



Assessment Summary Report

Participant Information

Name of the Site	División Salvador
Unique identifier provided by the Copper Mark	P0070
Address	Av. Bernardo O'higgins N° 103. El Salvador III Region
Country of Operation	Chile
Principle covered products produced on site. (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Concentrate, cathode
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
Metals covered by other independent assessments for Criterion 31 (e.g., RMAP, LBMA, RJC, etc.)	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 checked="" type="checkbox"/>
Refining	<input checked="" type="checkbox"/>
Fabrication	<input type="checkbox"/>
Other (please explain)	
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 Copper Mark Recognition Process.</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)	March – August 2023 Site visits: 31/07/2023 – 02/08/2023 HQ: 10-11, 21 April 2023
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: 1370 (male: 1242, female: 128) Contract workers: 1601 (male: 1317, female: 284)</p>

<p>Summary of the Assessment Activities</p>	<p>The ESG governance in Codelco has a clearly defined structure. In this structure, the apex of responsibility rests with the CEO.</p> <p>As a State Operated Enterprise (SOE), Codelco’s constitution, rules, responsibilities and functions are defined by various Laws and Decrees. There are several Board Committees including a Sustainability Committee. The Corporation’s executives and divisional managers have various sustainability goals included in their 2023 performance agreements factored for safety, environment and community.</p> <p>There are two management levels that interact on ESG governance at DSAL. These are:</p> <ul style="list-style-type: none"> • Corporate Level, which is the highest overarching level. • 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>The assessment consisted of document review and preparation. While on site, the following activities took place:</p> <p><u>Day 1</u></p> <ul style="list-style-type: none"> • Opening meeting • Document review
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	<ul style="list-style-type: none"> • Community interviews <p><u>Day 2</u></p> <ul style="list-style-type: none"> • Site tour (foundry, tailing, concentrator/leaching) • Indigenous community interviews • Community interviews • Worker interviews • Management interviews <p><u>Day 3</u></p> <ul style="list-style-type: none"> • Community interviews
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Summary of Findings

Criterion	Rating	Comments
1. Legal Compliance	Fully meets	<p>División Salvador (DSAL) 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. 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 counsel 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>DSAL 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>DSAL 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”), community conversations, technical visits and participatory monitoring of outcomes.</p> <p>Codelco has two defined normal grievance mechanisms: the complaints channel and the socio-environmental grievance and suggestion line. These are in line with the UN Guiding Principles effectiveness criteria. Through these, grievances related to community and environmental issues are captured and recorded and shared with the Community Liaison team.</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, 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>DSAL 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</p>

		<p>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. At DSAL contractors account for approximately 54% 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. Suppliers may, and have been, denied onboarding as a result of due diligence relating to financial credibility and the identification of potentially corrupt senior management persons in the supplier company.</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>DSAL has a management system that prevents the employment of children 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>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>
6. Forced Labor	Partially meets	<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>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>
7. Freedom of Association and Collective Bargaining	Fully meets	<p>DSAL 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</p>

		<p>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 DSAL, there are 3 CBAs. No labour actions were reported for DSAL during 2022. The last strike at DSAL was in 2016.</p> <p>Contractors are not represented by the Codelco unions but are part of individual unions organized within their respective employer organizations.</p> <p>In 2019, a judgment in a labour case found DSAL committed anti-union practices under the labour code. Various corrective measures were imposed, and all measures ordered by the court were complied with.</p> <p>Union leaders described their relationship with management as supportive, particularly in difficult times. Communication with management include monthly meetings, email and Whatsapp.</p> <p>Employees stated good relations with their unions and felt well represented. Contract workers expressed that there are effective relations between their unions and Codelco.</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</p>
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		sustainable development report, the foundational agreement, and the CBAs.
8. Discrimination	Partially meets	<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.</p> <p>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, 5 of the 52 reported grievances were attributed to workplace harassment, 1 to sexual harassment and 0 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>One 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</p>

