



ANTOFAGASTA
MINERALS

Sustainability Report 2022

Developing mining
for a better future



ABOUT THIS REPORT

This is Antofagasta Minerals' sixteenth Sustainability Report and covers our strategy, priorities and performance regarding the main material sustainability issues for our business and our stakeholders in 2022. It encompasses the following operations: Minera Los Pelambres, Minera Centinela, Minera Antucoya, Minera Zaldívar and Antofagasta Minerals' corporate headquarters.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards, in force since 1 January 2023. The GRI content index showing the indicators we report on is published in our [ESG Databook](#) which is available on our website.

The ESG Databook also contains the main sustainability indicators for Antofagasta Minerals as a whole as well as for each of our mining operations for every year from 2018, providing greater context and detail on our performance. Further information about the Databook is available on page 69 of this report.

The Databook and this report were verified by EY.

All \$ in this report refer to US dollars unless otherwise indicated.



Developing mining for a better future

SUSTAINABILITY
REPORT 2022

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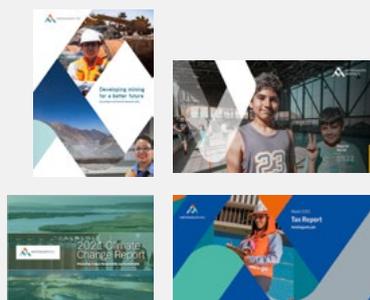
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OUR REPORTING SUITE



-  Annual Report 2022
-  Social Management Report 2022
-  Climate Change Report 2022
-  Tax Progress Report 2021
-  ESG Databook
-  For more information consult our [reporting suite](#)

Developing mining for a better future



A year of sustainability milestones



Iván Arriagada
Chief Executive Officer, Antofagasta Minerals

Dear stakeholders,

I am pleased to share with you our Sustainability Report, which provides an account of Antofagasta Minerals' social, environmental and economic performance in 2022. Thanks to the dedication of our team, we marked significant milestones during the year on energy consumption and water management - both vital to the implementation of our climate change strategy - as well as on diversity and inclusion. Most importantly, we performed strongly on safety.

Robust environmental, social and governance (ESG) practices are central to our business and to achieving our defined Purpose of developing mining for a better future. Sustainability considerations, therefore, provide the basis for how we manage our business, run our operations and define our social investments. Through this approach, we aim to play our part in addressing society's wider challenges and contributing to the UN's Sustainable Development Goals (SDGs).

In parallel with this report, we have updated our ESG Databook, which was launched on our website in August and shows sustainability data by year for each of our mining operations since 2018, reflecting our commitment to transparency about our performance.

Our people

The safety of our employees, contractors and nearby communities is our main priority. I am, therefore, particularly pleased to report no

fatalities and a reduction in high-potential incidents of 37% in 2022. Our rate of lost time injuries fell by 32% to 0.76%.

These positive results are due to our unwavering focus on reviewing and implementing critical controls, identifying key risks and promoting the right behaviours among our employees and contractors. During the year, we reinforced our visible leadership programme, allowing greater interaction between senior management and their teams, as well as onsite verifications.

Mental illness has become more prevalent in society since the pandemic's strict lockdowns. In response, we have implemented a support programme to identify and help people experiencing mental health issues and launched a Wellbeing Strategy to support people's physical and emotional welfare more broadly.

Our new hybrid way of working, which combines in-person and remote formats, also helps employees to balance the demands of work with personal needs, generating higher levels of job satisfaction and boosting productivity. It is also an important factor behind the increase of women in our workforce.

By the end of 2022, women represented one in five of our employees, meeting our target for the year. This motivated us to set a more ambitious goal for women to represent 30% of our workforce by the end of 2025. At the same time, we are encouraging suppliers to establish similar goals and have begun using D&I criteria in tender evaluations.

The hybrid system has led to a more flexible and resilient organisation that is better able to manage risk and respond quickly and effectively to unexpected events. We will continue to perfect and refine the model, with input from employees, but this new form of working is here to stay and is an important feature of how we are organising our work going forward.

Climate change

The effects of climate change are ever more apparent both internationally and in Chile, where extreme temperatures and drought in the country's central region where our Los Pelambres mine is located, have become the norm rather than the exception. At Antofagasta Minerals, we want to be part of the solution and are working to contribute to carbon emission reduction goals and to develop adaptation initiatives.

The implementation of our Climate Change Strategy is, therefore, a key priority. In April 2022, we marked a major milestone by becoming one of the first mining companies in Chile to complete the transition of all our operations to electricity supplied exclusively from renewable energy contracts. The process began in Zaldívar in July 2020, followed by Centinela and Antucoya in January 2022 and finally by Los Pelambres.

This achievement allowed us to meet, three years early, our short-term target of reducing our greenhouse gas emissions (GHG) by 30% by 2025, challenging us to set a new reduction goal in 2023. Our ultimate goal is to be carbon neutral by 2050, or before if technology permits.

In terms of our direct emissions, our main challenge is to reduce and completely replace the use of diesel at our mines, particularly in haulage trucks which are heavy consumers of the fuel. We are testing green hydrogen and electric battery solutions at our operations to help develop new technology. We are working closely with mining equipment suppliers in these efforts.

In 2022, we also made important progress in measuring indirect emissions in our value chain (Scope 3), which we do not control, and are mainly caused by suppliers of goods and services. As a member of the International Council on Mining and Metals (ICMM), we helped design ICMM's Scope 3 self-assessment tool and used it to measure our own indirect emissions.

As part of our efforts to reduce our Scope 3 emissions, we began using an internal carbon price and other emission criteria to evaluate bids for contracts in 2022.

Water availability is another key climate change concern, especially in the arid or drought-hit regions where our operations are located. In the north of Chile, we only use sea water at our Antucoya and Centinela operations.

The Los Pelambres desalination plant is now in its final construction stage, with capacity to produce 400 litres of water per second, and is due to come on stream fully in 2023. As soon as permitting allows, we plan to double the plant's capacity to 800 litres per second, securing supply for our operation and stopping water withdrawals from the Choapa River.

Iván Arriagada

Chief Executive Officer, Antofagasta Minerals

“Thanks to the dedication of our team, we marked significant milestones during the year on energy consumption and water management - both vital to the implementation of our climate change strategy - as well as on diversity and inclusion. Most importantly, we performed strongly on safety.”

When complete, we expect 90% of water used by our mining operations to be recirculated or sea water.

Communities

Water management is a priority issue for communities, especially in the Coquimbo Region. We are participating in a number of initiatives at national, regional and local levels to improve comprehensive understanding of water basins and to ensure the security of this vital resource. In 2022, we launched a 30-month programme to automate and digitalise the 80 Rural Sanitary Services in the Choapa Province that provide drinking water to approximately 15,900 families.

This project is an example of another key focus: addressing the deficit of digital infrastructure and skills in the remote communities that host our operations. In 2022, 500 homes in Caimanes and Limáhuida in Choapa were able to connect to the internet and improve their digital skills thanks to our En Red-Digital Community programme. Meanwhile, our digital and physical pharmacy in María Elena in the Antofagasta Region allows local people to buy medicine without travelling long distances to the nearest cities.

During the year, we stepped up engagement activities to address community concerns over the Los Pelambres concentrate pipeline leak in June which, although it caused no environmental harm, alarmed local people. This allowed us to understand and address their concerns about operational activities that occur outside the mine site.

Responsible production

As a leading Chilean copper producer, we supply a metal that is key in addressing climate change through its use in low-carbon technologies, such as electric vehicles and the

generation of renewable energy, and we are committed to its responsible production. In yet another 2022 milestone, our four mining operations have now been awarded the Copper Mark and the compliance certification for the ICMM Performance Expectations, both with external independent verifications.

I would particularly like to emphasise our Procurement area's work to influence best sustainability practice in the supply chain. As previously mentioned, we now use ESG criteria to evaluate tenders and have also begun to assess suppliers' ESG practices to learn about their level of development. Our Suppliers for a Better Future programme sets targets for companies to meet by 2025 and involves support and training for the suppliers that need it.

Economic performance

As projected, production fell in 2022 to 646,200 tonnes of copper, 10% less than in 2021, mainly due to anticipated water supply restrictions at Los Pelambres and planned lower grades at Centinela.

It was a challenging year in terms of unit costs due to general inflationary pressures, particularly for diesel and sulphuric acid, as well as the temporary decrease in production. Nonetheless, full-year net cash costs came in within guidance at \$1.61/lb, compared to \$1.20/lb in 2021, due to the contributions from our gold and molybdenum by-products and focus on cost containment.

Looking ahead

In 2023, our first priority remains the health and safety of our employees, contractors and local communities, as we build on our positive 2022 performance.

The completion of the Los Pelambres Desalination Plant and Concentrator Expansion

projects will allow us to increase production in 2023, helping to deliver on our commitment to lower cash costs.

We are also committed to approving the Centinela Second Concentrator project in 2023, subject to the necessary political, social and fiscal conditions being in place.

Our Climate Change Strategy will remain another key focus. We plan to complete decarbonisation roadmaps for all our operations during the year, which will help us to define new short- and medium-term GHG emissions reduction targets. We will also strive to publish a Scope 3 emissions reduction target in 2023, or as soon as possible thereafter.

We are committed to supplying the copper required for the energy transition in a responsible and sustainable way, creating value for our shareholders and other stakeholders. As one of Chile's leading mining companies, we will continue to create jobs, use Chilean suppliers and develop local capabilities, thus playing an important role in the country's economic and social development.

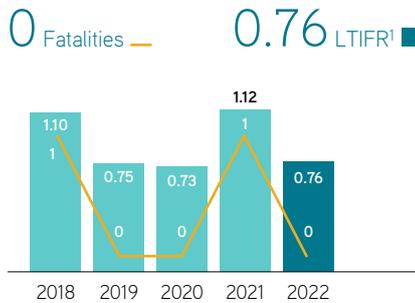
Finally, I would like to thank our team of employees and contractors for their dedication and this year's significant sustainability achievements. Without their commitment, the major milestones reached would not have been possible.

Iván Arriagada

Chief Executive Officer,
Antofagasta Minerals

Antofagasta Minerals at a glance

Safety



Performance in 2022

A robust safety performance. We had no fatal accidents and our LTIFR improved by 32% due to strengthened control strategies for high-risk tasks.

See page 42 for more information.

Water withdrawal



Performance in 2022

Total water withdrawal increased by 5.8% as precipitation tripled in 2022 from the low levels in 2021, and Centinela Concentrates and Antucoya achieved record annual throughput.

See page 57 for more information.

CO₂ emissions intensity²



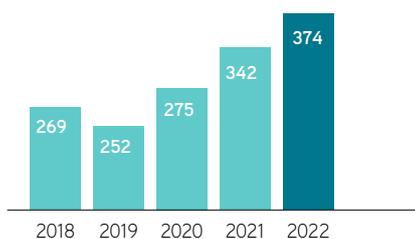
Performance in 2022

The intensity of CO₂ emissions decreased in line with the 37% reduction in Scopes 1 and 2 emissions.

See page 53 for more information.

Local suppliers

\$374 million



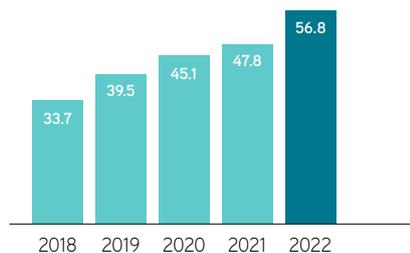
Performance in 2022

In 2022, we increased by 9.4% to \$374 million the value of contracts awarded to suppliers headquartered in the Antofagasta and Coquimbo Regions.

See page 36 for more information.

Social contribution

\$56.8 million



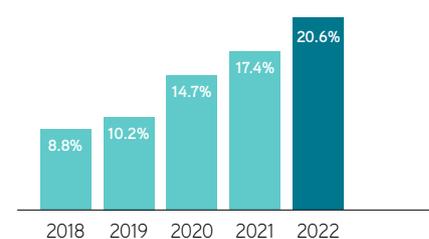
Performance in 2022

Our social economic contribution was \$56.8 million which includes voluntary social projects and programmes, commitments arising from RCAs and other instruments, donations and social agreements.

See page 44 for more information.

Participation of women

20.6%



Performance in 2022

The participation of women in the workforce rose from 17.4% in 2021 to 20.6% in 2022, continuing a steady increase since 2018.

See page 38 for more information.

1 Number of accidents with lost time of employees and contractors per million hours worked.

2 Tonnes of CO₂ per tonne of copper produced using the market-based methodology to measure emissions.

Highlights 2022



SUSTAINABLE GOVERNANCE

- In August and December respectively, our Antucoya and Los Pelambres operations were awarded the Copper Mark, the copper industry's responsible production assurance framework. Zaldívar and Centinela received this recognition in 2021.
- Our four mining operations completed the independent audits required to validate their performance against the International Council on Mining and Metals' (ICMM) Performance Expectations.
- We updated our Human Rights Policy to strengthen our explicit commitment to respect the rights, culture and traditions of indigenous peoples and approved an Indigenous Peoples Engagement Standard.



HEALTH AND SAFETY

- We had zero fatalities in 2022.
- We continued to improve our safety performance, reducing high potential incidents (HPIs) by 37%, the Lost Time Injury Frequency Rate (LTIFR) by 32% and the Total Recordable Injury Frequency Rate (TRIFR) by 19%.
- We launched our Control Strategy for psychosocial risks, which had increased during the COVID-19 pandemic, to provide support for our employees.



PEOPLE

- The proportion of female employees increased to 20.6%, compared to 17.4% in 2021, exceeding our target for the year.
- Our apprenticeship programmes accepted a total of 200 candidates, mainly from local communities, of whom 79% were women.
- We rolled out our Wellbeing Strategy that promotes our employees' physical, emotional, financial and social welfare.



SUPPLIERS

- We consistently began applying environmental, social and governance (ESG) criteria to evaluate bids for contracts worth over \$10 million and using an internal carbon price in tenders for categories that are intensive in CO₂ emissions.
- In December, we launched our Suppliers for a Better Future programme which sets ESG targets for suppliers to achieve by 2025.
- We began evaluating our suppliers' ESG practices, in alliance with a renowned consultant. More than 200 suppliers also undertook training on ESG matters.
- We increased the value of awards to local suppliers by 9.4% to \$374 million, compared to 2021.



COMMUNITY

- We continued measuring the social impact of our investments in our areas of influence as part of our efforts to continually evaluate the social impact of our programmes and improve them.
- In March, we launched a new community grievances mechanism to deal with concerns, complaints or grievances caused by our operations.
- In September, we began the Aproxima En Red project, which seeks to digitalise and automate the 80 Rural Sanitary Services (SSRs) that provide drinking water in the Choapa Province as part of efforts to combat the acute drought.
- Through public-private alliances, our En Red digital programme provided fibre-optic cables to the Cairmanes and Limáhuida communities, giving over 500 families access to the internet.



CLIMATE CHANGE

- Since April 2022, all our mining operations have used power from 100% renewable energy contracts, leading to a 90% reduction of tCO₂e in our Scope 2 emissions compared to 2021. As a result, we reached our emission reduction targets, initially planned for 2025, three years early.
- We continued to refine our Scope 3 emissions calculation to make progress on setting a reduction target in 2023. We also began applying an internal carbon price on tenders for carbon-intensive products and in the evaluation of projects.
- Centinela ceased using continental water in December 2022, becoming our second mine, after Antucoya, to only use sea water for operational purposes.
- We approved new Water and Energy Policies to improve our management of these critical resources in the fight against climate change and aligned our Energy Management System with Chile's Energy Efficiency Law.



ENVIRONMENT

- We updated our Biodiversity Standard as part of the implementation of our Climate Change Strategy, improving alignment with the position statement from the International Council on Mining and Metals (ICMM) on mining and protected areas.
- We continued to implement the Global Industry Standard on Tailings Management, which we aim to finish by the prescribed deadlines of 2023 at Los Pelambres and Centinela, and August 2025 at Zaldívar.
- At the Quillayes tailings storage facility (TSF), Los Pelambres planted a total of 48,000 native trees and shrubs on 60 hectares to control particulate material events while blending the TSF in with its surrounding environment.

Interview with Vivianne Blanlot



Vivianne Blanlot

Chair of the Board's Sustainability and Stakeholder Management Committee

Q: What would you highlight about Antofagasta Minerals' Climate Change Strategy during 2022?

It is important to remember that this is a long-term strategy. Scope 1 and 2 emission reduction targets, initially planned for 2025, were reached early. We also made good progress in the analysis and measurement of Scope 3 emissions, giving us a more rigorous estimate with which to analyse reduction targets in this area. Most of these emissions come from our suppliers and we are working closely with them on their emissions reporting and reduction. Another major milestone is that since April 2022 all our mining operations have used power from 100% renewable energy contracts.

We still face the challenge of reducing emissions from fossil fuel use, specifically diesel, in operations and transport. In this area, I would like to highlight the advances in the pilot of a green hydrogen powertrain propulsion system for haulage trucks at Centinela, as well as the analysis of electromobility solutions at Antucoya and Los Pelambres.

During 2023, we will continue to advance our decarbonisation plan to identify intermediate goals towards carbon neutrality by 2050 or earlier, depending on the development of technologies that can be implemented at our operations.

Q: How did the environmental, social and governance (ESG) agenda evolve during 2022? Are the industry's priority issues the same as in previous years, or are there new stakeholder trends?

Sustainability is the main driver of ESG standards and while this has not changed, stakeholders have been putting more issues on the agenda. Antofagasta Minerals' purpose is to develop mining for a better future. While we

have made significant progress towards our purpose, standards are changing and stakeholders have higher expectations when it comes to defining performance standards.

With respect to investors, there is an increased focus on improving data on material sustainability issues that can have a real impact on the company's value and risk.

As for regulators, managing environmental impacts has become much more demanding, while reporting standards have to be at the same level as those for financial performance. We will see significant changes in performance standards and reporting from 2023 onwards.

Regarding the community, environmental management has to go far beyond the norm, which is the basis on which all else is built. People are looking for a social commitment from the company - not just by making an economic contribution, but by adding social value with those contributions and projects.

With suppliers, in addition to having raised the ecosystem's safety standards in the past, we now have a responsibility to improve sustainability performance more broadly. We need suppliers to align with our own ESG criteria, making it a priority to reduce their greenhouse gas (GHG) emissions in line with our Climate Change Strategy. We are also focused, among other issues, on their governance, local contracting and diversity and inclusion practices.

I would say that society in general expects companies to be part of the solution to global problems. We see it in climate change and in the challenge of nature recovery.

Q: How has Antofagasta Minerals involved suppliers in the goal of reducing GHG emissions?

We are working closely with suppliers to gain a good understanding of their progress in this

area, from internal climate change policies to emissions measurement and reduction targets.

Our suppliers are diverse. Large suppliers generally have their own climate change policies and commitments, so it is possible to incorporate their information into our decarbonisation plan. However, many medium and small suppliers do not yet track their emissions, nor do they have standardised information systems or emissions policies. We are providing training and support to help these companies develop their own policies and practices. This is part of the Suppliers for a Better Future Programme launched at the end of 2022, which will be implemented in 2023. We have also started to incorporate emissions criteria and internal carbon pricing into our tenders.

Q: In terms of diversity and inclusion, what is Antofagasta Minerals doing to consider society in all its aspects?

Incorporating the views of society as a whole is crucial because a company with reduced vision cannot be forward-looking, either locally or internationally. In terms of diversity and inclusion, there are different areas to focus on: gender parity, inclusion of those with disabilities and diversity among our partner companies.

On gender, we've achieved female representation of more than 20% in the workforce, over double the 8.6% we had in 2018.

We are satisfied with our progress to date and are determined to continue moving forward. New ways of working, such as hybrid schemes and adjustments in work shifts, are part of our strategy to attract more talent, particularly more women and more people who perhaps would previously not have envisaged a career in mining. We have been working on the integration of these new talents, addressing unconscious biases, and developing a culture of

gender neutrality and participation. An organisation must understand that the challenges of increased parity and integration cannot be seen as just percentages, but rather the way in which organisations transform their cultures to benefit most from these changes and ensure they are sustainable over time.

We are constantly making an effort to encourage people with disabilities, who can contribute to our progress and find interesting career opportunities here, to join the Company. We already comply with the law that requires more than 1% of our workforce is comprised of people with disabilities, and we are determined to continue inviting and welcoming new talent.

Q: How does Antofagasta Minerals measure the impact of social investments to create strong programmes and social value?

In recent years, we have measured our social programmes' and projects' contribution to communities by applying the methodologies of Theory of Change and Social Return on Investment (SROI). We use these evaluation tools to identify the main changes that our social programmes generate for beneficiaries, find implementation gaps and make improvements to address those gaps. This is part of our commitment to continuously strengthen our positive impact on the social and economic development of the regions in which we operate.

In 2022, we dedicated additional resources to this process. As in previous years, the projects we evaluated showed a positive SROI, indicating that they generated social value.

Our social investment model is based on a "bottom-up" model, which identifies community priorities and needs through community engagement and commitment, in partnership with local governments and third parties.

Our portfolio has contributed to community infrastructure such as sports facilities, internet connections and health centres, as well as capacity-building initiatives including educational scholarships, training and other ways to support local business development. Given the natural conditions and drought the north of Chile is facing, our work in strengthening water

supply for human consumption and agricultural irrigation stands out.

Q: How important is it that all four mining operations now have Copper Mark, the industry's responsible production assurance framework?

The Copper Mark is important because it demonstrates that the company complies with internationally defined standards for the copper industry. It provides evidence and validation that the company is committed to high standards with regards to the environment, community relations, ethics and sustainable production in general. To achieve this, we have implemented internal and external review processes that make our progress transparent, as well as identify opportunities for improvement.

Q: In general, what is Antofagasta Minerals doing to increase environmental stewardship?

I would like to highlight two areas in particular: tailings management and water use.

Tailings storage facilities (TSFs) are a central, primary issue in Antofagasta Minerals' environmental policy and their environmental management has been a particular focus over the last 10 years. We have made consistent progress, ensuring transparency of information as well as rigour in the supervision and management of the tailings themselves.

We are working in two areas. The first is to apply technology to reduce the water content of our tailings, as is the case with our use of thickened tailings at Centinela. The second is to manage the TSFs to ensure their physical and chemical stability. To this end, we are implementing the Global Industry Standard on Tailings Management at all our operations, and compliance will be assessed for two of our operations in August 2023 in accordance with the Company's international commitments.

Regarding water, its efficient consumption and use have been one of our top management priorities for a long time, given the location of our mining operations. Water is a strategic resource and is essential for life on our planet, so we seek to reduce the withdrawal of continental water and increase the use of sea water and recirculated water.

As a result, both Centinela and Antucoya currently use 100% untreated sea water for production, while Los Pelambres is completing a desalination plant to incorporate that water into its processes and reduce its use of continental water.

Q: How would you evaluate the group's performance in safety and occupational health during 2022?

Crucially, there were no fatal accidents in 2022. There was also a significant decrease in both high-potential incidents and the lost time injury frequency rate. Here, the executives' leadership in the field, control strategies and operational management played a leading role.

We need to take into consideration that in 2022 we were still operating under the dynamics of the operational changes imposed by the pandemic, with differences in the ways we operated. Despite this, Antofagasta Minerals performed strongly on health and safety in 2022.

I believe that we have all the elements, both on the team and in the strategy, for us to improve even further.

Q: Looking ahead, what are your committee's main focus areas for 2023?

There are several tasks in progress and, in particular, the implementation of the global tailings management standard is a task that needs to be monitored very closely.

As for our investments, we will keep a close eye on ongoing legislative and regulatory changes, given the royalty bill being considered by Congress and the process for drafting a new constitution for the country.

In addition, I believe that our diversity and inclusion policy needs to be reviewed to see how we can broaden its scope. We want to progress further, especially on the issue of gender parity, where the focus will be not only the recruitment of more women, but also their retention. In the area of social management, working with the communities we have the challenge of further strengthening our relationship model in the regions in which we operate.

Our approach to sustainability

Sustainability considerations are a core part of our values and are at the heart of decision-making as we seek to achieve our Purpose of developing mining for a better future.

Governance

At Antofagasta Minerals, we are committed to making a positive long-term impact on society. It involves putting sustainability at the centre of how we grow our business, manage our risks and impacts, create social value in neighbouring communities and address global challenges such as climate change.

Our strategic framework establishes the required Culture, Organisational structure and Strategy to deliver our Purpose of developing mine for a better future (see pages 16-17). It is underpinned by our six shared Values and robust policies and standards, which we constantly review and adapt, as necessary, to address emerging and growing societal concerns.

The Board is responsible for leading and monitoring sustainability practices. It is assisted by the Sustainability and Stakeholder Management Committee which makes recommendations to ensure that environmental, social and governance (ESG) issues are included in the Board's deliberations (see pages 26-28). At the executive level, sustainability considerations guide decision-making across the organisation with particular responsibility falling on the Corporate Affairs and Sustainability area.

Our Sustainability Policy and Human Rights Policy establish the principles that guide our day-to-day actions on environmental, social and governance matters and the management of our supply chain.

Under this framework, we strive to engage the whole organisation behind our commitment to sustainability through communications and training. Targets associated with safety, diversity and inclusion (D&I), environment and social performance accounted for 25% of annual performance bonuses in 2022, up from 20% in 2021, to encourage internal buy-in and focus our employees' efforts on best practice.

Continuous improvement

We constantly review our strategies, policies and guidelines as part of our focus on continuous improvement and commitment to the highest international standards. In 2022, we updated our Human Rights Policy to reinforce our statement of commitment to the rights of

indigenous people and to formally state the alignment of our security practices with the Voluntary Principles on Security and Human Rights (VPSHR).

We also approved an Indigenous Peoples Engagement Standard to ensure that all our operations and projects consistently apply processes and practices that are in harmony with full respect for the human rights of indigenous peoples.

We regard climate change as one of the greatest challenges of our times. In 2022, we approved specific Energy and Water Policies to strengthen the implementation of our Climate Change Strategy, which aims for us to be carbon neutral by 2050, at the latest. Similarly, we updated our Biodiversity Standard to further embed climate considerations into our way of doing things.

In a major milestone, in April 2022 Los Pelambres became our last operation to switch its power supply contracts from fossil fuels to 100% renewable energy. The complete transition of our four mining operations to clean energy supply contracts has reduced our Scope 2 greenhouse gas emissions. We also began applying an internal carbon price on tenders for carbon-intensive products.

In another environmental highlight, Centinela ceased using continental water in December, becoming our second mine to only use sea water for operational purposes. By 2025, we expect 90% of our mines' use of this resource to come from sea and recirculated water.

Safety is our top priority and, as the risk of COVID-19 infection diminished, we ramped up visible leadership at our sites to promote awareness and compliance with our health and safety standards. We drove down high-potential incidents (HPIs) to a record low and reduced our lost-time injury frequency rate (LTIFR) to well below our target of under one lost-time incident for every million hours worked.

Our Diversity & Inclusion efforts are also paying off. We have transitioned from an awareness-raising phase about unconscious bias and discrimination in 2018 to inclusive practices becoming integral to how we work. By the end of 2022, women represented 20.6% of employees, surpassing our target for the year,

and we set a new goal for female employees to account for 30% of our workforce by 2025.

A key focus of the year was to improve our suppliers' ESG performance. We strengthened ESG requirements in tenders for contracts worth more than \$10 million, set sustainability targets for suppliers and made significant progress in measuring our Scope 3 GHG emissions.

In the community area, we continued to measure the social impact of our investments in the community as part of efforts to identify the value created and continuously improve our contribution to the social and economic development of the regions where we operate. Likewise, a new Community Grievances Channel, launched in March 2022, strengthens our handling of complaints.

