



GROWING TOGETHER: A JOURNEY THROUGH CMP'S SUSTAINABILITY



Vicente Irrázaval Llona,
Company Director
Minera del Pacífico

“A mining project that fills us with pride”

(GRI 2-22)

I am proud to present Compañía Minera del Pacífico’s 2023 Sustainability Report as Chairman of its Board of Directors. This report reflects the results of our journey over recent years under the Process Risk Management (PRM) model. This approach has allowed us to manage all the company’s activities and tasks, identify and evaluate risks for people, processes, and assets, and generate the controls needed to maximize their mitigation and reduce business variability.

2023 stood out with concrete achievements and historically successful results for the company, such as a record of 17 million metric tons of production. This achievement has consolidated the company as one of the leading logistics operators in the country, which aligns with the region’s sustainable development.

We have set a clear target that allows us to visualize the next 40 years of our mining business. At CMP, sustainability is a core aspect of all our actions. We have committed to reducing direct emissions by 40% by 2030 and cutting more than 3,000 tons of CO₂ annually by incorporating an all-electric fleet to transport staff. We are moving consciously and confidently towards the future and are prepared to face global and local challenges.

We have a team of over 9,000 workers, technology, and mining reserves of the highest-quality iron. This combination gives us the confidence to project CMP’s future optimistically.

We are working to ensure operational continuity, constantly evaluating new projects that are in tune with the regions. We keep our operations stable, optimize processes, and continuously look for growth opportunities, aware that the mining business will remain viable for many more years.

Our strategic objectives aim to maximize the business's value sustainably, lead the market of high-quality products thanks to our raw materials, and maximize the value of the region in which we operate. In 2024, we will continue to move forward with our strategic vision, working from the heart of our regions.

Best regards,

Vicente Irarrázaval Llona,
CMP Director.







Francisco Carvajal Palacios,
CEO Compañía
Minera del Pacífico

“We mine from the region”

(GRI 2-22)

CMP is a different mining operation, conducted from the heart of its processes and hand-in-hand with a region with which we have grown together.

What characterizes CMP today?

We have made profound changes in our organization, creating new, diverse work teams based on a perspective of gender, ethnicity, age, professions, and experience. This diversity, engaged in the processes, makes us a mining operation with sound risk management in people, processes, and assets and prepares us to face business challenges successfully.

Thanks to this new approach, we have achieved historic results over the last four years, with an Executive Committee that cohesively works together to meet the goals of our strategy. They live in our operations area, as do 98% of the people who work in this company, which naturally conditions us to seek optimal development and engagement with our surroundings.

What have been the stand-out achievements in CMP's sustainability and environmental management in 2023?

In 2023, CMP marked a crucial year in sustainability and environmental management. We have increased the use of renewable energies to 30%, intending to reach 100% by 2027. We have reduced particulate matter by 30% compared to 2022 through infrastructure investments of over 40 million dollars in the last three years to improve our processes and mitigate their impact. We have significantly optimized our water consumption, with our efficiency and the implementation of solutions such as desalinated water in the Copiapó Valley standing out. In addition, our Magnetite Plant is at the forefront of the circular economy, and we have taken significant steps towards electromobility, implementing a 100% electric fleet to transport our staff. In our ties with the local community, we are proud to mention that we use local services much more than the industry average, reaching 40%, and that we will increase this further with different production promotion and development programs.

What makes CMP different in its relationship with the region?

As I mentioned before, we are part of the community and personally get involved with conviction. This proximity builds mutual trust and ensures that the benefits of our work are directly translated into improvements for communities, thus driving joint growth. Our commitment to local development will continue to be perfected, opening doors to generate shared value.

