

# Information on La Guajira and the Cerrejón mine

## 01 About Cerrejón

Cerrejón was founded in 1976 and is a coal operation that integrates a mine, railway and a port in the Colombian region of La Guajira. Since 2002, it is a joint venture that is equally owned (33.3% each) by BHP, Anglo American and Glencore. It is independently managed and has its own management team and CEO. Cerrejón

is the leading private employer in the region. It contributes more than 44% to the regional GDP and has paid around USD 8 billion in the last 18 years. In 2019, Cerrejón exported 26.3 million tonnes of coal, mainly to the Mediterranean countries.

### Cerrejón as a responsible coal supplier

Cerrejón has operated in strict compliance with Colombian law and has continuously followed international standards to enhance its performance. These international standards include the UN Guiding Principles on Business and Human Rights; the IFC's social and environmental performance standards; the Voluntary Principles on Security and Human Rights, the UN Global Compact; and the Sustainability Framework of the International Council on Mining & Metals (ICMM). Our environmental performance is ISO14001 certified and our health and safety programs are OSHAS 18001 certified. We are committed to continuous improvement; our performance is regularly audited by shareholders, customers and other third-parties, such as Bettercoal (since 2018).

### Key figures for 2019

USD **534** million  
Taxes and royalties

USD **25.7** million  
Procurement spending  
in La Guajira

**162**  
Providers in La Guajira

USD **3.8** million  
Social investment

**11,062**  
Number of employees

USD **391** million  
Procurement spending  
in Colombia

**1,129**  
Providers in Colombia

**02**  
Human Rights

At Cerrejón, the respect for human rights is core to our activities. This commitment is formalized in our Human Rights Policy, which is aligned to the UN Guiding Principles on Business and Human Rights (UNGPs), as well as in the company's Social Management

Policy, and states our commitment to preventing, mitigating and compensating our impacts.

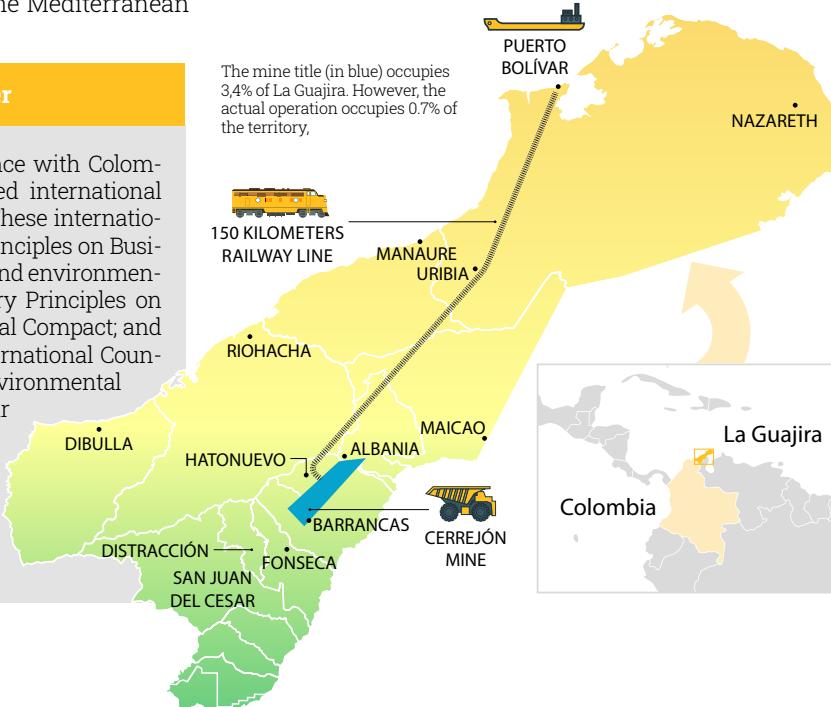
Since 2011, Cerrejón has carried out two independent Human Rights Impact Assessments to identify impacts and assess the effectiveness of the prevention and mitigation measures. These have resulted in action plans to enhance measures to better respect rights of workers and local communities.

Since 2010, we have a grievance mechanism (Complaints Office) that is dedicated to addressing complaints related to potential impacts caused by our operation. The mechanism was designed under the UNGP framework and its performance is regularly assessed by third parties.

We practice an active open-door policy, which includes a transparent and constructive dialogue with almost 400 ethnic communities, local institutions and organizations, as well as national and international stakeholders. We engage and consult with our host communities, including indigenous peoples, on an ongoing basis. In addition, in 2019, we hosted more than 8,000 visitors, among them journalists, representatives of leading NGOs and tourists.

### Land purchase and resettlement

Since the start of mining operations, Cerrejón has purchased land following negotiations done in good faith with over 960 families in different communities. The families were compensated in line with the local



legislation at the time, but Cerrejón generally offered above-market prices.