Our work to improve the supply of water for human consumption and irrigation in the drought-stricken Choapa Province continued to be a priority in 2022. Among the highlights, we began a project to digitalise and automate the 80 Rural Sanitary Services (SSRs) that provide drinking water to rural areas. The initiative involves designing a telemetry and big data system and providing training to enable the integrated management of the water basin.

Responsible production framework

In recent years, an important focus of our work has been to align our sustainability policies, strategies and practices to the highest sustainability standards and to address transparency and trust issues through third-party validations to demonstrate that we produce copper responsibly.

In 2021, Centinela and Zaldívar were among the first mining sites in the world to be awarded the Copper Mark, an independent external assurance of mining sites' compliance with strict, internationally recognised, sustainable production standards. In 2022, Antucoya and Los Pelambres completed the same assurance process and also obtained the Copper Mark. The Copper Mark summary reports are available on coppermark.org.

Launched in 2020, the Copper Mark was inspired by the UN's Sustainable Development Goals (SDGs) and involves the independent verification of activities at copper-producing



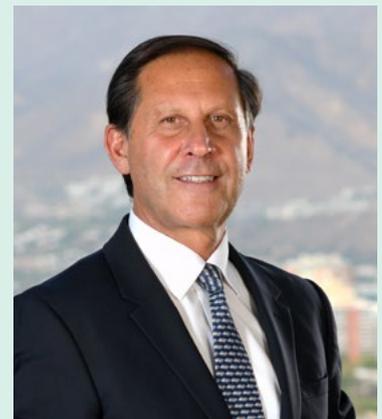
sites based on 32 criteria in five categories: governance, labour rights, environment, community and human rights. Sites must at least partially meet all criteria and commit to closing all identified gaps within 12 months. As participants of the Copper Mark, we are committed to repeating a third-party review every three years.

As members of the International Council on Mining and Metals (ICMM), our four mining sites also underwent independent audits on compliance with the ICMM's Performance Expectations. The ICMM has assessed the equivalency of its 38 Performance Expectations against the Copper Mark and the process focused on those not covered (six) or only partially covered (nine) by the Copper Mark. The assurance process ensures that ICMM's 27 member companies are being held to the same high standards and will be repeated every three years.

In other efforts to improve transparency, we created a new sustainability reporting department in 2022 to strengthen our interaction with different stakeholders and provide more and better information about our ESG performance. As part of this, we published our first special Tax Report in July

detailing our tax payments in 2021, and began preparing our second special reports on climate change and social investment, which will be published in early 2023.

In August, we published an ESG Databook on the Antofagasta plc website for the first time, which shows sustainability data by year and by each site since 2018 to date. The breakdown of data by site makes us a frontrunner among mining companies in data transparency.



Sustainability leadership

In 2022, our CEO Iván Arriagada was named chair of both the London-based International Council on Mining and Metals (ICMM) and Chile's Mining Council. He is the first Latin American to lead the ICMM, a global association which seeks to improve the industry's sustainable development performance.

Materiality analysis

In 2022, we updated our materiality assessment on the sustainability issues most critical to our business and stakeholders using, for the first time, the new Global Reporting Initiative standard on Material Topics, which became effective on 1 January 2023.

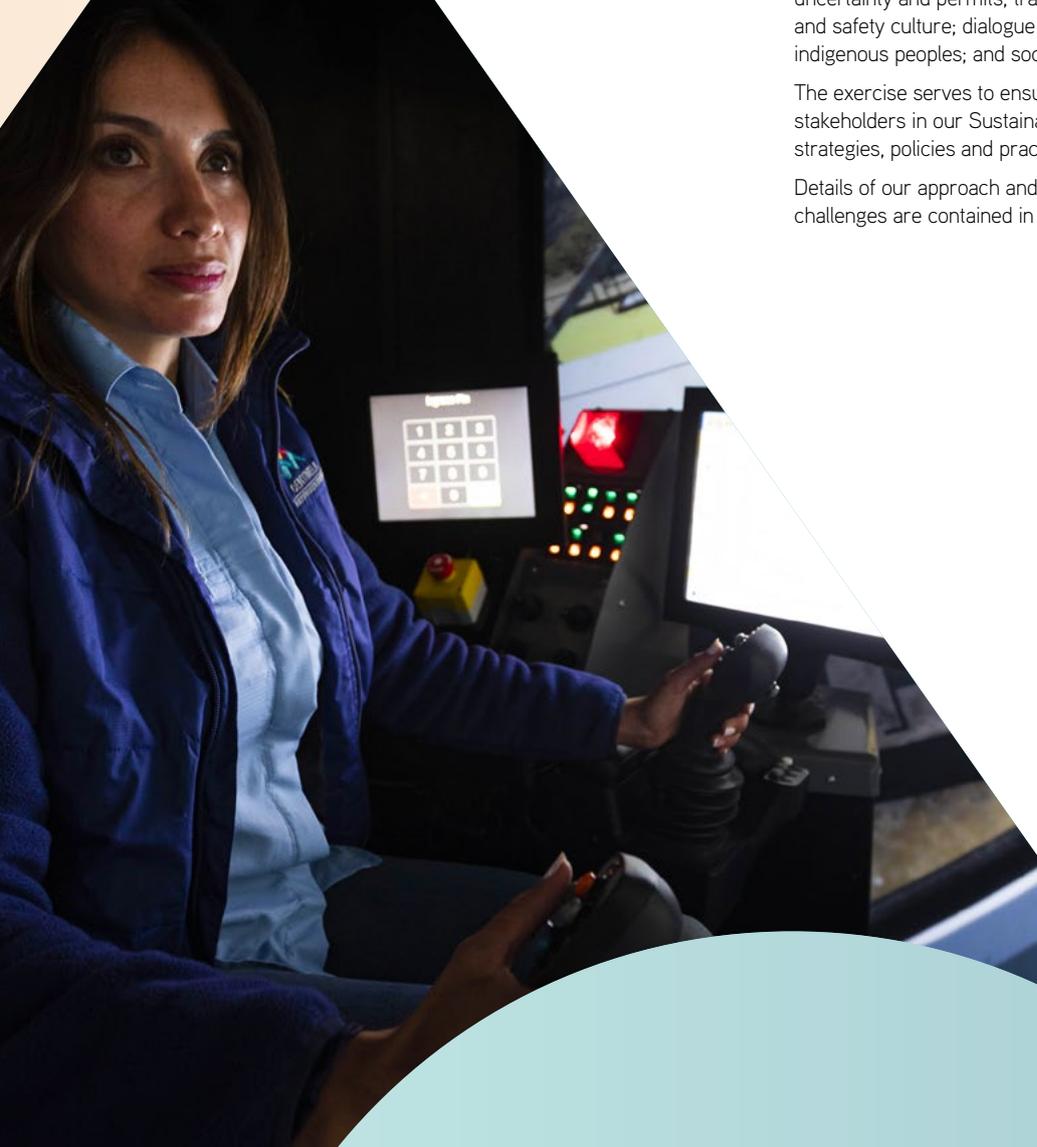
The analysis comprised three stages:

- **Diagnosing the organisation's context:** Comprehensive review of internal and external information, and interviews with senior management and external experts regarding existing, new and emerging ESG topics for the copper mining industry in Chile and internationally.
- **Identifying actual and potential impacts:** A preliminary long list was drawn up on the actual and potential negative and positive impacts of the company's activities. The qualitative and quantitative impact of each issue was evaluated according to the severity and probability of the impacts' occurrence.
- **Prioritising and validating material topics:** Each topic was reviewed and validated by Antofagasta Minerals' sustainability team, our four mining operations' executive teams, the risk management team and, finally, by Antofagasta Minerals' Executive Committee.

In total, 28 material topics were identified of which three are new: industrial protection, wellbeing and cyber security. The most significant issues in terms of their importance to stakeholders and the potential size of their impact are: corporate governance; new regulations, regulatory uncertainty and permits; transparency, communication and trust; health and safety culture; dialogue and engagement with communities and indigenous peoples; and social contribution and skills development.

The exercise serves to ensure we report on subjects of interest to stakeholders in our Sustainability Report. It will also guide our focus, strategies, policies and practices in 2023.

Details of our approach and activities in 2022 to address these challenges are contained in the corresponding sections of this report.



Antofagasta Minerals materiality matrix

IMPORTANCE TO STAKEHOLDERS	HIGH			<ul style="list-style-type: none"> • Decarbonisation • Risk management and climate change adaptation • Workforce wellbeing 	<ul style="list-style-type: none"> • Corporative governance • New regulations, regulatory uncertainty and permits • Transparency, communications and trust • Water management • Health and safety culture • Talent attraction, retention and development • Dialogue and engagement with communities and indigenous people • Social contribution and skills development
	MEDIUM HIGH		<ul style="list-style-type: none"> • Circular economy 	<ul style="list-style-type: none"> • Contractors' management • Digital transformation • Biodiversity • Collaborative labour relations • Diversity, equity and inclusion • Respect for human rights • Tailings management 	<ul style="list-style-type: none"> • Economic performance • Responsible sourcing • Local employment • Innovation • Site security • Management of the operations' social and environmental impacts.
	MEDIUM LOW			<ul style="list-style-type: none"> • Cyber security 	
	LOW				
		LOW	MEDIUM LOW	MEDIUM HIGH	HIGH
STRATEGIC IMPORTANCE FOR THE GROUP					

Our commitment to the sustainable development goals

The Sustainable Development Goals (SDGs) were adopted by all United Nations Member States in 2015 as a universal call to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. At Antofagasta Minerals, we are committed to playing our part in achieving the SDGs through the creation of value for our different stakeholders and the approval of commitments, targets and programmes that seek to contribute to the sustainable development of the regions where we operate.



NO POVERTY

End poverty in all its forms everywhere

We contribute to the reduction of poverty through the distribution of the economic value generated, such as wages and taxes, and our social programmes. Since 2020, we have required contractor companies to pay their employees an ethical minimum monthly wage. In 2022, it was set at Ch\$552,000, 38% higher than Chile's legal minimum wage of Ch\$400,000.



GOOD HEALTH AND WELLBEING

Ensure healthy lives and promote wellbeing for all at all ages

For Antofagasta Minerals, the health and safety of our employees, contractors and nearby communities is non-negotiable and take precedence over results. The aim of our Health and Safety Strategy is for no fatal accidents or occupational health illnesses. In 2022, we rolled out a Wellbeing Strategy that focuses on physical, emotional and social welfare to complement our Flexitime and Work-Life Balance Guidelines already in place that aim to enhance employees' work experience and life quality.



QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

We support inclusive access to good quality education to improve job opportunities in the regions where we operate. Initiatives range from school and higher education scholarships to providing and strengthening technical-professional courses. We offer Young Graduate programmes as well as apprenticeships and internships to give learning and work opportunities to local young people.



GENDER EQUALITY

Achieve gender equality and empower all women and girls

Our Diversity and Inclusion Strategy seeks to increase the participation and retention of women in the workforce. This is reflected in our recruitment and selection strategies, the promotion of inclusive workspaces and our zero tolerance policy on sexual harassment. The proportion of women in our direct workforce increased steadily from 8.6% in 2018 to more than 20% by the end of 2022.



CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all

Our water management practices are aligned with the International Council on Mining and Metals' (ICMM) Water Stewardship Framework and aim to protect water use for our operations, communities and the environment. Our strategy aims to reduce our use of continental water. We expect that by 2025, sea water and recirculated water will account for 90% of our total usage at our mining operations. We work with local communities to ensure water availability for human consumption and irrigation.



AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

Since April 2022, our four mining operations' electricity consumption comes from renewable energy contracts, in line with our Climate Change Strategy. We are actively piloting technology, covering both hydrogen-based and electric battery solutions, to replace the diesel used in our mining equipment. In 2022, we also funded solar panels for 24 homes in Michilla to provide backup against frequent outages.



DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

We are governed by the UK Modern Slavery Act. Our Code of Ethics, Human Rights Policy and Diversity and Inclusion Strategy aim to ensure a harassment-free, inclusive workplace that respects human rights and diversity. We promote employee development and, in 2022, spent \$2.0 million on training initiatives. We work with our suppliers to support environmental, social and governance best practice in the supply chain.

INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Innovation is one of the five pillars of our Strategy to develop mining for a better future. We foster innovation through our InnovaMinerals open platform and pitch days for suppliers at our operations. As part of our Digital Transformation programme, we are training employees on digital technology and how to operate autonomous equipment and integrated remote operating centres. Our En Red programme aims to bring digital infrastructure and skills to local communities.

REDUCED INEQUALITIES



Reduce inequality within and among countries

We aim to reduce inequality by providing help in the form of scholarships, educational support and access to Young Graduate programmes to promote social mobility in remote and vulnerable sectors in the regions where we operate. In 2022, we provided 951 scholarships to students in the Antofagasta Region and the Choapa Province. We also promote skills development and job opportunities for local people and businesses.

SUSTAINABLE CITIES AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable

Through our Social Management Model, we choose, develop and implement social investment projects together with local communities, strengthening local leadership and the long-term impact of initiatives. We work with local authorities, communities and third-party experts to improve public spaces and social cohesion in communities. Among 2022's initiatives, we completed the construction of a family health centre in the Choapa Province and formed an alliance with the regional government and the Jesuit Migrants Service (SJM) to help thousands of migrants who have arrived in the Antofagasta Region in recent years.

RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

Our Sustainability Policy establishes the basis for the responsible management of our activities. Our four mining operations have each been awarded the Copper Mark, the copper industry's new responsible production assurance framework, and completed the ICMM Performance Expectations third-party validation process. Our Suppliers for a Better Future programme aims to improve suppliers' ESG practices through training, targets and incentives in tender evaluations.

CLIMATE ACTION



Take urgent action to combat climate change and its impacts

We recognise climate change as one of the greatest challenges facing the world today and acknowledge our responsibility to be part of the solution. As a copper producer, we supply an input that is critical for low-carbon technologies and, at the same time, are working to decarbonise our operations. Our Climate Change Strategy sets ambitious goals for emissions and water use, as well as the resilience of our operations and their areas of influence. We are committed to being carbon neutral by 2050 and set short-term targets to gradually advance towards this goal.

LIFE BELOW WATER



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Our Biodiversity Standard is aligned with the ICMM's position statement on Mining and Protected Areas. It aims to prevent or minimise our impact on biodiversity, restore or provide appropriate compensation for any impacts and generate additional benefits for the areas where we operate. Centinela and Los Pelambres monitor the marine environment in the vicinity of their port facilities, studying the water column, sediments and marine fauna. Los Pelambres also supports R&D projects to repopulate the area near its marine facilities with sea urchins, abalones, red kingklip and other species.

LIFE ON LAND



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Protecting biodiversity is a key part of our climate change strategy. We seek to promote net gains in biodiversity and for nature-based solutions to capture CO₂ and help adaptation to physical risks. We implement programmes to protect animal, bird and plant species and administer nearly 27,000 hectares of nature sanctuaries and protected areas in the Choapa Province, equivalent to seven times that used by Los Pelambres and its related installations.

PEACE, JUSTICE AND STRONG INSTITUTIONS



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Antofagasta Mineral's activities conform to the UK's Bribery Act and Modern Slavery Act as well as Chilean Law No 20.393 on bribery and asset laundering. Our Code of Ethics, Compliance Model and Crime Prevention Manual define how we undertake our business in a responsible, accountable, honest and transparent manner and we conduct annual training for departments with higher exposure to risk on these matters. We also work with suppliers to improve their governance models.

PARTNERSHIPS FOR THE GOALS



Revitalize the global partnership for sustainable development

We promote the creation of public-private alliances, taking advantage of our partners' experience and strategies, to contribute to the achievement of the SDGs in the regions where we operate. Our partners include the state, Chilean and international trade associations, other mining companies and/or industry groups, civil society, academic institutions and NGOs. In particular, we use alliances, mostly with local or national foundations, to implement our social programmes which, in many cases, leverage or complement government programmes.



For more information on these initiatives, see the Health and Safety, People, Communities, Suppliers, Climate Change and Environment sections of this report.

Our strategic framework

Our Strategic Framework is designed to ensure the full alignment of our activities with our purpose of developing mining for a better future.



Our purpose

Where we want to achieve our purpose

Developing mining for a better future

Planet

Climate change and sustainability are the greatest challenges faced by humanity. Our vision of a better future reflects the quest for a more sustainable planet, with copper playing a central role in the energy transition, economic progress and improved livelihoods.

Society

Our vision of a better future is one that is developed together with our local communities and aims for society to recognise the economic and social value generated by mining.

Organisational culture

We need a robust organisation that is grounded in clear and unshakable values, principles and policies to tackle the challenges we face in our daily operations and growth projects.

People

Our success relies on having the best people at the heart of everything we do. Our vision of a better future would be incomplete without fostering a shared identity among our workforce, made up of a diverse and inclusive group of individuals who are open to learning, seeking personal and professional growth and striving for excellence.



How we will achieve this

Our strategic purpose is built on five strategic pillars, each of which has defined long-term objectives with short- and medium-term goals.



Safety and Sustainability

to enhance our current operations, while keeping an eye on the future.

Our aim is to be known for our ethical and transparent conduct, respect for human rights and the law. Our employees' health and safety are non-negotiable. We manage resources efficiently, from exploration to mine closure, and are sensitive to the threats of climate change.



Competitiveness

is key to us achieving excellence and creating long-term value.

Competitiveness ensures resilience and makes the business viable. By producing copper efficiently, we are able to grow and contribute to the development of mining while promoting the energy transition.



People and culture

to cultivate the talent necessary for a better future.

Our goal is to create and nurture a working environment that incorporates new ways of thinking, with innovation at the forefront, to tackle current and future challenges.



Growth

to keep contributing to the development of a better future.

Growth ensures the sustainability of our business and enables us to fulfil our purpose. It allows us to realise the full potential of our resources and assets, creating additional value and diversifying risk.



Innovation

to constantly push back boundaries and explore new ways of advancing.

We aim to create new ways of operating and using existing technology more effectively, incorporating our own and others' learning to improve performance.

Underpinned by our values

Respect for others

We respect people and care about their opinions, which is why we engage in an open, transparent and collaborative way. We trust them and have a genuine interest in their wellbeing. We promote a work environment that fosters diversity and inclusion.

Responsibility for health and safety

We are responsible for our own health and safety, as well as for that of others. We identify and control our risks, and we are aware of the impacts of our actions.

Committed to sustainability

We operate responsibly and efficiently, with long-term vision. We maximise the economic value of our assets, contribute to social development and minimise our environmental impacts.

Excellence in our performance

We continually seek to achieve the best possible results through operational discipline. We look after our resources and we are efficient, austere and honest. We build trust by fulfilling our commitments.

Innovation as a permanent practice

We recognise and promote new ideas that improve our work practices and the way we relate to others. We aim to create value for the organisation, people and the environment.

Forward thinking

Our business strategy aims to generate value with a long-term vision for shareholders and other stakeholders. We learn from our mistakes and have the flexibility and courage to face new challenges.

We are a prominent copper mining group

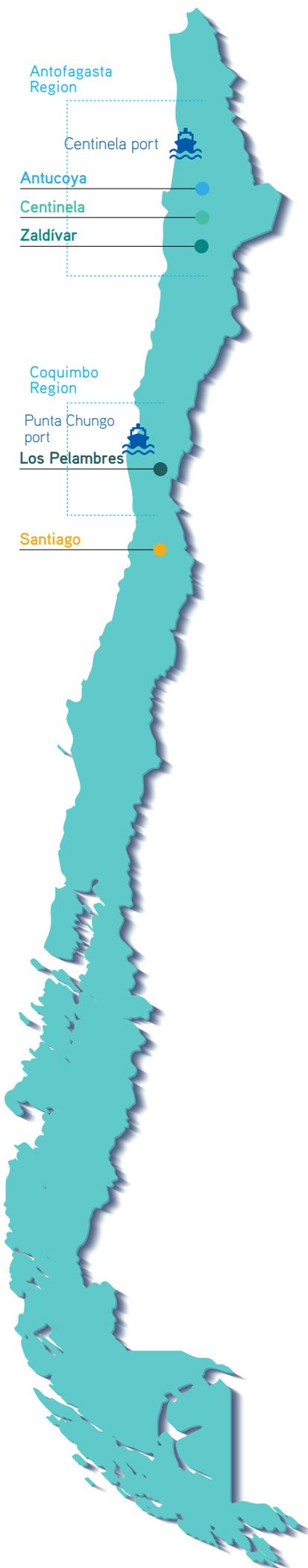
Antofagasta Minerals is owned by the Antofagasta plc mining group and is one of the ten largest copper producers in the world. We operate four copper mines in Chile, two of which produce significant volumes of molybdenum and gold as by-products.

In 2022, we produced 646,200 tonnes of copper of which 66% were in concentrates and 34% in cathodes.

	COPPER PRODUCTION (TONNES)	NET CASH COSTS ¹	
LOS PELAMBRES 60% owned 12-year mine life Produces copper concentrates containing gold and silver and a separate molybdenum concentrate Exports concentrates from 100%-owned Puerto Punta Chungo in Los Vilos	2022 275,000 2023 forecast 320-335,000	2022 \$1.10/lb 2023 forecast \$1.25/lb	People employed 1,144 Gender diversity 22.2% women
CENTINELA 70% owned 43-year mine life Produces copper cathodes and concentrates containing gold and silver and a separate molybdenum concentrate Exports cathodes from third-party Mejillones Port and concentrates from 100%-owned Michilla Port	2022 247,500 2023 forecast 235-250,000	2022 \$1.75/lb 2023 forecast \$1.70/lb	People employed 2,484 Gender diversity 20.9% women
ANTUCOYA 70% owned 21-year mine life Produces copper cathodes Exports cathodes from third-party owned Antofagasta and Mejillones Ports	2022 79,200 2023 forecast 70-75,000	2022 \$2.50/lb 2023 forecast \$2.45/lb	People employed 894 Gender diversity 15.2% women
ZALDÍVAR 50% owned (and operated) 13-year mine life Produces copper cathodes Exports cathodes from third-party owned Antofagasta and Mejillones Ports	2022 44,500 2023 forecast 45-50,000	2022 \$2.39/lb 2023 forecast \$2.70/lb	People employed 932 Gender diversity 12.8% women
ANTOFAGASTA MINERALS	2022 646,200 2023 forecast 670-710,000	2022 \$1.61/lb 2023 forecast \$1.65/lb	People employed ² 6,084 Gender diversity 20.6% women

1 A measure of the cost of operating production expressed in US dollars per pound of payable copper produced.

2 Includes 630 people from corporate offices, 35.2% of them women.



ESG Commitment

Sustainability is a core part of our values and is at the heart of our decision-making as we seek to achieve our purpose of developing mining for a better future.

Each of our four mining operations has been awarded the Copper Mark, the copper industry's new responsible production assurance framework developed by the International Copper Association, and completed the ICMM's Performance Expectations third-party validation process.

About Antofagasta plc

Antofagasta plc is listed on the London Stock Exchange and forms part of the FTSE 100. It is included in sustainability indexes such as the DJSI, FTSE4Good and STOXX Global ESG Leaders.

Mining represents approximately 97% of the Group's revenue and EBITDA. The Group also wholly owns Ferrocarril de Antofagasta a Bolivia (FCAB), which provides rail and road transport services in northern Chile, mainly for mining customers, including cathodes from our own operations.

Antofagasta Minerals Revenue³



● Los Pelambres	\$2,559m	45.1%
● Centinela	\$2,406m	42.4%
● Antucoya	\$704m	12.4%

Antofagasta Minerals EBITDA⁴



● Los Pelambres	\$1,473m	47%
● Centinela	\$1,157m	37%
● Antucoya	\$261m	8%
● Zaldívar	\$147m	5%

GROWTH OPPORTUNITIES

At Los Pelambres, phase 1 of the Expansion project was 93% complete as of the end of 2022 and the desalination plant and the concentrator plant expansion are due to be in production in the second quarter of 2023. Chile's environmental evaluation service (SEA) is reviewing an Environmental Impact Assessment (EIA) to double the size of the desalination plant and install a new concentrate pipeline which will avoid populated areas. In 2023, we expect to submit an EIA to extend the Los Pelambres mine life by 15 years.

At Centinela, pre-stripping of the Esperanza Sur pit was completed in July 2022 and is now operating with a fleet of 11 autonomous trucks. We expect to make a decision on the Centinela Second Concentrator project in 2023 following the completion of the Los Pelambres Expansion project and once there is sufficient clarity on the outcomes of the ongoing discussions on the mining royalty and tax reform bills, and the rewriting of the Chilean constitution.

At Zaldívar, we completed the Chloride Leach project in January 2022 and are evaluating a project to extend the mine's life.

We are also pursuing greenfield projects in Chile and, in 2022, published inferred mineral resources for our Cachorro and Encierro projects in the Antofagasta and Coquimbo Regions respectively.



³ Revenue is not included for Zaldívar as it is a joint venture and not consolidated in accordance with the International Financial Reporting Standards for Consolidated Financial Statements.

⁴ Adds to more than 100% as excludes \$189 million of corporate costs, exploration and evaluation, and other non-operating income and expenses. See note 2 to the financial statements in Antofagasta plc's Annual Report 2022 on pages 186-192.

How we engage with our stakeholders

Our engagement with stakeholders is open, transparent and collaborative to support the long-term success of our business. We use appropriate mechanisms to interact with them, provide them with information and learn about their interests and concerns.

OUR PEOPLE

Over 29,000 people (direct employees and contractors' employees) work at our operations, projects, exploration programmes and corporate offices. They are almost all based in Chile.

Why we engage

Constructive relationships, anchored in mutual respect and transparency, are crucial for a good working climate and talent retention as well as for productivity and efficiency. Through our engagement with contractors, who are essential for operational continuity, we seek to transfer knowledge and ensure compliance with our own standards, particularly on health and safety.

How we engage

Our mechanisms of engagement with our workforce include regular site visits by senior management, on-site reviews, work climate surveys and individual performance evaluations.

We also offer technical training, career development opportunities and foster a culture of knowledge. Regular meetings take place with unions and contract managers to discuss a range of topics such as health and safety, environment, social and governance matters.

 See pages 38-41 for more information.

COMMUNITIES

We operate in Chile's Antofagasta and Coquimbo Regions where our neighbours include a range of communities around our mines as well as on the coast near our port and desalination facilities.

Why we engage

The wellbeing of local communities is directly related to the sustainable development and success of our business. Through a bottom-up approach to engagement, we seek to grow together with these communities and contribute to their long-term social and economic development, whilst also taking care to prevent, mitigate and compensate for any adverse impact our activities may have.

How we engage

We engage with communities through different social programmes, often implemented in alliance with local organisations. Initiatives are selected and designed together with the community through working groups on specific areas of community development or concerns.

 See pages 44-51 for more information.

SUPPLIERS

We work with over 1,600 suppliers of which 93% are based in Chile. They provide a broad range of products and services, from large mining equipment to catering and transport services.

Why we engage

Suppliers play a critical role in our ability to operate sustainably and safely. Through our engagement with them, we seek to improve their sustainability performance and ensure they meet our standards and guidelines on sustainability matters. We also work with suppliers to ensure that they offer us cost-effective and efficient solutions.

How we engage

The procurement team regularly meets with suppliers to discuss upcoming tenders, our sustainability requirements and other matters. Tenders take place through an online platform, designed to guarantee fairness and transparency. To ensure the broadest possible access to tenders, we use an automated invitation system and participate in different external platforms. By prioritising local suppliers, we seek to foster the development of neighbouring communities.

 See pages 36-37 for more information.



CUSTOMERS

We sell principally to industrial customers, who refine or further process our copper concentrate and cathodes.

