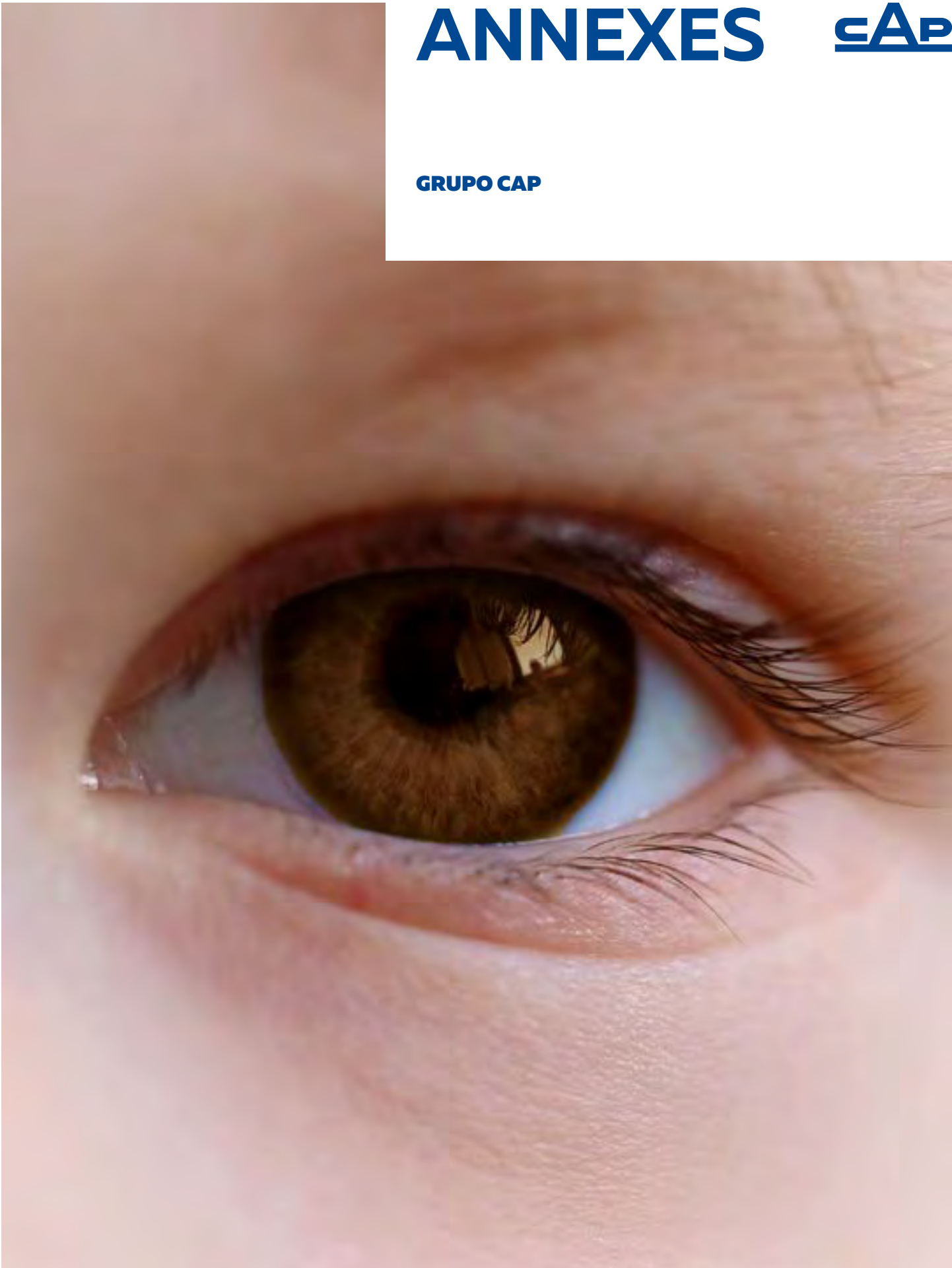


ANNEXES



GRUPO CAP



About this report and major issues

For twelve consecutive years we have prepared our Sustainability Report with the aim of reporting on our strategy, priorities and performance on the most relevant social, environmental and governance issues for the business.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, under the Essential option. It focuses on the issues of greatest relevance to our organization and stakeholders in accordance with these guidelines. Additionally, it includes some requirements of the Dow Jones Sustainability Index (DJSI) and the Communication on Progress (COP) of the Global Compact.

The information presented in this document addresses the management of the CAP Group during 2019. Data from previous years are also included to provide a greater context, as well as the main events that have occurred up to the date of publication of the report.

A cross-functional team from the company, led by the Sustainability and External Affairs management, participated in the preparation, with the participation of all the operating companies, and with the advice of external experts. The team ensured compliance with the GRI standards and was responsible for collecting and validating the information reported.

The report, as in previous years, has been subject to external verification by Deloitte.

Most relevant issues to be reported

In order to determine the most relevant issues to be included in the report, we carried out a formal materiality analysis process, in which the General Manager of CAP S.A., corporate managers, general managers and professionals from the operating companies participated.

As a first step, relevant issues were identified from the following perspectives:

- **Challenges and strategic issues for CAP Group:** interviews with senior management of CAP S.A. and its operating companies; issues arising from the Strategic Plan and the Risk Matrix; priority issues for each operating company identified in workshops and work meetings.
- **Relevant issues for stakeholders and society:** SSI results applied to some of the main stakeholders of each operating company; issues raised in the media about CAP Group and the industry.
- **Emerging issues in ESG:** ICMM; World Economic Forum (Global Risk Report 2019; DJSI (Steel, Metals & Mining sector); benchmark with world leaders of DJSI 2019; Sustainable Development Goals - ODS; B Impact Assessment (System B)
- **Issues arising from the social outburst in Chile:** citizen demands.
- **Regulatory requirements and guidelines:** Standard 385; GRI Standards; TCFD

Issues that arise for corporate and operating companies were identified. Subsequently, these were analyzed and evaluated in the workshops and work meetings held in each operation, emerging the most relevant issues detailed in this report. In these instances, the focus, central aspects to be reported, outstanding initiatives and indicators were also determined. These workshops were attended by the general managers and key executives of the areas that have a bearing on these areas.

Most relevant issues

Subject matter	Where is it particularly important?
Business development, governance and integrity	
Transformation, innovation, efficiency and financial sustainability	CMP, CSH, Cintac, TASA, PLL, Agua, Corporate
Corporate governance	CMP, CSH, Cintac, TASA, Corporate
Risk management and compliance	CMP, CSH, Cintac, TASA, PLL, Aguas, Corporate
Integrity	CMP, CSH, Cintac, TASA, PLL, Aguas, Corporate
Responsible sourcing	CMP, CSH, Cintac, TASA, Corporate
CyberSecurity	CMP, CSH, Cintac, TASA, PLL, Aguas, Corporate
Products and solutions to contribute to the sustainability of society	CSH, Cintac, TASA, Aguas
People	
Occupational health and safety	CMP, CSH, Cintac, TASA, PL, Aguas, Corporate
Quality of employment (own workers and contractors)	CMP, CSH, Cintac, TASA, PL, Aguas, Corporate
Relations and work climate	CMP, CSH, Cintac, TASA, PL, Aguas, Corporate
Environment	
Management of industrial waste and hazardous substances	CMP, CSH, Cintac, TASA
Air Quality	CMP, CSH
Biodiversity and natural heritage	CMP, CSH, PLL, Aguas
Climate change mitigation and adaptation	CMP, CSH, Cintac, TASA, Aguas
Water	CMP, CSH, Cintac, TASA, Aguas
Community and society	
Contribution to the development of the territory and its inhabitants and cluster	CMP, CSH, Cintac, TASA, PLL, Aguas
Relation and communication with the community and the cluster	CMP, CSH, Cintac, TASA, PLL

Nomenclature:

- CMP: Compañía Minera del Pacífico
- CSH: Huachipato Steel Company
- Cintac: Cintac Group
- TASA: Argentinean pipes
- PLL: Las Losas Port
- Agua: CAP aguas

Independent verification letter



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INDEPENDENT VERIFICATION LETTER OF SUSTAINABILITY REPORT 2019 GRUPO CAP

Mr.
 Stefan Franken Chief Legal Counsel
 CAP S.A.

Of our consideration:

We have reviewed the following aspects of the Sustainability Report 2019 of Grupo CAP:

Scope

Limited assurance engagement of the adherence of the contents and indicators included in the 2019 Sustainability Report to the Global Reporting Initiative (GRI) Standards, regarding the organization's profile and material indicators arising from the materiality process that the Company carried out following said Standards related to the economic, social, and environmental dimensions.

Standards and verification processes

We have carried out our task in accordance with the guidelines of the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

Our verification work consisted in reviewing the evidence provided by the business units of Grupo CAP, which have been involved in the process of making this Report, which supports the information written in the Report, as well as in the application of analytic procedures and verification tests, which are described in the following items:

- ✓ Meeting with Sustainability management.
- ✓ Requirements and review of evidence with the areas participating in the preparation of the 2019 Report.
- ✓ Analysis of the adherence of the contents of the 2019 Sustainability Report to the GRI Standards: Core option, and review of the indicators included in the report in order to verify that they are aligned with the protocols established in the Standards, and whether the fact that some indicators are not applicable or not material is justified.
- ✓ Verification, through tests of quantitative and qualitative information corresponding to the GRI Standards indicators included in the 2019 Report, and its adequate compilation from the data provided by the information sources of Grupo CAP.

