

**First Progress Report on Cerrejón's Social Engagement Commitments  
Following the February 2008 Independent Third Party Review Panel's Report**

**Letter from León Teicher, CEO, Cerrejón**

**Bogotá, Colombia. October 2008**

In February 2008, an Independent Third Party Review Panel published an in-depth report that examined Cerrejón's main social engagement programs. It suggested that we, Cerrejón, learn how to listen to a wider range of stakeholders and to communicate better our intentions and actions. This report seeks to do that. It contains this statement, a table with concrete actions and timetables and annexes, which draw from updated sections of our website. Six months have passed since the Panel's document and our response were issued publicly and progress has been made within Cerrejón and our programs. Some endeavors have been harder than others and have required a great deal of self-reflection, internal coordination and, indeed, a wider and deeper interaction with local, national and international stakeholders. We welcome comments and suggestions on how to make further improvements. Please contact Alexandra Guáqueta, Public Affair Advisor, at [alexandra.guaqueta@cerrejoncoal.com](mailto:alexandra.guaqueta@cerrejoncoal.com).

**Managing Commitment**

Our public response to the Panel's recommendations contains specific action items. These are listed in the Response document and in the report table below. To monitor our performance, we have nominated accountable project managers to each commitment and resorted to our Project Management Office to help us structure tasks with timetables. I have personally supervised the process. This management methodology is an innovation. Setting the system and training our staff took some time, but I am sure it will help us deliver more effectively.

**Corporate cultural change**

Identity and conduct are the core of everything. We realize the Panel Report is much more than a list of actions. It spells out key elements of what the essence of our corporate social responsibility should be: openness, transparency and humility. Before the report we had already shifted our approach to doing "the maximum possible" to help make La Guajira sustainable. This goal underpinned the creation of the four Cerrejón Foundations in late 2007. The value added of the Panel has been to reinforce our path and make us understand that there is much hard work to be done if we are to achieve our aspiration to be at the forefront of corporate social responsibility.

Our focus will be on the reconstruction of Tabaco, building trust with local communities and mainstreaming various key international standards, such as the International

Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability.

### **Affected communities and our area of influence**

Following the Panel Report and IFC's standards we have come to understand better the nature and scope of our impacts. Communities are impacted not only by dust. Their economic and social networks are affected by the mine and we need to be sensitive to such impacts. This is why, today, for instance, we are working jointly with Tamaquito to find them a new appropriate home.

Our area of influence is La Guajira. We are the largest business operation there and pay large amounts of taxes and royalties. As per Colombian law, a large portion of the royalties go to five municipalities and to the Departamento de La Guajira. Community needs are many. La Guajira has suffered from state neglect throughout its history and is arguably one of the poorest regions in the country. We cannot address every individual demand from Villanueva to Cabo de la Vela directly but expect the efforts of the Cerrejón Foundation for Institutional Strengthening to result in socio-economic improvements for most inhabitants. We will also work continuously to draw the attention of national-level authorities, especially with regards to Wayuu needs. Our immediate focus for social investment projects will be directed at Albania, Barrancas and Hatonuevo, the railway corridor, including a 2 km strip to each side, and communities neighbouring Puerto Bolívar, especially Malla Norte and Malla Sur, located in Uribia

### **Tabaco**

Professor John Harker, President and Vice-Chancellor of Cape Breton University in Canada, and former Chair of the Independent Third Party Review Panel, was asked in August by the Tabaco Relocation Committee, and agreed with Cerrejón, to act as independent facilitator. We welcomed that appointment. He has visited La Guajira twice to meet with them and Cerrejón. The result has been a pre-agreement, reached on October 1st, 2008. Both parties have accepted that Cerrejón will provide appropriate land for the reconstruction of Tabaco, use its influence to move the public authorities to accept their responsibilities for servicing the land for residential use and build a public facility such as a community centre. The Tabaco Relocation Committee has agreed to collaborate in the identification of people entitled to indemnity or compensation.

The company will offer sustainable development programs to all former Tabaco residents who wish to participate. We are looking forward to a final agreement by December 2008, containing main action items and a draft timetable.

### **Other Resettlements**

Much attention of local communities and various national and international stakeholders has focused on the resettlement processes of Chancleta, Patilla, Roche and Tamaquito. We have been working since 2007 to plan such processes following IFC and World Bank guidelines. One lesson learned is that genuine participatory processes



are extremely time consuming. We are 4 to 9 months delayed with respect to early 2007 planning. Today, however, we have new timelines agreed-to jointly with each community and, we believe a truly improved relationship. Our aim is to build mutual trust, strong enough to resolve any disagreements and manage our approach in a constructive manner. I invite interested parties to help not hinder this dialogue and to focus on the communities and not their personal interests. True, Cerrejón has a past to manage, but we will strongly rebut unfair criticism, particularly where it is based on perception.

## **The Wayuu**

We pride ourselves of cultural sensitivity after sharing peacefully, for so long, La Guajira with the Wayuu. We have, however, a long road ahead, especially on the subject of employment. The Wayuu's existence has not been at risk with our operations, but women and men, children and elderly, need to benefit more from it. I will make sure our staff coordinates better to deliver concrete results on this front. With regards to employment within Cerrejón, we have already conducted a useful focus group session that has given us good ideas on how to change training and entry processes as well as fostering a more enabling environment. The work the Cerrejón Foundations for the Indigenous Guajira and for the Progress of La Guajira are doing has been of great help in this regard and will be instrumental in helping generate quality employment outside Cerrejón.

