



Cerrejón and the sustainable development of La Guajira



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Sustainability Report 2007





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1

STRATEGY AND ANALYSIS

PRESIDENT'S MESSAGE

Cerrejón and the sustainable development of La Guajira

It is always good to pause and take stock. When we revisit the actions of the recent past, examining with a fresh eye the facts and figures, interesting reflections arise that allow us to evaluate the quality of those actions and help us take the next step into the future. Companies such as ours, committed to sustainable development, attach a great deal of importance to this exercise since this is how we render an account of ourselves to our stakeholders: our workers, our communities, our shareholders and society in general.

Each of our actions in the field of production and, indeed, in any area involving human activity leaves its mark, and it is this footprint that we are interested in following up on and evaluating. The footprint left by coal is enormous and is at the forefront of our whole operation; we make our mark on all the people we are associated with. The quality of this footprint provides the essential differentiator—it is that which enables us to know if we acted well or if we need to improve in order to ensure that negative impacts are minimised and positive effects maximised.

This Sustainability Report, published periodically, was produced according to the Global Reporting Initiative (GRI) model and relates to the management of our operations in 2007. Going beyond the financial balance and operations performance, both very satisfactory, I would like to reflect for a moment on some points where I believe that Cerrejón's footprint has made a positive difference.

Let us look at the environmental aspect. Our integrated operations aim at mining with environmental responsibility. Since the middle of the 1980s, when Cerrejón began operations, it has followed the practice of direct loading to the ships (a model which the Colombian government has since established for this sector to be applied from July 2010 onwards). Direct loading is not just an exercise in careful transportation—it also implies careful management of the coal, avoiding the build up of large stocks of coal in port, and minimising environmental impacts. Significant investment in appropriate technology has been made by our operation over the last 20 years, long before the Colombian Government insisted upon it.

We are extremely proud of what we have done in the rehabilitation of land, the planting of trees, and the return of wild animals to their habitats. To date, we have rehabilitated almost 25% of the land affected by operations (2,500 hectares rehabilitated) and have planted 1.2 million trees. Every process of our operations, every decision relating to technology and use of materials, carries the imprint of rational consumption and regard for minimising environmental impact. We educate our employees and communities, aiming to instil a culture of respect for the environment. I would like to point out that, in the last five years, Cerrejón has invested nearly 152,000 million pesos in environmental management programs and, at the same time, has made alliances with important national and international institutions (International Conservation and Inter-American Development Bank – IDB) in our search for the promotion of biodiversity and clean-production mechanisms.

Let us look at the economic aspect. The wealth generated by coal is distributed in many ways. Cerrejón's operations generate around 9,000 jobs (including direct employees and contracted workers), as well as many more indirectly employed in activities linked to the operation; it is estimated that there are 6 indirect employees for every direct employee of Cerrejón. The huge demand for local goods and services inherent in an operation such as Cerrejón's generates a dynamic economy for both the region and the country. In 2007, we paid 348,000 million pesos in salaries to our workers, made purchases, and hired services locally, providing impetus to both the regional and national economies. In addition, tax payments and contributions constitute an important sum for both the local and national treasuries.

Royalties constitute a separate chapter. In 2007, Cerrejón generated royalties to the value of 127 million dollars. The regions whose subsoil pro-

vides natural resources thereby directly share in the wealth they produce. In the course of their history, our operations have generated 873 million dollars in royalties, 49% of which was generated between 2004 and 2007; 84 of every 100 pesos paid in royalties goes back to La Guajira and to the towns involved in the operations. The wise usage of these royalties is a guarantee for the economic and social transformation of the region. The royalties are the principal seed in the construction of the future La Guajira. Cerrejón works hard with local communities to make sure these resources arrive at their legitimate destinations and that they are appropriately invested.

The mark we have made on both the regional and national economies is evident, highly significant, and unique.

Now consider the social aspect. Cerrejón has always kept in close contact with its neighbouring communities. All the Guajiran people play a fundamental part in our operations. Cerrejón favours the employment of Guajirans (59 out of every 100 workers are native to the region and 30% are from neighbouring regions on the Atlantic Coast). Moreover, Cerrejón is engaged in intensive activity in social management with the communities, whether directly or through the Cerrejón System of Foundations. In 2007, the social management activities benefited thousands of people through an investment of 10,000 million pesos.

The Company requested an independent panel of international experts to carry out a rigorous evaluation of its social programmes. The panel's report recognised our achievements and indicated areas for improvement. Their recommendations have helped us to find better ways to strengthen our social management in such a way that our social footprint has an ever more positive impact.



León Teicher, President of Cerrejón

One innovative way of increasing the positive impact of our social footprint is through the Cerrejón System of Foundations, which, since the end of 2007, have shouldered a large number of endeavours to benefit communities in La Guajira. The work of our Foundations, which are now carrying out concrete actions and showing results in each area, is centred on indigenous communities, business development, water, and institutional strengthening.

Our concern is La Guajira over the long term: how to build competitive advantages for the region and its inhabitants as well as how to help prepare the region to continuously nurture its well-being and employment alternatives. Our concern is sustainability and equity in La Guajira.

Over the course of almost three decades, Cerrejón has made the investments required by international standards to guarantee responsible business operations. We intend to continue progressing in that direction, and the individual work of each of the Foundations, the combined action of working in unison and interacting, together with other economic activities and the social responsibility of Cerrejón, aim to provide a boost to sustainable development in La Guajira. At Cerrejón we do not believe it is enough to comply with Colombian law. We are always striving, at the very least, to follow the very highest international standards. For this reason, we have made a commitment “not to do just the minimum required, but instead the maximum possible.”

Our commitment is to the sustainable development of La Guajira and of Colombia. The magic stone in the Guajiran subsoil is the best tool we have to make this a reality.



León Teicher

**President
Carbones del Cerrejón Limited**



CERREJÓN: COMMITTED TO SUSTAINABLE DEVELOPMENT

An organisation that is committed to sustainable development understands that it must endeavour to satisfy the needs of the present without putting the needs of future generations at risk. Cerrejón is aware of this and it is therefore Company policy to adhere to this concept in all areas.

Mining activity comprises a mixture of social, environmental, and economic factors that influence its evolution.

Cerrejón is fully aware of these factors follows complete awareness and following best practices in terms of safety, health, environment, and communities. Moreover, it will continue to strengthen its relations with the institutions and population groups neighbouring the operations through the implementation of the social development plan, the starting point of which is the possibility of establishing mutually beneficial relationships and building social capital.

Contribution for development

Cerrejón has contributed to the development of La Guajira since, in addition to being the largest employer in the region (nearly 59 percent of the labour force is from La Guajira), the neighbouring communities have also benefited from the Company's social engagement. This initiative aims to promote the progress of the region, respecting the principles of performance and action of Human Rights and cultural heritage.

The Company aims to provide support in economic and environmental sustainability and in social development based on an ethical, transparent commitment; it is aware that the policies of Corporate Social Responsibility favour both the community and the Company because they confer on the Company a degree of legitimacy that is important to the performance of its activities.

One of the elements of Cerrejón's Social Responsibility model is Transparency. In 2004, the Company signed an agreement with the Treasury Inspector's Office of the Republic and the Attorney General's Office that allowed the creation of the Committee for Monitoring and Evaluating Coal Royalties.

In addition, in order to minimise environmental impacts, Cerrejón bases its mining activity on protection of the ecosystem: nearly 2,500 hectares of land have been reclaimed, more than one million trees have been planted and, thanks to the 18 air-quality monitoring stations, mining activity is kept below the levels for international standards for breathable air. Our challenge is to exceed the standards set in the ISO 14001 standard for clean development, whose application has served to implement the environmental management system, which is also encharged with water quality and fauna protection.

Cerrejón will continue practising preventive environmental management in new mining areas and in reclaimed areas as this management is a necessary buttress for the success of mining activity.

The stakeholders

Cerrejón will continue to voluntarily apply the initiatives of the Global Compact of the United Nations and the Voluntary Principles, which allow the conciliation of the interests and processes of company activity with the requirements of society. Cerrejón also supports the projects of the United Nations Organisation (UNO), and of national, international, and union Non-Governmental Organisations (NGOs).

In addition to local expectations and needs, Cerrejón has other socio-economic challenges such as land acquisition, standards for contractors, housing programmes, and compensation, with an overall strategy of social and educational investment.

Moreover, the Company considers human capital to be essential, and Cerrejón voluntarily continues to follow the dispositions established by the SA8000, OHSAS 18001, and ISO 14000 standards relating to the health and safety of our workers and environmental protection.

Cerrejón is concerned for its employees, and the labour standards it applies are aimed at guaranteeing their basic rights, their ethical and social principles, the steady reduction in accident rates, making sure procedures are in accordance with Company needs, and ensuring policies and procedures are in line with upcoming technological changes and new dispositions, whether the fruit of collective bargaining or of local legislation.

There is also continuous improvement in the communications means with workers and contractors'.

Advances corporate social responsibility

Cerrejón publishes its progress in Corporate Social Responsibility, each year producing a Communication on Progress (COP), the aim of which is to communicate to its stakeholders on Company progress in the implementation of the 10 principles of the Global Compact.

The relevant indicators of the Global Reporting Initiative (GRI) reported by Cerrejón are the basis for preparing the COP, it being understood that the Global Compact considers these indicators to be suitable for evaluating activity progress in the 10 principles. This Sustainability Report includes the Company's Progress Report and they can also be consulted online at:

www.unglobalcompact.org
www.cerrejon.com

ECONOMIC EXPECTATIONS: CERREJÓN IN CONSTANT GROWTH

Nearly 69,000 hectares comprise one of the largest open-cast coal mines in the world. It is located in northern Colombia (La Guajira). Coal production increased by 65 percent, from 17.2 million tonnes a year in 2002 to 29.6 million tonnes a year in 2007. The Company aims to reach 31.5 million tonnes in 2008 and, in the medium-term, reach over 40 million tonnes a year.

Currently, Cerrejón is not only undergoing expansion, but also has at its disposal a strong coal market with competitive prices. This is Cerrejón's growth and, together with the operation's quality, it offers it an ideal position in the mining sector.

At Cerrejón we work so that all the corporate functions are in line with each other and coordinated: planning, mining operations, crushing, transport, shipping, and marketing. Thus, we guarantee the fulfilment and implementation of operational plans and sales in coordination with the mine product and operational capacity. In order to continue growing, Cerrejón will strengthen its policy of satisfying coal—consumer needs in terms of quality, performance, and technical assistance.

Continuously innovating in operational processes, administration, and marketing enhances Company efficiency and competitiveness. This synchrony seeks to ensure that Cerrejón remains in the first quartile of lowest-cost coal mines in the world, without endangering expansion goals

or the long-term stability of the mining production. At the same time, we seek business opportunities to provide added value to the production and sale of coal.

The shareholders annually approve the investment plan and there is internal and external auditing. In this area it is key to maintain a policy of publicising corporate policies and the management system to ensure an appropriate environment for monitoring.

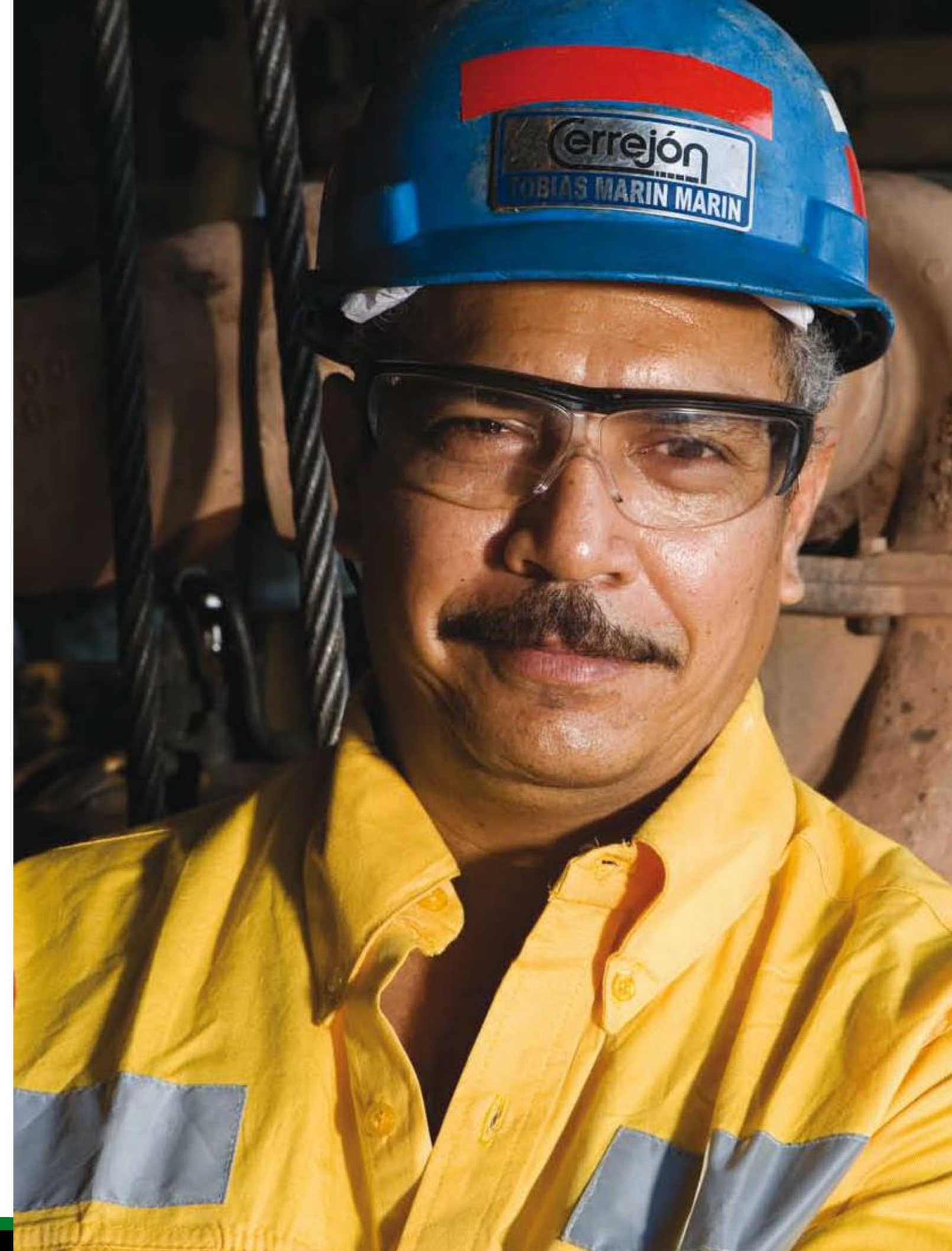
The mining industry has fundamentally changed over the last two decades. Large companies such as Cerrejón have incorporated sustainable development and social responsibility as a substantial part of their business strategy. In the case of mining, the industry shifted from a paradigm of cost reduction to one of value creation. In this perspective, the concept of development (both environmental and social) is no longer seen as a cost that weighs against the economic goals of the business, but rather as a condition for achieving those goals.



Performance Indicators 2007

KPI		UNIT	2007 OBJECTIVES	PERFORMANCE	
SAFETY AND HEALTH					
1	Fatalities	#	0	2	X
2	Classified Injury Frequency Rate	(LTI+RW)FR	< 0,29	0,36	X
3	Recordable Injury Frequency Rate	RIFR	< 0,54	0,49	✓
SUSTAINABLE DEVELOPMENT					
4	Air Quality Mine (Downwind) - TSP	µg/m³	< 90	89	✓
5	Air Quality PBV (Downwind) - TSP	µg/m³	< 90	46	✓
6	Ranchería River Quality Index (Downstream)	Range	> 70	71	✓
7	Communities Settlement Plan Progress	%	100	100	✓
OPERATIONAL PERFORMANCE					
8	Waste Volume	kBCM	213,000	191,291	X
9	Coal Production	kt	31,100	29,626	X
10	Washed Coal	kt	1,308	1,462	✓
11	Coal Exported	kt	31,500	29,818	X
12	Coal Quality (ROM)	BTU/Lb	11,402	11,256	X
13	Expansion Project Progress	%	100%	100%	✓

- ✓ Achieved
 X Not achieved





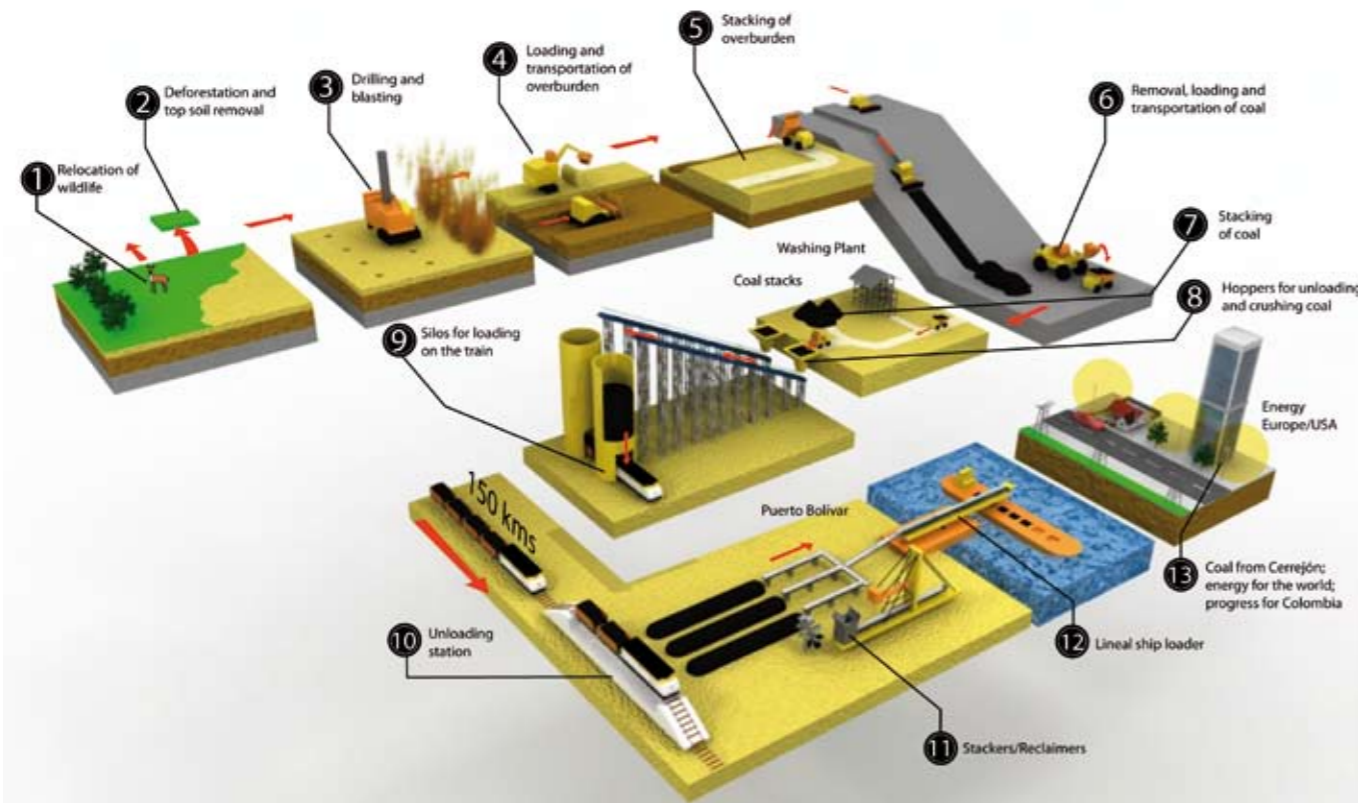
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CERREJÓN'S PROFILE

Cerrejón is a company dedicated to the exploration, extraction, transport, shipping, and exportation of thermal coal, which varies in quality according to: its calorific power (D, Dm products, etc.), the maximum nominal particulate size (OVS coal), and its sulfur contents (compliance coal).

The mining complex is located on the peninsula of La Guajira in north-eastern Colombia.

CERREJÓN: AN INTEGRATED OPERATION



Coal Production Process

The mine

The coal deposits are in a territory covering 69,000 hectares and divided into 5 areas: North Zone, Patilla, Oreganal, South Zone, and Central Zone.

Some of the largest maximum-capacity machines in the world are used for the opencast mining, a sequential operation that starts with the relocation of wildlife, the clearing of the surface layer, and the careful removal of the top soil layer, which is stored for the future rehabilitation of the lands after exploitation. Then, holes are drilled, rocks are blasted, and overburden is removed until the coal seams are exposed. The coal is transported in trucks from the mine to the storage area and the crushing machines, and then it is taken to the two silos to be loaded onto the train.

Also located in the mine are the maintenance workshops for the trucks, tractors and scrapers, the rebuilding workshops, and the administration offices.

The Railway

Cerrejón has a 150-kilometre railway line connecting the mine to the port, from where the coal is shipped. In a continuous process, trains of up to 130 cars are loaded in the silos and between eight and ten trains are dispatched every day.

The average time for a complete cycle of loading, transporting, and unloading at the port and returning to the mine is approximately 12 hours. In addition, there is a service train operating for the transportation of provisions, materials, and spare parts.

The Port

Situated on the Caribbean Sea, 150 kilometres north of the mine, is Puerto Bolívar, the most important coal terminal in Latin America, and one of the most efficient in the world. The port can

accommodate ships with a dead weight of up to 175,000 tons, a length of 300 metres, and a beam of 45 metres. Its navigable channel is 19 metres deep, 225 metres wide, and four kilometres long.

The main installations at the port are the train unloading station, three stackers/reclaimers and the lineal ship loader, which deposits coal in the ship holds at an average rate of over 5,500 tons an hour. In addition, Puerto Bolívar has a provisions wharf to receive ships of up to 30,000 tons with machinery, parts, fuel, and other materials for mining operations.

Cerrejón is a mining company that integrates its operations from the start to direct loading into ship holds, thereby mitigating environmental impacts

Operations support

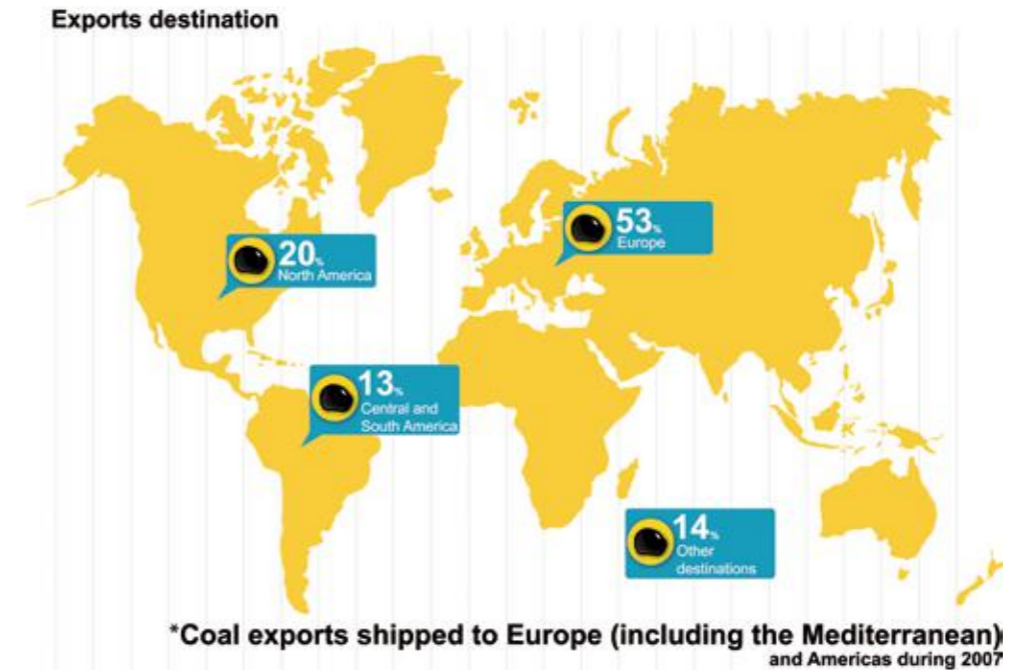
Cerrejón has two airports, one at the mine and the other in Puerto Bolívar, a telecommunications system operating via satellite and microwave towers between Barranquilla, the mine, and Puerto Bolívar, its administrative headquarters are in Bogota.



La Guajira, the northernmost part of South America

COAL FOR THE WORLD, PROGRESS FOR LA GUAJIRA AND FOR COLOMBIA

Cerrejón is situated on the peninsula of La Guajira in north-eastern Colombia, in the northernmost part of South America. It is dedicated to the exploration, production, transportation, and shipping of high-quality thermal coal. Cerrejón is owned in three equal parts by subsidiaries of BHP Billiton Plc (www.bhpbilliton.com), Anglo American Plc (www.angloamerican.co.uk), and Xstrata Plc (www.xstrata.com).



Cerrejón is the leading coal producer in Colombia and one of the largest coal-exporting operations in the world.

EXPORTS, FOREIGN CURRENCY AND ROYALTIES

Cerrejón generates an influx of foreign currency for the country and supports the development of La Guajira through royalty generation. Since the start of mining operations, Cerrejón has generated 873 million dollars in royalties.

In 2007, Cerrejón exported 29.8 million tons of coal to Europe, North America, and Central and South America

Coal is the second-largest export product of Colombia. In 2007, the volume exported was 8 percent higher than in 2006, rising from 27.5 to 29.8 million tons.

CERREJÓN FIGURES			
Year	COAL EXPORTS MILLION/TONS	FOREIGN EXCHANGE Million of US\$	ROYALTIES Million of US\$
2005	25.5	1,164	110
2006	27.5	1,236	113
2007	29.8	1,490	127

In 2007, the Company had 8,656 direct and indirect workers

AWARDS AND RECOGNITIONS

Cerrejón's good results in recent years have merited various national and international recognitions:

- **BHP Billiton International Award for Excellence** for our Occupational Health Programme (Australia).
- **Emerald Award**, the highest award of the Colombian Safety Council, for our Occupational Health and Safety Programmes.
- **ARP-ISS Recognition of Excellence** for the quality and management of our Occupational Health and Safety Programmes.
- **BHP Billiton Awards in SHEC (Safety, Health, Environment, and Communities)** in the Communities category for the programme AIDS Awareness and Prevention in La Guajira and in the Health category for the programme Drug and Alcohol Consumption Prevention.
- **Ecological Award**, Medio Ambiente [Environment] magazine, Santa Marta, 1995.
- **Awards for ecological photography** in Cerrejón North Zone, 1998.
- **Exxon Mobil Corporate Recognition** for the Land Reclamation Group, 2000.
- **Global Honourable Mention by BHP Billiton** for the Land Reclamation Programme, 2004.

2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9





3

PARAMETERS OF THE SUSTAINABILITY REPORT

Cerrejón, aware of its responsibility for transparency with its audiences, is publishing its Sustainability Report following the methodology of the *Global Reporting Initiative* (GRI) for the third consecutive year. The Company undertook this methodology in 2005 and continued with it in 2006 with a more in-depth, complete Report. This Sustainability Report covers the period from January 1 to December 31 of 2007.

The 2005 and 2006 sustainability reports can be viewed online at www.cerrejon.com. For more information on the contents of this Sustainability Report, or to send suggestions or concerns, contact us by e-mail at:

comunica@cerrejon.com
 Cerrejón Coal Limited
 Calle 100 # 19-54, piso 12
 Bogotá, Colombia

Other websites of interest related to the information in this Sustainability Report are:

Oversight Committee for Coal Royalties
www.regaliascarbon.org

BHP Billiton
www.bhpbilliton.com

Anglo American
www.angloamerican.co.uk

Xstrata
www.xstrata.com

Cerrejón Employees Fund
www.fondecor.org.co

Global Reporting Initiative (GRI)
www.globalreporting.org

UN Global Compact
www.unglobalcompact.org

International Council on Mining and Metals (ICMM)
www.icmm.com

World Coal Institute
www.wci.org

Extractive Industries Transparency Initiative
www.eitransparency.org

Voluntary Principles
www.voluntaryprinciples.org

For ease of reading of this Sustainability Report, at the end of this document there is a table with all the indicators and the pages on which they can be found.

3.1, 3.2, 3.3, 3.4, 3.12



Cerrejón is accredited as an organisation that appropriately controls risks in safety, health, and the environment.

SCOPE AND COVERAGE OF THE SUSTAINABILITY REPORT

This document describes Cerrejón's management in the economic, social, and environmental areas, and the activities it carried out in 2007 with its stakeholders. In addition, it informs interested parties on the Company's commitments in terms of short-, middle-, and long-term sustainability.

This report was drafted based on the outlines and indicators of the G3 Guide of the Global Reporting Initiative and of the mining sector supplement. It presents no significant changes in scope or in coverage compared to reports from previous years.

The data included in this report were obtained from reliable sources and they are documented and verified by the different Company areas responsible for supplying the information. The data also derive from Cerrejón's information protocols, and some are ratified by external audits.

The report also covers all the impacts and development projections for sustainable management in Cerrejón; these matters are reflected in all the indicators reported.

The techniques used for measuring the data are determined by the organisation's norms for each case. This Sustainability Report does not report certain indicators that are not applicable to the Company's sector or activity.

The stakeholders that might be interested in the Sustainability Report have been defined as follows:

- Shareholders
- Employees
- Contractors
- Clients
- The population in the production zone and in La Guajira
- Indigenous groups and organisations
- Workers' associations
- Media
- Local and national governments
- Non-governmental organisations
- Local and foreign environmental groups

Cerrejón has no joint nor subsidiary businesses that would affect the comparison of the periods reported.

VERIFICATION

The 2007 Sustainability Report is backed up by the periodic certification that Cerrejón has obtained for the application of international norms in each area: environmental, social, occupational health (as well as in the internal audits that are carried out for these sectors), and in its economic performance.

All of Cerrejón's actions are endorsed by Colombian law and covered by the Operational Integrity System, which complies with the ISO 14001 standard for environmental management and the OHSAS 18001 standard for occupational health and hygiene.

Cerrejón has received certification in both these norms, accrediting it as an organisation that adequately controls safety, health, and environmental risks, confirming that its Operational Integrity System is solid, well organized, and responsive to the needs of the operation.

Cerrejón is the tenth company in the country to be granted these international certifications and the first mining company in Colombia to ever receive them.

Cerrejón's accounting system is in compliance with Colombian legislation according to decrees 2649 and 2650 of 1993. In addition, the Company includes in this report testimony from the interest groups in order to support the information presented herein.

Any suggestions or concerns regarding the contents of this Sustainability Report should be addressed to: comunica@cerrejon.com

SELF-ASSESSMENT

The 2007 Sustainability Report is based on the principles of the *Global Reporting Initiative* (GRI) and G3 guides. Based on the self-assessment conducted by the Company, this report is classified as an A-level GRI application since the document contains all the information required by the GRI for that status. Moreover, the report is backed up by compliance with international norms and strictly applied internal regulations, and is combined with the creation of clear policies and strategies on the subject of Corporate Social Responsibility.

3.5, 3.6, 3.7, 3.8, 3.9, 3.11, 3.13



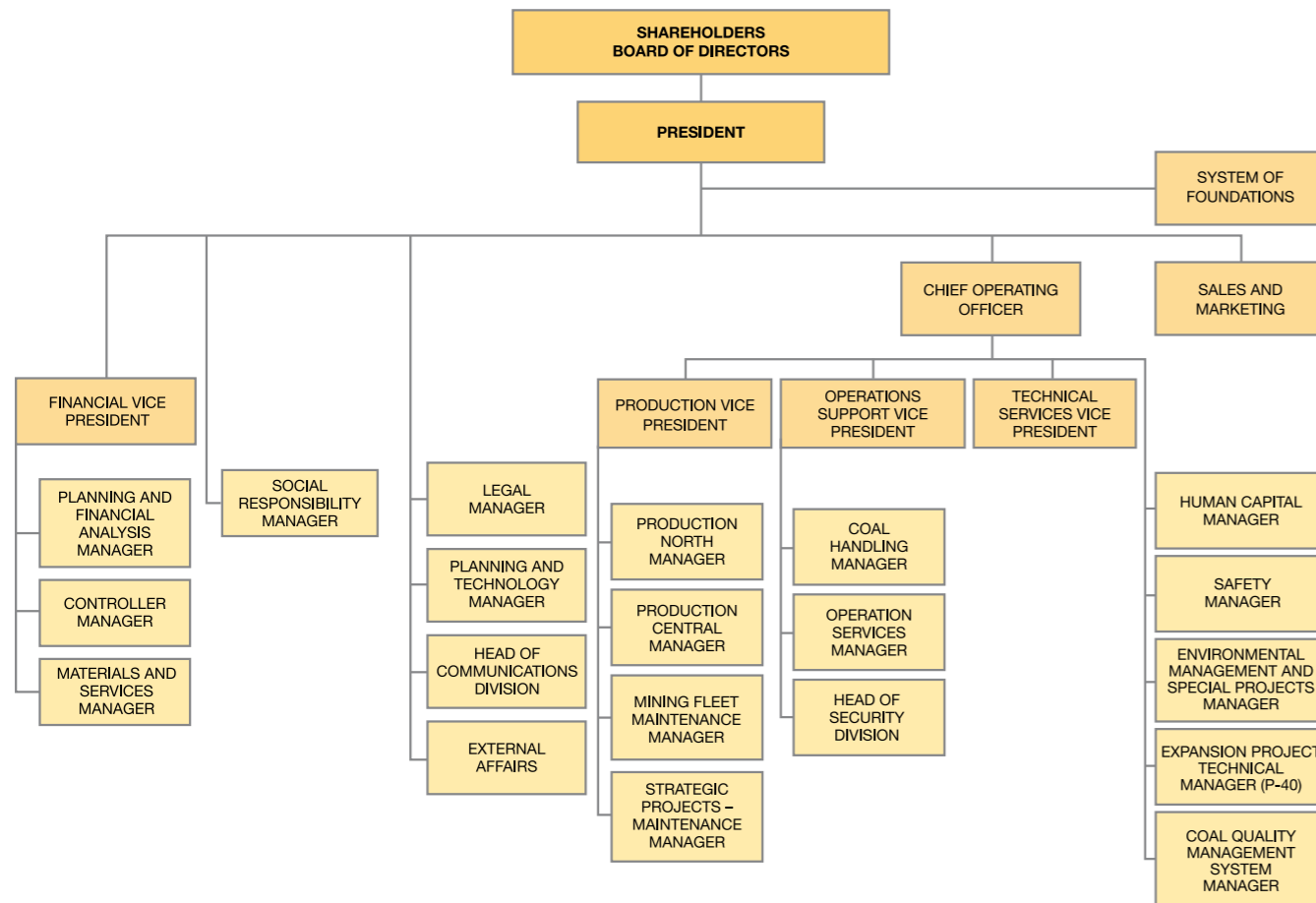


4

GOVERNMENT, COMMITMENT AND PARTICIPATION

CORPORATE GOVERNANCE

Cerrejón has an established and participative administrative structure that seeks to strengthen the operation, handle human resources efficiently and achieve Company objectives.



