

SUSTAINABILITY REPORT 2019

CINTAC

CINTAC GROUP





Chairman's vision

We have a human group of excellence, motivated, that challenges itself permanently and that acts decisively to achieve great dreams

Looking back on 2019, I can say with satisfaction that for the Cintac Group it was a period of concrete progress in different areas. The company has been developing a business strategy that has allowed it to expand to other markets and also to other materials, always in the search to reach a leadership position, contributing value and generating greater profitability for the company. This has happened by giving priority to sustainable development in harmony with the environment.

Over the past few years, the company has been expanding geographically in South America through different partnerships. This has allowed it to enter different sectors: agricultural, energy, construction, modular and road safety. Work that continues with greater strength and focus on markets as attractive as that of services to the mining sector. In this development, Cintac has managed to progressively advance from products to solutions that are increasingly closer and more suitable to its final customers.

Today the Cintac Group is composed of prestigious and renowned brands such as Calaminon, Sehover and SignoVial; Agrow SPA Latinoamérica; Tupemesa and Cintac SAIC. We are currently in the process of integrating Promet, a leading company in the modular market, with presence in Chile and Peru.

Looking back on the year 2019, we can appreciate with satisfaction each of the milestones achieved by the different companies of the Group and which are in line with the dream embodied in our business strategy, for which we set out to work for. All of the above has been possible because we have a group of excellent, motivated people who are constantly challenging themselves and acting decisively to achieve great dreams. We have 1,189 direct collaborators, 482 of them in Chile and 707 in Peru.

In order to take care for our teams, we have a firm responsibility in the generation of pleasant, diverse and inclusive work environments that favor networking. We put special emphasis on generating a permanent and direct communication between our collaborators and, in a very special way, with our union leaders. In them we recognize a constructive leadership, and with whom we have achieved the strengthening of trusting and long term ties that are translated into agreements as relevant as the recent collective agreements reached by Tupemesa and Cintac SAIC.

Safety management, which is at the heart of the Cintac Group's strategy, has been a key factor in our companies. We have concentrated our efforts especially on actions in the preventive field. In 2019, we were able to reduce our Severity Rate by 50.3% compared to the previous year. But in this area there are always goals to be achieved, and zero accidents is one of them.

In environmental matters, we have set out to go further through new projects such as annual reductions in electric power and water consumption.

Before I finish, I cannot fail to mention that the year 2020 looks very complex and challenging, both in Chile and in the world. In addition to the slowdown of activity in the country, which is the result of the social crisis that has been evident since October 2019, we must add the consequences of the Covid-19 pandemic.

Anyway, I want to point out my confidence and optimism in Cintac's future performance. Our challenge is to continue building opportunities based on our strategy, and in this way, continue growing in a responsible way, seeking to multiply the value of the company, always focusing on people.

Roberto de Andraca A.
Chairman of the Board of Directors

General Manager interview

What are the priorities established by the Cintac Group?

In the Cintac Group, we closed 2019 with 303 thousand tons shipped and a 9.3% increase in sales income in Chile and Peru, compared to the previous year's figures. Among our priorities are to improve these figures, through the consolidation of new businesses, and to continue with the acquisition process to gain a greater presence in Latin America.

It should be noted that in recent years the Cintac Group acquired three companies in Peru: Calaminon, with more than 50 years in the construction market and today focused on modular solutions; Signo Vial and Sehover, companies with more than 10 years of experience in signaling solutions and road improvement and maintenance; and Agrow, a leader in agricultural structuring systems, in Chile and Peru.

However, the contingency arising from the Covid-19 pandemic has generated new and several challenges for different sectors. Although it is too early to estimate a date for market reactivation, both in Chile and Peru, the company must be prepared to follow the level of activity in order to meet this new demand. Additionally, we will continue to move forward in our long-term strategy. In this context, consolidating the Group's performance and incorporating new business units will continue to be a challenge for this year.

Consolidating the Group's performance and incorporating new business units will continue to be a challenge this year.

What were the main developments and events in 2019?

I would like to emphasize that from each of the subsidiaries incorporated to the Cintac Group we have received great human teams, people with great talent, with a constructive view and with a determined and enthusiastic way of tackling different projects and challenges.

The companies that are part of our Group have the responsibility to ensure the development of their activities without negatively affecting the environment and, mainly, taking care of the health and safety of those who are part of them. To this end, the legal requirements that apply in both areas are a basic obligation to be safeguarded. In the area of safety, we have developed different campaigns at a preventive level and each of our subsidiaries incorporates a series of programs in its safety plans. This has allowed us to lower our severity rate, which we welcome, but does not leave us in peace, as we aim to reach zero accident as our main challenge. Additionally, given the interest in contributing with more depth in environmental matters, we have developed some projects and implemented information campaigns that help to create awareness among our collaborators about how important it is to take care for the environment.