Why we engage

Most sales are made under long-term framework agreements or annual contracts with sales volumes agreed for the following year. Without these long-term customer relationships, we would have to sell a larger proportion of our cathodes and concentrate through traders on the spot market, with greater uncertainty about pricing and volume.

How we engage

We hold regular meetings with customers around the world. Some of our major customers are also equity holders in our mining operations. The Chairman and several directors visit Japan each year to meet our partners and we have a marketing office in Shanghai.

See Antofagasta's Annual Report 2022 for more information: www.antofagasta.co.uk.

SHAREHOLDERS

Shareholders are the companies, financial institutions and individuals that hold a stake in the Company. They are entitled to receive dividends and to vote at shareholder meetings on certain matters, including the election of the Company's directors.

Why we engage

Shareholders, and particularly institutional investors, are constantly evaluating their holdings in the Company and require regular information about its strategy, projects and performance. We, therefore, pay special attention to how we communicate with them, maintaining fluent and transparent dialogue in order to ensure that they are all treated well and receive all the relevant information.

How we engage

We regularly meet with institutional investors and brokers' analysts at industry conferences and on roadshows, as well as in one-on-one meetings to discuss both business and ESG matters. The Board attends the Company's Annual General Meeting, either physically or virtually, and its members are available to answer questions. The Company also provides regular production and financial reports and other ad-hoc information.

See Antofagasta's Annual Report 2022 for more information: www.antofagasta.co.uk.

GOVERNMENTS AND REGULATORS

Governments and regulators, at national, regional and local levels, draft, implement and uphold legislation, rules and regulations, setting the framework within which we operate.

Why we engage

Mining is a long-term business and timescales can run into decades. Political cycles are typically far shorter and material developments and changes to policy, legislation or regulations can have a major impact on the business.

How we engage

We work alongside mining associations and other industry-related bodies to engage with governments on public policy, laws, regulations and procedures that may affect our business. We interact with governments and regulators strictly within their engagement mechanisms which, in Chile, are clearly defined in Law N° 20.730 on lobbying.

See Antofagasta's Annual Report 2022 for more information: www.antofagasta.co.uk.

Collaborative solutions to common challenges

At Antofagasta Minerals, we form alliances with public and other private actors to address key industry challenges and to increase the reach and efficiency of our social investment projects and initiatives.

Public-private alliances and working together with other private actors, within and beyond the mining industry, are a key part of the way we manage our business. As members of organisations like the Chilean Hydrogen Association (H₂ Chile) and the International Council on Mining and Metals (ICMM), we are able to join forces with other companies to address industry challenges such as the need to reduce greenhouse gas emissions and ensure that mining activities create social value.

At the social investment level, we work in partnership with local authorities and communities to decide our programmes and projects, which are usually implemented by third party experts, often NGOs, to strengthen their effectiveness.



ICMM

Antofagasta Minerals participates actively in the International Council on Mining and Metals (ICMM) and is committed to its ten principles, each with its own set of Performance Expectations, on environmental, social and governance matters. The ICMM, which brings together the world's largest mining companies, promotes sustainable mining, develops standards and encourages its members to adopt best practices.

In November 2022, our CEO Iván Arriagada was named chair of the ICMM's council. In this role, Arriagada will lead the ICMM's council in driving the organisation's overall purpose of leadership through collaboration

to enhance the contribution of mining and metals to sustainable development and to a vision of a safe, just and sustainable world enabled by responsibly produced minerals and metals.

During the year, we helped to develop ICMM's guide to measure and report the industry's Scope 3 greenhouse gas emissions with a view to developing a common standard to define reduction goals. Our four mining operations also completed the associated independent audits against the ICMM's Performance Expectations.

ANTOFAGASTA MINERALS CHAIR OF WATER SUSTAINABILITY

We formed an alliance with the Catholic University of Chile (UC) in November 2020 to establish the Antofagasta Minerals Chair of Water Sustainability with our contribution of an endowment of \$1.5 million. Through research and outreach activities, the alliance seeks to contribute to better water management throughout the country and to address climate change.

Among activities in 2022, four renowned experts from around the world were invited to give talks on topics that ranged from the sustainability of river ecosystems to global projections of drought. The seminars attracted interest from hundreds of people with over 1,120 attending the talk in August on flood risk assessment and management

by Dr Félix Francés from the Polytechnic University of Valencia in Spain.

In addition, Los Pelambres is co-financing the public-private Quitai Anko research consortium at the La Serena University, which won a bid in 2019 to implement a five-year programme to develop sustainable solutions to water-related challenges. Among activities, the consortium is leading a 30-month project to digitalise the 80 Rural Sanitary Services (SSRs) that provide water to homes in the Choapa Province. The initiative involves designing a telemetry and big data system to automate and optimise water management, enabling the integrated management of the water basin in this drought-stricken area.

MINING COUNCIL

We are members of Chile's *Consejo Minero* (Mining Council), an association of the country's large-scale mining companies, which promotes the industry's sustainable development. In July 2022, our CEO Iván Arriagada was named chair of the Mining

Council. In addition, René Aguilar, our Vice President of Corporate Affairs and Sustainability, chairs its Social Environment and Communications Committee.

ANTOFAGASTA REGION MINING STRATEGY

We are actively supporting an initiative launched by the regional government of Antofagasta to develop a 2023-2050 mining strategy for the region, which is being prepared by the Organisation for Economic Cooperation and Development (OECD). The Antofagasta Region is a global leader in the production of copper and lithium and the potential of the mining industry to promote investment, innovation and job creation is recognised. The strategy seeks to develop a long-term regional plan for the sector - with

input from civil society organisations, academia and local businesses - built on the principles of sustainability, environmental protection and inclusion of the region's people in its value chain.

As part of this initiative, we are participating in dialogue sessions with different regional players to discuss the different challenges with a view to reaching broad agreements to include in the strategy.

RECOGNITION

In 2022, the Copper Club presented our CEO Iván Arriagada with the Ankh Award in recognition of his outstanding service to the copper mining industry and for his leadership, contributions and passion for promoting the benefits of copper and its critical role in shaping a more sustainable future.

The Ankh Award, named after the graphic symbol for copper dating back to ancient Egypt, has been presented every year since 1962 to recognise outstanding individual achievements in and contributions to the copper industry.

INNOVATION ECOSYSTEM

Innovation is one of our five strategic pillars and we aim to incorporate our own and others' learning to create new ways of operating and use existing technology more effectively.

Our collaborative platform Innovaminerals allows our employees, contractors and external parties, such as suppliers, to understand our main operational challenges and propose their own ideas and solutions. Another key initiative is the Pitch Days our mining operations organise in alliance with Expande, a Fundación Chile initiative that seeks to solve specific mining operation challenges with innovative solutions. In 2022,

we hosted 18 Pitch Days aiming to solve 13 operational challenges in collaboration with our ecosystems.

In another example, as part of the Hydra consortium - which includes French utility Engie and Australian technology think tank Mining 3 - we completed a six-week trial at Centinela to test the behaviour of hydrogen fuel cells in the demanding environmental conditions of the mine (particularly with regard to altitude and dust). If successful, hydrogen could replace diesel as the fuel for large mining equipment.

MEMBERSHIPS

Antofagasta Minerals is a member of different international, national and regional organisations related to the copper mining industry and the sustainable development of the areas where we have our operations.

Antofagasta and Coquimbo Regions

- Antofagasta Mining Cluster
- Antofagasta Industrialists' Association (AIA)
- Mejillones Industrialists' Association (AIM)
- Corporación PROA
- Corporación PROLOA
- Fundación Gaviotín Chico
- Alianza Antofagasta
- Industrial Corporation for the Development of the Coquimbo Region (CIDERE)
- Coquimbo Regional Mining Council (CORMINCO)

CONNECTING COMMUNITIES

Our En Red-Digital Community programme, comprising more than 20 initiatives, seeks to address the deficit of digital infrastructure and skills in rural and underprivileged communities near our operations and involves working closely with other companies and organisations.

Among the year's highlights, we teamed up with Mundo telecommunications provider to install fibre-optic cables to the Caimanes and Limáhuida communities in the Choapa Province under the framework of the Chilean government's Zero Digital Gap plan. The initiative allowed over 500 families the opportunity to connect to the internet and also provided key local amenities - such as rural health centres and neighbourhood

associations - with the service. As part of the programme, País Digital, a foundation, provided local people with digital literacy training.

In the Antofagasta Region, our partnership model led to the implementation of a digital and physical pharmacy in María Elena in alliance with the pharmacy startup Fracción and the municipality. It serves as a distribution centre for the surrounding area and allows locals to buy low-cost medicine in person or online, without travelling long distances to the nearest cities.

National

- Mining Council
- National Mining Society (SONAMI)
- UN Global Compact network in Chile
- Acción Empresas, a local partner of the World Business Council for Sustainable Development
- Chilean Hydrogen Association (H₂ Chile)

International

- International Council on Mining and Metals (ICMM)
- International Copper Association (ICA)
- International Molybdenum Association (IMOA)
- Mining & Metals Working Group of the World Economic Forum (WEF)

Delivering value for our stakeholders through the mining lifecycle

We believe in developing mining for a better future. As custodians of natural resources, we have a responsibility not only to manage these resources efficiently and responsibly but also to harness copper's potential to contribute to the development of a greener and more sustainable world.

Mining is a long-term business and timescales can run into decades. The period from initial exploration to the start of production can exceed ten years and, depending on the nature of the project and the market conditions, it may take more than five years of operation to recoup the initial investment.

For geological reasons, copper deposits frequently have higher-grade material nearer the surface and grade declines with depth. This means that unless action is taken, such as an expansion, copper production declines as a mine gets older.

Also, as an open pit gets deeper, haulage distances and rock hardness increase, and this, combined with the declining grade, leads to higher unit costs. Large long-life mines will have several expansions during their lives. The current expansion at our 24-year-old Los Pelambres mine is its fourth.



INPUTS

- Energy
- Water
- Labour
- Service contracts
- Fuel and lubricants
- Explosives
- Grinding balls and mill liners
- Sulphuric acid

Our mining operations depend on a range of key inputs such as energy, water, labour, sulphuric acid and fuel and services such as catering. The management of these inputs has a significant impact on operating costs and the sustainability of mining operations, and ensuring the long-term supply of key inputs is a vital part of the business.

As part of our commitment to mitigating and adapting to climate change, all of our mining operations source 100% of their power from renewable energy contracts. More than 90% of our water consumption will be either sea and reused water in 2025.

EXPLORATION

Chile

International

To ensure the long-term sustainability of our mining business, we must focus on at least maintaining our mineral resource base.

We undertake exploration activities in Chile and abroad, with particular focus outside Chile on the Americas. Our international exploration programmes are generally carried out in partnership with other companies, in order to benefit from their local knowledge and experience.

Timespan: 3-5 years

EVALUATION

Los Pelambres

Expansion – Phase 2

Centinela Second Concentrator

Twin Metals, Minnesota

Effective project evaluation and design maximise value at this stage of the mining cycle.

Antofagasta's wealth of experience in both areas helps to make the best use of mineral deposits. We integrate sustainability criteria into the design process and project evaluation phase, developing innovative solutions for challenges such as water availability, long-term energy supply and community relations.

Timespan: 5 years

CONSTRUCTION

Los Pelambres

Expansion – Phase 1

Once a project has been approved by the Board, construction begins.

This stage requires significant input of capital and resources as well as effective project management and cost control to maximise the project's return on investment.

We have a co-operative approach to developing projects. Typically, after the feasibility stage and before the construction phase, we seek a development partner to buy an interest in the project, generating an immediate cash return, diversifying risk and providing broader access to funding while we maintain operating control of the project.

Timespan: 3-5 years

CORE OPERATIONS



EXTRACTION

Los Pelambres

Centinela

Antucoya

Zaldívar

Antofagasta's four operations in Chile are Los Pelambres, Centinela, Antucoya and Zaldívar.

The world-class Los Pelambres and Centinela mining districts have sustainable long-life copper mining operations, with large mineral resources, and produce significant volumes of gold, silver and molybdenum as by-products. All of our mines are open pit operations.

Health and safety are key elements of operating efficiency and remain a top priority for the Board and management team.

Timespan: 20-plus years



PROCESSING

Antofagasta mines both copper sulphide and copper oxide ores, which require different processing routes:

CONCENTRATES

Los Pelambres and Centinela

Mined sulphide ore is milled to reduce its size before passing to flotation cells where it is upgraded to a concentrate containing 25–35% copper.

This concentrate is then shipped to a smelter operated by a third party and converted to copper metal.

CATHODES

Centinela, Antucoya and Zaldívar

Mined oxide ore, sometimes combined with leachable sulphide ore, is crushed, piled onto heaps and leached with sulphuric acid, producing a copper solution.

This solution is then put through a solvent extraction and electrowinning ("SX-EW") plant to produce nearly pure copper cathodes, which are sold to fabricators around the world.



MARKETING

The marketing team builds long-term relationships with the smelters and fabricators who purchase our products, with approximately 60% of output by value going to Asian markets.

As well as copper, Los Pelambres and Centinela produce significant volumes of gold, molybdenum and silver as by-products.

Copper is mainly used in construction, electrical networks and electrical appliances. Its exceptional ability to conduct electricity and heat efficiently makes it a key material to address climate change (see page 34)

Gold and silver are sold for industrial and electronic applications and for jewellery making.

Molybdenum is used to produce steel alloys.



MINE CLOSURE

During the operation of a mine, its impact on the environment and the neighbouring communities is carefully managed. At the end of its life, a mine must be closed and remediated according to the international standards and national regulations in force at the time.

A closure plan for each mine is maintained and updated throughout its life to ensure compliance with the latest regulations and provide for a sustainable closure.

OUTPUTS

Copper

Molybdenum

Gold

Silver

Our mining operations create significant economic and social value for a wide range of stakeholders. Local communities benefit from job creation and improved infrastructure, while the Chilean government and local municipalities receive tax payments and royalties.

There are also benefits to society in general, with the copper we produce being used across many sectors, from industrial to medical, and increasingly playing a vital role in the world's major challenges such as sustainable urban development, the availability of clean energy and electromobility and green technologies.

Our copper and by-products go on to be further processed for use in end markets, including property, power, electronics, transport and consumer products.

Corporate governance

We have established structures, policies and guidelines to ensure responsible management in line with best international practice and to fulfil our commitment to effective, accountable and transparent corporate governance.



Jean-Paul Luksic
Chairman

“Combating climate change sits at the centre of Antofagasta’s strategy. In particular, lowering emissions and reducing continental water use remain two issues for which we have a group-level strategy, board-level focus and company-wide initiatives.”

Antofagasta Minerals is wholly owned by Antofagasta plc, which is listed on the London Stock Exchange. As a listed company, it applies the principles and provisions of the UK Corporate Governance Code, issued by the Financial Reporting Council in July 2018, and reports on compliance with these provisions in its Annual Report.

Board of Directors

Antofagasta plc’s highest governance body is its Board of Directors, chaired by Jean-Paul Luksic. The Board comprises ten directors, including five¹ independent members, with a broad and complementary set of technical skills, educational and professional experience, nationalities, personalities, cultures and perspectives. Its role is to promote the long-term, sustainable success of the Group, generating value for shareholders and contributing to wider society. It has established the Group’s purpose, values, strategy and risk appetite and monitors its culture as well as its performance against defined measures.

Key responsibilities of the Board

- Culture
- Strategy and management
- Governance
- Shareholder engagement
- Internal controls, risk management and compliance
- Financial and performance reporting
- Structure and capital
- Approval of material transactions

Board Committees

The Board is assisted in its responsibilities by five Board Committees to which it delegates certain activities as set out in their terms of reference. The Chair of each Committee reports to the Board following each Committee meeting, allowing the Board to understand and, if necessary, discuss matters in detail and consider the Committee’s recommendations. The terms of reference for each Committee are provided on the Group’s website: www.antofagasta.co.uk.

NOMINATION AND GOVERNANCE

AUDIT AND RISK

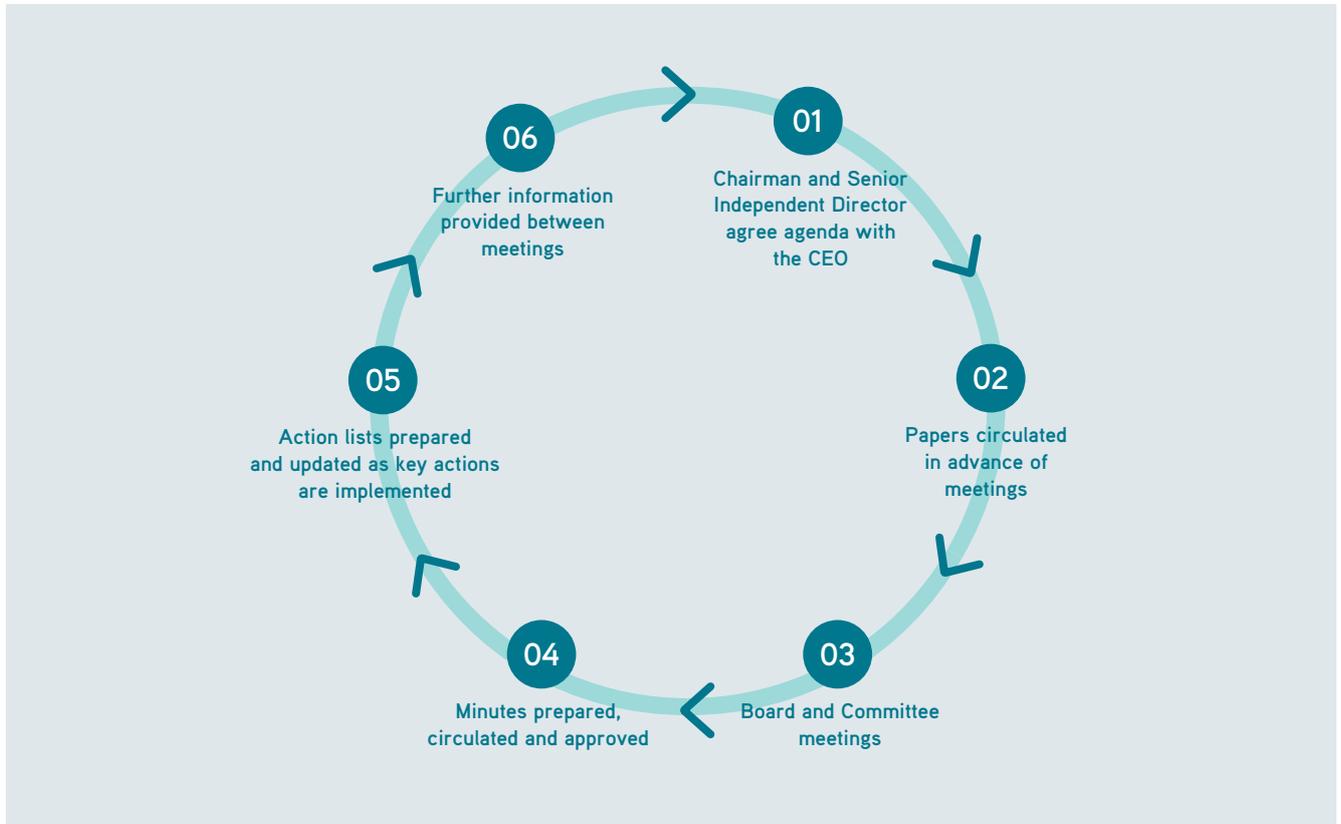
SUSTAINABILITY AND STAKEHOLDER MANAGEMENT

PROJECTS

REMUNERATION AND TALENT MANAGEMENT

¹ Vivianne Blanlot was re-designated as a “non-independent” director at the beginning of 2023.

Board and Board Committee information flows



During 2022, the Board provided oversight on the pursuit of the Group’s strategy, addressed critical issues in a timely manner and advised management on the development of strategic priorities and plans, while seeking to align these with the values of the Group and stakeholders’ best interests. It strengthened the Group’s commitment to Developing Mining for a Better Future as the purpose that mobilises and gives meaning to everything we do and reviewed and monitored adherence to the five strategic pillars that support our purpose: People, Safety and Sustainability, Competitiveness, Growth and Innovation.

For further information about corporate governance, the responsibilities, role and membership of the Board, as well as the priorities and measures adopted to develop and strengthen the Board’s collective knowledge on sustainability matters, see pages 102 to 171 of the Annual Report, available on www.antofagasta.co.uk.

CEO and Executive Committee

The Board has delegated day-to-day responsibility for implementing the Group’s strategy and fostering the corresponding organisational culture to Iván Arriagada, CEO of Antofagasta plc. Mr. Arriagada is not a director, but is invited to attend all Board and Committee meetings and is supported by an Executive Committee, which he chairs.

The Executive Committee reviews significant matters and approves expenditure within designated authority levels. It leads the annual budgeting and planning processes, monitors the performance of the Group’s operations and investments, evaluates risk and establishes internal controls and promotes the sharing of best practices across the Group.

Subcommittees of the Executive Committee

The Executive Committee is assisted in its responsibilities by seven subcommittees.

Members of the Executive Committee also sit on the boards of the Group’s operating companies and report on the activities of those companies to the Board, the CEO and the Executive Committee.

BUSINESS
DEVELOPMENT

CLIMATE
CHANGE

DISCLOSURE

ETHICS

OPERATING
PERFORMANCE
REVIEW

PROJECT
STEERING

WATER, ENERGY
& EMISSIONS
MANAGEMENT

Sustainability and Stakeholder Management Committee

The Sustainability and Stakeholder Management Committee supports the Board in providing guidance on the Group's safety, health, environmental and social responsibility strategies and policies and in the oversight of corresponding programmes. It makes recommendations to the Board to ensure the views and interests of the Group's stakeholders are considered in the Board's deliberations.

The Sustainability and Stakeholder Management Committee supports the Board in providing guidance on the Group's safety, health, environmental and social responsibility strategies and policies and in the oversight of corresponding programmes. It makes recommendations to the Board to ensure the views and interests of the Group's stakeholders are considered in the Board's deliberations.

The Committee reviews and updates the Group's policy framework on safety, health, environment, human rights and social matters and monitors the Group's performance in setting and meeting environmental, social, safety and occupational health commitments. It also provides guidance on how the Company should reflect the views and interests of stakeholders in relation to operational, project and other business matters. The material issues and the results of this commitment are reported periodically to the committee through independent reports forming part of the committee's discussions.

In 2022, its main focus areas were:

- Monitoring events at Los Pelambres following the concentrate pipeline incident
- Overseeing measures to protect the health and safety of the Group's workforce in response to the COVID-19 pandemic
- Endorsing key policies for the Group's long-term sustainable success
- Reviewing implementation of the climate change strategy.

The Committee's regular interaction with the corporate sustainability team enables it to provide timely guidance and support should the need arise.

Since 2017, the Committee has been chaired by an independent director, Vivianne Blanlot, who joined the Board in 2014. Its members are Jorge Bande, Juan Claro, Ramón Jara, Michael Anglin and Eugenia Parot. The CEO, Vice President of Corporate Affairs and Sustainability and the Company Secretary regularly attend meetings, as do other Directors who are not members. The Committee meets as necessary and at least twice a year. In 2022, it held five meetings.



Vivianne Blanlot
Chair of the Sustainability and Stakeholder Management Committee

“Communicating with our stakeholders during difficult times has been key to strengthening mutual trust and understanding. We work hard to respect their interests and ensure that they understand our ambitious safety, occupational health, environmental and community relations commitments.”

OTHER KEY ACTIVITIES IN 2022

Policies and commitments

- Reviewed the Group's Sustainability Policy and new Energy and Water policies, aligned with the ESG performance expectations of the Copper Mark, ICMM, LME and stakeholders.
- Reviewed the implementation plan to adopt the new Global Industry Standard on Tailings Management (GISTM), published by the ICMM in August 2020. The Group has committed to fulfil its requirements by August 2023 for its critical tailings' deposits and by August 2025 for its lower-risk ones.
- Reviewed the updated Human Rights Policy.
- Reviewed progress towards the achievement of the Copper Mark registration, which was met by all mining operations in 2022.

Health and Safety

- Reviewed the Group's safety and occupational health strategy, performance and plans.
- Reviewed the task risk analysis process, psychosocial risk strategy and the safety plan for the new integrated remote operating centres.
- The Board reviewed the 2022 report on the Company's tailings storage facilities, issued by the independent technical review board appointed to advise the Group on their operation.

Community relations

- Reviewed the water situation in the Choapa Valley after 13 years of lower-than-normal rainfall and Los Pelambres' water management strategy as well as operational water management initiatives to give the most support possible to communities.
- Reviewed the public affairs strategy for the Group's northern operations.
- Reviewed the Group's communications strategy and monitored results from the Group's communications activities.
- Reviewed results from the Group's perception study, carried out every two years at a national level in the Antofagasta Region, Choapa Province and with national opinion leaders and suppliers.

Environment

- Reviewed environmental management reports.
- Reviewed environmental reviews related to Zaldivar's water rights extension.
- Reviewed a progress report on the development of an inventory of Scope 3 emissions and next steps.

Sustainability Policy

At Antofagasta, we recognise that we have a responsibility to our stakeholders and to the environment in which we operate. We understand that mining is a long-term activity and we must always think and act with a forward-looking perspective. Our operations allow us to generate positive and lasting change and that is why we constantly seek new ways to develop more efficient, sustainable and inclusive mining.



PEOPLE

For Antofagasta, people's health and safety is a priority. Likewise, the wellbeing, motivation and development of our workers are a crucial part of the Group's value proposition. We recognise the importance of diversity and equal opportunities, leading us to permanently focus on the creation of environments that allow the integration and professional and personal development of our employees.



ECONOMIC PERFORMANCE

We are always looking for sustainable ways to improve our operational efficiency to ensure value creation for all our stakeholders. We operate in a responsible way, with a long-term vision, in order to maximise the economic value of our assets, contribute to social development and minimise our environmental impacts.



ENVIRONMENTAL MANAGEMENT

We permanently work to prevent, control and mitigate our potential environmental impacts and always seek to use natural resources efficiently. Environmental management systems are integrated into our business. We set objectives, goals and KPIs, striving towards continuous improvement and monitoring our environmental performance to address the most critical environmental challenges associated with the handling and management of water resources, air quality, biodiversity, waste, cultural heritage, land use, climate change and energy.



SOCIAL DEVELOPMENT

We seek to generate economic, social and human capital in our areas of influence. We initiate effective, participatory and transparent dialogue processes with the different stakeholders in the regions where we operate, acknowledging disputes and seeking opportunities to jointly address these issues and, thereby, generating a shared vision of development.



TRANSPARENCY AND CORPORATE GOVERNANCE

We believe in the importance of developing effective, responsible and transparent institutions. We have guidelines and internal regulations that establish our commitment to conduct our business in a responsible manner. We behave in an honest, transparent and respectful way with regards to human rights and the law. We openly report on our performance and implement systems that allow us to internally audit our procedures. In addition, we have control and management systems for the minerals that we use to manufacture the products that we provide to customers, in accordance with the OECD due diligence standards on the origin of minerals and the principles of responsible supply established in its Annex II.

Compliance and internal control

How we achieve our objectives is crucial to our sustainable long-term development. We have zero tolerance for bribery and corruption and are committed to working with integrity and transparency.

At Antofagasta Minerals, we comply with all applicable anti-corruption and anti-bribery legislation and ensure the necessary controls are in place to prevent any unethical behaviour. A robust governance regime, including an Ethics Committee, open channels of communication, training and multiple layers of controls, are maintained at all our operations, projects and exploration activities, and in our third-party relationships.

