

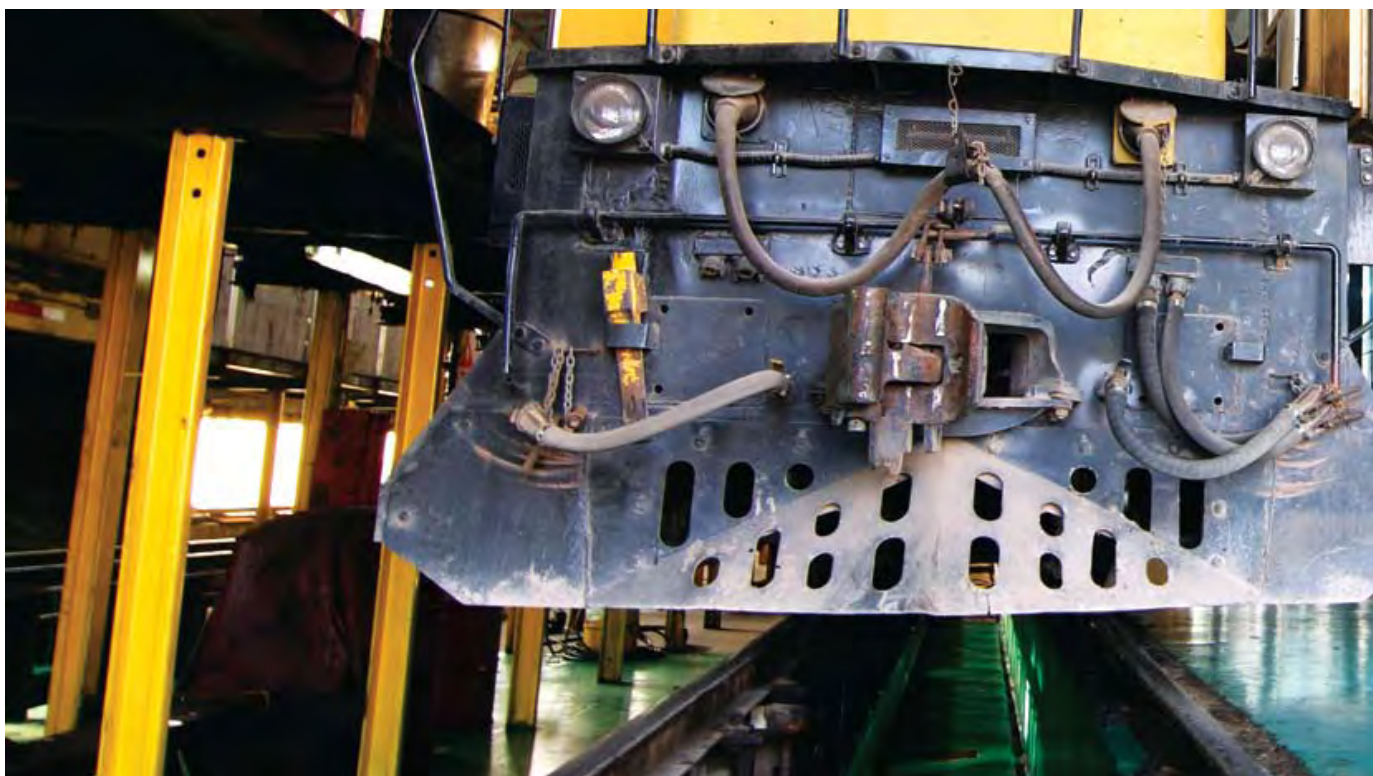
ENVIRONMENTAL MANAGEMENT AT FCAB

Energy

Reducing energy usage at all FCAB's facilities and by its trains and trucks is a constant concern and one that directly affects operations. Equipment to monitor diesel fuel usage has been installed in trains.

Annual consumption of primary energy

Type of Fuel	Quantities consumed (GJ)	
	FCAB	TRAIN
Diesel	827,845	278,606
Liquefied gas	-	89
Other	-	207
Total	827,845	278,902



As a way of controlling fuel consumption, preference is given to technologies which use less fuel in new and upgraded equipment. In addition to monitoring diesel fuel use, possible cases of over-consumption are periodically checked in order to identify opportunities for improved efficiency. As a first step, idle time for the locomotives is controlled, and as a second, the means of supplying fuel to the locomotives is optimised. The results of the above-mentioned optimisation initiatives should be available in 2008.