At our port operations, we have increased our social engagement at Media Luna. It will be provided with electricity in 2009. Malla Norte and Malla Sur are still divided, with tensions and grievances between them. We respect their traditions, but encourage communities to a greater dialogue. We are open to promote collaborative projects through the Foundations and our Social Responsibility Department. Some very interesting productive projects are beginning to bear fruit.

## **Sustainability**

Cerrejón will only be sustainable if conditions at La Guajira improve. We do not control socio-economic and political change, but are investing valuable resources and energy in this direction. We will work with Colombian agencies and foreign donors to improve on the achievement of the Millennium Development Goals in La Guajira.

The work of the Cerrejón Foundation for Institutional Strengthening has advanced rapidly. We were very pleased with the widely attended accountability public meetings looking at the investments of royalties. It shows people from La Guajira are willing to embrace democracy and proactively demand from local leaders in public office more effective and transparent service. Communities can count on our full support. The Cerrejón Foundations for Indigenous Guajira, for Progress and Water have also made good progress, facilitating coordination with national entities, attracting new donors to the region and working to develop cultural-sensitive sustainable livelihoods for the Wayuu.



# Cerrejón

La Guajira, however, is facing critical challenges related to crime, drug trafficking and violence. We strongly condemn actions by paramilitary, guerrillas and crime rings against the population, the Wayuu, Cerrejón employees and our facilities. We will seek to become more active on peace-building initiatives and call upon state authorities to promote human rights in the region. To strengthen our work in human rights, we have created a new high-level position within the Social Responsibility Department.

We thank the Independent Panel, its Chair, Professor John Harker and our shareholders (AngloAmerican, BHP Billiton and Xstrata) for their support and recommendations. We will continue to actively work on and to monitor progress of all our public and internal commitments to the goal of being, and being clearly perceived by the communities in La Guajira, a good partner and a good neighbour. We will continue to strive for long term sustainability of La Guajira beyond coal mining.

Sincerely,



**Leon Teicher**  
President  
Carbones del Cerrejón Limited

Enclosed:

Response actions progress table  
Resettlement timetables  
Cerrejón Foundations' consultation log and projects list  
Cerrejón Foundations' directors and boards

**FIRST PROGRESS REPORT ON CERREJÓN'S SOCIAL ENGAGEMENT COMMITMENTS.  
FOLLOWING THE FEBRUARY 2008 INDEPENDENT THRID PARTY REVIEW PANEL'S REPORT.**

# Cerrejon's Corporate Culture

1

<b>TPR RECOMMENDATIONS</b>	<p>Cerrejón must develop its own corporate culture to differentiate itself from antecedent companies (Intercor and Exxon). Corporate culture and image should be built on both its own interest and the interests of local communities in La Guajira. It would be useful were the company to also initiate training on the matter of transforming the operating culture of Cerrejón.</p>	
<b>CERREJON'S RESPONSE</b>	<p>Cerrejón is committed to working towards an operational culture that gives priority to the way we interact with our stakeholders and one that instills in our operation cultural values and respect for all with whom the company interacts. We will develop a clear statement of our culture and values and communicate them broadly. We will develop a training program to ensure all management and employees understand such values and their implications for their day-to-day work. We will use our Sustainability Report to communicate our progress on this important area.</p>	
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	<p>Hold a kick-off meeting with Cerrejón management and relevant staff to strengthen ongoing cultural transformation with regards to identity and CSR. Two key products are expected:</p> <ul style="list-style-type: none"> <li>• A general statement of values and CSR focus areas.</li> <li>• An agreement on how to take forward the re-tooling process in a systematic fashion</li> </ul>	<p>Develop and publish an action plan on corporate culture transformation and CSR, which includes training. Publish Cerrejón's statement on corporate values and approach to CSR.</p>
<b>START DATE</b>	<p>16-Oct-08</p>	<p>18-Oct-08</p>
<b>FINISH DATE</b>	<p>17-Oct-08</p>	<p>15-Nov-08</p>
<b>PROGRESS</b>	<p>We produced a working statement highlighting the direction of our corporate culture change, which will be consulted internally at Cerrejón. The following are its key themes: continuously building trust with local communities as our "higher test", introducing international standards and regaining leadership in CSR, being open to external feedback on our performance and promoting participatory decision-making processes inside and outside the company.</p> <p>Next steps:</p> <ul style="list-style-type: none"> <li>• Consult statement inside Cerrejón.</li> <li>• Revise and update values.</li> <li>• Disseminate broadly with workshops.</li> </ul>	
<b>STATUS OF IMPLEMENTATION</b>	<div style="display: flex; justify-content: space-between; width: 100%; height: 50px;"> <div style="width: 50%; background-color: #0070C0;"></div> <div style="width: 50%; background-color: #008000;"></div> </div>	

TPR SUMMARY REPORT

# Cerrejon's Corporate Culture

2

<b>TPR RECOMMENDATIONS</b>	Cerrejón should initiate training to advance the transformation of the company's operating culture and publicly report on its progress (including overall training programs).	
<b>CERREJON'S RESPONSE</b>	We will develop a training program to ensure all management and employees understand such values and their implications for their day-to-day work. We will use our sustainability report to communicate our progress on this important area.	
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	A values training program is being co-designed by the Human Capital function and CSR department to spread values (Cerrejon's and local values) in and out of organization. The axis of the program is the Cerrejón woman (employees and relatives), the program evolves into a Community leadership program where Cerrejón women are trained as community leaders.	Key high-level and relevant staff re-tooling training sessions with regards to CSR.
<b>START DATE</b>	18-Oct-08	15-Nov-08
<b>FINISH DATE</b>	31-Jan-09	01-Jun-09
<b>PROGRESS</b>	Program being revised.	Our goal is to begin a systematic training program on international standards for 2009. Some sessions have already begun: the Social Responsibility Department has taken two of three workshops on community engagement focused on a grass-roots, pro-poor approach to development, promoted by BHP Billiton and Oxfam Australia.
<b>STATUS OF IMPLEMENTATION</b>		

TPR SUMMARY REPORT

# Cerrejon's Corporate Culture

3

**TPR RECOMMENDATIONS**

Cerrejón should implement a process of “retooling” with respect to the management of social impacts.

