



The Copper Mark Summary Report

Participant Information

Name of the Site	Minera Escondida Limitada
Unique identifier provided by the Copper Mark	P0012
Address	Av. De la Minería
Country of Operation	Chile
Products produced on site (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Copper cathode, Copper concentrates
Metals produced on site (e.g., copper, gold, nickel, silver, molybdenum)	Copper, molybdenum, gold, silver
Metals included in scope of Criterion 31 (this must be all, or a sub-set of the metals produced on site)	NA
Types of operations included in scope	
Mining	<input checked="" type="checkbox"/>
Concentrate blending	<input checked="" 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>)	Minera Escondida Limitada is a copper mining company operated by BHP, located 170 km

	<p>southeast of the city of Antofagasta, at an altitude 3,100 meters above sea level.</p> <p>Its corporate objective is to create long-term value for its shareholders through the discovery, acquisition, development and commercialization of natural resources.</p> <p>The current infrastructure on site consists mainly of crushing and ore transportation, three concentrator plants, two leaching plants, two solvent extraction and electrowinning plants, as well as two pipelines that transport the concentrates to the facilities in Puerto Coloso, where the materials are subsequently transported to customers. In Puerto Coloso, there are two desalinization plants used to produce water, which is pumped to the mine and used in the industrial process.</p>
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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>4 May - 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 Management Systems • 25. Artisanal and Small-Scale Mining
<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
ISO 14001:2015 18 July 2019	The Independent Reviewer confirmed the assurance / certification was: <ul style="list-style-type: none"> • Valid at the time of the review • No more than 24 months old and / or plans for reassessment are underway • 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 	14. Environmental Management Systems
The Independent Reviewer recommended the following criteria be considered focus areas for the independent site assessment:		<ul style="list-style-type: none"> • 10. Working Hours • 11. Remuneration • 17. Freshwater Management and Conservation • 23. Community Health and Safety
The Independent Reviewer recommended the following criteria be considered not applicable to the Site:		25. Artisanal and Small-Scale Mining There is no known ASM in the area of influence.

Independent Site Assessment Information

Name of the Lead Assessor	Elanne Almeida, Mat Nelson
Name of the Assessment Firm (if applicable)	EY Chile

Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)	11 August – 8 October 2021 Site visit: 13 September – 17 September 2021
Assessment Period	1 January – 31 December 2020
Summary of the Assessment Methodology	<p>EY used ISAE 3000 to apply limited assurance to the self-assessment provided by the site. Through site-level testing, document analysis, and interviews, the assessors identified the level of adherence to the 32 Copper Mark Criteria.</p> <p>There are a total of 10,567 workers on site. Of these, 3,621 are employees and 6,946 are contractors.</p> <p>The assessment was carried out through the following:</p> <ul style="list-style-type: none"> • Preparation <ul style="list-style-type: none"> ○ Opening meeting ○ Assessment of criteria requirements ○ Risk assessment in the context of the site ○ Development of an assessment plan and focus areas • Execution <ul style="list-style-type: none"> ○ Document review including policies, procedures, data and other relevant evidence ○ Virtual meetings with management ○ Site visit including central office in Chile of BHP and Escondida specifically ○ Interviews with workers and local stakeholders ○ Comparison of the results of the self-assessment and evidence reviewed ○ Discussions on different ratings, gaps, and corrective action plans • Conclusion <ul style="list-style-type: none"> ○ Review of the self-assessment ○ Draft report ○ Final discussions with BHP / Escondida team
Summary of the Assessment Activities	<ul style="list-style-type: none"> • In-person and virtual interviews (25 management, 3 community / stakeholders, 4 employees / contractors) • Review the accuracy and completeness of the self-assessment • Review the applicability and ratings of the criteria • Inspect the policies and referenced documents for the criteria • Site observations, discussions, document review and interviews

	<ul style="list-style-type: none"> Compare results of the self-assessment with assessor review EY's assurance statement can be found here.
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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	<p>Escondida has a management system in place designed to ensure compliance with relevant legal requirements, managed by the legal team.</p> <p>This is supported by an internal audit on compliance, and a company process (at the corporate level) to review international laws.</p>
2. Business Integrity	Fully meets	<p>Escondida has a management system in place designed to prevent bribery, corruption and anti-competitive behavior. Compliance is managed at both the operational and managerial level and supported by internal compliance audits. Workers are aware of the requirements, and there is a corporate-level whistleblower platform available to the public.</p> <p>This was checked through document review, interviews with management and workers.</p>
3. Stakeholder Engagement*	Fully meets	<p>Escondida has a process to identify, map and regularly engage with stakeholders. Issues, concerns and opportunities raised are recorded and used to understand Escondida's impact and how social value can be created. A grievance mechanism in line with the UNGP Effectiveness Criteria is understood by external stakeholders and fully implemented and complaints can be raised anonymously through BHP's confidential speak-up tool, EthicsPoint.</p>