		<p>materials and records; recruitment and promotion procedures; and action plan for attaining Diversity and Inclusion policy objectives.</p>
<p>9. Gender Equality</p>	<p>Fully meets</p>	<p>DSAL 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 DSAL, female workers make up 10.4% of employed and 13.2% 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, 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</p>

		<p>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>
10. Working Hours	Fully meets	<p>DSAL 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 DSAL due to the ongoing nature of operations. All workforce members average 42.5 hours per week, distributed among schedules that include 4 days x 12 hours on followed by 3 days off, followed by 3 on</p>

		<p>and 4 off, 7 on and 7 off plus permutations to account for day and night shifts. Overtime is rare and voluntary. Time is recorded on a clock in/out system.</p> <p>Female worker interviews stated that 12-hour shifts and elements of the shift patterns can create challenges with childcare and family life.</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 DSAL request for 'exceptional' system for working days at DSAL, and internal regulations on occupational health and safety.</p>
11. Remuneration	Fully	<p>DSAL 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>This was confirmed through interviews with management; interviews with workers; and a review of documents including collective bargaining</p>

		<p>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 ISO45001 but the physical site visit at DSAL has not yet been completed. For this reason, the ISO45001 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>DSAL has an OHS manager and follows the corporate risk assessment requirements. The risk assessment is updated annually 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 weekly safety management talks, compliance audits against the Codelco system, “stop work” policies, a process to investigate and identify root causes of accidents, 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. The OHS</p>

		<p>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>
13. Grievance Mechanism	Fully meets	<p>DSAL 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. DSAL received 52 complaints in 2022 including policy violations, workplace harassment, unsafe working conditions, and corruption.</p> <p>Workers are aware of the formal grievance system, though state they 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>Codelco has ISO14001 but the physical site visit at DSAL has not yet been completed, this is planned for 2023. The environmental management system is a system defined at corporate level and is implemented at all</p>

		<p>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 December 2022 by head office personnel identified six non-conformities, six opportunities for improvement, and one positive finding. Corrective action plans are now in place for the non-conformities, and two opportunities for improvement remain open.</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>
<p>15. Greenhouse Gas (GHG) Emissions</p>	<p>Fully meets</p>	<p>DSAL 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 CDP).</p> <p>Scope 1 and 2 emissions are calculated for each operation including DSAL using methodology consistent with the CDP. Emission and carbon intensity figures are reported publicly in the 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>At DSAL 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>
16. Energy Consumption	Fully meets	<p>DSAL 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>DSAL have reviewed energy efficiency and conversion projects that have been prioritized in a plan aimed at meeting corporate objectives. There is an energy efficiency target of 4.5% improvement over 2019 baseline by 2026. DSAL 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 DSAL.</p>
17. Freshwater Management and Conservation	Fully meets	<p>DSAL 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>Goals for the reduction of water intensity are an aspect of the corporate 2030 sustainability targets, and at DSAL include plans to reduce consumption from a baseline of 1.58 m³/ton of copper produced in 2019 to 0.63 m³ by 2030.</p> <p>DSAL 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 ground water monitoring.</p> <p>This was confirmed through interviews with management; and a review of documents including commitments of Codelco sustainability policy, status of sustainability goals 2022: water use, and audit report from national water authority internal audit report on implementation of corporate water strategy.</p>
18. Waste Management	Fully meets	<p>DSAL 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), and has been operational since the introduction of ISO14001 principles.</p> <p>There is a circular economy-based target in the 2030 strategy to reduce industrial waste by 65% based on 2021 levels and are in the process of</p>

