



ANTOFAGASTA
MINERALS



Social Value
Report

2022



About this report

This document presents the social management approach of Antofagasta Minerals, its social programmes, and their main results. This Social Value Report covers the work performed during 2022.



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Introduction

Welcome

Dear Stakeholder,

I am pleased to present the second Social Value Report prepared by Antofagasta Minerals. This publication describes the community engagement programmes and practices that we are implementing in an effort to create social value in the areas where we operate.

Our work this year was carried out in a difficult context, impacted by the process to draft a new constitution in Chile, the deterioration of people's health in the wake of COVID-19, and Chile's economic slowdown. This situation tested relationships and forced our teams to respond in a timely and adequate manner.

We are pleased to report various achievements at the corporate and regional levels. These include the updating of our Human Rights Policy and the development of an Indigenous Peoples Engagement Standard. These key tools will guide our work building on the experience of the community of Camar, which placed the cornerstone of a church that will be rebuilt to preserve its cultural heritage.



This year brought various achievements including the updating of our Human Rights Policy and the development of an Indigenous Peoples Engagement Standard.

The En Red - Digital Community programme also led to important achievements through the implementation of initiatives designed to help bridge gaps in digital access, literacy and infrastructure. It has four programmatic lines including support for access to health care in rural areas through telemedicine. The first digital pharmacy opened in the Maria Elena municipal district, offering telemedicine to facilitate access to health care.

We continued to develop water management programmes in the Choapa Province. These initiatives make a significant contribution to the area by optimising water use for human consumption in Rural Sanitary Services and for irrigation in coordination with the Water Users' Boards of the Choapa, Chalinga and Illapel Rivers. Given that this is a priority, we invested over US\$4 million in these initiatives.

Based on our vocation of creating social value, we have implemented an impact measurement system to evaluate our programmes' effectiveness. Each year, we identify the initiatives that will be studied, incorporating these results into our decision-making processes. The year 2022 was no exception. In addition, we updated and added to the Territorial Human Wellbeing measurement initiative in the Choapa Province which identifies opportunities to develop public goods that are aligned with local, regional and national government policies.

The lessons learned through these evaluations shape our vision for the future and allow us to anticipate the main challenges related to the impact of our operations on local communities. As such, they guide our actions and the way in which we hope to engage with communities.

In this context, we propose to address various topics during 2023. These include updating the value proposition of the Somos Choapa programme based on the consideration of a proposal that draws on the challenges that the valley and each of its stakeholders will face in the medium- and long-terms. We also hope to strengthen our value chain by training local suppliers in the context of the Suppliers for a Better Future programme in addition to implementing due diligence on human rights throughout our operations.

Finally, I would like to thank the teams that work to make our social role in the territories a reality. I believe that our efforts contribute to the development of mining for a better future.



Iván Arriagada
CEO Antofagasta Minerals

Interview

We interviewed René Aguilar, Vice President of Corporate Affairs and Sustainability, to explore the Company's work in the area of social management in 2022 and the key lessons and challenges of this period.

How would you describe the country's socio-political context and its impact on the group's social management efforts?

The year 2022 was marked by various developments, including the process to draft a proposal for a new constitution. That proposal was rejected, requiring consensus to be built on a new procedure to craft a new constitution for the country. In addition, the isolation that characterised the early years of the COVID-19 pandemic caused some people to experience health issues. This was exacerbated by the socio-political tensions triggered by the proposed new constitution process and the national economic slowdown due to the rise in inflation and other factors.

In this context, community relations were tested, forcing our teams to seek out agreements and strategies to make viable our programme of social value generation. Each territory behaved differently, and I would like to highlight the flexibility and agility that we deployed when we mobilised initiatives in response to existing needs.



Our programmes are designed through deliberative processes that allow us to reach consensus with communities on which of their needs to address and how to do so in collaboration with a private firm.

Which programmes were most conducive to creating social value in 2022?

Our programmes are designed through deliberative processes that allow us to reach consensus with communities on which of their needs to address and how to do so in collaboration with a private firm.



The principles of respect and reparation are alive and well at Antofagasta Minerals, as they allow us to prevent operational risks and control potential impacts.

While some programmes highlight this more than others, this approach is part of all of our interventions.

Looking back at 2022, I would like to highlight two specific programmes: En Red - Digital Community and water management support initiatives. Both address gaps in access to public goods and services that inhibit development and impact people's quality of life. We seek to be consistent with our commitment to human rights and ongoing efforts to provide opportunities to individuals and communities. The connectivity and digital literacy proposed by En Red are helping to change people's lives. Having access to the internet and to information and services was difficult prior to the arrival of this programme for various reasons. In some cases, it was even impossible. The case of the digital pharmacy with a telemedicine module in María Elena is an example of how the programme was able to overcome these obstacles.

Our water management programmes ensures care for and optimisation of water for both human consumption and irrigation in a context of more than a decade of drought. As such, these initiatives support the quality of life of those impacted by the sustained scarcity of this resource.

To what degree is your human rights approach integrated into the Group's social management efforts?

We updated our Human Rights Policy this year and drafted an Indigenous Peoples Engagement Standard in an effort to facilitate an understanding of these matters and guide our efforts to implement them. We also certified all of our operations under the Copper Mark responsible production standards and International Council on Mining and Metals (ICMM) performance expectations.

The principles of respect and reparation are alive and well at Antofagasta Minerals, as they allow us to prevent and contain potential operational impacts. The Safety and Wellbeing Programme, which establishes shared identification and prevention of potential risks and impacts associated with operation activities and facilities with the community, is proof of this.

Why have an Indigenous Peoples Engagement Standard?

We intend to work with the Indigenous groups that inhabit the territories in which we have a presence in order to understand their world view and engage with them in a manner that allows us to align our operations with their principles and beliefs. We have proposed implementing effective participation opportunities and mechanisms that allow us to anticipate their concerns and recommendations, particularly in regard to future projects. I note the work that we have done with the Camar community to restore a local church and build a town square, thus enhancing the availability of community spaces.

How does social management extend to the Company's value chain?

The opportunity to connect communities to our value chain is a challenge that we have addressed by working with local suppliers. Programmes designed to strengthen micro, small and medium enterprises in the territory have allowed us to create value through training and capacity building. We have even been able to create business opportunities that have an impact on these business owners' quality of life.

To amplify these efforts, we created the Suppliers for a Better Future Programme, which is meant to enhance practices related to sustainability and climate change, among other issues, throughout our value chain. It also involves building a training platform for small business owners in order to familiarise them with our purchasing system and mining industry standards.

Given the size and importance of this industry, we are committed to strengthening the business and entrepreneurial ecosystem that is created through our operations with the understanding that it has a multiplier effect in the territories in which we operate and in the country.

Which mechanisms are used to evaluate the programmes' performance and guide their implementation?

A significant amount of resources are required to implement our programmes. We spent over US\$130 million in the Choapa Valley alone between 2015 and 2022. It is important to determine whether these programmes generate social value. We have thus incorporated measurement of social impact into our social management model to periodically evaluate the effect of programmes and projects based on the use of the Change Theory and Social Return on Investment methodologies. In addition, the Company's Territorial Human Wellbeing Matrix identifies the contribution that we make to the territory in terms of access to goods and services, understanding that it is important for us to create value and contribute to communities' quality of life.

“

Antofagasta Minerals plays a social role, which it exercises in collaboration with public institutions and the community.

Finally, what is the main message of this report?

At one time, one of the main goals of the industry's social performance was to secure a social licence to operate. Later, we focused on accounting for the contribution that companies were making in their areas of influence. Today, some companies, ours included, have positioned themselves in a context of more bidirectional and collaborative relationships, focusing on creating social value. This stems from Antofagasta Minerals' belief that we play a social role in collaboration with public institutions and the community. When we say that we develop mining in order to build a better future, it is because we work day in and day out to have a net positive impact on the areas around our operations, understanding that our presence makes a difference and adds to peoples' quality of life.



René Aguilar
Vice President of Corporate Affairs and Sustainability



Milestones in 2022



WE UPDATED OUR SUSTAINABILITY AND HUMAN RIGHTS POLICIES, REINFORCING OUR COMMITMENT TO RESPONSIBLE AND SUSTAINABLE PRODUCTION IN REGARD TO THE ECONOMY, SOCIETY AND THE ENVIRONMENT.



WE UPDATED THE COMMUNITY COMPLAINTS CHANNEL, THE MECHANISM THAT WE USE TO ELICIT AND REGISTER THE CONCERNS AND COMPLAINTS OF COMMUNITIES LOCATED NEAR OUR MINING OPERATIONS.

DEPLOYMENT OF THE Safety and Wellbeing Programme in

+10 TOWNS

IN CHOAPA PROVINCE

+440

people participated in 35 community activities.

The Group's four mining companies were awarded the international

Copper Mark seal.

EXECUTION OF

En Red - Digital Community

a programme that covers over 20 connectivity, digital literacy and telemetry projects for water management and telemedicine in the Antofagasta Region and Choapa Province.

LAUNCH OF THE PROGRAMME

Suppliers for a Better Future

which sets sustainability goals for local suppliers and a strategy for reaching them by 2025.

JANUARY 2022 LAUNCH OF THE PROJECT

“For a more just Chile for all”

This initiative has benefitted

+1,300 MIGRANT FAMILIES

IN THE ANTOFAGASTA REGION

WE ENHANCED THE

Water Management Programmes

Focused on improving the availability and efficiency of access to water for human consumption, irrigation and economic development activities.

DEVELOPMENT OF OUR

Indigenous Peoples Engagement Standard

which is to be used by and guide our teams that work in the field.



