



Assessment Summary Report

Participant Information

Name of the Site	División Ministro Hales
Unique identifier provided by the Copper Mark	P0058
Address	Kilómetro 4 Calama-Chuquicamata. Ruta B24 Calama, II Region Antofagasta.
Country of Operation	Chile
Principle covered products produced on site. (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Concentrate, calcine
Metals produced on site. (e.g., copper, gold, nickel, silver, molybdenum)	Copper, gold, silver
Metals included in scope of Criterion 31 (this must be all, or a sub-set of the metals produced on site)	Copper
Metals covered by other independent assessments for Criterion 31 (e.g., RMAP, LBMA, RJC, etc.)	
Types of operations included in scope	
Mining	<input checked="" type="checkbox"/>
Concentrate blending	<input type="checkbox"/>
Solvent extraction and electrowinning	<input type="checkbox"/>
Smelting	<input type="checkbox"/>
Refining	<input type="checkbox"/>
Fabrication	<input type="checkbox"/>
Other (<i>please explain</i>)	Roasting
Infrastructure owned or controlled by the site and included in scope	

Roads	<input checked="" type="checkbox"/>
Rails	<input type="checkbox"/>
Ports	<input type="checkbox"/>
Other (<i>please explain</i>)	

Equivalent Systems

<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	Review Process	Criteria Covered by Equivalency
NA	NA	NA

Independent Site Assessment Information

Name of the Lead Assessor	David Shirley and Mark Hardin
Name of the Assessment Firm (if applicable)	Corporate Integrity
Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)	<p>March – August 2023</p> <p>Site visits: 12-16, 20 April 2023; 14-16 August 2023</p> <p>HQ: 10-11, 21 April 2023</p>
Assessment Period	January 2022 – December 2022
Summary of the Assessment Methodology	<p>The assessments were against:</p> <ul style="list-style-type: none"> The Codelco self-assessment claims for level of alignment for each of the Copper Mark (CM) requirements – <i>The Criteria Guide for Risk Readiness Assessment Feb 2020</i>; and The <i>Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc Version 2, 1st January 2022</i>. <p>The assurance assessment was conducted in accordance with <i>The Copper Mark Assurance Process V4: 17th October 2022</i>, which requires a 'reasonable' level of assurance.</p> <p>The Standard applied to this Engagement was the <i>International Standard on Assurance ISEA3000 (revised) – Assurance Engagements other than Audits & Reviews of Historical Financial Information</i> issued by the International Auditing and Assurance Standards Board (IAASB).</p> <p>Permanent workers: 812 (male: 673, female: 139)</p> <p>Contract workers: 1074 (male: 912, female: 162)</p>

<p>Summary of the Assessment Activities</p>	<p>Given the proximity and shared policies, procedures, and stakeholders, the Northern District was assessed together, with individual site visits to each division. This report covers the overall conclusions for the Ministro Hales division.</p> <p>There are four management levels that interact on ESG governance. These are:</p> <ul style="list-style-type: none"> • Corporate Level, which is the highest overarching level. • District level, which typically represents a group of operations in a common geographical and/or social setting; and • Divisional (or site) level, which represents the operation itself. <p>Most ESG policies, systems and initiatives are common across all Codelco operations. They are developed, issued and overseen by central corporate functions. ESG in Chile is highly regulated. As a result, significant management effort is applied to determining compliance requirements and in monitoring compliance.</p> <p>Codelco’s ESG management is guided by a group wide risk management system. All divisions follow this system. The system, which has been in place since 2017, is online, and designed to capture material strategic risks. Inputs are made at divisional level. Each division has a risk committee which oversees various functional risk evaluations. Determination is made of which risks are material and these are uploaded to the online platform. The overall content of the system is overseen by a corporate risk function within the compliance team. The process has permanent updates, depending on the evolution of the risks.</p> <p>Risk evaluations are made against likelihood and consequence criteria. The system is currently being graduated from a 7x7 to a 5x5 matrix, which appears more practical to apply. Risks are scored and presented as inherent risks (i.e., assuming no controls) and residual risks (accounting for current controls).</p> <p>Risks which are uploaded to the platform are subject to bow-tie analyses which assists in identifying key critical controls. Evidence of this application was witnessed at divisional level.</p> <p>Activities included:</p> <ol style="list-style-type: none"> 1. Document review 2. Site visit planning including Agenda discussions with Copper Mark 3. Site visits – <ol style="list-style-type: none"> a. Site visit 1 involved: <ol style="list-style-type: none"> i. Meetings at Corporate offices ii. Meetings at the Distrito Norte Offices
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	<ul style="list-style-type: none"> iii. Site visits and employee interviews to each Division with Distrito Norte iv. External Stakeholder Interviews <p>b. Site visit 2 involved:</p> <ul style="list-style-type: none"> i. Follow up meetings with corporate office personnel. ii. Revisit to DN sites to conduct additional workforce interviews and to visit the Chuquicamata underground and smelter. iii. Site visits and employee interviews to each southern division. <p>External Stakeholder Interviews southern division</p>
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Summary of Findings

