

# 2022



# Table of contents

01.	We are CMP	Letter from the Board Chairman	04
		CMP's Purpose	07
		History	08
		2022 in Summary: Results and Milestones	10
		Distinctions and Awards	16
02.	Our Activity and Companies	The Business and its Ownership	18
		Activities and Businesses	20
		Real Estate and Mining Reserves	23
		Short- and Long-term Development	28
03.	Sustainability Focus	Sustainable Value	30
		Stakeholders	36
		Elaboration Process of the Integrated Report	38
04.	Corporate Governance	Governance Framework	44
		Board of Directors	45
		Board of Directors' Committees	50
		Main Executives	51
		Risk Management	53
		Integrity and Compliance	58
05.	Environmental Commitment	Climate Change	62
		Environmental Impact	73
06.	Commitment to the Territories	People	75
		Health and Safety	84
		Local Development	88
		Community	91
07.	Commitment to the business	Customer Satisfaction	98
		Innovation and Technology	99
		Business	101
		Legal Compliance	105
08.	Appendixes	General Information about the Company	108
		Additional Information	112
		GRI Index	115

01

We are  
CMP



Compañía Minera del Pacífico is the **biggest iron ore and pellet producer** in the American Pacific coast, with operations, projects and offices in **6 municipalities of the regions of Atacama and Coquimbo** in the north of Chile.

We represent the iron industry in Chilean large-scale mining, covering 99% of production and 98% of national exports of the metal, which are shipped to 7 nations.

Our offer contributes, among others, to the development of infrastructure, housing, machinery and equipment, non-conventional renewable energies and technology worldwide; while, nationally, we are part of the only mining conglomerate that encompasses from extraction to the industrialization of final products.

We mainly produce Pellet Feed, Pellets, Sinter Feed and Chippings from magnetic iron ore that we obtain from 4 of our own sites, as well as purchasing ore from other suppliers and the reprocessing of third-parties tailings, materials with which we supply our own facilities, including the Pellet Plant in Huasco,

and which we mainly ship from 3 ports that we directly operate.

With almost 8 thousand own employees and collaborators, of whom 97% are residents of the regions of Atacama and Coquimbo, we represent around 4.5% of the national mining workforce and 22% when considering only the area known as the Small North. Likewise, we purchase goods and services from more than 2 thousand suppliers, with 40% of the total amount being purchases to local companies.

We are CMP, a regional company that, from the heart of its processes, creates a different kind of mining for the sustainable development of the territory and its people



# Letter from the Board's Chairman

V I C E N T E I R A R R Á Z A B A L L L O N A

## Consolidating a management of excellence



In a year that has been tremendously challenging, putting our maximum capacities to the test, Compañía Minera del Pacífico achieved an important consolidation of its management model, which was reflected in a solid contribution to CAP Group's annual results, benefitting its shareholders, workers, collaborating companies, communities and the country.

2022 allowed us to take concrete steps to begin to overcome the impact that the Covid-19 pandemic has had globally, nationally, locally and, certainly, within our operations, with a balance that allows us to reach the conviction we have done well in this huge test in terms of protecting our employees and collaborators' health; sharing our best practices with authorities, other companies and communities in the territories where we operate; safeguarding our assets and processes; as well as contributing in maintaining local employment and economy, contributing to productive reactivation in the regions of Atacama and Coquimbo.



Thus, we have demonstrated our capacity for resilience and overcoming, increasing our production and main operational standards as a result of governance consolidation for strategic decision-making; a consistent investment plan, especially in terms of sustainability; the maturity of our Process Risk Management Model (PRM); and the commitment, potential and creativity of our staff and collaborating companies.

Our people have been key in this management of excellence, standing out, in this regard, the endurance of collective agreements with the company's 10 unions, which represent 98% of our employees, as well as having been the first private mining company to begin implementing the 40-hour work week. But what is most relevant in this area has, undoubtedly, been our consistence performance in matters of self-care and risk management at the

level of people, which granted CMP a recognition from Consejo Nacional de Seguridad de Chile in the "Mine and Quarry Exploitation" category for its 6 million worked hours with no workplace accidents in 2021, positioning itself as the company with the lowest incident index in the mining industry, considering frequency rate in workplace accidents, injuries and professional diseases, as well as distinctions in the "Annual National Distinctions" for its ongoing concern for the safety of employees and collaborators.

We have also made firm progress in our commitment to the territory and equity, strengthening the incorporation of local talent, especially women; and the active participation of our neighbors in conversations with the company and the opportunities of shared growth which, together, we have built in the areas that host our sites. Therefore, we can highlight that, in this period, 97% of the almost 8 thousand workers, our own and external, that are employed in our sites and our projects were residents of the regions of Atacama and Coquimbo, in addition to important achievements in terms of gender diversity, reflected

in the fact that 15% of total staff, 29% of deputy managers and superintendents, and, since the start of 2023, 50% of company managers are women.

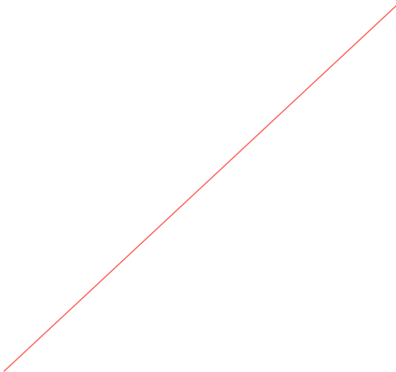
Likewise, our collaborative intervention in education and professional development in the regions of Atacama and Coquimbo stand out. Among other examples we find the alphabetization program "Alfadeca", in collaboration with Fundación Sara Raier de Rassmuss, and the participation of 5 schools from 3 municipalities; a new version of the "Jaime Charles" scholarship for university studies, which, since 2012, has allowed more than 30 young people to get a university degree; the "Vínculo" project, which has enabled us to build an articulation strategy with a network of 7 technical high schools in 6 municipalities, with the participation of 2,863 students and 267 teachers; as well as the record figure of 144 high school and university students who, since the start of 2023, began their work placements in the company.

In addition to this, regarding sustainability, we reached historical milestones. Among them are the reduction of emissions at a company level, especially

thanks to the commissioning of our electrostatic precipitator in the Huasco Pellet Plant and the change of loading hoppers, as well as the encapsulation of conveyor transfers and belts in the Port of Guayacán, where we are also working on the implementation of a new “Telestack” stacker to distribute the ore as terraces as an operational controller and to contribute to the reduction of PM10. Also noteworthy are the acceleration towards carbon neutrality through a greater inclusion of electromobility in all operations and the start of the development of the engineering project for the replacement of coal in the Pellet Plant; the increase in the use of desalinated water, up to 47% of the total required by our operations, as well as the recycling of waters for greater water efficiency, such as in the Pellet Plant, which will increase this measure by 60%; the application of cutting-edge technology for the detection of marine wildlife through hydroacoustic buoys as part of the project of Puerto Cruz Grande in La Higuera and the management of mining tailings through the construction of the Pellet Plant Filtered Tailings Deposit project, which considers recovery and integration to the landscape, as well as continuity in the circular use of third-party tailings in the Magnetite Plant in Tierra Amarilla; and the reinforcement of environmental monitoring to verify compliance with regulations and obtain a more precise evaluation of our impact.

The mentioned actions, among many others, allowed us to achieve a production of 16.5 million tons of ore in 2022 in the shape of Pellet Feed, iron ore Pellets, Sinter Feed and Chippings, most of which were shipped to the most demanding international markets and the national steel industry, from our ports of Punta Totoralillo in Caldera, Guacolda II in Huasco and Guayacán in Coquimbo, while, in order to ensure operational continuity and marginal, but sustained growth, we were granted the environmental qualification for the projects “Magnetite Plant Operational Adjustments” and “Use of Adrianitas-Raúl Iron Ore Stockpiles”; we submitted the “Distrito Pleito Fase 3 Operational Continuity” project to environmental evaluation; and, prepared the “Faena Algarrobo Stockpile Recovery” initiative for its submission at the start of 2023.

For this and much more, for what we have achieved and the goals that we have set for ourselves, we are convinced that, at CMP, we are building a different kind of mining – task in which we do not make progress alone, but, on the contrary, we work with employees, collaborators and communities to connect our history in the territory with a promising and sustainable future, a future that demands and ironclad commitment.



**Vicente Irarrázabal Llona**  
Presidente del Directorio

[GRI 2-22, 2-23]

# CMP's Purpose

Compañía Minera del Pacífico (CMP) is the biggest iron ore and pellet producer in the American Pacific coast, with operations, projects and offices in nine municipalities in the regions of Atacama and Coquimbo, in the north of Chile.

It represents the iron industry in Chilean large-scale mining, covering 99% of production and 98% of national exports of the metal, which are shipped to 7 nations.

CMP's offer contributes, among others, to the development of infrastructure, housing, machinery and equipment, non-conventional renewable energies and technology worldwide. Nationally, we are part of the only mining conglomerate that encompasses from extraction to the industrialization of final products.

The company mainly produces Pellet Feed, Pellets, Sinter Feed and Chippings from magnetic iron ore that we obtain from our own mining sites, as well as purchasing ore from other suppliers and the reprocessing of tailings from third parties. With these raw materials we supply our own facilities, which mainly ship from three ports that the company directly operates.

With almost 8 thousand own employees and collaborators, of whom 97.5% reside in the regions of Atacama and Coquimbo, CMP represents around 4.5% of the national mining workforce and 22% when considering only the area known as the Small North. Likewise, it purchases goods and services from more than 2 thousand suppliers, with 40% of the total amount being purchases to local companies.

The company's current purpose is, from the heart and the energy of its processes and the capacity of its workforce, to **“create a different kind of mining for the sustainable development of the territory and its people”**.

Sustainability and the engagement with the territory are central axes in its purpose, which are, in turn, reflected in our three strategic objectives:

01

**To sustainably maximize the value of the business.**

02

**To be a leader in the market of high-quality products.**

03

**To maximize the value of the territory in which we operate.**

In addition, there are three attributes which constitute the basis for CMP's growth:

01

### Alignment

We all work in the same way for a global objective and in accordance with the Process Risk Management (PRM, or GRP

02

### Simplicity

We act and communicate simply and clearly, thus achieving the efficiency and efficacy that our processes require.

03

### Discipline

We carry out our role rigorously and with perseverance, managing



# History

Due to the restructuring of Compañía de Aceros del Pacífico S.A. (CAP S.A. today), Compañía Minera del Pacífico S.A. is created

in 1981, becoming the owner and continuing company of the exploitation of mining sites that used to be owned by CAP

1914

Start of exploitation of El Tofo mine (La Higuera) by Bethlehem Chile Iron Mines Company. The iron ore site would become the most important one in South America with the commissioning of the first electrical train for cargo in the region, carrying ore from the mine to Puerto Cruz Grande.

1956

Under the ownership of Bethlehem Chile Iron Mines Co., iron ore extraction and re-processing begin in El Romeral Mines (La Serena).

1960

Start of operations of El Algarrobo Mine (Vallenar).

1963

El Romeral Mines go from a production of approximately 1 million ton of lumps per year to 3 million tons of lumps and fines.





1971

The site is acquired by CAP, implementing an expansion stage that allowed a production of 4 million tons of chippings and fines per year.

1974

Closing of El Tofo mine, Puerto Cruz Grande and the train.

1978

Inauguration of the Pellet Plant (Huasco).

1981

The operations become part of CMP.

1998

Start of operations in Los Colorados Mine (Huasco) by Cía. Minera Huasco (CMH), company co-owned by CMP and Mitsubishi.

2003

Extension of Pellet Feed Plant in El Romeral Mines (La Serena).

2007

Inauguration of Magnetite Plant (Tierra Amarilla).

2010

Mitsubishi Corporation becomes part of CMP with 25% of shares. Takeover of CMH by CMP.

2012

Start of operations of Cerro Negro Norte Mine (Copiapó).

2014

Extension of Huasco Valley production.

2020

Start of the Construction Phase of Puerto Cruz Grande (La Higuera).

2021

Environmental qualification of the Filtered Tailings Deposit and approval of the project for the decarbonization of the Pellet Plant in Huasco.

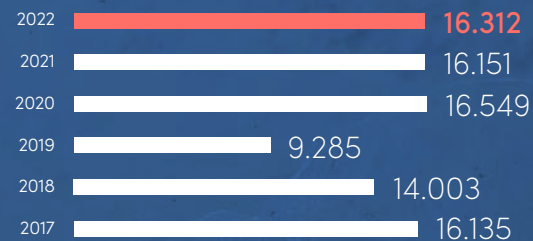
# 2022 in Summary: Results and Milestones

## / RESULTS OF THE PERIOD

### > Production (kt)



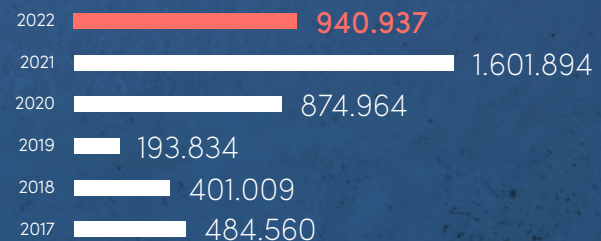
### > Shipments (kt)



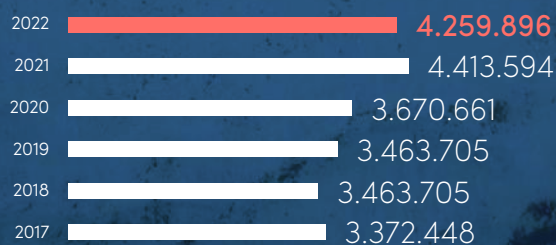
### > Period's profits (thousand US\$)



### > EBITDA (thousand US\$)



### > Assets (thousand US\$)



### > Equity (thousand US\$)





## / ENVIRONMENTAL MILESTONES



### ↓ Promotion of olive farming development

The olive tree is an emblem for the communities in Huasco Valley, for which CMP implemented two initiatives that seek to promote it sustainably: Fondo ProOlivo, which has 277 participants and aims for the development of olive farming at a technical and business level; and AgroEmprende, program for small olive farmers in order to improve their land management, optimizing their conditions for a better productive offer.



## 33 storage tanks

and 170 thousand kilograms of salt, CMP contributed in June 2022 which are key to maintain and ferment the harvested olives in the best conditions, achieving a high-quality product.



### ↓ Allies in the fight against climate change

At CMP, we are committed to iron ore mining sustainability and a permanent connection with the territory. We have implemented improvements in the three valleys where we are based in order to reduce emissions of our operations.

1. In Huasco Valley, we commissioned an integral plan including the installation of a **second electrostatic precipitator**, which captures the emissions of particulate matter from the Pellet Plant, **100% electric** vehicles for the transport of workers, and electric shovels in Los Colorados Mine.
2. In Copiapó Valley we strengthened the operation of the Magnetite Plant, one of the **biggest industrial recycling plants** in Latin America, which obtains iron ore from environmental liabilities, becoming an example of circular economy and a sustainable solution of the waste from mining exploitation.
3. In Elqui Valley, we implemented measures to reduce emissions in the port of Guayacán, renovating and modifying facilities and applying new protocols for an operation with better standards for the control of particulate matter emissions.



### ↓ Contributing to a Circular Economy

CMP, through its alliance with Fundación Chilenter, continues giving **refurbished computers** to the community, as the result of a circular economy process, recovering components from its operations and offices to then be re-used by the foundation.

Thanks to this collaborative work, in November and December 2022, computer equipment and school supplies were delivered to 46 children that study in Escuela El Romeral, Region of Coquimbo. Moreover, 6 fishing unions of Caldera were given refurbished computers and 4 devices were given to Escuela Rural San Pedro, in the municipality of Copiapó.



### ↓ Raising awareness about climate change

Together with Universidad de La Serena, in December 2022, CMP developed an exhibition about climate change.

Its objective was to raise awareness on an issue that affects all of us.

In addition, and in close collaboration with local academics, we trained workers in El Romeral Mines on the matter.



### ↓ Protection of the environment: shared task

Together with the community of Incahuasi, in October 2022, we installed four recycling points, which will allow residents to manage their household waste more efficiently and responsibly.



### ↓ Conscious water consumption

At CMP, 47% of water requirements are met with the supply of desalinated water, which, together with the characteristics of our mining process and the recycling and loss control of this resource, allow consumption of fresh water to be **33% lower than the industry's average**.

The commitment to reducing freshwater consumption is of great significance, considering the water scarcity of the territory in which CMP operates, so it is present in all of the company's operations.

 The company's goal is to reduce water consumption by a **further 30%**, in consideration of the intensification of draught conditions in the area, mainly due to climate change.





## / SOCIAL MILESTONES

CMP becomes the first private mining company in Chile to start the implementation of the 40-hour work week.

CMP was the first to sign up to the new work week scheme. Its implementation seeks to maintain productivity, generate flexibility and promote a better work, family and personal life balance for workers.



### → Alliances with the community

With the programs **'Vive el Deporte en Huasco'**, **'Emprende CMP'** and **'Reactiva tu Negocio'**, CMP aims to commit to the promotion and reinforcement of a sustainable local development, whether regarding physical activity, productive diversity or the territory's economic reactivation.

An example of this is that, at the end of 2022, we selected 9 groups or associations, 3 prominent athletes, 23 entrepreneurs and 14 merchants as recipients of contributions of up to 1 million Chilean pesos.

Thus, the company strengthens its relationship with the territory and the commitment to its neighbors.

### → Committed to culture and science

CMP and Corporación de Investigación y Avance de la Paleontología e Historia Natural de Atacama, came together to bring the exhibition **"Dinosaurios, más allá de la extinción"** to Chile.

This exhibit took place with the aim of promoting heritage, research and science, especially among younger audiences, through an entertaining and interactive format.



### → Generating shared value

From its engagement with the territory, CMP has established strategic alliances with public entities to support significant initiatives for the community.

In July, in collaboration with the Regional Government and the Municipal Council and Mayor of Caldera, CMP provided the town's fire brigade with rescue and emergency equipment during the inauguration of their new station.

Also with the support of the Municipal Council and Mayo of Caldera and the Council for Indigenous Communities, we celebrated the first **Expo Indígena of Caldera**, with the participation of seven communities and associations who showcased their projects and enterprises with the goal of making visible and showing the value of their culture and heritage in Atacama.



### → CMP Family and Casa Abierta

CMP has aimed to keep a solid relationship with its **workers, their families and neighboring communities** and the company's operations, promoting initiatives that encourage a work-life balance, mutual understanding and providing opportunities for personal and social growth.

Among the actions carried out in 2022, we can highlight the different crafts workshops for our collaborators' families in Coquimbo, La Serena, Vallenar, Huasco, Copiapó and Caldera, which took place in October and December, with the purpose of promoting psychomotor skills and encourage CMP family union. This process ended with an exhibition where we shared the crafts made and experiences.

Likewise, during the whole of 2022, we organized visits to CMP's operations in the regions of Atacama and Coquimbo, as part of the **Casa Abierta** program, an opportunity in which the community, through guided tours, got to see the facilities, the process of iron ore extraction and the way in which CMP works, transparently and openly.

### → 100 women leaders

Committed to the sustainable development of the territory and its people, CMP recognized and rewarded **100 women leaders** from the Huasco Valley territory with a training program consisting in different tools to help them pursue and grow their businesses in different areas. A group of them that won the competition as part of the initiative got to travel to Buenos Aires, where they worked with specialized mentors.

This initiative was carried out in the context of the ongoing CMP program, Acción Emprende.

### → Promoting Education

Through the continuity of the programs **Jóvenes Profesionales** and **Educación Dual**, CMP seeks to boost local talent and the work skills of students and recent graduates in the company's operations.

In May, Programa Dual 2022 began, with students taking part in their work placements in the sites of Cerro Negro Norte Mine in Copiapó and Magnetite Plant in Tierra Amarilla.

The aim of these initiatives is to encourage the sustainable development of the territory and its people, promoting coherence between the competences required in the modern mining industry and the educational offer in the area.





## / GOVERNANCE MILESTONES

### → **Financial sustainability**

CMP was recognized by Commodity Exchange (BPC in Spanish) and the Chilean Entrepreneurs Association (Asech in Spanish) as the best payer to suppliers, with an average of 25 days and achieving a score that ranked it at the top of the Mining sector in the table. The assessment considers supplier payment deadlines, ease with which invoices are confirmed by the payer, behavior according to commercial conditions and discounts in payable invoices.

This milestone comes as a result of CMP's strategy to engage closely with the territories where it operates, creating quality opportunities for entrepreneurship in the area, as a way of promoting local capacities. Currently, around 40% of payments done by the company are to local suppliers in the regions of Atacama and Coquimbo, generating a shared growth for the benefit of the whole territory.





# Distinctions and Awards

## 1. CMP received an award for its paying practices to SMEs in the mining sector.

The Payer Ranking, created by the Santiago Commodity Exchange and the Chilean Entrepreneurs Association (Asech) considers invoice transactions related to payments from big companies to SME suppliers. Therefore, CMP was once again recognized for its payment practices to small and medium-sized suppliers, with a score of 88 points, ranking it at the top of the Mining sector, which, in turn, is the sector that shows the best practices, with a score of 81.9.

## 2. Consejo Nacional de Seguridad de Chile recognizes CMP as the company with the lowest incident rate in the mining industry.

This important distinction was awarded after the company reached 6 million worked hours with no workplace incidents, in 2021, in the Huasco Pellet Plant.

## 3. CMP: First private mining company in Chile to introduce the 40-hour work week.

CMP seeks to maintain its productivity, generating flexibility and promoting a better balance for its workers' work, family and personal lives. The measure was coordinated with the company's unions, and it benefits over 350 people.

## 4. Corporación Regional de Seguridad Minera de Atacama (CORESEMIN) awards two prizes to CMP.

CORESEMIN – Atacama gives the traditional prize called “Diosa de la Minería” (“Mining Goddess”) to the company with the “Best Safety Management in 2021”; and the distinction for “Inclusion of Women in Mining”.

## 5. Sociedad Nacional de Minería (Sonami) and Asociación de Pirquineros de Tierra Amarilla gave CMP the ‘San Lorenzo’ award, for its commitment to a sustainable mining in the Region of Atacama.

The institutions recognized the sustainable development of our Magnetite Plant in Tierra Amarilla, which constitutes the biggest recycling project in the country, and one of the greatest in the world, by extracting iron ore from copper tailings.

## 6. Hay Mujeres Foundation recognizes CMP for its inclusion of women in the mining sector.

Hay Mujeres foundation acknowledged its new ambassadors, who took on the commitment to continue actions that promote the participation of women in spaces of debate and decision-making. It is a group of 15 representatives, among whom CMP's CEO, Francisco Carvajal, was also selected.

It is worth reiterating that CMP has a total female workforce of 15%, and 40% of women in management roles.



1



2



3



4



5



6



02

Our Activity  
and  
Companies

# The Company and its Ownership

## / SHAREHOLDERS

CMP is a limited liability company with 3.522.299 shares. It has two main shareholders, the controller with 74.9% of shares, CAP S.A., ID N°91.297.000-0, and M.C. Inversiones LTDA., ID N° 79,866,800-5, subsidiary of Mitsubishi Corporation.



### Name

Compañía Minera del Pacífico S.A.

### Tax ID

94.638.000-8

### Address

Pedro Pablo Muñoz N°675, comuna de La Serena, Coquimbo, Chile

### Countries of operation

Chile

- CAP S.A. is controlled by Invercap S.A., which, in turn, is controlled by the company Inversiones Hierro Viejo SpA, ID N° 76.051.930-8, holder of 39.30% of its share capital and controlled by Mr. Juan Enrique Rassmuss Raier, ID N° 7.410.905-5.
- M.C. Inversiones, minority shareholder, has 25% of shares.
- The remaining percentage of shares is held by natural persons.

Shareholder	ID	Number of Shares	Percentage
CAP S.A.	91.297.000-0	3,521,117	74.99981%
MC Inversiones Ltda.	79.866.800-5	1,173,710	25.00000%
Carlos Ruiz de Gamboa Gómez	1.312.404-3	5	0.00011%
Jorge Zalaquett Daher	4.339.108-9	4	0.00008%

1. Members of the controller have no joint action agreements.

## / DIVIDENDS

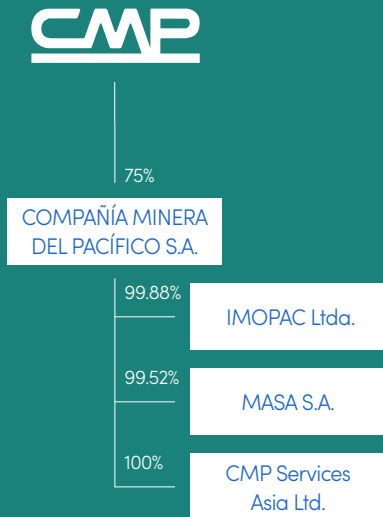
Dividend distribution to shareholders is acknowledged as a liability at the end of each period in the financial statements, in accordance with the dividend policy agreed by the Ordinary General Shareholders Meeting, which is a dividend of 75% of the distributable net profit in each period.

Notwithstanding, the company's Board of Directors has the faculty of agreeing on provisional dividends chargeable to the current period, which, should this occur, Will be deducted from the definite dividend.



## / CORPORATE STRUCTURE

Below are the companies<sup>2</sup> that constitute CMP.



Note: Compañía Minera del Pacífico S.A. holds 0.036584% of Tecnocap's ownership, subsidiary of CAP S.A.

IMOPAC: Its objective is to exploit its own or third-party mining sites; to execute all kinds of civil engineering works; earth movements; engineering, geological and mining project studies; consultancy on the aforementioned matters and any other related subjects, both in the national and the external markets.

MASA: To participate in the mining and ferroalloys industry, preferably manganese; to exploit, acquire, constitute ownership and mining rights of different mining sites; to import and export mining products and trade them; to acquire and install any type of industry, to provide any type of service, participate or establish

companies and, on the whole, execute any necessary actions or contracts for the fulfillment of the aforementioned objectives.

