



The Copper Mark Summary Report

Participant Information

Name of the Site	Compañía Minera Zaldívar SpA
Unique identifier provided by the Copper Mark	P0016
Address	Avenida Grecia 750, Antofagasta
Country of Operation	Chile
Products produced on site (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Copper concentrate, Copper cathode
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 type="checkbox"/>
Other (<i>please explain</i>)	

Independent Review

<p>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> <p>The Independent Review took place on these dates:</p>	<p>18 April 2021 – 29 June 2021</p>	
<p>The Independent Reviewer confirmed completeness, indicating available evidence for the assessor to review for all applicable criteria:</p>	<p>All 32 criteria</p>	
<p>The Independent Reviewer recommended the following criteria be included in the scope of the independent site assessment:</p>	<p>All except:</p> <ul style="list-style-type: none"> • 14. Environmental Risk Management • 16. Energy Consumption • 18. Waste Management • 25. Artisanal and Small-Scale Mining • 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>		
<p>Equivalent System <i>(Name, date of assurance / certification)</i></p>	<p>Review Process</p>	<p>Criteria Covered by Equivalency</p>
<p>ISO 14001:2015 26 November 2020</p>	<p>The Independent Reviewer confirmed the assurance / certification was:</p> <ul style="list-style-type: none"> • Valid at the time of the review • No more than 24 months old and / or plans for 	<ul style="list-style-type: none"> • 1. Legal Compliance (partial equivalence) • 14. Environmental Risk Management • 16. Energy Consumption • 18. Waste Management

	<p>reassessment are underway</p> <ul style="list-style-type: none"> • In effect for an additional 12 months and / or plans for reassessment are underway • Covering the same scope as the Copper Mark Responsible Production Criteria, including operations, locations, and materials • Accompanied by improvement plans where applicable 	
The Independent Reviewer recommended the following criteria be considered focus areas for the independent site assessment:		<ul style="list-style-type: none"> • 3. Stakeholder Engagement • 17. Freshwater Management and Conservation
The Independent Reviewer recommended the following criteria be considered not applicable to the Site:		<ul style="list-style-type: none"> • 25. Artisanal and Small-Scale Mining: no ASM in the area of influence. • 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: 26-29 July 2021
Assessment Period	May 2020 - 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: 1,000</p>

	Number of contract workers: 1,700
Summary of the Assessment Activities	<p>Pre-assessment activities including document review and site assessment planning.</p> <p>Monday, 26 July 2021</p> <ul style="list-style-type: none"> • Opening meeting with management • Mine tour (pit, tailing storage) • Management interviews • Document review <p>Tuesday, 27 July 2021</p> <ul style="list-style-type: none"> • Direct employee interviews • Union representative interviews • Contractor employee interviews • Document review <p>Wednesday, 28 July 2021</p> <ul style="list-style-type: none"> • Community visit and interviews • Management interviews • Due diligence assessment <p>Thursday, 29 July 2021</p> <ul style="list-style-type: none"> • Wrap up • Closing meeting

Summary of Findings

Criterion	Rating <i>Fully meets, partially meets, does not meet, not applicable</i>	Comments <i>Includes link to publicly available documents or supporting evidence where possible and at a minimum for those criteria with an *</i>
1. Legal Compliance	Fully meets	Zaldivar has a management system that ensures compliance with all national legal requirements, including national obligations under international law.

		The corporate-level legal department monitors regulatory developments and regularly briefs management. Compliance to different criteria is overseen by subject-matter experts.
2. Business Integrity	Fully meets	Zaldivar has a management system that prohibits and effectively prevents bribery (including facilitation payments), corruption and anti-competitive behavior. The system was confirmed through a review of policies, training, annual reporting, and interviews with workers who were able to demonstrate familiarity with the policies.
3. Stakeholder Engagement*	Fully meets	Zaldivar carries out stakeholder mapping in alignment with public reporting obligations under the GRI guidelines. Community stakeholders confirmed participation in dialogues with the site. The site has a grievance mechanism, known to stakeholders, available here .(https://tuvoz.aminerals.cl)
4. Business Relationships	Fully meets	Zaldivar 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	Zaldivar 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	Zaldivar 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 procedures on recruitment and hiring to support the policy. 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.
7. Freedom of Association and Collective Bargaining	Fully meets	Zaldivar 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

