

# SUSTAINABILITY

REPORT  
2020



**#WE ARE  
CERREJÓN**



**Cerrejón**  
Responsible Mining

#BOMOS.  
ERREJÓN

ABOUT THIS  
REPORT



"At Cerrejón, we are an open-doors operation, accessible to transparent, genuine and close dialogue with our stakeholders. That is why, since 2005, the date on which we subscribed to the United Nations Global Compact initiative, we have shared our social, environmental and economic management through our Sustainability Report for 16 consecutive years. This report highlights our main results and achievements, in addition to our challenges".

### Claudia Bejarano

CEO of Cerrejón.



**Guidelines:** The Global Reporting Initiative (GRI) standards, Core option.

**Scope:** This report documents the management of the companies Carbones del Cerrejón Limited (a 100% privately owned foreign company domiciled in Anguilla, British West Indies) and Cerrejón Zona Norte S.A. (a 100% privately owned Colombian limited liability company domiciled in Bogotá) (both hereinafter termed Cerrejón).

**Period:** January 1 to December 31 of 2020. The last report was made in the same period from the previous year.

**Consolidación:** Cerrejón Communications Division.

**Design:** TBWA \ COLOMBIA

**Headquarters and contact options:**

Albania, La Guajira - 57 5 350 5555

Bogotá D.C.

Street 100 No. 19 - 54 Prime Tower Building

Contactenos@cerrejon.com

www.cerrejon.com

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CHAPTER 1

**A LOOK AT  
CERREJÓN**

# MANAGEMENT REPORT

2020 has been one of Cerrejón's most difficult years. Both personally and professionally, it has brought us face to face with challenges that we had never imagined. 2020 has pushed us to a different reality that forces us to strengthen our capacity to respond to both new challenges and to pre-existing ones that have been aggravated by COVID-19.

## The Coal Market

The situation of the international coal market continues to be challenging. Demand in the Atlantic, Cerrejón's home market, went into decline due to the collapse of imports in Europe and limited growth in the Mediterranean and the Americas. In Europe in particular, demand has been affected by environmental policies, the boom in renewable energies, and the oversupply of liquefied natural gas, forcing us to look to other markets such as Asia. However, many experts say that the global energy matrix will need coal for many years as current demand cannot be sustained solely by wind and solar generation.

Along with demand constraints, throughout the entire first half of the year we saw the price of coal gradually but steadily falling. In the second quarter of the year, in May, we reached a level that barely exceeded USD 33 per tonne, 28% less than in the same month of 2019.

Today, we continue to face great volatility. So far in 2021, we have seen coal prices (in line with the prices of all raw materials) rise due to a cold winter in Asia and, especially, an increase in coal imports by China. Currently, the price of Colombian coal is above USD 90 per tonne.

If the market situation were not enough, to this panorama was added the pandemic caused by COVID-19, which has had a direct impact on the company's annual results. First, the entire world suffered a slowdown in its economies. Almost all countries went into quarantine and this caused a decrease in industrial activity. Second, due to our firm commitment to protect the health of our workers, their families, and communities, we significantly reduced our activities and stopped production for 42 days to implement the necessary security measures to protect our people and facilitate protocols that will ensure engagement with communities within the scope of this new reality.

Although I will refer to it in more detail later, we cannot forget another fact that affected our results – the 91-day strike led by Sintracarbón, the company's majority union.

All these elements caused our final production figure of 12.4 million tonnes and export figure of 13.6 million tonnes to be the lowest figures in the last 18 years of operation. The 2020 figures contrast starkly with those of 2019, when we reached 25.8 million tonnes produced and 26.3 tonnes exported.

## Transformation Plan

As a team, these challenges do not stop us, but instead lead us to seek different solutions. Therefore, to address them, we began implementation of an organizational transformation process that seeks to ensure Cerrejón's survival and sustainability. This plan, which began at the end of 2019, will allow us to adapt to the market's new reality.

Within the framework of this initiative, we optimized the use of tyres, fuel, and explosives. In addition, with the implementation of different processes, we have been able to extend the service life of equipment components, we have adjusted the mining plan to the current situation,

and we have optimized our contracted services, amongst other measures.

In addition, we started a 7x3 7x4 work shift (beginning in January 2021), like that used by other national mining operations, which will allow us to adjust the number of crews to the production expectations we have for the next few years. The objective of this initiative is to improve our competitiveness to thereby be in a position to take advantage of market opportunities to export to new regions.



## COVID-19

On March 23, Cerrejón announced that it was reducing operations in order to evaluate the situation generated by the pandemic and the quarantine decreed by the national government so that measures and protocols could be adopted that would help us reduce the risk of infection.

At that time, we sent some 4,000 direct workers to their homes, first with paid vacations and later with paid leave, in application of Article 140 of the Substantive Labour Code. At the same time, we prepared the entire operation to offer all our employees a safe place to work. We organized the measures and procedures under five principles:

- Daily verification of health status, for which we created a special app for Cerrejón.
- Social distancing.
- Avoiding crowding.
- Proper use of all protective and training elements for our employees.
- Frequent hand-washing and cleaning and disinfection of all equipment and work areas.

Additionally, as a preventive measure, we acquired more than 10,000 PCR tests that allowed us to develop a preventive strategy of searching for positive cases. Thus, we were able to identify and distance workers who needed to be in isolation.

In this context of a pandemic, Cerrejón reinforced its commitment to La Guajira. Despite the crisis we are going through, we decided to make an



investment of more than USD 2.9 million that we channelled in two ways: strengthening La Guajira's healthcare system and offering aid to our communities so that they could safely comply with quarantine.

Regarding the former, we donated the first molecular biology laboratory, installed in the San José de Maicao hospital, which allows PCR tests to identify SARS-CoV2 and which is also used to identify other types of virus such as dengue. The opening ceremony was attended by the Vice President of Colombia, Marta Lucía Ramírez, and by the Deputy Minister of Health, Luis Alexander Moscoso, as well as by various local authorities. In addition, we delivered nearly 100,000 medical supplies (disposable gowns and gloves, face shields, face masks, amongst many others), 400 pieces of equipment (stretchers, defibrillators, foetal and heart monitors, etc.), and three ventilators. In addition, we donated more than 11,000 serological tests and PCR so that local hospitals could test highly vulnerable populations in La Guajira, as defined in official strategies.

With regard to helping our communities, we donated 50,000 food baskets over the course of four months to more than 350 communities in our area of influence. And, as an essential element during the pandemic, we redoubled our efforts, in some cases with the support of the regional government of La Guajira, and we were able to deliver more than 29 million litres of water. Along with all this, we distributed thousands of face masks and hygiene kits.

COVID-19 has changed all our lives. Especially those of the families of our seven co-workers who died in 2020 due to this illness. For them, for all our workers and their families, and for our communities, we will continue to strengthen the measures that allow us to reduce the risk of infection. Together, we can overcome it.

## Negotiations with Our Trade Union

2020 was also an atypical year in the collective bargaining processes with our trade unions. For the first time, the majority union (Sintracarbón) withdrew its list of demands in March to present it again three months later, during the month of June.

Despite the excellent benefits that all workers receive, Sintracarbón decided to initiate a strike that lasted 91 days. During this time, a small company team was responsible for maintaining all the equipment and work areas while we continued to distribute our aid to communities impacted by the crisis. During the strike, we even promoted a campaign for employees and contractors who voluntarily wanted to take PCR tests for COVID-19, and we were able to support Uribia in tackling the impact of the harsh winter weather that caused flooding in various municipal areas.

On November 30, the strike ended after the signing of an agreement that see this Collective Bargaining Agreement remaining in force until December 31 of 2023. Regarding the minority union, SintraCerrejón, the new Collective Bargaining Agreement was signed on July 31 of 2020 and is also valid until December 31 of 2023.

## Progress of court rulings

The situation generated by COVID-19 prevented us from advancing at the rate that we had planned with respect to carrying out the prior consultations ordered by ruling T-704 of the Constitutional Court. However, at the end of the year, after having established all the necessary protocols, we were able to start consultations with 109 communities, which was above the 86 that we had initially

planned for. This number shows the firm will of the company and the communities to reach solid agreements.

Regarding the ruling of the Constitutional Court related to the Provincial community, we implemented the additional measures ordered by the high court and made progress in the agreements with the community, as required for compliance with the ruling. Said agreements, in addition to the matters ordered by the court ruling, address joint initiatives resulting from constructive engagement with the community, which will improve their living conditions and include the implementation of sustainable projects, support for productive activities, and the improvement of healthcare services.

Finally, in the context of the uncertainties raised by the Constitutional Court to the Inter-Institutional Roundtable in relation to the partial modification of Bruno Creek, progress is being made in the respective responses and we trust that the current timeline will allow us to resolve this situation over the course of this year. At the same time, Cerrejón made progress in formalizing agreements in the prior consultation with the community of La Horqueta, which evidences the trust built up between the parties and the stability that they therefore bring to the La Puente Pit project.

Consistent with all of the above, the performance of the ecosystem created around the modified channel of Bruno Creek demonstrates the validity of the studies presented by Cerrejón at the time, since different entities have verified that the modified stretch of Bruno Creek today performs its function as a biodiversity corridor in which we have even spotted two jaguars and hundreds of other animal species.

## Achievements 2020

Although 2020 has been a completely atypical year in we have faced very difficult situations, I want to highlight some of the accomplishments that we have achieved in these twelve challenging months.

The most important achievement is that in 2020 we recorded no fatal accidents in the operation and we reached a recordable injury frequency rate for the entire operation (calculated based on 200,000 hours of exposure) of 0.18, compared to a target of 0.19. For Cerrejón, this will always be our most important achievement since the health and safety of our team is our priority.

Regarding environmental issues, I want to highlight facts that have been quite significant to our operations and that demonstrate, with concrete data, Cerrejón's effort to reduce the operations' environmental impacts and to leave a sustainable legacy for La Guajira.

First of all, our water management. Thanks to the work of basin stewardship and conservation we carry out within the mining area, this year we were able to confirm that the volume of flow of the Ranchería River increases by about 30% as it passes through Cerrejón, with a water quality suitable for human consumption with conventional treatment.

In air quality, we have maintained our strict emissions control protocols to prevent us from exceeding the weekly and monthly threshold limits of PM 10 and PM 2.5 set by the national standard. We have more than 16 monitoring stations that allow us to confirm that the average air quality is better than that found on a normal day in some points in Bogotá or Medellín.

Finally, I would like to highlight our contribution to





the creation of the biodiversity corridor between the Serranía del Perijá and the Sierra Nevada de Santa Marta. As part of this work, this year we planted 2 million trees, the equivalent of having reforested more than 6,700 football pitches.

Our community engagement is an essential element of our work. I have already mentioned the great efforts that allowed us extraordinary management in the context of providing COVID-19 aid, as well as the progress made in complying with the T-704 ruling and the implementation of the additional measures requested by the Constitutional Court in Provincial. However, that didn't stop our day-to-day life. And I cannot fail to emphasize that, in 2020, after a prior consultation process, we reached an agreement with La Horqueta that allows us to give a boost to the La Puente project and strengthen our engagement with this community.

Finally, I would like to mention that these achievements not only fill us with pride, but are also externally recognized. In 2020, the Merco Empresas index once again named Cerrejón as Colombia's best-reputed mining company. This rating was ratified by the Brújula Minera ranking, which each year analyses how companies in the sector are perceived by different stakeholders.

## Challenges 2021

The coal market is the biggest challenge for 2021 and for years to come. A recovery is expected in the global demand for coal, linked to economy upturns after overcoming the pandemic. Our challenge is to regain our customers' trust after a complicated 2020. However, in the medium and long term, the reality of the global market is not promising due to the efforts of several countries to address climate change and to the technological

advances that continue to improve renewable energy economies. In addition, we must move towards the Asian market, where transport costs are twice as high as for our European markets.

Therefore, maintaining our transformation plan is essential to adapt to this reality and ensure Cerrejón's long-term survival. Only if we are sustainable can we continue to contribute to the well-being of our workers, their families, and La Guajira.

Another essential challenge will be to advance the ongoing consultation processes with our communities. Our goal, on one hand, is to move forward with previous consultations (both the T-704 and the two La Puente project ones), and to reach agreements that are beneficial to all parties. Similarly, we hope to reach an alliance with the Provincial community that confirms the enormous progress made in 2020.

As part of our social commitment, this year we will continue to support La Guajira to tackle COVID-19 and to coordinate with the authorities to contribute to the management of this pandemic. A sample of our commitment is the donation, at the beginning of the year, of two ultra-low temperature freezers for the storage of vaccines in the department and their own power plant to ensure continuity in case of a power outage.

Our environmental commitment is indisputable and in 2021 we want to strengthen the biodiversity corridor with several initiatives that will improve the health of a key ecosystem for Colombia – the tropical dry forest.

Although there are many challenges, I want to conclude with that of our workers' health. That will always be our priority above everything else.

2020 hasn't been easy, and 2021 isn't going to be either. However, I fully trust the human team that is Cerrejón (our workers and their families) to adapt to the new reality we live in while continuing to support the development of La Guajira.

### Claudia Bejarano

CEO of Cerrejón.





CHAPTER 2

OUR  
COMPANY



# OUR OPERATION



## MINE

- ◆ 6 pits in operation.
- ◆ 459 pieces of mining equipment including trucks, excavators, tankers, auxiliary equipment, and others.

## Railroad

- ◆ 150 km between the Mine and Puerto Bolívar.
- ◆ 4 to 6 trains dispatched every day.

## Puerto Bolívar

- ◆ 18 to 23 coal ships received per month.
- ◆ A direct-loading system since 1985

We produced 12.4 million tons, we exported 13.6 million tons.

We paid USD 55.6 millions in royalties.

8,520 workers, between employees and contractors.

The only mining company in operation lead by a woman in Colombia.

Social investment in 2020 was USD 3.9 million.



# CORPORATE GOVERNANCE

At Cerrejón, we are aware that the company's sustainability is based on the transparency and integrity of our processes. This commitment makes up one of the fundamental pillars for our long-term competitiveness together with consideration of our stakeholders' expectations and a comprehensive approach to economic, environmental, and social issues.