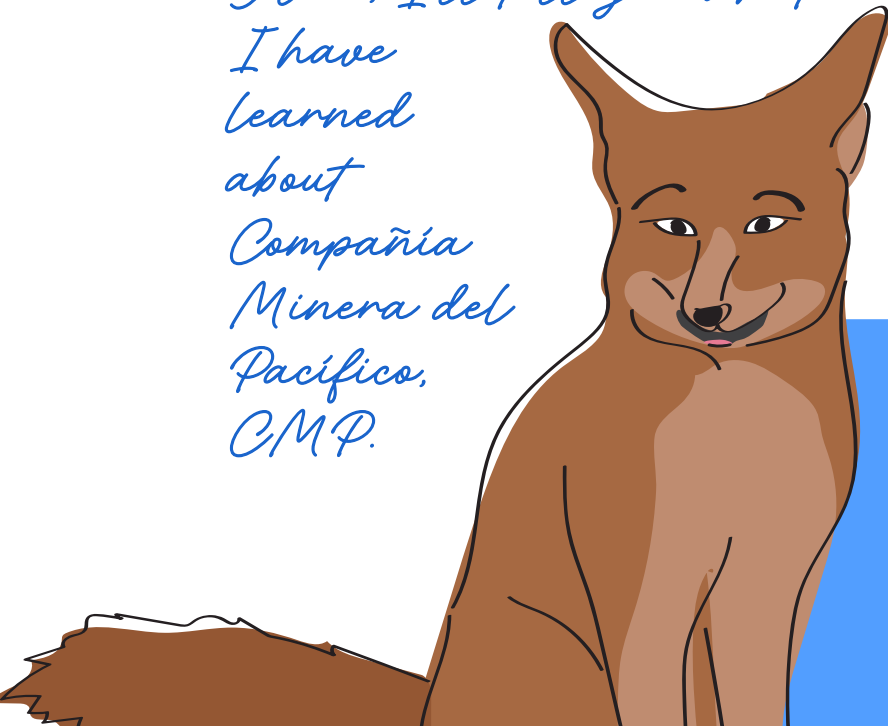




CMP IN THE EYES OF A WITNESS

I'm the desert fox. I wander around confidently, and after walking so long, I came close and got used to man.

Here, I'll tell you what I have learned about Compañía Minera del Pacífico, CMP.



As a witness of the region, I have witnessed the movement and noise alien to the sounds of the desert for decades. From afar, I have observed the earthworks, the construction, and the endless coming and going of trucks, materials, and workers, often without fully understanding what was happening.

Like a silent movie, with just images flying by over the years, a story was being built, of which I have been a passive witness.

Today, I understand better, thanks to dialog and the opening of doors to see inside what I observed from afar with a certain distrust. Today, I understand that I have been involved in this and, in one way or another, have

changed the physiognomy of this region, of which we are all part.

CMP is Chile's leading iron mining company, producing 99% of national output and 98% of exports to more than seven countries.

It also stands out as the leading producer of iron ore and pellets on the American Pacific Coast.