CMP Services Asia Ltd.: Its main objective is to technically support the trade and sales management of Compañía Minera del Pacífico S.A. in Asia. This is to bring CMP closer to the geographical markets that show greater economic, industrial and steelmaking growth in the world, such as Japan, China and South Korea.

2. Details and description of each of the companies can be found in this document's appendices.

# Activities and Businesses

## / BUSINESSES AND MARKETS

CMP is the main producer of iron ore and pellets in the American Pacific coast. It extracts, processes and trades iron ore from its mining sites and plants, exporting it from its own ports to then be used as raw material in the manufacture of steel.

What differentiates CMP from other actors in the market is, mainly, that it produces magnetic iron ore with 66% iron (Fe), one of the highest levels and, therefore, better quality worldwide. Magnetic iron ore has advantages related to hematite minerals, as it contributes to sustainability in the steelmaking process. With this product, a lower number of raw materials and energy is required in the production of steel, which results in lower emissions to the environment. Likewise, this high iron content also represents lower impacts and costs in its transport, given the comparatively lower cargo volume that must be transported for the same amount of Fe.



The main producer of iron ore and pellets in the American Pacific coast.



CMP's magnetic iron ore has 66% of iron (Fe).



98% of the iron ore exported from Chile is produced by the Company.

16,312  
million  
metric tons  
shipped in 2022  
(+1% vs 2021).



### Legal framework and regulatory entities

Its legal framework is related to the mining industry.

### Competition

Its main competitors are Vale, Cleveland-Cliffs Inc., IOC, Río Tinto, BHP, Fortescue Metals Group, Anglo American and LKAB.

### Sales channels

Depending on who its customers are, CMP sells to steelmakers directly as well as via traders.

## Main products

Main products extracted and traded for the products mentioned above are lumps, pellets, sinter feed<sup>3</sup> and pellet feed<sup>4</sup>.



### Pellet Feed

It is produced in El Romeral mines, Pellet Plant, Magnetite Plant and Cerro Negro Norte mines. It is a small-sized tradeable iron ore that must be agglomerated in the form of pellets to be used as input in blast furnaces. It is regularly used as feed for the pellet agglomeration and production process.

- Grade: 66% and 68% Fe.
- Dimensions: Smaller than 44 microns 75% min.

<sup>3</sup> Iron ore fines that are the raw material for Sinter production.

<sup>4</sup> Iron ore concentrates used in pellet production for blast or direct-reduction furnaces.



### Iron Ore Pellet

It is produced in the Pellet Plant.

#### 1. Basic or Self-Fluxing Pellets:

Iron ore fines agglomerated into nodules. The term self-fluxing means that they are manufactured with a special alkali additive, such as limestone or dolomite. It is used in direct loading into a blast furnace for the production of pig iron.

- Grade: 65% Fe.
- Dimensions: 9 to 16 mm. 85% min.

#### 2. Direct Reduction Pellets:

Iron ore agglomerated into Pellets for use in direct reduction processes that require fewer impurities and higher iron content than the blast furnace. It is used in steelmaking processes by a direct reduction method that produces sponge iron.

- Grade: 66.4% and 67.5% Fe.
- Dimensions: 9 to 16 mm. 85% min.

#### 3. Pellet Chip:

Pellets that have broken during the production process. It is regularly used in the sintering process, in coal washing and sludge formation used in oil well drilling.

- Grade: 65% Fe.
- Dimensions: + 8 mm. 4% max. 1 mm. 30% max. 12.



### Lumps (granulated iron ore)

It is produced in our Elqui Valley facilities, which have their own ore crushing plant. It is a traditional iron ore mine product and, generally, it undergoes beneficiation to separate it from the gangue, increasing thus its Fe grade. It is used for the direct loading in the production of pig iron.

- Grade: 60% Fe.
- Dimensions: + 6 mm. 80% max.



### Sinter Feed

It is an iron ore produced in our Elqui Valley facilities and the Pellet Plant.

It is marketable iron ore that must be, generally, agglomerated by sintering to then feed a blast furnace. It is used in the sintering process to produce nodules as direct load into a blast furnace and in the production of pig iron.

- Grade: 62% Fe – 63% Fe
- Dimensions: + 6,35 mm. 5% máx. 150 microns, 35% máx.

## / CMP'S PRESENCE



CMP has industrial operations in Chile and trades its products with countries in the America, Asia and Oceania.

### MINING COMPLEXES



### PROCESSING PLANTS



### PORTS



**Cerro Negro Norte Mine**  
3.87 million mt, filtered production of pellet feed in 2022.  
> Atacama Region.

**Magnetite Plant**  
1.8 million mt, filtered production of pellet feed in 2022.  
> Atacama Region.

**Punta Totoralillo**  
6,6 million mt in shipments in 2022.  
> Atacama Region.

**Los Colorados Mine**  
9.8 million mt, production of preconcentrate in 2022.  
> Atacama Region.

**Pellet Plant**  
6.19 million mt, production of pellets in 2022.  
> Atacama Region.

**Guacolda II**  
7.6 million mt in shipments in 2022.  
> Atacama Region.

**El Romeral Mines**  
2.2 million mt, production of preconcentrate in 2022.  
> Atacama Region.

**Guayacán**  
2.1 million mt in shipments in 2022.  
> Atacama Region.

Note: mt meaning metric ton.

# Mining Properties and Reserves

Compañía Minera del Pacífico S.A. (CMP) owns mining properties and maritime concessions, industrial and port facilities, fixed and mobile equipment, plots of land and buildings. It also has water grants, concessions and easements required by its activities. Its main operations are in the valleys of Copiapó, Huasco and Elqui, in the regions of Atacama and Coquimbo.



## / MINING PROPERTIES, GEOLOGICAL RESOURCES AND MINING RESERVES

### / MINING PROPERTY CONCESSIONS

Currently, CMP has concessions for the present exploitation as well as exploration. There are 2,060 areas of exploitation and 23 of exploration, totalling 455,979 hectares, according to information as of December 31st, 2022.

Type	Quantity	Hectares
<b>Exploitation concessions</b>	<b>2,060</b>	<b>447,679</b>
Constituted	2,047	446,528
In progress	13	1,151
<b>Exploration concessions</b>	<b>23</b>	<b>8,300</b>
Constituted	23	8,300
In progress	0	0

In addition, CMP owns four facilities which, together with concession areas, make their mining operations possible.

Location	Hectares	Contract type
Km. 30 Route C-327, municipality of Copiapó	2,416.27	Land, mining easement / facilities, owned
North sector of Estancia Chañar Quemado, municipality of Huasco.	4,509	Owned
Estancia Higuera de las Minillas, municipality of Vallenar.	94.2	Owned
Km. 11 Route D-165, municipality of La Serena.	1,031	Owned



## / RESOURCES AND RESERVES

The following is the detail on CMP's resources and mining reserves, according to information as of December 31st, 2022:

### > Resources

Deposit		Resources, December 2022 (million tons)								
Name	Location	Measures	% Fe	Indicated	% Fe	Inferred	% Fe	Total	% Fe	Com.
<b>El Laco</b>	<b>Antofagasta</b>							<b>733.9</b>	<b>49.2</b>	<b>n/c</b>
Cerro Negro Norte	Copiapó	164.0	32.8	349.8	28.4	122.9	27.4	636.7	29.3	©
<b>Candelaria</b>	<b>Copiapó</b>							<b>589.0</b>	<b>11.4</b>	<b>n/c</b>
Los Colorados	Vallenar	247.7	36.5	493.2	30.0	185.9	27.0	926.8	31.1	©
<b>Los Colorados District</b>	<b>Vallenar</b>							<b>26.0</b>	<b>43.3</b>	
<b>El Algarrobo</b>	<b>Vallenar</b>							<b>141.7</b>	<b>44.7</b>	
Algarrobo		116.2	46.4	8.5	40.1	1.6	41.8	126.4	46.0	©
Acopios		5.8	36.1	6.3	33.6	3.2	32.7	15.3	34.4	
<b>El Algarrobo District</b>	<b>Vallenar</b>							<b>1,120.4</b>	<b>30.3</b>	
Alcaparra D		92.4	32.6	234.3	29.7			326.7	30.5	©
Alcaparra A		67.4	28.6	181.5	29.1	383.8	31.9	632.7	30.7	©
Domeyko II								107.0	28.0	n/c
Charaña								42.0	27.5	
Ojos de Agua								12.0	34.5	n/c
<b>Cristales</b>	<b>Vallenar</b>							<b>149.0</b>	<b>32.8</b>	
<b>Tofo</b>	<b>La Serena</b>							<b>3,143.5</b>	<b>27.0</b>	
Pleito (Tofo Norte)		934.2	24.9	452.8	23.8	189.7	22.5	1,576.7	24.3	©*
Sierra Tofo		188.4	22.6	199.7	22.3	44.6	23.2	432.8	22.5	©*
Pleito Este		187.5	24.7	232.8	23.7	90.5	22.6	510.8	23.9	©*
Chupete		156.8	34.5	253.4	37.4	213.1	45.5	623.2	39.4	©*
<b>Romeral</b>	<b>La Serena</b>							<b>608.4</b>	<b>29.0</b>	
Low grade stockpiles								1.6	20.3	
Romeral		162.9	33.4	306.6	29.1	137.3	23.9	606.8	29.1	©
<b>Total</b>								<b>8,075.4</b>	<b>29.6</b>	

#### Comments:

© The resources stated are certified in accordance with Law 20,235 by Competent People (CP) registered with the Competence Qualification Commission in Mining Resources and Reserves (Mining Commission) who do not work in CMP or in any related company.

The competent professional who certified the information is Mr. Marco Alfaro S., whose Mining Commission registration number is 218.

The competent person executed the certification in January 2023 is Mr. Clayton V. Deutsch, whose registration number Association of Professional Engineers, Geologists and Geophysicists of Alberta (P.Eng.) is 43249.

\*: The stated Resources will be certified in 2023.

n/c: "Deposit not considered in the certification process.

Las fechas de Certificación son las siguientes:

Area	Certification date
Pleito (Tofo Norte)	January 2014
Algarrobo	October 2014
Alcaparra D	January 2015
Cerro Negro Norte	January 2023
Chupete	March 2016

Alcaparra A	March 2016
Sierra Tofo	October 2016
Romeral	January 2023
Los Colorados	January 2023
Pleito Este	October 2019

### > Reserves

Deposit				Reserves, December 2022					
Name	Location	Proven	%Fe	Probable	%Fe	Total	%Fe	Com.	
<b>El Iaco</b>	<b>Antofagasta</b>					<b>376</b>	<b>56.7</b>		
<b>Cerro Negro Norte</b>	<b>Copiapó</b>	<b>276</b>	<b>33.4</b>	<b>111</b>	<b>32.1</b>	<b>387</b>	<b>33.0</b>	©*	
<b>Candelaria</b>	<b>Copiapó</b>					<b>589</b>	<b>11.4</b>	n/c	
<b>Los Colorados</b>	<b>Vallenar</b>	<b>163</b>	<b>42.4</b>	<b>2</b>	<b>47.9</b>	<b>165</b>	<b>42.4</b>	©*	
<b>El Algarrobo</b>	<b>Vallenar</b>					<b>77</b>	<b>49.4</b>		
Algarrobo						72	50.2		
Acopios						5	38.6		
<b>El Algarrobo Distrito</b>	<b>Vallenar</b>					<b>118</b>	<b>35.5</b>		
Alcaparra D						118	35.5	*+	
<b>Tofo</b>	<b>La Serena</b>	<b>708</b>	<b>26.0</b>	<b>203</b>	<b>24.6</b>	<b>911</b>	<b>25.7</b>	©	
Pleito (Tofo Norte)		695	25.7	200	24.3	895	25.4		
Pleito		2	42.3	2	42.3	4	42.3	*	
Bronce		11	40.0	1	40.0	12	40.0	*	
<b>Romeral</b>	<b>La Serena</b>	<b>77</b>	<b>31.2</b>	<b>5</b>	<b>27.3</b>	<b>83</b>	<b>31.0</b>		
Acopios Baja Ley		5	19.4			5	19.4		
Romeral Fase V Norte		29	24.3			29	24.3	*	
Romeral Fase V		44	37.0	5	27.3	49	35.9		
<b>Total</b>						<b>2,706</b>	<b>30.2</b>		

### Comments:

© The reserves stated are certified in accordance with Law 20,235 by Mr. Orlando Rojas V., who is a Competent Person (CP) registered with the Competence Qualification Commission in Mining Resources and Reserves (Mining Commission) with registration number 118.

Mr. Orlando Rojas is an independent professional and does not work for CMP or any related companies.

Area	Certification date
Los Colorados	November 2013
Cerro Negro Norte	December 2015
Pleito (Tofo Norte)	December 2015

\* The stated resources will be certified during 2023 and 2024.

n/c "Deposit not considering in the certification process. Candelaria is a third-party copper deposit and CMP extracts iron ore content from their fresh tailings in its facilities at the Magnetite Plant, in accordance to an agreement that it this right until June 2023. The stated value corresponds to the tons of Fresh Tailings generated according to the Long-Term Plan informed by Candelaria".

## / INDUSTRIAL FACILITIES

### / ELQUI VALLEY (COQUIMBO REGION)

- “El Romeral” Crushing and Concentration Plant through wet magnetic medium, with the capacity to produce 4 million metric tons of concentrate per year.
- “El Romeral” Grinding and Concentration Plant through wet magnetic medium, with the capacity to produce 2 million metric tons of pellet feed per year.
- Mechanized Port of Guayacán in Coquimbo. Its facilities allow for ships of up to 315 meters in length, 16.20 meters of draught and 54 meters of beam.
- Railway. Railroad of 38 km that joins “El Romeral” Mines to the Mechanized Port of Guayacán.

### / HUASCO VALLEY (ATACAMA REGION)

- El Algarrobo” Crushing and Concentration Plant through dry magnetic medium, with the capacity to process 1.2 million metric tons of mineral per year.
- “Los Colorados” Crushing and Concentration Plant through dry magnetic medium, with the capacity to process 11.2 million metric tons of mineral per year.
- “Paralela APVH” Crushing and Concentration Plant through dry magnetic medium, with the capacity to process 6.1 million metric tons of mineral per year.

The two latter plants produce an average of 9.1 million metric tons of pre-concentrated material per year, of which 5.8 million metric tons are produced in “Los Colorados” and 3.3 million metric tons are produced in “Planta Paralela APVH”.

- Huasco Grinding and Concentration Plant through wet magnetic medium,

with the capacity to process 6.4 million metric tons of mineral per year, on “lines 1,2 and 3”.

- Huasco “Fourth line - APVH” Grinding and Concentration Plant through wet magnetic medium, with the capacity to process 2.2 million metric tons of mineral per year.

These two, located at the Pellet Plant, currently lines 1, 2 and 3, have the capacity to produce 5.4 million metric tons per year, while its fourth line can produce 1.92 million metric tons per year, totaling a production of 7.3 million tons per year, between pellets and pellet feed.

- Mechanized Port of Guacolda II in Huasco. While the provisional loader is at work, the terminal’s operation will be limited to working with “Panamax”- type vessels of 60,000 DWT, approximately 200 meters in length, to “Capesize”-type vessels of about 208,000 DWT and approximately 300 meters in length. All of them must have a flush deck, without any cranes that may be an obstacle when doing maneuvers on the ship.

- Railways. Railroad of 86 km between “El Algarrobo” Mines and the Pellet Plant of Huasco. Railroad of 14 km between Los Colorados Mine and km 765 of the North Longitudinal Network of FERRONOR S.A. (Llano La Jaula Area).



### / COPIAPÓ VALLEY (ATACAMA REGION)

- “Magnetite Plant”, Grinding and Concentration Plant through wet magnetic medium and flotation, with the capacity to process 25 million metric tons of low-grade tailings per year.
- “Cerro Negro Norte” Crushing, Grinding and Concentration Plant through wet magnetic medium, with the capacity to process 11.5 million metric tons of concentrates per year.
- Filtering Plant in Punta Totalillo Port, for the filtering and later storing of pellet feed products from the Magnetite Plant, with a capacity of 3.0 million tons per year.
- Filtering Plant in Punta Totalillo Port, for the filtering and later storing of pellet feed products from Cerro Negro Norte mine, with a capacity of 4.0 million tons per year.
- Mechanized Port of Punta Totalillo near Caldera. Its facilities allow for ships of up to 327 meters in length, 18.6 metros of draught and 56.6 meters of beam.
- Slurry Pipelines. Transportation system of 10” in diameter and 120 km in length that joins Magnetite Plant, located in the municipality of Tierra Amarilla, with port facilities in Punta Totalillo located in the municipality of Caldera. Transportation system of 12” in diameter and 82 km in length that joins Cerro Negro Norte Mine, located in the municipality of Copiapó, with port facilities in Punta Totalillo located in the municipality of Caldera.

- Aqueduct. Transportation system of 18” in diameter and 79 km in length that joins the facilities of Aguas CAP’s desalinization plant, near Punta Totalillo, and Cerro Negro Norte Mine.

### / EL LACO (ANTOFAGASTA REGION)

“El Laco” Crushing and Sifting Plant, with the capacity to process 50 thousand metric tons per month.

### / MOBILE MINERAL TREATMENT PLANT

CMP has a Mobile Crushing, Classification and Magnetic Separation Plant, installed on special semi-trailers, with a capacity to process minerals in a proportion of 350 to 400 TPH.



# Short-Term and Long-Term Development

Among the company's strategic priorities, and while operational continuity assurance, operation stabilization and optimization continue to consolidate, we have the search for opportunities for growth that allow us to project an iron ore offer which takes advantage of the opportunities that a growing international demand will generate, especially of direct-reduction pellets and a low carbon footprint.

Therefore, CMP has proposed short- and long-term scenarios that allow it to grow its production organically, with high standards of excellence and sustainability, mainly making the most of current assets and installed capacities, in the first case, while contemplating the development of new deposits, extensions or the exploitation of remainders in the second.

## / SHORT-TERM SCENARIO

The short-term production scenario projects to increase production from 16.5 million tons in 2022 to 18 million tons by 2030, considering:

- Purchases from third parties in Elqui and Copiapó valleys.
- Pleito District
- Algarrobo stockpiles recovery (fines)
- Romeral Plant improvement
- Cerro Negro Norte Plant improvements

## / LONG-TERM SCENARIO

In the long term and with the assumption of having concreted the short-term scenario, the projection is to increase production from the aforementioned 18 million tons to 47 million tons by 2050, for which it considers:

- Magnetite II
- Romeral Remainder
- Chupete Cruz Grande
- Algarrobo Alcaparra
- Boquerón Chañar



A close-up photograph of a person's hands tending to lush green plants in a field. The person is wearing a red and black plaid shirt. The background is filled with various green foliage, including what appears to be basil and other leafy greens. The overall scene is vibrant and natural, suggesting a focus on agriculture or sustainability.

03

Sustainability  
Focus

[GRI 2-24]

# Sustainable Value

CMP has an ESG corporate vision that is aligned with CAP Group’s strategy, in terms of sustainable development and growth. This model cuts across all CAP Group’s operating companies<sup>6</sup>.

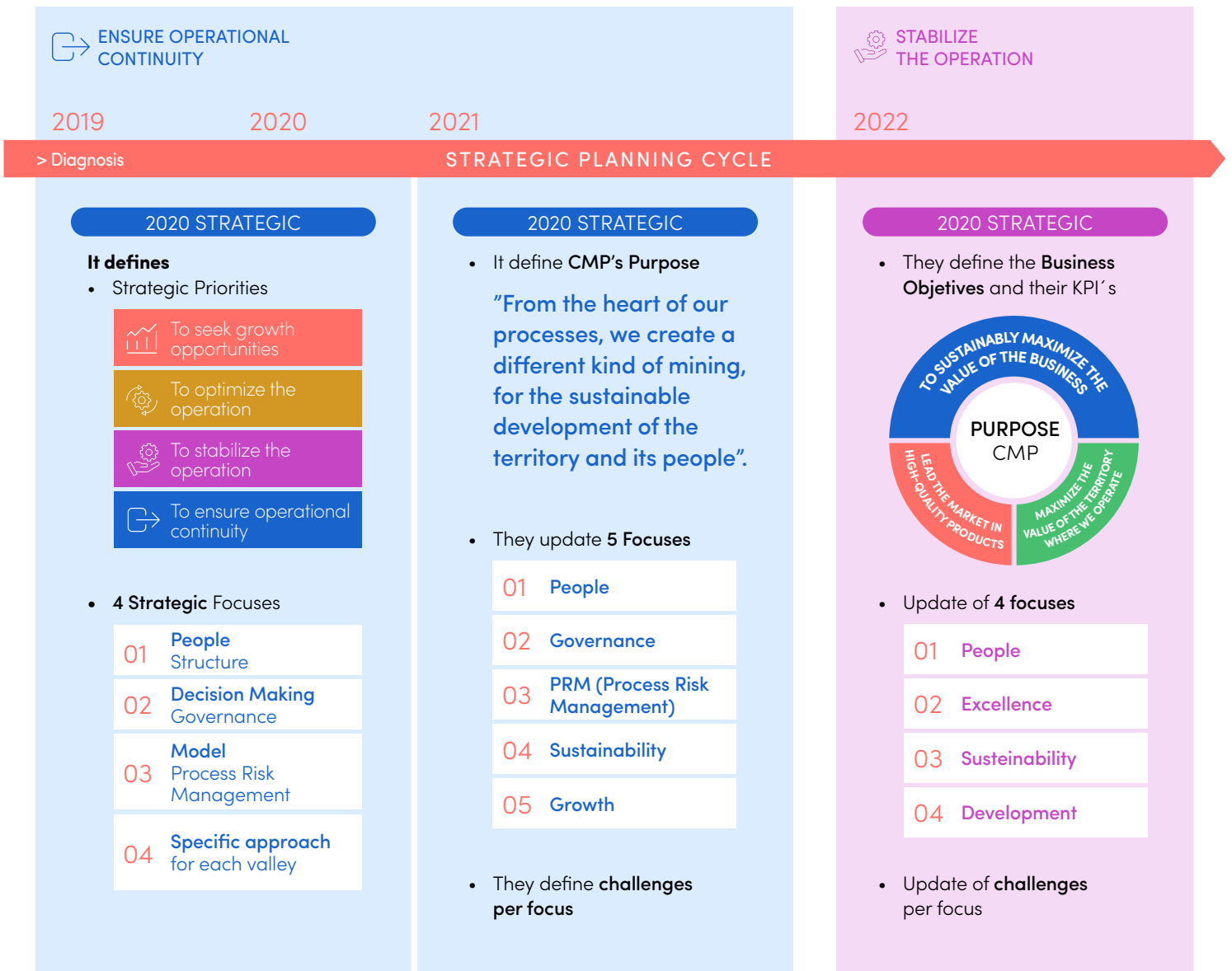
Therefore, in 2020, to stay in line with the Sustainability Model’s Strategic Objectives, CMP advanced in the creation of specific focuses regarding the

company’s challenges, consolidating its strategic vision.

In 2021, it continued with this process by carrying out quarterly workshops, in which it planned, executed and verified the purpose, the strategic focuses and challenges, and the action plan, and began the execution of the strategic actions.

6. For more information, see CAP Group’s Integrated Report.

## / PROGRESS MADE

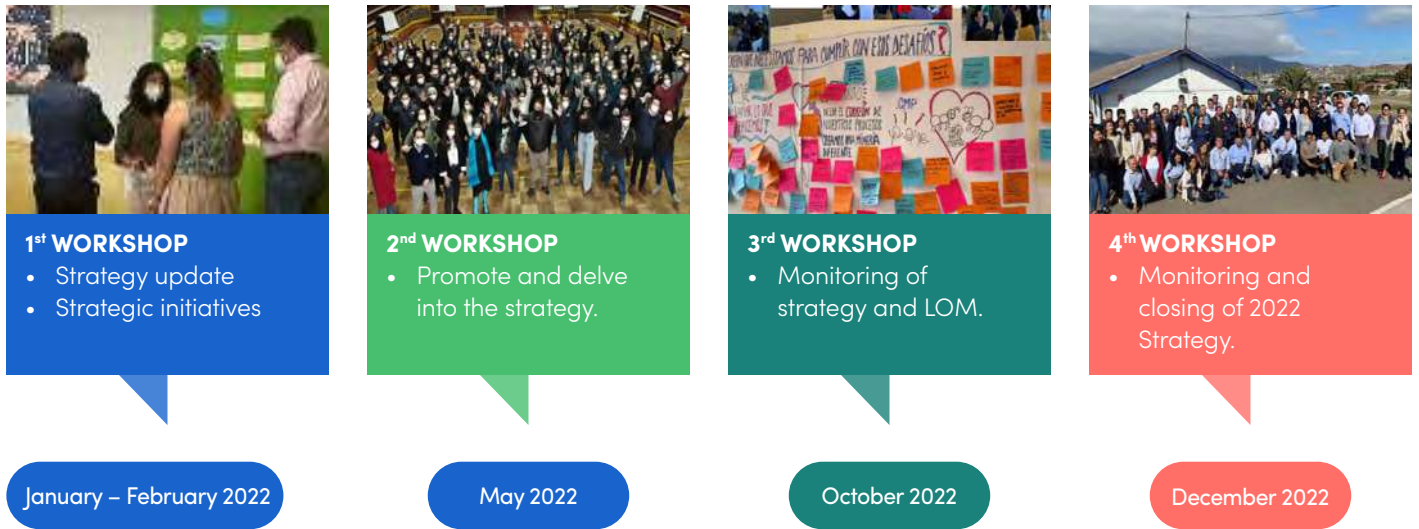


In 2022, CMP renewed its strategic exercise, which aims to be the route map in terms of people, excellence, sustainability

and development, strengthening the company's sustainable development to ensure operational continuity, an optimized

and stable operation, and new growth opportunities.

**/ 2022 STRATEGIC PLANNING CYCLE**



**/ CMP SUSTAINABILITY MODEL**

CMP's Sustainability Model has the stamp of its endeavor, ensuring its license to operate through its engagement with communities, risk management, development of human capital and commitment regarding climate change. The strategy has the following elements<sup>7</sup>:



7. To find out more about the purpose and business objectives, see chapter "We Are CMP".



## / STRATEGIC PRIORITIES

### → To ensure operational continuity



To ensure operational continuity maintaining reliability of processes, assets and people by means of high and demanding standards that allow for the permanent and systematic reduction of critical risks.

