

# Cerrejon's Corporate Culture

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<b>TPR RECOMMENDATIONS</b>	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.	
<b>CERREJON'S RESPONSE</b>	Cerrejón is committed to working towards an operational culture that gives priority to the way we interact with our stakeholders and one that instills in our operation cultural values and respect for all with whom the company interacts. We will develop a clear statement of our culture and values and communicate them broadly. We will develop a training program to ensure all management and employees understand such values and their implications for their day-to-day work. We will use our Sustainability Report to communicate our progress on this important area.	
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	<p>Hold a kick-off meeting with Cerrejón management and relevant staff to strengthen ongoing cultural transformation with regards to identity and CSR. Two key products are expected:</p> <ul style="list-style-type: none"> <li>• A general statement of values and CSR focus areas.</li> <li>• An agreement on how to take forward the re-tooling process in a systematic fashion</li> </ul>	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.
<b>START DATE</b>	16-Oct-08	18-Oct-08
<b>FINISH DATE</b>	17-Oct-08	15-Nov-08
<b>PROGRESS</b>	<p>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 <a href="#">11 Commandments</a>. 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 <a href="#">values and goals</a> 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 5656 employees). The whole cycle will finish in 2010. See more information about re-tooling on corporate social responsibility in item 2 of this table.</p>	
<b>STATUS OF IMPLEMENTATION</b>		

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, by Oxfam's partner, The Center for Social Response; 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. At least 3 additional training sessions on IFC Social Performance Standards and the Voluntary Principles on Security and Human Rights are scheduled for 2009.

**STATUS OF IMPLEMENTATION**

**This project has been put on hold.**

TPR SUMMARY REPORT

# 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

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

- Social engagement.
- Resettlements.
- Human rights.

A new SR Manager (Paul Warner, former BHPBilliton) was appointed in March and will report to the Manager for Social Responsibility and Public Affairs. The SR department also hired a new full time person for income generation and employment opportunities for neighbouring communities.

STATUS OF IMPLEMENTATION

More on this theme in the next section

TPR SUMMARY REPORT

# Social Management

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<b>TPR RECOMMENDATIONS</b>	Shareholders and senior management should recognize that to date success in production has been more marked than success in building trust with the local community. An approach that goes beyond strict legal compliance will be important in addressing this issue.			
	<b>CERREJON'S RESPONSE</b> A new approach is being implemented based on international standards. We will use our Sustainability Report to promote our achievements and discuss our challenges.			
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Standard of Living Measuring Survey ( SLMS) conducted by DANE (Departamento Administrativo Nacional de Estadística), Colombia's national statistics office, will be carried out in our area of influence. It follows World Bank and UN Standards.	Improve communications tools used to inform and provide feedback to local communities, as well as to receive feedback from them and adjust our programs accordingly.	Design and write up an overall social engagement strategy that shows how we go beyond minimum legal requirements and adopting international standards.	Present strategy to local communities and government agencies.
	<b>START DATE</b> <b>FINISH DATE</b>	01-Aug-08 (original end-date January 2009) 30/07/2009	03-Mar-08 30-Dec-09	01-Jul-08 30-Oct-08
<b>PROGRESS</b>	Preparation of the survey (questionnaire design, sample selection, adjustments to capture Wayuu particular traits and consultation with communities) has been taking place since February. The survey will be completed in July.	We are designing a register system to record meetings and feedback.	The main components exist, and articulation in a written text is being done.	We intend to present the strategy, stakeholder feedback and results of ongoing programs during the Regional Development Forum planned for 3Q 2009.
<b>STATUS OF IMPLEMENTATION</b>				

# 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**

An [agreement](#) was reached on December 12th. Since then: - 92% of compensations have been paid and 10 of 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**

# 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 to purchase La Cruz farm, where we will fund the construction of the symbolic site. 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. Construction work would take place in 2010. The site needs to be defined by the community in a participatory process.

