

Aguas CAP Desalination Plant/ Caldera, Atacama Region

2022

Sustainable growth



Business of the Year

ICARE rewarded our history, forward-thinking vision and permanent commitment to sustainable growth.





Committed to diversity

Women hold 43% of seats in CAP's Board of Directors, CMP achieved gender parity in its executive team and Siderúrgica Huachipato appointed a female workers' representative to its Board of Directors.



Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

Ranked fourth in the world in its sector

For the sixth consecutive year, CAP Group is part of the Dow Jones Sustainability Index (DJSI). Moreover, we are in the Sustainability Yearbook once more.



Sana Mente



Sana Mente, the first TV show dedicated to mental health, wellbeing and neuroscience, will have new episodes in 2023, after two successful seasons.

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An aerial photograph of a large-scale port construction project. In the foreground, a long, narrow barge or pier extends into a deep blue body of water. The barge is covered with a dense stack of large, white pipes with red and white striped ends. Several workers in high-visibility vests are visible on the barge's deck. In the background, a large area of land is filled with more stacks of similar pipes, some of which are being moved by a red crane. The surrounding landscape is arid and hilly, with some industrial structures and a small yellow buoy in the water.

01

We are
CAP Group

The main multi-purpose port in the region of Atacama, Puerto Las Losas, is located in the municipality of Huasco.

Letter from the Chairman

J O R G E S A L V A T I E R R A P A C H E C O



“CAP’s 100 years are just around the corner, and our responsibility is to project our operation into different possible futures.”

Dear Shareholders:

It is with special pleasure that I address you to share our 2022 Integrated Annual Report, which contains our main indicators, including those related to governance, the environment and social aspects, as well as a summary of our operations and main activities carried out in the year.

In a year with a challenging and volatile global context, we have maintained continuity of our long-term strategy. The messages we shared a year ago are still absolutely relevant. We have recently ended an 18-month process refining our corporate governance and strengthening the strategy, as well as that of our operating companies, consolidating this work in the project internally known as Starlink, which is currently in its implementation phase.



For our vision of the future, we have identified a number of global trends that will have an effect on our businesses. The way and timeliness with which we approach them will define the CAP of future decades. Standing out among these trends are the growing concern for climate change and necessary industrial decarbonization elements which, in turn, bring us great opportunities.

We do a different mining with added value in the North, through Compañía Minera del Pacífico, committed steelworks with added value, through Huachipato, efficient construction systems with diverse materials through CINTAC, with which, among other things, we expect to contribute to relieve the great housing deficit in Chile.

In all these companies we find support in innovative and sustainable infrastructure, operating ports, desalinating plants, concentrate ducts, participating in energy generating projects and other big engineering works. Our group privileges a supply of goods and services by means of local suppliers, it mainly hires workers that reside in the regions where we operate, and it steadily moves forward in having greater diversity and inclusion in all levels of our endeavor.

We believe that these and other reasons were fundamental in ICARE's decision to recognize us with the award of 2022 Best Business of the Year, accolade that CAP has won for the first time in its history.

Similarly, we made important strides in the Dow Jones Sustainability Index (DJSI), now ranking at a significant

fourth place in our industry worldwide, and, for the second year in a row, we were included as part of the S&P Global Sustainability Yearbook (www.spglobal.com).

As Board of Directors, we are also concerned with our own development and further improvement, and we have designed rigorous training programs for the people that take part in CAP Group's boards, always through internationally renowned institutions. This gives us the capacity to stay up to date with global trends and benchmarks and look beyond the local ups and downs that sometimes limit a vision of the future. Likewise, we have renewed the practice of external evaluation of our Board of Directors and corporate governance, which was carried out this year by a specialized team from the Boston Consulting Group (BCG), thus receiving important information for our ongoing improvement.

Our Investment Plan is still moving forward strongly and focused on growth and operational stability and efficiency. Compañía Minera del Pacífico executed investments for US\$425 million, projecting a similar figure for 2023, with a greater proportion on growth plans and improvements in new sites. In the case of Huachipato, it was US\$34 million in 2022, a figure that will increase significantly in the coming years for important reconversion projects for a green and sustainable steelwork. The plan should see a completely renewed and efficient operation, with cutting-edge environmental standards. Cintac, in turn, having already completed the absorption of the acquisitions from previous years, will focus its investments on amplifying its productive capacity in the area of construction solutions, including high-standard residential solutions in social housing.

Since September 2022, we have Nicolás Burr García de la Huerta as our new Chief Executive Officer. Nicolás has a wide experience in frontline companies, among which we can highlight executive assignments in Argentina and Germany, having lived more than 5 years in the latter as a member of the Hapag-Lloyd Executive Committee.

The attainment of our Purpose has the invaluable support and contribution of our direct and indirect collaborators, who now add up to over 13,000 people. We also work to open development opportunities for them that generate a virtuous circle: better workers, better company and greater development for the communities where we operate

CAP's 100 years are just around the corner, and our responsibility is to project our operation into different possible futures, open ourselves to changes and new visions, also incorporating our experience in these three quarters of a century. We must keep an open and wary mind, emphasizing and honoring the private enterprise's role in the society we are building every day. Therefore, we must not only adapt but also make the greatest effort to contribute in overcoming Chile's and the world's challenges. Only in this way will we be achieving our Purpose.

Thank you for your permanent support and trust



Jorge Salvatierra Pacheco

Chairman of CAP S.A.
Board of Directors

Letter from the CEO

NICOLÁS BURR GARCÍA DE LA HUERTA

Dear Shareholders,

Filled with enthusiasm and pride, I address you for the first time as Chief Executive Officer at CAP to inform you of the main activities and achievements in 2022, a year that has given us challenges that undoubtedly demanded additional effort and dedication from our workers. For this reason, I would like to start this letter by especially thanking the more than 13,000 collaborators in CAP Group for their work and strong commitment to the company and the country.

“Our purpose and renewed ambition inspire and drive us to continue contributing with Chile’s sustainable development Chile.”



I joined this team in September 2022 to lead the challenge of continuing and promoting the Group's Purpose: generate wellbeing and shared progress, transforming resources with Chile and the world. In the year's last quarter, we carried out a strategic reflection that concluded with renewed commitments, a solid alignment with our operating companies' strategies in terms of a new ambition: to be a Group that is recognized for its sustainable strategy, focused on the development of an industrial value chain based on decarbonization.

These purpose and renewed ambition inspire and drive us to continue contributing with Chile's sustainable development, especially in the regions where we operate. In addition, we updated and, in some cases, reformulated the strategies of operating companies, with three main focuses: to ensure our operations' continuity and efficiency, to promote the Group's current businesses strengthening their own value propositions, and to develop and diversify our business portfolio.

Likewise, and as part of the same exercise, we have aligned the Group's governance, identifying six critical functions for adding value and strengthening its management and decision-making processes and instances, which will undoubtedly translate into a consolidation of the traditional and historical group spirit that has characterized us, and will encourage greater integration and collaboration between the corporate center and our operating companies. To All these adjustments in our strategy, governance and culture constitute what we have internally named "Starlink Project", whose implementation will be a priority during 2023.

In the 2022 period, relevant investments were materialized in all different segments of the business, adding up to almost, US\$ 471 million. Here, we can highlight the progress in the pre-stripping of phase six in our Los Colorados Mine and sustainability projects, such as the progress on the prototype of the Green Hydrogen Pilot Plant in Huachipato, for the direct reduction of the mineral and future green steel production, the start of the decarbonization project, replacing coal for natural gas, in our Pellet

Plant, Compañía Minera del Pacífico in the town of Huasco.

In terms of financial results, net profit consolidated as of December 31st 2022 reached US\$ 226 million, while the EBITDA totaled US\$ 910 million. By the end of 2022, CAP Group's revenues reached US\$ 3,006 million.

Our mining segment, via Compañía Minera del Pacífico (CMP), had a good year, given that the company got an EBITDA of US\$941million and a net profit of US\$480 million in a context of positive prices, reaching average levels of 112 US\$/ton. Cash cost reached 51.5 US\$/ton, 11% over last year, which reflects the inflationary pressures that have affected mining costs in Chile and the world. In 2022, CMP obtained positive annual production and shipment levels of iron ore and pellets, for 16.5 million tons and 16.3 million tons, respectively.

In Compañía Siderúrgica Huachipato (CSH), the year saw an EBITDA and negative profit of US\$91 million and US\$122 million, respectively, due to, among other factors, the temporary unprogrammed halt of Blast Furnace N°2 at the start of the year, caused by cooling, as well as a lessened activity



in the building sector, which has had an impact on the country's steel bars. In addition, high levels of inflation, both local and global, also influenced results, as the rises in costs could not be transferred to prices. This was a consequence of the large volumes of imported steel products from China, where internal demand was shrunk. In CSH, we have promoted a series of initiatives that point to reducing costs and elevating our operation standards in the supply chain and industrial processes – projects which will be led by César Garrido, CEO at CSH, from March 1st 2023. [In the context of our sustainable growth strategy, the future of Siderúrgica Huachipato is to become a company focused on special steels and main supplier of grinding bars for the country's mining activity.](#)

In the Steel Processing sector, business comprised by companies in Chile, Peru and Argentina, such as Cintac, Tupemesa, Promet and TASA, the EBITDA and net profit in 2022 reached US\$ 4 million and US\$-39 million, respectively. The complex year is mainly explained by a reduction of the demand for steel products of approximately 18%, as a result of the lessened activity in the construction sector, both in Chile and in Peru. Additionally, our margins were adjusted downwards as a result of higher production costs and higher steel inventory cost, which was impossible to fully transfer to the price. [In the steel processing business, we are focused on consolidating and boosting greater growth in the insulation panel business and, thus, contribute with housing solution with better energy efficiency as well as strengthen the growth of our modular construction, contributing](#)

[creatively with solutions that allow to reduce the existing housing deficit in our country.](#)

In CAP Infrastructure, in turn, an activity that includes the company that produces and distributes desalinated water, Aguas CAP, electric transmission with Tecnocap and the multi-purpose port Puerto Las Losas, the EBITDA and net profit increased US\$ 59 million and US\$ 25 million, respectively. As of December 31st 2022, CAP Infrastructure subsidiaries, Aguas CAP and Tecnocap, achieved a production of 7.82 million cubic meters of desalinated water and a transmission of 247.3 GWh of electric energy, respectively. In the Infrastructure unit, we are working from the basis of a commercial plan to better utilize our installed capacity in port services and electric energy transmission, and analyzing projects that could allow us to increase our desalinating capacity to the levels that are currently authorized in Aguas CAP. Moreover, we continue to support our operating units in the future supply of renewable energy, developing solar parks to cover almost a third of our needs by 2030.

[Going back to our vision of the future, in 2023, CAP Group is looking at investments nearing US\\$ 500 million, around 30% of which will go to sustainability projects.](#) Furthermore, we will continue moving forward with the development of energy, green hydrogen and water desalination projects, complementary activities that allow us to reduce climate change risks and capture opportunities related to the development of new products and markets.

[We have defined a sustainable growth strategy that seeks to consolidate and](#)

[promote our current business, in addition to developing new future businesses; and we are convinced that, in this way, we will continue contributing sustainable growth in Chile and the other countries where we operate.](#)

Nicolás Burr García de la Huerta
CAP S.A. CEO

[GRI 2-22, 2-23]

Strategic Direction

CAP has an active management in terms of strategy and governance. Because of this, in March 2022, we declared CAP Group's purpose, which was a relevant milestone in promoting the sustainable growth strategy it has materialized in the past years. To consolidate this process, during the last quarter of 2022,

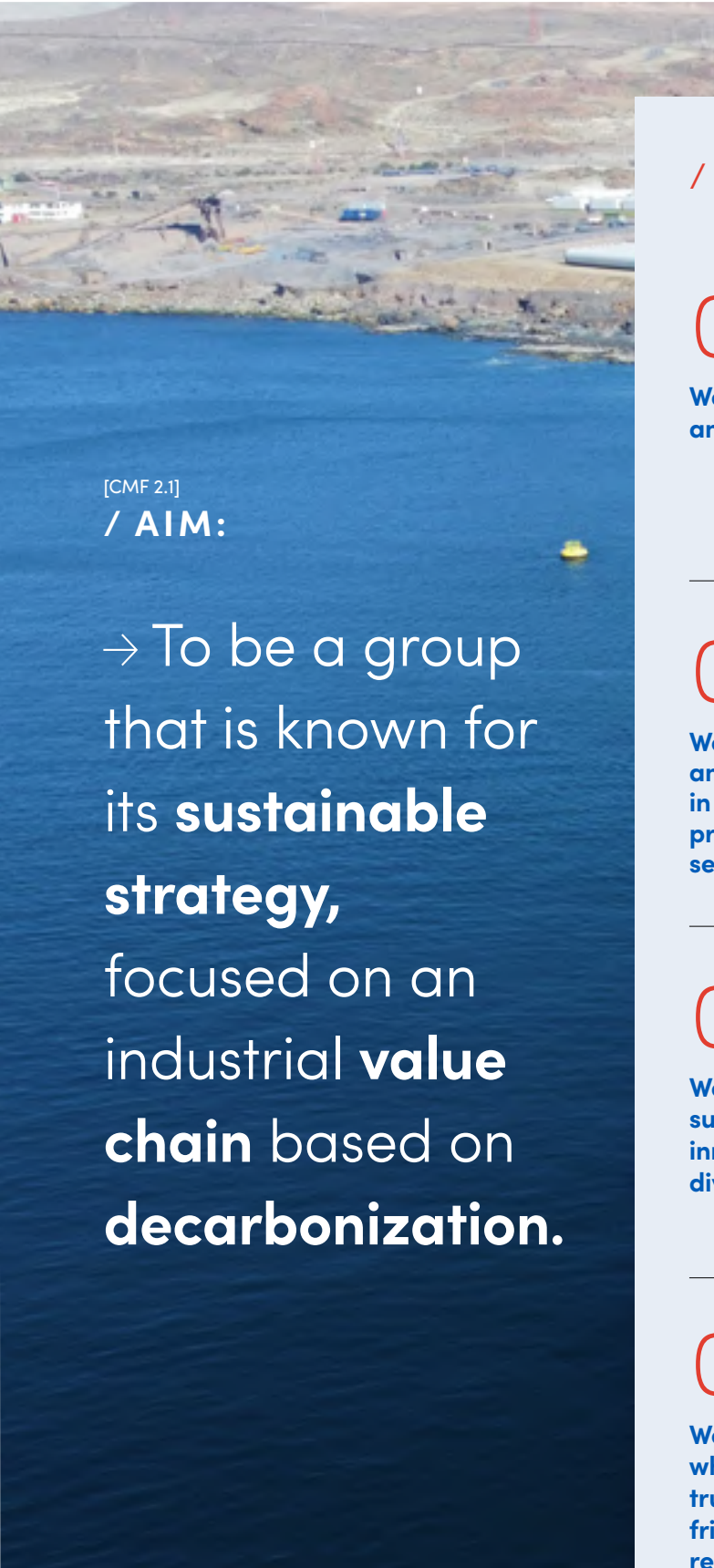
we developed the "Starlink Project", in which, through participation and collaboration, we defined a strategic direction that establishes an aspiration and strategic focuses that are common to the whole group, respecting each company's individuality, redefining their governance through the creation

of executive committees whose aim is the coordination and collaboration among companies, as well as defining the functions of the corporate center to ensure the creation of value for the operating companies.

/ PURPOSE

→ We generate wellbeing and shared progress, transforming resources with Chile and the world.





[CMF 2.1]

/ **AIM:**

→ To be a group that is known for its **sustainable strategy**, focused on an industrial **value chain** based on **decarbonization**.

/ **COMMITMENTS****01****We put health and safety first**

- We act to generate safe working conditions for people.
- We look out for our teams' physical and mental health.
- We constantly review and update all our processes to ensure safety.

02**We seek quality and excellence in people, processes and services**

- We promote high-standard products in the whole value chain.
- We develop high-performing professionals and teams.
- We are committed to continuous improvement at every stage of the value chain.

03**We promote sustainable innovation and diversity**

- We innovate with products and processes that are accountable for their environmental impact.
- We promote equity and inclusion.
- Social commitment in each of the territories in which we participate.
- Culture that promotes innovation with a sustainable future outlook.

04**We develop wholesome, trusting and friendly relationships with our clients**

- We promote listening, empathy and dialog.
- We relate with people honestly and transparently, even in the most complex situations.
- We are responsible with our promises and are accountable for our mistakes.

/ STRATEGIC FOCUSES



→ Stabilization and operational continuity

To ensure the stability, continuity and efficiency of the businesses in terms of:



Accidentability



Production levels



Financial stability and profitability



Competitive position



Relationship with communities



Environmental impact



→ Boost the current business

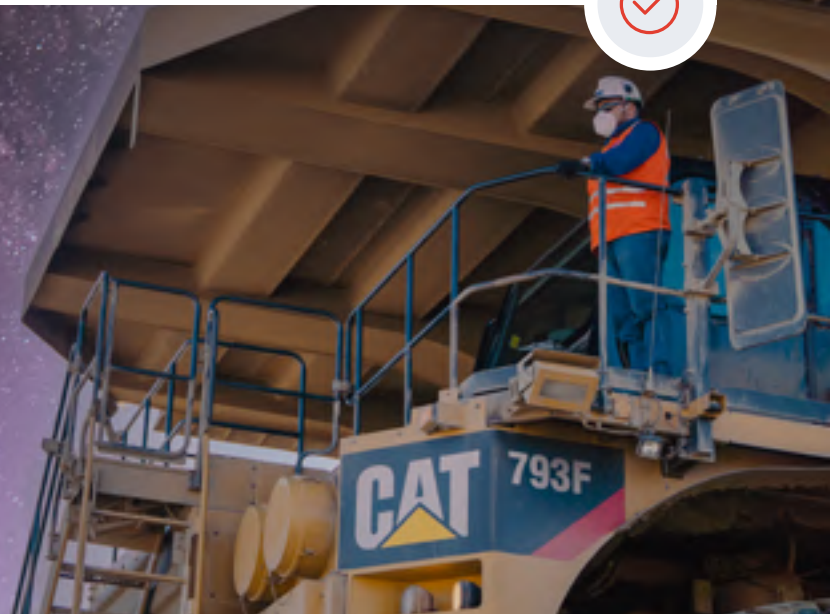
To boost the current businesses with growth initiatives and promote differentiation with products and services with lower carbon emission and water footprint reduction.



→ Development and diversification

To strengthen the portfolio composition with vertical and horizontal adjacencies that give value to the iron chain or that are coherent with the planet's decarbonization and water footprint reduction.

→ **To generate drivers** that facilitate the achievement of the corporate strategy, through policies and processes that allow to ensure the safety of people and information, an alignment of businesses, internal governance and a good relationship with stakeholders.



Summary of 2022: Results and Milestones



/ MAIN RESULTS



CAP Group has consolidated and progressed in its sustainable growth strategy, reporting the following results:



US\$ 226
million
Consolidated net profit

US\$ 910
million
EBITDA

US\$ 3,006
million
Consolidated revenue

US\$ 401
million
total dividend payout,
reaching dividend yield
of 33%



16.3
million
tons of iron ore
shipped

654
thousand
tons of steel
shipped

294
thousand
tons of processed
steel products
shipped

/ ESG MILESTONES

The following milestones in environmental, social and governance matters stand out for the period.



43%
women

in CAP Board of Directors, which is valuable in discussions and decision-making, by bringing more diverse points of view.

50%
women

in CMP's Executive Committee, becoming the first mining company to achieve this.



/ GOVERNANCE

CAP names Nicolás Burr as new Chief Executive Officer.

/

CAP is the only open limited company that complies with the minimum female participation numbers in Boards of Directors in draft bill called "Más Mujeres en Directorios".

/

CSH includes a female workers' representatives in its Board of Directors.



Commemoration of Women's Day in Siderúrgica Huachipato, including Directors Catalina Mertz and Marisol Montaña.



/ SOCIAL

CAP, CNN Chile and Rassmuss Foundations co-produce SaneMente, the first TV show about mental health.

/

CMP becomes the first private mining company in Chile to introduce the 40-hour work week in its administrative and standard contracts. The initiative was coordinated with the company's unions, and it benefits over 350 people.

/

CMP contributes to the indigenous communities of Caldera by supporting "Expo Indígena", emphasizing the value and visibility of their culture and heritage.

/

CMP and Asociación Gremial Agrícola Provincia del Huasco (AGAH) sign a collaboration agreement to strengthen the recovery and production of the olive growers enrolled in the Fondo ProOlive based in Huasco valley.



US\$ 4.7
million

was the figure on social investment in the 2022 period.



91%
staff

consists of local workers and 39% of our suppliers are also local, keeping and confirming its commitment with the socioeconomic development of our neighboring communities.



133,546
hours

of training in 2022, which reflects CAP's commitment with the comprehensive development of its collaborators.



16%
of staff

are women and 20% are in leadership roles in the Group.





/ ENVIRONMENTAL

CAP signs an agreement with CORFO to execute a green hydrogen pilot project in Siderúrgica Huachipato (Talcahuano), receiving funds of US\$3.6 million to finance it.

CMP executes the “Fondo Provino” Program and Agroemprende, contributing to local development and the environment.

In 2022, CMP began the environmental evaluation process with Servicio de Evaluación Ambiental (SEA)



Wetlands located within Siderúrgica Huachipato.



290
hectares
of protected lands by
CAP Group in 2022.



77.4%
recycling
by the Group's companies
in 2022.



57%
of water
recovered in CSH.



6%
reduction
of CAP's carbon footprint,
compared to 2021.

[CMF 2.2]

History

CAP Group, whose foundation goes back to 1946, has always been **committed to Chile's progress**, through the development

of the different activities that compose its value chain, from iron ore mining, steelwork activity and steel processing.

1946

Compañía de Aceros del Pacífico S.A. is formed under the chairmanship of Mr. Juan Antonio Ríos.

1950

The Huachipato Steel Plant is inaugurated and commissioned in the bay of San Vicente, region of Biobío.

1959

Mining activities begin with the acquisition of "El Algarrobo", iron ore site in the region of Atacama.

1971

Acquisition of the iron ore mine "El Romeral", located in the region of Coquimbo.



1978

Inauguration of the Pellet Plant in Huasco.

1981

The company is reorganized, forming the CAP group of companies.

Creation of Compañía Siderúrgica Huachipato S.A., Compañía Minera del Pacífico S.A. and Abastecimientos CAP S.A.

1988

Creation of Sociedad de Ingeniería y Movimientos de Tierra del Pacífico Limitada.

1995

CAP signs a joint venture contract with MC Inversiones, subsidiary of Mitsubishi Corporation, for developing together the extension project of Los Colorados mine.

2000

CAP acquires 26% of Cintac, entering the steel processing business.

2010

The incorporation of Mitsubishi Corporation into Compañía Minera del Pacífico is materialized, with a 25% of shares.

2013

Reorganization of Compañía Siderúrgica Huachipato's productive activities, focusing on the manufacture of long products and ending the manufacture of flat products.

2014

Inauguration of Compañía Minera del Pacífico's Cerro Negro Norte mine.

The area of Infrastructure is created with the commissioning of a desalinating plant in Caldera and a power transmission line.



2018

Cintac consolidates its presence in the Peruvian market, mainly through the acquisition Calaminon, with activities in the modular construction solutions sector.

2020

The development of Phase V Norte in Compañía Minera del Pacífico's El Romeral Mines is approved.

Cintac agrees to the purchase of 60% of Promet Servicios, leading company in mining modular construction solutions.

2021

Grupo CAP achieves outstanding results, issues a bond for US\$300 million in the United States and refinances Aguas CAP's desalinating plant project finance with a green loan of US\$152 million.

Inauguration of the new loose material transfer system in Puerto Las Losas, Atacama.

100% of the energy used by Siderúrgica Huachipato is renewable.



2022

CAP signs agreement with CORFO, receiving funds of US\$3.6 million to finance a green hydrogen pilot project.

CAP receives 2022 Icare Business of the Year award.

Siderúrgica Huachipato incorporates a workers' representative in its Board of Directors

2022 Awards and recognition

In addition to Icare's Business of the Year award and being in fourth place in the steel mining sector in the Dow Jones Sustainability Index, CAP Group received the following accolades:



→ SONAMI distinguishes CMP's sustainable development

In the context of the celebration of Miner's and Mining Day, the Sociedad Nacional de Minería and the Asociación de Pirquineros de Tierra Amarilla awarded CMP the San Lorenzo prize, acknowledging its sustainable development in the Magnetite Plant site.



→ CMP is acknowledged as the best paying company to SMEs in the mining sector

CMP was recognized again for its payment to small and mid-sized suppliers, with a score of 88, at the top of the Mining sector. This, in turn is the best behaving industrial sector, with a score of 81.9.



→ "AceroLAB" is one of the winners of the MODhabitar contest

AceroLAB, an initiative in which Cintac participates, was one of the MODhabitar contest winners for its design of innovative and efficient social housing, which adapts very well to local climate, terrain and topography conditions in the region.



→ CMP: company with the lowest accident rate in the mining industry

In December 2022, the Consejo Nacional de Seguridad de Chile recognized CMP for reaching 6 million working hours without accidents in the 2021 period at the Pellet Plant, located in Huasco.



02

Our activities and businesses

In the municipality of Tierra Amarilla, Atacama region, we find the Magnetite Plant, one of the main circular economy facilities in the country.

[GRI:2-1; CMF: 2.3.1, 2.3.2, 2.3.3, 2.3.4]

The company and its ownership

CAP is an open limited company, registered in the Financial Market Committee (CMF). The legal framework that regulates CAP, in accordance with its legal form, are laws N°18.045 regarding

the Securities Market and N°18.046 about Limited Companies.

In 2022, there were no changes to its tax ID, company name, legal nature, or any other important modifications in CAP's ownership.



Name

CAP S.A.

Tax ID

91.297.000-0

Address

Gertrudis Echeñique N°220,
Las Condes, Santiago, Chile.

Countries of operation

Chile, Perú and Argentina.

/ SHAREHOLDERS

CAP has two main shareholders, the controller¹ with 43.31% of shares, the open limited company Invercap S.A. (tax ID N° 96.708.470-0), and M.C. Inversiones Ltda., (tax ID N° 79.866.800-5), a subsidiary of Mitsubishi Corporation, which holds 12.5% of shares.

Invercap S.A. is controlled by Inversiones Hierro Viejo SpA, tax ID N° 76.051.930-8, with 39.30% of its shares, and which is, in turn, controlled by Mr. Juan Enrique Rassmuss Raier, ID N° 7.410.905-5.

M.C. Inversiones Ltda., majority shareholder, has the faculty to appoint a member of CAP's Board of Directors.

The remaining 44.2% of shares are owned by other shareholders and funds.

In 2022, there were no important changes to the Company's ownership structure.



Number of shares²

149,448,112

Number of shareholders

3,795

Stock pricing

Santiago Stock Exchange

1. Members of the controller have no joint action agreements. / 2. All shares have voting rights and the company only has one series of shares.

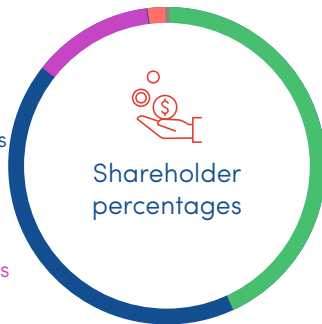
43.3%
Controller

41.1%
Other
shareholders

12.5%
Majority
Shareholders

3.1%
Other funds

0.0034%
AFP participation
in CAP S.A.



The twelve largest shareholders of CAP S.A. as of December 31st 2022, classified by number of shares and percentage of holdings, are the following:

Name	Number of shares	(%) of capital participation
Invercap S.A.	64,731,088	43.31%
M.C. Inversiones Ltda.	18,681,015	12.50%
Banchile Corredores de Bolsa S.A.	8,818,081	5.90%
Banco de Chile por cuenta de State Street Bank	6,838,668	4.58%
BCI Corredores de Bolsa S.A.	4,127,936	2.76%
Fundación CAP	3,299,497	2.21%
Banco Santander por cuenta de Inv. Extranjeros	3,037,148	2.03%
South Pacific Investments S.A.	2,860,970	1.91%
Santander Corredores de Bolsa Ltda.	2,288,320	1.53%
Larraín Vial S.A. Corredora de Bolsa	2,250,019	1.51%
Bice Inversiones Corredores De Bolsa S.A.	1,748,394	1.17%
Valores Security S.A. Corredores de Bolsa	1,731,954	1.16%
Other	29,035,022	19.43%
Total	149,448,112	100%

The "other funds" category refers to mutual funds and investment funds that do not belong to AFPs. CAP Group does not have an ADR. The category "other shareholders" mainly includes stockbrokers.

/ SHAREHOLDERS REGISTRY

The Company's Shareholders Registry is administered through the company DCV Registros S.A. ("DCV Registros"), subsidiary of Depósito Central de Valores S.A. Depósito de Valores. DCV Registros it's a company whose exclusive business activity and sole function is the administration of Shareholders and Contributors Registries. DCV Registros has 21 years' experience and manages more than 600 limited liability companies and investment funds, servicing more than 285,000 shareholders and contributors.



DCV Registros contact channels

Office

Av. Los Conquistadores 1730, level 24, Providencia, Santiago

Monday to Thursday
9 am to 5 pm.

Friday
9 am to 4 pm.

Telephone assistance
(562) 2393 9003

Assistance via email
atencionaccionistas@dcv.cl

/ DIVIDENDS

The Company's dividend policy, approved in the 2022 Ordinary Shareholders Meeting, considers distributing as definite dividend 50% of the distributable net profits of each financial period.

Notwithstanding, the Company's Board of Directors has the legal prerogative to agree on provisional dividends for the current period, which, if it were to happen, will be deducted from the definite dividend. Said provisional dividends will be agreed on and eventually paid out in August and December, based on the accumulated results up to June and September, respectively.

In the case of the August provisional dividend, this will amount to 20% of the distributable net profit accumulated up to June, and the December provisional dividend will consist in the additional necessary amount to complete 30% of distributable net profits accumulated as of September, whichever the case.

The decision of paying out a provisional dividend will also take into consideration the expected profits for the whole period, macroeconomic and business conditions, as well as the company's and its subsidiaries' investments plans and financing policies.

Based on general market conditions and specific Company conditions, the Company's Board of Directors will be able to assess and propose the distribution of additional or eventual dividends to shareholders, especially in periods in which the Company has had very favorable results -and

always keeping as a base condition the preservation of a robust balance that ensures resources for future capital needs, as well as allowing it to better face potential negative business cycles.

> Paid out dividends based on the period's profits

Profits		Amounts (Th. US\$)
From the period	Provisional	63,926
	Definite	0
Accumulated in previous periods	Provisional	0
	Definite	336,967
Total		400,893

> Paid out dividends per share

Date of payment	Type of dividend	US\$ per share	Dividend n°
nov -03-20	Provisional	0.1283	132
dec-22-20	Provisional	0.2043	133
apr-26-21	Definite	0.6927	134
apr-26-21	Eventual	1.0037	135
aug-6-21	Provisional	0.7500	136
apr-25-22	Definite	2.2547	137
aug-29-22	Provisional	0.2922	138
dec-23-22	Provisional	0.1355	139

> Transactions in the Santiago Stock Exchange

Period	Average price per share (CLP)	Equity ratio	Volumen thousand shares	Amount (thousand CLP)
Year				
2021	10,573	100%	112,243	1,186,743,882
2022	8,549	100%	78,818	673,788,087
2022 Quarters				
1st Quarter	9,988	100%	22,617	225,898,502
2nd Quarter	10,337	100%	23,561	243,544,181
3rd Quarter	7,696	100%	14,643	112,694,570
4th Quarter	6,209	100%	17,997	111,743,064

Note: All transactions were carried out in the Santiago Stock Exchange.

[CMF: 2.3.5]

/ OTHER SECURITIES

Regarding other securities, different from its shares, issued by the entity, the Company issued an international bond under SEC Rule 144A, in the United States, dated September 18th 2016 and valid until September 15th 2036. As of December 31st 2022, its balance is at US\$40.8 million.

It also issued an international bond under SEC Rule 144A, also issued in the United States, dated April 27th 2021 and valid until April 27th 2031, for a total amount of US\$ 300 million.

[CMF: 3.7]

/ INFORMATION FOR INVESTORS

The Company has a Corporate Affairs Management, Sustainability Management and Legal Counselling, as well as Investor Relations area, all of whom provide answers to different enquiries from investors and other stakeholders.

The Company's Corporate Governance Manual of Good Practice includes a mechanism to detect and implement improvement opportunities in the process of elaboration and communication of the information from the Group to the market, which considers the employment of an external company to analyze annually the situation based on a benchmark.

For shareholders, all relevant information for the Ordinary Shareholders Meeting is published on the Group's corporate website, including that related to Director candidates when appropriate. CAP has enabled a remote voting system so that shareholders can exercise their right to vote. The Ordinary Shareholders Meeting has been broadcasted via streaming for 7 years.



Investor Relations

Paula Salinas

Head of Investor Relations
(562) 2818 6150
psalinas@cap.cl

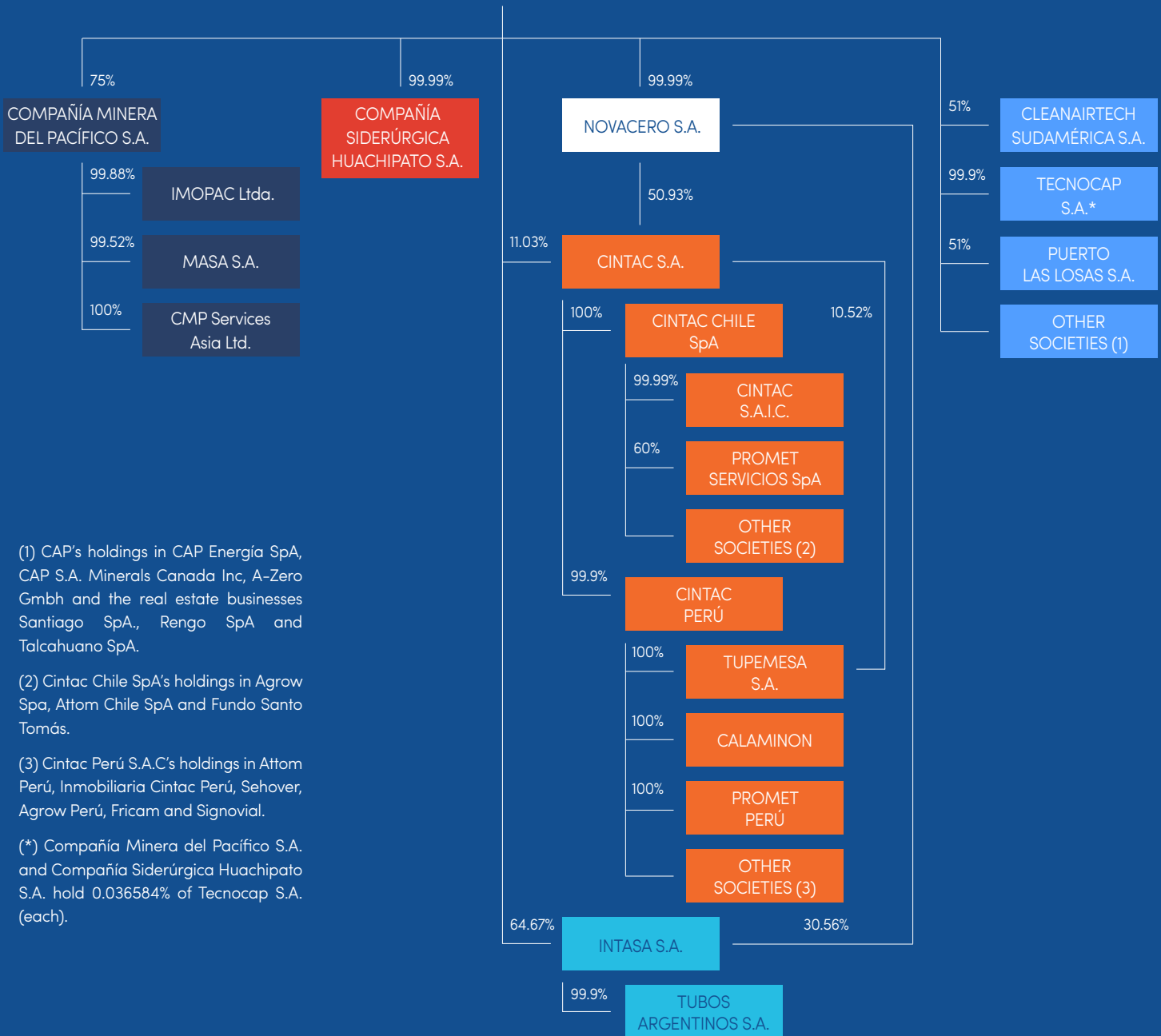
Javiera Mercado

Finance Manager
(562) 2818 6160
jmercado@cap.cl

[CMF 6.5.1.x]

/ CORPORATE STRUCTURE

Below are the companies¹ that form CAP Group.



(1) CAP's holdings in CAP Energía SpA, CAP S.A. Minerals Canada Inc, A-Zero GmbH and the real estate businesses Santiago SpA., Rengo SpA and Talcahuano SpA.

(2) Cintac Chile SpA's holdings in Agrow Spa, Attom Chile SpA and Fundo Santo Tomás.

(3) Cintac Perú S.A.C's holdings in Attom Perú, Inmobiliaria Cintac Perú, Sehover, Agrow Perú, Fricam and Signovial.

(*) Compañía Minera del Pacífico S.A. and Compañía Siderúrgica Huachipato S.A. hold 0.036584% of Tecnocap S.A. (each).

* Detailed information and description of each of the companies can be found in this document's appendix.

Activities and businesses

/ OUR MARKETS

CAP Group has presence in Chile, Peru and Argentina with mining and industrial operations, and in the rest of the world through its product diversity. Commercially, it has sales in countries in America, Asia and Oceania.

Its main industries are mining, steelwork and steel processing. Moreover, it operates in the port industry, water desalinization and energy transmission services.



It is the leading producer of iron ore and pellets on the American Pacific Coast.



In Chile, it is the largest steel producer and most important steel processing company.



It is the third most important port operator in the country.



- CMP
- CSH
- Cintac
- TASA
- Infrastructure

[CMF 6.1.i, 6.1.ii, 6.1.iii, 6.1.iv., 6.2.i, 6.2.vii, 6.4.i, 6.4.ii, 6.4.iii]

/ BUSINESSES AND OPERATING COMPANIES



IRON ORE MINING

CMP has mining operations where it explores and assesses new resources and develops and builds iron ore mining projects.

/ COMPAÑÍA MINERA DEL PACÍFICO S.A. (CMP)



16.3
million
shipped mt in 2022
(versus 16.1 million
in 2021)

With over 100 years of history and operations in the regions of Atacama and Coquimbo, CMP is in the iron ore mining industry and focuses on extraction, processing and trading of iron ore, which is an essential material in the production of steel.

▼ Main products

The main extracted and traded products are: Chippings, Pellets, Sinter Feed¹ and Pellet Feed².

▼ Sales channels

CMP sells to steelworks directly and through traders.

▼ Legal framework and regulating bodies

Its main legal framework is associated to the mining industry.

▼ Competition

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

1. Iron ore fines that are the raw material for Sinter production. / 2. Iron ore concentrates that are used in the production of pellets for blast furnaces or direct reduction.

/ CMP OPERATIONS

MINING SITES



PROCESSING PLANTS



PORTS



Region of Atacama



Cerro Negro Norte

3.9

million mt of filtered pellet feed production in 2022.

Region of Atacama.

Magnetite Plant

1.8

million mt of filtered pellet feed production in 2022.

Region of Atacama.

Punta Totoralillo

6.6

million mt shipped in 2022.

Region of Atacama.

Region of Coquimbo



Los Colorados

9.9

million mt of preconcentrate production in 2022.

Region of Atacama.

Pellet Plant

2.6

million mt of pellet production in 2022.

Region of Atacama.

Guacolda II

7.6

million mt shipped in 2022.

Region of Atacama.

El Romeral

1.2

million mt of preconcentrate production in 2022.

Region of Coquimbo

Guayacán

2.1

million mt of preconcentrate production in 2022.

Region of Coquimbo.

CMP'S MINING CONCESSIONS IN 2022

CMP currently holds both exploitation and exploration concessions. There are 2,060 exploitation concessions and 23 exploration concessions, which add up to a total of 455,979 hectares.

	Quantity	Hectares
Exploitation concessions	2,060	447,679
Constituted	2,047	446,528
In process	13	1,151
Exploration concessions	23	8,300
Constituted	23	8,300
In process	0	0

/ RESERVES AND RESOURCES

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

> Resources

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

Comments:

© The reserves stated are certified in accordance with Law 20,235 by Competent Persons (CP) validly registered with the Competence Qualification Committee in Mining Resources and Reserves (Mining Committee) (Comisión Minera) and do not work in CMP or any related companies.

The competent person that carried out the earlier certification in 2022 is Mr. Marco Alfaro S., whose registration number in the Mining Committee is 218.

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

*: The stated Resources will be certified during 2023.

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

The certification dates are the following:

Sector	Certification rate
Pleito (Tofo Norte)	January 2014
Algarrobo	October 2014
Alcaparra D	January 2015
Cerro Negro Norte	January 2023
Chupete	March 2016
Alcaparra A	March 2016
Sierra Tofo	October 2016
Romeral	January 2023
Los Colorados	January 2023
Pleito Este	October 2019

> Reserves

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

Comentarios:

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

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

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

* The stated reserves will be certified during 2023 and 2024.

n/c "Deposit not considered in the certification process. Candelaria is a third-party copper deposit and CMP extracts iron ore content from their fresh tailings in its facilities at the Magnetite Plant, in accordance to an agreement that grants it this right until 2022. The stated value is that of the tons of Fresh Tailings generated according to the Long-Term Plan informed by Candelaria".



STEELWORK ACTIVITY

CAP Group has the only integrated steelworks in the country, producing steel out of iron ore, coal and limestone.

COMPAÑÍA SIDERÚRGICA HUACHIPATO (CSH)

602,497
mt of steel finished in
2022 (-24% vs 2021).

653,479
mt shipped in total in
2022 (-20% vs 2021).



For more than seven decades, it has been the largest steelworks complex in Chile.

- Only integrated steel company in Chile: it manufactures products from basic raw materials, guaranteeing high purity and quality.
- It supplies long steel products to businesses that reprocess them and provide them to the mining, metal-mechanic industry and construction sectors.
- It extracts limestone from Isla Guarello (region of Magallanes), raw material for the production of steel.

Main products

Some highlights among its products are the thick bars for the manufacture of grinding media, helical bolts for tunnel reinforcement, wire rod, products derived from thick smooth bars for the manufacture of screws, reinforcing bars for concrete used in the construction and general building. Additionally, it supplies other markets with minerals and subproducts, such as limestone, coke, slag, coke fines, lime and lamella.

Sales channels

CSH sells its products to businesses that reprocess them and supply them to the mining, metal-mechanic and construction sectors. It also sells, through distributors or directly to its final customers, such as Puente Chacao and Puente Ferroviario in Biobío.

Legal framework and regulating bodies

Chilean legislation for the specification and manufacture of steel is regulated by norms NCh204, NCh3334, norms ASTM A615, ASTM A706 for concrete, and ASTM A29 for wire rod and grinding bars.

Competition

CSH's main competitor is AZA, steel company that manufactures steel bars from the recycling of ferrous scrap.

/ CSH OPERATIONS

MINING FACILITIES



Limestone Mine, Isla Guarello
239,803
 mt produced of limestone, Region of Magallanes.

PROCESSING PLANTS



Huachipato Plant
602,497
 mt of finished steel, Region of Biobío.

PORTS



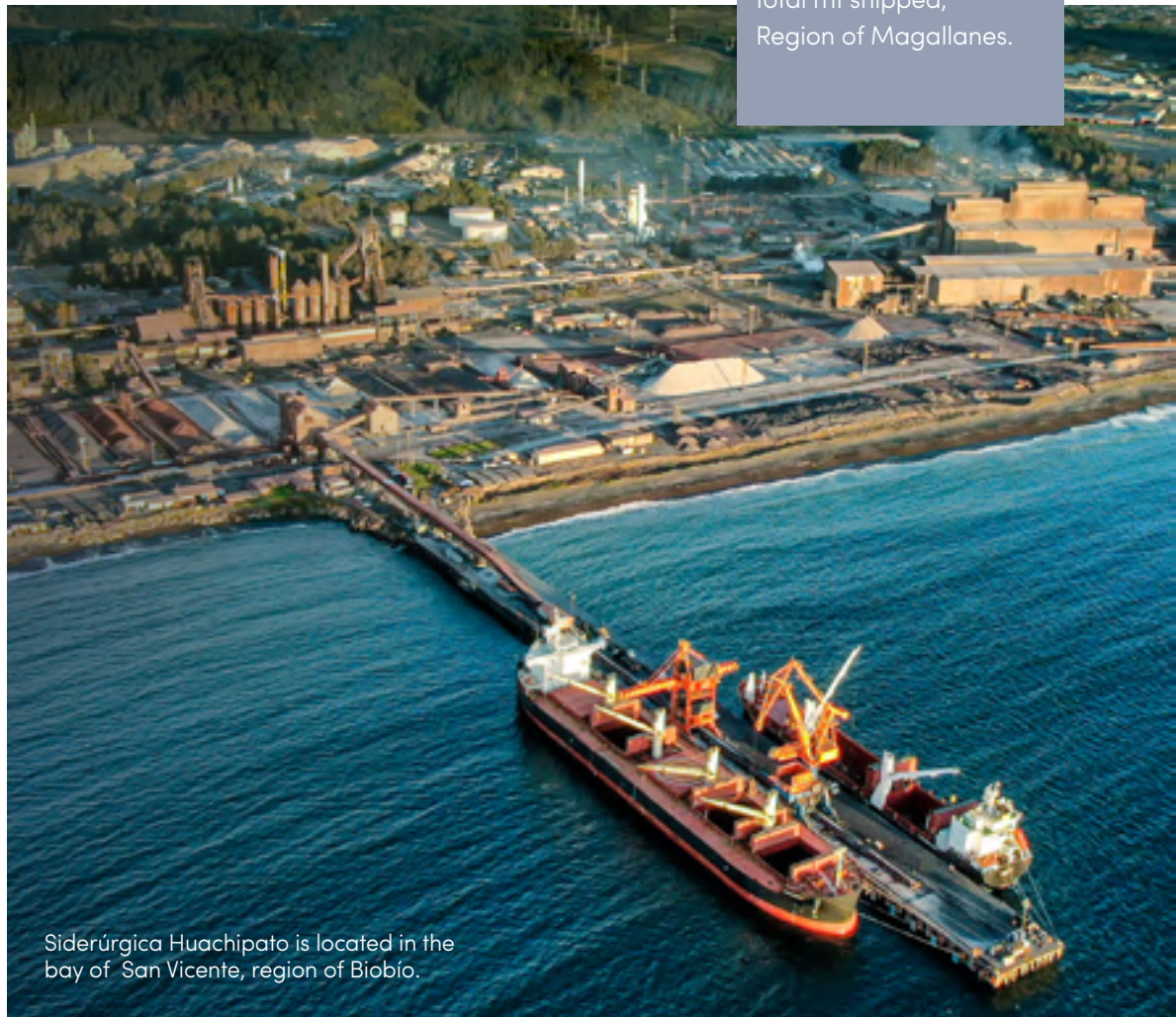
Huachipato Port
653,479
 mt of finished steel total shipments, Region of Biobío.

Guarello Port
388,740
 total mt shipped, Region of Magallanes.

Región of Biobío



Región of Magallanes



Siderúrgica Huachipato is located in the bay of San Vicente, region of Biobío.



STEEL PROCESSING

Cintac Group is a holding of companies participating in the Chilean and Peruvian markets, providing solutions in the module construction, agriculture, energy and housing sectors.

Over 65 years leading construction systems manufacture and trading. .

239,342
total mt shipped in 2022
(-22% vs 2021)

210,974
mt of production in
2022 (-22% vs 2021)

51,352
built squared meters
(-26% vs 2021)

CINTAC GROUP



Main products

It offers the market a complete and varied product line that includes tubes, profiles, pipes, plates, covers, cladding, insulation panels, structural and infrastructure elements, as well as industrial construction and module solutions with innovative approaches. Always looking to reduce the products' environmental impact and helping to improve energy efficiency of construction solutions.

Sales channels

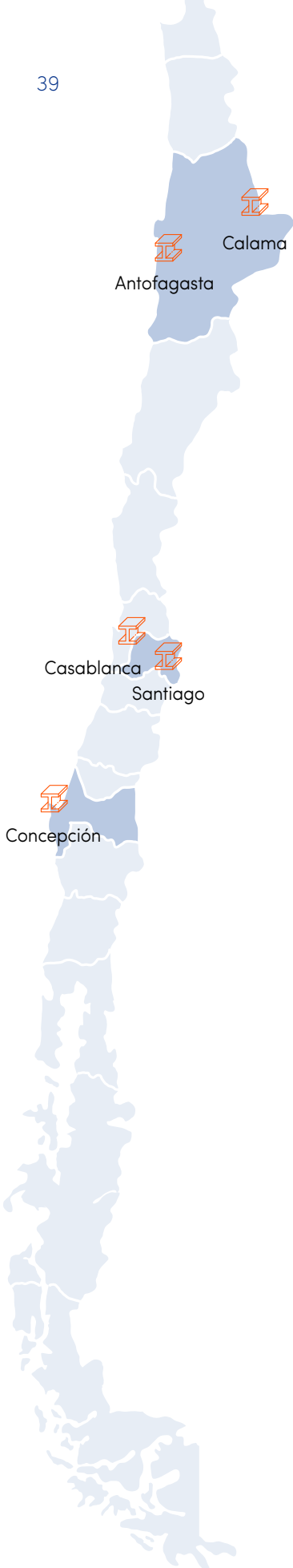
CINTAC Group reaches the retail segment of construction materials, construction, mining and agricultural companies, among others, keeping a wide variety of channels, including direct sale, e-commerce, retail and participating in tenders and competitions.

Legal framework and regulating bodies

As an open limited company, it is regulated by laws N°18,045, regarding the Securities Market, and N°18,046, on Limited Companies.