Criterion	Rating	Comments
1. Legal Compliance	Fully meets	<p>División Ministro Hales (DMH) implements a management system that ensures compliance with all national legal requirements, including national obligations under international law. Legal compliance is a corporate-led function for all operations in the Codelco portfolio, overseen by a corporate legal counsel and mirrored through the legal counsel of the Northern District. There is a corporate standard to maintain and disseminate the legal framework, and a second process specific to compliance matters, including ESG aspects, corporate governance, ethics and transparency. This process is subject to third-party certification for alignment with national and international law.</p> <p>A third standard provides steps to take when an infraction appears to be taking place. The Council is responsible for addressing and tracking all legal issues that arise.</p> <p>The standards are complemented by policies, processes, and implementing procedures.</p>

		<p>Regulatory changes are communicated on a monthly basis to the site.</p> <p>Compliance and permitting obligations have been met at the site level.</p> <p>Although the Corporation was subject to labour protection lawsuits during 2022, these suits were not deemed admissible or were settled out of court, and no convictions against Codelco have been recorded.</p> <p>This was confirmed through interviews with management at corporate, district, and site level; and a review of documents including the regulatory library, suite of procedures, training records, monthly reports, permit dashboard, and registry of inspections.</p>
2. Business Integrity	Fully meets	<p>DMH implements a management system that prohibits and effectively prevents bribery (including facilitation payments), corruption and anti-competitive behaviour.</p> <p>Business integrity is a corporate function covering all operational divisions. There are policies covering business ethics, conflicts of interest, and the code of conduct. These are supported by implementing instructions and training on Codelco's "crime prevention model." Training on this model is provided to managers and supervisors.</p> <p>Codelco is certified under the ISO 37001:2017 Anti-Bribery Management System.</p> <p>No incidents of corruption were reported for 2022.</p> <p>This was confirmed through interviews with management and a review of documents including the business ethics policy, crime prevention manual, code of conduct, training materials, and reports on training on conflicts of interest and anti-corruption.</p>
3. Stakeholder Engagement	Fully meets	<p>DMH has a system to carry out stakeholder mapping, and to implement</p>

		<p>an engagement plan, and to establish a grievance mechanism.</p> <p>There is a corporate sustainability policy that includes reference to community relations and is operationalized under a community relations tools procedure to identify areas of influence, map groups of interest, analyse needs and opportunities, develop community plans, and evaluate community plans in a participatory manner. Other implementing tools include the dialogue tables (“mesas de dialogo”), which came out of the environmental and social impact assessment and has since lasted for many years. Additional tools include community conversations, technical visits and participatory monitoring of outcomes, and an annual survey and evaluation about stakeholder perceptions of DMH, is consistent with feedback provided by stakeholders during interviews. These tools are implemented at DMH through the northern district corporate operation based in Calama. The community liaison staff act on behalf of the four northern district sites.</p> <p>Codelco has two defined grievance mechanisms: the complaints channel and the socio-environmental grievance and suggestion line. Both are in line with the UN Guiding Principles effectiveness criteria. Stakeholders also relay grievance directly to community liaison staff through the dialogue tables, phone, text, and WhatsApp. These are not always captured in the formal grievance process.</p> <p>This was confirmed through interviews with management and liaison staff; interviews with representatives from community members, dialogue groups, indigenous groups, schools, government, and local suppliers; and a review of documents such as the consultations and grievance folders,</p>
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		<p>procedures for stakeholder mapping, procedure for establishing community grievance mechanisms, results of community relations surveys, and community investment summary.</p> <p>More information / access is available here.</p>
4. Business Relationships	Fully meets	<p>DMH has a system to promote responsible business practices with significant business partners including suppliers. There is a due diligence KYC process that covers all suppliers and contractors. More detailed risk evaluations and contract management apply to contractors.</p> <p>Codelco has a policy for contractors that addresses the fundamental rights of contractors and guides business relationships. The code of conduct also contains specific language to include contractors in its scope.</p> <p>There is a corporate procedure to rank contractors, which includes criteria on labour relations, female employment, and other areas from the Codelco charter of values.</p> <p>At DMH contractors account for approximately 75% of the workforce. Due diligence, training, performance monitoring, and an evaluation process for contractors is in place. Screening is complemented by a third-party vetting due diligence service. Contractors are bound by Codelco contract terms to respect Codelco's corporate values and policies. Contractors are subject to Codelco and third-party audits on a regular basis.</p> <p>This was confirmed through interviews with management; and a review of documents including the policy for contractors, sample letters requesting GHG data, standard for bid evaluation, evidence of onboarding meetings, and a registry of training of local providers.</p>
5. Child Labor	Fully meets	<p>DMH has a management system that prevents the employment of children</p>

		<p>under the age of 15, prevents the worst forms of child labour, and prevents the exposure of employees under the age of 18 to hazardous work in line with ILO conventions. The minimum age for employment at Codelco operations is 18 years. Proof of age is required during the recruitment process.</p> <p>There is an internship programme in Calama aimed at developing and recruiting locally in which students under the age of 18 attend site visits, but only those over the age of 18 are commissioned for apprenticeship assignments.</p> <p>No underage persons were observed onsite.</p> <p>This was confirmed through site observations; interviews with management; and a review of documents including guidance on recruitment, example request for national ID card to a job applicant, contracting policy, and the master employee roster.</p>
<p>6. Forced Labor</p>	<p>Partially meets</p>	<p>While this issue is covered under Chilean law, and through reference in the Code of Conduct to United Nations Guiding Principles, and Universal Declaration of Human Rights, Codelco policies are not specific on the company position on forced labour. Employees and contractors are checked for valid documentation before commencing work. Contractors are subject to audits including checks on remuneration.</p> <p>There are significant numbers of contractors employed at DMH and rising security risks in the region relating to immigrant population, lending more relevance to forced labour at DMH.</p> <p>Interviews with workers indicated they were not aware of any cases of forced labour.</p>