Areas of focus and development during 2022

- Whistleblowing investigations, performed by a group of experts, were centralised and standardised, guaranteeing independence to the process.
- A robust due diligence process is in place for all our stakeholders.
- The Company’s Crime Prevention Model was recertified by an independent expert by an expert third party until mid-2023.
- All of the Group’s employees completed online Code of Ethics training during the year.
- Employees in high-risk areas – such as procurement – completed more in-depth training on ethics and compliance.
- New employees were trained in the Compliance Model as part of their induction programme.
- All employees updated their conflict-of-interest disclosures.
- An “Integrity Week” event was held for all employees during which the value of respect in the workplace was discussed.
- Anti-corruption events took place at all our operations to reinforce our compliance with our Integrity values.
- The Compliance team was included as part of the approval process for social contributions to strengthen monitoring and governance.

- Compliance was included as a topic in the “Antofagasta Supplier Day” event with a particular focus on local suppliers.
- Our Compliance Risk Matrix and all the controls related to it were reviewed.
- All allegations regarding ethical and non-ethical concerns presented to the Ethics Committee.

Code of Ethics

Antofagasta Minerals’ Code of Ethics sets out our commitment to conducting business in a responsible and sustainable manner. The Code requires honesty, integrity and accountability from all employees and contractors and includes guidelines for identifying and managing potential conflicts of interest. It is the basis for the Compliance Model and supports the implementation of all other related activities.

Our Code of Ethics is available on the Antofagasta Minerals website.

Compliance Model

Antofagasta Minerals’ Compliance Model applies to both employees and contractors. It is clearly defined and is communicated regularly through internal channels as well as being available on our website. All our workers receive training on the model. Updates and more specific courses are carried out for the most significant risk areas. All contracts with contractor companies include clauses relating to ethics, modern slavery and crime prevention to ensure their adherence to our Model.

We actively promote open communication with all our employees, contractors and local communities. This helps ensure that our corporate and value creation objectives are achieved in an honest and transparent way.

The Compliance Model is reviewed regularly, both internally and by third parties and has been certified in accordance with the Chilean anti-corruption law 20,393, which regulates the criminal liability of legal persons in Chile.

Compliance model



Prevention: The main focus of the Compliance Model is to prevent the occurrence of any illegal or irregular situations. We provide a series of tools and training opportunities to all employees and contractors to support appropriate behaviour through:

- Internal policies and procedures
- Anti-trust guidelines
- The management and update of our Compliance Risk Matrix
- Robust due diligence processes
- Anti-corruption clauses in suppliers’ and employees’ contracts
- Compliance training and communication
- Access Control and Governance, Risk and Compliance (GRC) tools are used to ensure the correct segregation of duties

Detection: We have several tools to detect any potentially illegal or irregular situations, including:

- Robust whistleblowing channels
- Data analysis
- Anti-corruption internal controls
- Normative Instruments, such as internal policies, procedures or guidelines, which are continually reviewed.
- Internal audit

Action: If an irregular or illegal situation is detected, it is investigated according to our internal procedures using fact-based, objective and professional standards.

Each of our operations has an Ethics Committee which reviews the findings of every investigation and suggests remediation plans to the corporate Ethics Committee. The performance of the compliance programme is reported twice a year to the Audit and Risk Committee and to the Board.

The anonymity of the whistleblowing channels is guaranteed to safeguard individuals and so achieve greater transparency and bolster our non-retaliation policy.

Crime Prevention Model

Our Crime Prevention Model ensures compliance with anti-bribery and anti-corruption laws in the United Kingdom and Chile and is certified by an external entity.

The Board’s Audit and Risk Committee monitors compliance with the Compliance and Crime Prevention Models.

Whistleblowing hotline

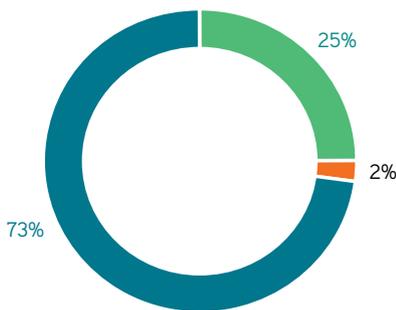
Antofagasta Minerals has a confidential whistleblowing channel (Tu Voz) for employees, contractors, communities or any other third parties to report possible improprieties or non-compliance within the framework of the Group’s Code of Ethics.

All reports are investigated in a centralised and standardised manner by experts to guarantee independence in each case.

Allegations received

During the year, Antofagasta Minerals received 600 allegations. Of these 234 (39%) were ethics related and 366 (61%) were non-ethical concerns. Remediation action were defined and implemented for all substantiated allegations.

There were 15 Ethics Committee meetings during the year to consider the 234 ethics-related complaints, none of which were related to modern slavery.



- 172 harassment, abuse and mistreatment
- 58 non-compliance with the Code of Ethics
- 4 bribery and corruption



Payments to government

Antofagasta Minerals makes payments to governments relating to our activities involving the exploration, discovery, development and extraction of minerals. These payments are primarily taxes paid to the Chilean government and mineral licence fees, which in 2022 totalled \$794 million of which over 99% was paid in Chile.

Chilean law allows political donations to be made subject to certain requirements but we made no political donations in 2022. However, we often contribute towards the financing of projects benefitting local communities, in alliance with local municipalities and the government. These contributions are regulated by specific laws and are reviewed by the Chilean Internal Revenue Service (SII).

Antofagasta plc’s annual Report on Payments to Governments is published on the Group’s website. In addition, in 2022, it published its first Tax Report, detailing its tax payments in 2021, to improve transparency about our economic contribution.

Modern Slavery Act

In compliance with the UK’s Modern Slavery Act 2015, the Group annually publishes a statement on its website setting out the steps taken to ensure that slavery and human trafficking are not occurring in its supply chain or in any part of its business.

Human Rights

In 2022, we updated our Human Rights Policy to reinforce our commitment to the rights of indigenous people and to formally align our security practices with the Voluntary Principles on Security and Human Rights (VPSHR).

We formally introduced a Human Rights Policy in 2020, based on a due diligence of human rights. It sets out the fundamental elements of our approach to human rights, establishing how we relate to employees, contractors, suppliers, business partners, nearby communities and other parties directly related to our operations. It applies to all the Group’s companies, which will also seek to ensure compliance by contractors and other companies in our supply chain.

In 2023, we will conduct a new due diligence of human rights in line with our commitment to repeat the exercise every three years.

 For further information, see our [Human Rights Policy](#).

Risk management

Effective risk management is an essential part of our culture and strategy. The accurate and timely identification, assessment and management of principal risks give us a clear understanding of the actions required to achieve our objectives.

Our risk management methodology is applied to all our operating companies, projects, exploration activities and support areas so that we have a comprehensive view of the uncertainties that could affect us in achieving our strategic goals.

Areas of focus and development in 2022

Our main focus in 2022 was the socio-political environment, as a result of the armed conflict in Europe and political uncertainty in Chile. The latter continued following the rejection of the proposed new constitution in September and will extend into 2023 as a second rewrite is carried out. However, lessons learned during previous social contingencies in Chile meant the impact on our operations was minor.

The war in Ukraine affected the sourcing of some of our strategic supplies and it remains a concern, although our risk analysis of the war allowed us to mitigate its impact on our business.

Other risks during the year included those arising from the reform of the mining royalty and tax bills proposed by the government, expected to be implemented during 2023.

We maintained our commitment to review and update our principal risks according to our risk methodology. These are some of the actions that our Risk and Compliance Management Department undertook during the year:

- Implementation of some on-site risk reviews accompanied by senior management, increasing the risk maturity level of the Group.
- Co-coordinated contingency committees in line with our risk management process.
- Updated the Company's risk appetite statement, including the sections relating to Environmental Management, Operations and Tailings Storage, and the Project Execution risk section was expanded to incorporate the conversion of mineral resources to ore reserves. The updated statement was approved by the Board and the level of risk appetite for all risk areas was unchanged.
- Reported monthly to the Executive Committee to identify and manage any deviation from expected performance.
- Defined and implemented lessons learned from the COVID-19 pandemic.
- Tested and validated the Business Continuity Plan.

- Introduced new controls identified during the assessment of the impact of the conflict in Ukraine.
- Participated in the review of the Facility Quality Assurance Representative (FQAR) project.
- Continued training risk owners and main users.
- Updated and monitored critical controls and action plans.
- Prepared new action plans to maintain risk exposure within acceptable limits.
- Embedded timely and comprehensive risk analysis into each relevant decision-making process.
- Shared best practices across our operating companies.

Governance

Antofagasta Minerals is aware that not all risks can be completely eliminated and exposure to some risks is necessary in pursuit of our strategic objectives. Our risk management framework aims to identify, assess and put in place appropriate preventive and mitigating measures to control these risks.

The Board has overall responsibility for risk management and determines the nature and extent of the principal and emerging risks that we will accept in order to achieve our strategic objectives. It receives detailed analysis of key

matters prior to all Board meetings to allow the early identification of potential issues and the assessment of any necessary preventive and mitigating actions.

It is assisted by the Audit and Risk Committee which reviews the effectiveness of the risk management process and monitors principal and emerging risks, preventive and mitigation procedures and action plans. The Chairman of the Committee reports to the Board following each Committee meeting and, if necessary, the Board discusses the matters raised in more detail.

These processes allow the Board to monitor Antofagasta Minerals' major risks and preventive and mitigating procedures, and to assess whether actual exposure is consistent with the defined risk appetite. If a gap is identified, an action plan is prepared to fill it.

The Risk and Compliance Management Department is responsible for risk management systems across Antofagasta Minerals. It implements our risk management policy, vision and purpose to ensure a strong risk management culture at all levels of the organisation.

The Department supports business areas in analysing their risks, identifying existing preventive and mitigating controls and defining further action plans. It maintains and regularly

Key elements of integrated risk management

We recognise that risks are inherent to our business

Only through adequate risk management can internal stakeholders be effectively supported in making key strategic decisions and implementing our strategy.

Exposure to risks must be consistent with our risk appetite

The Board defines and regularly reviews the acceptable level of exposure to emerging and principal risks. Risks are aligned with our risk appetite, taking into consideration the balance between threats and opportunities.

We are all responsible for managing risks

Each business activity carries out risk evaluations to ensure the sound identification, management, monitoring and reporting of risks that could impact the achievement of our goals.

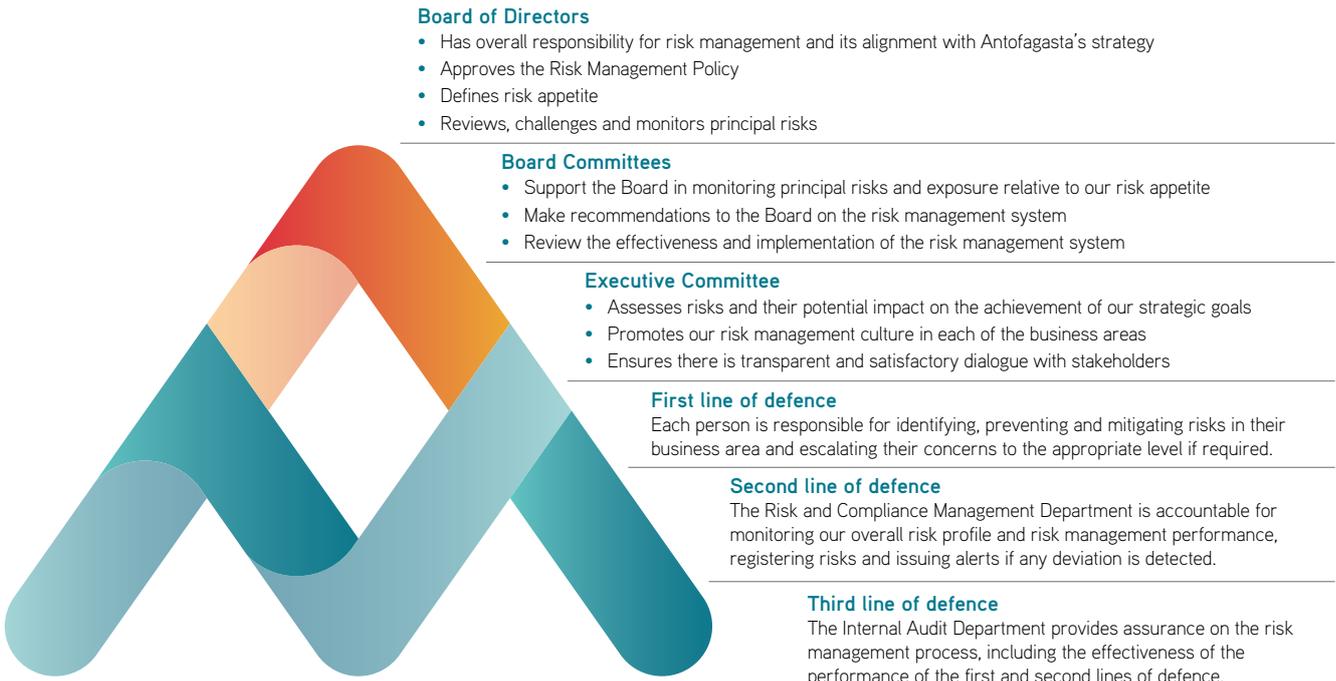
Risk is analysed through a consistent framework

Our risk management methodology is applied to all our operating companies, projects, exploration activities and support areas so that we have a comprehensive view of the uncertainties that could affect the achievement of our strategic goals. The framework is based on ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission Enterprise Risk Management framework (COSO ERM).

We are committed to continuous improvement

Lessons learned and best practices are incorporated into our procedures to protect and unlock value sustainably.

Our risk management structure



Board of Directors

- Has overall responsibility for risk management and its alignment with Antofagasta’s strategy
- Approves the Risk Management Policy
- Defines risk appetite
- Reviews, challenges and monitors principal risks

Board Committees

- Support the Board in monitoring principal risks and exposure relative to our risk appetite
- Make recommendations to the Board on the risk management system
- Review the effectiveness and implementation of the risk management system

Executive Committee

- Assesses risks and their potential impact on the achievement of our strategic goals
- Promotes our risk management culture in each of the business areas
- Ensures there is transparent and satisfactory dialogue with stakeholders

First line of defence

Each person is responsible for identifying, preventing and mitigating risks in their business area and escalating their concerns to the appropriate level if required.

Second line of defence

The Risk and Compliance Management Department is accountable for monitoring our overall risk profile and risk management performance, registering risks and issuing alerts if any deviation is detected.

Third line of defence

The Internal Audit Department provides assurance on the risk management process, including the effectiveness of the performance of the first and second lines of defence.

updates our risk register. The overall risk management process is reported twice a year to the Audit and Risk Committee, with detailed updates on principal risks, mitigation activities and actions being taken.

The General Manager of each operation has overall responsibility for leading and supporting risk management. Risk owners within each operation have direct responsibility for the risk management processes and for regularly updating individual business risk registers, including relevant mitigation activities. The individual owners of the risks and controls at each business unit are identified in order to provide effective and direct risk management.

Each operation holds an annual risk workshop at which the business unit’s risks and mitigation activities are reviewed in detail and updated as necessary. Workshops are used to assess principal risks that may affect relationships with stakeholders, limit resources, interrupt operations and/or negatively affect potential future growth.

Mitigation techniques for significant strategic and business unit risks are reviewed quarterly by the Risk and Compliance Management Department.

Our autonomous Internal Audit area, which reports directly to the Board’s Audit and Risk Committee, undertakes regular and ad hoc reviews of risk management controls and procedures. We promote a consistent risk management system across all our business units, ensuring that it is considered at all levels of the organisation.

Principal safety and sustainability risks

Antofagasta Minerals maintains a risk register through a robust assessment of the potential principal risks that could affect our

performance. This register ensures that principal risks are identified in a thorough and systematic way and that agreed definitions of risk are used.

Mining is a long-term business and as part of the principal risks update and evaluation process, we identify new or emerging risks which could impact our sustainability in the long run.

We identify, assess and manage the risks critical to the Company’s success. Overseeing these risks protects our business, people and reputation. The risk management process provides reasonable assurance that the relevant risks are recognised and controlled, allowing the Company to achieve its strategic objectives and create value.

We have identified 18 risk categories grouped under our strategic pillars of People, Safety and Sustainability, Competitiveness, Growth, Innovation and External. Preventive and mitigation measures have been established for all risks. For each risk, the Board determines the risk appetite (the acceptable level of risk to achieve its objectives) and the risk level (the impact and likelihood of the risk occurring).

In the People, Safety and Sustainability areas, eight risks have been identified (see table below). In 2022, the impact of the Political, Legal and Regulatory principal risk was reduced from “Significant” to “Moderate” following the rejection of the proposed new constitution and the improved clarity on the outcome of the mining royalty reform.

Risk area	Appetite	Risk level	Change in risk level vs 2021	Outlook
People				
1. Talent management				
2. Labour relations				
Safety and sustainability				
3. Safety and health				
4. Environmental management				
5. Climate change				
6. Community relations				
7. Political, legal and regulatory				
8. Corruption				

Key	Risk appetite	Risk level
Low		
Medium		

Key	Risk appetite	Risk level
High		
Very high		

Copper in a greener world

Copper has a critical role to play in putting the world on a net zero emissions pathway in line with the Paris Agreement. As the world reduces its dependence on hydrocarbons, copper in the form of wire, cable and foil will increasingly bind and connect the batteries, motors and electrical networks that help to limit the rise in global temperature.

Its exceptional ability to safely and efficiently transmit and distribute electricity and heat makes it the metal of choice for the cables and wires used in wind and solar power technologies and the decarbonisation of power generation. Likewise, copper foil for batteries is in high demand to enable electric vehicles to run effectively and economically.

Copper is also essential in our everyday lives to efficiently power a myriad of electronic consumer items such as our domestic appliances, mobile telephones, tablets and laptops.

In the construction sector, copper is used to build energy-efficient homes and offices that will be vital to reaching our net zero carbon goals. Its applications range from power to plumbing and air conditioning to heating appliances as well as the internet services we need to work and communicate.

The metal's use in the pipe systems, electrical motors, evaporators and heat exchangers of industrial machinery is an enabler of cleaner, economic development. Corrosion-resistant copper alloys are also used to contain corrosive materials and in undersea installations, such as desalination plants.

Copper's extraordinary attributes do not stop here. It has special antimicrobial properties that can kill germs and is used in high-touch surfaces – such as doorknobs or counters – in the health sector to reduce infections.

The fact that it can be infinitely recycled without losing any of its chemical or physical properties means it will continue to play a central role in the development of a greener world for decades to come.

“As a copper producer, we supply a key metal to address climate change through its use in low-carbon technologies, such as electric vehicles and the generation of renewable energy and are committed to its responsible and reliable production.”

Iván Arriagada

Chief Executive Officer, Antofagasta Minerals

Total copper consumption¹ 2022

31.7 Mt

Electrical network

28%

of copper consumption

Construction

27%

of copper consumption

Industrial machinery

11%

of copper consumption

Consumer goods and general

22%

of copper consumption

Transport

12%

of copper consumption

¹ Source: Wood Mackenzie, Copper Demand Analysis, December 2022. Total copper consumption includes direct use of scrap.

DELIVERING SUSTAINABLE ECONOMIC VALUE

At Antofagasta, our purpose is to develop mining for a better future and we understand that generating economic value means more than making a profit.

We generate economic value for all our stakeholders, distributing it as wages to employees, purchases of goods and services to suppliers, social investment programmes in communities, taxes to governments, dividends to shareholders and interest payments to lenders.

This direct distribution of economic value generates indirect benefits through spending by employees, suppliers, the government and others, benefitting the country as a whole.

For Antofagasta Minerals, creating economic value means generating profits responsibly and with a long-term vision, incorporating unique and innovative solutions in business decisions to address challenges in the regions in which we operate, as well as working to tackle today's global challenges.

In 2022, we directly distributed a total of \$7,268 million.

● Suppliers

\$4,495m

Payments for the purchase of utilities, goods and services

● Communities

\$57m

Social investment programmes

● Lenders

\$76m

Interest payments

● Shareholders

\$1,263m

Dividends

● Subsidiaries' non-controlling interests

\$80m

Dividends

● Employees

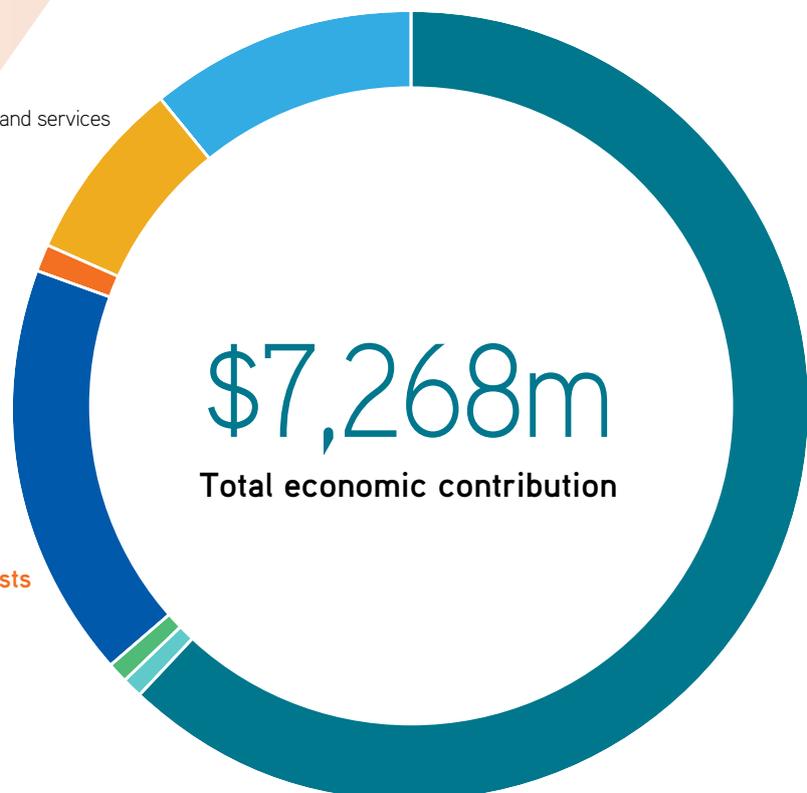
\$503m

Salaries, wages and incentives

● Governments

\$794m

Income taxes, royalties and other payments to governments



Responsible supply

We are taking concrete steps to improve our suppliers' environmental, social and governance practices as part of our Purpose to develop mining for a better future.

HIGHLIGHTS 2022

- We consistently began applying environmental, social and governance (ESG) criteria to evaluate bids for contracts worth over \$10 million and using an internal carbon price in tenders for categories that are intensive in CO₂ emissions.
- In December, we launched our Suppliers for a Better Future programme which sets ESG targets for suppliers to achieve by 2025.
- We began evaluating our suppliers' ESG practices, in alliance with a renowned consultant. More than 200 suppliers also undertook training on ESG matters.
- We increased the value of purchase orders and contracts awarded to local suppliers by 9.4% to \$374 million, compared to 2021.

Suppliers provide a range of goods and services from heavy equipment to catering and are vital to our ability to operate continuously, safely and efficiently. In 2022, we spent \$4,495 million on purchases of goods and services from 1,640 companies, of which 93% were based in Chile. Supplier company employees comprise 80% of our workforce.

Promoting best practice

In 2022, we began applying additional ESG criteria to evaluate bids for contracts worth over \$10 million to complement the energy efficiency and safety considerations already in place. Extra points are assigned to bids from companies with robust governance, local recruitment, diversity and inclusion, and carbon emission reduction strategies and targets. In addition, we started applying an internal carbon price in tenders for specific goods and services, such as explosives, grinding balls, logistics and transporting personnel.

We also began working with a renowned consultancy (a leader in supply chain sustainability ratings) to assess the ESG risks of more than 700 companies, as well as the ESG performance of our suppliers. In the latter process, a scorecard is prepared that indicates corrective and monitoring actions. By the end of the year, 20 of our largest suppliers (based on spending), which participated voluntarily, had completed the process. We expect more suppliers to join the initiative in future. The same consultants will also support our ESG awareness and improvement work with small and medium-sized enterprises (SMEs) in 2023.

In December, we launched our Suppliers for a Better Future programme that seeks to align contractor companies' practices with our Purpose of developing mining for a better future. The programme provides support and



sets ESG targets for suppliers to achieve by 2025 on local recruitment, hiring women and reducing emissions.

In alliance with the Catholic University of the North (UCN), the programme also aims to strengthen the capabilities of local SMEs to apply ESG criteria. During the year, we held two training sessions on ESG matters directed at SMEs in the Antofagasta Region and another four aimed at businesses from other regions. In total, more than 200 national and regional suppliers took part.

Scope 3 emissions

We estimate that suppliers cause around 60% of our Scope 3 emissions, which are indirect greenhouse gas (GHG) emissions related to our activities but caused by upstream (suppliers) or downstream processes that we do not control or own. In 2022, we worked on specific supplier categories, such as explosives, grinding balls and linings, to refine our Scope 3 emissions calculation for 2021. In 2023, we plan to set a Scope 3 emissions reduction target and include reduction targets in contracts for specific categories of suppliers.

During the year, we signed Greenhouse Gas Agreements with mining equipment suppliers Komatsu to advance the development of zero-emission vehicles and machinery, which currently account for approximately 50% of our Scope 1 emissions.

In addition, we worked on long-term strategies to reduce Scope 3 emissions in nine categories and began collaboration initiatives with 15 suppliers. We also signed agreements to pilot four types of electric battery vehicles in 2023 at our operations (excavators, front-end loaders, dump trucks and pickup trucks).

As a member of the International Council on Mining and Metals (ICMM), we helped design ICMM's Scope 3 self-assessment tool and used it to measure our emissions. It placed us in the top three ICMM companies, of the 26 that did the assessment, with regard to the

completeness and quality of our measurement of Scope 3 emissions.



For more information, see pages 52-57 and our Climate Change Report.

Ethical minimum wage

Since 2020 we have required contractor companies to pay their employees an ethical wage that supports minimum living standards. In 2022, we set an ethical minimum wage of Ch\$552,000, 38% higher than Chile's legal minimum wage of Ch\$400,000 as of August 2022.

Driving local growth

At Antofagasta Minerals, we seek to foster economic development in the Antofagasta and Coquimbo Regions, where our operations are based, through sourcing and promoting local goods and services.

In line with our objectives, in 2022 we increased the number of tender invitations to suppliers headquartered in these regions. We also increased the number of awards to local suppliers by 49% to 7,100 and the amount awarded by 9.4% to \$374 million, compared to 2021. On average, regional suppliers were paid within eight days or less. Due to our policy, spending on SMEs has continued to grow and reached \$510 million in 2022, 26% higher than 2021.

At the end of 2022, we strengthened our Regional Procurement and Recruitment Guidelines that seek to promote local buying by reducing administrative and financial barriers for SMEs in the Antofagasta and Coquimbo Regions to participate in tenders. In response to feedback from contractor companies, we changed the guidelines to give more scope to award contracts to local companies that submit bids with added value, although a little more expensive, and to hold closed tenders for regional suppliers for specific contract categories.

Accessing opportunities

We continued to hold business roundtables to launch and discuss tenders as part of efforts to help local suppliers access opportunities to bid for contracts. In November, we presented 8 tenders in a meeting with over 50 suppliers in the Antofagasta Region and, in December, for the Coquimbo Region. In December, we announced the main upcoming tenders and requirements for the Coquimbo Region in an



online business meeting with nearly 700 participants, representing more than 100 local and regional suppliers. We also held in-person discussion forums to get feedback from suppliers in the Antofagasta Region on our tender processes and requirements.

As part of its Future Suppliers programme, Los Pelambres worked with 150 businesses over the year to improve the ability of SMEs in the Choapa Province to bid in tenders. A key component is the one-on-one business coaching provided to participants.

