

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 across Cerrejón's various departments. 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 5144 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

TPR SUMMARY REPORT

Cerrejon's Corporate Culture

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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 (Cerrejon's and local values) in and out of organization. The axis of the program is the Cerrejón woman (employees and relatives), the program evolves into a Community leadership program where Cerrejón women are trained as community leaders.

Key high-level and relevant staff re-tooling training sessions with regards to CSR.

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. As of February, Social Capital Group begun consultancy work for Cerrejón to pass on to the next level of re-tooling; putting new concepts and practice into formal systems and update Cerrejón's overall social and environmental impact and risk assessment. This task should be completed later in 2009. Since April, Cerrejón has carried on training staff on People-Centered Dialogue and Development processes and project management and conflict resolution. Not all the expected trainings will be carried due to lack of funds and time. Trainings in the remaining of the year will be connected to the new rights-based grievance mechanism, which has been identified as a priority within Cerrejón's new engagement strategy.

STATUS OF IMPLEMENTATION

This project has been put on hold.

Cerrejon'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 the last three years the Social Responsibility Department increased in number of persons from 21 in 2006 to 38 in 2009, updated its training, and rose within the company structure the different areas related with the management of social and environmental impacts and with investment projects. Additionally, in 2008 the company launched its Foundations System, a new, high profile Human Rights Program, and brought in a Public Affairs advisor with experience in social responsibility standards applicable to mining.

More on this theme in the next section

STATUS OF IMPLEMENTATION

Social Management

4

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 will be surveyed in November and results will be available in early 2010.

We are designing a register system to record meetings and feedback.

Cerrejon has designed a social engagement strategy that includes a declaration of the international standards it has committed itself to. This strategy is being incorporated into a comprehensive, five-year Community Relations Plan for 2010-2014 which will be the subject of stakeholder consultations early in 2010. The strategy has 6 pillars:

- Mitigating the social impacts of our operations, with particular emphasis on communities that have been or will be resettled
- Reducing social risk to the operations by engaging stakeholder communities to build long term relationships based on transparency, participation, dialogue and trust.
- Supporting, through the work of the four Cerrejón foundations, projects that contribute to regional development.
- Supporting, through the work of our Division of Social Engagement, programs on health, education and cultural activities.
- Achieving, through the work of the Human Capital Department, the goal that 20% of our workforce be composed of people from Wayuú and neighbouring communities.
- Establishing and maintaining, through the Human Rights Program and grievance mechanism, safeguards to promote and respect the rights of our stakeholders and to provide effective remedy for concerns and grievances.

As agreed with the local partners, Regional Development Forum of November 18 will not focus on Cerrejón, but rather on La Guajira's development. The company will find other venues in 2010 to present and discuss with stakeholders its social engagement strategy. The 2008 sustainability report, which will be issued in November 2009, was widely consulted with stakeholders and audited. It contains relevant information with regards to our corporate social responsibility model and new engagement policies.

STATUS OF IMPLEMENTATION

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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
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FINISH DATE

30-May-08	30-Dec-08	01-Mar-09
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PROGRESS

An agreement was reached on December 12th. Since then: 99% of compensations have been paid and all the 13 persons whose moneys were in special accounts managed by public authorities have claimed their part. -La Cruz farm, chosen by the Tabaco representatives for the reconstruction process, underwent required technical and legal studies for 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

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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)

START DATE

20-Aug-08

01-Apr-08

FINISH DATE

31-Dec-09

01-Dec-09

PROGRESS

Cerrejón has made progress in the purchase of La Cruz farm, where we will fund the construction of the symbolic site (community center). In order for any construction work to take place, the municipality of Hatonuevo needs to conclude the reform of the current urban planning. The mayor is committed to finalize the reform by end 2009. The community, jointly with Cerrejón and the mayorship of Hatonuevo, has established a participative process for decision-making regarding aspects of Tabaco's reconstruction, including the construction of the community center. Additionally, in 2009 the company will hire a full time coordinator for support with the reconstruction and will assign one of its analysts to work full time on organizing productive projects. The construction works will take place in 2010, subject to the decisions that are taken within the framework of this participative project.

