

CERREJÓN

THE MAXIMUM POSSIBLE



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A mantra of Cerrejón, one of the world's biggest coal mining concatenations, is we do the maximum possible not the minimum necessary: in the matter of CSR and environmental management the rest of the world has little to teach Colombia

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Cerrejón is an integrated mining and transport complex in the La Guajira region, jutting out into the Caribbean Sea from the north of Colombia. The mine is independently operated, but belongs in three equal parts to subsidiaries of BHP Billiton, Anglo American, and Glencore Xstrata: between them these partners approved investment of \$1.3 billion in 2011 for an expansion project that will increase Cerrejon's production and export capacity by 8 million tonnes per annum (mtpa) in 2012 - 2014 to reach a 40 mtpa production by 2015.

The complex includes the open-pit thermal coal mine, a railroad that is 150 kilometres long, and a maritime port at Puerto Bolivar able to receive ships of up to 180,000 tonnes dead weight. The company employs more than 10,000 people, of whom over 99 percent are Colombian nationals, many of these from the La Guajira region. It is the largest private exporter from the country and one of the most important taxpayers in Colombia.

Known for its social and environmental programs, Cerrejón has earned international recognition and awards in these fields. In 2012 the company invested \$13.3 million in social engagement projects including education, health, basic infrastructure, culture, entertainment, sports, job creation and fostering programmes of livelihood, productive and entrepreneurship projects aimed to the communities in its area of influence.

The Cerrejón Foundations System comprises four distinct foundations, Water, Institutional Strengthening,



Once mining has ended, the area is rehabilitated

Indigenous Development and Progress – all in La Guajira. Through these, it works closely with the Colombian government and with national and international bodies to promote and accelerate sustainable, fair development for La Guajira and its people. “Over the course of three decades of operation, we have worked hard to make mining compatible with sustainable development concepts,” says Eduardo Lozano, Manager of Cerrejón’s Department of Social Responsibility.

Cerrejón’s commitment to sustainability is reflected in the formulation of its corporate culture and identity model, known as The Cerrejón Way. This sets out its approach to the community, the environment including wildlife and its own employees. Forming part of the Guajiro, Colombian, and global communities, Cerrejón aspires to be recognised as a company engaged in responsible mining and in this process, which has been applied since the start of mining in the early 80s, it has established itself as a benchmark for comparable large-scale projects right across the globe.

The principal facets of this policy are environmental performance and corporate social responsibility, and these are co-ordinated with the local authority in La Guajira through



Direct loading of the coal onto the ships, an environmental friendly measure at the port

the foundations. “Our responsibility to the neighbouring communities goes far beyond the role of generating employment and royalties,” says Lozano. “Widespread social engagement and a relationship with the inhabitants of the department of La Guajira are what we aim for.”

Over the past decade the core of the concept of corporate social responsibility has been in

“OUR RESPONSIBILITY TO THE NEIGHBOURING COMMUNITIES GOES FAR BEYOND THE ROLE OF GENERATING EMPLOYMENT AND ROYALTIES”

progressive construction, in conjunction with all the communities and their stakeholder groups, throughout the mine’s area of influence, states the CSR manager in an attempt to depict the participative dimension of the subject. “The organisational structure has then adapted to the findings we encounter. In our area, as an example, we have around 70 staff professional members dedicated to CSR activities,” says Lozano.

Lozano starts with the Cerrejón Foundation for Water in La Guajira. Established in 2008, its mission has been to work on water supply solutions, promote basic sanitation and hygiene practices, and the environmental sustainability of water sources in an area badly affected by water scarcity. None of

the La Guajira provinces have continuous access to a treated water supply; half its 902,000 inhabitants live in rural areas and of those nine out of ten live in poverty. As one of the most arid parts of South America, temperatures can reach 45 degrees Celsius, and rainfall averages 500 millimetres each year. With up to 2,500 hours of sunshine per year it is also the sunniest part of Colombia.

By 2007, water mains had reached just over half of the province, but only 16.3 percent of the rural areas. The statistics are worse for sewers, which cover just 39 percent of the region and drop to a scant 7.9 percent in the countryside. Areas such as Media and Alta Guajira are so arid that conventional solutions to water and sanitation are simply

not feasible. This explains why rural La Guajira is so vulnerable to disease and why it presents a considerable challenge to the local authorities. “This Foundation focuses on rural communities that have difficulty accessing water. It researches sustainable alternatives that can be developed and used in the future,” says Lozano. “Training in water conservation is also of the utmost importance,” he adds.

The Foundation for Indigenous Guajira

works to improve conditions for the local people while respecting their culture. There’s a large indigenous population, mainly Wayúu, who form 40 percent of the population, Wiwa and Kogui. These communities face many challenges, among them the invasion of the modern world, the division of their ancestral lands, unemployment and poverty. “As the major employer Cerrejón needs to ensure that the rights of the indigenous

“AS THE MAJOR EMPLOYER CERREJÓN NEEDS TO ENSURE THAT THE RIGHTS OF THE INDIGENOUS COMMUNITIES ARE MET”



Eduardo Lozano leads a health brigade at one of the communities in Puerto Bolívar



Kamüsüchiwo>U school located at High (Alta) Guajira, where Cerrejón has devoted resources and support to the Bilingual Intercultural Programme

communities are met,” he says. “Among the things the Foundation can do is to promote sustainable initiatives and innovation focused on the areas of education, community development, and healthcare.”