In November, we renewed our agreement with the Antofagasta Industrialists' Association (AIA) to use its digital database of certified suppliers (known as SICEP) to publicise upcoming tenders and update our register of potential local suppliers.

Fostering local employment

We encourage contractor companies to recruit employees from the Antofagasta and Coquimbo Regions and 35% of their employees, on average, were from these regions in 2022. During the year, we set the goal that, by 2025, an average of 45% of our suppliers' workforce will come from the regions where our companies operate.

In the Choapa Province, Los Pelambres has an employment programme for contractor companies that comprises a skills training programme, a job portal aimed at local people and a target for suppliers of labour-intensive services to recruit at least 30% of their employees locally. Since being launched in 2014, the programme has increased the proportion of people from the province hired by contractors from 15% to 48.3% in 2022.

In the Antofagasta Region, we have trialled similar efforts and are currently encouraging contractors to publish local jobs on the new regional employment portal, launched in October, rather than bringing in workers from other parts of the country. Since its launch, 144 companies have started using the portal, publishing over 1,000 jobs and attracting 25,000 users.

We reinforce these efforts by building human capacity in the regions where we operate through scholarships and other local training initiatives.

 [For more information, see page 51.](#)

Promoting innovative suppliers

Our open innovation model encourages partner companies and potential suppliers to understand the requirements and participate in finding solutions for our main operational challenges.

A key initiative is the Pitch Days our mining operations organise in alliance with *Expande*, a *Fundación Chile* initiative that seeks to solve specific operational challenges with innovative solutions. In 2022, we hosted 18 Pitch Days, which led to us doing further work with the proposers on 13 of the suggested solutions.

Our main operational challenges are also published on our *Innovaminerals* open platform to capture original ideas from inside and outside the company.

Governance

Our Compliance Model applies to all suppliers of goods and services to the company. It is clearly defined and is communicated regularly through internal channels, as well as being described in our *Crime Prevention Manual*. All contracts include clauses relating to ethics, Chilean Law N° 20.393 on bribery and asset laundering and the UK's *Bribery Act* and *Modern Slavery Act*.

We conduct audits to ensure compliance with our requirements. In 2022, we increased the frequency of financial evaluations and introduced measures, such as shorter payment times, to address greater insolvency rates among suppliers

In 2022, our procurement team received annual refresher training on the *Compliance*

Model, *Code of Ethics* and *Crime Prevention Manual* and updated their declaration of *Conflicts of Interest*. In addition, the area was given awareness training on sustainable procurement.

We use a digital sourcing platform (*Ariba*) for all procurement to make acquisition processes traceable, transparent and fair. We require a minimum number of companies to participate in large tenders to ensure a competitive process.

Due diligence is conducted on all potential suppliers prior to awarding a contract. We assess company ownership, participation of politically exposed persons, antitrust issues, commercial behaviour, legal cases, conflicts of interest, compliance models and procedures for the prevention of slavery and human trafficking. We have in place control and management systems covering the procurement of minerals to manufacture our products, in line with the *OECD's* due diligence standards on the origin of minerals.

We approved a *Circular Economy Strategy* which includes new requirements for suppliers in 2023 regarding packaging, pallets and how goods are transported.

Suppliers can use the *Tu Voz (Your Voice)* whistleblowing channel on the Group's website to make complaints anonymously. We have raised awareness of this mechanism in meetings and in written communications with our contractor workers.

 [For more information, see our *Crime Prevention Manual*.](#)

 [For more information, see our *2022 UK Modern Slavery Act Statement*.](#)

Our people

We are committed to creating a diverse and inclusive culture that fosters wellbeing and supports the retention and development of a variety of talents.

HIGHLIGHTS 2022

- The proportion of female employees increased to 20.6%, compared to 17.4% in 2021, exceeding our target for the year.
- Our apprenticeship programmes accepted a total of 200 candidates, mainly from local communities, of whom 79% were women.
- We rolled out our Wellbeing Strategy that promotes our employees' physical, emotional, financial and social welfare.

The Group's People strategy is built around the four pillars of culture, organisational effectiveness, labour relations and talent management, and is aligned with our charter of values, which is central to our organisation. It seeks to promote an inclusive, innovative, motivated and effective workforce with access to training and career development opportunities.

The Board oversees the strategy, supported by the Remuneration and Talent Management Committee. Remuneration policies and practices seek to promote our business

strategy and the long-term sustainable success of the organisation. Sustainability targets represent 25% of key performance indicators in annual bonus agreements for supervisor and management roles.

In 2022, our workforce comprised an annual average of 29,223 employees and contractors, 16% higher than the previous year, due to the need for more contractor workers. Centinela has the largest share of the workforce with 29% followed by our corporate office in Santiago with 28%, which includes contractor workers hired by our Projects area. Los Pelambres accounts for 26% of the workforce, Zaldívar for 10% and Antucoya 7%.

We are committed to promoting local employment and, in 2022, 69% of our 5,867 direct employees were from the Antofagasta and Coquimbo Regions where our operations are based.

Wellbeing

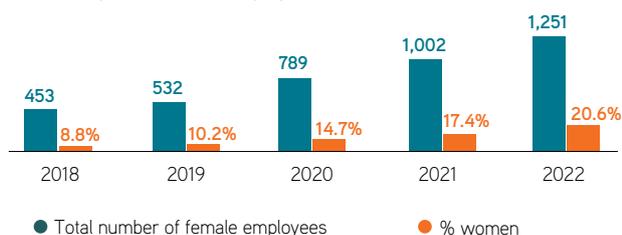
At Antofagasta Minerals, we believe employee wellbeing is vital to the effectiveness and sustainability of our organisation and improving employees' labour experience is a key focus of our work.

In 2022, we finished updating our Work-Life Balance Guidelines, which are tailored for each mining site and designed to improve the distribution of employees' time between work and personal life. Launched in 2019, the guidelines provide benefits that go beyond Chilean legislation such as being able to have a year off work for health or other reasons. Our corporate offices offer employees a flexitime system to fit working hours around their individual needs.

During the year, we rolled out our Wellbeing Strategy which focuses on the four pillars of our employees' physical, emotional, financial and social welfare. The strategy builds on the



Women as a percentage of employees



tools we developed to help employees deal with increased stress levels during the COVID-19 pandemic lockdowns and promotes healthy habits and closer ties among colleagues and with society.

As part of the strategy, we reinforced our 24-hour helpline and encouraged in-person meetings and activities to allow new recruits to meet fellow workers and strengthen interpersonal relations and teamwork. The initiative encourages a healthy lifestyle as well as preventive health checks. It also offers financial education to improve employees' understanding of subjects such as health insurance.

The social pillar particularly seeks to foster a collaborative and supportive workplace through the Volunteering Programme, which was run for the second time in 2022. Employees at our four mining operations and the corporate offices are encouraged to brainstorm, select and take part in a volunteer project in the local community.

A total of 70 employees took part in our first volunteering programme, which ended in April 2022, benefitting 261 people. In 2022, employees chose new projects to support, with the implementation of some rolling over into early 2023.

Diversity and Inclusion

Our Diversity and Inclusion (D&I) Strategy, launched in 2018, has transitioned from an awareness-raising phase about unconscious bias and discrimination to inclusive practices becoming an integral part of how we work. As an example, in 2022, the procurement area began including D&I criteria in the evaluation of bids to supply goods and services (for more information, see page 36).

In 2022, we renewed our network of 65 D&I champions, who act as agents of change to create an inclusive organisational culture that supports the retention of women and people with disabilities or different cultural origins. In a key initiative, we ran a campaign on respectful behaviours and held workshops on respectful environments. Other activities included webinars on Chile's same-sex marriage and gender equality laws and, using a protocol approved in 2021, supporting employees in a process of gender transition.

Gender balance

Since 2018, we have made steady progress in increasing the representation of women in our workforce. In 2021, one year ahead of schedule, we met the goal of doubling their participation compared to our baseline (8.6%, 2017). In 2022, we increased the percentage of female employees to 20.6%, 5% more than the industry average (Mining Council). We have now set a new goal for women to represent 30% of our workforce by 2025.

We use many different ways to attract, select and retain women in our workforce. We have alliances with universities that aim to attract women from science, technology, engineering and maths (STEM) subjects to join the organisation and encourage women's participation in STEM subjects through our scholarship programmes. In 2022, 45% of our new recruits were women.

Our apprenticeship programmes provide an important entry route for women from local communities to obtain technical qualifications and, in most cases, lead to a highly prized permanent job. In 2022, our mining operations selected 180 new apprentices to go onto the next stage of practical training at the operations in the areas of maintenance, mine truck operations, plant, tailings or ports. Of these, 82% were women, mainly from communities close to our operations.

We are also actively involved in:

- **National Women and Mining Roundtable:** public-private initiative that seeks to increase women's participation in the mining sector to 30%, and in the industry's senior positions to 25%, by 2050.
- **Ministry of Women and Gender Equity's Gender Parity Initiative (GPI):** public-private alliance which encourages women's participation in the labour market, promoted by the Inter-American Development Bank, World Economic Forum and Chile's Ministry of Women and Gender Equity.
- **30% Club:** sponsorship of the Chilean chapter of a UK initiative that seeks to increase women's representation on boards and in senior management.
- **Target Gender Equality:** UN Global Compact initiative to set and reach ambitious corporate targets for women's representation and leadership in business.

Female representation in management

	Executive Committee	Direct reports to the Executive Committee	Senior Management
Male	9 (82%)	57 (81%)	13 (93%)
Female	2 (18%)	13 (19%)	1 (7%)

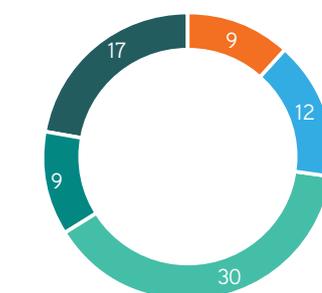
People with disabilities

In 2022, people with disabilities accounted for 1.3% of our employees in our corporate office in Santiago and four mining sites, exceeding the 1% requirement of Chile's Workplace Inclusion Law. We take part in inclusive job fairs and raise awareness about disability issues across the organisation through talks and other activities as part of efforts to create a workplace that is welcoming to all. We help employees with disabilities, and also those who have family members with disabilities, to understand their rights and, if they wish, to obtain disability certificates.

In 2022, seven of our human resources team were certified to manage labour inclusion for people with disabilities, again surpassing the legal requirement of one accredited employee for companies of over 100 employees. Another 15 are in the process of certification. We continued to lead the Mining Council's technical working group on universal access for people with disabilities to mine sites.

People with disabilities as of 31 December, 2022

Percentage of total payroll



Corporate offices	9	1.4%
Antucoya	12	1.3%
Centinela	30	1.2%
Zaldívar	9	1.0%
Los Pelambres	17	1.5%

29,223

People

20.1%

Employees

20.6%

Women

79.9%

Contractors

79.7%

Unionised employees



Organisational effectiveness

Innovation is key to improving productivity and sustainability performance and is one of our five strategic pillars to develop mining for a better future. A central aim of our People strategy is to prepare our employees to embrace the digital transformation of our business and adopt new technology.

This focus has allowed us to implement, since 2021, a permanent hybrid system of remote and in-person working, known as our New Ways of Working project. It seeks to improve organisational effectiveness and efficiency and support our D&I strategy as well as respond to employees’ preferences. Corporate employees are required to work in person 50% of the time, while at the mining operations, half of the people in roles not related to operational continuity work in a hybrid format, with at least 25% or 50% of the time in person, depending on the role.

In 2022, we promoted best practices to strengthen the separation of working hours from rest periods to control the overlap that remote working can sometimes produce. These practices were agreed in a participative employee process at the end of 2021 and include recommendations such as respecting lunch breaks, blocking off meeting-free periods and not sending work emails outside office hours.

We also continued to focus on developing an organisational culture that accepts and is able to use more technology. The concept of knowledge transfer is used to build on our growing experience of innovation. In April, we inaugurated Centinela’s Integrated Remote Operations Centre (IROC) in the city of Antofagasta and, in August, a small group began working at Los Pelambres’ IROC in Santiago. The facilities enable the integrated planning, execution and control of remote operations from mine to port, enhancing safety as well as operational performance.

Similarly, the introduction of autonomous drills at Los Pelambres in 2020 was followed at Centinela a year later. Centinela now has a fleet of 11 autonomous trucks and two autonomous drills at its new Esperanza Sur pit, making it our first 100% autonomous open pit operation. Our People strategy has sought to retrain Centinela’s existing truck operators and maintainers to run the autonomous fleet and use new hires to operate the traditional trucks, enabling Centinela to offer many apprenticeship places aimed at local women.

Looking ahead, our strategy also aims to prepare the organisation for the adoption of next-generation mining technologies, such as green hydrogen haulage trucks or electric battery vehicles and machinery that we are seeking to adopt as part of our Climate Change Strategy.

Building human capital

At Antofagasta Minerals, we seek to develop human capital and talent internally and in local communities where we focus our recruitment efforts (see page 51). We want to have a culture that enables employees to fully develop their potential, fosters innovation and supports the digital transformation of our business. In 2022, we invested \$2.0 million in training, providing an average of 42 hours of training per employee.

Digital transformation

Our Digital Academy, launched in 2020, is a vital pillar of our innovation strategy. It seeks to build the skills required to increase workforce productivity and ensure the sustainability of our business as we gradually implement our innovation roadmap. It employs different mechanisms – such as e-learning courses, boot camps, practical courses and communities of practice – to develop employees’ digital skills and career opportunities at all levels of the organisation.

In 2022, the Digital Academy focused on developing the critical digital skills required by employees to effectively perform in the mining industry of the future. In total, 245 people participated in courses to handle key technologies, acquiring a baseline of knowledge on the concepts and digital tools required to use collaborative work platforms.

At a more advanced level, and for the second consecutive year, we offered courses on data-based decision-making, which consist of dynamic and flexible modalities to encourage adherence to the programme. In total, 162 people took part in these courses in 2022. In addition, 451 people participated in a Lean Management course to improve operational productivity.

2022 Apprenticeship Programme

	Total	Number of women
Los Pelambres	63	50
Antucoya	33	33
Zaldívar	33	17
Centinela	71	58



The Academy also grants open access to training opportunities on LinkedIn and Coursera, a US-based online course provider that works with universities and other organisations to award degrees and other qualifications. The idea is to provide more resources for employees to continue developing their digital skills and to encourage the flexible self-management of acquiring knowledge and a lifelong learning mindset. In 2022, 941 employees took advantage of these platforms.

Leadership skills

During the year, the heads of shifts were trained on our leadership brand, receiving information and tools to improve their leadership skills, learn about labour law and think more flexibly. They hold pivotal operational roles, overseeing up to 100 people. By the end of the year, 65% had begun the programme which will continue in 2023.

A total of 97 women from executive, supervisor and operator positions continued career development and leadership programmes during the year as part of our D&I strategy. In November, we began a new programme to strengthen the leadership skills of 30 deputy managers and superintendents in line with our Leadership Competencies Model.

Developing new talent

In 2022, Los Pelambres and Antucoya began Relevos (Relief Workers) programmes aimed at training local people, who are unable to work full shifts due to family or other reasons, to drive mine haulage trucks for short periods to cover lunch breaks.

We also run graduate programmes to support our talent management strategy. In 2022, we expanded the criteria and number of places to give opportunities to young people in the

Choapa Province who have completed mining-related degrees at local universities. In total, of the 29 young people selected in 2022, 12 are women and one comes from Choapa. In addition, in a separate initiative, Los Pelambres opened eight places for local university graduates to promote the development of young professionals who will begin their placements in 2023.

Our apprenticeship programmes also provide an important entry route for local young people to receive training in a trade with the possibility of a job at the end of it.

Labour relations

At Antofagasta Minerals, we recognise employees' rights to union membership and collective bargaining. In total, 79.9% of our direct employees are represented by 11 unions.

In 2022, we successfully negotiated four three-year labour agreements in a climate of respect and with no disruptions. The agreements were reached with the supervisors unions at Los Pelambres and Zaldívar and the supervisors and operators unions at Antucoya.

Chilean legislation protects freedom of association. It also prohibits forced and child labour, sets a minimum wage, limits working hours, and enforces a minimum of 15 days of annual paid leave.

Our employees and contractors can make complaints or raise issues on our confidential Tu Voz (Your Voice) reporting line. The contact details are available on our website as well as directly at the operations. We have reinforced our contractors' awareness of this whistleblowing channel.

Employee satisfaction

In 2022, we conducted an Engagement and Perception Survey at Los Pelambres, Centinela and Zaldívar to assess employee engagement, completing a process that started at Antucoya and our corporate offices in 2021. In total, 91% of employees responded. The survey placed employee engagement levels at 78%, 6% higher than the norm in Chile. Among the highlights, 93% perceived that health and safety is important to the company and 81% that a D&I culture prevails, six percentage points higher than in 2017. Focus groups were held on critical areas and action plans drawn up to address gaps

Contractors

Contractors represent 79.9% of our workforce and are crucial to operational continuity. In 2022, we required contractors to pay their employees an ethical gross monthly minimum wage of Ch\$552,000 and to provide them with health and life insurance. Los Pelambres and Centinela also offer scholarships to support the further education of contractor workers' children.

During the year, the human resources area began an audit process of contractors' compliance with minimum and legal labour standard. The process covered their compliance with Antofagasta Minerals' ethical minimum wage, designed to ensure their employees receive a decent living wage, the need to provide life and health insurance, and also with our Modern Slavery Statement. The process will be completed in the first quarter of 2023.

 See page 36 for more information.

Occupational health and safety

The health and safety of our employees and contractors are our top priority and in 2022 we made progress in consolidating our management system and incorporating technology to enhance safety and reduce risk.

HIGHLIGHTS 2022

- We had zero fatalities in 2022.
- We continued to improve our safety performance, reducing high potential incidents (HPIs) by 37%, the Lost Time Injury Frequency Rate (LTIFR) by 32% and the Total Recordable Injury Frequency Rate (TRIFR) by 19%.
- We launched our Control Strategy for psychosocial risks, which had increased during the COVID-19 pandemic, to provide support for our employees.

Strategy

We seek to be recognised as a leading company in occupational health and safety in which our own workers and contractors promote and maintain a safe and healthy work environment.

Solid health and safety management is the basis of our activities, which is why we are committed to its continuous improvement through risk control and performance monitoring. For this purpose, we have our Occupational Health and Safety Strategy, which is based on four pillars:

- Health and safety risk management
- Reporting, investigation and learning from our accidents
- Leadership
- Contractor management

Safety performance

In 2022, there were no fatalities at our operations.

We continued to reduce the number of high potential incidents (HPIs¹): in 2022 we recorded 36 incidents, 37% less than in 2021, our best result in history. We focus on HPIs, which are leading indicators of the effectiveness of safety controls, to continuously strengthen critical controls and implement effective corrective actions to prevent the repetition of such events. HPI targets are included as a key performance indicator (KPI) in employees' performance agreements to promote and reinforce a preventive and resilient safety culture.



We seek to keep our Lost Time Injury Frequency Rate (LTIFR) – the number of lost time incidents in the year per million hours worked – below a score of 1. In 2022, we achieved a rate of 0.76, 32% better than 2021, owing to strengthened control strategies for high-risk tasks.

Our Total Recordable Injury Frequency Rate (TRIFR), which includes LTI and medical treatment injuries that do not involve lost time, improved by 19% to 1.86 per million hours worked, compared to a rate of 2.29 registered in 2021.

Risk management

Our strategy involves a seven-step process to continuously improve the identification of health and safety breaches, effectivity of critical controls and the understanding of the root causes of undesired events that could have caused fatalities (HPIs) or a chronic occupational illness.

Safety risk management

Critical controls

July 20 marked one year since the death of the contractor worker, Fernando Silva López, at Los Pelambres in 2021. In commemoration, safety-related reflection breaks were implemented at all our operations to reinforce the lessons learned.

Following the investigation and detailed analysis of that tragic incident, we focused on improving our planning, analysis and supervision of critical tasks under a model anchored around critical controls, identification of key risks and promoting the indicated behaviours. We prepared and implemented programmes for supervisors to better understand their roles and responsibilities regarding planning, shift changes, work crews and their obligation to confirm tasks are executed according to plan, particularly high-risk and critical ones. We also reinforced the correct use of our task risk analysis system, Job Safety Assessment (JSA), to plan high-risk and critical tasks. The JSA describes in detail the required task step-by-step, the tools and equipment needed and the obligatory controls to guarantee that the task is carried out safely.

The use of the JSA tool emphasises planning as a fundamental condition to ensure operational continuity without fatal accidents or occupational illness, eliminating workers' exposure to high-risk situations. If at any point workers perceive that adequate working conditions are not met as outlined in the JSA, they are expected to employ the *Yo Digo No* (I Say No) tool and stop task execution until the proper conditions can be verified. This focus will continue into 2023 to ensure that corrective measures are taken every time a *Yo Digo No* is activated.

¹ High-potential incidents are indicators of security flaws that could trigger a severe accident.

There are now 13 critical activities with their respective JSAs in the Occupational Health and Safety's digital library.

We are also increasing automation and remote work to enhance the safety of our workers and contractors. Operators and supervisors were trained to operate Centinela's Integrated Remote Operations Centre (IROC) and the Los Pelambres IROC. Employees at these two mining operations also received training on the use of autonomous equipment such as drill rigs and, in the case of Centinela, a fleet of trucks at the new Esperanza Sur pit.

Collision avoidance systems

In 2022, we began the process of installing the latest generation collision avoidance system in our transport equipment as well as that of contractors and subcontractors. Implementation is expected from the second quarter of 2023 with the system alerting the driver of the vehicle or equipment to take action when it detects imminent danger.

Visible leadership

Leadership is the fundamental basis for building a culture of continuous improvement. In this context, at Antofagasta Minerals we have implemented the "visible leadership" initiative for several years, whereby the Executive Committee conducts on-site visits at the different operations with the aim of reviewing in person and in detail the health and safety performance of our own workers and contractors.

In general terms, visible leadership and the recommendations of the Executive Committee are key to progressing in the four focus areas of our Health and Safety Strategy. They also enable identification of strengths and weaknesses in management, to reinforce or correct those critical points that drive continuous improvement and compliance with the established performance goals.

In 2022, the visible leadership's focus was on reinforcing that the owners of the risks and controls assume their roles and responsibilities in their respective correct execution. The foregoing is in line with that planned for 2023: that supervisors and operators assume their roles and responsibilities in the planned execution of critical tasks using the JSA.

Investigations

Investigation teams that are independent of the area involved in the incident, often involving representatives from other sites, look into all HPI incidents. Findings are shared across the entire organisation and used to close any identified risk management gaps.

In 2022, we investigated deviations from critical controls and implemented corrective measures, building on previous campaigns to raise awareness on the use of control strategies and understanding how critical controls are verified.



Occupational health risk management

At Antofagasta Minerals, we are committed to providing a healthy workplace and contributing to the physical and mental wellbeing of everyone who works for us. In 2022, we continued to improve the application of critical controls for health risks and to investigate undesired health events.

During the year, we reinforced our medical surveillance program and updated the risk maps once the health authorities lifted the restrictions corresponding to the COVID-19 pandemic. We identified new cases of occupational diseases that began during the pandemic, which led our Occupational Illness Frequency Rate (OIFR) to rise to 2.26 per million hours worked when compared to 2021 due to the registration of historical cases.

Psychosocial risks

In 2022, we launched our Control Strategy for Psychosocial Risks, which had increased during the COVID-19 pandemic. Owing to this strategy, we identified five employees with temporary mental health issues and provided treatment for them to prevent the illness from becoming chronic.

We have a confidential 24x7 helpline for employees and contractors who wish to seek help for mental health issues.



Contractor management

Our contractors and subcontractors are included in our health and safety performance data and must fully comply with our standards and procedures. In 2022, we placed special emphasis on the effectiveness of our Special Corporate Health and Safety Regulation for Contractor and Subcontractor Companies (RECSS), continuing to embed this updated contractor management manual across the organisation to ensure an adequate understanding of our requirements and oversight of contractor tasks.



Threats to security

In 2022, we strengthened oversight on the security of our operations with the appointment of a senior industrial protection expert to address the increased violence used in attempted robberies of copper, particularly in transport logistics, which put our employees' physical and psychological safety at risk. It is important to note the significant role that the local government has played in working together with the industry to address this issue.

We have a system of alarms, sensors and cameras to control access to our mining sites and ensure that security contractors have adequate personal protective equipment (PPE).

We also provided training to security personnel, in alliance with Acción Empresas,¹ on the Voluntary Principles on Security and Human Rights.

¹ Acción Empresas, a non-profit organisation, is the representative in Chile of the World Business Council for Sustainable Development (WBCSD).

Communities

We seek to foster economic and social development in local communities through proactive engagement and investment that adds social value in collaboration with local people, organisations and the authorities.

HIGHLIGHTS 2022

- We continued measuring the social impact of our investments in our areas of influence as part of our efforts to continually evaluate the social impact of our programmes and improve them.
- In March, we launched a new community grievances mechanism to deal with concerns, complaints or grievances caused by our operations.
- Through public-private alliances, our En Red digital programme provided fibre-optic cables to the Caimanes and Limáhuida communities, giving over 500 families access to the internet.
- In September, we began the Aproxima En Red project, which seeks to digitalise and automate the 80 Rural Sanitary Services (SSRs) that provide drinking water in the Choapa Province as part of efforts to combat the acute drought.



At Antofagasta Minerals, we aim to contribute to social value creation in the regions where we operate mainly through education and training initiatives, job creation and social investment that addresses the needs of local communities. A commitment to respect human rights underpins all our interactions.

We develop our social programmes in partnership with local people, authorities and third-party experts in order to respond to the specific needs of local communities, which have different economic and social contexts.

Choapa Province

Los Pelambres, our largest operation, is located in the Choapa Province, in the Coquimbo Region of north-central Chile. Its roughly 80,000 inhabitants are mainly dedicated to farming, fishing and, increasingly, mining, either directly or as a supplier. For the last 13 years, the province has been hit hard by a severe drought, a consequence of climate change.

The mine's neighbours include the large towns of Illapel, the provincial capital, and Salamanca as well as many smaller towns and remote rural settlements. Its El Mauro tailing storage facility is located in the Caimanes sector of Los Vilos municipal district and its Punta Chungo port facilities and sea water desalination plant, which will start operations in 2023, on the Los Vilos district's coast.

Members of the Taucán branch of the Diaguita indigenous people live in the Choapa Valley. The fishing community in Los Vilos also includes members of the Chango people.

Antofagasta Region

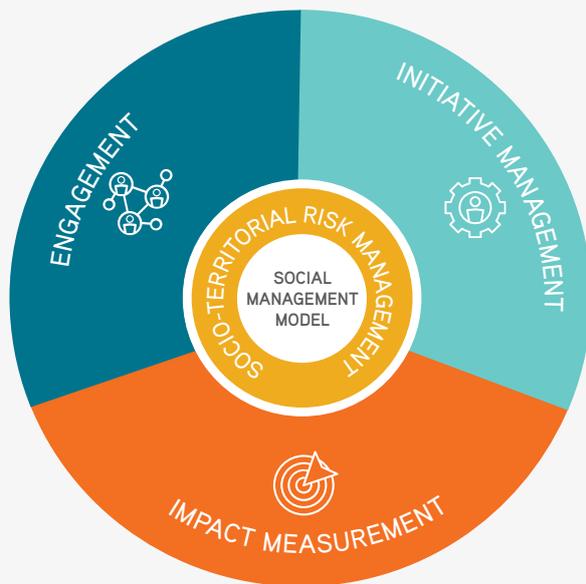
Our Centinela, Antucoya and Zaldívar mines are located in the Antofagasta Region in the north of the country where mining and, more recently, renewable energy production are the main economic activities. This arid region is characterised by the long distances between its small towns in the interior of the Atacama Desert and its two main cities, the regional capital and port of Antofagasta on the coast and Calama near the mountains.