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. The institution will assist the participants in designing a business plan with the help of the Foundation for Progress. This methodology, which fosters self-management and social integration of the Tabaco community, will be applied to the former residents of Tabaco who signed the December 2008 agreement and had not been a part of the Tabaco Endogenous Network before. The process of including new participants began in September, and in October outreach meetings were held between Cerrejón and the Tabaco Relocation Committee to coordinate this effort. The progress of the integration process for new participants in the productive projects will depend on the community. Tabaco has been divided and Cerrejón will facilitate its reconciliation with the assistance of a conflict resolution facilitator.

STATUS OF IMPLEMENTATION

TPR SUMMARY REPORT

Resettlements and Tabaco

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TPR RECOMMENDATIONS	7	Cerrejón should recognize that resettlement processes based on international standards should be triggered not only when physical resettlement is required, but also when a community is affected by the very proximity of the mine and its impact on other communities.		8	A broad conception of "affected community" must be embraced by Cerrejón as a key driver of its approach to both resettlement and good neighbourliness, including how it deals with communities who are "affected" but not "displaced".
	CERREJON'S RESPONSE				
Cerrejón agrees with the Panel that resettlement may be appropriate where a community is adversely affected by the indirect impacts of mining. This concept has now been incorporated in our resettlement principles.					
PROPOSED KEY ACTIONS AND PROJECTS	Issue new resettlement policies statement.		Develop and agree with the affected communities timelines for their resettlement processes.		Develop indicators to measure current living standards of communities to be resettled and identify key actions that will improve these.
START DATE	16-Jun-08		01-Jan-08		20-Aug-08
FINISH DATE	30-Sep-08		30-Sep-08		10-Feb-09
PROGRESS	<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>The action plans, including the timelines, have been continually consulted with the communities, focusing on dialogue in order to agree upon the terms of the compensations for the impacts identified. Effort is made to ensure that the community has an informed participation regarding issues related to the new site, living concepts, and institutional requirements. Social Capital Group, consultants with extensive experience in resettlements, is evaluating the alignment of our programs with World Bank standards in order to facilitate continuous improvement of the process.</p>		<p>These indicators were developed with the support of a technical consultant in a process that took 3 months. They measure, among others: quality of life, self-management capacity, and social capital. Likewise, the ability of the local institutions to foster the communities' sustainable development and compliance with agreed schedules is also measured. We expected the first base line information to be ready in August. A new deadline has been set for November. External consultant, Asicom, will be supporting us. Various indicators will be reviewed frequently in the coming years.</p>
STATUS OF IMPLEMENTATION					

TPR SUMMARY REPORT

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

A new website was launched in October 2008, and has been occasionally updated. The first resettlement calendars published have undergone important changes, owing to both company delays and the unwillingness of certain community sector to carry on with the resettlement process. Today, the four resettling communities and the company are adjusting several of the agreements based on new demands by the community.

STATUS OF IMPLEMENTATION

TPR SUMMARY REPORT

Cerrejón's Foundation System		10 & 11
TPR RECOMMENDATIONS	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.	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.
CERREJÓN'S RESPONSE	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.	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.
PROPOSED KEY ACTIONS AND PROJECTS	Develop, consult and publish each foundation's key objectives and strategies.	
START DATE	30-Jun-08	
FINISH DATE	31-Mar-09	
PROGRESS	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.	
STATUS OF IMPLEMENTATION		

TPR SUMMARY REPORT

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	

TPR SUMMARY REPORT

Engagement with Civil Society

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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
START DATE	01-May-08	11-Sep-08	3Q 2009
FINISH DATE	31-Dec-08	30-Jun-09	(original end-date March 2009) Nov 2009
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 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.	The forum, called Building a Future: Perspectives on the Sustainable Development of La Guajira, will take place on November 18 and is being convened jointly with the Cerrejón Foundation System, Chevron, the Guajira provincial authority, the Guajira Competitiveness Commission, the local think-tank Observatorio del Caribe Colombiano and the Colombian NGO Redepaz. Approx. 150 national and local-level authorities, experts and local communities will be present to dialogue on development issues in La Guajira. The event has been preceded in October by two local workshops, one in Barrancas and Uribia, facilitated by Redepaz and aimed at local communities and grass roots organization. These workshops were programmed to stimulate and guarantee the presence of community voices in the 18 November forum. The forum will be followed on November 19 and 20 by international donor round tables, organized by the Colombian government and the Guajira provincial authority, with help from Cerrejón. These roundtables are designed to match donors with local development programs.	
STATUS OF IMPLEMENTATION			

TPR SUMMARY REPORT

The wayuu - Culture and Employment

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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. The Foundation promoted 58 meetings in 7 indigenous reservations and 8 indigenous settlements, in which 1200 persons participated. -Food security: 3,750 seeds and crops kits were distributed to an equal ammount of families, benefiting 18,213 persons. The program offers agricultural capacity-building and follow-up visits.