### → To stabilize the operation



To increase the company's inflows and decrease risks sustainably. Inflows consider volume, cost and margin.

### → To optimize the operation



To maximize the value of the business, with the existing assets, through the efficient use of resources and adhering coherently to the growth opportunities.

### → To seek growth opportunities



To increase the company's inflows and decrease risks sustainably. Inflows consider volume, cost and margin.

## / SUSTAINABILITY FOCUS

In relation to the sustainability focus, the following challenges were determined for each of the strategic priorities.

### → To seek growth opportunities



#### Challenges:

To achieve, in a concrete way, the concept of shared value.

### → To optimize the operation



#### Challenges:

To achieve for processes to have autonomous sustainability.

### → To stabilize the operation



#### Challenges:

To incorporate sustainability in all processes allowed to reduce their impact.

### → To ensure operational continuity



#### Challenges:

To build a proactive and collaborative engagement with interested parties.

#### Challenges:

To comply with current regulations, commitments and performance operational standards.

## / CONTRIBUTION TO SDGS



The United Nations' Sustainable Development Goals (SDG) are a guideline to safeguard the planet and its inhabitants' sustainability. CAP Group adheres to the SDGs and has prioritized eight of them<sup>9</sup>. They provide guidance to contribute to the sustainable development of the territories and communities in which operations are inserted.

CMP maintains the Group's same commitment with the SDGs through specific actions and objectives in:



CMP is committed to inclusive, equal and quality education, with the aim of promoting learning opportunities in the different educational institutions in the territories in which it operates. This is achieved through support with specific programs such as Alfadeca, Educación Dual and Programa Liceos, in which it shows its engagement with primary and secondary education.

Moreover, it builds relationships with local academia, whether it is universities or technical education centers, where it promotes knowledge and new techniques in mining, as well as raising awareness about climate change and sustainable development, among other topics.



CMP seeks to promote inclusive and sustainable economic growth, as well as employment and safe and fair work. This is achieved through the many alliances and projects that it establishes together with local suppliers and different associations.



As a strategy aligned with SDG 11, CMP possesses a Territorial Management Plan, with focuses on information management, participation and growth, and through which, among other examples, it promotes the protection of the environment, urban development and the protection of local heritage, with the aim of having more inclusive, safe, resilient and sustainable cities and localities.

Regarding growth, this also considers boosting local employment and purchases, prioritizing suppliers and workers from the areas in which the company's operations are located.



9. To find out more about CAP Group's contribution to the SDGs, see the Group's 2022 Integrated Report in the link [www.cap.cl/inversionistas/memorias](http://www.cap.cl/inversionistas/memorias).

## / SUSTAINABILITY GOALS

In 2022, CMP established targets aligned to the SDGs that allow to set strategic priorities and focalize the work on the matter.

### / ENVIRONMENTAL TARGETS



- At CMP, 47% of water requirements are fulfilled with desalinated water, which, together with the characteristics of our mining processes, the recycling and loss control of the resource, result in a water consumption that is **33% lower than the industry average**. The aim is to **reduce the fresh water use by 30%**, given the national water scarcity level.
- Reduction of water consumption by 15% in 2024 and 20% in 2028, compared to 2022.
- To reduce fresh water consumption in 30% by 2024 and achieve 0% of fresh water consumption in 2035.



- CMP has defined a target to reduce 40% of its CO<sub>2</sub> emissions by 2030.

### / SOCIAL TARGETS



- Female participation among contractors equal or over 18%.
- 17% increase of women by 2024 and 20% by 2028.



- Implementation of the 40-hour work week before the law is enforced.
- 0 fatalities
- 0.5 frequency rate
- 12 severity rate
- Purchases from local suppliers equal or over 40% of total purchases.



- 94% of stakeholders with a high level of satisfaction (SSIndex Survey: Communications)

### / GOVERNANCE TARGETS



- Minimum attendance of 90% for the Board of Directors in sessions celebrated during the year.



- Creation of standards to ensure reliable, timely and traceable information.

# Stakeholders

## / RELATION WITH STAKEHOLDERS

CMP engages with its interest groups through different methods and spaces, which are differentiated in terms of the type of relationship and the depth of

topics addressed. Therefore, the following participation instances can be identified:



### PEOPLE

#### Stakeholders:

Collaborators, Unions and Contractors.

The good communication between the organization and people is based on maintaining relationships that are transparent, trustworthy and of mutual respect, which allows to watch for and comply with the agreed commitments.

The permanent communication is achieved through different workplace evaluations, site visits and collaborative working groups with unions, among others.



### AUTHORITIES

#### Stakeholders:

Local, regional and national authorities, and regulating bodies.

Authorities and regulating bodies create, implement and assess the legal framework under which the organization's work is carried out, making them a vital interest group for the continuity of its activities.

Engagement follows the corporate strategy and is carried out through the Communications and Corporate Affairs department, complying with national regulations and the guidelines from the company's Executive Committee.



### COMMERCIAL CONTEXT

#### Stakeholders:

Suppliers and Customers.

Reinforcing its relationship with the territory, CMP distributes its purchases among suppliers of different sizes and capacities, actively searching for those who are based in the regions of Atacama and Coquimbo.

In addition, it maintains transparent and collaborative relationships with its national and international customers.

As for customers, they interact daily through different channels and with company workers. They can communicate any queries directly in writing via email (most common channel, as over 95% of the company's customers are in a different country).

Moreover, it establishes direct contact by means of in-person meetings.

As for suppliers, meetings are held with all collaborating companies in the extended GRP (or PRM in English), where all cases that may be of interest are informed and commented. Also available are the whistleblowing channel on CMP's website and the SSIndex survey for suppliers.



## ALLIANCES AND COLLABORATIONS

### Stakeholders:

Guilds and R+D+i centers.

CMP is member of different guilds and associations, which allows it to contribute with its experience to the discussion over public policy, national development and industry sustainability.

Likewise, it also contributed to knowledge and innovation through its relationship with research, development and innovation centers through different employment, training and research programs to improve its processes and be a part of the view of those groups with greater experience and knowledge.



## ENTORNO COMUNICACIONAL

### Stakeholders:

The Media.

The media and the press play a relevant role in which CMP shares its work, informs of the status of its operations and development of its projects, placing emphasis on sustainability and its relationship with the territories in which it operates.

Engagement with this group is carried out by the Communications and Corporate Affairs department, which watches for the coherence with which CMP communicates its messages to its different stakeholders, using a variety of technological tools through various means in digital and physical contexts.



## SOCIAL AND EDUCATIONAL CONTEXT

### Stakeholders:

Associations from the fishing sector, indigenous peoples, environmentalist groups, sports clubs, gastronomic representatives from the region, freight contractors and educational centers.

The company seeks to maintain a smooth and transparent relationship with the different communities in which it operates.

The work with neighbors, communities, groups and organizations of different kinds is a fundamental pillar in the construction of a long-term collaborative relationship.

This bond is materialized through the territorial management department, which defines community engagement policies, social programs, working groups and collaboration instances. Moreover, through SSIndex, index that measures perception from stakeholders, the organization can be informed of the depth and quality of its engagement.



## FINANCIAL CONTEXT

### Stakeholders:

Shareholders and Investors.

Information on the company's strategy, processes and performance, as well as the decision-making process, is constantly required and assessed by investors and shareholders.



A close-up photograph of industrial machinery, likely a conveyor belt or part of a large machine. The image shows a dark, textured metal surface with several rows of bolts. A yellow metal railing is visible in the foreground, partially obscuring the bottom of the frame. The background is slightly blurred, showing more of the machinery and a clear blue sky.

# Elaboration Process of the Integrated Report

[GRI 2-2, 2-3, 2-4, 2-5, 2-14]

## / METHODOLOGY

Compañía Minera del Pacífico presents the twenty-first publication on its strategy, objectives and performance. From 2002 to 2020, it followed the Annual Report model, whereas, since 2021, it provides the information following the Integrated Report format, in order to gather its financial and management information, as well as main sustainability indicators in one same publication.

This integrated report was made in accordance with Global Reporting Initiative (GRI) standards, updated in 2021, and the company's commitment with the UN's SDGs, incorporated as part

of its strategic objectives. Moreover, it considered General Rule 461 from the Financial Market Commission when gathering information through CAP Group.

The information included encompasses data from January 1st, 2022, to December 31st, 2022, for all of CMP's operations.

This report was verified by external auditor Deloitte, who reviewed its sustainability indicators. All information regarding methodological changes is duly specified with footnotes to each indicator for a better understanding of the information.

[GRI 3-1]

# / MATERIALITY

In 2022, CAP Group carried out a materiality study that allowed it to identify relevant topics for the organization and its stakeholders, projecting the entity's internal and external management. This

period considered all subsidiaries and identified 18 material topics, of which 17 apply to CMP.

## 01 IDENTIFICATION AND ANALYSIS

We carried out a two-fold material topic exercise, based on the integrated reporting directives (IIRC), which includes the impacts from the environment on the organization (SASB) and the impacts of the organization on the environment (GRI). With this, an identification of topics with two-fold impacts was done:

- For the identification of impacts from the environment to the organization, we reviewed the industry topics from the SASB standard applicable to the Group's businesses, as well as the organization's strategic risks.
- For the identification of impacts from the organization to the environment, we used the GRI methodology and its steps: (1) contextualizing the organization and (2) identifying impacts. For this we gathered secondary information through varied tools, such as review of the press and social media, industry benchmarking, review of internal documents and sustainability trends at an industry and global level.

**22** material topics were identified, which were studied in depth in the next stage.

## 02 CONSULTATION

The second stage consisted in evaluating impacts by means of a qualitative methodology considering answer frequency from executives and stakeholders when asked the question *What are the impacts of the environment on the organization?* and *What are the impacts of the organization on the environment?* In this consultation we also identified 7 new topics that had not been detected in the previous stage.

Interviews

- 27** executives
- 7** directors
- 2** investors
- 8** other stakeholders

# 03 **PRIORITIZATION AND VALIDATION**

In this stage, the impacts assessed in the previous ones were cross-referenced to define those that affect the business and the environment. The impacts on both directions became the Group's material topics.

With this, we elaborated a two-dimensional matrix that shows the impacts of financial material topics and the impacts of social and environmental topics, resulting in 18 material topics for this process.

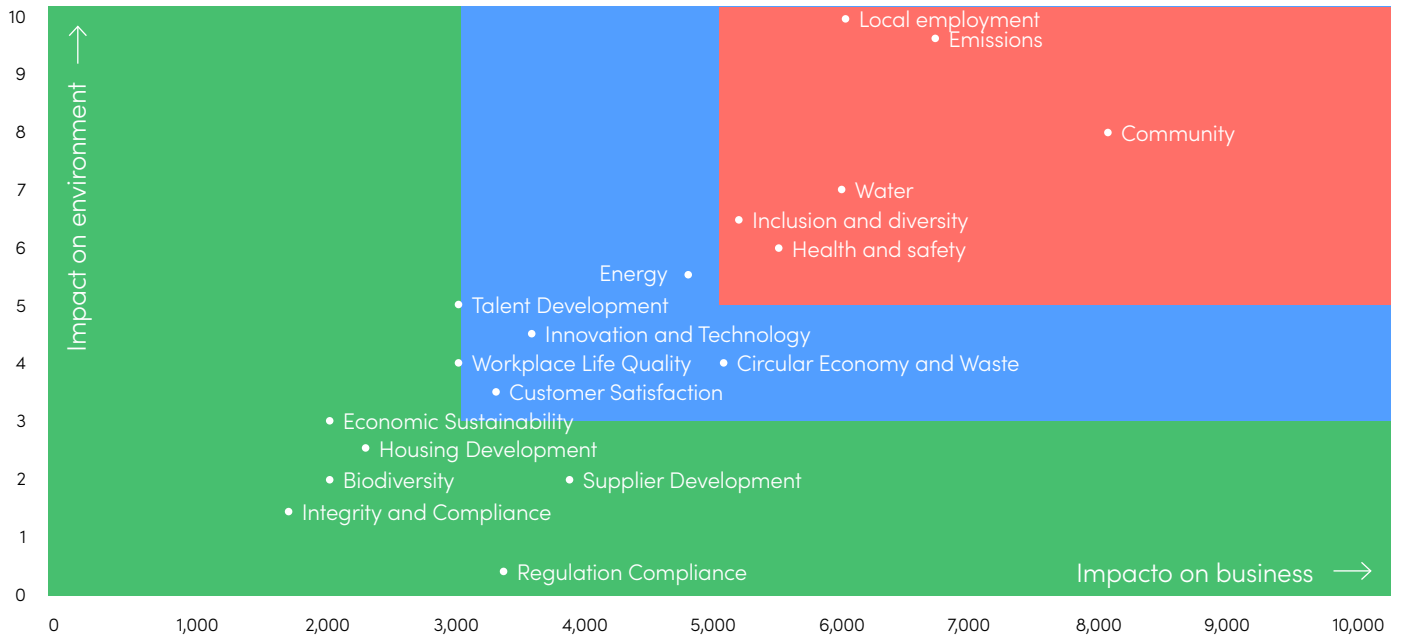
Finally, the two-fold impact matrix was validated by the Legal and Sustainability Management.

## / 2021 VS 2022 MATERIALITY

Material topics	2021	Material topics	2022
Energy and emissions reduction		Energy	
Water footprint reduction		Emissions	
Waste management		Water	
Engagement and impact on local communities		Circular economy and waste	
Human capital development and commitment		Local employment	
Occupational health and safety		Community	
Integrity and compliance		Talent development	
Environmental compliance		Workplace life quality	
Risk identification and management		Inclusion and diversity	
Green solutions and products		Health and safety	
		Integrity and compliance	
		Regulation compliance	
		Supplier development	
		Economic sustainability	
		Innovation and technology	
		Housing development	
		Biodiversity	
		Customer experience	



**/ TWO-FOLD IMPACT MATRIX**



From the resulting matrix, the material topics are divided into three groups:

**Base**

Topics that are at an initial development stage or managed.

- Economic sustainability
- Housing development
- Supplier development
- Biodiversity
- Ethics and integrity
- Regulation compliance

**Driver**

Topics whose management internally mobilizes the organization.

- Energy
- Circular economy and waste
- Talent development
- Innovation and technology
- Workplace life quality
- Customer satisfaction

**Priority**

Topics whose management generates a great impact, both on the environment as well as the organization.

- Local employment
- Emissions and air quality
- Community
- Water
- Health and safety
- Inclusion and diversity

04

Corporate  
Governance



# Governance Framework

CMP, as part of CAP Group, has the Manual for Good Corporate Governance Practices, which defines and gathers the main guidelines and practices in this subject, aiming to be a guide on governance, for directors and executives, as well as

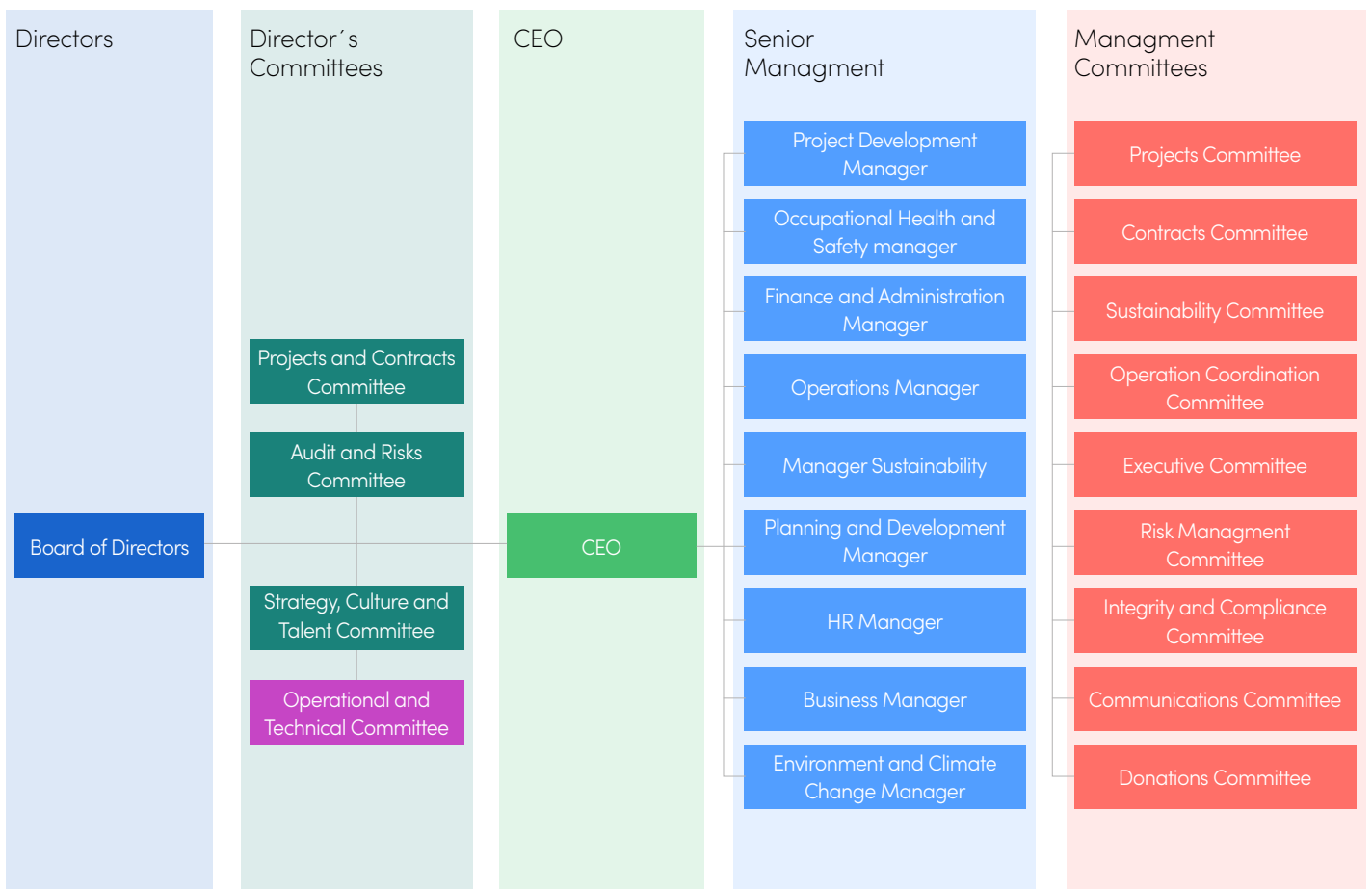
shareholders, investors, collaborators and other shareholders. Said manual complies with the legal dispositions related to good corporate governance practices.

## / GOVERNANCE STRUCTURE

CMP structures its Corporate Governance through the interaction of the Board of Directors, the Directors' Committees and Management.

The Board of Directors delegates management of the company to the CEO. Moreover, it has committees to perform its functions, under a

scheme that includes three Directors' Committees and eight Management Committees that work with each other.



# Board of Directors

CMP main Corporate Governance body is its Board of Directors, composed by seven official members and their respective deputies, chosen in the Ordinary Shareholders Meeting for a three-year period, with the possibility of re-election. Its function is

to direct, monitor and control the Company's development, as well as facilitating the establishment of incentives and performance measures for its conduction.

The Board of Directors must be renewed should a member and their deputy be missing, in which case a replacement is chosen, having to proceed to renew it entirely in the

following Ordinary Shareholders Meeting, as per article 32 of Law N°18.046 of Limited Companies.

The Board of Directors -official and deputy- was renewed on April 11th, 2022, which is the date of appointment of all Directors, except for Nicolás Burr, who was appointed on November 2nd 2022. It is composed by seven members, one woman and six men.



**VICENTE  
IRARRÁZABAL  
LLONA**  
6.359.355-9  
**Chairman**  
Chilean  
Geologist

**JUAN  
ENRIQUE  
RASSMUSS**  
7.410.905-5  
**Director**  
Chilean  
Civil industrial  
engineer

**VICTORIA  
VÁSQUEZ  
GARCÍA**  
6.458.603-3  
**Director**  
Chilean  
Bs. Business  
Admin.

**JORGE  
SALVATIERRA  
PACHECO**  
6.557.615-5  
**Director**  
Chilean  
Civil industrial  
engineer

**TADASHI  
MIZUNO**  
27.453.031-6  
**Director**  
Japanese  
Economist

**TAKEDI  
DOI**  
21.394.472-K  
**Director**  
Japanese  
Bs. Business  
Admin.

**NICOLÁS BURR  
GARCÍA DE LA  
HUERTA**  
13.039.622-4  
**Director**  
Chilean  
Civil industrial  
engineer

Note 1: CMP's chairman does not have executive roles in the company.

Note 2: Tadashi Mizuno and Takeaki Doi represent MCI.

Note 3: Marcelo Awad Awad and Ángel Luis Milano Rodríguez were official members until April 11th 2022, when the Ordinary

Shareholders Meeting and where they were not re-elected during the Board's renewal.

Note 4: Julio Enrique Bertrand Planella gave his resignation notice on July 5th 2022.

Note 5: Nicolás Burr García de la Huerta was appointed director during the Board's session of October 3rd 2022, replacing Mr.

Bertrand and Mr. Franken.

Note 6: None of the members of the Board of Directors have declared a disability.

Note 7: Stefan Franken resigned on September 20th 2022

## / DEPUTY DIRECTORS

ROBERTO  
DE ANDRACA  
ADRIASOLA  
7.040.854-6  
Chilean  
Bs. in Business  
Administration

ÁLVARO  
CASTELLÓN  
PEÑA  
14.595.347-2  
**Director**  
Chilean  
Civil industrial  
Engineer

FRANCISCO  
LEPELEY  
CONTESSE  
8.322.331-6  
**Director**  
Chilean  
Civil industrial Engineer

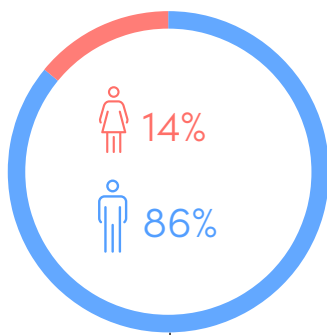
PATRICIA NICOLE  
LÓPEZ  
MANIEU  
12.488.429-2  
**Director**  
Chilean  
Civil industrial Engineer

JAIME ANDRÉS  
GONZÁLEZ  
WENZEL  
9.855.069-0  
**Director**  
Chilean  
Mining engineer

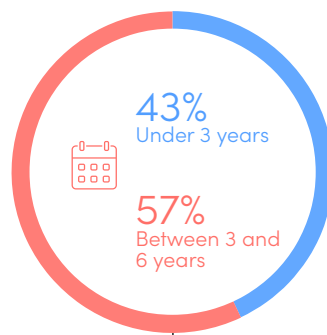
TAIRA  
SHIMIZU  
26.754.051-9  
**Director**  
Japanese  
Economic engineer

Note 1: Taira Shimizu and Jaime Andrés González Wenzel represent MCI.

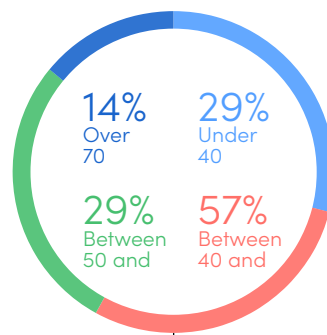
## / DIVERSITY OF THE BOARD OF DIRECTORS



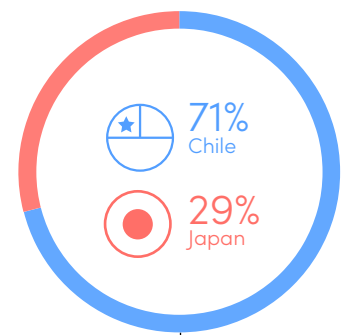
Directors by gender



Directors by length of service



Directorio según grupo etario (años)



Directors by nationality

## / BOARD OF DIRECTORS' PROCEDURES

CMP does not have specific procedures for the Board of Directors, but it adheres to CAP Group's Manual for Good Corporate Governance Practices.

**Nomination:** In 2022, CAP's Board of Directors provided shareholders with recommendations and suggestions, for the nomination and election of directors, considering principles of diversity, knowledge, capacities, conditions, values, visions and sustainability.

**Induction:** As per the Manual for Good Corporate Governance Practices, the induction procedure for its new directors includes training on relevant matters for the Company, among which we can highlight regulation, financial and accounting, tax, strategic and operational, people, and sustainability topics.

**Training:** Training for Directors are carried out through meetings, presentations and courses, as proposed by the Chairman of the Board.

**Consultancies:** Additionally, any of the members of the Board of Directors can ask this same body to hire experts that provide consultancies regarding topics related to regulations, finances and accounting, taxes, technology, strategy and operations, people, and sustainability, or any other that may be necessary.

**Evaluation:** CAP Group has a procedure for evaluating performance and functioning for its Board of Directors and its committees, whose results allow the implementation of improvements in its individual and collective performance, as well as in the organization. Said procedure allows to detect the areas in which its members can be trained, strengthened and continue to improve.



The description of the Manual for Good Corporate Governance Practices can be found in CAP Group's Integrated Report.

## / CRITICAL SITUATION MANAGEMENT PLANS

CMP has a Corporate Crisis Management Manual, whose current version was made in 2022 and which seeks to provide people in the organization with the tools and guidelines that allow them to effectively face an emergency fact or situation or a crisis. With these guidelines, the company expects to efficiently and timely respond, in the least amount possible, to a critical situation, mitigating the different impacts it may generate.

The manual's scope covers the facilities operated by CMP, facilities external to CMP and any situation of an administrative, financial, legal, reputational and environmental type, which could have an impact from or on CMP.

For this, the manual focuses on 5 key elements:

**01 Mitigate the impact and/or the damages to people, the environment, material goods and economic assets.**

**02 Assist workers and their families, communities and/or third parties affected by the crisis.**

**03 Inform clients, workers, community, authorities, national and international media, and general public on measures taken and the evolution of the situation.**

**04 Maintain and/or recover operational continuity.**

**05 Restore trust on the organization and its image, turning the crisis into an opportunity.**

Additionally, the types of crisis risks are identified in 3 categories, for which different response and scope scenarios are presented.



