

SUSTAINABILITY REPORT 2009





ABOUT THIS REPORT

GRI
2.1, 3.1-3.8, 3.10, 3.11, 3.13
AA1000
Inclusivity principle

At Cerrejón we continue showing our interest in generating confidence in our stakeholders by way of transparent and accurate communication.

We present our *Sustainability Report* for the fifth year in a row, covering therein the mining operations managed by Carbones del Cerrejón Limited (hereinafter Cerrejón) and CZN S.A. (hereinafter CZN), for the period between January 1 and December 31, 2009. It reports on our operations at the Mine, the Railway, Puerto Bolívar, and the corporate offices in Bogotá. We present consolidated data concerning the economic, social, and environmental surroundings of the two companies that operate in Colombia, by reason of the association existing between the same, for the exploitation of two of the five mining areas and of the operations integration agreement signed with the Colombian government.

In preparing this Report, we used the guidelines of the *Sustainability Reports of the Global Reporting Initiative* (GRI), version G3 2006, as well as the *Supplement for the Mining and Metals Sector*.

This report does not present significant changes as regards the report of the previous year so far as its scope, coverage, and assessment methods. It covers, where possible, all those aspects considered as a

sustainability risk for the company.

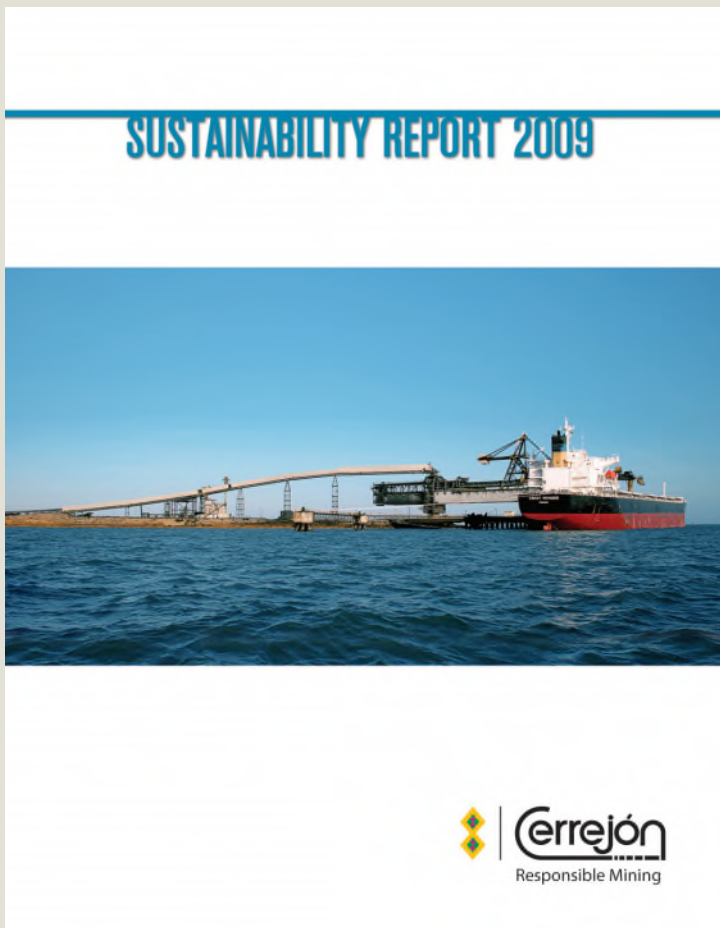
In calculations where there are changes in the figures for the previous year, explanations are given in the indicator.

For the purpose of obtaining an A+ certification level with this document, we have requested an independent verification with limited assurance from SGS Colombia S.A. The resulting assurance report is found in the "Independent Verification" section.

At Cerrejón we have defined the aspects included in this report following the principles of materiality, inclusivity, and responsiveness to our stakeholders, as established in the *AA1000 Stakeholder Engagement Standard 2005* de Accountability. Furthermore, we have identified our stakeholders according to the impact which our business management has on them, and by the manner in which said impact has influenced the company's decision-making.

The report is comprised of the following chapters:

- *Message to our stakeholders*, wherein the President of the company explains the purpose and importance of the report.
- *About Cerrejón*, a chapter wherein the history, legal nature, and other relevant aspects of the organizational structure of the company are presented.



- *Performance and scope 2009*, a chapter wherein we present the progress of the strategic indicators identified in 2009 for the company, in economic, social, and environmental aspects.
- *Carrejón Way*, a chapter wherein our management model is explained.
- *Our corporate strategy*, a chapter wherein Carrejón's responsible mining is explained.
- *Stakeholders*, a chapter wherein the relationships established by Carrejón with its stakeholders are explained.
- *Corporate Governance*, the system of governance of Carrejón.
- *The added value of the company and its economic performance* are explained in chapter nine.
- The company's *socially responsible engagement* is presented in chapter ten.
- After that are the figures and results from *human resources*.
- Finally, we present our *environmental management*.

The tables regarding GRI (Global Compact) correlation and measurement techniques, criteria, and bases are found at the end of this report.

- Relevant topics for the sector according to the GRI mining and metals sector supplement.
- Relevant topics of the mining sector in the *Sustainability Yearbook prepared by PricewaterhouseCoopers and Sustainability Asset Management (Sustainability Yearbook 2009)*¹.
- Analysis of the topics pertaining to sustainability of the International Council of Mining and Metals (ICMM).

Furthermore, the evaluation of the Third Party Review² in 2007, which was responsible for evaluating the company's social engagement, issued a call to Carrejón to provide continuity to the process of cultural change and to raise standards of living. These recommendations have been taken into account and in this report they have taken form in specific programs and projects.

With the development of the commitments acquired by this committee, we have generated a learning process based on past mistakes, and we have established commitments with our stakeholders, following the practice of submitting all of our work standards to international reviews.

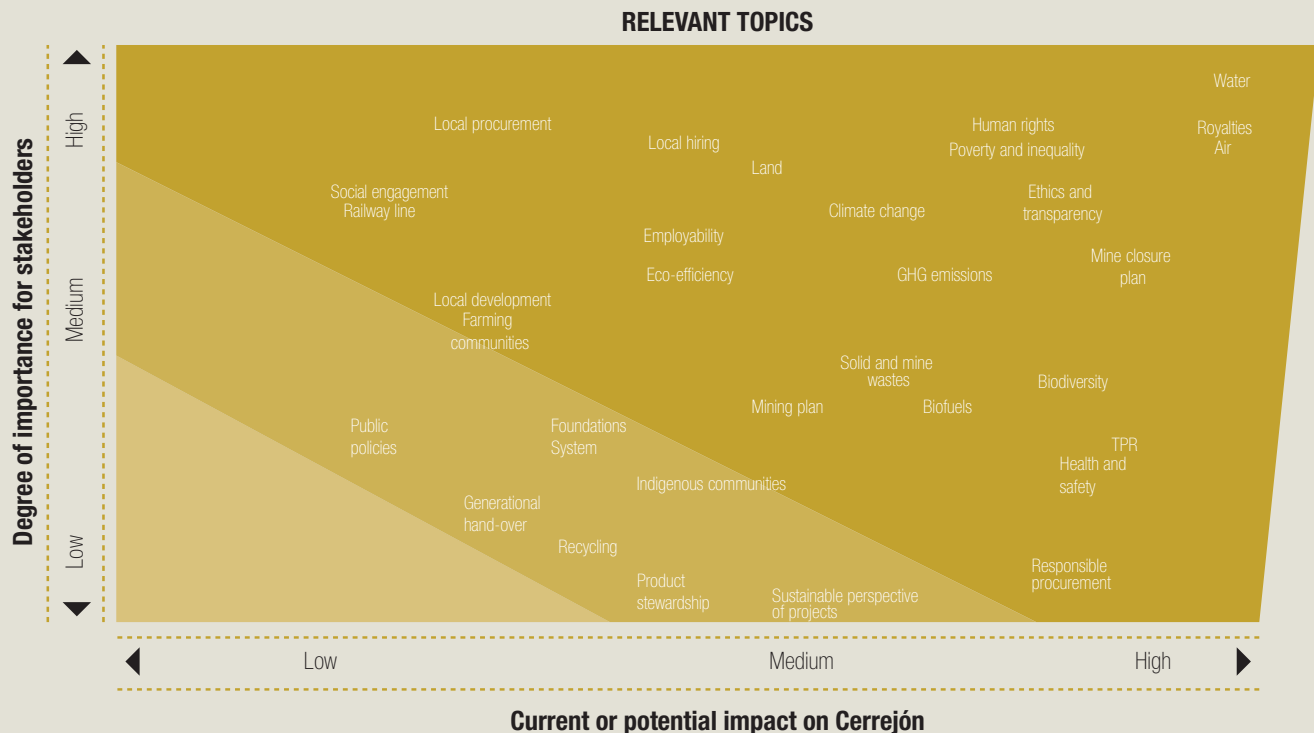
These topics were prioritized and were situated within the following materiality matrix, taking into account the level of importance of this topic for our stakeholders, against the degree of impact that this generates for our company:

MATERIALITY

Materiality shall be understood as the knowledge of the relevant issues both for the stakeholders as well as for Carrejón, wherefore we develop a *table of relevance by topic* wherein we analyse the information obtained in the internal and external dialogues regarding:

- Recurring topics from interviews with senior management.
- Recurring topics from dialogues with stakeholders.

TABLE OF RELEVANT TOPICS



¹ Sustainability Yearbook 2009 (Drawn up by PwC and SAM).

² See: http://www.carrejoncoal.com/secciones/CERWEB/HOME/MENUPRINCIPAL/NUESTRACOMUNIDAD/COMITEIND/seccion_HTML.jsp

INCLUSIVITY

At Cerrejón we analyse each of the material topics obtained and prioritized, as well as the requests generated by each of our stakeholders during the dialogues, emphasizing:

- Expectations.
- Needs.
- Defining specific actions or formal plans for each request received during the dialogues.
- Reviewing the information that the company is currently generating in order to focus communication efforts on that which is truly relevant.
- Complement and analyse the relevant information, reducing what is irrelevant to that which is strictly necessary.

RESPONSIVENESS

Beyond carrying on a dialogue with the stakeholders, the basic purpose of the liaison process is to jointly define our main strategies for actions for sustainability and corporate social responsibility as a result of a construction process with each stakeholder with whom we interact and that is affected by the operation.

Consequently, this *Sustainability Report* includes information that we believe responds to the interests and expectations of our stakeholders.

IDENTIFYING STAKEHOLDERS

In order to identify and select the stakeholders with whom we are committed, we begin by specifying the main needs and expectations of the different groups, classifying them by coverage (regional, national, and international), and then we identify the impact that our operation has upon them. In this manner we define the stakeholders on which the company strategy is focused, and we identify the related organizations and entities.

By logging onto www.cerrejon.com you may find this report and download it by sections according to your interests. On our web page, you will find links and information regarding the Cerrejón Foundations System (www.fundacionescerrejon.org), and detailed information regarding the programs, activities, news, and other relevant aspects of Cerrejón's sustainable management.

Cerrejón has established, both within and outside the Company, different communications mechanisms (electronic and face-to-face) in order to respond to any concern, request, or suggestion by our stakeholders.

Any comment regarding the content of this report may be sent to:

comunica@cerrejon.com

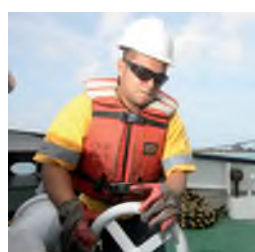
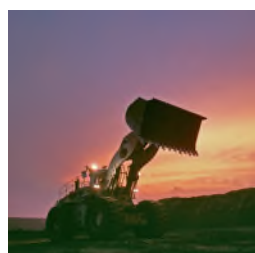
Carbones del Cerrejón Limited

Calle 100 No. 19-54, piso 12

Bogotá, Colombia

Stacker reclaimer – bucket wheel – Puerto Bolívar.

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II - MESSAGE TO OUR STAKEHOLDERS

GRI
1.1

León Teicher President.

Our company is proud to present our *Sustainability Report 2009* for the fifth consecutive year, a document wherein we ratify our commitment to transparency and place at your disposal a complete tool providing detailed knowledge about our management to promote, hand-in-hand with the appropriate government authorities, the economic, social, and environmental sustainability of La Guajira and of Colombia.

In 2009, we began the detailed development of the *Cerrejón Way, Responsible Mining* model. One of the most important elements of this process was the dissemination of information about the principles of the model with employees, contractors, and communities, and other stakeholders, was of supreme importance, in both interactive meetings and discussion workshops.

Last year the state of the economy imposed great challenges upon companies worldwide and Cerrejón was no stranger to this reality. Demand for our product fell, as did prices, as a result of one of the greatest crises in modern history.

In the midst of this trend, Cerrejón achieved a favourable balance. We reached our operation targets, producing 30.6 million tonnes (Mt) and exporting 30.3 million tonnes, income exceeded 5 billion pesos, we did not have any fatalities, and the accident rates were the lowest in the mining operation's history.

Our environmental policy and the way we put it into practice is one of our most important assets. As in previous decades, good environmental management was, in 2009, a fundamental pillar of our operation. Our land reclamation program reached the 20 year mark, during which we have rehabilitated 2,718 disturbed hectares and have preserved more than 36 million cubic metres of soil. That is why we were honoured with the Environmental Responsibility Award given by the Foundation for Sustainable Development Siembra Colombia and the Embassy of the United Kingdom in Colombia under the auspices of the UNDP and the Ministry for the Environment of Colombia.

The ongoing implementation of our environmental policy has allowed the consolidation of projects that decrease water and energy consumption, that promote the conservation of fauna and flora in disturbed areas and areas neighbouring the operation, and that continuously improve the environmental conditions throughout La Guajira.

In 2009, our operation was fatality-free as a result of the safety policy which has always been the highest priority of the company. The result was possible thanks to the commitment not only of management, but of each of our employees and contractors, who adopted the tools and



standards that Cerrejón has made available so that all the members of this organization may go home healthy and uninjured.

An essential aspect of the Cerrejón Way is the application in the entire operation of the highest international standards. In this respect, much of our management in 2009 focused on strengthening our compliance with the principles of the United Nations Global Compact, the Voluntary Principles in Security and Human Rights of the UNO, those of the International Finance Corporation (IFC), and supporting the adoption by the Colombian government of the Extractive Industry Transparency Initiative (EITI).

Likewise, we became a pioneering company in the world of mining by adopting a Complaints Mechanism based on the guidelines of John Ruggie, special representative of the United Nations for Businesses and Human Rights and of the ICMM (The International Council of Mining and Metals). This mechanism will enable the company to know firsthand the concerns, complaints, and claims of our surrounding communities and stakeholders, thus allowing us to respond in a timely and suitable fashion.

In general terms, we are trying to apply a process that includes:

- Decentralized reception and listening capacity.
- A centralized record and analysis of trend, determining structural causes of problems.
- A participative process for the design of the mechanism and complaint handling.
- Timely responses.
- Solutions to problems and remedies.

Cerrejón has also joined the Global Business Initiative on Human Rights, and its implementation in 2010 is one of our primary aims.

The social engagement of our company continued to grow in 2009, both directly and through our System of four Cerrejón Foundations, a fact that gives us great pride. Last year we invested more than 10 million dollars in projects for consolidating the road towards economic, social, and environmental sustainability in La Guajira. Naturally, our effectiveness in this work is directly related to that of the government institutions.

Our social programs have focused on improving the quality and coverage of health, education, recreation, culture, and sports services. We have supported private entrepreneurship and the generation of fair

opportunities for economic and social development, always working alongside the communities, respecting and strengthening their identity, culture, and traditions.

Our resettlement program and the resources devoted to it has been strengthened. In 2009, we worked together with four communities. As one of our great achievements for last year, it is worth mentioning the contracting to build housing and infrastructure for the town of Roche, which will substantially raise the quality of life and future perspectives of its inhabitants.

In 2009, we moved forward in the execution of the projects committed to in the TPR (Third Party Review). This work was strict, rigorous, and transparent. We continue to be committed to compliance with the principles of the Global Compact. The production of this Sustainability Report under the guidelines of the Global Reporting Initiative is a yearly exercise making this commitment explicit.

We are convinced that mining offers the best opportunity in history for the economic and social development of La Guajira and of Colombia, in both the short and middle terms. This development must be achieved with absolute responsibility to the environment and to our stakeholders, which is feasible with the use of appropriate technologies and the necessary investments with decisiveness and commitment to social equity. Naturally, this requires concrete action from the public sector and coordination with the private sector.

In this report you will find how, at Cerrejón, we work for the common goal of sustainable development through responsible mining, what we call the Cerrejón Way.



León Teicher
President, Cerrejón



III - ABOUT THE COMPANY



III - ABOUT THE COMPANY

GRI
2.2- 2.7, 2.9, 2.10, 4,13
Supplement for the Mining
and Metals Sector MM7



We operate one of the largest open-pit export coal mining operations in the world, dedicated to the exploration, extraction, transportation, shipping, and export of thermal coal of different grades based on calorific value, rated particle size, or sulphur content. Operating solely in Colombia, we mainly supply the electrical power generation sector in the Atlantic thermal coal market; our target customers are industries.

Our operation is carried out solely in Colombia; the mining complex is located on the La Guajira peninsula, in the northeast of the country. Our administrative headquarters is in Bogota, at calle 100 No. 19-54.

HISTORY

Cerrejón was created in 1975. The most important milestones in our history have been:

1975. The Colombian government invited 17 firms to participate in the bid for mining the 32,000 hectares that currently make up the Cerrejón North Zone. Only five participated and only three met the requirements: Intercor, an Exxon subsidiary, was chosen.

1976. Carbones de Colombia S.A. (Carbocol) and Intercor, after an international competitive bid, signed a 33-year partnership contract in the month of December for the development of the coal reserves of the Cerrejón North Zone. This contract considers three stages: exploration (1977-1980), construction (1981-1986), and production

(1986-2009). An agreement was signed with the Colombian government in January of 1999 to extend the last stage for another 25 years, until 2034.

1977. During the exploration period, 202 studies were carried out.

1980. The results from the geological and feasibility studies were received.

1982. The dredging of Puerto Bolívar began.

1983. The first phase of Mushaisa, the Cerrejón residential unit at the Mine, began operations, offering services for 500 people. In November, Puerto Bolívar, the most important coal-export port in Latin America, was baptized: it had a four kilometre-long dredged channel, 19 m deep and 225 m wide, with an initial capacity to receive vessels of up to 180,000 tonnes dead weight.

1984. The first 150 km trip on the wide-gauge railway took place, transporting 8,500 tonnes of coal from the Mine to Puerto Bolívar.

1985. The first early coal shipment (33,000 tonnes) was sent on the ship Giovanni, destination Denmark.

1986. On 26 February, the ship Bulk Venturer transported 23,000 tonnes of coal, the first to cast off from the Puerto Bolívar dock. After six years, and with an investment of 3,000 million dollars, the construction



We monitor fauna so it is sustainable in our area of influence and throughout La Guajira.

and assembly stage of the Cerrejón North Zone installations and infrastructure was completed.

1987. Backfilling of the north area of the pit was begun, thus complying with the programs and commitments acquired for environmental protection.

1988-1990. The business firm Testing & Engineering certified the quality of Colombian coal exported.

1991-1992. The *Continual improvement* and the *Recovery and protection of the upper and lower Ranchería River* basin programs were put into effect.

1995. Cerrejón celebrated a decade of exports, with a total of 100 million tonnes of coal and 1,500 million tonnes of overburden removed. Intercor began this activity with an annual average of 4,500 direct workers and 3,500 indirect ones.

1996-1997. Operations were begun in new mining areas.

1998-1999. The agreement to establish conditions for rail infrastructure access by third parties was signed and the partnership contract was extended for another 25 years.

2000-2001. The expansion of the complex's infrastructure was inaugura-

ted. The sale of Carbocol's participation in the Cerrejón North Zone (50%) to the consortium made up of two subsidiaries of BHP Billiton Company, a subsidiary of Anglo American, and a Glencore subsidiary, who form the Sociedad Cerrejón Zona Norte S.A. company, was formalized.

2001. Coal ranks second in Colombia's exports.

2002. In February, the consortium formed by Anglo American, BHP Billiton, and Glencore bought the remaining 50% of the shares from Intercor, belonging to Exxon Mobil, thereby becoming the sole owners with equal shares in Carbones del Cerrejón Limited (Cerrejón).

2003. The Coal Marketing Company Ltd (CMC) was established in Dublin. The shareholders were Anglo American, BHP Billiton, and Glencore. CMC is the exclusive marketer of Cerrejón coal.

2005. Cerrejón's main offices were moved from Barranquilla to Bogota.

2006. Glencore sold its shares to the European company Xstrata plc, current owner of Cerrejón together with BHP Billiton and Anglo American. Xstrata also took over Glencore's share in CMC.

2008. The Cerrejón Foundations System was created.

2009. We reached an accumulated total export of 444.9 million tonnes of coal and we rank among the 10 largest companies in the country.

	1976 - 1980	1981 - 1984	1985 - 1990	1991 - 1994	1995 - 1996	1997 - 1998	1999 - 2001	from 2002 to 2006	from 2006 to present year
NORTH ZONE	EXXON MOBIL 50%								
	CARBOCOL 50%								
CENTRAL AND SOUTH ZONE	COMMUNITY	DOMI - PRODECO - AUXINI		PRODECO	GLENCORE	GLENCORE 50%	GLENCORE 33%	GLENCORE ANGLO AND BILLITON (33%)	ANGLO 33% BHPB 33% GLENCORE 33%
	OREGANAL			CARBONES DEL CARIBE	RIO TINTO		ANGLO 50%		

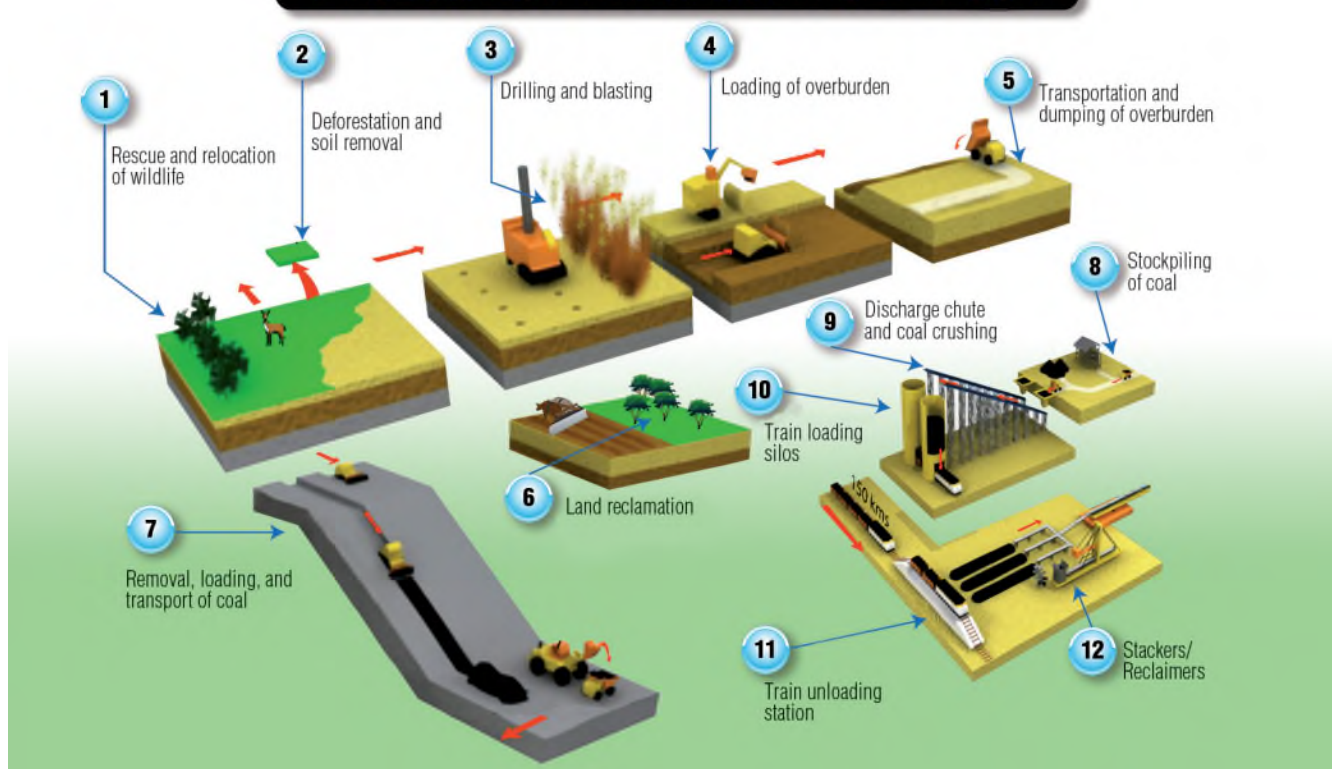
LEGAL CHARACTER

Carbones del Cerrejón Limited is a foreign company domiciled in Anguilla, British West Indies, with a branch duly established in Colombia, domiciled in Bogotá. In 2007, it changed its legal character in Anguilla from that of a Limited Liability Company (LLC) to an International Business Company and, for that reason, its corporate name was changed to Carbones del Cerrejón Limited. Cerrejón Zona Norte S.A., CZN, is a Colombian corporation, with its main domicile in Bogotá, that was constituted in the year 2000 by successive stock subscriptions as a mechanism used by the national government for the sale of Carbocol's contractual interest in the Partnership Contract mentioned above, signed with Cerrejón (previously Intercor). The sale was formalized by signing the Mining Operation and Transfer Contract (CEMT, its acronym in Spanish) between CZN S.A. and Carbocol. Moreover, in accordance with what has been mentioned above, it possesses a 50% contractual interest in the Large-Scale Mining Contract for the Patilla area, in which it participates in a consortium with Cerrejón. Both companies are owned in equal shares by affiliates of Xstrata plc, Anglo American plc, and BHP Billiton plc.

CERREJÓN: AN INTEGRATED OPERATION

Our coal-mining operation operates under the highest standards of quality, and it is committed to delivering a product low in ash and sulphur to the international market, thereby generating less impact on people and the environment. None of our operations are artisanal or small scale.

PRODUCTION PROCESS AT CERREJÓN





The Mine.

The Railway

Cerrejón has a 150-kilometre Railway connecting the Mine with the coal-loading port. In a continuous process, eight to ten trains with up to 130 cars each are loaded at the silos every day. The complete average cycle of loading, transport, unloading at the port, and return to the Mine takes about 12 hours.

There is also a service train for the transportation of supplies, materials, and replacement parts.

There has been a prevention and safety program for the railway operation since the beginning of rail operations to avoid fatalities and injuries.

The Port

Puerto Bolívar lies on the Caribbean Sea, 150 km north of the Mine. The port receives ships of up to 180,000 t dead weight, up to 300 metres in length, and up to 45 m in beam. The navigable channel is 19 m deep, 225 m wide, and four kilometres long.

The port's main installations are the train unloading station, three stacker-reclaimers, and a linear ship loader that deposits coal in the ship holds. The current annual daily loading rate is 6,100 t/h, with peaks of up to 9,000 t/h.

Puerto Bolívar also has a commodities pier that receives ships of up to 30,000 t, with machinery, replacement parts, fuel, and other materials for the mining operation. Since the operation began, direct ship-loading has been used, thereby mitigating environmental impacts.

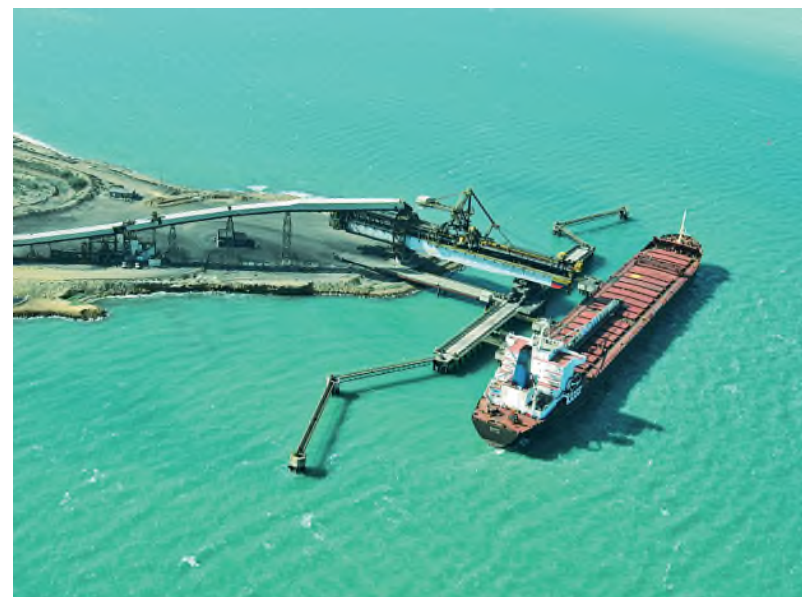
The Mine

The coal deposits are found over an extension of 69,000 hectares, divided into five areas: North Zone, Patilla, Central Zone (Oreganal and Comunidad), and South Zone. Open-pit mining is a sequential operation that begins with relocating fauna, deforestation, and carefully removing topsoil, which is stored for future reclamation. Next, the overburden is drilled, blasted, and removed to expose the coal seams. The mineral is transported in trucks from the Mine to the storage piles and the crushers, and then taken to the two silos that load the railway cars.

The Mine has the latest in mining equipment.



The Railway .



The Port.

Installations and support services

In order to support the entire operation, we have two airports, one at the Mine and the other at Puerto Bolívar; we have satellite telecommunications systems and information systems in all areas. Part of the administrative offices and other support activities are in Bogotá.

By the year 2009, no significant changes had occurred in the operations, location of the activities, the structure of the share social capital, or other aspects.

Investment practices

Cerrejón does not have investments in other operations in Colombia or anywhere else in the world. Its investment portfolio for the coal-mining operation is directly financed by its own resources and those of its shareholders, BHP Billiton, Anglo American, and Xstrata. The investments are in physical capital (machinery, infrastructure, etc.) and land; we do not participate in the purchase of shares on the stock market.

Cerrejón does not seek external financing in the local market, nor does it have strategies established to form business alliances.

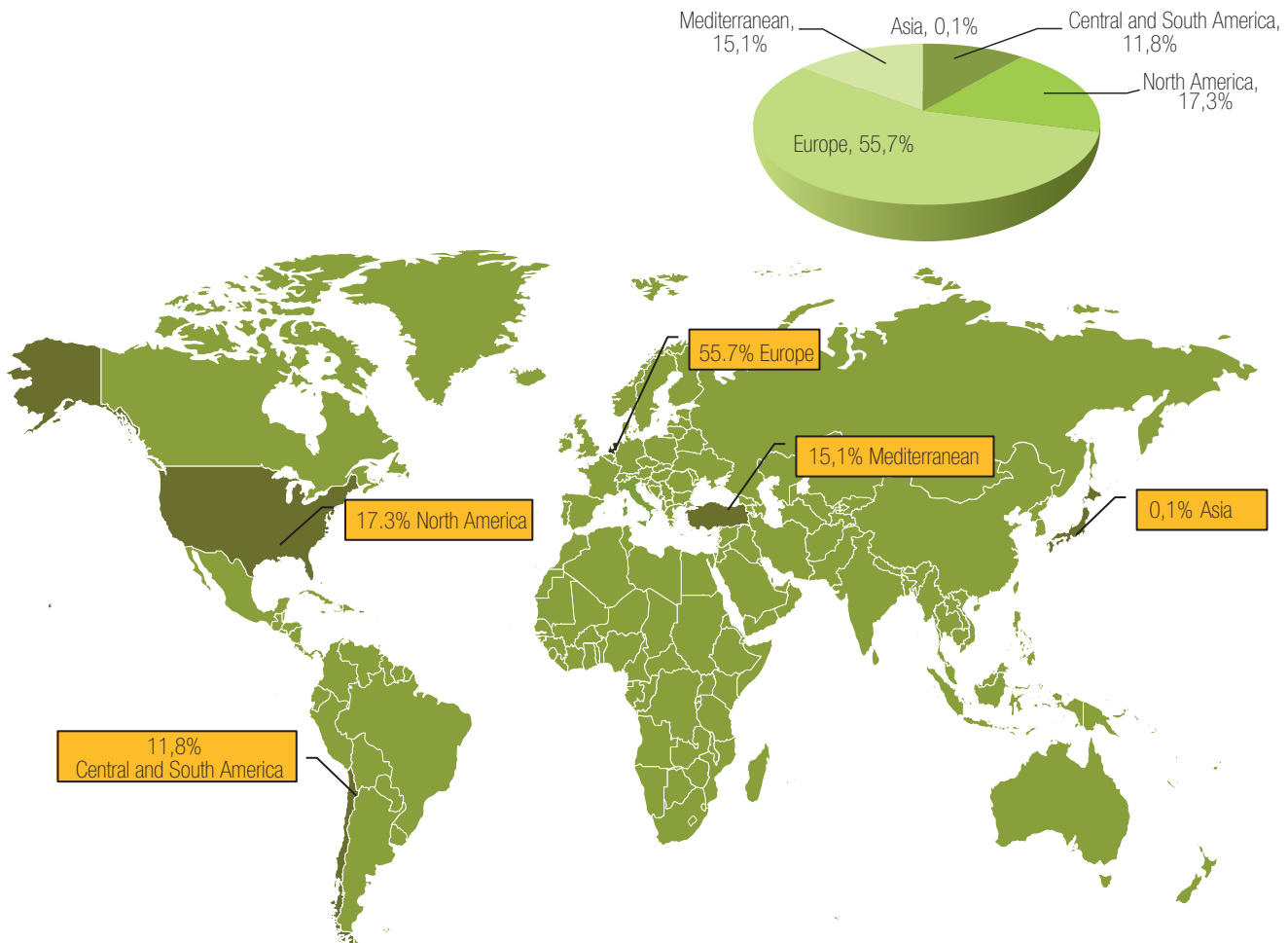
NUMBER OF COUNTRIES WHERE WE OPERATE AND MARKETS SERVED

Our coal mainly supplies the electricity-generation sector in North America, Europe, and the Mediterranean, where it is known for its high efficiency and low sulphur and ash contents. To a lesser extent, it is employed in the steel industry using PCI (Pulverized Coal Injection) technology, in the production of silicon and in home heating.

By 2009, our exports had covered a significant share of the market in Europe (55.7%) and North America (17.3%).

This map shows the main destination regions for Cerrejón exports in 2009.

Export destinations



STRATEGIC ALLIES

During 2009 we continued with the alliances established with diverse organizations that have allowed us to progress in the development and modernization of the mining sector, as well as the development of strategies focused on the sustainability of our business. Some of these allies are:

- National Business Association of Colombia (ANDI)
- ANDI Asomineros Chamber
- Colombian American Chamber of Commerce
- Colombian British Chamber of Commerce
- Colombian Mexican Chamber of Commerce
- Colombian Canadian Chamber of Commerce
- Association for the Training of Caribbean Businessmen (AFEMCA)
- Business Alliance for Secure Commerce (BASC)
- Ideas for Peace Foundation
- Colombian Welding Association
- Colombian Engineers Association (ACIEM)
- Energy and Gas Chamber
- Colombian Association of Industrial and Personnel Relations (ACRIP)
- Latin American Railways Association
- Colombian Safety Council
- Conservation International
- World Coal Institute
- Global Compact of the United Nations
- Colombian Mining and Energy Committee
- Pontifical Javeriana University.



Our employees and contractors work together as a team.

AWARDS AND DISTINCTIONS

In 2009, we received the following acknowledgements:

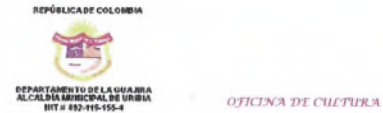


Area of land reclamation, coal crushing, and train loading.

The *Environmental Responsibility award* in the *Research and Projects* category, presented by the Foundation for Sustainable Development Siembra Colombia and the Embassy of the United Kingdom in Colombia, thanks to the nomination of the *Coal Mining Land Reclamation Program* under the auspices of the UNDP.



Acknowledgement awarded by ACORD Guajira as the *Best sports sponsor*, thanks to the activities for the organization and promotion of sports in the department of La Guajira and especially with the communities in our area of influence.



Uribia, julio 23 de 2009.

Señor.
Victor Garrido Cerrejón Zona Norte
E. S. M.
La Ciudad

Cordial Saludo:

La dirección de cultura Municipal rinde a ustedes, los más sinceros agradecimientos, por su vinculación y participación al **Gran Concierto Nacional "Homenaje al Maestro"**, donde se llevo a cabo la conmemoración de los 199 años del grito de independencia de Colombia, siendo homenajeados las autoridades tradicionales representativas de música tradicionales wayuu y a su vez se mostró las formaciones artísticas de los diferentes grupos locales; lo que permitió que todo llegara a un feliz término.

En razón a lo anterior seguiremos compartiendo con ustedes estas convocatorias cívicas y artísticas, para que nuestro Municipio se siga fortaleciendo en la parte cultural.

Cordialmente,

Carolina Lupo Robles
CAROLINA LUBO ROBLES
Directora de Cultura Municipal (E).

Acknowledgement from the Municipal Culture Director of Uribia, La Guajira, for our participation in the great national concert *Homage to the Master*, gan event in celebration of 199 years of Colombian independence. The traditional authorities representative of Wayuu music were honoured.



LA COMUNIDAD DE MEDIA LUNA

Hace reconocimiento a:



Por su apoyo constante a las actividades deportivas en las comunidades aledañas a la vía férrea durante el año 2009

Comité Deportivo Comunidad Media Luna

Special recognition awarded by the Sports Committee of the Media Luna Community, thanks to the constant support we gave to sports activities in the communities bordering the area of operations in 2009.



IV - PERFORMANCE AND SCOPE

IV - PERFORMANCE AND SCOPE

In recent years, we have built up an evaluation mechanism of our operation's sustainability with the aim of generating added value and greater dynamism to the organization's reporting system to our stakeholders, who demand more and more information.

The goal is to build a sustainability dashboard that shows the results of an economically viable, socially fair, and environmentally correct management characterized by an ethical and transparent relationship with our stakeholders.

The fundamental premises of our sustainability dashboard will be:

- To offer the possibility of integrating social and environmental man-

agement aspects into the main activities of the business.

- To strengthen and support the organization not only during times of success but also of uncertainty.
- To specifically include a *social-environmental* perspective.
- To develop relevant aspects in terms of sustainability for the company.
- To focus actions on the organization's values and philosophy.
- To define goals for the sustainability indicators.

In this report, we present the 2008 and 2009 results for the economic, environmental, and social indicators defined to date, and in the 2010 reports we will report on the dashboard on the objectives, perspectives, and goals for the company in the coming years.

IV



Computerized truck dispatch (CTD).

OPERATIONAL FIGURES

	2008	2009
Company profile		
Net operational income, millions of pesos	5.329.849	5.003.151
Total assets, millions of pesos	4.083.014	3.630.834
Capital assets, millions of pesos	2.925.538	2.845.215
Exports, millions of dollars	2.522	2.228
Exports, millions of tonnes	31.4	30.3
Removal of waste rock, mbcm	224.1	235.7
Royalties paid, millions of dollars	259.6	308.7
Coal production, millions of tonnes	31.2	30.6
Coal production in Colombia, millions of tonnes	73.1	72.1
Correjón's participation in national production, percentage	42.7	42.02
Contribution to GDP of country (Colombia), percentage	0.4	0.4
Number of direct workers	5.116	5.119
Sustainability dashboard		
	2008	2009
Economic value generated and distributed		
Distributed to direct workers, in millions of pesos	390.420	489.479
Distributed to suppliers and contractors, in millions of pesos	1.915.202	1.709.299
Distributed to the State, in millions of pesos	1.293.596	1.188.363
Distributed in company re-investment, in millions of pesos	312.725	358.100
Distributed to shareholders, in millions of pesos	1.352.561	1.178.704
Private royalties (paid to communal land owners), in millions of pesos	65.341	79.202
Health and Safety		
Representation of workers in industrial safety committees, percentage	23.82	24.96
Fatalities, number	1	0
Cases reported as occupational diseases, number	15	8
Recordable Injury Frequency Rate (RIFR)	0.47	0.37
Classified Injury Frequency Rate (CIFR)	0.30	0.21
Human rights and security		
Number of agreements with public safety forces, analysed under HR clauses	1	1
Number of contracts with private security firms, analysed under HR clauses	2	2
Number of stakeholders trained in HR and international human rights	5.733	2.504
Workforce		
Number of men in direct staff and proportion	4.832 (94.4%)	4.828 (94.3%)
Number of women in direct staff and proportion	284 (5.6%)	291 (5.7%)
Direct workers originally from La Guajira, number and percentage	3.077 (60.1%)	3.108 (60.7%)
Average training hours, by worker (management and staff)	40.52 – 49.53	69 - 40
Proportion of workers in the union, percentage	81.81	81.38
Environmental management		
Environmental investment, in millions of pesos	76.798	87.729
Area		
Area disturbed, in hectares (cumulative for year)	10.556	11.025
Active area	7.956	8.290
New active area in the period	700	469
Area available for reclamation	2.599	2.736
Area undergoing reclamation, in hectares	2.566	2.690
Resource usage		
Fuel consumption at the Mine, in gallons	85.958.785	90.948.942
Used oil recovered, in gallons	974.311	977.977
Tyres, number	2.089	2.401
Ammonium nitrate, tonnes	61.794	64.145
Water usage		
Total water used, thousands of m3	6.251*	7.812
High-quality water used, thousands of m3	2.324	3.111
Low-quality water used, thousands of m3	3.927*	4.701
Water re-used, thousands of m3	257	301

	2008	2009
Energy usage		
Diesel, in gigajoules (GJ)	11.862.312	12.550.954
Gas Oil, in gigajoules (GJ)	281.324	250.387
Natural gas, in gigajoules (GJ)	36.700	42.097
Electrical power purchased, in GWh	270.2*	300.2
Waste		
Wastewater discharged, in thousands of m ³	1.352*	3.124
Fraction of oil recovered/salvaged, percentage	60.4%	62.6%
Solid wastes produced, tonnes	7.752	8.619
Solid wastes recovered, tonnes	3.344	4.184
Biodiversity		
Individuals rescued and relocated, number	3.278	870
Individuals treated, number	444	779
Species threatened to some degree (IUCN)	31	32
Compliance with regulations		
Environmental penalties	0	0
Environmental incidents		
Significant (Levels 3, 4, and 5)	0	0
Minor (Levels 1 and 2)	68	48
Emissions		
Direct emissions of Greenhouse Gases (GHG), thousands of CO2 equivalent tonnes	912	1.004
Indirect emissions of Greenhouse Gases (GHG), thousands of CO2 equivalent tonnes	32	35
Particulate matter, thousands of tonnes	31	37
Nitrogen oxides (NOx), thousands of tonnes	18	19
Sulphur oxides (SOx), thousands of tonnes	2	2

*Figures recalculated internally.



