

The Copper Mark Summary Report

Participant Information

Name of the Site	Minera Los Pelambres
Unique identifier provided by the Copper Mark	P0030
Address	45 Km East of Salamanca, Coquimbo
Country of Operation	Chile
Copper products produced on site	
(e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Copper concentrate
Metals produced on site	
(e.g., copper, gold, nickel, silver, molybdenum)	Copper, molybdenum
Metals included in scope of Criterion 31 (this must be all, or a sub-set of the metals produced on site)	Copper, molybdenum
Metals covered by other independent assessments for Criterion 31 (e.g., RMAP, LBMA, RJC, etc.)	NA
Types of operations included in scope	
Mining	
Concentrate blending	
Solvent extraction and electrowinning	
Smelting	
Refining	
Fabrication	
Other (please explain)	
Infrastructure owned or controlled by the site	and included in scope
Roads	



Rails	
Ports	\boxtimes
Other (please explain)	

Equivalent Systems

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 <u>Copper Mark Recognition Process</u>.

Equivalent System (Name, date of assurance / certification)	Review Process	Criteria Covered by Equivalency
NA	NA	NA

Independent Site Assessment Information

Name of the Lead Assessor		Rachelle Jackson / Juliana Villegas
Name of the Assessment Firm (if applicable)		Arche Advisors
Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)		26 September 2022 – 30 September 2022 Follow up assessment: 31 July 2023
Assessment Period		August 2021 – August 2022
Summary of the Assessment Methodology	visits to the mine operative management intervieo procedures, and record criteria. A sampling a	
Summary of the Assessment Activities	 Day 1: Community interviews Visit to tailings dams Day 2: Opening meeting Facility walkthrough 	



Management interviews		
 Document review 		
Day 3:		
Management interviews		
Assessment of conformance with criterion 31		
Document review		
Day 4:		
Direct employee interviews		
Union representative interviews		
Contractor interviews		
Day 5:		
Document review		
Closing meeting and presentation of findings		
Follow up assessment:		
Information gathering		
 Interviews with management responsible for improvement plan implementation 		
Interviews with Caiman community		
Interviews with indigenous communities		
Document and record review		

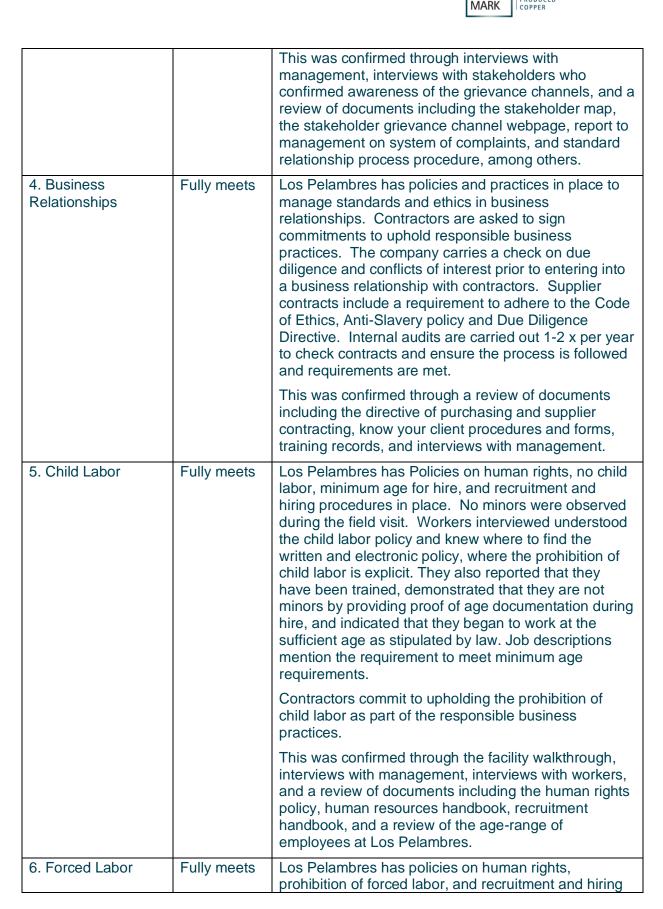
Summary of Findings

	Rating	
Criterion	Fully meets, partially meets, does not meet, not applicable	Comments Includes link to publicly available documents or supporting evidence where possible and at a minimum for those criteria with an *
1. Legal Compliance	Fully meets	Legal compliance is overseen by the corporate legal executive over the Coquimbo region and the Antofagasta Minerals SA (AMSA) corporate manager

