



## The Copper Mark Summary Report

### Participant Information

Name of the Site	Minera Centinela
Unique identifier provided by the Copper Mark	P0015
Address	30 Km East of Sierra Gorda Sierra Gorda, Antofagasta
Country of Operation	Chile
Products produced on site (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Concentrate, cathodes
Metals produced on site (e.g., copper, gold, nickel, silver, molybdenum)	Copper
Metals included in scope of Criterion 31 (this must be all or a sub-set of the metals produced on site)	Copper
Types of operations included in scope	
Mining	<input checked="" type="checkbox"/>
Concentrate blending	<input type="checkbox"/>
Solvent extraction and electrowinning	<input checked="" type="checkbox"/>
Smelting	<input type="checkbox"/>
Refining	<input type="checkbox"/>
Other ( <i>please explain</i> )	
Infrastructure owned or controlled by the site and included in scope	
Roads	<input type="checkbox"/>
Rails	<input type="checkbox"/>
Ports	<input checked="" type="checkbox"/>

Other (please explain)	
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### Independent Review

<p>The Independent Review took place from <b>7 April 2021 to 29 April 2021</b>. During this step, the Independent Reviewer examined the Copper Producer’s self-assessment, supporting documentation, independent third-party assurance reports, and publicly available information.</p> <p>The activities included review for completeness, verifying equivalence, and conducting desk-based due diligence.</p> <p>As a result, the Independent Reviewer recommended the scope of the site assessment to the Copper Mark.</p>		
The Independent Reviewer confirmed completeness, indicating available evidence for the assessor to review for all applicable criteria:	All 32 criteria	
The Independent Reviewer recommended the following criteria be included in the scope of the independent site assessment:	All except 29. Land Acquisition and Resettlement.	
<p>The following equivalent systems were applied:</p> <p><i>Equivalent systems are determined by the Copper Mark to have standards and assurance requirements that are materially comparable in scope and intent to those of the Copper Mark, in accordance with the <u>Copper Mark Recognition Process</u>.</i></p>		
Equivalent System <i>(Name, date of assurance / certification)</i>	Review Process	Criteria Covered by Equivalency
N/A	N/A	N/A
The Independent Reviewer recommended the following criteria be considered focus areas for the independent site assessment:		3. Stakeholder Engagement
The Independent Reviewer recommended the following criteria be considered not applicable to the Site:		29. Land Acquisition and Resettlement – no required resettlement of human communities or significant alteration of the wellbeing of local communities.

### Independent Site Assessment Information

Name of the Lead Assessor	Rachelle Jackson
Name of the Assessment Firm (if applicable)	Arche Advisors

Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)	On site: 14 June 2021 – 18 June 2021
Assessment Period	1 June 2020 to 31 May 2021
Summary of the Assessment Methodology	<p>The assessment methodology used for this assessment focused on data gathering through site visits to the mine, community, and port; through observation, worker and management interviews, and extensive document review of policies, procedures, documents, and records related to each of the specific Copper Mark criteria.</p> <p>Number of permanent workers: 2,103 Contract workers: 6,116</p>
Summary of the Assessment Activities	<p>Pre-assessment activities including document review and site assessment planning.</p> <p>Opening Meeting</p> <p>Site tour:</p> <ul style="list-style-type: none"> <li>• Mine tour (pit, tailing storage, water treatment)</li> <li>• Port tour, perimeter tour, expansion project site, area of influence</li> <li>• Community visit</li> </ul> <p>Interviews:</p> <ul style="list-style-type: none"> <li>• Management: 22</li> <li>• Direct employees: 11</li> <li>• Contractor employees: 14</li> <li>• Community representatives: 15</li> <li>• Union representatives: 4</li> </ul> <p>Document and record review</p> <p>Closing meeting</p>

### Summary of Findings

Criterion	Rating	Comments
1. Legal Compliance	Fully meets	Centinela has a management system that ensures compliance with all national legal requirements, including national obligations under international law.

		The legal department monitors regulatory developments and regularly briefs management. Compliance to different criteria is overseen by subject-matter experts.
2. Business Integrity	Fully meets	Centinela has a management system that prohibits and effectively prevents bribery (including facilitation payments), corruption and anti-competitive behavior.  The system is implemented through policies, training and annual reporting.
3. Stakeholder Engagement*	Fully meets	Centinela carries out stakeholder mapping in relation to public reporting obligations under the GRI guidelines.  The site has a grievance mechanism, known to stakeholders, available <a href="#">here</a> .
4. Business Relationships	Fully meets	Centinela promotes responsible business practices with significant business partners, including suppliers. This was confirmed through the review of policies, signed agreements with business partners and management interviews.
5. Child Labor	Fully meets	Centinela has a management system that prevents the employment of children under the age of 15, prevents the worst forms of child labor, and prevents the exposure of employees under the age of 18 to hazardous work in line with ILO Conventions No. 138 and No. 182.  This was confirmed through the review of policies, recruitment and hiring procedures, interviews with management, employees (direct workers and contractors) as well as observation.
6. Forced Labor	Fully meets	Centinela has a management system that prevents the use of any forms of forced labor and participation in acts of human trafficking in line with ILO Conventions No. 29 and No. 105.  The company has a clear policy prohibiting forced labor and a directive on Modern Slavery to align