Conclusions

- ✓ The assurance process was based on the indicators established in the materiality process carried out by Grupo CAP. Once those indicators were identified, prioritized, and validated, they were included in the report. The reported and verified GRI Standar indicators appear in the following table:

102-1	102-2	102-3	102-4	102-5	102-6	102-7
102-8	102-9	102-10	102-11	102-12	102-13	102-14
102-15	102-16	102-17	102-18	102-19	102-20	102-21
102-22	102-23	102-26	102-27	102-29	102-30	102-31
102-40	102-41	102-42	102-43	102-44	102-45	102-46
102-47	102-48	102-49	102-50	102-51	102-52	102-53
102-54	102-55	102-56	103-1	103-2	103-3	201-1
202-2	203-1	203-2	204-1	302-1	303-1	303-2
303-3	303-4	303-5	304-1	304-3	305-1	305-2
305-3	305-4	305-7	306-2	306-3	307-1	403-1
403-2	403-3	403-5	403-6	403-7	403-8	403-9
403-10	404-1	404-2	404-3	405-1	405-2	406-1
413-1	MM3	MM4	MM6	MM10		

✓ Regarding the verified indicators, we can affirm that no aspect has been revealed that makes us believe that the Sustainability Report 2019 of Grupo CAP has not been prepared according to the GRI Standard, in the aspects indicated in the scope.

Responsibilities of the management of Grupo CAP and Deloitte

- The preparation of the Sustainability Report 2019, as well as its content, is the responsibility of Grupo CAP, which is also responsible for defining, adapting and maintaining the internal management and control systems from which the information was obtained.
- Our responsibility is to issue an independent report, based on the procedures applied in our review.
- We have done our work in accordance with the independence standards required by the IFAC Code of Ethics.
- The verification conclusions made by Deloitte are valid for the latest version of the Sustainability Report 2019 in our possession, received on 03/07/2020.
- The scope of a limited security review is substantially lower than that of a reasonable security audit or review, so we do not provide audit opinion on the Sustainability Report 2019 of Grupo CAP.



Fernando Gaziano
Partner
July 10th, 2020

Additional information

Corporate governance, risk management and ethics

The Board of Directors of CAP S.A.

It is composed of seven members who have a three-year term of office from the date of their election by the Ordinary Shareholders' Meeting. Once the term has expired, the board must be renewed in its entirety.

The Board monitors our sustainability programs and provides recommendations to senior management to ensure that ethical, economic, environmental and social factors are considered in their decisions. The management and administration of the company is delegated by the Board of Directors to the Chief Executive Officer.

Composition of the Board of Directors of CAP S.A.⁵¹

GENDER		INDEPENDENCE ⁵²		WITH EXECUTIVE POSITIONS IN CAP S.A.		AGE OF DIRECTORS					SENIORITY IN THE BOARD			NATIONALITY	
Man	Women	Independent	Not independent	Executive	Non executive	Under 40 years old	Between 41 and 50 years old	Between 51 and 60 years old	Between 61 and 70 years old	More than 71 years	Less than 3 years	Between 3 and 6 years	More than 6 years	Chileans	Foreigners
7	0	6	1	0	7	0	0	3	2	2	5	2	0	6	1

Changes in governance

In January 2019, the People and Sustainability area of CAP S.A. was restructured, separating the two areas that until then had constituted a single management. With this, a Sustainability management was created at the corporate level. During 2019, the Sustainability management met three times with the Board of Directors.

In April 2019, the new Corporate Sustainability Committee met for the first time. It is composed of the Chairman of the Board of Directors of CAP, the General Manager of CAP, the general managers of the operating companies and the Corporate Managers. This body reviews and validates the Group's Sustainability Strategy according to business scenarios, control and monitoring of the implementation of this strategy, approval of resources and approval of corporate standards, and work plans on normal, emerging and critical management issues.

Until May 2019, the Board of Directors had three committees: the Directors' Committee regulated by the Corporations Law, a Risk Management Committee and a Strategy Committee. The Board agreed to introduce certain changes to this committee structure: (a) change the composition of the Risk Management Committee, which will be composed of three Directors, with the participation of the Chief Executive Officer and the Secretary of the Board; (b) replace the Strategy Committee with quarterly special meetings of the Board; (c) introduce a new Talent and Organizational Management Committee, composed of four Directors, with the participation of the Chief Executive Officer, the People Manager and the Secretary of the Board.

In June 2019 a new *Compliance* area was created to drive a Group-wide compliance policy and program. In line with this, in October 2019, the Board agreed to replace the Ethics Committee with a new Integrity and Compliance Committee. Its objective is to ensure that the Compliance Policy is known and implemented throughout the Group, to ensure the proper functioning of the Compliance Program, to approve the policies and procedures that the operating companies wish to implement, to approve the protocols and procedures proposed by the Compliance Official and, if applicable, to recommend that the proposal be approved by the Group's Board of Directors. The Integrity and Compliance Committee is composed of the general managers of the main subsidiaries, CAP's legal counselor, and two company directors.

In addition, in October 2019, the Board of Directors hired an external consultant to evaluate the functioning of the Group's corporate governance, and to define the role and functions that the corporation and its operating companies will have.

⁵¹ As of December 31, 2019.

⁵² Independence" is defined according to the criteria used by the Dow Jones Sustainability Index (DJSI). It is recorded that, according to the definition of "independence" in force in Chile, there is currently 1 Independent Director.

⁵³ The year 2017 marked the departure of several of our Company's oldest directors. That year, Mr. Roberto de Andraca Barbás retired after 27 years as a director and Chairman of the Board, Mr. Eddie Navarrete also retired after 13 years of service as a director, and Mr. Osamu Sasaki and Mr. Hernán Orellana retired after 5 years in office. This explains the relatively low average seniority of the current Board of Directors of CAP S.A.

Percentage of compliance with Corporate Governance Good Practice Standard 385

2016	2017	2018	2019
75%	81%	73%	70%

Pay Equity

We calculate wage equity as the difference between men's and women's wages, expressed as a percentage of the male wage. The average gross basic salary was used for the calculation.

Company	Pay Equity Women's salary expressed as a percentage of men's salary
CAP Group	90%

Main sustainability issues addressed by the Board of Directors

During 2019, the Board of Directors reviewed the Sustainability Strategy to be adopted at the Group level, the Environmental Rating Resolutions and the status of its socio-environmental commitments of the main operating companies. The Board of Directors also analyzed the five main focuses of work in the area of sustainability, specifically (i) occupational safety; (ii) occupational health; (iii) environmental responsibility; (iv) community affairs; (iv) corporate affairs and external communications.

Among the most important subjects set as focal points of work by the Board of Directors for 2019, the following are highlighted: (i) the definition of roles, functions and responsibilities of all those involved in sustainability matters; (ii) agreeing on a work plan to manage the closure of pending issues in environment, safety, health at work and communities; (iii) joint work between the corporate Sustainability management and the People and Planning management; (iv) developing a management model for the control and monitoring of the plan, and (v) an agreement on meetings for each operating company, according to their respective realities.

In September 2019, the Board of Directors reviewed the Group's Communications and External Affairs Strategy. In this context, it evaluated the results of the diagnosis carried out by the GECO consulting firm during the year for the different companies. The Board also analyzed the company's Communications Strategy, highlighting its importance for the Group's current and future reputation. Among the most relevant focuses of this strategy are (a) communication discipline, defining who the official spokespersons are (Chairman of the Board, General Manager, CAP S.A.'s finance manager, and the general managers of the subsidiaries); (b) coordination in the implementation of communication media or information platforms; (c) respect for all employees for the good use of the CAP image and brand; (d) obligation to immediately report any event that could affect CAP's image. In the same session, the Board of Directors analyzed the internal procedures for managing crisis situations.

In November 2019, the Board met with corporate sustainability management to review progress on (i) sustainability targets for 2019 and 2020; (ii) occupational health and safety; and (iii) the environment. On that occasion, the main initiatives implemented during the year were analyzed, and the measures to be adopted during 2020 were evaluated.

Approved guidelines and procedures

- In June 2019, the Board of Directors agreed the Group's Sustainability Strategy.
- In September 2019, the Board of Directors approved the new purpose and values of the company; it approved the Communications and External Affairs Strategy, the Crisis Communications Plan and the Integrity and Compliance Policy.
- In November 2019, the Board of Directors approved the Group's Integrity Code, the "Short Guidelines" for compliance and the company's new Crime Prevention Model.
- In December 2019, the Board of Directors approved the Group's Compensation Policy.

Training for directors

During the first half of 2019, the Directors were trained regarding the new criminal risks of the companies, including the new types included in Law 20,393, and also regarding environmental risk management. During the second half of 2019 a training session on best international practices in corporate governance and risk management was held, with the participation of Directors and senior management.

