

Cerrejon's Corporate Culture

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TPR RECOMMENDATIONS

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.

CERREJON'S RESPONSE

Cerrejón is committed to working towards an operational culture that gives priority to the way we interact with our stakeholders and one that instils 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.

PROPOSED KEY ACTIONS AND PROJECTS

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:

- A general statement of values and CSR focus areas.
- An agreement on how to take forward the re-tooling process in a systematic fashion

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.

START DATE

16-Oct-08

18-Oct-08

FINISH DATE

17-Oct-08

15-Nov-08

PROGRESS

In October and November 2008, two high level workshops attended by the CEO and expanded management team discussed key CSR challenges and the way forward for corporate culture change. The group built on progress made so far and produced the *11 Commandments*. The new Cerrejón Way identifies the following as key priorities: building trust with local communities through dialogue and participatory processes, integrating international standards with regards to preventing and managing social impacts and promoting sustainable development in La Guajira as key priorities for Cerrejón. The exercise served to formalise and internalise the TPR spirit accross Cerrejón's various deparments. On March 31-April 1 a refined version of these values and goals were presented to company employees during the yearly Results and Goals Communications Meeting. These actions have produced the required high-level commitment to carry on with the organisation's transformation. The corporate culture transformation plan includes: - One managerial-level workshop. -Two middle management workshops. -Thirty workshops for employees (Cerrejón has a total of 5,204 employees). The whole cycle will finish in 2010. See more information about re-tooling on corporate social responsibility in item 2 of this table.

STATUS OF IMPLEMENTATION

COMPLETED

COMPLETED

Cerrejon's Corporate Culture

TPR RECOMMENDATIONS

Cerrejón should initiate training to advance the transformation of the company's operating culture and publicly report on its progress (including overall training programs).

CERREJON'S RESPONSE

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.

PROPOSED KEY ACTIONS AND PROJECTS

A values training program is being co-designed by the Human Capital function and CSR department to spread values (Cerrejón'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.

START DATE

18-Oct-08

15-Nov-08

FINISH DATE

01-Dec-09

01-Jun-09

PROGRESS

In 2008, Cerrejón had planned to launch a "values" program to address Cerrejón's challenges as permeated by local context. It was thus meant to address societal values in La Guajira and their effect on the conduct of the work force on a broad spectrum of themes, from safety to CSR. The project was designed to focus on women in the Cerrejón community and neighbouring towns. We have put this project on hold after realising that the Cerrejon Way process needs to take root first.

The training plan for 2009 includes two pillars: -The Cerrejon Way workshops on corporate identity mentioned above. -Training on relevant social engagement tools and CSR international standards, aimed at several departments across the company. In 2008 and 2009 the Social Responsibility team and other departments were trained on: Logic frameworks for participatory social investment projects; Anglo's Socio-Economic Assessment Tool (SEAT); People-Centered Dialogue and Development processes; Resettlement planning and quality of life indicators; and "Higher test" social engagement concepts, by On Common Ground. In addition, staff received expert coaching on Project Management to improve the results and accountability of each project. In 2010, the Sustainability group and other departments received training in operating the new grievances mechanism, which aims to follow the guidelines of the International Council on Mining and Metals (ICMM) and of the United Nations Special Representative for Business and Human Rights, John Ruggie, and key training on the IFC's Social Performance Standards. Cerrejón's corporate culture – The Cerrejón Way– is being promoted and communicated since its launching in 2010 in several programs headed by Human Resources: new employees receive initial information through their corporate training program. A refreshment course for administrative staff is offered through the Essential Leadership and Cerrejón Leader programs. In 2013 we started the program Feeling Cerrejón that seeks to strengthen the supervisory skills. In addition, trying to validate the day to day activity of the organization and measure its strength we are conducting a study to identify the company's DNA. The resulting information will be used to focus our efforts in the strengthening of The Cerrejón Way.

STATUS OF IMPLEMENTATION

This project has been replaced by the Cerrejon Way roll out workshops in various towns of La Guajira.

COMPLETED

Cerrejón's Corporate Culture

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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

Since 2006, our focus for social engagement has been progressively changing; we aim towards going beyond legal requirements and to a stronger sustainable development framework. In December 2009, the Division of Social Standards and International Engagement was created, which since March 2011 has managerial status within the Company. The Department will be responsible for the Human Rights Program, the Grievance Office as well as general guidance to the company on international social standards that apply to the mining industry. Since 2010 until today, the Social Management Division has been developing a process to reorganize and strengthen its structure in order to be more effective in the fulfillment of its mission, enhancing its social management level, aligning better to international standards and practices, enhancing its capability to deal with social risks and impacts from our operation (Mine, railway, and Port), protect company reputation, and articulate efficiently the community engagement programs implemented by the Social Management Division with the programs implemented through our Unified Environmental Management Plan and those implemented by the four Foundations. To reach these objectives we created 5 areas that supervise the work being done at the Mine, railway, Port, post-resettlement and social programs.

STATUS OF IMPLEMENTATION

COMPLETED

More on this theme in the next section

Social Management

TPR RECOMMENDATIONS

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.

CERREJON'S RESPONSE

A new approach is being implemented based on international standards. We will use our Sustainability Report to promote our achievements and discuss our challenges.

PROPOSED KEY ACTIONS AND PROJECTS

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.

START DATE

01-Aug-08

03-Mar-08

01-Jul-08

17-Mar-08

FINISH DATE

(original end-date January 2009) 30/12/2009

30-Dec-09

30-Oct-08

30-Dec-08

PROGRESS

The survey began in September and urban areas were successfully covered. Rural areas were surveyed in November. The Colombian statistics agency, DANE, handed results to Cerrejón in February 2010. Cerrejón is processing data and will hold discussion seminars with experts, authorities and communities in 3Q 2010. Databases will be available at DANE for public use in 2011.

Since the second half of 2011, we have been disseminating the Community Relations Plan with the communities of Tabaco, Oreganal, along the railway line, and with educational and healthcare institutions in the municipalities of Albania, Barrancas, Hatonuevo, and Uribia. To date, more than 96 meetings have been held with approximately 476 people. The Plan will continue to be shared with other communities in the area of influence.