We work to create more trust in our relations with our workers.

V - MANAGEMENT MODEL



V-MANAGEMENT MODEL: THE CERREJÓN WAY

OUR VISION

“To be recognized in the international thermal coal market and in Colombia as the most efficient and reliable world class exporter, as an excellent partner that complies with the highest standards in safety, health, the environment, and sustainable development, and as a company with exemplary moral conduct, respectful of human rights, and an effective contributor to the wellbeing and development of the communities it operates in and the country, that promotes the participation, development, and excellence of its people, and achieves the best profitability for its shareholders”.

THE CERREJÓN WAY

In 2009, we continued to implement the *Cerrejón Way* management model, which defines clear aspirations for the company:

- Promotion of the sustainable development of La Guajira.
- The search for best corporate practices and social responsibility.
- Building community trust.
- Use of evaluations by external experts as a way of promoting constant improvements and opening opportunities for dialogue with different stakeholders.

Our philosophy was launched in 2009 to all managerial and professional company employees in Bogotá, the Mine, and Puerto Bolívar.

In addition, we developed a training plan that included two pillars: *workshops on the Cerrejón Way and training on social commitment tools and international Corporate Social Responsibility standards*. This training was directed towards several company departments. In 2008 and 2009, the Social Responsibility group, together with other company departments, received training in: logical frameworks for participatory social investment projects; the Socio-Economic Assessment Toolbox (SEAT); people-oriented dialogue and development processes; resettlement planning and quality-of-life indicators; and on the *Higher Test* social commitment concepts formulated by On Common Ground. The personnel also received expert training on project management to improve results and responsibility in each activity.

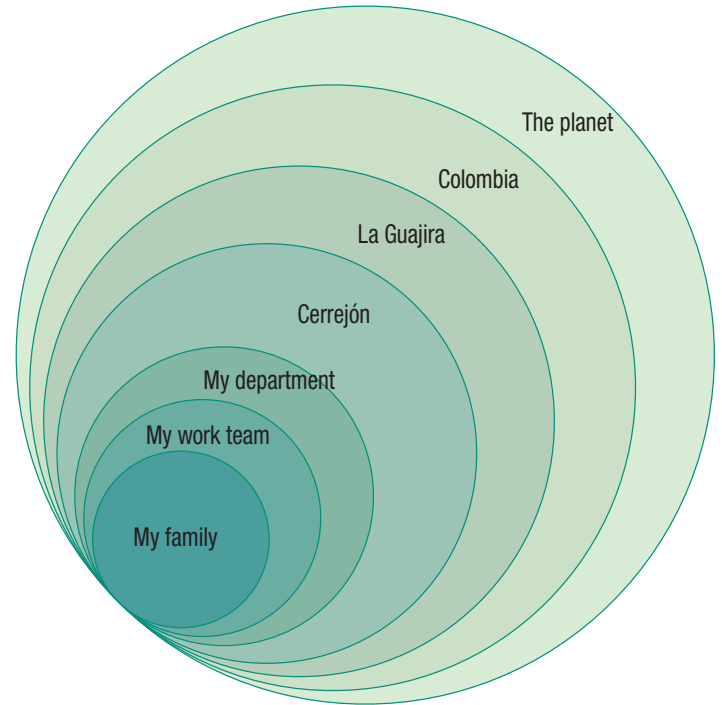
THE CERREJÓN WAY IS:

- ... our response to how to do *responsible mining* in the 21st century.
- ... our way of maximizing values for our employees, stockholders, contractors, La Guajira, and Colombia.
- ... our way of expressing our corporate identity and culture.
- ... our way of ensuring the sustainability of Cerrejón and of La Guajira.
- ... our social, labour, and environmental commitment.
- ... our affirmation of everything that makes us proud.
- ... our way of being committed to making mining ever better.

COMMUNITY	IDENTITY	VALUES	SKILLS	BEHAVIOURS	ENVIRONMENT
We are part of La Guajira, in Colombia, and of the Global Community, so we want to be...	We want to be a company with...	This leads us to commit to these values...	Therefore, we work to develop these abilities and skills...	This allows us to practice these behaviours...	To interact with our environment so that there is...
A good neighbour	Responsible Mining	<ul style="list-style-type: none"> • Health, Safety, and Environment • Respect • Responsibility • Ethics • Transparency • Integrity 	<ul style="list-style-type: none"> • Participation • Leadership • Discipline • Adaptability 	External: excellence in our relations Internal: <ul style="list-style-type: none"> • Policies and procedures • System of Operational Integrity • Cerrejón Leadership Model 	<ul style="list-style-type: none"> • Sustainability • Trust • Credibility • Social Responsibility

COMPONENTS OF THE CERREJÓN WAY

- Recognizing that we are part of a larger community.
- Building on what makes us the proudest.
- Listening to all stakeholders.
- Basing ourselves on respect, transparency, and integrity.
- Making dialogue the way of reaching important agreements.
- Understanding that mining and sustainable development are compatible.
- Working with the highest international mining standards.



... we want to be a good member of every one of these communities: do what we should do... responsibly.



Phillip Potdevin, manager of Human Resources (right), at one of the Cerrejón Way workshops.

CERREJÓN LEADERSHIP MODEL

The Cerrejón Leadership Model (CLM) was designed in 2009 as a fundamental initiative of implementing the *Cerrejón Way* model; the CLM is a document that compiles the organizational abilities and operational integrity of all managerial employees. We represent the *Cerrejón Way* with a truck, an essential piece of equipment for

our operation. In the tyres we have force to propel the company's human resources forward. The front tyres, which steer, represent Cerrejón's organizational abilities; the back tyres are responsible for generating traction and represent technical abilities and operational integrity support.



OUR CORPORATE VALUES

OUR CORPORATE VALUES

Health, safety, and environment	Our highest priorities are the health and safety of all those who work in our operations and concern for the environment. We must have excellent results in our business through work processes that manage risk to people, the environment, and the equipment and installations.
Respect	It is absolutely crucial that the members of the Cerrejón community respect each of our coworkers without regard for gender, race, colour, religious affiliation, sexual orientation, or any difference of thought or life philosophy, keeping in mind our values and Colombian law. We owe equal respect to the communities that we live in and to those we are involved with. We are particularly interested in actively supporting women at Cerrejón, and in hiring and supporting local minority and ethnic populations.
Responsibility	Responsibility has two aspects: our rights, which we should exercise fully, and our obligations, which concerns our decisions in the business under our responsibility, the environment, the communities, our collaborators, and other stakeholders. At Cerrejón, we call this "being accountable".
Ethics	We are convinced that being ethical, individually and collectively, is a moral imperative and also the key to success for Cerrejón. That is why, in addition to complying with legal requirements, we are interested in getting results while being ethical, honourable, and strictly honest in all our actions.
Transparency	We aim to maintain clear, open, and consistent relations and communications at all levels of the organization and with other stakeholders. We are open to sharing how we think and how we act, and to sincerely listen to the opinions of others.
Integrity	We must be consistent in what we say and what we do; that is why we believe sincerity and honesty to be fundamental.
Empowerment	We firmly believe we are capable of choosing our destiny. We are able to make decisions freely in line with our desires for growth and development. We value leadership, participation, innovation, adaptability, and teamwork. We promote employability in a setting of equal opportunities, where each of us can find deep satisfaction in what we do and, at the same time, make a significant contribution to the company's achievements.

We have a series of conduct guidelines and policies that apply to all employees. Contractors, consultants, advisers, and partners working with Cerrejón must be informed of these policies.

Our policies are:

1. Ethics Policy
2. Conflict of Interest Policy
3. Human Rights Policy
4. Corporate Social Responsibility Policy
5. Political Activities Policy
6. Managerial Positions Policy
7. Health, Safety, Environment, and Community Policy
8. Alcohol and Drugs Policy
9. Equal Opportunity Policy
10. Productive Work Environment Policy
11. Client Relationships and Product Quality Policy
12. Communications Policy
13. Management Supervision Policy
14. Fraud Control Policy
15. Risk Management Policy
16. Security Systems Policy
17. Travel and Other Expenses Policy.

For more information, see www.cerrejon.com

INTERNATIONAL STANDARDS AND INITIATIVE SUPPORT

We are aware that our operation has direct and indirect impacts on the social structures, ways of life, culture, and traditions of some of our stakeholders. Cerrejón's future and access to coal in the long term depend on the confidence we generate in our stakeholders, the manner in which we relate to them, and their consenting to our activities.

As a commitment to employees, contractors, and neighbouring communities, we act in accordance with international standards for Human Rights protection when performing mining activities in order to prevent, mitigate, and compensate for negative effects as well as improve positive effects in managing these impacts.

The standards and initiatives that we have adopted are as follows:

GLOBAL INITIATIVES

Global Compact

We are committed to making La Guajira a self-sustaining region. We, therefore, voluntarily subscribe to the United Nations Global Compact. As a banner of our operation, we promote the 10 universal principles that address issues of human rights, work, environment, and anticorruption.

More information can be found on the Global Compact at: www.unglobalcompact.org.

In this report, we analyse Global Compact principles along with the GRI indicators outlined herein. The results are described in the *Communication on Progress* (COP) document, which can be found at the end of this report.

Millennium Development Goals (MDG)

As an initial goal, in the middle term, Cerrejón seeks to achieve its Millennium Development Goals by supporting municipalities in our area of influence.

Through the Foundation for Institutional Strengthening, we create a balanced analysis of available indicators showing the status of each millennium goal in the department of La Guajira; we identify the main advancements as well as setbacks requiring greater efforts to reach regional MDGs in 2015.

More information can be found in the book *The Department of La Guajira and the Millennium Development Goals*. Published by the Foundation for Institutional Strengthening of La Guajira. See www.fundacionescerrejon.org.

Additionally and focusing specifically on MDGs 1, 2, and 4 (reduce poverty and hunger, achieve universal primary education, and reduce infant mortality), we undertake a series of analyses on socioeconomic conditions of populations in our area of influence in order to establish baseline indicators that are objectively measurable, allowing us to create specific projects together with the authorities and the community of La Guajira.

To these ends, we have signed two inter-institutional agreements: one



Millennium Development Goals

1. End extreme poverty and hunger
2. Attain universal basic education
3. Promote gender equality and the independence of women
4. Reduce infant mortality
5. Improve sexual and reproductive health
6. Fight HIV/AIDS, malaria, and dengue fever
7. Guarantee environmental sustainability
8. Promote global partnership for development

with the National Administrative Department of Statistics (DANE, its acronym in Spanish) to carry out a *National Standard of Living Survey* in the company's area of influence. The agreement seeks to gather sufficient information to generate baseline indicators on quality of life. The second agreement was signed with the Development Studies Centre (CENDEX) of the Javeriana University. Its objective is to evaluate health conditions of inhabitants in Cerrejón's area of influence.

Voluntary Principles on Security and Human Rights

We continue our commitment to the United Nations' *Voluntary Principles on Security and Human Rights* and the Colombian Mining and Energy Committee on Human Rights, an organization promoting its implementation throughout the country. These principles serve as a behavioural guide in managing possible human rights violations concerning agreements between Cerrejón, armed forces, and private security companies hired to protect our employees' lives and the integrity of our facilities. The *voluntary principles* serve as an essential management tool in dealing with conflict and crime.

STANDARDS

ISO 14001 AND OHSAS 18001 STANDARDS

At Cerrejón, our occupational health and safety, industrial hygiene, and environmental management activities comply with current national and international regulations. They are also within the framework of the Operational Integrity System (OIS), through which we apply and comply with the requisites of standards ISO 14001 and OHSAS 18001. Along these lines, we established our Corporate Responsibility System in accordance with international standard SA8000.

In October of 2009, Cerrejón's Operational Integrity System (OIS) was audited, which resulted in the renewal of our ISO 14001 and OHSAS 18001 certification for the next three years. The main finding of this audit was handling of hazardous materials, for which a specific action plan was developed.

The OIS element requirements make up the framework for Health, *Safety, Environment, and Community* (HSEC) that must be implemented at Cerrejón's various organizational levels.

Our HSEC (health, safety, environment, and community) Standards

At Cerrejón we have a comprehensive HSEC management system that allows us to undertake our business in harmony with the environment and society, protecting the safety and health of our workers, and contributing to the development, well-being, and culture of communities in our area of influence.

International Finance Corporation (IFC) Social and Environmental Performance Standards

We have reformulated our resettlement policy statement according to the standards and guidelines of World Bank Group IFC social performance.

Socio-Economic Assessment Toolbox (SEAT)

All of our relationships with communities are carried out within a framework of transparency and respect for the rights of local inhabitants. The Socio-Economic Assessment Toolbox (SEAT), belonging to one of our shareholders (Anglo American), validates this behaviour.

For this particular report we use the 3D SEAT indicator: *Contribution to the National Economy*.

GRI G3 2006

This *Sustainability Report* has been written according to the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) G3 2006, a guide for developing sustainability reports; the *Mining and Metals Sector Supplement* was mainly consulted. The guide includes measurement, disclosure, and accountability to internal and external stakeholders, regarding organizational performance in terms of sustainable development goals, thereby permitting analysis and communication of company economic, social, and environmental performance. The guide addresses the importance of offering a truthful and balanced accountability of performance in terms of sustainability on the part of the organization, and highlights the importance of including achievements and challenges.

SUSTAINABLE RISK MANAGEMENT

For us, risk management plays an important role in business planning and operations. We focus on those defined as material risks and have created a more comprehensive management and supervisory system for them.

Risk is inherent in our business, risk identification is fundamental to the health and well-being of all our employees, as well as for achieving corporate goals. Uncertainty presents as many risks as opportunities, with the potential to increase or decrease value. Risk management allows management to consistently and effectively confront uncertainty and associated risks and opportunities, thereby increasing the ability to generate value. We also have a risk management policy that commits the company to prioritizing systematic and strategic risk management.

We have made improvements in risk logging, including evaluation of preventative and mitigation controls in terms of design and efficiency, seeking to guarantee that the company, communities, and environment be as unaffected as possible in the eventuality of any risk event.

Next, a summary of the corporate analysis and risk control system is outlined in which main events and impacts are identified throughout 2009.

Programs and activities are established for each identified event and its respective impact and resources (human and economic capital) are accordingly assigned and monitored during execution and development.



SUSTAINABILITY FACTOR	BUSINESS RISK	RISK EVENT	IMPACTS
Economic	Reduction of export capability	Damage to silos	Assuming the silos are rebuilt in a year, the impact is a 40% reduction in exports
	Inability to ship coal from Puerto Bolívar	Large failures in components in coal-loading system	Not meeting commitments to clients
		Climate conditions	
		Channel blockage	
Safety – Community	Transportation safety	Collision between vehicles transporting staff to the mining operation	Multiple fatalities
		Collision off Cerrejón property between a vehicle transporting staff with third party	Multiple fatalities
Environment	Non-compliance with environmental regulations	Dust emissions higher than legal limits	Negative impact on the health or well-being of communities
			Operations restricted by environmental authority
			Impact on Cerrejón's reputation

Corporate risk management is led by the Finance Department, and its validity and control is directly carried out by the President and the Board of Shareholders.

are focused on going beyond mere compliance with environmental legal obligations.

See more information in Chapter 12: Environmental Management.

ORGANIZATIONAL STRUCTURE OF A SUSTAINABLE MANAGEMENT MODEL

We have defined a structure to manage each aspect of sustainable development, distributed throughout the following positions and roles.

Corporate Governance

For our company, the practices of good corporate governance constitute a determining factor in generating credibility for our operations, guaranteeing our stakeholders transparency, objectivity, and competitiveness in activities such as environmental conservation, ethical principles and conduct, corporate responsibility, and adequate risk management as well as compensation for our members.

See more information in Chapter 8: Corporate Governance.

Environmental Management

Our environmental management strategy is based on criteria of responsibility, productivity, and efficient use of resources, which are applied through our Operational Integrity System (OIS), certified by standard ISO 14001:2004, ensuring compliance with all applicable Colombian environmental regulations. We have been recognized as leaders in environmental management by the Colombian mining industry and our efforts

Health and Safety Management

It is Cerrejón's policy to protect the health and safety of its workers and contractors, and work to implement the mining industry's best health and safety practices.

See more information in Chapter 6: Corporate Strategy: *Responsible Mining*.

Labour Management

Results obtained by Cerrejón are thanks to our clear corporate principles and values, supported by the talent of our human resources, favouring empowerment and exercise of accountability from processes which leverage our contribution to achieving corporate goals.

See more in Chapter 11: Human Resources.

Social Engagement

Our social engagement is evident with each and every one of our stakeholders, especially in communities we impact and influence with our operations. This management is formalized under the comprehensive policy of Health, Safety, Environment, and Communities, in which a social focus has been established as one of the most noteworthy through which Cerrejón carries out its business in harmony with the environment and society, protecting worker's health and safety, and ensuring



its presence improves the quality of life for communities in the area of influence.

The Vicepresidency of *Sustainability and Public Affairs* is responsible for coordinating company social engagement, resettlement programs, the incorporation of social standards (in human rights, grievance mechanisms, and voluntary principles, among others), and the Cerrejón Foundations System.

See more information in Chapter 10: Socially Responsible Management.

Product Responsibility Management

The *responsible mining* strategy is followed for each and every operational stage, including stakeholders upstream and downstream of the production chain.

We have an integral concept of the value chain.

See more information in Chapter 6: Corporate Strategy: *Responsible Mining*.

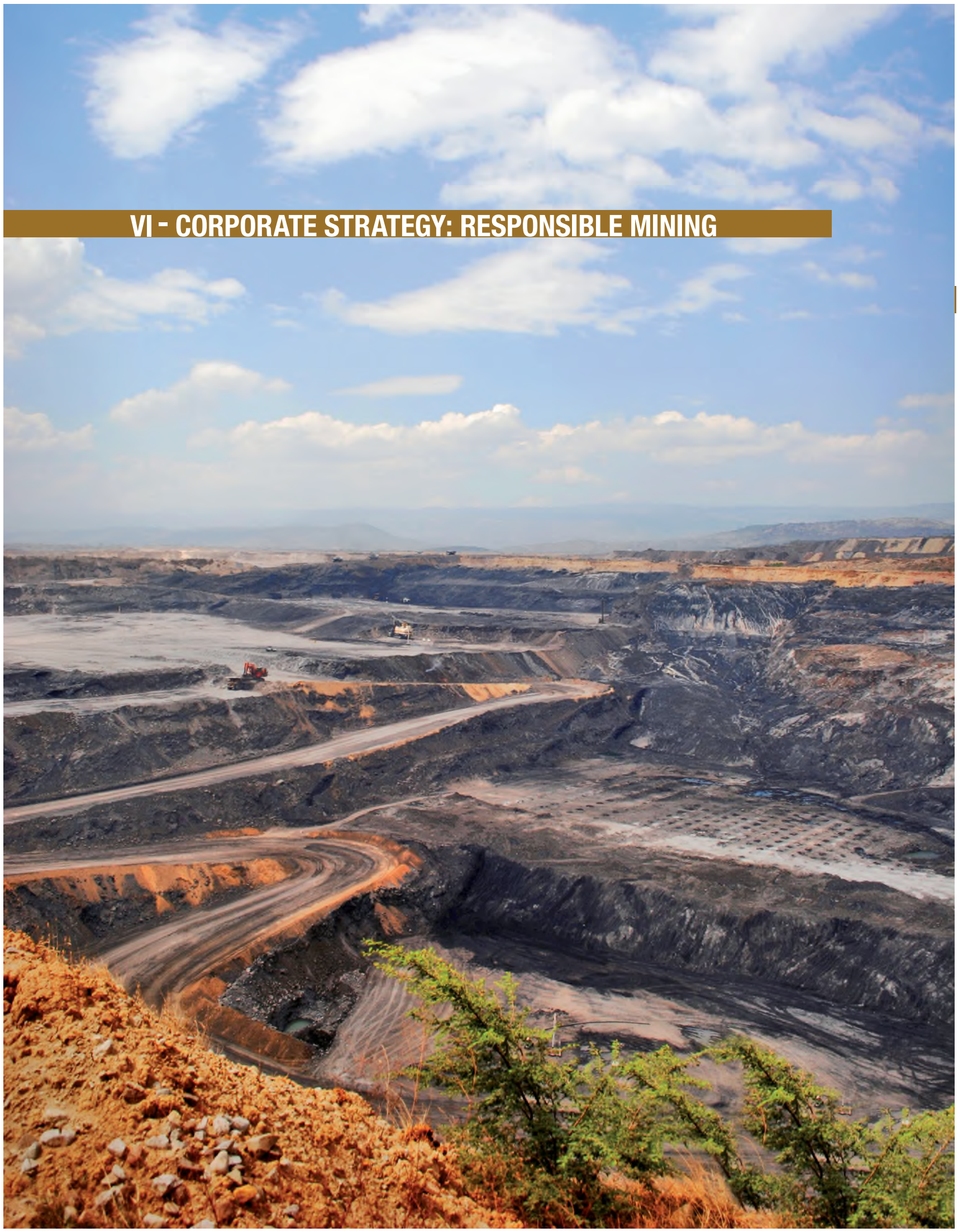
Economic Management

Cerrejón is a company dedicated to achieving greater profitability for its stakeholders. It has policies to reduce costs and undertake its projects following value generation criteria for its shareholders.

See more information in Chapter 9: Added Value and Economic Performance.



VI - CORPORATE STRATEGY: RESPONSIBLE MINING



VI - CORPORATE STRATEGY: RESPONSIBLE MINING

GRI
PR1, PR3, PR5, PR6, PR7, PR8
LAG-LA9
Supplement for the Mining
and Metals Sector
MM11
Global Compact
2,5,8

RESPONSIBLE MINING

In our integrated operational process, the core strategy is maximizing profit through cost control within a context of respect for employees, communities in our areas of influence, and our environment in general.

In the middle term, our main goal is complemented by a process of Mine expansion to more than 32 Mt and with an analysis of business alternatives that provide added value for all our stakeholders.

Therefore, our corporate strategy of responsible mining is carried out according to the six strategic principle goals that are outlined below and defined under the principle of doing the maximum possible and not the minimum necessary.

VI

CORPORATE GOALS	DESCRIPTION
Operational integrity	Establish an accident-free culture, continually decreasing accident rates, protecting lives, and minimizing the probability of occupational diseases.
Social responsibility	Promote and support, from our position as a responsible private company, the sustainable development of the communities located in the area of influence of our operations so that we can effectively contribute to the progress of the region and the country; conduct all our activities with integrity, respecting the principles of behaviour and action as concerns Human Rights, labour relations, and anti-corruption; carry out all our operations under the concept of sustainable development by applying the best practices for the effective control of adverse impacts to the environment.
Efficiency and competitiveness	Continually improve, optimize the use of resources, and innovate in all our processes, both in operational areas and in marketing and administration, and in their interactions, in order to develop conditions to allow us to remain in the top quartile for lowest cost coal-export mines globally, without detriment to our goal of expansion and ensuring the long-term stability of the mining operation. At the same time, we must identify and develop business opportunities that generate added value to coal production and sales.
Quality and client satisfaction	Meet the needs and expectations of clients and consumers of our coal as concerns quality, opportunity, performance, and technical assistance through the combined, coordinated efforts of planning, mining operations, crushing, transportation, shipping, and marketing. Establish operational and sales plans in consonance with the Mine's product and with our operational capacity and ensure compliance. At the same time, ensure product quality at each of the operational stages.
Organizational performance and growth	Maintain our production levels of 32 million tonnes in the short term, together with our sustained competitiveness, complemented with good relations in La Guajira and our communities in order to allow the operational expansion to higher levels in the middle term.
Human and technological resources	Create the organizational conditions to attract, motivate, train, develop, and ensure the residence of ideal human talent. At the same time, guarantee sufficient and ongoing knowledge and skills necessary to carry out our operations at world-class standards. In addition, provide an excellent working environment for all the members of our team.

RESPONSIBLE MINING IN OUR VALUE CHAIN

The *responsible mining* strategy has always been followed in all operational stages, including stakeholders both upstream and downstream of the production chain.

We have an integral concept of the value chain. In the last year, a project was developed mapping value chain main macro processes, processes, and subprocesses.

At the macro-process level, seven levels were defined: management, marketing, mining, coal handling, operational support, administrative support, and administration.

The map considers market requirements, shareholders, and other stakeholders as input, and clients, shareholders, and stakeholder satisfaction as output.

Relevant subjects are outlined below for the three macro processes of management, operation, and administration, which were identified through internal dialogues. These are considered part of our strategies of value chain sustainability and *responsible mining*.

VALUE CHAIN – CATEGORIES AND RELEVANT TOPICS



STEWARDSHIP FOR OUR PRODUCT: COAL

Consumables and Materials

At Cerrejón, we recognize that the concept of material stewardship includes all required activities to ensure the optimal and appropriate use of coal by society. As this requires a product life cycle focus, the best way to address it is implementing an overall and sectorial policy covering all phases and participants in the cycle both upstream and downstream in the coal chain, including consumables and materials used in our mining process.

We are committed to implementing the reference framework in sustainable development of the International Council on Mining and Metals (ICMM) in terms of material stewardship. Our shareholders (BHP Billiton, Anglo American, and Xstrata) are ICMM members that seek to promote responsible practices in design, use, reuse, recycling, and disposal of materials beyond mining operations to ensure the increasing value of coal to society.

We plan to actively participate in developing projects implemented by the ICMM: *Materials Stewardship Policy, Life Cycle Management, Chemicals Management, and Sustainable Consumption and Production.*

In this manner, we shall increase the understanding and abilities of participants involved in the value chain, implementing concepts of materials stewardship, and establishing sturdy policies for life cycle management throughout our operations.

In our middle-term management, we will include a work plan on the analysis of the life cycle, recycling, and eco-efficiency. Furthermore, we will promote policies with scientific support for managing the chemicals used in our process; we will provide an effective interface to disseminate the policies of the sector and international debate regarding sustainable production and consumption, which will reflect the positive contribution of mining to sustainable development, and the responsibility of the industry regarding natural resources³.

RESPONSIBLE COAL MARKETING

Within our policy of providing complete information to our clients regarding the quality of coal and the precautionary measures in handling it, we have available the following:

- Quality Assurance Sheet, which in compliance with international standards, provides information that a client needs in order to quantify the by-products of coal combustion and its corresponding environmental impact. This sheet is given to the client from the very moment that the business relationship begins, and then it becomes the basis for contractual negotiation.
- Material Safety Data Sheet (MSDS). The safety sheet includes,

³ In order to learn the ICMM concepts related to responsibility for materials and consumables, see: International Council on Mining and Metals, 2010. Reference - International Council on Mining and Metals. (06 of 07 of 2010). Materials Stewardship. Downloaded the 06 of 07 of 2010, from the ICMM: <http://www.icmm.com/page/1389/our-work/work-programs/articles/materials-stewardship>



Coal-loading.

apart from a generic description of the coal (identification, physical properties, etc.), the precautions that need to be considered and the measures to be taken in case of any emergency arising from handling the coal, as well as the potential impact in case precautions are not taken. This sheet is updated in accordance with international rules and regulations. Subsequent to 2010, this safety sheet will be given to all the ship captains who dock in Puerto Bolívar to load Cerrejón coal.

- Ongoing participation in sector forums and visits from current and potential clients, indigenous communities, national and regional authorities, representatives of international governments, NGOs, and national and international media to the installations of the Mine and the Port.

Client satisfaction monitoring practices

Client satisfaction is measured in multiple ways. One of the most important indicators is the reliable supply of the product within the agreed-upon delivery times. To that effect, Cerrejón has never declared measures of "force majeure", neither has it failed to comply with any of its commercial contracts. It maintains a long-term commercial relationship with most of its clients (for several years now) and for some, it is their sole supplier.

Even in 2009, which was an especially difficult year, Coal Marketing Company (CMC) continued to be an efficient supplier and complied with the delivery of all the coal undertaken in its sales plan.

Cerrejón and its marketing arm CMC, as part of the service it renders to clients, regularly performs technical visits to their plants or electrical power generation plants, for the purpose of: (a) Obtaining comments regarding the use of Cerrejón coal, (b) promoting the use of a specific type of Cerrejón coal, (c) providing technical conditions for the Mine development and technical specifications of the coal we can supply. The information collected in these visits to the clients enables the organization to take action for the purpose of achieving the maximum client satisfaction with the product received and, in turn, it serves as a reference for planning our short- and middle-term sales.

The CMC sales group makes commercial visits to its clients and always confirms that our product has been received in conditions complying with the quality and scheduling parameters specified contractually, thus ensuring complete satisfaction.

The privacy of our clients

The information related to the corporate data of our clients and to the terms and conditions of the commercial agreements reached with them is private. Cerrejón has not received any claim in that regard.

Impacts upon health and safety

We have consulted with our clients on whether they have identified any impacts upon health or safety of the product we sell. In 2009, there were no claims made in that regard. We have not recorded any incidents derived from non-compliance with any regulation related to the impact of our products on health and safety during the product's life cycle in 2009.

Informing clients

As a result of the transparency wherewith we inform our clients, we have not received any claims for lack of or undue information regarding our product identification, information on product characteristics (quality sheet), or recommendations regarding how to handle the coal. Neither have there been any incidents reported due to non-compliance of standards regarding the provision of product information.

Even though in Colombia there is no code or voluntary marketing standard for the mining sector, Cerrejón has a communication policy that is binding upon the entire organization, covering internal and external communication practices. In 2009, no cases of non-compliance were logged nor were any penalties imposed.

OPERATIONAL PERFORMANCE

Given the decrease in demand by the Atlantic coal market in 2009, Cerrejón decided to remove more overburden than originally foreseen in the mining plan: It continued operating and made the coal layers more accessible for when demand should improve, which involved a

2% reduction in production, an 7% increase in land clearing, and a 5% increase in total overburden removal.

We exported 30.3 Mt in 2009, which was a 3% reduction compared to 2008; we produced 30.6 Mt in the same period.

Overburden removal increased by 5.17%, going from 224.1 Mbcm in 2008 to 235.7 Mbcm in 2009.

The indicators of the coal handling system, such as the washing plant and the washed coal, increased considerably. The feeding of the washing plant went from 2.2 Mt to 2.4 Mt, and washed coal from 1.4 Mt to 1.5 Mt in 2009. For its part, the loading rate in Puerto Bolívar reached a record level of 6,014 t/h.

The quality indicators continue showing an adequate growth, mainly in coal recovery, which reached international standards for an open-pit operation: 94.1% recorded for 2009, compared with 92.4% for 2008.

OPERATIONAL RESULTS FOR 2009

PRODUCTION	UNIT	2008	2009
Coal (base sales)	Mt	31.2	30.6
Total overburden	Mbcm	224.1	235.7
Stripping ratio	bcm/tonne	7.2	7.7
Feed to washing plant	Mt	2.2	2.4
Coal washed	Mt	1.4	1.5
Coal transported	Mt	31.2	30.4
Coal exported	Mt	31.4	30.3
Loading rate	t/h	5.308	6.014
Net dispatch and demurrage	KUS\$	12.646	4.571
COAL QUALITY			
Calorific value	Btu/lb	11.212	11.290
Ash	%	8,92	8,28
Humidity	%	12.86	12,85
Coal recovery	%	92.4	94.1

RESPONSIBILITY IN HEALTH AND SAFETY

ISO 14001 Standard and OHSAS 18001 Standard

At Cerrejón we use the term "operational integrity" to refer to aspects of health, safety, environment, and communities (HSEC) of our operation. The Operational Integrity System (OIS), is an integrated system of HSEC management implemented by Cerrejón for several years now, which complies with the ISO 14001 standard (international standard of environmental management systems) and with the OHSAS 18001 standard (international standard of occupational health and safety management).



Our highest priorities are the safety and health of everyone who works in the operation.

In October of 2009, an audit team from the international company Société Générale de Surveillance (SGS) audited Cerrejón's OIS in order to renew the ISO 14001 and OHSAS 18001 certifications. The main finding of the audit was related to the handling of hazardous substances, for which an improvement action plan was developed. The action plan will be completed prior to the next scheduled follow-up audit in the fourth quarter of 2010.

Cerrejón officially received renewal of the OIS certification for the ISO 14001 standard and OHSAS 18001 standard from SGS on January 29 of 2010, valid for the next three years.

Committees

In 2008, workers represented 23.82% of members in joint management-employee health and safety committees (established to control and advise regarding health and safety programs at work). In 2009, this percentage was 24.96%, represented as follows:

COPASO:	
Mine	14
Port	4
Bogotá	2
Secretary of Health Sintracarbón	4
CCT Health Committee	7
Safety Coordinators	81
Safety Observers	1.138
Production Safety Committee	21
Maintenance Safety Committee	4
Safety Committee for Operational Services (Coal Handling and Operational Services)	3
TOTAL	1.272

The data in the table show the participation of direct employees of the company; however, these figures increase considerably with the participation of contractors who work with Cerrejón on tasks of safety monitoring and coordination.

Management Indicators

Our main health and safety goals have not changed over the last few years: Zero casualties, the establishment of an injury-free culture at our company, and a reduction in occupational diseases. In the last few years, the company has been improving its safety performance, while the best result in safety issues in 2009 was achieving the goal of zero fatalities for employees and contractors.

The recordable injury frequency rate shows progressive improvement year by year.

Contractor safety is likewise an area of focus. A specific action plan was designed in 2007 to improve safety performance in contracting companies, whose performance was similar to that of direct employees in 2008 and that exceeded them in 2009. The ongoing challenge is to maintain this good performance by contractors.

Third-Party Fatalities Related to the Railway Operation

Since 1984, Cerrejón has registered 38 deaths related to its railway operation. We have implemented a "lifesaving" surveillance system, which saved 174 lives in 2009; 87% of these cases were drunken individuals.

In 2009, there were no third-party fatalities related to the railway operation. Three deaths occurred in 2008, the last one on September 11 of that year.



Cerrejón employee wearing the safety items for mining equipment maintenance.

Actions to Prevent These Types of Fatalities

Cerrejón is considering the implementation of barriers to effectively control pedestrians in the critical railway areas where pedestrians cross. The construction of these barriers is being discussed in a participatory manner with the community.

The current surveillance procedures are being reviewed in order to analyse the need of increasing personnel in critical railway areas. In 2010, an expert in the matter will be contracted to analyse the effectiveness of the measures adopted and to establish implementation proposals regarding third-party deaths on the railroad tracks.

A social control program will be organized with the community in order to involve them in preventing future fatalities:

- Focused on community leaders (40 leaders in 150 km).
- In order to identify and manage risks, emphasizing the consequences.
- With community incentives to foster responsible behaviour (prevention of alcohol consumption and risky behaviour).
- It will have social workers available to assist those deemed risk groups.
- Participation of local entities.

Likewise, the Cerrejón Foundation for Indigenous Development in La Guajira (FCGI) has played an important role in improving Cerrejón's understanding of Wayuu culture, its social customs, and how to actively contribute to our daily interaction with indigenous communities, including programs such as the reduction of accidents or fatalities all along the railway. These programs cover, among others, initiatives focused on:

- Offering alternative transport for indigenous communities located along the railway.
- Strengthening the role of the traditional indigenous authorities.
- Strengthening the local governmental authorities.
- Improving the income of the indigenous communities.
- Improving the standard of living and the personal goals of the inhabitants of neighbouring communities.
- Preventing alcoholism.
- Changing community attitudes as regards the railway and trains.

Occupational Diseases

In 2009, the rate of Occupational Diseases (OD) was 0.114, with a total of 8 cases in almost 14 million work hours. This figure is significantly lower than in 2008, when it was 0.22.

Rate of Occupational Diseases			
Year	No. Cases	Hours Worked	Rate
2007	9	12.628.000	0.14254
2008	15	13.565.000	0.22115
2009	8	13.982.000	0.11443

Absenteeism

In 2008, absenteeism was 5.29% and 10.5% including vacations. Absenteeism due to occupational accidents and diseases (OAD) was 0.89%.

In 2009, total absenteeism was 7.12% and 12.31% including vacations. Absenteeism due to occupational accidents (OA) was 1.29%.

Rate of accidents and injuries

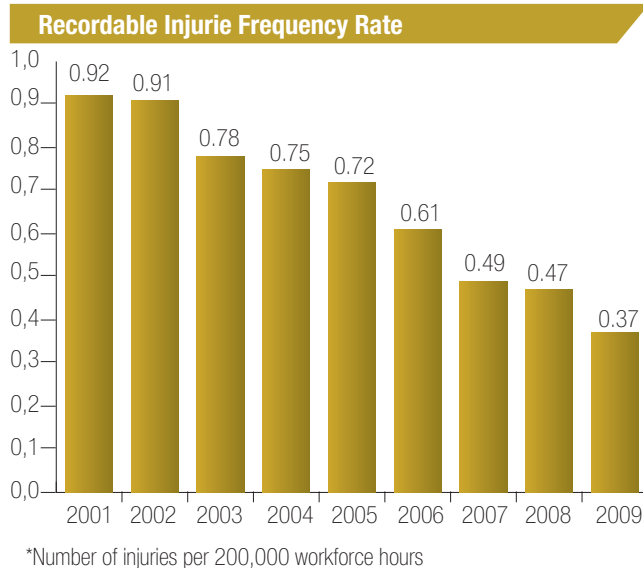
The rate of total disabling accidents at Cerrejón in 2009 was 0.21. This rate was 0.26 among direct workers and 0.17 for contractors.

2009 - Injuries / personal injuries (excludes occupational diseases)			
	Total Cerrejón	Employees	Contractors
Rate of disabling accidents	0.21	0.26	0.17
Rate of accident severity	17.7	25.2	11.3



For the rate of severity per accident, the company total was 17.7, 25.2 for employees and 11.3 for contractors.

The rate of recordable injuries was 0.37 for every 200,000 workforce hours, the lowest observed in the operation's history; we achieved a decrease of almost 60 compared with the levels for 2001.



Training and Raising Awareness Regarding Serious Diseases

In 2009, we performed the following assistance programs related to education, training, prevention, risk control, and treatment of serious occupational diseases:

- Epidemiological surveillance for occupational risks.
- Healthy lifestyles at work and at home.
- Prevention and control of influenza AH1N1.
- Medical advice for travellers.
- Prevention of HIV – AIDS.
- Yellow fever and tetanus vaccinations.
- Promotion and prevention of epidemiological outbreaks – influenza, dengue fever, cholera, yellow fever.

In 2009, we also carried out campaigns with our workers and their families for sleep control. This involved practical workshops with the families regarding the importance of rest for the Mine workers, as well as the conditions and hazards they face in this type of work. The children participated in activities and made drawings and wrote letters to their fathers.

Fatal Risk Control Protocols (FRCP)

In 2009, we progressed in the implementation of the program of fatal risk control protocols, which form part of the OIS. There are seven standard methods defined that comprise the fatal risk protocols; that is to say, a group of rules and procedures that employees and contractors in the company respect and comply with in order to reduce and control the safety risks involved in critical issues.

The program execution includes instruction, training, and communication, handling change and contracting external suppliers, and even engineering solution projects. These projects have already been identified and have approved resources for the next years.

In the following chart, the capital resources approved for each fatal risk control protocol identified is presented, amounting to 12 million dollars between 2009 and 2011.

Life behaviours

Another safety strategy in 2009 was to define and disseminate life behaviours:



Spreading Life Behaviours amongst contractors.

PROTOCOL	DESCRIPTION	CAPITAL RESOURCE APPROVED, US\$K			
		2009	2010	2011	TOTAL
1	Roll-over protection	570	810	324	1.704
2	Anti-collision system / speed governor	1.292	2.974	800	5.066
3	Hazardous materials	0	380	166	546
4	Emergencies	0	1.185	3.554	4.739
5	Isolation	105	45	0	150
6	Work at height	0	173	32	205
7	Load handling	0	185	79	264
TOTAL		1.967	5.752	4.955	12.674

LIFE BEHAVIOURS

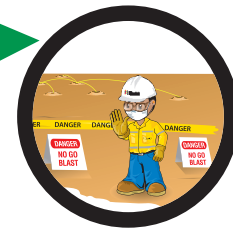
In the Cerrejón Way, Safety is one of our most fundamental values. It is the company's unshakeable aim to keep our operations safe, protecting people, equipment, installations, and the environment through the serious, committed application of the Life Behaviours.

In accordance with the Safety Code, at Cerrejón it is mandatory to:



1. Operate mobile equipment only when in possession of the appropriate license and/or current authorization.
2. Pass mining equipment under way only after receiving authorization from the operators of said equipment.
3. Operate mobile equipment within established speed limits.
4. Not use mobile phones when operating mobile equipment. They may only be used in exceptional circumstances and must be used with the hands-free set. In addition, the radio must be used responsibly and ethically.
5. Have all occupants of mobile equipment using safety belts.
6. Park vehicles only in authorized spots. To park in high-risk areas, such as shovel-loading zones, dump sites, or in the line of fire of mining equipment, follow the special procedures established.