Competition

The main competitors in the steel processing segment are Viejo Hermanos, Imel, Perfimet, Formac, and Indama, while Promet's main competitors in Chile are businesses like TecnoFast, Atco Sabinco, Solmex, Co-Ol construcciones modulares, and Contenedores Patagonia.



Among the CINTAC Group's companies in Peru, Signovial ceased its operations and was liquidated. Also, Promet Perú and Calaminon operations were moved to Planta de La Chutana in the district of Chilca as part of a process of consolidation of industry synergies.

On the other hand, in January 2023, a share exchange process was perfected, allowing Cintac Group to give 10% of its shares in Promet Montajes SpA for 40% of Promet Perú SAC, thus consolidating its control on the latter.

/ CINTAC GROUP'S MAIN OPERATIONS

COMPANIES IN CHILE

Cintac SAIC
 Antofagasta
 Región Metropolitana
 Valparaíso
 Biobío

Promet Servicios
 Antofagasta
 Calama
 Santiago
 O'Higgins

Attom
 Santiago

Agrow
 Santiago

COMPANIES IN PERÚ

Tupemesa
 Lima

Corporación Sehover
 Lima

Calaminon
 Lima

Promet Perú
 Lima



TUBOS ARGENTINOS S.A. (TASA)



54.5
thousand
total mt shipped in 2022
(+7.6% vs 2021)

Argentinean company focused on the production of construction systems and integral solutions through steel transformation, together with logistics and innovation services.

It operates two plants, in the provinces of Buenos Aires and San Luis.

Main products

Manufacture of steel tubes and seamed pipe, laminated profiles, profiles for dry construction and road defenses.

Competition

Depending on the product line, it competes with great companies like Sidersa and Tenaris, and also medium and family businesses such as Ortiz, Cresata and Galvylam.

Legal framework and regulating bodies

It does not have a specific legal framework and it is regulated by the Administración Federal de Ingresos Públicos (AFIP) and the Agencia de Recaudación of the province of Buenos Aires (ARBA).



/ TASA OPERATIONS

PLANT IN BUENOS AIRES

35,589
total mt of production
in 2022.

PLANT IN SAN LUIS

15,026
total mt of production
in 2022.



INFRASTRUCTURE

CAP Infrastructure's aim is to promote and develop initiatives that add value through the development of competitive advantages that make these companies the best alternative for providing services to CAP's mining and steelwork business units, as well as other potential clients in the areas of its operation.

PORT INDUSTRY / PUERTO LAS LOSAS S.A.



638,856
shipped mt volumes in 2022
(+5.4% vs 2021).

Main multi-purpose port in the region of Atacama, dedicated to the transfer of bulk mineral, project cargo and general cargo. It comprises 29 hectares of designated primary customs zone, facilitating international commerce operations.

Main services

It offers docking services for ships, cargo transfers for imports, exports and coasting, including yard, storage and reception services, and cargo shipment and equipment hire.

Legal framework and regulating bodies

Its legal framework is the Authorization Resolution and Operation Conditions of the Multi-Purpose Puerto Las Losas and Ordinary document N. 12.250/10 - 12/ January/2016. Its regulating bodies are:

- Chilean Navy.
- Huasco Harbour Master.
- National Customs Service.

Competition

PLL's competitors are any public or private harbors located between Mejillones and Valparaíso.

WATER DESALINATION SERVICES / CLEANAIRTECH SUDAMÉRICA S.A. (AGUAS CAP)

7.8
million
m³ desalinated
water in 2022



Desalination plant located in the municipality of Caldera, Region of Atacama, dedicated to the production and supply of industrial water.

Main services

It supplies CMP's operations in the valley of Copiapó and other clients in the region with desalinated water.

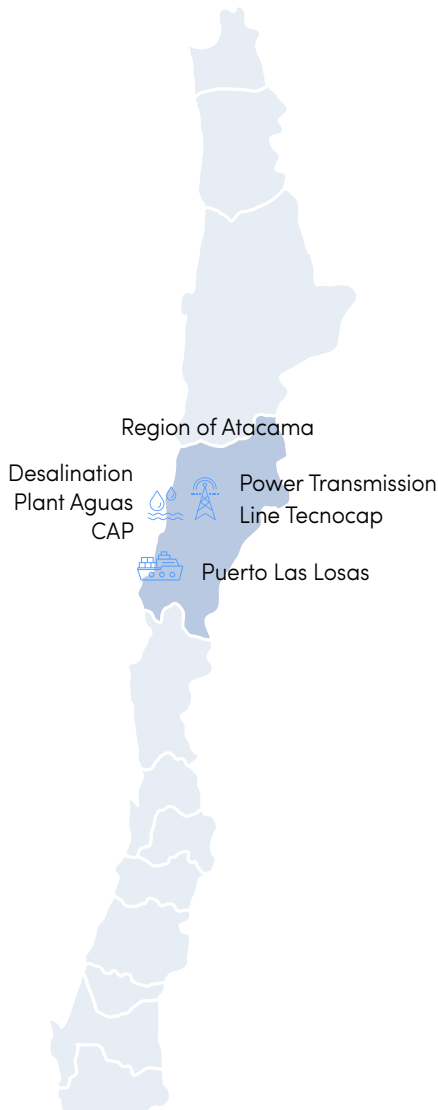
Legal framework and regulating bodies

Cleanairtech Sudamérica S.A. (Aguas CAP) holds a greater maritime concession for its industrial activities and it is subject to inspection by the Ministry of National Defense and the Maritime Authority.

Competition

Any desalinating plants located between the valley of Copiapó and the basin of the Salado river in the region of Atacama.

ELECTRICAL TRANSMISSION SERVICES / TECNOCAP S.A.



247.3
GW of electrical energy transmitted.

Power transmission line in the region of Atacama that satisfies the energy needs of CMP's Cerro Negro Norte mine and Aguas CAP's desalination plant.

Main services
Tecnocap supplies electrical energy transmission services and provides power lines and substations so that its clients can withdraw or inject energy from the national grid.

- CAP Infrastructure's operations
- Aguas CAP Desalination Plant
- Tecnocap Power
- Transmission Line

Legal framework and regulating bodies
Its legal framework is law on electricity DFL N°4/20.018.

Competition
Tecnocap owns a dedicated transmission line that is part of the national grid and has long-term contracts with mining and industrial clients in the region of Atacama. Competition in the transmission segment is regulated CNE, which establishes the principle of open access to existing transmission facilities.

An aerial photograph of a vast industrial rooftop solar farm. The roof is covered in a dense grid of dark blue photovoltaic panels. Several workers in orange safety vests and white hard hats are visible on the roof, engaged in maintenance or installation. In the background, there are industrial buildings, storage tanks, and a hilly landscape under a clear blue sky. A large, semi-transparent number '03' is overlaid on the left side of the image, with a thin red diagonal line passing through it.

03

Focus on Sustainability

Cintac has installed over 100.000 m2 of rooftop photovoltaic plants in Chile.

[CMF 4.2]

Sustainable value

In 2022, CAP carried out a strategic exercise with the aim of defining the Group's direction for the next years, focusing its efforts on the development of an industrial value chain based on decarbonization, which will be the Group's and its operating companies' roadmap.

To ensure that sustainability is at the heart of the business, CAP Group has a clear corporate governance in all its companies. CAP has a specific sustainability department under Corporate Affairs, Sustainability and Legal, which, together with the sustainability departments of the operating companies, are responsible for ESG management.

Matters are analyzed in the Sustainability Committee, in which executives from all of the Group's operating companies participate, reporting to the Strategy and Talent Corporate Committee, where Directors participate by following up and approving sustainability management matters.

[CMF 2.1]

/ CONTRIBUTION TO THE SDGs

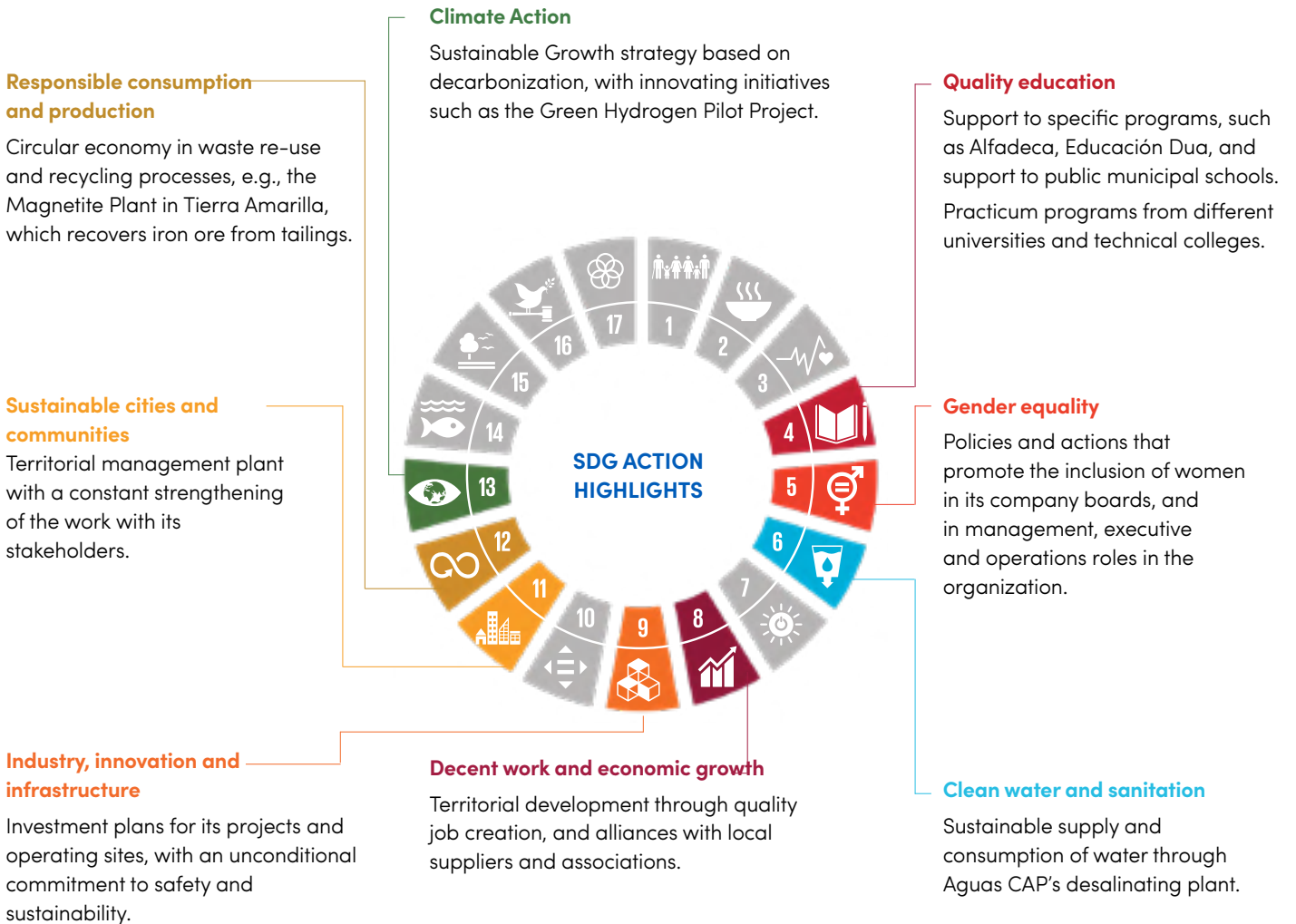
CAP is part of the Global Compact Network in Chile and subscribes to the United Nations' Sustainable Development Goals (SDG), which provide a guideline for directing the contribution to sustainable development in the territories and communities in which the Group's operations take

place. The information in this Integrated Report constitutes the annual Communication on Progress (CoP) of the Global Compact, an initiative by the UN to examine critical issues related to sustainability in the world.

The Group has directed its efforts to promoting eight of the seventeen SDGs



as strategic priorities, specifically those that are more relevant to the contribution to the wellbeing of its stakeholders and the environment.



Sustainability model

CAP Group's Sustainability Model defines the guidelines, principles and key objectives to achieve sustainable growth in all its companies.

CMP has a permanent commitment with the olive growers in the Huasco valley

Long-term strategic objectives; to innovate in the supply of "green" products and services, generating shared value with each and every one of the stakeholders.

Differentiating strategic axes with specific KPIs, which ensure CAP Group's activities and sustainable growth.

An operation of excellence, responsible and profitable, linked to compliance KPIs that can ensure the continuation of the "license to operate".



[GRI 2-29; CMF 6.1.v, 6.1.vi, 6.3]

Stakeholders

CAP Group permanently engages with its stakeholders, through different channels, in order to stay up to date regarding the identification of needs, requirements and

priorities. Each of the Group's operating companies has its own engagement plan, according to context and type of activity.



/ STAKEHOLDER ENGAGEMENT

CAP Group liaises with its stakeholders through different means and spaces, which will differ depending on the type of relationship and the depth of the matters discussed.

We can identify the following participatory instances:

PUBLIC

Stakeholders:

Media: Corporate Affairs is the department in charge of developing content, answer enquiries and provide relevant information about the Group's performance and milestones.

Guild associations, industry and other businesses: Engagement with these stakeholders is through participation in different associations that are relevant to the Group.

University and innovation centers: Engagement is done through different programs and initiatives aimed at improving processes and including the perspective of group with wider experience and knowledge.

NGOs: Engagement with this stakeholder is developed through the operating companies' sustainability and community engagement departments.



FINANCE AND BUSINESS

Stakeholders:

Investors, shareholders, investment analysts, financial market: The Investor Relations Unit constantly engages with this stakeholder with the aim of informing them about key aspects of the business..

Customers and suppliers:

CAP's and the operating companies's trade and supply units permanently engage with these stakeholders.



LOCAL

Stakeholders:

Local authorities: Engagement is through the Corporate Affairs departments of the operating companies, based on a specific framework.

Communities: There are community engagement guidelines, social programs, working groups and other collaborative instances. Moreover, there is a indicator that measures the territory's stakeholder perception.



POLITICAL

Stakeholders:

National authorities, Representatives, former authorities: Engagement with these groups is through the differences in the Group's companies.



INTERNAL

Stakeholders:

Collaborators, union representatives, CAP and operating company executives: Meeting and gatherings, as well as annual survey, are some of the engagement instances.

CAP and operating company Board of Directors: Permanent engagement through different units of the Group's Corporate Governance.





Through our participation in different association instances, we seek to promote better practices and promote a regulatory environment that favors integral socioeconomic development. The following is a list of the main guilds and associations in which we participate and the goals we seek to achieve.

CAP Group has established that any contributions shall always be under the following axes:

- Environmental protection
- Social and/or cultural interest.
- Development of the business.
- Sustainable development of the environment and the communities with which it interacts.

Thus, we hope to ensure that the entities with which we associate share the same general values.

[GRI 2-28]

/ MEMBERSHIP ASSOCIATIONS



/ GUILDS

→ ASIMET (Association of Metallurgical and Metal-mechanic Industries)

To promote the development of the metallurgical and metal-mechanic sector in Chile, representing it in front of national and international public and private entities.

→ Mining Council

Guild association that groups large mining companies based in Chile. It seeks to promote competitive and sustainable development in mining, contributing to the country's wellbeing. Moreover, it aims to share the reality of the mining sector, its challenges and its contribution to the development of all Chileans.

→ SOFOFA (Industry Development Society)

To promote the industrial sector's sustainable development and the country's economic growth, endorsing public policies that promote investment, entrepreneurship, permanent people training, job generation and the adequate insertion of private activity.

→ SONAMI (National Society of Chilean Mining)

To promote productive development and institutional and legal improvement of national mining to build better realities for Chile and its people.

→ ALADYR (Latin American Water Desalinization Reuse Association)

It is a non-profit guild association, highest referent in Latin America regarding water and effluent desalinization, reuse and treatment.



/ ASSOCIATIONS

→ **United Nations Global Compact**

To encourage and promote the ten principles of the Global Compact and the UN's 17 Sustainable Development Goals (SDG) with the goal that the organizations operating in Chile include them in their strategic guidelines.

→ **ALACERO (Latin American Steel Association)**

Institution that represents the steel industry in Latin America to promote sustainability due to its importance for the region's development.

→ **AHK Chile (Chilean-German Chamber of Commerce and Industry)**

AHK Chile has become an important platform for commercial, technological and know-how exchange between Germany and Chile.

→ **Acción Empresas**

To make companies aware and mobilize them to manage their businesses in a way that is socially responsible, supporting their leaders and employees to install sustainable developing in their strategy.

→ **CLG Chile**

Group of companies with an important presence in the country and a public commitment in climate change matters.

→ **Chilean-Argentinean Chamber of Commerce**

Through the organization of different activities, the Chamber promotes trading links between both countries, fulfilling a fundamental role in orienting and guiding Chilean and Argentinean companies in materializing bilateral deals.

→ **ICARE (Chilean Institute of Rational Business Administration)**

Private non-profit corporation, independent from guild and political interests, which groups companies from different economic sectors with the purpose of promoting business excellence.

→ **CANCHAM (Chilean-Canadian Chamber of Commerce)**

Representative of Canadian industry in Chile, it currently constitutes a commercial bridge between both countries.



Human Rights

/ COMMITMENTS

CAP Group has an Integrity Code in which it declares its support to the United Nations Global Compact, the UN's Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights and the Fundamental Principles of the International Labor Organization (ILO).

By adhering to these principles, CAP Group establishes 10 commitments in terms of Human Rights



- To support and respect fundamental human rights, internationally recognized, within its area of influence.
- To promote freedom of association and the effective recognition of collective bargaining.
- To eliminate all forms of forced or coerced labor, as well as any form of human trafficking.
- To decidedly support the eradication of child labor.
- To make progress in the abolition of discrimination in employment and occupation and promote equal pay.
- To keep a preventative focus that favors the environment.
- To promote the initiatives that encourage greater environmental responsibility.
- To seek innovation, development and promotion of technologies that respect the environment.
- To work actively against all forms of corruption, including extortion and bribery.
- To ensure that collaborators, suppliers and trading partners adhere to these commitments and make them their own

Compliance with these commitments is monitored in 3 scopes



01 Own operations

The commitments are included in the Integrity Code and also in the Internal Order, Hygiene and Safety Rulebook (RIOHS), which is appended to employment contracts so that it is known by all collaborators.



02 Business partners

The commitments are established as requirements in the business partners due diligence process, requesting information related to each one.



03 Suppliers

As for our business partners, the requirements are communicated and applied in the due diligence process framework. Moreover, they are included as clauses in their contracts and purchase orders.

In 2022, a Code of Conduct was approved for suppliers and contractors. It is published in CAP's website.



/ DUE DILIGENCE

In 2021, CAP began its due diligence process in Human Rights matters, which included interviews with company executives and an assessment of documents and internal processes.

In 2022, there was an assessment of potential risks associated to our own employees, contractors, migrants, children, indigenous peoples and local communities, through a participatory focus that considered own employees and contractors.

The result, presented to the Board of Directors, was a risk matrix regarding Human Rights established according to the Corporate Risk Management Framework and which, following international recommendations, must be evaluated and updated every two years, with a new assessment due in

2024. Moreover, action plans were implemented integrating education and training actions, as well as the creation of policies and measures to properly mitigate the identified risks in need of addressing.

Additionally, this year we began the due diligence evaluation in the companies belonging to Infrastructure, Aguas CAP, Puerto Las Losas and Tecnocap, which continues the same line of work as CAP, but considers the features of each operation and its stakeholders.



Participation in the first Businesses and Human Rights Diagnosis

The Corporate Sustainability Program from the Law School at Pontificia Universidad Católica de Chile (PUC), together with the Responsible Business Conduct project for Latin America and the Caribbean (Ceralc), carried out the first assessment of the progress of the main Chilean companies in the implementation of the recommendations from the UN's Guiding Principles on Business and Human Rights, in order to establish a benchmark from which to compete, continue advancing and evaluate the convenience of reinforcing public policies and regulations. The measurement was based on public information and considered three aspects¹:

01

Commitments and governance:

Commitment, stated in a formal policy, with the respect of human rights.

02

Integration of Human Rights and due diligence:

That the company's identification and risk management systems consider the risks and impacts on human rights, in the company's operations and its supply chain.

03

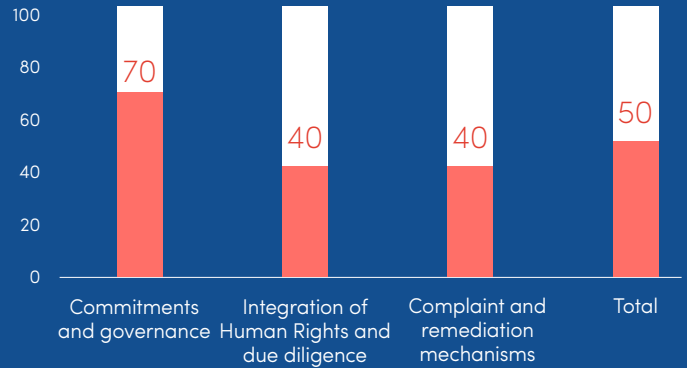
Complaint and remediation mechanisms:

That the company's reporting channels are available internally and externally, and that they can be used to inform of impacts on human rights. It is important that the company has developed a strategy to repair impacts it identifies and that this is effectively applied.

1. See methodology and full report in: www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms_865164.pdf

CAP ranked seventh, with a total of 11 points, underscoring that its policies have a high level of maturity in its inclusion of the framework, assigning responsibilities in key areas.

> Attainment percentage per area and total (%)



	Attained	Sector average	Total average
Commitment and governance	4	-	2.8
Integration of Human Rights and due diligence	4.5	-	3.3
Complaint and remediation mechanisms	2.5	.	2.9



Process of elaboration of the Integrated Report

[GRI 2-2; 2-3; 2-4; 2-5]

/ METHODOLOGY

The Integrated Report is made in compliance with the guidelines and recommendations by the **Value Reporting Foundation (VRF)**, and the requirements from **Global Reporting Initiative (GRI)** and its latest updated reports.

Moreover, it complies with the contents established by the Financial Market Committee (CMF) in the General Regulation (NCG) 461. Additionally, SASB guides are used, going deeper into specific indicators for the industrial sector it operates in: iron ore and steel production.

The Integrated Report also incorporates public indexes from the **Dow Jones Sustainability Index** which assess the organization's commitment levels to sustainability. Likewise, it includes the Group's internal management indicators, which allows it to continue and evaluate the efforts and progress regarding sustainability over time.

On the other hand, this document addresses the Climate Change Management recommendations by

the **Task Force on Climate-related Financial Disclosures (TCFD)**, with a focus on its four pillars: Governance, Strategy, Risk Management, and Metrics and Objectives. Also, it is the Communication on Progress (CoP) of the Global Compact.

CAP Group's Integrated Report, covers information from January 1 to December 31 2022, for the entity's businesses in Chile, Argentina and Peru; CAP and its operating companies Compañía Minera del Pacífico, Compañía Siderúrgica Huachipato, CINTAC Group, Aguas CAP, Puerto Las Losas, Tecnocap and Tubos Argentinos (TASA).

The content of this Report was verified by external auditor Deloitte. All information about methodological changes is duly stated with footnotes on each indicator for a better understanding of the information.



This Integrated Report was published on March 29 2023.

[GRI 2-14, 3-1]

/ MATERIAL TOPICS

In 2022, CAP Group carried out a material topic study to identify the most relevant topics for the company and its stakeholders, by means of three work stages:

01 IDENTIFICATION AND ANALYSIS



We carried out a two-fold material topic exercise, based on the integrated reporting directives (IIRC), including the impacts from the environment on the organization (SASB) and the impacts of the organization on the environment (GRI). With this, the topics with two-fold impact were identified through:

- Revision of the industry topics from the SASB standard that are applicable to the Group's businesses and their relation with the company's strategic risks, in order to know the impact of the environment on the organization.
- Application of the GRI standard to identify the impacts of the organization on the environment, through the review of secondary information from, for example, the press, social media, industry benchmarking, internal documents and industry trends.

22 material topics were identified on the first stage and were studied in more depth during the second stage.

02 CONSULTATION



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

Interviews:

27
executives

7
directors

2
investors

8
other stakeholders

03 PRIORIZATION AND VALIDATION

Finally, the impacts assessed in the previous stages were cross-referenced to define those that affect the business and the environment. The impacts on both directions became the Group’s material topics.

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

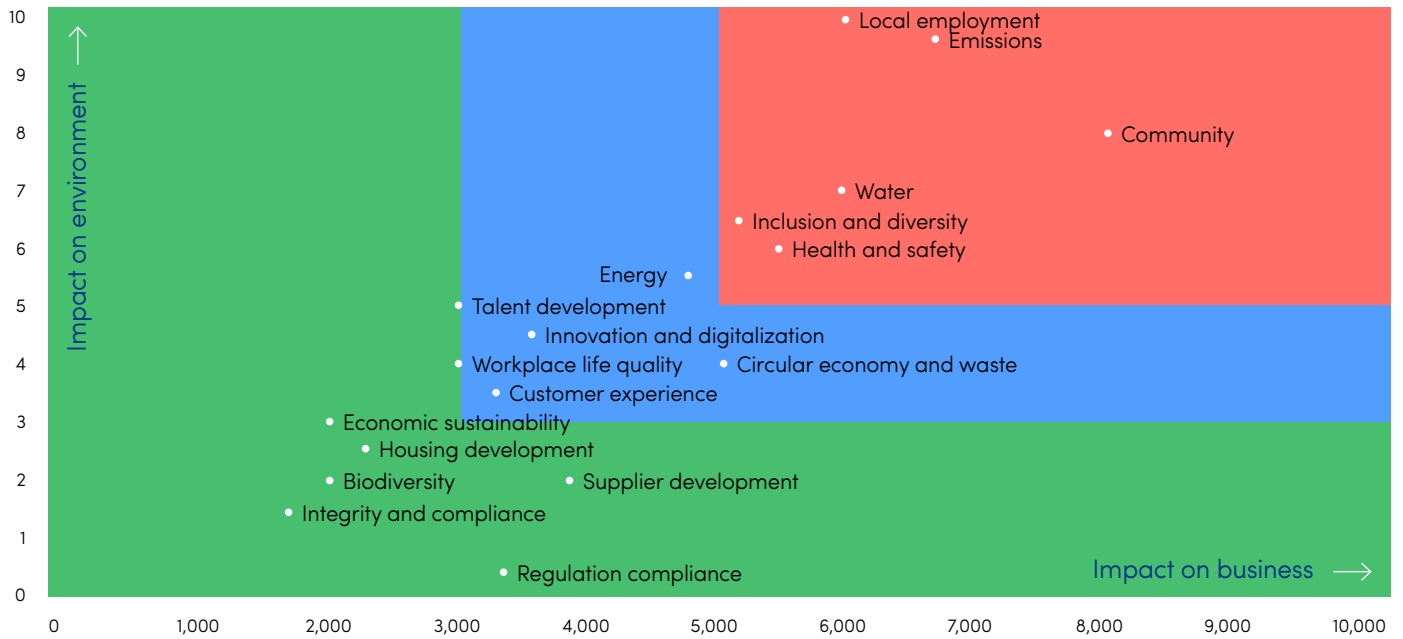
Finally, the two-fold impact matrix was validated by Corporate Affairs, Sustainability and Legal Management.

[GRI 3-2] / 2021 VS 2022 MATERIAL TOPICS

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



/ TWO-FOLD IMPACT MATRIX



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

↓

Base

- Economic sustainability
- Housing development
- Supplier development
- Biodiversity
- Integrity and compliance
- Regulation compliance

→

Drivers

- Energy
- Circular economy and waste
- Talent development
- Innovation and digitalization
- Workplace life quality
- Customer experience

↑

Priority

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

Value creation

CAP Group generates value in its productive processes, which reflect on the following capitals:

→ Purpose

We create value and shared progress, transforming resources with Chile and the world.

INTEGRATED BUSINESS



CAP Group has its value chain in iron ore mining, steelworks and steel processing, as well as other activities that support all its operations.



3 countries

11 locations

INPUT



INTELLECTUAL CAPITAL

- **10%** of CAP's team work on innovation and development
- **114 million** dollars were invested in innovation



NATURAL CAPITAL

- **247 GW** transmitted energy
- Production of **7,829,053 m³** of desalinated water
- **290** hectares of protected surface



FINANCIAL CAPITAL

- **US\$ 3,699 million** total assets
- **US\$ 80,693 million** paid to financiers



SOCIAL AND HUMAN CAPITAL

- **14,442** suppliers
- **5,579** workers
- **8,769** contractors
- **16%** women
- **US\$4.7 million** in social investment
- **91%** of local workers



MANUFACTURED CAPITAL

- **26** productive operations
- **4** mines
- **6** ports

OUTPUT

MANUFACTURED
CAPITAL

IRON ORE MINING



→ **16.5 million**
produced tons of
iron ore

→ **16.3 million**
shipped tons of
iron ore

STEELWORKS



→ **602 thousand mt**
finished steel

→ **653 thousand mt**
shipped steel

STEEL PROCESSING



→ **51 thousand**
tons of production

→ **55 thousand**
tons shipped

STEEL PROCESSING AND CONSTRUCTION MATERIALS



→ **211 thousand tons**
of production

→ **239 thousand**
shipped tons

CAP INFRASTRUCTURE

PUERTO LAS LOSAS



AGUAS CAP



TECNOCAP



→ **639 thousand**
shipped tons

→ **7.8 million m³**
water produced

→ **247.3 GWh**
transmitted
energy

04

Corporate Governance



[CMF 3.1.i, 3.1.ii, 3.1.iv, 3.1.v; GRI 2-9]

Governance framework

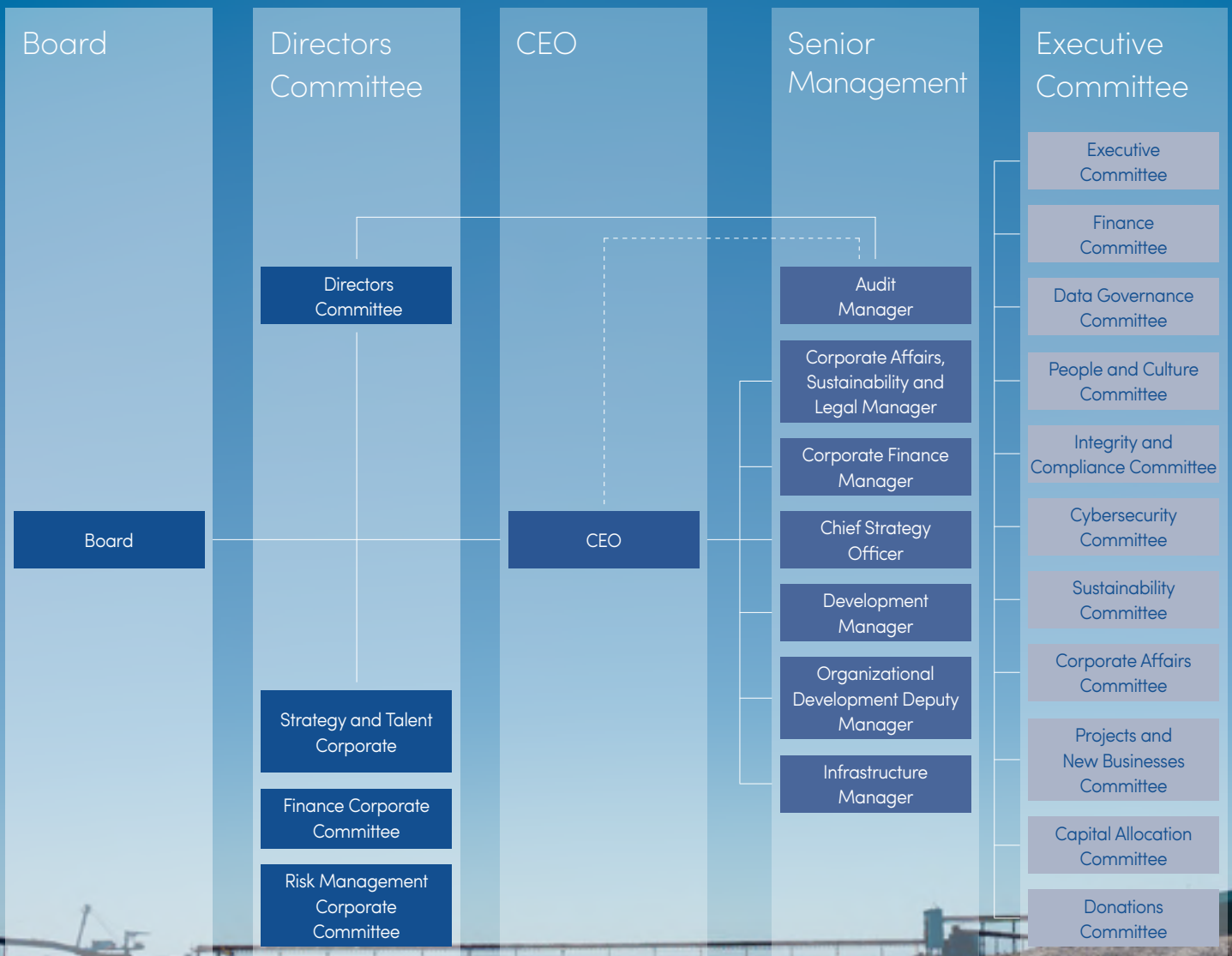
CAP has governance framework based on efficiency, transparency and responsibility, made from different policies, manuals, codes, good practices and programs. Through the Board of Directors and the different Committees the right functioning and control of the organization and its operating companies is guaranteed.

Along those lines, the Manual of Good Practice and Corporate Governance defines and gathers the main directives and practices on this matter, and it seeks to be a guide on governance, for directors and executives, shareholders, investors, collaborators and other stakeholders.



/ GOVERNANCE STRUCTURE

To achieve its purpose, CAP structures its Corporate Governance through interaction between the Board of Directors, Directors Committees, Management and Management Committees.



[CMF 3.2.i, 3.2.ix; GRI 2-10, 2-11, 2-12]

/ BOARD OF DIRECTORS

CAP's main governance body is its Board of Directors, which is tasked with directing, monitoring and controlling the development of the Company, as well as facilitating the establishment of incentives and performance measures for its execution.

It is formed by seven members – four men and three women – elected in the Ordinary Shareholders Meeting celebrated on April 15 2021. 100% of them is independent as per the criteria in the DJSI. On the other hand, according to Law N° 18,046 regarding Limited Companies, the Director Ms. María Olivia

Recart is defined as an independent director.

In 2022, CAP's Board of Directors approved the "Guide of Recommendations for the Nomination and Election of Board Members", which provides suggestions to shareholders for the nomination and election of directors. Said guide considers principles on knowledge, capability, condition, value, vision and experience diversity.

Likewise, before the election of the corresponding Board of Directors, each candidate's CV is shared with shareholders on the Company's

website, keeping their biographical information after they have been elected to the Board.

The directors stay in their role for a period of 3 years, with the possibility of reelection and, in case of a vacancy, the Board may elect a replacement, having to renew the composition completely in the next Ordinary Shareholders Meeting.



**TADASHI
MIZUNO**
27.453.031-6
Vice-Chairman
Japanese

**MARÍA OLIVIA
RECART**
9.568.435-1
Director
Chilean

**JUAN ENRIQUE
RASSMUSS**
7.410.905-5
Director
Chilean

**CLAUDIA
MANUELA
SÁNCHEZ**
9.306.718-5
Director
Chilean

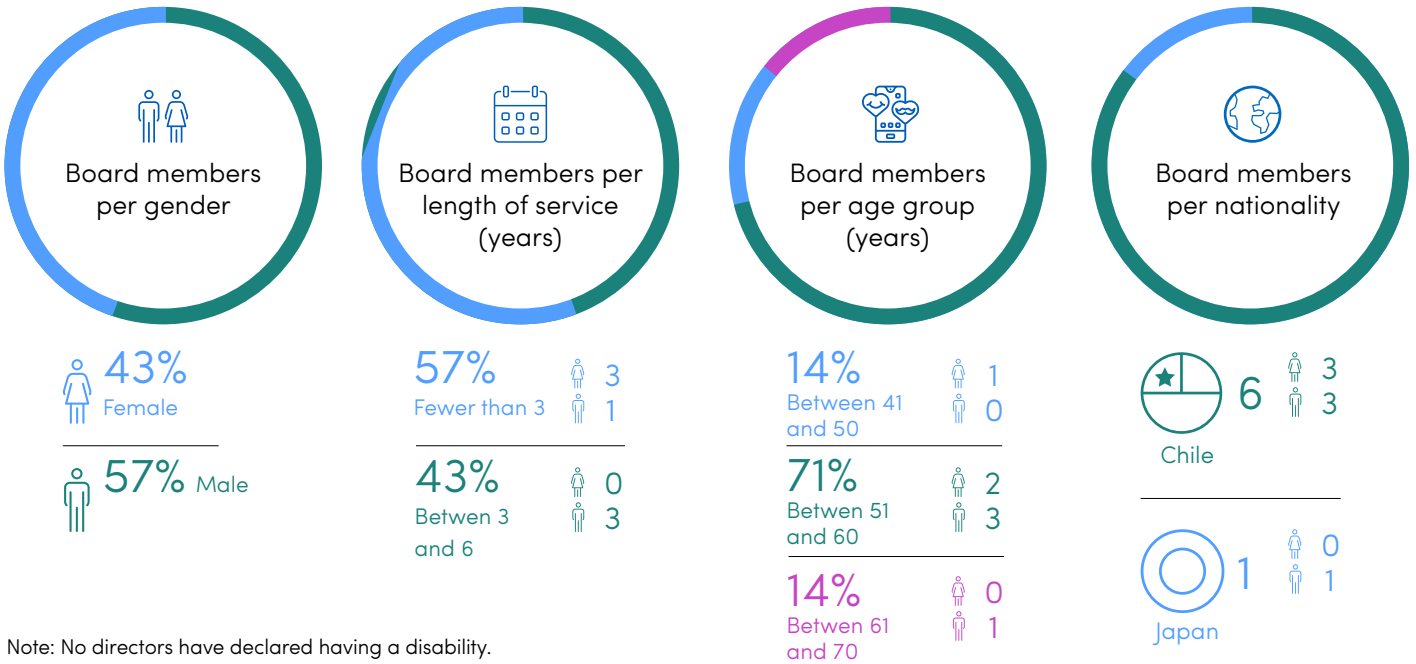
**ROBERTO
DE ANDRACA**
7.040.854-6
Director
Chilean

**PATRICIA
NÚÑEZ**
9.761.676-0
Director
Chilean

**JORGE
SALVATIERRA**
6.557.615-5
Chairman
Chilean

[CMF 3.2.xiii]

/ DIVERSITY OF THE BOARD



Note: No directors have declared having a disability.



First workers' representative in CSH Board of Directors

CSH appoints Marisol Montaña Soto, Chemical Civil Engineer, as member of its Board, representing company workers – an important milestone for Chile and the industry in Latin America.

With 20 years experience in steelworks and in the role of Energy and Supplies Superintendent, she participated in a Corporate Governance Diploma by Universidad del Desarrollo of Concepción, where she gained and reinforced knowledge on accounting, finance, sustainability, corporate governance, and strategy. With these tools, in October 2022, she took on the responsibility of representing the workers on the Board.

/ INDUCTIONS, TRAINING AND CONSULTANCY

[CMF 3.2.xiii]

/ INDUCTION

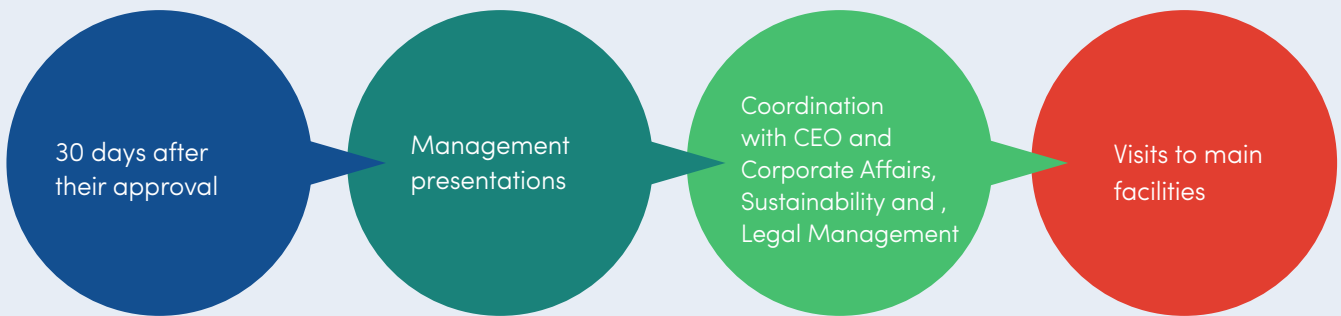
According to the Manual of Good Corporate Governance Practices, the induction procedure of its new directors includes training on relevant matters about the Company and its operating businesses, among which we find regulations, finances and accounting,

tax payment, technology, strategy and operations, people and sustainability.

The process includes visits to the operating companies' main facilities during the first six months after assuming the role.



> Directors induction process



- Sustainability
- Finance
- Technology
- Strategy
- Operations
- People

[GRI 2-17]

/ TRAINING

Training for the Board of Directors is imparted through meetings, presentations and courses, as per the Manual for Corporate Governance Good Practices.

The matters that can be addressed in these instances include regulations, finances and accounting, tax payments, technology, strategy and operations, people, sustainability and climate change. Every time one or more members of the Board deem it convenient, they can ask the Board of Directors and/of the CEO to organize training for the whole body.

In 2022, two Board training processes were developed:



Remote participation in the “Circular Economy & Sustainability Strategies” program by Cambridge University.



Participation in “Making Corporate Boards more Effective” by Harvard University Business School.

The topics of the programs are in line with CAP Group’s sustainable growth strategy challenges.

[CMF 3.2.iii]

/ CONSULTANCY

Any Board members can request the organism to hire experts as consultants in matters of regulations, finance and accounting, taxes, technology, strategy and operations, people, sustainability, or any other that may be necessary.

**Hired consultants by the Board of Directors in 2022**

Supplier:

The Boston Consulting Group

Concept:

CAP Board of Directors Evaluation Project

Amount: 1,800 UF

[CMF 3.2.iv]

/ SKILLS MATRIX

→ Jorge Salvatierra Pacheco

/ Chairman

Industrial civil engineer with a major in Chemistry, Pontificia Universidad Católica de Chile.

MBA from Saint Louis University.

Sustainability training: Yes

Skills

- Leadership
- Negotiation
- Administration and finance expertise
- Knowledge of Telecommunications and Information Technology (IT)
- Knowledge of Cybersecurity
- Communications Management abilities
- Strategy

Experience

He has vast experience in banking, telecommunications, IT and cybersecurity, having held executive and Board roles in related companies. He has had executive roles in Chile, Brazil and the USA.

Currently, he is a director in limited companies Entel S.A. and Invercap S.A.

Additionally, he is a director in other entities, such as Siderúrgica Huachipato, Compañía Minera del Pacífico and Fundación Chilena del Pacífico, and he is Chairman of the Board of Directors of Canal 13 SpA.

→ Tadashi Mizuno

/ Vice-Chairman

BA in Economics, Rikkyo University (Saint Paul), Tokyo.

Sustainability training: No

Skills

- Leadership
- Negotiation
- Strategy
- Mining
- Business development
- International business

Experience

Mr. Mizuno has worked at Mitsubishi Corporation for 30 years, in marketing and investment on different raw materials, such as iron ore, nickel and copper.

He was director of the Global Strategy and Planning Division Department in the mining investment division. He was also vice-president of Development in Mitsubishi Australia, responsible for business development.

He is currently a director in Compañía Minera del Pacífico, Minera Escondida and M.C. Inversiones Limitada in Chile

→ María Olivia Recart

/ Director

Economist, Universidad de Concepción, Master in Economy from the Ilades/Georgetown University program.

Sustainability training: Yes

Skills

- Leadership
- Corporate affairs
- Communications
- Sustainability
- Human Resources
- Innovation
- Metal mining

Experience

She was vice-president of Corporate Affairs in Compañía Minera BHP for the Americas, Treasury Subsecretary between 2006 and 2010, and principal of Universidad Santo Tomás (2019- 2023).

As part of the Fundación Chile team, she developed a career of over thirteen years creating programs like Educar Chile.

She is currently member of the Comunidad Mujer Council.

→ **Patricia Núñez**

/Director

Lawyer, Universidad de Chile, Master in Law from Yale University.

Sustainability training: Yes

Skills

- Leadership
- Mining
- Legislation
- Compliance
- Environment and natural resources
- ESG and sustainability

Experience

She is currently a member of the Boards of Codelco, Vista Hermosa Inversiones Forestales SpA, ICARE, The Foundation for Natural Resources and Energy Law, Chilean-Canadian Chamber of Commerce and Fundación Belén Educa. She is also a member of Prospectors and Developers Association of Canada and of Women in Corporate Directors, of the Directors Circle of Universidad de Los Andes. She is also an arbitrator judge in the Santiago Chamber of Commerce.

→ **Claudia Manuela Sánchez**

/ Director

Bs. in Business, Universidad Adolfo Ibáñez, MBA from Harvard.

Sustainability training: Yes

Skills

- Leadership
- Negotiation
- Strategy
- Finance and investment
- Corporate governance
- Diversity promotion

Experience

Some highlights from her career are her work in McKinsey, participating in strategy, business development and productivity projects. In 2012, she became the first female dean in the Business School of Universidad Adolfo Ibañez.

Currently, she is a director in the open limited company, Mall Plaza. Likewise, she is a director in Banco BCI and foundations Corporación del Patrimonio Cultural de Chile, Make a Wish Chile and Fundación Luksic.

She is vice-president of the Capitals Market Consulting Council, of the National Treasury and member of the International Women's Forum.

→ **Roberto de Andraca**

/ Director

Bs. in Business, Universidad de Santiago de Chile, MBA from Universidad Adolfo Ibáñez.

Sustainability training: No

Skills

- Mining
- Finance
- Sustainable finance
- Business development

Experience

Mr. Andraca has been linked to mining and steel CAP Group for almost two years, having held roles as Infrastructure Manager and currently as director of the CAP S.A. Board since April 2017.

Also, he is a director in the open limited companies Invercap S.A. and Cintac S.A. Moreover, he is a member of the Boards of Compañía Siderúrgica Huachipato and South Pacific Investments S.A.

→ **Juan Enrique Rassmuss**

/Director

Industrial civil engineer, Pontificia Universidad Católica de Chile.

Sustainability training: self-taught

Skills

- Leadership
- Corporate governance
- Innovation
- Mining
- Energy
- Philanthropy

Experience

In 2009, he was incorporated in the Invercap S.A. Board of Directors, in December 2018 in CAP Board of Directors, and in November 2019 in CMP Board of Directors. He is also Chairman of the Board of CEMIN Holding Minero,, and is a board member of companies in the industrial and energy sectors.

Additionally, he is a Board member of Fundaciones Rassmuss and the Chile-Peru Business Council.

Note 1: The directors' full biographies can be found in the Corporate Governance section on CAP's website. / Note 2: Directors' sustainability training was the course "Circular Economy and Sustainability" by Cambridge University. / Note 3: Jorge Salvatierra, Claudia Manuela Sánchez and Roberto de Andraca took part in the "Making Corporate Boards more Effective" course imparted by Harvard Business School. / Note 4: Director Patricia Nuñez left the Codelco Board of Directors on February 28 2023.

[CMF 3.2.v]

/ BOARDS OF DIRECTORS' WORK AND SESSIONS

CAP Board of Directors has the role of supervising compliance with the Group's strategic direction, as well as that of all its operating companies, and the correct implementation of policies and plans, together with the monthly review of relevant activities throughout that materialize strategic commitments and initiatives, and the most relevant KPIs. All of this is reviewed in terms of the Sustainability Model. In 2022, the Board met with the Corporate Affairs, Sustainability and Legal Manager to review the progress of the implementation of the aforementioned program.

The Company's Board of Directors, through the quarterly reports by the Risk Management Corporate Committee,

constantly analyzes the risk dimensions defined in terms of social issues, financial sustainability, the environment and climate change.

In 2022, the Board did not meet with the Internal Audit unit, given that the reports on the subject were made by the Directors Committee every quarter and the President of the Directors Committee presented a summary in each session thereafter.

[CMF 3.2.viii]

/ FIELD VISITS BY THE BOARD OF DIRECTORS IN 2022

The field visits procedures is detailed in the Manual for Corporate Governance Good Practices.



→ Cintac Visit

Visit to Cintac infrastructure, in which the state and functioning of these facilities could be verified.

Participants

- Patricia Núñez
- Claudia Manuela Sánchez

Date: January 5



→ **CMP Visits**

Visits to mining sites, in which the state and functioning of these facilities could be verified.

Participants

- Jorge Salvatierra

Date: April 5 and 6



→ **CSH Board**

Meeting with the Board of Directors of Compañía Siderúrgica Huachipato in Talcahuano.

Participants

- Jorge Salvatierra

Date: May 31



→ **CSH Board**

Meeting with the Board of Directors of Compañía Siderúrgica Huachipato in Talcahuano.

Participants

- Jorge Salvatierra

Date: July 26



→ **CMP Board**

Board meeting of Compañía Minera del Pacífico in the north of Chile.

Participants

- Jorge Salvatierra
- Nicolás Burr

Date: August 29



→ **Risk Committee**

Meeting of presidents of the Risk Committee and operating companies in Talcahuano.

Participants

- Patricia Núñez
- María Olivia Recart
- Nicolás Burr

Date: September 6



→ **CSH Board**

Board meeting of Compañía Siderúrgica Huachipato in Talcahuano.

Participants

- Jorge Salvatierra
- Nicolás Burr
- Roberto de Andraca

Date: November 29



[CMF 3.2.x, 3.2.xii]

/ 2022 BOARD OF DIRECTORS SESSIONS AND ATTENDANCE

Indicator	Sessions
N° of sessions	16
attendance %	91%

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

The Board complies with its legal and statutory mandate by celebrating at least one session a month and extraordinary sessions every time the Chairman summons the Board.

Additionally, in the last quarter of every year, the Board approves the Board's agenda for the next year, notwithstanding additional topics that may be addressed in each session.

As for in-person and remote presence from directors, not counting the other activities they carry out in the exercise of their roles, in 2022, the average duration of Board sessions was 4 hours.