Good corporate governance is embodied in manuals of conduct, procedures, and policies, which apply to our employees and contractors and which, aligned with our corporate strategy,

allow us to make a significant contribution to the region and the country as a whole.

## Cerrejón Executive Committee

Cerrejón's corporate governance is led by the Executive Committee, in charge of the coordinated direction of the entire organization. The committee participates in the identification and management of risks and in the analysis of challenges and opportunities related to economic,



environmental, and social issues, which allows us to undertake our operations in an integrated, responsible way with the health and safety of our workers, the environment, and our neighbouring communities.

Different actors participate in the selection of the committee members, such as our shareholders and senior management, and factors such as diversity, leadership, knowledge, and experience are taken into account. These considerations have led to us having 43% women on the committee.

This committee is in charge of leading seven strategic committees that, with the support of workers from different areas, monitor the company's 21 conduct policies and guidelines.

***We are the only mining company in the country lead by a woman.***

<b>Management Committee</b>	Approves procurement and contracting processes that reach a certain level in accordance with the Delegation of Authority Guide (DOAG).
<b>Operational Integrity Committee</b>	Assesses comprehensive operational performance, including aspects related to the environment, health, safety, and communities.
<b>Committee of Social Affairs &amp; Lands</b>	Determines the company's social investment strategy, including impact management.
<b>Management Development Committee</b>	Establishes the human resource management strategy, highlighting the organizational chart, performance, and growth within the organization, and more.
<b>Internal Control Committee</b>	Examines deviations from the Conduct Policies and Guidelines and approves improvement actions and required sanctions.

## Risk Management and Ethics Policy

To identify, analyse, and manage the main factors that may represent a risk for the organization, our Risk Management Policy allows us to proactively determine, examine, and assess events that could give rise to a risk. Events are categorized according to their probability of occurrence and an action is determined for their management.

This policy is aligned with the ISO 31000 standard and is in the quadrant of the highest level of maturity, being continuously reviewed to prevent and mitigate the risks mapped in relevant areas such as engagement with communities, the environment, management of the COVID-19 crisis, and health and safety, amongst others.

At the same time, we have an Ethics Policy supported by a reporting line where employees, contractors, and anyone else can anonymously report unethical behaviour or behaviour that is not aligned with our policies to be investigated and corrected.

## Corruption Prevention

The risk analysis includes risks that derive from our exposure to transnational bribery, corruption, money laundering, and terrorist financing by third parties with whom we would have the possibility of being associated. To avoid and manage them, we have Guidelines for the Prevention of Corruption and a policy of the Self-Regulation System and Risk Management of Money Laundering and Terrorism Financing (SARLAFT, its acronym in Spanish).

Said guidelines have been organized so as to address the company's reality and characteristics, in compliance with current regulations. In line with this same purpose, in order to understand what risks we may be exposed to taking into account whom we interact with, we have a due diligence process that is randomly monitored on a quarterly basis to ensure compliance.

## ACHIEVEMENTS 2020

- ▶ Development of the Integrated Risk-Based Assurance Plan, which guarantees the consistent, timely, and efficient review of the operation's critical controls, as well as the timely closure of any identified improvement plan.
- ▶ Review of the COVID-19 management strategy, conducted by an independent team of external auditors that confirmed compliance was above 99%.
- ▶ Strengthening the design and automation of critical controls to avoid their occurrence due to human error.
- ▶ Training of 454 workers (out of a target of 383) in the Guidelines for the Prevention of Corruption and Self-Regulation System and Risk Management of Money Laundering and Terrorism Financing (SARLAFT).
- ▶ A protocol has been implemented to prevent restrictive competition practices, including alterations to the procedures for procurement and contracting and training in this area.
- ▶ Virtual training for 185 workers on the prevention of corruption, transnational bribery, money laundering, and financing of terrorism, emphasizing the strict application of preventive controls.

## CHALLENGES 2021

- ▶ Maintain a strong oversight environment, an updated risk register, and compliance with our high ethical standards after the changes to our environment, including remote working.
- ▶ Optimize the use of technological resources to maintain close oversight that reinforces the ethical and risk management culture in the organization.
- ▶ Redesign and implement the Self-Regulation and Risk Management System for Money Laundering and Terrorism Financing and Financing the Proliferation of Weapons of Mass Destruction (SAGRILAFT, its acronym in Spanish), in accordance with the regulatory changes provided in Notice 100-000016 by the Superintendency of Companies.



*100% of the complaints received via the ethics reporting line were investigated and closed.*

## ENGAGEMENT WITH STAKEHOLDERS

At Cerrejón, we work to maintain and promote close, transparent, constructive, and reciprocal engagement with our stakeholders based on a plan where we define the engagement principles, objectives, channels, and promises of value for each of them.

We implement this engagement in our responsible management of the risks and impacts arising from the operation, as well as in the joint construction of actions and initiatives that contribute to raising the standard of living of communities and to the region's socio-economic development.

To identify our stakeholders' expectations, we use the social and environmental impact assessments of new mining projects and the human rights impact assessments as sources of information. These assessments are carried out every three years, and are configured as a fundamental input to strengthen the identification of impacted stakeholders, determined over several years of engagement.

The stakeholder groups we have identified are: academia, international actors, communities, employees, the central government and institutions, industry and the private sector, local institutions, media and opinion leaders, NGOs and cooperation agencies, and suppliers and contractors.

In 2020, during the COVID-19 quarantine, Cerrejón suspended face-to-face engagement

and moved to virtual engagement. During this time, we implemented a humanitarian aid plan for the delivery of food baskets, water, and personal protection equipment, as well as support for the healthcare sector in La Guajira through the delivery of personal protection equipment, hospital supplies, and medical equipment. As part of this strategy, a management system was put in place to prevent the infection of ethnic communities and other local groups.

Following the lifting of national quarantine, the priority of virtual engagement was maintained for most activities, but proactive and close face-to-face engagement was re-established and implemented with all biosafety measures with communities. We also resumed consultations with ethnic communities, and progress was made in defining implementation agreements with the Provincial community in compliance with rulings T-614 and T-704.

Following the strike, a plan for the restart of activities included engagement with local stakeholders, resuming efforts to conclude outstanding commitments. In addition, a plan was formulated with the engagement actions for the first two months as regards fulfilling actions and managing the expectations of priority stakeholders. After two months of operation in 2021, the plan was extended to all stakeholders.

## ACHIEVEMENTS 2020

- ▶ We carried out 2,130 interactions with communities in our area of influence, achieving 100% coverage in our engagement with ethnic communities.
- ▶ We comply 100% with the implementation of the post-strike social revival strategy by addressing 100% of priority stakeholders with the implementation of 107 engagement actions.
- ▶ We refocused the company's Socio-Economic Development Strategy towards a humanitarian aid plan aimed at supporting the region in addressing the COVID-19 crisis.
- ▶ The Governor of La Guajira and four of the mayors from our area of influence visited the operation during the COVID-19 crisis to validate the measures and procedures implemented to prevent and mitigate the risk of spreading the virus amongst employees, contractors, and communities.
- ▶ The Vice President of Colombia, Marta Lucía Ramírez, and the Minister of Health, Fernando Ruiz, in addition to local and regional authorities, participated in the inauguration ceremony of the molecular biology laboratory donated by the company to La Guajira.

## CHALLENGES 2021

- ▶ Plan engagement so that actions based on the position of each stakeholder group, settings analysis, and community expectations can be prioritized.
- ▶ Conduct the reputation study planned for every two years in order to establish whether the engagement actions performed have had the expected reputational effect.
- ▶ Update the characterization of our stakeholder groups and plan engagement actions.
- ▶ Implement software that will allow us to carry out a comprehensive management of our stakeholders and maintain traceability as regards the management of meetings, complaints, requests, management measures for impact management, and more.



# MATERIALITY

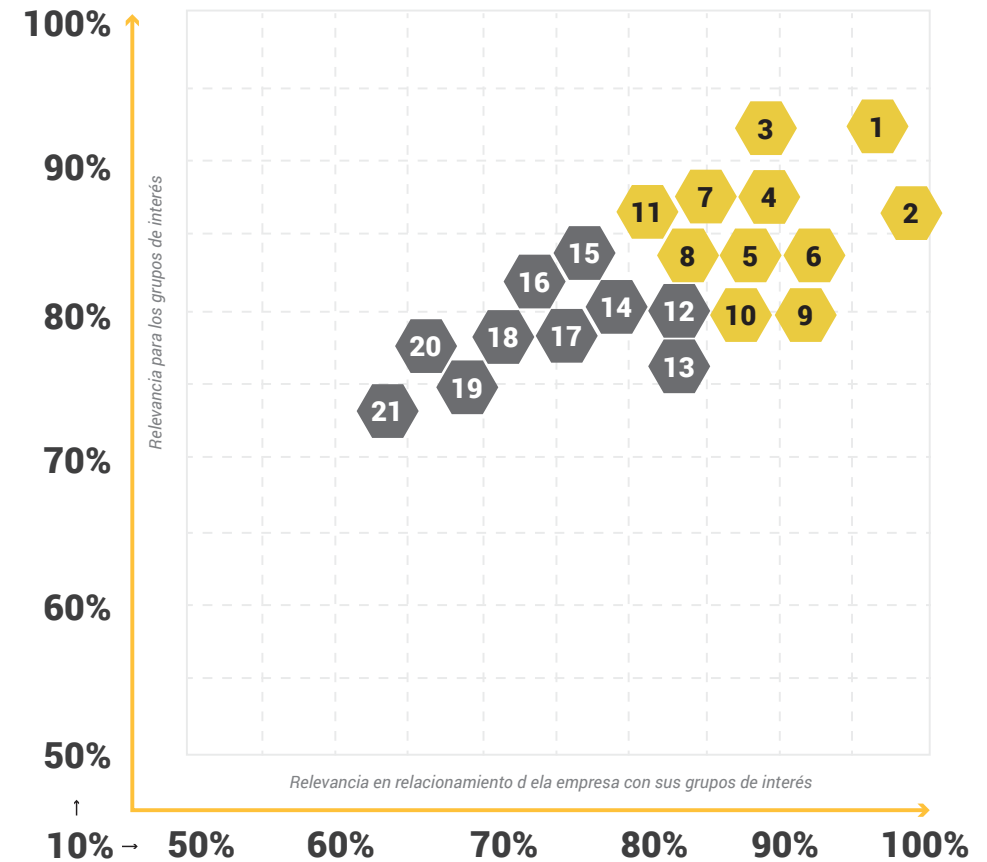
With the aim of establishing and defining the material issues considered relevant for the organization and for our stakeholders, in 2020 we administered an online survey to more than 80 people including employees, contractors, community members, trade unions, suppliers, journalists, opinion leaders, authorities, associations, representatives from academia, and clients.

The results were combined with the most relevant topics identified throughout the year as part of our engagement with our different stakeholders, verifying the following material topics, which will be explored throughout the report.

The resulting materiality exercise allows us to socialize our economic, operational, social, and environmental management (especially of the most significant issues for our setting) transparently and simply explaining how we manage them, as well as the results from 2020 and the challenges posed for the next year.



## Materiality matrix



### PRIORITIZED MATERIAL TOPICS

1. Contribution to the economy of the region and the country as a whole
2. Contribution to the crisis generated by COVID-19
3. Local job creation and diversity
4. Access to water and efficient use of water in the mining operation
5. Commitment to human rights
6. Workplace health and safety
7. Responsible air-quality management
8. Biodiversity stewardship and conservation
9. Ethics and good governance
10. Risk management
11. Engagement with our community and contributions to improving their quality of life

### UNPRIORITIZED MATERIAL TOPICS

12. Responsible management of topsoil and land reclamation
13. Training and growth of employees
14. Mitigation of and adaptation to climate change
15. Local procurement, strengthening regional suppliers and production chains
16. Operational and economic performance
17. Responsible management of waste
18. Occupational well-being
19. Mine closure plan
20. Attracting and keeping talent
21. Competitiveness and innovation in our corporate practices

## AWARDS AND RECOGNITIONS

In 2020, we participated in and applied to 10 awards and rankings nationally and internationally, obtaining the following results:

### • Merco Empresas 2020:

Cerrejón was again recognized as the mining sector company with the best reputation in Colombia by the Merco ranking, and the only mining company in the top 100. The company ranked 87th in an index that each year recognizes the country's organizations with the best reputation.

### • Merco Talento:

Cerrejón was recognized as the only mining company in the country in the top 100 of this job attractiveness monitor, a leader in Latin America that has been evaluating company reputations since 2000.

### • BIBO Award:

Cerrejón managed to become a semi-finalist in the category of Animal Species Protectors in this award, which recognizes projects in different locations around the country focused on conserving, restoring, and/or making sustainable use of biodiversity.

### • Portafolio Awards:

Cerrejón was a finalist in the Social Responsibility category for our efforts and contribution to La Guajira during the COVID-19 crisis. This award highlights the efforts of companies in ten categories, underscoring the most successful business examples in areas such as community contributions, innovation, environmental protection, corporate social responsibility, and others.



### • Ranking Brújula Minera:

For the seventh consecutive year, Cerrejón has been recognized as the best-reputed company in Colombia according to the results presented by Brújula Minera. This ranking is built on the perceptions of government authorities, workers and managers of companies in the sector, and public opinion from both mining and non-mining municipalities throughout the country.

### • PAR Latam Ranking:

For the second consecutive year, Cerrejón was recognized as one of the 100 companies with the highest gender equity in Latin America according to the 2020 PAR ranking. This achievement is part of the annual study carried out by the consultancy Aequales that measures the management of objectives, organizational culture, organizational structure, talent management and, this year, COVID-19 crisis management concerning gender equity in companies.

### • Significant Experiments in the Energy Mining Sector:

Cerrejón was the winner in the Gender Equality category of this award, which seeks to identify, document, and recognize innovative initiatives that promote the transformation of the sector and support engagement between communities, companies, and government entities, oriented to the sustainable development of the sector and the regions where they operate. It is led by the Ministry of Mines and Energy, the National Mining Agency, and the National Hydrocarbons Agency.





CHAPTER 3

OUR  
PRIORITIES

# TALENT MANAGEMENT

The people on the Cerrejón team are the most important thing in our company. They are what makes it possible for us to have a safe and healthy operation that interacts responsibly with the environment and our communities.