		of the environment. There is a corporate level legal department that monitors legislative developments related to mine operations on an on-going basis, supported by subject matter experts who oversee compliance in specific areas. There is regular communication between the corporate legal team and the site.
		The Los Pelambres site manager is responsible for ensuring the appropriate personnel at the site are involved in implementing any changes or systems required to meet new legal requirements.
		This was confirmed through interviews with management supported by review of documents such as register of legislation, activity reports, presentations of legal updates, and interviews with workers who confirmed knowledge of the internal laws and regulations and are trained on their applicability at site. During the site visit, it was observed that the company publishes policies, internal regulations, and regulations applicable to the activities being carried out.
2. Business Integrity	Fully meets	Los Pelambres follows corporate policies related to business integrity, including policies against bribery, corruption, and in promoting ethical business practices, including a prohibition on facilitation payments. Workers are trained on the policy and can locate it within the company website and posted in the workplace. There is a process to receive and review complaints related to business integrity, about which workers are also aware. Interviewees indicated that to date they had not filed any complaints.
		This was confirmed through interviews with management, review of documents including the policy, code of ethics, crime prevention manual, and interviews with workers.
3. Stakeholder Engagement*	Fully meets	Los Pelambres has a stakeholder map in line with public reporting obligations under Global Reporting Initiative (GRI) guidelines, done at the national, regional, and community level and including public and private individuals and organizations.
		In addition to the Somos Choapa program that operates in specific communities with initiatives around issues such as water, employment, and other ways the community wishes the company to contribute, Los Pelambres also has a formal grievance mechanism aligned with the UNGP Effectiveness Criteria. This is available <u>here</u> .

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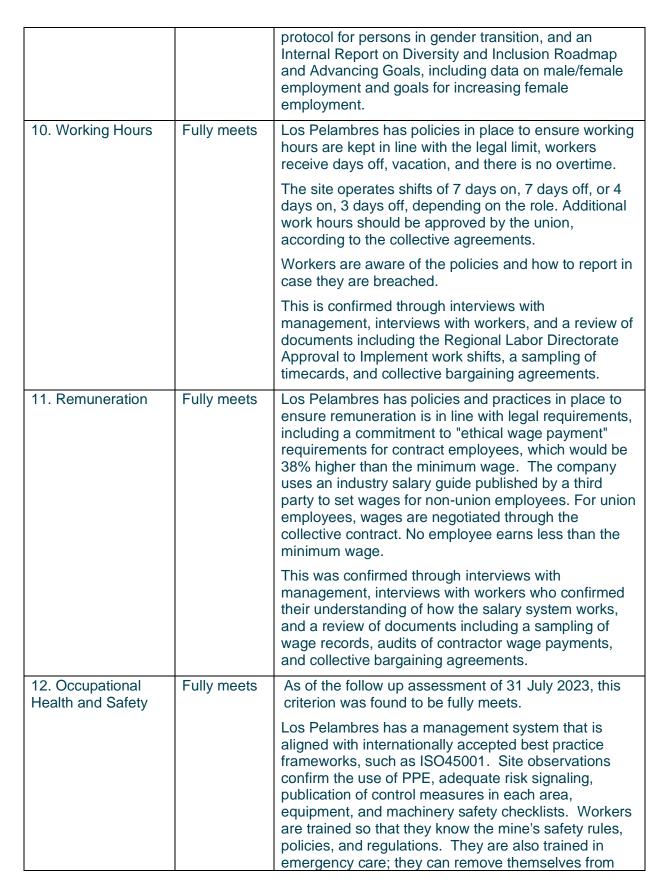
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		 procedures in place. The system is supported by tools to prevent practices that can contribute to conditions of forced labor, such as document retention, restricted movements, mandatory overtime, etc. No workers were observed to be working or residing on-site against their will. In interviews, employees demonstrated understanding of the organization's policy, where to find it, and how to raise a related complaint. Contractors commit to upholding the prohibition of forced labor as part of the responsible business practices. The company utilizes a third-party auditor to audit and certify the compliance of contractors on a monthly basis. Internal auditors also carry out spot audits at the site. This was confirmed through the facility walkthrough, interviews with workers, interviews with management, and a review of documents including the human rights policy, recruitment handbook, Know Your Client AMSA program, sample contracts, and internal audit reports.
7. Freedom of Association and Collective Bargaining	Fully meets	Los Pelambres has public reports containing policy statement on the respect of freedom of association and collective bargaining and has collective bargaining agreements in place between the company and unions. There are three unions at the site; one for mine employees, another for concentrator employees, and one for supervisors. 100% of the direct workforce is affiliated to the worker union and approximately 99% of supervisors are affiliated to the supervisor's union. Employees are informed about the unions at the time of hire but are not compelled to join or not join. Collective agreements are negotiated every 3 years. At the time of the assessment, the supervisor's union
		was in the process of negotiating their latest agreement. Interviews with the union representatives indicated there is engagement with the company and a good relationship overall.
		This was confirmed through interviews with management, interviews with workers, interviews with union representatives who reported good relationships with the company, and a review of documents including training content for managers and meeting minutes between the company and unions.
8. Discrimination	Fully meets	AMSA has policies and procedures in place for anti- discrimination and inclusion and promotion of equality. Workers are aware of the policies, have undergone training, and those interviewed stated they have