The induction process for new Board members includes a detailed presentation of Sustainability management, among other management. It informs the company's stakeholders about the mechanisms used to meet their expectations and to maintain a stable and lasting relation with them, and also informs the new directors about the company's policies on inclusion, diversity, sustainability and risk management.

Code of Integrity

It applies to our employees, suppliers, contractors and business partners. It includes the CAP Group's commitment to respect and promote human rights in our operation and supply chain - including freedom of association, the right to collective bargaining, the elimination of child and forced labor, non-discrimination -, business conduct and guidance for ethical decisions - anti-corruption, crime prevention, conflicts of interest, gifts, free and fair competition, generation of reliable information, management and use of information, responsible relations with stakeholders, occupational health and safety, working conditions and fair treatment of workers, environmental responsibility and standards, fair and responsible relations with suppliers, relations with authorities, shareholders and communities.

The Code of Integrity was launched at the end of 2019, so in 2020 it is expected that online training will begin for the Group's employees regarding its contents and implications.

Integrity complaints

INDICATOR	CALCULATION BASIS	YEARS			
		2019	2018	2017	2016
Integrity Code Complaints⁵⁴					
Total number of complaints	Total number in the year	32	35	24	15
Complaints made by internal staff	Número	12	15	5	s.i.
Complaints made by external persons	Número	20	20	19	s.i.
Status of complaints					
Complaints resolved	Percentage of complaints resolved in the period regarding the total at the end of each year	63%	69%	75%	100%
Complaints under development	Percentage of complaints in progress during the period of the total at the end of each year	9%	31%	20%	0%
Pending complaints	Percentage of outstanding complaints in the period compared to the total at the end of each year	28%	0%	5%	0%
Discrimination complaints	Total number in the year	2	0	5	s.i.

n.i. = no information

Significant changes in the ownership, size or structure of CAP S.A.

In 2019 CAP S.A. did not acquire or dispose of any companies. It did add a company ("Gas Natural Zona Sur SpA"), which filed an Environmental Impact Statement in February 2020 to develop a LNG regasification project through the port infrastructure of Compañía Siderúrgica Huachipato S.A. Currently, CAP S.A. is the sole shareholder of this company.

Contributions to parties or politicians

In 2019, no contributions or donations were made to political parties or campaigns. The new Code of Integrity expressly prohibits such contributions.

⁵⁴ Only complaints are considered, not questions.

Emerging risks

The identification and management of emerging risks is part of the Group's Risk Management System. Critical risks, including emerging risks, were updated in 2019 at corporate level and for each operating company. We established the people responsible and the respective controls to prevent or mitigate them.

Among the emerging risks identified in 2019, we can mention

- a) CyberSecurity:** Covers cyberattacks against the operational system; hacking and theft of data and sensitive information (phishing); sabotage or leakage of sensitive information originating within the company.
- **Board involvement and governance:** the Board is directly involved in monitoring risks and implementing the respective control measures in this area. The IT unit is required to report periodically to the Board on the status of CyberSecurity. In 2019, we created the position of Corporate CyberSecurity Official, who reports directly to the IT Assistant Manager, and whose job is to fill gaps, provide guidance and support to the Group and its operating companies.
 - **Regulatory framework:** CAP is in the process of reviewing and soon formally adopting an Information security regulatory framework, based on best practices such as ISO 27.001. This regulatory framework contemplates a General Security Policy and a series of standards as support.
 - **Training:** Until the third quarter of 2019 they were conducted with an external provider. As of the last quarter of 2019, internal training sessions began, the first one being held in December 2019. In addition, information campaigns are carried out to raise awareness among users and send out Safety alerts. Educational phishing is also carried out to raise awareness.
 - **Escalation process in case of incidents or suspicions:** We have an incident process that is under review and will be updated soon. We are also re-evaluating the standard associated with incident management that provides general guidelines for the process.
 - **Disciplinary measures:** They allow for the evaluation of improper acts that do not comply with the company's values, as well as with established internal policies. In the performance evaluation process there is an item that analyzes the Safety of people and security of the information.
 - **Contingency plans:** At the level of technological infrastructure we have an internal recovery process. Our most critical systems have a hosting service from an external provider that has its own contingency plans.
 - **External audit:** CAP complies with the annual external audit exercise, carried out by Ernst&Young.
 - **Vulnerability Analysis:** Ethical Hacking and Ethical Phishing exercises are conducted annually. Vulnerability management tools are being evaluated.
 - **Number of CyberSecurity incidents:** In 2019 we had one CyberSecurity incident. There were no incidents involving personal or customer data. We had no fines or convictions for CyberSecurity incidents.
 - **Insurance against incidents:** During 2019, the Risk area, in conjunction with the Insurance area, evaluated the acquisition of insurance. It was concluded that for the time being this purchase will not be made as the solution offered by the insurance companies is not clear for industrial companies.
- b) Impact of natural disasters and other events associated with climate change:** The impact associated with people, our assets and operations, are risks that are being assessed and managed as part of the Risk Management System that the Group has implemented.

Responsible supply

Compliance of suppliers and contractors with CAP Group guidelines

Our operating companies are monitoring labor compliance and compliance with our safety and environmental regulations at contracting companies. The former was reinforced especially after the social outburst to safeguard the proper working conditions of their workers. Both suppliers and contractors must comply with the guidelines of our Crime Prevention Model and Code of Integrity.

Within the framework of the Integrity and Compliance Program launched by the CAP Group in 2019, we hope to be able to make progress in formalizing compliance standards in contractors and suppliers in 2020. In addition, our new Code of Integrity establishes guidelines for creating long-term relations with suppliers, based on responsibility, respect and mutual benefit. It also establishes that suppliers must comply with the Group's quality, safety and sustainability standards.

Both contractors and suppliers have access to the Integrity Channel to consult or report infringements and transgressions of any national law or regulation, as well as the principles established in the Group's internal regulations.

CAP Group's commitment to its contractors and suppliers

We are committed to timely payment to our suppliers. Proof of this is that two of our operating companies, CMP and CSH, have consistently ranked among the best payers to SMEs in Chile.

The operating companies also constantly monitoring any problems that may arise or affect our contractors and suppliers in the context of the social outburst and the coronavirus pandemic.

An example of the commitment to contractors is the conversations that CSH held after the social outburst with its workers and contractors to establish a direct way to listen to their concerns. In addition, the living conditions of the contractor companies' workplaces in our plant were strengthened in order to provide a dignified environment.

Contractors and suppliers CAP Group - 2019

CONTRACTORS	SUPPLIERS OF GOODS AND SERVICES					
	Total number of suppliers		SME suppliers		Local Suppliers	
Number of employees of contractor companies	Total number of suppliers	Total amount paid to suppliers	Number of SME suppliers	Percentage of SME suppliers covered by the Propyme Seal ⁵⁶	Number of local suppliers	Amount of purchases from local suppliers
8,843	8,666	US\$ 1,564.3 millones	3,179	81% (2,567 proveedores)	5,971 (69% del total de proveedores)	US\$ 418.2 millones

⁵⁵ It does not include the Cintac Group's subsidiaries in Peru and Argentina.

⁵⁶ It does not include the Cintac Group's subsidiaries in Peru and Argentina.

Distribution of the economic value generated

The economic value we generate is calculated as the difference between the revenue and the direct operational cost. Here we show how this generated value is distributed among the different players that relate to our company. In 2019 we created economic value of US\$ 816.49 million. Of these, US\$ 577.24 million were distributed among the different stakeholders; US\$ 239.25 million were retained in the company and mainly destined for reinvestment.

The financial value we generate is distributed among these recipients as follows:

- Held in the company, for reinvestment.
- Workers, for the value they receive in terms of wages and benefits.
- Collaborating companies, for the payment of their goods and services
- State, for the amounts accrued for tax purposes.
- Shareholders, for the amount they actually receive from the results of the year.
- Financial institutions, for the interest accrued during the year, which finance operations and infrastructure.



⁵⁷ The second category tax is also included.

⁵⁸ All service providers and suppliers of goods that are not directly related to the production process are considered.

⁵⁹ Taxes paid to the State in municipal licenses, specific tax on mining, income tax and others Includes the accounting effect of deferred taxes.

⁶⁰ Deducted the additional tax rate affecting foreign shareholders, which is added to the line paid to the State.

Stakeholder engagement

The Group seeks to always maintain transparent, truthful and timely communication with our stakeholders to align expectations and continuously improve performance. One of our key objectives in these matters is to ensure that all present and future activities are carried out generating confidence, transparency and ethics, without altering the relations with our environment, together with contributing value to the areas where we operate.

We periodically review and update the map of the relations with our stakeholders. The tools used to relate to our stakeholders include those used by the corporate and operating companies, such as magazines, newsletters, surveys, company events, the Supplier Portal, contracts with suppliers, the Tripartite Committee with the authorities and the community. Additionally, and in order to inform the stakeholders, we periodically publish documents such as management reports, financial reports and sustainability reports, among others. In addition, we regularly participate in presentations with investors and customers, and we have our website where we have a special space for them, as well as social media.