- Centinela is 34 km from Sierra Gorda, a town of around 1,700 people who mainly work directly or indirectly for the area's three large copper mines: Centinela, BHP's Spence and KGHM's Sierra Gorda.
- Antucoya is 75 km from María Elena, a municipal district of some 6,500 people that grew up around Chile's nitrates industry in the nineteenth and twentieth centuries and on which it still largely depends.
- There are no major settlements close to Zaldívar but it obtains operational water from the Tilopozo area where the Atacameño

communities of Peine, Socaire, Camar and Talabre are located, some 100 km from the mine.

The area of influence of Centinela and Antucoya includes Michilla, a fishing village some 60 km north of the city of Mejillones, from where we extract sea water for mining processes and export Centinela concentrates. The two operations use third-party port facilities in Mejillones to import inputs such as oil, acid and explosives, while all three operations ship cathodes through third-party port facilities in Antofagasta and Mejillones.

SOCIAL MANAGEMENT MODEL



ENGAGEMENT

A relationship-building process defined by the Group to connect with different stakeholders, resolving disputes, contributing to development and fostering social acceptance of our operations and their growth.

INITIATIVE MANAGEMENT

Ensures the correct physical, financial and administrative implementation of social investments in the operations' areas of influence, in line with the planning and resources defined for each of them.

IMPACT MEASUREMENT

Defines indicators to understand the contribution of initiatives rolled out in Antofagasta Minerals' areas of influence, facilitating future decision-making on the social investment strategy, based on business objectives.

SOCIO-TERRITORIAL RISK MANAGEMENT

Identifies critical issues arising from the interaction (or lack of) between the company, community and/or local or national authorities in order to anticipate and manage potential risks that may affect the reputation, operation and/or growth of the Group's companies.

Social management model

At Antofagasta Minerals, we recognise that the way we manage our social performance is central to delivering social and economic benefits to local communities, which is key to the success of our business.

Our social management strategy is characterised by our commitment to public-private partnerships and inclusive dialogue with communities, providing a multi-stakeholder platform to gain a full understanding of local people's concerns and to address them with relevant initiatives that add value.

We establish different instances of community dialogue to ensure concerns, potential solutions and resulting decisions are discussed and analysed in depth and are representative of the community. We form strategic alliances and collaborate with third-party experts from academia and NGOs to implement our community programmes and projects.

Our Social Management Model has four main lines of action: engaging with stakeholders, managing social investment, measuring the impacts of investment and managing socio-territorial alerts. Each component has its own standard to ensure that our engagement principles, methodologies and practices are applied consistently across our operations.

Impact measurement

In 2022, we continued to measure the impact of our social investments as part of our different efforts to evaluate our programmes and improve their performance. We are assisted in these evaluations by external social impact advisors.

In total, we measured the impact of six social investment programmes and one process (taking the total number of programmes evaluated to 15 since we began the evaluations in 2018), using the Change Theory and Social Return on Investment (SROI) tools. All the evaluated programmes showed a positive SROI indicating they are successful in creating social value. As part of the process, we draw up improvement plans to address identified gaps to make their contribution even stronger.

In the Choapa Province, the process to implement the Caimanes Development Fund and the Tranquilla sports stadium returned outstanding results, both scoring an SROI of over 27 for every Chilean peso invested. In the Antofagasta Region, our Safe Return plan (see page 50) and involvement in the public-private CCM-Eleva mining skills council (see page 51) also scored very positive results.

In addition, through our collaborative work with the Territorial Intelligence Centre (CIT) of Adolfo Ibáñez University, we updated the Territorial Human Wellbeing Matrix which measures the impact of Los Pelambres' social investment initiatives in the Choapa Province. The study measured 22 indicators, such as access to green areas, sports, education and health services, and found that the impact of 75 initiatives improved urban and rural living conditions by providing better access to services and reaching more beneficiaries.

During the year, we also advanced a study that maps all our social investment projects against the UN Sustainable Development Goals, which we expect to complete in 2023.



Indigenous peoples

In 2022, we updated our Human Rights Policy to strengthen our explicit recognition and commitment to respect the rights, culture and traditions of indigenous peoples in our areas of influence, in line with the UNGP. The policy sets out the fundamental elements of our approach to human rights, establishing how we relate to employees, contractors, suppliers, business partners, nearby communities and other parties directly related to our operations.

During the year, we also approved an Indigenous Peoples Engagement Standard to ensure that all Antofagasta Minerals' operations and projects consistently apply processes and practices that are in harmony with full respect for the human rights of indigenous peoples. The standard seeks to ensure that our activities promote their economic, social and cultural development, and to identify and control possible impacts in a timely manner.

Our approach is aligned with international standards such as ILO Convention 169, the Universal Declaration on Human Rights and other commitments established by the ICMM and the UN Global Compact, among others.

During the year, Zaldívar participated in an indigenous community consultation process with the Peine Atacameño community as part of the operation's environmental impact study (EIA) on its mine life extension.

Zaldívar signed agreements between 2018 and 2021 with the Socaire, Camar and Talabre Atacameño communities that gave rise to a portfolio of social projects to be implemented for the period 2018-2023. Among initiatives, we are rebuilding a church in Camar to support the communities' cultural heritage. In 2022, we also sponsored a football championship, organised by the Andean Peoples Football Association, involving 22 teams from Toconao, Socaire, Camar, Talabre and Peine, in three different categories, over four months.

Community grievance mechanism

In March 2022, we launched a new grievance mechanism for communities to report concerns, complaints or grievances caused by our operations. Complaints can be made confidentially and tracked on the Antofagasta Minerals and four mining operations' websites: rc.aminerals.cl

Community members that do not have access to the internet can make complaints by letter or in person to the corresponding operation or local community relations coordinator. These complaints are then added to the grievance system for us to be able to track and monitor all concerns raised.

The mechanism was designed in line with the United Nations Guiding Principles on Business and Human Rights (UNGPR) and the International Council on Mining and Metals' (ICMM) Good Practice Guide on Handling and Resolving Local-Level Concerns and Grievances.

During the year, we worked on an improvement plan focused on the

mechanism's grievance management and investigation process, governance and external dissemination, which we will implement in 2023.

Our complaints channel is:

- **Inclusive:** A response is given to all grievances made by any member of our neighbouring communities.
- **Equitable:** All grievances receive the same treatment, regardless of the level of urgency attributed to it.
- **Confidential:** The privacy of grievances and responses is guaranteed. Grievances can also be made anonymously.
- **Interactive:** A permanent monitoring system shows the status of filed grievances.
- **Timely:** A response is provided within an estimated maximum period of 30 calendar days, with possible exceptions due to the investigation required or the complexity of some cases.

Social investment

We use a multi-stakeholder, open dialogue engagement approach to ensure that local communities participate in the selection of our social investment projects through our Somos Choapa (We are Choapa) and Diálogos para el Desarrollo (Dialogues for Development) engagement mechanisms in the Choapa Province and the Antofagasta Region, respectively. Projects and programmes are usually implemented in alliance with state institutions and other third parties, such as foundations or partner companies.

In 2022, we increased our social investment budget to cover new agreements with communities in the Choapa Province, that were signed after the specific operational incidents described on page 59. The agreements reflect the Somos Choapa approach, both in terms of the engagement model used and the projects and programmes selected. They maintain the public-private model to implement and fund projects and extend the reach of some existing initiatives, such as scholarships and the Integral Support for Agriculture (AIA) programme.

Likewise, the agreements mirror local people's concern about access to water for human consumption and irrigation and build on our existing programmes to address the prolonged and severe drought in the province (see page 48). They also consider initiatives such as joint community monitoring and inspection of Los Pelambres infrastructure and, like our Somos Choapa model, participation in commissions to monitor the initiatives' implementation.

Digital focus

During the year, we ramped up our En Red-Digital Community programme to address the deficit of digital infrastructure and skills in rural and vulnerable communities near our operations in the Choapa Province and the Antofagasta Region. The programme was launched in July 2021 after it became evident during the COVID-19 pandemic that remote communities in Chile were being left out of the

digital revolution. It aims to open up education, work and recreational opportunities to local people to improve their life quality.

There are now about 20 initiatives underway that are focused on four main areas:

- **Connectivity:** A central pillar of En Red (Connected) is helping neighbouring communities to have access to good internet connections through alliances with the government, internet providers and foundations. One of the year's highlights was the installation of fibre-optic cables to the Caimanes and Limáhuida communities in Choapa, allowing over 500 families the opportunity to connect to the internet. The villages were also provided with free wi-fi hotspots as well as internet connections for key local services such as the fire station and health centre.
- **Digital Literacy:** En Red is underpinned by a focus on digital literacy. As an example, the Caimanes community was offered digital literacy courses by our programme partners Digital País Foundation after the fibre-optic cables were installed. More broadly, we launched a LinkedIn Learning platform in 2022 to teach digital skills to 60 students, entrepreneurs and suppliers in our areas of influence. In particular, we seek to improve local businesses' use of digital technology to make them more competitive.



- **Health:** we regard digital technology as an enabler to improve healthcare provision in remote communities with limited access to affordable medicine and specialist help. During 2022, we advanced digital pharmacy and telemedicine initiatives in María Elena in the Antofagasta Region and connectivity for the family health centre in Chillepín in the Choapa Province in addition to other plans to connect remote primary health centres with fibre-optic cable.
- **Water management:** Drinking water in rural areas is provided by Rural Sanitary Services (SSRs), which are run by the communities themselves. We see digital technology as a vital means to improve these services and improve water-use efficiencies in the arid or drought-struck areas where our operations are based.



¹ Our social contribution comprises all our operations' social investment projects and programmes, including the operational costs associated with those initiatives. It covers our Somos Choapa and Dialogues for Development programmes, implemented directly or in alliance with foundations, including Fundación Minera Los Pelambres.



Safeguarding water

Water is a crucial issue for communities in our areas of influence. The Atacama Desert where our Centinela, Antucoya and Zaldívar operations are located is the world’s driest desert. The Choapa Province, which hosts Los Pelambres, has been hard hit for the last 13 years by drought, which has increased water scarcity.

As a consequence, our mines either do not use continental water for operational purposes or are focused on significantly reducing its use (see page 57). In addition, our social investment programmes seek to support local management of this critical resource.

For many years now, we have been working with the authorities and communities in the Choapa Province to strengthen the management of water for human consumption and irrigation, through the Aproxima and Confluye programmes run by Fundación Minera Los Pelambres.

Aproxima

This programme supports the district associations responsible for managing the 80 Rural Sanitary Services (SSR) in the Choapa Province which provide drinking water to homes, benefitting around 15,900 families. It gives training and technical assistance for the design, construction and maintenance of infrastructure in alliance with the province’s four municipal districts and the national government’s Directorate of Hydraulic Works.

The initiative has enabled thousands of homes to obtain a more regular and continuous water supply. One of the year’s highlights was the preparation of the engineering plans to construct two water loading stations, one in Illapel and the other in Las Trancas, in the Canela municipal district. The project allowed the local SSRs to extract, sanitise, store and

load trucks with water, strengthening their ability to provide the resource continuously.

In addition, in 2022 a Response Unit for the SSRs completed 312 maintenance visits to prevent potential water supply problems in the Salamanca municipal district and 124 emergency visits to fix issues in the Illapel and Salamanca municipal districts.

Of particular importance, we launched Aproxima En Red in September, a 30-month project to digitalise the province’s 80 SSRs, in alliance with the University of La Serena. Part of our En Red strategy, the initiative involves designing a telemetry and big data system to automate and optimise water management. Ultimately, the aim is to enable the integrated management of the water basin in this drought-stricken area. The local volunteers who run the SSRs will be trained to use the technology.

Confluye

This initiative aims to improve agricultural irrigation and water security for farmers in alliance with the government’s economic development agency CORFO, its agricultural development institute INDAP, the National Irrigation Commission and the Water Users’ Boards of the Choapa, Chalinga and Illapel Rivers. The programme helps Water Users’ Boards submit applications for government funding and advances the amount awarded, thereby avoiding unnecessary delays to project implementation. It also has a fund to help design projects.

Among 2022’s highlights, we relined 54.9 km of irrigation canals in both regular maintenance and emergency repair work to reduce water losses. We also rehabilitated two community reservoirs able to accumulate 30,000 m³ of water for irrigation.

In a similar initiative to Confluye, Los Pelambres is also actively involved in the public-private Provincial Water Working Group, established by the Regional Government, to identify and implement solutions to improve the area’s water security in the short, medium and long term. In 2022, it financed the drilling of two new wells for the Choapa River Water Users’ Board as part of efforts to find new water sources.

Antofagasta Region

In 2022, we began working with SSRs in Michilla, Calama and San Pedro de Atacama to strengthen the administration of these organisations that run drinking and wastewater services in rural areas. In line with our En Red commitment, initiatives include creating databases to control water consumption and to facilitate issuing water use bills to SSR users.

Promoting research

We are co-financing the public-private Quitai Anko research consortium, led by the University of La Serena, which won a bid in 2019 to implement a programme to develop sustainable solutions to water issues. The consortium is focusing on the water-stressed regions of Coquimbo, Atacama and Valparaíso, starting with the Choapa Province. Among its activities, the consortium is leading the project to digitise the 80 SSRs in Choapa and conducting research on the recharge of aquifers. It also takes part in technical and outreach seminars and webinars.

Similarly, the Antofagasta Minerals Chair of Water Sustainability, created in 2020 with the Catholic University, seeks to build knowledge and human capital in a critical area for the country’s resilience to climate change.

Somos Choapa

Somos Choapa is a public-private strategic alliance between Los Pelambres and the Choapa Province's four municipal districts - Salamanca, Illapel, Canela and Los Vilos - through which we seek to contribute to the area's sustainable development and the wellbeing of its inhabitants.

It focuses on four main areas of social investment: water management (see page 48), education and culture, economic development and community infrastructure. In 2022, the alliance resumed programmes that had been suspended due to the COVID-19 pandemic and, in some cases, extended their reach to include other communities in the Choapa Province.

Education

In 2022, we continued a project with Educación 2020, an NGO, to implement project-based learning (PBL) methodologies in 18 schools in the Choapa Province. PBL develops active learning and research skills among pupils. A total of 192 teachers have been trained in PBL, benefitting 2,158 pupils.

Another area of work with Educación 2020 has been to strengthen the province's network of five technical-professional schools. It has involved enhancing the exchange of technical teaching experience and technological transfer between schools and promoting closer ties with the business sector and further education centres.

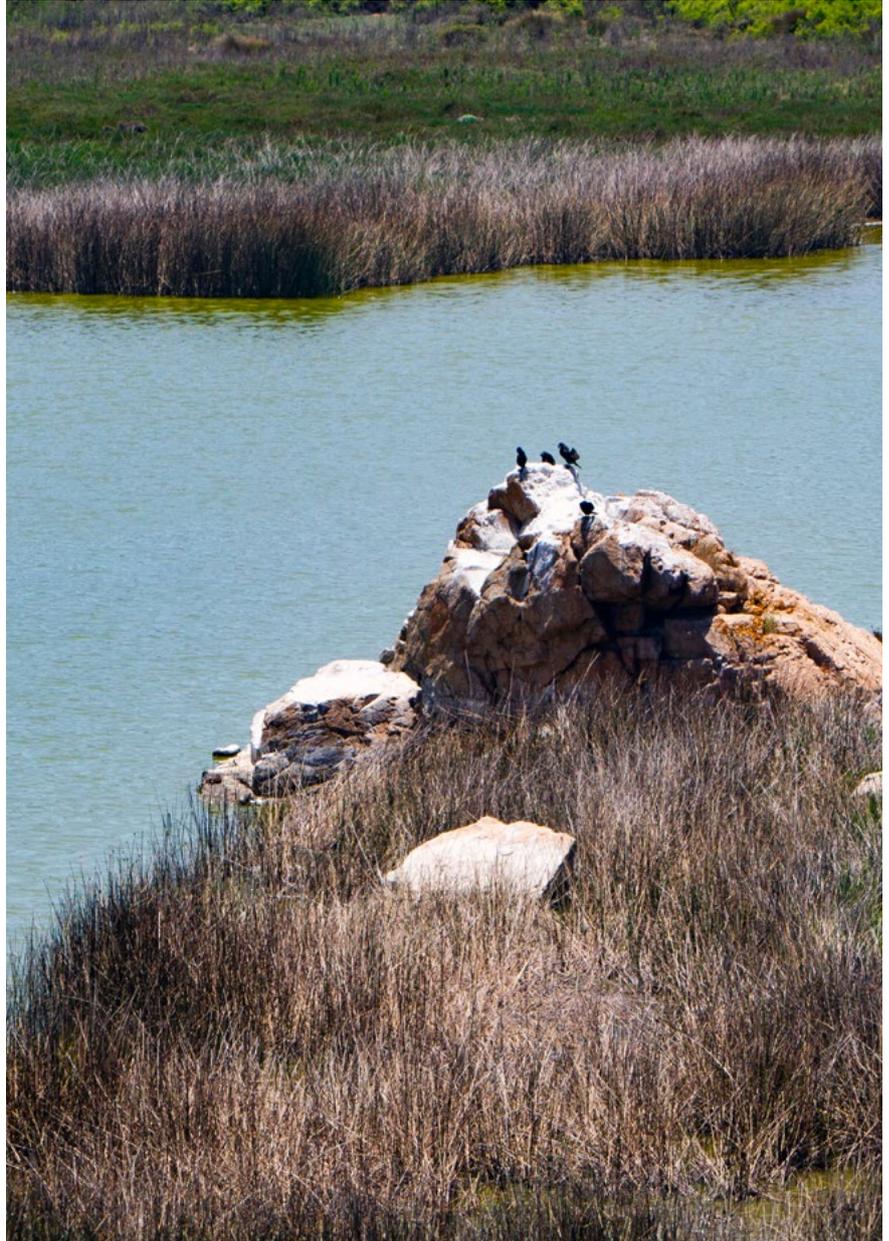
During the year, the Technical Training Centre (CEDUC) of the Catholic University of the North (UCN) began leading this initiative in preparation for the end of the alliance with Educación 2020 at the end of 2022. CEDUC opened in 2018, thanks to funding from Los Pelambres.

Finally, we gave 887 scholarships to young people from the Choapa Province in higher education or secondary school in 2022, almost double the number in 2021.

Economic development

We run various programmes to support local entrepreneurs, micro and small businesses, including farmers, in the Choapa Province. In 2022, these programmes supported 866 projects.

- **Emprende Valle Alto:** supports the development of different economic activities in the towns of Batuco, Chillepín, Cuncumén, Punta Nueva and Tranquilla, which are Los Pelambres' closest neighbours. Bakery and grocery businesses were among the 54 beneficiaries in 2022.
- **Integral Support for Agriculture (AIA):** in 2022, we awarded 360 grants in co-financing to farmers in the Salamanca municipal district to improve irrigation and maintain production.
- **Cosecha:** seeks to increase the competitiveness of small farmers, craftworkers and tourism entrepreneurs



whose products and services reflect the identity of the Choapa Province. They receive funds and, in alliance with the UCN, training. In 2022, 61 local people in Salamanca and 68 in Canela benefitted from the programme, of whom over half were women.

- **Impulso Los Vilos:** provided 291 micro and small entrepreneurs in Los Vilos, including 216 women, with training and co-financing to develop their businesses.
- **Viraliza:** a total of 32 women in the Choapa Province were awarded support and training to develop their micro or small businesses, in an alliance with Chile's economic development agency CORFO. Metalsmiths, artisans and jewellers were among the beneficiaries.

Community infrastructure

In 2022, we completed construction of the Santa Rosa sports complex, comprising two grass playing fields and synthetic athletics track in Salamanca, and a synthetic football pitch, with lighting, in the town of Cañas in Illapel.

Our measurement of the impact of other sports complexes in the province shows that these kinds of initiatives improve local people's quality of life and participation in sports and community activities (see page 45).

In another major initiative, we also funded the construction of a 1,450 m² family health centre in Chillepín, which will be inaugurated in March 2023. The Coquimbo regional government equipped the centre, which addresses the needs of approximately 6,700 people who live in the surrounding area.

/ Communities

Antofagasta Region

An important component of our work in the Antofagasta Region involves working with regional authorities and organisations to promote economic growth and social wellbeing in the region as a whole. Much of this work is channelled through our commitment to the Mining Cluster (see page 51).

In 2022, we formed an alliance with the regional government and the Jesuit Migrants Service (SJM) to help thousands of migrants who have arrived in the region in recent years. The support allowed SJM to give social, legal and humanitarian advice to over 2,500 families – covering an estimated 10,000 people. The alliance enabled, for example, children to go to school and for SJM to train public officials on migration issues.

At the community level, Antucoya and Centinela use the Dialogues for Development engagement framework to work with the communities and local authorities of María Elena and Sierra Gorda, respectively, and other strategic partners to foster local peoples' social and economic quality of life. We have also implemented the programme in Michilla, where Centinela owns a pier.

Community members actively participate in the selection of initiatives as well as in working groups to oversee their implementation.

María Elena

In October, we inaugurated a physical and digital pharmacy in María Elena in alliance with the pharmacy startup Fracción and the municipality. It serves as a distribution centre for the surrounding area and allows locals to buy low-cost medicine in-person or online without travelling long distances to the nearest cities. In line with our En Red initiative, the digital connection will facilitate in 2023 the opening of a telemedicine service to help locals access specialist healthcare.

Similarly, we are in the process of installing seven Wifi hotspots in squares around the town through an alliance with WIME, a local telecommunications company, to improve access to the internet.

On education, Dialogues for Development has improved audiovisual equipment and provided training at María Elena's technical-professional school to allow remote classes, hybrid activities and online transmissions. We also installed a climbing wall in the Arturo Pérez Canto primary school to foster motor skills among young children.

In a particularly popular measure, we provided awnings, lighting and a sound system to the Pampa Emprende fair for micro businesses. In addition, we strengthened the business skills of 65 entrepreneurs through training provided by the Sercotec business centre in the Antofagasta Region.



Other projects involved improving neighbourhood security with the installation of alarm systems and training community members to address emergencies, such as fires, in alliance with the local fire service.

Sierra Gorda

In 2022, Centinela completed its cycle of Dialogue for Development initiatives in Sierra Gorda and launched a process in October to select a new set of projects, in alliance with La Semilla Foundation. Potential projects were brainstormed in an initial meeting open to the whole community after which they were analysed to determine their feasibility and budget. In December 2022, the community voted for the initiatives to implement in 2023.

Centinela's "new way of operating" plan seeks to reduce contractors' use of mine camps and to house them in Sierra Gorda, thus stimulating the local economy. This builds on the success of our Safe Return Plan that allowed the town's hospitality sector to reopen after the COVID-19 pandemic. Almost 50 hostels have met the required safety standards, enabling up to 1,000 contractor employees to stay in Sierra Gorda, significantly boosting the local services sector.

The measurement of the social impact of our Safe Return Plan scored a social return on investment of Ch\$12 for every Chilean peso invested (see page 50). In total, 80% of participating suppliers observed an increase in their sales and 90% an improvement in Sierra Gorda's economic development.

Among Centinela's other activities, it sponsored an archaeological exhibition in Sierra Gorda, in alliance with the Mesa de Buenos Vecinos (a community organisation), Sierra Gorda Cultural Foundation, and Atacama Desert Culture and Natural History Museum. The exhibit's highlight was a replica of "Copper Man", a mummy of

what is likely to be a Likan Antai miner who died 1,500 years ago. The original piece is in the American Museum of Natural History.

Michilla

We provided photovoltaic solar panels to 24 homes to ensure a permanent power supply to address frequent power cuts in the small fishing village where Centinela has a pier. In addition, more than 20 local people received emergency preparedness training in alliance with the Mejillones fire service.

Cultural heritage

At Antofagasta Minerals, the preservation of cultural heritage is an important part of our everyday work. We understand it to cover physical manifestations of culture – such as architecture, archaeological remains and landscape – and intangible culture, like beliefs, practices and knowledge. We believe the protection of this heritage contributes to society's social, spiritual and, through tourism, economic wellbeing.

Our focus on biodiversity and the protection of four nature sanctuaries in the Choapa Province is a prominent example of this work (see page 60).

In 2022, Centinela signed an agreement with the Atacama Desert Culture and Natural History Museum in Calama to register and maintain pieces recovered from its land concessions, safeguarding their preservation and making them available for display. A three-storey, conservation and research centre for La Serena Archaeological Museum, funded by Los Pelambres, was also completed during the year.

Our portfolio of cultural heritage projects also includes initiatives that aim to highlight the history and traditions of the areas where we work such as María Elena's involvement in Chile's nitrates industry and Sierra Gorda's first mining settlement, the Caracoles silver mine.



Building local skills

We seek to stimulate the generation of economic, social and human capital in the regions where we operate by promoting local employment, using local suppliers and offering education and training opportunities.

In 2022, we directly employed 4,047 people from the Antofagasta and Coquimbo Regions, representing 69% of employees at our Los Pelambres, Centinela, Antucoya and Zaldívar mines. We also create jobs through our use of local businesses and encourage suppliers to hire locally through our Suppliers for a Better Future programme (see page 36).

In line with this, we updated our corporate Guidelines on Regional Procurement and Recruitment to further reduce the barriers to participating in tenders for suppliers headquartered in the regions where our operations are based. In 2022, the value of tenders awarded to local businesses rose by 9.4% to \$374 million.

Education and training initiatives are key pillars of this strategy.

Of particular importance, our apprenticeship programmes preselected 200 young people, mainly women from these regions, to take part in a first stage of theoretical training, of whom 180 were selected to undertake practical training at the mine sites in the areas of maintenance, mine truck operations, plants, tailings or ports. Most apprentices will be offered permanent jobs when the programme ends in 2023. As an example, in December 2022, Zaldívar offered permanent jobs to nine of 15 apprentices from the indigenous communities of the Atacama Salt Lake, who began training in 2021.

Antucoya and Los Pelambres also offered Relevos (Relief Workers), a programme under which people who live near the operations are trained to drive mine trucks to cover breaks during shifts. It is aimed at people who, mainly for family reasons, wish to be home every evening and cannot work a full shift.

In another example, 35 pupils from María Elena's technical-professional school undertook training at Antofagasta's industrial and mining

training centre CEIM in the framework of the CCM-Eleva skills development programme, which seeks to improve technical training and young people's job prospects.

Mining cluster

In the Antofagasta Region, these efforts form part of the Antofagasta Mining Cluster Corporation, a public-private initiative that seeks to stimulate the region's economic development and through which we have committed to building human capital and developing innovative suppliers.

Under this framework, we have provided over 800 people with different training opportunities (including as apprentices) in the 2021-2022 timeframe. Furthermore, we awarded higher education scholarships to 109 students, 55% of them women, from María Elena, Sierra Gorda, Michilla, Mejillones, Antofagasta, Peine, Talabre, Socaire and Camar.

In 2021 and 2022, we measured the social impact of our Relevos and Eleva programmes at Antucoya and our higher education scholarships in the region as a whole. The three initiatives all showed a very positive social return on investment for the beneficiaries.

In September 2022, in partnership with the AIEP training institute, we gave 13 residents of the Talabre indigenous community training in digital literacy and Microsoft Office tools to strengthen their employment opportunities.

In addition, we have participated in more than 14 initiatives with the University of Antofagasta and the Catholic University of the North over the last two years that aim to enhance regional human capital.