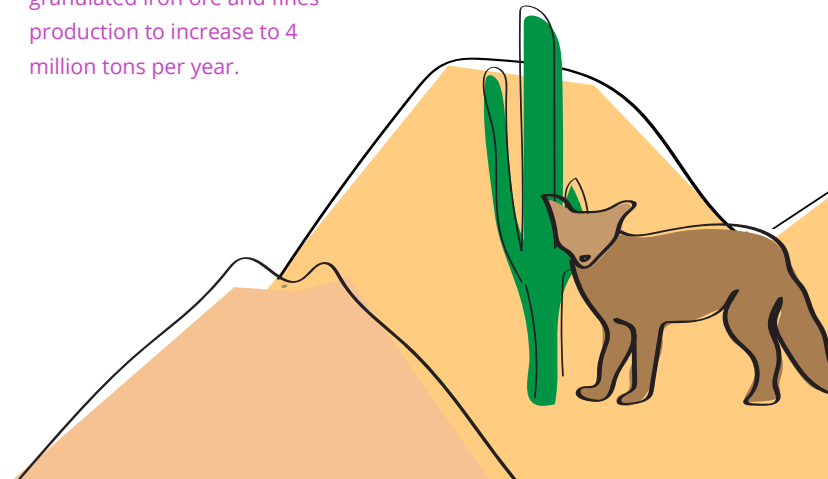
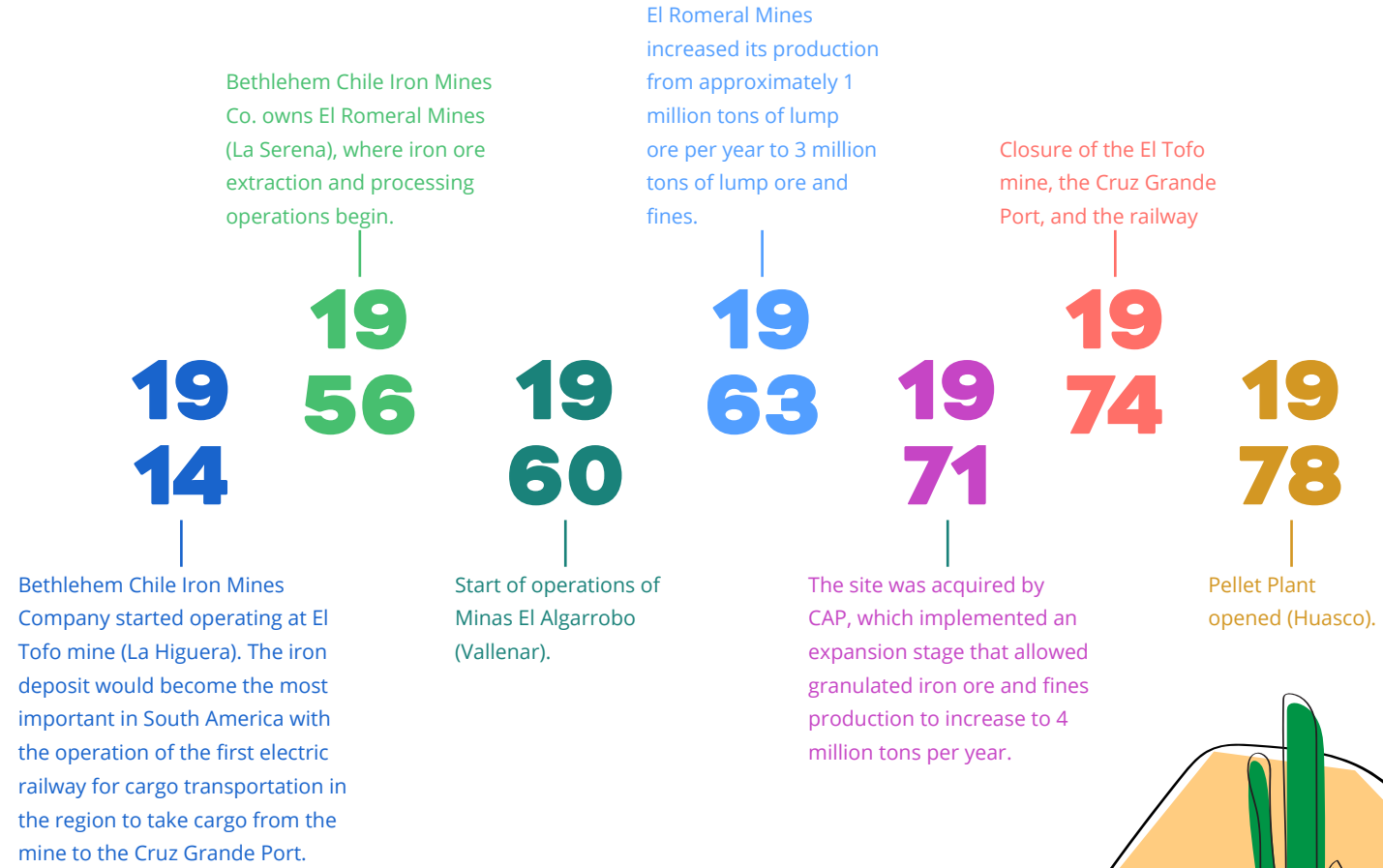
It has deposits and production plants where different steel products are manufactured.

“From the heart of our processes, we create a different mining for the sustainable development of the region and its people.”

THE HISTORY OF CMP

Minas El Romeral began operations in 1956, originally under Bethlehem Chile Iron Mines Co. In 1971, CAP acquired the site and began expanding to increase production. In 1981, Compañía Minera del Pacífico S.A. was created after CAP's restructuring, becoming the owner and operator.

Reviewing history and remembering is an exercise that must be done at least once a year. Knowing a business's origin and story allows us to visualize the future on sound foundations.



Operations become part of CMP.

**19
81**

Start of operations of Mina Los Colorados (Huasco).

Minera Huasco (CMH) - a joint venture between CMP and Mitsubishi.

**19
98**

Expansion of Minas El Romeral Pellet Feed Plant (La Serena).