		<p>The following gaps were identified:</p> <ul style="list-style-type: none"> • Codelco policies do not have specific language relating to forced labour. • There is insufficient training and awareness of the topic to workers. <p>This was confirmed through interviews with management; interviews with workers; and a review of documents including the code of conduct, corporate guidance on recruitment, internal regulations on occupational health and safety, and personnel contracting process at the site level.</p>
<p>7. Freedom of Association and Collective Bargaining</p>	<p>Fully meets</p>	<p>DMH has systems to respect employees' rights to freedom of association and collective bargaining in line with ILO conventions, participate in collective bargaining processes in good faith, and not obstruct alternative means of association where there are legal restrictions.</p> <p>At corporate level, Codelco has references to the right of freedom of association and collective bargaining. 89.1% of the global workforce is unionized under 33 separate collective bargaining agreements (CBAs). Since 2015 (renewed in 2022), there is a foundation agreement between Codelco and the Federation of Copper Workers that promotes the dialogue between company administration and its labour force. Among other principles, it also recognizes the right to collectively bargain.</p> <p>At DMH, there are two CBAs. No labour actions were reported for DMH during 2022.</p> <p>Contractors are not represented by the Codelco unions but are part of individual unions organized within their respective employer organizations.</p> <p>Employees stated good relations with their unions and felt well represented. Unions were identified as a good</p>

		<p>avenue to express concern. Contract workers expressed a notable improvement in relationships since the foundation agreement in 2015.</p> <p>This was confirmed through interviews with management; interviews with workers; interviews with representatives from a sampling of unions; and a review of documents including the annual sustainable development report, the foundational agreement, and the CBAs.</p>
<p>8. Discrimination</p>	<p>Partially meets</p>	<p>Diversity, inclusiveness and intolerance of workplace harassment are embedded in several Codelco policies, commitments and statements, including the corporate policy on diversity and inclusiveness (2021) and the Code of Conduct. There are training and awareness programs covering discrimination and harassment, directly by Codelco to employees and through contract requirements to contractors.</p> <p>Throughout the Codelco operations, management is implementing a “Cultural Transformation Index” on an annual basis, designed to pick up weak spots and to enable focus areas for improvements. Evidence of this cultural transformation was witnessed, and further demonstrated through consistent feedback that the work culture has improved over recent years, and that discrimination and sexual harassment is not tolerated.</p> <p>In 2022, 6 reported grievances were attributed to workplace harassment, 3 to sexual harassment and 1 to discrimination. All grievances from 2022 have been resolved.</p> <p>Awareness of the specific Codelco requirements is variable amongst the contract workforce, although most were aware that discrimination and harassment are not acceptable in the working environment.</p> <p>The following gap was identified:</p>

		<ul style="list-style-type: none"> Insufficient evidence of related training in the contracted workforce. <p>This was confirmed through interviews with management; interviews with workers; interviews with community members; and a review of documents including corporate policy on diversity and inclusiveness (2021); training materials and records; recruitment and promotion procedures; and action plan for attaining Diversity and Inclusion policy objectives.</p>
9. Gender Equality	Fully meets	<p>DMH has a system to continually assess and monitor progress to ensure the implementation of a policy on gender equality in the workplace.</p> <p>At corporate level, Codelco's commitments to gender equality are made in the corporate sustainability policy, the corporate policy on diversity and inclusion, code of conduct, guidelines on the prevention of harassment, and measures incorporated into site internal regulations. There is a corporate Head of Diversity and Inclusion.</p> <p>Gender equity within Codelco requires leadership initiatives, training, action plans, results monitoring and incorporation of diversity into all personnel processes. There is a company-wide goal of attaining 35% female participation among direct employees by 2027 (currently at about 14%). At DMH, female workers make up 17% of employed and 15% of contracted workers.</p> <p>An internal study identifies the recruitment and remuneration of women compared to men. The study acknowledges a disparity in senior executive ranks, where women's average hourly pay was reported in 2021 as between 78% and 80% of their male colleagues respectively This disparity is recognized in the company's Gender Parity program,</p>