In the commercial field, we would like to positively highlight the efforts made by Calaminon, a subsidiary of the Cintac Group in Peru, by being awarded seven large modular projects during 2019 and thus reaching the sale of more than 100,000 m². We also recognize the Tupemesa team, also in Peru, for moving forward in the development of its strategy and growth in the market, reaching its record sales in October 2019. On the other hand, Sehover and Signo Vial, one year after joining the Group, showed performances above expectations thanks to the permanent effort of their teams to visualize opportunities in tenders and make them concrete. Finally, we also highlight the generation of new business models and new alliances by the subsidiary Cintac SAIC, which aim to strengthen its position in the market as a leading company, with a recognized and renewed mix of products and innovative solutions.



Javier Romero
General Manager



CINTAC group at a glance

Our Mission: we contribute to various industries of the economy with sustainable solutions in steel and other materials, committed to management excellence and innovation to generate long-term value for our stakeholders.



303 thousand
metric tons of products shipped

What sets us apart?

It's the way we do business that sets us apart. We seek high-level partners who share our values and vision for the future. We stand out because of our ability to build high-performance teams. We are innovators par excellence, and one of our competitive advantages is that we develop a culture of operational excellence.



1,189
own workers³⁰

697
contractors

Our products

We offer products, solutions and services to the different economic markets in which we participate. In the housing, industrial and road infrastructure market, we participate in the manufacture of steel products; in the energy solutions market we build photovoltaic plants on the ground and on roofs. We offer construction solutions for homes and industrial buildings, for the agricultural world and modular construction for the education, health and housing markets, among others.



US\$ 341
million in consolidated revenues, US\$ 26 million in EBITDA



Ownership
62% CAP S.A.
38% AFPs and other investors

More information about our business, operations and markets can be found at www.cintac.cl.

³⁰ Total number of own employees as of 31/12/2019. Includes Cintac SAIC, Tupemesa, Calaminon, Sehover and Signovial.

Our performance on 2019



Corporate Governance and Ethics

33%

of female directors

0

complaints on the Integrity Channel.

We formalize the structure and role of the holding company.

100%

of the directors are independent³¹.



Own workers and contractors

17%

of our own workers are women.

0

fatalities.

100%

of own workers under OHSAS 18001, ISO 9001 and ISO 14001³³.

0

own workers with occupational diseases.

1.7³²

Frequency rate .



Environment

90%

reduction of particulate material emissions in the Maipú plant's electricity generation equipment, thanks to the on line Filter.

4%

of the energy consumed comes from the 100.000 m² of solar plants installed on our roofs.

0

environmental impact incidents.



Company

We launch new construction solutions that contribute to the environment and the quality of life of people.

Sales of modules with 3D technology, to facilitate the purchase of our products and solutions, were installed in retail rooms in Chile.

4,022

suppliers make up Cintac's value chain³⁴. **760 of the suppliers in Chile are SMEs.**

³¹ 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 are currently 2 independent directors.

³² Number of time loss accidents per million hours worked during the year Includes own workers and contractors. It considers all the companies of the Cintac Group.

³³ Corresponds to Cintac SAIC

³⁴ Includes Cintac SAIC, Tupemesa, Calaminon, Sehover and Signovial.

Our positive impact on society

In 2015, world leaders adopted a set of 17 global goals to eradicate poverty, protect the planet and ensure prosperity for all. Known as the 2030 Agenda, it is an ambitious action plan for the people, the planet and prosperity. Each of these 17 goals, known as “Sustainable Development Goals” (SDAs), has specific objectives to be achieved by 2030 in a joint effort by multilateral agencies, governments, business and civil society. The following are examples of some solutions we have designed to contribute to specific 2030 Agenda goals.

We have developed several solutions to achieve a sustainable society by 2030. This is why we have aligned ourselves with the United Nations’ Sustainable Development Goals (SDAs).



Target 3.6: Halve the number of deaths and injuries from road traffic accidents worldwide

Road safety

Cintac has positioned itself as a benchmark in the development of solutions for road infrastructure. Since 1996, when we launched our first line of metal road fenders, we have continued to innovate, including certified containment systems according to European standards into the market. Through our new subsidiaries in Peru, we are participating with a variety of products and services focused on road safety.



