

SUSTAINABILITY REPORT



2008

ABOUT THIS REPORT

GRI
3.1 - 3.8, 3.10, 3.11, 3.13

AA1000
Inclusivity Principles

Cerrejón is proud to present to its stakeholders, for the fourth consecutive year, its Sustainability Report. This report covers the period from January 1 to December 31 of 2008. It encompasses the handling of the mining operations of Cerrejón Coal Limited (henceforth Cerrejón) and CZN S.A. (henceforth CZN), together and henceforth Cerrejón/CZN, both at the Mine, the Railway, Puerto Bolívar, and at corporate headquarters in Bogotá. In addition, we present the consolidated data of the two companies operating in Colombia by virtue of the association existing between them for the exploitation of two of the five mining areas and by virtue of the operations integration agreement undertaken by the two parties.

Once again, the guidelines of the Global Reporting Initiative were used for preparing the Sustainability Report (here version G3 2006), as well as the Supplement for the Mining and Metals Sector.

Specifically, and in accordance with the self-evaluation performed by Cerrejón, this report is classified as an A+ application level.

Also taken into consideration are the guidelines of the Standard for Liaison with Stakeholders AA1000 SES 2005, as well as the principles for the practice of Stakeholder Inclusivity (materiality, inclusivity, and responsiveness) for the definition of the relevant topics and of dialogue with stakeholders.

Specifically, for the definition of material topics, we undertook an analysis of the sector, of the Company, and of sustainability topics that are important to the extractive industry, in this case mining.

This document presents a summary of the main aspects reported in the General Sustainability Report.

The report does not significantly vary with respect to those of previous years. However, relevant information concerning the legal nature of the Company has been restated.

Cerrejón requested the independent verification of certain indicators in this Sustainability Report by SGS Colombia S.A.

That company undertook the specific assurance procedures on the environmental, social, and economic indicators previously defined by Cerrejón as the most relevant ones. The section "Independent Verification" contains this assurance report.

All the currency amounts in the report are in Colombian pesos (\$COP) unless otherwise indicated.

Suggestions and concerns on the contents of this Sustainability Report may be sent to:

comunica@cerrejon.com
Cerrejón Coal Limited
Calle 100 No. 19 - 54, piso 12
Bogotá, Colombia.

Report on Sustainability at Cerrejón

Cerrejón reports on its sustainability management via various mechanisms:

Sustainability Report

May be requested in hard copy or via the website www.cerrejon.com

The Report may also be downloaded by section, just choose the one(s) you are most interested in.



Cerrejón website

At www.cerrejon.com there is detailed information on the programmes, activities, news, and data of interest on Cerrejón's sustainability management.

Website of Cerrejón Foundations System

At www.fundacionescerrejon.org there is detailed information on the programmes, activities, news, and data of interest on the Cerrejón Foundations.

Direct communications with stakeholders

Cerrejón has established different forms of communications (including electronic and personalized) both inside and outside the Company to address any concerns, requests, or suggestions by its stakeholders.





Sustainability Report

2008

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THE CERREJÓN WAY: RESPONSIBLE MINING

The year 2008 was an excellent one for Cerrejón and all its stakeholders. Conditions on the international market — sustained demand and high prices — contributed to the good performance of our operation, which continued to generate mining riches for Colombia, for La Guajira, and for our shareholders, and better working conditions for our employees.

A view of the goals set out by our operation demonstrates that almost all the indicators proposed for 2008 considerably exceeded expectations. We exported 31.4 million tonnes; we employed more than 9,000 people, counting both direct and indirect workers; we consolidated our position as one of the greatest generators of foreign currency in the country; we strengthened our environmental standards and operational security; we generated significant resources for regional development through royalties and the company's consumption of goods and services.

Cerrejón is completely committed to generating conditions of social, economic, and environmental sustainability in La Guajira. This region, remote from the geographic, political, and economic centre of Colombia, is characterized by a history of weak government institutions, semi-arid to desert geography, a population with large rural and indigenous components, and a history of illegal trade activities. To address these concerns, we have developed a strategy that incorporates Social Responsibility as an integral, sine-qua-non part of our business — that is, one without which the business will not function.

This commitment arises from two beliefs: 1) We are convinced it is our moral obligation as individual citizens and as a corporate citizen, and 2) we know that working sincerely hand-in-hand with the communities is good business for us and for them.

That comprehensive view, which we call "Responsible Mining", must be based on the most central part of our corporate culture. We have formulated the "Cerrejón Way", a set of values, principles, and rules of conduct, and a corporate identity model that, in line with the most highly recognized international standards, requires of us transparency in our processes, a search for increasing the confidence of our stakeholders, positioning ourselves in the forefront of the world mining industry as regards Responsible Mining.

The Cerrejón Way is not a question of mere rhetoric. It is a model of conduct that is being rigorously implemented at all levels of Cerrejón and its contractors.

A fundamental part of this commitment is the work being carried out by the four recently created Cerrejón foundations:

- Cerrejón Foundation for Progress in La Guajira
- Cerrejón Foundation for the Institutional Strengthening of La Guajira
- Cerrejón Foundation Indigenous Guajira
- Cerrejón Foundation for Progress in La Guajira

The Cerrejón Foundations System, as we call it, is charged with generating a "sustainability shock", working hand-in-hand with national, regional, and municipal governments, and with local and international civil society.

At the same time, we are seeking to continuously strengthen dialogue with all stakeholders sincerely wishing to improve the standard of living and the well-being of the population of La Guajira. The aim of such an open dialogue is to allow us to understand the vision of our management and to learn, working together, how to be more efficient and effective in that search for the population's well-being.

We are convinced that Responsible Mining is one of the best and biggest drives to fair development for Colombia and for La Guajira. Modern responsible mining, has played that role in countries such as Australia, Canada, Chile, and others. There are many examples worldwide illustrating that mining and development are not incompatible but, rather, reinforce one another.

Cerrejón's daily effort is aimed exactly in that direction. Each improvement in our operational and environmental standards, and every peso invested in improving our processes and the technologies applied, seeks to mitigate impacts and gain by the more efficient use of resources and in operational responsibility.

We are pleased to take this opportunity to present our diverse audiences with Cerrejón's Sustainability Report for 2008. It also contains the company's progress in the light of the Global Compact, to which we have been committed for several years.



By calling on a group of independent international experts to evaluate our engagement with the communities and prepare this document, we are seeking to mark out new routes to improve that relationship and to create new settings in which the interactions amongst the private sector, civil society, and the government contribute to the sustainable development of the region; we are seeking to reach the communities of La Guajira to build with them an offer of projects in the areas identified as critical in the region (indigenous communities, water, business strengthening, and improved incomes); we are adding an element that bolsters the transparency with which we believe a responsible mining company should always operate.

It is inarguable that socially responsible mining is an opportunity for underground resources to serve as seed capital for greater regional development. The challenge is to contribute to guaranteeing that the wealth generated by those resources is turned into entrepreneurship, education, better living conditions, and new opportunities for our regions.

This is our commitment at Cerrejón

León Teicher
President

ABOUT CERREJÓN

GRI
2.2 - 2.7, 2.9, 2.10, 4.13

An ally for the sustainable development of La Guajira

Cerrejón operates one of the largest open-pit coal mining export operations in the world. It is involved in the exploration, extraction, transportation, ship-loading, and export of thermal coal of various qualities based on its BTU output, the maximum nominal particle size, and its sulfur contents. Operating only in Colombia, Cerrejón supplies the sector for the generation of electrical power in the countries to which it exports and the target clients are industrial. The mining complex is located on the peninsula of La Guajira, in northeastern Colombia.

The Mine

The coal deposits cover an area of 69,000 hectares, within which there are four areas (North Zone, Patilla, Oreganal, South Zone) leased from the government of Colombia and one area privately owned by Cerrejón, also leased from the government. Operations begin with the clean-up of the surface and the careful removal of the vegetation layer, which is stored for the future reclamation of the exploited land.

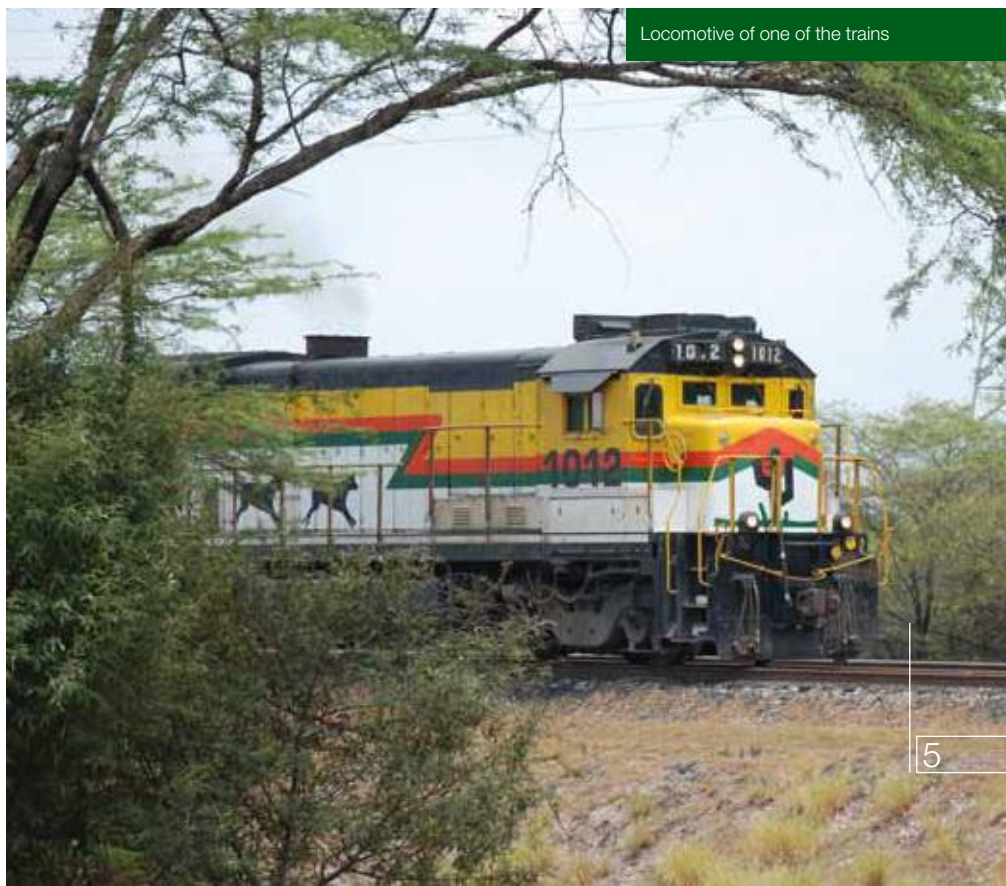
After that, the overburden is drilled, blasted, and removed until the coal beds are exposed. The coal is then transported by truck from the Mine to the storage piles and the crushers, and from thence to the two silos that load the train. The equipment and machinery used at the Mine are amongst the largest of their type in size and capacity, and are also of latest-generation technology.



Coal removal

Railway

Cerrejón has a 150-kilometre Railway connecting the Mine with the coal-loading port. In a continuous process, trains of up to 130 cars are loaded at the silos. Eight to ten trains are dispatched daily. The average round trip including loading, transportation, unloading at the port, and returning to the Mine takes about 12 hours. There is also a service train for the transportation of supplies and spare parts. A Centralized Traffic Control centre at the Mine directs train traffic on the Railway Line.



Locomotive of one of the trains

Port

On the Caribbean Sea, 150 km north of the Mine, lies Puerto Bolívar.

The port can accommodate ships of up to 180,000 tonnes dead weight, up to 300 metres in length, and up to 45 m in breadth. The navigable channel is 19 m deep, 225 m wide, and four kilometres long. Puerto Bolívar also has a supplies dock for ships of up to 30,000 tonnes delivering machinery, spare parts, fuel, and other materials for the mining operation.

Since the mining operation began, we have used direct ship-loading, thereby mitigating environmental impacts.

Cerrejón has two airports, one at the Mine and the other at Puerto Bolívar. It also has a satellite and microwave telecommunications system operating between Barranquilla, the Mine, and Puerto Bolívar. The administrative headquarters are in Bogota.

Direct ship-loading at Puerto Bolívar



Legal Nature

Cerrejón Coal Limited is a foreign corporation domiciled in Anguilla, the British West Indies, with a branch duly established in Colombia and located in Bogota. This society was originally called International Colombian Resources Corporation LLC (Intercor) until 2002, when it merged with Carbones del Cerrejón S.A., a Colombian company, and immediately changed its corporate name to Carbones del Cerrejón LLC (Cerrejón Coal Ltd), Cerrejón. Subsequently, in 2007, it changed its legal standing in Anguilla from that of a limited liability company to that of an International Business Company and, therefore, its company name changed to Carbones del Cerrejón Limited.

Cerrejón Zona Norte S.A. (CZN) is a limited Colombian company headquartered in Bogota. It was chartered in 2000 by the successive offering of shares as a mechanism by the national government to sell contractual interest of Carbocol in the aforementioned Association Contract signed with Cerrejón (previously Intercor), a sale that was formalized by the signing of the Contract for Mining Exploitation and Transfer (CEMT) between CZN S.A. and Carbocol. In addition, in accordance with the aforementioned, it owns 50 percent of the contract interest in the Large-Scale Mining Contract for the Patilla area, in which it participates in consortium with Cerrejón.

Both societies are equally owned by daughter companies of Xstrata plc, Anglo American plc, and BHP Billiton plc.

Main changes in 2008

Third-Party Review Panel

A crucial event in management in 2008 was the implementation of the recommendations and programmes of the Third-Party Review Panel.

This Panel was the result of the evaluation by an International Third-Party Panel in 2007 on the Company's social engagement. The Panel addressed various specific points: the definition of the company's own corporate identity, the need to resolve the dispute with the Tabaco community, the possibility of increasing the operation's positive impacts on the Wayuu indigenous community, and the fostering of the efficient and transparent use of royalties, amongst others.

Corporate Culture

Cerrejón has actively continued its transformation process. The corporate cultural identity programme has been termed the "Cerrejón Way", and it has helped to define and validate amongst senior management in the organization clear aspirations for Cerrejón. To wit: the promotion of sustainable development in La Guajira, the search for cutting-edge corporate practices of social responsibility, the building of trust with the communities, resorting to third-party evaluations as a means of fostering constant improvements, and openness to opportunities for dialogue with diverse stakeholders.

Tabaco Agreement

On December 12 of 2008, we reached a final agreement with the Tabaco Resettlement Committee (CRT, its acronym in Spanish). The main commitments arising that Cerrejón has responded to and followed up on are given below:

- The payment of old compensation monies deposited in a bank account.
- The payment of new compensation monies to family units meeting the necessary requirements.
- The purchase of a property to be handed over to the municipality of Hatonuevo, which is legally responsible for the Tabaco reconstruction.
- The construction of a community centre on that property and the delivery of the necessary preliminary engineering studies for the community to eventually build a new village.
- Support for CRT in their dealings with the local and national authorities in the Tabaco reconstruction.
- The financing of socio-economic projects in line with sustainability criteria and of projects under way with the communities.

Resettlements

The processes of resettlement planning under way have reached key stages in recent months: the identification by the community of their origin and identity, of the families to be resettled, and of the new property in accordance with the hopes and wishes of the communities. In the case of Roche, whose resettlement process is the furthest advanced, this has included the provision of participatory workshops to design the new village and dwellings, the preparation of suitable indicators to measure the standard of living of the communities, and the design and

announcement of a single, inclusive compensation framework. The timelines originally agreed to have been subject to delays, some due to internal bureaucratic obstacles, but most due to external dealings that have taken longer than expected.

The main difference between the past and today is that Cerrejón and the communities can handle these types of challenges through respectful, ongoing dialogue.

Indigenous Wayuu Community

Cerrejón firmly believes that the existence of the Mine should provide, if carried out responsibly, an important opportunity for all the local communities, especially for the indigenous people. Greater solidarity between the Wayuu and non-Wayuu communities is crucial now and in the years to come.

Changes in the Organization

In keeping with this framework of action, and to improve the performance and the competitiveness of the Company, the year 2008 saw various organizational changes at Cerrejón. These included the creation and restructuring of some departments in order to respond to needs, simplify, align, and optimize resources and promote organizational efficiency.

Within the Department of Planning and Technology, we created the Project Management Office (PMO), the Coal Quality Management Department, the Internal Control Department, and the launching of the Cerrejón Foundations System¹.

Moreover, we restructured the departments of Planning and Technology, of Strategic Planning, of the Human Resources Department, and of the Financial Accounting and Taxes Department. We also created the Department of Planning and Financial Analysis.

It is important to note that, in the first quarter of 2009, we created the position of Head of Sustainability and Public Affairs, with a rank equivalent to that of a vice-president since the Head reports directly to the President of the Company. Moreover, reporting to the new Head are the current Heads of Social Responsibility (previously Communities and Land Division), the Communications Division, the Operations Protection Division, the Human Rights Programme and Voluntary Principles, and the Advisor in Public Affairs.

¹The Cerrejón Foundations System is developed below in: Cerrejón Foundations System.

Administrative Efficiency and Effectiveness Project

Another one of the most relevant projects that Cerrejón advanced in 2008 was the project for Administrative Efficiency and Effectiveness (EFFE).

Administrative Efficiency and Effectiveness Project (EFFE)



Strategic Initiative

“Develop the plans established for 2008 for all the business cases identified in the Efficiency and Effectiveness project. Strengthen the process for flexible decision-making, empowerment, authority, and effectiveness with control; special attention will be given to focussing on the internal client”

Efficiency and Effectiveness are vital concepts in businesses worldwide. They are key elements to modern business management that have been adopted at Cerrejón in various strategic initiatives, including the one of the same name: Project EFFE, Efficiency and Effectiveness.

EFFE is a programme with 10 business cases that enable improvement in the agility, flexibility, efficiency, and effectiveness of the Operation's administrative and support processes.

Business Cases: Administrative systems enabling high organizational performance

EFFE has put in place the following administrative systems that enable high performance in the Operation:

1. Agility with responsibility and control,
“Delegating greater authority and ensuring a suitable level of control in the Organization in order to count on the resources the Operation needs in a timely fashion”

2. Organizational model for business support – Financial function
“Developing the financial function with business partners directly serving the departments, in line with corporate strategy.”

3. Service-contracting cycles,

“Streamlining the contracting process so that the Operation receives the services it requires in a timely manner”.

4. Personnel recruitment process,

“Aligning the focus of the Human Resources processes with the Organization's needs for growth and change”.

5. Strategic plan and management of IT,

“Transforming the focus of IT to ensure alignment with the business, long-term sustainability, and agility in solution integration”.

6. Planning and Budget Process,

“Transforming the focus of these processes to align them with the short-, middle-, and long-term needs of the business”.

7. Maintenance processes of mining equipment,

“Strengthening the ability of the planning, programming, and analysis processes for improving the availability and reliability of the equipment”.

8. Supervisory Management Model,

“Focussing the supervisor's high performance and leadership towards reaching goals based on his or her daily activities”.

9. Service Management Model – Internal Client,

“Establishing and monitoring the levels of internal service so that the processes deliver their products to the clients efficiently and effectively”.

10. Leadership Model,

“Enabling the ongoing training of Cerrejón collaborators as leaders who fulfill their duties with authority, agility, control, and effectiveness”.

Awards and Distinctions

Cerrejón was recognized with the following distinctions:

Recognition received from the Human Resources Management Association (ACRIP, its acronym in Spanish) for Cerrejón's achievement at being named **one of the best companies to work for in Colombia**, by the study **"Employer of Choice"**. Special recognition of it was received by President Álvaro Uribe Vélez.

National Publicity Award for the ad campaign **"Cerrejón coal, the magic stone for progress in La Guajira"**, awarded by the Association of Advertisers, 2008.



The award is accepted by President León Teicher

International BHP Billiton HSEC 2008 award in the category of Communities, awarded for the programme of the Centre for Municipal Educational Resources (CREM, its acronym in Spanish) in Fonseca, La Guajira. Ingrid Ballesteros (programme leader) receives the award, accompanied by Marius Kloppers, CEO BHP Billiton.

Award for Environmental Responsibility, awarded by the Foundation for Sustainable Development Siembra Colombia and the British Embassy in Colombia for Cerrejón's Lands Rehabilitation Programme.

This International Distinction is awarded for the effort made to ensure all activities are carried out in safety, preventing risks of accidents, working for safety and hygiene at work, for environmental protection, and for improving the standard of living of its workers. It was awarded by the Latin American Association for Occupational Safety and Hygiene (ALASEHT, its acronym in Spanish) at the opening ceremony for the 41st Conference on Safety, Health, and Environment, held by the Colombian Safety Council.



Ingrid Ballesteros and Marius Kloppers.



Luis Germán Meneses, Cerrejón Chief Operating Officer, receiving the awards.



PERFORMANCE 2008

GRI
2.8

Operation by the Numbers

	2007	2008
Company Profile 2007 2008		
Net operational income, thousands of millions of pesos	3,065	5,329
Total assets, thousands of millions of pesos	3,588	4,083
Equity, thousands of millions of pesos	2,697	2,925
Exports, millions of dollars	1,476	2,537
Royalties generated, millions of dollars	126	305
Coal production, millions of tonnes	29.6	31.3
Coal production in Colombia, millions of tonnes	69.9	73.1
Cerrejón's participation in national production, percentage	42.3	42.7
Contribution to country's (Colombia) GDP, percentage	NA	0.4
Number of direct workers	4,935	5,116

Sustainability Monitoring Table

	2007	2008
Economic value generated and distributed		
Distributed to direct workers, in thousands of millions of pesos	336	390
Distributed to direct workers, in thousands of millions of pesos	1,130	1,915
Distributed to the State, in thousands of millions of pesos	592	1,293
Distributed in reinvestment in the Company, in thousands of millions of pesos	419	312
Distributed to shareholders, in thousands of millions of pesos	569	1,352
Private royalties (paid to communal land owners), in thousands of millions of pesos	16	65
Health and Safety		
Worker representation on Industrial Safety committees, as a percentage	NA	23,82
Number of fatalities	2*	1**
Cases reported as occupational diseases, number	NA	15
Recorded injury frequency rate (RIFR)	0.49	0.47
Recorded injury frequency rate (RIFR)	0.36	0.30
Human Rights and Security 2007 2008		
Number of agreements with the Public Security Forces, analysed under clauses in Human Rights	0	1
Number of contracts with security companies, analysed under clauses in Human Rights.	0	2
Number of Stakeholders trained in Human Rights and International Human Rights	NA	5,733
Number of cases analysed under Human Rights	NA	16
Labour		
Number of men on direct staff and percentage	4,680	4,832 (94.4%)
Number of women on direct staff and percentage	255	284 (5.6%)
Direct workers native to La Guajira, in numbers and percentage	2,933 (59.4)	3,077 (60.1%)
Number of training hours per worker (by management and labour)	NA	40.52 – 49.53
Proportion of unionized workers, percentage	80	81.81

Environmental Management	2007	2008
Environmental investment in millions of pesos	43,007	76,798
Area		
Exploited area in hectares (total to date)	9,856	10,556
Active area in hectares	7,332	7,956
New exploited area for the period in hectares	360	700
Area available for reclamation in hectares	2,524	2,599
Area in rehabilitation process, in hectares	2,451	2,527
Input consumption		
Consumption of Mine oils, in gallons	1'654.324	1'612.309
Used oil recovered, in gallons	830,525	974,311
Tyres, number	1,619	2,089
Ammonium nitrate, in tonnes	53,975	61,794
Water use		
Total water used in thousands of m ³	6,286	6,251
High-quality water used, in thousands of m ³	3,016	2,324
Low-quality water used, in thousands of m ³	3,270	3,927
Recycled water, in thousands of m ³	273	257
Power consumption		
Diesel, in (GJ) gigajoules	11'119.850	12'406.724
Gasoil, in (GJ) gigajoules	323,787	341,778
Natural gas, in (GJ) gigajoules	30,572	36,700
Electric power purchased, in MWh	216,510	270,159
Waste		
Wastewater discharged, in thousands of m ³	1,115	1,158
Used oil recovered, in gallons	830,525	974,311
Proportion of oils recovered, expressed as a percentage	50.2%	60.4%
Solid waste generated, in tonnes	7,077	8,067
Solid waste recovered, in tonnes	2,262	2,800
Biodiversity		
Individual animals relocated, by number	4,666	3,278
Individual animals nursed back to health and relocated, by number	145	444
Species at some degree of risk (UICN)	31	31
Fulfilment of laws and regulations		
Environmental fines	0	0
Environmental incidents		
Significant (levels 3, 4, and 5)	0	0
Lesser (levels 1 and 2)	49	68
Emissions		
Direct emissions of Greenhouse Gases (GG), in thousands of tonnes of CO2 equivalent	818	912
Indirect emissions of Greenhouse Gases (GG), in thousands of tonnes of CO2 equivalent	25	32
Particulate matter, in thousands of tonnes	32	31
Nitrogen oxides (NOx), in thousands of tonnes	16	18
Sulfur oxides (SOx), in thousands of tonnes	2	2

*: Contractors
**: Direct staff



We shall work to generate a culture of greater empowerment, self-monitoring, and autonomy for our workers

MANAGEMENT MODEL: “CERREJÓN WAY”

GRI
1.2, 4.8, 4.12

In recent years, Cerrejón has been re-evaluating the role the Company plays considering it operates in a global setting. At Cerrejón we have demanded of ourselves a change in culture and we have also reconsidered our corporate identity in light of new global needs and trends as well as to respond to the recommendations of the Third Party Review Panel, which evaluated Cerrejón’s social engagement.

The Company has established a management model in sustainability that it has termed the “Cerrejón Way”.