The Corporate Administration of Cerrejón is composed of: the Committee of Shareholders, the Board of Directors, the President, the Executive Vice President of Operations, the Vice Presidents and the Department Managers, whose mission is to direct, orientate, and manage the Company.

BOARD OR COMMITTEE	MEMBERS AND RESPONSIBILITIES
Shareholders' Committee	<ul style="list-style-type: none"> Cerrejón's Shareholders' Committee comprises one main representative and a substitute from the companies BHP Billiton, Anglo American, and Xstrata plc This Committee monitors actions covered in the annual plan, and approves the annual budget, investments, and the five-year plan.
Shareholders Board	<ul style="list-style-type: none"> Sessions of the Shareholders Board are held three times a year and are divided into two parts: the Financial Committee and the Shareholders Board.
Marketing Board	<ul style="list-style-type: none"> This session covers subjects related to clients, contracts, meeting the sales plan, price and sales projections, and more.
Technical and Operational Review Committee (TORC)	<ul style="list-style-type: none"> This Committee is responsible for reviewing subjects related to mining planning and investment execution. It also reviews and approves medium- and long-term expansion plans. It meets four times a year.
Management Committee	<ul style="list-style-type: none"> The Management Committee comprises the President, Executive Vice-president of Operations, Financial Vice-president, and the Manager of the Legal Department. The Comptroller acts as the Committee's secretary. This Committee makes decisions affecting the running of the Company, such as: capital-investment projects requiring high-level approval, contracts and contracting for all areas of Cerrejón, and generally relevant areas requiring high-level review and approval.

Shareholder recommendations on diverse key operational themes are communicated through various meetings throughout the year. Moreover, there is a monthly conference call to review Company performance.

The Vice-presidents and Managers also have regular meetings:

FREQUENCY	MEETING ATTENDEES
Weekly	<ul style="list-style-type: none"> Meeting of Operational Integrity: Includes the Executive Vice-president of Operations, and Operations Vice-presidents and Managers. Operations Staff: Includes the Executive Vice-president of Operations, and Operations Vice-presidents and Managers, and administrative staff.
Monthly	<ul style="list-style-type: none"> Team meeting with the Financial Vice-president: Participation of the Departments of Materials, Comptroller's Office, and Systems. Meeting to review the monthly report that is sent to shareholders: Includes the President of Cerrejón, vice-presidents, and all the managers.
Quarterly	<ul style="list-style-type: none"> Meeting for monitoring departmental plans and indicators: Includes the President of Cerrejón, vice-presidents, and all the managers.

The highest-level corporate officers are paid monthly since the position is full time and exclusive to the development of the Company.

Management personnel, qualified technicians, and the highest-level corporate officials of Cerrejón are committed to meeting the Ethical and Conflict of Interest Policy.

HIGH-LEVEL ASSOCIATES

Cerrejón's associates, at every level, are chosen based on their personal, professional, and educational merits. The candidates for a position in the organisation must meet the responsibility demands to be filled, show adherence to the Company's corporate values, be university-educated at institutions known nationally and internationally, and have a solid, successful work trajectory with significant achievements wherever the candidate has worked.

Cerrejón vision

To be recognised in the international thermal coal market, and in Colombia, as the most efficient and reliable world-class producer and exporter. To be regarded as an excellent partner that meets the highest standards in safety, health, the environment, and sustainable development, and as a company of exemplary ethical behaviour, respectful of Human Rights and effectively contributing to the wellbeing and development of the communities where it operates and of the country. To be known as a company that promotes the participation, development, and excellence of its people, and to achieve the best return for its shareholders.

4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7

INSTITUTIONAL VALUES OF CERREJÓN

1. Safety, health, and the environment	Safety, health, and the environment are our highest priorities. We must obtain excellent results in our business while implementing work processes that cost-effectively control risk for people, the environment, and equipment and facilities.
2. Ethics and honesty	We are interested in obtaining results while always adhering to behaviour that is ethical, honest, and of the highest integrity in all our actions. A good reputation grounded in scrupulously handled businesses is an invaluable asset.
3. Respect and confidence	Mutual respect and professional behaviour are fundamental to achieving a stimulating work environment geared towards attaining corporate goals. Our personal relations should be based on sincerity and, from the onset, on the premise of confidence that must be progressively strengthened by the parties involved.
4. Advancement of women	We support efforts aimed at the active advancement of women in the Organisation, recognising that their presence and leadership decisively result in the promotion of a work environment with greater participation, collaboration, consultation, and camaraderie.
5. Excellent relations	We establish mutually beneficial ties that generate prosperity, confidence, and new opportunities with the people and entities we relate with as a fundamental element to ensure the future sustainability of our operations.
6. Responsibility for goals, results, and resource use	Each work unit is responsible for achieving their goals and targets as established within the framework of the corporate strategies. We value simplicity and effectiveness in work processes, as well as efficiency reflected in the restrained use of resources to these ends.
7. Communications	Frank, relevant, appropriate, and timely communications are essential for meeting corporate goals. Information is a right for those who require it in the course of their duties; at the same time, it is a responsibility to seek it out as well.
8. Leadership, participation, and teamwork	We value effective leadership and employee participation in Company work processes. We recognise the necessity of listening to different points of view for making decisions at the appropriate level. We promote teamwork in the understanding that, performed efficiently, it produces better results than individual efforts.
9. Adaptability, innovation, and improvement	Adaptability, flexibility, and proactive responses to changes in the environment by each Company employee are all vital to ensure a competitive advantage and to respond appropriately to the needs of our clients and of the market in which we operate. We stimulate and value an open mentality and the willingness to innovate and unceasingly search for opportunities to improve our processes.
10. Full individual development	Individual development is a product of the will to succeed and surpass oneself in the technical, professional, human, and social fields. Through this development, the Company results are better every day. Consequently, we provide development mechanisms in an environment of equal opportunity where individuals can grow personally and professionally and, at the same time, contribute to the growth of others and of the Company.
11. Recognition	We value and promote recognition for achieving results within our code of conduct. Through this recognition, we strengthen the personal motivation and active participation of all our employees. We celebrate our achievements and reinforce winning attitudes.
12. Citizen integrity	Both the Company as a whole, and every employee in it, should be exemplary members of the community where we operate, committed to its culture and with the principle of sustainable development.

STRATEGIC GOALS

1. Safety and Health	Establish an accident-free culture, constantly lowering the accident rate, protecting life, and minimising the probability of the occurrence of occupational diseases.
2. Social Responsibility	Promote and support, in our role as a responsible private company, the sustainable development of the communities located in the area of influence of our operations so as to make an effective contribution to regional and national progress; perform all our activities with integrity, respecting the principles of conduct and action in Human Rights, labour relations, and anti-corruption; carry out all our operations keeping in mind the concept of sustainable development through the application of best practices for the effective control of adverse environmental impacts.
3. World class Human Resources	Create the necessary organisational conditions to attract, motivate, train, develop, and retain appropriate human talent and, at the same time, provide sufficient, permanent guarantees of the knowledge and essential skills needed to carry out our operations according to world class standards; in this manner, offer an excellent working environment for all members of our team.
4. Production Expansion	Expand production to 32 million tons annually in the short term and to create conditions of competitiveness as well as good relations with the nation and our communities to allow the expansion of the operation to exceed 32 million tons in the middle term.
5. Quality and Client Satisfaction	Satisfy the needs and expectations of our clients and the consumers of our coal in terms of quality, opportunity, performance, and technical support by means of an integrated, coordinated effort regarding planning, mining operations, crushing, transportation, shipping, and marketing. Establish operational plans and appropriate markets according to the mine product and our operational capacity and to ensure compliance. In addition, ensure the quality of the product at each stage of our operating processes.
6. Efficiency and competitiveness	Improve continually, optimising use of the resources and making innovations in all our processes, both in operating areas such as marketing and administration, and in their interactions to develop conditions that will permit us to remain in the first quartile of lowest-cost coal-exporting mines in the world, without compromising our goal of expansion, and ensuring the long-term stability of the mining operations. At the same time, identify and develop business opportunities that may generate additional value to the production and sale of coal.

RESPONSIBLE EVALUATION

In 2007, Cerrejón requested a review of its Social Responsibility programmes by a panel of independent experts with a well-founded reputation and with specific experience in the field of social development, both in Colombia and internationally.

The committee presented a comprehensive report to Cerrejón and its shareholders, with specific recommendations on both present and future commitments and actions, bearing in mind past cases.

OUR SHEC STANDARD Safety, Health, Environment, and Communities

Cerrejón has a corporate SHEC programme that directs all operational areas. Thus, Cerrejón runs its business in harmony with the Environment and with Society, protects the Health and Safety of its workers, and contributes to the

development, wellbeing, and the culture of the communities in its area of influence. In addition, it works to implement the best practices in the mining industry as concerns Safety, Health, the Environment, and Communities.

4.8, 4.9, 4.10, 4.11, 4.12

<p>The SHEC Policy is developed through the application of the Operational Integrity System, which is a management system for risk administration with the following guidelines:</p>	<ul style="list-style-type: none"> Design and maintain the facilities and establish operational processes so as to safeguard people, property, and the environment.
	<ul style="list-style-type: none"> Make permanent efforts to identify and administer the risks associated with our activities.
	<ul style="list-style-type: none"> Comply with applicable laws and regulations, as well as with other obligations we have voluntarily taken on. Employ our own standards when they surpass existing legislation or when there is no applicable legislation.
	<ul style="list-style-type: none"> Respond quickly, effectively, and carefully to emergencies or accidents resulting from the operations.
	<ul style="list-style-type: none"> Provide programmes promoting Occupational Health aimed at improving employee wellbeing.
	<ul style="list-style-type: none"> Periodically check employee health to identify and control work-related health risks in a timely manner.
	<ul style="list-style-type: none"> Raise awareness, train, and commit employees and contractors to Human Rights, International Humanitarian Rights, and Voluntary Principles.
	<ul style="list-style-type: none"> Maintain transparent relations with the Private Security contractors, with State Security Organisms, with the Army, and with the Police, within the framework of the Voluntary Principles.
	<ul style="list-style-type: none"> Respect Human Rights in the case of the indigenous communities in the area of influence of Cerrejón, preserving and strengthening their culture, identity, traditions, and customs.
	<ul style="list-style-type: none"> Reply in a timely manner to the concerns arising from the neighbouring communities and make permanent efforts to cultivate cordial relations, open dialogue, and cooperation.
	<ul style="list-style-type: none"> Work in association with the communities and State institutions on projects that foster human development and the improvement of the conditions and quality of life of persons, within the framework of the concept of sustainable development.
	<ul style="list-style-type: none"> Within the possibilities and expertise required by our operations, offer employment opportunities and, in general, foster the best use of the available resources in the region and in the country.
	<ul style="list-style-type: none"> Train, raise awareness in, and commit all our employees and contractors in reaching the goals set by this policy.
	<ul style="list-style-type: none"> Establish suitable channels of communication to disseminate the programmes of Health, Safety, Environment, and Communities and to hear the concerns of interested parties.
<ul style="list-style-type: none"> Carry out periodic reviews and evaluations to ensure compliance of this policy and to measure its progress. 	

ALLIES FOR SUSTAINABILITY

Cerrejón has strategic allies both nationally and internationally that drive sector development and generate sustainability. These allies are:

- National Association of Industrial Firms (ANDI)
- Asomineros Chamber, of the ANDI
- Colombian American Chamber
- Colombian British Chamber of Commerce
- Colombian Mexican Chamber of Commerce
- Colombian Canadian Chamber of Commerce
- Association for the Training of Caribbean Businessmen
- Business Alliance for Secure Commerce (BASC)

- Ideas for Peace Foundation
- Colombian Welding Association
- Colombian Engineers Association
- Energy and Gas Chamber
- Colombian Association of Industrial and Personnel Relations
- Latin-American Railways Association Colombian Safety Council
- Consejo Colombiano de Seguridad
- Conservation International
- World Coal Institute

In addition, the Company is an active member of the Global Compact of the United Nations and of the Organisation of Stakeholders (GRI).

4.13

Opportunities for everyone



CERREJÓN AND ITS STAKEHOLDERS

Cerrejón establishes its stakeholders, identifying those persons and organisations that may be affected directly or indirectly by decisions and actions taken in the exercise of mining activities.

CATEGORY	STAKEHOLDERS	TOPICS OF INTEREST
National Government	The Office of the President The Office of the First Lady Ministry of the Environment, Housing, and Urban Development Ministry of Mines and Energy Treasury Inspector's Office Attorney General DIAN Civil Aeronautics Colombian Institute for Family Welfare (ICBF) National Guarantees Fund Bancoldex Public Ombudsman	Investment of royalties Permits Environmental management Social management Support for the promotion of wayuu handicrafts Programmes and assistance for indigenous communities Environmental legislation Human Rights
National and regional Government	Government of La Guajira La Guajira Office of Education Department Office of indigenous affairs Mayor's Office of Uribia Uribia Office of Education Uribia Office of Health Maicao Office of Health Barrancas Office of Education Barrancas Office of Health Albania Office of Education Albania Office of Health Mayor's Office of Hatonuevo Hatonuevo Office of Education Hatonuevo Office of Health Fonseca Office of Education Concejales Regional Federation La Guajira Chamber of Commerce Uniguajira Youth Science Expo (Expociencia Juvenil) Civil Defence Centre for Municipal Educational Resources (CREM)	Investment of royalties Educational projects Environmental management Micro business support Accompanying institutional support Leverage for projects through economic resources
Authorities	National Police The Army The Navy Colombian Air Force Security Administrative Department (DAS) Attorney General Technical Research Body (CTI) Indumil	Agreement for operations security Cooperation in research Human Rights
Mining sector	Ingeominas ANDI Industrial Conferences - Mining	Review of and adjustments to new environmental legislation Environmental Management Environmental legislation

Indigenous groups	Riohacha Office of Indigenous Affairs Provincial Indigenous Reservation Trupio Gacho Indigenous Reservation San Francisco Indigenous Reservation Alta and Media Guajira Reservation	Programmes of promotion and prevention Support for the promotion of wayuu handicrafts Programmes and assistance for indigenous communities
Community	Community leaders Chancleta Patilla Nuevo Oreganal Microbusiness people	Leverage for projects through economic resources Support and fairs for people in micro businesses Agreements and permanent dialogue with the community Social Management Plan
Educational institutions	SENA Universities Schools	Agreements Improvement in quality of education Scholarships Institutional information
Health institutions	ARS ISS Hospitals of Barrancas and Maicao Health Centres	Institutional support Monitoring of wildlife and hydrobiology of Cerrejón
NGO	Fedecaribe Emprender Ideas for Peace Foundation (Fundación Ideas para la Paz, FIP) Manos Solidarias (Rotary Club) Mario Santo Domingo Foundation Cerromatoso Foundation UNO Global Compact Colombian Red Cross José Celestino Mutis Business people for Education	Environmental management Social management Rehabilitation of lands Leverage for projects through economic resources Consultant for the implementation of Voluntary Principles Promotion and publicising of loans programme
Environment	Corpoguajira IDEAM Museum of the Sea (Museo del Mar) Andean Centre for Environmental Economy (Centro Andino para la Economía del Medio Ambiente) George Dahl	Productive environment and community programmes within the framework of sustainable development Follow-up of environmental management Feasibility studies to implement environmental programmes
Suppliers and contractors	Servidaza Ltda. Representatives of Proveedores Chaneme Gecolsa	Certifications Quality and improvement of service Agreements with the Company Buying and contracting processes
Employees	Cerrejón Employees Sintracarbón CABIS	Agreements on food and land transportation Collective bargaining agreement Safety Personal and family growth Coordination of sports clubs
Others	National media Regional media Cultural institutions Sports federations and leagues	Advertising Institutional information Sponsorship

The participation of the interest groups is different in each case, therefore communications channels and participation have been created with each of the groups and, according to the policies of the department of Social Responsibility of Cerrejón, dialogues and negotiations take place on the exercise of commercial activity and in compliance with national and international legal dispositions.

Since its beginnings, the Company has set in place the necessary mechanisms to improve activities and foster the social development of La Guajira and of its workers. Cerrejón is engaged with its stakeholders, and impacts that may affect the social, economic, and environmental surroundings are being mitigated. The Company will continue to work to ensure that new demands are appropriately resolved.

4.15, 4.16, 4.17



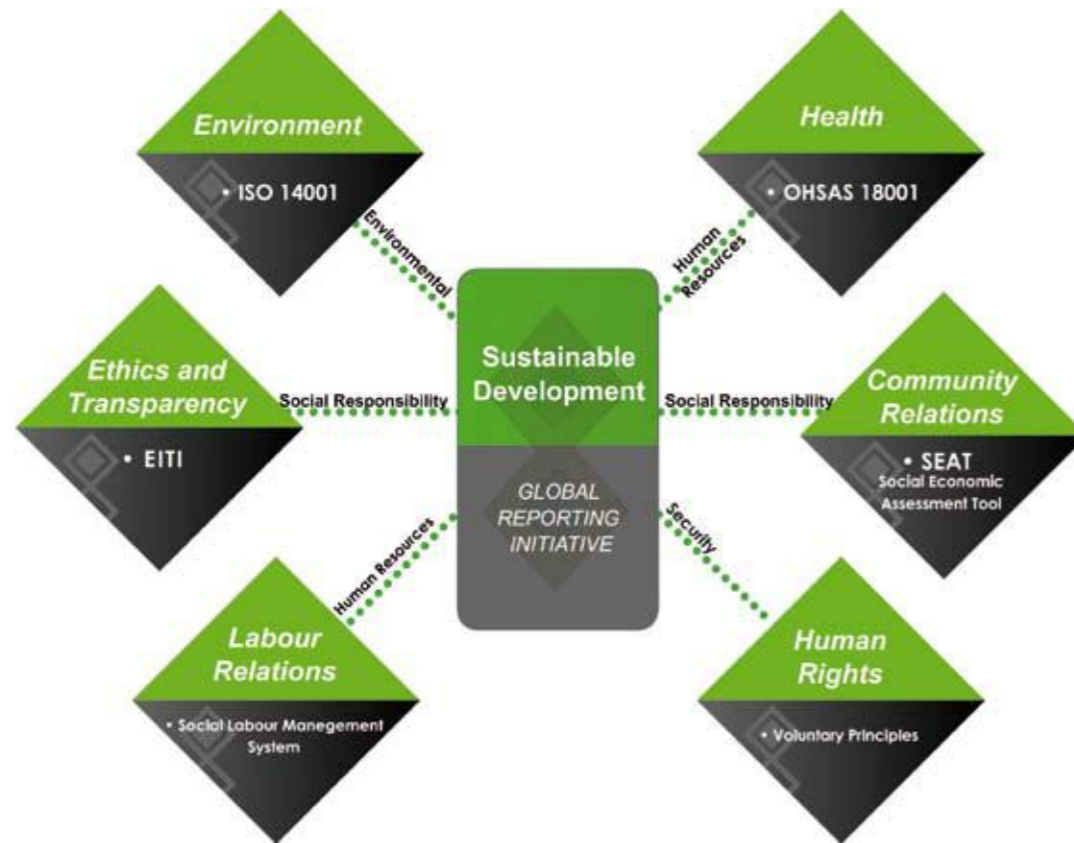
Engaged with its stakeholders



5

CERREJÓN: MODEL COMPANY IN CSR SUSTAINABILITY INDICATORS

Cerrejón's social responsibility model



Cerrejón is a company that has an integrated model of Social Responsibility, since it is a company that has an operation based on the concept of sustainable development and is designed to add value in each phase and to each of its interest groups. This responsibility that Cerrejón has is located in different elements and each of these has a validating mechanism and a responsible area. The elements that comprise the social responsibility of the Company are:

- **Transparency:** Cerrejón follows the principles of the Transparency Initiative in the Mining Extraction Industries (EITI), validating its conduct before all its audiences. This initiative seeks to ensure that the industries involved in extraction present their accounts in a transparent way, contributing to sustainable development and reducing poverty. Cerrejón maintains open, transparent and

effective communication with parties interested in the operation and gives clear accounts of its economic, environmental and social management.

- **Human Rights:** Cerrejón, in line with its policy of Corporate Social Responsibility, has always been concerned to ensure that its operations are developed in a sustainable manner. The Company has a policy and a programme of Human Rights which guarantee that its operations protect, respect and promote the Human Rights of its employees, contracted workers, third persons involved in its operations, its clients and the public in general.

- **Environment:** At Cerrejón, production activities, transportation and loading of the coal are carried out with all due regard for the environment. The programmes of environmental management have contributed to minimising the impact that the above mentioned activities generate.

The standard ISO 14001 is the technical validation of the actions of Cerrejón. Owing to the high impact on the environment that the operation generates, the Company counteracts this with other actions relating to the environment that have an impact on the surrounding communities and the workers.

- **Community:** Cerrejón contributes to an improvement in the living conditions of the community with the generation of employment, the demand for goods and services, the payment of royalties and taxes, and the development of different beneficial programmes, which comprise social management in the Company.

All Cerrejón's actions regarding the communities are carried out within a framework of transparency and respect for the rights of the populations. The validating mechanism is the Socio Economic Assessment Tool (SEAT).

- **Social Responsibility to the worker:** Cerrejón is an important generator of employment in the country and in the Guajira, and an excellent partner for its workers and contractors. Cerrejón established the System of Management of Social Responsibility for the Labour force following the international regulation SA 8000. In addition, Cerrejón respects the national agreements subscribed in the International Organisation of Employment (OIT). In all the operation, its compliance with workers' rights is in evidence: trade union liberty and collective negotiation; abolition of forced child labour, and elimination of discrimination in the work place.



Cerrejón is a company committed to the integral development of its workers

Cerrejón prides itself on providing healthy and safe working environments for the carrying out of the activities of workers and contractors. We are working to generate a culture that values and accepts that we can achieve an accident free work place and with protection of lives. To this end, the Company applies the practices and standards used at international level and has an overview of risk factors orientated to their identification, evaluation and control; it knows and complies with the laws applicable, sets up work plans and follows up compliance; in this way, it ensures the formation and competence of its people.

- **Occupational Health:** This seeks, among other things, to guarantee a safe operation with minimal impact on the health, and life and limb of its workers and contractors.

The norm OHSAS 18001 acts to validate the compliance of Cerrejón's commitment to a safe operation with minimal impact on the health, and life and limb of its workers and contractors.

TRANSPARENCY

Cerrejón abides by the principles of the Extractive Industries Transparency Initiative (EITI) as validating elements in its actions before all audiences. This initiative seeks to ensure that the extractive industries render clear accounts and contribute to sustainable development and the reduction of poverty.

This Extractive Industries Transparency Initiative is voluntary and is backed by companies, governments, investors, and civil society organisations from countries that have income from petroleum, gas, and mining.

Cerrejón has processes in place to identify its audiences and to ensure the development of strategies in a proactive way, analysing local context and social and cultural factors to facilitate understanding. The Company maintains clear, open, and effective communications with all operations stakeholders and provides transparent reports on its economic, environmental, and social management.

Transparent economic performance

Each ton of coal that La Guajira delivers to the world returns, in part, to the region and the country in the form of foreign exchange, taxes, royalties, employment, consumption, and social management with communities. Cerrejón also reciprocates the riches extracted with a systematic environmental management strategy and appropriate relations with the surrounding communities. The Company does not receive governmental financial aid for the performance of its activities.

In 2007, the Company exported 29.8 million tons of coal with a value of 1,490 million dollars. Cerrejón represents 43 percent of Colombian coal exports and has consolidated itself as the foremost coal exporter in the country.

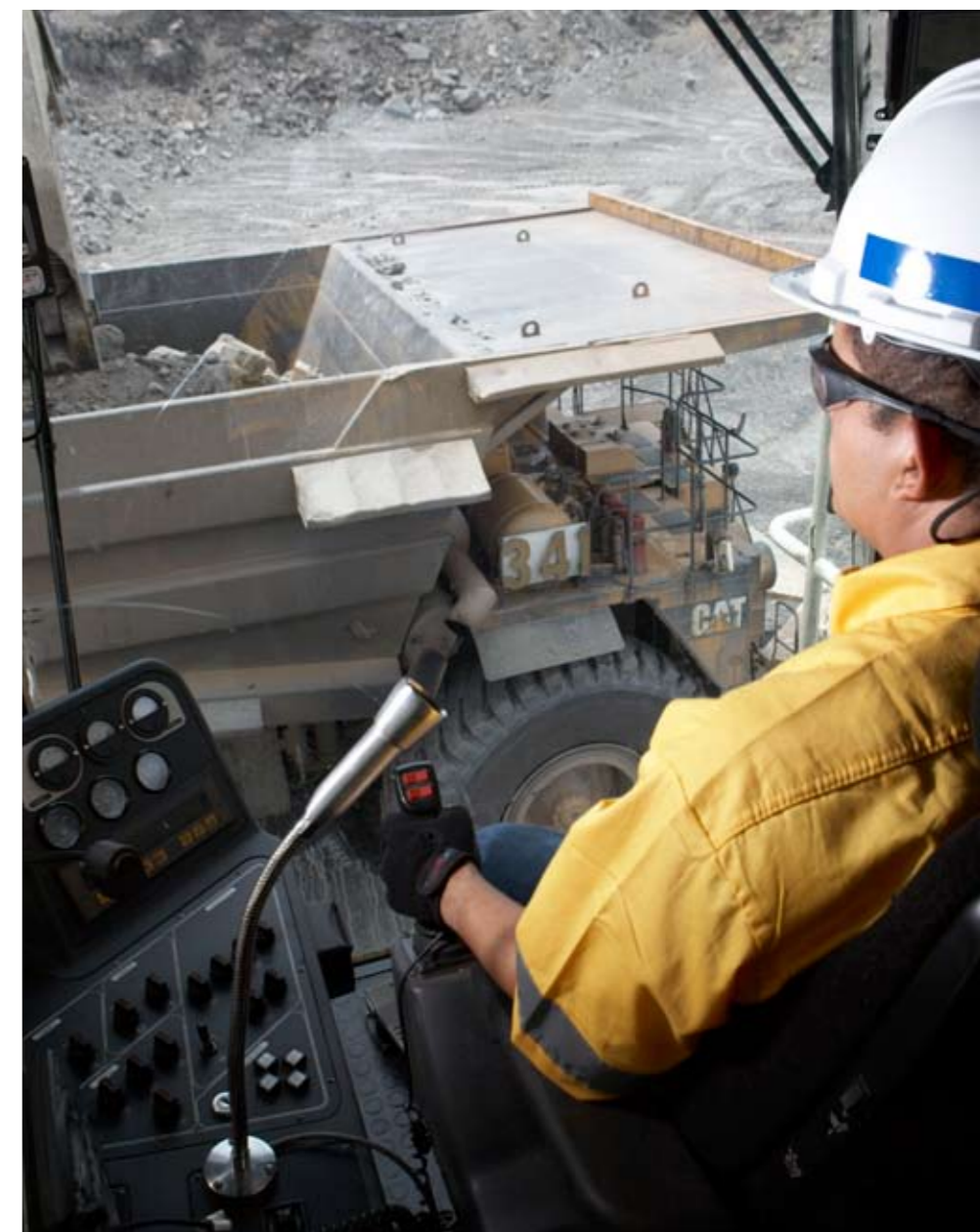
5.1, 5.2, EC1, EC2

CERREJÓN COAL EXPORTS 1985 - 2007		
Year	Millions of tons	Millions of US\$
1985	2.2	79
1986	4.7	168
1987	8.3	234
1988	9.4	275
1989	11.0	403
1990	11.8	484
1991	13.4	513
1992	11.7	444
1993	13.9	428
1994	12.9	382
1995	13.3	443
1996	17.2	656
1997	19.3	708
1998	19.9	653
1999	18.8	514
2000	22.1	573
2001	20.8	671
2002	18.5	541
2003	22.7	604
2004	24.9	1,018
2005	25.5	1,164
2006	27.5	1,236
2007	29.8	1,490

OPERATION RESULTS FOR 2007

- Coal production was 29.6 million tons.
- Cerrejón is the second largest foreign-exchange generating company in Colombia and leads among private-sector exporters.
- The value of exports was 1,490 million dollars, a 21 percent increase over the year before.
- Cerrejón invests in modernising and expanding its operations. Between 2004 and 2007 it invested 689 million dollars. In 2007, total investment was 245 million dollars.
- In 2007 Cerrejón generated royalties of 127 million dollars. In the course of the history of the project, 873 million dollars have been generated in royalties. Eighty-four percent of this revenue is invested in La Guajira to undertake ambitious economic and social development projects.

Each ton of coal returns to the region and the country in the form of foreign exchange, taxes, royalties, employment, consumption, and social engagement with the communities

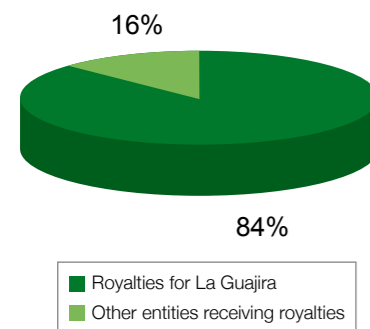


Between 2004 and 2007, La Guajira and its municipalities affected by the coal-mining operation received resources from the royalties, distributed by Ingeominas. The distribution, in accordance with what is established by law, is shown in the following table:

ROYALTIES RECEIVED BY LA GUAJIRA FROM COAL MINING, 2004 - 2007 (Million of pesos)				
Municipality	2004	2005	2006	2007
Albania	3.516	13.945	22.563	32.070
Barrancas	9.361	7.188	9.424	16.573
Hatonuevo	6.283	11.312	15.169	16.243
Department of La Guajira	31.702	67.198	65.815	61.118
FNR (at intervals)		5.699	10.172	16.200
Corpoguajira	3.002	16.993	20.314	18.101
Corpes	1.801	7.025	10.157	9.174
Maicao	7.838	30.323	20.735	3.334
Uribia	7.791	18.062	17.963	18.454
La Guajira	71.293	177.746	192.312	191.267

Source: Ingeominas

Distribution of royalties



Royalties represent an important part of the investment budgets of the municipalities of the Cerrejón area of influence and for La Guajira in general. These resources are assigned for use which is of vital interest in improving living conditions and quality of life in the areas of health, education, drinking water, and basic sanitation.

Cerrejón has a commitment to La Guajira that these resources be invested efficiently. In 2007, a royalty-training session was held at Cerrejón Foundation headquarters, in the Barrancas Municipality, presented by the National Planning Department for legal representatives and community promoters of the indigenous reservations of San Francisco, Trupio Gacho, and Provincial. The aim was to provide the indigenous community in the area of influence with the tools and criteria to allow them to exercise better social control in the investment of these resources.

This event included the participation of Cerrejón, the National Planning Department (DNP), the Presidential Programme for the Fight against Corruption, Cerrejón external wayuu advisors, and 18 participants from among legal representatives, traditional authorities, and community promoters of the indigenous reservations of Trupio Gacho, San Francisco, and Provincial.

This was also an opportunity to share the Presidential Programme for the Fight against Corruption with the participants.

In addition, in 2007, officials from the National Planning Department and from Cerrejón visited the Provincial Indigenous Reservation for follow-up and inspection of the work undertaken with royalty resources.

Cerrejón: an important generator of employment

The communities around Cerrejón have ample employment opportunities: 59 percent of the labour force necessary for operating the mine comes from the Department of La Guajira, 30 percent from other places on the Atlantic Coast, and 11 percent from the rest of the country.

	NUMBER OF MEN	NUMBER OF WOMEN
Managers and above	18	1
Division chiefs, superintendents	47	5
Other professionals	620	142
Technicians	3,995	107



Cerrejón has clear policies for the promotion and development of human capital to higher levels. In the top management of the Company, there is one foreign executive and five Colombians. In middle management and division chief positions, there are 27 employees from the Atlantic Coast (out of a total of 53) as a consequence of the open promotion process.

