

About this report

The Sustainability Report (SR) presents the social engagement and the environmental and economic management of the mining operations of Cerrejón Coal Limited and Cerrejón North Zone (both Cerrejón henceforth) from January 1 to December 31 of 2012. This eighth consecutive report is the result of Cerrejón's commitment to transparency and our wish to continue strengthening our relations with our stakeholders



2012

- Covers: Operations in Bogotá, the Mine, and Puerto Bolívar.
- Guideline: GRI G3.1
- Level of GRI application: A+ Mining and Metals Supplement.
- Report assurance: SGS Colombia S.A.
- Financial status: Audited by Deloitte Colombia
- Advanced Communication on Progress according to the United Nations Local Network Global Compact

2011

- Sustainability Dashboard Development.
- Portfolio Award for Corporate Social Responsibility.
- Huila Family Compensation Fund Social Responsibility Award.
- BRITCHAM LAZOS 2011 Social Responsibility Award Honourable Mention for a high-impact innovative programme in the department



2010

- Considerable work was carried out in prevention and in updating Cerrejón's Risk Management System.
- The Complaints Office was set up to service employees, communities, and contractors.
- Cerrejón ranked as top private exporter in Colombia, with revenues of USD 2,284 million.



2008

- 314 million tonnes exported.
- Creation of the Cerrejón Way, a set of rules and principles of conduct.
- Creation of the Cerrejón Foundations System.



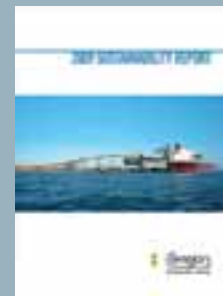
2006

- Cerrejón's motto: We don't do the minimum required. We do the maximum possible.
- COP 3,172 million granted through 1,478 micro-credits.



2007

- 2,500 hectares of land reclaimed.
- 59 of every 100 workers are originally from La Guajira.
- Unified Environmental Management Plan established.

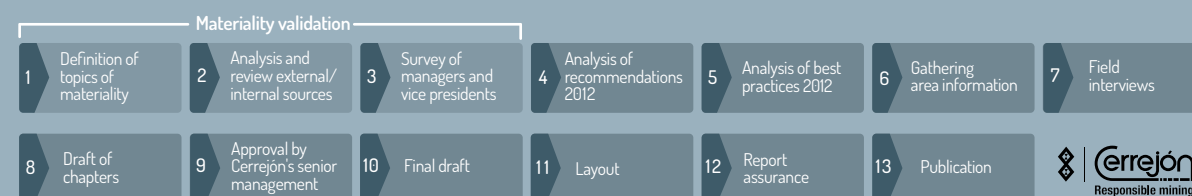


2005

- Cerrejón's First Sustainability Report.
- Cerrejón begins to implement the principles of the Global Compact.
- USD 106 million generated in royalties.
- 4,424 directly-employed workers.



Report drafting process



Actions taken to comply with the 10 Universal Principles of the United Nations Global Compact are identified throughout the report.

Universal Principles of the United Nations Global Compact



To support and respect the protection of human rights



To ensure we are not complicit in the violation of human rights



To respect freedom of association and recognition of the right to collective bargaining



To support the elimination of forced labour or labour under coercion



To support the eradication of child labour



To support the abolition of discriminatory practices in employment and occupation



To maintain a preventive focus that favours the environment



To back initiatives that promote greater environmental responsibility



To favour the development and widespread use of technologies that are respectful to the environment



To work against corruption, including extortion and bribery

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Letter from the president



As part of Cerrejón's ongoing commitment to transparency with our stakeholders and of our adherence in 2005 to the United Nations' Global Compact, we present our 2012 Sustainability Report. This report is a compilation of our main goals and the results of our social engagement, and environmental and economic management in our mining operation in 2012. It also details our proposed challenges for the next year.

Last year was characterised by significant challenges for Cerrejón due to trends in the global economy that affected the prices of raw materials such as coal. Faced with this situation, we undertook a search for ways to increase productivity and reduce operational costs. Thanks to the joint effort of our invaluable human resources and the efficiency of our integrated operation—mine, railroad, and port—we surpassed our production and export goals by reaching 34.6 million tonnes (Mt) produced, and 32.8 Mt exported. As a consequence, we generated more than COP 1.2 trillion in taxes and royalties for the State. We hope these resources will be transformed into useful investments for development and improvements in the quality of life in the country.

Since the start of our operations in the mid-1980s, we have carried out social and environmental practices that have evolved from private projects into the implementation of participative, strategic development programmes. In 2012, we ratified our commitment with the socioeconomic progress of La Guajira through initiatives that positively impact the communities neighbouring our operations. We invested over COP 23.8 billion to strengthen programmes in the areas of healthcare, education, culture, sports, business ventures, and the Cerrejón Foundations System. The Foundations System was created in 2008 to provide tools to resolve some of the critical problems facing the department's development: water supply; services for, and inclusion of, the indigenous communities; institutional strengthening; and the creation of sustainable businesses.

Also important is Cerrejón's participation in the national government's strategy to eradicate extreme poverty. In mid-2012, we signed an agreement of intent with the National Agency for Overcoming Extreme Poverty (ANS-PE, its Spanish acronym), the government of La Guajira, and the mayor's office of Uribia. Its aim is to create the first poverty-free zone (ZOLIP, its Spanish acronym) in this municipality, ultimately benefiting 43 communities comprised of 750 Wayuu families.

In addition, on the labour front we continued to implement our hiring guidelines that prioritise the employment of personnel from La Guajira. Thanks to this policy, we now have 5,708 employees, 62% of whom originate from this department. We also generate 4,750 jobs through our contractor firms. At the end of 2012, we began the collective bargaining process with our trade unions.

In 2013, we face two major challenges which are: to attract more Guajiros to assume positions at various levels in the organisation; and to prepare a programme to strengthen our suppliers so that local and regional businesses can grow, clearly define their services, and be more competitive in the market.

On the environmental front, we invested more than COP 98 billion to ensure a responsible operation that is not limited to merely complying with established environmental obligations. We have adopted international management practices and standards involving technology to use natural resources more efficiently, improve atmospheric emissions control, limit wastewater discharge, continue land reclamation, ensure wildlife protection, and manage the final disposal of solid waste.

By the end of the year, we had reached 3,100 hectares of land reclaimed. We also extended our conservation agreement to preserve sea turtles with the communities of Bahía Hondita and Punta Gallinas. This programme has trained forty indigenous volunteers to patrol nine kilometres of beach, and has protected over five-thousand newly hatched sea turtles. In terms of air quality, we have increased control and monitoring to ensure the well-being of the communities neighbouring the Mine and Puerto Bolívar.

Our achievements in 2012 are the direct result of our philosophy of responsible mining. While we continue to face challenges, we will overcome them through joint work with our employees, contractors, and other stakeholders, ultimately ensuring that we meet our proposed goals.

At Cerrejón, we believe in the future of this department, which ultimately lies in the hands of its current residents. With the commitment of all stakeholders, we are convinced that together we can be building a promising future for La Guajira.

Roberto Junguito Pombo
President of Cerrejón



Roberto Junguito Pombo
Presidente de Cerrejón



Sustainability dashboard

■ Goal achieved
 ■ Target not met
 ▲ Tendency to increase
 ▶ The trend will remain
 ▼ Tendency to decrease

| Issues | Indicator | GRI indicator | Corporate Goals | Global Compact | ISO 26000 | For more information | |
|---|---|---|-----------------------------------|--|---|---|--|
| Sustainability | Operational Figures | Coal production (millions of tonnes). | Not applicable | Organizational performance and growth | Unspecified | Core subject: Organizational governance. See infographics of the mining process | |
| | | Exports (millions of tonnes). | Not applicable | Organizational performance and growth | Unspecified | Core subject: Organizational governance. See infographics of the mining process | |
| | Product responsibility | Products and categories of significant services subject to assessment procedures that seek to reduce impacts on consumer health and safety. | PR1 | Quality and client satisfaction | Unspecified | Core subject: Clients Issue: Protection of consumer health and safety. See Sustainability/ Product life cycle / Page 21 | |
| | | Practices aimed at evaluating and maintaining consumer satisfaction. | PR5 | Quality and client satisfaction | Unspecified | Core subject: Clients Issue: Protection of consumer health and safety. See Sustainability/ Product life cycle / Page 21 | |
| | | Significant fines for non-compliance with laws and regulations concerning the provision and use of organization's products and services. | PR9 | Quality and client satisfaction | Unspecified | Core subject: Clients Issue: Customer service, support, and resolution of complaints and disagreements. See Sustainability/ Product life cycle / Page 21 | |
| Suppliers and contractors | Percentage of local purchases compared to total national purchases. | EC6 | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Wealth and income creation. See Sustainability/ Management of suppliers and contractors/page 22 | | |
| | Percentage of local contracts compared to total national contracts. | EC6 | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Wealth and income creation. See Sustainability/ Management of suppliers and contractors/page 22 | | |
| People | Respect and policies for human rights | Stakeholders trained in human rights and international humanitarian law. | HR3, HR8 | Social responsibility | Principles 1,2 | Core subject: Human rights. Issue: Due diligence. See People/Human Rights/page 45 | |
| | | Implementing the complaints mechanisms. | HR11 | Social responsibility | Principles 1,2 | Core subject: Clients Issue: Customer service, support and resolution of complaints and disagreements. See People/Complaints Office/page 47 | |
| | Ethics and transparency | Employees trained in anti-corruption policies and procedures. | S03 | Social responsibility | Principles 10 | Subject: Fair operational practices. Issue: Anti-corruption. See People/Internal Control/page 31 | |
| | Health and Safety | Fatalities. | LA7 | Operational integrity | Principles 14 | Core subject: Labour practices Issue: Working conditions and social protection. See People/Operational safety/page 41 | |
| | | Recordable injury frequency rate (RIFR). | LA7 | Operational integrity | Principles 14 | Core subject: Labour practices Issue: Occupational health and safety. See People/Operational safety/page 41 | |
| | | Classified injury frequency rate (CIFR). | LA7 | Operational integrity | Principles 14 | Core subject: Labour practices Issue: Occupational health and safety. See People/Operational safety/page 41 | |
| Implementation of fatal risk control protocols. | | Not applicable | Operational integrity | Unspecified | Core subject: Labour practices Issue: Occupational health and safety. See People/Operational safety/page 42 | | |
| Cases reported as occupational diseases. | LA7 | Operational integrity | Principles 14 | Core subject: Labour practices Issue: Occupational health and safety. See People/Occupational Safety and Health Management System/page 39 | | | |
| Trade unions/ relations with employees | Proportion of unionized workers. | LA4 | Human and technological resources | Principle 3 | Core subject: Labour practices Issue: Social dialogue. See People/Worker rights/page 44 | | |
| Society | Royalties | Cerrejón Foundation for Institutional Strengthening in La Guajira (FCI, its acronym in Spanish)/Support project planning to manage resources from the new General Royalties System (SGR, its acronym in Spanish). | Not applicable | Social responsibility | Principle 10 | Core subject: Active participation and development of community. Issue: Active participation of community. See Cerrejón Foundations System/ Cerrejón Foundation for Institutional Strengthening of La Guajira/page 63 | |
| | Reduction of poverty and inequality | Poverty line by income and multi-dimensional poverty index (in resettled communities). | MM9 | Social responsibility | Principles 1,2 | Core subject: Active participation and development of community. Issue: Wealth and income creation. See Society/Resettlements/page 59 | |
| | Community development | Agricultural projects in La Guajira. | | | | | |
| | | Cerrejón Foundation for Water in La Guajira. | Not applicable | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Job creation and skills development. See Cerrejón Foundations System/ Cerrejón Foundation for Water in La Guajira/page 62 | |
| | | Cerrejón Foundation Indigenous Guajira. | Not applicable | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Job creation and skills development. See Cerrejón Foundations System/ Cerrejón Foundation Indigenous Guajira/page 65 | |
| | | Social engagement. | Not applicable | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Job creation and skills development. See information Environment/ Social Responsibility/page 53 | |
| Resettlements. | Not applicable | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Job creation and skills development. See Society/Resettlements/page 57 | | | |

| Goal 2012 | Outcomes 2012 | Status | Trend | Challenges in 2013 |
|---|---|--------|-------|---|
| 33.3 | 34.6 | | ▲ | 34 |
| 32 | 32.8 | | ▲ | 34 |
| 100% of products subject to assessment procedures. | 100 % | | ▶ | Maintain Cerrejón's quality standards. |
| Undertake business visits to offer technical assistance to clients. | Client satisfaction is measured and maximized by business visits by CMC, which offers clients technical advice on various aspects, including the implementation of good storage practices in order to reduce/eliminate dust emissions. | | ▲ | Maintain Cerrejón's quality standards. |
| Zero (0) operational fines. | 0 | | ▶ | Maintain Cerrejón's quality standards. |
| Increase the ratio of locally-based suppliers in the total for national purchases. | 4 % | | ▲ | Begin preparing a program to strengthen locally-based suppliers in order to contribute to their growth and increase their competitiveness. |
| Increase the ratio of locally-based suppliers in the total for national contracts. | 10 % | | ▲ | |
| New employees | <ul style="list-style-type: none"> Training Orientation for 865 new employees. A pilot project was held with 21 of 35 direct employees from the Security Department to provide more in-depth training in the Voluntary Principles on Security and Human Rights. This program was then extended to 250 employees in middle and senior positions by means of ten e-bulletins "Cerrejón for Rights". Private security service: 962 persons, comprising 87.45% of total members. Public Security Forces: 10 persons, comprising 0.83% of total members assigned. | | ▶ | <ol style="list-style-type: none"> Share the Human Rights policy in meetings with contractors. Make the policy known to 100% of new employees. Send out five new "Cerrejón for Rights" e-bulletins. Start designing an online training course on human rights and social standards for Cerrejón staff members. Carry out training for contract administrators and supervisors. |
| Public and private security forces | <ol style="list-style-type: none"> Evaluation of impact of human rights training Maintain 100% of training and review quality. | | ▶ | <ol style="list-style-type: none"> Work on a plan in 2013 to reduce the case backlog and achieve a closure rate of 70% on complaints registered between 2010 and 2012, and a closure rate of 60% on complaints logged in 2013. The software and user's manual will be adapted. Projects for publicizing the Complaints Office both internally and externally will resume. Optimize work between departments to coordinate response to complaints. |
| 1. Address 70% of complaints logged through the Office. | <ul style="list-style-type: none"> 63.5% of complaints logged through the Office were addressed. 194 cases were filed, of which: 127 were closed. 57 are being addressed. | | ▲ | |
| Train 100% of management and 63% of employees holding positions identified as vulnerable to corruption. | Train 100% of management and 93% of employees holding positions identified as vulnerable to corruption. | | ▶ | <ol style="list-style-type: none"> Keep personnel occupying positions vulnerable to corruption trained in anti-corruption policies and procedures. Stay alert for the creation of positions vulnerable to corruption aside from those already identified. |
| Zero (0) fatalities. | There were no fatalities. | | ▶ | The main safety challenge continues to be operating without fatalities. |
| Threshold: 0.32 | 0.30 for operation as a whole (0.35 for employees and 0.28 for contractors). | | ▲ | <ol style="list-style-type: none"> Threshold: 0.29. Continue reducing the rate of these injuries, a minimum of 5% a year. |
| Threshold: 0.20 | 0.21 for operation as a whole (0.28 for employees and 0.16 for contractors). | | ▼ | <ol style="list-style-type: none"> Threshold: 0.20. Continue reducing the rate of these injuries, a minimum of 5% a year. |
| Incorporation of fatality risk management to operation as an ongoing process assimilated and applied by all employees and contractors. | Cerrejón has a "Three star" certification process where the main Cerrejón areas were assessed. Of a total of 35 superintendencies in operational departments and other areas evaluated, 13 earned 3 stars and 22 earned 2 stars. | | ▶ | Ensure the effectiveness of and compliance with critical controls. |
| Less than four (4) cases for every thousand employees. | 18 cases, equal to 3.18 for every thousand employees. | | ▲ | <p>The rising trend is due to legislative changes in the country's social security system. Actions to mitigate this situation are:</p> <ul style="list-style-type: none"> Gradually reduce hygiene risk levels in Similar Exposure Groups (SEGs). Strengthen partnerships with social security agencies and other stakeholders in order to openly discuss control actions to minimize occupational diseases. Improve technical controls at the source and in the environment to minimize occupational hazards. |
| Supply all the conditions so that collaborators make use of their right to freedom of association and so that the company effectively acknowledges the right to collective bargaining. | 100% of the technical personnel (PTC) eligible for union membership are members or affiliated to a trade union. | | ▲ | Continue supporting freedom of association and recognition of the right to collective bargaining. |
| Support project planning in the department and municipalities of La Guajira to manage resources from the new General Royalties System. | <ol style="list-style-type: none"> Support for a massive day for assessing the feasibility, prioritization, and approval of projects, termed OCADITON of La Guajira, in partnership with National Planning and the regional government. In this one, 78 municipal and department projects were approved by the General Royalty System in the amount of COP 228 billion. The OCADITON results were ranked by the DNP as a good practice and presented nationally. Direct technical assistance in preparing 19 projects from the department and municipalities for applying to resources from the General Royalty System worth COP 89,976 billion. | | ▶ | <ol style="list-style-type: none"> Strengthen the Administrative Planning Department (DAP, its acronym in Spanish) of La Guajira through technical support activities in planning and social investment processes and the organization of the Investment Projects Bank. Support the DAP work team of La Guajira in the technical planning of projects for the distribution of resources from the General Royalty System (SGR, its acronym in Spanish). |
| 80% of resettled families overcome multi-dimensional poverty and also overcome income conditions concerning the poverty index. | <ul style="list-style-type: none"> 93% of resettled families overcame multi-dimensional poverty conditions, distributed as follows: 17 families relocated from Roche. 46 families relocated from Patilla. 36 families relocated from Chancléta. <p>Progress has been made on reaching the target for overcoming income-based poverty conditions.</p> | | ▲ | <ol style="list-style-type: none"> Maintain standards of living reached. Implement production projects that contribute to family sustainability. Coordinate with institutions to obtain resources for development, cooperation, or financing. |
| Recovery and comprehensive management of the Paladines Stream microbasin, sustainable systems for the production/implementation of appropriate water usage techniques that increased food production from 3.3 to 24.4 tonnes, of which 53.4% was used for on-farm consumption and 46.6% was sold. | <ol style="list-style-type: none"> Farm Program: Production of 18,000 kilos of fruit and vegetables (watermelon, melon, ahuyama squash, etc.) through the system of plant beds and modern fertigation. Asawa Program: Construction and aid to 20 communities of plots of land to add to the 136 plots (yuja) built with an area of 1278 hectares and a production of 142 tonnes of agricultural foodstuff. | | ▲ | Continue developing crops in La Guajira that contribute to food security and/or income creation for communities. |
| Promote agricultural development to increase products on offer in La Guajira. | <ol style="list-style-type: none"> Palm Tree Cultivation: Start of production stage of growing palm oil trees in Oreganal, with 3.2 tonnes of product (total cumulative project investment to December 2012: COP 2,774 million). An experimental farm in Los Remedios for producing fruits and vegetables using modern technology for drip irrigation, extensive areas for growing yucca and corn, and courtyard areas for vegetable gardens. | | ▲ | |
| | <ol style="list-style-type: none"> Roche Community: 3 agricultural projects with 5 hectares planted, COP 16 million in income from 43 tonnes of products harvested (15 tonnes of yucca, 8 tonnes of melon, 6 tonnes of watermelon, 5 tonnes of ahuyama squash, 4 tonnes of paprika pepper, 3.5 tonnes of papaya, 2 tonnes of cowpeas, 1 tonne of corn), stevia project currently planted. Community of Patilla: There are 3 agricultural projects in the preparation and assessment stage. Community of Chancléta: 8 agricultural projects in the pre-feasibility stage. | | ▲ | |

| Issues | Indicator | GRI indicator | Corporate Goals | Global Compact | ISO 26000 | For more information | |
|---------------------------------------|---|--|-----------------------|-----------------------|--|--|--|
| Outreach with indigenous communities. | Training projects for communities and strengthening artisans. | | | | | | |
| | Correjo Foundation Indigenous Guajira. | Not applicable | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Job creation and skills development. | See Correjo Foundations System/ Correjo Foundation Indigenous Guajira/page 65 | |
| | Social engagement. | Not applicable | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Job creation and skills development. | See information Environment/ Social Responsibility/page 52 | |
| Foundations System | Correjo Foundation for Water in La Guajira (FCAG)/ Number of recipients. | Not applicable | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Active participation of community. | See Correjo Foundations System/ Correjo Foundation for Water in La Guajira/page 62 | |
| | Correjo Foundation for Institutional Strengthening in La Guajira (FCFI)/Comprehensive strengthening of public administration in municipalities of La Guajira. | EC9, S05 | Social responsibility | Principle 10 | Core subject: Active participation and development of community. Issue: Active participation of community. | See Correjo Foundations System/ Correjo Foundation for Institutional Strengthening of La Guajira (FCFI)/ page 63 | |
| | Correjo Foundation Indigenous Guajira/ Business venture projects launched that created new job openings. | Not applicable | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Job creation and skills development. | See Correjo Foundations System/ Correjo Foundation Indigenous Guajira/page 65 | |
| | | | | | | | |
| | | | | | | | |
| | Correjo Foundation for Progress in La Guajira/ Projects administered. | Not applicable | Social responsibility | Unspecified | Core subject: Active participation and development of community. Issue: Job creation and skills development. | See Correjo Foundations System/ Correjo Foundation for Progress in La Guajira/page 66 | |
| Environment | Reduction and control of GHG emissions | Direct and indirect GHG emissions per unit produced. | EN16 | Social responsibility | Principles 7,8,9 | Core subject: Environment. Issue: Climate change mitigation and adaptation. | See Environment/Climate change/page 91 |
| | | Direct GHG emissions. | EN16 | Social responsibility | Principles 7,8,9 | Core subject: Environment. Issue: Prevention of pollution. | See Environment/Climate change/page 91 |
| | | Indirect GHG emissions. | EN16 | Social responsibility | Principles 7,8,9 | Core subject: Environment. Issue: Prevention of pollution. | See Environment/Climate change/page 91 |
| | Water management and solutions | Reuse of domestic discharges. | EN10 | Social responsibility | Principles 8,9 | Core subject: Environment. Issue: Sustainable resource use. | See Environment/Administration of water quality and management/page 75 |
| | | Maintain compliance with WOI impact indicator within parameters. | Not applicable | Social responsibility | Principle 8 | Core subject: Organizational governance. | See Environment/Administration of water quality and management/page 74 |
| | Air | Concentration in µg/m³ of TSP at the Mine. | EN20 | Social responsibility | Principle 8 | Core subject: Environment. Issue: Prevention of pollution. | See Environment/Air quality management/page 78 |
| | | Concentration in µg/m³ of PM10 at the Mine. | EN20 | Social responsibility | Principle 8 | Core subject: Environment. Issue: Prevention of pollution. | See Environment/Air quality management/page 78 |
| | | Concentration in µg/m³ of TSP at PBV. | EN20 | Social responsibility | Principle 8 | Core subject: Environment. Issue: Prevention of pollution. | See Environment/Air quality management/page 79 |
| | | Concentration in µg/m³ of PM10 at PBV. | EN20 | Social responsibility | Principle 8 | Core subject: Environment. Issue: Prevention of pollution. | See Environment/Air quality management/page 79 |

| Goal 2012 | Outcomes 2012 | Status | Trend | Challenges in 2013 |
|---|--|--------|-------|--|
| Train people from different municipalities in entrepreneurship so they can develop small businesses that contribute to generating income. | Training for communities and artisanal strengthening: 490 young people were trained, eight business plans were presented, of which 70% are in operation and work is ongoing on positioning the other 30%. 25 Wayuu artisans certified in artisanal techniques and business administration. 10 communities trained in artisanal entrepreneurship (total number for the Mine, Railroad, and Puerto Bolivar). | | ➡ | Implement good business practices to promote a culture of sustainability in the artisanal businesses supported. |
| Implement, hand in hand with the community, 100 water supply solutions, and advance in the design and implementation of sustainability schemes for water supply and treatment solutions. | Water supply and treatment solutions 1. We implemented 137 water supply solutions, thereby improving access to water for 14,441 people in 101 communities. 2. 68 windmill-driven water pumps in 68 communities were kept in operation. Of these, 15 communities were chosen for strengthening in the areas of system operation and maintenance, sanitation and hygiene, project management, and community organization. | | ▲ | 1. Reinforce the monitoring of water quality in the supply solutions implemented. 2. Study and apply water treatment technology in rural communities of La Guajira. 3. Strengthen the design and implementation of sustainability schemes in the FCAG projects. |
| Design and implement a model to recover and preserve the water supply through comprehensive basin management activities. | Comprehensive basin management: Expanding coverage in the project "Recovery and comprehensive management of the Paladines Stream microbasin" from 281 people in 2011 to 460 people in 2012, resulting in an increase in the work areas from 435 hectares to 1544. | | ➡ | Begin implementation of the comprehensive basin management model in the Bruno and Pupurema microbasins, and in the basin of the Rancheria River in the area of the San Francisco reservation. |
| Training in best practices in water, sanitation, and hygiene to 1,000 people. | Sanitation and hygiene Training in best practices in water, sanitation, and hygiene to 967 people from 37 communities. | | ▲ | Implement the dry sanitation project (management of human waste without water) in indigenous communities and analyse the results and the appropriation levels of this solution in the community. |
| Strengthen skills of local administrations in project planning, execution, comprehensive management, monitoring and assessment of management, and accountability in Barrancas, Hatoneuvo, Maicao, Uribia, and Fonseca in order to begin management of their respective Development Plans for 2012-2015. | <ul style="list-style-type: none"> Four agreements signed supporting the participative planning and approval of the 2012-2015 development plans for Barrancas, Hatoneuvo, Maicao, and Uribia. The municipality of Fonseca came first place for the department of La Guajira and above the national average in the ranking for comprehensive performance, carried out by the National Planning Department. | | ▲ | 1. Strengthen the La Guajira Planning Department in order to support the planning and social investment of six municipalities with the creation of an Investment Project Bank and a work team with solid skills in technical project preparation to implement General Royalty System resources. 2. Support the organization of the Professional Administrative and Decision Bodies (OCAAD) of the department and municipalities for the approval of social investment projects. |
| Install 32,000 m² of fenced-in areas for goats along the railway corridor, plant 10,000 m² of new forage areas, and produce 1680 kilos of fruit and vegetables. | Farm Program <ul style="list-style-type: none"> Assembly of 40,000 m² of fenced-in zones for goats with electric fences for silvopasture. Planting 12,500 m² of new forage areas with plants for fattening animals (leucaena and Mombasa guinea grass). Production of 18,000 kilos of vegetables. | | ➡ | Strengthen the indigenous production system and native crops, increasing production and consumption in local markets. |
| Identify 70 communities with wooded areas along km 45-73 of the railway corridor; build 20 plots (yujas) in communities in the area of influence; install 15 new apiaries in new communities in the area of influence, and build a honey-bottling plant at the farm installations. | Asawa Program <ul style="list-style-type: none"> Characterization of 72 communities with wooded areas and higher sheep-goat productivity in the railway sector. Assembly of 15 apiaries in new communities, producing a harvest of 500 kilos of honey per apiary. Construction of the honey bottling plant and obtaining the hygiene certificate for the plant premises and from the Colombian State Food Safety Institute (INVIMA). | | ➡ | Contribute to the empowerment of cultural projects and sustainable production projects coordinated with the programs of the Wiwa/ Kogi/Arhuaco organizations, thereby improving their social and cultural conditions. |
| Hotel Waya Guajira Delivery of 40% of hotel's rooms (140 total). | Construction and furnishing was finished on the first 65 rooms. | | ▲ | Get the Hotel Waya Guajira fully completed and operational. |
| DesObre Guajira Interactive Museum Centre Begin construction of the Desobre Guajira Museum. | Finish the design of the museum's 52 modules. | | ▲ | Start construction of the first stage of the museum and continue raising funds for the next construction stages. |
| Recycling plant Finish the designs for the recycling plant. This project aims to take used tyres (non-standard Correjo equipment) and produce crumb rubber for paving roads in Colombia and abroad. | <ul style="list-style-type: none"> The definitive architectural designs were finalized for the Recycling Plant project. The contract between Correjo and the Foundation for Progress was signed for receiving 2500 used tyres for 20 years. | | ➡ | Begin construction and assembly of the plant for recycling tyres. |
| Reduction de 383 t CO2e | Reduction de 792 t CO2e | | ▲ | Reduction de 1111 t CO2e |
| Reduction de 383 t CO2e | Reduction de 327 t CO2e | | ▲ | Reduction de 681 t CO2e |
| No target was set. | Reduction de 465 t CO2e | | ▲ | Reduction de 430 t CO2e |
| 80 % | 86 % | | ➡ | 83 % |
| Over - 0.30 | - 0.25 | | ➡ | Over -0.30 |
| Threshold: 90 | 69 | | ➡ | Threshold: 90 |
| Threshold: 45 | 29 | | ➡ | Threshold: 45 |
| Threshold: 90 | 45 | | ➡ | Threshold: 60 |
| Threshold: 45 | 25 | | ➡ | Threshold: 40 |

History

Nature and legal status

Cerrejón refers to the mining operation of Cerrejón Coal Limited and of Cerrejón North Zone S.A., which operate in Colombia by virtue of their partnership for the exploitation of two of the five mining areas, and of the operations integration agreement signed with the Colombian government.

- Partnership contract North Zone (Cerrejón Coal Limited, Cerrejón North Zone S.A., and the Colombian government)
- Large-Scale Mining Contract for the Patilla Area (Cerrejón Coal Limited, Cerrejón North Zone S.A., and the Colombian government)
- Large-Scale Mining Contract for the Oreganal Area (Cerrejón Coal Limited and the Colombian government)
- Large-Scale Mining Contract for the South Area (Cerrejón Coal Limited and the Colombian government)
- Mining contract with the community of El Cerrejón (Cerrejón Coal Limited)

Cerrejón Coal Limited (formerly International Colombian Resources Corporation, or Intercor) is a foreign-owned company whose registered address is in Anguilla, British West Indies, with a branch in Colombia that is headquartered in Bogotá.

Cerrejón North Zone S.A. (Cerrejón Zona Norte, CZN) is a Colombian public company, with its main office in Bogotá. The contractual interest of Carbocol S.A. in the Partnership Contract originally underwritten with Intercor (now with Cerrejón Coal Limited) was transferred to this company via the signing of the Contract for Mining Operations and Transfers (CEMT, its Spanish acronym).

Both companies belong in equal parts to the subsidiary companies of Glencore Xstrata plc, Anglo American plc, and BHP Billiton plc. Currently, the Colombian government forms no part of the shareholders of either of the two companies comprising Cerrejón.

Milestones in history



1973
During his administration, president Misael Pastrana transferred the coal reserves in the Cerrejón area to Ecopetrol. Studies regarding coal-mining projects were initiated.



1976
Carbones de Colombia S.A. (Carbocol) and Intercor signed a partnership contract to mine the coal reserves in the Cerrejón North Zone.



1982
The partnership began construction of the port, railway, and mining infrastructure.



1986
President Belisario Betancur inaugurated the mining complex. The vessel Bulk Venturer is the first loaded from the dedicated pier.



1995
The 10-year export anniversary with a cumulative total of one-hundred million tonnes of coal.



2002
The subsidiaries of Anglo American plc, BHP Billiton plc, and Glencore International AG acquire the remaining 50% of Cerrejón North Zone by purchasing Exxon Mobil's shares in Intercor. This makes them equal partners in Intercor, whose legal name was then changed to Cerrejón Coal Limited. Its shareholders are the three aforementioned subsidiary companies.



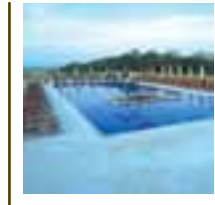
2001
Carbocol's participation in the Cerrejón North Zone (50%) is sold to a company comprised of the subsidiaries of BHC Billiton plc, Anglo American plc, and Glencore International AG, which forms the Cerrejón North Zone S.A. company.



2006
Glencore sells its shares to the European company Xstrata plc, whose subsidiaries are the current owners of Cerrejón, along with BHP Billiton and Anglo American.



2011
After several years of pre-feasibility and feasibility studies, Cerrejón receives all the necessary approvals to proceed with the P40 Expansion Project, thereby gradually expanding production and export capacity to reach 40 million tonnes per year.



The Esmeralda Cruz Award, Excellence category, was presented by the Colombian Safety Council in 2012. The award recognized the Council's positive assessment of our management and performance in the areas of industrial safety and preventive medicine.



2008
The Cerrejón Foundations System was formed to promote and drive sustainable development in La Guajira.



2012
Cerrejón exceeds 3,000 hectares of land reclaimed.



2010
Cerrejón manages to enter the Asian market for the first time in 25 years.

Values and strategic partners

Corporate values

In order to promote clear processes and effective behaviours that contribute to an efficient and responsible operation, we initiated the Cerrejón Way, which incorporates several values that shape our corporate philosophy.



MORE INFORMATION
<http://www.cerrejon.com/site/english/our-company/cerrejon-way/values.aspx>

Strategic partners

Cerrejón has established partnerships with a variety of organisations, allowing it to move forward in implementing strategies centred on the sustainability of the business.

MORE INFORMATION
<http://www.cerrejon.com/site/english/sustainable-development--social-responsibility/alliances.aspx>

Engagement with stakeholders

After a lengthy process of identifying our stakeholders, Cerrejón developed guidelines and basic steps to plan for and promote stakeholder participation, the aim of which is to learn what stakeholder expectations are and to balance them with the company's interests.

Stakeholders were identified using criteria that cover inclusion and response capability. Based on this, specific commitments were established for each group in accordance with the Cerrejón Way, our strategic goals, and our corporate policies.

Inclusion is defined as: the concept and process of integrating parties who affect the company's activities and decisions, and who in turn can be affected by those same activities and decisions, to determine a local, regional, national, and international scope for the company's engagement. The system's response capability is the result of an analysis of the area compared to the needs and expectations of our stakeholders, as well as of their average probability of producing a response within a reasonable period of time.

Cerrejón is aware of the challenges of this process that is so essential to the comprehensive performance of any organisation. Consequently, we created an office to manage and promote direct, ongoing interaction with our stakeholders based on a foundation of mutual trust.



OBJECTIVE

- Identify and define the engagement strategy with our stakeholders, guided by the company's corporate goals.

ACHIEVEMENTS 2012

- A weekly meeting established with the company's senior executives to closely monitor talks and engagement with these groups. This activity is led by the Vicepresidency of Public Affairs and Communications.
- Creation of the Stakeholders' Committee.

Engagement commitments and goals

| Cerrejón's stakeholders | Cerrejón way commitment | Cerrejón's strategic objective | Cerrejón's policy |
|--|---|---|---|
| Communities | <ul style="list-style-type: none"> We shall work to ensure sustainable living conditions in our surrounding communities. We are aware that transparency is crucial in our engagement with our communities. | Social responsibility <ul style="list-style-type: none"> From the standpoint of our position as a responsible private company, promote and support the sustainable development of the communities in the area of influence of our operations to effectively contribute to progress in the region and in the country as a whole. Conduct all our activities with integrity and with respect for the principles of conduct and action as concerns human rights, labour relations, and anti-corruption. Run all of our operations under the concept of sustainable development by applying best practices for the effective control, mitigation, and compensation of adverse environmental impacts. | <ul style="list-style-type: none"> Health, Safety, Environment, and Community Policy Ethics Policy Conflict of Interest Policy Human Rights Policy Communications Policy |
| NGOs | <ul style="list-style-type: none"> We propose to operate the business while increasing our external focus and our awareness of the outside world. We always aim to build trust with our stakeholders. We aspire and commit ourselves to being at the forefront of responsible mining in Colombia and in the world. We will work to be more innovative, more open to change, and more participative in both our internal and external relations. | Human and technological resources <ul style="list-style-type: none"> Create conditions within the organisation that serve to attract, motivate, train, develop, and ensure the retention of ideal human talent while at the same time effectively and permanently ensuring that employees possess the skills and knowledge necessary to conduct our operations at a world-class standard. Provide an excellent work environment for all members of our team. Operational integrity <ul style="list-style-type: none"> Establish an accident-free culture, continuously decreasing accident rates while identifying and controlling risk and minimising the likelihood of the occurrence of occupational disease. | <ul style="list-style-type: none"> Social Responsibility Labour Policy Equal Opportunity Policy |
| Suppliers | | | |
| Government, authorities, public security forces | | | |
| Political and opinion leaders, news media, trade unions, political parties and movements | | | |
| Trade unions | <ul style="list-style-type: none"> We shall work to generate more trust in our relations with our workers and contractors. We shall work to generate a culture of greater empowerment, self-monitoring, and autonomy for our workers. | Quality and client satisfaction <ul style="list-style-type: none"> Satisfy the needs and expectations of clients and consumers of our coal with regard to quality, timely delivery, performance, and technical assistance by means of integrated, coordinated efforts on the part of planning, mining operations, crushing, transport, loading, and marketing. Establish operational and sales plans that are suitable for our mine product and our operational capacity, and ensure compliance. Ensure product quality in each of our operational processes. | <ul style="list-style-type: none"> Client Relations and Product Quality Policy |
| Employees and contractors | | | |
| Clients | | | |
| Shareholders | <ul style="list-style-type: none"> We propose to operate the business while increasing our external focus and our awareness of the outside world. We aim to always build trust with our stakeholders. We aspire to and commit ourselves to being at the forefront of responsible mining in Colombia and the world. We will work to be more innovative, more open to change, and more participative in both our internal and external relations. We aspire to being good citizens of the communities we interact with so that they are pleased for us to be their neighbours and want us to continue as such. | Efficiency and competitiveness <ul style="list-style-type: none"> Continuously improve, optimise resource use, and innovate with regard to all of our processes, both in operational areas and in marketing and administration and their interactions to bring about conditions that enable us to maintain our position in the lowest-cost quartile of global thermal coal export mines while maintaining our expansion goals and ensuring the long-term stability of our mining operations. Identify and develop business opportunities that create added value in coal production and sales. | <ul style="list-style-type: none"> Seventeen policies adopted by Cerrejón. |
| | | Performance, organisation, and growth <ul style="list-style-type: none"> Identify opportunities that maximise the value of Cerrejón and bring them to fruition. Attain an annual production level of 40 million tonnes. Promote and maintain excellent relations with our neighbouring communities, and local, regional, and national authorities, as well as with other stakeholders in order to establish conditions conducive to the subsequent expansion of the operation at higher levels over the middle term, and prepare the company for further growth. | |

MORE INFORMATION
<http://www.cerrejon.com/site/english/our-company/policies.aspx>

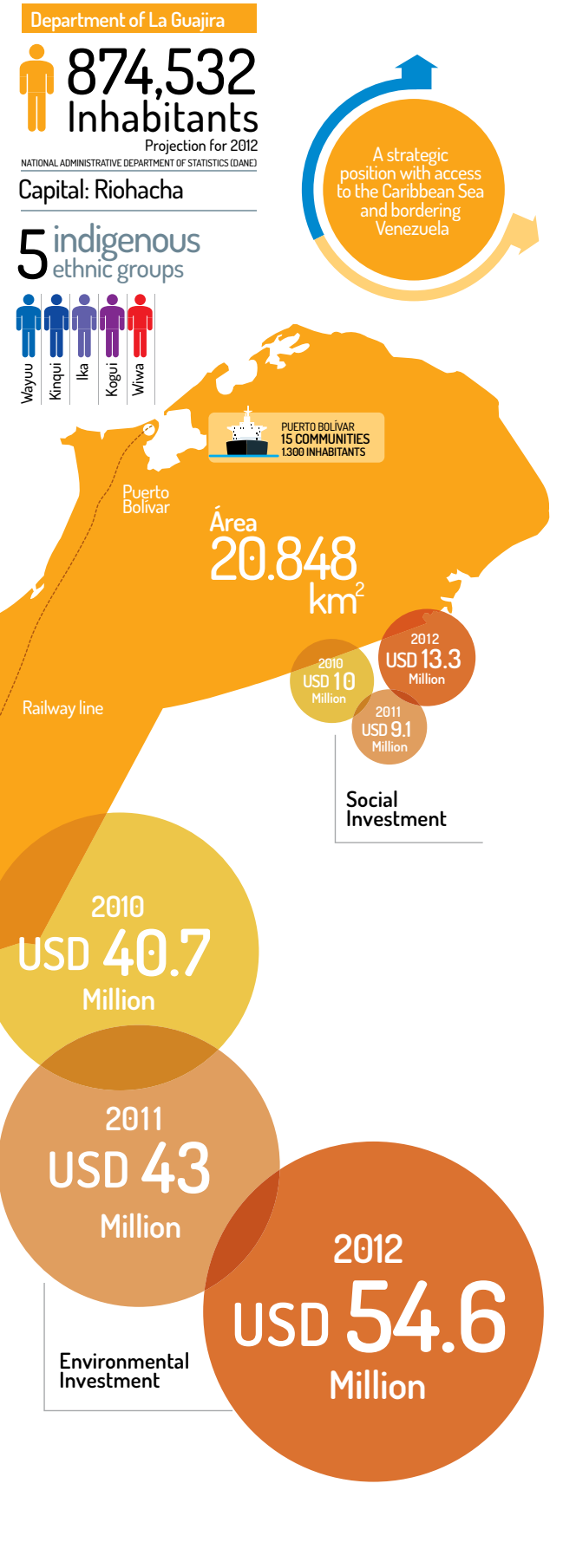




About La Guajira

| GDP by sectors 2012 * | |
|---|-----------------------------------|
| Agriculture, livestock, forestry, and fishing | La Guajira 4,4% Colombia 7% |
| Construction | La Guajira 3,4% Colombia 6,7% |
| Commercial | La Guajira 1,2% Colombia 9,1% |
| Hotels, restaurants, bars, and others | La Guajira 4% Colombia 3,1% |
| Manufacturing industries | La Guajira 1,1% Colombia 14% |
| Mine and quarry operations | La Guajira 56,9% Colombia 8,6% |
| Social services activities | La Guajira 15,1% Colombia 17% |
| Transportation, storage and communications | La Guajira 4,6% Colombia 8,1% |
| Other | La Guajira 9,5% Colombia 26,4% |

* Source: National Administrative Department of Statistics (DAE) National Department Accounts, October of 2012. Baseline year 2005



Materiality

To define materiality (issues relevant to both stakeholders and Cerrejón), we took into consideration the relevancy principle of the AccountAbility 1000 standard. This standard seeks to guarantee transparency in accountability, assessments, and disclosure on social and ethical aspects of corporate management.

The AA1000 Stakeholder Engagement Standard (SES) is part of the AA1000 AccountAbility family of standards, which Cerrejón uses as a management framework for design, implementation, evaluation, and communication with our stakeholders. Briefly, it aims to establish basic requirements for carrying out commitments between

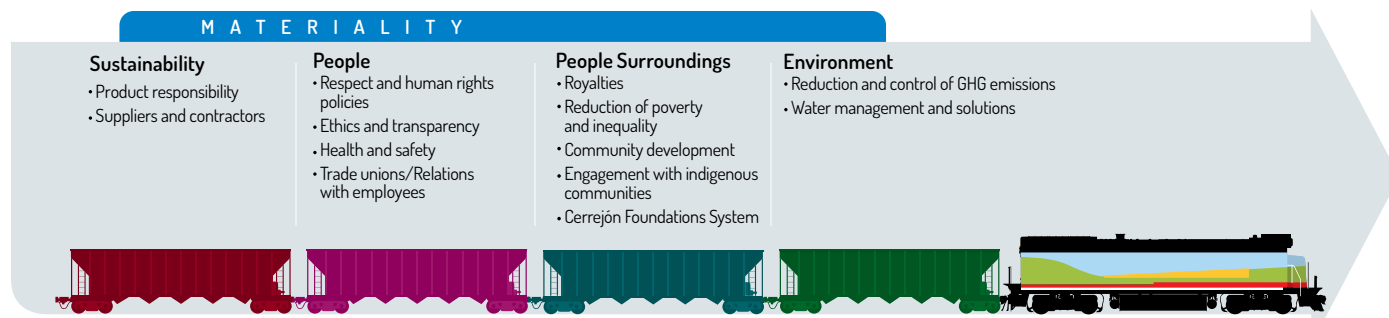
the organisation and its stakeholders, focusing on a positive relation leading to satisfaction for all parties.

