

CERREJÓN'S STATEMENT ON VATTENFALL'S HUMAN RIGHTS RISK ASSESSMENT OF THEIR COLOMBIA COAL SUPPLY CHAIN

31 May 2018

Cerrejón acknowledges Vattenfall's commitment to a responsible approach towards its coal supply chain in Colombia and values their contribution to better understand the position and expectations of social stakeholders through the report "A Human Rights Risk Assessment in Colombia."

Cerrejón, in line with our policy to be open and transparent in all areas of our business, always welcomes input from our customers, stakeholders and all those interested in helping us in our ongoing efforts to be an example for best practices in an industry that is complex, challenging and constantly changing. We have worked with Vattenfall in providing detailed information when required, holding meetings and making observations on draft projects of the report.

Cerrejón is also fully committed to being a responsible coal producer and supplier: we make continuous efforts to enhance our social, environmental and human rights performance. We have also adopted international standards and implemented a human rights due diligence process aligned to the UN Guiding Principles on Business and Human Rights, which seeks to incorporate responsible management of the impacts made by our activities in order to have a positive impact on employees, contractors and neighbouring communities.

As we have expressed directly to Vattenfall, we are disappointed with the report: it does not come across to us as impartial and appears to us to lack methodological soundness and depth in the human rights risk analysis of Colombia's thermal coal production. The report includes exclusively the views, testimonies and reports from critical stakeholders,¹ leading to an imbalanced result. In addition, Vattenfall's decision to not carry out a verification of impacts generated by the coal producing companies in Cesar and la Guajira, the lack of interest in searching out the truth² of statements made by the visitors to Colombia and their reluctance to define the level of adherence to international standards by each of the companies, demonstrate the weaknesses of the report.

¹ "We are aware that in the final selection of stakeholder we favoured those with a critical approach towards mining companies and in some cases coal mining in general." (Vattenfall report, page 13)

² "With this report, we do not intend to:

- Establish the "truth" or take a position as to who is right and who is wrong on the issues contested.
- Provide a conclusion regarding how mining operations impact the human rights of workers, the local communities, or any other potentially affected rights holder.
- Provide an assessment as to whether or not the mining companies live up to the Vattenfall Code of Conduct for Suppliers.
- Provide an evaluation of the robustness of the mining companies' management systems and the implementation thereof, which falls within the scope of the Bettercoal assessment process.
- Provide an overview of projects and activities the mining companies are involved in." (Vattenfall report, page 4)

In particular, we regret:

- The implication that water pollution or increased drought in la Guajira is in some way the result of Cerrejón's operation – something we vigorously contest.
- The lack of depth regarding information on obligations resulting from judicial rulings,³ leaving the impression of deficient implementation by Cerrejón. Our company respects all judicial decisions and is committed to fulfilling their demands. Nevertheless, a key point should be remembered, which is that many of the rulings have applied standards retroactively, questioned decisions previously adopted by public authorities or have gone beyond what plaintiffs had requested and, therefore, we questioned their fairness and equity.

We are willing to review with Vattenfall the general and specific recommendations presented to Cerrejón and agree on actions that may enhance performance where necessary and define specific actions to be addressed. Additionally, we have encouraged Vattenfall to work closely with the Bettercoal initiative: we are looking forward to the upcoming Bettercoal site audit and are ready to incorporate some of the recommendations included in the Vattenfall report.

Cerrejón has been a supplier of coal to Vattenfall and its predecessor companies for two decades with an excellent commercial relationship: we have always been transparent on the way we run our operation and on our interactions with our neighbours in La Guajira. We will continue to be open, to welcome dialogue and to discuss with stakeholders how we can improve our operations in order to fulfil international standards and respect human rights.

³ Final disclaimer: *"The information is provided "as is," and Vattenfall makes no representations or warranties, express or implied, about accuracy and reliability."* (Vattenfall report page 9)