According to the “*Employer of Choice*” study by the Human Management Association (ACRIP, the Spanish acronym for the Colombian Association of Industrial Relations and Personnel) and the Yanhaas marketing firm, Cerrejón was recognised as one of the best companies to work for in Colombia.

EC3, EC4, EC5, EC6, EC7

Social commitment

Cerrejón’s commitment to the communities goes far beyond its role as a generator of employment and royalties. The relationship with the communities is based on international standards of multilateral organisations. In 2007, Cerrejón made important investments and continued strengthening its relationship with the communities:

- It invested 10,000 million pesos during 2007 in social engagement in La Guajira.
- In 2007, more than 300,000 people benefited from the Company’s education, health, and basic infrastructure, culture, recreation, sports, and employment generation programmes.
- More than 200 communities and 54,000 people from the indigenous communities have benefited from the Integral Help Plan for Indigenous Communities (Paici, the Spanish acronym). This programme is dedicated to improving the quality of life of the wayuu community, offering community or-

ganisation, traditional agricultural activities, promotion of handicrafts, techniques for raising goats, and water supply alternatives.

- Twelve thousand students benefited from the Municipal Educational Resources Centre (CREM, the Spanish acronym) of Fonseca.
- Teachers in the region were trained.
- Ethno-education continued with a bilingual intercultural programme that benefits more than 2,000 wayuu boys and girls.
- An agreement was reached with the Colombia Fulbright Commission to finance graduate studies for Guajiran professionals and strengthen English teaching in the region.
- The Cerrejón Excellence Scholarships programme continued to stimulate the best secondary school students in the region.
- Cerrejón continues to support the development of micro-businesses. About 1,500 projects are funded every year.

EC8, EC9

Fight against corruption

Cerrejón has an ethics policy that all the employees know about and that makes it possible to identify potential risks in this regard in all activities and projects that are carried out.

Cerrejón’s shareholders are committed to the fight against corruption and carry out internal control audits to verify compliance with the policies and procedures, and four or five reviews of different areas of the Company are carried out every year. In addition, external auditors review the financial statements.

Based on these same principles, Cerrejón has a neutral ideological position and does not participate in political activity or in any other related activity. The Company does not make contributions nor does it work with political parties, does not participate in lobbying activities, and does not intervene in public policy.

In 2007, the Company was not subject to any sanctions or fines for noncompliance with Colombian law and norms, there were no lawsuits related to monopolistic practices against free trade, and there were no incidents of corruption.

SO2, SO3, SO4, SO5, SO6, SO7, SO8

The product

Coal for the world, progress for Colombia

Cerrejón’s total coal production is for international markets. In 2007, Europe was the destination for 53 percent of its exports, while 20 percent went to North America. The Company is responsible for its product and has established specific objectives in this regard:

- To supply a high-quality product that complies with or exceeds the specifications and needs of the consumer under reasonable circumstances.
- To provide services with responsible standards of compliance, efficiency, and courtesy.
- To supply precise and sufficient information about products and services, including the details of guarantees, so that the client can make a well-founded purchasing decision.
- Truth in advertising and in all the communications issued by the Company.

In order to satisfy client needs and expectations in terms of quality, opportunity, performance, and technical assistance, Cerrejón has an integrated operation that involves planning, the production process, transport, shipping, marketing, and export of coal.

Cerrejón offers a top-quality product, which is ensured in each one of the stages of the operational process:

1. In the mine:

- About 70 percent of the coal mined is crushed immediately and dispatched by train.
- The remaining 30 percent is stored based on its heating power and ash and sulphur contents. Later, this coal is crushed and incorporated into the normal flow so as to adjust the quality of the material dispatched at a particular time.
- The quality of the crushed coal is measured by means of sample analysis taken by an automatic sampler.

2. Before loading the coal on the train:

The quality of the coal is determined by means of quick laboratory analyses in less than two hours.

3. Once at the port:

The coal is stock piled and reclaimed so carefully as to minimise variations in the quality of each shipment. A sampling certification station operated by an independent inspector is used to certify the quality of each shipment.

The Company has a team responsible for the product that comprises the Superintendency of Coal Quality and Flow, which reports to the Management of the Coal Handling Department, under the Vice-Presidency for Operational Support.

In addition, the Company has implemented a system for guaranteeing that the coal sold complies with international quality standards. The system is based on the reliability of the equipment in regard to the performance of the transport trucks for overburden and coal; on the results of power shovels and trucks in regard to productivity; on the results in recent years compared to other mining companies in regard to industrial safety; and on the ISO 9002 Certification for three of the large mining equipment component reconstruction processes.

7.20, 7.21, 7.22, 7.23, 7.24

A world-class product

In order to obtain tools for orienting management towards process optimisation and generating the minimum possible impact up to the end of the production process, Cerrejón initiated an evaluation of the coal life cycle analysis.

Cerrejón's coal is an unscrubbed product from seams whose thermal power varies from < 10,000 BTU/lb GAR to > 12,100 BTU/lb. The products of 6,000 kcal/kg NAR (~11,350 BTU/lb GAR) or less contain a little more than 10 percent ash (typically), while for values greater than 6,000 kcal/kg GAR, the ash content is close to or less than 9 percent GAR. The volatile material content of Cerrejón coal is between 32 percent and 34 percent, while the sulphur content is less than 0.85 percent.

Most of the coal is used for generating electrical energy, while a smaller proportion is employed for pulverised coal injection in industry and in domestic heating. In 2007, there were no incidents recorded in relation to the product, nor was it subject to fines for noncompliance with norms related to supply and use of the product.

	Products		
	D	Dm	E
BTU/lb GAR, Typically	11,300	11,000	10,600
Kcal/kg NAR, Typically	5,975	5,800	5,595
Ash, %	9.7 - 12.5	11.2 - 13.8	11.0 - 15.0
Total moisture, %	10.6 - 12.6	10.5 - 12.6	11.3 - 15.5
Volatile material, %	31.6 - 33.3	31.2 - 33.2	31.2 - 33.5
Lb SO /MBTU	0.9 - 1.5	1.1 - 1.5	1.2 - 1.6

(PR1, PR2, PR3, PR5, PR9)

During the period covered by this Report, there were no incidents as a consequence of non-compliance with regulations related to marketing communications or advertising. Similarly, Cerrejón did not receive any complaints regarding respect for privacy or leaks of personal information of its clients.

Cerrejón has adhered to standards such as: the ISO 14001 Environmental certification, OHSAS 14001 Occupational Health and Safety certification, commitment to the principles of the United Nations Global Compact, and the implementation of the Human Rights Programme and the Voluntary Principles Protocol regarding Human Rights and Public and Private Protection, among others. The Company mentions these commitments in some of its internal and external corporate communications.

PR6, PR7, PR8



Yan Keller Hernandez Herazo, Mayor of Albania

Life History

Cerrejón, a good partner, neighbour and friend

Cerrejón is considered to be a company that works hard to ensure transparent, stable relations based on respect and cooperation. Its contact with its employees and its neighbours is more than a commercial relationship. The Company's closest neighbour is the municipality of Albania and relations between the two have been built on the basis of collaboration by both the community and the Company.

"The Company's support covers a lot of different aspects. For example, it collaborated with us on improving housing, donated land, provided training, cultural support, among other no less important things," said Mayor Yan Keller Hernandez Herazo, 30 years of age, who leads the population and knows both Cerrejón and his own citizens well.

The Company was established in La Guajira while this young man was growing up. "My grandfather was a man of great vision and when he started to see the trains, the vehicles and the people, he also realised that progress was coming to our Department and that was something he trusted in. Today, I repeat his words and say that the future will be better. We have been forging ahead alongside Cerrejón for many years. We have always benefited and the Company has provided us with housing and other improvements. For example, in this municipality, we don't have flooding problems thanks to some land Cerrejón gave us to build a reservoir for rainwater to drain into and then be discharged into the river. Around 600 dwellings were built during the last administration, and I could go on and on naming the Company's contributions to our community," said the Mayor.

"All the Company's contributions to our municipality are always strictly followed up and controlled. It trusts the people and is concerned for all of them, and we therefore trust the Company," added the Mayor. Cerrejón helps the neighbouring municipalities, always with absolute transparency through a public ethics programme and ensures that royalties from coal are correct and contributes by monitoring that process. It also supports the initiatives of the Offices of the Controller and of the National Attorney General in this respect.



Cerrejón most important resource is its Human Capital

THE MOST IMPORTANT RESOURCE: HUMAN CAPITAL

Cerrejón is an important provider of employment in Colombia and in La Guajira and an excellent partner for its employees and contractors. The mine operates 24 hours a day and the efficacy and efficiency of its operations in all areas depends on the day-to-day efforts of each and every person in or related to the Company. 8,656 people work in the mine's coal extraction operation, in transportation to the port, support services, administration, security, and work with communities, in Bogotá, Barranquilla, the mine itself, and Puerto Bolívar.

Cerrejón's human talent objective is to create the organisational conditions to attract, motivate, train, develop, and ensure the retention of appropriate human talent. At the same time, we want to guarantee the necessary permanent and sufficient knowledge and capabilities to carry out operations in compliance with world class standards, in addition to providing an excellent working environment for all the members of the work team.

Cerrejón's action framework

At Cerrejón, all processes are subject to corporate policies. Goals have been planned and all have defined application strategies.

The Company adheres to the conventions and recommendations of the **International Labour Organisation** (ILO). Industrial safety and worker health are central concerns for the company and their procedures are certified in accordance with the **OHSAS 18001** standard.

Moreover, to the points of the Management System for Social Labour Responsibility contained in Standard SA 8000 have been added the following internal work regulations:

- **Child labour:** Cerrejón neither uses nor condones child labour. Its youngest workers are approximately 20 years old.
- **Forced labour:** The Company neither uses nor supports the use of forced labour.
- **Hygiene and safety:** The Company, aware of the risks surrounding its industry, establishes a safe work place, preventing accidents associated with this activity.
- **Freedom of association:** Cerrejón respects the rights of its workers to form unions. It also respects the right to collective bargaining.
- **Discrimination:** No type of discrimination is allowed or condoned.
- **Disciplinary practices:** Cerrejón does not use nor condone the use of corporal punishment, mental or physical coercion, nor verbal abuse.
- **Working hours:** The work day is normal and defined by Colombian legislation; it is also in compliance with the ILO conventions.
- **Payment:** The salaries paid by the Company comply with Colombian regulations and the minimum standards set by the mining industry.

At Cerrejón, operational responsibility for labour aspects is the purview of the Management of Human Capital, reporting to the Executive Vice-president of Operations.

Cerrejón administers its personnel policies, programmes, and practices without discrimination in all aspects of labour relations, including hiring, contracts, work assignments, promotions, transfers, terminations, handling of salaries, and selection for training

Labour Social Responsibility Model

Cerrejón's policy for Labour Social Responsibility with its workers is applied through a Management System that includes the efforts of the Company to commit its suppliers and contractors to compliance with these requirements in their own organisations and in the course of operations.

The policy has the following mandates:

- Cerrejón is a company that is committed to the overall development and wellbeing of its workers. It complies with applicable national legislation and social security labour rights, as well as with the voluntarily shouldered obligations including the principles established by international policies related to the SA 8000 standard.
- Cerrejón, both in its operations and in its business relations with suppliers and contractors, considers it crucial to comply with national and international legislation as concerns child labour, forced labour, occupational health and safety, freedom of association and the right to collective bargaining, discrimination, disciplinary measures, work hours, and payment.



For Cerrejón, the employees are its most valuable asset

- All of the activities at Cerrejón must comply with the highest international ethical standards.
- Cerrejón is committed to ongoing improvement in applying this policy and in generating factors that will drive the social and economic advancement of its work force.

Direct employees and contractors are familiar with this policy and the Company promotes its dissemination through various electronic, printed, audiovisual, and face-to-face media. In addition, through its Management System, it maintains appropriate records to demonstrate compliance with its standards.

Cerrejón's System of Labour Responsibility Management is based on the scope of the SA 8000 standard, which requires the performance of audits on labour management. In 2007 there were 48 audits

Safety in 2007

Human talent is our most precious factor and we therefore endeavour to be, in the medium term, a Company in which it is possible to work without injuries

Objectives

- Zero fatalities
- Culture of injury-free safety

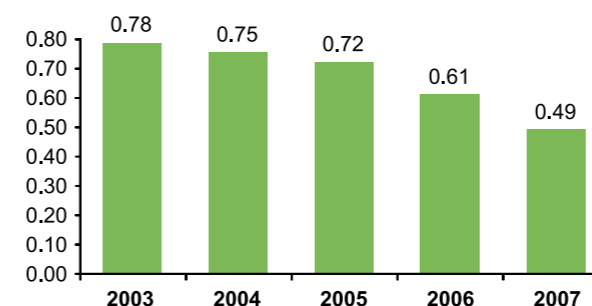
Strategies

- Active and visible leadership at all levels of management
- Effective application of the Operational Integrity System
- Application of the basic safety tools and methodologies
- Safety of contractors Control Protocols for Fatal Risks
- Operational discipline

Safety performance in 2007

In recent years, the Company has improved its safety performance considerably. In 2007, there were two fatalities of fellow workers from contractor companies.

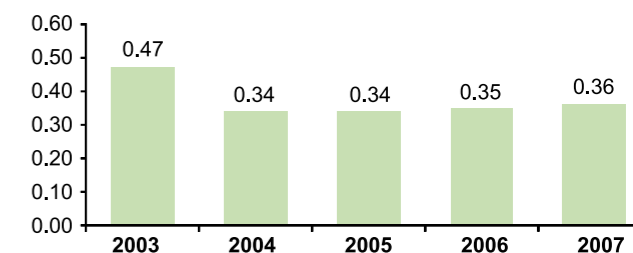
TRIFR: (Total Recordable Injury Frequency Rate)



TRIFR: # of injuries per 200,000 hours worked

The index of frequency of recorded injuries continues to improve considerably year after year and that of classified injuries remained at levels similar to those of 2006.

CIFR: (Classified Injury Frequency Rate)



CIFR: # of injuries per 200,000 hours worked

Safety improvement initiatives in 2007

Measurement of proactive indicators. Aware that progress is necessary in the improvement of safety levels, result indicators (such as injuries and fatalities) continued to be measured in 2007, as well as indicators to prevent such events from occurring. Following best industry practices, Cerrejón has a series of "process" or "proactive" indicators that are measured frequently with the same rigour as the results indicators. The following are the most important:

Leadership

1. Management walkabouts
2. Workers' group meetings

Compliance

3. Near misses reported
4. Implementation of emergency drills recommendations
5. Training in health, safety, the environment, and employees' communities

Audits

6. Implementation of internal audits recommendations
7. Implementation of recommendations of shareholders' external audits
8. Implementation of certification audits recommendations (OHSAS 18001)

Improvement of safety indicators of contractors. In 2007, implementation continued in the improvement plan for the safety performance of contractors.

1. Leadership

- Workshops for managers of contractor companies and administration of con-

- tracts for safety administration.
- Self-leadership workshops commenced for supervisors with an external consultant to reinforce the leadership scheme.

2. Safety Tools

- Revision of the risk evaluation methodology used at Cerrejón to introduce additional criteria used in leading mining companies, such as levels of consequences and integration of health, safety, environmental, and community risks with other business risks (for example, financial, legal, etc.).
- The risk evaluation process was reinforced, introducing the use of HAZOP methodology for detailed analysis of high risk operations.
- The Last minute risk analysis tools, known as 3 for One, was improved.

3. Improvement in the safety process based on behaviour

- Implementation of this tool with the advice of the external consultant continued. A manual with the definition of safe behaviours was prepared and a competition was held among the employees in order to improve understanding of these behaviours.
- Advice was given to important contractor companies for them to adapt this tool to their activities.
- Implementation of a project for the development of engineering solutions to reinforce the effectiveness of controls for high-risk activities in our operations.

4. Fatal Risks Control Protocols (FRCP)

- An internal audit of the entire operation was carried out and implementation was begun of a plan of action to improve compliance with the requirements of each of the seven FRCPs adopted by Cerrejón (driving light vehicles, mining equipment operation, handling hazardous substances, equipment and facilities safety shields, power lockout, high-rise work, and handling loads using mechanical systems).

5. A safety committee was set up to develop the participation of contractor companies in the initiatives to improve their safety performance with their participation.

- The communications scheme was reinforced using the Operational Integrity Information System and incident bulletins were distributed.

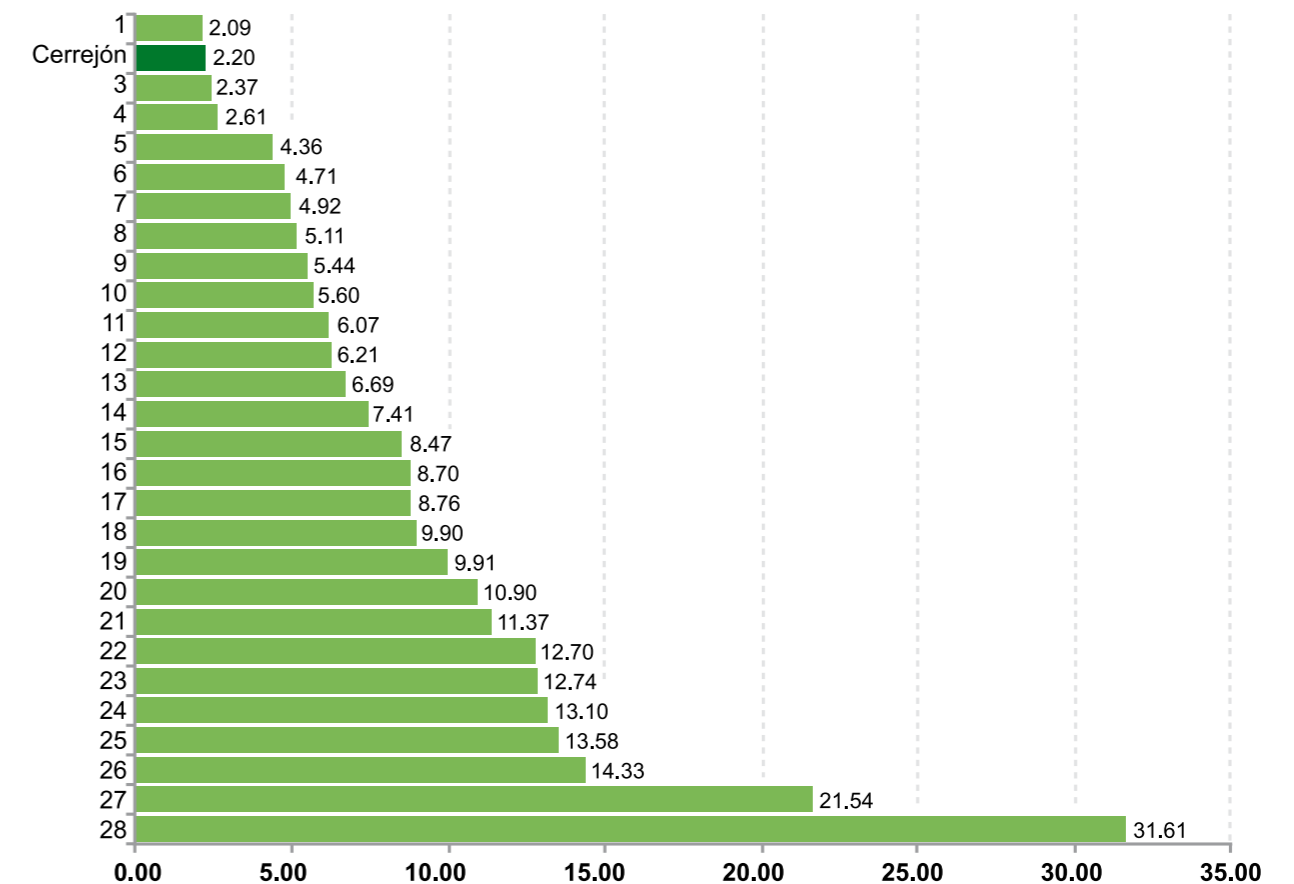
6. Key events

- Engineering Solutions Congress for contractor companies: 33 contractor companies and 171 attendees.
- First safety fair for contractor companies: 11 contractors with stands and over 800 participants.
- Implementation of Unified Contractors Register (UCR) of the Colombian Safety Council for the selection and improvement of contractors.
- Follow-up of plans of action that resulted from the occupational health audits carried out for contractors by the Colombian Safety Council.

International Comparisons

Safety management in 2007 (compared at international level, taking into account the recordable injury frequency rate of a sample from 28 mines) continued to be at the top level in 2007.

Comparison (Recordable injury frequency rate)



Based on 1,000,000 man/hours worked

These results commit the Company to continuing its excellent safety performance in the future. While it is true that these indicators compare very well with those of other high-performance operations, Cerrejón will continue its actions to make its safety performance more reliable and prevent fatalities completely.

Benefits for our people

Cerrejón maintains a firm commitment with its workers and its actions go above and beyond legal requirements.

The Company's employees enjoy an integral package of benefits (salaries, legal benefits, and voluntary plans) which is very competitive in the labour market and is designed to attract and retain the best human talent in Colombia.

During the year of 2007, Cerrejón provided 710,000 lunches to workers



I. Legal benefits

- Integral social security
- Family Welfare Fund
- Severance Payments
- Holidays
- Service Bonus
- Transportation allowance

II. Voluntary plans

- Accumulative provision savings plan fund
- Housing Aid Program
- Integral health system
- Hospitalisation, surgical and maternity plan
- Integral insurance program

III. Extralegal benefits

- Productivity bonus
- Study assistance policy
- Holiday bonus
- Christmas bonus

IV. Domestic calamity loans

CERREJÓN'S HUMAN CAPITAL SITUATION - 2007

- Cerrejón paid wages and payments valued at **\$348,000 million** (169 million dollars). Between 1984 and 2007, wages paid totalled 78.1 million dollars. This is one of the most dynamic elements of the economy of La Guajira.
- In productivity bonuses a total of **\$5,558 million** was paid.
- **833 professionals**, from diverse fields and speciality areas, bring their technical and scientific knowledge to the mining operation and business administration.
- On average, Cerrejón employees work **42 hours weekly** as opposed to the 48 established by law.
- **4,100** workers and **300** contractors are transported by the Company from their homes to the work site.
- The Company respects workers' right to **free association with labour unions**: 3,086 workers are affiliated with the union and 938 are members. 12 collective bargaining agreements have been signed following successful negotiations. Only in 1990 was a collective agreement signed after a strike.
- The company currently has **1,039** active housing loans for a grand total of **\$32,770 million in loans** for the acquisition or improvement of housing.
- During 2007, Cerrejón provided workers with **710,000** lunches; the total cost of providing these services topped 11,000 million pesos.
- **11,946 people** benefit from The Complimentary Health Plan, with a shared cost of \$10,259 million in 2007.

LA3, 7.12, 7.13, 7.14, 7.15, 7.16, 7.17

An ideal place to learn

There is a genuine belief at Cerrejón that human capital is the decisive factor in the productivity and efficiency of the Company. It is only through the abilities of this human capital that the Company can create, apply, or assimilate the ways and means to improve productivity, including knowledge of coal mining technology in La Guajira.

Cerrejón's mining process is complex and specialised, and it requires multiple capacities of the highest quality and with the support of specialised human capital.



Cerrejón makes every effort to train and instruct its employees. In 2007, it provided 217,510 hours of training, with an investment of 2,959 million pesos. On average, every employee received 43 hours of training and 8.1 hours of instruction for each 100 hours worked.
LA10

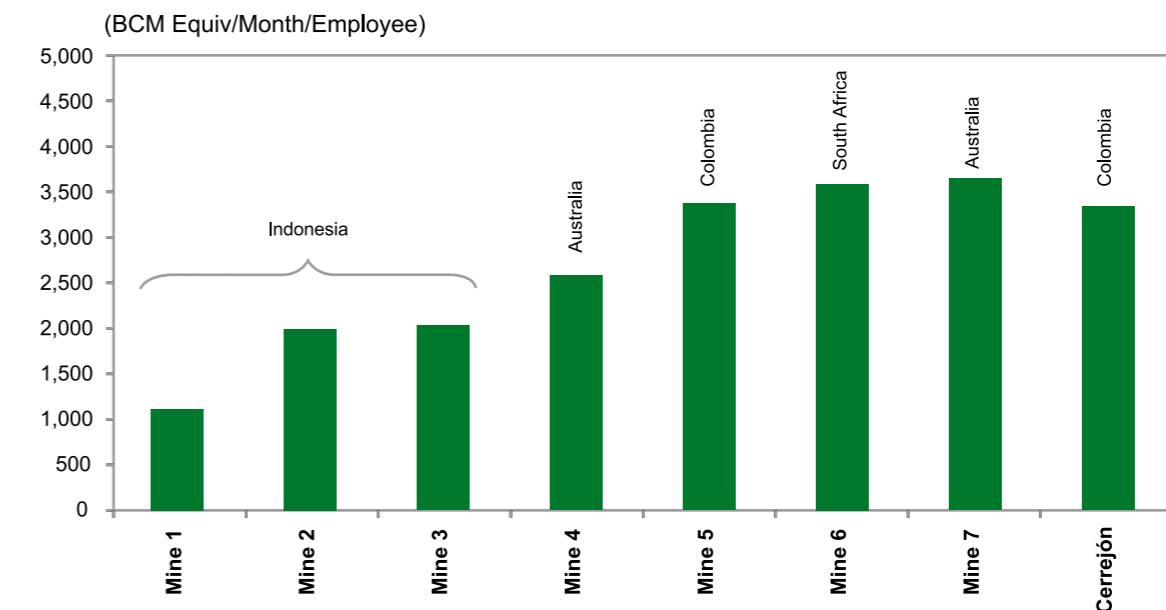
Category	Number of Participants		Man hours			Year Total	Average Annual Training Hours per Employee
	Role		MS	QTP	TOTAL		
	MS	QTP					
Personnel	770	2,597	4,675	11,818	16,493	16,493	3.34
Functional	484	356	11,076	4,753	15,828	15,828	3.21
Managerial	98	49	840	616	1,456	1,456	0.30
Operational Integrity System	2,670	10,446	9,988	60,907	70,895	70,895	14.37
Operational	104	3,615	1,682	111,157	112,839	112,839	22.86
Total	21189.0		217510.0			217,510	44.1

QTP: Qualified Technical Personnel
MS: Management and Staff

Cerrejón also encourages personal development and finances a large percentage of employees who wish to study at external institutions. In recent years, 78 postgraduate studies and master's degree programmes have been completed in areas such as environmental sciences, environmental management, finance, statistics, etc., completed by employees, who now apply this knowledge to the production process. This is what has helped us to implement world class operation practices.

These efforts have resulted in the company achieving the highest labour productivity levels in opencast coal mining in the world following the shovel to truck scheme.

Productivity comparison with other mines



Source: AME, information from companies and Cerrejón

Evaluation and development

To achieve satisfactory performance, Cerrejón has adopted the strategy of strengthening the planning system and evaluating progress and recognition through a variable compensation model that is currently being developed.

All Cerrejón employees are assessed for individual performance based on the achievement of key performance indicators (KPIs), which are agreed on annually.

PERFORMANCE AND PROFESSIONAL DEVELOPMENT		
EVALUATIONS	MPT*	PTC
%	89.0%	94.0%

* This percentage refers to the number of evaluation forms actually received, but all corresponding professional employees were evaluated and classified.

These evaluations form part of the variable compensation programme being implemented, which increases the payment of bonuses for achievement of goals and objectives. At Cerrejón, personnel administration and wages policies do not discriminate based on gender, age or ethnic origin. The management of human capital is centred on the personal and professional capabilities of each individual.

LA12, LA14

A study of the organisational climate is conducted every two years. When problem areas are detected, interventions are carried out which, depending on the magnitude of the problem, are conducted by internal or external consultants.

Skill and competency management

The focus of the work performed in knowledge management for Company employees is oriented towards maintaining the competencies required by the business in the labour force. This applies to all employees (new and established).

Within the skills management and continued education programmes, Cerrejón encourages the employability of workers and helps them, through courses directed towards those who are approaching retirement, so they can start preparing for their new status. The purpose is to contribute to veteran workers' continued employability within the operation or their ability to continue contributing to it. **LA11**

One of the best places to work in Colombia

According to the research and audit carried out by Watson Wyatt Colombia, Cerrejón forms part of a select group of companies that pay the best wages and salaries in Colombia.

In addition, and as a reflection of the effort expended to generate excellent working conditions, development and well-being of human capital, the Colombian Association of Human Management (ACRIP, its acronym in Spanish) recognised Cerrejón as one of the best companies to work for in the country.

In recognition of these results, the Company received a congratulatory message on behalf from the President of Colombia which emphasised the importance of this achievement.

“I encourage you all to continue working on coal production and worldwide exports, in accordance with safety, health, environmental

and sustainable development standards and effectively contributing to the welfare and development of its employees and the communities in the areas where it operates.” Letter sent by Álvaro Uribe Vélez, president of Colombia, to

León Teicher, president of Cerrejón.



Continuous improvement

The ideal that the Company has set for itself is worker satisfaction and the following stand out as principal strategies:

- To promote the development of a cooperative culture and identity of Cerrejón.
- To update our leadership model through a model of expertise that reflects our present and future needs.
- To be one of the best places to work.
- To attract, retain, and suitably compensate all our employees.
- To provide an environment for the promotion of knowledge to support growth and facilitate a satisfactory generational relay.
- To innovate in the way we recognise and reward performance.

MOST RELEVANT CHANGES IN ORGANISATIONAL STRUCTURE - 2007

Important organizational changes oriented towards increasing organisational strength and flexibility and to modernizing systems and handling the generational change were made during the period covered by this Report. Among the primary organisational changes, the following stand out:

- The adoption of the “centrifugation model” in the areas of human capital, communications, and finance, which allows the centralisation of functional service processes in order for them to be managed by specialised personnel; to effectively distribute the rendering of specialised services, offering total support to each area served.
- To respond to the growing demands of the operation, the maintenance area was restructured and divided into two parts; one is charged with the maintenance of mining fleets and the other with strategic maintenance projects.
- With the purpose of increasing their focus and effectiveness, the safety and environmental engineering support duties were divided and the Safety Department was created; the duties of environmental support became the responsibility of the Department of Environmental Management and Special Projects.
- To optimise and take advantage of synergies of impact for the organisation, the duties of planning and technology and information systems were joined, creating the Department of Planning and Technology, which will report directly to Cerrejón’s Presidency.
- To facilitate the impact required and reflect the importance of the processes they handle, the departments of Technical Services and Public Affairs were promoted to the Vice-Presidential level. Additionally, the Liability Division was promoted to the Departmental level.
- Four foundations were created: The Foundation for Progress in La Guajira, The Foundation for Water in La Guajira, The Indigenous Foundation of La Guajira and The Foundation for the Institutional Strengthening of La Guajira; each of these generates sustainability in the area it assists.
- With the objective of meeting the needs of the Mushaisa community (the residential neighbourhood of the mine), the Mushaisa Management Division and the Administrative Council of Mushaisa (CAM) were created. These divisions are made up of managers from Human Capital, Services to the Operation, Social Responsibility, a representative of residents under 30 years old and a consulting specialist in human management issues on behalf of the Presidency.

5.3, 7.18, 7.19



Opportunities for all

Cerrejón recruits and selects human capital, including executive positions and the chair of the highest governing body, based on the personal, professional, and educational merits of each individual with no discrimination whatsoever.

Profile of Workers at Cerrejón

LABOUR INFORMATION			
	MEN	WOMEN	TOTAL
Full-time workers	518	52	570
Retired workers	227	8	235
Temporary workers	882	37	919
Total workers	4,680	255	4,935

TYPE OF EMPLOYMENT CONTRACT							
	PROFESSIONAL PERSONNEL			TECHNICAL PERSONNEL			Grand Total
	Permanent	Temporary	Total	Permanent	Temporary	Total	
No. employees	817	16	833	3,199	903	4,102	4,935
Percentage	16.6	0.3	16.9	64.8	18.3	83.1	100

ORIGIN EMPLOYEES 2007								
		PROFESSIONAL PERSONNEL			TECHNICAL PERSONNEL			TOTAL
		Permanent	Temporary	Total	Permanent	Temporary	Total	
La Guajira	No.	149	1	150	2,140	643	2,783	2,933
	%	3.0	0.0	3.0	43.4	13.0	56.4	59.4
Rest of the Coast	No.	341	11	352	884	232	1,116	1,468
	%	6.9	0.2	7.1	17.9	4.7	22.6	29.7
Rest of the country	No.	326	4	330	175	28	203	533
	%	6.6	0.1	6.7	3.5	0.6	4.1	10.8
Abroad	No.	1	0	1	0	0	0	1
	%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	No.	817	16	833	3,199	903	4,102	4,935
	%	16.6	0.3	16.9	64.8	18.3	83.1	100.0

- Cerrejón prioritises experience and stability in work posts:
 - **38** out of **100** workers have been with the company for over 20 years.
 - **23** out of **100** workers have been with the company from 11 to 20 years.