**CERREJON'S RESPONSE**

A new management team has been assembled to address and improve our social programs. New programs will be developed in consultation with key stakeholders to ensure that engagement opportunities and information are appropriate to their needs. Local communities will be fully informed of and have the opportunity to participate in decisions that may affect them.

**PROPOSED KEY ACTIONS AND PROJECTS**

Restructure Cerrejón's Social Engagement Department.

**START DATE**

01-Jan-08

**FINISH DATE**

30-Mar-08

**PROGRESS**

We created a Social Responsibility Department, responsible for three areas:

- Social engagement.
- Resettlements.
- Human rights.

The SR Manager reports now directly to the CEO. In 2008, the department hired 12 new professionals. Our approach to social engagement has been progressively changing since 2006, aiming to move beyond the compliance of legal requirements towards a more robust sustainable development framework.

**STATUS OF IMPLEMENTATION**

More on this theme in the next section

TPR SUMMARY REPORT

# Social Management

4

<b>TPR RECOMMENDATIONS</b>	Shareholders and senior management should recognize that to date success in production has been more marked than success in building trust with the local community. An approach that goes beyond strict legal compliance will be important in addressing this issue.			
<b>CERREJON'S RESPONSE</b>	A new approach is being implemented based on international standards. We will use our sustainability report to promote our achievements and discuss our challenges			
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Standard of Living Measuring Survey ( SLMS) conducted by DANE ( Departamento Administrativo Nacional de Estadística, Colombia's national statistics office will be carried out in our area of influence. It follows World Bank and UN Standards.	Improve communications tools used to inform and provide feedback to local communities, as well as to receive feedback from them and adjust our programs accordingly.	Design and write up an overall social engagement strategy that shows how we go beyond minimum legal requirements and adopting international standards.	Present strategy to local communities and government agencies.
<b>START DATE</b>	01-Aug-08	03-Mar-08	01-Jul-08	17-Mar-08
<b>FINISH DATE</b>	30-Jan-09	30-Dec-09	30-Oct-08	30-Dec-08
<b>PROGRESS</b>	Cerrejón worked successfully to encourage the Colombian government to conduct the SLMS in its area of influence, which has important Wayuu presence. The survey follows World Bank and UN guidelines as well as ethical sociological standards with regards to the privacy of individuals, and was adjusted to be applied in rural areas with ethnical differences. Data will be available for academic and public policy work. The preparatory phases of the survey (questionnaire design, sample selection, adjustments to capture Wayuu particular traits and consultation with communities) will end soon and implementation is programmed for November and December 2008. The relevance of the survey is three-fold: increasing accountability in the use of royalties, raising government awareness with regards to the needs of the Wayuu, and providing Cerrejón accurate and relevant base line data of its area of influence to enable the measurement of progress within a sustainable development framework, data allows also national and international comparison.	We have increased community newsletters and bulletin boards, but need to design a proper system to let communities know how we have listened and taken their views into account.	The main components exist, and articulation in a written text will be discussed internally in November.	Our new strategy is focused on promoting sustainable development, improving the impacts of our programs, empowering local communities through participatory processes and building trust. Ongoing projects have been dicussed and consulted with beneficiaries and local authorities. We intend to present the strategy, stakeholder feedback and results of ongoing programs during the Regional Development Forum planned for 1Q 2009.
<b>STATUS OF IMPLEMENTATION</b>				



# Resettlements and Tabaco

5

**TPR RECOMMENDATIONS**

It will be necessary for action on Tabaco to be accompanied by the realization that there may be hold-over issues from earlier efforts which come to the fore again, requiring comprehensive and planned action. Cerrejón should address the situation of all the Tabaco families, regardless of their stance on negotiation in 2002. This kind of solution will only be sustainable if it is supported by a fully participatory consultative process involving all stakeholders, which should be commenced as soon as possible.

**CERREJON'S RESPONSE**

Our overall approach to resettlement has been reviewed and revised to take into account the Panel's recommendations. Particular attention will be given to the development of a clear timeframe in consultation with the affected communities. Our expectation is that resolution of the Tabaco issues will be facilitated by the involvement of a mutually agreeable independent facilitator and propose to suggest this to the TRC and all former residents. We also propose to suggest a firm timeframe (not to exceed the end of 2008), again in consultation with the TRC, within which we will collectively work to bring the outstanding issues to a close. Through this process, Cerrejón will seek to uphold the Panel's recommendation that the monies currently in escrow for compensation should now be paid. Cerrejón will continue to work with the Red Tabaco group to progress the Panel's recommendation of a development bursary.

