

focused on the transport of copper cathodes, mining equipment and sulphuric acid. The company has long-term contracts with mining companies that are responsible for new developments, projects and exploration in the region and this allow quantities transported to increase steadily over time.

Throughout its history, FCAB and its subsidiary, TRAIN, have always given priority to and sought to promote socio-economic development of the Antofagasta Region. This

is reflected in its practices concerning local suppliers, giving priority to the procurement of regional services and products, except in those cases where it cannot obtain the quality required for proper performance of the company's business. FCAB has a procurement inventory control procedure for critical materials and supplies and a continuous quality assessment process for these, as well as for the compliance of the suppliers involved. This process includes identifying a number of critical suppliers based

on their specialisation in terms of certain spare parts used, at both local and international levels.

Historically, the company has also made substantial investments in the Antofagasta Region that have contributed to the area's progress and have stimulated and enabled both domestic and foreign companies to begin or continue to invest in the region.

---

# OPERATIONAL SAFETY

Given the nature of its business, safety is of particular importance to FCAB. Management of safety revolves around two key components: managing occupational health and safety, and

managing operational safety. The company has a risk prevention policy and, in rail transport, a quality policy which incorporates operational safety as one of its prime objectives. Both policies are

reinforced by the company's environmental policy. In order to provide transport services and especially for transport services for hazardous goods, the quality, environment and occupational health and

safety management systems observe rules, standards, manuals and procedures which manage the risks to individuals, clients, the community and the environment.

## Hazardous cargoes

FCAB's trucks and trains carry heavy cargoes and dangerous substances on a daily basis, especially sulphuric acid; special safety measures are accordingly implemented in operational processes to avoid and prevent possible accidents which would impact the

environment or affect personal health.