**Type of event:**  
**CONTINGENCY**

**Level of response: 1**

It is resolved locally in each site or area affected. Local emergency response structures are activated (each Unit's Emergency Plan), reporting activities to the Superintendent of the affected site/area, who must monitor the resolution of the contingency.



**Type of event:**  
**EMERGENCY**

**Level of response: 2**

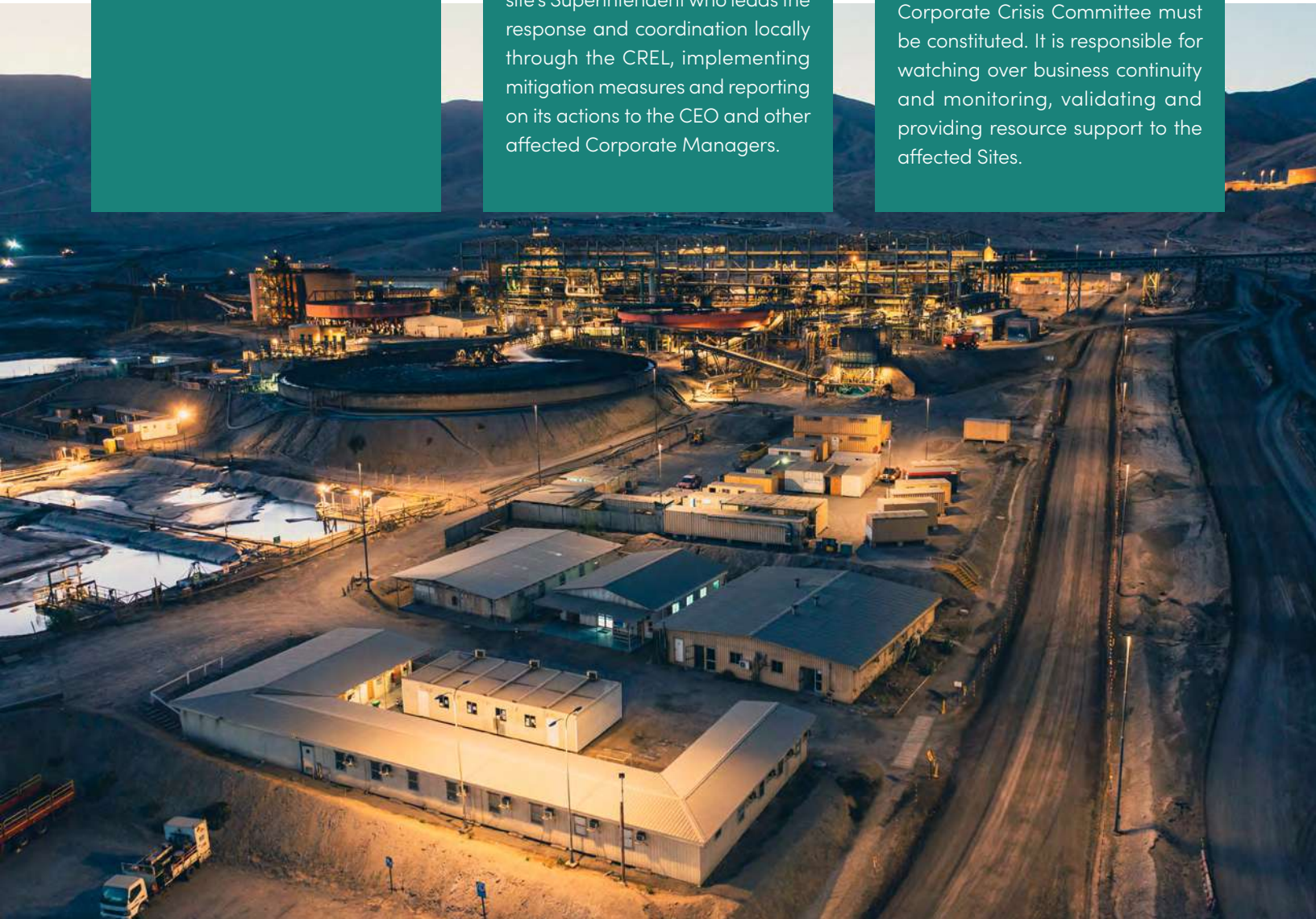
It must be escalated and constitute the Local Emergency Response Committee (CREL in Spanish) of the affected site, which takes control of the contingency and provides guidelines to the deployed emergency response teams. At this level, it is the site's Superintendent who leads the response and coordination locally through the CREL, implementing mitigation measures and reporting on its actions to the CEO and other affected Corporate Managers.



**Type of event:**  
**CRISIS**

**Level of response: 3**

Event that is defined as Corporate Crisis, given that it gravely compromises the organization. In case of a situation of these characteristics, in addition to the teams established previously in each operation (levels 1 and 2), the Corporate Crisis Committee must be constituted. It is responsible for watching over business continuity and monitoring, validating and providing resource support to the affected Sites.



## / BOARD OF DIRECTORS' WORK AND SESSIONS

The Board of Directors carried out a total of 13 sessions, 12 of which were ordinary, and one was of an extraordinary nature. Of these, two were in person and 11 were done remotely.

In all ordinary meetings, the CEO gives an account of the main aspects of the previous period (monthly, quarterly, or yearly). That report includes relevant matters related to safety, the environment, community and worker engagement, communications and general aspects

that are of interest to the company. All these presentations inform about risk aspects and their controls.

### > Board of Directors sessions and attendance

Indicator	Ordinary Sessions	Extraordinary Sessions	Total
N° of sessions	12	1	13

Note: Minimum attendance for the Board of Directors is 90% of sessions celebrated in the year.

[GRI 2-19, 2-20]

## / DIRECTORS' REMUNERATION

The shareholders' meeting established an annual allowance equivalent to 0.5% of the period's net distributable profit, with a cap of US\$ 200,000 per person and a fixed minimum of 110 UF per month. The Chairman is assigned double this allowance.

Moreover, the directors that preside a directors' committee are entitled to an additional allowance of 35 UF per month.

### > CMP Board of Directors' Remunerations

Board Member	2021			2022		
	Fixed	Variable	Total	Fixed	Variable	Total
Vicente Irarrázabal Llona	52,101	-	52,101	95,546	116,169	211,715
Juan Rassmuss Raier	146,820	-	146,820	51,729	192,733	244,461
Victoria Vásquez García	58,198	-	58,198	20,409	113,930	134,339
Jorge Salvatierra Pacheco	-	-	-	29,444	-	29,444
Tadashi Mizuno	30,253	-	30,253	29,444	128,010	177,733
Takeaki Doi	-	-	-	34,040	-	34,040
Nicolás Burr García de la Huerta	-	-	-	-	-	-



# Directors' Committee

The Board of Directors delegates part of the company's administration to the CEO. Likewise, it has four committees, who, among their main duties and activities, address topics related to the definition of strategic focuses, financial impact management in the organization, identification and control of risks in the company, as well as the review and analysis of topics related to organizational development.



## → STRATEGY, TALENT AND CULTURE COMMITTEE

**Frequency:**  
4 sessions

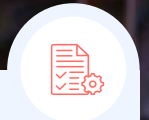
Their role is to deliberate on growth and development alternatives for the company, monitor the strategic plan, establish criteria for budgeting, and ensure the required talent and executive succession plan for the company.



## → AUDIT AND RISKS COMMITTEE

**Frequency:**  
7 sessions

Their role is to ensure compliance with the company's strategic objectives, propose and monitor the audit plan, and conduct analysis of external and internal factors that could affect the company's core business.



## → PROJECTS AND CONTRACTS COMMITTEE

**Frequency:**  
6 sessions

Their role is to prioritize the company's project portfolio above US\$ 3 million, review investments associated with equipment and assets, and agree on the execution of relevant contracts.

# Main executives



1

**1. FRANCISCO  
CARVAJAL PALACIOS**  
Chief Executive Officer  
9.047.354-9  
Mining Engineer  
Date of appointment  
11/01/2019



2

**2. CÉSAR ARNALDO  
GARRIDO QUINTANA**  
Operations Manager  
10.740.232-2  
Electronic Engineer  
Date of appointment  
01/08/2020



3

**3. CARLOS ANDRÉS RAFAEL  
SEPÚLVEDA VÉLEZ**  
Finance and Administration  
Manager  
10.895.757-3  
Bs. in Business Administration  
Date of appointment  
03/01/2012



4

**4. MAKARINA DEL PILAR  
ORELLANA FARÍAS**  
Planning and Development  
Manager  
16.133.084-1  
Mining Engineer  
Date of appointment  
10/01/2020



5

**6. PATRICIO ALEJANDRO  
VENEGAS TRONCOSO**  
Business Manager  
12.182.555-4  
Civil Industrial Engineer  
Date of appointment  
01/27/2020

**7. MACARENA CECILIA  
HERRERA SANDOVAL**  
Occupational Health and  
Safety Manager  
15.025.272-5  
Journalist  
Date of appointment  
02/24/2020



6

**8. CARLOS ALBERTO  
GÓMEZ VEGA**  
Project Development  
Manager  
10.507.020-9  
Industrial Civil Engineer  
Date of appointment  
01/04/2018



7

**5. CAROLINA ANDREA  
LOMUSCIO ZAMORANO**  
HR Manager  
13.501.809-0  
Psychologist  
Date of appointment  
01/06/2020

**9. JOHN PATRICK  
MCNAB MARTÍN**  
Sustainability Manager  
7.035.070-K  
Lawyer  
Date of appointment  
06/01/2020



8



9



10

**10. PAULINA ANDREOLI  
CELIS**  
Environment and Climate  
Change Manager  
RUT: 15.342.499-3  
Environmental Engineer  
Date of appointment  
12/01/2022

Note: The Environmental and Climate Change Management was created in 2022.

## / BENEFITS AND INCENTIVES OF THE EXECUTIVE COMMITTEE

The Executive Committee, composed by managers and deputy managers, has a remuneration policy that includes fixed and variable remunerations, as well as an annual incentive that assesses:

1. Behaviors, under a 360° methodology, with an evaluation from line managers, peers and work teams.
2. Individual goals from each responsibility area and compliance with commitments regarding short-term business results, including operational, commercial and financial results, and incidents impacting people, communities and the environment.
3. Long-term incentive associated to the company's strategy.

Company staff also have the benefit of compensation per year of service, going beyond legal requirements. .

## / IMPLEMENTATION OF SUSTAINABILITY BY THE EXECUTIVE COMMITTEE

The Executive Committee participates in weekly meetings with the Sustainability Committee, reviewing matters related to compliance with environmental commitments. Here, those responsible for complying with them present about their work on these matters.

Superintendents and some area line managers also participate in said interviews.

Sustainability is one of the 4 dimensions defined in the Company's strategic plan, and its action plans to attain its goals have been created and presented in quarterly strategic planning exercises, where senior management executives participate. At other times, superintendents and some area line managers, among other roles, have also participated.

Expected behaviors are assessed by managers and peers, supervised in the performance management system, and compose the short-term incentive. Among them are the communication and integration of the company's strategy in each of the corresponding processes for

each executive, and ensuring the integral identification of risks (people, environment, assets and production), which strengthens the implementation of sustainability in the company.

The Board of Directors approves the sustainability strategy and monitors its compliance through the administration's regular reportability.



[GRI 2-13]

# Risk Management

The Process Risk Management (PRM, or GRP in Spanish) is the model established by CMP as the only way to work in which all collaborators perform collectively and individually, demanding high commitment standards. It seeks to actively promote a risk management culture, in which the most relevant ones are recorded, prioritized, aligned and managed regularly, taking the company's strategic and operational goals as basis. This model is based on ISO 31.000:2018 and COSO ERM norms.

CMP's Board of Directors has an Audit and Risk Committee, which is dedicated to the analysis and detailed understanding of the risk matrix and the

continuous management of its controls. Thus, the Committee reports to the Board of Directors monthly, referring to its work, administration and control of the organization's strategic risks.

Due to the importance of climate change on the company's development and growth, in addition to the risks it may mean for operational continuity, in 2022, CMP defined a new governance structure, which includes:

- Environment and Climate Change Management
- Environmental and Climate Change Projects Superintendence

Moreover, it establishes an environmental framework that must be taken into account in all projects that are implemented.

Deloitte consulting agency validates the risk management model every year.

## / RISK IDENTIFICATION

Identification of risks is done by means of gathering incident reports, which are recorded in the company's database. This process involves an individual analysis of each situation in order to select the most relevant and then include them in the risk matrixes. These are later reviewed by the executive committee daily, which also includes an evaluation of regulation changes and due diligence procedures that may include human rights matters.

In 2022, the risk identification model analyzed the potential risk factors in the supply chain, supported by an external audit, which allowed to identify gaps and opportunities for the 2023 period.

Moreover, CMP made progress in the integration of a sustainability perspective on processes, considering the incorporation of a strategic sustainability plan in mining planning, defining KPIs, key targets and objectives that allow to comply with the

highest standards. Thus, meteorological and tide forecast services have been developed in order to prevent risks on operational continuity in the company's operations.

[GRI 2-25]

## / STRATEGIC RISKS

From the new guidelines in risk management, in 2022, the following strategic risks were identified in CMP:

→ **Social license****Definition:**

Loss of social license due to a poor management of territorial, environmental and regulation risks that prevent the business' operation and development, affecting its positioning as an operation with high standards and sustainable development.

→ **GRP competences and roles****Definition:**

Lack of competences in people and clarification of GRP roles for a performance of excellence.

→ **Process variability****Definition:**

Process variability that has an impact on the company's production and attainment of results, with low asset reliability and timely and efficient investment, in order to improve and maintain structures/equipment.

→ **Governance****Definition:**

Maturing governance that affects the making of strategic decision.

→ **Mining planning****Definition:**

Mining planning dislocated from the "mine to market" value chain, without a focus on the final client and quality of the product, as well as failing to meet the highest standards of the industry.

→ **National context****Definition:**

Incapacity to preempt or apply changes related to regulations or to the interpretation of the law in time, threatening process continuity.

→ **Inadequate control of investment costs****Definition:**

Inadequate management or control of costs and evaluation of investments, not allowing to maintain the business' economic sustainability for the commodities cycle.

→ **Accidents, incidents or emergencies****Definition:**

Low-probability and high-impact accidents, incidents or emergencies that affect own employees, contractors, or negative externalities.

→ **Process optimization****Definition:**

Impact on process and productivity optimization due to delays in digital transformation processes and/or violation of IT systems.

In addition, the company is subject to regulations and laws associated to matters of freedom of competition, whose aim is to avoid disloyal or monopolistic commercial practices. They include a ban against price fixing, exclusion agreements, or the

purchase of competing companies. By the same token, CMP is obligated to grant fair access to its infrastructure and resources to its competitors if no other infrastructure is available in the country.

[GRI 2-25]

## / EMERGING RISKS

→ **Loss of social license****Description**

Poor management of territorial, environmental and regulation risks that prevent the business' operation and development, affecting its positioning as an operation with high standards and sustainable development.

**Mitigation actions**

- Focused territorial management strategy.
- Program for territorial management, communications and public affairs.
- Supplier development and control plan.
- Crime prevention model.
- Audit program.
- Socio-environmental compliance plan.
- Preventative alerts for environmental plans.
- Crisis management crisis.

→ **National context****Description**

Incapacity to preempt or apply changes related to regulations or to the interpretation of the law in time, threatening process continuity.

**Mitigation actions**

- Creation and implementation of a strategy for territorial management, communications and public affairs.
- Creation of an operational standard for the control of critical environmental variables, control of compliance with socio-environmental obligations, implementation of the complaint and suggestion system.
- Monitoring of context and surroundings.
- Monitoring of changes in the law.
- Daily review of new legal norms published in the Official Newspaper.
- Legal alerts sent by specialists.
- Identification of the new norms that apply to and affect CMP, and their promotion inside the organization.
- Development of a tool with criteria of value for the business for decision-making.



The company, in addition, has carried out sensitivity analysis regarding other potential risks:



#### → Loan and liquidity risks

##### Analysis

82% of CMP's sales are done with letters of credit. 11% are 30-day loans with related companies, such as Mitsubishi Corporation and Compañía Siderúrgica Huachipato. 6% corresponds to pay on delivery of documents to the South Korean company Posco and 2% of sales are made with advance payments. Therefore, loan risk is low.



#### → Effects of water scarcity and/or quality of water available

##### Analysis

The company has studies regarding underground waters and water quality for its operations. In addition, there are public hydrological studies and baselines of current and future projects that are assessed in the Environmental Evaluation System, which analyzes the sensitivity of the organization. In addition, in 2022, the hydrological studies of Huasco Valley and Elqui Valley began in order to update sensitivity and possible effects that may put the company's operations or the safety of neighboring communities at risk.



#### → Non-financial risks

##### Analysis

- Operational, due to the interruption of production caused by technical or infrastructure problems.
- Market-related, due to economic factors or changes in demand.
- Regulation-related, due to changes in environmental or labor regulations that may rise production costs.
- Supplier-related, due to interruptions in the supply of necessary raw materials for production.
- Related to unfair competition from other iron ore producers.
- Climate change with potential economic or production impacts due to changes in the climate.
- Reputational, due to illegal or unethical commercial practices.
- Related to safety in the company's facilities and places of work.



#### Other matters of legal analysis in 2022

- Constitutional process in Chile and statement of its position in favor of private and sustainable mining among guild organisms and associations.
- Legal department staff have internalized technical aspects of the Mining Code reform and have participated in meetings with guild associations in order to raise doubts and comments to the authority about unclear aspects.

[GRI 2-25]

## / PROMOTION OF THE RISK CULTURE

CMP has a behavior evaluation system related to the Process Risk Management model (PRM, or GRP in Spanish), which allows for an alignment of company collaborators with its strategy and the relationship of their work with the attainment of its main objectives.

- Through the SSindex measurement, the company analyzes the measures it can implement in order to innovate and continuously improve risk management, incorporating feedback from its collaborators. Thus, it has implemented measures such as: integration of an extended Process Risk Management model.
- Workshops related to the company's strategy.
- Digital integration of the Process Risk Management model.
- Application of incentives that include a risk management perspective for its collaborators.



### Financial incentives that include risk management measures

The executives receive annual short- and long-term money incentives that consider the following risk management dimensions:

#### Short term

- Cash-cost target
- CAPEX execution target
- Zero severe environmental incident target
- Health and safety target in the operations

#### Long term

- Certified resources inventories
- Strategic projects advancement
- Decrease of environmental breaches
- Reliability of critical assets
- Individual contribution to the strategy

## / TRAINING GRP

CMP develops a training process for the Process Risk Management model, with four different courses that support



### Management Tool

To establish the attainment of objectives and to have employees proactively identify and report potential risks within the company, CMP possesses **a risk management tool** that consists in:

- **Shift Start Meeting (SSM, or RIT in Spanish):** essential part of the company's risk management cycle, where the supervisor in each area presents the plan for the shift, from which workers must know the risks and controls of the tasks to perform.
- **Work verification and authorization (WVA, or VAT in Spanish):** it allows to control and ensure the identification of risks associated to collaborators, processes, facilities and equipment.
- **On-site control verification (VCT in Spanish):** it allows to control variability in the different processes of the value chain, through an on-site check, allowing to bi-directionally strengthen planning and execution aspects.
- **Contributions to management:** new risks and controls of the processes evaluated in the RIT of the activities that will be assessed for the shift and are then closed during the same shift.
- **Flash Report:** document for immediate distribution, which alerts of the occurrence of an incident with minimal information (it does not constitute an investigation, nor it supposes responsibility or guilt).
- **CMP's whistleblowing and enquiries channel:** tool that allows to submit reports or queries from all collaborators, clients, suppliers, shareholders or community in general.

risk management and allow collaborators to be aware of the modifications that are made. Therefore, the main formative actions regarding risk management matters are:

- Staff induction
- Compliance programs
- Distribution of instructional material
- Communication of procedures per area (mining, environment, budget)
- E-learning courses



# Integrity and compliance



## Material topic:

### Policies

- Integrity Code
- Crime Prevention Manual
- Report and Investigation System Procedure
- Conflict of Interest Policy
- Donations, Sponsorships and Memberships Policy
- Commercial Partners Management Policy
- Due Diligence in Recruitment Process
- Due Diligence for Commercial Partners
- Behavior protocol when dealing with Public Servants
- Supplier and Contractor Code of Conduct
- Instruction guides for Market Interest Information Management

### Actions and learned lessons

- CMP makes training modules related to the Integrity Code, Whistleblowing Channel and the Crime Prevention model available to its collaborators, and works permanently with the departments of communications and technology to inform of the active instruments that allow for an efficient application of the measures.

### Objective or target

- To generate an integrity culture inside the company that allows to comply with external and external current regulations, as well as with the good practices in the matter.



## / INTEGRITY CODE

CMP has an Integrity Code that comprises the principles on which the relationships with the company's stakeholders must be based. This code applies to directors, employees, suppliers and commercial partners. In its guidelines, it includes:

- Commitment to the respect and promotion of human rights in our operations and the supply chain.
- Respect for freedom of affiliation, the right to collective bargaining and non-discrimination.
- Commitment with to acceptable business behaviors and the guidelines for ethical decision-making regarding

anti-corruption, crime prevention, conflicts of interest, freedom of competition, use of information, among others.

- Commitment to occupational health and safety.
- Fair treatment and decent work conditions.
- Responsibility with environmental standards.
- Fair and responsible relationship with suppliers.
- Committed and responsible relationship with authorities, shareholders and communities.

CMP manages the main ethical issues through the firm and the application of internal regulations:

↓ [GRI 2-15]

### Conflicts of Interest

At least once a year, each collaborator must fill a conflict-of-interest statement that confirms they do not participate in practices or activities which may affect the company.

↓

### Corruption, Money Laundering and Terrorism Financing

It has a Whistleblowing and Enquiries Channel, in addition to its Crime Prevention Model.

It generates Due Diligence Processes for recruitment and hiring.

## / CRIME PREVENTION MODEL

CMP has a **Crime Prevention Model**, certified until June 2023, whose main objective is to set the necessary activities and procedures for the effective implementation of the policies that may affect the organization's operational continuity, therefore::

1. It is a mechanism for the detection, evaluation, prevention and mitigation of the crime risks the company is exposed to.
2. It establishes the tasks of the Crime Prevention Officer in accordance with duties and ensures compliance with Law 20,393.

## / Crime Prevention Officer and Compliance Officer:

Francisco de Borja Izquierdo Parga

Their main duties are:

- To establish necessary activities and procedures for the effective implementation and operation of a Crime Prevention Model.
- To introduce a mechanism for the prevention and mitigation of the crime risks CMP is exposed to.
- To make sure the company fully complies with the requirements established by Law 20,393, as well as any other regulations that may be applicable in the subject.



[GRI 2-26, 206-1]

## / INTEGRITY CHANNEL

CMP has an Integrity Channel in which its employees, customers, suppliers, consultants, contractors, shareholders and community can submit their queries and reports regarding possible transgressions to the company or any other national regulations. This channel operates

confidentially, anonymously and safely, and is available in its corporate website.

Claims submitted through the channel are investigated and answered. Its status is included in the half-year report made to the Board of Directors by the Crime Prevention Officer.

In 2022, CMP received 18 claims and 2 enquiries on the Integrity Channel. There were no claims related to infractions to Law 20,393.

### > Reports received in 2022

Motive for the Report	Received	Investigation in progress	With final resolution	By internal staff	By external staff
Corruption	0	0	0	0	0
Discriminatory practices	3	0	3	3	0
Anti-competitive practices	0	0	0	0	0
Money laundering	0	0	0	0	0
Inappropriate management of confidential information	0	0	0	0	0
Conflict of interest	1	0	0	0	0
Other	15	2	13	12	1
<b>Total</b>	<b>18</b>	<b>2</b>	<b>16</b>	<b>15</b>	<b>1</b>

Note 1: Table made according to the categories requested by the DJSI.

## / ANTICORRUPTION TRAINING

Training related to anticorruption and ethics management are available in the company's website, specifically through its **Platform "Conectados"**, in the learning module, open to all its collaborators.

### > Percentage of people that are informed and trained on anticorruption issues

Role	% of people that have been informed about anticorruption policies and procedures	% of people that have received anticorruption training
Board of Directors	100%	0%
Senior management	100%	89%
Managers	79.17%	51.1%
Leadership	90%	83%
Operators	94.4%	64.58%
Sales force	no information	no information
Administrators	94.4%	64.58%
Aide	94.4%	64.58%
Other professionals	91%	75%
Other technicians	94.4%	64.58%

An aerial photograph showing a large number of small, colorful fishing boats scattered across a dark green body of water. The boats are in various orientations and colors, including blue, green, yellow, and white. A large, dark blue number '05' is overlaid on the left side of the image, with a thin red diagonal line crossing through it. The text 'Environmental commitment' is written in white in the center of the image.

05

Environmental  
commitment

# Climate Change

In line with its purpose of creating a different kind of mining for the sustainable development of the territory and its people, CMP created the new Environment and Climate Change Management role, reassigning duties that were within the scope of the Sustainability Management, in order to boost performance regarding impact management and strengthen their role in the fight against global warming and its effects.

With this new administrative organization, the company aims to continue improving its standards in the management of its environmental impacts and contributing to the minimization of GHG emissions in its operations, advancing towards carbon neutrality through four concrete actions:



→ Diagnosis of the current carbon footprint, water consumption and energy consumption.



→ Coordinated work with biodiversity specialists, scientists and academics to write the relevant documentation about sensitive areas and protection measures.



→ Creation of management plans for the fulfilment of sustainability goals, which are incorporated in the mining planning.



→ Initiatives for the reduction of our carbon footprint (emission reduction, electromobility, server migration to Google cloud, electric shovels for Los Colorados mine, approval of decarbonization of the Pellet Plant, valorization of waste, among others).

Convinced of the importance of contributing to the mitigation of climate change, and in line with its new corporate strategy, CMP maps the associated risks, for which it has a Climate Change Committee.