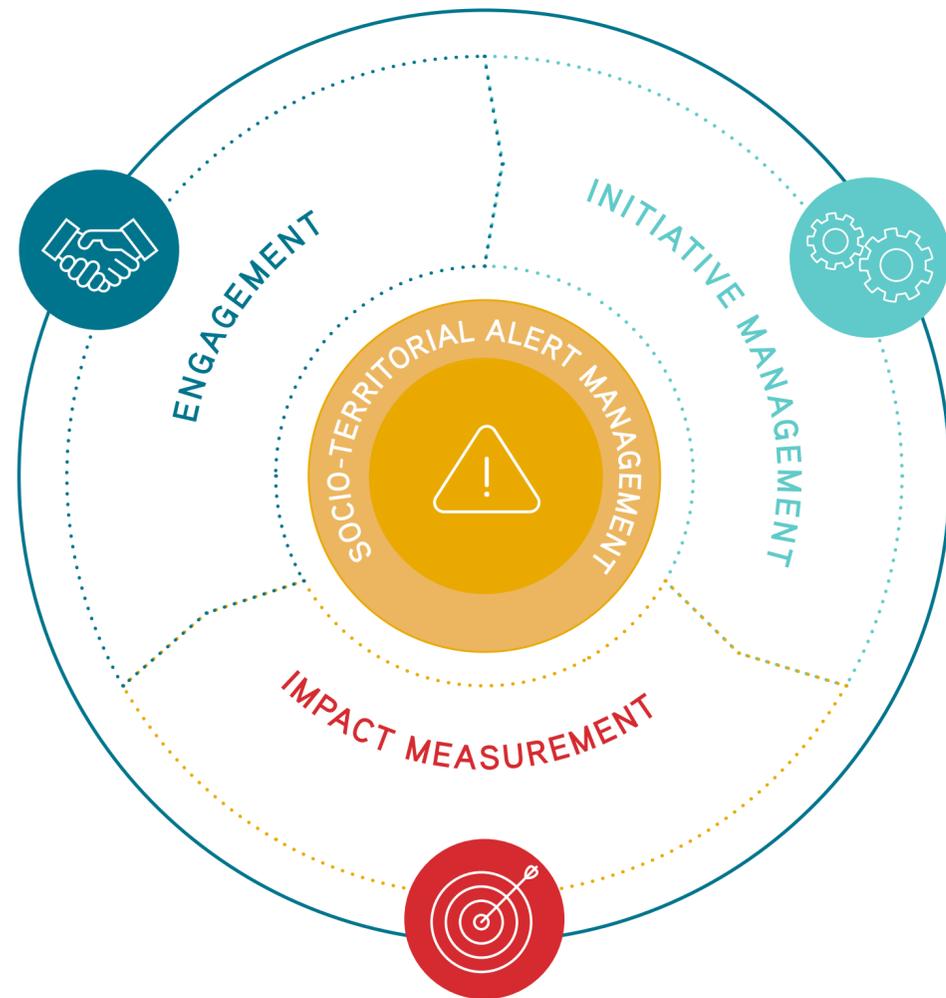
1. Social Management Efforts



Sustainability is one of the five pillars of our strategic framework. We develop mining for a better future, and this approach reflects our goal of creating value for all stakeholders, generating social and economic benefits for the communities and regions in which we operate and ensuring the viability of our business in the long term.

In this context, the Group has a social management strategy that seeks to contribute to the wellbeing of communities located near our operations and to generate the conditions necessary to ensure the continuity of the Group's operations and projects. We have designed a set of methodologies and tools that comprise our Social Management Model, which in turn forms the basis for the guidelines that all our operations and projects must apply to ensure the proper implementation of our work in our areas of influence.

1.1. SOCIAL MANAGEMENT MODEL



At Antofagasta Minerals, we know that our social management efforts are key for creating social and economic benefits for local communities, which is key to the success of our business.

Our social management strategy is characterised by the commitment that we make to public-private partnerships and inclusive dialogue with communities. We use a multi-stakeholder platform to understand concerns and address them through relevant initiatives that add value. As such, we have established various spaces for community dialogue so that the concerns raised, decisions reached and possible solutions are representative of the community.

We create strategic alliances with expert organisations, foundations and universities for the implementation of programmes and projects.

Our Social Management Model addresses four key areas:

- Stakeholder engagement
- Social investment management
- Measurement of investment impacts
- Management of socio-territorial alerts



Engagement

Associative process created by the Group to connect with stakeholders, resolve disputes, contribute to development and socialise operations and their growth.



Impact Measurement

Measures the contribution to social development of our programmes and projects and allows us to identify ways to improve their implementation.



Managing Initiatives

Ensures the correct physical, financial and administrative execution of the portfolio of social initiatives deployed in the territories based on the planning and resources identified by each of them.



Social-Territorial Alert Management

Identifies points of interaction between Company activities and facilities and the community in order to anticipate and manage risks that could impact the community or the Company.



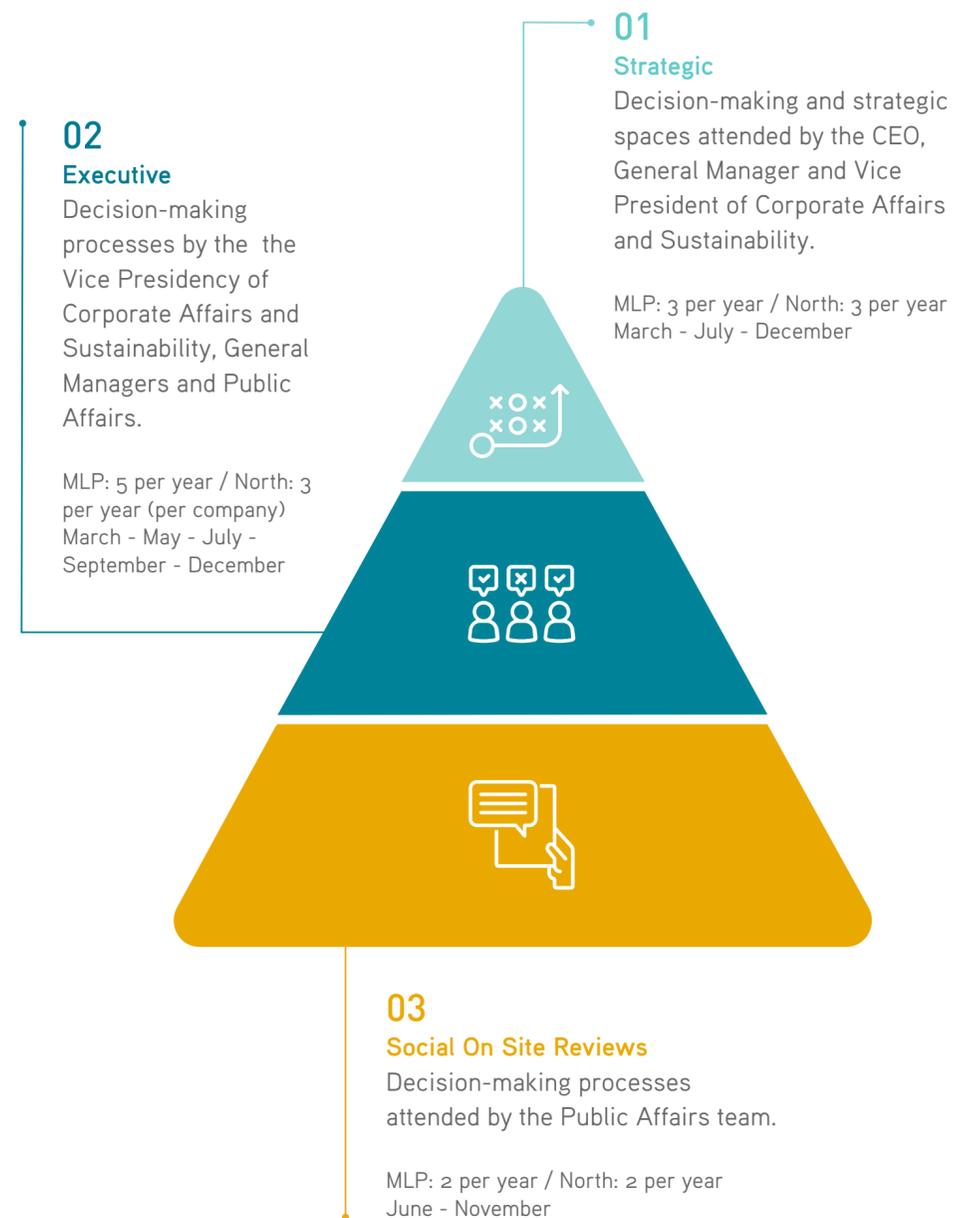
1.2. GOVERNANCE

The Board is the entity responsible for supervising the Group’s social management efforts. It performs this work through the Sustainability and Stakeholder Management, and Auditing and Risk Committees.

The Sustainability and Stakeholder Management Committee supervises issues related to social order and human rights and guides the Group’s reflections on the visions and interests of its stakeholders.

The Auditing and Risk Committee monitors action and risk management plans developed by Public Affairs Department as well as adherence to our Compliance Model, Conduct Model, policies and standards. This entity also supervises the area through an annual internal audit. In addition, the committee is responsible for the measures that the Group takes in regard to complaints.

The Vice Presidency for Corporate Affairs and Sustainability, which reports to the Sustainability and Stakeholder Management Committee, leads our social management efforts. The Public Affairs Department is responsible for designing, coordinating and executing each of the mining companies' social management and performance strategy in the territory.





1.3. POLICIES AND STANDARDS

Our Social Management Model is based on guidelines, standards and procedures reflected in our Sustainability Policy, through which we commit to the sustainable development of the communities in our areas of interest and our Human Rights Policy, which establishes how we relate to workers, contractors, suppliers, business partners, communities and other stakeholders that are directly related to our operations.

The Bribery Act and the Modern Slavery Act of the United Kingdom govern our activities as well as Chile’s Law 20.393 on the crimes of bribery and asset laundering. All of our social contributions should comply with the Code of Ethics, Compliance Model and Crime Prevention Manual, which determine how the Group conducts business in a responsible, honest and transparent manner while reporting on our activities.

We also have internal guidelines and standards that guide our social management efforts. These include the Social Management Guidelines, Social Contributions Management Procedure, Engagement Standard, Initiative Management Standard, Impact Measurement Standard and Socio-Territorial Alerts Standard.

In 2022, we updated our Sustainability and Human Rights Policies. We also updated the Community Grievances Channel and developed our Indigenous Peoples Engagement Standard, which was added to the Social Management Model and will be implemented during 2023.

POLICIES THAT GUIDE OUR SOCIAL MANAGEMENT EFFORTS AND REFERENCE DOCUMENTS

 Charter of Values	 Tu Voz (Your Voice) Channel	 Code of Ethics
 Human Rights Policy	 Community Complaints Channel	
 Sustainability Policy	 Compliance Model	
 Crime Prevention Manual (*)	 Impact Measurement Series (*)	
 Annual Report 2022	 2022 Fundación Minera Los Pelambres Report (*)	



(*) These documents are only available in Spanish.

