

**CERREJÓN**  
PARTNER OF LA GUAJIRA  
**2014**  
SUSTAINABILITY  
REPORT



**Cerrejón**  
Responsible Mining

### PROSPECTION

Performed to discover areas with the greatest concentration of coal deposits.

### EXPLORATION

ALLOWS US TO DETERMINE the amount of reserves and the quality of a deposit as well as its mining potential.

### WILDLIFE RESCUE AND RELOCATION

Species are inventoried for subsequent rescue and relocation to suitable areas.

### TOPSOIL REMOVAL

Topsoil layers are removed and stored in soil banks to be used in land reclamation of areas disturbed by the mining operation

### DRILLING AND BLASTING

Drills bore holes to blast the waste rock into fragments.

### REMOVAL OF WASTE ROCK

Shovels remove the waste rock and load it onto 240- and 320-tonne trucks that take it to dump sites or to backfill areas for land reclamation.

### REMOVAL, LOADING AND TRANSPORT OF COAL

Once the coal seams are exposed, the mining process begins and the coal is loaded onto 190-tonne trucks.

### WATER TANKERS

A fleet of water tankers to wet down the haul roads.

The water used for road wetting is not apt for human or animal consumption or for crop irrigation as it is industrial water.

**65%** of the coal is taken directly to the crushing hoppers.

**35%** of the coal is stockpiled.

### CRUSHING AND/OR STOCKPILING

Coal is transported to crushing plants or piled, according to its calorific power.

At the plants, the crushing hoppers receive the coal and crush it. It is then transported via conveyor belts to silos to be loaded later onto the rail wagons.

CRUSHING PLANT 1  
4,200 TONNES / HOUR

CRUSHING PLANT 2  
2,200 TONNES / HOUR

70M

SIL01 10,500 tonnes

SIL02 10,500 tonnes

### LOADING THE TRAIN, COMPACTING AND WETTING

Each wagon's load is levelled, wetted, and compacted to prevent coal dust emissions along the 150 km journey from the Mine to Puerto Bolivar.

**17,000** TONNES PER HOUR

### DIRECT LOADING SYSTEM

The coal is reclaimed and sent to the direct shiploaders, which place the coal directly in the holds of the coal ships, which then set sail to various ports worldwide.

Once an average of 130 wagons are loaded, the train begins its journey to Puerto Bolivar. The coal is automatically loaded and unloaded.

The coal port receives vessels of up to

**180,000** TONNES

Direct loading system since **1985**



In 2014, the second shiploader was launched, with a dual system allowing tow ships's holds to be loaded at once.

CERREJÓN HAS ACHIEVED AN IMPORTANT POSITION IN THE GLOBAL COAL MARKET



# TABLE OF CONTENTS

<i>Message from our CEO</i>	5
<i>About this report</i>	7
<i>A decade of evolution in our report</i>	7
<i>Managing our risks and impacts</i>	7
<i>Communicating and building trust with our stakeholders</i>	9
<i>Materiality</i>	16
<i>Our report's coverage</i>	18
<i>About Cerrejón and our operation</i>	20
<i>Profile</i>	20
<i>Our geographic presence</i>	21
<i>Participación en el mercado internacional</i>	21
<i>Awards and recognitions</i>	21
<i>Our corporate governance</i>	22
<i>Cerrejón's contribution as a strategic partner to La Guajira</i>	22
<i>Our governance structure</i>	24
<i>Corporate committees that monitor our sustainable management</i>	25
<i>Our commitment: zero tolerance of non-ethical practices and corruption</i>	26
<i>We undertake responsible mining applying global standards and initiatives</i>	27
<i>Our Sustainability Budget for 2014</i>	30
◆ <i>Operational sustainability</i>	35
1. <i>We generate value for our stakeholders</i>	36
<i>Responsible management in the supply chain</i>	39
<i>Local procurement and responsible management with our suppliers</i>	39
◆ <i>Society</i>	42
2. <i>We promote a culture of respect and promotion of human rights</i>	43
3. <i>We support the sustainable development of communities</i>	48
<i>Foundations System</i>	54
<i>Cerrejón Foundation for Water in La Guajira</i>	55
<i>Cerrejón Foundation for Institutional Strengthening of La Guajira</i>	58
<i>Cerrejón Foundation for Indigenous La Guajira</i>	62
<i>Cerrejón Foundation for Progress in La Guajira</i>	65
4. <i>We promote a responsible comprehensive resettlement</i>	68
◆ <i>People</i>	72
5. <i>We promote greater employability in the region</i>	74
6. <i>We maintain a safe, healthy working environment</i>	78
7. <i>We supply training for professional and human growth</i>	82
8. <i>We comply with agreements our workers</i>	86
◆ <i>Environment</i>	89
9. <i>We manage our environmental impact responsibly</i>	92
10. <i>We are aware that every drop of water counts</i>	94
11. <i>We control our emissions to the utmost</i>	99
12. <i>Making better use of our waste</i>	104
13. <i>Preservamos la biodiversidad</i>	106
<i>GRI Index</i>	114
<i>Correlation with standards and initiatives</i>	118
<i>Internal and External Assurance</i>	120
<i>Abbreviations</i>	121
<i>Contacts and Acknowledgements</i>	123

# MESSAGE FROM OUR CEO

2014 marked a significant change in our role as a company. After rigorous planning involving all areas, we set ourselves a new, challenging vision to bring to life to our desire to be not only a leading coal producer and exporter globally but also a key partner for the sustainable progress and development of La Guajira, the region where we have operated for nearly three decades.

This vision addresses the department's current challenges as well as our interest in deepening our partnership with this region. This commits us even further to continue operating following the highest standards in health, safety, environment, human rights, and communities, to maintain constructive, quality engagement with our stakeholders based on trust and transparency, and to promote partnerships and cooperation to encourage the strengthening and growth of La Guajira.

As is confirmed in our vision, and in response to the declaration in the first half of the year of a state of emergency due to the drought in the department, we have been working constantly with private and public entities to head initiatives supporting the region, particularly in the most vulnerable rural communities. Thus, in 2014 we delivered over 10 million litres of water to 201 communities with over 24,000 residents. We also repaired 51 windmill-driven water pumps, which now provide 2.2 million litres of water a day. In 2015, we shall focus on establishing new partnerships with national and international organizations and governments to promote the creation of sustainable projects and of middle- and long-term solutions for access to water for La Guajira's people.

Internally, thanks to planning efforts, fully 90% of the water we use in our operation is now low quality (industrial), not apt for human or animal consumption nor for crop irrigation. The remaining 10% is captured from the Ranchería River, for which we have permits granted by the environmental authority of La Guajira (Corpoguajira). They establish a specific volume,

of which we actually used only 16% last year. Our commitment is to continue in the search for new measures and alternatives to allow us to continue using water responsibly and efficiently in our operation.

## ◆ OPERATIONAL RESULTS

2014 was a challenging year for us, particularly financially due to the shift in market conditions. Given the more than 50% drop in prices over the last four years, we developed an internal cost effectiveness programme, which has already provided important results to improve efficiency and productivity levels, thereby reducing our operational costs with no detriment to our product quality nor to benefits for our employees and the region.

To this it is important to add that, on several occasions, we voluntarily halted our operations to keep our dust emission levels below maximum allowable concentrations. Despite these circumstances, we achieved a historic record in exports – 34.2 million tonnes of coal exported, 2% above the 2013 volume thanks to the commitment and dedication of nearly 13,000 employees and contractors.

Consequently, we continue to be the country's main coal producer. We represent nearly 42% of domestic coal production, and we are one of the main contributors in taxes and royalties, having paid the government over COP 853 billion in those categories.

In addition, we finished the engineering works for the P40 project, begun in 2011, successfully installing our second shiploader and inaugurating it in December. This project, which involved various engineering works at the mine, railroad, and port, will allow us to better address our clients' demand peaks and to be prepared for when the market conditions allow us to expand our production and export levels above 40 million tonnes a year.

I would like to point out the declaration in December of Bahía Portete as a National Nature Park. This park neighbours our port, from which we have exported over 600 million tonnes of coal since 1985, thus serving as an example of the compatibility between mining and environmental protection and conservation.



Bahía Portete, Alta Guajira, declared National Natural Park on December 2014

#### ◆ ENVIRONMENTAL AND SOCIAL ENGAGEMENT

In the course of 2014, we received significant acknowledgements of our engagement that reflect our efforts to mine following the highest national and international standards. Examples of these acknowledgements are the Portafolio Prize for Environmental Protection for our Land Reclamation Programme, the Andesco Prize for Corporate Social Responsibility, and the Siembra Colombia Foundation's Sustainable Colombia Environmental Responsibility Prize for our Sea Turtle Conservation Programme in the Alta Guajira.

We have invested COP 20.454 billion in programmes carried out by our Department of Social Responsibility and the Foundations System on topics related to sustainable access to quality water, access and promotion of education and healthcare, fostering Guajira culture and traditions, promoting business venture in alternative mining such as tourism, strengthening institutions, and promoting the well-being and food security of the department's indigenous population.

We are well aware that, even three years after implementation of the General Royalty System, planning investment projects to access these funds remains a huge challenge. Therefore, we support regional entities in designing and monitoring projects for presentation to the Professional Administrative and Decision Bodies (OCAD, its initials in Spanish). In 2014, we supported the planning of 19 investment projects, of which 14 were approved for nearly COP 30 billion. We will continue to work together with these institutions, and particularly in strengthening community skills to plan these types of projects promoting their well-being and development.

Furthermore, we allocated COP 114.575 billion to our environmental management in order to strengthen our programmes in water and air quality, biodiversity, land reclamation, waste management, and others that promote an operation that is friendly and responsible to the environment and society.

Twenty-four years after starting our land reclamation programme, we now have 3,457 hectares rehabilitated, equivalent to 99% of the land released from mining that will no longer be disturbed by the operation. We have planted over one million five hundred thousand trees in these areas, to which many wildlife species have returned that were thought to be extinct in that zone, as well as significant populations of birds, insects, amphibians, and reptiles.

#### ◆ 10 YEARS OF REPORTS

In accordance with the new business vision, we shall continue acting transparently and openly, seeking channels to share with our stakeholders the outcomes and future challenges and to receive feedback from them. One of these channels is our Sustainability Report, which we are presenting for the tenth time in accordance with the GRI guidelines, although this new vision follows the G4 Core level. In response to the commitment we took on in 2005 with the Global Compact initiative, we continue to

prepare this Report as a means of communicating our progress, advanced level, in ten principles related to human rights, labour standards, the environment, and anti-corruption practices.

This report is the result of an in-depth analysis in materiality in which, after reviewing the most relevant topics for our stakeholders and for us as a company, we identified thirteen priority issues in the fields of operational sustainability, society, our people, and the environment that we address throughout the report.

#### ◆ CHALLENGES 2015

Our main challenge for 2015 is to continue solidifying our vision through partnerships promoting the social, environmental, and economic development of La Guajira.

We are facing a challenging year as a company due to the continuing difficult market conditions and to the critical drought in La Guajira, which concerns and impacts us as part of this region. Therefore, we are preparing by establishing long-term partnerships with the government, with international actors, with our communities, and with our employees and suppliers on priority fronts such as water in order to achieve better coordination allowing us to channel everyone's efforts in favour of this region. We are convinced that, through teamwork, we can positively transform the social and economic realities of La Guajira.



Roberto Junguito Pombo  
CEO of Cerrejón

## ABOUT THIS REPORT

## A DECADE OF EVOLUTION IN OUR REPORT

This is our tenth annual sustainability report informing on the management and main social, environmental, and economic results of Carbones del Cerrejón Limited and Cerrejón Zona Norte S.A. (both hereinafter Cerrejón).

The information herein refers to the period of January 1 to December 31 of 2014<sup>(1)</sup> and it is reported following the guidelines of the Global Reporting Initiative (GRI), this time with the new G4 version with the Core conformity option, providing an important step in the definition of the most relevant topics presented.

Consequently, and ratifying our commitment with the Global Compact, we are reporting our progress in compliance with the ten universal principles governing the topics of human and labour rights, care for the environment, and anti-corruption practices.

This year, we have undertaken a careful materiality analysis following the outline established by the GRI G4, aligning the company's sustainability impacts with the expectations of our stakeholders. Therefore, we have prepared the report emphasizing the thirteen most relevant issues obtained, detailed within.

During the preparation of this report, we were aided by PricewaterhouseCoopers (PwC), who supported us in determining the contents and in applying the GRI principles and guidelines. Internally, the project was led by Cerrejón's Communications Division with the commitment and valuable collaboration of the company's various areas.

As a transparency principle and with the aim of strengthening our data system and reporting process, the auditing firm of Deloitte & Touche verified this report by means of a limited assurance process following the guidelines of standard ISAE 3000 (International Standard on Assurance Engagements), a specific standard for verifying data other than audits. For more information, see the chapter "Internal and external assurance", page 120.



To learn more about Cerrejón and our Sustainability Reports published since 2005, please see:

Our official Website  
[www.cerrejon.com](http://www.cerrejon.com)

Sustainability Reports  
<http://www.cerrejon.com/site/english/sustainable-development--social-responsibility/performance/sustainability-reports.aspx>

(1) The last reporting period was 2013.

## MANAGING OUR RISKS AND IMPACTS

At Cerrejón we use a decentralized system of risk management developed in accordance with the methodology of BHP Billiton (one of our shareholders). Each area is responsible for evaluating the events and identifying the risks, in operational and strategic terms, that may impact the achievement of objectives in our business plans and with our stakeholders.

The system is designed to categorize risk in accordance with the type of impact it would generate in areas such as health and safety, the environment, communities, legal, financial, and the company's reputation.

This is how significant events are identified, including the concepts of maximum foreseeable loss and residual risk thresholds, when the materiality criteria in risks are applied. The maximum foreseeable loss (MFL) is the worst feasible scenario for any risk, assuming that all controls are ineffective.

The controls must allow a decrease in the probability of occurrence or of the impact of the risk situation if it materializes, and it must be applied for all processes. For each of the risks, we identify the critical controls, those that, when they fail, increase the probability of the event occurring. These controls are verified taking into account established performance standards, that is, the key parameters on which the control must be applied. Finally, we establish plans of action to improve controls and reduce residual risks.

We regularly review and evaluate the effectiveness of the controls and inform the shareholders of any significant business risks. In addition, our shareholders audit us every year, which includes a comprehensive assessment of those risks.

The transversality of the methodology is visualized throughout all the company processes since all core activities have a risk management process from the onset of work planning to its termination (applying the principles and caution and prevention), by which means we adopt protective measures against potential impacts.

### Additional observations:

- ◆ All the currency amounts in the report are in Colombian pesos (COP) unless otherwise indicated.
- ◆ Where required, we have included the reformulations of the indicators, calculation bases, and all significant changes in the scope and coverage of each aspect with respect to previous reports.
- ◆ This information has been consolidated by the companies Carbones del Cerrejón Limited and Cerrejón Zona Norte S.A. unless otherwise indicated.

## MONITORING AND REVIEW

1 Identification of risk events. Risk register.

2 Analysis of risk events: BOW-TIE Application of severity and probability tables.

3 Identification of core controls.

4 Development of performance standards for each core control.

5 Plans of action.

## AUDIT

- Effectiveness of risk analysis
- Suitable design of performance controls and standards
- Compliance

## Identifying issues with risks to our sustainability

Following the guidelines of the GRI G4 report, for the 2014 period we identified the main areas where, due to severity, there is a higher risk for Cerrejón. The aim is to more accurately support our materiality analysis for the company's sustainability, which we subsequently contrast with the most critical and relevant issues for our stakeholders.

This identification revealed that issues related to our economic performance, international regulations, operational performance, and engagement with local communities are the source of our most critical risks, followed by labour relations, environmental regulations, and compliance with anti-corruption laws, as detailed next.





## COMMUNICATING AND BUILDING TRUST WITH OUR STAKEHOLDERS

At Cerrejón, we have been developing protocols for continual communication and feedback in order to be more engaged with our stakeholders and thus to have a better understanding of their expectations and interests.

In 2014, in addition to the two-way communications we already have, we also carried out two dialogues with specific stakeholders that provided us with first-hand information to strengthen our materiality analysis.

This approach is aligned with our new company vision defined during 2014: "To be the leading coal producer and exporter globally and a key partner for the sustainable progress and development of La Guajira," which demands much closer and more continuous engagement with our stakeholders.

### Our stakeholders and engagement mechanisms:

Stakeholders	Point of contact at Cerrejón (areas)	Engagement mechanism and frequency
Academia	<ul style="list-style-type: none"> <li>- Public Affairs and Communications</li> <li>- Human Resources</li> </ul>	<ul style="list-style-type: none"> <li>- Agenda for face-to-face engagement (ongoing)</li> <li>- Partnerships (as required)</li> </ul>
Shareholders	Committee of the President's Office*	<ul style="list-style-type: none"> <li>- Shareholders' General Assembly (annual)</li> <li>- Visits by shareholder representatives (quarterly)</li> <li>- Teleconference with shareholder representatives (weekly)</li> <li>- Activity report (monthly)</li> </ul>
Clients	<ul style="list-style-type: none"> <li>- Social Standards and International Relations</li> <li>- Coal Marketing Company (CMC)**</li> </ul>	<ul style="list-style-type: none"> <li>- Two-way visits (as required)</li> <li>- Meetings (as required)</li> <li>- Client roundtable in Europe (annual)</li> <li>- Newsletter to national and international stakeholders (3 times a year)</li> </ul>
Indigenous Communities	Public Affairs & Communications	<ul style="list-style-type: none"> <li>- Office for Community Service (permanent)</li> <li>- Complaints Office (permanent)</li> <li>- Resettlement Leaders Roundtable (weekly)</li> <li>- Work sessions on security impacts (as needed)</li> <li>- Face-to-face engagement agenda (permanent)</li> <li>- Air quality oversight committee (every three months)</li> <li>- Prior consultation (as needed)</li> </ul>
Local and Farming Communities	Public Affairs & Communications	<ul style="list-style-type: none"> <li>- Office for Community Service (permanent)</li> <li>- Complaints Office (permanent)</li> <li>- Resettlement Leaders Roundtable (weekly)</li> <li>- Face-to-face engagement agenda (permanent)</li> <li>- Air quality oversight committee (every three months)</li> </ul>
Employees and Contractors	<ul style="list-style-type: none"> <li>- Human Resources</li> <li>- Public Affairs &amp; Communications</li> </ul>	<ul style="list-style-type: none"> <li>- Suggestions mailbox (permanent)</li> <li>- CEO's Office Communications Meeting (annual)</li> <li>- Communications campaigns by topic (permanent)</li> <li>- Intranet (permanent)</li> <li>- Complaints Office (permanent)</li> </ul>

\* Comprising the CEO's department and the other departments: Operations Executive, Public Affairs and Communications, Production, Operational Support, Strategic Planning, Finance, Human Resources, Projects, and Legal Management.

\*\* CMC, sole marketing agency of Cerrejón coal.



Our stakeholders and engagement mechanisms:

Stakeholder	Point of contact at Cerrejón (areas)	Engagement mechanisms and frequency
Government, authorities, and public security forces	<ul style="list-style-type: none"> <li>- CEO's Department</li> <li>- Public Affairs and Communications</li> <li>- Strategic Planning</li> <li>- Legal</li> </ul>	<ul style="list-style-type: none"> <li>- Inter-institutional partnerships (as required)</li> <li>- Participation in the Regional Competitiveness and Innovation Commission of La Guajira</li> <li>- Reports (as required)</li> <li>- Face-to-face engagement agenda (permanent)</li> </ul>
Governments, politicians, parties, and news media (international context)	Social Standards and International Relations	<ul style="list-style-type: none"> <li>- Face-to-face engagement agenda (permanent)</li> <li>- Newsletter to national and international stakeholders (3 times a year)</li> </ul>
Regional and national opinion leaders and news media	<ul style="list-style-type: none"> <li>- CEO's Department</li> <li>- Communications</li> </ul>	<ul style="list-style-type: none"> <li>- Media agenda with each actor (permanent)</li> <li>- Journalism Award (annual)</li> <li>- Workshops/diplomas for journalists (as needed)</li> </ul>
Political leaders, parties, political movements, and associations (national context)	<ul style="list-style-type: none"> <li>- CEO's Department</li> <li>- Public Affairs and Communications</li> <li>- Strategic Planning</li> <li>- Legal</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings (as required)</li> <li>- Event according to association (annual)</li> </ul>
Non-Governmental Organizations (NGOs)	<ul style="list-style-type: none"> <li>- Social Responsibility (local NGOs)</li> <li>- Social Standards and International Relations (national and international NGOs)</li> </ul>	<ul style="list-style-type: none"> <li>- Reports on the status of the Third Party Review (twice yearly)</li> <li>- Newsletter to national and international stakeholders (3 times a year)</li> <li>- Face-to-face engagement agenda (permanent)</li> <li>- Participation in the Avina Foundation Roundtable (fortnightly)</li> <li>- Roundtable with NGOs in Europe (annually)</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>- Materials and Services</li> <li>- Public Affairs and Communications</li> <li>- Human Resources</li> <li>- Financial Accounting and Taxes</li> </ul>	<ul style="list-style-type: none"> <li>- E-sourcing Platform (permanent)</li> <li>- Contractors meeting (every two years)</li> <li>- Audits (annual and as required)</li> </ul>
Trade Unions	<ul style="list-style-type: none"> <li>- Human Resources</li> <li>- Public Affairs &amp; Communications</li> </ul>	<ul style="list-style-type: none"> <li>- Committees to monitor the collective bargaining agreement</li> <li>- Regular and unscheduled meetings depending on topic</li> </ul>

The first exercise (with the support of the National Consulting Centre) was an image and reputation study on Cerrejón. The study involved 1,627 people from the 15 department municipalities of La Guajira (including indigenous peoples), employees, La Guajira leaders, leaders from the central government, and news media in Bogota.

Furthermore, we carried out a study to identify priority stakeholders for the company based on the guidelines of the Stakeholder Engagement Standard AA1000SES of AccountAbility<sup>(2)</sup>, a British institute specializing in corporate responsibility and sustainability. Subsequently, 69 semi-structured interviews were held with academia representatives, local, regional, and national authorities, beneficiaries of social programmes, communities, contractors, company executives, employees, social leaders, suppliers, news media, trade unions, and the general public.

The outcome is our updated, prioritized list of stakeholders and a description of the formal communications mechanisms, the issues they consider most critical, and our commitment in response in the search for transparent, sustainable engagement. These issues were included as a basis in our sustainability materiality analysis for this report and the company's business strategy.

*In addition to the communications and feedback channels and mechanisms presented here, we actively use the following means as well: communications via telephone, e-mail, letters, web page [www.cerrejon.com](http://www.cerrejon.com), visits by stakeholders to our facilities, sector, association, and specific issue events, and regular meetings.*

(2) <http://www.accountability.org/>

◆ **Promoting local employment and procurement**

Given the current market conditions, characterized by the fall in coal prices, no mass hiring is taking place in the company. However, in all hiring we continue to prioritize people and companies from La Guajira.

Based on our commitment of creating jobs in the department, we are working on a policy to promote employment in the communities in the area of direct influence. This policy is founded on skills development programmes and the prioritization of job placement directly with us and our contractor firms.

In addition, we continue to include clauses in contracts with contractor firms in which they commit to using as much staff and other resources as possible from La Guajira, Magdalena, Cesar, Atlántico, and the rest of the Costa Atlántica, giving priority to personnel, materials, supplies, and articles from these zones through local contracts that boost the economy (as long as they meet the necessary technical, commercial, and performance conditions).

Specifically with indigenous communities, we continue to promote their hiring in the operation, facilitating their social-workplace adaptation, taking into account respect for their culture in order to build safe behaviour and habits in accordance with our policy of a productive work environment.

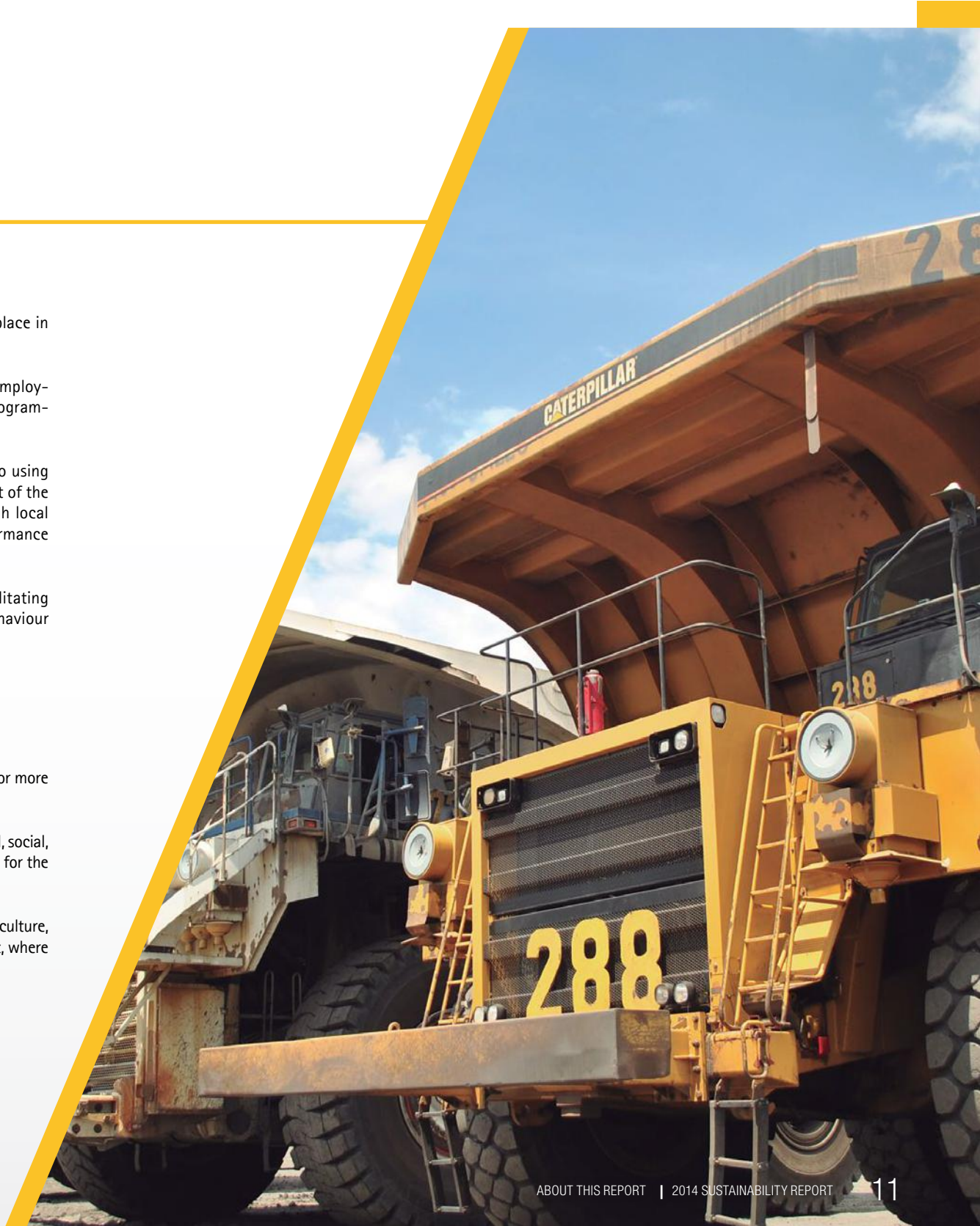
◆ **Strengthening locally-based suppliers and generating productive value chains**

We support business development and productive value chains that represent sustainable income, progress for more families in La Guajira, and opportunities for regional growth.

The planning and execution of businesses are accompanied by the strengthening of commercial, financial, legal, social, environmental, and technical features. An example of this management was the contracting of 14 businesses for the Hotel Waya Guajira in 2014 in the agreement developed by INNPULSA for business strengthening.

These businesses, micro-businesses, and production projects we support in sectors such as tourism, crafts, agriculture, livestock, and commercial services (among others) serve to diversify the economic activities in the department, where mining currently represents over 50% of its GDP<sup>(3)</sup>.

(3) DANE – Direction of Synthesis and National Accounting – National Accounting by Department GDP 2013 preliminary – Base 2005 (October 2014)



◆ **Payment of royalties and local taxes and their impact on the economic context of La Guajira**

We are acknowledged as one of the main contributors of taxes and royalties in Colombia.

The Cerrejón Foundation for Institutional Strengthening in La Guajira promotes citizen participation and effective, transparent social oversight of the social investment of public resources, especially the General Royalty System. In addition, we continue to provide technical assistance to local communities and entities in planning investment projects for the allocation of funds from the General Royalty System by the Professional Administrative and Decision Bodies (OCAD, its initials in Spanish).

In addition, we are keeping an eye on the process begun by Colombia to subscribe to the Extractive Industries Transparency Initiative (EITI) and the implications it would entail for companies.

◆ **Sustainable social investment management**

Based on the socio-economic impact assessments in the areas of direct and indirect influence of our operation, our strategic social investment framework addresses the measures for the prevention, mitigation, or compensation of such impacts. This includes programmes in water management, healthcare, education, production development, institutional strengthening, and work with indigenous communities.

Our social investment seeks to strengthen the skills of communities and institutions and to generate self-sustaining projects that entail well-being and progress for the region.

We continue to implement direct communications channels that allow us to better socialize these programmes and facilitate feedback by our stakeholders.





◆ **Responsible engagement in the resettlements**

We are committed to preventing and mitigating impacts on communities, and we carry out a resettlement only as a last resort.

We are governed by Performance Standard 5 of the International Finance Corporation (2006) in our resettlement processes, which include community participation in the various stages such as establishing a social baseline, impact identification and consequent compensation planning, selection of the new site, and design and implementation of the resettlement plan (involving social, economic, and environmental aspects).

In order to align expectation and commitments agreed on with the resettled communities as regards education, employability, production projects, and infrastructure, we have organized a weekly Leaders Roundtable consisting of representatives from both sides. At these meetings, we agreed to commission a consulting firm to assess our engagement with resettlements in 2015, particularly as concerns production projects.

◆ **Develop programmes for vulnerable populations in the department**

Given conditions in La Guajira, we promote social responsibility programmes including vulnerable communities.

In 2014, our corporate vision was rewritten to include being a key partner for progress and sustainable development in La Guajira, promoting partnerships with private and public entities to undertake initiatives to support the region, and insisting on closer involvement, presence, and commitment by the central government in generating high-impact projects benefiting communities.

A significant example is the support we provided communities during the drought emergency affecting the region. In coordination with the National Unit for Disaster Risk Management and appropriate public bodies from the department, we undertook actions to improve access to water in over 200 communities by supplying over 10 million litres of water and repairing 51 windmill-driven water pumps extracting 2.2 million litres of water a day.

◆ **Promoting comprehensive education**

In partnership with authorities and representatives of the educational community, we organized strategies and projects aimed at raising the quality and access to education of children, youth, professionals, and teachers in the municipalities of La Guajira.

Through our education line, which we carry out as part of our social investment, we support strengthening of the ethno-educational model, improving the quality of educational programmes, infrastructure, and related aid.

At Tecnoguajira, we continue expanding the offer of educational programmes, raising the level of employability of students and strengthening the region's economic fabric.

In the resettled communities, we have a plan that seeks to offer equal or better educational conditions to those at their site of origin while promoting comprehensive education in the educational cycle from early childhood to vocational or university education.

In addition, we continue supporting the talent of our employees' children with educational aid, reaching a total of 10,700 students helped by 2014.

◆ **Healthcare promotion and disease prevention management**

We are committed to a responsible operation causing the lowest risk to the health of our workers and neighbouring communities. Therefore, we comply with Colombian legislation and follow the highest international standards in the prevention and control of disease and accidents at the same time as supporting access to healthcare services for our workers, their families, and our neighbouring communities.

Consequently, for over three decades we have had a Workplace Health and Safety Management System (SG – SST, its initials in Spanish) aimed at our workers and focusing on their needs and risk factors in health and safety.

Externally, part of our social investment is our healthcare line, which we carry out in accordance with community needs and providing the highest-quality care.





◆ **Compliance with regulations and environmental standards**

One of our priorities is to guarantee an operation that is responsible with the environment and that goes beyond mere compliance with current legislation by adopting practices and technologies (national and international) that contribute to a rational use of resources and to environmental preservation and conservation.

◆ **Care and conservation of biodiversity**

Our Environmental Management System seeks to prevent, mitigate, and offset operational impacts, especially on water, air, land, and biodiversity.

Biodiversity stewardship is taken into account from the earliest phases of mining, and it expands to conservation programmes outside the area of influence of our operations.

◆ **Responsible water management**

In water consumption, we continue to make efforts to decrease our consumption of high-quality water\*, and we still use all water in the operation efficiently and responsibly. At the same time, we work on projects to improve access to water in La Guajira communities.

◆ **Campaigns for environmental awareness**

Looking forward, we will continue to keep the agreements on ecosystem protection and conservation, together with communities and national and international NGOs. We will continue implementing direct communications channels allowing us to socialize our programmes and results better and more widely while also facilitating feedback by stakeholders.

◆ **Sound management of topsoil and land reclamation**

Finally, we will continue promoting visits to the operation so people can learn about our environmental management.

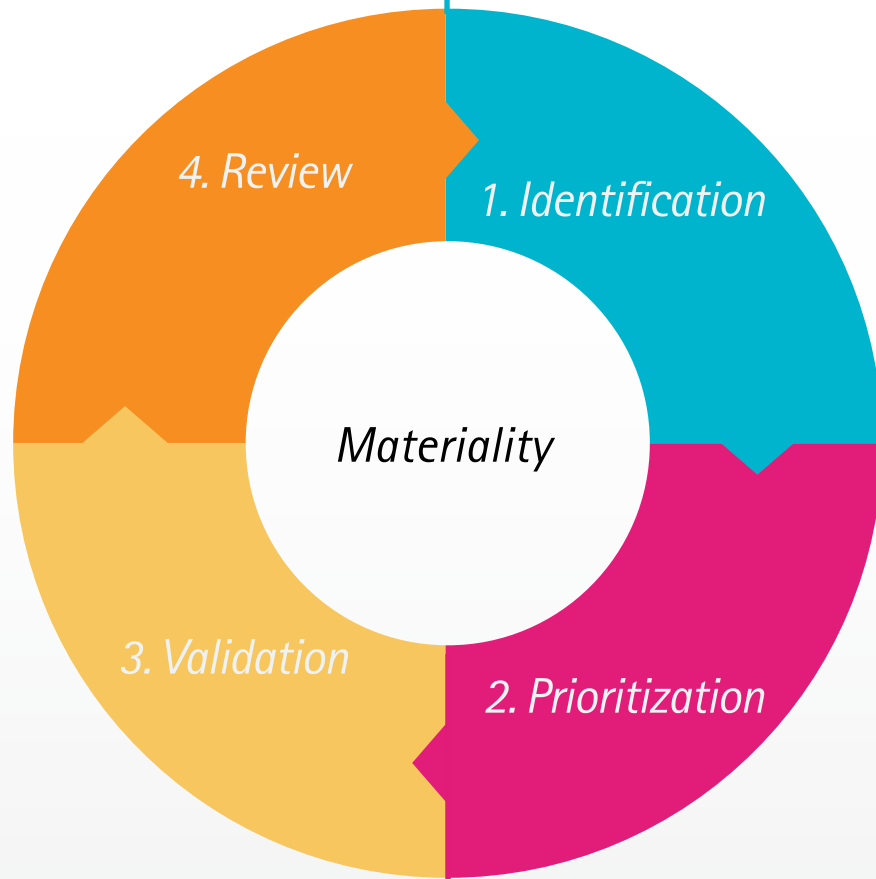
\*High-quality water: Water suitable for human consumption after conventional treatment.

# MATERIALITY

To define materiality in sustainability (relevant issues for both stakeholders and Cerrejón) in 2014, we carried out the process suggested by GRI G4 based on the risks and impacts produced by our operation as well as the core or very important issues for the various stakeholders.

## 1. Identification:

We gathered different information inputs, both internal and external, which served as the basis for selecting the material aspects. The inputs we observed to obtain context and provide greater objectivity to the materiality analysis are presented below. These include the aforementioned dialogues held with our stakeholders.



INTERNAL

EXTERNAL

	NAME	DESCRIPTION
INTERNAL	Cerrejón's strategic plan (5-year key goals).	Contains relevant information as to Cerrejón's direction and strategic initiatives as regards the country and large investment projects in coming years.
	Cerrejón's strategic plan (issues that can generate risk or impact the execution of our objectives).	Analysis of chapter of impacts and risks to the objectives in Cerrejón's strategic planning.
	Report on analysis of interviews with stakeholders 2014 and proposal of benchmarks for materiality.	A total of 69 interviews were held with academics, local, regional, and national authorities, beneficiaries of social programmes, communities, contractors and suppliers, company executives, employees, social leaders, news media, trade unions, and the general public.
EXTERNAL	Study of Cerrejón's Image and Reputation in 2014.	Covers 1,627 interviews with the following stakeholders: Guajira community in the direct and indirect areas of influence, Guajira leaders, Wayuu community, workers, leaders and news media in Bogota.
	Cerrejón Stakeholder Survey	Survey to measure Cerrejón's reputation with international audiences, including academia, clients, and the governments and NGOs of Denmark, Germany, Holland, and the United Kingdom. It was first carried out in 2011 and then revalidated in 2013.
	DJSI Sustainability Year Book of RobecoSam <sup>(4)</sup>	The Dow Jones sustainability index is a family of indices that reflects the financial performance of the most sustainable companies in the world. It contains sector-specific questionnaires and is currently the most credible sustainability index globally.
	Consultation of sector reports such as the sustainability reports of BHP Billiton <sup>(5)</sup> and Antofagasta Minerals <sup>(6)</sup>	Sustainability reports from the mining sector.
	Global Reporting Initiative (Mining and Metals Sector Supplement) G4 option <a href="http://www.globalreporting.org">www.globalreporting.org</a>	Reporting guidelines with sector-specific indicators. It is currently the most widely accepted reporting guidelines globally.
	Material topics of the International Council on Mining and Metals (ICMM) - <a href="http://www.icmm.com">http://www.icmm.com</a>	Principles to be followed by the mining and metals community worldwide.
	Document on GRI G4 option Sustainability Topics, Mining chapter	Presents the most relevant topics in the GRI, by sector. In this case, we took into account the issues presented for the mining sector.
	Global Compact Principles	This is a global initiative to which entities from any sector may subscribe voluntarily, presenting their commitment to comply with the ten principles in human rights, the environment, labour standards, and anti-corruption.

## 2. Prioritization:

With the inputs obtained, we identified recurring issues that we subsequently validated as regards operational risks and impacts and those issues presented by our country's environment and context. The outcome of this analysis is the relevant topics for the company and our stakeholders.

## 3. Validation:

The issues found in previous stages were validated with the Communications Division, which has been in charge of heading the preparation of the Sustainability Report for the ten years we have presented it, emphasizing the scope and coverage of each of the material topics obtained.

## 4. Review:

Finally, we held an awareness meeting and work sessions with the data gatherers for each area wherein we presented and reviewed the key aspects for the period of the 2014 sustainability report and the materiality matrix with the thirteen relevant topics obtained.

Carrejón's 2014 sustainability materiality matrix:



(4) <http://yearbook.robecosam.com/home.html>

(5) <http://www.bhpbilliton.com/home/society/reports/Pages/default.aspx>

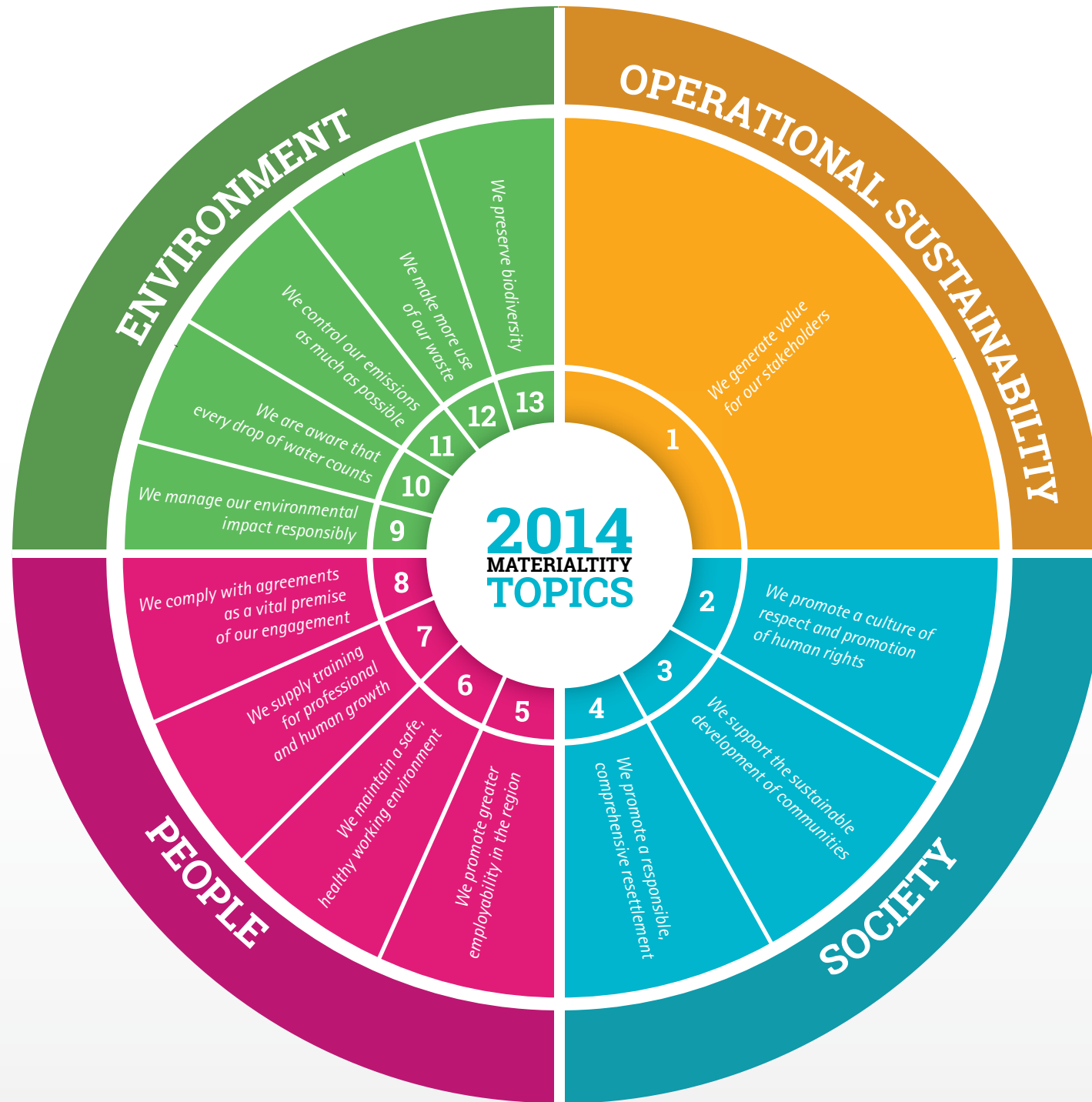
(6) <http://www.aminerals.cl/>



## OUR REPORT'S COVERAGE

Based on the results of the materiality analysis, as well as on the availability of information and consolidation of the companies comprising our operation, below we present the respective coverage:

			Page	Impacts within the organization	Impacts outside the organization	Carbones del Cerrejón Limited	Cerrejón North Zone
<b>01</b>	OPERATIONAL SUSTAINABILITY	◆ <b>ECONOMY:</b> 1. We generate value for our stakeholders	36	✓	✓	✓	✓
		◆ <b>SOCIAL PERFORMANCE:</b> 2. We promote a culture of respect and promotion of human rights	43	✓	✓	✓	✓
<b>02</b>	SOCIETY	3. We support the sustainable development of communities	48		✓	✓	✓
		4. We promote a responsible, comprehensive resettlement	68		✓	✓	✓
		◆ <b>SOCIAL PERFORMANCE:</b> 5. We promote greater employability in the region	74	✓	✓	✓	✓
<b>03</b>	PEOPLE	6. We maintain a safe, healthy working environment	78	✓		✓	✓
		7. We supply training for professional and human growth	82	✓	✓	✓	✓
		8. We comply with agreements as a vital premise of our engagement	86	✓	✓	✓	✓
		◆ <b>ENVIRONMENT:</b> 9. We manage our environmental impact responsibly	92	✓	✓	✓	✓
<b>04</b>	ENVIRONMENT	10. We are aware that every drop of water counts	94	✓	✓	✓	✓
		11. We control our emissions as much as possible	99	✓	✓	✓	✓
		12. We make more use of our waste	104	✓	✓	✓	✓
		13. We preserve biodiversity	106	✓	✓	✓	✓



# ABOUT CERREJÓN AND OUR OPERATIONS

Our coal-mining operation is carried out to the highest standards of safety and quality, with the commitment of providing the international market with a product low in ash and sulphur, thus having a lower impact on populations and the environment. All of our coal is exported to various countries worldwide, where it is used for electric power generation and in certain industrial activities.