2020 has been one of the most challenging years in Cerrejón's history, but thanks to the talent and commitment of a team capable of adapting and transforming, we have overcome a setting of great challenges.

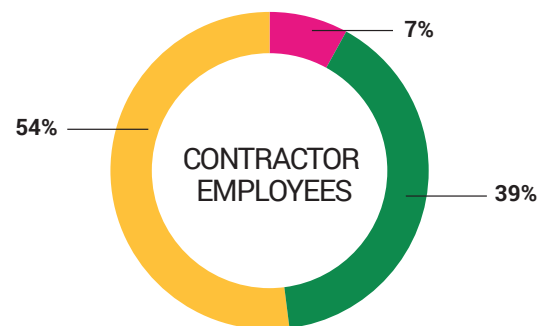
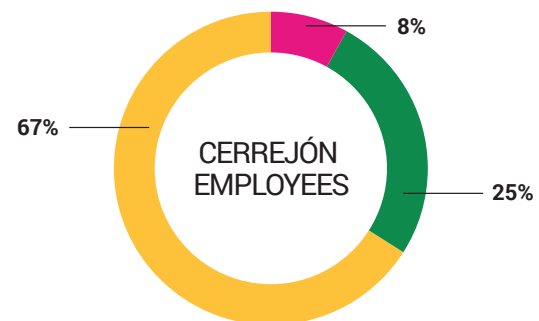
At the company, we care about being a quality employer with policies and programs that provide benefits for our employees and their families, that promote equity, and that ensure compliance with their rights. Thanks to this work, Cerrejón was recognized as the best mining company according to Merco Talento and as one of the 100 companies with the highest gender equity in Latin America according to the PAR 2020 ranking.

Despite the pandemic crisis and having reduced our operations for more than 40 days to implement measures to reduce the risk of COVID-19 infection, the company retained its workforce. We provide direct employment for 5,201 people, mainly from La Guajira and other departments on the Costa Atlántica, and indirect employment for 3,319 people. The jobs created by Cerrejón represent benefits for more than 34,000 people, including their families, in addition to boosting the economy of the region and the rest of the country.

*62% of Cerrejón's employees and contractors' employees are originally from La Guajira.*

## Cerrejón employees and contractor employees by region

- 3.479 Guajiran employees
- 1.318 employees from the rest of the Costa Atlántica
- 401 employees from other parts of Colombia
- 3 employees from abroad

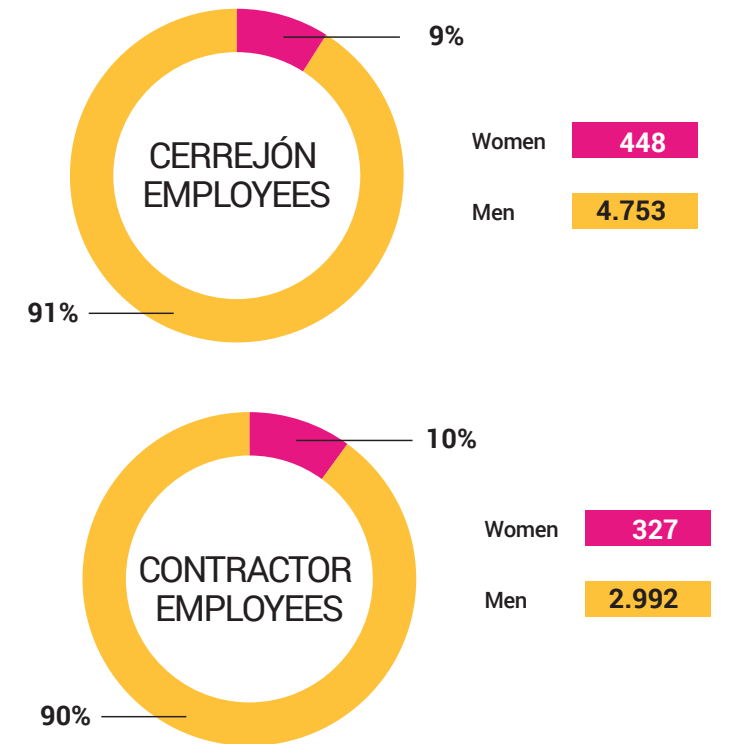


- 1.803 Guajiran employees
- 1.286 employees from the rest of the Costa Atlántica
- 230 employees from other parts of Colombia

## Cerrejón employees and contractor employees by gender

At Cerrejón we work daily to break the paradigm that the mining industry is a man's job. Based on a greater awareness of this situation and a clear purpose to transform this reality, more and more women are becoming protagonists in our industry. For instance, we are the only operating mining company in the country with a female CEO, 43% of our Executive Committee is made up of women, and we have 775 women in our company.

In 2009, we formed the Women in Operation Committee to review issues associated with infrastructure, policies, and resources in operational areas. This Committee was transformed and gave rise, in 2017, to the Equity Committee, whose mission is to promote initiatives that allow us to become a more equitable, diverse, and inclusive company.



*For the second consecutive year, Cerrejón was recognized as one of the top 100 companies with the most gender equity in Latin America according to the par 2020 ranking.*



## Employees by labour contract

86% of Cerrejón's employees have a permanent employment contract.

### EMPLOYEES BY REGION ACCORDING TO THEIR EMPLOYMENT CONTRACT

#### NUMBER OF EMPLOYEES WITH A PERMANENT AND FIXED-TERM EMPLOYMENT CONTRACT BY REGION

REGION OF ORIGIN	PERMANENT	FIXED-TERM	TOTAL
LA GUAJIRA	2.951	528	3.479
REST OF THE COSTA ATLÁNTICA	1.167	151	1.318
REST OF THE COUNTRY	373	28	401
ABROAD	3	0	3
<b>Total</b>	<b>4.494</b>	<b>707</b>	<b>5.201</b>

### EMPLOYEES BY GENDER

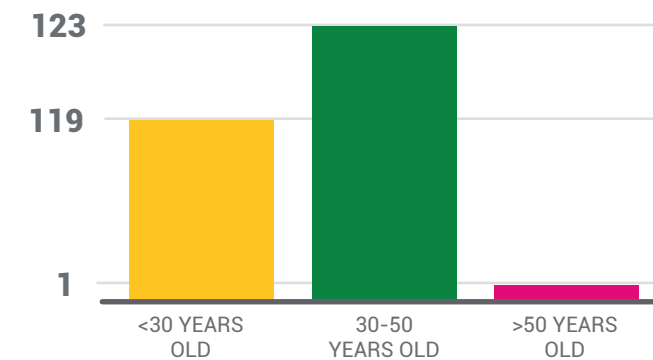
#### NUMBER OF EMPLOYEES WITH A PERMANENT AND FIXED-TERM EMPLOYMENT CONTRACT BY GENDER

CONTRACT TYPE	WOMEN	MEN	TOTAL
PERMANENT	326	4.168	4.494
FIXED-TERM	122	585	707
<b>Total</b>	<b>448</b>	<b>4.753</b>	<b>5.201</b>

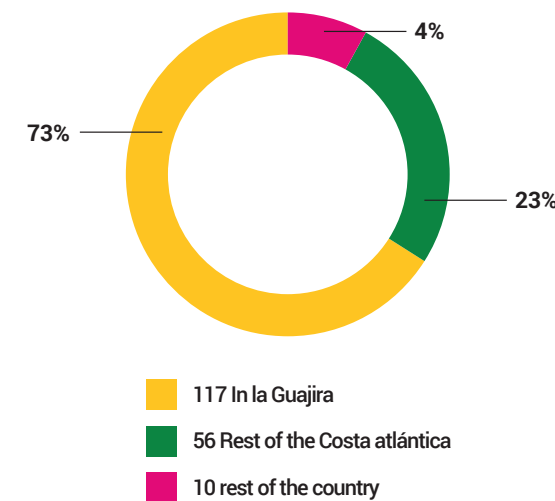


## New hires

### HIRES BY AGE



### HIRES BY REGION

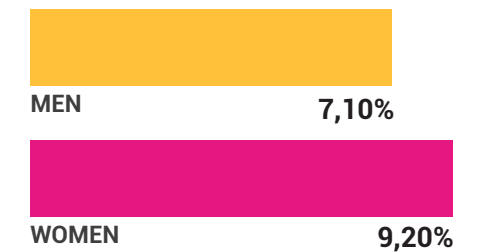


73% of new hires are from La Guajira and work in both operational and administrative positions and areas.

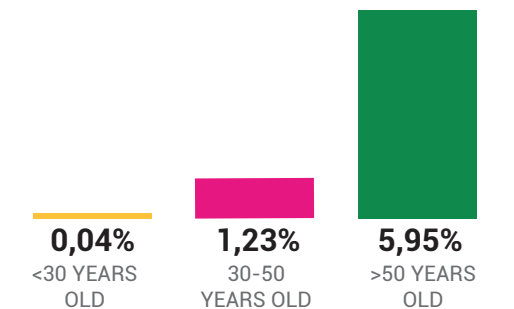
## EMPLOYEE TURNOVER

In 2020, Cerrejón's Employee Turnover Rate was 7.2%, mainly due to the retirement of employees who reached retirement age or through voluntary early retirement plans<sup>1</sup>.

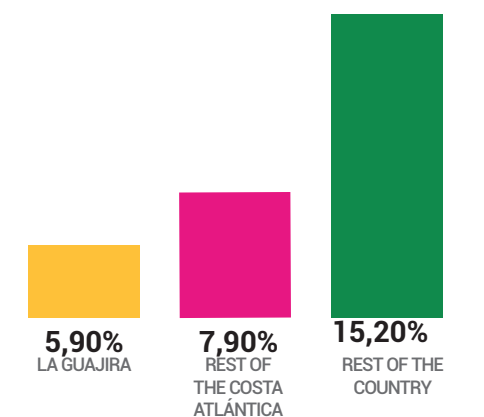
### TURNOVER BY GENDER



### TURNOVER BY AGE



### TURNOVER BY REGION



1. The rate was calculated independently of gender or work area based on the number of employees with a permanent employment contract who retired between January and December of 2020, including the calculation period, divided by the number of employees hired with an average permanent employment contract for those same months.

## Employees by position

BY WORKFORCE CATEGORY AND GENDER					
	Senior management	Managers and Supervisors	Analysts and Specialists	Technical Personnel	Apprentices
Women	3	65	139	177	64
Men	4	294	292	3967	196
<b>TOTAL</b>	<b>7</b>	<b>359</b>	<b>431</b>	<b>4144</b>	<b>260</b>
BY WORKFORCE CATEGORY AND AGE					
Age	Senior Management	Managers and Supervisors	Analysts and Specialists	Technical Personnel	Apprentices
Under 30 years old	0	20	24	158	203
Between 30 and 50	3	232	279	2635	57
Over 50	4	107	128	1351	0
<b>TOTAL</b>	<b>7</b>	<b>359</b>	<b>431</b>	<b>4144</b>	<b>260</b>
EMPLOYEES FROM THE WAYJU ETHNIC GROUP OR OTHERS					
	Senior Management	Managers and Supervisors	Analysts and Specialists	Technical Personnel	Apprentices
	0	5	9	175	12

## Training our employees

In 2020, approximately 180,000 man-hours of training were provided, most of which were carried out online using the NTICS online methodology, achieving a 10% increase in the number of subjects that went from being taught face-to-face to online.

Additionally, we strengthened the team responsible for the design and creation of these online courses and, after the start of the pandemic, some face-to-face training was resumed, such as cabin training in the operation of mining equipment and in rooms with strict compliance with the previously established biosafety protocols.

*65 women hold positions as managers or supervisors. 43% of Cerrejón's executive committee are women.*



## Engagement with trade unions

In 2020, after 91 days of strike, we signed a new Collective Bargaining Agreement with Sintracarbón, in force from July 1 of 2020 to December 31 of 2023. Likewise, in December of 2020, we signed a new Collective Bargaining Agreement with the minority union Sintracerejón, which will be in force from 2021 to 2023.

With the signing of these agreements, workers and their families will continue to receive the benefits that have been built by the company and the trade union over more than 35 years of history, amongst which the following stand out:

- Prepaid medicine plan 89% subsidized by Cerrejón.
- University educational aids to cover semester tuitions of up to USD 3.114 per child.
- Home loans with a nominal annual interest rate of 3% to 4% (compared to a commercial rate of approximately 10% to 12%).
- Food vouchers at work.
- Free transportation.

With the signing of the Collective Bargaining Agreements with Sintracarbón and Sintracerejón, in the coming years our challenge is to focus our efforts on the company's sustainability and competitiveness in order to continue to make the company sustainable and capable of continuing to provide excellent benefits to workers and their families, as well as continuing to support the development of La Guajira and Colombia, boosting the local, regional, and national economies at a time when the whole world faces huge challenges.



## ACHIEVEMENTS 2020

- ▶ We developed a strategy for cultural change.
- ▶ We created a new leadership model, strengthening the team's ability to respond to current challenges and uncertainties.
- ▶ We designed a competency management model as a key element in the professional development and growth of our employees.
- ▶ We implemented a trust-building strategy to strengthen relations with our employees.
- ▶ We developed a new digital culture leveraged in the virtual world and technological tools.
- ▶ For the second consecutive year, Cerrejón was recognized as one of the 100 companies with the greatest gender equity in Latin America according to the PAR 2020 Ranking.
- ▶ We are the only mining company in the Merco Talento ranking.
- ▶ We created and updated the contents of 21 online courses used by more than 11,400 company employees and contractors.
- ▶ Creation of HR Business Partner model for different business areas supporting leaders in the implementation of the Human Resources strategy in their areas.

## CHALLENGES 2021

- ▶ Position a new corporate culture defined as part of Cerrejón's sustainability.
- ▶ Strengthen our bonds of trust through greater engagement with our employees and their families.
- ▶ Implement the new leadership model to successfully address current challenges.
- ▶ Position Cerrejón as a leading company on issues of equity, diversity, and inclusion.
- ▶ Implement the lessons learned during the COVID-19 emergency to strengthen online training, remote employee service, and the consolidation of new work methods.
- ▶ Improve the effective use of simulators during the training of our mining equipment operators.
- ▶ Intensify the training of our operators and technicians through factory training hours obtained by purchasing CAT equipment.
- ▶ Continue working on changing the training methodology from face-to-face to virtual.
- ▶ Consolidate and strengthen the strategy of organizational rapprochement through the support of Human Resources in the field.
- ▶ Implement the talent management strategy to have the right people in the right positions.
- ▶ Continue to develop the work environment strategy to have good engagement with key players and a working environment that facilitates the achievement of results and the sense of belonging.