Target 7.b: Expand infrastructure and improve technology to deliver modern and sustainable energy services to all in developing countries

Solar panels and solar power plants

We are the most experienced supplier in Chile of rooftop solar plants, with more than 100.000 m2 installed. Our solar panel system is flexible and adaptable to any type of roof or to a ground installation.



Target 9.4: Modernize infrastructure and convert industries to be sustainable, using resources more efficiently and promoting the adoption of clean and environmentally sound industrial technology and processes

Construction solutions

Construction solutions is founded to provide expedite and innovative answers to construction, offering industrial buildings, modular bathrooms, modular houses and the Metalcon construction system.



Our transformation roadmap

We have been living a process of transformation and growth. Together with a geographical expansion, we are approaching the end user with tailor-made solutions.

The challenges and our response

The context

We just began a very complex 2020 at a global level. In addition to the slowdown of activity in Chile as a result of the social crisis that has been evident since October 2019, we must add the coronavirus pandemic that is affecting the world and, consequently, the countries in which we operate. We expect that the magnitude of the impact of this virus will be reduced as a result of self-imposed restrictions on mobility, as well as those decreed by governments, which has certainly affected the work performed in our subsidiaries. Although it is too early to estimate a date for market reactivation in both Chile and Peru, we must be prepared to accompany the level of activity in order to meet this new demand. Additionally, we will continue to advance in our long-term strategy; in this context, consolidating the performance of the Group of companies and the inclusion of new business units will continue to be a challenge for this year.

Our response

We have been systematically developing our strategy, which has allowed us to grow and project ourselves in South America, expanding to other markets of greater contribution and with other materials.

In this line we have been advancing from offering products to delivering solutions that are increasingly close to and valued by the end user, and in which innovation and technology have been decisive in the process.

In order to make our growth and diversification strategy sustainable, last November we made changes to our organizational structure by formalizing the Cintac Group with the aim of strengthening the different work teams based on three fundamental pillars: developing the potential of each subsidiary, seeking at all times to protect its own identity; generating synergies between the different companies in the Group by favoring economies of scale and thus greater efficiency; and making acquisitions that target industrialized construction and generate greater value for our company.

2019 Awards and recognitions

- **Boosting Female Talent**
Awarded by Fundación ChileMujeres, PwC Chile and Pulso, it highlighted Cintac's management in the industrial-construction sector as the company that has made the most progress in incorporating women into the various industries.
 - **Sodimac Meeting Day**
Sodimac awarded Cintac as the most innovative supplier of the year, highlighting its work in industrialized solutions for construction, the agricultural world and the energy industry.
-

Cintac way

We want to be protagonists of the construction of the world to come, an environment in which we can grow with confidence, ethics, transparency, respect and in a collaborative manner. In a safe environment, in harmony with the environment. It is not a dream, it is possible. It is our heritage for future generations.



Sustainable solutions that simplify your world

We design solutions that contribute to the sustainability of the world we want to build, and that facilitate the work of companies and people. Construction systems that improve and simplify processes, modular solutions that increase efficiency and flexibility in the construction of large works and also in homes, solar panel systems on roofs for a world with lower emissions, are some of the ideas that we have materialized to contribute to a better world.



Motivated and high performance teams

We have big dreams, and we believe that to achieve them requires motivated and high performance teams. That they connect, that they understand the value of working collaboratively and that they feel part of the challenge. We take care of our people, we seek to provide a pleasant, safe and healthy work environment that allows them to develop their full potential and encourages the contribution of new ideas. We have been building spaces where diversity, the interaction of different cultures and generations are valued and promoted.



Innovation and transformation as a hallmark

Innovation moves us and is in our DNA. We apply it to products and solutions, to business models and to our clients' experience, since it is the competitive advantage that distinguishes us.

One example of this is the innovation clusters. During 2019, six groups of 40 participants with different professional backgrounds and from different areas of our company operated. In terms of results, the projects generated in these teams progressed in such a way that they were later included as one more offer from the Holding's companies.

Corporate governance, risk management and ethics

Corporate governance

Board of Directors and Committees

Cintac S.A. is an open corporation. Our Board of Directors is composed of six people who have been their positions for three years and can be re-elected. This body is responsible for leading the strategy, including the definition of the objectives, the annual business plan, as well as the medium and long term ones. In addition, it defines the fundamental principles, mission, values, policies, strategies and priorities; monitors the creation of value and the efficient use of resources; and oversees performance, risks and management control systems, including sustainability.