7. Request authorization before entering blocked-off areas.
8. Get the established working permits before beginning:
 - Hot work
 - Work at heights
 - Work in confined spaces
 - Loading of rocky/hot material
 - Work under power lines
 - Excavation work in civil construction sites

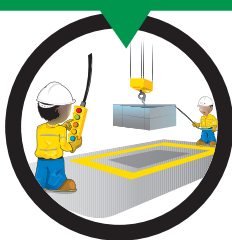


9. Perform the established lock-outs before working on equipment.
10. Execute electrical work in compliance with the following golden rules:
 - Make the electrical lock-out visible
 - Apply the necessary physical lock-outs
 - Test the lack of voltage
 - Ground the circuits to be worked on
 - Put signs up delimiting the area, equipment, or installations.

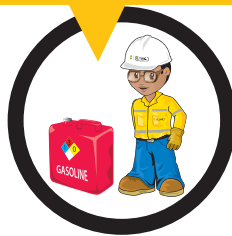


11. Perform work at height using the established personal protection equipment and suitable tools.

12. Lift loads with appropriate equipment and standard conditions for the task.



13. Store, label, and handle all chemical, explosive, and hazardous substances suitably.



14. Operate tools, equipment, and machinery with the required guards.



15. Use the personal protection equipment specific to each area.

VI





VII - RELATIONS WITH STAKEHOLDERS

VII - RELATIONS WITH STAKEHOLDERS

We have based stakeholder identification on the company's need to create goals in accordance with their expectations, evaluating their level of impact and influence on decision-making.

Stakeholder classification was based upon coverage: national, regional, local, and international. The stakeholders in each group were identified: national and departmental governments, ministries, Congress, departmental entities, universities, environmental and social NGOs, national and international news media, mayoralities, suppliers, towns, trade unions, and coal-purchasing companies, among others.

Inclusivity

For several years now, Cerrejón has been making a map of specific stakeholders such as those communities that are, or that may be, affected by the company's operations.

We understand that this stakeholder identification is basic in order to achieve a comprehensive, strategic relationship, thus enabling us to achieve sustainable competitiveness. The benefits of this relationship are multiple:

- It facilitates better management of risk and reputation.
- It enables companies to learn from their stakeholders, which generates improvement in products and processes.
- It generates mutual trust.
- It enables global understanding of the business.
- It informs, educates, and influences in order to improve decision-making processes.
- It contributes to a more equal and sustainable social development.
- It enables the combining of resources (know-how, people, money, and technology).

During this practice, organizations or entities related to each stakeholder were identified, presenting the techniques for interrelationship, and the description and details regarding the approach of relevant topics identified; the advantages and disadvantages that could arise in the relationship were also presented.

These aspects and the achievements of 2009 are presented in the following chart.



STAKEHOLDER	MEANS OF COMMUNICATION	TOPICS OF INTEREST	SOME ACHIEVEMENTS IN 2009
National government	<ul style="list-style-type: none"> - Consultative meetings. - Web page. - Required reports. - Visits to installations. - Communications via e-mail or telephone. - Regional forums. - Agreements with National Planning Department (DNP) and the Ministry of the Interior. 	<ul style="list-style-type: none"> - Royalty investment. - Permits. - Environmental management. - Social engagement. - Support for promoting Wayuu handicrafts. - Programs and assistance for indigenous communities. - Environmental legislation. - Human rights. 	<ul style="list-style-type: none"> Royalties generated in 2009: 308 million dollars Taxes paid to the government: 464 million dollars Contribution to GDP: 0.4% Audits of eight royalty-funded projects valued at 30 million dollars
Local government and departmental entities	<ul style="list-style-type: none"> - Consultative meetings. - Web page. - Required reports. - Visits to installations. - Communications via e-mail or telephone. - Regional forums. - Participation in the Regional Competitiveness Committee of La Guajira. 	<ul style="list-style-type: none"> - Royalty investment. - Educational projects. - Environmental management. - Support for micro-businesses. - Institutional assistance and support. - Assistance for projects with economic resources. - Audits and groups of visible auditors. 	<ul style="list-style-type: none"> Audits of eight royalty-funded projects in Albania, Hatonuevo, Uribia, and Barrancas valued at 30 million dollars Training and instruction of municipal and departmental civil servants (public contracting, project evaluation) Regional court houses in La Guajira Awards for news reports on royalty management.



STAKEHOLDER	MEANS OF COMMUNICATION	TOPICS OF INTEREST	SOME ACHIEVEMENTS IN 2009
Authorities	<ul style="list-style-type: none"> - Regular meetings. - Communications via e-mail or telephone. - Visits to installations. 	<ul style="list-style-type: none"> - Agreement for operational security. - Cooperation in investigations. - Human Rights. 	<ul style="list-style-type: none"> - Training of public security forces in human rights and international humanitarian rights.
Mining sector	<ul style="list-style-type: none"> - Participation in events. - Regular meetings. - Communications via e-mail or telephone. 	<ul style="list-style-type: none"> - Review and adjustments to new environmental legislation. - Environmental management. - Environmental legislation. 	<ul style="list-style-type: none"> - Active participation in the Asomineros Chamber and ANDI large energy consumers. - Participation in mining congresses in 2009: <ul style="list-style-type: none"> - ANDI Mining Show. - 5th International Congress of Mining, Petroleum and Energy Colombia Responsible Show . - 4th International Congress on Corporate Social Responsibility - Mckloskey Coal Americas
Indigenous communities	<ul style="list-style-type: none"> - Continual meetings. - Social-intervention workshops. - Visits to reservations. - Visits to installations at Cerrejón. - Communications via telephone or face-to-face. - Operational Integrity System, Grievances, complaints, and suggestions mechanism. - Community service point. 	<ul style="list-style-type: none"> - Awareness and prevention programs. - Support for promoting Wayuu handicrafts. - Programs and assistance for indigenous communities. 	<ul style="list-style-type: none"> - 24 Wayuu communities benefitted from the program, with 530 Wayuu graduates certified in the program Training and Fostering Young Rural Micro-Business Entrepreneurs. - Training program in Human Rights for the indigenous communities. - Project the Coal Route and the theatrical play Jalia Pia in 28 strategic locations. - Ayatajirawa program. - Experimental Farm. - Life plans Kogui and Wiwa communities.
Local and peasant communities	<ul style="list-style-type: none"> - Continual meetings. - Social-intervention workshops. - Household visits. - Visits to installations at Cerrejón. - Communications via telephone or face-to-face. - Roundtable talks. - Operational Integrity System complaints, and suggestions mechanism. - Community service point. 	<ul style="list-style-type: none"> - Economic funding for projects. - Support and shows for micro-businesses. - Agreements and ongoing meetings with the community. - Social engagement plan. 	<ul style="list-style-type: none"> - Roche, Patilla, and Chancleta began a process to present plans for community compensation and indemnity. - Start of infrastructure works in Roche. - Agreement was reached on 50% of the uninhabited lots in Patilla and Chancleta. - Projects in Cuatro Vías for the design and construction of the open-air tourist market. Census of stationary and of ambulatory vendors. - Remedios: Agricultural project of fruits and vegetables and the project <i>Mi dulce remedio</i>. - Oreganal: execution of the commitments from the roundtable (educational, farming, infrastructure, and micro-business projects). - Tabaco Network: Projects to generate income, education and training, and social, cultural, and environmental projects. - Microcredit program in alliance with WWB. - Bivalve farming program. - Water-supply solutions: 7,277 persons from indigenous communities benefitted. - 70 families involved in the project to recover the basin of the Paladines Stream.

STAKEHOLDER	MEANS OF COMMUNICATION	TOPICS OF INTEREST	SOME ACHIEVEMENTS IN 2009
			<ul style="list-style-type: none"> - Training in management practices for water, sanitation, and hygiene. - Social investment of 10 million dollars.
Educational institutions	<ul style="list-style-type: none"> - Meetings to monitor projects. - Web page. - Visits to installations. - Communications via e-mail, regular mail, or telephone. 	<ul style="list-style-type: none"> - Agreements. - Improvements to quality of education. - Scholarships. - Institutional information. 	<ul style="list-style-type: none"> - SENA Agreement Technical Training – Education for Employment. - Agreement with the University of La Guajira. - Program to Strengthen English Teaching with the Fulbright Commission - Conéctate Colombia technical training. - Strengthening of intercultural bilingual program. - Program of recreation centres for young children. - Excellency and Fulbright scholarships.
Health institutions	<ul style="list-style-type: none"> - Visits to institutions. - Meetings when necessary. - Communications via telephone or face-to-face. 	<ul style="list-style-type: none"> - Institutional support. - Monitoring of wildlife and hydrobiology. 	<ul style="list-style-type: none"> - Expansion of coverage for promoting health and preventing diseases. - Strengthening healthcare service with the Mobile Unit. - 33 Healthcare Brigades. - Agreement with State hospitals. - Diploma in Healthcare through an agreement with the Javeriana University.
NGOs	<ul style="list-style-type: none"> - Regular meetings. - Visits to installations at Cerrejón. - Communications via telephone, e-mail, or face-to-face. - Web page. 	<ul style="list-style-type: none"> - Environmental management. - Social engagement. - Land reclamation. - Economic funding to support projects. - Consulting for implementing the Voluntary Principles. - Promotion and awareness of credit programs. - Compliance with 10 basic principles of the Global Compact. 	<ul style="list-style-type: none"> - Implementation and monitoring of the social and environmental programs by the Third Party Review Panel (TPR). - Talks with international NGOs from Canada and Great Britain.
Environment	<ul style="list-style-type: none"> - Consultative meetings. - Web page. - Required reports. - Visits to installations. - Communications via telephone and e-mail. 	<ul style="list-style-type: none"> - Environmental and community production programs in the framework of sustainable development. - Monitoring environmental management. - Feasibility studies for implementing environmental programs. 	<ul style="list-style-type: none"> - Environmental investment 87.7 million pesos. - Projects to decrease fuel consumption. - 35 environmental visits with 935 participants. - No major environmental incidents.
Suppliers and contractors	<ul style="list-style-type: none"> - Web page. - Follow-up meetings. - Visits to installations at Cerrejón. - Communications via telephone, e-mail, or regular mail - COPASO. 	<ul style="list-style-type: none"> - Certifications. - Service quality and improvements. - Agreements with the company. - Procurement and contracting. 	<ul style="list-style-type: none"> - Increasing hiring by contractors of workers that are local and from the area of influence. - Safety Show for contractors. - Safety and environment awards for contractors.
Employees	<ul style="list-style-type: none"> - Intranet. - Web page. - Regular meetings. - Communications via telephone, intranet, e-mail, or face-to-face. - Business Partners. - Suggestion box. - Cerrejón Today magazine. - Cerrejón World magazine. 	<ul style="list-style-type: none"> - Agreements for meals and land transportation. - Collective agreement. - Safety. - Personal and family growth. - Coordination of sports clubs. 	<ul style="list-style-type: none"> - Consolidation of the Cerrejón Way program. - Consolidation of Variable Compensation System. - Increase in training programs. - Acknowledgements for corporate employees. - Program of visits to the Mine by workers' families.



STAKEHOLDER	MEANS OF COMMUNICATION	TOPICS OF INTEREST	SOME ACHIEVEMENTS IN 2009
	<ul style="list-style-type: none"> - Notitren news report. - COPASO. 		<ul style="list-style-type: none"> - New Year's parties for employees, families, and communities.
Others (news 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. 	<ul style="list-style-type: none"> - Brush-cutting program with indigenous communities. - Symphonic Orchestra music program. - National positioning of Cerrejón's image. - Participation in Hay Festival in Cartagena and Riohacha. - Regional journalism award in La Guajira. - 15,300 visitors to the Mine installations.

Dialogues with stakeholders

With the basic purpose of collecting the internal and external perceptions of our social, economic, and environmental management during the first half of 2009, we performed a series of dialogues with our stakeholders, which served to define the issues of greatest impact and to identify the expectations found regarding our management, not only for the materiality of this Report, but also for the updating and adjustment of our corporate strategy of responsible mining and the sustainability model.

Meetings were held with representatives of six stakeholders, forums were held regarding sustainable development in La Guajira, and corporate meetings were held with employees. In these settings we obtained information regarding their position pertaining to our management in 2009, thus identifying those aspects of greatest relevance and impact.

The results of the dialogues are shown on the following page:



Community meeting at the San Francisco farm. Workshop to agree on detailed housing design.

STAKEHOLDER	NUMBER OF REPRESENTATIVES	ASPECT ANALYSED
Local and National Governments	51	<ul style="list-style-type: none"> - Local purchasing. - Local employment. - Royalties. - Greater communications by Cerrejón and Foundations with municipalities. - Credits to micro-businesses. - Educational agreements. - Workshops with mayors. - Equal conditions. - Self-sustainable projects (without Cerrejón). - Agricultural farm. - Support for sports. - Twice yearly meetings. - Foundations management. - Infrastructure projects in municipalities. - Compact for legal mining. - Greater contact with National Government.
Workers and union	23	<ul style="list-style-type: none"> - Comply with labour rules and regulations on resettlement due to health issues. - Publication of standards for Cerrejón maritime fleet. - Monitoring implementation of SA8000. - Training in sustainable use of energy resources. - Programs to retain young personnel. - Social programs with Puerto Bolívar communities. - Career plans. - In selection process, some posting profiles exceed area requirements.
Suppliers and contractors	51	<ul style="list-style-type: none"> - Recycling . - Indigenous workers on suppliers' workforce. - Support for local suppliers. - Technical training for Guajiros. - More exhaustive reviews of prices and materials on bids received. - Reduce demands on small businesses. - Develop tourism potential of La Guajira. - Include suppliers in Sustainability Report.
Departmental educational institutions	49	<ul style="list-style-type: none"> - Inter-institutional support. - Illiteracy. - Program for Excellency Scholarships. - Donation of computers. - La Guajira Recreation Centre. - Joint projects with La Guajira agencies. - Local employment. - Develop local suppliers. - Local procurement. - Social impact along railway. - Cultural agenda. - Indigenous infant health. - Joining plan for regional competitiveness. - Support for system of medical emergencies.
Opinion leaders	5	<ul style="list-style-type: none"> - Study of situation of country's dependence on mining and macroeconomic policies. - Alliance with news media to spread information on status of royalties. - Logic of Foundations programs vs Cerrejón strategy. - Support for culture of anti-corruption policy in La Guajira.
Local and national news media	18	<ul style="list-style-type: none"> - More communication on Cerrejón programs and approaches to news media. - Cerrejón in royalty auditing. - Reciprocity. - Management of Radio Cerrejón. - La Guajira with and without Cerrejón. - Spreading good practices and activities for the community. Development of Guajiro micro-businesses.



Talk by the president of Cerrejón, León Teicher, at the Building Future Forum.

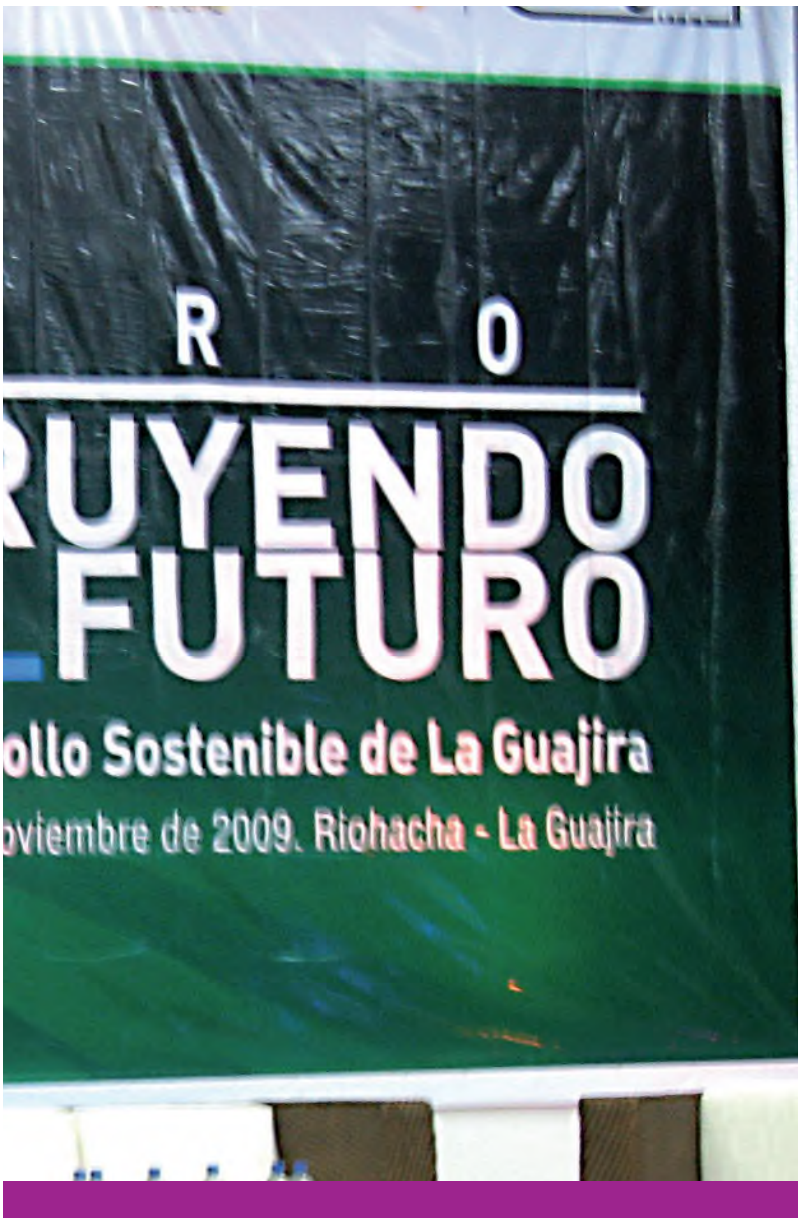
Forum: Views on the Sustainable Development of La Guajira

In November of 2009, a forum was convened by Cerrejón in Riohacha, involving the departmental Government, the Regional Committee of Competitiveness of La Guajira, the Observatorio del Caribe Colombiano, Chevron, and Redepaz. The purpose was to discuss the possibilities of development of La Guajira, incorporating all possible views and presenting successful experiments on national and international levels within the context of mining and a multicultural setting.

Corporate meetings with employees

Four corporate meetings were held at the Mine, Puerto Bolívar, and Bogotá to discuss company performance, strategy, and challenges for 2010. We obtained evaluations of these activities (content and presentation). We found great acceptance and commitment from the stakeholders regarding the issues presented; they acknowledged the interest of senior management in responding to all the concerns raised.

STAKEHOLDER	NUMBER OF REPRESENTATIVES	ASPECT ANALYSED
Regional government, traditional authorities, and community of La Guajira	Over 400	<ul style="list-style-type: none"> - Analysis of determination of current status of department (regional poverty and malnutrition, educational quality and coverage, gender equality, maternal and infant mortality, and coverage of water and sewage mains) - Discussion on perceptions and expectations of attendees and definition of goals as concerns: - Extractive economies. - Sustainable development. - Public policies for development at national and regional levels. - Cultural elements of development process and progress of the border zone.



DIALOGUE WITH STAKEHOLDERS

STAKEHOLDER	NUMBER OF REPRESENTATIVES
National and local government	51
Workers and union	23
Suppliers and contractors	51
Educational and departmental institutions	49
Opinion leaders	5
Mass media	18
Forum Perspectives on the Sustainable Development of La Guajira	400+
Communications meetings	300+

VII

STAKEHOLDER	NUMBER OF REPRESENTATIVES	ASPECT ANALYSED
Employees	Over 300	<p>Company results in 2009 (financial, operational, and social responsibility)</p> <p>Main projects in 2009</p> <p>Company challenges in 2010</p> <p>Main suggestions by employees:</p> <ul style="list-style-type: none"> - Participation of family members of employees in meetings when the topic allows it - Greater participation and interaction from contractors - Greater dissemination of safety bulletins in safety-related fairs and meetings, emphasizing: <ul style="list-style-type: none"> - Signage - Hearing protection - Handling gases - Hand care - Chemical counter-indications - Safety in work at height - Safety in the home - Environmental safety - Ergonomic positions.



VIII - CORPORATE GOVERNANCE

VIII - CORPORATE GOVERNANCE

GRI
4.1-4.7, 4.9, 4.10
EC4
S02-S07
PR9
Global Compact
10

The practice of good corporate governance constitutes a determining factor in generating credibility regarding the manner in which we operate, thus ensuring for our stakeholders the transparency, objectivity, and competitiveness with which we carry out our activities, and where environmental conservation, ethical principles and behaviour, corporate responsibility, and the adequate handling of risks and compensations take precedence.

At Cerrejón we do not have a single management structure, nor independent or non-executive members. Our maximum body in matters of corporate governance is the Shareholder's Committee, which is in charge of controlling the different practices and compliance with good corporate governance.

This committee is comprised of one main representative and a replacement from the BHP Billiton, Anglo American, and Xstrata Plc companies, and is annually chaired by a shareholder member, performing a follow-up on the actions considered in the annual plan, approving the annual budget, the investments, and the five-year plan.

We do not receive aid from the national government, nor is the latter incorporated in the company shareholder structure.

We have established governance committees and follow-up meetings, wherein the different aspects of the business are analysed, as well as the sustainable management of the company in economic, social, and environmental terms.

VIII

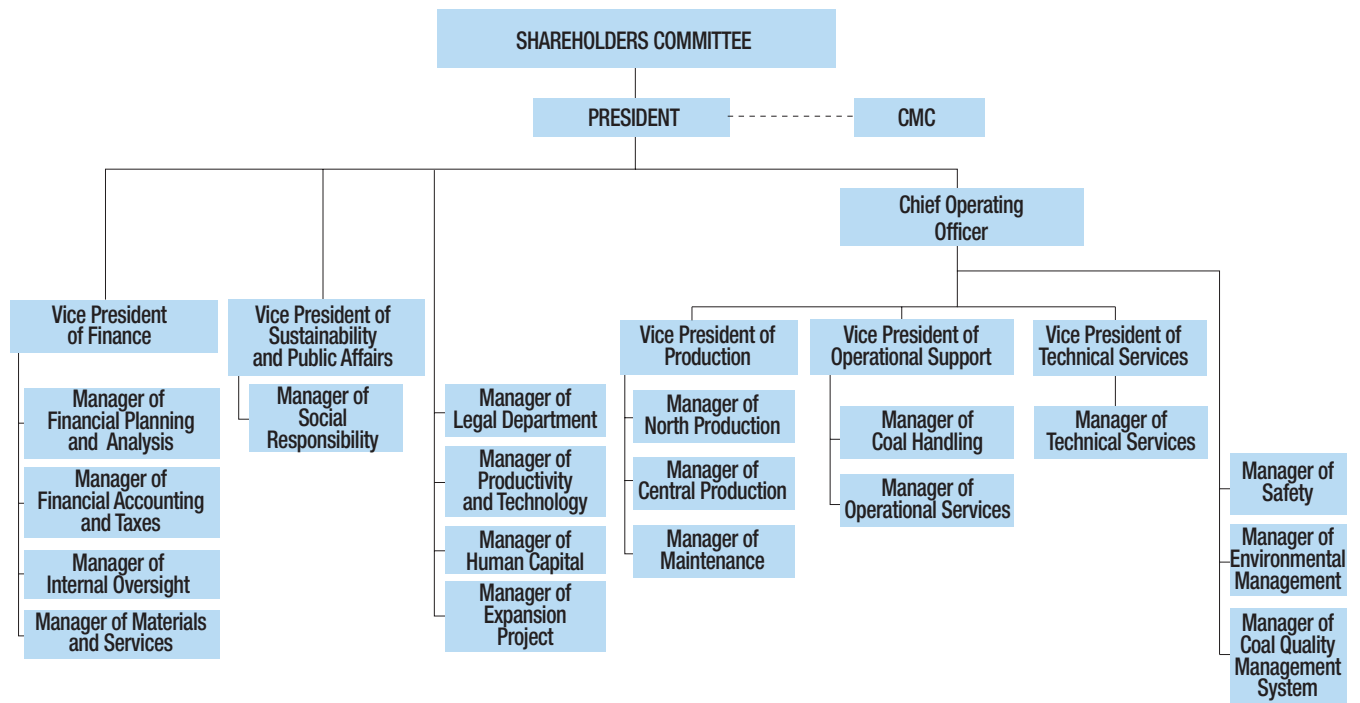
COMMITTEE	GOAL	COMPOSITION
Shareholder Committee	Meets three times a year to monitor activities set out in the annual plan and approve investments. Once a year, the budget is approved for the next year and for the five-year plan.	One main representative and one replacement for each of the companies: BHP Billiton, Anglo American, and Xstrata Plc.
Technical and Operational Review Committee (TORC)	Meets four times a year to review mining planning and expansion in detail; preliminary review of capital applications later approved by the Shareholder Committee.	One member and one technical representative for each of Cerrejón's shareholders.
Management Committee	Makes decisions to keep Cerrejón running smoothly, especially as concerns capital-investment projects requiring high-level approval, contracts and hiring for all company areas, and generally relevant topics needing review and approval at the highest levels.	President of Cerrejón, Chief operating officer, Vice President of Finance, and Manager of the Legal Department.

Employee Mechanisms for Communicating Suggestions

The company has a policy for promoting a productive work environment, based on respect for people, diversity, and openness to the ideas of each employee. To achieve this, we accept feedback, different opinions, and expressions of dissatisfaction or disagreement, by way of open, frank, relevant, adequate, honest, and timely communication, resulting in a mutually beneficial relationship. Likewise, we acknowledge the need to listen to diverse points of view in order to make decisions and for the good development of group relationships.

Furthermore, we have mechanisms for receiving feedback from employees, such as annual meetings for corporate communications. In addition, in 2009, the president regularly met with groups of approximately 20 managerial employees from different areas of the company to learn their expectations and suggestions. At the request of the president, a direct communications channel will be implemented in 2010 so that both management and technical staff may contribute their suggestions.

ORGANIZATIONAL CHART



SKILLS IN SENIOR MANAGEMENT AND PERFORMANCE-BASED COMPENSATION

In order to select our managerial personnel, we have a detailed description of the positions based on personal and professional aptitudes needed to comply with the expectations for the position.

Specialized know-how is required that encourages analytical and managerial decision-making, with a strategic vision for business, and emphasizing the skills specific to the position and the area.

Within the corporate *Key Performance Indicators* (KPIs), we have es-

tablished goals focused on the economic, environmental, and social surroundings, which in turn are evaluated according to the area. For senior management, compliance with these KPIs is likewise used as a follow-up mechanism.

These skills are necessary in order to face the various challenges of the business in relation to the company's operational efficiency, contribution to community welfare and development, shareholder profitability, employee satisfaction, and adaptation to the constant

changes and demands of the market.

The compensation of the maximum governance bodies, senior management and executives, is provided by monthly remuneration given that they are engaged full time and exclusively in company activities.

For all the executive levels, we apply a variable bonus system that depends on the achievement of the goals established annually. It is aligned with the performance of the organization in social, environmental, and economic aspects, the follow-up being managed by way of systematic evaluations of performance and professional development.

PATH OF MAXIMUM INTEGRITY

Strictly following the path of maximum integrity, where honesty is the strongest pillar, we daily take great pains to preserve and project an irreproachable reputation. Complying with the *Manual of policies and behaviour* guidelines and under the supervision of an ethics committee, each of Cerrejón's employees show their integrity and commitment with the company's transparent management.

Goals of the ethics policy

- Promote and support high standards in ethical behaviour consistent with the established guidelines and policies.
- Serve as a source of information for employees and business units regarding compliance with the behaviour policies and standards.
- Provide mechanisms so that the entire company may share experiences related to ethical behaviour topics in their work activities.
- Regularly review the manual of Behavioural policies and guidelines and prepare supplementary rules.
- Regularly report on compliance with these policies, on new related topics, and supervise the process of handling infringements of business behaviour.

ETHICS AND TRANSPARENCY

The ethics policy establishes: "CERREJÓN is inexorably opposed to corruption. We shall not offer, pay, nor accept bribes, and we will enforce compliance with this policy by way of a strict internal oversight system."

In 2009, the Internal Control Department of Cerrejón carried out 20 reviews and investigations related to fraud reports and deviations from the policies of conflict of interest and fraud control.

The Internal Audit reviewed 10 company areas covering the period from August of 2008 to July of 2009.

Throughout 2009, we carried out a campaign disseminating the fraud control policy, starting up a third complaint channel called the *Ethics hotline*, operated by an independent third party: KPMG Sybille, a company based in Argentina.

During the dissemination campaign, we published the fraud control policy in the company newsletters and intranet for all employees to learn about. The presidency sent a letter to each employee reminding them of the ethical principles and values that govern our organization, and inviting them to use the *Ethics hotline* to report cases of corruption and non-compliance. Furthermore, a notice was sent to our suppliers to inform them of the *Ethics hotline*.

The dissemination exercise involved memoranda, policies, and statement of conflict of interest, and covered 921 managerial employees.

We held dissemination meetings covering 250 employees, and a radio program on Radio Cerrejón, with a coverage of approximately 500 employees.

As a result of these activities, 100% of the employees have been informed regarding the anti-corruption policies and procedures.

In 2009, several actions were taken due to infringement of the company's behavioural policies and guidelines. After several reviews, oversight were reinforced in areas where weaknesses were identified; as a consequence of these investigations, five employees were dismissed.

APPLICATION OF OVERSIGHT MEASURES AND REGULATORY COMPLIANCE

We have strict corporate policies, among which Political Activities states:

"CERREJÓN does not make contributions to political candidates nor to political parties, except where this is allowed by applicable laws and with the approval of the Shareholder's Committee." Neither does it participate in Lobbying activities (to influence the decisions of the Government), nor does it intervene in public policies.

In 2009, we have not been fined nor sanctioned due to non-compliance with environmental regulations, neither have we been fined nor sanctioned due to non-compliance with Colombian laws and regulations, nor regulations related to monopoly practices nor against free competition.

IX - ADDED VALUE AND ECONOMIC PERFORMANCE



IX - ADDED VALUE AND ECONOMIC PERFORMANCE

GRI
EC1, EC6, EC9
Global Compact
8
Socio-Economic Assessment Toolbox
3DSEAT

For 2009, Cerrejón opted to calculate, for the period pertaining to the report, the distribution of the economic value generated by the company among its main stakeholders. It adopted the guidelines of the 3D indicator of the Socio-Economic Assessment Toolbox of Anglo American Plc., related to the contribution of the company to the national economy.

DISTRIBUTION OF WEALTH GENERATED

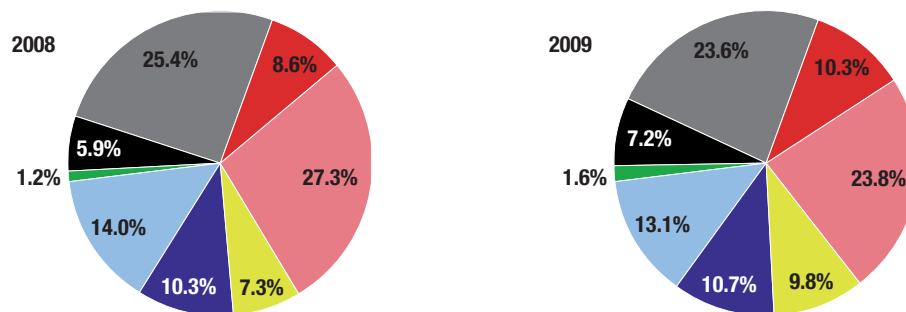
Operating income

For 2009, we generated a value exceeding 5 billion Colombian pesos, comprised mainly of payments made to foreign contractors and suppliers, shareholders and the government. It is worth noting the increases in purchases made from local contractors and suppliers, payments to employees, royalties, taxes, and reinvestment in the company.

The following is a comparison of value generation per stakeholder in 2008-2009:

ECONOMIC VALUE GENERATED AND DISTRIBUTED

Comparison of 2008 and 2009, in millions of Colombian pesos



			Part%		Part%	Variation
			2008		2009	
● Suppliers and contractors, national	\$	460.659	8.6%	\$	516.181	10.3% ↗
● Suppliers and contractors, foreign	\$	1.454.543	27.3%	\$	1.193.118	23.8% ↘ 18%
● Employees	\$	390.420	7.3%	\$	489.479	9.8% ↗ 25.4%
● Government – Royalties	\$	547.158	10.3%	\$	533.602	10.7% ↘ 2.5%
● Government – Taxes	\$	746.438	14.0%	\$	654.761	13.1% ↘ 12.3%
● Private royalties	\$	65.341	1.2%	\$	79.202	1.6% ↗ 21.2%
● Reinvestment by company	\$	312.725	5.9%	\$	358.100	7.2% ↗ 14.5%
● Shareholders	\$	1.352.561	25.4%	\$	1.178.704	23.6% ↘ 12.9%
TOTAL	\$	5.329.484		\$	5.003.150	

Technical Notes:

The information in this Income Statement covers the companies Carbones del Cerrejón Limited and Cerrejón Zona Norte S.A.

All the data derives from the officially audited financial statements (specifically, the Results Statement report).

The amount distributed to employees includes all remunerations, benefits, and compensations associated with direct staff.

Reinvestment in the company includes depreciations and amortizations for the period in addition to undistributed profits reinvested.

National and foreign contractors and suppliers

In 2009, we encouraged purchases from local contractors and suppliers, increasing them from 460 to 516 billion pesos, a rise of 12.1%, while reducing purchases made abroad by 18%.

Employees

The expense for direct personnel by way of salaries, benefits, and compensation showed an increase of 25.4% compared to the previous year, reaching 489 thousand million pesos.

State

The contribution of the company to the community and to its socio-economic development is not only materialized through its direct contributions and its projects carried out together with the townspeople. In fact, a significant part of the company's resources are given to national and territorial finances by payment of direct taxes, duties, contributions, and parafiscal contributions, among others.

The contribution in royalties was 533 thousand million pesos, and in taxes it was 654 thousand million pesos, which represents a decrease of 2.5% and 12.3% respectively, compared to 2008. This situation arises due to the significant fall in income in 2009, the result of lower prices and a decrease of one million tonnes exported as a result of lower demand in the Atlantic market.

Reinvestment in the company

The economic value reinvested corresponds to those concepts that are not distributed to stakeholders, and which the company utilizes to provide operational continuity. It corresponds to non-distributed profits of the accounting period, apart from depreciations and amortizations for the period.

For 2009, this item showed an increase of 14.5%, reaching 358 thousand million pesos.

CONTRIBUTION TO THE NATIONAL ECONOMY

Contribution to the national economy

The Socio-Economic Assessment Toolbox (SEAT) is a socio-economic methodology for evaluating mining operations applied by Anglo American, which we have taken as a reference for calculating our contributions to the country's economy, following the guidelines of the 3D indicator.

The goal of this indicator is to describe Cerrejón's contributions to the country's economy.

This goal is achievable by developing three different ways of measuring contributions to the national economy.

- Added value: This is the measure of the company's contribution to the wealth generated in the economy.
- Percentage of company's contribution to the Gross Domestic Product

(GDP) of the country. The GDP is the aggregate of the added value produced by the total of the country's economy.

- Contribution to the country's trade balance. The trade balance is the balance from the total exports and imports of the operation.

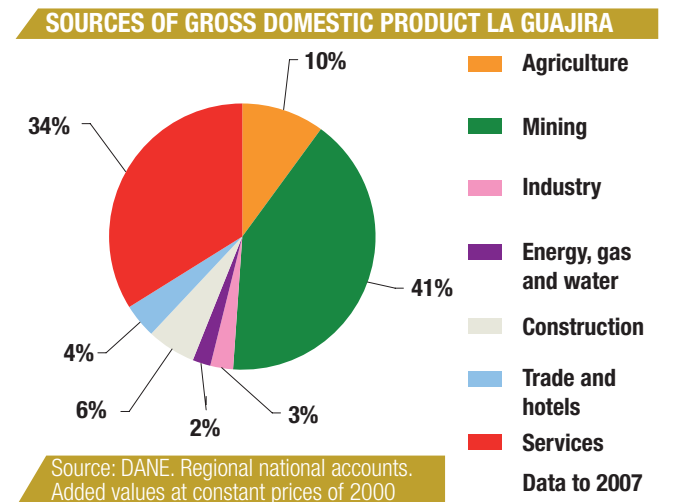
Added value is known as the added value retained in the country, and is defined as follows: Total payments to employees + taxes and royalties generated + all capital refunded to investors (including interest payments, profits retained in the company for investments, and replacement of depreciated assets). The values should be in national currency, in our case, in nominal terms for each year.

After performing the necessary calculations proposed by the SEAT methodology, Cerrejón's contribution to the national GDP is found to be 0.4%, a result that coincides with that of the previous year.

CONTRIBUTION TO THE REGIONAL GDP

We know the economic structure of the department of La Guajira based on the departmental accounts of the DANE, finding therein the added value generated by the coal sector, which corresponds almost entirely to Cerrejón. That is how we calculate the participation of Cerrejón and other economic sectors in the GDP of La Guajira.

The company's has the largest participation in the economic activity of La Guajira at 41% (mining sector), as illustrated in the following graph:



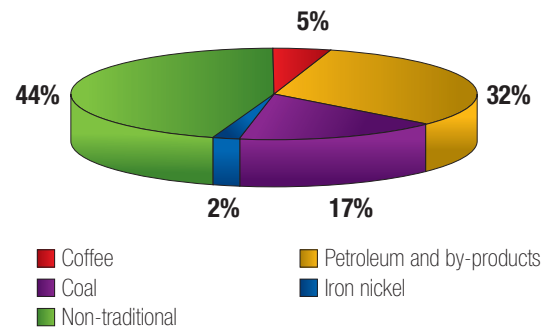


People are the most important aspect at Cerrejón.

Contribution to exports

The mining sector of the Colombian economy has maintained its dynamism in recent years, which is reflected in the fact that it continues to attract direct foreign investment (DFI) (around 20% of the total DFI) and to large volumes of exports. For 2009, exports of oil and by-products reached 32% and coal represented 17% of the total exports for the country.

COMPOSITION OF COLOMBIAN EXPORTS IN 2009

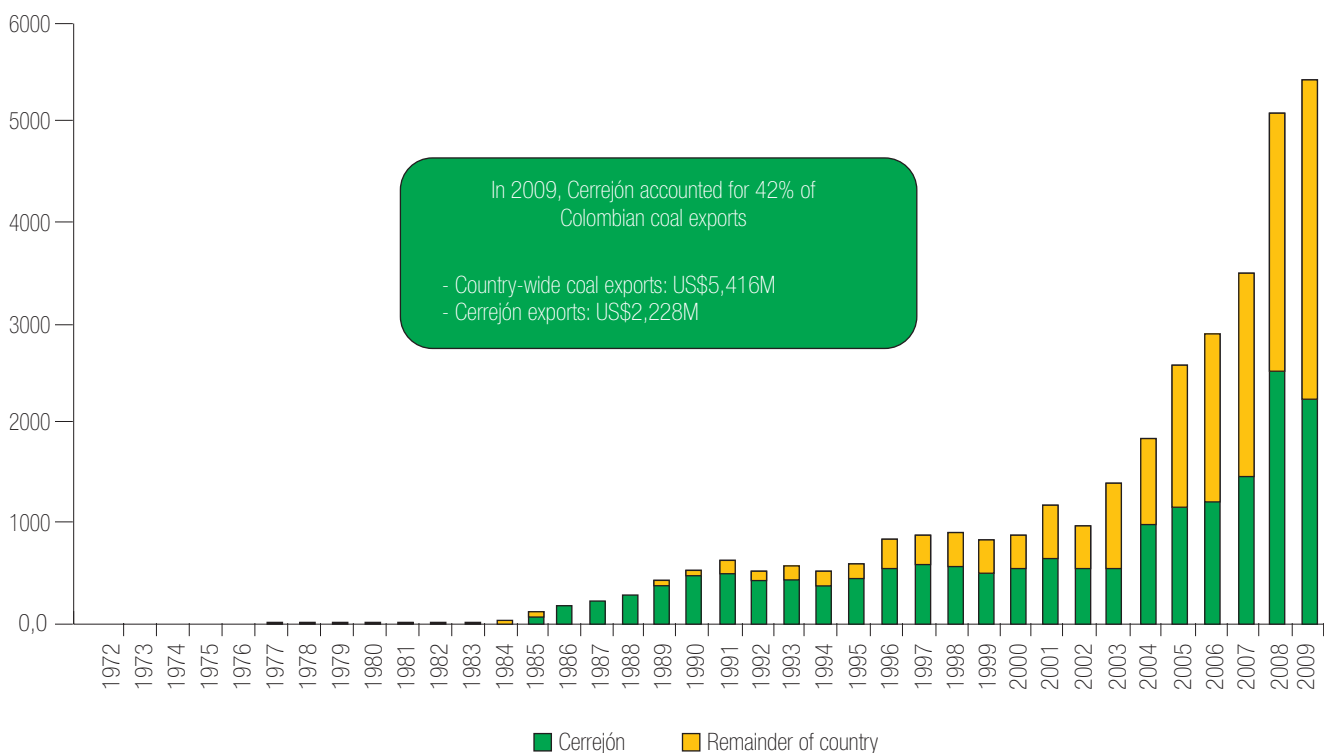


Source: Central Bank

Coal exports reached 5,416 million dollars, of which 2,228 million dollars correspond to Cerrejón. This represents 42% of coal exports and 6.8% of the total country exports.



COAL EXPORTS IN COLOMBIA (MILLIONS OF DOLLARS)



Source: Central Bank and Cerrejón

INITIATIVES FOR IMPROVING STANDARDS OF LIVING

In 2009, we initiated a series of analyses of the socio-economic conditions of the population within our area of influence, using it as a starting point in order to make subsequent social policies in the department of La Guajira. These initiatives focused effort on the issues of health and standards of living.

