our team.

4. Expansion of Production:

To increase production in the short term and to create conditions of competitiveness and good relations with the nation and the communities that are conducive to expanding the operation in the medium term.

5. Quality and Client Satisfaction:

To satisfy the needs and expectations of our clients and the consumers of our coal in terms of quality, timeliness, performance and technical assistance through integrated, coordinated efforts in planning, mining operations, crushing, transportation, shipment and marketing. To establish operational and sales plans appropriate to the mine's product and our operational capacity and to ensure its fulfilment. At the same time, to ensure product quality at every stage of our operational processes.

6. Efficiency and Competitiveness:

To improve continuously and optimise the use of resources and be innovative in all our processes, in both the operative and the marketing

Cerrejón wants to be recognised in the international and national market as the most efficient and reliable world class producer and exporter.

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and administrative areas, and in their interactions, in order to develop the conditions required for us to remain in the first low cost quartile of coal exporting mines in the world, without detriment to our objective to expand and ensure long term mining operation stability. At the same time, to identify and develop business opportunities to produce added value to the production and sale of coal.

A company guided by values

Cerrejón's Vision Goal and Strategic Objectives are guided by its institutional Values, which are conducive to honesty in the employees' performance:

1. Safety, Health and the Environment:

Safety, Health and the Environment are our top priority. We must achieve excellent business results through work processes that cost/effectively control risks to persons, the environment, equipment and facilities.

2. Ethics and Honesty:

Our interest is to achieve results while always ensuring ethical and honest conduct, with the greatest integrity in all our actions. A good reputation, based on scrupulous business management, is an invaluable asset.

3. Respect and Trust:

Mutual respect and professional interaction are fundamental to ensure a work environment that encourages the achievement of corporate objectives. Our personal relations must be based on sincerity and, from the very beginning, on the premise of trust that must be progressively strengthened by the people involved.

4. Promotion of Women:

We support efforts aimed at actively promoting women in the Organisation, recognising that their presence and leadership contribute decisively to promoting a working environment with greater participation, collaboration, consultation and professional interaction.

5. Excellence in Relationships:

We establish mutually beneficial relationships which lead to prosperity, trust and new opportunities with the people and entities with which we are in contact as a basic element to ensure the future sustainability of our operations.

Safety, Health and the Environment are Cerrejón's top priority. We must achieve excellent business results through work processes that cost/effectively control risks to persons, the environment, equipment and facilities.

6. Responsibility for Objective, Results and the Use of Resources:

It is the responsibility of each work unit to achieve the objectives and goals established within the framework of our corporate strategies. We value



simplicity and effectiveness in our work processes, as well as efficiency reflected in austere management of the resources used for such processes.

7. Communications:

Frank, pertinent, adequate and timely communications are essential if we are to achieve our corporate goals. Information is a right for anyone who needs it for the purposes of their work and, at the same time, it is their duty to seek it.

8. Leadership, Participation and Teamwork:

We value effective leadership and the participation of our employees in the processes involved in the Organisation's work. We recognise **the need to hear different points of view in order to take decisions at the right level.** We promote teamwork on the understanding that, when efficient, it achieves better results than individual effort.

9. Adaptability, Innovation and Improvement:

Adaptable, expedient and proactive response to changes in the surroundings by each of the Company's employees is vital to ensure our competitive advantage and to respond adequately to our clients' needs and those of the market in which we operate. **We encourage and value an open mind and preparedness to innovate,** as well as unceasingly seeking opportunities to improve our processes.

10. Integral Individual Development:

An individual's development is the result of his or her determination

All Cerrejón's employees must be exemplary members of the community in which they operate and must be committed to their culture and the principle of sustainable development.

to achieve technical, professional, human and social success, which will make the Company's results improve from day to day. We therefore provide development mechanisms within an **environment of equal opportunities in which individuals can achieve both personal and professional growth**, thereby contributing to the improvement of both other people and the Company.

11. Recognition:

We value and encourage recognition of the results achieved within our lines of behaviour. Through this recognition, we strengthen the personal motivation and active participation of all our employees. We celebrate our achievements and reinforce winning attitudes.

12. Honest Citizens:

Both the Company as a whole and each of its employees must be exemplary members of the community within which we operate, committed to their culture and the principle of sustainable development.

Self-assessment

Carbones del Cerrejón have requested an independent review of its Social Responsibility Programmes and its past and present commitments. This is carried out by an external independent panel representing the different stakeholders, with five experts of recognised international experience in the area of social development .

The chairman of the independent Committee is Dr. John Harker, President of the Cape Breton University of Canada and its members are the following:

- Salomon Kalmanovitz, Dean of Administrative Economic Sciences of Jorge Tadeo Lozano University and a former member of the Board of Directors of Banco de la República (Central Bank).
- Elena Serrano of Casa de la Paz Foundation, a Non-Governmental Organisation in Chile dedicated to promoting peace, social development and environmental awareness.
- Daniel Gagnier, Director of the International Sustainable Development Institute, a Canadian non-profit organisation, and former Senior Vice President of ALCAN Inc.
- Nick Killick of International Alert, a United Kingdom Non-Governmental Organisation dedicated to building peace and security in developing countries.

Cerrejón and its shareholders recognise the Committee's independence. They have provided all the relevant information and allowed full access to their facilities, administrative staff and records. The Committee is supported by the Social Capital Group, a consultant company of recognised international

prestige which is carrying out the field work required for the review and reports directly to the Committee.

Following this process, the independent Committee will present a comprehensive report on Cerrejón and its shareholders, which will include specific recommendations for their present and future commitments and actions, taking past cases into consideration. The review process is expected to be completed in March 2008 and a summary of the executive report will be made available to the public.

This review forms a fundamental part of the Cerrejón Social Responsibility strategy, which will report on the future development of the Company's policies and practices in this area.

Commitments to external initiatives ^(4.11)

It is Cerrejón's policy in its open cast mining operations, transport and shipment of coal in La Guajira, and in its activities in other places where it operates, **to do business in harmony with the Environment and Society and to protect the Safety and Health of its employees**, as well as contributing to the development, wellbeing and culture of the communities in its area of influence and working to implement the best mining industry practices for Safety, Health, the Environment and the Communities.

The implementation of this policy is by establishing a management system for the administration of risks to Safety, Health, Environment and Communities as part of a process of continuous improvement and according to the following guidelines:

- Design and maintain the facilities and establish operational processes in such a way as to safeguard persons, property and the Environment.
- Make permanent efforts to identify and manage the risks associated with our activities.
- Comply with the applicable laws and regulations, as well as fulfilling any other obligations we have voluntarily assumed. **Follow the appropriate standards when they are more demanding than the existing legislation** or when there is no respective legislation.
- Respond promptly, effectively and carefully to any emergencies or accidents resulting from the operations.
- Provide Occupational Health promotion programmes orientated towards improving employee wellbeing.
- Regularly assess its employees' state of health in order to identify and exercise timely control over work related health risks.
- **Raise awareness of, train in and gain commitment from its employees and contractors to Human Rights, International Humanitarian Law and the Voluntary Principles.**



Dawn in La Guajira

- Ensure transparent relations with the Private Security contractors, with State Security entities and with the Army and the Police, within the framework of the Voluntary Principles.
- Respect Human Rights: in the case of the indigenous communities in the Cerrejón area of influence, preserve and strengthening their culture, identity, traditions and customs.
- Timely response to concerns expressed by the neighbouring communities and constant efforts to cultivate cordial relations, open dialogue and cooperation.
- Work jointly with the communities and State institutions on projects to promote human education and to improve people's living conditions and quality of life, within the framework of the concept of sustainable development.
- Within the possibilities and competences required by our operation, provide job opportunities and, in general, promote maximisation of the use of resources available in the region and Colombia.
- Train, raise awareness and gain the commitment of all its employees and contractors to achieve the objectives of this policy.
- Establish adequate channels of communication to make known our programmes to enhance the Safety, Health, Environmental and Communities and identify the concerns of the interested parties.
- Carry out regular revisions and evaluations to ensure compliance with this policy and to monitor its progress.

Cerrejón's Vision also includes complying with the highest safety standards. The value the Company places on "Safety, Health and the Environment" leads it to achieve results of excellence in these areas by working to effectively control risks. It thereby seeks to maintain a **work site in which people can work without injury**. Its employees' and contractors' operations make Cerrejón one of the safest mines in the world. ^(4.12)

Cerrejón respects its suppliers

"Servidaza is a Cesar Department company which has been working for Cerrejón for 12 years and has 244 employees in the mine. Cerrejón's employee policies protect both them and the contractors and the company fulfils its responsibilities to its suppliers and never falls behind in its payments.

It is important for Cerrejón's suppliers to rigorously ensure safety, correct treatment of human resources, respect for its environmental policies and human rights. Moreover, all our suppliers have to be certified by Cerrejón."

*Víctor Mejía
Manager of Servidaza
20 September 2007*

Cerrejón works jointly with the communities and State institutions on projects to promote human education and to improve people's living conditions and quality of life, within the framework of the concept of sustainable development.

To make this Vision and value a reality, the Cerrejón Presidency has established a “Safety, Health, Environment and Communities” Policy (SHEC), which operates by applying the Operational Integrity System (SIO), a management system for the administration of these four types of risks included in the SHEC, in a continuous improvement process.

The SIO was certified in compliance with international standards ISO 14001 and OHSAS 18001 in November 2003. In 2006, it was again equally certified following expiry of the three year term of the certification, as required in this process.

To achieve the best mining industry SHEC practices, **Cerrejón promotes continuous improvement and its SIO is evaluated regularly**, both internally and externally, by the Cerrejón shareholders and by external entities.

Commitment to local and international initiatives

Cerrejón decided, on its own initiative, to demonstrate its quality to the international community. It therefore adhered to the Global Compact and the GRI Organizational Stakeholders:

• Global Compact:

Cerrejón adhered to the worldwide Global Compact in 2005. Its participation in this initiative consists of following up and developing the ten principles and reporting progress in each one. It also participates in dissemination and raising awareness among other companies.

• GRI Organizational Stakeholders:

Cerrejón has been a member of this working and consultation group since the year 2005 and uses the opinions requested from this entity to create its own guides and indicators. Cerrejón used the 2002 Guide to prepare the 2005 Sustainability Report and the G-3 Guide for this Report.

Likewise, since 2004 it is a participant in the Agreement between the Colombian Vice Presidency and the Cerrejón Foundation, supporting the La Guajira Transparency Pact. The purpose of the Transparency Pact, signed by the Albania, Hatonuevo and Barrancas authorities, is to ensure good use of royalties as part of the Presidential Fight against Corruption Programme, also led by the Colombian Vice Presidency. It is the responsibility of the local communities in the zone to supervise these commitments, for which they have to be organised and trained, and the institutional mechanisms for citizens' watch committees included in the Pact have to be strengthened.

Strategic alliances:

Cerrejón is aware that its activities require both national and international allies to strengthen its corporate visibility and, in addition, that raise its profile as a socially responsible Company. Moreover, these alliances promote development in the sector and provide sustainability.

AFFILIATIONS

National Industries Association (ANDI)
Asomineros ANDI Chamber
Colombo-American Chamber
British Colombian Commerce Chamber
Mexican Colombian Commerce Chamber
Caribbean Entrepreneurs Training Association (AFEMCA)
Business Alliance for Secure Commerce (BASC)
Ideas for Peace Foundation
Colombian Welding Association
Colombian Engineers Association (ACIEM)
Gas and Energy Chamber
Colombian Industrial and Personnel Relations Association (ACRIP)
Latin American Railways Association

We work hand in hand with Cerrejón

“For a multiplicity of reasons, we, the District Attorneys, try to support many of Cerrejón’s activities in each municipality. We request logistical support and the provision of materials for the numerous activities we are required to carry out in the municipality. The Company constantly invites us to work alongside it in all aspects of community development.”

Paola Henríquez López
District Attorney, Hatonuevo
20 September 2007

Cerrejón has been a member of this “Organisational Stakeholders GRI” working and consultation group since 2005. The Company uses the opinions requested from this group to draw up guides and indicators.

Cerrejón ensures that its stakeholders participate ^(4.14)

STAKEHOLDERS	SUBJECTS OF INTEREST PUT FORWARD	RESULTS OF COMMITMENTS
President of Colombia	Barrancas Community Council Logistic Support	Successful Council, Mushaisa Community Integration.
First Lady of Colombia	Support for promotion of Wayuu handicrafts	Facilitated inclusion of handicrafts in national fashion.
Attorney General of the Nation	Investment of royalties	Signing Royalties Follow-up Commission Agreement.
Controller General of the Nation	Investment of royalties	Signing Royalties Follow-up Commission Agreement.
Industria Militar (Military Industry)	Import and purchasing permits. Co-production Contract. Supply of accessories	Permits obtained. Contract under way. Timely supply of accessories.
Police	Operations protection agreement	Support for protection of operations.
National Army	Operations protection agreement	Signing annual Agreement on support in protection of operations.
National Navy	Operations protection agreement	Signature of annual Agreement on support for the protection of the Puerto Bolívar operations.
Colombian Air Force	Fly over Cerrejón ships and third party users of the LMN and PBV Airport	Document authorising flight over La Guajira territory for 1 - 2 months.
DAS (Security Department)	Cooperation with investigations	Coordination of Research at all levels.
CTI (Technical Investigatiion Group)	Cooperation with investigations	Coordination of Research at all levels.
Ingeominas (Geology and Mining Institute)	Environmental management	Informative.
DIAN (National Customs and Tax Department)	Vallejo (Drawback) Plan, imports regulations, VAT return, etc.	Sustaining favourable import conditions. Timely recovery of moneys claimed.
Civil Aeronautics	Air operation licences	Authorisation of air operation with two Dash-7 W aeroplanes.
Ministry of the Environment and Territorial Development - MAVDT	Unified Cerrejón environmental licences	Ministry of the Environment issued Resolution 2097 of 16 December 2005 unifying environmental licenses.

SUBJECTS OF INTEREST		
STAKEHOLDERS	PUT FORWARD	RESULTS OF COMMITMENTS
IIDEAM (Meteorological Institute)	Carrejón hydro-metric and climate network operation	Contract in force and operational.
Governor of La Guajira	Carrejón Environmental Management	Assistance and satisfaction report.
Secretariat of Education	Education Quality, Efficiency, Entrepreneurs for Education	Ten Year Educational Policies Plan, Modernisation Process.
Departmental Secretariat of Health	PBV - LMN Incinerator	Resolution S-1026 permitting use of incinerator form LMN waste as the only one for the complex
Riohacha Secretariat of Indigenous Affairs	Special Indigenous situations - donation	Accompaniment and institutional support
Mayor of Uribia	Floods, cleaning railway line	Mutual assistance
Uribia Secretariat of Education	Educational Projects	Leveraging projects with economic resources.
Uribia Secretariat of Health	Promotion and prevention programme	Institutional support.
Maicao Secretariat of Health	Promotion and prevention programme	Institutional support.
Barrancas Secretariat of Education	Educational Projects	Leveraging projects with economic resources.
Barrancas Secretariat of Health	Promotion and prevention programme	Institutional support
Albania Secretariat of Education	Educational Projects	Leveraging projects with economic resources.
Albania Secretariat of Health	Promotion and prevention programme	Institutional support
Mayor of Hatonuevo	Miscellaneous topics	Institutional support
Hatonuevo Secretariat of Education	Educational Projects	Leveraging projects with economic resources.
Hatonuevo Secretariat of Health		
Fonseca Secretariat of Education	Promotion and prevention programme	Institutional support
Distracción Secretariat of Education	Educational Projects	Leveraging projects with economic resources. Operation of CREM
Community leaders	Educational Projects	Leveraging projects with economic resources, Playroom
Regional Federation of Councillors	Subjects of interest	Institutional support
Regional Federation of Councillors	Subjects of interest	Institutional support
Educational Institutions	Obtaining appropriate buses for the service	Improvement of Politicians and Company relations
Corpoguajira (Regional Corporation of La Guajira)	Institutional Improvement and Strengthening Plans	Improved quality of education.
ICBF (Family Welfare Institute)	Environmental follow-up and technical evaluation - environmental permit	Satisfactory, no reprimands. Four permits requested for use of natural resources were granted.
SENA (National Apprenticeship Service)	Management of Resources	Indigenous Community Programmes and Assistance.
ARP ISS	Contracting	Apprentices.
Bureau Veritas BVQI	Revision of cases	
Bureau Veritas BVQI	Continuation of OHSAS 18001 and ISO 14001 standards certification	Certification.
La Guajira Chamber of Commerce	Participation with micro-entrepreneurs	Support and Fairs for micro-entrepreneurs.
ANDI (Association of Industrialists)	National Environmental Committee	Review and adjustments to new environmental legislation.
Industrial - Mining Congresses	Sponsorship - Participation	Institutional Information.
Bancoldex	Strengthening Rotating Fund	Strengthening Rotating Fund.
Emprender	Council of Directors	Guidelines for, and Strengthening of micro-entrepreneurial area.
Fedecaribe	Council of Directors	Guidelines for, and Strengthening of micro-entrepreneurial area.
National Guarantees Fund	Strengthening Guarantees	Support for micro-entrepreneur guarantees achieved.

STAKEHOLDERS	SUBJECTS OF INTEREST PUT FORWARD	RESULTS OF COMMITMENTS
Regional Guarantees Fund	Strengthening Guarantees	Support for micro-entrepreneur guarantees achieved.
Banking	Follow-up of services provided and new services and products proposals , commissions management, capital refunds, investments	Use of new products, exemptions from commissions, firm relationships.
Roche	Knowledge of the mining project. Organisational and socio-cultural strengthening and income generation	Signing convention with Community Action Committee for road maintenance, service of transport promoter, weed-cut urban area and promotion of trust.
Chancleta	Knowledge of the mining project. Updating of census and promoting trust	Updated census of resident families and greater trust achieved.
Patilla	Knowledge of the mining project. Updating of census and promoting trust	Updated census of resident families and greater trust achieved.
Nuevo Oreganal	Vacating of properties in old Oreganal and dismantling dwellings built with branches there. Putting productive projects into operation according to type. Strengthening process of training for correct implementation of productive projects. Entitling houses and plots of land handed over under the settlement contract. Closing process of receiving undivided plots.	Roles definition and criteria of each of the actors: Government, Mayor's Office, Hospital, community and Carbones del Cerrejón. Suspension of Table for reasons of security.
Provincial Indigenous Reservation	Socio-economic and cultural participative diagnosis, identification of problems and solutions	Definition of 2006 Social Management Plan together with the community. Inter-institutional agreement on construction of water supply system. Greater trust and reciprocity achieved.
Trupiogacho Indigenous Reservation	Socio-economic and cultural participative diagnosis, identification of problems and solutions	Definition of 2006 Social Management Plan together with the community. Inter-institutional agreement on construction of water supply system. Greater trust and reciprocity achieved.
Trupiogacho	Conversations with community leaders to control these incidents	Community social action agreements.
San Francisco Indigenous Reservation	Socio-economic and cultural participative diagnosis, identification of problems and solutions. Solving conflict involving the road.	Definition of 2006 Social Management Plan together with the community. Inter-institutional agreement on construction of water supply system. Signing public deed setting the agreement about the road.
Upper and Middle Guajira Reservation	Socio-economic diagnosis of 5 pilot communities	Definition of Social Management Pilot Plan (5 communities - 2006
Upper and Middle Guajira Reservation	Inventory of dwellings and community integration activities	Definition of Puerto Bolívar Social Management Plan - 2006.
Uniguajira	Environmental management and land rehabilitation	10 visits received.

STAKEHOLDERS	SUBJECTS OF INTEREST PUT FORWARD	RESULTS OF COMMITMENTS
Jose Celestino Mutis	Sponsorship - Diffusion	Information Leaflet of the Institution and marketing for collection of funds.
Expociencia Juvenil (Young Scientists Exhibition)	Sponsorship	Scholarships for children participation.
Universities	Sponsorship	Institutional Information.
Barrancas Hospital, Maicao, Health Centres	Promotion-prevention	Institutional Support.
Micro-entrepreneurs	Credit and Training	Micro entrepreneurial Strengthening.
National Media	Advertising and diffusion	Advertising - Monitoring.
Regional Media	Advertising and diffusion	Advertising - Monitoring.
Ideas for Peace - FIP	Advice on Implementation of the Voluntary Principles	Application of PV protocol and guides at Cerrejón
George Dahl	Fauna and hydro-biological resources	Monitoring Cerrejón hydro-biological fauna.
Manos Solidarias (Rotary Club)	Integrated management of solid waste	Integral management of solid waste, assistance to neighbouring communities.
Mario Santo Domingo Foundation	Support for rotating fund, Micro-credit Year Training Day	Strengthening Rotating Fund.
Cerromatoso Foundation	Presentation of Programmes	Promotion and dissemination of loans programmes.
Sea Museum	Phyto- and Zoo-plankton Analysis	Phyto- and Zoo-plankton Study PBV Ships
Zeri	Productive environmental and community Programmes within the framework of Sustainable Development	Study of proposals and feasibility studies made for implementation of the programmes.
Gaviotas	Productive environmental and community Programmes within the framework of Sustainable Development	Study of proposals and feasibility studies made for implementation of the programmes.
Biopark	Feasible studies on clean development mechanisms - CDM	Study of proposal, consideration of alternatives and definition of consultancy.
Hart Aviation	Certification of Operating standards	Report with comments/obligatory.
Price Waterhouse Coopers	Feasibility studies on clean development mechanisms - CDM	Study of proposal, consideration of alternatives and definition of consultancy.
Andean Environment Economy Centre - CAEMA	Feasibility studies on clean development mechanisms - CDM	Study of proposal, consideration of alternatives and definition of consultancy.
Pronatura	Productive environmental and community Programmes within the framework of Sustainable Development and CDM	Study of proposals and feasibility studies carried out for implementation of the programmes.
UN Global Compact	Registration as members of the Global Compact	Compliance with the ten basic principles of the Global Compact at Cerrejón
Ombudsman	Cerrejón Human Rights Training and Support Programme	Application of SAT and training Governmental authorities.
Colombian Red Cross	Training Armed Forced and Security Companies in the Area	Cooperation Agreement signed.
Civil Defence	Donation	Institutional support.
Servidaza Ltda	Quality of logistic service of food, lodging and recreation	Improved service under agreements with the Company.