**PROPOSED KEY ACTIONS AND PROJECTS**

Agree with the Tabaco Relocation Committee on an independent external facilitator.	Agreement with the Tabaco Relocation Committee, facilitated by Professor John Harker.	Analyse and define the financial compensation for some special cases in the first Tabaco resettlement.
01-Jan-08	02-May-08	05-Feb-08
30-May-08	30-Dec-08	01-Mar-09

**START DATE**  
**FINISH DATE**

**PROGRESS**

John Harker, President and Vice-Chancellor of Cape Breton University, was asked in August by the Tabaco Relocation Committee and Cerrejón to act as independent facilitator. He has visited La Guajira twice to meet with the them and Cerrejón. The result has been a pre-agreement, reached on October 1st. Both parties have accepted that Cerrejón will provide appropriate land for the reconstruction of Tabaco, use its influence to move the public authorities to accept their responsibilities for servicing the land for residential use and build a public facility such as a community centre on the acquired land. The Relocation Committee has agreed to collaborate in the identification of those entitled to indemnity or compensation. The company will offer sustainable development programs to all former Tabaco residents who wish to participate. We are looking forward to a final agreement by December 2008, containing main action items and a draft timetable.

**STATUS OF IMPLEMENTATION**

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TPR SUMMARY REPORT

# Resettlements and Tabaco

6

<b>TPR RECOMMENDATIONS</b>	All parties should focus on what can now be done to help divided communities and otherwise affected communities share better in the positive impacts of mining at Cerrejón.	
<b>CERREJON'S RESPONSE</b>	In addition to the specific actions to enhance our community contribution, we also support the suggestion of the Panel to carry out a symbolic reconstruction initiative that will result in community identification and strengthening. We will work with all former residents to determine the support for such an action and what would be most relevant and valued by them.	
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Build symbolic Tabaco site.	Improve living standards of Tabaco communities (New Entrepreneurial Projects for Tabaco Community)
<b>START DATE</b>	20-Aug-08	01-Apr-08
<b>FINISH DATE</b>	31-Dec-09	01-Dec-09
<b>PROGRESS</b>	The site and its location will result from the agreement with the TRC.	Work with the Tabaco Endogenous Network began in 2007. It is open to all Tabaco former residents, promotes group solidarity and is intended to help people become economically self-sufficient. As of 3Q 2008 we had funded 94 economic and vocational training projects for 54 families, investing approximately 1.1 million dollars. In May we finished a full census and characterization of former Tabaco residents and their descendants, and updated accordingly the employment and training plan for 2008.
<b>STATUS OF IMPLEMENTATION</b>		

TPR SUMMARY REPORT

# Resettlements and Tabaco

7&8

TPR RECOMMENDATIONS	7	Cerrejón should recognize that resettlement processes based on international standards should be triggered not only when physical resettlement is required, but also when a community is affected by the very proximity of the mine and its impact on other communities.	8	A broad conception of “affected community” must be embraced by Cerrejón as a key driver of its approach to both resettlement and good neighbourliness, including how it deals with communities who are “affected” but not “displaced”.
	Cerrejón agrees with the Panel that resettlement may be appropriate where a community is adversely affected by the indirect impacts of mining. This concept has now been incorporated in our resettlement principles.			
CERREJON'S RESPONSE	Cerrejón agrees with the Panel that resettlement may be appropriate where a community is adversely affected by the indirect impacts of mining. This concept has now been incorporated in our resettlement principles.			
PROPOSED KEY ACTIONS AND PROJECTS	Issue new resettlement policies statement.	Develop and agree with the affected communities timelines for their resettlement processes.	Develop indicators to measure current living standards of communities to be resettled and identify key actions that will improve these.	
START DATE	16-Jun-08	01-Jan-08	20-Aug-08	
FINISH DATE	30-Sep-08	30-Sep-08	10-Feb-09	
PROGRESS	This is our statement: Cerrejón follows World Bank and International Finance Corporation (IFC) guidelines. We see resettlement as an opportunity for dialogue with local communities, improvement of their living standards and building social capital. We expect the on going resettlement processes to strengthen sustainable development in La Guajira.	<p>We have agreed timelines with the communities of Roche, Chancleta and Patilla. And should do so soon with Tamaquito. These were updated in 3Q 2008. See our webiste for more information. These timelines are 4 to 9 months off with regards to our original expectation in 2007. The main reasons for these delays are:</p> <ul style="list-style-type: none"> <li>• The time participatory processes require. We underestimated this in our old planning, but understand the benefits of such methodology.</li> <li>• Finding appropriate land for relocation and reaching an agreement with all community members.</li> <li>• Articulating local authorities into the processes to ensure their own delivery with regards, for instance, to servicing new land with facilities. Any new changes to the timelines must result from agreements with the communities.</li> </ul>	We are evaluating consultant proposals.	
STATUS OF IMPLEMENTATION			Tamaquito timeline to be agreed	

# Resettlements and Tabaco

9

<b>TPR RECOMMENDATIONS</b>	<p>Cerrejón should view past resettlements as liabilities which need to be addressed through a new approach that emphasizes clear consultation and negotiation practices and strategies. It may also be appropriate for Cerrejón to continue to promote group as opposed to individual resettlement, as is advocated in modern standards covering resettlement.</p>
<b>CERREJON'S RESPONSE</b>	<p>Our overall approach to community resettlement has been reviewed and revised to take in to account the Panel's recommendations.</p>
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	<p>Update Cerrejón's web site to explain better the resettlement processes and the implementation of international standards. Update every 3 months.</p>
<b>START DATE</b>	20-Jun-08
<b>FINISH DATE</b>	30-Oct-08
<b>PROGRESS</b>	<p>We had delays updating the website. New information is now available. We will continue to work on the site in the coming weeks.</p>
<b>STATUS OF IMPLEMENTATION</b>	