		<p>which has established quarterly targets to reduce this gap across all operations. The workforce-wide figures for direct employees reported in the 2022 Memoria show that across all categories women have a slightly higher compensation rate of 7% above that of their male colleagues. Disaggregated data shows that disparities persisted in 2022 in the 'senior executive' (vice-president) and 'management' ranks, though the gap has been closed in 'leadership' ranks.</p> <p>There is an annual plan that drives actions aimed at achieving policy objectives, identifying training and communication initiatives. Program initiatives from this annual plan that were witnessed include apprenticeships to increase female participation in the workforce, increase promotion through the ranks, address pay disparities, promote cultural transformation (including diversity and inclusion), and advance prevention and referral of (domestic) situations of violence against women.</p> <p>Interviewed female workers are aware of the commitments and stated they are comfortable in the workplace and treated equally.</p> <p>This was confirmed through interviews with management; interviews with workers; and a review of documents including the annual plan; dashboard and indicators; Principles and Directives on Gender Diversity; goals and metrics</p>
<p>10. Working Hours</p>	<p>Fully meets</p>	<p>DMH 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>Working hours are included within the CBAs and includes 25 vacation days, which is 10 days more than required by law. The government has signed off on special shift-based hours for DMH due to the ongoing nature of operations. Workers work either 7 days on followed by 7 days off or 4 days on followed by 3 days off, for an average of 42 or 45 hours per week respectively. Overtime is rare and voluntary. Time is recorded on a clock in/out system.</p> <p>This was confirmed through interviews with management; interviews with workers; and a review of documents including the corporate sustainability policy commitments, quality of life policy, government service order approving DMH request for 'exceptional' system for working days at DMH, and internal regulations on occupational health and safety.</p>
<p>11. Remuneration</p>	<p>Fully meets</p>	<p>DMH has a system to pay wages that equal or exceed the national minimum wage, the appropriate industry wage (if higher), or a living wage.</p> <p>Pay scales are agreed as part of the CBAs. Using the Global Grading system, which considers market comparisons and weighting factors based on work type and experience, there is an annual analysis of all employee salary and benefits package to inform the collective bargaining process. There is also an annual comparison undertaken by a third-party consultant on 50 large Chilean companies' remuneration packages. Codelco is in the 50th percentile, which is above minimum wage. It is noted that as a state-owned enterprise Codelco is not allowed to pay the highest wage.</p> <p>Contractor remuneration packages are not set by Codelco but are required to be paid according to law and subject to a Codelco audit.</p> <p>While some contractors expressed a desire to be full time employees, it was</p>

		<p>said to be related to the criteria of job security rather than remuneration.</p> <p>This was confirmed through interviews with management; interviews with workers; and a review of documents including collective bargaining agreements, the contracting policy, and the corporate standard on negotiating collective agreements.</p>
<p>12. Occupational Health and Safety</p>	<p>Fully meets</p>	<p>There is a clearly defined management system for safety, occupational health and safety and operational risks (SIGO) which is defined at the corporate level and implemented at each site. Codelco has ISO 45001 certification but the physical site visit at DMH has not yet been completed, this is planned for 2024. For this reason, the ISO 45001 was not considered equivalent, and this criterion was fully assessed.</p> <p>The system involves policy and structure, fatality standards, occupational health standards, and risk evaluation and matrix with associated operational controls. Organization and structure are defined together with all responsibilities for different levels in the workforce, overseen by a committee specifically covering occupational health and safety (OHS).</p> <p>DMH has an OHS manager and follows the corporate risk assessment requirements. The risk assessment is updated manually and includes an analysis to confirm/identify critical control for main safety and health risks. There is also a critical control verification process in place, with supervisors responsible to undertake verifications.</p> <p>Other elements of the system include underground safety, weekly safety management talks, compliance audits against the Codelco system, “stop work” policies, a process to investigate and identify root causes of accidents,</p>

		<p>health screening, training, and safety signage.</p> <p>PPE meets national standards. While contractors may provide their own PPE, it must comply with Codelco requirements for the task, which is checked by the supervisor and worker before that task. Interviews with contractors confirmed that they were issued with appropriate PPE. Some contractors said that Codelco PPE was sometimes better designed (more expensive and comfortable) but that standards of protection were always according to the national standard specification. The OHS systems are enforced for both direct employees and contractors.</p> <p>This was confirmed through interviews with management; interviews with workers; site observations; and a review of documents including the corporate standards on workplace health, corporate policy on safety, workplace health and occupational risk, the incident management system output, ISO 45001 audit reports, internal compliance audit results, and the permit to work forms on which proper PPE is verified.</p>
<p>13. Grievance Mechanism</p>	<p>Fully meets</p>	<p>DMH has a grievance mechanism accessible to all employees. The policy and process to manage complaints is managed at corporate level and through a third-party system. Employees and contractors have access to the system and resolution process.</p> <p>Quarterly reports on incidents are tracked and include information such as complaints per site as well as status and outcome. DMH received 33 complaints in 2022 including policy violations, workplace harassment and workplace violence.</p> <p>Workers are aware of the formal grievance system, though state they</p>