Cerrejón has designed a strategic vision of social engagement that includes the declaration of the international standards it has committed itself to.

The strategy has been incorporated in the Community Relations Plan that will be undertaken between 2011 and 2015. This Plan will be subject to consultations with stakeholders which will be developed through 2011. The strategy has 6 pillars: Mitigation of social impacts from our operations, particularly focussing on communities that have been or will be resettled. Reduction of social risks for the operation, attracting stakeholder communities to build a long-term relationship built on transparency, participation, dialogue, and trust. Through the work of the four Cerrejón Foundations, support for projects contributing to regional development. Through the work of our Social Engagement Division, support for health, education, and cultural activity programmes. 20% of our workforce consists of Wayuu and neighbouring communities, with the support of the Department of Human Resources.

Through the Human Rights Programme and the Complaints and Grievances Mechanism, we promote and respect the rights of our stakeholders so that their concerns and complaints are quickly addressed.

In March 2011 we completed the Community Relations Plan, which encompasses the period of 2011-2015. The updated version of the Community Relations Plan will be delivered in December 2011.

STATUS OF IMPLEMENTATION

COMPLETED

Resettlements and Tabaco

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.
START DATE	01-Jan-08	02-May-08
FINISH DATE	30-May-08	30-Dec-08
		05-Feb-08
		01-Mar-09

PROGRESS

Tabaco and Cerrejón reached an agreement on December 12 of 2008. Since then: 100% of the compensations have been paid, and all of the 7 former Tabaco residents whose moneys were kept in a judicial bank account from the San Juan del Cesar circuit have now claimed their part. La Cruz farm, chosen by the Tabaco representatives for the reconstruction process, was given the required technical and legal studies for its purchase. In December 2012 Cerrejón donated 14 hectares of land to the municipality of Hatonuevo. Joint meetings with the Hatonuevo municipality and La Guajira provincial authorities to plan their role in reconstruction took place. Next steps include defining new socio-economic projects and disseminating the terms of the agreement more broadly in La Guajira and internationally. We continue to work with the families through the programas offered by the tabaco Network(education, entrepreneurship, training, technical assistance, credit, support to senior citizens, agricultural programs, culture, and sports), strengthening the communication channels with constant feedback from the beneficiary families.
(More information available on the construction of the symbolic site in the next chart)

STATUS OF IMPLEMENTATION

COMPLETED

Resettlements and Tabaco

TPR RECOMMENDATIONS

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 Carrejón.

CERREJON'S RESPONSE

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.

PROPOSED KEY ACTIONS AND PROJECTS

Build symbolic Tabaco site.

Improve living standards of Tabaco communities (New Entrepreneurial Projects for Tabaco Community)

START DATE

20-Aug-08

01-Apr-08

FINISH DATE

(original end date 12/31/2009) new date depends on various factors

01-Dec-09

PROGRESS

The differences in regards to the site where the town of Tabaco will be rebuilt continue. The Mayor of Hatoneuvo maintains his opposition to building the town at the La Cruz plot due to the passing of the oil pipe and because of the high costs of bringing public services to this plot. As a proposal, the mayor has expressed his willingness to build the new Tabaco in a plot closer the urban area of the municipality where there are higher technical and economical possibilities to develop the project.

Although in 2014 there were many difficulties to convene the families to discuss this issue, since Nov. 2014, the Mayor, with the support from Carrejón, has called three meetings with the Tabaco community (Nov. 22, 2014; Dec. 29, 2014; and Jan. 31st, 2015). In these meetings it's been evident that the families are divided on the place where the town will be rebuilt. Despite this situation, in the Nov/14 the attendees agreed to visit other possible plots. In Dec/14, a group of families visited the plot called Ojo del Medio which was approved by the group of elder citizens. However, the families that prefer the original site selected, members of the Tabaco Prorrelocation Board, decided not to visit the suggested plot. In the third meeting, held in Jan/15 with the Mayor and approx. 250 community members, the Mayor suggested to accept the proposal from the senior citizens but this idea was rejected by a group of families. In light of this division, the Mayor stated that he could not make a decision until the community reaches an agreement. Due to the lack of agreement, Carrejón has not moved forward on the donation of the 11 additional hectares at the La Cruz plot that would allow to overcome the restrictions generated by the passing of the oilpipe. However, if it's finally selected for the reconstruction, we will continue the donation process to ensure sufficient area.

Carrejón received a copy of a letter sent in March/15 by the group of senior citizens to the Mayor ratifying their preference over the new plot Ojo del Medio. In addition, Carrejón has been informed that the group of families that belong to the Tabaco Prorrelocation Board who prefer the original La Cruz plot have requested the Mayor to call the Tabaco Relocation Committee, organization created in 2008, and expressed their willingness to attend and help to move the process forward. Carrejón supports this idea and expressed it to the Mayor. The Committee has not met.

Carrejón continues to support the community of Tabaco through the implementation of social programs. The pending commitments we have (construction of the symbolic site, road layout) will only be implemented once a final decision is made and the town is built. Carrejón has allocated the resources for this investment.

In addition to this process, it's worth noting that the Constitutional Court of Colombia accepted to review a tutela case presented by the Hatoneuvo Ombudsman and the members of the Tabaco Prorrelocation Board, after two previous judicial instances had ruled in favor of Carrejón (Riohacha Supreme Court and Colombia Supreme Court of Justice). The petitioners request to cancel Carrejón's mining license, provide additional indemnities for the families of Tabaco and to initiate a negotiation process applying, retroactively, the current legislation and standards. Carrejón has expressed the willingness to collaborate with the Court facilitating visits and providing all the information requested. Although Carrejón believes that these claims are not valid, as decided in two previous judicial rulings, and we have complete documentation of the process, we are awaiting the final decision from the highest Court in Colombia.