TPR SUMMARY REPORT

# Cerrejón's Foundation System

10 & 11

<b>TPR RECOMMENDATIONS</b>	<b>10</b>	Cerrejón's aim should be to explore how its existing role and capacity can be better harnessed for sustainable and equitable socioeconomic development in La Guajira.	<b>11</b>	Each foundation's strategic objectives and specific activities need to be developed through an extensive and participatory consultation process with relevant stakeholders. These should be published and disseminated, both as a means of providing clarity and as a way of managing expectations.
	<b>CERREJON'S RESPONSE</b>		<b>CERREJON'S RESPONSE</b>	
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Develop, consult and publish each foundation key objectives and strategies.			
<b>START DATE</b>	30-Jun-08			
<b>FINISH DATE</b>	31-Mar-09			
<b>PROGRESS</b>	Draft strategies of the four Foundations have been developed and consulted with local stakeholders though formal and informal meetings. We plan to conduct a wider consultation in the coming months to reach grass roots communities, NGOs, women and other interested stakeholders. We intend to present a finalized strategy that reflects stakeholder feedback as well as results of ongoing programs during the Regional Development Forum planned for 1Q 2009.			
<b>STATUS OF IMPLEMENTATION</b>				

# Cerrejon's Foundation System

12

<b>TPR RECOMMENDATIONS</b>	The independence of the foundations should be strengthened and made explicit, with particular attention given to ensuring that the foundations are acknowledged as being properly informed, expertly guided and sufficiently independent.
<b>CERREJON'S RESPONSE</b>	The Panel's advice that good governance will be fundamental to the long term success of the Foundations is well made and their recommendations will assist in the further development of our approach. We have sought to ensure that each of the Foundations have high calibre Executive Directors, selected for their knowledge, expertise, and management skills, with world class Boards of Directors.
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Appoint high profile directors and boards for the foundations.
<b>START DATE</b>	30-Jun-08
<b>FINISH DATE</b>	30-Jun-08
<b>PROGRESS</b>	The four foundations are managed by senior directors with professional and academic experience relevant to the specific development objectives: increase clean water supply, improve quality of life of the Wayuu, increase the effectiveness of taxes and royalties investment and increase local employment. See Foundation directors' profiles and boards in our web site.
<b>STATUS OF IMPLEMENTATION</b>	

# Engagement with Civil Society

13

<b>TPR RECOMMENDATIONS</b>	Cerrejón should increase efforts to encourage and attract civil society organisations, Colombian and international development agencies, donor governments and multilateral institutions.		
<b>CERREJON'S RESPONSE</b>	We fully agree with the Panel's recommendation that we should further encourage the participation of international development agencies, donor governments and multi-lateral institutions. Good progress is being made. To assist with this objective Cerrejón will host a "Forum for Regional Development" inviting additional civil society groups, government and companies to participate in the development of joint strategies and action plans. The Forum will be held no later than the first quarter in 2009.		
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Relevant departments must identify and approach new partners. Status of new alliances will be published in our web site.	Planning and preparation of the Forum in consultation with internal and external stakeholders	Host a Forum for a Regional Development
<b>START DATE</b>	01-May-08	11-Sep-08	26-Mar-09
<b>FINISH DATE</b>	31-Dec-08	25-Mar-09	27-Mar-09
<b>PROGRESS</b>	<p>Cerrejón conducts its social programs with the participation of local authorities in La Guajira, who manage royalties, and with local communities. We also work, where relevant, with national-level government agencies. This is in line with the need to strengthen democracy and institutional development. We are now focusing to add new partners, especially donors and NGOs. These are some of our key new partners include Transparencia for Colombia, the EITI Secretariat in Oslo and the IFC office in Colombia on the issue of royalties, the US Agency for International Development on various themes, the World Health Organization office in Colombia on nutrition, the University of La Guajira and IDEAM on the air monitoring program and Corpoeducación and Empresarios por la Educación on education services.</p> <p>We have held internal preparatory meetings to discuss themes and focus. The next step is to have a draft plan and agenda, with input of experts and local stakeholders.</p>		
<b>STATUS OF IMPLEMENTATION</b>			

TPR SUMMARY REPORT

# The Wayuu - Culture and Employment

14

<p><b>TPR RECOMMENDATIONS</b></p>	<p>The key focus for future Cerrejón social responsibility practices should be addressing the fact that the Wayuu have benefited the least by the mine's presence, while they are the most vulnerable and the most impacted segment of the local population.</p>
<p><b>CERREJON'S RESPONSE</b></p>	<p>The Wayuu are a particularly vulnerable segment of the local population and to date, they have not benefited to the same extent as others. We agree that this must be addressed as a central element of Cerrejón's social responsibility practices. To address this issue, Cerrejón's Fundación Indígena and Fundación Progreso will develop a special education and training program. Building on existing efforts, the program will be developed in consultation with the Wayuu communities, government, NGOs and other agencies contributing to development in the region. The program will be presented and discussed at the Forum we've agreed to host.</p>
<p><b>PROPOSED KEY ACTIONS AND PROJECTS</b></p>	<p>Carry out a set of socio-economic development activities in conjunction with Cerrejón, Fundación Guajira Indígena, Fundación Progreso and other partners to improve the living standards of the Wayuu Communities in our area of influence, respecting Wayuu culture and traditions.</p>
<p><b>START DATE</b></p>	<p>01-Jun-08</p>
<p><b>FINISH DATE</b></p>	<p>31-Dec-08</p>
<p><b>PROGRESS</b></p>	<p>The Fundación Guajira Indígena has re-organized its programs to avoid overlaps and use resources more efficiently. Asawa articulates several initiatives on food safety, agriculture and infant-mother care of the Wayuu population in our area of influence. We have also introduced participatory methodologies to our programs, following Cerrejón's new approach to social engagement. In 2008, 14 Wayuu received vocational training in agriculture and 150 women received craft training. Moreover, the Fundación provided 34 temporary jobs to Wayuu with university-level education, as project analysts and researchers. The special training program is being developed jointly with the government's vocational training institution, SENA. In 2008, Cerrejón hired 18 new Wayuu employees and admitted 30 apprentices. Today we have 132 Wayuu employees and 45 apprentices.</p>
<p><b>STATUS OF IMPLEMENTATION</b></p>	<p style="background-color: green; color: white; text-align: center;">ON TIME</p>