Strengthening Governance

At the end of 2019 we formalized the structure and role of the holding with the purpose of generating the necessary organic to sustain the growth strategy we have set out and, specifically, to strengthen our work teams. The role of the group is focused on maximizing the performance of the subsidiaries, generating synergies among them, and developing new businesses.

To update directors and executives on best practices in corporate governance, in 2019 we held a talk by the Center for Corporate Governance at the Pontificia Universidad Católica. Here we reviewed the best practices in the field, advances in inclusion, diversity and sustainability reports in the world, risk management tools, conflicts of interest, among others.

Sustainability Governance

The Board of Directors is responsible for delivering the sustainability guidelines. Every month it reviews the relevant facts on this subject, including safety and environmental aspects, and every three months it meets with the People and the Sustainability Manager to learn in detail about the course of these subjects.

We have established instances and mechanisms of coordination and follow-up in the different matters related to sustainability. At a strategic level, the Cintac Group's General Manager participates in the CAP Group's Corporate Sustainability Committee, together with the Chairman of the Board of Directors of CAP S.A. The General Manager, the corporate managers and the managers of the other operating companies. This committee, in 2019, met three months to monitor the implementation of the strategy, approve the resources, plans and corporate standards and follow up on the indicators.

At a tactical level, we also participate in the Sustainability Group of CAP S.A. which meets every two months to coordinate the implementation of the plans.

Composition of the Cintac Group Board of Directors (as of December 31, 2019)

	Gender		Independence ³⁵		With executive positions in the company	
	Men	Women	Independent	Not independent	Executive	Non-executive
Cintac	4	2	6	0	0	6
Tupemesa	4	1	5	0	0	5

³⁵ According to the criteria used by the Dow Jones Sustainability Index (DJSI) to define "Independence".

Risk management

Our Board of Directors is ultimately responsible for the risk management of our company, and ensures that there is an adequate environment, structure, culture, plans and resource allocation. It also meets quarterly with the unit in charge of this matter. Our risk management methodology is based on the international standards ISO 31.000, COSO ERM and ISO 22.301.

In 2019 we are moving towards a new risk management culture based on looking at processes to identify them, establishing that responsibility for their management lies with the owner of the process itself. This is how we defined our critical risks and created the controls to prevent or mitigate them. Among these we can mention labor accidents, market conditions, ethical and compliance breaches and the timely adaptation to technological changes, among others.

More information on our risk management is contained in the 2019 Annual Report available at www.cintac.cl



Ethics and compliance

In 2019 CAP developed the Integrity and Compliance Program at the corporate level, which was extended to the Cintac Group. For our subsidiaries in Peru this initiative was adjusted to the local reality in line with Law 30.424, but always under the guidance of the corporate plan.

The official launch of this program is planned for 2020, and will also include the Compliance Ambassadors Workshop, a figure that arises with the mission of promoting the construction and/or maintenance of an ethical culture through communication, training and various initiatives related to integrity and compliance. In the case of our Group's companies, the new role required by the program will be assumed in most cases by the sub-managers of the People and Sustainability area, who have the necessary skills and powers to address the important challenge posed by this new function.

In line with the above, and in order to bring the company closer to the new program, training was provided to managers and assistant managers of the various subsidiaries in the main aspects of compliance. In addition, a special training instance was incorporated to those people whose function is more exposed to risks in this matter.

The following are also important milestones in the area of compliance that were promoted at the corporate level and that cover all our subsidiaries: the launch of the New Code of Integrity, the updating of the Crime Prevention Model, the development of the Compliance Program for Free Competition Regulations and the preparation of "Short Guides" in the areas of due diligence, relations with government officials and conflict of interest management.

Finally, the modernization of the Integrity Channel carried out in 2019 completes the initiatives regarding compliance issues, allowing in this case, the correct channeling of questions or reports of facts that alter the existing legal regulations or the principles and values that govern the Cintac Group.



Code of Integrity

0 complaints in 2019

Only one question was recorded on the Integrity Channel, which was resolved in a timely manner.

Responsible procurement

At the contractor level, we monitor compliance with labor, safety and environmental regulations. Similarly, the contractors' prevention officials are required to report at least twice a year to the Joint Committee on issues of legal compliance and the safety and health of the workers in their companies.

In addition, both suppliers and contractors must comply with our Crime Prevention Model.

Contractors: Social Outburst and Coronavirus

We are permanently concerned with safeguarding the conditions that our contracting companies offer their workers, an issue that acquired special relevance after the social outburst. In this sense, we are constantly monitoring any problems that may arise or affect our contractors and suppliers.