Carrejón's first support in 2008 focused on financing of production projects for one to eight years for 52 families in the Tabaco Self-Development Network, investing COP 2.3 billion. The projects include agriculture, small shops, business, transportation, scholarships for youth education, reinforcement activities for administrative capacities, and the cultural identity of the Tabaco community. In Feb. 2010, Carrejón held a workshop focusing on human rights, which provided an initial venue for reconciliation amongst the Tabaco community members. In attendance were Carrejón officials, local authorities, and over 200 members of Tabaco. In addition, Carrejón facilitated the Second and Third Tabaco Community Meetings held in 2011 and 2012 to strengthen the community's social fabric. In Nov/13, the patron saint festivities were held with more than 600 people attending and the Hatoneuvo mayor's office participating. We shared with the public various topics concerning the Tabaco families, including the issue of the physical rebuilding of the community. At the event, the community came together and strengthened the ties of affinity and friendship in a way they can seldom do now due to the scattered nature of the families. In 2014, we are continuing with our engagement with the families, consolidating their participation in the eight programs supported by Carrejón and implemented jointly with the Tabaco Network:

1. Microbusiness Program: This program seeks to create and strengthen sustainable business units in different sectors by granting credits from the Tabaco Social Fund. Since 2007, 105 micro-credits have been granted. 16 of them have paid back, 18 of them are in arrears as of October 2014 and unlikely to pay back (17%). From the 18 companies 11 are active and 7 are inactive. We are implementing a strategy defined by Carrejón, the Oversight Committees and the families with unpaid debts. The strategy was approved in Feb./14 by the community but only approved by the Carrejón Progress Foundation in Dec/14 and its implementation started in Fe/15. To date, 50 projects have applied to the debt recovery strategy.

2. Income-Generation Program: This program aims to create economic opportunities and support in through contracting service and seeking alternatives for employment at Carrejón, its contractors, or other companies. It currently has two (2) projects running (transportation services and ecological vehicle washing), and has helped identify 34 jobs for Tabaco members.

3. Program for Creating Associations: Carrejón supports the creation of collectively owned companies among Tabaco community members. To date, two associative companies have been formed: the Association of Farming and Livestock Producers of the Tabaco Network (Asored-Tabaco): organization comprised of 28 members who raise cattle for beef and dairy. Carrejón has supported them in two agreements: (1) To strengthen the farming and livestock sector (2010–2013), and (2) To strengthen the Association's production and organization (2014–2015); and the Tabaco Women Department Network Association: organization comprising 13 women heads of family dedicated to producing and selling food supplies and meals. Carrejón has supported them with two agreements: (1) For the development of production projects (2012–2013) and (2) to strengthen the Association's production and organization.

4. Education Program: The purpose of this program is to provide scholarships to cover registration fees for higher education (professional or technical careers), monthly living expenses, and counselling in career choices. From 2007 to 2014, the Education Program has supported 453 students at the primary, secondary, and higher education levels. The resources for this initiative come out of the Tabaco Network Fund. From 2007 to 2014, 235 scholarships have been awarded and 218 educational aids have been awarded.

5. Seniors' Program: Currently, Carrejón provides services in training, healthcare, recreation, and integration to approximately 43 senior citizens.

6. Healthcare Program: In this program, Carrejón seeks to facilitate the participation of Tabaco members in the healthcare program held through the agreement between Carrejón's Social Engagement Division's Healthcare Program and the Nuestra Señora del Carmen Hospital in the municipality of Hatoneuvo. In 2014, 160 participated in the program.

7. Recreation, Culture, and Sports Program: this program provides instruction for Tabaco's children and youth to develop their musical abilities and skills (playing instruments and voice training) in order to strengthen their academic skills. Participants are involved in the Tabaco Network Music Group or in the Carrejón Symphonic Orchestra depending on their age and musical ability.

8. Physical reconstruction of Tabaco: information on the left column.

STATUS OF IMPLEMENTATION

RISKS TO COMPLETING PROJECT AS PLANNED BUT MAKING PROGRESS

COMPLETED

Resettlements and Tabaco

TPR RECOMMENDATIONS

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Carrejón 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.

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A broad conception of "affected community" must be embraced by Carrejón 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".

CERREJON'S RESPONSE

Carrejón 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

(original end date 9/30/2008) new end dates will result from new dialogues

2/10/2009 new expected date 3Q 2012

PROGRESS

This is our statement: Carrejón follows World Bank (WB) 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.

Roche: Of the last 8 families to sign the relocation agreement, 6 have become actively integrated into life at the new settlement and are making progress in identifying and organizing their business idea. Two families have a background of raising livestock rejected the La Sorpresa property which they had previously selected to carry out their economic activity and that was adapted according to their requirements and already had some of their cattle. Since then, Carrejón has supplied water, feed, and veterinary care to the cattle. We have presented other options (Campo Herrera and Casa Inglesa) that comply with their requirements but the families have expressed that they wish to see other options. Although Carrejón has the option of reactivating the eviction process suspended upon reaching agreements in Oct. 2013, we have opted instead for finding a negotiated solution with these two families. 20 out of the 23 families that are located at the new site have implemented their productive projects of which 18 are operational.

Patilla: The 46 families authorized for relocation have been at the new site since June of 2012 and the support for their production projects continues. Currently, 38 projects have been implemented of which 25 are active. Besides these families, of the 27 families not entitled to collective relocation we have reached agreements with 21 families, and of 8 new households we have agreements with 7 of them. There are currently six floating families at the original site. Negotiations continue with the group of 13 families from all the categories mentioned. We have acquired 1,242 uninhabited properties out of a total of 1,436 (86.5%).

Chancleta: 47 of the 57 families eligible for collective relocation have signed the relocation agreement and are now at the new site. In addition, 6 of the 9 resident families not eligible for collective relocation have already moved to the new site. We have reached agreements with 13 of the 27 new households, there are 5 floating families currently at the original site. We are negotiating with the remaining 32 families from all the categories mentioned. The 47 relocated families have 26 projects under way, 20 of them are operational. We have acquired 778 uninhabited properties out of a total of 901 (86.3%).