Legally, Cerrejón refers to the following companies: Carbones del Cerrejón Limited and Cerrejón Zona Norte S.A.

Cerrejón is owned in three equal parts by BHP Billiton plc (Australia), Anglo American plc (South Africa), and Glencore plc (Switzerland).

## CARBONES DEL CERREJÓN LIMITED

Is a 100% private foreign company domiciled in Anguilla, British West Indies, with a branch duly established in Bogota, Colombia.

## CERREJÓN ZONA NORTE S.A.

Is a Colombian limited liability company, with its main domicile in Bogota. It was constituted in the year 2000 by successive stock subscriptions as a mechanism used by the central government for the sale of Carbocol's contractual interest in the Partnership Contract signed with Cerrejón (previously Interco). The sale was formalized by signing the Mining Operation and Transfer Contract (CEMT, its initials in Spanish) between Cerrejón Zona Norte S.A. and Carbocol. Moreover, it possesses a 50% contractual interest in the large-scale mining contract for the Patilla area, in which it participates in a consortium with Cerrejón.

Take a closer look at our integrated operation:



Mine	Railroad	Port
Concession area: 69,000 hectares	Length: 150 kilometres (from the mine to Puerto Bolívar)	Direct-loading port since 1985
Disturbed area: 13,309 hectares	Duration of a round trip: 13.5 hours	Infrastructure: 2 docks, 2 ship-loaders
Reclaimed areas: 3,457 hectares	2014 Daily average dispatchment: 7 trains (125 to 150 wagons)	Average loading rate: 7,000 tonnes/hour, with peaks of up to 11,000 tonnes/hour
2014 Production: 33.7 million tonnes	125 a 150 cars per train	Ship capacity: 180,000 tonnes (average in 2014: 99,325 tonnes)
		Exports in 2014: historic record of 34.2 million tonnes



Employees and contractors 2014

**12,958**



Taxes and royalties paid to Colombia's Government in 2014

**COP 853,000 MILLION**



Purchases and Contracts in La Guajira 2014

**COP 108,400 MILLION**



## OUR GEOGRAPHIC PRESENCE

### AWARDS AND RECOGNITIONS

In 2014, we received important acknowledgements that are a reflection of mining done properly, as we have done it for three decades in this region, adhering to the highest national and international standards to ensure an operation that is friendly and responsible with the environment and with society:

- ★ 1. Portafolio Award in the category "Environmental Protection" for our land reclamation programme.
- ★ 2. The Andesco Prize for Corporate Social Responsibility.
- ★ 3. Sustainable Colombia Environmental Responsibility Prize: Golden Seal Award, presented by the Siembra Colombia Foundation. We also received an additional four Golden Seals in the categories of Sustainability, Environment, Society, and Biodiversity.
- ★ 4. The Britcham Lazos Award, an honourable mention from the Colombian-British Chamber of Commerce for the best high-impact national programme.
- ★ 5. An honourable mention in the category Communities – Awards in Health, Safety, Environment, and Community (HSEC) granted by BHP Billiton for the project "Improvements to health conditions of communities neighbouring Cerrejón's operations: A public sector, community, and private enterprise shared challenge.
- ★ 6. "Order for Merit for Business Institutional Trajectory in Investigation and Conservation of Colombia's Natural Heritage" from the Colombian Zoology Association. Platinum version.

## ON OUR MINE CLOSURE PLAN

### What is it?

The objective of the Closure Plan is to provide the necessary information for the planning and gradual, systematic closure of the mine through a series of technical and legal measures aimed at preventing and mitigating the potential generation of environmental liabilities, during and at the termination of the mining operation. The objective of this process is to minimize and establish appropriate control measures for risks related to health, safety, environment, and communities.

### Our plan:

With the goal of identifying the impacts of the halt to operations in 2033 and the means of preventing, mitigating, and offsetting them, we have analysed our Preliminary Closure Plan including all mine components, grouping them into three main categories:

- 1 The physical component including infrastructure, installations, and extraction areas.
- 2 The biological and physical reclamation component, including fauna, flora, topsoil, surface water, and others.
- 3 The social component, including affected parties, stakeholders, authorities, and workers.

Furthermore, we have determined the costs associated with the required closure activities for the

various components. The preparation of the Preliminary Closure Plan is based on a mining plan considering a production of 40 million tonnes per year.

### Legislation

This country does not yet have any legislation that regulates mine closure; however, currently, the environmental management plans of mining operations establish requirements for the dismantling and abandonment of pits and installations. In addition, Act 2041 of October 2014 on environmental permits establishes the following requirements:

- 1 Identification of the environmental impacts.
- 2 The dismantling and abandonment plan.
- 3 The plans and location maps of infrastructure and the abandonment area.
- 4 Obligations derived from current administrative acts.
- 5 Costs of dismantling and abandonment activities, and other obligations pending compliance.

### Progress 2014:

Last year, we updated the closure plan and the economic variables in the calculations made in 2013, taking into account their financial provision as regards the compensation model for the contract case (based on the obligations established in mining contracts and existing regulations).

For more information:  
<http://www.cerrejon.com/site/english/our-company.aspx>

### Criteria for the Mine Closure Plan

Closure planning			Closure and post-closure			
Preliminary closure plan	Draft closure plan	Detailed closure plan	Final closure plan	End of extraction	Closure implementation	Post-closure period
25-15 years	15-10 years	10-5 years	5-0 years	year 2034	0-5 years post-closure	5-15 years post-closure

# OUR CORPORATE GOVERNANCE

## CERREJÓN'S CONTRIBUTION AS A STRATEGIC PARTNER TO LA GUAJIRA

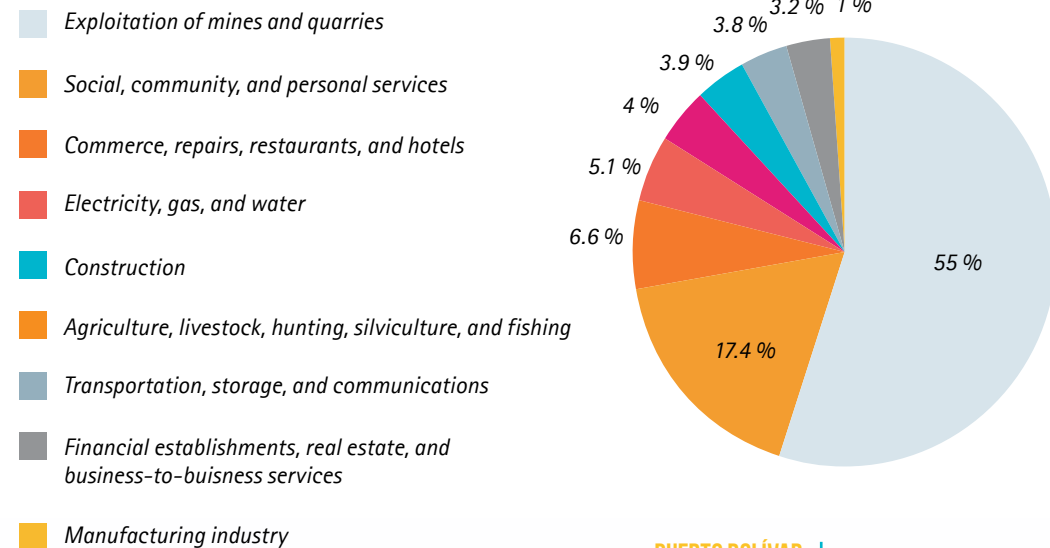
At Cerrejón, we know that our governance goes beyond producing and exporting quality coal to our clients efficiently and reliably. It is a priority that this governance meet the highest social, economic, and environmentally responsible standards, undertaking our work jointly with the government, neighbouring communities, and other stakeholders to implement sustainable, high-impact projects responding to the department's current needs.

According to DANE forecasts for 2013, 55% of the region's gross domestic product derives from mining and quarry operations.

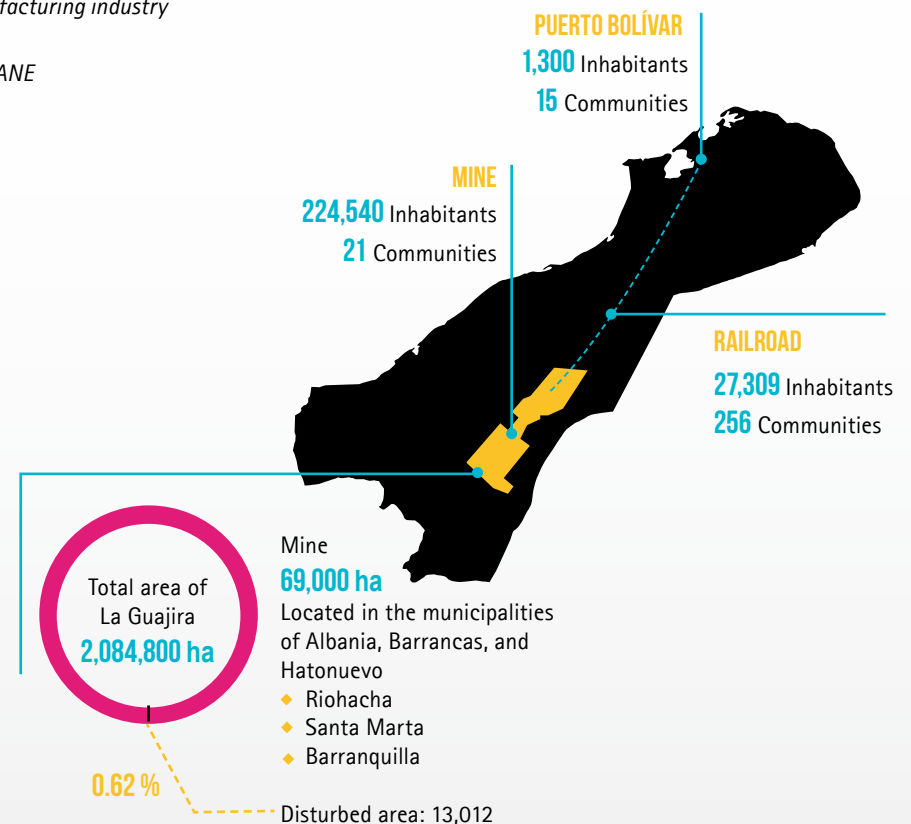
During our Strategic Planning, we therefore incorporated a change to our corporate vision, reinforcing our commitment to La Guajira and engaging in actions promoting regional progress and sustainable development. What does being a strategic partner for the department mean?

- ◆ Creating and maintaining direct and indirect job opportunities together with adequate, pertinent training for the employability of the region's economically active population.
- ◆ Promoting the development of our locally-based suppliers and procuring goods and services for our operation by prioritizing regional companies.
- ◆ Investing in social programmes leveraging the region's development in the areas of healthcare, education, culture and sports, access to water, institutional strengthening, the welfare of indigenous communities, and creating sustainable businesses.
- ◆ Protecting, preserving, and promoting stewardship of its biodiversity and applying the best practices to that end in our operation.
- ◆ Preserving and promoting the customs and traditions of local peoples.
- ◆ Promoting the sustainable development of its people and fostering their competitiveness.
- ◆ Generating economic value for the region through our tax and royalty payments, the latter of which are accessible to the region through project applications.
- ◆ Working with the State to strengthen institutions and promote social participation in project oversight.

## Distribution of La Guajira's GDP for 2013\*



\*Source: DANE



**Mission:**

To produce and export coal efficiently, reliably, and economically, meeting the highest standards in safety, health, the environment, and business ethics, contributing to the advancement of our people, our neighbouring communities, and La Guajira.

**Vision:**

To be a global leader in coal production and export and a key partner for the progress and sustainable development of La Guajira.



**STRATEGIC PILLARS**



**1. Safety and Health:**

Consolidate a safe operation. That is, one without fatalities and with a culture of safety and self-care that allows us to safeguard the life and health of our people and the integrity of our processes, installations, and equipment.



**3. Our People:**

Attract, develop, and keep human talent with the required skills to meet the business goals, where each collaborator meaningfully contributes in a sound environment of Cerrejón climate and culture.

**4. Operational Excellence:**



Consolidate the continual improvement of our planning and operation both throughout the production, preparation, transportation, and export chain as well as in administrative and support activities, in accordance with best practices.



**5. Viability:**

Continually optimize all our processes in order to be one of the most competitive thermal coal operations globally as regards unit costs, ensuring sustainability, growth, and creating long-term value.



**6. Project Management:**

Plan and execute required projects both to maintain capacity and to expand safely in accordance with established standards, timelines, and budgets.



**2 Social and Environmental Responsibility:**

Actively and effectively promote the sustainable development of La Guajira. Conduct all our activities following the most rigorous standards in ethics, respect for our people, communities, their culture, and for the environment.

## OUR GOVERNANCE STRUCTURE

BHP BILLITON, ANGLO AMERICAN AND GLENCORE SHAREHOLDER'S COMMITTEE

CEO

CMC

Chief Operations Officer

Finance Vice-president

Planning & Financial Analysis Manager

Financial Accounting & Taxes Manager

Internal Control Manager

Procurement Manager

Competitive Cost Project Manager

Productivity & technology Manager

Public Affairs & Communications Vice-president

Social Responsibility Manager

Social Standards & International Engagement Manager

Resettlement Manager

Human Resources Vice-president

Legal Manager

Projects Vice-president

Strategic Planning Vice-president

Production Vice-president

Production North Manager

Production Central Manager

Maintenance Manager

Technical Services Manager

Operations Support Vice-president

Coal Chain Manager

Operation Services Manager

Department of Assurance And Installed Capacity

Safety Manager

Environmental Manager

## 17 POLICIES AND CONDUCT GUIDELINES

In our corporate governance, we clearly define 17 conduct policies and guidelines that are mandatory for our employees at all levels of responsibility. In addition, they help ensure compliance with the Global Compact principles to which we are committed. The ethical principles contained therein are also part of our contracts with third parties (suppliers and contractors).

1. Ethics (includes the Anti-Corruption Guidelines)
2. Conflict of interest
3. Political activities
4. Human rights
5. Social labour responsibility
6. Senior management positions
7. Safety, health, environment, and community
8. Alcohol and drugs usage
9. Equal opportunity
10. Productive work environment
11. Client relationships and product quality
12. Communications
13. Managerial oversight
14. Fraud control
15. Risk management

16. Systems security
17. Travel expenses and other expenses

We promote seven fundamental values that are reflected in our policies and that comprise our core beliefs:

1. Health, safety, and environment
2. Respect
3. Responsibility
4. Ethics
5. Transparency
6. Integrity
7. Empowerment

## CORPORATE COMMITTEES THAT MONITOR OUR SUSTAINABLE MANAGEMENT

At Cerrejón, we have committees at three levels: strategic, tactical, and operational. The committees listed below are strategic, in which the most important decisions are made regarding social, environmental, and economic aspects in accordance with the company's policies, senior management guidelines, and strategic direction. Tactical and operational committees focus on monitoring specific actions and plans.

Committee	Frequency	Objective	Members
Shareholders' Committee	Three times a year	Approval of corporate policies and strategies. 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 parent companies: BHP Billiton, Anglo American, and Glencore.  Cerrejón's senior management (our CEO, vice presidents, and Legal manager).
Audit and Finance Committee	Twice a year	Reviews all aspects related to external and internal controls and audits. Reviews financial matters.	The vice president of Finance from each shareholder. Cerrejón's CEO and the vice president of Finance.
Committee of the President's Office	Weekly	Reviews the action plans of each department..	Cerrejón's CEO, vice presidents, and the manager of Legal.
Strategic Committee of Safety, Health, Environment, and Community (SESSMAC)	Every two months	Strategically orients Cerrejón's safety, health, environment, and community topics.	Vice presidents, managers, and operational integrity coordinators of areas.
Operational Integrity Committee	Weekly	Monitoring and evaluation of production targets, safety, and environmental compliance.	Vicepresidentes, gerentes y coordinadores de integridad operacional de las áreas.
Internal Control Committee	As needed	Evaluates deviations from ethics policy and conflicts of interest when they arise	Cerrejón's CEO, executive vice president of Operations, vice president of Finance, Legal manager, and Internal Control manager.
Management Development Committee	Monthly	Evaluates human management issues such as changes in the organizational structure, establishing new programmes and policies, or adjustments to existing ones as regards staff, performance, development of talent, compensation, labour and occupational health.	Cerrejón's CEO, executive vice president of Operations, vice president of Finance, vice president of Human Resources, and manager of Legal.
Management Committee	Fortnightly	Decisions that require high levels of approval, such as capital investment projects and contracts.	CEO, vice presidents, and managers.



## OUR COMMITMENT: ZERO TOLERANCE OF NON-ETHICAL PRACTICES AND CORRUPTION



Our department of Internal Control promotes compliance with our Conduct Policies and Guidelines. As preventive measures, we have training programmes (classroom and online) in different means of communication and other effective resources for disclosure aimed at employees, suppliers, and contractors. As a corrective measure, we have mechanisms for investigation and compliance review. We have hotlines so that any employee, contractor, or third party can anonymously and confidentially report possible breaches of the Ethics Policies, Conflict of Interest, Fraud Control, Anti-Corruption Guidelines, and others.

In a clear commitment with business ethics and in the conviction that corrupt commercial practices limit sustainable social and economic development, our Ethics Policy includes Guidelines for the Prevention of Corruption, thereby ratifying our transparency and commitment to zero tolerance for corruption that have always characterized our business practices. In December of 2013, we kicked off implementation of these guidelines, which are based on international standards such as the United States Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act (UKBA), and the Colombian Anti-Corruption Statute.

In 2014, we carried out the following activities in training and disclosure of the Guidelines for the Prevention of Corruption and of the Policies Certification, with the participation of all employees:

1. Managerial commitment of the most senior executives in the organization – the CEO, vice presidents, and managers signed an expression of commitment to zero tolerance with corruption.
2. The CEO's message was widely disseminated by different means throughout the year. The entire company is aware of the obligation to comply with these provisions.
3. The methodology for managing risk of corruption was incorporated to bring into line Cerrejón's methodology in every process.

4. Due diligence procedures established for the generation, endorsement, approval, and respective controls for those events requiring attention in anti-corruption
5. Different types of training and communications held with all employees, suppliers and contractors, such as:
  - ◆ Classroom courses on anti-corruption for 1,050 MPT (professionals) and 5,500 PTC (qualified technicians).
  - ◆ Online course in Policy Certification aimed at MPT staff. It began in 2014 and will continue in 2015. It must be held every two years.
  - ◆ Online course for the prevention of fraud, bribery, and corruption, aimed specifically at key positions (476) previously identified in Cerrejón. It will be carried out in 2015.
6. Letter of commitment to comply to suppliers and contractors.
7. Inclusion of an anti-corruption clause in current contracts.
8. Classroom training on anti-corruption for contractors through contract administrators and/or through the department of Internal Control.
9. Pedagogical aids using tools such as:
  - ◆ Programme for Socializing Consultations ("Teo and Lola") allowing a quick, practical response to consultations on the company's policies. It also includes illustrative videos. This programme began with the anti-corruption programme and will continue with other, general-interest messages.
  - ◆ The Lessons Learned Programme presents real cases of breaches of Cerrejón's policies. It consists of short stories in which a person called Íntegra represents the conscience of employees' and offers advice and help to prevent undesirable situations.

- ◆ The TIPS Programme of ethics messages and policy application sent out by e-mail.
- ◆ The Internal Control newsletters called "En Contacto".
- 10. Publications on Cerrejón's intranet and internet of the Guidelines for the Prevention of Corruption together with the other policies.
- 11. Continuing promotion of Cerrejón's hotlines on physical and online billboards, e-mail tips, spots on Radio Cerrejón (internal radio channel), and intranet and internet sites for reports on ethical violations.

Here are the means of reporting ethical violations we have established:

**A.** A hotline managed by Navex Global (toll-free numbers). From Colombia: First dial 01-800-911-011. Then, when requested, enter the following number: 844-287-1872

Web page [www.eticacerrejoncmc.ethicspoint.com](http://www.eticacerrejoncmc.ethicspoint.com)

**B.** Department of Internal Control: Extension number: 2777, telephone number +57-1-595-2777, or by e-mail [controlinterno@cerrejon.com](mailto:controlinterno@cerrejon.com)

The Conduct Policies and Guidelines are based on our firm's values and principles and on the unconditional commitment of working with integrity. We are opposed to corruption. We will not offer, pay, or accept bribes, and we enforce this policy through a rigorous internal control system.



## WE UNDERTAKE RESPONSIBLE MINING APPLYING GLOBAL STANDARDS AND INITIATIVES

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

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

The standards and initiatives that we have adopted and that we continue to apply in 2014 are as follows:

- ◆ United Nations Global Compact. This is a voluntary initiative in which we commit to promoting ten principles in four areas in our strategic management: human rights, labour standards, the environment, and anti-corruption.
- ◆ Voluntary Principles on Security and Human Rights. These principles were launched in December of 2000 by the State Department of the United States and the Office of Foreign Affairs of the United Kingdom after a year-long process that involved a representative of each those governments, NGOs, and companies from the oil, mining, and gas sectors with head offices in the participating countries. The Voluntary Principles offer practical guidelines for companies operating in areas of conflict or with fragile governments to ensure that the public or private security forces protecting their operations act within the framework of human rights.
- ◆ The United Nations' Guiding Principles on Business and Human Rights. This voluntary initiative seeks to contribute to sustainable human development, the eradication of poverty, and the full exercise of rights. Companies subscribing to this initiative agree to protect, respect, and remedy human rights.

- ◆ Principles of Prior Consultation. Prior consultation is a process aiming to ensure the real, timely, and legitimate participation of ethnic groups in decision-making on projects, engineering works, or activities that may impact them in order to protect their ethnic and cultural integrity.

### STANDARDS AND CERTIFICATIONS:

- ◆ Sustainable Development Framework of the International Council on Mining and Metals (ICMM). This organization is headed by industry executive directors and dedicated to sustainable development. The ICMM includes many leading mining and metals companies globally, as well as regional and national associations and commodities. These businesses and associations are committed to improving their performance in sustainable development and the responsible production of the mineral and metal resources society needs.
- ◆ Accreditation in Colombian Technical Standard ISO 17025. This international standard was developed by the International Organization for Standardization (ISO), which establishes the quality requirements for testing and calibration laboratories.
- ◆ ISO 14001 (Environmental Management). This standard was created by the ISO to support the application of an environmental management plan in any organization in the public or private sectors.
- ◆ OHSAS 18001 (Occupational Health and Safety). This international standard requires the application and compliance with requirements regarding occupational health and occupational safety in the workplace.
- ◆ International Finance Corporation's social and environmental performance standards. These eight standards offer useful orientation on environmental and social requirements for responsible project management.

- ◆ Guidelines for the GRI sustainability report G4 option. These guidelines were developed by an independent organization with an international scope based in Holland called the Global Reporting Initiative. Various stakeholders participate with the mission to collaborate with companies, governments, and other organizations to understand and communicate the impact of businesses on issues critical to their sustainability.

In addition, we have established various partnerships with institutions in Colombia and abroad with the goal of sharing good practices, undertaking research, and having a greater positive impact on our programme development.

### PARTNERSHIPS AND MEMBERSHIPS:

- ◆ National Association of Businessmen of Colombia (Asociación Nacional de Empresarios de Colombia – ANDI) This non-profit trade association aims to disseminate and promote the political, economic, and social principles for a healthy free-enterprise system. It was founded on September 11 of 1944 in Medellín and, since then, it has been the most important trade association in Colombia. It comprises a significant percentage of companies in such sectors as industry, finances, agro-industry, food, commerce, and services. For more information, please visit <http://www.andi.com.co/>
- ◆ Colombian Mining Association (ACM). This trade association was born from the integration of Asomineros de la ANDI, the Colombian Chamber of Mining (Cámara Colombiana de Minería), and the Large-Scale Mining Sector (Sector de Minería a Gran Escala), thereby positioning it as an axis for the entire industry, representing as it does explorers, producers, and suppliers of goods and services related to the mining sector in the country. Roberto Junguito, CEO of Cerrejón, is the president of the ACM's executive board. For more information, please see <http://acmineria.com.co/>

- ◆ Colombian British Chamber of Commerce. This non-profit trade association has worked for over 30 years to promote the benefits and opportunities of trade and investment between Colombia and the United Kingdom based on the friendship and understanding existing between their citizens. For more information, please visit <http://www.colombobritanica.com/web/afiliados/lista-de-afiliados.html>
- ◆ Chamber of Large Consumers of Energy and Gas (Cámara de Grandes Consumidores de Energía y Gas). This organization was created in 2000 to represent companies affiliated with the ANDI and considered as large consumers of these energy resources. For more information, please visit <http://www.andi.com.co/cgc>
- ◆ Global Compact Regional Centre for Latin America and the Caribbean. This organism aims to strengthen the Global Compact in Latin America and the Caribbean in accordance with its own conditions and characteristics. For more information, please visit <http://www.centroregionalpmal.org/web-pacto/esp/?q=/socioscr>
- ◆ Colombian Committee of the World Energy Council. This council is the foremost multi-energy organization in the world. It has committees in over 100 countries, including the largest producers and consumers of energy. Founded in 1924, the organization covers all types of energy, including coal, oil, natural gas, nuclear, hydroelectric, and renewable energies. It is accredited with the United Nations as a non-governmental, non-commercial, and unaligned organization. Cerrejón is part of the Colombian Committee of this Council. For more information, please visit <http://www.cocme.org/index.php/publicacionec-wec>
- ◆ Colombian Mining and Energy Committee (Comité Minero Energético). A Colombian initiative comprised of State agencies and businesses from the mining, oil, and electrical power sectors. It focuses on creating good practices in the implementation of the Voluntary Principles on Security and Human Rights standard. For more information, please visit <http://cmecolombia.co/companias/>

- ◆ Colombian Safety Council (Consejo Colombiano de Seguridad). This is a non-profit business and professional association that is a legal entity. Its corporate purpose covers the performance of scientific and technological activities that sometimes result in technological scientific services aimed at the promotion, dissemination, adaptation, application, and implementation of relevant technology for various production sectors in specific activities in occupational safety, occupational health, and environmental protection. For more information, please visit <http://ccs.org.co/salaprensa/>
- ◆ Global Business Initiative on Human Rights. This business initiative focuses on advancing human rights in the world. It consists of 14 companies: ABB, Coca-Cola, Chevron, General Electric, HP, Flextronics, Jindal Steel, Mansour, Novo Nordisk, Shell, Sime Darby, Total, Unilever, and Cerrejón. Cerrejón joined this institution in 2010 and is currently the only Latin American business member. For more information, please visit <http://www.global-business-initiative.org/members/>
- ◆ The Global Compact and its Local Network in Colombia. This organization was formed in 2004 as an international cooperation programme between the United Nations Development Programme (UNDP) and the Canadian government. Subsequently, in 2009, the Network legally became the Local Network Corporation of the Global Compact Colombia, governed by its own statutes and governing bodies in order to strategically orient and work on strengthening the Global Compact initiative in this country. For more information, please visit <http://www.pactoglobal-colombia.org/index.php/pacto-global/adheridos-2>



Bahía Hondita Community and Conservancy International sign agreement for protection of sea turtles

A photograph of a worker in a yellow safety jacket and white hard hat, wearing sunglasses, examining tall grass in a field. The worker is on the right side of the image, leaning forward. The background shows a landscape with green trees and a clear blue sky. A large yellow diagonal graphic is overlaid on the left side of the image.

# 2014 SUSTAINABILITY DASHBOARD


Material aspect	Indicator	GRI Indicator	Page in this report	Goal 2014	Outcomes 2014	Status	Estimated trend	Challenges for 2015 and the future
Economic performance	Direct economic value generated and distributed	G4-EC1	30	Budget 2014 revenue: COP 4,603,000,000 (in thousands of pesos)	COP 4,991,759,155	✓	▼	Continue to ensure the sustainability of the Company in an challenging context, because of the fall in prices, the emergence of new sources of energy and the strengthening of environmental mobilizations against mining.
	Coal production	Not applicable	20		33.7 million tonnes		▶	Maintain current production levels insofar as possible depending on coal price trends in 2015 and to the future.
	Coal export	Not applicable	37		34.2 million tonnes		▶	
Local communities	Operations with development programmes	G4-SO1	48	100%	100%	✓	▶	Continue our task of engagement, integration, and understanding between the communities and Cerrejón.
	Significant conflicts with local communities and indigenous peoples	G4-MM6	122	0	2	✗	▲	Consolidate our engagement with communities located near the mine and the railroad. Overcome Cerrejón's reputational image with the communities of Tabaco and Oregana.
	Operations with closure plans	G4-MM10	21	100% of the operation	100% of the operation	✓	▶	Update the preliminary mine closure plan by February 2016.
Resettlement	Location of resettlements, households resettled, and how their livelihoods were impacted by the process.	G4-MM9	20	Relocate 8 Roche and 4 Chancleta families to the new site.	1. Relocation of 8 families pending resettlement to the new Roche community site (Barrancas, La Guajira). 2. Three families from Chancleta (Barrancas, La Guajira) signed the agreement and relocated to the new site. 3. Production projects programme in place at post-resettlements of Roche, Patilla, Chancleta, and the Wayuu indigenous community of Tamaquito II. In initial stages of process with the first families of the Las Casitas community (in pre-relocation phase in 2014).	✗	▲	Conclude closure of relocation agreements with pending families in communities of Patilla, Chancleta, and Las Casitas.  Reach agreements with communities to jointly identify and build opportunities helping them to achieve self-sufficiency in income generation, payment of public services, land use, and so on.
Employment	Number of contracts (total, by gender, by region, and turnover rate)	G4-LA1	74	290	Total: 307 (does not include apprenticeship contracts) Men: 272; women: 35 La Guajira:233; rest of coast:55; rest of country: 18; foreign: 1 Turnover rate: 3.45	✓	▶	A slight increase is expected in 2015 due to the need to operate more mine equipment. Starting in 2016, this indicator will increase due to the retirement of employees reaching 62 years of age (men) or 57 years of age (women).
Training and education	Employees receiving regular performance and career development reviews (MPT and PTC).	G4-LA11	77	100% of MPT employees on permanent contract and PTC staff on permanent and fixed-term contracts.	100% of MPT employees on permanent contract and PTC staff on permanent and fixed-term contracts	✓	▶	Simplify review process (number of performances assessed). *Improve review forms.
Workplace health and safety	Workers represented on health and safety committees.	G4-LA5	78	50%	50%	✓	▶	The main safety challenge continues to be operating without fatalities.
	Rates of injuries, occupational diseases, lost days, absenteeism, and number of fatalities.	G4-LA6	80	Occupational disease rate: 0.4	Occupational disease rate: 0.189	✓	▶	Keeping an operation growing without fatalities or repeated high-potential incidents.

Material aspect	Indicator	GRI Indicator	Page in this report	Goal 2014	Outcomes 2014	Status	Estimated trend	Challenges for 2015 and the future
Workplace health and safety	Rates of injuries, occupational diseases, lost days, absenteeism, and number of fatalities.		80	Recordable injury frequency rate: Under 0.25	Recordable injury frequency rate: 0.23 Number of fatalities: 0			Keeping an operation growing without fatalities or repeated high-potential incidents. Consolidate the Fatal Risk Management System in employee and contractor activities. Continue reducing the recordable injury frequency rate.
	Workers whose profession has a high incidence or high risk of serious disease.	G4-LA7	81	0	0	✓		Continue with campaigns for the promotion of sexual and reproductive health and the prevention of diseases, with regular health and occupational check-ups for workers.
	Percentage of health and safety topics covered in formal agreements with trade unions.	G4-LA8	86	Company must maintain and comply with agreements concerning safety and health.	28.2% (42 issues)	✓		Negotiate the new collective bargaining agreements with the two trade unions (Sintracarbón and Sintracarrejón), starting at the end of 2015.
Relations between workers and management	Number of strikes and lock-outs exceeding one week's duration.	G4-MM4	87	0	0	✓		Reach a satisfactory agreement for all parties in the collective bargaining with the two trade unions without a strike or labour stoppages.
Training and education	Average annual training hours per employee	G4-LA9	83	59	48	✗		Training focused on eliminating fatalities and improving skills of operational supervisors in operational integrity, leadership, technical and administrative aspects, and assertive communications.
	Amount of programmes for skills management and lifelong learning that support the employability of workers and assist them in managing career endings.	G4-LA10	84		480 active courses			Increase the offer of online courses on topics for which this methodology is suitable.
Human rights	Number and percentage of significant investment agreements that include human rights clauses or that have undergone human rights screening.	G4-HR1	45	23 companies audited 100% of higher-investment contracts with Appendix D.	25 companies audited. 625 contracts with significant investment. 100% included Appendix D which, among other requirements, requests compliance with human rights.	✓		Strengthen dialogue with the most companies possible and reinforce it with those that have signed collective bargaining agreements. Audit 15 companies as regards compliance with the collective bargaining agreement and other sensitive topics. Work with contractor firms to maintain a suitable work environment (shifts and working conditions). Promote the hiring of Guajira personnel in the company and measure advances by automatic reporting (system). Minimize the labour impact of significant changes in contractors (for instance, new tender awards, optimizations, etc).
	Employee training on policies and procedures concerning aspects of human rights relevant to their activities, including the percentage of employees trained.	G4-HR2	44	100% de los empleados nuevos	465 new employees, of whom 439 have 11 hours of classroom training, equal to 7% of total direct employees. In contractor firms: 910 employees had 24 training hours, equal to 14% of contractor totals.	✗		Increase the number of employees trained in human rights as part of the training and dissemination strategy in human rights and social standards currently being planned out.

Material aspect	Indicator	GRI Indicator	Page in this report	Goal 2014	Outcomes 2014	Status	Estimated trend	Challenges for 2015 and the future
Human rights	Number of discrimination incidents and corrective measures taken.	G4-HR3	42	0	1			Maintain current standards and practices and monitor companies presenting cases.
	Significant operations and suppliers in which the right to exercise freedom of association and collective bargaining may be violated or at risk, and measures taken to support these rights.	G4-HR4	39	0, 0	0 complaints against Cerrejón in 2014			Maintain current standards and monitor the progress of the two cases (external to Cerrejón) by authorities.
	Operations and suppliers with a significant risk of cases of child labour, and measures taken to support abolition of child labour.	G4-HR5	39	0	0			Maintain current standard
	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of all forms of compulsory labour.	G4-HR6	39	0	0			Maintain current standard
	Percentage of security personnel trained in organization's policies or procedures regarding aspects of human rights that are relevant to operations.	G4-HR7	38	Security guards: 800 people Public security forces: 1,100	Security guards: 634 Public security forces: 1,520			Cover 100% of private security service and public security forces, including turnovers
	Number of cases of violation of rights of indigenous peoples	G4-HR8	42	80% of complaints closed.	236 complaints closed (80.2%) out of 294 reported on violations of rights of indigenous peoples. Of the 294 complaints logged, 278 correspond to animals run over by the train.			Address and close as many complaints as possible deriving from operational impacts that are logged during the period.
	Number and percentage of operations subject to human rights reviews or impact assessments.	G4-HR9	38	This activity was not planned for 2014.	0			The next study on social impacts and human rights is planned for 2015 to 2016.
	Percentage of new suppliers screened using human rights criteria.	G4-HR10	39	100%	100%			Keep evaluations with current standards
	Percentage of new suppliers screened using human rights criteria.	G4-HR12	41	Resolution of 80% of grievances filed through this mechanism.	72% of complaints resolved. *328 complaints filed. *278 complaints addressed. *236 complaints resolved in 2014. *49 complaints resolved from periods prior to 2014.			Maintain addressing of complaints, increase percentage of resolutions in the same period, and resolve complaints from previous years.

Material aspect	Indicator	GRI Indicator	Page in this report	Goal 2014	Outcomes 2014	Status	Estimated trend	Challenges for 2015 and the future
Human rights	(1) Total number of company operations taking place in or near indigenous peoples' territories, and (2) number and percentage of company operations or sites where there are formal agreements with indigenous communities.	G4-MM5	44	No goal applicable. The agreements arise depending on need and as established by law in case of impacts on an indigenous community, beyond what is established in the Integrated Environmental Management Plan and the social component.	Number of operations adjacent to indigenous territory: One (1) integrated operation comprising 3 sites (mine, railroad, port).  #Y% of sites with a formal agreement: 1 site (railroad), 33%.	Not applicable		Evaluate and generate the agreements when the Company's social engagement so requires.
Environmental regulatory compliance	Monetary value of fines and number of non-monetary sanctions for non-compliance with environmental laws and legislation.	G4-EN29	92	0	0			Maintain current results
	Environmental investments and investments by type	G4-EN31	92	Not applicable	COP 114.575 billion			Continue with environmental management practices following the highest standards to guarantee the practice of responsible mining.
Water management	Withdrawal of high-quality water	G4-EN8	97	Not applicable	1,334,976 m <sup>3</sup> of high-quality water			There are activity-based eco-efficiency consumption goals, but not a general goal for the entire company as regards water consumption.
	Percentage and total volume of water recycled and reused	G4-EN10	94	83%	87%			Put into operation the programme for water recycling in the heavy equipment wash.
Emissions	Significant air emissions	G4-EN21	101	Not to exceed the threshold limits in particulate matter	As of December 2014, all stations recorded concentrations below threshold limits.			Maintain the TSP and PM10 levels in communities neighbouring Cerrejón's operations below thresholds established by Colombian regulations.
Management of effluents and waste	Total water discharges by quality and destination	G4-EN22	98	Reduction in volume of discharges	113,172 m <sup>3</sup>			Maintain discharges in accordance to environmental regulations.
	Total weight of managed waste by type and treatment method	G4-EN23	104		11,413 tonnes of waste managed.			Reduce waste generation and maximize the percentage of waste separated for reuse.
	Management of mining waste	MM3	105		6,960 tonnes of slurry discharged.			Continue waste management in accordance to environmental regulations.
Biodiversity	Amount of land reclaimed	MM1	112	120 hectares (ha) reclaimed per year	133 ha reclaimed.			Estimated land reclamation for 2015 will be 100 ha (lower than 2014) due to increased difficulty and effort in slopes destined for reclamation.
	Description of most significant impacts of activities, products, and services on biodiversity of protected areas or areas of high biodiversity value outside protected areas.	G4-EN12	107	Not applicable	Specimens rescued=797 Specimens rehabilitated=632			Maintain regional biodiversity rates taking into account climate changes affecting fauna dynamics.
	Habitats protected or restored	G4-EN13	109	Prepare plan for protected and restored habitats	Participation in the declaration of 4 protected areas and 2 in the process of being recognized as protected areas.			Work on implementing a management plan for the protected areas mentioned in Cerrejón's environmental offset programme in coordination with Corpogujaira and other national and international entities.
	Number of species threatened or in danger of extinction (IUCN Red List)	G4-EN14	108	Not applicable	25 species threatened or in danger of extinction			Continue with rehabilitation and recovery programmes for regional vulnerable species to decrease the number threatened.





# 01

## OPERATIONAL SUSTAINABILITY

# OPERATIONAL SUSTAINABILITY

*In the challenging environment we find ourselves facing due to the fall in coal prices, we continue to identify and implement creative, innovative initiatives to improve our competitiveness responsibly and with our characteristic quality.*

## Our focus

At Cerrejón we are committed to La Guajira and the rest of the country in maintaining our operation. We are not going to grow in the short term because current conditions cannot allow it, but we are going to continue operating responsibly in order to continue creating jobs and well-being for Guajira families, performing regional purchasing and contracts, and providing development for the region and the rest of the country.

Currently, our operation represents 44%<sup>(7)</sup> of Colombian coal exports and 3.7% of coal on the global market. We wish to maintain this market share, and we will therefore continue producing and exporting quality coal efficiently and reliably for our clients while meeting the highest standards in safety, health, environment, and corporate ethics.