		<p>would raise a complaint with immediate supervisors as a first line of reporting.</p> <p>This was confirmed through interviews with management; interviews with workers; and a review of documents including the procedure for the grievance and suggestion line for socio-environmental matters, grievance statistics, and sample grievances.</p>
14. Environmental Risk Management	Fully meets	<p>A full ISO14001 certification audit of DMH was conducted between July and August 2022 and the site has a valid ISO14001 certificate until October 2025. The environmental management system is a system defined at corporate level and implemented at all divisions. As a result, the criterion was fully assessed.</p> <p>The group wide third party ISO14001 audit confirms that the management system used at all divisions is in line with this standard.</p> <p>An internal audit against ISO14001 was conducted in June 2023 by head office personnel identified one minor_non-conformity for which corrective action plans are now in place.</p> <p>This was confirmed through interviews with management; and a review of documents including the ISO 14001 certification report, management of breaches and risks, incident preventions, ISO 14001 training, and registry of permits.</p>
15. Greenhouse Gas (GHG) Emissions	Fully meets	<p>DMH has a system to quantify, establish reduction targets for and disclose CO2 equivalent emissions in line with established international reporting protocols (Carbon Disclosure Project, or CPD).</p> <p>Scope 1 and 2 emissions are calculated for each operation including DMH using methodology consistent with the Carbon Disclosure Project (CPD). Emission and carbon intensity figures are reported publicly in the</p>

		<p>sustainability report and are third-party verified.</p> <p>Codelco has a corporate strategy with an objective of reaching net zero for scopes 1 and 2 by 2050. There is a 2030 interim target reduction of 70% against a baseline of 2019 levels, intended to be achieved through conversion of scope 2 emissions through purchasing agreements for certified renewable energy and through electrification of underground operations.</p> <p>DMH accounts for approximately 12% of Codelco energy consumption. There is a site-level climate change and energy plan reflecting corporate objectives.</p> <p>This was confirmed through interviews with management; and a review of documents including the sustainable policy commitments, indirect and direct emissions spreadsheet, and environmental IMS procedure.</p> <p>More information is available here.</p>
<p>16. Energy Consumption</p>	<p>Fully meets</p>	<p>DMH has a system to implement and quantify energy efficiency improvements and increased. Use of renewable energy to reduce total energy consumption and/or energy intensity.</p> <p>Energy consumption and energy efficiency are quantified and reported in the sustainability section of the annual report.</p> <p>DMH have reviewed energy efficiency and conversion projects, such as electrified personnel bus transport, and 100% electrification of underground operations. These projects have been prioritized in a plan aimed at meeting corporate objectives. There is an energy efficiency target of 2% improvement over 2019 baseline by 2027. DMH is planning to be ISO 50001 certified by 2024.</p>

		<p>This was confirmed through interviews with management; and a review of documents including the energy efficiency plan, notice on agreement to buy 100% renewable energy, and a status report on energy efficiency initiatives at DMH.</p>
<p>17. Freshwater Management and Conservation</p>	<p>Fully meets</p>	<p>DMH has a system to conduct a comprehensive assessment of water-use impacts and risks in collaboration with relevant stakeholders and to implement 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>At corporate level, there is a commitment to seek greater efficiency and reduction of impacts to freshwater resources, primarily by reducing consumption of land-based water sources through process efficiency, reliance on recovered tailings water, and desalination of ocean water. These measures are targeted to reduce consumption of “continental” water by 60% by the year 2030.</p> <p>DMH has shown a steady reduction in make-up water – the critical parameter in Distrito Norte – over the last 4 years. Make-up water reduction programs are driven at both corporate and Distrito Norte levels with implementation activities at each of the divisions. At DMH, there are initiatives tracked and monitored by the Distrito Norte steering committee.</p> <p>DMH operates on a zero-discharge basis. Rainwater is captured within a closed water management designed for a maximum probable flood event. Ground water from the tailings is prevented from migration through use of draw down wells located downstream of the dam and is coupled with monitoring of both ground water and</p>

		<p>water in the river system upstream and downstream of operations.</p> <p>The issue of water use is of great importance to external stakeholders. Specific community needs around water security were initially determined in the stakeholder engagement process, through which an assessment of 'territorial' needs is conducted. This process resulted in setting of priorities for each of the stakeholder needs in the district area of influence, followed by investments. Water infrastructure is a priority community need, and projects are underway with for example to divert the flow of water from the Codelco pipeline to indigenous communities.</p> <p>Public consultation through the EIA process also framed these needs in terms of Codelco's impacts to water resources. It can be noted that the development of the desalination project is a major, district wide mitigation of impacts related to the consumption of water resources by Codelco.</p> <p>This was confirmed through interviews with management; interviews with external stakeholders including representatives of indigenous communities; and a review of documents including commitments of Codelco sustainability policy, status of sustainability goals 2022: water use, letter of commitment to provide water to Chiu-Chiu, and audit report from national water authority internal audit report on implementation of corporate water strategy.</p>
18. Waste Management	Fully meets	<p>DMH implements a risk-based waste management system that includes a commitment to the 'waste hierarchy' and is applicable to all waste types (hazardous, non-hazardous and inert).</p> <p>There is a circular economy-based target in the 2030 strategy to reduce industrial waste by 60% based on 2019 levels. The Monte Cristo hazardous</p>