Las Casitas: The construction of the new dwellings was concluded and 11 of the 15 families that have reached agreements have moved to the new site. Of these 15 families, 5 have already implemented their productive project and all of them are active. We have also reached agreements with 11 of the 13 resident families not eligible for relocation to the new site. Talks are continuing with the remaining resident families, and we are taking steps to acquire the rural properties on which around 20 families reside (we have reached agreements with 9 of them). In July of 2014, with a prior assessment of the commitments agreed to in contracts with the State, Carrejón began a process of eviction from the properties that are a priority for mining. The National Mining Agency (ANM) approved the requests, expedited the resolutions, and sent them to the Barrancas municipal government for notification of the owners. Between Oct/14 and Feb/15 the ANM conducted the technical visits to the properties as part of the requirements of this process. We are waiting for the ANM to issue the expropriation resolution. Carrejón provided timely notification to the families at the start of this process, and we have emphasized that we still prefer direct negotiations.

Tamaquito II: The 31 families are living at the new site since August 2013 and have made progress in the definition of their productive projects despite the delays caused by the drought. The following projects have been defined: 10 families are developing a collective cattle project in the la Liga plot (grassess are being planted) and 6 families have developed trade and service projects. Currently, Tamaquito has three sources of underground water for human and agricultural use. However, the community has expressed their unrest in regards to the quality of the water, income generation projects and infrastructure. To address the issue of water, Carrejón dug an underground well at the end of 2014, conducted maintenance to the water treatment plant and has carried out water tests at all the sources. We are currently assessing additional alternatives to enhance the water quality and availability. In regards to income generation, Carrejón hired community members to carry out works required at their new site such as cleaning fence construction, road maintenance, water reservoir construction, and house orchards. On the issue of infrastructure, Carrejón carried out maintenance of the houses and kitchen stoves, among others. In Feb. 5/15 Carrejón provided the titles that accreditate the Tabaco community as owners of the 300 hectares of land they now live in. In this is an important step towards the conformation of an indigenous reservation.

Round table with leaders from Roche, Patilla, Chancleta, Las Casitas, and Tamaquito II: Meetings continue with the leaders of the relocated communities, Carrejón, the Barrancas municipal government, and the presence of representatives from the Las Casitas Community Action Committee, with 46 sessions held to date. Besides the agreement on education issues, we currently work together on a assessment of the livelihood projects, integral water solutions and enhancing labor skills. In regards to the livelihood projects, Carrejón hired a local consultant (Competitive Guajira Foundation), chosen by the community, to assess the projects implemented. In Oct/14 Carrejón presented a permit request to the regional environmental agency Corpoguajira to allow the construction of an intake from the ranchería River to provide water for the livelihood projects. We have not received a response.

We are making progress in **implementing the program for educational strengthening**, which seeks to impart abilities, knowledge, and skills to confront poverty and inequality and to favour social inclusion and long-term sustainability. As of April 2015, there are 106 youths in university studies; 17 children under five years of age in the early childhood program; 133 primary students in the thematic strengthening programs, bilingualism (English), use of information technology, art/culture, and life skills; and 104 secondary school students in the same programs. One student receives complementary support in learning, 35 adults are receiving training in information technology, and 9 students near graduation are receiving vocational advice to decide on their

In the first half of 2009, the technical consultant Asicom undertook an initial assessment on the standard of living, capability for self-administration, and equity capital of the communities undergoing resettlement. In the second half of 2011, Carrejón decided to use the poverty measurement methodology adopted by the Colombian government, which includes the multidimensional poverty index generated by the United Nations Development Programme (UNDP) and the University of Oxford. This is a more complete indicator that provides a multidimensional perspective of people living in poverty, thereby allowing clear identification of where strategies and resources should focus in order to improve their standard of living.

In August 2011, this indicator was implemented for the community of Roche with data from the socio-economic baseline provided in 2010 by the Social Capital Group consultant and complementary information from the Codesarrollo Foundation from the community's site of origin. Subsequently, the indicator was measured at the new Roche site. The results reveal a very significant improvement in the standard of living of the resettled community. They have also allowed us to identify significant aspects requiring extra actions aimed at improving the community and its sustainability. Similar measurements are planned for the communities of Patilla, Chancleta, Tamaquito, and Las Casitas prior to and after relocation. Subsequently, each community will be regularly monitored in accordance with this methodology in order to provide a timely ranking of improving trends in the standard of living of each community at its new site.

IMPLEMENTATION STATUS

COMPLETED

Level of completion to be determined depending on new community dialogues

COMPLETED

Resettlements and Tabaco

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TPR RECOMMENDATIONS

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.

CERREJON'S RESPONSE

Our overall approach to community resettlement has been reviewed and revised to take in to account the Panel's recommendations.

PROPOSED KEY ACTIONS AND PROJECTS

Update Cerrejón's web site to explain better the resettlement processes and the implementation of international standards. Update every 3 months.

START DATE

20-Jun-08

FINISH DATE

30-Oct-08

PROGRESS

Since the last report from October 2011, Cerrejón has been improving the quantity and quality of the information on its website in order to more completely record the progress and challenges of each community in the process of being resettled. To do so, information has been updated and videos and a table of progress has been included for each community, highlighting the most significant activities and events. We believe that we must continue to regularly update the web portal with the pending actions in each community in order to provide timely, transparent multimedia information.

STATUS OF IMPLEMENTATION

COMPLETED

Cerrejón's Foundation System		10 & 11
TPR RECOMMENDATIONS	<p>10 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.</p>	<p>11 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.</p>
CERREJON'S RESPONSE	<p>Cerrejón acknowledges the Panel's recommendation that it explore how it can more effectively contribute to sustainable development in La Guajira. To this end, we will further strengthen our social responsibility actions for the long term benefit of the communities and to seek sustainability for the people of La Guajira.</p>	<p>Agreed. Cerrejón will work with the relevant stakeholders to develop the strategic objectives and specific activities for each Foundation. We will publicly report our progress annually through the company's Sustainability Report.</p>
PROPOSED KEY ACTIONS AND PROJECTS	<p>Develop, consult and publish each foundation's key objectives and strategies.</p>	
START DATE	<p>30-Jun-08</p>	
FINISH DATE	<p>31-Mar-09</p>	
PROGRESS	<p>In February 2008, Cerrejón launched four foundations focusing on: making clean water accessible, improving the quality of life of the Wayuu, promoting the effectiveness of taxes and royalties investment and increasing local employment. Throughout 2008 and 2009, the Foundation's strategies and programs have been discussed with several local stakeholders, including local authorities and beneficiary communities. See more information at www.fundacionescerrejon.org. We aim to have on going consultations with local communities and dissemination of information about the foundation's programs and impacts.</p>	
STATUS OF IMPLEMENTATION	<p>COMPLETED</p>	

Cerrejon's Foundation System

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TPR RECOMMENDATIONS

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.