/ INFORMATION AND BACKGROUND SYSTEMS

The Board uses the Diligent Boards platform, an information system that allows its members to access documents related to its work safely, remotely and continuously. This system allows access to all minutes and documents for each Board session of the last 3 years, including the agenda that states all topics that will be addressed five days ahead of the Board meeting taking place.

As a complement, the system also allows Board members to access a session's draft minutes for 10 working days after

the meeting so that comments can be added. The last version is approved in the following session of the Board meeting and is uploaded to the platform.

[GRI 2-18]

/ EVALUATION

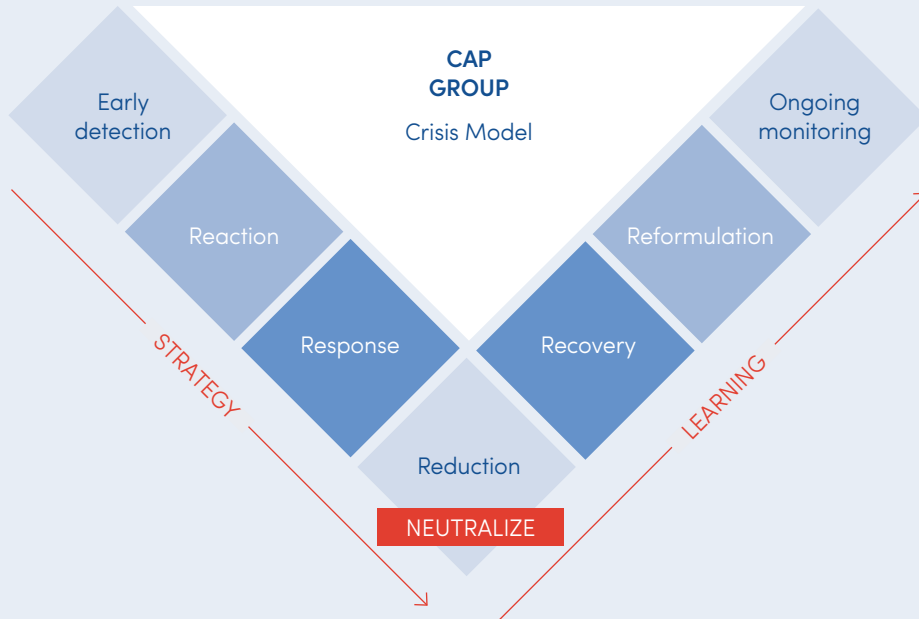
CAP has a procedure for the evaluation of its Board's and Committees' performance and functioning, which is described in the Manual for Corporate Governance Good Practices. The assessment results allow to implement improvements to individual and collective performances, as well as those of the organization. During the last quarter of 2022, the Board and its Committees went through a full assessment with the support of the Boston Consulting Group (BCG), whose methodology consisted in carrying out surveys and interviews to each director and key Company executives to get context and further understand the diagnosis, among others. Along these lines, the functioning of the Board of Directors based on four key elements: (i) senior engagement, (ii) decision-making process, (iii) governance mechanisms, and (iv) information infrastructure.

After finishing the evaluation process, which concluded with positive results,

the external consulting company gave a presentation to the Company's Board of Directors, where the results of the evaluation were jointly analyzed. These included the Board's main strengths, such as the diversity among its members and their academic and professional excellence, as well as the cohesion achieved in their work since their constitution in April 2021. On the other hand, there was also a review of key topics to be analyzed the following year and, in some cases, improvement opportunities that were identified and for which the Board and management have developed an action plan with milestones and specific reviews.

[CMF 3.2.xi] [GRI:2-16]

/ CRITICAL SITUATION MANAGEMENT PLAN



The strategy and crisis response plan is communicated internally and externally, through establishing contact with stakeholders, authorities, community representatives and other groups, as appropriate.

03

Resolution and search for recover of operative capacity and trust: From the premise that the crisis does not end with the crisis, work continues to be done to show transparency and be accountable for any results.

Always maintaining an engagement strategy with stakeholders to inform them of the measures to be taken in order to avoid the event repeating itself.

Additionally, the PMC defines the structure of CAP Group's Corporate Crisis Committee, which will lead and coordinate the strategic actions in communications and operations matters to address the emergencies. In the event that the crisis originates in an operating company, each company's Crisis Committee will activate, communicating the fact to the Group's Corporate Crisis Committee.

CAP Group has elaborated a Crisis Management Plan (PMC in Spanish), which considers the participation of the CEO and CAP's Board of Directors and its operating companies, with the purpose of facing critical emergency situations, safeguard the staff's physical integrity and health, protect the environment, the continuity of the business, corporate reputation and comply with the laws and regulations in each country where it operates.

The PMC enumerates the steps the Company must follow during a crisis, with the aim of guaranteeing that the appropriate measures are adopted:

01

Immediate response: Generation of the description of the situation, timely report of the event, information of the status of the event whether it is controlled, not controlled, or contained, and account for the critical infrastructure to activate emergency protocols and the first operational and communications definitions.

02

Crisis containment: Activation of operational and activity continuity plans for the involved companies. It is activated 24 hours after the incident.

/ STRUCTURE: CAP CORPORATE CRISIS COMMITTEE

Strategic decisions

Outlook on reputation and sustainability.



The Manager (leader) from the operating company (OC) is added

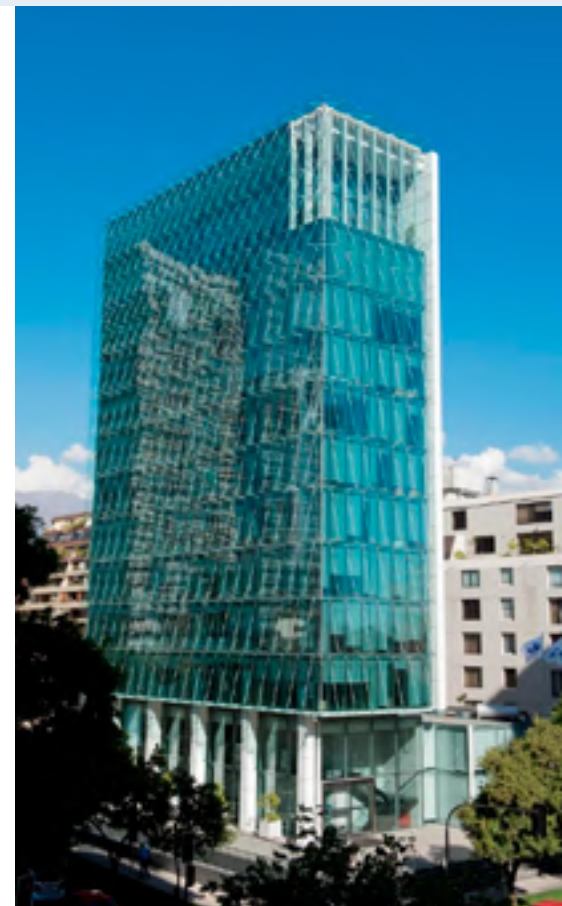
[CMF 3.2.ii; GRI 2-19, 2-20]

/ BOARD OF DIRECTORS REMUNERATION

As agreed in the 2022 Ordinary Shareholders Meeting, Board members jointly receive 0.75% of distributable net profits from the period, with the Chairmen receiving double than other directors in said distribution.

Additionally, an allowance of 70 Tax Reference Units is established for each director, whatever the number of Board sessions are carried out in the month, and the quantity of 20 Tax Reference Units per month to each director for representation expenditures, with the

Chairman receiving double in both instances. The amounts paid for this concept will be charged to the amounts that result for each director as equity in the profits according to the previous paragraph, so that they will only have a right to the excess for this concept. If the profit equity is inferior, the mentioned paid out amounts will stay as each director's definitive remuneration.



The Board of Directors voluntarily gave up 20% of its share in the profits for 2021 in order to destine these resources to strengthening safety and mental health of the Group's collaborators.

> CAP Group Board Remunerations (thousand US\$)

Board Member	2021			2022		
	Fixed	Variable	Total	Fixed	Variable	Total
Jorge Salvatierra	134	215	349	144	990	1,134
Tadashi Mizuno	53	26	79	72	495	567
Juan Enrique Rassmuss	75	215	290	72	495	567
Roberto de Andraca	86	215	301	91	495	586
María Olivia Recart	67	0	67	91	495	586
Patricia Núñez	67	0	67	91	495	586
Claudia Manuela Sánchez	53	0	53	72	495	567
Rodolfo Krause	46	429	475			
Tadashi Omatoi	12	188	200			
Gerardo Jofré	29	215	244			
Marcelo Awad	23	215	238			

CAP does not have specific requirements on share ownership for its Board members. In compliance with Law N° 18,045 about the Securities Market, it has a Manual for Market Interest Information Management, which establishes blocking periods for the purchase of shares and declaration

requirements of directors and main executives.

Regarding Board of Directors shareholding in the organization, Mr. Roberto de Andraca holds CAP shares through companies South Pacific Investment S.A. and Ko Investment

[CMF 3.2.xiii]

> Wage Gap¹

	Average	Median
Board	102.21	103

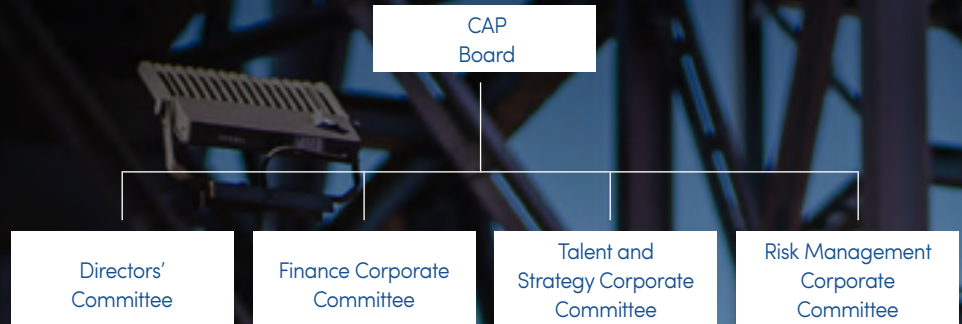
Ltda. South Pacific Investment S.A owns 2,860,970 CAP shares, and Mr. Roberto de Andraca owns 9% of the company through Ko Investment Ltda., which owns 4,000 CAP shares, in which Mr. Roberto de Andraca holds 50% of this company.

1. The calculation excludes the Board's Chairman. The gap is explained by the participation of female directors in the Directors Committee.

[CMF 3.3.i, 3.3.ii, 3.3.iii, 3.3.iv, 3.3.v, 3.3.vi, 3.3.vii]

/ DIRECTORS' COMMITTEES

The Board of Directors delegates part of the Company's administration in the CEO. Likewise, it has four committees, which, among their main functions and activities, deal with topics related to strategic focuses, financial impact management in the organization, Company risk identification and control, as well as the review and analysis of topics related to organizational development.





→ DIRECTORS' COMMITTEE

Frequency:

Monthly

2022 Members

María Olivia Recart (President), Patricia Nuñez and Roberto de Andraca.

2021 Members

María Olivia Recart (President), Patricia Nuñez and Roberto de Andraca¹.

The Committee's main function is to supervise and monitor the functioning of the Company's control structures (financial and non-financial), in the context of the legal mandate from Law N° 18,046, reporting monthly to the Board of Directors.

Thus, the Directors' Committee met the following units during the year:

- Quarterly, with the Internal Audit unit for the review and approval of the annual internal audit plan, the incorporation of additional audit process to the ones approved in the annual plan, report the progress on said plan and review the restructuring of the respective management, later approved by the Board with the Organizational Development area to review and evaluate the variable rent system

project, talent retention plans, and analyze the company's compensation structures, among other subjects.

- Quarterly, with the external audit company to carry out an analysis of the financial statements at the end of the previous year, check intermediate financial statements, the action plan, the issues of interest report, and the updating of the regulations.
- Likewise, in 2022, the Directors' Committee reviewed other additional matters, such as the external audit company proposed and private risk classifiers, the evaluation of operations between related parties, in accordance to the policy approved by its Board, the review of the Company's main litigations, through the six-monthly presentation by the company's Legal area, and the quarterly meeting with the Compliance area.

The CEO participates in the sessions of the Directors' Committee and, depending on matters addressed in each session, those responsible of any relevant areas are invited to join.

The remunerations of the Directors' Committee are approved each year in the Ordinary Shareholders Meeting. In 2022, it was agreed that each of the committee's members receive an allowance that equates to a third of the one received by directors, which, eventually, would not be charged to the net profit equity of the period they may have a right to directors; and that an amount equivalent to annual allowances of committee members is destined as committee operation costs budget and their aides for 2022.

1. Between January 1 and April 15 2021, the Committee was formed by Gerardo Jofré Miranda (President), Roberto de Andraca Adriasola, and Jorge Salvatierra Pacheco.



[CMF 3.2.xiii]

→ STRATEGY AND TALENT CORPORATE COMMITTEE

Frequency:

Quarterly

2022 Members

Juan Enrique Rassmuss, Claudia Manuela Sánchez, Roberto de Andraca and Tadashi Mizuno.

2021 Members

Juan Enrique Rassmuss, Claudia Manuela Sánchez, Roberto de Andraca, Tadashi Mizuno, Tadashi Omatoi and Rodolfo Krause¹.

Its mission is to define and follow up the Group's main strategic focuses. Thus, it checks the feasibility of operating companies projects, it ensures the consistency of the businesses with the corporate strategy and it has meetings with the CEOs of each company to check progress in these matters.

In 2022, its main activities were to review ways to materialize the Group's purpose, to analyze market trends, to study growth strategies and to develop long-term projections.

There are no revenues for the directors for their participation in this committee.

In 2022, considering all directors attended the Strategic Corporate Committee, it was not necessary to make an additional report.



→ RISK MANAGEMENT CORPORATE COMMITTEE

Frequency:

Quarterly

2022 Members

Patricia Núñez, María Olivia Recart and Jorge Salvatierra.

2021 Members

Patricia Núñez, María Olivia Recart, Jorge Salvatierra, Marcelo Awad and Gerardo Jofré².

Its main task is to identify, control and mitigate the company's and its operating company's risks. It also works on developing the corporate risk management policy and framework, including the implementation of a methodology for risk management that allows it to identify, prioritize and manage operational and strategic risks that may affect the attainment of the Group's goals.

In 2022, it developed the definition of strategic risks, the review of the closing of the audit about risk management, the review of the risk matrix generation in the operating companies and the review of the action plans for the unidentified risk dimensions.

There are no revenues for the directors for their participation in this committee.

In 2022, the Risk Management Corporate Committee reported quarterly to the Board.



→ FINANCE CORPORATE COMMITTEE

Frequency:

Quarterly

2022 Members

Claudia Manuela Sánchez, Juan Enrique Rassmuss and Tadashi Mizuno.

2021 Members

Claudia Manuela Sánchez, Juan Enrique Rassmuss, Tadashi Mizuno, Jorge Salvatierra and Rodolfo Krause³.

Its main goal is to analyze the Group's financial statements. It reviews the account statements and capital and cash flow requirements. It analyzes matters of insurance, investment portfolio composition, price curve evolution, coverage strategies, investment engagement and review of financial policies and projections.

In 2022, it focused on the review of accounting policies, analysis of the insurance programs, provisional dividend proposals, and analysis of results. Moreover, the operating companies' financial needs were analyzed, as well as the development plans for the sustainable finance strategy and plans for the investors engagement area.

There are no revenues for the directors for their participation in this committee.

In 2022, the Finance Corporate Committee reported quarterly to the Board.

1. Between May 7 2020 and April 15 2021, the committee was formed by Rodolfo Krause, Juan Enrique Rassmuss, Roberto de Andraca and Tadashi Omatoi; the latter quit his role as director as of March 4 2021. / 2. Between May 7 2020 and April 15 2021, the Committee was formed by Marcelo Awad, Jorge Salvatierra and Gerardo Jofré. / 3. Between May 7 2020 and April 15 2021, the committee was formed by Jorge Salvatierra, Rodolfo Krause and Juan Enrique Rassmuss.

/ 2022 CONSULTANCIES

The Directors' Committee agreed to hire an expert review by Nebulan, in the context of the audit to the implementation of the Microsoft multi-factor authentication (MFA), charged to the Committee's budget, for an amount of UF 20. The latter is in accordance to the hiring policy in the Manual for Corporate Governance Good Practices.

[CMF 10]

Comments and proposals from the Directors' Committee and shareholders

There were no comments or proposals from Shareholders or the Directors' Committee in accordance to section 3°, article 74, from Law N° 18,046.



[CMF 3.4.i]

Main executives



1

1. NICOLÁS BURR

CEO

13.039.622-4

Industrial Civil Engineer Date of appointment September 1st 2022



2

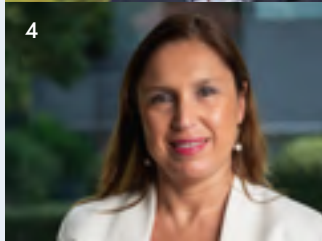
2. STEFAN FRANKEN

Corporate Affairs, Sustainable and Legal Manager

13.028.236-9

Lawyer

Date of appointment April 18th 2017



4

3. FRANCISCO LEPELEY

Corporate Finance Manager

8.322.331-6

Industrial Civil Engineer

Date of appointment August 18th 2020



6

4. PATRICIA LÓPEZ

Infrastructure Manager

12.488.429-2

Industrial Civil Engineer

Date of appointment May 14th 2020



8

5. JOAQUÍN PÉREZ

Internal Audit Manager

8.725.100-4

Accountant, Auditor and Bs. in Business Administration

Date of appointment February 17th 2020



3

6. TOMÁS VERGARA

Organizational Development Deputy Manager

15.640.594-9

Psychologist

Date of appointment August 1st 2020



5

7. FRANCISCO CARVAJAL

CEO at Compañía Minera del Pacífico S.A

9.047.354-9

Civil Mining Engineer

Date of appointment November 11th 2019



7

8. CHRISTIAN SCHMIDT

CEO at Intasa S.A

12.720.565-5

Bs. in Business Administration

Date of appointment February 25th 2022



10

9. RODRIGO BRICEÑO¹

CEO at Compañía Siderúrgica Huachipato S.A

12.011.581-2

Civil Electronic Engineer

Date of appointment October 1st 2018

10. PATRICIO MERELLO

CEO at Cintac S.A

10.653.986-5

Civil Industrial Engineer

Date of appointment November 1st 2021

1. From March 1st 2023, this role was taken over by César Garrido Quintana, civil electronic engineer from Universidad de Concepción and Master in Administration and Business from Pontificia Universidad Católica de Chile.

[CMF 3.6.x]

/ SUCCESSION PLAN AND TALENT DEVELOPMENT

CAP Group's senior management has a succession and talent development plan whose aim is:

1. To have internal and external replacements for critical roles, which can be achieved through four steps:
 - a. Identification of critical roles
 - b. Successor nominations from nomination of talents
 - c. Profile evaluation for both cases
 - d. Gap bridging development, if necessary, for those who occupy critical roles and development of future skills in the Group's talent map

2. To have a procedure in case of a sudden exit in executive and critical roles.

CAP and its operating companies follow up the risk of critical role vacancies (including that of its main executives) and exiting talent, and prepare contingency plans for each case. These contingency plans include: successor preparation and validation by the Directors' Committee, contingent successor nomination and information management processes (policies and procedures) in each case.



On the other hand, the Company's power structure establishes that, in the absence of the CEO, their substitute will be the CFO or the Corporate Affairs, Sustainability and Legal Manager.

[CMF 3.4.ii, 3.6.xi, 3.6.xii]

/ SENIOR EXECUTIVES REMUNERATIONS

The compensation structure for the senior administration is composed by a monthly fixed salary and a variable remuneration for target achievement per company and individual on the previous period and long term, for the achievement of financial, strategic and price goals, for all executives in the Group.

The short-term incentive system is divided into:

- **Company goals:** Relevant dimensions measured by indicators related to financial, production and operational excellence, and safety matters, as well as ESG projects.
- **Individual goals:** made up of targets (what each role must accomplish) and competences (how they are achieved). The goals are set by the CEO and are associated to the organization's strategy and the implementation of critical products.

Meanwhile, the competences consider the following dimensions: strategic vision, leadership, team work and collaboration with the operating companies. .

The goals are variable and depend on whatever is considered relevant for the operation's development in a particular year. Additionally, other health benefits are provided, such as life insurance, or benefits in professional development, such as training and certificates.

[CMF 3.4.iii, 3.4.iv]

/ LONG-TERM INCENTIVES



CAP Group's compensation plans and benefits do not consider payments based on company shares.

As part of CAP's Compensation Policy, the compensation system is reviewed every two years with the help of an external consultant, defining 75% of the corporate market for CAP, and for operating companies with the option of measuring themselves against the standard or the industry according to the sector to which they belong. With this external consultancy, it ensures compliance with the competition criteria, internal equity and, at the same time, eliminate the discretionary character of fixed and variable salaries.

The Board of Directors reviews salary and compensation policies and severance pay for the CEO and main executives through an external consultant annually.

CAP Group's long-term incentives have the aim to align the Group's vision and that of its main executives. The policy specifically seeks to:

- Align and define effective long- and short-term performance evaluation criteria for the group's executives.
- Retain professionals for a minimum period of 3 years.
- Integrate ESG criteria in the assessment of executives.

The system, which is updated according to the Directors' Committee directives, consists in: a bonus that seeks to link compensation to long- and short-term company results, achieve that executives think as owners, retain executive talent,

increase knowledge of the business and create value for the strategy in time. This long-term incentive is paid if the following goals are attained:

- Organizational performance: to attain pre-set targets in the profit pillar over employed capital (ROCE) and progress in Strategic Projects for the whole Group.
- Company valuation: taking share value as reference between years 1 and 3.

> Added remuneration of senior executives

Componente	2021 Amount	2022 Amount
Fixed	\$ 1,184,870,798	\$ 1,179,417,406
Variable	\$ 406,791,992	\$ 508,322,177
Total	\$ 1,591,662,790	\$ 1,687,739,583

Senior executives' share equity

Regarding CAP senior executives' share equity, Francisco Lepeley holds 1,540 shares, Stefan Franken 10,510 shares and Christian Schmidt holds 894 shares directly and indirectly.



[CMF 3.6.i, 3.6.iv, 3.6.v, 3.6.vi; GRI 2-13]

Risk management

/ RISK MANAGEMENT CORPORATE POLICY

As part of the Risk Management Corporate Framework, the Company has a Risk Management Corporate Policy.

CAP Group's view on risk management is based on COSO ERM and ISO 31,000. Each company from the group can formally define a risk management procedure or methodology, however, they must consider at least the steps below in the risk cycle:



Risk Management Corporate Framework

- It provides the main **guidelines** regarding methodologies, roles and responsibilities for risk management in each business from the Group.
- It defines **risk dimensions** that operating companies consider as a base to identify their own strategic risks, define controls and action plans. These risk dimensions are reviewed annually by the **Risk Management Corporate Committee**.
- Each operating company **director** participates in ensuring an appropriate risk management.

01

Identify and prioritize risks

Each **company's administration** will do an annual identification process of its risks and will present them to its Board or Risk Committee, who will evaluate the risk list to be managed.

02

Evaluate inherent risks

The **person responsible of risks** will evaluate the expected impact and its occurrence probability, i.e., the theoretical risk level that any identified risk has without considering existing internal controls.

03

Identify controls and evaluate residual risks

The **person responsible of risks** will evaluate the expected impact and its occurrence probability, i.e., the theoretical risk level that any identified risk has without considering existing internal controls.

04

Define action plans and evaluate objective risks

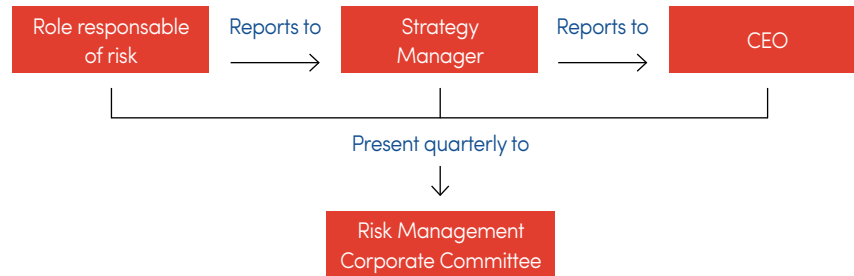
The **person responsible of risks** will propose action plans that contribute to risk mitigation, evaluate impact and occurrence probability, i.e., once the company's action plans are implemented.

05

Compare objective risk and risk appetite proposed by the Board

Finally, the **administration** will present its risk matrixes to directors, in order to compare the level of objective risk and risk appetite agreed by the Board and, thus, evaluate additional action plans required to take each risk to an acceptable level.

>> Risk management responsibility



The role responsible of risk management depends on each operational company's organizational structure. Main roles responsible are:

- CMP: Occupational Health and Safety Manager
- CSH: Finance Management
- CINTAC: Risk and Internal Control Manager

They all directly report to each company's CEO and committees made up by their CEO and part of its Board, who session periodically to analyze definitions and progress in risk management.

As a complement to the risk management cycle, CAP has an Internal Audit Management, which reports to the Board via the Directors' Committee, in charge of effectivity verification and

compliance with procedures, controls and codes implemented for risk management.

This management plans, executes and reports its work based on the strategic risks that the companies evaluate, and designs its action plans to challenge the controls and plans that the administration deems key to their mitigation.

For this, it has an Internal Audit Corporate Policy and a Manual that implements it, both approved by the Board and the Directors' Committee, respectively. It also allows it to align its work with the Internal Audit International Professional Practices Framework and the 3 Lines of Defense Model, which establishes principles and organizational responsibilities for risk management and control.

As per the structure approved by the Board for the 2022 period, this Management was made up by 13 professionals in 3 different subunits:

- Process audit (Assurance / Advice).
- Continuous audit (based on data analysis).
- Compliance audit (Compliance, integrity, good practices).



Instapanel Lab, Cintac, is located at the facilities in Las Condes Design in Santiago.

[CMF 3.4.ii, 3.6.xi, 3.6.xii]

/ RISK DIMENSIONS

CAP Board of Directors approved the modifications proposed by the Risk Management Corporate Committee regarding risk dimensions, to update them according to the challenges of 2023.

The Risk Management Committee considered modifying two dimensions. The first consisted in changing “economic sustainability” to “financial sustainability” to better address the definition considered in the organization’s Corporate Framework. The second modification was to change “social license” to “social”, with the purpose of covering communities as well as collaborators.

Finally, the “environment and climate change” dimension was added, given the risks regarding physical climate manifestations that could affect CAP’s operations.

Dimensions	2022	Dimensions	2023
	Alignment of group companies	→	Alignment group companies
	Talent	→	Talent
	Economic sustainability	→	Financial sustainability
	Competitive position	→	Competitive position
	Operational continuity	→	Operational continuity
	Social license	→	Social
	Reputation	→	Reputation
	Regulation	→	Regulation
	Information security	→	Information security
		→	Environment and climate change



Magnetite Plant,
Tierra Amarilla, Atacama Region

[CMF 3.6.ii; GRI 2-25]

/ ACTIVITY RISK MANAGEMENT

→ Alignment of Group companies



Description

Not attaining the capture of synergies among Group companies so that the sum is greater than the parts. Lack of guidelines and policies in key issues for the Group, or that they are not adopted by the operating companies, as well as the lack of a common culture.

Mitigation measures

The generation of collaboration and good practices transference instances was included to the 2022 strategic planning, through a system based on executive committees made up by members in all its operating companies, as well as Directors' Committee.

→ Talent



Description

Not having the appropriate talent for the business' challenges. This includes weaknesses in the talent attraction and retention systems, development plans, evaluation and incentives, and succession plans.

Mitigation measures

Grupo CAP has an annual process for the definition of objectives aligned with the Group's strategies, incentive systems, career and succession plans, among others.

→ Operational Continuity



Description

Incidents that put operational continuity at risk, including but not limited to critical equipment faults, structure collapse, workplace accidents, lack of critical supplies, lack or weakness of continuity, emergency and/or disaster recovery plans.

Mitigation measures

Each operating company Board has its own risk Committee and a role responsible of risks, with a focus on operational topics.

→ Social



Description

Conflicts with stakeholders that may put existing assets' licenses to operate at risk, or affecting the approval of new projects development. Strain in work relations with company collaborators.

Mitigation measures

Permanent collaboration and communication with the communities in the territories where we operate and internal stakeholders, as well as the presence of ESG officers in all operating companies.

→ Information Security



Description

Violation of IT systems and databases, cyberattacks to third parties or collaborators, social engineering incidents, data protection faults, among others.

Mitigation measures

Implementation of a series of actions, as, for example, the creation of a cybersecurity committee to identify breaches, follow up on the execution of mitigation measures, training to raise awareness on staff, strengthening possible cyberattack alerts, hiring security platforms and services that protect and create information backups, among other measures.

→ Reputational



Description

Incidents that negatively affect the company's image, including violations to CAP Group's integrity code, its values, policies and commitments, as well as applicable laws and regulations.

Mitigation measures

Adaptation to regulatory changes, specific via legal monitoring, as well as legal compliance with current regulations.

/ MARKET RISKS

→ Financial sustainability



Description

Liquidity and solvency of the operating companies and the holding could be affected by a deficient investment portfolio management, market conditions, among other factors that would have a negative impact on the company's cash flow and access to the capitals market.

Mitigation measures

Mitigation measures that can be managed by the company in this type of events are related to a responsible management of the investment cycle, financial liquidity policies, trading policies, coverage policy, dividend policies, among others.

→ Competitive position



Description

The group's or its businesses' competitive position may be weakened by sustained hikes in production and sales unit costs, new strategies by competitors, or other market factors.

Mitigation measures

In order to be prepared for different negative market scenarios, CAP applies measures such as defining investment projects and plans to optimize costs, define commercial strategies, and make investment decisions that increment unit contribution margins and generate long-term competitive advantages.

CAP Group has a corporate risk management framework that establishes guidelines for the companies.

/ EMERGING RISKS



→ Regulation

Description

Regulation changes are a sociopolitical factor that is permanently present in the environment.

The country's new political, social and economic scenario may mean a different challenge, knowing there is a current combination of a constitutional process that was preceded by the social upheaval.

Such a scenario may impact the Group through greater taxation, affecting costs and/or production capacity, or greater demands in environmental, community and/or governance matters.

Mitigation measures

- Constant monitoring of possible regulation changes.
- Participation in guild and sector instances, where we seek to contribute to the debate and the design of public policies that are aligned with sustainable development.
- Implementation of the Sustainable Development Model, where the key objectives on social, environmental and governance matters are defined, seeking to be ahead of regulations.
- Continuous monitoring of stakeholder relationships
- In 2022 specifically, CAP Group followed up on the legislative discussions about the mining royalty, green taxes and the 40-hour work week project, as they are the most likely proposed law bills to impact operations.



→ Environment and climate change

Description

Physical manifestations of climate change are a reality in Chile and the world, as, for example, the great draught that has affected the north of the country.

During the next years it is expected that these effects are intensified in magnitude and frequency, which could even have an impact on the operational continuity of CAP Group's plants or mining sites.

Likewise, we can expect greater restrictions on the use of coal, changes in laws that regulate industrial water use, greenhouse gas emissions, use of non-conventional renewable energies, or other factors that may affect CAP Group's companies in terms of its costs, investment plans, operational capacity, among others.

Regarding the management of this type of risk specifically, the Group has worked on the following line:

Climate change

CAP Group has identified a specific climate change strategic risk, which requires management related to regulation changes and physical risks. Given this scenario, actions have been promoted to face climate change, defining strategies that allow to improve energy efficiency together with reducing water and carbon footprints. In that line, we have incorporated the recommendations by the Task Force on Climate Related Financial Disclosures (TCFD) across all operating companies, consolidating efforts in terms of governance, strategy, risk management, metrics and objectives.

Our sustainability model establishes the reduction of our water and carbon footprints as strategic axes.

Mitigation measures of the climate change risk

- Design and implementation of the Sustainability Model that not only seeks to comply with Environmental Evaluation Resolutions (RCA in Spanish) but also promote strategies for carbon footprint, greenhouse gas emission reduction and guiding the Group's actions and its relationships with the communities and an uncompromising respect for human rights.
- Workshops about physical risks and climate change transition in our operating companies to train staff about the understanding, identification and evaluation of this risk. In terms of control measures to face the challenges associated to climate change, optimization processes regarding energy and water have been implemented.
- Calculation, in 2021, of the carbon footprint base line for CAP Group, corresponding to 2020, defining the goal to reduce its Scope 1 and 2 emissions by 24% by 2030. This is an early objective in the reduction of GHG emissions, based on carbon footprint reduction initiatives that were studied in 2021.
- Development of the study and definition of new projects that will allow us to advance in our carbon footprint reduction strategy.
- Identification of the water footprint benchmark (for 2020) for operating companies CMP, CSH, Cintac S.A.I.C., Aguas CAP, PLL, Tecnocap and CAP S.A. (Corporate Building). This identification process has been done regarding both direct and indirect consumption and, considering its results, we have calculated the WII (Water Impact Index) and the WSF (Water Scarcity Footprint Index), water footprint indicators that are recognized by the scientific community and the industry.

Note: This study's results will allow us to analyze the sensitivity regarding water and eventual variations in price and cost.

[CMF 3.6.ii; GRI 2-25]

/ PROMOTION OF A RISK CULTURE

CAP Group keeps an objective evaluation system in its companies with the aim of standardizing its variable salary processes for its collaborators. This system allows an alignment with the strategy and link the work with the attainment of financial and operational goals, allowing, in turn, for an improvement in operational risk management.

In 2022, the Risk Management unit trained the collaborators of Infrastructure companies and TASA to address compliance with the Corporate Risk Management Framework, so that they can identify, evaluate and permanently control its strategic risks according to the Board's risk appetite.

Additionally, the presidents of the risk committees at the Corporate and operational company levels coordinated to advance in the alignment with Risk Management for the whole Group.



/ INCENTIVES

Just like in the previous period, in 2022, each area's strategic objectives are aligned with the company's strategic risk management, reflected on the financial indicators that represent an evaluation percentage of each manager:

- The attainment of personal objectives, depending on the department, is related to the management of strategic risks defined by CAP.
- The company's financial goals relate to the EBITDA and ROCE, which are directly linked to the "Financial Sustainability" and/or "Operational Continuity" risks and reflect the adequate Risk Management of the company. The attained results regarding these goals represent a percentage of the performance evaluation

of CAP staff, and as part of the assessment, the CEO and the other first-line managers have a greater percentage in the evaluation of these indicators.

- Operational risks are defined according to the group strategy and its sustainable implementation. This involves including indexes related to costs, health and safety, environmental compliance, among others, which are directly related to risk management as defined by the organization.

[GRI 205-1, 205-2, 205-3]

Integrity and compliance

/ MATERIAL TOPIC

At the start of 2022, CAP got a recognition for its commitment with integrity, given by Fundación Generación Empresarial.




Policies

- Crime prevention manual.
- Compliance with free competition regulation program.
- Conflict of interest policy.
- Integrity code.
- Integrity and compliance policy.
- Business partner management policy.
- Donations, sponsorships and memberships policy.
- Manual for market interest information.
- Operations with related parties general policy and habituality general policy.
- Reporting and investigation procedure.
- User guides that include liaison with civil servants, conflicts of interest, due diligence, among others.

[CMF 3.6.vii]

/ INTEGRITY CODE

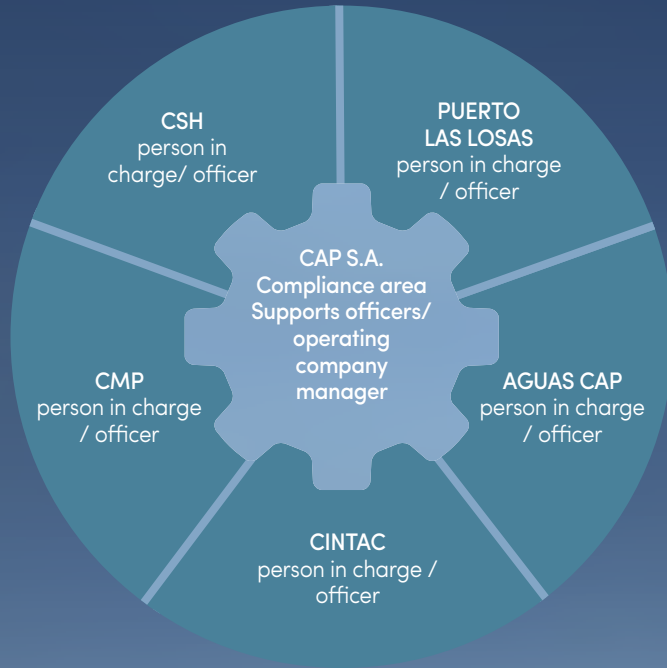
The Integrity Code is a tool that has the necessary guidelines for business decision-making, establishing criteria and common elements for a good development of internal activities. Its objective is for the Group to act consciously, transparently and responsibly to create solid and long-term relationships with the environment and its stakeholders.

In 2022, the Code was modified, considering the update of the Group's values, specific guidelines

in terms of Human Rights and the fiscal compliance policy.

The Code applies to all the Group's companies and to 100% of its collaborators, suppliers, contractors and subsidiaries. Once our collaborators are hired, they are asked for written or digital acknowledgement of their reading and understanding of the document, as part of the hiring process of all new staff, to ensure that everyone knows and comply with its directives.

On the other hand, the Group promotes the realization of periodic training to reinforce these contents, reaching 83% of trained collaborators in CAP, CMP, CSH and Infrastructure and 100% of collaborators that signed the code. Likewise, Aguas CAP also trained contractors in person and suppliers remotely, and PLL trained its contractors.



The Integrity Code specifically includes aspects related with:

- Corruption and bribery
- Discrimination
- Information confidentiality
- Conflicts of interest
- Anti-monopoly/anti-competition practices
- Money laundering and influence peddling
- Environment
- Health and safety
- Irregularities report
- Human Rights

Inaugurated in March 1978, Puerto Guacolda II shipped 7.6 million mt in 2022.



[GRI 2-15]

→ Conflicts of interest

CAP Group has a Conflict of Interest Policy that considers the obligation to declare conflicts of interest through a statement that is submitted and managed in an online system called compliance registry system.

The policy's goal is to stipulate principles and obligatory procedures in all the situations in which directors, executives and workers at CAP Group, in relation to their role, functions or position, can participate, decide or influence on matters in any of the businesses in CAP Group, where they have an invested personal interest.

There is a platform that works on the basis of public data and which allows to check partnership matrixes and final beneficiaries (in case said information is public).

Moreover, training is carried out on the matter, both e-learning and in-person. Specifically in 2022, e-learning courses on conflicts of interest management and due diligence with business partners at a Group level. In Cintac, the clauses were focused on the crime prevention model.

On the other hand, at CAP, the Infrastructure companies and CSH held practical in-person workshops on different subjects (conflicts of interest, regulation changes, liaison with civil servants).

91% of CAP's collaborators completed their annual conflict of interest declaration; at CMP it was 91%; 94% at CSH; 71% at CINTAC Group (including Cintac S.A., Cintac SAIC and Promet Chile) and 100% at Aguas CAP and PLL.



[CMF 8.1.4]

→ Behaviors affecting free competition

CAP Group has a Compliance with Free Competition Regulation Program that is focused on promoting and keeping the commitment the Group has made to wholly respect norms that defend free competition and contemplates documentation related to guild associations, concentration operations, sensitive information management, among others.

The program objectives are:

- To materialize CAP Group's global policy on free competition into specific actions destined for the prevention of infractions contained in the 1973 DL 211 by the Ministry of Economy.
- To allow the efficient and early detection of risk zones in the Group.
- To guide collaborators on how to avoid contravening regulations.
- To have adequate plans to internally and externally manage potential non-compliance situations.

In practice, through the compliance registry, all meetings with competitors must be notified. In 2022, CAP Group had no fines related to free competition.



[CMF 3.6.xiii, 8.1.5]

→ **Corruption, money laundering and terrorism financing**

The **Crime Prevention Manual's** objective is to establish necessary activities and procedures for an effective implementation and operation of a **Crime Prevention Model (MPD)**, which:

- Is a mechanism for the detection, evaluation, prevention and mitigation of crime risks to which CAP and its operating companies are exposed.
- Establishes the activities of the Crime Prevention Officer in accordance with their Model-implementation functions and ensures compliance with the requirements in Law 20,393.
- The Manual's scope is communicated and made extensive to all those that provide services to CAP Group, either directly or indirectly.

Training on the Model is carried out annually. Specifically, regarding the "anticorruption" topic, the Integrity Code generally refers to liaison with public servants, community projects, gifts and hospitality, due diligence and conflicts of interest. Each topic is regulated in a User Guide.

/ INTEGRITY AND COMPLIANCE PROGRAM

The Program seeks to promote a transparency and integrity culture, encouraging employees, suppliers, contractors and other stakeholders to actively participate in the development of an integrity culture by means of embodying our values, principles and compliance with the dispositions in the Integrity Code and other internal regulations. On the other hand, CAP Group adheres to the United Nations' Global Compact and, for it, materialized and promotes its commitment with the respect and advocacy for human rights in all its operations.



[GRI 205-1]

/ ELEMENTS OF THE INTEGRITY AND COMPLIANCE PROGRAM



→ **Policies and systems**

The crime prevention manual’s goal is to establish the necessary activities and procedures for the effective implementation and operation of a Crime Prevention Model (MPD), which comprehends:

- Business partner management policy, which seeks to regulate the third-party due diligence process.
- Online registry system for conflicts of interest, donations and hospitality, as well as meetings with public servants.
- Compliance website: <https://Compliance.cap.cl>



→ **Program monitoring and audit**

The Audit Management monitors compliance with some of the directives Integrity and Compliance Program, through data-analyzing bots.

In 2022, the integrity and compliance program was internally and externally audited. Moreover, the crime prevention model for the Group’s operating companies were audited internally and externally too. Specifically, Deloitte did an external audit at CMP, and in CINTAC it was done by the Corporate Internal Audit Management.

In 2022, there were no certifications on the matter.



→ **Compliance Officer**

Sofía Ocaranza, who is head of compliance and oversees crime prevention, is in charge of the implementation of the program. She has also been appointed to Puerto Las Losas and Aguas CAP. As for the operating companies, at CMP the role is held by Francisco Izquierdo, Eduardo Carrasco at CSH, and Javier Urrutia at CINTAC Group.

The compliance officer’s main functions are to lead the implementation of the Compliance Program, and, in this context, administer risk management, elaborate and implement an awareness and training plan, as well as investigate reports against CAP staff and those classified as being “highly severe” in the operating companies.



→ **Risk evaluation**

The risk evaluation is updated every two years. The next one will begin in 2023. Risks classified as High, refer to:

- Corruption of a public servant: associated to funds accountability processes, for which a spending accounting system was implemented.
- Unfair administration: in the process related to investment decision-making and businesses with related companies, for which the implementation of the directives in the conflict-of-interest policy was maintained.

/ COMPLIANCE PROGRAM MILESTONES

In 2021, we worked on the implementation of a plan related to the engagement with business partners, which included improvements in the due diligence and approval processes, by the Board, of a business partner management policy. This plan was implemented in 2022 through a platform that reviews

different Anti Money Laundering (AML) lists simultaneously.

On the other hand, we developed a plan to adapt crime prevention systems in the operating companies to the current legal modification on the economic crime legislation. For this, a process map of the Company

was identified, allowing to detect the highest occurrence probability of one or more crimes covered by the project.

During the first half of 2023, the risks of crimes with probability of occurrence will be evaluated with the different areas (inherent and residual).

[CMF 3.6.ix; GRI 2-26, 205-3, 206-1]

/ INTEGRITY CHANNEL

The integrity (or whistleblowing) channel is available to all collaborators and general public on the intranet and the websites of CAP and its operating companies. It allows to submit anonymous reports, assigning a code and password to whistleblowers so that they can do the appropriate follow-up.

Additionally, CAP promotes the option of going directly to the compliance officer about any doubts related to these issues, as well as the email: canaldeintegridad@cap.cl.

Yearly, training activities are done regarding the integrity channel so that all collaborators know how it works. In 2022, we received 48 reports, of which

91% were resolved within the established time frame. The quantity of reports was relatively consistent with that of 2021.

Moreover, the Company's Integrity Channel allows Board members to safely, remotely and permanently access the content of all reports received in the group.

> Number of reports

Motive for the report	Received	Not yet addressed	Investigation in progress	With final resolution	By internal staff	By external staff
Corruption	1	0	0	1	1	0
Discriminatory practices	6	0	0	6	5	1
Anti-competitive practices	1	0	0	1	0	1
Money laundering	0	0	0	0	0	0
Inappropriate management of confidential information	0	0	0	0	0	0
Conflict of interest	1	0	0	1	1	0
Other	39	4	4	31	22	17
Total	48	4	4	40	29	19

Note 1: Table made according to the categories requested by the DJSI. / Note 2: It incorporates information from all of the Group's subsidiaries


The only corruption report was done in a Cintac subsidiary in Peru, which resulted in the end of the relationship with a business partner due to an infraction related to this matter.

[GRI 205-2]

/ ANTICORRUPTION TRAINING

CAP Group promotes training in all its companies and incorporated an e-learning platform to manage it. In 2022, we provided training focused on prevention and conflict of interest

management in CAP, Infrastructure, CSH, Promet and CMP. There was also training on crime prevention in Cintac Group.



CMP has promoted participation and citizen communication to build, together with the community of Huasco, a shared growth.

> Promotion of anticorruption matters

Role (CMF category)	Role (DJSI)	People that received anticorruption information
Board of Directors		7
Senior management	Executives or Senior Managers	5
Managers		5
Leadership	Executives or Junior Managers	9
Administrative		20
Other professional	Employees	5
	Other organizations	
Suppliers		145

Note 1: The information corresponds only to CAP S.A., so it does not include the categories of salespeople, auxiliaries or other technical staff. /Note 2: Training to suppliers was through an info graph.

/ COMPLIANCE



[GRI 3-3]

Material topic:

Compliance with regulations

CAP Group wants to be recognized for its strategy centered on the development of a value chain and its decarbonization, for which its operating companies will focus their efforts in reducing emissions and climate change mitigation actions

Policies

- Integrity Code.
- Reporting and Investigation Procedure.
- Compliance with Free Competition Regulations Program.
- Crime Prevention Model.
- Diversity and Inclusion Model.

[CMF 8.1 GRI 2-27]

/ COMPLIANCE MANAGEMENT

The Group continuously reinforces its compliance management with the logic of always being a step ahead from current legislation. The main aim is to advance into an organizational culture oriented towards transparency, governance and respect.

The organization has different procedures to prevent and detect regulation breaches.

Among them we find:

- Clients: The integrity code applies to all clients and, though it does not have a specific procedure regarding the consumer, we seek to comply with current legislation by means of internal processes.
- Workers: The company has an Internal Hygiene, Order and Safety Internal Rulebook, which establishes directives related to workers' rights protection. Any violation to said rights can be

reported as per the dispositions in the Reporting and Investigation Procedure. The company has not been subject to legal action related to labor matters.

- Free competition: Compliance with Free Competition Regulations Program.
- Liability of legal entities and other violations to legislation (Law 20.393): The Company has a certified Crime Prevention Model as per Law 20.393. The Model includes a Crime Prevention Manual and other Policies and Procedures destined to prevent crimes covered in said law.



Environmental compliance

The Environmental Management Corporate Policy provides the general management framework on this matter for all CAP Group's operating companies, and, in this context, they have implemented an Environmental Compliance Management System.

In turn, CSH and Puerto Las Losas are ISO 14,001 certified, in relation to the effective design of environmental management models. Likewise, Aguas CAP has implemented a management system based on the guidelines in the mentioned ISO, which allows to keep a control and follow-up of current and applicable environmental obligations and commitments. Particularly, CMP manages compliance with its environmental and legal obligations through the Risk Management

system on processes. Based on those management models, the companies have different control systems, among which we find legal requirement matrixes, environmental impact matrixes, annual training plans, and different procedures, protocols and instructions that work as corrective and preventative controls, depending on each case.

PLL, Tecnocap and Aguas CAP do not have any open sanction processes, therefore they have no current compliance programs. As for CMP, there is a compliance plan since the beginning of a sanction process in 2018, which relates to projects in operation in Huasco Valley.

[CMF 5.5, 8.1.2 GRI 2-27]

/ WORK AND SEXUAL HARASSMENT

CAP Group has a Diversity and Inclusion Policy to prevent and deal with work and sexual harassment in its operations.

Moreover, the Integrity Code provides guidelines about fair treatment, declaring zero tolerance towards behaviors related to discrimination, bullying, harassment, threats, among others.

Training

CAP periodically sets up meeting with women that work in different areas in order to understand the existing challenges regarding harassment so that the necessary actions can be identified, allowing them to feel that this is a workplace environment that lets them develop personally and professionally.

In 2022, training focused on sexual harassment, so there was a specific course on the subject. 57 CAP S.A. collaborators from different levels participated in it. Said instance was evaluated through an exam to certify the acquired knowledge².

SANCTIONS

In 2022, the Group's companies received 13 sanctions, in the areas of clients, workers and the environment.

Regarding the environmental aspect, a court-mandated maritime investigation

was carried out by the Gobernador Marítimo of Punta Arenas in 2022, due to the hydrocarbon contamination case in Guarello Island in 2019, which resolved to sanction CAP with 80,000 pesos gold (Unit used for maritime sanctions by Directemar)¹.

> Number and amount of sanctioned fines

Type	Sanctions	Amount (CLP)
Clients	5	1,460,131,400
Workers	6	33,429,000
Free Competition	0	0
Environmental	2	211,835,000
Law 20,393	0	0

1. This amount is not consolidated in the figures included in the sanctioned fines table.

2. In 2022, there was no Work Harassment training.



→ In 2022, TASA had training related to bullying and grooming. Moreover, they hired a psychologist who had meetings with groups of employees, generating the possibility of sharing experiences about these topics. This initiative was very well received by employees and it is being considered as a practice to incorporate for 2023.

Reports

Reports regarding work and sexual harassment can be made on the organization's Integrity Channel. In 2022, CAP Group received 48 reports.

> Number of work and sexual harassment reports

Type	To the organization	To the Labor Authority
Sexual harassment	4	1
Work harassment	10	0

Note 1: Work harassment accusations are defined in Law 20.607 and those related to sexual harassment in Law 20.005, both within Chilean legislation. / Note 2: Reports were made in operating company CMP and CINTAC Group.