According to the Stakeholders Sustainable Index Chile (SSIndex Chile), a sustainable index of stakeholders that measures cross-risk and operational efficiency on employees, customers, suppliers, communities and investors, 75% of the workers of CAP Group agree or very much agree with the company's sustainable management on the ESG variables.



Core issues for our stakeholders

Through the ESG Compass Survey, conducted in 2019 for the fourth time, we monitored our stakeholders' perception of the Corporate Sustainability Model. In 2019, we consulted workers, customers, suppliers and community representatives from each of the operating companies, both in Chile and Peru. A total of 77% of employees participated in the survey, with an average evaluation of 75% of performance in environmental, internal social, external social and corporate governance aspects.



Our stakeholders, how we relate to them and what their main interests and concerns are

	Shareholders / Investors / Analysts	Customers	Workers / Union Leaders / Contractor Companies	Society
Who are they?	<p>They are the main investors, minority shareholders and financial analysts.</p> <p>CAP is a corporation which openly trades in the stock market.</p> <p>31.3% of its property corresponds to Invercap, 19.3% to Mitsubishi and remaining 49.4% to other investors (<i>free float</i>).</p>	<p>We have national and international customers. In the case of CMP, the main destinations of the magnetic iron it produces are the Asian and Middle Eastern markets. CSH, for its part, allocates 91% of its production to the domestic market.</p>	<p>It includes operators, technicians and administrators, as well as the families of all staff. We directly employ 4,856 people. 11% of this staff corresponds to women.</p>	<p>This category includes organizations linked to our activity such as guilds, chambers and foundations, among others.</p> <p>They are also considered representatives of non-profit organizations (NGOs and foundations) and academia. This also includes the media, with which a fluid, permanent and transparent dialog is pursued.</p>
How do we relate to them?	<ol style="list-style-type: none"> 1. Through the area of Investor Relations. 2. Through conference calls and meetings with analysts and investors. 3. Publication of results and other relevant information on www.cap.cl. 4. Financial Report and Annual Sustainability Report. 	<ol style="list-style-type: none"> 1. On a daily basis, through the delivery of products and services. 2. Through the multi-channel platform (call center, e-mail, social media and web: www.cap.cl). 3. ESG survey, satisfaction studies, training programs (Cintac). 4. Financial Report and Annual Sustainability Report. 	<ol style="list-style-type: none"> 1. Daily work relations with direct headquarters. 2. Media and internal communication channels (Intranet, newsletters). 3. Trade unions, joint committees, channel integrity (ethics and compliance). 	<ol style="list-style-type: none"> 1. Publication of relevant information on www.cap.cl. 2. Annual Financial Report and Sustainability Report. 3. Alliances, corporate events and social media.
What are your main interests and concerns about CAP?	<ul style="list-style-type: none"> · Safety at work. · Transparency and clarity of information. · Financial results and project progress. · Sustainable growth of the Group and the operating companies. 	<ul style="list-style-type: none"> · Community · Value · Claims · Environmental culture 	<ul style="list-style-type: none"> · Compensation structure · Integrity · Suppliers · Commitment to employees · Quality of working life 	<ul style="list-style-type: none"> · Contribution to the development of the country · Commitment to employees · Integrity · Transparent communication · Environmental responsibility

	Suppliers	Community	Authorities
Who are they?	We rely on suppliers of raw materials, goods and services. All these companies provide the key inputs for our operation. Some 69% of these suppliers come from the regions where our operating companies operate.	CMP operates in three geographical areas, where it interacts with population centers, as do Aguas CAP and PLL. CSH and Cintac, on the other hand, are located in industrial sectors adjacent to urban areas. While the operations of the limestone mine and port and on Guarello Island are developed in areas far from populated localities, but in areas of influence of communities. With all of them we seek to maintain a good neighborly relations, based on dialogue and permanent transparency.	It considers the national, regional and local authorities, the central government and the legislative chambers, which, through regulation and oversight, can impact our business.
How do we relate to them?	<ol style="list-style-type: none"> 1. Through the area of Purchasing and Supplier Management. 2. Invoice processing system. 3. Publication of relevant information on www.cap.cl. 4. Financial Report and Annual Sustainability Report. 	<ol style="list-style-type: none"> 1. Through specific relations initiatives (community service offices, public-private partnerships, local work agreements). In particular projects, through early delivery of information. 2. Through formal communication channels (www.cap.cl and annual Sustainability Report). 3. Sustainability Report). 4. Social media 	<ol style="list-style-type: none"> 1. Through regular channels of communication (according to the law of transparency and lobbying) 2. Reports to Regulatory agencies. 3. Public-private partnerships, working agreements with municipalities. 4. Publication of relevant information on www.cap.cl 5. Financial Report and Annual Sustainability Report. 6. Sustainability Report.
What are your main interests and concerns about CAP?	<ul style="list-style-type: none"> · Timely payment · Operation of the facilities · Integrity · Environmental culture 	<ul style="list-style-type: none"> · Environmental culture · Communication · Commitment to employees · Integrity · Sustainable Development 	<ul style="list-style-type: none"> · Compliance and respect for the legislation in force. · Integrity. · Human rights at work and in the community, including indigenous peoples. · Inclusion of stakeholders in decision making.

Instances and organizations in which we participate

We are active in various organizations at the regional, national and international level, with the aim of contributing to the discussion and consideration of public policy, development and areas related to sustainability. CAP has taken a leadership role in different initiatives related to sustainability, and in 2019 actively participated in discussion instances on issues such as diversity, innovation, integrity and the challenges of sustainability in Chile. Below, we present the memberships to which we belong.

Organizations in which we participate

With the aim of contributing to the development of society and the steel, mining and industrial sectors, we actively participate in the following organizations and initiatives.

National

Industry

1. ACENOR: provides constant assistance in technical, legal and accounting matters in relation to the energy sector, in addition to representing companies before public and private authorities.

2. Latin American Steel Association (ALACERO): international organization that seeks to promote the values of regional integration, technological innovation, excellence in human resources, corporate responsibility and socio-environmental sustainability.

3. National Mining Society (SONAMI): business organization that actively participates in the discussion and promotion of public policies that foster collective welfare and the common good, and that promote the mining industry in a sustainable manner.

4. Chilean Chamber of Construction (CChC): seeks to improve the quality of life of people committed to the sustainable development of the construction industry

5. Latin American Association of Desalination and Water Reuse (ALADYR): international organization that promotes, protects and develops technologies and projects aimed at desalination and water treatment for reuse and consumption under sustainability and environmental respect standards.

6. ASIMET: constituted so that the metallurgical and metal-mechanical sector of Chile operates with the highest levels of quality and excellence to be competitive at a global level and to satisfy the needs of the market.

7. Chilean Steel Institute - ICHA: technical reference that promotes steel solutions for integral development, adjusted to the needs of the sectors, seeking an adequate level of technical and inspection requirements through public-private collaboration.

Business and Public Policy

8. Chilean-Australian Chamber of Commerce (AUSCHAM): promotes trade and investment between Chile and Australia, offering support and collaboration to partner companies, individuals and organizations in both countries

9. German-Chilean Chamber of Commerce (CAMCHAL): focused on future issues and on those fields of action in which it can contribute to the development of the economies of both countries.

10. Center for Public Studies (CEP): seeks to guide public opinion and decision-making by proposing ideas, public policies and institutional designs that contribute to the consolidation of these principles.

11. Manufacturing Promotion Association (SOFOFA): aims to validate the company as a reliable and relevant actor in the project of making Chile a more developed, modern and inclusive country.

12. Chilean National Security Council (CNS): promotes prevention in all areas of national work, providing greater services to partners and collaborating with the authority in these matters.

Sustainability and Innovation

13. Business Action Foundation: a trade organization that seeks to position business sustainability as a necessary business vision for the construction of a more inclusive and egalitarian society.

14. Global Compact: Chilean chapter linked to the United Nations (UN) that examines critical issues related to sustainability in the business world.

15. CLG-Chile (Leading Climate Change Companies): Moving action through business and academic leadership, generating new opportunities for sustainable development for Chile. In addition, they proactively cooperate with the government to generate policies and strategies aimed at scaling up solutions to the climate challenge.

16. UC Innovation Center: promotes a culture and environment for innovation and entrepreneurship at the university and in the country, through meetings, network building and the promotion of joint projects between the university, the private sector and the public sector.

17. Chile Green Building Council: promotes sustainable construction, technological innovation, efficient use of resources, and the development and use of the different certification systems available in Chile to encourage the efficient use of resources and improve the quality of life, health and well-being of people and their communities.

Regional

Industry

18.CORMINCO: its main purpose is to represent the mining companies of the Coquimbo region.

19.CORESEMIN Atacama: organization that seeks to develop and disseminate throughout the regional mining sector, matters relating to safety and preventive activity, through partner companies.

Business and public policy

20. CORPROA: seeks to strengthen the businesses of entrepreneurs and businessmen in the Atacama Region through public and private instruments that CORFO has available.