		<p>waste management facility associated with DMH receives arsenic wastes from operators and is constructed and operated according to national regulations.</p> <p>This was confirmed through site observations; interviews with management; and a review of documents including good practices in valorising wastes, minutes from landfill audits, reports from the hazardous waste landfill, and the procedure to manage industrial solid wastes.</p>
19. Tailings Management	Not applicable	The assessment confirmed that DMH does not have a tailings storage facility.
20. Pollution	Fully meets	<p>DMH implements the mitigation hierarchy to avoid, minimize, reduce and compensate for the adverse impacts of pollution on human health and the environment. The mitigation hierarchy is particularly prominent during the environmental impact assessment when pollution impacts are first quantified.</p> <p>Pollution is a potentially high-risk issue due to the proximity of Calama town and nearby communities. It is the subject of stakeholder concern.</p> <p>Main sources of pollution are windborne particulate matter from mining activities, the Talabre Tailings Facility. Other source of air pollution are emissions from the DMH roasting plant, in particular arsenic emissions.</p> <p>At the corporate level, there is a policy commitment to prepare emissions inventories and dispersion models, maintain permanent monitoring processes, develop solutions to continually reduce emissions sources, and report results to relevant authorities and communities.</p> <p>In response to public concerns, the government decreed a Decontamination Plan for the city of Calama (PDAC). PDAC sets and monitors adherence to goals related to</p>

		<p>reducing PM10 dust levels in the area of Calama including specific requirements for operations and processes at the Codelco sites.</p> <p>Interventions are in place and long-term projects are under way to control pollution. Particulate matter levels are officially monitored at four locations in Calama and at one of the nearby indigenous communities. The monitors were installed and are owned by Codelco, though management was transferred to the national Ministry of Environment under the structure and requirements of the PDAC. Monitoring data indicates that latent and saturation levels are within limits.</p> <p>The PDAC incorporates need for greater transparency, through making the monitored data publicly available. Codelco takes community members to observe environmental monitoring activities but at present participative monitoring does not occur.</p> <p>There is a recommendation for improvement:</p> <p>It is considered by the assessment team that transparency would be enhanced, and perceptions addressed more directly, if more accessible means of communicating monitoring results could be found. This issue is covered under criterion 23.</p> <p>This was confirmed through interviews with management; interviews with stakeholders; site observation; and a review of documents including the agreement with the national environmental agency on technical supervision of air quality stations in Calama, methodology for emission calculations, EMS system incident report, reports on air quality monitoring, and sustainability goals 2030.</p>
21. Biodiversity and Protected Areas	Fully meets	DMH implements the mitigation hierarchy to avoid, minimize, reduce and compensate for adverse impacts

		<p>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>At corporate level Codelco commits to conservation of biodiversity including to apply the mitigation hierarchy. The management of the resolution-driven and voluntary biodiversity programs for the three Calama operations (including DMH) is aggregated at the Northern District level.</p> <p>The Northern District signed a community development agreement with the Calama Tourism and Culture Corporation to construct the El Loa Centre for Biodiversity, in which Codelco provides funding for the physical infrastructure. Landscaping projects supported by Codelco in the Calama area are part of biodiversity compensation.</p> <p>This was confirmed by interviews with management; and a review of documents including reports on results of seasonal monitoring, capture and relocation programs, biodiversity reporting formats, ESIA baseline studies, permits, and commitments registers.</p>
<p>22. Mine Closure and Reclamation</p>	<p>Fully meets</p>	<p>DMH 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>Mine closures are overseen by a corporate Mine Closure Director using a defined governance structure and subject to Chilean mine closure law and ICMM guidance on closure. The closure plans have been approved.</p> <p>Elements of the closure plan include financial provisions, internal audit</p>

		<p>programs, social aspects, and physical aspects.</p> <p>Chilean regulation requires that a conceptual closure plan be presented and approved at the EIA stage. Closure plans witnessed for DMH included a stakeholder engagement component, with an activity timeline. Stakeholder engagement on the closure plan is underway and will be rolled out to stakeholders in 2024. The issue was not raised by stakeholders during interviews.</p> <p>This was confirmed through interviews with management; interviews with stakeholders; and a review of documents including the resolution approving the closure plan, program for diffusion, and the corporate closure standard.</p>
<p>23. Community Health and Safety</p>	<p>Partially meets</p>	<p>Throughout Distrito Norte, stakeholders are engaged at statutory intervals during EIA preparation, including after the impact assessment analysis is completed. Potential human health impacts are covered in these engagements. The 2022 Human Rights Due Diligence report also indicates that communities in the Northern District perceive that impacts to community health are caused by mining operations. In particular, there is a focus by the community on the effects of pollution.</p> <p>At corporate level, there is an evaluation and root-cause risks of some related criteria, but no clear presentation of these risks in the context of community health and safety. The main focus is on pollution. Codelco invites community members to witness monitoring efforts.</p> <p>Interviews with stakeholders demonstrated an opinion that Codelco is undergoing positive transformation it is approach to communities, notably within the past 2-5 years. Liaison staff are considered responsive and</p>