1.4. ENGAGEMENT MODEL

In 2013, we launched our engagement model, which describes how we engage with communities, local authorities and other groups on an ongoing basis. This approach is based on five fundamental principles and is executed in three spheres of action.

Integrating Sustainability into Our Business

Principles of the engagement process



The Engagement Process is based on cross-cutting operational principles designed to ensure that we truly contribute to long-term development. These are:

01. Dialogue

To promote interaction among various stakeholders in order to achieve representativeness, legitimacy and loyalty, integrating visions, opinions and interests in order to effectively shape agreements, solutions and results.

02. Collaboration

To generate alliances among multiple public/private stakeholders to create value through the development, management and co-funding of projects and programmes.

03. Traceability

To develop indicator assessment and application tools and mechanisms for monitoring public accountability commitments and systems.

04. Excellence

To reach agreements regarding feasible, viable and relevant commitments with an adequate standard, integrating the principles of the process with impeccable budgeting and financial management.

05. Transparency

To ensure timely access to information and accountability for various stakeholders through applicable instruments and systems that allow us to manage possible conflicts of interest, among other things.

Spheres of Action



TERRITORIAL

Community engagement from the bottom up, establishing working groups to identify priorities, projects and programmes focused on long-term wellbeing and incorporating strategic allies in order to design and implement our social investment programmes.



INSTITUTIONAL

Work with national and international organisations in order to maintain our environmental, social and governance standards and practices along with collaborating with the public sector to strengthen and not replace the role of the State.



OPERATIONAL

Definition and implementation of measures to mitigate operational risks with potential social consequences in an effort to respond to and address community concerns.



Our engagement model includes a series of social investment programmes and initiatives that are prioritised and legitimated in a participatory manner using high standards and generating a significant impact. They are executed in collaboration with organisations through strategic alliances with foundations and expert institutions in each area of interest.



Strategic Allies in Choapa Province

Strategic Allies	Priority Areas
Fundación Minera Los Pelambres	<ul style="list-style-type: none"> • Water management • Economic development • Education and culture
Education 2020 Technical Training Centre (CEDUC-UCN), Choapa Campus	<ul style="list-style-type: none"> • Education and connectivity
Fundación Mi Parque Fundación Ciudad Emergente	<ul style="list-style-type: none"> • City and community infrastructure
Fundación Rectángulos de Agua	<ul style="list-style-type: none"> • Culinary heritage
Fundación Ganamos Todos	<ul style="list-style-type: none"> • Sports and athletic infrastructure
Synthesis	<ul style="list-style-type: none"> • Health
Tironi Elemental Fundación Junto al Barrio	<ul style="list-style-type: none"> • Community engagement, participation and cohesion

Map of Operations Choapa Province

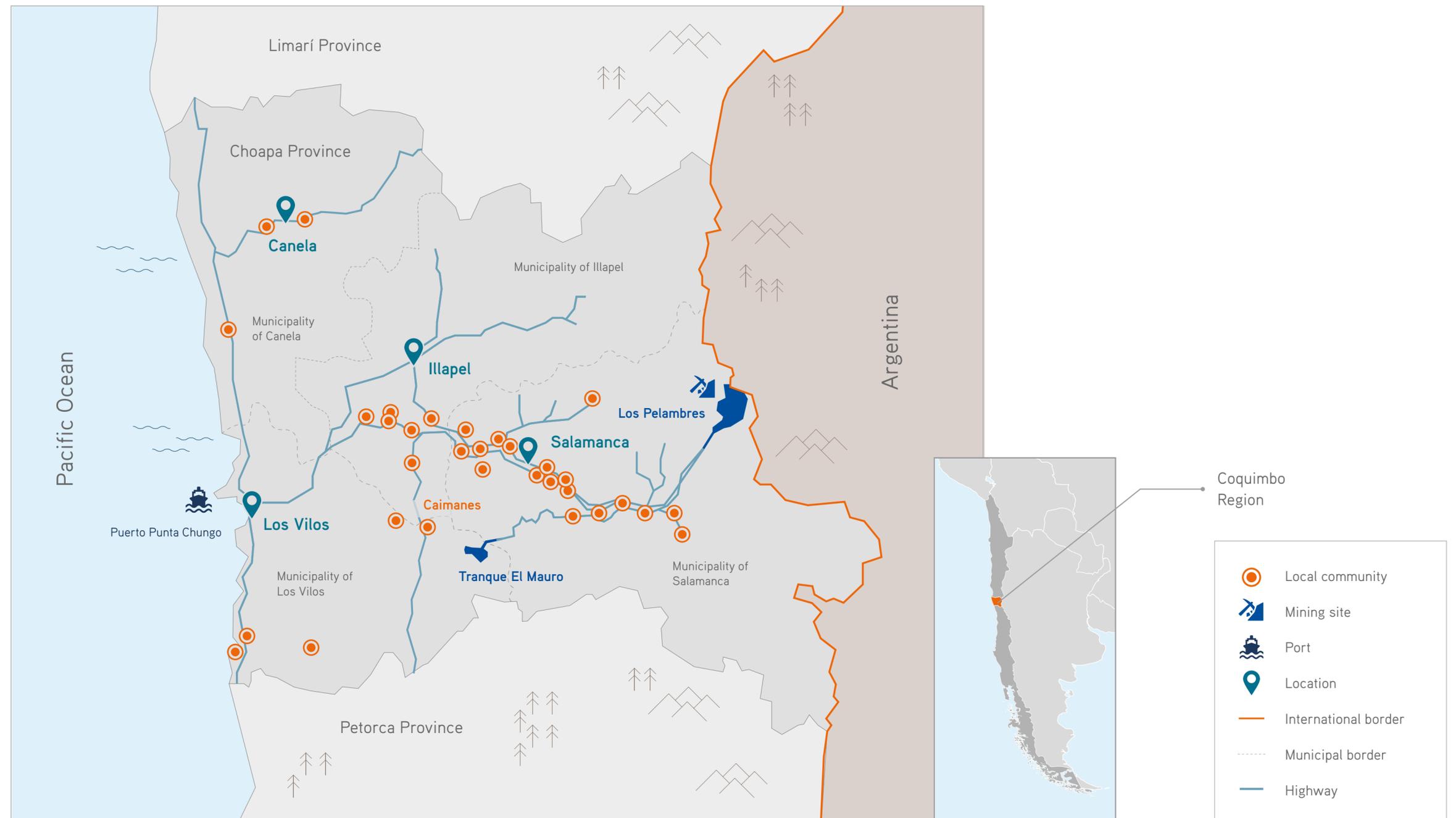
Minera Los Pelambres' social investment undertaken in collaboration with the province's four municipalities: Salamanca, Illapel, Canela and Los Vilos and community organisations.

Results 2015-2022

219,475 beneficiaries

640 initiatives executed

US\$132 M invested



Map of Operations Antofagasta Region

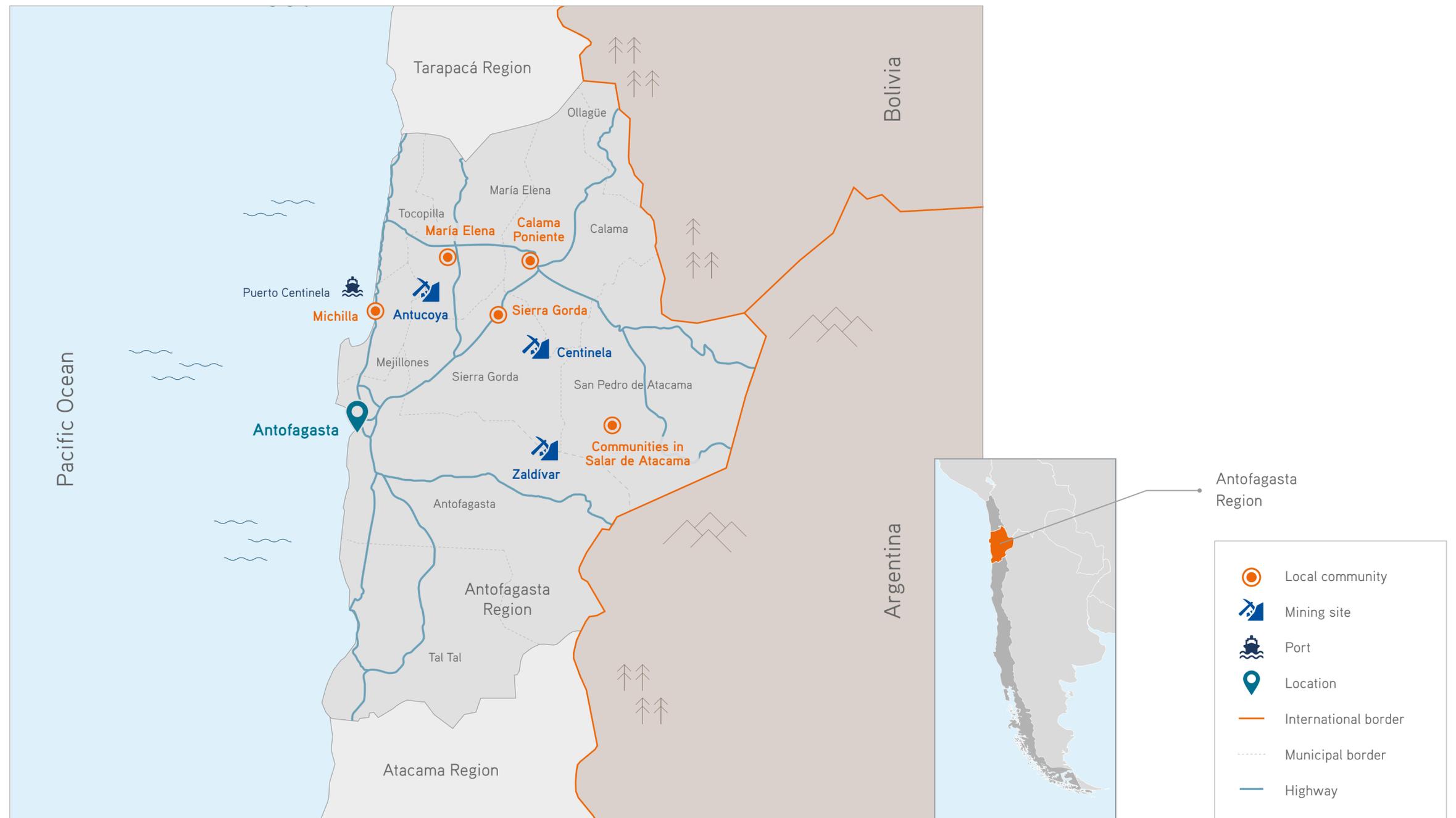
Social investment of Minera Antucoya and Minera Centinela undertaken in collaboration with municipal governments and community organisations to promote development and contribute to residents' quality of life.