Our company, and the sector in general, is facing a complex market whose dynamics have changed mainly because of the fall in prices of coal but also of various other minerals.

To maintain our business in this difficult scenario, it is crucial that we be more competitive compared to other markets and therefore more attractive to investors.

Businesses and the government need to work together to attract international capital and for the sector to continue generating significant contributions to the national economy and, especially, to the regions where we operate.

COP **4.9**  
BILLION

**ECONOMIC VALUE  
GENERATED BY CERREJÓN  
& DISTRIBUTED  
TO ITS STAKEHOLDERS**

See more information at

<http://www.cerrejon.com/site/english/press-room.aspx>

7. Calculations by the CMC (Coal Marketing Company), the marketing agency for Cerrejón coal.



# 1 WE GENERATE VALUE FOR OUR STAKEHOLDERS

*Even in this adverse market, we create economic value for our stakeholders, we keep our commitment to responsible mining undertaken following the most demanding standards, and we continue working to be a partner for the sustainable progress and development of La Guajira.*

## Why is this issue important?

Low coal prices in recent years have represented a challenge for the sector in Colombia and globally. The economic value we provide our stakeholders is a direct result of our revenue from sales of our product in international markets.

## What resources do we allocate for its management?

Our Finance Department has a qualified team in charge of the company's financial planning, management, and assessment, adapting it to the changing market conditions.

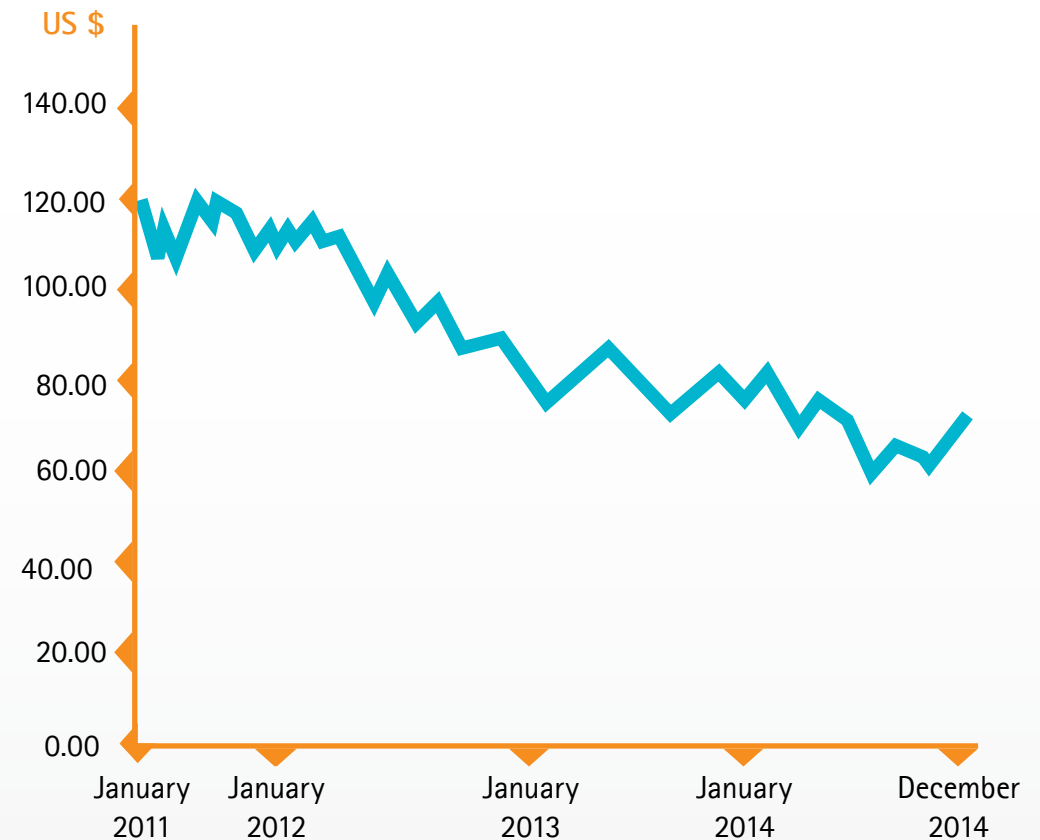
## How do we assess and monitor it?

Our financial planning is regularly defined and assessed. We monitor it through meetings of the strategic committees and meetings in each area. Our shareholders regularly monitor us and our financial status is audited by a third-party fiscal audit.

## Our events and achievements in 2014

Last year was challenging for us, particularly economically due to the significant drop in the price of coal in the international market. This situation is due to several factors such as the over-supply in Australia and Indonesia, shale gas in the United States, and the growth of alternative energy sources such as solar and wind power. The table below illustrates price trends in recent years.

COP **853** MILLIARD  
PAID TO THE GOVERNMENT IN TAXES & ROYALTIES  
◆ 2014 ◆



Given the more than 50% drop in prices over the last four years, we developed an internal programme (Compite) that has already provided important results to improve efficiency and productivity levels, thereby reducing our operational costs with no detriment to the quality of our product or to the benefits for our employees and the region.

# ECONOMIC VALUE GENERATED AND DISTRIBUTED IN 2014

- ◆ Investments in the community. Social investments totalled COP 20.454 billion by the end of 2014. See more information in Chapter 3 "We support sustainable development in communities".
- ◆ The figures reported are based on the company's status results as of end of 2014. The reinvested financial income is equal to the amounts not distributed to shareholders and used by the company to further the operation.
- ◆ Operational revenue shows an increase of 1.2% compared to the previous year. Even though the price of coal fell, it was compensated by higher exports (34.2 million tonnes in 2014 compared to 33.3 million tonnes in 2013).
- ◆ The value distributed to foreign suppliers and contractors increased by 23.3%, mainly due to devaluation of the peso compared to the dollar. In 2014, coal extraction took place at deeper levels, leading to increased costs, particularly in fuel and tyre consumption.
- ◆ The entry into operation of assets associated with the P40 expansion project caused an 18% increase in the year's depreciation and amortization costs.
- ◆ Royalty payments dropped by 2.7% compared to 2013 due to the fall in coal prices.
- ◆ Operational utility was reduced by 30.9%, which caused a reduction in taxes and in the economic value distributed to our shareholders.
- ◆ In 2014 and 2013, the company carried out investments of COP 371,735,449 and COP 1,044,531,487 from its own resources and of COP 116,754,794 and COP 231,233,998 from financing, respectively.

Amounts in thousands of Colombian pesos

Economic value produced	2014		2013		2012	
	Total	Share	Total	Share	Total	Share
Operating revenue	4,926,900,574	99%	4,865,702,298	99%	5,388,797,411	98%
Non-operating revenue	64,858,581	1%	66,772,187	1%	116,151,966	2%
<b>Total value generated</b>	<b>4,991,759,155</b>	<b>100%</b>	<b>4,932,474,485</b>	<b>100%</b>	<b>5,504,949,377</b>	<b>100%</b>
<b>Economic value distributed</b>						
National suppliers and contractors	586,353,961	11.75%	626,339,648	12.70%	638,787,388	11.60%
Foreign suppliers and contractors	1,840,128,733	36.86%	1,492,064,973	30.25%	1,488,915,361	27.05%
Employees	636,337,769	12.75%	593,608,565	12.03%	579,929,458	10.53%
Government <sup>(8)</sup>	881,934,381	17.67%	8898,141,589	18.21%	1,204,587,994	21.88%
Royalties	399,106,578		408,554,341		546,088,165	
Taxes	482,827,803		489,587,248		658,499,830	
Private royalties <sup>(9)</sup>	46,726,608	0.94%	56,793,367	1.15%	81,720,114	1.48%
Depreciation/ amortization Reinvestment	720,782,081	14.44%	608,700,587	12.34%	433,381,137	7.87%
Shareholders	279,495,622	5.60%	656,825,755	13.32%	1,077,627,924	19.58%
<b>Total value distributed</b>	<b>4,991,759,155</b>	<b>100%</b>	<b>4,932,474,485</b>	<b>100%</b>	<b>5,504,949,377</b>	<b>100%</b>

(8) The amount of COP 882 billion corresponds to taxes and royalties caused and recorded in the audited results status for 2014. The payments made to the government in 2014 for these items were COP 853.259 billion. This amount does not include withholding tax.

(9) Remuneration made to the owner of the resource (Community of Cerrejón).

## CONCLUSION OF P40 EXPANSION PROJECT

In 2014, after 30 years of operating with a single dock and one direct shiploader, we finished work on the P40 expansion project with the installation of a dual shiploader from our dock. This infrastructure, together with that at the mine and railroad, will allow us to better address our clients' demands and to be prepared for when market conditions allow us to expand our production and export levels above 40 million tonnes a year.

The new dock and its dual direct-loading system is approximately 584 metres long and can load 6,000 tonnes an hour.

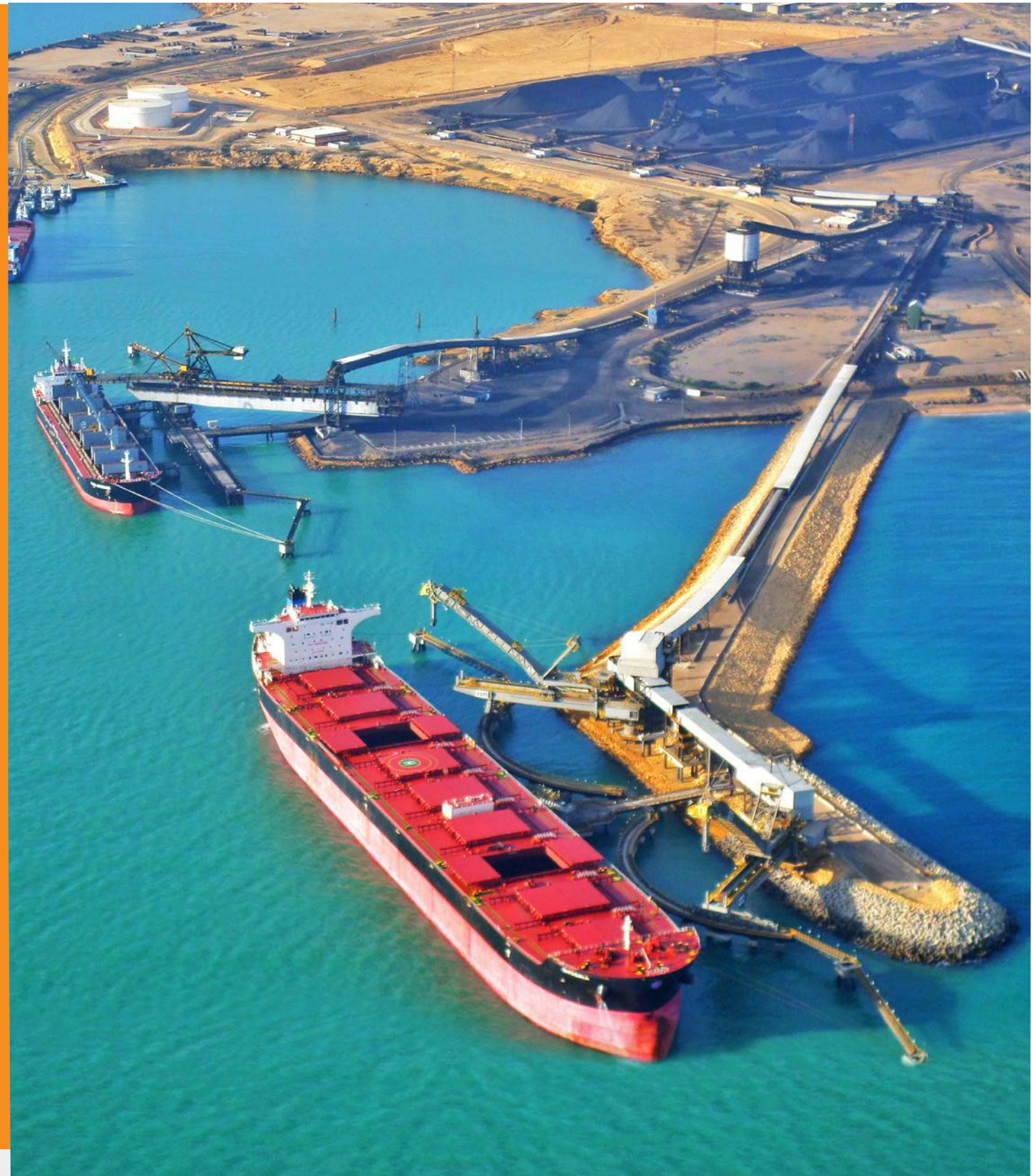
During the lifespan of the P40 project, more than 6,000 formal, high-quality jobs were created in La Guajira, and the following took place:

- ◆ Recruitment and training of operators and technicians
- ◆ Acquisition of additional mining equipment
- ◆ Acquisition of service vehicles
- ◆ Expansion of maintenance and logistics installations at the mine and port
- ◆ Acquisition of additional railway equipment
- ◆ Railway infrastructure construction
- ◆ Construction of temporary installations for 1,200 contractors
- ◆ Construction of new coal conveyor belts in Puerto Bolívar
- ◆ New dock for loading coal
- ◆ Installation of a new, dual shiploader

### Challenges for 2015 and the future

Continue implementing and strengthening our internal Compite programme aimed at reducing our unit costs and improving efficiency and optimization in production.

In our operational goals, we seek to maintain the volumes achieved in 2014.



## RESPONSIBLE MANAGEMENT IN THE SUPPLY CHAIN

*Work on reinforcing supply chain management in the coal production process in order to minimize social and environmental impacts and to create long-term opportunities for the company.*

### Our focus

At Cerrejón, we comply with existing legislation and demand that those participating in our production process also comply with socially and environmentally responsible practices.

We have therefore worked with our supplies and contractor firms to determine two important areas of work:

- ◆ Ethical and responsible performance translating into a series of compulsory guidelines and requirements in such fields as health, safety, responsible community engagement and environmental management, fair and equal labour practices, and good conduct to bring them into line with our management philosophy.
- ◆ Local procurement, which we promote through the purchase of goods and services from local and domestic suppliers.

**COP 2.4+ BILLION** IN PURCHASES OF GOODS AND SERVICES  
◆ 2014 ◆

See more at:  
<http://www.cerrejon.com/site/english/our-company/contractors-and-suppliers/purchases.aspx>

## LOCAL PROCUREMENT AND RESPONSIBLE MANAGEMENT WITH OUR SUPPLIERS

We are aware that we have a shared responsibility with our supply chain, which is why we request they act responsibly at the same time as we participate in their development.

**108,400 MILLION** IN PURCHASES OF GOODS AND SERVICES TO LA GUAJIRA  
◆ 2014 ◆

### Why is this issue important?

Our corporate responsibility derives in part from how the goods and services supplied to our operation have been conceived. In turn, we share with our suppliers and contractor firms the social, environmental, and economic risks inherent to our mining activity. Poor management in the supply chain that does not detect such risks in a timely fashion will cause significant losses to the company and negatively impact relations with our stakeholders.

### What resources do we allocate for its management?

Our Materials and Services Department aims to ensure that the goods and services required for our operation are acquired ethically and transparently, derive from legal and responsible activities, and meet the company's requirements for forming part of its supply chain.

In addition, we annually determine a procurement and contracting plan that includes each of the processes for execution, taking as a basic premise the prioritization of local supplies whenever possible.



### How do we assess and monitor it?

Every year, we prepare our Procurement and Contracting Plan, where we set out our goods and services needs for the year. This plan is continually monitored throughout the year, with each requirement going through the stages of requisition, selection, evaluation, and awarding of our suppliers and contractor firms.

It is important to note that our Materials Department monitors and supports contract administration under the management of a contract administrator coordinator in charge of providing support and identifying training to provide contract administrators with the necessary tools and skills for their jobs in terms of operation, health, safety, environment, and community according to our requirements.

Our contractor evaluation process uses a systematic application called On Base that sends early warnings to each administrator to perform a timely evaluation. Subsequently, the contractor receives direct feedback concerning the result from the self-evaluation and the general evaluation, and we establish a preventive or corrective plan of action as required. Some of the aspects we evaluate are:

- ◆ Compliance in safety, health, and environment
- ◆ Managerial leadership
- ◆ Administrative responsibility
- ◆ Quality of staff
- ◆ Compliance with work programme
- ◆ Work quality
- ◆ Group meetings
- ◆ Recruitment and selection
- ◆ Records and reports



Our facts and achievements in 2014



Challenges for 2015 and the future

Implement a social responsibility strategy with our contractors to promote social investment in La Guajira through:

- ◆ Hiring personnel from La Guajira
- ◆ Making donations to our foundations
- ◆ Having our contractors/suppliers develop social programmes

See more about the procurement process at:  
<http://www.cerrejon.com/site/english/our-company/contractors-and-suppliers/purchases.aspx>

See more information at:  
<http://www.cerrejon.com/site/english/our-company/contractors-and-suppliers/contracts.aspx>

(10) The geographic definition of "local" here refers to the department of La Guajira, which is the locale of Cerrejón's integrated operation as such.  
\* 4% of the company's total in purchases and services



# 02 SOCIETY



# SOCIETY

*Our commitment with La Guajira is to build, hand-in-hand with the communities and with the support of the public and private sectors, the skills to allow the department to advance economically and socially. Therefore, we are focusing on a dialogue to channel efforts and resources towards the region that will contribute to its sustainable growth.*

## Our focus

Since the start of our operations, we have respected and complied with Colombian law. We have also adopted existing international practices and standards to foster a responsible operation.

We are committed to the prevention, mitigation, and compensation of our impacts and to transparent, respectful engagement with all our stakeholders.

The Department of Social Responsibility and the Cerrejón Foundations System head various programmes to promote and support ambitious projects aimed at regional strengthening and sustainable development.

The social and environmental conditions of La Guajira and Colombia have driven us to become a dynamic actor with our neighbours and thus contribute to promoting their development. To that end, we have coalesced strategies, policies and procedures, and concerns on social, environmental, and human rights issues. These topics are critical to a positive contribution to progress, strengthening engagement, and focusing efforts on long-term joint work.

Our social programmes focus on promoting healthcare, education and culture in the communities, on access to sufficient quality water, on strengthening public institutions and social oversight, on improving the quality of life of indigenous communities, and on developing sustainable production projects unrelated to existing mining activity in this zone.

**\$20,454  
MILLION**

**OUR INVESTMENT  
IN SOCIAL PROGRAMMES**

◆ 2014 ◆

See more information at:

<http://www.cerrejon.com/site/english/sustainable-development-%E2%80%A2-social-responsibility.aspx>



## 2 WE PROMOTE A CULTURE OF RESPECT AND PROMOTION OF HUMAN RIGHTS

At Cerrejón, we are committed to respecting the human rights of employees, contractors, and communities neighbouring our operations.

**94.5%**

of new employees received training on Human Rights topics during 2014

**4**

Work sessions with communities, members of the Armed Forces and private security.

**72 %**

of the complaints filed by the Complaints Office in 2014 have been solved.

### Our focus

At Cerrejón, we are committed to respecting the human rights of our workers, contractors, and the residents of communities neighbouring our mine, railway, and port. This commitment is evidenced in various corporate policies such as our Health, Safety, Environment, and Community Policy, our Social Responsibility Labour Policy, and specifically in our Human Rights Policy.

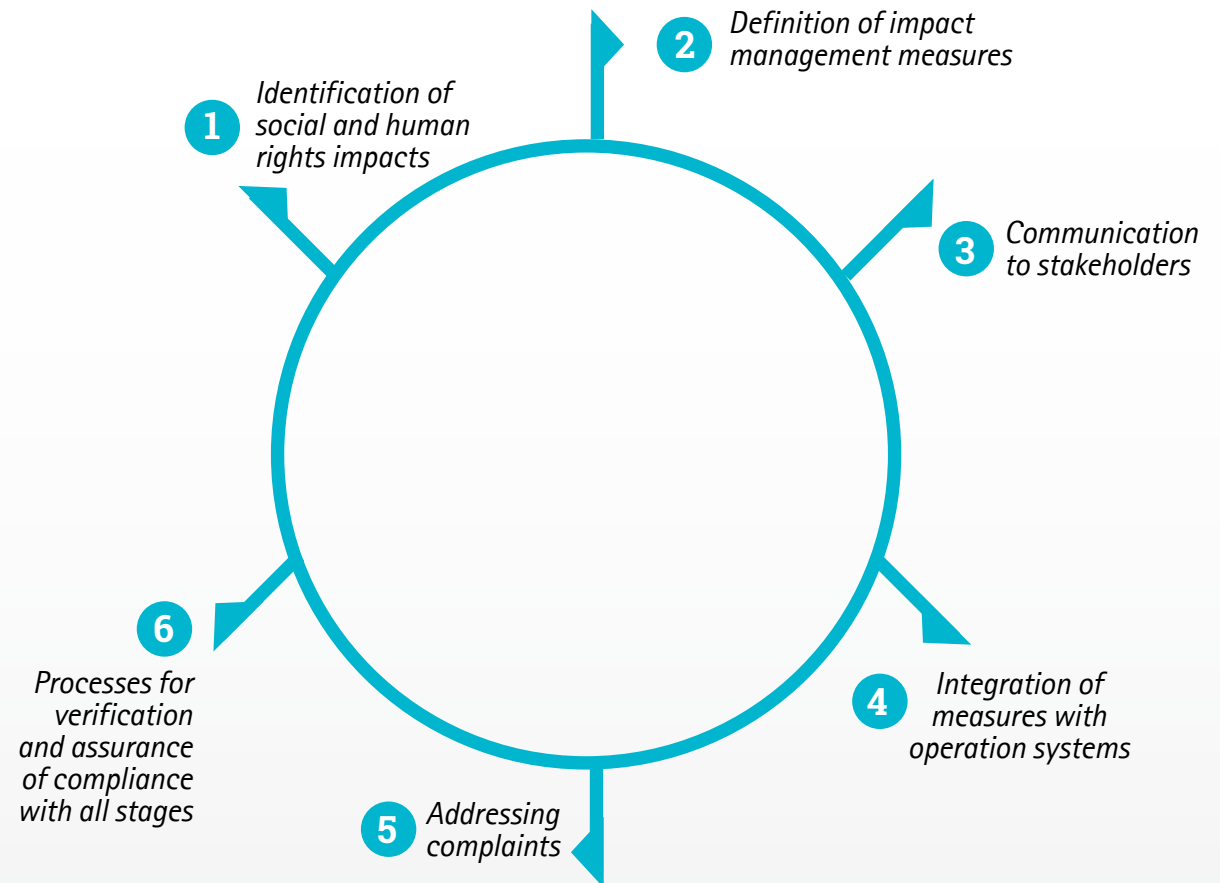
Our Human Rights Policy (revised in 2011) is in accordance with Colombian legislation, the Universal Declaration of Human Rights, and the five international standards adopted by the company: The United Nations Guiding Principles on Business and Human Rights, the ten principles of the Global Compact, the Voluntary Principles on Security and Human Rights, the International Finance Corporation's Performance Standards 1, 5, and 7, and the Sustainable Development Framework of the International Council on Mining and Metals (ICMM).

By respecting these rights, we seek to prevent, mitigate, and compensate for impacts caused by the operation. To ensure this happens, we implement due diligence starting with identifying social and human rights impacts, then determining impact management measures, integrating the measures in the operation, socializing the impacts identified and the management measures with stakeholders, addressing complaints by stakeholders on possible rights violations, and verification and assurance of compliance at all stages.

# 2,154

Members of the Public Security Forces and private security services were trained in human rights, the Voluntary Principles on Security and Human Rights, and Wayuu traditions and customs.

### Due Diligence in Human Rights



## Why is this issue important?

In addition to regulatory compliance, businesses must ensure the success of their operations without violating the rights of their stakeholders. Respect for human rights is integral to the entire operation and, in fact, it is a fundamental element for obtaining and keeping our social license to operate.

## How do we assess and monitor it?

We continually monitor our activities as regards human rights, including training for employees and contractors. We also apply the human rights indicators developed by the Mining and Energy Committee (CME, its initials in Spanish) to measure implementation of our actions in the Voluntary Principles on Security and Human Rights. Furthermore, we log the management and resolution of complaints received. In 2014, we began designing a system of social assurance to determine the implementation status of each of the standards we have adopted.

Social standards defining due diligence in human rights for businesses recommend impact assessments approximately every three years. Our last social and human rights impact assessment was in 2011. Consequently, our Department of Social Standards and International Relations plans to carry out the next study in 2015 or 2016.

## TRAINING IN HUMAN RIGHTS

- ◆ Employee training. 100% of our employees<sup>(11)</sup> are trained in human rights and social standards topics in a module given in orientation sessions. In 2014, we trained 464 new employees, of whom 439 (7% of Cerrejón's total direct workers) had 11 hours of classroom training<sup>(12)</sup>. The remainder (25 new employees) received online training, but will have their classroom orientation in 2015.
- ◆ Training of contractors. 910 contractors were given 24 training hours in human rights and social standards<sup>(13)</sup>.
- ◆ Training of private security services. 634<sup>(14)</sup> members of the private security services received training in human rights, the Voluntary Principles on Security and Human Rights, and Wayuu traditions and customs.

- ◆ Training of public security forces. 1,520<sup>(15)</sup> members of the public security forces received training in human rights, the Voluntary Principles on Security and Human Rights, and Wayuu traditions and customs.

## OUR RESPONSIBLE ENGAGEMENT WITH INDIGENOUS COMMUNITIES

All of our integrated operation (the mine, railway, and port) is adjacent to indigenous settlements. In 2014, formal agreements were signed with two communities along the railway (33% of our operation). These agreements are described below.

- ◆ We held four work sessions on implementing the Voluntary Principles on Security and Human Rights with communities associated with the AIWA organization and with the communities of Jasaychón, Ware Warao, and the Wayuu indigenous reservation 4 de Noviembre. On September 2 of 2014, we signed an engagement protocol with the Association of Traditional Authorities of the 4 de Noviembre reservation. The protocol agrees to prioritize transparent, respectful dialogue as a basis of understanding for achieving common goals and collective benefits.
- ◆ The reservation leaders express in the document their "willingness to use the institutional channels established in this engagement protocol on an ongoing basis to resolve differences that may arise from the course of this agreement or from the execution of agreements deriving from this one".
- ◆ In addition, we began a prior consultation with the Campo Herrera community, which is the only one certified by the Ministry of the Interior as potentially impacted by the La Puente Pit expansion project<sup>(16)</sup>. From August 2013 to May 30 of 2014, we undertook the prior consultation, which included the five phases considered in Colombian legislation:

- 1) Preliminary consultation
- 2) Opening
- 3) Workshop on impacts and management measures
- 4) Signing of preliminary agreements
- 5) Notarization of the consultation

(11) In 2014, only one employee did not receive either classroom or online training, and he will be receiving it in 2015.

(12) The company's general orientation course is compulsory for all new employees. Topics related to human rights deal with basic human rights concepts, social standards followed by Cerrejón, socialization of our Human Rights Policy, the Complaints Office, and how we should behave as employees of Cerrejón.

(13) Training for contractors includes socialization of Cerrejón's Human Rights Policy, the social standards, the Complaints Office, due diligence, and how they should behave as contractors.



Compliance with the agreements reached with the Campo Herrera community will depend on obtaining the pending legal permits for the engineering works for the pit expansion, which are currently in the hands of the local environmental authorities.

## MONITORING THE HUMAN RIGHTS MANAGEMENT OF OUR SUPPLIERS AND CONTRACTORS

We have various initiatives to analyse current contracts with a view to monitoring respect for human rights by our contractors. Appendix D in our contracts defines our human rights requirements. In 2014, we had a total of 625 large-investment contracts, of which 100% included Appendix D which, among other requirements, requests compliance with human rights guidelines. Of these contracts, 4% (25) were audited for labour management.

- ◆ Our verification programme of the Social Labour Responsibility Management System (audits of labour management) assesses issues such as labour legal compliance (hours, shifts, wages, social security payments, vacation programme, termination payments) and reviews occupational health topics.
- ◆ We carry out monthly evaluations of our contractor performance via a joint committee with our trade unions.
- ◆ Our Department of Social Standards and International Relations works on a strategy to develop activities of due diligence in human rights in the value chain.
- ◆ In contracts with the private security service and the agreement with the public security forces, we have a specific control, training sessions, work sessions, and complaints handling. Contractor firms providing private security also sign Appendix E in their contracts, which includes topics concerning the Voluntary Principles on Security and Human Rights and Cerrejón's Human Rights Policy. It also commits them to address the rights of particularly vulnerable people or groups (e.g. ethnic groups, children, senior citizens, women, displaced people, social leaders), respect the traditions, customs, and culture of indigenous communities, be aware of the rights to freedom of association and labour rights, and the prohibition against child labour, amongst other items.
- ◆ We monitor our contractors' commitment to comply with our Social Responsibility Labour Policy and to follow the guidelines of the

SA8000 Standard, which addresses topics such as child labour and forced labour, workplace health and safety, freedom of association and collective bargaining, discrimination, disciplinary practices, working hours, remuneration, and management systems.

- ◆ We monitor not only our existing suppliers and contractors, but also those entering to form part of Cerrejón's supply chain. In 2014, we analysed 79 contracts (100% of new suppliers) in light of the requirements of the SA8000 Standard.

## MEASURES TAKEN TO ADDRESS THE RISK OF HUMAN RIGHTS VIOLATIONS

At Cerrejón, we guarantee our workers and contractors the right to freedom of association with trade unions. Internally we had no complaints related to freedom of association in 2014. However, externally we heard of a legal disagreement on this issue between one of the trade unions and two companies supplying private security services. Given that Cerrejón has neither the scope nor the authority to resolve legal conflicts between such parties, we advised them to seek specialized advice from the Ministry of Labour to effectively resolve their disagreement.

Our goal is to prevent any violation of human rights related to freedom of association and collective bargaining, and therefore we continue to apply, amongst others, the following measures:

- ◆ Our Complaints Office addresses cases with the utmost priority.
- ◆ We monitor and respect our Social Labour Responsibility Policy. The existence of trade unions in nine of our contractor firms and of collective bargaining agreements at several of them is a sign of the results of implementing this policy.
- ◆ We include human rights requirements that are mandatory in the self-assessment forms sent to all potential company suppliers, which are then monitored through regular audits.

In addition, although neither Cerrejón nor any of our suppliers and contractors had any cases of child labour in 2014, we apply the following mandatory measures:

- ◆ We demand the presentation of valid citizenship ID from whomever applies for a position at the company.

- ◆ We audit our contractors to ensure they are affiliated with the Social Security System through their tax ID.
- ◆ We have access to controls when we issue ID to enter the installations.
- ◆ In the labour management audits, we request a database of contractor employees to assess, which must include birthdates so we can calculate ages and determine whether there are any minors.

Finally, Cerrejón has no forced labour, and in 2014 we found no evidence of any such cases in the company or in our suppliers. We continue to apply (amongst others) the following measures:

- ◆ Training of contractors on their rights, including forced labour and complaint procedures.
- ◆ Monitoring the issue during sessions of the Labour Mediation Committee and the joint commission on contractors with the trade unions.

Both in our own operations as well as in our business relationships with providers and contractors, at Cerrejón we consider it essential to comply with national and international law regarding child labour, forced labour, workplace health and safety, freedom of association and collective bargaining rights, discrimination, disciplinary practices, working hours, and remuneration. All of Cerrejón's actions must always meet the highest international ethical standards.

(14) 634 members of the private security companies for a total of 48 hours (79.25% of the goal of 800 guards).

(15) 1,520 members of the public security forces for a total of 208 hours (138.2% of the goal of 1,100 soldiers).

(16) Project to expand the La Puente Pit northwards to maintain production volumes and exports at current levels.

## COMPLAINTS OFFICE

In 2010, Cerrejón established a Complaints Office to address complaints deriving from possible operational impacts on employees, contractors, and neighbouring communities. The complaints logged and investigated by this Office have been classified by the following topics:



### Community:

Possible impacts related to health, environment, and socio-economic impacts on the populations in the company's area of influence.



### Labour rights:

Possible impacts on the occupational safety, working conditions, and remuneration of workers, contractors, and subcontractors.



### Human rights and security:

Possible impacts caused by relations between the company and public and private security providers.



### Indigenous rights:

Possible impacts on the rights of indigenous communities in the company's area of influence.



### Social investment:

Possible questions concerning the existence of quality of the company's social investment in communities in the area of influence.



### Post-resettlement:

Possible impacts on communities resettled due to the operation.

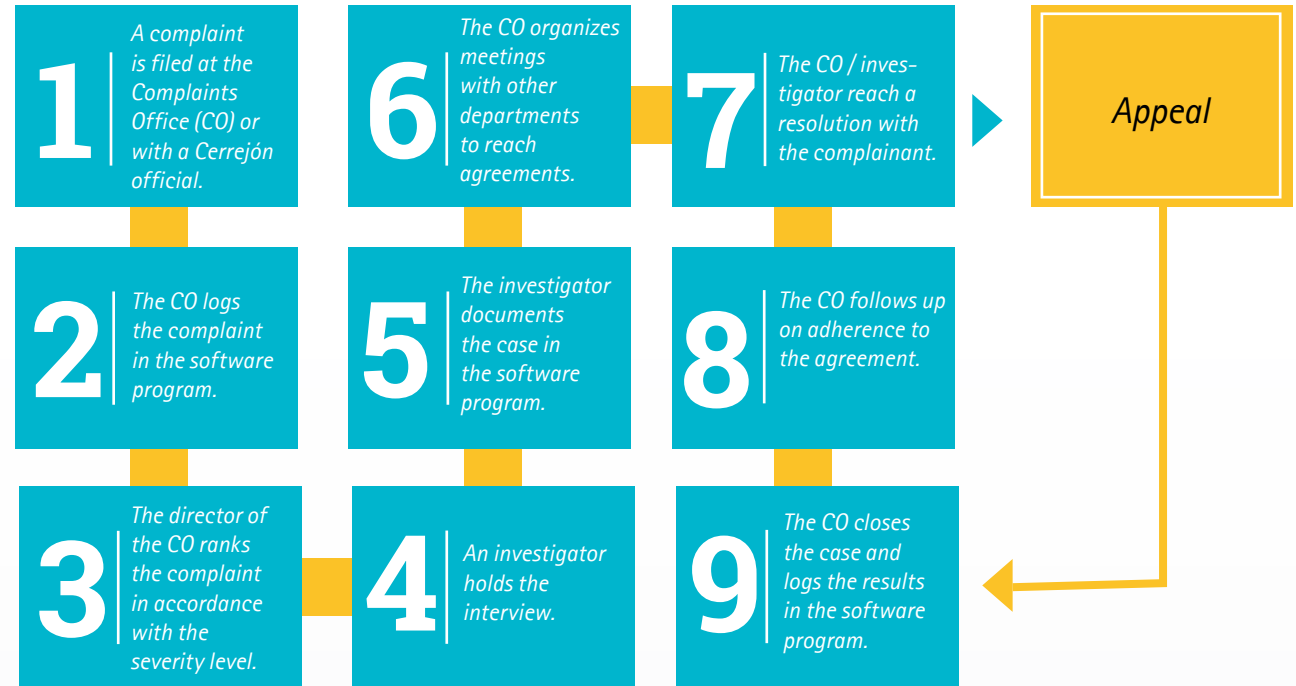


### Land acquisition and management:

Possible impacts deriving from the company's land processes and policies in the area.



Cerrejón was one of only five companies globally that participated in the pilot project, together with Sakhalin Energy, Esquel, Tesco, and Hewlett Packard.



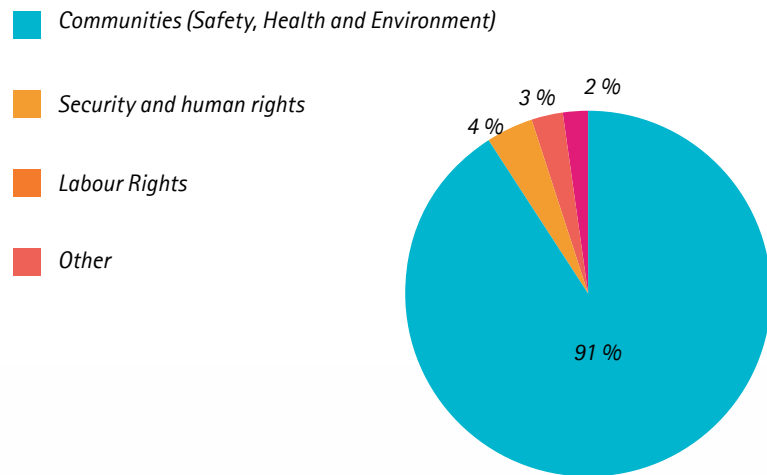
	2010	2011*	2012	2013**	2014	Total 2010 - 2014
Complaints filed	183	130	184	299	328	1, 124
Closed	107	115	153	266	236	877
Ongoing	76	15	31	33	92	247
Transferred	4	0	0	0	0	4

\* Previous reports listed 129 complaints filed, but a review in 2014 show one complaint that the system had not counted.

\*\* Previous reports listed five additional complaints logged. However, in 2014 we reviewed the software application and found five cases logged that were not in fact complaints.

### Complaints closed in 2014:

In 2014, we logged a total of 328 human rights complaints. We addressed 278 and resolved 285. Note that these closed complaints include both those from 2014 (213) and pending ones from previous years (49 complaints) resolved this year.



## CHALLENGES FOR 2015 AND THE FUTURE

- ◆ Develop a new human rights impact study.
- ◆ Strengthen:
  1. The integration of human rights topics in the organization.
  2. Human rights training for employees and contractors.
  3. The company's Complaints Office.
  4. Dialogue on labour standards with the most companies possible and reinforce it with those that have signed collective bargaining agreements.
- ◆ Work with contractor firms to maintain a suitable work environment (e.g. shifts and working conditions).
- ◆ Minimize the labour impact of changes in contractors (for instance, new tender awards, optimizations, etc).
- ◆ Address and close as many complaints logged as possible deriving from operational impacts.

### Cases addressed by the Complaints Office as regards discrimination, indigenous communities, and the supply chain logged in 2014

Below are listed cases logged in 2014 and the procedure for their resolution.

Type	Description of general case <sup>(17)</sup>	Oversight	Our handling
One case of discrimination reported this year.	A contractor logged a complaint that he was being discriminated against by another contractor.	The case was logged, investigated, analysed, addressed, and closed with the agreement of the complainant and the accused.	Our Human Rights and Social Labour Responsibility policies cover employees and contractors, and they explicitly forbid discrimination against anyone. In addition, the contracts contain clauses on this issue, which is also assessed in contractor audits.
294 cases concerning the rights of indigenous peoples <sup>(18)</sup> .	Of the 294 cases involving the rights of indigenous peoples, 278 concern animals run over by the train.	Each case arriving at the office is received, logged, assigned, investigated, mediated, and remedied (if the investigation determines it necessary), and closed.	Most of the cases concern animals run over by the train.  These cases are addressed as quickly as possible to respond to the impact and in the interests of maintaining good relations with the communities.  In addition, the Department of Social Responsibility and our Foundation Indigenous Guajira implement programmes to prevent such accidents directly with the communities neighbouring the railway line.

See more information at:

<http://www.cerrejon.com/site/english/sustainable-development-%E2%80%A2-social-responsibility/human-rights.aspx>

<sup>(17)</sup> General cases: no specific dates or names are mentioned.

<sup>(18)</sup> Incidents related to indigenous rights are considered to be those where there is a possible impact on elements constituting the identity of indigenous people: traditions, customs, territory, and culture, among others.



### 3 WE SUPPORT THE SUSTAINABLE DEVELOPMENT OF COMMUNITIES

*We drive high-impact social programmes in response to community needs, designing and executing them together with communities to ensure their sustainability and the development of the region we operate in.*

*We implement programmes for resident communities along the entire area of influence.*

#### Why is this issue important?

Our responsibility with our neighbouring communities goes far beyond our role as a generator of employment and of royalties. Our wide-ranging social engagement and long-lasting relations (aligned with international standards and good practices) with the communities of La Guajira guide our day-to-day management.

We comply with the socio-economic management measures in our Integrated Environmental Management Plan, which annually reports on actions benefiting communities. In addition, we have carried out studies and assessments of social impacts and risks in our areas of influence<sup>(19)</sup>, including the analysis of human rights impacts, railway operation impacts on indigenous communities, resettlement processes, and programmes for air-quality monitoring and the social impact of noise and earth movements caused by blasting.

Likewise, we have a quality of life study based on the Human Opportunity Index, which measures the degree of equal opportunity enjoyed by a specific population and is important in the resettlement processes.

We invest in high-impact projects in this region, including active participation on the part of local and regional authorities and in-

stitutions during the planning, execution, and oversight of social programmes in line with development plans. In addition, we promote relations based on trust and on building dialogue to foster social networks and partnerships with different actors (regional and national, public and private) to effectively contribute to the region's progress.

Our objectives are to prevent, mitigate, and offset Cerrejón's impacts through programmes, social projects, and business venture projects with the active participation of communities near the mine, railway, and Puerto Bolívar. These projects are organized through public-private partnerships aiming to strengthen La Guajira's self-determination and social and economic sustainability.

#### What resources do we allocate for its management?

In 2014, as part of our commitment to the region, we invested COP 20.454 billion in our social programmes in order to continue contributing to improving the quality of life of the communities neighbouring our operation, respecting diversity, and promoting more equality to allow sustainable social and economic development for La Guajira.

This initiative is headed by the Department of Public Affairs and its divisions of Social Responsibility and Social Standards and International Relations, the directorate of Resettlements and Lands, and the Foundations System, with the support of the Communications Division.

#### How do we assess and monitor it?

We have different indicators to measure our socially responsible management and performance in accordance with our corporate pillars and senior management's guidelines. Our assessment and monitoring methodologies include progress reports and management reports, databases of people helped, adherence to timelines, qualitative and quantitative descriptive assessments of goals reached, satisfaction surveys and statements, attendance records, and minutes of the various events and meetings held, with photographic and video records.