CERREJON'S RESPONSE

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.

PROPOSED KEY ACTIONS AND PROJECTS

Appoint high profile directors and boards for the foundations.

START DATE

30-Jun-08

FINISH DATE

30-Jun-08

PROGRESS

The four foundations are managed by senior directors with professional and academic experience relevant to the specific development objectives. See Foundation directors' profiles and boards at www.fundacionescerrejon.org.

STATUS OF IMPLEMENTATION

COMPLETED

Engagement with Civil Society

13

TPR RECOMMENDATIONS

Carrejón should increase efforts to encourage and attract civil society organisations, Colombian and international development agencies, donor governments and multilateral institutions.

CERREJON'S RESPONSE

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 Carrejón 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.

PROPOSED KEY ACTIONS AND PROJECTS

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 an external stakeholders	Host a Forum for a Regional Development
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START DATE

01-May-08	11-Sep-08	3Q 2009
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FINISH DATE

31-Dec-08	30-Jun-09	(original end-date March 2009) Nov 2009
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PROGRESS

In addition to contacts previously reported,we engaged:Pax Christi and International Alert on Voluntary Principles themes; the World Business Council on Sustainable Development,the Netherlands and Carrefour (a supermarket chain) to set agricultural projects than can provide local employment; Harvard on a project to improve our grievance mechanisms;the United States Agency for International Development and Florida International University to set up a House of Justice in Riohacha; and the Women's World Banking on micro-credit,among others. In recent years Carrejón has enhanced its engagement with national and international NGOs, clients, media, associations, academia, multilateral organizations, foreign governments, etc. With the craation of the Social Standards and International Engagement Department in 2010 we have been stregthening our engagement with stakeholders through meetings, permanent engagement, visits to the Mine, etc., and strengthening the implementation of standards on the ground. In addition, we have maintained our participation in well known initiatives on business and human rights such as the Global Compact's Regional Center for latin America and the Caribbean, the Minins and Energy Committee on Human Rights (CME), the Avina Foundation, the Association of Large-Scale Mining in Colombia, the Global Business Initiative on Human Rights, among others.

Nearly 200 people attended the Regional Development Forum of November 18, called Building a Future: Perspectives on the Sustainable Development of La Guajira It gathered grass roots communities, Wayuu indigenous communities, local authorities, national level government representatives local business leaders and academics. It was co-hosted by the Colombian NGO Redepaz, the think tank Observatorio del Caribe Colombiano, the Gobernación de La Guajira, Chevron and Carrejón. Redepaz facilitated two preparatory community consultation workshops in October, one in Uribia and other in Barrancas to make sure local voices and ideas could be presented at the Forum. The Forum was followed by the so called International Aid Roundtable, which included representatives of 14 foreign donor countries and United Nations agencies. Carrejón's four Foundations, in coordination with local partners, participated actively. Key results have been: a. the kicking off of a Development Planning process comprising communities, political parties, municipalities, provincial level authorities and the National Planning Department, which should produce a strategic short term and long term consensus document, b. greater awareness of Wayuu views with regards to development, c. greater public debate with regards to poverty and the need to combine small and large scale economic development projects in the region and d. greater awareness among state actors of their responsibilities and challenges in La Guajira and e. identifying strategic areas and projects for foreign donor funding.

STATUS OF IMPLEMENTATION

COMPLETED

The Wayuu - Culture and Employment

14

TPR RECOMMENDATIONS

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.

CERREJON'S RESPONSE

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 Foundation for Indigenous Guajira and Foundation for Progress in La Guajira 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.

PROPOSED KEY ACTIONS AND PROJECTS

Carry out a set of socio-economic development activities in conjunction with Cerrejón, the Foundation for Indigenous Guajira, the Foundation for Progress in La Guajira and other partners to improve the living standards of the Wayuu Communities in our area of influence, respecting Wayuu culture and traditions.

START DATE

01-Jun-08

FINISH DATE

31-Dec-08

PROGRESS

Detailed information of the Foundation for Indigenous Guajira is available at www.fundacionescerrejon.org. Key projects and impacts in 2008 and 2009 include: - Strengthening indigenous culture, welfare and rights through the so called "Planes Integrales de Vida": these integrated plans are mechanism whereby indigenous groups reaffirm their identity and articulate interest into municipal and provincial development plans. Up to December of 2009, the Foundation had facilitated 135 meetings in 7 indigenous reservations and 12 indigenous settlements, with a total participation of 2,000 persons. The Red de Seguridad Alimentaria programme (Resa, food-safety network programme) in 2008 benefitted families totalling 18,213 persons with distributions of 3,750 seed packets and farming equipment. The program offered agricultural capacity-building and follow-up visits. In 2009, there were another 2 systematic food-safety programmes: Apoyo a *Seguridad Alimentaria Wayuu-Wiwa* (Asawa, Food Security Support for Wayuu and Wiwa) and *Ayatajirawa* (Community Support) for the production and marketing of foodstuffs. Participation consisted of 490 families comprising a total of 1,760 persons.

STATUS OF IMPLEMENTATION

COMPLETED

The Wayuu - Culture and Employment

15

TPR RECOMMENDATIONS

Cerrejón should develop a clear strategy and measurement indicators.

CERREJON'S RESPONSE

Cerrejón is currently committed to have at least 20% of its new work force made up of inhabitants from neighboring communities and indigenous population. We will clearly articulate our plans and publicly report our progress in our Sustainability Report.

PROPOSED KEY ACTIONS AND PROJECTS

Identify training needs of the communities in the Cerrejón sphere of influence and define a training plan.