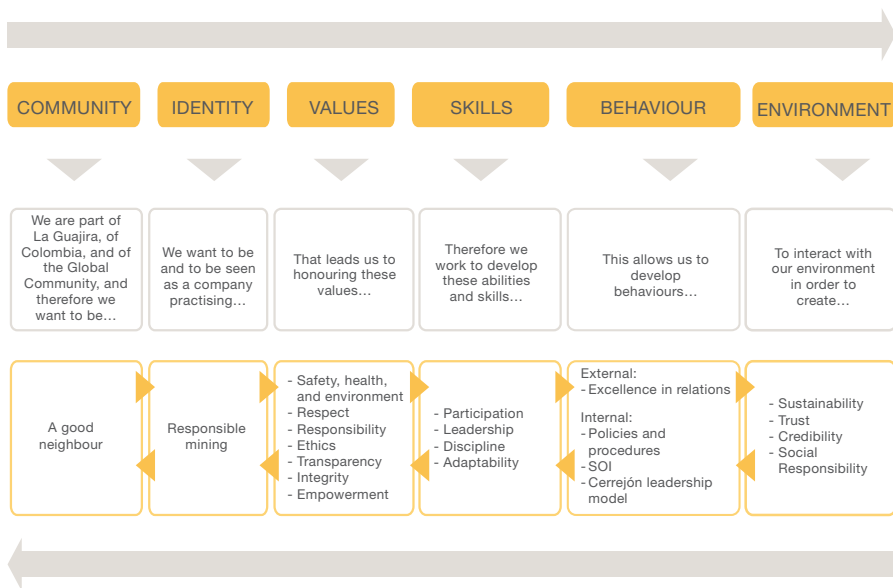
The Cerrejón Way is the identity model of the Company and should be reflected in the organizational culture and in the organization’s DNA.

It should permeate each and every one of the individuals comprising the Company.

In the Cerrejón Way, we recognize that we are part of a global community and of La Guajira. Therefore, we want to be a good neighbour to our communities, developing the concept of responsible mining.

We strictly adhere to our values and are aware that we must improve our skills and performance in order to gain the trust of La Guajira and achieve its sustainable development. Its scope has been visualized step by step in the following reflections:

Elements of the Cerrejón Way



This identity model has a philosophy guaranteeing the understanding and application of the corporate principles and values of Cerrejón

PRINCIPLES OF THE CERREJÓN WAY

1. We proposed to operate the business while increasing our focus and awareness on the outside world.
2. We aspire for the communities to be pleased we are part of their environment and to want us to continue to be there.
3. We shall rely on external benchmarks to seek improvements and validate our standing with respect to international standards.
4. We shall work to ensure standards of living in the surrounding communities are sustainable. In addition to being a moral imperative, we recognize that Cerrejón is sustainable to the degree that development in La Guajira is.
5. Particularly in the context of social responsibility, the paradigm of merely complying with the law is not enough. That is why we aim “to do the maximum possible and not the minimum necessary”.
6. We recognize that transparency is fundamental in our relations with the communities.
7. We aim to always build trust with our stakeholders.
8. We aspire and commit to being at the forefront of responsible mining in Colombia and the world.
9. We shall work to be more innovative, more open to change, more participative.
10. We shall work to generate more confidence in our relations with our workers.
11. We shall work to generate a culture of greater empowerment, self-monitoring, and autonomy for our workers.

Our Corporate Values

Our values are the beliefs that we live by and that we consider to be non-negotiable. They shape our identity and are the basis on which we develop the abilities and behaviour we display in our environment. The experience of our values allows the organization, as well as its teams and collaborators, to have unified criteria within the organization's culture

Health, Safety, and Environment	Our highest priorities are the safety and health of all those who work in our operations and the care of the environment. We are committed to obtaining excellent results in our business by applying work processes that minimize risk to people, the environment, the equipment, and the installations.
Respect	It is absolutely essential that the members of the Cerrejón community respect every one of our coworkers regardless of gender, race, colour, religion, sexual orientation, or any other difference in thought or lifestyle, always in keeping with our values and with Colombian law. We owe the same respect to the communities we live in and to those with which we are associated. We are particularly interested in the active promotion of women at Cerrejón, and in the hiring and promotion of local minority and ethnic populations.
Responsibility	Responsibility has two sides: our rights, which we must exercise fully, and our duties, which are related to our decisions concerning the business under our responsibility, the environment, the communities, our collaborators, and other stakeholders. At Cerrejón, we call that "taking authority".
Ethics	We are convinced that being ethical, individually and collectively, is a moral imperative and also the key to Cerrejón's success. Consequently, in addition to complying with legal requirements, we are interested in obtaining results by always maintaining a standard of behaviour that is ethical, honourable, and stringently honest in all our actions
Transparency	It is our aim to maintain relations and communications that are clear, open, and consistent with our colleagues at any level of the organization and with other stakeholders. We are open to sharing the way we think and act, and to sincerely listen to the opinions of others. Integrity We must be consistent in what we say and what we do; therefore, we consider sincerity and honesty to be fundamental.
Integrity	We must be consistent in what we say and what we do; therefore, we consider sincerity and honesty to be fundamental.
Empowerment	We firmly believe we are capable of choosing our destiny. We are freely able to make decisions in line with our aspirations for growth and development. We value leadership, participation, innovation, adaptability, and teamwork. We promote employability in an atmosphere of equal opportunities where each one of us can find deep satisfaction in what he does and, at the same time, make a significant contribution to the Company's achievements.

Support for initiatives and application of international standards

The Cerrejón Way Principle:

"We shall rely on external benchmarks to seek improvements and validate our standing with respect to international standards"

Global Initiatives

Global Compact

Cerrejón reiterates its commitment to the Global Compact and has been championing the universal principles governing it as the flag of its own operation.

Millennium Development Goals

Cerrejón has been working particularly on principle 7 (guaranteeing environmental sustainability) The achievements made may be found in this report in the chapter on Environmental Management.

Extractive Industries Transparency Initiative (EITI)

As the companies who own the shares to Cerrejón are signers of this initiative, Cerrejón also adopts these principles with the aim of being a company undertaking its operations in a responsible manner that contributes to sustainable development.

Voluntary Principles in Safety and Human Rights

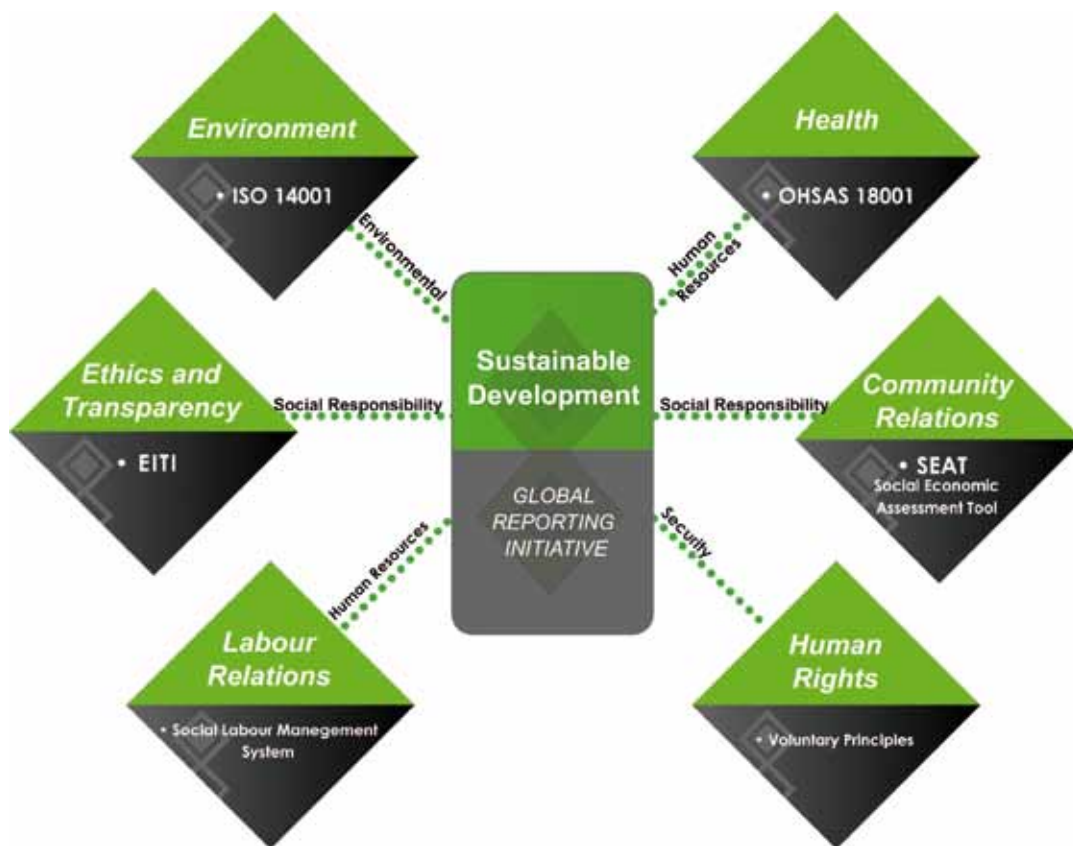
Cerrejón continues its commitment to the Voluntary Principles in Safety and Human Rights and to the Colombian Mining and Energy Committee of Human Rights.

Our HSEC Standard

Policies in Health, Safety, Environment, and Community (HSEC)

Cerrejón has an HSEC corporate programme that guides all areas of the operation. Thus, Cerrejón practices its business in harmony with the environment and society, protects the safety and health of its workers, and contributes to the development, well-being, and culture of the communities in its area of influence. It also works to implement the best practices of the mining industry as concerns health, safety, environment, and community.

International standards applied by Cerrejón



Standards

Standards of Social and Environmental Performance of the International Finance Corporation (IFC)

Specifically, Cerrejón has reformulated its resettlement policy and has applied the guidelines and regulations for social performance of the International Finance Corporation (IFC) of the World Bank.

Standards ISO 14001, OHSAS 18001, and SA8000

All of Cerrejón's actions are supported by Colombian law and covered by the System of Operational Integrity (SOI), the environmental standard ISO 14001, and the systems of Safety, Occupational Health, and Occupational Hygiene are covered by OHSAS 18001.

Moreover, Cerrejón established its System of Labour Responsibility following the international standard SA8000. It also respects the national agreements subscribed to under the International Labour Organization (ILO).

Socio-Economic Assessment Toolbox (SEAT)

All of Cerrejón's actions in the communities are performed in a framework of transparency and respect for the rights of the inhabitants. The Socio-Economic Assessment Toolbox (SEAT) of one of our shareholders (Anglo American) serves to evaluate this performance.

Specifically for this report, Cerrejón has applied the SEAT guidelines for calculating indicator 3D "Contribution to the National Economy".

Likewise, for compiling this report, as well as in its liaison with its stakeholders, Cerrejón has followed the guidelines of the:

Global Reporting Initiative GRI G3 2006

Cerrejón's Sustainability Report 2008 has also been compiled following the guidelines for sustainability report provided by this organization.

Specifically, we have applied their level A+ protocols, including those from the Mining and Metals Sector Supplement.

AA1000 Stakeholder Engagement Standard 2005

Accountability

In its liaison with its stakeholders, Cerrejón has taken into consideration the principles for the practice of Stakeholder Inclusivity related to Materiality, Inclusivity, and Responsiveness, in addition to the guidelines for relations with stakeholders in this standard.

For more information see
www.globalreporting.org
www.accountability21.net

Management of sustainability risks

Cerrejón currently has a system for risk identification that detects, prioritizes, measures, and manages risks to which the Company is exposed. All risks are managed and mitigated insofar as possible. The most noteworthy include:

Sustainability factor Impacts Risk identified	Impacts	Risk identified	Mitigation mechanisms
Health and Safety	Health and Safety of workers in the course of operations proper to Cerrejón and guarantee of a suitable response in case of emergency.	Occupational diseases and accidents, escalation of an emergency or lack of timely care of people.	Panoramas de riesgos, planes de Risk scenarios, plans for emergency prevention and care and Occupational Health Programme
Environment	Species, habitats, or ecosystems affected.	Loss of species, habitats, or ecosystems.	Environmental Management Programmes
	Environment affected by natural events.	Significant events in the environment in the middle term.	Cerrejón Water Foundation Aqua Guajira for the appropriate management and protection of water resources. Environmental Management Programme
Relations with the Community and Cultural Heritage	Highly valuable and relevant cultural elements affected.	Negative impact on elements of cultural value and relevance.	Joint actions with the Cerrejón Foundation Indigenous Guajira to remedy damage.
	Social order in the affected area of influence.	Reactions from the local community.	Dialogue with local communities affected to reach solutions. Social impacts on the actual residents.
	Social impacts on the local population.		

Organizational structure of the management model in sustainability

Cerrejón has defined a structure to manage each of the aspects of sustainability, distributed throughout the following positions and roles:

Dimensions of sustainability

CORPORATE ADMINISTRATION

Shareholders Committee
Presidency
Chief Operating Officer

ECONOMIC MANAGEMENT

Financial Vice-Presidency

ENVIRONMENTAL MANAGEMENT

Department of Environmental Management

SOCIAL ENGAGEMENT

Department of Sustainability and Public Affairs

LABOUR MANAGEMENT

Human Resources Department

SAFETY MANAGEMENT

Department of Safety and Emergency

HUMAN RIGHTS MANAGEMENT

Head of the Human Rights Programme

PRODUCT RESPONSIBILITY MANAGEMENT

Department of the Coal Quality Management System

CORPORATE STRATEGY: RESPONSIBLE MINING

The Cerrejón Way Principles:

"We aspire and commit to being at the forefront of responsible mining in Colombia and the world."

"We aspire for the communities to be pleased we are part of their environment and to want us to continue to be there."

"We shall work to ensure standards of living in the surrounding communities are sustainable. In addition to being a moral imperative, we recognize that Cerrejón is sustainable to the degree that development in La Guajira is."

"Particularly in the context of social responsibility, the paradigm of merely complying with the law is not enough. That is why we aim "to do the maximum possible and not the minimum necessary".

The eighth principle of the Cerrejón Way states: "Cerrejón aspires and commits itself to being at the forefront of responsible mining in Colombia and in the world." That is why it has managed to apply, the entire length of its value chain, the comprehensive concept of Responsible Mining as a corporate strategy that takes its management model in sustainability into practice.

Below are the main aspects reflecting how Cerrejón has applied the concept of Responsible Mining throughout its value chain, particularly as concerns the care and preservation of the environment (a topic developed in the chapter on Environmental Management), health and safety throughout the operation (developed in this chapter), and socially responsible engagement with the communities (developed in the chapter on Social Engagement).

Responsible Mining

The corporate strategy of Responsible Mining revolves around four fundamental action points:



Each action point comprises the stakeholders that influence and are influenced by Cerrejón.

With the action points defined, and the relevant stakeholders clearly identified, a business plan was planned and developed for 2008 that consisted of 13 strategic initiatives that determined the Company's activity. They are given below:

GRI
PR1, PR3, PR5, PR6, PR8, EN26, EN27,
LA6 – LA9

Mining and Metals Sector Supplement
MM12

Global Compact
2, 5, 8

Voluntary Principles in Safety and Human
Rights
DD.HH.

OHSAS 18001



We aspire and commit to being at the forefront of responsible mining in Colombia and the world.

Strategies developed by Cerrejón in 2008

Focal Point Strategic Initiatives	Strategic Initiatives
People (workers)	<p>Comply with the safety goals by implementing the plans and actions deriving from the safety strategies and maintain a healthy, productive labour force.</p> <p>Ensure the effective knowledge management. Ensure the permanence and evolution of the collective knowledge accumulated to date and over the coming decades at Cerrejón.</p> <p>Update Cerrejón's leadership model in accordance with the requirements and trends of global mining, strengthening a performance-based corporate culture that reinforces the recognition of individual and group achievements in the various forms of compensation.</p> <p>Promote pride in working at, collaborating with, and being part of Cerrejón through the implementation of initiatives that contribute to improve the corporate climate.</p> <p>Develop the 2008 plans for all the business cases identified in the project on efficiency and effectiveness. Strengthen the process for agile decision-making, empowerment, authority, and effectiveness with control. Special attention to be paid to internal clients.</p>
Market (clients, suppliers, and contractors)	<p>Maximize the operational performance of the mining fleets and the compliance with key parameters and performance of the coal chain infrastructure.</p> <p>Raise the mining standards, incorporating the results of the Nursery Pit project, in order to achieve the indicators for recovery, coal quality, productivity, logistics, maintenance, and others.</p> <p>Perform all necessary activities to achieve a successful expansion. Obtain the planned permits for the expansion projects.</p> <p>Meet the sales plan. Volume, price, opportunity, BTU output, size, homogeneity, and other quality parameters for maximizing income.</p> <p>Ensure an effective budget management. Implement projects for cost rationale and search for significant efficiency.</p> <p>Strengthen the role of technology as an enabler of management at Cerrejón through the development of the strategic technology plan with a vision to the future and implementing the approved technology projects.</p>
Environment (environment and regulating bodies)	<p>Honour the "social license to operate" and strengthen our status and perception as a good ally of the neighbouring communities, of the region, and of the country. Meet environmental and social indicators and standards, and make efficient, responsible use of natural resources.</p>
Communities (indigenous, farmers, NGOs, academic, government)	<p>Honour the "social license to operate" and strengthen our status and perception as a good ally of the neighbouring communities, of the region, and of the country. Meet environmental and social indicators and standards, and make efficient, responsible use of natural resources.</p> <p>Successfully fulfil the resettlement plans. Comply with the communities' action plans in coordination with the mining plan to be developed in the middle term.</p>

Responsible mining is our value chain

The strategy of responsible mining has been adhered to in each and every one of operation's stages, including aspects affecting our stakeholders, both up- and down-chain, where possible.

Responsibility for our product—coal

Strategic Initiative:

“Meet the sales plan. Volume, price, opportunity, BTU output, size, homogeneity, and other quality parameters for maximizing income.”

Coal in its natural state is not harmful to the health or to the environment; harmful effects arise from its use when subjected to combustion. In any case, Cerrejón/CZN have made the effort to deliver to the international market a product with low ash and sulfur contents in order to decrease impacts on people and the environment when it is burned in the installations of the clients of Cerrejón/CZN coal. The following initiatives have been developed and promoted to reduce environmental impacts due to coal use:

Agreement to develop Cerrejón-Colciencias research projects

In 2008, a call for participation was issued for the creation of a Bank of Research, Technological Development, and Innovation Projects as part of the government's strategy for research and sustainability in the mining-energy sector.

The call for participation was open to institutions having the technical ability and the infrastructure to develop the projects. The goal was to co-finance research and technological development projects in some of the following topics: innovations in coal-transformation projects; bio-fuel use; CO₂ reduction and capture; mine exploitation and coal benefit. For these projects, Cerrejón will supply 60 percent of the resources

and Colciencias the other 40 percent.
Cerrejón, member of the World Coal Institute

Cerrejón is a member of the World Coal Institute (WCI), a non-governmental, non-profit body founded by coal-mining companies and other bodies related to mining and energy. As a WCI member, Cerrejón distributes and receives information on the latest advances worldwide on environmental protection in coal exploitation and use. Advances in clean technologies for coal transformation will reduce the environmental impact in the coal chain and significantly decrease the risks associated with climate change, which is of global concern.

Responsible coal marketing

Noteworthy aspects of coal marketing at Cerrejón include:

- Permanent information for clients through participation in sector forums, visits to Mine and Port facilities, and regular communications on business activities.
- The CMC (Coal Marketing Company) performs post-sales visits to clients.
- Maintaining the privacy of information related to client corporate data and to the terms and conditions of the business agreements reached with them.
- Quality of products available on the international market. Cerrejón fully describes the quality of its products via specification sheets on quality, which become the basis for the contract agreements.
- Thanks to the transparency with which Cerrejón keeps its clients informed, there has never been a complaint in which unavailability of information was a cause. Moreover, there have never been any claims based on non-compliance, whether of client privacy, data theft, or of business-related regulations.

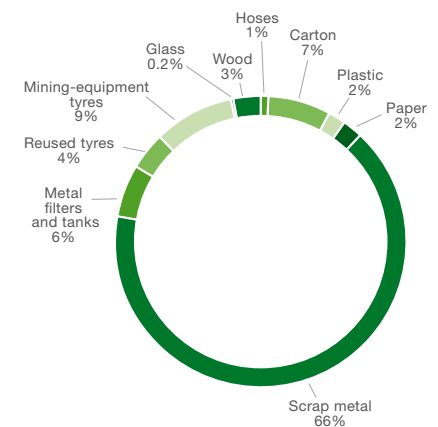
Shipping materials recovered at end of cycle

Due to the export conditions for coal, there are no shipping materials to be reclaimed at the end of the cycle.

In Cerrejón's production processes, we separate waste that is usable and recyclable. In 2008, there were 8,067 tonnes or common waste, of which 2,800 tonnes were reclaimed, equivalent to 36 percent of the waste generated over the year.

The graph below illustrates the various types of materials reclaimed and the fraction they comprise of the 2,800 tonnes reclaimed.

Waste reclaimed in 2008



Means of transportation

Cerrejón uses the most efficient means available worldwide for transporting the coal. The average round trip including loading, transportation, unloading at the Port, and returning to the Mine takes about 12 hours. The size of the trains means that the energy consumption for transporting a tonne of coal is minimal compared to other means such as overland by tractor trailer.

At the Port, particulate matter is permanently monitored, and there are procedures in place for monitoring the environmental impacts produced by the ships entering and leaving.

Transportation of personnel to the Mine is provided by transport companies guaranteeing the safety and appropriate maintenance of their vehicles. All contractors in these areas must comply with skills training in safe-driving techniques and comply with the requirements for driving within the Mine facilities.

For more information see www.worldcoal.org

Responsibility in supply use

The main supplies required in the coal-extraction process, aside from fuels and electrical power, are lubricating oils, tyres, and ammonium nitrate for mixing the necessary explosives.

The graph below illustrates the evolution of oil consumption at the Mine from 2006 to 2008. Although production increased by 10.2 percent, oil consumption dropped by five percent, from 1,689,208 gallons in 2006 to 1,612,309 gallons in 2008.

Resource consumption - Oil consumption (gal/year)



Tyre consumption rose from 1,738 units in 2006 to 2,089 in 2008, which comprises an increase of 16.7 percent over those three years. It should be noted that Cerrejón has a programme for re-using tyres by retreading them, and we are currently evaluating alternatives for recycling tyres at the end of their lifespan.

Ammonium nitrate consumption has decreased over the last three years thanks to implementing continual improvements in the blasting process. In 2006, ammonium nitrate consumption was 70,316 tonnes, dropping to 61,794 tonnes in 2008. This consists of a reduction of 12 percent over that period.

Emulsion use has also fallen over the last three years due to the employment of used oils in the explosives mixture. In 2006, emulsion consumption was 88,803 tonnes, dropping to 80,435 tonnes in 2008; that is, a reduction of 9.4 percent over that period.

Cerrejón is thus meeting its commitment with eco-efficiency, increasing its efficiency in resource use, and improving resource productivity.

We shall work to generate more confidence in our relations with our workers.



Operational performance

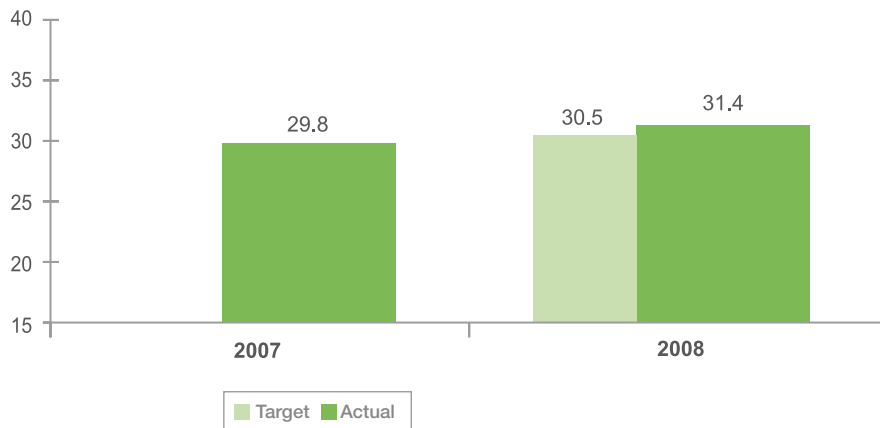
Strategic initiatives:

"Maximize the operational performance of the mining fleets and the compliance with key parameters and performance of the coal chain infrastructure."

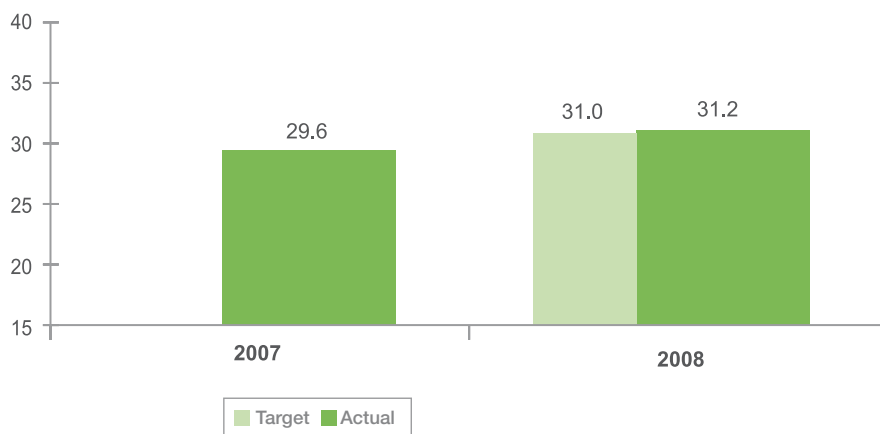
"Raise the mining standards, incorporating the results of the Nursery Pit project, in order to achieve the indicators for recovery, coal quality, productivity, logistics, maintenance, and others".

In 2008, the Company exceeded both its production and its export goals. It also racked up another year since the operation start without declaring force majeure to its clients. There were 31.4 millions of tonnes of coal exported (0.9 million tonnes over the target) and 31.2 millions of tonnes of coal produced (0.2 million tonnes over the target).

Coal exported (millions of tonnes)



Coal produced (millions of tonnes)





We proposed to operate the business while increasing our focus and awareness on the outside world.



Operational Improvement. Nursery Pit project.

In 2008, Cerrejón finished implementing the Nursery Pit project in the Patilla pit. The aims were to:

- Improve mining operation performance in terms of coal quality and recovery, as well as the performance of the mining-equipment fleets.
- Implement and test best practices and procedures to improve coal quality and recovery.
- Measure and validate improvements.
- Duplicate these practices in other areas of the Mine.

The root causes of these problems were identified, and the operational methods and practices were adjusted.

Six application initiatives were established for the short term:

1. Supply the operation with integrated, updated plans (Weekly)
2. Provide more monitoring in the PIT (Geology and Mining Planning)
3. Use smaller tractors in the interface.
4. Decrease ground unevenness for the various pit levels.
5. Establish expectations and obtain the appropriate behaviours.
6. Management of coal self-combustion.