As part of the Cluster, we also actively work with local suppliers to enhance their business capabilities (see page 37) and encourage larger international and national suppliers to post jobs on the new regional job portal to boost local employment. Since being launched in October, the portal has attracted more than 25,000 users, 144 participating companies and over one thousand job openings.

Choapa Province

Los Pelambres' employment programme has trained 2,885 people from Choapa since 2015 mainly in mining trades but also in the services sector and on self-employment. Of these, 50.2% are women. The programme has a jobs portal for contractor companies to post jobs and, in 2022, 48% of their employees came from the province.

In 2022, the Fundación Minera Los Pelambres organised 13 courses, involving 645 participants, to train casual workers or unemployed people in skills required by the mine's maintenance area or future hires.

Los Pelambres also worked with 150 businesses during the year to improve the ability of companies in the Choapa Province to bid in tenders or provide services to collaborating companies as part of the Future Suppliers Programme. The programme includes one-on-one business coaching to participants and operational visits to the different areas of Los Pelambres.

As part of our En Red programme, 40 small businesses in the tourism sector in Salamanca and Caimanes benefitted from a pilot programme to use digital platforms and grow their business.

In 2022, we opened places on our young graduates' programme to university leavers from the Choapa Province and our first graduate from the province was accepted onto Antofagasta's corporate programme.

Likewise, our Somos Choapa projects place a significant emphasis on education (see page 49).

Climate change

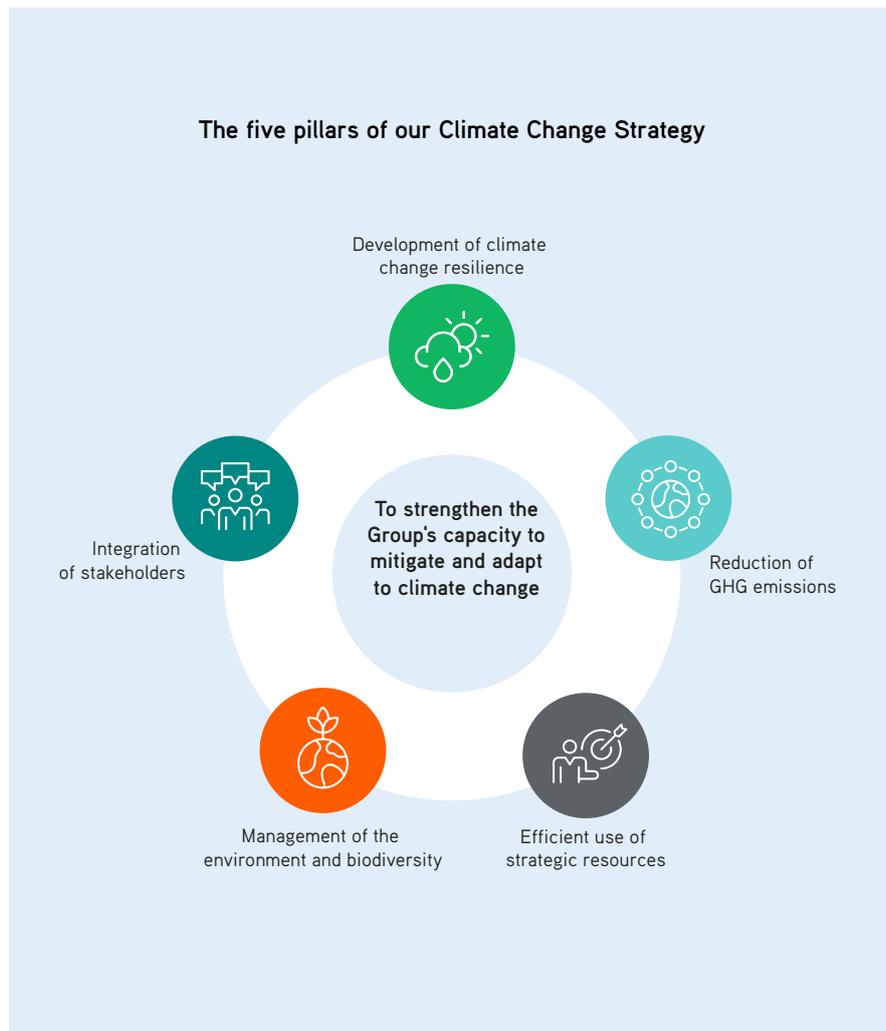
We have achieved significant advances in our Climate Change Strategy with ambitious goals for emissions, water use and building resilience into our operations, while also advancing in decarbonising our operations.

HIGHLIGHTS 2022

- Since April 2022, all our mining operations have used power from 100% renewable energy contracts, leading to a 90% reduction of tCO_{2e} in our Scope 2 emissions compared to 2021. As a result, we reached our emission reduction targets, initially planned for 2025, three years early.
- We continued to refine Scope 3 emissions calculation to advance our commitment to set a reduction target in 2023. We also began applying an internal carbon price on tenders for carbon-intensive products and in the evaluation of projects.
- Centinela ceased using continental water in December 2022, becoming our second mine, after Antucoya, to only use sea water for operational purposes.
- We approved new Water and Energy Policies to improve our management of these critical resources in the fight against climate change and aligned our Energy Management System with Chile's Energy Efficiency Law.

At Antofagasta Minerals, we recognise climate change as one of the world's greatest challenges and acknowledge our responsibility to be part of the solution. As a copper producer, we supply an input that is critical for low-carbon technologies and, at the same time, we are working to decarbonise our operations, putting climate change at the heart of how we manage our business.

Our Climate Change strategy is central to our overall strategy and sets the framework to coordinate and realise synergies among our many initiatives to mitigate and adapt to a changing climate. It is based on five pillars: development of resilience to climate change, reduction of greenhouse gas (GHG) emissions, efficient use of strategic resources, management of the environment and biodiversity, and integration of stakeholders. For each pillar, different areas of action have been identified, accompanied by a plan of short-, medium- and long-term measures. It is designed to facilitate early management of risks and opportunities, mitigating climate change's effects and enabling us to adapt to changing scenarios and prepare for the transition to net zero emissions mining.



Climate change strategy

The Board of Directors has recognised climate change as one of the principal risks facing Antofagasta Minerals. It has ultimate responsibility for our climate-related objectives and strategy, driving a deeper awareness of climate change into our decision-making processes. An executive Climate Change Advisory Committee, formed in 2021 and led by the Environment department, meets fortnightly to review advances and consider issues that may be adopted for future implementation, such as nature-based solutions.

The Climate Change Strategy's main initiatives are associated to a proportion of our senior management's long- and short-term performance incentives, as well as to the annual performance incentive for employees.

In 2019, we committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, in our 2022 Annual Report, achieve full disclosure against these recommendations.

We are also a signatory to the International Council on Mining and Metals (ICMM) environmental stewardship standards.

Greenhouse gas emissions (GHG) and climate metrics

Objective

To establish GHG emissions reduction targets and pathways, developing sustainable mining in line with the objectives of science and Chile’s undertakings in this field.

At Antofagasta Minerals, we recognise our responsibility for upstream and downstream emissions and have aggressively adopted measures to mitigate the carbon footprint of our operations. By the end of 2020, we had reduced our Scope 1 and 2 greenhouse gas (GHG) emissions by over 580,000 tonnes of carbon dioxide equivalent (tCO₂e), exceeding the target set in 2018 to reduce emissions by 300,000 tCO₂e by 2022.

In 2021, we set more ambitious targets to reduce direct and indirect emissions (Scopes 1 and 2) by 30% by 2025 compared to the 2020 baseline, equivalent to a reduction of 730,000 tCO₂e, and to achieve carbon neutrality by 2050 or earlier, technology permitting. However, as of April 2022, all of our electricity consumption comes from renewable energy-based supply contracts. This reduced our Scope 2 emissions, leading to our meeting the 30% reduction commitment earlier than anticipated. During 2023, we will establish a new medium-term emission reduction goal for 2030.

GHG emissions targets

In 2022, we began working on a preliminary decarbonisation roadmap for all our operations, defining the baselines, the haulage truck replacement plan, energy input projections and the assumptions for current and future technologies. The final roadmap, to be defined

in 2023, will clearly indicate the steps needed to achieve carbon neutrality by 2050.

We use our Scope 1 and 2 emissions profile and emissions intensity (tCO₂e /tCu) to monitor our exposure to our most material transition risks related to power supply and diesel consumption, as well as any emissions tax or regulatory changes that may influence the reduction goals.

In addition, we also track and monitor several other environmental indicators, the most important of which is the measure of water withdrawal (see “Water consumption and management” section on page 57). This helps us manage water security risks at our operations and in our local communities as we strive to reduce our reliance on continental water sources.

GHG emissions targets

2021



DEFINED TARGET

for 30% Scopes 1 and 2 emissions reduction by 2025.



DIAGNOSIS

covering all Scope 3 categories under the GHG protocol.

2022



2021 TARGET MET

We reduced emissions by 873,589 tCO₂e, meeting early our Scopes 1 and 2 emission reduction target, defined in 2021.



CARBON PRICE

incorporated into decision-making.

2023



DEFINE NEW TARGET

for Scopes 1 emissions reduction in 2023 and also for Scope 3 or as soon as possible thereafter.

2050



CARBON NEUTRALITY

Operational CO₂ emissions (tCO₂e)^{1,2}

	Los Pelambres	Centinela	Zaldívar ³	Antucoya	Corporate Offices (Santiago and London)	Mining Division
Scope 1						
Direct emissions						
2022	250,545	529,075	128,440	205,332	189	1,113,581
2021	226,199	439,484	156,500	165,641	124	987,948
2020	257,801	492,496	152,340	152,577	108	1,055,322
Scope 2						
Indirect emissions ⁴						
Location based⁵						
2022	306,056	438,788	121,063	94,283	460	960,650
2021	466,381	556,616	163,530	124,467	894	1,311,888
2020	464,492	542,020	162,688	120,087	603	1,289,890
Market based⁵						
2022	93,142	1,634	0	0	460	95,236
2021	286,848	556,616	0	124,467	894	968,825
2020	334,376,00	542,020	86,563	120,087	603	1,083,649
Total emissions (Scope 1 and 2)						
Location based						
2022	556,601	967,863	249,503	299,615	649	2,074,231
2021	692,580	996,100	320,030	290,108	1,018	2,299,836
2020	722,293	1,034,516	315,028	272,664	711	2,345,212
Market based						
2022	343,687	530,709	128,440	205,332	649	1,208,817
2021	513,047	996,100	156,500	290,108	1,018	1,956,773
2020	592,177	1,034,516	238,903	272,664	711	2,138,971
Emissions intensity CO₂						
tCO ₂ e/tCu ⁶						
Location based						
2022	2.02	3.91	2.81	3.78	-	3.00
2021	2.13	3.63	3.64	3.69	-	3.00
2020	2.01	4.19	3.27	3.44	-	3.00
Market based						
2022	1.25	2.14	1.44	2.59	-	1.75
2021	1.58	3.63	1.78	3.69	-	2.56
2020	1.65	4.19	1.79	3.44	-	2.79

1 Tonnes of carbon dioxide equivalent

2 More information regarding our CO₂ emissions can be found on the Carbon Disclosure Project website (www.cdp.net).

3 The figures include 100% of the emissions from Zaldívar, despite the fact that Antofagasta plc has 50% ownership of said mine.

4 Scope 2 figures for 2020 to 2022 have been verified by an independent third party.

5 According to the GHG Protocol, the location-based method reflects the average emissions intensity of the grid on which energy consumption occurs. The market-based method reflects emissions from electricity that companies have chosen.

6 Tonnes of CO₂ equivalent per tonne of copper produced.

Energy consumption and management

Energy represents roughly 21.1% of our mining operations' total operating costs. Of that total, approximately 10.5% corresponds to electricity and 10.6% to fuels, principally diesel. In 2022, electricity consumption reached 3,295 GWh, down by 5.4% from 3,482 GWh in 2021, while diesel consumption reached 429,627 m³, a 7.7% increase when compared to 398,847 m³ in 2021.

In 2022, we implemented our new Energy Policy, which recognises energy as a strategic resource whose management must ensure a safe, economic, efficient and sustainable supply for our operations, in accordance with our Climate Change Strategy. We are committed to implementing, maintaining, operating and continuously improving our Energy Management System to incorporate technological innovation and clean energy to reduce GHG emissions. During the year, we completed aligning the system, which is based on the ISO 50001:2018 energy management standard, to the requirements of Chile's Energy Efficiency Law. We will continue to explore new energy efficiency initiatives in our mining operations in 2023, with the aim of prioritising and developing implementation plans for initiatives to reduce our energy intensity in line with the requirements of said law.

During the past few years, we have renegotiated power purchase agreements (PPAs) with generators, switching from a supply from conventional sources - principally coal - to renewables to take advantage of the abundant and competitively-priced solar and wind energy available in Chile. Additionally, our own operations employ renewable energy technology to reduce fuel consumption and emissions, such as the case at Centinela which has a solar thermal plant, as well as at Los Pelambres and Zaldívar, which use a conveyor belt system for the self-generation of electricity.

Our conversion to electricity supply contracts from clean energy sources was led by Zaldívar, which became our first operation to achieve this landmark in July 2020. It was followed by Antucoya and Centinela in January 2022 and Los Pelambres in April 2022, leading to a reduction of 873,589 tCO₂e in our Scope 2 emissions in 2022, when compared to 2021.

To reflect the reduction of emissions in our annual accounting, in 2022 we verified our Scope 2 emissions for the years 2020, 2021 and 2022 according to the emissions reporting methodology recommended by the GHG Protocol Scope 2 Guidance, which considers market- and location-based methods. The market-based method reflects renewable energy supply from PPAs with generators.





Diesel use

In 2022, nearly 60% of our Scope 1 GHG emissions were attributable to diesel combustion in our mine haulage trucks. With measures to address our Scope 2 emissions largely addressed, we are positioning ourselves to be early adopters of technology, including electric-powered and hydrogen-fuelled machinery, that will reduce these emissions once suitable solutions have been developed.

Following our Electromobility Roadmap, in 2022 Antofagasta called tenders for the development of an electric-powered trolley pilot to assist haulage trucks at Los Pelambres, which would be a first in Chile's mining sector. Pilot tests were also performed on electric buses and pickup trucks for the transport of employees at Los Pelambres. In addition, Antofagasta sponsored Charge On, an international open innovation challenge for suppliers to develop solutions to charge battery-powered mining trucks safely, sustainably and quickly. Likewise, Antofagasta Minerals decided to participate collaboratively in the ICMM's Innovation for Cleaner, Safer Vehicles (ICSV) initiative, to promote a charging and communication standard for large mining equipment.

Chile boasts an abundance of solar and wind energy and has the potential to become a major producer of green hydrogen, in which we are particularly interested. As members of H2 Chile, the Chilean Hydrogen Association, we support the country's development in this field and are exploring ways to incorporate hydrogen in our operations.

As part of Hydra, a consortium that includes French utility Engie and Australian technology think tank Mining 3, we also tested a prototype of a hydrogen fuel cell and battery propulsion system to simulate the operation of a hydrogen-fuelled mine haulage truck. The testing was performed at Centinela, the first at a Chilean mine, to see how this fuel could perform at high altitudes and under extreme temperatures, showing that altitude, low temperatures and

low humidity all affect performance. These factors will be considered when developing this technology.

Scope 3 emissions

Besides our focus on Scopes 1 and 2 emissions, we have worked in the last two years to deepen our understanding of our Scope 3 emissions. These are indirect emissions related to our activities but generated by upstream (suppliers) and downstream processes that we do not control or own. These represent about 75% of our carbon footprint.

In 2022, we calculated our preliminary 2021 Scope 3 emissions, which indicated that nearly 60% came from purchased goods and services.

We expect to report our 2022 Scope 3 emissions in 2023, and to set specific reduction targets as soon as possible. All measures to address the reduction of Scope 3 emissions depend on the combined efforts of producers, suppliers and customers, and some commodities face greater technological and collaborative barriers than others. We will play a leading role in overcoming these challenges, advancing partnerships to enable realistic emissions target setting across value chains.

Defining a consistent methodology to calculate Scope 3 emissions is a significant challenge faced by the mining industry globally. In this context, we are working with other ICMM member companies to develop a guide to measure and report the industry's Scope 3 emissions with a view to having a common standard to define reduction goals.

ESG in the supply chain

Antofagasta Minerals is requiring improved sustainability practices from suppliers as a key part of its purpose to develop mining for a better future. The aim is to gradually bring suppliers into line with our own internal standards on environmental, social and governance (ESG) matters. The priority is for suppliers to reduce their GHG emissions in line

with our Climate Change Strategy, while we are also focused on their governance, local hiring and diversity and inclusion practices.

With this in mind, in 2022 we began to apply ESG criteria in evaluating bids for contracts worth over \$10 million, complementing the energy efficiency and safety criteria we already apply. In the environmental area, we also now favour companies that have robust emission reduction strategies and targets.

The GHG emission calculations included in bids are checked by applying an internal carbon price, thus assigning a cost to the emissions for the first time. Internally, we use the carbon price in capital allocation decisions and growth project evaluation, as well as incorporating it into our financial planning cycles.



For more information about suppliers, see pages 36-37.

Water consumption and management

Priorities

Increase water efficiency in our operations. We have a commitment to progressively reduce water consumption, employing technology to increase water efficiency and recirculation while also searching for multiple alternate sources of water supply.

Apply robust, transparent water governance. We use consistent industry metrics to report on the performance of our water management, clearly establishing responsibilities at all levels and incorporating water considerations in our strategy, business planning and asset lifespan.

Collaborate towards environmentally responsible, sustainable water management. We manage water-related risks and opportunities in each of the basins in which we have operations, and we collaborate with local communities and their water-related needs, contributing to enhanced water security.

Water consumption and efficiency have long been a main concern for us. Three of our four mining operations are located in the Atacama Desert and the fourth, Los Pelambres, is in an area suffering a severe drought that now dates back 13 years and, according to various climate scenarios, is expected to continue. In line with this, our Climate Change Strategy seeks to reduce our withdrawal of continental water and increase the use of sea water and reused water while also improving the efficiency with which we use this strategic resource.

Our total water withdrawal in 2022 was 72.8 gigalitres, of which 45% was sea water, a 5% increase compared to 2021 due to greater precipitations; in addition, the Centinela concentrator and Antucoya achieved record annual performance.

In 2022, we approved a new Water Policy to have a water position statement and launched a Water Management Standard in August. The Policy recognises water as a strategic resource and as an essential element for life on our planet. We are committed to safeguarding the availability of water resources for our operations, communities and the environment, under practices aligned with the ICMM's Water Management Framework.

We will also progressively reduce continental water withdrawal, seek multiple alternative sources of supply and implement innovative technological solutions to improve water efficiency and recirculation. These alternatives include the complete cessation of water

extraction from wells by Centinela in December 2022, joining Antucoya in using 100% sea water for production. In turn, Los Pelambres will operate with more than 95% of recirculated and desalinated water when the second stage of the desalination plant is complete.

Construction of the Los Pelambres 400 l/s desalination plant will be completed in 2023 and an expansion to 800 l/s is undergoing the process of obtaining the environmental permit.

Zaldívar extracts continental water from wells located some 100 km from the mine. These water extraction permits will expire in 2025 and we are looking to extend them while also considering alternatives to transition to alternative water sources towards the end of this decade, as part of plans to extend the mine life.

Antofagasta Minerals has long been a pioneer of the use of sea water in the Chilean mining industry. In 2022, sea water accounted for 45% of our water withdrawal, led by Antucoya at 97% and Centinela at 87%.

In 2022, water reuse rates at our mining operations ranged from 79% at Los Pelambres to 94% at Zaldívar. Our target is for sea water and reused water to supply more than 90% of the division's operational water withdrawal by 2025.

Antofagasta Minerals operational water¹ withdrawals by source, 2019-22 (megaliters)

		2022	2021	2020	2019
Los Pelambres	Total	29,350	26,817	27,847	21,633
	Surface water	20,093	15,790	19,481	13,898
	Groundwater	9,249	11,018	8,358	7,726
	Supplied by third parties	9	9	9	9
Centinela	Total	30,902	29,223	27,178	26,369
	Surface water	26,762	25,251	23,316	22,602
	Groundwater	4,140	3,972	3,862	3,356
	Supplied by third parties	-	-	-	410
Antucoya	Total	6,521	6,315	5,923	5,804
	Sea water	6,299	6,081	5,720	5,623
	Groundwater	221	234	204	181
Zaldívar	Total	5,993	6,653	7,015	7,015
	Groundwater	5,993	6,653	7,015	7,015
Antofagasta Minerals	Total	72,766	69,008	67,963	60,821
	Sea water	33,061	31,332	29,036	28,225
	Surface water	20,093	15,790	19,481	13,898
	Groundwater	19,603	21,877	19,438	18,279
	Supplied by third parties	9	9	9	419
	Percentage of sea water compared to total water withdrawal	45%	45%	43%	46%

¹ As defined by ICMM, operational water is the volume of water used in operational tasks. Operational water use is therefore the actual volume of water required or used to support operational activities.

Environmental practices

At Antofagasta Minerals, we recognise our responsibility towards the environment in which we operate and believe it is possible to mine sustainably by prioritising environmental protection and the efficient use of natural resources.

HIGHLIGHTS 2022

- We updated our Biodiversity Standard as part of the implementation of our Climate Change Strategy, improving alignment with the position statement from the International Council on Mining and Metals (ICMM) on mining and protected areas.
- We continued to implement the Global Industry Standard on Tailings Management, which we aim to finish by the prescribed deadlines of 2023 at Los Pelambres and Centinela, and August 2025 at Zaldívar.
- At the Quillayes tailings storage facility (TSF), Los Pelambres planted a total of 48,000 native trees and shrubs on 60 hectares to control particulate material events while blending the TSF in with its surrounding environment.

Our Environmental Management Model covers leadership, operating risk management, regulatory risk management and reporting of operational events and environmental findings. It seeks to prevent, control and mitigate the impacts we may have on the environment and, if there is an impact, to compensate for it appropriately. In 2022, we focused on regulatory risk, reviewing environmental requirements and auditing our operations both in office and in field. We report our environmental performance monthly to the Executive Committee and twice a year to the Board's Sustainability and Stakeholder Management Committee.

The Internal Audit area performed environmental audits on all our operations in 2022 to verify their state of compliance with environmental requirements and the measures committed to by our operations, within the framework of their environmental permits. No significant negative findings were reported.



Environmental compliance

OUR ENVIRONMENTAL SUSTAINABILITY GOALS

- Ensure compliance with commitments related to our environmental permits and legal requirements and effectively implement critical environmental controls.
- Ensure zero operational events with severe environmental impacts and/or sanctions from the authorities.
- Design and enable operational continuity and development projects from the socio-environmental standpoint.
- Incorporate innovation into how we manage the environment.
- Generate a culture of compliance, control and organisational learning on environmental matters.



In Chile, large-scale projects are subject to strict environmental and social impact assessments by the Environmental Evaluation Service (SEA)¹ in order to obtain a Resolution of Environmental Approval (RCA). These RCAs include legally binding commitments on matters related to the prevention and mitigation of the project's impact on the environment and any necessary compensation measures. Compliance with commitments is verified by the Superintendency for the Environment (SMA).

Antofagasta Minerals has a total of 77 RCAs, which include over 10,000 commitments on matters such as water use, air quality, biodiversity and the projects' construction, operation and closure. In 2022, we obtained no new RCAs. The SEA is currently reviewing the Environmental Impact Assessment (EIA) for the second phase of the Los Pelambres expansion project, which includes doubling the capacity of the desalination plant near Los Vilos to 800 l/s, and the installation of a new concentrate transportation system.

Reporting on operational events with environmental consequences

Operational events with environmental consequences are classified as actual (high, medium or low) or potential (high or low) if they could have caused an incident. Actual high or medium severity incidents are investigated by a committee established specifically for this purpose.

Under the criteria established in the environmental assessment of each operation or project, 29 events with no severe environmental consequences were reported to the SMA. Of those events, two were high-profile operational incidents:

- On 31 May, a leak was detected from the Los Pelambres concentrate pipeline in the Llimpo sector in the Salamanca municipal district. A thorough review detected no material environmental impact and the pipeline resumed operations on 26 June after approval from the relevant local regulator. A review is underway to ensure enhanced safety conditions are incorporated into pipeline operations ahead of the pipeline replacement which has already entered into the government's Environmental Impact Assessment System (EIA). Information sharing with the community regarding monitoring and inspection of pipeline integrity was agreed, among other measures.
- On 15 August, unusually high sea swells overturned a construction platform at the marine works of Los Pelambres' desalination plant project, and marine work was temporarily halted pending the recovery of lost equipment and materials from the seabed. Since the event, to date the SMA-accredited laboratory has found no trace of contamination. The marine works resumed on 4 October and the first stage of the desalination plant is expected to be complete in the first half of 2023.

Further, following a November 2021 incident where runoff from one of Los Pelambres' emergency tailings pools was detected, in February 2022 we agreed to joint environmental monitoring of these pools with the local Camisas community. After the incident, all of the measurements performed by authorities and the Company in the Camisas estuary ruled out alterations in the water quality.

Responsible production

Our four mining operations have been independently verified by the Copper Mark, a global standard which demonstrates that the operation produces copper according to the best sustainability standards. The assurance, carried out by an independent third party, was achieved in 2021 at Centinela and Zaldívar, and in 2022 at Antucoya and Los Pelambres. Under the Copper Mark, operations commit to renew the assurance process every three years.

In 2022, we also submitted updated information to renew our registration with LMEpassport, the sustainability credentials register of the London Metal Exchange (LME), including an executive summary of the Copper Mark which is recognised by the LME.

As members of the International Council on Mining and Metals (ICMM), our four mining sites underwent independent audits to confirm compliance with the ICMM's Mining Principles Performance Expectations. The assurance process ensures that ICMM's member companies are being held to the same high standards and will be repeated every three years.

¹ Chile's main environmental institutions are the Ministry of the Environment which defines public policy; the Environmental Evaluation Service (SEA), which assesses project impacts; the Superintendency for the Environment (SMA), which is responsible for enforcement; and the Environmental Tribunals, which apply the General Environment Law and its associated regulation.

Tailings

Our mining operations have four tailings storage facilities (TSFs): Los Pelambres' conventional TSFs at El Mauro and Los Quillayes (no longer in regular use) and a thickened tailings deposit at Centinela. Zaldívar has a small TSF as it produces a small amount of concentrates.

We have an Independent Tailings Review Board for the three main TSFs and their stability and compliance were once again confirmed under international criteria in 2022.

During 2022, we continued with our implementation of the Global Industry Standard on Tailings Management (GISTM) and are on schedule to complete it at Los Pelambres by August 2023, at Centinela by December 2023 and Zaldívar by August 2025. We are strengthening our governance of TSF management and are also reinforcing our social and environmental controls to comply with the standard's main focus of zero environmental and social damage.

Consistent with the GISTM's focus on transparency, the El Mauro TSF continued to serve as a pilot for *Programa Tranque* (Tailings Programme), a public-private initiative managed by Fundación Chile, a Santiago-based technology transfer institute. The initiative seeks to develop an online system for monitoring a TSF's physical and chemical stability, with an end-goal of applying this monitoring to all TSFs in Chile. The pilot is scheduled for completion in 2023.

We have also improved production rates and compaction of sand in the El Mauro TSF wall. In 2021, rates were approximately 300,000 tonnes per month and in 2022 this was raised to 450,000 tonnes, further increasing the TSF's stability.

At Centinela's TSF, we began increasing the height of the raise. This is expected to be completed during the first half of 2024. We also improved the stability of the tailings thickening process, where the percentage of solids sent to the TSF remained above 66%. Each percentage point of solids represents a saving of some 30-40 l/s of water.