**20
03**

Inauguration of Magnetite Plant (Tierra Amarilla).

**20
07**

Mitsubishi Corporation takes a 25% shareholding in CMP. Absorption of CMH by CMP.

**20
10**

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

**20
12**

Expansion of Huasco Valley production.

**20
14**

Production record of more than 17 million tons.

**20
23**



LET'S START BY GETTING TO KNOW WHAT CMP DOES

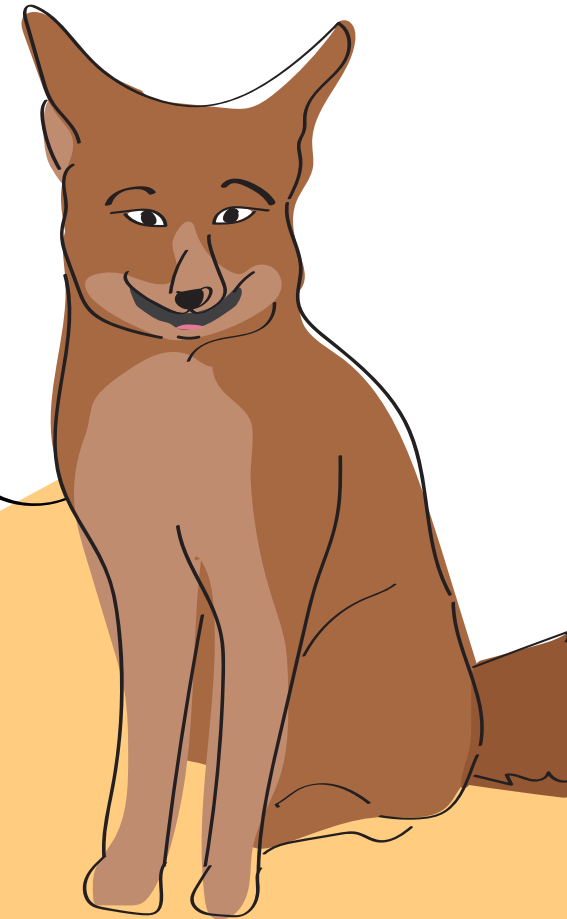
(GRI 2-6)

CMP extracts and processes iron in Chile. The mineral is recovered from the rock without using chemicals or toxic elements and subjected to mechanical and magnetic processes.

What sets CMP apart from other market players is its magnetic iron production with 66% iron (Fe), one of the highest levels and, therefore, of the highest quality worldwide. Magnetic iron has advantages compared to hematite ore because

it contributes to the sustainability of the steel process.

The iron tailings produced by CMP are an inert and non-toxic compound. This is ground rock from which iron has been extracted through physical grinding processes and magnets.



Iron mining, when done properly and using technology, is safe and compatible with other productive activities such as agriculture, artisanal fishing, and tourism.

How does it contribute to generating less impact on steel production?

The excellent quality of the material CMP produces allows the steel manufacturing process to use fewer raw materials and less energy.

Due to its high iron content, the environmental impact and transportation costs are lower, as a smaller cargo volume needs to be moved.



Did you know that?



98% of the just over 10,000 people who work directly or indirectly at CMP live in the Atacama and Coquimbo regions.



40% of the suppliers are local. We're trying to make sure we all grow together.



CMP is the first private mining company in the country to have a fleet of 100% electric buses.



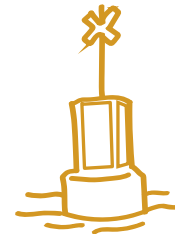
In 2023, CMP signed an agreement with Guacolda SpA to end its coal-based contract early, in December 2025. They are now reviewing renewable energy options.



The company allied with Caldera's Fishing Associations, especially supporting female-led groups.