STAKEHOLDERS	SUBJECTS OF INTEREST PUT FORWARD	RESULTS OF COMMITMENTS
Representatives of Chaneme Suppliers	Quality of service and dealing with technical and commercial problems	Improved availability of equipment.
Gecolsa	Parts supply response time. Availability of equipment in Marc. conditions of alliance with CAT	Improved supply response times.
Suppliers and contractors	Opportunities for improvement, OI and technical performance, materials delivery times, etc. Clear and transparent purchasing and contracting processes	Reductions in delivery times. OI improvement programmes. Improved performance.
Employees	Quality of services through shared commissions	Meals agreements and control of land transport standards.
Sintracarbón (Union)	Respect for agreements on matters involving food and transportation	Inter-Union meals and transport commissions.
CABIS	Safety, personal and family growth, coordination of sports clubs	Commitments and agreements on habits and behaviours, which are followed up.
Cultural Institutions and Foundations	Sponsorship	Institutional Information.
Federations - Leagues	Sponsorship	Institutional Information.
Contractors	OIS - Service Quality	Information/Knowledge/Plans.

Indigenous People also have voting and speaking rights

“We have come closer to Cerrejón, they consider us important as Indigenous people; we used to have a bad opinion of Cerrejón; we thought the mine caused a lot of diseases. After the training and talks by Cerrejón, we have realised it isn't so. Thanks to God, since Cerrejón took coal production over, things have been going well. We sit at the work table with them three times in a month. It's a very close relationship and whatever is carried out has been agreed on”.

José Martín Gámez
Indigenous Leader
20 September 2007



Good relations with the community

Stakeholders to which Cerrejón is committed, the persons and organisations that could be directly or indirectly affected by decisions and actions of mining activity are identified. Their participation is different in each case. ^(4.15)

According to Cerrejón's Social Responsibility Policies, **dialogue and negotiations on commercial activity** or on compliance with national and international legal provisions are held. Channels of communication and participation with each group have also been created. ^(4.16)

Through this stakeholders, Cerrejón has found several aspects that can be improved: Cerrejón seeks to overcome some people's ignorance about the concept of Sustainability and Social Responsibility or to correct their mistaken interpretation, which are often identified with marketing actions or as financial paternalism. In the latter cases, publication of the 2006 sustainability memory is very important. ^(4.17)

Throughout Cerrejón's 25 years of operation, the mechanisms necessary to improve its activities, to promote social development in the region and of its employees have been established. For the moment, the impacts that could affect the social, economic and environmental setting are in a process of mitigation, and Cerrejón is certain that the new requirements will be resolved satisfactorily through its relationship with the stakeholders.

Both concerns and mistakes and successes are reflected throughout this 2006 memory.

Stakeholders to which Cerrejón is committed, the persons and organisation that could be directly or indirectly affected by decisions and actions of the mining activity are identified.



Better opportunities for personal development

Open doors

"We should be very grateful to Cerrejón, first because it is the Company which explores the La Guajira deposits, which means that there won't be anything harmful in the operation. The relationship between the municipal administration and Cerrejón's directors is also good. Whenever I need to knock on doors, they open them immediately and management members have always supported me.

Víctor Luque
Mayor of Hatonuevo
20 September 2007



INFORMATION ON MANAGEMENT BY DIMENSIONS APPROACH



Jintut / Child.



Coal ready to export

EXPLORING PROGRESS ⁽⁵⁾

Coal is the fruit of the earth, the seed of prosperity and a driving force of economies

Building the future

For 30 years, coal exploration, production and export in La Guajira has made Colombia competitive in the international coal sector; thus making it even more attractive to foreign investors, while strengthening the local economy.

Cerrejón's main economic objective is therefore to increase its production in the short term and create competitive conditions and maintain good relations with both the country as a whole and with the local communities, to enable it to increase its operative production in the medium term.

Cerrejón constantly seeks to improve, to optimise its use of resources and innovate all its operative, marketing and administrative processes and interactions, while maintaining conditions that permit it to remain in the lowest costs quartile of the world's coal exporters, without detriment to its goal of expansion goal and ensuring its long term mining stability. At the same time, it aims to identify and develop business opportunities to provide the production and sale of coal with added value. ^(5.1,5.2)

According to the Superintendency of Companies, **Cerrejón is one of the strongest companies in the Colombian economy.** In a classification of the 3,000 most representative companies in the country of 2006, Carbones del Cerrejón Limited and Cerrejón Zona Norte S.A. held 5th and 6th places in entrepreneurial leadership. The Superintendency's report compared data of 28,388 firms.

The ten companies most outstanding for their leadership were:

1. Comcel S.A.
2. Cerromatoso S.A.
3. Almacenes Éxito
4. Grupo Aval
- 5. Carbones del Cerrejón LLC**
- 6. Cerrejón Zona Norte S.A.**
7. América Móvil Amov S.A.
8. BP Exploration Company Limited
9. Bavaria S.A.
10. Drummond Ltd.

Cerrejón operates under two firm names. According to the Superintendency of Company's figures, if they were to consolidate, Cerrejón would hold third place in business leadership in Colombia.

The following methodology was applied to calculate and demonstrate Cerrejón's leadership among the largest companies in Colombia:

Cerrejón's principal economic objective is to increase production in the short term and to create competitive conditions and maintain good relations with both the country as a whole and with the local communities, to enable it to increase its operative production in the medium term.

The Superintendency of Company's list of the 10 foremost companies was taken for comparative purposes

2. Both Cerrejón's firm names are on that list
3. The values of both Cerrejón companies were combined as a single whole
4. The resulting new values were applied to the Superintendency's list and Cerrejón's consolidated data in each of the classifications changed its position
5. Leadership points were obtained on the basis of the company's position in each classification. The smaller the sum of the places in each classification, the better the leadership location will be
6. When consolidated, Cerrejón's two positions are 38:
 $Assets_9 + Equity_{14} + Operational\ Income_6 + Gross\ Profits_4 + Operational\ Profits_3 + Net\ Profit_2 = 38$.

Leadership results of the ten foremost companies (Superintendency of Companies)

Firm Name	Economic Sector	Position by Assets	Position by Equity	Position by Operational Income	Position by Net Profit	Position by Operational Profit	Position by Net Profit	Total Positions	Position by Leadership
Comunicación Celular S.A. Comcel S.A	Telephone and Networks	5	6	2	1	2	1	17	1
Cerromatoso S.A.	Basic Metallurgic Industries	8	5	14	3	1	2	33	2
Almacenes Exito S.A.	Retail trade	11	10	3	4	23	28	79	3
Grupo Aval Acciones y Valores S.A.	Different Investment and Services Activities	7	4	54	10	7	4	86	4
Carbones del Cerrejón LLC	Coal and Derivatives	20	21	16	11	9	11	88	5
Cerrejón Zona Norte S.A.	Coal and Derivatives	26	14	19	13	10	8	90	6
Amov Colombia S.A.	Different Investment and Services Activities	14	8	49	9	8	3	91	7
BP Exploration Company Colombia Limited	Crude oil and Natural Gas Extraction	40	3	15	6	3	5	102	8
Bavaria S.A.	Beverages	2	15	5	2	6	90	110	9
Drummond Ltda.	Coal and Derivatives	23	14	9	36	18	17	117	10

Source: Superintendency of Companies "Las Tres Mil" (The Three Thousand)

Leadership results of the ten foremost companies (Cerrejón's consolidated operation)

Firm Name	Economic Sector	Position by Assets	Position by Equity	Position by Operational Income	Position by Gross Profits	Position by Operational profit	Position by Net Profit	Total Positions	Position by Leadership
Comunicación Celular S.A. Comcel S.A	Telephony and Networks	5	6	2	1	2	1	17	1
Cerromatoso S.A.	Basic Metallurgical Industries	8	5	14	3	14	2	33	2
Cerrejón	Coal and Derivatives	9	14	6	4	6	2	38	3
Almacenes Exito S.A.	Retail trade	11	10	3	4	3	28	79	4
Grupo Aval Acciones y Valores S.A.	Different Investment and Services Activities	7	4	54	10	54	4	86	5
Amov Colombia S.A.	Different Investment and Services	14	8	49	9	49	3	91	6
BP Exploration Company Colombia Limited	Crude Oil and Natural gas Extraction	40	33	15	6	15	5	102	7
Bavaria S.A.	Beverages	2	5	5	2	5	90	110	8
Drummond Ltda.	Coal and Derivatives	33	14	9	36	9	17	117	9
General Motors Colmotores S.A	Motor Vehicles industry	38	32	4	15	4	16	121	10

Coal will be with us for a long time yet

The present situation of the world coal market favours Cerrejón's expansion plans in the short and medium term and their success depends of the mine's capacity to make deliveries to clients based on good sales programming and continuity in the product's good qualities and its price.

In view of this expansion, Cerrejón's Management structure has been kept static and without significant changes, and its main strategies to achieve satisfactory performance have been supported by implementing the SIO, which has already been described elsewhere in this memory.



Exports and Royalties

Cerrejón, “The world’s largest export open pit coal mining operation”, is an important player in Colombia and La Guajira, the Colombian region where most of its productive activity takes place. Its operational results for 2006:

- Coal exports were 27,5 million tons
- Cerrejón is the second currency generator in the country and occupies first place in private sector exporters. Exports in 2006 were US\$1,236 million.
- Cerrejón generated wealth for economic and social development.
- Cerrejón generated royalties in 2006 by a value of US\$113 million. Since the beginning has generated royalties by US\$747 million. 84% of these royalties remain in La Guajira, so that ambitious social and economic development projects can take place.

CERREJÓN'S INDICATORS	2006
Exports (Million tons)	27,5
Royalties (US\$ Million)	113
Foreign Currency (US\$ Million)	1,236







Financial activity

Cerrejón used a large part of its resources for environmental management, which includes preservation, measuring and education, air, water, soils, forests and fauna programmes. These actions are carried out at the facilities of the mine, the railway and the port, with the active participation of all the workers. The companies invested US\$ 3,9 M in these programmes in 2006. ^(EC2, EC3)

Financial activity depends directly on Cerrejón and the company does not received any Governmental financial aid for its activity. ^(EC4)

Salaries and wages at Cerrejón ^(EC5)

Cerrejón employees' salaries and wages are, according to their position, above the minimum legal wage in Colombia, as follows: 2.46 is the most frequent PTC wage, divided by the minimum wage (US\$463 / US\$ 188).

This same scale calculation would continue as follows:

- 2.98 is the average wage of PTC personnel at low level work scales.



A better future

- 7.21 is the initial salary of MPT staff of professionals, but without experience
- 7.53 is the initial salary of MPT staff of professionals with master's degrees, but without experience.

Cerrejón, jobs promotion

The communities surrounding Cerrejón have a considerable number of job opportunities; 60% of the work force necessary for the mine's functioning comes from La Guajira Department; 30% from other areas of the Atlantic Coast and 11% from the rest of the country.

Cerrejón cares about the wellbeing of its employees and contractors and complies with both national and international regulations governing child labour, forced labour, health and safety at work, freedom of association and the right to collective bargaining, non-discrimination, disciplinary measures, working hours and pay.



Coal Handling Control
Centre in Puerto Bolívar

- 16 of every 100 employees have been working for the company for over 20 years
- There is no child labour at Cerrejón. The youngest worker is over 20 years of age
- 58 of every 100 workers are over 40 years of age
- On average, Cerrejón employees work 42 hours a week in comparison with the 48 established by the law
- 4,100 workers and 300 contractors are transported by the company from their homes to their work place. In 2006, the Company invested 6.7 million dollars in land transport.
- Union activity is strong in the Company and close to 80% of workers are members. 3,000 employees are members of the union and 600 are associates. Eleven collective bargaining agreements have been signed following successful negotiations and it was only in 1990 that the collective bargaining agreement was signed following a strike.
- Cerrejón trains and educates its workers. 262,372 hours' training were provided in 2006. On average, each employee received 62 hours' training and a total of 2.6 hours' training were provided for every 100 hours worked.
- In 2006, total investment in training was 1.3 million dollars.
- In 2006, a total of nearly 25 million man/hours were worked, during which 43 disabling accidents occurred, that is, one accident for every 581,000 hours worked or one accident for every 290 workers.

Proud of working for Cerrejón

"I have two children who are anaemic and I have to take them to see the doctors in Barranquilla, Bogota and Bucaramanga. Cerrejón has helped me a lot to improve my children's health. It's a good place to work and I'm proud of being an employee of this Company".

Elis Ibarra
Worker Cerrejón
19 september 2007

- In Cerrejón's entire history, only 9 cases of occupational diseases have been confirmed: three of osteo-muscular disorders, three of loss of hearing, one neurological case and two cases of pulmonary pathology.
- 2,878 Company employees have housing loans.

More opportunities for Indigenous citizens

"I suggest that Cerrejón should keep us in mind and give us jobs, too. The resources from the Nation and royalties are not enough, because the reservation is so big. We know that Cerrejón is one of Colombia's biggest companies and we wish there weren't so many conditions to fulfil to work there, because we Indigenous people have had less education than others".

Alfonso Epiayú
Indigenous Leader
20 september 2007

Cerrejón has clear promotion and human resources development policies. There are two foreigners and four Colombians at senior management level. At middle management level, there are staff members who originate from La Guajira as a result of Cerrejón's inclusive promotion process. ^(EC7)

In the future, Cerrejón expects to have staff from La Guajira with the abilities required to occupy senior management positions. The Scholarships Program sponsored by Cerrejón will contribute to this process.

Water supply in La Guajira

Upper Guajira is a desert region and the providing the Wayuu Indigenous people with water is a critical issue. Cerrejón is aware of the problem and has worked side by side with Corpoguajira to rehabilitate the windmills located throughout the railway corridor to extract deep waters.

Cerrejón cares about its workers and contractors wellbeing and complies with both national and international regulations governing matters of child labour, forced labour, health and safety at work, freedom of association and the right to collective bargaining, non-discrimination, disciplinary measures, working hours and pay.

Likewise, as part of its commitment to development in La Guajira, Cerrejón, jointly with the local and Departmental Governments, and also with certain institutions, has carried out concrete actions to provide new options for the communities of its area of influence to provide them with a permanent supply of drinking water suitable for human consumption:

- An agreement was signed with the Barrancas municipality and Corpoguajira, in the sum of (approximately) 706 thousand 545 dollars, for the construction of water supply networks to bring drinking water to the Trupio Gacho, Provincial and San Francisco Indigenous communities, including adaptation of the storage tank at the Papayal Purification Plant. More than 1,660 Indigenous persons benefit from this water supply system.
- Cerrejón also established an alliance with the Mine Rotary Club for the construction and adaptation of the Lomamoto Indigenous Reserve's water supply system in the municipality of Hatonuevo. Following an investment of 97 thousand 529 dollars, the system benefits close to 1,800 persons.
- In addition, among the Communities and Land Division of Social Management, more than 580 1,000 litre tanks were installed in 21 Indigenous communities along the railway corridor; another 160 in the Media Luna Indigenous communities next to Bolivar Port and 150 more to the Roche, Patilla, Chancleta and Provincial Reservation in the municipality of Barrancas.
- PAICI also supports the communities in the area of influence by installing windmills and jagüeyes .

Benefits for the region

“Cerrejón has brought benefits to the region and PAICI has created a liaison with the communities to reflect the needs and dissatisfactions of the community through this programme. Cerrejón Foundation and the ICBF have set up community programmes, including nutritional support, basic sanitation and cleaning and hygiene brigades.”

Nilda Uriana
Liaison with the Wayuu Community
19 september 2007



PAICI: A great ally of the Indigenous community

“There is also support for learning about and improving goat keeping as part of the community training process; this is a very important activity for the Wayuu people. Owning goats gives status and, in turn, is the community’s food base. The studies of the community are carried out and supported by the PAICI programme to learn the members opinion and their degree of acceptance. PAICI has been one of the programmes that the Indigenous community has most welcomed”.

Crispin Alfonso Vergara
PAICI Cerrejón Foundation Agricultural Adviser
19 september 2007



A native smile

A new healthy face

In the area of **hospital infrastructure, Cerrejón has invested 1 million 804 thousand dollars** in the adaptation of the second level of the Nuestra Señora del Pilar Hospital in Barrancas.

The Company contributed 47 thousand 860 dollars to co-finance the beginning of the Wayuu Clinic infrastructure **and services expansion project and contributed 1.7 million dollars' co-financing for the Barrancas Hospital.**

In 2006, over 10,000 people benefited directly from prescribed medicines, including institutional support for the hospitals and strengthening the emergency areas with inputs. In addition, over 2,000 oral protection and health parcels were provided.

The Wayuu Indigenous community received primary medical care at the Cabo de la Vela, Albania and Cuestecitas health posts which were equipped by Cerrejón. At present, it has a Medical-Dental Mobile Unit and several vehicle-ambulances to provide care for children and adults where they live.

The responsible entities in the health sector and the community itself have developed, jointly with Cerrejón, programmes to benefit the region by maintaining and consolidating satisfactory health levels through contributions to hospitals and health posts for the acquisition of medical equipment.

Cerrejón has improved the health service

"Thanks to Cerrejón, we can say that we are an entity with all the necessary second level services. We are working on being the best in the Department. Cerrejón has been our sponsor, working side by side with us to promote continued growth. It has helped us to make plans for improvement and we have learned to see this a social responsibility health service in the municipality.

Cerrejón has encouraged us to improve the health service in Barrancas and the area of influence."

Maria Yoletti
Director, Barrancas Hospital
20 september 2007

In 2006, over 10,000 people benefited directly from prescribed medicines and institutional support was provided for the hospitals. Emergency areas were strengthened with different inputs. In addition, over 2,000 oral protection and health parcels were provided.



Kamüsüchiwo'u has facilitated the preservation of the Wayuu culture and values, has improved the communities' quality of life and education, aimed at educating responsible, tolerant citizens who are committed to their region

In addition, **the company has an established Plan of Action which includes a Promotion and Prevention programme targeted to the complex's surrounding communities.** It aims to help people with very low incomes, in particular the Indigenous population, through health brigades and medical, dental, ophthalmologic and vaccination programmes. In some cases laboratory examinations are carried out and medicines and other treatments are provided.

Preserving the Wayuu culture

Kamüsüchiwo'u is the first Wayunnaiki - Spanish bilingual inter-cultural programme in Colombia and was developed by Cerrejón jointly with the communities and State institutions. It was created in 1984 following a linguistic, anthropological and social investigation which benefits 1,500 Indigenous children of the Cabo de la Vela and Media Luna communities, as well as children from the Cardon, Carrizal and Irraipa districts.

Kamüsüchiwo'u has facilitated the preservation of the Wayuu culture and values, has improved the communities' quality of life and education, aimed at educating responsible, tolerant citizens who are committed to their region.

Cerrejón's arrived!

"We are always talking about the Cerrejón children: the people from Cerrejón come in a car and when the children see it they shout "Cerrejón's here, Cerrejón's here!, because Cerrejón brings them things like back packs, note pads and books."

Leyny Coromoto Palacio Vernier
Kamüsüchiwo'u Spanish and English teacher
19 september 2007



Media Luna School

Its main premises are the Media Luna - Kamüsüchiwo'u- pilot school, which has 30 classrooms, all designed and built in harmony with the region, where 450 Indigenous children are receiving their primary and secondary education.

In October 2006, the Kamüsüchiwo'u Ethno-educational Centre expansion was inaugurated thanks to the 121 thousand 369 dollars contributed by Cerrejón. These resources and contributions of the Special Presidential Advisory Board -Sponsorship Plan- Programmes and the Uribe Mayor's office were used to build 14 classrooms, a computer room, a library, two workshops, dormitories, sanitary facilities and sports grounds.

In 2006, the British & Colombian Chamber of Commerce in London and the Bogota Colombo-British Chamber of Commerce awarded Cerrejón the "British & Colombian Business and Social Awards, BSA" prize in the category of "Outstanding achievements in the development of social programmes in Colombia" in recognition of the work carried out by the Ethno-education programme and, especially, the Kamüsüchiwo'u Ethno-education Centre.

In 2006, the British & Colombian Chamber of Commerce in London and the Colombo-British Chamber of Commerce in Bogota awarded Cerrejón the "British & Colombian Business and Social Awards, BSA" prize in the category of "Outstanding achievements in the development of social programmes in Colombia".

Keep it up!

"Cerrejón supports all our projects, which is very encouraging for the pupils. We don't ask for anything else, we just want them to go on being who they are, the way they are and to keep on helping us."

Luz Mery Vernier
Kamüsüchiwo'u Secretary
19 september 2007

Sowing the future ^(EC9)

One of the main results of the mining activity was that it made the communities in its area of influence dependent on Cerrejón. Through its support programmes, **Cerrejón endeavours to provide training so that the mine is not the only alternative income provider and the quality of life of these population nuclei through the provision of tools to ensure their self-sustainability.**

“Cerrejón believes in people”

“The Cerrejón Foundation is a serious, transparent institution which has contributed locally under different programmes, such as “Sowing the Future” and the Micro-credit loans Programme. Between 2004 and 2006, it provided 64 million loans. Cerrejón Foundation and the Company believe in people. The young people of La Guajira are benefiting from their education; we are also working to improve the quality of life of the inhabitants of the region by creating sources of income, jobs and providing support for the Indigenous community. The Foundation is the pride of Cerrejón and it generates greater benefits every day.”

Yolanda Mendoza
Director of Cerrejón Foundation
18 september 2007

The Cerrejón Foundation has therefore been an important driving force in the economic progress of the most deprived sectors of La Guajira and in creating jobs under the following programmes:

- Micro-enterprises
- Solidarity Groups

In the course of 2006, the Cerrejón Foundation Rotating Fund granted loans worth **1 million 375 thousand 379 dollars**, equivalent to 1,478 loans approved.

Building a better tomorrow

With its “Cerrejón Excellence Scholarships”, the **Cerrejón Foundation is encouraging the young people of La Guajira to earn the highest scores in the State tests (ICFES) by granting scholarships for them to study at the different Colombian universities** and a transport and subsistence allowance for those outside their place of residence. In addition, it is a requirement that 30 per cent of those selected belong to the Wayuu ethnic group.

Creating enterprise

"The majority of the people of Albania live off Cerrejón and so it's important for people to feel that Cerrejón is their own. Also, with Cerrejón's help, we are preparing the communities for the time when coal runs out. We are creating enterprise and training people in other activities."