Results 2016-2022

144,922 beneficiaries

440 initiatives executed

US\$14 M invested





2. Creating Social Value



As a group, and guided by the principles of collaboration, transparency, dialogue, traceability and excellence that sustain our engagement strategy, we have focused our efforts on the sustainable development of the territories and communities where we operate. In line with this, in 2022 we increased our social contribution from US\$48 million to US\$57 million to implement and develop programmes and initiatives that generate significant changes in people's quality of life.

In this section, we present some of Antofagasta Minerals' contributions to social value creation in the territories where our companies operate.

Committed to the SDGs

We address most of the 17 Sustainable Development Goals (SDGs) proposed by the United Nations. Our aim is to execute initiatives that contribute to respect for human rights and create social value in the territories where we are present. We have prioritised 13 of the 17 SDGs based on four lines of action:

QUALITY OF LIFE



SUSTAINABLE PRACTICES



ENVIRONMENTAL PROTECTION AND CONSERVATION



PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT



2.1. WATER MANAGEMENT

We understand that issues related to water are priorities in the territories where we operate. As such, we have reinforced our water management programmes in order to contribute to improving the availability and efficient use of, as well as access to water for human consumption, irrigation and economic development activities.

These efforts are mainly focused on the Choapa Province due to the severe drought that it has endured for over 12 years. The programmes that we have implemented through Fundación Minera Los Pelambres (FMLP), in the context of Somos Choapa, Aproxima and Confluye, are designed to mitigate the adverse effects of the phenomenon through work coordinated with local communities and officials to improve the efficiency of irrigation water and ensure the quality, quantity and consistent availability of drinking water in rural areas.



Aproxima is designed to contribute to the development of rural drinking water systems, optimising their management and operation, expanding infrastructure coverage, and providing training and technical assistance to the committees that run Rural Sanitary Services to design projects. The programme supports the 80 rural drinking water systems in the Choapa Province, providing access to drinking water to over 52,000 residents of rural areas.



Confluye is designed to promote projects with the Water Users' Boards of towns in Choapa and public services such as Economic development agency, CORFO, National irrigation commission, CNR, and Agriculture development institute, INDAP to strengthen agricultural activity based on the efficient use of water for irrigation. The programme has supported the improvement of 102.23 km of irrigation canals that ensure the availability of over 200,000 m³ of water to irrigate 508 productive hectares that benefit over 4,300 farmers.

CHOAPA PROVINCE

+80 Towns beneficiaries

+52,000

Direct and indirect beneficiaries

Invested

+US\$4,600,000

Strategic Programmes:

- APROXIMA
- APROXIMA EN RED
- CONFLUYE
- PROVINCIAL WATER TABLE
- QUITAI ANKO TECHNICAL WATER CENTRE CONSORTIUM
- CHAIR OF WATER SUSTAINABILITY. CATHOLIC UNIVERSITY OF CHILE



Aproxima En Red

The purpose of this programme is to create an information system for the operation of rural drinking water systems in Choapa Province that contributes to improving the use of water for human consumption and integrated basin management to benefit the common good.

Aproxima En Red is part of the programme En Red - Digital Community, and is developed in collaboration with Fundación Minera Los Pelambres and Laboratorio PROMMRA, part of Universidad de La Serena. It engages all of the municipalities in the province, municipal district associations and adherent rural sanitary services.

It is expected to be executed over a period of 30 months, during which assessments will be conducted to design an appropriate monitoring system, installing technological devices that will generate data for a platform that will allow for online monitoring. The programme will also provide training on the use of technology and enhance operators' and users' digital literacy so that they can monitor the operation of their rural drinking water systems and generate reports for institutions such as the Hydraulic Works Directorate and General Water Directorate.

In the Antofagasta Region, we work with communities to improve rural sanitation systems in Calama Poniente, Socaire and Michilla through partnerships focused on regulating and promoting the use of technology for the administrative management of Water Committees. We note the work conducted with rural sanitary services in Socaire and Verdes Campiñas (Calama Poniente) to implement software to keep relevant information about the service's users updated.

2.2. CONNECTIVITY

Working, accessing goods and services, studying and staying informed are just some of the things that community members can do through the digital world. In this context, we have made a commitment to facilitate connectivity in the territories in which we have a presence by providing access to Internet connections or skills that allow them to close digital literacy gaps.

En Red - Digital Community promotes the digital transformation of the territories where our operations are located through coordination and the design of innovative solutions that favour connectivity.

En Red has four focus areas. The first is technical issues associated with connectivity services. The second is the Digital Academy, which seeks to close digital literacy gaps, empowering people and small businesses through access to knowledge and opportunities that would not be possible without Internet literacy. The third is the use of telemetry to optimise water management. The fourth addresses health and telemedicine.

+500 Homes were enabled with fibre-optic cable in the Choapa Province

+20 Projects in the Choapa Province and the Coquimbo Region

+30 Free wi-fi points activated

+300 People received digital literacy training



Fibre optic in Caimanes and Limáhuida

The implementation of the En Red - Digital Community programme allowed over 500 families from Caimanes and Limáhuida to access fibre optic Internet and cable TV and to connect free of charge to more than 10 wi-fi points installed in strategic locations in both towns.

Prior to August 2022, the only way to connect to the Internet was via cellphones.

The partnership between Minera Los Pelambres, the communications company Mundo and Fundación País Digital facilitated the technical aspects of the programme. Free training was provided to the community as well. The goal is to address digital literacy gaps, contributing to efforts to diversify Internet use and expand the opportunities that it provides, increasing people's development.

“This is a very big step forward for Caimanes. We have always had Internet issues, and I am very pleased that the community is happy. Internet access is very important to the Neighbourhood Association, the school and the fire department. This will benefit future generations. They are the ones who can access better education.”

Patricio Herrera, President of the Caimanes Neighbourhood Association.

2.3. EDUCATION AND EMPLOYABILITY

We offer access to education programmes and opportunities to continue to pursue a degree, awarding scholarships and grants to cover the costs of higher education. We also help our employees develop job-related skills through courses and training services.

In 2022, we awarded scholarships to over 650 students, and over 3,500 students in communities located near our operations benefited indirectly or directly from local employment and business development programmes.

EMPLOYABILITY

+10 Strategic job training programmes executed

+3,500 Direct and indirect beneficiaries of local business development initiatives

+170 People trained by our strategic programmes and hired by our operations

EDUCATION

+11,000 Beneficiaries of our education programmes

+US\$1,400,000
Invested in 2022

+950 High school and further education scholarships awarded to students in the Antofagasta Region and the Choapa Province





Hiring with a Gender Perspective

In the context of our diversity and inclusion strategy, eight women from the Maria Elena municipal district (Antofagasta Region) participated in the 2022 Mine Shift Relief Programme (Relevos). The initiative trained them to operate haulage trucks at Minera Antucoya once they complete their training process. The flexible programme is designed to provide a work-life balance, fully incorporating the gender perspective into the design of opportunities for our communities.

“I found out through social media and thought it was important because the shift allows me to go home every day and balance my work outside of the home with my responsibilities as a homemaker and parent. This is a great opportunity for women regardless of their age.”

Pamela Cortés, programme beneficiary.

Antofagasta Region Higher Education Access Programme

Our scholarship programme benefitted 78 young people from the municipal districts of Sierra Gorda, Peine, Talabre, Camar, María Elena, Michilla, Calama and Socaire in the Antofagasta Region in 2022, facilitating access to higher education and thus improving their quality of life and that of their families.

This initiative has been implemented annually since 2008. We have awarded over 350 scholarships over the past 14 years, contributing to the development of residents of communities located near the Centinela, Antucoya and Zaldívar operations.

“This support is key, especially for covering my tuition costs, which are quite high. Having this support has encouraged me to keep striving to reach my goal, which is to earn a master’s degree or doctorate.”

Vanessa Ticona, programme beneficiary.

Eleva

Eleva is a public-private partnership led by the Mining Skills Council that brings together 100 educational institutions and businesses that work to improve the relevance and quality of technical training. The goal is to contribute to the development of human capital in order to promote local development and ensure that the industry stays competitive.

Antofagasta Minerals has signed up to this partnership, developing a programme in the María Elena municipal district that is executed by Minera Antucoya and Fundación Chile. The initiative is directed at juniors and seniors in high school who study vehicle mechanics at the municipality's Humanities and Science Professional Technical High School.

It has three goals: (1) to decrease gaps in human capital in the vehicle mechanics field; (2) to increase the retention rate of beneficiaries in the workplace; and (3) to certify 100% of the professionals who are part of the process from a technical, behavioral and safety perspective.

“I couldn’t find job opportunities in Mejillones, but after being part of this initiative, I found a new opportunity and a new field.”

Program beneficiary.

Technical Training Centre (CEDUC-UCN), Choapa Campus

In 2022, 176 new technicians graduated from the Technical Training Centre (CEDUC-UCN), Choapa Campus programme thanks to the partnership with Minera Los Pelambres, which dates back to 2018.