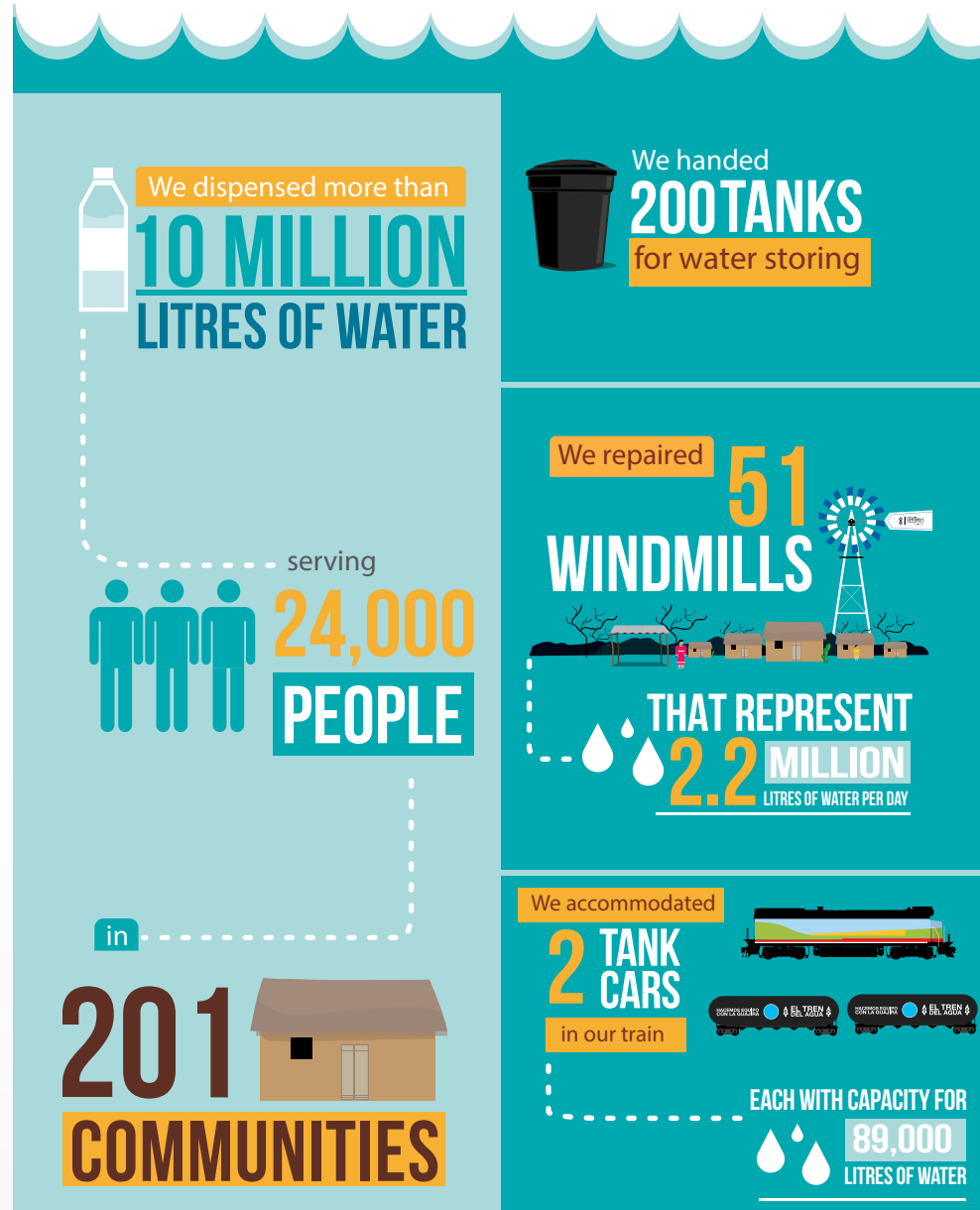
## Our events and achievements in 2014: Impacts on economic and social development

Aligned with our business vision, our interest is to be a strategic partner in La Guajira's development and to coordinate different actors, interests, and public and private funds to achieve a greater positive impact in our regional social programmes. Specifically:

- ◆ We are committed to the creation of the Partnership for La Guajira, headed by the central government, which seeks to reduce social gaps and increase local growth. Cerrejón will participate as a partner in this initiative.
- ◆ We have organized many dialogue sessions with regional and national actors to coordinate efforts and initiatives marking a path towards a common vision for La Guajira. We are furthering significant efforts to promote this department as a high-level priority for the Colombian government.
- ◆ We should note the work we are carrying out to support the drought emergency in La Guajira.

After the declaration of a public disaster by Uribe and later by the department, we have provided support for communities to mitigate the impacts of the drought and progress in the search for mid- and long-term solutions.

We therefore created a work team (headed by our CEO) to design and implement a strategy aimed at supporting La Guajira in this difficult situation by coordinating Cerrejón and third-party resources such as people, financial, infrastructure, technical, and management.



Figures between April and September 2014.



"This is a blessing from God. Thank you for the water. We are going to use this water to drink, for the children. We are going to take good care of it because the water [status] hurts us because we know what we're going through."

*David Uriana,  
Traditional authority of the Wayuu  
community of Jatachonwayuu de Jatachon.*



"We are thankful to Cerrejón and the Cerrejón Foundation for Water in La Guajira for supporting us in these critical times of drought. With the windmill working, we have water to drink, cook, and give the animals. Now the children can go to school free of care and not have to worry about long days spent looking for water."

*Ángela Aguilar  
Traditional authority in Karretaman*

(19) The areas of direct influence are determined in accordance with the environmental-impact studies of Cerrejón's operations and are detailed in the Integrated Environmental Management Plan (EMP).



## HEALTHCARE

Our healthcare strategy has two goals:

- 1 To contribute to improving the quality of life of the communities in the area of influence of our operations by supporting the strengthening of State healthcare institutions.
- 2 To expand coverage and improve the quality of and access to healthcare services.

### HEALTHCARE PROMOTION AND DISEASE PREVENTION WITH THE HOSPITALS OF ALBANIA, BARRANCAS, HATONUEVO, AND URIBIA

We work to improve healthcare conditions, especially in the rural populations neighbouring our operations. We seek to strengthen skills at these institutions to improve the quality of service provision.

MORE THAN  
**15,000**  
PATIENTS TREATED

#### Hatonuevo Hospital

Number of patients treated by area

  
**GENERAL  
MEDICINE**  
3,116

  
**DENTISTRY**  
2,729

  
**PROMOTION  
AND PREVENTION**  
2,677

  
**PAP SMEARS**  
230

The mortality rate for mothers and newborns was kept at

**0%**

  
**49**  
CHILDREN

were detected as having low weight and malnutrition during the Healthy Child Control Program. They were sent to nutritional recovery centres.

(20) The extramural team comprises healthcare professionals who visit rural communities with difficult access to healthcare centres.

#### Barrancas Hospital

  
**PATIENT  
VISITS**  
2,896

  
**11 RURAL  
COMMUNITIES  
OF BARRANCAS**



Increase in the number of patients with controlled chronic diseases; 80% of patients with high blood pressure and diabetes mellitus are under control; 0% high blood pressure complications.

The mortality rate for mothers and newborns was kept

**0%**



Education, diagnosis, early detection, handling, and control of diseases of interest to public health.

#### Uribia Hospital

**THE OUTREACH TEAM  
ACCESSED**  
**49**  
COMMUNITIES <sup>(20)</sup>

**1,411**  
PATIENTS  
aged 4 to 15 treated  
for oral health.



Increase in treatment and monitoring of children under ten with nutritional problems.

#### Albania Hospital

Programmes for growth and development for 320 children, check-ups for 196 young adults

  
**196  
GLUCOSE  
TESTS**

  
**157  
FAMILY  
PLANNING**

  
**102  
SENIORS  
PROGRAMME**

  
**86  
PRENATAL  
CARE**

  
**10%**

Increase in coverage of healthcare service provision compared to the previous year.

  
**5,811**  
**MEDICAL  
VISITS HELD**

(general medicine, dentistry, and nursing care).

## MOBILE HEALTHCARE UNITS

The main goal of this program is to facilitate rural access to the healthcare services provided by the hospitals of Albania, Barrancas, Hatonuevo, and Uribia. Two Mobile Healthcare Units (UMS, its initials in Spanish) provide healthcare services in prevention and promotion activities, medical care, and an ambulance for transporting patients for populations neighbouring Puerto Bolívar.



## MOBILE HEALTHCARE CLINICS

These clinics provide second-level services<sup>(21)</sup> and medication delivery in rural zones.

### 3,500 PATIENTS SEEN IN FOUR CLINICS

- 1) a mother-infant day in Media Luna
- 2) a basic healthcare services day in Barrio Las Delicias in Barrancas, Chivo Mono, and Coveñas
- 3) a paediatrics day for residents of Campo Herrera and Las Casitas
- 4) a basic and specialized healthcare services day in the communities of Porciosa, Nazareth, and Ware Ware.

## VISUAL HEALTHCARE

This programme aims to offer effective diagnoses and solutions to visual problems that can be corrected by eyeglasses.



The communities visited were in railway sectors I, II, III, and IV:



## HIV/AIDS PREVENTION

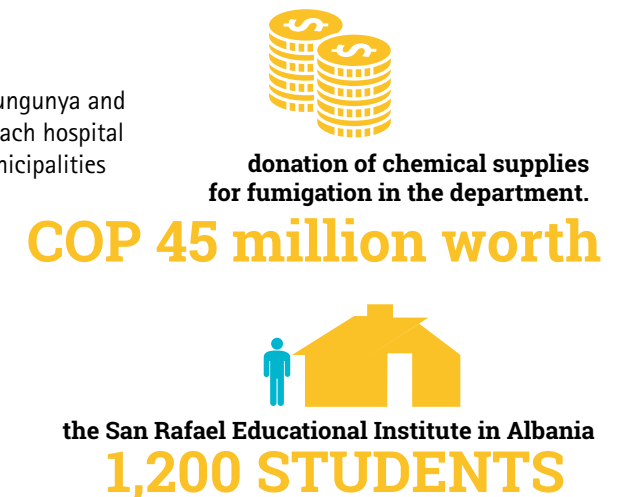
At the Media Luna Kamüsüchiwo'u Ethno-Educational Institute sites of Maleiwamana (kilometre 103 of the railway tracks) and Cabo de la Vela, instruction continues in sexual and reproductive health with a focus on preventing sexually transmitted diseases, HIV, and AIDS using an emotional- and rights-based approach.



## EMERGENCY RESPONSE AND HUMANITARIAN ASSISTANCE

We support the department in efforts to prevent Chikungunya and dengue fever. The extramural healthcare teams from each hospital held educational and preventive campaigns in the municipalities neighbouring our operations

*Fumigation of several educational institutions to ensure a healthy environment for the students*



*"I find it's very important what they've done. It's very good because it benefits my daughters and the whole community. My daughter was seen by a paediatrician and prescribed medication. I am thankful to all the entities for this work, and I hope it happens again."*

*Sandra Contreras, resident and mother*

Thanks to joint work with the Albania Mayor's Office, the Air Force CACOM3, and the Army, we were able to organize a healthcare day that benefitted over 450 people of all ages in the community of Porciosa (Albania).

Thanks to the air transportation and groundwork by the partners involved, the community was attended by various medical specialists such as paediatricians, gynaecologists, dermatologists, ophthalmologists, internists, orthopaedists, and others. The goal was to contribute to better health for residents by providing consultation services and medications.

The healthcare days, just one of the initiatives of our Healthcare Programme, comprises a series of activities by volunteers that we organize as part of our social responsibility with the community of La Guajira, particularly with our area of influence.

<sup>(21)</sup> Healthcare by specialists and clinical exams.

## EDUCATION

Aware of the positive effect of educational quality on a region's productivity and economic growth, we seek to involve actors from our area of influence in improving education as a fundamental element to break the cycle of poverty, facilitate access to a productive life, and strengthen social oversight mechanisms in La Guajira. To those ends, we pursue a strategy of education as laid out in our Corporate Community Engagement Plan, which states our main objective of improving the social and economic development and the standard of living of the people neighbouring our operation.



To that end, we work to:

- 1 Contribute to developing basic skills in the students in schools in our area of influence
- 2 Support the establishment of conditions for post-secondary education (vocational/technical) of young Guajiros to improve their employability
- 3 Provide opportunities to access higher education for secondary school students from our area of influence, with particular emphasis on the Wayuu community.

### EDUCATIONAL STRENGTHENING AND SKILLS DEVELOPMENT FOR SABER TESTS FOR GRADE 10 AND 11 STUDENTS AND TEACHERS

A teacher-training programme and institutional support for the development and assessment of basic and specific skills for students at the Albania Akaupa Indigenous Boarding School and the Media Luna Kamüsüchiwo'u Ethno-Educational Institute (next to Puerto Bolívar) to strengthen pedagogy and foster strategies for reinforcement and training in Saber tests.

This programme has been running since July of 2013

 **BENEFITING 686 STUDENTS**  
&  **123 TEACHERS**  
**FROM BOTH SCHOOLS**

The Kamüsüchiwo'u Ethno-Educational Institute ranked

**178**  **NATIONALLY**  **142** **SPOTS ABOVE ITS RANKING IN 2013**

With its first graduating class of 45 students, the Akaupa Indigenous Boarding School

 **ranked 84 OUT OF 165 DEPARTMENT-WIDE**

### STRENGTHENING OF ACADEMIC PROFILES


We provide psychosocial assistance to improve the academic skills of indigenous secondary school students from Cerrejón's area of direct influence in order to facilitate their access to higher education.

 **54 WAYUU**  
**HAVE GRADUATED**

During the first two program phases, (26 in the first phase and 28 in the second), of whom 50 are currently enrolled in universities in the region (e.g. University of the Atlantic, University of La Guajira, CUC, University of Magdalena)..

### CERREJÓN EDUCATIONAL EXCELLENCE (FUND FOR POST-SECONDARY STUDIES)

This initiative arose in 2013 with the goal of creating a fund to address the difficulty in accessing and staying in higher education for young Guajiros with excellent academic credentials but economically vulnerable.

 **40**  
**YOUTHS** from Albania, Barrancas, Maicao, Manaure, Uribia, Hatonuevo, and Riohacha have been awarded grants paying for their registration fees, monthly living expenses, and an academic support plan.



**11 STUDENTS** from the Oreganal resettlement

**3 STUDENTS** from the communities of Pinsky, Jurimakal, and Nueva Esperanza


have also been awarded with grants paying registration fees and monthly living expenses.

### ENVIRONMENTAL EDUCATION AIMED AT ETHNO-EDUCATIONAL INSTITUTIONS

We seek to strengthen environmental education and school environmental programs (PRAES, its acronym in Spanish) in local communities and educational establishments.

My School Green and Clean Program. In partnership with the Colombia Green and Clean Foundation (Fundación Colombia Verde y Limpia), we promote environmentally friendly habits in order to contribute to the conservation of natural resources and the development of an environmentally sustainable culture. Beneficiaries include:

 **1,035**  
**STUDENTS**

 **38**  
**TEACHERS**

 **13**  
**MEMBERS OF ADMINISTRATIVE TEAMS**

 **16**  
**PEOPLE FROM GENERAL SERVICES**

1. Promote the sustainable use of natural resources in the educational community it is taught in.
2. Extend the service life of community landfills.
3. Decrease the consumption of public services in schools and homes by promoting an intelligent usage of electrical power and water.
4. Promote good cleanliness habits in order to provide the community with healthy spaces.

## CULTURE AND SPORTS

This area is complementary to formal education and relations, strengthening values and promoting healthy, constructive relations in children and youths. Health and the quality of life in communities is also improved as it promotes improved physical, psychological, and emotional health, decreasing or even preventing tobacco addiction, consumption of alcohol and drugs, and creating healthy lifestyle

### SPORTS PROGRAMME

The goal of the sports program is to promote sports practice in communities as a tool for overall growth and the prevention of disease, creating healthy living conditions and a healthy social co-existence.



**101 PEOPLE**

trained as sports leaders (football and archery).



**50 TOURNAMENTS**

football and five-a-side football held locally and regionally in La Guajira.



**OVER 60 CHILDREN**

participating in chess tournaments.



**PARTICIPATION IN 10 NATIONAL TOURNAMENTS**

in six categories of the Baseball Little Leagues Club.



**81 COMMUNITIES**

participate in this programme.

### CULTURAL BUSINESS VENTURE

We organized and formalized the Young Artisans Foundation, a non-government organization comprising youths from the Albania municipality neighbouring our operation.



In partnership with the SENA, we provided

**14 COURSES**

of technical, administrative, marketing, business, and human development training to a group of



**50 YOUTHS**

The group has participated in five fairs regionally and in Bogota, with sales of over COP 9 Million in leather goods and costume jewellery.

### STRENGTHENING TRADITIONS AND CUSTOMS

The goal of this programme is to develop and strengthen the Wayuu ethnic identity by promoting their music, the production of native musical instruments, and the teaching of traditional games with the active participation of the ethno-educational community of municipalities as a strategy for the comprehensive learning of indigenous children and youth.



### MUSIC PROGRAMME

The aim of the music programme is to improve talent through artistic and musical training.

937 children and youth in the Orff levels of pre-orchestra and orchestra in 17 villages of La Guajira.

#### Challenges for 2015 and the future

Continue our engagement and integration activities with the communities of La Guajira.

See more information at:

<http://www.cerrejon.com/site/desarrollo-sostenible-%E2%80%A2-responsabilidad-social-rse/gestion-social.aspx>



**PARTICIPATION OF 41 COMMUNITIES** (592 children and youth and 123 teachers).

*Yair Bonivento is a Wayuu youth participating in the Academic Reinforcement Programme. In the Saber tests in March of 2014, he ranked in the top 20% of test-takers nationwide. Yair is from the community of Trankel, at kilometre 44 of the railway corridor. His results are evidence of his hard work and efforts and of the effectiveness of the support offered to these young people.*

*During the two phases of the programme, we have aided more than 50 Wayuu secondary school students from communities along the length of the railway corridor, Media Luna, and southern indigenous reservations (Barrancas/Hatonuevo). The work focuses on reinforcing their skills for the Saber tests and for registration and admission to universities in the region.*

*Jesús Mena de Ávila accepted an offer from the Cleveland Indians in April. Likewise, three other members of the Cerrejón Little League have also been offered contracts to play in the major league in the United States.*



*"These are the steps we are taking to continue on the right path and build a name in baseball for this country. Before, when we talked about baseball, La Guajira was at the bottom of the pack. This fact makes us want to continue working with these young athletes,"*

*Robinson Martelo, president of the Baseball Academy of La Guajira.*

*The Cerrejón Little League is an initiative aimed at popularizing baseball in La Guajira and providing young people with the opportunity of improving their quality of life through the practice of this sport. We continue working throughout the department to gain many more participants each year to ensure the programme's sustainability.*

# FOUNDATIONS SYSTEM

The Foundations System was created in 2008 to impact four areas targeting the development and sustainability of La Guajira: the sound management of water resources, institutional strengthening, support for indigenous communities, and promotion of business venture.

# 55

## HIGH IMPACT PROJECTS

### 2014

#### Our focus

The Foundations System focuses on promoting and supporting projects aimed at the strengthening and sustainable development of La Guajira, with internal funds and the financial support of national and international partners applied to regional development projects.

The foundations arose from diverse talks with stakeholders on the most sensitive and relevant topics for regional development. Since then, each of the foundations has developed a work scheme with strategic goals and challenges, an independent, well-trained executive board, and resources dedicated to the specific tasks of each initiative.

Each foundation's governance comprises the founding council, the board of directors, the fiscal review board, the executive board, and programme coordination.

#### Our process for project management and assessment and their social impacts

All of our projects are born out of a rigorous procedure from the moment an idea is conceived through its implementation, conclusion, and assessment:

1. Request by community/entity.
2. Analysis: identify the problem, goals, impacts, and indicators.
3. Project design.
4. Present project to the Social Investment Committee (CIS, its initials in

The System comprises four foundations:



Spanish) when the project is financed by Cerrejón or to potential donors.

5. Approve the project.
6. Prepare the agreement, articles, and funds allocation.
7. Input in the software application for project management.
8. Execute work plan.
9. Monitoring and monthly follow-up.
10. Measure product and result indicators.
11. Conclude project.

In the specific case of the Foundation Indigenous Guajira, before introducing a programme or project in a community, we first discuss it with the traditional authority (leader). If they approve, we then socialize the programme with the rest of the community. If they do not endorse it, we take it to another (previously identified) community. Subsequently, we carry out an ethnographic study to determine the qualitative and quantitative potential of the population and area. The geographic and environmental space is representative as it is decisive in establishing the favourability for implementing a specific programme.

#### Assessing our project impacts:

Statements and field evidence have demonstrated the transformations that the Foundations' projects bring about in communities. In addition:

1. We assess the communities using tools such as sociocultural characterizations and/or photographic records.
2. During project monitoring and follow-up, we gather data on the community's perception of the project.
3. At the end of the project, we carry out closure activities with the community, in which we get feedback in the form of project perceptions and the changes brought about by the Foundation's actions.
4. We document lessons learned and identify any necessary improvements to be made.

See more information at:  
<http://www.fundacionescerrejon.org>



The Cerrejón Water Foundation promotes access to sufficient water of quality water for communities

## CERREJÓN FOUNDATION FOR WATER IN LA GUAJIRA

### Our goal:

*To promote sustainable access to water so that communities in our operation's area of influence have uninterrupted access to this resource in sufficient quantity and quality for their development. Our engagement goes beyond satisfying immediate water needs. In fact, we have also set ourselves the goal of promoting the collective construction of solutions strengthening both the community and the local government. The objective is to have these two groups appropriate the processes and assume responsibility for the maintenance and sustainability of the water, sanitation, and hygiene initiatives.*

La Guajira is a semi-arid land, one of the driest in Colombia. Its natural conditions of scant rainfall and high evaporation lead to a scarcity of water, which has also affected food security, nutrition, and health.

The highly vulnerable water status that characterizes this department imposes challenges on various actors to work under the umbrella of comprehensive water management with the aim of contributing to its sustainability.

In 2014, we developed projects aimed at ensuring access to water, contributing to environmental services conservation in microbasins, and promoting healthy environments and supplying tools to schools and communities to improve their water management. Much of our effort has focused on executing the Emergency Response Plan, actively participating to support the department's response to the public disaster due to the drought.

Our geographic coverage centres on Albania, Hatonuevo, Barrancas, Maicao, and Uribia, though we are also active in Manaure and Riohacha.

### Our beneficiaries by work streams:

- ◆ Integrated basin management: 15 communities comprising 267 families and 1,351 people.
- ◆ Water supply and treatment solutions: 248 communities comprising 4,292 families and 25,190 people.
- ◆ Sanitation and hygiene: 25 communities with 1,263 people.
- ◆ Water governance: 28 water committees given skills strengthening, eight new committees created, two municipalities provided with skills to improve water management in urban zones.

**28**  
PROJECTS  
COMPLETED  
◆ 2014 ◆

OUR  
INVESTMENT  
COP **3,871**  
MILLION  
◆ 2014 ◆

### Our partners in 2014 (by work stream)

- ◆ Integrated basin management: USAID (United States Agency for International Development), Natural Heritage Fund, WFP (World Food Programme), and Corpoguajira.
- ◆ Water supply and treatment solutions: Siemens Colombia Foundation, Ramírez Moreno Foundation, Fondecor (Cerrejón employee fund), Uribia mayor's office, Hybrytec, Distenicas S.A.S., H.L. Ingenieros S.A., the Barrancas mayor's office, Sumain Kas Foundation, regional government of La Guajira, and the Risk Management Unit.
- ◆ Sanitation and hygiene: The Ramírez Moreno Foundation and Corpoguajira.
- ◆ Water governance: The Albania mayor's office, Hipsitec, the Riohacha mayor's office, the Ministry of Housing, Cities, and Land (Office of Water and Basic Sanitation), and Compartamos con Colombia.

### Project List

Our projects fall into four investment lines, of which six projects are in the Integrated Basin Management line, twelve in the Water Supply and Treatment Solutions line, seven in the Sanitation and Hygiene line, and three in the Water Governance line. In the next page we detail some of these projects.

Programme/Project	Goal 2014	Status	Notes
Management plan to improve water and sanitation services in Albania.	Analysis by Triple A Norte, a firm operating public services in the municipality. Comprehensive management plans for provision of the public services.	Completed	The project's purpose was to promote skills of the municipality to allow it to improve aqueduct service and billing collection, thus becoming sustainable over time.
Analysis of old water mains in Riohacha.	Analysis and pre-feasibility study of upgrading the old water mains from the uptake on the Tapias River to the district of Matitas.	Completed	It was determined that upgrading the mains was feasible and would provide an additional volume of 100 litres per second to supply Riohacha.
Strategy for community-level solid waste management.	Analysis of comprehensive management of solid waste in three municipalities. Plan for improvements to the comprehensive management of solid waste programmes. Strategy for community-level solid waste management.	Completed	Municipalities where project took place: Albania, Maicao, and Uribia.
Sustainability of windmill-driven water pumps.	Improve access to water by repairing 20 windmill-driven water pumps.	Completed	Repair of 23 windmill-driven water pumps in 27 communities, which produce an average of 993,600 litres of water daily. This water solution is directly benefiting around 3,384 people from the rural areas of Albania, Maicao, Manauere, Riohacha, and Uribia.
Conservation of tropical dry forest ecosystems in the microbasins Paladines and El Pasito (municipalities of Hatonuevo and Barrancas).	Installation of four water capture and storage systems for agriculture and livestock use (reservoirs). Installation of ten water capture and storage systems with 2,000-litre tanks. Design of sustainable means to create and isolate riparian buffer zones. 50 preliminary conservation agreements.	Completed	The project benefits 50 families (35 in the Paladines microbasin and 15 in the El Pasito microbasin) in access to water, protection of riparian buffer zones, and improvement to production systems. The project has been challenging due to intensification of the El Niño phenomenon, leading to a search for technology and practices to mitigate this situation.

Programme/Project	Goal 2014	Status	Notes
Integrated management of the Ranchería River basin in the area of the indigenous reservation of San Francisco (Barrancas).	Installation of a water-supply solution.	Completed	The water solution comprises two deep wells, a pipeline of around 2,000 metres, a solar pump, and upgrading of a community reservoir.  This water solution benefits about 350 people in the indigenous reservation of San Francisco.
Integrated management of Bruno and Pupurema creeks microbasins.	Baseline established for seven communities near Bruno and Pupurema creeks. Community preparation of seven comprehensive thematic projects (PTI). Formation of local committees. Upgrading of two supply systems.	Completed	The analysis led to the development of strategies for local environmental problems through community participation. Four local committees were formed, and two windmill-driven water pumps were repaired (Ulapa and La Horqueta communities).
Water-supply solutions and promotion of good sanitation and hygiene practices in indigenous communities along the railway (kilometres 9 to 119).	Install four rooftop rainwater harvesting systems in the communities of Wichiwou, Jayumulerru, Yotojoloin (schools).  Build five community water-storage systems with complementary works including fencing, trough, and mains.  Build five complementary works for existing water storage systems (trough and mains) in communities of Rutemana, Santa Ana, Wasashein, Manatshi, and Chuputshi.  Build a community reservoir with 20 m <sup>3</sup> capacity in community of Nueva Esperanza.	Completed	The rainwater harvesting systems, water-storage systems, and community reservoir were installed. Project delays were due to two circumstances:  1) Of the five community water-storage solutions examined, only three were feasible (unsuitable ground), so deep wells had to be chosen and financing found (execution 2015).  2) The emergency drought situation in the department meant redirecting resources and efforts to address it.

Challenges for 2015 and the future
Further research in treatment technologies to improve water quality in rural communities taking into account different types of water-supply systems.
Start technological retrofitting programme (changing current system technology to solar pumps).
Design and implement sustainability schemes for different water-supply and -treatment systems.
Consolidation of the integrated basin management model.
Development of initiatives aimed at preparing communities to respond to climate change and promote water security.
Begin building impact indicators for Foundation's work streams.

### Investment by intervention line

Intervention line/social investment	COP (in millions)
Integrated basin management	573
Water supply and treatment solutions	2,162
Sanitation and hygiene	398
Water governance	738
<b>TOTAL</b>	<b>3,871</b>



"Before, we worked a lot for water. We had to get it in neighbouring communities several kilometres away. Now, thanks to God, the Foundation, Cerrejón, and its employees, we have water right here in our settlement."

Gabriel Bonivento  
Member of the community of Tekia (municipality of Maicao).





Tecnoguajira students, Technological Institute established in 2011

## CERREJÓN FOUNDATION

FOR INSTITUTIONAL STRENGTHENING OF LA GUAJIRA

### Our goal:

*Our goal is the development and strengthening of management skills in public institutions and civilian organizations and the training of people to improve their skills in leadership, citizen participation, and business venture.*

As a business, we know that, to take advantage of the wealth of natural resources, we need solid, transparent, and efficient institutions that favour development and promote the welfare of their people.

Consequently, in 2014 we unrolled projects focusing on strengthening skills in regional entities and on creating skills in self-administration and project planning in indigenous and non-indigenous communities. We also started projects to strengthen the region's business fabric through business venture and strengthening local suppliers.

Our geographic coverage centres primarily on Albania, Hatonuevo, Barrancas, Maicao, and Uribia, though we are also active in Manaure Dibulla, and Riohacha

### Our partners in 2014 (by work stream)

- ◆ Institutional capacities for development: USAID, the Ford Foundation, the National Department of Planning, and the Ministry of Mines and Energy.
- ◆ Development of community capabilities: USAID, Comfaguajira, and the Promigas Foundation.
- ◆ Development of capacities for productive inclusion: the Genesis Foundation, the Bancolombia Foundation, the La Guajira Chamber of Commerce, and the Promigas Foundation.

### Our beneficiaries by work lines:

- ◆ Institutional capacities for development: public servants in seven regional municipalities, the regional government of La Guajira, and planning secretary offices.
- ◆ Development of community capabilities: three indigenous associations, 46 communities.

16  
PROJECTS  
COMPLETED  
◆ 2014 ◆

OUR  
INVESTMENT  
COP 3,018  
MILLION  
◆ 2014 ◆

- ◆ Development of capacities for productive inclusion:
  - 15 educational institutions
  - 145 teachers
  - 1,071 students from grades 9, 10, and 11
  - 70 business venturers/micro-businesspeople; and 23 local Cerrejón suppliers.

In 2011, we created TecnoCerrejón (now TecnoGuajira), an educational institution for work and human development that focuses on training the region's human resources in skills required in the production sector. More than 595 students from the region have been trained as maintenance technicians and mining equipment operators.

### Project List

Our projects are managed in three investment lines, of which three projects are part of the Institutional Skills for Development line, four are part of the Development of Community Skills line, and nine projects are part of the Skills Development for Productive Inclusion line.

Programme/Project	Goal 2014	Status	Notes
Strengthening municipal administration	Improve the Comprehensive Performance Index of municipalities supported.	Completed	We managed to improve the National Planning Comprehensive Performance Index of seven municipalities in La Guajira undergoing strengthening, with four now classified as satisfactory.
	Strengthen the skills of administrations in planning 20 projects.	Completed	We supported municipalities in the planning of 26 projects deemed a priority.
Project planning and self-administration of communities in the area of influence.	Analyse the communities from the area of direct influence belonging to the three associations participating in the project.	Completed	We carried out three analyses of: <ul style="list-style-type: none"> <li>• The Indigenous Association of 4 de Noviembre</li> <li>• The Indigenous Association AIWA</li> <li>• The Santafé Association of Displaced Farmers</li> </ul>
	Strengthen community skills in planning ten projects.	Completed	Eleven projects planned by communities. The projects were presented in December 2014 to the Albania mayor's office for financing.
Most entrepreneurial students	Ten schools to participate in business venture programmes.	Completed	15 schools incorporated business venture courses into their course lists.
Development of business venture skills	Start of business strengthening with Dulceras de Monguí.	Completed	Twenty-eight women forming 15 production units.
Supplier development programme	Programme presented and approved by Cerrejón.	Completed	Twenty-three firms selected. Each of the firms was analysed to determine the training plan.

## Investment by intervention line

Intervention line/social investment	Total investment (in COP millions)
Institutional skills for development	696
Development of community skills	362
Development of skills for productive inclusion	1,960
<b>TOTAL</b>	<b>3,018</b>



"Getting to work at Cerrejón was a challenge I was able to meet. This company is not just the employment core of La Guajira, it is also a second home where one has many brothers and parents. My life changed on the social, job, and economic fronts."

**Cleider Ureche**

Graduate of the first Tecnoguajira class and operator of a 240-tonne mining truck.

## Challenges for 2015 and the future

### Institutional skills for development:

- ◆ Generate sustainability mechanisms for good practices created in administrations.
- ◆ Expand scope of model application from institutional strengthening to social organizations.

### Development of community skills:

- ◆ Promote the commitment and involvement of communities with self-administration and empowerment processes to validate, provide feedback, and control the approaches implemented as a result of the Foundation training for their leaders.
- ◆ Promote planning skills in communities for their development (other than the life plan) that include the proposed actions and projects deriving from an environmental analysis.

### Development of skills for productive inclusion:

- ◆ Ensure the sustainability of Tecnoguajira with new programmes and services.
- ◆ Increase the number of students in non-mining programmes.
- ◆ Train unskilled labour in basic skills to facilitate their productive inclusion.
- ◆ Grade 11 students from the area of direct influence finishing school with business ideas.
- ◆ Firms supplying Cerrejón are strengthened and servicing the regional market.
- ◆ Small production units created and strengthened, increasing their revenues.



**WATER FOUNDATION**



**INSTITUTIONAL STRENGTHENING FOUNDATION**



**INDIGENOUS GUAJIRA FOUNDATION**



**PROGRESS FOUNDATION**





The artisan strengthening programme implemented good practices for production, management and marketing of products.

## CERREJÓN FOUNDATION INDIGENOUS GUAJIRA

### Our goal Our goal:

*We contribute to improving the quality of life of La Guajira indigenous communities, reinforcing their cultural heritage and sustainable development, recognizing the cultural diversity of their communities, their internal social structure, their hierarchy, social policies, religious practices, and traditional laws.*

Our geographic coverage is focused mainly in the municipalities of Albania, Hatonuevo, Barrances, Maica and Uribia. We also work in Manaure, Dibulla and Riohacha.

We promote innovative, sustainable initiatives that strengthen the social fabric of the Wayuu, Kogui, Arhuaco, and Wiwa indigenous communities. After analysing the community situation, we decided to work on planning projects to strengthen their production systems.

(22) La Guajira Centre for entrepreneurship and employability

### Our partners in 2014

In the programme to address food security, we partnered with local and international public and private entities such as USAID, the WFP, the Department for Social Prosperity, and indigenous organizations.

Through the Income Generation Programme, we signed agreements with the Ministry of Culture, G-Emprende<sup>(22)</sup> of the regional government of La Guajira, the Hotel Waya Guajira, Corpoguajira, and the mayors' offices of Albania and Uribia. In addition, as part of the project Technology Transfer to Wayuu Communities, we signed an agreement with the University of Córdoba.

### Project list

Our projects are organized into four investment lines, of which five projects are part of the programme Wayuu Traditional Production System Strengthening, one project is part of the Impact Assessment of the Foundation's Programmes, one project is part of the Support to Strengthen Local Organizations and the Mining Operation, and one project is part of the Support for Indigenous Organizations of La Guajira.



Programme	Component	Outcomes
Wayuu Traditional Production System Strengthening	Programme to Address Wayuu Food Security (ASAWA) Yüja-agriculture Kaula-livestock Akotshoja-gathering Cerrejón Farm Artisanal strengthening	<ul style="list-style-type: none"> <li>◆ 5.5 tonnes of food produced at 11 production units.</li> <li>◆ Follow-up and monitoring in 230 communities.</li> </ul>
		<ul style="list-style-type: none"> <li>◆ Two livestock associations.</li> <li>◆ Three projects undertaken with the Ministry of Culture.</li> <li>◆ 12,488 animals treated in 31 veterinarian days.</li> <li>◆ 230 indigenous people trained in good livestock practices.</li> </ul>
		<ul style="list-style-type: none"> <li>◆ Gathering 250 kilos of dagger cactus fruit pulp.</li> <li>◆ Production of 100 kilos of algaroba-mesquite pod, 200 kilos of honey, and planting 2,000 cactus pears benefiting 39 Wayuu communities in Uribia, Albania, Manaure, and Maicao.</li> <li>◆ Sales of COP 13.5 million in products (honey and by-products from algaroba-mesquite pod and cactus pear).</li> </ul>
		<ul style="list-style-type: none"> <li>◆ 90 schools and 1,400 people benefited from educational visits.</li> <li>◆ 1,804 aloe seeds produced and distributed.</li> <li>◆ 2,400 kilos vermicast, 300 kilos of worm humus, and 320 kilos of leachate produced and delivered to partner communities.</li> <li>◆ 13 communities and 240 families partnered.</li> <li>◆ 17 artisanal workshops, 11 of them sustainable.</li> <li>◆ Production by zones: <ul style="list-style-type: none"> <li>• Uribia COP 352 million</li> <li>• Riohacha COP 50 million</li> <li>• Maicao COP 84 million</li> <li>• Manaure COP 130 million</li> <li>• Total COP 616 million.</li> </ul> </li> <li>◆ 169 artisans trained.</li> <li>◆ Five communities trained in forming associations.</li> <li>◆ Participation in four trade shows and two walkways for total sales of COP 34 million.</li> </ul>
Impact assessment of FCGI programmes	Anas Ekawa	<ul style="list-style-type: none"> <li>◆ 112 communities assessed, 64 treatment and 48 control.</li> <li>◆ 2,045 children assessed (28% of the sample).</li> <li>◆ Diagnostic of DNT indexes in seven sectors, evidencing significant improvements between the 1st and 2nd assessment.</li> <li>◆ Intervention plan focusing on mothers and children in early childhood based on training, empowerment of women, and medical check-ups.</li> </ul>
Support for strengthening own organizations and the mining operation	Safe Land	<ul style="list-style-type: none"> <li>◆ 110 partner communities in nine railway sectors.</li> <li>◆ Coordination with 24 schools, benefiting 900 children.</li> <li>◆ 36 communities trained in strengthening the social fabric.</li> <li>◆ Reduction in animal accident rates of 17% compared to 2013.</li> </ul>
Support for indigenous organizations in the department of La Guajira	Wiwa/Kogui	<ul style="list-style-type: none"> <li>◆ Four Wiwa, Arhuaco, and Kogui settlements, 330 partner families.</li> <li>◆ Four cultural and production initiatives under way.</li> <li>◆ One agreement with the Gonavindua Tayrona organization to market organic coffee and malanga.</li> <li>◆ Five days of offerings to sacred sites.</li> </ul>

## Investment by intervention line

Intervention line/social investment	Total investment (in COP millions)
Programme to address food security	647
Technology transfer to Wayuu communities	565
Income generation programme	321
Mining operations support	148
Support for indigenous organizations	214
Foundation agreements and programmes with third-party partners	542
<b>TOTAL</b>	<b>2,437</b>



"We have improved in growing every day with our artisanal products, being competitive in the marketplace so we can attract more clients and have a much better production. We have managed to do this thanks to training, improving product quality, combining colours and tones."

*Alberto Meza Palmar*  
Leader of the community of Aluatachon.

(23) A qualitative assessment to measure impact. A study the Foundation carries out to rigorously evaluate the work it performs in the Wayuu communities in Cerrejón's area of influence in key areas for community welfare such as income generation, strengthening social ties, infant nutrition, and education rates.

## Challenges for 2015 and the future

Continue strengthening traditional activities and livestock-raising in indigenous communities with technical assistance, social oversight, and follow-up, improving yields per hectare and product quality in order to position them to access new markets.

Promote a culture of artisanal business sustainability with ties to the Asawa, Safe Land, and Anas Ekawa programmes by performing a qualitative assessment of the businesses<sup>(23)</sup>, increasing jobs and income generation in communities.

Decrease the fatalities of people and animals on the railroad tracks and increase trust and engagement between the Foundation, public institutions, and communities.

Develop production and cultural initiatives with other ethnic groups in La Guajira to promote intercultural harmony.

Increase the supply of food and goats in indigenous communities.

Continue with the second phase of impact assessment to measure the nutritional and production status of the 160 treatment and control communities. A comparison of the processes for 2013 and 2014 will allow us to prepare and develop an intervention plan with outside consultants to improve the nutrition of infants in these sectors and thus improve their quality of life.

Respond to indigenous disasters in Cerrejón's area of influence in the case of events requiring immediate humanitarian intervention.



Swimming pool view of Waya Guajira Hotel, the first four-star hotel in the region.

## CERREJÓN FOUNDATION FOR PROGRESS IN LA GUAJIRA

### Our goal:

*We identified and selected economic sectors with the highest potential for generating production business, organize investment projects, and invite local and foreign investors to contribute capital and technology towards their development.*

We have worked on bringing large-impact projects to La Guajira in sectors other than mining that require private investors and strategic partnerships.

Project management and assessment is carried out for each of the initiatives, monitoring compliance with the corresponding plans of action. A brief description of each of our projects is provided below.

#### ◆ Hotel Waya Guajira

This initiative promotes tourism and creates inclusion (direct and indirect) of the communities of La Guajira. The hotel (the first four-star hotel in the region) was built in Albania five minutes from the mine with funds from private investors. It opened in December 2013.

#### ◆ DesQbre Guajira Museum

The goal is to have people (residents and visitors) appropriate the cultural wealth of La Guajira by interacting with different contents in three halls (Land, Sky, and Earth), with an emphasis on regional customs and traditions. The Museum was built with public and private funds and is situated across from the Hotel Waya Guajira in Albania.

#### ◆ Tyre-Recycling Plant project

This will be the first recycling plant for mining equipment tyres in Latin America. It is being built in Albania and will recycle huge mine tyres using mechanical shredders at ambient temperature. This environmentally friendly technology reuses the main tyre components, such as the rubber, steel, and textile fibres.

In the selection of communities benefiting from these initiatives, there are a series of criteria applied for every project.

**3**  
PROJECTS  
COMPLETED  
◆ 2014 ◆

OUR  
INVESTMENT  
COP **1,028**  
MILLION  
◆ 2014 ◆

COP **9,197**  
MILLION  
RESOURCES  
OBTAINED DURING  
◆ 2014 ◆

#### ◆ Hotel Waya Guajira

As the hotel was built in Albania, local residents have been given priority in hiring as long as they meet the requirements for hotel staff. Consequently, 75% of the employees are from La Guajira. The chain of locally-based suppliers is being developed based on availability in the area, from Albania, La Guajira, and the rest of the coast.