Carlos Puello
Albania Councillor
21 september 2007

The following requirements must be met to earn one of these scholarships:

- Earn the highest marks in the State tests
- Having been born in La Guajira
- Having graduated from a school in the region.

Through this programme, Cerrejón seeks to improve educational quality in La Guajira and encourage the students to assume the commitment to return to their Department and place the knowledge they have acquired at its service.

"Cerrejón's presence has satisfied many of the people's needs, but has created others"

"Cerrejón changed our history and has been a component in improving the social, cultural, economic and political life of La Guajira Department. Its impact has reached the 15 municipalities of the Department, to which it has brought a series of benefits, such as education management, scholarships and opportunities for the 10 best students to contribute to improving cultural quality and impact. Cerrejón's presence has satisfied many needs, but it has created others, for example, today, the community has to know how to conserve the environment."

The Company has proven its social responsibility and commitment to the community, respecting its culture and contributing to the people's own development."

Alfonso Acuña
Departmental Secretary of Education
18 september 2007



***Cerrejón Foundation
has strengthened
the production of
Wayuu handicrafts
by promoting and
financing different
projects to create
saleable products of
great originality and
beauty, turning them
into income providers
for this ethnic group.***

“My family is proud of me”

“Cerrejón cares about social management and the development of La Guajira communities. The help and opportunity Cerrejón has given me has been enormous and I have the satisfaction that my family is proud of me and I am who I am today thanks to Cerrejón, together with the unconditional support of my parents and family.

For the young people of La Guajira, rather than the achievement of brilliant minds, Cerrejón is the road to the future for anyone who is well disciplined and perseveres. The Company has taught us the need to succeed and to value study as the means to improve our quality of life, and it has guided us along the way to achieving it.

My greatest dream is to complete my degree and go on to take a master's, so that I can one day have the opportunity to show Cerrejón the knowledge I've acquired with its collaboration and become an active, committed member of the company.”

José Guillermo Daza Gonzalez
Electronics Engineering Student, Los Andes University
Beneficiary of the “Cerrejón Excellence Scholarships
December of 2007

Wayuu Art

In its awareness that handicrafts are one of the main productive and subsistence Wayuu activities, Cerrejón Foundation has, with the advice of Artesanías de Colombia S.A., strengthened this work through the promotion and financing



Native hands weaving a hammock

of different projects to create saleable products of great originality and beauty, turning them into income providers for this ethnic group.

Cerrejón Foundation has provided 150 artisans of the Trupio Gacho, Zahino, Provincial, San Francisco reservations and the La Granja, La Granjita, Nueva Esperanza, El Cerezo, El Cerro, El Rodeo and the Mother Bernarda neighbourhood in the urban zone, with advice on the application of techniques to optimise their use of the raw materials and standardise their processes. It has also collaborated by supplying materials and promoting the inhabitants' sustainable development.

This programme has made it possible to sow the seeds of the micro-entrepreneurial concept among the Indigenous people, while also service as a launching pad for this group's participation in a number of handicrafts fairs.

Wayuu micro-enterprises

"The training and educational processes created with SENA, such as weaving blankets, have led to the creation of micro-enterprises. This is fundamental for the time when the PAICL is no longer there, so that the Wayuu will have work alternatives. Cerrejón's support and contribution have been a very important contribution to education, which has brought about community development."

Carmen Palomar
Indigenous leader and artisan
19 september 2007



COAL IS ALSO GREEN ⁽⁶⁾



*Cerrejón's coal production
is environmentally friendly.*



In harmony with the environment

Cerrejón carries out its operations in harmony with nature and has created and implemented education, measurement and preservation programmes for the conservation of natural resources (air, water, soils, forests and fauna) to guarantee a balance between coal production and its impact on the environment. Cerrejón's environmental management programme is centred on its facilities at the mine, the railway and the port, with the active participation of all its employees.

Cerrejón's goal is to promote efficient use of natural resources by preventing, mitigating and compensating for any adverse impacts on the environment, preserving biodiversity and promoting sustainable development projects in the communities of the areas of influence of its operations.

The Company's environmental management includes studies of: Bolivar Port Marine Biota, the Microclimate and Dispersion of Particles in both the area of the Mine and at Bolivar Port, the Production and Description of Solid Waste, studies of Vegetal Communities and Forest Inventory in Future Mining Areas, as well as hydro-biological studies of the River Rancheria and its principal contributories and of the Environmental Impact of new mining expansion or infrastructure projects.

Safety, Health, Environmental and Community Policy ^(6.2)

In its open cast coal mining, transport and shipping activities in La Guajira and in other areas where it operates, it is a policy of Cerrejón to conduct its business in harmony with the Environment and Society, to protect the Safety and Health of its employees and to contribute to the development, wellbeing and culture of the communities in its areas of interest, as well as implementing the best mining industry practices in matters of Safety, Health, the Environment and Communities.

Cerrejón's goal is to promote efficient use of natural resources by preventing, mitigating and compensating for any adverse impacts on the environment, preserving biodiversity and promoting sustainable development projects.



As part of the social aspects that form part of its unified environmental management, Cerrejón has developed three programmes to inform, disseminate and train its personnel, contractors and the communities in the area of influence in the Company's management of environmental aspects. These programmes are:

- Information and Communication Programme.
- Environmental Education and Training Programme.
- Training, Safety and the Environment Programme.

In addition, there is a training matrix in the Operational Integrity System (SIO) covering matters of environmental management and which defines the type of personnel as well as their regularity.

The unified environment management plan establishes monitoring programmes for both the mine and the port : waters, air quality (total suspended particles and noise), land and aquatic fauna and rehabilitation and social management areas. At the port, air quality (particles) and marine ecosystems. ^(6,5)

Each of these programmes includes a series of procedures, both tasks and follow-up, which are in the Cerrejón corporate documentation system listed below:

GU-SA0001	GUIDELINES FOR THE MANAGEMENT AND DISPOSAL OF HAZARDOUS WASTE
GU-SA-0002	GUIDELINES FOR TREATING INJURED FAUNA.
GU-SA-0003	GUIDELINES FOR PRESERVATION OF SOILS.
GU-SA-0004	GUIDELINES FOR PRESERVATION OF VEGETATION.
GU-SA-0005	GUIDELINES FOR REHABILITATION OF INTERVENED TERRAIN.
GU-SA-0006	GUIDELINES FOR WASTE WATER MANAGEMENT.
GU-SA-0007	PRACTICAL GUIDE FOR THE MANAGEMENT OF WILD FAUNA PRIOR TO COMMENCING MINING ACTIVITIES.
GU-SA-0008	GUIDELINES FOR DEALING WITH FOREST FIRE EMERGENCIES.
GU-SA-0009	GUIDELINES FOR THE MANAGEMENT AND DISPOSAL OF ORDINARY AND HAZARDOUS WASTE AT BOLIVAR PORT.
GU-SA-0010	GENERAL ENVIRONMENTAL GUIDE FOR THE MANAGEMENT OF HYDROCARBONS.
PRO-SA-0007	PROCEDURE FOR AIR QUALITY SAMPLING.
PRO-SA-0011	PROCEDURE FOR MONITORING NOISE.
PRO-SA-0017	PROCEDURE FOR FINAL DISPOSAL OF HEAVY EQUIPMENT TYRES.
PRO-SA-0018	PROCEDURE FOR CLIMATE READINGS AND OBSERVATION.
PRO-SA-0024	PROCEDURE FOR MOTOR SAW OPERATION.
PRO-SA-0025	PROCEDURE FOR OPERATION OF BUEYES.
PRO-SA-0028	PROCEDURE FOR OPERATING AGRICULTURAL TRACTORS.
PRO-SA-0040	PROCEDURE FOR THE TEMPORARY MANAGEMENT OF HAZARDOUS WASTE THAT HAS TO BE INCINERATED.
PRO-SA-0041	PROCEDURE FOR MULCH SPREADING OPERATION.
PRO-SA-0043	PROCEDURE FOR CHISEL PLOUGHING OPERATION.
PRO-SA-0044	PROCEDURE FOR LAWN MOWING OPERATION.
PRO-SA-0045	PROCEDURE FOR PACKAGING OPERATION.
PRO-SA-0046	PROCEDURE FOR BLADE OPERATION.
PRO-SA-0047	PROCEDURE FOR OPERATION OF DITCHING MACHINE.
PRO-SA-0048	PROCEDURE FOR RAKING OPERATION.
PRO-SA-0049	DRILLING PROCEDURE.
PRO-SA-0050	BLASTING PROCEDURE.
PRO-SA-0051	LINEAR SOWING PROCEDURE .
PRO-SA-0052	WEEDING PROCEDURE .
PRO-SA-0053	PROCEDURE FOR HIGH-VOL AND PM-10 CALIBRATION.
PRO-SA-0054	PROCEDURE FOR REQUESTING AND PROCESSING CERREJON ENVIRONMENTAL PERMITS AND LICENCES.
PRO-SA-0055	FILTER WEIGHING PROCESS - Decree 02 of August 1982 issued by the MINISTRY OF HEALTH. SOP 037.
PRO-SA-0056	COLLECTION AND PRESERVATION OF SAMPLES UNDER S.M. 1060 A-B-C SOP 0127.
PRO-SA-0057	ASSURANCE OF ANALYTIC AND INFORMATION QUALITY IN ENVIRONMENTAL LABORATORY.
PRO-SA-0058	DISMANTLING AND ABANDONMENT OF FACILITIES.
PRO-SA-0059	DEBRIS DISPOSAL PROCEDURE.
PRO-SA-0060	PROCEDURE FOR FINAL DISPOSAL OF SOLID WASTE.
PRE-SA-0061	EMERGENCY FOREST FIRE MANAGEMENT.
PRO-SA-0062	PROCEDURE FOR MANAGEMENT OF INFORMATION AND CORRECTION OF DATA ERRORS IN THE ENVIRONMENTAL LABORATORY.



In addition to these procedures and guidelines, Cerrejón is certified in compliance with ISO 14001 of 2004 and HSEC - BHP Billiton Standards, which ensures the quality of Cerrejón's environmental quality actions.

Green Echoes ^(6.6)

The results of Cerrejón's environmental management has lost no time in confirming that its environmental surroundings are a priority in its sustainability policies. Its successes in this aspect have permeated all its mining activities with green "echoes":

- The Cerrejón operational integrity system was re-certified for a further three years in compliance with the 2004 version of the ISO 14001 Standard.
- The Company maintains its "zero" classification of fines or sanctions for environmental non-performance.
- Approximately 2,500 hectares rehabilitated (25 per cent of the intervened area) between 1993 and 2006.
- Over 800 tons of solid waste recovered for recycling in 2006 (22 per cent of that produced).
- Compliance with legal air and water quality standards.
- Re-use of over 300,000 gallons of oil used in the manufacture of emulsion for blasting, thereby reducing consumption of raw material (diesel) and ensuring correct final disposal of a special residue.
- Reduction in water take up from surface sources by 60 per cent, promoting the use of reservoir waters (rainwater, strata de-pressurisation).
- Re-use of approximately 80 per cent of reservoir water in the oxidation ponds.
- Implementation of the fauna rescue programme prior to proceeding to deforestation.
- Implementation of the programme of informing neighbouring communities of Cerrejón's environmental management activities.

Cerrejón: a Company committed to the environment

"La Guajira is well known as a region of varied natural resources. Corpoguajira is more than satisfied with Cerrejón's environmental management and, in the case of domestic waste water, the Company has one of the best treatment systems in Colombo. Likewise, Cerrejón monitors air quality at 14 stations at the mine and eight at Bolivar Port."

Javier Calderón
Corpoguajira

The Cerrejón operational integrity system was re-certified for a further three years in compliance with the 2004 version of the ISO 14001 Standard.

La Guajira ecosystem risks and opportunities

Mining activity as such presupposes certain risks to the La Guajira ecosystem: atmospheric emissions, effects on and/or loss of hydric resources and intervention of land and aquatic ecosystems.

The Company is therefore **strengthening its environmental management actions**, identifying opportunities to counteract the risks to which the La Guajira environment is exposed.

Cerrejón concentrates on: optimising identification processes for the management of chemical substances and the special waste resulting from them, in line with the provisions of Decree 4741/05; improving incinerator oven operation; improving the disposal of solid waste; increasing quantities and benefits of the recycling programme; raising the awareness of employees and contractors of fauna management; implementing routine practices for the management of fauna in advance of deforestation; strengthening the environmental dissemination programme for interest groups and ensuring the visibility of national and international recognitions of its good environmental management practices.

To this effect, Cerrejón commenced the following actions to improve the quality of its performance in 2006 :

- An incinerator oven access structure was installed to reduce the time required for maintenance of the control systems nozzles, based on the addition of milk of lime (humidifier) and water (wet cycle).
- Pond maintenance work is carried out to improve control of oily waters, taking into account the effects of high waters and the increased quantity of this type of waters in rainy seasons.
- The Ipari retention pond at Bolivar port is dragged and a volume of approximately 9,000 m³ is extracted.
- A tanker was replaced and two new ones were purchased for the road sprinkling fleet.
- UNIMOC equipment was bought for strata sealing.

Cerrejón works constantly to improve its commitment to the environment. In 2007, the following projects were started and will contribute to this cause:

- The automation project for the air quality measurement stations will provide real time readings and alarms will activate timely control measures.
- More emphasis will be placed on the introduction of CDM (Clean Development Mechanisms) technologies to contribute to reducing CO₂ emissions into the atmosphere, as well as conservation of biodiversity.



Establishing an environmental culture

Through its Environmental Management plan, Cerrejón seeks to raise awareness of the preservation of natural resources. For the purpose, it has introduced four strategies for the achievement of its corporate objective:

- Encouragement of rational, efficient use of renewable and non-renewable natural resources in all its operations.
- Strengthening environmental knowledge and culture in order to include all Cerrejón's employees, suppliers, contractors and the community in environmental management.
- Seeking recognition of the Organisation at both national and international levels for its good environmental performance.
- Promoting sustainable development projects.

The following activities were carried out in 2006:

<p>ENVIRONMENTAL COMMUNICATIONS DEVELOPMENT PLAN</p>	<ul style="list-style-type: none"> • Cerrejón radio programmes plan with an ecological kit for the operators • Updating billboards, water day notices, fauna preservation posters • Coordination of environmental recognitions and advertising environment day (June) • Coordination of the first environmental paintings competition for the children of Barrancas, Fonseca, San Juan and Riohacha employees. Use of the winning paintings in the 2007 calendar. • Production of leaflet of snakes for La Guajira employees and schools • Rational Power Use campaign: notice boards, radio announcements and posters at internal level and in La Guajira.
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The Company is strengthening its environmental management actions, identifying opportunities to counteract the risks to which the La Guajira environment is exposed.

Products used by Cerrejón (EN1)

The following is a list of the main inputs used by Cerrejón (by weight or volume), with a comparison of their use in the preceding year:

INPUT	2005	2006	units
Tyres	5,625	5,692	unidades
Lubricants	1,787,652	2,003,290	G
Exro-Coolant	38,920	33,995	Kg
Imported Diesel	61,267,690	68,906,558	G
Domestic Diesel	493,262	24,010	G
Regular Petrol	666,038	831,029	G
Natural Gas	880,800	939,228	M ³
RT 9 (Use on surface to controls dust)	61,760	480,000	L

Rationalising power

Cerrejón consumed 220 GWH of electricity in 2006. (EN3)

Reduction in power consumption is based on the following initiatives: (EN5, EN6)

STRATEGIES	DESCRIPTION
1. CONTROL	Improvement in power audit processes and the metering system (sub-metering for detailed information on consumption). Implementation of central control chain. IV-Q-2007.
2. TECHNOLOGY	Implementation of more efficient technology. (Acquire equipment at an effective price to save power).
3. ALTERNATIVE ENERGIES	Evaluations of other power sources. (Natural Gas, self-generation, aeolian generation): IV-O-2006.
4. REPEAT SUCCESSFUL ENERGIES	Extend implementation of power saving initiatives to all operational facilities. (Air conditioning (IV-O-2011). Lights (IV-o-2007)).
5. EDUCATION	Create power saving awareness among the work force to increase their commitment to rational use.
6. POWER COORDINATION	Cerrejón has established its own centralized power management department.



Indigenous people weaving their future

These are the indirect power consumption reduction achievements: ^(EN7)

DESCRIPTION		BENEFITS
EFFICIENT LIGHTING	<ul style="list-style-type: none"> • Lighting control to avoid wastage of power during the night and on weekends and holidays. • Mirror reflectors in fluorescent lamps to reduce the number of lamps required. • Optimisation of the public lighting system. 	<ul style="list-style-type: none"> • Savings of 1.5 GWH/year. (90% implemented).
AIR CONDITIONING	<ul style="list-style-type: none"> • More efficient equipment. (SEER 14 vs. 8) • Adjust office temperature (77 F vs 75 F) • Reduction in operating time • Improvement in need / capacity ratio. 	<ul style="list-style-type: none"> • Savings of 4 GWH/year (the total capacity was reduce by 200 tons). (50 % implemented).
USED OIL RECOVERY	<ul style="list-style-type: none"> • Use oil to replace diesel in preparation of emulsion. • In obtaining process: evaluation of optimization of used oil recuperation. 	<ul style="list-style-type: none"> • Substitution of 10-20% of the diesel required for emulsion. Maximisation of used oil recuperation.



Water use ^(EN8, EN9)

Water uptake is considerably below the volume under the concession. Permits are managed in two ways to protect the water sources:

- Uptake from surface waters in rainy seasons and it is held in reservoirs during dry seasons in order not to affect the river volume.
- Uptake of underground waters by the rotating wells method, that is, of the 18 wells, only five are used at a time in order not to prevent replenishment of the aquifer.

Total water uptake is 4.64 million m³ and a total of 2.85 thousand m³ of water has been recycled and re-used. ^(EN10)



Living territory

La Guajira is a Department of natural contrasts, with sea, salt and coal, as well as a variety of ecosystems, which vary from a large desert to fertile land in the south of the region. Cerrejón is committed to protecting the land and biodiversity of its area of influence:

■ Protected Areas:

- Gallery forest on the River Rancheria riverbank protection strips: 60 metres on either side in the jurisdiction of the municipality of Barrancas; 50 metres on either side in the Hatonuevo municipality and of 100 metres on either side in that of Albania.
- Gallery forest stream bank protection strips: 50 metres on either side of the Palomino stream (Barrancas), Aguas Blancas (Hatonuevo) and Paladines (Hatonuevo); 40 metres on either side of the Cerrejón, Los Estados, Caurina and Trupo Gacho streams in the municipality of Barrancas and 30 metre strips on either side of the Tabaco and Bruno streams in the municipality of Albania.



La Guajira, a living territory

■ **Aguas Blancas Compensation Area - Santa Helena**

- This covers an area of 1,500 hectares. Its function is to compensate for the environmental impacts caused by temporary intervention of land habitats in mining areas. They are adjacent to areas in the process of rehabilitation.

■ **Areas of high unprotected biodiversity**

- River Rancheria higrotropophytic forest: extensions of the riverbank gallery forest beyond the width of the strips declared as protected areas.
- Biological corridors: forest formations along the banks of the Galluso, La Ceiba, Cerrejón, Tabaco and Caurina streams.
- Los Estados Stream forest: forest associated with this stream, with well preserved riparia vegetation, usable as a receiving area for fauna from areas intervened by mining.
- Forests between the La Ceiba and Tabaco streams: an extensive, well preserved area, which extends beyond the stream beds. It is at present a refuge for forest fauna.

Even though Cerrejón has made every effort to reduce its impact on the environment as far as possible, the biodiversity in the natural protected and unprotected spaces has been harmed. ^(EN12)

■ **Impacts on protected areas:**

In the protected areas, connection with the ecosystems in and close to the mining location has been lost, the mitigation area surrounding the areas protected from deforestation has been treated carelessly and the settlement of fauna from the intervened areas has increased.

Intervention of areas by mining activities increases the animal populations in the protected areas. This incursion of new individuals increases pressure for territory and food and can cause a structural and functional imbalance through excess exposure or the selective consumption of certain vegetal species, in spite of the gross increase in phytomass because of the change to protective use of the land.

In addition, the enrichment of fauna in these areas can encourage the presence of hunters and traffickers in fauna.

■ **Impacts on unprotected areas of high biodiversity:**

For their part, the settlement of fauna from the intervened areas has increased and future displacement of fauna because of the inclusion of these areas in mining activities.

There is a temporary enrichment of fauna and flora in these areas, which will increase the magnitude of the impacts in the future.

Cerrejón is committed to both the present and the future generations of the Department and therefore protects the land and biodiversity in its area of influence.



Cerrejón looks after fauna and flora

Likewise, there are areas which are protected by Cerrejón in their entirety or which have been restored by the Company.^(EN13)

■ **Aguas Blancas - Santa Helena Compensation Area**

This covers 1,500 hectares. Its function is to compensate for the environmental impacts caused by the temporary intervention of land habitats in the mining areas. In them are vegetal layers at different successive stages, with over 20 years' isolation and exclusion, such as agricultural production or cattle farming.

■ **Areas in the process of rehabilitation**

This is an area of 2,378 hectares, divided into four locations. The oldest areas were adapted and put down to grass 17 years ago. These areas have been gradually diversified, changing from herbaceous plants to groups of native species of bushes and trees, either planted or introduced by natural vectors (fauna).

The enrichment and stability of these areas have made it possible for them to be habitats for fauna and a reduction in the pressure for resources in neighbouring areas.



As part of its Environmental Management, Cerrejón also acts according to the following strategic parameters focused on the preservation of biodiversity: ^(EN14)

■ **Management of vegetal layers**

- Environmental description of the areas to be intervened by operations.
- Inventories of vegetation and establishment of the composition of species and structure of vegetal communities.
- **Signposting and marking of individuals of species which are classified as endangered under Colombian legislation**, and the development of special programmes, such as the rescue of plantule seeds and propagation.
- Demarcation and visual signposting of areas to be intervened and others to be protected. Rescue of plantule seeds and vegetative propagation practices for endangered species.
- Preparation of a long term conceptual plan including localities and areas to be intervened by mining operations, estimated volumes of removable soil and one and five year sequences of areas to be rehabilitated, throughout the duration of the mining operations.
- **Total exclusion of mining or mining support operations in areas freed for rehabilitation.**
- Selection of herbaceous species and their use as pioneer vegetal layers in rehabilitation areas.
- Establishment of rapid growth, pioneer protective vegetal (herbaceous) layers in previously adapted areas.