This standard defines a stakeholder as an individual, group of individuals, or organisations that affect the activities, products, services, or performance of an entity and that may also be impacted by it. It should be noted that this does not include all of those who may know of or have an opinion. Consists of determining the importance of an issue for the organisation and its stakeholders that will influence their decisions, actions, and performance. To this end, the organisation took the following into account:

Relevance principle

Consists of determining the importance of an issue for the organisation and its stakeholders that will influence their decisions, actions, and performance. To this end, the organisation took the following into account:

1. Internal management reports
2. Surveys of internal and external events
3. Consolidated visit reports
4. Monitoring of news media
5. Recommendations from the assurance providers for the Sustainability Report 2011
6. Interview on material matters assurance from the risk standpoint
7. Survey of Cerrejón managers and vice presidents (survey sent by email)





P40 Expansion Project

Cerrejón aims to expand its current infrastructure by building and expanding complementary works such as facilities for handling, transporting, and loading additional coal volumes. As a result of this expansion, production and mining capacity will increase to 40 million tonnes per year.

Project goal

The expected export amounts will substantially increase the annual revenue from taxes and royalties for the nation and for the region.

Project results

- A new loading jetty.
- A new, double-jetty shiploader in Puerto Bolívar.
- Coal improvements due to the handling-service infrastructure.
- Support for the Mine installations and Puerto Bolívar.
- Local job creation through direct job openings and through contractors.

Additional infrastructure and railway equipment

- Construction of a new, 5,400 m² welding workshop.
- Replacement of crusher for a larger-capacity one, resulting in an increase of 30%.
- Sampler overhauled to take records from a conveyor belt, increasing its capacity by 50%.
- Additional equipment for train maintenance.
- Three new locomotives with environmental advantages in the reduction of fuel consumption and emissions; 255 new coal wagons.
- Two equipment maintenance sidings on the tracks.
- Railroad expanded by:
 - Mine: 5.5 km
 - Port: 4.5 km
 - Railway: 3 km

Cerrejón is aware of its economic growth and of its corporate responsibility in the country's development. That is why we integrate ethics in our work, carrying out our operations responsibly and efficiently in order to increase our own sustainability and that of our area of influence.

Economic value generated

The economic value generated for 2012 reached COP 5.3 billion, a decrease of 12% compared to 2011, due mainly to a fall in sales prices of 12.1% and a re-evaluation of the peso to the dollar, averaging 3% in 2012.

Despite the adversities of the global economy, Cerrejón managed to compensate for the situation—thanks to its operational strength—with integrated production processes (mine-railroad-port) that guarantee more efficient activities and better quality for the thermal coal we export on a daily basis.

The following chart reflects the distribution of our main stakeholders:

| THOUSANDS OF PESOS ⁽¹⁾ | 2012 | | 2011 | | 2010 | |
|--|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | Total | Share | Total | Share | Total | Share |
| National suppliers and contractors | 638,787,388 | 12 % | 560,866,503 | 9 % | 509,080,787 | 11 % |
| Suppliers and contractors from abroad | 1,488,915,361 | 28 % | 1,364,633,067 | 22 % | 1,076,585,508 | 24 % |
| Employees | 579,929,458 | 11 % | 547,376,113 | 9 % | 478,204,171 | 11 % |
| Government | 1,204,587,994 | 22 % | 1,652,097,818 | 27 % | 880,010,970 | 20 % |
| Royalties | 546,088,165 | | 579,319,199 | | 338,818,040 | |
| Taxes | 658,499,830 | | 1,072,778,619 | | 541,192,930 | |
| Private royalties | 81,720,114 | 2 % | 88,880,414 | 1 % | 35,446,271 | 1 % |
| Depreciation/amortisation. (Reinvestment) ⁽²⁾ | 317,229,171 | 6 % | 348,212,997 | 6 % | 469,754,365 | 11 % |
| Shareholders | 1,077,627,924 | 20 % | 1,575,178,908 | 26 % | 1,022,522,609 | 23 % |
| Total distribution | 5,388,797,411 | 100 % | 6,137,245,821 | 100 % | 4,471,604,682 | 100 % |

⁽¹⁾ The figures reported are based on the company's status results. ⁽²⁾ The reinvested financial revenue is equal to the amounts not distributed to stakeholders and that are used by the company to further the operation.

It should be noted that participation and the real value perceived by all these stakeholders increased considerably with the exception of the government and shareholders. This trend is the result of a drop in income before taxes (32%), a decrease in revenue, and an increase in sales costs (2%). Consequently, taxes and royalties to the government (especially revenue taxes) fell in addition to the net revenue for the period.





Sustainability

- 20 Responsible mining
- 21 Map and risk management
- 21 Product life cycle
- 22 Suppliers and contractors management
- 23 Mine Closure

Responsible mining

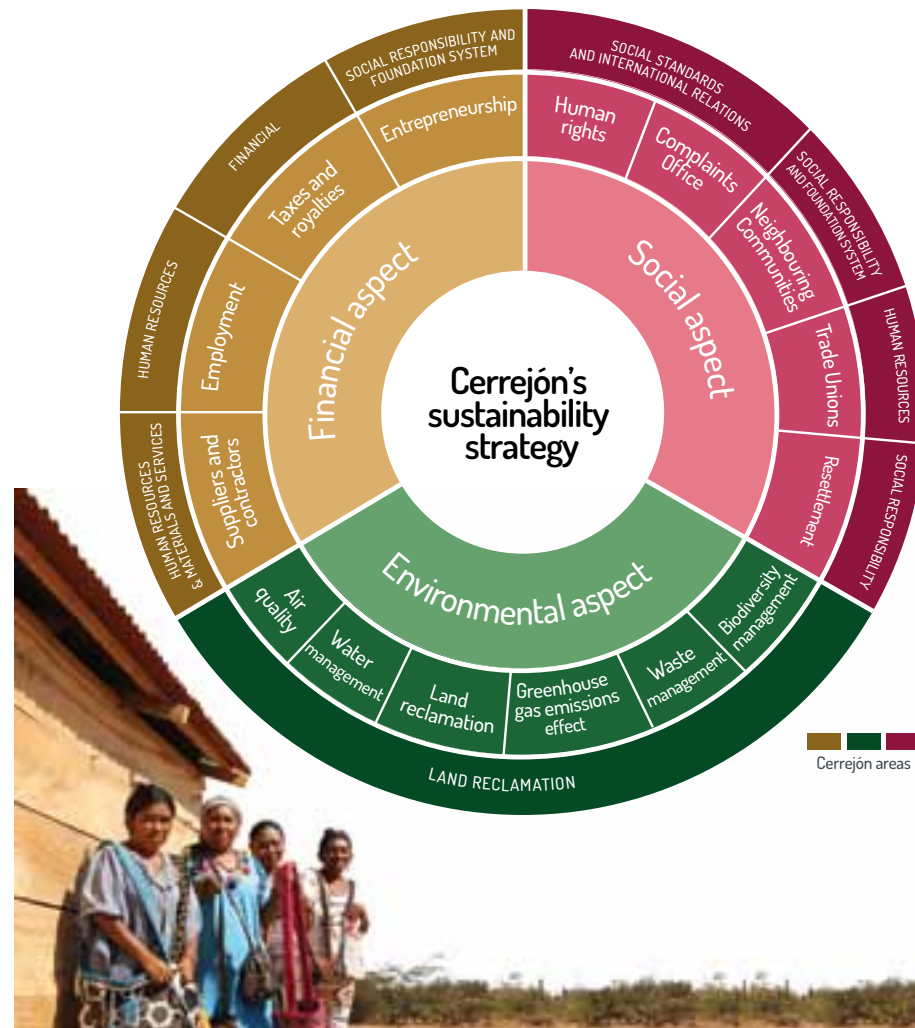


Mining is a state priority for the progress of the country. Therefore, Cerrejón operates with the best standards available for quality and safety with the aim of: ensuring the minimum possible environmental impact; and respecting and safeguarding the cultural, social, and economic integrity of the communities and ethnic groups that have traditionally occupied the mining development area.

Corporate Social Responsibility (CSR) is part of Cerrejón's philosophy and culture. It is an extensive set of policies, practices, and programmes integrated within the operation that focuses on building an ethical, transparent relationship with all of our stakeholders.

Cerrejón does not limit itself to being only a generator of employment, taxes, and royalties in the region. Rather, its role is one of broad social engagement that includes a close relationship with the population of the department of La Guajira, and that takes into account the international standards of multilateral bodies.

We must build a future together consistent with our values so that the communities to which we belong are proud that we are part of their environment, and so that Cerrejón is recognised as a responsible mining company.



Map and risk management

All companies, regardless of size, are exposed to a series of threats of a social, environmental, and economic nature that can impede the achievement of strategic targets and make the stability of the organisation vulnerable.

Cerrejón recognises the importance of risk identification in its operation; therefore, we use a decentralised system of risk management in which each area is responsible for evaluating events—in both operational and strategic terms—that might impact the achievement of objectives and business plans.

This evaluation, which includes staff at different levels, includes risk identification and their subsequent classification and analysis to determine causes and potential consequences, as well as controls that help prevent the occurrence of the event or help to mitigate the impact should the risk event occur.

Risk categorization:
Health and Safety, Finance, Environment, Community, Reputation, and Legal.

Product life cycle

Cerrejón has witnessed huge changes and new challenges in the way that mining is approached. Consequently, we have striven to consolidate our position in the industry by responding in a timely fashion to current regulations and to the concept of sustainability.

This is a fundamental criterion for transcending the life-cycle management of coal, by taking into account each of the stages in the value chain and the actors involved before, during, and after the production process.

By viewing the value chain as a tool to identify sources for value creation for the client, we can propose and design strategies guaranteeing the appropriate risk management, a high-quality product, and the best post-sales follow-up.

Reference Framework

The Reference Framework for the Sustainable Development of the International Council on Mining and Metals (ICMM) guides sector organisations in responsible practices for the design, use, reuse, recycling, and disposal of materials from the operation. Cerrejón welcomes these guidelines in our activity and we participate as an ICMM member through our shareholders.

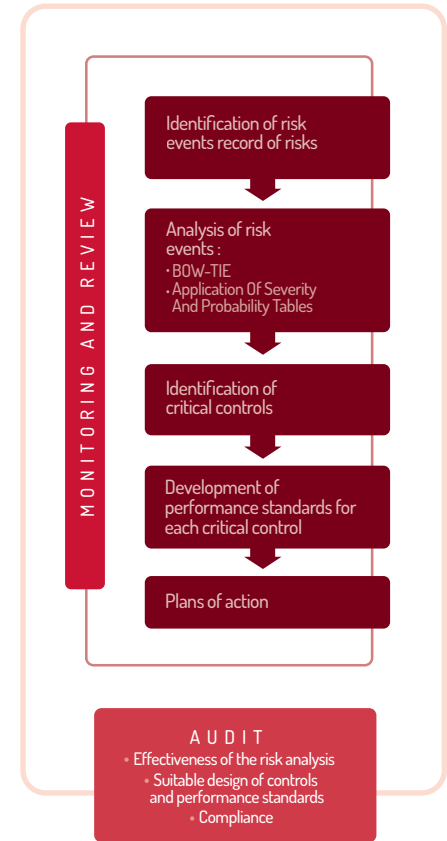
Product responsibility

With the aim of reducing residual risks (those that persist after implementing responses to the risks), they are assessed through the application of probability and severity criteria, as opposed to those risks for which the operation establishes action plans to improve their control (regularly reviewed and evaluated).

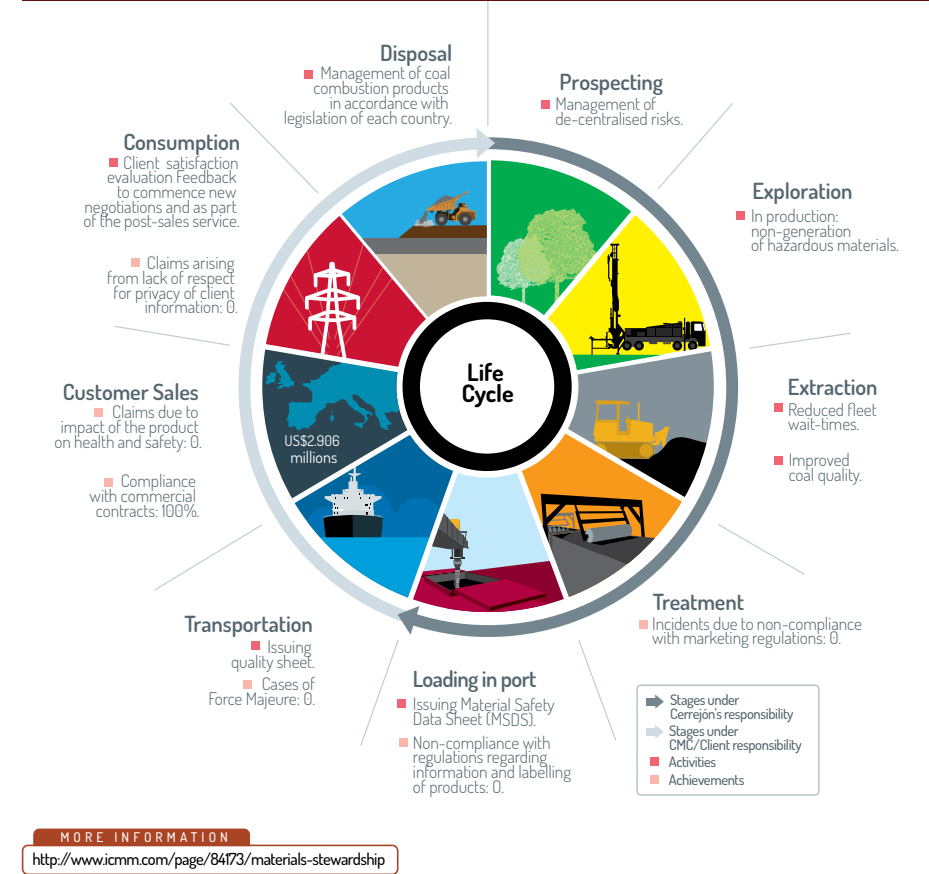
Currently, risk management is integrated into all business activities and into decision-making with a view to having greater control over possible eventualities in the operations.

The Shareholders' Committee is regularly informed about significant business risks. In 2012, the shareholders' team conducted an external audit and the result was satisfactory for the company.

Cerrejón's risk management system follows the risk management methodology of one of our shareholders: BHP Billiton, whose process can be seen in the following graph:



Cerrejón manages and promotes sustainable practices, guaranteeing the optimum and adequate use of coal for all elements of society.



Product responsibility

| | | | |
|------------------------------|---|---|---|
| Production | <p>Carrejón does not modify the overburden involved in the production process or generate materials that represent latent danger and risks to health and the environment.</p> <p>The company has programmes and specific procedures for the management of materials, from oil recovery to waste management (for more information, see Environment).</p> | | |
| Exports and marketing | <p>All of Carrejón coal goes to the international market—mainly to the electrical power sector.</p> <p>The quality of the exported coal is determined by sampling and analysis procedures carried out by a third party in Puerto Bolívar, in accordance with internationally accepted standards (American Society for Testing and Materials (ASTM) and ISO). This officially certifies the quality of the product to the buyer and seller.</p> <p>Carrejón is recognised as a reliable supplier of coal, thanks to our management in the areas of production, logistics, and quality. As a result, in 2012 there was no breach of commercial commitments and the company continued strengthening relations with our strategic partners.</p> | | |
| | Transport | Sales and usage | Client privacy |
| | <p>Carrejón guarantees that the buyer has sufficient information to identify the product that he/she has acquired. We provide the quality assurance sheet, which allows the client to determine the quantity of by-products resulting from coal combustion and their possible environmental impact. This quality sheet is provided to the client at the very start of all business relationships.</p> <p>Additionally, the MSDS (Material Safety Data Sheet) is provided to the captains of ships that arrive at Puerto Bolívar and to clients who request it. This sheet contains the general characteristics of coal, precautions taken in the handling of the product, and the measures that should be adopted in case of an emergency. This document is aligned with international standards.</p> | <p>Coal Company Marketing (CMC), the exclusive marketer of Carrejón coal, is responsible for measuring and enhancing customer satisfaction. As part of after-sales support, they provide technical advice in areas such as best practices for storage, and reduction and elimination of dust emissions.</p> <p>Similarly, they regularly address requests for audits from customers interested in learning about Carrejón's production process, as well as aspects of quality and/or management of social and environmental impacts.</p> <p>CMC informs the company about the comments and opinions of customers with quantitative and qualitative data. This process of feedback allows us to make operational improvements.</p> <p>These observations are obtained from meetings with clients, which are part of the marketing process. Carrejón analyses this information prior to making a subsequent response.</p> | <p>Carrejón maintains the privacy of its clients' corporate data, as well as the terms and conditions of the business agreements reached with them.</p> |

Suppliers and contractors management

At Carrejón we know that cooperation and joint work with our suppliers and contractors are essential to establishing competitive contracts that provide added value for the company and for these stakeholders.

To that end, we ensure that our supply chain is in alignment with, and meets, our policy of operational integrity, which is based on safety, health, care for the environment, and for our communities. We foster our suppliers and contractors to help them adopt the same ethical and fair professional conduct in their own business relationships, in keeping with the highest standards in place in our own operation.

Purchases and contracts

In 2012, the value of contracts increased by 24%, while the value of purchases declined by 25%.

Contracts⁽¹⁾

| Pesos | | 2010 | 2011 | 2012 |
|---|--------------------|-----------------|-----------------|-----------------|
| La Guajira | Contract value | 54,904,648,272 | 60,227,492,709 | 73,573,933,846 |
| | # suppliers | 145 | 189 | 247 |
| Total national | Value of purchases | 525,832,368,552 | 626,632,974,627 | 773,288,180,903 |
| | # suppliers | 838 | 892 | 919 |
| International | Contract value | 26,802,512,020 | 33,681,560,210 | 43,426,165,667 |
| | # suppliers | 77 | 84 | 72 |
| Total national and international | Contract value | 552,634,880,572 | 660,314,534,837 | 816,714,346,570 |
| | # suppliers | 915 | 976 | 991 |

Purchases⁽²⁾

| Pesos | | 2010 | 2011 | 2012 |
|---|--------------------|-------------------|-------------------|-------------------|
| La Guajira | Value of purchases | 4,005,039,228 | 9,937,444,762 | 8,339,472,710 |
| | # suppliers | 25 | 21 | 18 |
| Total national | Value of purchases | 100,659,694,010 | 140,389,849,249 | 214,836,662,444 |
| | # suppliers | 666 | 612 | 667 |
| International | Value of purchases | 1,574,545,286,070 | 2,402,515,507,206 | 1,530,225,708,247 |
| | # suppliers | 353 | 353 | 348 |
| Total national and international | Value of purchases | 1,675,204,980,080 | 2,332,593,108,533 | 1,745,062,370,691 |
| | # suppliers | 1,019 | 965 | 1,015 |

(1) The supplier/contract relationship is not one-to-one, and therefore the amount of suppliers may be different than the number of contracts.
 (2) National purchases increased by 53% compared to the previous year, reflecting positively on the prioritization on national products and services. International purchases, related to the acquisition of specialized machinery, returned to levels of previous years after their peak in 2011 due to equipment purchases for the P40 expansion project.

Programme to encourage national purchasing



Local suppliers

Carrejón stimulates the economic development of our area of influence through efforts prioritising the procurement of goods and services from locally based suppliers over national and international suppliers.

The Company has a fuel supply contract with Ayatawacoop and purchases from companies engaged in hardware supplies, wood products, signage products (security), crafts, and others. It also supports manufacturing initiatives of GFRP parts (glass-fibre reinforced plastic) and the repair of smaller fleet components with companies from La Guajira. Additionally, to support the mining operation, the company has 1,427 active contracts, 309 of which are with Guajiros (21.65%). In view of the magnitude of the operation, this figure represents a major portion. Key services from La Guajira companies that Carrejón contracts include:

| | | |
|-------------------------------------|---|--------------|
| Construction | Transportation | Road signage |
| Industrial cleaning | Topography | |
| Maintenance of tools | Motor vehicle leasing | |
| Agricultural work and reforestation | Weed cutting | |
| Operating agricultural equipment | Psychological-social support | |
| Wetting down of roads | Maintenance of communications equipment | |
| Advertising agency | Mining equipment training | |



Approximately 50% of the employees of all Carrejón's contractor firms (whether local, regional, or national) are natives of La Guajira.

Mine Closure

| ¿What is it? | National Legislation | Carrejón's plan for this challenge | Mine closure plan | Advances of 2012 | |
|---|--|--|---|---|--|
| <p>The Closure Plan has been developed as an internal Carrejón document that aims to provide the necessary information for the planning and gradual systematic closure of the mine, that is, through a series of technical and legal measures aimed at preventing and mitigating the potential generation of liabilities, during the process and at the termination of the mine operation.</p> <p>The objective of the process is to minimise and establish control measures for risks related to health, safety, environment, and communities.</p> | <p>There is not yet any national legislation in the country that regulates the closure of mines. Currently, the environmental management plans of mining operations establish environmental requirements and specific requirements for the dismantling and abandonment of a project, work, or activity.</p> <p>Also, Decree 2820 of 2010, related to environmental licences, establishes the following requirements:</p> | <ol style="list-style-type: none"> 1. Identification of environmental impacts. 2. Dismantling and abandonment plan. 3. Plans and location maps of infrastructure and abandonment area. 4. Obligations derived from current administrative acts. 5. Costs of dismantling and abandonment activities, and other obligations pending compliance. | <p>Carrejón, as a responsible mining company, has developed a preliminary mine closure plan that sets a period of closure and post-closure planning, in which priority is given to the prevention, mitigation, minimisation, and control of the negative effects inherent in this process.</p> <p>The plan envisages a closure period of five years and a variable post-closure period between five and fifteen years. The post-closure period varies or is associated with the magnitude of the liabilities and the environmental element involved (soil, air, water, etc.).</p> | <p>With the aim of identifying the impacts of the cessation of operations until the year 2033 and how to prevent, mitigate, and compensate for them, Carrejón has included in its preliminary closure plan all aspects related to the physical, biological, and social components, dismissal of staff, and safety considerations in the area. The preliminary closure plan is based on a mining plan that considers a production of 32 million tonnes per year.</p> | <p>Based on the 2012 mining plan, the preliminary closure plan for the Carrejón mine was updated taking into account the risk analysis formulated using the BHP Billiton methodology. The mine closure phases were defined as: temporary, progressive, and final closure in two scenarios: the business case (Carrejón's vision based on international practices), and the contractual case (based on the obligations established in mining contracts and existing regulations).</p> <p>Also established were management strategies and records of the proposed objectives, targets, and activities in each mine closure phase for both scenarios analysed and the time of application (before, during, or after the type of closure).</p> |

| Criteria for the mine closure plan | | | | | | | |
|------------------------------------|--------------------------|--------------------|-----------------------|--------------------------|-------------------|------------------------|---------------------|
| Time | - 25 - 15 years | - 15 - 10 years | - 10 - 5 years | - 5 - 0 years | Year 0 (2033) | + 0 - 5 years | + 5 - 15 years |
| Phase | Preliminary closure plan | Draft closure plan | Detailed closure plan | Final closure plan | End of extraction | Closure implementation | Post-closure period |
| | Closure planning | | | Closure and post-closure | | | |

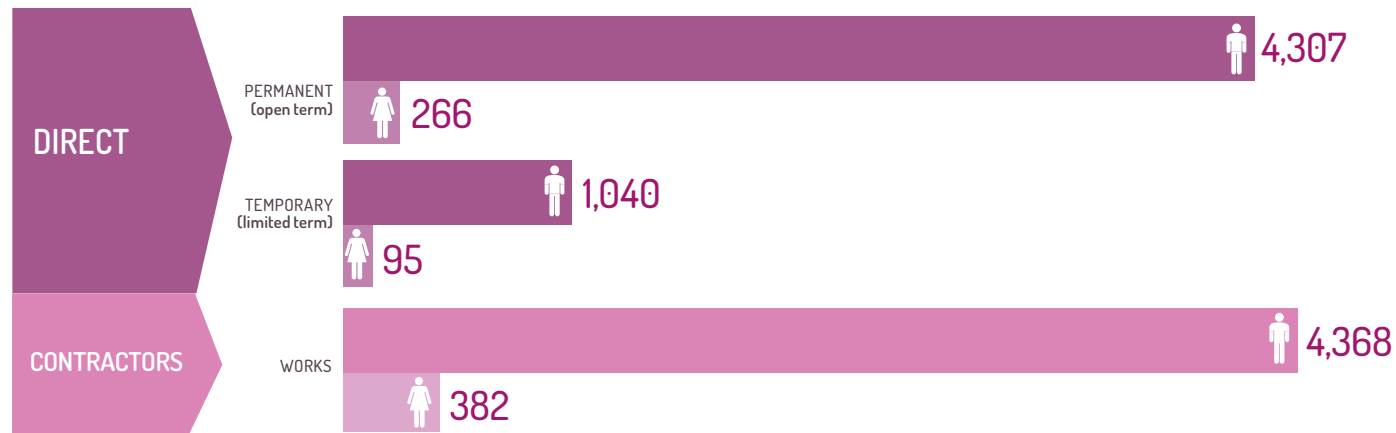


People

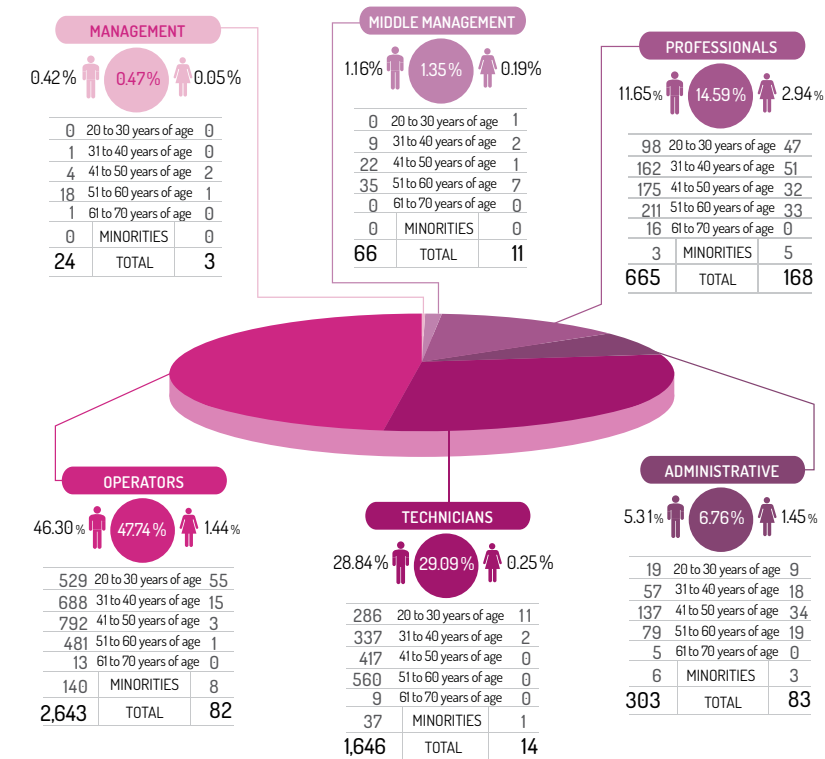
- 26 Characteristics
- 28 Human Resources
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Characteristics

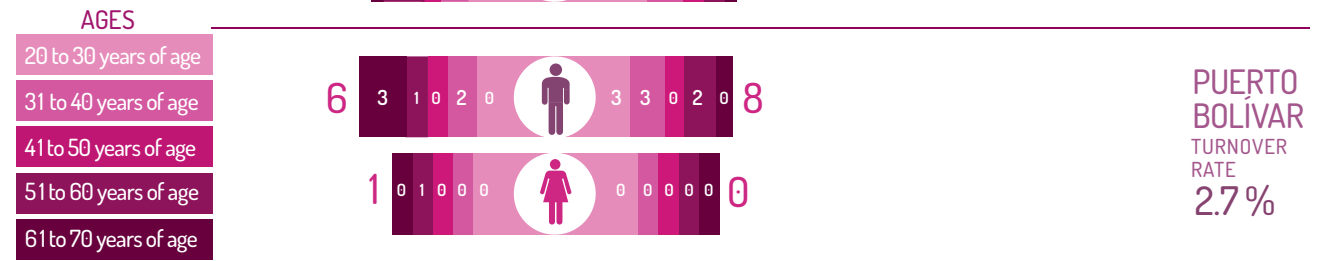
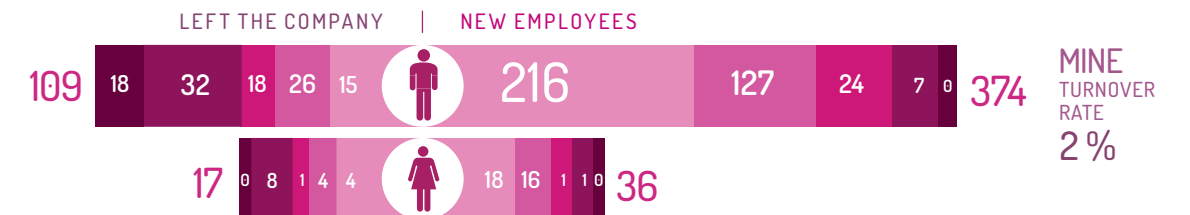
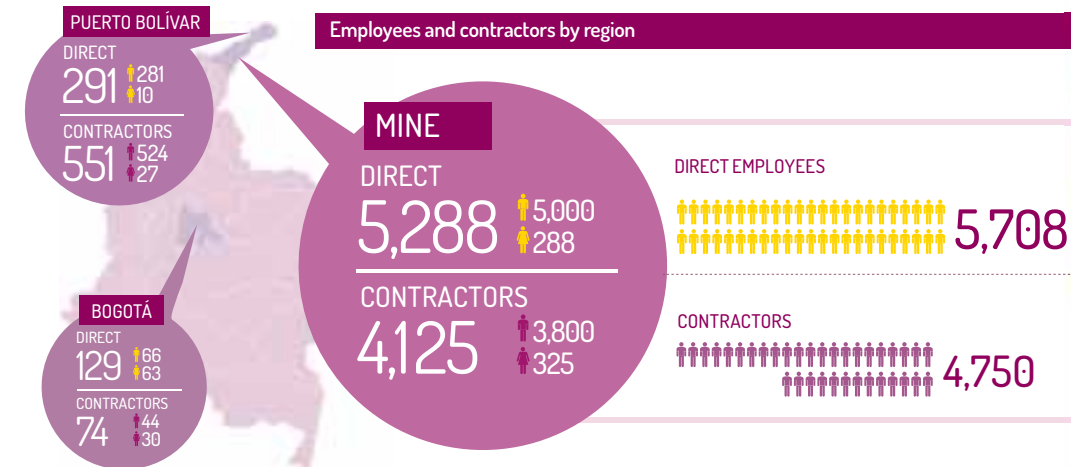
Work Day Cerrejón has only full-time work shifts.



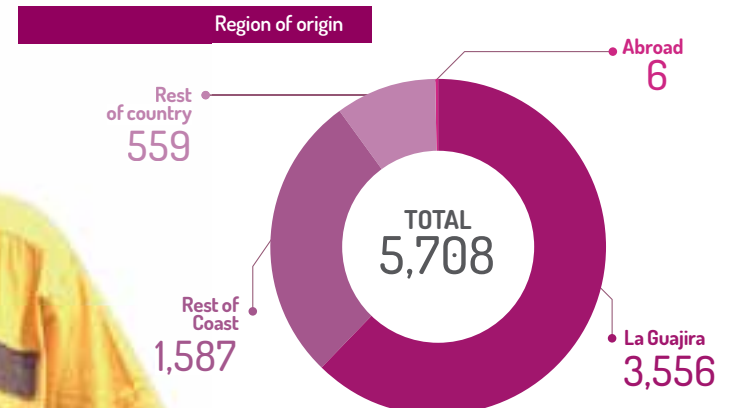
Direct employees distributed by age, gender, position, and minority⁽¹⁾



(1) Minorities are comprised of 201 indigenous Wayuu and 2 other indigenous ethnicities.

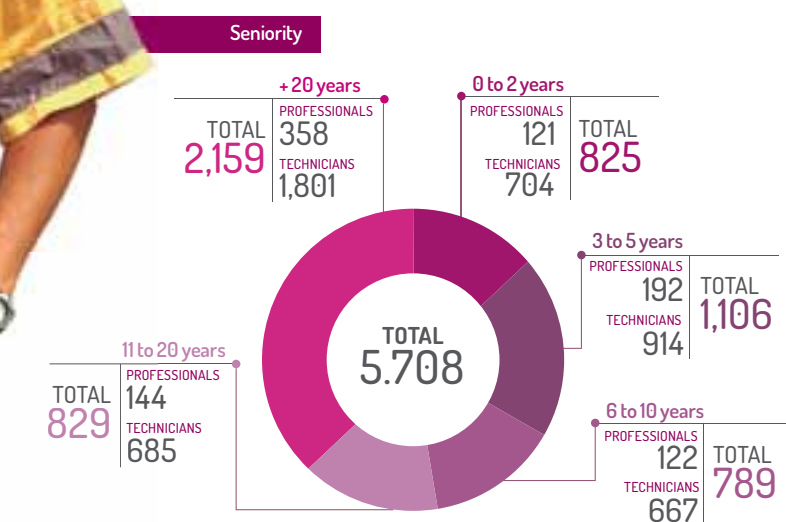


| TOTAL | Count |
|-----------------------|--------------|
| 20 TO 30 YEARS OF AGE | 1,055 |
| 31 TO 40 YEARS OF AGE | 1,342 |
| 41 TO 50 YEARS OF AGE | 1,619 |
| 51 TO 60 YEARS OF AGE | 1,445 |
| 61 TO 70 YEARS OF AGE | 44 |
| MINORITY | 203 |
| TOTAL | 5,708 |

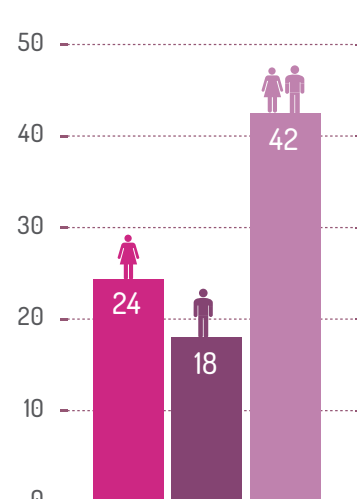


Ratio between current legal monthly minimum wage (CLMMW) and minimum wage paid at the company

Cerrejón has a labour and wage policy that does not differentiate between men and women. Also, we pay our employees the equivalent of more than two CLMMW (220.4%). In addition, the rise in minimum wage paid at the company over the previous year was 4%, a higher percentage than the consumer price index (CPI).



Employees on maternity or paternity leave



One-hundred per cent of employees returned to their jobs after completing their leaves.

People



Human Resources

Cerrejón's Human Resources management has been dynamically built to create an environment that is motivating and challenging; promotes the comprehensive development of employees; and guarantees a healthy, safe workplace in which they perform their activities. It also offers opportunities for professional and personal growth.

The company works to create a pleasant working environment, characterised by the principles of the Cerrejón Way, through which individual and group achievements are monitored, recognised, and evaluated. Within the company, labour dialogue and the right to freedom of association are respected, along with equality and transparency in areas such as the treatment of employees, access to promotion, and performance evaluation.

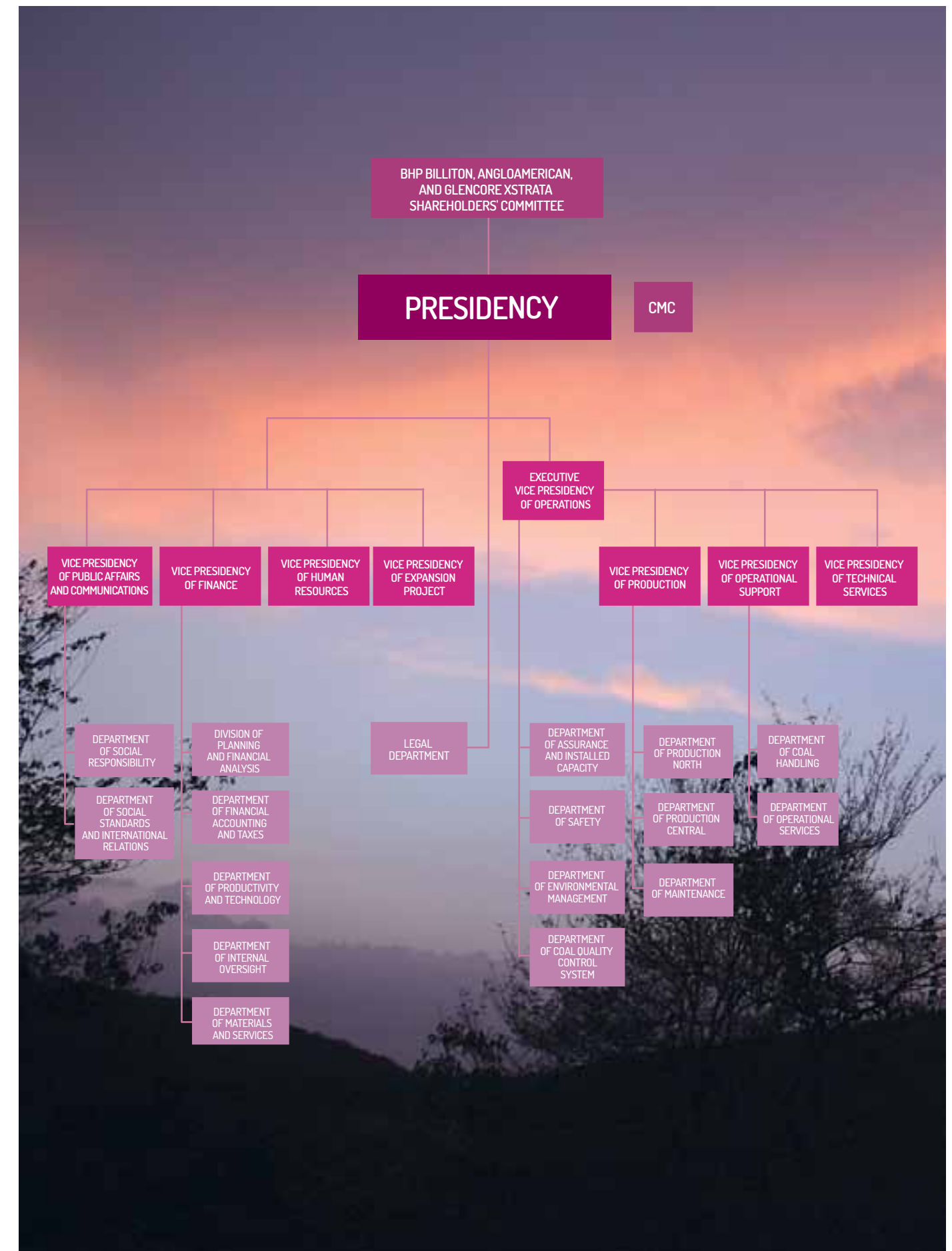
Cerrejón has also established benefits that cover both workers and their families to help improve our employees' quality of life. This fosters a balance between work and personal life while strengthening our employees' commitment to our corporate goals.

Focus, goals, and results

| Management objectives | Goals | Advances | Challenges in 2013 |
|---|--|---|---|
| Continue the internalisation of our identity and organisational cultural model, the Cerrejón Way, to raise awareness in our technical employees (PTC) and their families, as well as our contractors. | Carry out a satisfactory bargaining process with the trade union. | Further steps were taken in strengthening engagement with technical staff and their families through the Division of Engagement and Development. Additionally, engagement with contractors through Business Partners was strengthened. It facilitates ongoing communication with the company. | <ul style="list-style-type: none"> Define and develop an appropriate strategy for engagement with workers and their families, the union, and contractors. Maintain a safe, positive, and productive work environment. |
| Reinforce the safety value through the Cerrejón Way throughout all supervisory levels and those responsible for contract administration. | Begin evaluation of SEGs (similar exposure groups) for psychosocial risks. | Progress was made in the identification and assessment of SEG psychosocial risks through the use of specific questionnaires ⁽¹⁾ | <ul style="list-style-type: none"> Continue SEG identification efforts. Develop an approved healthcare strategy. |
| Strengthen the evaluation and follow-up system for employees and their development plans. | Design Cerrejón's Talent Management strategy to ensure all worker management is aligned with the Cerrejón leadership model (MLC, its Spanish acronym) based on skills, in order to respond to the business dynamics and strategic needs and contribute to business achievements. | Implementing the strategy. | <ul style="list-style-type: none"> Define and implement a succession and development plan for employees in critical positions. Review the defined skills. |
| | Review and update the management system for technical staff (PTC) to ensure it is aligned with the MLC and Cerrejón's future needs in order to contribute to business achievements. | Currently, the plans and descriptions for technical staff positions included in the Individual Development Plan (IDP) are under review. | <ul style="list-style-type: none"> Finalise the draft IDP update for technical staff and incorporate improvements. |

⁽¹⁾ These questionnaires are a group of tools used to assess psychosocial risk factors that were proposed by the former Ministry of Social Welfare, now known as the Ministry of Labour.

Organisational structure



Structure of Corporate Governance Body

Cerrejón's corporate governance body includes the president and the vice presidents, who are ruled by the corporate principles and policies. They receive no additional compensation for these positions. The roles of senior executives are aligned directly with the organisation's performance. That is, they are responsible for contributing to meeting the goals and targets set annually regarding economic, social, and environmental aspects. This monitoring is done through systematic evaluations of professional development and performance.

| Committee ⁽¹⁾ | Meeting frequency | Objective | Members |
|--|--------------------|--|--|
| Shareholders' Committee | Three times yearly | Monitoring of actions referred to in the annual plan and approval of investments. Each year the budget for the following year and the five-year plan are approved. Responsible for monitoring practices and compliance with good governance. | One main representative and a substitute for each of the affiliate companies of BHP Billiton plc, Anglo American plc, and Glencore Xstrata plc. Cerrejón's senior management. |
| Shareholders' Conference Call | Monthly | Tracking issues agreed to by the Shareholders' Committee. | One representative from each shareholder and Cerrejón's senior management. |
| Presidency Committee | Weekly | Review of the action plans of each vice president. | Cerrejón president, vice presidents, and managers. |
| Stewardship Review | Annually | Review of accounting processes. | Cerrejón's financial vice president and finance managers from each shareholder company and from Cerrejón. |
| Financial Conference Call | Monthly | Review of financial matters. | Cerrejón's financial vice president and finance managers from each shareholder company and from Cerrejón. |
| Monthly Results Review | Monthly | Review of previous month's results. | Cerrejón president, vice presidents, and managers. |
| Auditing Committee | Twice yearly | Review of all aspects related to external and internal controls and auditing. | The financial vice president from each shareholder company and from Cerrejón. |
| Technical and Operational Review Committee (TORC) and Geological Review Meeting (GERM) | Three times yearly | Detailed review of the operation's performance, mining planning, and capital applications, and other issues. These are then approved by the Shareholders' Committee. | One member and one technical representative for each of Cerrejón's shareholders. Cerrejón's senior management. |
| Mancom | Three times yearly | Tracking issues agreed to by the Shareholders' Committee. | One main representative and a substitute for each of the affiliate companies of BHP Billiton plc, Anglo American plc, and Glencore Xstrata plc. Cerrejón's senior management. |
| Management Committee | Fortnightly | Decisions that require high levels of approval, such as capital investment projects and contracts. | President, vice presidents, and managers. |
| Internal Control Committee | As needed. | Evaluates ethical deviations and conflicts of interest when they arise. | Cerrejón president, executive vice president of Operations, vice president of Finance, manager of Legal Department, and manager of Internal Control. |
| Stakeholders' Engagement Meeting | Fortnightly | Evaluate strategic plans to address the critical stakeholders and advance in the integrated stakeholder management strategy, which includes identifying and prioritising stakeholders. | President, executive vice president of Operations, vice president of Expansion, vice president of Public Affairs and Communications, vice president of Human Resources, Environmental Management manager, Social Responsibility manager, manager of Social Standards and International Relations, and Foundations System directors. |
| Management Development Committee | Monthly | Evaluates human management issues such as changes in the organisational structure, establishing new programmes and policies, or adjustments to existing ones as regards staff, performance, development of talent, compensation, labour and occupational health, and their relevant execution. | President, executive vice president of Operations, vice president of Finance, vice president of Human Resources, and manager of Cerrejón's Legal Department. |
| OHR Committee (Operational Human Resources) | Monthly | Approves and/or delegates matters related to human resources within the operation, up to the level of the executive vice president of Operations, who relies on the expertise and judgment of vice presidents and managers. Additionally, this committee delegates the issues that must be approved by the Management Development Committee (MDC). | Executive vice president of Operations, vice president of Production, vice president of Operations Support, vice president of Human Resources, managers of Assurance and Installed Capacity, managers of Safety, managers of Environmental Management, managers of Coal Quality, managers of Coal Handling, managers of Operation Services, managers of North Production, managers of Central Production, and managers of Maintenance. |

⁽¹⁾ The increase in committees compared to the previous year is the result of an exhaustive review of all areas. The Stakeholders' Engagement Meeting was inaugurated in 2012. Note: Senior management provides employees with the summary from the previous year and the challenges for the current year through the annual meetings. The president also holds breakfasts and tours on a rotating basis with operation employees (entrance and exit by operation employees at shift changes) along with scheduled focus meetings, with participation from employees in all departments.

