



ANTOFAGASTA
MINERALS

Developing mining for a better future

Sustainability Report 2020





ABOUT THIS REPORT

This is Antofagasta Minerals' fourteenth Sustainability Report about our strategy, priorities and performance regarding the main material sustainability issues for our business and our stakeholders in 2020.

The document includes data for 2020 and previous years to provide greater context and covers the following operations: Minera Los Pelambres, Minera Centinela, Minera Antucoya, Minera Zaldivar and Antofagasta Minerals' corporate headquarters.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The published indicators were verified by Deloitte.

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

The photos in this report were part of a contest for our internal Veta Magazine in 2020. Employees and contractors from all our mining operations participated.

Cover photo: Iván Andrés Aguirre Villegas - Antucoya

Inside cover photo: Diego Sánchez GeoAtacama Consultores, Minera Los Pelambres



ANTOFAGASTA
MINERALS

Developing mining for a better future

Sustainability Report 2020

Contents

Overview

Letter from the CEO	4
Antofagasta Minerals at a glance	6
Interview with the Chair of the Sustainability and Stakeholder Management Committee	8
Our approach to sustainability	10
Our commitment to the Sustainable Development Goals	12
Our Strategic Framework	14
Our business	16
Stakeholder engagement	18
Collaborative solutions to common challenges	20
Creating value through the mining lifecycle	22

Sustainability

Transparency and Corporate Governance

Corporate governance	24
Sustainability and Stakeholder Management Committee	26
Sustainability Policy	27
Compliance and internal controls	28
Risk management	30

Economic Performance

Copper for a more sustainable world	32
Delivering sustainable economic value	33
Responsible supply	34

People

Our people	36
Safety and health	40

Social Development

Communities	42
-------------	----

Environmental Management

Climate change	50
Focus on the environment	54
Biodiversity	59

Appendices

Independent assurance letter	62
ICMM principles	63
Sustainability goals	64
Summary of sustainability performance	65
GRI content index	70

Our Purpose

Developing mining for a better future

Our vision:

To be recognised as an international mining company based in Chile, focused on copper and its by-products, known for its operating efficiency, creation of sustainable value, high profitability and as a preferred partner in the global mining industry.



Letter from the Chief Executive Officer

Our response to a challenging year



Iván Arriagada
Chief Executive Officer

Dear stakeholders,

I am particularly pleased to share with you this report on our social, environmental and economic performance in 2020. For all of us - indeed, the world - the year was dominated by the unprecedented challenges of the COVID-19 pandemic. For Antofagasta Minerals, the priority was to keep our employees and contractors safe and to protect and support the communities near our operations. At the same time, we continued to make an economic contribution to the country by keeping our mines in operation.

Faced with extraordinary times, the systems, programmes and values we have developed over the years enabled us to be more effective in our response and joint work. Despite abrupt changes in the way our team had to work, it responded flexibly and effectively. I was particularly inspired by this.

We showed resilience in the face of the crisis and, at the same time, learned lessons that will help to make us even more resilient to unexpected events in the future. That, in turn, will stand us in good stead as we pursue the economic, social and environmental sustainability that is one of our core values

Our people

To minimise the risk of contagion at our workplaces, we not only implemented strict protocols and temporarily halted some projects, but also quickly switched over a third of our people to working from home. We had already incorporated some flexibility into our work schedules but the crisis also taught us a lesson:

we can move more quickly than we had previously thought possible.

In response, we have re-thought the way we want to work in future, taking from the crisis those elements that can be incorporated permanently in order to tap into the benefits of adaptability and flexibility whilst, of course, maintaining employees' ties of affiliation with our identity and culture as a company. The result is that we have decided to adopt a mixed system of remote and in-person work.

This new way of working will make it easier for employees to reconcile the demands of their working and personal lives. This is particularly important given our target of doubling the percentage of women in our workforce by 2022 compared to 2018. In this field, we are achieving the proposed progress and the results as of end-2000 indicate that we are on a good footing to meet our goal. Offering women equality of opportunity and conditions so they can develop their full potential is the essence of what we want to be as a company.

Safety at work is always our top priority and I am pleased to report that, in 2020, we completed 27 months with zero fatalities. We also achieved a 63% reduction in high potential incidents, a result that demonstrates the maturity of our safety and health management system and the extent to which safety is embedded into our day-to-day practices.

Communities

For some years now, we have channelled our social investment in communities through two flagship programmes: Somos Choapa for the area around Los Pelambres and Dialogues for Development in northern Chile. In 2020, some of their projects had to be adjusted in line with restrictions on movement and, more importantly, the communities' new and pressing needs and concerns.

We rapidly established a \$6 million fund to finance a three-part plan of assistance and support. The first part addressed communities' immediate health needs and included the construction of a testing laboratory in the town of Illapel and, to relieve pressure on local health services, home medical visits. In parallel, we sought to alleviate the pandemic's social consequences by providing basic necessities such as food while, in the third part of the plan, we looked beyond the immediate contingency and focused on economic reactivation, seeking to protect small local businesses that, albeit struggling in the pandemic, were otherwise fundamentally sound and viable once the crisis receded.

In defining the measures to be implemented, we worked closely with community leaders and the authorities, seeking to complement government measures and often working together with other companies and business associations. The speed and effectiveness with which we were able to respond reflected the reach and level of trust we

“We were able to respond to the challenges of the pandemic with resilience and flexibility.”

have developed during our years of work with the communities.

In northern Chile, we also channel our social investment through the Antofagasta Mining Cluster and, in December 2020, renewed our collaboration agreement with this public-private alliance for a further two years. Our undertaking is to support two of its five pillars: the creation of human capital for the mining of the future and the development of regional suppliers, with a particular focus on innovation.

Environment

Climate change is a reality that requires urgent action by all the parties, including the public and private sectors. In October 2020, our Board approved a Climate Change Strategy to guide our approach to this key issue now and over the coming years. In 2020, we also progressed in our switch to renewable energy for electricity. In July, Zaldívar became our first mine to use exclusively renewable sources and we are on course to transition our entire electricity supply to renewables by 2022.

In 2020, we also achieved our greenhouse gas emissions reduction target for 2018-2022, doing so two years ahead of schedule. In 2021, we will, therefore, be announcing a new target for both the reduction of emissions and carbon neutrality, related to Chile's undertaking to achieve carbon neutrality by 2050. For us, like the rest of the mining industry, a key focus will be the replacement of diesel for transport and haulage.

We also believe that the mining of the future must be an industry that does not compete for water, especially in areas where our mines are located. Sea water already supplies around half of our operations' consumption and, thanks to our decision to expand the desalination plant currently being built at Los Pelambres, this will rise to some 90% of our total water consumption by 2025.

We are committed to full disclosure of our impacts. Following a commitment entered into in 2020, we are working to produce a detailed

climate change report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), an international initiative that seeks to improve the information available about companies' exposure to the impacts of climate change and how they are addressing this.

Economic performance

In 2020, we produced 733,900 tonnes of copper, down by 4.7% from its record level in 2019, in line with our mining plans for the year. Despite the restrictions imposed by the pandemic, the result was within our guidance and the drop was explained by lower grades.

Our net cash cost, at \$1.14/lb, was down by 6.6% on 2019, performing better than expected. This was partly explained by temporary factors, including a reduction in the cost of diesel and other consumables as well as the depreciation of the Chilean peso. However, it also reflects more structural factors such as the reduction in our energy costs, thanks to the renegotiation of our power purchase agreements.

Embedding sustainability

Sustainability is central to everything we do and, through our strategies and policies, we are embedding it ever further into the way we manage our business. As well as the Climate Change Strategy we launched in 2020, we also introduced a Human Rights Policy, formally establishing how we relate to all those with whom we interact in the course of our activities.

Similarly, our commitment to the Task Force on Climate-related Financial Disclosures (TCFD) will help us to embed the impacts of climate change into our risk management system, financial planning and decision-making.

Finally, I would like to stress Antofagasta Minerals' commitment to the Sustainable Development Goals (SDGs) contained in the UN 2030 Agenda. We believe that, through our activities, we can contribute to their achievement at both the local and global levels.

I would like to conclude this letter by thanking our employees and contractors for the commitment and dedication they showed during the year. It was thanks to the work of each one of you that we were able to keep operating and do so safely.

I hope that you find our 2020 Sustainability Report useful. Thank you very much for your interest.

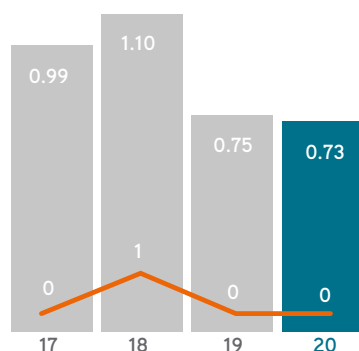
Antofagasta Minerals at a glance

Safety



0 Fatalities

0.73 LTIFR¹



Performance in 2020
Record safety performance: no fatalities and a LTIFR of 0.73.

