



This is how we
work for
Colombia

Glencore

Glencore is one of the world's largest global diversified natural resource companies. As a leading integrated producer and marketer of commodities with a well-balanced portfolio of diverse industrial assets, we are strongly positioned to capture value at every stage of the supply chain, from sourcing materials deep underground to delivering products to an international customer base.

Glencore owns one third of Cerrejón in La Guajira and 100% of the Prodeco Group.



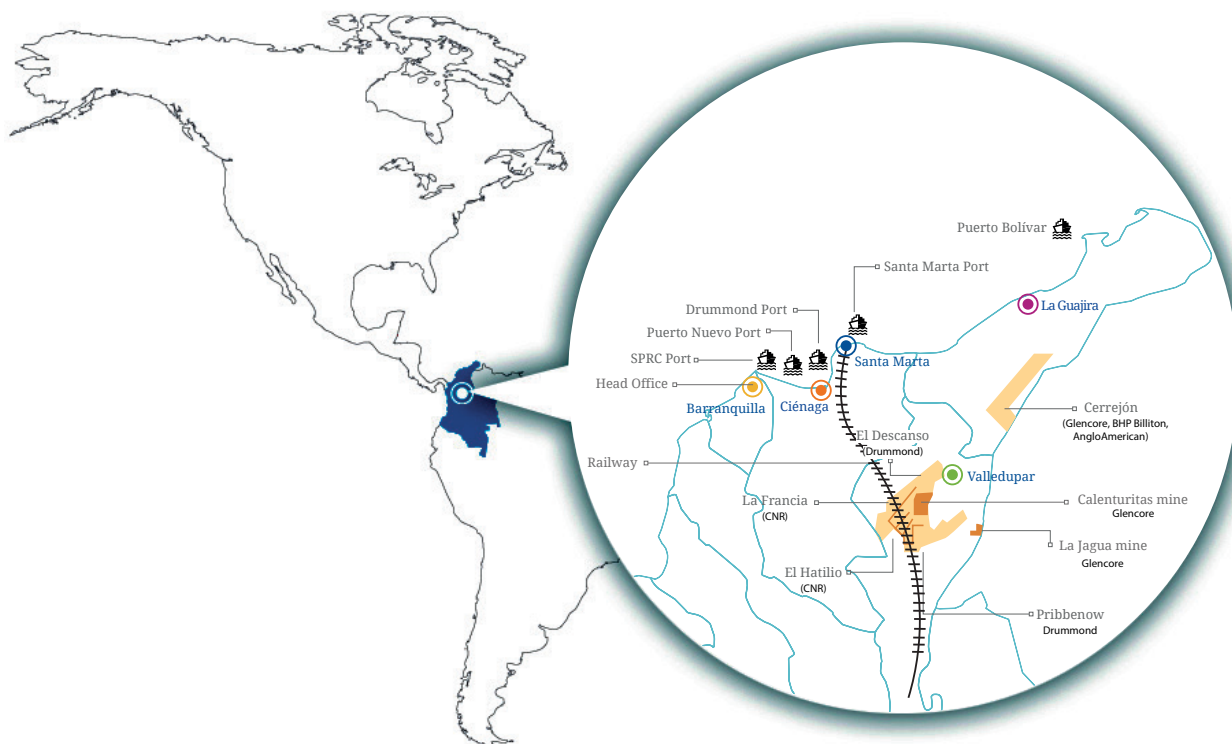
The Prodeco Group
is the third-largest producer
of export thermal coal in
Colombia.

The Prodeco Group comprises Glencore's Colombian operations for the export of thermal and metallurgical coal and its associated infrastructure. We undertake exploration, production, transportation and shipping for our high-grade thermal and metallurgical coal, which is destined for markets in Europe, the Americas and Asia.

The Group has reserves of 290 million MTs, with resources (measured, indicated and inferred) of 480 million MT.

The Prodeco Group is an integrated operation that includes:

- Open-pit coal mining operations, Calenturitas and La Jagua mines in Cesar
- Railing operations with 18 locomotives and 750 wagons
- Puerto Nuevo SA, a Public Service Coal Exports Port in Ciénaga, Magdalena
- 40% stake in FENOCO SA, owner of the rail concession that links our mines to our port.





The Prodeco Group is an integrated operation that includes open-pit coal mining operations Calenturitas and La Jagua mines in the department of Cesar; port export facilities, Puerto Nuevo in the municipality of Cienaga; and a 39.76% stake in Fenoco SA, owner of the rail concession that links our mines to our export port.