Internal Control

The department of Internal Control has adopted a set of verification and assessment plans, methods, principles, and procedures to maintain a culture that is aligned with Cerrejón's legal, ethical, and social responsibilities.

Its main purpose is to provide reasonable oversight in relation to the fulfilment of goals with respect to:

- The operation's effectiveness and efficiency
- Reliable financial reporting
- Compliance with applicable laws and regulations
- Compliance with Cerrejón's ethical standards

It is important to note that compliance is achieved when all individuals who are part of the company contribute to meeting the goals and commitments established with the stakeholders, bearing in mind that transparency is a fundamental principle in operational accountability.

Cerrejón employees must know their responsibilities and the limits of their authority. It is for this reason the company runs fraud, bribery, and corruption-prevention programmes. This includes a training strategy aimed at establishing a clear understanding of an employee's duties and the manner in which they are performed.

In 2012, Internal Control carried out the following actions:

Strengthening of corporate policies and principles of transparency and integrity

Implementation of processes for reporting and investigating ethics deviations

Reviews of different administrative processes

Programmes 2012

| Certification in policies | Comprehensive Fraud, Bribery, and Corruption Prevention Programme | | | Newsletter |
|--|---|-----------------|---|---|
| Reinforcing knowledge in relation to four Cerrejón policies and its commitments to compliance with them. | Covers the principles included in the following: | | | Sharing of topics of ethical interest and experiences of other companies, or informing on programmes or situations from the global world of ethics. |
| | The Foreign Corrupt Practices Act (FCPA of the USA). | UK Bribery Act. | The Colombian anti-corruption statute and Cerrejón's internal policies. | |



Reporting channels

Cerrejón has different channels and mechanisms available to its employees, contractors, suppliers, and citizens aware of a specific case in the event that the company's policies or conduct guidelines should be breached. These means include the following, among others:



| | |
|--|-----------------------------------|
| ETHICS HOTLINE FOR CALLING FROM ABROAD 01-800-954-0712 | www.eticacerrejoncmc.kpmg.com.ar |
| TELEPHONE NUMBER AND EMAIL ADDRESS OF THE INTERNAL AUDIT OFFICE OF BHP BILLITON (1) +56-2-3305165 | peter.h.lync@bhpbilliton.com |
| TELEPHONE NUMBERS AND EMAIL ADDRESS OF INTERNAL CONTROL +57-1-595-2433 | eduardo.buitrago@cerrejoncoal.com |
| Internal Reporting Channels, extension 2777 or telephone number +57-1-595-2777 | |

(1) In 2013 this channel will be discontinued due to structural changes to the shareholders' reporting channel.

MORE INFORMATION
<http://www.cerrejon.com/site/english/our-company/policies.aspx>

Conflicts of interest policy

Cerrejón's policy stipulates that all employees refrain from any conflict between their own interests and the company's interests when dealing with suppliers, clients, contractors, or any other person outside the company, as well as when

conducting their own businesses.

Failure to comply with this policy generally occurs when the employee is obtaining personal benefits from their position, or the use of confidential information obtained through the performance of

their duties. The following situations are considered conflicts of interest for an employee, spouse, or any member of their family if they have not previously been declared and approved by senior management.

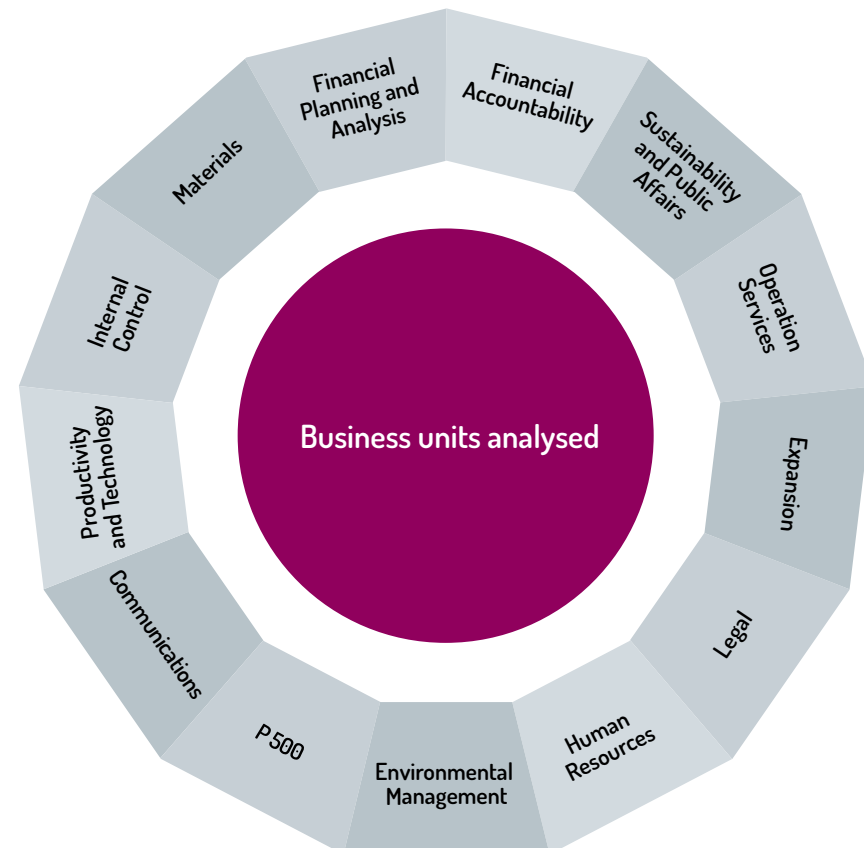


MORE INFORMATION
http://www.cerrejon.com/site/Portals/1/Documents/Conflicts_of_Interest_Policy.pdf

Business units analysed in relation to corruption risks

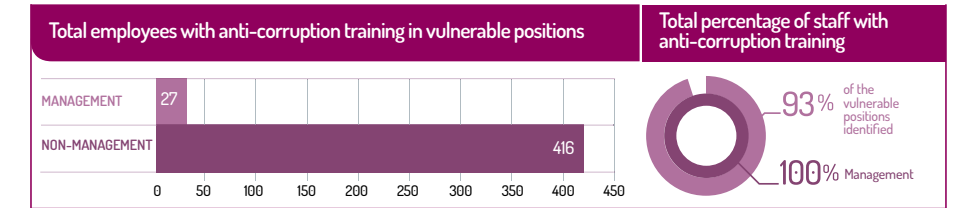
Failure to comply with this policy generally occurs when the employee is obtaining personal benefits from In 2012, Cerrejón conducted risk analyses for the prevention of fraud, bribery, and corruption in 13 of 19 areas identified (68.42%).

This process is conducted based on the company's risk methodology and according to the exposure and vulnerability of each area in relation to corruption risks.



Training in anti-corruption policies and procedures

Cerrejón performed an internal risk analysis, identifying 476 key positions that are vulnerable to corruption (8.3% of total employees). As a result, we developed a programme to counter this practice, starting with an online course in which 443 employees participated.



Actions to prevent corruption incidents

In 2012, there were no corruption cases of material importance (affecting reputation or image or requiring notation in the company's financial statements), a fact that is explained largely due to the following actions:

- 1 Senior management's commitment to organisational policies.
- 2 A clearly established culture of controls at all levels of the organisation and observance of such, particularly in groups of high vulnerability to corruption risks.
- 3 Confidence in open and widely publicised external and internal ethical reporting channels.
- 4 Rigorous Internal Control system.
- 5 Zero tolerance for corruption risks and deviations from the established policies and guidelines for conduct.
- 6 A healthy organisational culture, with principles and values clearly established in our policies.
- 7 Training programmes (virtual and in a classroom setting) regarding policies through:
 - Company induction programmes.
 - Routine refresher courses.
- 8 Company induction programmes.
- 9 Strengthening in the publicising of ethical principles through all available media (physical and virtual bulletin boards, intranet, etc.) and through programmes such as Lessons Learned, TIPS, and Ethics Newsletters.



* Dismissals due to ethical reasons other than those mentioned above.

Attraction and selection

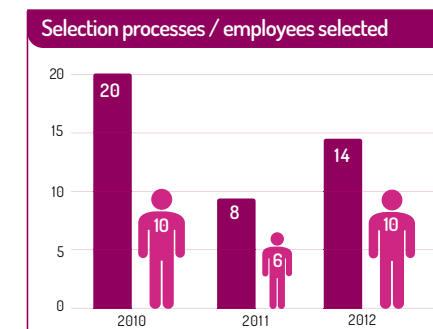
Hiring of employees

In 2008, the self-applications policy was developed to promote the coverage of technical and professional vacancies (PTC and MPT) at levels 1 and 2, and to motivate comprehensive individual development. In 2012, the operation continued to offer employees advancement opportunities as a priority through this internal selection system.

In cases where staff needs cannot be met internally, Cerrejón initiates external procedures.

In addition, employee recruitment is based on personal, educational, and professional merits, giving priority to persons originating from the areas of influence under equal conditions, without discrimination against race, creed, origin, sexual orientation, gender, or age.

Results of selection processes



In 2012, internal selection processes took place for fourteen vacancies, ten of which were filled by company employees and four were declared vacant.



Professional Development Programme

In response to turnover and to the need for generational replacement, Cerrejón created a focused training initiative (20-20 programme) in 2010 aimed at professionals under thirty. It seeks to develop skills and deepen knowledge of the company's operations and to allow participants to contribute their creative potential and high-impact ideas to the continued improvement of Cerrejón's processes.

The fourteen professionals participating in the 2011-2013 course will continue the process in different company departments such as Production and Maintenance, with the possibility of taking part in hiring processes the following year.

Programme Characteristics

- Hiring for eighteen months, during which time the participants will study two subjects.
- Continuous mentor assistance.
- Development plan: training and establishment of performance objectives for each assignment.
- The opportunity for Cerrejón employees to compete in selection processes.

Retirement Preparation Programme

Cerrejón has programmes that encourage the comprehensive development of our employees who are approaching retirement using tools that help to prepare them for life after retirement. The specific programme for these employees seeks to help them reconcile their work history, advise them in their pension arrangements, and prepare them for this new stage of life.

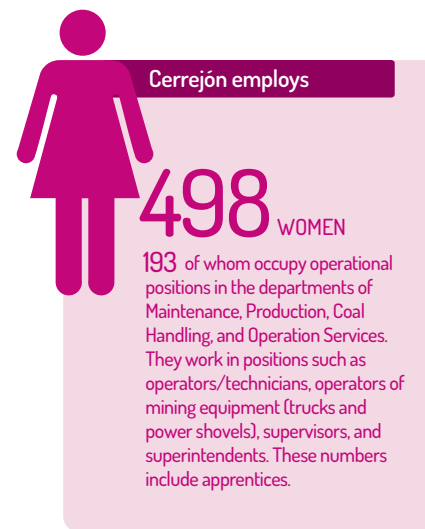
The programme has been active since 2008 and has had 251 participants.

| Year | Number of pre-retirees |
|------|------------------------|
| 2010 | 61 |
| 2011 | 39 |
| 2012 | 45 |

Women in the operation

Based on respect, our policies of equal opportunity, a productive work environment, and diversity in our leadership model, Cerrejón promotes comprehensive employee development for women in our workplaces for safe, healthy working conditions. In 2012, the following activities are noteworthy:

- Establishing a bank of temporary positions for pregnant workers whose regular jobs might affect their health.
- Upgrading installations for women to perform operational tasks.
- Five theoretical-practical workshops for 80 female workers (including apprentices) to continue reinforcing the skills of women working in operational areas and to facilitate their social-labour adaptation, their advancement, and their personal growth.
- Strengthening the Women's Committee, which identifies and proposes initiatives to improve conditions of introduction and assimilation into the operation. To that end, its five representatives have focused on preparing and monitoring the agreements signed.



Wayuu in the operation

Cerrejón hired 57 members of the Wayuu ethnic group who participated in five workshops designed to ease their social-work assimilation process.

In these workshops they were able to:

- Reinforce the application of ancestral traditions and customs in the work environment.
- Strengthen joint adaptation, respecting their culture in order to build safe behaviour and habits in accordance with our policy of a productive work environment.

Engagement and selection programmes

Cerrejón has continued the training programmes directed at young people in the region with the aim of contributing to strengthening their skills and facilitating their entry into the labour market.

- For the operation of two new tugboats in Puerto Bolívar (acquisition considered in the P40 Expansion Project), a group of high-school graduates from the Media Luna Wayuu communities—settlements (rancherías) between kilometres 123 and 137, Cabo de la Vela, Manaure, Uribia, Maicao, and Riohacha—began a two-stage deck-hand training process.
- Stage 1: Training for six months in the International Nautical, Fluvial, and Port Centre (Centro Internacional Náutico, Fluvial y Portuario) in the SENA (National Apprenticeship Service) in Cartagena.
- Stage 2: Practice for six months (during the first quarter of 2013) in Puerto Bolívar, where the young people will have the support of Cerrejón tutors.
- Additionally, 85 students from Tecnocerrejón⁽¹⁾ began their internships in 2012 in Production as technicians with skills in operations, and in Maintenance as mining equipment mechanics.

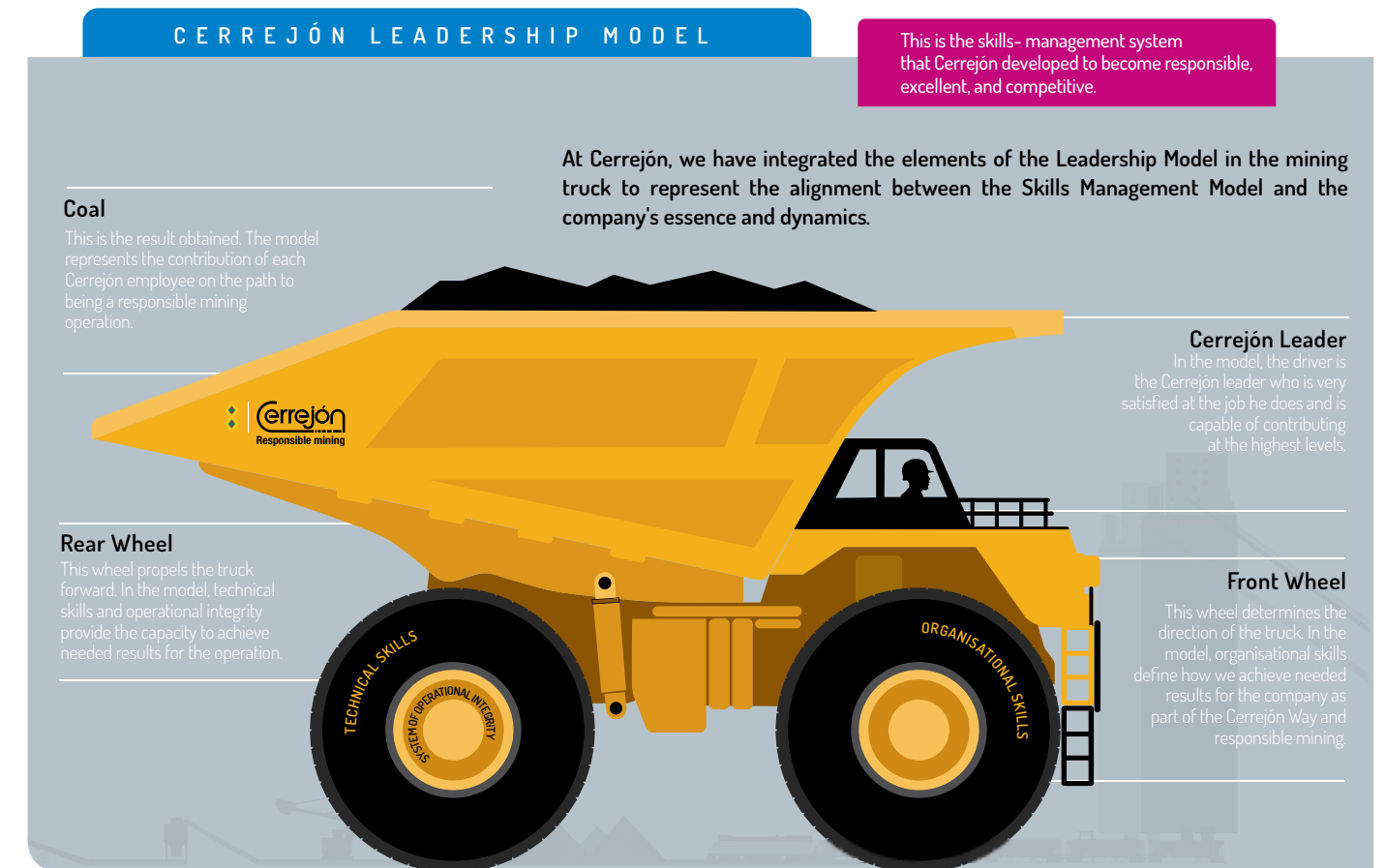
Evaluation for development

In order to measure management and to individually track employee work, Cerrejón conducts a formal performance assessment annually, through a technological tool used at the Mine, Puerto Bolívar, and Bogotá.

Cerrejón Leadership Model

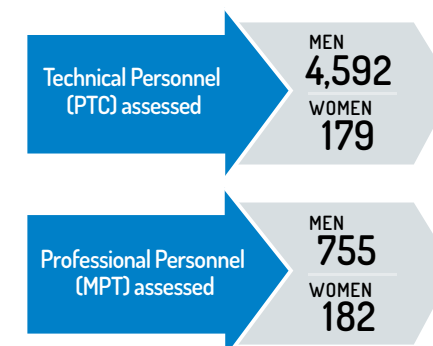
In this model—which comprises part of the Evaluation for Development—the knowledge, abilities, and attitudes that employees demonstrate during their work performance are taken into account. Accordingly, Cerrejón has defined three types of skills:

1. Organisational: Associated with general performance in the company as leaders of their processes and integration with work teams.
2. Operational Integrity: Ensures the compliance of standards in safety, health, environment, and community.
3. Skills: Required in each job and that define the nature of each position in the company.



Direct employees assessed

This evaluation is applied to 100% of direct Cerrejón employees, where 83.58% of the evaluations correspond to technical staff (PTC) and the remaining 16.42% to professional staff (MPT).



Talent Pool

The development assessments identify persons who could eventually occupy key Cerrejón positions, who are then included in the Talent Pool, where the growth and retention of outstanding employees are promoted.

The following activities were carried out in 2012:

- Fourteen participants from the Talent Pool proposed to occupy high-responsibility posts received coaching.
- TOEIC tests (Test of English for International Communication) and training plans were designed according to the progress level for some of the participants. Additionally, one person was sent on an immersion course to Canada for three months.
- Mentor Programme: 20 mentors monitor the participants in the Professional Growth programme.
- Specific national and international technical training events.
- Three people took the "Senior management in administration and strategic leadership" programme.
- Evaluation of potential of twenty people from the Talent Pool.
- Customised Leadership Training in accordance

with the characteristics and specific needs of Cerrejón positions. This training exercise was carried out at the Center for Creative Leadership, with offices in the United States.

Corporate awards



| Category | No |
|--|-----------|
| Operational quality and effectiveness | 25 |
| World-class operators/technicians | 10 |
| Safety, health, environment, and communities | 9 |
| Leadership | 2 |
| Cost effectiveness | 1 |
| Values | 1 |
| Total | 48 |

(1) Educational institution for vocational training, set up with support from the Cerrejón Foundation for the Institutional Strengthening of La Guajira.

System and development plans

With the Leadership Model, Cerrejón continued with the implementation of the IDP, through which we orient, support, and encourage our employees' efforts to grow in work-related knowledge, skills, and experience.

This plan, which has seven levels, includes work programmes, contribution areas, development activities, compliance standards, parameters, and monitoring plans.

Each worker's progress with respect to the IDP is determined by his/her performance in safety-related matters, operational results, discipline, and absenteeism.

Additionally, in 2012 the process of upgrading development plans and job descriptions of all technical staff (PTC) positions began, with the aim of synchronising development systems and processes with the changes being implemented in the organisation.

Through the Leadership Model, the professional staff (MPT) forms its training plans, based on the results of skills assessments, which are tailored to specific needs and considers skills maturity levels.

- Individual contributor (contribution): Observable performance with impact on the work position.

- Team leadership (facilitation): Observable performance with direct impact on team results.
- Leadership and team integration (transformation): Observable performance with impact on teams that work in an integrated manner.
- Organisation leadership (vision): Observable performance with impact on the whole organisation.



Training

Employee development is one of the pillars for building a sustainable and scalable company. Therefore, Cerrejón encourages its employees to reach their full potential, offering training opportunities on topics relevant for strengthening the skills defined in the Leadership Model.

We do this to optimise and improve the corporate processes, as well as to contribute to the personal and ethical growth of employees and residents in the area of influence who are part of this group.

Training hours

| Noteworthy training programmes. Topics | Description | Training courses | | Financing |
|---|--|------------------|----------|-----------------|
| | | Internal | External | |
| Company orientation | Training in logistics, administrative, and operation-related topics. | X | | Internal |
| Operational integrity for operators and technicians | Safety, health, and environment events. | X | X | Internal / SENA |
| Operational integrity for professional staff | Safety, health, and environment events. | X | X | Internal / SENA |
| Essential Leadership | Occasion to promote comprehensive employee development. | | X | Internal / SENA |
| Leadership in Safety | Training to promote safe behaviour in the organisational culture. | | X | Internal / SENA |
| Working at heights | Training to guarantee safe work at heights. | | X | Internal |

Total training hours by category

A total of 385,397 employee-hours of training were reached in 2012 (30% higher than in 2011) in the following categories:

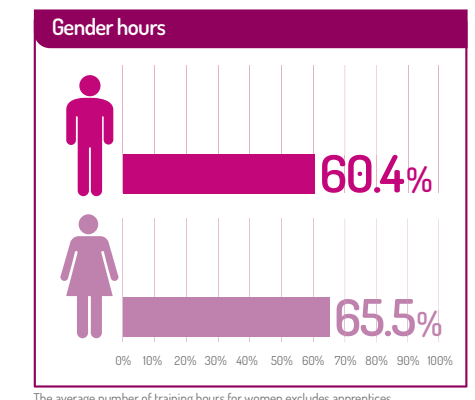
| Category | Description | Annual employee-hours* | | Total |
|-------------------------------------|---|------------------------|-----------------|----------------|
| | | Professional (MPT) | Technical (PTC) | |
| Personal effectiveness | Generic training to develop personal skills (including training in end-user tools). | 3,640 | 13,737 | 17,377 |
| Functional (specific for each area) | Training in the technology for each business unit. | 8,056 | 23,170 | 31,226 |
| Management | Training to improve knowledge and skills of supervisory levels. | 2,800 | 7,918 | 10,718 |
| Operational integrity | Safety, health, and environment training. | 18,592 | 80,088 | 98,680 |
| Technical-operative | Training to improve technical and operative skills. | 5,558 | 221,838 | 227,396 |
| Total | | 38,646 | 346,751 | 385,397 |

* This calculation is made taking into account the number of people attending the training course by the number of instruction hours.

Training hours per role

| Category | Training hours | | Total |
|-----------------------|----------------|---------------|----------------|
| | Men | Women | |
| Management | 113 | 8 | 121 |
| Middle management | 29,727 | 6,527 | 36,254 |
| Professional | 1,196 | 1,082 | 2,278 |
| Technicians/Operators | 120,184 | 974 | 121,158 |
| Apprentices | 202,603 | 22,983 | 225,586 |
| Total | 353,823 | 31,574 | 385,397 |

Average hours of training by gender



Fringe benefits



Corrección cares about providing employees with fringe benefits to help improve their quality of life and that of their families. Therefore, benefits schemes were developed to include education, healthcare, housing loans, insurance, and others.

| Plan | Description | Coverage | ¿Who does it apply to? |
|--|--|---|---|
| Survivor benefit | Provides financial security and protection to the family in case of employee's death due to natural causes. | 24 basic employee salaries | All company employees, intern students, and apprentices |
| Basic for accidents | Covers employee's death due to accidental causes. | 48 basic employee salaries | |
| Basic aviation | Covers employee's death due to an aviation accident. | 12 basic employee salaries | |
| Insurance: Optional aviation | Covers employee's death due to an aviation accident. | 12, 24, or 36 basic employee salaries | All company employees |
| Insurance: Optional land transport | Covers employee death due to ground transportation accident between their residence and the workplace. | 24 basic employee salaries | All employees covered by the Collective Bargaining Agreement (CCT) who opt for this benefit. |
| Educational Assistance Programme | Intended to help workers to develop skills that will enable them to perform better in their current position and in positions they may occupy in the future. | 90% of the value of the undergraduate enrolment (up to COP 4.97 million), graduate (up to COP 8.235 million), and languages (up to COP 1.562 million) | All permanent company employees |
| Supplemental Healthcare: Comprehensive Healthcare System | Meets the user's medical needs in a private healthcare plan. | Unlimited | All permanent company employees. Professional staff (MPT) with fixed-term contracts of less than, or over six months who opt for this benefit. Technical staff (PTC) with fixed-term contracts since joining the company. |
| Supplemental Health: Hospitalisation Plan | Provides a mechanism to help employees and their families in cases of illness or medical treatments that are usually unexpected and come with high costs. | 80% of all medical expenses, with a lifetime limit of COP 66.4 million and COP 99.7 million, depending on the membership group | |
| Planning for the future | Voluntary benefit aimed at encouraging long-term savings. | 70% of the value of the contribution that the employee decides to make, with a limit of 10% of his/her basic salary. | |
| Home Purchase Assistance Plan | Facilitates a mortgage loan to employees who qualify for this benefit. | 80% of home's value, up to established limits. | Employees with indefinite-term contracts and at least three years of seniority in the company. |

Occupational Health and Safety Management System (OSH-MS)

For nearly three decades, Corrección has been developing this system that favours its employees and other stakeholders, according to their needs and tailored to the characteristics of the country and economic sector. It goes beyond the execution of isolated measures to provide health, hygiene, and safety requirements in the workplace and comprehensively protect employee health.

Corrección complies with Colombian legislation and applies the highest international standards to prevent and control accidents and illness as well as to reduce factors and conditions that may threaten health and safety at the work environment.

| Year | Number of cases | Hours Worked | OD Index |
|------|-----------------|--------------|----------|
| 2010 | 4 | 13,738,851 | 0.058 |
| 2011 | 6 | 14,126,778 | 0.085 |
| 2012 | 18 | 15,059,470 | 0.239 |

Corrección successfully implemented several Epidemiological Surveillance Systems (ESS), following the recommendations of the Evidence-Based Occupational Healthcare Guidelines (GATISO, in Spanish), issued by the former Ministry of Social Protection.

- ESS of respiratory diseases
- ESS for hearing conservation
- ESS for psychosocial risks
- ESS for the prevention of musculoskeletal disorders (MSD) associated with back pain, a pathology of global and national incidence, and the foremost cause of work-related morbidity at Corrección.

Among the initiatives developed under the Surveillance System are the technical and administrative changes in jobs and educational activities, such as promoting Active Breaks, which benefited 2,088 employees in 2012, in about 115 theoretical and practical sessions.

Psychosocial risks

Corrección continued to promote the psychosocial welfare of its employees through the following actions:

- Administering and scoring psychosocial risk-factor questionnaires within and outside work, as proposed by the national government. This work was done in collaboration with COPASO and external Sintracarbón consultants covering 600 employees.
- Creating action plans for 28 SEGs covering 906 employees.



- Workers participate considerably in the construction and monitoring of the OSH-MS through their representatives to the Joint Workers Healthcare Committee (COPASO, in Spanish) and to the Health Committee, comprised of representatives from Sintracarbón and administration.
- In 2012, Corrección invested USD 8.9 million to carry out the OSH-MS.
- Since the start of operations at Corrección, seventeen employees have been retired for disability: fifteen had a common disease, only two involved occupational accidents, and none for occupational disease.
- No worker is exposed to any hazardous agents above the threshold limit values (TLV) after taking into account personal protective equipment.
- To ensure workplace safety and health, Corrección has been certified in the OHSAS 18001 International Standard (Occupational Health and Safety Assessment Series.) since 2003 and has been recertified each successive year since then. The current recertification is valid until September 21 of 2015.
- For over 26 years, Corrección has used the methodology of Similar Exposure Groups (SEGs) for our Workplace Safety Management (WSM). The government just recently recommended that this methodology be used in Colombia for WSM. This management system has made it possible to comprehensively control occupational risks in the company and perform the respective medical-occupational monitoring.

Occupational Disease Index (ODI)

For the period analysed, the index was 0.239 for just over fifteen million hours worked. The index is higher than in 2011 due to legislative changes in the social security system in the country, which identified more occupational diseases, thus resulting in an increase of cases.



Psychosocial support for fatigue control in the operation

To strengthen the healthy habits of employees and their families, as well as reducing the incidence of fatigue effects in the workplace, Cerrejón encourages the need for proper rest management through these activities:

- Social family visits.
- Training spaces (awareness of the importance of rest for the proper performance of company technical operations).

| | Interventions 2011 | | Interventions 2012 | |
|------------|--------------------|--------------|--------------------|--------------|
| | Numbers | Participants | Numbers | Participants |
| Workshops | 107 | 2,800 | 261 | 4,399 |
| Consulting | 594 | 594 | 438 | 438 |

Workshops increased by 144 % over the previous year, and participants increased by 57% over the same period. In 2012, many more workshops were offered with the aim of providing personalised attention in each one, with fewer participants per workshop. On the other hand, consulting fell by 26% in quantity and participants.

Preventive and Occupational Medicine Programme

Cerrejón implemented assistance programmes in education, training, prevention, risk control, and management regarding health conditions for our employees' most common diseases, using the following actions:

- The participation and mutual agreement of COPASO, Sintracarbón, the Coomeva health-care provider, the Positiva Occupational Risk Management Company (ARL), and Comfaguajira made it possible to start designing a project to promote healthy lifestyles, such as good nutrition and physical activity.
- The start-up during the second half of 2012 of an absenteeism-management process for medical reasons, which included a concurrent medical audit and support for individual workers with health-related absences.



At Cerrejón, absenteeism is classified as either scheduled or unscheduled.

- Scheduled absenteeism is composed of unjustified absences, sick leave, and disability due to an accident.
- Unscheduled absenteeism includes unpaid leave, paid leave, suspensions/licences, and union permission.

Industrial hygiene

The following actions allowed for comprehensive control over several risk factors in the workplace:

- Creation of an environmental risk map (suspended aerosols, carbon monoxide, and metal fumes) in the permanent workshops area.
- Evaluation of environmental and occupational exposure in permanent workshops, such as Welding, and assessing the effectiveness of controls related to metal fumes.
- Strengthening the Comprehensive Chemical Hazard Management System in Puerto Bolívar.
- Training 4,313 employees in chemical substances, use of personal protective equipment (PPE), and others.
- Supporting the Environmental Management Department in the implementation of a fog system to control particulate matter in the Production Department.

Complementary healthcare programmes for employees and their families

Around 4,875 employees, along with their families (a total of 20,363 people), have complementary healthcare plans (Prepaid Coomeva Medical and hospitalisation, surgery, and maternity policy),

which are subsidised by Cerrejón at 70% of the total cost. The company has allocated USD 10.1 million for coverage of this annual plan, which includes:

- General and specialised medical consultation on an open network
- Emergency and intensive care
- Dental care
- Diagnostic aids (X-rays, high-tech imaging, etc.)
- Hospitalisation, surgery, and maternity
- Comprehensive care for high-cost diseases (cancer, transplants, dialysis, surgeries, and cardiac rehabilitation, among others)
- Physical and respiratory therapies
- Coverage of commercial and generic drugs

Work reincorporation programmes for workers

When a Cerrejón employee cannot continue his usual work due to a significant health problem (75% common origin, that is, derived from daily life or a medical predisposition), the employee enters a reincorporation programme for placement in a new position, according to his health condition, which will be appropriately adapted for the employee's safe and efficient performance.

In 2012, 295 employees participated in this programme, which includes comprehensive and general medical assessment, disability payment insurance, technical and vocational evaluation of various positions not approved for relocation, and psychosocial support for workers and their families along with their supervisors. An interdisciplinary company team monitored participants and ARL specialists and other individuals involved in social security supported them.

Operational safety

Since the beginning of its operations, Cerrejón has sought to make safety one of its corporate values. This goal has been strengthened companywide through risk management and implementation of safe and proper use of resources and equipment, while always taking into account the stages of a product's life cycle. Additionally, comprehensive work has been done to ensure the proper identification of risks, risk control, and information dissemination necessary for a fatality-free operation, preventing and mitigating potential accidents.

Each operational area performs a daily identification, prevention, control, and assessment of risks that could affect employees, contractors, and third parties. This activity promotes a culture free of fatalities and accidents

Strategies 2012

- Reinforce our clear leadership in safety
- Reinforce management in the control of catastrophic risks
- Strengthen operational discipline (compliance with regulations)
- Ensure safe contractor performance

Achievements 2012

- For the second consecutive year, there were no fatal accidents (employees, contractors, and third parties). This has been and will always be Cerrejón's priority in all of our activities.
- Cerrejón was awarded the Cruz Esmeralda Prize, Excellence category, by the Colombian Safety Council.

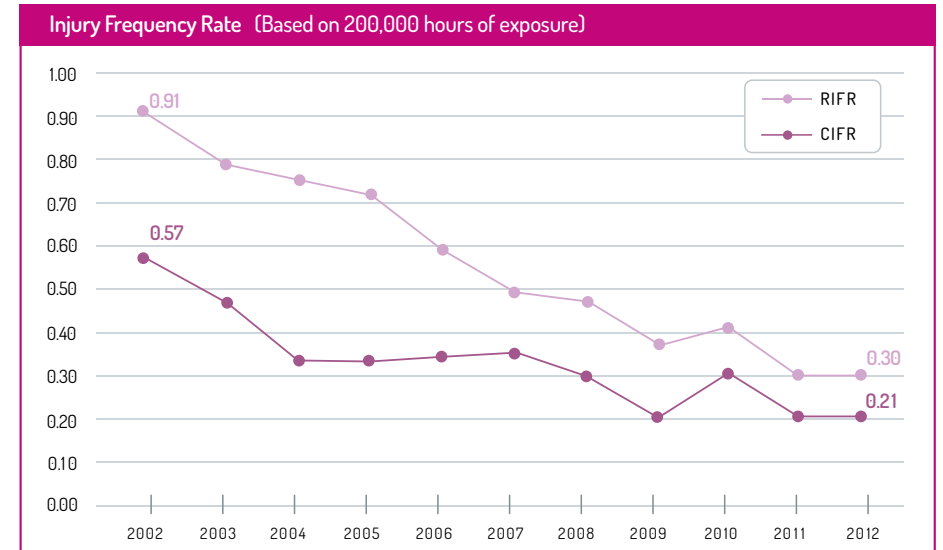
Safety results

Cerrejón monitors safety results by the number of fatalities and the recordable injury frequency rate (RIFR) in order to meet the targets set for 2012.

Recordable injury frequency rate (RIFR)

This is calculated based on the ratio of accidents per 200,000 hours of exposure compared to the number of hours worked during the period. It includes all personal injuries except for those treated with first aid.

In 2012, the goal for this rate was achieved for all operations (employees and contractors): 0.30 compared to a maximum limit of 0.32. The rate was 0.35 for employees and 0.28 for contractors.



Classified injury frequency rate (CIFR)

This is calculated based on the ratio of accidents per 200,000 hours of exposure compared to the number of hours worked during the period. It includes only incapacitating injuries (fatalities, lost time, and limited work).

For 2012, the CIFR ended slightly above the maximum limit: 0.21 compared to a maximum limit of 0.20. It was 0.28 for employees and 0.16 for contractors. It is notable that contractors remained at 2011 levels, with a maximum of 0.17.

Noteworthy actions in 2012

In December of 2012, Cerrejón hit its best historical record without fatalities (employees, contractors, and third-party fatalities), which included more than 880 days (78.2 million workforce hours).

Cerrejón commemorated the second anniversary of the fatal accident in Silo 1 by performing 22 reflection sessions, with the participation of Cerrejón managers and vice presidents. Hard work over these past two years has resulted in improvements in the identification of potentially fatal accidents and in the effectiveness of critical controls (CC) to prevent and mitigate such accidents. Other highlights of 2012 were:

Fatal risk management

1. Audits of critical controls over multiple fatality risk events, led by superintendents, managers, and vice presidents.
2. Assessment of the application and implementation of Cerrejón's HSEC management system by a team of seven representatives from the Risk Assessment and Assurance Group (RAA) of BHP Billiton.

3. Review of 144 risk events with potential individual fatalities (163 in total) using the Bow Tie methodology by operations superintendents.
4. Review of critical task procedures used as part of the Task Observation Programme, involving vice presidents, managers, superintendents, and supervisors. Of a total of 738 tasks in 2012, 147 procedures were reviewed.
5. Continuity in reporting and correction of Zero Energy events.⁽²⁾



⁽¹⁾ This methodology is commonly used in the industry for risk analysis (potential fatal accidents).

⁽²⁾ These are unsafe actions and conditions that can cause a fatal accident. They are called Zero Energy because they are identified before an incident occurs. That is, before there is any exposure to uncontrolled energy.



The percentage of absenteeism is obtained from the following formula: Hours absent/hours scheduled * 100. This year we included scheduled and unscheduled absenteeism and vacations.



“Three star” certification process

The “Three star” process is an internal audit conducted in superintendencies—between zero and three stars are awarded. This year, two certification rounds were carried out for the purpose of ensuring sustainable performance, in addition to compliance with the requirements of the Fatal Risk Control Protocols (FRCP), and the Health, Safety, Environment, and Community (HSEC) policy throughout the company.

The aspects reviewed during these audits were: actions taken in response to the prior verification round; the plan of action resulting from the certification audit in OHSAS 18001 and ISO 14001; the observance and effectiveness of the Fatal Risk Management System; the use of basic safety tools; and workplace conditions, including compliance with FRCP requirements.

Safety assessment at Cerrejón

Philip Fourie (vice president of Safety and Sustainable Development at Anglo American) and Barry Formosa (vice president of HSEC at BHP Billiton-Energy Coal) visited Cerrejón to assess the company’s safety management, especially fatal risk management. In addition to satisfactory results, a plan of action was implemented to follow the proposed recommendations for improvement.

Truck operation safety workshop

Representatives of the Cerrejón shareholders’ Technical and Operation Review Committee (TORC)

and company representatives participated in a safety workshop to confirm or establish the best mining truck operation safety practices. During the workshop, the seven near-miss incidents that occurred up until August 2012 were reviewed to identify common causes and to design a work plan.

Annual Safety Week

The fifth annual Safety Week was held, consisting of activities designed to promote an injury-free culture. Around one-thousand employees and contractors participated. The event included workshops, conferences, supplier displays, and a safety fair; fourteen contractor companies were present; and Cerrejón had two stands—blasting processes and safety tools.

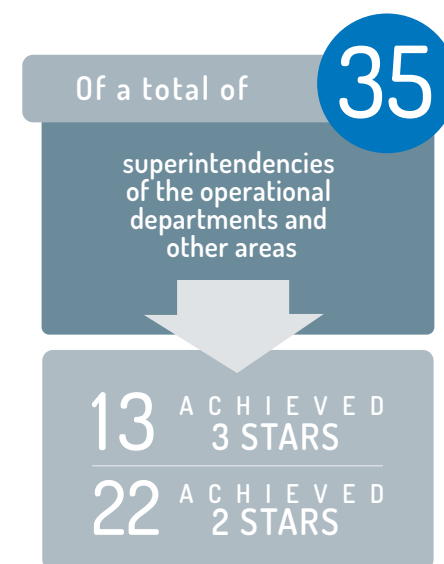
Challenges in 2013

- To achieve widespread use of critical-task procedures
- To ensure the effectiveness of and compliance with critical controls
- To finalise the review of fatal risk events
- To eliminate repetitive Zero Energy events
- To continue with “Three star” certification process reviews
- To review the investigations of Zero Energy events and near-miss incidents in order to identify improvement opportunities for critical controls

- To meet goals for the reduction of severe injuries
- To ensure that contractors maintain good safety performance

“Improvising is not the safest thing to do”

In 2012, the campaign entitled “Improvising is not the safest thing to do” was launched, with a strategy aimed at the promotion of a series of regulations and behaviours to remain alert to the main risks in the workplace using analogies with regional animals.



Health and Safety Committees

Made up of executives and employee representatives, these committees were established to reinforce the operation’s commitment to compliance with health and safety standards in the workplace. In 2012, 21% of employees participated in these committees.



| Workers Occupational Healthcare Committee (COPASO) | Number of representatives |
|--|---|
| The Mine | 16 representatives (8 from Cerrejón and 8 from the workforce) |
| Puerto Bolívar | 8 representatives (4 from Cerrejón and 4 from the workforce) |
| Bogotá | 8 representatives (4 from Cerrejón and 4 from the workforce) |
| Total representatives 2012 | 32 |

| Other committees | Number of representatives |
|---|---|
| Sintracarbón Health Department | 4 (1 national, 3 regional) |
| Collective Bargaining Agreement (CBA) Health Committee | 10 (4 from Cerrejón and 6 from the workforce) |
| CBA Safety Committee | 8 (2 from Cerrejón and 6 from the workforce) |
| Safety monitors | 1,085 |
| Operational Integrity Committee of Production | 21 |
| Operational Integrity Committee of Maintenance | 4 (1 representative from electrical and mechanical truck maintenance and tyre workshop, 1 from construction and welding, 1 from power shovels, and 1 from caterpillar tractors and tyre service equipment) |
| Operational Integrity Committee of Support to the Operation | Total of 12 representatives: <ul style="list-style-type: none"> • One coordinator from Operational Support • Operational Services: Four operational integrity coordinators and three coordinators for Prevention Processes for Behaviour-Based Accidents (PPABC) • Coal handling: Three operational integrity coordinators and one PPABC coordinator |
| Operational Integrity Committee | 26 (vice presidents and managers) |
| Total representatives 2012 | 1,202 |

Workers’ rights

Cerrejón considers it unacceptable not to comply with employment legislation and international regulations on child labour and forced labour. Therefore, our internal regulations respect children’s rights and reaffirm our policy not to allow child labour in our operations. That is, employees under fifteen years of age⁽¹⁾. In addition, the company’s regulations state it will not employ minors aged 15 to 18 in expressly prohibited activities or in working conditions that involve risks to their health and safety, as determined by law. Furthermore, such minors may not work at night.

As regards forced labour, the company strictly complies with chapter five of our labour regulations, which specifies that employees may work a maximum of 48 hours per week, distributed into day shifts from 6 am to 10 pm and night shifts from 10 pm to 6 am. For each day worked in operational areas, employees will have 24 hours of rest. It is noteworthy that all work, including overtime, performed by employees and contractors in the company is done so voluntarily.

Monitoring and assessment

Cerrejón has corporate guidelines for work shifts aimed especially at contractors, which list the criteria that should be taken into account for the shifts and the legal requirements in relation to voluntary labour and preventive health aspects.

Along the same lines, in large, civil, and commercial contracts, clauses are included that promote com-

pliance with labour law for their workers and protect their rights, including union membership. In 2012, the company had 1,427 valid contracts, of which 704 were contracts exceeding USD 25,000 and 723 were “delegated” or had a value of less than USD 25,000.

The contractors are committed to complying with labour’s social responsibility policy and to following the directives of standard SA8000, which promotes respect for freedom of association and collective bargaining. One hundred per cent of our contractors with contracts of over USD 25,000 sign appendix D, which defines human rights requirements.

The company also audits its contractors to verify strict compliance with their labour obligations and the right to unionisation, in accordance with constitutional and legal parameters and international labour agreements ratified by Colombia.

⁽¹⁾ Paragraph 1 of Convention 138 of the ILO determines that the minimum employment age must not be lower than the age at which obligatory schooling ends or, in any event, at fifteen years of age.



→ Cerrejón has maintained and published its policies for social and labour responsibility and productive work environment policies in order to avoid situations of persecution, coercion, and discrimination due to union membership, politics, region, race, religion, nationality, profession, job role, or workplace, and any other act that might prevent the free right to unionisation or the exercising of said right. Said policies are applicable to the contractor companies and their compliance is verified through direct audits.

→ Between February and October of 2012, 26 audits of companies contracted by Cerrejón were conducted in the context of a verification programme for the Labour Social Responsibility Management System. Such matters as compliance with labour law (working hours, shifts, payment of salaries and Social Security, holiday programme, final payments) and the review of occupational health matters are assessed.