We have strengthened risk assessments at all our TSFs based on failure analysis, implementing more detail and critical controls in order to better identify risk and controls to mitigate that risk. We use the ALARP (As Low as Reasonably Practicable) principle to assess the tolerability of risk levels and to communicate this with surrounding communities. Under our process of constant improvement, our TSFs have an extremely low likelihood of failure.

Recognition of Pit Tailings Storage project

In 2022, we completed the feasibility studies for an innovative project to use depleted mine pits at Centinela to store tailings, which would complement the operation's thickened tailings deposit. The Declaration of Environmental Impact (DIA) was approved in 2021 and further engineering studies are underway. In-pit storage has safety and environmental advantages compared to conventional TSFs and would extend the life of Centinela's current TSF.

The Association of Engineering Consulting Companies (AIC) recognised Centinela in its 2022 Mining category for innovation and sustainability in the Alternative Pit Tailings Storage Project. The project will cost an estimated \$450 million for infrastructure to be adjusted to enable tailings transport from the Esperanza concentrator plant to the Tesoro Central, Noreste and Esperanza pits, which are no longer in use.

The next step is to obtain sectoral permits after which we expect to make an investment decision.

Other mining waste

The waste rock our operations remove in order to extract ore and the spent ore generated by leaching processes are stored in specially prepared dumps at our mine sites. In Chile, the location, operation and closure of these dumps must be authorised by the environmental authorities and the Chilean government's National Geology and Mining Service (SERNAGEOMIN).

Air quality

All our operations have robust programmes to control particulate matter (PM10 and 2.5) emissions. They are monitored constantly, in some cases with the participation of the local community. In addition, air quality data is regularly reported to the regional authority, as required.

In 2022, there were no incidents of dust visibility or expressions of concern from nearby communities of Los Pelambres regarding dust from the mine itself or the El Mauro TSF. Coupled with more favourable climatic conditions, this was the result of a series of additional voluntary controls implemented at the TSF. These measures have been verified on site by a committee representing the Caimanes community.

At the Los Pelambres mine, an interdisciplinary working group examined the phenomenon of

particulate matter (including drought and wind pattern intensification) to produce hard data with which to review existing measures and consider others that could be implemented, and to adjust our preventive model accordingly.

At the Quillayes TSF, Los Pelambres planted 48,000 native trees and shrubs on 60 hectares, bringing the total to 120 hectares planted of the 300 hectares planned. The vegetation requires little irrigation, easily adapts to extreme environments and serves to control particulate material events while blending the TSF in with its surroundings.

Smart Road Initiative

In 2022, Centinela piloted a "smart irrigation" initiative to reduce dust levels at the Esperanza Sur pit, leading to a 30% reduction in particulate matter emissions and better management of water resources. Levels of particulate matter are monitored online using dust control devices installed on haulage trucks and a centralised system identifies the most critical areas and assigns tanker trucks to irrigate them.

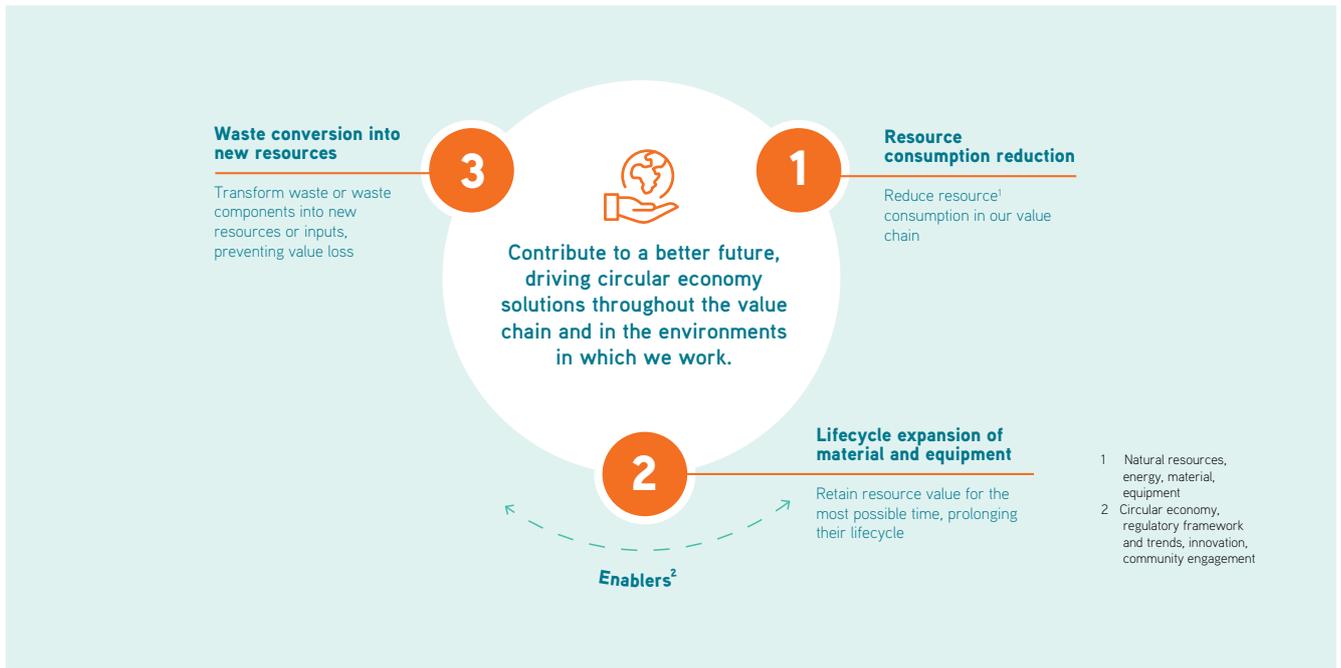
Biodiversity

In 2022, we updated our Biodiversity Standard as part of the implementation of our Climate Change Strategy and to improve its alignment with the ICMM's position statement on Mining and Protected Areas. Our Biodiversity Standard has three goals: to avoid or minimise impacts on biodiversity, restore or appropriately compensate any impact generated and create additional benefits in the areas in which we operate. Likewise, it establishes biodiversity management requirements throughout the mining cycle, from exploration to closure.

Our Sustainability Policy provides the framework to position biodiversity stewardship throughout the mining cycle. Biodiversity forms a key part of our Climate Change Strategy, in which the strategy's Pillar 4 (Environmental Management and Biodiversity) establishes two priorities: nature-based solutions (NbS) for CO₂ capture and NbS to address adaptation to acute and chronic physical risks.¹

Nature-based solutions seek to use nature's own resources to help tackle environmental challenges. Examples include the protection and replanting of woodland, with its capacity to absorb carbon dioxide, and the restoration of wetlands.

¹ NbS are actions aimed at sustainably protecting, managing and restoring natural or modified ecosystems, which effectively and adaptively address societal challenges while also providing human well-being and benefits for biodiversity (IUCN, 2016).



In addition to managing four nature sanctuaries and other extensive protected areas, our activities encompass protecting species and introducing outreach and research initiatives.

Los Pelambres is located in the Choapa Valley, which is particularly rich in biodiversity and where our operation protects and conserves an area of almost 27,000 hectares, equivalent to seven times that used by the mine and its related installations. The nature sanctuaries include:

- **Laguna Conchalí.** This coastal wetland, abandoned before Los Pelambres undertook its restoration, is a key staging area for migratory birds and is recognised under the international Ramsar Convention on Wetlands.
- **Monte Aranda.** This nature sanctuary is home to the Chilean palm, an endemic species classified as vulnerable by the International Union for Conservation of Nature (IUCN).
- **Quebrada Llau-Llau.** This protected area is home to some endangered species such as the white Chilean myrtle (a flowering plant) and the canelo or winter's bark tree.
- **Cerro Santa Inés.** Acquired for conservation by Los Pelambres in 2014 and declared a nature sanctuary by the Chilean government in July 2020, this site contains a relict rainforest that has survived the area's semi-arid climate, thanks to the coastal fog that often enshrouds the hill.

In addition, in 2022 the following measures were executed as part of phase 1 of the Los Pelambres Expansion project:

- **Integrated plant, soil and animal management.** Following a diagnosis of the biodiversity indices at the El Mollar and Tipay-Romero sites, fences, nesting boxes and perches were installed to create an

appropriate habitat for fauna, while seed trees were selected to improve the existing vegetation. The sites are to be monitored for at least 10 years.

Northern Chile

We also have a portfolio of biodiversity initiatives in northern Chile where our other three mining operations are located. These include:

- **Parque Nacional Morro Moreno.** In alliance with partners that include the Catholic University of the North (UCN) and CONAF, Chile's national forest service, we are working to develop the educational potential of this national park, located close to the port of Mejillones.
- **Centro Agrícola del Desierto en Altura.** Located at the Zaldívar mine, this joint venture with the University of Chile is studying and improving the genetics of plants that are not only able to grow in the harsh desert conditions but can also be used to produce biofuels.
- **Rumpa de Iquique.** In the area known as Devil's Ravine on the coast of the Atacama Desert, Centinela is protecting and seeking to propagate this slow-growing cactus which, depending on the particular area, is classified as vulnerable or endangered.

Circular economy

We approved our new Circular Economy Strategy which will be implemented in 2023. The Strategy has three pillars: reduction in the use of resources, expanding the lifecycle of material and equipment, and conversion of waste into new resources.

The Procurement area will cover issues such as packaging, pallets and the logistics of how goods are transported, as well as the potential reuse of products such as tyres and steel.

In parallel, we have implemented a number of circular economy initiatives. In 2022, Centinela sent to the Colina 1 Penitentiary Centre, in the Metropolitan Region, more than 5,800 kg of wood from operations waste for the inmates to turn the wood into products such as lath panels, pellets for combustion stoves, decorative wooden chips and cutting boards.

Also in 2022, Los Pelambres sent disused mine haulage truck tyres for recycling, using the by-products for the manufacture of steel grinding balls, reincorporating them into the mine's production process.

In 2020, Centinela launched a project to recycle the high-density polyethylene (HDPE) piping it uses to irrigate its leach pads. Thanks to the adoption of new shredding technology, it is compacted for transport to facilities in Santiago where it is treated to produce the raw material for geosynthetics or, for example, new HDPE products. Antucoya and Zaldívar have also now adopted this model.

Mine closure

As required under Chilean law, all our operations have closure plans approved by SERNAGEOMIN. In addition, we have our own more demanding Integrated Mine Closure Standard. In 2022, we updated this standard to incorporate guidelines from our Biodiversity and Climate Change Standards as well as our Tailings Policy, all of which are aligned with the ICMM's Integrated Mine Closure - Good Practice Guide.

In 2022, SERNAGEOMIN approved Antucoya's five-year update of its closure plan and the update of Centinela's closure plan which incorporates new facilities installed at the operation.



A high-angle, wide shot of a massive open-pit mine. The mine is characterized by its terraced, stepped levels of rock and earth, creating a series of horizontal ridges and deep shadows. A dirt road or conveyor path winds through the lower levels of the mine. The lighting is dramatic, with strong shadows and highlights that emphasize the rugged texture of the rock faces. The overall scene conveys a sense of industrial scale and natural resource extraction.

APPENDICES

In previous years, we published a summary of sustainability indicators at the corporate level in the appendices of our Sustainability Report, together with the Global Reporting Initiative (GRI) contents index showing how our reports met the GRI reporting standards. This year, for the first time, this information is available in our ESG Databook (see page 69) rather than our Sustainability Report.

Independent assurance letter



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Limited Assurance Statement of Antofagasta Minerals S.A. documents Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022 (Free translation from the original document in Spanish)

President and Directors
Antofagasta Minerals S.A.

Scope

We have carried out a limited and independent assurance review of the information and data presented in Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022 of Antofagasta Minerals S.A, which has the period scope between 1 January 2022 and 31 December 2022. Any information outside this period was not part of the review.

The preparation of Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022, the information and statements contained therein, the definition of the scope of the report, the management and control of the information systems that provide the reported data, are the sole responsibility of the Administration of Antofagasta Minerals S.A.

Limited verification standards and procedures

Our limited assurance review was conducted in accordance with the ISAE 3000 International Verification Standard for Non-Financial Reporting Audits, established by the International Auditing and Assurance Board of the International Federation of Accountants, and considered the sustainability standard of the Global Reporting Initiative (GRI), the performance expectations of the International Council on Mining and Metals (ICMM), according to the underlying subject matter under analysis 1, 2, 3 and 4, and the Copper Mark Assurance Criteria.

Our procedures were designed with the aim of:

- ▶ Determine that the information and data presented in the 2022 Sustainability Report of Antofagasta Minerals S.A. are duly supported by evidence.
- ▶ Verify the traceability of the information presented in Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022 of Antofagasta Minerals S.A.
- ▶ Determine that Antofagasta Minerals S.A. has prepared its Antofagasta PLC ESG Databook 2022 in accordance with the indicators of SASB standard.
- ▶ Verify that the results of the ICMM and Copper Mark standards presented at Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022 for the operations of Antofagasta Minerals S.A. are consistent with their respective result reports.

Procedures performed

Our limited assurance work included enquiries with the Management and Units of Antofagasta Minerals S.A. involved in the process of preparing the Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022, as well as in the realization of other analytical procedures and sampling tests such as:

- ▶ Interviews with key personnel of Antofagasta Minerals S.A. to evaluate the process of preparing the Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022, the definition of its content and its underlying information systems.
- ▶ Review of the supporting documentation provided by Antofagasta Minerals S.A.
- ▶ Review of formulas and calculations associated with quantitative information through recalculation for all values, including the ones related to GRI indicators.
- ▶ Review of the wording of the Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022 to ensure its phrasing and format does not mislead the reader regarding the information reported.

- ▶ Review of consistency between the results of ICMM performance expectations and Copper Mark criteria for the operations of Antofagasta Minerals S.A. and result reports delivered to these institutions.

The limited assurance process was carried out based on the timely review of material indicators defined by Antofagasta Minerals S.A., outlined in the next page under the title Assured information.

Our responsibility

Our responsibility is limited exclusively to the procedures mentioned in the preceding paragraphs and corresponds to a limited assurance scope which serves as the basis for our conclusions. By default, we do not apply reasonable assurance procedures, whose objective is to express an external assurance opinion on the Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022 of Antofagasta Minerals S.A. Accordingly, we do not express an opinion.

Conclusions

Subject to the limitations of scope indicated above and based on our work of limited and independent assurance of Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022, we conclude that nothing has come to our attention that would cause us to believe that:

- ▶ The information and data published in Antofagasta Minerals S.A.'s Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022 are not adequately presented.
- ▶ The Antofagasta PLC ESG Databook 2022 of Antofagasta Minerals S.A. has not been prepared in accordance with the SASB indicators selected by Antofagasta Minerals S.A., the Global Reporting Initiative standard, Copper Mark Assurance Criteria and ICMM performance expectation 1, 2, 3 and 4.

Recommendations for improvement

Without affecting our conclusions as set out above, we have detected some improvement opportunities to Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022 preparation process which are detailed in a recommendations report presented the Management of Antofagasta Minerals S.A.

Kind regards,

EY Servicios Profesionales de Auditoría y Asesorías Limitada

Elanne Almeida
Partner/Principal

30 March, 2023

I-00100/23
RGS/dtt
11217511



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Assured information

The information contained in the Antofagasta PLC ESG Databook 2022 and Sustainability Report 2022 that has been verified considerate the following items:

- ▶ About Sustainability Report 2022 we verified the next chapters:
 - Introduction
 - Sustainability
 - Transparency and Corporate Governance
 - Economic performance
 - People
 - Social development
 - Environmental management
 - Annexes

- ▶ About Antofagasta PLC ESG Databook 2022 we verified the next thematic areas:
 - Copper Mark
 - Performances Expectation ICMM
 - Economic
 - Corporate Governance
 - Health and Safety
 - Ethics
 - Environment, without considering the information related to emissions and energy.
 - Supply
 - Labour Practice
 - ICMM Water Commitments
 - ICMM Water – MD
 - ICMM Water – MD Operations
 - SASB – MD

ICMM sustainability reporting requirements

Antofagasta Minerals is a member of the International Council on Mining and Metals (ICMM), an international organisation that brings together 26 mining and metals companies and 39 commodity associations. ICMM members are required to publicly report on their sustainability performance using as a reference the Global Reporting Initiative (GRI) Universal Standards, in force since 1 January 2023. In addition,

sustainability reports must be reviewed by an independent third-party using a recognised assurance standard (see page 64).

The table below shows the pages in this report where details can be found of Antofagasta Minerals' initiatives and progress for each one of ICMM's Mining Principles.

ICMM Principles		Page
1 Ethical Business	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.	26-33
2 Decision-Making	Integrate sustainable development principles in corporate strategy and decision-making processes.	10-17, 28-29
3 Human Rights	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.	10, 13, 28, 31, 46
4 Risk Management	Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risk.	30-33
5 Health and Safety	Pursue continual improvement in health and safety performance with the ultimate goal of zero harm.	13, 42-43
6 Environmental Performance	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.	52-57
7 Conservation of Biodiversity	Contribute to the conservation of biodiversity and integrated approaches to land-use planning.	13, 60
8 Responsible Production	Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.	58-60, 67-69
9 Social Performance	Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.	44-51
10 Stakeholder Engagement	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.	20-23

ICMM Position Statements	Page / URL
Climate Change	52-57
Mining and Protected Areas	60-61
Indigenous Peoples and Mining	31
Mining Partnerships for Development	22-23
Mercury Risk Management	Antofagasta Minerals does not produce mercury or use it in its processes.
Transparency of Mineral Revenues	See our Payments to Governments Report https://www.antofagasta.co.uk/investors/news/2022/report-on-payments-to-governments/
Water Stewardship	57
Tailings Governance Framework	60

For further information, visit the ICMM's website: www.icmm.com

ICMM Performance Expectations



ICMM
Member

As a member, we adhere to ICMM's Sustainable Development Framework that is comprised of ten Mining Principles, each with its own set of Performance Expectations, on environmental, social and governance matters.

ICMM members are required to conduct annual self-assessments on their assets' implementation of the Performance Expectations, with third-party validations taking place every three years. In 2022, all of Antofagasta Minerals' operations completed the third-party audits. The results are available in our [ESG Databook](#) published on Antofagasta Minerals website.

The Copper Mark

Launched in March 2020, the Copper Mark is an independent assurance framework of the copper industry’s responsible mining practices, developed by the International Copper Association (ICA), that addresses the demand for greater disclosure on environmental, social and governance performance by investors, NGOs and wider society in general.

All of our operations have completed the assurance process and been awarded the Copper Mark, demonstrating with transparency how we put commitment to the highest sustainability standards into practice. Details of how our sites performed against the Copper Mark are available in our [ESG Databook](#) published on Antofagasta Minerals website.

Inspired by the UN’s Sustainable Development Goals (SDGs), the Copper Mark involves the independent verification of compliance with 32

responsible production criteria in five categories: governance, labour rights, environment, community and human rights.

The framework also covers the Joint Due Diligence Standard to enable copper, lead, zinc and nickel companies to comply with the London Metal Exchange (LME) Responsible Sourcing Requirements that come into force at the end of 2023.

Copper-producing sites that commit to the Copper Mark Assurance Process must follow a strict timeframe, meeting all criteria with 24 months of signing, and to reassessment every three years.

 For more information, visit the Copper Mark site: www.coppermark.org

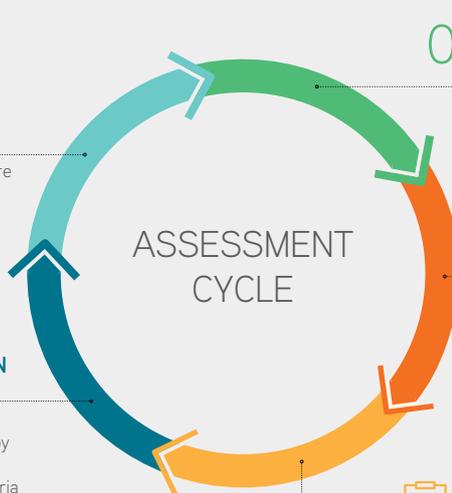
The Copper Mark Assurance Process

05 RE-ASSESSMENT

Re-assessment every 3 years and/or when there are significant operational changes or incidents.

04 IMPROVEMENT PLAN

All sites address gaps in practices identified by the Independent Assessment. Participants must be “fully meets” for all criteria within 24 months. Sites that are assessed only against the Joint Due Diligence Standard must be conformant within 12 months.



01 COMMITMENT

Sites apply online and commit to the Assurance Process.

02 SELF-ASSESSMENT

Participants complete a self-assessment against the Copper Mark Criteria via an online platform and upload supporting evidence within 6 months of committing to the Assurance Process.

03 INDEPENDENT ASSESSMENT

Participants undergo a desk-based Independent Review of Self-Assessment. All sites complete a site-level assessment, within 12 months of committing to the Assurance Process.

Participants that fully or partially meet all criteria are awarded the Copper Mark. Sites assessed only against the Joint Due Diligence Standard are able to communicate the results.

ESG Databook

In August 2022, Antofagasta plc published a comprehensive ESG Databook on its website of its main annual sustainability indicators. The Databook not only shows sustainability performance for every year since 2018 at the consolidated corporate level but breaks down the majority of indicators for each operating company, putting us at the forefront of mining companies in data transparency.

Specifically, the Databook shows data for Antofagasta plc, Antofagasta Minerals (“Mining division”), Los Pelambres, Centinela, Antucoya and Zaldívar as well as for Antofagasta plc’s Transport division.

For easier reference, the information has been organised according to environmental, social and governance (ESG) topics and ESG

reporting guidelines such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and the International Council on Mining and Metals’ (ICMM) reporting requirements.

DATABOOK CONTENTS

Topic	Contents
GRI and SDG Index	GRI content index with the contribution to the SDGs of Antofagasta Minerals.
Copper Mark	The compliance of Zaldívar, Centinela, Antucoya and Los Pelambres operations with the Copper Mark’s 32 sustainability performance indicators.
ICMM’s performance expectations	Third party verification of Antofagasta Minerals’ compliance with ICMM performance expectations.
Economic Performance	Quantitative data of Antofagasta Minerals’ copper production and economic value generated and distributed in disaggregated by mining company.
Corporate governance	Composition of Antofagasta plc’s Board of Directors such as gender, age, tenure and industry experience.
Ethics	Coverage of the Code of Ethics and the number of complaints received via our Tu Voz whistleblowing system, broken down into ethical and non-ethical complaints.
Supply	The number of suppliers at the international, national and local level (Coquimbo and Antofagasta Regions) and spending in US dollars on suppliers at these different geographical levels.
Labour practices	The number of permanent and full-time employees and contractors; workforce according to gender and role; other D&I indicators; local employment; union membership; and training initiatives by gender and role.
Health and safety	All the key occupational health and safety indicators such as fatalities, HPIs, LTIFR, TRIFR and OIFR.
Environment	All the key environmental indicators such as environmental violations; GHG emissions; energy consumption; mineral and non-mineral waste generation and management; and biodiversity.
ICMM water commitments	Antofagasta Minerals’ compliance with ICMM’s minimum water reporting commitments.
ICMM corporate water reporting metrics	Withdrawal and discharge of operational water, broken down into surface water, ground water and sea water, and consumption, at the corporate level. Details of other managed water use.
ICMM site water reporting metrics	Withdrawal and discharge of operational water, broken down into surface water, ground water and sea water, and consumption, at the mine site level. Details of other managed water use.
Sustainability Accounting Standard Board (SASB)	Consolidated reporting against the SASB Index.

The Databook is available at <https://www.antofagasta.co.uk/>

Sustainability goals

We have a set of indicators to measure and evaluate our sustainability performance. Most of these indicators are included in the Performance Agreements of each mining operation and our corporate offices, while others are aspirational goals that we have defined to complement these targets.

STRATEGIC AREA	2022 TARGET	2022 PERFORMANCE	FULFILMENT
PEOPLE			
Zero fatal accidents	0	0	In 2022, we implemented programmes to improve supervisors' understanding of their role and responsibilities regarding planning, shift changes, work crews and their obligation to confirm that tasks are executed as planned, especially critical and high-risk tasks. In addition, we reinforced the correct use of our Job Safety Assessment (JSA) tool for high-risk and critical tasks.
High potential incidents (HPIs)	10% reduction compared to 2021	37% reduction compared to 2021	In 2022, we registered 36 cases, which represents a drop of 37% compared to the previous year. We focus on this type of incident as it is a key indicator of the effectiveness of security controls.
Diversity and inclusion	Increase women's participation to 19.3% of the workforce; ensure that people with disabilities represent more than 1% of our workforce	Women's participation increased to 20.6% and people with disabilities represented 1.3% of our workforce	In 2022, we increased the participation of women in the workforce to 20.6%, compared to 17.4% in 2021, thus exceeding the goal for the year. We have set a new target for women to represent 30% of the workforce by the end of 2025.
SOCIAL			
Social management	95-100% execution of planned social initiatives; 100% execution of impact measurement programme	100% execution of planned social initiatives and the impact measurement programme, in addition to completion of an action plan to improve the initiatives measured in 2021	In accordance with the objective of generating social value, in 2022 we continued to measure the impact of programmes, reaching a total of 15 evaluated programmes.
ENVIRONMENT			
Compliance with regulatory requirements	100% compliance with internal plan for high and medium-risk regulatory requirements	100% compliance with plan	In 2022, the operations worked on the implementation of plans to close 36 gaps in high and medium-risk environmental undertakings entered into in 2021.
Reduction of GHG emissions	30% reduction in Scope 1 and 2 emissions by 2025	Met 30% reduction in emissions 3 years early	Since April 2022, all mining operations have power supply contracts from renewable sources, with an emission reduction estimate of close to 900,000 tonnes of CO ₂ equivalent (compared to 2021).
ECONOMIC PERFORMANCE			
EBITDA	\$3,070 million	\$2,850 million	EBITDA was \$2,850 million and our EBITDA margin remained solid at 50% but 15 points less than in 2021. This is explained by the price of copper, which fell 14%, and also due to general inflationary pressures.
Copper production	655.3 – 675.6 kt	646.2 kt	Copper production was 646,200 tonnes, 10% less than in 2021, mainly due to the temporary reduction in output at Los Pelambres due to the drought, expected lower grades at Centinela concentrates and lower recoveries at Los Pelambres and Centinela.
TRANSPARENCY AND CORPORATE GOVERNANCE			
Ethics and compliance	All employees to complete e-learning course on our Code of Ethics.	All employees in each of our mining operations completed the course.	The e-learning was carried out by 100% of employees. This is a key initiative to continue consolidating a culture of ethics and integrity, especially for a company that interacts every day with hundreds of suppliers, customers, authorities and different actors in the public sphere.
Risk management	Continue with the identification of the physical and transition risks of climate change in accordance with the TCFD	Business-relevant physical and transition risks were identified and action plans implemented to manage them	Physical and transition risks were integrated into our key risk matrix, allowing for the transversal, multidisciplinary monitoring and review of plans committed.
Human rights	Approved an Indigenous Peoples Engagement Standard.	We prepared and approved an Indigenous Peoples Engagement Standard.	In 2022, we approved an Indigenous Peoples Engagement Standard. In 2023, we will update our Human Rights due diligence process.



ANTOFAGASTA
MINERALS

2022 SUSTAINABILITY REPORT

Management

Sustainability Reporting, Antofagasta Minerals

Contents

Emily Russell and Chris Molinari

Translation into Spanish

Patricia Concha

Design and production

www.ngr.design

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Ograma

April 2023

Antofagasta Minerals' 2022 Sustainability Report is also available at www.aminerals.cl.

This report complements the financial and business information contained in Antofagasta plc's 2022 Annual Report and Financial Statements, available at www.antofagasta.co.uk.

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