The project scope also included aspects such as training the labour force, the performance of the support team, and reviewing the truck dispatch system (CTD).

Key project factors:

1. Identification of opportunities ('Fresh Eyes')

2. Mine Design

- Enough room (Working Room) for an adequate mining sequence.
- Drainage design of two percent:
 - a. Better front conditions, reducing the use of ancillary equipment.
 - b. Better flow for the drilling and blasting process.
 - c. Better area preparation means less risk of coal loss.
- Weekly plan: Allows the early identification and correction of deviations.

3. Operational motivation and discipline:

- Workshops with coal-mining operators and supervisors to spur motivation and unify criteria.
- On the Job Training for operators of caterpillar tractors and wheel dozers, trucks, power bull dozers, and loaders.
- Road marking and construction, avoiding damage to coal bed caps.
- Motivational campaign aiming to improve coal quality and recovery.

4. Monitoring:

- Monitoring of key indicators

- a. 24-hour monitoring.
- b. Measurement of progress in initiative implementation..
- c. Feedback on timely actions concerning deviations.

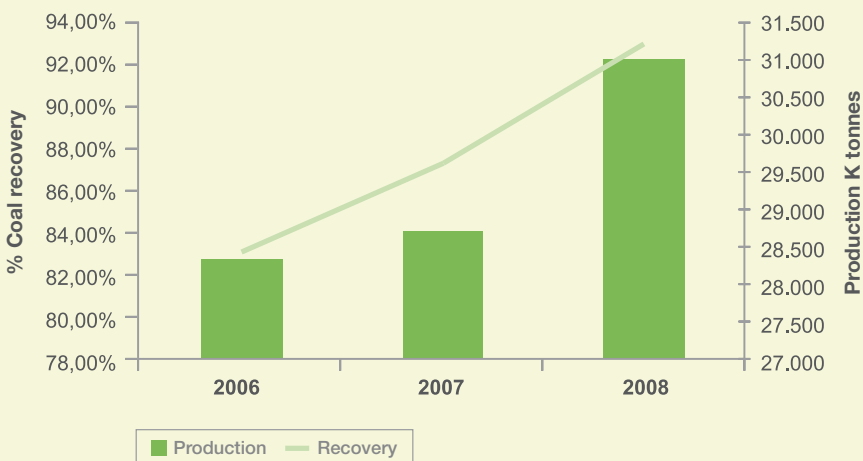
- Inspection and monitoring:

- a. Creation of monitoring group for mining standards.
- b. The initiatives implemented are now included in their daily inspection routine.

A multi-disciplinary team was formed, consisting of workers with Six Sigma Black Belt training from all responsible operational departments. The team was coordinated directly by the Chief Operating Officer and counted on the participation of experts from the shareholder companies.

In 2008, coal recovery reached 92.37 percent, which was 1.87 percentage points over the target and 6.1 percent over the 2007 figure of 87.08 percent.

% Coal recovery



Responsibility in health and safety

Strategic initiative:

“Comply with the safety goals by implementing the plans and actions deriving from the safety strategies and maintain a healthy, productive labour force.”

The main health and safety goals have not changed: zero fatalities, the creation of an injury-free culture at Cerrejón, and reducing to a minimum the probability of occupational diseases occurring.

Safety for contractors is also a focus area. We have designed a specific action plan to pay more attention to the safety performance of contractors and provide more support in order to close the gap between their performance and Cerrejón's.

Management indices

Fatalities

Unfortunately, in 2008 the Company suffered the loss of one of its workers, DAIRO SILGUERO, an Emergency Reponse Technician. He had a fatal accident on May 21 of 2008 while driving a fire truck.

The investigation determined that the cause of the accident was a sudden, sharp overcorrection of the vehicle he was driving upon being faced with a haul truck on a curve.

The following corrective measures were defined:

- Establish a means for the recording, monitoring, and control of speed in all light- and medium-weight equipment at the Mine
- Evaluate a device for mechanically governing travel speeds of emergency equipment to below 50 km/h.
- Accelerate implementation of the behavioural-based accident prevention process (PPABC) in the Emergency Response Group.

Injury frequency rate

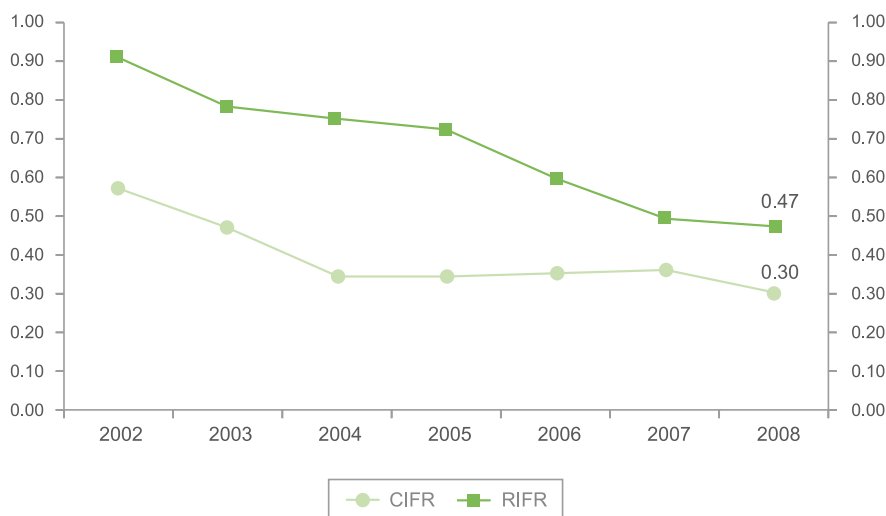
Recordable injury frequency rate (RIFR)

The recordable injury frequency rate in the operation overall was 0.47, thereby meeting the 2008 target of 0.51.

Classified injury frequency rate (CIFR)

The classified injury frequency rate (CIFR) of 0.30 was just slightly over the target of 0.29 for the year. However, it was far below the lowest rate of 0.34 recorded since 2004.

Injury frequency rate



Relevant safety matters in 2008

ISO 14001 and OHSAS 18001

The Cerrejón certifications in ISO 14001 and OHSAS 18001 were renewed in 2008. SGS (Société Générale de Surveillance), a verification, testing, and certification company, performed a certification audit on the management standards in health, safety, and environment at Cerrejón. The audit team recommended certification renewal.

Participation at all organizational management levels and of Cerrejón contract administrators is a key element for the success of this plan. Specific resources in the Safety Department have been dedicated to coordinate the execution of the action plan, including:

- Training in safety topics given by Cerrejón to contractors.
- Application of the revised version of Appendix D (legal requirements for contractors in health, safety, environment, and community).
- Evaluation of safety of contractors through the Colombian Safety Council.
- Application of requirements of training, skills, and performance elements and of Occupational Health of the System of Operational Integrity.
- Mechanisms to ensure compliance with the standards and procedures of the Fatal Risk Control Protocols.
- Implementation of Safety processes based on performance in critical contracts.

The following key activities were also performed:

- Established the daily “Management walks”. Senior management spends three hours of the working day in the field to reinforce leadership in Safety management.
- Start of implementation plan of Fatal Risk Control Protocols (FRCP) and management of resources and budget. A handbook was printed including the check list of requirements for the various protocols in order to facilitate identification of deviations with field compliance inspections.



We aim to always build trust with our stakeholders

- Consolidation of the Engineering Solutions project, performing engineering corrections on all fronts of the operation.
- We established proactive safety indicators to provide the management team with focus on the compliance with the four main strategies: i) Leadership, ii) Safe performance in contractors, iii) Reinforcement of operational discipline, and iv) Implementation of the Fatal Risk Control Protocols (FRCP).
- Design and implementation of the new methodology for evaluating work risks focussing on identification and control. The application of the individual analysis concept of the risks was changed to a group analysis (AST).
- Review of methodology for compiling the “Cerrejón risk panorama”, introducing standardization based on a predetermined risk matrix applied to the different activities by occupation. The panorama for both employees and contractors was updated.
- Review of driver authorization process for operators of medium- and lightweight equipment with the construction of practice facilities involving a training field that simulates actual driving conditions at the Mine. Updating of “Driving manual”
- Review of strategy, both of resources and of responsibilities, to consolidate the Emergency Care group and their response capability, both at the Mine and at Puerto Bolívar.
- Implementation of ICAM (Incident Cause Analysis Method) to investigate high-risk incidents. Management is involved to lead re-investigation committees.

B-Safe campaign: Follow the rules, don't be lax



In 2008, Cerrejón designed the initiative of B-Safe. The basic strategy was to raise awareness of safety matters, not only of workers, but also of stakeholders in the value chain, particularly contractors and neighbouring communities. The aim is to strengthen the safety culture at the Mine and at Puerto Bolívar, and also to spread a notion of its importance throughout the region of La Guajira. B-Safe aims for people to be more aware of the value of safety on the railway lines, at home, at work, in sports, and in daily life. To do so, it states a clear message on the need to “Follow the rules, don't be lax”.

The basic goal is to decrease accident rates at the Mine by having greater balance between the company where our employees work and outside the company, where they live with their families and neighbours. This consists in:

Internally: Generating a culture of respect and compliance with Company standards and rules, as well as attacking overconfidence in performing tasks.

1. Visible leadership: Define the specific expectations of responsibilities with the presence of management in the field, commitment by supervisors and the operation to comply with standards.
2. Behavioural programmes: Defining, with specific programmes, expectations in observers for the identification of risky behaviour in the operation.
3. Respect for standards: Understanding the difference between punishment and responsibility for decisions we make while aware of the consequences.
4. Team work with workers and contractors: Reinforcing the importance of teamwork between employees and contractors, establishing the minimum rules and the support responsibilities of contract administrators.

Externally: Generate a cultural change to establish the start of a culture of safety in the communities in the area of influence of Cerrejón.

B-Safe works in four major areas:

1. Safe Traffic: Seeks to strengthen safety on the roads of La Guajira.
2. Safe Education: Aims to create greater safety awareness in the children and youth of La Guajira.
3. Healthy Lifestyle: Works on fundamental aspects that can influence personal safety from the aspects of sports and rest.
4. Safe Training: Aims to strengthen the safety culture during festivals and fairs in La Guajira.

B-Safe takes place in two different settings at the same time:

Inside setting: The Mine and Puerto Bolívar
Outside setting: Municipalities of San Juan del Cesar, Fonseca, Albania, and Riohacha.

The launching of B-Safe in the municipalities was headed by the singer Felipe Peláez, who gave a concert to the public of San Juan, Fonseca, Albania, and Riohacha showcasing his main songs and topics alluding to safety. Thus, the message of B-Safe reached uncounted people in La Guajira, who are starting to be concerned about and work towards safety.

In addition, the campaign also had the following launchings:

1. Senior management launch
2. Launch to news media
3. Internal launch at Cerrejón
4. Launch at Puerto Bolívar
5. Launch to administrative personnel

The main conclusions reached in the campaign include:

- Safety is a priority at Cerrejón, and for years we have worked intensively to obtain world-class results. However, in its desire for improvement, the Company decided to take it one step further and work from inside the culture, whence the creation of B-Safe.
- With these launches, Cerrejón began to raise awareness of the importance of safety amongst the inhabitants of the affected populations.
- In preliminary talks with authorities and educators to create strategic alliances, these key audiences showed considerable interest in the project. In every case, they expressed the need for such a safety project for La Guajira and that they were prepared to support it.

Campaign "Put safety in good hands"

This programme was launched with the aim of reinforcing hand safety. It sought to gather ideas to help prevent or eliminate hand accidents in the activities performed by Cerrejón employees and contractors. Over the course of ten days, 120 talks were given to approximately 1,200 employees.

Some of the messages are:

- The importance of hands and the difficulty of life without one of them.
- We must care for our hands because they are the source of sustenance for our family.
- Hands last your whole life, and so do injuries.
- Before beginning work, we must keep in mind that our hands are our most valuable tools and that we must be careful of them.

Safe and healthy collective right

Cerrejón cares about the health and safety of all its workers and, in keeping with that, it has created, through the collective agreement, safety aspects that are essential for providing a safe, healthy environment.

The agreement defines, among others, the following key aspects:

- Occupational Health Policy, under the umbrella of which all the prevention, promotion, and monitoring programmes are developed and implemented..
- Representation on the Joint Committee on Occupational Health (COPASO, its acronym in Spanish).
- Protection elements appropriate for the tasks carried out and of mandatory use.
- Prescription eyeglasses (different from industrial safety glasses).
- Relocation due to disability.
- Provision of work.
- Medical aid (medicine, prepaid or complementary medicine, bonuses).
- Transportation for cases of disability at the Mine.
- Health care services.

Zero fatalities

Our fatality control strategy focusses on demanding compliance with the Fatal Risk Control Protocols (FRCP) both amongst employees and contractors. It also includes application of the Engineering Solutions project. The action plans are in development and culminate in 2010.

LIAISON WITH STAKEHOLDERS

GRI
4.14 – 4.17

The Cerrejón Way Principles:

"We aim to always build trust with our stakeholders"

"We propose to operate the business while increasing our focus and awareness on the outside world"

"We aspire for the communities to be pleased we are part of their environment and to want us to continue to be there"

"We shall work to ensure standards of living in the surrounding communities are sustainable. In addition to being a moral imperative, we recognize that Cerrejón is sustainable to the degree that development in La Guajira is"

Strategic Initiative:

"Honour the "social license to operate" and strengthen our status and perception as a good ally of the neighbouring communities, of the region, and of the country. Meet environmental and social indicators and standards, and make efficient, responsible use of natural resources"

The process of identifying Cerrejón's stakeholders was based on the Company's needs to generate goals in response to the expectations of these various groups, evaluating the impact level for each resulting from the Company's decision-making and management.

The basis for the classification was the type of stakeholder according to geographic area: national, regional, and local. For each we identified the stakeholders per se: the national and departmental governments, ministries, Congress,

departmental bodies, universities, environmental and social NGOs, news media, mayors' offices, suppliers, towns, guilds, and coal purchasers, amongst others.

For each stakeholder, we identified related bodies or organizations and examined the techniques of interrelation, the description and detail of their viewpoints, and examined the advantages and disadvantages that might arise from the relationship.

We shall work to ensure standards of living in the surrounding communities are sustainable. In addition to being a moral imperative, we recognize that Cerrejón is sustainable to the degree that development in La Guajira is.



Inclusivity

Management results for 2008. Below we present Cerrejón's stakeholders together with means of communication, topics of interest, and relevant achievements.

Stakeholder	Means of communication	Topics of interest	Achievements 2008
National government	<ul style="list-style-type: none"> - Meetings - Web page - Required reports - Visits to installations - Communications by e-mail or telephone 	<ul style="list-style-type: none"> - Royalty investment - Licenses - Environmental management - Social engagement - Support for the promotion of Wayuu handicrafts - Programmes and assistance for indigenous communities - Environmental legislation - Human Rights 	<p>Strengthening of Cerrejón Foundations System with corporate governance.</p> <p>Royalties generated in 2008: US\$ 305 million.</p> <p>Taxes paid: US\$ 180 million.</p>
Local government and departmental bodies	<ul style="list-style-type: none"> - Meetings - Web page - Required reports - Visits to installations - Communications by e-mail or telephone 	<ul style="list-style-type: none"> - Royalty investment - Educational projects - Environmental management - Micro-business strengthening - Institutional support - Project support with economic resources 	<p>Visible Auditing of projects financed with royalties at the municipal level with the participation of national regulating bodies.</p> <p>Support for the regional programme of Court Houses.</p> <p>Support for Departmental/Municipal Education Area.</p>
Authorities	<ul style="list-style-type: none"> - Regular meetings - Communications by e-mail or telephone - Visits to installations 	<ul style="list-style-type: none"> - Agreement for operations protection - Cooperation in investigations - Human Rights 	<p>Training for Public Security Forces in Human Rights and International Humanitarian Rights.</p>
Mining sector	<ul style="list-style-type: none"> - Participation in events - Regular meetings - Communications by e-mail or telephone 	<ul style="list-style-type: none"> - Environmental legislation - Environmental management 	<p>Active participation in the Asomineros Association and ANDI large power consumers.</p> <p>Participation in mining congresses in 2008.</p>
Indigenous communities	<ul style="list-style-type: none"> - Regular meetings - Social intervention workshops - Visits to indigenous reservations - Visits to Cerrejón installations - Communications by telephone - System of Operational Integrity, mechanism for requests and suggestions - Community service point 	<ul style="list-style-type: none"> - Programmes for promotion and prevention - Support for the promotion of Wayuu handicrafts - Programmes and assistance for the indigenous communities 	<p>Ayatajirawa Riohacha Programme.</p> <p>Media Luna Ayatajirawa Programme and Railway Line.</p> <p>Experimental Farm.</p> <p>Food safety network.</p>
Local communities and farmers	<ul style="list-style-type: none"> - Regular meetings - Social intervention workshops - House visits - Visits to Cerrejón installations - Communications by telephone - Round tables - System of Operational Integrity, mechanism for requests, complaints, and suggestions - Community service point 	<ul style="list-style-type: none"> - Project support with economic resources - Support and fairs for micro-businesses - Agreements and ongoing talks with the community - Social Engagement Plan 	<p>Record figures for Cerrejón's social investment.</p> <p>Measurable progress in resettlement plans of Roche, Patilla, Chancleta, and Tamaquito in accordance with international standards.</p> <p>Successful agreements satisfactory for all parties with the resettled communities of Tabaco and Oreganal. Change in attitude and historic moment.</p>
Educational institutions	<ul style="list-style-type: none"> - Follow-up meetings for projects - Web page - Visits to installations - Communications by e-mail or telephone 	<ul style="list-style-type: none"> - Agreements - Improvements in educational quality - Scholarships - Institutional information 	<p>SENA agreement for vocational training (employment/income).</p> <p>Inter-cultural bilingual programme Kamüsüchiwo'u Ethno-Educational Centre.</p> <p>Improvements in quality of education: strengthening of school administration (Albania, Hatonuevo, and Barrancas). Training of teachers and head teachers.</p> <p>Awarding of new Excellence Scholarships and Fulbright Scholarship.</p>
Health institutions	<ul style="list-style-type: none"> - Visits to institutions - Meetings when necessary - Communications by telephone 	<ul style="list-style-type: none"> - Institutional support - Monitoring of fauna and hydrobiology 	<p>Broadening and improvements to health coverage</p> <p>Mobile health unit.</p> <p>Improvements to sanitary and hygiene conditions for the rural population in five municipalities of the Department of La Guajira.</p>

Stakeholder	Means of communication	Topics of interest	Achievements 2008
NGO	<ul style="list-style-type: none"> - Regular meetings - Visits to Cerrejón installations - Communications by telephone or e-mail - Web page 	<ul style="list-style-type: none"> - Environmental management - Social engagement - Land reclamation - Project support with economic resources - Consulting for the implementation of the Voluntary Principles - Promotion and announcement of credit programmes - Comply with the 10 basic principles of the Global Compact 	Validation of our social and environmental programmes by the Third Party Review Panel (TPR).
Environment	<ul style="list-style-type: none"> - Meetings - Web page - Required reports - Visits to installations - Communications by e-mail or telephone 	<ul style="list-style-type: none"> - Environmental and community production programmes in the framework of sustainable development - Monitoring of environmental management - Feasibility studies in order to implement environmental programmes 	<p>Land recovery for 2,527 hectares, with 97.2 percent of the total recovered. Increase of 700 hectares compared to 2007.</p> <p>Increase in the uptake of low-quality water (2006–2008) of 85 percent and decrease in the uptake of high-quality water (Ranchería River and aquifers) of 35 percent.</p> <p>From 2006 to 2008, the total emissions of particulate matter at the Mine fell by 39 percent, from 43,382 to 26,526 tonnes.</p> <p>Increase in environmental investment (2007–2008) of 78.5 percent, reaching 76,798 million pesos (35.7 million dollars).</p>
Suppliers and contractors	<ul style="list-style-type: none"> - Web page - Follow-up meetings - Visits to Cerrejón installations - Communications by e-mail or telephone - COPASO 	<ul style="list-style-type: none"> - Certifications - Service quality and improvement - Agreements with the Company - Purchasing and contracting processes 	<p>Programme to strengthen local and national suppliers: targets set to substitute supplies for the purchasing area.</p> <p>Increased hiring of local workers and those from the area of influence by contractors.</p> <p>Relationship with the Cerrejón environmental area on the projects of supply substitution, handling of industrial waste (Cerrejón and contractors), and recycling (Manos Solidarias Foundation).</p>
Employees	<ul style="list-style-type: none"> - Intranet - Web page - Regular meetings - Communications by e-mail, intranet, or telephone - Business Partners - Mailbox - Magazine Cerrejón al Día (Cerrejón Today) - Magazine Mundo Cerrejón (Cerrejón World) - Notitren Bulletin - COPASO 	<ul style="list-style-type: none"> - Support and fairs for micro-businesses - Agreements for catering and ground transport - Collective agreement - Safety - Personal and family growth - Coordination of sports clubs 	<p>Successful negotiation of collective labour agreement. Improvement to the compensation system.</p> <p>Launch of the Cerrejón Way programme.</p> <p>Transformation of structure of the Human Resources Department.</p> <p>Recognition 'Employer of Choice' - Human Resources Association (ACRIP).</p>
Others (media, culture, sports)	<ul style="list-style-type: none"> - Participation in events - Regular meetings - Visits to Cerrejón installations - Web page - Interviews - Management communications division - Press conferences 	<ul style="list-style-type: none"> - Publicity - Institutional information - Sponsorship 	<p>Music programme (symphonic orchestra/Orff orchestra).</p> <p>Sports programme Young Talents.</p> <p>Campaign 'Coal, the magic stone for progress in La Guajira', with excellent results.</p>

Dialogue with stakeholders

In the first quarter of 2009, dialogues were held with the stakeholders with the basic goal of gathering their views (both internal and external) of Cerrejón's social, economic, and environmental engagement. These talks served to define the topics of greatest impact and to identify the expectation encountered as concerns the Company's management. This information will serve not only for the relevance analysis of this Report, but also for updating and adjusting the corporate strategy of Responsible Mining and the Sustainability Model.

The basis was 22 meetings with senior management officials and 14 talks between Cerrejón and its stakeholders. The consulting firm of Price Waterhouse Coopers was present and served as moderator.

The dialogues were carried out in the form of meetings with representatives from each stakeholder. This technique was chosen because it comprised an effective, flexible means of compiling diverse impressions and in order to learn the variety of stakeholder viewpoints.

Six stakeholders were defined for discussing relevant themes for each group:

- Local and national governments
- Workers
- Suppliers
- Regional educational institutions
- Opinion leaders
- Local and national news media

Dialogue results

Below are the main aspects analysed in the dialogues:

Stakeholder	Number of representatives	Aspect analysed
National and local governments	51	Local purchases
		Employment of locals
		Value of royalties paid
		Mental-health problems in Wayuu communities adjacent to the Railway Line
		Greater communication of Cerrejón and Cerrejón Foundations with municipalities
		Credits to micro-businesses
		Educational agreements
		Work group with mayors
		Equal conditions
		Self-sustainable projects (without Cerrejón)
		Agricultural farm
		Support for sport
		Most frequent meetings (quarterly)
		Management of Cerrejón Foundations System
		Infrastructure projects in municipalities
Workers	23	Pact for legal mining
		Greater cooperation with national government
		Comply with labour rules and regulations on resettlement due to health reasons
		Announcement of certification of maritime operations in Puerto Bolívar
		Monitoring of implementation of SA8000
		Training in sustainable use of energy resources
		Programmes for retaining young personnel
		Social programmes with Puerto Bolívar communities
		Career plans
		Personnel selection and job profiles
Increase in occupational diseases		

Stakeholder	Number of representatives	Aspect analysed
Suppliers and contractors	51	Knowledge of Cerrejón's recycling process
		Indigenous people in labour force of suppliers
		Support for local supply companies
		Technical training for Guajirans
		More exhaustive reviews of prices and materials on offers tendered
		Decrease in demands on small businesses
		Develop tourism potential of La Guajira
		Inform suppliers of Cerrejón sustainability model and present with reports
		Development of locally-based suppliers
Regional educational institutions	49	Local purchases
		Inter-institutional support
		Illiteracy in the department
		Excellence Scholarships Programme
		Donation of computers
		Construction of Recreation Centre La Guajira
		Joint projects with Guajiran agencies
		Local employment
		Social impact on Railway Line
		Departmental Cultural Events
		Indigenous infant health
		Joined the regional competitiveness plan
		Support for medical emergency system
Information on projects such as the Cerrejón hotel and university		
Support and sponsorship for the University of La Guajira		
Opinion leaders	5	Study to analyse the country's dependence on mining and macro-economic policies
		Alliance with news media on Royalty status
		Foundations programmes vs Cerrejón Strategy
		Support for culture of political anti-corruption in La Guajira
Local and national news media	18	Greater communication of Cerrejón programmes and closer relations with media
		Cerrejón in royalty auditing
		Reciprocity
		Management of Radio Cerrejón
		La Guajira with and without Cerrejón
		Announcements of good practices and actions for the community, Guajiran micro-businesses, and so on.



We aspire for the communities to be pleased we are part of their environment and to want us to continue to be there.

The following recurring topics were noted:

- Local development—jobs, education, entrepreneurship, culture.
- Benefit of each of the Cerrejón Foundations for society.
- Greater communication and dialogue from Cerrejón.
- Promote Cerrejón's vision: "Open the doors."
- Promote good practices outside of Cerrejón.

- Communicate the results, impacts, and contribution of Cerrejón.
- Closer ties and relationship with State institutions.

In light of the topics obtained, Cerrejón shall build an action plan emphasising:

- Expectations.
- Needs (those that Cerrejón can respond to and those it cannot because they are not under the Company's control).
- Define specific actions or formal plans for the requests received during the talks.

- Review the information the Company is currently producing to focus communication efforts on what is truly relevant.
- Complement and increase the detail of the relevant information and decrease the non-relevant to the minimum required.

In particular, in community engagement, the information obtained from these processes will be an asset for the community relations plan to be formulated for the second quarter of 2009.

CORPORATE GOVERNANCE

The Cerrejón Way Principle:

"We recognize that transparency is fundamental in our relations with the communities"

Aware of new business challenges, the Company has planned an administrative structure in accordance with its needs, those of the market, and those of its environment. This structure is aimed at achieving a responsible and efficient administration of its human resources and of Cerrejón's operational activity whose goal is to manage and minimize the effect of its risks in comprehensive topics: social, environmental, and economic.