The companies to be audited are selected from companies belonging to the large contract database, managed by the Contracts Division. This exercise takes into account criteria such as safety, number of employees, and labour awareness.

It is important to note that this group excludes companies that were audited the previous year. Safety Management, the Legal Department, the Contracts Division, and the head of the Labour Division decide which companies will be audited—a number that may range between 20 and 30 companies.

The results of the audits in 2012 are summarised below.

| Indicator | Goal 2012 | Outcome 2012 * |
|------------------------------|-----------|----------------|
| Audits performed | 25 | 26 |
| Solution of Non-Conformities | 80 % | 82.61 % |

* In addition to these audits, complaints/claims filed by unions and/or third parties against contractor companies are also investigated.

Main achievements of the programme in 2012:

- Regulation of shifts within contractor companies, eliminating extensive shifts (fatiguing). This was achieved by setting guidelines for legal compliance and occupational health established by Cerrejón.

- Control of registration and timely payment of Social Security, in accordance with the start dates established in contracts.
- Improved compliance with workers' holiday programmes.
- Compliance in the delivery of pay slips to workers and monthly payment dates.
- Appropriate extra payments for night work and work on national holidays, among others.

Unions, collective agreement, and work environment

Cerrejón respects the right to join a trade union and to collective bargaining, as stated in our policies. This shows we are committed to protecting workers' fundamental rights. The company currently has two unions that workers are free to join.

Sintracarbón is the larger union, with which Cerrejón holds regular meetings through ten committees that meet once a month: health, food, land transport, education, employee individual

development programme, claims, recreation and sport, contractors, safety, and human rights. There is also a committee for the verification and monitoring of the Collective Bargaining Agreement.

Sintracarrejón is the minority union and the company's most recent. At the end of 2012, it submitted its list of demands for the consideration of the administrative body, as did Sintracarbón. They will be negotiated in accordance with legal provisions. Cerrejón's administration called a meeting with the negotiation committees to begin talks.

The Collective Bargaining Agreement signed with Sintracarbón in 2010 benefited 3,750 union members and 882 workers affiliated with the union—a total of 4,632 workers. This represents 100% of the technical personnel (PTC) eligible for union representation and 83% of total employees.

The Collective Bargaining Agreement includes coverage by Cerrejón of 86% of the total cost of the prepaid medicine and health aid programme and 100% of medications. Similarly, a health services committee was set up that meets regularly for talks between the union and the company on these issues.



Human Rights

In 2011, an integrated evaluation of social impacts and human rights at the Cerrejón operation was performed. Social standards recommend this evaluation be carried out at the beginning of each project and be updated approximately every three years. Progress was made in validating the findings in 2012, and the sharing and discussion of the report results began with members of the Dreganal and Tabaco communities.

The World Café methodology was used for this dialogue, seeking the greatest possible participation of attendees and the creation of agreements on identified impacts. The process equally served as a vehicle for obtaining feedback from communities about the methods the company implemented for interacting with them. Four more meetings with the communities are planned for 2013.

Training in human rights

As part of our commitment to social standards, and in compliance with our Human Rights Policy, the Department of Social Standards and International Relations covers three types of training in this area: general orientation given to new employees at the company, training aimed at middle and senior management, and specialised training in specific social standards.

Employee training

Cerrejón does not merely present the in-house characteristics of the operation and the principles guiding its activities in its general orientation for new workers. We also introduce them to the parameters guiding our corporate conduct with respect to: human rights and related policies, the international standards followed by the company, and the function of the Complaints Office in listening to the concerns and comments of participants.

Over the course of the year, there were 24 days of general orientation in human rights topics for 100% of new employees (865).⁽¹⁾

Training for administrative personnel

For the purpose of providing middle and senior management with greater awareness of the social standards adopted by Cerrejón and of human rights issues, 10 editions of the e-publication "Cerrejón For Rights" was sent to approximately 250 staff members.

Specialised Training in Human Rights and Voluntary Principles on Security and Human Rights

To comply with the standard Voluntary Principles on Security and Human Rights, Cerrejón offered human rights training and customs of the Wayuu culture to private security contractors and to members of the public security forces that provide security services to the operation. A total of 962 people received this training in 2012: 52 hours of training on those topics were given to 87.45 % of members of the private security force, while 10 members of the public security forces (or 0.83 % of active members) received 16 hours of training. The decrease in training for the public security forces was due to the attention demanded by situations that disrupted public order in the region.

The company also held a pilot workshop with the goal of providing an in-depth examination of the Voluntary Principles on Security and Human Rights. Six sessions lasting four hours each were offered—a total of 24 hours of training for 21 of the 35 direct employees (or 60%) of Cerrejón's Protection Department who are responsible for protecting company infrastructure and the workforce.

Cerrejón organised four roundtables with communities on security issues. Three of them were held with the Warelopalein (km 97 of the railway line), Orroco (km 63), and Ashulamana (km 139) communities, as well as with the private security company providing services there. The three events were attended by 106 community members and 18 traditional authorities. Another roundtable was held with the indigenous community of Tamaquito and the Energy and Roads Special Battalion (BAEEV No. 17, in Spanish) of the Colombian army.

The goal of these roundtables is to: verify with the community that the actions for their protection are being carried out with full respect for human rights, and to constantly improve relations between the community, the security company, and the public security forces.

| Target public | 2010 | | 2011 | | 2012 | | | |
|---|---|--------------|------------|--------------|------------|--------------|---|---|
| | Hours | No | Hours | No | Hours | No | | |
| Employees | 23 | 813 | 17 | 476 | 48 | 865 | | |
| Public security forces* | National army unit responsible for protecting mining infrastructure | | 2 | 40 | 86 | 839 | 4 | 3 |
| | Other military and police units | | N.A | N.A | 56 | 821 | 4 | 7 |
| Private security guards | 44 | 821 | 22 | 271 | 52 | 962 | | |
| School children from area of influence ** | 18 | 813 | 10 | 430 | N.A | N.A | | |
| Total | 87 | 2,487 | 191 | 2,837 | 108 | 1,837 | | |

* The members of the public security force did not receive significant training in human rights and the habits and customs of the Wayuu culture in 2012 due to the outbreak of terrorist attacks carried out by guerrilla forces.
 ** The work done with children from the area of influence concerning human rights was evaluated in 2012 and training sessions were not provided.
 (1) This number includes new direct employees, apprentices, student interns, and other temporary workers.



Cerrejón held activities related to promoting standards and spreading awareness of the human rights policy among our employees through training sessions and e-bulletins, among other actions.

Assessment of Cerrejón's Human Rights Training Programme

Continuing the project started in 2011 with the Conflict Analysis Resource Centre (CERAC, in Spanish), the indicators measuring the impact of the human rights training sessions held by Cerrejón were applied.

The indicators for measuring human rights training evaluated:

- The degree of outreach achieved by the training programme
- The level of knowledge obtained in the training sessions
- The level of interpretation and communications skills obtained

A total of 1,139 surveys were taken of employees, contractors, and members of the private and public security forces. The surveys were given both to people who received the training and others who did not attend any sessions, with the latter serving as a control group to enable an objective evaluation of the results.

Similarly, there were 18 discussion groups involving employees, the public and private security forces, and children from schools close to the area of influence for the purpose of providing a qualitative contrast to the quantitative information.



Results of Cerrejón actions with regard to human rights

| Objectives | Goals | Results | Challenges |
|--|---|--|---|
| Create awareness of the human rights policy among workers and contractors. | <ol style="list-style-type: none"> 1. Make the human rights policy known to 100% of new employees. 2. Publicise the policy among contractors of private security companies. 3. Circulate the policy among senior management. | <ol style="list-style-type: none"> 1. 865 new employees were trained in social standards and human rights. 2. Accomplished. 3. Accomplished. | <p>Share and discuss the human rights policy in meetings with contractors.</p> <p>Make the policy known to 100% of new employees.</p> |
| Execute a campaign for employees to spread awareness and information about social standards and human rights. | <ol style="list-style-type: none"> 1. Adjust the image of the human rights policy and replace the old posters. 2. Publish ten "Cerrejón for Rights" bulletins aimed at middle and senior management. | <ol style="list-style-type: none"> 1. Accomplished. 2. Accomplished. | <p>Send out five new "Cerrejón for Rights" bulletins.</p> <p>Start designing an online training course on human rights and social standards for Cerrejón staff members.</p> <p>Carry out training for contract administrators and supervisors.</p> |
| Promote human rights in neighbouring communities. | Get 500 children from neighbouring communities to participate in entertainment-oriented workshops on human rights. | Not accomplished due to review of the human rights training programme. | Once again attempt to get 500 children from neighbouring communities to participate in entertainment-oriented workshops on human rights. |
| Validate the impact and measures study with the communities. | Hold five meetings with the communities to share and discuss the impacts study. | A meeting was held with the Oreganal and Tabaco communities using the World Café methodology in the dialogues. | Hold the four remaining meetings in 2013. |
| Hold roundtables with the communities to evaluate the impacts of the security agreements and contracts. | Hold four roundtables. | Four roundtables were held. | Hold five roundtables in 2013. |
| Train members of the private security force in Voluntary Principles on Security and Human Rights, and the traditions and customs of the Wayuu culture. | Train 100% of the 1,100 contractors of the private security companies. | 962 private security guards trained. | Train 90% of the employees of the private security force in 2013. |
| Train members of the public security forces in Voluntary Principles on Security and Human Rights, and the traditions and customs of the Wayuu culture. | Train 800 members of public security forces. | Not accomplished. The training could not be carried out due to the attention required of the public security forces to protect the Cerrejón operation from terrorist attacks. | Training of 800 members of the public security forces shall be resumed in 2013. |
| Manage the human rights training indicators, apply them to establish a baseline, and adapt the training programmes on this topic to it. | Obtain a baseline on the training sessions in human rights. | Accomplished | Make adjustments to the human rights training programme in 2013. |
| Continue strengthening the Complaints Office. | <ol style="list-style-type: none"> 1. Address 70% of complaints received. 2. Reinforce training for complaints officers and investigators. 3. Reinforce human talent. | <ol style="list-style-type: none"> 1. In 2012, 184 complaints were received and 127 were closed (37 from 2012, 72 from 2011, and 18 from 2010). 2. 41 people received refresher training on subjects related to the Complaints Office. 3. The Complaints Office team was strengthened with more personnel, ensuring the knowledge and expertise of how to work these cases. | <p>Work on a plan in 2013 to reduce the case backlog and achieve a closure rate of 70% on complaints registered between 2010 and 2012, and a closure rate of 60% on complaints logged in 2013.</p> <p>The software and user's manual will be adapted.</p> <p>Projects for publicising the Complaints Office both internally and externally will resume.</p> <p>Work in coordination with other areas of the company to strengthen teamwork.</p> |

Complaints Office

In 2008—during the mandate of John Ruggie, the former United Nations Special Representative on Business and Human Rights—Cerrejón was invited (together with another four companies worldwide) to participate in the pilot project to implement a complaints mechanism to comply with the Protect, Respect, and Remedy plan and its 31 guiding principles. Cerrejón's Complaints Office was created in 2010 as part of this pilot project.

This office seeks to remedy the impacts caused by Cerrejón's operations on employees, contractors, and communities in the company's area of influence. An additional goal is to promote and maintain good relations with our stakeholders by responding in a timely, efficient, participative, and transparent manner to concerns due to possible operational impacts.



Step by Step

- 1 Registration**
File the complaint at one of the access points or with an authorised official.
- 2 Classification of a complaint**
Assess whether it relates to an operational impact.
- 3 Information-gathering**
Clarify the facts together with the complainant. Identify how, when, why, and where the events occurred.
- 4 Agreement**
On possible compensation measures.
- 5 Approval**
Implementation of the agreement.
- 6 Closure**
Formalisation of the agreement with the complainant.
- 7 Lessons learned**
Identification of opportunities for improvement both in information-gathering and closure.



Description of handling complaints and grievances

The first step is to listen to the complainant and record the complaint to understand how, when, and where the events occurred and who is involved. Then the facts have to be established through a joint investigation between the investigator assigned to the case and the complainant. Subsequently, the Complaints Office organises and analyses the information on the case to clarify the facts.

Through dialogue with the person who filed the complaint, an agreement is proposed and the steps that will be followed are defined in order to close the case.

If Cerrejón was not responsible, the Complaints Office will, as far as possible, personally provide a response to the complainant, explaining the results of the information gathering, and the reasons why Cerrejón is not responsible for the event. Where applicable, the Complaints Office shall also direct the person as to where to go to find a solution to their problem.

If Cerrejón was responsible for the event and tangible, physical damage to the property or integrity of persons is proven to have been caused by the company, compensation will be proposed.

Management of the Complaints Office

| Status of complaints | 2010 | 2011 | 2012 | Total to 2012 |
|----------------------|------|------|------|---------------|
| Logged | 183 | 129 | 184 | 496 |
| Closed 2010 | 33 | - | - | 33 |
| Closed 2011 | 35 | 23 | - | 58 |
| Closed 2012 | 18 | 72 | 37 | 127 |
| Closed | 86 | 95 | 37 | 218 |
| In process | 97 | 34 | 147 | 278 |
| Transferred | 4 | 0 | 0 | 4 |

Note: Transferred complaints refers to complaints that are not in the Complaints Office purview. Addressing complaints involves a whole process of information gathering, data comparison, and dialogues that can continue even into the year following filing of the complaint. It should be noted that the Office's human resources and logistics have been gradually expanding. As a result, the total complaints cases closed has risen from 33 in 2010 to 58 in 2011 and 127 in 2012. The fact that users continue to recur to the Complaints Office is a sign of the trustworthiness and usefulness it has shown since its creation.

| Registered cases 2012 | 184 |
|---|-----|
| Communities (safety, health, and environment) | 142 |
| Labour rights | 19 |
| Safety and human rights | 17 |
| Land acquisition and management | 2 |
| Post-resettlement | 1 |
| Labour health and safety | 1 |
| Indigenous rights* | 0 |
| Social investment | 0 |
| Transferred | 0 |
| Others** | 2 |

* Incidents related to indigenous rights are those where there is a possible involvement in the elements that constitute the identity of indigenous people: traditions, customs, territory, and culture, and others.
** This category refers to cases that have not been classified in any of the above categories.

| Security and human rights 2012 | |
|--|----|
| Total complaints and claims presented through reconciliation mechanisms. | 17 |
| Total complaints and claims presented in 2012 that have been resolved. | 6 |

Through transparent and respectful dialogue, the Complaints Office seeks the resolution of complaints in a timely and fair manner. During the period, a total of 142 incidents was registered, of which 87.5% are related to accidents involving animals on the railway line and 9.15% to relations between security personnel and the community. These figures do not take into account requirements related to resettlement issues, which are addressed independently, although they share the same software for storage and processing.

Access points to the Complaints Office

Communities

Community members may file their complaints with Cerrejón officials who coordinate the social and environmental management of their community and operational security. They can also approach the community affairs offices located at the main entrance of the Mine and in Puerto Bolívar or contact the Complaints Office officials through a landline, cellular phone, or e-mail.

Employees and contractors

They can register their complaints through their supervisor or at the Complaints Office located at the company's facilities; additionally, they can file them by landline, cellular phone, or e-mail.



We accept and file complaints, gather information, and respond to your complaints

Contact us

From Bogotá
(1) 595 5999

From the Atlantic coast
(5) 350 5999

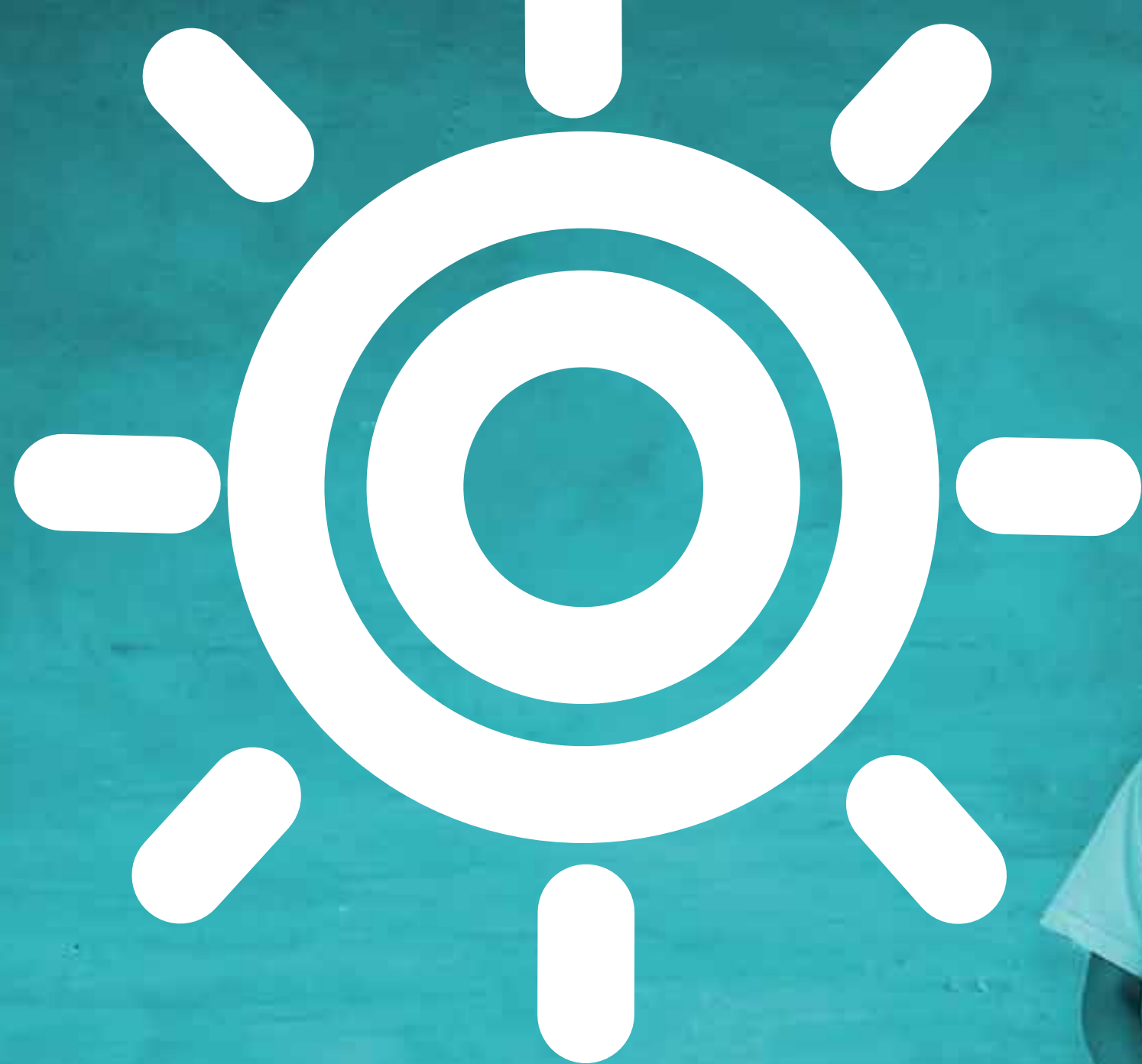
From within Cerrejón
5999

From your Movistar or Claro cell phone
742

hablemos@cerrejon.com
aashajawaa@cerrejon.com

Mine
Mine, Albania, La Guajira.
Puerto Bolívar
Uribe, La Guajira.

Lunes a viernes
8:00 a.m. to 12:00 m. and
1:00 p.m. to 5:00 p.m.



Society

- 50 Social responsibility
- 55 Resettlements
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- 66 Cerrejón Foundation for Progress in La Guajira



Social responsibility

Commitment to social development

Carrejón is no stranger to the challenges facing the mining industry regarding social responsibility and engagement with stakeholders. Constant sector challenges have led the company to focus its social commitment on programmes that seek the social and economic transformation of our neighbouring communities, thereby fostering regional development and business sustainability.

In 2012, potential social impacts were detected in the areas of influence. They were detected using various diagnostic mechanisms such as: the "Social and Human Rights Impact Assessment of the Carrejón Mining Operation" study, the ongoing engagement with communities by means of Social Management Analysts and the Foundation System, analysis of complaints and claims made by the affected communities, and by means of the 801 environmental and social visits made to Carrejón.

Carrejón's commitment to the prevention, mitigation, and control of these impacts is implemented through a social responsibility model, which contains programmes and activities aimed at the welfare and growth of communities. The main results are presented in this chapter.

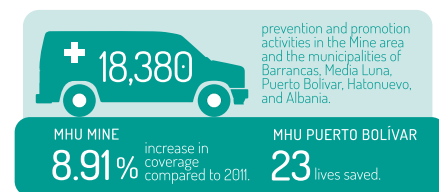
Healthcare

Promotes increased coverage, quality of service, and training of professionals to improve care for those who use the hospitals in the area of influence.

Programme for the prevention of diseases and promotion of healthcare

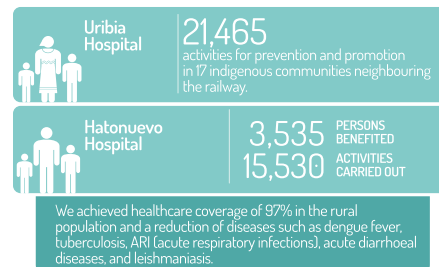
This programme increased the scope of the provision of services under the Mandatory Subsidised Healthcare Plan, strengthening State entities, focusing on promotion and prevention programmes.

Mobile Healthcare Units



A team of doctors, nurses, and dentists from area hospitals are transported daily by two mobile healthcare units (MHUs) owned by Carrejón. They provide care to the communities surrounding the Mine and Puerto Bolívar and follow up in each community every 45 days

Agreements with hospitals



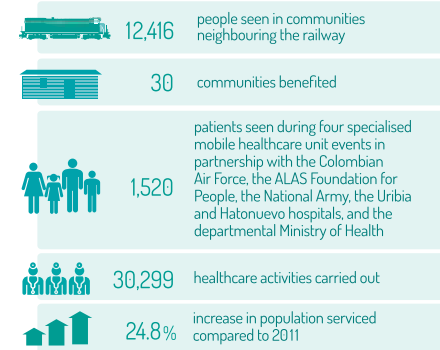
Increased healthcare coverage was achieved for the rural population through partnerships with hospitals in Uribe and Hatonuevo.

HIV/AIDS prevention



Training conducted in the educational institutions of La Inmaculada, Manuel Rosado Iguarán, Santa Catalina, Norberto Iguarán in Maicao, and Monte Alvernia in Barrancas. Teachers and youth shared their learning by replicating what they had learned in 6,020 performances in 2012.

Mobile Healthcare Clinics



General and specialised medical care, dentistry, and provision of medications three times a month along the railway line in the communities of Albania, Hatonuevo, Maicao, Barrancas, and Uribe.

Visual health



Improving the visual health of the rural population in the area of influence through the timely diagnosis of visual disorders and the delivery of 600 pairs of eyeglasses.

Basic and advanced resuscitation courses



Two courses given in Basic and Advanced Resuscitation in partnership with the Pontificia Javeriana University.

Education

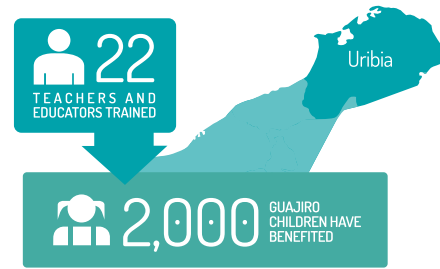
This is based on the proactive involvement of communities to build quality education as a tool to break the cycle of poverty. Carrejón helps to strengthen the education sector and supports access to education at different stages of human development.

Strengthening of comprehensive assistance during early childhood. Implementation of NAVES recreation centres



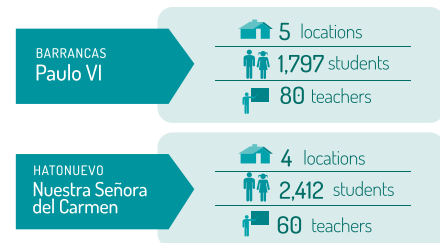
Children from the municipality of Barrancas benefited from educational and leisure activities aimed at restoring traditional games, led by the NAVES (a Mine of Happiness) recreation centre of Barrancas.

Diploma in Play, Childhood, and Development



Diploma aimed at introducing games as part of the experience in school, study, and research.

Strengthening school administration in educational institutions in Barrancas and Hatonuevo

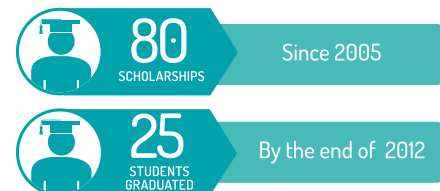


Performed by strengthening the Institutional Education Project, in agreement with the Education Alliance Association of Bogotá.



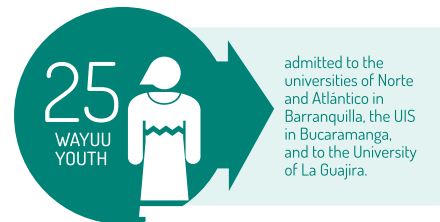
Teachers trained in the programme Improving Teachers' Skills for the Saber II Tests.

Carrejón Scholarships for Excellence



Awarded annually to the top ten secondary school graduates in the department.

Comprehensive academic assistance



Academic strengthening and professional guidance to facilitate Wayuu youth's access to higher education while preserving their ethnic identity.

Carrejón Fulbright Scholarship for La Guajira



Funding for postgraduate study in the United States for professionals from La Guajira.

Culture and sports

Helping youth in the region to be aware of how they manage their free time, especially with regard to the consolidation of skills and talents that may benefit and improve the quality of life for their families; contributing to the prevention and reduction of alcohol, tobacco, and drug consumption; and creating healthy lifestyles.

Music and sports programmes: Promoted as education complementary to formal academic learning. Strengthen values, in addition to developing in children and youth the ability to establish healthy and constructive relationships.

Cultural strengthening programme: Seeks to recover and preserve the ancient cultures of La Guajira, promoting the passing on of traditional knowledge to new generations.

Sports programme



Referees



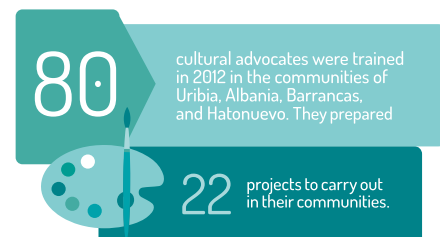
Baseball



Cultural strengthening programme



Programme to train managers in cultural entrepreneurship



The objective of this training, which was performed in partnership with SENA, is to provide the communities with the ability to manage cultural projects in their communities.

Music programme



It promotes a love of this art form and training in human development among children and youth in the area of influence, generating the learning of values for coexistence and personal development.

The various levels of this programme have a total of 427 children from all over La Guajira, 87 more than in 2011.



Community engagement

Cerrejón continued to implement the first phase of the Thematic Maps Project, which consists of updating spatial and alphanumeric data for the projects and social programmes led by Cerrejón. The year ended with 400 projects having been established by the Vice President of Public Affairs and Communications.

The Mine



Artisan entrepreneurship



Strengthening business and commerce for four production units on indigenous Wayuu reservations: Provincial, San Francisco, Trupio Gacho, and El Cerro, under the artisan venture agreement the Crea Foundation operates.

South AsawaYuja food security



Training in self-sufficiency in the Wayuu indigenous reservations of San Francisco and Trupio Gacho in the municipality of Barrancas. The programme, conducted in partnership with the Cerrejón Indigenous Guajira Foundation, provides opportunities for physical availability of food, economic access, and good techniques for managing them.

Community occasions for dialogue



Inhabitants of Barrancas and Hatonuevo participated in forums and development activities.

Leadership training



Members of community action groups and single mothers in Barrancas (and the Papaya settlement); Albania (and the Cuestecitas settlement); Hatonuevo, and Uribia attended the leadership training workshops.

Recreational days



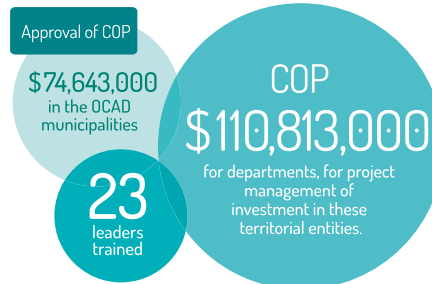
Children in Albania participated in two recreational days.

Risk management system and emergency services for La Guajira



Donated to the Volunteer Fire Departments in Riohacha and Barrancas.

New General Royalty System



This explanatory workshop was attended by officials from the National Department of Planning (DNP), the mayors of municipalities in the area of influence, the president of the Regional Assembly, the regional government, and congressmen from the department of La Guajira. Support is given for project planning.

Railway



Embrace Life

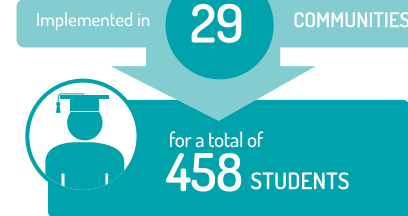
Programme for the prevention of risks to the lives and economic heritage of the communities neighbouring the railway, with a two-way approach of shared responsibility.

Coal route



The beneficiaries were part of the Coal Route, where security issues with authorities, leaders, teachers, and other members of the neighbouring communities along the railway corridor have been improved. The new artwork created for the Cerrejón locomotive was unveiled.

Sources of safety



Cultural displays



A programme aimed at the student population to promote safety and a sense of ownership toward the railway equipment. In 2012, 44 cultural displays of traditional dance and music were supported with the aid of the Jayeechi Theatre Cultural Corporation.

Artisan entrepreneurship programme



Artisans from the Wayuu indigenous reservations improved their production practices, management, and marketing of their handicrafts.

Social oversight project for sustainable development



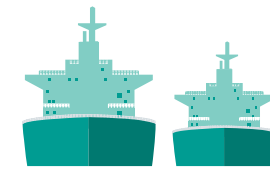
Social oversight exercises aimed at the investment of public resources were provided to eight Wayuu communities in conjunction with the Cerrejón Foundation for Institutional Strengthening in La Guajira.

Water solutions

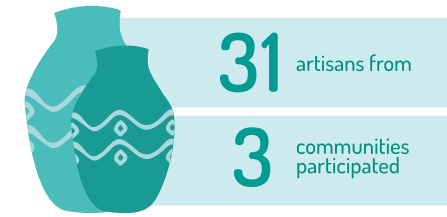


These solutions enable safe access to water for communities near the railway.

Puerto Bolívar



Artisan entrepreneurship programmes



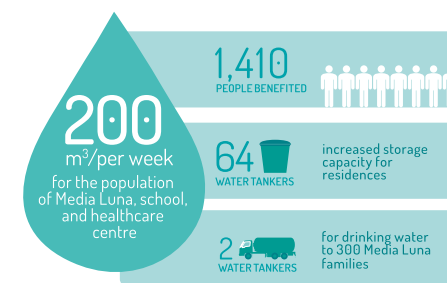
Training, development, production, and marketing of shoes, bags, and other Wayuu fabric crafts. Participation in national craft fairs.

Fisheries project



Launch of identification, organisation, and training for fishing communities.

Potable water supply



A continuous water supply was secured, with an increase of 50 cubic metres per week over the previous year for the Media Luna area. The Cerrejón Foundation for Water in La Guajira supported this project.

Construction of homes



Home designs were completed for the Malla Sur area and a programme was initiated for the improvement of one-hundred additional buildings.

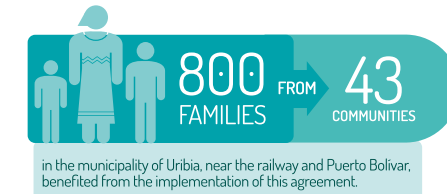
Social programmes



Promotion of sports such as football and traditional Wayuu games through tournaments and local matches.

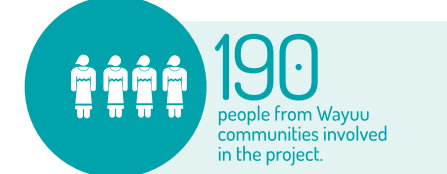
Engagement management

National Agency for Overcoming Extreme Poverty (Anspe, its Spanish acronym)



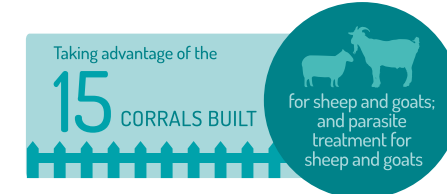
An agreement was signed between Cerrejón, the government of La Guajira, the municipality of Uribia, and Anspe to build an Extreme-Poverty-Free Zone (Zolip in Spanish) in Media Luna.

Programmes related to employment with the P40 project



Based on an agreement with traditional authorities from the Media Luna and railway area, Wayuu staff was temporarily hired by companies such as: Blastimgar, Ismocol, Ferrovial, Aramark, and Conciviles, who work on the expansion project.

Silvopasture project



Two initiatives were undertaken to increase environmental availability and to improve food security.

Post-resettlement entrepreneurship

Programmes directed at the communities of Los Remedios, Oreganal, and Tabaco, aimed at consolidating and strengthening the economic development and sustainability of families. In these three communities, the Seniors Programme promoted opportunities for integration, recreation, and healthy living. 107 seniors benefited directly and 500 families benefited indirectly. The programme has also contributed to the integration of families and the strengthening of the community's social fabric.

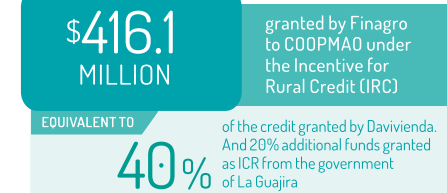
Oreganal

Palm tree cultivation



The Oil Palm Tree Cultivation Project from the Multi-Activity Oreganal Agricultural Cooperative (COOPMAO, its Spanish acronym) continued. In December 2012, the production stage began with the production of 3.2 tonnes of palm fruit.

COOPMAO received financial support from Finagro (Agriculture Financing Fund) through a loan of COP 691 million that made the palm cultivation possible.



Projects: Livestock and fisheries

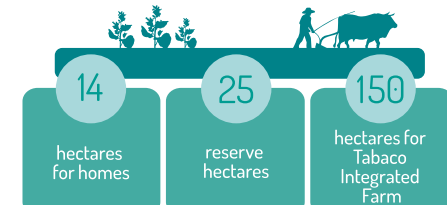


Training women for income generation

Thirty-two members were trained in food preparation techniques by the Oreganal Association of Women and in the Community Mothers Programme given by the Colombian Family Welfare Institute (ICBF, its Spanish acronym).

Tabaco

Physical reconstruction project



189 hectares were delivered on the La Cruz property, now called Tabaco I.

Entrepreneur engagement programme



Technical training in project planning and strengthening the skills of programme participants. The Tabaco Network involves approval of loans for services, shops, and semi-industrial business ventures.



They are at work in Albania providing food services to the Waya Guajira Hotel; events and activities carried out with the community social programmes; and the Seniors Programme in the Tabaco community in association with Comfaguajira.

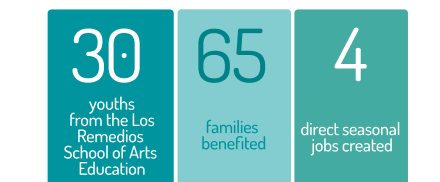


Awarded to students registered for technical diplomas at Tecnocerrejón and undergraduate degrees in different universities of Colombia.



They took part in the Good Farming Practices programme, an exchange of knowledge and experience with farmers from Córdoba, La Guajira, and Magdalena. The goal is to become more productive and self-sustainable.

Los Remedios



Participating in the Cartagena Independence Day celebrations with dances of the Wayuu culture

This project strengthens the role of young people in their community by: educating them as instructors in traditional music and dance, providing a productive occupation, and promoting them in the region as actors and teachers.

Production projects



New production projects were launched in the agricultural, ecotourism, and water sectors.



Strengthening the Mi Dulce Remedio microbusiness, maintaining its commercial relationship with Aramark through the sales of artisanal sweets, and opening up marketing opportunities with new companies in the production and marketing of candies and foodstuffs. They are also providing services to the Seniors Programme in Los Remedios and other community social programmes.



This extends good farming practices and helps to satisfy the water needs of cattle in the area, particularly in periods of prolonged drought.



The project included an experimental farm that produces fruits and vegetables using modern technology for drip irrigation, has extensive areas for growing yucca and corn, and courtyard areas for vegetable gardens.

The launching of the Los Remedios Ecotourism Centre identifies the community's production sectors, strengthening their sustainable development, teamwork, and job creation.

Strengthening the COOMFER Cooperative

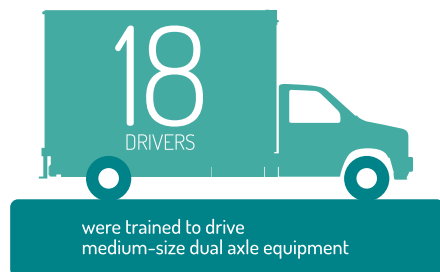


La Guajira Chamber of Commerce trained thirty people in the specialties of administration, entrepreneurship, marketing, and production.



The production phase was supported by the donation of production machinery and important commercial partners gained through promotion in forums such as Expo-guajira.

Job training programmes



Job opportunities



Resettlements

Cerrejón conceives of resettlement as an opportunity for dialogue with the communities to help improve their quality of life and build social capital. With this goal in mind, we follow the guidelines of the World Bank and the International Finance Corporation (IFC). The recipient communities of the projects implemented by the company are located in the municipality of Barrancas.

Vision As of 2017, the five (5) resettled communities will have managed to improve their quality of life and income in a stable, sustainable way, making them model eco-efficient collectives that favourably impact regional socio-economic indicators.

Basic statistics of the resettlement process

| | ROCHE | PATILLA | CHANCLETA | LAS CASITAS | TAMAQUITO II | TOTAL |
|-----------------------------|-------------------------|---------|-----------|-------------|-------------------------|-------|
| Total population (people) | 100 | 320 | 280 | 80 | 134 | 914 |
| Family units for relocation | 25* | 46 | 56 | 31 | 31 | 189 |
| Uninhabited properties | 21 | 1,443 | 905 | 305 | Comunity | 2,674 |
| Public lots/buildings | 5 | 3 | 2 | 2 | 0 | 12 |
| Planned relocation date | 2011-2012 | 2012 | 2013 | 2014 | 2013 | NA |
| Ethnic or population group | Native rural population | | | | Wayuu indigenous people | NA |
| Community area (ha) | 14 | 32 | 13 | 22 | 10 | 91 |

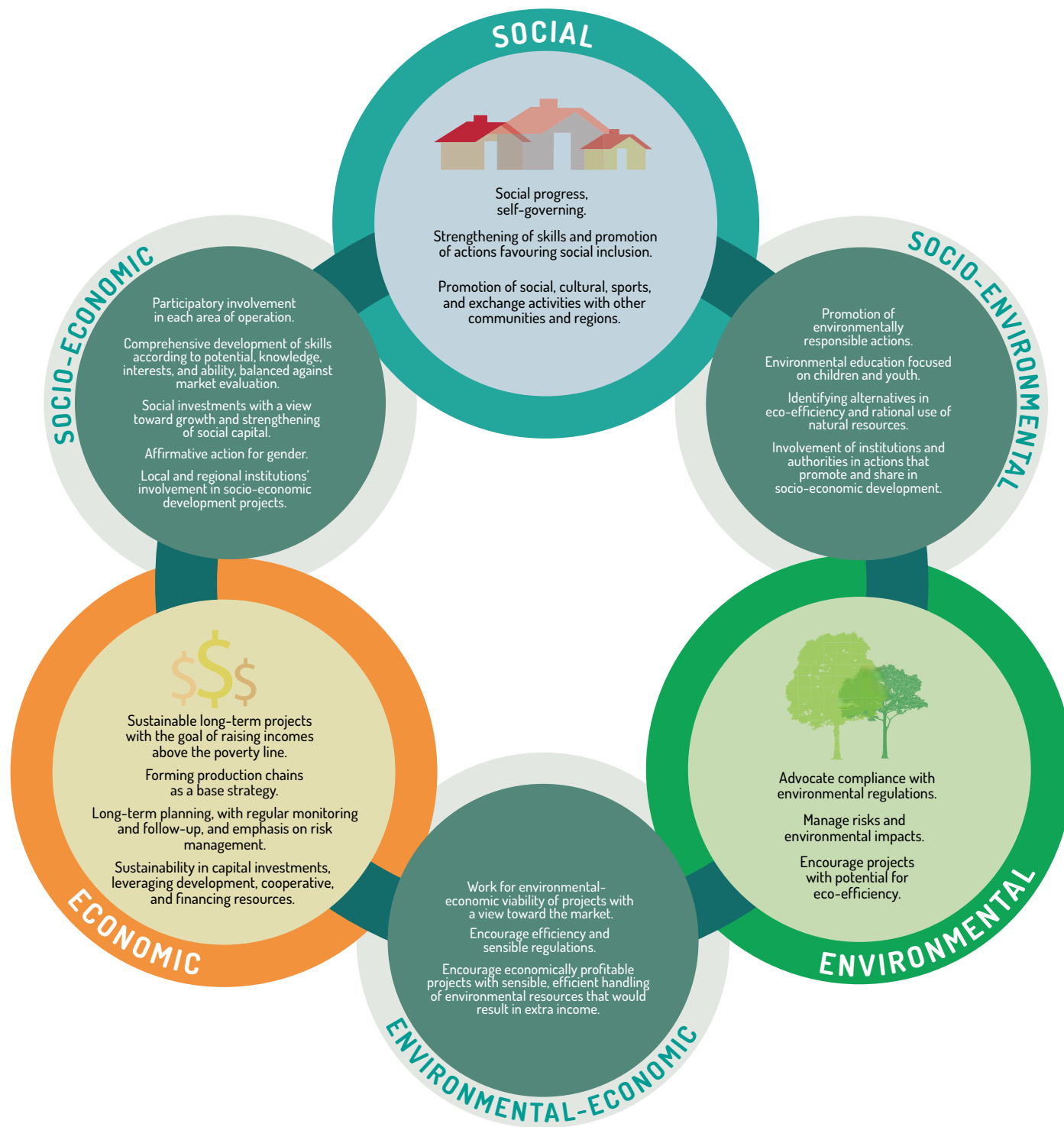
* Seventeen (17) of the 25 families completed the move; that leaves eight (8) family units to be relocated in 2013.



Achievements 2012 and Challenges 2013

| Comunity | Goals/Achievements 2012 | Progress 2012 | Observations | Challenges 2013 |
|--------------|---|---------------|---|--|
| Roche | Reach agreements with and relocate the remaining eight families. | 0% | Reached an agreement to buy a rural plot and acquired the land. | Reach agreements with and relocate the remaining eight families. |
| | Consolidate income-generation for the 17 relocated families. | 80% | All the families have a production project under way. Progress was made in consolidating and stabilising them through ongoing support from expert advisers. | Install self-perpetuating strategies in the community to promote the strengthening of production units implemented |
| Patilla | Relocate families to the new site. | 100% | Completed | Reach moving agreements with families not certified for the collective relocation. |
| | Start up the support services for income-generation and coordinate with the resettled communities. | 100% | In the process of identifying, organising, and starting up the production projects. | Introduce production or investment projects to create income for at least 80% of the resettled families. |
| Chancleta | Relocate families to the new site. | 65% | Thirty-six (36) families were relocated between October and December of 2012. | Identify, agree on, and develop income-generation plans with relocated families. |
| | Reach relocation agreements with the families | 65% | Underway | Reach relocation agreements with the remaining families. |
| | Finish work on housing and infrastructure in order to move the families. | 100% | The works were completed and 65% of the families relocated. | Deliver the infrastructure to relocated families. |
| Tamaquito II | Make progress of 80% in building housing and infrastructure. | 100% | The works advanced according to schedule. | Finish 100% of the housing and infrastructure for the relocation. |
| | Agree on bases for a general agreement on the relocation. | 100% | Substantial progress towards an agreement. Details are pending. | Sign agreement and relocate the community to the new site. |
| Las Casitas | Take part in the process of approving the municipal city plan (EOT, its Spanish acronym) in order to get the licence for building the housing and infrastructure. | 100% | The construction licence was approved and the works were started. | Finish building the housing and infrastructure at the new site. |
| | Resolve all complaints filed in relation to the resettlement. | 100% | The complaints were processed and the process of identifying the impacts of the move with the certified families was started. | Consult with and present compensation proposals for the move to the certified families. |

Sustainability Strategy for Resettled Families

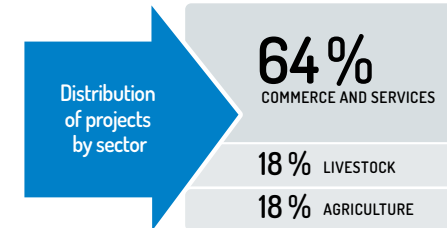


Approach
 Cerrejón is actively involved with the local communities to assure that they are fully informed of the process, that fair compensation is given, and that the possibility of land acquisition-derived impact is reduced to a minimum, bearing in mind economic, social, and environmental aspects.

