

TPR SUMMARY REPORT

Cerrejón's Corporate Culture		1
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	<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"> • 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 <i>11 Commandments</i> . 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

TPR SUMMARY REPORT

Cerrejón's Corporate Culture		2
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 Cerrejón Way process needs to take root first.	The training plan for 2009 includes two pillars: -The Cerrejón 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.
STATUS OF IMPLEMENTATION	This project has been replaced by the Cerrejón Way roll out workshops in various towns of La Guajira.	COMPLETED

TPR SUMMARY REPORT

Cerrejón'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.	More on this theme in the next section
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.	
STATUS OF IMPLEMENTATION	COMPLETED	

TPR SUMMARY REPORT

Social Management

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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.
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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

<p>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.</p>	<p>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 Uribe. 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.</p>	<p>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.</p>	<p>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.</p>
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STATUS OF IMPLEMENTATION

COMPLETED

TPR SUMMARY REPORT

Resettlements and Tabaco

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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.
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START DATE

01-Jan-08

02-May-08

05-Feb-08

FINISH DATE

30-May-08

30-Dec-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. 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.

STATUS OF IMPLEMENTATION

COMPLETED

TPR SUMMARY REPORT

Resettlements and Tabaco

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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 Cerrejón.

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)
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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

In March 2011 Cerrejón bought the La Cruz plot for the construction of the new Tabaco and initiated a study to determine the use of the land. 39 of the 189 Ha will be used to build the houses and public/urban services. The other 150 Ha will be dedicated to productive projects implemented through an Integral Farm. Cerrejón advances in the donation of 14 of the 39 Ha to the Municipality of Hatonuevo and expects to conclude the process in Nov. 2012. The remaining 25 Ha will be reserved for the town's expansion or for another municipal project that benefits the community. The municipality will file for use of natural resources and housing construction permits. The community continues to work on the definition of number and families eligible to a house. In Oct. 2012, the municipality, with Cerrejón's support, achieved the approval of a project to obtain royalty resources to initiate the studies and detailed designs of the Physical Reconstruction of Tabaco Project worth 240 million pesos (approx. US \$134,000). The community has participated in the design of the houses and have determined that they will not be social housing, instead the houses will follow the community's rural cultural tradition. The 114 income generation and education projects that benefit 90% of the members of the community continue making progress. The 10% remaining of the population of former residents of Tabaco maintain their decision of not participating in the program and are waiting to see the results of the Physical Reconstruction of Tabaco Project.

Regarding the construction of Tabaco's symbolic site, once the donation is completed, the Municipality of Hatonuevo will inform Cerrejón on the selected location. The construction could begin once the Municipality builds the aqueduct and sewerage systems and Cerrejón has concluded the process of defining the detailed designs with the community. The exact date for the start of the Tabaco reconstruction will still depend on many factors.

In 2008, Cerrejón financed a total of 91 projects for 52 families of the Tabaco Endogenous Network, investing 2300 million pesos (approx. 1 million US dollars). Of these projects, 50 were on income generation (agriculture, small shops and businesses, transportation); 37 were education grants for youths to finish school or university programs; and 4 aimed at strengthening the management capacity and cultural identity of the Tabaco community. The timeline of these projects and soft micro-credits vary from 1 to 8 years. Another 48 business ideas were evaluated by Colombia's National Apprenticeship Service (SENA), of which 37 were approved as projects, 22 estimated for 2009 and 15 for 2010. In February 2010, Cerrejón facilitated a rights-based reconciliation workshop, attended by Cerrejón, local authorities and more than 200 Tabaco community members. Community members gathered in the Tabaco Relocation Committee with whom the agreement was signed on December 2008, submitted 18 requests for university education subsidies and 25 for primary and secondary school. In September 2010, the community also participated in productivity and sustainability trainings led by the National Apprenticeship Service (SENA). This course encouraged the community to set up work groups. More than 50 members of the Tabaco community, who are also members of the Relocation Committee, have been working on the development of 41 collective business ideas. In November 2010, the completion of the course generated the start of a second cycle of training in the creation of projects, with the help of an external consultant. Starting from the 41 business ideas identified in the first cycle of training, 34 projects encompassing livestock farming, services, commercial and industrial ventures were created. In addition, an exercise in integration and local participative planning was carried out in February 2011, with the aim of strengthening the social fabric. This initiative was called the II Tabaqueros Meeting. 239 adults and children attended the meeting, which covered topics related to the management of risks and the territorial security of the Tabaco Network, human rights, global warming, and environmental conservation.