## CLIMATE CHANGE COMMITTEE

### Frequency

Meetings every two months.

### Purpose

Integrate and evaluate, from its management unit, risks and actions related to climate change. Additionally, this is considered as a strategic risk within CMP, with concrete action plans and people that are directly responsible.

## / EMISSIONS AND AIR QUALITY



### Material topic: Emissions and Climate Change

#### Policies

- CAP Group's Environmental Management Policy.

#### Actions and lessons learned

- CMP is currently delving deeper into its carbon footprint measurement with Carbón Neutral, expert organization in the topic.

#### Objective or target

- CMP has defined a target to reduce 40% of its emissions by 2030.

CMP measures its carbon footprint with the help of Carbón Neutral, who, in 2022, defined 14 items for a better assessment.

### > Greenhouse Gas Emissions (tCO<sub>2</sub>e<sup>11</sup>)

Scopes		2021	2022
Scope 1	Scope 1	343,470	472,796
	Scope 1 coverage (%)	-	75%
Scope 2	Scope 2	260,773	220,851
	Scope 2 coverage (%)	-	95%
Scope 3	Scope 3	-	no information
	Scope 3 coverage (%)	-	no information
<b>Total emissions</b>		<b>604,243</b>	<b>693,647</b>

Note 1: Gases included in the measurement are CO<sub>2</sub> and SF<sub>6</sub><sup>12</sup>.

Note 2: In Scope 1 emissions, those emissions that come from heat hardening, are regulated through RCA N°104, PPDA (Prevention and atmospheric decontamination plan).



The increase in Scope 1 is due to a larger production of pellets, which requires a greater consumption of Intermediate Fuel Oil (IFO), coal and limestone. As for indirect emissions, the decrease is due to a lower emission factor from the thermoelectric energy supplier.

Among the actions carried out to mitigate Scope 1 emissions, CMP has a roadmap of initiatives for carbon reduction in order

to reach carbon neutrality by 2040. This is part of a Sustainability Master Plan, which includes an electromobility pilot scheme, electronic waste management, and programs for energy efficiency and fuel change, as well as the decarbonization of the Pellet Plant, among others.

11. Equivalent tons of CO<sub>2</sub>. / 12. Sulphur hexafluoride.



→ **Mining trucks energy transformation pilot**

CMP and Engie will carry out a pilot scheme for the advancement of energy transformation in large-scale mining. It involves the conversion of two mining extraction trucks (CAEX in Spanish) of 220 tons, which will operate with a dual-fuel system and will mostly work on natural gas.

The pilot program will be implemented in Los Colorados mine and its currently at an early development and implementation stage, which involves equipment importation, conversion of the trucks, implementation of the LNG station on site and formalizing the initiative with the Electricity and Fuels Superintendence (SEC in Spanish).

**20-25%** reduction of CO2 emissions and over 30% of particulate material. Moreover, it reduces SO2 emissions by 7.6% and 0.4% of NOx.



→ **Electromobility pilot scheme**

In 2022, we launched the electromobility pilot program with electric buses for staff transport. Likewise, we started the tender process to reach 100% electromobility in these services.

To reduce the carbon footprint by **50%**, emit 10% less noise and reduce maintenance costs by 70%.



→ **Electric bus fleet**

Implementation of an electric bus fleet for the Filtered Tailings Deposit Project in the Pellet Plant in 2023.

Emissions from diesel combustion are eliminated.

> **Atmospheric emissions (tons)**

Indicator	2022
Direct NOx emissions	296
Direct Sox emissions	89.03
Direct PM10 emissions	37.49
Sulphur dioxide (SO <sub>2</sub> )	89.03
Particulate material (PM)	37.49

Regarding atmospheric emissions, since the end of 2021, the Electrostatic Precipitator in Chimney 2B in the Pellet Plant has been in operation, allowing to reduce Particulate Material (PM) emissions by 81%, which contributed in 2022 to improve air quality in the municipality of Huasco. This measure is complemented by the

use of the Desulfurizer, a device that reduces SO2 emissions in 64%. This new system of emission abatement is monitored online through CEMS equipment, which are validated by technical entities of environmental assessment (EFTA in Spanish).

[GRI 302-1, 302-3, 302-4]

## / ENERGY


**Material topic:**  
**Energy**

## Policies

Environmental Management Policy

## Actions and lessons learned

- Search for solutions to incorporate NCRE<sup>13</sup> or reduce energy consumption.

## Objective or target

- To privilege the use of non-conventional renewable energies in all new projects and current operations, as well as promoting transition towards the use of less polluting fuels and energy sources..

Energy is a vital element at CMP, for which, when using it, we strive to be efficient and progressively reduce its consumption, with the aim of contributing to a sustainable environment and generate energy and economic savings for the company and its surroundings.

Consumption is calculated based on the readings of different meters CMP has in its plants (sent by Guacolda 2), and are then sent to the management control unit, which is in charge of validating payments and emit a consolidated summary. The latter is entered into the energy data that generates the Monthly Statement.

> Energy used (Gj)<sup>14</sup>

Energy used		2022
Non-renewable energy	Coal	1,183,385
	Diesel	2,634,585
	Electricity	2,592,258
	IFO Fuel	511,254
	<b>Total non-renewable energy</b>	<b>6,921,482.09</b>
Total energy	<b>Total energy consumption</b>	<b>6,921,482.09</b>
	Number of facilities	8
	<b>Energy intensity ratio (consumption/facilities)</b>	<b>865,185.26</b>

Note 1: The company only uses non-renewable energy.

Note 2: Consumption is calculated based on readings from different meters that CMP has in its plants.

Note 3: Data coverage is 100%.

The rise in energy used compared to 2021 (5,446,569 Gj) is due to a larger production of pellets, which means a greater use of the heat treatment area for hardening in the Pellet Plant. Another relevant factor is

the commissioning of magnetic cells and drain the Magnetite Plant, which have a high level of electric consumption.

13. NCRE: Non-conventional renewable energies. / 14. No information on renewable energy.





[GRI 303-5, 303-1, 303-3]

/ WATER



**Material topic:**  
**Water**

**Policies**

- Environmental Management Policy.

**Actions and lessons learned**

- To promote a sustainable management of water through the supply of desalinated water, recycling and reduction of loss, thus contributing to the reduction of water stress in the north of the country.

**Objective or target**

- Reduction of water consumption by 15% in 2024 and 20% in 2028 compared to 2022, in addition to decrease the use of fresh water in 30% by 2024 and reach 0% by 2035.

The water used by CMP comes from different sources, such as rivers, wells and desalinated water. They have the appropriate environmental and sector authorizations.



Cerro Negro Norte Mine uses 100% of desalinated water in its processes.

CMP has a water management standard whose priority is to minimize its consumption, seek for alternatives for fresh water use and comply with set reduction targets.

CMP has three plants located in zones of water scarcity: El Romeral Mine, Los Colorados Mine and the Pellet Plant.

For an efficient use of water, CMP has information gathered from flowmeters installed in the plants. These are online and allow to systematically trace and map the use of water.

> **Water withdrawal by source (megaliters)**

Type of source	2022
Superficial waters	3,635
Underground waters	567
Third-party waters	3,154
<b>Total water withdrawal</b>	<b>7,356</b>

Note: 100% of water extraction is done in zones of water scarcity.

> **Total water consumption (thousand m<sup>3</sup>)**

Type of source	2022
Sea water	4,568.93
Superficial water	3,635.15
Underground water	567.41
Water supplied by third parties	3,153.96
<b>Total water consumption</b>	<b>11,925.45</b>

Note 1: Coverage of this indicator is 100%.  
 Note 2: Water consumption is mainly focused on tailings, hydration, evaporation and humidity of concentrates for sale, so the water is not returned to the sources of extraction.  
 Note 3: 100% of water consumption is in zones of water scarcity.

The sites in Copiapó Valley use desalinated water for their processes, extracted from the Aguas CAP Desalinating Plant, located 25km north of the city of Caldera, a supply source that constitutes an important contribution to the process' sustainability. Moreover, at the Magnetite Plant, water extracted from Candelaria Mine tailings is recycled and reprocessed.

In CMP, 47% of processes are carried out with desalinated water.

## / CIRCULAR ECONOMY AND WASTE



### **Material topic:** **Circular economy and waste**

#### Policies

- Environmental Management Policy

#### Actions and lessons learned

- Magnetite Plant, main circular economy project.

#### Objective or target

- To reduce waste generation, procuring its reuse or recycling and an environmentally safe disposal of final waste.



CMP has promoted the strategy of increasing recycling in its value chain and decrease waste generation at the origin. Its main project regarding circular economy is the Magnetite Plant, which is a referent in the industry globally in terms of mining waste reprocessing.



### **MAGNETITE PLANT**

This plant extracts iron ore from copper tailings (with high iron content), and represents the biggest mining recycling project in the country, as well as being one of the largest in the world – an example of circular economy and a sustainable operation. In 2022, the plant processed 17 million metric tons of tailings.

The plant produces an iron ore concentrate (or pellet feed) from these mining residues, confirming that circular economy is a sustainable business, which contributes to the environment by using environmental liabilities, as tailings, to give them a second productive opportunity.

In addition, this plant is also sustainable in its use of recovered waters from the same tailings and desalinated water.

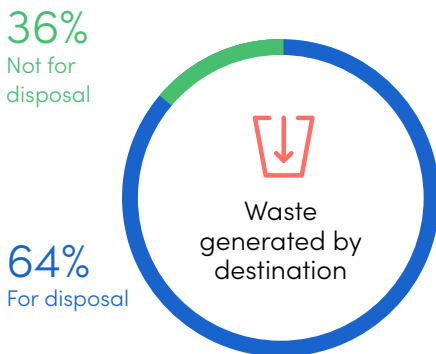
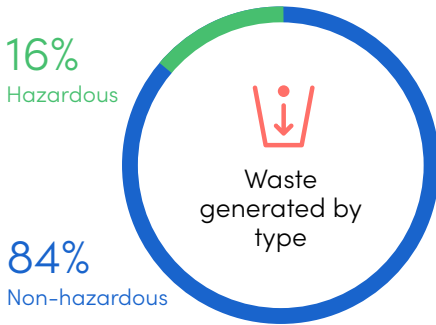
The Magnetite Plant began its operations in 2008 and its greatest milestone has been the approval of an Environmental Impact Declaration in 2022, particularly, for the initiative involving operational adjustments that will allow it to continue functioning for another 20 years.

[GRI 306-2, 306-3, 306-4, 306-1, 306-5]

**/ WASTE MANAGEMENT**

Regarding waste management, CMP outsources their disposal, ensuring compliance with current regulations, whether in terms of storing, transport and final disposal, prioritizing recycling alternatives and minimizing waste when eliminating them. The hired service is accredited and authorized by the respective Health Ministry regional secretary (SEREMI) includes from waste pick-up from CMP's sites to their final disposal, with documentation proving the health authority's authorization.

 In 2022, CMP generated **12,583 tons** of waste compared to 10,479 produced in 2021.



**> Hazardous waste (tons)**

Destination		Total
For disposal	Taken to dump or landfill	290.77
	Other disposal methods	789.03
	<b>Total</b>	<b>1,079.80</b>
Valorized (not for disposal)	Recycling	600.37
	Reuse	294.00
	<b>Total</b>	<b>894.37</b>
<b>Total hazardous waste generated</b>		<b>1,974.17</b>

Note 1: There are no hazardous waste processed inside the organization.  
 Note 2: Data coverage is 100%.

**> Non-hazardous waste (tons)**


Destination		Total
For disposal	Taken to dump or landfill	3,665.00
	Other disposal methods	3,260.34
	<b>Total</b>	<b>6,925.34</b>
Valorized (not for disposal)	Recycling	3,664.33
	Reuse	4.46
	Other types of valorization	15.00
	<b>Total</b>	<b>3,683.79</b>
<b>Total non-hazardous waste generated</b>		<b>10,609.13</b>

Note 1: There are no hazardous waste processed inside the organization.  
 Note 2: Data coverage is 100

↓

**VALORIZATION OF HISTORICAL NON-HAZARDOUS LIABILITIES PROJECT**

The implementation of the New Operational Standard (NOS) promoted the removal of waste that had been historically sitting at CMP's sites ("historical liabilities"). This resulted in the company valorizing 4,841.26 tons of waste in addition to those normally from the period's operation.

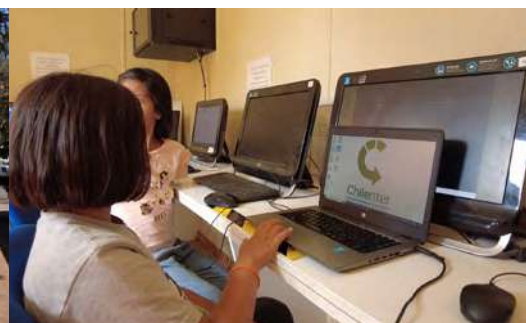
 From this waste, **54%** was recycled and the remaining 46% was valorized in different ways. This action helped CMP recycle 55% of its generated waste in 2022.

## / RESPONSIBLE WASTE MANAGEMENT INITIATIVES

- Substitution of single-use plastics:** in 2022, the implementation of the "Single-Use Plastics Bill" began, substituting plastic straws, stirrers, cutlery and cups in the cafés and canteens in CMP's sites. It is worth mentioning that, though this law does not apply to the mining sector, we have decided to manage these supplies and also have asked food and catering suppliers not to use them. Likewise, as per the previous framework, we developed initiatives for gathering bottles and recycle them in collaboration with a company in the area.
- Tire recycling:** we managed to recycle 300 units in 2022.
- Ferrous scrap recycling:** this material, produced in CMP sites, is sent to the Group's company Siderúrgica Huachipato to be recycled.
- Electronic equipment reconditioning and recycling:** thanks to an agreement with Fundación Chilenter, more than 3 tons of waste were managed in 2022, mitigating the emission of 81.4 tCO<sub>2</sub>e. It is important to note that reconditioned computers have been given to students and organizations from the territories in which CMP operates.



Implementation of Punto Limpio in Mines El Romeral for disposal of material recyclable.



Implementation of Punto Limpio in Mines El Romeral for disposal of material recyclable.



### MINING TAILINGS

Tailings are residue materials from the production process in mining. In 2022, CMP generated 5,024 thousand cubic meters and reprocessed 16,967 tons of third-party tailings.

#### > Processed mining tailings

Type	2022
Sterile (tons)	88,986,489
Tailings (thousand m <sup>3</sup> )	5,024
Volume of reused environmental liabilities (tons)	1,446
Quantity of reprocessed third-party mining tailings (thousand tons)	16,967
Number of items of the Global Standard X Number of deposits	154
Number of items of the Global Standard achieved by deposit 1 + Number of items of the Global Standard achieved by deposit 2 + Number of items of the Global Standard achieved by deposit n	<b>MER:</b> 6 achieved and 29 partially achieved, <b>CNN:</b> 8 achieved and 35 partially achieved.
Advancement percentage to reach the Tailings Global Standard <sup>15</sup>	<b>MER:</b> 54% of no-compliance. <b>CNN:</b> 44% of no-compliance.

15. Degree of progress to achieving the Tailings Global Standard as of the end of the period. It includes all tailing deposits throughout their whole life cycles, including closing and post-closing.

## / BIODIVERSITY



### Material topic: Biodiversity

#### Policies

- Environmental Management Policy

#### Actions and lessons learned

- Protection of biodiversity in the surroundings to the operations, working with the utmost respect to the principle of mitigation hierarchy, whose priority is to avoid any negative impact on biodiversity.

#### Objective or target

- To protect and conserve biodiversity, both flora and fauna, which is impacted by the activities in our production chain.

CMP is committed to biodiversity, for which it maintains different alliances with public bodies, universities and local governments to care for and protect biological diversity in the territories where it operates.

## / ALLIANCES



### Public bodies

- Ministry of the Environment
- National Forest Corporation (CONAF)
- Agriculture and Livestock Service (SAG)
- National Tourism Service (SERNATUR)
- Municipal offices

CMP has commitments regarding biodiversity in terms of its operations, projects and their respective Environmental Qualification Resolutions (RCA in Spanish). Thus, since 2021, we are working with the

### Universities

- Pontificia Universidad Católica de Chile
- Universidad de La Serena
- Universidad Católica del Norte
- Universidad de Santiago de Chile
- Universidad de Valparaíso

Ministry of the Environment, CONAF, SAG, SERNATUR and other bodies, diagnosing the risks to the “Flowering Desert” and working on a book about biodiversity in the Region of Atacama.

## / INITIATIVES FOR THE CARE AND PROTECTION OF BIODIVERSITY



### → Hydroacoustic buoys

In 2022, progress was made in the implementation of a network of hydroacoustic buoys for the permanent monitoring of cetaceans and marine fauna in general. Its purpose is to gather relevant information for the implementation of controls for future ship routes. We expect to commission two hydroacoustic buoys in 2023.



### → Wetlands

Through a collaboration agreement with the Municipal Council and Major of Huasco and Pontificia Universidad Católica de Chile, we inaugurated the Huasco Wetlands Observatory. Moreover, CMP is part of a working group for environmental certification of the Municipal Council of Vallenar in its third phase, where the main focus is to raise awareness of the town's urban wetland.



### → Phytotechnology project

In 2022, we advanced in the piloting and incubation stage of the native plant specimens that will be planted on the cover of the Pellet Plant Filtered Tailings Deposit as the stages for its progressive closure are completed.



## PHYTOTECHNOLOGY

Discipline that promotes the use of vegetable species and microorganisms to solve environmental problems, rehabilitate ecosystems and mitigate environmental impacts.

## / RESTORED AREAS

CMP has 186.92 hectares of protected areas, according to its species re-localization program. The success of this protected areas is estimated based on the number of specimens planted per species, their base situation and variation analysis, looking at the results of the latest population monitoring. In 2022, there was a survival rate of 79.7% of re-localized species

in the areas that have been protected by the company.

Each area protected by the company has specialist professionals that monitor the restored zones and, based on the results obtained by the monitoring, management measures are proposed, both for the specimens and the reforestation parks, as well as the watering done.

### > Re-localization and survival of intervened species

Operation	Area (hectares)	Survival
El Romeral Mines	27	75%
Pleito Mine	70.62	100%
Los Colorados Mine	34.1	75%
Cerro Negro Norte Mine	45,5	En progress
Magnetite Plant	5	74.62%
Punta Totoralillo Port	<b>4.7</b>	77%

Note 1: In Pleito, 100% refers to survival of cacti species, while the planting of shrub species is still in progress.

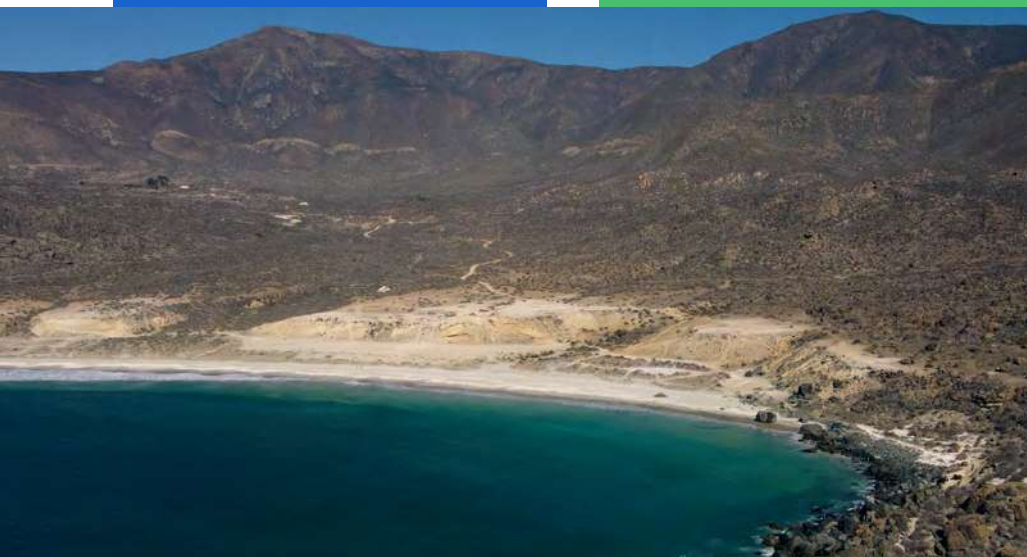
Note 2: In Cerro Negro Norte, a gradual reforestation process is taking place, with affected planted species in the site of Boquerón Chañar.



## CRUZ GRANDE PRIVATE PROTECTION AREA (PPA)

**Location:** Caleta Chungungo

**Protected area:** 487 hectares



As part of caring for the surroundings where CMP's Cruz Grande Port is being built, we can highlight the flora and fauna restoration project carried out near Chungungo. It focuses on the recovery and conservation of the species that are currently in the conservation category. Especially of note is the action plan for the reproduction of 1,497 plants of "Lucumillo", an endemic shrub from the Region of Coquimbo.

The private area of Cruz Grande Port is being reviewed by the authority, pending natural sanctuary qualification.

# Environmental Impact



In 2022, CMP strengthened the environmental compliance model in order to build a proactive and collaborative relationship with the interested parties, complying with current regulations, commitments and operational performance standards. Likewise, it promoted sustainability in all its processes, thus allowing to reduce their impact and make procedures include this attribute autonomously.

The compliance modality set by CMP corresponds to the implementation of plans and matrixes in the SAP corporate system, identifying commitments and their respective means of verification, which are accredited by environmental authorities.

## / ENVIRONMENTAL PERMITS

Regarding permit applications, a project's environmental effects minimization plans begin with its creation, so, the Engineering and Environment departments participate in this stage. In said process, they identify impacts and agree on control measures for possible effects. This stage is fundamental for the elaboration of Environmental Impact Declarations and Studies.

The decision on environmental impact mitigation, compensation or restoration measure is part of a regulated process by the Environmental Evaluation Service (SEA in Spanish), for which they have rules and methodological guidelines.

Notwithstanding, CMP acts proactively, previously evaluating main impacts in order to reduce possible failures during the application process.

In the last 5 year, and increasingly, all environmental components, such as flora, vegetation, wild animals and archaeology, among others, are recorded in georeferencing systems to keep an environmental log for the zones in which CMP operates.

CMP was not sanctioned any fines in 2022 according to the Environment Superintendence's Public Sanctions Record.



06

Commitment  
to the  
Territories



# People

CMP has a total of 1,868 collaborators, with 88% men and 12% women. Among them, 97% live in the areas where the company's operations take place.

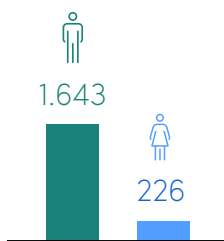


### > Total number of workers at CMP<sup>16</sup>

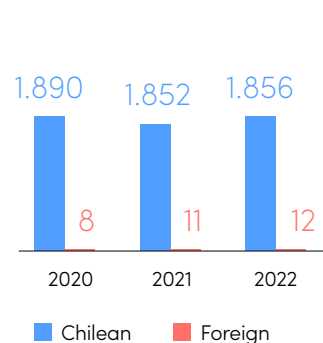
Managers	6	3	= 9
Deputy managers	4	1	= 5
Superintendents and Corporate Leadership	37	17	= 54
Other professionals	245	88	= 333
Other technicians	1.351	116	= 1.467
<b>Total</b>	1.643	226	= 1.869

Note: CMP does not have the roles of operator, sales force, administrator or aide.

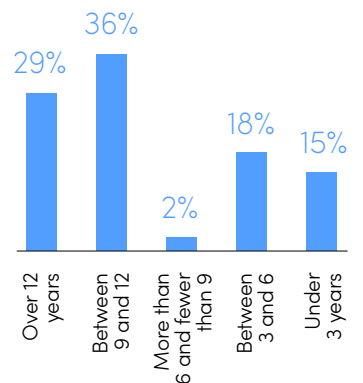
### > Number of collaborators per sex in 2022



### > Number of collaborators per nationality between 2020-2022



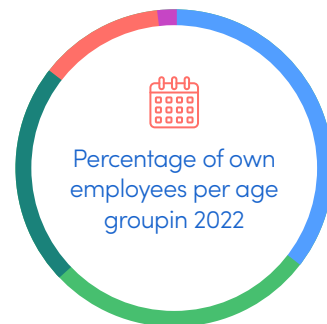
### > Percentage of own employees per length of service



4%  
Between 61 and 70

14%  
Under 30

19%  
Between 51 and 60



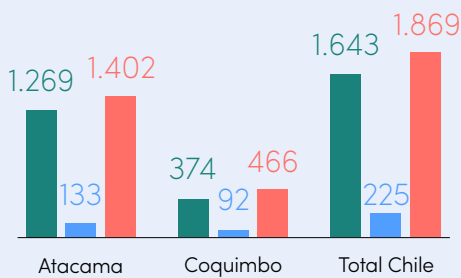
38%  
Between 30 and 40

25%  
Between 41 and 50

16. There are no Operator, Sales Force, Administrator or Aide roles among own employees.

100% of collaborators have permanent contracts and have an ordinary work schedule, which allows us to provide them with work security, formality and stability.

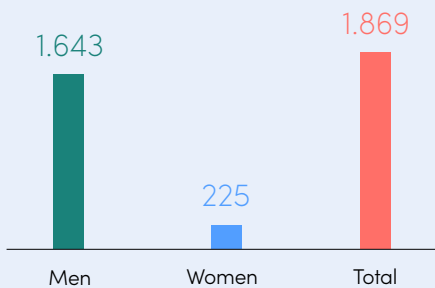
> Number of own employees per contract, sex and region



■ Men with permanent contracts  
 ■ Women with permanent contracts  
 ■ Total permanent contracts

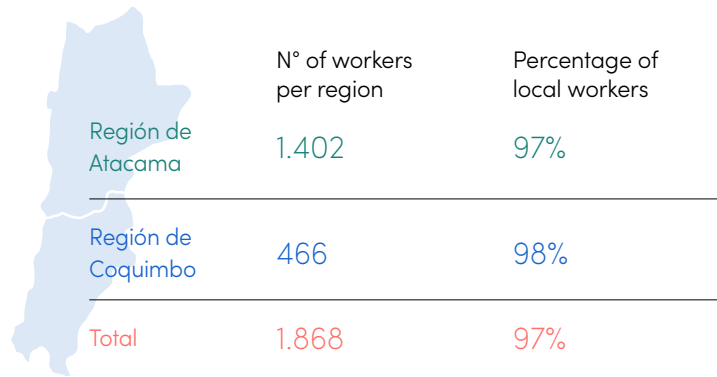
Note: CMP only has employees with permanent contracts, and no employees with temporary, zero-hour, full-time, or part-time contracts so said categories are not included in the graph.