Survey on healthcare conditions

The goal of this survey was to collect and analyse information about homes, users, and institutions within our area of influence, which would enable the profiling of the healthcare situation. We performed the survey with the Cendex Project Centre for Development, (Cendex), of the Javeriana University.

The survey is a cross-sectional study meant to profile the healthcare situation in the area of influence by implementing the protocol and instruments of the National Healthcare Survey performed in the country in recent years, adjusted and validated in a pilot study.

Standard of Living Survey

We performed a national survey on the standard of living jointly with the DANE, using a representative sample from the area of influence of our mining operations.

The main goal of the survey is to obtain data to enable the generation of

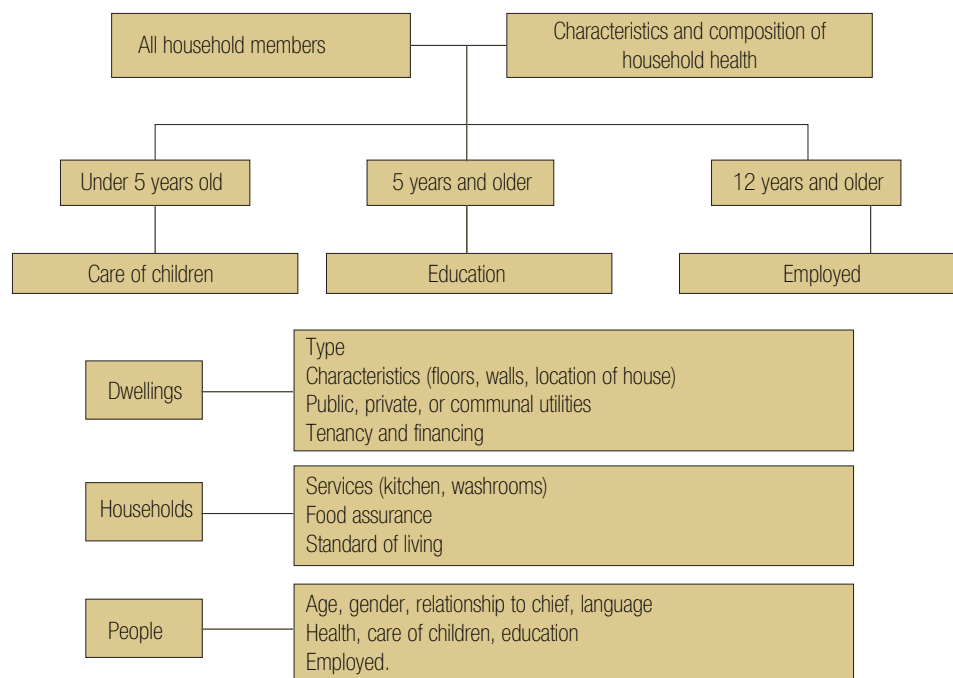
baseline indicators for the standard of living of the population residing in the municipal seat, the populated centres in the municipalities within the area of influence of Cerrejón operations, in the indigenous reservations in the southern area, and in the area of influence of the railway and the Ranchería River.

The survey and its results will be objectively verifiable and comparable to other surveys that the DANE has been performing in the country since the late 1980s, following the methodology of the SLMS (Standard of Living Measurement Surveys) of the World Bank. It is worth mentioning that the methodology used is the same employed internationally for measuring standard of living.

Advantages of utilising the tool of the standard of living survey (SLS):

- The result of this SLS applied to our area of influence is the official statistical data of Colombia.
- Subject to national as well as international regulations regarding statistical data (privacy of individual data, but access to the results added by the State, researchers, and other stakeholders).
- In accordance with the standards of the United Nations and the World Bank.
- They will serve as input for analysing the changes taking place in the welfare levels of the population, as well as for updating the socio-economic information and generating better mapping.

SURVEY STRUCTURE



With the results of these studies, a baseline of community welfare indicators may be constructed, thereby identifying the social projects to implement within our strategy of sustainability and social responsibility.

The results of the two analytical exercises, and of the identified potential projects and programs, will be developed in 2010 and reported in detail in the corresponding sustainability report.

LOCAL DEVELOPMENT AND INFRASTRUCTURE

We contribute to the national and regional economy by generating social development through investment, and through road infrastructure projects. Specifically, in this regard, in 2009 we participated in the construction of the Hatonuevo Bridge over the national motorway.

Construction of the Hatonuevo Bridge over the National Motorway

Our mining operation expanded in the department of La Guajira until it reached a national tertiary road, in the sector of Puente Negro – Puerto Arturo, in the district of Hatonuevo, where the motorway that connects the communities of Tamaquito, Roche, Chancleta, and Patilla with the district of Barrancas and adjoining districts is located.

At this point, there was a crossroads between heavy mining equipment and community vehicles, which represented a risk for nearby towns and for the operation. In order to minimize the possibilities of incidents, a permanent signalman was provided.

In 2009, we decided to find a definitive solution in order to prevent any interconnection between the mining and public roads. We made a capital investment so as to prevent possible safety incidents involving pedestrians or motorized and animal-drawn vehicles.

The solution was the construction of a bridge 5 m high and 9 m long, using state-of-the-art technology to minimize environmental impact, and to avoid damage due to excavations and slope destabilization.

The estimated construction time was seven months and the approved budget was 2.433 K USD. Thanks to an efficient use of resources, the project was finished in six and a half months at a cost of 2.2 M USD. Construction involved a total of 45,212 workforce hours, an average of 28 workers, and no accidents.

The infrastructure has complete signposting, closed circuit TV, and interior and overhead lighting. The overpass is 34 m wide (seven lanes), and the underpass is 9 m wide (two lanes with pedestrian walkways 1.15 m wide on each side).

The modular construction required the excavation of 3,400 cubic m and the installation of 526 plates. A total of 156 tonnes of corrugated galvanized steel plates were employed for the elliptical tubing, 14 thousand nuts and bolts, 8,500 cubic metres of structural landfill, 8,700 cubic metres for approach ramps, and 250 cubic metres of concrete in load distribution slabs.

This structure, which supports a load of 1,100 t, equivalent to the combined weight of 24 loaded trucks, enabled the completion of two goals: making infrastructure available to the community and increasing the productivity of the mining operation.

Local Procurement

We continue to promote the priority of purchasing goods and services from suppliers in our areas of influence. In 2009, we registered a total of more than 622 billion pesos in purchases and contracting, of which 259 billion pertained to La Guajira and to the Atlantic coast (approximately 42%).

IX

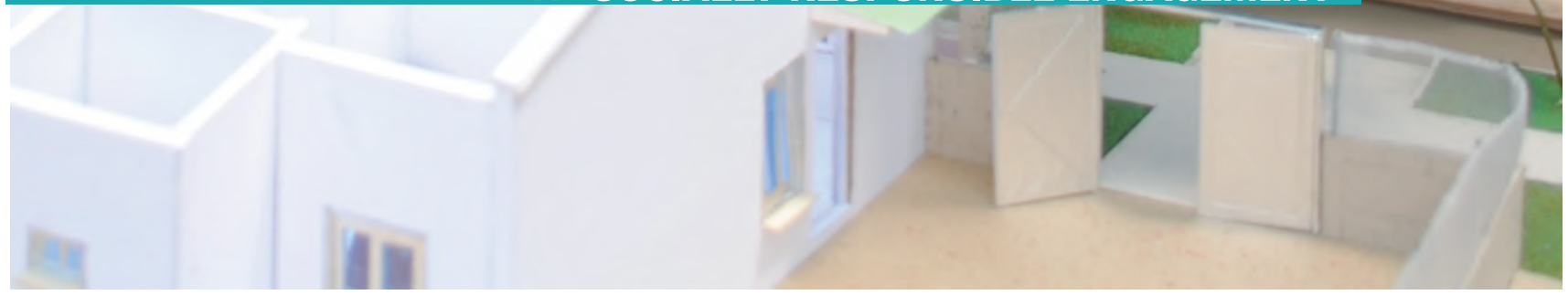
NATIONAL PURCHASES, CONTRACTS, ACQUISITIONS, AND SUPPLIES

In millions of Colombian pesos – Historical 2007, 2008, and 2009

	Municipalities in the area of influence	Other municipalities of La Guajira	Atlantic coast	Remainder of Colombia	Total nationals
2007	\$ 28.698	\$ 12.485	\$ 165.716	\$ 328.812	\$ 535.711
2008	\$ 39.654	\$ 17.499	\$ 196.073	\$ 359.975	\$ 613.201
2009	\$ 31.374	\$ 18.770	\$ 209.696	\$ 362.274	\$ 622.114
Variation 08-09	20,9% ↓	7,3% ↑	6,9% ↑	0,6% ↑	



X- SOCIALLY RESPONSIBLE ENGAGEMENT



X - SOCIALLY RESPONSIBLE ENGAGEMENT

GRI
 HR1-, HR2, HR3, HR6, HR8, HR9
 S01
 EC8
 Supplement for the Mining and Metals Sector
 MM5, MM6, MM8
 Global Compact
 1,2,5
 Millennium Development Goals (MDG)
 1,2,3,4,5,6,7,8

Our social engagement is made explicit with each and every one of our stakeholders, especially with the communities affected and influenced by our operation. This engagement has been made official under an integral policy of health, safety, environment, and communities, wherein the social approach has been included as one of the most relevant aspects whereby “Cerrejón carries on its business in consonance with the environment and society, protecting the health and safety of its workers, and ensuring that its presence improves the standard of living of the communities in its area of influence”.

For this purpose we have a sustainability strategy that has two main goals:

- Prevent, minimize, and compensate for social impacts of the operation.
- To do the maximum possible and not the minimum necessary by way of social investment, so as to improve the standards of living and sustainability of La Guajira and the communities.

Both goals are achieved through the Vice Presidency of Sustainability and Public Affairs, which coordinates the social engagement of the company, the resettlement programs, and the incorporation of social standards (in Human Rights, complaints mechanism, voluntary principles, amongst others), and the Cerrejón Foundations System.

The sustainability operation of Cerrejón may be viewed in the following graph.

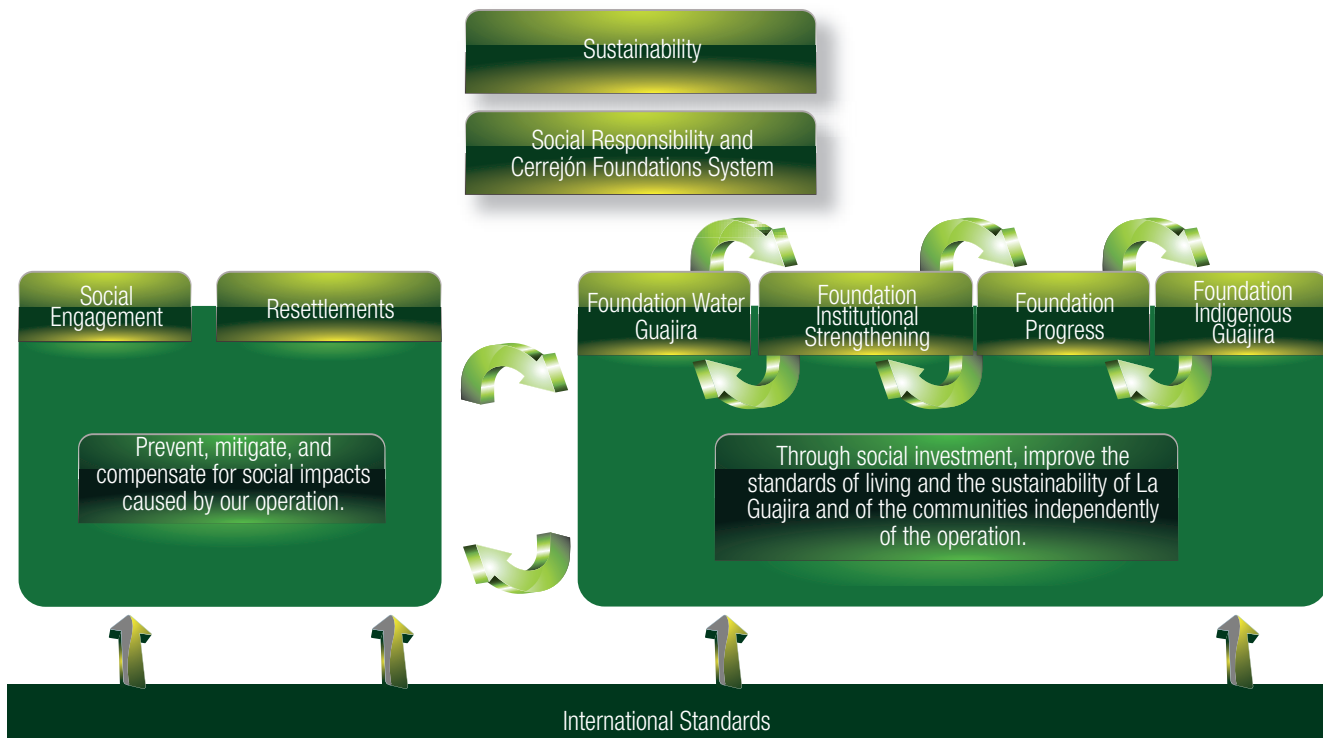
OUR AREA OF INFLUENCE

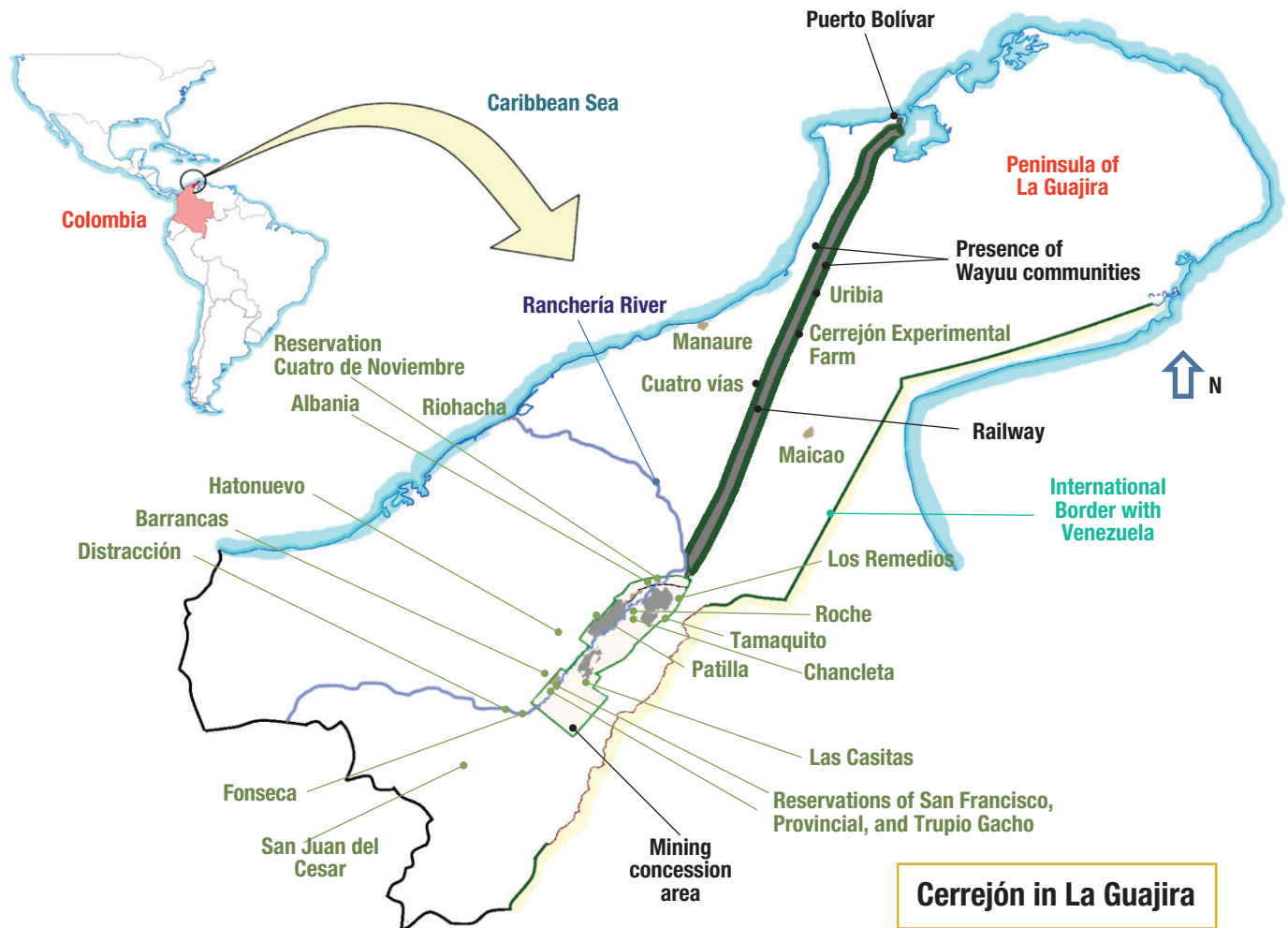
Before acting, we have coordinated with the stakeholders in our immediate or direct area of influence, that is to say, in the urban and rural areas adjoining the Mine, the railway, and the port.

The Cerrejón operation, in its five concessions, is located in an area where there are four indigenous reservations: San Francisco, Provincial, Trupio Gacho, and Cuatro de Noviembre, adjoining areas along the 150 km of railway up to Puerto Bolívar and the Ranchería River, up to its outlet into the Riohacha River.

The contracts granted to Carbocol in 1976 authorize us to perform the operation. From that moment on, we began to implement social projects in the communities.

The deciding factor for adopting a project is whether or not it contributes to the improving the standard of living and self-sustainable development of our area of influence (see map on next page).





Cerrejón in La Guajira

HUMAN RIGHTS

In 2009, we continued with the implementation of the human rights program, in light of the voluntary principles on security and human rights, covering both the public security forces as well as the private security companies, and in general, the entire human team of the company.

Respect for Human Rights of Children, and Dignified Work

We respect children's rights. According to Chapter 17 of the internal labour regulations, in article 104, child labour is prohibited. There are no potential risks of incidents of child exploitation at Cerrejón.

In article 105 of the same regulations, there are a series of prohibited activities that involve health and security risks for minors and women.

In Chapter 5 of the labour regulations, a maximum legal workday is established for all employees, and in this regard, we strictly comply with the rules establishing a maximum workday.

Normal working hours are between 6:00 a.m. and 10:00 p.m. and the night shift is from 10:00 p.m. to 6:00 a.m.

Likewise, all of our contractors are required to ban child labour, forced labour, and any practices against freedom of association, in accordance with the stipulations laid out in the contracting processes (mainly in Appendix D).

In 2009, as a socially responsible practice, all the local companies that signed contracts with us approved Appendix D of the contract. This appendix contains the health, industrial safety, environmental management, communities, human rights, and social-labour responsibility requirements that they must comply with.

Human Rights Training

Training processes were carried out with our stakeholders, mainly in human rights and international humanitarian rights, as well as within the company as a member of the Mining and Energy Committee on Safety and Human Rights.

43.92% of our direct employees were trained in the corporate human rights policies relevant to the operation, employing 108 hours for the training.

Although we do not directly train members of the private security companies, each security company trained its personnel in human rights policies. Sepecol: 840 people, including administrative personnel. Vigilancia Guajira: 157 people, including administrative personnel.

Indicators Under the Voluntary Principles Guidelines

We promote the application of the Voluntary Principles on Safety and Human Rights. Based on participation in the National Mining Energy Committee, we have started the pilot study of the human rights indicators, which will serve to orient companies to perform a specific, practical follow-up of their engagement in this matter. In 2009, an official version of these indicators was obtained and disseminated.

SOCIAL ENGAGEMENT COMMUNITIES

Healthcare

In alignment with the Millennium Development Goals, we seek an increase in the coverage of healthcare provision in the communities, along with an improvement in the quality and accessibility thereof, as well as its self-sustainability through our support in strengthening the healthcare institutions of the State.

Our approach is directed towards healthcare promotion and preven-

tion so as to improve healthcare conditions and to affect, on a short-, middle-, and long-term basis, the mortality rates of preventable diseases in the communities.

Healthcare Promotion and Disease Prevention

We support extramural brigades from the Barrancas hospital, and the implementation of prevention and awareness programs, so as to improve the quality of life of the resettlements and indigenous reservations. This project is being developed through an agreement with the Hospital Nuestra Señora del Pilar in Barrancas. A total of 18,211 healthcare services were performed in 2009, involving consultations in medicine, awareness and prevention, dentistry, nutrition, and so on.

Mobile Healthcare Unit

Strengthening of healthcare with an integral awareness and prevention program, by way of 11,220 mobile healthcare unit visits, coordinated by the company and operated by the hospitals of Barrancas, Hatonuevo, and Albania.

Mobile Healthcare Outreach Clinics

We support the healthcare service for communities not covered in the agreements with hospitals by managing healthcare teams from the Secretariats of Health and the hospitals of Albania, Hatonuevo, Maicao, and Uribia. We performed a total of 33 outreach clinics and provided care for 8,223 patients.

Prevention of HIV/AIDS

Community intervention focused on young people, teachers, heads of family, and healthcare teams for the creation of an STD (Sexually Trans-

X



Cerrejón Mobile Healthcare Unit reaching out to Wayuu communities. Outreach clinic in the community of Jisentirra.



mitted Diseases) prevention network, emphasizing HIV/AIDS, within the framework of sexual and reproductive rights. This project is being performed through an agreement with the François-Xavier Bagnoud Foundation Colombia and the Secretariats of Health and Education of each municipality. It had 8,325 responses from young people in Albania, Maicao, Barrancas, Uribia, and Hatonuevo.

Visual Health

Through an agreement with the Barranquilla Monarca Lions Club, we endeavour to contribute to maintaining visual health by supporting ophthalmological consultations, surgical operations, eye exams, and the provision of eyeglasses. A total of 324 patients were treated.

Prevention of Tuberculosis

We had a bearing on the improvement of the healthcare condition of residents in communities through the prevention of tuberculosis, informing them about how it is transmitted, its symptoms, the ease in accessing treatment, and the active search for respiratory symptomatic patients. 1,853 activities were performed.

Healthcare Training

We contributed to improving the knowledge skills of human resources in hospitals, specifically doctors and nurses. This project was carried out through an agreement with the Javeriana University, and the certification course, Frequent medical issues in outpatient practice, was implemented. 38 doctors and nurses who work in hospitals in the municipalities of Uribia, Albania, Hatonuevo, and Barrancas were certified.

Women's Healthcare, Prevention of Cervical Cancer

We supported a program for the early detection of cervical cancer in women, with the support of the Maicao League Against Cancer. Total pap smears performed: 1,005, of which 95 cases were positive, representing 9.45% of all patients screened. All the cases were detected in time.

Education

In this front, we focus our action on searching for educational innovations, which in the long term contribute to the implementation of educational models that enable the promotion of the political, economical, and social development of La Guajira.

Thus, in alliance with territorial entities, we coordinate strategies and educational programs for the municipalities in the area of influence of Cerrejón in order to raise the quality of education in accordance with State policies for the educational development plan.

The programs developed to comply with this purpose are as follows:

Technical Training Project – Education for Employment

Through an Agreement with SENA, 173 young secondary graduates have been trained in developing quality labour skills pertinent to the needs and requirements for workers in the region, based on the economic potential and the production sector. The young secondary graduates originate from the towns of Roche, Patilla, Chancleta, Nuevo Oreganal, Indigenous Reservations (San Francisco, Provincial, Trupogacho), the Cerro de Ha-

tonuevo, Media Luna, Barrancón, Ranchería River, Albania, and Tabaco (77 young people have been trained in electro-mechanics, 37 in drinking water and basic sanitation, 50 in environmental management systems, and 9 in project planning).

Once these young people have finished their elective stage, they begin a work stage (industrial practices) as a result of the arrangements we make with our contracting companies. Likewise, several of these young people develop projects to create companies in their communities, with the advice of the SENA Entrepreneurship Unit.

Academic Reinforcement for Technicians Who Enter Mining Operation Programs

The goal of this program, implemented by agreement with the University of La Guajira, is to improve, raise, and strengthen the academic level of 33 young people, who entered the Mine with an apprentice's, in skills such as reading and writing ability, oral expression, English comprehension, mathematics, physics, and civic skills, in which the departmental educational system shows weaknesses. These young people belong to communities within the area of influence of Cerrejón (Roche, Patilla, Chancleta, Oreganal, Albania, and the indigenous reservations of Barrancas).

Strengthening School Administration in Educational Institutions

By agreement with the Promigas Foundation, we developed the program Graduate in Administrative Management of Educational Institutions in the municipalities of Albania, Hatonuevo, Barrancas, and Uribia as a strategy for improving the professional level of the principals and academic coordinators of the educational establishments.

We achieved the following:

- 37 attendees stayed in the program and complete it (40 started the training).
- The provision of conceptual and methodological tools for administrators in order to understand and manage changes and uncertainties, and to develop strategic visions.
- Emphasis on preparing educational indicators and on the methodology for preparing projects (logical framework).
- That the administrative teams should apply the concepts learned, thereby ensuring the strengthening of school administration in the short term.

Integration of Technical Training in Middle School

We coordinate classroom projects with the curriculum and with the general and specific labour skills by raising the awareness of officials of municipal administrations and of the educational sector, as well as the actors of the production sector, so as to allow and facilitate the development and training of work skills, identifying regional economic potentials in order to prepare the students for their working life.

- The areas of technical training were identified in the San Rafael Educational Institute in Albania: Operation of water treatment systems, Tourist information officer, and Technician in lodging, and in the Kamüsüchiwo'u Ethno-Educational Centre: Seafood processing.



Children from the Musical Initiation program during a presentation in a community.

- Alliances were established with SENA and with the Departmental Secretariat of Education.
- Two advisory meetings on Environmental Tourism have been held for the San Rafael Educational Institute in Albania by SENA vocational instructors. This advisory is directed towards teachers of primary and secondary school.
- In the case of the Kamüsüchiwo'u Ethno-Educational Centre, the procedures were initiated to change from the modality of Centre to an Educational Institution, thus facilitating the agreement between SENA and the educational establishment.

Program for Strengthening Early Childhood Policies

We offer a space, wherein playing is a learning tool, to the most vulnerable population from the lowest economic strata, comprising ages up to eight.

Some of the most important results are as follows:

- Uribia Recreation Centre: Monthly care of nearly 440 children in urban and rural areas. To date, eight innovative spaces are operating in the rural area of the district. Within these spaces, work is being performed with childhood actors such as the Family Court, child welfare police, social agents, the ICBF, and groups of community mothers, kindergarten teachers, and accompanying parents.
- Albania Recreational Centre: An average monthly care of 1,139 children was reported. Municipal administrators, including the Mayor, were involved in training workshops regarding the importance of play at all stages of life.
- Barrancas Recreational Centre: Approved by the Town Council. Recreational employees contracted. Inauguration in 2010.

Scholarship Programs:

- Cerejón Scholarships for Excellence::
For the sixth year in a row, we have granted 10 scholarships to

the best secondary school graduates born in La Guajira and who graduated from a school in the department. Thus far, 55 young people are being financed in their university studies at the university, Colombian city, and the academic program of their choice. In addition to the registration fees, Cerejón pays a monthly stipend. Furthermore, the young people are given priority for performing their work practice at the company. The program already has five university graduates.



• Fulbright Scholarship – Cerejón:

Cerejón, in partnership with Fulbright, granted a scholarship to a native of Guajira, who will start a Masters degree in engineering management starting in 2010. Yulissa Curvelo, an economist from the University of Los Llanos, was selected from amongst 24 participants (double the figure of those enrolled in the program the previous year). This is the second scholarship granted, which is meant to strengthen and expand the training quality of the human resources of the department, contributing likewise to its socio-economic and cultural development.

Program for Strengthening English Teaching with the Fulbright Commission:

We continue with the English Teaching Assistance program, working at this time with the Language Centre of the University of La Guajira.

Recreation, Culture, and Sports Music Program

The Cerejón Symphonic Orchestra, which has 80 children and 7 teachers, held 4 performances this year, amongst which special note should be made of the concert in Cartagena during the inauguration of the Christmas street lighting, and the special performance for the President of the Republic of Colombia.

By way of the music program Orff and the Cerrejón Symphonic Orchestra, 160 children of La Guajira were given 1,920 hours of training.

Talented Youth Program

- The II Football Tournament of Cerrejón Neighbouring Communities lasted two months, and included 180 indigenous and non-indigenous children. The 2009 champion was the team from the community of Media Luna – Puerto Bolívar.
- The IX Departmental Football Tournament in the department of La Guajira lasted four months, covering 14 municipalities in 2009, and with the participation of more than 600 children from the entire department. The Pony champion was the district of Albania, the junior champion was Dibulla.
- The Cerrejón La Guajira team participated in the ASEFAL Tournament in Barranquilla, taking second place, and benefiting 40 children from La Guajira.
- Likewise, two sports tournaments were carried out in the community of Media Luna, in the vicinity of Puerto Bolívar, including therein 120 people.
- By way of an agreement with Pequeñas Ligas (Pee Wee Baseball Leagues) of Cerrejón, two children from the program were given the opportunity of travelling to Venezuela, Puerto Rico, and the Dominican Republic
- Through the permanent presence of 12 teachers, more than 20,000 hours were invested in the young people of La Guajira
- We work to instil in them the importance of study, the promotion of values, and the practice of sports such as football, baseball, chess, and athletics.

Cultural Events

We participated in cultural events in La Guajira. In 2009, the coastal writer David Sánchez Juliao was present at the talks in the Manure and Fonseca festivals. Furthermore, we attended the Mixed Cultural Background in the *Music in the Park* of the district of Hatonuevo. We sponsored 10 massive events in all.

INDIGENOUS COMMUNITIES

Given that La Guajira is a department with one of the largest indigenous populations in the country, and bearing in mind that the Cerrejón operation takes place on sites adjoining their communities, special attention should be given them, while promoting respect for their traditions and customs. That is why we have included a specific program for these communities within our

corporate strategy, one which we have been perfecting in order to preserve and make known their indigenous and cultural legacy and improve their standards of living. A brief summary of the activities performed with these communities is presented below.

Training Processes and Entrepreneurship Promotion

With the purpose of developing a spirit of entrepreneurship in the indigenous youth of the rural sector, in 2009 we continued implementing the program *Rural Youth Entrepreneurs*, by way of a partnership with the Cerrejón Foundation for Indigenous Development in La Guajira and the regional SENA of La Guajira.

There were 24 Wayuu communities that benefitted thereby, with 530 indigenous people certified and graduated in: Wayuu Handicrafts in Leather items, Making and Embroidering Wayuu Blankets, Technical Management of Small Animal Species, Manufacture and Marketing of Wayuu Handwoven Bags, amongst others

We delivered materials such as seed capital to 25 Wayuu communities for the start-up of new production units. Amongst the items supplied were spools of thread, Indian cloth, paint, scissors, paint brushes, Madeflex hardboard, blunt-tipped needles, embroidery frames, and pedal-operated sewing machines.

We attended fairs and exhibitions with the purpose of promoting and marketing Wayuu handicraft products manufactured by apprentice craftswomen of the Rural Youth Entrepreneurship Program, pertaining to the SENA partnership – Cerrejón Foundation for Indigenous Development in La Guajira, to make known techniques such as innovations in blankets, handwoven bags, Christmas decorations, and hammocks, amongst others. These events represented an economic income for the craftswomen, besides providing an opportunity for establishing business contacts, teamwork, distribution of roles and responsibilities, as well as greater negotiation skills and customer service.

Presentation of Environmental Management to Indigenous Communities

In 2009, 254 indigenous people living along the Railway corridor became aware of our environmental management (both at the Mine as well as in Puerto Bolívar), which is comprised of conservation, environmental monitoring, and education programs in air, water, soil, forest, and wildlife, which are carried out in the facilities at the Mine, the Railway, and the Port.

SPONSORS	PROMOTIONAL PLATFORM	COMMUNITY BENEFITTING
Cerrejón, Cerrejón Foundation Indigenous Guajira; and SENA Regional Guajira	Expofestival in the framework of the Festival Vallenato Valledupar	Indigenous Reservation of San Francisco
	Expoguajira District of Riohacha	Recipients of Courses Rural Youth Entrepreneurs
	Festival of Friendship District of Hatonuevo	Indigenous Reservation El Cerro
	Craft Fair in Mushaisa, District of Albania	Communities along the Railway
	Coal Festival, District of Barrancas	Indigenous Reservations of San Francisco, Túpico Gacho and Provincial

Points visited at the Mine and Puerto Bolívar

The Mine

Wildlife Centre, oxidation pond, incinerator, recycling warehouse, Patilla Overlook, and reclamation area.

Puerto Bolívar

- Water: capture (water intake), desalination plant, distribution, and wastewater treatment lagoon.
- Air quality: visit to the Bocatoma and Huarurapay stations with the respective explanations of the TSP and PM-10 monitoring, their differences and health implications, and the presentation of results.
- Reclamation: quick tour of the cactus reclamation areas, and the recommendation and importance of planting trees to replace those cut down for use as firewood.
- Wildlife: the wildlife protection programs are mentioned, reference is made to the need of protecting and preventing the indiscriminate fishing of lobster, pequeña, turtles, and fish.

- Solid waste: the work area is visited and the bacterial digestion process explained. Likewise, a quick narration of the rubbish collection campaigns is made, and the impact that the appropriate disposal of plastic bags has upon marine fauna is emphasized.
- Industrial area and coal-loading dock: the unloading process, handling, and coal loading at Puerto Bolívar is explained, and the port, the coal piles, conveyor belts, and transfer points are visited
- Control room: the process of coal loading and handling is explained directly from the room.

We likewise presented the air-quality results to 38 members of the indigenous reservation of Provincial, where the following topics were dealt with: particle dispersion model, location of the air-monitoring station in the mining area of Cerrejón, operation and characteristics of the automated station, meteorology, and the yearly average of air-quality results, amongst others.

COMMUNITY	NO. OF PEOPLE	KM RAILWAY	ENVIRONMENTAL VISIT
La Horqueta	23	14	May 28 – Mine
Jichipa	30	134	July 8 – Puerto Bolívar
Tekia	8	31	July 23 – Mine
Youren	24	129	August 12 – Puerto Bolívar
Merra/Jisentirra	28	84	August 27 – Mine
Wuyalainesein	30	136	September 9 – Puerto Bolívar
Jurimakal y Pinsky	23	27	September 24 – Mine
Lakatshi/Paktachon /Asurumana	23	139/141/142	October 14 – Puerto Bolívar
Aulaula	28	34.5	October 19 – Mine
Cuatro Vías	32	43	October 22 – Mine
Lansheii	26	139	November 25 – Puerto Bolívar



Wayuu children during a student day at the Kamüsüshiwu>o Ethno-Educational Centre.

Moreover, we met with members of the indigenous reservation of Provincial (30 people) and San Francisco (32 people), in order to inform them regarding the installation of a gas collection system. The purpose is to monitor concentrations of nitrogen oxide, sulphur oxide, and carbon monoxide so as to evaluate the air quality in the area influenced by the mining activities of Cerrejón. This monitoring is performed every two years over a period of 21 days. The results of the monitoring in 2007 show that the concentrations of these compounds were below the permissible limits specified by the Ministry of the Environment, Housing, and Territorial Development. It was agreed upon to present in 2010 the results of the monitoring performed in September of 2009.

In a joint effort with Energía Social de Electricaribe, an educational lecture was given on the rational and efficient use of energy to 32 members of the indigenous reservation of Provincial. The topics dealt with were individual billing, regulatory framework, collection scheme, and advice on the rational use of energy.

Human Rights Awareness in Indigenous Communities

We continue with the human rights training program in indigenous communities, in coordination with the Guajira regional Red Cross. In 2009, the exercise of *Recognizing my rights* was carried out by reading traditional Wayuu and Arijuna stories alluding to the rights of children. This activity included 269 indigenous children from first to fifth grades of primary school, in the reservations within the area of influence of Cerrejón's mining activity. A human rights library comprising 25 books was delivered to each reservation. This activity was performed jointly with the Cerrejón Human Rights Program and the Guajira Regional Red Cross.

Brush-Cutting Program with the Indigenous Communities

We signed a contract with the Ayasawacoop indigenous association for performing brush-cutting services along the initial 40 km of Railway. This contract has been in force for more than four years with members of these communities. Through this agreement, 26 families (325 people) from communities in the vicinity of the Railway, from km

RESERVATION	EDUCATIONAL INSTITUTION	DATE	# CHILDREN	# ADULTS	# TRAINING	# HOURS	LIBRARIES DELIVERED
San Francisco	San Francisco	June 2	30	2	1	2	1
Provincial	Provincial	August 20	27	1	1	2	1
4 de Noviembre	Rio de Janeiro	Sept. 25	38	4	1	2	1
4 de Noviembre	Cerrejón Uno	Sept. 23	60	3	1	2	1
Trupio Gacho	La Ballena	Nov. 3	48	2	1	2	1
El Cerro	El Cerro	Nov. 20	51	3	1	2	1



40 to 150, directly benefitted from the program through contracts with the Cerrejón Foundation for Progress.

We achieved an improvement in contracts and social security for workers in this area, and we raised community awareness regarding how to work productively and safely.

Awareness of Railway Safety and Self-Care - Embrace Life Program

We continually carry out preventive campaigns with the Wayuu indigenous communities settled within the area of influence of the Railway (from Albania to Puerto Bolívar) regarding measures to bear in mind in order to minimize accidents with the train, taking into account the dangers that humans and animals are exposed to when near the Railway. Thereby, using the Embrace Life Program, we promote responsible behaviour and self-care in the light of the risks associated with the Railway. Educational campaigns are carried out annually, which, apart from strengthening the good neighbour relationship and the active participation of the communities, promote safety and the prevention of incidents along the Railway corridor.

The campaigns direct attention towards respect for life, the risks assumed by indigenous people when consuming alcohol near the Railway, and the attitudes of children when undertaking unsafe behaviour. Since 2007, the Vice Presidency of Sustainability and Public Affairs has implemented a new strategy by using theatre plays that include the cultural wealth and identity of the Wayuu ethnic group, thus involving them in becoming aware of and measuring the risks involved when

necessary measures are not taken when approaching or crossing the railroad tracks.

Likewise, we use plays and puppets as a tool to strengthen the culture and the social oversight of the communities in the vicinity of the Railway, emphasizing the prevention of alcohol consumption and drug abuse through the theatre play called *Jalia pia (Be careful!)*. This is a word from Wayuunaiki that expresses a dangerous situation. This warning implies being alert; when used by a third party who is looking out for his or her fellow beings, it produces a feeling of gratitude, affection, and harmony.

A total of 28 theatre plays were scheduled along the Railway, presenting the work at meeting points in the indigenous communities of Cerrejón 1, Río de Janeiro, Tekia, Nueva Esperanza, Wale Walao, Yamain, Ishamana, Jaipalijunay, Nortechon, Jisentirra, Maleywamana, Kaiwa, Japuralao, Jichipa, Wararat, Media Luna, Warupalein, Youren, Amuyouwou, Woluwapanaa, Ishirrouwou, Cadenachon, PalePalein, Paktachon, La Horqueta, Yourepo, Jatto, and Caracoli. A total of 5,601 people attended these presentations, including traditional authorities, teachers, leaders, young people, and children from these communities.

Coal Route

In order for the indigenous communities in the vicinity of the Railway sidings to get to know the mining operation and the Railway, starting in 2009 we implemented the *Coal Route* project that, by way of visits of representatives from each community to the operation, enables them to

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Visit by community members as part of the Coal Route project.

learn about the company's effort to make the operation safe and to generate the least impact possible. As a result of Resolution 1471, from November 2004, the State has recognized the Wayuu *palabrero* as a *subject of national cultural interest*; Cerrejón showed the *Coal Route* to the recognized *palabrero* Sarracana Pushaina. From his experience in the Wayuu world, he gave recommendations for making the *Coal Road* a strategy that would provide maximum benefits for the communities and the company. The pilot exercise was performed in the community represented by the *palabrero* Sarracana: Warerapa.

Upon finishing the evaluation exercise carried out with the Warerapa community, we concluded with the *palabrero* Sarracana that it is essential for the project that the leaders of each community go on the *Coal Route* and share their experience with their people. The credibility of their experience will help in raising awareness in the communities regarding the risks that all those who behave irresponsibly along the Railway are exposed to.

The *Coal Route* is guided by an official of the Railway Superintendency of Cerrejón, in charge of describing in detail each of the processes of the Railway operation and its technical complexity. During the ride, the supervisor narrates various experiences regarding accidents involving communities in the vicinity of the Railway.

The *Coal Route* includes the following sites: railway engine and box-car workshop, train dispatch, CTC, journey on *Hy-Rail* as far as the Itaka siding, and a visit to an active pit (Patilla).

In 2009, 215 people visited the *Coal Route* from the following communities:

COMMUNITY	NUMBER OF PEOPLE
Warerapa	35
Pinsky and Jurimakal	28
Tekia	32
Jisentira and Merri	28
Rutemana	30
Ware Warao	34
Aulaulia	28
Total	215

COMPLAINTS MECHANISM

Cerrejón has espoused international standards for human rights protection in undertaking the mining activities so as to prevent, minimize, and compensate for negative impacts of the operation, and to empower positive effects in dealing with these impacts. The company standards and policies that define our style of responsible mining are, above all, comprehensive and transparent. The *Cerrejón Way*, with which our Complaints Mechanism operates, is one of the effective windows through which our stakeholders may effectively communicate their concerns.

The mechanism is part of a pilot program directed by Mr John Ru-

ggie, Special Representative of the Secretariat General of the United Nations for Business and Human Rights, the purpose being to test, on a business level, the principles that regulate the mechanisms for handling grievances outside legal channels. The principles ensure that these mechanisms are legitimate, accessible, predictive in terms of process, equitable, compatible with human rights, transparent, and based on dialogue with the parties involved. Besides Cerrejón, others participating in this pilot program are Sakhalin Energy (oil) in Russia, Tesco Food (food) in South Africa, Esquel (clothes) in Vietnam, and Hewlett-Packard (computers) in Hong Kong.