# HEALTH AND SAFETY

In our company, health and safety are a priority for undertaking operations responsibly. To do so, we implement controls and measures that allow us to maintain our high operational standards, as well as to ensure the physical and mental well-being of our workers.

In 2020, we strengthened our Occupational Safety and Health Management System (SG-SST, its initials in Spanish) for the implementation of the new work shift through additional measures such as assigning pits closer to employees' places of residence, providing temporary accommodation to ensure adequate rest for workers residing more than 1.5 hours from the operations, and adapting places for short breaks and active breaks.

We continued to install sleepiness and fatigue monitoring devices in all mining equipment, as well as in the lightweight equipment entering the mine, we strengthened the early warning system for the timely identification and analysis of risk events, and provided psychosocial assistance to our employees and their families.

We also provided a bonus to improve the resting space in workers' houses and distributed blankets and pillows (neck rests) to facilitate rest on intercity trips.

Our health and safety management is part of our corporate policies and of the requirements of the International Labour Organisation and Colombian Law<sup>1</sup>, by which we determine our work plans each year and establish improvements with the involvement of our employees in different scenarios:



- Workers' Occupational Health and Safety Committee (COPASST, its acronym in Spanish): Joint company and employee representation.
- Health Commission: Formed by Sintracarbón and Cerrejón.
- Occupational Health and Safety Topics Monitoring Committee: Comprises trade union leaders, operational managers, and Cerrejón executives.
- Labour Mediation Committee: Joint company and employee representation.

1. Resolution 0312 of February 2019, which defines the minimum standards of the SG-SST.

## Risk Management

Monthly, the CEO's office and the Executive Vice President of Operations issue a formal statement of the level of compliance with critical controls on material risks and establish actions to correct any breaches identified. This includes the public health risk caused by COVID-19.

## Access to Healthcare

Amongst our employee benefits is access to a prepaid medicine plan that benefits more than 22,000 workers and their families; more than 89% of the cost is covered by the company. We also continued with the program Cerrejón in Motion, with more than 20,000 hours of activities (most carried out virtually due to the COVID-19 pandemic) with which we promote physical activity, a healthy diet, and mental health for more than 4,600 people.

## Occupational Diseases and Accidents

We achieved a recordable injury frequency rate for the entire operation (calculated based on 200,000 hours of exposure) of <0.18 versus a target of <0.19, and recorded 17 cases of occupational disease with a rate of 0.362 per 200,000 man-hours worked.

This record was affected by the decrease in man-hours worked in the period due to the COVID-19 pandemic and the three-month strike. However, the implementation and monitoring of prevention and mitigation measures remained effective for the control of occupational risks at Cerrejón

## Public Health Risk Management

In 2020, faced with the global public health crisis declared by the World Health Organization due to COVID-19, which seriously impacted the global population and the economy, Cerrejón developed a series of actions to prevent the spread of the infection.

The actions were grouped into five pillars that met the different health and hygiene standards issued by the central government and best practices worldwide: health status verification, social distancing, crowd control, disinfection, cleaning and personal protection, and training in health and hygiene standards.

Measures that have reduced the risk of spread amongst workers, their families, and neighbouring communities include the daily disinfection of more than 300 vehicles and more than 90 work areas, the distribution of quaternary ammonium, the design of an application to verify and track health status, reduction of capacity in work areas and vehicles, and signage in areas to remind people keep a distance of two metres from each other.

In addition to these actions, we performed more than 10,000 screening tests for virus detection in workers and contractors and facilitated more than 18,335 hours of training in biosafety protocols, as well as the validation of our actions through external auditing.

*We performed more than 10,000 PCR tests for COVID-19 detection in employees and contractors.*

## ACHIEVEMENTS 2020

- ▶ Zero fatalities in our operation.
- ▶ We trained and raised the awareness of more than 1,250 employees to strengthen sleepiness and fatigue risk controls that will be implemented starting in 2021 as part of the new shift practices.
- ▶ We achieved a recordable injury frequency rate for the entire operation (calculated based on 200,000 hours of exposure) of <0.18 (compared to our target of <0.19).

## CHALLENGES 2021

- ▶ Continue with our safety measures and protocols to protect our workers' health and prevent the spread of COVID-19 in our operations.
- ▶ Implement the 7x3 – 7x4 shift with effective control actions to minimize the risk of sleepiness and fatigue in our workers.
- ▶ Maximize support to contribute to improving the management of health and safety in our operations.
- ▶ Improve our management to prevent fatal accidents with employees, contractors, and third parties.
- ▶ Continue the process of strengthening the culture and care of health and safety in the organization.

# HUMAN RIGHTS

At Cerrejón, we are committed to respecting human rights through the responsible management of our impacts on workers, communities, and the environment.

Although Cerrejón has had a Human Rights Policy since 2005, our commitment has been strengthened since the entry into force of the United Nations Guiding Principles on Business and Human Rights in 2011. At that time we updated our Human Rights Policy and, since then, we have been developing a due diligence process that allows us to strengthen the identification, prevention, mitigation, and compensation of the impacts caused by our operations. We thus avoid human rights impacts and respond to requests from various actors, such as shareholders, clients, national and international civil society organizations, and communities.

Having this corporate process is an opportunity to avoid impacts and demonstrate the company's responsible behaviour in minimizing engagement, legal, and reputational risks because of our impacts and generating value for communities, workers, and our clients. We bolster confidence that Cerrejón works responsibly with the communities and the operations' setting.

In 2020, we continued to implement our Human Rights Policy despite the challenging context of the pandemic and the strike, managing to train new employees and a portion of contractors, including 484 of the company's security guards.

In addition, we trained 186 members of the public security forces, many fewer than in previous years due to pandemic restrictions, the disruption

of operations due to the strike, and changes in command of some military units.

## Complaints Office

The Cerrejón Complaints Office, designed in accordance with international standards, is a human rights-based system to address concerns that has a standardized process for accepting complaints, recording them, and directing them to an investigator. The solutions are arrived at together with those impacted in order to reach agreements that, once implemented, lead to the closure of the cases.

In 2020, 183 complaints were recorded, of which 42% are closed, 46% are under investigation, and 12% are in the process of reaching an agreement. 59% of the complaints were of medium-high complexity, 40% of medium-low complexity, and 1% of low complexity. 65% of registered complaints are related to community issues (safety, health, and the environment), 26% to labour rights, 4% to resettlements and post-resettlements, 3% to security and human rights, 1% to land, and another 1% to other issues. 56% of all complaints recorded in 2020 are associated with cases of animals struck by the train, which corresponds to 86% of community complaints.

In addition, in 2020, the Complaints Office's governance system was implemented to raise its visibility within the organization, strengthen decision-making and guidelines on more complex cases, and maintain established improvement plans.

## Protection of Social Leaders

In 2020, we supported the CREER agreement, which contributes to understanding the causes associated with violence against leaders and to generating opportunities for dialogue on this issue in the region. As part of this agreement, violence against leaders was analysed based on secondary information and the holding of three virtual workshops, two with leaders and one with authorities. Software was also developed to implement security routes for public entities, leaders, and companies, which began to be socialized in December.

We continued managing the plan defined with the initiative of European companies buying coal (Bettercoal), for which we are still working on ten actions. In addition, third parties assessed our compliance with company policies and standards, which allows us to measure the perception of the general public regarding our performance. Moreover, we continued to monitor the improvement plans in the implementation of the Voluntary Principles on Security and Human Rights, resettlements, and the Complaints Office.





## Cerrejón's Third Party Review Panel (TPR)

With the backing of our shareholders, in 2008 we called for a third party review panel to evaluate our social performance. Of the 24 topics identified for improvement, there are just two still pending.

### Construction of the Tabaco symbolic site

In 2020, Cerrejón participated in the Monitoring Committee for the agreements with the municipality of Hatonuevo and the Tabaco Social Committee to comply with the 2017 T-329 ruling of the Constitutional Court. However, no significant progress was made given restrictions due to the COVID-19 pandemic.

### Improved standards of living in the resettled communities

Progress in 2020 was as follows:

- **Patilla:** The 46 families continued to receive the post-resettlement benefits. Agreements were reached to advance on the works to improve the water supply and to build the cemetery at the new site. To date, 87% of the homes have been fixed.
- **Chancleta:** We continued to fulfil our commitments with the 38 relocated families. The natural gas connections for the community progressed and 29% of the homes have been fixed.
- **Las Casitas:** The 30 families continued to participate in the programs agreed on for their relocation. Actions proceeded in the acquisition of a property to implement a collective production project. In addition, access to water was guaranteed in the collectively owned hectares where families have agricultural and subsistence projects. Steps were taken to facilitate natural gas connections for the community.
- **Roche:** The 25 families remain in the new town and the programs associated with post-resettlement continued. Natural gas connections progressed for the community and 48% of the homes have been fixed.
- **Tamaquito II:** Families are benefiting from social programs and compliance has been reached with the agreement signed in 2016, strengthening production projects,

improving the water supply system, and adapting infrastructure for future income-generation projects. 100% of the housing and community infrastructure has been fixed.

In 2020, we hired a firm that will carry out the assessment and measurement of indicators of restoration of livelihoods and well-being of the resettled families. At the beginning of 2020, pilot tests were carried out to gather information, as well as agreements and socializations, but the activities were suspended due to COVID-19 restrictions. *For more information, see the chapter Resettlements or visit our website at [www.cerrejon.com](http://www.cerrejon.com)*



## ACHIEVEMENTS 2020

- ▶ We carried out training in standards and human rights with 90 new employees and 484 contractors from the security companies.
- ▶ We effectively continued advocacy with the national authorities in order for them to address the concerns of social leaders in relation to their safety, participating in the meeting of the Timely Response Plan for social leaders.
- ▶ We closed 76 complaints of the 183 registered in 2020 with the Complaints Office.

## CHALLENGES 2021

- ▶ Carry out the third study of Risks and Impacts on Human Rights and begin socializations with stakeholders.
- ▶ Implement the online course on human rights for employees and contractors.
- ▶ Implement the improvement plan in the Complaints Office to reduce response times.
- ▶ Develop a comprehensive vision of supply chain management to incorporate human rights concepts in audits.
- ▶ Advance in the closing of improvement plans associated with internal and external audits.

## RESETTLEMENTS

As part of our commitment to operate responsibly vis à vis our communities, in 2003 we began talks with the community of Roche to begin the resettlement process, a last-resort mechanism aimed at preventing and mitigating impacts that might derive from our operations.

In 2007, we also began talks with the communities of Patilla, Chancleta, and Tamaquito II and, two years later, with the community of Las Casitas. This makes for a total of five communities that have been moved to a new site under Performance Standard Number 5 of the International Finance Corporation (2006) and in compliance with Colombian legislation.

Currently, most of the 189 families accredited for relocation have signed the relocation agreement. Communities have been active participants in maintaining or improving their standards of living through compensation and benefits derived from the resettlement process. Measures include:

- Payment of 250% of the commercial value of the property and improvements on a case-by-case basis.
- Payment for differentiated impacts caused to each family.
- A new dwelling with access to public services and community services.
- Delivery of seed capital and technical assistance for the implementation of an income-generation project.

- Provision of one hectare of land with an irrigation system for production projects.
- Educational strengthening for children and young people in school to promote their comprehensive schooling and acquisition of skills and expertise in different areas.
- Educational assistance for all resettlement members to access vocational, technological, higher, and advanced education with the aim of promoting access to better opportunities.
- Old-age educational aid for the elderly in communities.

In 2020, the company guaranteed the operation of the water treatment plants that supply the communities and, in recent years, we have provided additional support and assistance to the communities of Las Casitas and Tamaquito II for them to carry out collective production projects that aid in improving their livelihoods and ensuring their future sustainability.

## ACHIEVEMENTS 2020

- ▶ Tamaquito II became an indigenous reservation. This community became an international benchmark as it was the first resettlement in Colombia to be granted this status and the only one to have a water treatment plant operated by the community itself, providing drinking water to the 46 families residing there.
- ▶ We contributed to ensuring families in several resettlements have daily access to drinking water with the two water treatment plants operated by the community associations ASOAWINKA and TAMAWIN, producing 176,000 litres of water a day.
- ▶ We completed the disbursement of seed capital for business ventures to 161 of the 170 families eligible.
- ▶ We promoted access to higher education for 74 people from the resettled communities. To date, 323 community members have benefited from the program, of whom 116 have successfully completed their studies.

## CHALLENGES 2021

- ▶ Finish the construction works for the water tank and the Patilla cemetery.
- ▶ Conclude the connection of communities to the household natural gas service.
- ▶ Resume the educational strengthening program for children and young people in elementary and middle school, which was suspended in 2020 due to the COVID-19 pandemic.
- ▶ Facilitate internet connectivity for resettled communities so members can carry out their school and university tasks and activities.



## COMMUNITIES

Since the beginning of 2020, we worked on transforming our social performance strategy to ensure that our community engagement allowed us to build trust and work proactively and closely, listening to their concerns and needs, and jointly building actions that continued to contribute to improving their quality of life.

Our strategy sought to ensure our operations' viability by responsibly managing our impacts, improving the standards of living of our neighbouring communities, and maintaining permanent engagement aligned with the long-term plans for the closure of operations. To do so, we have based our management on four pillars, which are:

- Contribute to reducing poverty and improving the quality of life of the communities in our area of influence.
- Ensure integration between the company's social responsibility and environmental management.
- Strengthen our management associated with meeting our social responsibilities and their corresponding legal obligations.
- Improve the credibility and legitimacy of our processes through closer and more participatory communication.

In 2020, we invested more than USD 3.9 millions to continue promoting access to water and education, the construction of cultural buildings, contributing to the management of the COVID-19 pandemic, and improving infrastructure to support production activities that aid in community

income generation.