TPR SUMMARY REPORT

# The Wayuu - Culture and Employment

15

<b>TPR RECOMMENDATIONS</b>	Cerrejón should develop a clear strategy and measurement indicators.	
<b>CERREJON'S RESPONSE</b>	Cerrejón is currently committed to have at least 20% of its new work force made up of in habitants from neighboring communities and indigenous population. We will clearly articulate our plans and publicly report our progress in our Sustainability Report.	
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Identify training needs of the communities in the Cerrejón sphere of influence and define a training plan.	Implement training plan according to community interests.
<b>START DATE</b>	19-Jul-08	30-Nov-08
<b>FINISH DATE</b>	30-Nov-08	30-Dec-08
<b>PROGRESS</b>	We consulted communities on their needs and these were the results: electromechanics, crafts training, wordprocessing, home renovation and maintenance, and grass-roots business associations. With regards to the Wayuu, we conducted a focus group session with Wayuu employees to understand better possible barriers of entry into the company and difficulties adjusting. Results are being used to reform training and entry processes.	We begun an initial review with SENA to analyze the feasibility to provide further training on the following areas, identified by the communities: electromechanics, crafts training, wordprocessing, home renovation and maintenance, and grass-roots business associations. Extended training will begin in 2009.
<b>STATUS OF IMPLEMENTATION</b>		

TPR SUMMARY REPORT

# The Wayuu - Culture and Employment

16

<p><b>TPR RECOMMENDATIONS</b></p>	<p>Training for future local employees should be complemented by parallel process of business development support to enable local companies to meet the standards required by Cerrejón in delivering certain products and services.</p>	
<p><b>CERREJON'S RESPONSE</b></p>	<p>In 2008, the foundations system signed an agreement with the Servicio Nacional de Aprendizaje (SENA, Colombia's national vocational training agency) for the training of 1000 Wayuu youth in entrepreneurial skills, which will later turn in to productive projects. We will report progress in our Sustainability Report.</p>	
<p><b>PROPOSED KEY ACTIONS AND PROJECTS</b></p>	<p>Implement "Conéctate Colombia" program (Technical training for 120 students)</p>	<p>Monitor entrepreneurship projects derived from training.</p>
<p><b>START DATE</b></p>	<p>18-Dec-07</p>	<p>30-Jun-08</p>
<p><b>FINISH DATE</b></p>	<p>30-Mar-09</p>	<p>30-Mar-09</p>
<p><b>PROGRESS</b></p>	<p>SENA offered local communities courses on electromechanics and treatment of drinking water. It was attended by 118 people, of which 46 were Wayuu.</p>	<p>The 2008 <i>Jóvenes Rurales</i> program (Rural Youth program) contemplated 18 courses on craft training, organic farming, food handling, community health assistance available for 450 placements. To date 14 courses have been delivered to 350 students, all Wayuu.</p>
<p><b>STATUS OF IMPLEMENTATION</b></p>	<p style="background-color: green; color: white; text-align: center;">FINISHED</p>	

TPR SUMMARY REPORT

# The Wayuu - Culture and Employment

17

<p><b>TPR RECOMMENDATIONS</b></p>	<p>The company could work with the Wayuu clans to organize ceremonies which would recognize the burial sites along the railway line and (in cooperation with the appropriate public authorities) explore options for renaming the road as the “Wayuu Memorial Highway”.</p>
<p><b>CERREJON'S RESPONSE</b></p>	<p>As recommended by the Panel, we will develop plans to recognize burial sites and rename the access road during 2008. We will do this with the involvement of the elders and the traditional authorities of the Wayuu communities and ensure that any actions have the full support of the local communities.</p>
<p><b>PROPOSED KEY ACTIONS AND PROJECTS</b></p>	<p>Develop plan with Fundación Guajira Indígena and communities.</p>
<p><b>START DATE</b></p>	<p>01-Jun-08</p>
<p><b>FINISH DATE</b></p>	<p>30-Apr-09</p>
<p><b>PROGRESS</b></p>	<p>We have changed the scope of our actions responding this TPR recommendation. Renaming a highway involves a complicated public administration intervention (since state agencies are the only ones that can do this) and we would much rather see their energy and attention focus on Wayuu’s pressing needs. Instead, we propose giving the railway we operate a Wayuu name and encouraging Wayuu to see that the train and railway land as part of their environment, as opposed to an alien and harmful element. This should also help reduce train-related accidents of people and livestock. In August 2008, we concluded a detailed study on Wayuu usage of land adjacent to the railway to understand better the pattern of Wayuu railway crossings, which can be hazardous to them. As a result we identified two critical points where we will build bridges for Wayuu circulation. We calculate these will service around 50% of pedestrian traffic. In addition, we are concluding a study on mental health, alcohol and drug use among Wayuu to understand better and act against the possible causes of suicide connected to the railway. We propose a cultural project based on Wayuu rituals that can help re-establish a new meaning of the railway area. We have also chosen to work with the Sierra Nevada indigenous people, who have Offering Sites (sitios de pagamento) in our area of influence. We have already worked with Wiwas and Kogui in La Guajira to identify these sites and have joined in Offering ceremonies. Our next steps are issuing guidelines for Cerrejón on how to approach these sites ensuring respect to their culture.</p>
<p><b>STATUS OF IMPLEMENTATION</b></p>	<p>According to new scope</p>