		<p>This was checked through review of the stakeholder map, plan, grievance mechanism, and interviews with management, workers, and a community representative. EthicsPoint can be accessed here.</p>
4. Business Relationships	Fully meets	<p>Escondida has policies and processes in place designed to select business partners and interact with them based on risk. The site onboards business partners in accordance with BHP's Code of Conduct, among other policies.</p> <p>In addition to document review, this was checked through inquiry of a supplier.</p>
5. Child Labor	Fully meets	<p>Escondida has a system in place designed to prohibit child labor and avoid exposing young workers to hazardous work.</p> <p>No children were observed on site. The system is supported by a policy, risk analysis and controls.</p>
6. Forced Labor	Fully meets	<p>Escondida has implemented policies and practices in line with human rights standards designed to prevent forced labor.</p> <p>No forced labor was observed on site and interviews with workers indicated that they were not forced to work and relationship with the company was good.</p>
7. Freedom of Association and Collective Bargaining	Fully meets	<p>Escondida has a system to ensure freedom of association and collective bargaining. The Code of Conduct is in line with ILO conventions. This was checked through interviews with management and a worker.</p>
8. Discrimination	Fully meets	<p>Escondida has a system designed to prevent discrimination. Workers indicated they are trained on the issue and are aware of where to lodge a complaint. Information about anti-discrimination is posted at the site.</p>
9. Gender Equality	Fully meets	<p>Escondida has a system to promote gender equality. Workers indicate</p>

		there are equal opportunities within the workplace. Sexual harassment has been given special attention through dedicated training, posters and complaints mechanism.
10. Working Hours	Fully meets	Escondida has a system in place designed to manage working hours within legal limits and no greater than 60 hours per week. Overtime is only used to perform exceptional and/or temporary tasks and must be approved by an agreement.
11. Remuneration	Fully meets	Escondida has a system in place to pay workers above minimum wage and to meet local industry standards. This was checked through document and record review and interviews.
12. Occupational Health and Safety	Fully meets	Escondida has a system in place designed to ensure occupational health and safety in line with international standards. This was checked through site observations, review of policies and interviews.
13. Grievance Mechanism	Fully meets	Escondida has an accessible grievance mechanism available to all workers that accepts anonymous grievances. Interviews with workers indicated that there are no disincentives to use the grievance mechanism.
14. Environmental Risk Management	Fully meets	The independent review confirmed Escondida has a valid ISO 14001 certificate.
15. Greenhouse Gas (GHG) Emissions*	Fully meets	Escondida has a system designed to manage greenhouse gas emissions, including reduction targets, risk notification for high energy-use operations, and monitoring over time. This was checked through a review of the policies and procedures, site observations of the system to alert high energy consumption, and interviews with management and stakeholders.

		Details on BHP's emission targets and performance can be found in BHP's Annual Report and on its website, here .
16. Energy Consumption	Fully meets	<p>Escondida has a system designed to reduce energy consumption and / or energy intensity, improve energy efficiency, and increase the use of renewable energy. There are centralised mechanisms in place to monitor greenhouse gas emissions and energy consumption.</p> <p>This was checked through a review of the policies and procedures, site observations of the system to alert high energy consumption, and interviews with management and stakeholders.</p>
17. Freshwater Management and Conservation	Fully meets	<p>Escondida has a system in place for freshwater management and conservation. The site uses 100% desalinated water and has increased efforts to work with local stakeholders to address water scarcity and conserve water where possible.</p> <p>This was checked through site observations of the desalination plant, interviews with management and workers and review of documents such as the environmental impact assessment.</p>
18. Waste Management	Fully meets	<p>Escondida has a process to manage waste, including by categorising hazardous and non-hazardous waste and applying principles of recycling, and reuse as well as waste treatment.</p> <p>This was checked through a visit to the landfill, review of policies and procedures, and interviews with management and a worker.</p>
19. Tailings Management	Partially meets	Escondida has a management system in place that is designed to ensure that tailings impoundments are designed, operated, monitored, and closed in line with internationally recognised standards.

		<p>The rating for the purposes of this question has been assessed against the ICMM Performance Expectations for tailings storage facilities, and the ICMM has issued guidance that require operators to report a “partially meets” until the facility is in full conformance with the new Global Industry Standard on Tailings Management (GISTM). BHP is working towards conformance with the GISTM in accordance with the timelines prescribed by the ICMM.</p> <p>This was checked through review of documents, interviews with management and a worker, and observations of the tailings dam.</p>
20. Pollution	Fully meets	<p>Escondida has a system in place designed to minimise, reduce, and address the effects of pollution from its operations.</p> <p>Escondida uses a regional baseline study on air, water, and soil, and has mitigation efforts externally verified.</p> <p>It is recommended that Escondida continue to monitor pollution, in particular based on particulate matter generated from the pits that may be pollutants.</p> <p>This was checked through review of policies and procedures, interviews with management and a worker, and site observations of the mine itself.</p>
21. Biodiversity and Protected Areas	Partially meets	<p>At the corporate level, there is a system to utilise the mitigation hierarchy to protect biodiversity and protected areas. This includes a policy and management system.</p> <p>However, implementation at the operational level as well as training on the strategy for workers and the system is still underway.</p> <p>Escondida is working internally, with workers, and with the community to formally implement the system.</p>