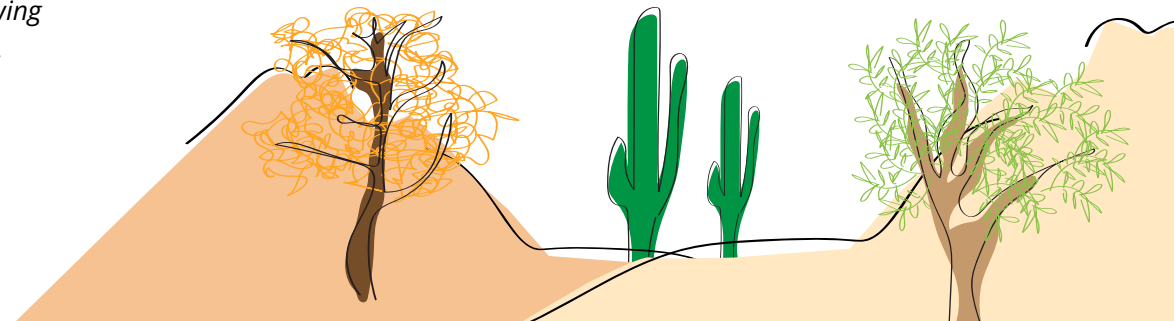
Speaking of inclusion, you will be pleased to know that our Executive Committee now includes 60% women and people from diverse professions.

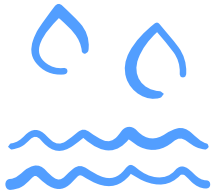


To take care of our seas, hydroacoustic buoys have been installed in Chungungo to protect marine life.



With pioneering technology, CMP launched the Filtered Tailings Deposit and a landscape restoration program in Huasco.





Water is relatively scarce, so CMP has set out to reduce freshwater consumption by 30% by 2024.

The Copiapó Valley has already taken a big step. It uses 100% desalinated and recycled water, so it doesn't extract water from rivers or wells.

In the Elqui Valley, we also want to stop using surface and groundwater. Our goal is not to depend on continental water at all.

We are also exploring using greywater to become even more sustainable.



Oh, and I can't help but mention that CMP closed the year with a record iron production of more than 17 million tons!