> Status of work harassment reports

Report status	Number
Received	10
Not yet addressed	1
Investigation in progress	3
With final resolution	6
Report origin	
By internal personnel	6
By external personnel	4



Promet has developed important projects in Chile, such as the camp site in Colbún.



05

Environmental Commitment

Inside Siderúrgica Huachipato facilities, in Talcahuano, there are wetlands that are protected by the company.

[CMF 8.1.3]

Environmental Policy

CAP has an Environmental Management Policy that comprises 12 commitments focused on the environments.



→ To keep environmental goals in line with the organization's strategic challenges.



→ To comply with current legislation and other commitments that are voluntarily acquired.



→ To keep auditable environmental management systems that are appropriate for the nature of the business and its operations.



→ To identify, evaluate, and control environmental aspects of the Group's activities, products, and services, implementing preventative and sequential action programs.



→ To reduce waste generation, procuring their re-use or recycle, and the safe environmental disposal of any final waste.



→ To promote sustainable management of water by means of desalinization water production, contributing thus to reduce water stress in the north of Chile.



→ To privilege the use of Non-Conventional Renewable Energies in all new projects and, in older operations, promote transition towards using fewer contaminating fuels and energy sources.



→ To protect biodiversity in the surroundings of the Group's operations, carrying them out with the utmost respect to the mitigation hierarchy principle, in which we prioritize avoiding any negative impact on biodiversity.



→ To commit with Zero Net Deforestation, i.e. avoid deforestation and/or compensate through forestation.



→ To develop environmental programs regarding neighboring communities' cultural heritage.



→ To communicate openly and clearly with stakeholders and other interested parties.



→ To evaluate the Group's Due Diligence process regarding possible significant impacts on the environment.

CMP and Acústica Marina lead “Hydroacoustic Buoys” for the protection of the marine ecosystem in Chungungo, region of Coquimbo.

Climate change

/ CLIMATE CHANGE MANAGEMENT IN LINE WITH THE RECOMMENDATIONS FROM THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)¹



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

CAP Group has taken on the challenge that includes risk management and the opportunities that come from climate change. In 2021, the TCFD’s recommendations were included across all operating companies. In 2022, we continued with the efforts that had already been started with the companies

regarding carbon management and progress was made on new initiatives. Below is a detail of the advances of 2022, in relation to the TCFD’s four pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

1. Task Force on Climate-Related Financial Disclosures (TCFD) is an international organization whose aim is to develop standards for voluntary financial reporting focused on climate change.



The wetlands in Huachipato are home to almost 20 species.

→ Governance

In 2022, the different aspects related to climate change were addressed in the Group's instances of corporate governance. Both when reporting on the management of operations as well as in the continuous task of supervising strategic risks, aspects such as the measurement of carbon and water footprint and the importance of an adequate climate change management were addressed.

→ Strategy

In 2021, a new Corporate Risk Management Framework was implemented. It evaluates the risks identified based on their probability of happening and their expected impact: economic, reputational, environmental, and on people. Thus, in 2022, climate related risks have been gradually incorporated in the administration of the business, facilitating its management and opportunities for a transition that is low in carbon.

→ Risk Management

CAP Group's Risk Management, including risks related to the climate, is done within a common framework. In 2022, the Board approved the incorporation of the risk dimension "environment and climate change".

→ Metrics and Targets

The Sustainability Model has an associated dashboard that allows to monitor the indexes that have been defined. In the case of climate change, it observes carbon footprint (scopes 1, 2 and 3) and measures water consumption annually.

Since measuring its carbon footprint baseline, CAP Group has defined a goal of reducing its Scope 1 and 2 emissions in 24% by 2030. This is the first GHG emission reduction target, based on carbon footprint reduction initiatives studied during 2021. In 2022, we focused our work on methodically reviewing and improving the measures in all our operating companies. This improvement involved, moreover, the inclusion of all the categories from the GHG Protocol that had not been considered in previous years, marking a milestone for our company. This includes us in a small group of companies in Chile that have measured their carbon footprint with all scopes 3 categories. In the next few years, CAP Group will continue the study and definition of new projects, which allow us to advance responsibly in this matter.

The reduction initiatives studied were analyzed together with the operating companies, especially those that have a greater impact on the carbon footprint.

An important milestone was the Board's approval of the Group's Sustainability Model, which includes climate change management as a strategic axis.

/ INCENTIVES FOR MANAGEMENT AND EMPLOYEES

Company executives have a short-term and long-term incentive system that considers objectives associated to ESG projects, specifically decarbonization.

/ CLIMATE RISK TRAINING

In 2022, there were five instances of training, with participation across the group. Training addressed carbon footprint measuring, physical risks, transition risks, mitigation measures and emission target setting.





/ PHYSICAL RISK SURVEY IN AGUAS CAP, PUERTO LAS LOSAS AND TECNOCAP

This year, and related to CAP Group's climate change management as per the recommendations by the TCFD, a physical risk survey was carried out with CAP Infrastructure companies, specifically Aguas CAP, Puerto Las Losas and Tecnocap, following the methodology used for the climate risk survey done the year before in Siderúrgica



Huachipato. The main physical risks for each CAP Infrastructure company were established using climate data from the Climate Risk Atlas by the

Environment Ministry (Arclim), model based on the RCP 8.5 scenario of the Intergovernmental Panel on Climate Change (IPCC). It analyzed each business' vulnerability to potential impacts and it identified the temporary horizons for them to materialize. It also considered the value chain and synergy each of these companies' have on the operation.




Main physical risks in Aguas CAP

	Rising tides
	Rising sea temperatures
	Extreme precipitation
	Fog

Main physical risks in Puerto Las Losas

	Rising tides
	Extreme wind

Main physical risks in Tecnocap

	Rising average temperatures
	Heat waves
	Extreme wind

/ MITIGATION MEASURES

In addition to the climate risk survey, and understanding the carbon footprint as an indicator of vulnerability in the face of eventual risks that implicate a transition to a low-carbon economy, the need arises to advance in the reduction of GHG emissions in the organization. It is for this reason that CAP Group has started developing capacities inside the companies to identify and evaluate mitigation measures that are in line with the established internal

targets. This will help, on one hand, to strengthen the Group's decarbonization strategy, allowing for the reduction of risks related to the transition towards a low carbon economy. On the other hand, it will boost governance regarding the implementation and monitoring of the Group's decarbonization route.

In this line, CINTAC Group surveyed mitigation measures with the people in charge of different operational areas. The initiatives identified include matters of energy efficiency, change of energy sources, process replacement and behavior change. Additionally, we had training regarding prioritization mechanisms of mitigation measures considering different qualitative and quantitative variables, such as the reduction potential and marginal reduction costs. With this knowledge and a calculating tool developed for this purpose, the Group will be able to analyze, evaluate and prioritize the identified measures with the aim of implementing them in its decarbonization plan.

On the other hand, in the search of having a sustainable product offer, we have began the production of HBI iron ore (sponge iron), or green at CMP, while CSH has started the execution of its green hydrogen pilot for the production of green steel.

/ EMISSIONS AND AIR QUALITY



[GRI 3-3]

**Material topic:
Emissions**

CAP Group wants to be recognized for its strategy centered on decarbonization, for which its operating companies will focus their efforts on emission reduction and climate change mitigation measures.

Policies

- Environmental Management Policy

CAP Group’s Sustainable Growth Strategy is based on decarbonization both of its processes and the industries that use its products. Therefore, understanding the cycle of influence of its operating companies on the carbon footprint is key in the identification of GHG reduction opportunities.

[GRI 305-1; 305-2; 305-3; 305-4; SASB EM-IS-110A.1, EM-IS-110A.2]

/ CONSOLIDATED CARBON FOOTPRINT MEASURE

Since 2021, CAP Group began work on consolidating its carbon footprint to homogenize the calculation methodology in all its operating companies, which took year 2020 as benchmark.

The measurement methodology of CAP Group’s Carbon Footprint takes as reference the most widely used

international standard for greenhouse effect gases inventories. The Greenhouse Gas (GHG) Protocol in its three scopes (Scope 1, 2 y 3), and in the case of Scope 3, the guide used was the supplement for the supply chain (Corporate Value Chain Scope 3 Accounting and Reporting Standard).

> Measurement and progress in carbon footprint scope

Scope	Measurement description	Progress and variation vs 2021
Scope 1 (direct emissions)	It incorporates the GHG emission sources related to Fixed Sources, Mobile Sources, Process Emissions and Fugitive Emissions.	Survey and inclusion of emission sources that had not been considered at earlier instances. It also achieved a better level of detail in the information gathered.
Scope 2 (indirect emissions)	It incorporates GHG emissions generated by electrical consumption using a geographical location-based and market-based focus.	The calculation focus was extended to all operating companies ¹ .
Scope 3 (supply chain indirect emissions)	It incorporates the 15 categories from the GHG Protocol included in the reporting and accounting standard in the supply chain.	Analysis of the applicability of all scope 3 categories in the carbon footprint calculation.

1. All calculations were made Location-Based and Market Based, but for reporting purposes, the market-based result is used, according to plan in our Decarbonization Road Map.

> Green House Gas Emissions (tCO₂e)

Scopes		2021	2022
Scope 1	Scope 1 Ton CO ₂ eq	1,837,826	1,870,828
	Scope 1 (%)	6.5%	7.1%
Scope 2	Scope 2 (market based)	428,381	618,058
	Scope 2 (%)	1.5%	2.4%
Scope 3	Scope 3	25,796,831	23,783,448
	Scope 3 (%)	91.9%	90.5%
Total emissions	Total emissions (location-based)	28,063,038	26,272,334

Note 1: The total value of the Carbon Footprint calculation does not consider the one for Tecnocap.

Note 2: The calculation of CSH's Carbon Footprint only included one of the Scope 3 categories.

In 2022, we achieved a consolidation of the GHG Protocol Standard in most of the Group's operating companies, managing to analyze and include the 15 categories in Scope 3 from the aforementioned standard, becoming

one of the few companies in Chile that has calculated its whole scope 3 impact. This consolidation meant the designation and involvement of those particularly responsible in each of our operating companies, who were in charge of the

process analysis to identify emissions sources that had not been included in Scope 1 and the applicability of Scope 3 categories, as well as the respective information gathering.



/ MAIN MILESTONE AND INVESTMENTS IN EMISSION REDUCTION

Among the achievements related to emission reduction, in 2022, we find the following initiatives:

CMP

Energy transformation pilot

CMP and Engie will do a pilot that makes advances in large mining energy transformation. It is the conversion of two 220-ton extraction (CAEX) trucks that will operate with a dual fuel system that will mainly work with natural gas.

CSH

"Tope sin campana" Project

It enables a significant improvement in the distribution of "layers" in the furnace, with an impact on the process' stability and efficiency. This decreases coke consumption and marginally increases production.

CSH

Energy management in steelwork processes

Energy consumption management based on the re-utilization of gases that are generated as by-products of the steel production process and the energy supplied by Engie, from 100% renewable sources.

CINTAC

Waste management projects

In 2022, a series of measures were carried out in relation to waste management, which impact on scope 3 carbon footprint:

- Optimization of the rockwool block dimensions to generate less waste, achieving a reduction of 53.93% in the depletion of generated rockwool, at lower costs.
- Incorporation of 15% of expanded polystyrene (EPS) recycled in the manufacture of insulated panels with EPS.
- Reduction of EPS depletion in the manufacture of insulated panels, making modifications on the blocker and in the cutting process, diminishing the loss from 14% to 4%.

[GRI: 305-6; 305-7; SASB: EM-IS-120A.1]

/ OTHER ATMOSPHERIC EMISSIONS

In general, there were no important changes at the atmospheric emission level compared to 2021. It is relevant to note that progress has continued in the emission channeling projects, like, for example, in CSH with the Coke Plant and the Blast Furnaces. In other facilities, other initiatives have been implemented, such as maintaining a humidifying system in the ore pads, sweeping and vacuuming of roads and belts, closed loading system and compensation

areas. Since the end of 2021, CMP has the Precipitator for the 2B Chimney at the Pellet Plant, which allows for the reduction of particulate material (MP) by 81%. This measure is complemented by the use of a desulfurizer, a device that reduces SO₂ emissions in 64%. This new system of emission abatement is monitored online through CEMS equipment, which are validated by technical entities of environmental assessment (ETFA in Spanish).

> Atmospheric emissions

Type of emissions / Tons	2022
Direct NOx emissions	674.28
Direct Sox emissions	89.03
Direct carbon monoxide (CO) emissions	85,541.05
Direct dust emissions	0
Direct MP10 emissions	662.49
Direct PM 2.5 emissions	399
Direct MnO emissions	0
Direct lead emissions	0
Direct mercury emissions	0
Direct VOCs emissions	0
Direct PAHs emissions	0
Sulphur dioxide (SO ₂)	1,137.03
Particulate material (PM)	1,249.52
Arsenic (AS)	0
Persistent organic pollutants (POPs)	0
Hazardous air pollutants (HAP)	0
Ozone-depleting substance emissions	0

Note: Data gathered covers all operating companies.

/ ENERGY



[GRI 3-3]

Material topic: Energy

Energy management is fundamental for emission reduction and CAP Group's decarbonization strategy. Currently, operating companies are looking for solutions to incorporate NCREs or reduce energy consumption.

Policies

- Environmental Management Policy

[GRI:302-1,302-3, 302-4 ;SASB: EM-IS-130A.1, EM-IS-130A.2]

/ ENERGY MANAGEMENT

The Group's greatest energy proportion comes from the electricity of non-renewable sources. However, the incorporation of renewable sources to the consumption of the group's companies is still in process.

 **25,257,155**
GJ of energy consumed in 2022

> Consumed energy (Gj)

Scopes		2022
Renewable energy	Electricity (purchased)	1,186,876
	Biodiesel	0
	Biogas	0
	Bioethanol	0
	Thermal energy	0
	Solar	5,409
	Eolic	0
	Hydroelectric energy	0
	Other	0
	Total renewable energy	1,192,285
Non-renewable energy	Coal	17,542,450
	Natural gas	135,290
	Bulk gas	4,540
	Diesel	2,704,910
	Electricity	2,992,750
	Petróleo	679,786
	Petrol	656
	Other	4,486
Total non-renewable energy	24,064,870	
Total energy	Total energy consumption	25,257,155
	Number of facilities	41
	Energy intensity ratio (consumption/facilities)	616,028

Note: The energy used by Tecnocap is accounted for by CMP.

>> Energy (MWh)

Type	Consumed energy	Sold energy
Electricity	1,156,650	666.6
Heating	0	0
Refrigeration	0	0
Vapor	26.06	0
Total	1,156,676.7	666.6

/ ENERGY EFFICIENCY PROJECTS

CMP

- CMP has an initiative roadmap for CO₂ emission reduction and a Sustainability Master Plan that integrates an electromobility pilot project, an electronic waste management plan and one for fuel exchange, as well as the decarbonization of the Pellet Plant, among others. In this context, the main measures launched in 2022 are the implementation of an electric fleet for employee transport, the installation of loading infrastructure in sites and cities, the beginning of the elaboration process of the decarbonization project file in the Pellet Plant, to be submitted to the Environmental Evaluation Service (SEA in Spanish), and the implementation of CAT 7495 electric shovels in Mina Los Colorados, allowing to increase operational efficiency at Huasco Valley sustainably.



CSH

- Collaboration with the German company SMS Group GmbH, who aid in the continuous improvement of energy management through its specialized digital platforms. This alliance optimizes gas flow in the plant and reduce the consumption of up to 14 kilotons of natural gas per year by providing energy monitoring by means of artificial intelligence.
- In 2022, Oxygen Plant N°4 was commissioned, replacing one with lower levels of efficiency, and, with it, reduced electric energy consumption for the production of oxygen required in the steel-making process.
- Execution of the improvement project for the control of combustion in lime kiln N°2, reducing fue consumption per ton of lime produced.
- Replacement of air compressors for a compressor battery distributed in two areas of the plant. This initiative allows for the modulation of air production according to the plant's requirements and, with it, reduce electric energy consumption per m³ of air produced.



GREEN HYDROGEN

The Green Hydrogen project (H2V) will be a step towards decarbonization in the production of steel, by adding hydrogen to the blast furnace through the injection of cold hydrogen, replacing coke as fossil fuel and reductor, thus achieving an emission reduction of up to 17,000 tons of CO₂ per year from the year 2026.

In the medium term, the project will feed a direct reduction (DR) plant with the capacity to produce around 25 kton/year of sponge steel (HBI). This will allow to reduce up to 90,000 tons of CO₂ per year with the same capacity of hydrogen production. The next stage of this project, as per our CSH decarbonization roadmap is an industrial scale, which is estimated in an installed capacity of electrolyzers >100 MW and a production of ~300 kton/year of HBI.

In May 2022, CORFO signs an agreement with CAP to finance the green hydrogen with USD 3.6 million. In this context, from the promotion of renewable energy development, CAP has committed to innovate in the design of an H2V prototype plant in Talcahuano, in order to study the possibility of producing green hydrogen by 2030 and substantially reducing Siderúrgica Huachipato's carbon footprint.



This project considers the current contract between CSH and Engie Energía Chile as the energy source feeding the hydrogen plant. This contract is of 420GWh/year and comes from sources 100% renewable and certifiable. In turn, it considers the use of industrial water from the steelworks' water rights (current use

of water rights). The electrolyzer is deemed as being at least 12MW and with a volume of green hydrogen estimated at 1,550 ton/year and will be submitted to the SEIA (environmental impact evaluation) in the first quarter of 2023.

/ WATER



[GRI 3-3]

Material topic: Water

To promote a sustainable management of the resource through the production of desalinated water, thus contributing to the reduction of water stress in the north of the country. The priority is to seek alternatives to reduce the use of continental waters.

Policies

- Environmental Management Policy

[GRI 303-1, 303-3, 303-5, SASB EM-IS-140A.1]

/ WATER RESOURCE

CAP Group's operating companies extract water from different sources, depending on their location and their type of production process. Each of them considers the area's water scarcity, with the mining operations in the north of Chile being the ones with the greatest impact.

However, the whole Group has determined to decrease the extraction of continental water in order to cope with water scarcity in the region.



Water consumption (thousand m³)

75,614

total water consumption

12,166

total water consumption in
areas of water stress

69%

of the Group's water
consumption is from
continental sources



Water extraction (thousand m³)

30,762

is the total water extracted in
area of water stress

41%

of all water consumed is
extracted from sources
located in areas of water
stress

> Water consumption (thousand m³)

Source type	2022
Sea water	23,164
Surface water	48,456
Underground water	744
Water supplied by third parties	3,264
Total water consumption	75,614
Water consumption in areas of water stress	12,166

> Water extraction per source type (megaliters)

Source type	Areas of water stress	Areas of no water stress	Total
Surface water	3,635	44,821	48,456
Underground water	721	23	744
Sea waters	23,164	-	23,164
Produced water	-	-	-
Water from third parties	3,207	58	3,265
Fresh water from municipal sources	36	13	49
Total water extraction	30,762	44,915	75,677



/ WATER EFFICIENCY INITIATIVES

The following projects have been implemented to ensure an efficient use of water and reduce its consumption in the operating companies.

CMP

Implementation of projects that promote water recovery, such as the filtered tailings deposit project. Likewise, CMP has acquired commitments in its make-up (replacement for boilers), measured in m³/ton treated, with a short-term reduction of 15% in 2024, compared to 2022, and 20% medium-term (2028) versus 2022.

CSH

Consumption measurements were installed in the most significant operating areas in order to improve controls; and projects with the greatest water recirculation potential were identified for the next 7 years.


57.3%
 of water used by CSH
 was recycled

CINTAC Group

Several measures have been taken, as, for example, the use of water from wells as a cooling system in CINTAC SAIC's Planta Maipú and the commissioning, in September 2022, of a water recirculation system that has allowed it to considerably reduce water consumption in the profile manufacture processes.

Tupemesa and Promet Chile have a residual water treatment plant, which allows them to use treated water for green areas.

Infrastructure

Aguas CAP produces 7,829,053 m³ of desalinated water for the Group's operation and supply to third parties.

In turn, PLL has defined times and period of humidifying in its operations to reduce water consumption; and Tecnocap uses water for the insulation of the electric power transmission lines and their substations.

/ CIRCULAR ECONOMY AND WASTE



[GRI 3-3]

Material topic: Circular economy and waste

Steel is one of the most recyclable products in the planet and can be reused infinite times when it is made from iron ore. For this, CAP Group is permanently seeking circular economy projects, both with internally generated waste as well as those of our clients that can be useful in other processes.

Policies

- Environmental Management Policy

[GRI 306-1, 306-2, 306-3, 306-4, 306-5, SASB EM-IS-150A.1]

/ WASTE MANAGEMENT

CAP Group generates waste that is sent to their final destinations via authorized companies for that purpose in each of the locations where it operates. Every operating company implements

different waste management projects depending on their own context, giving priority to the valorization and reduction of waste material.

 **373,343**
tons generated waste

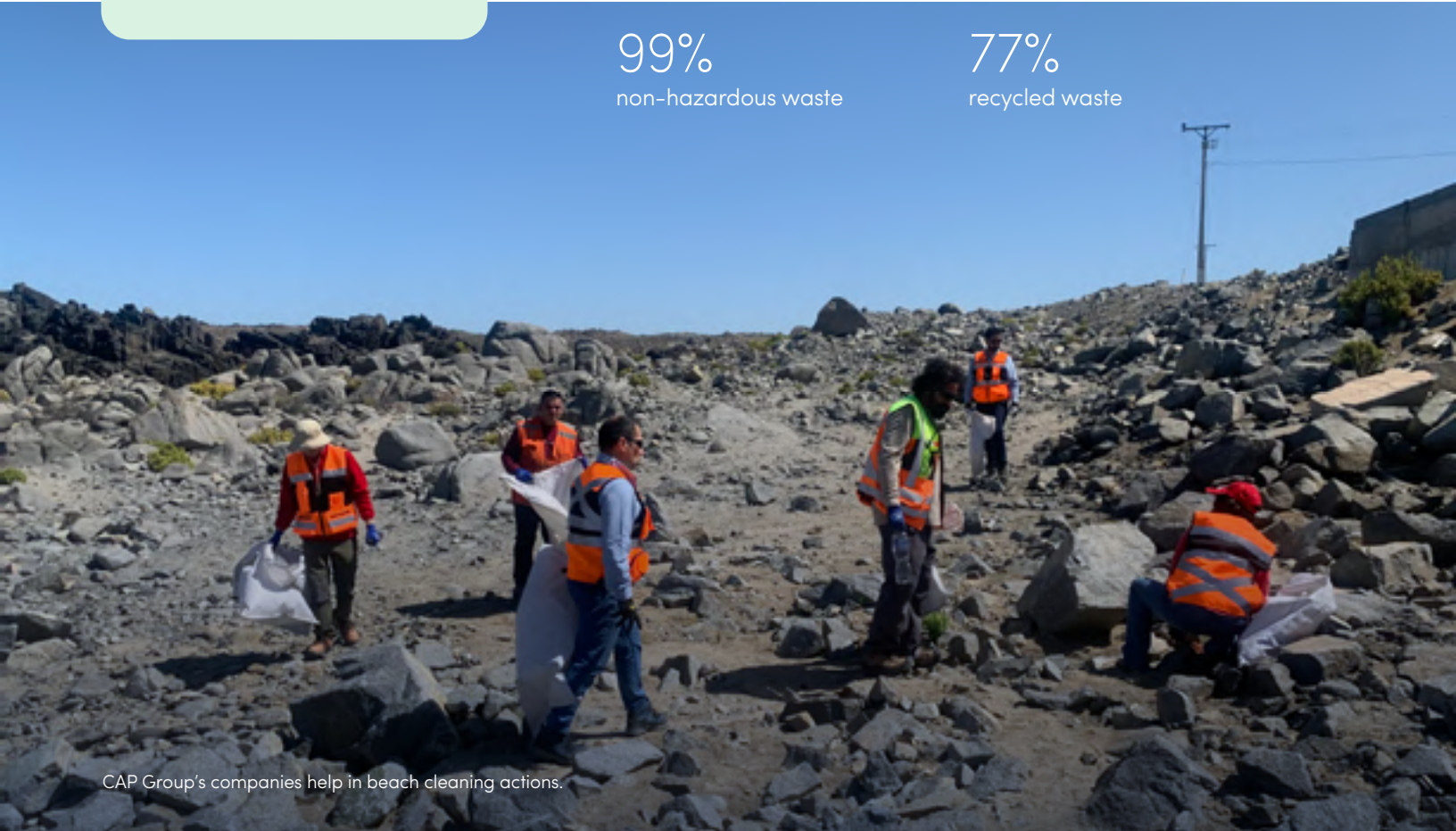
342,946
tons valorized waste

1%
hazardous waste

93%
valorized waste

99%
non-hazardous waste

77%
recycled waste



CAP Group's companies help in beach cleaning actions.

> Hazardous waste (tons)

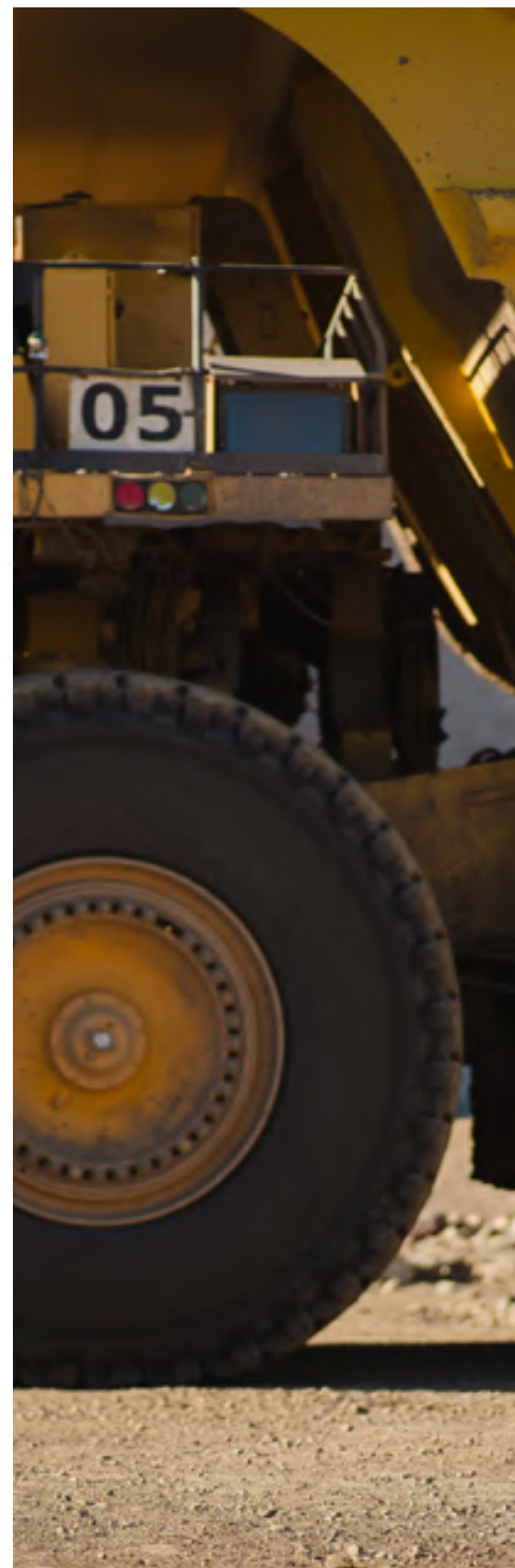
Waste		Total
Waste sent for disposal	Incineration	0
	Transfer to landfill	1,557.57
	Other elimination operations	1,002.14
	Total	2,559.71
Valorized waste (not sent for disposal)	Recycling	943.97
	Reuse	388.8
	Composting and biodegradation	0
	Recovery (including energetic)	271.53
	On-site storage	0
	Deep well injection	0
	Other type of valorization	0
	Total	1,604.27
Total hazardous waste		4,163.99

Note: The information covers all CAP Group operations.

> Non-hazardous waste (tons)

Waste		Total
Waste sent for disposal	Incineration	0.0
	Transfer to landfill	22,299.54
	Other elimination operations	3,260.34
	Total	25,559.88
Valorized waste (not sent for disposal)	Recycling	287,460.63
	Reuse	56.26
	Composting and biodegradation	2.8
	Recovery (including energetic)	39.5
	On-site storage	51,482
	Deep well injection	0.0
	Other type of valorization	2.301
	Total	341,342.19
Total non-hazardous waste generated		366,902.07
Total waste		373,342.59

Note: The information covers all CAP Group operations.



/ WASTE REDUCTION OR VALORIZATION PROJECTS

To ensure a responsible waste management and reduce their generation, the operating companies have carried out the following initiatives.

CSH

The steelworks have an environmental initiative that seeks to recover scrap metal generated by other productive activities, with the purpose of making the most of this waste to manufacture steel. Additionally, to advance with circular economy in the country, the steelworks recycle 95% of its waste.

CMP

In 2022, a series of initiatives of reutilization were implemented: tire recycling, in relation to REP Law; scrap metal was removed and was taken to CSH for its commercialization; we launched the initiative of corporate clothes reuse to be utilized in the manufacture of accessories and garments; recycling of plastic bottles with Triciclos as consultants; and electronic waste was revalorized. The latter had a social focus thanks to the reconditioning of unused computers to be donated to schools and fishermen organizations for daily used.

CINTAC Group

It executive the following two initiatives through its subsidiary CINTAC SAIC: Regarding rockwool waste: we optimized the block dimensions to generate less waste, reducing wool depletion by 53.93%, at lower costs.

Incorporation of recycled expanded polystyrene (EPS) into insulated panels and optimization of EPS cutting operation to reduce the generation of this waste. Before this, there was a loss of 13.9% in annual depletion at the polystyrene plant when shaping the blocks. To mitigate this loss, the feeding baskets were modified by designing a replacement plaque inside the blocker, maximizing the use of the block's height when cutting. Currently, any waste generated is recycled by 15% for each block.



Magnetite Plant

In this plant iron ore is extracted from copper tailings (with high levels of iron ore), from Mina Candelaria. It is the largest mining recycling project in the country, and one of the greatest in the world, becoming an example of circular economy and sustainable operation. In 2022, this project processed 17 million metric tons of tailings from Mina Candelaria.

This plant produces iron ore concentrate (or Pellet Feed) for export from the aforementioned mining waste, confirming that circular economy is a sustainable business and that it contributes to the environment by using environmental liabilities such as tailings to give them a second chance in production. Additionally, this plant is also sustainable by using water recovered from the same

tailings, as well as desalinated water, instead of continental water sources.

The Magnetite Plant began its operation in 2008 and has reached the great milestone by achieving the approval of its Environmental Impact Declaration in 2022, for the operational adjustment initiative that will allow it to keep working for 20 more years.

/ BIODIVERSITY



[GRI 3-3]

Material topic: Biodiversity

Protection of biodiversity around the Group's facilities, operating with the utmost respect for the mitigation hierarchy principle, in which we prioritize the avoidance of any negative impact on biodiversity.

Policies

- Environmental Management Policy

CAP Group had 290 hectares of protected land as of the end of 2022.

[GRI: 304-1, 304.-3]

/ BIODIVERSITY PROTECTION INITIATIVES

CAP Group establishes its commitment with the protection of biodiversity in the surrounding areas of its operations, as per the following model from the environmental management policy:

01

Mitigation hierarchy principle, avoiding any type of negative impact on biodiversity.

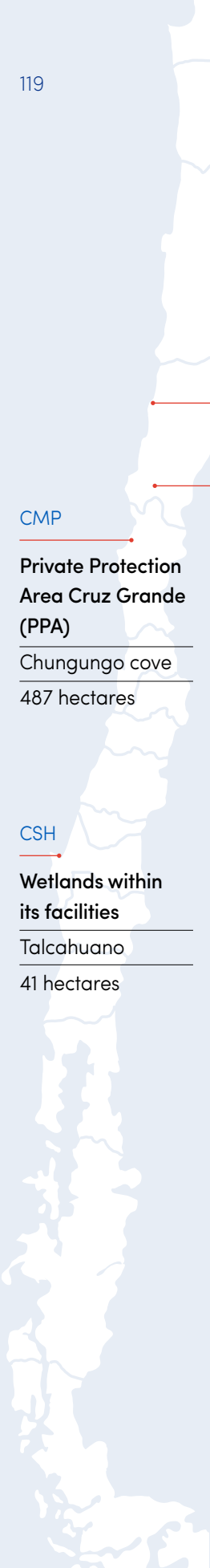
02

Mitigation of impacts generated and/or restoration of environmental elements affected.

03

Compensation of residual impacts in cases in which options 1 and 2 are not feasible.





Aguas CAP

Adjacent land to desalinizing plant

Punta Totoralillo
7.5 hectares

PLL

Educational Garden of Puerto Las Losas

Punta Loros
5,000 m²

CMP

Private Protection Area Cruz Grande (PPA)

Chungungo cove
487 hectares

CSH

Wetlands within its facilities

Talcahuano
41 hectares



→ **CMP**

Protection area:

Private Protection Area Cruz Grande (PPA)

As part of the protection of flora and fauna near the construction site of CMP's project in Puerto Cruz Grande, the native plant and animal species restoration project in Chungungo, focused on recovery and protection of species that are currently categorized as threatened. The action plan is, therefore, developing a reproduction process of 1,497 plants of *Lucumillo*, an endemic shrub in the region of Coquimbo.



→ **CSH**

Protection area:

Wetlands within its facilities

The steelworks protects and conserves wetlands comprised by two ponds that house near 20 species, including birds, fish, amphibians and mammals. To protect this area, access is restricted and there is permanent environmental surveillance. It is worth remembering that wetlands are key for the Environment, as they purify water and filter pollutants. On the other hand, they have the purpose of storing abundant rain and provide a source of water. The company is also part of the Environmental Governance Working Group of the Municipality of Talcahuano for the protection of these areas.



→ Aguas CAP

Protection area:

Land adjacent to the desalinating plant

Aguas CAP safeguards and protects the ecosystems linked to its facilities. The organization carried out monitoring activities related to the Xerophytic Plants Action Plan in an adjacent land, where the species were relocated and reforested by an external professional. As an important milestone, we can report that the species showed a better percentage of success in their response. The six species, which are distributed in seven planting areas, adapted positively and are still strong. All species, except for *Nolana Divaricata*, record survival percentages of over 75% in all areas.

Additionally, Aguas CAP monitors the sea ecosystem next to the area in which it disposes of effluents, which is an independent action from that required by authorities. In the last five years, we have monitored this every semester under water by filming the ecological niches of the species that inhabit 1,800 square meters from our facilities.

→ PLL

Protection area:

Educational Garden of Puerto Las Losas

Puerto Las Losas is located at the south of the coastal desert, where vegetation has a greater degree of continuity and permanence under the occasional influence of rainfall. Given these characteristics, the appropriate management and monitoring of each rescued and relocated species is key, including all preliminary and intermediate research actions, extraction techniques, transport and establishment. Consequently, in 2022, PLL monitored rescues and relocated vegetation: 6 specimens and 2 species as per the “Biological Management of Flora and Vegetation Plan”; however, the organization voluntarily included 16 specimens and 2 species that were in the recovery area, totaling 82 specimens and 4 different species (*eulychnia breviflora*, *copiapoa fiedleriana*, *eriosyce napina* and *neoporteria villosa*). As for survival, 99% of cacti have been classed as “alive”, with all specimens at their place of relocation already.

Apart from that, Puerto Las Losas has a Marine Environment Surveillance Plan, in which, every semester and through 9 “sampling stations and areas”, they characterize physiochemical parameters of the body of water and marine sediments, community parameters, marine biological communities and natural banks of hydrobiological resources – all present in the coast ecosystem of Puerto Las Losas and nearby areas.



Participation of CMP in public-private instances

In 2022, CMP worked in collaboration with the Honorable Municipal Authority of Huasco and Universidad Católica de Chile to launch the Huasco Wetland Observatory.

Moreover, CMP is part of a working group for the environmental certification of the Municipality of Vallenar in its third stage, in which the main focus is the urban wetland of Vallenar.

In addition, related to the biodiversity commitments associated to permits and their Environmental Qualification Resolutions (RCA in Spanish), CMP is currently working with the Environment Ministry, CONAF, SAG, Sernatur and other organisms, carrying out risk diagnostics of the flowering desert and putting together a book about biodiversity in the region of Atacama.



Vallenar, capital of the province of Huasco.

/ PROGRESS IN CMP

In 2022, CMP continued making progress on the protection of marine ecosystems through a project for the implementation of a hydroacoustic buoy network, used to monitor cetaceans and marine fauna in general. This has the purpose of gathering relevant information for the implementation of controls for future ship routes. We expect to commission two hydroacoustic buoys in 2023.

There was also progress in the development of the pilot stage and incubation of the specimens that are to be replanted, gathering valuable information for the development of the phytotechnology Project in the filtered tailings deposit in the Pellet Plant. This will allow to minimize the impact to the landscape, with different species of the same area that will be planted during the facility's progressive closing stage.

[CMF 8.1.3]

/ ENVIRONMENTAL IMPACT

In 2022, the Group's companies did not present new Compliance Programs.

Environmental compliance is a central element in the Sustainability Model, given that it allows us to keep the operating license and give continuity to the business. In this same line, KPIs have been established to ensure environmental compliance in the whole Group. Its progress status is informed to the Board.

The operating companies have environmental management systems (SGA in Spanish) and, in the case of y CMP, CSH, TASA, Aguas CAP, PLL and CINTAC's most relevant subsidiaries achieved certification through an external evaluator, according to the requirements established in ISO 14001. Every year, internal audits with specialists are commissioned to verify and assess the environmental management system's level of compliance, but also external audits for monitoring and re-certification.

The environmental management systems allow managing with the compliance with environmental legislation, eliminate or minimize impacts to the environment and promote environmental training and protection among collaborators and contractors.

The operating companies manage their impacts to the environment in a different way according to the size and type of their operations.

CMP

In 2022, CMP strengthened its environmental compliance model to forge a proactive and collaborative engagement with current regulations, commitments and operational performance standards. For this, it incorporated sustainability to all its processes, allowing to diminish their impact and get processes to include sustainability autonomously, and materialize the shared growth concept.

Likewise, CMP kept its monitoring of the Compliance Program, approved on resolution Res. Ex. 18/2019 by the Environment Superintendence. Though the deadline for the execution of reportability actions ended, CMP will continue implementing said actions, until the authority declares conformity with their execution.

CSH

We have controls on the operative areas, verifying maintenance and control of process deviations that may have potential environmental impacts.

CINTAC Group

Some important milestones for the minimization of environmental impacts were the update of environmental aspect and impact matrixes in Tupemesa and 100% of compliance with environmental legal requirements.

Moreover, Promet Perú achieved its Environmental Management Instruments (IGA) in its plant in Villa El Salvador, complying with that country's environmental regulations.

Aguas CAP

During the operation stage of the desalinating plant no new additional impacts have been identified, other than those detected in the environmental impact study. In that line, all monitoring and actions defined in its environmental management system framework were carried out in 2022.



06

Commitment to people

CMP and Aguas CAP collaborate with the communities of
Coya in Atacama.

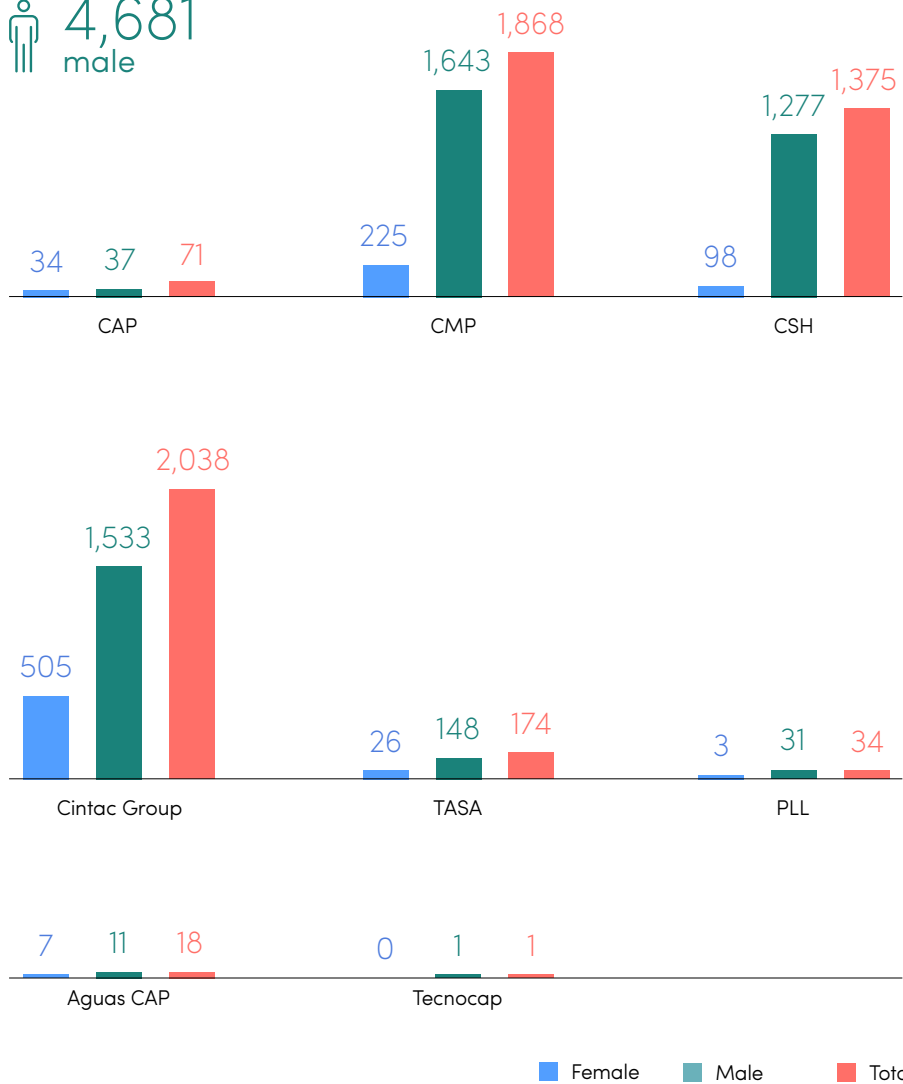
[CMF 5.9; GRI 2-7, 2-8]

People

CAP Group has 5,579 own employees and 8,769 contractors as of December 31st 2022

> Total number of CAP Group workers

898 female
4,681 male



> Number of people per sex, type of contract and region

		Antofagasta	Atacama	Coquimbo	Valparaíso	Metropolitana	O'Higgins	Biobío	Total Chile	Buenos Aires	San Luis	Total Argentina	Lima	Total Perú
Fixed employees	Men	14	1,299	374	2	536	2	1,272	3,529	121	27	148	450	450
	Women	6	135	92	0	191	0	98	524	25	1	26	147	147
	Total	20	1,434	466	2	727	2	1,370	4,021	146	28	174	597	597
Temporary employees	Men	76	2	0	0	215	29	0	322	0	0	0	251	251
	Women	78	0	0	0	54	35	0	167	0	0	0	29	29
	Total	154	2	0	0	269	64	0	489	0	0	0	280	280
Full-time employees	Men	0	7	0	0	1	0	3	11	0	0	0	0	0
	Women	0	6	0	0	1	0	0	7	0	0	0	0	0
	Total	0	13	0	0	2	0	3	18	0	0	0	0	0
Total		174	1,449	466	2	998	66	1,373	4,528	146	28	174	877	877



/ CONTRACTORS AND SUBCONTRACTOR POLICY

CAP Group has guidelines that are taken into consideration at the moment of choosing subcontractor companies. This policy establishes that subcontractors are hired under the current Labor Code legal framework, with the approval of instances formally attributed to the company, and it will be under the responsibility of each Human Resources Management units.

The verification of the aforementioned compliance standards and guidelines is done through internal audit processes.



Female presence in third-party staff at CMP and CSH increased to **15.3%** and **14.4%**, respectively

[GRI 401-2, 404-3]

/ DIVERSITY AND INCLUSION



[GRI 3-3]

Material topic: Inclusion and diversity

CAP Group has a People and Culture Committee where all visions of the Group's businesses are represented, given the participation of Human Resources Manager of each of the Operating Companies. In 2023, we expect to create a committee that is specifically dedicated to diversity and inclusion that can lead and propose activities, both for the organization in general as well as businesses in particular.

[CMF 3.1.VI] [CMF 3.1.VII]

/ CAPACITY DIVERSITY

CAP Group detects and reduces organizational, social and cultural barriers that could inhibit diversity of capacities, conditions, experiences and visions, through the framework given by its people policy and organizational development. The policy establishes guidelines for processes, from attraction, development, evaluation and exit of its collaborators in a context of diversity, inclusion and respect.

The company's focus on these topics is on its leaders' empowerment, through training and education for all

its collaborators and the commitment with generating high-standard world processes in each of its people

management stages. Thus, the main barriers identified and included in the policy are:

- 01 **Attraction**
Definition of talent and roles based on profiles (competences), with the prohibition from including universities, sex and other personal variables that bear no relation with their capacities as per the role's requirements.

- 02 **Selection**
Processes that only use methods that the literature and practice support as predictive, such as standardized interviews, case study, multiple interviewers and group decision making for hiring, where human resources management act as watchdog (anti bias) in each of its stages.

- 03 **Development and performance management**
Training in diversity and incorporation of these topics in the performance management processes, educating them on common biases in performance evaluations, feedback in the pandemic context and mental health.

- 04 **Performance evaluation**
Calibration and review of the evaluations in which collaborators think they have not been assessed fairly, ensuring that no biases have had an impact. If any are detected, a correction is allowed pending approval by the calibration committee and the CEO.

- 05 **Periodic meetings with Human Resources**
Each collaboration has an at least quarterly formal meeting with the Organizational Development Deputy Management to transfer its vision of the organization and other relevant topics.

- 06 **Meetings with the CEO**
Meetings with collaborators take place twice a year. In this instance, they have the opportunity to share their vision of the Company and hear their appreciations about barriers and facilitators for the desired culture. This allows to update policies and procedures that include the collaborators' perspective.

The organization identifies the diversity of capacities, knowledge, conditions, experiences and visions which their collaborators must have through their training policy, which, in turn, allows management and collaborators themselves to apply to education programs of their preference.

This is done to prevent possible biases in collaborator nominations that participate in the training. Applications get final approval from the Organizational Development Deputy Management, CEO and, when appropriate, the Directors Committee.

[GRI 405-1]

/ DIVERSITY AND INCLUSION MANAGEMENT



16%
Women



21.3%
Other nationalities¹



5.8%
Over 60 years old



23.7% With over 12 years in the Company

In order to achieve the proposed targets in inclusion matters, the Group updated its people corporate policy and organizational development, which influences human resources management processes and promotes staff selection without biases and with a focus on the candidates' capacities. The policy includes:

1. Recruitment and selection processes that focus on competence profiles.
2. Establishment of gender-balanced short-lists for each role.
3. Gender-balanced talent pool for succession plans in the organization.
4. Selection principles with a focus on communities, women and/or historically excluded groups, as guiding principles.
5. Master's education programs with a focus on female talent, promoting internal succession for executive and leadership roles.

CAP Group companies reinforce the importance of equal opportunities, non-discrimination, and it seeks to encourage an awareness of the value of diversity.

The Group carried out training for its teams and measured collaborator satisfaction through SSINDEX2. In turn, operating companies have executed the following measures:



/ 1. Nationalities other than Chilean. / 2. See SSINDEX evaluation in the appendix to this document.

CMP

Kept and strengthened its commitment to diversity in each of the recruitment and selection processes, which allowed it to reach 12% of women among its staff and 50% women in the Executive Committee.

The main initiatives dedicated to the inclusion of women in the organization:

1. Gender balance in the Executive Committee: The following Management positions of CMP's Executive Committee are occupied by women:
 - Planning and Development Management, Claudia Monreal.
 - Occupational Health and Safety Manager, Macarena Herrera.
 - Human Resources Management, Carolina Lomuscio.
 - Operations Management, Makarina Orellana.
 - Environmental and Climate Change Management, Paulina Andreoli.
2. Sence Apprentices Program: 22 women participate.
3. Trainee Program: 14 women participate.

 **158**
indigenous employees¹

1. Among the 158 people, there are 114 Diaguitas, 19 Coya, 15 Mapuches, 6 Aimaras, 2 Atacameños and 2 Quechua. / 2. Science, Technology, Engineering and Mathematics.

CSH

It worked on a female talent attraction and retention program with the purpose of promoting gender equality. This program focused on the career development of female company workers and ended with the incorporation of 5 women in the company's operative areas:

- 3 in the area of Research, development and Customer Assistance.
- 2 in the Area of Transversal Plant Maintenance.

In this period, female staff reached 7%, advancing towards the goal of 12% female presence by 2025:



26
New female
recruitments in the plant.

5
New female
recruitments in
STEM² roles.

CINTAC Group

CINTAC Group reinforced its commitment with female participation in decision-making areas, which has allowed it to reach 25% of women in management roles and 39% in leadership roles



In the year, Calaminon implemented an Inclusion and Diversity program with the purpose of incorporating female staff in roles that have been historically occupied by men. After this first year of application, the program managed to:

- Incorporate 8 women in the production processes of light profiles and polystyrene.

This allowed the CINTAC subsidiary to have over 21% of female staff.

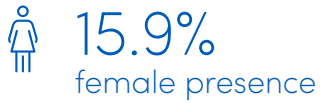


Work Skills Diploma

2022 was the first year of application of the practicum agreement with Universidad Andrés Bello for the Diploma on Work Skills, a program with social and work training, for young people with intellectual disability. In 2022, the cohort was of 2 students.

Infrastructure

Aguas CAP made progress in diminishing biases in selection processes, only evaluating the assessed professionals' qualifications. It also promoted guaranteeing diversity from leadership levels, totaling 22.2% women in this category



TASA

In 2022, TASA began negotiations with the National Workers Union to work on the incorporation of women in operator roles in the company. The implementation of these measures will be applied from the start of 2023.



[CMF 5.4.1. 5.4.2; GRI 405-2]
/ REMUNERATIONS AND WAGE GAP

The corporate policy regarding people and organizational development standardizes payment methods for each role in the organization, reviews and corrects potential gaps among them and uses transparent mechanisms to define salary increases or to keep wages the same.