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 are being evaluated by Colombia's National Apprenticeship Service (SENA). The institution will then assist participants in designing the business plan for kick-off in the second semester of 2009. This methodology, which fosters self-management and social integration of the Tabaco community, will be applied to those former residents of Tabaco who signed the December 2008 Agreement and had not been part of the Tabaco Endogenous Network before. The process of including new participants will begin in June 2009.

**STATUS OF IMPLEMENTATION**

TPR SUMMARY REPORT

# Resettlements and Tabaco

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TPR RECOMMENDATIONS

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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.

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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

This is our statement: Cerrejón follows World Bank and International Finance Corporation (IFC) guidelines. We see resettlement as an opportunity for dialogue with local communities, improvement of their living standards and building social capital. We expect the on going resettlement processes to strengthen sustainable development in La Guajira.

Timelines were consulted with Roche, Chancleta and Patilla in October 2008 and with Tamaquito in December 2008. These were published on the web and have now been revised to reflect past and future changes. Several actions in these timelines, such as consulting compensation schemes suffered delays. So far, these delays should not alter the resettling end-date for each town.

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, ability of local institutions to foster the communities sustainable development and compliance with agreed schedules. The first base line information under this new methodology will be ready in August. Several of the indicators will be measured frequently throughout the year.

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. We are currently working to update it more frequently.

**STATUS OF IMPLEMENTATION**



TPR SUMMARY REPORT

Cerrejón's Foundation System		10 & 11	
<b>TPR RECOMMENDATIONS</b>	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.
<b>CERREJON'S RESPONSE</b>	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.
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Develop, consult and publish each foundation's key objectives and strategies.		
<b>START DATE</b>	30-Jun-08		
<b>FINISH DATE</b>	31-Mar-09		
<b>PROGRESS</b>	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 <a href="http://www.fundacionescerrejon.org">www.fundacionescerrejon.org</a> . We aim to have on going consultations with local communities and dissemination of information about the foundation's programs and impacts.		
<b>STATUS OF IMPLEMENTATION</b>			

TPR SUMMARY REPORT

Cerrejon'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.	
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 <a href="http://www.fundacionescerrejon.org">www.fundacionescerrejon.org</a> .	
STATUS OF IMPLEMENTATION		

# 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) 3Q 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.

We have decided to hire Universidad Javeriana as a consultant to help us organize the forum. The original chosen date has moved to 3Q 2009.

**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](http://www.fundacionescerrejon.org). Key projects and impacts in 2008 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 22 meetings in 7 indigenous reservations and 8 indigenous settlements, in which 750 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 follw-up visits.

**STATUS OF IMPLEMENTATION**

TPR SUMMARY REPORT

# The Wayuu - Culture and Employment

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<b>TPR RECOMMENDATIONS</b>	Cerrejón should develop a clear strategy and measurement indicators.	
<b>CERREJON'S RESPONSE</b>	Cerrejón is currently committed to have at least 20% of its new work force made up of inhabitants from neighboring communities and indigenous population. We will clearly articulate our plans and publicly report our progress in our Sustainability Report.	
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Identify training needs of the communities in the Cerrejón sphere of influence and define a training plan.	Implement training plan according to community interests.
<b>START DATE</b>	19-Jul-08	30-Nov-08
<b>FINISH DATE</b>	30-Nov-08	30-Dec-09
<b>PROGRESS</b>	We consulted communities on their needs and these were the results: electromechanics, crafts training, wordprocessing, home renovation and maintenance, and grass-roots business associations. We conducted a focus group session with Wayuu employees to understand better possible barriers of entry into the company and difficulties adjusting. Results are being used to reform training and entry processes. Cerrejón has 5656 direct employees of which 191 are Wayuu. Of these, 48 were hired in 2008. 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.
<b>STATUS OF IMPLEMENTATION</b>		

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.	
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	Additional trainings for 200 people have begun. Of these, 40% are Wayuu.	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.
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 should be completed in July 2009. As regards the Offering Sites (sitios de pagamento) in our area of influence, we are now identifying the exact lands which Cerrejón will buy and find a way to donate these to indigenous peoples so as to protect their culture.