> Number of own employees according to work adaptability



Note: There are no part-time rota, or work responsibility or remote work agreements, only an ordinary work schedule.

/ LOCAL HIRING



/ CONTRACTORS AND SUBCONTRACTING POLICY

**98%** of contractors live in Atacama and Coquimbo.

In 2022, female participation in the work force increased by 29.3%, reaching 16.1%.

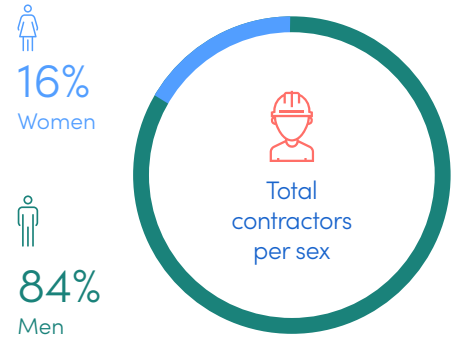
The areas responsible for managing contractors are the HR Superintendence, through the Third Party Work Control unit, and the Purchases and Contracts Superintendence, through the Contracts unit.

Workers who are often hired via external companies are industrial and facility cleaning operators, plant and earth-movement equipment operators, hopper truck, bus and van drivers, maintenance mechanics and welders, maintenance electricians and instrument operators, railway maintenance officers, and security guards. Their work relationship with CMP

is only through that with their direct employers, who, in turn, have service contracts with CMP.

Worker recruitment by contractor companies is a process that belongs to each external company, with no intervention or participation from CMP. The company only provides technical requirements and policies for inclusion and engagement with the territory.

In 2022, contractor companies related to CMP have developed 10 collective negotiations, of which none resulted in strikes or actions that may have affected CMP's operational continuity.



**4,185**  
total contractor workers  
as of 2022.

**10**  
contractors with  
disabilities.

**91**  
foreign contractors

> Total contractors per age group

Age group	2022
Under 30	950
Between 30 and 40	1,584
Between 41 and 50	823
Between 51 and 60	645
Between 61 and 70	169
Over 70	14
<b>Total</b>	<b>4,185</b>

> Total contractors that declare to reside in the region where they work

Región	2022
Atacama	3,076
Coquimbo	1,043
Other regions	66
<b>Total Chile</b>	<b>4,185</b>

## / TALENT DEVELOPMENT



**Material topic:**  
**Talent Development**

**Policies**

- CAP training policies.
- CAP Group's People and Organizational Development Corporate Policy.
- CMP's recruiting, selection and retention policy.
- CMP's early attraction policy.

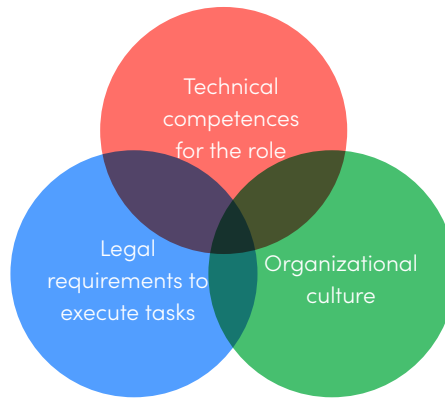
**Actions and lessons learned**

- For CMP, talent attraction and retention are fundamental. Therefore, it promotes collaborator training, leadership, the execution of career plans and succession in critical positions.

**Objective or target**

- To comply with the strategic pillars for competence development.

### / COMPETENCE DEVELOPMENT STRATEGY PILLARS



CMP seeks to contribute to improve its workers' competences, based on its Process Risk Management (GRP) system.

Talent development is aligned with the value chain and the business objectives, looking for gaps in people and implementing learning solutions that contribute to the company's needs.

This process has a verification system for contents and impacts, so that it can constantly keep improving knowledge and learning.



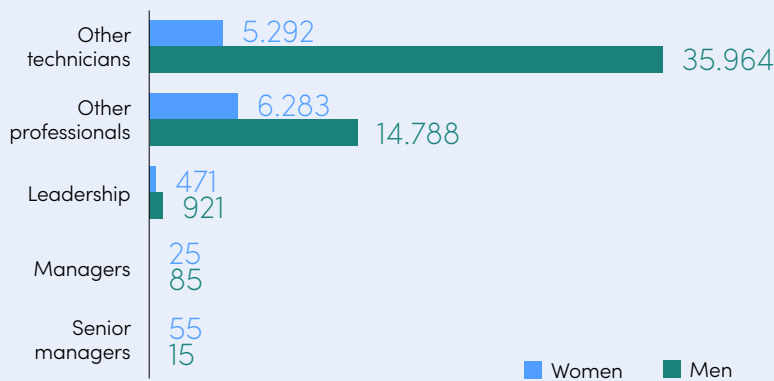
**91.8%**  
of staff have been trained, which corresponds to 1,715 workers..



**63,899**  
hours of training, which represents 11.3% more than 2021 (57,412).

In 2022, training was focused on specific learning plans per management unit, general CMP training plans and legal courses.

### > Total hours of training per role and sex



**28.34**  
average of hours per year in training done by women.



**36.84**  
average of hours per year in training done by men.

## / HIRING AND TURNOVER



# 35%

of vacancies were covered internally, corresponding to 94 collaborators.

In 2022, there were 119 new hires, among whom 100 were men and 19 were women. The new hires rate was 6.10%, with 3.85% for men and 6,10% for women.



### SUCCESSION PLAN

Since 2021, CMP has a definition of critical positions and succession plans to be ready in case of contingencies.



### INTERNAL MOBILITY PROMOTION

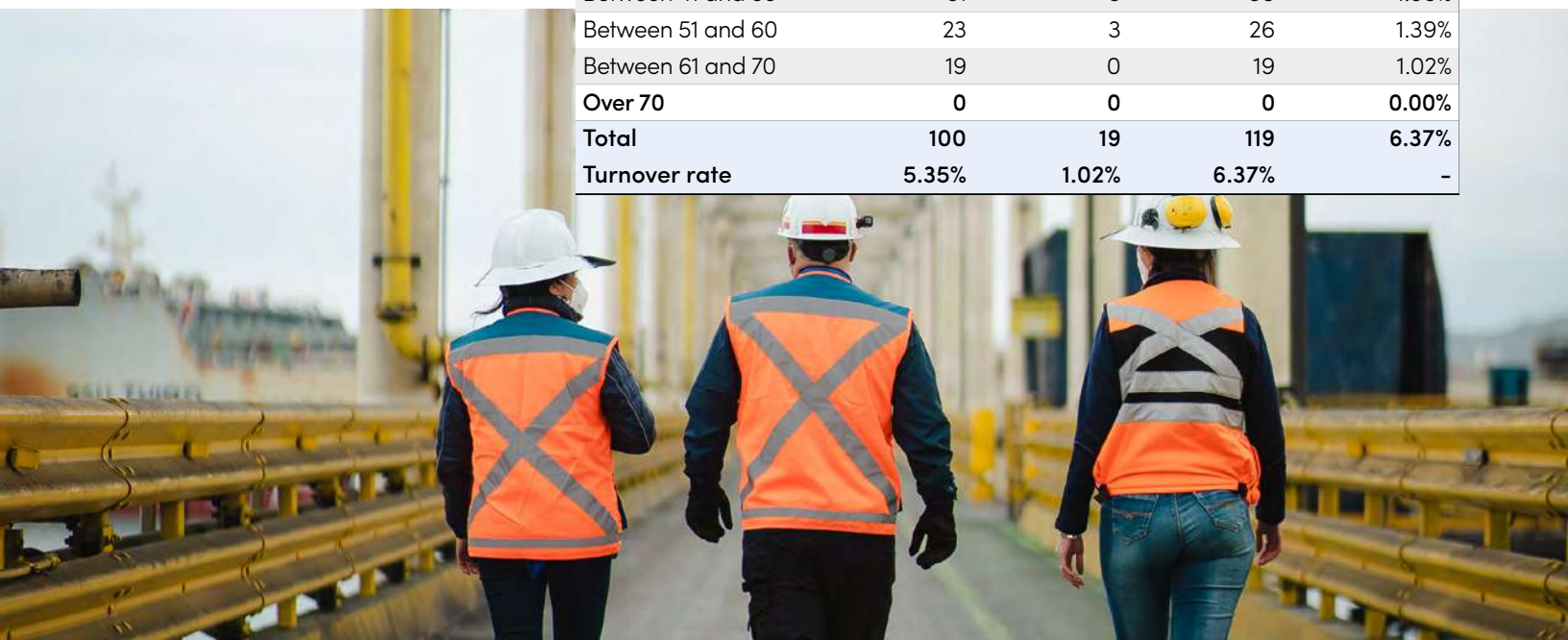
CMP prioritizes internal talent in case of a vacancy, evaluating competences according to the required role.

### > New hires per age group and sex

New hires	Men	Women	Total	New hires rate
Under 30	13	12	25	1.34%
Between 30 and 40	43	13	56	3.00%
Between 41 and 50	6	15	21	1.12%
Between 51 and 60	9	2	11	0.59%
Between 61 and 70	1	0	1	0.05%
<b>Total</b>	<b>72</b>	<b>42</b>	<b>114</b>	<b>6.10%</b>
<b>Tasa new hires</b>	<b>3.85%</b>	<b>2.25%</b>	<b>6.10%</b>	<b>-</b>

### > Exits and turnover rate per age group and sex

Age	Turnover			Turnover rate
	Men	Women	Total	
Under 30	1	5	6	0.32%
Between 30 and 40	26	6	32	1.71%
Between 41 and 50	31	5	36	1.93%
Between 51 and 60	23	3	26	1.39%
Between 61 and 70	19	0	19	1.02%
<b>Over 70</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Total</b>	<b>100</b>	<b>19</b>	<b>119</b>	<b>6.37%</b>
<b>Turnover rate</b>	<b>5.35%</b>	<b>1.02%</b>	<b>6.37%</b>	<b>-</b>



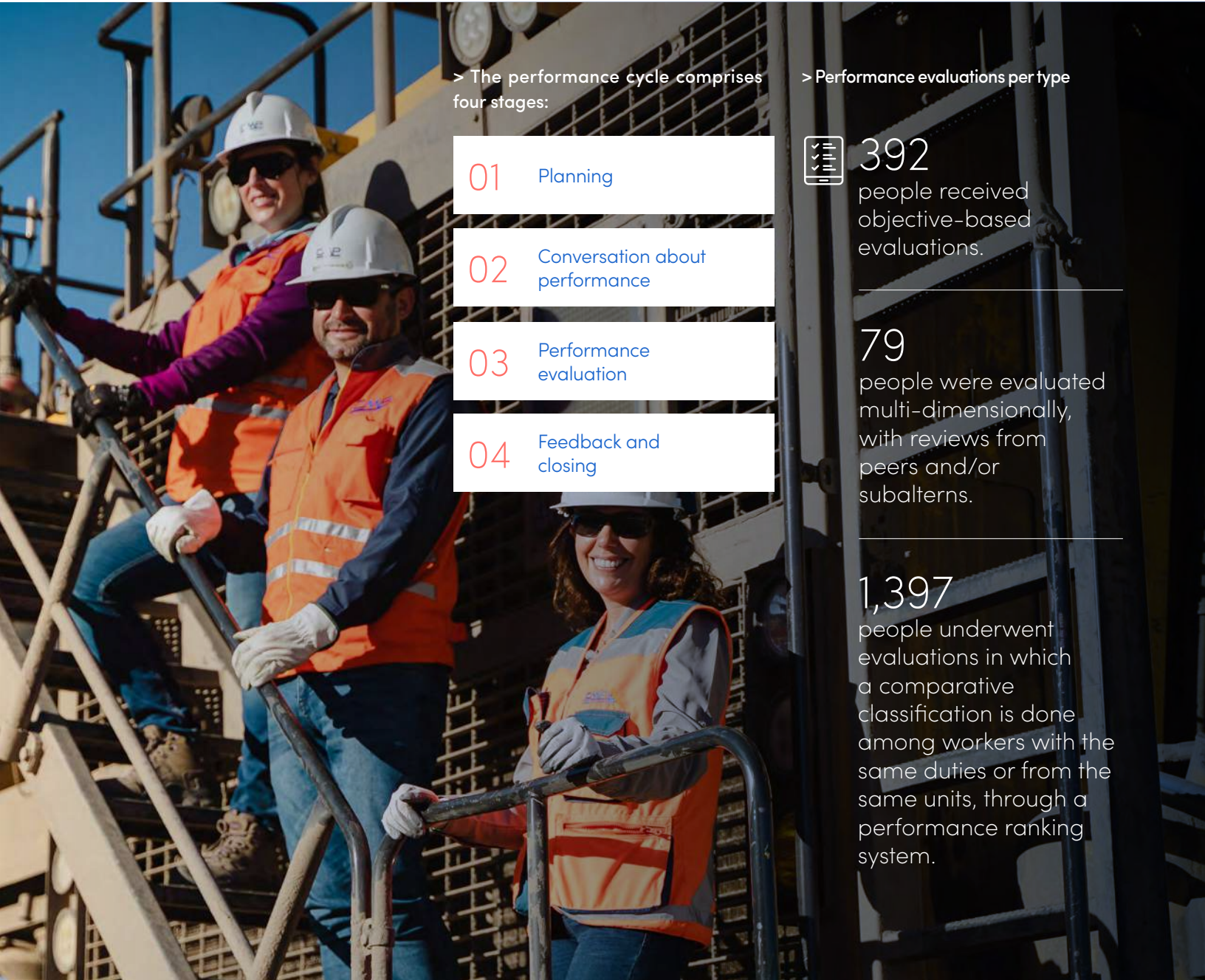
**/ PERFORMANCE EVALUATION**

The company carries out evaluations through the Performance Management System, in a process where collaborators' attributes and ethical conducts are measured, in compliance with objectives and competences.

The Performance Management System considers the participation of the whole work force.

**> Number of collaborators having undergone a performance evaluation, per role and sex**

Role	Men	Women	Total
Senior Management	6	3	9
Managers	4	1	5
Leadership	37	17	54
Other professionals	245	88	333
Other technicians	1,351	116	1,467
<b>Total</b>	<b>1,643</b>	<b>225</b>	<b>1,868</b>



**> The performance cycle comprises four stages:**

- 01 Planning
- 02 Conversation about performance
- 03 Performance evaluation
- 04 Feedback and closing

**> Performance evaluations per type**



**392** people received objective-based evaluations.

**79** people were evaluated multi-dimensionally, with reviews from peers and/or subalterns.

**1,397** people underwent evaluations in which a comparative classification is done among workers with the same duties or from the same units, through a performance ranking system.

# / WORK LIFE QUALITY



## Material topic: Work life quality

### Policies

- Socio-emotional wellbeing, life quality and mental health guidelines.
- People and organizational development corporate policy.

### Actions and lessons learned

- Ahead of the enforcement of the law, among 2022 milestones, we find the union agreement to apply the 40-hour work week.

### Objective or target

- To foment employees' motivation and wellbeing.

## / WORK CLIMATE AND BENEFITS

Every year, the company carries out the Stakeholders Sustainability Index (SSIndex), in which 100% of staff, among others, participate in order to know their level of satisfaction on labor matters.

The results obtained with this instrument allow company leadership to implement measures to improve employees' work life quality and, in turn, their productivity.

Among the action plans to promote collaborators' wellbeing are the psychological consultations to provide mental health support, pedagogical support for collaborators' children, group workshops to raise needs and block lunch breaks to prevent meetings being set at

### > Collaborators' satisfaction per year

Category	2022
SSINDEX	79%

## / FREEDOM OF ASSOCIATION

CMP seek to maintain good relationships with all its collaborators and existing unions. For this reason, collective negotiation processes carried out represent important milestones that project the work and permanent dialog that exist in the company.

The benefits of the collective negotiations are extended to all company collaborators and, moreover, there are other benefits outside the agreements that benefit the union group.

CMP did not have any strikes in 2022.

10 unions

94.5% of collaborators are unionized, which represents 1,766 people.

96.8% of collaborators are covered by collective negotiation agreements, which represents 1,809 people.



## / INCLUSION AND DIVERSITY

### / GENDER

CMP continuously provides inclusion policies, initiatives and programs, whose focus was centered on the incorporation of women, people with disabilities and other groups, extending the application of these initiatives to their contractor companies.

In 2022, the company defined as a target to incentivize an increase of female participation, including both contractor companies as well as the operation of projects.

In order to increment the number of female staff, CMP has an early attraction policy, through the SENCE apprentice program

SENCE Apprentice Program  
22 women in 2022

Trainee Women Engineers  
14 women  
participated in this program  
in 2022



#### > CMP gender indicators

12%  
women in the total  
work force.

1 more percentage point  
than 2021.

30.88%  
is the percentage of women  
in management roles.

33.33%  
is the percentage of  
women in executive or  
senior management roles.

### / WAGE GAP

The wage gap is the percentage that represents women's gross annual salary compared to men's gross salary. At CMP, in average, women's gross annual wage represents 87% of men's gross annual salary.

#### > Wage gap per role<sup>17</sup>

Calculation	Senior management	Managers	Lead.	Other professionals	Other technicians	Total
Average	82%	81%	97%	83%	88%	<b>87%</b>
Median	97%	82%	78%	80%	86%	<b>88%</b>

17. There are no Operator, Sales Force, Administrator or Aide roles, so they are not in the table.



**/ POST-NATAL LEAVE**

Co-parenting is important to CMP; therefore, fathers and mothers have the possibility of exercising it with a flexible Schedule up to two months. Moreover,

men have been given an additional week of post-natal leave than the period established by the law.

**> Post-natal leave per role and sex, 2022<sup>18</sup>**

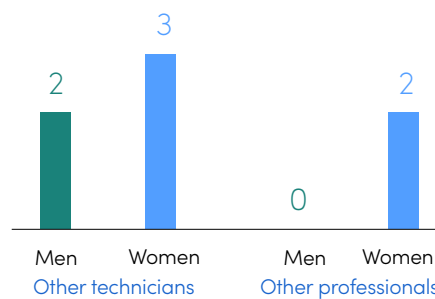
Role	People entitled to post-natal leave			People that used their post-natal leave			Percentage that used post-natal leave		Average days used of post-natal leave	
	Man	Woman	Total	Man	Woman	Total	Man	Woman	Man	Woman
Other professionals	5	1	6	0	2	2	0%	33%	0	38.5
Other technicians	34	14	48	0	12	12	0%	25%	0	72.75

**/ PEOPLE WITH DISABILITIES**

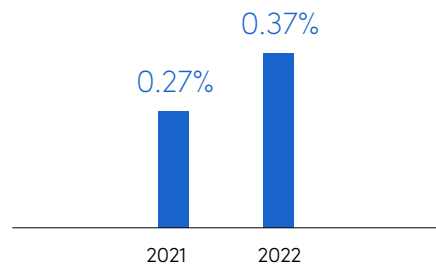
CMP has reviewed all its recruitment processes in all the valleys where it operates, with the purpose of ensuring that diversity is not a barrier, as per the Labor Inclusion Law.

In 2022, 7 people with disabilities worked at CMP, 5 men and 2 women. As for contractors, there are another 10 people with disabilities, reaching a total of 17 collaborators.

**> People with disabilities**



**> Percentage of people with disabilities, between 2021-2022**



↓

**ALLIANCE WITH FUNDACIÓN BEST BUDDIES CHILE**

In 2022, we signed an Alliance agreement between CMP and Fundación Best Buddies Chile. The purpose is to promote work, social and educational participation among people with intellectual disabilities and development disorders. For this, they develop social and work skills through the Program for Labor and Social Inclusion and Leadership.



18. Other roles did not make use of their post-natal leave entitlement.

**/ INDIGENOUS PEOPLES**

Within CMP there is a total of **158 members** of staff that belong to indigenous communities, which corresponds to 8.5% of the work force

**> Workers belonging to indigenous peoples per role**

Indigenous community	Number	Percentage
Diaguita	114	72%
Colla	19	12%
Mapuche	15	10%
Aimara	6	4%
Atacameño	2	1%
Quechua	2	1%
<b>Total</b>	<b>158</b>	<b>100%</b>

**/ HEALTH AND SAFETY**



**Material topic:**  
**Health and Safety**

**Policies**

- Process Risk Management (GRP) model
- Internal Order, Hygiene and Safety Rulebook (RIOHS in Spanish)

**Actions and lessons learned**

- Workers' health and safety is a fundamental pillar in CMP's sustainability, a key of our collaborators' physical and emotional wellbeing.

**Objective or target**

- 0 fatalities
- 0.5 frequency index
- 12 severity index

To manage the main guidelines on health and safety, CAP Group has an Internal Order, Hygiene and Safety Rulebook (RIOHS in Spanish), whose aim is to provide

clarity to all its collaborators in terms of the practical application of their rights, duties and prohibitions in matters of safety, alcohol, work leave and quality of the infrastructure, among others.

To guarantee a safe work environment, CMP carries out regular inspections in its facilities to identify possible risks and establish preventative measures. For this, it also sets targets as parameters to meet in this matter, establishing them based on national and international standards.

**> Fatality and accident targets**

**0**  
fatalities

**0,5**  
frequency index

**12**  
severity index



**HEALTH AND SAFETY RISKS**

CMP has a Process Risk Prevention Model in order to maintain operational continuity and minimize risks through education and the closure of breaches identified when mapping all of the Company's activities.

The identification involves risks related with people, processes, assets and infrastructure, while mitigation is directly related to their evaluation and the application of

change management models and prevention programs.

The unit in charge of this model is the Operational Health and Safety Management, which is responsible for monitoring it is being followed, contributing to the minimization of risks and an adequate process control.

100% of our collaborators and contractors are covered by this model.

## > Health and safety incidents protocols

**01** Keeping the incident investigation procedure up to date.

**02** Partial or total stoppage of activities in case of situations that may cause injuries or illnesses, through on-site control verification tools.

**03** Mechanism to safeguard the integrity of the whistleblowing employee, through CAP Group's Transparency Portal.

**04** Strengthening of the digital GRP as the only platform for the management of risk in processes, assets and people.

**05** From the incident investigation procedure, the lessons learned generate action plans to avoid the recurrence of incidents, which are traceable in the SAP system.

[GRI 403-9, 403-10]

### > Main indicators of own employees' health and safety

CMF	0 Fatalities	0 Fatality rate
	0 Accidents	0 Accidentability rate
	6 Professional illnesses	0.06 Professional illness rate
	0 Average of lost days	
SASB	0 Mortality rate	
	9 Near-miss incidents or events	2.3 Rate of near-miss incidents or events
	0 Rate of Injuries due to workplace accident with great consequences	
	13 recordable incidents (TRIR)	
GRI	0 Deaths due to work injuries	0 Rate of deaths due to work injuries
	0 Injuries due to workplace accident with great consequences	0 Rate of injuries due to workplace accident with great consequences
	0 Injuries per recordable workplace incident	0 Rate of injuries per recordable workplace incident
	3,839,588 Worked hours	0 Lost days

[GRI 403-9, 403-10]

### > Main indicators of contractors' health and safety

CMF	0 Fatalities	0 Fatality rate
	2 Accidents	0.023 Accidentability rate
	0 Professional illnesses	0 Professional illness rate
	36 Average of lost days	
SASB	0 Mortality rate	
	14 Near-miss incidents or events	1.1 Rate of near-miss incidents or events
	0.08 Rate of Injuries due to workplace accident with great consequences	
	41 recordable incidents (TRIR)	
GRI	0 Deaths due to work injuries	0 Rate of deaths due to work injuries
	1 Injuries due to workplace accident with great consequences	0.08 Rate of injuries due to workplace accident with great consequences
	2 Injuries per recordable workplace incident	0.16 Rate of injuries per recordable workplace incident
	12,881,297 Worked hours	36 Lost days

[GRI 403-5]

## / OCCUPATIONAL HEALTH AND SAFETY TRAINING AND PROMOTION

Training in health and safety is fundamental for the development of a prevention culture inside the organization. CMP holds training for its employees and contractors, in addition to reviews of risk maps and matrixes.

## / PLANES AND PROGRAMS

### Mental health plan

CMP carries out a mental health plan targeted to people at risk, including characteristics such as overweight, psychosocial factors and illnesses with decompensations. It has three stages:

- Initial mental health diagnosis.
- Intervention to improve happiness levels.
- Accompaniment and monitoring of improvements achieved.

Likewise, it also integrates the fatigue and drowsiness program, as well as work-home connection, among others. This goes hand in hand with communication campaigns and initiatives for life quality.

### Healthy lifestyle promotion program

Series of initiatives that promote life quality, through stress management techniques (mindfulness), emotional regulation, emotional support for the family, children, teenagers and adults, and emotional literacy.

[GRI 403-4]

## / HEALTH AND SAFETY COMMITTEES

CMP has 10 Hygiene and Safety Joint Committees, which have annual work programs that include lectures, safety walks and meetings focused on processes. The Committees are key actors in the risk management verifying role.



61

Health and Safety Joint Committees (CPSS in Spanish)

10 own CPSS

51 contractor CPSS

10,521

workers represented by the committees

1,962 own employees

8,559 contractors



## CMP IS RECOGNIZED FOR ITS HEALTH AND SAFETY MANAGEMENT

Chile's National Safety Council recognized CMP in the "Mine and Quarry Exploitation" for its outstanding results in workplace accident and illness risk prevention. Thus, in the 6 million worked hours in 2021, the company did not have accidents in the workplace, ranking as the company with the lowest accidentability rate in the mining industry.