STATUS OF IMPLEMENTATION

RISKS TO COMPLETING PROJECT AS PLANNED BUT MAKING PROGRESS

COMPLETED

TPR SUMMARY REPORT

Resettlements and Tabaco

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<p>TPR RECOMMENDATIONS</p>	<p>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.</p>	<p>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".</p>	
<p>CERREJON'S RESPONSE</p>	<p>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.</p>		
<p>PROPOSED KEY ACTIONS AND PROJECTS</p>	<p>Issue new resettlement policies statement.</p>	<p>Develop and agree with the affected communities timelines for their resettlement processes.</p>	<p>Develop indicators to measure current living standards of communities to be resettled and identify key actions that will improve these.</p>
<p>PROGRESS</p>	<p>This is our statement: Cerrejón 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.</p> <p>Roche: The 17 families already resettled in the new site continue to enhance their quality of living, making progress on their income generation projects. In June 2012, Cerrejón signed a memorandum of understanding with the 8 remaining families which defined the terms (commercial, size, and location) of a rural plot of 175 ha to be bought by Cerrejón to respond to the impacts of land use at the original site. Both parties also agreed on a 60 day deadline to complete their full resettlement agreement. This period ended on October 10 without an agreement. We are convinced that a fair, negotiated agreement is preferable to expropriation and we have reiterated our willingness to continue negotiations in parallel to the advance of the expropriation process. In October, the Ministry of Mines and Energy issued the declaration of public and social interest of the Roche plots belonging to the remaining families, allowing to continue with the next step of the judicial process.</p> <p>Patilla: The 46 families in Patilla that were accredited for resettlement successfully moved to the new site in June 2012. The process has counted with the support of psychological, social, and project development teams that contribute to the gradual transition the community.</p> <p>Chanclleta: 28 of the 40 families that agreed to a collective relocation moved to the new site. The process has had the support of the local institutions, as well as psychological, social, and project development teams that will help with their income generation activities. We expect to conclude the relocation of the 12 remaining families in Dec. 2012. 3 of the 16 families that initially did not agree on a collective resettlement expressed their interest to move to the new site and we expect them to move once new houses are built. We continue dialogues with the 13 families remaining in order to achieve the remaining agreements.</p> <p>Las Casitas: The Barrancas Mayor's Office issued in Sept. the license that allowed to start building the houses and infrastructure at the Dios Verá plot on Oct. 2012. We expect to finish them on the 4Q 2013. We have made progress in strengthening dialogue with several community groups including the Local Community Board and we have gradually reactivated our social management and engagement programs that were suspended in March 2012. We continue to work with all interested parties in order to enhance the community's social cohesion, the informed participation of the relocable families and the identification of groups that could have been impacted in order to offer compensation packages that respond to the magnitude of the impacts. Communication has improved significantly and we expect that this will contribute to conclude agreements on the impacts, their management, and the details related to the relocation in 2013.</p> <p>Tamaquito: The construction of the houses in the La Liga plot is making progress and we expect to begin the move of the community in the 2Q 2013. The community will participated in the process, in the same way they did with the design of the houses. Since Nov. 2011 and until June 2012, the NGO Indepaz advised the community on the definition of impacts, their management plan, and the oversight of the construction process. In addition, significant advances have been made in the negotiation of the General Agreement for Relocation and by the time of issuance of this report we expect to have reached agreements on minor issues and hoping to reach a final agreement in the short term.</p>		<p>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, Cerrejón 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.</p> <p>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, Chanclleta, 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.</p>
<p>STATUS OF IMPLEMENTATION</p>	<p>COMPLETED</p>	<p>Level of completion to be determined depending on new community dialogues</p>	<p>COMPLETED</p>

TPR SUMMARY REPORT

Resettlements and Tabaco		9
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	

TPR SUMMARY REPORT

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>
CERREJÓN'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>	

TPR SUMMARY REPORT

Cerrejón's Foundation System		12
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.	
CERREJÓN'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	

TPR SUMMARY REPORT

Engagement with Civil Society

13

TPR RECOMMENDATIONS

Cerrejón 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 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.

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 and 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

<p>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 that 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.</p>	<p>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 Cerrejón. 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. Cerrejón'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.</p>	
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STATUS OF IMPLEMENTATION

COMPLETED

TPR SUMMARY REPORT

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	

TPR SUMMARY REPORT

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	

TPR SUMMARY REPORT

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	

TPR SUMMARY REPORT

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	<p>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 pago) 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.</p>	
STATUS OF IMPLEMENTATION	COMPLETED	

TPR SUMMARY REPORT

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

In order to comply with the commitment of enhancing the 21 houses in the community of Pioule and Pioula, Cerrejón has requested the permit to government agencies to initiate the works within the industrial reserve. We expect to begin the construction of the first three houses in November 2012 and to have them ready at the end of the year. The three houses that will be built initially are examples of the three types of houses available. The families that will receive the first houses were selected by the community. The construction of the 18 remaining houses will be ready by the end of 2013. The process of selecting the contractor is in its final stage.