		<p>with requirements of the UK Modern Slavery Act. No practices were identified that appeared to contribute to conditions of forced labor through the review of policies, observation and interviews with management and employees.</p>
7. Freedom of Association and Collective Bargaining	Partially meets	<p>Centinela has policies and procedures to respect employees' rights to freedom of association and to collective bargaining in line with ILO Conventions No. 87 and No. 98, participate in collective bargaining processes in good faith and not obstruct alternative means of association where there are legal restrictions.</p> <p>Interviews with direct workers confirmed that employees are trained and aware of their rights related to freedom of associations. Union representatives reported good communication with the site.</p> <p>However, employees of one contractor stated that they were not clear on their rights and did not dare to form a union because of fear of retaliation.</p> <p>Centinela designed a plan to work with contracting partners to ensure effective communication on respecting the right to freedom of association, collective bargaining and the legal requirements of Chile.</p>
8. Discrimination	Fully meets	<p>Centinela has policies and procedures in place to prevent and address all forms of harassment and discrimination in the workplace in line with ILO Conventions No. 100 and No. 111. Anti-discrimination is addressed in the Human Rights Policy and Code of Ethics, as well as handbooks and internal training materials.</p> <p>Interviews with employees and community members confirmed that</p>

		they are unaware of any instances of discrimination.
9. Gender Equality	Fully meets	<p>Centinela has policies and procedures in place to continually assess and monitor progress to ensure the implementation of a policy on gender equality in the workplace.</p> <p>The Diversity and Inclusion Policy is accompanied by an implementation handbook, training, and an independent assessment on the status of gender equality within the site.</p> <p>Female employees interviewed stated that they receive equal treatment and perceive that they have the same opportunities to advance in their position as male employees.</p>
10. Working Hours	Fully meets	<p>Centinela has keep employees' total regular and overtime working hours to 60 hours per week unless defined otherwise by applicable law or a collective bargaining agreement; and to ensure overtime is voluntary, provide one rest day in seven; and, provide annual leave.</p> <p>Employees are trained on the limit of hours they can work and are able to report concerns in case the site's policies are breached.</p>
11. Remuneration	Fully meets	<p>Centinela has policies and procedures in place to pay wages that equal or exceed the national minimum wage, including public statements on ethical wage payments requirements for contract employees, currently set 2/3 higher than the minimum wage in Chile.</p> <p>Interviewed employees reported understanding of the salary payment system.</p>
12. Occupational Health and Safety	Fully meets	<p>Centinela has an occupational health and safety management system that is aligned with ISO 45001.</p> <p>This was confirmed through document review, interviews with</p>

		<p>employees and observation of the operational areas of the mine as well as the dock area where copper concentrate is received and shipped to its final destination.</p> <p>The system includes elements of emergency planning, safe work procedures, drills, equipment and machinery, health inspections, and protocols for Covid-19.</p> <p>It was noted that the site has not carried out evacuation drills in some areas, however this was deliberate to avoid groupings of workers as part of the Covid-19 protocol and not a systemic gap.</p>
13. Grievance Mechanism	Partially meets	<p>Centinela has a grievance mechanism accessible to all employees.</p> <p>During employee interviews it was noted that employees are not aware whether complaints are resolved and information regarding the resolution of each complaint is not shared back with employees.</p> <p>During interviews with contractors, it was indicated that contractors do not know the procedure to access the complaint mechanism.</p> <p>Furthermore, it was found that in two cases, workers were terminated after filing a complaint of abuse. The termination was carried out before the investigation of the complaint was completed.</p> <p>Centinela has designed a plan to ensure transparency in the investigation process and communication of the results.</p>
14. Environmental Risk Management	Fully meets	<p>Centinela has an environmental management system (EMS) functionally equivalent to an internationally recognized EMS standard (e.g., ISO 14001).</p> <p>This was confirmed through management interviews, interviews</p>

