

02

TERRITORIAL MANAGEMENT

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STRATEGY



2.1. GROWING WITH THE REGIONS

(GRI 3.3)

Chile's rich soils have been the basis for the growth of mining. Iron's more than 100 years of existence have tied us closely to the earth and its communities.

At CMP, we recognize the challenge of sustainable growth and are forging relationships with communities based on mutual respect, constructive dialog, and a shared commitment to sustainability.

We seek to harmoniously integrate our mining activity with the environment, which is possible thanks to technological advances that allow us to operate more cleanly and efficiently. Our goal is responsible mining, focusing on reducing pollution and our carbon footprint and making more efficient use of water.

We follow Grupo CAP's Social Investment Policy guidelines, prioritizing initiatives that allow the business and the localities where it operates to develop. We want to have strong and mutually beneficial relationships.

2.2 WE ARE A REGIONAL COMPANY

(GRI 202-2)

CMP has prioritized recruiting local residents in its recruitment processes, achieving real participation in the region's daily activities and better quality by reducing the difficulties of transferring people.



98%

of the workers reside in the same commune where they work



All 11 of CMP's managers reside in the operations areas

2.3. LOCAL SUPPLIERS

(GRI 3.3) (GRI 204-1)

CMP has launched several initiatives to promote local procurement and entrepreneurship and strengthen relationships with suppliers in the regions where it has a presence. Through these actions, we seek to promote economic development, productive activities, and innovation in the communities:

- We prioritize the selection and hiring of local suppliers.
- We prequalify local suppliers to include them in bidding processes.
- We participate in bidding processes for services in different specialties with local suppliers.
- We encourage the purchase of local MySME suppliers using the SENEGOCIA platform.
- We participate in business meetings with Coquimbo's Regional Mining Council.
- We work with the Atacama Region Development Corporation and have local suppliers.



40%

of the resources we use in our operations come from local suppliers in nearby communities, an approximate total of \$441 million dollars.



CMP came first in the Chilean Payers Ranking made by the Product Exchange and the Entrepreneurs Association with **96% satisfaction.**

When we buy from small businesses, we make sure to pay in just 17 days.

Supplier Sustainability

(GRI 414-2)

We evaluate suppliers under sustainability criteria, especially regarding social and environmental impacts. To identify potential risks in the supply chain, we use the Process Risk Management (PRM) model that controls, among others, the following aspects:

- Environmental risks in local iron ore producers.
- Ensure compliance with all authorized permits and fees.
- Control dust emissions in plants and during transport on public roads.
- Follow the rules and commitments of the Environmental Qualification Resolution (EQR) to manage environmental risks when unloading, transporting, and storing coal.
- Monitor the quality of coal to minimize harmful gas emissions.

CMP's sustainability criteria to prioritize suppliers

- Location of the company and local workforce in Atacama and Coquimbo.
- Female participation.
- Re-hiring of workers.
- Involvement with local communities.
- Procurement and subcontracting to regional SMEs.
- Environmental and waste management plans, focused on the circular economy.

Supplier management evaluation

CMP follows Grupo CAP's (commercial) Partner Management Policy and Guide for reviewing suppliers. These rules help choose suppliers by examining how they manage their company and the environmental and social aspects of their workers or communities. All this is checked with a tool called Compliance Tracker.

Main aspects evaluated



Environment

- Promote energy and water saving.
- Properly manage waste.
- Report environmental incidents.
- Monitor environmental performance.
- Comply with agreements with local communities.



Social aspects

- Rejection of workplace harassment, sexual harassment, and discrimination.
- Strictly abide by labor laws, including contracts, salaries, schedules, and social security.
- Offer safe working conditions to reduce risks.
- Promptly report any safety incident.



Business ethics

- Comply with the laws, including Law N°20.393.
- Promote integrity daily.
- Establish ethical standards for the team.
- Prevent conflicts of interest.
- Support fair competition.
- Provide truthful information and protect confidentiality.