The areas in the process of rehabilitation total 2,378 hectares, divided among in four locations. The oldest areas were adapted and put down to grass 17 years ago.



The Cerrejón Hill

- Collection and preservation of native species seeds to facilitate the vegetal succession process in areas to be rehabilitated.
- Induction of a guided vegetal succession, based on initial protective layers of native species, passing through the different phases of pasture and stubble until, as far as possible, a secondary forest is created.
- Construction of protection and supervisory fencing, where necessary, to control access to the areas under rehabilitation by livestock or unauthorised persons.
- Monitoring of soils, vegetation and fauna in order to qualify areas, evaluation the process and define actions for improvement where required.
- Reconnection of areas under rehabilitation with compensation areas and biological corridors.

■ **Management of fauna**

- Identification of areas to be deforested to learn their habitat characteristics and define the logistics of the fauna rescue and relocation plan.
- Selection of fauna receiver areas according to food supply, micro-habitat and their connectivity with other ecosystems to facilitate genetic interchange between populations.
- Recording of individuals captured and relocated.
- Printed leaflets on the wild fauna of the region, their importance to sustainable management and conservation, and interaction with the local communities through a shared environmental education programme.
- Implementation of a contingency plan to care for wild animals found within the facilities and in mining complex exploitation areas.
- Procedures for care for animals injured on the roads and in other mining operation activities.

Within the area surrounding Cerrejón, species in danger of extinction are included in the World Conservation Union -IUCN list, among them the following reptiles, birds and mammals: ^(EN15)

REPTILES SPECIE	REPORTED							STATUS
	Ingetec 1982	Ingetec 1997	Ambiotec 1998	D&M 2000	Gómez C. 2001	Araguatos 2004	George Dani 2005	
Boa constrictor	x		x			x	x	II CITES
Clelia	x					x		II CITES
Crotalus durissus	x		x		x	x	x	III CITES
Iguana	x		x		x	x	x	II CITES
Tupinambis Teguxin	x		x			x		II CITES
Caiman crocodilus	x		x		x	x	x	II CITES LC Humboldt
Trachemys scripta	x					x	x	VU Humboldt Libro Rojo
Kinostemon scorpionidae						x	x	VU Humboldt Libro Rojo
Geochelone carbonaria	x		x		x	x		CR Humboldt VU Libro Rojo
BIRDS								
Ara chloropterus					x		x	II CITES
Ara militaris					x			VU Humboldt
Ara severus							x	II CITES
Bulbuc ibis			x		x	x		III CITES
Dendrocygna autumnales			x			x	x	III CITES
Falco columbanus			x					II CITES
Falco femoralis						x		II CITES
Falco peregrinus							x	I CITES
Falco sparverinus			x				x	II CITES
Glaucis hirsutus						x	x	II CITES
Micrastur semitorquatus			x				x	II CITES
Tyto alba							x	II CITES
MAMMALS								
Caluromys lanatus			x		x			LRpm Humboldt
Gracilianus perjae						x		VU Humboldt
Marmosa xerophilla						x	x	DD Humboldt
Cabassous centralis			x	x	x	x		DD Humboldt
Tamandua mexicana	x		x	x	x		x	III CITES
Leptonycteris curasoae							x	LRca Humboldt
Artibeus amplus							x	DD Humboldt
Artibeus obscurus							x	DD Humboldt
Myotis nesolopus							x	DD Humboldt
Rhogeessa minutilla							x	DD Humboldt
Tadarida brasiliensis		x						DD Humboldt
Alouatta seniculus	x	x	x	x	x	x	x	LR VU Humboldt
Aotus lemurinus		x		x				VU Humboldt
Cebus albifrons	x		x	x	x	x	x	LRca Humboldt
Cerdocyon thous			x	x	x	x	x	II CITES
Eira barbara							x	III CITES
Galictis vittata			x		x	x		III CITES
Lutra longicaudis	x					x	x	I CITES VU Humboldt
Herpailurus yagouaroundi				x		x	x	I CITES VU Humboldt
Leopardus pardalis	x		x	x	x	x	x	I CITES VU Humboldt
Leopardus wiedii							x	I CITES VU Humboldt
Panthera onca						x		I CITES VU Humboldt
Puma concolor						x	x	I CITES VU Humboldt
Mazama americana							x	III CITES LRca Humboldt
Odocoileus virginianus	x		x	x	x	x	x	VU Humboldt
Oryzomys sp	x							VU Humboldt
Agouti paca				x				III CITES LR ca Humboldt
Dasyprocta punctata				x		x	x	LRpm Humboldt

Gases, waste waters and solid waste

In 2007, the Inter-American Development Bank, IDB, and Carbones del Cerrejón signed a collaboration agreement on coordinating efforts to promote a “green coal” strategy, in addition to design projects to contribute in reducing greenhouse gases. ^(EN16, EN17, EN18)

Coal is used throughout the developed world to generate electricity and is considered one of the largest contributors to global warming. Developed countries have assumed the commitment to stop this type of gas emissions and one of the ways to do so is to carry out projects with countries which have not taken on commitments under the Kyoto Protocol and which can contribute to reaching its goals of gas emission reduction. It is through these Clean Development

Mechanisms, that the IDB and Cerrejón intend to carry out this project. Moreover, the results will mean added value for Cerrejón coal.

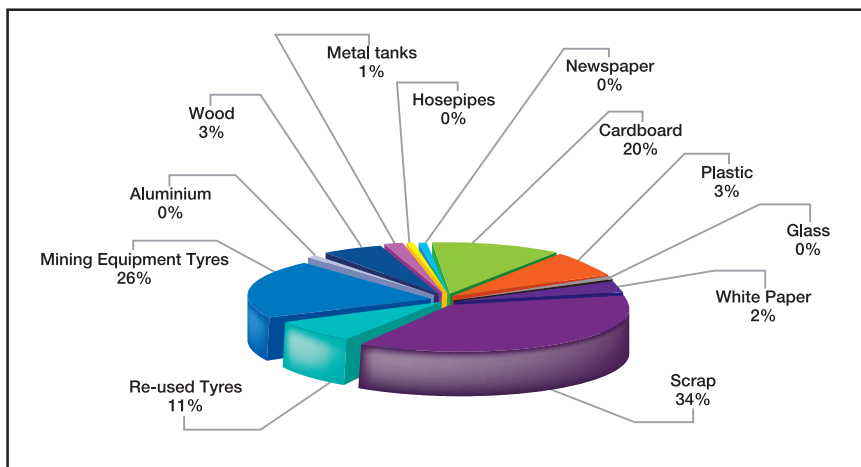
Cerrejón has no official initiatives under way for the principal purpose of reducing greenhouse gas emissions. However, there are initiatives aimed at reducing power consumption, a change in petrol as a fuel to dual systems (natural gas/petrol) in light equipment (with over two years' operation), the use of used oil as an alternate fuel for the manufacture of explosives (which began in 2005). The reason for all of these is to save on costs.

In 2006, Cerrejón achieved a reduction of 0.028 Ton CO₂/Ton of coal.

In the case of discharging waste waters, the process was carried out according to their nature and use:

- 68 thousand m³ ARD
- 130 thousand m³ ARI
- 1.87 million m³ ARM

Distribution of Recovered Recyclable Waste -Year 2006



Generation of solid waste was evaluated - for 2006 - was according to their type and treatment method. A total of 3,775 tons of hazardous, ordinary and hospital solid waste were generated.

360 tons of special waste were generated, divided according to their treatment into:

- 237 tons encapsulated
- 61 tons, special industrial - Sawdust - treated by **Biorremediation**
- tons of hospital waste **incinerated**
- 60.1 tons of special industrial waste, **incinerated**

And 2,601 tons of ordinary waste were produced and disposed of in a manual and mechanical landfill.

A total of 3,775 tons of hazardous, ordinary and hospital solid waste were produced.

Solid waste management in 2006

Months 2006	Debris (kg)	Prunig (kg)	Ordinary Waste (kg)	Special Waste (industrial) (kg)	Recycle (kg)	Sawdust (kg)	Hospital Waste (kg)	Incinerated (kg)	Ash (kg)	Total Production
January	40,000	40,000	258,000	25,922	50,985	2,934	151	8,573	818	337,992
February	40,000	40,000	316,000	20,876	61,256	3,122	162	8,163	848	401,416
March	50,000	59,254	259,000	21,531	56,353	4,937	118	8,113	697	341,939
April	37,440	53,920	219,980	19,097	52,650	6,320	235	2,271	97	298,047
May	48,480	40,060	205,060	24,199	68,382	4,449	162	1,870	185	302,090
June	85,520	45,420	191,670	25,295	77,358	5,950	162	8,110	684	300,273
July	109,690	18,480	189,270	21,333	77,294	4,817	220	2,765	189	292,714
August	78,200	29,900	196,300	27,330	80,954	6,630	147	7,892	533	311,747
September	89,600	49,600	192,520	28,022	71,557	6,325	195	7,465	381	298,805
October	78,240	31,440	194,530	28,560	74,987	2,900	152	4,905	210	301,187
November	80,820	36,560	188,580	27,979	53,773	6,400	139			276,871
December	90,000	45,000	190,000	27,300	88,158	6,250	98	1,522	184	311,892
Total	827,990	489,634	2,600,910	297,444	813,707	61,034	1,941	61,649	4,826	3,774,973
Average	68,999	40,803	216,743	24,787	67,809	5,086	162	5,604	439	314,581

Environmental impacts

In the period covered by the memory, 2,000 gallons of oil were accidentally spilt. ^(EN23)

However, **runoff waters did not affect any habitat significantly, nor the biodiversity of the region's hydric resources.** It is important to remember that coal requires no packaging that could be recovered at the end of its useful life. ^(EN25, EN27)

Although coal is a commodity (raw material) and its environmental impact cannot be mitigated, an evaluation of the coal life cycle analysis of Cerrejón coal was begun, in order to obtain, on that basis, tools to orientate the optimisation of processes and thus general the smallest possible impact on the coal production chain. Likewise, Cerrejón has been faithfully compliant with the environmental regulations, with the result that it was neither fined nor sanctioned in 2006. Moreover, its high indices of coal transport quality, in goods and materials used for its mining activity had no significant environmental impacts during that same year. ^(EN26, EN28, EN29)

To improve

"Cerrejón keeps control of the road sprinkling RT9, a product which promotes more compacting of the soil and greater penetration of water, which results in reduced dust emissions along the railway line. However, sprinkling should be increased in high areas of the mine so that, when the coal is exhausted in this zone, it will be in better condition."

Javier Calderón
Corpoquajira

Although the environmental impact of coal cannot be mitigated, an evaluation of the coal life cycle analysis of Cerrejón coal was begun, in order to obtain, on that basis, tools to orientate the optimisation of processes and thus general the smallest possible impact.



Environmental investment in 2006 ^(EN30)

Environmental expenses and investments: \$ 33,249 million of pesos.
2006 Representative exchange rate (\$ / US\$) 2,391



WEAVING SOCIETY ⑦



*Cerrejón helps
to improve the
communities' living
conditions
by creating jobs and
demand for goods
and services, as well
as paying royalties
and taxes*



Hand in hand with new generations

Society

“Hand in hand with the Community”

Cerrejón is the largest open cast coal mine complex in the world and the social driving force in La Guajira. Coal production brings hope to the communities of the region and the Company has helped to improve the inhabitants' standard of living.

The social dimension of sustainability is tied to the impact of Cerrejón's activities on the regional social system. The GRI social performance indicators identify the main aspects of the Company's performance in work related aspects, human rights, society and responsibility for its products.

Mission and Vision with social significance ^(7.1)

Mission

Cerrejón's social management is centred on the communities in its area of influence, contributing to the comprehensive, sustainable development of the population, promoting participation and community self administration processes jointly with the Government and the community.

Vision

Cerrejón's vision is to be an effective partner in social change, working with the communities to ensure that our presence improves their quality of life and to strengthen local human and social capital, sowing the seeds of peaceful, sustainable development.

Community participation is a transverse component of all the programmes that form part of Cerrejón's Social Management through its Social Responsibility Department, which, in addition to fulfilling the purpose of the leaflet are in accordance with its Safety, Health, Environment and Communities Policy and the “Hand in Hand with the Community” Social programme.

Improving community life conditions

Cerrejón has defined two strategic objectives in its commitment to society:

- **Working alongside the communities and Governmental institutions in projects promoting human development**, designed to improve people's living conditions and quality of life in line with the concepts of sustainable development.
- Responding to all neighbouring communities' concerns and making constant efforts to cultivate cordial relations.

Coal production has brought hope to the communities of the region and Cerrejón has contributed to improving its inhabitants' living conditions.

“An effective partner in social change”

Cerrejón maintains policies which impact on and define its commitment to social conditions:

I. Communities policy

Cerrejón will be an effective partner for social change. **It will work with the communities to improve their quality of life**, seeking to strengthen local human and social capital and thereby achieve peaceful, sustainable development.

Cerrejón concentrates on the following aspects to implement this policy:

- The Company will contribute to the development of micro-enterprises and creating jobs: Cerrejón must promote micro-entrepreneurial development and support the supportive economy, identifying productive chains and exploring options jointly with recognized institutions, thus facilitating productive projects with a considerable impact on job creation and wealth for the region.

To further this effort, the Company works together with the Midas Foundation and other institutions to strengthen job creation and training programmes to facilitate the establishment of specific projects for the Indigenous communities along the railway line and the demobilized inhabitants of La Guajira.

Likewise, coverage of the micro-credit programmes increases employment in the area of influence, with emphasis on the Roche, Patilla and Chancleta communities and using resources as “Seed Capital” in definitive local development projects.

Cerrejón has designed and implemented a formal policy for the promotion and development of companies and to identify business opportunities at the level of the company’s supply chain and production waste.

This policy also includes the promotion of competitive advantages in the region and the establishment of consolidated companies outside La Guajira: capital, training, transfer of technology and job creation.

The fundamental tools to be used by Cerrejón to promote and develop local enterprises will be market identification and analysis, financing, training and agreements with SENA, universities and technological institutions.

- As part of its institutional strengthening, the Company promotes all the projects aimed at improving local public administrations’ capacity to



Wayuu handbags

manage their own social programmes effectively, answering to people it represents.

- To back its operations, Cerrejón is the leader of land acquisition and community resettlement projects through environmental impact studies, human resources management and other activities involved in the operation, exerting a direct impact on the communities, implementing concrete actions to solve any pending social problems of the post-resettlement activities of the populations of Tabaco and Oreganal.
- **In its efforts to achieve community development, Cerrejón supports health, education and infrastructure development projects in order to improve the communities' capacity to organise, design plans and to manage and supervise processes.**

To achieve this social goal, the Company will continue to increase the coverage of its programmes under an agreement with the ICBF (Ayatajirawa program, which means teamwork; Community Homes and Care for Mothers and Infants) for the Indigenous communities along the railway line and those of southern La Guajira.

It will also complete construction of the water supply system for the Indigenous communities in Trupio Gacho, Provincial and San Francisco and improve the schools infrastructure in Remedios Solano, Pablo Sexto and Montealbernia schools in Barrancas.

Coverage of the micro-credit programmes increases employment in the area of influence, with emphasis on the Roche, Patilla and Chancleta communities and using resources as "Seed Capital" in definitive local development projects.

Cerrejón has designed and implemented a formal policy for the promotion and development of companies, and identifies business opportunities at the level of the Company's supply chains and production rejects.

As part of its community medical care programme, Cerrejón organises health brigades, providing monthly support at the Medical-Dental Unit, with emphasis on Patilla, Chancleta, Roche and Oreganal (general medical and dental treatment, oral health, treatment for parasites and the provision of multivitamins and medicines). It has also entered into a new agreement with the Departmental Health Division and other institutions and the programme to promote prevention of tuberculosis and HIV - Aids, with emphasis on pregnant women.

Cerrejón also works to improve educational institutions, specifically in the municipalities of Albania and Hatonuevo.

- As far as royalties are concerned, Cerrejón promotes projects for the community financed by combing the royalties with Cerrejón's contributions and those from the communities under tripartite agreements between the latter, local governments and the Company.
- Finally, in an alliance with the territorial entities, **Cerrejón coordinates strategies and programmes for the municipalities of its area of influence to improve educational quality**, taking into account the State policies described in the education development plan (increased coverage, improved quality and more efficiency in the education sector).

Cerrejón: social boost

"Cerrejón is a very serious company. Not only in La Guajira, but also at worldwide level, it is outstanding for boosting the social development of communities. It makes sure that royalties are being invested in education, health, basic sanitation and other sectors where we are lagging far behind. Cerrejón has brought very significant progress in the nearly 25 years of coal production and that is reflected in the schools and health centres.

Olimpo Pelaez
Barrancas Ombudsman
20 September 2007

2. Safety, Health, Environment and Communities policy

It is a policy of Cerrejón in its open cast coal mining, transportation and shipping operations in La Guajira, and in its activities in the other places where it operates, to conduct its business in harmony with both the environment and society, to protect its employees' safety and health and to contribute to the development, wellbeing and culture of the communities in its area of influence. It also makes every effort to maintain the best



Child shepherds, a native tradition

For Cerrejón it is important to raise awareness, train and encourage the commitment of its employees and contractors to Human Rights, International Humanitarian Law and the Voluntary Principles.

mining industry practices in the areas of Safety, Health, the Environment and the Communities.

This policy is implemented by applying a management system for the control of risks to Safety, Health, the Environmental and the Communities as part of its process of continuous improvement and according to the following guidelines:

- To design and maintain the facilities and establish operational processes in such a way as to safeguard people, property and the environment.
- To make constant efforts to identify and administer the risks associated with Cerrejón activities.
- To comply with the applicable laws and regulations and fulfil the other obligations it has assumed voluntarily and to apply its own standards when they exceed existing legislation or where there is no legislation governing the matter.
- To respond quickly, effectively and carefully to any emergencies or accidents resulting from its operations.
- To provide Occupational Health promotion programmes orientated towards improving its employees' wellbeing.
- **To regularly evaluate its employees' state of health in order ensure early identification and control of any work related health risks.**
- To raise awareness, train and encourage the commitment of its employees and contractors to Human Rights, International Humanitarian Law and the Voluntary Principles
- To maintain transparent relations with its private security contractors, State security organisations, the Army and the Police, within the framework of the Voluntary Principles.
- To respect Human Rights. In the case of the Indigenous communities in Cerrejón's area of influence, it preserves and strengthens their culture, identity, traditions and customs.
- To respond in due time to any concerns expressed by the neighbouring communities and to constantly make efforts to cultivate cordial relations, open dialogue and cooperation.
- To work together with the communities and State institutions on projects to promote human training and to improve the living conditions and quality of life of the inhabitants, within the framework of sustainable development.
- Among the possibilities and abilities required by Cerrejón's operations, to provide job opportunities and, in general, to endeavour to maximise the use of the resources available in the region and the country.
- To train, raise the awareness and encourage the commitment of its employees and contractors in order to achieve the objectives of this policy.
- To establish good channels of communication to make known its Safety, Health, Environmental and Community programmes and to be aware of the concerns of interested parties.



Linear shiploader control cabin

- To carry out regular reviews and evaluations in order to ensure compliance with this policy and to measure its progress.

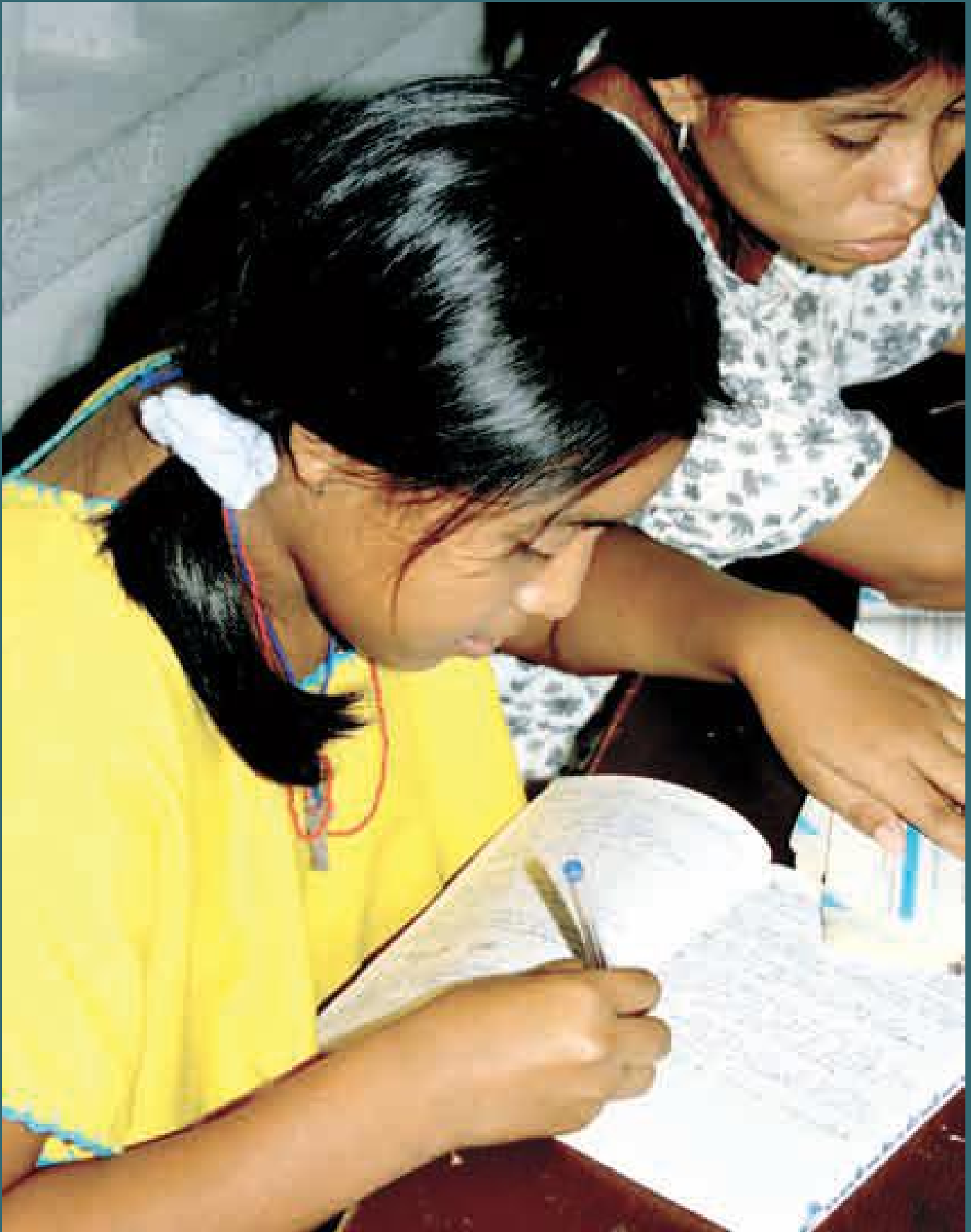
3. Social Labour Responsibility Policy

Cerrejón is committed to the integral development and wellbeing of its employees, complying with Colombian laws and respecting their right to free association and collective bargaining. It makes every effort to provide the best health and safety conditions for its employees, thus generating positive factors to facilitate the social and economic progress of its work force, as well as establishing balanced, transparent commercial relations with its suppliers and contractors.