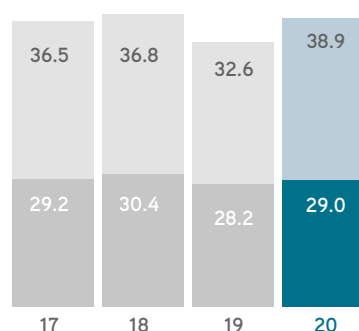
+ See p. 40 for more information.

Water consumption



Continental water
Sea water

67.9
Millions m³



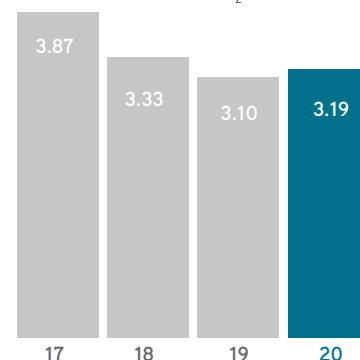
Performance in 2020
Our water consumption increased by 12% mainly due to higher continental water extraction at Los Pelambres in response to low water levels in the El Mauro tailings storage facility (from which water is recycled to the concentrator plant) and an increase in the volume of ore treated.

+ See p. 53 for more information.

CO₂ emissions intensity



3.19
tCO₂e/tCu



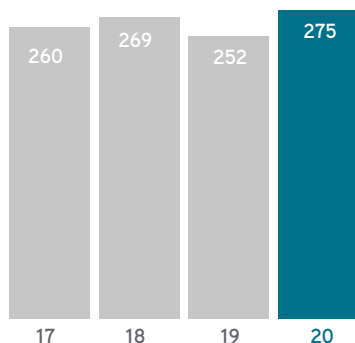
Performance in 2020
Although total emissions decreased in 2020, the intensity of CO₂ emissions increased by 3% in comparison to 2019 due to lower copper production.

+ See p. 52 for more information.

Local suppliers



\$275
Millions



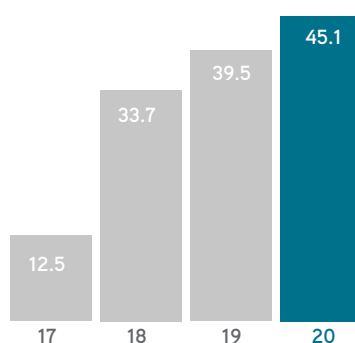
Performance in 2020
In 2020, we increased by 9% to \$275 million the value of contracts awarded to suppliers in the Antofagasta and Coquimbo Regions.

+ See p.34 for more information.

Social Contribution



\$45.1
Millions



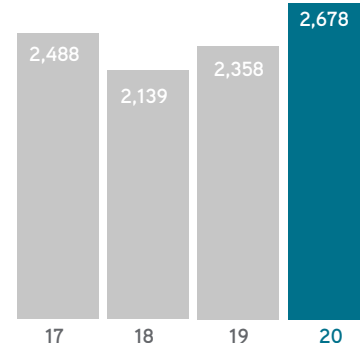
Performance in 2020
Our social economic contribution was \$45.1 million, which includes mandatory and voluntary social projects, programmes, donations and social agreements.

+ See p.42 for more information.

EBITDA



\$2,678
Millions



Performance in 2020
EBITDA was 14% higher compared to the previous year on higher realised copper and gold prices and lower unit costs, partially offset by lower copper production.

+ See p.16 for more information.

1 The Lost Time Injury Frequency Rate is the number of accidents with lost time per million hours worked.
2 Tonnes of CO₂ equivalent per tonne of copper produced.
3 Local suppliers are all those with headquarters in the Antofagasta and Coquimbo Regions.

Highlights 2020



COVID-19 demonstrated that we are a resilient and flexible company

- We responded rapidly to the pandemic without affecting production or costs.
- Implementation of our digital transformation and innovation programme was accelerated.



Strong safety and health performance

- By the end of 2020, we achieved a record of 27 months without a fatality.
- Our LTIFR fell by 3% to a record of 0.73.
- High potential incidents fell by 63% to an all-time low.



Suppliers

- We continued with our goal of developing high quality local suppliers.
- The value of contracts awarded to local suppliers rose by 9% to \$275 million.
- We reduced payment times to local suppliers to 15 days.



People

- We approved a permanent hybrid form of in-person and remote working.
- We rolled-out our Digital Academy to improve employees' skills.
- In 2020, 50% of new recruits were women.
- Performance Agreements and Long-Term Incentive Plans used to align and motivate employees to achieve the company's goals (e.g. sustainability and climate change performance).



Communities

- In 2020, we underpinned our respect for human rights by establishing a Human Rights Policy.
- We created a \$6 million COVID-19 fund to finance health and economic measures for neighbouring communities.
- We renewed our alliance with the Antofagasta Mining Cluster for a further two years.



Environment

- Our new Climate Change Strategy was approved by the Board in 2020.
- In July 2020, Zaldívar became our first mine to use only electricity generated from renewable sources.
- In alliance with the Catholic University of Chile, we created a university chair for research into water sustainability.

Others

- We conducted a materiality process to identify the sustainability issues most important to our stakeholders.
- We committed to the Copper Mark, the copper industry's new responsible production framework.

Interview with Vivianne Blanlot

Continuous improvement in sustainability

In this interview, the Chair of the Board's Sustainability and Stakeholder Management Committee, Vivianne Blanlot, refers to Antofagasta Minerals' main sustainability achievements in recent years.

The COVID-19 pandemic was the most important global event of 2020. How do you assess Antofagasta Minerals' response to it?

It exceeded my expectations. The level of complexity to change the way of operating from one day to the next was enormous. We had to modify the shift and supervision system, focus on workers' state of health, implement a traceability system and transport procedures that could ensure compliance with the protocols. A steep rise in infections would have affected operations but discipline and strict compliance with prevention measures allowed operations to be maintained. I have a very high evaluation of how much work was done to take care of people's health both at work and in the areas surrounding our operations.

Has COVID-19 permanently changed the way Antofagasta Minerals works?

As has been said, the pandemic introduced changes that until a few years ago would have seemed very difficult to implement. However, as a result of the health emergency, measures were put together such as a hybrid system of some people working in-person and others remotely. In effect, we accelerated the implementation of the New Ways of Working project, which establishes a structured mix of remote and in-person work for some positions, which will make important changes to the lives of many people. The benefits and costs of these new ways of working will emerge as we go along, and we will have to make any necessary adjustments.

The New Ways of Working project also supports the company's Diversity and Inclusion Strategy, doesn't it?

Yes. We had discussed remote working as a means to facilitate, for example, the incorporation of women who were heads of households or had children or of people with disabilities. Not having to commute to work could be an advantage and reduce the costs of entering the world of work. We will have to ensure that there are no negative impacts on the organisation's internal relations and be attentive to the results that are obtained.



Vivianne Blanlot

Chair of the Sustainability and Stakeholder Management Committee

How are employees aligned with and motivated by Antofagasta Minerals' sustainability goals? Are mechanisms such as Performance Agreements used?

That is right. The company sets goals that are related to both environmental and social commitments, which are an integral part of Performance Agreements, both at the Group level and at all the mining operations. We have also focused on strengthening the organisational structure for positions and functions related to social and environmental matters. We created new management areas and empowered those who work in these areas at both the corporate and operational level. In addition, we continuously communicate to all levels of the organisation the need for our investments and operations to achieve harmony with the surroundings on environment or social matters. If there is no harmony, it is not possible to implement projects. We raise this issue repeatedly.

2020 was another record year for safety performance. What is behind this? Have changes been made in how health and safety is managed?

Several years ago, a health and safety management model was established that is progressively bearing fruit. It has been very decisive that responsibility for safety and health was placed at the operations, their executives, supervisors and employees. By this I mean that although the technical experts work in the health and safety areas, the teams in the field are responsible for compliance with standards.

In addition, I believe that moving from reactive (lagging) to proactive (leading) indicators has made an important difference. The feedback on high potential incidents created an environment that made the entire organisation aware of the need to detect when something goes wrong or behaviours are repeated that do not meet what is routinely required by the operation. This awareness has been constantly evolving. The increased attention given to the prevention of high potential incidents has meant that there are fewer serious accidents.

In 2020, Antofagasta Minerals approved its Climate Change strategy. What are the main commitments and plans of the company under this strategy?

The main objective of the Climate Change Strategy is to address the challenges of climate change from a multidisciplinary approach that allows us to integrate and coordinate initiatives of different sizes at our operations. The Strategy is structured around five pillars: the development of climate change resilience, management of greenhouse gas emissions, efficient use of strategic resources, management of the environment and biodiversity and integration of stakeholders.

For each of the pillars, different areas of action and a short, medium and long-term work plan have been defined. This allows us to continue progressing our commitment to

reduce greenhouse gases while prompting us to seek and promote formulas that allow us to reduce emissions beyond what we consider possible today.

In this context, we also decided to analyse in depth the physical and transition risks of climate change for our operations and, by doing so, to detect risks and opportunities that we had not previously identified. We are also working on incorporating the Task Force on Climate-Related Disclosures (TCFD) recommendations into our management and reportability, thus making our stakeholders clearly aware of how we are tackling the challenges of climate change at a strategic level.