Background

The first step to initiate the mechanism design in Cerrejón was to analyse how the company was handling the complaints and claims it received. This was achieved in collaboration with the Cerrejón Foundations System and with different company areas, wherein directors, managers, heads of division, supervisors, and analysts were interviewed. With this analysis, we discovered that there was no standard mechanism for monitoring the investigations and solutions of problems, neither was there a tracking mechanism for lessons learned and measures for minimizing complaints and improving the operation.

Subsequently, interviews were performed with a group of thirty people, amongst whom there were employees from Cerrejón contracting companies, members of communities from the area of influence, and local and traditional authorities thereof. The goal was to create and design the mechanism as a team, with our stakeholders, as provided in the principles of transparency, legitimacy, and reliability.

The mechanism is supported by a technological system that, with the permanent and active leadership of the human team of Cerrejón, manages the logging, investigation, and action plan for solving a complaint. The mechanism ensures that the complaints are addressed and replied to in a timely fashion, regardless of their direct relationship with our activities or the burden of proof thereof. Ongoing dialogue with the parties involved and the confidentiality of the information are fundamental pillars of the mechanism. Within the company, the mechanism makes the corrective measures available for preventing and minimizing complaints.

Cerrejón's complaint mechanism is meant to be a human process, wherein each company employee participates actively and responsibly, assuming it as an opportunity for improving the company's relationship with its employees, contractors, and neighbours in the area of influence.

In December, 2009, the mechanism was ready to be put into pilot-phase operation at the beginning of 2010. The exercise would prove its suitability and reveal the adjustments it might be necessary based on the results obtained.

Tabaco

Physical reconstruction of Tabaco

At the end of 2008, we signed an agreement with the Tabaco Relocation

Committee to support physical reconstruction of the township.

We committed ourselves to reviewing the negotiations carried out with former owners and to indemnifying those who had a right to it and/or a readjustment of the indemnification received at the time it was negotiated. We also committed ourselves to acquiring the La Cruz property, located in the jurisdiction of Hatonuevo in order to reconstruct the township, carry out the work of property preparation, laying out the streets, and building a community centre whose design will be agreed upon with the community. Moreover, we took on the task of including the non-participating community members as of December 2008 in the Tabaco *Endogenous Development Network Social Project*, which includes scholarships and aid, healthcare assistance, entrepreneurial and training projects, and the strengthening of the social fabric through participation, organization, recreation, sports, and culture.

The Hatonuevo municipality and its municipal council modified the Land Use Plan so as to make possible the Tabaco reconstruction project on the La Cruz property and the construction of housing for Tabaco families affected by mining.

The community made a first call in coordination with the municipal administration of Hatonuevo and the people who came to the mayor's office during the months of July and August, 2009, were registered. This registry will be verified with the community, Cerrejón, and the Hatonuevo municipality, so that the influx of outsiders who want to be aided by the process without having been affected can be controlled.

Process of acquisition of the La Cruz property

An agreement was reached with the 49 heirs of Mr Ángel Enrique Ortiz Peláez in regards to the purchase of the La Cruz property; a topographical survey, the measurement of the property, and the respective succession of the asset were carried out.

The parties agreed to an economic proposal establishing that a hectare of flat land would have a value of five million pesos, and a hectare of mountainous terrain a value of three million three hundred thousand pesos. The expenses that arose as a consequence of the sale were divided equally between the two parties.

At the end of 2009, the procedures were carried out for signing the legal documents and registering them with the Recorder's Office in Riohacha.

A study was begun together with the Hatonuevo Mayor's Office and the community to establish how many hectares are to be dedicated to the Tabaco reconstruction project and how many are to be set aside as an environmental protection area.

Indemnifications

The indemnifications agreed to were cancelled. Some families have requested a readjustment of the amount initially agreed to. After re-

viewing the cases, some claims that merited readjustment were accepted. The respective successions were done for the heirs of three deceased persons.

However, there is still a small group of people who are asking for readjustments to the indemnifications agreed to. In order to attend to this matter, an online complaints and claims service has been established with the complaints mechanism mentioned above, which guarantees meetings with any families who have concerns in order to verify individual cases and explain again, and in as much detail as may be necessary, the contents of the indemnification.

Tabaco Endogenous Development Network

We began a process of approaching the leaders of the Tabaco Relocation Committee to explain the goal and the projects to be developed. An initial meeting was held with the leaders for that purpose, and home visits were made to community members, to whom the scope of the plan was explained.

Copies of the Tabaco *Credit Fund Manual* were distributed to the new families linked to the social project, with the aim of disseminating its guidelines and guiding principles for access to current credit.

The social plan includes the following projects:

- *Technical and/or professional scholarships* in public or private educational centres and one-time educational assistance for elementary school students for the purchase of uniforms and school supplies, benefitting 35 students in 2009.
- *Employment generation*, which provides apprenticeships at Cerrejón or its contractor companies. In 2009, four people were hired.
- *Training with SENA*
- *Training and/or education*, seeking to develop or strengthen entrepreneurial abilities for the formation of companies or the strengthening of their social capital. In 2009, 40 people received entrepreneurial training.
- *Income generation*, a project that comes out of entrepreneurial training to create or strengthen sustainable family companies. In 2009, 42 business ideas were developed inclusively and 37 technically viable and economically and socially sustainable projects were formulated.
- *We consolidated the census of adults over 58 years old*, registering a total of 30 people. On this basis, an agreement with Comfaguajira will be started to service this population beginning in 2010.

Plan 2010

- Project Design for the physical and social reconstruction of Tabaco.
- Delivery of the legalized property to the municipality with a specific designation for the physical reconstruction of Tabaco.
- Design and construction of the community centre.
- Design and laying out of lots where the housing will be built.
- Conceptual design of housing.



Students funded by Cerrejón from the Hatonuevo district in the SENA Technologist in Project Design Program.

- Continuity of the Tabaco Endogenous Development Network social engagement plan.

Oreganal

Oreganal was a township of the Barrancas district that was relocated in 1997 to the left side of the highway between Papayal and Barrancas. The community initially consisted of 85 families; today, there are 140.

After relocating the Oreganal community, an agreement was signed in 2007 through a reconciliation process with the participation of representatives from the community, Cerrejón, and governmental agencies. Commitments were included in that agreement that have been developed as planned.

The project management for 2009 that was agreed to with the community includes:

Education

- Academic evaluation meetings continued during the period with parents and students who participate in different programs (INFOTEP, SENA).
- Entrepreneurial and entrepreneurship training was given to 22 community members with support from SENA.

- Three INFOTEP agricultural technicians performed their work experience in the Environmental Management department at Cerrejón, and one industrial engineer in the industrial safety area. Five electromechanical technicians who were trained by the SENA in Riohacha completed their work experience stage.
- Three accounting specialists and four agricultural administration specialists finished their studies at INFOTEP with the support of the Oreganal Round Table.
- Through the SENA-Cerrejón agreement, two young people from the community began their studies as heavy equipment operators.
- Support continued for 16 parents with children in college through economic aid.
- Training was carried out in the system oriented towards community children, young people, and adults.

Microcredits

Fourteen microcredits were awarded to people from Oreganal, of which five were to strengthen businesses, and nine were for new micro-businesspeople. It should be noted that three of the credits approved were for micro-business people who provide services to Cerrejón.

Land acquisition

Six properties were visited in the process of purchasing land for the production project, two of which were: *Dos Matas*, property of Hermanos Peralta y Cía. and *La Jayarima (la Sosa)* belonging to Juan Francisco Gómez. These two properties were evaluated and the Cooperative decided to buy the *La Jayarima (La Sosa)* property. The visits were made with farming families in the community.

Carrejón approved the purchase of 160 ha of the *Jariyama* (now called *el Sequión de Oreganal*), located in the Macho Bayo township, for farming families from the community who formed the Oreganal Multi-Activity Farming Cooperative (COOPMAO).

The planting of 42 ha of palm oil trees was begun on the *El Sequión de Oreganal* property with the support of the Hacienda Las Flores developer.

At the meeting held with the director of Corpogujaira, Mr. Arcesio Romero, the members of the Consultation Round Table, and the Board of Directors of the Cooperative dealt with matters related to the irrigation system at the *Sequión de Oreganal* property and farming project support. It was agreed to undertake a geoelectric study to drill wells or build reservoirs on the property.

With the support of Corpogujaira, a geoelectric study was done at the *El Sequión de Oreganal* property to determine water sources. Once the results are received, it will be decided whether to drill deep wells or build reservoirs.

SENA provided support with a tractor to do agricultural work for the 42 ha of palm oil trees.

Healthcare

Up to the month of April, special attention had been given to 20 people through the senior citizen program. A final evaluation meeting was held for the program where excellent remarks were heard about its benefits.

Timely support continued to be given to people from Oreganal that had cases requiring very special medical treatment.

Job Creation

The firm of Solano & Acosta Ltda. (Oreganal and Roche systems engineers) were hired as contractors for services in planning and technology.

The construction and repair of fences, the opening of back roads, and other non-specialized services in the Carrejón area were awarded by competitive bid to a service company composed of four people from Oreganal. The food and snack service contract was extended.

The contract for five SENA apprentices and two temporary employees was renewed with the support of the production department.

Four electromechanical specialists trained by SENA were selected to enter the academic strengthening program (Maintenance Department) due to their academic merits and job performance.

Work continues with contractor companies (ASECOLBA, ARAMARK, TE-

CPALSA) to hire more personnel from Oreganal and continue to lower the community unemployment rate.

Infrastructure

Remodelling work was done on the cemetery, which required moving the deceased from their old graves to the new ones built during remodelling.

Los Remedios

Based on the TPR report and using the Tabaco Network as a model, we acknowledged the importance of beginning a social management program in this community that is part of the mining activity area of influence.

The objective is to contribute to improving the standard of living and community development through entrepreneurship, job creation, healthcare, education, recreation, and sports programs.

We carried out the following activities for that purpose:

- Getting close to the community by creating ways to listen to them, identify their resources, and address their needs without assuming the government's responsibility.
- Support by means of programs in healthcare, education, recreation, and sports in the framework of consolidating a social management plan.
- We promoted entrepreneurial attitudes and support for production projects that contribute to sustainable development and rescuing the community's traditional economic activities. Training at the SENA of 30 people in accounting; 37 business ideas were identified.
- Support for identifying and posing viable production projects in agriculture, livestock raising, tourism, and the strengthening of local businesses, among others, in accordance with the interests and expectations of the community.
- Coordination of training programs in areas of interest: entrepreneurship courses were given (entrepreneurship and accounting at the SENA) to facilitate access by contractors and other companies of the sector to Carrejón's labour offers. Training was given to 110 people.
- Teamwork with the Carrejón Foundation for Progress to develop an agricultural project based on fruit and vegetable production to be marketed to Carrefour. Support in field visits to select the most propitious terrain for agricultural activity and provide social support to the 25 families benefitting.
- Project proposal for the production and marketing of marmalade-type sweets, which will directly benefit a group of 12 families, and indirectly benefit the entire Los Remedios community. The project was a product of the initiative of a community member with support from the Los Remedios Rodolfo Solano Foundation, Carrejón, and the contractor Aramark.

Cuatro Vías

Upon identifying the risk that the location of sales stands within the Railway protected sector of Cuatro Vías, Maicao, and the tendency for more sta-



tionary and street vendors to work and establish themselves in the sector, increasing the risk of accidents, we implemented a social management project in this area.

The objective was to create a safe and ordered setting for offering products and tourist services in the crossing area called Cuatro Vías, Maicao, by relocating the sales stands currently installed. We increase the welfare of the vendors, operational safety, organization, and beautification of the sector as a strategic crossroads that will contribute to the department's tourism promotion.

In 2009, we carried out the following activities:

- Review of project background and identification of problems in the sector.
- An internal work team was defined at Cerrejón and an external one with the Mayor's Office of Maicao and the Departmental Government.
- The project was promoted amongst a group of vendors through visits and meetings where their interests were heard.
- Direct beneficiaries were identified by means of a census of stationary and street vendors, headed up by the Mayor's Office of Maicao and validated by the group of vendors.
- The current sales stands, work furnishings, and utensils were in-

ventoried. Inputs were acquired to define project requirements.

- Conceptual proposals were developed with the group of vendors based on their needs and expectations, as input for developing architectural designs and proposals.
- The land holding situation in the sector was presented in order to define a viable area for the project.

RESETTLEMENTS IN PROGRESS

In 2009, we executed a series of actions to improve the implementation and approach of the resettlement processes in progress. As part of the review of approaches, the company has reformulated its relocation policy statement indicating precisely that Cerrejón follows the social performance guidelines and standards of the International Finance Corporation (IFC) of the World Bank, and that it orients its relocation processes as an opportunity to improve, in consultation with the communities, the standard of living and strengthen local social capital in La Guajira.

The general processes observed in the communities of Roche, Patilla, and Chancleta are consistent with IFC guidelines for involuntary relocation, and are implemented in coordination with the communities and their community action committees.



Handing over the Dios Verá property to the Patilla community.



Construction of housing in Roche.

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The main advances achieved include:

- In Roche, Patilla, and Chancleta a process of presenting compensation and indemnification programs to the communities was begun.
- Construction of community projects and infrastructure was begun in Roche.
- In Patilla and Chancleta, housing designs were defined and a consultation process was begun on community infrastructure, with the participation of local institutions for adapting infrastructure in each of the areas.
- 50% of the uninhabited properties of Patilla and Chancleta were planned.
- We agreed, in consultation with the Tamaquito community, on site location and land area (300 ha) for relocating their community.

2010 Objectives

Roche:

- Finalize construction of housing and facilities.
- Sign household relocation agreements.
- Form a public service council.
- Respond to community claims and requests.

Patilla and Chancleta:

- Finish community infrastructure designs and begin construction process.

- Hire consultants to identify and implement production projects with the communities.
- Respond to community claims and requests.

Tamaquito

- Achieve agreements regarding housing and infrastructure and begin definitive designs.
- Respond to community claims and requests.

Casitas

- Define the number of resettlement families.
- Establish criteria and definitive resettlement site.
- Agree on designs.
- Respond to community claims and requests.

Disputes regarding land use

In 2009, no significant disputes regarding land use or local and indigenous communities rights were recorded .

Complaints were isolated and have been managed within company public relations actions with the community members that filed them.



Amparo Carrillo, Vice President of the Chancleta Community Action Committee, during her talk at the inauguration of the Patilla and Chancleta properties.

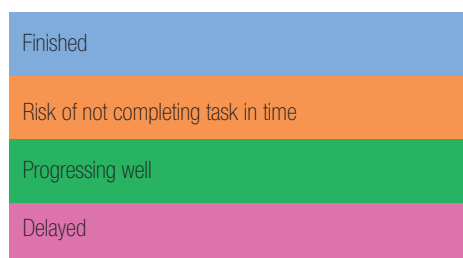
DESCRIPTION	ROCHE	PATILLA	CHANCLETA	TAMAQUITO	LAS CASITAS	TOTAL
Total population	100	320	280	134	80	914
Family units	25	46	56	30	31	188
Uninhabited properties	22	1443	905	Community Land	305	2675
Inhabited properties with dwellings	5	3	2	0	2	12
Lots/public buildings	2010	2011	2011	2011	2011	
Relocation planned for	2009	2010	2010	2009	2011	N/A
Ethnic or population group	Colombian Peasants	Colombian Peasants	Colombian Peasants	Wayuu indigenous people	Colombian Peasants	N/A
Community area inhabited	14	32	13	10	22	91

FOLLOW-UP ON THIRD-PARTY REVIEW COMMITTEE RECOMMENDATIONS

We hired Social Capital Group (SCG) to carry out a third-party technical review of our compliance with and progress made in policies and actions of corporate social responsibility in order to identify the main achievements, tendencies, and challenges pending for company performance improvement.

SCG approached the main local groups involved in company community relation processes again in order to review our social engagement progress and issues pending. After identifying key areas on the basis of the TPR recommendations, the respective commitments were generated.

In the following chart, we show the main scopes identified for review in each of the issues proposed by the TPR and the status of the commitments reached codified with a colour bar (information to April of 2010).



TPR PROGRESS CHART

PROGRAM	ACTIONS AND PROJECTS	STATUS OF IMPLEMENTATION
Cerrejón Corporate Culture	1 Hold a meeting with Cerrejón Management and relevant personnel to strengthen the cultural transformation under way as concerns identity and CSR — Corporate Social Responsibility. Two key results are expected: • A declaration of CSR values and focus areas • An agreement on the means of systematically progressing in the update process.	
	2 Develop and publish a plan of action on the corporate culture transformation and the CSR that includes training. Publish Cerrejón's declaration of corporate values and its CSR focus.	
	3 Program in values training.	This project has been replaced by the Cerrejón Way awareness workshops being held in various townships in La Guajira.
	4 Key sessions in CSR training and re-engineering aimed at senior officials and with relevant personnel.	
	5 Restructure Cerrejón's social engagement area.	
	6 Standard of Living Survey performed by the DANE following the standards of the World Bank and the United Nations.	
	7 Improve communications tools for informing and getting feedback from local communities. Adjust programs accordingly.	
	8 Design and write up a general social engagement strategy that shows how we go beyond minimum legal requirements and in what way we adopt international standards.	
	9 Present the strategy to local communities and government agencies.	





PROGRAM	ACTIONS AND PROJECTS	STATUS OF IMPLEMENTATION
Resettlements and Tabaco Case	10 Reach an agreement with the Tabaco Relocation Committee about an independent third-party facilitator.	
	11 Agreement with the Tabaco Relocation Committee mediated by Professor John Harker.	
	12 Analyse and define the financial compensation for certain special cases of the first Tabaco resettlement.	
	13 Build the symbolic Tabaco site.	
	14 Improve the standard of living of the Tabaco communities. (New business projects for their community.)	
	15 Issue a new declaration of resettlement policies.	
	16 Develop and agree upon timelines with affected communities for their resettlement processes.	Level of compliance will depend on new community talks.
	17 Develop indicators to measure the current standards of living of communities to be resettled and identify key actions to improve them.	
Cerrejón Foundations System	18 Update the Cerrejón web portal to better explain the resettlement processes and the implementation of international standards. The process should be repeated every three months.	
	19 Develop, consult upon, and publish the key goals and strategies for each foundation.	
Commitment with Civil Society	20 Appoint high-profile directors for the foundations.	
	21 Relevant departments must identify and approach new partners. The status of new alliances shall be published on the web portal.	
	22 Planning and preparation of a development forum. Activities to be performed in consultation with internal and external stakeholders.	
Wayuu, culture, and employment	23 Hold a regional development forum.	
	24 Carry out a series of socio-economic development activities involving Cerrejón, the Foundation Indigenous La 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, 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 community interests.	
	27 Implement the program "Colombia Connect", involving technical training for 120 students.	
	28 Monitor business projects arising from the training.	
	29 Develop the plan with the Foundation for Indigenous Development in La Guajira and the communities.	
Royalties	30 Develop and implement an internal improvement program.	
	31 Build a healthcare centre.	
	32 Hold a meeting with government stakeholders.	
	33 Write up the Colombian case study for the EITI mining book to be launched at the DOHA meeting in February.	
	34 Publish the royalty payments in the local news media.	

PROGRAM	ACTIONS AND PROJECTS	ESTADO DE IMPLEMENTACIÓN
	35 In alliance with the Anti-Corruption Office of the Vice Presidency, three inclusive accountability meetings are planned to examine the use given to royalties.	
	36 Workshops to build skills in public servants and others.	
Security and Voluntary Principles on Security and Human Rights	37 Improve existing complaints mechanism.	
	38 Monitor the indicators for the Voluntary Principles on Security and Human Rights.	
	39 Design and put into practice a follow-up mechanism to measure the results of training in human rights.	
Health and Environmental Topics	40 Establish an air-quality monitoring program.	
	41 Establish an independent air-quality verification process.	
Industry Standards Improvement	42 Identify key associates and design a plan.	This project was replaced by other initiatives: promotion and participation in events on responsible mining and the performance of a third-party evaluation of social performance by the mining industry in Colombia.
	43 Hold a workshop on international mining standards aimed at the company, the government, and civil society.	

CERREJON FOUNDATIONS SYSTEM

In 2008, we created the Foundations System with the goal of promoting sustainable development in La Guajira. To that end, we identified the four most sensitive and relevant topics for regional development through dialogue with public, private, and social actors.

In these dialogues with stakeholders, it was noted that La Guajira has the resources and human resources necessary to generate development and well-being for all its inhabitants.

In fact, certain modern industrialized countries (Australia, United States, Norway, and Chile, amongst others) developed based on productive growth of their natural resources, which demonstrates the strategic importance of primary sectors for developing countries such as ours.

However, natural resources alone are not sufficient for development. Although they are important for growth, they must be combined with knowledge and institutions. La Guajira has not been successful in terms of institutions, presenting deficiencies in institutional organization. This reflects a low level of institutional development that limits the ability to exploit their enormous resources and to create well-being.

In simpler terms, institutions are all social regulations, legislation, regional culture, and individual incentives that ensure all activities are harnessed by society. Institutions are the efficient way to organize a society.

The Foundations System that Cerrejón offers La Guajira is an instrument to methodically advance in the creation of social and institutional well-being.

Water supply is a critical issue now and for the future of La Guajira society because the Ranchería River is the only one providing water to the area and the region is semi-arid and vulnerable to the effects of climate change.

La Guajira department has abundant public resources of taxes and royalties that are not reflected in its level of development. Along these lines, we are convinced that institutional reforms are essential, as well as infrastructure project design and the allocation of resources on them. Corruption, for example, affects investment negatively, causing foreign investments to be directed away from Colombia to seek conditions of transparency in other countries. Therefore, it is absolutely necessary to have strong public and social institutions in La Guajira that are trained to efficiently manage the resources generated by the mining operations.

Demographic distribution in La Guajira must be considered for all social and economic outcomes. Although in La Guajira 44% of the population is of Wayuu ethnicity, there are also Wiwa, Kogui, and Arhuaca ethnicities. Since their culture and life perspectives cannot be isolated from production projects, plans for these communities must be part of regional development projects.

Cerrejón's mining activity generates 41% of economic activity in the department. Greater investment in other productive sectors must be made in order to generate long-term development.

For each of the identified issues, we created a foundation forming part of an interdependent system in which all have an equally important strategic agenda.



The Foundations System is legally independent of Cerrejón. In 2009, 95% of its budget came from company funding; with these resources, the foundations carry out social engagement projects. Each foundation identifies lines of work and organizes, with community input, programs and projects that benefit inhabitants in the area of influence. These resources are directly administered by each foundation.

The foundations are autonomous in obtaining cooperative resources to carry out other projects and follow their business plan.

Each foundation has an executive director and a board of directors made up of Cerrejón senior management and of independent senior officials from academia and local leaders who are experts in each of the issues.

The foundations seek to: focus and improve engagement with communities in the area of influence, increase available resources for social engagement in La Guajira, facilitate access to other resources to increase activities, provide access to other cooperative resources, and achieve greater efficiency in managing programs carried out.

Below, some of the main social actions carried out by the Foundations System in the last year are outlined.

CERREJÓN FOUNDATION FOR WATER IN LA GUAJIRA (CFWG)

The CFWG contributes to Cerrejón's water security initiatives. Our actions go beyond satisfying water needs; we intend to promote collective solutions that strengthen the community and local government so that they can assume responsibility for the processes, maintenance, and sustainability of water, sanitation, and hygiene issues. The foundation facilitates these processes.

Even though the CFWG concentrates on sustainable social projects, it also provides technical support to the company when necessary in order to mitigate operational impacts that are connected to the foundation's work areas.

For the CFWG, 2009 was a consolidation year transitioning from a stage of diagnosing the water and hygiene situation to identifying an action framework and three lines of work.

- *Strategies for the comprehensive management of water sources.* This line covers project creation for inclusive, coordinated, and systematic management of water resources and associated ecosystems.

In 2009, the focus was on the protection of the main water source in La Guajira — the Paladines Stream — a tributary of the Ranchería River. This benefitted 70 families.

- *Hygiene and Sanitation Solutions.* This line is directed at promoting strategies for changes in hygiene and sanitation, fostering self-care and safe water management.

In 2009, as a result of the study Inclusive Planning of School Water, Hygiene, and Sanitation in the Indigenous Communities of Cerrejón's Area of Influence, actions were initiated for basic sanitation and hygiene in the educational centres of Media Luna, Puerto Bolívar. An experimental method of Solar Water Disinfection (SODIS) was also designed.

- *Water-supply solutions.* This line includes initiatives carried out mainly in rural communities to improve the quantity, quality, availability, and accessibility to water.

In 2009, the main projects were connected to the recovery of water holes directly favouring 150 recipients, maintenance of 12 windmills benefitting 1,800 people, and solutions for water storage in 51 communities, benefitting 7,277 people.



Children in the micro-basin of the Paladines Stream.

Each of these work lines tackles issues favouring adaptation to climate change, fostering strategies to mitigate poverty, and promoting water security in La Guajira.

CERREJÓN FOUNDATION FOR INSTITUTIONAL STRENGTHENING

Through this foundation, we support initiatives to strengthen institutions in territorial entities, civil society, and communities to construct a transparent and participative environment that contributes to effective attention to basic population needs and peaceful co-existence in La Guajira. To that end, five programs are carried out:

- Transparent Management of Local Governments Program
- Responsible and Informed Participation of Citizens and Communities Program
- Efficiency in Territorial Entities Program
- Peaceful Coexistence and Alternative Resolution of Conflicts Program
- Communication and Opinion-Forming Program

In 2009, the foundation continued to implement strategies of transparency, social oversight of royalty investments, and management strengthening of public and private entities. Therefore, in addition to continuing initiatives of visible audits and citizen oversight of various public-investment works in four municipalities that receive royalties, the foundation initiated new projects dedicated to modernizing and

strengthening regional entities and held a regional forum on royalties.

In addition, the foundation maintained the line of work pertaining to civic coexistence and conflict resolution by promoting a project by the regional Court House in La Guajira.

In 2009, the foundation consolidated alliances in existence since 2008 and initiated outreach with new potential members.

Some of the achievements are presented below.

The Transparencies Compact and visible audits of royalties and follow-up on projects in Albania, Barrancas, Uribia, and Hatonuevo, finalization and partial delivery of projects was achieved without exceeding the initial budget. Approximately 120 people attended.

Training municipal and department civil servants, we developed workshops and meetings about practical tools in public management, emphasizing the investment of royalty resources.

Seeking to improve social oversight of royalties, we provided training to spread better practices of citizen participation that facilitate responsible and informed social control of public management.

For royalty recipients such as Hatonuevo, we identified strategic issues to support the municipality in strengthening the instruments, planning



Royalty forum press conference.



Growing melons at the Experimental Farm.

processes, and management of financial and administrative projects. Among these activities are:

- A definition of the *Technical Assistance Operation Plan* to modernize the municipality.
- Partnership with an international entity that lends technical and financial support to the project.
- Signing of agreement between the foundation and the municipality.

To improve educational management in the department and the municipality, we support evaluating the La Guajira Area of Education, the assistance strategy for educational establishments, and management reports on the educational sector in the municipalities of Albania, Barrancas, Hatonuevo, and Uribia. We contribute to defining initiatives for improving educational quality in La Guajira.

CERREJÓN FOUNDATION FOR INDIGENOUS DEVELOPMENT IN LA GUAJIRA

The goal of the foundation is to contribute to community development and improving the standards of living of indigenous communities (Wayuu, Wiwa, and Kogui) in La Guajira by promoting investment initiatives, institutional strengthening, and better use and conservation of natural resources, reinforcing cultural heritage within a framework of sustainable development.

In 2009, the programs executed by the foundation with the indige-

nous population were consolidated.

- **Ayatajirawa Program.** This program is carried out in Riohacha, Media Luna, the Railway, and Uribia. We delivered educational kits for literacy training, materials for the handicrafts programs, food packets, and Christmas gifts, among other activities. We held meetings with families, cultural days, Wayuu tradition and culture training, educational campaigns, and recreational activities on health and hygiene.
- **Gift Program.** Christmas gifts were delivered to children in various neighbourhoods and communities.
- **Experimental Farm Program.** We carry out training on crop planting, monitoring, follow-up, and technical assistance.
- **Wiwa and Kogui Project.** Activities are developed in three components of this project: understand, organize, and create; developing the second offering site, making an executive management visit to the basin, attending institutional meetings, and writing the final diagnostic report, among other social activities.

CERREJÓN FOUNDATION FOR PROGRESS IN LA GUAJIRA

The aim of this foundation is to invest resources to create and strengthen companies that create jobs in the department with long-term sustainability.

In 2009, we supported the creation of an organization for members in the Media Luna community to encourage production and marketing



Wayuu artisans with their business samples at the national show *Expoartesanas*.



of molluscs through activities aimed at ecosystem conservation and promoting good practices in fishing and farming.

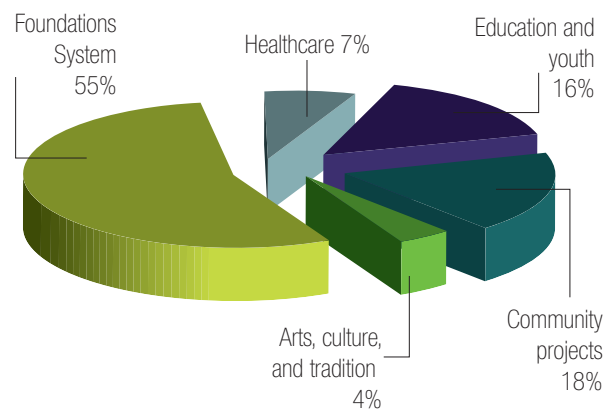
Progress was made in the *Tourism Hotel Chain Project* in areas such as building location, analysis of tourism opportunities, and strategies to attract investors.

Other foundation projects are the *Micro-Business Marketing for Mini Productive Chains Fund*, the *Tabaco Joint Committee*, and the *Alliance for Microcredit Management in La Guajira*.

More information can be found on the Cerrejón Foundations System at www.fundacionescerrejon.org.

Cerrejón Social Investment

In 2009, the company's social investment was 10 million dollars. Of that amount, 55% of this corresponds to the Foundations System, 16% to education and youth programs, 18% to community projects, 7% to healthcare, and 4% to art, culture, and tradition.



Total investment 2009: 10 million dollars



XI - HUMAN CAPITAL

XI - HUMAN CAPITAL

GRI
LA1-LA4, LA10-LA14
EC3, EC5, EC7
HR5
Supplement for the Mining and Metals Sector
MM4
Global Compact
1,3,6
Millennium Development Goals (MDG)
3

The results obtained by Cerrejón are due to our clear corporate principles and values, supported by the talent of our human resources, favouring empowerment and the exercise of accountability of processes that leverage our contribution to achieving corporate goals.

The commitments deriving from the *Third Party Review* (TPR) demonstrated the need to redefine Cerrejón's corporate identity. Beginning with identification of this challenge, we initiated efforts to update our values, an activity that is constantly evolving to reach absolute excellence as a world-class socially responsible mining company.

The modernized Human Resources Department understands these challenges, and it views itself as an area characterized as:

- Understanding the business, its direction, and that of its people.
- Promoting human potential in the organization with an empowered team that takes on personal and group leadership.
- Committed to service, with the ability to respond quickly to clients.
- Functionally proficient in organizational processes, focusing on process management as a centralized function.
- Moving the organization towards its next phase of growth and evolution.

Aware of its responsibility for the comprehensive development of employees, the Department of Human Resources defined three strategic guidelines for management in 2009.

- Ensuring effective knowledge management to guarantee its collective permanence and evolution accrued in Cerrejón.
- Update the leadership model in accordance with mining needs and trends globally, strengthening an organizational culture based on development that reinforces the recognition of individual and group achievements in the form of compensation.
- Promoting pride in work, cooperation, and forming part of Cerrejón through implementing initiatives that contribute to improving the organizational climate.

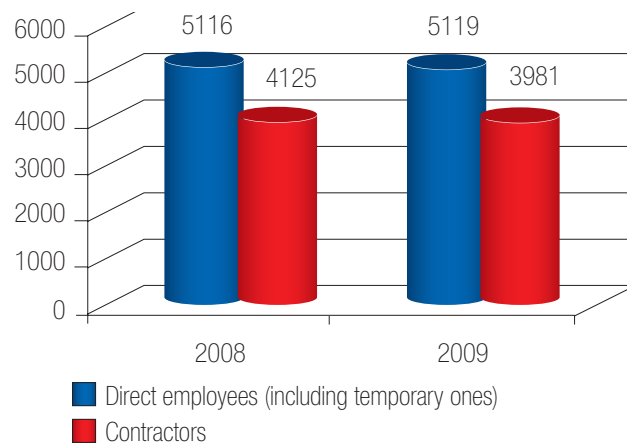
Number of Employees

The importance and impact of the operation of Cerrejón Coal in Colombia can be viewed from many fronts. The labour force, for instance, comprises a total of 9,100 people.

Below are the statistics for our human team to the end of 2009.

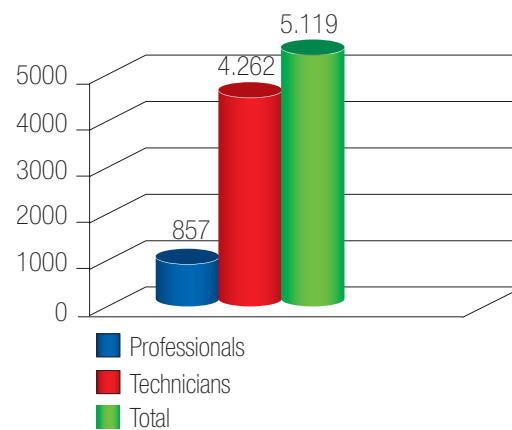
By Type of Employment

Our total employees in 2009 was 9,100 workers, of which 5,119 are direct workers (including temporary ones) and 3,981 are contractors. In 2008, the company employed 9,241 persons.



By Type of Contract

Of the company's 5,119 direct workers, 4,262 were technical personnel and 857 were professional staff (83.3% and 16.7%, respectively). The percentages were similar for 2008.



By Age

Most of our workers are 41 to 50 years of age. This age group contains 2,009 employees, of which 1,703 are technicians and 306 are professionals personnel.

In 2009, some 22.4% of the company's direct workers were 31 to 40 years of age, equivalent to 1,147 employees. This age group contains 1,147 employees, of which 968 are technicians and 179 are professional personnel.

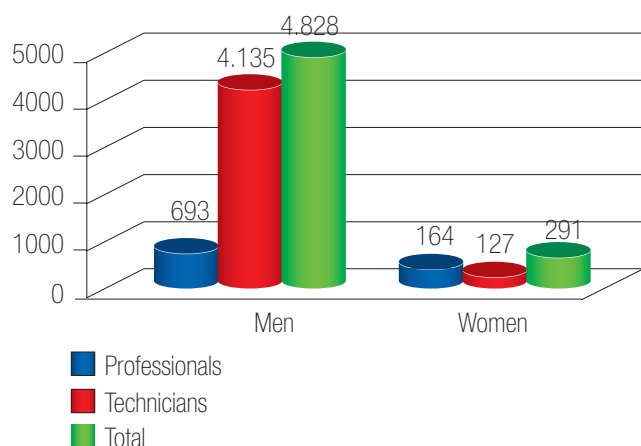


Only six workers are under 20 years of age, and they are technicians.

		PROFESSIONALS		TECHNICIANS		TOTAL	
		2008	2009	2008	2009	2008	2009
20 or under	Nro			17	6	17	6
	%		0.0%	0.3%	0.1%	0.3%	0.1%
21 - 30	Nro	136	135	842	853	978	988
	%	2.7%	2.6%	16.5%	16.7%	19.1%	19.3%
31 - 40	Nro	168	179	985	968	1.153	1.147
	%	3.3%	3.5%	19.3%	18.9%	22.5%	22.4%
41 - 50	Nro	322	306	1.771	1.703	2.093	2.009
	%	6.3%	6.0%	34.6%	33.3%	40.9%	39.2%
51 - 60	Nro	240	233	597	726	837	959
	%	4.7%	4.6%	11.7%	14.2%	16.4%	18.7%
Over 60	Nro	16	4	22	6	38	10
	%	0.3%	0.1%	0.4%	0.1%	0.7%	0.2%
TOTAL	Nro	882	857	4.262	4.262	5.116	5.119
	%	17.2%	16.7%	82.8%	83.3%	100.0%	100%

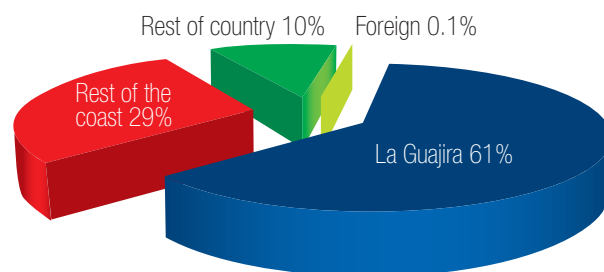
Employee Gender

In 2009, our workers numbered 291 women and 4,828 men. Compared to 2008, there were seven more women working at the company and four less men.



Employee Origin

In 2009, in keeping with our policy of hiring local labour, 3,108 of the company's 5,119 direct workers were from La Guajira. Another 1,467 persons are from the Atlantic Coast, 540 are from other parts of the country, and four were foreign workers.



Employee Seniority

Many of our workers (2,127) have been with the company for over 20 years, which is equivalent to 41.6% of our 5,119 direct workers.

The second-largest seniority group is new employees who have been in the company for under two years (20.9%).

		PROFESSIONALS		TECHNICIANS		TOTAL	
		2008	2009	2008	2009	2008	2009
0 to 2 years	Nro	185	172	955	900	1.140	1.072
	%	3.6%	3.4%	18.7%	17.6%	22.3%	20.9%
3 to 5 years	Nro	92	124	504	536	596	660
	%	1.8%	2.4%	9.9%	10.5%	11.6%	12.9%
6 to 10 years	Nro	62	62	346	422	408	484
	%	1.2%	1.2%	6.8%	8.2%	8.0%	9.5%
11 to 20 years	Nro	177	135	772	641	949	776
	%	3.5%	2.6%	15.1%	12.5%	18.5%	15.2%
over 20 years	Nro	366	364	1.657	1.763	2.023	2.127
	%	7.2%	7.1%	32.4%	34.4%	39.5%	41.6%
TOTAL	Nro	882	857	4.234	4.262	5.116	5.119
	%	17.2%	16.7%	82.8%	83.3%	100.0%	100.0%

Average Turnover

In 2009, the average turnover amongst the 5,119 direct workers for the company was 3.4%. In addition, 114 persons were retired.

Below are the turnover results by gender, age group, and region of origin. The highest turnover was amongst employees aged 51 to 60 years old (1.6%), and particularly in the managerial personnel in that

age group. Men comprised the highest turnover (2.9%), most in the managerial personnel once again. Women, in turn, showed a turnover rate of only 0.5%. Taken by region, employees from other parts of the country showed the highest turnover, followed by those from the rest of the Atlantic Coast.

BY LEVEL				
		Prof.	Tech.	TOTAL
Regrettable	No.	13	1	14
	%	1.5%	0.0%	0.3%
Others	No.	74	52	126
	%	8.4%	1.6%	3.1%
Total	No.	87	53	140
	%	9.9%	1.6%	3.4%

BY GENDER							
		Men			Women		
		Prof.	Tech.	TOTAL	Prof.	Tech.	TOTAL
Regrettable	No.	11	1	12	2		2
	%	1.3%	0.0%	0.3%	0.2%		0.0%
Others	No.	60	46	106	14	6	48
	%	6.9%	1.4%	2.6%	1.6%	0.2%	1.2%
Total	No.	71	47	118	16	6	50
	%	8.1%	1.5%	2.9%	1.8%	0.2%	1.2%

BY AGE																			
		20 or under			21 - 30			31 - 40			41 - 50			51 - 60			Over 60		
		Prof.	Tech.	TOTAL	Prof.	Tech.	TOTAL	Prof.	Tech.	TOTAL	Prof.	Tech.	TOTAL	Prof.	Tech.	TOTAL	Prof.	Tech.	TOTAL
Regrettable	No.	1		1	2		2	4	1	5	3		3	3		3			
	%	0.1%		0.0%	0.2%		0.0%	0.5%	0.0%	0.1%	0.3%		0.1%	0.3%		0.1%			
Others	No.	1		1	1		1	8	3	11	19	14	33	39	23	62	6	12	18
	%	0.1%		0.0%	0.1%		0.0%	0.9%	0.1%	0.3%	2.2%	0.4%	0.8%	4.5%	0.7%	1.5%	0.7%	0.4%	0.4%
Total	No.	2		2	3		3	12	4	16	22	14	36	42	23	65	6	12	18
	%	0.2%		0.0%	0.3%		0.1%	1.4%	0.1%	0.4%	2.5%	0.4%	0.9%	4.8%	0.7%	1.6%	0.7%	0.4%	0.4%

BY REGION													
		La Guajira			Coast			Country			Foreign		
		Prof.	Tech.	TOTAL	Prof.	Tech.	TOTAL	Prof.	Tech.	TOTAL	Prof.	Tech.	TOTAL
Regrettable	No.	2	1	3	2		2	8		8	1	1	1
	%	0.2%	0.0%	0.1%	0.2%		0.0%	0.9%		0.2%	0.1%	0.0%	0.0%
Others	No.	10	21	31	25	23	48	39	8	47		3	
	%	1.1%	0.6%	0.8%	2.9%	0.7%	1.2%	4.5%	0.2%	1.1%		0.1%	
Total	No.	12	22	34	27	23	50	47	8	55	1	4	1
	%	1.4%	0.7%	0.8%	3.1%	0.7%	1.2%	5.4%	0.2%	1.3%	0.1%	0.1%	0.0%

XI

BENEFITS

As part of the total compensation package for our workers, the following supplementary benefits are offered in an aim to meet the main needs identified.