#### ◆ DesQbre Guajira Museum

When construction of the museum finished, the idea was launched of having the guides be senior secondary school students from Albania and the area of influence. In addition, the museum activities are expected to include people from different ethnic groups in La Guajira in order to generate ownership in residents and knowledge in tourists and visitors.



#### ◆ Tyre-Recycling Plant

As mentioned above, the plant will be built in Albania, with applicants residing in that municipality given preference in hiring. In addition, phase two plans to create and support recycling cooperatives here for collecting plastic bottles and bags. Cooperatives in Maicao will also be taken into account, as that municipality generates the most waste plastic as it is the department's centre of commerce.

#### Our partners in 2014

These projects were agreed on with local and regional government representatives:

- ◆ **Hotel Waya Guajira.** An investors' consortium for the hotel itself (EGSA, Contempo, Abacus, Inversor, Oxo) and the SENA and Albania mayor's office.
- ◆ **DesQbre Guajira Museum.** Maloka, Desqbre Guajira Corporation, Fontur, Corpoguajira, Ecopetrol, Colciencias, and the Ministry of Culture.
- ◆ **Tyre-Recycling Plant.** Indutrade Colombia.

#### Assessing our project impactS

- ◆ **Hotel Waya Guajira.** In addition to the occupation rates and the impact on regional employability, we have applied for LEED certification as the hotel was conceived as an environmentally sustainable project. Certification is

expected by mid-2015. To date, we have 244 suppliers, of which 106 are locally based and, of these, 28 are inclusive businesses. With the support of INNpulSA<sup>(24)</sup>, fourteen inclusive suppliers are being trained.

- ◆ **DesQbre Guajira Museum.** To measure the project impact, we will take into account the number of visitors (students and tourists) from the moment the Museum opens. More than 1,200 visitors are expected in the first year.
- ◆ **Tyre-Recycling Plant.** Recycling used tyres produces three extremely important industry products: steel, nylon, and crumb rubber. Used in paving streets, crumb rubber has several benefits according to various studies in countries already employing it, such as tripling the lifespan of the asphalt, improved tyre grip, decreased braking time, reduced noise pollution, and lower tyre wear.



(24) A central government institution created in February 2012 to support and promote extraordinary business growth, that is, business initiatives capable of rapid, profitable, sustained growth. (<http://www.innpulsa.com/es/nuestra-organizacion>).

## Project list

Our projects are managed through two investment lines, of which two projects are part of the tourism line (the Hotel Waya Guajira and the DesQbre Guajira Museum) and one project is part of the industrial line (Tyre-Recycling Plant).

Programme/Project	Goal 2014	Status	Notes
Hotel Waya Guajira	Prioritize hiring of staff residing in municipalities neighbouring the hotel	Completed	70% (49 people) of the hotel's staff resides in Albania, Hatonuevo, Barrancas, Maicao, and Riohacha.
	Identify and include as many locally-based suppliers (products and services) as possible for the hotel.	Completed	The Hotel Waya Guajira has 244 suppliers, of which 106 are locally based
DesQbre Guajira Museum Project	Start up the first six dream clubs <sup>(25)</sup> .	Completed	We started the clubs for Ecological Solutions, Dream, Astronomy, Robotics, Technology, and Aviation. Y 3 CAS (community, action, and service) in Environment, Communications, and Anthropology.
	Delivery of stage 1 of the museum	Completed	This stage comprised the Introduction module, the cafeteria, and the washrooms. Construction on phases 2 and 3 is pending.
	Import the to-scale replica of the Titanoboa cerrejonensis <sup>(26)</sup> .	Completed	This replica will be part of the museum's permanent exhibits. It has been exhibited in Panama, Barranquilla, Villa de Leyva, and Bogota.
Tyre-recycling plant project	Approval of the Land Use Plan for building the plant.	Completed	Approved in March 2014, the Land Use Plan updated this property from rural use to urban use to allow plant construction.
	Obtain construction permit.	Completed	We also obtained the building permit and the land subdivision license.

(25) The project consists in guiding youths in their career choices by providing them with access to such subjects as science and technology, environmental systems, robotics, astronomy, and palaeontology.

(26) A prehistoric snake from at least 60 million years ago that weighed over one ton and was 14 metres long. Fossils were found at Cerrejón and subsequently sent to the Smithsonian Institute.

## Investment by intervention line

This year we managed to obtain resources in the amount of COP 9.197 billion. Although this is not an amount administered by the Foundation, it does contribute to the development and strengthening of our projects.

Intervention line/social investment	Foundation resources (in COP millions)
Hotel Waya Guajira Project	133
DesQbre Guajira Museum Project	443
Tyre-Recycling Plant Project	181
Albania Business Venture	20
Other projects	251
<b>TOTAL</b>	<b>1,028</b>

### Challenges for 2015 and the future

Begin construction of the second phase of the DesQbre Guajira Museum.

Begin operation of the Tyre-Recycling Plant.



"I am very grateful to God and to the Hotel Waya Guajira for having given me the opportunity to take part in this business strengthening in order to better organize my business. The truth is, I needed, as a businesswoman and as a Wayuu leader, to have this knowledge in order to grow. Nowadays I've been able to engage with many companies, attract more clients, and show them what we do in Horfruver. But, especially, I can speak more confidently about what my company is, what my mission is, and how far we want to go. Support like this is what the small businesses of La Guajira need in order to be competitive and sustainable."

**Cecilia Barros**

Horfruver company, supplier to the Hotel Waya Guajira, and a participant in the Impulsa business strengthening programme.



## 4 WE PROMOTE A RESPONSIBLE COMPREHENSIVE RESETTLEMENT

*At Cerrejón, a resettlement is undertaken as a last resort. We adhere to the most demanding standards for these cases and we carry out this process only after all other possible alternatives have been explored.*

<b>159</b> <i>Families benefitted from our income generation strategies.</i>	<b>COP 426 million</b> <i>Income generated by productive projects in for resettled communities.</i>
<b>◆ 2014 ◆</b>	

### Why is this issue important?

In most cases, a resettlement has to be initiated to protect a community from the environmental impacts caused by the mining operation. We are governed by Performance Standard 5 of the International Finance Corporation (2006) in our resettlement processes, which include community participation in the various stages.

When we carry out a resettlement, we aim to have the final impacts on families be positive by improving their quality of life in such aspects as housing, public services such as electricity and water provided directly to households, healthcare services, education, and early childhood care.

In 2013, we used the Multidimensional Poverty Index (MPI) to measure the trend in privations for Roche, Patilla, and Chancleta pre- and post-relocation. The MPI showed a decrease in privations, indicating that these families have reduced their poverty index.

Due to the attachment of families to their land of origin, negative impacts include difficulties in adapting to the new site. In addition, re-establishing economic activities or income generation are also challenging areas for a significant number of families.

The Office of the Resettlement, Post-Resettlement, and Land Project, un-

der the supervision of the Department of Public Affairs and Communications, is responsible for managing these processes.

With the object of promoting positive impacts and mitigating negative impacts, our aims in managing resettlement and post-resettlement with communities are:

1. Advancing in reaching relocation agreements with families in the original sites of Patilla, Chancleta, and Las Casitas.
2. Supporting the resettled families in:
  - ◆ Preparing and implementing production projects
  - ◆ Educational strengthening
  - ◆ Psychological-social support
3. Comply with the agreements made with communities.
4. Promote community ability to self-manage their development over the long term.

### What resources do we allocate for its management?

We have a team of nearly 30 professionals exclusively dedicated to managing all the processes associated with the resettlement and post-resettlement of the five communities of Roche, Patilla, Chancleta, Tamaquito II, and Las Casitas. In addition, we have business partners that operate the support programmes (production projects, educational strengthening, psychological-social support).

The decision to allocate these resources is a result of the strategic importance for the company of successfully and responsibly executing the resettlements. We have invested COP 26.1 billion in financial resources to ensure coverage of the impacts identified.

### How do we assess and monitor it?

Resettlement processes are monitored continuously through direct engagement with families, feedback from partnered operators, and through

formal community events such as assemblies and Leaders Roundtables. Resettlement management is reported weekly to the company's senior management and monthly to our shareholders.

#### Our events and achievements in 2014:

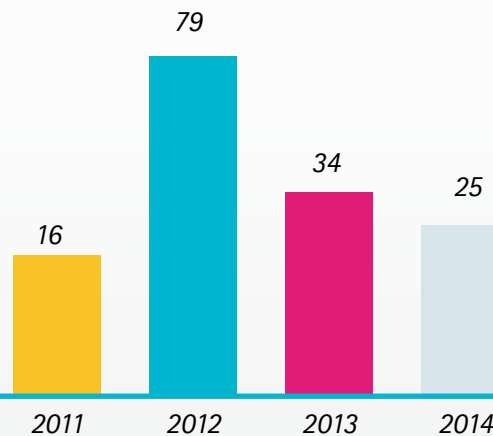
- ◆ We created a Leaders Roundtable with representatives from all the resettled communities in order to undertake joint initiatives and projects to address their needs.
- ◆ We relocated eight families pending resettlement to the new Roche community site (Barrancas, La Guajira).
- ◆ We signed the agreement and relocated three Chancleta families.
- ◆ We initiated a production projects programme at the post-resettlements of Roche, Patilla, Chancleta, and the Wayuu indigenous community of Tamaquito II. We have also begun production projects with the first Las Casitas families (in pre-relocation phase in 2014).

#### Status of resettlements

Community	Families to resettle at new site <sup>(27)</sup>	Relocated families	Status
Roche	25	25	The process was begun in 1998 by Intercor in direct negotiations. The focus changed to the guidelines of the International Finance Corporation in 2003. 100% of relocation agreements signed.
Patilla	46	46	The process began in 2006. 100% of families resettled.
Chancleta	57	45	The process began in 2006. 38 families have relocated to the new site and seven have moved to other municipalities of their own volition.
Tamaquito II	31	31	The process began in the second half of 2007. 100% of families resettled.
Las Casitas	31	14	The process began in June of 2009. These families temporarily relocated to Barrancas in 2014 while awaiting delivery of their new houses in the first quarter of 2015.
TOTAL	190	161 <sup>(28)</sup>	

These are five specific resettlement processes that began at different times. The relocations take place as the families reach an agreement with Cerrejón. Both the original sites and the destination locations of the resettlements are in the rural area of Barrancas (La Guajira).

Number of families effectively relocated their new resettlement site in 2014<sup>(29)</sup>.



<sup>(27)</sup> These families are determined based on a court ruling for each community and on eligibility criteria agreed on for each community

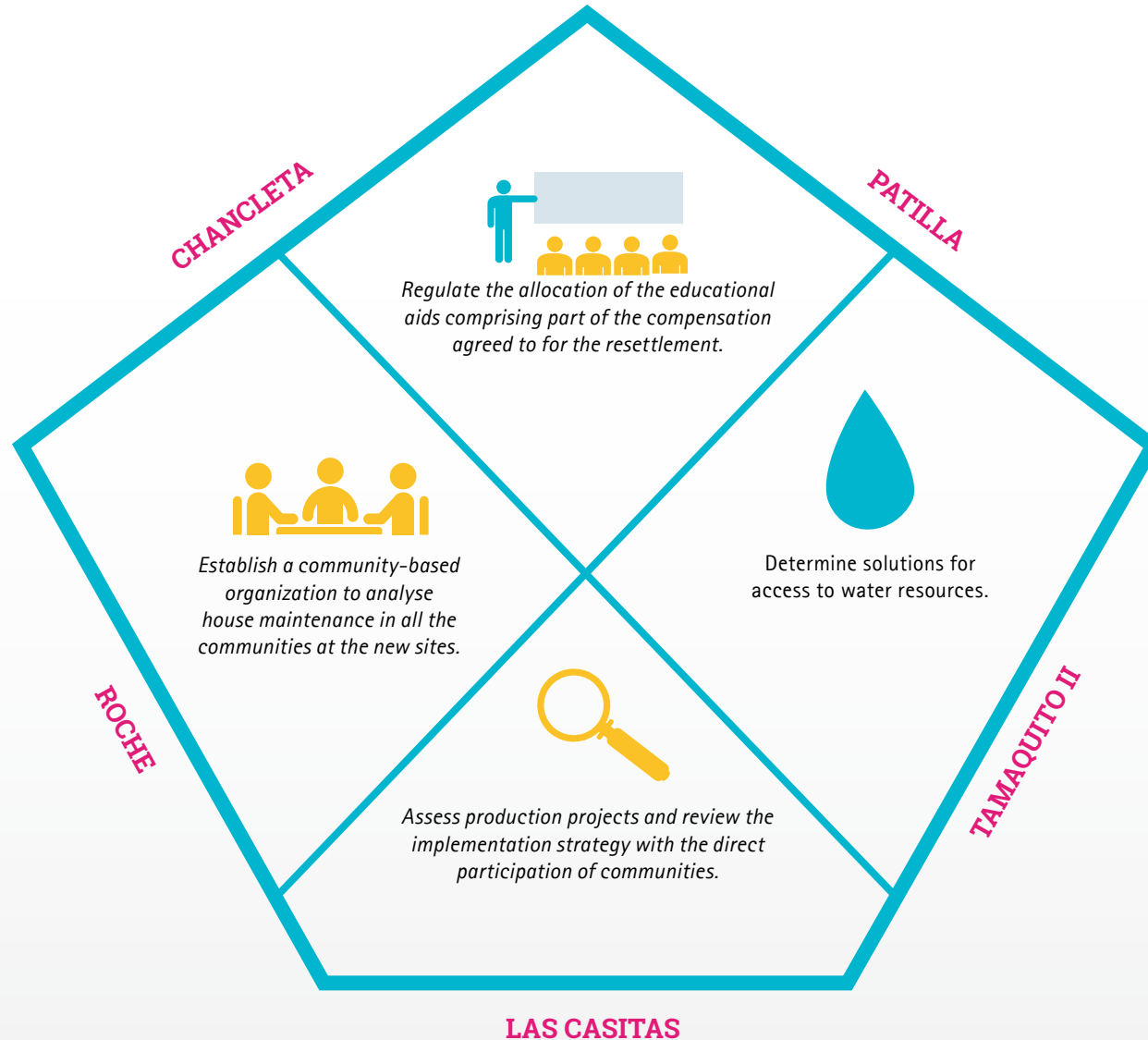
<sup>(28)</sup> These total figures correspond to the cumulative amount from 2011 to 2014 of families awaiting resettlement in a new site and relocated families.

<sup>(29)</sup> For 2014, we have re-organized the data to present the number of families actually relocated in the course of the year. In contrast, the 2013 Sustainability Report showed the cumulative relocated families from 2011 to 2013.

## CONSULTATIONS WITH RESETTLED COMMUNITIES:

### LEADERS ROUNDTABLE

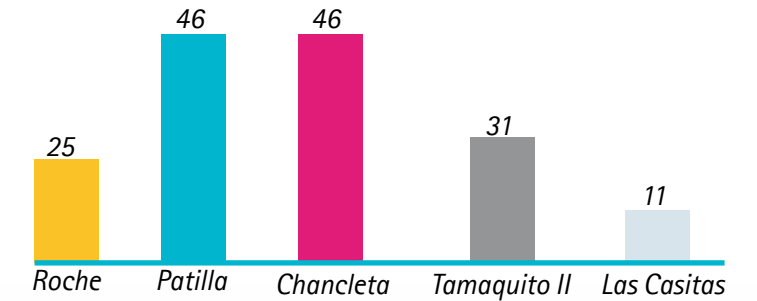
The Leaders Roundtable is a consultation body in which initiatives are generated for collective implementation, addressing the needs of resettled communities.



## INCOME-GENERATION STRATEGY

The income-generation and business-venture strategy has been designed for the 159 families from the four resettled communities and from Las Casitas (undergoing resettlement). It concerns the preparation of business plans that include a market study, a technical study (depending on whether it is agricultural, livestock, or commerce and services), and a financial assessment to determine feasibility and align projects with the goal of generating income.

Total of benefitted resettlement families 2014

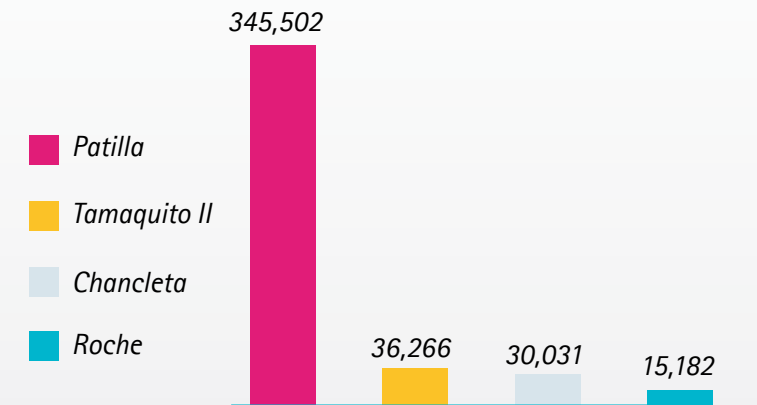


The strategy of income generation and business venture for post-resettlement communities aims to promote family autonomy after relocation

### Income produced by communities after resettlement

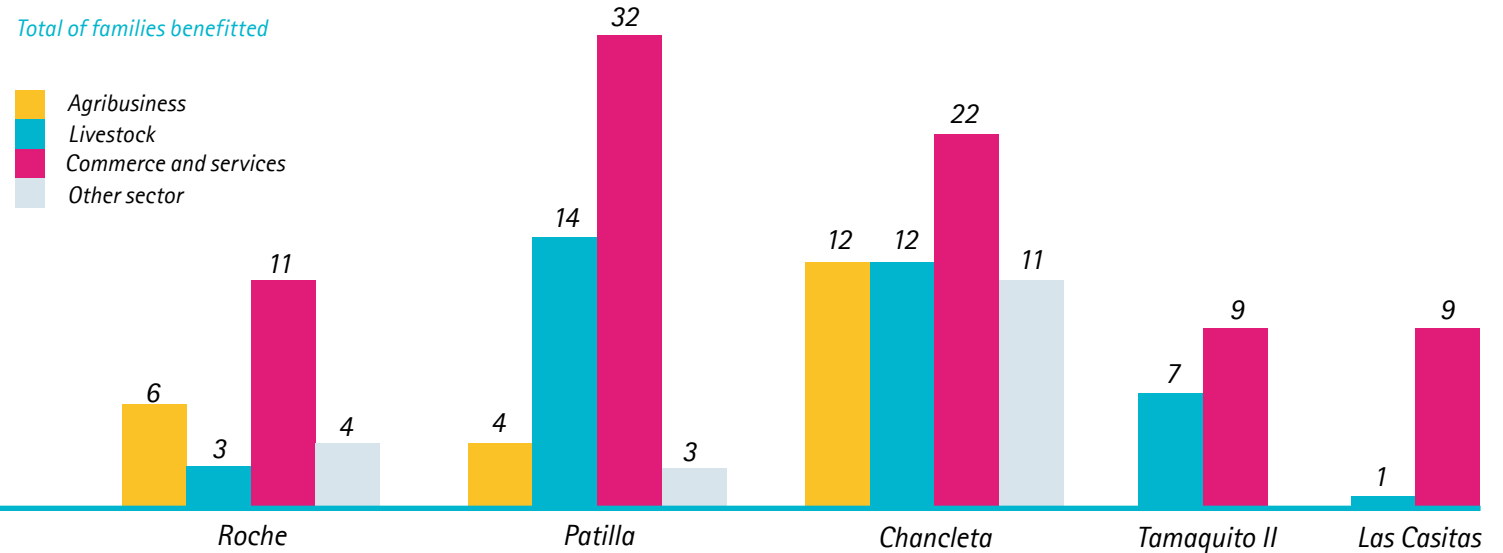
At the end of 2014, the community of Las Casitas was in the pre-relocation phase. The differences in incomes was a result of the number of families, the relocation times of each community, and the number of income-generating projects.

Income generated by productive projects (figures in thousands of COP)



## Classification of families based on type of production project

The graph below classifies families according to the type of production project they are working on or would like to work on<sup>(30)</sup>. In 2014, production fell in the farming and livestock sector due to an ongoing drought, which has made it difficult to kick off these types of projects. This circumstance led to many business venturists changing their choice to the commerce and services sector, with eighty-three projects. The agricultural sector had twenty-two projects and the livestock sector totalled thirty-seven projects in different parts of La Guajira. There has been a growing tendency to have dual-purpose ranches.



## EDUCATIONAL REINFORCEMENT PROGRAMME

The educational reinforcement programme in resettled communities has been a core activity for the overall development of participating school-aged children.

**434**  
beneficiaries of all ages.<sup>(31)</sup>

In 2014, all programme components in all communities totalled.

**16,000**  
HOURS

**35**  
Children from early childhood

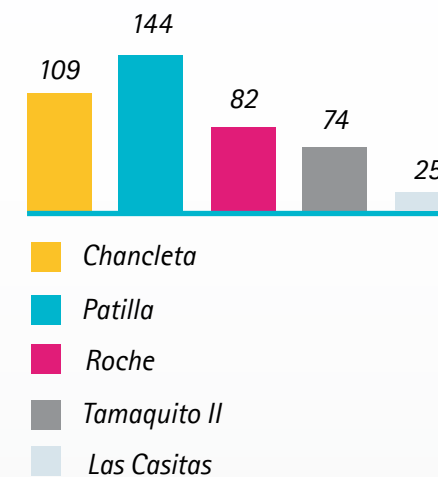
**45**  
Adults in information technologies activities supporting their vocational and technology studies

**240**  
primary and secondary school children involved in the programme

**70**  
Youths and adults enrolled in university studies

**80**  
Career choices orientation for youths and adults

Beneficiaries by community



◆ 2014 ◆

We had no disputes related to resettlements

Challenges for 2015 and the future

Conclude closure of relocation agreements with families pending in communities of Patilla, Chanclleta, and Las Casitas.

Achieve a majority acceptance of the resettlement by relocated communities.

Facilitate access of resettled communities to water resources.

Reach agreements with communities to jointly identify and build opportunities helping them to achieve self-sufficiency in income generation, payment of public services, land use, and so on.



"The educational reinforcement programme has helped me a lot because before, when we were in the old Chanclleta, we didn't have any assistance in doing homework. But here we get the help we need and they teach us many things, what we need to know and even more. I am grateful for that."

Martha Isabel Mendoza, from the community of Chanclleta

Learn more:

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

(30) A given family can participate in more than one project.

(31) A person can participate in more than one educational subprogramme.



# 03 PEOPLE

# PEOPLE

*We are committed to the comprehensive development and well-being of our workers and their families while complying with national legislation, applicable labour and social rights, and the highest international ethical standards.*

## Our focus

Our workers are the backbone of our operation and, thanks to their committed work, we have kept our position of the leading coal producer in the country and a valuable player on the international market.

Our human resources management has been characterized by the creation of an environment that promotes the comprehensive development of our employees and guarantees a healthy, safe setting for their activities. It also offers opportunities for professional and personal growth. In short, we create valuable opportunities for our workers through decent work, which translates into quality of life for them and their families.

We work to build a suitable working environment, monitor, recognize the contribution and talent of each worker, evaluate individual and group achievements, and ensure a healthy, safe environment. We respect labour dialogue and equality and transparency in areas such as the treatment of employees, access to promotion, performance evaluations, and conflict resolution mechanisms.

We provide benefits for our workers and their families that improve their quality of life with access to education, culture, recreation, and training. We also support events to provide a balance between work life and personal life.

We monitor compliance with national and international legislation as regards the eradication of child labour and forced labour, the promotion of health and safety in the workplace, respect for freedom of association and the right to collective bargaining, non-discrimination, disciplinary measures, the definition of work hours, and remuneration.

# 3,965

**DIRECT LA GUAJIRA  
NATIVE WORKERS**

◆ 2014 ◆

See more information at:

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







## 5 WE PROMOTE GREATER EMPLOYABILITY IN THE REGION

*Various conduct policies and guidelines are the core of our treatment of our human resources, both employees and contractors.*

*We create quality jobs, mainly for Guajirans, and regional chains that contribute to increasing the department's productivity and competitiveness.*



### Why is this issue important?

Our operation would not be possible without a solid basis of human resources, people who are qualified and committed to the daily work of responsible mining.

Employee selection and recruitment is based on personal, educational, and professional merits, giving priority to persons originating from areas of influence of our operation without discrimination against race, creed, origin, sexual orientation, gender, or age.

We promote equal opportunity in all aspects of labour relations, including selection, hiring, work assignment, promotion, transfers, termination, wages, and assignment for training.

We are committed to the comprehensive development of our workers, and we emphasize the need to ensure a healthy work environment. We are also aware of the necessity of continuing to promote employability options for Guajirans, without compromising our equal opportunity policy. We recognize the importance of improving the productivity of local labour, which is a joint effort we will continue to work on.

We apply a work strategy with five bases: supervision, relations with workers, healthcare services programmes, administration, and engagement and preparation for the next collective bargaining process.

Our management adheres to the following goals:

- ◆ Persistently promote the safety value through all supervisory levels and those responsible for contract administration.
- ◆ Strengthen the evaluation and follow-up system for employees and their development plans.
- ◆ Secure needed human resources to take on the diverse responsibilities and cover generational changeovers needed due to the approaching retirement age of employees to ensure a sound transition.

### What resources do we allocate for its management?

Our Department of Human Resources has eight areas, known as divisions: Medical, Human Development and Selection, Labour Management and Engagement, Payroll and Benefits, Industrial Hygiene and Occupational Health Management, Training, and others.

### How do we assess and monitor it?

In order to identify progress in the implementation and effective development of our policies, we undertake analyses of turnover rates, employability by gender, and contract type by region.



*Many people are surprised to know that a woman works in a workshop and above all with such large equipment, but people have to know that Cerrejón is a company that employs many women in jobs traditionally performed by men.*

*I have grown up with Cerrejón and I think I will continue to do it because it has allowed me to develop as a professional, as a woman and as a person.*

*Cindy Martínez, programming supervisor*

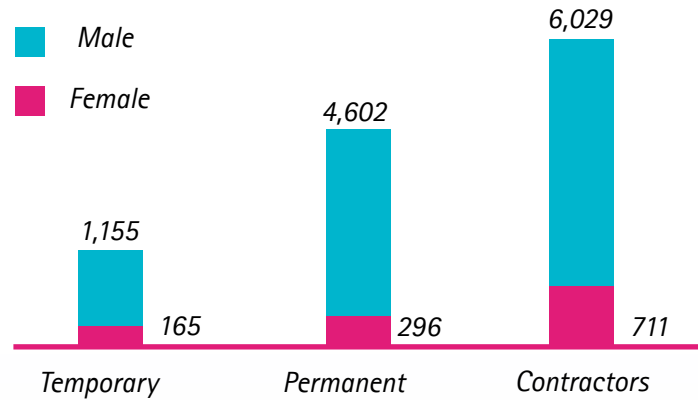
## Our events and achievements in 2014

### DESCRIPTION OF OUR WORKFORCE <sup>(32)</sup>

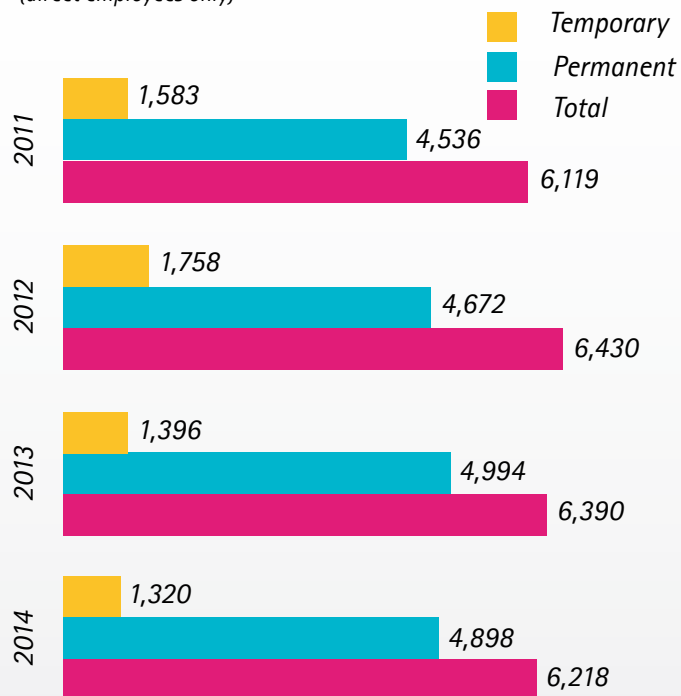
Number of employees by type of contract and gender

Direct: 6,218

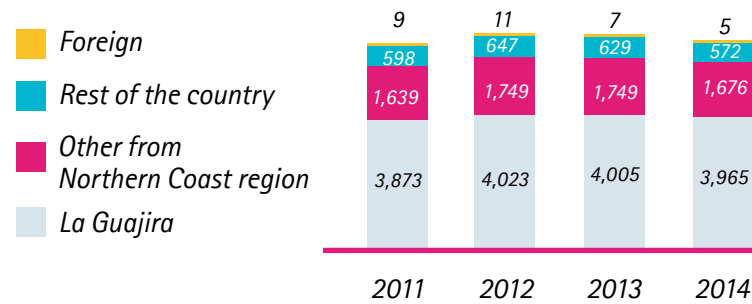
Contractors: 6,740



Tendency for number of employees by contract type (direct employees only)

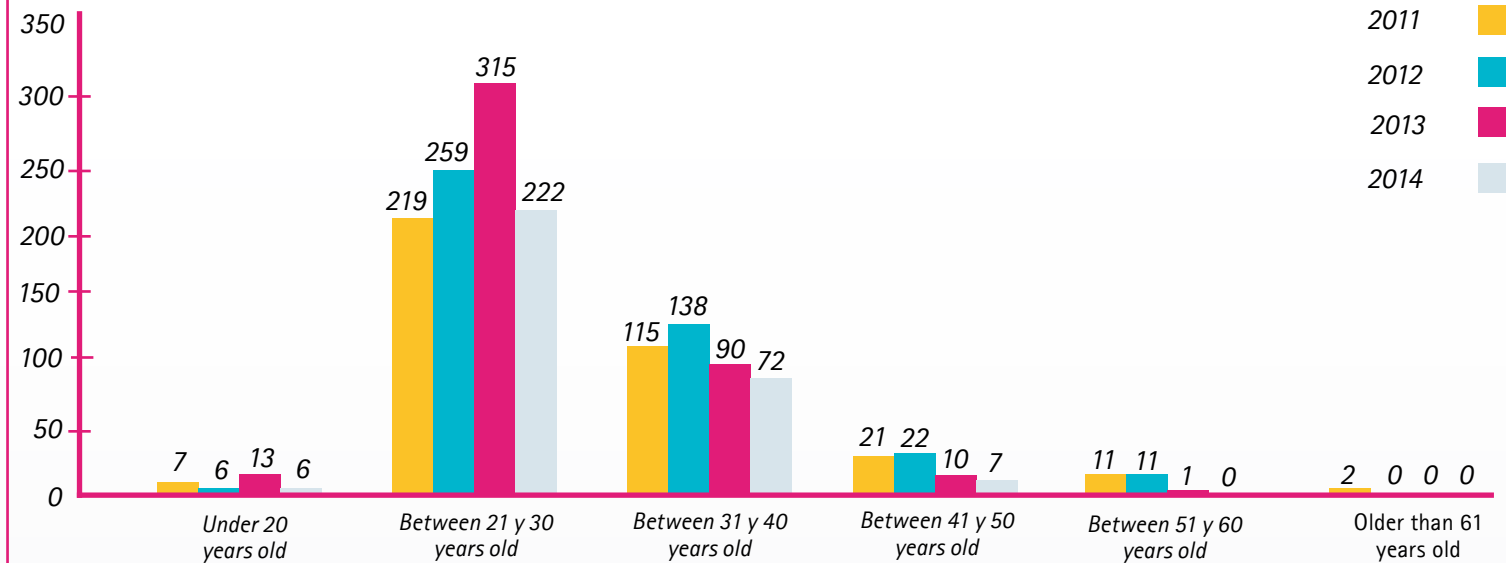


Tendency for direct employees by region

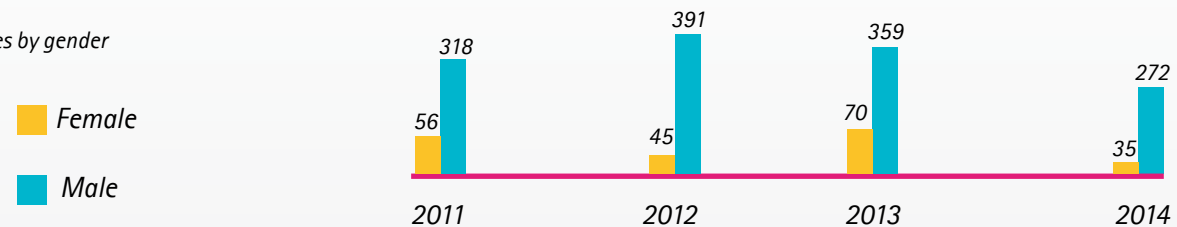


There were 307 new hires in 2014, compared to 429 and 436 in 2013 and 2012 respectively. The decrease in the number of hirings was mainly due to the completion of the P40 Expansion Project, which generated a significant number of temporary jobs for the construction of the works at The Mine, Railroad and Puerto Bolivar. The reduction is also explained by the current market conditions.

Number of new hires per age range



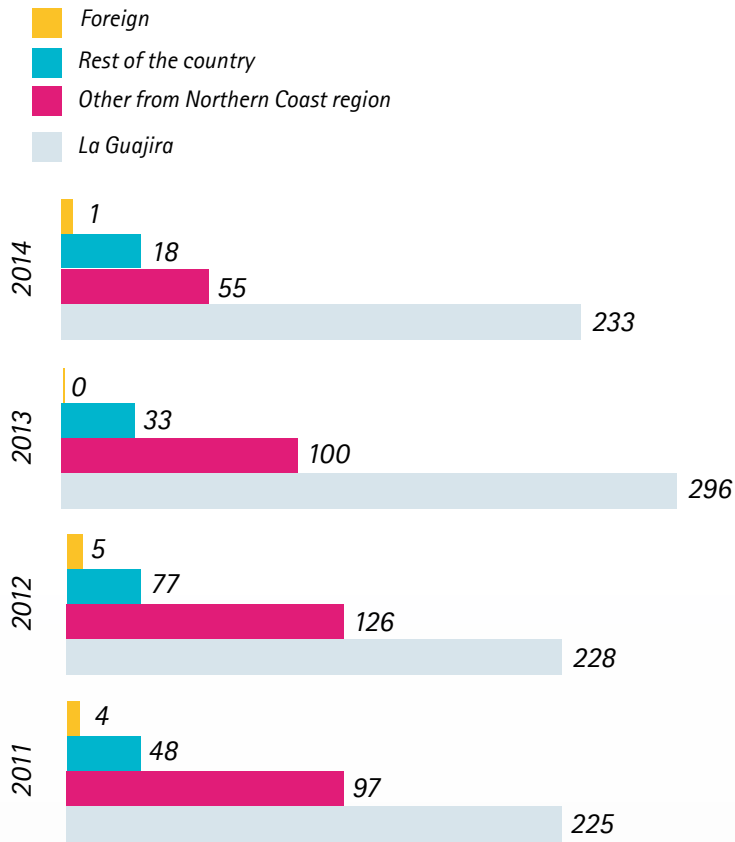
Hires by gender



(32) In the second half of 2013, we began to include in the calculation of the number of company employees those persons associated with the company but previously considered unreportable, specifically apprentices and non-productive employees. Therefore, the figures for 2011 to 2012 are different than in the 2011 and 2012 Sustainability Reports. These calculations are made by a system that consolidates the data.

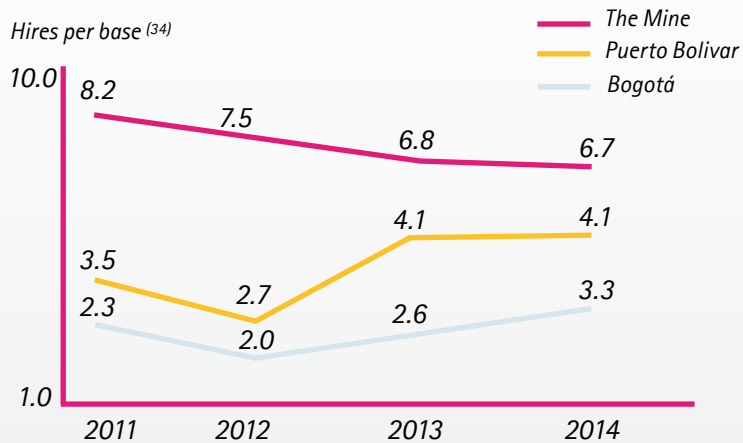
(33) This figure does not include workers with an apprenticeship contract such as SENA, INFOTEP, and students doing their work practices.

Hires per region

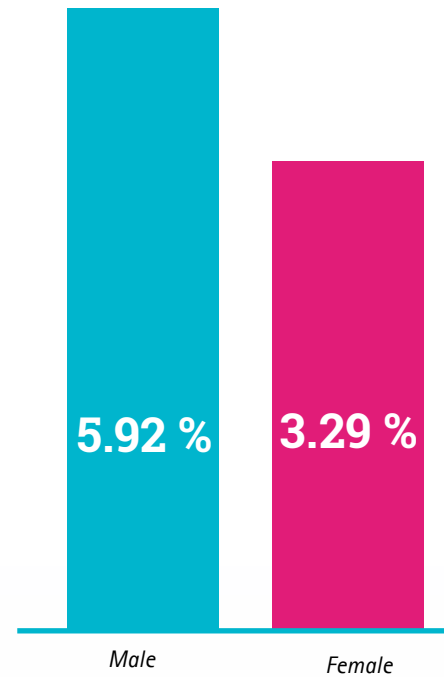


The changes in rotation numbers from 2013 to 2014 are due to the increase in voluntary and retirement retirements in this period. Our hiring index is 0.05.

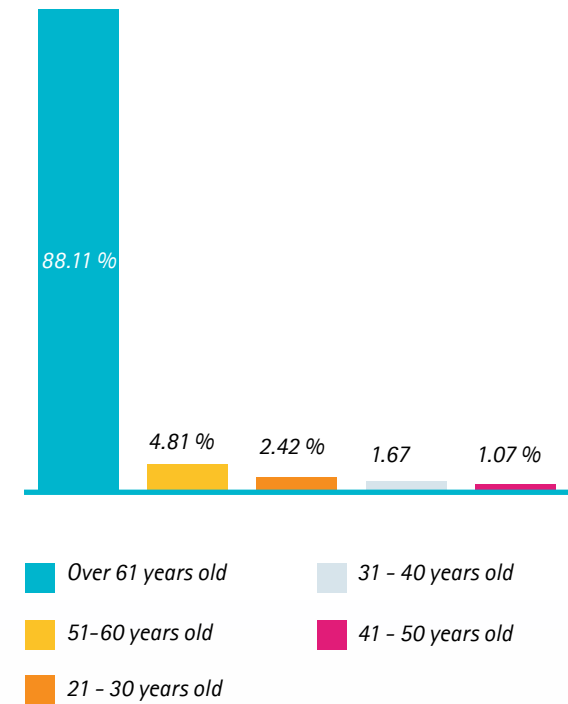
Hires per base <sup>(34)</sup>



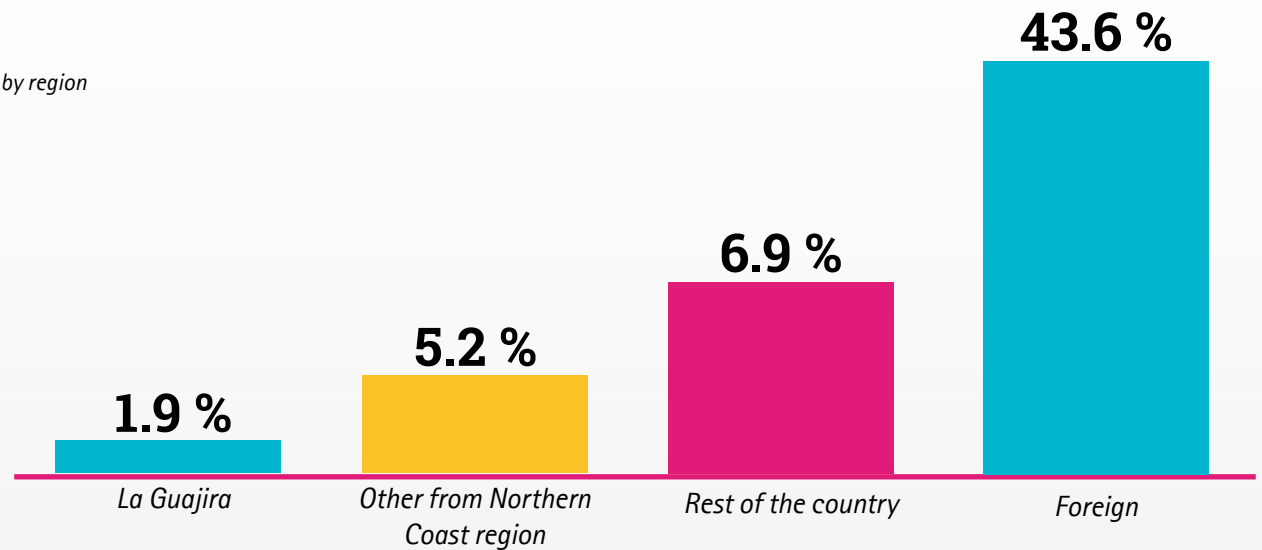
Average rotation by gender



Average rotation by age



Rotation by region



<sup>(34)</sup> Calculation of turnover rate: (number of employees with permanent contracts that leave the company annually)/(average employees with permanent contracts in the previous 12 months). The turnover calculation only takes into account permanent contracts.

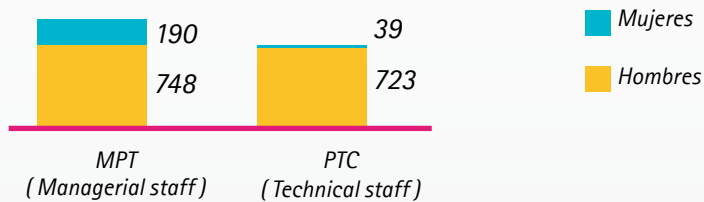
## PERFORMANCE AND PROFESSIONAL DEVELOPMENT

Performance evaluations establish the efficiency and opportunities for improvement of each of our workers via annual quantitative and qualitative measurements. The assessment examines how workers perform the activities, goals, and responsibilities of their jobs to pinpoint valuable elements for staff training and to monitor and identify organizational aspects needing improvement. The measurements are made by a software application used at the Mine, Puerto Bolívar, and Bogotá.