CALENTURITAS MINE

Calenturitas is an open-pit mine that produces thermal coal, which is low in sulphur and of a high calorific value.

Thanks to its coal-handling infrastructure, the Calenturitas mine is capable of crushing between 15 and 17 million MT of coal annually, and of loading up to 23 million MT into trains every year.

PUERTO NUEVO

Sociedad Portuaria Puerto Nuevo S.A, owned by Prodeco Group, is a coal exporting direct-loading Public Port, which began operations in April 2013.

A \$530 million dollar investment built in a record time of 3 years, is a world class port with state of the art technology and environmental standards. Currently, Puerto Nuevo has a 23.7 MT per year capacity. Its infrastructure can be expandable up to a capacity of 60 MT per year.

THE TRAIN

Prodeco owns 39,7% of Fenoco which owns the concession for the railway linking the mines (Cesar) to the port (Magdalena).

Prodeco Group own:

18 Locomotives

750 Rail wagons

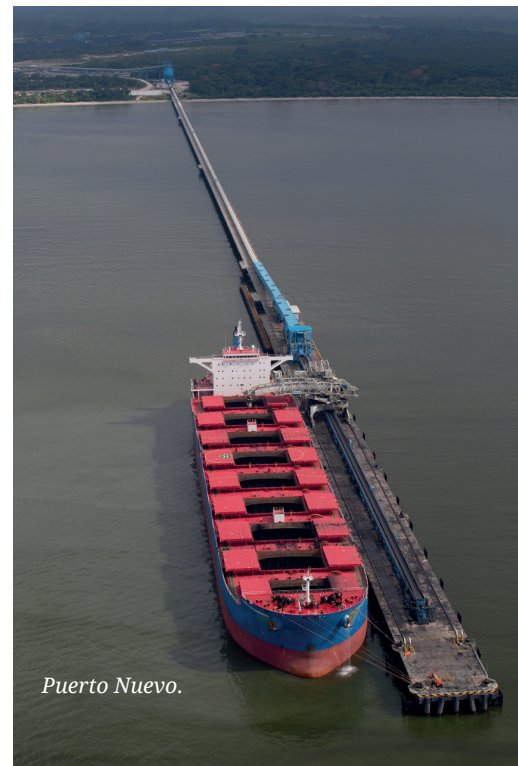
10 Daily trains between the mines and the port

61 ton is the capacity of each wagon

18.5 h The complete cycle of a loaded train including transport and unloading.

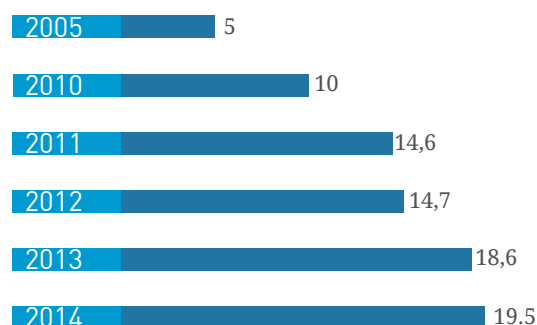
LA JAGUA MINE

La Jagua is an open-pit coal mine consisting of five mining permits held by three companies: Carbones de La Jagua S.A. (CDJ), acquired in 2005; Consorcio Minero Unido S.A. (CMU), acquired in 2006; and Carbones El Tesoro S.A. (CET), acquired in 2007. Once Glencore had purchased all of these operations, it integrated the mining process which allowed for the development of a more effective and environmentally friendly operation.

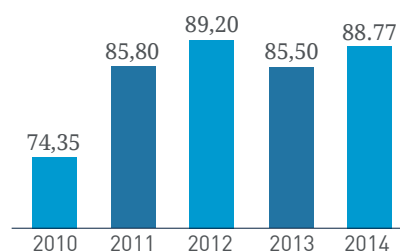


Our economic contribution

Production MT Prodeco Group



Coal production in Colombia



Up to 2014

2015 - 2032
(life of mine)



Production

118_{MT}

288_{MT}



Royalties & Taxes

1,524
USD millions

3,847
USD millions



Capital Investment

2,336
USD millions

1,259
USD millions

Economic Value Distributed during 2014 (millions USD)



\$ 108,46
Salaries and
benefits for our
employees.



\$ 0.995
invested in local
communities.



\$ 589
purchases from
local suppliers.



\$ 817
purchases from
national
suppliers.