21.CORBIOBIO: to strengthen the leadership of the Bío Bío Region, promoting the decentralization of the country, responsible government management and citizen participation in matters of public interest, through its Study Center.

22.CPCC: promotes productive development in the Bío Bío Region, with special emphasis on promoting business activity to help strengthen the private sector as a determining factor in the well-being of the Bío Bío Region.

23.IRADE: seeks to contribute to the development of companies by stimulating business excellence and ethics through the promotion of good practices, innovation and entrepreneurship, strengthening collaboration between companies, universities and the public sector, with a focus on the competitiveness of the Bío Bío Region.

24.CIDERE Bío Bío: industrial corporations for regional development, promoting entrepreneurship, innovation and corporate responsibility.

Performance Summary: People, community and environment (CAP Group⁶¹)

Indicator	Calculation basis	Indicator GRI standards	2019	2018	2017	2016
PEOPLE						
Workers and contractors						
Diversity of own workers						
Full time permanent workers	Number as of December 31	102-8	4,856	4,435	4,132	4,119
Men	Number as of December 31	102-8	4,314	3,989	3,754	3,772
Women	Number as of December 31	102-8	542	446	378	347
Proportion of women	Percentage of women in relation to the total number of own workers	102-8	11%	10%	9%	8%
Pay Equity	Women's salary expressed as a percentage of men's salary	405-2	90%	94%	100%	100%
Under 30 years of age	Number as of December 31	102-8	702	620	570	576
	Percentage	102-8	14%	14%	14%	14%
Between 30 and 40 years old	Number as of December 31	102-8	1,563	1,340	1,267	1,233
	Percentage	102-8	32%	30%	31%	30%
Between 40 and 50 years old	Number as of December 31	102-8	1,098	1,031	916	900
	Percentage	102-8	23%	23%	22%	22%
Between 50 and 60 years old	Number as of December 31	102-8	1,004	1,002	1,002	1,034
	Percentage	102-8	21%	23%	24%	25%
Between 60 and 70 years old	Number as of December 31	102-8	489	442	377	357
	Percentage	102-8	10%	10%	9%	9%
More than 70 years	Number as of December 31	102-8	0	0	0	3
	Percentage	102-8	0%	0%	0%	0%
Training						
Training hours	Thousands of man hours	404-1	70	127	149	101
	hours/worker	404-1	14.4	31.4	22.9	32.0
Amount invested in training	Thousands of US\$ invested in training		1,720	1,630	1,225	747
Amount invested per worker	US\$/worker		354	392	320	234
Performance Evaluation						
	Number of workers as of Dec. 31	404-3	3,128	2,491	2,898	2,801
	Percentage in relation to the total number of workers	404-3	64%	56%	70%	68%
Contractors⁶²						
	Number of contractors as of Dec. 31	102-9; 102-10	8,843	5,429	4,893	4,417
Men	Number of contractors as of Dec. 31	102-9; 102-10	8,216	New indicator		
Women	Number of contractors as of Dec. 31	102-9; 102-10	627	New indicator		

⁶¹ Cintac Group's 2019 figures include the companies Cintac Chile, Tupemesa, Calaminon, Sehover and Signovial.

⁶² The 2019 figures increase due to the increase of contractors in CMP and given the inclusion of new companies to the Cintac Group.

Indicator	Calculation basis	Indicator GRI standards	2019	2018	2017	2016
Relations and work climate						
Work climate						
Overall result of the worker engagement and quality of life survey	Percentage of favorable responses (includes very much agree and agree)	405-1	75%	66%	66%	70%
Survey Coverage	Percentage of workers who responded to the survey	405-1	77%	80%	85%	y.i.
Labour relations						
Unions	Number of unions	405-1	18	17	17	1
Unionization	Unionized workers. Staffing as of Dec. 31.	405-1	3,794	3,952	3,379	3,094
	Percentage of unionized workers	405-1	78%	89%	82%	75%
Coverage of collective agreements	Number of workers covered by a collective agreement. Headcount as of Dec. 31		3,729	4,050	3,704	3,781
	Percentage		77%	91%	90%	92%
Strikes	Number of days longer than 30 days	MM4	0	1	0	1
Income	Total number of workers admitted as of Dec. 31	405-1	994	New indicator		
Rotation	Annual number of rotations/annual average number of workers as of 31 Dec.	405-1	14	New indicator		
Occupational health and safety						
Accident rate						
Fatalities	Number of workers	403-9	0	1	0	0
	Number of contractors	403-9	0	3	0	0
	Men	403-9	0	4	0	0
	Women	403-9	0	0	0	0
	Meta	403-9	0	0	0	0
Frequency Rate (TF)	Number of lost-time accidents during the year, per million hours worked. Includes own and contractors	403-9	2.6	4.9	3.3	4
	Meta	403-9	3.0	2.5	2.5	2.5
	TF Own workers	403-9	2.9	2.8	3.9	4.6
	TF Contractors	403-9	2.5	6.1	2.9	3.5
Severity Rate	Days lost per million hours worked. Includes charges for serious accidents and fatalities (in the case of fatalities, the penalty is 6,000 days lost).	403-9	69	1,274	99	118
	Meta	403-9	97	97	97	97
Occupational safety and health committees	Number of committees with worker representation in formal committees worker - company health and safety at work	403-1	17	New indicator		
Occupational diseases						
Occupational diseases	Number of occupational diseases contracted during the year, own and contractors	403-10	0	0	0	0

Indicator	Calculation basis		Indicator GRI standards	2019	2018	2017	2016
ENVIRONMENT							
Management of industrial waste and hazardous substances							
Mass mining waste							
	Sterile	Millions of tons	MM3	20,051	15,421	14,255	s.i.
	Tailings	Millions of tons	MM3	3,823	2,028	4,785	5,987
Reuse of environmental liabilities							
	Volume of environmental liabilities reused	Thousands of tons	MM3	7,517	8,578	6,182	5,089
Waste generated⁶³							
	Hazardous Industrial Waste	Tons	306-2	3,322	3,840	4,947	4,136
	NON-Hazardous Industrial Waste	Tons	306-2	342,299	374,259	406,464	430,462
	Domestic	Tons	306-2	1,507	1,359	1,460	y.i.
Waste treatment							
	Recycling and/or reuse	Tons	306-2	322,601	366,849	393,257	421,804
	Recycling rate	Percentage	306-2	93%	96%	95%	97%
Air Quality							
Air emissions in sensitive areas							
Steel Plant - CSH:							
	MP10	Micrograms per cubic meter N	305-7	22.4	24.2	17.1	22.6
	MP 2.5	Micrograms per cubic meter N	305-7	60.8	58.3	52.1	55.0
Huasco pellet plant - CMP:							
	MP10	Micrograms per cubic meter N	305-7	29	29.3	29.9	31.1
	NOx	Tons	305-7	1.3	1.6	3.2	y.i.

⁶³ In 2019, the Corporate Building and other companies of the Cintac Group such as Calaminon are incorporated.

Indicator	Calculation basis	Indicator GRI standards	2019	2018	2017	2016
Water						
Water consumed per source						
Total water consumed	Thousands of m ³	303-5	55,161	56,964	56,683	52,168
Sea water	Thousands of m ³	303-3	5,512	9,906	7,090	8,993
Surface water	Thousands of m ³	303-3	48,213	44,011	45,179	40,446
Groundwater	Thousands of m ³	303-3	1,020	2,733	3,229	2,730
Water supplied by third parties	Thousands of m ³	303-3	412	314	1,184	0
Consumed sea water	Percentage in relation to total water consumed	303-3	10%	17%	13%	17%
Water consumed per operation						
CMP	Thousands of m ³	303-5	8,361	15,503	14,771	14,742
CSH	Thousands of m ³	303-5	46,434	41,360	41,782	37,350
CINTAC GROUP ⁶⁴	Thousands of m ³	303-5	326	86	83	76
TASA	Thousands of m ³	303-5	15	15	47	y.i.
INFRASTRUCTURE ⁶⁵	Thousands of m ³	303-5	21		New indicator	
CORPORATE BUILDING		303-5	4,3		New indicator	
Desalinated water (Aguas CAP)						
Desalinated water generated	Thousands of m ³	303-5	7,800	7,447	6,953	7,235
Processed sea water	Thousands of m ³	303-5	20,478	19,091	17,395	17,712
Extraction from water-stressed areas						
CMP	Percentage of groundwater or surface water extracted in areas of water stress, in relation to the total water consumed.	303-1	30%			
CSH	Percentage of groundwater or surface water extracted in areas of water stress, in relation to the total water consumed.	303-1	0%			
CINTAC GROUP	Percentage of groundwater or surface water extracted in areas of water stress, in relation to the total water consumed.	303-1	0%		New indicator	
TASA	Percentage of groundwater or surface water extracted in areas of water stress, in relation to the total water consumed.	303-1	0%			
INFRASTRUCTURE	Percentage of groundwater or surface water extracted in areas of water stress, in relation to the total water consumed.	303-1	100%			
Liquid waste generated						
Effluents ⁶⁶	Thousands m ³	303-4	75,290	62,117	55,938	67,219

⁶⁴ The figures published in 2019 include Cintac a Cintac in Chile, Tupemesa and Calaminon in the Cintac Group. In the years 2018 and 2017 only considered Cintac in Chile and Tupemesa. The year 2016 only includes Cintac in Chile.