# The Wayuu - Culture and Employment

18

<p><b>TPR RECOMMENDATIONS</b></p>	<p>Attempting to reunite the community at Media Luna, at least socially if not physically, should be a priority for the management of social impacts at Cerrejón.</p>	
<p><b>CERREJON'S RESPONSE</b></p>	<p>The Panel's recommendation is supported but clearly also requires the consent and participation of the Wayuu clans involved. Cerrejón management will facilitate discussions with the clans to determine their aspirations. In consultation with the community, a support program will be developed for implementation within 6 months.</p>	
<p><b>PROPOSED KEY ACTIONS AND PROJECTS</b></p>	<p>Develop and implement a home improvement program.</p>	<p>Build a health center.</p>
<p><b>START DATE</b></p>	<p>02-Feb-08</p>	<p>01-Mar-08</p>
<p><b>FINISH DATE</b></p>	<p>30-Dec-09</p>	<p>30-Dec-08</p>
<p><b>PROGRESS</b></p>	<p>Cerrejón begun a water monitoring pilot to make sure <i>jagüeyes</i> (openfield rainfall reservoirs) are clean. We conducted a medical brigade with doctors and staff from Nuestra Señora de Los Remedios Hospital. 664 people were assisted. Cerrejón successfully encouraged the Colombian government to supply electricity to this community. As part of the agreement, Cerrejón will provide and service the connection point at Puerto Bolivar. Energy supply to the community should begin in January 2009. We concluded the first phases of an oyster farming project, and next steps include assessing whether the project can be significantly expanded. Fundación Progreso is formulating 3 new economic projects for the Media Luna community on octopus farming, artificial reef conservation to improve fishing, and upgrading boat and fishing gears.</p>	<p>After evaluating several proposals, Cerrejón selected the contractor for the center. This and other projects has made us realize that local residents need to be trained in construction work. Contacts with SENA have been established to begin such training in 2009.</p>
<p><b>STATUS OF IMPLEMENTATION</b></p>	<p style="background-color: orange;"> </p>	<p style="background-color: green;"> </p>

TPR SUMMARY REPORT

# Royalties

19

<b>TPR RECOMMENDATIONS</b>	Cerrejón should explore means of disseminating information on royalties more widely, with the objective of stimulating awareness and active debate amongst the population. It should encourage the establishment or growth of organisations capable of sustaining civil society's engagement and interest in the management of royalties and of monitoring and holding local government accountable for their use. It should also address the problem of state capacity, perhaps through the Foundation for Institutional Strengthening.				
	Cerrejón will explore means of disseminating its publication of all payments to government more widely, including through the local media. We will also continue to include this information in our Sustainability Report and discuss it with the local communities as part of our stakeholder engagement program. Cerrejón will also meet with relevant Colombian government agencies to promote Colombia's adherence to the Extrative Industry Transparency Initiative (EITI).				
<b>CERREJON'S RESPONSE</b>					
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Conduct meeting with key government stakeholders.	Write the Colombia case study for the EITI Mining book, to be launched at the February Doha meeting.	Publish royalties payments in the local media.	In alliance with anti-corruption office of the Vice Presidency carry out three participate accountability meeting to examine use of royalties.	Carry out capacity buildings workshops for public official and other stakeholders.
<b>START DATE</b>	20-Jun-08	25-Aug-08	02-Jun-08	29-Jul-08	30-Jun-08
<b>FINISH DATE</b>	15-Dec-08	30-Dec-08	30-Nov-08	30-Dec-09	30-Sep-08
<b>PROGRESS</b>	Cerrejón met with the Vicepresident of Colombia, who is assessing the benefits of adherence to EITI (Extrative Industry Transparency Initiative). Meetings have also been held with DNP (Departamento Nacional de Planeación, Colombia's National Planning Department), Transparencia por Colombia, the IFC in Colombia and the EITI Secretariat.	Cerrejón participated in Washington's authors' meeting in September and the chapter is being prepared. Its objective is to examine the transparency opportunities for the mining industry in Colombia and ways in which the EITI process can help.	The amount of royalties paid by Cerrejón have been published in brochures designed for the "Visible Audits" meetings.	Cerrejón's Foundation for Institutional Strengthening in La Guajira implemented Transparency Pacts in the 4 municipalities that receive the bulk of royalties (Barrancas, Albania, Hatonuevo and Uribia). These are intended to reduce corruption by raising public pressure on leaders. As a result of these pacts 5 "visible audits", public accountability meetings, have been carried out to oversee investments in 6 large projects worth 26.5 million dollars. Meetings, gathering community members and local authorities, were widely attended, between 150 and 400 people came to each Audit. Projects include a water pipeline across Chorreras, Barrancas and Hatonuevo; low-income housing and a park in Albania; and renovations of the Paulo VI School in Barrancas, the ALP Public School in Uribia, and the Nuestra Señora del Carmen School in Hatonuevo. Next steps include close participatory monitoring of these investments and implementing an agreement with DNP to strengthen local investment planning offices the 4 above mentioned municipalities in La Guajira.	Cerrejón's Foundation for Institutional Strengthening in La Guajira has held 4 regional training seminars on legal and technical aspects of royalties investment. Speakers included national-level experts and officials and participants mayors and their staff, council members and community leaders. We asked attendants to provide feedback. Events were on average graded 4.6 over 5.0. Our next steps include responding to new demands by public officials for additional, more specialized training on effective public contracting. Apart from short-term actions agreed to in the Panel response, the Fundación has long-term programs on this subject. Progress will be communicated in the next report.
<b>STATUS OF IMPLEMENTATION</b>					