TRAIN continuously performs checks and provides training in order to improve the efficiency and output of fuel use in its trucks. In particular, this includes monitoring of consumption by truck and by department on a weekly basis, verification of the computers on the fleet trucks and, in general, confirmation of consumption rates by means of specialised

software. In addition, on-site inventory control as well as discussions with operators on fuel-saving practices are carried out.

In order to ensure a continuous supply of electricity, critical production processes are backed up by auxiliary generators for each operation.

⚡ Annual consumption of intermediate energy (GJ)

Electricity	Quantity produced	Quantity purchased	Total quantity used
FCAB	5	8,554	8,559



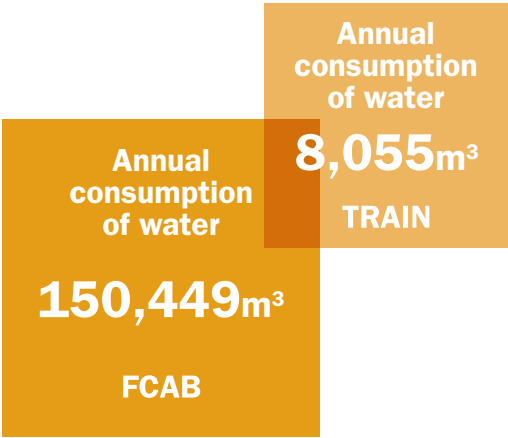


Use of water

From its foundation until the 1970s, FCAB distributed drinking water for use by local inhabitants of Calama and Antofagasta. FCAB was for decades a presence of the greatest importance in the region because of its provision of drinking water and sewage systems for the population, which facilitated the creation of industries.

Today, although the company no longer distributes drinking water, it still provides untreated water for industrial use to various companies in the region.

For its own water use in daily activities, FCAB obtains water from Aguas de Antofagasta S.A. totalling 150,449 cubic metres annually. TRAIN's consumption is 8,055 cubic metres.





Possible environmental effects on waterways

The main environmental impact of operations could occur at the intersection of the railway line with the watershed of the Loa River. Only in the event of a spillage would the soil and water system be affected. In such a case, the emergency plans already described would be put into action, authorities

would be immediately informed of the incident and monitoring plans put into effect based on the scope of the accident.

The monitoring plans to control water quality in the areas of the River Loa at the railway crossing consist of frequent water-quality testing, involving measurements taken upstream and downstream

for as long as any emergency and post-emergency periods last. To date, there have been no spillages in any waterways.

Waste management

Atmospheric pollution

Atmospheric emissions associated with FCAB's activities consist of gases resulting from the internal combustion of engines of the locomotives and trucks. These emissions are controlled through regular and rigorous maintenance procedures for the locomotives. The trucks used are new and undergo regular maintenance procedures and a technical inspection every six months, thus ensuring that truck emissions comply with the requirements of Decree 55/94 of the Ministry of Transportation and Telecommunications for gas emissions.

Liquid waste

The liquid waste generated is mainly from activities involved in maintaining the tanker fleet. This generally means acidic waters that are produced by washing contaminated parts with acid. To ensure maximum safety in handling this type of waste, preventative measures are taken. Instead of directly discarding the acid solution from a tank truck,

plastic containers are used to capture the acidic water. The solution is then drained into a container where the waste is neutralised using the following processes:

- Measuring the solution's pH.
- Adding calcium oxide until a pH greater than 5 is reached.
- Decanting and evaporating the water.
- Disposing neutralised muds, which are transferred to a temporary transit collection site until they can be dispatched to an authorised site.

TRAIN uses the sewage system to dispose of waste water from its maintenance and washing shops, in compliance with DS 609/98 (standards of emission for the regulation of contaminants associated with the discharge of liquid industrial residues to sewer systems).

Solid waste

The management of solid waste generated is carried out in accordance with the company's Solid Waste Management Plan. FCAB's business activities

generate hazardous and non-hazardous wastes. The main hazardous waste generated is used engine oil, as a result of equipment maintenance operations and oil changes for diesel engines. Used oil is stored in a tank on a daily basis and later removed by truck and sent to an INACESA facility, the final authorised destination where the hydrocarbon-based waste is incinerated, utilising the heat in cement furnaces. TRAIN is currently the company that transports these wastes.

Other waste generated by the company, as a result of vehicle maintenance, includes containers used for dilutants and paints and contaminated rags and cloths. Any waste equivalent to domestic waste is sent to the municipal dump. Industrial waste subject to resale, such as scrap iron, copper or bronze, is stored in a scrap heap for later sale or authorised disposal. Hazardous waste is temporarily stored at transit sites and its authorised final disposal is determined by the Management Plan presented to the relevant health authority.