		neither been subjected to nor heard of colleagues who were the subject of discrimination. The company sets wages based on job requirements, tenure, competence, and not based on gender or other personal characteristics. The company allows employees to declare a beneficiary that is not a legal spouse, as a nondiscriminatory means for LQBTQ and others without a marital status. This was confirmed through interviews with management, interviews with workers, community members, and a review of documents including the
		directive on diversity and inclusion, new hire training content, human rights policy, and human resources procedure.
9. Gender Equality	Fully meets	Los Pelambres has policies and procedures to implement diversity inclusion, inclusive of gender equality. The company has an independent assessment on the state of the company on gender equality and inclusion, various internal presentations to sensitize and educate managers and executives, and an internal report outlining the company goals regarding increasing diversity and inclusion, with increasing recruitment of women as one of three main goals.
		Los Pelambres has reviewed all work areas from the mine to ensure adequate spaces as required by law, including increasing changing room spaces, and providing lactation areas in areas where women are working. There are improvements underway to ensure enough space to accommodate the goal of increased women in the workforce.
		There is a focus on job training for women, including an apprentice training program with people in the local communities that is currently 90% women. Los Pelambres is also changing job descriptions as needed to accommodate lesser
		years of work experience or allow for more pre-job training to ensure women have the opportunity to obtain the skills to qualify for the work.
		Workers are aware of the policies. The women interviewed indicated that they are treated in the same way, and that they have the same opportunities to advance in their positions.
		This was confirmed through interviews with management, interviews with workers, and a review of documents including the directive on diversity and inclusion, guide on diversity and inclusion, labor