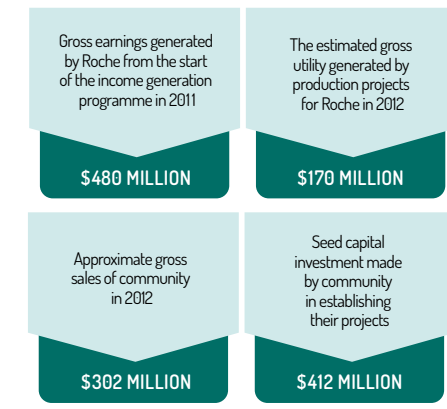
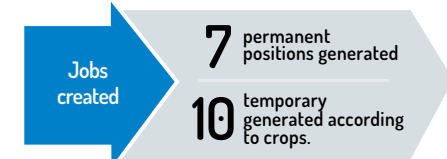
Economic aspect
Entrepreneurship
 Objective: Contribute to the development of the resettled families, linking them to supply chain processes aimed at seeking community sustainability. The stages have been structured so that the family may start up a business. They include:



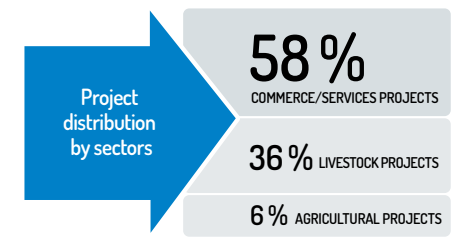
Community of Roche
 Continuity was provided for strengthening and backing the 17 production and investment projects started in 2011.



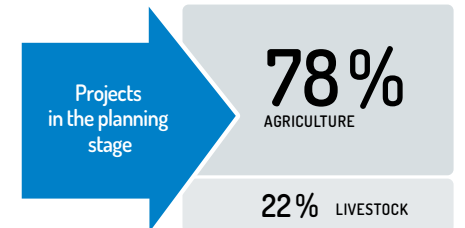
- Private transport
- Housing rental
- Agricultural project
- Livestock project
- Motorcycle storage
- Restaurant



Community of Patilla
 Formulation, evaluation, and implementation of the production projects of 46 families.



Community of Chancleta
 Relocation began in October of 2012. From this date until the year's end, nine business plans were formulated.



Employability
 1. Objectives

- Develop skills for the type of employment and the endeavour.
- Determine the employability potential in the region.

In this course of action, information is gathered to characterise and to prepare a customised diagnosis of each individual who participates in the programme. Their profile identifies abilities, aptitudes, knowledge, experience, and skills to determine an individual's potential to be of service in the organisations and/or institutions of La Guajira, Cesar, and Magdalena.

The strategy is to coordinate all the players for a win-win situation in which: the company indicates the need, the individual is available, the individual obtains the training required, and is ultimately hired for the position. The above facilitates identification of opportunities beyond mining and seeks to fulfil the latent needs of companies from other sectors of the economy.

2. Achievements

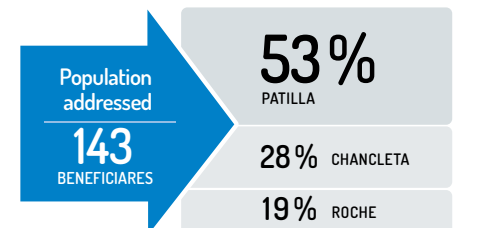
- Characterisation of 89 individuals from the five communities.

- Definition of technical and technological professions as well as the types of trade for the profiles of the members characterised from each community.
- Participation of 125 companies from different sectors in the diagnosis of human resource needs and requirements.
- Five-year prospectus of human resource requirements on the part of La Guajira and Cesar companies participating in the study.
- Training for 42 people in Operation and Maintenance of Conventional Machinery such as: winch and drill bit, and in SMAW and GMAW basic welding.

Social aspect
Education
 Objective: Contribute to improving educational quality and equality, helping to reduce poverty, favouring social inclusion, and promoting diversity and interculturality. Cerrejón seeks to involve the children and youth of these communities in a comprehensive training process. This will allow them to plan their futures through the development and acquisition of the skills and expertise necessary to succeed in a globalised, changing world.

The training has been planned considering the following:

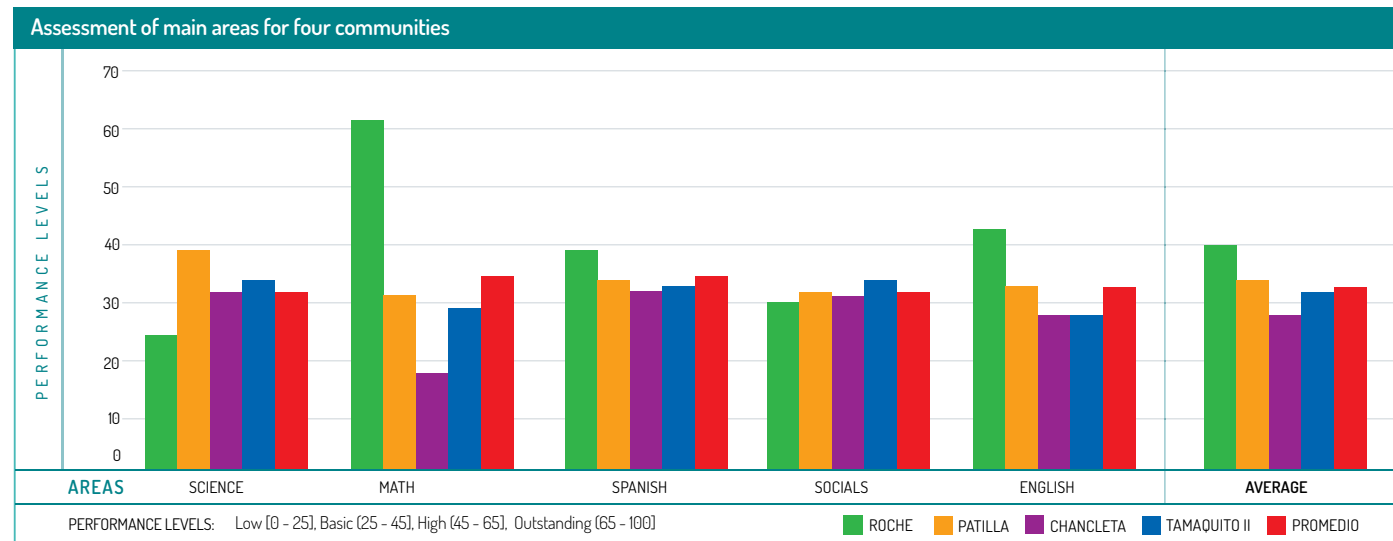
- Strengthening by area
- Bilingualism (English) Bilingualism (English)
- Digital world - ICT (Information and Communications Technologies)
- Arte y cultura (danza, teatro, música y artes plásticas).
- Life skills (career path, young entrepreneurship, leadership, communications, and prevention)



In the period between October and December of 2012, 143 students were diagnosed. The indigenous community of Tamaquito participated only in the diagnostic activities since they are in the process of relocation.

Achievements

- Construction of a baseline with the educational information of the students and their families.
- Diagnosis of individual and group performance of students by means of academic tests with Saber-type questions.



Roche registers above average results obtained in the areas of:

- Mathematics: Shows a high level of performance, tending towards outstanding.
- Language and English: Registers a basic level, tending towards high.

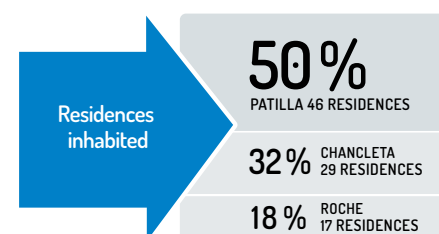
Results

- In general, the four communities show average results in each one of the areas.
- The Roche scores are higher than those obtained by the rest of the communities, since this community has been in the programme for more than twelve months, thus demonstrating its effectiveness.
- At the end of 2012, 21 students were benefiting, with support for technical, technological, and university studies. We hope to double this number in 2013.

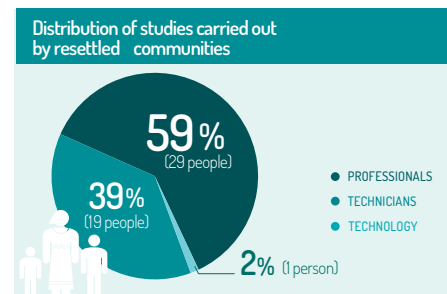
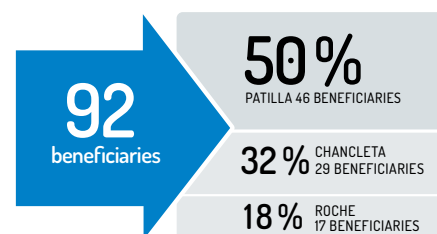


In keeping with the above, Cerrejón promoted administration of the Aqueduct and Sewage Services User's Association for the communities of Roche, Patilla, and Chancleta (ASDAWINKA RPC in Spanish) for the supply of aqueduct and sewage services, in optimal conditions. This association also manages appropriate, integral handling of waters for production use and supports complementary activities.

2. Infrastructure: beneficiary town



3. Servicios públicos: población beneficiada



Environmental aspect

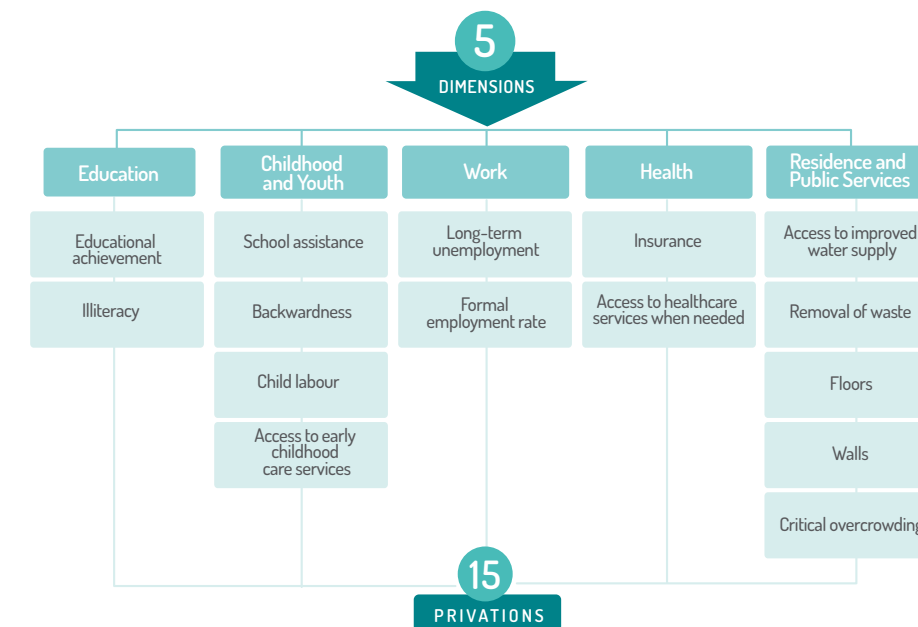
Infrastructure and public services

1. Objective:

Encourage care and appropriation of the new infrastructure in the resettled populations.

Multi-dimensional poverty index (MPI)

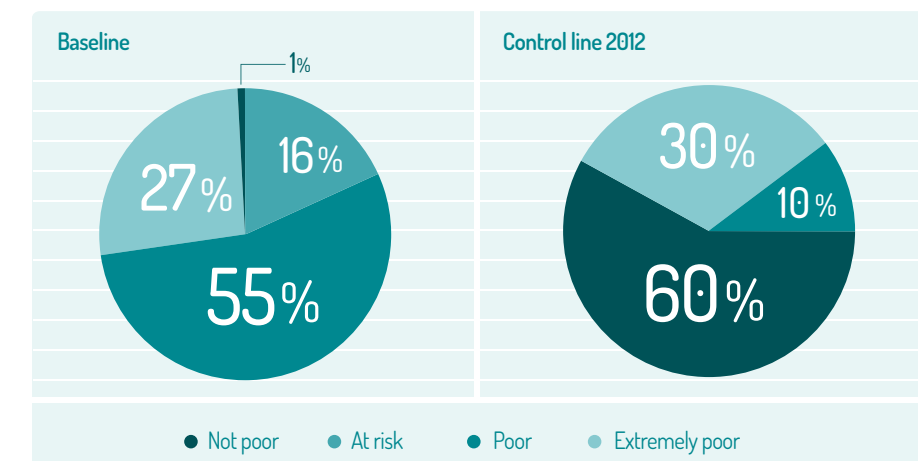
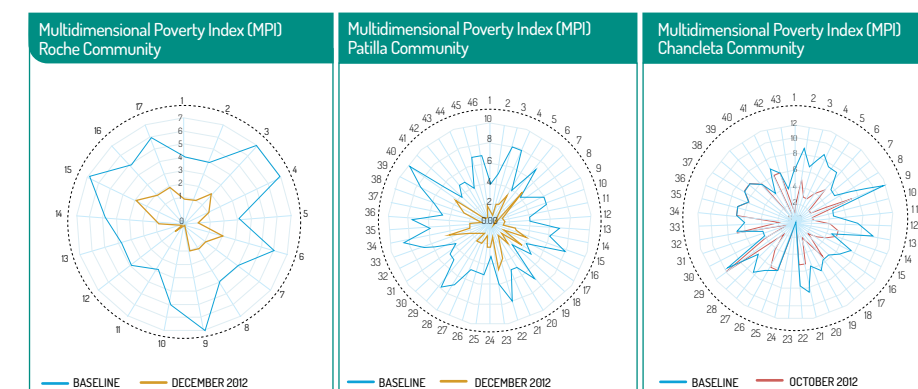
The Multidimensional Poverty Index (MPI) was developed by the Oxford Poverty & Human Development Initiative (OPHI), and was adapted by the National Department of Planning for Colombia. This index is an indicator reflecting the degree of privations of people in a set of dimensions to determine whether or not a family is in extreme poverty. This measure determines the nature of the privation in accordance with the dimensions selected and their intensity. According to this measure, a person is considered to be poor if he/she has at least five privations in the variables selected.



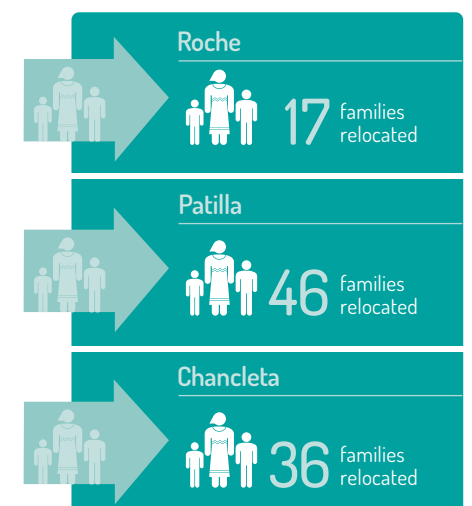
• 0-4 Privations of comfortable households • 5 Privations of households at risk of poverty • 6-15 Privations of households with multidimensional poverty



Results from the MPI privations measure



Before relocation, the communities of Roche, Patilla, and Chancleta had an average of five to seven privations. That is, there were households at risk of poverty and extreme poverty. In the new settlements, the average has been reduced to two to three privations, now being classified as comfortable households. With this methodology we can infer that, in total, 99 of 106 families have overcome the conditions of multi-dimensional poverty.



Cerrejón Foundations System

Permanent members of all boards of directors

Roberto Junguito, president of Cerrejón.
 Claudia Bejarano, vice president of Finance of Cerrejón.
 Juan Carlos Restrepo, vice president of Public Affairs and Communications at Cerrejón.
 Jorge Álvarez, manager of Cerrejón's Legal Department.
 Jaime Brito, secretary of the board of directors.



 **Cerrejón Foundation for Water in La Guajira**

MISSION

We work in partnership with the communities and competent institutions for permanent access to sufficient, quality water. We have a global management approach to water resources in order to contribute to the sustainable development of La Guajira.



LINES OF WORK

- Water supply and treatment solutions
- Integrated basin management
- Sanitation and hygiene solutions

BOARD OF DIRECTORS

Executive director: Paula Peña Amaya

Outside directors

Emilia Ruiz. President of the Teletón Foundation, former vice president of the Bogotá Chamber of Commerce, former director of the Corona Foundation, former director of the Colombian Agency for International Cooperation, consultant for the Inter-American Development Bank (IDB), and the United Nations Development Programme (UNDP).

Carmen Arévalo. Manager of the Adaptation Fund for Climate Change, former Deputy Minister for the Environment and former Representative for the World Bank Water and Sanitation Programme in various South American countries.

Enrique Danies: Former minister for Communications, former governor of La Guajira, and former president of Carbocol.

 **Cerrejón Foundation for Institutional Strengthening of La Guajira**

MISSION

Our goal is to achieve: transparent, efficient, and effective management of the public institutions in the department of La Guajira, and the empowerment of its civil society in order to reach sustainable development and peaceful coexistence in the region.



LINES OF WORK

- Strengthening department administration
- Strengthening municipal administration
- Strengthening the organisation of civil society

BOARD OF DIRECTORS

Executive director: Raúl Roys Garzón⁽¹⁾

Outside directors

Lola de la Cruz Mattos. Former District Attorney for the Preventive Oversight of Public Service and former governor of the department of La Guajira.

Claudia Jiménez. Executive director of the Large-Scale Mining Sector and former director of the Presidential Programme for Renewal in the Public Administration.

Alejandro Gaviria. Dean of the Faculty of Economics at the University of the Andes and former deputy director of the National Department of Planning (until September of 2012, when he was designated as Minister of Health).

⁽¹⁾ He took this position in June of 2013. In 2012, Alfredo Fuentes Hernández was executive director.

 **Cerrejón Foundation Indigenous Guajira**

MISSION

Our goal is to support and promote innovative, sustainable initiatives that strengthen the social fabric of the indigenous communities in the department of La Guajira in order to improve their quality of life and reinforce their cultural heritage in a framework of sustainable development, which is understood as the improvement of human well-being, cultural diversity, and ecosystem vitality for present and future generations.



LINES OF WORK

- Revenue generation
- Integration of communities in the regional and national service structure
- Strengthening of indigenous organisations (operations support)

BOARD OF DIRECTORS

Executive director: Otto Vergara González

Outside directors

Francisco Daza. Former governor of the department of La Guajira.

Ricardo Márquez. Former manager of Cerrejón Central Zone in Carbones de Colombia (Carbocol).

 **Cerrejón Foundation for Progress in La Guajira**

MISSION

Generate economic growth in the department through the promotion of national and international investment for the creation and development of sustainable businesses that will last beyond current mining activity in the region.



LINES OF WORK

- Tourism sector
- Agricultural sector
- Manufacturing sector

BOARD OF DIRECTORS

Executive director: Eduardo Robayo Salom

Miembros externos⁽²⁾

Rudolf Hommes, Former minister of Finance.

Luis Ernesto Mejia, Former minister of Mines and Energy.

⁽²⁾ Occupied these positions until the first quarter of 2013.

Goals and achievements

Water supply and treatment solutions

Goal

To implement one-hundred water supply solutions with the help of the community.

Achievements

- Implementation of 137 water supply solutions, of nine different types, improving access to this resource for 14,441 people in 101 communities.
- Installation of first hybrid system of renewable energy (wind-solar) for the withdrawal of groundwater in La Guajira.

Goal

To progress in the design and implementation of sustainability plans for water supply and treatment solutions.

Achievements

- Progress in the design and implementation of a sustainability plan based on local knowledge, use, and management of water. The scheme considered the interdependence of three elements that allow system sustainability: operation of the infrastructure, strengthening local skills, and consolidation of active organisation to ensure the optimal operation of the system.
- Operation of 68 windmills in 68 communities. Of these, 15 communities were chosen for strengthening in the areas of system operation and maintenance, sanitation and hygiene, project management, and community organisation.

Integrated basin management

Goal

Design and implement a model to recover and preserve the water supply through integrated basin management activities.

Achievements

- Increased coverage of the "Recovery and comprehensive management of the Paladines Stream micro-basin" (281 people in 2011 - 460 people in 2012). This increase indicates the expansion of the work area, which went from 435 to 1,544 hectares.
- Consolidation of the components of: 1) Integrated management of water-construction

of family rainwater capture systems, which allowed 29 families to increase their water storage capacity to 998,797 litres, an amount that can supply the beneficiary families for 71 days. That is an average of 485 litres per day per family. 2) Sustainable production-implementation systems of adequate water usage techniques that allowed food production to be increased from 3.3 to 24.4 tonnes, 53.4% of which was for personal consumption and 46.6% was sold. 3) Participatory environmental management actions—formation of five local water coordination committees, including the Paladines Microbasin Committee.

Sanitation and hygiene

Goal

Training in best practices in water, sanitation, and hygiene for 1,000 people.

Achievement

- Environmental training of 967 people from 37 communities in: good practices in sanitation and hygiene, SODIS method of solar water disinfection, appropriate sanitation infrastructure, and the promotion of food security with a focus on sanitation and hygiene.

Goal

Obtaining resources for financing the first phase of the "Expansion and refurbishing of the teaching environments of the headquarters of the Kamüsüchiwo'u Ethno-Educational Institution".

Achievements

- The project was chosen to receive a donation of COP 300 million from the Ramirez Moreno Foundations—a second-level non-profit organisation).
- It is also co-financed by Cerrejón in the amount of COP 90 million and has received contributions from the Foundation of COP 139.7 million.

Challenges in 2013

- Reinforce the monitoring of water quality in the supply solutions implemented by the Foundation.
- Study and apply water treatment technology in rural communities of La Guajira.
- Strengthen the design and implementation of sustainability schemes in the Foundation projects.

- Support institutional strengthening in the water and basic sanitation sector in the municipalities of Riohacha and Hatonuevo that contributes to Water Governance⁽¹⁾ in urban areas of the department of La Guajira.
- Begin implementation of the integrated basin management model in the Bruno and Pupurema Stream microbasins, and in the basin of the Ranchería River in the area of the San Francisco reservation.
- Implement the dry sanitation project (management of human waste without water) in indigenous communities and analyse the results and the appropriation levels of this solution in the community.

Investment in 2012

| Figures in millions of pesos | | |
|--|--------------------|-------------------|
| Lines of Work | Cerrejón resources | Partner resources |
| LINE 1 Integrated basin management | 256 | 141 |
| LINE 2 Water supply and treatment solutions | 1,168 | 504 |
| LINE 3 Sanitation and hygiene | 92 | - |
| Total investment 2012 | 1,516 | 645 |
| | 2,161 | |

| Partners |
|--|
| World Bank. |
| Ministry of Housing and Urban Development. |
| Government of La Guajira. |
| Corpoguajira. |
| Hatonuevo Mayor's Office. |
| Barrancas Mayor's Office. |
| World Food Programme (United Nations). |
| Fulbright. |
| Ramirez Moreno Foundations. |
| Durespo. |
| Cinara Institute (University del Valle). |
| University of La Guajira. |
| Aguayuda Foundation. |
| Association of Business Foundations (AFE). |
| National Agency for Overcoming Poverty (ANSPE in Spain). |
| University of Kassel in Germany. |
| University of Antioquia. |
| Colciencias [Administrative Dept. of Science, Technology, and Innovation]. |
| Association of Windmill Technicians (Asotecmo). |
| Braewin. |

⁽¹⁾ Refers to the interaction of the political, social, economic, and administrative systems used to develop and manage water resources and provide water services to different levels of society.

Goals and challenges

Goal

Strengthen skills of local administrations in project planning, execution, comprehensive management, monitoring and assessment of management, and accountability in Barrancas, Hatonuevo, Maicao, Uribia, and Fonseca in order to begin management of their respective Development Plans for 2012-2015.

Achievements

- Four agreements signed supporting the participative planning and approval of the 2012-2015 Development Plans for Barrancas, Hatonuevo, Maicao, and Uribia. Support in the formulation of budgetary instruments, indicative plans, plans of action, and preliminary management and accountability reports.
- Collaboration agreements were created to support the indicative plan, the budget, 2013 plan of action, and the management and accountability reports of the municipalities of Manaure and Dibulla.
- The municipality of Fonseca placed first in the department of La Guajira and above the national average in the national ranking for comprehensive performance that was carried out by the National Planning Department.

Goal

To support project planning in the department and municipalities of La Guajira to manage resources from the new General Royalties System.

Achievements

- Support for a massive day for assessing the feasibility, prioritisation, and approval of projects, termed OCADTON of La Guajira, in partnership with National Planning and the regional government. On October 5 of 2012, 78 municipal and department projects were approved from the General Royalty System in the amount of COP 228 billion.
- Direct technical assistance in preparing 19 projects from the department and municipalities to apply for resources worth COP 89.976 billion from the General Royalty System.

Goal

Carry out technical assistance and training projects for eight indigenous communities on issues of the State, citizen participation, social oversight, and investment project planning.

Achievements

- 37 training days for 465 members (leaders, traditional authorities, artisans, teachers, and young people) of the communities of Cerrejón 1, the ALWA indigenous association of Albania, Nortechon, Cadenachon, Merra Jisentirra, Iperrain, and Satsapa, among other communities of the municipality of Uribia.

Goal

Recruit 380 students for TecnoCerrejón's "Technician in mining equipment operation" and "Technician in mining equipment maintenance" programmes.

Achievement

- Enrolment of 354 students in TecnoCerrejón, 60% in the programme for Operation of Mining Equipment and 40% in the programme for Maintenance of Mining Equipment. 92% of students are from different municipalities of La Guajira, 7% of students come from the Caribbean Coast, and the remaining 1% come from other regions of the country.

Goal

Organise the Educational Quality Observer group in La Guajira 2012-2015.

Achievements

- Consolidation of the Observatorio's initiative through an agreement between the Foundation, the Family Compensation Fund of La Guajira (Comfaguajira), the Promigas Foundation, and Cerrejón.
- Progress was made in identifying, collecting, and tabulating the information available in the different regional entities and local institutions in the education sector.

Goal

Strengthening of the Institutional Educational Project of the Educational Institutions Paulo VI of Barrancas, and Nuestra Señora del Carmen and Carlos Alberto Camargo of Hatonuevo.

Achievements

- Three Educational Institutions (IE) of Barran-

cas and Hatonuevo, 165 teachers and 4,256 students benefited from the reinforcement of the Institutional Educational Project (PEI, training in Constructive Teaching Principles, Cooperative Learning, Assessment, and in the development of understanding, interpreting, and text production skills).

- Leadership strengthening for management teams and teachers in the Educational Institutions Paulo VI and Nuestra Señora del Carmen, a strengthened Institutional Education Project was put into place with an institutional goal in terms of meaning (the exercising of strategic planning and the setting of new goals and plans of action), established improvement plans, and an established plan to perform the 2012 institutional assessment.

Goal

Inaugurate the Houses of Justice in Barrancas, Riohacha, and Uribia and monitor their management process in a context of ethnic diversity.

Achievements

- Inauguration of Barrancas and Uribia Houses of Justice.
- Completion of works and equipping of the Riohacha House of Justice.
- Support in the coordination of the three Houses of Justice in the structuring and planning of annual budget projects to submit to the town councils.

Goal

Link the equity conciliators trained by the Foundation, the Ministry of Justice, and the La Guajira Chamber of Commerce to the Houses of Justice, and carry out suitable monitoring of case care and management on the part of these participants in the three municipalities.

Achievements

Management and approval of municipal agreements with the local administrative bodies and town councils, through which the Municipal Fairness Mediation Programme in Uribia and Barrancas has been created; and linking of the government secretaries of Uribia, Barrancas, and Riohacha to support the activities of the fairness mediators in their respective municipalities.

Challenges in 2013

- To strengthen the Administrative Planning Department of La Guajira through technical support activities related to planning and social investment processes and the organisation of the Investment Projects Bank to support the work team with strong skills in the technical planning of projects for the distribution of resources from the General Royalty System (SGR). Support the organisation of the Professional Administrative and Decision-Making Bodies of the department and municipalities for the approval of social investment projects.
- Reinforce public land management through technical support in implementing the municipal development plans approved in Barrancas, Dibulla, Hatonuevo, Maicao, Manaure, and Uribia.
- Provide ongoing technical assistance and consultancy for the employees of the three Houses of Justice in Barrancas, Riohacha, and Uribia with respect to case management in a context of ethnic and cultural diversity.
- Execute the "Young People for the Future of Royalties" project, increasing its geographi-

cal coverage to six municipalities in the department, benefiting around 280 students and 21 teachers at 20 public and private institutions. Publication of teaching support material for citizen participation and social oversight of public resources.

- Complete the training programmes in the eight indigenous communities of the railway line in the subjects of preparing project outlines, the structure of the Colombian State, and mechanisms for citizen participation. Finalise the project outline preparation carried out by the communities.
- Obtain quality certification for Tecnocerrejón under standards NTC 5555 and ISO 9000 of 2008, and for the Mining Equipment Operation and Maintenance Programmes under standard NTC 5581.

Investment in 2012

Programa Granja

The Foundation executed social investment projects in the amount of COP 3.705 billion. In addition, it managed to leverage third-party investment for COP 180 million.

| Figures in millions of pesos | | | | |
|--|----------------------|--|---|---|
| Strategic lines | Foundation resources | Third-party resources invested by the Foundation | Third-party resources invested by third parties | Total social investment in projects managed by the Foundation |
| Line for strengthening department administration | 222 | 48 | 30 | 300 |
| Line for strengthening municipal administration | 356 | 171 | 120 | 647 |
| Line for strengthening civil society | 146 | 9 | - | 155 |
| Special projects | 1,404 | - | - | 1,404 |
| Tecnocerrejón | 1,222 | - | - | 1,222 |
| Forums and publications | 127 | - | 30 | 157 |
| Total investment 2012 | 3,447 | 228 | 180 | 3,885 |

| Partners |
|---|
| Line 1. Strengthening department administration |
| Ford Foundation. |
| National Planning Department (DNP). |
| Colombia Lider. |
| Government of La Guajira. |
| Administrative Planning Department of La Guajira. |
| University of La Guajira. |
| Line 2. Strengthening municipal administration |
| Programme of the United States Agency for International Development (USAID) in Colombia for people of African descent and indigenous people, operated by ACDI/VOCA. |
| Management Sciences for Development Inc. (MSD), operated by USAID. |
| National Planning Department (DNP). |
| Colombia Lider. |
| Directorate of Alternative Methods to Conflict Resolution of the Ministry of Justice |
| Public Administration Higher School (ESAP). |
| Mayor offices of Barrancas, Dibulla, Fonseca, Hatonuevo, Maicao, Manaure, Riohacha, and Uribia. |
| Houses of justice in Riohacha, Barrancas, and Uribia. |
| Fairness mediators of the municipalities of Riohacha, Barrancas, and Uribia. |
| Line 3. Strengthening civil society |
| USAID programme in Colombia for people of African descent and indigenous people operated by ACDI/VOCA. |
| Cerrejón |
| Land Use Planning Consultants of Barrancas, Dibulla, Hatonuevo, Maicao, Manaure, and Uribia. |
| Treasury Inspector's Office of the Republic, La Guajira office. |
| Visible auditors and oversight groups from the municipalities of Albania, Barrancas, and Hatonuevo. |
| Leaders and traditional authorities of the indigenous communities of Cerrejón, members of the board of directors of the AIWA Indigenous Association, Jisentirra, Meera, Nortechon, Cadenachon, Iperrain, and Satsapa. |
| Line 4. Special projects |
| Cerrejón |
| Family Compensation Fund of La Guajira (Comfaguajira). |
| Promigas Foundation |
| Paulo VI Educational Institute in Barrancas |
| Educational Institute of Nuestra Señora del Carmen in Hatonuevo |
| Educational Alliance Association |

Goal

Set up 32,000 m² of areas for confining goats along the entire railway line.

Achievements

- Assembly of 40,000 m² of zones for fencing in goats with electric fences for silvopasture.

Goal

Plant 10,000 m² of new grazing areas.

Achievements

- Planting 12,500 m² of new grazing areas with plants for fattening animals (leucaena and Mombasa guinea grass).

Goal

Produce 1,680 kilos of vegetables and fruits (watermelon, melon, auyama squash, etc.)

Achievements

- Production of 18,000 kilos of fruit and vegetables (watermelon, melon, auyama squash, etc.) through the system of plant beds and modern fertigation.

Asawa Programme

Goal

Identify 70 communities with forest areas in the zone between km 45-73 of the railway.

Achievements

- Seventy-two (72) communities with forest areas and higher sheep-goat productivity in the sector were identified.

Goal

Build 20 plots or yujas⁽¹⁾

Achievements

- Construction and aid to 20 communities of plots of land to add to the 136 yujas built with an area of 127.8 hectares and a production of 114.2 tonnes of agricultural foodstuffs.

Goal

Train 500 indigenous farmers in production and organisational strengthening.

Achievements

- Training of 544 indigenous people in agricultural production, organisational strengthening,

⁽¹⁾ Agricultural production unit where the Wayuu plant native species for their own consumption.

ning, and modernisation of social networks for family interaction to exchange agricultural and other types of products.

Goal

Set up 15 apiaries in new communities within the area of influence.

Achievements

- Assembly of 15 apiaries in new communities, producing a harvest of 500 kilos of honey per apiary

Goal

Build a bottling plant in the farm facilities for the honey harvested both in the communities and at the Cerrejón Indigenous Foundation farm.

Achievements

- Construction of the honey bottling plant and procurement of the hygiene certificate for the plant premises from the Colombian state food safety institute (INVIMA, its Spanish acronym).

Safe Land

Goal

Decrease the accident rate on the railway line.

Achievements

- The death rate for animals on the railway decreased by 75% and the Safe Land programme has reached 54% of communities along the railway line.

Training for Communities and Strengthening Artisans

Goal

Train young people of the neighbouring municipalities in principles of entrepreneurship so they can develop small businesses that contribute to generating income.

Achievements

- In developing this programme in collaboration with SENA for La Guajira region, 490 young people were trained and eight business plans were developed. Seventy per cent of them are already in operation and the remaining 30% are being finalised. In addition, 25 Wayuu artisans were certified in artisanal techniques and business administration.

Challenges in 2013

- Strengthen the indigenous production system and native crops, increasing production and consumption in local markets during 2013.
- Consolidate the Safe Land areas as a mechanism for defending and maintaining the land.
- Promote the culture of sustainability for artisanal companies with the previously set up workshops and establish five new ones with resources from third parties.
- Contribute to the empowerment of cultural projects and sustainable production projects coordinated with the programmes of the Wiwa/Kogi/Arhuaco organisations, thereby improving their social and cultural conditions.

Investment in 2012

| Figures in millions of pesos | | | |
|---|----------------------|--------------------------------|---|
| Project | Foundation resources | Third-party partner investment | Total social investment in projects managed by the Foundation |
| Revenue generation | 1,535 | - | 1,535 |
| Integration of communities in the regional and national service structure | 571 | - | 571 |
| Strengthening of indigenous organisations | 337 | - | 337 |
| Operations support | 449 | - | 449 |
| Leveraged resources | - | 597 | 597 |
| Total investment 2012 | 2,892 | 597 | 3,489 |

Partners

| |
|---|
| Ministry of Agriculture and Rural Development. |
| Ministry for the Environment and Sustainable Development. |
| Von Humboldt Institute. |
| Colombian Institute of Family Welfare (ICBF, its Spanish acronym). |
| National Training Service (SENA), La Guajira branch Colombian Corporation for Agricultural and Livestock Research (Corpoica). |
| Colombian Institute for Rural Development (Incoder). |
| International Center for Tropical Agriculture (CIAT). |
| Cornell University. |
| University of Cordoba. |
| Colombian Institute of Hydrology, Meteorology, and Environmental Studies (IDEAM). |
| Indigenous organisations and communities. |
| Municipal mayor offices. |
| Corpoguajira. |



Goals and achievements

Goal

Delivery of 40% of hotel's rooms (140 total).

Achievement

- The consortium finished construction and furnishing on the first 65 rooms.

Goal

Begin construction of the DesObre Guajira Museum.

Achievements

- The initial resources arrived from the public and private sectors – COP 2.6 billion for construction and COP 1.828 billion for design, architecture, and museum descriptions.
- The technical, architectural, and urban designs for the museum construction have been finished.

Goal

Finish the design of the museum's 52 modules and begin production of the first fifteen.

Achievement

- The 52 modules have been designed. Eight finished modules have been delivered, and a further seven modules are in the end stages of production.

Goal

Develop agricultural projects to diversify product offerings in La Guajira.

Achievement

- Two potato crops were harvested in Barrancas and in Uribia with a yield of eight tonnes per hectare.

Goal

Finish the designs for the recycling plant. This project aims to take used tyres (non-standard Cerrejón equipment) and produce crumb rubber for paving roads in Colombia and abroad.

Achievements

- The definitive architectural designs were finalized.
- The contract between Cerrejón and the Foundation for Progress was signed for receiving 2,500 used tyres for 20 years.
- The tree harvesting license was issued by Corpogujira

Challenges in 2013

- Deliver all of the Hotel Waya Guajira in operation: the services building, swimming pool, spa, huts (rancherías), and the remaining 95 rooms.
- Start construction of the first stage of the museum and continue raising funds for the next construction stages.
- Search for areas in La Guajira offering optimal conditions for developing agricultural and livestock projects.
- Begin construction and assembly of the plant for recycling tyre.

Investment in 2012

| Figures in millions of pesos | | |
|---|----------------------|--|
| Project | Foundation resources | Third-party partner investment |
| Hotel project | 1,905 | Fideicomiso Waya Guajira Centro COP 12,285 billion for a total investment of COP 16,018 billion from 2011 to 2012. |
| Museum project | 525 | Corpogujira \$300 Ecopetrol \$100 |
| Agricultural chain (potato) | 301 | - |
| Recycling plant project | 44 | Nimby-Indutrade Recycling invested \$15,000 billion. |
| Other delegated projects (administered by the Foundation) | 259 | - |
| Total investment 2012 | 3,034 | - |

| Partners |
|--|
| Hotel Waya Guajira |
| Consortium comprising Egsa, Contempo, Abacus, Inversor, and Uxo. |
| Potato farming pilot project |
| Center for Potato Research (CPR) of Israel. |
| Crecentia. |
| La Guajira Interactive Museum |
| Museum Interactive Centre Corporation for Innovation, Science, and Technology of La Guajira. |
| Maloka |
| Tourism Promotion Fund |
| Corpogujira. |
| Ecopetrol. |
| Ministry of Culture. |
| Ministry of Foreign Trade. |
| Colciencias (Administrative Dept. of Science, Technology, and Innovation) |
| Ramirez Moreno Foundations. |
| Smithsonian Institute. |
| Tyre recycling plant project |
| Indutrade - Nimby of Italy. |





Environment

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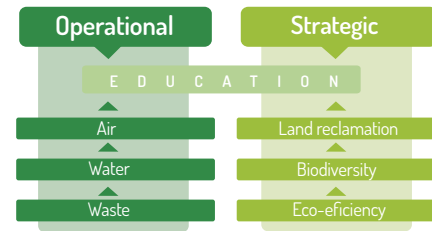
Environment

Focus, goals, and results

Cerrejón is fully aware that respect for the environment is one of the most important aspects in undertaking a responsible mining operation. Accordingly, our management policy aims to conduct our business in harmony with the environment and with society; contribute to the development, well being, and culture of the communities in our area of influence; and to implement the best practices in the mining industry to prevent our activities from causing harm.

Cerrejón's priority in this regard is to guarantee an environmentally responsible operation that goes beyond mere compliance with current legislation. To that end, we adopt standards and use technologies that: contribute to the rational use of natural resources (water, power, and raw materials for the operation); ensure environmentally safe disposal management; control atmospheric emissions (dust and gas); facilitate land reclamation; protect wildlife; and ensure the proper management and final disposal of both ordinary and hazardous solid wastes.

Cerrejón's Environmental Management System operates on two clearly defined lines of action—one operational and the other strategic—based on the following components:



- The operational line of action relates directly to daily decisions in which there are standard, legally controlled parameters.
- The strategic management line is comprised of components related to operational and regional sustainability. In this case, there are no clearly defined control parameters, but rather they depend on the regional context. Actions are based on scientific research and case studies, and the decisions focus on middle- to long-term effects.

The third vital element of Cerrejón's environmental management programme is education. We use it as a tool for disseminating information, raising awareness, and reinforcing good environmental practices in employees and in our neighbouring communities.

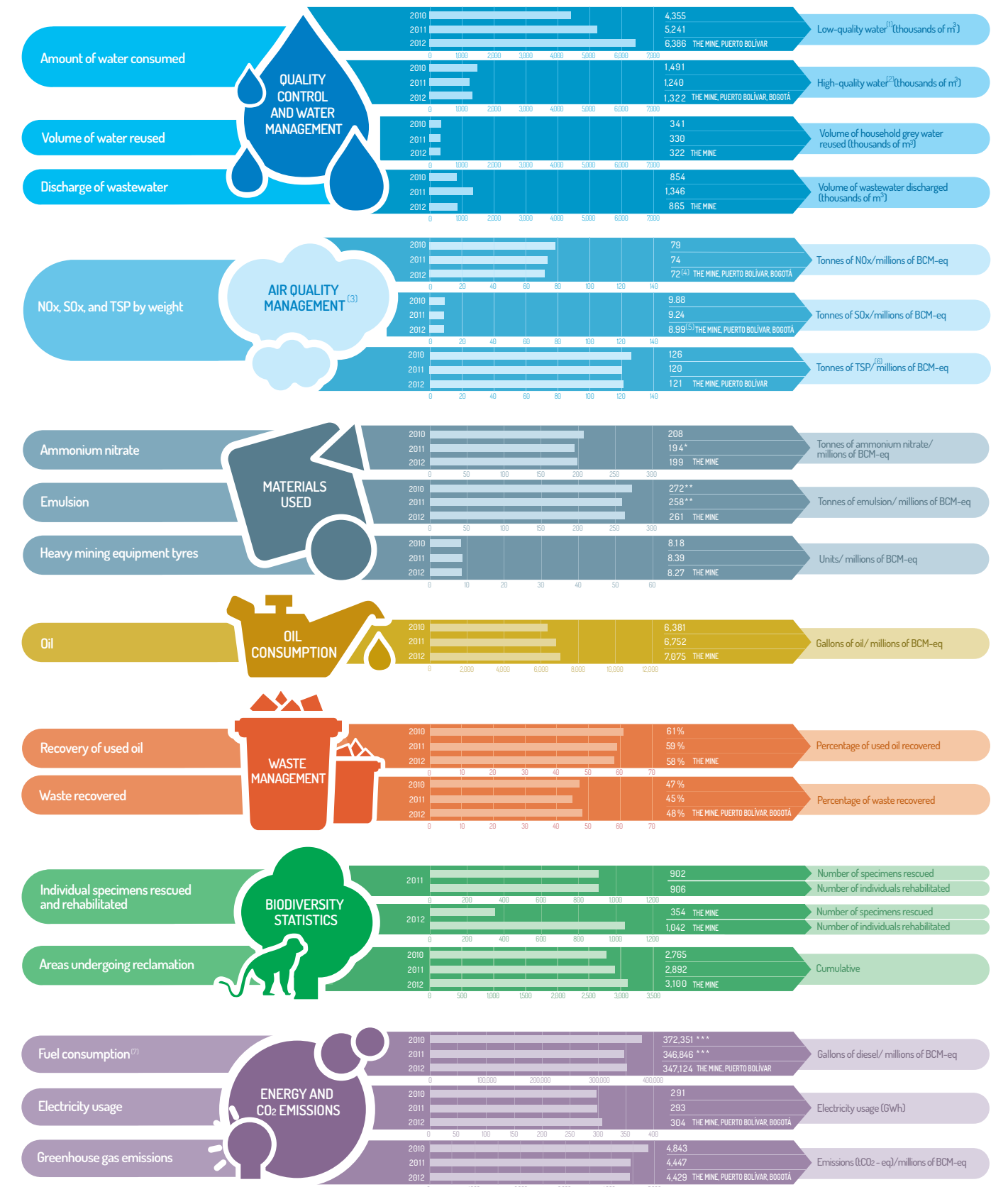


Goals, targets, and challenges of the Environmental Management

| Management objectives | Goals | Challenges in 2013 |
|---|---|--|
| <ul style="list-style-type: none"> To safeguard air quality in the project's area of influence. | <ul style="list-style-type: none"> Keep total suspended and inhalable particulate matter concentrations below 90 µg/m³ for TSP⁽¹⁾ and below 45 µg/m³ for PM10⁽²⁾ in our areas of direct influence. | <ul style="list-style-type: none"> Keep inhalable particulate matter concentrations below threshold values set by Colombian legislation despite adverse climate conditions of extreme drought. |
| <ul style="list-style-type: none"> To use natural resources rationally and efficiently. | <ul style="list-style-type: none"> Reuse 80% of household grey waters treated in the settling ponds. Recover 57% of oil used. Separate 45% of the total volume of solid waste generated for recycling. | <ul style="list-style-type: none"> Develop a predictive water budget model to improve water resource management at Cerrejón. Consolidate comprehensive waste management in accordance with new environmental requirements. |
| <ul style="list-style-type: none"> Reclaim land disturbed by mining. | <ul style="list-style-type: none"> Reclaim 180 ha of land released by the mining operation. | <ul style="list-style-type: none"> Prepare and stabilise 200 ha of land, 100 of which are on slopes of the Potrerito dumpsite. |
| <ul style="list-style-type: none"> Implement projects within the framework of sustainable development. | <ul style="list-style-type: none"> Reduce CO₂e⁽³⁾ emissions by 383 tonnes. | <ul style="list-style-type: none"> Monitor power consumption at the Puerto Bolívar operation. |
| <ul style="list-style-type: none"> Procure the operation's required permits and licences in a timely manner. | <ul style="list-style-type: none"> Ensure timely studies and paperwork for permits and licences in accordance with operational requirements. | <ul style="list-style-type: none"> Continue with the process of declaring two protected areas in the department of La Guajira (delta of the Rancheria River and a buffer zone for tropical dry forest in the municipalities of Albania, Riohacha, and Maicao). Arrange resource usage permits with the regional environmental authorities, and the modification request for the Comprehensive Environmental Management Plan needed for the expansion project from 35 to 41 Mtpa with the national environmental authority. |

(1) TSP: Total Suspended Particles
 (2) PM10: Dust particles equal to or smaller than ten microns.
 (3) CO₂e (CO₂ equivalent): Universal unit to indicate the potential of global warming for each of the six greenhouse gases (CO₂, CH₄, N₂O, HFCs, PFCs, and SF₆) of one unit of carbon dioxide (CO₂). It is used to assess the emissions of different greenhouse gases on a common basis.