One hundred percent of our employees subject to this type of assessment (45% PTC and 55% MPT<sup>(35)</sup>) received regular performance and professional development evaluations.

The assessments are based on a pre-established classification and on the level of each employee's contribution. In 2014, all<sup>(36)</sup> employees were given an assessment to measure their performance and to validate compliance with established requirements for reference time, absenteeism, safety, discipline, and progress in the work plan.

Employees with performance evaluation and professional development



*Challenges for 2015 and the future*

*Update our development plans with training and coaching aimed at developing required skills in social leadership.*

*Train a select group of workers to lead a corporate volunteer programme.*

*Associate with external institutions to improve the intervention plan and the provision of the necessary resources to carry out a volunteer programme.*

*Ensure a specific focus on improved employability options for our immediate neighbours and the indigenous communities of La Guajira through our human resources plan, retaining talent, and knowledge transfer and development.*

(35) MPT: These are managerial staff. PTC: These are technical staff (technicians, operators, service workers, secretaries, and office workers).

(36) The indication for "all employees" refers to:

- The percentage of MPT employees on permanent contract. This excludes employees with a fixed-term contract, pilots at Puerto Bolívar, and permanent workers entering in the last quarter of the year.
- Percentage of PTC staff on permanent and fixed-term contracts meeting the reference time and requirements for productivity, absenteeism, discipline, and safety to be reclassified to the next level of development in the PTC-PDI Development Plan.



## 6 WE MAINTAIN A SAFE, HEALTHY WORKING ENVIRONMENT

*We carry out our operations while valuing the safety and health of our workers (direct employees and contractors), with respect for the environment and society, and contributing to the development, welfare, and culture of our neighbouring communities.*

*We make every effort to ensure safe, healthy working conditions for the different production activities by promoting health and the identification, assessment, and control of risks in the workplace. Our goal is to prevent accidents, diseases, and other situations that could affect the quality of life of our collaborators.*

**0**  
FATALITIES  
◆ 2014 ◆

**COP 8.000+**  
MILLION  
*For the development of a  
Workplace Health and Safety  
Management System.*

### Why is this issue important?

UAs a company, one of our main goals has always been to ensure a safe operation. That is, a fatality-free operation with a culture of safeguarding the life and health of Cerrejón's people. We comply with Colombian legislation as well as with the highest international standards. We seek thereby to prevent and control disease and accidents in addition to eliminating factors and conditions that endanger both health and safety in the workplace.

Each 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.

Based on experience acquired over three decades of operation, lessons learned in other operations (e.g. those of our shareholders), and the participation of internal stakeholders, we have determined that

the greatest risks to our workers derive from interactions between lightweight vehicles and heavy equipment at the mine, Puerto Bolívar, and railway, from work at heights, from load handling, from electrical work, slope control, blasting, and railway operations.

In addition, in order to determine occupational risks in the workplace and their impacts, we follow the methodologies established by the central government and best international practices in workplace health and safety and other best practices applicable to our sector.

Taking these factors into account, we have developed a Workplace Health and Safety Management System (SG-SST, its initials in Spanish) to safeguard our workers and other stakeholders in accordance with their needs and our operational characteristics. Our objective is to provide the requirements for health, hygiene, and safety in the workplace and offer comprehensive protection at all levels.

Although we have mitigation and control measures for all occupational risks, the SG-SST is specifically oriented to impacts from noise, particulate matter (silica), unsuitable ergonomic conditions, psychological-social factors, and chemical hazards.

Particularly as regards health, we have grouped all employees into similar exposure groups (SEGs), for which the risks to which workers are exposed and the quantitative or qualitative assessments of these risks are determined.

The various risk factors for worker health are monitored and controlled via the comprehensive management of industrial hygiene and of preventive and occupational medicine. A list of these risks is published in the Medicine, Hygiene, and Industrial Safety regulations delivered to each employee hired by the company. In addition, workers participate extensively in the construction and oversight of this SG-SST through their representatives on the Workers Committee on Occupational Healthcare and Safety (COPASST) and through the Health Committee comprising representatives of Sintracarbón (Cerrejón's majority trade union) and the company.



### What resources do we allocate for its management?

To ensure workplace safety and health (SST), we have been certified in the OHSAS 18001 International Standard (Occupational Health and Safety Assessment Series – Management Systems for Labour Health and Safety) since 2003, and we have been recertified as necessary since then. The current recertification is valid until September 21 of 2015.

As regards safety risks, stringent work is constantly done to ensure the proper identification of risks, risk control, and information dissemination to workers and contractors to ensure a fatality-free operation and preventing and mitigating accidents that may occur.

Concerning occupational health risks, and following the recommendations of the Evidence-Based Occupational Health Service Guidelines (GATISO) issued by the former Ministry of Social Protection, we have organized the Epidemiological Surveillance Systems (ESS) for risk mitigation below:

- ◆ ESS for preserving hearing health: assessments are made at the source, environment, and in people, with educational activities to control the noise risk factor.
- ◆ ESS for preserving respiratory health: promotes various types of technical and administrative controls to decrease risks from particulate matter.
- ◆ ESS for preventing musculoskeletal disorders: includes an ergonomics analysis methodology of work stations and technical control

programmes as well as advising the organization on purchasing and replacing office equipment, active breaks, and other items.

- ◆ ESS for the comprehensive management of psychological-social factors: this is part of the Productive Work Environment Policy, which promotes a working environment based on respect for individuals, diversity, and openness to each worker's ideas.

In addition, we have a Comprehensive Management System of Chemical Hazards aiming to contribute to the responsible, safe use of chemical substances, ensuring worker health, safety in processes, and environmental protection.

The Workplace Health and Safety Management System (SG-SST) is implemented by a group of over 300 professionals who perform the tasks and activities of this system, including the Safety and Emergency area. Furthermore, we invest over COP eight billion for system development.

In addition, we have nearly 50 teams to monitor hygiene risk factors and almost 70 medical teams to evaluate worker health. We have 24 locations, including examination rooms, speech and hearing rooms, vital signs room, a vision testing room, a drugs and alcohol testing room, and administrative offices. A further 28 locations are available for emergency services, which include emergency response centres, ambulances, emergency equipment (fire, rescue, and pre-hospital services), rescue units, centre for training in emergency response, emergency response training camp, and a Hazmat unit<sup>(37)</sup>.

Finally, at the organizational level, safety management is the responsibility of the Safety Division, which reports to the Executive Department of Operations. Occupational health management is headed by the Medical Division and the Industrial Hygiene Division, both under the umbrella of the Department of Human Resources.

### How do we assess and monitor it?

Committees regularly review and monitor management results, such as:

- ◆ Strategic Committee of Safety, Health, Environment, and Community (bimonthly)

- ◆ Operational Integrity Committee (weekly)
- ◆ Department Risk Committees (monthly)
- ◆ Workers Committee for Health and Safety in the Workplace (COPASST), comprising 32 workers (16 elected by employees and 16 appointed by management; 16 members are at the mine, 8 in Puerto Bolívar, and 8 in Bogotá)
- ◆ CCT Health Committee, comprising 10 members (4 from management and 6 from Sintracarbón)
- ◆ CCT Safety Committee, comprising 8 members (2 from management and 6 from Sintracarbón)

Cerrejón complies with all provisions of Agreement 176 of the ILO on safety and health in mines (1995).

### Our events and achievements in 2014

We met our goal of zero fatalities in our operation this year.

At the end of 2014, we started three projects to decrease the risk of interactions between lightweight vehicles and heavy equipment at the mine, which had been identified as one of the most important safety risks:

- ◆ Traffic separation (certain roads for the exclusive use of lightweight vehicles or of heavy equipment).
- ◆ Decrease in number of lightweight vehicles entering pits<sup>(38)</sup>.
- ◆ Perpendicular intersections (preventing collisions between mining equipment).

<sup>(37)</sup> Hazmat is an emergency-response unit dealing with hazardous materials.

<sup>(38)</sup> Step of mining unit on which extraction work proceeds in open-pit mines. <http://www.anm.gov.co/sites/default/files/DocumentosAnm/glosariominero.pdf>



## SAFETY RESULTS

The safety results are measured with the recordable injury frequency rate (RIFR), calculated based on the number of accidents per 200,000 hours of exposure over the number of hours worked in that period. It includes all injuries except for first-aid treated ones.

In 2014, the goal for this rate was achieved for employees and contractors: 0.23 compared to a maximum limit of 0.25. It was 0.26 for employees and 0.21 for contractors.

### Occupational diseases

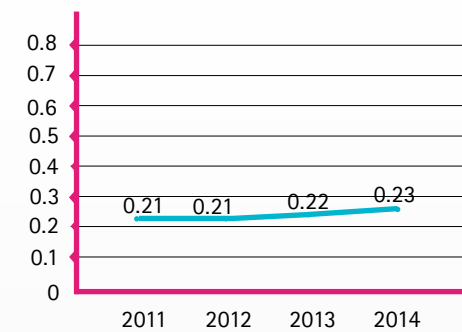
Occupational diseases constitute (in contrast to work accidents) a high sub-record not just in Colombia, but globally. Work-related morbidity at Cerrejón has a similar trend as the rest of the country, characterized by a steady increase in both the number of cases and the morbidity rate. This rise is due to legislative changes in Colombian social security, which now identifies more diseases as occupational. The primary cause of work-related morbidity at Cerrejón is musculoskeletal disorders, the same as for the national and global trends.

In 2014, we had just fourteen new cases of occupational disease, equivalent to a rate of 0.189 cases per every 200,000 man-hours worked (MHW) thanks to constant effort, care, and strictness (for 2014: <0.400 cases per 200,000 MHW).

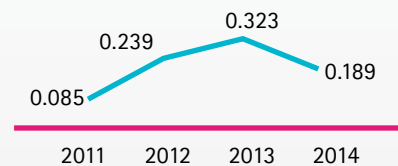
### Rate of lost days and absenteeism

The total rate of lost days is 11.64, where direct employees had a rate of 14.94 and contractors a rate of 8.73. In direct employees, women had a rate of 54.9 and men 11.73. The absenteeism rate due to health conditions was 4.02 for direct employees.

*Injury Frequency Rate*



*Number of occupational diseases for every 200,000 hours of work.*



## CERREJÓN IN MOTION

At Cerrejón, we have no workers whose profession has an incidence or high risk of serious disease<sup>(39)</sup>. As long as Personal Protective Equipment is used appropriately, no workers are exposed to any risk agents exceeding the threshold limit values (TLV).

Although we have no incidence or risk of serious diseases amongst our workers, the project Cerrejón in Motion aims to promote healthy lifestyles in workers, their families, and their communities. The emphasis is on preventing work-related fatigue, controlling general and occupational diseases, better use of free time, more restful sleep, better job performance, and an overall improvement in quality of life.

The programme comprises three core lines: promoting physical activity, healthy eating habits, and transverse educational processes.

A pilot for this programme was carried out between 2013 and 2014 in order to evaluate participant adherence, identify activities with the highest participation, assess the interaction of the different actors involved, validate the model's operational plan (physical exam, communications, etc.), measure the model impact in the workplace, and evaluate family involvement.

The pilot involved 379 people (workers and families) in three towns (Riohacha, Fonseca, and Mushaisa) and one work site (Comuneros Pit).

The most relevant results of the pilot overall were:

- ◆ 33% participation of wives and 25% of other family members
- ◆ Decrease in total abnormal cholesterol levels by 45.6% and in abnormal glycaemia levels by 22.2%.
- ◆ Average participation in physical activities was 5.1 hours per month per participant throughout the pilot study.
- ◆ Individual training and a "stroll around the park" were the most common physical activities. The educational activity with the most participants was the healthy eating workshop.

The programme covers the following topics and activities: healthy cooking, self-care, sleepiness and fatigue, managing family conflicts, cancer prevention, gymnasium, rumba workout, aerobics, bicycle rides, ping pong, pool activities, conditioning and warming-up, group challenge games, and races or power walking.

(39) Based on the definition in the GRI G4 guidelines for preparing sustainability reports, a serious disease is classed as a deterioration in health (related or not to work) that has serious consequences for workers, their families, and their communities. Serious diseases include HIV/AIDS, diabetes, osteomuscular diseases from repetitive movements, malaria, and stress.

### Challenges for 2015 and the future

*Maintain an operation without fatalities or repeated high-potential incidents.*

*Maintain current participation opportunities for workers in the Workplace Health and Safety Management System and create new mechanisms for encouraging membership in the workplace health and safety committees.*

*Continue furthering the health and safety promotion and prevention programmes.*

*Improve technical controls where applicable.*

*Actively participate at the legislative level to ensure regulatory standards in accordance with the country's reality.*

*Consolidate the Fatal Risk Management System in employee and contractor activities.*

*Reduce the recordable injury frequency rate.*



*"I am grateful to the company for organizing projects such as Cerrejón in Motion since they allow us to find a healthy balance between family life and work life, and to alter routines for our own well-being."*

*Erny Medina, fuel island operator*

See more information at:

<http://www.cerrejon.com/site/english/sustainable-development-social-responsibility/health-and-safety.aspx>





## 7 WE SUPPLY TRAINING FOR PROFESSIONAL AND HUMAN GROWTH

*La capacitación y la educación son los elementos que permiten a una organización contar con personal que tenga las competencias requeridas para realizar su labor de forma segura y productiva. Para nosotros, el entrenamiento adecuado y pertinente de nuestros empleados es una prioridad.*

**480**  
COURSES

*To improve the skills of our workers.*

**COP 1.940+**  
MILLION

*In training programmes during 2014*

### Why is this issue important?

At Cerrejón, we manage workplace training and education with the goal of improving staff skills, contributing to better performance, supporting employee development, and providing a source of personal motivation.

In this area, our priority issues are:

- ◆ Expand the role of TecnoGuajira<sup>(40)</sup> as a supplier of training services.
- ◆ Obtain the support of the SENA as part of the agreement for supporting training with instructors and resources.
- ◆ Undertake directed training to reinforce leadership skills in our supervisory staff to enable them to comprehensively manage the operational process and assigned human resources, involving recommendations related to analyses made in 2013 and investigations to improve safety performance.

- ◆ Undertake training in Operational Integrity, ensuring the certification of employees that have to organize work at heights and developing training from accident investigations that is position- and area-specific.
- ◆ Define and implement a strategy to allow us to expand training coverage to more company areas.

### What resources do we allocate for its management?

The leadership of the Training Division is responsible for establishing the training strategies for workers and of executing and monitoring the plans of action decided upon.

We have a Personnel Training System Manual<sup>(41)</sup> that provides managers and superintendents, supervisors, contract administrators, training analysts and instructors with the tools to facilitate their work as regards training employees (whether direct or contractors), thereby contributing to a safe, productive operation.

We also seek to stimulate personnel development (through our educational assistance policy) by offering economic aids to workers wishing to study in legally recognized entities or institutes in order to expand their knowledge and thus their performance in the company. We provide financial assistance for study programmes for our employees.

Furthermore, we offer an educational leave-of-absence for workers wanting to study or take special courses providing benefits both for the employee and the company. These leaves-of-absence are unpaid. However, we do offer workers the possibility of having part of the cost of studies covered in accordance with the provisions of the policy established in the Reimbursable Educational Plan.

We have a team of specialized personnel, operational training centres, truck operation areas, work at heights, simulators, computers for online training, and training trucks. In 2014, we invested COP 1.94 billion in training programmes.

<sup>(40)</sup> TecnoGuajira is an educational institution for work and human development that focuses on training the region's human resources in skills required in the production sector, promoted by the Cerrejón Foundation for Institutional Strengthening in La Guajira.

<sup>(41)</sup> The Personnel Training System Manual (Code MA-RH-ET-005) is a controlled document that is part of Cerrejón's Operational Integrity, Quality Control, and Social Responsibility System. The manual is updated when there are changes in management direction and it is available for consultation in the internal database OnBase.



### How do we assess and monitor it?

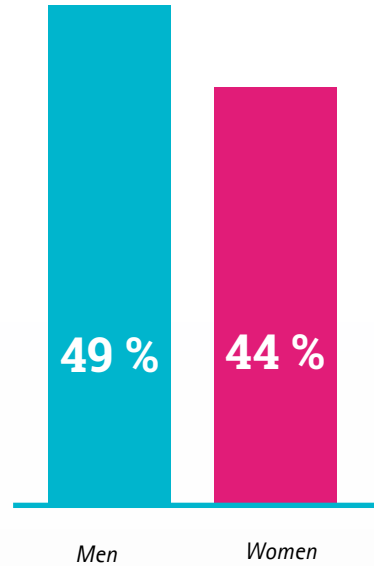
We have two mechanisms to measure training quality:

- ◆ Event evaluation. We evaluate both the instructor and the contents and logistics.
- ◆ Assessment of training effectiveness. We perform this assessment in the workplace, and the results are included in the annual skills evaluation.

### Our events and achievements in 2014

We began updating the PDI<sup>(42)</sup>, concluding the first stage at the end of the year, which consisted in updating all development plans for PTC positions. The development plans are defined as staff requirements in knowledge, conduct, performance, and work habits necessary to qualify for a given position.

Average of training hours by gender during 2014



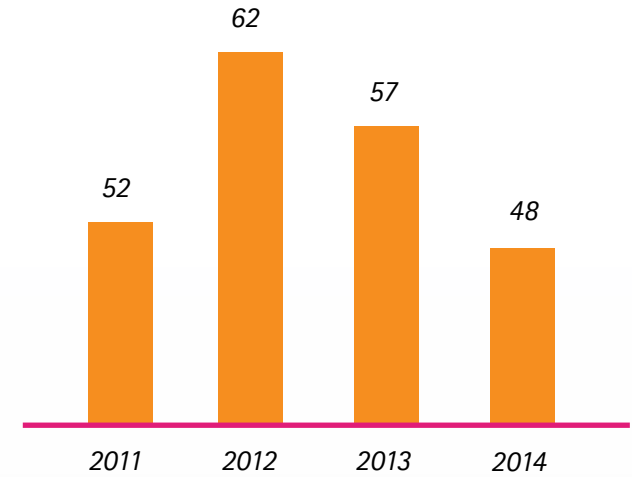
### EMPLOYEE TRAINING

In 2014, we had an average training of 48 hours per employee. A significant impact on the amount of training in man-hours in the last two years compared to 2012 has been the decrease in the number of apprentices.

In 2011 and 2012, we had a high number of apprentices (664 and 692 respectively) compared to 2013 and 2014 because we were preparing and training staff for the P40 expansion project.

In addition, we did not obtain financial resources from the SENA (as in previous years) through the specialized lifelong learning funds due to the impact of the 2013 strike.

Average of training hours by year



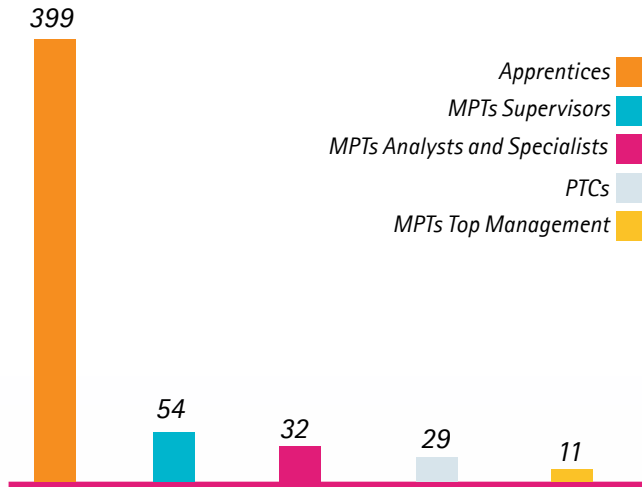
As a result of an employee fatality in a contractor firm in 2013, training emphasis in 2014 focused on safety issues (operational integrity), increasing from 78,064 to 110,459 man-hours.

We ensure similar training hours for men and women. In terms of labour categories, we focus on providing greater knowledge of company operations to personnel joining Cerrejón.

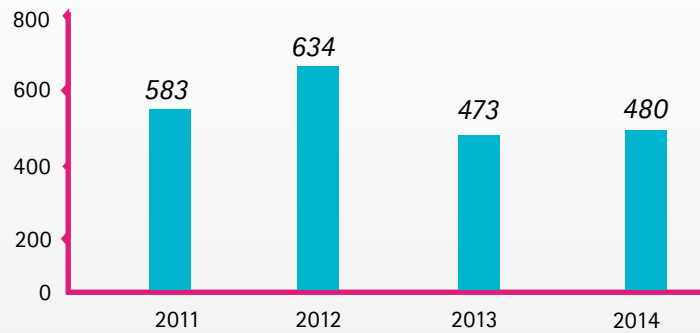
(42) The PDI programme allows qualified technical staff (PTC) to develop and contribute to the company's goals in line with our vision and core values.

## Our skills management programmes

Average of training hours by job category



Active courses taken by employees by year



### Programmes to improve employee skills <sup>(43)</sup>

We had 480 active courses in 2014:

Name of programme (training category)	Type	Scope (amount of active courses in 2014)
Operational/technical training	Aimed at improving technical and operational skills.	278
Functional training	Specific to the technology/expertise of each area.	61
Training in operational integrity	Concerning issues of safety, health, environment, and community.	86
Training in personnel effectiveness	Focused on developing personal skills.	46
Training in management development	Aimed at improving the knowledge and skills of the different supervisory levels.	9

<sup>(43)</sup> These programmes also provide significant support for transitions as they are aimed at improving worker employability. Their added value in generating skills for Cerrejón also makes employees attractive to other companies.

## Programmes to prepare employees for retirement

We provide our employees with training not only during their active work period, but also prior to their retirement. Below are the programmes we provided in 2014:

Our programme	Description
Preparation for retirement	<p>Sixteen-hour workshops focusing on improving the conditions, lifestyle, and decision-making in order to prepare workers for retirement. They deal with fundamental aspects such as the legal context of pensions and pension regimes, physical and psychological health, economic and financial management, creative use of free time, and others.</p> <p>This workshop is meant for employees within two years of meeting the requirements for an old-age pension. This process also involves their partners.</p> <p>In 2014, we held three workshops for 47 employees and 31 spouses. Coverage is 100% of workers entitled to retirement.</p>
Pension plans	<p>Preparation of workshops aimed at workers within 12 years of meeting the requirements to draw a pension, presenting the conditions and requirements of the two current pension plans in Colombia so they can choose the one they prefer. These workshops were designed in 2014 and began to be offered in 2015.</p>
Personalized consulting	<p>The Department of Human Resources has trained professionals to provide consulting services to employees nearing retirement age as regards the legal aspect of benefits, ensuring compliance with the company's current pension policy.</p> <p>We provide support including document preparation, confirmation of legal requirements, following-up on the retirement decision, verification of recognition of all the benefits a worker is entitled to and, if required, preparation and support in presenting administrative and legal appeals. Furthermore, we provide psychological and social consulting in sound management of the change and perform social-family visits.</p>
Agreement with Colpensiones	<p>We are entering into a collaborative agreement with Colpensiones in order to provide employees and their families residing in La Guajira with services in issues such as issuing and correcting employment histories, filing pension requests, training in pension plans, and others.</p>

### Challenges for 2015 and the future

Continue with training focused on:

1. Eliminating high-potential accidents and fatalities.
2. Improving skills of operational supervisors in operational integrity, leadership, and technical and administrative aspects.

Increasing the offer of online courses on topics for which this methodology is suitable.

See more information at:

<http://www.cerrejon.com/site/english/sustainable-development-•-social-responsibility/employees/management-of-human-resources-development.aspx>



## 8 WE COMPLY WITH AGREEMENTS AS A VITAL PREMISE OF OUR ENGAGEMENT WITH OUR WORKERS

*We respect the rights deriving from the trade union and have always been open to participating in negotiations concerning lists of demands both with our majority trade union Sintracarbón and with our minority union Sintracerejón*

10

Permanent Comissions with Sintracarbon

42

Topics related to Workplace Health and Safety included in collective bargain agreements

### Why is this issue important?

We maintain occasions for dialogue with the leaders of our trade unions in order to address (in a timely fashion) workers' needs and to ensure compliance of the company's conventional commitments deriving from the collective bargaining with these trade unions. To that end, we have established joint oversight committees with company and union representatives.

General objectives and targets in this regard are:

- ◆ To maintain a good working environment based on dialogue and trust in order to contribute to safe, productive operations.
- ◆ To achieve and maintain appropriate engagement with workers and the trade unions in order to reach satisfactory agreements for all parties in any collective bargaining processes.

We guarantee our workers the right to freely associate with the unions Sintracarbón (majority) and Sintracerejón (minority).

### What resources do we allocate for its management?

We are committed to strictly complying with all labour laws and respecting workers' rights. We have consequently established several policies, including a Social Responsibility Labour Policy, a Human Rights Policy, a Productive Work Environment Policy, and an Equal Opportunity Policy. These policies contain the right to freedom of association and collective bargaining, and they constitute the fundamental guidelines for our daily work in engagement between workers and the administration. Cerejón's Manual of Behavioural Policies and Guidelines is published on our Intranet and is easily accessible by all employees.

The head of the Labour Management and Engagement Division and his team lead this management endeavour and report directly to the vice president of Human Resources.

In addition, we have a Complaints Office<sup>(44)</sup> that responds to possible violations of human rights, including any abnormality in the rights to freedom of association and collective bargaining for employees and contractors.

### How do we assess and monitor it?

We have continual meetings with Sintracarbón through ten committee monthly meetings: 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.

Furthermore, we have agreed with Sintracerejón to have a Verification and Oversight Committee monitoring all the agreements included in the current collective bargaining agreement signed with this trade union.

*(44) See the Human Rights chapter (p. 46) for more details on the Complaints Office.*

The agreements in the collective bargaining agreement with the Sintracarbón and Sintracerrejón trade unions include 42 issues related to workplace health and safety (28% of agreements). These agreements establish more favourable conditions for workers as regards, housing loans, educational aids, scholarships, seniority bonus, improvements in the transport services for workers, and other benefits.

### Our events and achievements in 2014

The main measures adopted, which were reinforced in 2014, were:

- ◆ Strengthening occasions for dialogue with trade union leaders in order to ensure understanding and the timely handling of problems that may arise with workers and to oversee and verify compliance with the company's commitments.
- ◆ Establishing direct communications with workers to talk about topics concerning human resources and the company's business conditions and projects.
- ◆ Strengthening supervisory leadership.

To support the right to freedom of association and collective bargaining, we also contribute annual economic aids and logistical support for the union as regards transportation for meetings, transportation aids, permits for trade union activities, and others. In addition, we work together to have the authorities organize security measures for trade union leaders and other workers needing it.

We also have participatory mechanisms for workers to elect their own representatives through democratic means, namely the Occupational Workers Healthcare Committee and the Labour Mediation Committee, both of which have equal representation from management and employees. Management in each area also has regular occasions for dialogue and interaction, such as the peer groups organized by supervisors with their workers in order to address business topics and area performance, which also promotes teamwork.

In 2014, there were no strikes nor work stoppages of over one (1) week in length arising from direct workers that affected the work environment. The last strike occurred in 2013. Prior to that, there was a strike in April of 1990.

In June of 2014, there was a partial work stoppage due to a protest by security guards (members of an indigenous community at km 34 of the railway) with the contractor Sepocol Ltda. The Sepocol contractor provided security services along the railway. No Cerrejón direct workers participated in that stoppage, and the company continued mining operations as normal during that period.



## WE SOCIALIZE OPERATIONAL CHANGES WITH OUR WORKERS

There are three types of changes that can occur at Cerrejón, and each one has a specific management procedure to ensure employees are aware of it:

- Changes included in the collective bargaining agreements as part of the agreements reached during negotiations with the trade unions. Deadlines and dates stated in the text of agreements are adhered to and their compliance is monitored with the trade unions through the committees established for each topic.
- Changes concerning operations that can impact the health and safety of workers. The change management procedure lists the activities and times to be met for implementing such changes, including the timely communication to employees before beginning implementation.
- General changes in company operations deriving from the business situation or from strategic decisions. These changes are communicated to all stakeholders, including employees and trade unions, before implementation.

In 2014, there was a significant operational change (included in the collective bargaining agreements) concerning a change in inter-city buses. It was continually monitored jointly with the committees for land transport and verification and oversight of the conventional agreements.

### Percentage of employees covered by a collective bargaining agreement at the end of the year

<i>Sintracarbón</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>
<i>Affiliated</i>	59.38 %	1.69 %	61 %
<i>Associated</i>	16.50 %	1.61 %	18 %
<i>Withdrew</i>	0.02 %	0.00 %	0,02 %
<i>Not affiliated</i>	16.69 %	4.12 %	21 %
<i>Total</i>	93 %	7 %	100 %

<i>Sintracerejón</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>
<i>Affiliated</i>	7.37 %	0.16 %	8 %
<i>Associated</i>	0.00 %	0.00 %	0 %
<i>Withdrew</i>	0.00 %	0.00 %	0 %
<i>Not affiliated</i>	85.22 %	7.25 %	92 %
<i>Total</i>	93 %	7 %	100 %

### Challenges for 2015 and the future

*Ensure company compliance with all agreements and commitments with trade unions and workers.*

*Reach satisfactory agreements for all parties in the collective bargaining (which begin at the end of 2015) with the two trade unions without a strike or labour stoppages.*

*Increase and strengthen our work relations around the principles of mutual trust and cooperation, particularly with our PTC employees.*

See more information at:

<http://www.cerrejon.com/site/english/sustainable-development-%E2%80%A2-social-responsibility/employees.aspx>

A photograph of a man in a white hard hat and a high-visibility yellow vest, holding a small green plant seedling. He is standing in a nursery or greenhouse setting with many other plants in white trays. A large green diagonal graphic is overlaid on the left side of the image, containing the text '04 ENVIRONMENTAL MANAGEMENT'.

# 04 ENVIRONMENTAL MANAGEMENT



# ENVIRONMENTAL MANAGEMENT

*Our priority is to ensure an environmentally responsible operation by adopting practices and technology that contribute to the efficient use of natural resources and to the preservation of ecosystems in La Guajira..*

## Our Focus

Our environmental commitment goes beyond legal requirements, focusing on two lines of action in our Environmental Management System:

- ◆ **Operational.** This concerns day-to-day decisions, for which there are legal standards and control parameters. This line has three parts: monitoring air quality, monitoring water quality, and the comprehensive management of solid waste.
- ◆ **Strategic.** This line covers aspects related to the sustainability of the region and of the operation, in which the regulations have no clearly defined control parameters but rather depend on the regional context. Its actions are based on scientific investigation and case studies, and the decisions focus on middle- to long-term effects in areas such as the reclamation of land disturbed by mining, preservation of biodiversity, and the efficient use of natural resources (eco-efficiency).
- ◆ **Environmental education.** This element links the operational and strategic lines as it is a tool for dissemination, raising awareness, and multiplying good environmental practices both in employees and in our neighbouring communities.

In 2014, the mine's geographic area had annual precipitation of around 500 mm recorded in 56 days of rainfall, which was 55% below the zone's historic average. The annual

# 90%

*of the water we utilize in our operation is low quality, meaning unfit for crops, human or animal consumption.*

See more information at:

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



mean temperature was 20°C, with 2,000 mm of evaporation, which is 17% above the historic mean, thereby exacerbating the water deficit typical of this region.

Given this department's climate conditions and its ecosystem's vulnerability and importance, our pillars in environmental issues are water management, land reclamation, and sound waste management.

In our commitment to a responsible operation, land reclamation is an inseparable part of our mining operation. Consequently, after nearly 30 years of activity impacting 13,309 hectares, 3,457 hectares are being reclaimed.

In addition, as is true for most human and economic activities, we require water. However, we ensure we use it responsibly and efficiently given the conditions in the department and in accordance with best practices in the mining industry both nationally and internationally.

Our operation uses both high- and low-quality water. The high-quality water is from the Ranchería River, its tributaries, and its alluvial aquifer, which is suitable for human consumption after conventional treatment. This water is mainly used for human consumption by our workers and contractors, residents at the Mushaisa Residential Unit (around 3,000 residents comprising workers and their families), and nearby communities. The low-quality water derives from coal seam dewatering, rainwater, and sea water, none of which is suitable for human, animal, or crop use due to its high salinity. This water is primarily used for road wetting and systems to control particulate matter emissions (dust) at the mine.

In our ever-greater efforts to reduce our use of high-quality water, we have managed to ensure that 90% of the water used in our operation is low quality in order to protect this scarce resource. Furthermore, due to

the importance of water, in addition to the efforts within the operation, we also work on social projects to promote access to water for communities by finding solutions to supplying sufficient quality water.

Finally, another important challenge in our environmental management is ensuring air quality and keeping particulate matter concentrations in neighbouring populations below threshold limits. In order to reduce emissions in our operation, in 2014 we slowed the pace of work in some pits by temporarily halting equipment for several days (without impacting the work hours of operators).

Over the course of three decades, our respect for the environment has led us to operate at the highest international standards to manage our environmental impacts, thus ensuring our operation presents no risks, especially for neighbouring communities. Furthermore, that respect has led us to commit to determining and enacting innovative, high-impact practices transcending our obligations and involving various stakeholders to promote environmental sustainability in this department.



Monitoring of water quality of the Ranchería River



## 9 WE MANAGE OUR ENVIRONMENTAL IMPACT RESPONSIBLY

*Our management focuses on applying the best practices and procedures to prevent, mitigate, and offset our environmental impacts.*

◆ 2014 ◆

*Investment on Environmental Management*

**COP 114,575  
MILLION**

### Why is this issue important?

All these efforts towards environmentally and community-friendly management have yielded positive results. Verification and oversight by local and national environmental authorities confirm our compliance with standards on the use of natural resources and management of possible impacts caused by coal extraction and transportation.

Environmental management is a fundamental component in our sustainability strategy. The structure and operation of our Environmental Management System enables us to ensure compliance with our legal obligations and our responsible environmental performance throughout the production process.

Our goal is to continue promoting eco-efficient initiatives to prevent, mitigate, and offset impacts associated with our operations, preserve biodiversity, and continue adhering to the best national and international operational standards in the industry. We thus reinforce our commitment to being a socially and environmentally responsible operation.

### What resources do we allocate for its management?

Our Safety, Health, Environment, and Community Policy and our strategic plans establish environmental performance as one of our priorities, due

to which we have assigned a work team to oversee and manage environmental aspects throughout the entire production process.

The Department of Environmental Management is responsible for establishing standards and procedures to ensure that our operations and associated activities do not entail a risk for the environment or for society. In addition, it oversees our compliance with environmental legislation and promotes the efficient, rational use of natural resources, the reclamation of land disturbed by mining, and environmental culture and education in our workers, contractors, and communities.

Environmental costs and investments amounted to 114,575 million pesos for the operation in 2014. These costs are related to the development and strengthening of our programmes for air quality, water consumption, treatment, and recycling, reclamation of land, topsoil, and landscape, slope stability, and environmental oversight and monitoring. A total of 76% of these costs are for air and water quality control.

The environmental costs derive mainly from the operation and maintenance of control equipment and systems (91%) and monitoring (4%). The remaining 5% is investments associated with community work and with the design and implementation of infrastructure for long-term management geared towards implementing new technology.

### How do we assess and monitor it?

We know that environmental stewardship is one of the most important factors in any successful business model and even more so in the mining industry. Therefore, our environmental strategy is based on the requirements of the Operational Integrity System, certified under the ISO 14001:2004 standard. It is aimed not only at ensuring compliance with all applicable regulations, but also at promoting best environmental practices in the country's mining industry.

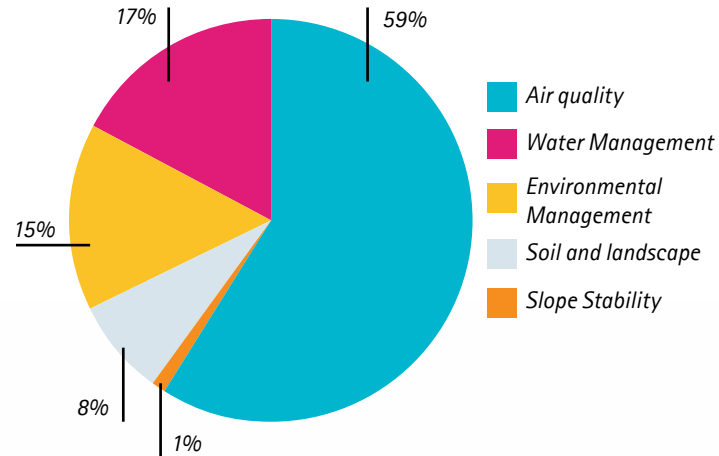
Internally, we have key performance indicators for each of the environmental programmes that are reported internally and externally. Furthermore, we present regular reports to the environmental authorities regionally (Corpoguajira) and nationally (National Environmental Permitting Authority) as part of our Environmental Compliance Report, which serves as a means for the environmental authority to monitor us and as a record of our management and results.

## Our events and achievements in 2014

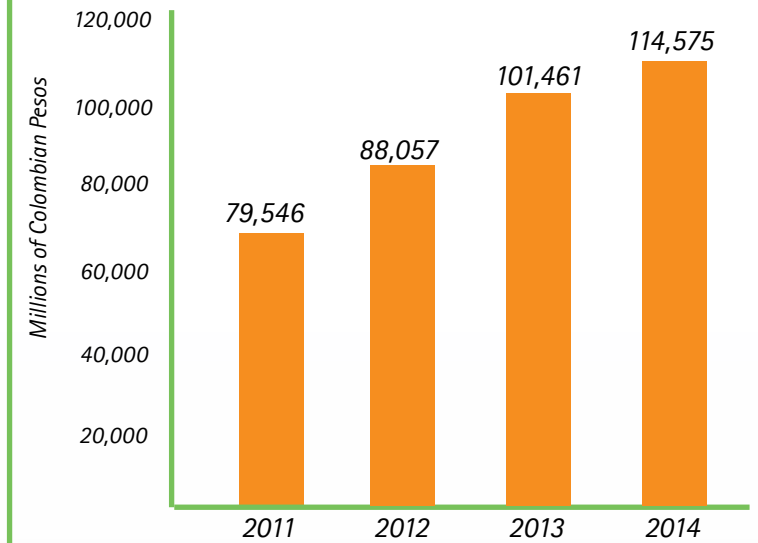
Our operations adopt and comply with best practices and procedures in order to prevent, mitigate, and offset environmental impacts. This approach is reflected in our 2014 achievements regarding environmental regulatory compliance:

- ◆ We are aware of the need to work in adapting to climate change in La Guajira, which has been identified as highly vulnerable due to its aridity and scarcity of water resources. Therefore, we proactively participate in developing regional projects in conservation of biodiversity and of water resources. As a result of our operational and strategic management, in 2014 we had no fines or sanctions.
- ◆ We comply with applicable environmental standards and replicate good practices and demands with our workers and contractors.
- ◆ We participate in regional public-private associations to respond to environmental emergencies, promoting the rational use of natural resources by communities in order to decrease their rate of depletion.
- ◆ We kept our ISO 14001:2004 certification without a single case of non-compliance.
- ◆ We obtained important acknowledgements of our management, such as:
  - The 2014 Portafolio Prize in the category "Environmental Protection" for our Land Reclamation Programme.
  - The 2014 Sustainable Colombia Environmental Responsibility Prize: Golden Seal Award, presented by the Siembra Colombia Foundation. An additional four Golden Seals in the categories of Environment, Sustainability, Society, and Biodiversity.
  - The Andesco Prize for Corporate Social Responsibility 2014, which considers five areas of sustainable development: Labour Setting, Market, Society, Environment, and Corporate Governance.

Environmental Investment and Costs for 2014



Costs and Investment on Environmental Performance



## Challenges for 2015 and the future

- ◆ To continue operating responsibly with no fines or sanctions deriving from improper practices impacting the environment or society.
- ◆ To keep inhalable particulate matter concentrations below threshold values set by Colombian legislation despite adverse climate conditions of extreme drought caused by the El Niño phenomenon.
- ◆ To prepare and stabilize 100 hectares for land reclamation.
- ◆ To reduce the emission of 21,868 tonnes of CO<sub>2</sub>e, of which 20,984 tonnes are direct emissions and 884 are indirect emissions.
- ◆ To continue keeping the impact indicator for the water-quality index of the Ranchería River due to mining water discharge within the low to very low impact ranges.
  - To recycle 53% of solid waste.
  - To recycle 59% of used oil.
  - To ensure rational water use without impacting the access to water of neighbouring communities.



## 10 WE ARE AWARE THAT EVERY DROP OF WATER COUNTS

*Included in our Environmental Management Plan are strict control measures aimed at the prevention of possible impacts on bodies of water that may arise from our operations both at the Mine and at Puerto Bolívar. The application of this plan focuses on the identification of strategic consumption points and the establishment of goals for their monitored management.*

**90%**  
of the water we use  
is low quality

**87%**  
Re-use of  
domestic water

**323,662 m<sup>3</sup>**  
of recycled and  
re-used water

◆ 2014 ◆

### Why is this issue important?

We recognize that water scarcity is of concern to everyone. Therefore, we use this resource appropriately in our operation, and we work with the communities to understand their needs and contribute to sustainable solutions in water supply.

At our operation, we use water efficiently and responsibly. We treat used water before returning it to its natural sources, and we frequently monitor its quality. Our Water Savings and Efficient Use Programme (PAUEDA, its initials in Spanish) focuses our efforts on replacing, wherever possible, low-quality water for high-quality water and on promoting water savings, recycling, and re-use.

In 2014, low-quality water was 90% of our total consumption. Consequently, only 10% of the operation's total water usage (13,458,498 m<sup>3</sup>) corresponds to high-quality water, which is mainly used for human consumption and delivery to neighbouring communities (1,334,976 m<sup>3</sup>).

In 2008, we created a Foundations System in response to the most pressing needs in La Guajira, including a foundation dedicated exclusively to addressing issues concerning access to water for communities. Since that year, more than 33,000 people have benefited from over 390 water-supply solutions. These solutions have included artificial water reservoirs (jagüeyes), rainwater harvesting systems, windmill-driven water pumps, deep wells with pump systems, the distribution of drinking water in tankers, implementing water-withdrawal systems with alternative energies (wind and solar), and more.