The corporate governance of Cerrejón consists of the Shareholder Committee, the President, the Executive Vice-President of Operations, and the managers, who are tasked with leading, steering, and managing the Company.

GRI

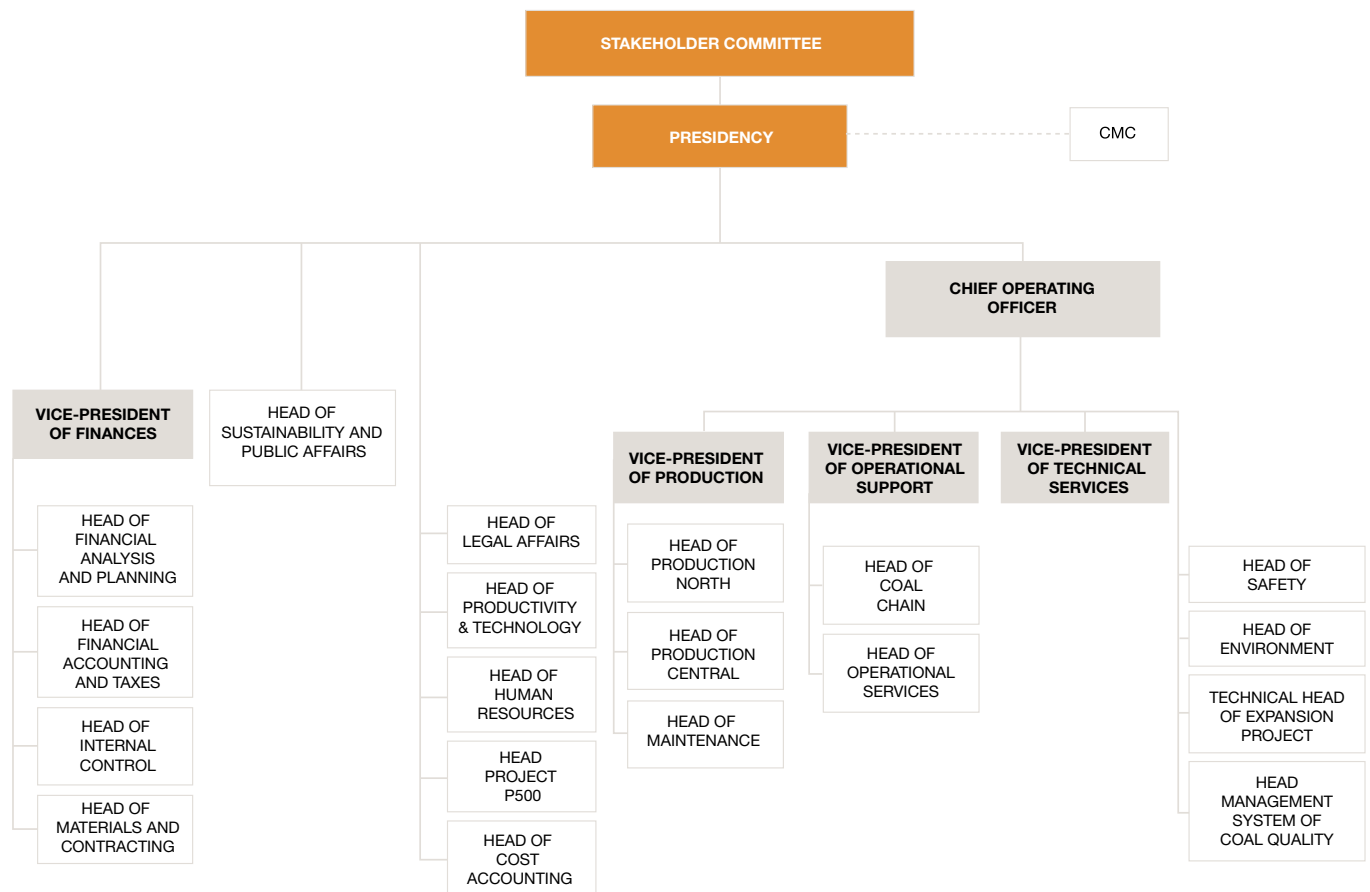
4.1 - 4.7, 4.9, 4.10, EC4, SO2 - SO7

Global Compact

10

Extractive Industries Transparency Initiative (EITI)

Corporate structure



The Cerrejón Shareholder Committee consists of a principal representative and a substitute from each of the companies BHP Billiton, Anglo American, and Xstrata Plc. The Committee is presided by a different member each year. It monitors the actions contemplated in the annual plan, approves the annual budget, investments, and the five-year plan.

Cerrejón has established both governance committees and monitoring meetings that analyse not only business aspects but also the sustainable administration of the Company in economic, social, and environmental terms.

Skills in Senior Management and performance bonuses

All positions, including management levels, have a job description listing the skills required to shoulder the responsibilities of the position. Management positions require a mastery of skills allowing the suitable decision-making appropriate to that level.

Common skills found in the management group include the following:

- **Personal/intellectual skills:** Ability to handle pressure, assertiveness, handling ambiguity, communications, decision-making, adaptability to change and innovation, conceptual thinking.
- **Performance skills at work:** Teamwork and the generation of synergy and continual improvement, project management, bargaining, and business development.
- **Leadership:** Effective leadership .

The performance of senior management and executives is tied to the overall performance of the organization by monthly bonuses since it is a full-time commitment and is exclusively devoted to Company activities. For all executive levels, Cerrejón applies a variable bonus system that depends on the achievement of the annual targets and is in line with the organization's performance in social, environmental, and economic aspects whose trend is handled through systematic evaluations of professional performance and development.

Ethics and transparency

Cerrejón has an ethics policy based on the sixth and seventh principles of the Cerrejón Way: "We recognize that transparency is fundamental in our relations with the communities" and "We aim to always build trust with our stakeholders". This policy is known to all employees and compliance with it is permanently monitored. In addition, there is a manual of policies and behavioural guides and an Ethics Committee that guarantee the appropriate application and compliance of these mechanisms.

The path of maximum integrity

It is Cerrejón's policy to strictly comply with all laws applicable to its businesses. This policy does not stop there. In all of its activities, Cerrejón chooses the path of maximum integrity. Honesty is not subject to criticism in any culture. A spotless reputation, based on honest dealings, comprises in itself an invaluable asset for the Company.

That is why Cerrejón has a policy to prevent conflict of interests by its members. This policy demands that all employees avoid any conflict between their own interests and businesses and those of the Company when dealing with suppliers, clients, contractors, or any other person outside the Company.

Application of control measures

In 2008, various actions were taken due to violation of corporate policies. Risk analyses were carried out, and control measures were implemented to mitigate the risks identified. In addition, installation security was reinforced, and extra restrictions were adopted in the materials area.

Following these same policies, Cerrejón maintains a neutral position as to ideologies, and it does not participate in political activities nor in any other related activity.

The Company does not make contributions to nor does it collaborate with political parties. It does not participate in lobbying and does not intervene in public policies.

In 2008, there were four reviews by the shareholders, an external audit of financial status, and seven audits and reviews by Auditing and Internal Control. The declaration of compliance with Cerrejón's corporate policies was announced and circulated to 1,300 workers.

Fulfillment of laws and regulations

The Cerrejón Way Principle:

"Particularly in the context of social responsibility, the paradigm of merely complying with the law is not enough. That is why we aim "to do the maximum possible and not the minimum necessary"

In line with the philosophy of "to do the maximum possible and not the minimum necessary". Cerrejón goes beyond mere compliance with the laws and regulations of the country. That is why, in 2008, there were no fines or sanctions for lack of compliance with environmental laws and regulations, nor were there any for lack of compliance with laws and regulations in the supply and use of Cerrejón's product.

In 2008, Cerrejón received no fines or sanctions for lack of compliance with Colombian law and regulations. There were no actions related to monopolistic practices nor against free competition, and there was no incidence of bribery.

EITI Initiative

Cerrejón applies the principles established in the Extractive Industry Transparency Initiative (EITI), particularly as concerns the management of royalties generated by the operation for La Guajira and the rest of the country.

Cerrejón increased its participation with regional actors in an effort to increase trust between the Company and the communities in its areas of operation.

Together with the Foundation for the Institutional Strengthening of La Guajira (see chapter on Foundations System), we have developed initiatives allowing the application of changes and improvements to institutions in the region of La Guajira as concerns:

- **Strong business leadership.**
- **A high level of attention by the national government.**
- **Public accountability and fiscal budget accountability in focus.**
- **Prevention through technical training**
- **Ample participation in civil society.**
- **Raising awareness through the news media.**

ADDED VALUE AND ECONOMIC PERFORMANCE

The Cerrejón Way Principle:

"We propose to operate the business while increasing our focus and awareness on the outside world"

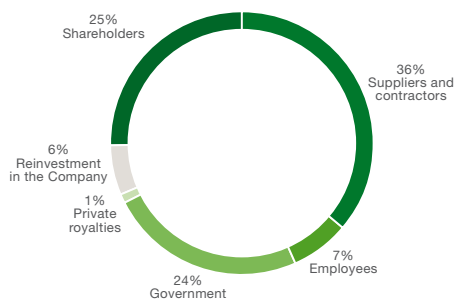
"We shall work to ensure standards of living in the surrounding communities are sustainable. In addition to being a moral imperative, we recognize that Cerrejón is sustainable to the degree that development in La Guajira is"

Strategic Initiative:

"Ensure an effective budget management. Implement projects for cost rationale and search for significant efficiency"

For 2008, Cerrejón opted to calculate the distribution of the economic value the Company generates amongst its main stakeholders during that year. In addition, it adopted the guidelines of indicator 3D from the Socio-Economic Assessment Toolbox (SEAT) of Anglo American Plc. concerning the Company's contribution to the national economy.

Distribution of wealth generated²



Operational income

Cerrejón's operational income in 2008 was 5,329,848 million pesos, which represents an increase of 74 percent over the previous year, in which the figure was 3,065,231 million pesos.

Workers

Recorded costs for direct employees for salaries and benefits increased by 16 percent over the previous year, reaching 390,420 million pesos. This is in keeping with the increase in number of direct employees, which rose from 4,102 in 2007 to 5,116 in 2008.

Suppliers and contractors

The companies that collaborate with Cerrejón represent a significant contribution to the operation's activities, numbering 4,125 people in 2008. The accounts of suppliers and contractors (national and foreign) increased by 69 percent in 2008, from 1,130,640 million in 2007 to 1,915,202 million

State

Cerrejón's contribution to the community and its socio-economic development is not limited solely to its direct contributions and projects carried through with inhabitants. Rather, a significant part of the Company's resources are paid to federal and departmental treasury chests through direct taxes, fees, non-fiscal contributions, and others.

In 2008, these payments totalled 1,293,596 million pesos, whereas in 2007 they were 592,374 million pesos. This represents a significant increase of 118 percent.

GRI
EC1, EC6, EC9

Global Compact
8

Millennium Development Goals
8

Socio-Economic Assessment Toolbox (SEAT)
3D

Royalties

Cerrejón contributed a total of 547,158 million pesos in royalties in 2008, which was 303,571 million more than in 2007, equivalent to a 125 percent increase.

Taxes

Taxes generated by Cerrejón in 2008 totalled 746,438,448 million pesos. This amount includes income and property taxes, non-fiscal contributions related to the workforce, and other departmental and municipal taxes such as property, stamp, and vehicle taxes, and so on.

Taxes Generated* millions of pesos	2008
Diesel fuel surcharge, revenue stamps, tariffs, energy contribution tax, port fees, property taxes, vehicle taxes, and stamp duties	55.730.302
Contributions	19.194.414
Income and Property Taxes	671.513.733
Total taxes	746.438.448

*Based on information from the Income Statement of December 31 of 2008

Shareholders

The net profit for the 2008 financial year was 1,352,561 million pesos, representing an increase of 137 percent over the net profit of 569,799 million pesos for the financial year of 2007.

²Technical Notes:

- These calculations cover both Cerrejón Coal Limited and Cerrejón Zona Norte S.A.
- The data is derived from the official audit of financial status (specifically the Profit and Loss Statement).
- The amount paid out to employees includes all remunerations, benefits, and compensations associated with direct workers.
- Reinvestment in the Company includes depreciations and amortization for the fiscal year.

Reinvestment in the Company

The economic value reinvested corresponds to those amounts not distributed to the stakeholders and that the Company uses to provide continuity for the operation. They correspond to depreciations and amortizations for the period. It should be noted that for Cerrejón, as part of an extractive industry, the main reinvestment area is renewal of mining equipment, which cost 312,725 million pesos in 2008 and 419,332 million pesos in 2007.

Contribution to the Colombian economy

Socio-Economic Assessment Toolbox (SEAT)

The Socio-Economic Assessment Toolbox (SEAT) is a socio-economic evaluation methodology for mining operations applied by Anglo American. Cerrejón has taken it as a reference for calculating its contribution to the country's economy, following the guidelines of the 3D indicator.

The aim of this indicator is to help companies to robustly describe their contributions to the economy of the country in which they operate.

This goal is achievable by using three different forms of measuring contributions to the national economy:

1. Aggregate value: This is the measure of the Company's contribution to the wealth generated in the economy.
2. Percentage of the Company's contribution to the Gross Domestic Product (GDP) of the country. The GDP is the sum of the aggregate value produced by a country's total economy.
3. Contribution to the country's trade gap. The trade gap is the amount by which the operation's total imports exceed exports.

The aggregate value is known as the aggregate value retained in the country and is defined as: total payments to employees + taxes and royalties generated + all returns to shareholders of capital (including interest payments and benefits kept by the Company for investments and replacement of depreciated assets). The values must be given in national currency, in this case nominal pesos for each year.

Thanks to the fact that, in Colombia, national accounts are calculated by region, it is possible

to calculate Cerrejón's participation in the economic activity of La Guajira. Cerrejón accounts for the majority of the regional Gross Domestic Product of La Guajira (41%).

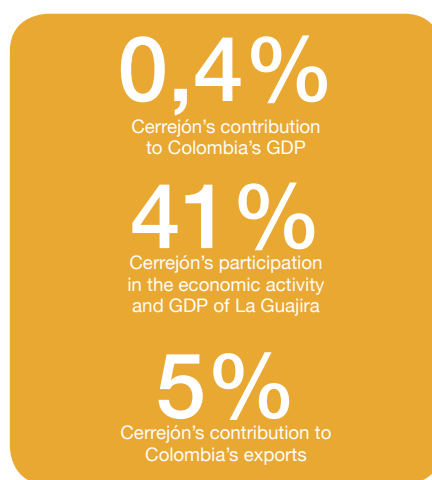
This calculation can be obtained even though it is not explicit in the SEAT methodology. Based on the DANE departmental accounts, we know the economic structure of the Department of La Guajira, and this specifically contains the aggregate value generated by the coal sector, which is entirely comprised of Cerrejón's operation. We can thus calculate the relative participation of Cerrejón and of other economic sectors in the GDP of La Guajira.

See: www.dane.gov.co

Contributions to Exports

To calculate Cerrejón's contribution to the country's exports, we must first calculate the net amounts exported by the Company and then compare them with the country's total exports.

Applying the guidelines of the SEAT methodology for the calculations gave the following results:



Local supplies

Since the very beginning of its mining operation in La Guajira, Cerrejón has striven to purchase goods and services from suppliers in the region. We have recorded statistics on the volume of business and explored viable opportunities.

When there is a suitable offer of goods or services that meet the Company's requirements, the order of preference for suppliers has been as follows:

1°. Suppliers from the area of influence of the Mine.

2°. Suppliers from La Guajira.

3° Suppliers from Barranquilla (due to the cargo handling operation in this city).

4°. Suppliers from the Atlantic Coast.

5°. National suppliers.

And, finally, international suppliers.

In the specific case of suppliers from La Guajira, the Company has purchased goods from them and the Company has shown itself willing to foster the development of supply sources in order to promote projects receiving support from the Foundations System programmes.

Special emphasis has been given to promoting the use of local labour through third-party service provision (contracting) and focussing, through the Cerrejón Foundations, on support initiatives for business creation in La Guajira.

The value of national-level purchases, contracts, acquisitions, and supplies was 613,201 million pesos in 2008. Of that, 41 percent was spent in the region (municipalities in the area of influence—where the value of purchases has substantially increased in recent years, other municipalities of La Guajira, and the Atlantic Coast).

National purchases, contracts, acquisitions, and supplies

Col \$ million nominal pesos

	Municipalities in the Area of Influence	Other Municipalities, La Guajira	Atlantic Coast	Rest of Colombia	National Total
2006	25,142	23,872	176,203	266,194	491,411
2007	28,698	12,485	165,716	328,812	535,713
2008	39,654	17,499	196,073	359,975	613,201

SOCIAL ENGAGEMENT

The Cerrejón Way Principle:

"We aspire for the communities to be pleased we are part of their environment and to want us to continue to be there"

"Particularly in the context of social responsibility, the paradigm of merely complying with the law is not enough. That is why we aim "to do the maximum possible and not the minimum necessary"

"We shall work to ensure standards of living in the surrounding communities are sustainable. In addition to being a moral imperative, we recognize that Cerrejón is sustainable to the degree that development in La Guajira is"

Strategic Initiative:

"Honour the "social license to operate" and strengthen our status and perception as a good ally of the neighbouring communities, of the region, and of the country. Meet environmental and social indicators and standards, and make efficient, responsible use of natural resources"

Cerrejón's social engagement is explicit with each and every one of its stakeholders. This is particularly true of the communities, which are impacted and influenced by the operation. It has been formalized under the Comprehensive Policy for Health, Safety, Environment, and Communities, in which the social focus has been included as one of the most relevant, by means of which: "Cerrejón conducts its business in harmony with the environment and with society, protects the health and safety of its workers, and ensures that its presence improves the standard of living of the communities in its area of influence..."

Below we present the social actions carried out with the stakeholders under the corporate strategy of responsible mining

Human Rights

In 2008, Cerrejón implemented its Human Rights Programme, in line with the Voluntary Principles in Safety and Human Rights. It covers Public Security Forces, private security companies, and the general staff of the Company. Primarily, training was carried out in Human Rights and International Humanitarian Rights to these stakeholders. Cerrejón is also an active member of the Mining and Energy Committee in Safety and Human Rights.

Training and awareness

The main contents the training centred around were:

- Definition of Human Rights.
- Definition of Human Rights.
- Human Rights that may be transgressed in relation to the operation.
- Declaration of Human Rights as a framework of reference.
- Voluntary Principles in Safety and Human Rights.
- Indigenous legislation.
- International Humanitarian Rights and its standards (with the support of the Colombian Red Cross, La Guajira Section).

GRI
HR1, HR2, HR3, HR6, HR8, HR9, SO1, EC8

Mining and Metals Sector Supplement
MM5, MM6B, MM8

Global Compact
1, 2, 5

Millennium Development Goals
1, 2, 3, 4, 5, 6, 8

Voluntary Principles in Safety and Human Rights IFC Social Performance Standard

The table below presents training and awareness by stakeholder group:

Human Rights training 2008			
Training personnel	Number of participants	Number of training sessions	Hours
Cerrejón	1,022	52	52
Contractors	638	19	19
Public Security Forces	1,467	26	52
Private security companies	445	12	18
Indigenous*	57		
Of African descent*	3		
Mestizos*	17		
		35	60
School			
	Indigenous	1,446	
	Mestizos	584	
	Of African descent	54	
Total training	5,733	144	201

*Adults trained by the Human Rights Programme.

Indicators under the guidelines of the Voluntary Principles

Cerrejón promotes the application of the Voluntary Principles in Safety and Human Rights. The Mining and Energy Committee promotes better performance in human rights and safety, both in mining and energy sector companies and in State bodies. Through its participation with this entity, Cerrejón has started pilot programmes that will serve as examples for companies to carry out practical, specific monitoring of their engagement in this area. In 2009 we expect to have more definitive data available.

Cases analysed in the light of Human Rights

From September to December of 2008, the Human Rights Programme received 16 complaints of Human Rights transgressions, citing causes such as harassment in the workplace, violation of the cultural rights of indigenous communities by Public Security Forces, extortion by illegal armed groups, and others. Cerrejón took the appropriate preventive and corrective measures for each case, and began a strict complaint record.

Cerrejón believes it is crucial to apply international standards as concerns Human Rights. That is why we are committed to applying the Community Grievance Mechanism of the International Finance Corporation of the World Bank.

Social labour responsibility concerning child or forced labour

In compliance with the Policy of Social Labour Responsibility, Cerrejón considers it unacceptable not to comply with labour legislation regarding child labour and forced labour. Therefore, through its System of Operational Integrity, it has established the necessary monitoring measures for internal hiring but also for its entire value chain, especially with its suppliers and contractors.

Responsible supply of materials

Cerrejón has particularly emphasized the responsible supply of materials by including Human Rights clauses in all of its contracts with contractors and suppliers of goods and services in which they are required to provide their

workers with basic training in Human Rights. To achieve this goal, we have established economic fines for those who fail to comply with these clauses.

Thus, Cerrejón has made a special effort to decrease the potential risk of Human Rights violations, not only in the Company but also in the value chain with its suppliers and contractors.

Social engagement with communities

For Cerrejón, social engagement is one of the priorities of the strategy of responsible mining. So, in 2008, we strengthened our social programmes and projects with the communities.

Health

The objective in this area is not reach agreements with NGOs. Instead, it is to ensure that communities in the area of influence of Cerrejón have better access to the health services offered by the State. It is also to ensure that the State provide greater health coverage and improve the service offering, and for the health institutions to be strengthened in order to increase their self-sustainability.

Particularly in the context of social responsibility, the paradigm of merely complying with the law is not enough. That is why we aim "to do the maximum possible and not the minimum necessary"



In keeping with these aims, Cerrejón:

- Established an agreement with the Hospital Nuestra Señora de Barrancas for providing direct health care to the communities of Roche, Patilla, Chancleta, and Tamaquito and the Indigenous Reservations of Provincial, Trupio Gacho, San Francisco, and Campo Alegre.
Activities performed:
 - Ongoing programmes for prevention and promotion in each of the communities.
 - Specialty medicine.
 - Laboratories and specialized studies.
 - Delivery of prescriptions to enrolled patients.
- Acquired a Mobile Health Unit and signed agreements with the hospitals in the municipalities of Barrancas, Hatonuevo, and Albania to provide a suitable infrastructure for extramural health care in the communities in the area of influence to provide continual programmes for health promotion and disease prevention as part of the State's Mandatory Health Plan.
- Mobile health clinics in general and specialized medicine were carried out with the state hospitals in the municipalities in the area of influence. The aim is to increase health coverage in rural communities needing it but not covered by agreements with the hospitals.

- Established an agreement with the Barranquilla Monarca Lion's Club to support eye exams, ophthalmological surgeries, prescription eyeglasses, and supply of medicines.
- Through an agreement signed with the departmental Secretariat for Health and Education of La Guajira and with the François Xavier Bagnoud Foundation, work began on a programme titled STD Prevention Strategy, emphasizing HIV/AIDS. The aim is to establish a training process in the prevention of sexually transmitted diseases aimed at adolescent and youth leaders, teachers, and parents, who will then replicate the prevention strategy with youth and adolescents from the municipalities of Barrancas, Hatonuevo, Albania, Maicao, and Uribia..
- Signed an agreement with the Javeriana University to improve the state hospitals in the municipalities in the area of influence as concerns administrative capacity and health knowledge of doctors and paramedics.
- Through the agreement with the Rotary Club, made donations to patients with specialized medical referral with economic difficulty in paying for treatment and obtaining transportation.

Education

As a fundamental pillar for individual development and knowledge management, education is a fundamental right that Cerrejón has supported in its communities.

To do so, it has established the following strategic alliances with educational and government institutions such as the SENA, Comfamiliar of La Guajira, Corpoeducación, the municipal Mayors' Offices, the Departmental Secretariat for Education, the Foundation Businessmen for Education, Guajira Chapter, and the educational institutions of the department. In 2008, thanks to these alliances, the following projects were supported, among others:

1. **Vocational Training Project 'Conéctate Colombia' (Colombia Connect)**, for the development of two vocational training programmes in the department. It was aimed at a minimum of 100 young high school students from vulnerable populations and emphasized work-related skills development.
2. **Strengthening of school administration for the educational institutions of Albania, Hatonuevo y Barrancas (Papayal).**
3. **Programme for the Strengthening of Early Childhood Policies:** recreation centres: Cerrejón-Corporation Day of the Child Agreement.

Ilka Fabiana de Luque Curiel, first Fulbright-Cerrejón scholar.

We recognize that transparency is fundamental in our relations with the communities



4. **Strengthening of the Departmental Secretariat for Education**, with the participation of the National Ministry of Education and the Cerrejón Foundation for Institutional Strengthening in La Guajira
5. **Sponsorship of the Departmental Great Forum on Education.**
6. **Training of civil servants**, through Cerrejón financing 60 percent of the cost of registration in two academic programmes: Business administration and leadership and a programme in human resources administration and management. These programmes are academically endorsed by the Ávila Catholic University (UCAV) in Spain and by the Santo Tomás University in Chile.
7. **Scholarship programmes.** Ten Cerrejón Excellence Scholarships were awarded to the best high school students born in La Guajira and graduating from a school in the department. That now totals 47 youth sponsored for post-secondary studies in Colombia. The Fulbright-Cerrejón Scholarship was also presented to the Guajiran Ilka Fabiana de Luque Curiel (electronics engineer), who will begin Master's studies in engineering management in 2009.
8. **Programme to Strengthen English Teaching, with the Fulbright Commission**, managed to get an American instructor assigned to work with the teachers and students of public schools in Albania, Hatonuevo, and Barrancas in order to improve the teaching and learning of English.

Recreation, Culture, and Sports

In the framework of Social Responsibility, Cerrejón has designed a Recreation, Culture, and Sports Programme for the area of influence of the Mine that can be extended to the rest of the Department of La Guajira. The programme seeks to promote sports, the best use of free time, reinforce culture, and forge values and principles in new generations.

The following contributions stand out for this period:

- **Musical Training Programme.** Consolidation of the Cerrejón Symphonic Orchestra with the year's end presentations in various municipalities of La Guajira at the events Cerrejón sponsored for the community. This programme is of benefit to over 100

children in the department. In addition, there is a music training programme for beginners in the area of influence for over 180 children in their own communities.