TPR SUMMARY REPORT

Security and the Voluntary Principles on Security and Human Rights

20 & 21

<b>TPR RECOMMENDATIONS</b>	20	Allegations of aggression by security forces need to be rigorously investigated and efforts made to ensure that correct behaviour and attitude by Cerrejón security personnel serve to strengthen relations between the company and nearby communities. Cerrejón should work to establish a more transparent process for handling complaints about security and put in place a systematic mechanism for dialogue with communities around security concerns.	21	Cerrejón should take advantage of the process currently under way in Colombia to develop clear indicators for implementation of the Voluntary Principles. Piloting and refining these indicators will provide a proper mechanism for recording, monitoring and addressing alleged violations, as well as a system for evaluating the results of its extensive human rights training program.
	<b>CERREJON'S RESPONSE</b>			
We fully agree with the Panel's view that any allegations of aggression by security forces need to be vigorously investigated and remedial action taken if the allegations are substantiated. This has been and will remain the case, however, we recognize that putting in place transparent processes for handling complaints and a systematic mechanism for dialogue with local communities around security concerns would be valuable. We will explore the Panel's recommendations as part of our overall community consultation program. We will develop indicators of the success of our extensive human rights training as suggested by the Panel by the end of 2008. Progress will be reported through the annual Sustainability Report.				
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Improve the existing complaints and grievance mechanism.	Pilot the indicators of the Voluntary Principles on Security and Human Rights.	Design and put into practice a follow-up mechanism to measure the results of human rights trainings.	
<b>START DATE</b>	01-Sep-08	01-Sep-08	01-Oct-08	
<b>FINISH DATE</b>	30-Apr-09	30-Jan-09	01-Jun-09	
<b>PROGRESS</b>	We have identified two key references to guide our improvement: Anglo's SEAT procedures and the new IFC's CAO (Compliance Advisor Ombudsman) guidelines, issued in June. Our next steps include: defining how to harmonize the existing mechanisms used by various departments and consulting improvements with relevant stakeholders.	International Alert has agreed to provide us feedback on this exercise.	A new Human Rights coordinator was recruited in September. We envision a participatory design of the follow-up mechanism to receive feedback from academic experts and NGOs.	
<b>STATUS OF IMPLEMENTATION</b>				

TPR SUMMARY REPORT

# Health and Environmental Issues

22 & 23

<b>TPR RECOMMENDATIONS</b>	22	Cerrejón should pay serious attention to allegations from the union and local communities regarding the incidence of dust related diseases.	23	Cerrejón should consider partnering with universities so as to ensure that its emissions monitoring was effective, credible and transparent.
	<b>CERREJON'S RESPONSE</b>		<b>CERREJON'S RESPONSE</b>	
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Set up an air monitoring program.		Set up an air quality independent verification process.	
<b>START DATE</b>	01-Jun-08		01-Jun-08	
<b>FINISH DATE</b>	31-Dec-08		31-Dec-08	
<b>PROGRESS</b>	<p>Cerrejón held a consultation community meeting with members of Media Luna Norte, Las Casitas, Papayal, Barrancas, Patilla, Provincial, Chancleta, Roche, Remedios and Albania to receive their feedback on air quality auditing lead by IDEAM (Instituto de Hidrología, Meteorología y Estudios Ambientales de Colombia, the public technical agency that monitors environmental standards in Colombia). In Cerrejón has 18 air sampling stations for TSP and PM 10. Community members agreed to participatory monitoring including them, IDEAM, the University of Guajira and Corpoguajira (the local environmental oversight agency). They also requested the presence of the Barrancas hospital director as well as training on the issue. A first round of public monitoring was concluded in October. Next steps are setting up air monitoring training for community and Copaso (the company-employee committee on health and safety oversight) and a public presentation in November of audit results.</p>			
<b>STATUS OF IMPLEMENTATION</b>				

TPR SUMMARY REPORT

# Improvement of Industry Standards

24

<b>TPR RECOMMENDATIONS</b>	Cerrejón has an important role to play in elevating industry standards. The company should ensure that all stakeholders, from the local, to the national and international, better understand what it is trying to achieve and how it goes about it.	
<b>CERREJON'S RESPONSE</b>	We acknowledge the Panel's view that Cerrejón has an important role in to play in elevating industry standards in Colombia. We will liaise with government, industry associations, and SMEs to help facilitate a workshop to share good practice and progressive standards in the areas of particular concern.	
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Identify key partners and draft a plan.	Carry out a workshop on international mining standards, targeting business, government and civil society.
<b>START DATE</b>	08-Aug-08	26-Feb-09
<b>FINISH DATE</b>	11-Nov-08	27-Feb-09
<b>PROGRESS</b>	We have held scoping meetings with potential partners. Asomineros, Colombia's mining association and the Colombian government have agreed to collaborate and endorse the dissemination of key international standards such as those used by the IFC (International Finance Corporation) and World Bank.	
<b>STATUS OF IMPLEMENTATION</b>		