		<p>effective. However, some community members expressed mistrust of Codelco regarding management of the contamination issue, in particular because of the relationship between the monitors (the government) and the company (also government). At least one stakeholder group considered dust to be a major, unresolved issue.</p> <p>There is a clear, if gradually diminishing, gap between Codelco's view of its effectiveness in managing community health concerns and the community's view. While there is a systemic approach that can be demonstrated by Codelco, it appears geared more to addressing the scientific, technical and legal issues than the community impact, sentiment and trust issues around the same risks. It is considered by the assessment team that both sets of issues require comparable focus to overcome current gaps and community trust deficits. It is difficult to substantiate that adverse impacts on community health and safety have been substantively avoided or mitigated while community health and safety impacts are not evaluated and continue to be an area of concern in the community.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> • There is no formal risk assessment to evaluate potential adverse impacts on community health and safety. • There is a lack of monitoring of the implementation of activities to mitigate potential or actual adverse impacts on community health and safety. <p>This was confirmed through interviews with management; interviews with representatives from 12 stakeholder groups; and a review of documents including the SOP between related parties, air quality reports, the decontamination plan for Calama,</p>
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		<p>community investment program, and the Community Investment Agreement (2022): Educational Association and Calama Fire Department: Update and Strengthening of Emergency Plan for the Talabre tailings impoundment.</p>
<p>24. Community Development</p>	<p>Fully meets</p>	<p>DMH has a process to identify community needs in consultation with affected communities, develop a plan, and commit resources to support community development.</p> <p>At corporate level, there is a commitment to social value being created and contributing to local social, economic, and institutional development.</p> <p>There is a community development directorate for the northern district sites that take steps to identify, design, executive, and evaluate projects that reach communities within the four operations in their jurisdiction. There is a formal process around determining 'territorial needs' in collaboration with authorities and stakeholders that was undertaken at DMH. This, plus ongoing engagement, drive community development planning.</p> <p>In 2022, Codelco community investments were made through 170 community agreements, of which nearly 40% was characterized as 'voluntary'. The latter term means that the investments were made above and beyond statutory obligations, such as those contained in ESIA resolutions of approval.</p> <p>Projects include integration into the Codelco value chain by providing tools to participate in the bidding process for goods and services, strengthening the local labor participation in the contract workforce, capacity building in the local educational system, and facilitating access to potable water.</p> <p>There is a recommendation for improvement:</p>

		<ul style="list-style-type: none"> While overall feedback indicated that community investment projects are well received, there are opportunities for improvement to ensure adequate support during execution to prevent delays and to proportion community investment to legacy issues around pollution and health impacts. <p>This was confirmed through interviews with management; interviews with stakeholders from the community; and a review of documents including the procedure for community investments, the registry of community projects, community agreements, and the map of the stakeholder region.</p>
25. Artisanal and Small-Scale Mining	Not applicable	The assessment confirmed there is no ASM activity in the area of influence of the northern district operations.
26. Human Rights	Partially meets	<p>Codelco has a human rights policy included in the sustainability policy that commits to implementing the UN Guiding Principles on Business and Human Rights, evaluating and managing human rights risks, applying the OECD Due Diligence Guidance, and maintaining a grievance system.</p> <p>The northern district underwent an independent human rights due diligence (HRDD) assessment in September 2022, which included DMH and interviews with workforce and external stakeholders. The project focused on relevant inherent risks more than evaluating current residual risks with controls. Recommendations were provided to each of the sites.</p> <p>Training is provided to the workforce on specific human rights-related issues, although they do not specifically refer to “human rights.”</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> There is insufficient evidence to demonstrate that an improvement program based on the findings of the HRDD

		<p>assessment is being implemented.</p> <ul style="list-style-type: none"> There is insufficient evidence to demonstrate that risks identified in the HRDD assessment have been incorporated into the risk management framework, confirming that a systematic effort to address the findings is not yet in place. <p>This was confirmed through interviews with management; and a review of documents including the due diligence report, registry of training, and the corporate sustainability policy.</p>
<p>27. Security and Human Rights</p>	<p>Partially meets</p>	<p>The Codelco corporate sustainability policy pledges to respect human rights. There are two tiers of private security throughout Codelco operations: unarmed guards and armed enforcement. There are technical specifications on guarding and protection, including guidelines on apprehension and detainment. There is training to security on human rights, not specific to the Voluntary Principles on Security and Human Rights (VPSHR).</p> <p>Other safeguards in place include accreditation requirements around physical and psychological status and background checks.</p> <p>Chile is not a member of the VPSHR. The Human Rights Due Diligence in Northern Districts and Divisions final report recommended that Codelco consider adhering to the VPSHR. Given rising crime rates in the Calama area, and public concern over the same, it may be in Codelco's best interest to incorporate reference to the VPSHR as well as some degree of training into its security management system.</p> <p>The following gaps were identified:</p>

		<ul style="list-style-type: none"> • There is insufficient evidence that the VPSHR are included in policies and processes. • There is insufficient evidence that relevant security personnel are trained on VPSHR. <p>This was confirmed through interviews with management; interviews with a member of the security force; and a review of documents including the training for security, decree on private security, organization manual for private security, accreditation guidelines, and the human rights due diligence report.</p>
<p>28. Indigenous Peoples' Rights</p>	<p>Fully meets</p>	<p>DMH implements a management system to respect the rights of Indigenous Peoples, including free, prior and informed consent (FPIC); avoid adverse impacts on Indigenous Peoples' lands, livelihoods, resources, and cultural heritage; and develop and implement an Indigenous Peoples' engagement plan.</p> <p>The Codelco corporate sustainability policy pledges to recognize and support indigenous peoples, further committing to contribute to the development of each indigenous community in the area near their operating sites, respecting and recognizing culture, identity, forms of organization.</p> <p>For DMH, relationships with indigenous peoples are managed by Codelco at the northern district level. There are 11 separate communities and 4 associations of indigenous peoples with whom formal relations have been established. All indigenous peoples' communities are identified, and specific engagement is carried out with them all.</p> <p>A series of voluntary community investment agreements and projects related to health, agriculture, water supply, energy, infrastructure, and</p>

