

# COMMUNITIES

Through learning, dialogue and collaboration, we seek to strengthen our engagement with communities and build a common vision of future regional development.

## CONTEXT

Developing mining for a better future implies conducting our activities in a prosperous social environment and the wellbeing of our neighbours is key for the sustainability of our business. However, we know that our activities affect communities and we strive daily to prevent the adverse impact of our activities and to show that mining can provide unique development opportunities for the regions where it takes place.

Our operations are located in areas with different social and environmental contexts. We coexist with a variety of communities in Chile, mainly located in Antofagasta and Coquimbo Regions. Los Pelambres operates in the largely agricultural Choapa Valley and interacts with several communities. Our mining operations in northern Chile are located in desert areas near small communities with a long-mining tradition.

The experience of cohabiting with communities in different geographical and social contexts has taught us that each region has its opportunities and challenges and that dialogue and collaboration among the different players that inhabit the region contribute to people's development and provide creative and relevant solutions to local problems. Through different dialogue mechanisms, we seek to make a significant contribution to the development and wellbeing of our host communities, respond to their expectations and concerns, and embed lasting capabilities to promote their productive activities, culture and tradition.

## MANAGEMENT

### SOCIAL MANAGEMENT MODEL

In 2018 we launched a new Social Management Model that will be gradually implemented from 2019 in our operations and in the Group's other operating companies.

The objective of the Social Management Model is to have a single, integrated way of operating at Group level to enable the application of common engagement principles, methodologies and practices, guarantee excellence in project execution, measure impacts and have a socio-territorial risk management system that offers the quantity and quality of information needed to make evidence-based decisions.

The Social Management Model consists of four components and includes standards for the application of each one.

In 2018 we worked on the conceptual development of the Model, the Engagement Standard and the Initiatives Management Standard. The latter includes the development of an online platform containing all the information regarding each project or social programme's physical and economic state of progress.

The Model was launched at the end of the year with all our operations' regional teams, together with the standards and online platform. In 2019 we will prepare the Impact Measurement and Socio-Territorial Risk Standards, as well as reinforce the Model's implementation at operations.