128

new suppliers evaluated,
the equivalent of 5% of the
suppliers



2,638

Suppliers in CMP



1,048

suppliers are local

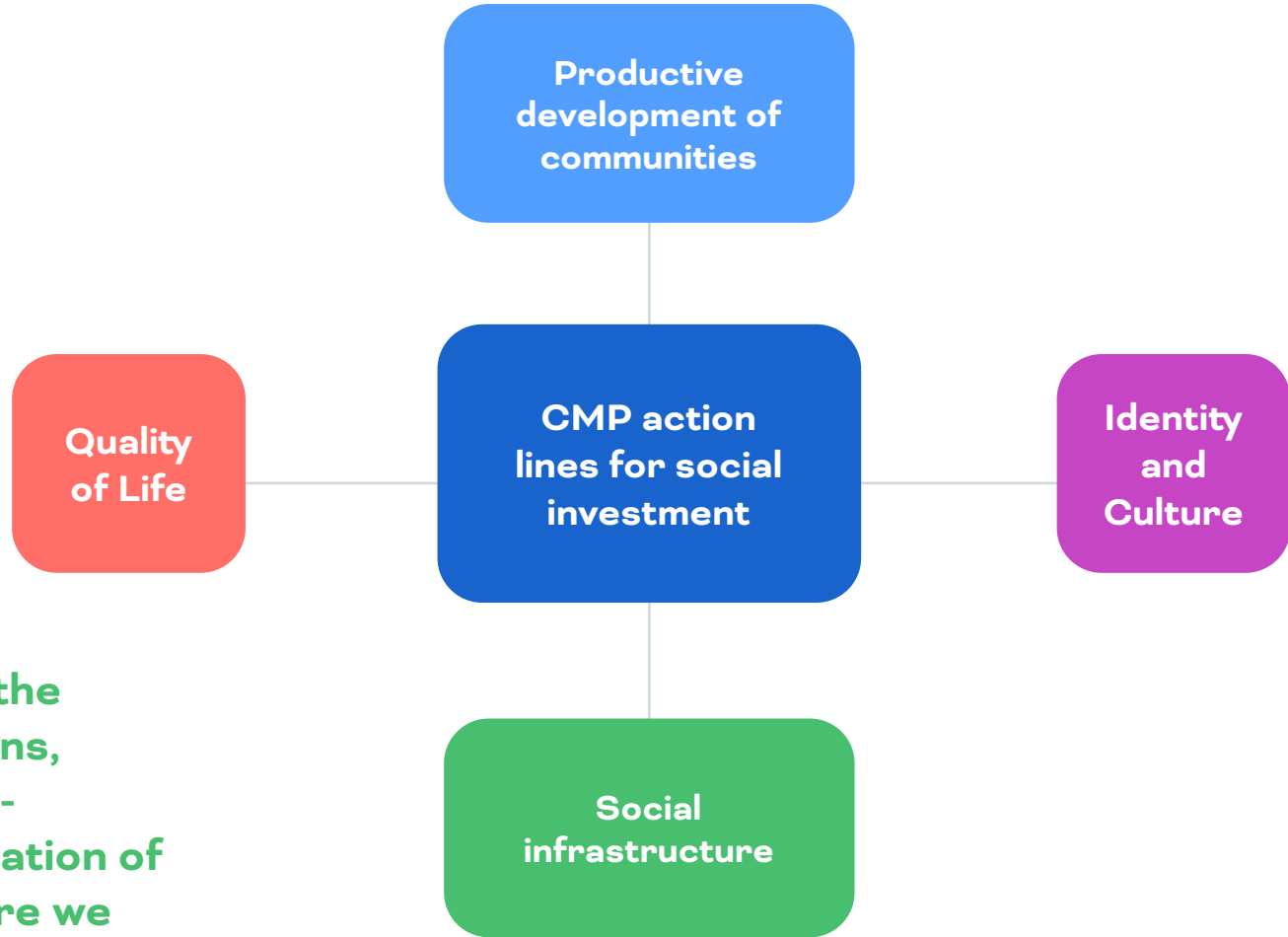
We conduct training on the ESG model and the master sustainability plan for all employees and third parties every year.

2.4. SOCIAL INVESTMENT

(GRI 2-29) (GRI 203-1) (GRI 203-2)

\$2.9 million dollars
were set aside to develop programs in the regions.

“Our main objective is to maximize the positive impact of CMP in the regions, hand in hand with sustainable socio-economic development and the creation of shared value in the communes where we operate”, Yasmina Cortés, CMP Territorial Management Superintendent.



Production development of communities

Collaboration agreement between artisanal fishers of Caldera and CMP

Objective of the Instrument

- Promote actions in the socio-productive value chain.
- Consolidate the integral development of entities.
- Permanent and long-term relationship.

Beneficiaries

- 1,300 members belonging to 30 unions and cooperatives.
- Artisanal fishers.
- Shellfish divers.
- Shore collectors.
- Seiner crew members.
- Boat skippers.
- Participants of related activities.

Investment and Scope

- Total investment: \$4.9 million.
- Duration of the agreement: 4 years.
- Benefits to more than 5,000 people (including immediate family members).