The Foundation for Institutional Strengthening exists to ensure better social investment of public resources. One initiative it has launched is Tecnocerrejón, whose objectives include education opportunities for people living in the mine’s area of influence, giving Cerrejón employees skills they need to keep up with changes in mining technology. “The training offered by Tecnocerrejón is designed to allow them to enter the labour market, start their own business, continue their higher education or combine study with work until they earn a technical or

professional degree.” Tertiary education is guaranteed to qualified candidates by several Colombian universities.

Though the mine will continue to drive the economy of La Guajira for many years to come, no resource lasts forever. So it’s an important goal for the company to help generate alternative projects that allow the community of La Guajira to take the benefit of the wealth created by mining and prepare for the day when the coal resources start to disappear. The Cerrejón Foundation for Progress looks ahead to 2034 when the mine’s contract expires. “The region needs to find new economic and social development activities,” emphasised Lozano. “We have fantastic attractions, dependable sunshine, great beaches, and the Foundation has

“WE ARE COMMITTED TO PREVENTION, MITIGATION, AND COMPENSATION FOR THE EFFECTS OF OUR OPERATIONS ON HUMANS AND ANIMALS ALIKE”



The new site at Chancleta forms part of the resettlement programme

already managed to attract investment for a four star hotel complex here.” Waya Guajira, is the first LEED certified hotel & museum complex in Colombia. It will do a lot to promote a new generation of entrepreneurs, building a significant tourist industry without impacting ecosystems and local culture.

One of the most important values for Cerrejón is its guardianship of the environment. “Mining will always produce environmental effects, however, at Cerrejón, when we talk about the environment, we are not just talking about a department or an individual,” says Gabriel Bustos, Manager of the Department of Environmental Management. “We are talking about the organisation as a whole, from the President to the contractors. We are committed to prevention, mitigation, and compensation for the effects of our operations on humans and animals alike.”

The first thing that happens when a new area is being looked at for mining operations is an inventory of the wildlife in the area, with any stressed species being relocated: at the end of its life it is rehabilitated as close as possible to its original state or better. Last year \$55 million was invested in environmental management programmes



A P&H shovel in operation

including environmental monitoring and control systems, undertaking special studies, and establishing environmental buffer zones. And with the participation of Conservation International and the local environmental authority Corpoguajira, Cerrejón supported the creation of a nature reserve in the department of La Guajira, which covers 8,484 hectares of tropical dry forest, hosts endemic species, and is a vital source of water.

In September this year Cerrejón received, for the second time, the Gold Seal of the Siembra



Part of the Livelihood project focuses on a different ways to earn a living



Gabriel Bustos at the turtle protection program



Cerrejón waits years before withdrawing from the Green Bank

“AN IMPORTANT AIM IN THE FUTURE WILL BE TO ATTRACT INVESTMENT TO DEVELOP SUSTAINABLE PROJECTS IN THE REGION”

Colombia Foundation at its Expoambiental 2013. The mining operation earned 8,716 of 10,000 possible points, the highest rating among the participating companies either public or private. Fabio Arjona, Director of Conservation International, said: “Cerrejón has the ability not only to mitigate and minimise the environmental impact, but also to leave a positive balance in many environmental actions. In short, it is not only

about respect for the environment, it is about improving the environmental conditions prior to mining.” Receiving the award was no accident, says Bustos: “We are constantly striving to strengthen and improve this area of environmental management. This award shows just how hard we are working. We have a motto *hacemos lo máximo posible y no lo mínimo necesario* (we do the maximum possible not the minimum necessary).”

At the end of the day, large-scale mining will have some disruptive impacts on the environment, the population and the economy. It is for a company like Cerrejón to see that positive actions will mitigate and balance enough the impacts as far as possible. One regrettable but occasionally necessary effect of mining is on those communities unlucky enough to live right on top of the resource. Cerrejón sees resettlement as a last resort, but also as an opportunity for dialogue with the communities, for improving their standard of living, and for the creation of social capital. They hope that the resettlement processes that they have been managing will strengthen the sustainable development of La Guajira.

Maybe nothing can really compensate a family for being forced to move from

its home village even if they lived a very meagre existence there. However in their new locations the communities have 24 hour access to drinking water, education centres, parks, internet/Wi-Fi, health centres, churches and the like. When constructing the new settlements, a very important aspect is education as there are many young people within the communities. Cerrejón initiates an education project for each of the resettled communities so that once children leave school they can go to university and then work towards a career. This means that the future of these communities is strengthened through their access to quality education.

So while working with resettled communities can at times be painful, Eduardo Lozano is very assiduous in easing that pain.

“When anyone is faced with having to move to a new location, it can be daunting. There are natural concerns,” he admits. “But at Cerrejón we do our best to deal with any worries that the communities may have. We also make sure that relocation impacts are duly identified with the families and proper compensation response is provided, including housing and social programs. Once resettled in their new location, the community not only preserves its rural nature, but it turns into a community recognized by its social neighbors, and capable to enhance its development possibilities. In most cases, the initial concerns of the people change to vision, hopes and dreams. It is an opportunity for social transformation!”

Social responsibility is an activity without end, and can always be improved. Lozano would like to see a better consensus between Cerrejón and the other organisations that can influence sections of the community the company doesn't interface with directly: children, teenagers, the elderly and other groups not included in the workforce. A permanent engagement with other organisations and their institutions across the society primarily at La Guajira, and the Caribbean region indirectly, where the best of the Cerrejón community engagement model permeates, it would make a difference, he feels. “An important aim in the future will be to attract other types of social investment to develop further sustainable projects in the region.” **BE**

For more information about
Cerrejón visit:
www.cerrejon.com

The “City of Riohacha” locomotive, painted as suggested by the Wayuu communities, pulls between 95 and 110 wagons during its 150km trip from the mine to Puerto Bolívar Port





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