In addition, we have sought to generate collaborative alliances to better address the challenges of climate change. An example of this is our recent incorporation into the Chilean Hydrogen Association, which promotes the development of green hydrogen, as well as the creation of the Antofagasta Minerals Chair of Water Sustainability at the Catholic University of Chile in order to strengthen multidisciplinary research on matters related to water management and climate change.

What other environmental milestones would you like to highlight?

I would like to highlight the company's initiatives relating to water management and the protection and conservation of biodiversity.

With regards to the former, at the operational level, Los Pelambres continued construction of a sea water desalination plant in 2020, and we also decided to double the plant's capacity, allowing Los Pelambres to cease using water from the Choapa River basin from 2025. At the social level, we actively participate in the Provincial Water Working Group whose purpose is to define and implement solutions to improve water security in the short, medium and long term. In addition, as part of the Quitai Anko public-private research consortium, we began to execute five strategic projects aimed at ensuring the supply and quality of rural drinking water. We also continue to work directly with local communities to help them manage their water needs through water efficiency and management initiatives.

Regarding the protection and conservation of biodiversity, in 2020 we worked on four lines of action: conservation and protection of vulnerable plant and animal species, research and monitoring of the marine and coastal environment, education and environmental research and ecosystem protection. These include the monitoring and protection of species such as the *gaviotín chico* (a type of tern) and the Chilean palm; R&D projects on the production of seeds and repopulation of sea urchins and abalones on the Los Vilos

coast; the Environmental Education Eco-Route project to highlight the natural heritage of the Morro Moreno National Park on the Mejillones peninsula; and the protection of wetlands and high Andean ecosystems.

How would you evaluate Antofagasta Minerals' commitment to stakeholders in 2020?

The pandemic put our Social Management Model to the test and it lived up to expectations. It allowed us to strengthen our ties with different stakeholders, particularly with communities and public and private organisations, with whom we rolled out various initiatives that not only allowed us to continue operating but also to deploy a \$6 million fund to help communities address the health emergency.

The fund helped us to implement our COVID-19 Strategy which was focused on three areas: preventive health measures, economic reactivation and social aid.

Innovation is one of Antofagasta Minerals' five strategic pillars. What were the main achievements in this area in 2020?

We managed to continue working uninterrupted during the pandemic owing to innovation and technology applied to our work systems in different areas of the company.

At the operational level, we deployed automated drill rigs at Los Pelambres; approved the use of automated trucks in the new Centinela pit; and installed an Integrated Remote Operations Centre (IROC) for Centinela in the city of Antofagasta. The latter is a great achievement since it promotes regional employment and the acquirement of new skills in the regions where we operate.

In 2020, Antofagasta Minerals joined the Copper Mark, the new responsible production framework for the copper industry. Why did you join this initiative?

Nowadays, international markets increasingly demand companies and their value chains to ensure responsible production and the copper industry is no exception. In fact, in recent years we have seen a steady increase in the demand for information from investors, suppliers and customers regarding our responsible production practices.

In this context, Antofagasta Minerals was committed to Copper Mark from the beginning, in order to improve processes and incorporate stakeholders' responsible production expectations into our management systems. In 2020, both Centinela and Zaldívar signed up to the initiative and carried out a self-assessment of their compliance level with the Copper Mark requirements, which will be audited by an external body in 2021. We hope to continue the self-assessment with Los Pelambres and Antucoya next year.

Are there any other 2020 sustainability achievements you would like to highlight?

It is worth noting the creation of the Strategic Resources and Tailings Management departments which shows the importance the company attaches to the responsible management of water, energy and mining waste. These issues were previously addressed by a number of different areas but today specialised teams deal with these matters.

It is also worth noting the progress in gender parity, especially the qualitative change, because, unlike before, women are now joining technical and technical-professional positions. If we want to advance women's participation in mining, we need to integrate them into areas considered more "technical", where they did not usually work. It is a very valuable qualitative change.

In conclusion, how would you assess the overall sustainability performance of Antofagasta Minerals in 2020?

Antofagasta Minerals published its Sustainability Policy about four years ago and has been progressing its implementation in a sustained manner over time. This is highly valuable and shows that sustainability is a long-term commitment for us and that it bears permanent fruit. I think our sustainability approach is what allowed us to successfully overcome this year's challenges.

Our approach to sustainability

Sustainability is central to how we take decisions and perform our work, whether as regards the safety and health of our employees and contractors, our impact on the environment or how we engage with communities in the areas where we have our operations.

A commitment to sustainability is one of our six core values and defines the way we seek to create social value. It involves how we grow our business, manage our risks and impacts, contribute to the economic and social development of neighbouring communities and address global challenges such as climate change.

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

Within the framework of our core values, our Sustainability Policy (see page 27) sets out the principles that guide our day-to-day actions on economic, social and environmental matters and the management of our supply chain. It is overseen by the Board, a task in which it is assisted by the Sustainability and Stakeholder Management Committee.

We set annual sustainability goals (see page 64) and seek to ensure the organisation's alignment behind these goals by including them in annual performance agreements as well as through regular training.

We constantly review our strategies, policies and guidelines and, in 2020, the Board approved a new Climate Change Strategy and we formally introduced a Human Rights Policy in line with international standards and best practices (see page 43). Specific aspects of sustainability are governed by the standards we have established such as our Energy Management Standard and Biodiversity Standard as well as by international standards such as the Water Stewardship Framework of the International Council on Mining and Metals (ICMM).

In 2020, we also began work towards compliance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As well as reflecting our commitment to full disclosure of our impacts, this will help us to embed the impacts of climate change into our risk management system. We have also signed a letter of commitment to Copper Mark, an assurance framework to

demonstrate the copper industry's responsible production practices and its contribution to achievement of the United Nations Sustainable Development Goals (SDGs).

Creating value for stakeholders

We are committed to building lasting and sustainable relations with our different stakeholders (see pages 18-19). In these relations, we seek to foster transparent dialogue and achieve mutually beneficial outcomes.

We strive to ensure a safe working environment for all our employees and contractors, putting their health and safety first. We also seek to provide a workplace that enables employees to achieve their maximum potential, facilitates a healthy work-life balance and fosters diversity and inclusion.

In the case of contractors, we work with them in the application of the same standards we apply for employees. We seek to support local jobs by preferring local suppliers and, in the case of large suppliers from outside the regions where we operate, encourage them to recruit locally.

Our engagement with communities is based on a bottom-up approach under which we establish joint working groups to define priorities, projects

and programmes. Our aim is to contribute to communities' long-term economic and social development, a task in which we work in alliance with other players, including local governments, other companies and NGOs.

In 2020, in the context of the COVID-19 pandemic, the emphasis of our engagement with stakeholders necessarily shifted. Our first concern was to ensure the health and safety of our employees, contractors and communities (see page 40). Relations with local communities also took on particular importance as, together with the local authorities, we supported them in addressing the health challenge and relieving the economic difficulties they faced (see pages 44-45).

Our commitment to sustainability is also reflected in our environmental practices. We seek to use natural resources efficiently and, through our environmental management, to prevent, control and mitigate any environmental impacts we may have and, if they occur, to remediate and compensate appropriately. We believe that this is the way to achieve the long-term sustainability of our operations and the sustainable development of our host communities.



“Sustainability is central to everything we do and, through our strategies and policies, we are embedding it ever further into the way we manage our business.”

Iván Arriagada
Chief Executive Officer



Photo: Marcelo Alfaro - Centinela

Materiality analysis

In 2020, we conducted a materiality assessment to update our matrix of the sustainability issues that are most critical to our business and stakeholders. The analysis comprised three stages:

- **Identification of potential issues.** Through desktop research into existing, new and emerging material topics for the copper mining industry in Chile and internationally, we identified 38 potential topics, grouped into four broad categories: governance and economic performance, people, the environment and social engagement.
- **Prioritisation of issues.** Based on internal workshops with the Executive Committees of our four mines and the corporate Public Affairs and Communications teams, a survey of our operations' union leaders and interviews with external stakeholders, we prioritised these topics and drew up a draft materiality matrix for each operation.
- **Validation.** These matrices were presented to the Group's Executive Committee for their validation and were then weighted by the size of the operation and the level of risk to produce a materiality matrix for Antofagasta Minerals as well as Antofagasta plc.

The new matrix, which re-assesses the importance of existing issues and incorporates topics that are emerging at both the international and local levels, not only served to determine the content of this Sustainability Report, ensuring that it reports the issues of interest to stakeholders, but will also guide our focus, strategies, policies and practices in 2021.

Materiality Matrix, Antofagasta Minerals, 2020

Influence on stakeholders' assessments & decisions

High Medium Low	Significance of organisation's economic, environmental & social impacts		
	Low	Medium	High
High		<ul style="list-style-type: none">• Human rights• Air quality• Responsible supply chain management• Transparency	<ul style="list-style-type: none">• Renewable energies• GHG emissions• Water management• Safety and health• Ethics and compliance• Creation of local jobs and capacity building• Tailings and dust• Community relations
Medium	<ul style="list-style-type: none">• Higher-quality education in regions	<ul style="list-style-type: none">• Corporate governance• Labour relations• Emergency planning• Indigenous peoples• COVID-19• Extreme weather events• Traffic congestion	<ul style="list-style-type: none">• Economic performance and contribution• Talent attraction, development and retention• Diversity and inclusion• Automation and digitalisation• Political outlook (elections, constitutional reform)• Regulatory changes• Project permitting
Low	<ul style="list-style-type: none">• Mine closure• Circular economy	<ul style="list-style-type: none">• Biodiversity• Marine pollution• Non-mining waste management	<ul style="list-style-type: none">• Operational innovation

Our commitment to the Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by all United Nations Member States in 2015 as a universal call to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. At Antofagasta Minerals, we are committed to playing an active part to achieve the SDGs.