The agreement considers the First Union of Female Fishers from the Atacama Region.



“We value this agreement and that CMP dignifies the work of fishing and that they have taken the time to take a snapshot and analyze our needs through the panels. Our objectives for the coming years will be focused on production diversification, sale, and other issues, such as health, for example”, Miguel Ávalos, President of Caldera’s Fisher’s Corporation and the Faluchero Union.

Caldera Impulsa III

Participants:

- CMP
- Aguas CAP
- Illustrious Municipality of Caldera
- Desafío Levantemos Chile

Beneficiaries:

- 24 community entrepreneurs

Support Provided:

- Provision of food carts

Duration of the Program:

- Six months

Training and Consulting:

- Business formalization
- Finance
- Use of social networks
- Personalized consulting

Inclusion in Mining

- **Collaborators:** CMP and Women in Mining Chile
- **Agreement:** To promote inclusion and gender equality in mining
- **Actions:** Business and internship opportunities for women



Training and Education

Jaime Charles Scholarships 2023

- **Organizer:** CMP.
- **Beneficiaries:** 69 students from Atacama and Coquimbo (Copiapó, Huasco, and Elqui Valleys).
- **Since 2012:** 200 young people benefited.
- **Support:** Scholarships for higher education studies at recognized institutions.



Professional Internships VÍNCULO Program

- **Beneficiaries:** 89 for technical high schools and 44 for university.
- **Location:** CMP operations in Copiapó, Huasco, Elqui.



Social Pre-University at UCN Coquimbo

- **Collaboration:** Universidad Católica del Norte and CMP.
- **Beneficiaries:** 50 young people from Coquimbo.
- **Objective:** Free preparation for the PAES (University entrance exam) and motivational talks.

STEM: Robotics for 7th and 8th Grade Girls

- **Collaboration:** CMP and Finning.
- **Beneficiaries:** Girls from 7th and 8th grade in Huasco and Elqui.
- **Objective:** To foster skills in science, technology, engineering, and mathematics.

Fiber Optics in Huasco's Schools

- **Implementer:** CMP and Entel.
- **Beneficiaries:** Liceo Japón and Escuela José Miguel Carrera (schools).
- **Capacity:** Connection for up to 380 users per school.



Job offer in the region through the Vínculo program



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JUAN CAMPOS
Director General UDA Sede Vallenar

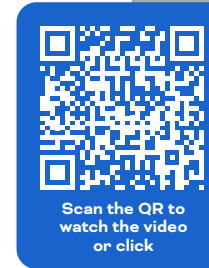


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Hydroacoustic Buoys in 2023

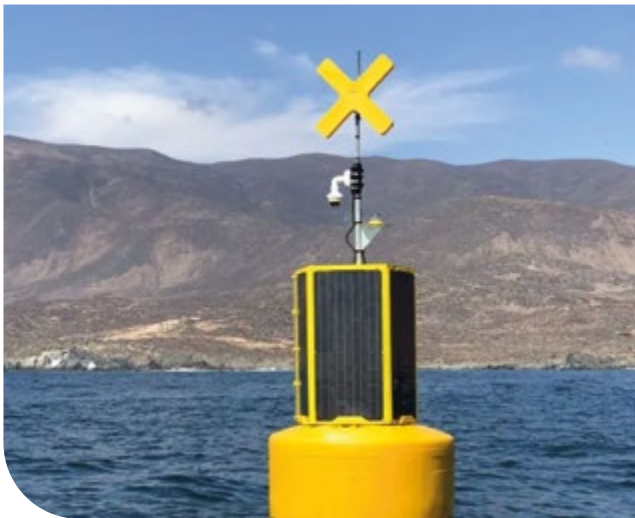
- **Collaboration:** CMP and Acústica Marina.
- **Features:** Acoustic immersion room for scientific and educational purposes.
- **Objective:** Determine, monitor, and protect marine fauna.
- **Methods:** Underwater noise mapping and using new technologies for sustainability.
- **Location:** Chungungo, Coquimbo region.
- **Technology:** Advanced solutions in R+D+i.
- **Purpose:** Detailed analysis of marine fauna and vessels.
- **System:** Monitoring, Control, and Surveillance (MCV Hydroacoustic).
- **Features:** Real-time alerts focused on marine conservation.
- **Benefits:** Passive acoustic monitoring: Does not produce noise pollution.
- **Energy:** 100% solar operation with solar panels on each buoy.