In the same way, and regarding the Covid-19 pandemic, our commitment is to protect the health of all the employees of the different companies of the Group, including the contractor personnel. To this end, we require that each service company has preventive protocols to deal with the pandemic, and that these protocols standardize the conditions and requirements stipulated in our protocol.

Customers, innovation and solutions

Innovative solutions that contribute to the quality of life and the environment

We want to be a contribution to solve the problems that people have, so we strive to understand them and to prevent climate change. This transformation is not something that began in 2019, but has been in the making for several years now, and this is part of our long-term strategy. This is how we advance in our challenge to offer solutions and services that are more tailored to the needs of the customer and final consumer. We have specialized teams in the different solutions we offer, designed for different types of industries and different industries, such as manufacturing, commerce, agriculture, education and mining.

Sodimac Meeting Day
Sodimac awarded us as the most innovative supplier of the year, highlighting our work in industrialized solutions for construction, the agricultural world and the energy industry, as well as our protection of the environment.

1. Road safety

We have positioned ourselves as a benchmark in the development of solutions for road infrastructure, offering, for example, containment systems certified under European standards. Additionally, we have expanded our offerings with the entry into the Cintac Group of the Peruvian companies Sehover and SignoVial (60% participation), which are focused on safety, signaling services, and road maintenance.

3. Agricultural solutions

We offer galvanized steel structures used for the conduction and support of vineyards and fruit trees. Thanks to its characteristics, it optimizes and facilitates trellising tasks and supports mechanized harvesting processes, delivering a resistant and lightweight solution. In October 2019, we acquired 70% of Agrow SPA Latin America, a company with significant experience in the world of steel, plastic and other materials for sustainable solutions in the agricultural market. This partnership allows us to continue strengthening our position in that market, increasing our presence in the region.

2. Solar panels and solar power plants.

We design, develop and carry out the assembly of photovoltaic solutions, which are adaptable and flexible, allowing their installation on roofs and on the ground. In 2019 we launched the first solar generation kit to be sold in retail in Chile. The latest solar plant projects have been installed in companies in the country such as Bodegas A cuenta, Parque del Recuerdo, Núcleo Ochagavía, Tecnigen and Salco Brand, among others.

4. Constructive solutions

In construction there is a worldwide trend towards greater industrialization, thus solving the challenges of order, control and quality of the works required by the market and a more demanding consumer. That is why our offer has joined this trend, seeking agility and ease in the installation and assembly, as well as greater simplicity for the end user and achieving more competitive costs. Modular bathrooms, self-supporting panel modular houses, multipurpose modules (offices, schools, hospitals, workshops and warehouses), as well as industrial warehouses, are examples of the construction solutions we are marketing. In terms of modular construction, our Peruvian subsidiary Calaminon should be highlighted, which participates in this market by offering the highest quality solutions for the education, health and housing industries (*see highlighted note on page 76*). Through our subsidiary Tupemesa, we offer hot-dip galvanizing service using a modern galvanizing plant located in Lurín-Lima.



Construction 4.0

The future of construction is constantly changing, bathrooms, houses, classrooms and modular hospitals are a solution that adapts to the new times.



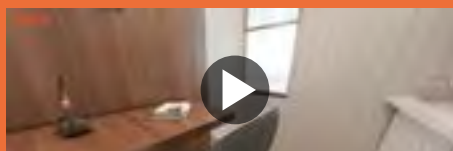
Modular bathrooms

We have pioneered the development of modular prefabricated bathrooms. This new trend in construction makes it possible to reduce construction time by 30%, among other things. Having a finished bathroom also generates positive environmental impacts, achieves greater efficiency in its manufacture, assembly and lower material losses and waste generation. We have specialized personnel to ensure an adequate installation, evaluating from the project design to the correct definition of the parameters and requirements.



Modular classrooms and hospitals

In Peru, our subsidiary CALAMINON, a leading company in modular construction, is the main supplier of this type of solutions to improve the country's infrastructure in remote and difficult to access places, and where traditional construction is impossible to execute. High standard, versatile solutions that are manufactured at the plant and transported in kit form to different locations, allow us to have schools and hospitals built in a very short time (60 to 90 days), thus contributing to the development of society.



Modular homes

We offer ready-to-install homes on site, easily connected to the sewage system and the existing electrical system. Its materiality provides excellent thermal, acoustic and waterproof performance. Its modular technology is easy to transport and install. Additionally, it complies with the most demanding technical standards, and has a thermal enclosure system. It is an ideal alternative for a second home, or for a mobile or temporary home. Additionally, we have low cost designs, being this an inclusive solution, due to its viability as social housing.