Moreover, in 2022, the Regional Mining and Safety Committee in Atacama (CORESEMIN) recognized CMP as the best mining company in the "Best Safety Management, Year 2021" category, an acknowledgement of its excellence and discipline in the implementation of risk controls in each of its processes.



# Local Development

## / LOCAL OCCUPATION



### Material topic: Local occupation

#### Policies

- Recruitment, selection and induction policies

#### Actions and lessons learned

- From its very beginning, CMP has left its mark on the people and the economic development of the regions in which its operations are located. Therefore, it is committed to keep prioritizing local employment.

#### Objective or target

- To define selection strategies that prioritize workers that reside in the areas in which it operates, thus achieving lower figures in



In its recruitment and talent attraction processes, CMP's policy, both internal as well as for contractors, prioritizes people that reside in the areas in which the company operates, i.e. the regions of Atacama and Coquimbo, thus achieving a low inter-regional commuting rate.

97% of CMP's workers are local to the regions of Coquimbo or Atacama. As for contractors, there is also an incentive in tenders to have preferably local staff. As a result, 98% of contractor staff live in the areas where CMP operates.

## / SUPPLIER DEVELOPMENT



### Material topic: Supplier development

#### Policies

- CMP Supplier and Contractor Code of Conduct.
- Internal order, safety, hygiene and environment rulebook.
- CAP Group's Integrity Code.
- Environmental Rulebook for CMP Suppliers and Contractors.

#### Actions and lessons learned

- Application of sustainability criteria in supplier assessment.

#### Objective or target

- Purchases to local suppliers equal or greater than 40%.
- Female participation in contractor staff equal or greater than 18%.

CMP has guidelines that prioritize the selection and hiring of local suppliers in its tender processes. Specifically, it promotes supplier contracts from SMEs from the territory, through the SENEGOCIA platform. Additionally, the company participates in networking instances for local companies, such as Consejo Regional Minero de Coquimbo (CORMINCO) and Corporación para el Desarrollo in the Region of Atacama (CORPROA).

In 2022, 35% of goods and services purchases were made from local suppliers, 5% more than in 2021, which brings CMP closer to its target of 40%. In addition, 43% of the new tendered services were adjudicated to this type of suppliers.



### BEST PAYERS RANKING

In 2022, CMP was recognized again as the best payer in the Mining industry in the ranking done by the Commodities Exchange and the Chilean Entrepreneurs Association (Asech in Spanish).



CMP has a seven-day payment policy for purchase orders to SMEs, managed by the Purchases and Contracts Superintendence.

### > Number of suppliers and purchases (US\$)

Indicator	N°	Purchases (US\$)
<b>Total suppliers</b>	<b>2,409</b>	<b>1,391,053,067</b>
International suppliers	117	50,570,970
National suppliers	2,292	1,340,482,097
Non-local suppliers (other regions)	1,364	849,450,227
Local suppliers (regions of Atacama and Coquimbo)	928	491,031,870
Suppliers identified as critical	51	620,555,287
MSME suppliers	1,303	374,359,583

Note: Critical suppliers are those associated to relevant processes for the organization's operational continuity. They refer to those with high volumes and critical components, such as fuel, energy, explosives, among others.



# 35%

is the total proportion of purchases made to local suppliers in 2022.

# 39%

is the total proportion of suppliers that are local companies.

### > Payment to national and international suppliers

Concepts	National	International
Number of invoices paid	64,269	400
Total amount (MM\$)	1,340	51
Interest amount for lay invoice payments	0	0
Number of suppliers	2,292	117
Number of registered agreements	29,192	215

Note: No payments exceeded 30 days.



# 119

evaluated suppliers.

# US\$544,824,311

in purchases made to evaluated suppliers.

# 41%

of the year's total purchases correspond to suppliers analyzed under sustainability criteria<sup>19</sup>.

[GRI 414-1]

### / SUPPLIER EVALUATION

**01** Pre-qualifying evaluations for a tender process and in the supplier registry to SICEP from CMP.

**02** Evaluation of technical and sustainability aspects when adjudicating service purchases.

**03** Annual performance evaluation of aspects relating to operations and results, risk management and sustainability, focusing on aspects such as local employment and waste management.

Other assessed criteria:

- Compliance with CMP's rules and policies.
- Incident evaluation and adherence to the Process Risk Management model (GRP).
- Waste management
- Other technical and service specialization aspects, as appropriate.

For the protection of fundamental human rights, certain clauses are included in the contracts, e.g. banning the practice of child labor. Also considered in service contracts is the guarantee of certain working conditions, complying with the law and the monthly labor control, carried out by an external company. Regarding remunerations, the minimal ethical salary is considered at \$500,000 Chilean pesos.

### > Suppliers evaluated based on due diligence

Categories	2022
Evaluated suppliers	307
Total suppliers	540
Percentage of evaluated suppliers	57%

19. Criteria such as: compliance with working conditions, local employment, female staff and business ethics.

# Community



## Material topic: Community

### Policies

- Donations, sponsorships and memberships policy.

### Actions and lessons learned

- CMP has a territorial action plan that is framed in working together with communities that are near its operations in order to create a shared value.

### > Related SDGs



## / MAXIMIZE TERRITORIAL VALUE

It is one of the strategic axes for 2022 and it seeks to establish the view that economic growth must be accompanied with social and environmental results in the territories.

CMP's community management is based on a continuous engagement, starting from trust and respect, integrating all the territory's relevant actors. For this, we work on strengthening the company's credibility and maintaining an open line of communication with the communities, who can visit our facilities through the Casa Abierta (Open House) program.

Focus is on building a proactive and collaborative engagement with the interested parties, complying with current regulations, commitments and operational performance standards.

The community's perception is measured via the SSindex survey. In 2022, it showed a positive perception from neighbors of 45%, increasing in 6 percentage points compared to the 2020 sample (39%). It is expected to increase this figure with the strategic focuses review for 2023 and the Territorial Management Plant.



The Territorial Management Plan is managed by the Territorial Management Superintendence, which is under the Sustainability Management, and has three fundamental pillars.

## INFORMATION



### Description

Access to information by communities, as main axis, given that the development and maintenance of the community engagement is materialized through informative meetings, means of communication, use of social media and the organization corporate website.

### Objective

To reinforce CMP's image from within, strengthening trust through the voice of employees and contractors.

## PARTICIPATION



### Description

Participation and search for community influence on the development of processes.

### Objective

To reinforce strategic social networks and alliances, through value generation, watching over interests and the needs of our surroundings.

## GROWTH



### Description

Share value in the territories in which it operates, given that development is considered to be only possible if our neighbors can access greater and better opportunities for growth and wellbeing, contributing to new installed capacities, entrepreneurship and permanent jobs.

### Objective

To maximize CMP's positive impact on the territories, through sustainable growth and the creation of shared value.



## / INDIGENOUS COMMUNITIES

Among the pillars of shared growth, information and participation we find the work with indigenous communities. Its main essential aim is the valorization of their productive, cultural and heritage activities. We have carried out a characterization of the territories, diagnostic analysis, participation in working groups, grants, the Casa Abierta program, and cultural activities like the Expo Indígena in Caldera.



### 2022 EXPO INDÍGENA FAIR AND INDIGENOUS COMMUNITIES SERRANÍA POBLETE

CMP and the Municipal Council of Caldera promote the visibilization of the culture from the territory's indigenous communities and promote the local economy through the display and trade of wooden handcrafts, typical ancestral gastronomy and the sale of medicinal herbs, among others.



[GRI 415-1]

## / SOCIAL INVESTMENT

The social investment strategy is focused on boosting production, increase the generation of competences and generate community action funds.

### > Social investment (US\$)

Social investment per category	2021	2022
Charity donations	0	0
Community investment	3,073,489	3,716,596
Commercial initiative	58,667	223,807
<b>Total contributions</b>	<b>3,132,156</b>	<b>3,940,403</b>
Percentage of donations	0%	0%
Percentage of community investment	98%	94%
Percentage of commercial activities	2%	6%

### > Type of social contribution (US\$)

Type of contribution	2021	2022
Money contributions	3,132,156	3,940,403
Volunteering costs	0	0
In-kind donations	10,056	77,452
Program management general expenses	679,808	488,624
Community investment	3,073,489	3,716,596
Event sponsorships	58,667	223,807
Occasional contributions for specific causes.	398,493	77,452
<b>Total</b>	<b>4,220,513</b>	<b>4,583,931</b>

Note: Money contributions correspond to social investment.



> Breakdown of social contributions per type of institution (US\$)

Type of institution	Money contribution
Guild associations and Company groups	272,359
Think Tanks	0
Study centers (Universidad de Atacama)	13,363
NGOs	4,038
Media	206,817
Other	33,375
<b>Total</b>	<b>529,951</b>

/ SOCIAL INVESTMENT PROGRAMS

The social investment strategy also addresses the commitment to contribute to the development of communities through different areas, such as

production development, education and employability, environment and surroundings, urban development, contingencies and social skills.

01 Productive development



↓ FISE PESCA

The Socioeconomic Investment Fund (FISE in Spanish) aims to support the growth, valorization and improvement of productive activities of artisan fishing organizations. In Caldera, this initiative is carried out with contributions from CMP and Minera Caserones, while in Huasco it is executed only with contributions from the country.

↓ Caldera Impulsa

Program carried out together with the Municipal Council of Caldera and Desafío Levantemos Chile, in which 24 entrepreneurs were trained on food manipulation. This activity ended with the delivery of food trucks, contributing with the families' ability to generate value. It also used the SSIndex tool to know the community's perception of the company.



↓ Artisan Fishing Women Working Group and Activities related to the Region of Atacama

Initiative that seeks to boost collaboration actions for fishing women, favoring their growth and development.



### ↓ Artisan Fishing Unions

In order to guarantee an inclusive, equal and quality education and promote opportunities, in 2022, we granted 29 scholarships with CMP as part of the existing collaboration agreements with fishing organizations, shellfish divers and shore gatherers.



### ↓ Promotion of olive development

In the valley of Huasco, olives are a development focus for CMP through two initiatives: the ProOlivo Fund, which has 277 participants and seeks to develop olive farming, both on the technical and the business side; the AgroEmprende program, targeting small olive farmers in order to improve their land management and optimize their production conditions for a better offer.

In this context, in June 2022, through the Pro Olivo Fund, CMP donated 170 thousand kilos of salt and 33 storage tanks, essential supplies to keep and ferment harvested olives in optimal conditions, achieving a high-quality product.

# 02

## Education and employability



### ↓ Transport for students that go to school in Vallenar

CMP contributes with the transport of boys, girls and young people from their homes in Huasco and Freirina to Vallenar so that they can attend school, making available two buses from a local company.



### ↓ Training program in Copiapó Valley and Elqui Valley

In the Valley of Copiapó, we offered training to fishermen and small-scale miners. In the Valley of Elqui, we developed the Training Program for the communities of Guayacán, Cachiyuyo and Incahuasi.



### ↓ Jaime Charles Scholarships

CMP and Aguas CAP grant the "Jaime Charles" Scholarship to students in vulnerable economic conditions, high-school graduates or university students from the communities neighboring the company's sites. In 2022, 5 new scholarships were given in the Valley of Copiapó, 10 in the Valley of Elqui and 12 in the Valley of Huasco.

# 03 Environment and surroundings

# 04 Culture and Heritage

# 05 Urban development



### ↓ El Romeral Mines training

CMP did a talk about climate change with Universidad de La Serena, in order to raise awareness and train workers from El Romeral mine.



### ↓ Guayacán Te Mueve Agreement

Consolidation project for the community orchestra of Guayacán, in the municipality of Coquimbo.



### ↓ Sustainable Incahuasi: Recycling points network

The project implemented 4 collection points in the locality near the Pleito site in Vallenar, applying a waste management system with an external company.



### ↓ "Dinosaurs beyond Extinction" Exhibition

Unique exhibition by the National Natural History Museum which, with the support of CMP and Corporación para la Investigación y Avance de la Paleontología e Historia Natural de Atacama, travelled the municipalities of Copiapó, Caldera, Vallenar and Coquimbo.



### ↓ Micro-landfills clean-up

CMP developed this initiative that seeks to improve the conditions of sectors that have been used as illegal dumpsites.



### ↓ Plaza Triángulo Project

Construction of a square in Guayacán to contribute with the improvement of the area of Los Tambores.

# 06

## Contingencies



### ↓ Collaboration with the affected communities after a meteorological event

Support to the municipalities of Caldera, Huasco, Freirina, La Serena and Coquimbo, to face the climate-related emergency in July 2022, through the purchase of materials and other donations such as emergency baskets for those affected by the rainfall that caused landslides and other contingencies.



## / COMMUNITY PARTICIPATION PROCESSES

To ensure an efficient application of the territorial focus, CMP developed three early community participation processes (PACA in Spanish), in 2022, corresponding to two environmental impact declarations and one study:

### 1. MLC Environmental Impact Declaration:

Los Colorados Mine has a project called "Iron Ore Recovery from Los Colorados Benefit Plant Tailings", which includes a Tailings Plant to produce iron preconcentrate from the reprocessing of tailings from the benefit plant in Mina Los Colorados.

There was a consultation with neighbors about the characteristics of transport flows, social, cultural and economic practices developed, relevant natural resources for the population, availability and access to basic services, equipment and infrastructure.

### 2. Algarrobo Environmental Impact Declaration:

To give operational continuity to El Algarrobo Mines, there is a 3-year project that considers the exploitation of seven low-grade stockpiles distributed in the areas of Algarrobo and Penoso. The

resources are processed through a new plant with stages of crushing, classification and magnetic concentration.

For this, like in Los Colorados Mine, there was a consultation with the nearby community regarding transport flow, infrastructure and social practices, among others.

### 3. Distrito Pleito Environmental Impact Study:

To establish an early relationship with the community that accompanies and supports the "Operational Continuity Distrito Pleito Fase 3" Project, with community organizations, since its origins and before the submission of the study. The process materialized in an Early Community Participation instance with the aim to inform the localities in the area about the main points of the project. The purpose was also to gather opinions, observations and/or concerns about the project and incorporate them, if relevant.

# 07

## Social skills



### ↓ Touristic development project

CMP acted as enabler for the Touristic Development Project of Puerto Cruz Grande (PCG), through training courses and in the Fishing dialog group of the coastal area of Chungungo, town of La Higuera.



07

Commitment  
to the  
Business

# Customer Satisfaction



## Material topic: Customer satisfaction

### Policies

- Integrity Code.

### Objective or target

- On average, a satisfaction percentage greater than 80%, measured through the customer satisfaction survey.

### Actions and lessons learned

- Periodic measurements that show improvement opportunities in the work with clients.



In the 2022 period, CMP incorporated a new client from the Middle East to its business portfolio with the pellet product.

There are **two** clients that concentrate at least 10% of sales, regarding the mining segment.

## / CUSTOMERS

CMP boosts its business by maintaining a stable relationship with its clients and catering for their needs in a specific manner. Thus, in 2022, it had clients from countries, such as:

- Australia
- Bahrain
- China
- Chile
- South Korea
- United Arab Emirates
- United States
- Japan

On the other hand, the Company has strived to reach new international markets, given the greater demand for products from outside the Ukraine and Russia.

In addition, CMP has increased its participation on direct sales to end users, i.e., steelmaking plants and pellet producers, with the aim of focusing on responding to its customers' specific needs and strengthen the technical cooperation relationship it has with its clients. Thus, during the period, it increased the long-term contracts with historical clients, projecting a stable relationship in time.

## / SSINDEX MEASUREMENT

In 2022, CMP measured its customers' satisfaction through SSIndex, achieving better results than the set target. By means of this tool, the company develops an analysis

of results that allows to generate action plans that allow to shorten and close gaps, identifying improvement opportunities for their commercial management.

### > SSIndex Customer Satisfaction

Frequency of the measurement	Customer satisfaction (%)	Customer satisfaction target (%)
Annual	95%	> 80%



# Innovation and technology



## Material topic: Innovation and technology

### Policies

- Privacy and Data Management Policy.
- Asset Management Rule.
- Vulnerabilities Management Rule.
- Email Use Rule.
- Recovery and Back-up Rule.

### Objective or target

- To diversify the product and service portfolio through innovative solutions.

### Actions and lessons learned

- Innovations programs in the operating companies and development of solutions that contribute to decarbonization.

CMP looks for innovating solutions that allow to cut production costs, improve efficiency and sustainability, responding to customers' specific needs.



## FILTERED TAILINGS DEPOSIT PROJECT

The filtered tailings deposit is a project that provides a sustainable solution for the final disposal of the material that results from the production of the Pellet Plant in Huasco. They are remainders of chemically inert and innocuous rock, given that the recovery of iron ore, no polluting or toxic elements are used, but physical and magnetic processes.

The tailings will be set out on five terraces that will be closed progressively, covering them with granulated material and native vegetation. The terraces will use a smaller Surface compared to a traditional tailings dam.

The technological solution involves processing the tailings with three filter presses with vertical plates, which will offload the material with only 20% humidity in a closed conveyor belt that will carry it from the filtering plant to the offloading building, to then transport it in electric trucks for their final disposal in the deposit site. Meanwhile, the recovered water will

be returned to the process, which will allow it to reduce 48% of fresh water use.

The project execution will allow compliance with CMP's environmental and social commitment to finish with tailing dumping in the sea before September 2023. Moreover, it will allow to ensure operational continuity of the Operational Continuity.

This solution was created together with the community in an Early Community Participation (PAC instance) in 2019, where, through presentations, activities and dialog panels, queries and suggestions were received.



## / CYBERSECURITY

The risk of cyber-attacks has increased for organizations due to the increased digitalization of processes and remote work. The main forms of risk materialization are:

- Data leaks
- Loss of critical information

### / GOVERNANCE AND CYBERSECURITY MANAGEMENT IN CMP

At CMP, the Administration and Finance Manager and the Information Technology Superintendent, participate monthly in CAP Group's Cybersecurity Committee, in which information security strategies that the company will address are defined and reviewed.

and GCP. Through this same platform, CMP collaborators can report suspicious activities, also being able to do so through the @911 help desk.

### / STRENGTHENING OF THE CYBERSECURITY CULTURE

In 2022, we carried out different training actions and activities to strengthen the Company's cybersecurity. Among the main ones we can mention:

- Instructions related to the Data Privacy Policy
- Six phishing campaigns
- Cybersecurity workshop

↓

### INFORMATION TECHNOLOGY SUPERINTENDENT

Responsible for the supervision and monitoring of the execution of the actions plan that arise from the company's cybersecurity strategy, implementing action plans and commitments watch over information security in the operations.

The company consolidates its cybersecurity activities in Matrix Plans in the SAP System (SuccessFactors), with which we can strengthen contingency plans, business continuity and response procedures for the incidents that may come up. This system is certified by ISO 27001, 27017, 27018, SOC 1,2 y 3,



↓

### ETHICAL HACKING

It is a methodology whose objective is to exploit existing vulnerabilities in information systems. This is done through the application of penetration tests that can verify and evaluate the physical and logical security of information systems, computer networks, web applications, databases, servers, among others.

In addition, two cybersecurity audits were carried out: one in charge of EY consultant and another one by Nodoware, whose objective is to verify CMP's IT security systems.

In 2022, CMP was not the victim of any cybersecurity attacks or incidents, meaning it did not suffer data subtraction or loss of information that may affect its operational continuity.

# Business



## Material topic: Economic sustainability

### Policies

- Sustainable growth strategy

### Objective or target

- Profitability
- Operational continuity
- Positioning

### Actions and lessons learned

- Strengthening of current businesses and development of new businesses.



**16,536,728**  
tons produced of  
iron ore

## / ECONOMIC ENVIRONMENT AND PERIOD RESULTS

In line with the purpose of creating a new kind of mining for the sustainable development of the territory and its people, from the heart of its processes, CMP has been able to face the new challenges of a more dynamic world, in which process risk management, sustainability and compliance are proposed as priority axes. The period saw positive results for the company, mainly due to the consolidation of process risk management, through the alignment of its collaborators and the discipline to execute its processes. During 2022, CMP was affected by price volatility in its products and the critical supplies needed

for its operations; however, the efficient management of these contingencies, through strategies and plans for the containment of costs, which allowed to close the period with successful results. CMP's consolidated net profit as of December 31st, 2022, totaled US\$479.6 million, compared to the US\$938.5 million profit of 2021. On the other hand, the EBITDA reached the amount of US\$940.9 million, with total revenues of US\$1,832.5 million.

[GRI 201-1]

### > Generated and distributed economic value (US\$)

Indicator	2020	2021	2022
Consolidated revenues	1,815,916,943	2,399,190,554	1,832,592,000
EBIDTA	874,964,286	1,601,893,667	940,936,575
Direct operational costs	1,016,694,511	939,972,643	1,072,949
Total amount distributed to employees in remunerations and benefits	154,479,334	155,405,324	119,452,240
Amount paid to collaborating companies	80,865,459	97,288,106	156,783,423
Amount paid to the State through tax	86,262,844	394,301,274	728,048,798
Amount paid to shareholders	126,685,546	342,280,632	710,941,091
Amount paid to financiers	667,000,000	147,500,000	75,000,000

**/ TAXES PAID**

In 2022, CMP, through its different operations in Chile, paid a total \$728,048,798 Chilean pesos.

**> Taxes paid in Chile (Chilean pesos)**

Indicator	2020	2021	2022
Income taxes	11,100,744	110,346,113	366,056,441
Mining-specific taxes	5,502,959	19,307,344	96,239,551
Municipal permit taxes	462,570	560,932	572,764
Other taxes	69,196,541	264,086,884	265,180,042
<b>Total taxes paid in Chile</b>	<b>86,262,844</b>	<b>394,301,274</b>	<b>728,048,798</b>

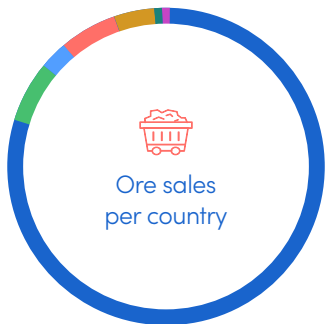
Note: Other taxes include third-party VAT retention, labor fees tax retention, real estate taxes and others.

1%  
UAE

1%  
USA

3%  
Japan

3%  
Chile



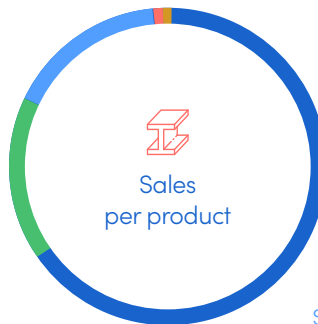
79%  
China

6%  
Korea

6%  
Bahrain

1%  
Pellet chip

1%  
Chippings

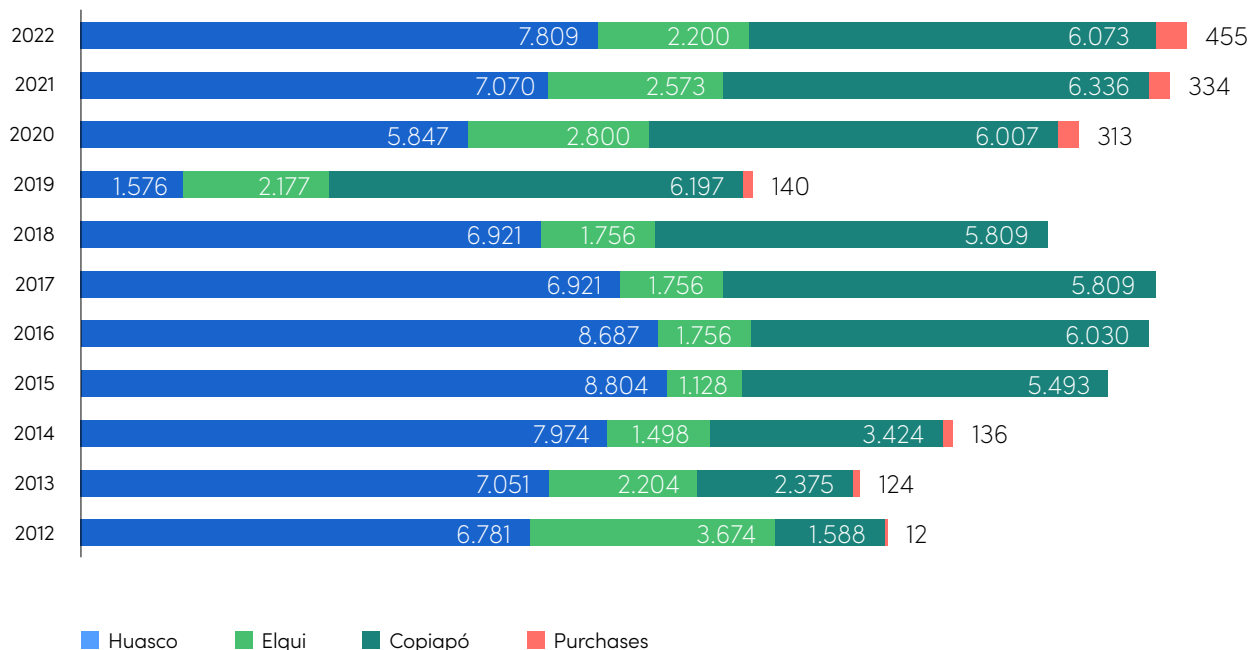


66%  
Pellet feed

17%  
Sinter feed

16%  
Self-reducing Pellet

**> Total production and purchases per valley, 2012 - 2022 period (thousand tons)**



### > Production and purchase comparison, per valley and product (thousand tons)

Indicator	2021	2022	Variation	Participation
Total production and purchases	16,312	16,537	203	1%
Total production	15,979	16,082	82	1%
<b>Elqui Valley</b>	<b>2,573</b>	<b>2,200</b>	<b>-354</b>	<b>-16%</b>
Chippings	115	193	78	40%
Fines	42	134	92	69%
Pellet Feed	1,879	1,755	-124	-7%
Sinter Feed	518	118	-400	-339%
<b>Huasco Valley</b>	<b>7,070</b>	<b>7,809</b>	<b>699</b>	<b>9%</b>
Pellet Plant	4,511	6,199	1,688	27%
Self-reducing pellet	1,603	2,637	1,034	39%
Pellet Feed	2,640	3,327	687	21%
Pellet Chips	190	154	-36	-23%
Huasco Fines	77	80	3	4%
Sinter Feed	2,559	1,610	-989	-61%
Los Colorados Mine to Puerto Guacolda II	2,599	1,610	-989	-61%
<b>Copiapó Valley</b>	<b>6,336</b>	<b>6,073</b>	<b>-263</b>	<b>-4%</b>
Magnetite Pellet Feed	1,956	1,821	-135	-7%
Sinter Feed	477	380	-97	-26%
Pellet Feed CNN	3,903	3,872	-31	-1%
<b>Total Purchases</b>	<b>334</b>	<b>455</b>	<b>121</b>	<b>27%</b>

### / INVESTMENT

CMP's investment plan is related to operational continuity, cost reduction and sustainability improvements.