Furthermore, we continued working on the delivery of humanitarian aid to help meet the basic needs of our communities and on strengthening cultural and sports programs.

We maintained continuous, two-way engagement with more than 816 visits to 334 communities from different sectors and 2,620 interactions through digital channels. Particularly noteworthy in this engagement is the virtual socialization of our railway operation through the Coal Route program, of our social and environmental management through environmental visits, and of measures to prevent the spread of COVID-19 with messages in Spanish and Wayuunaiki.

In addition, due to the pandemic, we decided to support the region with humanitarian aid, infrastructure improvements, supplies for the healthcare sector, and the water delivery with the aim of helping the communities remain in quarantine and prevent the spread of the virus, as stipulated by the central government.

## ACHIEVEMENTS 2020

- ▶ We increased water availability through the construction and maintenance of infrastructure which provide continuous water access to more than 2,000 people from the indigenous reservations of Provincial and Trupioyacho.
- ▶ We built and delivered two multipurpose spaces that benefit more than 320 people from the Yourepo and Kolopontain communities.
- ▶ We installed solar panels for one of the photovoltaic systems of the Fishing Collection Centre (Asopeswa) that benefits 130 fishermen from eight Media Luna communities and provides power for the storage freezers.
- ▶ We improved 14 kilometres of the access road to the Sierra Azul farm of the Provincial Indigenous Reservation, a property previously prepared and delivered by the company for carrying out production activities.
- ▶ We carried out maintenance on 16 kilometres of the Parají road for the benefit and access of residents from the Caurina - Cocotazo - Los Estados sector in the municipality of Barrancas.
- ▶ It was supported with machinery, food, and materials to aid in the temporary accommodation of people affected by the heavy rainy period of the second half of 2020 in Uribia. In addition, support was coordinated with the Cerrejón Employees Fund.



## CHALLENGES 2021

- ▶ Identify partnership opportunities for initiatives that improve the region's well-being.
- ▶ Advance in the execution of social investment plans focused on improving infrastructure as well as strengthening production and capabilities with the communities neighbouring the Mine, Railway, and Puerto Bolívar.
- ▶ Strengthen the bonds of trust and establish joint actions with the communities and authorities to allow us to carry out projects to improve their quality of life.

## SOCIAL DIALOGUE

Cerrejón is open to dialogue with a new strategy of closer engagement with our communities in our goal of ensuring compliance with prior consultations through transparent communications. In this regard, the company is committed to jointly defining the additional management measures that will be implemented to contribute to improving the quality of life of communities and to manage impacts deriving from the mining operations.

In the context of compliance with court rulings and/or our own initiatives, Cerrejón has participated in prior consultations aligned with the guidelines of Convention 169 of the International Labour Organisation (ILO), Act 21 of 2001, the ICMM's Mining and Indigenous Peoples Position Statement, the IFC 2012, the United Nations Declaration on the Rights of Indigenous Peoples, Presidential Directives 1 of 2010, 10 of 2013, and 8 of 2020, and Colombian constitutional jurisprudence.

With these processes, the company guarantees the right to participation, access to information, the construction of projects that improve their quality of life, and the contribution to the protection of the cultural, social, and economic integrity of our neighbouring communities.

In 2020, despite the challenges of the COVID-19 pandemic and the 90-day strike, we advanced on our prior consultations and engagement with residents of Provincial, Media Luna, La Horqueta, and several communities along the railway line (and others), achieving significant results.



Last year, we began prior consultations with 109 communities, surpassing the target of 86 communities originally planned for 2020.

Currently, as part of our compliance with Ruling T-704 of 2016, we have prior consultations open with 254 wayuu indigenous communities, including the 145 communities that started the process in 2019, which exceeds the established target of 231. At this time, we are committed to consulting with 400 communities in total, all of which are expected to be completed in 2022.

## ACHIEVEMENTS 2020

- ▶ We started prior consultations with 109 communities compared to the 86 planned for 2020.
- ▶ We reached an agreement in principle with the traditional authorities of the Provincial Indigenous Reservation, which will allow us to establish mechanisms to continue complying with the Constitutional Court's Ruling T-614 of 2019 and, at the same time, to promote this community's development in the coming years.
- ▶ After four years of talks, we signed an agreement with the community of La Horqueta as part of the consultation process carried out for the partial modification of the course of Bruno Creek.

## CHALLENGES 2021

- ▶ Start consultations with 146 additional communities as part of our compliance with Ruling T-704.
- ▶ Complete the stages to formalize consultations already begun with 254 communities; that is, the prior consultations that began between 2019 and 2020, as part of Ruling T-704.
- ▶ Implement the actions established in the agreement reached with La Horqueta and formalize the consultation processes with the communities of Tigre Pozo and El Rocío.
- ▶ Agree with the authorities on a means to complete the formalization stage of the prior consultation or reach an agreement with the Roche community to do so.
- ▶ Agree with the authorities on the participation mechanisms that apply to each of the Afro-Colombian communities and set a schedule for the roundtables with the rural residents and populated centres located in the area directly affected by the Railroad and the Mine.

## CONTRIBUTION TO FIGHT THE COVID-19 PANDEMIC

During the COVID-19 pandemic, we demonstrated our commitment to La Guajira, investing efforts and human, technical, logistical, and economic resources to support the department in tackling this emergency. Since March of 2020, we have invested more than USD 2.9 millions of our social investment resources on two work fronts: strengthening the healthcare sector and helping communities to comply with the quarantine.

### Improving the healthcare sector infrastructure

We donated the first molecular biology laboratory in La Guajira with the aim of improving the early detection of COVID-19 cases in the department. The laboratory provides the region with a state-of-the-art centre, not only for the pandemic but also for coming years to detect other viruses, such as dengue and influenza.

This donation was made in conjunction with the National Institute of Health, the regional government of La Guajira, the mayor's office of Maicao, and the San José Hospital of Maicao.

Additionally, we delivered nearly 100,000 supply items for the protection of healthcare personnel in the region (gowns, hats, disposable gloves, eye shields, face masks, protective suits, and others) and 400 items of medical equipment (vital sign monitors, cardiac arrest carts, nebulizers, defibrillators, and others) to complement the installed capacity of the hospitals in Albania, Hatonuevo, Barrancas, Maicao, and Uribia. For the most critical cases, we donated three ventilators and delivered power transformers and a new electric power plant.

To strengthen the preventive strategy of identifying positive cases, we distributed more than 11,536 COVID-19 screening tests (3,500 in 2020 and 11,533 in 2021) to the regional government of La Guajira and the municipalities of Albania, Maicao, Uribia, Barrancas, Hatonuevo, Fonseca, Distracción, and San Juan del Cesar.



## Humanitarian aid

To reduce the risk of infection in communities and support quarantine compliance, we delivered 50,000 food baskets to 359 communities in our area of influence, 100,000 washable face masks, and 10,500 alcohol and antibacterial bottles of sanitizer. In addition, we organized a campaign in Wayuunaiki with healthcare and hygiene recommendations and to raise awareness of COVID-19 management.

Alongside this aid, we delivered more than 29 million litres of drinking water to 162 communities, an activity maintained despite the strike, as well as water tanks for the storage of water. All deliveries were made in compliance with the differential engagement guide created by the company, which establishes guidelines to reduce the risk of infection with communities.



## Contributions due to the harsh winter weather in Uribia

To support those affected by winter and Hurricane Iota, we had a group of engineers and a construction machine to clear and repair the municipality's rain drainage channels, fumigated 19 affected neighbourhoods to reduce health

impacts, donated 45 tonnes of non-perishable food and 430 sleeping mats, and delivered 500 toiletry kits, 18,000 diapers, and 1,200 products from lotions to milk powder.

## ACHIEVEMENTS 2020

- ▶ We donated the first molecular biology laboratory in La Guajira to contribute to the early detection of COVID-19 cases, about 100,000 items of medical supplies for the protection of medical personnel, and delivered more than 400 pieces of medical equipment including three ventilators for paediatric and adult use (for the hospitals in Riohacha, Maicao, and San Juan), and 3,500 PCR and serological tests.
- ▶ We delivered a power plant to the Barrancas Hospital and six electrical transformers to improve electrical power service, especially in the hospitals in the municipalities of Fonseca and Hatonuevo.
- ▶ We distributed more than 29 million litres of drinking water to 162 communities in the company's area of influence. In the last seven years, we have delivered 182 million litres of water.
- ▶ We delivered more than 50,000 food baskets to 359 Wayuu communities totalling 45,000 people. In addition, we supported transportation for the delivery of 24,000 additional food baskets and the mobilization of 576 school kits in Uribia in support of the regional government and the Ministry of Education.
- ▶ We distributed toiletry kits with 100,000 washable face masks and 10,500 bottles of alcohol and antibacterial bottles of sanitizer, a significant portion of which was purchased from local suppliers to support the local economy.

As part of our partnership with the

- ▶ World Food Programme, we provided monthly food vouchers to 2,800 people, strengthened the capacities of 17 communities, and donated work material to more than 210 wayuu artisans from 11 communities in Barrancas, Hatonuevo, Maicao, and Uribia to promote continued artisanal production.

- ▶ We disinfected common areas of Albania and donated supplies to Hatonuevo to service vehicle disinfection points, biosafety suits, sprinklers, face masks, and 4,000 litres of quaternary ammonium.

## CHALLENGES 2021

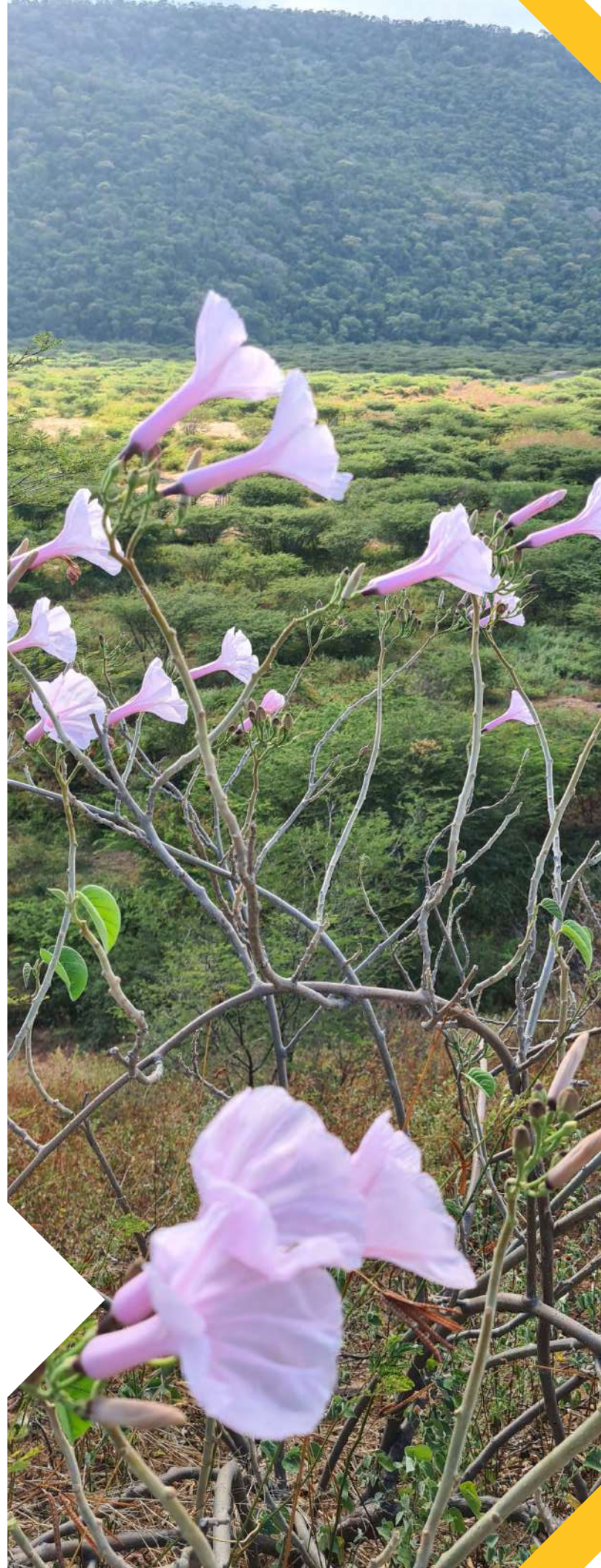
- ▶ Continue to support La Guajira, its inhabitants, and medical institutions to face the COVID-19 emergency with a social investment plan that helps reduce the spread of the virus in communities and strengthens the healthcare sector to address it.