- **Talented Youth Programme.** The I Tournament of Communities Neighbouring Cerrejón was held to bring together children from the mining zone. More than 150 children (indigenous and non-indigenous) receive training, motivation to practise sports, and commitment for their studies. Moreover, as is a tradition in the Department of La Guajira, the Departmental Talented Youth Tournament was held, with the participation of over 600 children from participating municipalities. Moreover, 40 children from La Guajira were sponsored by Cerrejón to reach their dream of representing their department in the ASEFAL International Tournament held in Barranquilla. Cerrejón promotes the playing of football in the communities with the presence of Arnoldo Iguarán and of the junior leagues baseball teams supported by a select group of coaches.
- **Institutional Strengthening Programme.** To support recreation, culture, and sports, Cerrejón sponsored sports and events logistics in the municipalities in the area of influence. In addition, the Company sponsored cultural programming and advertising for the Wayuu Culture Festival, Accordion Birthplace Festival, Barrancas Festival, Albania Festival, Bolero Festival, Fonseca Festival, Hatonuevo Festival, and other traditional and religious festivals of the neighbouring communities.

Indigenous Communities

Since the Department of La Guajira has one of the highest indigenous populations in the country, and taking into account that Cerrejón's operation is adjacent to various indigenous communities, it is necessary to pay them special attention and to promote respect for their traditions and customs. That is why our corporate strategy includes a specific programme, with yearly improvements, for these communities. This programme seeks to preserve and promote their cultural and autochthonous heritage and to improve their standard of living. A brief overview of the activities undertaken with these communities is given below.

Processes for micro-business training and promotion

With the aim of developing a spirit of entrepreneurship in the indigenous youth of the rural sector, in 2008 we continued with the Rural Youth Programme in the indigenous communities in the area of influence of Cerrejón through a strategic alliance between the Cerrejón Foundation Indigenous Guajira and the SENA Regional Guajira.

The programme to train rural youth attempts to create favourable conditions for the indigenous population, which is vulnerable to unemployment, to incorporate itself into the production activities in the region through the management of production projects related to the training process or as workers.

Fourteen indigenous communities have received training, for an approximate total of 390 apprentices in the area of influence targeted by the programme (Puerto Bolívar, Railway Line, and Southern Reservations). The training covers areas such as Handicrafts, Self-Sufficient Modern Farm, Animal Nutrition and Feeding, and Rural Construction, among others.

In addition, together with the SENA Regional Guajira, 26 indigenous youth received certification as Community Health Agents. These youth were from the Indigenous Reservations of San Francisco, Trupio Gacho, and Provincial in the municipality of Barrancas. This standard training includes modules such as: basic sanitation, nutrition, first aid, maternal infant care, child care, senior care, mental health, and vaccinations.

Environmental management for indigenous communities

We have a goal of providing timely responses to indigenous communities' concerns about mining impacts on the environment and of making continual efforts to establish cordial relations involving open dialogue and cooperation. To do so, we have annual environmental visits to present the programmes, policies, and monitoring mechanisms that Cerrejón implements in relation to the environment for indigenous communities in our area of influence.

The Company's environmental management covers programmes for preservation, measurement, and education on resources such as air, water, soil, forests, and fauna. These are carried out at the facilities at the Mine, Railway, and Port.

In 2008, these visits were attended by 135 indigenous people from the Reservations of San Francisco, Provincial, Cerro de Hatonuevo, and Trupio Gacho. They viewed the Patilla/Otero



Visit by communities in the area of influence to reclaimed areas at the Mine

Overlook, the air-quality measuring station, the Centre for flora and fauna, the nursery, the reclamation area, the solid waste plant, the oxidation pond, and the blasting.

Moreover, Cerrejón presented to the town council, the traditional authorities, teachers, and general community, the air-quality results in the Provincial Indigenous Reservation, to 43 people in attendance. The community was informed that the results were sent to the appropriate environmental authorities, the Ministry for the Environment, Housing, and Development, and Corpoguajira (regional authority). These results reveal that the particulate concentrations at all the stations fall well within current legislation limits both for daily standards and annual standards.

Raising awareness of Human Rights in indigenous communities

Cerrejón continues with its training programme in Human Rights in the indigenous communities jointly with the Red Cross, Guajira Chapter. More than 1,400 children, youth, and adults from the indigenous communities have been trained.

Ethno-Education

Twelve Wayuu indigenous youth studying at the Ethno-Education Centre Kamüsüchiwo'u, neighbouring Puerto Bolívar, received their diplomas in basic secondary education. This first graduating class has successfully completed an important stage in their lives, which will contribute to a better future for them and their communities.

Cerrejón headed the enlargement and upgrading of the infrastructure at the Ethno-Education Centre Kamüsüchiwo'u, the publication of bilingual education texts and handbooks, pedagogical support, and liaison with governmental bodies for the gradual approval of the secondary school. In addition, we provided support for extra-curricular activities for strengthening ethno-education and the preservation of the Wayuu indigenous culture, and other activities.

Brush-cutting programme along the Railway Line

With this programme, Cerrejón seeks direct benefit for the indigenous communities clustered along the 150 kilometres of the Railway Line with production work keeping the vegetation in check.

Over this period, we have generated job opportunities through consolidation of the Wayuu Cooperative and service contracting with the Cerrejón Foundation for Progress in La Guajira.

We have improved the standards for hiring and social security, with special emphasis on the importance of industrial safety at work and on technical improvements involving the acquisition and use of machines such as weed trimmers and chain saws. These initiatives have improved productivity in the brush cutting, with appropriate safety training to the 180 participants in this programme in order to prevent accidents.

Raising awareness of safety and self-care on the Railway

Cerrejón promotes responsible behaviour and self-care as concerns the risks associated with the Railway. In 2008, educational campaigns took place that, in addition to strengthening the good neighbour relationship, seek to promote safety and accident prevention along the Railway Line.

The main activities included: theatrical presentations in Wayuunaiki, talks with the private security company Sepecol to improve relations with the indigenous communities along the Railway

corridor to view them as parts that interact in the same territory. School kits were also handed out, and there was a painting contest in which school children drew their views of the Railway equipment and of the tracks in general.

There are plans for higher-impact activities in 2009 to further raise community awareness on this topic.

Tabaco case follow-up

The main recommendations of the Third Party Review Panel to the Company concerning the resettlements address the resolution of the differences within the group of ex-residents of Tabaco regarding the handling of the resettlement impacts on their community in past years.

Cerrejón has made progress on these recommendations. First, a series of steps were taken as suggested by the Third Party Review Panel, or shouldered by the Company. These culminated in December of 2008 with the signing of a final agreement with the Tabaco Reconstruction Committee (CRT, its acronym in Spanish), which represents the families who for many years resisted the way the negotiations between the community and the Company were handled.

After the public presentation of the recommendations of the Third Party Review Panel, the Company publicly asserted its willingness to sit down at the table with this sector of ex-residents of Tabaco with the firm intention of taking all necessary action to reach a satisfactory agreement.

During the course of 2008, the Company and representatives of this sector of the community established a procedural outline agreement and developed a stepwise discussion allowing them to agree on definitions of such complex topics as characterizing effects, determining compensation, and identifying Company and community actions and roles to ensure the future development of the Tabaco families

Tabaco Network for Self-Development

Cerrejón and the community agreed upon a management plan for the Self-Development Network comprising four phases:

Phase 1: Diagnosing the situation of the ex-residents of Tabaco.

Phase 2: Implementing the sustainability strategy.

Phase 3: Creation of projects and strengthening of sustainable development.

Phase 4: Evaluation and monitoring of the sustainability strategy.

Cerrejón's main commitment is to empower the ex-residents of Tabaco to carve out their own future through production projects. In addition, their aim is to create a Self-Development Network to promote the creation of social capital in a scattered community and bring together in mutual trust the ex-residents of Tabaco with Cerrejón and the unification of criteria between the CRT and the community members participating in the Tabaco Network for the common good of the community.



Iván Paz, ex-resident of Tabaco now living in Los Remedios, working in his company

Community Service Points (OAC)

The Cerrejón Way Principles:

"We aspire for the communities to be pleased we are part of their environment and to want us to continue to be there"

"We proposed to operate the business while increasing our focus and awareness on the outside world"

In 2008, Cerrejón kept active its Community Service Points (OAC, their acronym in Spanish), which re-established two-way communications channels between Cerrejón and the communities in the area of influence in order to address concerns, expectations, and disseminate general information from the Company and Social Engagement to strengthen Cerrejón's image.

The procedure for presenting a complaint is:

1. Process the file with the data of the person filing the request, complaint, or claim.
2. If it has not been filed in written form, then the Assistant of Social Engagement in charge of the OAC provides all necessary support to process the special form if he considers it advisable and is so requested by the claimant.
3. The Social Engagement Assistant in charge of the OAC analyses the claim and discusses it with the claimant. Once any concerns have been clarified, he then provides an immediate response if possible, or forwards it with the interview summary to the appropriate Department. He also sends a copy to the Division Head of Social Engagement and to the appropriate Analyst in the Department for Social Responsibility.
4. The appropriate Department prepares the response in conjunction with Legal Affairs. This answer is then sent to the claimant by certified mail or by courier, according to the instructions on the claim or the responding office.
5. If the response requires a technical explanation, the Social Engagement Assistant shall organize the event with the community and the appropriate Department, either at the Mine facilities, along some sector of the Railway Line (when necessary), in Puerto Bolívar, or in the community itself.

6. If the request, complaint, or claim requires action on the part of Cerrejón or of one of its contractors, it must be undertaken in accordance with the plan established. Follow-up is undertaken by the Department involved and by the Social Engagement Division until closure.
7. When the request, complaint, or claim requires the involvement of various authorities, Legal Affairs shall take over.
8. The results of meetings subsequent to the written response are documented, the Department(s) involved at Cerrejón are informed, and the process is closed.
9. Any request, complaint, or claim registered must be replied to within 15 calendar days, depending on the complexity, sensitivity of the topic, and the various areas to become involved.
10. If the case so deserves, the replies shall be divulged to the various community bodies and the appropriate authorities.

Resettlements

The Cerrejón Way Principles:

"We aspire for the communities to be pleased we are part of their environment and to want us to continue to be there"

"We shall work to ensure standards of living in the surrounding communities are sustainable. In addition to being a moral imperative, we recognize that Cerrejón is sustainable to the degree that development in La Guajira is" "Particularly in the context of social responsibility, the paradigm of merely complying with the law is not enough. That is why we aim "to do the maximum possible and not the minimum necessary"

Strategic Initiative:

"Successfully fulfil the resettlement plans. Comply with the communities' action plans in coordination with the mining plan to be developed in the middle term"

Resettlements under way

In 2008, Cerrejón decided to undertake a series of actions to improve the implementation and focus of the resettlement processes under way. As part of the focus review, the Company has reformulated its resettlement policy statement.

It now explicitly states that Cerrejón follows the guidelines and standards for social performance of the International Finance Corporation (IFC), of the World Bank. This declaration also asserts that we view the resettlement processes as opportunities to improve, hand-in-hand with the communities, the standards of living and the strengthening of local social capital in La Guajira.

The general processes followed with the communities of Roche, Patilla, and Chancleta are in line with the guidelines of the IFC for involuntary resettlement, and they are being implemented in conjunction with the communities and their Communal Action Committees.

The main progress made includes:

- Land registry.
- We are winding up the identification, review, and closure of beneficiary lists.
- Dialogue and agreement process on the compensation framework for use in the resettlement process and restitution of the means of making a living of the families to be resettled.
- For Roche, we have already identified, together with the community, the properties to which the inhabitants entitled to resettlement are to be relocated.
- The land has been purchased and licensing and ground preparation is under way for the move, expected to take place before the end of 2009.
- In the cases of Patilla and Chancleta, consultations and visits were held with the families. We have a general idea of their preferences and we are engaged in talks to acquire the properties.
- All the discussion and agreement processes with the communities are being duly recorded and documented. We also have the participation of representatives from local governments, regional or national authorities, and from the social oversight bodies supported by Colombian legislation.
- Cerrejón drew up a system of indicators to measure the current standards of living of the resettlement communities in order to monitor the actions to be taken for improving them.

Figures updated to 2008

Description	Roche	Patilla	Chancleta	Tamaquito	Total
Total inhabitants	100	320	280	134 (*)	834
Unidades familiares	25	64	64	25 (*)	178
Registered uninhabited properties	456	1443	905	Communal properties	2804
Inhabited properties	25	64	64	Communal properties	153
Public properties/buildings	5	3	2	0	10
Estimated year of resettlement	2009	2010	2010	2009	N/A
Ethnicity	Farmers	Farmers	Farmers	Indigenous	N/A
Populated area (Ha)	14	32	13	10	69

Note: All these communities lie in the municipality of Barrancas, Department of La Guajira, Colombia.
Sources: Socio-economic studies of the communities. Roche: 1998. Patilla and Chancleta: 2007. Tamaquito 2007
(*) These figures may vary in the rainy season.

Key goals for 2009

- **TABACO:**
Acquire properties for the Tabaco reconstruction and increase coverage of the Self-Development Network.
- **ROCHE:**
 - Reach an agreement on the total compensation with residents and with non-resident owners.
 - Construction of housing and infrastructure.
 - Relocation of family units to new site.
- **PATILLA Y CHANCLETA:**
 - Acquiring properties for relocation, design, and start of construction of housing and infrastructure.
 - Announce compensation regime and acquire 50 percent of empty lots.
 - Begin processes to identify and design production projects with due consulting.
- **TAMAQUITO:**
 - Acquire properties for relocation and reach agreement on housing and infrastructure.

Follow recommendations of the Third Party Review Panel

The Cerrejón Way Principles

"We shall rely on external benchmarks to seek improvements and validate our standing with respect to international standards"





"We recognize that transparency is fundamental in our relations with the communities"

Below we present a record of the actions and projects for each programme undertaken by the Company in following the recommendations of the Third Party Review Panel. The record is presented in accordance with its implementation status and percentage of completion to April of 2009.

TPR Progress Table

Programme	Actions and projects	Implementation status
Cerrejón corporate culture	1 Hold a meeting with Cerrejón management and relevant personnel to strengthen the cultural transformation under way in relation to identity and CSR (Corporate Social Responsibility). Two key results are expected: <ul style="list-style-type: none"> • A statement of CSR values and focus areas • An agreement on the means of systematically advancing in the updating process. 	
	2 Develop and publish a plan of action on the transformation of the corporate culture and the CSR that includes training. Publish the statement of Cerrejón's corporate values and its CSR focus.	
	3 Programme in value training.	
	4 Key sessions in training and re-engineering of Corporate Social Responsibility aimed at senior management and relevant personnel.	
	5 Restructure Cerrejón's Social Engagement area.	
	6 Standard of living survey performed by DANE (National Administrative Department of Statistics), following the standards of the World Bank and of the United Nations.	
	7 Improve the communications tools used to inform and provide feedback to local communities and adjust our programmes accordingly.	
	8 Design and set out a general strategy for social engagement to illustrate how we go beyond the legally required minimum, and how we adopt international standards.	
	9 Present the strategy to the local communities and government agencies.	
Resettlements and Tabaco case	10 Reach an agreement with the Tabaco Resettlement Committee on an independent external mediator.	
	11 Agreement with the Tabaco Resettlement Committee, mediated by Professor John Harker.	
	12 Analyse and define the financial compensation for certain special cases from the first Tabaco resettlement.	
	13 Build the symbolic Tabaco site.	
	14 Improve the standards of living of the Tabaco community (new business projects for their community).	
	15 Issue a new resettlement policy statement.	
	16 Develop and agree upon timelines with affected communities for their resettlement processes.	
	17 Develop indicators to measure the current standards of living of the communities to be resettled and identify key actions to improve them.	
	18 Update the Cerrejón web site to better explain the resettlement processes and the implementation of international standards. This should be undertaken every three months.	
The Cerrejón Foundations System	19 Develop, consult, and publish the key goals and strategies of each foundation.	
	20 Appoint high-profile directors and boards of directors for the foundations.	
Commitment with civil society	21 Relevant departments must identify new associates and establish closer relations with them. The status of new alliances will be published on the web page	
	22 The planning and preparation of the forum will be performed in consultation with internal and external stakeholders.	
	23 Hold a regional development forum.	

TPR Progress Table				
Programme	Actions and projects	Implementation status		
The Wayuu, culture and employment	24	Carry out a set of socio-economic development activities involving Cerrejón, the Foundation Indigenous Guajira, the Foundation for Progress, and other associates in order to improve the standards of living of the Wayuu communities in our area of influence while respecting their culture and traditions.		
	25	Identify training needs in the communities in the area of influence of Cerrejón and define a training plan.		
	26	Implement the training plan in accordance with the community's interests		
	27	Implement the programme 'Conéctate Colombia' (Colombia Connect), vocational training for 120 students.		
	28	Monitor business projects derived from training.		
	29	Develop plan with the Foundation Indigenous Guajira and communities.		
	30	Develop and implement an internal programme for improvement.		
	31	Build a health clinic.		
	Royalties	32	Hold a meeting government stakeholders.	
		33	Write up Colombia's case study for the EITI mining book to be launched at the Doha meeting in February.	
		34	Announce royalty payments in local news media.	
35		'In association with the Vice-Presidency's Anti-Corruption Office, three participative meetings are planned to render accounts to examine the use of royalties.'		
36		Skills-building workshops are planned for public officials and other interested parties.		
Safety and Voluntary Principles in Safety and Human Rights	37	Improve the existing grievance mechanism.		
	38	Monitor the indicators of the Voluntary Principles on safety and human rights		
	39	Design and put into practice a monitoring mechanism to measure the training results in human rights.		
Health and environmental topics	40	Establish an air-monitoring programme.		
	41	Establish an independent verification process for air quality.		
Improvement of industry standards	42	Identify key associates and design a plan.		
	43	Hold a workshop on international mining standards aimed at the Company, government, and civil society.		

STATUS	PROPORTION
Finished:	 49%
Underway:	 44%
Risk of delay:	 7%
Delayed:	 0%

The Cerrejón Foundations System

Following the recommendations of the Third Party Review Panel, Cerrejón has defined the following to be the main steps to be taken for each of its foundations:

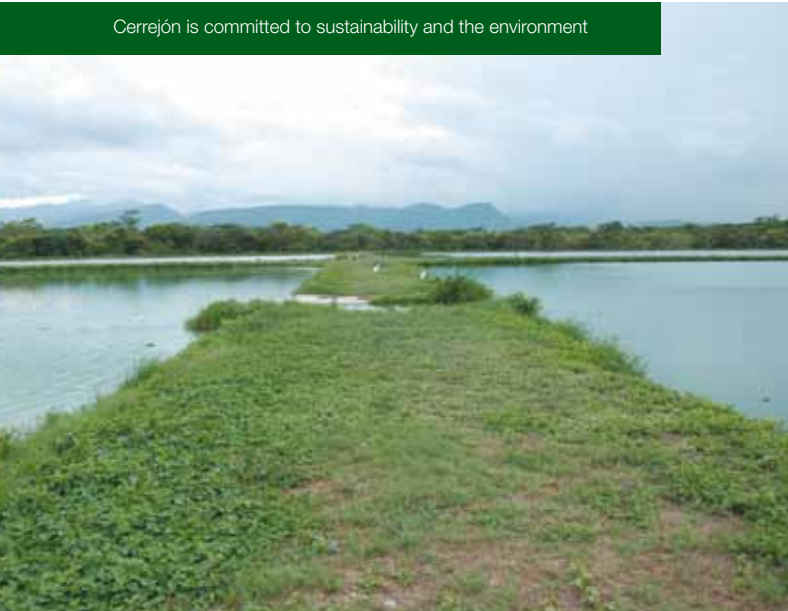
1. High specialization in each of its work focuses: water, employment, indigenous groups, and institutional strengthening, with a high level of performance.
2. Development of sustainable projects.
3. Participation of third parties (NGOs, foundations, multilateral bodies).
4. Closely associated with the development of La Guajira.

The consolidation of the four foundations was achieved in 2008, together with the creation of the work plans with clearly defined goals.

For further information on the Cerrejón Foundations and their respective 2008 Management Reports, see: www.fundacionescerrejon.org.

Below are the main achievements and progress for the four foundations in the reporting period.

Cerrejón is committed to sustainability and the environment



Foundation	Goal	Achievements/progress 2008
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Contribute to strengthening the water and basic sanitation sector in La Guajira.

- With the creation of the Water Foundation for La Guajira, we established a Strategic Plan and three lines of action: 1) Water Supply; 2) Sanitation and Hygiene; 3) Conservation of Water Resources. These are the basis to identify projects and data requirements to build a baseline and define the type of intervention.
- To strengthen relations with national institutions in the sector, we signed a Letter of Commitment with the Ministry for the Environment, Housing, and Development and the Foundation in which the latter commits itself to supporting the Water and Sanitation Policy of the Department of La Guajira.
- A preliminary study was carried out in 20 percent of the indigenous communities in the area of influence of Cerrejón to establish a baseline in water, sanitation, hygiene, and school sanitation.
- Participation in the construction project and reservoir sustainability plan for the Alta Guajira, promoted by the Vice-Presidency of the Republic and the Vice-Minister for Water. The Foundation for Water, in conjunction with the Foundation Indigenous Guajira, performed a socio-cultural characterization in Ukaytalamana (Bahía Honda sector), which gave rise to a reservoir sustainability proposal.
- We reached an agreement with the Presidential Agency for Social Action and International Cooperation, specifically with the Programme for Unproductive Assets, to draw up and put into practice a sustainability strategy for 46 windmills for pumping water from wells in indigenous communities located along the length of the Railway Line. As a result, 16 windmills were restored in 2008, to benefit approximately 1,600 Wayuu indigenous people in Media Guajira. We also updated the record of windmills, pools, and watering troughs in the zone.
- A preliminary study was made to draw up a plan of action for the recovery of the Paladines Stream Basin, in the municipality of Hatonuevo. This task provided the opportunity to forge alliances with various local actors: the government, research institutions, and civil society. Resource collection began in order to execute the five-year plan of action. The 2009 Sustainability Report will report on the start of the implementation.
- In parallel, a joint project was undertaken with the Tabaco Foundation Nuevo Amanecer and the Department of Environmental Management to clean the lower course of the Paladines Stream. Approximately 19 tonnes of solid waste was collected along 3.1 km of the course and over 200 hectares of the basin.
- A forum was held on the "Legal and Regulatory Framework of the Water and Basic Sanitation Sector". This allowed us to update the local administrations on the legal aspects and responsibilities of the regional bodies with regard to management of the public services of water and sewage mains and sanitation.
- Studies began on the environmental and sanitary conditions of 25 ponds in four indigenous communities of Hatonuevo and Barrancas: Trupio Gacho, San Francisco, El Cerro de Hatonuevo, and Provincial. The work was made possible thanks to an agreement signed with the University of La Guajira. In light of this, and with the aim of promoting water research, materials and equipment were donated to the laboratory of the Institute of Environmental Studies and Water Supply, for a value of 23.7 million pesos
- In 2008, Cerrejón invested 153 million pesos in social programmes organized by the Foundation for Water in La Guajira. In addition, external funds of 205 million pesos were found for investment in Foundation projects.



Support initiatives for the institutional strengthening of regional bodies and of civil society and its communities in order to build a transparent, participative environment that contributes to effectively addressing the basic needs of the population and peaceful co-existence in the Department of La Guajira.

In matters of transparency:


- Four Pacts for Transparency and Visible Auditing were signed with the mayors of Albania, Barrancas, Hatonuevo, and Uribia.
- Visible Auditing was organized for six construction contracts in Albania, Barrancas, Uribia, and Hatonuevo worth more than 46,000 million pesos.
- Eight Visible Auditing forums were held, with an average attendance of 160 persons.
- We organized the Departmental Forum on Municipal Royalties and Administrations, the workshop on training in public contracting, and the Workshop on Standard Model of Internal Control (MECI, its acronym in Spanish) on municipal management.


In matters of public accountability:

- We held 10 meetings with the Visible Auditors groups in the municipalities in the area of influence of Cerrejón. Average attendance was 18 persons per meeting.
- In association with the National Treasury Inspector's Office, we held the Forum on Participative Public Accountability, on royalty management in La Guajira. It was held in August of 2008, with more than 180 persons in attendance.

In matters of management:

- A joint venture agreement was signed with the National Planning Department for royalty management, starting in the municipality of Hatonuevo.
- We held workshops on Awareness and preliminary study with officials from the municipalities in the area of influence in the first stage of the project for producing reports on their management of the educational sector in those municipalities.
- Support was provided for the revival of the modernization process of the Departmental Secretariat for Education (SED, its acronym in Spanish).
- A workshop was held on unrest and strengthening the institutional role of the Court Houses in the Department of La Guajira. Subsequently, agreement was reached on the project of Regional Court Houses for the Department of La Guajira.

Foundation	Goal	Achievements/progress 2008
	<p>Contribute to the community development and improvement to the standard of living of the indigenous communities of La Guajira (Wayuu, Wiwa, Kogui) by promoting investment initiatives, institutional strengthening, and better use and conservation of natural resources, reinforcing their cultural heritage in a framework of sustainable development.</p>	<ul style="list-style-type: none"> • Ayatajirrawa Agreement, signed between the ICBF (Colombian Institute for Family Welfare) and the Foundation for 28 communities along the length of the Railway Line to implement a food-safety programme. Beneficiaries total 283 families, of which 1,415 people are indigenous. • ResA Food Safety Programme, providing aid to 206 communities, 3,750 families, and 18,213 Wayuu indigenous people. • Rural Youth Programme to promote their entrepreneurship, benefiting 14 communities. • Ethno-Botanical Agreement for the analysis of the nutrition of the Wayuu. It covers four zones: Ranchería River, reservations and settlements in southern La Guajira, the coast (Riohacha–Puerto Bolívar), Carraipia, for a total of 24 communities. • Asawa Programme for Food Safety for the Wayuu community, consisting of joint work with eight communities neighbouring the Foundation Farm: Wasachen, Parusain, Pulowi, Matnatshi, Iruain, Uraichen, Shuputshi, and Juluitpana. • Handicrafts Project via an agreement between the Foundation Aid to Artisans Colombia and the Cerrejón Foundation Indigenous Guajira, which has provided support to 60 communities in the area of influence. • Aaciwasug Project for strengthening the capacity for self-management and the relations of the Wayuu Indigenous Reservations in southern La Guajira (underway). • Mental Health Project. • Study of socio-economics and of important cross-roads in the sidings zones for the Wayuu communities living along the Railway Line.

