



ANTOFAGASTA PLC

# 2017 Performance Annual General Meeting

Iván Arriagada  
Chief Executive Officer

23<sup>rd</sup> May 2018

# Highlights 2017



People



Environment



Social  
Development



Transparency and  
Corporate Governance



Economic  
Performance



# Our First Priority PEOPLE

# SAFETY AND HEALTH

- ▶ **Fatal accidents**

No accidents since April 2016

0

- ▶ **Lost Time Injury Frequency Rate (LTIFR 1.4)**

Best ever result



7%

- ▶ **Near miss reporting**



162%

- ▶ **Safety and Health Model updated**



*2017 compared to 2016*

# PEOPLE

- ▶ Labour negotiations completed:
  - ✓ 3 Centinela
  - ✓ 2 Los Pelambres
  - ✓ 2 Zaldívar
- ▶ New Diversity and Inclusion Strategy





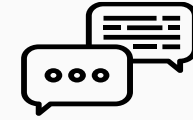
PLANTA  
DESALINIZADORA

La instalación  
en el agua de mar  
del sistema de

# SOCIAL DEVELOPMENT

# COMMUNITY RELATIONS

- ▶ No material incidents were reported by communities near to the operations
- ▶ Continuing consolidation of *Somos Choapa* at Los Pelambres and *Diálogos para el Desarrollo* at the northern operations



DIALOGUE



COLLABORATION



TRACEABILITY



EXCELLENCE



TRANSPARENCY



Built a Technical  
College, jointly with  
*Universidad Católica del  
Norte* in Los Vilos for  
300 students





# ENVIRONMENT

# Environmental Authority approved the Incremental Expansion at Los Pelambres in February

- ✓ Favourable review  
Unanimously approved
- ✓ Desalination plant included



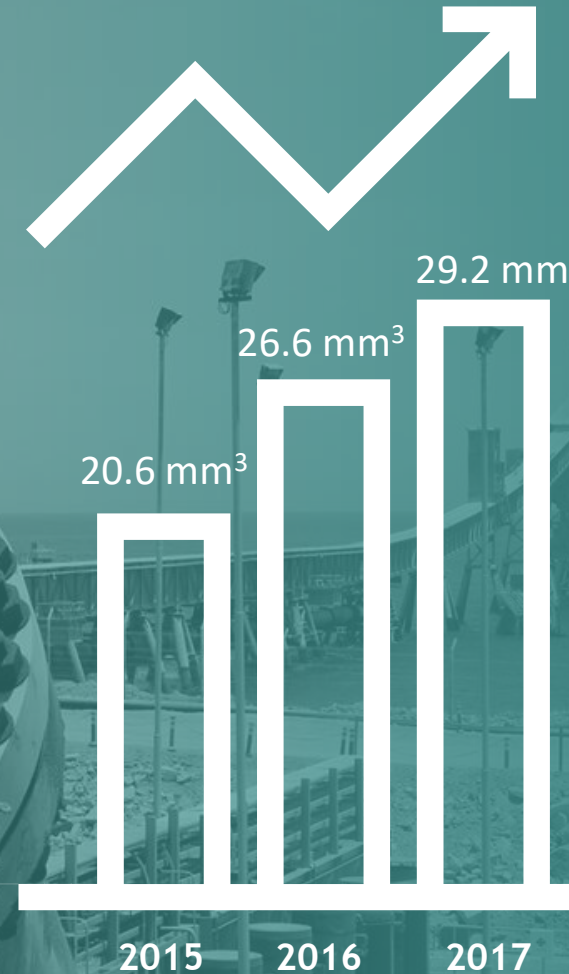
# WATER

- ▶ Group's seawater consumption

**45%** of total

- ▶ Seawater consumption in Centinela

**88%** of total



*mm<sup>3</sup> = million cubic metres*

# ENERGY

- ▶ Group renewable energy consumption (wind and solar)

**21%** of total

- ▶ Renewable energy consumption at Los Pelambres

**54%** of total

- ▶ Energy contracts favour lower-emission sources



# ENVIRONMENTAL ASSURANCE

▶ Environmental Management Model updated



▶ Compliance programme agreed with environmental regulator



# CLIMATE CHANGE

Group committed to reduce its impact on climate change



▶ Target:

**300,000**

Tonnes of CO<sub>2</sub>

▶ Equivalent to:

**3%**

Reduction of greenhouse gas intensity (GHG), from 2018 to 2022<sup>1</sup>

*1 Reduction relative to 2017 Base Case forecast*

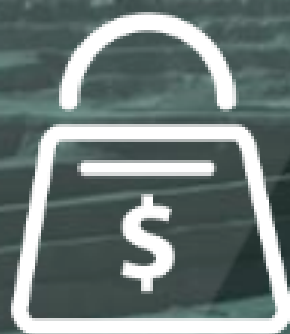


# TRANSPARENCY AND CORPORATE GOVERNANCE

# CORPORATE GOVERNANCE

- ▶ Reviewed and refined our Risk Management System
- ▶ Re-certified our Crime Prevention Model (bribery, terrorism financing)
- ▶ Whistle-blower hot line active and Ethics Committee periodically reporting to the Board





# ECONOMIC PERFORMANCE

# A YEAR OF SOLID PROGRESS

▶ Production	704,300 T/FCu
▶ Net cash costs	\$1.25/lb
▶ EBITDA	\$2,587m
▶ EBITDA MARGIN	54.6 %

*2017 compared to 2016*

# PRIORITIES FOR 2018

# OUR PRIORITIES FOR 2018

**Value and  
profitable  
growth over  
volume**

- Zero fatalities
- Continue to deliver on guidance
- Prepare for grade improvement in 2019
- Capture an additional cost savings
- Commit to Los Pelambres expansion
- Define the highest return Centinela expansion alternative



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# 2017 Performance