# ENVIROMENTAL STRATEGY

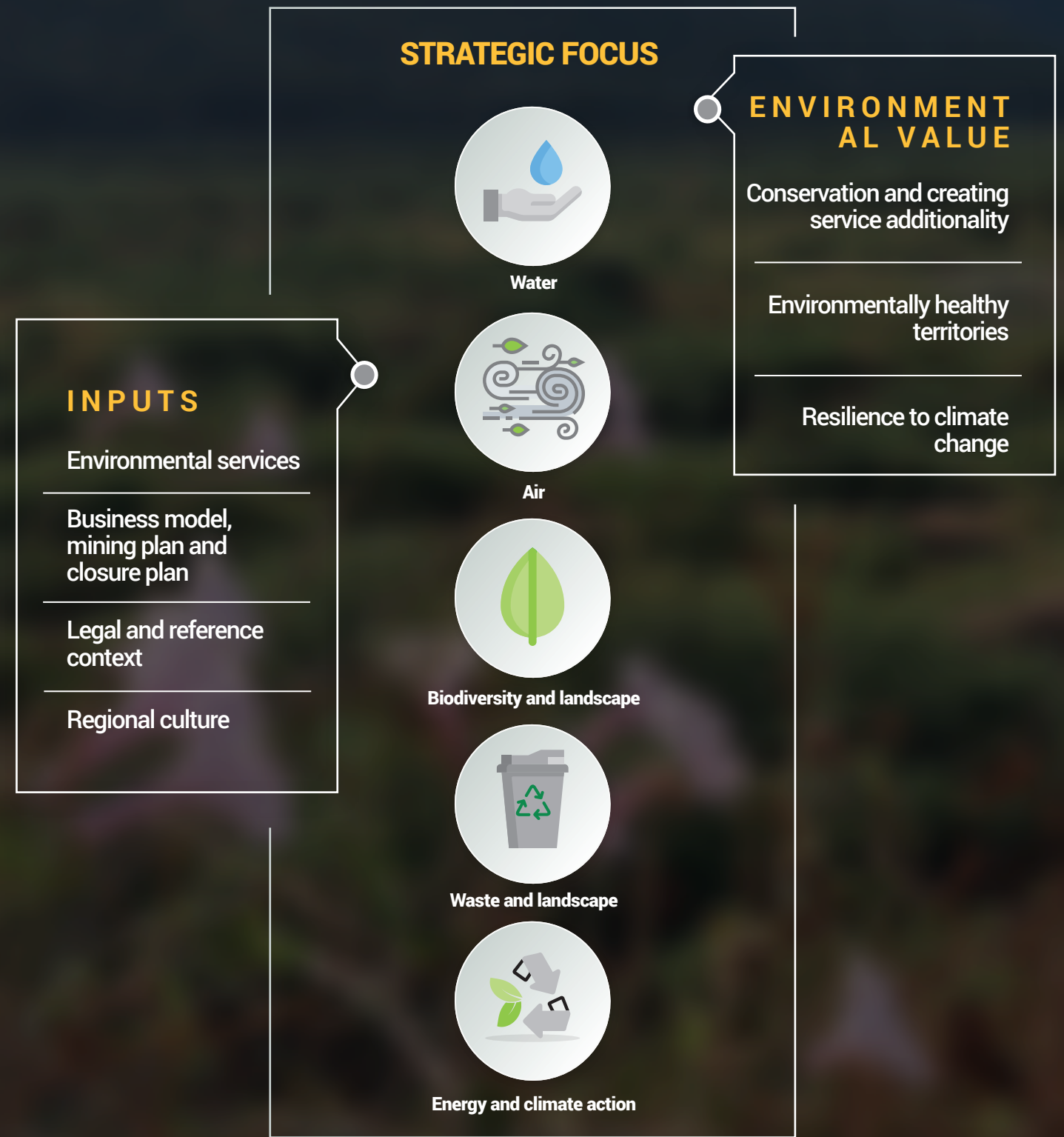
At Cerrejón, we are committed to undertaking our operations responsibly and with respect for the environment and our neighbouring communities. Therefore, we have a enviromental strategy that allows us to manage the risks and impacts that could arise from our operation, to coordinate our company, and to promote environmental education throughout the company and communicate our management transparently and on a continuing basis.

In 2020, we invested more than USD 43,17 millions on environmental programs for the protection of the tropical dry forest, regional flora and fauna, and various rivers and streams, as well as preventing and mitigating operational impacts on air and water quality.

Our Sustainability Strategy integrates environmental and social work through five management focal points:



# ENVIROMENTAL STRATEGY 2034



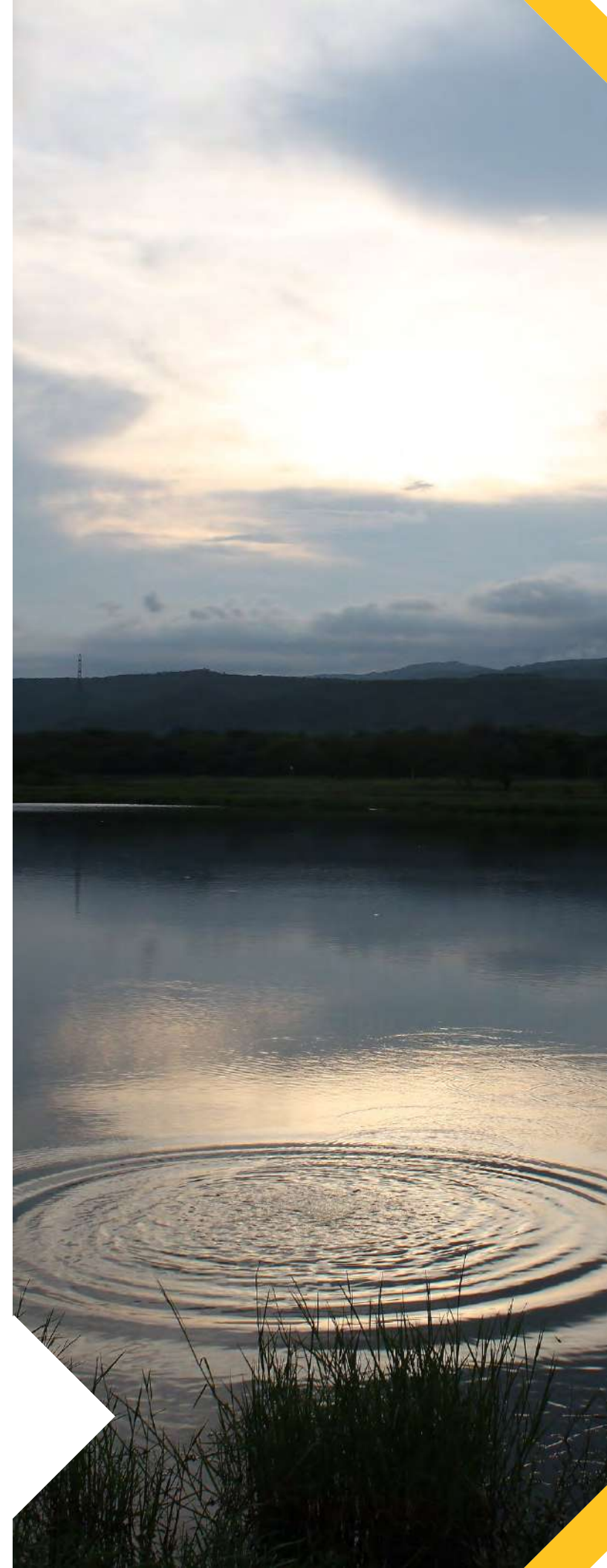
# WATER IN OUR OPERATIONS

At Cerrejón, responsible use of water is one of our main priorities. Therefore, we have implemented numerous measures to undertake our operations with industrial or mining water, which is not suitable for human or animal consumption or for crop irrigation.

85% of the water used in our mining processes comes from rain runoff and from coal seams (mining water), which is used to control dust emissions from our operations. The remaining 15% is captured from the Ranchería River and its alluvial aquifer, and is used for consumption by employees and contractors, their families, and delivery to communities in our area of influence. In Puerto Bolívar, 100% of the water used comes from the sea and is treated in a desalination plant. It is important to note that, at Cerrejón, we have been granted only 1.8% of the total volume of water withdrawals from the Ranchería River authorized by Corpoguajira.

Thanks to our work protecting and conserving water basins inside the mine area, and with the results from the IDEAM monitoring stations at the entry and exit to the mine lands, in 2020 we saw confirmation that the flow of the Ranchería River increased, on average, by 30% as it passed through the operations.

In addition, the company monitors the quality and quantity of water in the water bodies with which we interact. 29 sensors provide real-time data on the state of surface and groundwater and help us to measure various parameters at key points to ensure that our activity is carried out in compliance with Colombian regulations.



*In 2020, data showed that the water flow of the Ranchería river increases by an average of 30% as it passes through Cerrejón.*

## Water Extraction by Source (megalitres MI)

Source	Total	Amount of fresh water in megalitres (total dissolved solids ≤1000 mg/l)	Other waters in megalitres (total dissolved solids >1000 mg/l)
Surface water, including river water	5.985 MI	1.004 MI	4.980 MI
Groundwater	735 MI	104 MI	631MI
Seawater	764 MI		764 MI
Total high-quality waters		1.108 MI	
Total low-quality waters			6.375 MI

In 2020, 100% of discharges to bodies of water were treated under different mechanisms that allowed us to comply with the thresholds established in the discharge standard for surface water bodies (Resolution 631 of 2015) and marine

water bodies (Resolution 883 of 2018), thereby contributing to the increase in the water supply of the Ranchería River Basin.





## Bruno Creek

Four years after its partial modification began, the new Bruno Creek channel has become an example of environmental ecological innovation, and its current channel has maintained water flow even in dry weather seasons, which was not previously the case in this part of the basin.

The new channel has become a biodiversity corridor that is home to more than 390 wildlife species and has allowed the planting of 12,000 trees, as well as 2,000 that have sprouted naturally. Among the identified species are 120 species of birds, 58 of amphibians and reptiles, 154 of insects, 32 of fish, 30 of mammals, as well as of more than 70 species of native plants in the area.

In addition, the company has consulted with the

communities designated by the Ministry of the Interior and we have socialized it with more than 7,000 people.

A 3.6 kms stretch of the streambed was moved 700 metres north of the old position whilst replicating the natural conditions of the original channel. The new channel currently preserves the flow of water, similarly to that of the old one, allowing its waters to be delivered to the Ranchería River.

## ACHIEVEMENTS 2020

- ▶ Strengthening the system of 29 sensors for water monitoring, which confirmed (amongst other things) that the flow of the Ranchería River increases by 30% upon its passage through the mine.
- ▶ 85% of the water used in the operations is of poor quality, not suitable for human or animal consumption nor for crop irrigation.
- ▶ Compliance with the threshold limits allowed for discharges, in accordance with the provisions of Colombian regulations on surface and marine water bodies.

## CHALLENGES 2021

- ▶ Reduce discharges by 10% while adhering to regulatory compliance.
- ▶ Maintain 100% effectiveness of real-time monitoring of quality and quantity of river water.
- ▶ Complement the in-line monitoring network with the installation of five new sensors in surface or groundwater bodies.
- ▶ Continue to raise the awareness of our employees and their families through environmental awareness campaigns.

## AIR QUALITY

Open pit mining can potentially generate particulate matter emissions, noise, vibrations, or odours that can affect neighbouring communities. In addition, in La Guajira we have long dry seasons, an external impact due to dust particles from the Sahara Desert every year, and the burning of rubbish or land to prepare it for planting by third parties, amongst other issues.

That is why, at Cerrejón we have made a great effort to permanently control air quality through a unique system that allows us to predict the effect that our operations could have before the start of a mining plan or project, implementation of the strictest controls, and real-time monitoring as input for timely decision-making in the face of adverse weather events to ensure we do not impact our communities. The level of impact is verified by our special air quality monitoring system.

This monitoring system has 17 PM 10 and PM 2.5 monitoring stations, which is one of the largest monitoring networks in the country, the result of a robust design study that determined its location in our neighbouring communities.

The actions or measures we implement include the wetting of roads with water and a dust-suppressant additive, the use of low-flow sprinklers to wet down waste rock before handling, and the levelling, wetting, and compaction of coal in train wagons. These wetting controls use mining water, which is not suitable for human or animal consumption nor for crop irrigation.

	RESULT 2020 µg/m <sup>3</sup> 1	Threshold limit value (Res. 2254/2017)
PM10	40	50
PM2.5	15	25

*Other emissions: NOx, Sox, COP, COV, HAP are not considered significant in our operations.*

The information obtained is recorded monthly in the national SISAIRE system (administered by the IDEAM), shared on the company's website, and delivered to the Environmental Oversight Committee, made up of representatives from neighbouring communities, local authorities, academia, and Cerrejón.

The implementation of this system is a sign of our commitment to the environment and the health of our employees, contractors, and neighbouring communities, as well as to compliance with the standards established by the country's environmental authorities.



## ACHIEVEMENTS 2020

- ▶ Implementation of the redesigned Special Air Quality Monitoring System (SEVCA, its acronym in Spanish) defined in 2019, consisting of PM 10 and PM 2.5 monitoring equipment at each station.
- ▶ Timely application of the protocol for response to atmospheric conditions unfavourable to air quality (hourly forecast + real-time monitoring + mitigation actions).
- ▶ Compliance with the air-quality standard (Res. 2254/2017) in our monitoring stations.

## CHALLENGES 2021

- ▶ Continue complying with PM 10 and PM 2.5 air quality regulations (Res. 2254/2017).
- ▶ Review the design of the SEVCA every two years in accordance with Resolution 650 of 2010.
- ▶ Install real-time air quality monitoring equipment using IDEAM-endorsed methods in two stations.

## BIODIVERSITY

At Cerrejón we are committed to protecting and conserving the environment, especially strategic ecosystems of great ecological importance such as the tropical dry forest, one of the most important and threatened in the world. In the surroundings and within our area of operations, we host one of the largest and best-protected remnants of this ecosystem in the Colombian Caribbean.

Our operations are located in the Ranchería River valley between the Serranía del Perijá and the Sierra Nevada de Santa Marta, surrounded by four regional protected areas: the Montes de

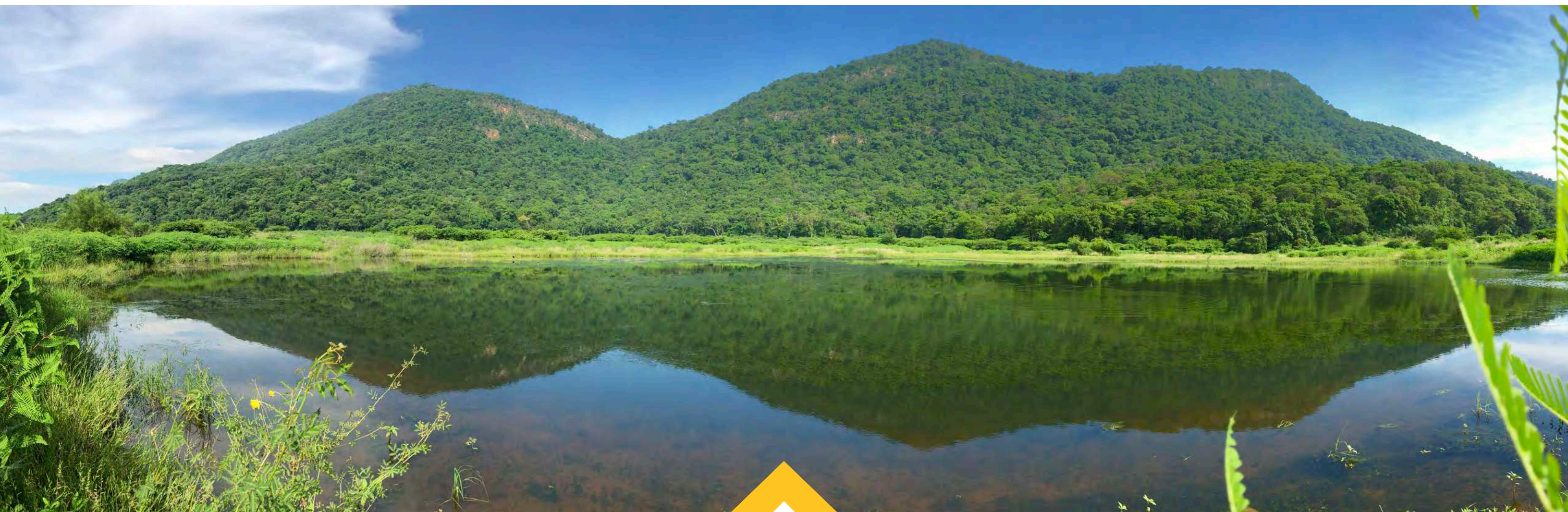
Oca Protective Forest Reserve and the integrated management districts of Perijá, Bañaderos, and the lower basin of the Ranchería River, which makes us an area of great ecological importance for the region.