No Poverty

End poverty in all its forms everywhere

We established an ethical monthly minimum wage for contractors of Ch\$500,000, two-thirds above Chile's legal minimum wage. During COVID-19, we focused on protecting jobs. Contractors unable to work due to restricted access to offices and sites received at least the ethical minimum wage. During the pandemic, we supported local economies and took measures that ranged from the distribution of basic supplies to grants for small businesses.



Good health and wellbeing

Ensure healthy lives and promote well-being for all at all ages

Our Safety and Health Strategy aims to protect the physical and mental health of employees and contractors, including preventive health programmes, and we also support community health projects. In response to COVID-19, we spent \$3.3 million on community healthcare and prevention measures (as part of total investment of \$6 million on COVID-19). Our Flexitime and Work-Life Balance Guidelines seek to improve our employees' work experience and life quality.



Quality Education

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

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



Gender Equality

Achieve gender equality and empower all women and girls

Our Diversity and Inclusion Strategy seeks to increase the participation of women, people with disabilities and those with international experience in our workforce. In 2020, we reviewed and closed gender pay gaps among employees and exceeded annual inclusion targets for women and disabled people. Our apprenticeship programmes particularly target local women.



Clean water and sanitation

Ensure availability and sustainable management of water and sanitation for all

All our operations are in water-stressed areas and, in a bid to protect the resource's availability for our own operations, communities and the environment, we apply water management practices aligned with the International Council on Mining and Metals' (ICMM) Water Stewardship Framework. Our Antucoya and Centinela mines use mainly raw seawater and Los Pelambres will soon begin to use desalinated water. To address a severe drought in the area around Los Pelambres, we are implementing a special plan to secure water for human consumption and increase the efficiency of agricultural irrigation.



Affordable and clean energy

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

We have renegotiated our power purchase agreements in order to switch from conventional to renewable energy sources for all our operations by 2022. In July 2020, Zaldívar became the first of our operations to use 100% renewables. We have also provided training on the installation, use and maintenance of solar energy systems in the town of Sierra Gorda, equipping 49 homes with a solar panel.



Decent work and economic growth

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

Our Code of Ethics and Human Rights Policy, the latter approved in 2020, aim to ensure a harassment-free, inclusive workplace that respects human rights and diversity. We are also governed by the UK Modern Slavery Act. In 2020 we spent \$1.1 million on training initiatives and launched a Digital Academy to prepare employees for the future world of work and enhance their job opportunities. We also offer a range of economic and business development opportunities to people in the regions where we operate.



Industry, innovation and infrastructure

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

Innovation is one of the five pillars of our Strategy to develop mining for a better future. In 2020, we reinforced this objective by creating a Vice Presidency of Strategy and Innovation function to drive implementation of our digital roadmap and transformational change. We foster innovation through our InnovaMinerals open platform, participation in the Industrial Weeks for Innovation in the city of Antofagasta and pitch days for technology companies at our operations.



Reduced inequalities

Reduce inequality within and among countries

We contribute to reducing inequality by providing help in the form of scholarships and educational support to promote social mobility in remote and vulnerable sectors in the regions where we operate. We also generate work opportunities and enhance the capabilities of local people and businesses.



Sustainable cities and communities

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

Our Social Management Model allows us to develop and implement social investment projects together with local communities, strengthening local leadership and the long-term impact of initiatives. Our operations also work with the local authorities and communities to improve public spaces, sports facilities and healthcare infrastructure.



Responsible consumption and production

Ensure sustainable consumption and production patterns

Our Sustainability Policy establishes the basis for the responsible management of our activities. In 2020, we signed a letter of commitment to the Copper Mark, the copper industry's new responsible production framework, by signing up for independent assurance assessments of Centinela and Zaldívar, to be followed by Los Pelambres and Antucoya.



Climate action

Take urgent action to combat climate change and its impacts

Taking into account Chile's particular vulnerability to climate change, our risk matrix has specifically included climate change since 2019 and our Board approved a comprehensive Climate Change Strategy in October 2020. Since 2018, we have been implementing a series of projects to reduce our direct and indirect annual CO₂ emissions (or Scope 1 and Scope 2 emissions) by 300,000 tonnes between 2018 and 2022. Our efforts on this front include our switch to renewable energy as well as initiatives to reduce the use of diesel at our mines.



Life below water

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



Life on land

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

Our Biodiversity Standard is aligned with the ICMM's position statement on Mining and Protected Areas. It has three goals: to prevent and minimise impacts on biodiversity, to restore or appropriately compensate for any impact, and to generate additional benefits for the areas where we operate. We implement programmes to protect animal, bird, plant and marine species and administer a number of nature sanctuaries.



Peace, justice and strong institutions

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

Our activities conform to the UK's Bribery Act and Modern Slavery Act as well as Chilean Law No 20.393 on bribery and asset laundering. Our Code of Ethics, Compliance Model and Crime Prevention Manual define how we undertake our business in a responsible, accountable, honest and transparent manner.



Partnerships for the goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development

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

+ For more information on these initiatives, see the [Safety and Health, People, Communities, Suppliers, Climate Change and Environment sections of this report.](#)

Our Strategic Framework

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

Antofagasta Minerals is totally committed to what we have defined as our Purpose: Developing Mining for a Better Future. This Purpose is supported by a Strategic Framework through which we seek to achieve our Vision.

The Strategic Framework comprises three elements: Strategy or, in other words, what we do in pursuit of our Purpose; Organisation or the way we manage our work; and Culture or how we work as expressed principally in our Charter of Values. Our Strategy is, in turn, divided into five pillars: People, Safety and Sustainability, Competitiveness, Growth and Innovation.



Our Vision: To be an international mining company based in Chile, focused on copper and its by-products, known for its operating efficiency, creation of sustainable value, high profitability and as a preferred partner in the global mining industry.



Culture

Culture represents our shared values and the way we work. It is evident not only in our people but also in how we engage with local communities and our suppliers, partners and customers. Our culture is underpinned by and reflected in Our Charter of Values.



Organisation

The way we organise our activities is paramount in achieving our goals. Our structure is designed to deliver results and growth whilst also having the flexibility to adjust to the challenges and opportunities we face.



Strategy

For each of the pillars of our Strategy, we have defined long-term objectives with short and medium-term goals.



People

People are the core of our business. We want our employees to feel recognised and to have the maximum opportunities for personal and professional growth.



Safety and sustainability

Our employees' safety and health are a non-negotiable value. We manage resources efficiently and are sensitive to the threats posed by climate change. We view sustainability as a source of value creation that is an integral part of our decision-making processes.



Competitiveness

Our key focus as regards competitiveness is to achieve productivity gains through control of costs and the streamlining of our processes.



Growth

We have a portfolio of projects that allows us to remain competitive and develop sustainable operations in the long term.




Innovation

We innovate as a means of improving social, environmental and economic conditions while, at the same time, delivering strong returns for our shareholders.

Our Charter of Values

Responsibility for safety and health



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

Excellence in our daily performance




We constantly strive to achieve the best results through operational discipline. We take care of our resources, we are efficient, austere and honest. We build trust by fulfilling our undertakings.

Respect



We respect people, their opinion matters to us and we, therefore, interact in an open, transparent and collaborative way. We trust others and are genuinely interested in their wellbeing. We foster a workplace that promotes diversity and inclusion.

We are forward-thinking



Our business strategy seeks to generate value in the long term for both our shareholders and other stakeholders. We learn from our mistakes and have the flexibility and confidence to address changing challenges.

Commitment to sustainability



We operate in a responsible and efficient way with a long-term outlook. We maximise the economic value of our assets, we contribute to social development and we minimise our environmental impacts.

Innovation is a permanent practice



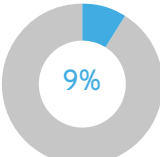
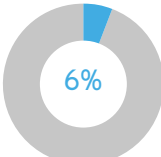
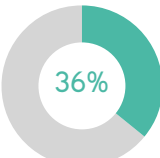
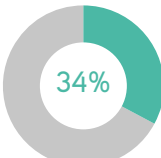
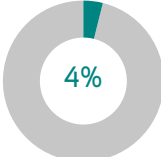
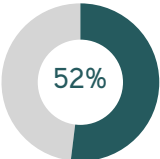
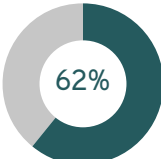
We recognise and foster new ideas that enable us to improve our working practices and the way we engage with others. We seek to create value for the organisation, people and society.

Our business

We are a Chile-based copper mining group

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

In 2020, we produced 733,900 tonnes of copper of which 70% were in concentrates and 30% in cathodes.