In addition, in response to the declaration of a state of emergency due to the extreme drought in 2014 in this department, we coordinated public-private initiatives to improve management abilities in the search for supply sources in the short, mid, and long term for Guajiran communities.

We have delivered over ten million litres of water and 200 water storage tanks (500, 1,000, and 5,000 litre capacities), repaired nine traditional water ponds (jagüeyes), and provided two water wagons on our train with a capacity of 89,000 litres of water each to aid more distant communities. We have repaired 51 windmill-driven water pumps that now provide 2.2 million litres of water a day.

### What resources do we allocate for its management?

In 2014, we invested 19,450 million pesos in infrastructure associated with our internal water management programmes to ensure responsible use, treatment, and re-use. We undertook preventive and reactive maintenance of leaks in our internal water mains and modelled our water budget and water quality. We also installed water pipes and pumps to take water from the mine's North Zone to the Central Zone for dust suppression.

### How do we assess and monitor it?

In operational management, water use is based on environmental permits granted by the Regional Autonomous Corporation (Corpoguajira). The volume of water captured is monitored through water metres to ensure the licensed volume is respected.

The water concession permit allows for the capture of high-quality water, of which we only capture 16% of the allowed amount thanks to our efforts in planning and re-use. After using the water, we treat the wastewater to meet regulatory specifications for discharges and then release it back to the river and its tributaries. These permits are subject to regular review by the environmental authority and through compliance reports.

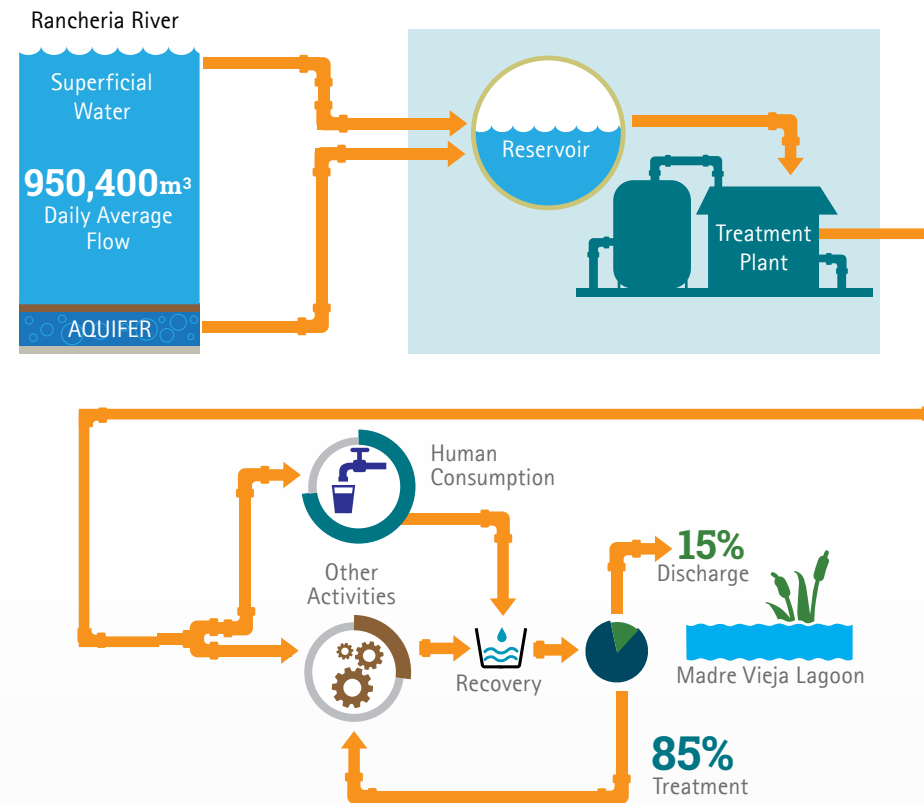
Internally, we have taken measures to control water quality, expanding our environmental laboratory's accreditation from seven to sixteen parameters accredited by the IDEAM under regulation NTC-ISO 17025, thus ensuring the validity of our water sample results.

In order to improve our efficiency in water use, we implemented a software programme called the Water Budget Model. It allows us to plan for water demand in accordance with the operation's requirements, specifying the amount and quality of water needed to operate.

Environmental inspections are carried out at the operation to evaluate the status, operation, and efficiency of structures. When problems are identified, we establish plans of action and monitor for compliance. The water-quality monitoring at the uptake and discharge points provide data on the water's physical-chemical composition, revealing variations in its properties before and after use and treatment. Water quality is a relevant factor in our management, which is why we monitor it at both the uptake and discharge points. These controls verify the efficacy of our treatment systems and the impacts on the natural dischargeways.

In order to determine our operation's impact on water, we regularly measure and analyse parameters of environmental interest. The results are presented via the following water quality indices (WQI): the NSF WQI,

### Use of High-Quality Water



the mining WQI, and the water quality index measuring the impact of mining waters. These three indices serve to monitor the water quality for sanitation and mining parameters of interest.

These indicators are assessed in the section between two stations, one upstream of the operations (Palomino, RIO111) and the other downstream (Cuestecitas, RIO109).

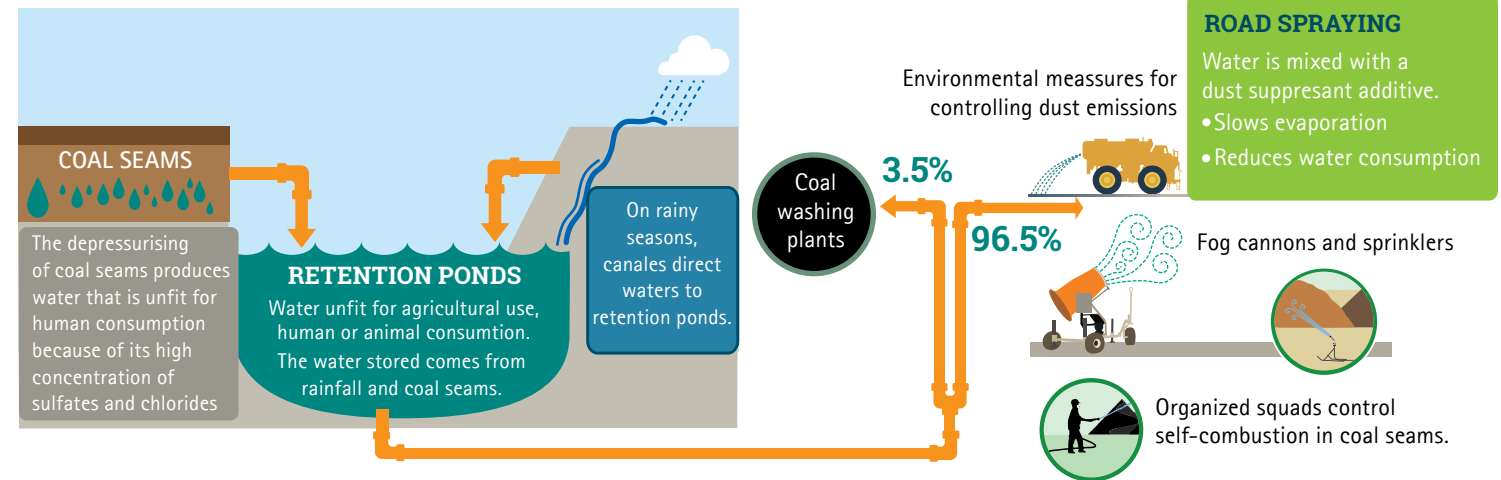
This water management monitoring system also includes a programme of weekly meetings of the Pumps and Pipes group, where they review the

mine's water management programme, drainage channel maintenance, construction and maintenance of holding ponds, pumping, and so on. These reviews allow identification of opportunities for improvement.

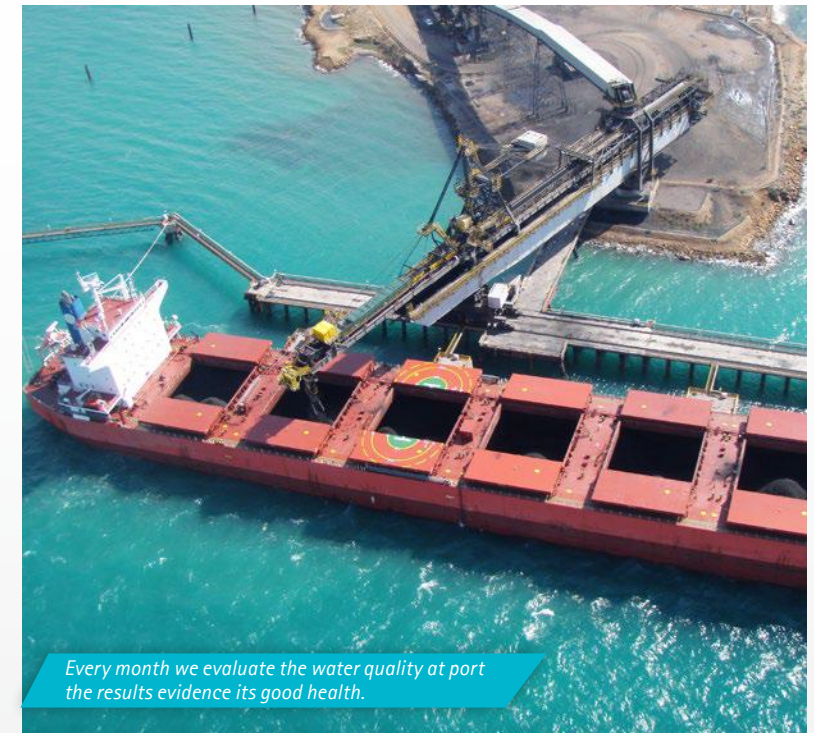
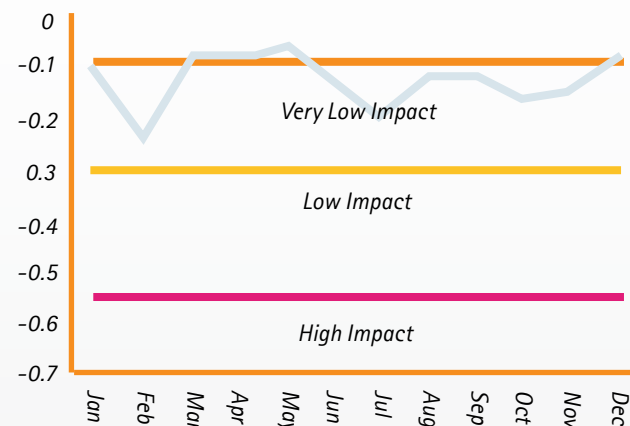
## Our events and achievements in 2014

- ◆ 90% of the water used at Cerrejón is low-quality water not suitable for human, animal, or crop use due to high salinity.
- ◆ In the last six years, the use of high-quality water at the Mine has steadily decreased from 41% to 10% of the annual total.
- ◆ Thanks to our water recycling systems, we now re-use 87% of household water<sup>(46)</sup>.
- ◆ Capture of just 16% of the total volume of high-quality water authorized by Corpogujira.
- ◆ Replacement of 3,200 m of pipeline supplying drinking water (6" in diameter) from the treatment plant to the Mushaisa residential unit. Supply is better and more reliable, and pumping to the residential area is more efficient.
- ◆ Installation of sector valves for leak tests in the residential unit. Identification of high-consumption areas to establish reduction measures. The decreased consumption and lower losses results in lower requirements for high-quality water entering the treatment plant.
- ◆ Measurement and sectoring of the industrial area. This measure more accurately determines water consumption in the industrial area.
- ◆ Water supply had to be increased for dust suppression in the Central Zone due to the 2014 dry season. The project included water conduction from the Expanded West Pit to the Central Zone's Pit 831 (a distance of 10.5 km) with its associated infrastructure (power line, pumps, pipes, reservoir upgrade).
- ◆ A water budget was modelled for Cerrejón's operations to identify and assess water demand.

## Use of Low-Quality Water



Monthly performance during 2014 of impact on the Rancheria River due to water discharges from mining water



(45) The measurement of domestic water re-use is performed with consumption flow measurements and at the stabilization ponds through the flow of the Parshal channel.

## WATER USAGE

### High-quality water

High-quality water is captured from the Ranchería River. This water is subject to conventional treatment for human consumption. It is mainly used for consumption by employees, contractors, and residents of the Mushaisa residential unit and to deliver water to neighbouring communities in need.

In the last six years, we have reduced our uptake of high-quality water by over 50%. In 2009, we captured 3,129,414 m<sup>3</sup> of water. However, after implementing water re-use programmes, upgrading the drinking water distribution system, and using low-quality water sources (mining), by 2014 we were using only 1,334,976 m<sup>3</sup> of high-quality water (80% from surface water and 20% from Ranchería River groundwater).

2014 Water Consumption per quality type



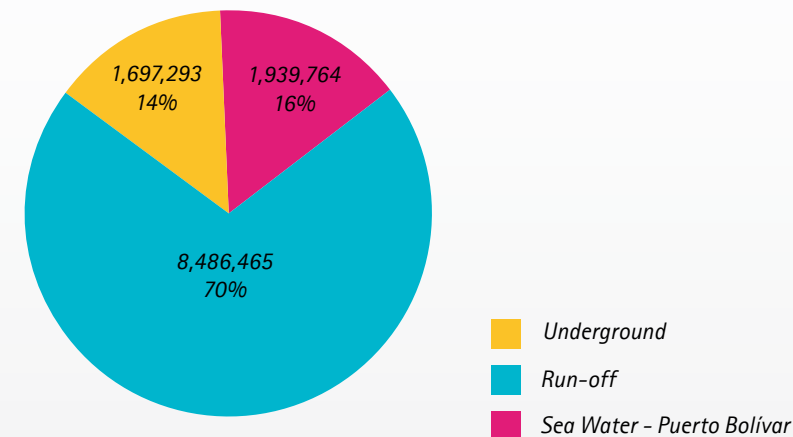
### Low-quality water

Low-quality water is from coal seams and rainfall harvesting in the Mine. Its main use is in the suppression of dust and particulate matter (PM) caused by mining and on roads. This usage complies with the Environmental Management Plan (EMP) approved by the National Environmental Permitting Authority (ANLA).

In 2014, the consumption of low-quality water increased to 12,123,522 m<sup>3</sup> due to the department-wide drought over the previous two years. This led to more water use in dust suppression, in the 16 fog canons, and in the sprinklers for dust suppression and precipitating out particulate matter.

It must be noted that 2014 was the driest year of the last decade and the second driest in history. Rainfall was just 600 mm/year and evaporation was high at 2,396 mm/year. This trend impacted the region's water supply and air-quality levels (see graph "Precipitation vs evaporation in La Guajira" in the section "Historic trends in air quality").

Sources of Low-Quality water 2014 (m<sup>3</sup>/year) :



### Water-quality monitoring

We monitor water quality to oversee and control impacts our operations may cause on this resource. Control involves treatment systems in accordance with the type of water to be managed, such as stabilization ponds for domestic wastewater, solid retention ponds and reservoirs for mining waters, desilting basins, grease traps and oil separators for industrial wastewater.

- ◆ Every year, we take over 4,000 samples of potable water, mine water, and Puerto Bolívar water (from the Ranchería River, creeks, aquifer, etc.) for physical, chemical, and bacteriological analyses. The analyses are performed in accordance with the United States Standard Methods for the Examination of Water and Wastewater <sup>(46)</sup>.
- ◆ We monitor the Ranchería River water quality at 12 points in the area of influence of our operations.
- ◆ We monitor coastal waters monthly and study the marine ecosystems in Bahía Portete every five years in order to evaluate and confirm its status and ensure that the coal-loading does not have any adverse impacts. This monitoring is performed by the Institute of Marine and Coastal Research (Invemar, its acronym in Spanish) <sup>(47)</sup>.

(46) <https://www.standardmethods.org/>

(47) <http://www.invemar.org.co/>



## Management of discharges

We are concerned with ensuring that wastewater discharges to bodies of water are of proper physical-chemical status to prevent secondary impacts on the ecosystem or on the community.

At Cerrejón, we discharge three types of water based on their origin and treatment: Domestic wastewater from sanitation services, bathrooms, and kitchens is biologically treated in stabilization ponds. 2) Industrial wastewater from equipment workshops and truck washing is put through grease and oil traps to remove those materials and then treated in a holding pond to improve its quality. 3) Finally, mining wastewater from runoff and coal seam dewatering is treated to remove solids in the settling ponds and water reservoirs in different mine areas.

The reduction in the volume of discharges is due, first, to the severe drought over the last two years, which has significantly decreased rainfall (the main source of discharges). Second, the programmes for efficient water use have maximized the usage of low-quality mining waters, which also decreases the volume of discharges.

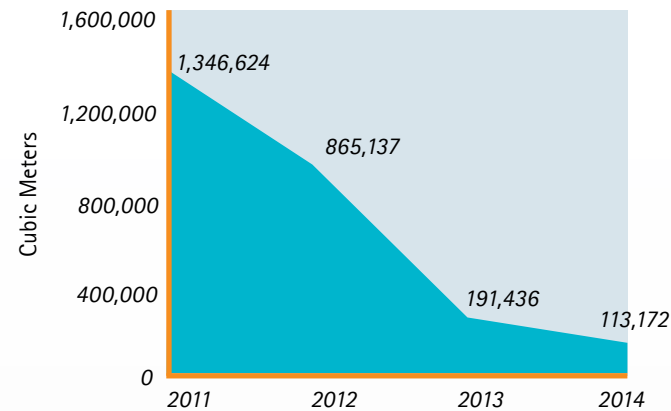
Discharges of wastewater primarily occur in four bodies of water in the Ranchería River basin. The receptors of discharges, which are controlled and monitored to ensure compliance with current standards and regulations, are classified as follows: Tabaco Creek (3%), Madre Vieja Pond (15%), Bruno Creek (17%), and the main course of the Ranchería River (65%).

The quality of discharge water is monitored and analysed by two standards to compare the water quality of the receiving body before the discharge (upstream) and after the discharge (downstream) to note its impact. We work under a national and an international standard that measure sanitation parameters of interest and mining impact parameters. The NSF water-quality index was developed by the National Sanitation Foundation<sup>(48)</sup> (NSF) of the United States of America (USA) and adopted by Cerrejón. It serves to evaluate the sanitary quality of the river and its creeks as influenced by outside sources and by the mining operations. The Mining WQI was developed by the University of the Valle for Cerrejón and has been applied since the second half of 2009. It reflects the influence of mining activities on the water quality of the river and its tributary streams.

(48) <http://www.nsf.org/>

In 2014, the two indices showed that the water quality of the Ranchería River and its tributaries is good throughout the year except for July and August, when the quality drops to average due to the drought conditions.

Volume of discharges over time



### Challenges for 2015 and the future

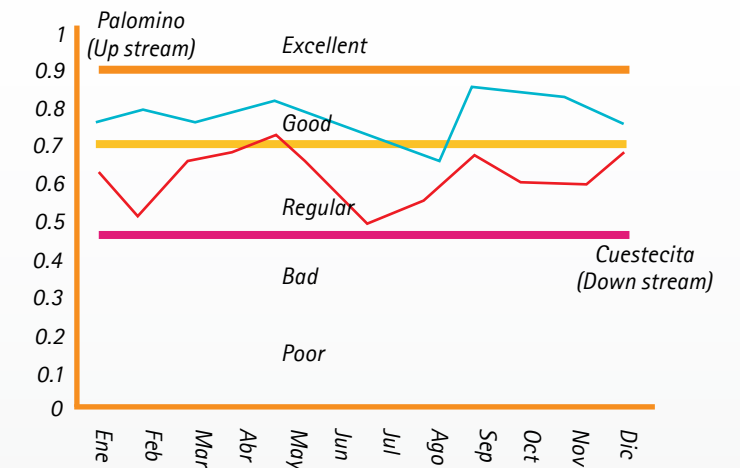
Maintain or reduce our consumption of high-quality water taking into account the challenges that the region of La Guajira represents in terms of supplying this resource.

Continue to re-use at least 80% of treated domestic water for various uses.

Performance of Ranchería River's Wate Quality ICA NSF January - December 2014



Performance of Ranchería River's Wate Quality ICA MINERO January - December 2014



See more information at:

<http://www.cerrejon.com/site/english/sustainable-development-social-responsibility/environment/environmental-management/water-quality-control-and-management.aspx>



Use of fog cannons as a measure for air quality control.

## 11 WE CONTROL OUR EMISSIONS TO THE UTMOST

Emissions control of particulate matter (dust) is taken into account from the earliest stages of mine planning. We use a dispersion model to evaluate and validate mine plans and adopt control measures that ensure the least possible impact on the air quality of our neighbouring communities.

60%

of investment in environmental investment is destined towards air quality control related actions.

18

Monitoring Stations of air quality

### Why is this issue important?

In our commitment to the environment and health of our workers and neighbouring communities, we have developed an air-quality management system to measure, control, and mitigate particulate matter emissions typical of open-pit coal mining. Mitigation activities include wetting haulage roads for waste rock, topsoil, and coal as well as the roads for lightweight vehicles as these are the biggest contributors to particulate matter emissions. However, other activities producing dust also have control and mitigation systems, including wetting down loading areas with impact sprinklers and wetting coal-handling operations with flume or sprinkler systems.

In order to verify the effectiveness of our particulate matter control measures, we have an air-quality monitoring network of 18 sampling stations that measure the pertinent parameters and compliance with the threshold limit values. In addition, automatic particulate matter and wind direction stations alert us in real time for a quick response.

However, particulate matter is not the only parameter measured. In compliance with our Comprehensive Environmental Management

Plan, we perform twice-yearly monitoring of greenhouse gases such as nitrogen oxides (NOx) and sulfur oxides (SOx). However, recorded concentrations are very low to undetectable both at our mining operations and in the communities in our area of influence.

### What resources do we assign to its management?

Air quality covers human, technical, technological, logistical, and operational resources. We invest significantly in sprinkler and wetting equipment. We also consult our atmospheric dispersion modelling system (providing particle and/or contaminant concentration dynamics) even before implementing mining plans in order to align our responses and decision-making.

### Emission sources and controls

Our most significant emissions concern particulate matter (dust). The main activities involving earth disturbance and the dispersion of particulate matter have been identified and classified as:

- 1) clearing to prepare new mining areas
- 2) drilling and blasting waste rock
- 3) hauling coal, topsoil, or waste rock in trucks
- 4) loading and unloading materials
- 5) storage, crushing, and transportation of coal on conveyor belts,
- 6) spontaneous coal combustion in stockpiles and mining pits
- 7) wind erosion of areas lacking vegetation cover
- 8) loading operations in Puerto Bolívar<sup>(49)</sup>

(49) In 2014, the contribution from diesel combustion in heavy and light equipment at the Mine and Puerto Bolívar was not included as these sources represent only 1.4% of the total particulate matter emissions.

Each of these emission sources has its own control measures and technical solutions (see graph).

Particulate matter, for instance, is controlled at the Mine and Puerto Bolívar by continual wetting of roads with low-quality water not apt for human, animal, or crop use due to its high salinity. A biodegradable chemical product is also added to keep the roads wet and compact longer, thereby reducing water requirements. Road wetting is performed with a fleet of 30 20,000-gallon tankers and four 10,000-gallon tankers at the Mine and two 3,000-gallon tankers at Puerto Bolívar. Cutting-edge technology such as dust-suppression additives and fog canons and sprinkler systems also mitigate these emissions.

In 2014, we invested COP 67.95 billion (60% of our total environmental investment) in purchasing, installing, and starting up 16 fog canons and 15 sprinklers and wetting tankers, amongst other control measures.

### How do we evaluate and monitor it?

Dispersion modelling is a preventive tool that simulates the distribution and concentration of air pollutants and particles to characterize our area of influence and its relation with our neighbouring communities. The air quality simulation is performed with a sophisticated, calibrated, and validated mathematical model for atmospheric dispersion. The goal is to predict the emissions and concentrations of total suspended particles in Cerrejón's mining plans and projects.

Once the mining plan is launched, we perform a complete surveillance and monitoring of air quality (meeting national standards for maximum allowable concentrations) in order to verify the effectiveness of the mitigation and prevention measures implemented.

Our monitoring network comprises 18 sampling stations, 12 of which are at the Mine, two (2) along the railroad tracks, and four (4) at Puerto Bolívar. This network is located near populations in our area of influence, measuring primarily total suspended particles (TSP) and inhalable particles under 10 micra in diameter (PM10). These two agents are the ones with the most potential to impact comfort (TSP) and health (PM10).

Our main goals are to keep particulate matter concentrations in our neighbouring populations below legal thresholds and to provide public sharing/verification of our air-quality results through the Air Quality Oversight Committee.

The monitoring network results are shared through quarterly bulletins in the Air Quality Oversight Committee, whose members include community representatives from the area of influence, the regional environmental authority (Corpogujira), and academia (the University of La Guajira). The results are also published on monitoring dashboards at the sampling stations.



Air quality monitoring station at Cerrejón

In addition, results of sample analysis are regularly reported to the pertinent environmental authorities (Corpogujira and the Ministry of the Environment).

We also carry out internal assessments through system audits by ISO 14001-2004 (of the integrated management system) and by the IDEAM to verify compliance with our air-quality plans and controls.

### Our events and achievements in 2014

- ◆ In December of 2014, we managed to keep air quality below allowable maximums despite adverse climate conditions involving high temperatures and high evaporation together with low rainfall due to the El Niño phenomenon.
- ◆ Despite the measures taken, the extreme summer caused high particulate matter levels in the first half of the year in some zones. Consequently, we decided to decrease the numbers of mine equipment working and to slow down operations in some zones in order to continue to comply with environmental standards.

### Historic air-quality trends

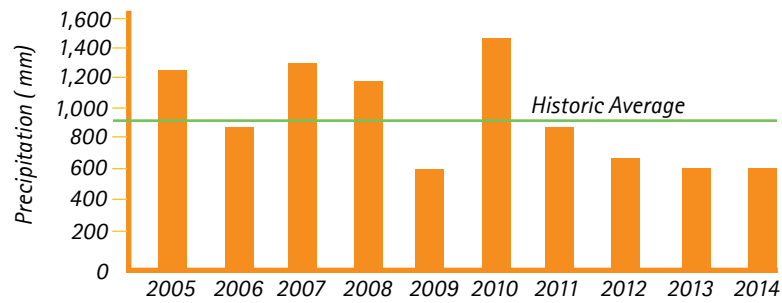
Precipitation is the main natural control of particulate matter emissions as it wets down areas and 'washes' dust out of the air. High evaporation affects air quality because it dries areas out more and thereby increases dust production. With just 54 days of rainfall at the Mine and 19 days at Puerto Bolívar, 2014 was the second driest year in Cerrejón's history and the driest in the last decade. Therefore, it had a decided negative impact on particulate matter emissions.

The graph shows a decrease of around 40% in rainfall and days of rain in La Guajira over the last three years. High temperatures increased evaporation by 30% in the same period, leading to the scarce water present evaporating and the subsequent loss of humidity in the environment.

As a result, in 2014 there was a considerable rise in particulate matter emissions from Cerrejón's operations. The average emissions level of the last two years has remained steady (recall that 2013 was also an extremely dry year). However, compared to the 2011 levels, there has been a 25% increase. Since 2011 was a rainy year, the rise is directly related to the dry climate conditions described.

Precipitation vs. Evaporation in La Guajira (historic data):

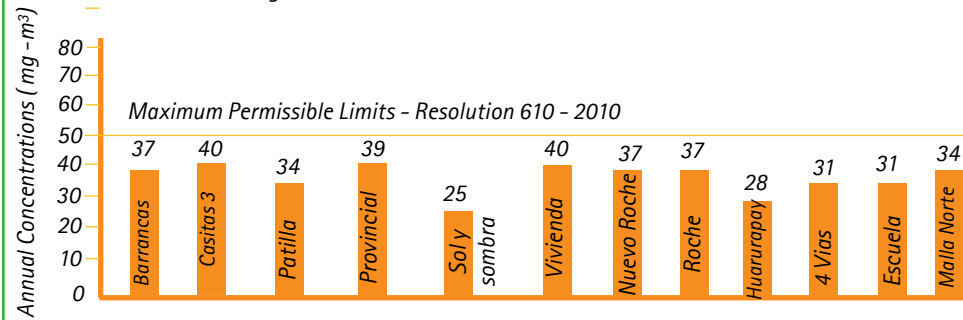
Historic Precipitation ( 10 years)



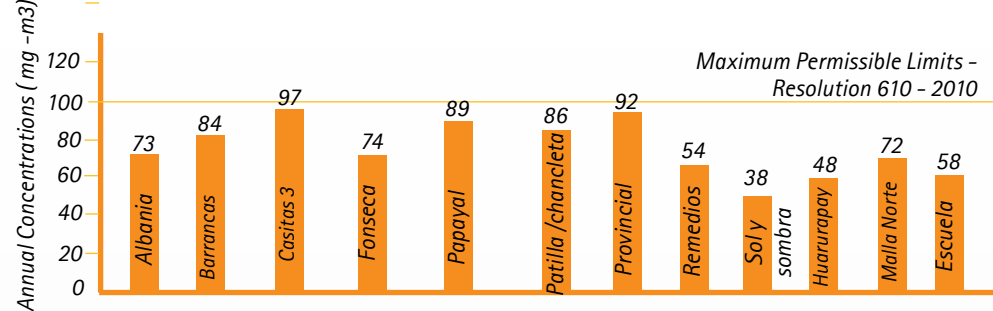
Historic Evaporation ( 10 years ):



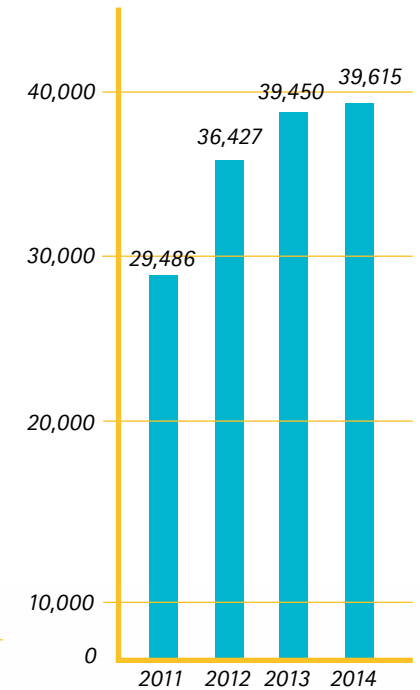
PM10 Annual Average Concentrations



TSP Annual Concentrations



Particulate Matter Ton & Ton / BCM



Air-quality monitoring <sup>(50)</sup> tracks changes in airborne dust concentrations in mining areas and nearby sectors, mainly deriving from the mining, loading, and transport of waste rock and coal. The monitoring provides three readings related to mining production (BCM), the amount of total suspended particles (TSP), and the amount of inhalable particles (PM10)<sup>(51)</sup>.

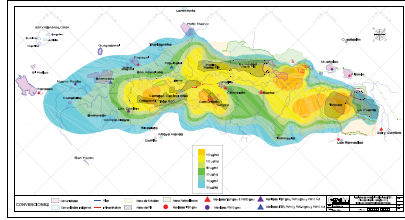
Despite these climate conditions, overall for 2014, particulate matter concentrations at all stations in Cerrejón's area of influence were below the maximum allowable levels established by Colombian regulations as a result of more stringent operational controls put in place.

The total suspended particle (TSP) concentration refers to all particles that do not sediment out within short periods, instead remaining suspended in the air due to their small size and density. They can also be transported by the wind. In 2014, none of the monitoring stations showed levels higher than 100 µg/m<sup>3</sup>, thereby complying with pertinent regulations. The stations closest to the mining zones of Las Casitas and Provincial yielded the highest concentrations of total suspended particles. In contrast, the stations in Puerto Bolívar recorded the lowest levels of particles thanks to the direct loading technology, with covered conveyor belts that prevent the rise of particles into the atmosphere.

Particles of 10 micra (PM 10) or smaller can be inhaled from the air. The immission rate for the 12 stations monitored in 2014 indicates that the risk of community impact is controlled, with average annual concentrations of 25 to 40 µg/m<sup>3</sup>. Furthermore, the maximum allowable concentration of 50 µg/m<sup>3</sup> is not exceeded thanks to mitigation measures such as constant sprinkling and wetting of mining and coal-handling areas.

(50) Monitoring is carried out in compliance with Resolution 2154 of 2010 and analysed with reference to the threshold limit values set in Resolution 610 of 2010.

(51) To calculate particulate matter emissions, we considered both the operational aspects of the pits in question and the emission factors of the US Environmental Protection Agency (US-EPA), AP42.

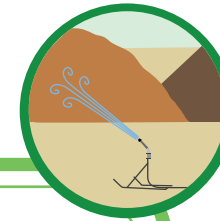


## 1. MINE PLANNING

Use of mathematical dispersion models to predict mining plan impacts on air quality and adopt control measures to prevent or mitigate said impact.

## 2. OPERATIONAL CONTROLS

Before loading.  
Sprinklers to moisten material in the upper levels of the mine.



Fog cannons to control particulate matter (dust created) during loading of weathered material.

**65% TO 75%**

Of total emissions are produced during haulage.



**30**

20,000 gallon

**4**

10,000 gallon

### WATER TANKERS

Moisten the haulage roads

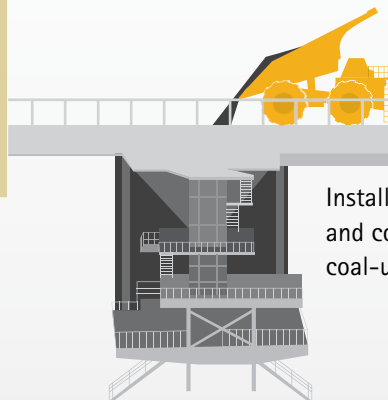
Water used for spraying the roads comes from depressurizing of coal seams and rainfall. It gets stored in holding ponds located in the mine.



Organized squads to control self-combustion of coal seams (applying sealant, cooling or removing the material).



## 3. HUMIDIFY COAL IN THE RECEIVING HOPPERS



Installation of dust suppression and collection systems in coal-unloading hoppers.

# AIR QUALITY MANAGEMENT

See more information at:

<http://www.cerrejon.com/site/english/sustainable-development--social-responsibility/environment/environmental-management/air-quality-monitoring.aspx>

## 7. DIFFUSION



Cerrejon also has real-time monitoring stations to provide early warning of high concentrations to the operation, allowing us to adopt the corresponding control measures.

- Air-quality oversight committee: Made up by representatives from communities, La Guajira University and Coropoguajira.
- Air Quality Information Subsystem (SISAIRE, its Spanish acronym): Public database managed by IDEAM, an entity of the Ministry of Environment and Sustainable Development.
- Quarterly delivery of information to Corpoguajira.
- Annual delivery of environmental compliance report to ANLA (National Agency of Environmental Licensing).
- Verification visits by the environmental authorities to ensure compliance with control measures.
- IDEAM audits of the air-quality monitoring programme. SGS norm ISO 14001.

### Challenges for 2015 and the future

Not exceeding maximum allowable concentrations in Colombian legislation (Res. 610 of 2010) for both TSP and PM10.

Continue implementing new technology to control dust in zones where it is highest, taking into account the forecast for the El Niño phenomenon.

Levelling, moistening and compacting loads in wagons to prevent emissions during the 150-km journey from the Mine to Puerto Bolívar.

Covered conveyor belts and silos

150 km

The Mine

Puerto Bolívar

## 4. UPLOADING IN PUERTO BOLÍVAR

System of covered conveyor belts.

Usage of water-spray headers at the stackers/reclaimers.

Covered conveyor belts.

## 5. DIRECT LOADING SYSTEM

Prevents more coal from being exposed to the wind.

In 1985, the direct cargo system began operating. Cerrejón built the system as part of the port infrastructure design, following the international standards of the date.

Its objective is to control the emissions of particulate matter to the air and possible spills of coal to the sea, as well as to protect the marine ecosystems and the health and well-being of the workers and communities located in the area of influence.

### TYPE OF STATION

- TSP (Total Suspended Particles)
- PM10 (Particulate Matter less than 10 µm)
- TSP & PM10
- TSP, PM10 and Automatic Station
- TSP, PM10, Automatic Station and PM 2.5 (Particulate Matter less than 2.5 µm)
- Weather Station

## 6. MONITORING

Cerrejón has a network of 18 air-quality sampling stations to check the effectiveness of measures adopted.

- 12 at the Mine
- 2 along the railroad and
- 4 at Puerto Bolívar



## 12 MAKING BETTER USE OF OUR WASTE

*Our waste management centres on strict compliance with legal regulations and on the recovery and best re-use of the waste generated by our operation to create social benefits for our communities.*

**58%**

Waste sorted for reuse

◆ 2014 ◆

### Why is this issue important?

Proper organization and cleaning in work areas is a crucial part of the comprehensive management of solid waste, hydrocarbons, and chemical substances to prevent impacts on the environment.

Our comprehensive solid waste management plan is based on waste separation according to hazard and usage criteria. This maximizes the recovery of materials with potential re-use and ensures the appropriate treatment and disposal of ordinary and hazardous waste.

The main noteworthy environmental benefits of our waste management are the safe management of solid wastes, efficiency in container use for the final disposal of waste, a decrease in the consumption of natural resources, and a reduced impact of human activities on climate change.

In addition to the environmental benefits, at Cerrejón we also generate a social benefit. To that end, we donate part of our re-usable solid waste to a non-profit foundation that organizes, prepares, and sells them. The funds thus obtained are used for various social works benefitting indigenous and rural communities in the zone of influence of the mining operations.

Some of the noteworthy social works are the scholarship programme (over 40 youths studying at various universities in the country), the donation of school supplies, healthcare programmes for children and seniors, Christmas presents, donating tanks for storing water, and (more recently) donating solar panels so that remote homes can power two LED light bulbs and an electrical plug.

### Our Events and Achievements in 2014

#### Solid Waste Management

Our management is supported by trained personnel with ample experience in the field (two specialized contractor firms); machinery and equipment for its handling, collection, and transportation (compactor trucks, light bulb crusher, cold room, tractor, and mini-forklift); and facilities for separation, treatment, and final disposal (recycling warehouse, trench for ordinary waste, safety containers, landfarming, rubble pile, and pruning containers).

In addition to the two contractor firms that support us in the internal handling of our waste, we have a contract with an outside contractor that helps in managing waste needing specialized handling. It is important to note that, before authorizing the delivery of any waste to this outside contractor, we perform a legal and environmental assessment to verify their compliance with Colombian legislation and the environmental stewardship that entails.

This allows us to administer these processes independently, without having to rely on a public sanitation service. We thus ensure the proper management of this waste in accordance with Colombian environmental legislation and our own company's high internal standards.

Differentiated handling of our solid waste ensures that each type is suitably handled for re-use, treatment, or final disposal in accordance with its specific characteristics in order to complete its service life.

Each day, the volume of recycled material is measured after transport to a warehouse where it is classified and organized for sale by the non-profit foundation.

Our corporate goal for our solid waste management is the growth in the percentage of waste separated every year for re-use. Our goal in 2014 was 49% separation of re-usable solid waste, with an actual achievement of 57% that year.

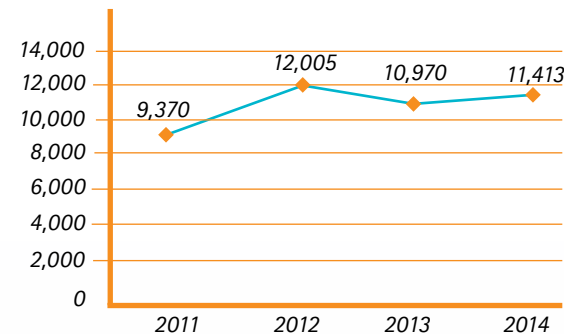
In 2014, a total of 233.4 million cubic bank metres of waste rock was removed at the Mine. This material is from the output at the coal washing plant. 348 trips of dewatered slurry to the dumps represent around 6,960 tonnes of slurry dumped. Compared to 2013 (8,103 tonnes), there is a decrease of 1,143 tonnes of slurry due to a longer passage through the coal-washing plant.

### Challenges for 2015 and the future

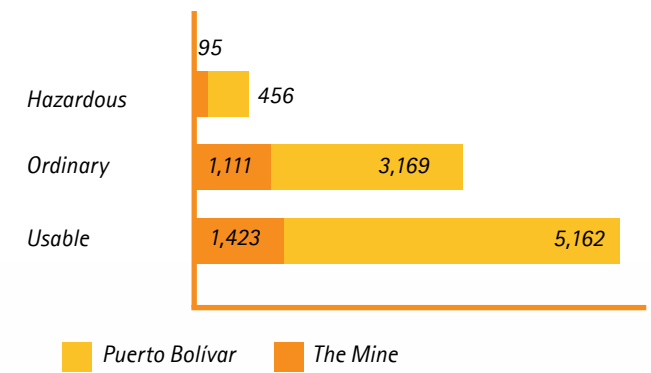
Target 2015: 53% of waste separated for re-use..

Optimal use of disposal areas taking into account mining advances.

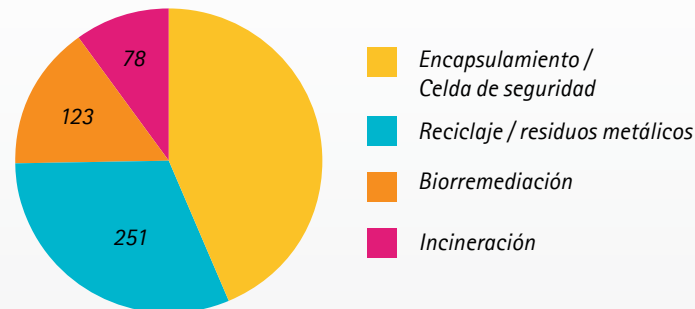
Generation of solid waste per year (tonnes)



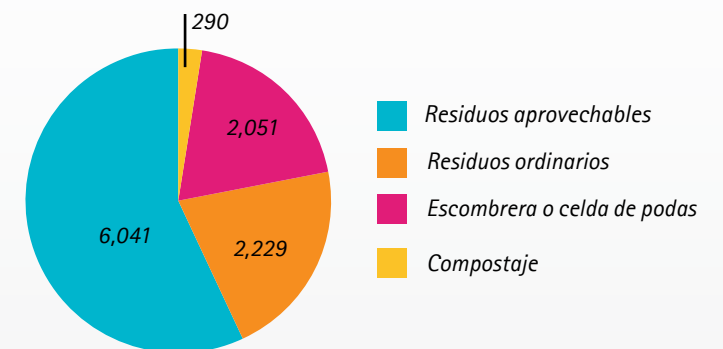
Waste Generation 2014 tonnes / year



Treatment of hazardous waste 2014 (tonnes)



Treatment of non-hazardous waste 2014 (tonnes)



Consultar más en:

<http://www.cerrejon.com/site/english/sustainable-development-social-responsibility/environment/environmental-management/management-of-solid-waste-residue.aspx>





# 13 WE PRESERVE BIODIVERSITY

*have participated in the processes for the Declaration of Protected Areas of La Guajira*

<b>3,457</b> <i>hectares of land reclaimed</i>	<b>1,501,842</b> <i>trees planted belonging to 40 different native species</i>	<b>60,281 ha</b> <i>have participated in the processes for the Declaration of Protected Areas of La Guajira</i>
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## Why is this issue important?