The policy establishes that, every two years, the Group's companies must assess jobs with the use of HAY¹ and IPE (International Position Evaluation), compared to the market percentile defined by each company board for every organization (e.g., Mining or Corporate in Chile). This percentile applies to the establishment of bands and decisions regarding salary equality and competitiveness.

↓
HAY
Quantitative and qualitative method that breaks up roles into four factors: competences, problem solving, responsibility and work conditions.

↓
IPE
Methodology based on business factors and dimensions that represent key attributes for the role. It grants a systematic way of assessing jobs in the context of the organization and assign a commercial value in the work environment.



1. The name HAY is after Edward Northup Hay, who first developed the method

This way, the results of the evaluation are presented to each Directors Committee, where the salary bands for each role are projected and the amount of people that are over, at or below them. Thus, human resources managers are responsible of proposing the necessary adjustments to comply with internal equity and external competitiveness standards set in the aforementioned policy.

Consequently, CAP Group has proposed goals on the subject:

1. To valorize the roles based on criteria from an external expert.
2. To bring all salaries to the market's median.
3. To have a wage gap between market bands for the same role equal to 0.

> Wage gap

Role	Average	Median
Senior management	87.40%	88.90%
Managers	93.63%	105.80%
Leadership	102.51%	93.80%
Operator	79.74%	75.40%
Sales staff	98.06%	93.60%
Administrative	90.62%	89.70%
Assistant	72.31%	91.10%
Other professionals	84.17%	86.40%
Other technicians	82.08%	88.20%
Total	89.94%	89.23%

> Use of annual leave

Role	People with right to postnatal leave			People that made use of their postnatal leave			People that made use of their postnatal leave	
	Men	Women	Total	Men	Women	Total	Men	Women
Senior management	1	0	1	1	0	1	100%	N/A
Managers	1	1	2	1	1	2	100%	100%
Leadership	8	4	12	5	4	9	63%	100%
Operator	28	0	28	24	0	24	86%	N/A
Sales staff	0	0	0	0	0	0	N/A	N/A
Administrative	2	3	5	0	3	3	N/A	100%
Assistant	3	2	5	3	2	5	100%	100%
Other professionals	12	7	19	6	7	13	50%	100%
Other technicians	39	14	53	2	12	14	5%	86%
Total	94	31	125	42	29	71	45%	94%

Note: The table only includes figures of the use of postnatal leave based on Chilean legislation. N/A: Not applicable.



[CMF 5.7]

/ POSTNATAL

Co-responsibility is relevant for CAP Group, so CAP granted an additional week of leave to that established for men by law. Moreover, when returning to work, fathers and mothers have the possibility of doing so with a flexible schedule for up to two months. The Group's companies adapt postnatal policies based on this same principle.

/ TALENT



[GRI 3-3]

Material topic:

Talent development

CAP Group has a People and Culture Committee, in which all perspectives of the Group's companies are represented by the Human Resources Managers of each Operating Company.

Policies

- CAP S.A training policy.
- CAP S.A. compensation and incentive policy.
- CAP Group People and Organizational Development Corporate Policy.

Identification and evaluation of training impact: Kirkpatrick's four-level model.

The process for identification of training needs determines the courses and topics from the definition of strategic priorities; then comes the definition of the required competences in the workplace to facilitate its impact; after that, the insights to develop and implement these behaviors and, finally, the most appropriate course is determined (regarding time, format, etc.) to develop that insight. Thus, defining objectives per level allows to continually measure and evaluate the impact of the training provided:



In 2022, CAP Group invested US\$ 1,386,541¹ on employee training, which translates to 133,546 instruction hours and 4,731 trained collaborators, 85% of all the organization's workers.

[CMF 5.8.i, 5.8.ii, 5.8.iii, 5.8.iv; GRI 404-1]

/EDUCATION AND TRAINING

CAP Group includes a four-level model in its training policy that aligns the strategic needs with training preferences from our collaborators.

In 2022, CAP's Internal Audit unit carried out insurance audits for strategic risks associated to Talent Management, in CAP Group's 3 main companies. Therefore, it will do follow-up audits during 2023.

The units in charge of the optimal application of the training processes are the Organizational Development Deputy Management, which proposes and annually agrees with leadership career plans, training needs for critical roles and the development of competences for potential successors.

1. Investment on training equates to 0.1% of CAP Group's resources.



↓
Main topics addressed in training

- Education plan
- Leadership curriculum
- Safety, wellbeing, culture and diversity
- Critical role training and gap filling
- Training focused on future employability
- Brigade training
- Environment and impact evaluation
- Cybersecurity
- Certificates on finance, mental health and project management.

> **Training hours annual average**

Role	Men	Women	Total
Management	10.91	38.11	13.6
Leadership	19.48	23.55	20.26
Employees	22.75	38.53	24.61

CAP Group’s companies are subjected to an external evaluation called SSINDEX by ESG Compass. This assessment evaluates the impact on our collaborators’ perception regarding people management in an integral way, including training management and potential impact. The result in 2022 was 89% of satisfaction, ranking CAP at the 25th top percentile compared to other evaluated companies, achieving certification and the SSINDEX seal.

/ LEADERSHIP

The Group proposes a three-tiered leadership profile: personal, organizational and systemic.

To develop the required skills in each level, each collaborator at the group can choose different courses or training programs available in academic platforms during the year

/ CAREER AND SUCCESSION PLANS

For the second year in a row, CAP implemented the corporate programs to identify critical roles for successors, seeking to define the high impact roles for the organization, whose vacancies are difficult to fill, and look for potential successors that have the capacities to take them on. With the information gathered, we define a closure plan, development or certification of critical role competences and determine academic/professional programs for successors with real potential to assume leadership roles.


[GRI 401-1]

/ HIRING AND TURNOVER

CAP defines an order of priorities for hiring in the vacant organization roles:

1. Internal successor
2. Communities
3. External

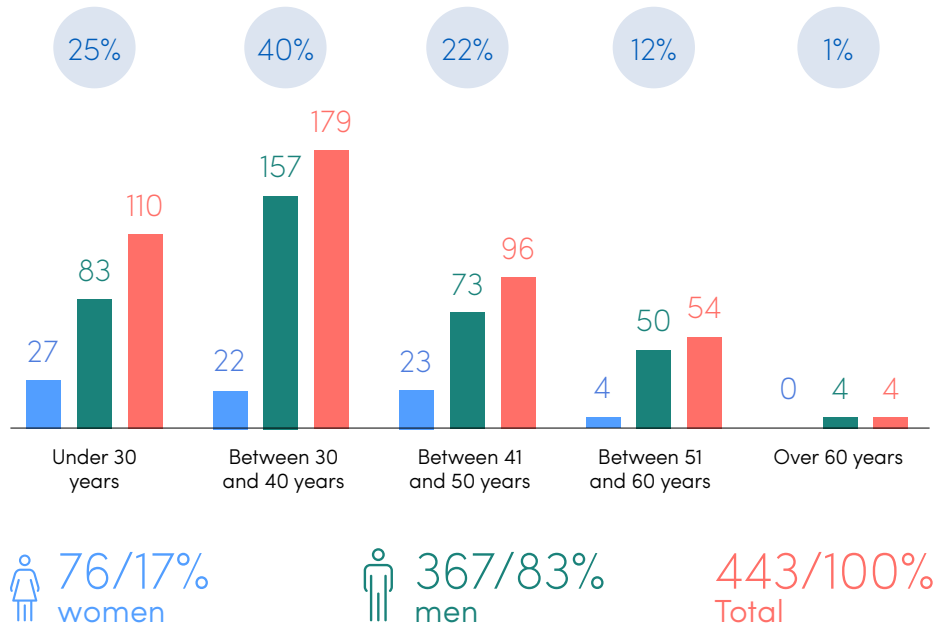


 **18%**
vacancies were filled
by internal candidates

In 2022, new hires were focused on increasing female staff, which materialized in selection processes with gender-balanced short lists.

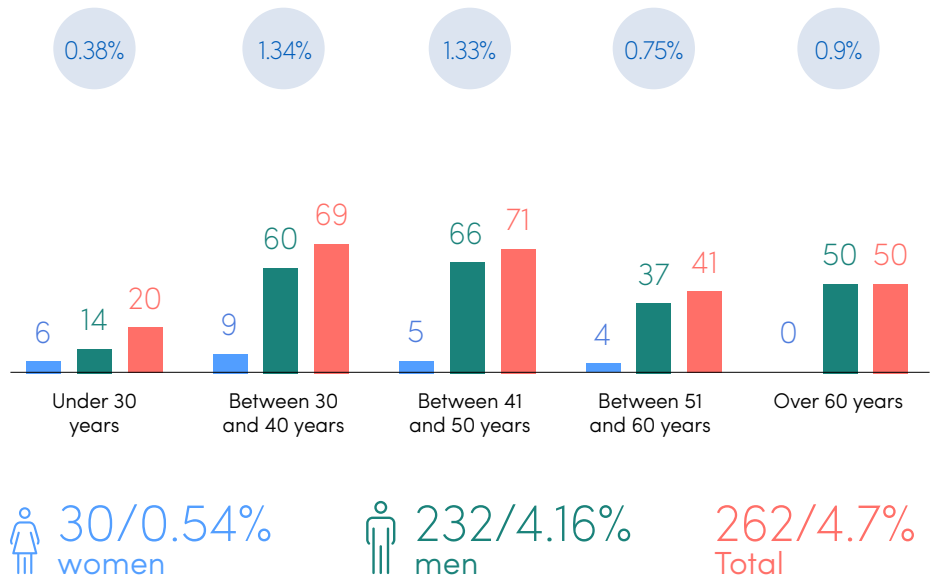
Thus, circulation processes were implemented with different organization stakeholders and an open contest launched for masters programs of up to 40 million pesos.

> New hires per age and sex



Note: Averages per age group refer to CAP Group's hiring rate. In turn, numbers at the top of each bar show new hires, divided into men and women.

> Turnover per age group



Note: Percentages per age group refer to rotation rate in CAP Group. In turn, the numbers above each bar show egresses, divided into men and women.

/ WORKPLACE QUALITY OF LIFE



[GRI 3-3]

Material topic:

Workplace quality of life

The task for 2022 was to keep the team aligned, communicating and in a good socioemotional state to face the year’s objectives. This was reflected on the plans to promote the collaborators’ wellbeing, as raised by the workplace environment survey.

Policies

- Socioemotional wellbeing, quality of life and mental health guidelines
- People and organizational development corporate policies

[CMF 5.8]

/ BENEFITS

CAP Group gives benefits to its collaborators, with the objective of improving workplace quality of life, socioemotional wellbeing and mental health.

Each operating company offers specific benefits to its collaborators, according to the type of the business and the location of its facilities. At a corporate level, the main benefits are:

- Flexible hours
- Flexibility for working from home
- Childcare facilities or contribution
- Sick leave payments

/ WORKPLACE CLIMATE

The Group includes tools to measure sustainable culture and workplace climate within the organization, allowing it to evaluate people management and prioritize work focuses in each of the companies. Thus, in 2022, it used a Stakeholder Sustainability Index, achieving a global result of 89%, better than the target of 85% proposed in terms of workplace environment satisfaction. It also uses the Net Promotor Score (NPS) to measure collaborator satisfaction and loyalty.

> Collaborator satisfaction per year

Category	2021	2022
SSINDEX	91%	89%
Internal NPS	64%	64%

Note: see complete result in the appendix to this report.

From the diagnostics of the workplace climate surveys carried out, we generated plans of action to promote collaborators’ wellbeing and, this way, attain the Group’s goal of keeping its collaborators aligned, communicating and in a socioemotional state that allows them to face the year’s management challenge:

- Psychological consultations
- Pedagogical support at home for the children of collaborators

- Group workshops with management units and teams to identify needs
- Lunchtime schedule block for meetings

/ PERFORMANCE EVALUATION

CAP’s performance management system is done through an analysis of the attainment of objectives and competences, to make strategic decisions about performance levels and focus training on technical and competence topics.



1,862
people received objective-based evaluations

79
people received multidimensional evaluations

2,737
people received comparative evaluations between units or functions

> Number of collaborators with performance evaluation

Role	Men	Women	Total
Management	23	7	30
Executives	300	55	355
Employees	2,764	314	3,078
Total	3,087	376	3,463

[GRI 2-30]

/ FREEDOM OF ASSOCIATION

CAP Group and its operating companies strive to maintain good relationships with all existing trade unions. Hence, collective negotiation processes constitute relevant milestones that reflect the permanent effort and dialog that exists with union committees.

The benefits of collective negotiations extend to all the Group’s collaborators and there are benefits outside the agreements that extend to the unionized group.

CAP did not have strikes in 2022.

19 unions

72% of collaborators belong to a union

93% of collaborators are covered by collective negotiation agreements

/ HEALTH AND SAFETY



[GRI 3-3]

Material topic: Health and safety

Physical, emotional and psychological wellbeing is a priority axis for CAP Group to attain its vision of contributing to the country’s sustainability. This priority is materialized in the policies that affect our collaborators’ and their families’ quality of life.

Policies

- Internal order, hygiene and safety rulebook

is a priority axis for CAP Group to attain this objective.

In order to manage the main guidelines regarding health and safety, CAP has an Internal Order, Hygiene and Safety Rulebook (RIOHS in Spanish), whose main objective is to all its collaborators clarity on the application of their rights, obligations and prohibitions in matters of order, hygiene and safety. The policy includes guidelines regarding safety, alcohol, work permits, quality of infrastructure and maintenance, among others.

The Group has risk matrixes that have been validated by joint committees and they are the basis for generating improvements on infrastructure and training for teams. This is how we are working on a prevention culture that seeks have everyone as part of safety and the management of associated risks.

[CMF 5.6; GRI 403-1, 403-9, 403-10; SASB EM-IS-320a.1]

/ OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

Occupational health and safety are a reflection of an efficient work that is carried out under an absolute control of processes. From that point of view, the worker themselves and their supervisors are responsible for watching for the correct execution of the tasks that have been previously planned. Physical, emotional and psychological wellbeing

> Main collaborator health and safety indicators

CMF	0 Fatalities	0 Fatality rate
	45 Accidents	0.81 Accident rate
	0 Professional illnesses	0 Professional illness rate
	91 Average of lost days	

SASB	0 Fatality rate	
	73 Near-miss incidents or events	3.58 Severity rate and near misses
	0 Rate of Injuries due to workplace accident with great consequences	
	96 incidentes registrables (TRIR)	

GRI	0 Deaths due to work injuries	0 Rate of deaths due to work injuries
	0 Injuries due to workplace accident with great consequences	0 Rate of Injuries due to workplace accident with great consequences
	78 Total recordable incidents	6.63 Total recordable incident rate
	14.637.743 Worked hours	1.365 Lost days

> Main collaborator accidentability rate per company operativa

Company	Fatalities	Frequency rate	Severity index
CAP	0	0	0
CMP	0	0	0
CSH	0	3.4	71
CINTAC	0	4.19	157
TASA	0	15.7	191
PLL	0	0	0
Aguas CAP	0	0	0
Tecnocap	0	0	0
Total	0	3.4	93.26

Note: CAP Group had no deaths as a result of a work ailment or illness.

CAP Group cares for the safety of its collaborators as well as that of external workers who provide services to the organization in its facilities. Therefore, the same policies, rulebooks and procedures apply to them.

> Main contractor health and safety indicators

CMF	0 Fatalities	0 Fatality rate
	28 Accidents	0.48 Accident rate
	0 Professional illnesses	0 Professional illness rate
	56 Average of lost days	
	0 Mortality rate	
SASB	0 Mortality rate	
	73 Near-miss incidents or events	3.58 Severity rate and near misses
	0 Rate of Injuries due to workplace accident with great consequences	
	97 incidentes registrables (TRIR)	
GRI	0 Deaths due to work injuries	0 Rate of deaths due to work injuries
	0 Injuries due to workplace accident with great consequences	0 Rate of injuries due to workplace accident with great consequences
	33 Injuries due to workplace accident with great consequences	3.82 Rate of Injuries due to workplace accident with great consequences
	20,411,755 Worked hours	979 Lost days

> Main health indicators by operating companies

Company	Fatalities	Frequency index	Severity index
CAP	0	0	0
CMP	0	0.16	2.8
CSH	0	4.1	189
CINTAC	0	1.99	29
TASA	0	0	0
PLL	0	0	0
Aguas CAP	0	2.28	2.28
Tecnocap	0	0	0
Total	0	1.32	47.96



↓ CMP is recognized for its gestión health and safety management

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

Moreover, in 2022, the Regional Mining Safety Community (Coresemin) recognized it as the mining company with the best safety management for its performance in 2021. CMP got first prize among mining companies in the "Best Safety Management in 2021", an acknowledgement to excellence and discipline in implementing risk control in each of its processes.

Local development

/ LOCAL OCCUPATION



[GRI 3-3]

Material topic:
Local occupation

The Group keeps its commitment with local employment through the definition of selection strategies that prioritize the recruitment of workers resident in the zones it operates, thus achieving low levels of interregional commuting.

Policies

- Recruitment, selection and induction policies.



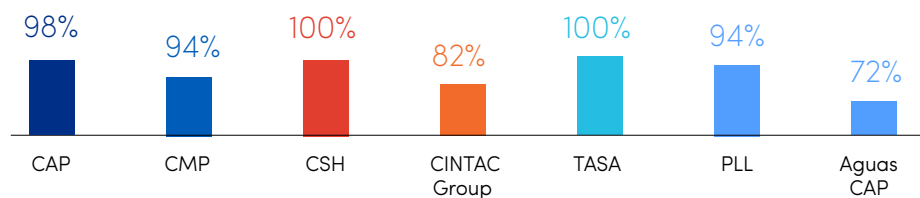
All CAP Group's operating companies have a dedicated area for the relation with contractors, their hiring is through tenders with technical bases that also consider compliance elements and geographical location. In CMP's particular case, policies cover inclusion and engagement with the territory.

/ MAIN LOCAL EMPLOYMENT INITIATIVES

CMP

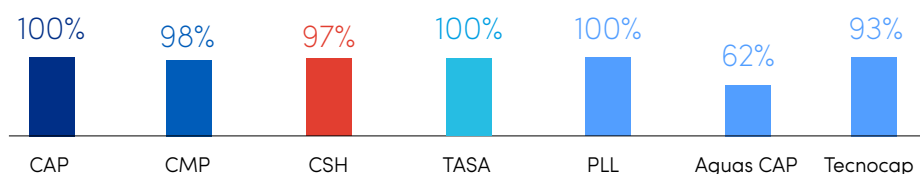
CMP has established as a priority in its recruitment and early attraction that people are local residents, achieving a low rate of interregional commuting.

> **Percentage of local workers in CAP Group**



Tecnocap has only one employee

> **Percentage of local contractors in CAP Group**





→ **CSH**

CSH has student work placement agreements with technical high schools, professional institutes and universities. Likewise, the Good Neighbor Program trains Talcahuano residents in welding and forklifting.

→ **CINTAC Group**

Cintac SAIC continued to impart construction technique courses with the Metalcon system. 267 people participated in it in 2022.

→ **Puerto Las Losas**

It privileges local employment and is currently in the revision stage of its Recruitment Policy, which will include the requirement of applications from local candidates, within a radius of 25km.



→ **Tecnocap**

All its contractors reside and work in the regions where they work, in Atacama and Coquimbo.

→ **TASA**

Among its hiring guidelines, it favors local staff in its operations: 100% of its own employees and external workers live in the same region in which they work.

→ **Aguas CAP**

It guides and communicates its recruitment processes with a priority in the region of Atacama, in which most of its collaborators and contractors reside and work, boosting the local economic chain.

[GRI 204-1]

/ LOCAL SUPPLIERS



CAP Group, through its operating companies, has implemented different initiatives to promote local purchases, entrepreneurship and maintaining a close relationship with suppliers from

the region in which it operates. Thus, it promotes development, productive activities and innovation.

The main measures taken by CAP Group during the 2022 period to support its external services suppliers were:

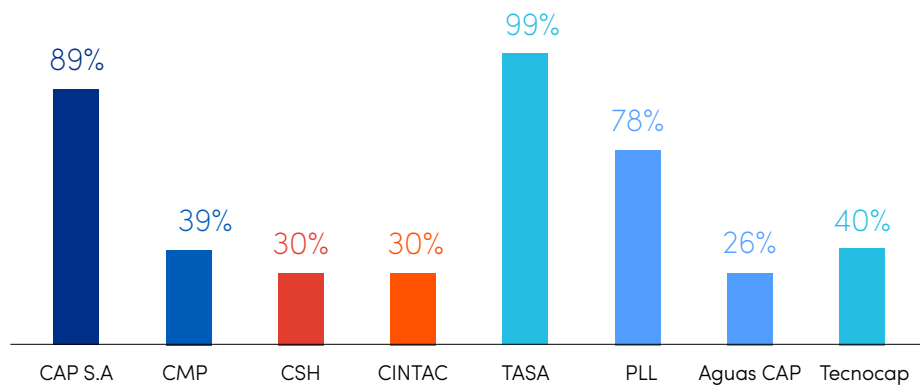
CMP

CMP prioritizes selection and hiring of local suppliers, prequalifying them and making them participate in service tender processes for different specialties. In the same line, it encourages supplier contracts from local SMEs, through the SENEGOCIA platform. Additionally, the company has participated in business rounds and local supplier registry with the Regional Mining Council in Coquimbo and the Corporation for Development in the Region of Atacama.

In 2022, 39% of goods and services purchases were from local suppliers, which comes closer to CMP's target of 40%. Also, 43% of the new services tendered were adjudicated to local suppliers and there was a 5% increase in the number of total local suppliers in the company.

Thanks to this, in 2022, CMP was recognized as the best payer in Mining, in the ranking published by the Product Exchange

> Suppliers with headquarters in the same region



Note: TASA does not have specific actions to increase local suppliers as it is currently at 99%.

CSH

CSH has generated a development strategy for its suppliers, under the MAS Huachipato seal, a program that seeks to standardize SME's management processes and sustainability.



409

local suppliers at CSH, which equals to 30% of the total assigned contracts

CINTAC

Though CINTAC Group and its subsidiaries do not have a formal supplier payment policy, the payments are made within the time frames established by national regulation and under mutual agreement among parts.

Payments to national suppliers are paid according to national legislation and invoice date, while payment to foreign suppliers are made on the invoice's expiry date.

Additionally, some subsidiaries in the Group have internal programs that promote local supplier hire.

Infrastructure

Infrastructure companies have a transversal invoicing procedure, in which maximum time frames and ways of payment are defined. Therefore, it commits not to exceed 30 days in making the payments.

Aguas CAP: During the year, it has favored local suppliers, which correspond to 26% of all suppliers in the country. In order to support entrepreneurship, 43% of Aguas CAP suppliers are MSMEs.

PLL: The company has inclusion initiatives in services quotes and tenders in support of local companies. This way, it has a figure of 78% of suppliers that live in the same region where they work, to whom 86% of total payments to suppliers are made.

Tecnocap: Operations were managed by CMP until 2021. In 2022, some services have been hired directly in order to achieve a more direct relationship with local suppliers.



/ RELATIONSHIP WITH COMMUNITIES



[GRI 3-3]

Material topic: Community

CAP Group has made progress in the consolidation of a territorial management strategy that arises from the sustainability focus, through a joint effort with neighboring communities to its operations, with the purpose of generating shared value.

Policies

- Donations, sponsorships and memberships policy

Sponsorships and Memberships Policy explicitly prohibit contributions to political activities and campaigns.

Consequently, in 2022 there were no contributions to political activities or campaigns of any sort.

> Social Investment (CLP)

Categories	2021	2022
Charitable donations	71,420,414	19,653,962
Community investment	2,737,137,178	3,592,672,647
Commercial initiative	65,924,873	207,864,355
Total of contributions	2,874,482,465	3,820,190,963
Average of donations	2%	1%
Percentage of investment in the community	95%	94%
Percentage of commercial activities	2%	5%

[GRI 415-1]

/ SOCIAL INVESTMENT

CAP Group companies have built a long-term trusting relationship with its neighboring communities, based on the shared history and value in the territories, contributing to sustainable development, care for people and the environment.

The Group's contributions to social investment are guided by the general guidelines in the Donations, Sponsorships and Membership policies, which considers the scope, the objectives, compliance with legislation and the attainment of internal targets.

> Type of social contribution (CLP)

Type of contribution	2021	2022
Money contributions	2,963,544,753	3,952,265,150
Volunteering costs	6,824,773	0
Donations in kind	29,663,077	73,490,751
Program management general costs	604,003,162	461,657,304
Occasional or rare contributions to aid determined causes	342,951,366	71,226,576
Total	3,946,987,130	4,558,639,780

> Breakdown of organizations that received social contributions (CLP)

Organizations	2022
Guild Associations	295,778,028
Think Tanks	87,043,950
Research Centers	11,485,202
Other organizations	240,174,502
Total	634,481,683

Mural in the fishing creek of Guayacán, Coquimbo.



Territorial management per operating company

CAP Group's operating companies have different methodologies for carrying out their territorial management, depending on their activity.

CMP

CMP's Community Management has a territorial focus based on the location of its operations, aiming to have an ongoing, consistent and trusting engagement with all relevant actors in the territory.

The company's territorial management plan is based on 3 fundamental pillars:

1. Access to information by the communities.
2. Participation and influence of communities in the development of processes.
3. Shared growth in the territories where it operates, as it considers that growth is only possible if our neighbors access

greater and better development and wellbeing opportunities, contributing to new installed capabilities, and permanent employment.

Information is the main axis of CMP's Territorial Management Strategy. The development and maintenance of community engagement is materialized with the different stakeholders through informative meetings, distribution lists, use of social media and the organization's corporate website.

In order to ensure the application of its territorial focus, CMP developed 3 early citizen participation processes (PACA in Spanish) in 2022, corresponding to two environmental impact declarations and one study:

1. **MLC Environmental Impact Declaration:** Mina Los Colorados has a project called "Iron Ore Recovery from Los Colorados Benefit Plant Tailings", which includes a Tailings Plant for the production of iron preconcentrate from the reprocessing of tailings from the benefit plant in Mina Los Colorados.

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

2. **Algarrobo Environmental Impact Declaration:** To give operational continuity to Minas el Algarrobo, there is a 3-year project that considers the exploitation of seven low-grade stockpiles distributed in the areas of Algarrobo and Penoso. The resources are processed through a new plant with stages of crushing, classification and magnetic concentration.

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

3. **PLEITO Environmental Impact Study:** To establish an early relationship with the community that accompanies and supports the "Operational Continuity

Distrito Pleito Fase 3” Project, with community organizations, since its origins and before the submission of the study. The process materialized in an Early Citizen Participation instance with the aim to inform the localities in the area about the main points of the project. The purpose was also to gather opinions, observations and/or concerns about the project and incorporate them.

Indigenous communities

Within the shared growth pillar we find the work with indigenous communities, whose main goals is to value and improve productive, cultural and heritage activities by means of sustained and long-term working groups. Work done includes territory characterization, diagnostics, participation in working groups, participation in the open house program and the execution of cultural activities such as Expo Indígena.



CSH

The community focus considers the capacity of articulating different agents from the ecosystem to generate value in the territory. This approach seeks to generate alliances with actors and institutions from the territory to make social diagnoses, propose common challenges and come up with solution proposals based on a joint design.

The dialog with the communities operates in the sectors of Libertad, Gaete, San Vicente and Las Higueras. The strategy encompasses direct contact with the different Neighborhood Organizations and in Tripartite Working Groups; with them we diagnose the communities' needs and generate projects.

In 2022, we generated, together with Cidere, a social identity map of the communities, in which we identified “social subject” who co-inhabits the territories in which the company is located. This deep analysis is a milestone that marks a before and after of the existing comprehension of the social medium, understanding the multiple abilities, experiences and values it has.

CSH's investment strategy context is based on a type of community engagement that seeks co-building of initiatives that arise from and for the territories.

CINTAC

Each CINTAC Group subsidiary has a territorial engagement approach that is appropriate for the variety of their operations. Thus, productive operations are mainly located in established industrial zones, minimizing the impacts they may have on the closest communities.

TASA

In October 2022, a new People and Sustainability Manager arrived in Tubos Argentinos, in charge of analyzing and setting the company's community engagement guidelines.

Moreover, TASA has been concerned with coordinating different activities with other companies of the area in order to improve ties with the community.

Along the same line, different contests have been done in the Architecture and Urbanization to develop the dry building system, as well as giving training to students of the same university department to encourage the development of sustainable social housing.

On the other hand, training courses on the Steel House system are available, which provides people with job opportunities. In addition, the company maintains a close relationship with former employees that may be in need of medical or psychological assistance.

Infrastructure

Aguas CAP: The aim of Aguas CAP's community engagement strategy is to manage social risks that the company identifies early, through the creation and strengthening of relationships with the most relevant stakeholders and develop investment actions in the areas of influence that are aligned with the territory's. In order to materialize this strategy, Aguas CAP has developed:

- i. Visits from the community to the Desalinating Plant
- ii. Meetings with union representatives to establish a relationship between both parties.
- iii. Promotion and communication of the activities that are carried out in the Desalinating Plant for different schools in the town.

Indigenous Communities

Aguas CAP visits Comunidad Colla Inti Wañuy for the coordination of desalinated water supply for the specific in hydroculture. Also, in 2022, it carried out the joint effort of expanding the hydroculture structure.

Puerto Las Losas and Tecnocap develop community engagement processes of citizenship participation to study and analyze the viability of new projects, as well as through the management of complaints and reports that may arrive from members of the community.



In the context of community engagement strategy, Aguas CAP receives visits from school students from Caldera.

Community consultations

To maintain a focus of sustainability and respect for the communities in its operations, CAP Group carries out consultations as a means of citizen participation, to ask, learn and analyze the possible impacts its activities may have on the communities embedded in its productive operations

> Operations and projects with community consultation

Category	2022
Total number of productive operations	13
Productive operations that have required community consultations	3
Productive projects in process	1
Productive projects in process with community consultation	0

Social investment projects in 2022

CAP Group's social investment strategy encompasses different dimensions, which relate to each other through the commitment to contribute to community development. They are: productive

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

01 Productive development



↓ FISE PESCA

CMP and Caserones have a Socioeconomic Investment Fund (FISE in Spanish) whose objective is to support the growth, valorization and improvement of fishing associations' productive activities in the valleys of Copiapó and Huasco.

↓ Caldera impulsada

Program organized by CMP, Aguas CAP, the Municipal authority of Caldera and Desafío Levantemos Chile, in which 14 entrepreneurs were trained on food manipulation and ended with the donation of food trucks, contributing for the generation of value within the families benefitted. The SSINDEX tool was used to get to know the community's perception of the company.



↓ Women in Artisanal Fishing Working Group and Related Activities in the Region of Atacama

CMP initiative that seeks to promote collaborative actions for fisher women, encouraging their growth and development, thus improving their quality of life.



02

Education and employability



↓ Fishers' unions

In order to guarantee an inclusive, equitable, quality education and promote opportunities, in 2022, we granted 19 scholarships with CMP as part of the current collaboration agreements with the fishers' unions.



↓ Olive farming development promotion

The olive tree is emblematic in each corner of the world and, in Huasco valley, it is also a focus for development for CMP through two initiatives: Fondo ProOlivo, which has 277 partners and seeks to develop olive farming, and the program AgroEmprende, aimed at small olive growers to improve land management optimizing their conditions for a better quality product.

In this context, in June, CMP donated 170 thousand kilos of salt and 33 storage tanks, which are essential in keeping and fermenting harvested olives in optimal conditions, obtaining a high-quality product.



↓ Jaime Charles Scholarship

CMP and Aguas CAP grant scholarships Jaime Charles to economically vulnerable school graduates or college students from the communities around the company's operations. In 2022, they gave 5 new scholarships in Copiapó valley, 10 in Elqui and 12 in Huasco.

↓ Professional placements and community training

CSH supports the offer of professional work placements for college students, which are done in different departments of the plant. In addition, it imparts training programs for residents of the communities of Libertad, Gaete and San Vicente.



↓ Student transport to Vallenar

CMP finances the transport of children and teenagers to Vallenar so that they can attend school, making use of two buses from local company Pallauta.



↓ Metalcon Talks

CINTAC carries out courses for the community focused on construction techniques with the Metalcon system, which include talks in CES Sodimac, Alumnos DUOC and Feria Dimaco.

03

Environment and surroundings



↓ Support to urban forestation community initiatives

CSH works together with social organizations, environmental committees and the Environmental Department of the Municipality of Talcahuano to plant trees in the city.



↓ Sustentables Incahuasi: Recycling points network

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



↓ Micro-landfills clean-up

CMP develops this initiative that seeks to improve the conditions of sectors that have been used as landfill sites.



↓ Training at Mina El Romeral

CMP did a presentation about climate change together with Universidad de La Serena, with the purpose of raising awareness and train workers at Mina El Romeral.

→ Guayacán Te Mueve Agreement

Consolidation project for the community orchestra of Guayacán, in Elqui valley.

04

Culture and Heritage



↓ Quality of life, sports, recreation and culture

Program organized with Club Deportivo Huachipato and Corporación Cultural Artistas del Acero, including workshops, discussion panels, contests, courses, championships, artistic performances and other activities that members of the community can attend.



↓ 2022 Expo-Indígena Fair, Indigenous Communities- Serranía Poblete

CMP and the Municipality of Caldera promote the visibility of the indigenous communities' culture in Caldera and Copiapó and boost the local economy through the exhibition and sale of wooden handicrafts, typical ancestral gastronomy, medicinal plants, among others.



05

Urban development



↓ Plaza Triángulo Project

Investment of USD 360,000 for the construction of a square in Guayacán, executed between 2021 and 2022. The project allows to improve the area of Los Tambores.

06

Contingencies



↓ Collaboration with Municipality Authorities due to the July 2022 climate emergency

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

07

Social skills



↓ Touristic development project

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



↓ Support to Quiero Mi Barrio program

CSH supports Quiero Mi Barrio, developed by Serviu, Minvu, and the Municipality of Concepción, with interventions in the territories resulting in better neighborhoods with the initiative of the communities. It includes infrastructure improvements and recreational activities.



↓ Emergency repeater

Aguas CAP donated a communications system repeater to the Fire Brigade in Caldera with the aim to improve communications in the vast urban and coastal jurisdiction of the town's firefighters.



↓ Leadership and collaborative work for neighborhood and social representatives

CSH facilitated the training for neighborhood and social representatives with the purpose of generating shared value, as a pillar of the Strategic Plan and according to the needs of the communities, giving them tools for communicating better with their neighbors.

Suppliers



[GRI 3-3]

Material Topic:
Supplier development

CAP Group has made progressed in the consolidation of a territorial management strategy that arises from its focus on sustainability, through the work in conjunction with neighboring communities to its operations, with the aim of creating shared value.

Policies

- Integrity Code
- Code of conduct for suppliers and contractors
- Business partner management policy
- Business partner due diligence guide



/SUPPLIER CHARACTERIZATION

CAP Group’s Integrity Code establishes the commitment of maintaining a fair and responsible relationship with suppliers.

In addition, the global principles to which the group subscribes are based on the search for relationships that are consistent with the company’s sustainability view, especially regarding its activities’ social and environmental impacts.



14,442
total suppliers

3,912
MSME suppliers

10,882
national suppliers

4,347
local suppliers



Suppliers that represented at least 10% of purchases in 2022, per business

Mining: Notwithstanding CAP Group’s intercompany operations, there is only one supplier who represented at least 10% of the period’s purchases in the mining segment.

Steelworks: Notwithstanding CAP Group’s intercompany operations, there are two suppliers who represented at least 10% of the period’s purchases in the steel-making segment.

Steel processing: Notwithstanding CAP Group’s intercompany operations, there are two suppliers who represented at least 10% of the period’s purchases in the steel-processing segment.

Infrastructure: Notwithstanding CAP Group’s intercompany operations, there is only one supplier who represented at least 10% of the period’s purchases in the infrastructure segment.

[CMF 7.1.i, 7.1.ii, 7.1.iii, 7.1.iv, 7.1.v GRI 204-1]

/ SUPPLIER PAYMENTS

Although CAP Group does not have a transversal supplier payment policy, each of the operating companies have their own

procedures that adapt to the contextual reality of their activity and the country where they operate.

> Supplier payments

Concept				National	International			Total
	Less than 30 days	Between 31 and 60 days	More than 60 days	Total	Less than 30 days	Between 31 and 60 days	More than 60 days	
N° of paid invoices	122,847	23,713	7,418	153,978	2,259	53	250	2,562
Total amount (US\$ million)	1,814	158	25	1,997	255	159	412	827
Total amount for moratorium-interest on invoice	-	-	-	-	-	-	-	-
N° of suppliers	7,913	1,542	684	10,139	622	25	34	681
N° of agreements	29,192	-	-	29,192	215	-	-	215

Note 1: Figures do not include Calaminon and Promet Perú. / Note 2: It considers suppliers with payments for the total invoiced amount.



Commodity Exchange (BPC) and Asociación de Emprendedores de Chile (Asech) recognize CMP as the best payer to SMEs in the mining sector.

CMP reinforced its position as the best payer to SMEs in the mining sector in Chile. On average, the company pays its suppliers within 25 days, while 40% of its purchases are ordered from companies based in the regions of Atacama and Coquimbo.

/ SUPPLIER DUE DILIGENCE

The Group has a Business Partner Management Policy and a Business Partner Due Diligence Guide, whose aim is to provide guidance in the evaluation of suppliers in the Group.

The evaluation of suppliers includes a review of corporate governance criteria and risk management regarding: corruption practices and financial risks; social risks for the companies to which they provide subcontractor services, which is measured via the

Compliance Tracker platform; and, finally, the management of legal risks associated to pending legal action or any potential reputational risk.

In 2022, CAP Group develops the supplier due diligence process in accordance with its procedures. As of the end of 2022, 963 suppliers had been evaluated.

>> New suppliers evaluated based on Due Diligence

Categories	CAP	CMP	CSH	CINTAC Group	Aguas CAP	PLL	Tecnocap
Evaluated suppliers	58	307	291	107	20	14	166
Total new suppliers in 2022	93	540	348	586	34	17	177
Percentage of evaluated suppliers	62%	57%	84%	18%	59%	82%	94%

Note 1: Tasa Does not have this assessment.

[CMF 7.2; GRI 414-1]

/ SUSTAINABILITY IN SUPPLIERS¹

CAP Group evaluate and identifies ESG variables in its suppliers in order to prevent associated risks:

1. Environmental standards: they must comply with the environmental regulation that applies to their operation, always looking to minimize their activities' impact.

- Promote energy saving and the appropriate use of water.
- Ensure an appropriate waste management.
- Inform of any incident that may have an environmental impact.
- Implement monitoring environmental performance practices.
- Respect agreements signed with the communities where they operate.

2. Social standards: they must ensure the respect for human dignity, freedom of association, the right to privacy and the right to enjoy fair and favourable work Conditions.

- Banning of child labor.
- Banning of any type of forced labored and people trafficking.
- Rejection of any behavior that constitutes what or sexual harassment as well as discriminatory behaviors.
- Uncompromising compliance with labor regulations, especially in matters of hiring and dismissals, remuneration, working hours and social security.
- Provide safety elements and conditions to carry out tasks, minimizing associated risks.
- Timely inform of any incident that may mean a risk for people's safety.

3. Governance and business ethics standards: companies must not tolerate corruption in any way, they must commit to integrity in all the activities of its value chain and links with third parties.

- Respect current regulations, especially those in Law N°20.393.
- Promote integrity as a value in daily activities.
- Define and implement measures that allow to establish an ethical behavior framework for their collaborators.
- Avoid any type of conflict of interest.
- Promote free competition.
- Provide truthful information and safeguard the confidentiality of information classified as such.

1. The assessment of sustainability and ESG criteria only apply for CAP, CSH and CMP.

> Suppliers evaluated based on sustainability criteria

Concept	National	International	Total
Number of suppliers	10,882	3,560	14,442
Number of suppliers with sustainability evaluation	495	25	520
Number of suppliers with general evaluation	1,290	160	1,450
Percentage against suppliers evaluated	38%	16%	36%
Total purchases from suppliers (US\$ million)	2,032	715	2,747
Purchases made to evaluated suppliers (US\$ million)	833	147	980
Percentage of the year's total purchases made from suppliers evaluated based on sustainability criteria	41%	21%	36%

Concept	Total direct suppliers	Critical indirect suppliers
Number of suppliers evaluated in the last 12 months	993	3
Number of suppliers evaluated in at least the last 3 years	3,535	0
Number of suppliers identified as "high risk" in sustainability	76	0
Number of suppliers identified as "high risk" with action plans	30	7
Number of suppliers with action plans that have improved their performance in the last 12 months	28	0
Number of new suppliers that have passed evaluation and selection filters according to environmental criteria	0	0

Cerro Negro Norte, inaugurated in 2014, is in the region of Atacama, 32 km north of Copiapó.

An aerial photograph of a large cargo ship, the Puerto Guacolda II, at sea. The ship's deck is visible, featuring several large white rectangular structures, likely for cargo storage. A helipad is marked on the deck with a green and yellow logo that includes the letters 'H' and 'B' and the text 'HAWAII'. The ship is surrounded by blue water, and various maritime structures and equipment are visible on the deck and in the water.

07

Commitment to the business

Puerto Guacolda II is located in Huasco,
region of Atacama.

[GRI 2-6; CMF 6.2.ii, 6.2.iii, 6.2.iv, 6.2.viii, 8.1.1]

Customers

CAP seeks to boost its business through differentiating products that satisfy the needs of its customers.

/ CUSTOMER SATISFACTION



[GRI 3-3]

Material Topic:
Customer Experience

Periodic measuring that shows opportunities for improvement in customer management.

In 2022 the Group's companies continued measuring their customers satisfaction, obtaining greater results than the set targets by 80%. At the same time, and to constantly keep improving, once the results were obtained, they were presented and analyzed, generating the action plans for closing gaps that evidenced improvement opportunities for operational management and delivery of information



[CAP 1]

> Customer satisfaction per operating company

Operating company	Tool	Periodicity	Customer satisfaction (%)	Coverage (%)
CMP	SSINDEX	Annual	95%	93%
CSH	Own study	Annual	84%	100%
TASA	SSINDEX	Annual	82%	66%
Puerto Las Losas	SSINDEX	Annual	80%	S/I
Aguas CAP	SSINDEX	Annual	84%	100%

Note 1: CSH applies a customer satisfaction study by the Industrial Marketing Center of the Universidad de Chile, which will be carried out during the first half of 2023. The survey will be done by an external institution that provides confidentiality and objectivity regarding the answer received from mining, metal-mechanic and construction strategic customers. / Note 2: Results are not included for CINTAC Group.

/ CUSTOMERS PER BUSINESS LINE



Customers that concentrated at least 10% of sales, per business

Mining: Notwithstanding CAP Group's intercompany operations, there are two clients who represented at least 10% of the period's sales in the mining segment.

Steelworks: Notwithstanding CAP Group's intercompany operations, there are two clients who represented at least 10% of the period's sales in the steel-making segment.

Steel processing: Notwithstanding CAP Group's intercompany operations, there is one client who represented at least 10% of the period's sales in the steel-processing segment.

Infrastructure: Notwithstanding CAP Group's intercompany operations, there is one client who represented at least 10% of the period's sales in the infrastructure segment.

/ CMP

The customer relationship and portfolio has been stable during the years. In 2022, it advanced in reducing its dependence on China, as well as entering the Middle Eastern market with pellets. This way, it is making progress in diversifying its markets, thus taking advantage of the greater demand for products coming from places other than Ukraine and Russia, producers affected by the conflict between them.

Moreover, it has increased participation in direct sales to final customers, steelworks and pellet producers, in order to dig deeper into client needs and strengthen its technical cooperation relationship with them.

It also increased the percentage of long-term contracts in order to protect the relationship built with clients.

/ CSH

It continued making progress with the value proposition of products and services, managing to open new markets and clients in Brazil, beginning validation and certification processes to supply special steels to the car industry.

In the mining segment, it was successful in achieving products of greater performance in grinding media with chrome alloys and thermal treatments.

This is added to the developments in tunnel reinforcing, in which it

incorporated the use of dynamic and high-resistance helical bolts for Codelco's El Teniente division. Also, it continued with its circular economy offerings with clients who manufacture milling balls for mining companies, increasing participation in purchase needs and installing working groups for its final customers' sustainability.

Additionally, in 2022 it consolidated its solution development and client necessity capturing methodology, strengthening its relationship with other actors after being included in Asociación de Proveedores Industriales de la Minería (APRIMIN) and its participation in mining, metal-mechanics and construction conferenced and seminars, complemented with appearances in specialist publications on the subjects of mining, metal-mechanics, construction and the environment.

Finally, it successfully structured a services portfolio that includes technical advice and sustainability, among others, in its operational continuity assurance service contracts. These are based on the work by technical, commercial, joint planning and logistics services teams, according to each market's and segment's reality, in order to add and share value with clients in the long term.

/ CINTAC GROUP

2022 was a year to strengthen relationships with customers and business partners, with the aim of

continuing innovating through the development of new solutions and products in a complex context.

Client management and their level of satisfaction is fundamental for the group and every subsidiary is in charge of contributing to it, considering that they are the ones that best know the clients, services and needs.

/ TASA

2022 was marked by a drop in local steel production, which made the demand of clients in Argentina stay at high levels. With this scenario, it showed good commercial and operations management in order to fulfil client demands, as reflected in its good results in the SSINDEX survey, as well as in the surveys applied by the company.

/ INFRASTRUCTURE

Puerto Las Losas continued consolidating its competitive position by means of activities to strengthen its relationship with customers and business partners. The most outstanding milestones for the year are:

- Port services for companies related to CAP Group, such Siderúrgica Huachipato, with shipments of iron ore and pellets, and CMP with coal unloading and yard services for the project in the tailings plant.
- Shipment of 30 electric rooms, which were part of the cargo for our client Bechtel's project.
- Unloading operations of the Eolic Park Atacama (client: Nordex Energy

Chile), consisting in transferring and yard services for parts and components of 29 aerogenerators.

- Participation in Transport fair advertise the terminal.
- Development of strategic initiatives that will allow to project the ports future development to receive new clients and cargo.

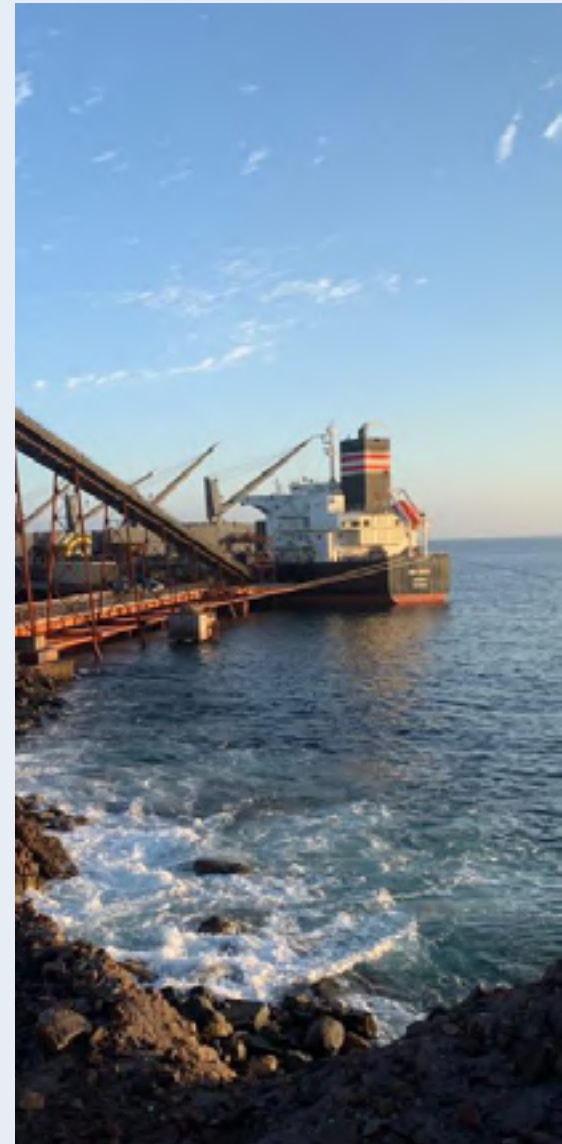
Aguas CAP supplies desalinated water to CMP sites in the valley of Copiapó, and Minera Caserones for its environmental compliance.

Moreover, the company is currently executing an active commercial plan to take advantage of its growth and share existing infrastructure with others. It also saw the beginning of the studies to determine expansion costs of the desalinating plant and, based on that, present water supply alternatives to our new clients. the plan seeks to include them From the increase in the plant's capacity from 400 l/s to 600l/s with the possibility of reaching 750l/s.

Aguas CAP holds periodic meetings with its current customers to ensure operational continuity and supply of required volumes in each of the operations, as well as the coordination of periods of joint maintenance.

Tecnocap focuses on compliance with electric regulations and ensures the continuity of supply for the operations of its current clients: CMP, Aguas CAP and Amanecer Solar. The company is in constant communication with its clients' teams, as well as in coordinating maintenance periods.

In 2022, it began the development of its commercial plan with current customers and new projects that will require electrical transmission services in the area.



/ INNOVATION AND TECHNOLOGY



[GRI 3-3]

Material Topic:
Innovation and digitalization

Innovation program in the operating companies

Development of solutions to contribute to:

- Decarbonization
- Housing deficit

Policies

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

[CAP 2]

/ INNOVATION IN THE OPERATING COMPANIES

To face the current challenges in the industries in which CAP participates, innovation is fundamental, as it allows to work collaboratively in the generation of products and solutions with a focus on efficiency and sustainability, thinking about the customer’s needs. Each operating company manages innovation autonomously, with the corporate focus of sustainable development.

With this perspective, it seeks to grow through new businesses, contribute in the mining sector through the use of alternative fuels, development of new processes, based on renewable energies for the production of green iron and steel, solutions to contribute to the housing deficit, among other focuses.