		with employees, observation and document review.
15. Greenhouse Gas (GHG) Emissions*	Fully meets	<p>Centinela has a process to quantify, establish reduction targets for and disclose CO2 equivalent emissions in line with GRI and 3<sup>rd</sup> party verified.</p> <p>The parent company establishes annual goals for the reduction of GHG emissions to which the sites contribute, with a new goal of 30% reduction set in May 2021 by 2025. The company has also committed to carbon neutrality in all of its operations by 2050.</p> <p>More information is available in the public report <a href="#">here</a>.</p>
16. Energy Consumption	Fully meets	<p>Centinela has a process to implement and quantify energy efficiency improvements and increased use of renewable energy to reduce total energy consumption and/or energy intensity, and is engaged in energy efficiency projects at the site.</p> <p>This was confirmed through interviews with management, employees and observation.</p>
17. Freshwater Management and Conservation	Fully meets	<p>Centinela has a process to conduct a comprehensive assessment of water-use impacts and risks in collaboration with relevant stakeholders as required by law. The site implements measures to ensure that water consumption does not restrict availability/access for other water users or reduce the range and populations of fauna and flora in the catchment area of the site / facility.</p> <p>Management, employee, and stakeholder interviews, as well as observation, confirmed that the site's policies and performance on water management are understood and implemented.</p>
18. Waste Management	Fully meets	Centinela implements a risk-based waste management system that includes a commitment to the 'waste



		<p>hierarchy' and is applicable to all waste types (hazardous, non-hazardous, and inert).</p> <p>It was confirmed through observation, management and employee interviews that the site complies with legal guidelines and implement processes to manage the generation, storage, transportation and disposal of waste. Measures to recycle waste are implemented and the site has clean points in all work areas.</p>
19. Tailings Management	Fully meets	<p>Centinela has a process to design, operate, monitor, and close tailings impoundments while minimizing adverse impacts to the human health and the environment in line with ICMM's Performance Expectations.</p> <p>The site manages tailings considering the importance of reducing contamination and work accidents.</p> <p>Tailings were observed to be managed in compliance with national and international standards.</p>
20. Pollution	Fully meets	<p>Centinela implements the mitigation hierarchy to avoid, minimize, reduce, and compensate for the adverse impacts of pollution on human health and the environment.</p> <p>The site has annual objectives to reduce the use of hazardous substances, minimize the associated risks, and replace them with non-hazardous alternatives when necessary and possible. In addition, there are contingency and emergency plans to deal with incidents and accidents.</p>
21. Biodiversity and Protected Areas	Fully meets	<p>Centinela implements the mitigation hierarchy to avoid, minimize, reduce, and compensate for adverse impacts on biodiversity; to avoid adverse impacts to Critical Habitats or Endangered Species; and to prevent operational activities in World Heritage sites or in designated</p>

		<p>protected areas unless specifically and legally permitted</p> <p>It was confirmed through interviews with communities, employees and management that the site implements its biodiversity policy. A grievance mechanism to report on biodiversity concerns is also available. During observation, it was not evident that the operations was causing negative effects on biodiversity and practices designed to protect and restore it were observed.</p>
22. Mine Closure and Reclamation	Fully meets	<p>Centinela has a documented plan with stakeholder inputs that addresses environmental and social aspects and makes financial provisions for closure and reclamation of the site / facility.</p> <p>No closure activities have begun.</p> <p>The mine closure plan was developed with stakeholder participation and describes the economic and environmental parameters that cover the life cycle of the mine and its post closure phase.</p>
23. Community Health and Safety	Fully meets	<p>Centinela implements a management system to monitor, avoid, minimize, reduce and compensate for adverse impacts on community health and safety.</p> <p>The system includes a policy and a process to assess impacts of health risk, mitigate potential risks, engage with communities and other interested stakeholders, and review complaints that have been submitted on the subject.</p> <p>It was confirmed through interviews with the community and interested party that the community is aware of the company's policy and mechanism for submitting complaints. An agreement is in place between the community and the site.</p>

		It was observed that the operations of the site do not generate negative impacts on the health and safety of the community.
24. Community Development	Fully meets	<p>Centinela has a process to identify community needs in consultation with affected communities, develop a plan, and commit resources to support community development.</p> <p>Interviews with representatives of the community, local organizations, suppliers and interested parties confirmed that they are familiar with the site's community development initiatives and know the complaints mechanism. Interviewees indicated that the site has done a good job in the community, including good communications, and has made important contributions to help with the community's needs.</p>
25. Artisanal and Small-Scale Mining	Not applicable	The assessors confirmed there is no ASM in the area of influence, making this criterion not applicable.
26. Human Rights	Fully meets	<p>Centinela has a process in place to implement the UN Guiding Principles on Business and Human Rights including human rights due diligence.</p> <p>The site has a policy, process to conduct human rights impact assessments with stakeholder engagement, and process to incorporate feedback from the assessment and grievance mechanism.</p>
27. Security and Human Rights	Partially meets	<p>Centinela has a process to implement the Voluntary Principles on Security and Human Rights (VP on SHR) when engaging with private or public security forces</p> <p>The site has a process to train security and employees about human rights and to receive and respond to complaints about violations of security and human rights.</p>