EMPLOYEE SENIORITY								
		PROFESSIONAL PERSONNEL			TECHNICAL PERSONNEL			TOTAL
		Permanent	Temporary	Total	Permanent	Temporary	Total	
0 to 2 years	No.	164	12	176	114	847	961	1,137
	%	3.3	0.2	3.6	2.3	17.2	19.5	23.0
3 to 5 years	No.	46	4	50	270	54	324	374
	%	0.9	0.1	1.0	5.5	1.1	6.6	7.6
6 to 10 years	No.	61	0	61	353	2	355	416
	%	1.2	0.0	1.2	7.2	0.0	7.2	8.4
11 to 20 years	No.	200	0	200	954	0	954	1,154
	%	4.1	0.0	4.1	19.3	0.0	19.3	23.4
More than 20 years	No.	346	0	346	1,508	0	1,508	1,854
	%	7.0	0.0	7.0	30.6	0.0	30.6	37.6
Total	No.	817	16	833	3,199	903	4,102	4,935
	%	16.6	0.3	16.9	64.8	18.3	83.1	100.0

EMPLOYEE GENDER								
		PROFESSIONAL PERSONNEL			TECHNICAL PERSONNEL			Grand Total
		Permanent	Temporary	Total	Permanent	Temporary	Total	
Men	No.	677	8	685	3,121	874	3,995	4,680
	%	13.7	0.2	13.9	63.2	17.7	81.0	94.8
Women	No.	140	8	148	78	29	107	255
	%	2.8	0.2	3.0	1.6	0.6	2.2	5.2
Grand Total	No.	817	16	833	3,199	903	4,102	4,935
	%	16.6	0.3	16.9	64.8	18.3	83.1	100.0

AGE OF EMPLOYEES								
		PROFESSIONAL PERSONNEL			TECHNICAL PERSONNEL			Grand Total
		Permanent	Temporary	Total	Permanent	Temporary	Total	
20 or under	No.					16	16	16
	%					0.3	0.3	0.3
21 - 30	No.	114	9	123	162	553	715	838
	%	2.3	0.2	2.5	3.3	11.2	14.5	17.0
31 - 40	No.	155		155	744	276	1,020	1,175
	%	3.1		3.1	15.1	5.6	20.7	23.8
41 - 50	No.	319	3	322	1,796	50	1,846	2,168
	%	6.5	0.1	6.5	36.4	1.0	37.4	43.9
51 - 60	No.	222	3	225	480	7	487	712
	%	4.5	0.1	4.6	9.7	0.1	9.9	14.4
Over 60	No.	7	1	8	17	1	18	26
	%	0.1	0.0	0.2	0.3	0.0	0.4	0.5
Total	No.	817	16	833	3,199	903	4,102	4,935
	%	16.6	0.3	16.9	64.8	18.3	83.1	100.0

Professional category

The Company's hiring profile is based, at every level, on the collection of personal and professional skills and qualities that best fit the objective requirements of the post to be filled.

		BY AGE						
		20 or under	21-30	31-40	41-50	51-60	Over 60	Total
Managers and above	No.			1	7	10	1	19
	%			0.0	0.1	0.2	0.0	0.4
Division heads, superintendents	No.			9	21	22		52
	%			0.2	0.4	0.4		1.1
Other professionals	No.		123	145	294	193	7	762
	%		2.5	2.9	6.0	3.9	0.1	15.4
Technicians	No.	16	715	1,020	1,846	487	18	4,102
	%	0.3	14.5	20.7	37.4	9.9	0.4	83.1
Total	No.	16	838	1,175	2,168	712	26	4,935
	%	0.3	17.0	23.8	43.9	14.4	0.5	100.0



The advocacy of women is one of Cerrejón's corporate values

- Turnover of Cerrejón's permanent employees in 2007 stayed below 2.0 percent.

TURNOVER PERMANENT EMPLOYEES January 2007 – December 2007				
		MS	QTP	Total
Passed away	No.	12	6	18
	%	1.5	0.2	0.5
Others	No.	18	27	45
	%	2.2	0.9	1.1
Total	No.	30	33	63
	%	3.7	1.0	1.6

Composition of Corporate Governance

BY AGE						
Type of Position	Number of People %			Number of People %		
	40 years old and above	Under 40	Total	40 years old and above	Under 40	Total
Managers and above	22	1	23	96%	4%	100%
Division heads, superintendents	40	6	46	87%	13%	100%
Total	62	7	69	90%	10%	100%

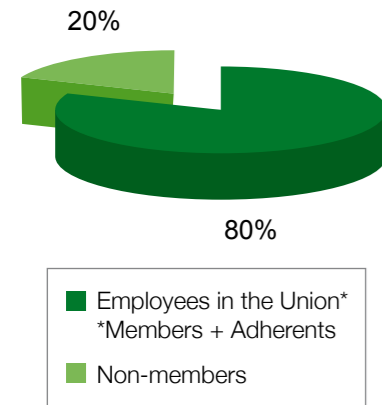
		BY GENDER		
		Men	Women	Total
Managers and above	No.	18	1	19
	%	0.4	0.0	0.4
Division heads, superintendents	No.	47	5	52
	%	1.0	0.1	1.1
Other professionals	No.	620	142	762
	%	12.6	2.9	15.4
Technicians	No.	3,995	107	4,102
	%	81.0	2.2	83.1
Total	No.	4,680	255	4,935
	%	94.8	5.2	100.0

BY REGION										
Type of Position	Number of People %					Number of People %				
	La Guajira	Rest of the coast	Rest of the country	Abroad	Total	La Guajira	Rest of the coast	Rest of the country	Abroad	Total
Managers and above		5	17	1	23	0%	22%	74%	4%	100%
Division heads, superintendents	3	21	22		46	7%	46%	48%	0%	100%
Total	3	26	39	1	69	4%	38%	57%	1%	100%

		BY PLACE OF ORIGIN				
		La Guajira	Rest of the coast	Rest of the country	Abroad	Total
Managers and above	No.		5	13	1	19
	%		0.1	0.3	0.0	0.4
Division heads, superintendents	No.	3	24	25		52
	%	0.1	0.5	0.5		1.1
Other professionals	No.	147	326	289		762
	%	3.0	6.6	5.9		15.4
Technicians	No.	2,783	1,116	203		4,102
	%	56.4	22.6	4.1		83.1
Total	No.	2,933	1,471	530	1	4,935
	%	59.4	29.8	10.7	0.0	100.0

LA1, LA2, LA13

Union members



3,086 employees are members of the Union and 938 are adherents

Relations with the Union

If there is something that distinguishes Cerrejón, it is its excellent relations with its Union. The Company respects the right to freedom of association and collective bargaining, ensures the best health and safety conditions for its employees, and creates positive factors for the social and economic progress of its work force.

Proof of this is that 12 collective bargaining agreements have been signed following successful negotiations, with no problems of either strikes or production stoppages. The employees are represented on the occupational health committee in an equal proportions to the Company. The employees' representatives are elected by all the employees. **LA4**

All eligible Qualified Technical Personnel (QTP) are covered by the Collective Bargaining Agreement	
Members	Adherents
3,086	938

Nearly 80 per cent of the employees are part of the Union; 3,086 are affiliates and 938 are adherents. The health and safety aspects covered by the Collective Bargaining Agreement with the Union are: occupational health policy, travelling expense payments for medical treatment, travelling expenses for accompanying persons, medical referrals, relocations, procedures with the health entities (ARP and EPS), medical allowance fund for workers with family members referred to a city other than their home town, health commission for follow-up of health programmes, and more.

Promoting health

A safe and healthy work environment is a priority for the Company. Therefore, **occupational health** is a key element of its Social Responsibility model, which seeks, among other things, to guarantee an operation that is safe and has minimal impacts on the health and physical well-being of its workers and contractors.

The OHSAS 18001 standard is the compliance validator of Cerrejón's commitments to safe operation with minimum impacts on the health and physical well-being of its employees and those of its contractors

The Occupational Health Equal Representation Committee (Copaso) plays a definitive role in the design and implementation of programmes to diagnose and improve the health and safety situation in the different divisions of Cerrejón.

Cerrejón knows that the integral development and the well-being of its workers takes precedence over meeting existing rules and regulations. For this reason, the 2007–2011 health and safety goal is to establish a culture free of accidents, constantly reducing accident indices and minimising the likelihood of the occurrence of occupational diseases.

Total protection from health risks

Working hard on the whole Operational Integrity System, but emphasising number 6, Industrial Hygiene and Occupational Medicine, Cerrejón's aim is to evaluate and ensure that employees and contractors have adequate physical working conditions and they are protected from the health risks associated with their activities.

In 2007, 3,561 regular occupational examinations of employees were carried out to detect possible harm to their health as a result of their work activities or from ordinary illnesses. The professional disease incidence (number of new cases/total population) was 1.33 x thousand, i.e. seven new cases during the period covered by this report.

ACCIDENT STATISTICS - 2007			
	Employees	Contractors	Cerrejón Total
Fatalities	0	2	2
Lost time injuries	22	25	47

All Cerrejón's employees have access to the promotion and prevention of chronic pathology programmes through their health services company (EPS) and the support of the Company. Outstanding among these programmes are the high blood pressure monitoring, diabetes monitoring, and vaccination against yellow fever and tetanus programmes. There are also integral personal welfare programmes, such as stress management, harmony in the family, and sufficient rest to counteract fatigue, among others.

Preventive Programmes

- **Periodic examinations to monitor health status:** Medical and paraclinical examinations conducted to ascertain the health conditions of employees and to provide early detection of potential effects from exposure to hygienic risk factors.
- **Epidemiologic vigilance for different risk factors to which Cerrejón employees are exposed:** Preventive actions to minimise health effects due to exposure to hygienic risk factors. Include promotion and prevention, evaluation and categorisation of hygienic risks, and defining the different specific tests to monitor health effects.
- **HIV-AIDS prevention and programme for the prevention of drug and alcohol abuse:** Directed primarily towards prevention through traditional and distance education programmes which seek to enable workers and the community to understand how to prevent their abuse; the damage that drugs and alcohol cause to the individual and to his/her family and the work environment is also discussed.

- **Healthy lifestyles at home and at work:** A programme that involves workers and their families. The objective is to improve quality of life by controlling preventable risk factors such as obesity, a sedentary lifestyle, and habits that are harmful to one's health. Additionally, the programme is taken to different influential populations by Copaso, the Union Health Commission, and sports clubs with exercise programmes, changes in eating habits, weight management, healthy-cooking workshops, and health check-ups.
- **Prevention of injuries in adults over 50 years of age:** Oriented towards the regulation of factors relating to age-related changes that could interfere with safe performance. Ergonomic issues, shift design, and psychosocial aspects, among others, are taken into consideration.
- **Ergonomics for equipment and offices:** Seeks to ensure that employees carry out their duties under appropriate ergonomic conditions that reinforce safety and comfort and minimise the possibility of the occurrence of occupational injuries and illnesses associated with the work station.
- **Special diets:** Provides special diets to those employees who require them due to health conditions.

LA6, LA7, LA8, LA9, MM13

Certification of Occupational Health Programme

Cerrejón's industrial safety performance is one of the best at an international level and was certified for its occupational health programme. In 2007, the Latin American Occupational Safety and Hygiene Association (Alaseht) awarded Cerrejón the Enterprise category prize for its outstanding performance of the highest standards, promoting safety, health, and environmental values. This recognition consolidated the Company as a leader and example for the sector.

Recognitions of Occupational Health Programme

- **BHP Billiton International Award,** category Excellency, for its Occupational Health Programme - Australia.
- **Emerald Award,** highest category from the Colombian Safety Council, for the Occupational Health and Safety programmes.
- **ARP-ISS** Recognition of Excellency of the quality and management of its Occupational Health and Safety Programme





José Luis Campuzano, a Cerrejón employee, with his two sons

Life Story

Benefits for thousands, happiness for all

A stable present and a promising future for himself, his family, and his community is José Luis Campuzano's dream. José, a Guajiran who lives in the municipality of Fonesca, is a mining equipment operator and truck instructor. He has a beautiful family with whom he shares a sense of satisfaction, well-being, and a desire to help the less fortunate.

José Luis cannot thank Cerrejón enough for trying to meet all of his needs and offering more than he expected. "Thanks to Cerrejón I obtained my house and my family and I'm a happy man; this whole process has been very productive because I've taken advantage of the positive things the Company has to offer. I was able to study to be a mining technician thanks to Cerrejón. This required effort from both myself and the Company," he says.

This operator started with the Company 14 years ago and Cerrejón gave him the opportunity to study at SENA while continuing to work. "It wasn't easy. It was a period of hard work and perseverance, but thankfully I had the support of my family and the Company. I remember that I studied for three years straight. I got off at my stop and my wife picked me up on the motorcycle to take me to study. Everyone always believed in me and wanted to see me become a man with improved qualifications and prospects in the job market and a better person."

José Luis' goal is for his children to do even better than he has. His dream is to see them become professionals and Cerrejón is helping make that dream a reality. "Cerrejón gives us stability and allows us to be near our immediate family. It helps us with the family, educates our children and is a socially responsible company," he adds.

He has been married for 13 years and his wife, Mailen, believes that Cerrejón's support has given them the security of a stable job and the possibility of owning their own home. "They always help and support us. Right now our children are at an acting workshop and this demonstrates that Cerrejón is a Company that promotes personal growth, not just my husband's as a worker but the whole family's, because they realise that we are a fundamental part of his life," she states happily.

As a gesture of thanks for all they have received, in their free time the family comes together to help the less fortunate and to give a smile to many children who do not have the same comforts as their children. "We take a weekend and hand out little gifts, food, or just some balls so the kids can have fun; if we're able to share a little of what life, God, and Cerrejón have given us, that's a good thing and it makes us happy," this admirable woman gratefully states.

Mailen is proud of her husband for working at Cerrejón and she helps him get sufficient rest so he can perform his duties successfully. She has been familiar with the Company since childhood because her father and brother are also Cerrejón employees. "A wife must realise that her role as a woman is indispensable and that's why I think that workers' wives should be trained as well. Women have a very important role because they are the ones who must organise the family," she says.

Healthy life

Human capital is fundamental to Cerrejón. The Company is concerned with promoting an excellent work environment, safety, health, and the physical welfare of workers and contractors.

"Health is an important issue for workers and although Cerrejón is very concerned with this, it could be better; the subject of occupational health matter is worked on a lot in the Company and it is a very important benefit for everyone," affirms José Luis Campuzano.

This is confirmed by Leonardo Duque, who works in Puerto Bolívar, and has been with the Company over 19 years: "Occupational health check ups are what stand out the most. The way the Company ensures that its employees are healthy and fit to work also helps us know how we are in general terms. Additionally, the concern for employees, and the importance the company gives to constant follow-ups, helps us feel supported. The medical aspect is a valuable accompaniment and it gives us everything we need to be well. The idea is to prevent health problems. The Company gives us every opportunity to be healthy. It is important to highlight that a company such as this one allows us to have dreams and helps make them a reality."

At Cerrejón, a healthy worker is a well-rounded person, a responsible parent, and a motivated worker. To watch over people's well-being is one of Cerrejón's priorities.



Cerrejón applies a dynamic process of land recovery

NATURAL CAPITAL

Open-cast mining has the potential to generate environmental impacts and it is the responsibility of companies to develop and implement actions to prevent them, mitigate them, and compensate for them. The management programmes have been structured with the aim of controlling the environmental aspects and impacts associated with the development of operations, defined in line with environmental legislation, which are subject to evaluation and verification by monitoring and follow-ups.

In 2007, the main environmental aim of Cerrejón was “to promote the efficient use of natural resources, preventing, mitigating, and compensating for adverse impacts on the environment, preserving biodiversity and stimulating sustainable development projects in the communities located in the area of influence of our operations.” Proof of the fulfillment of these aims is substituting air-conditioning units for more

efficient systems, reuse of residual waters from mining processes, increasing reuse of oil used in internal processes, increasing the percentage of recyclable materials, and establishing a participatory research project on rural production systems,

The following strategies have been established to meet this goal:

- Promote the rational and efficient use of natural renewable and non-renewable resources in all operations.
- Enhance environmental knowledge and culture in order to involve all our employees, providers, contractors, and community in Cerrejón’s environmental management.
- Seek both national and international recognition for the Organisation for its highly successful environmental performance.
- Promote sustainable development projects.

World class environmental management

Cerrejón, since the very start of its operations, has worked responsibly with regard to the environment. Cerrejón has an environmental license and an associated Environmental Management Plan (EMP). In addition, it has an Operational Integrity System, certified under the ISO 14001 standard since October 2003; this details the system of environmental management, whose objective is to prevent, mitigate, and compensate for environmental impacts to the greatest extent possible.

The environmental management of Cerrejón’s coal complex begins with the environmental studies required to obtain the environmental license granted by the National Institute of Natural Resources and the Environment (Inderena) in 1983, which covered construction and infrastructure

staging jobs, production of the northern zone, railway transport, and exportation from Puerto Bolívar. As the mining operation grew, licenses became necessary until 2006, when a unified Environmental Management Plan was established for the entire operation.

Management programmes have been developed with the objective of regulating environmental aspects and impacts of the operation, equally defined in fulfilment of legislation and that they will be subject to evaluation through monitoring and follow-up.

Environmental management programmes seek to prevent environmental risks and to promote the efficient usage of natural resources and to conserve biodiversity within the framework of sustainable development.

The programmes that make up Cerrejón’s environmental management system include: air quality control, surface and ground water management, reclamation of mined land, integral waste management, biodiversity management, and environmental education and disclosure management.

Responsibility for Cerrejón’s environmental issues rests with the Executive Vice-Presidency of Operations, to which the Department of Environmental Management and Special Projects reports. This department’s duties are:

- To ensure the fulfilment of existing environmental legislation in all mining and support operations.
- To ensure the fulfilment of the environmental management plan of the integrated operation.
- To contribute to the development of the mining operation, seeking to protect the environment.

- Monitor and verify compliance with environmental management programmes and control mechanisms established for mitigating the environmental impact of mining operations.
- Promote consciousness of individual responsibility for environmental control and publicise environmental management among interested parties.

ENVIRONMENTAL PROTECTION TOP PRIORITY FOR CERREJÓN	
Vision	To be recognised in the international thermal coal market and in Colombia as the most efficient and reliable world-class producer and exporter, as an excellent partner who complies with the highest safety, health, environmental, and sustainable development standards.
Values	Safety, health, and the environment are our top priority. We must obtain excellent results in our business by means of work processes that control risks to people, the environment, equipment, and installations in a cost-effective way.
Safety, health, environment, and communities (SHEC) policy	In its opencast coal mining, transport, and shipment operations, Cerrejón's policy is to conduct business in harmony with the environment and society, protect the health and safety of its workers, and contribute to the development, wellbeing, and culture of the communities in its area of influence, as well as to work to implement the best mining industry practices in regards to health, safety, environment, and communities.
Operational Integrity System	The scope of the Operational Integrity System covers operational aspects and activities with potential impact on SHEC. It consists of 15 elements and provides the operational and administrative tools for adequate operations. Environmental management is integrated into the Operational Integrity System and is reflected in element 7, environment, which is aimed at minimising and administering Cerrejón's SHEC impact during the life cycle of resources, materials, processes, and products. The Operational Integrity System was certified in October 2003 under ISO 14001 standards and recertified in 2007 under ISO 14001:2004 standards, and this was a voluntary initiative.

Education and awareness of environmental themes

Cerrejón has a programme of environmental education whose main aim is to extend the knowledge of the Company's environmental management (both internally and externally) so that those involved are aware of their own responsibility in this management. The aim is to promote in our employees ethical and responsible attitudes regarding the environment, both within and outside the organisation, and to empower them to act ethically and with a clear environmental awareness in their daily lives.

A training matrix has been developed internally, linked to a programme of talks based on level (management, administrative, operational), status (recruitment, reincorporation, contractors), and the frequency established for each one. Different communication activities are carried out, such as publicity campaigns aimed at making management practices widely known.

Externally, activities oriented towards publicising management practices are carried out through explanatory talks to stakeholders in the region (neighbouring communities), recognition for management excellence is sought through participation in congresses, seminars, and meetings of experts, and publicity is carried out by means of advertising and the use of communication tools through the mass media, such as radio, television, and written media.

In 2007, a total of 4,200 people, including both employees and contractors, attended talks and programmes on environmental awareness, including employees and contractors.

6.1, 6.2, 6.3, 6.4, 6.5, 6.6

Evaluation and follow-up

Applicable legal requirements are identified, and environmental aspects and impacts associated with the areas, tasks, and equipment are determined by means of periodic exercises. In line with Cerrejón's risk evaluation methodology, the type of controls to be used are defined by means of operational procedures and management programmes, which, depending on the activity and how critical it is, are often stricter than national standards; when there are no standards in the country, international standards are adopted.

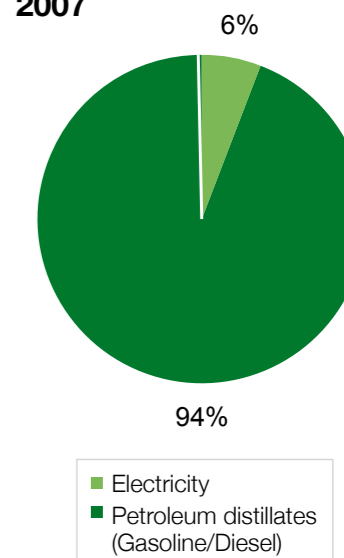
Monitoring and follow-up on these management programmes and operational procedures, as well as applying audits as tools to evaluate the system, round out the general management process. It should be emphasised that audits of the Operational Integrity System are not only developed to verify compliance with ISO 14001 and OHSAS 18001 standards, but are also carried out to verify international standards like the SHEC of the companies with stock in Cerrejón; these audits are performed every three years.

Energy consumption

In 2007, energy consumption in Cerrejón was 223,48 GWh (12,38 PJ). As part of its commitment to the environment, the Company developed projects to make a rational use of energy, among which the following are particularly worthy of note:

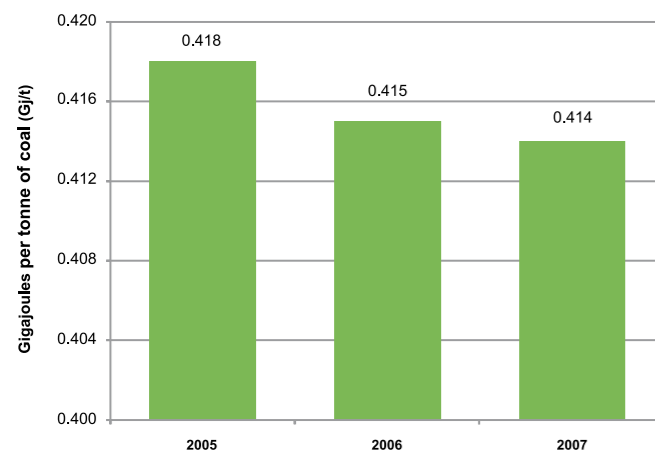
- 38 air-conditioning units were replaced, equivalent to 52 tons of refrigeration. The energy savings in the period covered by this Sustainability Report is estimated to be 405 MWh-year (1,458 GJ).

Energy use by source 2007



- The project was begun to substitute air-conditioning units for high-efficiency units to reduce energy consumption in industrial areas. This project continues in 2008.
- A pilot project was carried out to determine the benefits of installing voltage-control equipment in the lighting systems of the workshops. The project indicated a reduction of 17 percent in the system's lighting consumption. For the area analysed, this worked out to a savings of 96.540 kWh per year (348 GJ). Based on these results, we began acquisition of the appropriate equipment to optimise the consumption of the large lighting systems in the permanent workshops and warehouses. The first should be installed by mid-2008.
- In the process of selecting and purchasing new mining equipment, the energy efficiency of the equipment is considered as well as the impact of the electrical infrastructure.

Energy use intensity level 2005 - 2007



To optimize energy use in 2008, a management system will be implemented, initially aimed at electrical power in the areas of Production, Coal Handling, and water plant. The implementation phase will last approximately two years and the expected savings are 375,000 kWh/month (1,350 GJ/month) during the first year the system is in operation.

EN3, EN5, EN6, EN7

Water: necessary and essential

Alta Guajira is the driest zone in the country. The Ranchería River, its catchment basin, and its alluvial aquifer are the main water supply for consumption in the region.

Cerrejón requires significant amounts of water for its operations. This water is obtained from depressurizing coal seams, from rainwater, and from direct uptake from natural bodies of water such as the Ranchería River and streams surrounding the operations. In the operations areas, we have a system of stabilisation ponds for the treatment of grey- and blackwaters and holding and sedimentation ponds for solids that have a storage capacity of over 50 million cubic metres. These ponds receive the industrial and mining wastewaters, which are reused for dust damping and various industrial processes such as coal wetting.

The aim of the water-management programme is to ensure rational handling of this important resource and to ensure that Cerrejón's operations do not become a risk for this resource. All the operations areas and installations of the complex have systems in place for the management, control, and treatment of wastewaters, whatever their source.

All the operations areas and installations of the complex have systems in place for the management, control, and treatment of wastewaters, whatever their source.

Cerrejón carries out periodic monitoring to verify the efficiency of control systems by taking samples for physical, chemical, and bacteriological testing of the following aquatic ecosystems associated with coal mining and shipping operations:

- Ranchería River
- Paladines, Cerrejón, Aguas Blancas, Tabaco, and Bruno streams
- The water table of the Ranchería River (subterranean waters)
- Retention ponds
- Stabilisation (oxidation) ponds at the mine and Puerto Bolívar
- Coastal waters of Puerto Bolívar

Water uptake

In Cerrejón the volume of water uptake is lower than that authorised by the resource-use permits issued by the appropriate environmental authorities. In 2007 alone, we used 31 per cent of the volume authorised by the Regional Autonomous Corporation of La Guajira (Corpoguajira), the institution charged with the use and exploitation of natural resources in the region.

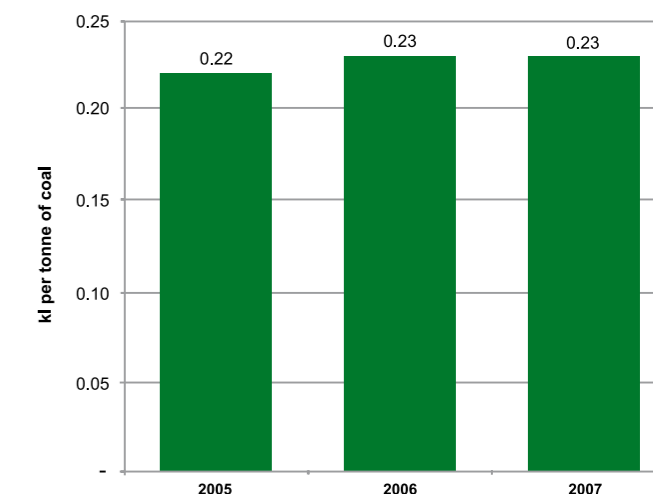
For road wetting, Cerrejón uses the water stored in the reservoirs, comprising mining waters, runoff water, which reduces uptake of groundwaters from the Ranchería River.

As a protective measure of the water sources, two steps are followed:

- Groundwater uptake is performed during the rainy season and then stored in reservoirs and ponds so as not to affect the volume of flow of the Ranchería River during the dry season.
- The Company draws underground water by rotating wells. Out of the 17 pumping wells installed in the alluvial aquifer of the Ranchería River, only five are used at a time so as not to affect aquifer recharge.

To protect aquifer quality, Cerrejón permanently monitors the static and dynamic levels of each of the underground water wells. In addition, twice a year maintenance is performed on wells, consisting of cleaning, disinfecting, inspecting and repairing mechanical parts, performing pumping tests, and more.

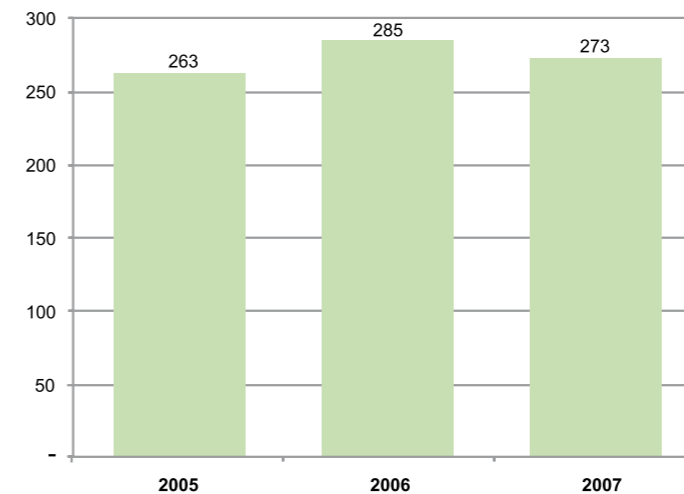
Water use intensity level 2005 - 2007





The recycled water from the outtake of the system of stabilisation ponds for the treatment of domestic wastewaters is used for dust damping and for irrigating green zones.

Use of recycled water 2005 - 2007



EN8, EN9, EN10

A living earth that is reborn

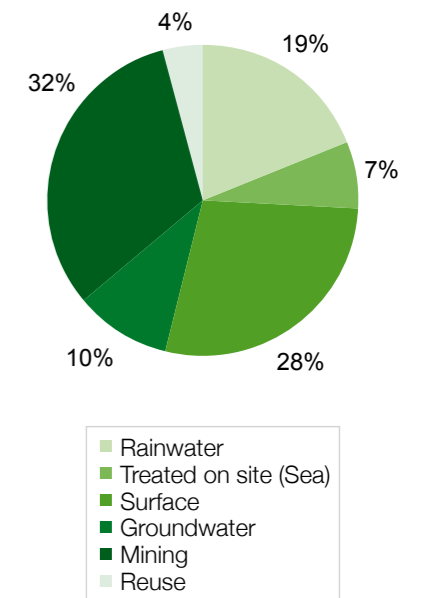
Cerrejón is undertaking a process of rehabilitation of mined lands with the aim of converting them into forests of native species, which would allow them to become protected areas for the conservation of regional biological diversity.

By means of a combination of vital actions and measured use of available local resources, it has been possible to develop a very noteworthy and particular process in regard to environmental responsibility.

Timely estimation of soil reserves in land needed for mining and its rescue and preservation in soil banks are some of the key actions that orient and define the road to be followed. Soil is the basic raw material necessary to sustain life in terrestrial environments, so it is very important to preserve it beforehand so that, after mining, there are no shortages to be compensated for or soil surpluses that have not been reused.

Space, soil, water, rain, seeds, solar energy, living organisms, people, time, planning, and a systemic approach about how to put this puzzle together are the best ingredients for promoting the best forest to cover over the mark left by mining.

Use of water by type 2007



The mining overburden is deposited in dumps, old pits, and abandoned areas once used for mining support. It is then prepared by covering it with a layer of loose, unconnected soil in an extensive, continuous layer of conglomerate. Before spreading this layer of soil, the slopes in the tailings piles are smoothed out, the smoothed surfaces are evened out and tilled to aid in rainwater infiltration, the salts contained in the uppermost layers are washed out, and the later penetration of future plant roots is aided.

Rainwater moistens the surface of the lands until there is new connectivity among the particles or aggregates of loose soil. Then, before the true onset of the rainy season in the second half of the year, the flattened lands are furrowed with a single pass of a chisel plow, the slopes are plowed with a team of oxen, and immediately the open furrows are hand-sown with buffelgrass seeds mixed with fresh soil to ensure the best spread in the sowing and the incorporation of microorganisms to the earth to reestablish their functions once the first plants have germinated.

This first generation of plants is tasked with colonising the new land, rapidly producing an outer layer that will protect the earth against the erosional activity of the rain, incorporating organic matter into the soil, and beginning to weave a porous system to increase water intake and retention, gas exchange, the dissolution of nutrients, and the construction of better growing conditions for the more demanding plants to come later.

Over time, grasses consume the nitrogen reserves available in the soil, thereby losing vigour and competitiveness. They can then be invaded by leguminous plants.

Just as Colombian legislation stipulates, the protected areas at Cerrejón include:

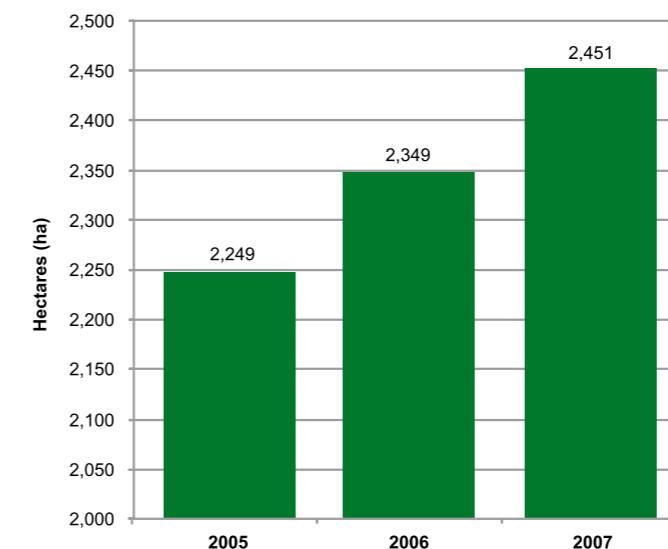
- Margins of protection for the gallery forest of the Rancheria River, its tributaries, and the associated environmental corridors.
- The Aguas Blancas-Santa Helena and Mushaisa environmental compensation areas.
- Areas in the process of rehabilitation.

The land belonging to Cerrejón which is not being used for mining and support activities is used as a buffer area in order to keep the communities free from risk and make it possible to receive and preserve the species of wildlife displaced from the areas in use.

Land being reclaimed becomes a refuge for fauna and its richness increases as the structural re-ordering of the soil components progresses, along with the associated plant and animal communities.