		<p>in good faith and not obstruct alternative means of association where there are legal restrictions.</p> <p>Interviews with workers and the union representatives confirmed that employees are trained and aware of their rights related to freedom of associations. Union representatives reported good communication with the site.</p>
8. Discrimination	Fully meets	<p>Zaldivar 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, as well as document review, confirmed that they are aware of the policies and unaware of any instances of discrimination.</p>
9. Gender Equality	Fully meets	<p>Zaldivar 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 Guideline 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 and to operate heavy machinery as their male counterparts.</p>
10. Working Hours	Fully meets	<p>Zaldivar has a system to 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>Zaldivar 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 and that if they have questions or</p>

		concerns, they know where to raise them and receive a response.
12. Occupational Health and Safety	Partially meets	<p>Zaldivar has elements of a management system for Occupational Health and Safety aligned with the best practice frameworks accepted at an international level, such as ISO 45001.</p> <p>This was confirmed through document review and site observations.</p> <p>However, the assessment identified several instances where the management system was not fully implemented. These relate to:</p> <ul style="list-style-type: none"> • One breach of the covid protocol by one contractor; • Insufficient maintenance of facilities (rooms and bathrooms) used by workers and of offices for one contractor; • Lack of notification to all personnel onsite indicating that tap water is not suitable for drinking
13. Grievance Mechanism	Partially meets	<p>Zaldivar 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. Workers do not believe the mechanism is efficient as they are not involved in the investigations.</p> <p>During interviews with contractors, it was indicated that contractors do not know the procedure to access the complaint mechanism.</p>
14. Environmental Risk Management	Fully meets	The independent review confirmed the site has a valid ISO 14001 certificate.
15. Greenhouse Gas (GHG) Emissions*	Fully meets	<p>Zaldivar has a process to quantify, establish reduction targets for and disclose CO2 equivalent emissions in line with GRI reporting guidelines and that is 3rd 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>The site uses solar powers at the mine and prioritizes use of renewable energy sources and low or neutral</p>

		<p>fuels in emissions in the site-level approach to reduce GHG emissions.</p> <p>More information is available in the sustainability report here. (https://www.antofagasta.co.uk/media/4117/sustainability-report-2020.pdf)</p>
16. Energy Consumption	Fully meets	The independent review confirmed the site has a valid ISO 14001 certificate and this criterion is covered in its scope.
17. Freshwater Management and Conservation	Fully meets	<p>Zaldivar 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. Community representatives confirmed that interested parties were included in the evaluation of water use by the site and participate in the water monitoring program.</p> <p>Site observations confirmed that the company recovers the water from its processes so that it is reused within the same operation.</p>
18. Waste Management	Fully meets	The independent review confirmed the site has a valid ISO 14001 certificate and this criterion is covered in its scope.
19. Tailings Management	Fully meets	<p>Zaldivar 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>Zaldivar 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</p>

		contingency and emergency plans to deal with incidents and accidents.
21. Biodiversity and Protected Areas	Fully meets	<p>Zaldivar 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 protected areas unless specifically and legally permitted</p> <p>It was confirmed through interviews with communities, employees and management confirmed that they know the site's policy and practices developed by the site to protect biodiversity. A grievance mechanism to report on biodiversity concerns is also available.</p>
22. Mine Closure and Reclamation	Fully meets	<p>Zaldivar 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>Zaldivar 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 parties 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>
24. Community Development	Fully meets	<p>Zaldivar 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 indigenous community, artisans and stakeholders confirmed that they are familiar with the site's community development initiatives and know the complaints mechanism. Interviewees indicated that the community values the</p>

		<p>professionalism and diligence of the company representative, an area that has made contributions that have helped improve the community's quality of life, including capacity building for the community to be service providers.</p>
25. Artisanal and Small-Scale Mining	Not applicable	There is no artisanal or small-scale mining in the area of influence.
26. Human Rights	Fully meets	<p>Zaldivar seeks the non-violation of human rights and acts in accordance with the UN Guiding Principles on Business and Human Rights.</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. Interviews with community representatives and interested parties confirmed that they are aware of the policy, reporting mechanism and that the company seeks their participation in issues related to human rights.</p>
27. Security and Human Rights	Partially meets	<p>Zaldivar 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>
28. Indigenous Peoples' Rights	Fully meets	<p>Zaldivar 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>Record review and interviews with management and leaders of the indigenous communities confirm that Zaldivar conducts indigenous community impact assessment and engages in good faith dialogues on an on-going basis.</p>
29. Land Acquisition and Resettlement	Not applicable	There is no required resettlement of human communities or significant alteration of the wellbeing of local communities.

30. Cultural Heritage	Fully meets	<p>Zaldivar 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	Zaldivar has a process to implement the OECD Due Diligence Guidance on Conflict-Affected and High-Risk Areas for copper, however it has not been formalized.	
			<p>31.a. Management System</p> <p>Partially meets</p> <p>Zaldivar 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>
			<p>31.b. Red Flag Identification Process</p> <p>Fully meets</p> <p>Zaldivar 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>
			<p>31.c. Risk Assessment Process</p> <p>Not applicable</p> <p>There were no red flags identified.</p>
			<p>31.d. Risk Management Process</p> <p>Not applicable</p> <p>There were no red flags identified.</p>
			<p>31.e. Public Reporting*</p> <p>Partially meets</p> <p>Zaldivar 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 sustainability report is available here.</p>
32. Transparency and Disclosure*	Fully meets	<p>Zaldivar 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 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 and sustainability reports are available here.</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)	27 August 2021
Expiry Date of the Copper Mark (dd/mm/yyyy)	16 August 2024