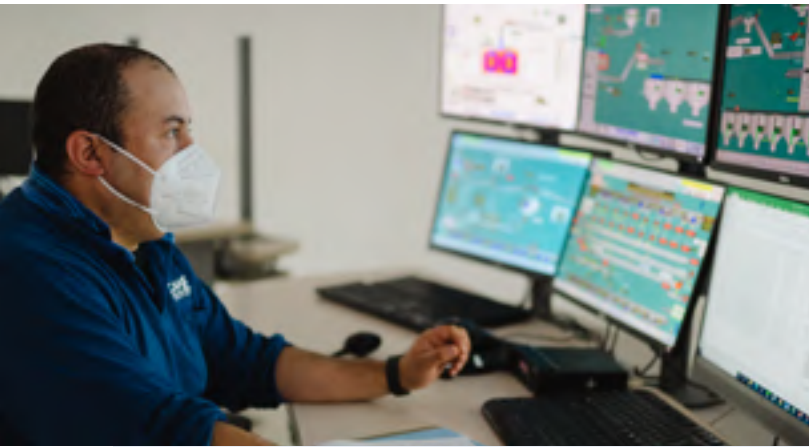
CAP promotes an innovation culture by training its collaborators in programs that encourage learning in different disciplines, and they also participate in projects of different areas, allowing for the integration of different perspectives in the face of complex problems.

10% of CAP’s team works in innovation and development

114 million U.S. dollars was the investment in innovation



/ INNOVATION PROJECTS



→ Development projects for the Valleys of Elqui and Huasco: alternatives for mining.

And projects of both valleys are currently at a conceptual engineering stage, considering alternatives for underground and surface mining using innovative processes that will allow it to optimize its operation. An ever increasing number of surface mines move to underground methods because of the additional mineral resources that are still underneath the current surface exploitation. In this context, innovative solutions also play an ever more important role in operative contexts such as the ones that these projects are evaluating.

→ Filtered Tailings Deposit Project

Tailings deposits take several years to build, sometimes even decades.

Tailings deposit management is especially important in mining and seismic countries like Chile, as millions of tons of tailings are poured in their daily. Consequently, with this project, CMP is making an effort in reducing the generation of wet tailings and, therefore, use less surface and make smaller and safer tailings dams.

Moreover, CMP recovers almost all of the water in tailings to pump it back to the plant as process water.

→ Energy transformation in mining: first pilot of natural gas extraction trucks .

In order to contribute to technological innovations that contribute to the country's mining, CMP signed an alliance agreement with ENGIE to aid in the decarbonization of mining: the first pilot of extraction trucks running with natural gas in Chile.

The project considers the conversion of two 220-ton CAEX trucks with a dual fuel system that will mainly work with natural gas, allowing the trucks to reduce:

- CO₂ emissions by 18.5%
- particulate material (PM) by 28%
- SO₂ by 7.6%
- NOx by 0.4%

The pilot is in a first stage of development and implementation that considers the import of equipment, the conversion of the trucks into a dual fuel system, the implementation of the on-site LNG station and the formalization of this initiative before Electricity and Fuels Superintendence (SEC in Spanish).



→ People transport contract: electromobility.

This transport contract will begin in 2023 and it considers the use of electric buses that use 100% of renewable energy, achieving a reduction of approximately 18 thousand tons of CO₂ and 70% of environmental noise, among other advantages. Moreover, it considers hiring labor that is 100% local, with a driver recruitment plan.

→ Strengthening of the innovation culture at CINTAC Group

Innovation has been declared to be the main tool to achieve strategic focuses: **advancing with industrial solutions, contributing with the development of houses to reduce the housing deficit and reduce environmental impact.**

For this, it created a corporate I+D+I (research, development and innovation) team, which is part of the new Digital Transformation Management and it designed an Innovation and Research Management process in order to identify, promote and deal with the different projects in progress and others that arise.

Thus, it seeks to achieve a concrete impact on the results of the company and advance towards the attainment of the strategic focuses.

In addition, it formed the I+D+I Committee, which has allowed to articulate, prioritize and allocate resources to the different projects that are currently in the innovation funnel.

In the year, it launched the internal innovation contest SPARK, providing a methodology to develop product ideas and, later, bring them to the market. In 2022, the contest concluded with the launch of the product called "Muro Jardín"².

→ Promotion of green steel in CSH

CSH has an innovation management that was born with the specific objective of developing special steels and find the market for these new products. Therefore, work is being done on a value proposition that considers lower emissions, mainly focused on mining customers.

Steel solutions are elaborated with energy completely obtained from renewable sources, thanks to an agreement with Engie, which has the international certificate I-REC, indicating that they ceased to emit approximately 160,000 tCO₂e per year. This is added to the Circular Economy for Mining Program, which allows to incorporate scraps from the mining process to the manufacturing process of the new steel. Moreover, consuming locally manufactured steel means 30% fewer CO₂ emissions compared to alternatives imported from Asia.

A part of CAP Group's sustainable growth strategy, it is currently developing the project for the installation of a green hydrogen plant to be used in



2. See all the information about the product and its innovation at <https://blog.tienda.cintac.cl/cuando-un-desafio-rompe-los-esquemas-y-se-transforma-en-tendencia/>

In 2016, Cintac installed the greatest rooftop photovoltaic plant in South America on the roofs of the industrial warehouse in its plant in Cerrillos.

the steel making process and to contribute to the decarbonization of processes. This project seeks to develop a plant prototype in Talcahuano, so that, in the second half of the decade, it can produce green steels at an industrial scale. This would mean an important reduction in the carbon footprint of its products, but it would also contribute to the route towards a green mining through them.

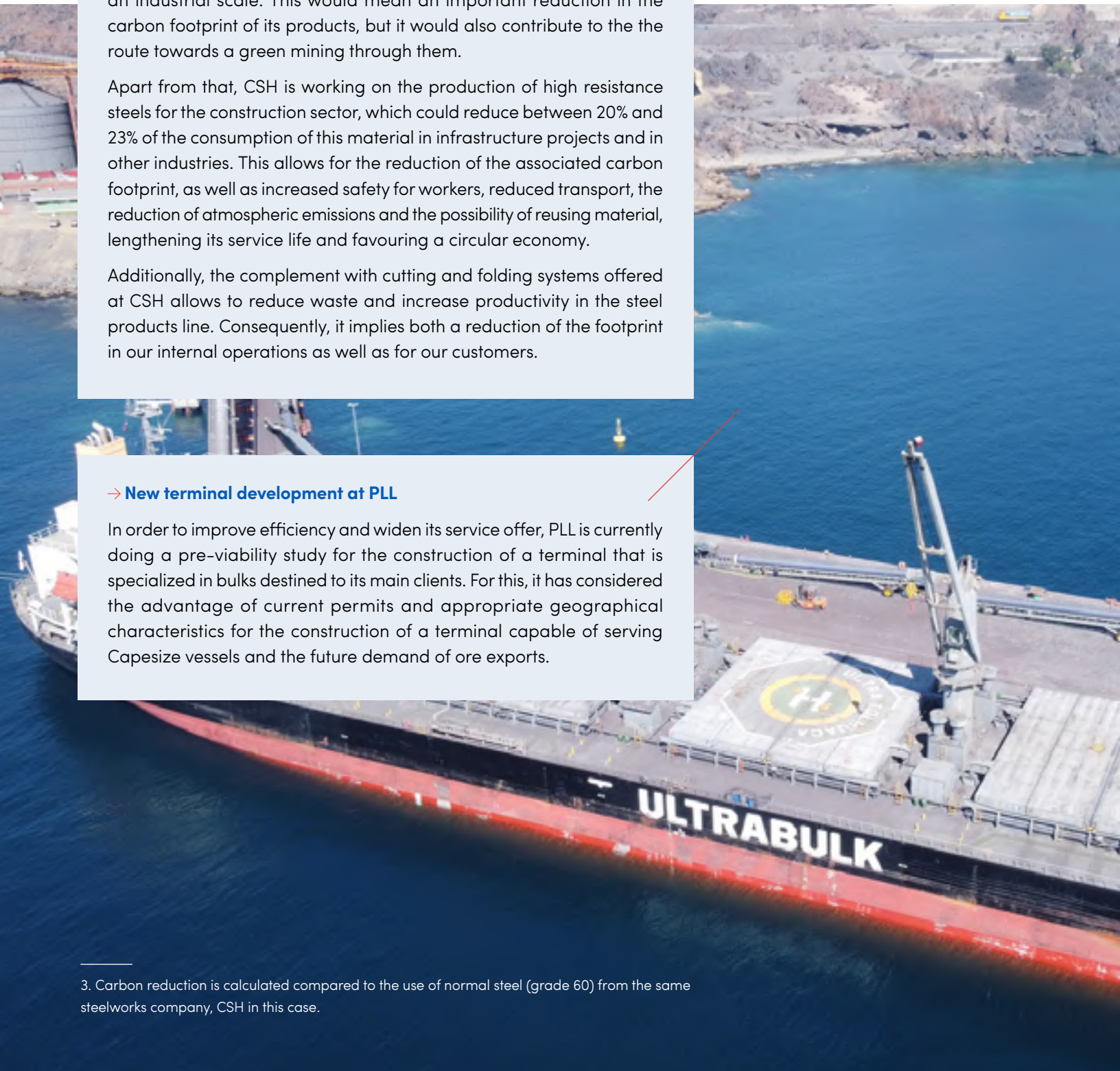
Apart from that, CSH is working on the production of high resistance steels for the construction sector, which could reduce between 20% and 23% of the consumption of this material in infrastructure projects and in other industries. This allows for the reduction of the associated carbon footprint, as well as increased safety for workers, reduced transport, the reduction of atmospheric emissions and the possibility of reusing material, lengthening its service life and favouring a circular economy.

Additionally, the complement with cutting and folding systems offered at CSH allows to reduce waste and increase productivity in the steel products line. Consequently, it implies both a reduction of the footprint in our internal operations as well as for our customers.

→ **New terminal development at PLL**

In order to improve efficiency and widen its service offer, PLL is currently doing a pre-viability study for the construction of a terminal that is specialized in bulks destined to its main clients. For this, it has considered the advantage of current permits and appropriate geographical characteristics for the construction of a terminal capable of serving Capesize vessels and the future demand of ore exports.

3. Carbon reduction is calculated compared to the use of normal steel (grade 60) from the same steelworks company, CSH in this case.



/ CICYBERSECURITY

Given the increase in the digitalization of process is and remote working, the risk of cyber-attacks has been rising. Although this is not yet seen as one of the most critical risks, it is thought that it can gain more relevance for all businesses in the coming years, resulting in data leaks, loss of key information and, as consequence, have an impact on operational continuity.

In 2022, 4 new rules and a general information security policy were incorporated. They are the following:

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



/ MITIGATION ACTIONS AND STRENGTHENING OF THE CYBERSECURITY CULTURE

- **Collaborator training and awareness:** In 2022, we held awareness presentations in the area of cybersecurity. We also hired an training platform, where different monthly courses were added, on topics related to information cybersecurity.
- **Mechanisms for identifying and reporting suspicious activity:** To help with the identification of incidents, improvements were introduced in the email service, so that messages coming from outside the corporate domain can be labelled. Moreover, due to inappropriate actions, internal regulations now included obligations and prohibitions related to information security and cybersecurity, which allows to take disciplinary measures.
- **Reinforcement of contingency plans:** A supplier runs operational continuity tests annually, apart from carrying out SSAE-18 audits.
- **Certification:** External suppliers responsible for managing the IT infrastructure and other systems have different certificates related to cybersecurity and information security, aligned with ISO 27001.
- **Annual Audit Plan:** The Annual Audit Plan includes an external audit of the whole IT system that supports the group's companies.



Cybersecurity governance

CAP Group has an Information Security Committee that generates the annual plan related to information security and cybersecurity. It reports to the Group's Risks Committee and, in special cases, to the CAP S.A. Board of Directors too.

More specifically, CINTAC Group formalized its IT Governance, led at a corporate level with the definition of periodic committees with each subsidiary and establishing guidelines and criteria for the development of new applications, contract renewals, state of advancement of SAP projects, among others.

Over 85% of CAP staff has been trained.

Additionally, in 2022, an ethical hacking service was hired, as well as doing an audit of the implementation of a multi-factor authentication (MFA) system led by the corporate team of Internal Audit with the help of the specialist consultant to verify the effective use of this additional security tool for user access to Microsoft applications in 15 companies of the group. Finally, in 2022, Corporate Internal Audit

carried out Follow-up Audits for an important group of commitments signed by different companies of the group, regarding 6 insurance audits it had done in 2021 regarding Information Security and Cybersecurity risks.

↓
Cybersecurity attacks or incidents

In 2022, CAP Group had no information security breaches or other cybersecurity incidents with serious consequences, nor cases that may compromise customers' personal information.

[CAP 3]

/ CONTRIBUTION TO HOUSING DEVELOPMENT



CINTAC's strategic challenge is to address the housing deficit in Chile.



[GRI 3-3]

Material topic:
Housing development

Active participation in alliances and open innovation contests.

One of CINTAC's strategic challenges is to address the housing deficit, which is over 650 thousand in Chile according to data by Déficit Cero and, over a million and a half in Peru. It can do so through construction industrialization, a technique that improves times and costs, and which reduces environmental impact due to a reduction of waste. Hence, the strategy is to strengthen the current po focusing on developing housing industrialization (modular and prefabricated) with an initial focus on social housing.



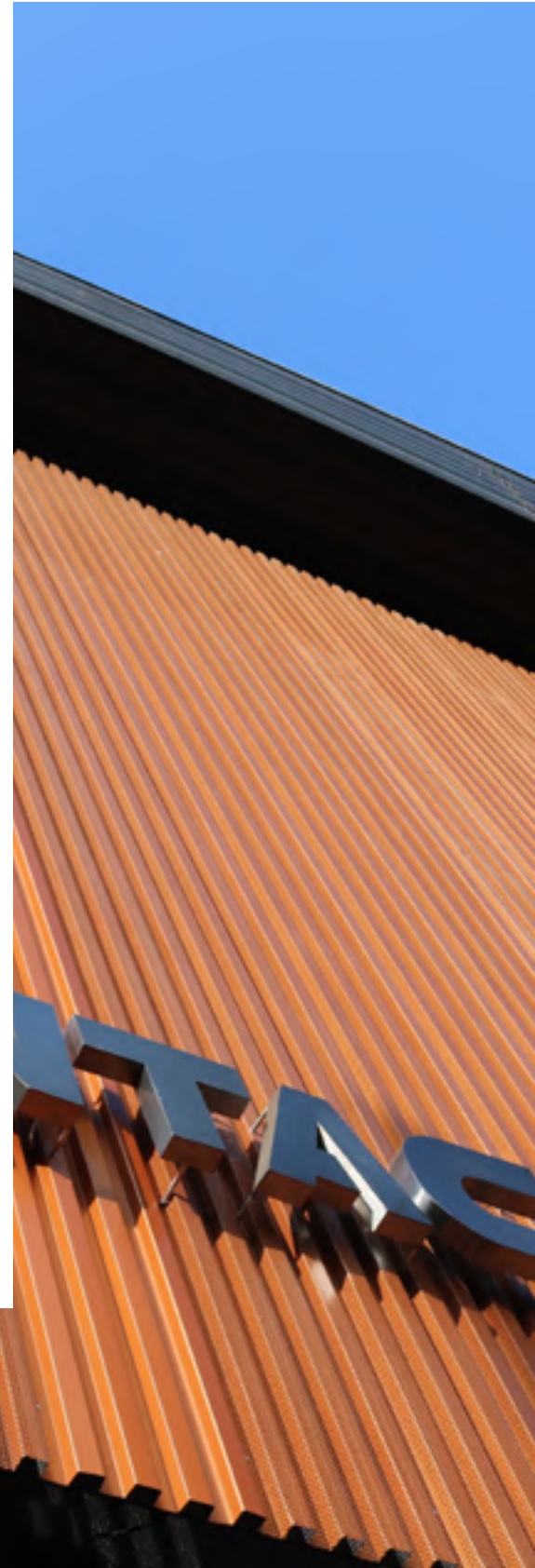
/ COLLABORATIVE WORK FOR CONSTRUCTION SOLUTIONS

In 2022, CINTAC Group participated in a variety of instances that have allowed for collaboration and prototype development of construction solutions.

- EDIFICA:** CINTAC attended the International Construction Fair EDIFICA, in which it showed two industrialized construction prototypes, a quick-to-install modular D.S.49 house (Promet), and the Metalcon Modular system, which allows an automated panel or assembling kit manufacture by Metalcon.
- MODHabitat contest:** CINTAC was awarded prizes for two pilot projects in the MODHabitat contest in Antofagasta. The first, made in an alliance with A0Lab received first prize for its D.S 49 modular social houses, which are sustainable, reproducible

and scalable, to improve the housing standard in the region of 1, now going into its real-scale phase to be built in 2023. The second, was a development in collaboration with Oasis, "Habitando el Desierto en seco", which got an honorary mention for its high sustainability performance.

- Contest "Reto Vivienda Industrializada":** contest organized by Cámara Chilena de la Construcción (CChC), in which two proposals of industrialized D.S. 49 houses were registered to participate in the competition (CINTAC SAIC and Promet). The winner will receive funds to build the first prototype.
- Construye Zero:** adjudicated proposal by CTec for the grant "Programa Tecnológico de Transformación Productiva ante el Cambio Climático", where CINTAC SAIC has a project portfolio to address different challenges that the construction sector is facing.
- Déficit Cero:** In February 2023, a cooperation agreement was signed among CAP Group, Cintac and Déficit Cero, with the objective of elaborating on-site studies and projects that seek to provide better access to housing for the communities.



Business

/ ECONOMIC SUSTAINABILITY

[GRI 3-3]



**Material topic:
economic sustainability**

Strengthening of present businesses and development of new businesses.

/ ECONOMIC ENVIRONMENT AND PERIOD RESULTS

In 2022, the international economic scenario was marked by the reactivation of industrial activity after the pandemic, as well as factors like the war in Ukraine, inflation, surge of the dollar and others, which resulted in higher costs of raw materials and steel price, in addition to a lessened activity in the construction sector. This influenced a lower demand of products and services offered by the Group's companies.

In the face of this, CAP strengthened its sustainable growth strategy to boost the present business and develop new businesses, ensuring stability and operational continuity to guarantee the profitability and market position of the Group's companies for the long term.

Consolidated net profit as of December 31, 2022, totaled US\$ 226 million versus

a profit of US\$ 741 million in 2021. In turn, the EBITDA reached US\$ 910 million, with total revenues of US\$ 3,006 million. These results are mainly due to the downward trend of iron ore prices and inflationary pressures on operation costs, which translated into an adjustment in the margins in all business areas of CAP Group, and particularly in the businesses of steel production and processing, which were also negatively affected by the deterioration of the construction sectors in Chile and Peru. Moreover, Huachipato's (CSH) and CINTAC Group's results were affected by charges related to accounting adjustments due to the devaluation of assets for a total amount of US\$ 23 million.

[SASB EM-IS-000.A, EM-IS-000.B, EM-IS-000.C, EM-IS-430a.1]

→ Raw steel, iron ore and coke production¹

 **701,191 mt**
raw steel production

100% came from the basic oxygen furnaces

0% came from electric arc furnace processes

16.5 million mt
iron ore production

375,565
mt metallurgical coke production



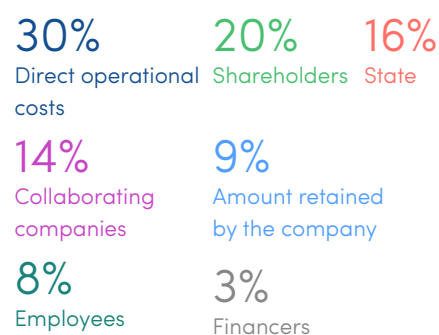
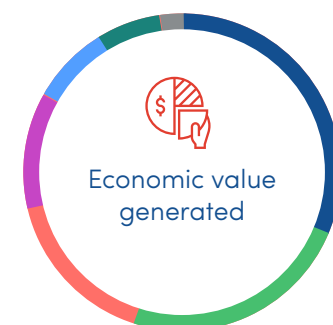
1. Iron ore production is by CMP, while production of steel and coke is by CSH.

(GRI 201-1)

/ DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED IN CAP GROUP

> Economic value generated and distributed in thousand US\$

Values	2020	2021	2022
Consolidated income	2,679,003	3,676,883	3,006,046
EBITDA	974,037	1,813,801	910,107
Direct operational costs	1,160,480	645,351	908,359
Total amount distributed to employees	195,210	245,933	233,342
Amount paid to collaborating companies	461,508	480,683	430,019
Amount paid to the State via taxes	93,396	464,784	489,038
Amount paid to shareholders	82,737	462,258	602,992
Amount paid to financiers	63,584	63,358	80,693
Amount retained by the company	622,088	1,314,515	261,604



/ TAXES PAID IN THOUSAND US\$

In 2022, CAP Group, through its different companies, paid the following taxes in Chile, Argentina and Peru:

> Taxes in thousand US\$

Categories	2021	2022
Income taxes	344,611	431,715
Mining-specific taxes	63,062	34,261
Municipal permit taxes	1,733	756
Other taxes	47,065	6,466
Total taxes paid in Chile	456,470	473,198
Total taxes paid in Argentina	5,744	7,332
Total taxes paid in Peru	2,570	8,508
Total annual taxes paid	464,784	489,038

Nota: "Other taxes" include VAT retention, labor fee tax retentions, real estate taxes, and others.

/ RESULTS PER BUSINESS

/ CMP

2022 was a challenging year, but with very good financial results for CMP. The good performance is due to the consolidation of risk management in internal processes. This was achieved through the alignment of the collaborators with a global goal associated to simplicity in communication, simple and clear action, efficiency, and lastly, the discipline to execute activities rigorously and with perseverance.

On the other hand, the volatility of prices of product and critical supplies prices for the processes had an impact

on the business, in addition to an internal factor that highlights the CPI well above any estimate, causing an adjustment of services and main contracts at CMP. In order to manage these contingencies efficiently, the company developed strategies and plans focused on cost containment and money saving. In addition to the strengthening of key structures for its processes, such as asset maintenance and management, it is implementing more efficient incentive models that mobilize the organization towards achieving the targets.



> Main economic results in million US\$

Indicator	2020	2021	2022
Consolidated income	1,816	2,399	1,833
Consolidated EBITDA	875	1,602	941
Net profit	448	939	480

> Main business figures in thousand metric tons

Indicator	2020	2021	2022
Total shipments	16,549	16,151	16,312
Total sales	16,549	16,151	16,312
Production	14,655	15,979	16,082
Purchases	313	334	455
Total production and purchases	14,968	16,312	16,537

/ CSH

The 2022 context created a first half of the year with high demand and a second half with a strong fall of the markets. The decision of prioritizing long-term customers allowed for an adequate response to their needs, complementing production with imports to cover their needs on time during the first semester.

On the other hand, CSH opened itself to exportation spot markets, managing to partially recover the drop in demand. This way, it managed to go from 73% to 82% of high-quality product shipments, increasing exports from 33% to 40% of total shipments, however, annual shipments were lower than 2021.

> Main economic results in million US\$

Indicator	2020	2021	2022
Consolidated income	488	773	681
Consolidated EBITDA	-32	57	-91
Net profit	-57	11	-122

> Main figures of the business in tons

Indicator		2020	2021	2022
Production	Liquid steel	800,594	832,618	701,191
	Finished steel	728,060	791,936	602,497
Shipments	Internal Market	534,801	541,371	379,221
	External market	220,408	271,480	274,258
	Total	755,209	812,851	653,479



/ CINTAC GROUP

At the end of 2022, Cintac Group's revenues reached US\$447 million, which represents a 20% drop compared to 2021. In turn, the EBITDA was US\$-14 million, and US\$-44 million after tax.

In terms of volumes, the main subsidiaries record a drop of about 22% in the previous year. This drop is mainly due to the deacceleration of economic activity in Chile and Peru, and the lack of competitive process, caused by the drop in the price of steel.

Regarding the internal operation and investment factors that had an impact and will be relevant for CINTAC Group's performance, the following stand out :

- a. Dissolution and liquidation process of the subsidiary Signo Vial in Peru.
- b. Search and execution of synergies among subsidiaries to boost the operation's productivity and optimization.
- c. Impact on the sales of subsidiaries in Peru due to the political and social situation.
- d. Organization restructuring.
- e. Adjudication of new projects for 2023 (Invernaderos Piscos Perú, Yumpac, Proyectos bicentenarios Suministro Paquetes)



> Main economic results in million US\$

Indicator	2020	2021	2022
Consolidated income	389	558	447
Consolidated EBITDA	50	90	-14
Net profit	7	45	-44

> Main figures of the business in tons

Indicator	2020	2021	2022
Total production	263,838	306,277	210,974
Steel shipments in Chile	166,639	226,193	162,241
Steel shipments in Peru	66,123	91,669	77,101
Total steel shipments	232,762	317,862	239,342
Built square meters (m ²)	-	69,747	51,352



/ TASA

In 2022, the company had an optimal performance, consolidating the trend of its results since the middle of 2020. This is supported by expense control, looking after assets, low

debt (with the consequence of low financial expenses) and, on the side of the market, keeping optimal margins.

> Main economic results in million US\$

Indicator	2020	2021	2022
Consolidated income	55	91	117
EBITDA	7	19	18
Net profit	0.7	10	9
Shipped tons (mt) of steel	46,039	50,672	54,541

/ INFRASTRUCTURE

Puerto Las Losas achieved a positive performance in 2022, meeting budget expectations thanks to commercial and operations management that was successful in responding to dynamic context and industry changes.

Among the factors that positively affected its performance, we can

highlight coasting services operated and the support of port services for the Nueva Atacama project. In addition, the long-term contract with CSH was maintained, which countered negative effects on the operation caused by high tidal waves and loss of customers.

> Main economic results in million US\$

Indicator	2020	2021	2022
Consolidated income	7	7	9
EBITDA	3	0.1	3
Net profit	1	-2	0,4
Shipped tons (mt) of iron ore	-	-	585,811

Aguas CAP had a successful year, which is mainly explained by having an operation with supply in high availability and without major on unscheduled interruptions.

> **Main economic results in million US\$**

Indicator	2020	2021	2022
Consolidated income	80	83	83
EBITDA	52	50	48
Net profit	22	21	19
Desalinated water (million m ³)	8.1	7.9	7.8

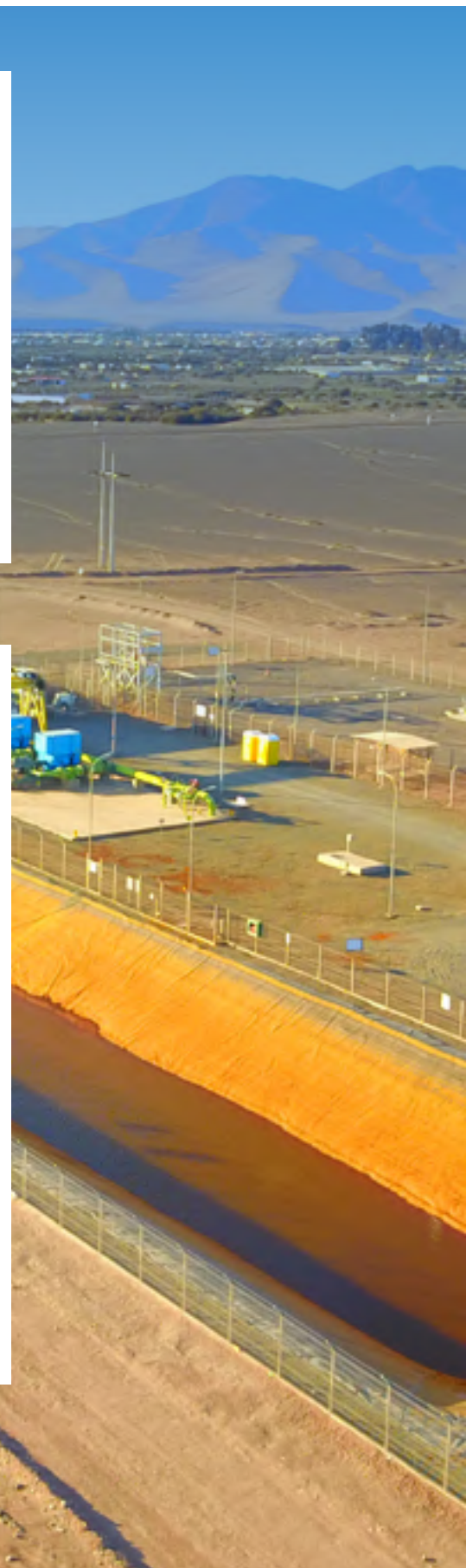
Tecnocap showed a good performance, with stable revenues and controlled costs, maintaining operational continuity, given that it focused on efficiently and effectively reducing costs.

Due to the type of business and the contracts it has signed, revenues were stable, being the cost structure one of the main obstacles keeping it from having a better performance.

The decision of considering to have an administration team that is exclusively dedicated to the business of electrical energy transmission has allowed to detect opportunities and gaps in the organization's performance, which are being dealt with to improve results.

> **Main economic results in million US\$**

Indicator	2020	2021	2022
Consolidated income	7	8	10
EBITDA	6	6	8
Net profit	4	4	5
Electricity transmission (GWh)	257	261	247



[CMF:4.1; 4.3]

/ INVESTMENTS

CAP Group allocates important resources to investment projects, related to studies for future businesses, and machinery improvements and technological innovation, for the continuity of its operating companies.

Time horizons considered in its investment planning are divided into short, medium and long term. The first refers to projects equal to or under 4 years, the second to projects from 4 to 9 years, and the third to projects of more than 9 years.

/ INVESTMENT IN CMP

The most relevant investments in mining are associated to operational continuity and sustainability. The main ones were the "Filtered Tailings Deposit Project" and the "Electrostatic Precipitator 2B", which are associated to the reduction in the generation of wet tailings and ensure compliance with current regulations related to particulate material and SO₂, respectively.

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

> Relevant investments in CMP (thousand USD)

Project	Description	Total invested	Total amount in 2022
Filtered tailings deposit VH (INV)	To fulfill the Environmental and Social commitment taken by CMP to end with the tailings dumping in the sea before September 2023, and ensure operational continuity in the Pellet Plant.	210,735	79,197
Electrostatic Precipitator 2B (INV)	Installation of an electrostatic precipitator and desulfurizer in line 2B to reduce its SO ₂ emissions, in line with the Ministry of the Environment's goal to reduce emissions in Huasco.	74,850	76,074
Prestripping F6 MLC - Stage I	Increase MLC's service life through exploitation of phase 6. Finished project.	154,086	153,694
Capitalization of MLC's - Phase 06 - Stage II	Increase MLC's service life through exploitation of phase 6. Finished Stage II Project	76,591	82,391
Purchase of loading equipment MLC	Production continuity in Los Colorados Mine requires the acquisition of two Electric Shovels.	63,489	66,352
Major maintenance CMP 2022	Component change and equipment repair to maintain operation continuity of CMP plants. In progress.	51,661	46,658
Phase 5 Norte (INV)	Projection of the Romeral Mining-Port Compound that considers pre-stripping of 15.2 m and the use of the mine, plant, train and port existing assets, with the necessary adaptations. Finished project.	48,023	50,577
Repairable components CMP 2022	Purchase and exchange of components for TBO compliance and purchase of spare components. In process.	33,233	28,762
FEL 2 Operational Continuity Huasco	Remapping of historical probes for mineralogy models, structural and lithologic alterations. Re-analysis of historical pulps for models of impurity and other minerals, definition of estimation and geo-metallurgical domains. In progress.	31,600	3,338
FEL 2A Valle Elqui Norte (Tofo)	Evaluate stage FEL 1 scenarios, incorporating in the analysis 4 sub-scenarios of alternatives for Romeral and, and PG2 and iterate with Model.	22,579	12,000

Note: All projects mentioned are in the regions of Atacama or Coquimbo and have been financed through debt and own resources. The projects of the filtered tailings deposit and pre-stripping have a medium-term horizon, while the rest is short-term.

/ RELEVANT INVESTMENTS IN CSH

In 2022, CSH continued making progress in the projects related to the Modernization Program of Blast Furnace 2 and the environmental improvements for the capture of fugitive emissions. This represents a great effort from the

company to improve its performance, both in terms of production as with environmental performance.

Blast Furnace 1 will be ready for commissioning while Blast Furnace 2 is off in 2023.

These secondary capture projects will allow the facilities to comply with the new fugitive emissions standard that will be enforced as of the end of 2023.

> Relevant investments in CSH

Project	Description	Horizon	Total amount (KUSD)	Total invested in 2022 (KUSD)
General				
Major maintenance North Zone	Major maintenance of facilities in primary zone. Finished project.	Short term	2,000	1,938
Secondary capture Coke Plant thrust	Particulate material capture and reduction system during thrust. In progress	Short term	11,327	1,176
Operational projects	Other investment projects for maintenance and operational improvements in facilities. In progress.	Short term	39,376	8,777
Blast Furnace 1			Blast Furnace 1	Blast Furnace 1
Commissioning Blast Furnace 1	Prepare commissioning of Blast Furnace 1 to produce pig iron while Blast Furnace 2 is stopped. Finished project.	Short term	17,108	15,692
Blast Furnace 2			Blast Furnace 2	Blast Furnace 2
BLT Blast Furnace 2	Implement cap system with no extractor in Blast Furnace 2, to improve performance Short term and lower fuel consumption. In progress.	Short term	16,400	2,517
Intermediate repair Blast Furnace 2	Intermediate repair for service life extension. In progress.	Short term	14,900	2,052
Refrigeration monitoring system Blast Furnace 2	System for monitoring refrigeration leaks. In progress	Short term	1,368	1,115
Automatization Blast Furnace 2	Implement level 2 expert system and new Short term instrument to control the process. In progress.	Short term	5,950	457
Emissions capture Castings courtyard Blast Furnace 2	Particulate material capture system during the casting process in Blast Furnace 2. In progress.	Short term	5,600	353

Note: all projects were developed in the region of Biobío and were financed by internal sources.

/ RELEVANT INVESTMENTS IN CINTAC GROUP

CINTAC Group’s investments focused on growth, diversification and efficiency. In 2022, the companies executed projects that sought to consolidate acquired businesses, keep the strategy focused on the conquering of new market segments and, at the same time, consolidated productive efficiencies.

> Relevant investments in CINTAC

Relevant investments	Description
La Chutana – Chilca Plant (Calaminón and Promet Perú in Lima)	End of construction of the new plant La Chutana-Chilca, responding to the need of moving the operational office in the rented facilities in Lurín. The plant was commissioned at the end of 2022.
Business expansion of Rental y Campamentos I+C (Promet Chile in Santiago)	Development of modular projects of Colbún and Manto Verde and expansion of rental fleet. In progress during 2022.
Productive concentration project (Tupemesa Perú en Lima)	Move and installation of the expanded polystyrene and single skin panel line manufacture plant. The project began in 2022.

Note: CINTAC Group does not inform implementation horizon, advancement state of projects, financing sources and investments amounts, as it is strategic information for the Company.

Calaminon and Promet Peru La Chutana – Chilca; Lima, Peru.





TASA participated as supplier of metal structures in the project Caldenes del Oeste in the province of San Luis, Argentina.

/ RELEVANT INVESTMENT IN TASA

The main investment is focused on the optimization of productive and shipment processes. There are also investments that will allow the company to access new market niches that are growing in the country. Moreover, considering the objectives to incorporate women in the productive process, the dining and changing areas are undergoing a renovation and extension in the Buenos Aires plant.

> Relevant investment in TASA

Project	Description	Horizon	Total amount (KUSD)	Total invested in 2022 (KUSD)
Safety investments	Purchase of two packing robots, in order to avoid manual labor at the exist tables of the production lines.	Short term	550	145
Facility improvements	Improvement of facilities in the Buenos Aires plant (switches, tools).	Short term	200	N/A
Renovation of roller tool	Purchase of rollers and heads to improve tools in the plants.	Short term	150	N/A
Extension of infrastructure	New finished product warehouse and office extensión in San Luis plant. Building of new changing rooms and cantine in Buenos Aires plant.	Short term	400	N/A
Equipment revamping	Equipment update to improve productivity and extend service life.	Short term	150	N/A
Systems	SAP incorporation	Short term	400	N/A
API Certification	API certification for the manufacture of new products related to the energy market	Short term	200	N/A

Note: All projects are in Buenos Aires, Argentina and have been financed with own resources. Only the first one, about safety, has a level of progress of 26% in its implementation; the others have not yet started.

/ INVESTMENT IN INFRASTRUCTURE

In 2022, there were relevant investments in Aguas CAP and Tecnocap, while PLL did not have relevant investments during the period.

AGUAS CAP

It is currently executing short-term investment projects, which consist of desalinated water supply in a new point for Caserones mine in Chañaral, in addition to the existing one in Caldera and Canal Mal Paso, with an investment of US\$ 3.2 million and the improvement of existing infrastructure of the aqueducts of Tierra Amarilla and Cerro Negro Norte, with investments of US\$ 8.5 million and US\$ 25.7 million, respectively. Moreover, according to the business plan, the company is currently doing engineering and environmental studies for the sale of additional capacity to new clients.

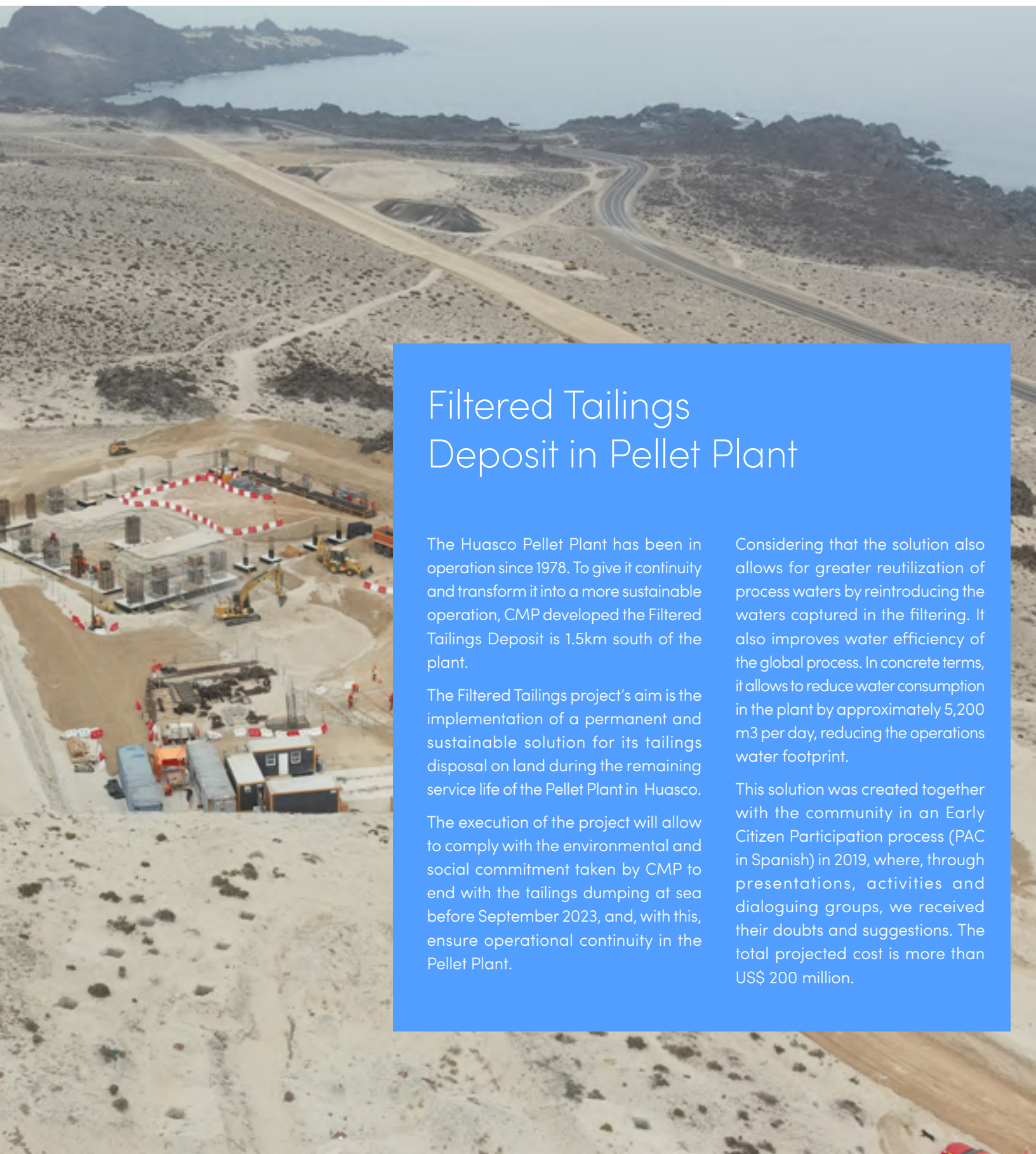
TECNOCAP

The main investment milestones were the purchase of a development project for a photovoltaic park, and the approval of the SCADA habilitation (Supervisory Control and Data Acquisition) in company facilities.

> Relevant investments in Infrastructure

Project	Description	Horizon	Total amount (KUSD)	Total invested in 2022 (KUSD)
Aguas CAP				
Improvement of Aqueduct in CNN between EB1 and EB3	Improvement of aqueduct in CNN (20" steel with HDPE liner). It is at a 38% of progress and will reduce risks of interruption of the system for water leaks.	Short term	34,300	8,600
Improvement of Aqueduct Tierra Amarilla (ATA)	Reboosting of design flows in Tierra Amarilla. Its progress is of 5% and it contributes to making the aqueduct's cleaning processes more efficient, improving energy efficiency in transport of water.	Short term	8,518	311
Tecnocap				
Photovoltaic park	Plant development. In development stage.	Long term	2,863	552
SCADA habilitation	SCADA habilitation, starting in 2022.	Short term	143	14

Note 1: Aguas CAP projects are located in the town of Copiapó in the region of Atacama and have been financed with loans, own sources and a financing agreement with the customer. / Note 2: Tecnocap's projects are located in the region of Atacama and have been financed with own sources.



Filtered Tailings Deposit in Pellet Plant

The Huasco Pellet Plant has been in operation since 1978. To give it continuity and transform it into a more sustainable operation, CMP developed the Filtered Tailings Deposit is 1.5km south of the plant.

The Filtered Tailings project's aim is the implementation of a permanent and sustainable solution for its tailings disposal on land during the remaining service life of the Pellet Plant in Huasco.

The execution of the project will allow to comply with the environmental and social commitment taken by CMP to end with the tailings dumping at sea before September 2023, and, with this, ensure operational continuity in the Pellet Plant.

Considering that the solution also allows for greater reutilization of process waters by reintroducing the waters captured in the filtering. It also improves water efficiency of the global process. In concrete terms, it allows to reduce water consumption in the plant by approximately 5,200 m³ per day, reducing the operations water footprint.

This solution was created together with the community in an Early Citizen Participation process (PAC in Spanish) in 2019, where, through presentations, activities and dialoguing groups, we received their doubts and suggestions. The total projected cost is more than US\$ 200 million.

Declaration of responsibility

In conformity with General Norm N°461 of the Financial Market Commission "CMF", this Integrated Annual Report was approved unanimously by the Company Directors and the CEO, who declare that all information in it is accurate.



Jorge Salvatierra

Chairman
RUT: 6.557.615-5



Tadashi Mizuno

Vice-Chairman
RUT: 27.453.031-6



María Olivia Recart

Director
RUT: 9.568.435-1



Juan Enrique Rassmuss

Director
RUT: 7.410.905-5



Claudia Manuela Sánchez

Director
RUT: 9.306.718-5



Roberto de Andraca

Director
RUT: 7.040.854-6



Patricia Núñez

Director
RUT: 9.761.676-0



Nicolás Burr

CEO
RUT: 13.039.622-4

08

Appendix

CAP Group's corporate building is located in the Metropolitan Region.

General information

/ LEGAL INFORMATION OF THE ENTITY

CAP S.A. was established by Public Deed on April 27th, 1946, before Notary Public Mr. Pedro Cuevas, in the city of Santiago. Its existence and corporate statutes were authorized by Treasury Decree N° 2,004, on May 3rd, 1946. The extracts were registered on the Commercial Record, on May 18th 1946, on pages 1.356 and 1.358, N° 983 and N° 984, respectively, published in the Official Newspaper on May 20th 1946. Treasury Decree N° 3.418 declares de Company as legally established. Since its establishment, CAP S.A.'s corporate statutes have gone through several modifications, which are reflected in the consolidated Company statutes available on its website.

/ COMPANY OBJECTIVE

The Company has a main objective to invest its capitals in any type of intangible property, such as shares, bonds, debentures, savings and capitalization plans, shares or rights in companies or mutual funds, and any other type of titles or transferable securities, as well as managing said investments.

In addition, the Company has the following specific objectives:

- a. To promote, organize and establish companies of any kind and purpose, and buy and sell shares and rights.
- b. To provide management, financial and legal consulting, audit and other necessary services for the best possible development of the companies of which it is shareholder or associate, or third-party companies.
- c. To coordinate the management of the companies of which it is shareholder or associate, in order to obtain the best productivity and profitability possible.



[CMF 6.5.1, 6.5.2]

/ SUBSIDIARIES, ASSOCIATES, AND INVESTMENTS IN OTHER COMPANIES

CAP does not have investments of more than 20% of the entity's total asset and that are not subsidiary or associated companies.

As per the definition of the NIIF or IFRS, it includes the information of its subsidiary and associated companies:

1.

COMPAÑÍA MINERA DEL PACIFICO S.A.

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

/ Subscribed and paid-in capital

As of December 31m 2022, subscribed and paid capital in this company totals US\$ 887,220,369.40 divided into 4,694,836 shares.

/ Company objective

- a. To exploit own or third-party mining sites for any substance conceived by law.
- b. To explore, acknowledge, formulate requests, manifest, measure, constitute mining properties and rights, over all types of mineral substances and, in general, acquire any mining site titles, dispose of them, hire them to or from others, or any other type of use: acquire, dispose of, import or export minerals, all individually or jointly with other people, natural or legal.
- c. To acquire, build, exploit, take and lease to any titles benefit plants, foundries, and annex ports and facilities.
- d. To trade and sell minerals in any state, be it or not their own production, directly or indirectly.
- e. To acquire, install and exploit complementary, derived, secondary industries, suppliers of raw materials, supplies or related services, directly

and indirectly with the previous objectives.

- f. To supply geological and mining research, engineering, mechanic maintenance, industrial, construction and earth movement services.
- g. To form, constitute, participate and administrate any type of company for the realization of the previous objectives and coordinate their management.

/ Company management

Directors

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

Deputy directors

- Roberto de Andraca Adriasola
- Francisco Lepeley Contesse
- Patricia López Manieu
- Álvaro Castellón Peña
- Taira Shimizu
- Jaime Andrés González Wenzel

Director Committees

- Projects and Contracts Committee
- Audit and Risks Committee
- Strategy, Talent and Culture Committee
- Operational and Technical Committee

CEO

- Francisco Carvajal Palacios

2. SOCIEDAD DE INGENIERÍA Y MOVIMIENTOS DE TIERRA DEL PACÍFICO LIMITADA (IMOPAC LTDA.)

- Type of business entity: limited liability company
- Address: Arturo Prat 2196, Vallenar, Atacama
- Indirect CAP ownership via CMP S.A. and Manganesos Atacama S.A.: 74.999%

/ Subscribed and paid-in capital

As of December 31, 2022, it totals US\$1,733,226.06.

/ Company objective

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

/ Company management:

Administrative Council

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

CEO

Marcelo Toro Moscoso

3. MANGANESOS ATACAMA S.A.

- Type of business entity: closed anonymous company
- Address: Vulcano N° 75, Sector Covico, Coquimbo, Region of Coquimbo, Chile
- Indirect CAP ownership via CMP S.A.: 74.184%

/ Subscribed and paid-in capital

As of December 31, 2022, it totals US\$7,512,158.59.

/ Company objective

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

/ Company management:

Administrative Council

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

CEO

John Patrick McNab Martín

4. CMP SERVICES ASIA LIMITED

- Type of business entity: Private limited company, constituted under Hong Kong law, China.
- Address: Hong Kong, Republic of China
- Indirect CAP ownership via CMP S.A.: 74.999%

/ Subscribed and paid-in capital

As of December 31, 2022, it totals US\$10,000.

/ Company objective

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

/ Management

Board:

- Francisco Carvajal Palacios
- John Patrick McNab Martín



5. COMPAÑÍA SIDERÚRGICA HUACHIPATO S.A.

- Type of business entity: closed anonymous company.
- Address: Avenida Gran Bretaña 2910, Talcahuano.
- CAP ownership percentage: 99.99%

/ Subscribed and paid-in capital

As of December 31, 2022, subscribed and paid-in capital of this company totals US\$537,783,988.64, divided into 12,583,695 nominative shares, all of them from one series, without nominal value.

/ Company objective

- To produce iron ore in bars and laminated steel.
- To acquire, build and exploit, to any title, powerhouses, steelworks and metallurgical plants in general.
- To acquire, install and exploit complementary, transformative, secondary industries, raw material suppliers or related directly or indirectly

with the steelworks or the metallurgical plant, and,

- To serve as an agent or commissioner, representative or intermediate in all types of business related to the Company's goals.

/ Company management

Board

- Julio Bertrand Planella, Chairman
- Catalina Mertz Kaiser, Vice-Chair
- Jorge Salvatierra Pacheco, Director
- Alejandro Figueroa Álvarez, Director
- Roberto de Andraca Adriasola, Director
- Marisol Montaña Soto, Director
- Nicolás Burr García de la Huerta, Director

Directors Committee

- Risks and Audit Committee
- Investment Committee

CEO:

- Rodrigo Briceño Carrasco¹

6. NOVACERO S.A.

- Type of business entity: closed anonymous company
- Address: Gertrudis Echeñique N° 220, Las Condes, Santiago.
- CAP ownership percentage: 99.9%

/ Subscribed and paid-in capital

As of December 31, 2022, subscribed and paid-in capital of this company totals US\$57,229,769.68 divided into 273,693,075 nominative shares without nominal value.

/ Company objective

The company's objective is to carry out all manner of movable and immovable investments, be it in shares, debenture bonds, loans, rights, commerce effects, real estate or parts of them, being able to buy, sell, keep or administrate its investments, take interest or participate as partner in businesses or societies of any kind; create, finance, promote and manage any type of business of its own or from third parties; receive or invest the yields of the investment; buy, sell, manufacture, elaborate, export, by its own accord or of a third party, all manner of movable goods, articles, products or raw materials; assume representations, agencies, commissions or mandates of any kind.