STATUS OF IMPLEMENTATION

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 in habitants 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 5,144 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.We do not know the exact number of Wayuu hired by contractors, but will find the figure and include it in the next report.	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		

TPR SUMMARY REPORT

The wayuu - Culture and Employment

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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.	
	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.	
CERREJON'S RESPONSE	Implement "Conéctate Colombia" program (Technical training for 120 students).	
	Monitor entrepreneurship projects derived from training.	
PROPOSED KEY ACTIONS AND PROJECTS	18-Dec-07	30-Jun-08
START DATE	30-Mar-09	30-Mar-09
FINISH DATE	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	We still need to strengthen our capacity to monitor closely how training leads to community members setting up businesses or finding jobs. We have recently hired additional staff to focus on this task. Through venture units with the National Apprenticeship Service (SENA) and in the agreement with Aid to Artisans (ATA), from June to October 2009, Cerrejón strengthened four artisan associations in the Indigenous Reservations of San Francisco, Trupio Gacho, Provincial and El Cerro. The agreement with ATA advises on good production, managing and marketing practices, among others.
PROGRESS	STATUS OF IMPLEMENTATION	

TPR SUMMARY REPORT

The wayuu - Culture and Employment

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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 first bridge could be built in Meera no later than 1Q 2010. The study on mental health, alcohol and drug use among Wayuu was completed in August 2009. As of November, we will implement a 3-year plan to mitigate the accidents and psychosocial problems of 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 Cerrejón 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

TPR SUMMARY REPORT

The wayuu - Culture and Employment

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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

Cerrejón's participation in this project is yet to be defined.

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, infrastructure (water, housing) and income generation. Some of the specific components have already been consulted with the communities.

STATUS OF IMPLEMENTATION



TPR SUMMARY REPORT

Royalties

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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 Extractive 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

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.

In 2008, Cerrejón paid nearly US\$2560 million dollars. That same year, Cerrejón's Foundation for Institutional Strengthening began monitoring investments in 6 large projects in Barrancas, Albania, Hatonuevo and Uribe worth 26.5 million dollars. So far there have been 16 "visible audit" sessions on these projects. The projects include a water pipeline across Chorreras, Barrancas, and Hatonuevo; low-income housing and a park in Albania; renovations of the Pablo VI School in Barrancas, the Alfonso López Pumarejo Public School in Uribe and the Nuestra Señora del Carmen School in Hatonuevo. Auditing identified use of inadequate construction materials, lack of proper documentation and other irregularities. In order to help authorities improve in their management, during 2008 we offered 3 training seminars on royalties regime and public spending to public authorities. During June 2009 the project audited in the municipality of Hatonuevo was finalized and delivered, and in September the work done in the municipality of Uribe was partially delivered. Additionally, the Foundation has facilitated the development of two participatory budget exercises in the municipalities of Barrancas and Uribe, allowing the projects to complement the works suggested by the community.

STATUS OF IMPLEMENTATION

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	01-Jun-09	
PROGRESS	Ability to process human rights complaints increased with opening of the Human Rights Program. Progressively, communities and employees began identifying it as a place to go to. In addition, new staff increased the quality of interaction with communities during field visits and trainings. Cerrejón has now kicked off a project to revamp the company's entire claims and grievance mechanism. We had planned to start the pilot phase in October, but we have chosen to delay it a month in order to have the appropriate software in place.	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 Human Rights Program has been working to improve training with the help of the National Red Cross. We have identified other academic efforts to design indicators to measure the impact of human rights training and will determine whether we can use the same methodology to measure our training impacts. Expert and NGO input will be considered to implement indicators.	
STATUS OF IMPLEMENTATION				

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	<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, 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, 24 visits have taken place and two more will occur before the end of the year.</p>	
STATUS OF IMPLEMENTATION		

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	