Implement training plan according to community interests.

START DATE

19-Jul-08

30-Nov-08

FINISH DATE

30-Nov-08

30-Dec-09

PROGRESS

We consulted communities on their needs and these were the results: electromechanics, crafts training, wordprocessing, home renovation and maintenance, and grass-roots business associations. We conducted a focus group session with Wayuu employees to understand better possible barriers of entry into the company and difficulties adjusting. The results were used to reform training and entry processes: now follow up can be made on the status of the selection using computers. Cerrejón has 5,204 direct employees of which 428 are from surrounding areas or Wayuu. Of the 704 hired in the last year, 34%, or 236, is of the Wayuu or surrounding population. The total number of wayuu people working for our contractors is 449, equivalent to 7.92% of total contractor employees.

Cerrejón's training plan for 2009 will offer training 16 sessions for 200 people from neighbouring communities, of which 40% are Wayuu.

STATUS OF IMPLEMENTATION

COMPLETED

The Wayuu - Culture and Employment

16

TPR RECOMMENDATIONS	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.	
CERREJON'S RESPONSE	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.	
PROPOSED KEY ACTIONS AND PROJECTS	Implement "Conéctate Colombia" program (Technical training for 120 students).	Monitor entrepreneurship projects derived from training.
START DATE	18-Dec-07	30-Jun-08
FINISH DATE	30-Mar-09	30-Mar-09
PROGRESS	<p>Since 2008, and including the persons that are currently in a training program, 947 indigenous Wayuu are trained. The goal for 2009 is to train 647 indigenous persons total. Before the end of the first half of 2010, the goal of training 1000 young Wayuu will be reached.</p>	<p>Between June and October 2009, Cerrejón strengthened four artisan associations in the Indigenous Reservations of San Francisco, Trupo Gacho, Provincial, and El Cerro through the entrepreneurship units of the National Apprenticeship Service (SENA). In 2010, through an agreement underwritten by the Crea Foundation and the Cerrejón Foundation for Indigenous Guajira, Cerrejón succeeded in diversifying artisan production through the development of new products, and strengthening best practices in production, administration, and merchandising. 70 artisans have benefited. In addition to training in business ventures, they participated for the first time in national events and fairs to promote and market their products, such as Expoartesánias, Expoartesanos, Expoleather Show, amongst others. In March 2011, this initial phase ended with a participative evaluation by stakeholders (Cerrejón, the artisan beneficiaries, and the Crea Foundation) with the aim of sharing lessons learned, successes, and difficulties encountered during the development of the business venture and entrepreneurship project. In 2011, Cerrejón will continue to work alongside these work units to help them strengthen their businesses.</p>
STATUS OF IMPLEMENTATION	COMPLETED	

The Wayuu - Culture and Employment

17

TPR RECOMMENDATIONS

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".

CERREJON'S RESPONSE

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.

PROPOSED KEY ACTIONS AND PROJECTS

Develop plan with the Foundation for Indigenous Guajira and communities.

START DATE

01-Jun-08

FINISH DATE

30-Apr-09

PROGRESS

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 can build bridges for Wayuu circulation. We calculate these will service around 50% of pedestrian traffic. The construction of bridges is being assessed. The study on mental health, alcohol and drug use among Wayuu was completed in August 2009. Currently, the Foundation Indigenous Guajira is advertising a programme for substituting alcohol stills for farming development programmes. This is part of a three-year plan to mitigate the accident rates and psycho-social problems of the Wayuu communities. As regards the Offering Sites (sitios de pagamento) in our area of influence, we identified 6 lands. The majority of these sites are located on private property, one on public property and another in an indigenous reservation, Trupio Gacho, which was completely recuperated through an agreement between the Wayuu of Trupio Gacho and the Wiwa and Kogui of Sierra. With this agreement the Wiwa pledged to care for the water zones in the area and the indigenous Wayuu pledged to stop selling the sacred stones of the Wiwa. The Cerrejon Foundation for Indigenous Guajira took charge of maintenance work, reforestation, and care of the offering sites in the location. The buying process of land for the protection of sacred sites is being evaluated.

STATUS OF IMPLEMENTATION

COMPLETED

The Wayuu - Culture and Employment

18

TPR RECOMMENDATIONS

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.

CERREJON'S RESPONSE

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.

PROPOSED KEY ACTIONS AND PROJECTS

Develop and implement a home improvement program.

Build a health center.

START DATE

02-Feb-08

01-Mar-08

FINISH DATE

30-Dec-09

30-Dec-08

PROGRESS

To comply with the company's commitment to improve the dwellings in Media Luna, in March 2015 we started the construction of the pilot house, after obtaining the necessary permits. The pilot house will be finished in June/15. The community decided that the beneficiary of this initial house would be Julio Pushaina, Traditional Authority of the community of Pioula. In parallel, we are working on the terms of reference to start the tender process for the construction of the remaining 20 houses. Some community members that were trained by the National Training Service (SENA), are currently working in the construction. Uribia's Mayor Office is issuing the construction license at no cost.

Regarding the request made by the community of Kamusuchiwo'u to be granted part of the land they occupy within the industrial reserve of Puerto Bolivar, Cerrejón analyzed several options that will be presented to Ministry of Interior. Due to changes within the government, this process has taken more time than the expected.

We continue strengthening the Environmental Oversight Committee of Media Luna through regular meetings with members and community. This Committee has ongoing support from Cerrejón's CSR and Environmental teams. Cerrejón has been supplying 210 m3 of water a week by tankers from Cerrejón's desalination plant in the port to the 15 Media Luna communities, the Kamusuchiwo'u Educational Institute, and the Media Luna healthcare centre. Due to the severe drought in La Guajira since 2014, water has also been delivered by water tankers and two train cars (an average of 220 m3 per week) to the 52 communities in Sector IV of the railway line (within Km 119 and 143.) The fishing agreement between Cerrejón and Conservation International started in April/15, for a total value of approx USD 215,000. The objective is to develop a participatory project for sustainable management of fishery that will benefit 162 people. The project was socialized with the Traditional Authorities, fishermen and leaders from the community of Media Luna.