Our direct workers are offered:

- Mortgage credit
- Educational Assistance Plan Policy for Workers
- Comprehensive healthcare plan Prepaid medicine to complement basic legal benefits
- Institutional savings plan.

The managerial staff have additional disability and maternity benefits:

- Disability aid: the company covers the part not legally recognized by the healthcare company

- Maternity leave in the eighth month of pregnancy: the worker receives a leave of 16 paid days. This is applicable to the managerial workers who daily travel to the settlements.

The non-management staff has a disability insurance of 48 basic salaries upon receiving the disability pension for a loss of ability to work greater than 50%.

- Historically, the maternity leave offered was greater than that granted by law. Subsequently, however, the María Law came out, which provided additional benefits.

GENDER EQUALITY AND EQUAL OPPORTUNITY

We do not discriminate based on gender, race, or religious affiliation. Our compensation philosophy is aimed at offering comprehensive pay ranks, with no regard to gender, in order 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:

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

In recent years, the presence of women has grown, not only in administrative areas, but also in operational areas by putting into practice a corporate value that Cerrejón is proud to exercise— promoting women.

- The *Women's Project in Cerrejón's Operational Areas* has positively affected our female population by providing training, assessing adaptation processes, our strengths, and aspects for improvement through interviews with female workers and socio-family visits, clarifying operational concerns (event Women in the Operation).
- It dealt with topics related to the needs expressed in the interviews, of particular note being the strengths and weaknesses in family dynamics, interpersonal relations, health, work, and operational safety.
- Families maintain they are proud and pleased with the experiences of their daughters, wives, and mothers at the company and, although they are aware that the operation has risks, most trust the safety measures adopted by the business.
- In terms of safety, we clarified questions about the new JSA format and occupational health, and clarified myths and concerns related to work at the operation.

Men-Women Wage Levels⁴

Although women entered the Cerrejón area of technical staff recently, the company has wagered for equality by ensuring that women have the same wages and benefits as the men. Differences amongst distinct areas will be minimized with the implementation of new policies.

The wage structure for the technical staff is ranked from 11 to 16. All employees at level 11 have the same wages; raises in level are acquired based on worker performance over a period of time. Men and women have equal conditions in this process.

In 2009, the salary ratio for men versus women at the management level was 137.9% for division heads and 102.5% for superintendents. For technical personnel the ratio was 126.6%.

	2008 Men's Salaries / Women's Salaries	2009 Men's Salaries / Women's Salaries
President	N/A	N/A
COO	N/A	N/A
Vice President	100.0%	100.6%
Managers	N/A	137.4
Heads of Division		
Superintendents	97.2%	102.5%
Other professionals	125.1%	121.7%
Technicians	121.0%	126.6%

Promotions and Hiring

In order to foster comprehensive individual development, in 2008 we approved the policy of internal postings to promote coverage of technical and management vacancy levels 1 and 2.

In 2008, there were 30 internal job postings for self-application, out of which 17 employees were selected (8 for technical posts and 9 management posts).

In 2009, there were 31 internal job postings for self-application, out of which 14 employees were selected.

In order to ensure suitability, the company has both internal and external hiring mechanisms. Internally, self-applications are the means of offering workers mobility within the company, allowing them to freely make decisions about their careers in the face of the specific needs of the business at the appropriate place and time.

Externally, Cerrejón recruits and selects its workers (including for the executive level and corporate governance body) based on their personal, educational, and professional merits, giving priority to persons originating in our regions of influence and to diversity, without distinction of race, religious affiliation, origin, sexual orientation, gender, or age.

⁴ This indicator is calculated by dividing the average salary of the men by the average salary of the women for each of the categories. Some categories indicate N/A (not applicable) since there are no personnel from one of the two genders in the group.

DIVERSITY AND NON-DISCRIMINATION

Our policy is to give priority to the hiring of qualified persons originating in our regions of influence (60% of our workers are originally from La Guajira and 29% are from the Colombian Atlantic coast).

In addition, values and skills are developed and strengthened through the company's policies and internal and external training carried out as a result of the periodic performance assessment process. Cerrejón applies a structured process for career development keeping in mind the organization's needs, and the skills and work position of each individual.

Composition by Age and Position

At Cerrejón, 22 of our employees are managers, 71 are heads of division, 764 are other professionals, and 4,262 are technical staff.

Of our 22 managers, 13 are from 51 to 60 years of age. Most of the heads of division are in the same age range.

Some 33% of our technical workers are 41 to 50 years of age. Of our total employees, nearly 40% are in that age range.



Guajiros are the main wealth in this region.

XI

BY AGE

		20 OR OVER		21-30		31-40		41-50		51-60		OVER 60		TOTAL	
		2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Managers and above	No.					1		8	9	11	13	1		21	22
	%					0.0%		0.2%	0,2%	0.2%	0,3%	0.0%		0.4%	0,4%
Heads of Division	No.			1	2	9	9	23	27	36	33	1		70	71
	%			0.0%	0,0%	0.2%	0,2%	0.4%	0,5%	0.7%	0,6%	0.0%		1.4%	1,4%
Other professionals	No.			135	133	158	170	291	270	193	187	14	4	791	764
	%			2.6%	2,6%	3.1%	3,3%	5.7%	5,3%	3.8%	3,7%	0.3%	0,1%	15.5%	14,9%
Technicians	No.	17	6	842	853	985	968	1,771	1.703	597	726	22	6	4,234	4262
	%	0.3%	0,1%	16.5%	16,7%	19.3%	18,9%	34.6%	33,3%	11.7%	14,2%	0.4%	0,1%	82.8%	83,3%
TOTAL	No.	17	6	978	988	1,153	1.147	2,093	2.009	837	959	38	10	5,116	5.119
	%	0.3%	0,1%	19.1%	19,3%	22.5%	22,4%	40.9%	39,2%	16.4%	18,7%	0.7%	0,2%	100.0%	100%

Composition by Gender and Percentage

In 2009, 5.7% of our workers were women (291). Most of the female workers are in the category of 'Other professionals', and the others are technical staff. In 2009, there were 4,828 male workers.

BY GENDER							
		MEN		WOMEN		TOTAL	
		2008	2009	2008	2009	2008	2009
Managers and above	No.	20	20	1	2	21	22
	%	0.4%	0.4%	0.0%	0,0%	0.4%	0,4%
Heads of Division Superintendents	No.	61	61	9	10	70	71
	%	1.2%	1,2%	0.2%	0,2%	1.4%	1,4%
Other professionals	No.	632	612	159	152	791	764
	%	12.4%	12,0%	3.1%	3,0%	15.5%	14,9%
Technicians	No.	4,119	4,135	115	127	4,234	4,262
	%	80.5%	80,8%	2.2%	2,5%	82.8%	83,3%
TOTAL	No.	4,832	4,828	284	291	5,116	5,119
	%	94.4%	94,3%	5.6%	5,7%	100.0%	100,0%

Composition by region and position

BY REGION OF ORIGIN							
		WAYUU	LA GUAJIRA	REST OF COAST	REST OF COUNTRY	FOREIGN	TOTAL
		2009	2009	2009	2009	2009	2009
Managers and above				4	17	1	22
		0,0%	0,0%	0,1%	0,3%	0,0%	0,5%
Heads of Division Superintendents			29	10	32		71
		0,0%	0,6%	0,2%	0,6%	0,0%	1,4%
Other professionals		3	315	153	290	3	764
		0,1%	6,2%	3,0%	5,7%	0,1%	14,9%
Technicians		154	1,119	2,788	201		4,266
		3,0%	21,9%	54,5%	3,9%	0,0%	83,3%
TOTAL		157	1,463	2,955	540	4	5,119
		3,1%	28,6%	57,7%	10,5%	0,1%	100,0%

TRAINING

In order to support this development mechanism, we have established various programs to train our employees in skills required by technological change and evolution in our business. This is why we have an average of nearly 50 hours of classroom training per employee per year.

Training and Education

Last year, great efforts were made in training at mid-organizational levels (superintendents and supervisors), and also with senior management⁵.

CATEGORY	# OF EMPLOYEES		AVERAGE HOURS PER EMPLOYEE	
	2008	2009	2008	2009
PROFESSIONALS	906	906	40.52	69
TECHNICIANS	4,725	4,699	49.53	40

⁵ Senior management comprises the President, COO, Vice presidents, and Managers.

CATEGORY	PARTICIPANTS		ACCUMULATED WORKFORCE HOURS		
	PROFESSIONALS	TECHNICIANS	PROFESSIONALS	TECHNICIANS	TOTAL
Personal skills	313	252	1.416	2.388	3.804
Job skills	2.331	3.860	20.046	33.573	53.619
Mgmt. skills	2.540	181	22.815	1.016	23.831
SOI skills	3.587	6.768	13.459	55.019	68.478
Operational skills	383	5.146	4.941	97.621	102.562
Total		25.361			252.294

The main programs were:

Cerrejón Leadership Program

This is the most ambitious training program in management skills we have ever held for these employees; they are based on the skills of the Cerrejón Leadership Model (MLC, its acronym in Spanish).

The goal of this program is to narrow the gaps identified between the categories and skill sets defined in the MLC, the results of the employee satisfaction survey Great Place To Work (GPTW), and the needs managers have expressed in order to strengthen leadership skills in the company.

Fundamental principles of the training program:

- The guidelines for designing this program were taken from combining the results of the GPTW survey with the MLC structure in response to the needs identified.
- Senior management must know and be involved in the project and must generate commitments by providing an example in terms of behaviour and coherent decision-making.
- The company creates a setting for growth and it is up to the individual to generate their own development by channelling his or her energy, interests, and participation. This is a personal, voluntary act achieved through individual commitment and honesty with oneself. The participants are responsible for their own learning.
- The *Business Partners* work within areas as a Coach for participants in the stage of implementation and appropriation of the development plans.

The program is aimed at the entire workforce of senior and middle management, a total of 396 people. It is carried out in groups of no more than 20 persons.

SENA Accord

Every year, SENA calls upon businesses from the production sector that exercise their main economic activity in competitive markets to sponsor specialized training projects or refresher courses for their workforce with the aim of strengthening, complementing, and improving levels of productivity, competitiveness, and technological development. This program grew from a growing need to orient learning towards innovation, the use and the incorporation of new technologies and best practices in production processes in order to make it easier for these sectors to develop new ideas, execute new projects, and market new products and services.

The program signed between Cerrejón and the SENA last year followed these guidelines:

- Training for senior management. The aim was to update management skills to optimize strategic decision-making through events in topics focussed on productivity, competitiveness, and the latest technologies. It was aimed at all of our management personnel (tactical and strategic) involved in decision-making. The SENA provided sponsorship in the amount of 1,000 million pesos.
- SENA-Cerrejón Training. The aim is to respond to needs for technological refreshing of company workers through training programs designed in accordance with our needs in the framework of the technological lines defined by the SENA. This agreement is aimed exclusively at operational-level personnel, and it was sponsored to the amount of 450 million pesos.

The two programs correspond to national government guidelines on the topics of productivity, competitiveness, and innovation, as well as technological development and opening new markets. The aim is to improve the competitive, productive, and technological development capabilities of companies and their production chains by training their workers and management staff.

Essential Leadership

This training program is aimed at instilling behavioural changes in our technical staff that will allow the creation of a culture of greater empowerment, self-determination, participation, and confidence radiating outwards to their families and community. This process is in line with the Cerrejón Way program and with the Cerrejón leadership model. The program comprises six modules. It was organized in 2009 and the first modules were given to pilot groups of technicians from certain areas in the maintenance department.

The module implementation is incorporated in the operation based on the internal dynamics of each specific department and group.

The supervisor's leadership is daily reflected in the strengthening of certain behaviours and good habits amongst his team members, maintaining a good work environment that allows them to reach and maintain effective results in safety, productivity, and costs. The skills that are identified and strengthened in the modules shall be taken into account in the performance evaluation and, in time, be integrated in the Individual Development Plan (IDP).



We work to create a culture of greater empowerment, self-control, and independence in our employees.

2010			2011		
MODULE ZERO	MODULE 1	MODULE 2	MODULE 3	MODULE 4	MODULE 5
Process awareness – 2 H	Balance of Internal I /exercising accountability – 8H	Non-negotiable values and pending issues – 8H	Communications process: initial concepts, feedback, and assertive agreements – 8 H	Life project – 8 H	Team work; a productive plan. 8H

Refresher training of maintenance technical staff

Strengthen and foster the following in maintenance technical personnel:

- Study habits as a distinctive feature of the Cerrejón culture
- Comprehension of reading, oral and written communication, emphasizing technical texts
- Comprehension of technical English related to the technology under his or her responsibility.

The comprehension and application of the physical principles of the systems and operation of Cerrejón technologies develop the ability to diagnose and participate in the effective solution of operational problems that may arise.

Training Programs outside the Company

These programs are 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.

In 2009, 273 employees participated in training events outside the

company for a total cost of 304 million pesos.

In 2009, 707 operators were retrained on mining equipment due to upgrading of old equipment and the acquisition of new equipment.

Educational Assistance Program

This program was established to stimulate employee self-development by providing economic support for professional, specialized, or language studies that they desire to take in recognized institutions. The aim is to reinforce and motivate individual development and, through commitment and training, improve his or her employability in the company.

On-the-Job Training Program

This program was established to train veteran technicians doing maintenance on Cerrejón equipment and installations whose technical skills become out of date due to the acquisition of new equipment and the modernization of installations. It also serves to train new technicians entering the company.

The program takes place directly in the work areas with special ins-

tractors who accompany technical personnel in their daily tasks. They are taught new technologies and tools and they are certified in the execution of new tasks by verifying the acquisition of the required knowledge and their correct application.

In the course of 2009, 1,331 on-site instruction courses took place with 19 dedicated instructors. There were 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 with the latest technology that has been acquired to replace those retired from operation at the end of their service life. There are 26 expert operators for this work who act as instructors to their coworkers on the new equipment.

In 2009, 806 operators were retrained on mining equipment due to upgrading of old equipment and the acquisition of new equipment.

Other efforts aimed at managing skills and ongoing training. In 2008, an inventory was made of key knowledge areas in our business that an employee needs to be familiar with in order to appropriately perform assigned tasks. We identified the main training activities needed for a new employee or for a worker transferred to a new position to be suitably trained to perform his or her work. This effort is fundamental for the capture and management of the knowledge accumulated by employees over more than 20 years of operation.

Training for worker retirement. This training aims to clarify the rules and regulations concerning the labour and social security laws. It also fosters room for reflection to allow employees nearing retirement to make decisions based on information regarding aspects of their new life project. To that end, we reinforce issues concerning financial management, planning, physical health, creative use of free time, and strategies to strengthen the family group in this new phase. We have organized workshops aimed at employees nearing retirement and their spouses. In 2009, there were four such workshops, attended by 50 employees.

PERFORMANCE MANAGEMENT

Human resources management focuses on the personal and professional skills of each individual, as well as their contribution to company goals and strategies.

In 2009, a technological platform was developed in order to comply with the challenges of measurement, generating equality, and avoiding subjectivity in the assessments. This platform assisted us in initiating the evaluation of KPIs and of the skills associated with the positions.

The performance evaluation for technical staff was carried out in 2009 in the same way as in 2008.

100% of our employees received an evaluation of performance and professional development.

It is important that candidates show, in their personal and professional life, identification and commitment with the corporate values we are governed by, such as higher education training at local and internationally accredited institutions, and a solid and successful track record with important achievements obtained in their respective workplaces.

EVALUATIONS OF PERFORMANCE AND PROFESSIONAL DEVELOPMENT	
Mgmt.	Staff
100%	89%

FREEDOM OF ASSOCIATION

At the end of the period, Cerrejón had 4,166 unionized employees, that is to say, 81.38% of its total employees. This corresponds to 97.7% of technical staff. In 2008, 4,121 employees were unionized, which corresponded to 81.81% of total employees.

Organizational changes are communicated publicly by corporate media such as newsletters, news bulletins, magazines, and intranet; furthermore, each organizational change is analysed by the corporate change process control, which is part of the company's System of Operational Integrity.

There is not any type of persecution, coercion, or discrimination in the company due to issues of the union, politics, region, race, religion, nationality, profession, position or place of work, nor due to any other act that prevents the right to join the union or union activities. One of the agreements in the collective bargaining agreement is the valid term of the same, the current one being for two years (2009-2010).

In 2009, there were no strikes nor protests affecting the operation.

XII - ENVIRONMENTAL MANAGEMENT



XII - ENVIRONMENTAL MANAGEMENT

GRI
EN1-EN30
EC2
MM1, MM2, MM3,
MM9, MM10.

We are convinced that appropriate care of the environment is one of the fundamental elements of any successful business strategy, which is even more relevant in the mining industry.

In practice, our environmental management is based on the criteria of productivity and efficient use of resources, and on the requirements of our Operational Integrity System, certified under the ISO standard 14001:2004, ensuring thereby that all the Colombian environmental regulations are complied with. Nevertheless, the purpose of our effort is to go beyond compliance with our legal obligations, doing the maximum possible and not the minimum necessary.

We intend to complement our environmental management (focused on preventing and compensating for operational impacts, regulatory compliance, and biodiversity conservation) with the new eco-efficient administration concept, which refers to the rational and efficient use of natural resources to reduce environmental impacts and operational costs.

Externally, we have established a strategic alliance with the Conservation International (CI) NGO so as to work jointly on subjects related to conservation, dissemination, and research of biological diversity and its natural environment in the area of influence of the mining complex and in the department of La Guajira in general, thus favouring the integral development of communities and respect for their culture and traditional knowledge.

This has enabled us to expand our knowledge in the protection and recovery of environmental biodiversity (e.g. in land reclamation), to participate in community environmental concerns in aspects not specifically related to coal mining, to develop a constructive and transparent relationship with government entities, and to have a very positive and solid image in the sector. The "National Award for Environmental Responsibility" granted by the Fundación Siembra Colombia and the British Embassy, which we recently received, is an example of this. We plan to continue with this alliance and expand it to other recognized environmental NGOs, such as The Nature Conservancy (TNC).

Issues related to climate change are demanding greater attention around the world. Other related matters, such as the conservation of biodiversity, the protection of endangered species, deforestation and desertification, poverty and water scarcity, urban growth, energy and transport, are on the global environmental agenda and are part of the debate. In September of 2009, Cerrejón, led by its president, was the only representative of Colombian institutions amongst the heads of state and CEOs that participated in the Leadership Forum convened by the Secretary-General of the United

Nations. This forum was created to establish worldwide support from the private sector towards an appropriate and ongoing effort so as to minimize the effects generated by mankind upon the climate. Our president likewise participated in a panel discussion regarding water security. That is how Cerrejón will continue playing an active role in minimizing and adapting to climate change in Colombia and La Guajira, taking into account that we operate in a vulnerable region as concerns the environment and its communities.

Policy of Operational Integrity and the *Cerrejón Way*

The safety, health, environment, and communities policy of Cerrejón establishes that its open-pit mining operations, coal transport and loading in La Guajira, and in its activities in other places where it operates must conduct business in harmony with the environment and society, protect the health and safety of our workers, and contribute to the development, welfare, and culture of the communities in our area of influence, as well as work to implement the best practices in the mining industry in these matters.

This policy is part of the sustainability management model of the company, the *Cerrejón Way*. Its principles include the commitment to responsible mining in Colombia and worldwide, including environmental care amongst its values. This management model is described in greater detail in previous sections of this report.

The policy approach and the environmental management model of Cerrejón simultaneously focus on the identification, prevention, and handling of impacts, and the adoption of environmental control and protection measures, before any kind of deterioration can take place.

OPERATIONAL CONTROL OF ENVIRONMENTAL MANAGEMENT

Responsibility

The Department of Environmental Management, in compliance with Colombian environmental regulations, is led by an environmental manager, who reports directly to the Executive Vice Presidency of Operations. In turn, the environmental superintendent, who manages the operation of the environmental management system, reports on its activities to the environmental manager. The Superintendency likewise has an assistant superintendent and a group of specialists and analysts in charge of developing the environmental management programs. It is important to mention that the strategic decisions, regarding key aspects of environmental management, are guided by the Operational Integrity Committee, with the respective approvals of the Executive Vice Presidency of Operations and of the Presidency of Cerrejón.



Objectives and goals of environmental management

Based on our Comprehensive *Environmental Management Plan* and our strategic initiatives, the objectives and goals of our management in 2009 were as follows:

Objectives

- Ensure/maintain concentrations of total and inhalable suspended particulate matter below the allowable maximums.
- Improve organization and hygiene, and the maintenance of the environmental control systems of the installations of the Mine and Puerto Bolívar.
- Continue working with the programs in land reclamation and biodiversity conservation.
- Reinforce the rational and efficient use of natural resources in the entire operation.
- Continue developing the environmental education activities.
- Continue developing research projects in production systems.

Goals

- Maintain particulate matter concentrations at less than 90 µg/m³ for TSP, and under 45 µg/m³ for PM10 in the air quality monitoring stations.
- Reuse 80% of the domestic wastewater generated at the mine.
- Recover 55% of the used oil.
- Recover 35% of the solid waste volume generated.
- Reclaim 110 ha of areas disturbed by mining.
- Reach at least 1,500 employees with environmental education talks, and present at least two publications at public events (conferences, seminars, etc.).
- Involve five neighbouring communities in research projects on agroforestry and silvopasture production systems.

Environmental Management Programs

For the prevention, minimization, and compensation of environmental impacts, Cerrejón has established the following programs for managing and controlling key aspects included in the objectives and goals of environmental management:

- Air quality.
- Water quality and efficient use.
- Land reclamation.
- Wildlife and biodiversity management.
- Solid waste.
- Climate change and eco-efficiency.

Environmental management performance is measured by comparing the results from identified key parameter indicators for the period with the established objectives and goals.

CHALLENGES

In line with our environmental management policy and model, we have identified our challenges for 2010:

- Maintain our outstanding reputation in terms of operational practices for the control of operational impacts on the environment
- Become established as leaders in the coal industry regarding practices associated with minimization and adaptation to climate change effects.
- Participate in the change of image of the mining industry in Colombia as regards environmental management.
- Ensure proper management of environmental issues in any expansion project of our business.
- Manage the environmental aspects of public consultations within the communities in the area of influence of mining expansion projects.

RELATIONS

Amongst the measures for handling the social component of our environmental management plan, the goal of stimulating participation and ensuring cordial relations with our stakeholders stands out, with the purpose of making the development of mining activities of the Cerrejón coal complex feasible and sustainable. Within this framework, outstanding results have been achieved in relations management with stakeholders. Some are mentioned below.

Environmental training and education

The training of our collaborators is of vital importance for our environmental management, which is why, in 2009, we trained 4,365 Cerrejón employees and contractors in environmental management.

In addition, with the goal of strengthening relationships with Wayuu, farming, and ranching communities in the vicinity of the mining complex regarding Cerrejón's environmental and social management in 2009, we conducted 35 visits to the complex with a total of 935 people in attendance, including traditional leaders and authorities from the different communities, students from educational institutions, public officials, and members of environmental NGOs.

Furthermore, the presentations made to communities on subjects of interest to them, such as air-quality results, water-quality monitoring, solid waste management, and rational use of energy are worth mentioning. The environmental oversight committee for air quality also continued with representatives from the communities hosting the monitoring stations. In the projects carried out by the Foundation for Water, environmental education plays a fundamental role. Amongst its achievements with the communities, the promotion of basic sanitation and actions for their adaptation to climate change stand out.

Air-Quality Environmental Oversight Committee

The creation and implementation of the Air-Quality Environmental Oversight Committee involves a methodology that contributes to the generation of an atmosphere of trust, transparency, and cooperation regarding the sensitive topic of air quality for the communities within the area of influence of Cerrejón. This strategy has enabled the



Water tanker spraying for dust control on haulage roads.

improvement of communications channels, likewise improving the communities' understanding of methodologies employed for measuring air quality, the control measures implemented, the interpretation of results, and the air-quality status within the areas of influence of Cerrejón.

Third-party audits

Cerrejón has created a channel for clients interested in learning about the operations and the environmental and social management of the company. This channel was not requested by our clients in 2009.

Recertification was also granted by SGC for the Environmental Management System in 2009 for the ISO 14001 standard, valid for three years.

Professional Activity and Participation in Committees and Other Bodies:

The *Cerrejón Way* is based on a corporate strategy focused on *responsible mining*. In line with this corporate strategy, Cerrejón is endeavouring to become involved in dialogues that contribute to the improvement of environmental practices and the image of the mining sector in Colombia. That is why, for some time now, we have participated in the Asomineros Chamber and in the ANDI National Environmental Committee. At these meetings, Cerrejón contributed to the review and formulation of comments on new Colombian environmental legislation and shared practices on efficient environmental management.

Furthermore, Cerrejón is also a member of the World Coal Institute, which currently supports strategically important research for the coal sector, such as technologies for carbon capture and sequestration.

AIR-QUALITY MANAGEMENT

One of the main environmental aspects of open-pit mining is the increase in atmospheric particulate matter concentrations due to dust emissions from the mining operations. This is a great challenge at Cerrejón due to high production volume and the proximity of the communities downwind from the operations, of which the most critical points are the towns of Las Casitas, Barrancas, Provincial, and Roche (see map below). This challenge increased in 2009 due to extreme drought conditions from the influence of El Niño phenomenon, which triggered a rise in the annual dust concentration average.

Consequently, Cerrejón has developed and continually applies an air-quality management system comprising evaluation using mathematical dispersion models, the planning and implementation of necessary control measures, and follow-up and monitoring so as to verify the efficiency and compliance with standards set by the environmental authorities.

The components of this system are described in greater detail below.

Air-Quality Modelling

At Cerrejón we perform a previous simulation of air quality by using mathematical atmospheric dispersion models in order to predict particle emissions and concentrations arising according to mining plans. Based on the model results, control measures are established in order to prevent or minimize the impact upon air quality in the communities.

An example of the use of the air-quality model as an impact-prevention tool is the case in the town of Las Casitas. In June of 2009, the Ministry of Environment, Housing, and Territorial Development was informed of the need to plan resettlement for this community given that, according to the modelling results, in spite of the operational controls implemented, values close to the annual TSP limit were predicted subsequent to 2012.

The air-quality modelling criteria of Cerrejón were exhaustively reviewed by Dr Greg Muleski, representative of the Midwest Research Institute (USA), who visited the mine for one week in the last quarter of 2009. The recommendations of this consultant were evaluated and implemented by the company.

Controls in the Mining Operation and Coal Handling

Cerrejón has developed and implemented a series of measures to improve its of dust-emission controls, amongst which the following may be pointed out:

- Frequent spraying of haulage roads (transport) for overburden and coal by a fleet of 23 tankers with a capacity of 20,000 gallons each. Water for spraying is taken mainly from the mine

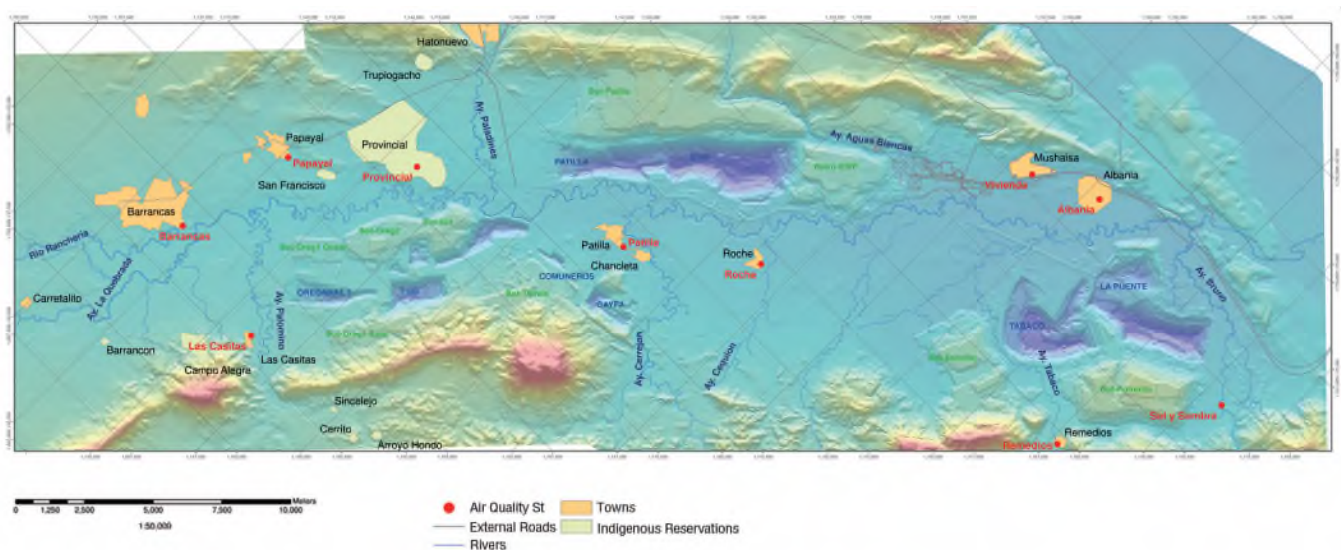
holding ponds, which store water from the coal seams and from rainwater runoff.

- Use of chemical additives in spray water to further reduce dust on haulage roads.
- Spraying with water cannons during loading of overburden in upper pit levels.
- Banning of surface burning as a final disposal method of solid waste.
- Organized squads to control self-combustion of coal seams.
- Temporary or final closure of roads not required for operations.
- Reclamation of land disturbed by mining to establish plant growth and to prevent dust emissions due to wind erosion.
- Frequent spraying of roads surrounding coal storage areas.
- Designing coal piles in shape of a truncated pyramid to minimize wind effects.
- Installing dust suppression and collection systems in coal unloading chutes, such as sleeve filters, water spray nozzles, extractor hoods, curtains and aprons, amongst others.
- Covering coal conveyor belts.
- Employing water-spray headers at transfer points on conveyor belts.
- Levelling, dampening, and compacting the coal once it is loaded on railway cars.
- Employ a water-spray header (flume) at the stackers/reclaimers in Puerto Bolívar.

Besides these controls, due to the El Niño phenomenon producing a significant lack of rain in the second half of 2009, Cerrejón reinforced operational controls focussed on minimizing particulate matter emissions through the following actions:

- Changing the mining plan in the area of Oreganal in order to

Monitoring Stations



reduce the mining operation impact on the towns of Las Casitas and Barrancas.

- Increasing the availability and use of tankers by purchasing four new tankers.
- Installing sprinklers in the loading areas of upper levels of the Mine.
- Appointing environmental observers to monitor and provide operational support in the control of emissions in critical areas.
- Installation of automated, real-time monitoring stations of particulate matter.

Monitoring and Follow-Up

Cerrejón has an intense program for surveillance and monitoring of air quality in order to verify the effectiveness of the mitigation and prevention measures implemented and compliance with this area. This air-quality monitoring program was implemented from the start of operations, and it comprises total suspended particle (TSP) monitoring stations and (PM10) stations. These stations are located around the operations, downwind and upwind of both the Mine and the Port.

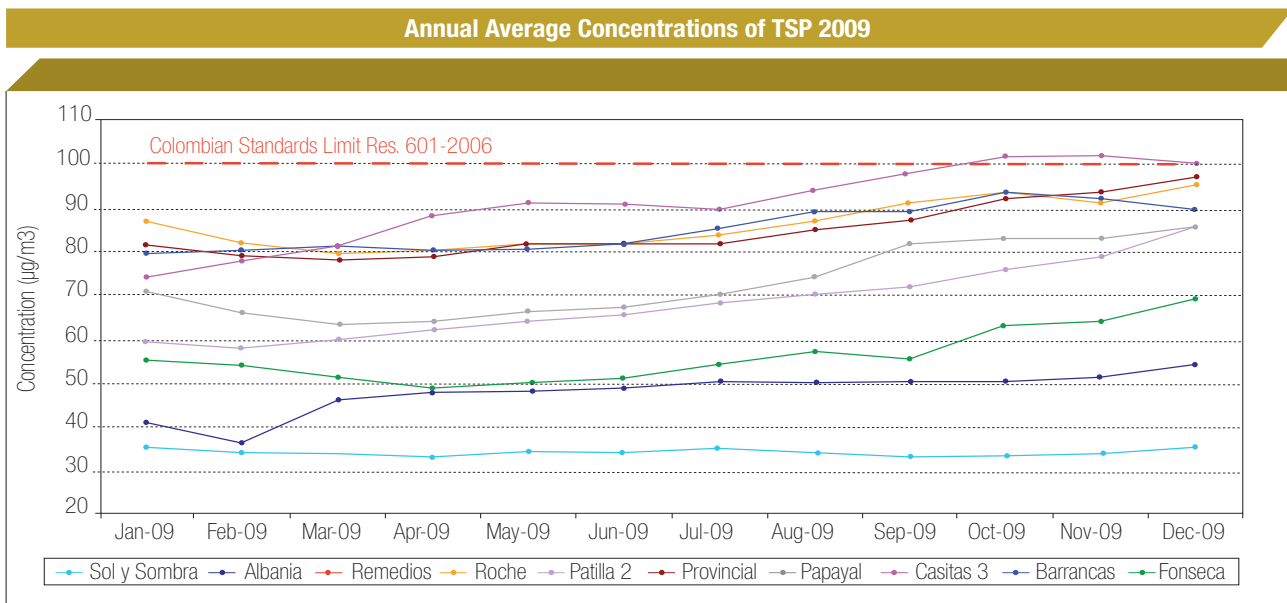
The results for the analysis of the samples are regularly reported to the appropriate environmental authorities (Corpoguajira and the Ministry for the Environment, Housing, and Territorial Development),

who regularly monitor the performance of the management and monitoring established in our Environmental Management Plan. In addition, and since Cerrejón's system of operational integrity is certified by the ISO 14001-2004 standard, there are regular audits to verify compliance of our environmental operational plans and monitoring, including air-quality monitoring.

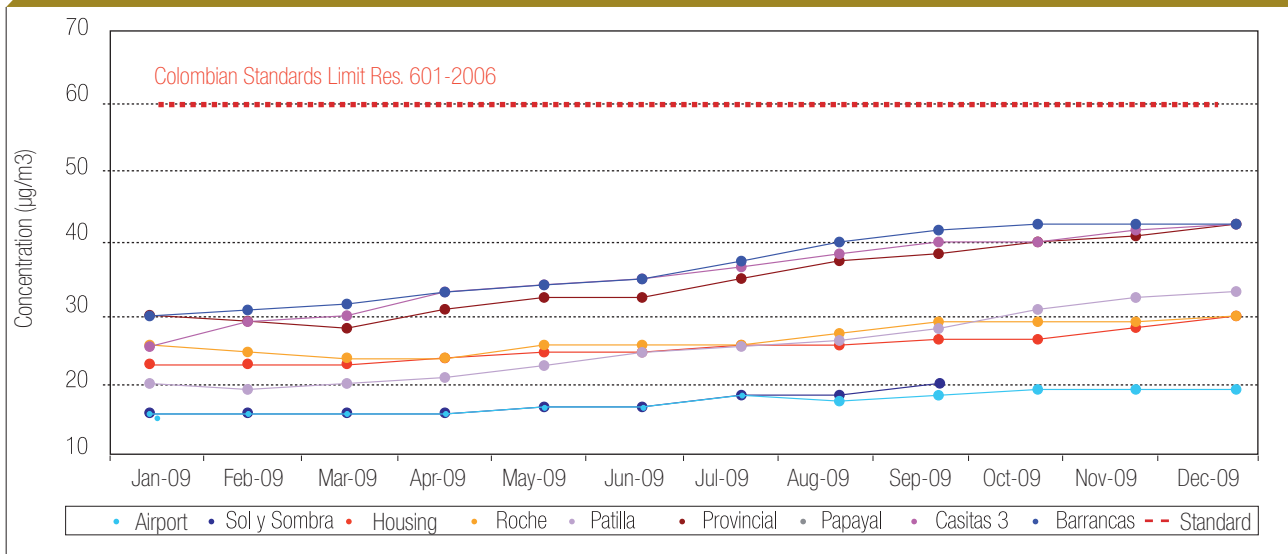
The concentrations for total suspended particulate matter (TSP) and inhalable concentrations (PM10) in 2009 logged annual values within established standards with the exception of the annual average TSP at the Casitas 3 station, which was slightly over the limits for October and November of 2009. Despite this, the PM10 levels at that station were always within legal limits. It should also be noted that regulations establish that the PM10 results prevail over the TSP results since the former can have a direct effect on a population's health.

The slight overage in the yearly TSP values, and the increasing trend of this parameter and that of PM10 in 2009, were mainly influenced by the severe climate conditions associated with the El Niño phenomenon, which caused a significant decrease in rainfall in the second half of 2009.

Based on the emission inventory for the air-quality dispersion



Annual Average Concentrations of PM-10 2009



model, the particulate matter emissions were calculated by weight (see table below). The increase in emissions in 2009 was

due to the scarce rainfall caused by the aforementioned El Niño phenomenon.

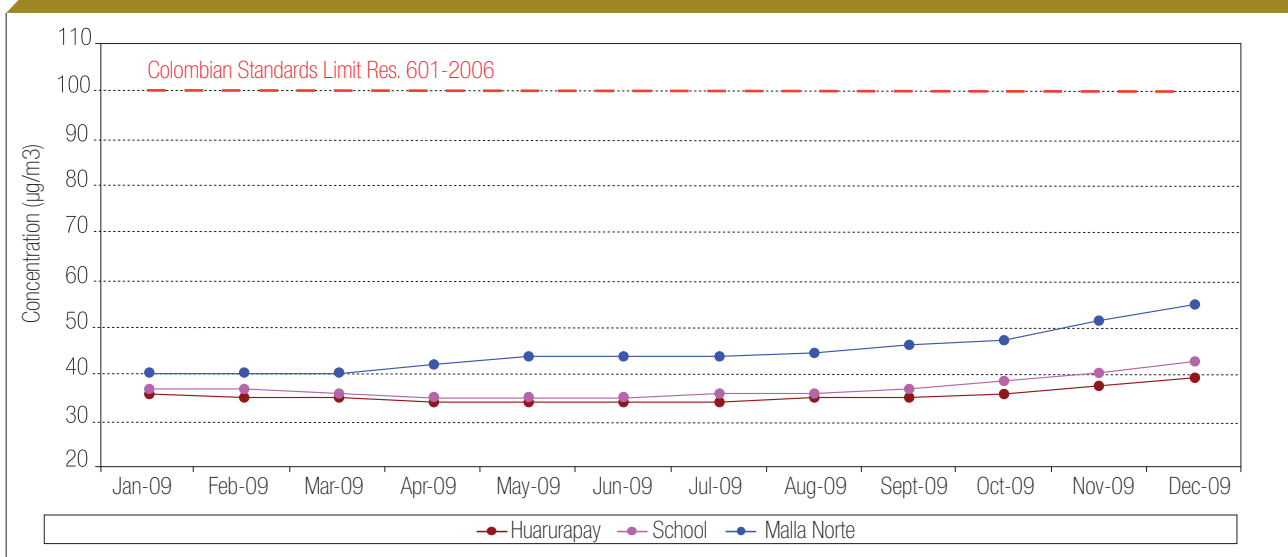
Particulate Matter Emissions by Weight at the Mine

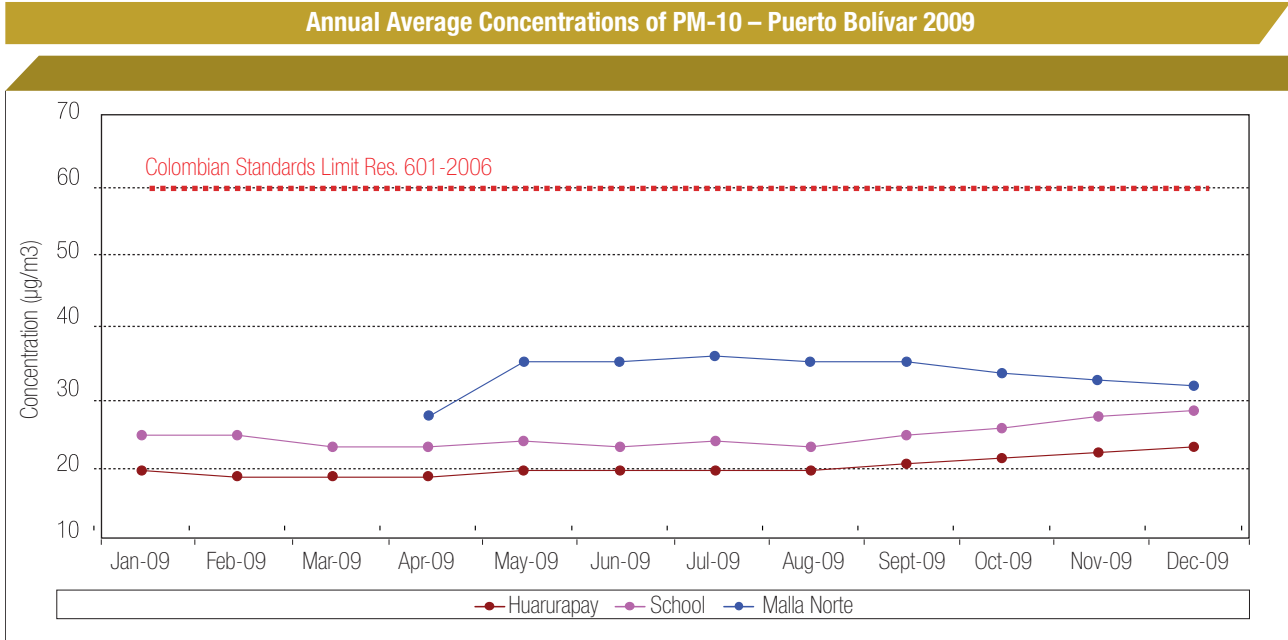
Parameter	TONNES/YEAR		
	2007	2008	2009
Particulate matter	32.072	31.281	36.577

Keeping in mind that the Puerto Bolívar operation mainly focuses on the transportation, storage, and loading of coal, the main environmental impact possible is an increase in atmospheric particulate matter. The fo-

llowing graphs show the results of monitoring of total suspended (TSP) and inhalable (PM10) particulate matter concentrations.

