

## Antofagasta plc

# ESG Supporting Document DJSI 2023

(FY 2022)

## Risk Governance

	Please indicate name and position	Reporting line: please indicate who the person or committee reports to
Highest ranking person with dedicated risk management responsibility on an operational level (not CEO)	Adriana Ranieri, Corporate Head of Risk and Compliance	Corporate Head of Risk and Compliance reports to the Finance Vicepresident who reports directly to the CEO and to the Audit and Risk Committee which informs to the Board. /// The Risk and Compliance Management Department is responsible for risk management systems across the Group. It implements the Company's risk management policy, vision and purpose to ensure a strong risk management culture at all levels of the organization. The Department supports business areas in analysing their risks, identifying existing preventive and mitigating controls and defining further action plans. It maintains and regularly updates the Company's risk register. /// The Department reports twice a year to the Audit and Risk Committee on the overall risk management process, with detailed updates on principal risks, mitigation activities and actions being taken
Highest ranking person with responsibility for monitoring and auditing risk management performance on an operational level (not CEO)	Claudio Martínez, Corporate Head of Internal Audit	Audit and Risk Committee which reports directly to the Board. // The Head of Internal Audit reports directly to the Committee and meets without management present at least once a year./// The Audit and Risk Committee assists the Board by reviewing the effectiveness of the risk management process and monitoring 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. /// All Committee members are independent and are considered to have recent

		and relevant financial experience, as well as significant experience relevant to the mining sector.
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## Review of company's risk exposure

We review our company's risk exposure annually.

## Business Ethics

### AMSA's individual employee performance appraisal systems integrates compliance of codes of conduct

Regarding the performance evaluation, 40% is related to the deployment of the behaviours of our charter of values and therefore of the Code of Conduct.

### Corruption and bribery:

Antofagasta plc does not make political contributions as one of the means of preventing corruption and bribery. In addition, we have policies and procedures that prevent corruption and bribery.

### Reporting on breaches\*

Reporting areas	Number of breaches in FY 2022
Corruption or Bribery	4
Discrimination or Harassment	172
Customer Privacy Data	0
Conflicts of Interest	3
Money Laundering or Insider trading	0

\*The data in the table are complaints during 2022. Antofagasta plc does not disclose breaches publicly.

## Policy influence

	Currency	FY2019	FY2020	FY2021	FY2022
Lobbying, interest representation or similar	USD	95.459	95.459	0	0
Local, regional or national political campaigns / organizations / candidates	USD	0	0	0	0

	Currency	FY2019	FY2020	FY2021	FY2022
Trade associations or tax-exempt groups (e.g. think tanks)	USD	4,452,000	4,452,000	4,773,133	3,861,509
Local, regional or national political campaigns / organizations / candidates	USD	0	0	0	0
Other (e.g. spending related to ballot measures or referendums)	USD	0	0	0	0
<b>Total contributions and other spending</b>	<b>USD</b>	<b>4,452,000</b>	<b>4,452,000</b>	<b>4,773,133</b>	<b>3,861,509</b>

## Largest Contributions & Expenditures

Name of organization or topics	Description	Total amount paid in 2022 (USD)
Topics: Education, Politics, Justice, Economy, Poverty, Health, Labor, Forecast, Regulation and Environment.	We are member of the leading organization that advocate for the copper industry. It is a nonprofit organization that brings together the copper industry and its partners to make a positive contribution to the UN Sustainable Development Goals and support markets for copper.	2,421,560
ICMM International Council on Mining and Metals.	ICMM is an international organization dedicated to a safe, fair and sustainable mining and metals industry. Bringing together 28 mining and metals companies and over 35 regional and commodity associations, it strengthens environmental and social performance. It serves as a catalyst for change, enhancing mining's contribution to society.	285,039
Mining Council	Trade association that brings together the largest mining companies that produce in Chile and its main mission is to promote the competitive and sustainable development of Chilean mining, in order to contribute to the well-being of the country.	224,863

We had three large contributions. The contributions cannot be broken down to one specific issue or topic, as we participate in these Associations specifically to contribute to all the important issues and topics currently of interest in the Industry and Chile.

## Supply Chain

### Supplier ESG Program

Antofagasta Minerals has systems/procedures in place to ensure the effective implementation of the company's supplier ESG programs necessary to identify and address material risks and impacts.