		<p>acquiring third party assistance to achieve these goals.</p> <p>Waste management and disposal is subject to regulations and management of these regulations comes under ISO14001.</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>
<p>19. Tailings Management</p>	<p>Fully meets</p>	<p>On 1st 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.</p> <p>DSAL has implemented the Global Industry Standard for Tailings Management, including completing the self-assessment and publishing a disclosure.</p> <p>The Pampa Austral tailings facility has been in operation since 1990. Prior to that tailings was discharged into the ocean at Chanaral. The facility is over 50 Km upstream of the Chanaral community.</p> <p>Codelco has an established governance framework for tailings management and a documented Tailings Management System driven by a central corporate tailings team aligned with the Global Industry Standard for Tailings Management (GISTM). This governance includes third party oversight with an appointed Engineer of Record and an Independent Tailings Review Board (ITRB). There is a reporting line direct</p>

		<p>to the CEO and Board for both internal tailings related functions and the third-party oversight entities.</p> <p>DSAL has conducted risk evaluations on the tailings facilities, including credible failure analyses using Failure Modes and Effects Analysis methodology. In accordance with GISTM risk criteria Pampa Austral is rated as 'extreme.' In addition to a dam failure one other risk was identified by the Codelco risk evaluation: water seepage. Bow-tie analyses have been conducted for all these risks which has helped in identifying critical controls.</p> <p>DSAL has begun engagement of communities regarding informing of tailings issues and involvement in emergency response planning and testing. Codelco has engaged in this process with the Chanaral community by forming the Chanaral Risk and Disaster Committee (COGRID) consisting of Codelco, civil authorities and community leadership. The committee considers not only dam related incidents, but other incidents that may affect the community such as flooding and tsunamis. There is evidence of training and awareness relating to dam risks and safety and an emergency drill was undertaken in July 2023. There was also a visit of community members to the tailings facility.</p> <p>In accordance with GISTM requirements, DSAL has completed a self-assessment and issued a disclosure for the Pampa Austral facility, available here.</p> <p>This was confirmed through interviews with management; interviews with members of the site's tailing's team; interviews with community members; and a review of corporate and site level documents including the corporate tailings management system, the corporate standard on geotechnology</p>
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		<p>applied to tailings impoundments, internal evaluation memo (2022) on GISTM implementation, the GISTM self-assessment, consultant report on Background review of Pampa Austral TSF, monitoring report from external consultant, failure mode study, simulation records, emergency response plan records.</p>
<p>20. Pollution</p>	<p>Fully meets</p>	<p>DSAL 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>The DSAL sites are in remote areas, with the most proximate population being the Codelco-managed town of El Salvador. A tailings facility that was decommissioned in 1989 in Chañaral has some history of environmental concern and is the subject of ongoing stakeholder consultation.</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>At site level, a Tactical Implementation Plan aims to avoid and reduce impacts to local communities through monitoring, dust control and controls on limiting blasting times, based on wind speed and direction. DSAL successfully meets the sulfur and arsenic emission limits mandated by national law.</p> <p>This was confirmed through interviews with management; interviews with stakeholders; site observation; and a review of documents including the methodology for emission calculations,</p>

		EMS system incident report, reports on air quality monitoring, and sustainability goals 2030.
21. Biodiversity and Protected Areas	Fully meets	<p>DSAL implements the mitigation hierarchy to avoid, minimize, reduce and compensate for adverse impacts on biodiversity; to avoid adverse impacts to Critical Habitats or Endangered Species; and to prevent operational activities in World Heritage sites or in designated protected areas unless specifically and legally permitted.</p> <p>At corporate level Codelco commits to conservation of biodiversity including to apply the mitigation hierarchy. There are very few issues related to biological diversity at the DSAL site, given the arid environment and lack of habitats or species of concern. DSAL conduct resolution-driven and voluntary biodiversity programs and seasonal monitoring.</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>
22. Mine Closure and Reclamation	Fully meets	<p>DSAL 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 by the government.</p> <p>Elements of the closure plan include financial provisions, internal audit programs, social aspects, and physical aspects.</p>