		<p>tourism are underway. Some projects are specific to furthering knowledge and awareness of culture within the indigenous peoples' communities.</p> <p>Interviewed indigenous peoples' communities expressed satisfaction and gratitude for the current relationship with Codelco, noting the improvement in engagement over previous years. It is noted that historical events remain relevant to current concerns, for instance around effects of pollution on crops and water use on farming. These concerns are referenced under criterion 23, in which they lead to a determination of "partially meets."</p> <p>This was confirmed through interviews with management; interviews with representatives of indigenous peoples' communities; and a review of documents including the list of community investments, images of the northern district population, commitments of corporate sustainability policy, and the SOP on relationships between stakeholders.</p>
<p>29. Land Acquisition and Resettlement</p>	<p>Not applicable</p>	<p>The assessment confirmed that none of the northern division operations have any forecasts, development plans, exploration or other activities that would entail acquisition of land beyond existing mine property boundaries, and that there is no human habitation or use of lands within existing mining boundaries, legal or otherwise, that will be impacted by company operations.</p> <p>Notwithstanding the above, an important infrastructure project related to the supply of water to the operations of the Northern District is the desalination project, which involves the construction and commissioning of a desalination plant on the coast and an interconnecting pipeline to supply water to 3 divisions of the Northern District near Calama. This project is independent of the operational</p>

		<p>management of the sites and is being carried out as an independent project that will recover costs under a user fee agreement. The project has its environmental and strategic sector permits approved, which have been granted. The route has easements granted to Codelco without interfering with the territorial concessions granted by the authority to the indigenous peoples.</p>
<p>30. Cultural Heritage</p>	<p>Fully meets</p>	<p>DMH has a system 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>There is a policy to minimize impacts to cultural heritage and a corresponding procedure directed at operational incidents with “environmental consequences” including archaeological, paleontological, historic, or any other type of cultural heritage. Preventative measures around cultural heritage are also government by national legislation guiding assessment, mitigation, management of potential impacts during early stages of a project.</p> <p>DMH contributes to the Calama Natural History Museum which has a focus on cultural resources conservation. A focal cultural resource issue of importance at the DMH is the preservation of the historic mining camp, located within the current mining perimeter.</p> <p>This was confirmed through interviews with management; interviews with stakeholders; site observation to the museum; and a review of documents including the corporate standard on community management, reports on archaeological investigations and findings, and an analysis on risk of impact to cultural resources.</p>

31. Due Diligence in Mineral Supply Chains	Fully meets	<p>Codelco has implemented a due diligence system aligned with the OECD framework applicable to all sites.</p> <p>No upstream minerals are processed through DMH.</p>	
	31.a. Management System	Fully meets	<p>Codelco at the corporate level has a policy underpinned by executive support.</p> <p>A governance structure has been established with defined responsibilities from a corporate team down to each division. This includes a Responsible Sourcing Due Diligence Committee which provides oversight. The Director of Commercial Operations, compliance officer, and strategy and marketing teams report to the Responsible Sourcing Due Diligence Committee on related topics.</p> <p>This is complemented by adequate resources, senior level responsibility, training to relevant personnel, data management, and supplier engagement.</p>
	31.b. Red Flag Identification Process	Fully meets	<p>Policies and procedures are in place for both mineral supply chain and company know-your-counterparty due diligence processes.</p> <p>Codelco has a CAHRA determination process and documentation to identify conflict-affected and high-risk areas, in which Chile is not considered a CAHRA.</p> <p>No red flags were identified.</p>
	31.c. Risk Assessment Process	Not applicable	Because there were no confirmed red flags, this criterion is not applicable.
	31.d. Risk Management Process	Not applicable	Because there were no confirmed red flags, this criterion is not applicable.
	31.e. Public Reporting	Fully meets	<p>Codelco has a Step 5 report that reflects the evidence reviewed during the assessment and includes site-level information. The report is available here.</p>

32. Transparency and Disclosure	Partially meets	<p>The primary instrument for disclosure of performance for Codelco is their annual 'Memoria 2022' document, which is an integrated report on financial, production and sustainability matters for the public. It has been third-party assured in accordance with GRI.</p> <p>The following gap was identified:</p> <ul style="list-style-type: none"> The verified report has not been made public.
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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 29/11/2024.	<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 29/11/2024	<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:	
Additional comments:	

Award

The Copper Mark	<input checked="" type="checkbox"/>
The Molybdenum Mark	<input type="checkbox"/>
The Nickel Mark	<input type="checkbox"/>
The Zinc Mark	<input type="checkbox"/>

This Summary Report is prepared using data from the independent accountant's assurance report and the independent assessor report. The Copper Mark confirms the assessors' opinion and awards the relevant metal Mark(s) as follows:

Date The Copper Mark is awarded	28 November 2023
Expiry Date of The Copper Mark	27 November 2026