	Revenue ¹	EBITDA ²
Antucoya <ul style="list-style-type: none"> • 70% owned • 19-year mine life • Produces copper cathodes • Exports cathodes from third-party owned Mejillones Port 	 <p>9%</p> <p>\$480m</p>	 <p>6%</p> <p>\$166m</p>
Centinela <ul style="list-style-type: none"> • 70% owned • 47-year mine life • Produces copper cathodes and copper concentrates containing gold and silver and a separate molybdenum concentrate • Exports cathodes from third-party owned Mejillones Port and concentrates from 100%-owned Michilla Port 	 <p>36%</p> <p>\$1,845m</p>	 <p>34%</p> <p>\$912m</p>
Zaldívar <ul style="list-style-type: none"> • 50% owned (and operated) • 10-year mine life • Produces copper cathodes • Exports cathodes from third-party owned Mejillones Port 		 <p>4%</p> <p>\$96m</p>
Los Pelambres <ul style="list-style-type: none"> • 60% owned • 14-year mine life • Produces copper concentrates that contain gold and silver, and a separate molybdenum concentrate • Exports concentrates from 100%-owned Punta Chungo Port in Los Vilos 	 <p>52%</p> <p>\$2,655m</p>	 <p>62%</p> <p>\$1,663m</p>
Antofagasta Minerals	\$4,980m	\$2,678m

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

2. Totals to more than 100% as excludes \$159 million of corporate costs, exploration and evaluation, and other non-operating income and expenses. See note 2 to the financial statements in Antofagasta plc's Annual Report 2020 on pages 169-175.

3. The cost of operating production is expressed in US dollars per pound of payable copper produced.

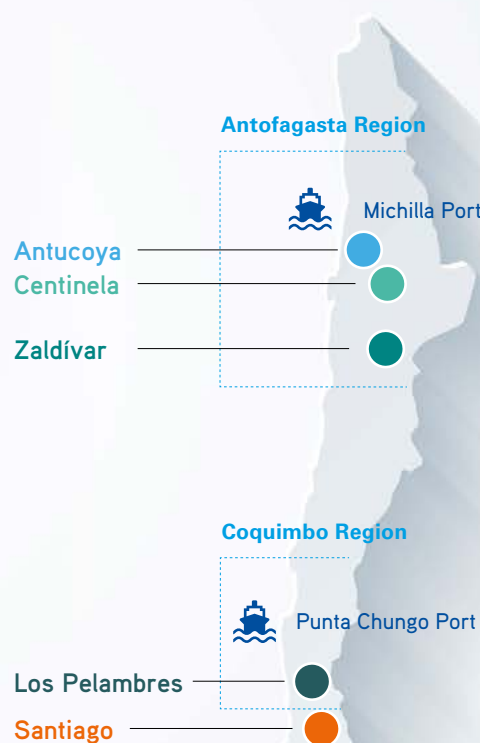
About Antofagasta Plc

Antofagasta plc is listed on the London Stock Exchange and forms part of the FTSE 100. It participates in sustainability indexes such as the DJSI, FTSE4Good and STOXX Global ESG Leaders. The Luksic family controls approximately 65% of the Group's ordinary shares and institutional and individual investors hold the remaining 35%.

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

Copper production (tonnes) and net cash costs³

2020	2021 forecast	Growth potential
79,300 \$1.82/lb	75-80,000 \$1.80/lb	Mine life extension <ul style="list-style-type: none"> Potential to process satellite ore bodies
246,800 \$1.27/lb	270-280,000 \$1.15/lb	Centinela expansion <ul style="list-style-type: none"> Opening Esperanza Sur pit in 2022, which will increase annual production by 10-15,000 tonnes. Evaluating building a second concentrator. Decision in early 2022.
48,200 \$1.80/lb	45-50,000 \$1.75/lb	Mine life extension <ul style="list-style-type: none"> Assessing viability of leaching the primary sulphide ore body. Chloride Leach project under construction to increase annual production by 10- 15,000 tonnes.
359,600 \$0.81/lb	340-350,000 \$1.05/lb	Los Pelambres Expansion <ul style="list-style-type: none"> Phase 1 will increase annual production by 60,000 tonnes. Completion in early H2 2022. Phase 2 will increase the capacity of the desalination plant and extend the Life-of-Mine by 15 years.
733,900 \$1.14/lb	730-760,000 \$1.25/lb	



Our stakeholders

Respect for people is one of our core values and, accordingly, we engage with stakeholders openly, transparently and collaboratively, using appropriate mechanisms to interact with them, provide them with information and learn about their interests and concerns.

People

Over 21,300 people (direct employees and contractors' employees) work at our operations, projects, exploration programmes and corporate offices. They are almost all based in Chile.

Why we engage

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

How we engage

Our mechanisms of engagement with our workforce include regular site visits by senior management, on-site reviews, work climate surveys and performance evaluations. Regular meetings take place with unions and contract managers on specific topics such as safety and health.

+ [See page 36 for more information.](#)

Communities

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

Why we engage

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

How we engage

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

+ [See page 42 for more information.](#)

Suppliers

We work with over 2,200 suppliers of which 92% are based in Chile. They provide a broad range of products and services, ranging from large mining equipment to catering and transport services.

Why we engage

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

How we engage

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

+ [See page 34 for more information.](#)



Photo: Bárbara Pinto González - Minera Los Pelambres

Customers

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

Why we engage

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

How we engage

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

+ See page 58 of the Annual Report 2020 for more information. Available at https://www.antofagasta.co.uk/media/4098/antofagasta_2020_annual_report.pdf

Shareholders

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

Why we engage

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

How we engage

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

+ See page 59 of the Annual Report 2020 for more information. Available at https://www.antofagasta.co.uk/media/4098/antofagasta_2020_annual_report.pdf

Government and regulators

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

Why we engage

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

How we engage

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

+ See page 60 of the Annual Report 2020 for more information. Available at https://www.antofagasta.co.uk/media/4098/antofagasta_2020_annual_report.pdf

Collaborative solutions to common challenges

Our practice of forming alliances with public and other private actors enabled us to increase the reach and efficiency of our support for the community during the pandemic.

Public-private alliances and alliances with other private actors, within and beyond the mining industry, are a key part of the way we manage our business. Antofagasta Minerals is a partner in projects, such as the Antofagasta Mining Cluster, that promote the development of areas where we have our operations, and a member of organisations that, like Chile's Mining Council and the International Council on Mining and Metals (ICMM), enable us to work together with other companies to address industry challenges.



ICMM

Antofagasta Minerals participates actively in the International Council on Mining and Metals (ICMM) and is committed to its ten principles. The ICMM, which brings together the world's largest mining companies, promotes sustainable mining, develops standards and encourages its members to adopt best practices. Our CEO, Iván Arriagada, is the deputy chair of the ICMM Council.

In 2020, we took advantage of Centinela and Zaldívar's self-evaluation against the requirements of the Copper Mark assurance framework and also carried out a self-evaluation of these operations' compliance with the Performance Expectations associated with the ICMM's ten principles.

For 2021, we have scheduled an external audit at Centinela and Zaldívar to ensure our compliance with the ICMM's Performance Expectations.

Antofagasta Mining Cluster

One of our key alliances is with the Antofagasta Mining Cluster, a vehicle for fostering the long-term economic and social development of northern Chile's Antofagasta Region where three of our mining operations are located. In December 2018, we became the first mining company to join this public-private alliance, which also includes government agencies and educational institutions, and, in December 2020, went on to renew the agreement for a further two years. We are particularly committed to two of the Cluster's strategic pillars: the creation of regional human capital and the development of innovative suppliers.

Over the past two years, we have committed \$1.8 million to educational and training initiatives in the Region. These initiatives have directly benefitted 1,662 people, ranging from

Choapa, Emergency Support

In 2020, Los Pelambres adapted the economic development programmes it normally implements through its foundation, Fundación Minera Los Pelambres (FMLP), to provide emergency support for pandemic-hit small businesses in the Choapa Province. The programme, Choapa, Emergency Economic Support was implemented in collaboration with the province's municipal governments and the community and supported a total of 2,096 initiatives in the towns of Salamanca, Illapel, Los Vilos and Canela.

The programme has since gone on to form an alliance with the regional office of the government's Technical Cooperation Service (SERCOTEC) through the latter's Illapel Business Development Centre. This alliance will provide training and advisory services to the businesses that received emergency support in 2020 in order to assist them on their road to recovery.

students at technical schools and universities to neighbours of our operations. In parallel, we work with local universities with which we have 22 joint programmes.

In the case of the promotion of innovation, we have our own InnovaMinerals open collaboration platform and also participate in Expande, a national public-private programme to foster innovation in mining. On supplier development, we work closely with government agencies as well as with other private-sector organisations such as the Antofagasta Industrialists' Association (AIA).



Antofagasta Minerals Chair of Water Sustainability

In November 2020, Antofagasta Minerals announced an alliance with the Catholic University of Chile (UC) to develop the Antofagasta Minerals Chair of Water Sustainability to which it has contributed an endowment of \$1.5 million. Through research and outreach activities, the alliance seeks to contribute to water management throughout the country. It will enable the University to undertake multi-disciplinary research, bringing together areas that include engineering, agronomy and geography as well as the public health area of the UC's Faculty of Medicine.