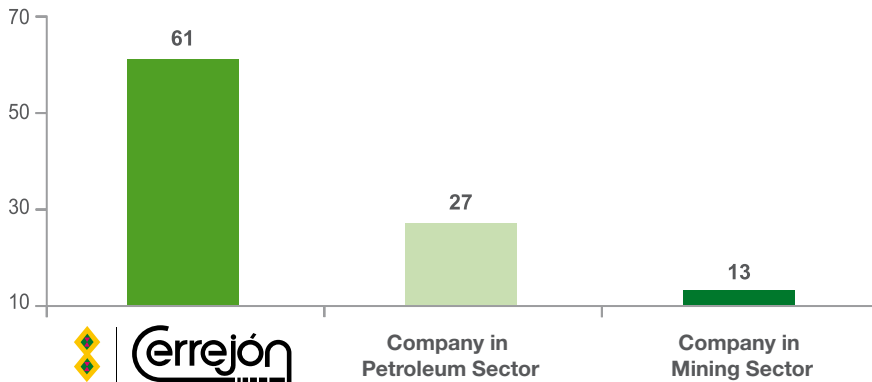
	<p>To invest, together with regional communities and other agencies, resources for the joint creation and strengthening of sustainable businesses to generate jobs in the department that will be sustainable over time (past the duration of the mining contracts).</p>	<ul style="list-style-type: none"> • In 2008, we defined three areas of work through the promotion of and participation in projects in production chains considered to be strategic in the Department of La Guajira: tourism, aquiculture, and farming. • Tourism. To satisfy the current demand of Cerrejón and the tourism potential of the zone, we contracted for a feasibility study on the construction of a hotel near the Mine. • Aquiculture. In order to create opportunities for income generation complementing the traditional fishery in Media Luna and Puerto Bolívar, the Foundation supported the second phase of bivalve aquiculture (scallops and oysters), which resulted in the construction of six bivalve aquiculture lines in Bahía Portete. Making of a video and a handbook in Spanish and in Wayuunaiki on the technology transfer carried out through a theoretical-practical workshop in Media Luna. The work was aimed at the creation of a business to produce and market these goods. • Agriculture. Inclusive businesses for agricultural producers with supermarkets. An agreement has been signed in alliance with Carrefour, Cecodes, and the Netherlands Development Organisation (SNV) to go ahead with a business plan and a feasibility study. • Windmills. Maintenance Project. Support for the Association of Windmill Maintenance Technicians (Asotecmo, its acronym in Spanish), comprising youth from the Wayuu community. • Financing of entrepreneurial projects. Traditional micro-credit. A total of 1,109 credits were granted for more than 2,700 million pesos in 14 different municipalities. • Administrative support and business consultancy for the Tabaco community projects. Resources have been assigned to 63 projects, for more than 1,600 million pesos. These projects cover various activities, such as sales, services, ranching, poultry farming, computers, pig farming, and others. • Resources of the Oreganal Round Table. Resources have been delivered for 26 projects, for more than 125 million pesos. • Restart of stalled civil building works as support for projects in the Department for Social Responsibility, such as the Fonseca children's park, reconstruction of the Oreganal cemetery, and the La Guajira Business Incubator. The latter's grants total 51 million pesos.
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For more information
see: www.worldcoal.org

Corporate image and external position

In 2008, Cerrejón hired an external agency (National Consulting Centre) for a study to measure the image and positioning of the Company. Comparisons were made with other extractive businesses, both mining and petroleum.

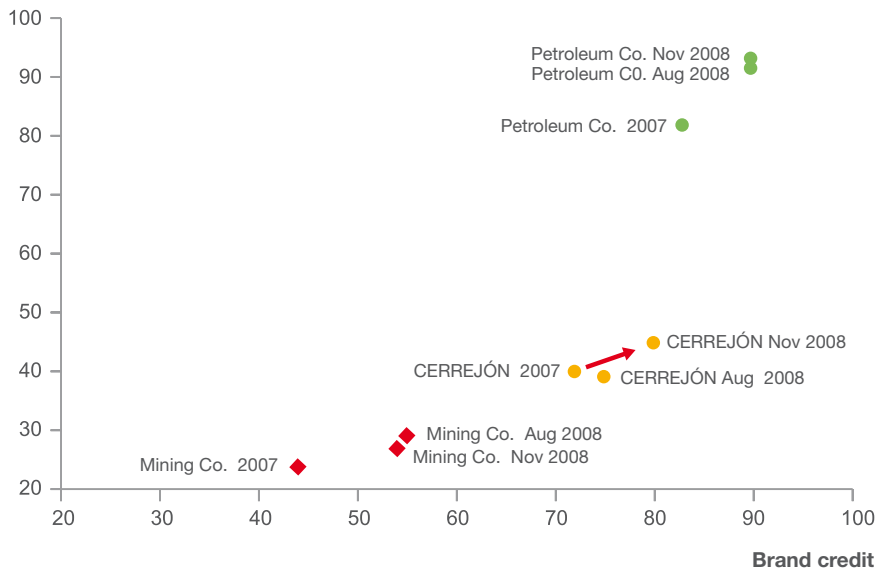
Knowledge of Cerrejón in La Guajira:



Source: Results of the perception study carried out by the National Consulting Centre

At the same time, the study evaluated the power of the 'Cerrejón' brand, noting a continual increase in credit and visibility in the opinion of various stakeholders.

Brand visibility



Source: Results of the perception study carried out by the National Consulting Centre

The credit attributes were calculated based on the following questions:

- ¿Is it an important business for the country?
- ¿Is it a business that generates employment?
- ¿Is it a business with a good reputation?
- ¿Is it a business that generates progress in the region?
- ¿Is it a business that contributes to social development?
- ¿Is it a business that generates pride in you?
- ¿Is it a business that you trust?
- ¿Is it a business that protects or cares for the environment?

The visibility attributes were calculated based on the following questions:

- ¿Is it a business that clearly stands out?
- ¿Is it a business whose image is attractive to you?
- ¿Have you frequently seen or heard communications from this business?
- ¿Can you quickly recall the symbol or logo or motto of this business?

HUMAN RESOURCES

GRI
LA1 - LA4, LA10 - LA14, EC3, EC5, EC7,
HR5

Global Compact
1, 3, 6

Millennium Development Goals
3

Social Labour Responsibility SA8000

The Cerrejón Way Principles:

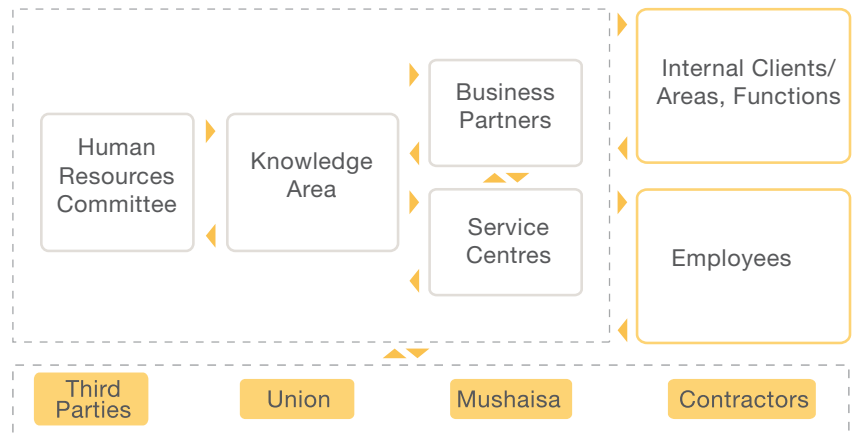
"We shall work to be more innovative, more open to change, more participative"

"We shall work to generate more confidence in our relations with our workers"

"We shall work to generate a culture of greater empowerment, self-monitoring, and autonomy for our workers"

Cerrejón is a company that bases its activities on clear corporate principles and values buttressed by the talent of its human resources, encouraging empowerment and development.

Cerrejón understands that its employees are a crucial resource. We take on challenges filled with innovation to adapt to the changing reality around us: we update the skills we need to make the business sustainable, balancing the technical, administrative, and productive visions of the operation with the skills we require for the comprehensive development of our collaborators and the effective promotion of the care of our natural and social environments.



Structural change

Strategic Initiative:

"Promote pride in working at, collaborating with, and being part of Cerrejón through the implementation of initiatives that contribute to improve the corporate climate"

In order to ensure flexibility in the work of Human Resources, and a deeper understanding of the business' needs and of every one of our collaborators, the Management of Human Resources transformed their structure in order to fulfill the strategies defined.

This new architecture is structured as illustrated in the diagram and covers four main areas of Human Resources: Human Resources Committee, Knowledge Centres, Business Partners, and Service Centres.

Members of the Protection Division of Cerrejón



Dialogues with workers in 2008

There were four consultative meetings with a representative group comprising 600 workers. Two of the meetings were held at the Mine, one in Puerto Bolívar, and one in Bogotá. At the meetings we presented the economic environment of the Company, results obtained in 2008, and targets for 2009. We also heard the concerns, comments, and proposals of our labour force.

Recognition of Cerrejón's human talent

Cerrejón is a company that stands out due to its high business standards. In 2008, it was recognized as one of the best companies to work for in Colombia by the study Employer of Choice, requested by the Human Resources Association (ACRIP) and carried out by the market research firm Yanhass.

This distinction was noted by the President of the Republic, who acknowledged, in a letter, Cerrejón's contributions in global coal exporting, "taking into account standards in safety, health, the environment, and sustainable development, and effectively contributing to the welfare and development of its workers and of the communities in the areas in which it operates".

This is only possible through the development and recognition of the best talent, which responsibly and competently faces the challenges that the environment and our operation impose on us

Cerrejón Leader Programme

Strategic Initiative:

"Update Cerrejón's leadership model in accordance with the requirements and trends of global mining, strengthening a performance-based corporate culture that reinforces the recognition of individual and group achievements in the various forms of compensation"

In 2008, we designed the Cerrejón Leader Programme with the aim of strengthening leadership skills in the Company.

The goal is to narrow the gaps identified between the components and skill sets defined in the management committee, the results of the survey Great Place To Work, and the internal needs managers have expressed.

The Cerrejón Leadership Model is based on the premise that human beings are capable of broadening their ability to determine their best course in their personal and work lives and, to do so, they can freely make decisions in keeping with their goals. Moreover, they assume the responsibility for their decisions, actions, and omissions.

Employment creation

The importance and impact of the operation of Cerrejón Coal in Colombia can be viewed from many development fronts. The labour force, for instance, comprises a total of 9,241 people, who are the human team of the Company.

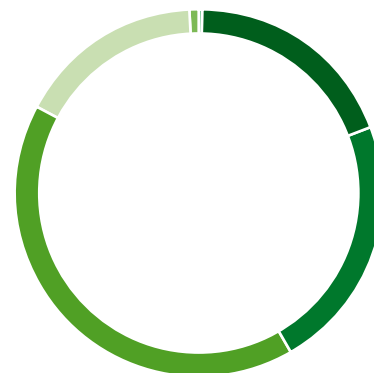
Following are the statistics for our human team to the end of 2008:

By type of contract Manpower



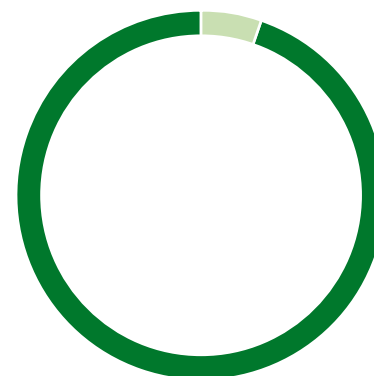
	#
■ Direct	5.116
■ Contractors	4.125
Total	9.241

By age range Percentage of workers



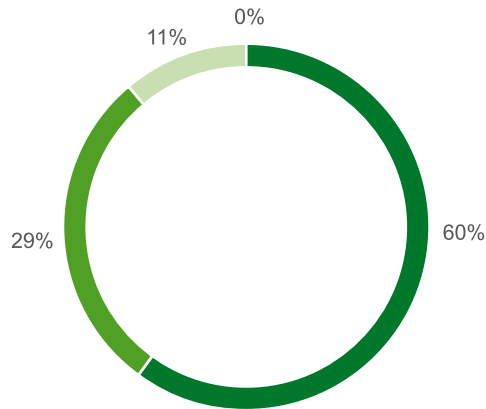
	#
■ Less or equal to 20	0,3
■ 21 to 30	19,1
■ 31 to 40	22,5
■ 41 to 50	4,1
■ 51 to 60	16,4
■ Over 60	0,7
Total	100

By gender Number of workers

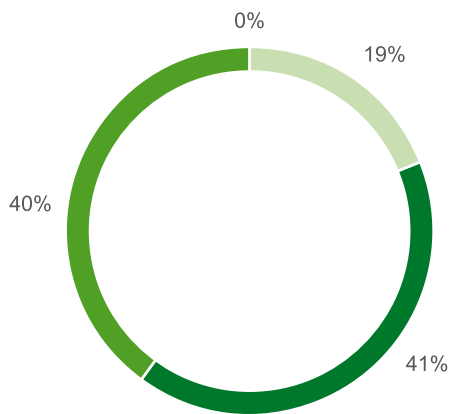


	Management	Staff	#
■ Men	713	4119	4.832
■ Women	169	115	284
Total	882	4234	5.116

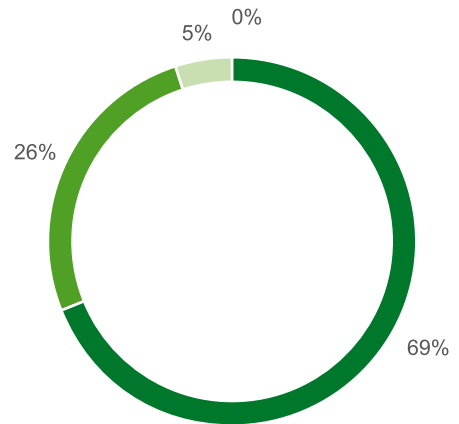
By place of origin
Percentage of Total Direct Employees



Percentage of Management Employed



Porcentaje de Staff Employed

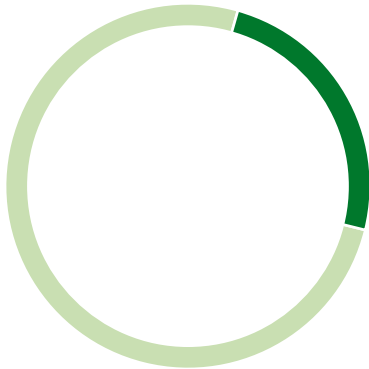


	MGMT		STAFF		TOTALS	
	#	%	#	%	#	%
■ La Guajira	164	3,2%	2913	56,9%	3077	60,1%
■ Rest of coast	363	7,1%	1123	22,0%	1486	29,0%
■ Rest of country	354	6,9%	198	3,9%	552	10,8%
■ Foreign	1	0,0%		0,0%	1	0,0%
Total	882		4.234		5.116	100%

Average turnover

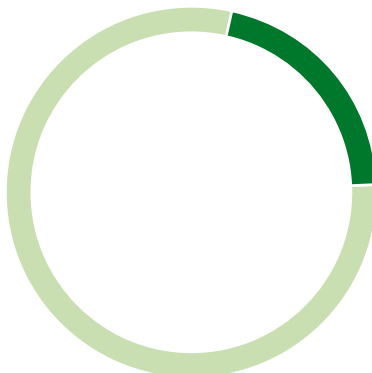
In 2008 there was a similar average turnover between men and women. Following are the turnover graphs by gender

Turnover Number of workers



	MGMT	STAFF	#
■ Regrettable	16		16
■ Others causes	18	31	49
Total	34	31	65

Turnover by gender Number of workers Men



	MGMT	STAFF	#
■ Regrettable	14		14
■ Other causes	15	28	43
Total	29	28	57

Turnover by gender Number of workers Women



	MGMT	STAFF	#
■ Regrettable	2		2
■ Other causes	3	3	6
Total	5	3	8

Benefits

Cerrejón has a firm commitment with its workers, and its actions go beyond legal requirements. Currently, employees enjoy a comprehensive package of benefits (salaries, legal benefits, voluntary plans, and extra benefits) that is competitive in the labour market and is designed to attract and retain the best human talent in Colombia.

As an incentive, upon being hired as a direct employee, Cerrejón currently offers its workers the following additional benefits:

- Mortgage credit
- Educational Assistance Plan Policy for Workers.

No discrimination due to gender and equal opportunities

Our compensation philosophy is aimed at offering comprehensive remuneration to attract, retain, and pay the best personnel, committed to the Company's vision and values. To put this philosophy into practice, we apply four basic principles:

1. Recognition by level of responsibility of the position.
2. Performance-based merit pay.
3. Competitive with a select comparison market
4. Internal equality.

Moreover, our compensation system encompasses a salary range for each level of responsibility, which allows us to recognize differences in skills, relevant experience, and performance.

This system is applied equally for all employees, with no discrimination due to gender, place of birth, race, religion, politics, and so on.

In recent years, the presence of women has grown, not only in administrative areas, but also in operational areas and in all levels. We practise our value of Respect, which is absolutely critical amongst the community members of Cerrejón, especially in the local minority and ethnic populations.

Comparative salary by gender

This indicator is calculated by dividing the average salary of men by the average salary of women for each category. Some categories show a zero (0) because there are no personnel from one of the two genders in that group.

Comparative salary by gender Percentage by position



	Ratio of Men to Women (%)*
■ Presidency	0
■ Chief Operating Officer	0
■ Vice-Presidencies	100
■ Managers	0
■ Heads of Divisions and Superintendencies	97,2
■ Other professionals	125,1
■ Technicians	121

The previous calculation makes it possible to draw the following conclusions:

- At the Vice-Presidency level, there is no men/women salary difference.
- At the Heads of Divisions level, men have a lower salary allowance than women.
- In the 'other professionals' category, men's salary allowance is 25.1 percent higher than women's.
- Finally, in the operational staff, it is noted that men earn 21 percent more than women.

In spite of the fact that the differences in some categories surpass 20 percent, Cerrejón has implemented a specific analysis of positions and responsibilities so that, in this way, the labour force payment will be fair without gender distinctions, thus achieving an equitable levelling wherever that is possible.

Diversity and non-discrimination

At Cerrejón, the personnel management and salary policies do not discriminate against anyone by gender, age, or ethnic origin.

Coherent with our goal of excellence and continuous improvement, the satisfaction of personal and professional skills profiles for the responsibilities of each position and also for the responsibilities of working for Cerrejón is imperative at any Company level.

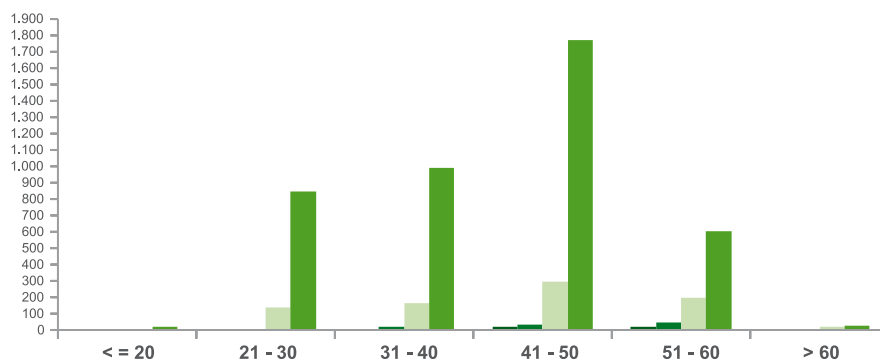
In order to ensure suitability, the Company has implemented internal and external employability mechanisms; in the internal sphere, internal announcements make it possible to offer labour mobility to the people who already work for the Company so that they can make decisions about their professional careers freely, suited to the specific needs of the Company and at the right place and time.

Externally, Cerrejón recruits and selects its workers (including for the executive level and top executive committee) based on the personal, educational, and professional merits of each one of them, giving priority to persons originating in the area of influence and without distinction of race, creed, origin, sexual orientation, gender, or age.

Sixty percent of our workers are La Guajira natives and 29 percent are from the Atlantic Coast of Colombia.

Composition by age and position

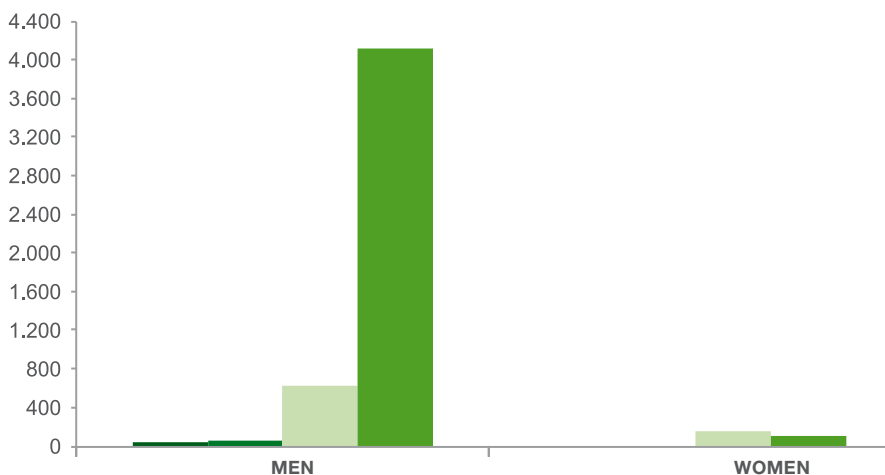
Number of workers



	<= 20	21 - 30	31 - 40	41 - 50	51 - 60	> 60	TOTAL
Managers, VPs, and Pres.			1	8	11	1	21
Heads of Divisions and Superintendencies		1	9	23	36	1	70
Other professionals		135	158	291	193	14	791
Technicians	17	842	985	1.771	597	22	4.234
Total	17	978	1.153	2.093	837	38	5.116

Composition by gender and position

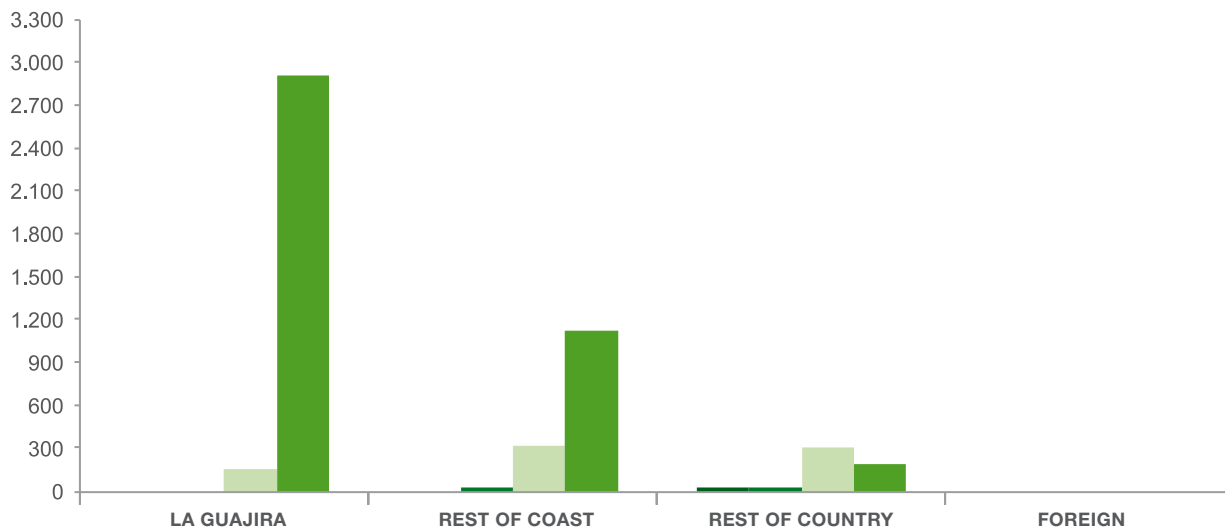
Number of workers



	MEN	WOMEN	TOTAL
Managers, VPs, and Pres.	20	1	21
Heads of Divisions	61	9	70
Other professionals	632	159	791
Technicians	4.119	115	4.234
Total	4.832	284	5.116

Composition by region and position

Number of workers



	GUAJIRA	REST OF COAST	REST OF COUNTRY	FOREIGN	TOTAL
Managers, VPs, and Pres.		4	16	1	21
Heads of Divisions	7	31	32		70
Other professionals	157	328	306		791
Technicians	2,913	1,123	198		4,234
Total	3,077	1,486	552	1	5,116

Training

Strategic initiative:

“Ensure the effective knowledge management. Ensure the permanence and evolution of the collective knowledge accumulated to date and over the coming decades at Cerrejón”

At Cerrejón there are several programmes for managing employee skills and training to keep them up-to-date with the proficiencies required due to technological change and the evolution of our business. This is why we have an average of nearly 50 hours of classroom training per employee per year.

Category	Number of employees	Average hours per employee
MGMT	906	40.52
STAFF	4,725	49.53

The main programmes are:

- Training programmes outside the Company:** orientated towards the acquisition of new knowledge or specialized knowledge outside the Company with the aim of maintaining employee experience up-to-date. In 2008, 181 employees participated in training events outside the Company for a total cost of 373 million pesos.
- Educational assistance programme:** established to stimulate employee self-development by providing economic support for professional, specialized, or language studies that they desire to take in recognized institutions. In 2008, university and graduate studies were sponsored in different disciplines for 154 employees for a total cost of 487 million pesos.

c) **On the Job Training:** established to re-train the maintenance technicians for different equipment and installations at Cerrejón. In the course of 2008, 1,331 on-site instruction courses took place with 19 dedicated instructors, with 825 maintenance-task competency certifications issued.

A similar effort is made for mine equipment operators who must be retrained in the operation of new equipment that comes from the latest technological advances and has been acquired to replace those retired from operation at the end of their service life or due to obsolescence. There are 26 expert operators for this work who act as instructors to their coworkers on the new equipment.

In 2008, 806 operators were retrained on mining equipment due to renewal of old equipment and the arrival of additional new equipment.

d) **Other efforts aimed at managing skills and continuous training:** in 2008 an inventory of key operation knowledge areas—the necessary knowledge a Company employee must have to do their job properly—was done, and the main training activities that must be developed for a new employee or for one transferred to another post to be adequately trained to do their work were identified.

This effort is fundamental for capture and management of the knowledge accumulated by the employees over more than 20 years of operation.

Performance management

Human talent management is centred on the personal and professional proficiencies of each individual, as well as their contribution to achieving the Company's goals and strategies.