Environmental and consumption figures in the operation



(1) At Cerrejón, water from coal seam dewatering, runoff, and coastal sources is considered to be low quality. (2) Water from the Rancheria River, its alluvial aquifer, and its tributaries; and drinking water for Cerrejón's Bogotá offices is considered to be high quality. (3) The units of measurement have changed with respect to the 2011 Sustainability Report to express results based on the annual production calculated in millions of Bank Cubic Metre equivalent (BCM-eq). This is the volume unit in mining, expressed in cubic metres, comparing the volume of coal to that of waste rock in a single figure. (4) This figure includes gases from vehicle gasoline consumption at Cerrejón in Bogotá. (5) This figure includes gases from vehicle gasoline consumption at Cerrejón in Bogotá. (6) This figure includes the operations of drilling, blasting, soil removal, loading, hauling, and handling of coal, rock, and topsoil at the Mine, which represents 95% of emissions. The remaining 5% is generated by diesel combustion in the mining equipment. It does not include an emission factor for gasoline consumption since that impact is very low. (7) Only diesel consumption is reported and not other energy sources such as gasoline and natural gas since diesel represents 98.85% of energy used at Cerrejón in 2012.
 * The change in the figure reported in 2011 (2009) is due to an updated figure from the emulsion plant, which includes nitrate losses during the process.
 ** The change in the figures reported in the 2011 Sustainability Report (359 tonnes of emulsion/millions of BCM-eq for 2010 and 329 tonnes of emulsion/millions of BCM-eq for 2011) is accounted for by the fact that the figure in the Sustainability Report 2011 corresponds to the sum of the emulsion and the HEF (another chemical used in blasting). This sum is calculated in accordance with the Anglo American Coal methodology for estimating CO₂ emissions from blasting. In 2012, we have only taken into account the emulsion, as required in the GRI methodology materials indicator.
 *** The change in these figures reported in the 2011 Sustainability Report (375,541 gallons for the year 2010 and 349,727 gallons for the year 2011) is due to the fact that the value in the 2011 Sustainability Report includes the contractors' fuel consumption. After the implementation of the Greenhouse Gases Protocol, these emissions are no longer recorded.

Environmental investments

Investment in the year 2012 exceeded that of 2011 (COP 79.547 billion) by 23%. The most significant investment is the purchase and operation of dust-control equipment (water tankers), the maintenance of soil-loading equipment for land reclamation, the pumping system that manages water at the Mine, and studies for the expansion project.

| Aspect | Environmental investment (in billions of COP) |
|--------------------------|---|
| Water | 18.105 |
| Air | 52.343 |
| Slope stability | 1.943 |
| Environmental management | 18.094 |
| Soil and landscape | 7.517 |
| Total | 98.002 |



Management of water quality and usage

Cerrejón uses water from different sources—classified as high and low quality—for its domestic, industrial, and mining activities. The Water Savings and Efficient Use Programme, formally established in 2010, aims to reduce the capture of high-quality water and replace it with low-quality water wherever feasible in order to conserve the region's water resources. Cerrejón also checks the efficiency of the control measures to protect water resources by monitoring the quality of the Ranchería River and its tributaries, in addition to the groundwater of the surface aquifer, and the coastal waters of Puerto Bolívar, as well as other domestic and industrial wastewater control systems, such as holding and stabilisation ponds.

Capture

The water captured by Cerrejón has three formally established uses:

- Domestic: Used for human and domestic consumption in the residential and industrial areas (workshops and offices).
- Industrial: Used in the workshop facilities, equipment-washing sites, and emulsion plant. Only requires pre-treatment in the non-drinking water treatment plant.
- Mining: Mining waters are considered to be those produced within the areas of mining operations, both surface (runoff) and groundwater (coal-seam dewatering), which are stored in ponds, sinks, and reservoirs and are used for dust control in the mine.

The total consumption of high-quality water captured from the Ranchería River in 2012 was 16% of the authorized total of 8.3 million m³/year. The total consumption of low-quality water, without including coastal waters, corresponds to 31% of the total authorized by the concession, that is, 18.9 million m³/year (Table 1).

Cerrejón's goal is to decrease high-quality water consumption in order to reduce demand for water from the Ranchería River and preferably consume low-quality water. The total amount of water captured is broken down according to quality in Table 1.

Table 1

| Amount of water captured in 2012 according to source type | | | | | | | | | |
|---|---|--------------------------------------|---|--|--|-----------|---|---|----------------|
| Water quality | Source | Concession/Resolution ⁽¹⁾ | Capture/Supply | Use | Volume captured in 2012 (in m ³) | | Total authorised (millions of m ³ /year) | Percentage captured of the total authorised | |
| | | | | | | | | 2011 | 2012 |
| High | Ranchería River surface water. | 1870/2009 | Calaguala water intake (North Zone). | Industrial, domestic, and human consumption. | 808,761 | 1,048,936 | 8.3 | 15 % | 16 % |
| | | 1454/2011 | CDC water intake (South Zone). | Industrial and domestic use. | 62,175 | | | | |
| | | 1515/2011 | Oreganal intake. | Irrigation of haulage roads and overburden. | 178,000 | | | | |
| | Groundwater from the alluvial aquifer of the Ranchería River. | 2941/2008 | Series of wells for the drinking water treatment plant. | Human consumption. | 271,833 | 1,322,514 | | | |
| | Bogota aqueduct | Not applicable | Drinking water service. | Human consumption and domestic use. | 1,745 | | Not applicable | Not applicable | Not applicable |
| Low | Groundwater. | 3677/2007 | Coal seam dewatering wells. | Irrigation of haulage roads and overburden. | 3,172,781 | 6,386,544 | 18.9 | 28 % | 31 % |
| | Runoff water. | 3968/2007 | Perimeter drains in the mining areas. | Irrigation of haulage roads and overburden. | 2,746,227 | | | | |
| | Coastal water. | Not applicable | Intake structure with pumping system. | Industrial, domestic, and human consumption. | 467,536 | | | | |

(1) At Cerrejón, water from the Ranchería River, its alluvial aquifer, tributaries, and drinking water (in the case of Cerrejón's Bogota offices) is considered high-quality water. Water from coal seam dewatering, runoff water, and coastal water is considered to be low quality.
 (2) The Regional Autonomous Corporation (Corgopuajira) granted the concessions. In December of 2012, Corgopuajira regulated the use of the Ranchería River through Resolution 1725. This consolidates all the concessions for surface and groundwater of all users (including Cerrejón) into a single administrative act.



In 2012, 17% of the volume authorised by Corgopuajira was captured from the surface water of the Ranchería River and its tributary streams (this figure does not include groundwater of high quality). In 2011, 12.6% of the authorised volume was captured. This increase is due to the fact that part of the high-quality water consumption (Oreganal water intake) is allocated to road wetting for the control of particulate matter emissions. Since there was less precipitation in 2012, more water had to be captured for this environmental-control activity. In addition, the increase in the North Zone (Calaguala water intake) is due to the use of water in heavy-equipment washing, and the fleet was increased in 2012.

On the other hand, the increase in consumption of low-quality water as compared to 2011 is due to the weather factor, requiring the capture of more water and increased haulage cycles.

In the coal plant, water consumption was generally greater with respect to 2011. However, in October 2012, measures were implemented to help reduce consumption (see Chart 1):

- Recovery of the wastewater from the thickening tank through the standardisation of the sludge pool and the construction of a berm on the first floor of the plant building to collect irrigated water and subsequently recirculate it in the process.
- Daily monitoring of consumption: this has helped to optimise water use and establish an internal consumption goal of 440 l/t supplied (Graph 1).

Water quality

Monitoring of the Ranchería River

Considering the importance of this water source for the region, Cerrejón regularly monitors the river to control the impact of the coal complex. Through monitoring, the results of multiple parameters of environmental interest reflected in the water quality indexes (WQI) are analysed:

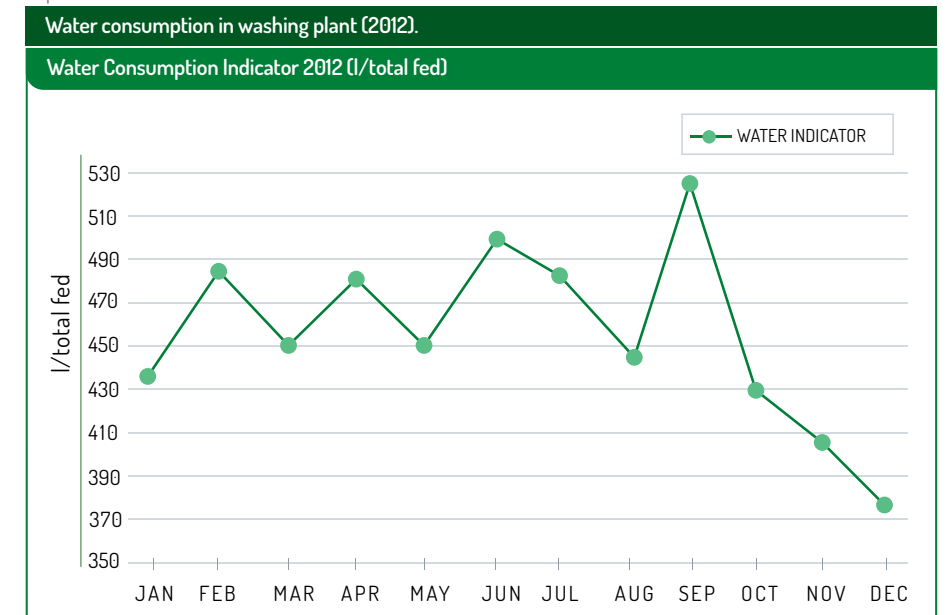
- NSF WQI⁽³⁾ (focusing on the monitoring of parameters of sanitary interest)
- Mining WQI (focusing on the monitoring of parameters of mining interest)
- Impact indicator

The water quality indices allow Cerrejón to monitor any water contamination risk as a result of mining activities, in addition to guaranteeing that communities located close to the Ranchería River and its tributaries have the use of suitable water.

(3) NSF: United States National Sanitation Foundation.



Graph 1



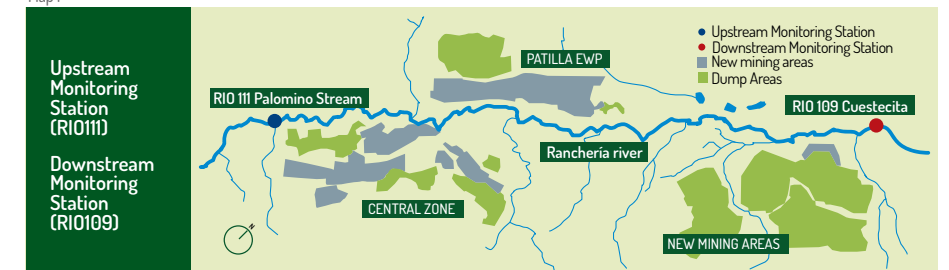
WQI NSF

Index used to measure the impact on the Ranchería River water quality (Table 2) and that of its tributary streams, with regard to health-related parameters. This WQI is evaluated in the passage between the Palomino station (RI0111), upstream of the mining operations, and the Cuestecitas station (RI0109) downstream (map 1).

Table 2

| Average NSF WQI. | | | | |
|------------------|---------|---------------|---------|---------------|
| Station | 2011 | | 2012 | |
| | Average | Water quality | Average | Water quality |
| RI0111 | 69 | Fair | 73 | Good |
| RI0109 | 63 | Fair | 69 | Fair |

Map 1



Generally, the NSF WQI is influenced by the typical rainy-season surface runoff. It washes down organic matter and suspended solids from neighbouring properties and uncovered areas, which lowers the river water quality (see Graph 2).

Mining WQI

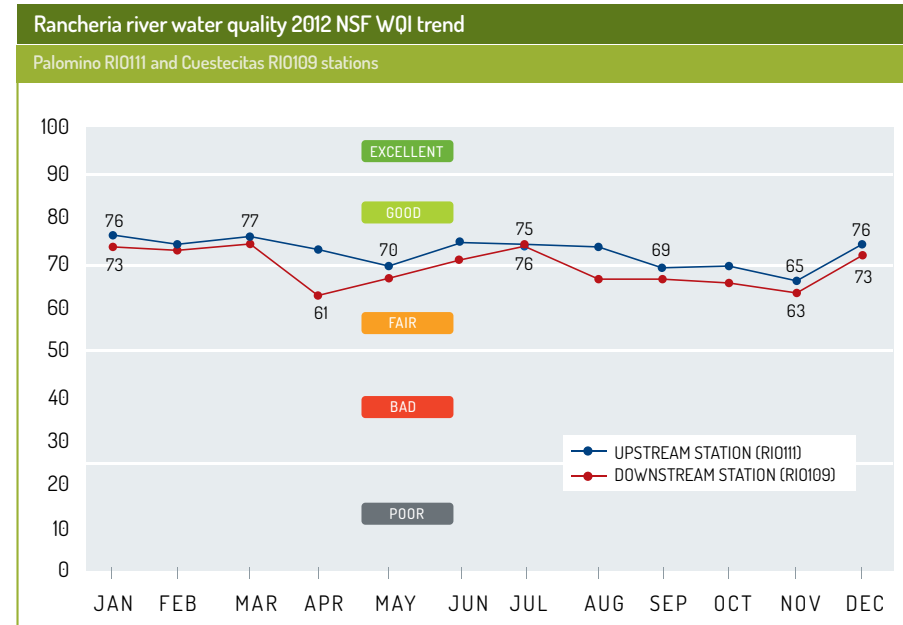
The Mining WQI is used to more precisely estimate the degree to which mining operations affect the quality of the Ranchería River water based on sulphate, chloride, conductivity, pH, total solids, and turbidity parameters. The Mining WQI average was 0.81 for the RIO111 station (Palomino) and 0.67 for the RIO109 station (Cuestecitas) station. This is a good water-quality score for the first station and a fair water-quality score for the second station (Graph 3).



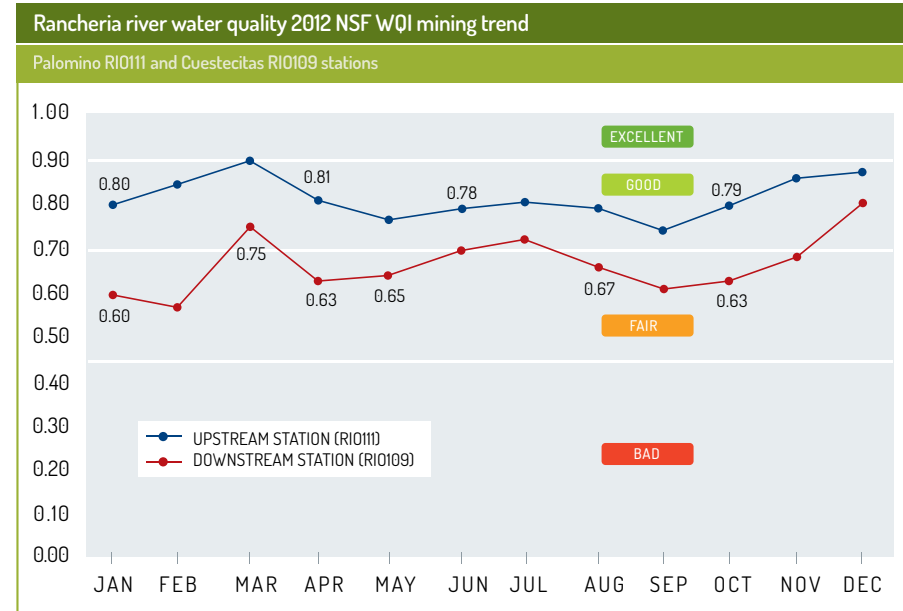
Impact indicator

The impact indicator is calculated using the difference between the value of the upstream and downstream Mining WQI in the categories of very low, low, medium, and high. In Graph 4, it can be seen that the impact of mining operations on the Ranchería River water quality was between the categories of very low and low, with values between -0.07 and -0.25 for the year 2012. This indicates that there was no significant deterioration in the river water quality.

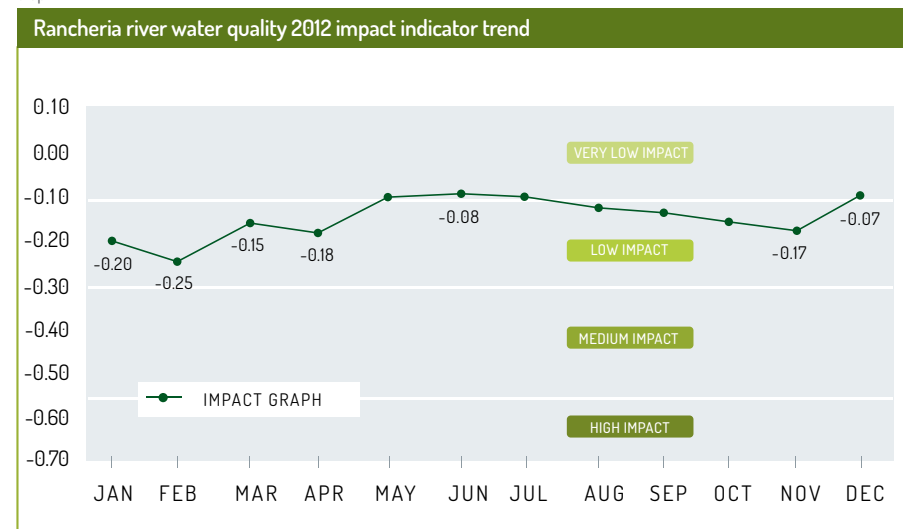
Graph 2



Graph 3



Graph 4



Discharge of wastewater

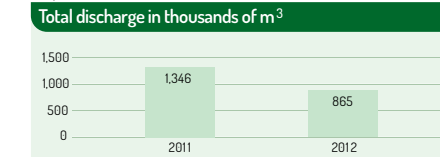
At Cerrejón, there are three types of wastewater discharge:

- Domestic: These discharges are domestic wastewater from residential, industrial, and mining areas (change facilities⁽⁴⁾ and sanitary facilities), with prior biological treatment in the settling ponds.
- Industrial: Wastewater from the workshop facilities is sent to grease and oil traps and finally to a holding and sedimentation pond (south pond) before it is discharged into the Ranchería River.
- Mining water: Refers to water from coal seam dewatering and rainwater that gathers in the bottom of mining pits or sinks due to runoff. It is generated mainly during periods of heavy rainfall due to excess water in the holding

ponds, or when a pond must be drained due to advances on the mining front.

In comparison with the year 2011, the total volume of Cerrejón discharges diminished by 35.57% (Graph 5) due to weather factors.

Graph 5



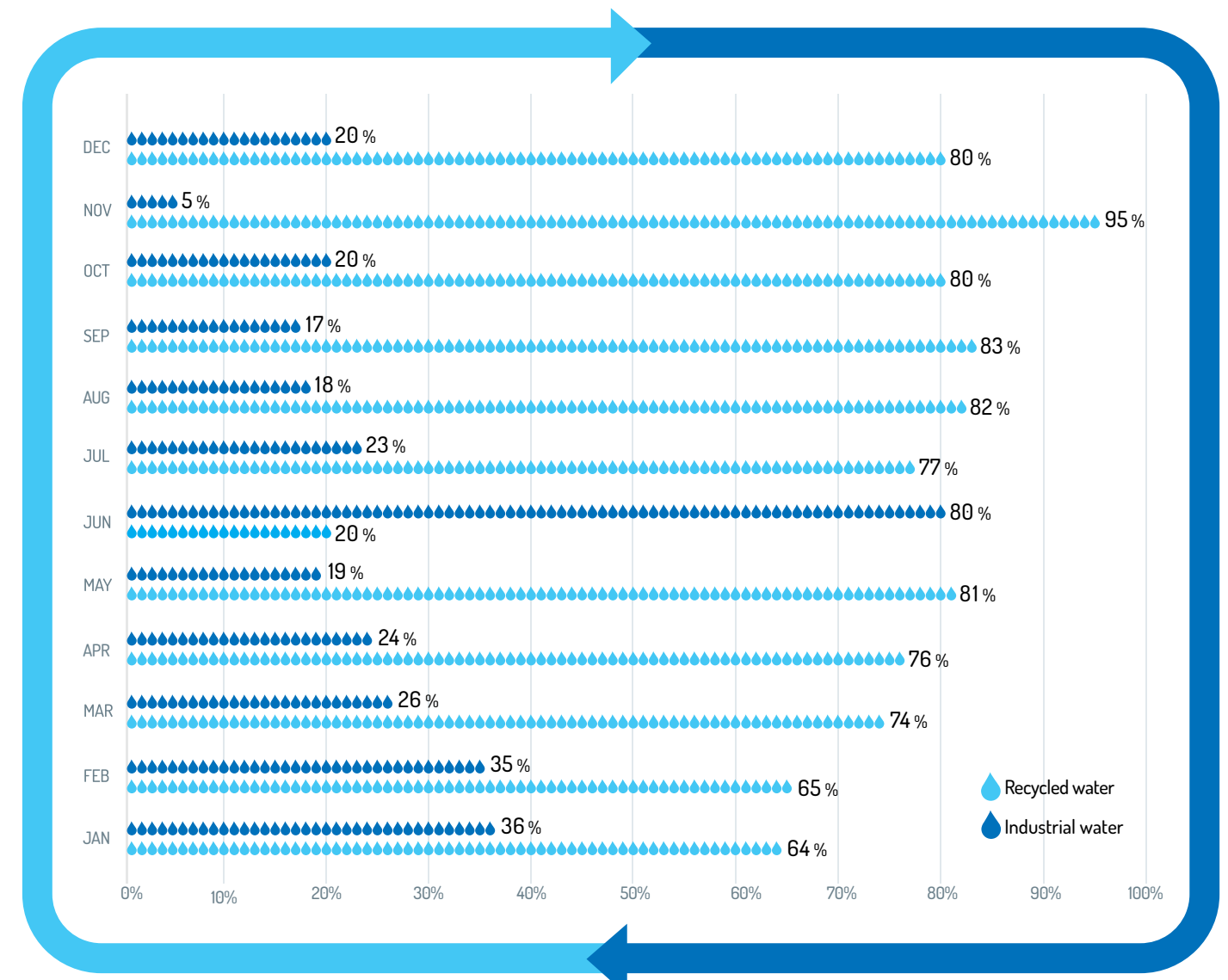
Reused water

The implementation of the Saving and Efficient Use of Water Programme (PAUEDA) includes projects and initiatives such as the following:

- Re-use of 322,000 m³ of domestic wastewater treated in the settling pond for the irrigation of sports grounds, gardens, and common areas such as fourteen houses in the Mushaisa Residential Unit.
- Re-use of industrial water in the lightweight vehicle wash in the industrial area, which reached 74% of the total water used (Graph 6). In comparison with the previous year (8,967 m³), in 2012 the consumption of reused water was almost four times greater (that is 32,110 m³), equivalent to the volume of approximately 13 Olympic swimming pools (50 m long, 25 m wide, and 2 m deep).
- Environmental awareness campaigns for the residential unit population by internal Cerrejón media.

Graph 6

Percentage of recycled versus industrial water in the lightweight equipment wash⁽⁵⁾



Note 1: Graph 6 shows that there was a high consumption of industrial water only in the month of June. This was due to the repair works on the piping and pump, which prevented use of the water-recycling system.

(4) Entry and exit points for operation personnel during shift changes.
(5) These are vehicles for supervisory personnel at the Mine (pickup trucks).

Acidic waters at the Mine (MM3)

The probability of acid water generation at the Mine is low since the pit rocks are alkaline. Rock geochemistry studies have been carried out using acid mine drainage (AMD) and acid rock drainage (ARD) tests. They produce the same result—a low probability of acid drainage.

Cerrejón monitors the water quality of sinks and reservoirs, allowing for the timely detection of acid water generation.



Air quality management

One of the most important components of Cerrejón's Environmental Management System is air quality management. Because the mining operations generate suspended particulate matter (dust), it must be adequately controlled so as not to constitute a significant risk for the neighbouring communities and the environment.

Particulate matter has diverse characteristics, depending on its size and nature. Its suspension period⁽¹⁾ depends on its weight, shape, and size; the topography; wind speed and direction; and humidity, temperature, and other climatic factors.

The particles the mining operation generates are, for the most part, coarse⁽²⁾ and mainly originate from the transport routes for overburden and coal. Therefore, the company has implemented a management system to: predict different mining scenarios and their attendant dust concentrations; assess their current status; and plan and implement prevention and mitigation measures, and monitor and verify their effectiveness.

Planning, prevention, and monitoring

With its Air Quality Management System, Cerrejón goes beyond existing environmental regulations for the industry.

Using a mathematical dispersion model, particulate concentrations in the air are predicted for mining plans and projects. This is done at the same time the required control measures are determined. We use historical meteorological and topographical data from the Cerrejón area, as well as calculations of emissions generated by each operational activity.

The control measures focus on maintaining emission levels below threshold values, with the aim of complying with environmental regulations. Cerrejón's own internal operational goals are more restrictive than those established by law.

(1) Time particulate matter remains in the air.
(2) Maximum diameter.

Emissions control

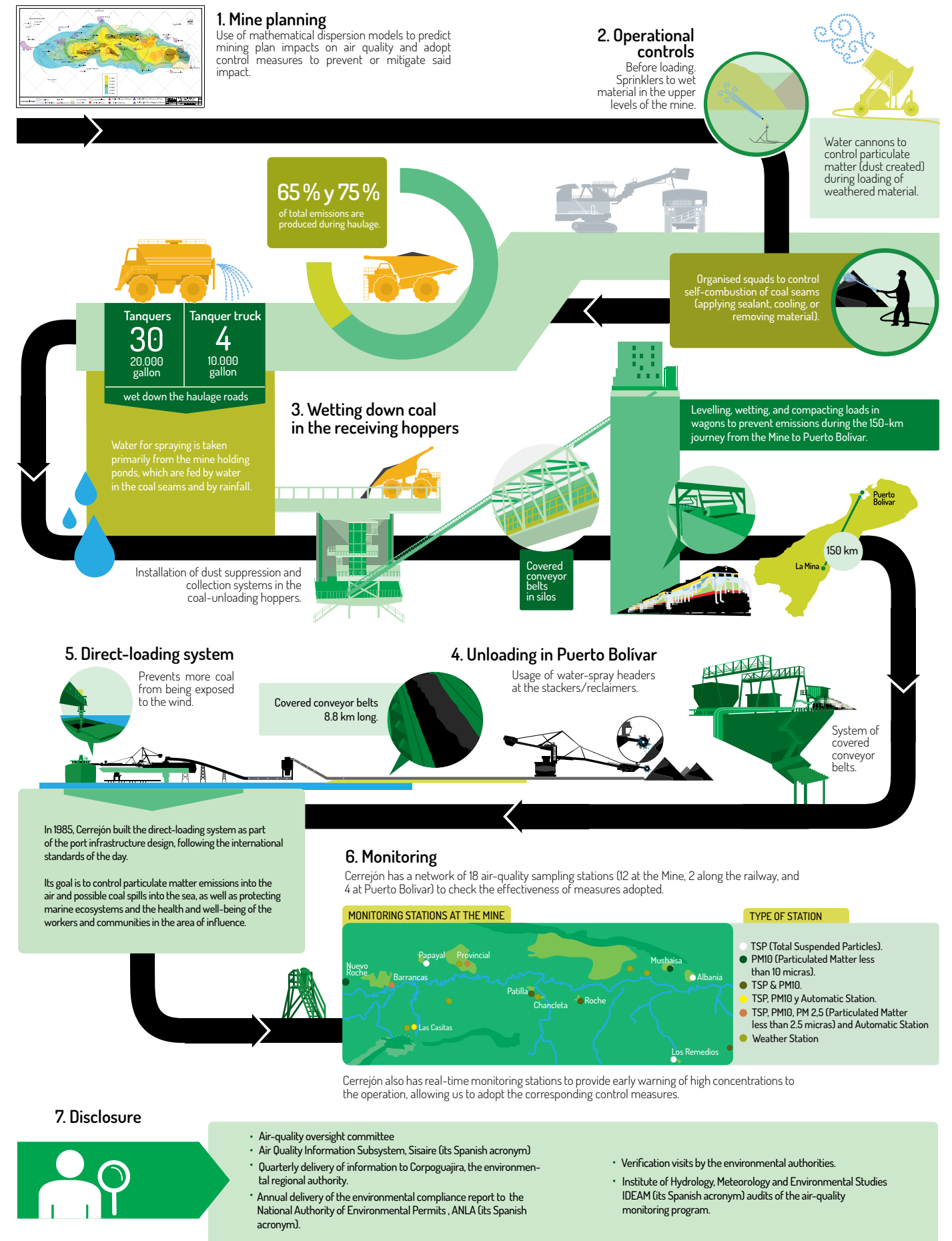
Cerrejón has a programme in place to control dust emissions in the mining and coal-handling areas—the Mine and Puerto Bolívar. It is adjusted regularly in accordance with mining progress and simulation results based on defined numbers of equipment and specific control measures.

Actions:

- A fleet of thirty water tankers with a 20,000-gallon capacity, and four tankers with a 10,000-gallon capacity water the mine haulage roads constantly to mitigate dust generation. Chemical additives are included to improve emission control.
- The pits have sprinklers that wet down active areas where loading with shovels takes place. In addition, in 2012 tests were done with four fog cannons to evaluate their effectiveness with a view to subsequent implementation as a measure of dust emission mitigation.

- All coal-handling areas have the systems, devices, and techniques necessary to control particulate emissions into the air. For example, coal is wetted down while it is crushed during the stacking-reclaiming operation in the coal stockpile yards in Puerto Bolívar.
- The coal unloading sites have dust-suppression and collection systems.
- The conveyor belts and coal silos are covered. There are water-spray headers at the transfer points.
- Trains are loaded so that the upper layer of coal does not surpass the top edge of the wagon by more than 10 cm. In addition, the load is levelled, moistened, and compacted to prevent particulate emission during its transport from the Mine to Puerto Bolívar.

Actions to control air quality in Cerrejón



Assurance and report

Cerrejón has a monitoring programme to assess the efficiency of inspection/control measures and compliance with standards. There are also additional points within the monitoring network that generate early warnings in the most vulnerable areas. Thus, anomalous situations in the daily operations can be corrected.

Twice yearly measurements of nitrogen oxides (NOx), sulfur oxides (SOx), and carbon monoxide (CO) are performed to determine gas concentrations in Cerrejón's area of influence.

The maximum values for air-quality sampling in 2012 appear in Table 1.

In 2012, a general increase in SOx and NOx concentrations (Table 2) was recorded due to the increase in fuel consumption. (See Climate Change).

TSP emissions (Table 2) include drilling, blasting, removal, loading, hauling, and handling of coal, rock, and soil from the mine. This accounts for 95% of emissions. The remaining 5% is generated by diesel combustion from mining equipment.

Graphs 1 and 2 show the average annual concentrations of TSP and PM10 of four air-quality network stations greatly influenced by Cerrejón's mining operations. These stations are Barrancas, Casitas 3, Provincial, and Roche. The Sol y Sombra station, upwind of the Mine, is included as an air-quality reference because it is not impacted by the mining operations.



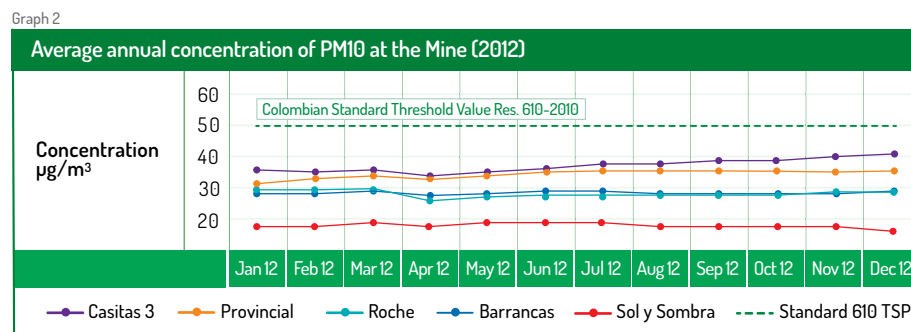
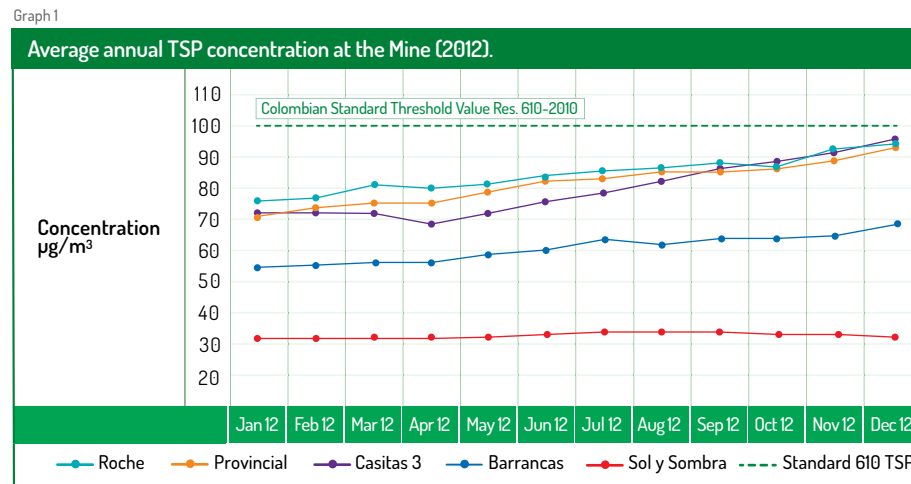
Table 1
Maximum NO₂ and SO₂ concentrations recorded in Cerrejón's area of direct influence.

| Parameter | Results of 2012 monitoring in µg/m ³ | 24-hour threshold value in µg/m ³ (Resolution 610 of 2010) | Monitoring location |
|-----------------|---|---|---|
| NO ₂ | 67.6 | 150 | Provincial station |
| SO ₂ | Zero (no concentration was detected) | 250 | Stations of settlements neighbouring Cerrejón |

Table 2
Emissions generated during the last few years

| Year | Tonnes of NOx | Tonnes of NOx/millions of BCM-eq | Tonnes of SOx | Tonnes of SOx/millions of BCM-eq | Tonnes of TSP | Tonnes of TSP/millions of BCM-eq |
|------|---------------|----------------------------------|---------------|----------------------------------|---------------|----------------------------------|
| 2010 | 17,866 | 79 | 2,229 | 9.88 | 28,417 | 126 |
| 2011 | 18,608 | 74 | 2,310 | 9.24 | 30,028 | 120 |
| 2012 | 19,889 | 72 | 2,489 | 8.99 | 33,577 | 121 |

The NOx and SOx emissions are calculated using emission factors from the Environmental Protection Agency (EPA) that only consider the volume of diesel and gasoline consumption. As of 2012, the NOx and SOx emissions are calculated to include gasoline consumption of vehicles from the Bogotá offices. The emissions of total suspended particles (TSP) are estimated with emission factors developed by the EPA based on each activity in the handling and transport of coal, rock, and soil.



In general, the annual TSP and PM10 concentrations in the air-quality network stations from the Mine and Puerto Bolívar remained below the threshold value established by Colombian standard Resolution-610 of 2010 by the then Ministry of the Environment, Housing, and Land Use (MAVDT)—now known as the Ministry of the Environment and Sustainable Development (MADS). During the second half of the year, there was a rising trend as a result of the critical weather conditions recorded—less precipitation, more evaporation, higher temperatures, and solar radiation.

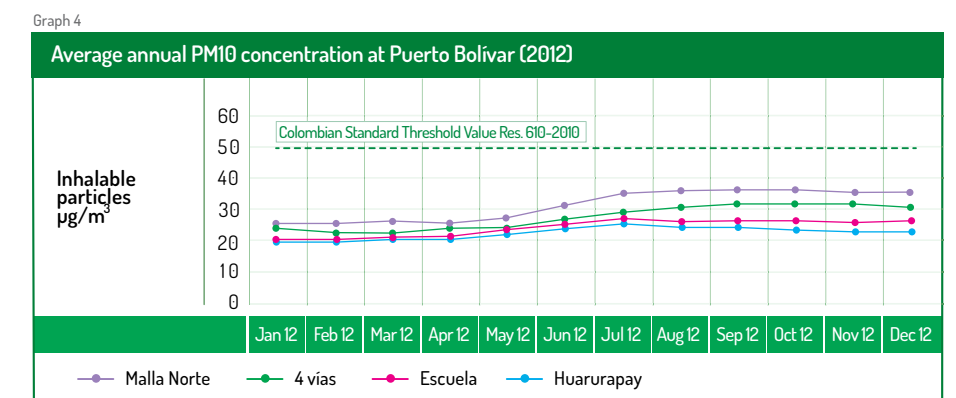
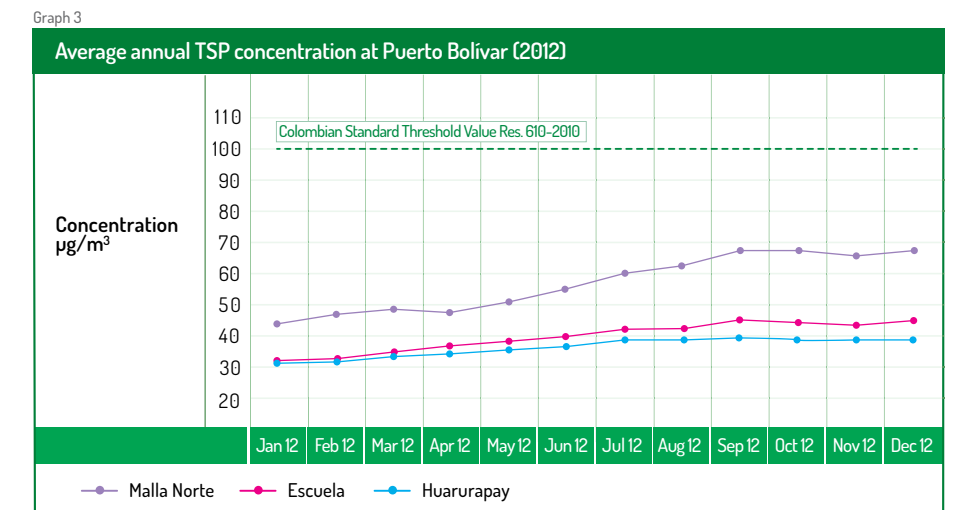
TSP increased more than PM10, not surprisingly considering that mining operations generate more coarse material—larger than ten microns

Cerrejón developed the following initiatives as a means of mitigating the weather conditions in 2012:

1. Suspension of the overburden⁽³⁾unloading of the Central Zone pits located in the direction of the prevailing wind toward the population of Las Casitas.
2. In-field tracking with more inspections to determine emission point sources with timely feedback to the operation, and research of technologies to control emissions of particulate matter in the loading of material with motorised shovels. The technology used was water cannons, on which research continues to be conducted to optimise its use and effectiveness.

In Puerto Bolívar, the TSP and PM10 concentrations also stayed below the threshold values required by Resolution-610 of 2010, despite an increase in the general trend of the TSP and PM10 particulate matter. This is due to three reasons: low precipitation, strong winds, and the activities associated with the expansion works of the port infrastructure to handle volumes of coal up to 41 Mtpa. Graphs 3 and 4 indicate the TSP and PM10 concentrations at the Huarurapay and Escuela stations, which measure the upwind and downwind air quality of port operations. Additionally, the Malla Norte station is included, which monitors the air quality of the indigenous community of Kamüsüchiwo>u.

(3) The rocks, mud, and stones that are removed before extracting coal.



Materials used in the operation

Cerrejón monitors and records the consumption of relevant materials used in the operation. We rely on efficiency indicators, such as the service life of tyres, for heavy mining equipment in accordance with the mileage; and the efficacy of the explosives (powder factor) used for blasting a bank cubic metre (BCM) of overburden (Table 1).

Ammonium nitrate and emulsion

Ammonium nitrate is the raw material used to prepare the emulsion, which is used as a blasting agent on the rock that must be fractured in order to mine. The emulsion is the mixture of an oxidizing solution and a combustible solution. In 2012, Cerrejón reduced the consumption of diesel used in emulsion by replacing it with 461,868 gallons of used oil, which corresponds to 49% of the required fuel.

Despite the continued use of electronic detonators, which make the process more efficient for precision blasting in the sequence of shots in the wells, an increase was recorded in 2012 in the consumption of ammonium nitrate and emulsion, since twelve million BCM more were blasted than in 2011.

Tyres

The greater consumption of tyres in mining equipment originates in the haulage fleets, composed of 190, 240, and 320-tonne haul trucks. These fleets used 84% of the tyres (1,984 units) out of a total of 2,289 units in 2012.

In spite of the increase in general tyre usage in 2012 as compared to 2011 (2,289 vs. 2,096 units respectively), we did optimise consumption when we take into account the ratio of the BCM-eq produced every year while increasing the service life of the tyres of the 320- and 240-tonne truck fleets (see Table 2). This is due to:

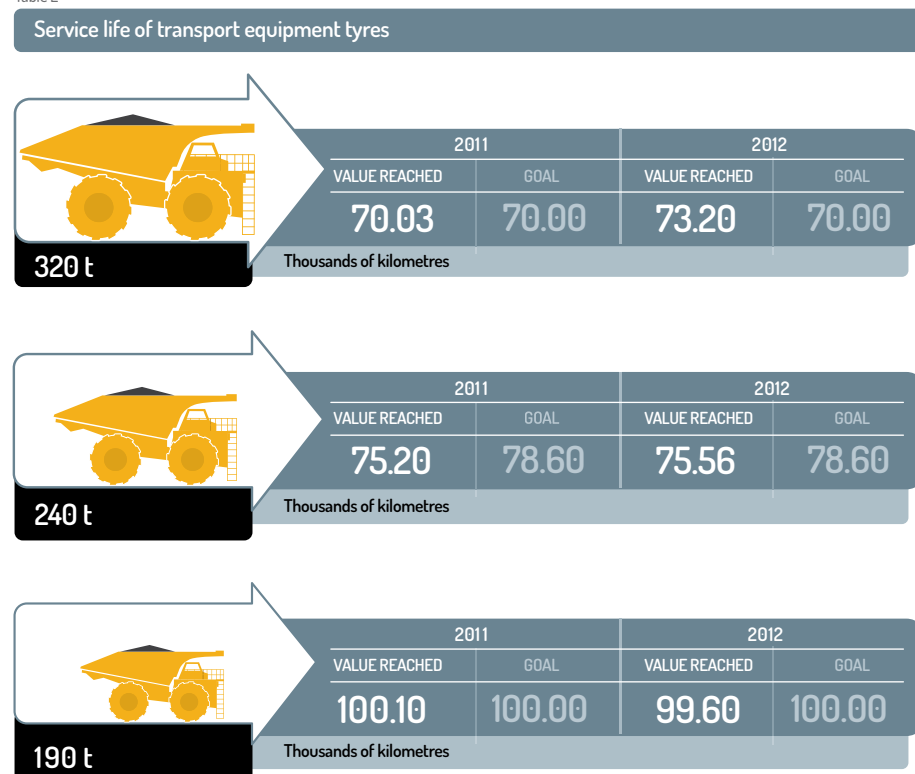
- Less rainfall with respect to the previous year, allowing for better roadway maintenance.
- Ongoing awareness campaigns for the truck-fleet operators, who report in real time on poor conditions and obstacles encountered on the mine roads in an effort to avoid damaging tyres.
- Monitoring every tyre by assigning each one a unique code to identify opportunities to extend its service life, taking into account variables of the mining equipment on which it is placed and the operator who drives the equipment.