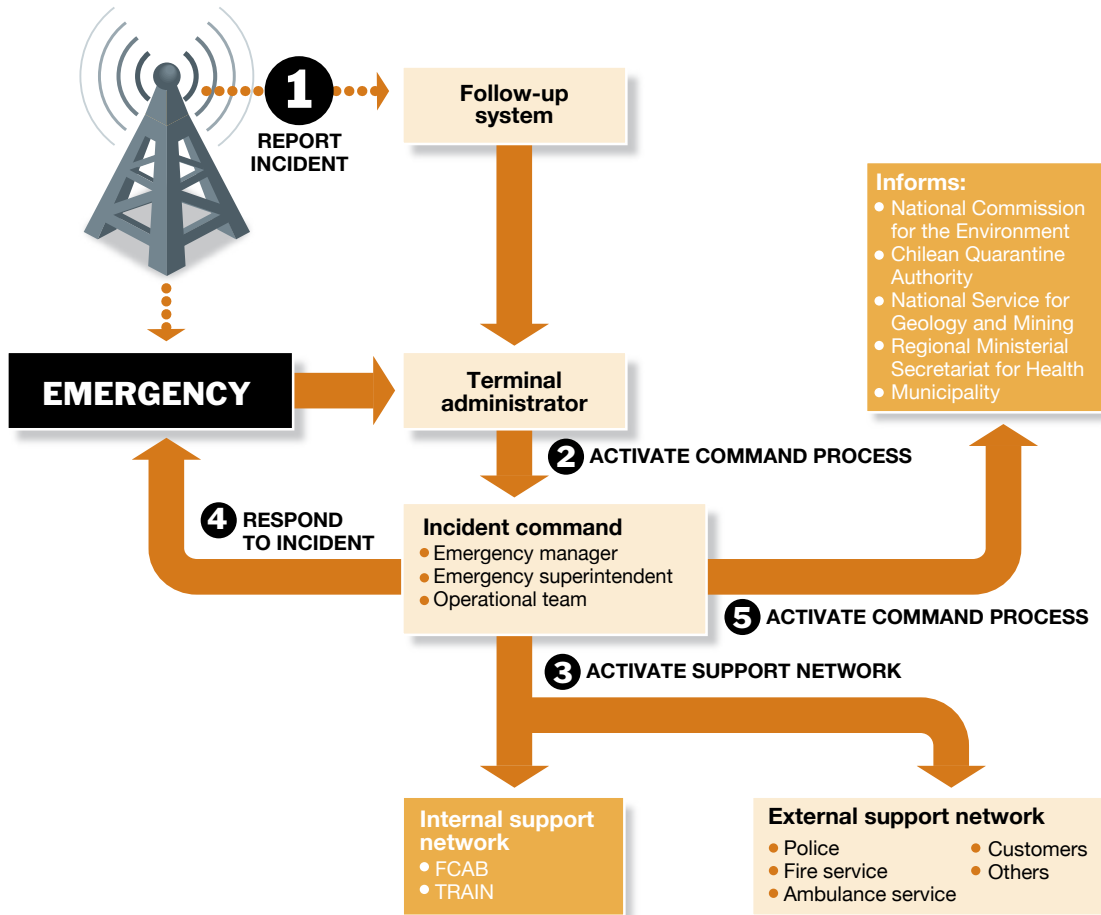
## Emergency plans for incidents

FCAB applies a particular methodology to prepare for emergencies, to ensure an effective response and appropriate control of the risks associated with events such as serious accidents, earthquakes, fire, hazardous materials spills and other incidents that could affect workers, installations, equipment, the environment and the community. This methodology is based on:

- Prevention plans, training and drills.
- A procedure for identifying dangers and assessing risks.
- A procedure for identification of, access to, and reporting of legal and other requirements.
- A procedure for internal and external communication on health and occupational safety.
- Applicable legislation on safety, occupational health and the environment.



## ■ Railway emergency plan



### Railway Emergency Plan

The Railway Emergency Plan is put into effect in the event of interruption of normal rail service, or of any event, such as a derailment, that interrupts freight movement. This plan seeks to ensure a rapid and effective response in the event of an emergency

that may also involve outside parties such as the ambulance service or the fire brigade as necessary.

### Environmental Emergency Plan

This plan focuses directly on soil and water contamination and comprises a set of

assessments, actions, procedures and verifications that, in the event of an emergency, are carried out in the affected zone in order to leave it in a state that does not present risks to safety, public health, the community or the environment. To this end, FCAB has created operational procedures designed to ensure a rapid

and rigorous process in order to deal with an emergency on the ground. Once the emergency is over, FCAB's practice is to institute monitoring measures to confirm restoration of the land involved.

### **Agreement with the Fire Brigade**

FCAB has signed an agreement of cooperation with the Fire Brigade in Calama to deal with accidents involving hazardous goods in the urban area of the city. It is hoped that this measure will lead to more companies in the area, both within the municipality of Calama as well as in the rest of the region, following this example. The safety of individuals and the community in general is paramount, so that they can feel safe when these types of products are transported through some parts of the city.

### **TRAIN Emergency Plan**

TRAIN has a Risk Prevention and Emergency Response Protocol which is designed for responding to emergency situations involving both personnel and equipment carrying and transferring

dangerous substances, so as to avoid harming people, the environment and the communities where freight shipment takes place. There are personnel trained to make emergency management decisions with specialisation at both the national and international level. Trained personnel work in various roles including drivers and operators, among other roles.

As part of its risk prevention measures, TRAIN currently has a policy of renewal for any trucks between five and seven years old, replacing them with electric powered vehicles with safer and more modern braking systems.

TRAIN responds to emergencies that occur on highways, streets and in communities and frequently holds simulation drills on spillages and emergency management. Employees are trained to handle the transfer of dangerous substances, confinement of spillages, buffers and retaining barriers, and neutralisation and clean-up of the affected area.

## **Incidents**

During May 2007, a sulphuric acid spillage of approximately 125 cubic metres occurred as a result of the derailment of 11



rail cars loaded with that compound. An immediate consequence was the contamination of soil surrounding the track at the derailment site.

As soon as the incident happened, the mechanism set up by FCAB was immediately activated and the incident reported to the relevant bodies. No injury to employees or to third parties, or damage to public or private property occurred. As a corrective measure, the sector was isolated and the spill confined in order to prevent the liquid from spreading. The acid was subsequently recovered through the construction of a retaining barrier around the site of the derailment.

The contaminated soil, which was classified as hazardous waste was removed by an authorised firm. The earth with the lowest level of contamination was neutralised and subsequently filled in the same area. The condition of the site and the recovered fill was inspected by the relevant authority. The neutralised earth was reclassified through analysis by an accredited laboratory. The result was a reclassification by the Antofagasta Health Department from hazardous waste to industrial waste, which allows it to be disposed of in an authorised landfill.

Another significant incident happened in 2007, caused by a road accident where there was a spill of 22 cubic metres of SX-80 solvent at the Uribe interchange, Route 5, Antofagasta. The solvent, as would be confirmed by an accredited laboratory, is not classified as hazardous waste and thus could be disposed of in an authorised sanitary landfill. Immediately following the spillage, relevant emergency measures were taken to isolate the area and confine the spillage to avoid the liquid spreading. Public authorities were alerted and recovery procedures were initiated with the construction of a containment barrier. The contaminated soil was removed from the site.

In 2007, FCAB received no significant fines or sanctions of any type.