These guidelines constitute Cerrejón's Social Responsibility Policy towards its Human Resources. It applies them through a management system that includes its efforts to obtain its suppliers' and contractors' commitment to follow these guidelines in both their organizations and their operations.

4. Human Rights Policy

It is a policy of Cerrejón to carry out its operations in such a way as to protect, respect and promote the Human Rights of its employees, contractors, the third parties involved in its operations, its clients and the public in general. It requires its contractors to assume the same commitment and they, through each and every one of their employees, are responsible for the promotion, respect and protection of Human Rights in every area of their works and/or services.



Children from the Bilingual Wayunnaiki - Spanish School

5. Ethics Policy

Cerrejón is committed to its policy of complying with all laws applicable to its business, although its policy goes far beyond this. **Even in cases in which the law is permissive, Cerrejón chooses the policy of maximum integrity in all its activities.** Its honesty has never been questioned by any culture.

It does not allow any employee to achieve results by breaking the law or acting unscrupulously, nor does it permit reprisals against any person who reports such situations.

Cerrejón is implacable in its opposition to corruption. Bribes are neither offered nor paid nor accepted and compliance with this policy is ensured by its rigorous internal control system.

Commitment to Global Compact Principles

Its Human Rights (H.R.) Programme is fundamental to Cerrejón, because it allows the surrounding communities to be aware of the Company's concern for public safety and respect for their rights, ensuring that their conduct or behaviour does not run counter to the principles set out in the Universal Declaration of Human Rights and the United Nations Global Compact Principles, whether in armed conflicts or in times of peace.

The Company's actions to ensure respect for and the promotion of Human Rights are guided by these principles and an annual report is drawn up for the United Nations and any persons with an interest in its actions in compliance with them.

Cerrejón's Social Management is led by its President, by Public Affairs and Social Engagement Vice-president and Social Responsibility Manager. They have a team of specialised officials, whose job it is to add value to all the phases of the operation and every community in the area of influence.
(7.2)

Educating and raising awareness of communities ^(7.3)

As a Cerrejón commitment and part of its Policy on Safety, Health, the Environment and Communities, it has an environmental management socialization programme.

Representatives of the San Francisco, Trupio Gacho and Provincial Indigenous Reservations, of the communities of Roche, Patilla and Chancleta and the Albania, Hatonuevo and Barrancas municipal administrations located in the coal complex area of influence visited the mine to see for themselves how the Company's Environmental Policy works and thus strengthen the relationship of solidarity and trust built up over the years.

Cerrejón requires its contractors and employees who are responsible assume the commitment to promote, respect and protect Human Rights.

Cerrejón is implacable in its opposition to corruption. Bribes are neither offered, paid nor accepted and compliance with this policy is ensured through a rigorous internal control system.

A visit was made to the mine with representatives of the Indigenous Reservations and the municipal administrations in the area of influence of the Coal Complex for them to see for themselves how the Company's Environmental Policy works.

Officials of the Social Responsibility Department, of Nuestra Señora del Pilar Hospital in Barrancas and members of the community walked through Roche, Patilla and Chancleta to evaluate the community hygiene and health conditions.

A first phase was started to support processes of Human Rights recognition, training and implementation in the San Francisco, Trupio Gacho and Provincial Indigenous Reservations. The methodology used consisted of promoting autonomous learning, based on these people's own concepts, encouraging personal reflection on the application of Human Rights in the day to day life of all the members of the community. In 2006, training was provided as follows:

Name of Indigenous reservation	Number of persons trained
Trupio Gacho Indigenous Reserve	37 persons
San Francisco Indigenous Reserve	22 persons
Provincial Indigenous Reserve	74 persons

Within the framework of its PGS 01 Community Participation Programme and as part of its "Hand in hand with the Community" Social Management Policy, Cerrejón commenced a process to strengthen the Indigenous communities' management capacity in the area of "Cultural Strengthening and Community Organisation". For the purpose, it held a participative Workshop on Indigenous Legislation with representatives and promoters of the San Francisco, Trupio Gacho and Provincial Indigenous Reservations at the mine facilities.

This workshop was led by the Ethnic Groups Department of the Ministry of the Interior and Justice and accompanied by the Communities and Land Division, the Legal Department and external Indigenous advisers on community matters. The workshop included subjects such as associations, the general participation system, health, royalties law and the general land use plan.

Together with the Trans-Cultural Training Workshops and the Communications Division, 3,000 copies of the "Wayuu, an ancestral Ethnic Group" Trans-Cultural Leaflet were printed. It strengthens the training workshops for employees and contractors, in order to make known the traditions, history, customs and other elements of the Wayuu culture, encouraging them to respect, promote and preserve their Indigenous identity.

Likewise, the Company voluntarily carried out a programme of training and education focused on raising awareness, education and promotion of Human Rights for the Armed Forces, private security companies, Indigenous communities, community leaders and Company staff with a



A window to the future

view to preventing conduct considered to be in violation of Human Rights and which are linked, either directly or indirectly, to Cerrejón's name or image.

In the first phase, activities of training the different military units deployed in the Coal Complex area of influence in Human Rights - HR and International Humanitarian Law - IHL. This initiative was coordinated by the HR Studies, Training and Analysis Centre of Costa Rica (CECADH) under the direction of Cerrejón.

The second phase of this initiative consisted of providing a framework for raising awareness and promoting recognition of the Programme by both internal and external interest groups. This area was covered by direct talks for the interested parties.

The Company voluntarily carried out a programme of training and education focused on raising awareness, education and promotion of Human Rights for the Armed Forces.

An integral company ^(7.4.SOI)

For Cerrejón, it is fundamental for its operations to be in accordance, not only with standards of quality, but also with its surroundings and it therefore ensures that its business is in harmony with the environment and society, protects the safety and health of its workers, contributes to the development, wellbeing and culture of the communities in its area of influence and adheres to the best mining industry practices in matters of safety, health, the environment and the communities.

Cerrejón Operational Integrity is made up of 15 elements, including the aspects of the Safety, Health, Environment and Communities Management Plan to prevent, mitigate, eliminate or control the risks involved in each of these areas. **Cerrejón has been certified in accordance with ISO 14001 and OHSAS 18001 Standards by Bureau Veritas Quality International**, accrediting it as an organisation which controls these risks adequately, confirming that the Company's Operational Integrity System is sound, well structured and satisfies the needs of the operation.

Cerrejón is the tenth company and the first mining company in Colombia to have been awarded these international certifications.

A Socially Responsible Company





Within the conceptual framework of Sustainable Development, Cerrejón has designed a Corporate Social Responsibility Model, a fundamental tool for the recognition of its social responsibility to its audiences or stakeholders.

The purpose of the Model is to ensure that Carbones del Cerrejón is recognised at local, regional, national and international levels as a company which, through its actions, duly fulfils its Corporate Social Responsibility.

The social responsibility of the coal complex lies within different elements and assigns a validating mechanism to each of them. These axes are:

- Transparency
- Human Rights
- Environment
- Communities
- Work related responsibility
- Operational Integrity and Occupational Health.

Within the conceptual framework of Sustainable Development, Cerrejón has designed the Corporate Social Responsibility Model, a fundamental tool for recognition of its social responsibility to its stakeholders.

All the Social Responsibility programmes implemented by Cerrejón focus on:

1. Establishment and certification of the Social Responsibility Management System under International Standard SA8000.
2. Application of Sustainable Development initiatives in environmental and community productive programmes.
3. Study and implementation of projects that contribute to reducing greenhouse gases -GE- and comply with the Clean Development Mechanisms -CDM- under the Kyoto Protocol.
4. Implementation of the Voluntary Principles in matters of Human Rights.
5. Commitment to the application of the United Nations Global Compact on Human Rights, Work Conditions, the Environment and Transparency.

In 2006, Cerrejón continued with the implementation of the following processes:

I. Social Labour Responsibility Policy

This is a comprehensive, global and verifiable standard that seeks to certify compliance with work related standards. It is applied to both small and large companies to demonstrate to their clients and other interest groups their commitment to the working conditions of their employees and requiring their contractors and suppliers to do the same.

The purpose of this certification is to establish systems to ensure compliance with a series of Social Responsibility requirements, which cover basic aspects (fees, child labour, wages/salaries, etc.) and management (policies, programmes, corrective actions, etc.) to promote dialogue, cooperation and continuous improvement.

SA 8000 standard basically establishes minimum conditions for a safe, health working environment; freedom of association and collective bargaining and an entrepreneurial strategy to deal with work related social aspects.

In spite of its fulfilling these conditions, Cerrejón did not receive this certification because of the existence of a work shift in which employees work for seven days and then have seven days off. The company wished to change the shift, but the workers involved did not. **The welfare of its employees and their families is important to Cerrejón and all work related decisions are taken by consensus.**

Cerrejón is certified in accordance with standards ISO 14001 and OSHAS 18001, granted in November 2003 by Bureau Veritas Quality International, accrediting the Company as an organisation which controls its environmental impacts correctly, on the basis of practices and procedures established in its Operational Integrity System.



Seven days working and seven days rest

Seven / seven: More time for the family

"I am very happy with my seven / seven shift because it makes my working hours more flexible and I can enjoy more time with my family and children in my free time. It's a shame that we don't have another certification, but what it is important is the Company's commitment to its employees and their families; we don't want to change to the six / six shift."

Isabel María Manotas Molina
Cerrejón worker
19 September 2007

¡This shift is great!

"I can share more time with my family and when I have to come back to work I'm more enthusiastic because I'm relaxed, I've rested and there isn't much pressure. This shift is great and the Company's productivity shows it."

Jairo Rafael Gómez Castillo
Cerrejón worker
19 September 2007



Coal, a driving force of Colombia's development

In 90 percent of cases of Cerrejón shipments, the final quality of the coal is established at Bolívar Port by the independent inspector, in accordance with universally accepted methods and procedures.

2. Certified quality coal

The quality of the coal crushed at Cerrejón is measured by analysing samples taken by an automatic sampler. The quality of the coal is established by a rapid laboratory test, which only takes less than two hours, before it is loaded onto the train.

When it arrives at the port, the coal is piled up and reclaimed, in such a way that its variation in quality is minimised for each shipment. A certified sampling station, operated by an independent inspector, is used to certify the quality of each shipment.

In the case of 90 percent of these Cerrejón shipments, the final quality is established at Bolívar Port by the independent inspector, in accordance with universally accepted methods and procedures. For the remaining 10 percent, both the analyses at Bolívar Port and those established at the unloading dock are used.

3. Cerrejón reports and communicates

The Cerrejón information and communication programme, as well as being the means by which its mining operation and activities are made known to the internal and external interested parties, is an instrument for dialogue.

Implementation of this programme, which permits and encourages the active, open participation of the community, is transverse through all the programmes carried out in the areas of influence, supporting concepts, improving the climate of trust and credibility and promoting reciprocity in our respective relationships.

The following activities and communicative exercises took place during 2006:

- Dissemination of the activities undertaken in the communities to be resettled through internal and external communications media.
- In order to learn about successful resettlement experiences, a trip to the city of Medellín to see the Villa Nueva resettlement, a Empresas Públicas de Medellín project, was coordinated and made together with residents and members of the Roche Community Action Committee and officials from the Barrancas Mayor's office. A video was also made which, in addition to summarising the entire experience of the trip, compiles both positive and negative testimonies on the Resettlement process.
- The first documentary on the Chancleta Community entitled "La Luz del Conocimiento" (Light of Knowledge), recreating the inhabitants' own particular stories, was made and edited. The documentary, narrated by the inhabitants themselves, identified the leaders, the community's economic, social and cultural activities and its members' opinions of the resettlement. This made their opinions on resettlement known, as well as create ding an improved climate of mutual trust.
- **Inauguration of the Roche Community Service Office, with the official hand over of the equipment, to the Community Action Committee.** This office was installed for the purposes of communicating with all the people involved who are directly and indirectly impacted by the resettlement process. Likewise, this office channels the community's queries and expectations and makes the events, progress and agreements in the resettlement process known.
- Design and installation of sign posts at the intersection of the Patilla Dyke to remind passers by and drivers of the importance of using the road safely.
- To raise awareness of the risks implied by the railway line and to prevent accidents of members of the neighbouring communities, the Safe Roads & Lives Campaign was carried out at eight strategic points along the railway corridor from Albania to Cuatro Vías, in coordination with the Divisions of Communications, Protection, Indigenous Communities and Cerrejón Foundation - PAICI.
- Installation of identification signposts in the indigenous reservations of San Francisco, Trupio Gacho and Provincial and three sign posts and prevention billboards, one in the San Francisco community and the other two at the Patilla Dyke intersection.

Cerrejón assigns priority to the transparent management of royalties in full view of the community.

4. Royalties that last

Cerrejón assigns priority to the transparent management of royalties in full view of the community. It therefore created the Transparency Pact signed between the municipal administrations of Albania, Hatonuevo and Barrancas and the Presidential Fight against Corruption Programme, administered by the Vice-presidency. The communities of the zone watch over these commitments, which requires organisation, training and strengthening the institutional mechanisms used for citizen's work committees established under the Pact.

The purpose of the agreement is to strengthen the participation of citizens in public resources supervisory mechanisms, especially royalties paid on coal extraction and transportation.

Positive impact on the region

"As a private company, Cerrejón has meant redemption not only for the municipality of Hatonuevo, but for the entire La Guajira Department, because it is the driving force behind most of the development of this department. I've learned that because coal production, municipalities such as Barrancas, Hatonuevo and Albania receive direct royalties. According to the law, the royalties must be used to satisfy basic needs in the areas of health, education, basic sanitation, drinking water, housing and electricity supply.

Cerrejón has had a positive impact. There are a lot of sub-contractor companies domiciled in the municipality of Hatonuevo. It has brought a lot of attractions to our town, improving our quality of life."

Víctor Luque
Mayor of Hatonuevo
20 September 2007

The fight for transparency

When Cerrejón began operations, it established a policy against corruption in the activities it would be carrying out, using projects analysis to identify risks in this area. ^(S02)

Aware that employees form an important part of the fight against corruption, Cerrejón informed all its workers and contractors of its anti-corruption policy. The Company has a channel for direct dialogue between them and senior management to facilitate communication and reporting of any corrupt or bribery proposals to its employees and by them to third parties. ^(S03)

Likewise, any actions threatening Cerrejón's ethical commitments are sanctioned according to its internal regulations by termination of the respective work contract for a just cause and without notice. No cases of corruption were reported in the Company in 2006. ^(SO4)

Cerrejón does not participate in any lobbying activities, nor does it intervene in public policies.

Its position is absolutely neutral regarding ideologies and it does not participate in any political or politically related activities, nor does it contribute to, or collaborate with any political party. ^(SO5, SO6)

Cerrejón has never acted in any way to undermine free competition nor has it allowed any monopolistic situation, which makes it a socially responsible Company, which duly complies with Colombian labour and environmental legislation. Cerrejón is the best partner in Colombia and Cerrejón's best capital is La Guajira. ^(SO7, SO8)

Driving force of development in La Guajira

"In all the time I've worked here in the local Ombudsman's Office, I have never heard of any problems in relation to Human Rights. I believe that Cerrejón respects Human Rights, above all when it has a special interest in creating awareness of their importance, not only that of Cerrejón officials, but also of the communities."

Paola Henríquez López
Hatonuevo Ombudsman
20 September 2007

When Cerrejón began operations, it established a policy against corruption in the activities it would be carrying out, using projects analysis to identify risks in this area.



Cerrejón works for the future of La Guajira

Human Rights

Human Rights, a duty of Cerrejón

Speaking of Human Rights in Colombia presupposes immediately referring to the armed conflict, which is the detonator of Human Rights violations in this country. However, that the institutions or entities themselves should discuss this subject sounds estrange and even foreign to its activities.

Human Rights have become leading players in the Company when they are related to Corporate Social Responsibility.

Cerrejón understands that, to be socially responsible, it must begin by respecting Human Rights, creating a culture of protection within its labour related structure.

Cerrejón's purpose has greater scope than its actions with its own employees, because respect for Human Rights also involves its surroundings because the consequences of such actions are reflected in the community, the authorities, and the country in general. Human Rights are an intrinsic part of Cerrejón's activities.

The most valuable policy

It is a policy of Cerrejón to carry out its operations in such a way as to protect, respect and promote its employees' and contractors' Human Rights and those of the third parties involved in its operations, its clients and the public in general. It requires the same commitment from its contractors, who, through **each and every one of their employees are responsible for promoting, respecting and protecting Human Rights** in every area where their work and services are carried out. ^(7.5, 7.6)

Part of the commitment assumed is the responsibility to ensure that Human Rights are respected in the workplace and in its widest area of influence. The ethical imperative is imposed as a safeguard for civic behaviour.

Cerrejón ensures respect for Human Rights (Voluntary Principles and the United Nations Global Compact) in its entire Organisation. The Company does not tolerate or permit any employee or contractor to break the law or to behave in such a way that Human Rights may be violated.

It is the duty of each and every one of the employees, contractors and third parties involved in the operation, as well as Cerrejón's clients, to enforce the required measures to prevent any behaviour that runs counter the Universal Declaration of Human Rights, the Voluntary Principles and the UNO's Global Compact. Cerrejón does not permit any reprisals against employees or persons who report such situations. It enforces this policy

Cerrejón understands that, to be socially responsible, it must begin by respecting Human Rights

Cerrejón does not tolerate or permit any employee or contractor to break the law or to behave in such a way that Human Rights may be violated.

as part of its awareness of conduct that respects dignity and peaceful coexistence.

Cerrejón recognises that Governmental actions are vital to guarantee respect for to Human Rights and so it has decided to support Governmental Human Rights Programmes and lead regional efforts to ensure that they are promoted, respected and protected.

It is Cerrejón's policy to ensure that its relationship with private security companies and the security forces legally established by the State follow the highest standards and practices, with the greatest possible transparency, thus ensuring that corporate conduct is in line with the Voluntary Principles and it provides them with training and keeps them up-to-date in Human Rights matters.

It will also collaborate with the State Security Forces working to ensure the security of Cerrejón.

Under a magnet

The Cerrejón Presidency has established the Operational Integrity System (OIS), designed for the administration of any risks to Safety, Health, the Environment and the Community (SHEC). The purpose of this system is to ensure that the Company's business is carried out in an ethical and transparent manner, with the support of the principles of the Universal Declaration of Human Rights, national and international legislation and the best practices, respecting the traditional rights, values and cultural heritage of the communities in its area of influence. It seeks opportunities to promote **social change, peace and better quality of life of the communities in the area of influence, thus contributing to its sustainable development.**

The system provides processes already implemented to ensure that the principles of the Universal Declaration of Human Rights and the United Nations Global Compact are evaluated, prioritised and applied, as appropriate, in the Cerrejón area of influence. Employees and contractors all receive training to raise their awareness of the principles applicable to their activities.

Processes have been carried out to ensure that the security (protection) staff are aware of and operate in accordance with the Voluntary Principles on Security and Human Rights.

The Public Affairs and Social Engagement Vice-presidency gives top priority to matters of Human Rights and Cerrejón has a Human Rights coordinator, who reports to this management. ^(7.7)



Training and raising awareness for respect ^(7.8)

Cerrejón, through its Human Rights Coordination, has established concrete procedures for training in, and raising awareness of this aspect.

In 2006, Cerrejón signed agreements with the Ministry of National Defence and the Colombian Red Cross for the training of employees and different interest groups of the surrounding area in: Human Rights, International Humanitarian Law and the Voluntary Principles. It also organised a top level diploma course for employees of the Public Affairs Department Protection Division.

During these training activities leaflets on Human Rights were distributed to the Armed Forces and district attorneys, and **on International Humanitarian Law to the civilian population.**

But Cerrejón's work in this area does not stop there: the Company has established procedures to follow up its Human Rights policies and to determine any corrective and preventive measures needed in cases in which they occur. ^(7.9)

The Company has established procedures to follow up its Human Rights policies and to determine any corrective and preventive measures needed in cases in which they occur.

Amongst its monitoring activities in 2006, the following are highlighted: constant visits to the different critical interest groups, analysis of the Human Rights situation, surveys of Human Rights, International Humanitarian Law and the Voluntary Principles, approval of all procedures, management by the Protection Division of the Public Affairs Vice-presidency and Social Responsibility Management, as well as inclusion of the subjects pertaining to private security companies.

Training was also provided in aspects which need to be corrected, the relevant internal investigations were opened and complaints and claims were processed.

All the Cerrejón's actions in matters of Human Rights are guided by the Voluntary Principles, the Universal and American Declarations of Human Rights, International Documents on International Humanitarian Law (IHL) and the Early Warning System (EWS) of the Ombudsman. ^(7.10)

Effective actions

In 2006, Cerrejón management was reflected in the definition of a correct Human Rights Policy, to raise the awareness of audiences regarding Human Rights, in the **training of 2,000 people** on the subject, in the preparation and distribution of teaching material, effective agreements, application of the Early Warning System (EWS), diploma awarded to employees by the Colombian Red Cross and the International Committee of the Red Cross (ICRC). ^(7.11)

Cerrejón also handed out documents with an explanation of the Company's Human Rights Policy, which is also included in the teaching component for the support of the State and regional programmes promoting respect and compliance with Human Rights.