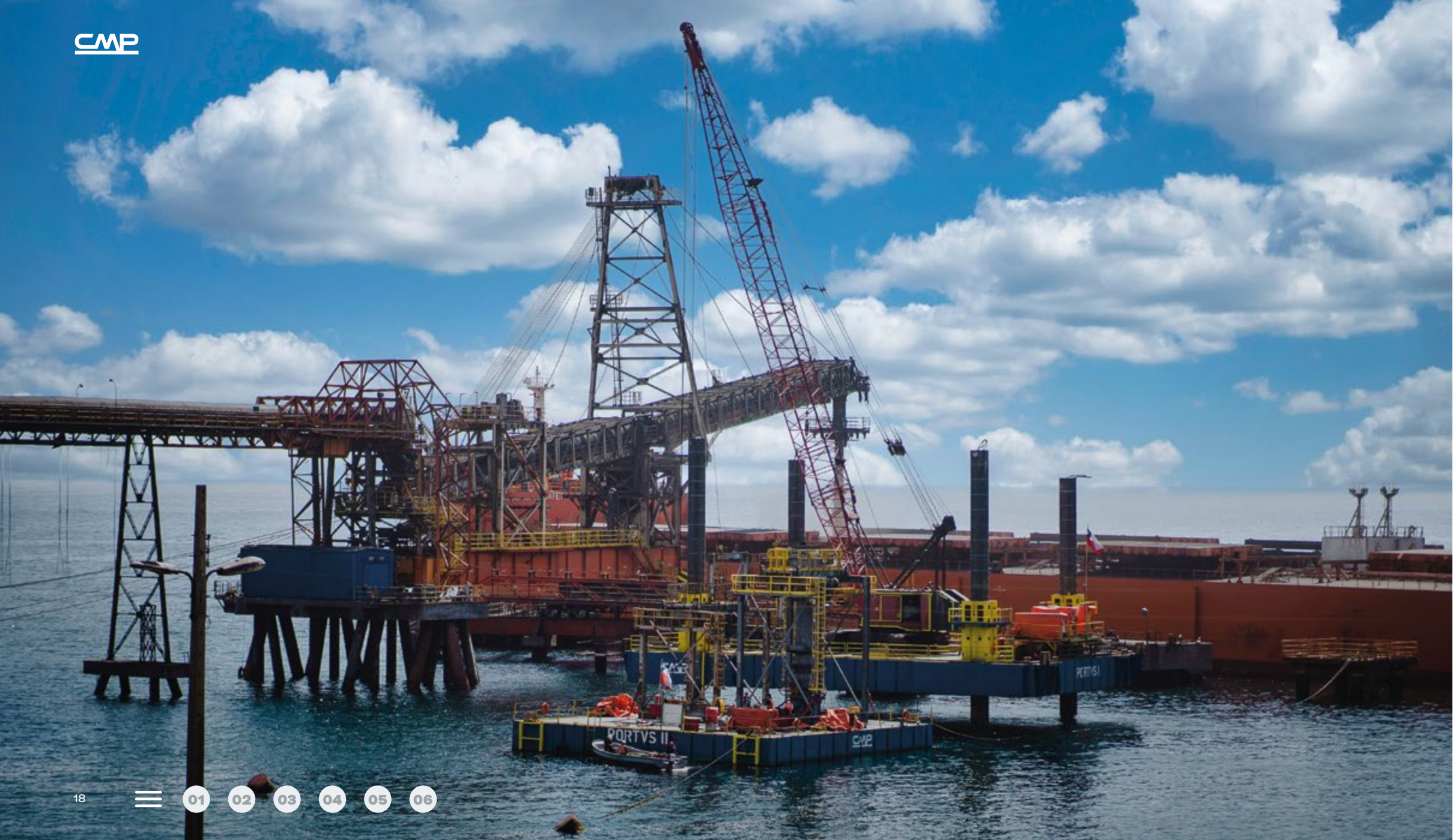


Moreover, this year, CMP ranked first in Chile's Payers Ranking. We are working hard to be productive and a company you can trust and feel proud of.