In addition, Los Pelambres is co-financing the public-private Quitai Anko research consortium, which won a bid in 2019 to implement a five-year programme to develop sustainable solutions to water-related challenges. It is initially focusing on solutions for the Choapa Valley, where Los Pelambres is located, but with a view to their subsequent application in the rest of the Coquimbo Region and the neighbouring Atacama and Valparaíso Regions.

Mining Council

Through Chile's Consejo Minero (Mining Council), an association of the country's large-scale mining companies, we participate in important initiatives for the industry's sustainable development. Our CEO, Iván Arriagada, is a director of the Mining Council and René Aguilar, our Vice President of Corporate Affairs and Sustainability, chairs its Social Environment and Communications Committee, while Ana María Rabagliati, Vice President of Human Resources, and Rodrigo Moya, Research Manager, are the vice-chairs of its Human Capital Committee and Tailings Deposits Committee, respectively.

In 2020, the Mining Council played an important role in coordinating the support its members provided to communities in their areas of influence during the pandemic. This included measures of economic and social relief and contributions to strengthening local health services. One key initiative, organized by the Confederation of Production and Commerce, (CPC), a business association, was the donation of ventilators and testing equipment.

Memberships

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



Regional

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



National

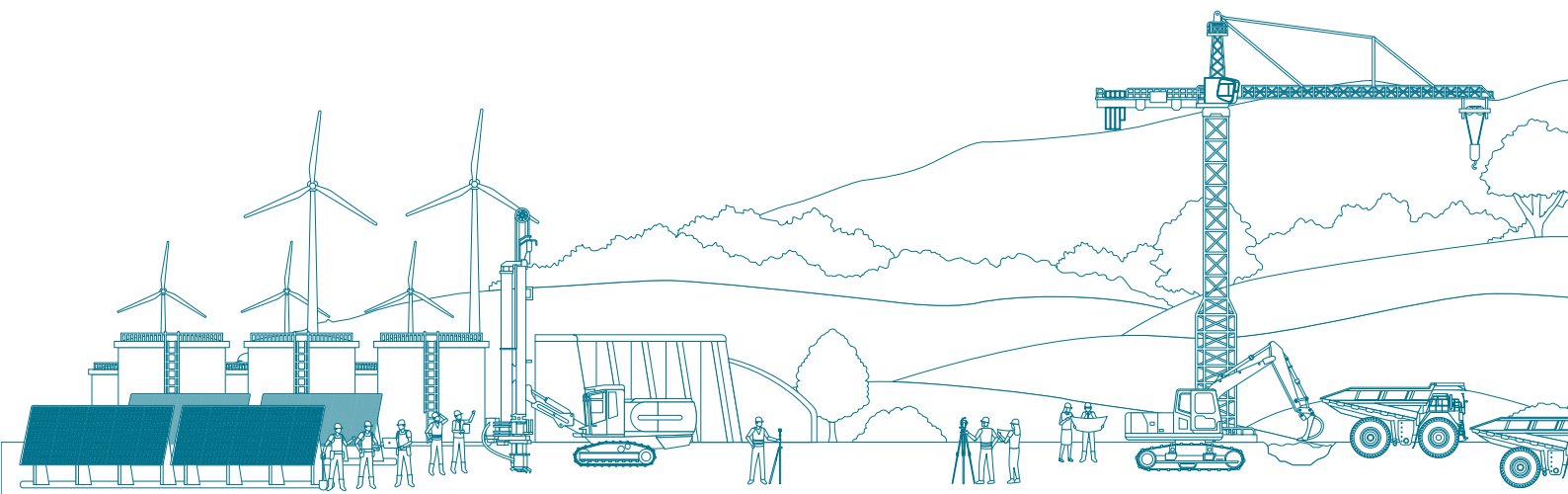
- Consejo Minero
- Sociedad Nacional de Minería (SONAMI)
- UN Global Compact network in Chile
- Acción Empresas, a local partner of the World Business Council for Sustainable Development (WBCSD)
- Asociación Chilena de Hidrógeno



International

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

Creating value through the mining lifecycle



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

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

Also, as an open pit gets deeper, haulage distances and rock hardness increase, and this, combined with the declining grade, leads to higher unit costs. Large long-life mines will have several expansions during their lives. The current expansion at our 21-year-old Los Pelambres mine is its fourth.

Inputs

**Energy
Water
Labour
Service contracts and key supplies
Fuel and lubricants
Sulphuric acid**

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

As part of our commitment to mitigating and adapting to climate change, all of our mining operations will use 100% renewable energy from 2022 and approximately 90% of our water consumption will be either sea or recycled water from 2025.

+ For more information, see pages 34-35 and 50-51.

Exploration

**Chile
International**

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

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

Timespan: 3-5 years

Evaluation

**Los Pelambres
Expansion – Phase 2
Centinela Second
Concentrator
Twin Metals, Minnesota**

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

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

Timespan: 5 years

Construction

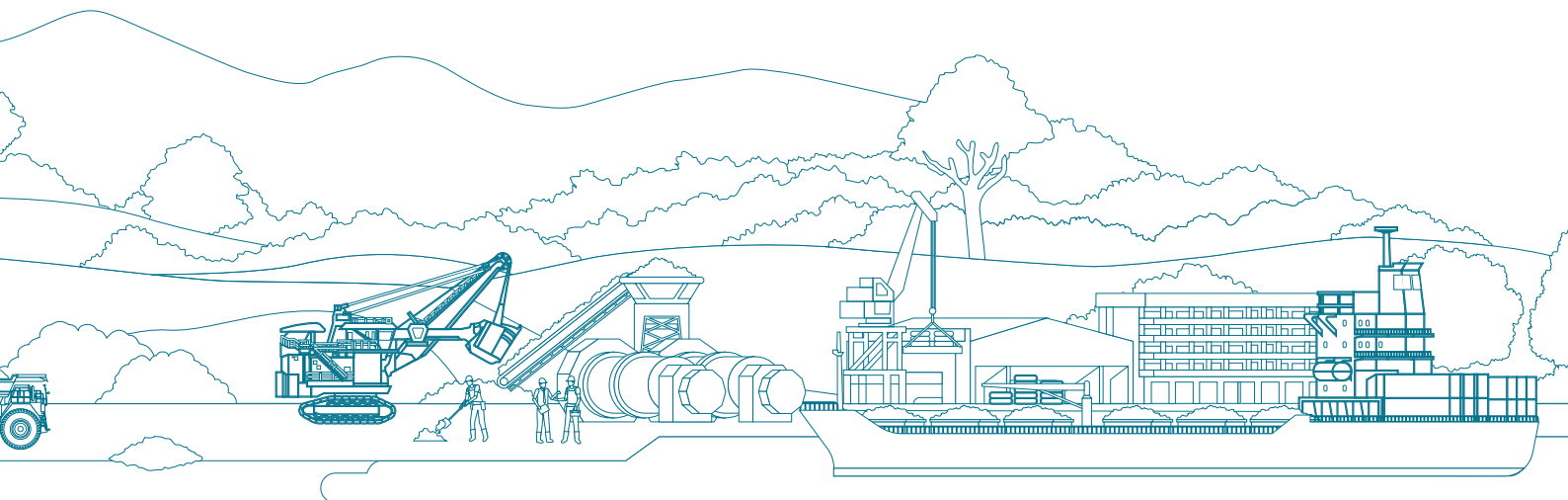
**Los Pelambres
Expansion – Phase 1
Centinela, Esperanza
Sur pit
Zaldívar Chloride Leach
project**

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

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

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

Timespan: 3-5 years



Core operations

Extraction

Los Pelambres Centinela Antucoya Zaldívar

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

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

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

Timespan: 20-plus years

+ For more information, see pages 40-41.

Processing

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

Concentrates at Los Pelambres and Centinela

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

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

Cathodes at Centinela, Antucoya and Zaldívar

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

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

Marketing

The marketing team builds long-term relationships with the smelters and fabricators who purchase our products. Approximately 70% of output by value goes to Asian markets.

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

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

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

Molybdenum is used to produce steel alloys.

Most copper and molybdenum sales are made under annual contracts or longer-term framework agreements. Sales volumes are agreed each year, which guarantees offtake.

Mine closure

During the operation of a mine, its impact on the environment and the neighbouring communities is carefully managed. At the end of its life, a mine must be closed, and its surroundings restored to their original state.

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

+ For more information, see page 56.

Outputs

Copper Molybdenum Gold Silver

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

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

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

+ For more information, see pages 32-33 and pages 42-49.

Corporate governance

The highest governance body of Antofagasta Minerals is the Board of Antofagasta plc, which has established structures that ensure transparent and responsible management in line with best international practices.

Board of directors

Antofagasta Minerals is wholly owned by Antofagasta plc whose Board of Directors is, therefore, its highest governance body. The ten-member Board, chaired by Jean-Paul Luksic, has wide-ranging experience and its role is to promote the long-term, sustainable success of the Group, generating value for shareholders and contributing to wider society. It has established the Group's purpose, values, strategy and risk appetite and monitors its culture as well as its performance.