Humanising coal

All aspects of the Cerrejón operation are in accordance with the regulations of the Operational Integrity System (OIS), which follows clear policies on Human Rights. These practices also cover distributors and contractors. ^(HR1, HR2)

In 2006, 2,102 people participated in training courses, as follows: 148 indigenous people, 403 employees, 832 security company employees and 704 members of the armed forces. ^(HR3)

All these training exercises were carried out by Cerrejón as part of a policy of respect for the social and cultural setting of each operational zone, valuing the characteristics of each individual on its staff of workers, with no discrimination by sex, race, religious ideas, sexual orientation, age or economic position. At the time of preparing this report, no reports of discrimination have been received. ^(HR4)

In 2006, 2,102 people participated in training courses, as follows: 148 indigenous people, 403 employees, 832 security company employees and 704 members of the armed forces.

This policy of Cerrejón also includes freedom of association and union activity: Cerrejón is one of the 2,000 companies in the world which adhered to the Global Compact and, although it has no legal force, there is a monitoring mechanism consisting of each company involved having to submit a detailed progress report on the introduction of the Global Compact Principles. ^(HR5)

Cerrejón trains its suppliers

“Our job is to sell large tires to Cerrejón and to advise it on caring for them so that they last longer. Also, in 2006, we reached an agreement for Llantas Grimaldi, our distributor, to repair and maintain the tires. Cerrejón trains us in industrial safety, occupational health, Human Rights and emergencies at the mine.”

Juan Pablo Molano
Michelin
20 September 2007

In addition, the Global Compact office uses its good services to mediate in conflicts in cases in which interest groups consider that a company is violating one or more of the ten precepts.

Freedom of association

In both the conventions entered into by Cerrejón with the International Labour Organisation (ILO), and the Global Compact established the four fundamental labour related rights: the right to belong to a union and to collective negotiation; abolition of child and forced labour; elimination of discrimination at work, which is in addition to the internal work related policies, and absolute prohibition of the use of minors in mine work. ^(HR6)

Amongst the practices introduced by Cerrejón, union activity is included and is promoted and protected, remembering that it can be highly dangerous in Colombia. For the last three years, and thanks to the CSR policies, no extreme measures such as strikes at Cerrejón have taken place and the labour agreements with its workers have been reached by consensus.

For the last three years, and thanks to CSR policies, no extreme measures such as strikes at Cerrejón have taken place and its agreements with its workers have been reached by consensus.

“Cerrejón always takes the union into account”

“Processes are followed to report decisions taken, there is a great deal of trust between the union and the Company and the channels of communication are excellent. Cerrejón’s labour policies show that labour related rights are protected.

Cerrejón does not need to improve anything in its personnel management, it assumes its responsibilities to the employees and their families and has always shown interest in social security.”

Gabriel Pinto
Cerrejón Union
18 September 2007

Cerrejón’s operation complies with labour related Colombian legislation, it includes the technology necessary to guarantee production without deterioration of the labour force, and both the daily work timetable and overtime (voluntary) have been set out in the Collective Bargaining Agreement. The Company’s operation is in accordance with the international Corporate Social Responsibility standards signed voluntarily by the Company.^(HR7)

As to the security staff who have been trained in the protection of Human Rights, 832 employees of the security companies are involved in this effort.^(HR8)

Human Rights and Security: Cerrejón priorities

“Cerrejón trains all its Servidaza employees in safety, quality and Human Rights. The Company requires us to give priority to contracting personnel from La Guajira, and therefore 90 percent of our employees are from the region.”

Víctor Mejía
Servidaza
20 September 2007



Indigenous people also count

Cerrejón ensures that interference of its operation in the cultures in its area of influence are kept to a minimum, respecting their customs and providing opportunities for social and economic development.

The Company is aware that increasing mining activity may affect the settlement zones of different population nuclei. When a relocation is

Cerrejón ensures that interference of its operation in the cultures in its area of influence are kept to a minimum, respecting their customs and providing opportunities for social and economic development.



Anasú watta malú / Good morning

required, as happened with the people of Tabaco and Oreganal (and currently with Roche, Patilla and Chancleta), prior agreements with the community, their representatives and authorities were coordinated. Likewise, in these processes, Cerrejón strictly complies with Colombian law, is governed by international accepted practices (Global Compact, Voluntary Principles, World Bank Guidelines, etc.) and is subject to revision audits by independent, internationally recognised bodies.

In addition, relocations are subjected to social action plans to make their move as untraumatic as possible and, on the contrary, for it to benefit the inhabitants. ^(HR9)

Changes are difficult

"I used to live in a township called Oreganal, with a good standard of living. It was very painful to leave the land where I was born. It's a very difficult change because our livelihood depended on chickens, pigs, beans and maize, but the resettlement meant that we couldn't continue that way. It is very difficult for a rural person to change to a different way of making a living. In spite of that, the Oreganal community has benefited a lot from Cerrejón.

We often meet with people from Cerrejón; they have a lot of projects for the Oreganal community, and they're giving our young people a good education. We have to thank Cerrejón for that, because educating children is to provide a great benefit."

Alfonso Brito
Resettled Person
20 September 2007

HUMAN CAPITAL, WORK FORCE

Cerrejón's successful operation is supported by its human capital, its work force. **Cerrejón recognises the value of every one of its employee's work**, which enhances the Company and raises it to the level of the most important coal exporter in Latin America. Cerrejón appreciates its people and, in exchange for their work, provides them with wellbeing and a pleasant organisational atmosphere.

Cerrejón seeks to create the organisational conditions necessary to attract, motivate, train, develop and ensure the presence of suitable human talent and, at the same time, guarantee that they have enough permanent knowledge and the abilities necessary to carry out the operations in compliance with world class standards. Likewise, it creates an excellent work environment for all the members of its team of workers. ^(7.12)

The Company is also governed by the conventions and recommendations of the International Labour Organisation (ILO), not only as far as its workers are concerned, but also in its relations with the indigenous populations adjacent to the mine.

Standard SA 8000 has also been included in the internal work regulations through the management system.

Cerrejón and its Human Resources ^(7.13)

Cerrejón, as a company, is committed to the comprehensive development of its employees, ensures the best possible living conditions and seeks to promote social and economic development. It also has well-balanced, transparent commercial relationships with its suppliers and contractors.

Cerrejón's Social Responsibility Policy for its Human Resources is applied through a Management System, which also includes its suppliers and contractors and requires that they too use the system guidelines in all their operations.

It is a Company policy to employ workers of the appropriate age for each position, respecting in all cases the limitations established under Colombian Labour Law.

Cerrejón ensures equal job opportunities, in accordance with all the applicable laws. The Company administers its employee related policies, programmes and practices, avoiding any discrimination in all its work relationships, including recruitment, contracting, job assignment, promotions, transfers, terminations, wage/salary management and selection for training.

Cerrejón seeks to create the organisational conditions necessary to attract, motivate, train, develop and ensure the presence of suitable human talent.

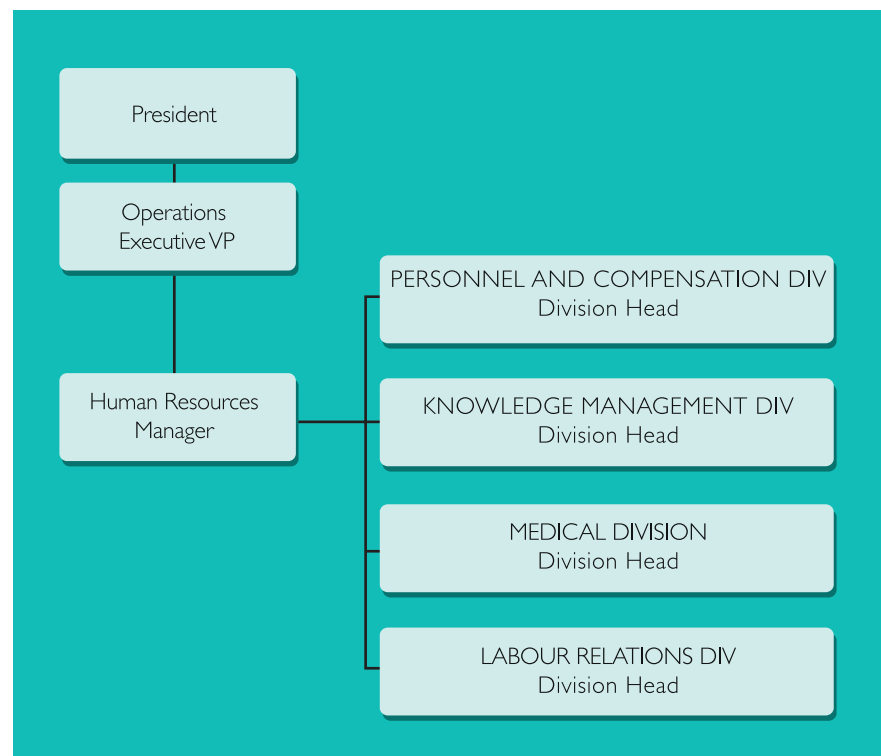
Cerrejón recognises the value of every one of its employee's work, which enhances the Company and raises it to the level of the most important exporter of coal in Latin America.

Cerrejón is one of the 2,000 international companies registered with the Global Compact and is also governed by the conventions and recommendations of the International Labour Organisation (ILO).

Cerrejón policies are applied in line with the requirements verified by third parties as in compliance with the SA 8000 standard. They cover the following aspects:

- Child labour: the Company does not use or support child labour. Its youngest workers are approximately 20 years of age.
- Forced labour: the Company does not use or sponsor forced labour.
- Hygiene and safety: the Company is aware of the intrinsic risks of its industry and ensures safe working environment, preventing any accidents associated with its activities.
- Freedom of association: the Company respects its employees' right to form unions. It also respects the right to collective bargaining.
- Discrimination: the Company does not practice or encourage any type of discrimination.
- Disciplinary practices: Cerrejón does not use or support the use of corporal punishment, mental or physical coercion or verbal abuse.
- Working hours: the working day is normal, as defined by Colombian legislation and is also in accordance with ILO conventions.
- Wages/salaries: the wages/salaries paid by the Company are in accordance with Colombian legislation and the minimum standards established by the mining industry.

Organisation chart ^(7.14)





Cerrejón, aiming for excellence at work^(7.15)

Cerrejón makes great efforts to ensure that labour related guidelines are kept in force in its day to day operation. For the purpose, it **disseminates this policy through different electronic, printed, audiovisual and live media** at all levels of its employees and to its contractors and suppliers.

The Company keeps the appropriate records as proof that it fulfils the respective legal requirements and has established a management system for the application of this policy.^(7.16)

Cerrejón administers its personnel policies, programmes and practices with no discrimination, in all aspects of its work relations.



Cerrejón ensures respect for Human Rights

Both Cerrejón itself and third parties carry out regular reviews and assessments. Likewise, **it makes a study of the organisational climate every two years and if problem areas are found, it intervenes appropriately**, which are implemented through internal or external consultancies as required by the magnitude of the situation to be resolved.

This policy of training and raising awareness of Cerrejón's employee related actions has earned important recognitions and certifications, such as the one conferred by LLOYDS REGISTER for the excellence of the Bolivar Port operation, certifying that it complies with the International Safety Management Code (ISM), which, in turn, covers the National

Safety Management Code (NGS). These establish the standards for the safe management and operation of ships and the prevention of marine contamination. ^(7.17)

Bureau Veritas Quality International (BVQI) carried out the first follow up audit for the Cerrejón Operational Integrity System Certification according to standards OHSAS 18001 and ISO 14001. Areas of the mine and Bolivar Port were audited, with emphasis on following up earlier comments and the processes for the identification of dangers, as well as evaluation and control of safety, health and environmental risks, compliance with applicable legal requirements, improvement objectives and the management programmes implemented.

The results of the audit confirmed that the Cerrejón Operational Integrity System complies with the requirements of standards OHSAS 18001 and ISO 14001, which, in turn, evidences its compliance with the health, safety and environmental provisions established for the mining complex.

In addition, **the Drilling and Blasting Superintendency was certified in accordance with quality standard ISO 9001**, which covers these two main processes: drilling and blasting. This was begun after receiving certification of the manufacture and transport of explosive material.

Better quality, fewer risks ^(7.18)

Cerrejón has created a management system that has resulted in a continuous reduction in accident rates. In the course of 2006, the accident rate was 0,59 percent (Lost Time Frequency Injuries Index, Restricted Work and Medical treatment, calculated based on 200.000 man hours / worked) a figure that places Cerrejón's among the highest safe mining operations.

However, and in spite of this positive outlook, the safety of its employees remains an area of concern for Cerrejón. In 2006, the Company invested close to 180 million dollars in mitigating the accident index.

But the Company does not restrict its efforts to establishing an accident free operation, but also strives to reduce occupational diseases. On this point, the challenges faced by Cerrejón are:

1. To continue its HIV/AIDS, alcohol and drugs prevention campaigns.
2. To develop the plan to update job analyses of in the operational department.
3. To monitor and adjust SENA academic training plans to ensure that technicians and operators have the required competence.
4. To develop alternatives for the provision of occupational health services for contractors in the complex, with standards similar to those of Cerrejón.

**In 2006 the Company
invested close to
USD \$180 million on
mitigating accident
index.**

All processes at Cerrejón are subject to the Company's policies and Goals. Application strategies have been defined for all of them. According to the case, the management committee appoints a team to study the Company's present situation, and defines what should be done to introduce all aspects of the standards and to generate actions aimed at achieving all such objectives. ^(7.19)

The following is a breakdown of the workers per type of job, contract and region. ^(LA1)

Employment Generation Total Cerrejón Human Resources	2006
Direct Cerrejón Employees (Including Temporary workers)	4,561
Contractors	3,879
Total	8,440
Apprentices	71

	Type of Job - Contract Professional personnel			Technical personnel			GRAND TOTAL
	Permanent	Temporary	Total	Permanent	Temporary	Total	
No. of Employees	777	22	799	3,119	643	3,762	4,561
Percentage	17.0%	0.5%	17.5%	68.4%	14.1%	82.5%	100%

	Seniority of employees Professional				Technical				GRAND TOTAL
		Permanent	Temporary	Total	Permanent	Temporary	Total		
0 to 2 years	No.	146	21	167	129	612	741	908	
	%	3.2%	0.5%	3.7%	2.8%	13.4%	16.2%	19.9%	
3 to 5 years	No.	112	1	113	388	27	415	528	
	%	2.5%	0.0%	2.5%	8.5%	0.6%	9.1%	11.6%	
6 to 10 years	No.	25	0	25	227	4	231	256	
	%	0.5%	0.0%	0.5%	5.0%	0.1%	5.1%	5.6%	
11 to 20 years	No.	235	0	235	1,494	0	1,494	1,729	
	%	5.2%	0.0%	5.2%	32.8%	0.0%	32.8%	37.9%	
Over 20 years	No.	259	0	259	881	0	881	1,140	
	%	5.7%	0.0%	5.7%	19.3%	0.0%	19.3%	25.0%	
GRAND TOTAL	No.	777	22	799	3,119	643	3,762	4,561	
	%	17.0%	0.5%	17.5%	68.4%	14.1%	82.5%	100%	

Origin of employees		Region of origin			
		La Guajira	Caribbean Coast	Rest of the Country	TOTAL
Professional	Nro	138	334	327	799
	%	3.0%	7.3%	7.2%	18%
Technical	Nro	2,556	1,017	189	3,762
	%	56.0%	22.3%	4.1%	82%
TOTAL	Nro	2,694	1,351	516	4,561
	%	59.1%	29.6%	11.3%	100%

Over 20 years			
	Males	Females	Total
Present Employees	249	45	294
Retired Employees	240	23	263
Temporary Employees	636	29	665
Total Employees	4,339	222	4,561

Age of employees							
	Age Range						TOTAL
	20 or below	21-30	31-40	41-50	51-60	Over 60	
No. of Employees	72	765	1,386	1,969	369	0	4,561
Percentage	1.6%	16.8%	30.4%	43.2%	8.1%	0%	100%

Sex of employees								
		Professional			Technical			GRAN TOTAL
		Permanent	Temporary	Total	Permanent	Temporary	Total	
Males	Nro	657	9	666	3,046	627	3,673	4,339
	%	14.4%	0.2%	14.6%	66.8%	13.7%	80.5%	95.1%
Females	Nro	120	13	133	73	16	89	222
	%	2.6%	0.3%	2.9%	1.6%	0.4%	2.0%	4.9%
GRAND TOTAL	Nro	777	22	799	3,119	643	3,762	4,561
	%	17.0%	0.5%	17.5%	68.4%	14.1%	82.5%	100%



Workers come first

Cerrejón has no half time employees. The benefits agreed on in the Collective Bargaining Agreement cover all its collaborators, whether under a fixed term or an open ended contract. All employees are covered by the Collective Bargaining Agreement. There are 3,826 employees, of whom 3,033 are affiliated and 793 associates. ^(LA3, LA4)

As to organisational changes, Cerrejón has complete freedom to reduce or increase the numbers of personnel in its service, but the legal provisions in force governing union rights, dismissals and other protective regulations are always complied with. ^(LA5)

The employees are represented on the Equal Terms Occupational Health Committees in the same proportion as representatives of the company, in accordance with the law. Employees' representatives are elected by vote of all workers. ^(LA6)

^(LA7) Accident Statistics - Cerrejón 2006			
	Employees	Contractors	Total Cerrejón
Fatalities	0	0	0
Injuries with lost time	17	23	40
Lost days	1,581	1,481	3,062

Prevention: a Cerrejón commitment ^(LA8)

Although control of HIV-Aids, alcoholism and drug addiction are not directed related to mining activity, they are included in Cerrejón's preventive plans for both its work teams and the community.

The programmes are mainly aimed at prevention, through personal attendance and distance education, and what is sought for the population is for them to learn how to prevent these problems. They are also shown the harm they do to individuals and their family and working environments.

Likewise, and in support of the Colombian Government, a Tuberculosis prevention plan has been implemented in the mine's area of influence; actions were carried out to measure symptoms of tuberculosis and house visits were made in the communities.

Aspects of health and safety covered by the Collective Bargaining Agreement, as agreed on with the union are: Occupational Health Policy, travelling expenses for medical treatment, travelling expenses for persons accompanying the patient, medical referrals, relocations, procedures with health entities (ARP and EPS), Medical Fund for assistance for workers with relatives who have been referred to a city a long way from their residence and there is a Health Commission to follow up the health programme. ^(LA9)

2006 Campaigns

LAUNCHING AND MAINTENANCE OF CAMPAIGN FOR ACCIDENT PREVENTION BASED ON CONDUCT - PPABC

- Design and production of items for PPABC campaign: printing alignments to place in offices, as fliers, notice boards, installation of billboard on island 5 and line 45, installation of pennants in changing rooms and workshops; printing diplomas for observers and attaché cases, ballpoint pens and folders for PPABC coordinators; advertisements on Radio Cerrejón and in 60 days magazine.
- Graduation ceremonies for observers

LAUNCHING OF COMPANY'S SAFETY CAMPAIGN REF: CHOOSE TO BE SAFE FOR THE VICE PRESIDENCY

- Design and production of billboards, mirror stickers at the Mine and Bolivar Port and in employees transport buses. Updating messages every 3 months for 1 year (from August)
- Memo design for offices

LAUNCHING OF: STOP, THINK AND ACT 3X1 CAMPAIGN

- Design and production of cards with subject for safety talk, billboards at Mine and Port, floorgraphics for workshops, stickers for lockers and hard hats, ballpoint pens, key rings and T-shirts

UPDATING SAFETY VIDEO FOR TECHNICAL VISITORS TO THE MINE AND BOLIVAR PORT IN ENGLISH AND SPANISH

- Transmitted on Intranet.

SUPPORT FOR EMERGENCY BRIGADES AND GROUPS

- Coordination of brigade members graduation and of the La Guajira emergency groups Olympiad: pennants, leaflets, tags and T-shirts, presentation of trophies
- Design and printing cards for emergency and manoeuvres coordinators
- Production of signs supporting brigade members' work
- Updating emergency telephone in workshops
- Reprints of fliers on use of extinguishers

PRINTING AND DISTRIBUTION OF NEW SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY POLICY

- Printing signs, broadcasting on Radio Cerrejón and delivering posters for offices

IMPLEMENTATION OF SAFETY COMMUNICATIONS PLAN IN MAINTENANCE DEPARTMENT

- Coordination of "Find the Risks" competition: 3 editions with 20 winners each time.
- Printing equipment block posters and equipment testing cones
- Inclusion of subjects of safety talks on intranet
- Christmas safety phrase competition
- Buttons celebrating 1 million man/hours without accidents
- Edition of 2007 calendar with outstanding safety officials

CONTINUATION OF RAILWAY LINE CAMPAIGN: SAFE RAILWAY, ROADS AND LIVES

- Printing short story, T-shirts and caps, radio advertisement, Stop and Go signs, two billboards, posters and pennants for Uribia level crossing
- Design of mugs, thermos flasks and towels for surveillance teams to hand out to communities alongside the railway.

AIDS PREVENTION CAMPAIGN

- Edition of 2007 pocket calendar and reprinting leaflet with employee's image. Radio advertisement. Support for SINTRACARBÓN and ICIEM.
- Edition of SINTRACARBÓN presentation on the subject.
- Writing article for ONUSIDA magazine

LAUNCHING OF "FIND THE SAFE KEY" COMPETITION TO SUPPORT THE COAL HANDLING DEPARTMENT

- Design of fliers and pennants for prize giving. 70 prizes awarded.

10 ENVIRONMENTAL MANAGEMENT PROMOTION VISITS

- Judges of La Guajira, inhabitants of Roche, Chancleta, Patilla, San Francisco, Provincial y Trupio Gacho Reservations and municipal administrations of Albania, Hatonuevo and Barrancas: 290 persons, including 90% in favour of programmes.

Integral Training

Cerrejón also provides training for its employees: ^(LA10)

The focus of the work carried out through the Knowledge Management for Company employees is aimed at maintaining the abilities the business requires of its labour force. This is applied to all employees, both new and those with experience.