⁶⁵ It corresponds only to Puerto Las Lozas, the previous years no such record was kept.

⁶⁶ The 2019 figures include CMP, CSH, in Cintac Group includes Cintac and Calaminon. In the case of Infrastructure, it only includes Aguas CAP.

Indicator	Calculation basis	Indicator GRI standards	2019	2018	2017	2016
Climate Change Mitigation and Adaptation						
Energy consumption⁶⁷						
Total consumption ⁶⁸	Giga Joules	302-1	26,813,313	31,311,379	33,261,300	25,836,642
Electric power	Giga Joules	302-1	3,552,734	4,456,533	4,689,872	3,888,971
Diesel	Giga Joules	302-1	2,496,368	3,350,925	5,768,180	4,142,269
Coal	Giga Joules	302-1	17,078,504	20,724,180	17,820,083	17,770,880
Gasoline	Giga Joules	302-1	3,540	432	-	-
Natural gas	Giga Joules	302-1	3,668,194	2,779,306	4,983,164	34,522
Bulk gas	Giga Joules	302-1	6,803	3	-	-
Renewable Sources	Giga Joules	302-1	7,169	-	-	-
Energy consumed per operation						
CMP	Giga Joules	302-1	3,878,063	7,235,441	7,162,788	6,378,775
CSH	Giga Joules	302-1	17,611,007	19,806,827	19,182,803	19,093,761
GRUPO CINTAC ⁶⁹	Giga Joules	302-1	163,205	57,774	83,249	68,751
TASA ⁷⁰	Giga Joules	302-1	4,855,092	3,923,399	6,568,493	y.i.
INFRASTRUCTURE ⁷¹	Giga Joules	302-1	302,629	287,938	263,967	295,355
CORPORATE BUILDING	Giga Joules		3,317		New indicator	
Greenhouse gas emissions⁷²						
Scope 1, direct emissions	Tons of CO ₂ eq.	305-1	1,527,349	1,510,428	2,210	1,547
Scope 2, indirect emissions	Tons of CO ₂ eq.	305-2	189,669	202,771	3,718	2,811
Scope 3, indirect supply chain emissions	Tons of CO ₂ eq.	305-3	556,860	554,550	524,378	341,945
CO ₂ emission intensity - CSH	Tones of CO ₂ equivalent of scope 1 and 2 per ton of steel produced	305-4	2.5	2.2	2.1	2.1
CO ₂ emission intensity - Cintac Group	Tones of CO ₂ equivalent of scope 1 and 2 per ton of steel produced	305-4	5.6	5.7	y.i.	5.9
Biodiversity and heritage						
Biodiversity						
Area of protected areas	Hectáreas	304-3	294	269	269	269

⁶⁷ The decrease in energy consumption in 2019 compared to 2018 is due to two factors, lower production of the pellet plant in CMP and temporary shutdown of the Blast Furnace.

⁶⁸ Total figure includes consumption at Puerto Las Losas that was not reported in 2018. The fuel figures for 2016 and 2017 are added, as this indicator began to rise in 2018.

⁶⁹ The figure 2019 includes the consumption of the Corporate Building.

⁷⁰ Cintac Group consumption figures: 2019 includes Cintac, Tupemesa, Calaminon and Sehover. 2018 includes Cintac and Tupemesa, this value was rectified in this report. 2017 and 2016 only include Cintac.

⁷¹ Value rectified in this report, for the years 2017 and 2018.

⁷² In 2019 Puerto Las Losas is included.

Indicator	Calculation basis	Indicator GRI standards	2019	2018	2017	2016
Environmental Management						
Environmental Incidents and Fines						
Incidents with environmental impact	Number of environmental incidents	306-3	11 ⁷³	2	0	0
Environmental fines	Number of fines	307-1	0	0	0	0
	Million US\$	307-1	0	0	0	0
Responsible mine closure						
Closure plans	Percentage of mining operations with closure plans	MM10	100%	100%	100%	100%
Return on environmental investment						
Capital investments	Million US\$	306-3	To be systematized for the 2020 report			
Operating expenses	Million US\$	306-3				
Savings, cost reduction, revenue, tax incentives	Million US\$	307-1				
% of operations covered	Million US\$	307-1				
COMMUNITY AND SOCIETY						
Contribution to the development of the territory and its inhabitants and the cluster						
Employment and local purchases						
Local workers	Annual average of workers who declare residence in the same region where they work	203-2	4,696	3,992	3,993	3,958
	Percentage of workers who declare residence in the same region where they work in relation to the total number of own workers	203-2	97%	90%	82%	82%
Local Suppliers	Number of suppliers (goods and services) with headquarters in the regions of operations, which had valued receipts during the period.	203-2	5,971	2,394	2,173	2,070
	Percentage in relation to the total number of suppliers.	203-2	69%	45%	48%	48%
Local shopping	Millions of US\$ of receipts valued. Amount of purchases from local suppliers (of goods and services). Net values (without VAT).	203-2	418	332	358	228
	Percentage in relation to total purchases.	203-2	27%	26%	34%	47%
Value of philanthropic contributions						
Cash contributions ⁷⁴	Thousands of US\$ of cash contribution	202-2	1,123	2,800	2,777	2,473
Employee volunteering during working hours	Thousands of US\$ in social investment management expenses		16			
Donations in kind	Employee volunteer hours during paid working hours		50		New indicator	
General management expenses	Thousands of US\$ in donations of products or services, projects / associations or similar.		1,507			
Relation and communication with the community and the cluster						
Social impact on the community	Development projects that are in the process of community consultation		1		New indicator	
Social Incidents	Number	MM6	1	4	0	1

⁷³ CAP: explain the increase from 2018 to The increase is explained by the greater reporting and by water and iron pulp spills that occurred in the pipeline for transporting ore between Cerro Negro Norte Mine and Punta Totoralillo Port, and in the aqueduct, in the communes of Copiapó and Caldera, respectively, whose replacement process should be completed this year.

⁷⁴ Figures include in 2019 Puerto Las Losas in Infrastructure, and Tupemesa and Calaminón in Cintac Group.

Sustainable Development Goals - ODS

OBJETIVOS DE DESARROLLO SOSTENIBLE

The United Nations' Sustainable Development Goals (SDA), also known as Agenda 2030, are the roadmap for safeguarding the sustainability of the planet and its inhabitants. This agenda is composed of a set of 17 global objectives to eradicate poverty, protect the planet and ensure prosperity and peace for all. With this objective in mind, specific goals have been established to be achieved by 2030 in a joint effort between multilateral organizations, governments, businesses and civil society.

At CAP we adhere to the ODS, since they provide us with a strategic guide to orient our contribution to the sustainable development of the territories and societies in which our operations are inserted. Below, we present the main ODS in which we are contributing:



We are committed to promoting female participation in the labor market. With this objective, we have developed plans to encourage the incorporation of female collaborators in non-conventional positions and to promote the preparation of female executives with a view to their assuming positions of greater responsibility in the organization.



Estamos comprometidos con la promoción de la participación femenina en el mercado laboral. Con ese objetivo, desarrollamos planes para favorecer la incorporación de colaboradoras en cargos no convencionales y potenciar la preparación de las ejecutivas con miras a que asuman cargos de mayor responsabilidad en la organización.



We seek to generate pleasant, diverse and collaborative work environments, with opportunities for growth and development within everyone's reach, and conditions that allow people to carry out their duties safely and in harmony with their interests and family life. In addition, we promote a climate of respect and dialogue with the unions, since for us they are key allies in achieving our strategic objectives.



We see innovation as a key factor in the future development of our business. Thus, in 2019, the CAP Innovation Space (EIC) came into operation to support our operating companies in the development of innovative projects, in the search for and generation of opportunities based on trends and in the co-creation of solutions and technological adoption.



In the communities surrounding our operations, we implement social development and innovation programs that seek to achieve sustainable local growth. Thus, by 2019 we have achieved historic figures for employment and local suppliers, with 97% and 69% respectively. We have initiatives to install capacities through social innovation, competitive funds, work tables, training programs in trades and support for entrepreneurship.



Clean production and the practice of recycling is for us a key instrument to reduce our impact on the environment. To advance in these challenges, we have been developing the "Zero Waste" strategy for years. Complementarily, in 2019 we are advancing in the operating companies in innovating in the treatment of our waste, as an example the operation of the first plant in Latin America of Extrusion of Steel Waste in CSH or the project of filtered tailings in CMP, which seek to safeguard a safe final destination and even beyond, seeking to reduce the shipment of waste to final destinations.



We put special emphasis on the efficient use of energy and the incorporation of energy sources and clean technologies from the design of our projects. Thus, by 2019 we are proud to have two systems in Cintac Group that allow us to contribute to the mitigation of climate change: the largest photovoltaic plants on roofs in Latin America (100 thousand m² of solar plants installed) and the first company in Chile and the world to implement the filtrovivo system to reduce our air emissions, both in Cintac Group.