Time horizons considered in investment planning are divided into: Base LOM, Development LOM and Potential LOM. The first, refers to projects carried out within 5 years; the second, to investments that require studies and approval of their respective environmental permits; and the third, to all those studies that represent a business growth case.

The two most relevant investments in the period are:

1. "Filtered Tailings Deposit – Pellet Plant" project, which will give us a sustainable solution for tailings disposal, contributing to Huasco Valley's operational continuity, with high water efficiency.
2. Electrostatic Precipitator to ensure compliance with current regulations regarding particulate material and sulphur dioxide (SO<sub>2</sub>) emissions at the Pellet Plant.

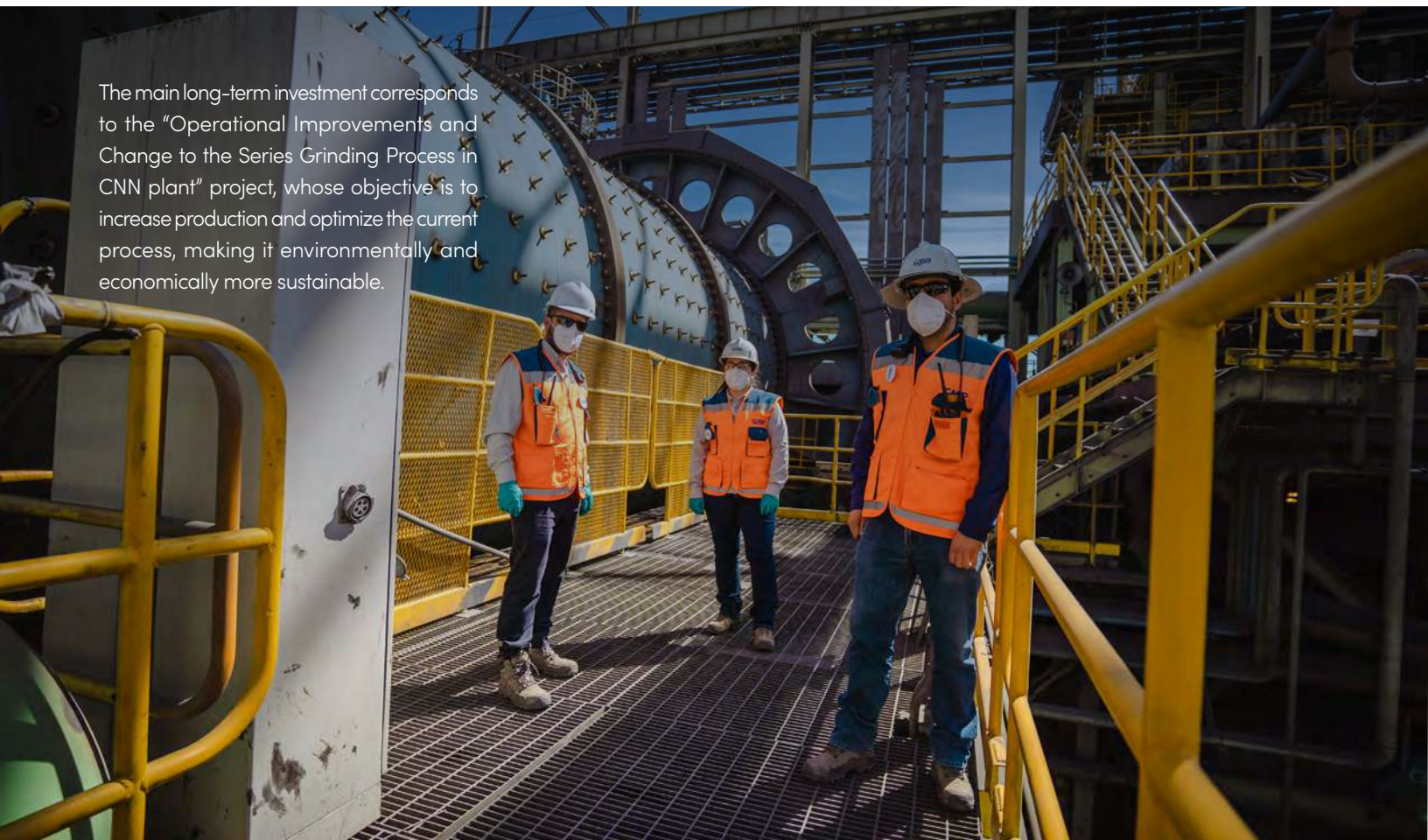


### > Relevant investments by CMP

Project	Description	Horizon	Total investment amount (thousand US\$)	Invested amount in 2022 (thousand US\$)
Pellet Plant Filtered Tailings Deposit	Sustainable solution for the disposal of tailings, which contributes to operational continuity in the Huasco Valley.	Short term	210,735	69,209
Prestripping Phase 6 Los Colorados Mine	Allows for operational continuity in Los Colorados Mine starting in 2025	Short term	89,954	76,011
Major maintenance and component changes	16 necessary support maintenance instances for operational continuity of CMP's assets in its three valleys.	Medium term	48,134	40,673
Change of Major Mining Equipment	Equipment replacement to give Los Colorados Mine operational continuity.	Short term	29,612	25,022
Pre-feasibility engineering in Huasco and Elqui Valleys	Studies to evaluate long-term production growth in the Valleys of Huasco and Elqui	Short term	24,534	20,731
Prestripping Phase 5 North El Romeral Mines	It allows for operational continuity of El Romeral Mines starting in 2022	Short term	17,407	14,709

Note: All the projects mentioned are currently in progress, are in the regions of Atacama or Coquimbo and have been financed through a combination of debt and own resources.

The main long-term investment corresponds to the "Operational Improvements and Change to the Series Grinding Process in CNN plant" project, whose objective is to increase production and optimize the current process, making it environmentally and economically more sustainable.



# Compliance with regulation



## Material topic: Compliance with regulation

### Policies

- Integrity Code.
- Reporting and Investigation Procedure.
- Compliance with Freedom of Competition Regulation Program.
- Crime Prevention Model.

### Objective or target

- To comply with current regulation is the bare minimum for the sustainability of CMP's operations. Therefore, efforts are focused on going beyond legal requirements and being a contribution to society and the environment.

### Actions and lessons learned

- Strengthening of processes and policies to prevent infringements in the social, environmental, economic and governance dimensions.

[GRI 2-27]

## / INTEGRITY

The company has an integrity governance composed of:

- **CAP Group Integrity and Compliance Committee**

The CEO is part of this committee, which seeks to promote a compliance culture in the Group, learn of and resolve reports considered to be very serious and ratify proposed protocols.

- **CMP Integrity and Compliance Committee**

Committee formed by the CEO, HR and Sustainability Managers, as well as the company's Crime Prevention Officer. Its main function is to ensure the functioning of the compliance model.

In 2022, CMP went through an investigation process for the violation of fundamental rights, which ended in mediation at the Regional Labor Office in Coquimbo. The company was subject of five lawsuits for said violations, but to this day there are no condemning sentences against the organization.

In 2022, CMP had no cases of infringement of regulations or cases that derive in monetary sanctions regarding its customers' rights.

## / WORK AND SEXUAL HARASSMENT

Through the Integrity Code, CMP provides guidelines on fair treatment and has a zero-tolerance policy in terms of discrimination, bullying, harassment, threats, among others. It is currently reviewing its Diversity Policy, in which it wants to explicitly state the ways in which it will address and sanction work and sexual harassment claims.

Currently, the company is reviewing its Work and Sexual Harassment Policy, which defines the orientations regarding sanctions related to these behaviors.

### > Number of reports regarding work and sexual harassment

Indicators	Reports to the company	Reports to the Labor Office
Work Harassment (Law 20,607)	6	0
Sexual Harassment (Law 20,005)	3	1

### > Status of work harassment reports

Status	
Received	6
Not yet addressed	2
Investigation in progress	3
With final resolution	1
Person reporting	
Internal staff	5
External staff	1





08

Appendixes



# General Information about the Company

## / LEGAL INFORMATION OF THE ENTITY



Compañía Minera del Pacífico S.A. was created in 1981 as the product of a new organic structure for Compañía de Acero del Pacífico S.A., currently CAP S.A., becoming a Limited Liability Company and having its productive activity and services in subsidiaries that hold operational and management responsibility independence. Compañía Minera del Pacífico S.A., is owner and developer of the exploitation of the mining sites that used to be property of CAP S.A.

Said sites are: "El Algarrobo", bought by CAP S.A. in 1959 from the Dutch company Mijnen N.V.; "El Romeral", purchased in 1971 from Bethlehem Iron Mines Co.; and other iron ore properties in the Chilean regions of Antofagasta, Atacama and Coquimbo. Compañía Minera del Pacífico S.A. was established as an independent company through Public Deed on December 15th, 1981, with Santiago-based notary public Mr. Félix Jara Cadot, acting as deputy for Mr. Eduardo González Abbott. All its statutes were declared in this document.

Its extract was registered on December 16th, 1981, on folio 294 N° 145 of the Commercial Record of the La Serena Land Registry, and published in the Official Newspaper on December 21st the same year.

### **COMPAÑÍA MINERA DEL PACIFICO S.A.**

- Type of business entity: Closed limited company.
- Address: Pedro Pablo Muñoz 675, La Serena.
- CAP share ownership: 75%

It was established by Public Deed on December 15th, 1981, with Santiago-based Notary Public Mr. Félix Jara Cadot. The extract was registered on folio 294 N° 145 of the 1981 Commercial Record of the La Serena Land Registry and published in the Official Newspaper on December 21st, 1981.

#### **/ Subscribed and paid-in capital:**

The agreed capital in the Extraordinary Shareholders Meeting on April 27th, 2020, totals US\$ 887,223,521.40, legal currency of the United States of America, and divided into 4,694,836 shares with no nominal value, where 74.99979% is owned by CAP S.A. and 25.00002% by MC Inversiones Ltda.

Compañía Minera del Pacífico S.A.'s paid-in capital as of December 31st, 2022, totals US\$ 887,220,369,40 divided into 4,694,836 shares.

#### **/ Company objective**

- To exploit own or third-party mining sites for any substance conceived by the law.
- To explore, acknowledge, formulate requests, manifest, measure, constitute mining properties and rights, over all types of mineral substances and, in general, acquire any mining site



titles, dispose of them, hire them to or from others, or any other type of use: acquire, dispose of, import or export minerals, all individually or jointly with other people, natural or legal.

- c. To acquire, build, exploit, take and lease to any titles benefit plants, foundries, and annex ports and facilities.
- d. To trade and sell minerals in any state, be it or not their own production, directly or indirectly.
- e. To acquire, install and exploit complementary, derived, secondary industries, suppliers of raw materials, supplies or related services, directly and indirectly with the previous objectives.
- f. To supply geological and mining research, engineering, mechanic maintenance, industrial, construction and earth movement services.
- g. To form, constitute, participate and administrate any type of company for the realization of the previous objectives and coordinate their management.

#### / Company Management:

##### Directors:

- Vicente Irarrázaval Llona, Chairman
- Juan Enrique Rassmuss Raier, Director
- Nicolás Burr García de la Huerta, Director
- Victoria Vásquez García, Director
- Jorge Salvatierra Pacheco, Director
- Tadashi Mizuno, Director
- Takeaki Doi, Director

##### Deputy Directors:

- Roberto de Andraca Adriasola, Deputy Director
- Francisco Lepeley Contesse, Deputy Director
- Patricia López Manieu, Deputy Director
- Álvaro Castellón Peña, Deputy Director
- Taira Shimizu, Deputy Director
- Jaime Andrés Gonzalez Wenzel, Deputy Director

##### Main Executives:

- Francisco Carvajal Palacios, CEO
- Carlos Sepúlveda Vélez, Administration and Finance Manager, CFO
- Cesar Garrido Quintana, Operations Manager, COO
- Patricio Venegas Troncoso, Business Manager
- Carlos Gomez Vega, Project Development Manager
- Makarina Orellana Farias, Planning and Development Manager
- Macarena Herrera Sandoval, Occupational Health and Safety Manager
- Carolina Lomuscio Zamorano, HR Management
- John Patrick McNab Martín, Sustainability Manager
- Paulina Andreoli Celis, Environment and Climate Change Manager

## / SUBSIDIARIES, ASSOCIATES AND INVESTMENTS IN OTHER COMPANIES

### / COMPAÑÍA MINERA DEL PACÍFICO S.A.'S SHARES IN OTHER COMPANIES

#### 1. Sociedad de Ingeniería y Movimientos de Tierra del Pacífico Limitada (IMOPAC Ltda.).

It was established by Public Deed on February 3rd, 1988, certified in La Serena by notary public Mr. Carlos Medina Fernández and registered on folio 23 number 17 of the Commercial Record of La Serena the same year. The extract was published in the Official Newspaper n° 32992 on February 10<sup>th</sup>, 1988.

#### / Subscribed and paid-in capital

Paid-in capital as of December 31st, 2021, totals US\$ 1,733,226.06 and 99.88% belongs to CMP and 0.12% to Manganesos Atacama S.A.

#### / Company objective

Its objective is to exploit mining sites belonging to them or other parties; to execute all types of civil engineering works, earth movements, study of engineering, geological and mining projects, for themselves or other parties; to advice or act as consultant in any of the described activities or any other one related to those, both in the national or international market.

#### / Company Management

##### Administrative Council

- Carlos Sepúlveda Vélez, Counselor
- César Garrido Quintana, Counselor
- John Patrick McNab Martin, Counselor

##### CEO

- Marcelo Toro Moscoso

#### 2. Manganesos Atacama S.A.

It was established by Public Deed on March 20th, 1941, in Santiago, with Notary Public Mr. Luis Cousiño Talavera. With its existence having been authorized by Supreme Decree N° 1,113 by the Treasury on April 14<sup>th</sup>, 1941, it was declared as officially established by Supreme Decree on June 2<sup>nd</sup>, 1942. Extracts were registered on folio 807 N° 703 in the 1941 Commercial Record of Santiago.

#### / Subscribed and paid-in capital

Paid-in capital as of December 31st, 2021, totals US\$ 7,512,158.59 with the following division: 99.52% belongs to CMP S.A. and the rest belongs to minority shareholders.

#### / Company objectives

To participate in the mining and ferroalloys industry, preferably manganese; to exploit, acquire, constitute ownership and mining rights of different mining sites; to import and export mining products and trade them; to acquire and install any type of industry; to provide any type of service, participate or establish companies and, on the whole, execute any necessary actions or contracts for the fulfillment of the aforementioned objectives.

#### / Company Management

##### Board of Directors

- Francisco Carvajal Palacios, Chairman
- Carlos Sepúlveda Vélez, Director
- John Patrick McNab Martín, Director

##### Executives

- John Patrick McNab Martín, CEO.

#### 3. CMP Services Asia Limited

Foreign Company established on January 28th, 2013, in Hong Kong, China. Its capital is US\$10,000 and was contributed in its entirety by Compañía Minera del Pacífico S.A.

#### / Company Objective

Its main objective is to support Compañía Minera del Pacífico S.A. technically in its trade and sales management in Asia. This is to bring the Company closer to the geographical markets of greater economic, industrial and steel growth, as we see in Japan, China and South Korea.

#### / Company Management

##### Board of Directors

- Francisco Carvajal Palacios
- John Patrick Mc Nab Martin

## / ESSENTIAL FACTS

The following are CMP's relevant facts as of December 31st, 2022:

### March 22, 2022

Minera del Pacífico S.A.'s Board of Directors agreed to call for an Ordinary Shareholders Meeting for April 11th, 2022, at 11:30 in the company's offices located in Pedro Pablo Muñoz 675, La Serena, to subject to their decision the matters of their competence as per the Company's Statutes and article 56 of Law N° 18,046. During the same session, the Board of Directors was informed of the resignations of Director Mr. Angel Milano Rodríguez, and Deputy Directors Takeaki Doi and Jaime González Wenzel, which will take effect on April 8th, 2022, meaning that the Board of Directors will be totally renewed in the ordinary shareholders meeting summoned for April 11th, 2022, as informed previously.

### April 12, 2022

We inform that on April 11th Compañía Minera del Pacífico S.A.'s ("CMP") Ordinary Shareholders Meeting (the "Meeting") was carried out in the offices located in Pedro Pablo Muñoz N° 675, La Serena. Its objective was to inform shareholders of the relevant matters for the Meeting, with the following agreements:

1. Approval of the Annual Report, the Balance and Financial Statements, and the Report by CMP's External Auditors, corresponding to the 2021 period;
2. Due to the resignations from Director Mr. Angel Milano Rodríguez, and Deputy Directors Mr. Jaime González Wenzel and Mr. Takeaki Doi, it proceeded as per article 32 section 4° of Law 18,046, to the total renewal of the Board of Directors. It resulted in the following composition: Directors Mr. Juan Enrique Rassmuss Raier, Mr. Vicente Irrarrázaval Llona, Mr.

Victoria Vásquez García, Mr. Julio Bertrand Planella, Mr. Jorge Salvatierra Pacheco, Mr. Tadashi Mizuno and Mr. Takeaki Doi; and as their deputy representatives, Mr. Francisco Lepeley Contesse, Mr. Roberto de Andraca Adriasola, Mr. Patricia López Manieu, Mr. Stefan Franken Osorio, Mr. Álvaro Castellón Peña, Mr. Taira Shimizu and Mr. Jaime Andrés González Wenzel.

3. CMP's dividend policy, maintaining profit percentage to be distributed at 75%;
4. The distribution of 75% of definitive dividends of the distributable net profit, i.e., US\$710,941,091.39, to be paid out within the legal period;
5. The appointment of EY as External Auditors, and
6. The establishment of a remuneration for directors. Moreover, they were informed of the inexistence of agreements in the Board of Directors to approve operations with people related to the company, which must be informed to the Meeting. Attendance, by power of attorney, totaled 4,694,827 shares that represent 99.999808% of shares issued.

### July 7, 2022

We inform, as an Essential Fact, that Director Mr. Julio Bertrand Planella, presented his resignation to said role as of July 5th, 2022, date in which he will be replaced by his Deputy, Mr. Stefan Franken Osorio.



# Additional Information

## / SSINDEX

The Stakeholders Sustainability Index (SSIndex) provides information that allows us to pre-empt risks. We carry out an ESG performance evaluation of the organization from our different stakeholders (collaborators, customers, suppliers, contractors, neighbors and local actors) with the company's risk management and sustainability as variables. This involves a questionnaire that varies according to stakeholder and transversally incorporates questions related to:

- **Environment:** Company's environmental management and culture.

Indicator	Suppliers (Goods)	Contractors (Services)
Number of surveys	70	138
Response rate	34%	52%
Trust percentage	95%	95%
Precision percentage	8.7%	5.9%

Contractor indicator	Number	Percentage
Plant	19	88%
Transport	29	80%
Mine	24	81%
General	20	82%
Supply	7	83%
Port	10	89%
Environmental	6	77%
Information Technology (IT)	4	24%
Other	19	87%

Supplier indicator	Number	Percentage
Contracts (Goods)	18	80%
Strategic businesses	7	64%
Purchases	45	88%

Suppliers who responded per size	Number	Percentage
SME	35	50%
Not SME	35	50%

- **Internal Social Impact:** Commitment to collaborators and people management dimensions.
- **External Social Impact:** Relationship with the community, suppliers and customers.
- **Corporate Governance:** Ethics, integrity and corruption variables

As for the evaluation of collaborators, we obtained 79% satisfaction, 44% with the communities, and finally, 95% with customers.

The following are the figures regarding evaluations from suppliers and contractors:

Suppliers who responded per region	Number	Percentage
Antofagasta	4	6%
Atacama	14	20%
Biobío	1	1%
Coquimbo	5	7%
Foreign	1	1%
Metropolitan	40	57%
O´Higgins	1	1%
Tarapacá	1	1%
Valparaíso	3	4%

## / GENERAL OFFICES

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La Serena	Pedro Pablo Muñoz N° 675, La Serena, Region of Coquimbo, Chile	51 266 8000	cmpsa@cmp.cl <a href="http://www.cmp.cl">www.cmp.cl</a>	Casilla 559, La Serena, Chile
Vallenar	Brasil N° 1050, Vallenar, Region of Atacama, Chile	51 266 5400	cmpsa@cmp.cl	Casilla 57, Vallenar, Chile
Copiapó	O´Higgins 744 of. 603, Copiapó, Region of Atacama, Chile	52 254 7400	cmpsa@cmp.cl	O´Higgins 744 of. 705, Copiapó, Chile

## / GRI INDEX

Indicator category	Indicator		Page
	Code	Name	
GRI	1	Foundation	110
GRI 2:	2-1	Organizational details	18
General Disclosures	2-2	Entities including in the organization's sustainability reporting	37
	2-3	Reporting period, frequency and contact point	37
	2-4	Restatements of information	37
	2-5	External assurance	37
	2-6	Activities, value chain and other business relationships	20
	2-7	Employees	72
	2-8	Workers who are not employees	73, 85
	2-9	Governance structure and composition	42
	2-10	Nomination and selection of the highest governance body	43
	2-11	Chair of the highest governance body	43
	2-12	Role of the highest governance body in overseeing the management of impacts	43
	2-13	Delegation of responsibility for managing impacts	51
	2-14	Role of the highest governance body in sustainability	37
	2-15	Conflicts of interest	57
	2-16	Communication of critical concerns	45
	2-17	Collective knowledge of the highest governance body	45
	2-18	Evaluation of the performance of the highest governance body	45
	2-19	Remuneration policies	47
	2-20	Process to determine remuneration	47
	2-21	Annual total compensation ratio	N/A
	2-22	Statement on sustainable development strategy	7
	2-23	Policy commitments	7
	2-24	Embedding policy commitments	30
	2-25	Processes to remediate negative impacts	52, 53, 55
	2-26	Mechanisms for seeking advice and raising concerns	58
	2-27	Compliance with laws and regulations	102
	2-28	Membership associations	35
	2-29	Approach to stakeholder engagement	35
	2-30	Collective bargaining agreements	78

Note: The organization will not present 2-21, as it is confidential.

Indicator category	Indicator		Page
	Code	Name	
GRI 3: Material Topics	3-1	Process to determine material topics	38
	3-2	List of material topics	39
<b>Ethics and Integrity</b>			
GRI 3: Material Topics	3-3	Management of material topics	56
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	56
	205-2	Communication and training about anti-corruption policies and procedures	56
	205-3	Confirmed incidents of corruption and actions taken	56
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	58
<b>Emissions and Air Quality</b>			
GRI 3: Material Topics	3-3	Management of material topics	61
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	61
	305-2	Energy indirect (Scope 2) GHG emissions	61
	305-3	Other indirect (Scope 3) GHG emissions	61
	305-4	GHG emissions intensity	61
	305-6	Emissions of ozone-depleting substances (ODS)	62
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	62
<b>Energy</b>			
GRI 3: Material Topics	3-3	Management of material topics	63
GRI 302: Energy	302-1	Energy consumption within the organization	63
	302-3	Energy intensity	63
		Reduction of energy consumption	63
<b>Water</b>			
GRI 3: Material Topics	3-3	Management of material topics	64
GRI 303: Water	303-1	Interactions with water as a shared resource	64
	303-3	Water withdrawal	64
	303-5	Water consumption	64
<b>Circular Economy and Waste</b>			
GRI 3: Material Topics	3-3	Management of material topics	66
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	65
	306-2	Management of significant waste-related impacts	66
	306-3	Waste generated	66
	306-4	Waste diverted from disposal	66
	306-5	Waste directed to disposal	66



		Indicator	
Category	Code	Description	Page
<b>Biodiversity</b>			
GRI 3: Material Topics	3-3	Management of material topics	68
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	69
	304-3	Habitats protected or restored	69
<b>Diversity and Inclusion</b>			
GRI 3: Material Topics	3-3	Management of material topics	72
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	72, 79
	405-2	Ratio of basic salary and remuneration of women to men	79
<b>Talent</b>			
GRI 3: Material Topics	3-3	Management of material topics	81
GRI 401: Employment	401-1	New employee hires and employee turnover	76
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	81
<b>Workplace Quality of Life</b>			
GRI 3: Material Topics	3-3	Management of material topics	75
GRI 404: Education and Training	404-1	Average hours of training per year per employee	76
	404-3	Percentage of employees receiving regular performance and career development reviews	77
<b>Health and Safety</b>			
GRI 3: Material Topics	3-3	Management of material topics	81
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	81
	403-9	Work-related injuries	82
	403-10	Work-related ill health	82
<b>Local Employment</b>			
GRI 3: Material Topics	3-3	Management of material topics	84
GRI 204: Procurement	204-1	Proportion of spending on local suppliers	85
<b>Supplier Development</b>			
GRI 3: Material Topics	3-3	Management of material topics	85
GRI 414: Supplier social assessment	414-1	New suppliers that were screened using social criteria	86
<b>Community</b>			
GRI 3: Material Topics	3-3	Management of material topics	87
GRI 415: Public Policy	415-1	Political contributions	89

Category	Indicator Code	Description	Page
<b>Customer Satisfaction</b>			
GRI 3: Material Topics	3-3	Management of material topics	95
Own category	CMP1		
<b>Innovation and Technology</b>			
GRI 3: Material Topics	3-3	Management of material topics	96
Own category	CMP2		
<b>Economic Sustainability</b>			
GRI 3: Material Topics	3-3	Management of material topics	97
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	98



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