Information on annual training CERREJÓN - PERIOD: January 1/06 to December 31/06									
Category	No. of participants		Man/Hours			Accumulated in year	Annual plan	% Compliance	Average hours annual training per employee
	ROL		MPT	PTC	Total				
	MPT	PTC							
Personnel Effectiveness	796	1874	5601	8327	13928	13928	32318	43%	2.924207432
Functional	1002	1714	25524	12261	37785	37785	61862	61%	7.933025404
Management	251	58	3122	1098	4220	4220	3140	134%	0.885996221
OIS (SIO)	2476	7387	13034	56197	69231	69231	59100	117%	14.53516691
Operational	262	5828	7318	133705	141023	141023	73242	193%	29.60802016
Total	21648		266187			266187	229662	116%	55.88641612

Cerrejón also helps veteran employees to maintain their job possibilities in the operation or for them to continue to contribute to it. In addition, some courses are being provided to help people nearing retirement age to face an imminent change of activity successfully. ^(LA11)

Likewise, Cerrejón's personnel and wages/salaries administration policies do not discriminate against anyone by gender, age or ethnic origin. The Human Resources Department focuses on individual people's personal and professional abilities and their contribution to achieving the Company's objectives. ^(LA14, LA12)

Campaigns to control HIV-Aids, tuberculosis, alcoholism and drug addiction form part of the Cerrejón prevention plans for its employees and the community.



Coal production

Composition of Corporate Government bodies^(LA13)

BY AGE						
	Number of persons			%		
	40 years or more	Less than 40 years	Total	40 years or more	Less than 40 years	Total
From Manager onward	22	1	23	96%	4 %	100 %
Division Head and Superintendents	40	6	46	87%	13 %	100 %
Total	62	7	69	90%	10 %	100 %

BY GENDER						
	Number of persons			%		
	Men	Women	Total	Men	Women	Total
From Manager onward	22	1	23	96%	4 %	100 %
Division Head and Superintendents	41	5	46	89%	11 %	100 %
Total	63	6	69	91%	9 %	100 %

BY REGION										
	Number of persons					%				
	Guajira	Rest of the Coast	Rest of the country	Foreign	Total	Guajira	Rest of the Coast	Rest of the country	Foreign	Total
From Manager onward		5	17	1	23	0%	22%	74%	4%	100%
Division Head and Superintendents	3	21	22		46	7%	46%	48%	0%	100%
Total	3	26	39	1	69	4%	38%	57%	1%	100%

PRODUCT

COLOMBIA'S BEST COAL FOR THE WORLD

The excellent quality of Cerrejón coal has placed it in an outstanding position in Europe and North America. The company assumes responsibility for its product and has therefore defined a policy to ensure the following: ^(7.20)

- Supply of a **high quality product** which complies with or exceeds consumers' specifications and needs under reasonable circumstances.
- Provision of services that comply with responsible standards of compliance, efficiency and courtesy.
- Supply of precise and sufficient information on products and services, including details of guarantees for clients to be able to take a duly justified purchasing decision.
- Honest advertising and communications.

Cerrejón therefore fulfils all the needs and expectations of its clients and coal consumers in terms of quality, timeliness, performance and technical assistance, with integrated, coordinated efforts in the areas of planning, mining operations, crushing, shipping and marketing. ^(7.21)

Cerrejón establishes operational and sales plans in harmony with the mine's product and with its operational capacity to ensure compliance. At the same time, **it ensures the quality of its product at each stages of the operational processes.**

The responsible group for the product offered by Cerrejón is the Coal Quality Superintendence, reporting to the Coal Handling Management Department belonging to the Operations Support Vicepresidency. ^(7.22)

The company has implemented a system to guarantee that any product it sells always complies with international quality standards. The system is supported by the reliability of its equipment; the performance of the trucks that transport sterile material and coal; productivity, because of the results of the electric shovels and trucks; industrial safety confirmed by results of recent years among other mining companies, and ISO 9002 certification of three of the processes of reconstruction of major mining equipment components. ^(7.23)

Quality comes first: ^(7.24, PR5)

The operation develops and implements plans to ensure its compliance with coal exportation requirements.

Cerrejón fulfils all the needs and expectations of its clients and coal consumers in terms of quality, timeliness, performance and technical assistance.

Approximately 70 percent of the coal mine is crushed immediately and dispatched by train, while the remaining 30 percent is stored according to its calorific power and ash and sulphur content. It is then crushed and included in the normal product flow in order to adjust the quality of the coal dispatched at any given time. At the mine, the crushed coal is measured by analysis of samples taken from an automatic sampler. Before loading the coal on the train and the rapid laboratory tests establish the quality of the coal in less than two hours.

When it reaches the port, the coal is piled and reclaimed, in such a way as to minimize coal quality variability in each shipment. A certified sampling station, operated by an independent inspector, is used to certify the quality of each shipment. Bolivar Port has the capacity to load bulk ships of with 25,000 and 175,000 tons of coal, subject to approval by the port authorities.

Cerrejón coal is a non-washed product from seams whose calorific value varies from <10,000 BTU/lb GAR to >12,100 BTU/lb. Products of 6,000 kcal/kg GAR (~ 11,350 BTU/lb GAR) or less contain a little more than 11 percent of ash (Typical), while for values in excess of 6,000 kcal/kg GAR, the ash content is around or below 10 percent GAR. The volatile material content of Cerrejón coal is between 32 and 34 percent, while total sulphur is less than 0.85 percent.

The majority of the coal is used to generate electricity, while a smaller proportion is used for the injection of pulverized coal in industry and for domestic heating.

Coal is a raw material. However, in 2006 an evaluation of the coal life cycle analysis for Cerrejón was begun, in order to obtain tools to guide activity in the direction of optimising processes and causing minimum possible impact up to the end of the production chain. ^(PR1, PR3)

Products				
	C	D	Dm	E
BTU/lb GAR, Typical	11,600	11,300	11,000	10,600
Kcal/kg NAR, Typical	6,150	5,975	5,800	5,595
Ash, %	7.7 - 10.2	9.7 - 12.5	11.2 - 13.8	11.0 - 15.0
Total humidity, %	10.5 - 12.3	10.6 - 12.6	10.5 - 12.6	11.3 - 15.5
Volatile matter, %	32.4 - 33.6	31.6 - 33.3	31.2 - 33.2	31.2 - 33.5
Lb SO/MBTU	0.9 - 1.3	0.9 - 1.5	1.1 - 1.5	1.2 - 1.6



Coal ship

Cerrejón obeys the law and in 2006 no incident involving the product occurred. ^(PR2)

Marketing and advertising communications

In its external and internal corporate communications, the Company mentions compliance with Standards: certifications of compliance with the ISO 14001 Environment Standard, as well as the Occupational Health and Safety OHSAS Standard, certifications of Safety and Protection at Bolivar Port, adherence and commitment to the United Nations Global Compact, the implementation of its Human Rights Programme and respect for the Voluntary Principles Protocol on Human Rights and Public and Private Protection, among others. ^(PR6)

There were no incidents whatsoever in 2006 that resulted from failure to comply with the applicable regulations on marketing and advertising communications. ^(PR7)

The Company has received no claims for lack of respect for privacy or the disclosure of any personal data of its clients, nor have there been any significant fines for non-performance of regulations on the supply and use of the organisation's products. ^(PR8, PR9)



SECTORIAL MINING INDICATORS ⁽⁸⁾



*Cerrejón is the largest
open pit coal export
mining operation
in the world.*



Jajaataa Wayuu / A wayuu smile

Progress is in the earth

Cerrejón is one of the largest companies in the Colombian economy. **In 2006, its operational income was 1,249 million dollars** and its net profits were 268 million dollars. Cerrejón invested 444 million dollars in the modernisation and expansion of its operation between 2004 and 2007. (MMI)

On the local market, Cerrejón bought goods and services worth 330,000 million pesos. It paid 137 million dollars in wages, salaries and benefits, as well as 205 million dollars in national taxes. It paid and collected taxes for La Guajira department for a value of 4.2 million dollars. The Cerrejón operation represents 45 percent of the Gross Domestic Product of La Guajira department.

As to the Cerrejón workforce, the great majority are Colombian: 60 of every 100 employees are from La Guajira and 30 of every 100 are from other parts of the Atlantic Coast.

Education for the future

“When people see the development and jobs in Albania they want to come here and that results in new needs which we have to be satisfied, but which also help us to project better. Before we were just a little district but, because a lot of people came here looking for better future, we are now municipality number 15 in La Guajira department.”

Adolfo Jiménez
Albania Secretary of Education
21 September 2007

Cerrejón paid 137 million dollars in wages, salaries and benefits, as well as 205 million dollars in national taxes. It paid and collected taxes for La Guajira department for a value of 4.2 million dollars.

Investing in education

Cerrejón believes in La Guajira, in its people and its culture. But it also believes that education is the foundation of all the economic and social development of the region. True to this conviction, the Company finances the expansion of the Kamüsüchiwo'u Ethno-Educational Centre in the Media Luna indigenous reservation of Uribia.

This education centre teaches a large number of the children of the indigenous population, and therefore more classrooms were built, benefiting close to 2,000 pupils.

Cerrejón, the Ministry of Education and the municipal administration of Uribia invested USD \$122,000; USD\$ 168,000 and USD\$ 84,000 respectively, in this magnificent work.

As to the Cerrejón workforce, the great majority are Colombian: 60 of every 100 employees are from La Guajira and 30 of every 100 are from other parts of the Atlantic Coast

The school was expanded in two phases:

1. 1. Two classrooms were built in the pre-school area, as well as bathrooms and a health post. Children's games were set up and the perimeter of the entire area was fenced. For the basic primary and secondary education sections, a computer room, library, dining room, a concrete structure for high tanks, a water storage tank, the main entrance and internal pavements were built.

Likewise, eight benches were installed in the recreation area, as were the water, sanitation and electricity networks; a filtering field with a sanitary well was built.

2. In the Boarding area, two bathrooms with showers, a dormitory, administration, kitchen and work areas and a teachers room were built, as well as a room for the electricity generator, a recreational zone and two beach volleyball courts. Finishing and plastering works were completed in the pre-school area, the computer room and common areas were adapted and internal perimeter pavements were built.

Sustainability for Albania Families

"Albania has 15 thousand inhabitants. Cerrejón has had a positive impact on Albania because it produces income for us. We receive coal royalties and these resources are used to maintain the municipality and have made it possible for us to develop.

Cerrejón has had no negative impact on Albania, I believe that there are some weaknesses, such as the noise of the train and the explosions in the mine, which we have got used to. The company has created jobs and that is the key to sustainability for the families of the municipality. In addition, in 2006, the company gave the municipality 10 hectares of land which made it possible for us to start two programmes for 600 housing units. It also gave us the land to build an old people's home and the multiple sports facilities. Thanks to Cerrejón giving us another 5 hectares, we were able to start building the most beautiful school on the Atlantic Coast. In 2006, they also gave us the machinery and land to build Albania Moda, a garment factory.

Communication between Cerrejón and the municipality of Albania is excellent. It has some excellent interlocutors, who are very kind and want to help the community. Cerrejón involves us in its decisions and we involve Cerrejón in ours."

Oneida Pinto
Mayoress of Albania 2004 – 2007
21 September 2007



The joy of learning

Cerrejón also built the Educational and Cultural Resources Centre (CREM) in the Fonseca to fulfil students', teachers' and the community's educational needs.

CREM has three computer rooms, a public library, an auditorium, an administration area, physics and chemistry laboratories and audio-visual and games rooms.

Cerrejón contributed USD\$ 606,848; the municipality USD\$ 73,688 and La Guajira department another USD\$ 65,000 to build the CREM. The educational centres of Fonseca and Distracción also benefit from of the CREM.

An excellent ally

"Cerrejón is like a father to us in the Fonseca Educational and Cultural Resources Centre (CREM), it is our best ally. Without its constant, specific and responsible support the CREM would not be a reality. Cerrejón manages the CREM through the Cerrejón Foundation. They always take an interest in our activities. We also have a commitment to Cerrejón; we submit a teaching and cultural training progress report every month."

Dina Velásquez
Director of Educational and
Cultural Resources Centre,
Municipality of Fonseca -CREM-
20 September 2007

Nuestra Señora del Pilar of Barrancas has grown

Cerrejón is also concern to the health of the La Guajira communities. In 2006, it centred its efforts on improving the quality of patients' treatment at the Nuestra Señora del Pilar Hospital in Barrancas.

Strengthening treatment of the most needy

"Because of support from Cerrejón, we reached an agreement to strengthen epidemiological treatment in the entire rural zone and we have a multi-disciplinary team to make it a reality. Treatment and transportation for people for whom health services and transport were almost unavailable have now been strengthened."

María Yoletti
Director of Barrancas Hospital



Digging a ditch for reforestation

For this purpose, it remodelled and adapted the hospital infrastructure, **modernised the medical equipment and expanded the facilities and so the hospital progressed from Level 1 to Level 2.**

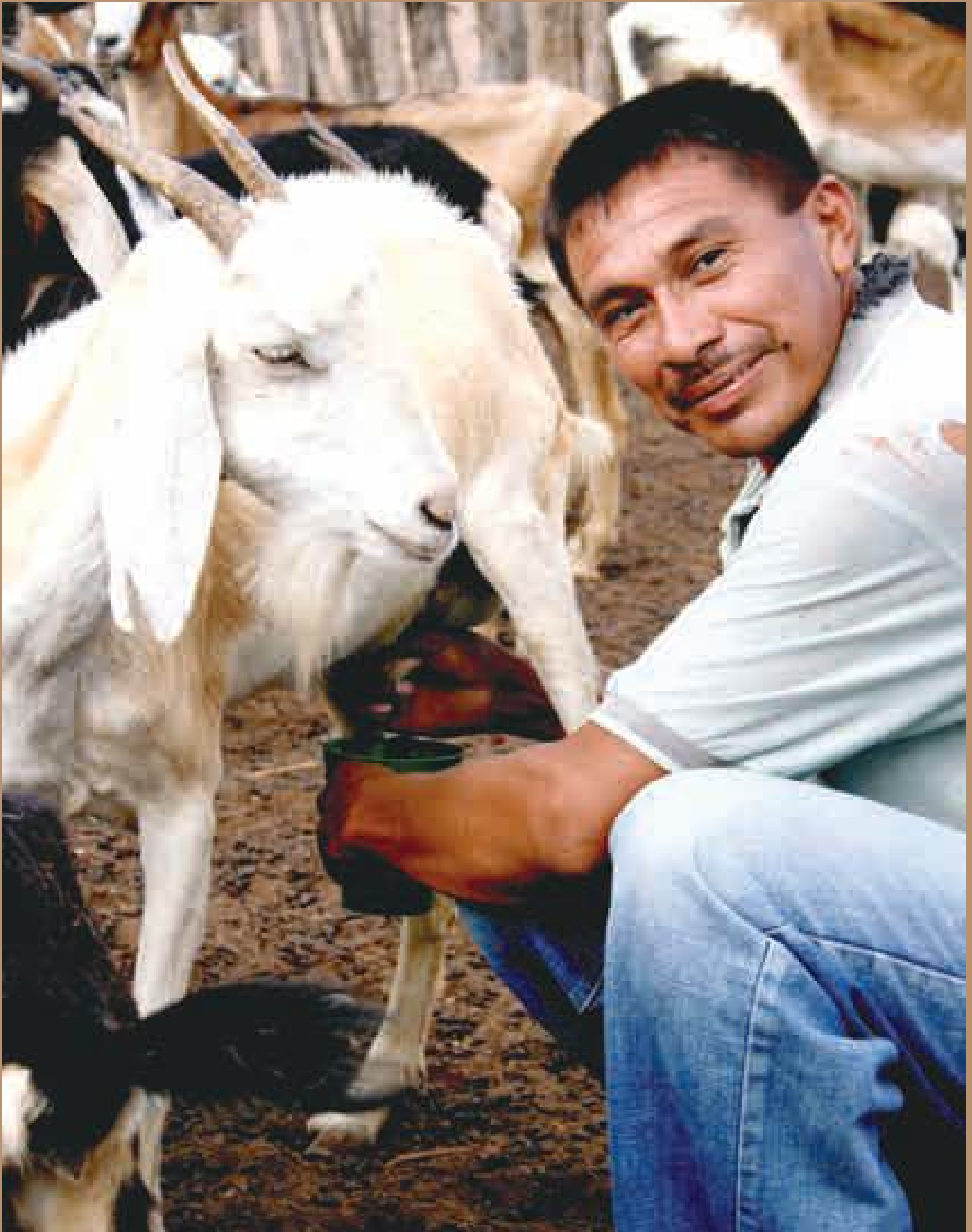
Cerrejón invested USD\$ 1,820,546 and the Barrancas municipal administration USD\$ 303,424 in this project.

No places requiring biodiversity management plans were identified in 2006. ^(MM3)

The final processes of the vital coal cycle are not controlled by Cerrejón and it is therefore impossible to establish the percentage of products derived from secondary materials. ^(MM4)

Eco-efficiency is important to Cerrejón and its implementation benefits the business, the environment and the community. Therefore, the Company promotes eco-efficiency through its policies on coal production processes, taking care to ensure good use of important elements such as water, air, fuels and electricity. However, the eco-efficiency of the product during and after its use, is not measured by the Company. ^(MM5)

In the case of residues management, Cerrejón has structured dumps for sterile material. When their design is completed, they are formed and covered with a vegetal layer and reforested with grass and then trees, until they are equal to, or better than before they were intervened by the mine. The Company does not produce any more residues in the process. ^(MM6)



A nanny goat giving her milk

A Company with open ears ^(MM7)

It is typical of Cerrejón to actively maintain **open and participative communication with the neighbouring community's representatives** at meetings, through interviews and special events and under Social Management Programmes. Cerrejón-community dynamics have improved the climate of trust and resulted in participative actions, which have all strengthened this relationship.

This process of rapprochement with the community led to Cerrejón's creating the Community Service Office, attached to the Communities and Land Division, to act as a filter for incidents, complaints or claims by the communities in the areas surrounding the Mine. This Office guarantees the rights of Cerrejón's neighbouring communities.

The community's most frequent complaints involve incidents along the railway line:

1. Children playing under the train when it is stationary.
2. Placing stones, skids and other objects along the railway line.
3. Indigenous persons sleeping on the railway.

In the first and second types of incident, Cerrejón identified the children, their home communities, parents and traditional authorities, and a space was created for dialogue and reflection on the risks of these dangerous acts along the railway line. Campaigns for the prevention of incidents were also launched: "Don't cross the line, the train moves faster than you" and " Safe roads & safe lives". To deal with these incidents, these actions were carried out jointly by the responsible officials of the Cerrejón Social Management, the Cerrejón-PAICI Foundation and the Communities and Land External Adviser.

Another incident reported by the community involves drunk indigenous persons who fall asleep on the railway line. When they come across this problem, the Sepecol guards team immediately remove indigenous people from the railway line and, after identifying their communities of origin, either take them home or occasionally to the police station.

In 2006, another incident was immediately brought to Cerrejón's attention: close to thirty indigenous people tried to stop the train from passing because some domestic animals owned by the Jatkusira community had been stolen. Following this event, the Company encouraged the communities in the zone (Jatkusira, Warruptumana and Kulikimana) to use dialogue and peaceful means to solve their disputes.

In addition, it clarified that the proper authorities to deal with criminal actions are the Police, the Army and Judicial Branch officials rather than the surveillance company contracted by Cerrejón.

Communication between Cerrejón and the community has improved the climate of trust, resulted in participative actions and strengthened their relationship

Cerrejón resettles communities without detriment to their culture, traditions and social structure. It is a complex process that seeks to benefit both parties.

Incidents are not, however, confined to the railway line. Some unidentified people stoned Company buses that were transporting a group of Cerrejón employees along the road from Albania to Riohacha. The External Advisor of the Communities and Lands Division, together with spokesman Angel Amaya, immediately visited the zone where the incident had taken place and discussed it with the traditional indigenous community authorities, heard their arguments and the reasons why they had created this incident. The external adviser invited the indigenous communities to refrain from carrying out these actions and to promote social control and respect for life and personal wellbeing in their territory.

Resettlement: respecting cultural identity ^(MM9, MM10)

Resettling a community means transferring it from its traditional local to another area, without detriment to its culture, traditions and social structure. It is a complex process whose aim is to benefit both parties, in this case, the Cerrejón mining activity and the indigenous communities' way of life.

Cerrejón is helping to resettle the Patilla, Chancleta, Roche and Tamaquito communities, while respecting their surrounding areas.

By the end of 2006, the rural areas still to be acquired were relatively small (less than 100 hectares) and are located in protected areas bordering on the mining concessions ^(MM11).

In the coming years, the company will focus on reaching agreements on access to areas where the present settlements of Roche, Patilla and Chancleta are located (60 hectares with approximately 600 inhabitants), which are in the process of resettlement for reasons of the long term expansion of the mine.

Access to these areas will be the result of a consensus with the communities and the participation of local, regional and national institutions under the land acquisition programme that forms a part of the resettlement management plans, which were designed in accordance with the World Bank guidelines and the best entrepreneurial practices. In these cases, **the goal is to achieve resettlement of all the residents of the four**

Community	According to World Bank Guidelines	Family Units	Areas of Operation
Patilla	Yes	64	1
Chancleta	Yes	64	1
Roche	Yes	15	1
Tamaquito (Wayuu)	Yes	30	1
TOTAL:		173	

communities to places identified and agreed on between the interested parties affected outside the concessions, close to the present villages and free from the impact of future mining activity.

Risk assessment ^(MM12)

Following the corporate risk evaluation methodology, the Company goes through a process of both internal and external risk identification and assessment.

These impacts could be caused by:

1. Contamination of water sources (River Ranchería).
2. People from the surrounding populations who pass through areas of the mine.
3. Mobilisation of nuclei of inhabitants because of expansion of the operation.
4. Air particle contamination.
5. Third party accidents involving the train and/or railway equipment.
6. Contamination of Bahía Portete.
7. Accidents of air craft which could possibly fall within urban limits.
8. Effects on the ecosystem (fauna, flora and natural resources) caused by the mine itself.

There are emergency response and/or prevention plans for all these impacts. They are managed in such a way as to reduce the likelihood of their occurrence. In any event, control mechanisms have not only been identified, but have also been put into operation.

Industrial safety and employee health is Cerrejón's main concern and, in 2006, there were three cases of occupational diseases. Only 9 cases of occupational diseases have been confirmed in its entire history, i.e. five cases of osteo-muscular disorders, two cases of loss of hearing, two cases of lung pathology. ^(MM13)

In the coming years, Cerrejón will focus on reaching agreements on access to areas where the present settlements of Roche, Patilla and Chancleta are located, which are in the process of resettlement for reasons of the long term expansion of the mine.