Protected habitats	
Aguas Blancas-Santa Helena compensation area	This area consists of 1,500 hectares. Its function is to temporarily compensate for the reduction in environmental goods and services due to land-use changes. It has a plant cover corresponding to different sequential states and has been excluded from agricultural and livestock production lands for more than 20 years.
Areas under reclamation	<p>These areas amount to 2,485 hectares. Cerrejón has a land rehabilitation programme that reconstructs the land used for mining, leaving it in similar or better conditions than originally. This process includes four activities: removing and preserving the soil, preparing the land, soil stabilization with grasses or pasture, and re-vegetation with native species.</p> <p>The oldest areas were prepared and planted with grasses 18 years ago. These areas have slowly diversified, passing from pioneer grassy covers to shrub and tree communities made up of native species that have been planted and introduced by natural vectors (wind and fauna). Their enrichment and stability have made it possible to use them as areas for receiving fauna and as buffers for resource pressure in neighbouring areas.</p> <p>In 2007, 107 hectares were prepared for carrying out the land reclamation process, establishing herbaceous plant covers on 102 hectares.</p>
Management of vegetation cover	This comprises the environmental characterisation of the areas to be used for operations, including inventories and structural analysis of the plant communities, identification and marking of individual animals from threatened species, recovery of seeds and plant propagation materials, selection of key herbaceous and arboreal species in order to induce sequential re-vegetation, seed collection and preservation, establishing plant covers and gradually enriching the most evolved areas, protection by means of isolation, and, finally, the monitoring of soils, vegetation, and associated fauna, as well as reconnection with neighbouring compensation areas and biological corridors.

Total area in the process of rehabilitation 2005-2007



In 2007, 360 hectares of land were taken over for mining operations, including pits, overburden dumps, and supporting infrastructure.



Cerrejón protects the fauna and flora of La Guajira

Fauna

Since the beginning of the operation, the necessary studies and characterisations were put into place for determining the biodiversity and composition of the zone. Consequently, there has been continuity to the studies begun in 1982, allowing the generation of a fauna baseline for Cerrejón.

These reviews have allowed monitoring of the composition, abundance, richness, threat level, and distribution in time and space of the populations of amphibians, reptiles, birds, and mammals at Cerrejón, in addition to generating the

necessary knowledge to continuously improve plans for fauna management and the Company's environmental policies.

Cerrejón's wildlife management plan establishes the necessary operational and monitoring practices for the appropriate management of both land and aquatic wildlife that may be affected by the various operational processes. Based on the mining plan, the zones where the vegetation is going to be removed are identified and an inspection is made of these areas to determine the habitat characteristics and plan the logistics for rescue and relocation.

These areas are slowly rescued in a patch-work fashion, generating a gradual effect and making it possible for animals that can move to do so.

This is done using tools and methods that generate the least impact and stress for the animals from the moment of their capture until their relocation in the receiving area.

The fauna-receiving areas are selected according to the mining plan, and they are evaluated based on the characteristics of their habitats, mainly in terms of the food availability, the shelter they offer, and connections to other ecosystems that facilitate genetic flow among populations. Similarly, the waters for receiving fish are determined taking into account the results of hydro-biological monitoring, in search of the best environmental conditions for the fish, such as gallery forest corridors and an abundance of ponds.

Well in advance of mining activities, existing vegetation is cut down by hand in the areas of mining advancement, seeking to restrict the sources of food and shelter for fauna.

Clearing the land with tractors is done in such a way as to encourage the fauna to move in the desired direction. The vegetation is cleared away longitudinally, avoiding circles so as not to form islands that may shelter fauna.

Fish-related tasks are scheduled in the morning and at night. The work at night is used to rescue other groups of fauna with semi-aquatic nocturnal habits, such as reptiles.

Also implemented is a contingency plan for the care of wildlife found in installations and production areas of the mining complex, as well as a wildlife rehabilitation centre for the evaluation and treatment of these animals. Wildlife crossings are considered important and are preserved, with drivers receiving training to avoid running over fauna.

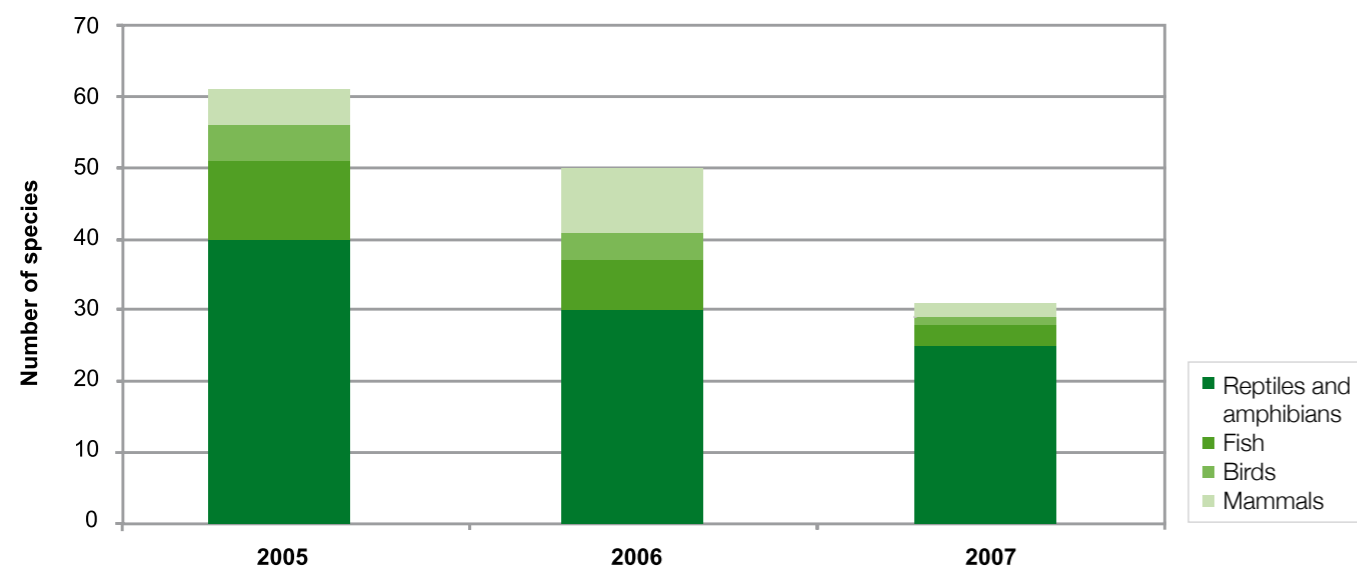
Civil engineering works over water courses are designed so as to allow fish migration.

On property belonging to the Company, it is prohibited to hunt, fish, or cut down trees. In addition, it is not allowed to introduce exotic species to the natural environment.

In 2007, 719 animals comprising 31 fauna species, were rescued. These animals included mammals, reptiles, amphibians, and birds. As part of its environmental management, Cerrejón records all the scientific information on each individual, including measurements of individuals and functional characteristics. Moreover, individuals are marked in case of possible recapture in the future.

In recent years, there have been fewer and fewer new mining areas since many areas have already been mined, which is why there has been a drop in the number of species rescued. In addition, there have been changes in mining plans and rescues have been carried out in areas already mined by Cerrejón.

Species rescued in new mining areas 2005-2007



The group with the greatest representation in the array of species are the reptiles and amphibians, characterised by low mobility, and the rescue and fauna relocation work in areas to be dedicated to mining is focused on them.

In 2007, the Fauna Rehabilitation Centre began operation, where animals affected by operations receive treatment and are allowed to recuperate until released into their natural habitat. Sixty-eight animals that had been affected by some kind of injury or illness have been received.

The Fauna Rehabilitation Centre also carries out research on breeding in captivity of threatened wildlife and educates the population about the relation between wildlife and their environment.

There are 56 species of fauna at the complex facing some degree of threat in accordance with the CITES, IUCN, and national Red Book categories.

NUMBER OF SPECIES	TYPE OF THREAT												
	CITES			HUMBOLDT							RED BOOK		
	I	II	III	CR	EN	VU	LC	LRca	LRpm	DD	CR	EN	VU
Birds	1*	8	2			1							
Mammals	6**	1	5			11		3	2	7			
Reptiles and amphibians	1***	5	1	5+	1	3	1				4-	1	4
Fish						1							1
TOTAL	8	14	8	5	1	16	1	3	2	7	4	1	5

CITES. Appendix I: Danger of extinction and international trade in specimens is prohibited.
 Appendix II: Species not threatened by extinction but that could face such a threat if their trade is not strictly controlled.
 Appendix III: Species included at the request of a party already regulating their trade that needs the cooperation of other countries to avoid unsustainable or illegal exploitation.

Humboldt. CR: Critical threat; EN: Endangered; VU: Vulnerable; LC: Low Concern; LR: Low Risk; ca: almost at risk; pm: low concern; DD: Deficient Data.

Red Book. CR: Critically threatened; EN: Endangered; VU: Vulnerable.

* *Falco peregrinus*
 ** *Lutra longicauda*, *Herpailurus yagouaroundi*, *Leopardus pardalis*, *Leopardus wiedii*, *Panthera onca*, *Puma concolor*
 *** *Geochelone carbonaria*
 + *Geochelone carbonaria*, *Crocodylus acutus*, *Caretta caretta*, *Eretmochelys imbricata*, *Dermochelys coriacea*
 - *Crocodylus acutus*, *Caretta caretta*, *Eretmochelys imbricata*, *Dermochelys coriacea*

EN11, EN12, EN13, EN14, EN15, EN26, MM3

Effective solutions for residues generated

At Cerrejón, spills generally occur during the rainy season due to overflow of the holding ponds for rainwater used in mining operations. These spills are monitored and their water quality is regularly evaluated.

Twice a year, the forms are filled out for self-reporting of spills and they are filed for the payment to the Regional Autonomous Corporation of La Guajira.

In 2007, the volume of spills at Cerrejón was 1,145 Ml. The effects of these spills on the Ranchería River are constantly monitored by water-quality sampling to ensure there are no ill effects. In addition, the current national environmental legislation referring to uses of such water is adhered to.

EN21

Advances in the management of solid wastes

At Cerrejón, the comprehensive management of solid wastes aims primarily to:

- Control the generation and proliferation of vectors (which cause illness).
- Prevent the contamination of water sources through direct contact with wastes.
- Prevent any effects on the landscape and aesthetics of the areas and installations.
- Generate environmental and social benefits through the recovery and marketing of recyclable wastes.

All solid waste, both ordinary and special, is classified at its point of origin and stored, depending on the volume generated.

A colour code has been established for different receptacles so as to differentiate special waste (red), recyclable waste (green), biodegradable, inert, and ordinary waste (yellow), and waste such as aerosols and sawdust (grey).

Pick-up of recyclable waste is done at different times and with a different frequency than for biodegradable or ordinary waste. The characteristics and the number of vehicles used depend on the volume generated and the type of waste being collected.

A sanitary landfill is used for disposal of ordinary biodegradable and inert waste, complying with what is established in the environmental legislation in force.

So as not to create difficulties for the sanitary landfill, plant cuttings and clippings are taken to a special place for disposal. Also, debris resulting from demolitions goes to the front of advance to an overburden dump.

Incineration is used for waste contaminated with hydrocarbons and hospital waste, complying with the standards in force.

The ash from the incinerator oven is disposed of by means of encapsulation in concrete with a mixture of sand, cement, and water in a proportion of three parts sand to one part cement;

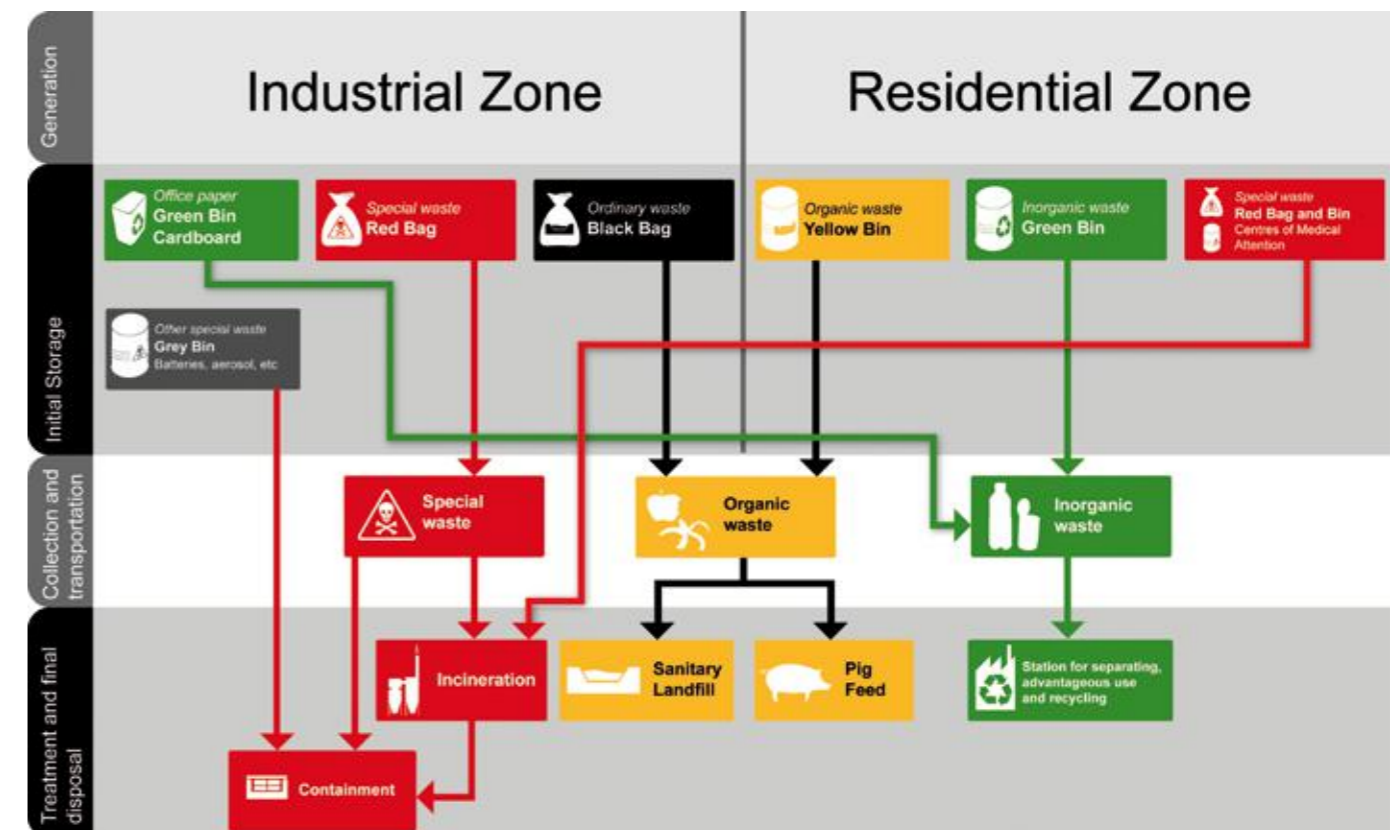
they are mixed and placed in a barrel, which is hermetically sealed.

Recyclable waste is transported to a waste separation storage house, where it is classified and organised for sale.

Between 2005 and 2006, Cerrejón developed new practices to improve the waste management process, such as the implementation of weighing waste (debris, clippings, junk), which had not been done previously. A waste collection and disposal service was also contracted and an incinerator oven was installed.

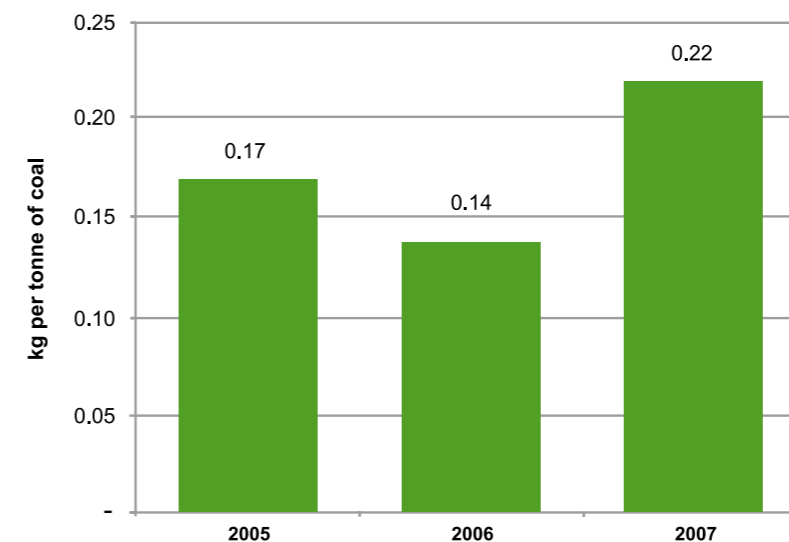
Cerrejón generated 6,554 tons of waste in 2007, of which 34.5 percent was recovered for recycling, 1 percent was incinerated, and the remaining 64.5 percent was stored in the disposal sheds for common and special wastes.

Management of wastes

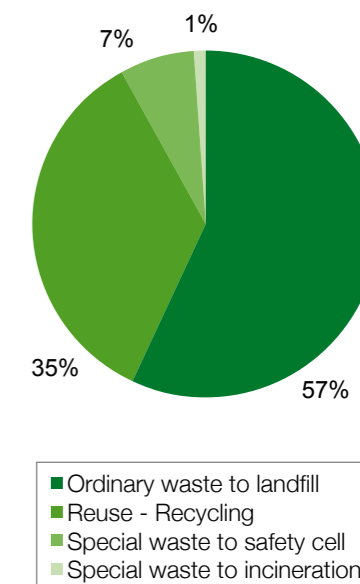




Waste disposal intensity 2005 - 2007



Waste disposal method 2007

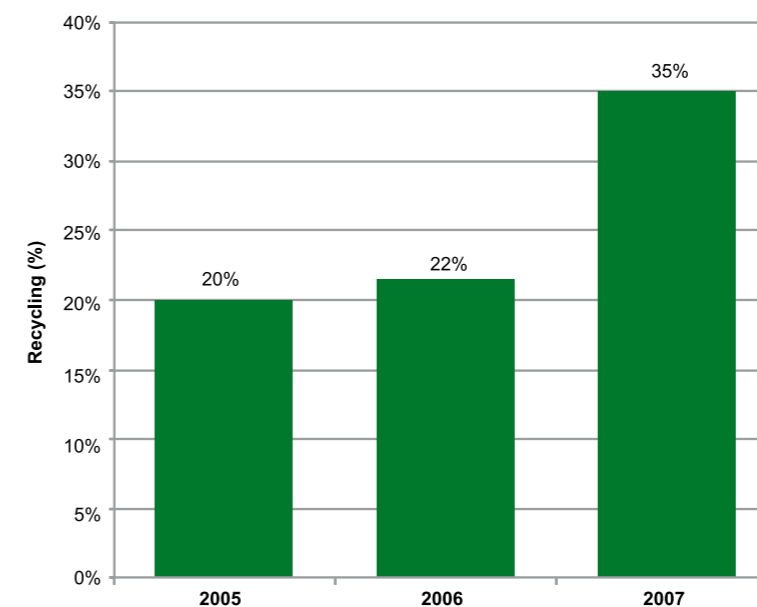


The special waste generated by Cerrejón consists for the most part of hydrocarbon-contaminated textiles and cardboard that result from equipment maintenance work.

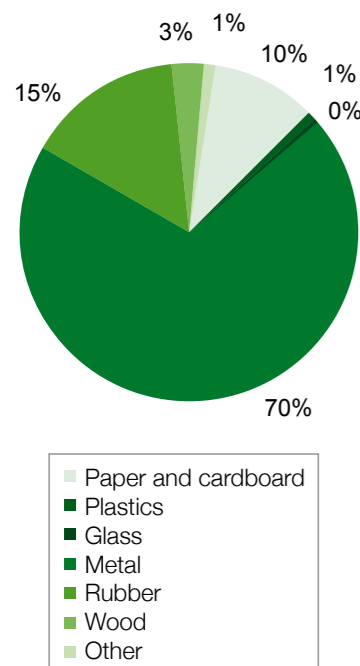
The Company is moving ahead with studies and tests in order to replace substances that generate special waste with products with less impact on health, safety, and the environment.

The following substances were replaced in 2007: Roundup herbicide for the control of underbrush; silver nitrate, hydrofluoric acid, perchloric acid, thiourea, and sulphuric acid.

Recycling of wastes 2005-2007



Materials recovered for recycling 2007



In 2007, waste reuse and recycling grew by 10 percent compared to the years 2005 and 2006, due to stabilisation of the process with actions such as:

- Obtaining markets for waste that can be recycled.
- Training programmes for mine employees and residents so as to separate waste at the source. This was carried out by means of campaigns, talks, and house-to-house visits in the residential unit.
- Recovery of materials from the landfill.
- The materials recovered by Fundiscar, the Cerrejón employees' foundation, were included in the total volume of material.

EN22, EN24

Environmental incidents

At Cerrejón, all environmental incidents are reported, even if they are not significant, so that lessons can be learned from them with the aim of identifying opportunities for improvement in operational practices and processes. In 2007 there were 49 environmental incidents, primarily in:

- Spills of hydrocarbons and chemical substances (45 percent): an estimated total of over 20,000 gallons of fuels (approx. 6,000 gallons) and lubricants (14,500 gallons, approx.).
- Forest fires (33 percent).
- Spills (8 percent).
- Solid waste management (6 percent).
- Land reclamation (8 percent).

The necessary control measures were taken and established to prevent and minimise the occurrence of such events.

During the period covered by the Report, there were two high-impact incidents, which were reported to the environmental authorities at the time and are described below:

1. Fuel spill:

A collision between a Cerrejón mining truck and a tractor trailer, causing a spill estimated at 3,700 gallons of diesel. The spill extended to the pit mine area Patilla water drainage canal and from there to the Ranchería River.

In order to mitigate the environmental impact, Cerrejón carried out the following actions:

- Construction of dykes in the drainage canal.
- Hydrocarbon collection.
- Removal of impregnated material from the bed of the drainage canal.
- Monitoring of the Ranchería River before and after the spill.
- Tracking the spill to where it flows into the ocean in order to evaluate the degree of contamination.

This event was reported to both Corpoguajira and MinAmbiente, as established in the country's legislation. No permanent impacts were registered according to the results of the samples taken.



2. Particulate material emissions:

According to what is established in Resolution 601 of April, 2006, of the Environment, Housing, and Territorial Development Ministry (MAVDT, the Spanish acronym), which establishes permissible limits for the daily and yearly total and inhalable suspended particulate material emissions norm, on January 26 and March 4 the total suspended particulate material registered was above the maximum daily limit (300 µg/m³) at Las Casitas station, located downwind from the mining operation.

In order to mitigate the environmental impact, Cerrejón carried out the following actions:

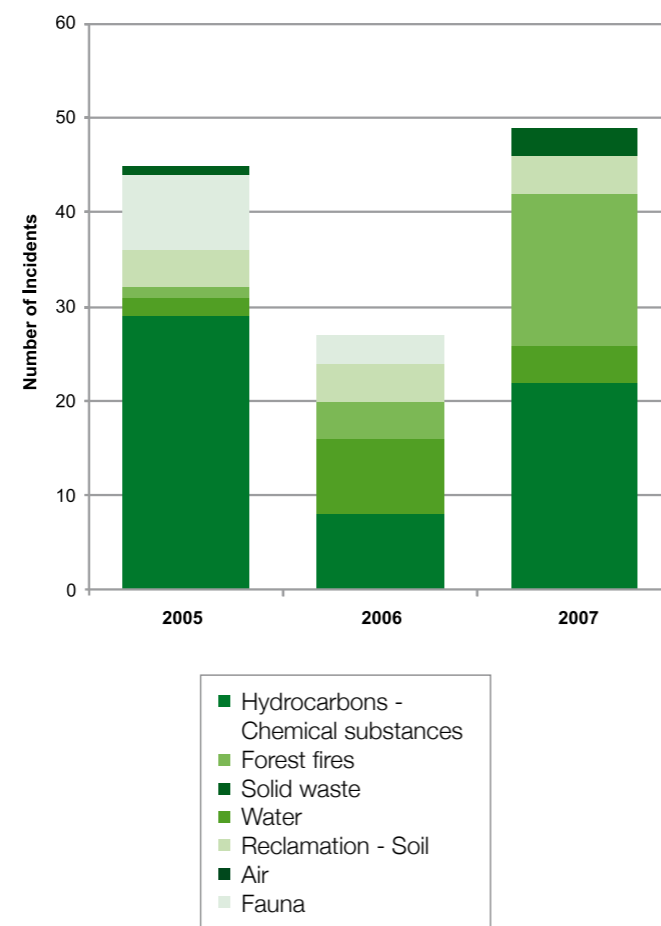
- Reprogramming the disposal of overburden in the surface dump to retro-fill under the original topography during the dry season.
- Temporary installation of an additional portable monitor for readings in real time.
- Follow-up on a plan for watering the routes for carrying materials in terms of assigning equipment and increasing the application of a high moisture-retention surfactant additive.

This event and the control actions were reported to the Ministry of the Environment.

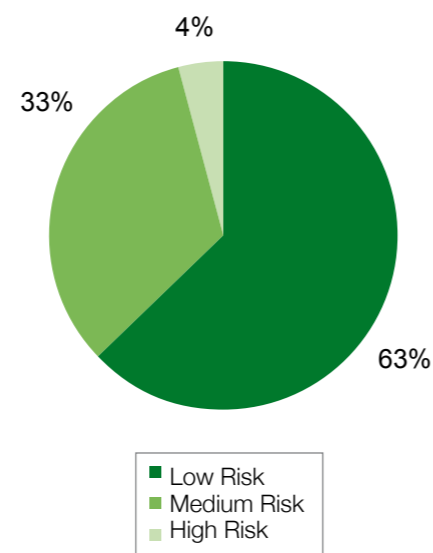
There were no environmental fines or sanctions during 2007.

EN23, EN25, EN28, EN29

Reported environmental incidents 2005 - 2007



Criticality of environmental incidents 2007



Cerrejón invests in the environment

Cerrejón's investment in the environment in 2007 was 43,000 million pesos, 10,000 million more than in 2006.

The following table summarises Cerrejón's environmental investment over the last three years:

Environmental investment 2005 - 2007

Category	2005	2006	2007
Environmental studies	1,372	487	694
Environmental control and monitoring ¹	16,659	21,424	30,151
Land rehabilitation ²	4,712	4,155	4,132
Equipment and instruments ³	3,609	6,708	7,851
Others ⁴	3,496	477	179
Total	29,848	33,251	43,007

Units: million of Colombian pesos (\$ '000,000)

1. Includes the costs of operating and maintaining the fleet of tankers, pumps, and drainages, waste programme, used oils, air monitoring, water, soil, and forest.

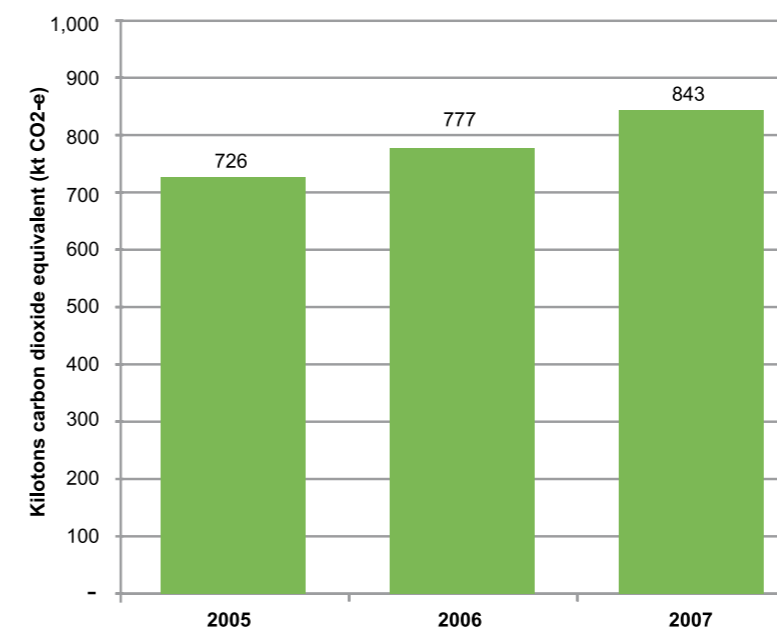
2. Includes the costs of operating auxiliary equipment dedicated to land rehabilitation, soil preservation, and materials and supplies.

3. Includes replacement costs of tanker fleets.

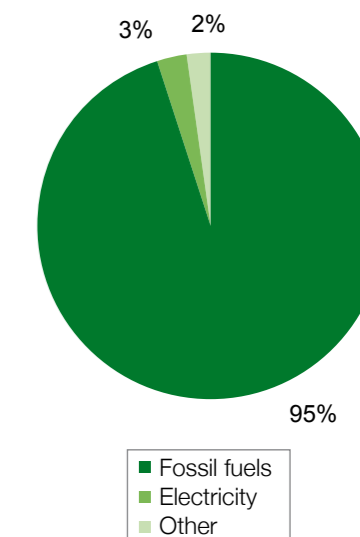
4. Includes land costs for environmental protection, permits, and licenses. Agreement with the Inter-American Development Bank (IDB)

EN30

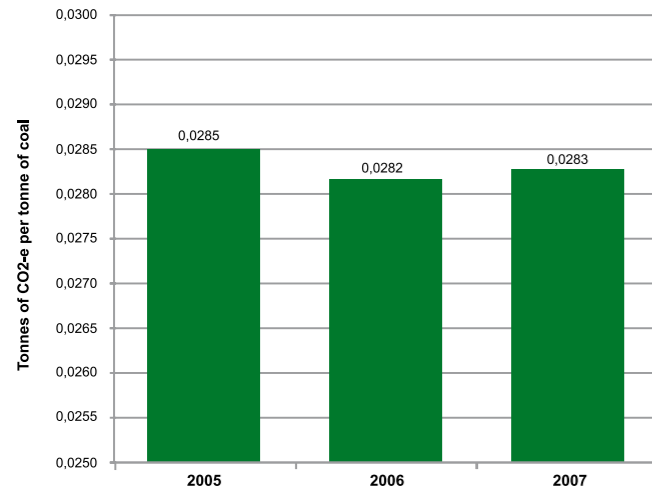
Greenhouse-effect gas emissions 2005 - 2007



Sources of greenhouse-effect gas emissions 2007



Intensity of greenhouse gases effect 2005 - 2007



IDB Agreement

In 2007, Cerrejón signed an agreement with the Inter-American Development Bank (IDB) that covers the adoption of several development and

financing mechanisms for implementing projects for the reduction of greenhouse gas emissions. 2008 will see the end of the pre-feasibility and feasibility studies of these projects and the results will determine whether to continue to the implementation phase.

In addition, there are projects aimed at reducing energy consumption, such as substituting gasoline by dual-system fuels (natural gas/gasoline) in the lightweight equipment fleet (over 3 years in operation); the use of used oil as an alternative fuel in the manufacture of blasting material (began in 2005) reached a peak when it replaced 50% of the fuel formerly used for this purpose. The replacement and efficiency of air-conditioning systems in industrial areas and the residential unit and the exchange and efficiency of lighting systems.

EN16, EN17, EN18

Preservation and conservation of the American crocodile (*Crocodylus acutus*), a species declared to be endangered



William Iguarán, an environmental engineering student

Life History

Love of nature: the same cause, the same goal

William Iguarán, 19 years old, is studying Environmental Engineering at the University of La Guajira. He is a young wayuu who loves nature and is very concerned for the environment: "We have local problems that can impact the general problem, such as solid wastes, species at risk of extinction, and other subjects that are no less important." Iguarán is aware that his concern is the same as Cerrejón's and he values what the Company is doing regarding solid wastes generated at the mine in order to benefit the environment: "They are classified as to characteristics, source, volume, treatment, and possibility for recovery and use," states the young environmental defender.

That same passion leads him to say, "We, the indigenous people, are among those who push hardest for the preservation of mother earth, which provides us with all we need to live, and is a fundamental part of our human development. With this in mind, I would like to broaden my knowledge and blend my cultural side with my scientific side; I want to support my community and my land. I dream of finding concrete solutions to problems. My goals are not only to help the local community, but also to go beyond, to impact at a national level."



A mutually beneficial relationship with communities, the government, and the stakeholders

SOCIAL CAPITAL

The social aspect is the most relevant one for an organisation whose activity directly impacts directly on the communities adjacent to its site of operations. Cerrejón acknowledges, and is aware of the social responsibility it has in contributing to the social growth and development of La Guajira.

This has been the premise of a socially responsible management whose strategic Mission, Vision, and Aims are focused on the sustainable development of La Guajira and the economic progress of the country. (7.1)

Mission

To Cerrejón is socially engaged in the communities in its area of influence, contributing to the complete and sustainable development of its population, fostering processes for community participation and self-management in alliance with the Government and the community.

Vision

To be an effective partner for social change, working with communities to ensure our presence improves their quality of life. To seek to strengthen human and social capital at a local level, so that we sow the seeds of peaceful and sustainable development.