We believe that sound governance and ethical conduct is key to ensuring the creation of value for the company and its environment. In 2019 we made significant changes to the board structure of our operating companies, moved towards a new risk management culture, created Compliance Management and launched the Integrity and Compliance Program and our new Code of Integrity.



We actively participate in different organizations at the regional, national and international level, with the aim of contributing to the discussion and reflection on public policy, development and areas related to sustainability. In 2019 we will participate in discussion forums on issues of diversity, innovation, probity and the challenges of sustainability in Chile.

Global Compact

This report is part of our Communication on Progress (COP) to the United Nations Global Compact. In this annual disclosure, we inform our stakeholders of our efforts to implement the principles of this compact. The main objective of the COPs, as the core of the Global Compact's integrity measures, is to serve as a public vehicle for information on sustainable performance.

Through our adhesion to the Global Compact we assume the commitment to integrate sustainability into our strategy and actions, with the implementation of 10 principles that address four areas: human rights, labor relations, the environment and anti-corruption.

Cross-cutting indicators		
Indicator		Page(s)
1.	Statement of support for the Global Compact in the letter from the highest authority in the organization.	5
2.	Compliance with international standards and/or certifications related to the Principles of the Global Compact	13, 14, 100, 121
3.	Promotion or support of UN-driven initiatives	14, 119, 120
4.	Participation or support in other organizations that have a relationship with the Principles of the Global Compact.	14, 111, 120
5.	Existence of a general corporate sustainability policy that incorporates guidelines around the 10 Principles.	9, 14, 103, 104
6.	Existence of specific policies that guide the organization's behavior linked to the areas of the Global Compact.	9, 14, 15, 18, 21, 77, 80, 103, 104
7.	Existence of Code of Ethics	14, 104
8.	Formal tools to prevent, report and resolve conflicts and ethical incidents within the organization, or with its external stakeholders.	14, 104
9.	Communication of legal violations or breaches, in relation to the areas of the Global Compact.	14, 18, 38, 61, 104, 118
10.	Sustainability management bodies at senior management level.	13, 102, 103
11.	Sourcing policy or practices that ensure compliance with minimum standards at suppliers	14, 34, 56, 74, 106
12.	Procedure for identifying the main stakeholders.	108
13.	Consultation with stakeholders.	108
14.	Identification and analysis of risks and impacts of the Company's operations.	13, 17-18, 22, 35, 38, 57, 80, 92, 94, 103, 105
15.	Awareness of the Global Compact to workers, customers and suppliers.	14, 58
16.	Awareness of the Global Compact areas to the community.	42-43, 62
17.	Explanation of future goals and challenges linked to the areas of the Global Compact.	14, 15, 17, 19, 20

GRI Content Index - Standards. Essential Option

GRI Standard	Content	Page Number or URL	Omission	External Verification
GRI 101: Fundamentals 2016		[GRI 101 does not include content]		
General Content				
GRI 102: General Content 2016	102-1 Name of the organization	Portada		✓
	102-2 Activities, brands, products and services	6, 28, 50, 68, 75, 76, 84, 91		✓
	102-3 Location of headquarters	The corporate offices are located in Santiago, Chile.		✓
	102-4 Location of operations	6		✓
	102-5 Ownership and legal form	13		✓
	102-6 Markets served	6, 28, 50, 68, 75, 76, 84, 91		✓
	102-7 Size of the organization	7, 28, 29, 50, 51, 68, 69, 84, 91, 106, 113		✓
	102-8 Information on employees and other workers	7, 16, 29, 36, 51, 58, 69, 77, 84, 91, 113, 114		✓
	102-9 Supply chain	17, 34, 56, 74, 106		✓
	102-10 Significant changes in the organization and its supply chain	104		✓
	102-11 Precautionary principle or approach	The new Code of Integrity includes the precautionary principle		✓
	102-12 External initiatives	111		✓
	102-13 Membership in associations	111, 112		✓
	102-14 Statement by senior decision-makers	4, 5		✓
	102-15 Major impacts, risks and opportunities	8-12, 13, 27, 49, 52, 67, 70, 85, 105		✓
	102-16 Values, principles, standards and codes of conduct	2, 9, 13, 14, 103, 104		✓
	102-17 Advisory mechanisms and ethical concerns	14		✓
	102-18 Governance structure	13, 102		✓
	102-19 Delegation of authority	13, 102, 103		✓
	102-20 Executive-level responsibility for economic, environmental and social issues	13, 102, 103		✓
	102-21 Stakeholder consulting on economic, environmental and social issues	108		✓
102-22 Composition of the highest governance body and its committees	102	Information not available for composition according to: affiliation to under-represented social groups; and representation of interest groups.	✓	
102-23 Chairman of the highest governing body	The Chairman of the Board of Directors of CAP S.A. in 2019 did not hold executive positions in the company.		✓	
102-26 Role of the highest governance body in selecting purpose, values and strategy	13, 102, 103		✓	
102-27 Collective knowledge of the highest governing body	103		✓	
102-29 Identification and management of economic, environmental and social impacts	103. The SSIIndex applied to some stakeholders is used as an input to the Board's deliberations on these matters.		✓	

GRI Standard	Content	Page Number or URL	Omission	External Verification
GRI 101: Fundamentals 2016				
General Content				
GRI 102: General Content 2016	102-30 Effectiveness of risk management processes	13, 103, 105		✓
	102-31 Assessment of economic, environmental and social issues	13, 103		✓
	102-40 List of stakeholders	108-110		✓
	102-41 Percentage of employees in collective bargaining agreements	114		✓
	102-42 Identification and selection of stakeholders	108		✓
	102-43 Approach to stakeholder engagement	108	Information not available for the frequency of participation by type and by interest group	✓
	102-44 Key issues and concerns mentioned	108		✓
	102-45 Entities included in the consolidated financial statements	The 2019 Sustainability Report covers the operating companies: CMP, CSH, Cintac Group, TASA, New Businesses. It does not address "Other Operational Activities" included in the 2019 Annual Report.		✓
	102-46 Defining report contents and topic coverage	98		✓
	102-47 List of material issues	99		✓
	102-48 Re-expression of information	The effect of any restatement of information regarding previous reports, and the reasons for such restatement, are specified as footnotes to the respective indicators in which this has occurred.		✓
	102-49 Changes in reporting	Significant changes regarding the coverage of the topics are specified as footnotes when such information is presented.		✓
	102-50 Reporting period	98		✓
	102-51 Date of last report	Sustainability Report 2018, published in May 2019		✓
	102-52 Reporting Cycle	Annual		✓
	102-53 Contact point for questions about the report	128		✓
102-54 Statement of compliance with GRI standards	98		✓	
102-55 GRI Table of Contents	121		✓	
102-56 External verification	100-101		✓	

GRI Standard	Content	Page Number or URL	Omission	External Verification
MATERIAL TOPICS				
I. BUSINESS DEVELOPMENT, GOVERNANCE AND INTEGRITY				
Transformation, innovation, efficiency and financial sustainability				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	8		✓
	103-2 The management approach and its components	9-12		✓
	103-3 Evaluation of the management approach	9-12		✓
GRI 201: Economic performance 2016	201-1 Direct generated and distributed financial value	107		✓
GRI 203: Indirect Economic impacts	203-2 Significant indirect financial impacts	23, 44, 45, 52, 54, 63, 70, 92, 93, 95, 119		✓
	Business challenges and company response	8, 9		✓
	Production	7		✓
	Income	7		✓
	Ebitda	7		✓
Corporate governance				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	13		✓
	103-2 The management approach and its components	13, 14, 102-104		✓
	103-3 Evaluation of the management approach	13, 14, 102-104		✓
GRI 405: Diversity and equality of opportunities 2016	405-1 Diversity in governing bodies	102		✓
Risk Management and compliance				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	13, 102		✓
	103-2 The management approach and its components	13, 102, 103, 105		✓
	103-3 Evaluation of the management approach	13, 102, 103, 105		✓
	Transforming risk management and compliance	13, 102		✓
Integrity				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	14		✓
	103-2 The management approach and its components	14, 104		✓
	103-3 Evaluation of the management approach	14, 104		✓
GRI 406: Non discrimination 2016	406-1 Cases of discrimination and remedial action taken	14, 104		✓
	Complaints received during the year	14, 104		✓
	Percentage of complaints resolved during the period	14, 104		✓
Responsible Procurement				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	17, 34, 56, 74, 106		✓
	103-2 The management approach and its components	17, 34, 56, 74, 106		✓
	103-3 Evaluation of the management approach	17, 34, 56, 74, 106		✓
GRI 204: Procurement Practices 2016	204-1 Percentage of spending on local suppliers	106		✓
	Total number of suppliers	106		✓
	Purchase of goods and services	106		✓

