

Bogotá, March 23, 2021

PRE015-2021

Mr. Tuur Elzinga
President
FNV

Subject: *Response to letter of March 15, 2021*

Dear Mr. Elzinga,

We have received your letter of March 15, 2021 and would like to address the concerns expressed in regard to the measures that Cerrejón has implemented to deal with the complex situation the company is undergoing, which have unfortunately required the dismissal of administrative and operational employees.

As we have also explained to IndustriALL, at Cerrejón respect for our workers' rights is an essential part of our operation and, as such, we maintain open spaces for transparent dialogue. We have been engaging with employees and their associations to address issues of interest, including the difficulties experienced in light of the dramatic changes in coal prices. These issues have been discussed in the past years but were especially addressed in detail during the 2020 CBA conversations where we informed that a reduction of operator and administrative staff was required to ensure the company's viability. In 2020 we implemented a reduction of administrative staff and unfortunately this year we had to implement a reduction in operative staff.

Employee layoffs were certainly the last option within numerous actions implemented to manage the challenging economic situation and ensure the company's future viability. As we also explained to IndustriALL, the transformation plan included the implementation of strict measures to optimize processes and reduce contractual and investment costs.

We regret that the voluntary retirement package, which was presented to employees initially in 2020, has been interpreted as unfair by some employees. Recognizing the difficult implications of this decision on workers and their families, we offered a severance package that intended to end working relationships on the best terms possible. This package, 38% higher than that required under labour laws for situations of dismissal without just cause, included a 17.5% addition to the legal indemnity amount, an amount to pay for six months of coverage of the complementary health plan for 2 people, an amount to pay for six months of coverage of the health and pension plan, the equivalent of 6 months of a life insurance plan, and an additional bonus of up to USD3,400.

Regarding the accusations of threats, neither Cerrejón nor the firm that supported the process used threats or acted in bad faith. We worked with the firm to ensure that the conversations were always respectful. This is possible to evidence in the tapings of the conversations held and shared publicly by former employees. Many of the people we engaged with accepted the offer presented, but we also respect the decision of those who did not accept it.

We understand that this was a difficult process, affecting many people and their families, but unfortunately it is required to maintain a viable company which can ensure the employments for the largest possible number of people and to continue generating the benefits for their families, the region and the country.

Sincerely,



Claudia Bejarano
CEO