To visit the virtual tour, enter https://data.sentiovr.com/spaces/9146/space_1569512402/vtour/tour.html

Service and customer satisfaction

We have expanded the universe of customers, commercializing in B2B and in the last years expanding strongly the B2C, offering our products in retail, in the real estate sector and in a direct way to the individual consumer. We want to know the needs of the final consumer and have direct access to their concerns, problems and dreams allows us to focus and adapt the solutions we offer quickly and effectively.

Customer experience

We are interested in making our customer's experience a pleasant one, without friction, and to this end we use the latest technology available to be close to them. The implementation of the specialized SAP CX platform - Customer Experience - allows us to have a permanent monitoring of our sales, service delivered and marketing of our solutions. On this platform we also host our B2B and B2C portals. We apply customer surveys, where we measure the fulfillment of our offer and the satisfaction with different aspects of the experience of the different customers.

Communication with the customer

The breadth of our marketing and consumer channels demands permanent communication in order to maintain high levels of satisfaction. In addition to traditional communication channels, we have virtual customer service platforms and social media.



Sales modules with 3D technology

Our people: workers and contractors

Corporate guidelines and policies

We have an integrative Group vision since we aspire to respect the local and individual identity of each country and region where our operations are located, but at the same time, we define those aspects that cannot be ignored such as legal compliance, ethics and integrity.

Mandatory aspects

We have a comprehensive Management System, from which emanate procedures that already certified companies must comply with. We also implement an - internal and external - audit system that controls compliance. From the recruitment and selection of candidates, there is a concern to carry out an orderly process, which allows the successful completion of the recruitment. Every person who is part of the Cintac Group has their contract within the deadlines established by law, with due payment of their remuneration and legal contributions on the corresponding dates. All employees are given the personal protection elements and tools that allow them to adequately perform their function, complying with all the established protocols that govern working life. As a result of the above, none of the Group's companies has been exposed to or maintains any labor lawsuits in this area.

Motivated teams

We have big dreams and we believe that to achieve them requires motivated and high performance teams. Teams that connect, that understand the value of working collaboratively and that feel part of the challenge. It is not an easy task, but we have been moving forward through consistency between what we say and what we do. We take care of our people, we seek to provide a pleasant, safe and healthy working environment that allows them to develop their full potential and that encourages the contribution of new ideas. We have been building spaces in which diversity, the interaction of different cultures and generations has been of great value. The results of the last Committed survey (2019) support the above, where the work done in Cintac is especially recognized, achieving an SSIndex 2019 of 76%, which means that this percentage of the measured stakeholders (workers) positively value Cintac's risk management and sustainability.

HIGH-PERFORMANCE TEAMS

The fact that people develop in a healthy and safe working environment, that they are efficient and motivated, allows assembling high performance teams. Other key elements in this sense are the progress of people, training and communication.

CINTAC high performance team

Number of employees as of December 31

Cintac Chile

2017	391
2018	436
2019	482

Cintac Perú

2017	246
2018	449
2019	708





Safety

0 fatalities in the last 6 years.

	Frequency Rate ³⁶	Severity Rate
2017	3.5	230
2018	2.2	157
2019	1.7	53



³⁶ Days lost per million hours worked.

People development. The organizational restructurings that we created in 2019 in each of the Group’s companies were possible due to the development programs that the subsidiaries built with their teams. To sustain the growth and diversification strategy over time, it is essential to have the necessary skills in place in a timely manner. That is why we identify the differentiated talents, which has allowed us to generate development plans to adequately manage our workers. Thus, the different companies of the Group have implemented various initiatives, always respecting the identity and culture of each country and company. For example, Calaminón has a Leadership School aimed at executives and talent development, which includes coaching and which in 2020 will add the training of mentors at different levels. Tupemesa has a High Potential plan, focused on executives and personnel with potential, which included strategic reflection days, coaching sessions and which will continue with a second stage of consolidation in 2020.

Innovation capabilities
Six groups led innovation projects. With this we seek to create innovation capabilities in our working teams. In 2019, forty Cintac Group employees participated in the innovation groups.