The Board is assisted in its responsibilities by five Board Committees to which it delegates certain activities as set out in their terms of reference. The Chair of each Committee reports to the Board following each Committee meeting, allowing the Board to understand and, if necessary, discuss matters in detail and consider the Committee's recommendations. The terms of reference for each Committee are available at <https://www.antofagasta.co.uk/about-us/corporate-governance/board-committees/>.

Key responsibilities of the Board

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

Board Committees

Nomination and Governance



Audit and Risk



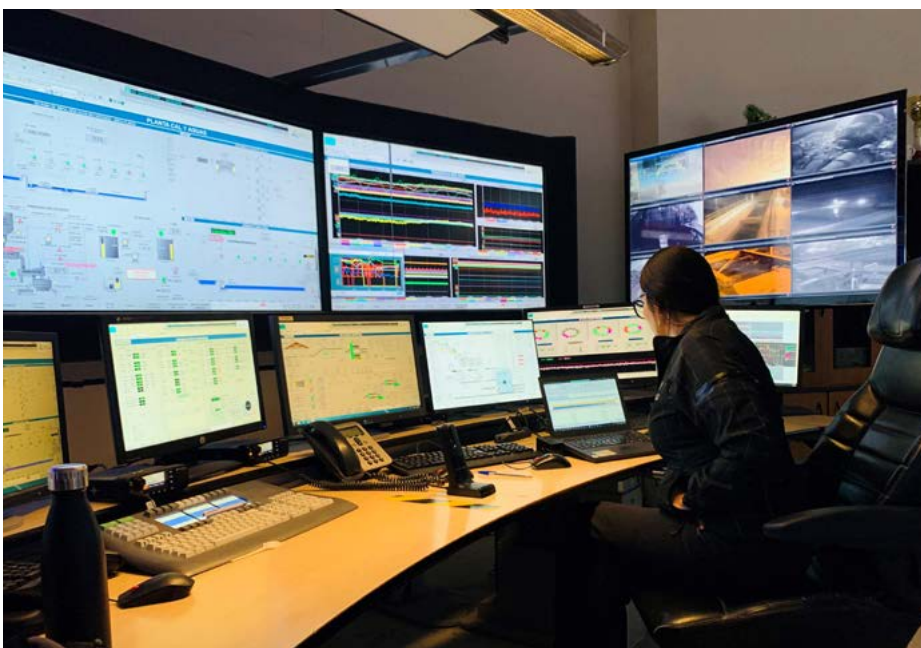
Sustainability and Stakeholder Management



Projects



Remuneration and Talent Management



The Board's activities in 2020 addressed the challenges posed by the COVID-19 pandemic, protecting the health and safety of the workforce and local communities while ensuring operational continuity. In addition, the Board provided oversight on the pursuit of the Group's strategy, confronting critical issues in a timely manner and advising management on the development of strategic priorities and plans, seeking to align them with the values of the Group and the best interests of our stakeholders.

+ For further information about corporate governance, the responsibilities, role and membership of the Board, as well as the priorities and measures adopted to develop and strengthen the Board's collective knowledge on sustainability matters, see pages 94-95 of the Annual Report, available on www.antofagasta.co.uk.

Photo: Macarena Matras Pérez - Centinela



“The Group’s governance structures include a network of arrangements to ensure that the views and interests of stakeholders are represented in the boardroom and considered as part of deliberations.”

Jean-Paul Luksic
Chairman

CEO and Executive Committee

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

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

The Executive Committee is assisted in its responsibilities by five subcommittees with different areas of specialization.

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

Subcommittees of the Executive Committee

Operating Performance Review



Business Development



Disclosure



Ethics



Project Steering



Sustainability and Stakeholder Management Committee

The Sustainability and Stakeholder Management Committee supports the Board in the stewardship of our environmental, social and safety and health programmes. It makes recommendations to the Board to ensure the views and interests of the Group's stakeholders are considered in the Board's deliberations.

The Committee reviews and updates the Group's policy framework on safety, health, environment, human rights and social matters and monitors the Group's performance in setting and meeting environmental, social, safety and occupational health commitments. It also provides guidance on how the Company should reflect the views and interests of stakeholders in relation to potential projects and other business matters. In addition, the Committee plays a key role in the oversight of Antofagasta Minerals governance around climate change-related risks and opportunities.

In 2020, its main focus areas were:

- Overseeing measures to protect the health and safety of employees, contract workers and local communities in response to the COVID-19 pandemic;
- Endorsing key policies for the Group's long-term sustainable success relating to tailings management, climate change, human rights, environmental and social matters.

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

Since 2017, the Committee has been chaired by Vivianne Blanlot, who joined the Board in 2014. Its members are Jorge Bande, Juan Claro, Ramón Jara and Tony Jensen. The CEO, Vice President of Corporate Affairs and Sustainability and Company Secretary regularly attend meetings, as do other Directors who are not members. The Committee meets as necessary and at least twice a year. In 2020, it held seven meetings.

"We have maintained continuous dialogue with our stakeholders during this difficult year, closely monitoring the safety and health of our workforce and local communities and responding to the specific challenges of the pandemic as well as long-term issues such as climate change and ensuring that we continue to create social value."

Vivianne Blanlot

Chair of the Sustainability and Stakeholder Management Committee

Other key activities in 2020

Policies and commitments	Safety and health	Community relations	Environment
<ul style="list-style-type: none"> • Reviewed the environmental and social aspects of the Group's expansion projects at Los Pelambres and Centinela, including plans for Environmental Impact Assessments and citizen participation processes. • Endorsed a Human Rights Policy, which was approved by the Board, and reviewed the results of the Human Rights due diligence exercise. • Reviewed the Group's Tailings Management Policy, which is aligned with the ICMM's global tailing standard. • Reviewed a proposal for our mining operations to register with the Copper Mark, an assurance process for environmental, social and governance matters. • Reviewed the Committee's terms of reference. 	<ul style="list-style-type: none"> • Reviewed the Group's 2020 safety and occupational health performance and strategy and plans for 2021. • Reviewed the Group's strategy and monitored the effectiveness of protocols in response to the COVID-19 pandemic. • Monitored Group safety performance, including high potential incidents. • Reviewed the 2020 report issued by the Independent Technical Review Board appointed to advise the Group on the operation of its tailings storage facilities. 	<ul style="list-style-type: none"> • Reviewed the Group's social management model. • Monitored the implementation of a \$6 million community support fund designed to provide health care equipment, community initiatives and economic support to local entrepreneurs and businesses during the COVID-19 pandemic. • Reviewed the Group's Communications strategy and monitored results from the Group's communications activities. 	<ul style="list-style-type: none"> • Reviewed environmental management reports. • Reviewed environmental events and monitored mitigation steps. • Reviewed environmental commitments related to the historical ownership of the Michilla mine. • Reviewed and endorsed for Board approval the Board's Climate Change Strategy. • Reviewed jointly with the Projects Committee the environmental reviews required to address changes in the scope of the Los Pelambres Expansion project. • Reviewed and endorsed a proposal to participate in the XPRIZE initiative to develop technology to minimise tailings generation.

Sustainability Policy

Our Sustainability Policy is structured around five pillars: People, Economic Performance, Environmental Management, Social Development, and Transparency and Corporate Governance. It is the framework for our constant efforts to develop mining for a better future.

People



For Antofagasta Minerals, people's safety and health is a priority.

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

Economic performance



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

Environmental management



We permanently work to prevent, control and mitigate our potential environmental impacts and always seek to use natural resources efficiently. Environmental management systems are an integral part of the way we do business. We set objectives, goals and KPIs, striving towards continuous improvement and monitoring our environmental performance.

Social development



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

Transparency and corporate governance



We believe in the importance of developing effective, responsible and transparent institutions. We have guidelines and internal regulations that establish our commitment to conduct our business in a responsible manner. We behave in an honest, transparent and respectful way with regards to human rights and the law. In addition, we openly report on our performance and implement systems that allow us to internally audit our procedures.

Compliance and internal controls

The way in which we achieve our objectives is crucial to the long-term sustainable development of our business. We have zero tolerance for bribery and corruption and are committed to working with integrity and transparency.

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

2020 focus areas

- Reviewed complaint management system and separated duties between Compliance Management and the Crime Prevention Officer.
- Launched digitisation initiatives, including the automation of the due diligence process for suppliers, communities and the development of a system to monitor potential conflicts of interest.
- Developed a virtual management system for complaint resolution, including new methods for rating and classifying the complaints according to their severity - critical, high, medium and low.
- Provided compliance e-learning for all Directors and executives and in-depth training and briefings in ethics and compliance for higher-

risk areas such as procurement and public affairs (community relations).

- Trained all new employees in the Compliance Model as part of their induction programme.
- Reinforced controls in the Procurement Department, and strengthened the supply chain due diligence process, particularly with regards to working conditions and modern slavery.
- Improved and updated our whistleblowing channel through which employees and third parties can submit questions and complaints.
- All employees updated their conflict of interest disclosures.