- **Oversight of implementation of the supplier ESG program.**

The highest decision-making body of the ESG program is the Planificación y Excelencia de Abastecimiento area, in charge of the Procurement Excellence Lead.

- **Suppliers with better ESG performance are preferred by applying a minimum weight to ESG criteria in supplier selection and contract awarding.**

All contracts include clauses related to ethics, the Chilean Bribery and Money Laundering Act No. 20,393, and the UK Bribery Act and Modern Slavery Act.

In 2022, we began applying additional environmental, social and governance (ESG) criteria to evaluate bids for contracts worth more than US\$10 million, to complement existing energy efficiency and safety considerations. Additional points are assigned to bids from companies with strong governance, local sourcing, diversity and inclusion, as well as carbon reduction strategies and targets. The application of ESG criteria can weigh between 10% and 20% of the total bid polynomial.

We also started to apply an internal carbon price in tenders for specific goods and services, such as explosives, mine haulage trucks and personnel transport.

- **Training for company's buyers and/or internal stakeholders on their roles in the supplier ESG program.**

The procurement area has received training on ESG issues.

More than 100 people from internal and external procurement teams were trained in sustainable sourcing and ESG matters, including a specific module on "Labour and Human Rights", in which the issue of modern slavery was addressed.

### Supplier Screening

Antofagasta Minerals has a systematic supplier screening approach to identify significant suppliers.

#### Aspects of suppliers screening

We began working with a recognized consulting firm, a leader in supply chain sustainability ratings, and assessed the ESG risk of 736 companies. This assessment considers ESG criteria (70%) (environmental, human and labor rights, ethics and sustainable procurement), in addition to sourcing risks (30%), based on spend.

The result of this screening shows whether a supplier has a very high, high, medium, low and very low overall risk, so we consider suppliers with "very high" and "high" risk as significant suppliers. In

2023 we will invite all our suppliers with high and very high risk to perform the ESG performance assessment, and if necessary, we will request corrective action plans.

### Methodology for suppliers screening

The following risks are considered in its screening process for significant suppliers:

- **ESG risk screening:** industry and country.

## Supplier Assessment and Development

### Supplier assessment

Antofagasta Minerals has a supplier assessment process in place which includes the following:

- **Supplier desk assessments with systematic verification of evidence.**

In 2022 we conducted a pilot to assess the ESG performance of our suppliers through the Ecovadis platform. By the end of the year, 22 of the largest suppliers (based on spend) that were voluntarily invited to participate had completed the process. We expect to incorporate more suppliers over the next few years.

- **Supplier assessments (desk or on-site) are carried out using standards and methodologies of a recognized industry or multi-stakeholder initiative.**

Ecovadis' methodology is based on international sustainability standards, such as the Global Reporting Initiative, the United Nations Global Compact and ISO 26000. More information at: <https://ecovadis.com/es/about-us/>

### Supplier Development

Antofagasta Minerals has a supplier development process in place which includes the following:

1. **Supplier information/trainings on company's supplier ESG program, process and requirements**



During 2022, we held two ESG training sessions for SMEs in the Antofagasta Region and another four for companies in other regions. In total, more than 200 national and regional suppliers participated.

In the last session of the workshop "Sustainability Challenges in the Supply Chain", more than 100 Antofagasta Minerals suppliers participated to talk about the challenges in environmental, social and ethical (ESG) issues from a sourcing perspective.

The activities were carried out in collaboration with ACCIÓN EMPRESAS, and the speakers and representatives of Colbun, Empresas SB and Aguas Andinas, who accepted our invitation to share their experience in addressing their ESG challenges.

## **2. Supplier access to ESG benchmarks against peers.**

The Ecovadis ESG performance assessment allows companies to benchmark themselves against their industry peers, but also helps to situate the company's overall performance in absolute terms.

## **3. Supplier support (remote/on-site) on implementation of corrective/improvement actions.**

The Ecovadis assessment sheet, in addition to the rating, provides information on strengths and areas for improvement, with clear and prioritized guidance on where to focus its efforts in each of the pillars evaluated (environment, human and labor rights, ethics and sustainable procurement). More information at: <https://ecovadis.com/es/suppliers/>

During 2023 we expect to have more evaluations of our suppliers, and if necessary, request corrective action plans on relevant issues.