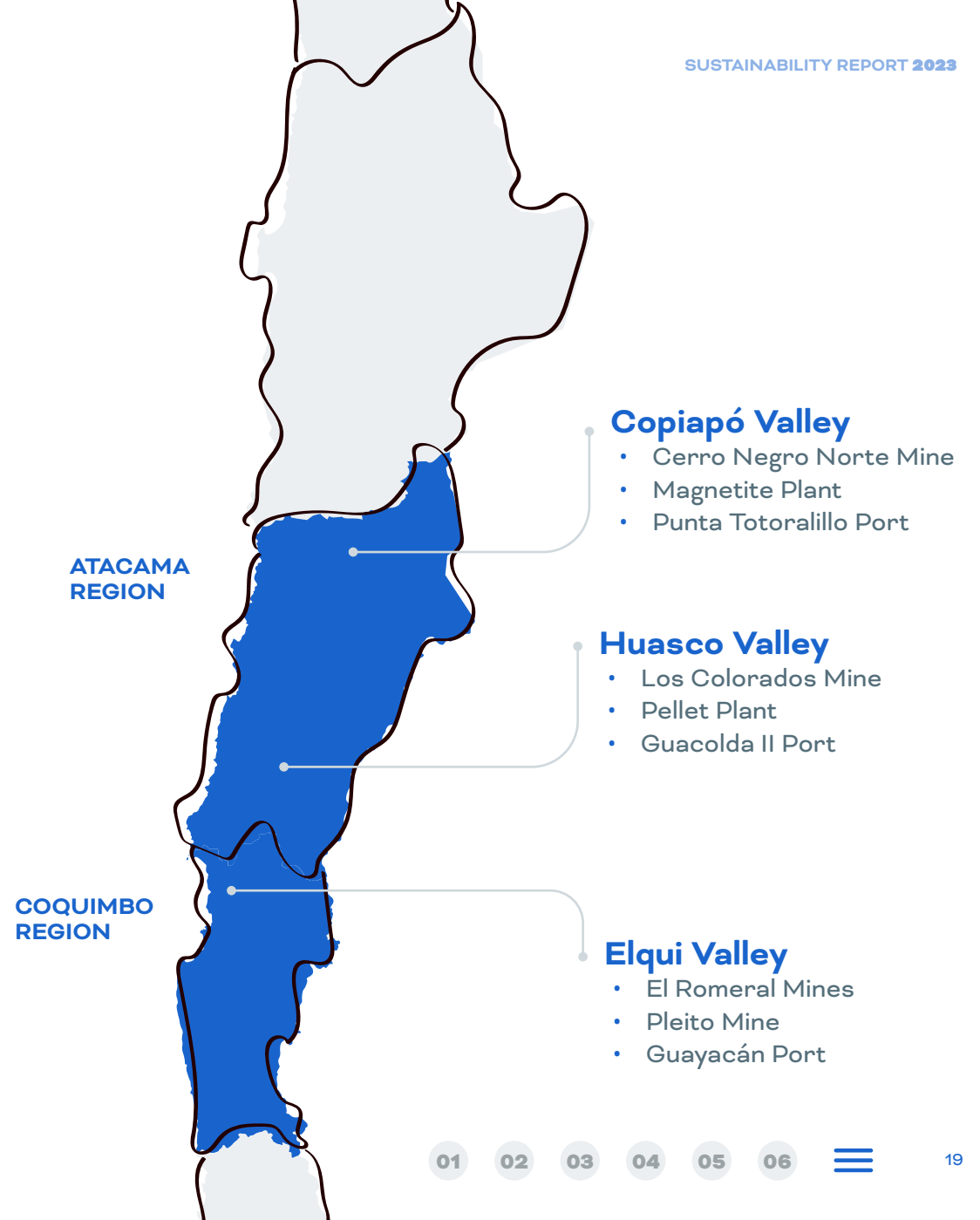


It is vital that we all know how CMP works.

Thanks for taking the time to listen to me!



Where are CMP's operations



Copiapó Valley

Cerro Negro Norte Mine:

In operation since 2012, it is located 32 km north of Copiapó and 42 km east of Caldera. The site comprises a mine-plant complex where open-pit mining and processing are carried out.

Magnetite Plant:

Located in Tierra Amarilla, it is a production site of iron concentrate (pellet feed) from industrial mining waste, which recovers the ore through several concentration processes. It is one of the largest circular economy processes worldwide.

Punta Totalillo Port:

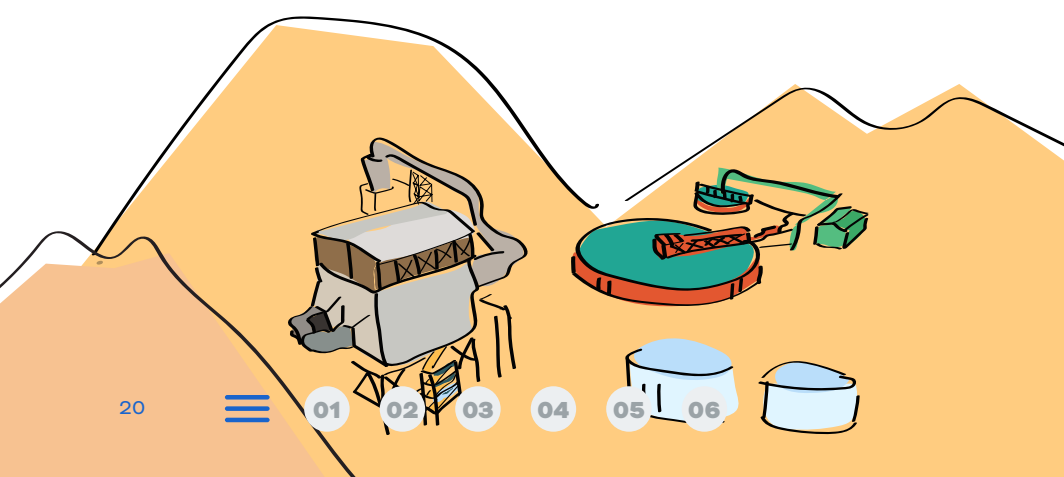
Located 25 km north of Caldera, it receives material from the different plants to complete the shipment process to its final destination.



Magnetite Plant



Punta Totalillo Port





Huasco Valley

Los Colorados Mine:

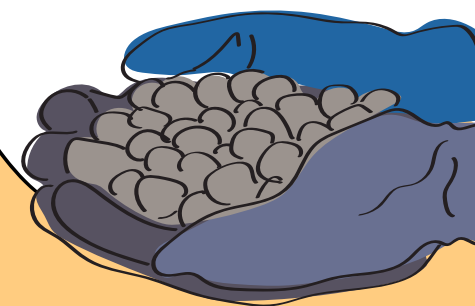
Located about 30 km northwest of Vallenar, its main objective is to supply iron preconcentrate and Sinter Feed to the Pellet Plant located in Huasco.

