

HUMAN RESOURCES

The FCAB is committed to attracting and retaining the best possible talent which meets the requirements associated with its culture, philosophy and standards. To this end, it ensures a good working environment for the needs of its employees.

The company has 1,029 employees, of which 923 are on permanent contracts and 106 are on temporary contracts. There are also 629 contractors. 93% of employees come from the Antofagasta Region.

The minimum starting salary at the company is nearly 55% higher than the national minimum wage. At TRAIN, the starting salary is nearly 40% higher than the national minimum wage.

Worker safety

FCAB makes it a priority to provide maximum safety conditions for its workers. The accident rate with time lost for FCAB for 2007 was 19.2. The rate of total



frequency of accidents was 44.3 and the severity index was 335, without any fatalities recorded during the year.

Health

FCAB is also constantly concerned with the health and quality of life of its employees. It has accordingly developed an Occupational Safety Programme, the main objective of which is to maintain and promote the health of all the employees of FCAB and its service provider companies. In accordance with this programme, all FCAB employees must undergo a medical examination designed to detect risk factors and/or illnesses that represent a threat to their overall health. In addition, workers who are exposed to excessive noise and metallic dust must undergo periodic qualitative and quantitative evaluations.

The company is also responsible for organising and carrying out programmes in education, training, advice, and risk prevention and control that are provided to the workers, their families

and to community members. Health-protection seminars are held on topics such as cardiovascular risks, uterine and cervical cancer, prostate cancer, and promote preventive check-ups in the public and private sector for workers and their families.

Training

FCAB places a premium on the development of skills and knowledge by its workers, both job-specific and transferable, that will be useful to them both within and, as the case may be, outside the company. All workers receive performance evaluations appropriate to the type of work they perform. To this end, internal training policies are in place for workers that are adapted to specific needs as they arise.

In accordance with the current collective bargaining agreement, there is a continuing education fund for in-service workers, designed to supplement courses designated as valuable for their professional development. The company pays for 50% of the enrolment fee and respective monthly tuition. In cases

where a course is completed with an average higher than 65%, the company rewards the worker by reimbursing the remaining 50%. In 2007, the average number of hours in training per employee for the year reached 74 hours.

Unions

As part of the company's philosophy of acting ethically and responsibly, FCAB ensures that applicable labour laws are complied with in terms of freedom of association and the right to be part of collective bargaining agreements. Approximately 44% of workers are covered by a collective agreement applicable for four years which expires in December 2009. There are currently four unions at FCAB.

Other activities for workers

Digital literacy

FCAB has made a point of embracing changes in technology occurring globally by helping its workers and their families to face the challenges of the 21st century. FCAB has offered to





educate and train members of relevant communities who wish to learn to use the internet and other computer based tools.

By participating in the digital literacy campaign initiated by the government, the company has developed an innovative computer skills programme to help to bridge the digital divide for its workers and their families through theoretical

and practical training in the use of information and communication technologies, so that they are prepared to live competently in a globalised world. The project covers work with networks and the use of software that may be obtained free from the internet.

e-Seal accreditation

FCAB received its e-Seal accreditation in 2005 as

the first company in the Antofagasta Region to eliminate the digital divide by achieving digital literacy for all of its workers, a task achieved thanks to the decisive contributions of senior management, supervisors and workers in the various divisions of the company.

COMMUNITY RELATIONS

The company is aware of the potential impact of rail and highway transport activities on the communities and population centres near the transport network. Each time a new project is submitted to the Environmental Impact Assessment System (SEIA), corresponding assessments are carried out for the area affected by the project. The most recent Environmental Impact Assessment

associated with the project on "Transport of containers with mineral concentrates from Minera San Cristobal" was in 2005 and covered an assessment of the regional demographic and community aspects of the respective economic activities, an evaluation of indigenous communities and of the organisational structure of the communities.

Throughout its hundred year history, FCAB has always sought to maintain good relations with stakeholders affected by its operations, and has been concerned to contribute more than economic value to surrounding communities. In 2007, there were no cases of significant incidents with an adverse impact on local communities.