Taking these two premises into account, performance evaluations were carried out for both technical and professional personnel for the year 2008. The percentage results for worker coverage can be seen in the graph.

Performance management Percentage coverage of workers evaluated



	%
■ MGMT	87
■ STAFF	90

This percentage refers to the number of performance and proficiency evaluation forms physically received, but all pertinent management employees were evaluated and classified.

Competitive compensation

Performance Payment for Our Talent

The salaries paid by the Company comply with Colombian regulations and the minimum standards established by the mining industry. In 2008, Cerrejón paid a minimum wage 102.45 percent above the Legal Monthly Minimum Wage in Force:

Minimum wage at Cerrejón compared to the legal minimum wage in force for the year 2008 (hourly value)

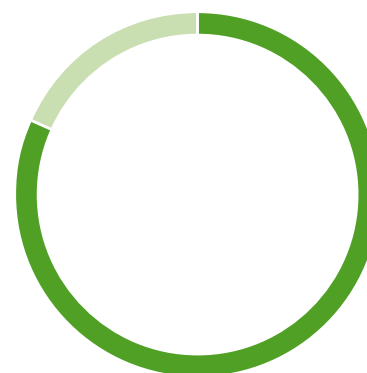
Legal monthly minimum wage in force, 2008	Minimum wage paid by Cerrejón
1,922	3,891

Freedom of association

The company respects freedom of association, collective bargaining, and compliance with labour rights in accordance with what is established in the Social Responsibility Labour Policy. In addition, the Company respects and does not oppose contractor company worker association.

At the end of the period reported on, Cerrejón had 81.81 percent unionized workers in its direct staff, corresponding to 4,121 qualified technical workers.

Unionized workers Percentage of workers



	%
■ Unionized	81.81
■ Non-unionized	18.19

ENVIRONMENTAL MANAGEMENT

Cerrejón Way Principles:

"We shall work to ensure standards of living in the surrounding communities are sustainable. In addition to being a moral imperative, we recognize that Cerrejón is sustainable to the degree that development in La Guajira is"

"Particularly in the context of social responsibility, the paradigm of merely complying with the law is not enough. That is why we aim "to do the maximum possible and not the minimum necessary."

Strategic initiative:

Honour the "social license to operate" and strengthen our status and perception as a good ally of the neighbouring communities, of the region, and of the country. Meet environmental and social indicators and standards, and make efficient, responsible use of natural resources.

GRI
EN1 - EN25, EN30, EC2

Mining and Metals Sector Supplement
MM1, MM2, MM3

Global Compact
7, 8, 9

Millennium Development Goals
7

ISO 14001

Committed to sustainable development

It is Cerrejón's policy to conduct its business in harmony with the environment and society, combining economic, social, and environmental elements that generate added value to its product in synergy with the preservation of the environment and the standard of living of the communities in its area of influence.

The goal is to achieve social progress that recognizes the needs of all individuals, effective protection of the environment, prudent use of natural resources, and continuing with high levels of employment and economic growth.

Environmental Management System

The Environmental Management System, certified in the year 2003 in ISO Standard 14001, is focussed on administration of environmental aspects and impacts derived from the primary, support, and supplementary activities in all areas where it operates, complying with all requirements and standards established in Colombian environmental legislation. It covers such important aspects as environmentally safe design and maintenance of its installations, improvement of industrial and mining processes, and the establishment of communication channels with all stakeholders, among other initiatives.

Efficient management of natural resources

Cerrejón has defined strategies and programs to make efficient use of energy from both the fuels it uses in its processes and the electrical energy purchased from the national electrical power network. Likewise, it has established monitoring and follow-up programs for consumption of fuel and lubs, explosives, water use from different sources, and the generation of ordinary and special solid wastes.

Land reclamation in an integrated process of coal haulage, crushing plant, and rail transport at Cerrejón





Initial preparation of terrain for land reclamation

Environmental programmes

Cerrejón has designed and put into effect comprehensive programmes to manage water, fauna, vegetation cover, soils, reclamation of mined land, irrigation of haulage roads, prevention of atmospheric emissions, and management and disposal of ordinary and special solid wastes. These programmes have involved a process of support through employee and contractor environmental training and dissemination programmes, and visits to neighbouring communities.

Moreover, Cerrejón is working to certify its environmental laboratories under ISO standard NTC-17025.

Cerrejón has signed agreements with international organizations (International Conservation—IC—and the Inter-American Development Bank—IDB) with the goal of working together on biological diversity research projects and promoting opportunities related to renewable energies and energy efficiency, bio-fuels, and adaptation to climatic change.

An evaluation of the performance indicators related to the environmental preservation pro-

grammes that the Company undertakes in its environmental management systems is presented below.

Stakeholder environmental informations

One of the goals in 2008 was to promote good relations with local communities through dialogue, feedback, and the exchange of suggestions or ideas.

Measurement of perception of Cerrejón's environmental management in stakeholder visits, 2008

Environmental programme	Excellent	Good	Fair	Poor	No response
Air	31%	43%	15%	2%	9%
Solid waste	43%	42%	2%	1%	12%
Water	39%	39%	9%	1%	12%
Land reclamation	47%	36%	5%	0%	12%
Fauna	45%	38%	3%	0%	15%

There were 18 community visits, reservations, and representatives of the departmental administration and of regional bodies with the purpose of making known the Company's environmental management up close and getting to know their point of view through a survey. Eighty-two percent of those interviewed responded that their questions about the environmental programmes were answered. In addition, it was found that 74 percent of those surveyed affirm that the presentation of the environmental programmes during the visit changed their previous opinion about Cerrejón's management. In regards to environmental programmes related to air, solid waste, water, and land reclamation, between 74 percent and 83 percent of those interviewed evaluated them as excellent or good, depending on the programme.

These visits are part of Cerrejón's environmental education program, whose main goal is developing awareness and greater knowledge of this subject among employees and contractors, as well as the community, in such a way that those involved are conscious of their responsibility in this regard and act with clear environmental ethics and awareness in their everyday work.

A training model has been developed for employees and contractors which is linked to a programme of talks, depending on level and status.

The precautionary principle at Cerrejón

Cerrejón identifies, evaluates, and controls the potential HSEC (Health, Safety, Environment, Community) risks associated with changes made in the operation.

The procedure for managing change is applied with the understanding that change is any addition, elimination, modification, or replacement that can affect health, safety, the environment, or the community and that does not correspond to a replacement or substitution of the same type or quality as the original.

Land, biodiversity, flora, and fauna

Land in protected areas

Currently there are no Cerrejón-owned, -leased, or -managed operational installations that are adjacent to, contain, or are located in areas declared to be protected or unprotected areas with great biodiversity value.

Biodiversity - Fauna management plan

Cerrejón has a land and aquatic fauna management plan that implements actions necessary to prevent, mitigate, and compensate for the impact of the mining intervention on biodiversity. The fauna management procedures are registered in the Company's SOI system.

Through a combination of crucial actions, the continuous observation of natural events, the curiosity to experiment, learn, and innovate, it has been possible to put together a very special pioneering and native process in regards to environmental responsibility, with recognition from national and international visitors and experts visiting Cerrejón.

Areas identified that require a biodiversity management plan

In recent years, Cerrejón has established protective buffer forests in areas closed to human intervention, where deforestation and hunting are prohibited. Diverse native species are preserved there, such as the spectacled caiman, deer, peccary, oncilla, iguana, green turtle, and tanager, among others. Rock niches have been created to facilitate the establishment of smaller fauna and thus promote repopulation of the reclaimed areas. In addition to this initiative, Cerrejón participates with Corpoguajira in a Bahía Portete salt-water American Crocodile conservation program, in which community fishermen are involved as 'crocodile guards'.

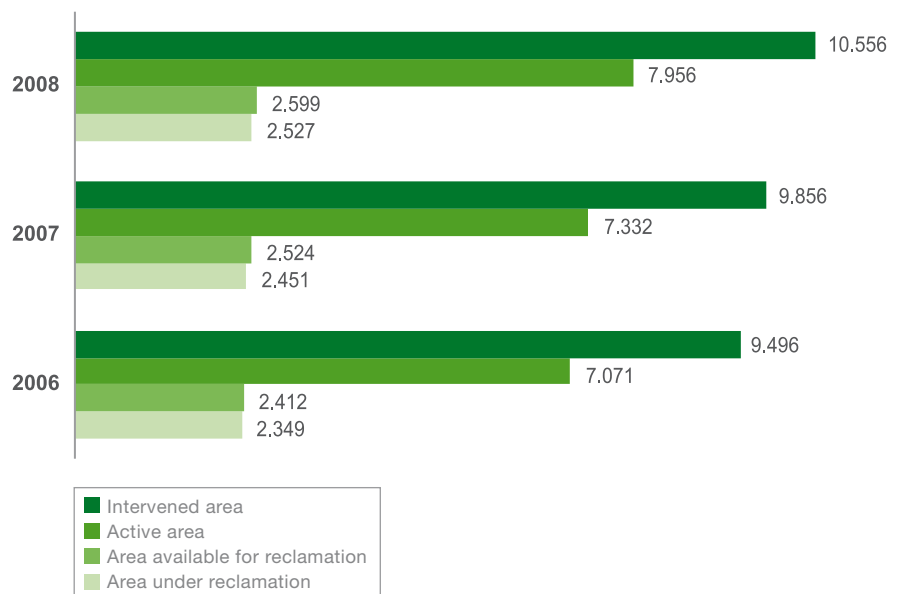
Protected and reclaimed habitats

Land belonging to Cerrejón that 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. The land in the process of rehabilitation constitutes fauna-receiving areas and its wealth increases to the degree to which structural re-ordering of soil components and associated plant and animal communities occurs.

Land reclamation

The Land Reclamation Programme is a component of Cerrejón's Environmental Management Plan, which has been approved by the Ministry of the Environment, Housing, and Land Use. It is a process of continuous construction in which the final product may be a relatively homogenous territory with common characteristics among lots or segments, surrounded by a territorial mosaic without mining intervention, which is very diverse in terms of components, offer of goods and services, states of conservation or degradation, and land use.

In 2008, 700 hectares were taken for mining use, for a multi-annual accumulation of 10,556 ha. The process of reclaiming land (areas under reclamation) began to be implemented at Cerrejón in 1990, covering an extension of 2,527 hectares by the end of 2008.





Plant nursery of native species at the Mine

In 2008, the reclaimed area reached an extension of 2,527 hectares, covering about 800 lots of variable size and shape, which constitute a set of plains and hillsides formed over mine dump sites, added to the sides of natural hills or to new earth formations emerging over old mining pits.

The area intervened reached 10,556 hectares, with an active area of 7,956 hectares. Of the entire area available for reclamation (2,599 hectares), 97.2 percent has been reclaimed, equal to 2,527 hectares. In turn, the intervened area increased by 700 hectares compared to 2007, which represented a 7.1 percent increase. Moreover, 76 hectares were reclaimed, three hectares more than in 2007.

Management at the Wildlife Centre

In 2008, 3,278 specimens were attended to and rehabilitated at the Wildlife Centre and 444 were later relocated. Rescue activities were carried out over 488 hectares and special attention was given to 31 species that are considered to be threatened to some degree according to the IUCNN.

Energy

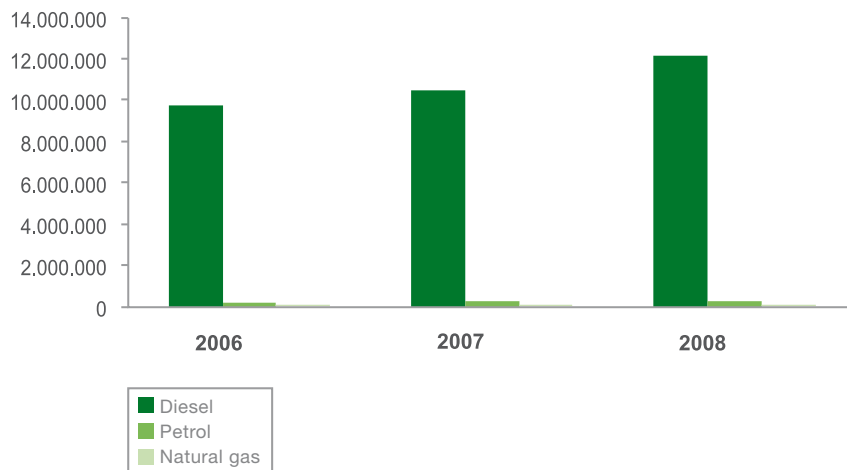
Direct consumption

Direct diesel consumption, that is, consumption corresponding to vehicles and machinery owned by the Company, increased by 22 percent between 2006 and 2008. Fuel consumption of this magnitude requires permanent monitoring and that is why Cerrejón has initiated an energy management programme to provide permanent monitoring of the use of fuels and electrical power as a strategy for reducing greenhouse gas emissions.

In the following figure, the energy equivalent contributed by each one of the fuels used in the process of production can be observed and, in terms of energy, diesel contributes more than 96 percent of all requirements for this resource.

In addition, the amount of diesel energy in the operation has increased from 0.36 GJ/tonne of carbon produced in 2006 to 0.39 GJ/tonne in 2008. This increase is due to the increased stripping ratio, greater horizontal and vertical haulage distances, age of the mining equipment, and so on.

Energy - Fuel use (GJ/year)



Among the projects suggested to achieve a reduction in CO2 emissions per energy unit utilized generated by the use of diesel fuel, there is the use of natural gas as fuel in trucks, and the possibility of using biofuels obtained from plants unrelated to food production is also being analysed, such as, for example, Jatropha and other kinds of crops that are adapted to the soil conditions at Cerrejón

Indirect consumption

Between 2006 and 2008, electrical power consumption went up 23 percent, mainly due to the introduction of mining equipment with significant rates of consumption during operation.

Energy - Electrical power use (MWh/year)



Energy efficiency

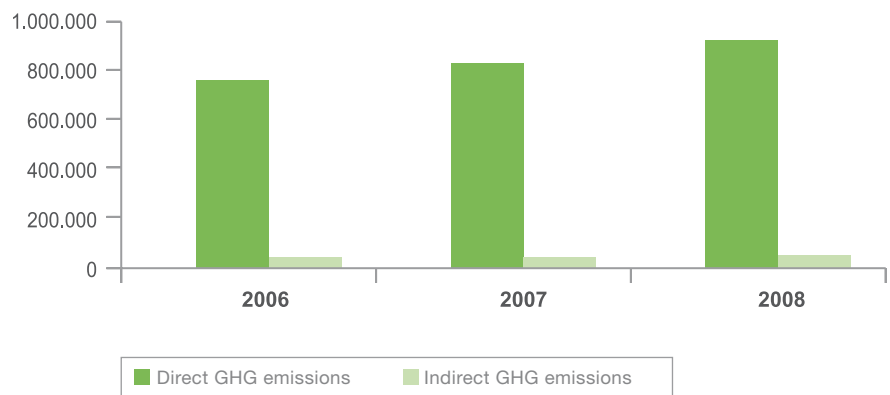
Since the first quarter of 2008, Cerrejón has worked on implementing a management system orientated towards energy efficiency in production, coal handling, and the Operational Services Department. A summary of the energy efficiency projects with an execution horizon up to August, 2009, can be seen in the following table.

Area or process	Key equipment	Potential energy savings (MWh/year)	Potential savings (Million\$/year)	Potential emission reduction (Tonne CO2/year)	Percentage energy savings
Puerto Bolívar	Stackers and belts	1,574	173	787	6.1%
Coal plant	Crushers	672	94	335	0.92%
Coal mining	Shovels and pumps	8,255	1,140	4,073	6.9%
Estimated total		10,501	1,408	5,195	4.23%

In addition to the foregoing projects, there are actions being implemented such as:

- Energy Management System, based on the ANSI/MSE 2000 standard.
- Efficient illumination. The result was a 15 per cent savings, and for 2009 the installation of two new systems is proposed.
- Efficient air conditioning. The default temperature was adjusted in the offices, reducing operational cycles and optimizing needs for this service.
- Heating water with solar energy. The construction of a new camp at the Port began in 2009, and the installation will be equipped with solar water heaters. Once the results are analysed, the installation is expected to be extended to other residential areas.

Direct and indirect Greenhouse Gas emissions (Tonne CO2/year)



GHG emissions

Between 2006 and 2009, the Company's direct and indirect GHG emissions increased by 21 percent, which is fundamentally due to the rise in diesel consumption in the same proportion.

Fuel (diesel) consumption is responsible for more than 92 percent of the CO2 emissions generated at the Company. In contrast, the consumption of electrical power in different operations is equal to three percent of total emissions. The absolute value of these emissions and their evolution over the last three years can be seen in the graph.

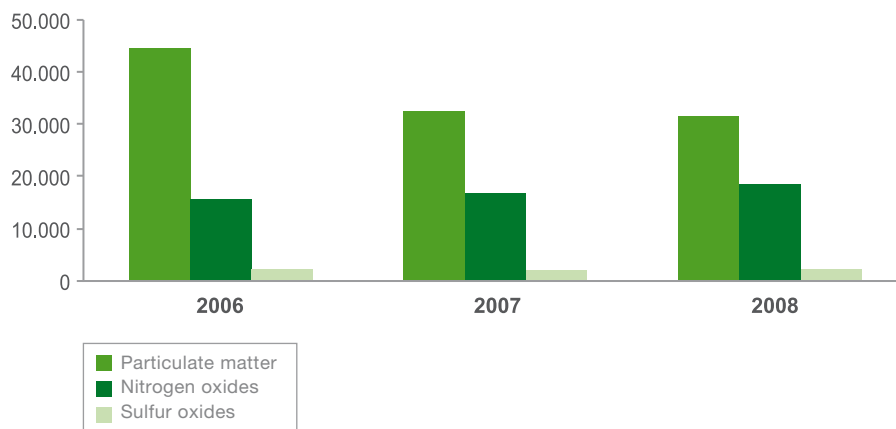
Although the absolute value of emissions increased 21 percent over the last three years, coal production also increased by 10.2 percent, from 28.7 million tonnes in 2006 to 31.4 million tonnes in 2008.

Climate change mitigation and adaptation initiatives

Among the strategies and actions being developed to mitigate climate change are:

- Energy efficiency and renewable energies
- New mining technology
- Protection of biodiversity and climate change adaptation initiatives
- Environmental Management through the Cerrejón Guajira Water Foundation

Emissions of other gases - particulate matter, nitrogen oxides, and sulfur oxides (tonne/year)



Air

Protection of the ozone layer

Projects aimed at replacing old air conditioners with new equipment that operates with coolants with less ODP have been implemented; the use of aerosols with CFC was eliminated; and fire-extinguishing equipment has been replaced with ones using substances that do not deplete the ozone layer.

Protection of air quality

Cerrejón carries out a program to control particulate matter (dust) emissions by means of a fleet of tank trucks that water about 105 kilometres of Mine roads with more than 17,000 cubic metres of water a day, mainly from the runoff stored in retention ponds.

The efficiency of the control measures and compliance with air quality standards is verified through a network of 18 monitoring stations dedicated to measuring total suspended particulate matter (TSP) and airborne dust (PM10) located both upwind and downwind of the Mine and the Port. The results obtained are sent to the appropriate environmental authorities, the Ministry of the Environment, and Corpoguajira (the regional authority), and these indicate that the dust concentrations at all the stations amply comply with what is established in the legislation in force, both for the daily standard and the annual standard.

Between 2006 and 2008, total particulate matter emissions at the Mine went down by 39 percent.

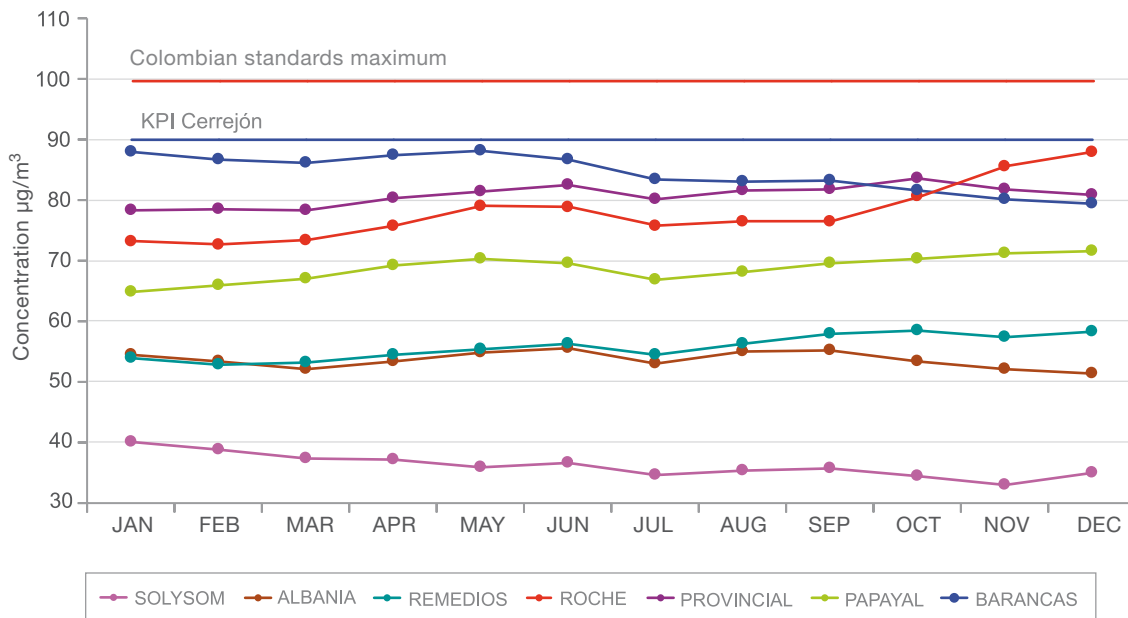
Modelling air quality

Cerrejón has developed a methodology for modelling atmospheric dispersion to predict concentrations of particulate matter in communities neighbouring its mining operation for future mining scenarios.

The 2008 forecast scenario for target control levels (80–85 percent efficiency in road dust control), the air quality in settlements surrounding the mining operation remained below legal concentration limits (100 µg/m³ annual average and 300 µg/m³ daily average) with the exception of Las Casitas, where the daily average may be higher on occasion. Cerrejón did an in-depth follow-up to the concentrations trend at this station and is strictly monitoring compliance with operational standards.

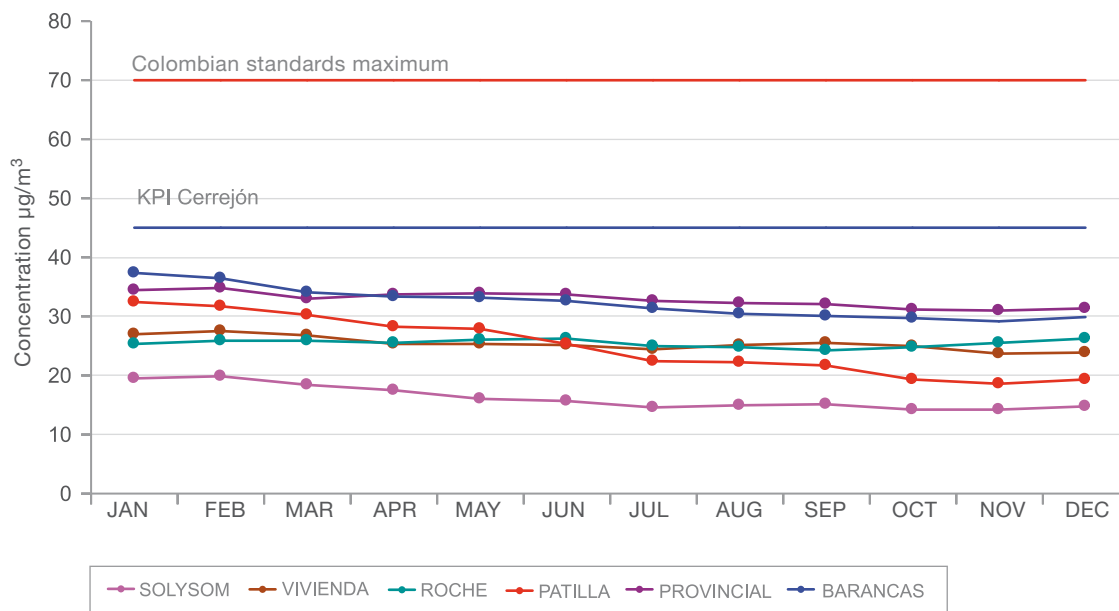
The figures below present the result of the annual concentrations for TSP and PM10. Note the compliance with the annual concentration standard at all stations of the monitoring network.

Average annual concentrations of TSP for 2008



*Maximum allowed value for annual geometric average = 10 µg/m³
 ** AGA (µg/m³): annual geometric average in micrograms per cubic metre

PM10 2008 Average annual concentrations



*Maximum allowed value for annual geometric average = 10 µg/m³
 ** AGA (µg/m³): annual geometric average in micrograms per cubic metre

Water

Over the last three years, water consumption at Cerrejón has fallen by seven percent. Sixty-three percent corresponds to runoff, coal-bed depressurizing wells, and coastal waters.

Capture of low-quality water increased by 44 percent from 2006 to 2008, with a corresponding decrease in high-quality water capture (Ranchería River and aquifers) of 42 percent. This reduction is due to the Company's efforts to reduce water capture from the Ranchería River, thereby protecting this vital source of water in La Guajira.

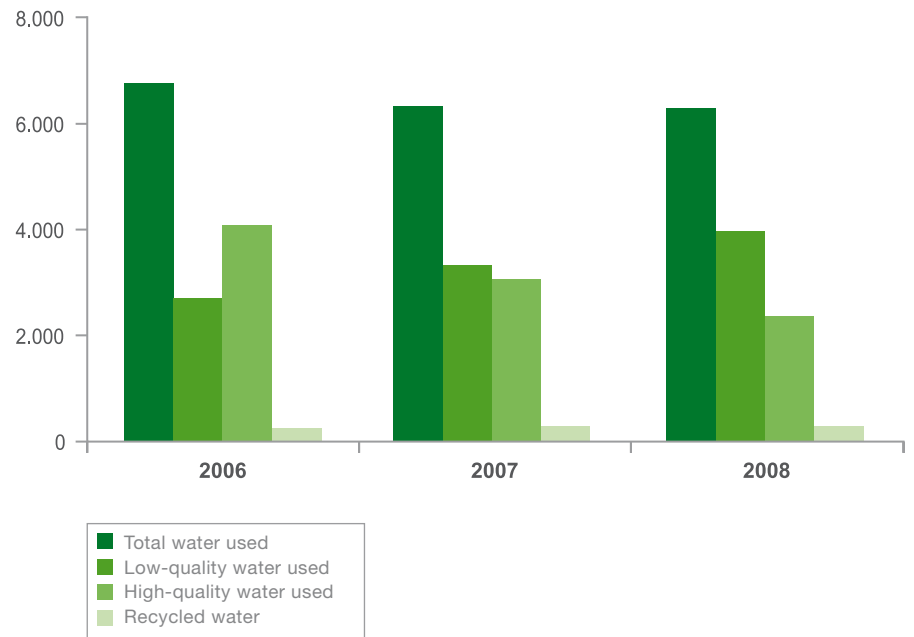
Cerrejón continues to recycle much of the household grey waters produced at the camp, which are treated in stabilization ponds. In 2008, 257,000 m³ of treated water was recycled, an increase of 19 percent over 2006.