		<p>Chilean regulation requires that a conceptual closure plan be presented and approved at the EIA stage. 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>Interviews with community stakeholders in closest proximity to DSAL active operations is Portal de Inca, raise a concern regarding dust created by a new haul road located nearby an informal settlement, calling it a ‘problem’ that’s anticipated to worsen. Models concluded that particulate concentrations would remain below regulated limits at this location during both use and operational phases. 2022 monitoring results indicate that levels were below ambient standards.</p> <p>Other stakeholders interviewed in the DSAL area of influence did not raise pollution as an issue of concern.</p> <p>At corporate level, there is 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. Further risks that should be considered include the spread of diseases through workforce interaction and impacts related to requirements for health and sanitation infrastructure.</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. • Other risks outside of pollution should be added to the risk management process, as identified.

		<p>This was confirmed through interviews with management; interviews with representatives from stakeholder groups; and a review of documents including the SOP between related parties, air quality reports, among others.</p>
<p>24. Community Development</p>	<p>Fully meets</p>	<p>DSAL 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. Policies operationalized under a corporate 'Community Relations Tools' provide guidance on identifying, designing, executing, and evaluating projects that reach communities within the area of influence of DSAL.</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

		<p>execution to prevent delays and to proportion community investment to legacy issues around pollution and health impacts.</p> <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 DSAL.
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>While there is no specific human rights position at the division level, management and control of human rights issues related to specific topics, for example in human resources is implemented at functional level.</p> <p>An independent Human Rights Due Diligence (HRDD) was initiated at DSAL in March of 2023, and is underway. The HRDD utilises the Codelco risk assessment and matrix as a basis with some added consequence criteria relating 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 assessment is being implemented. • There is insufficient evidence to demonstrate that risks identified in the HRDD assessment have

		<p>been incorporated into the risk management framework, confirming that a systematic effort to address the findings is not yet in place.</p> <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>Fully meets</p>	<p>The Voluntary Principles on Security and Human Rights have been adopted by security management at DSAL. Training to security personnel has been conducted.</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>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>DSAL 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</p>

		<p>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 DSAL, relationships with indigenous peoples are managed by the division's community group. There are 33 indigenous communities, or settlements, with whom formal relations have been established, and are represented through 3 formal community organisations. All indigenous peoples' communities are identified, and specific engagement is carried out with them all. A series of voluntary community investment agreements and projects related to agriculture, water supply, energy, infrastructure is underway.</p> <p>Interviewed representatives of indigenous people's groups expressed gratitude and satisfaction for the relationship, stating that it has improved over recent years. There was a note that the turnover of individuals within the community relations team remained a challenge in developing lasting relationships.</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, and the SOP on relationships between stakeholders.</p>
<p>29. Land Acquisition and Resettlement</p>	<p>Not applicable</p>	<p>The assessment confirms that there are no 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</p>

		of lands within existing mining boundaries, legal or otherwise, that will be impacted by company operations.
30. Cultural Heritage	Fully meets	<p>DSAL 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>A focal cultural resource issue of importance at the DSAL is the preservation of the historic mining camp, located within the current mining perimeter. The site, classified under National Monuments law, is being renovated, and has been opened to the public for religious ceremonies.</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>DSAL has a simple supply chain with most material coming from Codelco mines, with one additional supplier in Chile.</p>

			All mineral purchasing and due diligence of suppliers is conducted by the corporate team with division-based functions implementing logistics and monitoring material flows.
	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>Through the red flag identification process, DSAL identified a supplier red flag. After confirming that the materials are separated and conducting additional due diligence on the supplier, including reviewing their “Step 5” report, DSAL was able to verify that the red flag was not confirmed.</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	Codelco has a Step 5 report that reflects the evidence reviewed during the assessment and includes site-level information. The report is available here .
	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.

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 21/02/2025.	<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 21/02/2025.	<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 checked="" 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 and The Molybdenum Mark are awarded	28 November 2023
Expiry Date of The Copper Mark and The Molybdenum Mark	27 November 2026