		This was checked through interviews with management and the community, review of policies and procedures, and site observations of local flora and fauna.
22. Mine Closure and Reclamation	Partially meets	Escondida has a documented and published plan for mine closure and reclamation that addresses environmental and social aspects and financial provisions for closure and reclamation of the site are made. To fully meet this criterion, Escondida is working to improve stakeholder perception and ongoing consultation.]
23. Community Health and Safety	Fully meets	Escondida has a management system in place (based on the mitigation hierarchy) which includes the collection of research, information obtained from stakeholders and concerns and complaints raised, designed to monitor, avoid, minimise, reduce, and compensate for adverse impacts on community health and safety. This was checked through site observations, review of register of complaints and risks, and community interviews.
24. Community Development	Fully meets	Escondida has a process to identify community needs and uses this information to inform its social investment plan and budget. The social investment budget is fully expended annually. This was checked through review of documents and studies and interviews with the community.
25. Artisanal and Small-Scale Mining	Not applicable	There is no ASM in the area of influence.
26. Human Rights	Fully meets	Aligned with the Company's Human Rights Policy Statement, Escondida has a system to implement the UNGPs including human rights due diligence through risk identification, human rights impact assessments, and procedures to protect, respect, and remedy.

		This was checked through supporting documentation such as communications, as well as through interviews.
27. Security and Human Rights	Fully meets	<p>Escondida has a system in place to implement the Voluntary Principles on Security and Human Rights. Security personnel are trained on human rights and understand the policies and procedures.</p> <p>This was checked through review of policies and procedures as well as interviews with management and security personnel.</p>
28. Indigenous Peoples' Rights	Fully meets	<p>Escondida has a corporate risk management system that integrates risk management for Indigenous peoples, and is currently implementing the policy, strategy and plan for Indigenous peoples. The communities are aware of the process to lodge grievances.</p> <p>Interviews with stakeholders demonstrate that Escondida is seen as respecting the indigenous communities and their decisions, and seeks to protect their cultural heritage.</p>
29. Land Acquisition and Resettlement	Not applicable	After on-site review it was determined this criterion is not applicable because there has been no land reclamation and / or resettlement.
30. Cultural Heritage	Fully meets	<p>Escondida has a corporate risk management system that integrates the identification and evaluation of cultural heritage. The site is currently in the process of strengthening the system by aligning management processes, definitions and parameters with international standards.</p> <p>This was checked through review of the policies, mapping of cultural heritage, risk identification, and interviews with community members.</p>
31. Due Diligence in Mineral Supply Chains	Partially meets	There are existing management systems and processes in place for due diligence in mineral supply chains. Opportunities for

			improvement include the implementation of a specific OECD Due Diligence Guidance (DDG) alignment project is underway to: (a) align existing management systems more acutely with the OECD Due Diligence Guidance on Conflict-Affected and High-Risk Areas (CAHRA); and (b) to implement that refined due diligence management system, including supporting tools and processes.
	31.a. Management System	Partially meets	A management system exists but requires refinement and formalisation in line with the OECD Due Diligence Guidance on Conflict-Affected and High-Risk Areas.
	31.b. Red Flag Identification Process	Partially meets	No risks were identified, and the site does not currently procure materials from any CAHRAs. The OECD DDG alignment project will however refine and formalise a process for risk identification.
	31.c. Risk Assessment Process	Not applicable	No risks were identified. The OECD DDG alignment project will however refine and formalise a process for risk assessment.
	31.d. Risk Management Process	Not applicable	No risks were identified. The OECD DDG alignment project will however refine and formalise a process for risk management.
	31.e. Public Reporting*	Partially meets	While there is public reporting on supply chain due diligence broadly in BHP's Annual Report (available here) and Modern Slavery Act Statement (available here), it is not specific to the OECD Due Diligence Guidance. The OECD DDG alignment project will deliver a clear public reporting approach to minerals supply chain due diligence in line with the OECD Due Diligence Guidance on Conflict-Affected and High-Risk Areas.
	32. Transparency and Disclosure*	Fully meets	Escondida has processes in place to report annually on environmental, social and governance performance through BHP Group reporting and via an annual sustainability report in Chile that is publicly available and known by

		stakeholders. This information is available in the Annual Report as well as online, here .
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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 30 October 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 30 October 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:	Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Additional comments:	
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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 assessors' conclusion and awards the Copper Mark as follows

Date the Copper Mark is awarded (dd/mm/yyyy)	2 November 2021
Expiry Date of the Copper Mark (dd/mm/yyyy)	1 November 2024