After the publication of the International Finance Corporation's guidelines (IFC), Cerrejón adopted them and adapted its standards to better manage land acquisition processes and resettlements.

For Cerrejón, resettlement is always a last resort measure. If a resettlement is unavoidable, it is carried out in line with the IFC guidelines, as was done, since 2006, with the five resettled communities: Patilla, Chancleta, Las Casitas, Tamaquito II and Roche. The 190 families from these communities (approximately 1,000 people) were duly compensated: They are living at new sites with homes they now own and have access to essential infrastructure such as drinking water, energy, aqueduct and sewage services (access which previously was not guaranteed). Additionally, they have land to develop agricultural work, they receive technical support, and have access to educational and psychosocial programs for senior citizens for sustainable living.

### Cerrejón Educational Assistance program

The leader of the resettled community of Roche, Yoe Arregocés, became the first beneficiary of the Cerrejón Educational Assistance program to obtain a Master's degree in Integrated Management System:

 *This is the result of the effort and result of the agreement between the community of Roche and Cerrejón as part of the compensation for the transfer of our site of origin to a new one. Obviously, our greatest desire is that both we and our children can access to it. Today my oldest son is in the eighth semester of a professional career thanks to this educational agreement."*

Yoe Arregocés

## 03 Environment

Cerrejón has an Environmental Management Plan, which is designed to avoid negative impacts on the environment, employees and communities. The plan complies with Colombian legislation and international standards for environmental management (ISO14001). It is compliant with the environmental permits granted by the National Environmental Licensing Authority (ANLA), which monitors our performance alongside Corpoguajira, the regional environmental authority.

Over the years, we have implemented several measures designed to ensure our operation doesn't negatively impact water and air quality. We are regularly looking for ways to improve e.g. by incorporating new technologies that allow us to enhance our management systems. Examples include the real-time, activate additional measures when needed, air and water monitoring system.

Since 2008 Cerrejón is part of an Environmental Oversight Committee for the mining operation which consists of 17 community representatives, Corpoguajira and the University of La Guajira. We are confident that this collaborative engagement results in better procedures and improved well-being for the communities.

### Social Investment

In 2019, the company invested USD 3.8 million to strengthen capabilities in the region, access to water, and implement strategic projects. Just in 2019, our social responsibility programs delivered 26.4 million litres of water to communities neighbouring our operations. A total of 164.000 million litres of water have been provided since the department decreed a drought in 2014. We have provided educational support to over 17,000 people. Cerrejón, through the public Works Tax Initiative delivered in 2019 the expansion of the Riohacha water treatment plant with an investment of approx. USD \$2 million. In 2020, to address the humanitarian

### Key measures to control dust emissions

Real time monitoring through a network of 16 stations (11 at the mine, 2 on the railway and 3 at the port)

Watering of roads with industrial water not adapted for human or animal consumption, or agricultural use

Use of fog cannons to reduce dust particles

Conducting clean-up activities throughout the year

Compressing coal in transportation wagons

Use of covered conveyor belts at the mine and port

Direct loading of coal at the port

Limiting or stopping operations at specific sites depending on weather conditions

### Water use: key figures (2019)

**89% of the water used by Cerrejón** is not suitable for human or animal consumption. Cerrejón uses this water to control dust emissions.

**Only 11% of the water used by Cerrejón is of high quality.** It is mainly used for our employees and to supply communities with fresh water.

**70% reduction** in use of high-quality water since 2010.

**Only 1.8% of the water drawn from the Ranchería River is used by Cerrejón.** Cerrejón used this water mainly for human consumption

**More than 4,000 samples** of water are taken annually from 29 monitoring stations in the Ranchería river and tributaries to control its quality

**A real time water monitoring system** is in place to immediately alert on changes in water quality

**Cerrejón does not release any waste or heavy metals** into the Ranchería River or any other bodies of water.

**Water quality results** taken downstream from the mining operations demonstrate that Cerrejón's activities do not negatively impact the quality of the water from the Ranchería River or damage the aquatic flora and fauna

crisis caused by the COVID-19 pandemic, Cerrejón redirected its contributions to provide humanitarian aid to mitigate the effects of Covid-19 in La Guajira. From March to June, this investment has reached USD 2.6 million focusing on enhancing the capacities of local health institutions with delivery of 100,000 health-care products, including 3 ventilators to be placed in local hospitals, distribution of 12 million litres of drinking water amongst the communities, delivery of more than 50,000 food baskets to 400 ethnic communities and the donation of the first of its type laboratory in La Guajira that will perform molecular PCR tests to enhance the region's efforts to detect COVID-19, and other viruses, in La Guajira. This Cerrejón donation will include the equipment, supplies, infrastructure and training to the Maicao hospital's staff that will oversee the lab.