Identity and culture

Hydroacoustic Observatory in Coquimbo

- **Collaborators:** Acústica Marina and CMP
- **Objective:** To raise awareness about the conservation of the marine ecosystem.
- **Beneficiaries:** Students, families, and entrepreneurs of Chungungo.
- **Activities:** Training for artisanal fishers and tourist tours.



CMP culture fund

- **Localities:** Incahuasi, Cachiyuyo, Domeyko in Vallenar.
- **Event:** Presentation of projects of the Culture Fund 2023.
- **Creations:** Embroidery, crafts, handicrafts, weaving, and local gastronomy.



Interactive visit to Fray Jorge Park

- **Organizer:** CMP
- **Occasion:** Environment Month.
- **Participants:** Three rural La Serena schools and collaborating companies' families.
- **Activity:** Interactive visit to the Fray Jorge Forest National Park.
- **Experience:** Exploration of the hydrophilic forest to get to know the research with professionals from the University of La Serena.



Quality of life

Huasco Triathlon

- **Location:** Huasco.
- **Participants:** More than 55 athletes from different parts of the country.
- **Organizer:** CMP's Guacolda Sports and Cultural Club.

Social infrastructure

Support for Caldera's Firefighters

- **Beneficiaries:** Fire Department's GERSA Group.
- **Support Received:** Zodiac boat with an outboard motor for water rescue.
- **Objective:** Improve response to maritime emergencies.
- **Collaboration:** Alliance with Aguas CAP.

Social and Community Leaders

- **Objective:** Training of social and community leaders.
- **Activities:**
 - » Digital literacy courses.
 - » SENCE Certificate Course in Social Skills, Leadership, and Communication.
- **Collaboration:** UCSC and SENCE.



“Atacama Helps the South” Campaign

- **Context:** Fires in southern Chile, summer 2023.
- **Participants:** Regional Government, Presidential Delegation, Local Authorities, CMP, and other companies.
- **Achievement:** Collect and ship more than 100 tons of aid to Quillon, Ñuble.



Escanea el QR
para ver el video
o haz click

2.5. TERRITORIAL MANAGEMENT STRATEGY

CMP has a collaborative relationship model with three fundamental pillars

1

Facilitating access to information for local communities

2

Promotion of community participation and its influence on the development of processes.

3

Promoting the growth of communities, understanding that progress is viable when they have access to opportunities for growth and well-being.





Territorial management by Valley

In the **Elqui Valley**, territorial management focuses on the railway line that crosses the city from Romeral to Guayacán, creating a wide area of influence along Route 5. The port's location, sandwiched between the city and the railway, poses challenges for safe and efficient coexistence.

In the **Huasco Valley**, we are addressing an opportunity to strengthen our relationships with local communities. We are committed to improving infrastructure to ensure everyone can access essential services such as clean water and education. This poses a significant challenge for us, but we are determined to overcome it and contribute to the well-being of the rural population.

The main challenge in the **Copiapó Valley** is promoting sustainable development, especially in Tierra Amarilla, where enhancing growth while respecting the environment and the community's needs is the goal.

In Caldera, we have made progress with a collaboration agreement with artisanal fishers.

Consultation mechanisms

Citizen consultations: CMP values sharing information as part of its plan to work well with communities. The company follows the suggestions of the Environmental Assessment Service (SEA, in Spanish) and always includes the community from the beginning of its projects to avoid problems or disagreements.

General consultations: The CMP Territorial Management team has direct ways of talking to communities, such as offices in each valley where people can ask questions, complain, or give their ideas, and the company has to respond.



Indigenous peoples



CMP's indigenous people's policy is an approach that respects and recognizes these communities, highlighting their territorial rights and appreciating their identity and culture.

The Indigenous People's policy establishes continuous collaboration with 45 certified Indigenous communities, recognizing each one's uniqueness since they represent different peoples with unique cultures. In addition, CMP maintains

its commitment to open inclusion, as evidenced by a people such as the Chango, which are currently in the process of being officially recognized and added to this group of collaborating communities.

Activities with indigenous peoples

Identification of relevant actors in indigenous communities

Identification and management of the mining operation's impacts

Resettlement identification and management

Community complaints channels and mechanisms

CMP bases its approach on respect for Chilean laws related to indigenous peoples and the international treaties that Chile has signed, including the United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) Convention No. 169 on Indigenous and Tribal Peoples.

The most relevant involvements in associations

(GRI 2-28)

Atacama Region Development Corporation

CORPROA prepares, promotes, executes, and supports sustainable regional development strategies that seek to improve the population's quality of life levels.

CMP is part of the Corporation's Board of Directors.