## **4. In-depth technical support programs to build capacity and ESG performance in suppliers.**

In December, we launched the Suppliers for a Better Future program, which seeks to align contractor practices with our goal of developing mining for a better future. This program provides support and sets ESG goals for suppliers by 2025 on hiring local labor, hiring women, and reducing emissions.

In partnership with the Universidad Católica del Norte (UCN), the program also seeks to strengthen the capacities of local SMEs in their application of ESG criteria. To this end, the suppliers that will participate in the program must carry out the Ecovadis ESG performance evaluation as a diagnostic, and then work on an action plan to close the gaps, which will be worked on with assistance and accompaniment from UCN.

## KPIs for Supplier Screening

Antofagasta Minerals monitors and reports on the coverage and progress of its supplier selection program:

Supplier Screening	FY 2022
1.1 Total number of Tier-1 suppliers	3819
1.2 Total number of significant suppliers in Tier-1	35
1.3 % of total spend on significant suppliers in Tier-1	36%
1.4 Total number of significant suppliers in non Tier-1	0
1.5 Total number of significant suppliers (Tier-1 and non Tier-1)	35

## KPIs for Supplier Assessment and Development

Antofagasta Minerals monitors and reports on the coverage and progress of its supplier assessment and development program:

Note: The values in the following tables consider only suppliers classified as significant suppliers, i.e., those that due to the volume of purchases, their environmental, their ethical behavior, social and human rights practices, may pose a risk or negative impact to the company.

1. Supplier Assessment	FY 2022
1.1 Total number of suppliers assessed via desk assessments/on-site assessments	6
1.2 % of significant suppliers assessed	17.14
1.3 Number of suppliers assessed with substantial actual/potential negative impacts	0
1.4 % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0
1.5 Number of suppliers with substantial actual/potential negative impacts that were terminated	0

2. Corrective action plan support	FY 2022
2.1 Total number of suppliers supported in corrective action plan implementation	0

2.2. % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	0
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<b>3. Capacity building programs</b>	<b>FY 2022</b>
3.1 Total number of suppliers in capacity building programs	8
3.2 % of significant suppliers in capacity building programs	23.86

## IT Security/ Cybersecurity Governance

### Executive Management Responsibility:

- Miguel Angel Elizondo Cornejo - Subgerente de Ciberseguridad.

## DIRECT SOX EMISSIONES

Direct SOx emissions	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Direct SOx emissions	metric tonnes	5.84	6.29	12.5	18.52
Data coverage (as % of denominator)	percentage of revenue	96.7%	97.1%	97.7%	97.7%

## ENVIRONMENTAL CAPEX and OPEX

Currency: USD	FY 2019	FY 2020	FY 2021	FY 2022
Capital Investments	34'897'112	31'148'452	31'148'452	35,750,552
Operating Expenses	26'925'720	24'905'229	24'905'229	27'322'460
Total Expenses (= Capital Investment + Operating Expenses)	61'822'832	56'053'681	56'053'681	32'139'012
% of operations covered Please indicate the basis for the coverage (revenue, production volume, employees, etc.): 8 of max. 50 chars	96.7%	97.1%	97.7%	97.7%



## Workforce Breakdown: Gender

Diversity Indicator - As of December 31st	Percentage (0 - 100 %)
Share of women in total workforce (as % of total workforce)	20,6%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	14%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	15%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	8%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	0%
Share of women in STEM-related positions (as % of total STEM positions)	39%

## Human Rights Due Diligence Process

Actual or potential human rights issues covered/identified:

- Forced-labor
- Human-trafficking
- Child-labor
- Freedom of association
- Right to collective bargaining
- Equal remuneration
- Discrimination

Groups at risk of human rights issues covered/identified:

- Own employees
- Women
- Children
- Indigenous people
- Migrant workers
- Third-party employees
- Local communities

## Employee Development Programs

	Program 1	Program 2
Name & Description of the program	Leadership skills: As part of our D&I strategy, a total of 97 women from executive, supervisor and operator positions	Digital transformation: In mid-2019, we created a new area to implement our Digital Transformation project to ensure we are capturing the