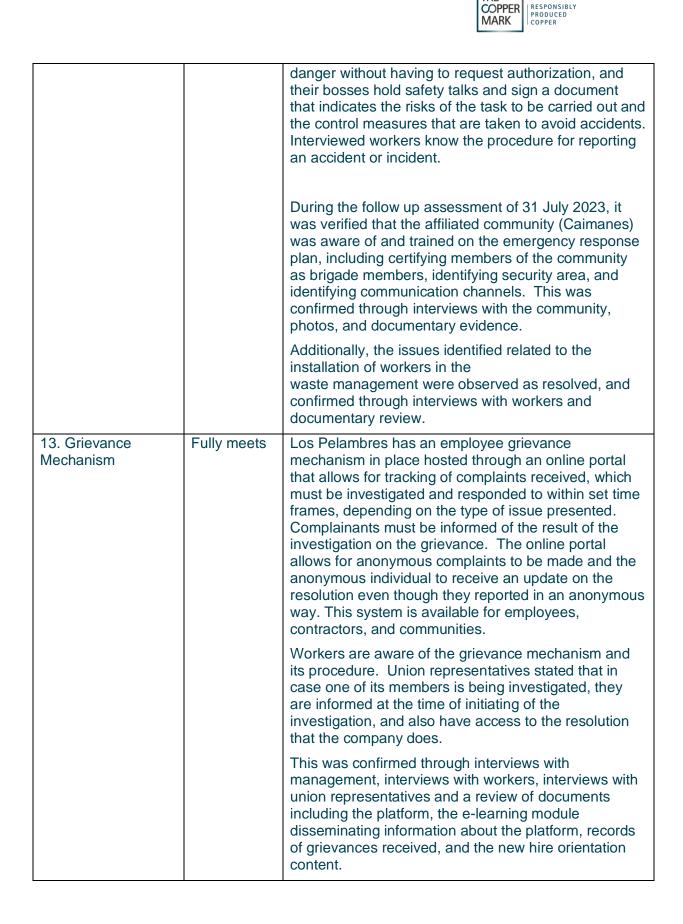


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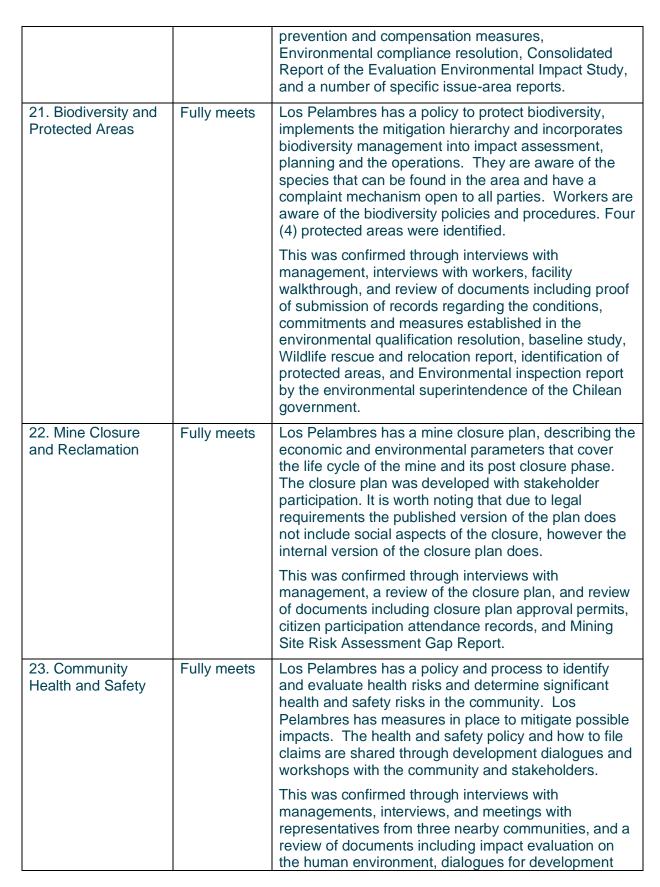
14. Environmental Risk Management	Fully meets	Los Pelambres has a system to manage environmental risks including policies, procedures, and performance measures. This system is functionally equivalent to ISO 14001.
		Workers have knowledge of the policy, procedures and know how to evaluate from their operational activity how they can impact the environment and what are the control measures to avoid or mitigate those impacts.
		In the areas where the highest percentage of particulate material is produced, there are different control measures that help to reduce this impact.
		This was confirmed through interviews with management, interviews with workers, a facility walkthrough, and review of documents including the environmental baseline, matrix of environmental impact aspects, training records, and internal audits.
15. Greenhouse Gas (GHG) Emissions*	Fully meets	Los Pelambres is part of a company-wide climate change strategy including the reduction of greenhouse gas emissions for scope 1 and scope 2.
		The company proposed a GHG reduction goal between 2018 and 2022 of saving 300,000 tons of CO2, a goal that was reached in the first quarter of 2021. This allowed establishing a new goal in May 2021 of saving 730,000 tons of CO2 between 2021 and 2025.
		The company establishes annual goals per site, which are the KPIs. The goal for 2021 is 3.5% savings in the emission budget. These targets are set at the corporate level. Reporting is made in line with international reporting protocols and was independently verified.
		Since March 2022 the mine works with 100% renewable energy, solar panels, and wind power.
		This is confirmed through interviews with management and a review of documents including the environment policy, the climate strategy, the climate change report, objectives, and goals set, risk assessment, and annual total emission sustainability report.
		More information is available here and here.
16. Energy Consumption	Fully meets	Los Pelambres has policies and procedures for energy consumption, including energy consumption indicators and energy efficiency goals and inspection reports. Workers understand the energy use policy and know how to reduce energy use.