Annual Average Concentrations of TSP – Puerto Bolívar 2009





NO2 and SO2 emissions by weight

In addition, Cerrejón performs gas monitoring (sulfur oxides, nitrogen oxides, and carbon monoxide) every two years to determine the operation's influence on the presence of these gases in the atmosphere. The results for 2009 indicate that these gas concentrations are very low in the area of influence of Cerrejón's operations.

The following figure shows the average value obtained at each monitoring station during the sampling from September 4 to 27 of 2009. In general, all the stations showed low average levels compared to daily standards, indicating low emissions of these gases. The daily standards for SO2 are a maximum of 250 µg/m3 SO2 and a maximum of 150 µg/m3 for NO2. As can be seen, concentrations are much lower than permissible levels. Therefore, to make it easier to assess the averages, the allowable level is not shown in the same graph.

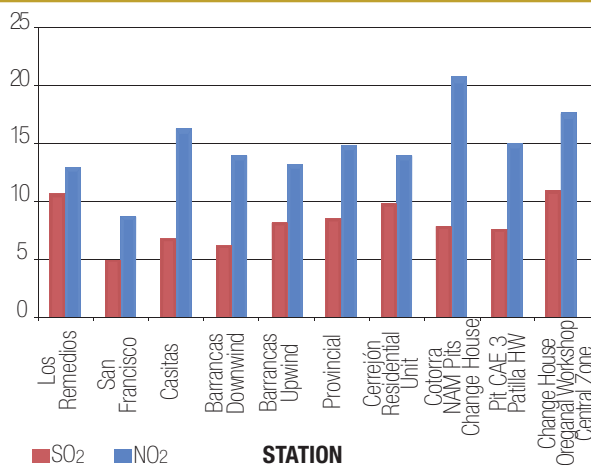
TONNES/YEAR OF SO₂ AND NO₂ AT STATIONS CONSIDERED

Parameter	Tonnes/year		
	2007	2008	2009
NO2	16.359	18.236	19.256
SO2	2.037	2.272	2.404

The data on CO concentrations from the 10 monitoring stations from September 4 to 27 of 2009 indicate the values are non-significant at all the monitoring points. The average eight-hour concentration values ranged from 0 to 0.18 ppm⁶ (standard for 8 hours: 8.8 ppm), and the maximum hourly value was 3.82 ppm (standard hourly value: 35 ppm).



ARITHMETIC AVERAGE OF SO₂ AND NO₂ AT STATIONS CONSIDERED



The environmental monitoring included in the air-quality management system also covers noise monitoring. The recorded daytime and night-time noise monitoring for 2009 showed levels below limits allowed by Colombian regulations. Although some stations logged noise levels slightly above regulation levels, the causes were basically local effects (municipal festivities, household activities, animals). This was confirmed by additional simultaneous monitoring at the mining pits and the settlements in order to compare noise emissions in the operation with noise heard in the settlements.

Emissions of ODS (ozone-depleting substances) is monitored by statistical analyses of purchases of these substances and monitoring of efficient use. In addition to including emission leaks during recharge, the purchases also include the acquisition of new equipment. Consequently, using purchasing statistics over-estimates the true emissions of these gases. Nevertheless, we compile and analyse this information with the aim of observing trends

⁶ ppm: Parts per million.

in the use of substances with the highest potential for ozone-layer depletion.

At Cerrejón, best practices are in place for the appropriate management of ozone-layer-depleting refrigerants. These practices have enabled us to decrease the monthly usage of R22 refrigerant (the most common in our old installations) from approximately 450 lb/month (from 2006 to 2008) to 160 lb/month in 2009. Purchasing data for R22 and R134A are given only for 2009 since, for 2007 and 2008, purchasing was tracked by business area (light-weight equipment workshop, mining equipment maintenance, and installation maintenance). It is only since 2009 that statistics have been consolidated for the entire company. Also shown is the CFC11 equivalent weight of these two gases in accordance with their ozone-layer depletion potential indicated in the Montreal Protocol⁷.

Purchases of ozone-depleting substances

Purchases	lb refrigerant/year	lb/CFC11 equivalent/year
R22	19.010	105
R134A	7.003	0

WATER RESOURCE MANAGEMENT

Water is a very important resource for Cerrejón's operation and for La Guajira. The goals of the water-management program at Cerrejón are to:

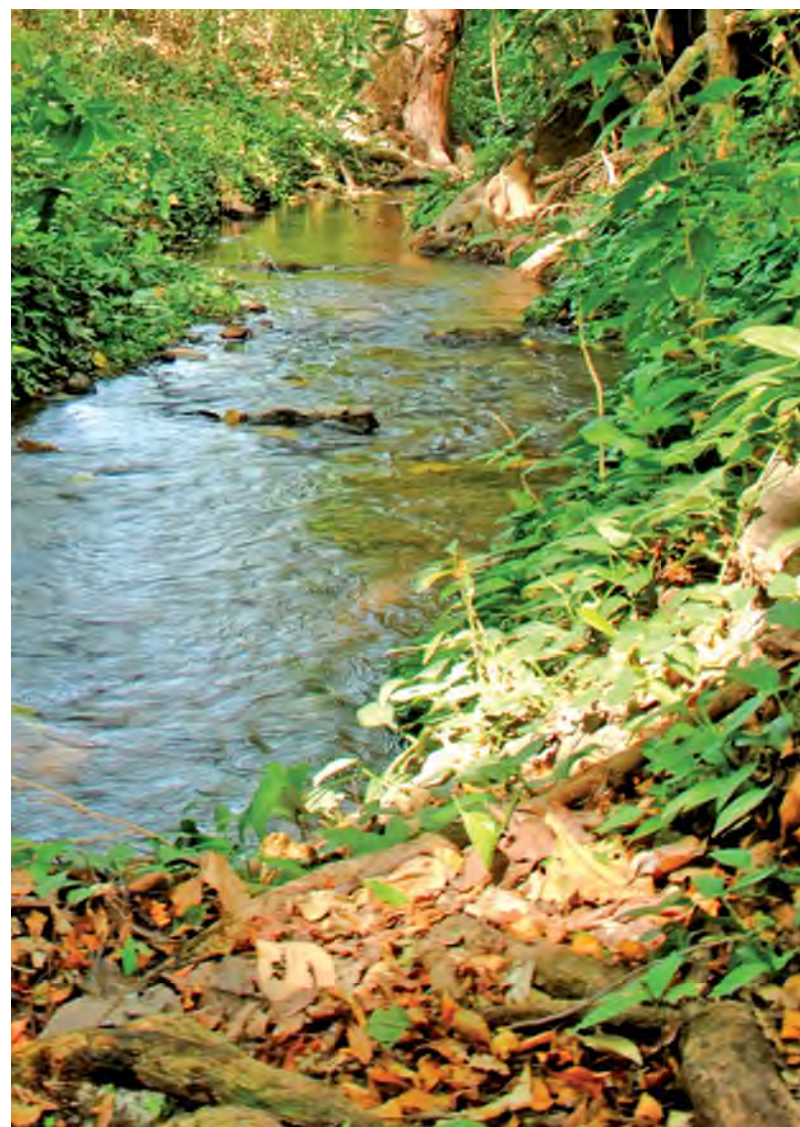
- Promote the efficient and rational use of water, ensuring compliance with uptake flow rates established in the usage permits for this resource.
- Ensure the quality of water-supply sources in the area of influence of the operations by implementing water-treatment systems for household, mining, and industrial wastewaters, and by monitoring water-supply systems in order to minimize and respond promptly to problems.

The main results of this program are described below:

Initiatives for the efficient use of water

In 2009, a water-loss control program was established to check the supply network of clean water to the Mushaisa Residential Unit at the mining complex, which consists of housing and service installations.

The program was set up taking into account the amount of clean water used and the increasing trend at the residential unit in 2009. This situation showed the need to review alternatives to balance



Water is a very important resource for Cerrejón's operation and for La Guajira.

clean water supply with demand. Consequently, a program of inspection teams was set up to examine the length of the supply mains to the residential unit, which identified three leaks with a combined loss equivalent to 28% of the water produced at the water plant.

Thanks to this program, we reduced the draw on clean water and consequently obtained other benefits such as decreasing the frequency of filter backwashing at the plant. There was also a consequent reduction in the use of chemicals at the plant, especially sulphuric acid, and a decrease in power usage.

Usage

Based on the water budget Cerrejón uses to monitor water usage for operations and household ends, the volume of water used increased in 2009 due to the larger amounts needed for dust control at the mine because of the El Niño phenomenon. Significant efforts have been made to use less high-quality water from the Ranchería River and the Quaternary aquifer, instead using low-quality water from the depressurization of coal seams and from rainfall at the mine. It should be noted that Cerrejón stays within the licensed volume limits for both surface sources and aquifers, and we regularly report our usage to the environmental authority.

⁷ An ODP (Ozone Depletion Potential) of 0.055 was used for the R22 and of 0 for the R134A, in accordance with the Montreal Protocol.

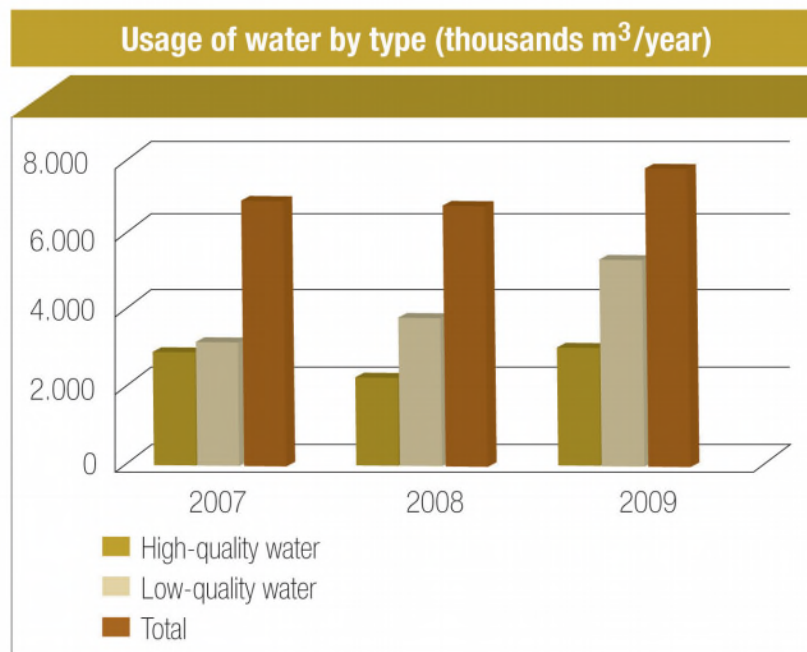
Total uptake from the Ranchería River in 2009 was 2,117,000 m³, which is equivalent to 67 l/s. The historical average volume of flow for the river is around 10,900 l/s, and therefore Cerrejón's uptake corresponds to approximately 0.6% of the average volume of flow. Impact of the use of water from the Ranchería River on resource availability is therefore very low.

One of the goals met in Cerrejón's environmental management for 2009 was the reuse of 80% of the household wastewater produced at the Mine. Reused water reported corresponds to the portion of treated household wastewater reused primarily for irrigation of sports fields and gardens at the residential unit.

The main results from water-use management are presented below.

Water reuse (thousands of m ³ /year)			
Type	Thousands of m ³ /year		
	2007	2008	2009
Domestic wastewater	365	334	366
Reused water	273	257	301
%	74.8%	76.9%	82.4%

USAGE OF WATER BY TYPE							
Type	2007		2008		2009		Origin
	Thousands m ³ /year	% of use	Thousands m ³ /year	% of use	Thousands m ³ /year	% of use	
High-quality water	3.016	48%	2.324	37%	3.111	40%	High-quality water is considered to be that taken from the Ranchería River or from its Quaternary aquifer.
Low-quality water	3.270	52%	3.927	63%	4.701	60%	Low-quality water is considered to be that taken from seam depressurization, mine runoff, and coastal waters.
Total (sum of above)	6.286	100%	6.251	100%	7.812	100%	



Quality

Cerrejón uses an index for monitoring the water quality of the Ranchería River, which is the main source of surface water in the Media Guajira. The index is taken from the National Sanitary Foundation (NSF) and it reflects the average quality of water taking into account various types of sanitation parameters such as total suspended solids, DBO5, total coliforms, pH, and others.

The results of this water-quality index reveal that the water quality of the Ranchería River has maintained medium to high values both upstream (Palomino Stream) and downstream (Cuestecitas) of the Cerrejón complex. We can therefore conclude that there is no significant effect on the quality of the main river in the department of La Guajira.

In order to guarantee that rainwater and runoff water potentially coming into contact with the mining zone or mining infrastructure do not affect the water quality of the Ranchería River or its tributaries and do not cause erosion in the area, Cerrejón has a management program for rainwater and runoff water. This program includes environmental management measures to prevent and manage potential negative impacts on the Ranchería River and its basin.

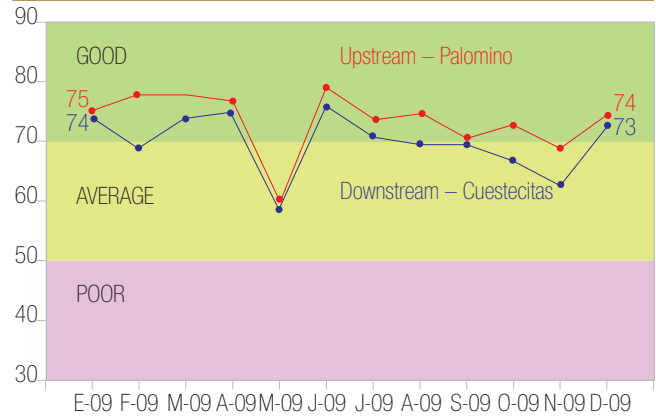
In addition, the study Hydrobiological Monitoring of the Cerrejón Valley analysed the current environmental status of the main water courses in the Cerrejón mining operation areas and the area of influence.

This study found that, overall, the Ranchería River basin in the area of the Ranchería valley near the Cerrejón operations is high in diversity and richness. However, some of the streams, such as the Palomino, Cerrejón, and Tabaco, lack running water over much of their course despite the study taking place during the rainy season. This is attributable to the atypical winter season of 2009, with scarce rainfall. There is disturbance of primary vegetation cover, but, although the cover is not ample in some zones, it fulfils its ecological function moderately well.

We also noted that, thanks to the resilience of hydrological ecosystems, the Tabaco Stream, whose water course was modified and is now surrounded by mining activity, still maintains a biotic structure typical of mountain streams. Nevertheless, there is deterioration in some streams due to human activities other than mining, such as the indiscriminate use of water for domestic use, vehicle washing, livestock, farming, and the logging of woods at headstreams, amongst other activities.

In 2010, a similar study will take place during the dry season in order to complement the conclusions and recommendations.

WATER-QUALITY INDEX OF THE RANCHERÍA RIVER



Discharges and Spills

The volume of discharges was established by measurements at the discharge points, which are mainly excess rainfall in the settling ponds discharging into the Ranchería River. It should be mentioned that the hydrological model and the inflow and outflow calculations have been adjusted for greater accuracy in the estimations, which is why the results in the 2008 Sustainability Report referring to the years 2007 and 2008 are slightly different than those presented herein. The results in this current report are more accurate and correspond to the data reported to the environmental authority.

There is an increase in discharge volume in 2009 accounted for by mining advances in the zone known as New areas of mining (NAM), where the La Puente pit was extended so much that the water stored in the inactive Puente West pit had to be drained.

Cerrejón has a contingency plan that is designed to cover any situation that may arise during mining operations, including, but not restricted to: fires and explosions, mechanical equipment failure (such as pumps and storage tanks), slope failures, spills of hazardous substances, and natural disasters (floods, slides, earthquakes, storms, and so on).

**WE TAKE CARE
OF THE RESOURCES
THAT NATURE
PROVIDES US.**

DISCHARGE	NATURE (MINING/DOMESTIC WASTEWATER)	DISCHARGE SITE	TREATMENT	M ³ /YEAR 2009
Samaleón Reservoir	ARM	Ranchería River	Sedimentation	2.466.967
Reservoir 3	ARM	Tabaco Stream	Sedimentation	10.934
Holding Pond	ARD	Madre Vieja Pond	Sedimentation and required and aerobic oxidation	60.488
East Pond	ARM	Ranchería River	Sedimentation	239.671
Fernández Pond	ARM	Ranchería River	Sedimentation	2.719
Potrero Pond	ARM	Bruno Stream	Sedimentation	224.750
South Pond	ARM	Ranchería River	Sedimentation	61.852
West Pond	ARM	Ranchería River	Sedimentation	5.702
New Airport	ARM	Ranchería River	Sedimentation	786
South Holding Pond	ARM	Ranchería River	Sedimentation	50.544
South Pond 831	ARM	Ranchería River	Sedimentation	-
La Puente Reservoir	ARM	Ranchería River	Sedimentation	-
CRS Pond	ARM	Ranchería River	Sedimentation	-
TOTAL				3.124.414

THOUSANDS OF M ³ /YEAR			
	2007	2008	2009
Total discharges	1.102	1.352	3.124

Due to the type of operation at Carrejón, the most likely disaster is hydrocarbon spills, which can alter the condition of soil and of surface and groundwaters if not quickly controlled. Therefore, the first goal of this plan is to prevent such spills.

Any employee or contractor detecting a hydrocarbon spill must immediately advise information to the Maintenance Department. The latter, together with the Environmental Management Department, evaluate the size of the spill and activate the corresponding response level. An environmental incident report must be filled out for each spill regardless of size.

In 2009, there were no significant spills of any substance. Minor spills were appropriately managed to prevent any negative environmental impacts.

RECLAMATION OF LAND AND BIODIVERSITY

At Carrejón, which operates its export open-pit coal mine in a semi-arid environment, mined-out areas are reclaimed to convert them into native-species forests that can become protected areas for regional biological diversity conservation.

Over the last 18 years, we have managed to develop our own process for environmental responsibility. This process includes the ongoing observation of the natural processes of soil and vegetation successions in unmined neighbouring areas, and a curiosity for experimentation, learning, and innovation.

Before the Mining

Open-pit mining begins with the determination of the next areas for mining. In those areas, vulnerable populations of terrestrial wildlife are located and identified, usable plant matter is assessed, and topsoil reserves for preservation are evaluated. The change in land use then begins with the tasks of rescue and relocation of resident animal communities to previously determined sites. Any wildlife affected by these labours is taken to the Refuge Centre to recover. Before re-introduction to the natural habitat, it is studied and marked (with a microchip) for monitoring. Work continues with the selective logging of trees suitable for timber and clearing of other trees and bushes, followed by removal of topsoil before beginning the mining itself. Clearing of vegetation only occurs in areas that are needed for mining and for which previous authorization is requested and obtained, consisting of the corresponding forestry usage permits granted by the Regional Autonomous Corporation of La Guajira (Corpoguajira), the regional environmental authority.

Topsoil Preservation

Topsoil is a non-renewable, irreplaceable resource that is the medium sustaining all known terrestrial organisms. At Carrejón, the removal and management of topsoil is a mandatory activity. Since the start of mining operations, in the early 1980s, work began on field surveys, reserve estimation, and removal and preservation of topsoil taken from areas to be mined. A procedure was set up for the topsoil removal and storage, whereby the monthly, annual, and long-term mining plans contain considerable information on topsoil sites and thicknesses for removal, volumes, equipment required, and workforce hours.

All of the work involving loading and haulage of topsoil is undertaken with mining equipment and permanent supervision in the field to ensure the removal of all suitable topsoil. All topsoil removals are logged daily, maintaining updated information on stored, re-used volumes by location and site. This data comprises a real administrative figure known as the Carrejón Soil Bank, whose aim is to ensure that, at the end of mining, there are no environmental liabilities to be compensated for nor excess topsoil to be re-used.



We preserve and care for critically endangered species. This turtle specimen is one of the largest species that travel the seas worldwide. It is classed as critically endangered by the IUCN (International Union for Conservation of Nature) and CITES (Convention on International Trade in Endangered Species).

Land Reclamation

Cerrejón's land reclamation process, as mentioned above, takes place in various stages. The first stage is the early estimation of topsoil reserves on lands slated for mining for their removal and preservation in soil banks.

Then, grey and inert mining tailings in disposal sites or old pits or abandoned mining-support areas are prepared to be covered by a yellowish-red layer of topsoil. Before shaping this layer, though, the slope gradients in the tailings are flattened out, the flattened surfaces are then evened out and broken up to facilitate rainfall infiltration, the salts in the topmost layers are washed out, and the later penetration of future plant roots is facilitated.

Rainfall then wets the land surface until the soil particles establish new connectivity. Then, the flattened lands are tilled with a chisel plough, the slopes are tilled with teams of oxen, and then the furrows are hand-planted with grass seeds mixed with fresh soil. The mixture is used to ensure an even distribution of seeds, and the soil in it has micro-organisms that provide necessary functions once the first plants have germinated. Finally, over time, the grass is invaded

by leguminous shrubs and trees that fix nitrogen from the air, scatter seeds, and attract local wildlife.

Monitoring of topsoil, vegetation, and wildlife confirm the return of important species belonging to tropical dry forests, either directed there or arriving indirectly by different routes or vectors. Over time, groups of trees, shrubs, herbaceous plants, guaco, parasitic and host organisms form low, medium, and tall shrubland in a continual progression towards a second-growth forest. The first wave of trees consists of native species such as quebracho, puy, Panama redwood (*Platymiscium pinnatum*), ebony, Brasileto mollis, olive, verawood (*Bulnesia arborea*), macurutú, mesquite, acacia, *Cavendishia bracteata*, brazil nut, corioto, balsam, látigo, divi-divi (*Caesalpinia coriaria*), and others.

Areas mined by Cerrejón are covered by the program for the reclamation of lands disturbed by coal mining, which is part of the company's Environmental Management Plan. This program has exceeded legal requirements as concerns topsoil preservation, reclamation of disturbed lands, use and publication of appropriate terminology, guidelines, and operational practices. This program also includes activities

such as the location and identification of vulnerable populations of terrestrial wildlife, the assessment of usable plant matter, and the establishment of topsoil reserves for preservation.

Keeping in mind that the reclamation process takes many years to complete, below we present the cumulative data from the start of the reclamation processes to the end of 2009, as well as annual data for 2007, 2008, and 2009.

The cumulative data are summarized as follows: from early 1990 to the end of 2009, some 11,025 ha had been mined, of which 2,736 ha had been released for reclamation, and 2,690 ha are currently being reclaimed.

In 2009, there were 469 ha cleared for planned mining and 146 ha of land were reclaimed, of which 119 ha had proceeded to the stabilization stage (grass cover). Another 200 ha entered the second phase of reclamation and were replanted with native tree species (tree planting). These data and the partial results for 2007 and 2008 are presented below.

Cumulative progress in land reclamation:

AREA	HECTARES		
	2007	2008	2009
Disturbed area	9.856	10.556	11.025
Active area	7.332	7.956	8.290
Area available for reclamation	2.524	2.599	2.736
Area undergoing reclamation	2.485	2.566	2.690

Annual progress in land reclamation.:

Indicator	Units	2007	2008	2009
Deforestation	ha	360	700	469
Topsoil removed	Thousands of m ³	1.285	1.922	1.620
Area prepared	ha	108	107	146
Area stabilized	ha	102	103	119
Area replanted	ha	250	250	200

Protected Areas of High Biodiversity

To complement the land reclamation activities at Cerrejón, we have decided to implement compensation measures through the conservation of high-biodiversity areas in La Guajira.

A compensation model is being developed by an agreement with the NGO Conservation International, which will design a substitution and reclamation model for Cerrejón. In 2009, the first results were seen from the studies developed for prioritizing the areas to be protected.

Cerrejón has supported studies on biodiversity in Colombia, such as *The Protected Areas of Colombia*, carried out by Conservation

International and Biocolombia, with the support of the MAVDT, the Gordon and Betty Moore Foundation, the Walton Foundation, and the CAR.

Cerrejón does not mine in protected zones or in areas of high biodiversity within its 69,000 ha of mining sector concession. As part of its conservation initiatives, in 2009, the company contributed, along with Corpogujaira and Conservation International, to having the Montes de Oca declared a protected area and to taking the preliminary steps for the designation of Bahía Portete, both strategic natural habitats in La Guajira.

These two ecosystems are located outside the area of influence of the mine and were selected due to their importance within the ecosystems of greatest biodiversity in La Guajira. These activities are within the framework of the agreement signed with Conservation International, which is developing three large areas of focus:

- Biodiversity conservation and ecological reclamation
- Dissemination, communication, participation, and environmental education
- Research applied to sustainable exploitation and conservation.

Montes de Oca was declared a protected area, and with the first proposed boundaries of this important area, the framework agreement with Conservation International (CI) was initiated in December 2007. This declaration specified that the management plan for this area should be brought forward in time.

Within the framework of this agreement, the *Manual for Developing Management Plans of Protected Areas* was developed in 2009 under the protocols proposed by CI Colombia, in accordance with the high-participation guidelines issued by the Ministry of the Environment, Housing, and Territorial Development. A total of 8,484.15 ha were declared protected forest reserve (PFR), of which 82% are in the jurisdiction of the district of Maicao and 18% in that of Albania.

Bahía Portete, the largest of a series of bays in the most northern sector of the La Guajira peninsula in the district of Uribia, is the largest natural bay of the municipality and connects with the Caribbean through a mouth approximately two kilometres wide, towards the northwestern sector. It is an exceptional area due to its depth and the protection provided by the inlet. It has an extension of approximately 12,793 ha and shelters Puerto Bolívar on its western shore.

The intention is to declare this zone a protected area by way of the agreement with Conservation International. Within this area, and jointly with the indigenous communities, the conservation program for sea turtles and the American crocodile (described below) has been developed.

The areas that, according to environmental regulations should be protected within the Mine concession, correspond to the riparian

zones, which regulations stipulate must be a minimum of 30 m, or whatever is specified in the basin zoning plan. Given that there is no zoning plan at the moment for the Ranchería River basin, Cerrejón has taken precautions to widen this buffer margin to 100 m.

Wildlife Management

For the care of wildlife, another important aspect in our environmental management, we have changed the mining process that traditionally begins with a study of the area to be disturbed and the removal of the topsoil by starting instead with the identification of vulnerable, low-mobility wildlife populations. That is how, for four years now, the Cerrejón mining procedures have begun with the rescue and relocation of wildlife. During this process, the animals are captured using different methods approved by the national environmental authority and later released in similar areas not slated for mining. This ensures sustainability and minimizes the impact of mining stages, such as deforestation and the subsequent arrival of equipment. Other noteworthy activities are the monitoring of terrestrial wildlife associated with the vegetation cover of areas adjoining the mining area, the recovery of injured specimens, and the support of environmental education tasks that stimulate community participation in wildlife conservation.

According to the wildlife inventory performed by Cerrejón, 32 endangered species have been identified included on the Red List of the International Union for Conservation of Nature (IUCN). Twenty-seven of these species are vulnerable, one is critically endangered, and four are in danger of extinction.

Endangered Species

Cerrejón has implemented four programs for the appropriate management of biodiversity impacts:

- Program of Wildlife Monitoring and Follow-Up

This enables the analysis of the composition of the species, their abundance, diversity, and spatio-temporal distribution in populations of amphibians, reptiles, birds, and mammals. The monitoring program generates information needed to continually improve the environmental management plans so that the wildlife is not affected by the mining operations.

The continuous monitoring has made evident a notable increase in the number of species in the area to triple compared with the baseline studies of 1982. This indicator is a reflection of the greater effort in capturing and continuity of this monitoring, as well as the agglomeration of species in the internal area of Cerrejón where hunting and fishing are prohibited, and therefore, the external pressure on the wildlife is constant and ever-growing. Currently, the Cerrejón biological databases are complementing the national biodiversity databases created by the Alexander Von Humboldt Institute with: 197 insect species; 77 amphibian and reptile species, representing 57% of this group's biodiversity in the Caribbean region; 230 bird species, representing

SPECIES	CLASS	RISK CATEGORY
Accipiter Bicolor	Bird	Vulnerable
Ara Militaris	Bird	Endangered
Ara Chloroptera	Bird	Vulnerable
Aratinga Pertinax	Bird	Vulnerable
Aratinga Acuticauda	Bird	Vulnerable
Amazilia Saucerottei	Bird	Vulnerable
Amazilia Tzcatat	Bird	Vulnerable
Buteo Magnirostri	Bird	Vulnerable
Buteo Albicaudatus	Bird	Vulnerable
Chlorostilbon Gibsoni	Bird	Vulnerable
Chondrohierax Uncinatus	Bird	Vulnerable
Falco Femoralis	Bird	Vulnerable
Forpus Passerinus	Bird	Vulnerable
Glaucidium Brasilianum	Bird	Vulnerable
Herpeotheres Cachinnas	Bird	Vulnerable
Milvago Chimachima	Bird	Vulnerable
Leucippus Fallax	Bird	Vulnerable
Pandion Haliaetus	Bird	Vulnerable
Parabuteo Unicinctus	Bird	Endangered
Pulsatrix Perspicillata	Bird	Vulnerable
Ramphastus Sulfuratus	Bird	Vulnerable
Tayassu Tajacu	Mammal	Vulnerable
Alouatta Seniculus	Mammal	Vulnerable
Aotus Lemurinus	Mammal	Vulnerable
Cebus Albifrons	Mammal	Vulnerable
Eira Barbara	Mammal	Vulnerable
Herpailurus Yagouaroni	Mammal	Vulnerable
Leopardus Pardalis	Mammal	Endangered
Panthera Onca	Mammal	Endangered
Puma Concolor	Mammal	Vulnerable
Crocodylus Acutus	Reptile	Critically endangered

51.8% of the bird species of La Guajira; and 68 mammal species, which represent 20% of the total species of this group in the country.

- Wildlife rescue program in areas where mining is advancing

This program allows wildlife rescue tasks in areas subject to mining, immediately relocating or resettling the wildlife to previously determined areas suitable for the animals. The mining process begins with an ecological evaluation to determine the kind and quantity of species inhabiting the area. Subsequently, a group specialized in handling wildlife captures amphibians, reptiles, and some low-mobility mammals, and relocates them to areas not slated for mining and which offer a habitat and food sources similar to those in the place of origin. As a result of the wildlife rescue program in areas where mining is advancing, in the last five years, 26,171 specimens have been rescued, including fish, amphibians, birds, and mammals.

WE PRESERVE AND CARE FOR THREATENED SPECIES.

- Wildlife clinical and biological recovery program.

For this program, Cerrejón has a team comprising a biologist, a veterinarian, several field assistants, and many local experts who contribute their know-how to effectively manage the complex recovery process. Their know-how and training in sanitation, biology, and wildlife handling techniques enable the conservation work and environmental education to be sustainable.

There is also a refuge centre that acts as a temporary home to the animals it receives under optimum conditions. These facilities are equipped with a quarantine area, a cage for small felines, and a cage for birds, an egg incubation area, a reptile zone, an open space for reconditioning, a clinic for surgeries and autopsies, and a storage area for specialized snares.

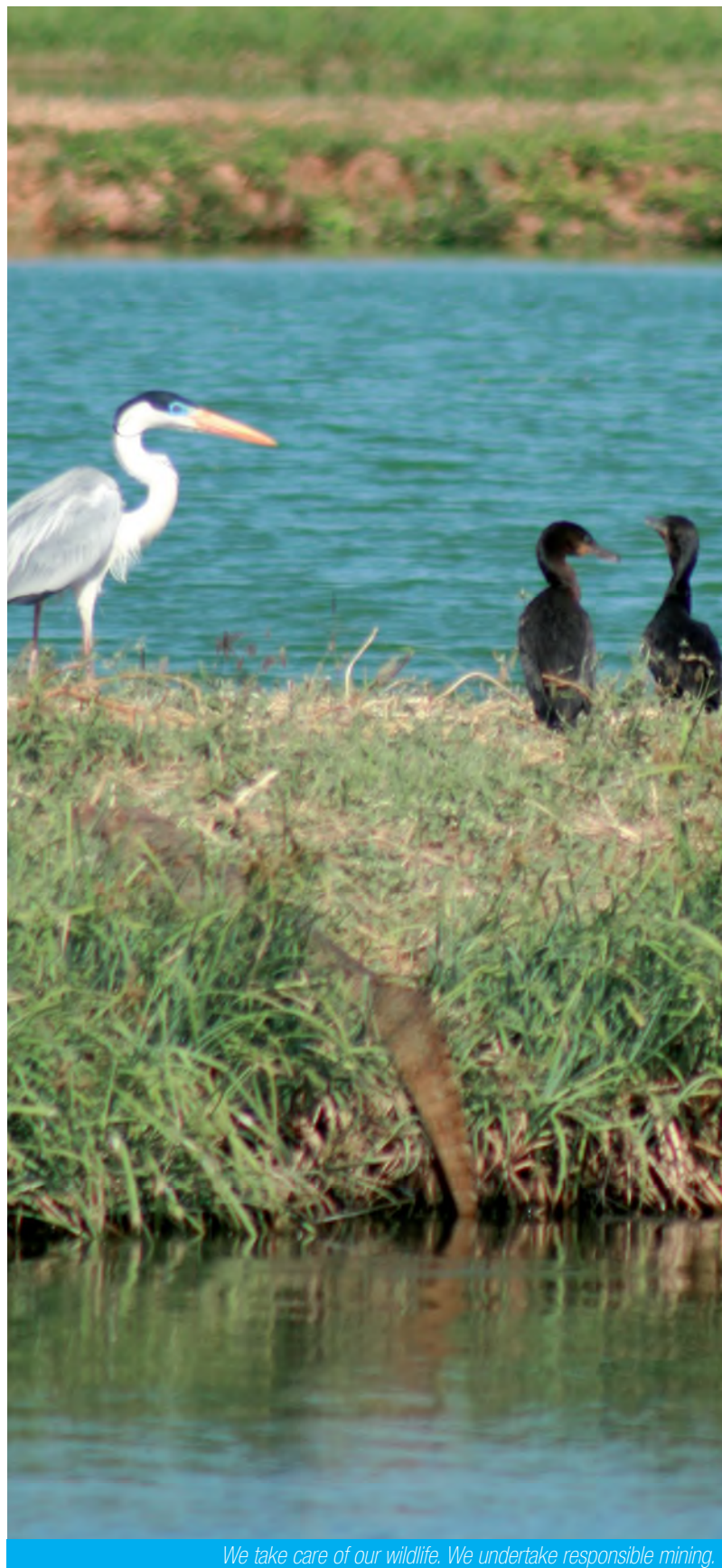
This program fulfils a key role by rescuing wild animals, giving them a useful destination for conservation, favouring wildlife trafficking controls and, especially, in raising the awareness of the community and discouraging the illegal sale of wildlife.

The wildlife management team at Cerrejón is trained to perform an optimum recovery process, including the sanitary, physical, psychological, and behavioural recovery of wild animals that have any type of pathology or that has been removed from its habitat. This recovery varies considerably from one specimen to another (even amongst the same species) given that the trauma, or how upset they get, varies in each case.

The recovery work began in 2004; however, it grew tremendously after the establishment of the refuge centre, wherein, up to 2009, the recovery of 1,103 specimens of fish, birds, mammals, and reptiles was achieved. In general, although there is not a single method for recovering a species, the experience acquired in handling the species in the middle valley of the Ranchería River enabled the successful recovery of more than 800 specimens over the last two years.

- Conservation programs for endangered species.

Currently, Cerrejón is participating in several biodiversity conservation programs that involve the inter-relationship with public and private entities in order to provide continuity to various conservation projects. To do so, it established cooperation agreements with the environmental authority, Corpoguajira, and with Conservation International, an NGO widely recog-



We take care of our wildlife. We undertake responsible mining.



Our operation works in 12-hour shifts 365 days a year.

nized for its knowledge and support of the sustainability of biodiversity worldwide.

Cerrejón promotes conservation projects for species in critical danger of extinction, such as the American crocodile and four sea-turtle species in Bahía Portete, contributing to the improvement and increase of their populations, while developing an ecotourism program as an economic alternative to improve the standard of living of the Wayuu population.

Through the environmental education campaign for the protection of the American crocodile and the sea turtles, the partnership between Cerrejón and the George Dahl Hydrobiological Foundation has been strengthened in the outreach to the Wayuu population.

The initiative proposed by Cerrejón has attempted to follow the goals of the national program for the conservation of sea turtles in Colombia, including designing strategies to ensure the survival of species in our country by implementing management plans to perform ongoing long-term monitoring of the potential nesting beaches and feeding areas taking into account the Wayuu culture.

Within the framework of this project, an initial panel discussion was organized on July 17 of 2009 to analyse the information and work on sea turtles in La Guajira since 2006. Furthermore, a brochure on sea turtles

was published in Wayuunaiki and Spanish for the general public, showing the progress and work by Cerrejón with the indigenous people to establish joint turtle conservation and management strategies.

ENERGY AND CLIMATE CHANGE

Direct Energy Consumption and Direct GHG Emissions

The main source of fossil-fuel energy directly used by Cerrejón is diesel fuel for trucks, excavators, light vehicles, and other auxiliary equipment for the mining operation. The second source is fossil fuels such as petrol and natural gas. These fuels, especially diesel, are the main source of the company's greenhouse gas emissions (GHG).

Coal transport is by railway from the Mine to the Port; this means of transport is the most efficient, and the carbon dioxide emissions (CO₂) per product unit are fairly insignificant as compared to our other sources of emissions, and so they are not taken into account. Likewise, the impact of the other means of transport employed for mine personnel and for supplying raw materials has not been evalua-

FUEL / EMISSIONS	UNITS	2007	2008	2009
Diesel	gal/year	77.042.801	85.958.785	90.948.942
	GJ	10.631.907	11.862.312	12.550.954
Petrol	gal/year	2.239.630	2.364.069	2.104.095
	GJ	266.516	281.324	250.387
Natural gas	m ³ /year	860.942	1.033.512	1.185.486
	GJ	30.572	36.700	42.097
TOTAL	GJ	10.928.995	12.180.336	12.843.438

DIRECT GHG EMISSIONS				
	Units	2007	2008	2009
	Tonnes of CO2e/year	818.146	911.778	1.004.016

ted in detail due to their minor relevancy amongst the other critical aspects that were identified in our environmental management plan.

Consequently, Cerrejón established that the reduction in consumption and the efficient use of diesel employed in machinery and transport is one of its priorities for the reduction of direct energy consumption and, therefore, for the reduction of direct greenhouse gas emissions.

By way of a project implemented since the middle of 2009, a savings of approximately 3.8 million gallons of diesel was achieved in the truck fleets of 190 t and 240 t in 2009. To obtain these savings, predictive formulae of fuel consumption were created and the trucks with the greatest deviations in consumption were identified and modified. Likewise, other measures were created such as turning truck engines off when not in use, and fuel leaks in equipment during refuelling were identified and corrected. This fuel consumption reduction, calculated on the basis of information of historical consumption of the truck fleets included in the project, represented a GHG emission reduction of approximately 38,403 t CO2e in 2009.

The direct energy consumption broken down by primary sources and the emission of greenhouse gases per combustion of these sources is shown in the following table. These fuels were entirely purchased; there are no fractions produced by the company nor sold to a third party. The fuel consumption data is converted into its

equivalent in energy utilizing national calorific values in the case of petrol, natural gas, and calorific values obtained in the GRI Protocol guidebook.

Direct Energy Consumption

In GHG emissions, besides the direct fossil fuel consumption, other minor direct sources, such as explosives and methane emission leaks from coal seams during mining, are likewise taken into account. These two minor sources are calculated using Anglo American emission factors suitable for the conditions of our open-pit mining operation.

Indirect Energy Consumption and Indirect GHG Emissions

The electrical power consumed by Cerrejón is the second-highest source of energy after diesel, although the GHG emissions are proportionally much lower due to the low emission factor of the national electrical power grid. When establishing the composition of the national power grid, it can be observed that only 14.3% corresponds to fossil fuels (natural gas and coal). The indirect consumption of these fuels is shown in the following table. On the other hand, it is considered that other indirect GHG emissions, such as those defined in the accounting standard and corporate reporting of GHG Protocol Scope 3⁸, are irrelevant compared to direct-use emissions of the aforementioned fossil fuels and to indirect emissions from purchasing electrical power as shown in the table below.

ELECTRICAL POWER / PRIMARY FUEL	UNITS	2007	2008	2009
Electrical power purchased	GWh/year	216,5	270.2	300,2
	GJ	779.436	972.572	1.080.547
Indirect coal	Tonnes	4.840	5.145	8.766
Indirect natural gas	Thousands Nm ³	8.181	7.354	16.344

⁸ The Greenhouse Gas Protocol (GHG) Initiative – A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

INDIRECT GHG EMISSIONS

Units	2007	2008	2009
TTonnes CO2e/year	25.332	31.609	35.118

The control of electricity consumption is also a relevant aspect of Cerrejón's environmental management. That is how measures have been established for electrical power consumption savings in Puerto Bolívar. The measures implemented in 2009 consisted of the installation of solar panel heaters, the optimization of lighting systems, and the use of more efficient air conditioners. As a result of these actions, a reduction in electrical power consumption of approximately 818,850 kWh was estimated, which represents an emission of 95.81 tonnes of CO₂e.