	<p>continued with career development and leadership programmes during the year.</p> <p>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.</p>	<p>advantages of existing technology, improve how we work, and develop our skills in readiness for a highly digitalized future. To support this change in the way we work, we established a Digital Academy to ensure we have the organizational capabilities to capture the benefits of technology as well as improve employees' skills and job opportunities. Among the main technological enablers being considered is the automation of repetitive processes, the implementation of advanced analytics, and the use of blockchain technology. It involves a series of courses through e-learning on machine learning, data science, Internet of things among others. The program seeks to prepare all employees of the Mining Group and accelerate the adoption of digital skills to improve employability and development within the organization.</p>
<p>Description of program objective/business benefits</p>	<p>Enhance the talents and leadership of female employees with the possibility of internal promotion. Having an organization properly trained in technical and leadership matters not only allows us to advance in the strategic challenges imposed by our business and the changing environment, but also opens possibilities for attracting new female talent and the integral development of our employees based on the conviction of a more diverse and inclusive organization, and above all, one that provides respectful, safe spaces that reconcile personal and family life.</p> <p>Example: Women's Leadership Program, which promotes the development of management, communication and empowerment skills, among</p>	<p>Develop new skills or deepen their existing digital skills and strengthen data-driven decisions through training in data analysis and reporting. The topics developed are: Common Digital Language, aims to generate Digital Literacy learning, where digital topics such as digital transformation, Internet of Things, Design Thinking methodology, Agile Project Management and internal capsules on automating everyday processes and what is the system we use in different business areas are addressed. Making decisions based on data is organized in areas of competencies that together influence the themes Data &amp; Analytical Visualization, deepening in analysis and interpretation of information, to manage visualizations in the Power BI tool. Lean Management aims to level the knowledge on basic concepts of the</p>

	others. Development skills for female employees that leverage effective leadership and improve team performance.	Lean Management philosophy as an internal management system.
Quantitative impact of business benefits (monetary or non-monetary)	97 women were trained and 8 had internal mobility (8% of program participants). They are not associated with indicators or KPIs directly to the business. But leadership programs point to: - Improved engagement - Retention - Internal mobility - Attraction (employer brand)	1,799 people were trained in competencies 230 had internal mobility (13% of program participants)
% of FTEs participating in the program	0.09	24.00

## Hiring

Direct SOx emissions	FY 2019	FY 2020	FY 2021	FY 2022
Total number of new employee hires	647	718	905	846
Percentage of open positions filled by internal candidates (internal hires)	53	59	53	41
Average hiring cost/FTE Currency: USD	3478	3616	1900	2.052

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## Type of Performance Appraisal

The company conducts management performance evaluations by objectives at least once a year.

## OHS Policy

All our Policies are approved at Board member level.

## Active Community Engagement

Company's community consultation activities.

Current production assets that have required community consultation	
Total number of current production assets	4
% of current production assets that have required community consultation	100%

Development projects are in the process of community consultation	
Number of development projects	0
% of development programs that are in the process of community consultation	0

ISO 14000-1 Zaldívar Certificate:

Certificado CL10/2010007

El sistema de gestión de

# COMPAÑIA MINERA ZALDIVAR SPA.

Av. Grecia N° 750, Antofagasta,  
Faena Minera Zaldívar a 175 Km, al Sureste de Antofagasta  
Chile  
ha sido evaluado y certificado en cuanto al cumplimiento de los requisitos de

## ISO 14001:2015

Para las siguientes actividades

**Procesos Geológicos y de Ingeniería de Minas para la Extracción y  
Chancado de Mineral, Explotación de Aguas Subterráneas y su  
Conducción, Apilado, Lixiviación, Flotación, Extracción por Solventes  
y Electro Obtención para la Producción de Cátodos y Concentrado de  
Cobre.**

Cualquier aclaración adicional relativa tanto al alcance de este certificado como a la aplicabilidad de los requisitos de la norma ISO 14001:2015 puede obtenerse consultando a la organización

Este certificado es válido desde  
04 de Enero de 2022 hasta 15 de Marzo de 2024  
y permanece válido sujeto a las auditorías de seguimiento satisfactorias.

Decisión de Certificación 04 de Enero de 2022  
Auditoria de recertificación se prevé para un mínimo de 60 días antes de la  
fecha de expiración de este certificado.  
Edición 7. Certificado desde 16 de Marzo de 2010

La auditoría que condujo a este certificado comenzó el  
22 de Noviembre de 2021

La emisión anterior de este certificado fue valida hasta el  
08 de Diciembre de 2021

Autorizado por



Victor Rodriguez Jorjé  
Certification Manager

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