\$ 315
paid in royalties
and taxes.

Our people

Our people are fundamental to our success. We believe that a diverse workforce is essential with sustainable business growth. We treat our people fairly and with respect and ensure they have the opportunity to develop their careers to match their potential.

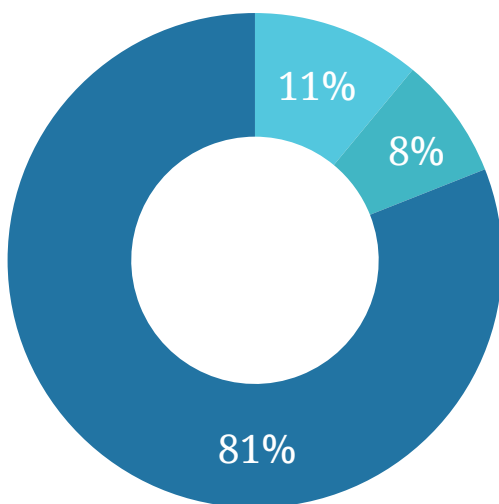
We recognize and uphold the rights of our workforce to a safe workplace, collective representation, just compensation, job security and opportunities for development.

6,750

Total workforce
in 2014

86%

of our direct employees
come from Cesar and
Magdalena where Prodeco
has its main operation.



In Colombia, workers are entitled to affiliate / not affiliate to a union, to have a collective negotiation to improve their conditions, and to strike. These rights have to be exerted within the Law.

19% of Prodeco's direct employees is unionized compared to the National average of 3.7%.



Our Commitment to *Human Rights*

OUR APPROACH

We do not tolerate any form of workplace discrimination, harassment or physical assault, or any form of child, forced, or compulsory labour. We seek to reflect the diversity of the communities in which we operate in our workforce. We respect the rights of our employees and contractors, including the freedom of association and collective bargaining. Throughout our operations, we seek to avoid complicity in human rights abuses, and to uphold relevant international standards. We operate grievance mechanisms at all our operations for our stakeholders.

OUR SECURITY PROCEDURES

As Glencore is a Member of the Voluntary Principles on Security and Human Rights, the security procedures at our operations, assets and projects seek to comply with these principles. These procedures are reinforced by risk assessments and incident reporting mechanisms, as well as training for our security staff and contractors (more than 2,300 hours in the last 2 years).

INTERNATIONAL STANDARDS

The policy is developed in accordance with the Universal Declaration of Human Rights, the International Labour Organisation (ILO) Core Conventions on Labour Standards, the Equator Principles, and the United Nations (UN) Guiding Principles on Business and Human Rights.

We have grievance mechanisms available for community members to raise concerns with no fear of reprimand.

Prodeco is also a member of Compromiso Etico (Ethical Commitment), a multi-stakeholder platform comprising Swiss Companies in Colombia and the Swiss Government through its Embassy in Colombia. These Swiss companies have signed a commitment to integrate the Human Rights principles and the International Humanitarian Rights as part of their operation.



Our commitment to health and safety

Our first priority in the workplace is to protect the health and wellbeing of all our workers. We take a proactive approach to health and safety; our goal is continuous improvement in preventing fatalities, occupation disease and injuries, job security and opportunities for development

1 FATAL RISK MANAGEMENT SYSTEM 

We will identify all fatal risks and implement critical tasks and critical controls.

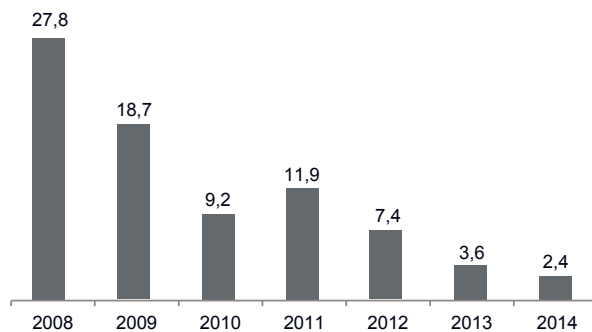
2 FATAL HAZARD PROTOCOLS 

We will integrate the Fatal Hazard Procols of Glencore into our management, and improve systems and equipment operation.

3 H&S MANAGEMENT SYSTEM UPGRADE 

We will develop a management plan that integrates the standards and best practices of the industry and the Glencore requirements.