In addition, the following social programs continue to be implemented:

Healthcare: i) We continue implementing the Promotion and Prevention Program with a mobile unit (ambulance) that provides service to 49 communities at the port and the railway line (Km 119 to Media Luna). Since 2012, 3,456 people have benefitted with basic care, referrals to specialists, house calls, healthcare days, etc. Since 2012, the mobile unit has helped save 176 lives in emergency referrals (28.5% were childbirths). ii) we organize healthcare days to offer second level health services, such as the Mother and Child day (Sept/14) where 1,019 patients received treatment and nutritional supplement for pregnant and lactating mothers and children. iii) 130 senior patients benefitted from the Visual Healthcare program. iv) 680 students of the Kamusuchiwo'u Educational Institute benefitted from a Deworming Brigade and 1,917 students, teachers and parents have been trained in the Program for the Prevention of HIV-AIDS and Sexually Transmitted Diseases.

Education: Two programs are under way: i) 7 Wayuu from Media Luna benefit from the Cerrejón Educational Excellence Fund that provides support for students in La Guajira. After participating in the academic strengthening program they were admitted to local universities and receive grants for monthly expenses and academic support. ii) The Program for Institutional Strengthening provides support for students, teachers and school officials of the Kamusuchiwo'u Educational Institute to improve student performance in the State SABER tests, promote reading skills and involve them in a vocational guidance processes. In addition, workshops for teachers are conducted to apply better teaching and evaluating tools. To date, 566 students and 84 teachers have benefitted from this program, expanding coverage to 705 students this year, including 12 satellite institutions. In 2014, the best average score in the State SABER Tests of the school was ranked 178 in the national level, 142 places above the previous year.

Culture and Sports: i) Cerrejón hired a sports teacher to carry out sports training for children, teenagers, and adults from Media Luna and the Kamusuchiwo'u Educational Institute. In addition, 18 members of communities neighbouring Puerto Bolívar have been trained in sports leadership and they promote the sport practice in their communities; 288 children and 180 adults have benefitted. The leaders develop tournaments with logistics support from Cerrejón. Sports are promoted as a tool for whole-body training, making use of free time, and contributing to healthy social co-existence. It also helps to prevent tobacco, alcohol and drug use, creating healthy lifestyle habits. ii) We have developed workshops in music for 295 children using the Orff musical method and choral techniques. 3) We have held training workshops on Wayuu recreational activities within the Program for Rescue and strengthening customs of the ethnic group: Wayuu arts, games, music, and sports for 135 youth.

Both a health center and a nutrition service center were built by August 2009.

In recent years we have strengthened the Media Luna health center by enhancing the building, repairing the well, providing water system and elevated tank giving medical equipment and instruments such as the dentist unit that includes required instruments and an electric plant.

A Mobile Health Unit was assigned to the area to strengthen promotion and prevention activities, general medicine attention, prebirth care and child development and growth.

Cerrejón's intervention in Media Luna goes beyond these two tasks. We have structured an integrated proposal addressing health, education, infrastructure (water, housing) and income generation. Some of the specific components have already been consulted with the communities.

STATUS OF IMPLEMENTATION

BEHIND SCHEDULE

COMPLETED

Royalties

19

TPR RECOMMENDATIONS

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 for 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.

CERREJON'S RESPONSE

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).

PROPOSED KEY ACTIONS AND PROJECTS

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 conjunction with the Presidential Anti-Corruption Office, royalty projects shall be monitored with the support of citizen oversight.	Carry out capacity building workshops for public official and other stakeholders.
20-Jun-08	25-Aug-08	02-Jun-08	29-Jul-08	30-Jun-08
15-Dec-08	30-Dec-08	30-Nov-08	30-Dec-09	30-Sep-08

START DATE

FINISH DATE

PROGRESS

Cerrejón helped EITI arrange meetings with key government and industry reps in November in Bogotá. León Teicher also contacted Minister of Mines to encourage Colombia's adherence. There is increasing interest among public officials, business associations and the private sector. Some government officials still question the value added of EITI given that the World Bank is already implementing programs to improve sub-national level revenue management (what is known as EITI++ issues). Cerrejón is committed to carry on encouraging government decision-makers to sign on to the initiative.

Cerrejón published in February 2009 a case study on royalties and transparency in the recently launched EITI publication: "*Advancing the EITI in the Mining Sector*".

A publication with Cerrejón paid taxes and royalties was issued in January 2009. The Foundation for Institutional Strengthening is training journalists on royalties' issues. 60 journalists from different municipalities in La Guajira attended the first 2 workshops held in Fonseca and in Riohacha. In alliance with the National Planning Department, a training event was organized for 53 local journalists dealing with the regulatory framework of royalties and the role of press in the control and monitoring of these resources. To attain greater involvement from the media regarding the investment processes of coal royalties, the Foundation launched in January the Award for Best News Report on the Investment of Coal Royalties and its Social Control in La Guajira. The award has 34 local registered journalists who will submit their work on November 30, 2009. The royalties payments are not published in local media but the Foundation disseminates this information through Monthly Reports on its website.

From 2008 to 2010, Cerrejón paid nearly US\$ 428 million dollars. To date, the Foundation for Institutional Strengthening has monitored investments in eight large projects in Barrancas, Albania, Hatonuevo, and Uribe for a total of 31 million dollars, and it has held 25 visible auditing forums of these projects. These sessions gathered together community members and national authorities. The projects include the construction of 300 social welfare housing units, a park in the municipality of Albania, the upgrading of three educational institutions in Uribe and Hatonuevo, the building of an educational institution in Barrancas, and the installation of water and sewage mains in the municipalities of Chorreras, Barrancas, and Hatonuevo. Out of the 8 projects, the authorities have handed over 4 finished audited projects in Hatonuevo, Albania, Barrancas and Uribe. The audits revealed some evidence of the use of inadequate construction materials, lack of required documentation, and other irregularities. Furthermore, the Foundation has enabled two participatory budget meetings, in Barrancas and Uribe, which have led to projects being complemented with works suggested by the community. In 2008 and 2009, the Foundation offered local authorities 11 seminars on royalties, spending and public bidding, as well as on project monitoring and evaluation. www.fundacionescerrejon.org