At Cerrejón, community participation runs through all the programmes forming part of the Social Engagement measures, fulfilling aims in the Policy for Health, Safety, Environment, and Communities, and in the Social Engagement programme “Hand-in-Hand with the Community”

Strategic goals

- **Work in association** with the communities and State institutions on projects that foster human development and the improvement of the conditions and quality of life of the people, within the framework of the concept of sustainable development.
- **Reply in a timely manner** to the concerns arising from the neighbouring communities and make continual efforts to cultivate cordial relations.
- **Promote micro-business development** and the promotion of a supportive economy, identifying productive chains and exploring options, in association with recognised institutions in order to identify high-impact production projects for the generation of employment and wealth in the region.

- **Foster projects** aimed at improving the ability of local public administrations to manage effectively their social programmes and render accounts to their electorate.
- **Show leadership** in projects for acquiring lands and community resettlements, providing support for environmental-impact studies, managing human capital and other activities of the operation having a direct effect on the communities, and implementing concrete actions tending towards the resolution of the social problems of the post-resettlement communities of Tabaco and Oreganal.
- **Support projects** in the areas of health, education, and infrastructure development to improve the capacity of the communities to organise themselves, form plans, and manage and oversee the processes.
- **Promote community projects** based on the combined use of royalties and support from Cerrejón, and the community through tripartite agreements among communities, local governments, and Cerrejón. We will foster community oversight networks (auditing) of these projects.

Cerrejón Coal LLC will be an effective partner for social change. We will work together with communities to ensure a better quality of life. We will seek to locally strengthen human and social capital to achieve peaceful and sustainable development

The best partner for colombia

With the aim of guaranteeing action coherent with its principles, and respectful of all the stakeholders with which it relates in the course of its activities, as well as with the environment, Cerrejón has implemented corporate policies benefitting the continuous growth of the region. All of this makes the Company an effective partner for the country.

Please learn more about Cerrejón's policies online at: www.cerrejon.com

- **Communities policy**
- **Health, safety, environment, and communities policy**
- **Social Labour Responsibility Policy**
- **Human Rights Programme**
- **Ethics Policy**

The President's Office of Cerrejón is the highest managerial level with direct and shared responsibility with the management of Corporate Social Responsibility, to which the President delegates functions and operational responsibility in relation to each of the actions undertaken in favour of social work, in line with the goals set by the Company in this area. (7.2)

In order to strengthen and maintain two-way communications channels that are timely and of easy public access, the Department for Social Responsibility of Cerrejón has Community Service offices at the Mine and in Puerto Bolívar.

Cerrejón, closer to communities (MM7)

In order to strengthen and maintain two-way communications channels that are timely and of easy public access, Cerrejón has Community Service offices at the mine and in Puerto Bolívar.

These service points receive requests for donations, suggestions, complaints, and claims; they perform all necessary actions so that all transactions may be carried out in a manner both timely and of benefit to the communities.

In addition, they are responsible for distributing Company information to the communities in the area of influence, particularly that related to social policies and action programmes carried out by the Company in health, education, culture, recreation, and micro-business promotion, among others, for sustainable development in La Guajira.

Incident in the mining zone

A cow belonging to Mrs Luz Mariana Guariyu, resident of the Indigenous Reservation of Provincial, was hit by a piece of mining equipment when it entered the mining area.

In order to resolve the incident, Cerrejón met with the owner of the cow three times under the wayuu customs:

- The first meeting was held at the Indigenous Reservation of Provincial with the participation of the cow's owner, of her father, and of officials from Cerrejón (Division of Communities and Lands). At this meeting, both parties (the Company and the cow's owner) recognised their responsibilities in the facts and agreed upon restitution for the animal.
- At the second meeting, Cerrejón officials (Division of Communities and Lands and the Legal Department), the cow's owner, and her father visited La Milagrosa ranch, where Luz Marina chose a cow.
- At the third meeting, the cow was officially handed over to Luz Marina Guariyu at the Indigenous Reservation of Provincial. Both Luz Marina and Óscar Guariyu, a legal representative of the Indigenous Reservation of Provincial, showed their satisfaction at the outcome.

- The entire process was legalized through a transaction contract between Cerrejón Coal and Luz Marina Guariyu.

The transcultural training designed by Cerrejón to offer employees and contractors basic knowledge of the wayuu community, including their sociocultural and economic context, has allowed us not only to highlight the immense cultural worth of this ancient ethnic group, but also the support of Cerrejón in the sustainable development of the wayuu

Committed to the wayuu

In 2007 Cerrejón focused its efforts on programmes to raise awareness on the wayuu culture in the region. (7.3)

The **transcultural training** designed by Cerrejón to offer employees and contractors a basic knowledge of the wayuu community (including its sociocultural and economic context), has allowed us to highlight not only the immense cultural value of this ancestral ethnic community, but also the support of Cerrejón in its sustainable development.

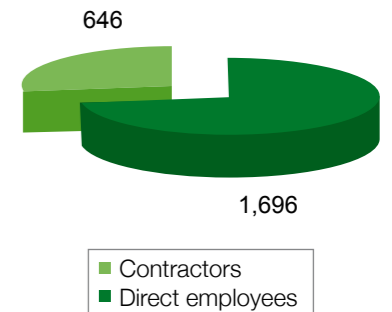
The training was broadcast over Cerrejón Radio and t-shirts and bracelet handwoven by the wayuu were distributed, in addition to a pamphlet on the transcultural training and a wayuunaiki dictionary.

Education for everyone

Aware that **education** is the main tool for driving change in La Guajira and achieving the sustainable development of its communities, Cerrejón has carried out the following activities:

- 3,000 kits were delivered to schools in the area of influence of Cerrejón with the aim of preventing mid-year school drop-outs. At the same time, we undertook a campaign for accident prevention in the indigenous communities neighbouring the railway, with notebooks including pictures of the main pieces of technical equipment that travel the railway. This allowed children to learn about their operation and the importance of being careful when travelling in that area. This activity received an investment of 70 million pesos from the departments of Social Responsibility and Coal Handling, and from Cerrejón Operations Security.

In 2007, 2,342 people were trained in and made more aware of the wayuu culture



- Cerrejón supplied 50 million pesos for the Businessmen for Education Programme.
- In the same year, 37 youths began their training as professional electromechanics technicians as part of an agreement between ITSA-Cerrejón and the municipalities of Albania, Hatonuevo, and Fonseca. For this project, Cerrejón supplied 75 million pesos and will guarantee apprenticeships for the 37 young Guajirans participating in this academic programme.
- In 2007, Cerrejón delivered 39 million pesos to the Preparation for State Exams Programme (ICFES, its acronym in Spanish), aimed at grade 11 students at the schools San Rafael in Albania, Nuestra Señora del Carmen in Hatonuevo, and the Papayal Educational Institution in Barrancas.
- The Cerrejón Excellence Scholarship programme received an investment of 200 million pesos.
- An agreement with the Day of the Child Corporation led to the construction of the Uribia Recreation Centre, which opened its doors in February of 2007. More than 300 children are direct beneficiaries.
- The Naves Recreation area was also built at the San Rafael school in Albania. This project was funded with an investment of 95 million pesos.
- Cerrejón delivered musical instruments to schools for training in Vallenata music in the municipalities of Hatonuevo and Albania. The investment was 30 million pesos, and 130 children have benefited from it.

Safe Railways and Lives is a participative campaign of a pedagogical nature with which Cerrejón seeks to reinforce its good-neighbour relations by preventing incidents and accidents on the railway

Safe railways and lives

Cerrejón's Department of Public Affairs carried out the educational campaign Safe Railways and Lives in November and December of 2007. The aim was to prevent accidents, inform, and raise awareness in the indigenous communities residing along the railway corridor.

This campaign seeks to educate indigenous people neighbouring the railway on the importance of using the pedestrian crossways, respecting the railway signals, and grazing animals in safe areas. In addition, it emphasises the value of life and respect for wayuu beliefs and culture.

In 2007, the theatre company Jayeechi was hired to present the work *Wakuaipa (Our Customs)* to more than 1,700 wayuu residing in communities neighbouring the railway corridor.

The play recreated situations that may arise on the railway tracks. This show used the comedy genre to invite reflection on the risks of the railway line.

Safe Railways and Lives is a participative campaign of a pedagogical nature with which Cerrejón seeks to reinforce its good-neighbour relations by preventing incidents and accidents on the railway, thereby guaranteeing safe passage of the train transporting Guajiran coal and generating energy for the world and progress for Colombia.



Our System of Foundations

During the period covered by this report, significant changes took place aimed at building greater organizational strength and flexibility. This included the creation of four foundations:

Foundation for Indigenous Development in La Guajira, Foundation for Progress in La Guajira, Foundation for the Institutional Strengthening of La Guajira, and Foundation for Water in La Guajira-Aqua Guajira. Each of these foundations generates sustainability in the area it supports and makes for more effective management by Cerrejón concerning the priority problems of La Guajira.

Cerrejón Foundation for Indigenous Development in La Guajira

The programmes of the foundation are aimed at encouraging social and cultural development processes of the indigenous communities settled in La Guajira.

Currently, programmes are underway in food support, water supply, basic sanitation, and productive projects:

- **Recognition of the cultural diversity** of the indigenous communities.
- **Respect for independent decisions.**
- **To make compatible the interests of the indigenous people** as a community with those of Cerrejón as a company.
- **To work within a framework of sustainability** with the environment and the culture.
- **Building of a harmonious relationship** between the indigenous people of La Guajira and the Company.
- **To comply with national and international standards** for conventions on the subjects of indigenous peoples and Human Rights.
- **Awareness of the special aspects of vulnerable groups** within the indigenous communities in La Guajira.
- **Corresponsibility in the results.**
- **Construction, autonomy, and independence without paternalism.**

The **Rural Youth** programme seeks to encourage microbusinesses in the indigenous communities settled in the area of influence of Cerrejón.

This programme offers technical, organizational, business, and human development training to young indigenous people in different disciplines (handicrafts, rural construction, and raising of small animal species) so they can develop production processes under sustainable conditions.

By the end of 2007, in the municipality of Barrancas, 120 young indigenous people (16 to 28 years old) had graduated in rural construction techniques, handicrafts, and raising of animal species.

Courses and recipients of the Rural Youth programme

TRAINING PROCESS	PLACE	BUSINESS PLAN (MICRO-BUSINESS PROMOTION)
Food industry	(Albania)	1. Vacuum-packed ragout (friche).
	Uribia	2. Construction of a firm producing and marketing antipasto.
Making of wayuu blankets and cloth	Aruatachon (Manaure)	3. Making and marketing of wayuu blankets.
Maintenance of windmills	La Paz (Maicao)	4. Maintenance and repair of windmills.
Costume jewellery based on wayuu handicrafts	Pinsky (Albania)	5. Elaboración y comercialización de bisutería con mezclas wayuu.
Integral handling of solid wastes	<ul style="list-style-type: none"> • Pinsky • Trupio Gacho 	6. Setting up a construction block manufacturer.
		7. Manufacture and marketing of prefabricated materials.
Manejo integral de residuos sólidos	Media Luna	8. Setting up a recycling company for solid wastes.
Handicrafts	<ul style="list-style-type: none"> • Media Luna • Trupio Gacho • Provincial 	9. Handmade wayuu handbags and marketing of same.
		10. Project for hand-embroidering wuayushein Guajiran blankets.
		11. Handbags and costume jewellery.
Technical handling of small animal species	<ul style="list-style-type: none"> • Likimana • Provincial 	12. Raising and marketing steer.
		13. Raising and marketing broiler chickens.

Regularly programmed courses

COURSES	EXPECTED RESULTS
<ul style="list-style-type: none"> <i>Appropriate technologies</i> Construction of ferrocement tanks and slow sand filters. Lorena stoves. Construction of manual water pumps. Dishwashing and clothes-washing sinks. Healthy kitchens. <i>Community health agents</i> Basic sanitation. First aid. Education in oral and mental health. Emergency and disaster relief. <i>Technicians in basic computer sciences</i> <i>Handicrafts</i> 	<p>Indigenous communities with the capacity installed and appropriate technologies implemented.</p> <p>Indigenous people with system management experience for administering computer centres in their communities.</p> <p>Enhancing existing handicraft associations.</p>



Respect for the wayuu – a constant engagement for Cerrejón

Training in the general participation system

Cerrejón held training on the topic of the Educational and Cultural Resources Centre (CREM, acronym in Spanish) in Fonseca within the framework of the Social Engagement Programme “Hand-in-Hand with the Community.” The aim was to offer neighbouring indigenous communities orientation to facilitate processes for the administration of resources related to the General Participation System.

This event involved the participation of the following entities:

- Cerrejón Department for Social Responsibility/Social Engagement
- Cerrejón Human Rights Coordination
- National Urban Planning Department
- Cerrejón Foundation Indigenous Guajira
- Legal representatives, traditional authorities, and community advocates from the indigenous reservations of Trupio Gacho, San Francisco, Provincial, Cuatro de Noviembre, Rodeito El Pozo, El Cerro de Hatonuevo, Lomamoto, and El Zahino, as well as community leaders and advocates from the indigenous communities neighbouring the railway: Santa Ana, Japuralao, Aruatachon, Warupalein, and Jurimakal.

Training of Environmental Overseers in Air Quality

The Cerrejón Department for Social Responsibility, the Department of Environmental Management, and Special Projects, together with Corpoguajira, trained 17 volunteers in environmental oversight. The volunteers were from the reservations of San Francisco (2), Trupio Gacho (3), and Provincial (3), and from the resettlement communities of Roche (3), Patilla (3), and Chanqueta (3).

This day consisted of a presentation by officials from Corpoguajira on atmospheric pollution, monitoring and results, and included a visit to an air-quality monitor and to the laboratory.

Integral Aid Plan for Indigenous Communities (Paici)

For more than 25 years, Cerrejón has acted through the Integral Aid Plan for Indigenous Communities (Paici) to effectively fulfill its commitment to improve the quality of life of the indigenous wayuu population.

The Paici aids 258 indigenous communities (nearly 54,000 people) and has an Experimental Farm created with a view to replicating production practices and to providing training for the wayuu.

Paici’s social intervention strategy is carried out through a design of “collaboration management,” a process in which two or more social actors negotiate, define, and guarantee among themselves a fair distribution of the tasks for managing the rights, and responsibilities of a territory, area, or group of natural resources.

In 2007, six components were highlighted for Paici to focus on overall:

1. Programme for food and nutritional support

With a social investment of 904,108,000 pesos, and through agreements with the Colombian Institute for Family Welfare (ICBF, its Spanish acronym), we implemented a programme of food and nutritional safety under the scheme of integrated assistance and strengthening of the production culture and traditions of wayuu families.

This programme consisted in the delivery of food packages, bienestarina (enriched flour and powdered milk mixture) food complements, nutritional

evaluation; in addition, the programme included the following: processes of literacy, intercultural encounters, child-rearing practices and family life geared towards teamwork, a set of values for boys and girls, cautionary topics on children’s rights, and delivery and technical assistance for productive projects. Nearly 6,344 indigenous people benefited from this programme.

With a social investment of 904,108,000 pesos, and through agreements with the Colombian Institute for Family Welfare (ICBF, its Spanish acronym), we implemented a programme of food and nutritional safety under the scheme of complete assistance and strengthening of the production culture and traditions of wayuu families

2. Programme for basic sanitation, health, and hygiene

The programme for basic sanitation, health, and hygiene also took place, in which training and preventive actions in Basic Complete Sanitation were given. In addition, the programme Healthy Houses is active thanks to the inter-institutional agreement among the Anna Watta Kai Foundation, Medellín Public Companies, the Colombian Institute of Family Welfare, the University of La Guajira, the National Training Service (SENA, its acronym in Spanish), the Mayor’s Office of Uribia, and the Cerrejón Foundation.

Moreover, through the Ayatajirawa Programme, 70 healthy kitchens were built with appropriate technologies (clay-cement, soil-cement, mud-cane walls, construction of ferrocement tanks, and Lorena adobe stoves).

3. Programme for production projects

With a social investment of 750 million pesos, and an agreement with the Presidential Agency for Social Action, International Cooperation, and the Network of Food Safety Programme (ReSA, Spanish acronym), 18,750 people benefited

from production projects for the generation of food for self-use and, in general, with all the activities that foster improvements in the quality of life for the most vulnerable sector of the population.

4. Programme for the supply and management of hydrological resources

With an investment of 99 million pesos, 19 water recipients and other items were rehabilitated for various uses. Activities comprised the maintenance and construction of wells, mills, laundry sinks, troughs, and ponds in communities requiring them.

In addition, Cerrejón donated 203 water tanks to the Indigenous Reservations of San Francisco, Rodeito El Pozo, and the indigenous community of Campo Alegre.

5. Programme for training processes and Microbusiness support

With the aim of offering socio-technical training and of training qualified and competitive people for achieving sustainable development among the ethnic wayuu groups in the indigenous communities along the railway corridor and in the Indigenous Reservations of Sur, Trupio Gacho, San Francisco, and Provincial, an agreement was signed with SENA (Guajira Region) to impart knowledge acquisition along different fronts through thematic modules coherent with satisfying basic needs in the wayuu communities.

More than 900 wayuu indigenous people formed part of the group of students in 22 educational courses in Rural and Regular Youths. Of those, 18 have business plans awaiting the crystallisation of projects to drive community income generation and self-development.

Paici promotes community support in different scenarios of wayuu culture

6. Programme for operations support

The main activities held in 2007 were: incident reports, raising awareness of responsibilities in owning and grazing animals, fencing of pastures, escort for resolution of inter-ethnic and intra-family conflicts, supplying tools and seeds for construction of multi-purpose lots, clearing of land and upgrading of villager access routes to the railway corridor, donation of drinking-water tanks, sponsorship of sports events, humanitarian support for disasters and emergencies, community and project fence lines, and escort on campaigns to raise awareness regarding incidents on the railway.

The mission of the Cerrejón Foundation for Indigenous Development in La Guajira is to enable (hand in hand with the indigenous communities settled in the department of La Guajira) the sustainable improvement of their quality of life, consolidating participatory and self-management processes, and developing innovative methodologies that recognise and value diverse visions of the future



Cerrejón invests in the progress of the La Guajira

Cerrejón Foundation for Progress in La Guajira

The view held in the strategy of the Cerrejón Foundation for Progress in La Guajira is to “generate development based on the creation and enhancement of self-sustaining businesses that generate employment, are socially and fiscally responsible, and that will last beyond the lifespan of the mining contracts”

Cerrejón is aware that La Guajira needs to search out new alternatives for economic and social development, ones that will promote progress in the region, such as coal has been doing.

The foundation has invested financial, technical, and human resources in conjunction with communities in the region and other organisations in order to jointly create and enhance self-sustaining businesses that will generate employment in the department.

To make this proposal a reality, the foundation has concentrated efforts on programmes such as:

- **The creation and consolidation of businesses:** self-sustaining, special projects, and operation of third-party projects.
- **Financing of ventures:** This covers the subjects of business credits and consulting for obtaining resources and improvement in competitiveness.
- **Promotion of an entrepreneurial culture:** This takes place through the development of promotional activities at all educational levels and in the general community.

In addition, the foundation will support the establishment of a Business teaching post at the schools of La Guajira and at universities in the region and will aid research on the economic and social infrastructure of the region and on sectors and/or specific subjects that help in achieving the foundation’s programmes and in the development of the department.

Job creation

In the second half of 2007, discussions were held with the Indigenous Reservation of Provincial on the subject of employment generation at Cerrejón and contractor companies. The reservation was requested for a list of youth with a high-school education to begin the process of selection and registration for a SENA Cerrejón apprenticeship programme.

In addition, a meeting was held between the Cerrejón Foundation and representatives from contractor firms in order to evaluate aspects related with the processes for the selection and contracting of professionals and non-professionals from Barrancas.

Each representative of the contracting companies present reported on their activities, requirements for applying to these firms, and current employment opportunities.

Cerrejón Foundation for Institutional Strengthening of La Guajira

The Cerrejón Foundation for Institutional Strengthening in La Guajira will oversee the development of projects guaranteeing the appropriate investment of mining royalties and of other resources in the region

The activity of Cerrejón Coal generated royalties of 873 million dollars from 1985 to 2007. In accordance with the law, these rising payments from coal mining should be invested as a priority in projects aimed at covering basic unmet needs of the poor population in the areas of education, health, the prevention of infant mortality, and water and sewage mains. The efficient and transparent investment of these resources is crucial

in order to strengthen the human capital and the public service infrastructure of La Guajira, which are fundamental supports for the social and competitive development of the department.

In this context, the Cerrejón Foundation for Institutional Strengthening of La Guajira has set out as its main goal to promote the effective and transparent institutional management of the government and local authorities in La Guajira as well as promoting the responsible and informed participation of the citizens and communities in overseeing municipal investments. The foundation is promoting two main programmes:

1) To promote better practices in municipal management in the processes of planning, executing, and evaluating social investments.

2) To stimulate citizen participation and social control of the investment of territorial fiscal resources.

Both programmes include components for awareness, training, and technical assistance, as well as public meetings to promote interaction between the communities and local, departmental, and national authorities.

In addition, the Cerrejón Foundation for Institutional Strengthening in La Guajira has a special programme aimed at strengthening the mechanisms for the prevention and alternative resolution of conflicts in the Department of La Guajira. Through this programme, the foundation proposes to widen the coverage of service systems for citizen conflicts, including applying the scheme for indigenous justice. The programme centres on supporting the start-up of a regional plan of Court Houses in the department in coordination with the Ministry of the Interior and of Justice and the programme AID-FIU for the Strengthening of Justice in Colombia.

Noteworthy, specific initiatives the Foundation is supporting include:

- Performance of “Visible Auditing” for royalty-investment projects in the municipalities of Albania, Barrancas, Hatonuevo, and Uribia.
- Activities for institutional strengthening of public administration in sectors considered critical for overcoming poverty, such as education, and of the strengthening of the departmental and municipal treasuries.
- Organisation of training and technical assistance for public officials and compliance-committee members, oversight committees, and other civil society organisations, with the goal of guaranteeing the responsible exercise of social control.

The mission of the Aqua-Guajira Foundation is to contribute to improving the sector of drinking water and basic sanitation in the department with the aim of promoting an improvement in the quality of life of its communities. Particular emphasis is paid to those communities in the area of influence of Cerrejón

Cerrejón Foundation for Water in La Guajira - Aqua Guajira

Given the critical situation of water and sanitation in the department, Cerrejón has taken on the challenge of water supply and treatment as one of the key commitments of its social responsibility. Therefore, it has created the Cerrejón Foundation for Water in La Guajira — Aqua-Guajira.

The mission of the Aqua-Guajira Foundation is to contribute to improving the sector of drinking water and basic sanitation in the department,

with the aim of promoting an improvement in the quality of its communities. Particular emphasis is paid to those communities in the area of influence of Cerrejón. To do so, the following programmes have been defined:

1) Water supply: This covers activities related to the management of water demands for human consumption and that destined to production activities. This programme includes support in enhancing water mains systems in urban and rural communities, in constructing alternatives for the storage and treatment of water, and in the development of irrigation systems.

2) Sanitation and hygiene: This area involves the support of activities aimed at providing solutions for the appropriate disposal of liquid wastes, urine, and excreta, monitoring spills, and rehabilitating bodies of water affected by human activity. Therefore, this programme incorporates the support for educational processes allowing a reduction of incidence of illnesses related with unsafe and inadequate practices of cleanliness and hygiene.

3) Conservation of water sources: This programme supports projects aimed at increasing, maintaining, and monitoring water supply in the region, incorporating strategies for the sustainable management of the basins and their supporting ecosystems, hydrological studies and conservation activities, preservation, and regional planning.

To fulfill its mission, the Aqua-Guajira Foundation supports, in association with other interested organisations, projects that are sustainable, that have short-term impacts, that are reproducible, and whose benefits have a long-term horizon.

Promotion of culture and sports

The first encounter for traditional medicine and typical games of the wayuu culture was held at the Indigenous Reservation of Trupio Gacho, in the jurisdiction of the municipality of Barrancas, in tandem with the Ministry of Culture. The aim is to save their medical practices and to strengthen and promote their values through shows and recreational game activities that foster the integration of the indigenous communities.

Due to its interest in preserving and recovering ancestral customs and to its respect for traditional cultural practices, Cerrejón attended this encounter and participated with the awards that were handed out in the various contests for music, dance, typical instruments, and sporting events.

Cerrejón invests in education, culture, recreation and sport



Cerrejón has extended its Sports Training Programme to the Indigenous Reservations of Trupio Gacho and Provincial to promote the productive use of free time and the practice of football

In addition, Cerrejón has extended its Sports Training Programme to the Indigenous Reservations of Trupio Gacho and Provincial to promote the productive use of free time and the practice of football.

Infrastructure (MM1)

By the end of 2007, Cerrejón had carried out infrastructure projects in the areas of health, education, sports, recreation, and community service, which have significantly contributed to improving the quality of life of the wayuu community and to promoting healthy lifestyles.

1. Basic Health Clinic, wayuu Maicao Clinic

Project aimed at increasing the coverage of primary healthcare services for the wayuu population in northern La Guajira, improving the quality of medical attention, decentralising healthcare services to improve efficiency, promoting the community organisation of the wayuu indigenous population, strengthening the indigenous settlements by restoring cultural tradition without affecting their habits and customs, and fostering health education for the prevention of infectious and vaccineable diseases.

The first stage was completed thanks to support from Asocabilidos, the Maicao Mayor's Office, and Cerrejón (464 million pesos). This stage included upgrading the areas of emergency, maternity, general services, imaging, laboratory, outpatient service, and administrative area.

The second stage comprised the construction of the laboratory and finalising requirements in emergency, outpatient service, and the administrative area. This project was funded to an amount of 420 million pesos.

2. Multi-Use Court, Cerrejón Employees' Club (Fonseca)

Project aimed at improving the quality of life of Cerrejón employees and their families. It comprises multi-use courts for mini-football, basketball, volleyball, and an area for cultural events. This project was funded with an investment of 95 million pesos.

3. Upgrading Softball Field (Hatonuevo)

Project aimed at promoting sports in the community of Hatonuevo, particularly among Cerrejón employees resident in that municipality. The scope of this project covered upgrading the playing field, fencing of the area, and fixing the stands. The project cost 150 million pesos.

4. Extension of the San Rafael School (Albania)

This project consisted in constructing an area for laboratories and workshops, upgrading inside areas and special facilities comprising public service infrastructure (sewage mains, water mains, sprinkler system, electrical wiring, telephone, and communications). This project was funded to an amount of 405 million pesos.

5. Upgrading and Maintenance of the Health Office (Media Luna)

Maintenance of all the areas of the health office, upgrading of the water mains, sewage mains, electrical wiring, and fencing. The project cost 52 million pesos.

6. Remodelling and Maintenance of the HIV-AIDS Care Office (Riohacha)

Twenty million pesos were invested for its remodelling and maintenance.

7. Upgrading, Maintenance, and Remodelling of the Public Service Area (Roche)

This project was funded to an amount of 13.8 million pesos.

8. Construction and Upgrading of the Public Service Area (Patilla)

This project was funded with 78.3 million pesos.

9. Remodelling of Paici Facilities

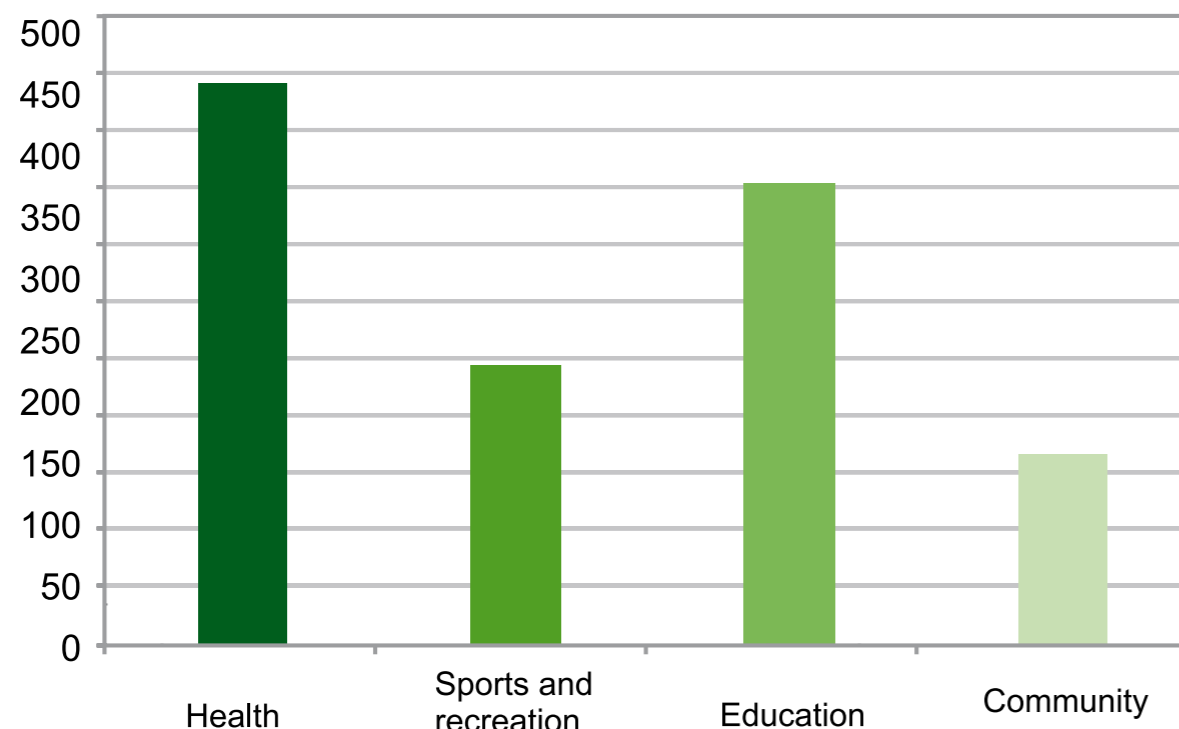
This project was funded with 75.2 million pesos.

10. Urban Restructuring of Cuatro Vías (Maicao)

This project deals with restructuring the area by relocating the food stands along the security belt of the railway. It includes the remodelling and upgrading of the area, construction of inside parking zones, a public transit station, a food fair, public services infrastructure, sales area, handicrafts workshop, and a tourism information office.

The first stage of the project involves upgrading the Tourist Hotel (Parador). Currently, negotiations are underway with the Departmental Government, the Maicao Mayor's Office, and companies headquartered in the region for additional financing for undertaking the work. This project was funded to an amount of 900 million pesos.

Investment in infrastructure projects executed to the end of 2007. (In million of pesos)



Cerrejón spares no effort to make alliances and reach agreements with the Departmental Government and the healthcare institutions to carry out joint actions to improve the service and the quality of healthcare in La Guajira

For a healthy life

Cerrejón spares no effort to make alliances and reach agreements with the departmental government and the appropriate institutions to carry out joint activities in order to improve the service and the quality of health care in La Guajira.

Thanks to these efforts, more than 12,000 people were assisted in the area of influence of Cerrejón during healthcare days. The economic resources assigned to health, nutrition, and basic sanitation were divided as follows: disbursements to hospitals, programmes for the fight against AIDS and cancer, and medical and drug supplies.

With the Fight against Cancer League, in the Awareness and Prevention programmes, a campaign was held in the communities of Roche, Patilla, Chancleta, Oreganal, the Indigenous Reservations of Trupio Gacho, San Francisco, and Provincial, the indigenous communities of Tamaquito, neighbouring the railway, and Media Luna, in Puerto Bolívar, for the early prevention and detection of breast cancer, cervical cancer, skin cancer, and prostate cancer. Around 1,347 people were attended in these programmes.

In addition, together with the Departmental Secretary of Health and the François Xavier Bagnoud Foundation, an HIV/AIDS prevention campaign was carried out to raise awareness and secure commitments from all the leading spokespeople of each Guajiran municipality on this topic.

In the four years that the HIV/AIDS Awareness and Prevention programme has been in effect in

La Guajira, all 15 municipalities have been covered; training has been given to 102 healthcare professionals, 148 community leader volunteers, and 23,287 inhabitants. Awareness on the topic has been raised in 116,425 people throughout the peninsula. In 2007, 1,300 rapid HIV/AIDS tests were performed, 80 of them in the area of influence of Cerrejón.

Moreover, 54 emergency doctors from different municipalities of La Guajira were trained in an advanced medical course in emergency medicine with the aim of raising the technical-scientific level of the emergency wards and thereby improving the healthcare in the hospitals and private clinics in the region.

Cerrejón also invested 148 million pesos in donating cutting-edge medical equipment, furniture, and other items to the Hospital Nuestra Señora de los Remedios in Riohacha. The goal was to contribute to strengthening the healthcare institutions in La Guajira and to improve the quality of life of its inhabitants.

In Maicao, Cerrejón delivered medical equipment to the Fight against Cancer League and to the Hospital San José. The League was presented with an ultrasound machine valued at 26 million pesos, and the Hospital was given five incubators, a radiant heating unit, a phototherapy lamp, and a transport incubator for a total of 170.4 million pesos.

Cerrejón thinks of the children

With the aim of strengthening relations with the school population of the communities neighbouring Cerrejón, Cerrejón celebrated the Day of the Child at the schools in the Indigenous Reservations of Trupio Gacho, San Francisco, and Provincial, the communities of Roche, Patilla, Chancleta, and Oreganal, and the indigenous community of Tamaquito.

With the motto “*Children are our greatest treasure*,” more than 1,000 children enjoyed sweets, games, and t-shirts, as well as a talk on the role of children in the social dynamics of the community.