Table 1

| Consumption of materials. | | | | |
|---------------------------|------|--------------------------------|--------------------------|--|
| Material | Year | Reference units | | Change compared to 2011 taking into account millions of BCM-eq |
| | | Tonnes | Tonne/millions of BCM-eq | |
| Ammonium nitrate | 2010 | 46,916 | 208 | ↑ 2% |
| | 2011 | 48,518 | 194 | |
| | 2012 | 55,084 | 199 | |
| Emulsion | 2010 | 61,442 | 272 | ↑ 1% |
| | 2011 | 64,470 | 258 | |
| | 2012 | 72,268 | 261 | |
| | | Units (heavy mining equipment) | Units/millions of BCM-eq | |
| Tyres | 2010 | 1,847 | 8.18 | ↓ 1% |
| | 2011 | 2,096 | 8.39 | |
| | 2012 | 2,289 | 8.27 | |



Table 2



Materials left over from the operation (waste rock)

Open pit mining at Cerrejón does not generate an excessive amount of potentially dangerous material. The overburden maintains its characteristics and does not contain chemical substances or have any other properties that would make it dangerous. However, its treatment follows a procedure in line with applicable environmental regulations and complies with the Comprehensive Environmental Management Plan instructions for managing dumpsites and waste rock.

Solid waste management

Cerrejón maximises use of its comprehensive waste management system by reinforcing each of the stages in the handling process. Our goal is to achieve safe and suitable environmental handling of the waste generated as the result of our operations and related activities, with emphasis on the following:

- Separate handling according to waste type
- Treatment and final disposal in accordance with current legislation
- Optimisation of waste separation in order to reuse it to environmental and social benefit

The cycle of waste handling begins with its generation and ends with its final disposal.



The management of solid waste at Cerrejón is carried out in a self-contained manner. It includes personnel; installations (trenches for ordinary waste, cells for offcuts, landfarming⁽¹⁾, rubble pile, and a safety cell); and specialised equipment (compactors, incinerator) for the procedures related to its handling: collection, transport, storage, treatment, recycling, and final disposal. These tasks are carried out in strict compliance with the country's current legal and environmental framework.

Table 1 shows the amount of solid waste according to type, and Table 2 gives the most appropriate methods of treatment and disposal, corresponding to the Mine, Puerto Bolívar, and the offices of Cerrejón Bogotá.

Table 1

| Solid waste generation | | | | |
|------------------------|-----------------------|------------------------|-------------------------|------------------------|
| Year | Tonnes ordinary waste | Tonnes hazardous waste | Tonnes recyclable waste | Total waste generation |
| 2010 | 4,463 | 578 | 4,550 | 9,591 |
| 2011 | 4,528 | 631 | 4,210 | 9,370 |
| 2012 | 5,668 | 656 | 5,786 | 12,110 |

Note: Recyclable waste (reusable) includes both ordinary and potentially hazardous waste.

The increase in waste compared to 2011 is explained by the increase in scrap iron due to: mining equipment replacement, rubble from the expansion of company infrastructure projects, and the increase in production and personnel.

In 2012, 48% of solid waste was recovered, surpassing the target goal of 45%. The amount of recyclable waste surpassed the figures for 2011 due mostly to the recovery of nearly 2,000 tonnes more of scrap metal than normal from the scrapping of equipment that had completed its service life.

Table 2

| Treatment and final disposal of solid waste | | | | | | |
|---|------------------------|----------------|------------------|-----------------------|------------------|----------------------|
| Year | Tonnes hazardous waste | | | Tonnes ordinary waste | | |
| | Incinerated | In landfarming | In encapsulation | In landfill | In tailings pile | In cells for offcuts |
| 2010 | 382 | 124 | 89 | 2,161 | 1,665 | 647 |
| 2011 | 440 | 130 | 92 | 2,357 | 1,382 | 789 |
| 2012 | 323 | 121 | 228 | 2,783 | 2,042 | 843 |

Note 1: The sixteen tonnes of ash generated by incineration were encapsulated, so they are only added once in the total for hazardous waste in order to avoid duplication.

(1) Term for bioremediation, a process in which microorganisms in the soil biodegrade oily sludge.

Part of the revenue from the sale of recycled scrap was invested in education and health programmes to benefit local communities through a non-profit social organisation.

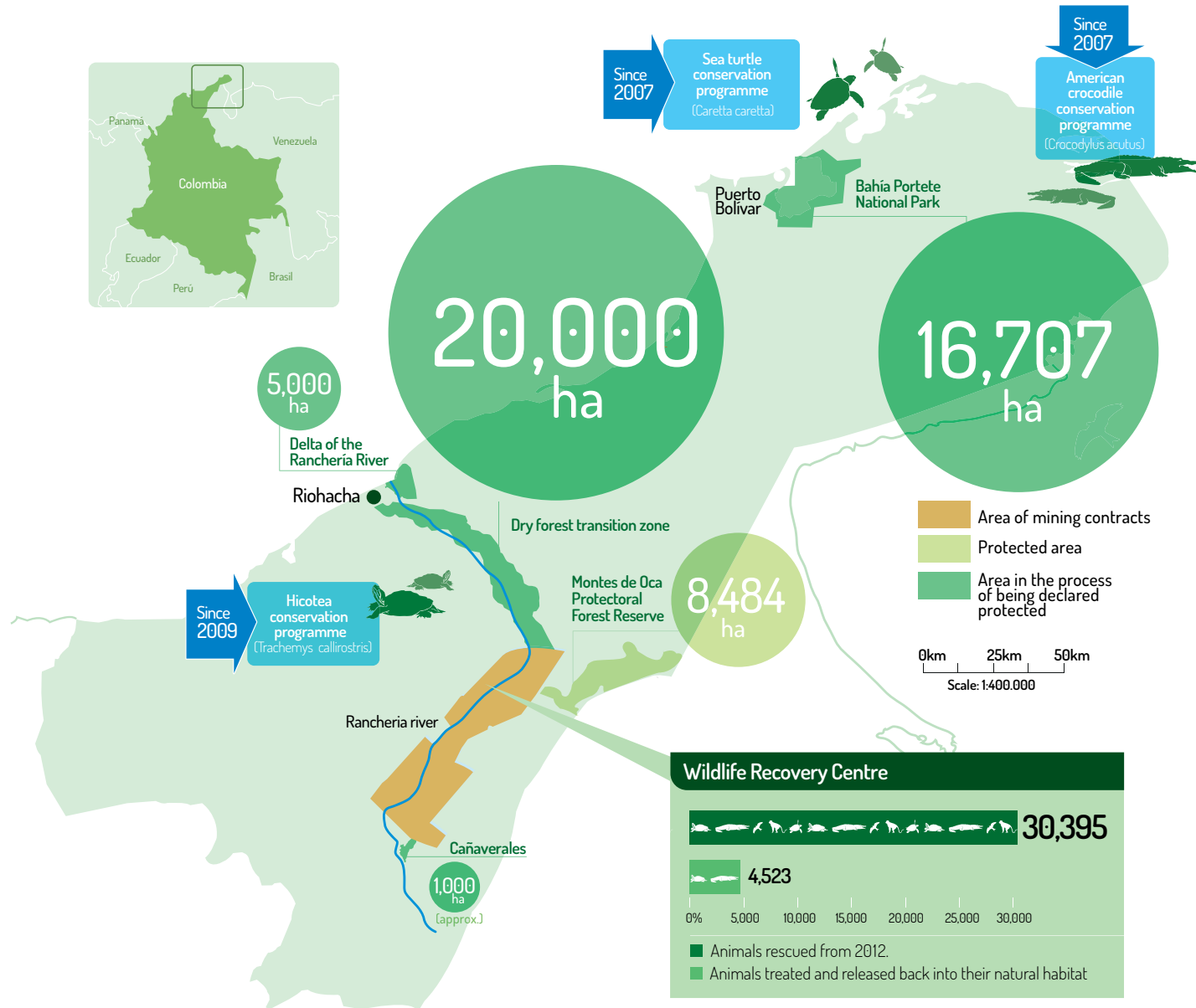
The smaller amount of waste taken to landfarming is related to process improvements and the lower number of spills in 2012 (see Table 2). Among the improvements, we note the construction of a trap for the filtering and draining of used oils, both in the workshops as well as at the landfarming site.

The increase in waste encapsulation in 2012 is due to the fact that the incinerator underwent repairs for about two months, during which time the waste was disposed of using safety cells.

A portion of hazardous waste is sent outside the mining complex for treatment or final disposal by legally authorised national companies, with prior verification of their suitability for the task through visits and review of environmental licences.

In 2012, a total of 76 tonnes of hazardous waste was disposed of through third parties. This waste included grease, crushed glass from fluorescent lamps, used car batteries and old batteries, as well as a total of 5,220 gallons of waste from the maintenance of the fuel oil storage tanks at Puerto Bolívar (slops). The waste electrical and electronic equipment (WEEE) is sold to third parties who recover usable materials and appropriately dispose of the rest.

Management of biodiversity impacts



As part of Cerrejón's commitment to the practice of responsible mining, we have established a Wildlife Management Plan that provides the necessary guidelines to prevent, mitigate, and compensate for impacts that the mining operations have on biodiversity.

Biodiversity management is undertaken in conjunction with the regional and national environmental authorities. Accordingly, Cerrejón does not carry out any mining activities in protected areas. Biodiversity management in the company provides for the protection of species found within project areas by means of four programmes:

- Programme of wildlife monitoring and follow-up. The terrestrial and aquatic fauna within

the mining complex are monitored in both dry and rainy seasons with a view to mitigating and preventing the impacts that the operation may cause to wildlife. Thanks to this monitoring, the existence of 258 species of birds, 55 species of reptiles, 23 species of amphibians, and 103 species of mammals has been confirmed since 2003.

- Wildlife rescue and relocation programme in areas slated for mining. Before any mining commences, any slow-moving animals, or those that are in some way prevented from vacating the area, are relocated to areas not slated for mining. More than 30,395 individual animals have been rescued since 2005

from mining areas, including mammals, birds, reptiles, and amphibians. In 2012, 354 animals were rescued and relocated.

- Programme for wildlife clinical and biological rehabilitation. Injured animals rescued from the mining areas are treated at the Cerrejón Wildlife Recovery Centre (CRFS, its Spanish acronym). In 2012, 1,042 individual animals were rehabilitated.
- Conservation programmes for endangered species. Cerrejón has three voluntary programmes for the conservation of threatened species: sea turtles and American crocodiles in the Alta Guajira, and Colombian slider turtles at the Mine.

Threatened species of the region

According to the inventory of wildlife of the Caribbean region, there are currently twenty-seven species subject to a significant degree of threat under Colombian or international classifications. These species can sometimes be found within the area of the coal complex or in its area of influence. According to the Colombian categories, six of these species are critically endangered (CR), four are endangered (EN), four are vulnerable (VU), and seven are near threatened (NT).

According to the classification of the International Union for the Conservation of Nature (IUCN), two of these species are CR; four are EN; seven are VU; four are NT; and three are of least concern (LC).

Species with a significant degree of threat are listed in Table 1.

Endangered Species Conservation Programmes

Since 2007, in the Alta Guajira, Cerrejón has carried out a programme for the protection of sea turtle nests of the hawksbill turtle, leatherback, green sea turtle, loggerhead, and the olive ridley sea turtle (*Eretmochelys imbricata*, *Demochelys coriacea*, *Chelonia mydas*, *Caretta caretta*, *Chelonia agassizii*, and *Lepidochelys olivacea*). In 2012, two new species found in the project area were included—the loggerhead and the olive ridley sea turtles.

In December of 2010, an agreement was signed with the NGO, Conservation International; the Fund for Environmental Action; Corpoguajira; and the communities of Bahia Honda and Punta Gallinas. Its aim is to strengthen the conservation project by limiting the hunting, trade, and indiscriminate use of sea turtles. In return, the agreement provides benefits for the community that help to improve their quality of life.

On December 14 of 2012, the communities of Bahia Honda and Punta Gallinas extended the Conservation Agreement on Sea Turtles for another year. To date, forty local indigenous volunteers have been trained to patrol nine kilometres of beaches in order to safeguard sea turtle nests. As a result, more than five thousand newly hatched turtles have been protected for their race to the sea.

Since 2007, the neonatal section of the CRFS has received specimens of the American crocodile (*Crocodylus acutus*) brought from nests in the Alta Guajira. At the centre, they are reared and protected until they have achieved sufficient size and weight to be released.

Through the Conservation Programme for Endangered Species, more than 3,500 specimens have been raised and released into the wild since 2010. Graph 1 shows the numbers of sea turtles and crocodiles released in each of the past three years.

Table 1

| Colombian classification of species according to CITES ⁽¹⁾ and/or IUCN categories | | | | | |
|--|------------------------------------|---------------------------------|----------------------------|------|----|
| Gender | Genus and species | Common name | Colombian category (CITES) | IUCN | |
| Aves | <i>Ara militaris</i> | Military macaw | VU | VU | |
| | <i>Egretta refescens</i> | Reddish egret | | NT | |
| Mamíferos | <i>Aotus lemurinus</i> | Gray-bellied night monkey | | VU | |
| | <i>Leopardus tigrinus</i> | Margay | | VU | |
| | <i>Leptonycteris curacaoe</i> | Bat | | VU | |
| | <i>Lontra longicaudis</i> | Neotropical otter | VU | | |
| | <i>Panthera onca</i> | Jaguar | VU | NT | |
| | <i>Rhogeessa minutilla</i> | Bat | | VU | |
| | <i>Marmosa xerophila</i> | Guajira mouse opossum | NT | VU | |
| | <i>Lonchophylla concava</i> | Bat | | NT | |
| | <i>Cabassous centralis</i> | Northern naked-tailed armadillo | NT | | |
| | <i>Cebus albifrons</i> | White-fronted capuchin | NT | LC | |
| Peces | <i>Prochilodus magdalenae</i> | Bocachico | CR | | |
| | <i>Ichthyoelephas longirostris</i> | Besote | EN | | |
| | <i>Salminus affinis</i> | Picuda | VU | | |
| | Reptilia | <i>Trachemys callirostris</i> | Colombian slider turtle | NT | |
| | | <i>Demochelys coriacea</i> | Leatherback turtle | CR | CR |
| | | <i>Chelonia mydas</i> | Green sea turtle | EN | EN |
| <i>Caretta caretta</i> | | Loggerhead sea turtle | CR | EN | |
| <i>Eretmochelys imbricata</i> | | Hawksbill sea turtle | CR | CR | |
| <i>Chelonia agassizii</i> | | Galápagos green turtle | EN | EN | |
| <i>Lepidochelys olivacea</i> | | Olive ridley sea turtle | EN | EN | |
| <i>Crocodylus acutus</i> | American crocodile | CR | VU | | |
| <i>Chelonoidis carbonaria</i> | Red-footed tortoise | CR | | | |

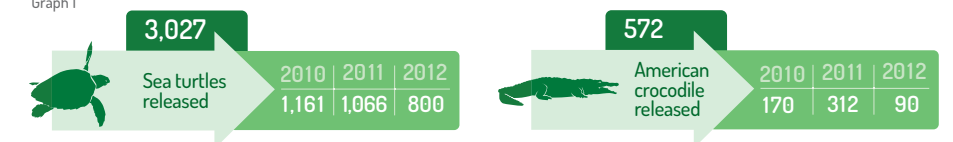
(1) Acronym for the Convention on International Trade in Endangered Species of Wild Fauna and Flora. Colombian category: Endangered (EN), Vulnerable (VU), Near threatened (NT), Critical (CR). IUCN: Critical (CR), Endangered (EN), Vulnerable (VU), Near threatened (NT), Least concern (LC).

The Conservation Programme for the Colombian Slider Turtle (*Trachemys callirostris callirostris*) was carried out with the assistance of both undergraduate and graduate students. Their project theses researched the population conditions of

this species, its main predators, and threats facing it, as well as its ecology and embryonic evolution. This research has improved the conservation plans for this endangered species, which is valued for its meat in La Guajira.



Graph 1



Protected and restored habitats

The company is seeking to contribute to the creation of protected areas in La Guajira, in conjunction with globally known non-governmental organisations such as Conservation International (CI), The Nature Conservancy (TNC), and the Fund for Environmental Action, and Corpoguajira, the regional environmental authority. Corpoguajira declared the area of the Montes de Oca to be a National Protected Forest Reserve as of December 27 of 2007. This reserve covers approximately 8,500 ha, and is found in the Serranía del Perijá. It is home to more than 177 species of birds, hundreds of species of reptiles, and others that are in danger of becoming extinct. It is also critical to the water supply of the Carraipia River for the municipalities of Albania and Maicao.

As part of the Plan that Cerrejón signed with TNC and the Fund for Environmental Action in 2012, invitations were called for tenders to draw up the Environmental Management Plans for two areas in the process of being designated as protected forest reserves. These bids, evaluated by the Fund for Environmental Action, were awarded to the Herencia Ambiental Foundation and the Biota Foundation. The former drew up the management plan for the delta of the Ranchería River, covering 5,000 ha, and the latter drew up the management plan for the lower basin of the Ranchería River, which covers an area of 20,000 ha.

Cerrejón's two large compensation areas are also noteworthy:

Mushaisa: Extending over 313 ha, with predominantly high grasses and native trees, which are of great importance to the region.

Aguas Blancas-Santa Helena covers 1,652 ha, with the noteworthy presence of three endangered species historically exploited for their commercial value in the Caribbean region: verawood, the ebony, and yellow pui.

Environmental education

- Efforts are being made to improve the environmental knowledge and awareness of employees, contractors, and communities with regard to their individual responsibility to care for the environment while carrying out their normal activities; to promote the rational and efficient use of natural resources; and to empower them to act in an ethical and environmentally aware manner in their daily lives.
 - In order to increase environmental awareness, various means of communication are used both with employees and with the inhabitants of the Mushaisa Residential Unit. Among the measures employed are billboards in the Mine area, corporate notice boards, emails, and magazines such as Cerrejón Today, NotiMushaisa, and Notiambiental containing articles about the environment.
 - In addition, Radio Cerrejón broadcasts radio talks—covering all four shifts—on topics related to important environmental dates every month. In 2012, more than 444 training events in environmental management were carried out at Cerrejón, with more than 10,958 employees and contractors participating.
- In addition, the Super R campaign was launched. It is a corporate cartoon figure that represents the four R's in the Cerrejón environment: Reduce, Recycle, Re-use, and Reclaim. All the areas received visits from Super R, who spread environmental messages and information relating to the campaign. At the same time, employees and contractors participated in an environmental initiative competition implemented by the company.



Methods of spreading environmental management messages to outside stakeholders

Environmental visits

As a part of the Environmental Management Plan (EMP), we continually receive visitors for environmental management tours highlighting the company's work in that regard. They are attended by members of communities from the area of influence as well as municipal authorities.

These visits include a questions and answers session at the end to clarify any doubts and questions that visitors may have with respect to Cerrejón's environmental management. In addition, polls are taken to learn visitors' opinions about their visit to Cerrejón and the topics covered during the visit.

The main concerns of visiting communities centre on topics of air quality, the effects of blasting and its control measures, how the Mine will appear after the coal has been exhausted, employment possibilities, and so on.

In 2012, 1,168 people (in 42 visits by local communities and educational establishments) took part in the Environmental Visits Program.

Mass media publicity

Street billboards, television commercials, radio ads, the magazine Cerrejón World (Mundo Cerrejón), and press releases were used to publicize company measures.

Air Quality Oversight Committee

Started operation on October 17 of 2008. It is made up of representatives from the communities where the Cerrejón air quality monitoring stations are located.

Objective. To allow the communities where the stations are located to know what sort of information is collected, the data processing, the environmental laws relating to air quality, and the management measures and environmental control applied by Cerrejón.

Committee Activities in 2012:

- Introduction of the Air Quality bulletin to the Campo Alegre community.
- Presentation of the results for the gas monitoring in the Los Remedios community.
- Training of Committee Members on Air Quality Protocol in workshops.
- Presentation of blasting. Workshop on the laboratory analysis process and witnessing a blasting operation at the Mine.



Land reclamation

Keeping terrestrial ecosystems productive is a huge task that is an inseparable part of Cerrejón's mining operations.

Land reclamation consists of recovering areas disturbed to attain ecosystem conditions similar to or better than those originally found.

A total of 12,708 ha have been disturbed by mining activities since 1983, of which 599 ha were disturbed in 2012. Up to this year, fully 3,148 ha have been released for the reclamation process (land that will no longer be used for mining), and a total of 3,100 ha have been rehabilitated (see Graph 1).

The 2012 results of the land reclamation programme are presented in Graph 2. Cerrejón's land reclamation programme comprises primarily the following stages:

Topsoil recovery

The topsoil profile and quality are evaluated, then it is removed and transported by scrapers to soil banks for conservation. The soil banks are located at several sites in the three main mining areas: Central Zone, Patilla, and New Mining Areas. The topsoil is later retrieved from these banks to begin preparing the land.



Preparation of land

- The site disturbed by mining is prepared to ensure an appropriate medium for the sustainable growth of plants and associated organisms. This stage consists in creating suitable slopes to enable the growth of vegetation.
- The work is performed with mining equipment such as crawler tractors and motor graders. The topsoil is then transported and spread with the equipment.

Soil stabilisation

- The scattered topsoil layer becomes a suitable medium for plant growth.
- Pioneering coverage is started with seeds and rapid-growth plants adapted to this climate and regional soils. These plants will serve to protect against water erosion and to improve the soil.
- In flat areas, this stage is carried out with agricultural tractors with a chisel plough, and on the slopes oxen pull the chisel plough.



Revegetation

- This stage involves a set of activities that aim to build a diverse and productive plant community on the stabilised topsoil.
 - Planting forestry species (small trees) grown in the Cerrejón plant nursery, using hand tools.
 - Seed collection of selected native species to adapt and grow them during planting periods.

Monitoring and follow-up

The areas undergoing reclamation are monitored to assess the physical, chemical, and biological conditions of the topsoil as well as the dynamics of the vegetation cover. The results of this monitoring and analysis are reported annually to the regional and national environmental authorities.



Graph 1



Graph 2



Cerrejón's Land Reclamation Programme has become a benchmark by preserving nearly forty million cubic metres of topsoil. This gives us sufficient reserves in our soil bank to effectively reclaim and return to the region a sustainable ecosystem in all of the areas currently used in our mining operations.

Preparation of land stage



Hydrocarbon management

Cerrejón's Hydrocarbon Management Programme, part of our Comprehensive Environmental Management Plan, aims to control the environmental hazards associated with the storage and transportation of fuels and lubricants used in the operations at our mining complex.

In 2012, we continued to standardise the portable fuel islands and took other measures related to hydrocarbon management. Noteworthy actions include:

- Replacement of cement berms and compacted earth with metal cutoff walls in the portable fuel islands to contain spills. In 2012, seven berms were replaced with these metal cut-off walls.
- Updating the labelling and identification of the fluid conduction lines. In accordance with the colour codes established in Resolution 2400/79, Industrial Safety Statute.
- Equipping with kits to manage hydrocarbon spills. Kits are now supplied for handling hydrocarbon spills on all Cerrejón fuel islands, resulting in an appropriate response to minor spills. In addition, island operators were trained in emergency actions and environmental awareness activities.
- Committee for Hydrocarbon Spills in the Portable Islands. A reporting tool was designed within the corporate system to monitor hydrocarbon spills in the fuel islands. It includes consolidated logging of incidents by the interdisciplinary work group of Environmental Management, Maintenance, and Production. Its results will be analysed in 2013.
- Emergency Response Group Drills for hydrocarbon spills. Drills were planned to evaluate the capacity of Cerrejón's internal emergency response groups to respond to specific situations, such as a fuel spill in the Ranchería River.
- Evacuation of oily waters. Complied with the programme for evacuating oily waters from gratings and drainage tanks. The waters were discharged into the appropriate pond.

All of these improvements mean that the fuel islands do not produce the same quantity of oily sludge as six years ago. In addition, since the oily water is regularly withdrawn, the gratings do not overflow, which could have created oily.

Environmental education sessions for workers in the maintenance workshops have given operators there improved awareness of spills. Therefore, they use containers more frequently as a preventive measure to capture hydrocarbons during equipment maintenance.

In addition, oleophilic sheets are being used to absorb any hydrocarbon drips or spills. These sheets are more efficient at absorbing spills than sawdust, and have decreased the production of hydrocarbon-contaminated sawdust.

Oil consumption and used oil recovery

Hydraulic shovels and haulage trucks are responsible for most oil consumption. The increased usage since 2011 is related to:

- More consumption in the PC4000 hydraulic shovels, PC8000 front loaders, O&K RH340 hydraulic shovels, and the Combi loaders.
- Increase in the 240- and 320-tonne haulage truck fleet.
- A 10% increase in number of operating hours for the 320 trucks compared to 2011.
- Contamination of hydraulic oil in brake system of 320-tonne trucks caused by wear in the packing.

As the volume of oil used in 2012 increased (see Table 1), the volume of recovered used oil also rose. We recovered the most used oil recorded at Cerrejón with a total of 1,130,575 gallons, exceeding the 2011 figure for recovered oil by 138,244 gallons. Similarly, we surpassed our target of 57% recovery, reaching 58% thanks to the efforts of operations personnel.

The used oil from workshops and equipment maintenance facilities is collected and stored in tanks in the respective areas. Oil cannot be discharged under any circumstances. The recovered oil is reused to make emulsion or is sold to third parties with the appropriate environmental permits for processing used oil. In 2012, we sold 403,225 gallons to these processors.

Table 1

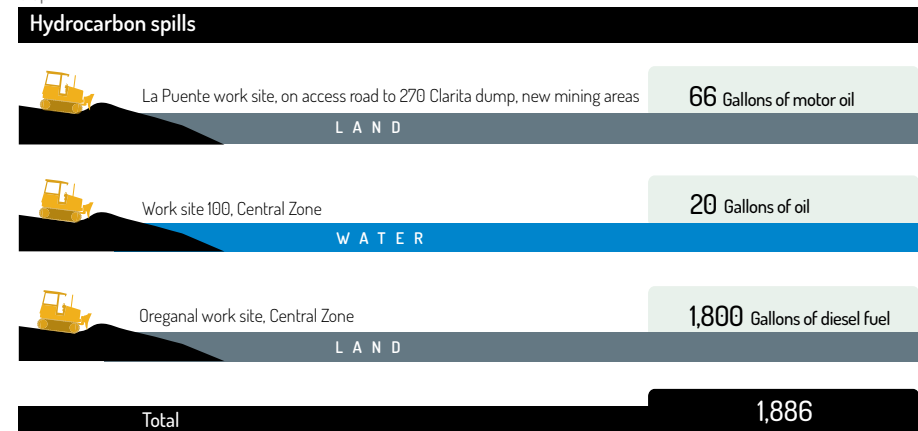
| Oil consumption and used oil recovery | | | | |
|---------------------------------------|------|-----------------|------------------------|---|
| Material | Year | Reference units | | Change compared to 2011, taking into account millions of BCM-eq |
| | | Gallons | Gal/millions of BCM-eq | |
| Oil consumption | 2010 | 1,439,979 | 6,381 | ↑ 5% |
| | 2011 | 1,687,354 | 6,752 | |
| | 2012 | 1,958,787 | 7,075 | |
| Oil recovered | 2010 | 877,452 | 3,888 | ↑ 3% |
| | 2011 | 992,331 | 3,971 | |
| | 2012 | 1,130,575 | 4,084 | |

Total number and volume of accidental spills

There is a response crew that responds to and controls hydrocarbon spills at the Mine, and another at Puerto Bolívar. These crews have the appropriate tools and staff to meet any hydrocarbon spill situation.

In 2012, there were three significant spills totalling 1,886 gallons of hydrocarbons. These spills were appropriately controlled and therefore, did not affect biodiversity (Graph 1).

Graph 1



Climate Change

Cerrejón has made a commitment to the sustainability and quality of life of the communities native to the region in which it operates. We strive to understand, prevent, and mitigate the impacts of climate change on local ecosystems.

In 2012, the following actions were taken to contribute to the mitigation of, and adaptation to, climate change:

- Implementation of social, participatory, and sustainable projects through the Cerrejón Foundation for Water in La Guajira, whose goal is to promote the safety of the water supply and adaptation of communities to climate change by: improving the drinking water supply, basic sanitation, and the preservation of water sources. For further information on accomplishments in this area, see the Cerrejón Foundations section.
- Implementation of initiatives whose goals are efficient water and energy use in the mining operation and the residential unit.
- Estimates of the Greenhouse Gas emissions (GHG), according to the GHG protocol developed by the World Resources Institute and the World Business Council for Sustainable Development.

Energy Consumption

In the period covered by the report, the company recorded an energy consumption of over 14 million gigajoules (GJ) for the mining operations and related activities. Table 1 shows a reduction in energy consumption per each million cubic metres (BCM-eq) produced compared to 2011. The projects and measurements contributing to the reduction in energy consumption are described in the Total Energy Savings section.

Table 1

| Energy consumption ⁽¹⁾ | | | | | |
|-----------------------------------|-------------------------|---|---------------|---------------|---------------|
| Type | Source | | 2010 | 2011 | 2012 |
| Direct energy | Diesel | Thousands of GJ | 11,571 | 11,937 | 13,234 |
| | Gasoline ⁽²⁾ | Thousands of GJ | 104 | 106 | 97 |
| | Natural gas | Thousands of GJ | 34 | 84 | 84 |
| Indirect energy | Electric | Thousands of GJ | 1,049 | 1,053 | 1,094 |
| Total | | Thousands of GJ | 12,759 | 13,179 | 14,509 |
| Total per BCM-eq | | Thousands of GJ / Millions of BCM-eq | 56.54 | 52.73 | 52.41 |

(1) Diesel factor: 0.138 GJ/gallon from Anglo American. Natural gas factor: 35.31 MJ/Nm³ in accordance with the FECOC (UPME) tables. Electricity factor: 3.600 GJ/kWh/GJ from Anglo American.
 (2) Values with calorific power of IPCC for gasoline. Starting with the 2011 Sustainability Report, the IPCC factor for gasoline of 0.124 GJ/gal was used, which has a calorific power of 44.3 MJ/kg, and not the 42.44 MJ/kg figure of FECOC (UPME).

The energy figures do not include either the diesel or gasoline consumption of our contractors or the fuel for the aerial service provided to the Mine, in agreement with the parameters established in the GHG Protocol Cerrejón has followed since 2011. The energy figure for gasoline in 2012 does include the consumption for Cerrejón's operations in Bogotá.

Fuel consumption and savings measures implemented

The increase in diesel consumption is due to an increase in the fleets of the 240 tonne and 320 tonne transport trucks by 11 and 16 units, respectively. This increase is reflected in the total consumption, expressed in gallons (Graph 1).

The stable results shown in the diesel consumption per unit figure, reflected in a marginal increase of 0.08% over 2011, is the product of implementing initiatives such as reducing the waiting lines at the fuel islands for 320-tonne trucks—the fleet with the highest diesel consumption. That initiative saved 9,000 gallons of diesel in 2012. The project consisted of the Dispatch Centre at headquarters directing trucks to head to the fuel island with the shortest waiting line to fill up, according to their location and amount of fuel in their tank.

The savings from this initiative was equivalent to stopping the fuel supply to a water tanker provided with fuel from the portable islands for approximately seven months, since records indicate they consume approximately 44 gallons of diesel a day when operating continuously for 24 hours per day. The energy savings is equivalent to 1,239,351 GJ, which

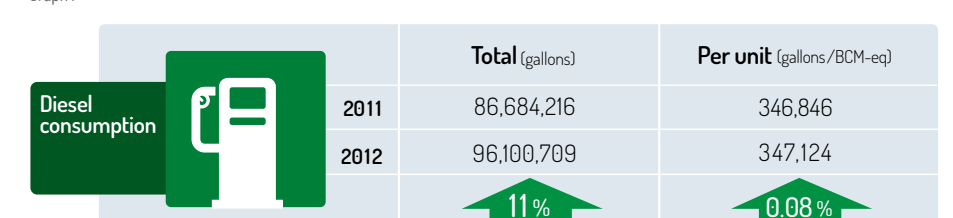
in turn would be equivalent to stopping the supply of electricity to approximately 111,000 apartments for three people over an entire year. It is important to note that this initiative required no investment but only the development and use of a database at the mining headquarters.

The 190- and 240-tonne fleets also carried out a pilot test using diesel pump dispensers that resulted in a savings of 11,000 gallons. The savings from this initiative was equivalent to stopping the supply of fuel to a water tanker provided with fuel from the portable islands for approximately eight months, since records indicate they go through approximately 44 gallons of diesel a day when operating continuously

for 24 hours a day. The energy savings is equivalent to 1,514,763 GJ, which in turn would be equivalent to stopping the supply of electricity to approximately 136,000 apartments for three people over an entire year.

Hydraulic shovel consumption was 87.2 gallons/kBCM-eq of diesel, 2% less than the 2011 figure (89.1 gal/kBCM-eq) thanks to improvements in the indicators for the Hitachi EX 3600 fleet and O&K shovels. The Hitachi EX5500 fleet had the lowest indicator among the five fleets with this type of shovel due to greater productivity in the volume loaded per hour.

Graph 1



Electricity consumption and savings measures implemented

Although overall electricity consumption increased in 2012 compared to 2011 (Graph 2), there was a 6% improvement in energy efficiency with respect to production. This extra efficiency is due to optimising material loading by the shovels and energy efficiency in the coal plant.

Graph 2

| Electricity consumption | | Total (GWh) | Unit (GWh/millones de BCM-eq) | Energy consumption in thousands of GJ |
|-------------------------|--|-------------|-------------------------------|---------------------------------------|
| 2011 | | 292 | 1.17 | 1,053 |
| 2012 | | 304 | 1.10 | 1,094 |
| | | ↑ 4% | ↓ 6% | |

Note: The increase in consumption is due to increases in the P&H_XPC shovel fleet, which went from five shovels in 2011 to eight in 2012.

Initiatives for reducing electricity consumption

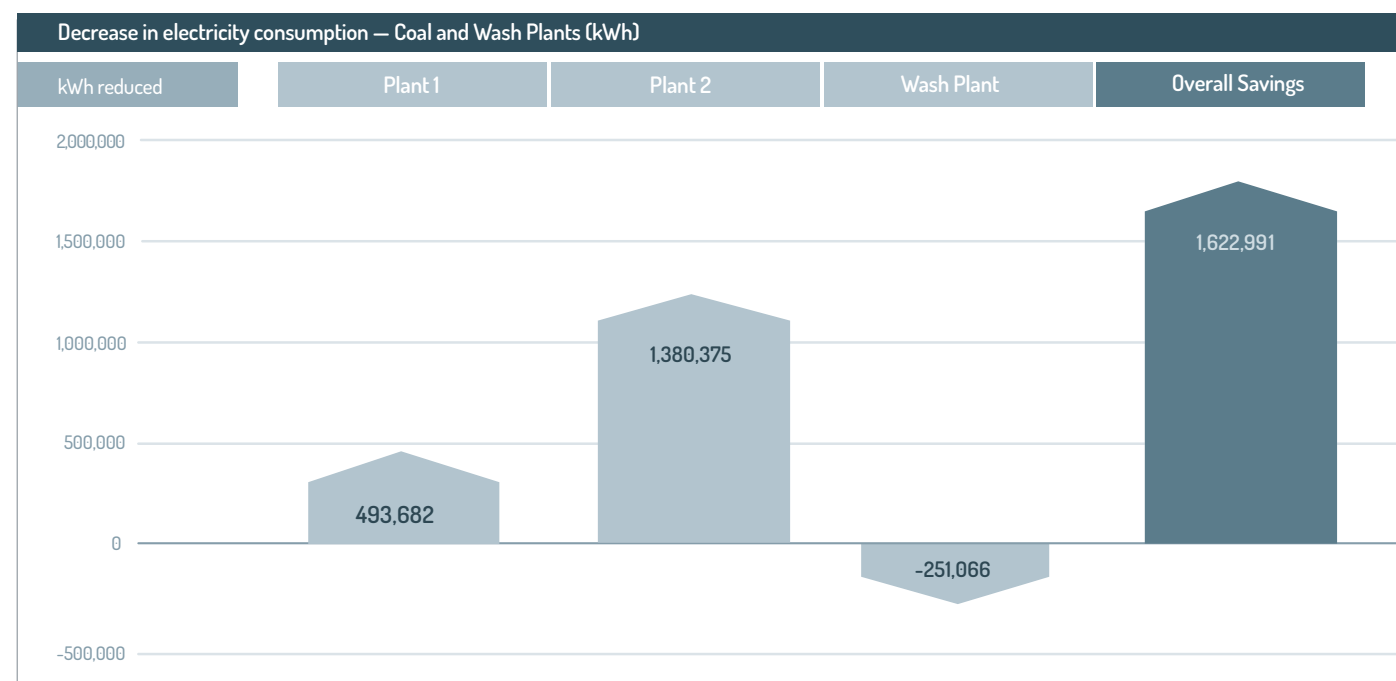
The electric shovels consumed 988 kWh/kBCM-eq, 5% below the figure for 2011 (1,038 kWh/kBCM-eq), due to:

- The introduction of new P&H_XPC shovels, more energy efficient than the PC-8000 shovels.
- A decrease in hours of rainfall in 2012 compared to 2011.

Likewise, there were significant decreases in energy use at the crushing plants (see Graph 3). This is due to daily monitoring of energy consumption per shift, which entailed greater coordination with Production in supplying the coal plants. That coordination made it possible to detect opportunities to turn off equipment when the plants were not being supplied. This measure saved 1,622,991 kWh, the equivalent of 21 MJ/kBCM-eq. That would represent the energy that approximately 940 air conditioners (¾ horsepower units) would consume if they were turned on for eight hours every day for an entire year. The monitoring did not require additional financial resources, as the savings is the result of a change in the way a process was executed.

Power was saved thanks to the use of solar water heaters in twelve Mushaisa Residential Unit houses, which, although constructed in 2011, were only delivered in January of 2012. The nominal savings from this initiative is 52 MWh/year, equivalent to providing 17 three-person apartments with electricity for a year.

Graph 3



Total power savings

Thanks to the initiatives implemented in various operational processes, Cerrejón attained an approximate total savings of 10,422 MJ/kBCM-eq, which can be viewed in Table 1 on energy consumption. The areas and projects that contributed to achieving this total savings are detailed in Table 2.

Table 2

| Area/Project | Type of savings | Power savings achieved in MJ/thousands of BCM-eq with respect to 2011 |
|--|-----------------|---|
| Electric shovels | Electric | 191 |
| Hydraulic shovels | Fuel (diesel) | 262 |
| Fuel island wait line reduction | Fuel (diesel) | 4,477 |
| Diesel dispensers project in 190- and 240-tonne trucks | Fuel (diesel) | 5,471 |
| Coal plants | Electric | 21 |
| Total | | 10,422 |

Total, direct, and indirect emissions of Greenhouse Gases (GHG)

At Cerrejón, Greenhouse Gas (GHG) emissions are primarily related to diesel engine consumption, which represents 80% of our total emissions. Of this percentage, overburden and coal haulage accounts for 70%.

Table 3

| Emissions of GHG ⁽³⁾ in tCO ₂ e by type of emission ⁽⁴⁾ | | | | |
|--|---|------------------|------------------|------------------|
| Emission type | Emission source | 2010 | 2011 | 2012 |
| Direct emissions | Diesel consumption | 861,880 | 889,247 | 985,846 |
| | Gasoline consumption | 7,223 | 7,305 | 6,736 |
| | Natural gas consumption | 1,892 | 4,652 | 4,645 |
| | Blasting | 13,136 | 14,086 | 15,171 |
| Indirect emissions | Fugitive methane leaks (methane released from coal seams) | 155,358 | 166,051 | 175,872 |
| | Electricity consumption | 53,452 | 30,062 | 37,799 |
| Total | | 1,092,941 | 1,111,404 | 1,226,069 |

(3) These emissions correspond to the consumption of fuel, electricity, and coal, broken down as diesel, gasoline, and natural gas consumed in the Mine, Railroad, and in Puerto Bolívar. Additionally, it includes fugitive methane leaks (CH₄) generated in the coal extraction process and the emissions related to blasting supplies (ANFO and emulsion). Additionally, the 2012 emissions include the tonnes of CO₂e for electricity consumption in Cerrejón's Bogotá offices and gasoline consumption for the pickup trucks used by these offices.
 (4) The CO₂e emissions factors for the diesel engine, gasoline, natural gas, and the fugitive methane leaks are provided by the consulting company Itasca Africa (PTY) Ltd. after a review of the factors suggested by Anglo American in 2010. The CO₂e emissions factor for electrical consumption is calculated monthly using the methodology of the XM SA, E.S.P. firm, which is available at www.xm.com.co. It takes as its basis the contribution of each energy source in the National Interconnected System (SIN, its Spanish acronym). XM is a subsidiary of ISA that operates the SIN and administers the Colombian energy market.

As of 2011, these emissions are calculated using the GHG Protocol as a reference, which allows for greater transparency in the data reported, avoids double accounting of emissions, and helps provide a better understanding of GHG emissions as compared with the industry sector.

The direct emissions in Table 3 correspond to Scope 1 of the protocol, which are those under the organisation's complete control. Indirect emissions come under Scope 2, which are those associated with purchased power usage.

Table 4 shows that, despite the fact that total GHG emissions increased in 2012, there was a continuing downward trend in tonnes of CO₂ equivalent per million BCM equivalent.

Table 4

| Total GHG emissions in tCO ₂ e | | |
|---|--------------------|-------------------------------------|
| Year | tCO ₂ e | tCO ₂ e/million BCM - eq |
| 2010 | 1,092,942 | 4,843 |
| 2011 | 1,111,404 | 4,447 |
| 2012 | 1,226,069 | 4,429 |

Initiatives to reduce GHG emissions

Four projects reported CO_{2e} reductions in 2012. The emission reduction goals for tonnes of CO_{2e} are established taking 2010 emissions as a base. The results of these projects are summarised in Table 5.

- Natural gas use in lightweight vehicles. The objective is to increase the consumption percentage for compressed natural gas (CNG), which produces less CO₂ emissions than gasoline. In 2010, the lightweight vehicle fleet consumed 48% natural gas. Thanks to consumption oversight by supervision and management, this figure increased to 53.4%, which resulted in a GHG emissions reduction of 120 tonnes of CO_{2e}.
- Fuelling delay time reduction project at the fuel islands for the 320-tonne fleet. Thanks to ongoing efforts in this project, a decrease of 93 tonnes of CO_{2e} was achieved.
- Diesel fuel injection in motorized trucks. In the 190- and 240-tonne truck fleets, a pilot project is underway to install a software device that controls the optimal diesel dosage to the truck motor, according to the required power. This initiative reduced emissions by 114 tCO_{2e}.
- Oversight of power consumption in coal plants. The constant oversight of power usage by crushed tonne and washed tonne in the coal plants (kWh/t-crushed and kWh/t-washed) allowed for power savings (see Electricity consumption and savings measures implemented) that represented a decrease of 465 tCO_{2e}.

The reduction of 792 tonnes of CO_{2e} is equivalent to that emitted by approximately 510-1,400 motor vehicles covering a distance of 20 km daily for a year.