Prodeco Group TRIFR* 2008 to 2014



*Total Recordable Incident Frequency Rate

The Prodeco Group's Total Recordable Incidents' Frequency Rate (TRIFR) is industry-leading worldwide at 2.4 total recordable incidents per million hours worked

Between 2013 and 2014, the Total Recordable Accidents' Frequency Ratio, an indicator that measures the number of injuries reported, evidenced a reduction of 32%. Over the years 2012 to 2014 the reduction was 67%.

In 2014, the Prodeco Group received from the Colombian Safety Council – CCS*, the White Cross Merit Medal, advanced category, award that acknowledges the successful performance of the Calenturitas mine, the La Jagua mine, the railway operation and Puerto Nuevo, in the implementation of their safety and occupational health programs during 2013.

The ARL SURA, one of the most important labor risks management companies in Colombia, recognized the effort of the enterprises that have achieved progress in occupational health and safety issues during 2013 - 2014 in different categories: Best Occupational Health Performance, Zero Accidents, World – Class Enterprise and Learn to Go Back.

The Calenturitas mine was awarded the first place in the Zero Accident category, and the La Jagua mine won the second place in the Learn to Go Back category, after competing with 140 companies in the region. These results are a sample of the effectiveness of each one of the programs regarding safety and occupational health developed by the companies, as well as of the firm commitment to provide safe work spaces to all of their workers.

**The CCS, is a professional non – profit association that gives state – of – the – art technical and scientific support to contribute to the preservation of the health of the working population and of the community, the improvement of the safety and the conservation of the environment.*



Our environmental commitment

Our commitment is to develop our business in a responsible and sustainable manner, in order to prevent, mitigate, correct and compensate for the environmental impacts of all of our operations. We invest in environmental projects that, in addition to contributing to the preservation of our biodiversity, promote community involvement in the management of initiatives focused on the long term viability of environmental projects.

ENVIRONMENTAL MANAGEMENT PLAN

1. AIR QUALITY - DUST MANAGEMENT

Air quality management system

All operations have implemented dust control standards and procedures in accordance with our Air Quality Management System and implemented an Air quality monitoring and follow up procedure to guarantee proactive compliance in each Project and its area of influence with environmental regulation (within International Standards).

Dust controls in our operations

- Fleet of 17 tankers totaling 290,000 gallons, for watering roads in both mining operations.
- Covered train loading and off-loading stations, compacting and wetting the coal in train wagons, and covers on conveyor belts at port.

Air quality modeling and follow up

- Besides our internal stations, we installed air quality monitoring stations outside the operations in strategic places to follow up on the impact to our main receptors as a part of the Regional Authority's air quality network (public information).
- Online meteorology and dust particles follow up system is being set to allow us to respond proactively by taking decisions about our operation according with unfavorable dispersion conditions or high levels of dust emissions levels.
- Proactive modeling as a prefeasibility criteria for new projects/activities.

Animals rescued at Calenturitas mine.



2. WATER MANAGEMENT - SEDIMENT CONTROL

- All our operations have implemented water management Plans to reuse water, minimize water consumption and to prevent pollution of runoff water and to collect and reuse water to reduce dust.
- Water settlement ponds, collecting channels and dump drainage and discharge structures were designed and built in response to the expansion of the project taking into account environmental best practices and landscape design.
- Follow up monitoring on surface and ground Water Quality and availability is periodically done to prevent pollution and guarantee a sustainable usage of this resource.

3. LAND RESTORATION AND REFORESTATION

Closure plans in place to ensure land restoration and prevent wind erosion:

- Sloping
- Soil preparation
- Seeding and Reforestation
- Maintenance

Land restoration has been implemented to restore mine impacted areas and to ensure connectivity between surrounding protected areas and create biodiversity corridors to release wildlife.

4. WILDLIFE MANAGEMENT ACTIVITIES

- We carry out animal rescue and relocation activities before carrying out mining operations.
- The rescued wildlife is relocated in protected and monitored areas to ensure their survival and a successful reincorporation.
- In Calenturitas the animals rescued are taken to the Wildlife Animal Center (CAFS), for a physical evaluation and veterinary exam.
- The animals are released in reception areas similar to their areas of origin.

In 2014



4,503,167 m³
of recycled water



56,086
planted trees



7,595
rescued species



783,23 ha
rehabilitated up to 2014

Our social commitment

We believe that our operations have a predominantly positive impact on the communities in which we operate. We aim to build lasting relationships with our neighbours by identifying and addressing their concerns, and by contributing to activities and programmes designed to improve their quality of life.