The geographic location of La Guajira determines a dry environment with different ecosystems ranging from gallery forests to small plateaus containing very specific biodiversity.

Our biodiversity management focuses on two lines of action: wildlife management and our Land Reclamation Programme.

Biodiversity management at Cerrejón includes different strategies involving wildlife rescue from mining fronts, management of vegetation cover, reclamation processes, release of species, and regular monitoring. It also comprises various strategies for the conservation of threatened species in the region that actively involve local communities.

Thus, the rescue and relocation of wildlife from areas slated for mining mark the start of the mining cycle, and the land reclamation process marks the end of the cycle. This process also involves the rescue of seeds and seedlings to propagate threatened species, timely monitoring of areas to be mined, and topsoil conservation during pre-mining for its subsequent use in reconstructing the food web. This is an extremely visible, positive activity that prevents environmental liabilities by reconstructing the physical-biotic environment once the mining operations have ended.

## How do we allocate resources?

Although under the aegis of the Environmental Management Department, the Land Reclamation Programme is a multi-disciplinary process involving various departments at Cerrejón (Production, Technical Services, Operational Support, and others) that ensure efficiency and continuity.

Resources for the programme include 190-tonne and 240-tonne trucks (hauling of topsoil), agricultural tractors, and oxen (soil preparation), motor graders (to spread and level the topsoil), and others. Furthermore, approximately 60 people (qualified professionals, agricultural technicians, and field assistants) are dedicated to this programme.

Cerrejón has set up inter-institutional partnerships with non-government organizations, academia, and the regional environmental authority for environmental management, conservation, and sustainable development. The goal of these partnerships is to work jointly on subjects related to conservation, dissemination, and research on biological diversity and its natural environment in Cerrejón's area of influence and in the department of La Guajira in general, thus favouring the comprehensive development of communities and respect for their culture and traditional knowledge.

## How do we evaluate and monitor it?

We assess our Wildlife and Flora Management Plan monthly and actively participate in work sessions with local and regional government bodies to improve national biodiversity management policies. Regular monitoring is carried out of each ecosystem component in order to measure, evaluate, and guarantee its evolution:

- ◆ Monitoring of topsoil to study the physical and chemical properties of the chronosequence to follow its evolution and tendency to behave like a natural soil.
- ◆ Monitoring of vegetation cover by plots to observe the natural succession.

- ◆ Monitoring every three years in dry and wet seasons of terrestrial and aquatic wildlife to establish whether there is any impact or not in the areas of influence.
- ◆ Monitoring every five years of marine ecosystems to spot any changes in the food web.
- ◆ Monitoring every five years with multispectral imaging to view the evolution of vegetation cover.
- ◆ Monthly monitoring of land reclamation activities.

The monthly monitoring of the Land Reclamation Program examines indicators for the total land disturbed, land reclaimed, released land (where mining activities have ended), trees planted, and topsoil removed and preserved. Furthermore, every month these indicators are presented to our shareholders in our Monthly Operations Report.



"I am committed to safeguarding every centimetres of land in which we are working. We are committed to safeguarding this environment in which we find ourselves not just because we are here but because this land will be the future of our children and future generations."

*Santiago Sierra, supervisor Environmental Station*



### BIODIVERSITY CONSERVATION PROGRAMMES

For Cerrejón, knowledge of flora and fauna is the first step towards conservation. Therefore, we have applied new approaches to integrate ecosystem, biodiversity, and extractive activity management through strategies involving prevention, mitigation, and offset throughout the entire mining cycle.

The most significant biodiversity impacts derive from the removal of the vegetation cover at the start of mining. Wildlife is rescued from the area slated for mining and is then monitored until it has adapted to a new habitat. The impact of the mining areas is offset in the mine closure stage through the Land Reclamation Programme. The purpose is to return the land to its initial habitat status and re-establish the ecosystem for the topsoil and landscape in order for species to adapt.

Each of these initiatives is implemented through our own plans and programs and inter-institutional ones, as described below:



### Rescue and relocation of wildlife in areas slated for mining

The protocol for wildlife rescue is to register the characteristics of the individuals found in the pre-mining areas and relocate them to a similar ecosystem not slated for mining that offers the habitat and food supply found at their site of origin. In 2014, we rescued 797 individuals. Although we have not had completely new areas in several years, climate variations have led to wildlife migrations.

Rescue rates have improved due to awareness sessions with employees and communities, largely thanks to reports from company workers about animals near operations and internal or external roads. Conservation agreements with communities have contributed to the release of accidentally captured sea turtles and to a halt to commercial hunting despite traditional views of some species as a protein source.



### Monitoring and tracking terrestrial and aquatic wildlife

The monitoring programme occurs in parallel to the rescue and relocation, providing the necessary information to synchronize the environmental management plans to respond to direct and indirect impacts on biodiversity. Eight biological assessments have been supported by various non-government organizations, universities, and companies specialized in wildlife management.

The data on species diversity obtained are uploaded to national databases such as the Alexander von Humboldt Institute's Biological Information System. To date, we have identified 197 insect species, 77 reptile and amphibian species, 256 bird species, and 68 mammal species.

### Clinical and biological recovery

The Cerrejón Wildlife Refuge Centre (CRFC, its initials in Spanish) operates 24 hours a day, 365 days a year. Our team of biologists and veterinarians are well-equipped with medical tools to appropriately care for the animals during their recovery and improve their long-term survival chances. This rehabilitation serves to avoid animal suffering due to human causes, reintroduces healthy animals to their natural habitats, and raises community awareness of the impacts of illegal pets, poaching, and wildlife trafficking in the region. In 2014, we rehabilitated 632 individuals, a similar number to the previous year.

### Number of species in La Guajira to some degree threatened or endangered

Item	Critically endangered	Endangered	Vulnerable	Near threatened	Least concern
Species classification according to the IUCN <sup>(52)</sup> and/or Colombian classification <sup>(53)</sup>	IUCN=1 Colombian Red List = 5	IUCN=2 Colombian Red List = 4	IUCN=8 Colombian Red List = 6	IUCN=3 Colombian Red List = 6	IUCN=3 Colombian Red List = 0

### THREATENED SPECIES IN THE REGION

Cerrejón has three voluntary conservation programmes. These programmes address five of the 25 threatened species in the region according to national classifications of endangered species (Colombian Red List Res. 0192/14) and international ones (IUCN Red Book). The most vulnerable groups in the region are mammals (12 threatened species), followed by amphibians and reptiles (9 threatened species), fish (3 threatened species), and birds (1 threatened species).

The conservation programmes headed by Cerrejón focus on the conservation of amphibians in the following species: sea turtles, American crocodiles in the Alta Guajira, and Colombian slider turtles. These species are sometimes found in the coal complex sector or in its area of influence.

- ◆ Programme for protecting the nesting sites of the following species of sea turtles: hawksbill turtle (*Eretmochelys imbricata*), leatherback turtle (*Dermochelys coriacea*), loggerhead turtle (*Caretta caretta*), green turtle (*Chelonia mydas*), Galápagos green turtle (*Chelonia agassizii*), and the olive ridley sea turtle (*Lepidochelys olivacea*). This program produced a sea turtle monitoring manual to train all the volunteers participating in the gathering and analysis of data at the nesting beaches and for incidental captures. During the time the program has been in force, the Wayuu community has become

positioned locally, nationally, and internationally as a pioneer in sea turtle conservation. In turn, the community has become empowered and participative in their region's development.

- ◆ The protection programme for the American crocodiles (*Crocodylus acutus*) consists in providing protection to newborns at the Wildlife Refuge Centre until they are big enough for release. There are three nest-management strategies: Improving nesting habitats and sectors, moving nests at risk of loss, and protected incubation.
- ◆ The Conservation Programme for the Colombian Slider Turtle (*Trachemys callirostris callirostris*) is carried out with the assistance of both undergraduate and graduate students. Their project theses research the population status of this species, their main predators, and threats facing them as well as their ecology and embryonic evolution.

<sup>(52)</sup> The IUCN (International Union for Conservation of Nature) list of threatened species (also called the Red Book).

<sup>(53)</sup> Resolution 0192/2014 establishes the list of threatened species found on Colombian territory.

## Our events and achievements in 2014

- ◆ 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. The numbers for rescued animals are directly related to the mining fronts and their ecosystems. In recent years, there have been no completely new zones as mining has generally been in areas neighbouring established mine zones. In 2014, 797 individual animals were rescued.
- ◆ One of the results of the agreement between Cerrejón, the international organization The Nature Conservancy<sup>(54)</sup>, and the Fund for Environmental Action and Childhood<sup>(55)</sup> was to contribute to the declaration of the delta of the Ranchería River as a protected area, in the category of an Integrated Management District. It was thus established in Agreement 015 of December 19 of 2014 by the Executive Board of Corpogujaira.
- ◆ Another zone, in Aguas Blancas in Santa Helena, is currently in the process of being declared a protected area under Decree 2372 of 2010.
- ◆ Another result of the agreement amongst Cerrejón, The Nature Conservancy, and the Fund for Environmental Action and Childhood was to contribute to the declaration of the lower basin of the Ranchería River as a protected area, as established by Agreement 021 of December 19 of 2014 by the executive board of Corpogujaira.
- ◆ Participation in the creation of the National Nature Park of Bahía Portete, established by Resolution 2096 of December 19 of 2014, which is a nationally and internationally significant achievement as regards the conservation of coastal ecosystems. The Office of National Parks of the Ministry of the Environment, The Nature Conservancy, the World Wildlife Fund (WWF), Conservation International, and the Institute of Marine and Coastal Research (INVEMAR, its acronym in Spanish) all participated in the decision.
- ◆ Cerrejón's Sea Turtle Conservation Program began in 2007. In 2011, Corpogujaira, Conservation International, the Fund for Environmental Action and Childhood, and the communities of Bahía Hondita and Punta Gallinas signed the first Sea Turtle Conservation Agreement in the country. The communities committed to respecting the sea turtles (not killing, eating, or selling by-products) in exchange for social benefits improving their standards of living. Participating families have faithfully met the actions established in the agreement, thereby allowing its annual renewal. More than 5,000 sea turtles have been released into the sea thanks to this initiative.

In the heavy seas and waves that typify the water of Bahía Hondita, Alta Guajira, 128 sea turtles were returned to the sea in January to begin their adventure. The event included the participation of the community, traditional authorities, Corpogujaira, Conservation International, and the Coastguard.

During this event, we signed a voluntary agreement with the community of Bahía Hondita to strengthen the conservation program in place with them since 2007, which has allowed the release to the sea of over 5,000 specimens of five threatened species.



"I am happy and we are eager to continue with this project, which involves the entire community and the children, who learn about the importance of protecting the environment."

*Rodolfo Martínez, traditional authority of Bahía Hondita*



## Habitats protected and restored

Biodiversity management is a fundamental part of Cerrejón's environmental management not only because this obligation is established in Colombian environmental legislation, but also because its preservation is part of the policies and standards of the company and our shareholders. Our mining project seeks to contribute to meeting the challenges facing Guajirans as their natural resources become ever more restricted.

We aim to contribute to the creation of protected areas in La Guajira (on the regional or national level), in partnership with globally known non-government organizations such as Conservation International(CI)<sup>(56)</sup>,

The Nature Conservancy (TNC), and the Fund for Environmental Action, together with the regional environmental authority (Corpogujaira).

These efforts and inter-institutional steps to support the studies necessary for the declaration of these areas as protected regional or national zones led to a further 60,281 hectares added to La Guajira's protected reserves over the last ten years (some of these zones are still in the process of final acceptance).

The table below lists strategic habitats identified in the newly protected areas.

(54) <http://www.nature.org/>

(55) <http://fondoaccion.org/>

(56) <http://www.conservation.org.co/>

Protected or restored areas or habitats	Size of area (ha)	Location	Participation in research, characterization, or restoration
Area 1. DMI delta of Ranchería River	3,601	Municipalities of Manaure and Riohacha	One result of the agreement amongst Cerrejón, The Nature Conservancy, and the Fund for Environmental Action and Childhood was to contribute to the declaration of this zone as a protected area, as established by Agreement 015 of December 19 of 2014 by the executive board of Corpogujaira.
Area 2. Montes de Oca Protected Forest Reserve	8,194	Municipalities of Maicao, Albania, and Hatonuevo	In 2007, the Montes de Oca area was declared a Protected Forest Reserve via Agreement 017 of 2007. Cerrejón partnered with Conservation International and Corpogujaira to promote the agreement and prepare the Environmental Management Plan for the Montes de Oca RFP, adopted by Corpogujaira through Agreement 001 of 2010.
Area 3. DMI Ranchería River lower basin	32,443	Municipalities of Riohacha, Manaure, Maicao, and Albania	As a result of the agreement amongst Cerrejón, The Nature Conservancy, and the Fund for Environmental Action and Childhood, we contributed to the declaration of this zone as a protected area, as established by Agreement 021 of December 19 of 2014 by the executive board of Corpogujaira.
Area 4. Aguas Blancas - Santa Helena	1,651	Municipalities of Albania and Hatonuevo	The process of having this area declared protected is currently underway as per Decree 2372 of 2010.
Area 5. Mushaisa	313	Municipality of Albania	The process of having this area declared protected is currently underway as per Decree 2372 of 2010
Area 6. PNN Bahía Portete	14,079	Municipality of Uribia	Resolution 2096 of 19 December 2014. The protection of Bahía Portete was promoted by the Office of National Parks of the Ministry of the Environment, The Nature Conservancy, the World Wildlife Fund (WWF), Conservation International, and the Institute of Marine and Coastal Research (INVEMAR, its acronym in Spanish). This area is of national and international importance due to its unique ecosystem.
Total areas protected	60,281		

## LAND RECLAMATION

The reclamation process covers a series of activities and work that are a product of 24 continuous years of teaching and lessons learned in field experiments and confirmation in a semi-arid environment without precedent in coal mining and ecosystem rehabilitation. It incorporates optimization criteria of usable natural resources, appropriate practices for soil management, specific actions, and environmental sustainability.

This experience from over two decades of programme operation shows that it is possible to transform deep pits from open-pit coal mining into areas that are structurally and functionally apt for the establishment, maintenance, and succession of biotic communities.



The phases of our land reclamation process are listed below.



### 1. Planning and management of areas slated for mining (before mining):

- ◆ Rescue of biological diversity in areas slated for intervention.
- ◆ Management of vegetation cover removed.
- ◆ Topsoil preservation.

Topsoil profile and quality are evaluated, then it is removed and transported by scrapers to soil banks for storage and 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.

### 2. Land preparation (post-mining handling of dumps and pits):

- ◆ Reshaping the landscape..
- ◆ Tilling compacted surfaces.
- ◆ Spreading topsoil.

In this phase, the site disturbed by mining is prepared to ensure an appropriate medium for the sustainable growth of plants and associated fauna. It also consists in preparing suitable slopes to enable the growth of vegetation cover.

### 3. Soil stabilization and physical, chemical, and biological restructuring:

The scattered topsoil layer (30 cm thick) becomes a suitable medium for plant growth. Pioneering coverage is started with seeds and rapid-growth plants adapted to this climate and the regional soils. These plants will serve to protect against water erosion and to improve the soil.



#### 4. Revegetation. Ecological succession comprising various phases: herbaceous plants, bushes, trees, and return of wildlife.

This category groups a set of activities that aim to build a diverse and productive plant community on the stabilized topsoil. It covers the planting of forest species (small trees) produced in Cerrejón's plant nursery using manual tools. Seeds are collected from selected native species to adapt them and reproduce them with germination and production practices during planting periods.



#### 5. Management of reclaimed land in a regional context:

- ◆ Technology transfer to local communities.
- ◆ Contribution to the sustainable management of regional ecosystems and landscapes.
- ◆ Design and implementation of biodiversity corridors.

The areas undergoing reclamation are monitored to assess the physical, chemical, and biological conditions of the topsoil and to ensure sustainability and the dynamics of the vegetation cover.

The results of this monitoring and analysis are reported annually to the regional and national environmental authorities. In addition, these results allow us to identify opportunities for improving the process.

To the end of 2014, the main achievements of the Land Reclamation Programme for areas disturbed by mining are:

- ◆ After 24 years of land reclamation, we have 3,457 hectares rehabilitated. This is equivalent to 99% of the areas no longer mined (land that will no longer be used by the mining operation).
- ◆ Timely conservation of more than 42 million cubic metres of topsoil.
- ◆ Reintroduction of over 1,501,842 trees of 40 native species.
- ◆ The reclamation goal of 120 ha for 2014 was surpassed, with a final count of 132.8 ha.
- ◆ Wildlife species have returned to the area, such as the gray brocket (*Mazama gouazoubira*), southern tamandua (*Tamandua tetradactyla*), oncilla (*Leopardus tigrinus*), red-footed slider turtle (*Chelonoidis carbonaria*), American kestrel (*Falco sparverius*), and significant populations of other birds, insects, amphibians, and reptiles.
- ◆ We published the book *Biodiversity at Cerrejón*, which was presented at the IV Colombian Zoology Congress on December 4 of 2014.
- ◆ In December, Bahía Portete (14,079 ha) was declared a National Nature Park. Located next to Puerto Bolívar, where over 600 million tonnes of coal have been exported since 1985, making it an example of the compatibility of mining and the environment.

#### Challenges for 2015 and the future

*Provide the operation with dedicated, rigorous support to rescue as many low-mobility animals as possible from Cerrejón's operational areas.*

*Work on implementing a management plan for the protected areas mentioned in Cerrejón's environmental offset programme in coordination with Corpogujira.*

*The estimated land reclamation for 2015 is 100 hectares (lower than 2014), distributed into two main areas: plains (30%) and slopes (70%). The slopes require a great deal of dedication, safety measures, and time due to the topography.*

Learn more:

<http://www.cerrejon.com/site/desarrollo-sostenible-•-responsabilidad-social-rse/medio-ambiente/gestion-ambiental/biodiversidad-tierras-y-fauna.aspx>

# REPORT'S TABLES





# GRI INDEX

In 2014, we made our own report following the guidelines of the GRI Global Reporting Initiative version G4, core option.

## General contents:

Code	Contents	Page
<b>Strategy and analysis</b>		
G4-1	Provide a statement from the senior decision-maker in the organization.	5
G4-2	Provide a description of key impacts, risks, and opportunities.	7
<b>Organization profile</b>		
G4-3	Name of organization.	1
G4-4	The primary brands, products, and services in the organization.	20
G4-5	Location of organization's headquarters.	21,123
G4-6	Report the number of countries where the organization operates and the names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	20
G4-7	Describe the nature of ownership and legal form.	20
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	21
G4-9	Report the scale of the organization (employees, operations, sales).	20,37
G4-10	Labour indicators (number of employees, region, type of contract).	75
G4-11	Percentage of employees covered by a collective bargaining agreement.	88
G4-12	Describe the organization's supply chain.	40
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	20,40,38
G4-14	Report whether and how the precautionary principle is addressed by the organization.	92
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	27
G4-16	List associations (such as industry associations) and national or international advocacy organizations to which the organization belongs.	27
<b>Material aspects and boundaries</b>		
G4-17	List all entities included in the organization's consolidated financial statements and other equivalent documents.	18
G4-18	Explain the process for defining the report content and the Aspect Boundaries.	16

Code	Contents	Page
G4-19	List all the material Aspects identified in the process for defining report content.	17
G4-20	Report the boundary in the organization for each material Aspect.	18
G4-21	Report the Aspect Boundary outside the organization for each material Aspect.	18
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons.	7
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	7
<b>Participation of Stakeholders</b>		
G4-24	List stakeholder groups engaged by the organization.	9
G4-25	Report the basis for the selection of stakeholders with whom to engage.	10
G4-26	Report the organization's approach to stakeholder engagement.	9
<b>Report Profile</b>		
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded, including through its reporting.	11
G4-28	Reporting period (such as fiscal or calendar year).	7
G4-29	Date of most recent previous report (if any).	7
G4-30	Reporting cycle (such as annual, biennial).	7
G4-31	Provide the contact point for responding to questions regarding the report or its contents.	123
G4-32	Report the 'in accordance' option with the guidelines that the organization has chosen.	7, 120
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	7, 120
<b>Governance</b>		
G4-34	Report the governance structure of the organization, including committees of the highest governance body.	24
<b>Ethics and Integrity</b>		
G4-56	Describe the organization's values, principles, standards, and norms of behaviour such as codes of conduct and codes of ethics.	24

Material aspects	Aspect	Code	Name	Page	External Assurance	
Training and education in the workplace	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual)	83		
	Employee training	G4-LA9	Average hours of training per employee by gender and employee category.	83	◆	
	Programmes for skills management and lifelong learning	G4-LA10	Programmes for skills management and lifelong learning that support the employability of workers and assist them in managing career endings.	84		
	Regular performance and career development reviews.	G4-LA11	Percentage of employees receiving regular performance and career development reviews by gender and employee category.	84		
Local communities: Economic and social development, consultation, and participation	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	54		
	Management approach	G4-DMA	Additional information requested by the Mining and Metals Sector Supplement.	54		
	Foundations System			Guajira Water Foundation.	55	
				Foundation for Institutional Strengthening	58	
				Foundation Indigenous Guajira.	62	
				Foundation for Progress.	65	
	Socio-economic development programmes	G4-S01	Percentage of operations with development programmes, impact assessments, and participation of the local community.	48	◆	
	Significant disputes relating to land use, rights of local communities, and indigenous peoples.	MM6	Number and description of significant disputes relating to land use, customary rights of local communities, and indigenous peoples.	122	◆	
Grievance mechanisms to resolve disputes	MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes.	122			
Mine closure	MM10	Number and percentage of operations with mine closure plans.	21			
Environmental regulatory compliance	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	92		
	Environmental fines and penalties	G4-EN29	Monetary value of fines and number of non-monetary sanctions for non-compliance with environmental laws and legislation.	93	◆	
	Environmental expenditures and investments	G4-EN31	Environmental expenditures and investments by type.	92		
Economic performance	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	37		
	Economic value generated and distributed	G4-EC1	Direct economic value generated and distributed.	37	◆	
	Addition Mining and Metals Sector Supplement	G4-EC1	Additional information requested by the Mining and Metals Sector Supplement page 9.	37	◆	
	Local suppliers	G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	40		
Water management	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	94		
	Withdrawal of high-quality water	G4-EN8	Water withdrawals by source.	97	◆	
	Water recycled and reused	G4-EN10	Percentage and total volume of water recycled and reused.	94		
Effluents and Waste	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	98, 104		
	Adicional Suplemento Sectorial Minería y Metales	G4-DMA	Additional information requested by the Mining and Metals Sector Supplement page 13.	104		
	Water discharge by type and destination: water quality	G4-EN22	Total water discharge by quality and destination.	98	◆	

Material aspects	Aspect	Code	Name	Page	Omissions	External Assurance
Effluents and Waste	Management of hazardous and non-hazardous waste in the mining process	G4-EN22	Total water discharge by quality and destination.	104		
	Addition Mining and Metals Sector Supplement	G4-EN23	Additional information requested by the Mining and Metals Sector Supplement page 13.	104		◆
	Mining waste	MM3	Management of mining waste.	100		
Biodiversity	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	106		
	Addition Mining and Metals Sector Supplement	G4-DMA	Additional information requested by the Mining and Metals Sector Supplement page 11:	106		
	Land reclamation	MM1	Amount of land (owned or leased, and managed for production or extraction activities) disturbed or reclaimed.	112		◆
	Impacts on biodiversity	G4-EN12	Description of most significant impacts of activities, products, and services on biodiversity of protected areas or areas of high biodiversity value outside protected areas.	107		
	Impacts of resettlement on biodiversity	G4-EN12	Additional information requested by the Mining and Metals Sector Supplement page 12:	107		
	Habitats protected or restored	G4-EN13	Habitats protected or restored.	109		◆
	Species on the Red List	G4-EN14	Number of species on the IUCN Red List and national conservation lists with habitats in areas affected by operations, by level of species endangerment.	108		
Emissions	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	99		
	Addition Mining and Metals Sector Supplement	G4-DMA	Additional information requested by the Mining and Metals Sector Supplement page 12:	99		
	NOx, SOx, and other significant air emissions (dust)	G4-EN21	NOx, SOx, and other significant air emissions	101	Monitoring every two years of greenhouse gases such as nitrogen oxides (NOx) and sulfur oxides (SOx) records very low to undetectable concentrations both at our mining operations and in the communities in our area of influence.	◆
	Addition Mining and Metals Sector Supplement	G4-EN21	Additional information requested by the Mining and Metals Sector Supplement page 13:	101		◆
Employment	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	74		
	Addition Mining and Metals Sector Supplement	G4-DMA	Additional information requested by the Mining and Metals Sector Supplement page 15:	74		
	Hires, local employment, and turnover	G4-LA1	Total number of employees and hiring rate and employee turnover rate by age group, gender, and region.	75		◆
Community resettlement	Management approach	G4-DMA	Information on the management approach (Guidelines pages 67 and 68 of the GRI G4 reporting manual).	68		
	Sites where resettlements have taken place, number of households resettled in each, and how their livelihoods were affected in the process.	MM9	Sites where resettlements have taken place, number of households resettled in each, and how their livelihoods were affected in the process.	69		◆

Material aspects	Aspect	Code	Name	Page	External Assurance
Labour Relations	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	86	
	Addition Mining and Metals Sector Supplement	G4-DMA	Additional information requested by the Mining and Metals Sector Supplement page 15:	86	
	Strikes and lock-outs	MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	87	◆
	Feedback mechanisms with the workforce, complaints and their resolution	G4-LA4	Minimum notice periods regarding operational changes and whether these are specified in collective agreements.	88	
Workplace health and safety	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	78	
	Feedback mechanisms with the workforce, complaints and their resolution	G4-DMA	Additional information requested by the Mining and Metals Sector Supplement page 15:	78	
	Health and safety committees	G4-LA5	Percentage of total workforce represented in formal joint management-employee health and safety committees established to monitor and advise on occupational health and safety programmes.	78	
	Health and safety rates	G4-LA6	Type and rates of injuries, occupational diseases, lost days, absenteeism, and number of work-related fatalities by region and gender.	80	◆
	Addition Mining and Metals Sector Supplement	G4-LA6	Additional information requested by the Mining and Metals Sector Supplement page 15:		◆
	Workers with a high incidence or high risk of serious disease.	G4-LA7	Workers whose profession has a high incidence or high risk of disease.	80	◆
Health and safety topics covered in formal agreements with trade unions.	G4-LA8	Health and safety topics covered in formal agreements with trade unions.	86		
Human rights	Management approach	G4-DMA	Information on the management approach (guidelines pages 67 and 68 of the GRI G4 reporting manual).	44	
	Significant investment contracts and agreements that include human rights clauses	G4 - HR1	Number and percentage of significant investment contracts and agreements that include human rights clauses or that underwent human rights screening.	45	
	Employee training on policies and procedures concerning aspects of human rights relevant to their activities	G4-HR2	Hours of employee training on policies and procedures concerning aspects of human rights relevant to their activities, including the percentage of employees trained.	44	
	Non-discrimination	G4-HR3	Number of discrimination incidents and corrective measures taken.	47	
	Freedom of association and collective bargaining	G4-HR4	Significant operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at risk, and measures taken to support these rights.	45	◆
	Child labour	G4-HR5	Operations and suppliers identified with a significant risk of for incidents of child labour, and measures taken to contribute to the abolition of child labour.	45	
	Forced labour	64-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of all forms of compulsory labour.	45	
	Safety measures	G4-HR7	Percentage of security personnel trained in organization's policies or procedures regarding aspects of human rights that are relevant to operations.	44	
	Indigenous rights	G4-HR8	Number of incidents of violation of rights of indigenous peoples and measures taken.	47	◆
	Assessment	G4-HR9	Number and percentage of operations subject to human rights reviews or impact assessments.	44	
	Suppliers screened in Human Rights	G4-HR10	Percentage of new suppliers screened using human rights criteria.	45	
	Grievance mechanisms for Human Rights	G4-HR12	Grievances on human rights filed, addressed, and resolved through formal grievance mechanisms.	47	◆
Indigenous rights	MM5	Total number of company operations taking place in or near indigenous peoples' territories, and number and percentage of company operations or sites where there are formal agreements with indigenous communities.	44	◆	

# CORRELATION WITH STANDARDS AND INITIATIVES

Our sustainable, responsible management is carried out taking into account international standards and initiatives applicable to the industry. The correlation of each of the material issues for 2014 is compared below to the Global Compact adherence initiative (COP advanced report), the Global Reporting Initiative (GRI G4) core option, and the Millennium Development Goals current to September of 2015.


Report chapter	GRI general basics	GRI focus	GRI specific basics	Mining and Metals Sector Supplement	Global Compact Principle	Global Compact Criteria	MDG
Cover	G4-3						
Life cycle							
<b>Table of contents</b>							
Message from our CEO	G4-1					19	
<b>About this Report</b>							
A decade of evolution in our report	G4-28, G4-29, G4-30, G4-32, G4-33						
Risk and impact management	G4-2						
Communicating and building trust with our stakeholders	G4-24, G4-25, G4-26, G4-27					21	
Materiality	G4-18, G4-19						
Our report's coverage	G4-17, G4-20, G4-21, G4-22, G4-23						
<b>About Cerrejón and our operations</b>							
Profile, geographic presence, and market share	G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-13			MM10		18	
Awards and recognitions							
Our corporate governance	G4-1					1, 15	
Cerrejón's contribution as a strategic partner to La Guajira Anti-corruption	G4-34, G4-56				10	2, 12, 13, 14, 17	
Our sustainable budget							
Standards and initiatives	G4-15, G4-16						
Responsible management in the supply chain	G4-12, G4-13		G4-EC9			2	
<b>Operational sustainability</b>							
1. Generation of economic value		G4-DMA	G4-EC1	Req.Ad EC1			
Conclusion of project P40	G4-13						

Report chapter	GRI general basics	GRI focus	GRI specific basics	Mining and Metals Sector Supplement	Global Compact Principle	Global Compact Criteria	MDG
<b>Society</b>							
2. We promote a culture of respect and promotion of human rights		G4-DMA	G4-HR1 al HR12	MM5	1,2,3,4,5,6	3, 4, 5	
3. We support the sustainable development of communities		G4-DMA	G4-SO1	MM6, MM7 + Req. Ad DMAs	1	16	
Guajira Water Foundation		G4-DMA					1, 4, 5, 6
Foundation for Institutional Strengthening		G4-DMA					2, 8
Foundation Indigenous Guajira		G4-DMA					1, 2, 3, 4, 5, 6, 8
Foundation for Progress		G4-DMA					8
4. We promote a responsible, comprehensive resettlement		G4-DMA		MM9			
<b>People</b>							
5. We promote greater employability in the region	G4-10	G4-DMA	G4-LA1, G4-LA11	Req.Ad DMA	6	6	
6. We maintain a safe, healthy working environment		G4-DMA	G4-LA5, G4-LA6, G4-LA7	Req.Ad DMA, LA6			
7. We supply training for professional and human growth		G4-DMA	G4-LA9, G4-LA10		6	8	
8. We comply with agreements as a vital premise of our engagement with our workers	G4-11	G4-DMA	G4-LA4, G4-LA8	MM4 + Req.Ad DMA	3	7	
<b>Environment</b>							
9. We manage our environmental impact responsibly	G4-14	G4-DMA	G4-EN29, G4-EN31		8, 9	9, 10, 11	7
10. We are aware that every drop of water counts		G4-DMA	G4-EN8, G4-EN10		7,8		7
11. We control our emissions to the utmost		G4-DMA	G4-EN21	Req.Ad EN21	7,8		7
12. We make more use of our waste		G4-DMA	G4-EN22, G4-EN23	MM3 + Req.Ad EN23	8		7
13. We preserve biodiversity		G4-DMA	G4-EN12, G4-EN13, G4-EN14	MM1 + Req.Ad EN12	8		7
GRI Index	G4-32						
Correlation with standards							
Internal and external assurance	G4-32, G4-33						
Glossary and abbreviations							
Contacts	G4-5, G4-31						

# INTERNAL AND EXTERNAL ASSURANCE

In addition to verification by an independent assurance provider, we have internal risk identification and analysis models, standards development, control action plans, and internal audits of our processes. These procedures allow us to continuously evaluate our activities as a prevention measure against possible future events. Furthermore, we are externally audited by government agencies and our shareholders, who make recommendations to improve our management and our reporting.

Below is the assurance report from Deloitte & Touche serving as an independent audit of our 2014 sustainability report.



**Informe de revisión independiente**  
Revisión independiente del Informe de Sostenibilidad 2014 Cerrejón Limited y Cerrejón Zona Norte S.A.

**Alcance de nuestro trabajo**  
Hemos realizado la revisión de la adaptación de los contenidos del Informe de Sostenibilidad Cerrejón 2014 a la Guía para la elaboración de Memorias de Sostenibilidad de Global Reporting Initiative (GRI) versión 4.0 (G4) y el suplemento de minería y metales.

**Estándares y procesos de verificación**  
Hemos llevado a cabo nuestro trabajo de acuerdo con la norma ISAE 3000 - *International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information* emitida por el *International Auditing and Assurance Standard Board (IAASB)* de la *International Federation of Accountants (IFAC)*.

Nuestro trabajo de revisión ha consistido en la formulación de preguntas a la Administración, así como a las diversas áreas de Cerrejón que han participado en la elaboración del informe de sostenibilidad y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Entrevistas con el personal de Cerrejón para conocer los principios, sistemas y enfoques de gestión aplicados para elaborar el informe.
- Análisis de como a partir del ejercicio de materialidad se definen los contenidos, la estructura y los indicadores del informe, de acuerdo a lo sugerido por la metodología GRI G4.
- Análisis de los procesos para recopilar y validar los datos presentados en el Informe.
- Comprobación, mediante pruebas de revisión con base en la selección de una muestra de la información cuantitativa y cualitativa correspondiente a los indicadores GRI y propios incluidos en el Informe de sostenibilidad y su adecuada compilación a partir de los datos suministrados por las fuentes de información de Cerrejón.

**Confirmación que el Informe de sostenibilidad es preparado de acuerdo con la metodología GRI G4** en su versión "Esencial" o "Core".

Aspectos generales  
Se confirmó que el informe se ajusta a los requisitos de la opción esencial de los aspectos generales de la versión GRI G4: los indicadores G4-1 a G4-34, y G4-56 fueron reportados.

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**Responsabilidades de la Dirección de Cerrejón y de Deloitte**

La preparación del Informe de Sostenibilidad 2014, así como el contenido del mismo, es responsabilidad de la organización la cual también es responsable de definir, adaptar y mantener los sistemas de gestión y control interno de los que se obtiene la información.


Nuestra responsabilidad es emitir un informe independiente basado en los procedimientos aplicados en nuestra revisión.

Este Informe ha sido preparado exclusivamente en interés de la organización de acuerdo con los términos de nuestra propuesta de servicios. No asumimos responsabilidad alguna frente a terceros diferentes a la Dirección de la empresa.

Hemos realizado nuestro trabajo de acuerdo con las normas de independencia requeridas por el Código Ético de la International Federation of Accountants (IFAC).

El alcance de una revisión limitada es substancialmente inferior al de una auditoría. Por lo tanto no proporcionamos opinión de auditoría sobre el Informe de Sostenibilidad 2014.

DELOITTE & TOUCHE LTDA.  
Jorge Enrique Múnera D.  
Socio



Bogotá, Septiembre 2015

Una firma miembro de  
Deloitte Touche Tohmatsu

Aspectos específicos  
Revisamos el enfoque de gestión e indicadores GRI y propios de los siguientes asuntos materiales identificados por Cerrejón:

Asuntos materiales	Indicador GRI y/o Propio
Capacitación y educación en el trabajo	G4.LA9
Comunidades locales: desarrollo económico y social, consulta y participación	G4.SO1, MM6
Cumplimiento regulatorio ambiental	G4.EN29
Desempeño económico	G4.EC1
Gestión del agua	G4.EN8
Efluentes y residuos	G4.EN22, G4.EN23
Biodiversidad	G4.EN13, MM1
Emisiones	G4.EN21
Empleo	G4.LA1
Reasentamiento de la comunidad	MM9
Relaciones laborales	MM4
Salud y seguridad en el trabajo	G4.LA6, G4.LA7
Derechos humanos	G4.HR4, G4.HR8, G4.HR12, MM5

**Conclusiones**  
Como consecuencia de nuestra revisión no se ha puesto de manifiesto ningún aspecto que nos haga creer que el Informe de sostenibilidad contiene errores significativos o no ha sido preparado de acuerdo con la Guía para la elaboración de Memorias de Sostenibilidad de Global Reporting Initiative (G4) en su versión Esencial.

**Recomendaciones**  
Adicionalmente, hemos presentado a Cerrejón nuestras recomendaciones relativas a las áreas de mejora para consolidar los procesos, programas y sistemas relacionados con la gestión de la sostenibilidad. Las recomendaciones más relevantes se refieren:

- El Informe de Sostenibilidad sea preparado en el primer trimestre del año alineado con el informe financiero.
- Sugerimos realizar reuniones de seguimiento de los asuntos materiales. Lo cual ayudará a fortalecer la gestión de sostenibilidad

# ABBREVIATIONS

Abbreviation	Meaning
BCM	Bank Cubic Metre
CEMT	Mining and Transfer Contract
CIFR	Classified or Disabling Injury Frequency Rate
CLMMW	Current legal monthly minimum wage
CMC	Coal Marketing Company, sole marketing agency of Cerrejón coal
Comfaguajira	Family Compensation Fund of La Guajira (Caja de Compensación Familiar de La Guajira)
COP	Comunication On Progress
COPASST	Workers Committee on Occupational Health and Safety (Comité Paritario de Salud y Seguridad en el Trabajo)
Corpoguajira	Regional Autonomous Corporation of La Guajira (Corporación Autónoma Regional de La Guajira)
CSR	Corporate Social Responsibility
CZN	Cerrejón Zona Norte S.A.
DD.HH.	Human Rights
DNP	National Planning Department (Departamento Nacional de Planeación)
EOT	Land Use Plan (Esquema de Ordenamiento Territorial)
FCPA	Foreign Corrupt Practices Act
GDP	Gross domestic product
GRI	Global Reporting Initiative
ha	Hectare
HOI	Human Opportunity Index
ICMM	International Council on Mining and Metals
IDEAM	Institute of Hydrology, Meteorology, and Environmental Studies (Instituto de Hidrología, Meteorología y Estudios Ambientales)
IDP	Individual Development Plan (for qualified technical staff)
ILO	International Labour Organisation
ISO	International Organisation for Standardization
ISO 14001	Environmental Management System Standard published by the ISO

Abbreviation	Meaning
Km	Kilometre
LEED	Leadership in Energy and Environmental Design
LMN	The Mine
MADS	Ministry of the Environment and Sustainable Development
MDC	Management Development Committee
MPI	Multi-dimensional poverty index
MPT	Professional staff
NGO	Non-governmental organization
NTC	Colombian Technical Standard (Norma Técnica Colombiana)
OD	Occupational diseases
OHSAS 18001	Occupational Health and Safety Management Systems Specification
OIS	Operational Integrity System
Paueda	Water Conservation and Efficient Usage Programme (Programa de Ahorro y Uso Eficiente del Agua)
PBV	Puerto Bolívar
PM10	Particulate matter under 10 microns
PM2,5	Particulate matter under 2.5 microns
PTC	Qualified technical staff (personal técnico calificado)
RIFR	Recordable Injury Frequency Rate
Sena	National Training Service (Servicio Nacional de Aprendizaje)
Sisaire	Information system on air quality (Sistema de Información sobre Calidad del Aire)
Tonne	Metric tonne
TSP	Total suspended particles
µg	Microgram
UPME	Unit of Mining and Energy Planning (Unidad de Planeación Minero Energética)
USAID	United States Agency for International Development
WQI	Water quality index



**APENDIX: SIGNIFICANT SITUATIONS OF INTEREST IN 2014**

At Cerrejón, a significant situation of interest or conflict is one that costs over COP one billion, causes a reputational impact, or threatens the course of operations.

In 2014, two situations of interest occurred related to an electrical power easement and possible impacts on an indigenous reservation.

No.	Name of conflict (in 2014)	Brief Description	Status (begun/in course/closed)	Measures taken to resolve the conflict
1	Group action electrical power line Cuestecitas to Puerto Bolívar	Group action aimed at obtaining acknowledgement of the electrical power line easement and respective damages since 1983 due to the construction of the electrical power line from Cuestecitas to Puerto Bolívar (plaintiffs: Corelca-Transelca and Cerrejón).	Awaiting a first instance ruling. However, one of the plaintiffs challenged the decision that was notified to present a legal complaint stating that it was still pending to provide the parties notice of the clarification of the experts' ruling.	Legal Defence
2	Provincial Wayuu Indigenous Reservation	Members of the Provincial Wayuu community have presented (through the Collective Corporation of Lawyers José Alvear Restrepo) a settlement request to establish indemnity for alleged damages that Cerrejón's mining operation has caused them.	At the settlement conference, the parties agreed to withdraw the lawsuit in order to form a work session and discuss each of the events and aims of the request made by the indigenous community.	Working session



## CONTACTS AND ACKNOWLEDGEMENTS

Working on our tenth sustainability report has been both gratifying and challenging.

Cerrejón's senior management would like to thank all those who, directly or indirectly, were part of the report preparation and who not only contributed to this stage but have continually supported the company's sustainable growth.

This work reiterates our ongoing commitment to be a key partner for La Guajira's progress and sustainable development.

Please send us your comments, concerns, complaints, or suggestions to

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