Industrial Corporation for Regional Development - CIDERE Coquimbo

CIDERE promotes the progress of the Coquimbo Region, focusing on people's development through education and job creation. It collaborates closely with other institutions that share the same purpose.

Coquimbo Region Regional Mining Council - CORMINCO

CORMINCO heads several key actions directly linked to the mining industry and its influence in the Coquimbo region. It has established significant partnerships with public and private entities, focusing on the academic field.

Mining Council

The Mining Council is a trade association that brings together the leading mining companies operating in Chile. Its main objective is to promote the country's competitive and sustainable mining development, which will contribute to national welfare.



SSINDEX

The Stakeholders Sustainability Index (SSIndex) provides information that allows anticipating risks. An evaluation of the organization's ESG performance is carried out considering the diverse stakeholders (neighbors and local actors) with the company's risk management and sustainability variables, which considers a questionnaire that varies according to the stakeholder and incorporates cross-sectional questions associated with:

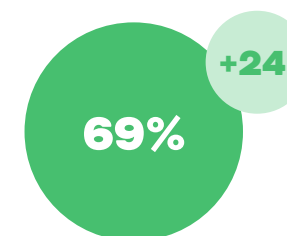
- **Environment:** Company's environmental culture and management.
- **Internal Social Impact:** Employee commitment and people management dimensions.
- **External Social Impact:** Relationship with the community, suppliers, and customers.
- **Corporate Governance:** Ethics, integrity, and corruption variables.

69% satisfaction was obtained from the neighbor's evaluation; for the social actors, it was 84%.

Indicator	Stakeholders					
	Neighbors - Huasco Valley	Neighbors - Copiapó Valley	Neighbors - Elqui Valley	Local actors Huasco Valley	Local actors Copiapó Valley	Local actors Elqui Valley
Number surveyed	541/541	278/278	238/238	20/20	10/10	19/20
Response rate	100%	100%	100%	100%	100%	95%
Trust percentage	95%	95%	95%	95%	95%	95%

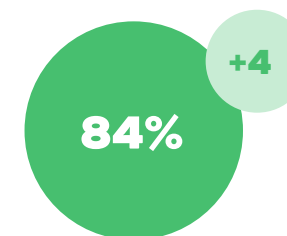
Neighbors

Categories	Percentage	Variance compared to 2022
Environment	66%	+26
Internal social	66%	+30
External social	75%	+24
Corporate governance	60%	+8



Local actors

Categories	Percentage	Variance compared to 2022
Environment	71%	+6
Internal social	78%	+5
External social	89%	+6
Corporate governance	85%	+6



Evolution of Focuses 2022

Progress in key areas such as health, communication, and collaboration with local actors is fundamental for any organization’s sustainable progress. These areas offer significant opportunities to improve people’s quality of life, strengthen relationships with the community, and promote greater social impact. By focusing our efforts on improving public health, developing effective communication, and establishing solid partnerships with local actors, we can drive positive and lasting change in our society.

Conclusions

1. Dialogue and social engagement: Effective communication is valued in the different valleys, thanks to interaction with community leaders, roundtable meetings, and community offices. In addition, social support initiatives such as competitive funds, scholarships, and projects with entrepreneurs and fishers are highlighted.

2. Responsible use of the region: the progress in environmental care in the three valleys is valued through initiatives such as recycling and cleaning. However, dust contamination persists due to plant residues, blasting, and the passing of the train,

Name	Dimension	Stakeholders	2022	2023	Diff.
Environmental and health impact	Environmental culture	Neighbors	40%	66%	+26
		Local actors	65%	71%	+6
	Health	Neighbors	42%	54%	+12
		Local actors	70%	63%	-7
	Safety	Neighbors	33%	70%	+37
		Local actors	42%	84%	+42
	Communication	Neighbors	33%	74%	+41
		Local actors	91%	88%	-3
Social role and support	Communication	Neighbors	33%	74%	+41
		Local actors	91%	88%	-3
	Social impact	Neighbors	38%	80%	+42
		Local actors	87%	98%	+11
	Local businesses	Neighbors	55%	74%	+19
		Local actors	81%	82%	+1
	Local work	Neighbors	60%	75%	+15
		Local actors	81%	90%	+9
Ethics and integrity	Integrity	Neighbors	57%	64%	+7
		Local actors	94%	84%	-10
	Anti-corruption	Neighbors	46%	57%	+11
		Local actors	88%	86%	-2

generating concern about its effect on neighbors’ health.

3. Image and transparency: CMP is considered a good neighbor who contributes to the community

in several ways. A company of high ethics and integrity is also pointed out without any known acts of corruption.