That is why, each year we allocate about 8% of our environmental investment in initiatives to drive and promote the protection and conservation of the tropical dry forest hand-in-hand with our neighbouring communities through land reclamation and restoration, and the declaration of protected areas, the promotion of participatory science with various entities, and the management of knowledge through the investigation of its dynamics and management. This effort has allowed us to identify more than 600 species of birds, mammals, amphibians, and reptiles, noteworthy amongst which are records

of eight jaguars, 15 pumas, and more than 30 ocelots.

Through the formation of a biological corridor of more than 25,000 hectares between the Serranía del Perijá and the Sierra Nevada de Santa Marta, we contribute 9% of the goal of the Colombian State to restore 260,000 hectares of tropical dry forest. For the next 10 years, we contribute to the protection of threatened and endangered species such as the verawood tree (*Bulnesia arborea*), ebony tree (*Caesalpinia ebano*), perhuetano (*Parinari pachyphylla*), the monkey pot tree (*Lecythis minor*), the raintree (*Samanea saman*), and the garcero tree (*Licania arborea*) as well as fauna such as the military macaw, the vermilion cardinal, the jaguar, the neotropical otter, and the white-tailed deer.

Likewise, we promote the participation of communities in topsoil conservation and preservation and in the implementation of sustainable agricultural and livestock practices through the development of other initiatives, such as the Farming Silvopasture Production Systems program, which transmits technology and knowledge to more than 150 people from six communities in proper land use and management. In addition, we established conservation agreements with communities, associations, and families in the region for the restoration, recovery, and protection of strategic areas for conservation in areas surrounding the Mine.





## ACHIEVEMENTS 2020

- ▶ We progressed on our offset plan to form the biological water corridor as agreed to with the ANLA.
- ▶ We rehabilitated 114.5 hectares of old mining areas.
- ▶ We restored 140 hectares in offset areas.
- ▶ We gathered data on flora in the tropical dry forest laboratory.
- ▶ We made more than 9,000 biological entries in the SIB.
- ▶ We finished monitoring marine ecosystems in Puerto Bolívar.

## CHALLENGES 2021

- ▶ Plant more than 320,000 native tropical dry forest trees.
- ▶ Secure the land titling of 120 hectares of land in the Biological Corridor.
- ▶ Maintain the conservation agreements previously established in the northern sector of the Biological Corridor.
- ▶ Carry out sustainable agro-ecological pilot programs with three neighbouring communities.
- ▶ Achieve final approval from the National Nature Parks of Colombia for the declaration of the private civilian reserve.



# WASTE MANAGEMENT

At Cerrejón, we guarantee the integral management of our waste, from its generation to its final disposal, complying with legal environmental regulations and implementing actions that promote separation at the source for its use or subsequent recycling by third parties. Thanks to the effort and commitment of our work team, we recovered a total of 574,000 gallons of used oil, generating only 29.68 tonnes of deteriorated emulsion and 16.71 tonnes of used grease.

25% of the recovered oil was reused for the internal manufacture of emulsion, and the remaining 75% was sold to an authorized external supplier who physically and chemically refines the oil to recover the lubricant base to sell.

Also worth noting is that we recovered 2,400 tonnes of scrap metal, 125 tonnes of cardboard (which saved 1,750 trees), 165 tonnes of rubber. This significant management reduces our consumption of energy and resources, and it also contributes to the well-being of the communities near our operations and to the preservation of natural resources and the environment.

Scrap recovered in 2020 represented 82% of the total waste recouped. Most of it comes from the disassembly of mining equipment retired from operation.

The resources obtained in partnership with the Rotary Club through its Manos Solidarias Foundation, thanks to the sale of waste for the recycling of thousands of usable tonnes, has, in the last six years, benefited more than 14,200

people from neighbouring communities in the department, focusing on the areas of healthcare, education, social welfare, basic housing, drinking water, recreation, culture, and sports.



# ACHIEVEMENTS 2020

- ▶ More than 82% of oil used was recovered, and part was used in-house to make emulsion.
- ▶ Recovered 69% of waste generated out of a total of 5,000 tonnes despite the fact that 2020 was a difficult year due to the suspensions of operations given the COVID-19 pandemic and the 90-day strike.

# CHALLENGES 2021

- ▶ Implement the new colour code on containers throughout the organization in accordance with the provisions of the Ministry of the Environment and Sustainable Development through Resolution 2184 of 2019.
- ▶ Hold workshops to promote the separation of waste at the source with our workers and contractor firms.
- ▶ Continue efforts to prevent fuel spills in the water pumping systems that use fuel for their operation by installing devices that allow their connection with the fuel tanks that supply them.
- ▶ Implement a system of containers with a new design to optimize the disposal of waste in operational areas in such a way that the containers are protected to prevent them from being knocked over and consequently spilling and scattering their contents.

## OPERATIONS CLOSURE

Our closure plan is a business practice (taken into account from the beginning of our operations) that allows us to reduce our operations' impacts. The goal is to make a responsible turnover of the mining concessions to the State once our contracts are finalized, in February of 2034.

For the closing process, we need to evaluate the existing risks to identify the appropriate closure measures. These measures, in turn, are the basis for estimating costs and including them in the company's financial provision. Each year, it must be updated to reflect changes arising from current interventions, environmental conditions, and the business reality.

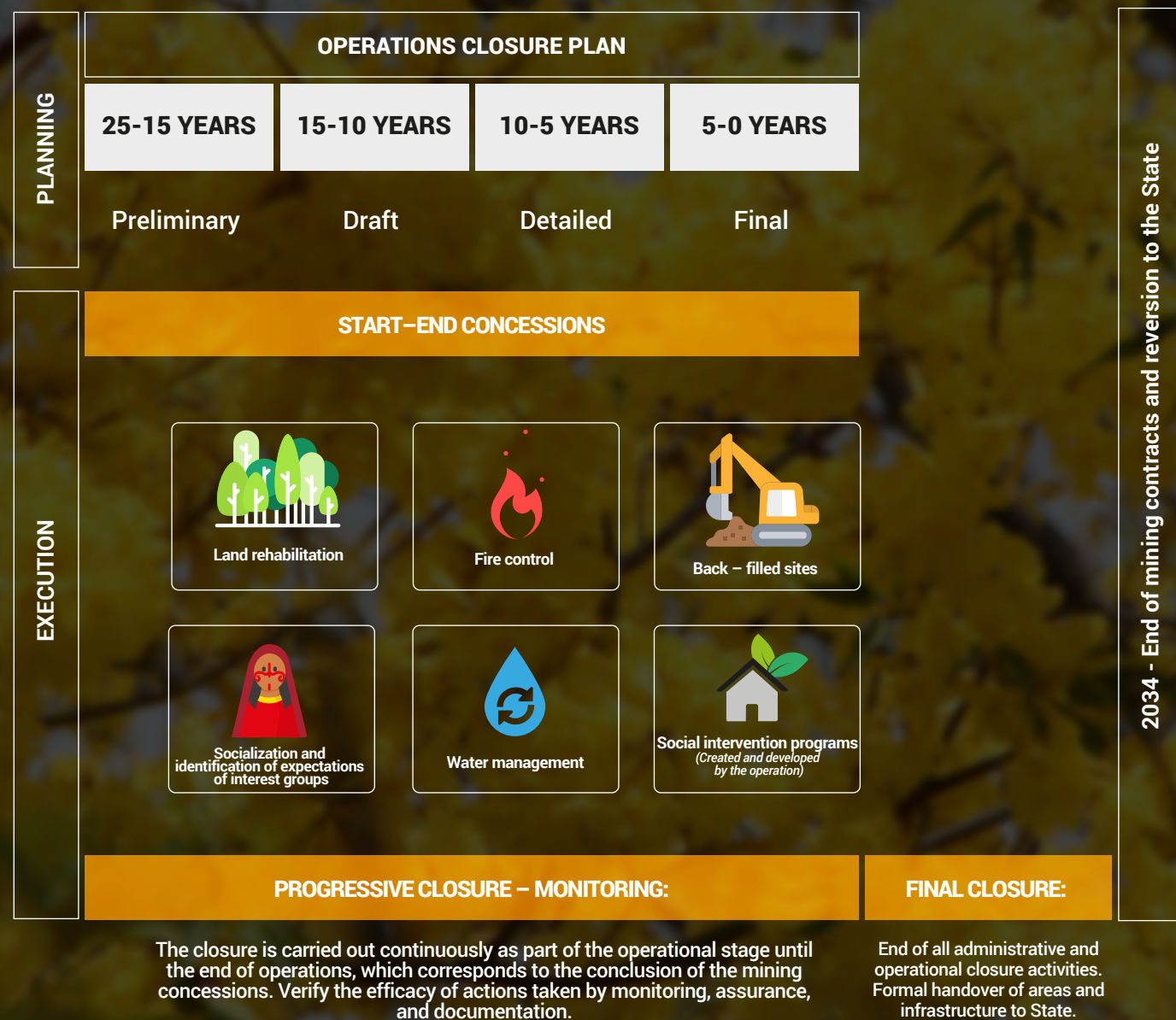
Our legal requirements for closure derive from our mining operation contracts, the current Comprehensive Environmental Management Plan, the Preliminary Closure Plan filed with the National Environmental Permitting Authority

(ANLA), and the environmental requirements set out by that authority.

With no previous experience of large-scale mine closures in Colombia, we adopted the methodological guide of our shareholder Anglo American. This guide includes the different planning processes, internal and external requirements, and environmental, social, and financial considerations on the operations' life cycle so that, when the concessions end, we can leave a positive legacy in the region.

From the beginning of Cerrejón's operations, we have implemented progressive closure measures associated with the responsible management of environmental and social impacts. These measures include the progressive reclamation of areas disturbed by mining, the declaration of reserve areas for biodiversity conservation, and social programs for the generation of production systems other than mining in La Guajira.





## ACHIEVEMENTS 2020

- ▶ We presented Cerrejón's Temporary Closure Plan to the ANLA. This plan identified the activities that will be executed in the face of a temporary closure of operations.
- ▶ We carried out virtual engagement with officials from the municipalities of Albania and Hatonuevo, where we managed to gather their expectations on closure.

## CHALLENGES 2021

- ▶ File the Closure Plan update with the ANLA.
- ▶ Resume, adjust, and continue with the deployment of the action plan for 2021, complying with the schedules and scopes in the different topics.
- ▶ Incorporate the results of the actions executed during the closure planning process, reinforcing closure integration in our operational, environmental, and social processes.
- ▶ Continue meeting with our stakeholders to identify expectations about closure and respond to concerns to control false expectations.



CHAPTER 4

**ECONOMIC  
PERFORMANCE**



# ECONOMIC PERFORMANCE

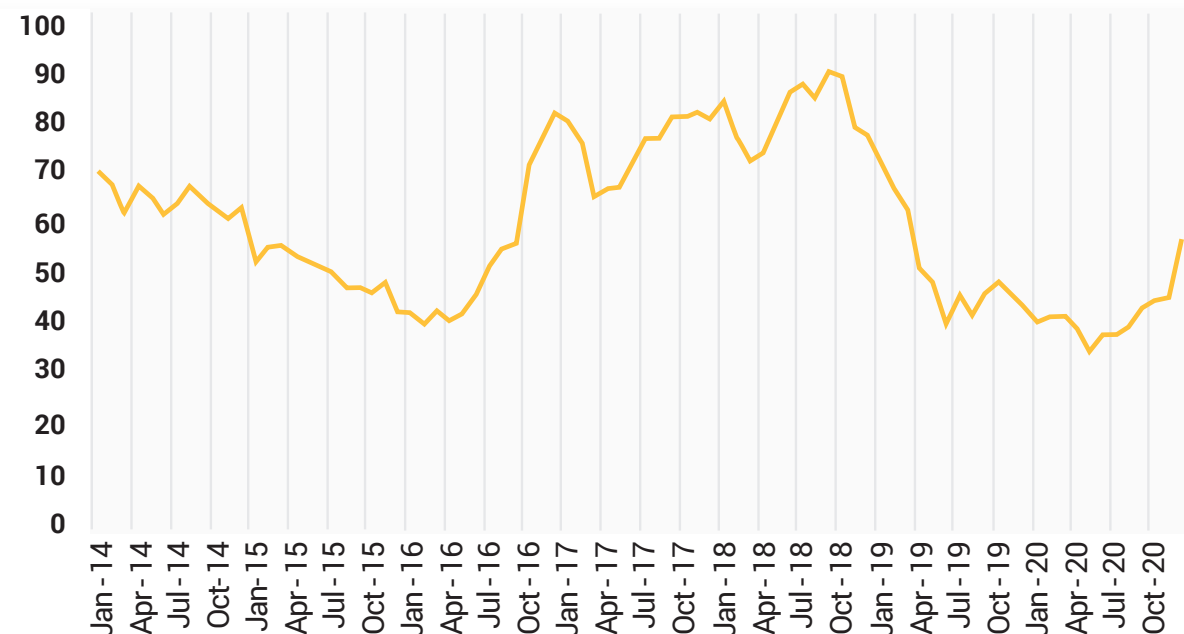
Despite the challenges posed by 2020 for Cerrejón because of the suspension of operations due to the COVID-19 pandemic and the 90-day strike, we continued to work to ensure our economic sustainability and to generate value for our workers, their families, our communities, La Guajira, and Colombia.