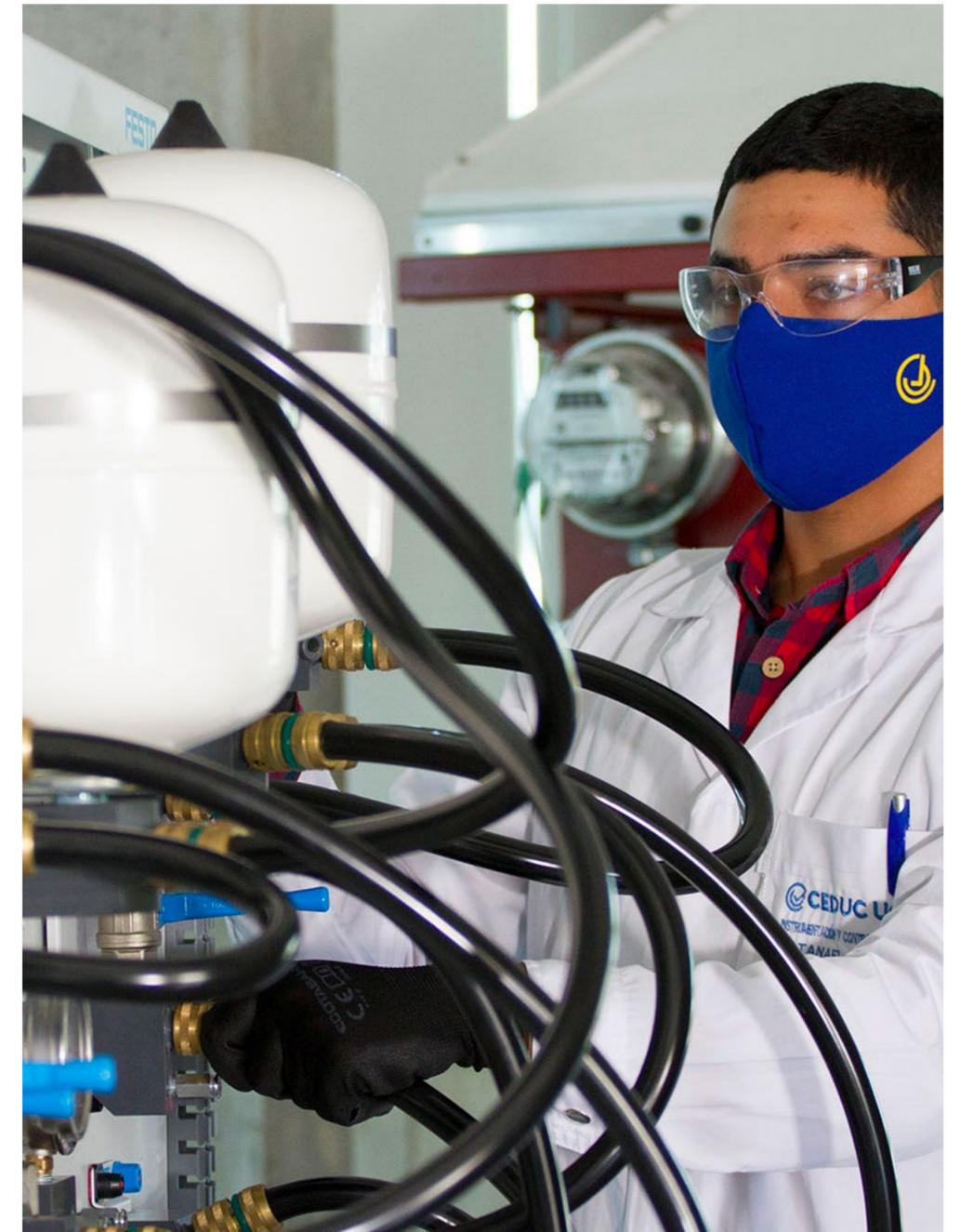
The opportunity to study at CEDUC has allowed local students to remain close to home, enhancing their connection to the territory and the formation of human capital.

The class of 2022 includes 39 new heavy machinery technicians, 19 heavy machinery mechanics, 21 mining plant operators, 44 preschool teachers, 29 telemedicine and nursing technicians, and 24 graduates who studied electricity and energy efficiency.

They are some of the 345 technicians that have graduated from CEDUC in Los Vilos.

“It was hard at first. I was an older student and a parent, but once I started, my desire to succeed motivated me to stay with it. It involves making sacrifices, but the proximity of CEDUC to my house made things a little easier. I have also worked on an ongoing basis since I started studying.”

Cecilia Correa, graduate of the Nursing Technician programme with a focus on telemedicine.



2.4. LOCAL SUPPLIERS

At Antofagasta Minerals, we promote and use local goods and services. We strengthen the business skills of suppliers in the Antofagasta and Coquimbo Regions and encourage contractors to hire local workers.

Our Regional Procurement and Recruitment Guidelines promote the acquisition of local goods and services, reducing administrative and financial barriers to facilitate the participation of SMEs based in these regions in tender processes.

Given the importance of local suppliers for our supply chain, we have sought to redouble our efforts, creating the Suppliers for a Better Future programme. The aim is to support SMEs to achieve higher sustainability standards in four areas: local development, human resources, the environment and innovation.

240 Tenders awarded to local suppliers from the Antofagasta and Coquimbo Regions totalled US\$372 million.

+40 Local suppliers trained through various initiatives.



Suppliers for a Better Future

The programme is designed to support work with Antofagasta Minerals' suppliers of goods and services, especially SMEs, to help them to achieve better standards and performance in sustainability, diversity and inclusion, safety, community engagement, local hiring and emission reductions, among other areas of improvement.

To that end, specific goals, action plans, support systems and partnerships will be designed to enhance their development across all four focus areas. The first addresses local development challenges linked to local employment and purchasing. The second is focused on people and includes providing improved working conditions and higher levels of inclusion,

health and safety. The third area is caring for the environment through emission reductions and, finally, the fourth focuses on innovation and supplier training.

To support supplier companies, we have reached an agreement with Universidad Católica del Norte, which has a presence in the Coquimbo and Antofagasta Regions. The institution will manage a fund that gives SMEs access to financial support for projects to help them work towards our proposed goals as well as providing advisory services and support. We have also created a free platform to allow local suppliers to improve their skills and increase their opportunities to be part of the Group's value chain or any other industry.

2.5. SPACES INTEGRATION PROCESS

In 2022, we implemented a series of social initiatives in the Choapa Province and the Antofagasta Region. They were designed to contribute to people's wellbeing, improving their living conditions and promoting spaces that enhance access to development opportunities and help close territorial gaps.



COMMUNITY INFRASTRUCTURE

Given the importance of public spaces for community life, we have supported various projects to recover public space, improve infrastructure and, thus, promote integration.

Antofagasta Region

Significant Projects:

- > Camar church and square
- > Stage V of the Don Bosco Industrial High School in Calama

+14,500 Beneficiaries

+US\$1.4mn

Invested



Choapa Province

Significant Projects:

- > Los Corralones square
- > Ignacio Carrera Pinto square
- > El Esfuerzo square
- > Santa Rosa Stadium

+4,500 Beneficiaries

+US\$3.9mn

Invested

HEALTH

We have carried out initiatives that include distributing personal protective equipment, providing dental services, donating ambulances and opening the first digital pharmacy in María Elena. We also contributed to the initiative to open a Family Health Centre in Valle Alto. The positive impact of these projects encourages us to continue to support health initiatives in partnership with other strategic local stakeholders.

Antofagasta Region

5 Beneficiary Communities:

- Antofagasta, Mejillones, Sierra Gorda, María Elena & Michilla

6,773 Beneficiaries

+US\$300,193

Invested



Choapa Province

Significant Projects:

- > Chillepín Family Health Centre
- > Design of the Quilimarí Family Health Centre

6,696 Beneficiaries

+US\$447,171

Invested

2.6. CAIMANES DEVELOPMENT FUND

Under the **Framework Agreement for Reciprocal Understanding and Cooperation** signed in April 2016, the Caimanes community has created a fund for the development of initiatives proposed and agreed to by the community. In 2022, 40 initiatives were implemented with a focus on building, improving and outfitting public and community infrastructure and on providing equipment to social groups.

In 2022, we worked with the community to evaluate the Development Fund. We reached the following conclusions:

- The Caimanes Development Fund (CDF) offers a space for dialogue that allows community members to contribute ideas and initiatives.
- The initiatives that are executed through the CDF improve the quality of life.
- The CDF increases social cohesion in Caimanes by encouraging community members to participate in decision-making processes on the initiatives to be implemented.
- The Fund promotes engagement between the community and Minera Los Pelambres.

40 initiatives executed in 2022

+6,000 Beneficiaries

+US\$630,000

Invested



2.7. COLLABORATIVE ALLIANCES

At Antofagasta Minerals, we form alliances with public and private stakeholders to address shared challenges that are key to the industry, expanding the scope and efficiency of our projects and social investment initiatives.

- Since 2018, we have participated in the Mining Cluster, a public-private partnership focused on contributing to employability and development in the Antofagasta Region.
- We also co-finance the Quitai Anko Technical Water Centre Consortium, a strategic partnership between CORFO, Universidad de La Serena, CAZALAC, CEAZA, minera Los Pelambres and Fundación Mineral Los Pelambres. It focuses on challenges related to water supply faced by the Atacama, Coquimbo and Valparaíso Regions due to climate change.
- We are also members of organisations like the Chilean Hydrogen Association (H₂ Chile) and the International Council on Mining and Metals (ICMM), which allows us to work with other companies to address industry challenges including the need to decrease greenhouse gas emissions.
- In the academic sphere, we established the Antofagasta Minerals Chair of Water Sustainability at Universidad Católica de Chile (UC), which focuses on developing knowledge and human capital in an area that is essential to Chile's climate change resilience.

Agreement with Jesuit Migrants Service



We are committed to enhancing the wellbeing of northern Chile and are particularly concerned about the situation of migrants. As such, we have decided to promote the Jesuit Migrants Service (SJM) "For a more just Chile for all," which is executed in partnership with the Antofagasta Region's local government.

Our goal is to contribute to efforts to identify real solutions to the migratory issues experienced by thousands of people who have recently come to Chile. We will achieve this through the provision of social and legal services and the distribution of humanitarian aid. We have supported over 5,300 people from 328 families through these efforts.

"I came here alone seven months ago with my three children, aged 10, 7 and 4. SJM helped me a lot because I don't have support networks here in Chile. They gave us a basket of food items, paid half of our rent and, most importantly, helped me enroll my children in school and to regularise our migration status."

Claudia, programme beneficiary.

2.8. IMPACT ECOSYSTEM

Since 2018, we have measured the social impacts and contributions made by the portfolio of social programmes and initiatives that we have implemented in the territories where we operate. This process has led to the implementation of a set of tools, data and information which - aligned with the strategic challenges and objectives of the business - are part of our Impact Ecosystem.

Tools/ Methodologies	
	Impact Evaluation
Methodology to consistently assess the social impacts of the Group's social investments by applying the Change Theory tool and calculating the Social Return on Investment (SROI) score.	
	Territorial Human Wellbeing Matrix
Geo-spatial indicator that measures the Company's contribution to the wellbeing of local communities.	
	Contribution to Sustainable Development Goals (SDGs)
Analysis that measures the contribution to the SDGs and the goals that the Company has identified as priority and strategic for its social and operational standards.	