		<p>However, there is no specific policy related to security and human rights and no existing policy clearly links to the Voluntary Principles on Security and Human Rights.</p> <p>Training on human rights for security personnel is delivered through an independent institute and not overseen or supplemented by the site.</p> <p>Centinela has designed an improvement plan to ensure compliance by security forces with the Voluntary Principles.</p>
28. Indigenous Peoples' Rights	Fully meets	<p>Centinela has a process to implement a management system to respect the rights of Indigenous Peoples, including FPIC; avoid adverse impacts on Indigenous Peoples' lands, livelihoods, resources, and cultural heritage; and develop and implement an Indigenous Peoples' engagement plan.</p> <p>At this time, there are no indigenous peoples within the sphere of influence, however, should there be expansion at some point, the process in place.</p>
29. Land Acquisition and Resettlement	Not applicable	No required resettlement of human communities or significant alteration of the wellbeing of local communities.
30. Cultural Heritage	Fully meets	<p>Centinela has a process to identify cultural heritage sites and to establish a process based on consultation with stakeholders to avoid, minimize, reduce and compensate for adverse impacts on cultural heritage.</p> <p>Interviews with community members confirmed that there is a cultural heritage committee working to protect the cultural heritage and that the site has engaged with the community to seek solutions to any concerns regarding its impact on cultural heritage.</p>
31. Due Diligence in Mineral Supply Chains	Partially meets	Centinela has a process to implement the OECD Due Diligence Guidance on

			<p>Conflict-Affected and High-Risk Areas for copper, however it has not been formalized.</p> <p>Centinela has designed an improvement plan to formalize the processes in accordance with OECD.</p>
	31.a. Management System	Partially meets	<p>Centinela has a policy and management system to implement the policy.</p> <p>The policy does not explicitly include a commitment to implement the five-step due diligence process defined in the OECD Guidance Annex I.</p>
	31.b. Red Flag Identification Process	Fully meets	<p>Centinela has a process to identify CAHRAs and to evaluate red flags. Chile is not considered a CAHRA in accordance with the process.</p> <p>All material inputs come from the site's own mine in Chile. Consequently, no red flags were identified.</p>
	31.c. Risk Assessment Process	Not applicable	There were no red flags identified.
	31.d. Risk Management Process	Not applicable	There were no red flags identified.
	31.e. Public Reporting*	Partially meets	<p>Centinela has a publicly available report that discusses due diligence policies and activities.</p> <p>However, the report does not refer specifically to the OECD Guidance and does not cover all the elements defined in that framework.</p> <p>The site's Step 5 report is available <a href="#">here</a>.</p>
	32. Transparency and Disclosure*	Fully meets	<p>Centinela reports annually on environmental, social and governance performance in line with internationally recognized standards (e.g. GRI) and to publicly support the implementation of EITI, and report where appropriate.</p> <p>In interviews, community members and stakeholders showed a basic understanding of the site's</p>

		<p>sustainability performance and information made available in the public reports.</p> <p>The parent company Antofagasta reports including site-level information.</p> <p>The annual reports are available <a href="#">here</a>.</p>
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## Conclusions

Statement of conformance	
The site is found to fully meet all applicable criteria of the Risk Readiness Assessment and, for Criterion 31, all applicable conformance criteria of the Joint Due Diligence Standard.	<input type="checkbox"/>
The site is found to fully meet or partially meet all applicable criteria of the Risk Readiness Assessment and, for Criterion 31, all applicable conformance criteria of the Joint Due Diligence Standard. The site has committed to continuous improvement to fully meet all applicable Copper Mark Criteria by 13 November 2022.	<input checked="" type="checkbox"/>
The site is found to miss some or all of the applicable criteria of the Risk Readiness Assessment and / or for Criterion 31, some or all of the applicable conformance criteria of the Joint Due Diligence Standard. The site has committed to continuous improvement to fully meet all applicable Copper Mark Criteria by 13 November 2022.	<input type="checkbox"/>
The site misses some or all of the applicable requirements of the Risk Readiness Assessment and / or for Criterion 31, the applicable criteria of the Joint Due Diligence Standard. The Site has not committed to continuous improvement.	<input type="checkbox"/>
Limitations:	None
Additional comments:	

## Copper Mark Award

*This Summary Report is prepared using data from the independent review report and the independent assessment report. The Copper Mark confirms the assessor's conclusion and awards the Copper Mark as follows*

Date the Copper Mark is awarded (dd/mm/yyyy)	22 July 2021
Expiry Date of the Copper Mark (dd/mm/yyyy)	21 July 2024