/ Company management

Board

- Stefan Franken Osorio, Chairman
- David Alow Ibañez, Director
- Christian Schmidt Almarza, Director

CEO:

- Javiera Mercado Campero



1. As of March 1, 2023, Mr. César Garrido Quintana steps in as CEO.



7.

CINTAC S.A.

- Type of business entity: open anonymous company.
- Address: Camino a Lonquén, N° 11011, Maipú
- Direct CAP ownership percentage: 11.03%
- Indirect ownership via Novacero S.A.: 50.93%

/ Subscribed and paid-in capital

As of December 31, 2022, subscribed and paid-in capital of this company totals US\$57,119,766, divided into 439,817,195 shares without nominal value

/ Company objective

Cintac S.A., as per its statutes, at the following main objectives:

- The manufacture of all kinds of metallurgical and steel products, and its later trading. It can also incorporate imported or representation products.
- The execution of civil and other works that use products manufactured by Cintac S.A.
- The exportation, importation and trading of products and raw materials related to the preceding activities.
- The exploitation of agricultural, fishing or forestry activities in any of its ways.

- The execution of all kinds of activities and industrial, commercial and mining businesses.
- The importation, exportation, distribution and trading of all types of products and the execution of all manner of industry or commerce services.
- The investment of capitals in any kind of immovable goods, corporeal or incorporeal.

/ Company administration

Board

- María Cecilia Facetti de Savoldi, Chair
- Claudia Bobadilla Ferrer, Vice-Chair
- Roberto de Andraca Adriasola, Director
- Felipe Díaz Ramos, Director
- Nicolás Burr García de la Huerta, Director
- Fernando Rioseco Zorn, Director
- Abel Bouchon Silva, Director

Directors Committees

- Directors Committee
- Strategy and Investment Committee
- Risk Committee
- Finance Committee

CEO

- Patricio Merello Hitschfeld

8.

INTASA S.A.

- Type of business entity: closed anonymous company.
- Address: Gertrudis Echeñique N° 220, Las Condes, Santiago.
- Direct CAP ownership percentage: 64.67%
- Indirect ownership via Novacero S.A.: 34.20%

/ Subscribed and paid-in capital

As of December 31, 2022, subscribed and paid-in capital of this company totals US\$12,307,837.90, divided into 522,442,720 nominative shares without nominal value.

/ Capital variations during the latest period

On February 15, 2022, Intasa S.A.'s own capital was reduced due to the application of article 27 in law 18.046, as 72,187,425 of its own issuing had been in Intasa S.A.'s hands for over a year, after acquiring them as a consequence of several shareholders exercising their rights to retire, which was triggered by the agreement reached at the extraordinary shareholders meeting on December 17, 2020. The decision consisted in the cancellation of Intasa's and its shares' registration in the Securities Record by the CMF.

/ Company objective

As per its statutes, the company's objective is:

- a. The manufacture, distribution, trading, representation, importation and exportation of all kinds of steel and metallurgical products; the execution of civil works, housing construction and making of specialties that use products manufactured by the Company; the organization of means of transport that complement the Company's objective; the trading, importation and exportation of all manner of movable goods that can complement the company's activities for the achievement of the previous objective. The Company will be able to act on its own or a third party's behalf.
- b. The execution of all manner of industrial, commercial and mining activities and businesses, including research, exploration, extraction, exploitation, production, benefit, trade and distribution, on its own or a third party's behalf, off all kinds of products, stock and ores; and the production and elaboration, transformation, trade and transport of raw materials, supplies, substances and elements of any class or nature.
- c. The importation, exportation, distribution and commercialization, execution and any form of service, all types of products and services of the industry or commerce.

- d. Capital investment in any type of movable and immovable goods, corporeal or incorporeal, such as shares, debenture bonds, savings and capitalization plans, social quotas or rights, and any kind of titles or real estate with the faculty of administering said investments. The Company will be able to, likewise, for a better compliance with its objective, constitute, acquire, integrate as associate or any other way, directly, or with third parties or subsidiary companies, institutions, foundations, corporations, or associations of any kind or nature, in Chile or abroad.

/ Company administration

Board

- María Cecilia Facetti de Savoldi, Chair
- Alejandro Figueroa Álvarez, Vice-Chair
- Cristián Cifuentes Cabello, Director
- Javiera Mercado Campero, Director
- Stefan Franken Osorio, Director

CEO

- Christian Schmidt Almarza

9.

TUBOS ARGENTINOS S.A.

- Type of business entity: anonymous company, constituted under the laws of the Republic of Argentina.
- Address: Tomás Jofré 875, San Luis, Argentina.
- Indirect CAP ownership via INTASA S.A.: 98.86%

/ Subscribed and paid-in capital

As of December 31, 2022, capital is ARG\$44,148,349.

/ Company objective

- a. Industrial: In anything related to the manufacture of pieces oxycut by electronic pantograph and stretched, flattened and cut-to-measure steel coils, the manufacture and transformation of pipes, tubes, their accessories, raw materials and other tools and machinery for the industry in its own or in third-party facilities, instruments, artifacts, spare parts, accessories, engines and other implements bear direct and indirect relation with any type of machinery, linked to the metallurgical, plastic or wood and alternatives industry, including consultancy and technical industrial engineering services, as well as cutting, planking, laminating, drawing, and general manufacture of irons, steels, and other metals.
- b. Commercial: In anything related to trading, fractioning, importation, exportation, representation and consignment of irons, steels, products, materials, machinery and stock of the kind detailed in a), including invention patents and national and/or foreign trademarks, their negotiation in the country or abroad, directly or through association with constituted or to-be-constituted companies. The importation, exportation, commission,



consignment, distribution, raw material trading and goods of its product line, exploitation of invention patents, national and foreign trademarks, industrial designs and models, their negotiation in the country or abroad. Therefore, the Company has total legal faculty to acquire rights, contract obligations and exercise actions that are not forbidden by law or by this statute.

- c. Financial: In anything related to the intervention in the financing of industrial, commercial, fishing, forest, mining and real estate companies, and/or participating in them, excluding operations foreseen in the Financial Entities Law and any other that requires public tender. .

/ Administration

Board

- Alejandro Ortiz, Chairman
- Alejandro Figueroa, Director
- Cristian Cifuentes, Director

CEO

- Paula Poloni



10. TECNOCAP S.A.

- Type of business entity: closed anonymous company.
- Address: Gertrudis Echeñique N° 220, Las Condes, Santiago.
- CAP ownership percentage: 99.9%

/ Subscribed and paid-in capital

As of December 31, 2022, the company's paid-in capital totals US\$ 21,539,438.8, divided into 10,933,705 nominative shares without nominal value.

/ Company objective

To invest on, develop, produce and sell technological material or elements, necessary or related to activities dealing with iron, metals and mining; to develop engineering projects and works; and to provide services and advice related to any of the aforementioned.

To invest in any type of company, or its constitution, whatever its nature or origin, in communities or associations in any title, shape or mode, related to the ends mentioned, and manage these investments.

For all the ends detailed in the two points included above, the Company can execute or celebrate all types of legal acts, for administration or disposition.

/ Company administration

Board

- Patricia López Manieu, Director
- Francisco Lepeley Contesse, Director

Directors Committees

- Risk Management Committee

CEO

- Andrés Sepúlveda Alcaíno

11. CAP ENERGÍA SpA

- Type of business entity: company limited by shares
- Address: Gertrudis Echeñique N° 220, Las Condes.
- CAP ownership percentage: 100%

/ Subscribed and paid-in capital

USD\$2.000.000 divided into 10,000 ordinary nominative shares, from the same series with no nominal value.

/ Company objective

a. Investment in all kinds of companies, or their constitution, whatever its nature or origin, in communities or association in any title, form or modality, related to any electrical and/or technological element, of any type, power and/or nature, necessary for or related to industrial activity, especially related to the steel, metallurgical or mining industries; and administrate these investments.

b. The design, engineering, development, manufacture, financing, construction, acquisition, operation and commercialization of elements related to the aforementioned ends; as well as engineering projects and works and the provision of all types of consultancy or services related to this objective.

c. The execution of all commercial or industrial activities that may be complementary or annexed to the main purpose. For the effects of the ends mentioned in the preceding points, the Company can execute or celebrate all types of legal acts, for administration or disposition.

/ Managers

- Andrés Sepúlveda Alcaíno
- Álvaro Castellón Peña
- Stefan Franken Osorio
- Christian Schmidt Almarza
- David Alow Ibáñez
- Javiera Mercado Campero
- Daniel Carvallo Montes

12. INVERSIONES CANDELARIA SOLAR SpA

- Type of business entity: company limited by shares.
- Address: Gertrudis Echeñique N° 220, Las Condes.
- Indirect CAP ownership via Tecnocap S.A.: 100%

/ Subscribed and paid-in capital:

CLP 5,000,000 divided into 5.000.000 nominative shares, all of the same series and with no nominal value

/ Company objective:

One) The design, development, management, financing, construction and operation of centers to produce non-conventional renewable energies, of any type, power and/or nature they may be. Two) The execution of investments, purchase, sales, importation and exportation, on all kinds of goods, corporeal or incorporeal, movable or immovable, acquisition of shares or rights in any kind of company, civil or commercial, debentures, bonds, commerce effects and all kinds of movable securities and investment instruments and the administration of these investments and its yields. Three) The investment in all kinds of movable and immovable goods, corporeal or incorporeal, establishment of commerce, industries, products or supplies, the administration of these investments and the perception of its yields; Four) The acquisition of any title, disposal, use, benefit, administration, lease, and disposition of urban or rural properties, real estate management and architecture, being able to divide, subdivide, urbanize, rent out, build any kind of civil work such as houses, buildings, roads, etc., and exploit them, on its own or a third party's behalf, also being able to participate and contribute them in all kinds of company, community and associations;

Five) The provision of professional and technical consultancies to any type of person, natural or legal, national or foreign, public or private, on its own behalf or a third party's, on financial, economic, project feasibility, investment architecture, design and construction, and engineering matters, or any other kind agreed on by the Shareholders; Six) Constitute all types of companies, foundations, corporations and legal persons in general, be them public-private, for or not for profit; and Seven) In general, the development of all manner of business agreed on related to the company's business and the ends deemed convenient for it.

/ Managers

- Andrés Sepúlveda Alcaíno
- Álvaro Castellón Peña
- Stefan Franken Osorio
- Christian Schmidt Almarza
- David Alow Ibáñez
- Javiera Mercado Campero
- Daniel Carvallo Montes



13. PUERTO LAS LOSAS S.A.

- Type of business entity: closed anonymous company.
- Address: Puerto Las Losas S/N, Huasco, CHILE.
- CAP ownership percentage: 51%

/ Subscribed and paid-in capital

As of December 31, 2022, the company's subscribed and paid-in capital totals US\$60,437,629.12.

/ Company objective

Its main objective is the expansion, improvement, administration, exploitation, development and conservation of Puerto Las Losas located in Bahía Guacolda, region of Atacama, all included in the inherent activities and services to the operation of the port.

/ Company management

Board

- Patricia López Manieu, Chair
- Luis Felipe Fuenzalida Bascuñán, Director
- Alvaro Castellón, Director
- Alejandro Montes Ortúzar, Director
- Francisco Lepeley Contesse, Director

Directors Committee

- Risk Management Committee

CEO:

- Mario Ríos Espinosa

14. CLEANAIRTECH SUDAMÉRICA S.A.

- Type of business entity: closed anonymous company.
- Address: Bahía Totoralillo, Ruta 5 Norte, K906, Caldera.
- CAP ownership percentage: 51%

/ Subscribed and paid-in capital

As of December 31, 2022, the company's subscribed and paid-in capital totals US\$134,471,639.88.

/ Company objective

Its objective is the purchase, lease, sale, exportation, importation, manufacture, commercialization or distribution, by itself or via third parties, and of any title or form, of all types of movable goods, raw materials, manufactured products, equipment, pieces and parts, for industrial and/or commercial use. The provision of all manner of consultancy services, the acquisition or investment in all types of shares or rights in a company, the development of the sea water desalinization business and the construction and exploitation of desalinating plants, the commercialization and sale of desalinated water and their supply to industrial or other types of customers, and the service of transport or conduction of water by any medium, on its own or a third party's behalf.

/ Company management

Board

- Stefan Franken, Chairman
- Rei Muto, Director
- Naoto Kinoshita, Director
- Francisco Lepeley, Director
- Patricia López, Director

Directors Committee

- Risk Management Committee

CEO

- Hernán Aravena Noemi

15. INMOBILIARIA SANTIAGO SpA

- Type of business entity: company limited by shares.
- Address: Gertrudis Echeñique N° 220, Las Condes, Santiago.
- CAP ownership percentage: 99.99%

/ Subscribed and paid-in capital

As of December 31, 2022, the company's capital totals US\$1,051,178

/ Company objective

To execute real estate businesses, for which it will be able to acquire, dispose of, negotiate and use in any form and with any real estate title, urban or rural, even furnished, being able to divide plots of land, urbanize, build constructions of any kind and sell them and/or exploit them on its own or a third party's behalf; rent and rent out, lease, sublet and give to others any property title, use and benefit; to administrate these investments and receive their yields; B) The provision of consultancy services, especially in real estate matters; C) The execution of investments on all manner of goods, moveable, corporeal or incorporeal, including the acquisition of shares and company rights, whether they are from people or capital, debentures, bonds, fixed-term deposit, fund quotas, commerce effects and all types of titles or movable securities and investment tools and the administration and commercialization of these investments and their yields; and D) In general, to execute all manner of investments. Por the attainment of its objective, the society will be able to execute and celebrate all kinds of actions, even constituting other companies or incorporate into them.

/ Managers

- Álvaro Matías Castellón Peña
- Christian Max Schmidt Almarza
- David Humberto Alow Ibáñez
- Javiera Paz Mercado Campero
- Paula Salinas Sobarzo
- Stefan Franken Osorio

16.

INMOBILIARIA RENGO SpA

- Type of business entity: company limited by shares.
- Address: Gertrudis Echeñique N° 220, Las Condes, Santiago.
- CAP ownership percentage: 99.99%

/ Subscribed and paid-in capital

The company's capital is US\$124,412.

/ Company objective

To execute real estate businesses, for which it will be able to acquire, dispose of, negotiate and use in any form and with any real estate title, urban or rural, even furnished, being able to divide plots of land, urbanize, build constructions of any kind and sell them and/or exploit them on its own or a third party's behalf; rent and rent out, lease, sublet and give to others any property title, use and benefit; to administrate these investments and receive their yields; B) The provision of consultancy services, especially in real estate matters; C) The execution of investments on all manner of goods, moveable, corporeal or incorporeal, including the acquisition of shares and company rights, whether they are from people or capital, debentures, bonds, fixed-term deposit, fund quotas, commerce effects and all types of titles or movable securities and investment tools and the administration and commercialization of these investments and their yields; and D) In general, to execute all manner of investments. Por the attainment of its objective, the society will be able to execute and celebrate all

kinds of actions, even constituting other companies or incorporate into them.

/ Managers

- Álvaro Matías Castellón Peña
- Christian Max Schmidt Almarza
- David Humberto Alow Ibáñez
- Rodrigo Briceño Carrasco
- Stefan Franken Osorio

17.

INMOBILIARIA TALCAHUANO SpA

- Type of business entity: company limited by shares.
- Address: Avenida Gran Bretaña N° 2910, comuna de Talcahuano, Región del Bío Bío.
- CAP ownership percentage: 99.99%

/ Subscribed and paid-in capital

The company's subscribed and paid-in capital is US\$147,911

/ Company objective

To execute real estate businesses, for which it will be able to acquire, dispose of, negotiate and use in any form and with any real estate title, urban or rural, even furnished, being able to divide plots of land, urbanize, build constructions of any kind and sell them and/or exploit them on its own or a third party's behalf; rent and rent out, lease, sublet and give to others any property title, use and benefit; to administrate these investments and receive their yields; B) The provision of consultancy services, especially in real estate matters; C) The execution of investments on all manner of goods, moveable, corporeal or incorporeal, including the acquisition of shares and company rights, whether they are from people or capital, debentures, bonds, fixed-term deposit, fund quotas, commerce effects and all types of titles or movable securities and investment tools and the administration and commercialization of these investments

and their yields; and D) In general, to execute all manner of investments. Por the attainment of its objective, the society will be able to execute and celebrate all kinds of actions, even constituting other companies or incorporate into them.

/ Managers

- Álvaro Matías Castellón Peña
- Christian Max Schmidt Almarza
- David Humberto Alow Ibáñez
- Rodrigo Briceño Carrasco
- Stefan Franken Osorio



[CMF 6.5.1, 6.5.2]

/ ADDITIONAL INFORMATION ON ITS RELATIONSHIP WITH ITS SUBSIDIARIES

CMF 6.5.1.vi

> PERCENTAGE REPRESENTING INVESTMENT ON EACH SUBSIDIARY OR ASSOCIATE OVER THE PARENT COMPANY'S INDIVIDUAL ASSETS..

	Assets by investment in related companies (US\$ million)	% of parent company's ownership of subsidiaries	% investment in each subsidiary over the parent company's total individual assets
Compañía Minera del Pacífico S.A.	2,093	75%	62%
Compañía Siderúrgica Huachipato S.A.	235	100%	7%
Cleanairtech Sudamérica S.A.	89	51%	3%
Novacero S.A.	76	100%	2%
Tecnocap S.A.	45	100%	1%
Puerto Las Losas S.A.	25	51%	1%
Inmobiliaria Talcahuano S.A.	18	100%	1%
Cintac S.A.	15	62%	0%
Intasa S.A.	14	99%	0%
CAP Energía SpA	2	100%	0%
Inmobiliaria Santiago S.A.	1	100%	0%
Inmobiliaria Rengo S.A.	-	100%	0%
Total assets CAP S.A.	3,388		

CMF 6.5.1.vii

> DIRECTORS AND EXECUTIVES WITH ROLES IN SUBSIDIARIES OR ASSOCIATES

Name	Role in CAP	Role in subsidiaries
Jorge Salvatierra Pacheco	CAP Director	Director in Compañía Minera del Pacífico S.A., Director in Compañía Siderúrgica Huachipato S.A.
Juan Enrique Rassmuss Raier	CAP Director	Director in Compañía Minera del Pacífico S.A.
Roberto de Andraca Adriasola	CAP Director	Deputy director in CMP S.A., Director in Compañía Siderúrgica Huachipato S.A., Director in Cintac S.A.
Tadashi Mizuno	CAP Director	Director in Compañía Minera del Pacífico S.A.
Nicolás Burr García de la Huerta	CEO	Director in Cintac S.A., Compañía Siderúrgica Huachipato S.A. and Compañía Minera del Pacífico S.A.



Name	Role in CAP	Role in subsidiaries
Stefan Franken Osorio	Corporate Affairs, Sustainability and Legal Manager	Director in Cleanairtech Sudamérica S.A., Intasa S.A., and in Novacero S.A.
Francisco Lepeley Contesse	CFO	Director in Cleanairtech Sudamérica S.A., Tecnocap S.A., Puerto Las Losas S.A., Deputy director Compañía Minera del Pacífico S.A.
Patricia López Manieu	Infrastructure Manager	Director in Cleanairtech Sudamérica S.A., Tecnocap S.A., Puerto Las Losas S.A., Deputy director in CMP S.A.
Christian Schmidt Almarza	CEO INTASA S.A.	Director Novacero S.A.

CMF 6.5.1.viii; 6.5.1.ix

/ Relationship with subsidiary and associated companies

CAP S.A. holds integrated services contracts with its operating companies, renewed automatically each year, and consisting in the provision of finance and accounting, legal, IT, internal audit, sustainability, compliance and other services.


In 2022, no actions or contracts were celebrated with the operating companies that significantly influence CAP's operations and results.



(CMF 6.2.v, 6.2.vi)

/ TRADEMARK

CAP S.A. currently has 17 trademarks and does not have relevant patents to inform.

N°	Trademark	Description
1	CAP	Wide protection to identify CAP's industrial establishment, its businesses and practically all products and services offered by CAP Group.
2		It identifies products like metals and other industrial products and services included in CAP Group's description of operations
3	CAP-75	Used to identify metal bars.
4	Del Pacífico	To identify commercial establishments for the purchase and sale of all types of products in regions III, IV and XIII, especially including mining services, ore benefits, steelworks, industrial services, and others.
5	Huachipato	To identify the industrial establishment for the manufacture of metals and their alloys, steel products, metallic ores, and other related ones.
6	Dur CAP	To identify the anti-abrasive steel product.
7	Zinc CAP	To identify certain metals and their allows, metallic construction materials, and other related products.
8	"(.)"; "(.)", "(...)"; "(...)"	To identify metals and their alloys. It includes metallic manufacturing, forge, hardware, pieces for metallic constructions and metallic cables, metal formworks and pipes, (class 6).
9	CAP-SOL	To identify steel bars.
10	COR-CAP	To identify products like metals, alloys and metallic compounds.
11	CAP Soluciones en Acero	To identify products to be used in prints in general, to identify services for radio or TV broadcasts, and others.
12	CAP Procesamiento de Acero	It includes mining, steel-making or metallurgical activities and other general industrial services.
13	PETROCAP	To identify oil and grease products, lighting materials; and to identify a commercial establishment for the purchase and sale of said products.
14	CMP	To identify mineral products, extraction and mineral substance treatments services, and the stocking of mineral substances and mining exploitation equipment.
15	TECNOCAP	To identify services for importation, exportation, distribution and commercialization of all types of industrial products and technology investment company, and related areas

/ CAP DIRECTORS COMMITTEE 2022 ANNUAL REPORT

In compliance with article 50 bis of Law N°18,046 about Limited Liability Companies, CAP S.A.'s Directors Committee, approved the following annual report on the Committee's management during the 2022 period and incurred expenses over the same time.

In conformity with the aforementioned article 50 bis, this report is to be included in the Company's Annual Report and informed about in the next Ordinary Shareholders Meeting.

/ 1. Composition of the Directors Committee.

In 2022, the Company's Directors Committee was composed by directors Ms. María Olivia Recart H., as President, Ms. Patricia Núñez F., and Mr. Roberto de Andraca A.

/ 2. Main activities carried out in 2022.

In 2022, the Directors Committee gathered periodically and its main activities were the following:

a) Review of Annual Financial Statements..

On the session that took place on January 26th 2022, the Committee reviewed, with CAP's CFO and external EY auditors, the records related to CAP's financial statements for the 2020 period, including the external auditors' report, recommending its approval to the Company's Board of Directors, who approved it during a session on the same date.

b) Review of Mid-Term Financial Statements.

On the sessions of May 5th and August 4th 2022, the Committee, together with the Company's CFO and its General Accountant, reviewed CAP's financial statements as of March 31st and September 30th, respectively, considering that said statements appropriately reflected the Company's financial situation.

Moreover, in the session that took place on November 3rd 2022, the Committee, together with the CFO and his Chief Accountant, analyzed CAP Group's financial statements as of September 30th 2022, considering they reflect CAP's financial situation accurately.

c) Proposals for external auditors and private risk classifiers.

On the session that took place on March 4 2022, the Committee agreed to recommend the Board the appointment of EY as external auditors to the company for the 2022 period, considering the convenience of giving continuity to EY so that they can keep deepening in their analyses and reviews of the Company's and the Group's processes, as well as

for its extensive career in the mining and industrial sectors in which CAP Group operates, for the focus, organization and structure of the audits, and the estimated times for their execution, among other arguments. Deloitte was recommended as a second option.

Likewise, the Committee analyzed the performance of private risk classifiers which currently classify the Company's

risks and securities: Fitch Ratings, Feller Rate and S&P. Considering that they met all the independence, experience and trajectory requirements to fulfill their duties, as well as having the appropriate certification by regulating authorities, the Committee proposed to the Board to keep said companies as risk classifiers for the 2022 period.

The proposed names for external auditors and private risk classifiers were approved by the Company's Board of Directors and the Ordinary CAP Shareholders Meeting.

d) External Audit Plan.

On its session of May 5th 2022, EY external auditors presented the Committee their external audit plan for 2022, which included an internal control assessment stage, issuance of review reports, apart from the stages of preliminary and final substantial evidence. In the same meeting, the main audit topics of interest were analyzed, as well as the challenges for the 2022 external audit plan, regarding CAP and its operating companies

e) Internal Audit Plan.

In the January 26 2022 session, the Committee, together with the Internal Audit Manager reviewed the aspects related to end of the execution of the 2021 internal audit plan, as well as the audit plan proposal for 2022, which was approved in the same session. This session also included the presence of the Audit and Risks Committees and of the Directors Committees from the Group's main operating companies in



order to facilitate the coordination of the audit work for the rest of the year.

On April 7th, it met with the Internal Audit Manager again to analyze the progress of the 2022 audit plan, as well as the area's strategic initiatives, whose main focuses were to comply with the assurance and monitoring audit plan, based on the strategic risks identified by the Company and its operating companies, the beginning of production of continuous audit bots, the creation of an audit unit for the compliance and reorganization of the Internal Audit Management, and the development of succession plans and training program and team development, with a technical and ESG focus, which were approved by the Committee.

In a session on June 2nd, the Directors Committee agreed to recommend the approval of the modification of the annual internal audit plan in order to incorporate review processes in the area of information security, which was approved by the Board in their meeting on the same day.

Additionally, the Directors Committee met with the Company's Internal Audit Management on July 7th 2022 for a presentation on the progress of the internal audit plan and its main findings, together with a report on the functioning of the Internal Audit Management

restructuring, whose objective was to strengthen this unit's processes and team members.

Finally, in its October 6th and December 21st sessions, the Committee, together with the Internal Audit Management, reviewed the progress of the internal audit plan for the last quarter of the year, particularly regarding the strategic initiatives and compliance achievements of the operating companies' internal audit processes, among others.

f) Integrity and Compliance Program.

On February 23rd 2022, the Directors Committee met with CAP's Compliance Officer to review a report of the work carried out by the compliance unit in 2021, and also analyze the area's main compliance projects for 2022. These projects include the adaptation plan of the Crime Prevention Model to incorporate what is established in the Economic Crime Bill, which will substantially modify Law N° 20,393. The progress of said plan was reviewed in the sessions that took place on May 5th, September 1st and November 3rd.

Also on the May 5th session, the Directors Committee evaluated the performance on compliance indicators during the first semester. On this occasion, the Committee recommended to look for technological

alternatives that allow to automatize compliance of the of supplier and contractor due diligence processes, with the purpose of guaranteeing the expected percentage for said indicator. Particularly, the Committee highlighted the importance of generating trust in the integrity channel, for which it requested the implementation of a communications strategy, which was presented and approved by the Committee on September 1st, to be implemented during the last quarter of 2022.

In its session of November 3rd, the Committee reviewed the results of the communications strategy with the Compliance Officer and proposed the restructuring of the compliance area in the operating companies, with the aim of having an exclusively dedicated Compliance Officer at CMP, CSH and CINTAC, which was approved by the Committee. This is done looking at the standards that will be required once the modifications to the Legal Persons Criminal Responsibility Law are passed.

g) Organizational development plan.

In its January 26th session, the Committee met with CAP's Organizational Development Deputy Management to analyze a proposal for the modification to the Company's incentive policy, to adjust the variable remuneration

system, in order to have a deliberation regarding certain strategic objectives that are transversal to CAP Group, including the promotion of safety and decarbonization, among others. On this same line, in its session on April 7th, the Committee agreed to hire an external consultant for the development and implementation of a new variable salary system.

In its June 2nd session, the Committee analyzed, together Organizational Development Deputy Management, the finances for the Company's talent education and retention, and progress made in the work done by the external consultant for the review of the variable salary system, applicable to Company executives and employees. In that

same session, it also analyzed the results of a commissioned study regarding the Company's compensation and salary structures, with the purpose of analyzing CAP's positioning in terms of similar markets and instructions.

Likewise, on September 1st, the Committee, with Organizational Development Deputy Management, analyzed the talent development plan, which was designed in the context of the Company's purposes, consisting in the creation of wellbeing and shared progress and which seeks to identify critical roles in each management, thus managing talent as a group.

Along the same lines, on December 1st, the Committee and the Organizational Development Deputy Management reviewed the progress in the design of the talent plan by identifying replacements for members in the executive teams in case of vacancies, through a process of detection, evaluation and professional development of successors and critical roles, which were reflected in a succession plan. Also covered in the same session was the progress on the review of variable remuneration and

incentives system and a People and Organizational Development Corporate Policy proposal.

Finally, on December 21st, the Committee agreed to approve the People and Organizational Development Corporate Policy, whose objective is to promote the attainment of the corporate strategy through practices of people management and organizational development.

h) Review of main litigations in CAP Group.

In the sessions carried out on March 3rd and October 6th, the Company's Corporate Affairs, Sustainability and Legal Manager presented an update of the status of CAP Group's main litigations to the Committee, informing on their content, money amounts, progress, Company exposure and probability of their materialization.

i) CAP S.A. General Policy about Operations between Related Parties and General Policy on Habituality .

On July 7th 2022, the Committee analyzed and recommended the approval, as per article 50 bis of Law N° 18.046, for the updated of the general policy on operations with related parties and the general policy on habituality, complying with the modifications introduced in the aforementioned Law of Limited Companies.

In addition, in 2022, the Committee analyzed, understood and recommended the approval of the operations with related parties in conformity with the Company's general policy regarding operations with related parties and the general policy on habituality.

Among said operations, we find the renewing of the bond and solidary co-debt in favor of Banco de Crédito e Inversiones, to caution for obligations of the related company Tubos

Argentinos S.A., which was approved on December 1st 2022. It was estimated that said operation constituted an operation between related parties, as CAP director Ms. Manuela Sánchez is also director of Banco de Crédito e Inversiones. The Committee considered it was convenient to send a report to the Board of Director in that opportunity, with its main considerations regarding the way in which it complied with the requirements in Law 18.046 for operations between related parties, consisting in the convenience of the operation for the society's best interest and the adequation of the operation to market conditions.

Additionally, in its December 21st 2022, the Committee recommended, with the abstention of director Mr.

Roberto de Andraca, the approval of the personal guarantees and the opening of a line of credit, both in favor of subsidiary company Cintac S.A.

In this instance, the Committee noted on record that the concession of a line of credit required submitting to the procedure established in Title XVI of Law 18.046 as an operation between related parties according to definition in article 100 of Law 18.045 about the Securities Market. Personal guarantees in favor of Cintac's creditor banks were also considered as operations between related parties, given that they contemplate payment of a compensation from Cintac to CAP, so they were examined by the Directors Committee in accordance with current policies

The Committee also deemed pertinent to publish a report, which was included in the December 21st session, to present to the Board its considerations regarding the way in which it complies with the requirements established in Law 18.046 for all operations between related parties.



j) Proposal for the Update of the General Policy on Conflict of Interest Management.

Complying with the modifications introduced Law N° 21.314 to article 50 bis of the Law about Limited Companies, on July 7th 2022, the Directors Committee analyzed and recommended to approve an update of the General Policy on Conflict of Interest Management, which was approved by the Board in its session celebrated on the same day.

/3. Remunerations and incurred expenses.

The members of the Directors Committee received a monthly remuneration of 23.33 UTM (Tax Reference Unit in Chile), as agreed in the Ordinary CAP S.A. Shareholders Meeting that took place in April 2022.

Regarding expenses and hiring of external consultants, the Directors Committee did not make use of the approved budget for these purposes in the Ordinary Shareholders Meeting, the equivalent of the sum of the annual allowances of the Committee members.

On the other hand, in its June 2nd, the Directors Committee agreed to hire the services of consulting company

Nebulen to do an audit of the multi-factor authenticator, charged to the Committee's budget for UF 20.

/ 4. Proposal for external auditors and private risk classifiers for the 2023 period.

In its March 2nd 2023, the Directors Committee agreed to recommend the appointment of EY as external auditors for the Company in 2023, considering that EY had been first chosen as CAP Group's external auditor in 2019 and it is deemed convenient to give the company continuity so that it can keep deepening its analysis and reviews of the Company's and the Group's processes.

Also is in this session, the Committee analyzed the private risk classifiers that currently classify the Company's risk and its values, agreeing that they would propose to the Board to maintain Fitch Ratings, Feller Rate y S&P as risk classifiers for the 2023 period.

Santiago, March 2nd 2023

María Olivia Recart Herrera
Directors Committee President
CAP S.A.



Additional information tables

[CMF 5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.1.5, 5.2, 5.3]

/ CMF STAFF TABLES

> NUMBER OF COLLABORATORS PER SEX

Role	Men	Women	Total
Senior management	65	14	79
Managers	52	23	75
Leadership	387	91	478
Operator	1,576	55	1,631
Sales team	45	28	73
Administrative	114	129	243
Assistant	174	117	291
Other professionals	695	290	985
Other technicians	1,573	151	1,724
Total	4,681	898	5,579

Note: DJSI classification considers Senior Management as executives or senior management, managers and leadership as management and junior managements and, finally, the other roles belong to the category of employees.

> NUMBER OF COLLABORATORS PER NATIONALITY

Payroll	Senior Management		Managers Leadership				Operator		Sales team		Administrative Assistant				Other professionals		Other technicians		Total			
	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M		
Argentina	5	2		1	19		5	114		4		8	17			1	1	3	2	154	28	
Bolivia								5							1	26				6	26	
Británica								1													1	
Chile	51	8	46	15	331		73	1,157	41	21	14	54	65	54	77	526	202	1,511	143	3,751	638	
Colombia							1	3							2	5		2	1	1	6	9
Costa Rica					1																1	
Ecuador					1																1	
España																		1			1	
Estados Unidos												1								1	2	
Haití								1						1	1						2	1
Japón																1					1	
Perú	8	4	6	6	33		11	265	13	20	13	51	43	107	6	155	77	49	4	694	177	
Venezuela	1				3			30	1		1	1	3	9	2	12	7	9		65	14	
Otros								1													1	
Total	65	14	52	23	387		91	1,576	55	45	28	114	129	174	117	695	290	1,573	151	4,681	898	

> NUMBER

Payroll	Senior Management		Managers Leadership				Operator		Sales team		Administrative Assistant				Other professionals		Other technicians		Total		
	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	
Under 30 years	0	0	0	1	16	0	221	14	3	1	40	32	59	16	77	74	222	31	638	169	
30 - 40	9	3	13	11	89	50	523	20	16	15	32	51	71	35	269	146	584	53	1,606	384	
41 - 50	31	9	26	10	144	29	401	12	13	10	20	27	29	38	201	48	376	43	1,241	226	
51 - 60	22	1	10	1	94	12	292	9	7	2	18	15	13	26	112	20	317	23	885	109	
61 - 70	2	1	3	0	44	0	136	0	6	0	4	4	2	2	36	2	74	1	307	10	
Over 70 years	1	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	4	0
Total	65	14	52	23	387		91	1,576	55	45	28	114	129	174	117	695	290	1,573	151	4,681	898

> NUMBER OF COLLABORATORS BY LENGTH OF SERVICE

Payroll	Senior Management		Managers		Leadership		Operator		Sales team		Administrative		Assistant		Other professionals		Other technicians		Total	
	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M
Under 3 years	36	9	24	12	130	51	1,013	49	20	19	68	78	128	115	346	186	227	36	1,992	555
Between 3 and 6	3	1	8	2	53	17	123	4	12	3	12	21	33	1	93	46	254	37	591	132
More than 6, less than 9 years	3	0	4	2	15	5	62	1	5	4	13	7	12	1	28	9	30	1	172	30
Between 9 and 12	3	0	2	4	20	6	45	0	1	1	4	4	1	0	56	24	566	48	698	87
More than 12	20	4	14	3	169	12	333	1	7	1	17	19	0	0	172	24	496	30	1,228	94
Total	65	14	52	23	387	91	1,576	55	45	28	114	129	174	117	695	289	1,573	152	4,681	898

> NUMBER OF COLLABORATORS WITH A DISABILITY

Payroll	Senior Management		Managers		Leadership		Operator		Sales team		Administrative		Assistant		Other professionals		Other technicians		Total	
	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M
With disability	0	1	1	0	1	1	7	0	0	0	4	2	0	1	6	2	6	2	25	9
Without disability	65	13	51	23	386	90	1,569	55	45	28	110	127	174	116	689	288	1,567	149	4,656	889
Total	65	14	52	23	387	91	1,576	55	45	28	114	129	174	117	695	289	1,573	152	4,681	898

> NUMBER OF COLLABORATORS BY TYPE OF CONTRACT

Formality	Number of people			Percentage		Total
	Men	Women	Total	Men	Women	
Permanent contract	4,047	688	4,735	72.5%	12.3%	84.8%
Fixed-term contract	455	196	651	8.2%	3.5%	11.7%
Contract by project or site	179	14	193	3.2%	0.3%	3.5%
Casual	0	0	0	0%	0%	0%
Total	4,681	898	5,579	83.8%	16.1%	100%

> NUMBER OF COLLABORATORS BY WORKING HOURS

Work adaptability	Number of people			Percentage		Total
	Men	Women	Total	Men	Women	
Ordinary working hours	4,602	838	5,440	82.6%	15.04%	97.64%
Part-time	0	0	0	0%	0%	0%
With adaptation agreements for employees with family responsibilities	0	0	0	0%	0%	0%
With adaptation agreements or remote work	73	59	132	1.3%	1.06%	2.36%
Total	4,675	897	5,572	83.9%	16.1%	100%

Note: Aguas considered 7 workers with exceptional working hours and excluded from complying with the ordinary working hours (art.22 section 2), which are not included in the table

/ CONTRACTORS TABLE

> CONTRACTORS

Contractors	Men	Women	Total
Total contractors	7,600	1,169	8,769
With a disability	10	0	10
Foreign	99	39	138

Note: the information does not include CINTAC Group.

[CMF 5.7]

/ CMF POSTNATAL LEAVE TABLES

> USE OF POSTNATAL LEAVE IN CHILE

Role	People with postnatal the right to leave			People that made use of postnatal leave			Percentage that made use of postnatal leave	
	Men	Women	Total	Men	Women	Total	Men	Women
Senior management	1	0	1	1	0	1	100%	N/A
Managers	1	1	2	1	1	2	100%	100%
Leadership	8	4	12	5	4	9	63%	100%
Operator	28	0	28	24	0	24	86%	N/A
Sales team	0	0	0	0	0	0	N/A	N/A
Administrative	2	3	5	0	3	3	N/A	100%
Assistant	3	2	5	3	2	5	100%	100%
Other professionals	12	7	19	6	7	13	50%	100%
Other technicians	39	14	53	2	12	14	5%	86%
Total	94	31	125	42	29	71	45%	94%

> USE OF POSTNATAL LEAVE IN PERÚ

Role	People with postnatal the right to leave			People that made use of postnatal leave			Percentage that made use of postnatal leave	
	Men	Women	Total	Men	Women	Total	Men	Women
Senior management	1	0	1	0	0	0	N/A	N/A
Managers	2	4	6	0	1	1	N/A	25%
Leadership	17	4	21	4	2	6	24%	50%
Operator	56	2	58	4	2	6	7%	100%
Sales team	23	17	40	0	1	1	N/A	6%
Administrative	16	26	42	1	1	2	6%	4%
Assistant	89	1	90	6	0	6	7%	N/A
Other professionals	41	28	69	6	1	7	15%	4%
Other technicians	30	3	33	1	0	1	3%	N/A
Total	275	85	360	22	8	30	8%	9%

Note: The information includes only CINTAC Group subsidiaries.

> USE OF POSTNATAL LEAVE IN ARGENTINA

Role	People with postnatal the right to leave			People that made use of postnatal leave			Percentage that made use of postnatal leave	
	Men	Women	Total	Men	Women	Total	Men	Women
Senior management	0	0	0	0	0	0	0	0
Managers	0	0	0	0	0	0	0	0
Leadership	0	0	0	0	0	0	0	0
Operator	4	0	4	4	0	4	100%	0
Sales team	0	0	0	0	0	0	0	0
Administrative	0	0	0	0	0	0	0	0
Assistant	0	0	0	0	0	0	0	0
Other professionals	0	0	0	0	0	0	0	0
Other technicians	0	0	0	0	0	0	0	0
Total	4	0	4	4	0	4	100%	0

Note: information only includes the subsidiary Intasa S.A

> AVERAGE OF DAYS USED BY SEX IN CHILE

Role	Men			Women
	5 days	6 weeks or less	Total men	
Senior management	1	0	1	0
Managers	0	10	10	84
Leadership	10	0	10	279
Operator	13	41	12	0
Sales team	0	0	0	0
Administrative	5	0	5	116
Assistant	3	0	3	2
Other professionals	7	10	17	347.5
Other technicians	10	0	10	72.75

> AVERAGE OF DAYS USED BY SEX IN PERÚ

Role	Men			Women
	5 days	6 weeks or less	Total men	
Senior management	0	0	0	0
Managers	0	0	0	98
Leadership	0	40	40	196
Operator	0	20	20	110
Sales team	0	0	0	98
Administrative	0	10	10	98
Assistant	0	10	10	0
Other professionals	0	50	50	98
Other technicians	0	10	10	0

> AVERAGE OF DAYS USED BY SEX IN ARGENTINA

Role	Men		Total men	Women
	5 days	6 weeks or less		
Senior management	0	0	0	0
Managers	0	0	0	0
Leadership	0	0	0	0
Operator	1	0	1	0
Sales team	0	0	0	0
Administrative	0	0	0	0
Assistant	0	0	0	0
Other professionals	0	0	0	0
Other technicians	0	0	0	0

/ INTERNAL MOBILITY TABLE

> VACANCIES FILLED INTERNALLY AND INTERNALLY BY THE ORGANIZATION

Breakdown	Internal	External	Total
Age group			
Under 30	5	108	113
Between 30 and 40 years	52	175	227
Between 41 and 50 years	32	94	126
Between 51 and 60 years	8	54	62
Between 61 and 70 years	2	4	6
More than 70 years	0	0	0
Total	99	435	534
Sex			
Men	77	365	442
Women	22	70	92
Total	99	435	534
Nationality			
Chilean	99	404	503
Foreign	0	31	31
Total	99	435	534
Role			
Senior management	1	3	4
Managers	1	4	5
Leadership	29	35	64
Otros cargos	68	393	461
Total	99	435	534

Note: The information does not consider CINTAC Group

/ SSINDEX

The Stakeholders Sustainability Index (SSINDEX) provides information that allows to anticipate risk. An evaluation is done on the organization's ESG performance by different stakeholders (collaborators, clients, suppliers, contractors, neighbors and local actors) with the variables of the company's risk management and sustainability, which considers a questionnaire that varies according to stakeholder and includes questions related to:

- Environment: Company's environmental management and culture.
- Internal social impact: Commitment from collaborators and people management dimensions.
- External social impact: Engagement with the community, suppliers and clients.
- Corporate governance: Ethics, integrity and corruption variables.

In the case of the collaborator evaluation, the result was 89% of team satisfaction with people management in terms of sustainability. This is above the 25th percentile of the companies in Chile, which allows us to get a SSINDEX seal.

> COLLABORATOR SATISFACTION PER YEAR

SSINDEX	2017	2018	2019	2020	2021	2022
Evaluation (%)	66%	73%	75%	86%	91%	89%

> 2022 SSINDEX CAP GROUP RESULTS

Subsidiary / SSINDEX	Collaborators	Customers	Suppliers	Community neighbors	Community Local actors	Consolidated
CAP S.A.	89%	-	80%	-	-	85%
CMP	79%	95%	83%	45%	80%	76%
CSH	81%	84%	84%	27%	77%	71%
Cintac S.A.	75%	-	-	-	-	75%
Cintac Saic	67%	-	-	-	-	67%
Tupemesa	78%	-	-	-	-	78%
Aguas CAP	84%	84%	84%	68%	77%	79%
Puerto Las Losas	84%	80%	86%	52%	48%	70%
Tubos Argentinos	82%	82%	83%	-	-	82%

/ MAIN PROPERTIES AND FACILITIES

[CMF 6.4]

Business area	Properties	Ownership or type of contract	Location
CAP S.A.	Planta Refract Lt 40 Sector Industrial	Owned property	Talcahuano
CAP S.A.	Calle Nueva 2 500 Lta Sector Industrial	Owned property	Talcahuano
CAP S.A.	Calle Nueva 2 481 Lt 41 Sector Industrial	Owned property	Talcahuano
CAP S.A.	Bandera 840 Of. 311	Owned property	Santiago
CAP S A	Callao 3775 LT 8 -C	Owned property	Las Condes
CAP S A	Callao 3769	Owned property	Las Condes
CAP S A	Callao 3755	Owned property	Las Condes
CMP – Mining site	Mina Cerro Negro Norte	Mining easement plot / property facilities	Km. 30 Ruta C-327, comuna Copiapó
CMP- Mineral Benefit Plant	Magnetite Plant	Lease: plot /property facilities	Km 11 Ruta 397, comuna Tierra Amarilla
CMP- Port	Puerto Punta Totalillo	Owned property	Km. 906 Ruta 5 Norte, comuna Caldera
CMP – Mining site	Mina Los Colorados	Owned property	Sector norte de la Estancia Chañar Quemado, comuna Huasco.
CMP – Mineral Benefit Plant	Planta de Pellets	Owned property	Km 5 Ruta C-468, comuna Huasco
CMP – Port	Puerto Guacolda II	Owned property	Km 5 Ruta C-468, comuna Huasco
CMP – Mining site	Mina Pleito	Owned property	Sector sur de la Estancia Higuera de las Minillas, comuna Vallenar.
CMP – Mining site	Minas El Romeral	Owned property	Km. 11 Ruta D-165, comuna La Serena.
CMP – Port	Puerto Guayacán	Owned property	Sector Noreste de Bahía La Herradura, comuna Coquimbo
CSH – Industrial	Urban land, where the main facilities of Siderúrgica Huachipato plant is located.	Owned property	Gran Bretaña 2910, Talcahuano, Rol: 7400-1
CSH – Transport and telecommunications	Curved land strip, part of the FFCC grid, not currently in use.	Owned property	Avenida La Marina 697 Lt 5 San Vicente, Talcahuano, Rol: 7400-17
CSH – Others, not considered	Plot in Sector of Infiernillo, San Vicente	Owned property	Gran Bretaña 2910 Lt 7, Talcahuano, Rol 7400-18
CSH – Empty plot	Plot located between roads Algarrobo, Avenida Rocoto and Camino a Lengua	Owned property	Gran Bretaña 2910 Lt 4, Talcahuano, Rol 7400-19
CSH – Muelle CAP CSH concession cc mm DS 12 2004	National asset for public use, located on the coast, associated to a maritime concession given for the operation of the pier.	Owned property	Gran Bretaña S/N Muelle Ccmm Sch, Talcahuano, Rol 7400-29

Business area	Properties	Ownership or type of contract	Location
CSH - Industrial	Easement in the extension of Gran Bretaña	Owned property	Av. Gran Bretaña Prolongacion, Hualpen, Rol 7485-27
Promet Perú	Villa El Salvador	Owned property, rented out to Promet Perú	Carretera Panamericana Sur Km 21,5 Urbanización San Marino Lote 3-A y Lote 3-B, Lima, Perú
Rented to third parties	La Victoria	Owned property, rented out to SCAceros	Av. México N° 1629 La Victoria, Lima, Perú
Empty	Chorrillos	Owned property	Calle Los Faisanes S/N. la Campiña. Chorrillos, Lima, Perú
Tupemesa	Planta Lurin	Owned property	Prolongación Av. Industrial Sub lote 4, Predio Almonte Las Praderas de Lurin, Lima, Perú
Promet Perú + Calaminon	Chilca	Owned property	Frente a la Av el Valle de la MZ H de la habilitacion urbana industrial comercial lomas Lote 07, 08, 09, Lima Perú
Promet Perú	Cañete	Owned property, en litigio	km 126 de la Panamericana Sur LOTE 1, 2, 3, Cerro Azul, Lima, Perú
Calaminon	Chilca	Owned property	Av La Chutana Centro Industrial La Chutana, Cañete, Chilca Lote 5, 6 y 7
Sehover	Taller Lurin	Owned property	Asociacion Prop vivienda Los Claveles MZ F-1 LOTE 13 y 20
Sehover	Oficinas Sehover	Tenant	Av. Malecón Grau 1011, Chorrillos, Lima Perú
CINTAC SAIC	Planta Metalcon	Owned property	Santa Adela 8920, Maipú, Santiago, Chile
CINTAC SAIC	Planta Maipú	Owned property	Camino a Melipilla 8920, Maipú, Santiago, Chile
CINTAC SAIC	Planta Lonquén	Owned property	Camino a Lonquén 11001, Maipú, Santiago, Chile
CINTAC SAIC	CAC Estación Central	Owned property	Sepúlveda Leyton 3172, Estación Central, Santiago, Chile
CINTAC SAIC	CAC Chañarcillo	Tenant	Chañarcillo 1201, Maipú, Santiago, Chile
CINTAC SAIC	CAC Antofagasta	Owned property	Acantatita 424, secto La Chimba, Antofagasta, Chile
CINTAC SAIC	Bodega Concepción	Tenant	Camino a Coronel 5580, km 10, bodega 6-b Megacentro, San Pedro de la Paz, Chile
CINTAC SAIC	Instapanel Lab	Tenant	Av. Las Condes 9765, Local 301, Las Condes, Santiago, Chile
Cintac Chile SpA	Fundo Santo Tomás	Owned property	Ruta F74-G Km 07, s/n Casablanca, Chile
Promet Chile	Planta Chacabuco	Owned property	G-115-E, s/n, Colina, Región Metropolitana
Promet Chile	Oficinas Huechuraba	Tenant	del Valle Sur 650, Oficina 31, Ciudad Empresarial, Huechuraba, Santiago, Chile

Business area	Properties	Ownership or type of contract	Location
Promet Chile	Hotel Coya	Tenant	Ruta h 35 km 20.5, Requínoa, O´ Higgins, Chile
Promet Chile	Hotel Mejillones	Tenant	Av. Fertilizantes s/n, Mejillones, Antofagasta, Chile
Promet Chile	Hotel Huechún	Tenant	Km 42, Autop. Los Libertadores, 9340000 Colina, Región Metropolitana, Chile
Promet Chile	Hotel Calama	Tenant	Ruta 25, Sierra Gorda, Antofagasta, Chile
Promet Chile	Centro de Acopio Limón Verde	Tenant	Entrada a Limón Verde s/n, Calama, Antofagasta, Chile

/ BIODIVERSITY

> Biodiversity in CAP Group sites

Category	Number of sites	Hectares
Sites that are used for production and/or extraction	11	5,859.94
Sites that have been analyzed in terms of diversity in the last 5 years	6	6,376.34
Of the sites analyzed: amount that contain or are adjacent to biodiversity of global or national importance	2	2,827.94
Of the sites that have or are next to biodiversity of global or national importance: amount with biodiversity management plans	2	110.04

Note 1: It includes data from CMP, CSH and Aguas CAP. / Note 2: The wetland inside CSH is not considered to be of global or national importance.