Career path, succession and rotation plans. We seek to privilege the movement of people within the Group, so that, when new positions arise in any of the companies, the possibility of an opportunity is first evaluated for those who work in any of the group’s subsidiaries. This facilitates the generation of succession plans that are in line with the skills required for each of the key positions. In 2019 we implemented an innovative program for the rotation of talent with potential within the Cintac Group. It consists of an exchange of professionals between different areas with the intention of developing in them a comprehensive view of the organization, facilitating the knowledge of the different processes of the company and finally favoring the promotion to other types of positions without the limitation of the area to which the professional belongs. In 2019, the program was implemented in four positions.

Communication and climate. We want the employees of the different subsidiaries to be informed about the implications of their work, as well as about the projects and challenges that the company has set itself. We believe that the best way to do this is through direct communication between management and workers, so we encourage frequent meetings with teams to address various issues of interest. Along the same lines, in all our subsidiaries we have developed company vision days of which the general managers are in charge. Thus, those who work with us are informed directly about the goals of the organization, the major focus of action and the results obtained. Among the tools available are screens, organizational WhatsApp, newsletters in each of the subsidiaries and in the case of Signo Vial, the Facebook Workplace has just been created.

Safety. We believe that good relations are the basis for safe environments. Therefore, and based on our comprehensive approach, safety aspects are a key part of creating high performance teams. Thus, we emphasize prevention, self-care and creating safe environments, where workers and contractors feel part of us. Thanks to the safety plans in each of the subsidiaries, aimed to anticipate events and manage incidents, we managed to reduce our Severity Rate³⁷ by 50.3% when compared to the previous year. Despite this, we cannot feel successful because we are aware that Safety requires constant care. For this reason, we review our plans and programs to improve them every year. We have an Incident Management Program, which allows us to detect unsafe conditions early and implement improvement actions according to their criticality. Likewise, the Behavior Improvement Program allows identifying unsafe behaviors to increase the perception of risk in the different work positions. We have not had any fatalities in the last six years.

Union relations. Maintaining good relations with workers and unions is essential to the kind of working environment we aim to achieve. That is why we maintain an open-door and mutual cooperation policy with the three union organizations, to which 44% of our workers are affiliated. In 2019, two collective negotiations were held, which took place in an atmosphere of dialogue and resulted in early agreements with the Tupemesa union and a Cintac union.

³⁷ Days lost per million hours worked



Diversity and inclusion of women

For us, gender diversity, multiculturalism and inclusion are relevant aspects to generate more collaborative, diverse and healthy working environments, which we believe are the foundations for the results of any company. We are working on strengthening talent, training, leadership and the inclusion of women in different roles within the organization.

We encourage the work of women with high levels of recruitment, assigning a priority to having women in the work teams. We want to include the female vision into a greater critical mass in the different companies of the Group. Thus, in 2019 we reached 17% of women in this group, with two out of seven directors, one corporate manager, eight managers in subsidiaries and 199 employees. As a result, in 2019 we received the Female Talent Award, which measures the progress of companies in different industries in terms of narrowing wage gaps and increasing the rate of female participation. We were recognized in the industrial and construction category as one of the Chilean companies that has made the most progress in including women into the different levels of the organization.

Diversity

Women

2017	15%
2018	16%
2019	17%



Environmental responsibility

Environmental guidelines and policies

In the companies of the Cintac Group we perform our work mainly in lines of action to be aware of our impacts and to reduce their magnitude. We have set ourselves ambitious goals so that our plants operate in harmony with the environment. In this area we are constantly concerned with complying with the legislation in force, constantly evaluating the impact of what we do and incorporating innovation into the processes, guaranteeing the growth of the business and the future of the new generations.

There are tireless aspects such as legal compliance in environmental matters, and they are part of the basic obligation of each of the Group's subsidiaries. In addition, we seek to go beyond the legal requirements through various initiatives that reflect our interest in contributing to the environment. For example, measuring the carbon footprint, product life cycle analysis and waste segregation projects, among others. All our processes are periodically audited to detect deviations and apply the corresponding corrective actions. In Chile our operations are certified under ISO 14001.

Climate change

Climate change not only involves risks - physical and transitional - but can also offer opportunities to exploit new markets or products. This is why we measure our carbon footprint in line with the methodology of Huella Chile, a program of the Ministry of the Environment, for scopes 1, 2 and 3. This calculation was recognized by Huella Chile in 2018³⁸. The sum of Scope 1, 2 and 3 was 540,301 tons CO₂ eq. in 2018, 99% of which was indirect emissions associated with the supply chain, 0.7% was electricity consumption and only 0.3% was direct Scope 1 emissions.