ANTOFAGASTA REGION

CHOAPA PROVINCE

2022 Results

Programme	Intervention	Municipal District	Objective	Impacts	SDG
Safe Return Plan	-	Sierra Gorda	To promote employability and local development through local economic reactivation by implementing sanitary standards in lodging and food services to enhance the accommodation conditions of Centinela partner companies.	• Improved perception of economic development.	3
				• Improved performance of partner companies.	8
Eleva Programme: Mining and Plant Maintenance Workers	-	María Elena	To design a maintenance training programme that enhances skills and transmits learning to young professionals in the area of influence.	• Job opportunities in the mining industry.	4
				• Longer tenure in role.	5
Caimanes Community Development Fund	Community Development Fund Process	Los Vilos	To generate sustainable development that includes a community engagement perspective through solutions implemented by community organisations and their members.	• Increased women's participation.	8
				• Improved public infrastructure.	9
	Clara Vial Orrego school	Los Vilos	Improved school facilities at Clara Vial Orrego school.	• Improved quality of life.	10
				• Perception of improvement in representativity in FDC decision-making.	11
Sports Infrastructure Programme	La Aguada community and sports complex	Illapel	To promote athletics and improve the quality of life and health of local communities through world-class athletics networks, decentralising sports infrastructure in order to bring sports to the community.	• Improved school safety.	4
				• More incentives to attend classes.	9
	El Polígono community and sports complex	Illapel	• Improved classroom environment.	9	
	Tranquilla stadium	Salamanca		• Improved life quality of users.	3
				• Increased physical activity.	9
				• Improved residents' health.	11
				• Improved residents' quality of life	17
				• Perception of increased sports activities.	17

Antofagasta Minerals Territorial Human Wellbeing Matrix

In 2022, we continued to measure Territorial Human Wellbeing for Choapa Province. We used the methodology developed by the Territorial Intelligence Centre (Centro de Inteligencia Territorial, CIT) at Universidad Adolfo Ibáñez (UAI) to evaluate the impact of the contributions made through the design and/or improvement of projects implemented by Minera Los Pelambres (MLP) in the territory.

A total of 65 equipment and services projects, financed by Minera Los Pelambres, were evaluated, showing the degree to which they enhance living conditions in urban and rural areas of the Choapa Province.

Access to both equipment and services improved, and the size of the population that benefited from the interventions.

Results

- The study showed that Illapel has 28,537 beneficiaries with access to sports equipment (93% of residents) through three projects, two of which are large scale and cover more than one municipal district.
- In Salamanca, 26,532 people (90% of residents) benefited from the eight initiatives implemented by Minera Los Pelambres in the context of its community engagement efforts.
- The study showed a 71% increase in access to Social Cohesion spaces in Salamanca municipal district. In Los Vilos, there was a 65% increase in access to cultural and health care equipment.
- Illapel showed an 80% increase in access to Education Services.

Access

- Public services
- Education services
- Health equipment
- Sports equipment
- Cultural equipment
- Green areas
- Higher education
- Social cohesion

Environmental

- Annual thermal range
- Vegetation cover

Connectivity

- Public transport
- Centrality

THW Matrix

Socioeconomic

- Housing quality
- Housing sufficiency
- Head of household education
- Household resilience
- Employment
- Employment and study

Security

- Faced with serious and minor crimes against people
- Faced with serious and minor crimes against property



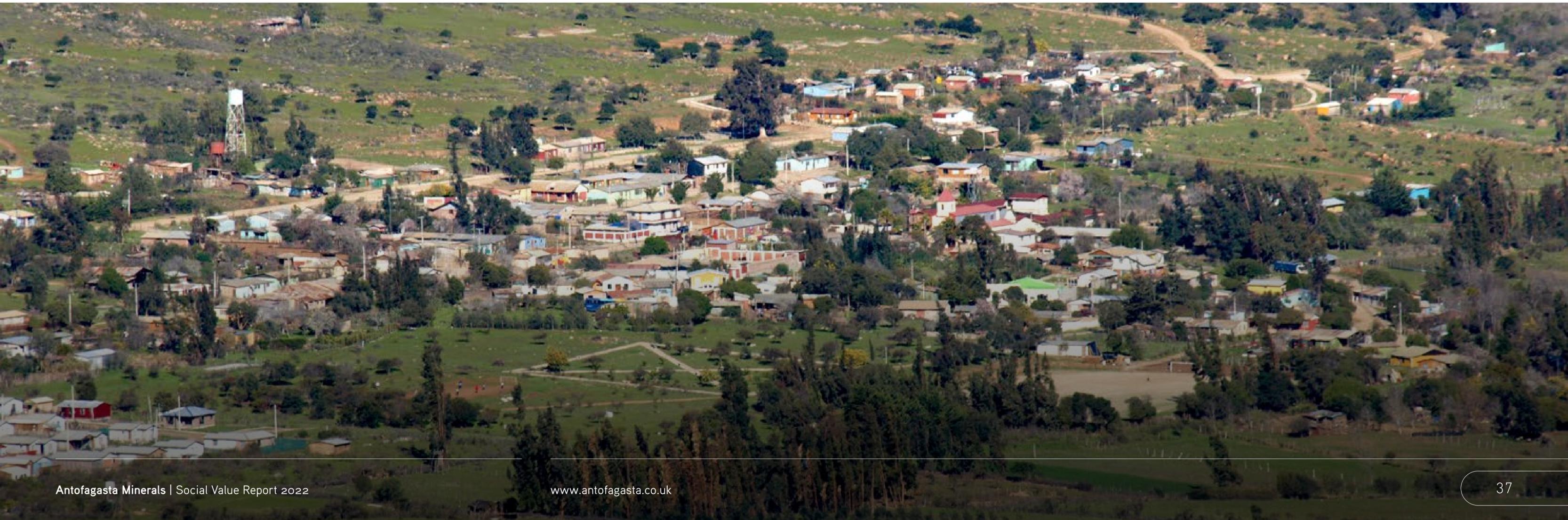
3. Safety and wellbeing

Protecting our workers' health and safety and those of the communities located near our operations is one of our core values and part of the Company's strategy.

The Human Rights Policy establishes our commitment to respecting and complying with all internationally recognised human rights standards.

In this context, we strive to identify, prevent, mitigate and respond to the possible negative consequences of our activities on human rights.

We have focused on partnerships with local communities, local governments and government agencies, implementing processes to distribute information on activities beyond our work sites, participatory monitoring and site visits in order to address the main concerns of our stakeholders with regard to our operations.



3.1. SAFETY AND WELLBEING PROGRAMME

The Safety and Wellbeing Programme seeks to integrate a series of commitments, initiatives and responsibilities related to coexistence among industrial facilities and the community, addressing interactions, risks and perceptions. This programme is implemented in over 10 communities in the municipal districts of Salamanca, Illapel and Los Vilos.

Caimanes

In Caimanes, the town near the El Mauro tailings storage facility, the community and Minera Los Pelambres have adopted agreements through the Safety and Wellbeing Programme. These efforts are focused on reorganising commitments and integrating them into the programme areas to simplify their understanding and management. The progress made is described in the following table.

Progress of the Community Care and Safety Programme

Dimensions	Description	Progress
Water	We provided the infrastructure required to give all local residents access to clean, high-quality water. Initiatives include the participatory water monitoring network, development of containment channels and improvement of the Caimanes Rural Sanitary Service.	In 2022, we executed a well optimisation plan for the Caimanes Rural Sanitary Service. It now has a new water source that is meant to strengthen and ensure the availability of the resource. We also strengthened the participatory monitoring plan and implemented a telemetry system to enhance the performance of the town's waterworks.
Air	This element of the initiative includes site visits and measures to reinforce oversight and monitoring of weather events that may cause suspension of particulate matter. It will also keep the community informed of the environmental behaviour of the Company's operations.	We enhanced the air stability weather prediction system and created a public website with air quality data from the Caimanes monitoring station. We implemented a plan for community visits to the El Mauro tailings storage facility so that participants can learn about operational measures designed to mitigate particulate matter emissions.
Sustainable Coexistence	This area covers measures linked to the operations of Minera Los Pelambres and the community through opportunities to maintain positive exchanges among partner companies' employees, communities and local suppliers.	Working groups with the administrators of partner companies were created to reinforce the principles of positive community coexistence. This initiative is focused on direct employees and contractors who have a presence in the town of Caimanes.
Safety	These initiatives enhance the safety standards used to operate the El Mauro tailings storage facility in an effort to reassure Caimanes residents and make the area safer. We note that we reached an agreement with the local fire department to implement an emergency plan for unscheduled emptying of the tailings storage facility.	In January 2022, the proposal to implement the Emergency Plan was presented to the community. In August, the Municipal Council unanimously approved the proposal in the presence of the community. This activated a process that has been led by the Fire Department, community members, the municipal team and Minera Los Pelambres. The following progress has been made thus far: <ul style="list-style-type: none"> • Creation of the Pupío Valley Risk and Emergency Management Coordinating Group; • Announcement of training for the Community Brigade; • Updating of the Clara Vial School Safety Plan; • Gathering material and human resources to respond to emergencies (Fire Department, local hospital, emergency brigade).



Caimanes Emergency Plan

The dissemination and community engagement phase has been launched of the "Specific Emergency Plan by Risk Variable: Unscheduled Emptying of the El Mauro Tailings Storage Facility". The document was submitted by Los Vilos Municipality to national geological service SERNAGEOMIN and developed with the support of Minera Los Pelambres. The project was approved by SERNAGEOMIN in 2019.

Minera Los Pelambres proposed that the municipality have a third expert to facilitate this task, which was taken on by the Fire Department. In August 2022, the Los Vilos Municipal Council held an extraordinary session in Caimanes to present the proposal developed by the Fire Department to the community. Comments and perspectives were shared and will be incorporated into the proposal.

The plan includes training for certified community brigades, the implementation of a school safety programme, a drill programme and training for personnel in Los Vilos Municipality and the emergency services.

3.2. IMPLEMENTATION OF THE GLOBAL INDUSTRY STANDARD ON TAILINGS MANAGEMENT

Antofagasta Minerals has four tailings storage facilities (TSF). Minera Los Pelambres operates the El Mauro and Los Quillayes TSFs, Minera Centinela operates a thickened TSF, and Minera Zaldívar has a smaller sized TSF for sulphides flotation.