SUSTAINABILITY INDICATORS



SECTION	CONTENT	INDICATOR	PAGE
1. Strategy and analysis		1	4
	Declaration of the President of the Company	1.1	6-9
	Description of the main impacts, risks and opportunities	1.2	10-23
2. Organisation profile		2	24
	Name of the Organisation	2.1	27
	Main products	2.2	27
	Operative structure of the Organisation, including the principal divisions, operative entities, affiliates and joint ventures	2.3	27-28
	Location of the Organisation's principal place of business	2.4	30
	Number of countries in which the Organisation operates and names of the countries where it has activities which are significant or specifically important in the aspects of sustainability discussed in the memory	2.5	30
	Nature of the property and legal structure	2.6	30
	Markets served (including geographical breakdown, the sectors supplied and the types of clients/beneficiaries)	2.7	31
	Dimensions of the organisation, including: <ul style="list-style-type: none"> • Number of employees • Net sales (of private sector organisations) or net income (of public sector organisations) • Total capitalisation, broken-down in terms of debt and net equity (of private sector organisations) • Number of products or services provided • Sales/income by countries/regions which constitute 5% or more of total income • Costs broken-down by countries/regions which constitute 5% or more of total income • Employees 	2.8	31
	Awards and distinctions received during the informative period	2.9	31
3. Memory parameters		3	32
MEMORY PROFILE	Period covered by the information contained in the memory	3.1	35
	Date of the most recent previous memory	3.2	35
	Cycle of presentation of memories.	3.3	
	Contact point for matters relating to the memory or its content.	3.4	36

SCOPE AND COVERAGE OF MEMORY	Process defining content of the memory, including: <ul style="list-style-type: none"> • Establishing materiality • Priority of the aspects included in the memory • Identification of the stakeholders which the Organisation expects to use the memory 	3.5	36
	Coverage of the memory	3.6	37
	Existence of limitation of scope or coverage of the memory	3.7	37
	The base on which to include information in the case of joint ventures, affiliates, rented facilities, subcontracted activities and other entities which could significantly affect comparability between periods and/or between organisations	3.8	38
	Data and bases of measuring techniques for the calculations, including hypotheses and techniques underlying the estimates applied in the compilation of indicators and other information in the memory	3.9	38
	Description of the effect that re-expression of information pertinent to previous memories might have, together with the reasons for such re-expression (for example, mergers and acquisitions, change in informative periods, nature of the business or evaluation methods)	3.10	38
	Significant changes relating to periods prior to the scope, coverage or evaluation methods applied in the memory	3.11	38
GRI INDEX (GLOBAL REPORTING INITIATIVE)	Table showing the location of the basic contents of the memory. Identify page numbers or web links where the following information can be found.	3.12	38 172 187
VERIFICATION	Policy and present practice relating to the request for external verification of the memory. If not included in the memory verification sustainability report, the scope and basis of any other existing external verification must be explained.	3.13	38
4. Corporate Structure, Commitments and Stakeholders' Participation		4	40
BOARD OF DIRECTORS	The board of directors of the Organisation, including the board of directors' committees responsible for tasks such as definition of the Organisation's strategy or supervision.	4.1	43

	It is important to state whether the President of the board of directors also holds an executive position (and, if so, his/her duties within the management of the Organisation and the reasons justifying it)	4.2	43
	In organisations with a single management structure, state the number of members of the senior board of directors who are independent or not executives	4.3	44
	Shareholders' and employees' mechanisms to present recommendations or indications to the board of directors. <ul style="list-style-type: none"> • Use of shareholders' resolutions or other mechanisms to allow minority shareholders to express their opinion to the board of directors. • Process of information and consultation of employees regarding work relationships with formal representation bodies such "company committees" at the level of the Organisation and representation of employees in the board of directors. 	4.4	45 47
	Link between retribution of members of the board of directors, senior management and executives (including agreements on leaving the respective position) and the Organisation's performance (including the respective social and environmental aspects).	4.5	47
	Procedures introduced to avoid conflicts of interest in the board of directors	4.6	47
	Procedure to determine the training and experience required of members of the board of directors to be able to guide Organisation strategy in social, environmental and economic aspects	4.7	47 48
	Declarations of the mission and values followed internally, codes of conduct and important principles of its economic, environmental and social performance and their implementation status. <ul style="list-style-type: none"> • Applied throughout the Organisation in the different regions and departments. • Refer to the standards agreed on at international level 	4.8	48-52
	Board of directors supervision of the organisation's identification and management of its economic, environmental and social performance, including related risks and opportunities, as well as adherence to, observance of or compliance with the internationally approved standards, codes of conduct and principles	4.9	52-53
	Procedures to evaluate the performance of the board of directors, in particular with regard to economic, environmental and social performance	4.10	52+53
COMMITMENTS TO EXTERNAL INITIATIVES	Description of Organisation's adoption of a precautionary stance or principal	4.11	53

	Social, environmental and economic principles or programmes implemented externally and any other initiative that the Organisation subscribes to or approves	4.12	55-56
	Main associations to which it belongs (such as sectorial associations) and/or national and international entities supported by the Organisations and: <ul style="list-style-type: none"> • is present on the respective boards of directors • participates in their projects or committees • provides considerable financing in excess of the partners' obligations • implies strategic considerations 	4.13	57
STAKEHOLDERS PARTICIPATION	List of the stakeholders which the Organisation has included	4.14	58-62
	Basis for the identification and selection of the stakeholders to which the Organisation is committed	4.15	63
	Points of view adopted for inclusion amongst the stakeholders, including frequency of their participation by types and category	4.16	63
	Main concerns and aspects of interest which have arisen through the participation of the stakeholders and the way in which the Organisation has responded to them in the preparation of the memory	4.17	63-65
5. Economic Aspects		5	68
OBJECTIVES AND PERFORMANCE	Objectives of the entire Organisation in performance of Economic Aspects	5.1	69
POLICY	Briefly state the policy or policies that affect the entire Organisation and define its general commitment to Economic Aspects, or state where this policy can be found if it has been made public (web link)	5.2	69
ADDITIONAL INFORMATION	<ul style="list-style-type: none"> • Main successes and failures • Organisation's principal risks and opportunities • main changes in systems or structure during the period of preparation of the memory in order to improve performance • main strategies to introduce policies and achieve satisfactory performance 	5.3	69-71
ASPECT: ECONOMIC PERFORMANCE	Direct economic value produced and distributed, including income, exploitation costs, employee retribution, donations and other investments in the community, non distributed benefits and payments to capital suppliers and governments.	EC1	76
	Financial consequences and other risks to, and opportunities for the Organisation's activities due to climatic change	EC2	76

	Coverage of the Organisation's obligations due to social benefit programmes	EC3	76
	Significant financial aid received from governments	EC4	76
ASPECT: PRESENCE IN THE MARKET	Range of the ratio between the starting wage/salary and the local minimum wage in places where significant operations are located	EC5	77
	Policy, practices and proportion of expenses of local suppliers where significant operations are carried out	EC6	77
	Procedures for local contracting and proportion of senior management staff from the local community in places where significant operations take place	EC7	79
ASPECT: INDIRECT ECONOMIC IMPACT	Development and impact of investments in infrastructure and services provided, mainly in benefit of the public through commercial, pro bono and in kind commitments	EC8	79-85
	Understanding and description of significant indirect economic impact, including their scope	EC9	86-89
6. Environmental Aspects		6	90
OBJECTIVES AND PERFORMANCE	List the objectives of the entire Organisation in matters of environmental performance. When necessary, specific indicators of the Organisation will be used, in addition to GRI performance indicators, to show the results in comparison with the objectives	6.1	93
POLICY	Briefly explain the policy, or policies, which define the Organisation's general joint commitment to respecting environmental issues or, otherwise, where this policy can be found in the documents	6.2	93
RESPONSIBILITY OF THE ORGANISATION	Identify the highest position with operative responsibility for environmental aspects or describe the distribution of operative responsibility at senior management level in this regard	6.3	94
TRAINING AND RAISING AWARENESS	Specify the procedures involved in training and raising awareness of environmental aspects	6.4	94
EVALUATION AND FOLLOW UP	Follow up and measurement procedures, as well as corrective and preventive action, of both the informant organisation and for the supply chain. List certification of environmental actions or of environmental management systems or other approaches to audits or verifications by the informant organisation or its supply chain	6.5	94

ADDITIONAL CONTEXTUAL INFORMATION	Include other important information necessary to understand the Organisation's performance, such as: <ul style="list-style-type: none"> • main successes and failures • main risks and opportunities in environmental matters; • main changes in the systems or structures made during the period of the report in order to improve performance; and • main strategies and procedures to introduce policies or achieve objectives 	6.6	97-99
Environmental Performance Indicators			100
ASPECT: MATERIALS	Materials used, by weight or volume	EN1	100
	Percentage of materials used which have increased in value	EN2	N/A
ASPECT: POWER	Direct power consumption broken-down by primary sources	EN3	100
	Indirect power consumption broken-down by primary sources	EN4	N/A
	Power saved by conservation and improved efficiency	EN5	100
	Initiatives to provide efficient power consumption products and services or use of renewable energies, together with reductions in power consumption as a result of these initiatives	EN6	100
	Initiatives to reduce indirect power consumption and the resulting reductions achieved	EN7	101
	Total uptake of water by sources	EN8	102
	Water sources which have been affected significantly by water uptake	EN9	102
	Percentage of total volume of water recycled and reused.	EN10	102
ASPECT: BIODIVERSITY	Description of adjacent land or spaces in protected natural spaces or unprotected high biodiversity spaces. State the location and size of land owned, rented or with high biodiversity value in zones outside the protected spaces	EN11	103
	Description of the most significant impacts on biodiversity in protected natural spaces or in unprotected high biodiversity areas, resulting from activities, products and services in protected areas and in others with high biodiversity value in zones outside the protected areas	EN12	105
	Protected or restored habitats	EN13	106
	Strategies and actions introduced and planned for the management of impacts on biodiversity.	EN14	107 109

	Number of species, broken down as a function of their endangerment and included in the IUCN Red List and on national lists, whose habitats are in areas affected by the operations, according to the degree of threat to the species.	EN15	109 110
ASPECT: EMISSIONS, DISCHARGES AND RESIDUES	Total emissions of green house gases, both direct and indirect, by weight	EN16	110 111
	Other indirect green house gas emissions, by weight	EN17	110-111
	Initiatives to reduce green gas emissions and reduction achieved	EN18	110-111
	Emissions of substances that destroy the ozone layer, by weight	EN19	N/A
	NO, SO and other significant emissions into the air, by type and weight	EN20	N/A
	Total discharge of waste waters, according to nature and use	EN21	111
	Total weight of residues managed, according to type and treatment method	EN22	111
	Total number and volume of the most significant accidental spills.	EN23	112
	Weight of residues transported, imported, exported or treated which are considered dangerous according to the classification in annexes I, II, III and VIII of the Basel Convention and percentage of residues transported internationally	EN24	111
	Identification, size, protection status and biodiversity value of hydric resources and related habitats which have been significantly affected by discharges of water and run off waters of the informant organisation	EN25	112
ASPECT: PRODUCTS AND SERVICES	Initiatives to mitigate the environmental impacts of the products and services, and degree of reduction of this impact	EN26	112
	Percentage of product sold, and packaging material recovered at the end of their useful life, by product categories	EN27	112
ASPECT: COMPLIANCE WITH REGULATIONS	Cost of significant fines and number of non monetary sanctions for failure to comply with environmental regulations	EN28	112
ASPECT: TRANSPORT	Significant environmental impacts caused by transport of products and other goods and materials used for the Organisation's activities, as well as personnel transport.	EN29	112
ASPECT: GENERAL	Environmental expenses and investments	EN30	113

7. SOCIAL DIMENSION		7	11
POLICY	Briefly state the policy or policies affecting the entire Organisation, which define its general commitment to social aspects or, otherwise, where such policy can be found in documents available to the public	7.1	117 125
RESPONSIBILITY OF THE ORGANISATION.	Identification of the most senior position of operative responsibility for social aspects. Description of the distribution of operative responsibility at senior management level on these aspects.	7.2	125
TRAINING AND RAISING AWARENESS	Specify the procedures involved in training and raising awareness of aspects of Society	7.3	125
EVALUATION AND FOLLOW UP	Procedures involved in following up compliance with corrective and preventive policies and measures, including those of the supply chain. List updated certifications, management systems or other approaches followed for audits or verifications by the informant organisation or its supply chain.	7.4	128
ASPECT: COMMUNITY	The nature, scope and effectiveness of programmes and practices to evaluate and administer the mine operations' impact on the communities, including the Company's entry, operation and withdrawal.	SO1	128 134
ASPECT: CORRUPTION	Percentage and total number of business units analysed for risks of corruption.	SO2	134
	Percentage of employees trained in the Organisation's anti-corruption policies and procedures	SO3	134
	Steps taken in response to incidents of corruption.	SO4	135
ASPECT: PUBLIC POLICY	Position on the public policies and participation in implementation and lobbying activities.	SO5	135
	Total value of the contributions, both financial and in kind, to political parties or related institutions, by country	SO6	135
ASPECT: UNFAIR COMPETITION	Total number of actions on grounds involving monopolies and the limitation of free competition, including results	SO7	135
ASPECT: LEGAL COMPLIANCE.	Monetary value of significant sanctions and fines and total number of non-monetary sanctions which resulted from failure to obey the respective laws and regulations.	SO8	135
Human Rights			137
OBJECTIVES AND PERFORMANCE	Enumerate the organisation's objectives regarding Human Rights, stating their relationship with the internationally recognise universal provisions. When necessary, specific indicators maybe used in addition to GRI performance indicators to demonstrate results achieved in comparison with the goals fixed.	7.5	137

POLICY	Briefly outline the policy, or policies affecting the entire organisation and which define its general commitment to Human Rights (including policies which may reasonably affect employees' decision to become union members or to sign collective bargaining agreements) or, if there are none, where such policy can be found in documents available to the public (web link). Likewise, reference should be made to their position vis a vis the above mentioned international regulations	7.6	137 138
RESPONSIBILITY OF THE ORGANISATION	Identification of the highest position with operative responsibility for Human Rights or a description of the distribution of operative responsibility for Human Rights at senior management level	7.7	138
TRAINING AND RAISING AWARENESS.	Specify the procedures involved in training in, and raising awareness of Human Rights	7.8	139
EVALUATION AND FOLLOW UP.	Procedures involved in following up compliance with policies and corrective and preventive measures, including those relating to the supply chain	7.9	139 140
	List of Human Rights certifications or certification systems, or other approaches to audits or verifications by the informant organization or its supply chain	7.10	140
ADDITIONAL CONTEXTUAL INFORMATION.	Other important principles necessary to understand performance, including: <ul style="list-style-type: none"> • main successes and failures • main risks • principal changes which took place in systems or structures to improve performance during the period of the report • principal strategies and procedures to introduce policies or achieve objectives 	7.11	140
Human Rights Performance Indicators			140
ASPECT: INVESTMENT AND SUPPLY PRACTICES	The percentage and total number of significant investment agreements which include clauses on Human Rights or which have been analysed in this respect	HR1	140
	Percentage of the principal distributors and contractors which have been analysed for Human Rights and measures adopted as a result	HR2	140
	Total hours' training given to employees on Human Rights policies and procedures important for their activities, including the percentage of employees trained	HR3	140

ASPECT: NO DISCRIMINATION	Total number of incidents of discrimination and measures introduced.	HR4	140
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING AGREEMENTS.	Company activities in which the right to freedom of association and to enter into collective bargaining agreements might be at considerable risk, and measures introduced to support these rights	HR5	141
ASPECT: CHILD EXPLOITATION	Activities identified which imply a potential risk of incidents of child exploitation and measures introduced to contribute to eliminate the risk	HR6	141
ASPECT: FORCED LABOUR	Activities identified as being at significant risk of giving rise to episodes of forced or non-consensual labour and the measures introduced to prevent	HR7	142
ASPECT: SAFETY PRACTICES	Percentage of active personnel who have been trained in policies or procedures in Human Rights activities in important for activities	HR8	142
ASPECT: ADDITIONAL INDIGENOUS PEOPLE'S RIGHTS.	Total number of incidents relating to violations of the rights of indigenous people and measures introduced	HR9	144
Employee Related Responsibility Performance Indicators			145
POLICY	List objectives at the level of the Organisation in employee related matters in comparison with internationally recognised universal standards	7.12	145
	Briefly set out the policy or policies affecting the entire Organisation and define its overall commitment to employee issues. Refer to its relationship with internal standards	7.13	145
	Identify the position with greatest operative responsibility for employee issues or describe the distribution of operative responsibility at senior management level for these aspects	7.14	146
	Specify the procedures involved in training and raising awareness of employee issues	7.15	147
	Follow up and measurement of procedures and corrective and preventive actions, of both the informant organisation and the supply chain	7.16	147
	List of certifications of employee related actions, prevention management systems or other approaches to audits or verifications by the informant organisation or its supply chain	7.17	148 149
	-Main successes and failures -Main risks and opportunities -Main changes in systems or structures which took place during the period of the report to improve performance	7.18	149

	Principal strategies and procedures to introduce policies or to achieve objectives.	7.19	150
ASPECT: EMPLOYEES	Breakdown of employees by type of job, contract and region.	LA1	150
	Total number of employees and their average rotation, broken-down by age, sex and region.	LA2	151
	Full time employee social benefits not provided for temporary or half time employees, broken down by main activity	LA3	153
ASPECT: COMPANY/ EMPLOYEE RELATIONS	Percentage of employees covered by a collective bargaining agreement.	LA4	153
	Minimum notice of organisational changes, even if such notifications are specified in the collective bargaining agreement .	LA5	153
ASPECT: HEALTH AND SAFETY AT WORK	Percentage of total number of employees who are represented on the joint management-employee health and safety committees established to help to control and to advise on health and safety programmes at work.	LA6.	153
	Absentee rates, occupational diseases, days lost and number of deaths relating to work by region.	LA7	153
	Education, training, advisory, risk prevention and control programmes applied to employees, their families or members of the community in cases of serious diseases .	LA8	153
	Health and safety aspects covered by formal agreements with the union.	LA9	153
	Average training hours per year/employee, broken down by employee categories.	LA10	155
	Abilities management and continued training programmes promoting the employability of workers and supporting them at the end of their professional careers.	LA11	155
	Percentage of employees evaluated regularly for performance and professional development.	LA12	155
	Composition of corporate government bodies and staff broken down by sex, age group, minorities and other diversity indicators.	LA13	156
	Ratio between men's and women's basic wages/salary, broken-down by professional categoryl.	LA14	155

Product Responsibility			157
OBJECTIVES AND PERFORMANCE	Enumerate the Organisation's product responsibility objectives	7.20	157
POLICY	Briefly outline the policy or policies that affect the entire Organisation and which define the general commitment to product responsibility or, otherwise, where they can be found in documents available to the public (web link)	7.21	157
RESPONSIBILITY OF THE ORGANISATION	Identification of the highest position with operative and product responsibility or description of the distribution of operative responsibility at senior management level	7.22	157
TRAINING AND RAISING AWARENESS	Specify the procedures followed in training and raising awareness of product responsibility	7.23	157
EVALUATION AND FOLLOW UP	Follow up and measurement and corrective and preventive action of both the informant organization and for the supply chain. List certifications of actions or certification systems regarding product responsibility or other approaches audits or verifications on the part of the informant organization or its supply chain	7.24	157
Product Responsibility Performance Indicators			159
ASPECT: HEALTH AND SAFETY OF CLIENTS	Phases in products and services life cycle in which they are evaluated in order for them to be improved, if necessary, their impacts on client health and safety and the percentage of significant products and services categories subject to these evaluation procedures	PR1	158
	Total number of incidents resulting from non compliance with legal regulations of the voluntary codes relating to impacts of products and services on health and safety during their life cycle, distributed as a function of the type of results of such incidents	PR2	158
ASPECT: PRODUCTS AND SERVICES LABELLING	Types of information on products and services required by the present procedures and percentage of products and services subject to such informative requirements	PR3	158
	Total number of failures to comply with the regulations and voluntary codes on information on, and labelling of products and services distributed as a function of the type of result of such incidents	PR4	N/A
	Practices to ensure customer satisfaction, including results of the client satisfaction studies.	PR5	157-158

ASPECT: MARKETING COMMUNICATIONS	Programmes for compliance with the laws or adhesion to the standards and voluntary codes mentioned in marketing communications, including advertising, other promotional activities and sponsorships	PR6	159
	Total number of incidents resulting from non-compliance with regulations governing marketing communications, including advertising, promotion and sponsorship, distributed as a function of the type of result of such incidents	PR7	159
ASPECT: CLIENT PRIVACY	Total number of duly substantiated claims regarding respect of privacy and the leakage of clients' personal details	PR8	159
ASPECT: COMPLIANCE WITH REGULATIONS	The cost of any significant fines for non-compliance with the regulations on the supply and use of the Organisation's products and services	PR9	159
MINING AND METALS SECTORS INDICATORS. MINING SECTOR SUPPLEMENT		8	160
	Percentage of distribution of goods, materials and services acquired at local, national and international levels, broken-down by project where possible	MM1	163
	Added value, broken-down at country level	MM2	N/A
	Number and percentage of sites identified as requiring biodiversity management plans, which already have updated plans, must also be reported. Include the criterion for taking the decision that the biodiversity plan is necessary	MM3	167
	Percentage of products derived from secondary materials	MM4	167
	Describe policies to evaluate eco-efficiency and sustainability benefits of the product	MM5	167
	Describe the administration of overload, rocks and sediments/residues, including: risk evaluation, storage facility, potential metal leaching and dangerous properties	MM6	167
	Describe significant incidents that have affected the community during the period of the report and the mechanism implemented to resolve the incident	MM7	169
	Describe the policies and practices of artisan and small scale mining management inside the company operations area	MM8	N/A
	Identify all resettlements in the period of the report and the degree of alignment with the World Bank non voluntary resettlement guidelines. Number of operational sites where the resettlements took place and the number of housing units resettled	MM9	170

	Number or percentage of exploitations with closure plans which include social matters – including labour transition – and environmental and economic aspects. Describe the Company's policy, commitment and strengthening processes with interested parties, regularity of revision of the plan and the number and type of closure financial provisions	MM10	170
	Describe the processes of identification of land rights and any significant disputes with the local community	MM11	170
	Describe emergency identification, preparation and response systems which might affect employees, communities or the environment. Include a description of the nature or abilities, drills and participation of the community	MM12	171
	Number of new cases of work related diseases. Description of preventive programmes	MM13	171