Following the indicators suggested by the Global Report Initiative, we decided to include this year the calculation of indirect fossil fuel consumption in 2008 and 2009, within the heading of electrical power consumption from the national power grid. These fossil fuels correspond to natural gas and coal employed by the generators of electrical power from the grid.

This calculation used data on annual national usage of fossil fuels and electrical power production combined and from each source for 2007, 2008, and 2009, taking into account the fraction that gas and coal plants account for in national production. This data was used to calculate the amount of power Cerrejón uses that derives from these sources and what its indirect consumption of fossil fuels was. The main sources of information used for this estimate were the report *Electrical Power Generation by Source 2007–2009*, published by the Colombian Electrical Information System (SIEL, its acronym in Spanish), the national energy budget published by the UPME, and fuel consumption for thermal generation 2009 from the annual operations report published by XM. The calorific values used were taken from the FECOC base of the UPME.

Indirect Emissions Due to Consumption of Electrical Power

Given the lack of data reported by national authorities for calculating emissions of greenhouse gases due to the consumption of electrical power, we used the emission factor recommended by Anglo American, which is very similar to that reported for Colombia by the International Energy Agency.

Climate Change and Cerrejón

Energy generation is responsible for 25% of global GHG emissions. Coal currently supplies 26% of primary energy demands and 40% of electrical power generation worldwide. That is why huge investments are currently being made in research and technological development to perfect clean technologies to produce electrical power from coal that will mitigate polluting emissions of thermal power plants, mainly in the use of CCS (Carbon Capture and Storage).

Cerrejón is aware of this situation, and that is why we are a member of the World Coal Institute. This institution seeks more in-depth and

wide-ranging understanding amongst policy makers and key stakeholders on the positive role of coal in the management of climate change, the reduction of poverty in developing countries, and in energy security.

Cerrejón acknowledges that climate change is the main environmental hazard facing the future of global ecological and economic sustainability. Consequently, the company has established a methodology to systematically measure and inform on our carbon footprint. We continue working on understanding this phenomenon in order to keep on implementing strategies and actions to reduce, mitigate, and compensate for our greenhouse gas emissions, and to contribute to the adaptation of communities in our area of influence to the effects of climate change, with particular focus on water resource management.

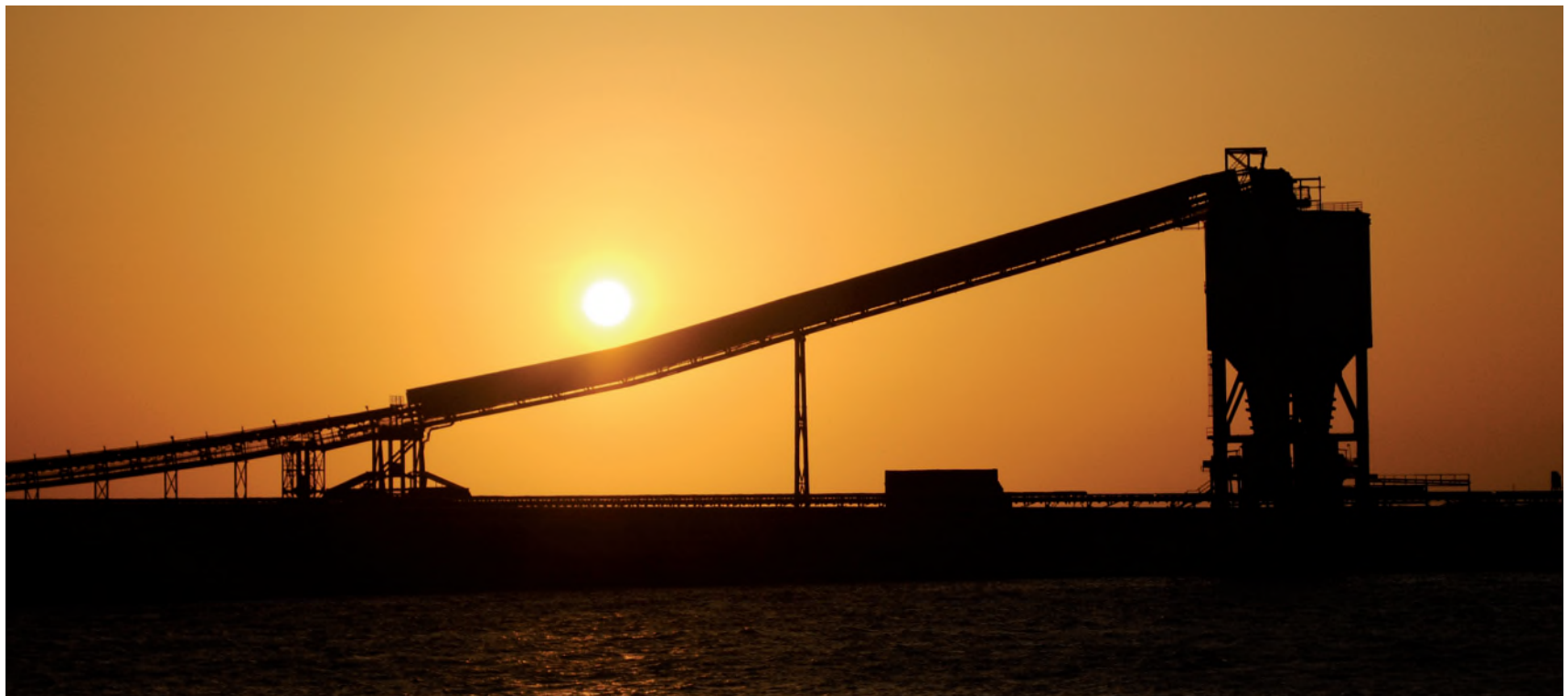
The measurement of our carbon footprint is not new at Cerrejón. We have been reporting GHG emissions produced in the operation from the use of energy, fuels, and our main consumables, utilizing methods approved by Anglo American. Therefore, Cerrejón is now seeking to lay the groundwork for a long-term strategy to define projects and actions taking into account measures defined by the international community, such as mitigation, adaptation, technology transfer, and financial resource management. We have thus drafted a climate change policy that is currently under review.

Certain activities that will take place simultaneously to the ratification of our climate change policy will be: the study of physical, economic, and market risks for our business and for our stakeholders; the analysis of strategies of various companies in the sector in the area of climate change; and the development of emission-reduction projects that apply the clean development mechanism (CDM). The CDM also represents, in addition to economic benefits to bolster the financial feasibility of these initiatives, a means of supporting sustainable development in La Guajira. To that end, Cerrejón had already undertaken the identification of opportunities under this mechanism, and now we shall establish which of them can proceed to the implementation stage.

MATERIALS AND WASTE

Materials Management

This report presents the yearly totals of the most relevant materials in the company's operations in addition to the efficiency indicators currently used to evaluate usage. In the first case, there is a gradual increase in materials use, but the efficiency indicators for tyres and explosives show positive trends demonstrating a more efficient use of these resources. In 2009, for instance, there was an improvement in the average lifespan of tyres as a result of better road conditions



Conveyor belt at Puerto Bolívar.

and an increase in operator awareness, resulting in increased reporting of rocks on roads and in loading zones to prevent tyre damage. The powder factor expresses the ratio of the amount of explosive necessary for the volume of material for extraction. The statistics show we met our goal for this indicator.

Moreover, Cerrejón seeks to maximize materials recycling (e.g., used oil and solid wastes), which has resulted in a gradual increase in recycling percentages over the last three years. Materials recovered for recycling include: carton, plastic, paper, scrap, metal filters and tanks, tyres, glass, wood, and hoses.

Environmental impacts in the transport chain of our product are minimized by exporting the coal in large-tonnage ships. Once the coal is delivered at our clients' ports, they use their own means to manage environmental impacts and hazards to health and safety. Nevertheless,

Cerrejón delivers technical and safety reports to all clients in order to identify, prevent, and mitigate the potential impacts and hazards of our product.

We have begun exploring mechanisms to contribute to the mitigation of environmental impacts from the use of our coal by our clients; we should mention that, given the nature of the product, this is a complex task. Coal has impacts inherent to its use. These impacts can be minimized through the use of technology to make combustion more efficient and to capture and store carbon. Strategies to mitigate climate change seek mechanisms to publicize and promote these types of practices.

The most relevant results on materials usage are presented below.

MATERIALS USED	UNITS	2007	2008	2009
Oil	gal/year	1.654.324	1.612.309	1.563.431
Ammonium nitrate	tonnes/year	53.975	61.794	64.145
Emulsion	tonnes/year	80.246	89.059	99.999
Tyres	unit	1.619	2.089	2.401

PROGRAMS AND PROGRESS CONCERNING RESPONSIBILITY FOR USED

MATERIALS	EFFICIENCY UNITS	2007	2008	2009	GOAL 2009
Explosives	Total powder factor (kg/bcm)	0,456	0,463	0,463	0,476
Tyres 320T	Lifespan (Kkm)	57,7	58,3	64,4	58,5
Tyres 240T	Lifespan (Kkm)	80,6	77,9	82,5	81
Tyres 190T	Lifespan (Kkm)	98,8	96,1	111,2	90

MATERIALS REVALUED	UNITS	2007	2008	2009
Oil recovered	gal/year	830.525	974.311	977.977
	%	50.2%	60.4%	62.6%
SOLID WASTE	UNITS	2007	2008	2009
Generated	t/year	6.554	7.752	8.619
Recovered	t/year	2.769	3.344	4.184
	%	42.2%	43.1%	48.5%

Waste Management

At the Mine, the comprehensive management of solid wastes is divided into three processes:

- Temporary storage, collection, and transportation to final disposal sites for organic solid wastes
- Temporary storage, collection, transportation, and final disposal of hazardous waste (used lubricant grease, hospital waste, items impregnated with hydrocarbons or chemical substances, such as leather work gloves, burlap, cardboard, wood, and paper) from the equipment and installations maintenance workshops
- Temporary storage, collection, recovery, transportation, and marketing of recoverable waste for subsequent recycling.

Ordinary wastes represent approximately 87.5% of total waste produced at the Mine in 2009; special waste accounts for about 12.5%. Ordinary wastes, with the exception of tailings, are taken to the Cerrejón trench-type landfill located in a backfill area. A Cerrejón furnace is used to incinerate 54.3% of special solid wastes, another 24.6% is bioremediated, and 21.1% is encapsulated for final disposal.

In accordance with the Basel Convention classification, no hazardous waste is imported nor exported. Hazardous wastes are incinerated in a Cerrejón furnace with the appropriate environmental permits at our installations; other wastes are managed by specialized companies. Neither do we produce excess material after coal mining, such as mud, rocks, or tailings that would present a potential environmental or health hazard. The overburden contains no chemical substances or other properties that would make it hazardous. Nevertheless, it is handled following appropriate environmental regulations under a program for the management of dump sites and overburden included in the PMA. The aim of this program is to design and build the overburden dump sites so as to optimize space use assigned in the *Mining Plan* and facilitate their subsequent reintegration into the regional ecosystem.

Waste generated does not include packing materials for the product since coal requires no packaging. The ship holds are all that is needed to transport it.

MINE CLOSURE

Cerrejón's current operational plan is for a mine life of 25 years, with an estimated closure date in 2034. The Preliminary Mine Closure Plan drawn up by Cerrejón with the aid of the company Environmental Resources Management (ERM Colombia Ltda) considers a closure period of five years and a post-closure period of 10 to 20 years depending on the monitoring component (social, environment, safety). The Closure Plan takes into consideration the legal obligations of Cerrejón in relation to the future of the company's assets as stipulated in contracts in force. In drawing up the Closure Plan, account was taken of the need to achieve a socially and environmentally sustainable closure.

This plan contains the preliminary closure costs, with the estimated costs for the various proposed closure scenarios having a medium level of detail.

COMPLIANCE WITH REGULATIONS

In line with the philosophy of "doing the maximum possible, not the minimum necessary", Cerrejón goes beyond mere compliance with national laws and regulations. That is why, in 2009, there were no fines or sanctions for lack of compliance with environmental laws and regulations.

ENVIRONMENTAL INVESTMENT

In 2009, Cerrejón invested more than 87.729 million pesos in environmental costs and investments. In the last three years, this investment has doubled.

The environmental investments given below are all operational costs and capital invested over the year in a great variety and amount of projects. They include, among others, investments for mitigation, prevention, monitoring, compensation, and relations with stakeholders from the Department for the Environment. The classification of these costs (water, air, slope stability, environmental management, and topsoil and landscape) reflects the way in which Cerrejón monitors its investments in environmental management in key areas.

To this account of outgoing monies, we hope in future to add income if it is concluded that opportunities for marketing carbon credits through the CDM are feasible.

ENVIRONMENTAL INVESTMENT, MILLIONS OF PESOS

	2007	2008	2009
	43.007	76.798	87.729

ENVIRONMENTAL INVESTMENT 2009

ENVIRONMENTAL INVESTMENT	MILLIONS OF PESOS
Water	17.132
Air	44.379
Slope stability	1.160
Environmental management	18.317
Topsoil and landscape	6.738
Total	87.729

RELATIONS**Environmental Visits**

Environmental visits have been successfully carried out since 2006. To date, about 2,000 persons have visited, including traditional authorities, leaders, and *peasants* (poor farmers) from neighbouring zones, in addition to officials from the municipal authorities of Albania, Hatonuevo, Barrancas, and Uribia.

In 2009, we received visits from 935 people comprising leaders and traditional authorities from various communities (e.g., Barrancón, Tabaco, San Pedro, La Horqueta, Carretalito, Jichipa, Tekia, Youlein, Merrá, Jisentirra, Wayalainesein, Jurimakal, Pinsky, Lakatshi, Aulaulia, Lansheli, and Rutemana), students from various educational institutions (e.g., the Ethno-Educational Centre La Gloria, Pablo VI School in Barrancas, the Ethno-Educational Centre Mayapo, Nuestra Señora del Carmen School in Hatonuevo, the San Rafael educational institution in Albania, and the Remedios Solano educational institution in Barrancas), representatives from the administration of the Manaure district, and members of environmental NGOs. These groups visited the Mine or Puerto Bolívar, depending on their area of influence, and received all the information on the topic.

The schedule for each visit includes the presentation of the safety video, which is essential for accessing the operational area, and the environmental video. After watching the videos, visitors tour the Mine, observing one of the pits from a viewpoint, one of the reclamation zones, the incinerator for solid waste, the recycling warehouse, the stabilization ponds, the wildlife centre, and the plant nursery, all key aspects of Cerrejón's environmental programs.

At Puerto Bolívar, the schedule begins with the visit to the POB, where the Port operations are shown. The tour continues at the linear loader and from there proceeds to the train-unloading zone. The visitors then go on to an air-quality monitoring station, the oxidation ponds, and the water-treatment plant.

Over lunch, representatives from the environmental management office present the environmental programs and, in a question period, address all the doubts and questions that arise.

At the end of each visit, a survey is given. These are some of the results:

- The main concerns of community visitors centre around topics related to air quality and particulate-matter monitoring, as well as how blasting is performed.
- In 2009, 89% of those surveyed answered that their concerns regarding environmental issues had been clarified by viewing the environmental processes at Cerrejón.
- Concerning air, 75% of those surveyed stated that Cerrejón's management of this resource was excellent, 18% found it good, and only 2% found it poor.
- For the solid waste program, 79% found its management excellent, 21% found it good, and 1% stated it is poor.
- The water-management programs were viewed by 76% as excellent, by 18% as good, and by 1% as poor.
- For land reclamation, 79% of those surveyed stated the program was excellent, 15% found it good, and 1% found it poor.
- When questioned about the wildlife program, 81% classed Cerrejón's wildlife management as excellent, 19% graded it as good, and 2% found the program poor.
- When asked whether the visit and presentations had changed their opinions regarding Cerrejón's environmental programs, 86% of those surveyed answered 'yes'.

Oversight, Workshops, and Other Activities

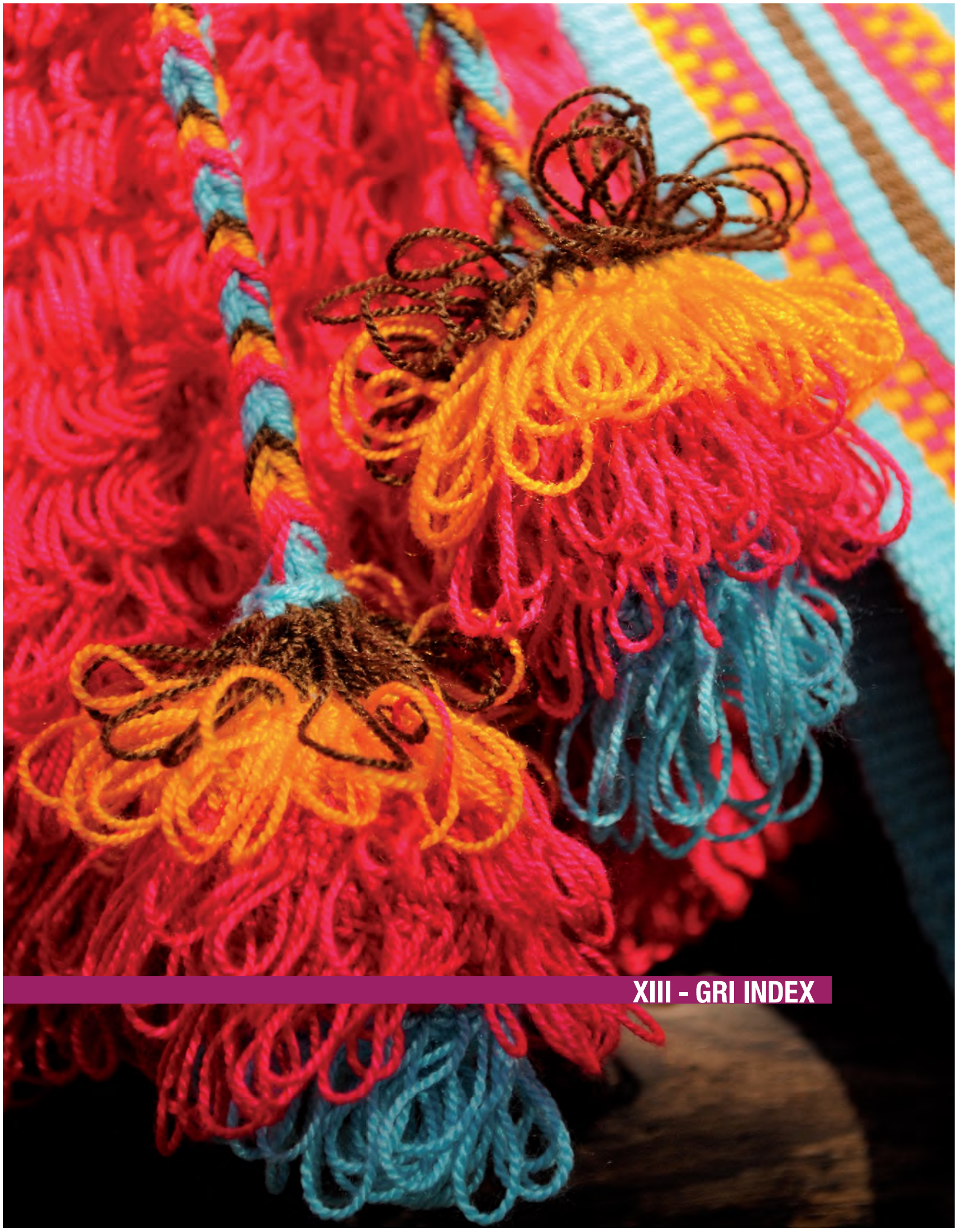
As part of our commitment to have the communities neighbouring our complex actively participate in air-quality management, we organized an oversight committee for the air-quality monitoring network with the participation of representatives from the neighbouring communities, state monitoring agencies, and Cerrejón officials.

In 2009, the committee met to present the air-quality results and to create a communications subcommittee that presented the proposal to issue informative notes to expand on air quality and on management measures implemented by Cerrejón.

These meetings included the participation of Corpoguajira and the University of La Guajira, as well as representatives from the communities of Barrancas, Las Casitas, Provincial, Albania, Chanqueta, Patilla, Roche, and Papayal.

In addition to the oversight and the environmental visits, there are also presentations on topics of interest in environmental management given directly in the communities. The presentations are produced jointly with the Environmental Management Department and the Vicepresidency for Sustainability and Public Affairs.

An example of relations with our communities is the timely response provided to Las Casitas concerning a request received from them in October regarding air-quality monitoring in the zone. The request was looked into and the community was given a response.

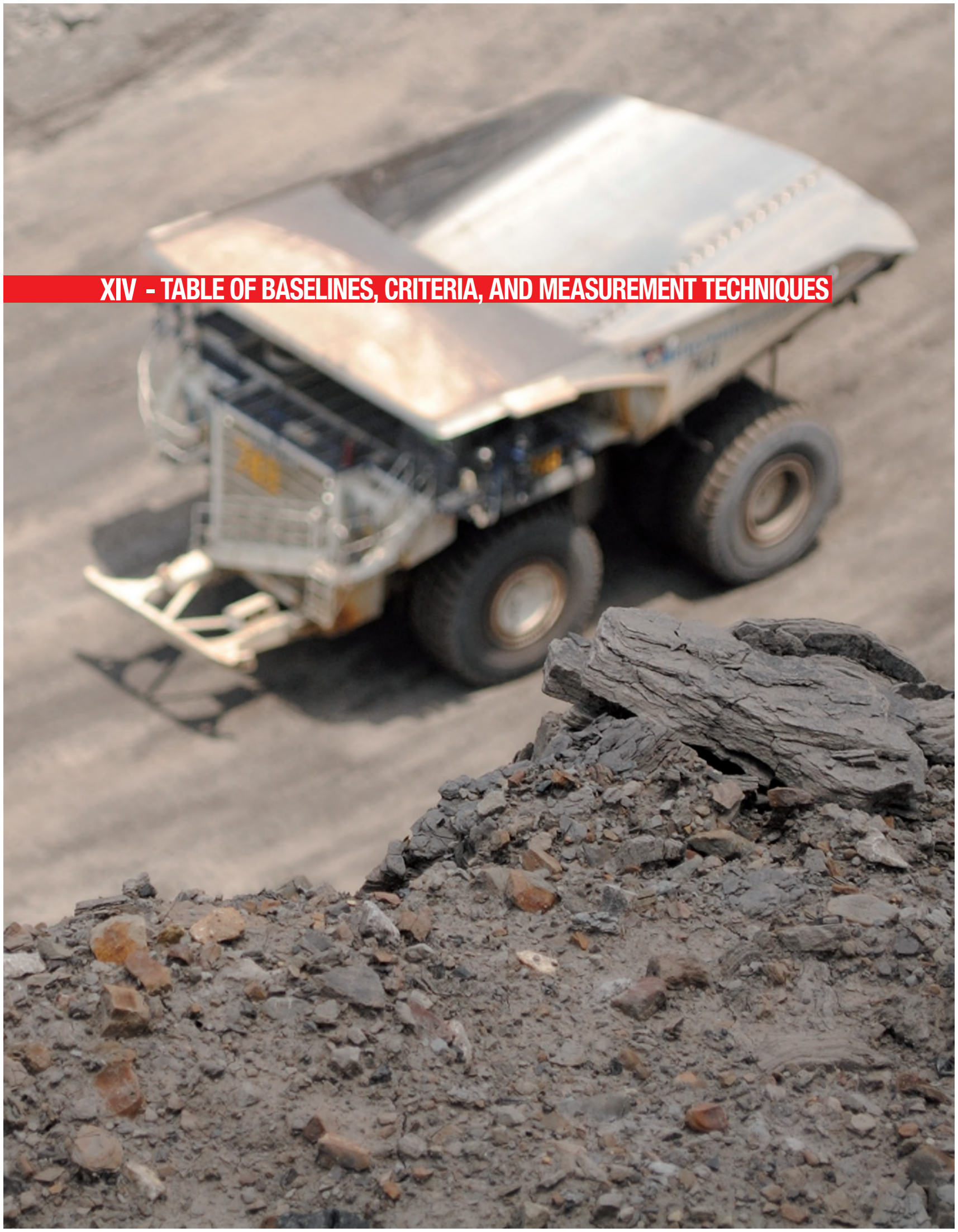


XIII - GRI INDEX

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Compliance with standards	EN28		8	7	112
Environmental investment	EN30		8	7	112

INDICATORS WITH ZERO DATA OR NOT REPORTED	GRI CODE	RESULT
Incidents due to discrimination	HR4	Zero(0)
Forced labour	HR7	Zero(0)
Announcements prior to changes	LA5	According to change
Incidents due to non-compliance in health and safety	PR2	Zero(0)
Labelling non-compliance	PR4	Zero(0)
Fines due to non-compliance in provision and use	PR9	Zero(0)
Penalties and fines due to non-compliance	SO8	Zero(0)

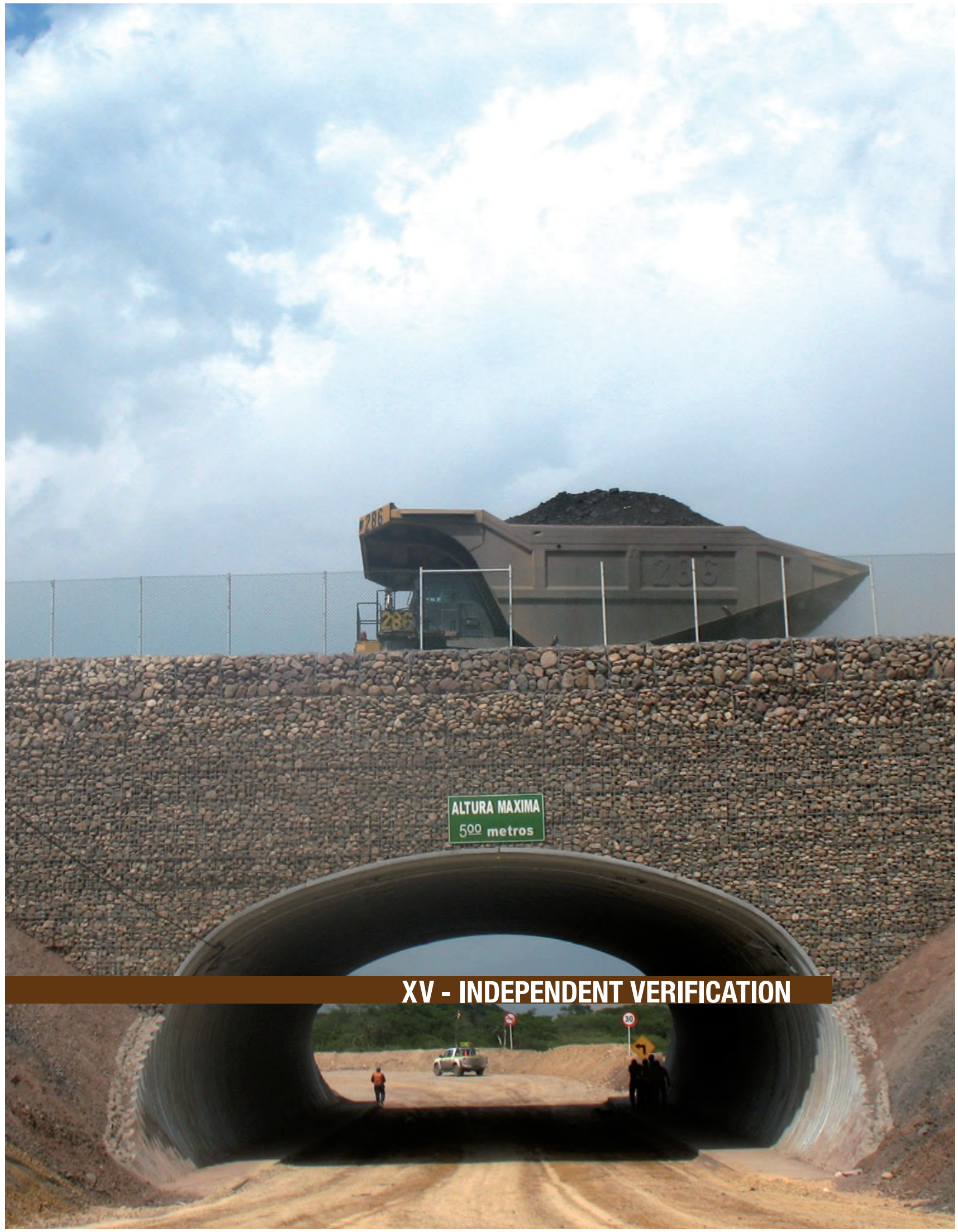
XIV - TABLE OF BASELINES, CRITERIA, AND MEASUREMENT TECHNIQUES



XIV - TABLE OF BASELINES, CRITERIA, AND MEASUREMENT TECHNIQUES

TABLE OF BASELINES, CRITERIA, AND MEASUREMENT TECHNIQUES

Financial indicators	
Financial reasons and data	Information prepared in accordance with accounting principles indicated in the 2009 Management Report.
Economic value generated and distributed	Carried out in accordance with generally accepted accounting standards and following the reporting models for the fourth-estate methodology proposed by Luis R. Perera Aldama.
Business indicators	
Number of clients	Calculation of total clients who purchased coal from Cerrejón in 2009.
Exports	Total value of coal sales in US dollars to total clients in 2009.
Production and participation	Tonnes of coal produced in 2009 and comparison with total produced in Colombia.
Labour indicators	
Number of employees	Number of workers by gender and proportion of direct employees.
Average turnover	Calculation made based on the average workers in the year, adding new employees who entered during 2009 and subtracting the number of people dismissed or retiring in the same period. The resulting value is divided by the personnel average for the year.
Training hours per employee	Aggregate number of training hours received by workers.
Participants training	Sum of total participants for each training workshop.
Participation of women in management positions	Total number of women in management positions divided by the total number of workers to December 31 of 2009.
Average age of employees	Average of ages of direct workers to December 31 of 2009.
Representation of workers in safety	Number of persons on the safety committee divided by the total number of workers.
Absenteeism	Days lost due to absenteeism expressed as total percentage of days scheduled for work for employees.
Lost days	Calculated based on 200,000 workforce hours. Lost days are counted from the day following the accident.
Occupational diseases	The pathological state or damage to health occurring as a result of a clear cause-effect relation with prolonged exposure to work hazards.
Absenteeism due to WA or OD	Measures absenteeism due to Work Accidents or Occupational Diseases compared to scheduled hours, confirmed hours present, and percentage of absences related to WA/OD.
Fatalities	Number of fatalities at the operation.
Cases reported as an occupational disease	Rate of ODs, calculated based on number of OD cases in a period/total hours worked per 200,000.
Proportion of workers in trade union	Number of workers in collective bargaining agreement versus total company workers.
Human rights indicators	
Human rights training	Total training given and number of hours invested and calculation of total participants.
Environmental indicators	
Environmental investment	Sum of all expenses and investments by Cerrejón in 2009 for environmental control, monitoring, and management.
Mined and available areas	Established through the monthly topographic measurement of areas disturbed by the operation and areas reclaimed by Cerrejón's Land Reclamation Program.
Use of resources	Data recorded in Cerrejón internal reports as part of logging and monitoring of consumption of materials, fuel, etc.
Use of power	Data recorded in Cerrejón internal reports as part of logging and monitoring of energy consumption in operations.
Use of water	The baseline information is obtained from measurements at the usage points, calculations, and the general water budget that Cerrejón uses to determine consumption from each water source.
Total direct and indirect emissions of greenhouse gases (GHG) – CO ₂ and CO emissions	Obtained by apply emission factors recommended by the GRI Protocol (for imported diesel), UPME (for national fuels), and Anglo American (emission factors for electrical energy, use of explosives, and methane leak emissions). Intensity data for activities derive from company internal use records.
Particulate matter	Inventory of particulate matter emissions carried out for runs of the air-quality dispersion model, based on results from the Cerrejón air-quality monitoring network.
Generation of waste	Monthly logs of the aggregate amounts of hazardous and non-hazardous waste, based on legal specifications.
Environmental sanctions	Total fines for legal non-compliance in environmental matters. To date, Cerrejón has received no fines nor sanctions for this concept.



ALTURA MAXIMA
500 metros

XV - INDEPENDENT VERIFICATION



XV - INDEPENDENT VERIFICATION



ASSURANCE STATEMENT

SGS COLOMBIA S.A. – REPORT ON SUSTAINABILITY ACTIVITIES OF CERREJÓN COAL LIMITED FOR 2009

NATURE AND SCOPE OF ASSURANCE

SGS Colombia S.A. was requested by Cerrejón Coal Limited (hereafter Cerrejón) and by Cerrejón Zona Norte S.A. (hereafter CZN), together and hereinafter Cerrejón/CZN, to carry out a partial third-party assurance of the Sustainability Report 2009.

The scope of the assurance, based on the SGS assurance methodology for sustainability reports, included the text, all the GRI (2006) indicators for mining, and the data from the sector supplement in the annexed table in the report.

The information in the Cerrejón/CZN Sustainability Report 2009 and its presentation is the responsibility of the directors and the management of Cerrejón/CZN. SGS Colombia S.A. has not been involved in the preparation of the material included in the Sustainability Report 2009.

Our responsibility is to express an opinion on the text, data, graphs, and statements within the scope of the assurance, as detailed below, with the aim of informing all Cerrejón/CZN stakeholders.

This report has been assured with a high level of scrutiny, using our protocols for:

- Evaluation of the truthfulness of the contents
- Evaluation of the report in the light of the Global Reporting Initiative Sustainability Reporting Guidelines (2006) and the sector supplement.

The assurance covered a combination of pre-assurance investigation, interviews with relevant employees at the mine in La Guajira and the offices in Bogota, documentation and review of records, and validation with external organisms and/or stakeholders where relevant.

The financial data were collected directly from independently reviewed financial accounts and were not verified again as part of this assurance process. This process was performed by Deloitte Colombia.

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 the certification of management systems and services, quality, environment, occupational health and safety, public accountability and ethics, and training; greenhouse gases, emission verification, and the verification of Sustainability Reports. SGS Colombia S.A. asserts its independence of Cerrejón/CZN, and that it 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 Sustainability Report 2009, as it is accurate, reliable, and provides a fair and balanced representation of activities associated with it for the period comprising January 1 to December 31 of 2009.

The verification team is of the opinion that the report may be used to present information by organization stakeholders. Consultations were made to stakeholders from:

- Local and national governments
- Workers
- Educational institutions
- Opinion leaders
- Local, national, and international news media

We believe that the organization has chosen an appropriate level of assurance for this stage of their report.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (2006) CONCLUSIONS, RESULTS, AND RECOMMENDATIONS

Principles

Completeness: The report amply presents the pertinent indicators in the areas of Social, Environmental, and Economics, that Cerrejón/CZN is currently working on. This includes, with particular relevance by the organization, all the legal aspects. There are no significant omissions. The report is balanced, finding an even treatment of sustainability topics with the development of other important initiatives in which Cerrejón/CZN has always been a leader in the mining area.

Cerrejón/CZN, through its Vice Presidency of Sustainability and the operations of its communications area, has compiled the information. All of the work performed jointly with stakeholders will surely make future reports more complete.

Materiality: All the information contained in the report corresponds to the conceptual thread of the Cerrejón Way. Through consultation with the stakeholders, their concerns and aspirations were heard. All the information reported is relevant and significant, due to which it is essential for Cerrejón/CZN and its stakeholders for risk analysis and decision-making.

Responsiveness: Cerrejón/CZN transparently illustrates the results of the goals set during 2009 and it has efficiently responded to its stakeholders. This dynamic will surely be carried out in future years to guarantee its sustainable management is long-lasting.

Opportunities for improvement

- Guarantee visits to other sites of the organization: Puerto Bolívar, Foundations Offices, and other resettlements.
- Clarify to those responsible for indicators that, before performing the external assurance, it is important to have an internal assurance.
- It is important for the report to make consultation sessions with the various stakeholders regular. This recurrent practice may discover and include persons who were not originally involved.
- It is always preferable to perform assurances with work teams rather than with individual heads.
- The Success of an assurance primarily centres on the assurors knowing the organizations in depth in order to understand their purpose and internal culture regarding what they want to transparently show.
- Migrating from the Concept of Social Responsibility to the topic of Sustainability is important in the companies that have undertaken these challenges. Cerrejón/CZN has developed models that exemplify, through good practices, the means of making that conceptual migration. The central axis of that evolution is the Foundations System.
- The concern for the topic of Human Rights is important. Cerrejón/CZN has been involved in the development and adoption of international models in our country, and of course the results are surprising.

Signed by:

For and in the name of SGS Colombia S.A.



ALVARO BENDEK AHUMADA
SYSTEMS & SERVICES CERTIFICATION
REGIONAL MANAGER SOUTH AMERICA
August 26 of 2010

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XVI - GRI – GLOBAL COMPACT AND COP ANNEX TABLE OF CORRELATION

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TABLE OF BASELINES, CRITERIA, AND MEASUREMENT TECHNIQUES

Areas	Principles	Cerrejón Commitment	Cerrejón Systems	Activities	Results
Human rights (page 60)	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 security and human rights.	Human rights program / human rights policy	Training in human rights and international humanitarian rights	1. Participation in National Energy Mining Committee on Voluntary Principles indicators 2. Start-up of pilot plan to apply Complaints Mechanism following United Nations guidelines 3. Human Rights training for 43.92% of workers 4. Analysis of agreements with public security forces and private security companies in light of human rights.
	Principle 2. Businesses should make sure that they are not complicit in human rights abuses.		System of Operational Integrity / human rights clauses in contracts	Cases analysed in light of human rights Inclusion in all contracts signed of Annex D for corporate contracting, containing requirement of respect for human rights	
	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 Social Labour Responsibility following SA8000 guidelines	Collective bargaining agreement between Cerrejón and its workers Inclusion of clauses on freedom of association in contracts with contractor firms	81.38% of workers are in the trade union
Labour standards (pages 60–87)	Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	Socially responsible management / Social Labour Responsibility concerning child or forced labour	System and Policy of Social Labour Responsibility following SA8000 guidelines	Inclusion of a clause on the abolition of forced and child labour	The company neither uses nor is complicit in the use of forced labour.
	Principle 5. Businesses should uphold the effective abolition of child labour.				The company neither uses nor is complicit in the use of child labour. Our youngest workers are approximately 20 years old.
	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Human resources / gender equality and equal opportunity, diversity, and non-discrimination	System and Policy of Social Labour Responsibility following SA8000 guidelines. Execution of Cerrejón Leader Program	-Compensation System -Internal postings mechanism -Corporate value "Promotion of women" -Recruitment processes with no discrimination of any type	Human resources / graphs of workers by gender, age, region, district
Environment (pages 93–113)	Principle 7. Businesses should support a precautionary approach to environmental challenges.	Eco-efficiency and Environmental Management	Environmental Management System Policy of Health, Safety, Environment, and Community	Eco-efficiency and Environmental Management / Cerrejón precautionary principle	Performance and scope 2009 / sustainability figures / Environmental Management and emissions
	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.			Millennium Development Goal 7 ISO 14001 Standard	
	Principle 9. Businesses should 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	
Fight against corruption (page 51)	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance / Ethics and transparency	Ethics Policy. Ethics Committee. Request and organizational meetings to have Colombia as a whole adopt the EITI initiative.	Corporate Governance / Application of control measures with Regulations	Corporate Governance / Application of control measures

GLOSSARY

Term	Description
GRI	Global Reporting Initiative
ISO 14001	Environmental Management System Standard published by the International Standards Organization (ISO)
OHSAS 18001	Standard for Occupational Health and Safety Management System created by a number of leading standardization organizations
AA1000 Stakeholder Engagement Standard	Standard for stakeholder relations published by Accountability
Carrejón Way	The Carrejón identity and culture model
PMO	Project Management Office
EFFE	Administrative Efficiency and Effectiveness Project
NGO	Non-Governmental Organization
IFC	International Finance Corporation
SEAT	Socio Economic Assessment Toolbox by Anglo American
WCI	World Coal Institute
CO2	Carbon dioxide emissions
COPASO	Spanish acronym for Joint Committee on Occupational Health
HSEC	Health, Safety, Environment, & Community
Third Party Review	The independent committee that analysed Carrejón's Social Responsibility management
ICFES	Spanish acronym for the Colombian Institute for the Promotion of Higher Education
DANE	Spanish acronym for the National Administrative Department of Statistics
HR	Human rights
SENA	Spanish acronym for the National Apprenticeship Service
CREM	Spanish acronym for the Municipal Educational Resources Centre
TECHNICIANS	Personnel that is non-management
MANAGEMENT	Personnel that is management
CORPOGUAJIRA	Autonomous Regional Corporation of La Guajira
GJ	Giga Joules
TONNE	Metric tonne
MWh	Megawatts
MAVDT	Spanish acronym for the Ministry for the Environment, Housing, and Territorial Development

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Suggested reference sites:

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.fondedor.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

Voluntary Principles
www.voluntaryprinciples.org

SUSTAINABILITY REPORT EVALUATION QUESTIONNAIRE

Your opinion is vital to Cerrejón

We invite you to send us your comments and suggestions on this Report by fax, e-mail, regular mail, or by dropping it off in person.

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

- Shareholder
 Worker
 Client
 Supplier/Contractor
 Indigenous community
 Rural community
 Government/district
 News media
 Academia
 Other, specify: _____

2. Select the Report sections you thought most interesting:

- Performance and scope 2009
 Management model: Cerrejón Way
 Responsible mining
 Liaison with stakeholders
 Corporate governance
 Added value and economic performance
 Social engagement
 Human resources
 Environmental management

3. What do you think of Cerrejón's 2009 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 should be treated more fully or in greater detail, indicate what it is or include any additional comments.

Name:

Agency:

E-mail:

We greatly appreciate your opinions.

Documentation, analysis, and coordination of the preparation process:
Centre for Information and Research, Communications Division

Consulting for report preparation:
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1991



2009

Cerrejón - Award for Environmental Responsibility 2009

We do the maximum possible, not the minimum necessary.