SOCIAL RESPONSIBILITY POLICY

Principles



We identify the communities and other stakeholders associated with our operations, to engage them in a culturally appropriate and transparent manner.



We work to identify, manage and mitigate the adverse impacts of our Operations.



We work with the national and local governments to develop and support projects that benefit the communities associated with our operations.



We manage rationally our funds, in such a way that our community initiatives receive a steady and continuous financial support.

Goals



To maximize the benefits that can be generated by our operations.



To minimize the impacts that could be caused by our operations.



To prevent the post – mining dependence on our operations.

EDUCATION

Improvement in the quality of public institutions and the educational level of students belonging to key communities, facilitating their access to higher, and technical education and providing training to improve their employability



SOCIAL CAPITAL DEVELOPMENT

Build public – private alliances to promote the best public management practices and the informed participation of the citizens of the Direct Influence Area (DIA).



INCOME GENERATION

Strengthen the generation of income through the creation and growth of business units, as well as the improvement of employability options.



SOCIAL
INVESTMENT LINES

In 2014:

21 scholarships

for students to
access higher education

• 250 awardees

with training programs for
activities different than mining

• 20,000 students

benefited with our Environmental
Education Program for schools

• 200 beneficiaries

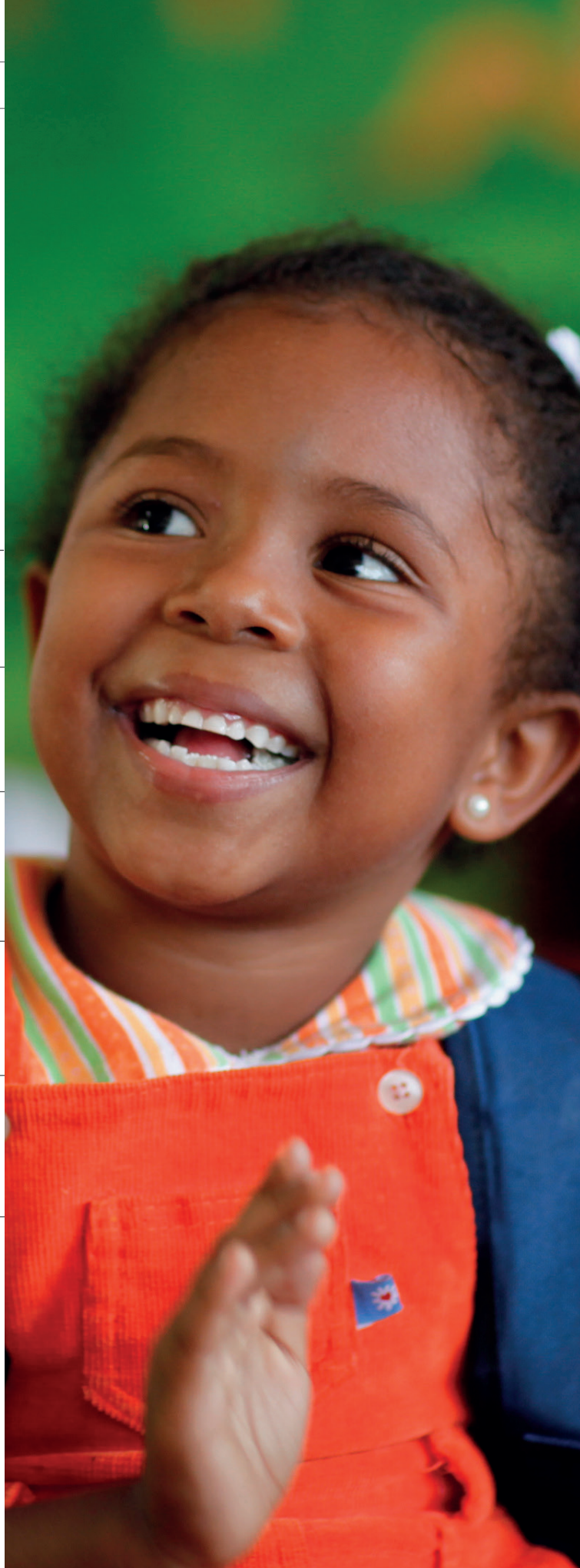
of training processes for Public
Officers and community leaders
on royalties' control and leadership

• 35 projects

provided with administrative and financial
assistance, as well as startup capital contributions

• 27 local suppliers

trained to increase the
procurement of local goods





www.prodeco.com.co