Cerrejón also celebrated Halloween with 300 children from the indigenous community of Tamaquito and the Indigenous Reservations of Trupio Gacho, San Francisco, Provincial, and Cuatro de Noviembre. This activity was carried out at the Centre for Municipal Educational Resources (CREM, its acronym in Spanish) in Fonseca, where the children enjoyed a play (“*Los malos consejos de sekurut (pájaro carpintero)*”) represented in wayuunaiki by wayuu actors from the Jaye-echi Cultural Corporation. This play explained the origins of mankind, the cosmogony, cultural myths, and the most important customs of the wayuu.

Resettlement: respect for cultural identity (MM9, MM10)

Resettlement is an integral process that includes the transfer of a community from its traditional dwelling place to a new site without affecting its culture, traditions, or social structure. This is a complex process that aims to make the progress of a project of public interest viable at the same time as it improves the living conditions of the communities involved.

Along these lines, Cerrejón continues to develop the resettlements of the communities of Patilla, Chancleta, Roche, and Tamaquito, while respecting their environment.

Resettlement – Processes underway

Description	ROCHE	PATILLA	CHANCLETA	TAMAQUITO	TOTAL
Total population	100	320	280	134(*)	814
Family units	25	64	64	25(*)	178
Uninhabited properties in the census	465	1,443	905	Community property	2,713
Inhabited properties with dwellings	25	64	64	Community property	153
Lots/public buildings	5	3	2	0	10
Target year of relocation	2009	2010	2010	2009	N/A
Ethnicity	Colombian farmers	Colombian farmers	Colombian farmers	wayuu indigenous	N/A
Community populated area (Ha)	14	32	13	10	69

Notes: All the communities are located in the municipality of Barrancas, La Guajira. Sources: Socioeconomic studies of the communities. Roche: 1998, Patilla and Chancleta: 2007. Tamaquito: 2007

(*) The numbers may vary according to the rainy season



Winner of the painting contest in the neighbouring communities
Cristian Gómez
14 years old
Community of Patilla



Winner of the painting contest in the neighbouring communities
Juana Pérez
14 years old
Community of Chancleta



Winner of the painting contest in the neighbouring communities
Norelis Solano
9 years old
Community of Oreganal

- By the end of 2007, the community of **Roche** and Cerrejón had agreed upon the property for relocation of the community with the permanent participation of the Barrancas Mayor’s Office and the Public Officer.
- Discussions continue with **Tamaquito** on criteria and options of rural properties for relocation. The subject of land is central for the wayuu culture, due to which defining the relocation land is key to advancing in the remaining steps of the process.
- The socioeconomic and characterisation studies were completed for **Patilla and Chancleta** and will provide data for designing the compensation structure of the accredited population. (MM11)

Access to the areas to be inhabited will come about through an agreement with the communities and the participation of local, regional, and national institutions. There will also be programmes for property acquisition, social programmes, communications programmes, and economic reimbursement programmes designed in accordance with the guides of the World Bank and best business practices. The goal is to achieve the relocation of all the residents of the communities to sites identified and agreed upon among the interested and affected parties outside of the concessions. They must be near to the current settlements and free from the impact of any future mining activity.

The goal is to achieve the relocation of all the residents of the communities to sites identified and agreed upon among the interested and affected parties



Mauricio Contreras, community leader of Nuevo Oreganal

Life History

A new home and a better future

Cerrejón takes care that its operations have a minimal effect on the culture in its area of influence, respecting customs and offering opportunities for social and economic development. An example of this is the case of Oreganal, the settlement where Mauricio Contreras was born and grew up. He is a community leader who now looks back at the past nostalgically, enjoys the present, and views the future of his children with optimism.

The place and conditions under which Mauricio and the other inhabitants of Nuevo Oreganal live are fruit of an agreement between Cerrejón and the community, its representatives, and the authorities. "In our case the resettlement was well done

and has improved over time. It is very difficult to cut the bonds to the land where you have your history, where you grew up and took your first steps, but we are in a good location, close to the most important roads of Barrancas, Maicao, and Valledupar. Truthfully, we wouldn't oppose the development of the community or of the country; we are thinking of our children and of a better future for everyone. And that was how we learned that it is Cerrejón's policy to carry out its operations while respecting and supporting the Human Rights of all," comments Mauricio.

For the people of Oreganal, one of the greatest fears was to descend into extreme poverty and not be able to pull themselves out of it as they saw no source of employment or education. Given that situation, the leaders reflected and then met at a roundtable with Cerrejón to speak of their conditions and the community finally found a company that was a friend and ally, that listens to them and works to improve their quality of life.

"Cerrejón respects Human Rights, they are very careful about that; all the decisions are agreed upon, everything is discussed, and the solutions reached are sensible and suitable for everyone. The aim of all this is to reach a win-win situation, where the Company and the community both win. Cerrejón should continue working for the community as it is doing with Roche, Chancleta, Patilla, and all these villages that need their support so much. They have a lot of people working with the community," adds Mr Contreras.

Human Rights

A voluntary declaration

Cerrejón's human rights programme and policies include: Voluntary Principles, Humanitarian Activities, and International Humanitarian Rights.

It is a constant engagement of Cerrejón to be responsible for the promotion, protection, and respect for Human Rights in the corporate environment, in the area of influence of its operations, and in every ambit associated with its activity

Cerrejón does not allow any behaviour or conduct going against the Universal Declaration of Human Rights, against the Voluntary Principles, or against the UNO Global Compact; neither are reprisals allowed against persons informing on such behaviour. In addition, the Company supports government programmes in Human Rights and regional efforts on the subject.



Cerrejón has the support of a comprehensive academic programme to increase awareness of human rights in the neighbouring communities

In 2007, the contracting private security companies and the Public Forces continued to be the object of the application of the Voluntary Principles in Security and Human Rights. The Company recognises the importance of improving the means of receiving concerns or complaints that groups of interest have on the behaviour of contractors and of those performing a task related to the operations. Most of the complaints centre on labor themes, Public Forces, private security and union affairs. In this regard, the necessary actions have been taken and commitments for improvement have been established.

In 2007, the Human Rights Programme was a responsibility of Human Rights Coordination.

7.5, 7.6, 7.7

Sustainable strategy

The central themes are:

- Training and refresher courses for communities, employees, contractors, Public Forces, businesses contracting and private security.
- Joint work with national and international institutions (Colombian Red Cross, Public Ombudsman, International Alert, Ideas for Peace Foundation).
- Campaign of communications and awareness.
- Support for the Early Warning System (SAT) from the Public Ombudsman.
- Work in the reception, investigation, and follow-up of complaints.

7.11

Human rights programme

Cerrejón's Human Rights Programme carried out a series of activities to raise public awareness in the promotion, protection, and respect of Human Rights as one of the pathways for building a Guajira allowing peaceful co-existence.

The following studies were made through this programme: procedures and behaviour of the private security companies, cases in which there were accusations against employees and/or contractor companies, procedures to align the policies of the contractors to the policy of Human Rights and behaviour of the Public Security Forces in the area.

In 2007, Cerrejón had 594 contracts with service providers that included a Human Rights clause, thereby ratifying its commitment in this matter.

In the same year, 3,373 people were trained (in 61 sessions) in the Human Rights Programme with the support of the Colombian Red Cross

TRAINING IN CERREJÓN HUMAN RIGHTS PROGRAMME - 2007	
Cerrejón Employees	1,352
Private security	570
Students	577
Public Security Forces	532
Indigenous Communities	253
Contractors	47
Community leaders	42
Total	3,373

HR1, HR2, HR3

The Operational Integrity System and the human rights programme: ethics and transparency

The Operational Integrity System is a tool for handling risks in the areas of health, safety, environment, and communities (SHEC). The Human Rights Programme is included within the system, so that it directs the Company's business in an ethical and transparent manner under the principles of the Universal Declaration of Human Rights, national legislation, relevant international instruments, and community rights in the area of influence, such as the indigenous people, farmers, rural residents, and so on.

The Operational Integrity System and the Human Rights Programme have designed a virtual interface that aids in the gathering of data on the subject. This tool offers alternatives for data registration, through which employees and contractors establish direct contact with the Programme, even remaining anonymous if they so wish. Through this system, human rights complaints and occurrences can be lodged, as well as humanitarian actions.

Raising awareness, the starting point

Raising awareness of human rights with new employees is a priority and is performed during the process of admittance to the Company. During admittance, there is a preliminary presentation on the matter, which is later enhanced with training and refresher courses for employees and contractors based on their daily role in the Company.

Training has centred on groups that are more involved in human rights due to the characteristics of their function in the operation. Such is the case of Production – Drilling & Blasting, Environmental, Protection, and various contractors who perform critical tasks in the operation.

Evaluation of critical situations in Human Rights

1. When a situation is marked as a possible violation of human rights, the Programme members meet with the head responsible for the area involved in order to review the situation. Together, they identify corrective measures and later hold a meeting with the group implicated in the violation to verify whether they are complying with implementation of the corrective measures.
2. Cerrejón periodically reviews its procedures in the distinct operations areas to determine circumstances in which possible human rights violations may occur. Once the procedures are reviewed, the Human Rights Programme makes recommendations to modify them and thereby prevent potential violations from arising.

The work of Cerrejón in Human Rights is in line with the Universal Declaration, international documents on International Humanitarian Rights (IHR), the Voluntary Principles on safety and human rights, the principles of the United Nations Global Compact, and national legislation and policy on Human Rights.

Cerrejón is committed to complying with the principles of the Global Compact of the United Nations

7.8, 7.9, 7.10

Respect for human rights

Cerrejón respects the rights of its workers and of the people who reside in its area of influence. In the course of its operations, in which distinct population groups participate, there is no discrimination by reason of gender, race, religion, sexual orientation, age, or socio-economic situation. Up to the time this Report was written, we have no knowledge of any discrimination incidents.

Since the start of its operations, Cerrejón has guaranteed the freedom of association and the union activity of its workers. Sintracarbón freely exercises its legal and statutory functions representing those workers affiliated with it. In addition, it recognises the right to representation and assistance granted by law to unions to affiliate themselves to legally constituted bodies.

In the internal work regulations, it is expressly forbidden for minors to be involved in Cerrejón's operations.

The Human Rights Programme carries out ongoing training of security personnel and of private security companies for the complex. The two companies providing security support number around 1,100 employees in total, who have all received instruction in Human Rights, International Humanitarian Rights, and Indigenous Rights.

Over three years, nearly 1,700 private security employees have been trained due to internal personnel rotation in the companies. To this number can be added more than 2,400 members of the Public Security Forces trained in the topic, who provide security to the Department of La Guajira.

HR4, HR5, HR6, HR8, HR9

"For Cerrejón, education is the key to progress in La Guajira"





Cerrejón supports wayuu community artisans

Doing things well in society

A new dawn: The Tabaco Network for endogenous development

At the end of 2005, Cerrejón hired a consulting agency to make a detailed study of the characteristics of the “Tabaco process” since the Company arrived in the zone and the negotiation process with the inhabitants up to their location at their present sites.

As a result, we learned about the current situation of each of the families with which the consulting agency contacted, which comprised most of the ex-residents of Tabaco.

In addition, we learned about complaints in the community on how the process was carried out and identified the existing potential and expectations. This identification allowed the definition of a second phase in the consulting study, going beyond examining the situation to implementing a strategy that would lead to improving the quality of life of the families.

The Tabaco Network for Endogenous Development is a process whose general long-term objective is to progress towards the self-sufficiency of the local parties, both institutional (especially public ones) and community ones. That is, contribute to their empowerment as protagonists and managers of regional and local development, widening their horizons and possibilities

To carry out this second consulting phase, a mixed team was put together, comprising two people from Cerrejón, two from the Tabaco community, a regional mining professional, and three people from the consulting firm WWW EU. This team was responsible for handling and promoting the creation of the Tabaco Network for Endogenous Development, to which, during this process, the community added the name “New Dawn.”

The Tabaco Network for Endogenous Development is a process whose general long-term objective is to progress towards the self-sufficiency of the local parties, both institutional (especially public ones) and community ones. That is, contribute to their empowerment as protagonists and managers of regional and local development, widening their horizons and possibilities.

The middle-term aim is to contribute to the families comprising the ex-residents of the Tabaco community to recover in the spacious geographic environment they now occupy (which primarily extends through the departments of La Guajira, Atlántico, and Cesar) the same territorial safety that they enjoyed when they lived in the old settlement.

The immediate aim is to assist families that are ex-residents of the Tabaco settlement. However, little by little, the Network and the Social Fund supporting it will be able to expand to become

a network of services and opportunities open to other communities, with priority to those directly affected by mining activity.

The Company has transferred to the Cerrejón Progress Foundation the necessary resources to support the New Dawn Tabaco Network for Endogenous Development for its first three years. These resources are financing projects presented by the community of natives, non-native ex-residents, and their descendants affiliated with the Network

The Tabaco Network is coordinated by a group of 10 delegates chosen by the families. Their directive is to facilitate the construction of the Network, establish communications ties between the families, coordinate health, educational, and cultural social activities, orient people on the general principles of the Network, on the types of projects that can be financed, amounts and interests, and motivate the families of Tabaco to participate in Cerrejón’s Social Plan. They are also valid spokespeople between the participating families and Cerrejón.

Programmes proposed for the Tabaco Network

- 1. Formal education programme:** this comprises scholarship projects to begin or finish basic primary and secondary education, begin or continue vocational and/or university studies, and to specifically begin studies in electromechanics and basic sanitation within the Columbia Connect agreement.
- 2. Programme for job creation:** this programme comprises management for becoming associated to Cerrejón as SENA apprentices, becoming employed by Cerrejón contractors, and creating ties as socio-business facilitators of the Tabaco Network.

Main activities :

- Thirteen members of the Tabaco Network have labour ties with the Cerrejón Progress Foundation as socio-business facilitators.
- Six members of the Network have ties with SENA as apprentices.
- One member of the Tabaco network has work ties with the contracting company Sepecol.
- Three members of the Network are direct employees of Cerrejón.

Tabaco Network educational projects

No.	Complete name	Education	School	Level	Value \$
1	Aileth Adriana Amaya	Mining Technician Uparsistem	Uparsistem	I semester	2.642,500
2	Arnaldo Andrés Solano Ramírez	Civil Engineering	La Costa University Corporation	VI semester	5.495,553
3	Brian José Ustaris Pinto	Public Accounting	Caribe Autonomous University	I semester	3.678,800
4	Carlos Mario Arregocés Ustate	Radiology and diagnostic imaging	Corporation of Educational and Health Business Sciences	I semester	3.987,560
5	Dinora Mercedes Zárate Pinto	Nurse's Aide	INTECO	I semester	1.082,000
6	Dioselina Johann Deluquez Guerra	Community Psychology	UNAD	I semester	3.960,200
7	Dorigny Lineth Zárate Pinto	Mining Technician	CEOTES	III semester	320,000
8	Holver Rafael Solano Gámez	Law	Santander University	I semester	4.054,500
9	Karen Lorena Pérez Pedroza	Bacteriology and clinical laboratory	Santander University	II semester	5.647,200
10	Kelvis Deluquez Ramírez	Law	Cesar Popular University	VII semester	2.583,721
11	Mónica Patricia Hernández Mendoza	Basic Secondary	Normal Superior Indígena of Uribia	Grade 10 secondary	2.799,000
12	Nilson Omar Pinto Zambrano	Industrial Engineering	Santander University	II semester	5.495.553
13	Perla Marina Vidal Solano	International Business	Cesar Popular University	V semester	2.917,996
14	Deiret Peralta Carrillo	Basic Secondary	Comfamiliar School	Sixth grade Secondary	1.115,000
No.	Complete name	Education	School	Level	Value \$
15	Jaime Enrique Pinto Viloria	Electronic Engineering	Pamplona University	I semester	2.847,675
16	Jois Galeana Arregocés De la Hoz	Bacteriology and clinical laboratory	Santander University	I semester	3.969,750
17	Luisana Carrillo Paternina	Nurse's Aide	INTECO	I semester	2.772,500
18	Johelis Dayana Arregocés Mejía	Physiotherapy	Santander University	I semester	4.290,850
19	Maximiliano Arregocés Meriño	Agricultural Technology	La Guajira University	Pasantías	1.309,000
20	Fernando Alfonso Díaz Medina	Environmental Engineering	La Guajira University	I semester	2.389,980
21	Claudia Marcela Solano Medina	Social Worker	La Guajira University	IV semester	2.220,000
22	Children (4) of Georgina García	Basic Secondary	Marco Fidel Suárez School	6, 7, 8 y 9	1.400,000
23	Children (6) of Farides Charris	Basic Secondary	La Loma School	Jardín School, 2, 5, 6 y 10 (2)	1.384,500
24	Rafael Esteban Rosado Deluquez	Primary School	Hogar Dulces Sueños	Preschool	310,800
25	Child (1) Rebeca García	Basic Secondary	María Auxiliadora School	8 (1)	230,750
Total cost educational projects \$ 67.291,000					

3. Programme for income generation.

Includes production projects, which may be for start-ups or enhancement. They are classified as farming, business, and services.

The income-generation projects are defined as a "business credit," which is granted by the Fund to finance production projects (business enhancement, marketing, farming, services, production, etc.). The viability study for such projects must include pertinent economic, cultural, environmental, and risk-management criteria.

Generally, the maximum amount of credits in this line depends on the business plan approved in each case, with a maximum cap of one hundred (100) SMLV. However, exceptionally, the mixed committee may study and approve projects exceeding that amount if and only if the business plan is completely viable and benefits a family group.

The resources are loaned at a yearly development interest rate of six percent.

The process for accessing the resources of the Tabaco Network Fund for financing a production project consists of the following steps:

1. Proponent's training in Enterprise and Business.
2. Identification of business initiative.
3. Project profile to be developed in the framework of the training in Enterprise and Business.
4. Written approval from family group and additional support with a minimum of six signatures of household heads who approve and will be co-responsible and who belong to the New Dawn Tabaco Network. This approval is a mutual com-

mitment between the recipient of each project and the families that grant it as a group, since non-fulfilment by the recipient will freeze or disqualify projects by the other families or people in the group. The family approval will be backed by a written commitment from the project recipient in which (s)he defines how the Tabaco Network will benefit from the project (synergy among projects, lower costs for Network members, and so on).

5. Formulation of a specific business plan for the project with the support of the socio-business advisor assigned by the credit committee.
6. Delivery of the project with profile, business plan, and supporting material required to the corresponding socio-business advisor, who presents it to the credit committee.
7. Technical viability of the project or definition of steps to be taken for the project presented to become a reality, in which case the technical advisor will accompany the venture promoter through the process of perfecting the business idea.
8. Those projects approved by advisors and evaluators are presented to the credit committee, which is responsible for their final approval. In order to approve a credit, the committee must take into account other considerations besides the concept of technical and economic viability, such as the social or business history of the applicant.
9. Consolidation of disbursement plan and credit plan with corresponding indicators (economic, production, etc.), payment plan, amount of payments, and so on.
10. Legal status of the business: if not in order, all the licenses and permits required by law must be acquired.

11. Project execution beginning with execution of specific technical training plan, a pre-requisite for beginning the disbursements in kind and/or monies stated in the disbursement plan. The courses must be a minimum of 120 certified hours and be given by a reputable institution of the country or region.

The Patio Network programme includes the performance of soil studies, the generation of results for each patio, the definition of species to be grown, the improvement of patios and fences, training and technical assistance for the cultivation and maintenance of the patio, the delivery of seeds, and follow-up and advice for the first few months of production from the patio. To date there are 23 patios on the list, although the programme has not yet started.

4. Food-safety programme:

Comprises the Patio Network projects, which seek to improve diets. These programmes are requested for reasons of food security and/or for medicinal gardens within the programme of the same name established by the Tabaco Network. Two types of patios can be supported: rural and urban. The committee created to that end, together with the Cerrejón Foundation, studies each project and determines its viability.

5. Special projects: This involves collective projects in the environmental, cultural, and enhancement areas of the Network. Cerrejón Social Investment Framework.

Social investment chart

Area of activity	Million of pesos	Thousands of dollars	Programme
Education, culture, recreation, and sports	1,340	653	Scholarships for Excellence, extension of the Albania School, promotion of sports
Health, nutrition, and basic sanitation	854	413	Funding of hospitals in Maicao and Riohacha. Programme for the fight against AIDS and cancer, medical supplies and drugs
Production projects and institutional strengthening	2,430	1,209	Paici programme, projects for employment generation, programmes to fight corruption.
Oreganal Roundtable	1,828	899	Programme of production projects for the Oreganal community
Tabaco's Endogenous Development Network	1,371	682	Programme of production projects for the Tabaco community
Others	2,548	1,229	Support – salaries and administrative costs Cerrejón Foundations System
TOTAL	10,367	5,085	

The nutrition of Guajiran children. A Priority for Cerrejón



Social responsibility and the environment

In 2007, Cerrejón Coal continued fulfilling the Unified Environmental Management Plan. In order to publicise the environmental management programme, environmental visits were organised to the communities in the area of influence of the mine and of Puerto Bolívar:

	COMMUNITY	NUMBER OF ATTENDEES
1	Administration of Uribia	12
2	Indigenous Reservation Cuatro de Noviembre	22
3	Representatives from the 11 communities of Media Luna	21
4	Jurimakal and Pinsky	30
5	Media Luna ethno-educators and health promoters	25
6	Santa Ana and Walewalao	25
7	Uyalansen, Iperra, Casa Eléctrica, and Ashulamana	24
	TOTAL	159

In the follow-up to community commitments and concerns in the Indigenous Reservation of Provincial, the Departments of Social Responsibility and Environmental Management and Special Projects presented the mechanisms that the Company adopted for controlling air quality, as well as the results of the total suspended particle (TSP) count and inhalable dust (PM-10) count by month.

This activity included the participation of 20 people, including the Legal Representative, traditional authorities, and community advocates.

At the end of 2007, physico-chemical and bacteriological analyses were performed on water samples from uptake wells and the water-treatment plant of indigenous rural water mains for the Indigenous Reservations of San Francisco, Trupio Gacho, and Provincial. Results showed the water quality to be unhealthy and extremely hard.

Another activity carried out jointly with the Departments of Business and Environmental Engineering was the presentation of the silvopasture research project to the members of the Indigenous Reservation of Provincial, including traditional authorities, leaders, and youth

A well-prepared company (MM12)

Using the methodology of corporate risk evaluation, Cerrejón identifies and evaluates both internal and external risks.

The analyses performed indicate the main impacts may be generated by:

1. Contamination of water sources.
2. People from settlements established around the Mine and who can circulate through the operations areas.
3. Mobilization of populations due to operations expansion.
4. Air pollution due to particulate matter.
5. Train and/or railway equipment accidents involving third parties.
6. Contamination of Bahía Portete.
7. Aviation accident through a possible crash in the urban perimeter.
8. Ecosystem effects (fauna, flora, and natural resources) due to direct mining effects.

Each of these impacts has an emergency response plan that is periodically tested to diminish the probability of it occurring. In addition, there are control mechanisms that are not only identified but also implemented.



Carmen Palmar and Alberto Meza Palmar

Life History

Building the Future

In a special place in the interior of La Guajira, there are still people who preserve their customs and dream of a better future. It is a place where people work extremely hard and the effort a company like Cerrejón makes to reach that better future is appreciated.

At kilometre 52, in the municipality of Uribia, is Arakuache, a settlement comprising 25 families. Two of the most important indigenous leaders of the wayuu community live there. One of them is Carmen Palmar, a fierce woman of few words who is impassioned for her people and defends their beliefs. The other great leader is her own son, Alberto Meza Palmar, a young visionary who is enthusiastic, hard-working, and proud to be wayuu. “Our community has been here for approximately two centuries and this is where our ancestors have lived and died, and now we are here,” comments Carmen.

Both have deep roots in their culture and their gazes reflect an intense desire to share their beliefs, to transmit culture, yet also to progress

and build a new future. These leaders coincide in crediting Cerrejón with improving the quality of life of the wayuu. “We want to grow more. We want to continue having a voice and a vote, but we also want it to be stronger and stronger. We do not want to be just a settlement, but an extremely visible community in the eyes of the world.”

In the middle of their territory is Cerrejón, a company committed to the welfare of the communities in its surroundings. Carmen Palmar recognises that the Company is concerned for them and involves them more and more: “In our community we have benefited very much from Cerrejón – from the training they provide to the work options they give us. Thanks to them we are marketing our products, we are improving our techniques, and we are better organised.”

Her son, Alberto Meza Palmar, also recognises the benefits of Cerrejón to the region: “We have improved because of the training, because when we receive it we can go out to work and we obtain solid bases to make something; for instance, we learn to make blocks, Lorena adobe stoves, and many other things.”

“Cerrejón contributes to improving the living conditions of the community with job creation, the demand for goods and services, the payment of royalties and taxes, and the development of beneficial programmes for social, health, educational, cultural, and recreational management. This gives us a lot of peace of mind and confidence. We all agree that they have made a huge effort to strengthen their ties with us,” states Carmen Palmar and her son.

In their unshakeable social commitment, Cerrejón lends a hand to the wayuu so that, together, they can build a prosperous region where dreams are fulfilled, quality of life is high, and **there is a better future for everyone.**





6

AN INDEPENDENT REVIEW OF CERREJÓN'S RSE ACTIVITIES

In August, 2007, Cerrejón asked an independent external committee to review its Social Responsibility programmes, as one more example of its commitment and the transparency of its corporate procedures.

This evaluation produced specific recommendations concerning present and future Social Responsibility actions that enrich Cerrejón's performance in this field.

This independent external committee consisted of Doctor John Harper, president of Cape Breton University (Canada); Salomon Kalmanovitz, Dean of Economic and Administrative Science at the Jorge Tadeo Lozano University (Colombia); Elena Serrano, from the NGO Fundación Casa de la Paz [Peace House Foundation] (Chile); and Nick Killick, from International Alert, an NGO based in the United Kingdom.

Cerrejón and its stockholders gave this Committee all the information required in order to evaluate its social responsibility programmes and allowed complete access to the Company's installations, administrative personnel, and files.

The work of the review board received the support of a prestigious international consulting firm (the Social Capital Group), which undertook all the field work the Committee requested.

Cerrejón and its stockholders gave this Committee all the information required in order to evaluate its social responsibility programmes and allowed complete access to the Company's installations, administrative personnel, and files

Recommendations of the committee; immediate responses from cerrejón

The Committee's final report compiled the evaluations of all Social Responsibility policy components and made special recommendations in 10 key aspects of Cerrejón's social interaction:

1. Cerrejón's corporate culture

- The Committee recommends that the Company create its own corporate character and image so as to differentiate it from its predecessor companies (Interior and Exxon). The final report indicates that all elements of Cerrejón's corporate culture should be structured based on its own interests and those of the different communities of La Guajira.

In regards to this recommendation, Cerrejón committed itself to achieving an operational culture giving priority to interaction with interest groups. To this end, the Company will also work on a declaration of its culture and values that will be communicated to all employees and interested parties.

- In this same area, the Committee recommended that training plans be established to contribute to transforming Cerrejón's operational culture, the results of which should be communicated.

Cerrejón began a training programme for core management and for employees to understand and practise the Company's values in their daily work. The results of this training programme will be made known through a Sustainability Report, based on GRI methodology.

- Another one of the Committee's recommendations was to implement a re-engineering process in relation to the administration of social impact.

Cerrejón formed a new management group for this purpose, whose main objective is to improve all aspects of its social programmes. This group will have a greater degree of commitment to the community, which it will consult on a permanent basis to ensure that commitment opportunities and information meet their needs.

2. Social management

- In this area, the Committee pointed out that the stockholders and senior management should recognize that there has been greater success in production than in building confidence with local communities. That is why the Committee recommends establishing an approach that goes beyond strict compliance with the law.

Cerrejón is already implementing a new approach based on international standards, and formal programmes of commitment to improving and perfecting the achievement of common social development goals have been established. Genuine commitment and transparency will be the cornerstone of Cerrejón's new approach. The Sustainability Report will promote Cerrejón's achievements and challenges in this regard.

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3. Resettlements

- In the case of the resettlement of the Tabaco community, carried out several years ago, the Committee recommends that actions related to this matter be accompanied by the understanding that there may be issues pending from previous efforts that may resurface and require integrated, planned action. Cerrejón should address the situation of all families in Tabaco, regardless of their situation as concerns the 2002 negotiations. This is why it is important that the Company develop a completely participative consultation process involving all interested parties as soon as possible.

In this regard, Cerrejón reviewed the general approach to resettlement and, in response to the Committee's suggestion, will pay specific attention to developing clear time periods for consultation with the affected communities. Cerrejón recognizes the need to maintain permanent talks with the Tabaco Resettlement Committee (CRT, the Spanish acronym) to discuss the recommendations of the independent external committee.

It is clear to the Company that it will be easier to solve Tabaco's resettlement problems with the collaboration of an independent facilitator, mutually agreed upon with the CRT. Moreover, Cerrejón shall submit a calendar for the CRT's approval for resolving the issues pending with the Tabaco community no later than the end of 2008. The Company has also been working with the Tabaco Network (Red de Tabaco) to create a development fund.

- In this same area, the Committee recommends that all parties involved in the operation focus on the divided or affected communities so as to better share the positive impact of Cerrejón's mining process.

In response to this proposal, Cerrejón has been implementing specific actions to improve the quality of life of the community in La Guajira. Work is also being done on the symbolic reconstruction initiative so as to generate community identity and strength. All these activities are done hand-in-hand with former residents so as to garner support for the actions and determine the most relevant and valuable aspects for them.

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- The Committee also makes the recommendation to Cerrejón that resettlements based on international standards should not only be established when physical relocation is required, but also when the communities are affected by the proximity of the mining operations.

Cerrejón accepted this recommendation and considers that resettlement can be undertaken when a community is affected by the indirect impact of the mining process. This consideration has already been included in Cerrejón's resettlement principles.

- Cerrejón should adopt a broader concept of "affected community" as a key driving aspect of its approach to resettlement, its

"good neighbour" model, and the handling of communities that are "affected" but not "displaced."

In response to this recommendation, Cerrejón continues to review resettlement procedures in the light of feedback from the communities involved so as to ensure the satisfaction of the parties involved.

- Along the same lines, the Committee also recommends that Cerrejón consider previous resettlements as "passive" and should tackle them with a new approach that emphasises clear consultation and negotiation strategies and practices.

Cerrejón accepts this recommendation with the firm intention of strengthening resettlement procedures. Its general approach has been evaluated.

4. Cerrejón foundations system

- In this area, the Committee recommends that Cerrejón explore its role as a contributor to sustainable and equitable socio-economic development in La Guajira.

The Company recognizes the value of this suggestion and has already begun a process of strengthening its social responsibility actions for the long-term benefit of the communities, seeking sustainability for the inhabitants of La Guajira.

- The panel of experts also recommends developing strategic objectives and specific activities for each Foundation by means of a participative consultation process with the relevant interest groups. These objectives and activities shall be reported.



We support the communities achieving effective management of their own resources and of natural resources

Cerrejón will work with interest groups to design objectives and activities for each Foundation. Annual progress in this regard will be reported to the public through Cerrejón's Sustainability Report

- The Committee also proposes that the Company strengthen the Foundations' independence so that they are recognized for the value of their information and are led by experts.

Cerrejón is aware that good management of the Foundations guarantees the success of their endeavours. The Company has concentrated its efforts on selecting high-profile executive directors to lead the Foundations. Each one of these social organisations will soon have a world-class board of directors providing supervision, skill, and experience.

5. Commitment to civil society

- The panel considers that Cerrejón should make an effort to promote and attract civil society organisations, Colombian and international development agencies, donor governments, and multilateral institutions.

The Company is making progress in this regard and has already established the first contacts for developing alliances (both domestic and international). Cerrejón will also host the Forum for Regional Development, to which additional groups from the civil society, as well as representatives from the government and other companies, have been invited. Joint strategies and plans of action will be designed there.

The Company is currently committed to achieving a situation in which 20 percent of its work force comes from residents of the neighbouring communities and the indigenous peoples

6. The wayuu: culture and employment

- The Committee's final report emphasises that the wayuu have least benefited by the presence of the mine in the region, although they are the population that is most vulnerable and most affected by Cerrejón's operations.

The Company accepts the Committee's position and shares the notion that the wayuu should be served by the Company's Social Responsibility practices in the future. With the aim of improving activities with this indigenous community, the Cerrejón Foundation for the Development of Indigenous Peoples in La Guajira and the Cerrejón Foundation for Progress in La Guajira will design a special education and training programme. This programme will be developed taking into consideration the wayuu communities, the government, NGOs, and other agencies committed to the region's progress.

- The Committee also recommends that 20 percent of new workers come from inhabitants of the Wayuu communities.

It is clear to the Company that the efforts made in previous years in this regard were insufficient and it is now committed to achieving a situation in which at least 20 percent of its work force is made up of inhabitants from the wayuu communities. Advances in this matter will be reported yearly in Cerrejón's Sustainability Report.

- Another one of the recommendations in this area is that training for future local employees be complemented with parallel processes of support for business development so as to enable local companies to comply with the standards required by Cerrejón in the delivery of certain products and services.

One of the actions that Cerrejón undertook in order to comply with this request was the signing of an agreement between the Foundation System and the SENA to train 1,000 wayuu youth in different business skills. Cerrejón will also report progress in this regard in its yearly Sustainability Report.