GRI Standard	Content	Page Number or URL	Omission	External Verification
MATERIAL TOPICS				
I. BUSINESS DEVELOPMENT, GOVERNANCE AND INTEGRITY				
Cybersecurity				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	13, 105		✓
	103-2 The management approach and its components	13, 105		✓
	103-3 Evaluation of the management approach	13, 105		✓
	Initiatives to safeguard cybersecurity	13, 105		
Products and solutions to contribute to the sustainability of society				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	52, 54, 70, 71, 72, 75, 76, 92, 93		✓
	103-2 The management approach and its components	52, 54, 70, 71, 72, 75, 76, 92, 93		✓
	103-3 Evaluation of the management approach	52, 54, 70, 71, 72, 75, 76, 92, 93		✓
	Products and solutions to contribute to the sustainability of society	52, 54, 70, 71, 72, 75, 76, 92, 93		
II. PERSONS				
Occupational health and safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	17, 35, 57, 77		✓
	103-2 The management approach and its components	15, 17, 35, 57, 77-78, 87, 94-95		✓
	103-3 Evaluation of the management approach	11, 16-17, 29, 35, 51, 57, 69, 78, 87, 91, 94-95, 114		✓
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management systems	17, 35, 51, 57, 69, 78, 84, 91, 94		✓
	403-2 Risk management, safety incidents	17, 35, 57, 78, 94		✓
	403-3 Occupational health services	35, 57		✓
	403-5 Health and safety training	17, 35, 57, 87		✓
	403-6 Occupational health promotion	17, 35, 57		✓
	403-7 Prevention and mitigation of direct health and safety impacts related to business	17, 35, 57, 78		✓
	403-8 Workers covered by a health and safety management system	35, 51, 114		✓
403-9 Work-related accidents	11, 29, 35, 51, 57, 69, 78, 94-95, 114	For each indicator, the rules for registration defined by Chilean legislation through SUSESO are used.	✓	
403-10 Occupational diseases	35, 57, 114		✓	

GRI Standard	Content	Page Number or URL	Omission	External Verification
MATERIAL TOPICS				
II. PERSONS				
Employment Quality (Own workers and Contractors)				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	15, 36, 58, 77-78		✓
	103-2 The management approach and its components	15, 36, 58, 77-78, 87, 95		✓
	103-3 Evaluation of the management approach	11, 15-17, 29, 36, 51, 58, 69, 77-78, 84, 87, 92, 94-95, 113		✓
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	113	Information not available: Average hours of training broken down by sex and employment category	✓
	404-2 Employee skill improvement and transition assistance programs	15, 36, 77-78, 95	Information not available: Transition assistance programs for professionals leaving the company.	✓
	404-3 Percentage of employees receiving regular performance and career development reviews	36, 113	Information not available: Breakdown by sex and employment category	✓
GRI 405: Diversity and equality of opportunities 2016	405-1 Employee diversity	11, 15-16, 29, 36, 51, 58, 69, 79, 84, 92, 94, 113		✓
	405-2 Ratio of basic salary and payment of women compared to men	11, 15, 113		✓
Working relationships and climate				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	15, 37, 58, 78		✓
	103-2 The management approach and its components	15, 37, 58, 78		✓
	103-3 Evaluation of the management approach	15, 37, 58, 59, 78, 114		✓
	Unionization and freedom of association	15, 29, 37, 58, 78, 114		✓
	MM4: Number of strikes and closures lasting more than one week	37, 58, 114		✓
III. COMMUNITY AND SOCIETY				
Contribution to the development of the territory, its inhabitants and the cluster				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	21, 42, 44, 63		✓
	103-2 The management approach and its components	21-23, 42, 44, 63, 95		✓
	103-3 Evaluation of the management approach	11, 21-23, 29, 42, 44-45, 51, 63, 69, 75-76, 81, 92-95, 118		✓
GRI 202: Market Share 2016	202-2 Share of senior executives recruited from the local community	11, 29, 44, 51, 63, 92, 118		✓
GRI 202: Market Share 2016	203-1 Investments in infrastructure and support services	45, 63, 92		✓
	203-2 Significant indirect economic impacts: local employment, local purchases, local suppliers	11, 29, 44-45, 51, 62-63, 69, 81, 91, 92-95, 118		✓
GRI 413: Local Communities 2016	413-1 Operations with local community participation, impact assessments and development programs	44-45, 63		✓
	Value of direct contributions: cash, volunteering, in-kind donations and management costs	63, 118		

GRI Standard	Content	Page Number or URL	Omission	External Verification	
MATERIAL TOPICS					
III. COMMUNITY AND SOCIETY					
Relationship and communication with the community and the cluster					
GRI 103: Management Approach 2016	103-1	Explanation of the material subject and its coverage	21, 42, 62	✓	
	103-2	The management approach and its components	21-23, 42, 62, 95	✓	
	103-3	Evaluation of the management approach	21-23, 42-43, 45, 62, 69, 118	✓	
GRI 413: Local Communities 2016	413-1	Operations with local community participation, impact assessments and development programs	22, 42-43, 45, 62, 118	✓	
	MM 6	Social Incidents	42, 62, 118		
IV. ENVIRONMENT					
Industrial waste and hazardous substances management					
GRI 103: Management Approach 2016	103-1	Explanation of the material subject and its coverage	19, 41, 60-61, 80-81	✓	
	103-2	The management approach and its components	18-19, 38, 41, 60-61, 80-81, 87, 95	✓	
	103-3	Evaluation of the management approach	11, 18-19, 29, 41, 51, 60-61, 69, 80-81, 87, 91, 95, 115, 118	✓	
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	11, 19, 41, 61, 81, 91, 115	CAP Group presents the waste treatment method in a grouped manner for hazardous, non-hazardous and domestic waste (which are also non-hazardous). Information not available: injection in deep wells	✓
	306-3	Significant spills	18, 38, 51, 61, 69, 91, 118	✓	
	MM3	Total amount of cover, rock, tailings and sludge, and associated risks	41, 115	✓	
GRI 307: Environmental Compliance 2016	307-1	Number of environmental fines	18, 38, 84, 91, 118	✓	
		Amount of environmental fines	18, 38, 84, 91, 118	✓	
	MM10	Number and percentage of transactions with closure plans	38, 118	✓	
Air Quality					
GRI 103: Management Approach 2016	103-1	Explanation of the material subject and its coverage	39, 60	✓	
	103-2	The management approach and its components	18, 38-39, 60, 95	✓	
	103-3	Evaluation of the management approach	38-39, 60, 69, 80, 115	✓	
GRI 305: Emissions 2016	"305-7	Nitrogen oxides (NO _x), sulphur oxides (SO ₂) and other significant atmospheric emissions.	39, 60, 115	Particulate matter emissions are presented for the operations where the issue is more material, CSH in Talcahuano and CMP in Huasco. They have been quantified based on air quality measurement standards in Chile.	✓

GRI Standard	Content	Page Number or URL	Omission	External Verification
MATERIAL TOPICS				
IV. ENVIRONMENT				
Water				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	20, 40, 60		✓
	103-2 The management approach and its components	18, 20, 38, 40, 60		✓
	103-3 Evaluation of the management approach	11, 20, 29, 40, 60, 80, 91, 92, 116		✓
	303-1 Interaction with water as a shared resource	11, 20, 40, 60, 92-93, 116		✓
	303-2 Management of impacts related to water discharges	20, 40, 60, 95		✓
GRI 303: Water and Effluents 2018	303-3 Water extraction by source	29, 40, 92, 116	Wastewater from another organization is not used, nor is the amount of rainwater collected naturally in the reservoirs and other water storage spaces quantified.	✓
	303-4 Water discharges	40, 93, 116		✓
	303-5 Water consumption	11, 40, 60, 116	Consumption is presented in thousands of cubic meters.	✓
Climate Change Mitigation and Adaptation				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	19, 40, 60, 80		✓
	103-2 The management approach and its components	18-19, 38, 40, 60, 80		✓
	103-3 Evaluation of the management approach	11, 19, 40, 60, 69, 80, 87, 93, 117		✓
	305-1 Direct GHG emissions (Scope 1)	60, 80, 117	Presented for CSH and Cintac Group operations.	✓
	305-2 Indirect GHG emissions from power generation (Scope 2)	60, 80, 117	Presented for CSH and Cintac Group operations.	✓
GRI 305: Emissions 2016	305-3 Indirect GHG emissions from power generation (Scope 3)	60, 80, 117	Presented for CSH and Cintac Group operations.	✓
	305-4 GHG emission intensity	60, 80, 117	Presented for CSH and Cintac Group operations. The breakdown of intensity by product is presented for only two products of the Cintac Group.	✓
GRI 302: Energy 2016	302-1 Energy consumption within the organization	60, 80, 87, 117		✓
Biodiversity and heritage				
GRI 103: Management Approach 2016	103-1 Explanation of the material subject and its coverage	20, 61		✓
	103-2 The management approach and its components	18, 20, 38, 61		✓
	103-3 Evaluation of the management approach	20, 51, 61, 93		✓
GRI 304: Biodiversity 2016	304-1 Operations centers located within or adjacent to protected areas or areas of high biodiversity value	20, 61		✓
	304-3 Protected or restored habitats	51, 61	Information not available: status of each protected area according to its condition at the end of the reporting period	✓



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