		This was confirmed by a facility walkthrough, interviews with management, interviews with workers, and a review of documents including the above reports, the energy management system manual, and internal audits.
17. Freshwater Management and Conservation	Fully meets	Los Pelambres has a management system and follows legal processes for the use of water. Currently, Los Pelambres recycles 85% of water used in its processes. Los Pelambres began the construction of the INCO project, meant to take seawater through a pipe that goes from the port to the plant to reduce the use of continental water.
		Workers are aware of the policies and procedures.
		This was confirmed through interviews with management, interviews with workers, facility walkthrough, and review of documents including the implementation of measures to ensure responsible water consumption, water balance, controls of extraction, procedure, and guidelines for water reportability, baseline considerations for freshwater management, and internal audits.
18. Waste Management	Fully meets	Los Pelambres has a policy that describes the systems and legal processes established to manage the generation, storage, transportation, and disposal of waste, that effectively follows the waste hierarchy. The plan includes goals such as reducing waste generation. The waste management plan is approved by the local government and the site has sectoral permits to manage and dispose of all types of waste.
		Interviews with workers verified that they know the company's waste policy, they indicated that they have been trained to contribute to recycling, and that the company currently has clean points in all work areas.
		A visit to the hazardous substances deposit, hazardous waste deposit, verified that the company complies with the required legal guidelines. A visit to the facilities and work areas verified that the company has clean points implemented.
		This was further confirmed through a review of documents including the waste policy, waste management matrix, risk sheet for spillage of dangerous substances, chemical exposure control report, and inspection report of the regional ministerial secretary of health of the region of Coquimbo.
19. Tailings Management	Fully meets	As of the follow up assessment of 31 July 2023, this criterion was found to be fully meets.



		Note: On 1 st October 2021, the Copper Mark adopted the <u>Interim Guidance on Tailings Management</u> . All participants who joined the Copper Mark after this date are required to implement the Global Industry Standard for Tailings Management (GISTM) for existing and new tailings facilities at their site to achieve a "fully meets" rating for this criterion. Sites that have started implementation of the GISTM but where implementation is not complete at the time of the Copper Mark assessment are rated "partially meets".
		Los Pelambres has a system in place to manage tailings. They have a policy, procedures and risk assessment for tailings operations in line with international best practices, including identifying and implementing critical controls, actions to avoid major risks, training, and a focus on reducing environmental risks and avoiding accidents.
		Los Pelambres began work on the implementation of the GISTM in 2022.
		During the follow up assessment of 31 July 2023, it was verified that Los Pelambres effectively implemented the management system for the Global Standard on Tailings for the Mining Industry for the El Mauro dam. A strong commitment to the responsible and sustainable management of tailings has been demonstrated, meeting the requirements and standards set out in the Global Standard.
		More information is available in the public disclosure, available <u>here.</u>
20. Pollution	Fully meets	Los Pelambres has policies and practices in place to manage pollution, and specifically avoid contamination and comply with current legal processes using the mitigation hierarchy. This includes objectives that are reviewed every year to reduce the use of hazardous substances, minimize the associated risks, and replace them with nonhazardous alternatives when necessary and possible; contingency and emergency plan to deal with incidents and accidents; annual training to workers and the community.
		Some specific initiatives include a preventive plan for hydration of roads and areas where particulate matter is generated, and real-time air quality monitoring that helps prevent exceeding the permissible limits.
		This was confirmed through interviews with management, facility walkthrough, and a review of documents including Consideration of mitigation,