Each of these TSFs is monitored by an independent tailings review committee. In 2022, that body certified their stability and compliance with international standards that have been set in this area.

In 2022, progress was also made on the implementation of the Global Industry Standard on Tailings Management (GISTM), a commitment made as a member of the International Council on Mining and Metals (ICMM).

Minera Los Pelambres will use the plan of action set out as a result of the adoption of the GISTM to evaluate the TSF and compliance with GISTM by August 2023, in accordance with the timeline set by the ICMM, and Centinela and Zaldívar will do so in August 2025.

El Mauro is also part of the pilot Tailings Programme, a public-private initiative executed by Fundación Chile to develop a system to monitor a TSFs physical and chemical stability. The goal of the initiative is to understand the monitoring system for all of the country's TSFs. The pilot programme will run through 2023.



Tailings Storage Facilities

The mining industry's Global Industry Standard on Tailings Management is comprised of 15 principles. Of these, numbers 13 and 15 address the strategy for disseminating the standards of our tailings storage facilities.

Principle	Definition of the principle	What should it communicate?	Actions
13	Prepare emergency response for TSF failures and implement a site-specific Emergency Preparedness and Response Plan (EPRP).	Steps to be followed in an emergency.	<p>El Mauro:</p> <ul style="list-style-type: none"> The dissemination process has begun. The municipality of Los Vilos, residents of Caimanes and Minera Los Pelambres launched a joint project to build an emergency response plan. Training for emergency brigades has begun with technical support from the Fire Department. Implementation of a Comprehensive School Safety Plan at Clara Vial Orrego School in Caimanes. Implementation of a community visit plan to the El Mauro TSF. <p>Centinela:</p> <ul style="list-style-type: none"> The process of socialising and disseminating it to the Sierra Gorda community and local authorities has begun. We created a partnership with the national disaster prevention and response service Senapred (formerly ONEMI) and the Municipality of Sierra Gorda for the emergency response plan. We held workshops to identify risks and threats with the community, fire service, police officers and municipal emergency response officials. Training course with Senapred for the community to train residents as Emergency Response Brigade members.
15	Publicly disclose and provide access to information about the tailings storage facility to support public accountability	General information on the infrastructure, risks, mitigation measures and monitoring.	<p>El Mauro:</p> <ul style="list-style-type: none"> Three community visits involving residents of Los Vilos. Implementation of a communications plan. <p>Centinela:</p> <ul style="list-style-type: none"> Visit with local residents, officials and regional services to the tailings facility to present technical aspects, the emergency response plan and unsafe distance. Tours for community members of the tailings facility flood zone. Tour with local and regional authorities to flood zones and presentation of the Centinela tailings facility flood zone. Partnership with the Municipality of Sierra Gorda to update the Municipal Emergency Plan, which includes a Centinela Tailings Failure Threat Plan.

3.3. WATER SAFETY

The Choapa Valley has been impacted by a mega drought for the past 15 years due to climate change. This has resulted in a low water level in local reservoirs.

Through the “Aproxima” and “Confluye” programmes and Somos Choapa, we have contributed to improved water management for both human consumption and farming. These programmes focus on guaranteeing that rural drinking water will be high quality, sufficient and offered on a continuous basis and that water will be used more efficiently for agricultural purposes.

Initiatives undertaken in 2022

- In an effort to improve access to water and respond to the drought, the priorities of the Water Subcommittee of the Lower Choapa River Valley, Minera Los Pelambres made available 500 litres of raw water each week to the 200 families who engage in small-scale farming in the communities of Mincha, Tunga and Coyuntura in Illapel municipal district.

- The Río Illapel Water Users' Board brought in nearly 450 m³ of water from the El Bato Reservoir with the support of Minera Los Pelambres to safeguard farming activity and human consumption in rural areas using what is known as “dead water.”
- Over 1,000 residents of Choapa Viejo and Las Cañas II will have improved access to drinking water as a result of the construction of a new well financed by Minera Los Pelambres. This new source is safer and more sustainable than the current one. The next step is to hold a tender pumping works so that a definitive connection to the community can be established.
- Minera Los Pelambres worked with the Choapa River Water Users' Board to support farmers through efforts to pump water from the Corrales Reservoir. This allows them to use water that cannot be pumped using the traditional system.
- Funding of canal lining: 1.8 km of canal in the town of Doña Juana to meet the needs of 80 irrigators; 1,500 m² from Canal Salinero in Huentelauquén in the municipal district of Canela; and the installation of 400 m of geomembrane that will allow 21 families in Huinchiguallego improve the availability of water for their fruits and vegetables.



3.4. TIMELY AND EFFECTIVE RESPONSES TO OPERATIONAL CHALLENGES

Concentrate Pipeline Leak in Llimpo

On 31 May, 2022, the monitoring systems detected a fracture in the Minera Los Pelambres concentrate pipeline at kilometre 38 in the Llimpo sector, Salamanca municipal district, activating the emergency controls and stopping the flow of concentrates. Despite the above, an estimated 45 m³ of concentrate leaked onto private property, where it was contained.

To date, all the measures defined in the Minera Los Pelambres Contingency and Emergency Prevention Plan have been implemented, highlighting

- **Halting of pipeline operations and transport of concentrate to safety pools.**
- **Immediate allocation of resources to address the emergency.**
- **Clean-up of the leak area and pipeline near Route D-385 in coordination with officials and the property owner.**

- **Development of spill confinement activities through the construction of a containment dike.**
- **Launch of property clean-up certification process by Universidad de Chile.**

Once the Company and public officials had conducted water and soil analyses, we determined that there had been no changes to the normal parameters of rural drinking water in Llimpo. This daily monitoring, which was also conducted in the Choapa River, showed there were no changes to water quality no changes related to this event and that it complied the limits associated with Chilean Standard 1333 on irrigation water. As such, we were able to rule out any potential impact on human health and environmental damage.

The Llimpo community blocked the route starting on the day of the incident and submitted a formal petition that included aspects related to monitoring and social practices. This led to the signing of an agreement with Minera Los Pelambres.

This agreement covers actions and commitments in the following areas:

- **Immediate clean-up and water quality monitoring activities.**
- **Social contributions related to community infrastructure and health, education and economic development activities.**

We maintained open and ongoing dialogue with both local and regional authorities during this period and with neighbourhood representatives. We worked with the municipality of Salamanca and the Presidential Delegation of the Choapa Province. As a result, we reached agreements with the involved communities, committing to provide information and ongoing monitoring on the integrity of the pipeline in addition to social investment projects and programmes designed to enhance the quality of life of the rural towns in this municipal district.

Camisas Emergency Tailings Pool Leak

In November 2021, a leak of industrial water from a containment pool in the lower sector of Camisas was identified. It was contained in a surface area measuring approximately 70 m² and did not reach the Camisas Brook.

We sampled the water from the brook in several places so that it could be analysed in a laboratory and measured the parameters of the land. This work was also conducted by the Regional Health Ministry Service. Experts determined that the Camisas Brook and rural sanitary service wells, which provide water for human consumption, had not been impacted. Environmental damage was ruled out.

Following discussions with the community, we began to empty the containment pool using water trucks hired exclusively for this purpose with monitoring based on environmental officials' instructions and the participation of local residents, who served as observers. We also signed agreements with the community that addressed water safety, operational and social initiatives.

Agreement between the towns of El Arrayán and El Palquial in the Camisas sector and Minera Los Pelambres

Dimension	Objectives	Social Agenda
Water Security	To ensure continuity and quality of water supply for human consumption.	<ul style="list-style-type: none"> • Provide drinking water until the end of the participatory monitoring process. • Implement the Aproxima programme. • Conduct a study of a new alternative supply source for rural drinking water for El Arrayán. If the results are positive, designing and building that source and the extensions required for the current supply.
Operational Commitments	To identify community concerns regarding operational facilities.	<ul style="list-style-type: none"> • Conduct a study of the TK-10 and TK-11 emergency tailings pools (relocation or improved construction) with community participation throughout the process. • Implement a participatory water quality monitoring process in Estero Camisas and the El Arrayán pool until soil condition studies are completed where the runoff occurred. • Enhance the Safety and Wellbeing Plan, which includes communication and emergency protocols that involve the Company's operational facilities and the updating of and training on protocols and operations infrastructure.
Social agenda	To the economic development of the community and of families with projects that seek to identify common benefits.	<ul style="list-style-type: none"> • Implement an Economic and Social Development programme for families in Palquial and El Arrayán to finance social and productive development initiatives related to areas such as housing, health, education, infrastructure, equipment or business development ideas.



4. Human Rights



Our commitment to human rights aligns with the Guiding Principles on Business and Human Rights established by the United Nations, the Ten Principles of the United Nations Global Compact and the International Council of Mining and Metals' (ICMM) Mining Principle on Human Rights. We reject actions that violate these principles and that may be committed by our employees, contractors and companies that are part of our supply chain.

Human rights are inherent to all people regardless of nationality, place of residence, national or ethnic origin or any other condition. The UN Universal Declaration of Human Rights identifies the fundamental rights that must be protected around the world. The UN Guiding Principles establish the State's responsibility to protect them and the responsibility of companies to respect them.

4.1. HUMAN RIGHTS POLICY

Our Human Rights Policy applies to all Group companies and establishes how we relate to our workers, employees, suppliers, business partners, local communities and other parties directly related to our operations.

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

4.2. DUE DILIGENCE AND ACTIONS PLANS

Due Diligence Process

The UN Guiding Principles are structured around three fundamental pillars:

Protect	Respect	Remedy
The State duty to protect against human rights violations	The Corporate responsibility to respect human rights	Access to reparations mechanisms
Through effective policies, legislation, regulations and their enforcement	Businesses must avoid infringing on the rights of others and address adverse human rights impacts	Victims of business-related human rights abuse must have access to effective remedy, both judicial and non-judicial

In 2023, we will carry out our second due diligence process on human rights in our four mining companies, updating the information provided by the first, which was conducted at the corporate level in 2018. This process focused on the second pillar of the Guiding Principles - respect - and used a four-step methodology to identify and prioritise risks related to human rights at the corporate level and in mining companies. The four steps were: (1) immersion and investigation, (2) identification of potential human rights impacts, (3) prioritisation human rights impacts and (4) action plans.