STATUS OF IMPLEMENTATION

According to new scope

# The Wayuu - Culture and Employment

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<b>TPR RECOMMENDATIONS</b>	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.	
<b>CERREJON'S RESPONSE</b>	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.	
<b>PROPOSED KEY ACTIONS AND PROJECTS</b>	Develop and implement a home improvement program.	Build a health center.
<b>START DATE</b>	02-Feb-08	01-Mar-08
<b>FINISH DATE</b>	30-Dec-09	30-Dec-08
<b>PROGRESS</b>	<p>Cerrejón is complementing a municipality program to build 100 homes. The company will provide funding for 40 of these 100 homes, strengthen participatory methodologies of the process and link this effort to a water project, which seeks to adapt houses to collect and store clean rainfall water. Houses should be finished in early December 2010.</p>	<p>The contractor hired to build the center has been delayed. The new finishing date is May 8th 2009.</p>
<b>STATUS OF IMPLEMENTATION</b>	<p><b>Cerrejón's intervention in Media Luna goes beyond these two tasks. We have structured an integrated proposal addressing health, education, infrastructure (water, housing, electric power) and income generation. Some of the specific components have already been consulted with the communities.</b></p>	

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 alliance with anti-corruption office of the Vice Presidency carry out three participatory accountability meeting to examine use of royalties.	Carry out capacity buildings 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

<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. As a complement to publishing royalties amounts in the media, the Foundation for Institutional Strengthening is training journalists on royalties' issues. 60 journalist from different municipalities in La Guajira attended the first 2 workshops held in Fonseca and in Riohacha. The Foundation has planned additional wokshops for 2009.</p>	<p>In 2008, Cerrejón paid nearly US\$260 million dollars. That same year, Cerrejón's Foundation for Institutional Strengthening began monitoring investments in 6 large projects in Barrancas, Albania, Hatonuevo and Uribia worth 26.5 million dollars. So far 14 "visible audit" sessions, gathering community members and local and national authorities, have taken place. Projects include a water pipeline across Chorreras, Barrancas and Hatonuevo; low-income housing and a park in Albania; and renovations of the Paulo VI School in Barrancas, the Alfonso López Pumarejo Public School in Uribia, and the Nuestra Senora del Carmen School in Hatonuevo. Auditing identified use of inadequate construction materials, lack of proper documentation and other irregularities. To help authorities improve, during 2008 we offered 3 training seminars on royalties regime and public spending to local public authorities.</p>
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STATUS OF IMPLEMENTATION

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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-October-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 by October 2009.	70% of the pilot is complete. It has been at times difficult to meet with all relevant stakeholders, including the local batallion. Our lessons learned report is pending.	The new Human Rights coordinator has been working to improve training with the help of the National Red Cross and is drafting a methodology to measure training impacts. Expert and NGO input will be considered to build the 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 <a href="#">audit results</a> 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 multi-stakeholder group has created a "Communications Committee" to conduct outreach sessions. This initiative has been complemented by <a href="#">"Environmental Visits"</a> 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 addition, broad assembly meetings were held with Las Casitas and Los Remedios.</p>		
STATUS OF IMPLEMENTATION			

TPR SUMMARY REPORT

# Improvement of Industry Standards

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**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.
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**START DATE**

08-Aug-08

to be defined

**FINISH DATE**

11-Nov-08

to be defined

**PROGRESS**

We will support the dissemination of a Mining Tool Kit developed by Social Capital Group and adapted by Fundación Ideas para la Paz for Colombia. The kit seeks to inform communities about the mining process and their rights. A key partner of the project is Asomineros, Colombia's mining association.

**STATUS OF IMPLEMENTATION**