- In relation to this same effort to strengthen relations with the wayuu communities, the panel of experts recommends working with the indigenous clans to organise ceremonies to provide recognition to the burial grounds along the Railway and explore options for giving the highway a new name (wayuu Commemorative Road).

In response to this recommendation, Cerrejón will seek the consent of the traditional authorities and of wayuu community leaders for carrying out the actions mentioned.

- Bringing together the Media Luna community is considered by the Committee to be a priority in social management of Cerrejón's impact. If it is not possible to do so physically, it should be at least managed socially.



Cerrejón supports the Committee's proposal. However, this is only possible with the consent and participation of the wayuu clans involved. The Company will facilitate a propitious atmosphere for internal discussions with the indigenous community with the aim of determining their aspirations and defining the areas in which Cerrejón can help them achieve their goals and attend to their socioeconomic concerns.

Cerrejón also plans to meet with the respective Colombian government entities to ensure the Company's support for the EITI [the Extractive Industries Transparency Initiative].

Cerrejón will seek out the best way of broadly publishing all payments made to the government, including use of the local press. This information will also be made known in meetings with the community and with other interest groups

8. Security and voluntary principles

- In this regard, the Committee recommends that all reports of aggression by Cerrejón security personnel must be thoroughly investigated so as to prevent any deterioration in the relations between the Company and nearby communities. Cerrejón should establish a process for managing complaints related to security and design a systematic mechanism for hearing community complaints.

Cerrejón shares the opinion of the panel of experts and emphasizes that the Company constantly carries out thorough investigations of aggressive acts by security personnel.

- Another recommendation made by the Committee is that Cerrejón should take advantage of the process currently being carried out in Colombia in order to develop clear indicators on implementation of Voluntary Principles. This will facilitate recording, monitoring, and attending to alleged violations. Cerrejón should also evaluate the results of its extensive Human Rights training programme.

Cerrejón recognizes that the challenge in this regard is to develop a system of indicators that is easily accessible by Internet so that society and all interested parties can monitor its progress in this area. The Company will design success indicators for the Human Rights training programme and the results will be reported in the Sustainability Report.

9. Health and environmental matters

- The Committee recommends that Cerrejón pay attention to complaints from the Labour Union and local communities regarding illnesses caused by dust.

Cerrejón feels that third-party verification of the Company's environmental monitoring results is essential to generating confidence in its programmes. Cerrejón will work together with the Labour Union and local communities in this regard so as to identify the best way to strengthen its environmental monitoring programmes.

- Cerrejón should create alliances with universities so as to guarantee that its emissions monitoring is effective, credible, and transparent.

This suggestion is included in the process of verifying the Company's environmental monitoring results by a third party. This review will be included in the Sustainability Report.

Cerrejón feels that third-party verification of the Company's environmental monitoring results is essential to generating confidence in its programmes. Cerrejón will work together with

the Labour Union and local communities in this regard so as to identify the best way to strengthen its environmental monitoring programmes

10. Improvement in industry standards

- In the opinion of the panel of experts, Cerrejón has an important role to play in improving industry standards.

Taking this recommendation into account, Cerrejón will join forces with the government, unions, and small and medium enterprises to organise a workshop for sharing best practices, standards, and progressive norms in the mining sector.

All these recommendations have helped Cerrejón to strengthen its social responsibility actions and move it closer to being a Company with international recognition of its good corporate practices and its commitment to social progress. Cerrejón has adopted the Committee's suggestions as its priority and has transformed them into the best instruments for attaining excellence in its social processes.

See the panel's final report and Cerrejón's document of response on this webpage: www.cerrejon.com



7

PROGRESS REPORT GLOBAL COMPACT

Cerrejón is one of the 2,000 international companies that are voluntarily registered in the Global Compact. As part of its commitment with this initiative, the Company produces a Progress Report (COP) every year, the aim of which is to inform its interest groups of Company headway in the implementation of the 10 principles concerning Human Rights, labour, the environment, and anti-corruption struggles.

GRI indicators are for compiling this Communication on Progress, with the understanding that the Global Compact considers them to be appropriate for evaluating progress on the 10 Principles:

Areas	Global Compact Principles	Pertinent GRI Indicators
Human Rights	Principle 1. Companies must support and respect the protection of internationally proclaimed Human Rights.	EC5, LA4, LA6 – LA9, LA13 – LA14, HR1 – HR9, SO5
	Principle 2. Companies must ensure that they are not complicit in Human Rights abuses.	HR1 – HR9, SO5
Labour	Principle 3. Companies must support the freedom of association and the effective recognition of the right to collective bargaining agreements.	LA4, HR1 – HR3, HR5, SO5
	Principle 4. Companies must support the elimination of all types of forced and obligatory work.	HR1 – HR3, HR7, SO5
	Principle 5. Companies must support the abolition of child labour.	HR1 – HR3, HR6, SO5
	Principle 6. Companies must support the elimination of discrimination as regards employment and profession.	EC7, LA2, LA13 – LA14, HR1 – HR4, SO5
Environment	Principle 7. Companies must support a cautious approach to environmental challenges.	EN18, EN26, EN30, SO5
	Principle 8. Companies must implement initiatives to promote greater environmental responsibility.	EN1 – EN30, SO5, PR3
	Principle 9. Companies must promote the development and diffusion of technologies that do not harm the environment.	EN2, EN5 – EN7, EN10, EN18, EN26 – EN27, EN30, SO5
Anti-corruption	Principle 10. Companies must fight against corruption in all its forms, including extortion and the payment of bribes.	SO2 – SO6

The COP – Cerrejón’s 2007 Progress Report can be found at:
www.unglobalcompact.org
www.cerrejon.com





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SUSTAINABILITY INDICATORS

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	State any specific limitations on the scope or boundary of the report.	3.7	33

	The basis for including information in the case of joint ventures, subsidiaries, leased facilities, subcontracted activities, and other entities that may significantly affect comparability from period to period and/or between organisations.	3.8	33
	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	3.9	34
	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base periods, nature of business, measurement methods).	3.10	N/A
	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	3.11	34
GRI CONTENT INDEX	Table indicating the location of the standard contents in the report. Identify the page numbers or web links where the following can be found.	3.12	32
ASSURANCE	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided.	3.13	34
4. Governance, Commitments, and Stakeholder Engagement		4	37
GOVERNANCE	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	4.1	38 – 39
	Indicate whether the president of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement).	4.2	38
	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent or non-executive members.	4.3	38
	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. <ul style="list-style-type: none"> • The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body. • Informing and consulting employees about the working relationships with formal representation bodies such as organisation-level 'work councils,' and representation of employees in the highest governance body. 	4.4	39
	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	4.5	39
	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	4.6	40
	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	4.7	40

	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. <ul style="list-style-type: none"> • Indicate how these are applied across the organisation in different regions and departments. • Refer to internationally agreed standards. 	4.8	40 – 42
	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	4.9	42
	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	4.10	43
COMMITMENTS TO EXTERNAL INITIATIVES	Explanation of how a precautionary approach or principle is addressed by the organisation.	4.11	43
	Externally developed economic, environmental, and social programmes, principles, or other initiatives to which the organisation subscribes or endorses.	4.12	43
	Memberships in associations (such as industry associations) and/or national/international advocacy organisations which the organisation endorses and: <ul style="list-style-type: none"> • Has positions in governance bodies • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Has strategic views 	4.13	44
PARTICIPATION OF STAKEHOLDER GROUPS	List of stakeholder groups included by the organisation.	4.14	45 – 46
	Basis for identification and selection of stakeholders with whom the organisation is engaged.	4.15	45
	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	4.16	47
	Main concerns and key topics that have been raised through the participation of stakeholders and how the organisation has responded to them through its reporting.	4.17	47
5. Economic Scope		5	52
GOALS AND PERFORMANCE	Organisation-wide goals regarding performance relative to economic aspects.	5.1	52
POLICIES	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment relating to the economic aspects listed above, or state where this can be found in the public domain (web link).	5.2	52
ADDITIONAL INFORMATION	<ul style="list-style-type: none"> • Key successes and shortcomings • Major organisational risks and opportunities • Major changes in the reporting period to systems or structures to improve performance • Key strategies for implementing policies or achieving satisfactory performance. 	5.3	54 – 55



ASPECT: ECONOMIC PERFORMANCE	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	EC1	53
	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	EC2	53
	Coverage of the organisation's defined social benefit plan obligations.	EC3	54
	Significant financial assistance received from government.	EC4	52
ASPECT: MARKET PRESENCE	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.	EC5	56
	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	EC6	55 – 56
	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	EC7	55 – 56
ASPECT: INDIRECT ECONOMIC IMPACTS	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, pro bono, or in kind engagement.	EC8	56
	Understanding and describing significant indirect economic impacts, including the extent of said impacts.	EC9	56
6. Environmental Scope		6	84
GOALS AND PERFORMANCE	State organisation-wide goals regarding performance relevant to the environmental aspects. Where necessary, use organisation-specific indicators in addition to the GRI Performance Indicators to demonstrate the results of performance against goals set.	6.1	84
POLICY	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment relating to the environmental aspects, or state where this can be found in the public domain.	6.2	85 – 86
ORGANISATION'S RESPONSIBILITY	Identify the most senior position with operational responsibility for environmental aspects or explain how operational responsibility is divided at the senior level for these aspects.	6.3	85
TRAINING AND AWARENESS	Specify procedures related to training and raising awareness in relation to environmental aspects.	6.4	86 – 87
MONITORING AND FOLLOW-UP	Procedures related to monitoring and corrective and preventive actions, both for the reporting organisation and for the supply chain. List of certifications for environment-related performance or environmental certification systems, or other approaches to auditing or verification for the reporting organisation or its supply chain.	6.5	85 – 87

ADDITIONAL CONTEXTUAL INFORMATION	Additional relevant information required to understand organisational performance, such as: <ul style="list-style-type: none"> • Key successes and shortcomings • Major organisational risks and opportunities related to environmental issues • Major changes in the reporting period to systems or structures to improve performance, and • Key strategies and procedures for implementing policies or achieving goals. 	6.6	85
Indicators of Environmental Performance			
ASPECT: MATERIALS	Materials used by weight or volume.	EN1	N/A
	Percentage of materials used that are recycled input materials.	EN2	N/A
ASPECT: ENERGY	Direct energy consumption by primary energy sources.	EN3	87
	Indirect energy consumption by primary energy sources.	EN4	N/A
	Energy saved due to conservation and efficiency improvements.	EN5	87 – 88
	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy consumption as a result of these initiatives.	EN6	87 – 88
	Initiatives to reduce indirect energy consumption and reductions achieved with said initiatives.	EN7	87 – 88
	Total water withdrawal by source.	EN8	89
	Water sources significantly affected by withdrawal of water.	EN9	88 – 89
	Percentage and total volume of water recycled and reused.	EN10	91
ASPECT: BIODIVERSITY	Description of land adjacent to or in protected areas and areas of high biodiversity value outside protected areas. Indicate the location and size of land owned, leased, or managed in areas of high biodiversity value outside protected areas.	EN11	93
	Description of the most significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	EN12	93
	Habitats protected or reclaimed.	EN13	93
	Strategies, current actions, and future plans for managing impacts on biodiversity.	EN14	94 – 95
	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	EN15	96 – 97
ASPECT: EMISSIONS, EFFLUENTS, AND WASTE	Total direct and indirect greenhouse gas emissions by weight.	EN16	105
	Other indirect greenhouse gas emissions by weight.	EN17	105
	Initiatives to reduce greenhouse gas emissions and reductions achieved.	EN18	106
	Emissions of ozone-depleting substances by weight.	EN19	N/A
	NO, SO, and other significant air emissions by type and weight.	EN20	N/A
	Total water discharge by quality and destination.	EN21	98



110 67

LD LMT 248900 LB
LT WT 66100 LB
LIM CAR 12900 KG
TARA 30000 KG

LAS C
ASEG
INDI
DE L
IND
DE
PR

	Total weight of waste managed by type and disposal method.	EN22	99
	Total number and volume of significant spills.	EN23	102 – 103
	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	EN24	98 – 102
	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	EN25	102 – 104
ASPECT: PRODUCTS AND SERVICES	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	EN26	94 – 97
	Percentage of products sold and their packaging materials that are reclaimed at the end of their useful lifespan by category.	EN27	N/A
ASPECT: COMPLIANCE	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	EN28	104
ASPECT: TRANSPORTATION	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	EN29	102 – 104
ASPECT: GENERAL	Total environmental expenditures and investments by type.	EN30	105
7. Social Scope		7	108
POLICY	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment relating to the social aspects, or state where this policy can be found in the public domain.	7.1	108 – 110
ORGANISATION'S RESPONSIBILITY	Identify the most senior position with operational responsibility for social aspects or describe how operational responsibility is divided at the senior level for these aspects.	7.2	110
TRAINING AND AWARENESS	Specify procedures related to training and raising awareness in relation to societal aspects.	7.3	111
MONITORING AND FOLLOW-UP	Procedures related to monitoring and corrective and preventive actions as regards policies, including those related to the supply chain. List of certifications for performance or management systems, or other approaches to auditing or verification for the reporting organisation or its supply chain.	7.4	34
ASPECT: COMMUNITY	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	SO1	50 – 52/ 111 – 126/ 145 – 153
ASPECT: CORRUPTION	Percentage and total number of business units analysed for risks related to corruption.	SO2	56
	Percentage of employees trained in the organisation's anti-corruption policies and procedures.	SO3	56
	Actions taken in response to incidents of corruption.	SO4	57

ASPECT: PUBLIC POLICY	Public policy positions and participation in public policy development and lobbying.	SO5	57
	Total value of financial and in-kind contributions to political parties or related institutions by country.	SO6	57
ASPECT: ANTI-COMPETITIVE BEHAVIOUR	Total number of legal actions for anti-competitive behaviour and monopoly practices and their outcomes.	SO7	57
ASPECT: COMPLIANCE	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	SO8	57
Human Rights			129
GOALS AND PERFORMANCE	List organisation-wide goals regarding performance relevant to Human Rights, indicating their linkage to internationally recognised standards. Where necessary, use organization-specific indicators in addition to the GRI Performance Indicators to demonstrate the results of performance against goals set.	7.5	129
POLICY	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment to Human Rights (including policies that may reasonably be considered to affect the decision of employees to join a trade union or bargain collectively), or state where this can be found in the public domain (web link). Also reference their linkage to the international declarations and standards mentioned above.	7.6	129 – 130
ORGANISATION'S RESPONSIBILITY	Identify the most senior position with operational responsibility for Human Rights or explain how operational responsibility is divided at the senior level for Human Rights.	7.7	130
TRAINING AND AWARENESS	Specify the procedures related to training and raising awareness in relation to Human Rights.	7.8	131
MONITORING AND FOLLOW-UP	Procedures related to monitoring and corrective and preventive actions as regards policy compliance, including those related to the supply chain.	7.9	131
	List of certifications, or certification systems, for Human Rights-related performance or other approaches to auditing or verifying the reporting organisation or its supply chain.	7.10	131
ADDITIONAL CONTEXTUAL INFORMATION	Additional relevant information required to understand organisational performance, such as: <ul style="list-style-type: none"> • Key successes and shortcomings • Major risks and opportunities • Major changes in the reporting period to systems or structures to improve performance, and • Key strategies and procedures for implementing policies or achieving goals. 	7.11	130
Human Rights Performance Indicators			
ASPECT: INVESTMENT AND PROCUREMENT PRACTICES	Percentage and total number of significant investment agreements that include Human Rights clauses or that have undergone Human Rights screening.	HR1	130
	Percentage of significant suppliers and contractors that have undergone Human Rights screening and actions taken.	HR2	130

	Total hours of employee training on policies and procedures concerning aspects of Human Rights that are relevant to operations, including the percentage of employees trained.	HR3	130
ASPECT: NON-DISCRIMINATION	Total number of incidents of discrimination and actions taken.	HR4	132
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	Organisation operations in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	HR5	132
ASPECT: CHILD LABOUR	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	HR6	132
ASPECT: FORCED LABOUR	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.	HR7	N/A
ASPECT: SECURITY PRACTICES	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of Human Rights that are relevant to operations.	HR8	132
ASPECT: INDIGENOUS RIGHTS ADDITIONAL	Total number of incidents of violations involving rights of indigenous people and actions taken.	HR9	132
Responsibility performance indicators on labour practices policy			
POLICY	List organisation-wide policy (or policies) related to the labour aspects, indicating their linkage to international standards.	7.12	60
	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment relating to labour aspects. Reference their linkage to international standards.	7.13	61 – 62
	Identify the most senior position with operational responsibility for labour aspects or describe how operational responsibility is divided at the senior level for these aspects.	7.14	61
	Specify procedures related to training and raising awareness in relation to labour aspects.	7.15	62
	Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.	7.16	62
	List of certifications for labour-related performance or prevention-management systems, or other approaches to auditing or verification for the reporting organisation or its supply chain.	7.17	61
	- Key successes and shortcomings. - Major risks and opportunities; major changes in the reporting period to systems or structures to improve performance.	7.18	71
	Key strategies and procedures for implementing policies or achieving goals.	7.19	71
ASPECT: EMPLOYMENT	Total workforce by employment type, employment contract, and region.	LA1	73
	Total number and rate of employee turnover by age group, gender, and region.	LA2	74 –77
	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	LA3	66 – 67



ASPECT: LABOUR/ MANAGEMENT RELATIONS	Percentage of employees covered by collective bargaining agreements.	LA4	78
	Minimum notice period regarding operational changes, including whether these notices are specified in collective agreements.	LA5	N/A
ASPECT: OCCUPATIONAL HEALTH AND SAFETY	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	LA6	79
	Rates of absenteeism, occupational diseases, lost days, and number of work-related fatalities by region.	LA7	79
	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	LA8	80
	Health and safety topics covered in formal agreements with trade unions.	LA9	78
	Average hours of training per year per employee by employee category.	LA10	68
	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	LA11	69 – 70
	Percentage of employees receiving regular performance and career development reviews.	LA12	70
	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other diversity indicators.	LA13	75 – 77
	Ratio of basic salary of men to women by employee category.	LA14	70
Product Responsibility			57
GOALS AND PERFORMANCE	List organisational goals for product responsibility aspects.	7.20	57
POLICY	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment to product responsibility aspects, or state where this can be found in the public domain (web link).	7.21	57
ORGANISATION'S RESPONSIBILITY	Identify the most senior position with operational responsibility for product responsibility aspects or explain how operational responsibility is divided at the senior level for these aspects.	7.22	57
TRAINING AND AWARENESS	Specify procedures related to training and raising awareness in relation to product responsibility aspects.	7.23	58
MONITORING AND FOLLOW-UP	Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain. List of certifications for product responsibility-related performance, or certification systems, or other approaches to auditing or verifying the reporting organisation or its supply chain.	7.24	58



Product Responsibility Performance Indicators			
ASPECT: CUSTOMER HEALTH AND SAFETY	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	PR1	58
	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	PR2	58
ASPECT: PRODUCT AND SERVICE LABELLING	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	PR3	58
	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	PR4	N/A
	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	PR5	58
ASPECT: MARKETING COMMUNICATIONS	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, other promotional activities, and sponsorship.	PR6	58
	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	PR7	58
ASPECT: CUSTOMER PRIVACY	Total number of substantiated complaints regarding breaches of customer privacy and loss of customer personal data.	PR8	58
ASPECT: COMPLIANCE	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of organisational products and services.	PR9	58
MINING AND METALS SECTOR INDICATORS. GRI MINING SECTOR SUPPLEMENT			
	Distribution percentage of goods, materials, and services acquired locally, nationally, and internationally by project where possible.	MM1	123 – 124
	Added value, divided by country.	MM2	N/A
	Number and percentage of sites identified requiring biodiversity management plans that have updated plans should also be reported, including the criteria for determining the necessity of the biodiversity plan.	MM3	94 –96
	Percentage of products derived from secondary materials.	MM4	N/A
	Describe policies for verifying the benefits of product eco-efficiency and sustainability.	MM5	N/A
	Describe handling of overburden, rocks, sediment/wastes, including: risk evaluation, ease of storage, metals with leaching potential, and dangerous properties.	MM6	N/A
	Describe significant incidents affecting the community in the reporting period and means used to resolve incidents.	MM7	110 – 111
	Describe policies and handling practices of artisanal and small-scale mining in organisation operating areas.	MM8	N/A

	Identify all resettlements in reporting period and degree of compliance with the World Bank's compulsory resettlement directive. Number of operational sites where resettlements have taken place and number of dwellings resettled.	MM9	126 – 127
	Number or percentage of exploitations with closure plans including social (including workforce transitions), environmental, and economic aspects. Describe the organisational policy, processes for strengthening commitment with stakeholders, plan review periodicity, and amount and type of financial provisions for the closure.	MM10	126 – 127
	Describe identification processes for land rights and significant disputes with local community.	MM11	127
	Describe systems for identification, preparation, and response for emergency situations affecting employees, communities, or the environment, including descriptions of the community nature or skills, training, drills, and participation.	MM12	141
	Number of new cases of occupational diseases. Description of preventive programmes.	MM13	79 – 81



Appendix 1

Cerrejón Social Responsibility – Panel recommendations and management response		
Panel recommendations		Cerrejón response
Cerrejón's Corporate Culture		
1	Cerrejón must develop its own corporate character and image to differentiate itself from antecedent companies (Intercor and Exxon). Cerrejón's corporate culture and image should be built on both its own interest and the interests of local communities in La Guajira.	Cerrejón is committed to working towards an operational culture that gives priority to the way we interact with our stakeholders and one that instils in our operation cultural values and respect for all with whom the company interacts. We will develop a clear statement of our culture and values and communicate broadly to our employees and stakeholders.
2	Cerrejón should initiate training to advance the transformation of the company's operating culture and publicly report on its progress (including overall training programs).	As recommended by the Panel, we will develop a training program to ensure all management and employees understand and live the company's values in their day-to-day work and decision making. We will use our Sustainability Report to communicate our progress on this important area.
3	Cerrejón should implement a process of "re-tooling" with respect to the management of social impacts.	A new management team has been assembled to address and improve all aspects of our social programs. An enhanced community engagement program will form a critical part of our new approach. This will be developed in consultation with our key stakeholders to ensure that engagement opportunities and information are appropriate to their needs. A fundamental objective of the program will be to ensure that local communities are fully informed of and have the opportunity to participate in decisions that may affect them.
Social Management		
4	Shareholders and senior management should recognize that to date success in production has been more marked than success in building trust with the local community. An approach that goes beyond strict legal compliance will be important in addressing this issue.	A new approach is being implemented based on international standards. We will use our Sustainability Report to promote our achievements and discuss our challenges.
Resettlements		
5	It will be necessary for action on Tabaco to be accompanied by the realization that there may be holdover issues from earlier efforts which come to the fore again, requiring comprehensive and planned action. Cerrejón should address the situation of all the Tabaco families, regardless of their stance on negotiation in 2002. This kind of solution will only be sustainable if it is supported by a fully participatory consultative process involving all stakeholders, which should be commenced as soon as possible.	Our overall approach to resettlement has been reviewed and revised to take into account the Panel's recommendations. Particular attention will be given to the development of clear timeframes in consultation with the affected communities. Our expectation is that resolution of the Tabaco issues will be facilitated by the involvement of a mutually agreeable independent facilitator and propose to suggest this to the TRC and all former residents. We also propose to suggest a firm timeframe (not exceeding beyond the end of 2008), again in consultation with the TRC, within which we will collectively work to bring the outstanding issues to a close. Through this process, Cerrejón will seek to uphold the Panel's recommendation that the monies currently in escrow for compensation should now be paid. Cerrejón will continue to work with the Red Tabaco group to progress the Panel's recommendation of a development bursary.

6	All parties should focus on what can now be done to help divided communities and otherwise affected communities share better in the positive impacts of mining at Cerrejón.	In addition to the specific actions to enhance our community contribution, we also support the suggestion of the Panel to carry out a symbolic reconstruction initiative that will result in community identification and strengthening. We will work with all former residents to determine the support for such an action and what would be most relevant and valued by them.
7	Cerrejón should recognize that resettlement processes based on international standards should be triggered not only when physical resettlement is required, but also when a community is affected by the very proximity of the mine and its impact on other communities.	Cerrejón agrees with the Panel that resettlement may be appropriate where a community is adversely affected by the indirect impacts of mining. This concept has now been incorporated in our resettlement principles.
8	A broad conception of "affected community" must be embraced by Cerrejón as a key driver of its approach to both resettlement and good neighbourliness, including how it deals with communities who are "affected" but not "displaced".	
9	Cerrejón should view past resettlements as liabilities which need to be addressed through a new approach that emphasizes clear consultation and negotiation practices and strategies. It may also be appropriate for Cerrejón to continue to promote group as opposed to individual re-settlement, as is advocated in modern standards covering re-settlement.	Our overall approach to community resettlement has been reviewed and revised to take into account the Panel's recommendations.
Cerrejón's Foundation System		
10	Cerrejón's aim should be to explore how its existing role and capacity can be better harnessed for sustainable and equitable socio-economic development in La Guajira.	Cerrejón acknowledges the Panel's recommendation that it explore how it can more effectively contribute to sustainable development in La Guajira. To this end, we will further strengthen our social responsibility actions for the long term benefit of the communities and to seek sustainability for the people of La Guajira.
11	Each Foundation's strategic objectives and specific activities need to be developed through an extensive and participatory consultation process with relevant stakeholders. These should be published and disseminated, both as a means of providing clarity and as a way of managing expectations.	Agreed. Cerrejón will work with the relevant stakeholders to develop the strategic objectives and specific activities for each Foundation. We will publicly report our progress annually through the company's Sustainability Report.
12	The independence of the Foundations should be strengthened and made explicit, with particular attention given to ensuring that the Foundations are acknowledged as being properly informed, expertly guided and sufficiently independent.	The Panel's advice that good governance will be fundamental to the long term success of the Foundations is well made and their recommendations will assist in the further development of our approach. We have sought to ensure that each of the Foundations have high calibre Executive Directors, selected for their knowledge, expertise, and management skills, with world-class Boards of Directors.

Engagement with Civil Society		
13	<p>Cerrejón should increase efforts to encourage and attract civil society organisations, Colombian and international development agencies, donor governments and multi-lateral institutions.</p>	<p>We fully agree with the Panel's recommendation that we should further encourage the participation of international development agencies, donor governments and multi-lateral institutions. Good progress is being made in this regard and we are in the process of developing alliances —both national and international— to apply proven programs, funds and resources to different regional development programs. To assist with this objective Cerrejón will host a "Forum for Regional Development" inviting additional civil society groups, government and companies to participate in the development of joint strategies and action plans. The Forum will be held no later than the first quarter in 2009.</p>
The wayuu - Culture and Employment		
14	<p>The key focus for future Cerrejón social responsibility practices should be addressing the fact that the wayuu have benefited the least by the mine's presence, while they are the most vulnerable and the most impacted segment of the local population.</p>	<p>We acknowledge the Panel's view that the wayuu are a particularly vulnerable segment of the local population and that to date, they have not benefited to the same extent as others. We agree that this must be addressed as a central element of Cerrejón's social responsibility practices going forward. To address this issue the Cerrejón Foundation for Indigenous Development in La Guajira, together with the Cerrejón Foundation for Progress in La Guajira, will develop a special education and training program. Building on existing efforts, the program will be developed in consultation with the wayuu communities, government, NGOs and other agencies contributing to development in the region. The program will be presented and discussed at the development forum discussed under recommendation 13.</p>
15	<p>Cerrejón should develop a clear strategy and measurement indicators to support its policy commitment, which promises that 20% of newly hired workers will come from wayuu communities.</p>	<p>Cerrejón is currently committed to have at least 20% of its new workforce made up of inhabitants from neighboring communities and indigenous population. We will clearly articulate our plans and publicly report our progress through our sustainability report.</p>
16	<p>Training for future local employees should be complemented by parallel process of business development support to enable local companies to meet the standards required by Cerrejón in delivering certain products and services.</p>	<p>In 2008, the Foundations System signed an agreement with SENA for the training of 1000 wayuu youth in diverse entrepreneurial skills, which will later be turned into productive projects. We will report the progress of this program in our sustainability report.</p>
17	<p>The company could work with the wayuu clans to organize ceremonies which would recognize the burial sites along the railway line and (in cooperation with the appropriate public authorities) explore options for renaming the road as the "wayuu Memorial Highway".</p>	<p>As recommended by the Panel, we will develop plans to recognize burial sites and rename the access road during 2008. We will do this with the involvement of the elders and the traditional authorities of the wayuu communities and ensure that any actions have the full support of the local communities.</p>
18	<p>Attempting to re-unite the community at Media Luna, at least socially if not physically, should be a priority for the management of social impacts at Cerrejón.</p>	<p>The Panel's recommendation is supported but clearly also requires the consent and participation of the wayuu clans involved. Cerrejón management will facilitate discussions with the clans to determine their aspirations and to define the areas in which Cerrejón can support this community to achieve its aims and address its socio-economic concerns. In consultation with the community, a support program will be developed for implementation within 6 months.</p>

Royalties		
19	<p>Cerrejón should explore means of disseminating information on royalties more widely, with the objective of stimulating awareness and active debate amongst the population. It should encourage the establishment or growth of organisations capable of sustaining civil society's engagement and interest in the management of royalties and of monitoring and holding local government accountable for their use. It should also address the problem of state capacity, perhaps through the Foundation for Institutional Strengthening.</p>	<p>Cerrejón will explore means of disseminating its publication of all payments to government more widely, including through the local media. We will also continue to include this information in our Sustainability Report and discuss it with the local communities as part of our stakeholder engagement program Cerrejón will also meet with relevant Colombian Government Departments to ensure the Company's support for EITI and its broad adoption within Colombia is understood.</p>
Security and the Voluntary Principles		
20	<p>Allegations of aggression by security forces need to be rigorously investigated and efforts made to ensure that correct behaviour and attitude by Cerrejón security personnel serve to strengthen relations between the company and nearby communities. Cerrejón should work to establish a more transparent process for handling complaints about security and put in place a systematic mechanism for dialogue with communities around security concerns.</p>	<p>We fully agree with the Panel's view that any allegations of aggression by security forces need to be vigorously investigated and remedial action taken if the allegations are substantiated. This has been and will remain the case, however, we recognize that putting in place transparent processes for handling complaints and a systematic mechanism for dialogue with local communities around security concerns would be valuable. We will explore the Panel's recommendations as part of our overall community consultation program. We will develop indicators of the success of our extensive human rights training as suggested by the Panel by the end of 2008. Progress will be reported through the annual Sustainability Report.</p>
21	<p>Cerrejón should take advantage of the process currently underway in Colombia to develop clear indicators for implementation of the Voluntary Principles. Piloting and refining these indicators will provide a proper mechanism for recording, monitoring and addressing alleged violations, as well as a system for evaluating the results of its extensive human rights training programme.</p>	
Health and Environmental Issues		
22	<p>Cerrejón should pay serious attention to allegations from the Union and local communities regarding the incidence of dust-related diseases.</p>	<p>Cerrejón agrees with the Panel that third party verification of the Company's environmental monitoring results will help build trust and confidence in the programs. To this end we will work with the Union and community groups to identify the best way to enhance its monitoring program.</p>
23	<p>Cerrejón should consider partnering with universities so as to ensure that its emissions monitoring was effective, credible, and transparent.</p>	<p>The Panel's suggestion of partnering with local universities will be considered as part of this process outlined in response to recommendation 22. As a minimum we will include third party review of our Sustainability Report. Our aim is to have this process in operation within 12 months.</p>
Improvement of Industry Standards		
24	<p>Cerrejón has an important role to play in elevating industry standards. The Company should ensure that all stakeholders, from the local, to the national and international, better understand what it is trying to achieve and how it goes about it.</p>	<p>We acknowledge the Panel's view that Cerrejón has an important role in to play in elevating industry standards in Colombia. We will liaise with Government, industry associations, and SMEs to help facilitate a workshop to share good practice and progressive standards in the areas of particular concern.</p>

León Teicher
President

Luis Germán Meneses
Chief Operating Officer

Catalina García Gómez
Director of Communications

Mauricio Cárdenas
Viviana Altahona
Orlando Lambuley
Paula Rincón
Editing Coordinators

Llorente & Cuenca
Communication Consultants

Toro Mora Fischer América
Designs and Diagrams

Ramón Giovanni
Enrique García
Archivo Cerrejón
Photography

Zetta Comunicadores
Printing

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www.cerrejon.com

For more information on the content of this report, or to send queries and suggestions, please contact us by email at:
comunica@cerrejon.com

To the readers of the Sustainability Report Cerrejón 2007

This Sustainability Report describes the efforts, achievements and commitment of Cerrejón in connection with sustainable development in the period January 1 to December 31, 2007.

The information is presented following the methodology proposed by the G3 Guide of the Global Reporting Initiative (GRI) and the supplement of mining and metals. The data included in this Sustainability Report was obtained using reliable methods and was documented and validated by the different areas of the Company in charge of information supply, under strict monitoring and auditing.

Llorente & Cuenca Colombia were involved in the following activities:

Compiling data regarding indicators both general and for sectors.

Compiling testimony: representatives from the interest groups were identified and interviewed, among whom were members of the Government of the Guajira, indigenous and community leaders, and employees of Cerrejón.

Drafting of texts, scripts, and points for emphasis.

By means of this Sustainability Report, Cerrejón gives a transparent account of its activities to its interest groups

Pablo Urrutia
General Director
Llorente & Cuenca
Colombia