Emissions of ozone-depleting substances

Cerrejón continues its Annual Air Conditioner Unit Update Programme with the goal of diminishing consumption of old refrigerants that have a high Ozone Depleting Potential (ODP) and replacing them with new-generation refrigerants, with minimal levels of ODPs.⁽⁶⁾

The refrigerants used by the old equipment that has not yet been updated are R12 and R22. For the reporting period, the consumption of these coolants was 0.76 kg of R12 and 2,026 kg of R22. This means that chlorofluorocarbon (CFCs)⁽⁷⁾ emissions were 0.76 and CFC11-eq emissions were 101 kg, respectively, for total emissions of 101.76 kg of CFC11.⁽⁸⁾

Table 5

| CO _{2e} reduction initiatives and projects | | | | | | |
|---|--|--------------------------------|---|---|--|--|
| Emission type | Initiative/Project | Reduction of tCO _{2e} | Reduction of tCO _{2e} by project | Target reduction in tCO _{2e} for 2012 with respect to 2010 emissions | Target reduction in 2012 in % with respect to 2010 emissions | Reduction achieved in 2012 in % with respect to 2010 emissions |
| Direct emissions | Natural gas use in lightweight vehicles. | 327 | 120 | 32.79 | 0.003 % | 0.011 % |
| | Reduction of waiting time for filling for 320-tonne trucks. | | 93 | 76.51 | 0.007 % | 0.009 % |
| | Diesel dosage in 190- and 240-tonne trucks. | | 114 | 273.24 | 0.025 % | 0.010 % |
| Indirect emissions | Oversight of power consumption in coal plants ⁽⁹⁾ | 465 | 465 | 0 | 0 % | 0.043 % |
| Total | | 792 | 792 | 383 | 0.04 % | 0.07 % |

(9) The benefits of this project were not considered at the beginning of 2012, and therefore a goal for this project was not set in 2012.



The R22 coolant is a less polluting gas than R12 because it depletes the ozone layer by 94% less. Historically, R22 has been consumed in greater proportions than R12 at Cerrejón.

Initiatives to mitigate the environmental impacts of products and services

Cerrejón participates in the Asomineros Chamber and the National Environmental Committee, which are agencies of the National Association of Businessmen of Colombia (ANDI, its Spanish acronym). These associations contribute to the analysis of proposed environmental laws and share experiences of efficient environmental management in the mining sector.

Significant environmental impacts due to product transport

Our coal is transported by railroad from the Mine to Puerto Bolívar. This system is more efficient compared to other transport means, which generate more carbon dioxide emissions (CO₂) per product unit.⁽⁹⁾

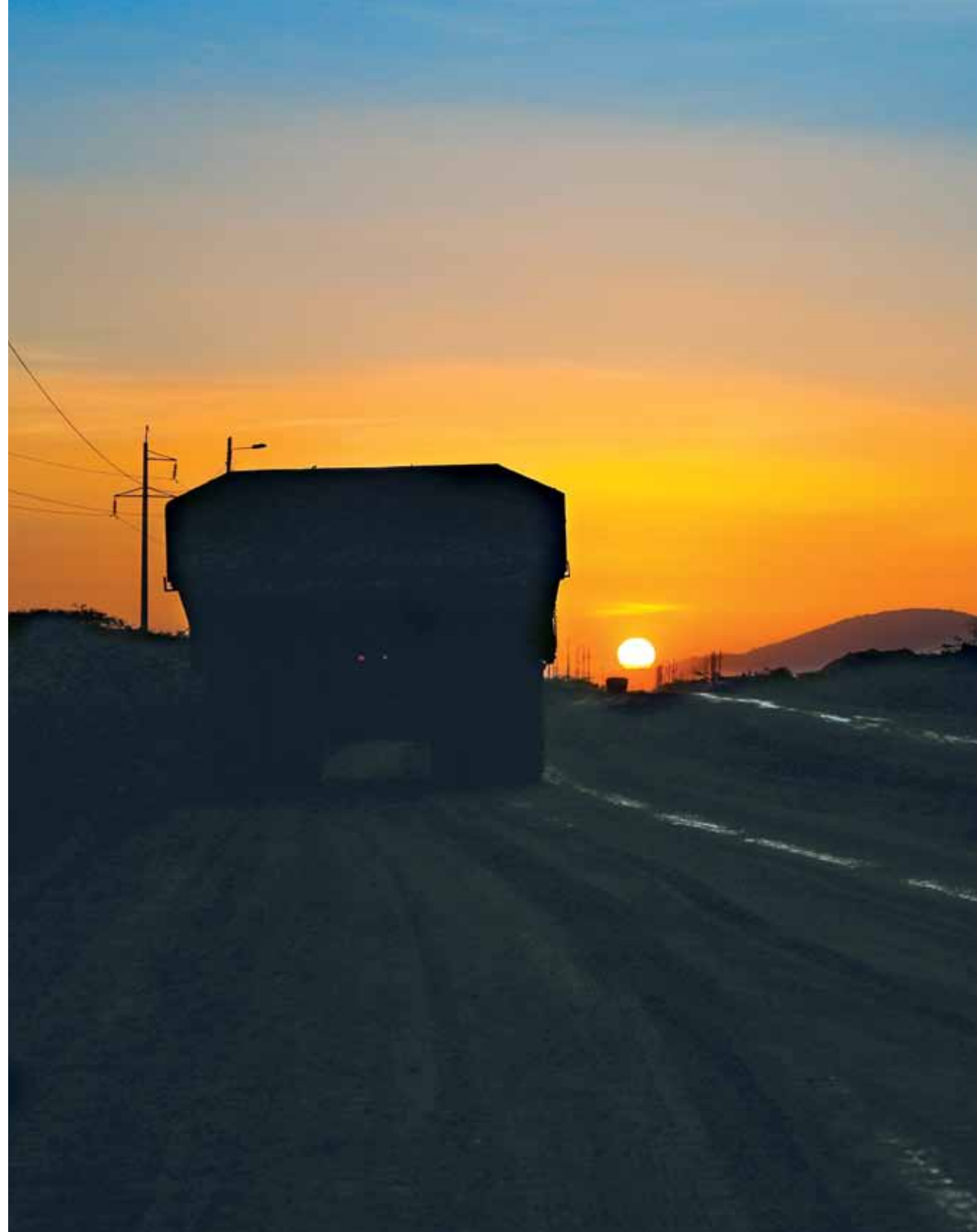
Clients apply their own measures for handling the potential environmental impacts and health and safety risks during the transport and use of the coal. Regardless, Cerrejón provides all clients with both technical and safety sheets that help to identify, prevent, and mitigate the product's potential impacts and risks.

(6) Unit that refers to the amount of stratospheric ozone destruction caused by a substance. Its abbreviation is ODP (Ozone-Depleting Potential).

(7) Group of compounds containing chlorine, fluorine, and carbon, used as cooling agents and gas propellants in aerosols. CFCs last for a long time in the atmosphere, and upon reaching the stratosphere they trigger ozone layer destruction.

(8) Measurement unit for chlorofluorocarbon emissions.

(9) Coal Environmental Transport Guide, p. 51, Ministry of Mines and Energy, Ministry of Transport, MAVDT, Medellín 2004.



GRI indicators table

| GRI Indicator -Description | Chapter section and page | Chapter | Global Compact correlation |
|--|---|--|---|
| 1.1 Letter from the president | Letter from the president - Pages 4-5 | Correjo'n and La Guajira | Declaration of permanent commitment to the Global Compact |
| 1.2 Description of main impacts, risks, and opportunities | Risk map and management - Page 21 Infographics of the mining process | Sustainability | Declaration of permanent commitment to the Global Compact |
| 2.1 Operation's name | Letter from the president - Pages 4-5 About this report | Correjo'n and La Guajira Correjo'n and La Guajira | Unspecified Unspecified |
| 2.2 Main brands, products and/or services | History - Page 10 Infographics of the mining process | Correjo'n and La Guajira | Unspecified |
| 2.3 Operational structure | Organizational structure - Page 29 | People | Unspecified |
| 2.4 Location of main headquarters | About this report | | Unspecified |
| 2.5 Number of countries company operates in | Infographics of the mining process | | Unspecified |
| 2.6 Nature of ownership and legal form | Nature of ownership and legal form - Page 10 | Correjo'n and La Guajira | Unspecified |
| 2.7 Markets served | Infographics of the mining process | | Unspecified |
| 2.8 Scale | Infographics of the mining process | | Unspecified |
| 2.9 Significant changes during the period covered by the report as to size, structure, and ownership. | Nature of ownership and legal form - Page 10 | Correjo'n and La Guajira | Unspecified |
| 2.10 Awards and distinctions received | History - Page 11 | Correjo'n and La Guajira | Unspecified |
| 3.1 Period covered by the information contained in the report | About this report | | Unspecified |
| 3.2 Date of most recent previous report | About this report | | Unspecified |
| 3.3 Cycle of report presentation | About this report | | Unspecified |
| 3.4 Contact point for questions concerning the report or its contents | Page 103 | | Unspecified |
| 3.5 Defining report content | About this report Materiality- Pag 14 | Correjo'n and La Guajira | Unspecified Principles 1-10 |
| 3.6 Boundary of the report | About this report | | Unspecified |
| 3.7 Indicate the existence of limitations in the scope or boundary of the report | About this report | | Unspecified |
| 3.8 The basis for including information that may significantly affect comparisons between periods and/or between organizations | Complaints Office (Page 47) Environmental and consumption figures in the operation - Page 71 | People People | Unspecified Unspecified |
| 3.9 Techniques for data measurement and bases for calculations | Measurement techniques - Page 98 | | Unspecified |
| 3.10 Explanation of the effect of any re-statements of information provided in earlier reports | Complaints Office (Page 47) Environmental and consumption figures in the operation - Page 71 | People Environment | Unspecified Unspecified |
| 3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report | Complaints Office (Page 47) Environmental and consumption figures in the operation - Page 71 | People Environment | Unspecified Unspecified |
| 3.12 Table indicating the location of the basic report contents | General index | | Unspecified |
| 3.13 Policy and current practice with regard to seeking external assurance for the report | About this report | | Unspecified |
| 4.1 Governance structure, committees of the highest governance body responsible for tasks such as defining strategy or supervising operations | Organizational structure - Page 29 Structuring of the highest governance body - Page 30 | People | Principles 1 - 10 |
| 4.2 President of the highest governance body | Organizational structure - Page 29 | People | Unspecified |
| 4.3 For organizations with a unitary board structure, indicate number of independent or non-executive members of the highest governance body. | Structuring of highest governance body - Page 30 | People | Unspecified |
| 4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body | Structuring of highest governance body - Page 30 | People | Principles 1 - 10 |
| 4.5 Linkage between compensation for members of the highest governance body, senior managers and executives, and the organization's performance | Attraction and selection - Page 33 | People | Principles 1 - 10 |
| 4.6 Procedures in place for the highest governance body to ensure conflicts of interest are avoided | Organizational structure - Page 29 Internal Control - Pages 31-32 | People People | Principles 1 - 10 Principles 1 - 10 |
| 4.7 Procedure for determining the training and expertise required of members of the highest governance body to guide operational strategy on social, environmental, and economic topics | Attraction and selection - Page 33 | People | Principles 1 - 10 |
| 4.8 Internally developed statements of mission and values, codes of conduct, and relevant principles for economic, environmental, and social performance, and the status of its implementation | Values and strategic partners - Page 12 Engagement with stakeholders - Page 12 | Correjo'n and La Guajira Correjo'n and La Guajira | Principles 1, 4, 6 |
| 4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance | Responsible Mining - Page 20 | Sustainability | Principles 1 - 10 |
| 4.10 Procedures for evaluating the highest governance body's own performance with respect to economic, environmental, and social performance | Attraction and selection - Pages 30-34 | People | Principles 1 - 10 |
| 4.11 Description of how the precautionary approach or principle has been adopted | Risk map and management - Page 21 | Sustainability | Principles 7 |
| 4.12 Externally developed social, environmental, and economic principles or programs, or any other initiatives to which the organization subscribes or endorses | Social responsibility - Pages 50-54 Correjo'n Foundations System - Pages 60-66 | Society | Principles 1 - 10 |
| 4.13 Main associations the organization belongs to | Strategic partners - Page 12 Reference framework - Page 21 | Correjo'n and La Guajira Sustainability | Principles 1 - 10 |
| 4.14 Stakeholders | Engagement with stakeholders - Page 12 | Correjo'n and La Guajira | Principles 1, 2, 3, 6 |
| 4.15 Basis for identification and selection of stakeholders | Engagement with stakeholders - Page 12-13 | Correjo'n and La Guajira | Principles 1, 2, 6 |
| 4.16 Approaches to stakeholder engagement, including frequency of participation by type and by stakeholder group | Engagement with stakeholders - Page 12-13 | Correjo'n and La Guajira | Principles 1, 2, 6 |
| 4.17 Main concerns and topics of interest raised through stakeholder engagement, and how the organization has responded to these through its reporting | Materiality - Page 14 | Correjo'n and La Guajira | Principles 1 - 10 |

| GRI Indicator - Description | Page | Chapter | Global Compact Correlation | Correlation ISO26000 |
|---|---|--|----------------------------|---|
| EC1 Direct economic value generated and distributed | Economic value generated - Pages 16-17 | Correjo'n and La Guajira | Unspecified | 6.8.3, 6.8.7, 6.8.9 |
| EC2 Financial implications and other risks and opportunities due to climate change | Climate change - Page 89 | Environment | Principle 7 | 6.5.5 |
| EC3 Social benefits programmes for employees | Pension Preparation Programme - Page 34 | People | Principle 1 | 6.8.7 |
| EC4 Significant financial aid received from governments | Zero (0). None received this year | ----- | Unspecified | Unspecified |
| EC5 Range between standard wage and local minimum wage | Characteristics - Page 26 | People | Principle 1 | 6.3.7, 6.4.4, 6.8 |
| EC6 Policies, practices, and proportion of spending on locally-based suppliers | Management of suppliers and contractors - Pages 22-23 Economic value generated - Page 16 | Sustainability Correjo'n and La Guajira | Unspecified | 6.6.6, 6.8.5, 6.8.7 |
| EC7 Procedures for local hiring | Characteristics - Page 26 Attraction and Selection - Pages 33-34 | People | Principle 6 | 6.8.5 y 6.8.7 |
| EC8 Investment development and impact on infrastructure | Social Responsibility - Page 54 Resettlements - Pages 58-59 Correjo'n Foundations System - Page 60 | Society | Unspecified | 6.3.9, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9 |
| EC9 Significant indirect economic impacts and scope | Correjo'n Foundation for Institutional Strengthening of La Guajira - Page 63 Correjo'n Foundation for Progress in La Guajira - Page 66 | Society | Principle 2 | 6.3.9, 6.6.6, 6.6.7, 6.8.5, 6.8.6, 6.8.7, 6.8.9 |
| EN1 Materials used, by weight or volume | Materials used in the operation - Page 80 Handling of hydrocarbons - Page 88 | Environment | Principle 8 | 6.5.4 |
| EN2 Percentage of materials used that are recycled input materials | Materials used in the operation - Page 80 Solid waste management - Page 81 Handling of hydrocarbons - Page 88 | Environment | Principle 8.9 | 6.5.4 |
| EN3 Direct energy consumption by primary sources | Climate change - Pages 89-90 | Environment | Principle 8 | 6.5.4 |
| EN4 Indirect energy consumption by primary sources | Climate change - Pages 89-90 | Environment | Principle 8 | 6.5.4 |
| EN5 Energy saved due to conservation and efficiency improvements | Climate change - Pages 90-91 | Environment | Principle 8.9 | 6.5.4 |
| EN6 Initiatives to provide energy-efficient or renewable energy-based products and results | Climate change - Pages 90-91 | Environment | Principle 8.9 | 6.5.4 |
| EN7 Initiatives to reduce indirect energy consumption and reductions achieved | Climate change - Pages 90-91 | Environment | Principle 8.9 | 6.5.4 |
| EN8 Total water withdrawal by source | Water quality and management - Page 72 | Environment | Principle 8.9 | 6.5.4 |
| EN9 Water sources affected by withdrawal of water | Water quality and management - Pages 73-75 | Environment | Principle 8 | 6.5.4 |
| EN10 Percentage and total volume of water recycled and reused | Reused water - Page 75. The variation was not significant at a decrease of only 245 % | Environment | Principle 8.9 | 6.5.4 |
| EN11 Description of land adjacent to or located in protected nature areas or in unprotected areas of high biodiversity | Zero (0). Correjo'n carries out no mining activities in protected areas. Biodiversity management - Pages 82-84 | Environment | Principle 8.9 | 6.5.6 |
| EN12 Description of most significant impacts on biodiversity in protected nature areas or in unprotected high-biodiversity areas | Zero (0). Correjo'n carries out no mining activities in protected areas. Biodiversity management - Pages 82-84 | Environment | Principle 7.8 | 6.5.6 |
| EN13 Habitats protected or restored | Biodiversity management - Pages 83-84 | Environment | Principle 8 | 6.5.6 |
| EN14 Strategies and actions for managing impacts on biodiversity | Focus, goals, and results - Page 70. Biodiversity management - Pages 82-84 | Environment | Principle 8 | 6.5.6 |
| EN15 Number of species listed according to their danger of extinction found in areas impacted by the operation | Biodiversity management - Page 83 | Environment | Principle 8 | 6.5.6 |
| EN16 Total, direct, and indirect greenhouse gas emissions by weight | Climate change - Page 91 | Environment | Principle 7.8.9 | 6.5.5 |
| EN17 Other indirect greenhouse gas emissions by weight | This indicator corresponds to Scope 3 of the Greenhouse Gas Protocol. Correjo'n does not have this information available. | ---- | Principle 8 | 6.5.5 |
| EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved | Climate change - Page 92 | Environment | Principle 7.8.9 | 6.5.5 |
| EN19 Emission of ozone-depleting substances by weight | Climate change - Page 92 | Environment | Principle 8 | 6.5.3 |
| EN20 NOx, SOx, and other significant air emissions by type and weight | Air quality management - Pages 76-79 | Environment | Principle 7.8.9 | 6.5.3 |
| EN21 Total wastewater discharge by type and destination | Water quality and management - Page 75 | Environment | Principle 8 | 6.5.3 |
| EN22 Total weight of managed waste by type and treatment method | Solid waste management - Page 81 | Environment | Principle 8 | 6.5.3 |
| EN23 Number and volume of most significant accidental spills | Handling of hydrocarbons - Page 88 | Environment | Principle 8, 9 | 6.5.3 |
| EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annexes I, II, III, and VIII, and percentage of transported waste shipped internationally | In accordance with the Basel Convention, Correjo'n neither imports nor exports hazardous waste. (See Solid waste management - Page 81) | Environment | Principle 8 | 6.5.3 |

| GRI Indicator - Description | Page | Chapter | Global Compact Correlation | Correlation ISO26000 | |
|-----------------------------|---|--|----------------------------|-----------------------|--|
| EN25 | Identity, size, protected status, and biodiversity value of water resources and related habitats significantly affected by discharges of water and runoff | Zero (0). In 2012, there were no spills affecting biodiversity. Biodiversity management - Pages 83-84 | Environment | Principle 8 | 6.5.3, 6.5.4, 6.5.6, 6.7.5 |
| EN26 | Initiatives to mitigate environmental impacts and reduction of said impacts | Climate change - Page 92 | Environment | Principles 7, 8, 9 | 6.5.4, 6.6.6, 6.7.5 |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed at the end of their service life by product category | Not applicable. The product is not packaged nor does it have associated materials subject to recovery at the end of its service life | ---- | Unspecified | 6.5.3, 6.5.4, 6.7.5 |
| EN28 | Cost of significant fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations | In 2012, Cerrejón had no environmental fines or sanctions | Environment | Unspecified | 6.5 |
| EN29 | Significant environmental impacts due to transportation of product and personnel | Climate change - Page 92 | Environment | Principle 8 | 6.5.4, 6.6.6 |
| EN30 | Total environmental expenditures and investments by type. | Environmental and consumption figures in the operation - Pages 71-72 | Environment | Principles 8, 7, 8 | 6.5 |
| HR1 | Contracts and investment agreements with clauses incorporating concerns for human rights. | Worker rights - Page 43 | People | Principles 2, 3, 4, 5 | 6.3.3, 6.3.5, 6.6.6 |
| HR2 | Suppliers, contractors, and other business partners subject to analysis in human rights and measures adopted | Worker rights - Pages 43-44 | People | Principles 2, 3, 4, 5 | 6.3.3, 6.3.5, 6.4.3, 6.6.6 |
| HR3 | Employee training hours on human rights policies and procedures | Human Rights - Page 45 | People | Principle 1, 2 | 6.3.5 |
| HR4 | Total number of discrimination incidents and corrective measures taken. | Zero (0). There were no incidents | ---- | Principles 1, 2, 6 | 6.3.6, 6.3.7, 6.3.10, 6.4.3 |
| HR5 | Operations and suppliers in which the right to freedom of association may be violated | Worker rights - Page 43 - Sustainability Dashboard - Page 6 | People | Principle 3 | 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.3, 6.4.5 |
| HR6 | Operations and suppliers identified that have a risk of incidents of child exploitation | There was no incident at Cerrejón in 2012. Worker rights - Page 43 | People | Principle 5 | 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10, 6.6.6 |
| HR7 | Operations and suppliers identified as having significant risk of being a source for forced labour episodes. | There were no incidents at Cerrejón in 2012. Worker rights - Page 43 | People | Principle 4 | 6.3.10 |
| HR8 | Security personnel trained in human rights policies or procedures | Human Rights - Pages 45-46 | People | Principles 1 - 6 | 6.3.5, 6.4.3, 6.6.6 |
| HR9 | Total number of incidents concerning violations of rights of indigenous people | Complaints Office - Page 47 | People | Principles 1, 2, 6 | 6.3.6, 6.3.7, 6.3.8, 6.6.7 |
| HR10 | Total number of operations subject to human rights impact assessments | Risk map and management - Page 21 Human Rights - Pages 45-47 | Sustainability/ People | Principles 1, 2 | 6.3, 6.3.3, 6.3.4, 6.3.5 |
| HR11 | Number of complaints related to human rights resolved via formal conciliation mechanisms | Complaints Office - Page 47 | People | Principles 1, 2 | 6.3, 6.3.6 |
| LA1 | Breakdown of workforce by employment type, contract, region, and gender | Characteristics - Pages 26-27 | People | Principle 6 | 6.4.3 |
| LA2 | Total number of employees, rate of new hiring, and average employee turnover | Characteristics - Pages 26-27 | People | Principle 6 | 6.4.3 |
| LA3 | Social benefits for full-time employees | Fringe benefits - Page 38 | People | Principles 3 | 6.4.3, 6.4.4 |
| LA4 | Percentage of employees covered by a collective bargaining agreement | Worker rights - Page 44 | People | Principles 3 | 6.4.3, 6.4.4, 6.4.5, 6.3.10 |
| LA5 | Minimum notice period(s) regarding organisational changes, including whether these notifications are specified in collective bargaining agreements | Cerrejón, in accordance with the law, allows a minimum period of one month for notices, varying according to the change to be made | ---- | Principio 3 | 6.4.3, 6.4.4, 6.4.5 |
| LA6 | Percentage of total workers represented on health and safety committees. | Operational safety - Page 43 | People | Principles 1, 3 | 6.4.6 |
| LA7 | Rates of absenteeism, occupational diseases, lost days, and number of work-related fatalities | Occupational Safety and Health Management System - Pages 39-40 Operational safety - Pages 41-42 Based on the protocol, the rate of days lost to date is 13.88. | Personas | Principles 1, 4 | 6.4.6 |
| LA8 | Education, training, counselling, prevention, and risk-control programmes regarding serious diseases. | Attraction and selection - Page 34. Occupational Safety and Health Management System - Page 40. | People | Principle 1 | 6.4.6, 6.8.4, 6.8.8 |
| LA9 | Health and safety topics covered in formal agreements with trade unions | Worker rights - Page 44 | People | Principle 3 | 6.4.6 |
| LA10 | Average hours of training per year per employee | Training - Page 37 | People | Principle 1 | 6.4.7 |
| LA11 | Programmes for skills management and lifelong learning that support employability | Attraction and selection - Page 34 | People | Principle 1 | 6.4.7, 6.8.5 |
| LA12 | Percentage of employees receiving regular performance reviews | Attraction and selection - Page 34-35 | People | Principle 1 | 6.4.7 |
| LA13 | Composition of corporate governance body | Organisational structure - Page 29. Structuring of senior corporate governance body - Page 30 | People | Principle 6 | 6.3.7, 6.3.10, 6.4.3 |
| LA14 | Ratio of basic salary and compensation of men to women by category | Cerrejón does not report this indicator due to confidentiality issues. | ---- | Principle 6 | 6.3.7, 6.3.10, 6.4.3, 6.4.4 |

| GRI Indicator - Description | Page | Chapter | Global Compact Correlation | Correlation ISO26000 | |
|-----------------------------|---|--|----------------------------|----------------------|------------------------------------|
| LA15 | Levels of reincorporation to work and of retention after maternity or paternity | Characteristics - Page 27 | People | Principle 2 | 6.4.4 |
| MM1 | Amount of land affected or reclaimed | Land reclamation - Pages 86-87 | Environment | Unspecified | 6.6.7, 6.7.2 |
| MM2 | Number and percentage of sites identified that require a biodiversity management plan | Zero (0). Cerrejón carries out no mining activities in protected areas. Therefore, there are no sites requiring a biodiversity management plan | ----- | Unspecified | 6.5.6.2 |
| MM3 | Total amounts of overburden, rock, tailings, and sludge with potential risks. | Water quality and management - Page 76 | Environment | Unspecified | Unspecified |
| MM4 | Number of strikes and lock-outs exceeding one week's duration, by country. | Zero (0). There were no strikes | ----- | Unspecified | 6.3.8.2 |
| MM5 | Total number of operations taking place in or near indigenous communities | About La Guajira - Page 15 | Cerrejon and La Guajira | Unspecified | Unspecified |
| MM6 | Number and description of significant disputes regarding land use or local community and indigenous settlements rights | Zero (0). There were no disputes in 2012 | ----- | Principle 1 | 6.6.7.2, 6.8.3.2 |
| MM7 | Use of complaints mechanisms to resolve controversies | Complaints Office - Page 47 | People | Principles 1, 2 | 6.3.1 |
| MM8 | Number (and percentage) of sites with artisanal and small-scale mining companies | Zero (0) | ----- | Unspecified | Unspecified |
| MM9 | List of resettlement sites | Resettlements - Page 55 | Environment | Principle 1, 2 | 6.3.3 |
| MM10 | Number and percentage of operations with mine closure plans | Mine closure - Page 23 | Sustainability | Principle 7 | 6.3.3 |
| MM11 | Programmes and progress relating to responsible materials | Life cycle of the product - Pages 21-22 | Sustainability | Principle 1, 8 | 6.5.4.2 |
| PR1 | Phases of product life cycle | Life cycle of the product - Pages 21-22 | Sustainability | Principle 8 | 6.3.9, 6.6.6, 6.7.4, 6.7.5 |
| PR2 | Number of incidents of non-compliance with regulations or voluntary codes concerning product impacts on health and safety | Zero (0). No incidents occurred | ----- | Principle 1 | 6.3.9, 6.6.6, 6.7.4, 6.7.6 |
| PR3 | Types of information on products and regulations | Life cycle of the product - Pages 21-22 | Sustainability | Principle 1, 8 | 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9 |
| PR4 | Non-compliance of regulations concerning product labelling | Zero (0). There were no incidences for non-compliance in this regard, more information Product's life cycle - Pages 21-22 | Sustainability | Unspecified | 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.10 |
| PR5 | Practices concerning client satisfaction | Life cycle of the product - Pages 21-22 | Sustainability | Unspecified | 6.7.4, 6.7.5, 6.7.6, 6.7.8, 6.7.9 |
| PR6 | Programmes for compliance with laws or adherence to standards and voluntary codes mentioned in marketing | Not applicable | ----- | Unspecified | 6.7.3, 6.7.6, 6.7.9 |
| PR7 | Incidents arising from non-compliance of regulations concerning marketing communications | Zero (0). There was no incident. | ----- | Unspecified | 6.7.3, 6.7.6, 6.7.10 |
| PR8 | Total number of substantiated complaints regarding respect for client privacy and losses of client data | Life cycle of the product - Pages 21-22 | Sustainability | Unspecified | 6.7.7 |
| PR9 | Cost of significant fines for non-compliance with laws and regulations concerning the provision and use of products | Zero (0). No fines or sanctions. | ----- | Unspecified | 6.7.6 |
| S01 | Operations with development programmes, impact assessments, and participation of the local community | Social responsibility - Pages 50-54 Resettlements - Pages 55-59 Cerrejón Foundations System - Pages 60-67 | Environment | Principle 1 | 6.3.9, 6.8.3, 6.8.9 |
| S02 | Business units analysed with respect to risk of corruption | Internal Control - Page 32 | People | Principle 10 | 6.6.3 |
| S03 | Employees trained in anti-corruption policies and procedures | Internal Control - Page 33 | People | Principle 10 | 6.6.3 |
| S04 | Measures taken in response to corruption incidents | Internal Control - Page 33 | People | Principle 10 | 6.6.3 |
| S05 | Public policy positions and participation in their development and lobbying | Zero (0). Cerrejón does not participate in lobbying and does not intervene in public policies | ----- | Principle 10 | 6.6.4, 6.8.3 |
| S06 | Total value of financial and in-kind contributions to political parties or to related institutions, by country | Zero (0). There were none in 2012 | ----- | Principle 10 | 6.6.4, 6.8.4 |
| S07 | Total number of legal actions for monopoly and anti-competitive practices, and the outcomes | Zero (0). There is not nor has there been any legal action against Cerrejón for causes related to monopolistic practices or against free competition. | ----- | Principle 10 | 6.6.5, 6.6.7 |
| S08 | Monetary value of significant sanctions and fines and total number of non-monetary sanctions for non-compliance with laws and regulations | Cerrejón was not sanctioned for non-compliance with the law during the reporting period. | ----- | Unspecified | 6.6.3, 6.6.7, 6.8.7 |
| S09 | Operations with possible or real significant negative impacts on local communities | The impacts identified are primarily related to impacts from noise, dust, vibrations, and possible restrictions to movement in the community due to train schedules. Cerrejón is committed to the prevention, mitigation, and control of these impacts. To do so, the company has a social engagement model in which we start with the effective management of the impacts caused by its activities and the management of potential risks. | Environment | Principles 1, 2 | 6.3.9, 6.5.3, 6.5.6, 6.8 |
| S010 | Prevention and mitigation measures implemented with possible or real significant negative impacts on local communities | Social responsibility - Page 52 | Environment | Principles 1, 2 | 6.3.9, 6.5.3, 6.5.6, 6.9 |

Measurement techniques

| Sustainability Indicators | | Financial and Economic |
|---|--|--|
| Financial reasons and data | | Data prepared in accordance with financial status for 2012. |
| Production and export | | Tonnes of coal produced and exported in 2012. |
| Sustainability Indicators | | Social |
| Average turnover | | Employees who left the company in the period over the number of active employees (average of 12 months). Both the average for employees and for former employees is taken solely from workers with an open contract. |
| Average hours of training by gender | | Total hours by gender over the total number of persons of that gender. |
| Management positions held by women | | Total women in management positions over the total workers in management positions as of December 31, 2012. |
| Representativeness of workers in safety | | Number of employees represented in committees over total operation employees. |
| Absenteeism | | Hours absent divided by scheduled hours and then multiplied by 100. |
| Fatalities | | The operation's number of fatalities. |
| Cases reported as occupational diseases | | Occupational disease rate, calculated based on the number of occupational disease cases in a period/total hours worked per 200,000. |
| Proportion of unionised workers | | Number of workers in a collective bargaining agreement over total employees. |
| Human rights training | | Total training sessions given and number of hours invested, calculation of percentage of coverage and sum of total participants. |
| Multi-dimensional poverty index | | The Multidimensional Poverty Index (MPI) was developed by the Oxford Poverty & Human Development Initiative (OPHI) and adapted by the National Department of Planning for Colombia. This index reflects the degree of privations of people in a set of dimensions to determine whether or not a family is in extreme poverty. This measure determines the nature of the privation in accordance with the dimensions selected and their intensity. According to this measure, a person is considered to be poor if he or she has at least five privations in the variables selected. |
| Sustainability Indicators | | Environment |
| Environmental investment | | Sum of all Cerrejón's expenditures in 2012 for environmental control, monitoring, and management. |
| Areas disturbed and available | | Established through monthly topographical measurement of the areas disturbed by the operation and the areas rehabilitated by our Land Reclamation Programme. |
| Consumption of resources, energy, and water | | Data logged in our internal records as part of the registry and control of consumption. |
| Total direct and indirect GHG emissions – CO2 emissions | | Cerrejón continues to measure greenhouse gas emissions (GHG) based on the method proposed by the consulting firm of Itasca Africa PTY-Ltd. |
| Air quality | | Emissions The methodology to calculate the emissions is based on EPA factors in reference AP42 for heavy machinery, which are used to convert fuel units to MP, SOx, and NOx emissions. As of 2012, NOx and SOx emissions are calculated to include gasoline consumption of the vehicles from the Bogota offices. As of 2012, NOx and SOx emissions are calculated to include gasoline consumption of the vehicles from the Bogota offices. |
| Waste generation | | Aggregate amount of hazardous and non-hazardous waste generated for the year, based on legal specifications. |
| Environmental sanctions | | Total fines for legal environmental breaches. |

Glossary

| Terms | Definition | Terms | Definition |
|--------------|--|-------------|---|
| ACDI / VOCA | Agricultural Cooperative for International Development/Volunteers in Foreign Cooperative Assistance | HOI | Human Opportunity Index |
| AFC | Association of Corporate Foundations | CPI | Consumer Price Index |
| ANDI | National Association of Businessmen of Colombia | IPCC | Intergovernmental Panel on Climate Change |
| Anspe | National Agency for Overcoming Extreme Poverty | MPI | Multi-dimensional Poverty Index |
| ARL | Occupational Risk Management Company | ISO | International Organization for Standardization |
| ASDAWINKARPC | Association of Aqueduct and Sewage System Users from the communities of Roche, Patilla, and Chandeta | ISO 14001 | Environmental Management System Standard published by the ISO |
| Asotecmo | Association of Windmill Technicians | IUCN | International Union for Conservation of Nature |
| ASTM | American Society for Testing and Materials | Km | Kilometre |
| BCM | Bank Cubic Meter | kWh | Kilowatt hour |
| IBD | Inter-American Development Bank | LC | Least Concern |
| CCS | Carbon Capture and Sequestration | LEED | Leadership in Energy and Environmental Design |
| Carbocol | Carbones de Colombia S.A. | RR | Railroad |
| CC | Critical controls | LMN | La Mina |
| CBA | Collective Bargaining Agreement | m³ | Cubic Metres |
| CEMT | Mining and Transfer Contract | | Ministry for the Environment and Sustainable Development |
| CERAC | Resource Centre for Conflict Analysis | MADS | Ministry for the Environment, Housing, and Regional Development |
| CFC | Chlorofluorocarbons | MDC | Management Development Committee |
| | International Finance Corporation | CLM | Cerrejón Leadership Model based on Skills |
| CFI | Conservation International | MPT | Professional staff |
| CIAT | International Center for Tropical Agriculture | MSD | Management Sciences for Development, Inc |
| CITES | Convention on International Trade in Endangered Species of Wild Fauna and Flora | MSDS | Material Safety Data Sheet |
| CMC | Coal Marketing Company, sole marketing agency of Cerrejón coal | NOx | Nitrogen oxides |
| CO | Carbon monoxide | NSF | National Sanitation Foundation |
| CO2 | Carbon dioxide | NT | Near Threatened |
| Comfaguajira | Family Compensation Fund of La Guajira | NTC | Norma Técnica Colombiana |
| Coomfer | Multi-Activity Cooperative Raising Hope in Los Remedios | OCAD | Collegiate Body for Administration and Decision-Making |
| Coopmao | Oreganal Multi-Activity Farming Cooperative | ODP | Ozone Depleting Potential |
| COPASO | Joint Committee on Occupational Health | OHSAS 18001 | Occupational Health and Safety Management Systems Specification |
| Corpoguajira | Regional Autonomous Corporation of La Guajira | ILO | International Labour Organization |
| Corpoica | Colombian Corporation for Agricultural and Livestock Research | NGO | Non-Governmental Organization |
| CPR | Center for Potato Research | OPHI | Oxford Poverty & Human Development Initiative |
| CR | Critically Endangered | P40 | Cerrejón Expansion Project |
| CRFSC | Cerrejón Wildlife Rehabilitation Centre | PAAV | Home Purchase Assistance Plan |
| CZN | Cerrejón North Zone S.A. | PAE | Educational Assistance Programme |
| AMD | Acid Mine Drainage | PAUEDA | Water Conservation and Efficient Usage Programme |
| DANE | National Administrative Department of Statistics | PBV | Puerto Bolívar |
| ARD | Acid Rock Drainage | FRCP | Fatal Risk Control Protocols |
| HR | Human Rights | IDP | Individual Development Plan |
| MSD | Musculoskeletal Disorders | PEI | Institutional Education Project |
| DPN | National Planning Department | GDP | Gross Domestic Product |
| e | Equivalent | PM10 | Particulate Matter under 10 microns |
| OD | Occupational Diseases | PM2.5 | Particulate Matter under 2.5 microns |
| EN | Endangered | EMP | Environmental Management Plan |
| EOT | Land Use Plan | UNDP | United Nations Development Programme |
| EPA | Environmental Protection Agency | BBAPP | Behavioural-Based Accident Prevention Process |
| eq | Equivalent | PTC | Qualified Technical Staff |
| ESAP | Advanced School of Public Administration | RAA | Risk Assessment and Assurance Group |
| FCAG | Cerrejón Foundation for Water in La Guajira | WEEE | Waste Electrical and Electronic Equipment |
| FCFI | Cerrejón Foundation for Institutional Strengthening of La Guajira | OHR | Operational Human Resources |
| FCPA | Foreign Corrupt Practices Act | CSR | Corporate Social Responsibility |
| Fecoc | Emission Factors of Colombian Fuels | SENA | National Training Service |
| Finagro | Fund for Financing in the Agricultural and Livestock Sectors | OSH-MS | Occupational Safety and Health Management System |
| FRCP | Fatal Risk Control Protocol | SGR | General Royalty System |
| Gal | Gallons | SIN | National Interconnected System |
| GATISO | Evidence-Based Guidelines for Occupational Healthcare Service | SIS | Comprehensive Healthcare System |
| GHG | Greenhouse Gases | Sisaire | Information System on Air Quality |
| GERM | Geological Review Meeting | CLMMW | Current Legal Monthly Minimum Wage |
| SEG | Similar Exposure Group | SOx | Sulfur Oxides |
| GJ | Gigajoule | SST | Workplace Health and Safety |
| CNG | Compressed Natural Gas | ESS | Epidemiological Surveillance System |
| GRI | Global Reporting Initiative | tCO2e | Tonnes of CO2 equivalent |
| GWh | Gigawatt Hour | ICT | Information and Communications Technology |
| ha | Hectare | TLV | Threshold Limit Values |
| HCM | Hospitalisation plan | TNC | The Nature Conservancy |
| HSEC | Health, Safety, Environment and Communities | TOEIC | Test of English for International Communication |
| EI | Educational Institution | Ton/ t | Metric tonne |
| WQI | Water Quality Index | TORC | Technical and Operational Review Committee |
| ICBF | Colombian Institute of Family Welfare | TPR | Third Party Review |
| ICMM | International Council on Mining and Metals | TSP | Total Suspended Particles |
| ICR | Rural Credit Incentive | UICN | International Union for Conservation of Nature |
| Ideam | Institute of Hydrology, Meteorology, and Environmental Studies | MHU | Mobile Healthcare Unit |
| CIFR | Classified Injury Frequency Rate | UPME | Unit of Mining and Energy Planning |
| RIFR | Recordable Injury Frequency Rate | USAID | United States Agency for International Development |
| INCODER | Colombian Institute for Rural Development | VU | Vulnerable |
| INFOTEP | Institute for Technical and Professional Training | ZOLIP | Extreme Poverty Free Zone |
| INTERCOR | International Colombian Resources Corporation | µg | Microgram |



ASSURANCE STATEMENT

SGS COLOMBIA S.A. — REPORT ON SUSTAINABILITY ACTIVITIES OF CERREJÓN COAL LIMITED FOR 2012

NATURE AND SCOPE OF ASSURANCE

SGS Colombia S.A. was requested by Cerrejón Coal Limited and CZN S.A. (hereinafter Cerrejón) to carry out a third-party assurance of the Sustainability Report 2012.

The scope of the assurance, based on the SGS methodology of sustainability report assurance, included the text, all the GRI.G3.1 indicators, the sector indicators for Mining and Metals, the data tables in this report, and correlation with ISO26000.

The information in the Cerrejón SR2012 and its presentation are the responsibility of the directors and management of Cerrejón. SGS Colombia S.A. did not participate in preparing any of the materials included in the SR2012.

Our responsibility is to express an opinion on the text, data, graphs, and statements in the scope of the assurance, as explained below, with the aim of providing information to all of Cerrejón's stakeholders.

This report is assured with a high level of scrutiny, using our protocols for:

- Evaluation of content truthfulness
- Evaluation of the SR2012 in light of the Mining and Metals Sector Supplement
- Comparison of the results with the Sustainability Report from the previous year, IS2011.

The evaluation was carried out in August of 2013 and covered a combination of pre-assurance investigation, review of documents and records, and interviews with Cerrejón employees at various levels of responsibility at the Mine, Puerto Bolívar, and the offices in Bogotá. The assurance team was chosen based on their knowledge, experience, and qualifications for this task.

DECLARATION OF INDEPENDENCE AND COMPETENCE

The Assurance Group is satisfied with the information contained in the Sustainability Report 2012 covering the period of January 1 to December 31 of 2012 since, as a strategic tool, it solidly and transparently contributes to a clear vision of Cerrejón's performance. The conduct and actions in social responsibility are in accordance with the reasonable expectations of the stakeholders, and they are compatible with other global standards. We believe that the organization has chosen an appropriate level of assurance for this phase in their reports.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (2006) CONCLUSIONS, RESULTS, AND RECOMMENDATIONS

Cerrejón's Sustainability Report 2012, a voluntary document by means of which the organization publicizes its performance in the financial, environmental, and social areas, provides early warnings to prevent impacts in these three sectors. In addition, it meets the internal purpose of demonstrating organizational consistency by gathering figures, organizing them methodically, and basically showing that the social responsibility policies and criteria are in fact consistent and aligned with the most profound corporate goals.

With the publication of the Sustainability Report 2012 and its assurance by a third party, Cerrejón now has five reporting documents that demonstrate its achievement of internal dynamics to manage data and figures, take advantage of lessons learned, motivate workers to appropriate organizational achievements, and shoulder the commitment to act to meet the business goals.

The document's dynamic structure makes it easier to read, use, and understand by its stakeholders.

OPPORTUNITIES FOR IMPROVEMENT

- Since the persons involved in organizing and compiling information for the sustainability reports can change, it is necessary to apply a standard methodology of knowledge of the GRI guidelines. This will allow each indicator to show the interactions in the body of the report so that each individual also has an overall view of the contents of the IS2013 and its mandatory coordination with the various tools established with different management systems.
- Establish long-term goals and outlooks.
- Given the version change from GRI:G3 to GRI:G4 (May 2013), the appropriate measures will need to be taken to adjust the established methodologies to the new suggested guidelines. Moreover, sections 7.5 subsection 15 and section 7.6.2 of the Guidelines for Social Responsibility ISO26000 will need to be taken into account to align them with the new requirements.
- Determine whether the issue of forced labour is truly related to the topic of work hours found in the Internal Work Regulations.
- Continue the work with the supply chains and their compliance with methodologies of this type (Human Rights, GRI, SA8000, ISO26000, and similar) in order to formally measure their performance.
- Regularity in issuing the Sustainability Report is a good practice that should be continued year after year.
- Process direct GRI acknowledgement for the current report.

Signed by:

For and in the name of SGS Colombia S.A.

CATALINA DONCEL GONZALEZ
SYSTEMS & SERVICES CERTIFICATION
PRODUCT MANAGER

September 2 of 2013

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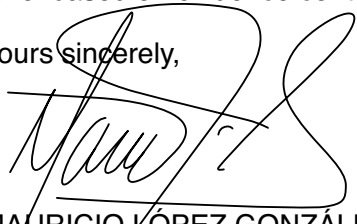
Global Compact Network
Colombia

Bogota D.C., October 15 of 2013

Doctor
ROBERTO JUNGUITO POMBO
Presidente
Cerrejón

Dear Doctor Junguito,
The Global Compact is a United Nations initiative that promotes the ten principles in line with respect and support for human rights, labour aspects, environmental protection, and the fight against corruption.
It currently comprises the largest corporate citizenship network in the world, present in over 130 countries and with over 10,000 organizations as signatories. One of the commitments shouldered by organizations adhering to the Global Compact is to annually put together and communicate their progress in management of the ten principles.
The Global Compact Colombia Local Network, on CERREJÓN'S request, reviewed their Sustainability Report 2012 using the criteria of the Communication on Progress (CoP) (advanced, in this case), which involved following 24 additional indicators.
We are very pleased to supply these comments and contributions to your report, in addition to proposing your recognition as a Communication on Progress Advanced level based on evidence contained in it.

Yours sincerely,



MAURICIO LÓPEZ GONZÁLEZ
Executive Director

Communication on Progress (COP)

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or suggestions to

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