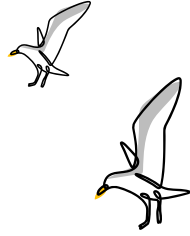
Pellet Plant:

Located 5 kilometers from the port of Huasco, the ore feeding the process comes from Los Colorados Mine. There, it is subjected to different crushing, grinding, and dry-wet magnetic concentration stages, obtaining the product called Pellet pre-concentrate.

Guacolda II Port:

The facilities are next to the Pellet Plant, south of Santa Barbara Bay, 4 km south of Huasco Port. They can receive ships with a capacity of up to 260,000 MT.





Elqui Valley

El Romeral Mines:

They have been in operation since 1956 and are located 22 km northeast of La Serena. The products obtained from the ore processing are Granulated Iron Ore, Fines, and Pellet Feed.



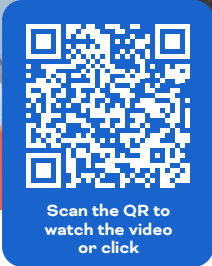
El Romeral Mines

Visit to El Romeral Mines

“It was a nice experience visiting the mine, and I was able to fulfill a dream of getting on a truck”



BEATRÍZ LEYTON
Presidenta Junta de Vecinos Romeral



Scan the QR to watch the video or click



El Romeral Mines

Guayacán Port:

Located northeast of the mouth of La Herradura Bay and south of the Port of Coquimbo. In the facilities, the iron is received from El Romeral, transported by

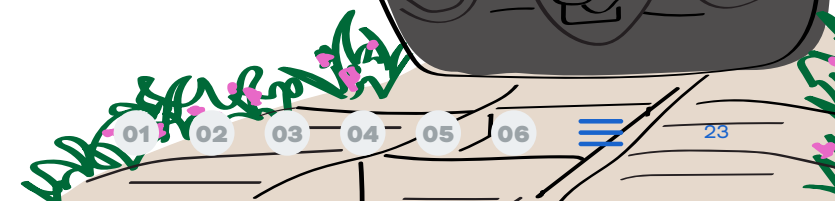
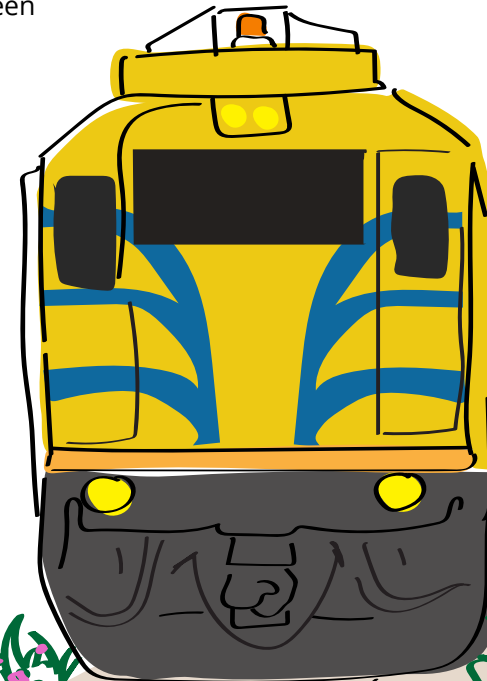
train directly from the mine, along 38 km of railway track.



Guayacán Port

Pleito Mine:

The mobile plant comprises a feeding box, a Grizzly screen, a jaw crusher, a cone crusher, a banana screen, a magnetic concentration module for fines, two magnetic concentration modules for granulated iron ore, and nine conveyor belts, in addition to minor belts and transfer boxes. This process is directly linked to the ore's iron grade, so there are three processing layouts: High Grade 1 Ore, minerals with an iron concentration greater than or equal to 59.5%; High Grade 2 ore, iron concentration between 50% and 59.5%; and Medium Grade Ore, iron concentration between 35% and 50%.





What products does CMP make and what is their use for the world?

Products

High-grade magnetic iron and pellets with very few impurities for the steel industry. Pellet Feed, Pellet (granulated iron ore), Sinter feed, and Granulated Iron Ore (calibrated iron ore).

Markets

In Chile, the leading customer is the Huachipato Steel Company, part of the CAP group.

The most relevant countries for export are China, Bahrain, South Korea, Japan, and the United States.





We invite you to learn more about CMPs 2023 sustainability management in greater detail.