In 2020, coal prices continued to be low and unstable. At some points in the year, it was about USD 35/MT, although due to market issues, by the end of 2020 it was at USD 57/MT.

If we add in the drop in demand in traditional coal-importing regions, closer geographically to Colombia's Caribbean coast, the need to adapt to this new reality and to work on lowering fixed costs while exploring new markets to ensure the company's survival in the short, medium, and long term is imperative.

In 2020, the company lost USD 239.8 million, mainly due to the suspension of operations for more than four months over the course of the year. This impacted the company's contribution to the region's and the country's revenues. Income tax

PRICE A2N 2014 - 2020<sup>1</sup>



<sup>1</sup> The A2N price corresponds to the volume weighted average price of FOB coal prices in Colombian ports, published by Argus Media in the Argus Steel Feedstocks report, given in US dollars, for each month of the semester completed.

Figures in USD 000s	
Revenue by net salesx	676,945
Revenue from financial investments	2,929
Revenue from asset sales	757
<b>Total direct economic value produced</b>	<b>680,631</b>

had a negative value of USD 85,9 million due to the fact that we recovered a tax receivable from 2019 worth USD 114 million, and in turn, we paid the sum of USD 28.1 million in self-withholdings and VAT for fixed assets. Furthermore, Cerrejón paid more than USD 55,6 million in royalties.

The contributions generated by the mining industry nationally represent about 2% of the national GDP and more than 40% of La Guajira's GDP, the latter represented mainly by the sales of our coal to different countries, which accounts for more than 99% of our revenue. This revenue is invested in our operating expenses (76%), employee salaries and benefits (23%), payments to capital providers (1%), and government payments (-0.3%), while the remaining 0.5% is investments in our communities.

In 2021, we will continue to work on optimizing our processes and reducing our operating costs to achieve a balance point that allows us to remain competitive in the market.

Figures in USD 000s	
Operational costs	667,064
Salaries and benefits for employees	203,673
Payments to capital providers	8,447
Payments to the State	(220)
Community	3,989
<b>Total economic value distributed</b>	<b>882,952</b>



## SUPPLY CHAIN

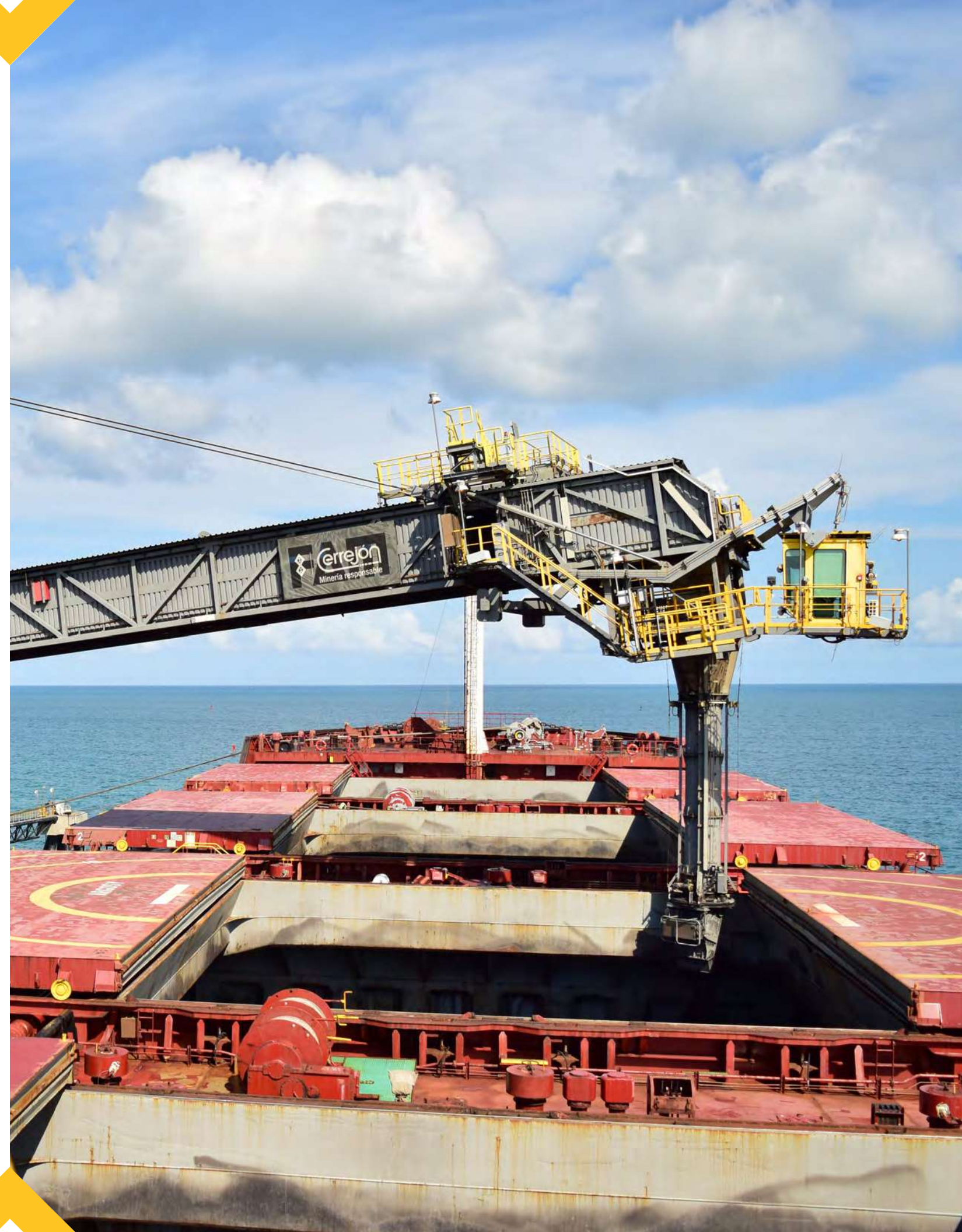
At Cerrejón, contractors and suppliers are partners in the successful undertaking of our operations and shipping coal to our clients around the world. To do so, we ensure efficient, agile management of our supply chain, acting in a responsible, risk-free manner in compliance with our policies in Human Rights, Ethics, and our Guidelines for the Prevention of Corruption, Security, Health, Environment and Communities, in addition to the System of Self-Regulation and Risk Management of Money Laundering and Financing of Terrorism.

In 2020, we made purchases and contracts for USD 326.622 millions from 1,148 local, national, and international contractors and suppliers. With all of them, we carry out the appropriate process to evaluate their legitimacy, transparency, and respect for human rights, promoting business strengthening and the implementation of good practices of companies responsible for providing us with products or services.

Of our total suppliers or contractors, 132 are from La Guajira, 773 are from the rest of the country, and 243 are from other countries around the world.

Origin	Purchases	Contracts	Total by origin
La Guajira	921	12,569	13,490
National	45,718	140,439	186,157
International	103,222	12,573	115,795
<b>Total</b>	<b>149,861</b>	<b>165,581</b>	<b>315,441</b>

*Figures in millions of USD*





CHAPTER 5

GRI  
INDICATORS

# TABLE OF CONTENTS GRI

General contents / gri standard / own indicator

location (report page/ url/direct response)

SDG ALIGNMENT\*

## Our company

### ORGANIZATION PROFILE

GRI 102-1 Name of organization	Page. 5
GRI 102-2 Activities, brands, products, and services	Pages. 20 - 21
GRI 102-3 Headquarters location	Page. 5
GRI 102-4 Location of operations	Page. 5
GRI 102-5 Ownership and legal form	Page. 5
GRI 102-6 Markets served	13.6 million tonnes exported to Mediterranean (43%); America (26%); Europe (15%); and Asia (15%)
GRI 102-7 Scale of the organization	Pages. 20 - 21
GRI 102-8 Information on employees and other workers	Pages. 34 - 41
GRI 102-9 Supply chain	Pages. 82 - 83
GRI 102-10 Significant changes to the organization and its supply chain	There have been no significant changes during the period of this report.
GRI 102-11 Precautionary principle or approach	We take the precautionary principle as a benchmark, avoiding taking on risks that, if they occurred, would cause irreversible damage to stakeholders or to the environment.
GRI 102-12 External initiatives	Pages. 26, 27, 46 - 49 <a href="https://www.cerrejon.com/index.php/desarrollo-sostenible/estandares/derechos-humanos/">https://www.cerrejon.com/index.php/desarrollo-sostenible/estandares/derechos-humanos/</a>
GRI 102-13 Membership of associations	<a href="https://www.cerrejon.com/index.php/nuestra-operacion/nuestra-empresa/">https://www.cerrejon.com/index.php/nuestra-operacion/nuestra-empresa/</a>

### STRATEGY

GRI 102-14 tatement from senior decision-makers

Pages. 10 - 17

GRI 102-15 Key impacts, risks, and opportunities

We categorize risk in accordance with the type of impact its occurrence would generate in areas important to us, such as health, safety, the environment, communities, financial and legal topics, and Cerrejón's reputation that are reflected throughout the report.

### ETHICS AND INTEGRITY

GRI 102-16 Values, principles, standards, and norms of behaviour

Page. 22 - 25  
<https://www.cerrejon.com/index.php/desarrollo-sostenible/standards/polices/>

GRI 102 - 17 Mechanisms for advice and concerns about ethics

We have the following lines for any employee, contractor, or third party to report anonymously or confidentially on possible transgressions of the policies. Ethics Line, from Colombia, dial 01-800-911-011. Upon entering, it will ask for the following number: 844-287-1872 / Website: [www.eticacerrejoncmc.ethicspoint.com](http://www.eticacerrejoncmc.ethicspoint.com) Internal Control Department: phone + 57-1-595-2777, extension 2777 or email: [controlinterno@cerrejon.com](mailto:controlinterno@cerrejon.com)

### GOVERNANCE

GRI 102-18 Governance structure

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GRI 102 - 19 Delegating authority

Pages. 22 - 25

GRI 102-20 Executive-level responsibility for economic, environmental, and social topics

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GRI 102-21 Consulting stakeholders on economic, environmental, and social topics

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GRI 102-22 Composition of the highest governance body and its committees

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GRI 102-23 President of the highest overnance body

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GRI 102-24 Nomination and selection of the maximum governing body

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GRI 102-26 Role of highest governance body in setting purpose, values, and strategy

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GRI 102-28 Evaluation of performance of highest governance body

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GRI 102-29 Identifying and managing economic, environmental, and social impacts

Pages. 22 - 25












GRI 102-30 Effectiveness of risk management processes	Pages. 22 – 25
GRI 102-31 Review of economic, environmental, and social topics	Pages. 22 – 25
GRI 102-32 Highest governance body's role in sustainability reporting	The sustainability report is a corporate project headed by the Communications division, constructed with the contributions of different organization areas, and approved by the heads of the areas and departments involved as well as by the company's Legal department.
<b>PARTICIPATION OF STAKEHOLDERS</b>	
GRI 102-40 List of stakeholder groups	Pages. 26 – 27
GRI 102-41 Collective bargaining agreements	Page. 40
GRI 102-42 Identifying and selecting stakeholders	Pages. 26 – 27
GRI 102-43 Approach to stakeholder engagement	Pages. 26 – 27
GRI 102-44 Key topics and concerns raised	Pages. 26 – 29
<b>REPORTING PRACTICE</b>	
GRI 102-45 Entities included in the consolidated financial statements	Pages. 5, 80 – 81
GRI 102-46 Defining report content and topic Boundaries	Pages. 28 – 29
GRI 102-47 List of material topics	Pages. 28 – 29
GRI 102-50 Reporting period	Page. 5
GRI 102-51 Date of most recent report	Page. 5
GRI 102-52 Reporting cycle	Page. 5
GRI 102-53 Contact person for questions regarding the report	Page. 5
GRI 102-54 Claims of reporting in accordance with the GRI standards	Page. 5
GRI 102-55 GRI content index	Pages . 86 - 91
GRI 102-56 External assurance	For the reporting period, there was no external assurance of the indicators reported.

**Our Priorities**

<b>TALENT MANAGEMENT</b>		
GRI 103-1 al 103-3 Management approach	Pages. 34 – 41	 
GRI 102 – 8 Information on employees and other workers	Pages. 34 – 41	 
GRI 401 –1 New employee hires and employee turnover	Pages. 34 – 41	
<b>HEALTH AND SAFETY</b>		
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GRI 403-1 Occupational health and safety management system	Pages. 42 – 45	
GRI 403-2 Hazard identification, risk assessment, and incident investigation	Pages. 42 – 45	
GRI 403-3 Occupational health services	Pages. 42 – 45	
GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	Pages. 42 – 45	
GRI 403-5 Worker training on occupational health and safety	Pages. 42 – 45	
GRI 403 – 6 Promotion of worker health	Pages . 42 – 45	
GRI 403 – 7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages. 42 – 45	
GRI 403 – 8 Workers covered by an occupational health and safety management system	Pages. 42 – 45	
GRI 403 – 9 Work-related injuries	Pages. 42 – 45	
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GRI 103-1 al 103-3 Management approach	Pages. 46 – 49	
GRI 412-1 Operations that have been subject to human rights reviews or impact assessments	Pages. 46 – 49	

GRI 412-2 Employee training on human rights policies or procedures	Pages. 46 – 49	
GRI 412-3 Significant investment agreement and contracts that include human rights clauses or that underwent human rights screening	Of the 38 new contracts signed in 2020 for more than USD 80,000, 100% include the Human Rights clause.	
GRI 410-1 Security personnel trained in human rights policies or procedures	Pages. 46 – 49	
Our own indicator - Complaints Office. Number of complaints received, closed, and in course.	Pages. 46 – 49	
<b>COMMUNITIES</b>		
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Our own indicator. Progress o commitments with resettled communities	Pages. 48 – 49	
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<b>WATER IN THE OPERATION</b>		
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