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The Copper Mark Summary Report

Participant Information

Name of the Site	Minera Spence S.A.
Unique identifier provided by the Copper Mark	P0013
Address	Cerro El Plomo 6000
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 Spence S.A. is located over 1750 meters above sea level in the commune of Sierra Gorda in the Province of Antofagasta, Region of Antofagasta, approximately 50 km

	<p>southwest of Calama and 150 km to northeast of Antofagasta. This site began operations in December 2006.</p> <p>Spence has four mineral deposit zones: oxidized ore, enriched sulfide ore, mixed mineral and hypogenous sulfide mineral. The mine was designed to extract 50,000 t / d of one or another mineral, oxide or sulfide in different fractions.</p> <p>The process begins with the extraction of the mineral in a conventional open pit. Oxide and sulfide minerals are fed into the primary crushing unit, which requires stockpiling the ore separately. Depending on the type, the ore is sent to a crushing plant in 3 stages (primary, secondary and tertiary).</p> <p>Subsequently, the mineral is fed from a silo by feeders and conveyors to drums where it is conditioned with concentrated sulfuric acid.</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 • 16. Energy Consumption • 18. Waste Management • 25. Artisanal and Small-Scale Mining

The following equivalent systems were applied:

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 Copper Mark Recognition Process.

Equivalent System <i>(Name, date of assurance / certification)</i>	Review Process	Criteria Covered by Equivalency
ISO 14001:2015 18 July 2019	<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 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 	<ul style="list-style-type: none"> • 14. Environmental Management Systems • 16. Energy Consumption • 18. Waste Management
<p>The Independent Reviewer recommended the following criteria be considered focus areas for the independent site assessment:</p>		None
<p>The Independent Reviewer recommended the following criteria be considered not applicable to the Site:</p>		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
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 3,069 workers on site. Of these, 1,514 are employees and 1,555 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 Spence 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 / Spence team
Summary of the Assessment Activities	<ul style="list-style-type: none"> • In-person and virtual interviews (23 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 <p>EY's assurance statement can be found here.</p>
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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>Spence 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>Spence 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>Spence has a process to identify, map and regularly engage with stakeholders. Issues, concerns and opportunities raised are recorded and used to understand Spence'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</p>

		mechanism, and interviews with management, workers, and a community representative. EthicsPoint can be accessed here .
4. Business Relationships	Fully meets	Spence 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. In addition to document review, this was checked through a supplier and interviews with management.
5. Child Labor	Fully meets	Spence has a system in place designed to prohibit child labor and avoid exposing young workers to hazardous work. No children were observed on site. The system is supported by a policy, risk analysis and controls.
6. Forced Labor	Fully meets	Spence has implemented policies and practices in line with human rights standards designed to prevent forced labor. 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.
7. Freedom of Association and Collective Bargaining	Fully meets	Spence has a system designed 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 representing the union.
8. Discrimination	Fully meets	Spence 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.
9. Gender Equality	Fully meets	Spence has a system designed to promote gender equality. Workers indicated 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	Spence 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	Spence 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	Spence 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	Spence 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 Spence has a valid ISO 14001 certificate.
15. Greenhouse Gas (GHG) Emissions*	Fully meets	Spence 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	The independent review confirmed Spence has a valid ISO 14001 certificate that covers this criterion.
17. Freshwater Management and Conservation	Partially meets	<p>Spence has a system in place for freshwater management and conservation.</p> <p>However, there is an opportunity to greater reduce water use, discussed in connection with local communities. The site is currently working on a plan to transition to desalination and other sources of water that will eliminate inland water consumption. The site is also seeking to further engage its supply chain on reducing consumption of inland water.</p> <p>This was checked through a visit to the site’s desalination plant, interviews, and review of policies and procedures.</p>
18. Waste Management	Fully meets	The independent review confirmed Spence has a valid ISO 14001 certificate that covers this criterion.
19. Tailings Management	Partially meets	<p>Spence 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> <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>

20. Pollution	Fully meets	<p>Spence has a system in place designed to minimise, reduce, and address the effects of pollution from its operations.</p> <p>Spence uses a regional baseline study on air, water, and soil, and has mitigation efforts externally verified.</p> <p>This was checked through interviews with management and a worker, document review and site observations.</p>
21. Biodiversity and Protected Areas	Partially meets	<p>At the corporate level, there is a system designed 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>Spence is working internally, with workers, and with the community to formally implement the system.</p> <p>This is checked through interviews with management, a worker and the communities, as well as through review of policies and procedures and site observations.</p>
22. Mine Closure and Reclamation	Partially meets	<p>Spence 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 / facility are made.</p> <p>To fully meet this criterion, Spence is working to improve stakeholder perception and ongoing consultation.</p>
23. Community Health and Safety	Fully meets	<p>Spence has a management system in place (based on the mitigation hierarchy) which includes the collection of research, information obtained from stakeholders and</p>

		concerns and complaints raised, designed to monitor, avoid, minimise, reduce, and compensate for adverse impacts on community health and safety. This is checked through site observations, review of register of complaints and risks, and community interviews.
24. Community Development	Fully meets	<p>Spence 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.</p> <p>This is checked through review of documents and studies and interviews with the community.</p>
25. Artisanal and Small-Scale Mining	Not applicable	There is no ASM in the area of influence.
26. Human Rights	Fully meets	<p>Aligned with BHP's Human Rights Policy Statement, Spence 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.</p> <p>This is checked through supporting documentation such as communications, as well as through interviews.</p>
27. Security and Human Rights	Fully meets	<p>Spence 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 is checked through review of policies and procedures as well as interviews with management and security personnel.</p>
28. Indigenous Peoples' Rights	Not applicable	After on-site review it was determined this criterion is not applicable because there are no Indigenous peoples in the area of influence.

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>Spence 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 and to fully meet this criterion, 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	Spence 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 BHP's Annual Report as well as online, here .	

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	<input type="checkbox"/>

site has committed to continuous improvement to fully meet all applicable Copper Mark Criteria by 30 October 2022.	
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:	

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