Over the last three years, uptake of water from the Ranchería River has significantly decreased, dropping from 3,228,000 m³/year to just 1,356,000 m³/year. Uptake from the aquifer has increased but to a proportionately lesser extent compared to the total water demands.

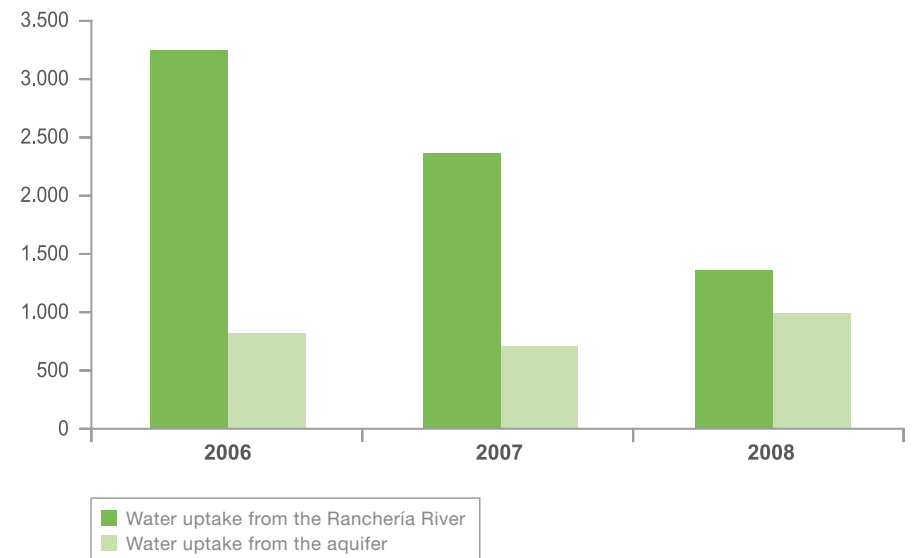
Efficient use of hydrological resources

In accordance with a requirement of the Ministry for the Environment, Housing, and Regional Development, Cerrejón undertook a study to determine, as part of one of the variables to be taken into account for vegetation cover and monitoring, whether or not there are trends in the variance and average of the monthly records from year to year or in the multi-year totals for precipitation and volume of the Ranchería River that are monitored at the environmental stations. One of the main conclusions of the study was that Cerrejón's mining operation is not affecting the Ranchería River's volume of flow, given that the ratio between precipitation and volume of flow remains constant throughout the periods analysed. This means that surface runoff maintains the normal patterns in the zone, making water available to guarantee sufficient use for ecosystems and for water use below the Mine.

Water uses and sources (thousands of m³/year)



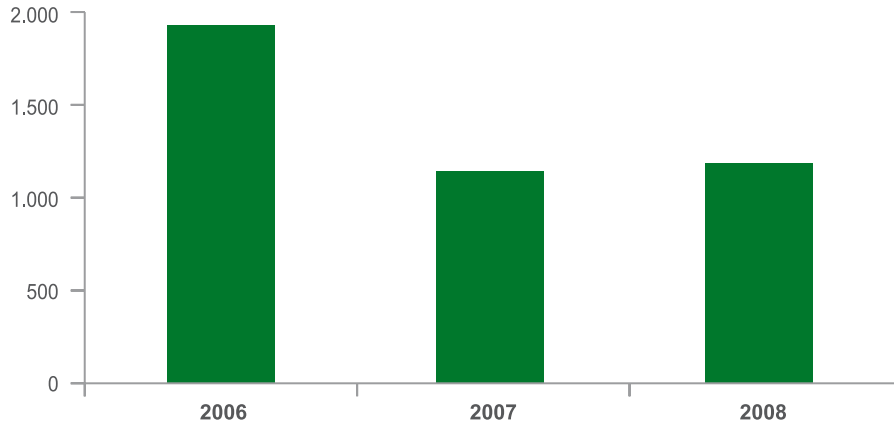
Use of water from the Ranchería River and the aquifer (thousands of m³/year)



Water Treatment

In 2008, 257,000 m³ of treated water was recycled, an increase of 18 percent over 2006. From 2006 to 2008, there was a decrease of 39 percent in the discharge of residual water into the Ranchería River and other water courses. The discharge evolution can be observed in the graph below.

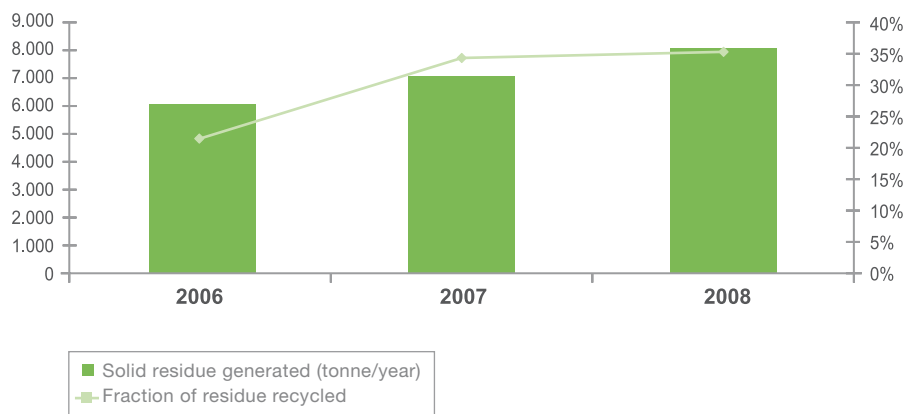
Residual water discharge (km³/year)



Solid wastes

The recycling rate increased from 22 percent in 2006 to 36 percent in 2008. These high recycling levels are possible due to the new habit of separating types at the source and to the strategies designed and implemented to prevent valuable materials from ending their service life in the landfill.

The figure below shows the evolution of the generation of solid waste and the growth in the recovered fraction of materials generated.



Mining residues and spills

In 2008 there were no significant oil spills and those that did occur were treated by the bio-remediation process developed by Cerrejón for the treatment of contaminated soils.

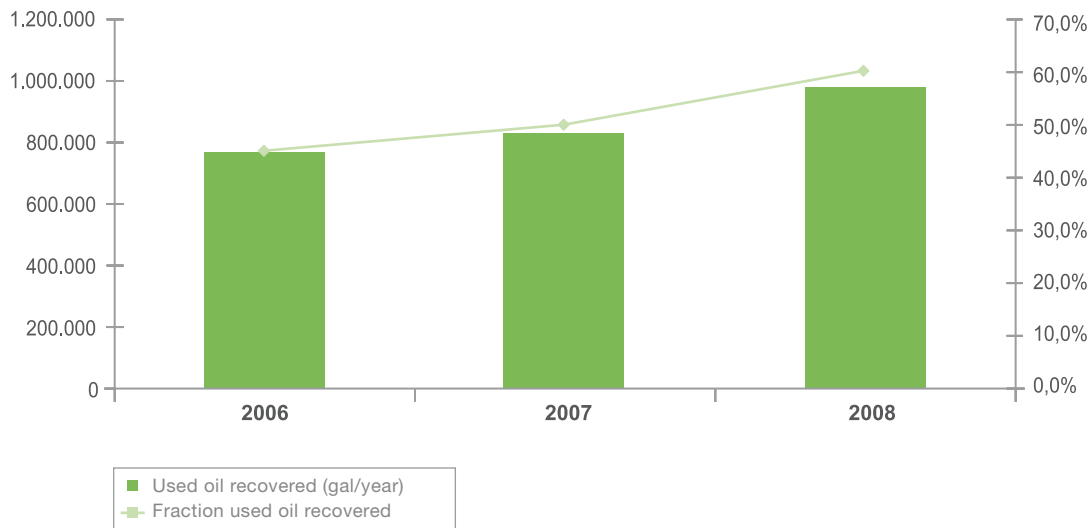
Recycling

Oil recovered and reused in 2008 amounted to 974,311 gallons, an increase of 27 percent over 2006. More than 60 percent of all the oil used was recycled. The figure below shows the evolution of used oil recovery in recent years.



Cerrejón has a fleet of 22 water tankers that use 5.4 million cubic metres of recycled water to mitigate and control dust produced in the mining process

Used oil recovered

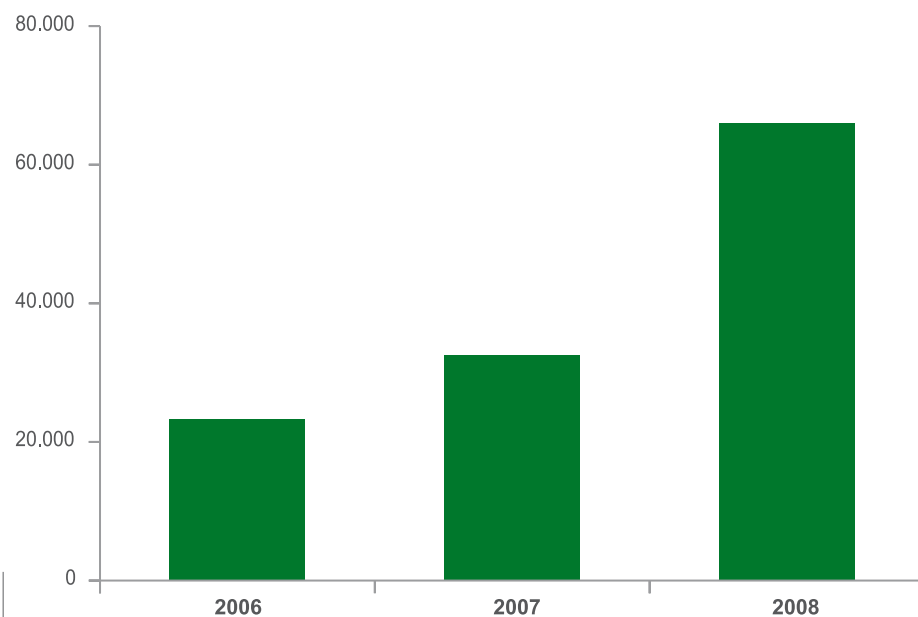


Environmental investment

The Company's environmental investment substantially increased in 2008, reaching a high of 76,798 million pesos. This consists of an increase of 78.5 percent over 2007 and of 131 percent over 2006. The figure below shows the evolution of the environmental investment over the last three years.

The resources are used mainly for the environmental control and monitoring programme (57 %), purchase of equipment and instruments for measurements and monitoring (37 %), land reclamation (6 %), and the remainder for resources for environmental studies and environment-related activities.

Environmental investment (MCOP\$/year)



GRI INDEX

Section/aspect	GRI	Mining and Metals Sector Supplement	Global Compact	Millennium Development Goals	Location (page)
General contents					
The Cerrejón Way: Responsible Mining	1.1				4
About this report	3.1 - 3.8, 3.10, 3.11, 3.13				2
About Cerrejón	2.2 - 2.7, 2.9, 2.10, 4.13				5 - 9
Performance	2.8				10 - 11
Management Model: 'Cerrejón Way'					
Cerrejón Way principles and values	4.8				13 - 14
Support for initiatives and standards	4.12				14 - 15
Management of sustainability risks	1.2				16
Corporate Strategy: Responsible Mining					
Responsibility for our product: Coal	PR1, PR3, PR5, PR8, EN26, EN27	MM12	8, 9	7	19 - 24
Supplies	EN1, EN2, EN24		8, 9	7	20
Responsibility in health and safety	LA6 – LA9			6	25 - 27
Liaison with Stakeholders					
Inclusivity, dialogue, and results	4.14 – 4.17				28 - 33
Corporate Governance					
Corporate structure	4.1 – 4.4, 4.9 – 4.10				34
Skills in Senior Management and performance bonuses	4.5, 4.7				35
The maximum integrity path	4.6				35
Application of control measures	EC4				35
Compliance with laws and regulations	SO2 – SO7		10	8	35
Added Value and Economic Performance - DMA					36 - 37
Distribution of wealth generated	EC1			8	36
Contribution to the Colombian economy	EC9, SEAT: 3D			8	37
Local supplies	EC6			8	37
Social engagement - DMA					38 - 49
Human Rights	HR1 – HR3, HR6, HR8 – HR9		1, 2, 4, 5	3	38 - 39
Social Engagement with communities	SO1			7	39 - 40
Indigenous Communities		MM5	1, 2		41 - 42
Community service points		MM6B			43
Resettlements		MM8	1, 2		43 - 46
The Cerrejón Foundations System	EC8				47 - 49

Section/aspect	GRI	Mining and Metals Sector Supplement	Global Compact	Millennium Development Goals	Location (page)
Human Resources					52 - 58
Job creation and development	LA1, EC7		6		53
Average turnover	LA2		6	3	55
Benefits	LA3, EC3		6	3	55
No discrimination due to gender and equal opportunities	LA13, LA14		6	3	55 - 57
Training	LA10, LA11				57
Performance management	LA12				58
Equitable compensation	EC5		6		58
Freedom of association	LA4, HR5		1, 3		58
Environmental management – DMA					57 - 70
Committed to sustainable development	EN26, EN29			7	59 - 60
Land, biodiversity, flora, and fauna	EN11 – EN15, EN25	MM1, MM2	8	7	61
Energy	EN3 – EN7		8, 9	7	63
GHG emissions	EC2, EN16 – EN18		8, 9	7	64 - 65
Air	EN19 – EN20			7	65 - 66
Water	EN8 – EN10, EN21, EN23		8, 9	7	67 - 68
Solid wastes	EN22	MM3	8	7	68
Environmental investment	EN30		8	7	70

Indicators with a 'zero' for data or unreported

	Code	Result
Incidents due to lack of compliance in Health and Safety	PR2	Zero (0)
Lack of compliance due to inadequate labelling	PR4	Zero (0)
Codes Marketing volunteers for mining	PR6	Not applicable
Incidents due to lack of compliance with marketing codes	PR7	Zero (0)
Fines due to lack of compliance in supply and use	PR9	Zero (0)
Warning of changes	LA5	According to change
Incidents due to discrimination and measures taken	HR4	Zero (0)
Forced labour	HR7	Zero (0)
Sanctions and fines due to lack of compliance	EN28	Zero (0)
Fines and sanctions for failure to comply with environmental regulations	SO8	Zero (0)
Strikes and lockouts	MM4	Zero (0)
Disputes related to land use	MM6A	Zero (0)
Sites with artisanal and small-scale mining	MM7	Not applicable
Incidents involving communities invoking grievance mechanisms and outcomes	MM10	Zero (0)
Incidents involving use of emergency preparedness procedures	MM11	Zero (0)

INDEPENDENT VERIFICATION



ASSURANCE STATEMENT

THIRD PARTY VERIFICATION OF INDICATORS IN 2008 SUSTAINABILITY REPORT

NATURE AND SCOPE OF INDICATOR VERIFICATION

SGS Colombia S.A. was requested by Cerrejón Coal Limited (henceforth Cerrejón) and by Cerrejón North Zone S.A. (henceforth CZN), together and henceforth Cerrejón / CZN, to perform a partial independent verification of indicators of its 2008 Sustainability Report (the Report), whose compilation and definition of contents was the responsibility of Cerrejón / CZN.

SGS Colombia S.A. did not participate in preparing any of the materials included in this Report. Our responsibility is to express an opinion of the text, data, graphs, and statements as concerns the verification laid out below.

The Report verification requested by Cerrejón / CZN is limited to nine indicators. The Scope for the indicators is: For the Environmental Area on pages 59 to 70 of the Report: Air Quality at the Mine and Port, Air Quality, Reclaimed land, Recovered oil. For the Social Area on pages 38 to 58 of the Report: Percentage of employees by collective agreement, Percentage of direct employees from La Guajira, Training of employees in Human Rights, Significant fines and sanctions. For the Economic Area on pages 36 to 37 of the Report: Economic value generated and distributed. The Economic and Financial information was based on the third-party verification of the Firms Auditing Cerrejón / CZN. This Report excludes activities outside the period defined in the 2008 Sustainability Report.

The Grupo SGS has developed a set of protocols and practices for the Verification of Sustainability Reports based on the current standards and guidelines for best practices set out in the Global Reporting Initiative, Sustainability Reporting Guidelines, and the AA1000 Assurance Standard.

This Report has been verified by our procedure for content verification. The verification comprises a combination of interviews with employees of Cerrejón / CZN, with different levels of responsibility; evaluation of the systems and processes for compilation and systematization of the data; documentation and review of records at the Cerrejón / CZN Mine in La Guajira and at the administrative headquarters in Bogota.

DECLARATION OF INDEPENDENCE AND COMPETENCE

The SGS group of companies is the world leader in inspection, proof, and verification. It operates in over 140 countries and its service provision includes management systems and services for certification, quality, environment, occupational health and safety, public accountability and ethics, and training; greenhouse gas emission verification, and the verification of Sustainability Reports. SGS Colombia S.A. asserts its independence of Cerrejón / CZN, and is free of biases and conflicts of interest with the organization, its subsidiaries, and the stakeholders.

The Verification team was chosen based on their knowledge, experience, and qualifications for verification of the Report in the areas of Economics, Environment (auditors with knowledge of the ISO 14001 Standard), and Social (auditors with knowledge of the SA8000 Standard).

OPINION OF THE VERIFICATION

Based on the application of the methodology and the verification of the work performed, we are satisfied with the information given in the Report on the requested indicators, as they are accurate, reliable, and provide a fair and balanced representation of the relative performance.

Signed by:

A handwritten signature in black ink, appearing to read 'A. Bendek Ahumada', written over a horizontal dashed line.

**ALVARO BENDEK AHUMADA
SYSTEMS & SERVICES CERTIFICATION
REGIONAL MANAGER SOUTH AMERICA**

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GRI CORRELATION TABLE – GLOBAL COMPACT (COP)

GRI Correlation Table – Global Compact			
Areas	Principles	Direct correlation with GRI indicators	Indirect correlation with GRI indicators
Human Rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	HR1 - 9	LA4, LA13, LA14 ; SO1
	Principle 2. Make sure that they are not complicit in human rights abuses.	HR1 - 2, HR8	
Labour standards	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	HR5; LA4, LA5	
	Principle 4: The elimination of all forms of forced and compulsory labour.	HR7	HR1 - 3
	Principle 5. The effective abolition of child labour.	HR6	HR1 - 3
	Principle 6. The elimination of discrimination in respect of employment and occupation.	HR4; LA2, LA13, LA14	HR1, 2; EC5, EC7; LA3
Environment	Principle 7. Businesses should support a precautionary approach to environmental challenges.	4.11	EC2
	Principle 8. Undertake initiatives to promote greater environmental responsibility.	EN2, EN 5 - 7, EN10, EN13 - 14, EN18, EN 21 - 22, EN 26 - 27, EN30	EC2; EN1, EN3 - 4, EN8 - 9, EN 11 - 12, EN 15-17, EN19 - 20, EN 23-25, EN 28 - 29; PR3 - 4
	Principle 9. Encourage the development and diffusion of environmentally friendly technologies.	EN2, EN 5 - 7, EN10, EN18, EN26 - 27	
Anti-Corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	SO2 - 4	SO5 - 6

CERREJÓN'S PROGRESS IN LIGHT OF THE PRINCIPLES OF THE GLOBAL COMPACT (COP)

Below we present Cerrejón's management in 2008 versus its commitment with the principles of the Global Compact. Details and responses for each section are found throughout this Sustainability Report.

Cerrejón's Sustainability Report under the principles of the Global Compact					
Areas	Principles	Commitment Cerrejón Section/ Location	SYSTEMS Section/ Location	Activities Section/Location	Results Section/Location
Human Rights (pages. 38 - 49)	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	Support for initiatives and application of international standards / Voluntary Principles in Safety and Human Rights	Human Rights Programme / Human Rights Policy	Training in Human Rights and International Humanitarian Rights	Participation in the Mining and Energy Committee on indicators in Voluntary Principles In process Application of Complaints Mechanism Training in Human Rights of 5,640 people Analysis of Human Rights compliance in 16 cases..
	Principle 2. Make sure that they are not complicit in human rights abuses.		System of Operational Integrity / Human Rights Clauses in Contracts	Cases analysed in the light of Human Rights	Analysis of agreement with Public Security Forces and two contracts with private security companies as concerns compliance with Human Rights.
Labour Standards (pages. 52 - 58)	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Resources / Freedom of Association	System and Policy of Labour Dimension of Corporate Social Responsibility under the guidelines of SA8000	Arrangement between Cerrejón and its Employees for a collective bargaining agreement. Inclusion of clauses on freedom of association in contracts with contractors	81.81 % of workers are in the union.
	Principle 4. The elimination of all forms of forced and compulsory labour.	Socially Responsible Management / Labour Dimension of Corporate Social Responsibility regarding child or forced labour	System and Policy of Labour Dimension of Corporate Social Responsibility under the guidelines of SA8000	Inclusion of clause on abolition of forced and child labour.	The Company neither uses nor fosters forced labour.
	Principle 5. The effective abolition of child labour.				Cerrejón neither uses nor fosters child labour. Its youngest workers are approximately 20 years old
	Principle 6. The elimination of discrimination in respect of employment and occupation.	Human Resources / Equal rights and equal opportunity, Diversity and non-discrimination	System and Policy of Labour Dimension of Corporate Social Responsibility under the guidelines of SA8000	-Cerrejón Compensation System -Mechanism for internal filling of positions -Corporate Value of Respect and Promotion of Women -Recruitment with no discrimination	Human Resources/Graphs of workers by gender, age, region, municipality.

Carrejón's Sustainability Report under the principles of the Global Compact

Areas	Principles	Commitment Carrejón Section/ Location	SYSTEMS Section/ Location	Activities Section/Location	Results Section/Location
Environment (page 19 and pages 59 - 70)	Principle 7. Businesses should support a precautionary approach to environmental challenges.	Environmental Management	Environmental Management System Policy of Health, Safety, Environment, and Communities	Eco-efficiency and Environmental Management/ Precautionary principle at Carrejón	Performance 2008 / Sustainability Figures / Environmental Management and Emissions
	Principle 8. Undertake initiatives to promote greater environmental responsibility.			Millennium Development Goal No. 7 ISO Standard 14001	
	Principle 9. Encourage the development and diffusion of environmentally friendly technologies.			Responsible Mining/ Responsibility for our product: Coal Eco-efficiency and Environmental Management / Air / Air-Quality Modelling	
Anti-Corruption (pages 38 - 49)	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance / Ethics and Transparency	Ethics Policy Ethics Committee EITI Initiative	Corporate Governance / Application of control measures, Compliance with Laws and Regulations Carrejón Foundation for Institutional Strengthening Programmes	Corporate Governance / Application of control measures

GLOSSARY

Term	Description
AA1000	Stakeholder Engagement Standard Standard for stakeholder liaison published by Accountability
CO2	Carbon dioxide emissions
COPASO	Joint Committee on Occupational Health (Comité Paritario de Salud Ocupacional)
CORPOGUAJIRA	Regional Autonomous Corporation of La Guajira
CREM	Centre for Municipal Educational Resources of Fonseca (La Guajira)
DANE	National Administrative Department of Statistics
EFFE	Administrative Efficiency and Effectiveness Project
GJ	Gigajoules
GRI	Global Reporting Initiative
HR	Human Rights
HSEC	Health, Safety, Environment, and Communities
ICFES	Colombian Institute for the Promotion of Higher Education
IFC	International Finance Corporation
ISO 14001	Environmental Management System Standard published by the International Standards Organisation (ISO)
IUCNN	International Union for Conservation of Nature and Natural Resources
MAVDT	Ministry for the Environment, Housing, and Regional Development
MGMT	Management employees
MWh	Megawatts
NGO	Non-Governmental Organization
OHSAS 18001	Standard of the Management System in Occupational Health and Safety created by a number of leading bodies in standardization
PMO	Project Management Office
SEAT	Socio-Economic Assessment Toolbox of Anglo American
SENA	National Training Service
Staff	Non-management employees
Third Party Review	Third Party Review Panel, which analysed Cerrejón's Social Responsibility management
Tonne	Tonnes
WCI	World Coal Institute

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Suggested sites for consultation:

Committee for Monitoring 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

United Nations 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

SUSTAINABILITY REPORT EVALUATION QUESTIONNAIRE

Your opinion is vital to Cerrejón

We invite you to send us your comments and suggests in this format by fax, e-mail, scanned, mail, or dropping it off in person.

Cerrejón Coal Limited
Calle 100 No. 19 - 54, piso 12
Bogotá, Colombia.
mail to: comunica@cerrejon.com

1. To which group associated with Cerrejón do you belong?

- Shareholder
- Worker
- Client
- Supplier/Contractor
- Indigenous Community
- Rural Community
- Government
- News media
- Academic
- Other, specify: _____

2. Select the Report sections you are most interested in:

- Performance 2008
- Management Model: "Cerrejón Way"
- Responsible Mining
- Liaison with Stakeholders
- Corporate Governance
- Added Value and Economic Performance
- Socially responsible management
- Human Resources
- Environmental Management

3. What do you think of Cerrejón's 2008 Sustainability Report in relation to the following characteristics? (Check only one choice for each)

Length (amount of information presented)

- Very good
- Good
- Fair
- Poor

Usefulness (satisfaction of expectations concerning content presented)

- Very good
- Good
- Fair
- Poor

Presentation/Design (concerning format, photographs, structure, etc.)

- Very good
- Good
- Fair
- Poor

Clarity (information presented in an orderly, understandable form)

- Very good
- Good
- Fair
- Poor

4. If you feel that some topic or datum has not been included in the Report, or has been inadequately treated, indicate what it is or include any additional comments.

Name: _____

Agency: _____

E-mail: _____

We greatly appreciate your opinions.

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