We have intensified dialogue with the six communities in the area of Media Luna, among them Kamusuchiwo>o, because of the opposition they have expressed to the works in Puerto Bolívar. These dialogue has included meetings of Cerrejón's CEO and Vice-President of Public Affairs with the community and the establishment of a working group in the company to address their concerns. In the dialogue, these communities have expressed to Cerrejón: 1) Their interest of having their own territory, to which the company expressed its willingness to search for options. Any option would require the participation of Government institutions; 2) Interest in receiving training on prior consultation and licensing processes which took place in Spetmeber 2012; 3) Having access to all the licenses granted to Cerrejón by Government agencies, which were provided to the community; 4) visit to Puerto Bolívar to see the works carried out. The visit took place on September, 2012; 5) Higher participation on development projects. On this issue, Cerrejón expressed its commitment to continue working with the community in order to reach agreements on social programs. 6) To initiate a prior consultation process on three works planned at the port. On this issue, Cerrejón has expressed its respect to the decisions taken by the Colombian Government and reiterates its interest in maintaining dialogue with these communities on the possible impacts generated by these works as well as on their management measures. Cerrejón has maintained constant dialogue with them and with the Ministry of the Interior and other institutions (Geographical Institute Agustín Codazzi - IGAC and the Colombian Rural Development Institute - INCODER) which have confirmed that the communities are living within the industrial reserve area.

In parallel, we have continued the social programs in the area of Media Luna.

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

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

STATUS OF IMPLEMENTATION

BEHIND SCHEDULE

COMPLETED

TPR SUMMARY REPORT

Royalties

19

TPR RECOMMENDATIONS	<p>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.</p>				
CERREJON'S RESPONSE	<p>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).</p>				
PROPOSED KEY ACTIONS AND PROJECTS	<p>Conduct meeting with key government stakeholders.</p>	<p>Write the Colombia case study for the EITI Mining book, to be launched at the February Doha meeting.</p>	<p>Publish royalties payments in the local media.</p>	<p>In conjunction with the Presidential Anti-Corruption Office, royalty projects shall be monitored with the support of citizen oversight.</p>	<p>Carry out capacity building workshops for public official and other stakeholders.</p>
START DATE	20-Jun-08	25-Aug-08	02-Jun-08	29-Jul-08	30-Jun-08
FINISH DATE	15-Dec-08	30-Dec-08	30-Nov-08	30-Dec-09	30-Sep-08
PROGRESS	<p>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.</p>	<p>Cerrejón published in February 2009 a case study on royalties and transparency in the recently launched EITI publication: "<i>Advancing the EITI in the Mining Sector</i>".</p>	<p>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.</p>	<p>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</p>	
STATUS OF IMPLEMENTATION	COMPLETED				

TPR SUMMARY REPORT

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.	In October 2010, Cerrejón hired the Resource Centre for Conflict Analysis (CERAC, its acronym in Spanish) to design and pilot indicators to measure the impact of our human rights training. The final version of these indicators was delivered in March 2011 and the pilot started in May 2012. In addition, CERAC was requested to implement a survey on perceptions on human rights. CERAC is currently conducting the interviews that will provide the information for both products. 633 interviews have been done (45% of a total of 1.400) to private security providers, members of the Colombian Army, employees and contractors. A preliminary report will be ready by Oct. 2012 but the final version will be available at the end of 2012.	
STATUS OF IMPLEMENTATION	COMPLETED	COMPLETED	RISKS TO COMPLETING PROJECT AS PLANNED BUT MAKING PROGRESS	

TPR SUMMARY REPORT

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	Cerrejón agrees with the Panel that third party verification of the company's environmental monitoring results will help build trust and confidence in the programs. To this end we will work with the union and community groups to identify the best way to enhance its monitoring program.	The Panel's suggestion of partnering with local universities will be considered as part of the process of monitoring air quality. As a minimum we will include third party review of our Sustainability Report. Our aim is to have this process in operation within 12 months.
PROPOSED KEY ACTIONS AND PROJECTS	Set up an air monitoring program.	Set up an air quality independent verification process.
START DATE	01-Jun-08	01-Jun-08
FINISH DATE	31-Dec-08	31-Dec-08
PROGRESS	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, Chancleta, 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 1119 persons.	
STATUS OF IMPLEMENTATION	COMPLETED	

TPR SUMMARY REPORT

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.	