[GRI 304-3]

> Biodiversity – protected areas surface (hectares)

2018	2019	2020	2021	2022
269	294	241	241	290

Indicators

[CMF 1, CMF 3.5]

/ CMF

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Note: Although CAP does not adhere to codes in terms of governance, it has a Manual for Corporate Governance Good Practices that defines that gathers the main directives and practices adopted in the matter.

[CMF 1]

/ GRI INDICATORS

Category	Indicator		Page
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/ EXTERNAL AUDIT REPORT

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March 2023

Sirs of
CAP S.A.
Present

From our consideration:

We have reviewed the following aspects of the 2022 Integrated Report of CAP S.A.

Scope

Limited assurance review of the adaptation of the contents and indicators of the 2022 Integrated Report, with the provisions of the Global Reporting Initiative (GRI) Standards regarding the profile of the organization and material indicators arising from the materiality process carried out by the company around the criteria established by said standard, related to the Economic, Social and Environmental dimensions.

Verification standards and processes

We have done our work in accordance with 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 Accounts (IFAC).

Our review work has consisted of the formulation of questions to various units and managements of CAP S.A. that have been involved in the process of making this report, as well as in the application of analytical procedures and review tests described below.

- Meeting with the team that led the process of preparing the Integrated Report 2022.
- Request for requirements and review of evidence, for the indicators referenced in this letter as a result of the materiality process, with the participating areas of the preparation of the Integrated Report 2022.

March 2023 Sirs
of CAP S.A.
Page 2

- Analysis of the adaptation of the contents of the Integrated Report 2022 to those recommended by the GRI Standard and verification that the indicators verified and referenced in this letter are based on the protocols established by this guide and the non-applicable or non-material indicators are justified.
- Verification through review tests of the quantitative and qualitative information, corresponding to the indicators of the GRI Standard included in the Integrated Report 2022, and its adequate compilation from the data provided by the information sources of CAP S.A.

Conclusions

The verification process was carried out based on the indicators declared from the materiality process carried out by the company. Once identified, prioritized and validated, the indicators were included in the report. The reported indicators subject to verification are indicated in the following table:

2-1	2-2	2-3	2-4	2-5	2-6	2-7	2-8	2-9
2-22	2-22	2-23	2-24	2-27	2-28	2-29	2-30	3-1
3-2	3-3	203-2	204-1	205-1	205-2	205-3	206-1	302-1
303-1	303-3	303-5	304-1	304-3	305-3	305-4	305-7	306-2
403-1	403-3	403-9	403-10	405-1	405-2	415-1	401-1	302-4

Regarding the verified indicators, we can affirm that no aspect has been revealed that makes us believe that these indicators incorporated in the 2022 Integrated Report of CAP S.A., have not been prepared in accordance with the GRI Standard in the aspects and indicators indicated in the scope.

CAP S.A. responsibilities and Deloitte

- The preparation of the 2022 Integrated Report, as well as its content, is the responsibility of CAP S.A., which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue an independent verification letter, based on the procedures applied in our review.
- This report has been prepared exclusively in the interest of CAP S.A., in accordance with the terms established in the commercial conditions of the proposed services.
- We have conducted our work in accordance with the standards of independence required by the IFAC Code of Ethics.

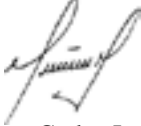
March 2023

Sirs of CAP S.A.

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- The verification conclusions made by Deloitte are valid for the latest version of the Integrated Report 2022 in our possession, received on 03/23/2023.
- The scope of a limited security review is substantially lower than that of a reasonable security audit or review, so we do not provide an audit opinion on CAP S.A.'s Integrated Report.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Juan Carlos Jara M.', written in a cursive style.

Juan Carlos Jara M.
Partner

[CMF 9]

Essential facts

CAP S.A.'s and its corresponding subsidiaries' essential facts as of December 31, 2022 are the following:

February 9, 2022

The Financial Market Commission (CMF in Spanish) was informed on this date, about the commission phase of the programmed maintenance of Blast Furnace N°2, belonging to the subsidiary CSH. There was an unwanted cooling of the Blast Furnace, which derived in an extension of the time frame for resumption of liquid steel production, noting that this did not have a relevant impact on final customer deliveries, as the effects were mitigated by the use of finished and semi-finished steel product stock available in the plant.

In that same instance, the market was informed the operations of Blast Furnace N°2 would resume in the next 10 days, estimating a production deficit of around 50,000 tons of steel products (equivalent to approximately 6% of annual production).

March 4, 2022

The market was informed that the Board determined to summon an Ordinary Shareholders Meeting for April 12, 2022, at 11:00, at level -1 of the building located in Gertrudis Echeñique N° 220, Las Condes, Santiago, to which shareholders could attend remotely and simultaneously.

1. The table of topics to be addressed in the Meeting was
1. Comment on the 2021 Integrated Report and Financial Statements, get to know of the Company's situation and External Auditors' reports;

1. Dividend policy, and distribution of definitive dividends;

1. Directors' Remuneration;

1. Appointment of External Auditors;

1. Selection of Risk Classifiers;

1. Annual report of Directors' Committee performance, remuneration of its members and operation costs budget;

1. Report about the operation related to Title XVI of Law N° 18.046;

1. Selection of newspaper to publish social publications; and

1. Other matters of social interest relevant to the Meeting's competence.

In the same Board meeting, it was agreed to propose to the Ordinary Shareholders Meeting that, from the net distributable profits for 2021, reaching US\$748,421,478.6, 60% to be distributed as definitive dividend, i.e., US\$449,052,887.16, of which US\$112,086,084 need to be deducted, as it was paid out in August 2021 as provisional dividend N°136, chargeable to the 2021 period. The remaining balance would be US\$336,966,803.16. This definitive dividend would represent an additional 10% regarding the Company's current dividend policy, due to the positive results of the period and considering the Company's solid cash flow and the Company's and its subsidiaries' future investment projects as well as the financing policy related to them.

In this essential fact we also informed of the date and form of payment proposed for the aforementioned dividend.

March 14, 2022

In relation to the operational contingency that affected the steelworks in Talcahuano, owned by CSH, reported on February 9, the Company informed the Financial Market Committee that the situation was overcome, resume production of liquid steel in the plant as usual, also informing that production deficit was consistent with the figures forecasted in the last information sent to the Committee on this matter.

March 18, 2022

Regarding the operational contingency that affected the steelworks in Talcahuano, owned by subsidiary CSH, the Company informed that the financial impact caused by the interruption of production of liquid steel was net US\$14.5 million for CSH.

April 14, 2022

The market was informed that, on April 12, 2022, the Company's Ordinary Shareholders Meeting took place, approving the 2021 Integrated Report and Financial Statements, the dividends policy Board remuneration, the appointment of EY as External Auditors for 2022; the selection of private risk classifiers; the Annual Report of the Directors' Committee performance, the remuneration of its members and the budget for its operation costs for said Committee in 2022; the report on operations covered in Title XVI of Law N° 18.046; and the appointment of El Mercurio as the newspaper for publishing its social communications.

It was agreed in this Shareholders Meeting that from the net distributable profit for 2021, totaling US\$748,421,478.6, 60% to be distributed as definitive dividend, i.e.,

US\$449,052,887.16, of which US\$112,086,084 need to be deducted, as it was paid out in August 2021 as provisional dividend N°136, chargeable to the 2021 period. The remaining balance would be US\$336,966,803.16. This definitive dividend would represent an additional 10% regarding the Company's current dividend policy, which considers a distribution of 50% over net distributable profit, due to the positive results of the period and considering the Company's solid cash flow and the Company's and its subsidiaries' future investment projects as well as the financing policy related to them.

Additionally, it was informed that the Shareholders Meeting agreed on definitive dividend payment N°137, for the sum of US\$2.254741 per share, from April 25th. It was proposed to shareholders for the dividend to be paid out in U.S. dollars or Chilean pesos, current legal tender, depending on the shareholder's preference and in accordance with the procedure informed in the Meeting.

April 19, 2022

Regarding definitive dividend payment N°137, it is informed that, according to the exchange rate at the time, the value in CLP of definitive dividend N°137 will be \$1,843.70172 per share.

April 20, 2022

It is informed that during the Board's extraordinary session, celebrated on this date, the Board was informed and of and accepted the resignation of Mr. Julio Bertrand Planella from his role as CEO for personal reasons, effective as of June 30th. After this date, Mr Bertrand will continue its relationship with CAP Group as director of Compañía Siderúrgica Huachipato S.A

July 8, 2022

The market was informed that the Company's Board agreed the following:

(a) Appoint Mr. Stefan Franken Osorio, as Interim CEO, effective as of July 7, 2022.

(b) Approve the general policy on operations with related parties and the general policy on habituality, whose text was attached. It is also informed that these policies were known and approved by the Company's Directors Committee, in a session that took place on the same date.

August 5, 2022

It is informed that the Board agreed to approve provisional dividend payment N° 138, for US\$0.292244 per share, to be paid out from August 29th, charged to the profits of the 2022 period. The payment procedure of said dividend was also informed.

August 11, 2022

It is informed that, in an Extraordinary CAP S.A. Board session, celebrated on August 11, 2022, Mr. Nicolás Burr García de la Huerta was appointed as new CEO, who will take office on September 1, 2022.

August 23, 2022

Regarding provisional dividend payment N°138, it is informed that, according to the exchange rate on that date, the value in Chilean pesos of dividend N°138 will be \$276.30794 per share.

December 2, 2022

It is informed that the Board approved provisional dividend payment N° 139, for the total of US\$0.135503 per share, to be paid out on December 23rd and charged to the profits of the 2022 period. The payment procedure of said dividend was also informed.

December 20, 2022

Regarding provisional dividend payment N°139, it is informed that according to the exchange rate at that time, the value in Chilean pesos of dividend N°139 will be \$118.64101 per share.

Consolidated classified statements

AS OF DECEMBER 31, 2022, AND 2021
(FIGURES IN THOUSANDS OF UNITED STATES
DOLLARS (THUS\$))



This document consists of the following sections:
Consolidated Financial Statements
Notes to the Consolidated Financial Statements

CAP S.A. AND SUBSIDIARIES

Consolidated classified statements of financial position

As of december 31, 2022, and 2021

(Figures in thousands of united states dollars (THUS\$))

Assets	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Current assets		
Cash and cash equivalents	271,432	867,552
Other financial assets	79,247	75,050
Other non-financial assets	62,756	48,543
Trade and other accounts receivable	437,430	315,479
Accounts receivable from related parties	18,668	32,863
Inventory	768,964	601,928
Current tax assets	45,235	41,846
Total current assets other than assets included in groups of assets for disposal classified as held for sale	1,683,732	1,983,261
Assets included in groups of assets for disposal classified as held for sale	2,448	-
Total current assets	1,686,180	1,983,261
Non-current assets		
Other financial assets	12,835	1,955
Other non-financial assets	22,124	25,063
Accounts receivable	23,021	22,376
Accounts receivable from related parties, non-current	3,373	-
Investments accounted for using the equity method	912	975
Intangible assets other than goodwill	612,724	638,675
Goodwill	36,255	38,497
Property, plant and equipment	3,985,500	3,764,146
Investment properties	33,826	28,909
Right of use assets	94,519	94,163
Current tax assets, non-current	2,108	41
Deferred tax assets	48,528	14,281
Total non-current assets	4,875,725	4,629,081
Total assets	6,561,905	6,612,342

The accompanying notes are an integral part of these consolidated financial statements.

CAP S.A. AND SUBSIDIARIES

Consolidated classified statements of financial position

As of december 31, 2022, and 2021

(Figures in thousands of united states dollars (THUS\$))

	12.31.2022	12.31.2021
	ThUS\$	ThUS\$
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Other financial liabilities	452,446	152,862
Lease liabilities	15,535	12,276
Trade and other accounts payable	709,878	718,769
Accounts payable to related parties	223,444	415,260
Other short-term provisions	27,978	29,329
Current tax liabilities	8,016	232,962
Provisions for current employee benefits	32,751	38,558
Other non-financial liabilities	13,349	20,050
Total current liabilities other than liabilities included in groups of assets for disposal classified as held for sale	1,483,397	1,620,066
Liabilities included in groups of assets for disposal classified as held for sale	3,652	-
Total current liabilities	1,487,049	1,620,066
Non-current liabilities		
Other non-current financial liabilities	560,827	550,636
Lease liabilities	55,800	30,782
Accounts payable to related parties	-	11,897
Other long-term provisions	267,327	247,334
Deferred tax liabilities	406,248	418,347
Non-current employee benefits	75,663	64,473
Other non-current non-financial liabilities	9,118	1,485
Total of non-current liabilities	1,374,983	1,324,954
Total liabilities	2,862,032	2,945,020
Shareholders' equity		
Issued capital	379,444	379,444
Retained earnings	1,923,731	1,889,050
Other reserves	-25,863	-25,781
Equity attributable to owners of the parent	2,277,312	2,242,713
Non-controlling interest	1,422,561	1,424,609
Total equity	3,699,873	3,667,322
Total liabilities and shareholders' equity	6,561,905	6,612,342

The accompanying notes are an integral part of these consolidated financial statements.

CAP S.A. AND SUBSIDIARIES

Consolidated income statements, by function

For the years ended december 31, 2022 and 2021

(Figures in thousands of united states dollars (thus\$))

Income statement	01.01.2022	01.01.2021
	12.31.2022	12.31.2021
	ThUS\$	ThUS\$
Profit (loss)		
Revenue	3,006,047	3,676,883
Cost of sales	(2,243,504)	(1,964,943)
Gross profit	762,543	1,711,940
Other revenue, by function	29,353	45,718
Distribution costs	(25,884)	(34,990)
Administrative expenses	(122,495)	(116,180)
Other expenses, by function	(49,079)	(76,680)
Other profits (losses)	(5,367)	(8,547)
Profits (losses) from operating activities	589,071	1,521,261
Finance income	10,376	2,881
Finance costs	(80,694)	(63,359)
Share in profits (losses) of associates and joint ventures accounted for using the equity methods	250	(467)
Foreign currency exchange effect	(2,510)	16,615
Income from indexation units	(6,976)	(2,901)
Profit (loss), before taxes	509,517	1,474,030
Income tax expense	(174,518)	(480,866)
Profit (loss) from continuing operations	334,999	993,164
Profit (loss) from discontinued operations	-	-
Profit (loss)	334,999	993,164
Profit (loss), attributable to		
Profit (loss), attributable to owners of the parent	225,971	741,380
Profit (loss), attributable to non-controlling interests	109,028	251,784
Profit (loss)	334,999	993,164
Earnings per share		
Basic earnings per share	US\$	US\$
Basic earnings (loss) per share from continuing operations	1.512036	4.960785
Basic profit (loss) per share from discontinued operations	-	-
Basic earnings (loss) per share	1.512036	4.960785

The accompanying notes are an integral part of these consolidated financial statements.

CAP S.A. AND SUBSIDIARIES

Consolidated comprehensive income statements

For the years ended december 31, 2022 and 2021

(Figures in thousands of united states dollars (thus\$))

Comprehensive Income Statement	01.01.2022	01.01.2021
	12.31.2022	12.31.2021
	ThUS\$	ThUS\$
Profit (loss)	334,999	993,164
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to income for the period, before taxes		
Other comprehensive income, before taxes, profits (losses) on investments in equity instruments	660	-
Other comprehensive income, before taxes, actuarial profits (losses) on defined benefit plans	(4,063)	(1,327)
Participation of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified to the result of the period before tax.	-	(249)
Other comprehensive income that will not be reclassified to income for the period, before taxes	(3,403)	(1,576)
Components of other comprehensive income that will be reclassified to income for the period, before taxes		
Foreign currency translation		
Profits (losses) for foreign currency translation, before taxes	(2,792)	(46,310)
Other comprehensive income, before taxes, foreign currency translation	(2,792)	(46,310)
Cash flow hedges		
Profits (losses) on cash flow hedges, before taxes	11,833	59
Other comprehensive income, before taxes, cash flow hedges	11,833	59
Other comprehensive income that will be reclassified to income for the period, before taxes	9,042	(46,251)
Other components of other comprehensive income, before taxes	5,639	(47,827)
Income taxes related to components of other comprehensive income that will not be reclassified to income for the period		
Income taxes related to investments in equity instruments from other comprehensive income	(178)	-
Income taxes related to actuarial profits (losses) on defined benefit plans	1,097	358
Income taxes related to components of other comprehensive income that will not be reclassified to income for the period	919	358
Income taxes related to components of other comprehensive income que will be reclassified to income for the period		
Income taxes related to other comprehensive income foreign currency translation	754	12,503
Income taxes related to other comprehensive income cash flow hedges	(3,195)	(15)
Income taxes related to components of other comprehensive income that will be reclassified to income for the period	(2,441)	12,488
Income taxes related to interests in other comprehensive income from associates and joint ventures accounted for using the equity method that will be reclassified to income for the period	-	67
Other comprehensive income	4,117	(34,914)
Comprehensive (loss) income	339,116	958,250
Comprehensive income attributable to		
Comprehensive (loss) income attributable to owners of the parent	229,286	706,466
Comprehensive income attributable to non-controlling interest	109,830	251,784
Total comprehensive income	339,116	958,250

The accompanying notes are an integral part of these consolidated financial statements.

CAP S.A. AND SUBSIDIARIES

Consolidated statements of cash flows – direct method

For the years ended december 31, 2022 and 2021

(Figures in thousands of united states dollars (thus\$))

Statement of Cash Flows – Direct Method	01.01.2022	01.01.2021
	12.31.2022	12.31.2021
	ThUS\$	ThUS\$
Cash flows provided by (used in) operating activities		
Types of proceeds from operating activities		
Proceeds from sale of goods and providing of services	3,245,725	3,667,808
Proceeds from premiums and benefits, annuities and other benefits of policies subscribed	12,831	30,000
Other proceeds from operating activities	4,485	2,785
Types of operating activities paid in cash		
Payments to suppliers for supplying goods and services	(2,271,542)	(1,538,247)
Payments to and on account of employees	(289,878)	(262,220)
Payments of premiums, benefits, annuities, and other obligations from insurance policies	(37,660)	(27,503)
Other payments from operating activities	(182)	-
Cash flows provided by (used in) operating activities	663,779	1,842,623
Interest received	778	623
Income taxes (paid) reimbursed, classified as operating activities	(474,484)	(434,662)
Other cash inflows (outflows), classified as operating activities	42,182	7,386
Net cash flows provided by (used in) operating activities	232,255	1,415,970
Cash flows provided by (used in) investing activities		
Cash flows used to obtain control of subsidiaries or other businesses, classified as investing activities	(3,938)	(15,411)
Cash flows used in the acquisition of non-controlling interests	-	(69)
Proceeds from disposal of property, plant and equipment, classified as investing activities	5,391	9,194
Additions to property, plant and equipment, classified as investing activities	(422,578)	(404,913)
Additions to intangible assets, classified as investing activities	-	(305)
Payment of futures, forwards, options and financial trading, classified as investing activities	(3,772)	(10,003)
Proceeds from futures, forwards, options and financial swaps		525
Interest received, classified as investing activities	3,555	872
Other cash inflows (outflows), classified as investing activities	19,817	34,455
Net cash flows provided by (used in) investing activities	(401,525)	(385,655)
Cash flows provided by (used in) financing activities		
Proceeds from loans, classified as financing activities	537,909	401,398
Proceeds from long-term loans	66,610	317,672
Proceeds from short-term loans	471,299	83,726
Loans from related parties		1,113
Reimbursement of loans, classified as financing activities	(309,351)	(468,027)
Payment of finance lease liabilities, classified as financing activities	(2,707)	(6,118)
Dividends paid, classified as financing activities	(602,992)	(462,258)
Interest paid, classified as financing activities	(52,060)	(41,141)
Other cash inflows (outflows), classified as financing activities	5,867	345
Net cash flows provided by (used in) financing activities	(423,334)	(574,688)
Net increase (decrease) in cash and cash equivalents, before the effect of changes in the exchange rate	(592,604)	455,627
Effects of changes in the exchange rate on cash and cash equivalents		
Effects of changes in the exchange rate on cash and cash equivalents	(3,516)	(10,012)
Net increase (decrease) in cash and cash equivalents	(596,120)	445,615
Cash and cash equivalents at beginning of year	867,552	421,937
Cash and cash equivalents at end of year	271,432	867,552

The accompanying notes are an integral part of these consolidated financial statements.

CAP S.A. AND SUBSIDIARIES

Consolidated statements of net changes in equity

For the years ended december 31, 2022 and 2021

(Figures in thousands of united states dollars (thus\$))

As of December 31, 2022	Issued capital	Foreign currency Translation reserve	Cash flows hedging reserve	Defined employee benefits plan profit or loss reserve	Reserve for equity instruments at FVTOCI	Other miscellaneous reserves	Other reserves	Retained earnings (losses)	Equity attributable to owners of the parent	Non-controlling interests	Equity
Previously Reported Equity	379,444	(23,896)	(2,350)	(10,344)	10,813	(4)	(25,781)	1,889,050	2,242,713	1,424,609	3,667,322
Increase (decrease) due to changes to accounting policies	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to error correction	-	-	-	-	-	-	-	-	-	-	-
Equity at beginning of year 01,01,2022	379,444	(23,896)	(2,350)	(10,344)	10,813	(4)	(25,781)	1,889,050	2,242,713	1,424,609	3,667,322
Changes in equity											
Comprehensive income											
Profit (loss)								225,971	225,971	109,028	334,999
Other comprehensive income		(1,146)	6,401	(2,422)	482	-	3,315		3,315	802	4,117
Comprehensive income									229,286	109,830	339,116
Dividends								(191,290)	(191,290)	(116,983)	(308,273)
Increase (decrease) due to transfers and other changes in Equity	-	-	-	-	-	(3,397)	(3,397)	-	(3,397)	5,105	1,708
Increase (decrease) in equity	-	(1,146)	6,401	(2,422)	482	(3,397)	(82)	34,681	34,599	(2,048)	32,551
Equity as of December 31, 2022	379,444	(25,042)	4,051	(12,766)	11,295	(3,401)	(25,863)	1,923,731	2,277,312	1,422,561	3,699,873
As of December 31, 2021											
Previously Reported Equity	379,444	7,034	(2,393)	(9,375)	10,813	178	6,257	1,675,206	2,060,907	1,388,598	3,449,505
Increase (decrease) due to changes to accounting policies	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to error correction	-	2,876	-	-	-	-	2,876	(3,323)	(447)	14,433	13,986
Equity at beginning of year 01,01,2021	379,444	9,910	(2,393)	(9,375)	10,813	178	9,133	1,671,883	2,060,460	1,403,031	3,463,491
Changes in equity											
Comprehensive income											
Profit (loss)								741,380	741,380	251,784	993,164
Other comprehensive income		(33,806)	43	(959)	-	(182)	(34,914)		(34,914)	(43,898)	(78,812)
Comprehensive income									706,466	207,886	914,352
Dividends								(524,213)	(524,213)	(186,308)	(710,521)
Increase (decrease) due to transfers and other changes in Equity	-	(33,806)	43	(969)	-	(182)	(34,914)	217,167	182,253	21,578	203,831
Total increase (decrease) in Equity	-	(33,806)	43	(969)	-	(182)	(34,914)	217,167	182,253	21,578	203,831
Equity as of 12,31,2021	379,444	(23,896)	(2,350)	(10,344)	10,813	(4)	(25,781)	1,889,050	2,242,713	1,424,609	3,667,322

The accompanying notes are an integral part of these consolidated financial statements.

Reasoned analysis of the consolidated financial statements

AS OF DECEMBER 31, 2022



The following document analyzes the Consolidated Financial Statements of CAP S.A. and its subsidiaries ("CAP Group") corresponding to the period ended December 31, 2022, which have been prepared under International Financial Reporting Standards (IFRS).

The CAP Group is composed of the parent company, CAP S.A. (the "Company") and subsidiaries grouped into four segments: (1) Iron Mining, through Compañía Minera del Pacífico S.A. ("CMP") and its subsidiaries; (2) Steel Production, through the subsidiary Compañía Siderúrgica Huachipato S.A. ("CSH"); (3) Steel Processing, which operates its business through Intasa S.A. and subsidiaries, and Novacero S.A. and subsidiaries (Steel processing group, "GPA"); and finally, (4) Infrastructure ("CAP Infrastructure"), through the subsidiaries Cleanairtech Sudamérica S.A., Tecnocap S.A., and Puerto Las Losas S.A.

1. SUMMARY OF THE INCOME OBTAINED BY THE COMPANY

The following chart shows the main components of the Consolidated Statement of Income for CAP S.A. for the fourth

quarter and accumulated for the year 2022, as well as their respective comparisons to the same periods of the previous year.

→ **Table No. 1: Summary of the CAP S.A. Consolidated Statement of Income**

Figures in Thousands of US\$	4Q 2022	4Q 2021	Var Q-Q	2022	2021	Var Y-Y
Operating Revenue	843,885	906,614	-6.9%	3,006,047	3,676,883	-18.2%
Gross Earnings	170,300	283,427	-39.9%	762,543	1,711,940	-55.5%
Administrative Expenses	43,010	47,209	-8.9%	148,379	151,170	-1.8%
Net Profit	17,632	140,414	-87.4%	225,971	741,380	-69.5%
EBITDA	210,243	304,538	-31.0%	910,107	1,813,802	-49.8%

At the end of the fourth quarter, the CAP Group's revenue reached US\$ 3,006 million for the 2022 calendar year, reflecting a decrease of 18.2% with respect to 2021. Gross earnings for the period totaled US\$ 762.5 million, 55.5% lower than in 2021. Meanwhile, Gross Income as of December was US\$ 226.0 million (versus US\$ 741.4 million for the same period in 2021), and EBITDA dropped by 49.8% from US\$ 1,813.8 million in 2021 to US\$ 910.1 million in 2022.

The lower income obtained in 2022 is primarily explained by the downward trend in iron prices, and inflationary pressures on operating costs, which led to an adjustment in the margins across all of the CAP Group's business areas, and in particular, the production and steel processing businesses, which were also impacted negatively by the impairment of the construction sector in Chile and Peru. Additionally, the income of CSH and the Cintac Group were affected by charges related to accounting adjustments for the impairment of assets, for a total of US\$23.0 million.

The fourth quarter shows a 6.9% decrease in operating revenue, compared to the same quarter in 2021, while net profits of US\$ 17.6 million and EBITDA of \$210.2 million reflect decreases of 87.4% and 31.0%, respectively, over the same period the previous year. We must remember that during the last quarter of 2021, iron prices saw slightly higher levels than those observed in the fourth quarter of 2022, which also explains the lower income this last year. Additionally, the income of the steel and steel processing segments was lower than that obtained in the same quarter of 2021, mainly due to fewer shipments and higher costs in both segments, while the infrastructure area shows similar levels to those reported in the same period of the previous year.

2. ANALYSIS OF REVENUE AND INCOME BY BUSINESS SEGMENT

The following table shows the main variables of income obtained during 2021 and 2022 for the CAP Group's different business segments.

→ **Table No. 2: Summary of income by business segment**

Figures in Thousands of US\$	Mining		Steel		Steel Processing		Infrastructure	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating Revenue	1,832,592	2,399,191	681,426	772,918	563,361	650,092	102,446	99,041
Gross margin	759,643	1,459,218	-83,096	65,546	37,847	144,360	42,779	41,746
Administrative Expenses	51,775	45,529	30,015	30,321	54,306	59,341	2,989	2,542
Depreciation and amortization	233,068	188,205	22,070	21,413	20,450	23,763	19,462	18,675
EBITDA	940,936	1,601,894	-91,041	56,638	3,991	108,782	59,252	57,879
Profit (loss), before taxes	479,595	938,531	-122,394	11,309	-38,868	44,188	24,529	22,053

Note: Values reflect individual figures for each segment, without purging related company transactions.

In the fourth quarter, **CMP** consolidated a year in which its production sites operated with no major alteration, reaching annual production and shipment levels of 16.5 million tons and 16.3 million tons, respectively, compared to 16.3 million tons produced and 16.2 million tons shipped in 2021. The 24.4% drop in price performed by CMP during 2022, and despite a slight 1.0% increase in sales volumes, led this segment to see a drop in sales of US\$ 566.6 million, equivalent to 23.6%.

Operating costs in the mining segment rose from US\$ 58.2 to US\$ 65.8 per ton, primarily as a reflection of global inflationary pressures that have affected all large producers. The gross earnings for this segment decreased by 47.9% to US\$ 759.6 million, whereas the EBITDA dropped by 41.3%, to reach US\$ 940.9 million. Finally, the net profits of the mining segment reached US\$ 479.6 million at the close of 2022, much lower than the US\$ 938.5 million obtained the previous year.

In CSH, total revenue reached US\$ 681.4 million in 2022, which is 11.8% lower than the year before. This lower revenue is explained by the 19.6% drop in shipped volumes, as a result of the stoppage in Alto Horno No. 2 due to an unexpected cooling in the start-up after its 1st quarter maintenance, as well as reduced activity in the construction sector that has impacted the national construction beam market. This was unable to be offset by an 11.8% increase in the average sale price of steel (US\$ 997.7 per ton in 2022 versus US\$ 892.4 per ton in 2021). Meanwhile, EBITDA and net profit dropped by US\$ 147.7 million and US\$ 133.7 million, respectively.

The costs of steel production increased on a unitary basis by 34.4% over the previous year, as a result of lower production volume, higher costs of raw material and semi-finished product inventory, and the recognition of adjustments for the net realization value of inventory. Due to the above, CSH reported a negative gross margin in 2022 of US\$ -83.1 million (versus a positive figure of US\$ 65.5 million as of December 2021), a negative EBITDA of US\$ -91.0 million (versus a positive figure of US\$ 56.6 million the previous year), and a net loss of US\$ 122.4 million (versus a net loss of US\$ 11.3 million at the close of 2021).

In the **Steel Processing segment**, which is composed of Cintac in Chile, Tupemesa, Calaminon, and Sehover in Peru, TASA in Argentina, and Promet in Chile and Peru, revenue and EBITDA for 2022 reached US\$ 563.4 million and US\$ 4.0 million, respectively. These figures represent reductions of 13.3% in sales and 96.3% in EBITDA with respect to 2021, which is mainly explained by the 17.6% drop in steel product shipments, as a result of lower activity in the construction sector in Chile and Peru, and more adjusted margins due to production costs that increased by 3.9% in absolute terms, explained primarily by the high cost of steel inventory. This was unable to be offset by the 4.2% increase in the average price of steel products sold by this business segment. Meanwhile, the net income for this segment reflected a loss of US\$ -38.9 million during 2022, compared to the net profit of US\$ 44.2 million at the close of December 2021.

Finally, in CAP Infrastructure, comprised of the desalinated water production and distribution company, Cleanairtech Sudamérica, the electricity transmission company, Tecnocap, and the multipurpose port terminal, Puerto Las Losas, 2022 revenue reached US\$ 102.4 million, representing a 3.4% increase over the previous year, while EBITDA and net profit increased to US\$ 59.3 million (versus US\$ 57.9 million at the close of December 2021) and to US\$ 24.5 million (versus US\$ 22.1 million the previous year).

3. CAP GROUP MARKET TRENDS

The fourth quarter of 2022 was marked by the end of the zero-COVID policy in China as of the beginning of December. The elimination of quarantines and permanent testing demands for its population have since generated an increase in mobility and greater optimism regarding the reactivation of the Asian giant's economy, which in 2022, saw a 3% growth in its gross domestic product, below the 5.5% target announced in March. This reopening is occurring despite a significant rise in daily contagion, which, according to specialists, would reach their highest level during early 2023.

With respect to North America, inflation in the United States continued its downward trend during the last few months, starting in the third quarter after reaching a 12-month cumulative record high of 9.1% in June 2022. As of December, annual inflation sat at 6.5%, far from the 2% target established by the Fed, therefore this drop would not necessarily translate to decreases in the interest rate, but at least less aggressive spikes as those seen during the last two years. Despite the above, the global economic overview continues to be challenging, due to high inflation levels in the world's top economics, and interest rate increases by the respective central banks.

Finally, in relation to the conflict between Russia and the Ukraine, it continued during the last part of the year, with no signs that would project an end during the near future. For this reason, inflationary pressures caused by the war will continue to remain high due to both countries' high level of influence on different commodities.

In the local sphere, and in line with observations in the rest of the world, inflation levels remain high, with a maximum level hit during the third quarter of 2022. During the last part of the year, these levels saw a slight decrease, with a 12.8% inflation in December for the past twelve months, the highest level in the last 30 years and far from the 3% target set by the Central Bank. This would indicate that the monetary policy rate will continue at high levels during the upcoming months.

In Iron **Mining**, CMP operated each of its production site with no major interruptions during 2022, reaching annual production and shipment levels on par with the yearly schedule.

In the area of external trade, Asian and primarily Chinese customers maintained a high demand for iron, and in particular, high-grade magnetic concentrates produced by CMP, including 62-64% iron sinter feed, 65-69% iron pellet feed, and 65-67% iron pellets, which increases the revenue captured for this subsidiaries' products. In terms of prices, a spike was seen towards the end of the fourth quarter, after these had continued a downward trend since April. This is a result of the abovementioned elimination of zero-Covid policies in China, which sent signs that the economy would reopen and drove the main commodities prices. Nevertheless, in 2022, this policy had a profound effect on the economy, particularly the construction and infrastructure sector in China, and thus the iron and steel industry. Therefore, according to figures published by the World Steel Association, steel production in China dropped by 2.1% in 2022 compared to the previous year.

In the iron and steel sector, as a result of the context detailed above, the main international indicators for the price of steel saw an increase during the first three months of the year, which was later reversed during the second quarter, and this downward trend also remained into the second half of 2022, with a slight upswing around the end of the year due to more flexible measures in China. With respect to the local market, the lower activity in the construction sector was maintained, and primarily impacted the steel beam market.

The Steel Processing business activities, on the other hand, adjust to the growth and investment levels of the economies where they operate and their own efforts in terms of efficiency and innovation. In 2022, Cintac experienced a decrease in the demand for steel products with respect to 2021 in both Chile and Peru, explained primarily by lower activity in the construction and infrastructure sectors. In terms of the steel pipe production subsidiary in Argentina, which CAP owns through Intasa, it continued to show good performance during 2022, adding positive results to the CAP Group, thanks to good production and market conditions and high levels of demand in a scenario of low local supply of steel products.

4. ANALYSIS THE CAP GROUP BUSINESSES

In the Iron market, the average price of CMP's commodities basket in 2022 was US\$ 111.5 per metric ton, which is 32.7% lower than the average price of US\$ 147.2 per ton recorded in 2021. The decrease in prices is primarily due to lower activity in the construction sector in China in 2022.

In terms of mineral shipment volumes as of December 31, 2022, these reached 16.3 million tons, which is 1.0% higher than the 16.2 million tons shipped during 2021.

As a consequence, the CMP sales at the close of 2022 reached US\$ 1,832.6 million, which is 23.6% lower than that recorded in 2021.

In the case of Steel, the average price obtained during 2022 was US\$ 997.7 per ton, 11.8% higher than the price of US\$ 892.4 obtained in 2021, while steel shipments reached 653,479 tons for the year, 19.6% less than 812,851 tons sold the previous year. Thus, the CSH revenue as of December 31, 2022 was US\$ 681.4 million, which reflects an 11.8% decrease from the revenue obtained in 2021.

As of December 31, 2022, the **Steel** Processing segment shows an average price for steel products of US\$ 1,405.6 per ton, 4.2% higher than the price of US\$ 1,349.2 the year before. Meanwhile, shipments reached 294 thousand tons, versus 357 thousand tons in 2021. As a result, steel product sales dropped from US\$ 481.4 million in 2021 to US\$ 413.1 million at the close of 2022. Also, steel services and solutions revenue was US\$ 146.8 million during the year, 10.3% less than the US\$ 163.7 million in revenue for 2021. Based on the above, and adding other sales revenue of US\$ 3.4 million, as of the December 31st close, Novacero and Intasa, companies that consolidated this segment's business, reached consolidated revenue of US\$ 563.4 million, which is 13.3% less than the US\$ 650.1 in sales revenue for the previous year.

As of December 31, 2022, the **CAP Infrastructure** subsidiaries, Cleanairtech and Tecnocap, achieved a production of 7.82 million cubic meters of desalinated water and a transmission of 247.3 GWh of electricity, respectively. Thus, their contribution to the group's revenue, including the sales of Puerto Las Losas, reached US\$ 102.4 million.

Costs of Sales

When comparing the average cost of sales per ton for 2022 with the corresponding cost of sales for the year before, this increased 13.0% in **iron** products and 34.4% in steel products. In terms of the steel processing business costs, these increased in absolute terms by 3.9% over those reported for 2021. These increases are mainly explained by inflationary pressures recorded during the year, and the high cost of raw materials inventory in the case of CSH, and the high cost of steel inventory in the case of Cintac.

Administrative and Sales Expenses

Consolidated administrative and sales expenses dropped in absolute terms from US\$ 151.2 million at the close of December 2021 to US\$ 148.4 million in 2022, while as a percentage of sales, they increased from 4.1% to 4.9%. This is mainly explained by the increase in service and overhead items, which were impacted by inflation rates during the year, and the reduction in operating revenue for the main business segments, due to the reasons mentioned above.

Finance Expenses and Foreign Currency Translation

CAP's consolidated finance expenses increased from US\$ 63.4 million in 2021 to US\$ 80.7 million in 2022, mainly due to increases in interest rates, high inflation levels during the year, and the increase in current financial liabilities. Meanwhile, finance revenue increased from US\$ 2.9 million as of December 31, 2021 to US\$ 10.4 million at the close of 2022, due to better interest rates offered in the financial system for instruments eligible for the investment of the Company's financial surplus. Consequently, the net finance expenses increased from US\$ 60.5 million as of December 31, 2021 to US\$ 70.3 million as of December 31, 2022.

With respect to variations in the exchange rate, in 2022, these yielded an income of US\$ -2.5 million, in comparison to US\$ 16.6 million the previous year. In both cases, the foreign currency translation changes are produced by variations in the value of the different currencies with respect to the US dollar applied to temporary market gaps in asset and liability accounts in other currencies.

5. ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

Table No. 3 summarizes the main items of the CAP S.A.

balance sheet as of December 31, 2022 and 2021, whose main variations are analyzed below.

→ Table No. 3: Summary of the Statement of Financial Position

Figures in Thousands of US\$

	31-Dec-22	31-Dec-21
Current Assets	1,686,180	1,983,261
Non-Current Assets	4,875,725	4,629,081
Total Assets	6,561,905	6,612,342
Current Liabilities	1,487,049	1,620,066
Non-Current Liabilities	1,374,983	1,324,954
Total Liabilities	2,862,032	2,945,020
Equity	3,699,873	3,667,322
Total Liabilities and Equity	6,561,905	6,612,342

The decrease of US\$ 50.4 million in Total Assets during 2022, is explained mostly by a reduction of US\$ 297.1 million in Current Assets, which is primarily due to lower cash generation of US\$ 591.9 million, which was partially offset by an increase of US\$ 167.0 million in current inventory and an increase of US\$ 122.0 million in trade receivables. The decrease in current assets was also offset by an increase of US\$ 246.6 million in Non-Current Assets, which is primarily explained by a net increase of US\$ 221.4 million in property, plant and equipment.

Total Liabilities dropped by US\$ 83.0 million, largely due to the US\$ 191.8 million drop in current accounts payable to related companies for the concept of recognition of interim dividends

according to the respective policy and 2021 income, and the reduction of US\$ 224.9 million in current tax liabilities after having paid the income tax balance for 2021 during the year. On the other hand, total financial liabilities saw an increase of US\$ 310.0 million during the year, explained primarily by an increase in short-term financial debt for CMP, CSH, and Cintac for their respective financing of working capital.

Finally, the increase in Equity of US\$ 32.6 million is due to positive income for the year, net of the dividends paid and provisioned according to the company's current dividend policy.

6. ANALYSIS OF THE STATEMENT OF CASH FLOWS AND LIQUIDITY

The following table summarizes the cash activity during 2022 and 2021:

→ Table No. 4: Summary of the Statement of Net Cash Flows

Figures in Thousands of US\$

	2022	2021
Cash flows provided by (used in) operating activities	232,255	1,415,970
Cash flows provided by (used in) investing activities	-401,525	-385,655
Cash flows provided by (used in) financing activities	-423,334	-574,688
Effectives of variation in the exchange rate	-3,516	-10,012
Net Increase in Cash	-596,120	445,615
Cash at the beginning of the year	867,552	421,937
Cash at the end of the year	271,432	867,552

The operational cash flows for 2022 were US\$ 232.3 million (vs. US\$ 1,416.0 million the previous year). The reduction in operational cash generation is largely explained by a lower collection for the sale of goods and services (US\$ 3,245.7 million versus US\$ 3,637.8 million as of December 31, 2021) and higher taxes paid during 2022, both with charge to that year and to 2021 profits. The lower collection of sales revenue is mostly explained by lower sales prices in the mining segment, and lower shipment volumes in the steel production and processing segments. Additionally, payments to providers increased for the supply of goods and services (US\$ 2,271.5 million versus US\$ 1,538.2 million in 2021), partly reflecting the high inflation levels mentioned above, and higher provision levels of raw materials, materials, and spare parts, as a result of provisioning plans aimed at preventing potential interruptions in the supplies, distribution and logistics market.

In investing activities, the negative flow of US\$ 401.5 billion is primarily due to purchases of property, plant and equipment in the amount of US\$ 422.6 million, offset in part by cash

receipts of US\$ 19.8 million, corresponding to financial investment redemptions.

The cash flow from financing activities shows a net outflow during the year of US\$ 423.3 million (vs. an outflow of US\$ 574.7 million as of December 31, 2021), explained primarily by the payment of dividends to the shareholders of the Company and some of its operating companies in the amount of US\$ 603.0 million, due to the amortization of finance debt of US\$ 309.4 million and the payment of finance interest of US\$ 52.1 million. On the other hand, amounts were received from new long- and short-term loans for a total of US\$ 537.9 million.

As a result, in 2022, the CAP Group saw a net decrease in cash and cash equivalent of US\$ 596.1 million (vs. a cash generation of US\$ 445.6 million in 2021), thus reaching a cash position of US\$ 271.4 million at the close of the year.

7. FINANCIAL INDICATORS

→ Table No. 5: Liquidity Indicators

INDICATOR	Parameter	As of 12/31/2022	As of 12/31/2021	Variation
Current Liquidity	Times	1.13	1.22	(0.09)
Current Assets/Current Liabilities				
Acid-Test Ratio	Times	0.24	0.58	(0.34)
(Cash and cash equivalent + Other current financial assets)/ Current Liabilities				

The current **liquidity ratio** for CAP S.A. dropped from 1.22 in 2021 to 1.13 in 2022, due to the greater reduction in current assets versus the decrease observed in current liabilities. As mentioned before, the decrease in current assets is mostly due to the lower cash generation, which was partially offset by the increase in current inventory and an increase in

trade receivables, while the reduction in current liabilities is explained largely by the decrease in current accounts payable to related entities, for the concept of recognition of dividends payable, according to the respective policy and income for 2021, and the decrease in current tax liabilities after having paid income taxes for 2021 during the year.

The **acid-test** ratio decreased from 0.58 to 0.24, due primarily to lower cash and cash equivalent.

→ **Table No. 6: Debt Indicators**

INDICATOR	Parameter	As of 12/31/2022	As of 12/31/2021	Variation
Indebtedness				
Total Financial Indebtedness	ThUS\$	1,061,291	717,606	343,685
Other current financial liabilities + Other non-current financial liabilities + Current and non-current liabilities for financial leasing				
Net Financial Indebtedness	ThUS\$	710,612	(224,996)	935,608
Total Financial Indebtedness - (Cash and cash equivalents + Other current financial assets)				
Net Financial Indebtedness to EBITDA	Times	0.78	(0.12)	0.90
Net Financial Indebtedness/EBITDA last 12 months				
Net Financial Indebtedness to Equity	Times	0.19	(0.06)	0.25
Net Financial Indebtedness/Equity				
Hedging of Net Finance Expenses	Times	12.94	29.98	(17.04)
EBITDA last 12 months (Finance expenses last 12 months - Finance revenue last 12 months)				
Short-Term Debt to Total Debt	%	52	55	(3.00)
Current Liabilities/Total Liabilities				
Long-Term Debt to Total Debt	%	48	45	3.00
Non-Current Liabilities/Total Liabilities				

The Company's **financial indebtedness** increased in 2021, from US\$ 717.6 million at the close of the previous year to US\$ 1,061.3 million, primarily due to the contracting of short-term debt by CSH, CMP, and Cintac to finance working capital, and the contracting of a long-term loan by Cintac and Promet, in the amount of US\$35 million and US\$ 33 million, respectively. In net terms, this indicator increased by US\$ 935.6 million for the reasons described above in terms of financial indebtedness, and for the decrease in cash and cash equivalent levels generated during the period.

The combination of the increase in net financial indebtedness and the decrease in EBITDA from US\$ 1,813.4 million at the close of December 2021 to US\$ 910.1 million at the close of 2022, led to an increase in **Net Financial Debt to EBITDA** ratio, from -0.12 to 0.78. In this same line, and also as a result

of the lower level of EBITDA, the **Finance Expense Hedging** ratio dropped from 29.98 to 12.94 times for the last 12 months, with both metrics ending at more normal levels, but still with gaps regarding target levels that would allow the Company to maintain adequate solvency levels and favorable credit risk ratings.

Finally, there is a decrease in the relative weight of current debt over total debt, which is primarily explained by the abovementioned decrease in current accounts payable to related entities, for the concept of recognition of dividends payable, according to the respective policy and income for 2021, and the reduction in current tax liabilities after having paid income taxes for 2021.

→ **Table No. 7: Inventory Turnover Indicators**

INDICATOR	Parameter	As of 12/31/2022	As of 12/31/2021	Variation
Activity				
Inventory Turnover	Times	3.27	4.31	(1.04)
Cost of Sales/Stock				
Inventory Permanence	days	111	84	27
(Stock/Costs of Sales)*Days in period				

The **inventory turnover** dropped from 4.31 to 3.27 times with respect to December 31, 2021, due to a greater increase in stock levels compared to the rise seen in cost of sales. The same

effect led the **inventory permanence** ratio to increase by 27 days, from 84 days at the close of the previous year.

→ **Table No. 8: Profitability Indicators**

INDICATOR	Parameter	As of 12/31/2022	As of 12/31/2021	Variation
Profitability				
Equity Profitability	%	9.05	27.08	(18.03)
Profit (Loss) / Total Equity				
Asset Profitability	%	5.11	15.02	(9.91)
Profit (Loss) / Total Assets				
Profit per Share	US\$	1.51	4.96	(3.45)
Profit (Loss) attributable to the controller's owners/ Number of shares issued				
Dividend Return*	%	33.03	28.28	4.75
Dividends last 12 months / closing share price				

Given the lower profits recorded as of December 31, 2022 in the amount of US\$ 335.0 million, the profitability indicators show a decrease with respect to 2021, where cumulative profits reached US\$ 993.2 million. The dividend return shows an increase due to higher payments made during the last twelve months.

8. MARKET RISKS

Accounting in US Dollars and Exchange Rate

The CAP Group's predominant functional currency is the US dollar, therefore, most of its subsidiaries keep its accounting in that currency, allowing them to value a significant amount of their assets, liabilities and equity in the same currency.

The same occurs in the income accounts, where revenue and expenses are credited and charged, respectively, in this currency from the moment they occur or are accrued.

Likewise, CAP's assets and liabilities recorded and controlled in pesos and currencies other than the USD may lead to changes due to foreign currency translation based on

valuation at the balance sheet date, if the exchange rate of those currencies to the USD experiences variations. The difference for foreign currency translation is carried to income for the year.

Based on the above, the Company makes an effort to obtain an adequate balance between its assets and liabilities in other currencies or one that is satisfactory in light of the prevailing realities in the international and local exchange markets, trying to avoid significant impact on its income. For this purpose, the Company may at times perform currency hedging operations with derivative instruments.

Commodities

CAP's businesses reflect cyclical or circumstantial variations in global and local supply and demand through their prices.

On the other hand, iron and steel are not traditional commodities, as the specific chemical composition of each type of iron or steel, which is essential in most users' purchasing decision, leads to a large range of variety. However, the trading of iron and steel futures through financial brokers has recently gained relevance. In this

regard, since 2017, the CAP group has occasionally performed operations using these hedge instruments for around 10% of mineral shipments. During 2022, the Company did not take out or hold any commodity price hedging contracts.

Sensitivity Analysis

CAP's operations are mainly exposed to variations in iron and steel prices, whose levels are determined by global supply and demand.

The Group estimates that at the production and shipment levels recorded during the year, an increase/(decrease) of 10% in the average iron price would cause the group's revenue to increase/(decrease) by US\$ 164.2 million. In terms of steel, it is estimated that a 10% increase/(decrease) in the average price recorded in the same period would increase/(decrease) the group's revenue by US\$ 72.2 million.

Debt in Other Currencies and Interest Rates

Along with the cyclical nature of revenue, the Statement of Income of CAP S.A. is exposed to the effects of variations in the market's financial parameters, which it seeks to mitigate by determining adequate levels of debt proportion in different currencies or interest rate formats, whether fixed or variable, and possibly using the available instruments in the market to hedge these.

Historically, CAP has sought to contract debt in USD, with the exception of bond investments in UF in the local market. These local liabilities have been hedged with Cross Currency Swaps to USD, preferably on the same investment date. Likewise, the Company has taken out hedging instruments to fix variable interest rates on some loans.

If any assets or liabilities were to be created from hedging operations, these are presented at their fair value on the respective financial statement dates.

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2022

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