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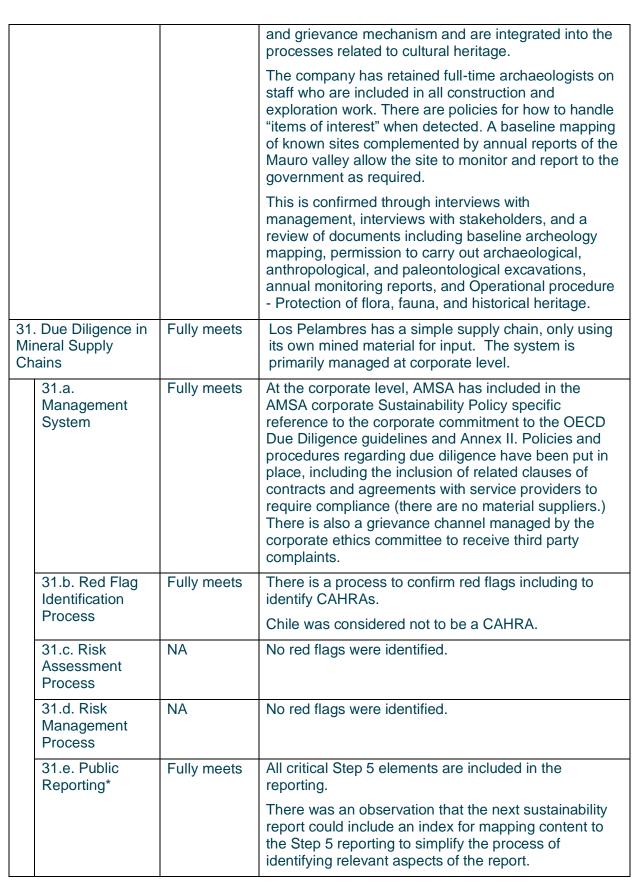
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		report, community health checks, and agreements with the community.
24. Community Development	Fully meets	Los Pelambres identifies and consults with affected communities to implement development initiatives. This includes a diagnosis of the needs of the community a development plan, and a process to monitor and evaluate the impacts of the executed projects.
		This was confirmed through interviews with management, interviews with representatives from the community, and a review of documents including stakeholder mapping of local communities that are in the project's area of influence, plans for a community- focused engagement, and minutes of project meetings and progress reports on project implementation.
25. Artisanal and Small-Scale Mining	Not applicable	Interviews were carried out with managers regarding the artisanal and small-scale (ASM) mining practices in the region of the mine site. Interviews were also carried out with community members in the area near the mine perimeter. Interview confirmed that there is no ASM activity within the sit's sphere of influence.
		The mine perimeter was also visited to physically confirm the absence of ASM activity.
26. Human Rights	Fully meets	Los Pelambres has a process in place to carry out human rights due diligence in line with the UN Guiding Principles for Business and Human Rights. This entails a policy, a human rights impact assessment, action plans to address issues identified, input from stakeholders, and a grievance mechanism. Workers and communities are aware of the human rights policy and grievance mechanism, and none interviewed reported being subject to or knowing anyone subject to a human rights violation by the company.
		This was confirmed through interviews with workers, interviews with stakeholders, interviews with management, and a review of documents including the human rights policy, the human <u>https://www.antofagasta.co.uk/investors/annual-report-2021/</u> rights impact assessment and action plan, and directive on due diligence.
27. Security and Human Rights	Fully meets	Los Pelambres has a policy and procedure to support security and human rights. At the corporate level, AMSA hired a Chilean non-profit corporate responsibility organization to provide expert content and a qualified trainer for training security staff on human rights and the Voluntary Principles on Security



		 and Human Rights, including an evaluation administered after the training. This was confirmed through interviews with management, interviews with personnel in charge of security, employees, and community members, and a review of documents including the Security Training Manual of Independent Institute of Professional Training, training plan for security staff on human rights, credentials of trainer, and human rights policy.
28. Indigenous Peoples' Rights	Fully meets	As of the follow up assessment of 31 July 2023, this criterion was found to be fully meets. Los Pelambres has a process to engage with various indigenous communities. They have identified 11
		communities and continue to work on a strategy and action plan for their relationships, noting that not all communities choose to engage with the company. It is noted that Chile remains in process of officially
		identifying indigenous peoples with the most recent acknowledgement of the Chango people in 2020. In the last two years, 10 additional groups in the areas of Los Pelambres were officially recognized or came together as an organized community.
		This is confirmed through interviews with management and a review of documents including Social Management Model: Standard Process for Engagement with Indigenous Community, Characterizations of Indigenous Communities Minera Los Pelambres 2021, strategy documents for each community, policies, communication records, and meeting minutes.
		During the follow up assessment of 31 July 2023, it was verified that the strategy and action plan are now fully implemented. This was confirmed through a review of the plan, interviews with management, and interviews with a sampling of indigenous peoples communities to understand how the plan has been rolled out.
29. Land Acquisition and Resettlement	Not applicable	An interview with management, environmental impact assessment and regional area maps confirm that no projects have required or are projected to require land acquisition or resettlement.
30. Cultural Heritage	Fully meets	Los Pelambres has a cultural heritage policy and processes of evaluation, development and implementation of mitigation measures related to asset management. Stakeholders are aware of the policy



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		The report is available here.
. Transparency d Disclosure*	Fully meets	At corporate level, AMSA engages in regular public reporting, both through an annual report and a sustainability report framed to Global Reporting Initiative requirements. ICMM includes written commitments to EITI on behalf of its members on their website.
		More information is available <u>here</u> and <u>here</u> .

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.				
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 8 November 2023.				
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 8 November 2023.				
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.				
Limitations:				
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)	30 November 2022
Expiry Date of the Copper Mark (dd/mm/yyyy)	29 November 2025