The main actions that resulted from this exercise include the publication of the first version of our Human Rights Policy and the review of some of our procedures and protocols. These include our community grievances channel and providing human rights training to our security guards to familiarise them with security risks. We also organised Respectful Environment Workshops and initiatives to address Social and Cultural Identity Risks, which were implemented by our teams in northern Chile.

Our approach has been recognised by various industry auditing and certification processes. We highlight the international Copper Mark seal, which recognises sustainable and responsible copper production practices based on the assessment of 32 criteria including human rights. In 2022, our four operations received this recognition of their commitment to sustainable production and use of best practices to benefit the environment and local communities.

Community Grievances Channel

Our Community Grievances Channel is the mechanism provided by the Group to receive and respond to all complaints submitted by any community member who lives in our areas of interest regarding actions, operations or omissions that may be linked to our companies.

It was designed based on the UN Guiding Principles on Business and Human Rights (UNGPs) and the International Council on Mining and Metals' (ICMM) guidance on handling and resolving concerns and grievances, incorporating the basic principles established for correctly receiving, managing and responding to cases.

FOR MORE INFORMATION, CLICK HERE:



Channel Principles



Inclusive

The system guarantees a response to all complaints submitted by members of our local communities.



Equitable

All complaints submitted receive the same treatment regardless of the level of urgency.



Confidential

We guarantee the privacy of complaints and responses to them. Complaints may also be submitted anonymously.



Interactive

Our system allows users to monitor the status of their complaint on an ongoing basis.



Timely

The Company responds to all complaints within 30 calendar days except for when the investigation or level of complexity of the case requires a longer response time.

4.3. OUR COMMITMENT TO INDIGENOUS PEOPLE

Following the acquisition of Minera Zaldívar in December 2015, we have strengthened our efforts to engage with and understand Indigenous peoples. In 2017, we began engaging with communities in Salar de Atacama using the dialogue and participation methodology set out in ILO Convention 169 on Indigenous and Tribal Peoples. Based on this, we signed social investment agreements with Socaire, Camar and Talabre to be implemented between 2018 and 2023.

In addition, in the context of our efforts to update our Human Rights Policy, we strengthened our commitment to respect for the human rights of the Indigenous peoples present in the areas where we conduct exploration, operate facilities and develop projects. We strive to maintain constructive relations based on dialogue, mutual respect and collaboration in accordance with the ICMM Position Statement and Good Practice Guide on Indigenous Peoples and Mining.

In 2022, we developed our Indigenous Peoples Engagement Standard to guide our territorial teams' efforts to deploy long-term relationships and connections with the Indigenous communities present in our areas of influence.

We recognise and respect the rights, culture and traditions of all of the Indigenous peoples present in our areas of influence in keeping with our Human Rights Policy and Indigenous Peoples Engagement Standard.



NEW CHURCH AND SQUARE IN CAMAR

In August 2022, the cornerstone of Camar’s new church was placed thanks to a contribution made by Minera Zaldívar. The work will take approximately 10 months, including the construction of a new town square.

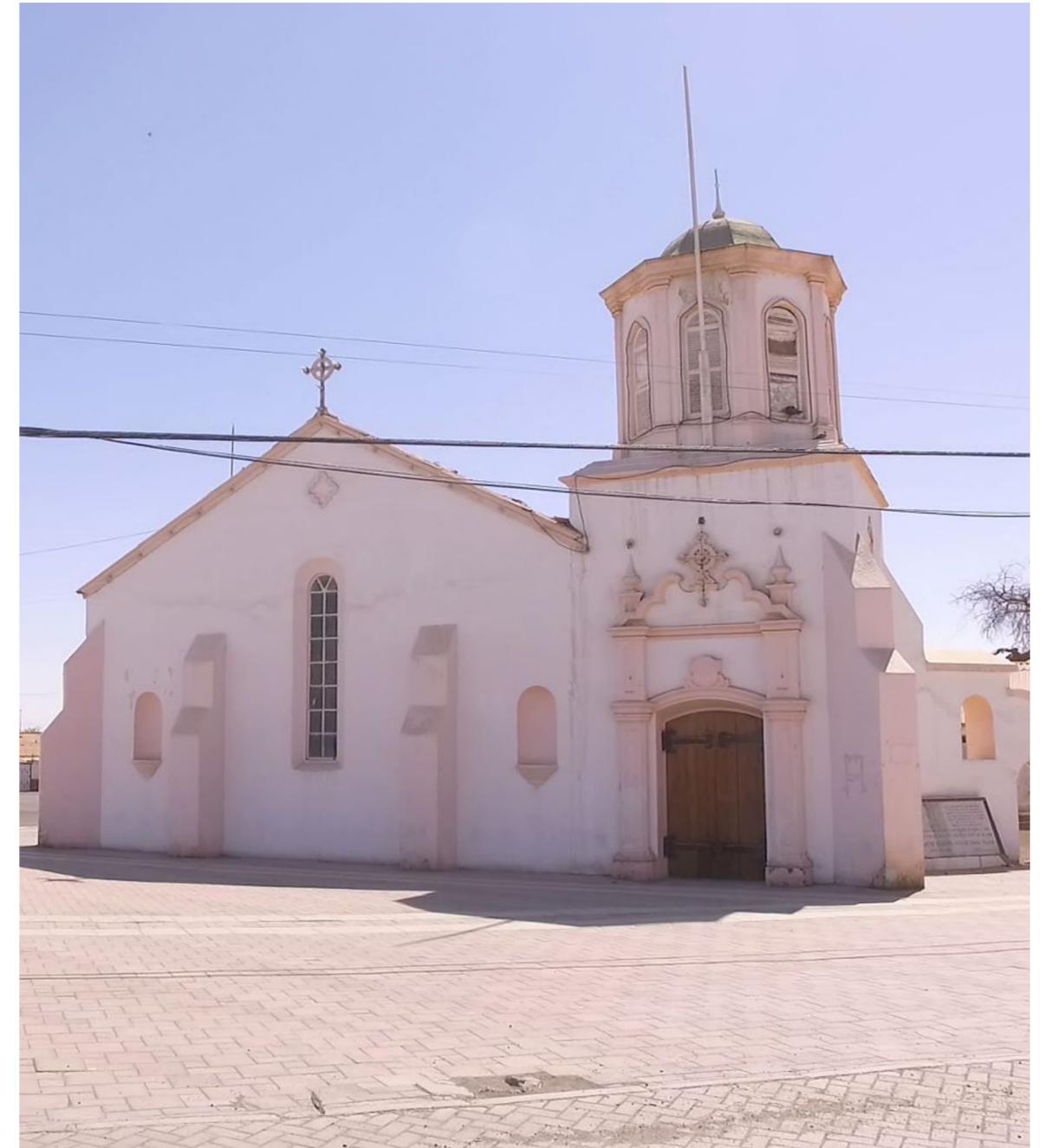
The new church will be built out of locally sourced stones and will have a cactus roof. It will replace the building that suffered serious structural damage in a June 2020 earthquake. Camar’s residents, numbering more than 80, will thus be able to celebrate the town’s patron saint, Saint Anthony.

The projects are part of a series of initiatives that we have agreed to undertake with Minera Zaldívar in the context of a new 24-month agreement on due diligence, cooperation, sustainability and engagement with the community of Camar. The agreement establishes a working group to monitor mutual co-operation agreements.

“

It is important for us as a parish and for the people of Camar to have this space. We lost it in an earthquake a few years ago that caused the roof to collapse. Today it is becoming a reality, and we will be together again soon.

NÉSTOR VENEROS,
SAN PEDRO DE ATACAMA PARISH.





5. Challenges



The implementation of our Social Management Model allows us to implement lessons and take opportunities to improve our efforts to meet the challenges emerging from the territories and communities and to respond to the needs of our operations and the industry at the local and international levels. The work performed this year allows us to anticipate a 2023 marked by at least five challenges, which are described below.

CHALLENGE 1 UPDATING THE VALUE PROPOSITION OF THE SOMOS CHOAPA PROGRAMME

In 2014, we launched Somos Choapa, a community relations programme based on dialogue, collaboration, transparency, traceability and operational excellence. Since then, it has allowed us to develop a vision of the territory in order to orient our social value creation proposition.

Based on the experience and lessons generated during this period, we have identified various areas that comprise the second cycle of Somos Choapa, which will begin to be implemented in 2023. It is based on a conversation about the future of the territory and Minera Los Pelambres in various areas. These include climate change and social change, particularly water management, waste management, connectivity and territorial equity.

In an effort to disseminate our vision of the future, we have generated a proposal that we wish to share with the community to co-construct a shared vision of the future and develop a joint social value creation proposition.

CHALLENGE 2 IMPLEMENTATION OF THE INDIGENOUS PEOPLES ENGAGEMENT STANDARD

Alongside the human rights agenda, we will focus on implementing our Indigenous Peoples Engagement Standard in 2023. It is based on recognition, respect and contributions. It incorporates a series of definitions regarding engagement with the Indigenous peoples present in the territories where we operate based on the guidelines established for the industry, international agreements signed by Chile and local regulations.



CHALLENGE 3 DUE DILIGENCE ON HUMAN RIGHTS

The first human rights due diligence process for all of our operations will be executed in 2023. This will expand the process implemented at the corporate level in 2018. Since then we have published and updated our Human Rights Policy and implemented the recommendations made in the action plans that emerged as a result of the 2018 assessment.

Our four mining companies were certified according to Copper Mark responsible production standards and ICMM performance expectations in 2022. Both standards consider performance that shows our commitment to respect human rights, persistently promoting the integration of this perspective into the daily work of our operations and throughout our value chain.

In this sense, we have worked to develop preventative mechanisms to mitigate and contain the risks associated with the possibility of violating human rights considering the reality of each of the territories in which we operate. This approach is related to the ICMM recommendations set out in the guide to integrating due diligence on human rights into corporate risk management processes. An example of this is the Safety and Wellbeing Programme that we have promoted in Choapa Province, and the water management programmes that we have introduced, among other initiatives.

CHALLENGE 4 DEVELOPMENT OF LOCAL SUPPLIERS

In the context of the Suppliers for a Better Future programme, which we launched in 2022, we have proposed addressing gaps by focusing on providing support and training to local micro-, small- and medium-sized enterprises, mainly via the digital platform we use to manage procurement.

We seek to activate and support the business ecosystem in the communities located within our area of influence, overcoming differences in knowledge and training that we have identified based on our territorial assessments.