STATUS OF IMPLEMENTATION

COMPLETED

Security and the Voluntary Principles on Security and Human Rights

20 & 21

TPR RECOMMENDATIONS	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.
	CERREJON'S RESPONSE			
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.				
PROPOSED KEY ACTIONS AND PROJECTS	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.	
START DATE	01-Sep-08	01-Sep-08	01-Oct-08	
FINISH DATE	30-November-2009 (original date, April 2009)	30-Jan-09	6/1/2009 new expected date 1Q 2012	
PROGRESS	A claims log and follow up procedure for Voluntary Principles on Security and Human Rights issues was completed in 2009. That year Cerrejón decided to go beyond the scope of this commitment and design a corporate-wide grievance mechanism. In December 2009, Cerrejón launched the pilot phase of the new an overall corporate claims mechanism that follows the recommendations by the UN Special Representative for Business and Human Rights, John Ruggie. The pilot phase concluded in December 2010 and its now operative.	The pilot project has been completed and the lessons learned report will be published in 2010. A positive effect of this exercise has been to ensure that the private security contractors perform risk analysis and take into account human rights issues. The Mining and Energy Committee's (CME) indicators were measured in 2010 and a second measurement is expected to be done at the end of 2013.	The final results of the measurement of the indicators on human rights training as well as the results of the human rights perception survey were received in April 2013. The indicators measured in the first report included: 1) reach of the human rights training, 2) level of knowledge acquired through training program, and 3) level of competence achieved. A total of 1,139 surveys were conducted with employees, contractors, contractors from private security and members of the Public Force. Surveys were conducted to people that received human rights training as well as to a control group with people who did not participate in the program. 19 focus groups were also arranged with employees, Public Forces, private security, and children from schools within the area of influence in order to contrast quantitative data with qualitative information. The margin of error was 5%. Some of the results include: The program slightly increased the level of knowledge on human rights in all groups in comparison to those who did not participate due to the fact that all people surveyed have basic human rights notions, the education level or the military rank determines the level of knowledge on human rights, the private security providers present higher knowledge on human Rights, the Public Forces have a low knowledge on Voluntary Principles on Security and Human Rights, etc. These results will allow us to adjust our human Rights training program in order to ensure higher knowledge and performance in this field.	
STATUS OF IMPLEMENTATION	COMPLETED	COMPLETED	COMPLETED	

Health and Environmental Issues

22 & 23

TPR RECOMMENDATIONS	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.
	CERREJON'S RESPONSE		CERREJON'S RESPONSE	
PROPOSED KEY ACTIONS AND PROJECTS	Set up an air monitoring program.		Set up an air quality independent verification process.	
	START DATE	01-Jun-08	START DATE	01-Jun-08
FINISH DATE	31-Dec-08	FINISH DATE	31-Dec-08	
PROGRESS	<p>In October 2008, Cerrejón began an air quality auditing process with the participation of community representatives of Media Luna Norte, Las Casitas, Papayal, Barrancas, Patilla, Provincial, Chanqueta, Roche, Remedios and Albania; the Ideam (Instituto de Hidrología, Meteorología y Estudios Ambientales de Colombia, the public technical agency that monitors environmental standards in Colombia); the University of La Guajira and Corpoguajira (the local environmental oversight agency). The audit reviewed Cerrejón's air quality monitoring process, including 18 air sampling stations for TSP and PM 10. In February 2009, the company presented audit results to community representatives, members of Copaso (the company-employee committee on health and safety oversight) and to a representative of Barrancas' hospital. In April 2009 a second session was held with the presence of Ideam's auditor. One of the main challenges of the process identified so far is to develop and promote the ability of community representatives to report back to their own constituents and the lack of basic health and environmental knowledge. The communities have created a "Communications Committee" as part of a joint strategy to divulge information about air quality to a greater part of the population in a transparent and trustworthy manner. Their first meeting was in September to conduct outreach sessions. This initiative has been complemented by "Environmental Visits" to the mine by local communities. There were 16 visits by 422 persons in 2008, including inhabitants of Los Remedios, Las Casitas, Tamaquito and other towns. In 2009, there were 35 visits by 935 persons and in 2010 have taken place 42 visits by 1,119 persons. In 2011, 592 people, between community leaders, traditional authorities, students, members of the Environmental Citizen Oversight Committee, visited the Mine or the Port. Cerrejón's Environmental Visits Program has received visits from approximately 4,000 people since 2006.</p> <p>The Environmental Citizen Oversight Committee, formed of the people mentioned previously, Cerrejón, Corpoguajira, and the University of La Guajira has continued its activities until today (October 2013). Through joint activities it's been possible to raise awareness and credibility among neighbor communities on the issue air quality management done by Cerrejón which in turn has allowed that each member becomes a multiplier of information in their own communities. We do permanent training on national air quality control protocols, two forums on air quality in Barrancas and Albania, the joint design of material that inform the results of monitoring activities, and audits carried out by a recognized national institute.</p>			
STATUS OF IMPLEMENTATION	COMPLETED			

Improvement of Industry Standards

24

TPR RECOMMENDATIONS

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.

CERREJON'S RESPONSE

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.

PROPOSED KEY ACTIONS AND PROJECTS

Identify key partners and draft a plan.

Carry out a workshop on international mining standards, targeting business, government and civil society.

START DATE

08-Aug-08

to be defined

FINISH DATE

11-Nov-08

to be defined

PROGRESS

Cerrejón did not organize a workshop of its own,rather the company chose to support others and actively participate in over 10 conferences on extractives and corporate social responsibility that took place in Colombia.The rising public interest on the issue is connected to increased foreign investment in mining in this country.Cerrejón's position has been to promote in events, meetings and media responsible mining in Colombia based on the compliance with international standards and best practice on the management of social and environmental impacts,which will require improved industry and government policies.

STATUS OF IMPLEMENTATION

This project was replaced by other initiatives: promotion and participation in responsible mining events and sponsoring of a Colombia industry wide social performance independent assessment.