- **Carbon footprint of products.** Providing products that reduce the carbon footprint of our customers is part of the motivation to measure and certify under the Life Cycle Assessment (LCA) three of our products: (i) Metalcon, (ii) Steel stakes for vineyard and (iii) Collaborating plate (2.45/ 2.51 / 2.49 kilos of CO₂ eq/kilo respectively). For some customers, having a product with its Life Cycle Analysis is a key attribute for the certification of sustainable construction projects.
- **Energy efficiency.** One of the main climate change mitigation measures is the improvements in energy efficiency that we implement in the different operations. We have an Energy Efficiency Committee, which reviews and evaluates processes, seeking the best way to improve them and make them more efficient. As a result, Cintac Chile replaced low efficiency equipment, as well as installed consumption control and monitoring equipment for the different machinery, establishing the basis for future improvements.
- **Inclusion of renewable energy.** We have the largest rooftop photovoltaic plants in Latin America (100,000 m² of solar plants installed). They have a capacity of 2.7 MW and supply 70% of the production process of the plant in Maipú, which is equivalent to 4% of the total energy we consume in the Cintac Group. In the future we hope to expand solar energy generation, thus contributing to the carbon-neutral goal set by Chile for 2050, by installing more rooftops with photovoltaic plants. Meanwhile, we are working on making the panel cleaning system more efficient given the scarcity of rainfall and the increase in temperature, both of which are consequences of climate change.
- **Optimization of water use.** There are three projects to make our water consumption more efficient, which are being evaluated in their technical and economic feasibility, are (i) recirculation of process water. (ii) reuse of water from the regeneration process of the water softening columns used in the paint plant. (iii) Reuse of the effluent from the wastewater treatment plant for irrigation of green areas.

First company in Chile and the world to implement the Filtro Vivo system

Seeking to contribute to improving air quality, a system composed of six units - live filters - was implemented to absorb particulate material through the leaves and substrate. Through the natural process of photosynthesis, they convert it into nutrients for the plants. Thanks to this innovation, we managed to reduce by 90% the emissions of particulate material in the electricity generation equipment (generator), decreasing the emissions from 52.9 mg/m³N to 4mg/m³N.

³⁸ The carbon footprint published in the report is of the 2018 operation, with the 2019 measurement in progress.

Responsible waste management

We manage all our waste responsibly; valuing those that allow it and disposing of those that cannot be reused or recycled in accordance with current legislation. This procedure has contributed to the reduction of our carbon footprint. In Chile, in 2018 we adhered to a Clean Production Agreement (CPA) Zero Waste for Disposal, which is still in force. Likewise, Tupemesa and Calaminon in Peru have initiatives to reduce waste generation, recycling and/or reusing. During 2019 we generated 6,146 tons of waste³⁹, 6% of which corresponded to hazardous industrial waste. Of the total waste generated, 86% was recycled.

Clean points. In order to deepen the culture of environmental care that we are promoting in the Cintac Group, we develop Clean Points so that workers and their families can discard their waste in a clean and safe way. All our plants have areas for the collection and segregation of industrial waste generated in the processes.

Sensibilization of workers and contractors. We constantly carry out talks and awareness campaigns to transmit the importance of correct waste segregation, as well as the impact and environmental contribution generated by recycling. To reinforce the issue, we carry out inspections of these processes and have facilities and information to support their management.

Value to waste. All usable waste is marketed through authorized companies or sold to companies for its use. For example, Calaminón has a pelletizing equipment that reprocesses polystyrene crusts. This process allows us to obtain EPS pellets, which are sold in the Peruvian market as raw material for the manufacture of plastic car headlights, adhesives, etc. In Chile, Cintac added one more waste to those that provide an added value. It is the lamella sludge, which is used as an alternative fuel for the furnaces of a cement factory, thus reducing the waste that goes to confinement.

Waste generated and recycled

Waste generated
(Tons)

2017	6,997
2018	5,452
2019	4,397

Recycled waste
(Percentage)

2017	85%
2018	85%
2019	86%



Capacity building in the cintac community

With a practical approach, the trainings and workshops we offer to teachers and construction professionals are an invitation to grow and develop together with the company. They are provided physically and online, and add up to more than twenty years of social contribution linked to the business. One of the most professional courses is dedicated to the use of Metalcon, forming a community with more than seven thousand people trained since its creation. In 2019 we instructed free of charge a total of 891 people in its use, of which almost 67% correspond to those attending the Sodimac Fair. The main objective of this course is to get the student to acquire the necessary knowledge so that he can develop constructions, expansions or houses by himself, using the Metalcon construction system.



³⁹ Includes Cintac Chile, Tupemesa and Calaminon.

CINTAC®