Code of Ethics

The Code of Ethics sets out Antofagasta Minerals' commitment to undertaking business in a responsible and transparent manner.

The Code requires honesty, integrity and accountability from all employees and contractors and includes guidelines for identifying and managing potential conflicts of interest. It is the basis for the Compliance Model and supports the implementation of all other related activities.

Compliance Model

Antofagasta Minerals' Compliance Model applies to both employees and contractors. It is clearly defined and is communicated regularly through internal channels, as well as being available on our website. All employees receive training on the model and refresher and more detailed

courses are given to higher-risk areas. All contracts include clauses relating to ethics, modern slavery and crime prevention to ensure contractors' adherence to our Compliance Model.

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

The main focus of the Compliance Model is to prevent any irregular situations arising. It is reviewed regularly, both internally and by third parties, and on corruption-related matters it is certified under Chilean anti-corruption legislation.

Compliance model

Prevention



We provide a series of tools and training opportunities to all employees and contractors to support appropriate behaviour through:

- Internal procedures
- Anti-trust guidelines (Politically Exposed Persons, facilitation fees, etc)
- Due diligence, including the review of conflicts of interest and of potential business partners
- Inclusion of anti-corruption clauses in contracts
- Training and communication

Detection



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

- Whistleblowing channels
- Data analysis
- Regular due diligence
- Internal controls
- Internal audit

Action



If an irregular situation is detected, it is investigated according to Antofagasta Minerals' procedures. Each operating company has an internal Ethics Committee which reviews the conclusions of investigations and suggests action plans to the corporate Ethics Committee. The performance of the compliance programme is reported quarterly to the Audit and Risk Committee and every six months to the Board. The anonymity of employees and contractors using the whistleblowing channels is guaranteed, which safeguards individuals and achieves greater transparency.

Full management of risks

Crime Prevention Model

Our Crime Prevention Model ensures compliance with anti-bribery and anti-corruption laws in the United Kingdom and Chile and is certified by an external entity. In 2020, new offences were included in the Chilean anti-bribery and employment protection laws relating to health measures during emergencies. Accordingly, our Crime Prevention Manual and Model were updated and training conducted on these changes.

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

Due Diligence Highlights

During the year 5,963 suppliers were reviewed, of which 0.84% (50) were rejected. Of the rejected suppliers, 64% were local, 34% national and 2% international. The reasons for rejection were: 28% high financial or tax risk, 6% non-compliance with Law 20.393 (Criminal Responsibility of Legal Entities), 12% non-compliance with the guideline, 4% had criminal records and 50% were for other reasons.

Payments to government

Antofagasta Minerals makes payments to governments relating to our activities involving the exploration, discovery, development and extraction of minerals. These payments are primarily taxes paid to the Chilean government and mineral licence fees, which in 2020 totalled \$322 million of which 99.5% was paid in Chile.

Chilean law allows political donations to be made subject to certain requirements but we made no political donations in 2020. However, we often contribute towards the financing of projects benefiting local communities, in alliance with local municipalities and the government. These contributions are regulated by specific laws and are reviewed by the Chilean Internal Revenue Service (SII).

Our annual detailed Report on Payments to Governments is published on the Group's website.

Whistleblowing hotline

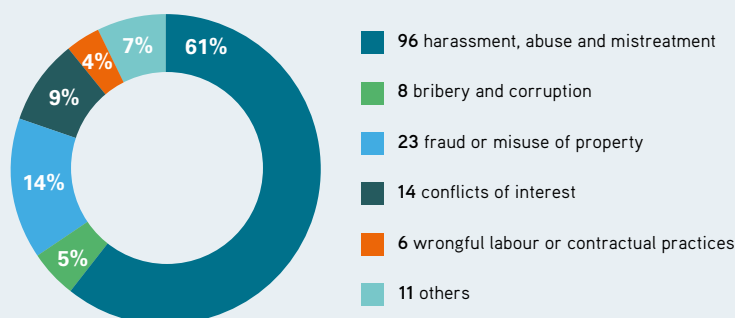
Antofagasta Minerals has a confidential whistleblowing channel (*Tu Voz*) to encourage employees, contractors and community members to raise concerns about possible improprieties or non-compliance with our Code of Ethics. The Audit and Risk Committee receives regular reports on reported whistleblowing incidents, detailing the number and type of incidents, along with details of the most significant issues and the actions resulting from their investigation. Complaints can also be made directly to the individual operations.

Complaints received

A total of 357 allegations were received, of which 158 (44%) were ethics related and 199 (56%) were related to non-ethical concerns such as complaints about late payments to suppliers. By severity, the allegations were: Critical 6% (21), High 28% (102), Medium 43% (153) and Low 23% (81).

There were 19 Ethics Committee meetings during the year to consider the 158 ethics-related complaints.

Ethics-related complaints



Modern Slavery Act

In compliance with the UK's Modern Slavery Act 2015, the Group publishes an annual statement setting out the steps taken to ensure that slavery and human trafficking are not occurring in its supply chain or in any part of its business. This statement is available at <https://www.antofagasta.co.uk/modern-slavery-statement>.

Human Rights Policy

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

+ For further information on our Human Rights Policy, see page 43.

Risk management

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

Focus in 2020

Our main focus in 2020 was to implement a world-class risk management tool, in line with our commitment to digital transformation, to review key risks in accordance with our risk methodology. During the year, we implemented and provided training on the Active Risk Manager (ARM) system, a single, secure digital repository of risks, to monitor our key risks and associated controls.

We reviewed our risk appetite and the risk level for each defined risk and added External Risks to our register. The latter are defined as external threats that are difficult to predict, with broad consequences and low probability, that could significantly impact our business.

We also carried out risk assessment updates at all operating companies, projects, exploration activities and support areas using the ARM system.

Governance

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

The Board determines the nature and extent of the significant risks that we will accept in order to achieve our strategic objectives. It is assisted by the Audit and Risk Committee which reviews the effectiveness of the risk management process and monitors key risks, preventive and mitigation procedures and action plans. The Chair of the Committee reports to the Board following each Committee meeting and, if necessary, the Board discusses the matters raised in more detail.

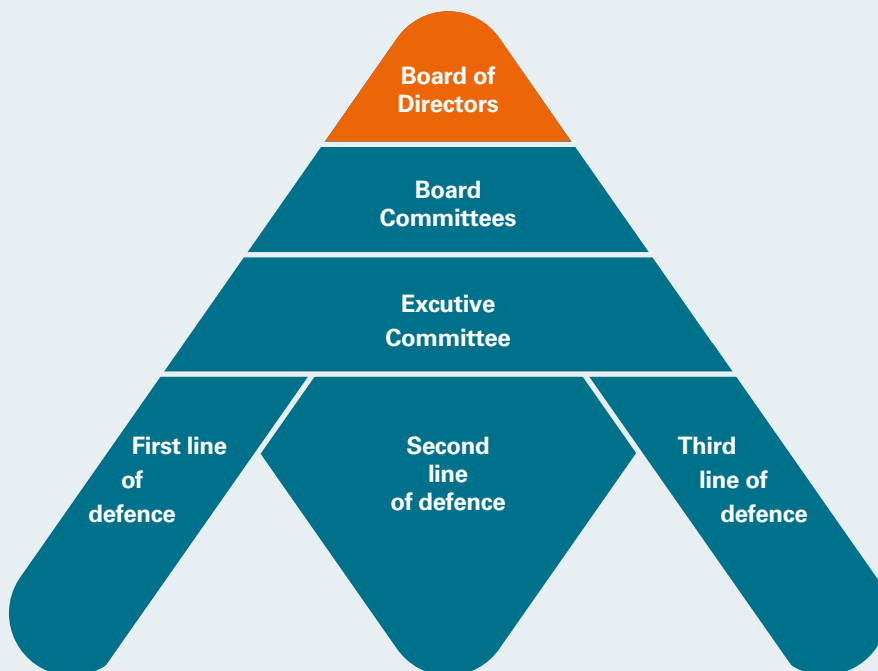
These processes allow the Board to monitor Antofagasta Minerals' major risks and preventive and mitigating procedures, and to assess whether actual exposure is consistent with the defined risk appetite.

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

The Department supports business areas in analysing their risks, identifying existing preventive and mitigating controls and defining further action plans. It maintains and regularly updates our risk register. It reports several times a year to the Audit and Risk Committee.

The General Managers of each of our operations have overall responsibility for leading and supporting risk management. Risk owners within each operation have direct responsibility for the risk management processes and for regularly updating individual operation's risk registers, including relevant mitigation activities. Risk

Our risk management structure



Board of Directors

- Overall responsibility for risk management and its alignment with Antofagasta's strategy
- Approves the Risk Management Policy
- Defines risk appetite
- Reviews, challenges and monitors key risks

Board Committees

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

Executive Committee

- Assesses risks and their potential impact on the achievement of our strategic goals
- Promotes our risk management culture in each of the business areas
- Is the owner of key risks

First line of defence

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

Second line of defence

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

Third line of defence

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

workshops are held annually to review key risks and mitigation activities.

Mitigation techniques for significant strategic and business unit risks are reviewed quarterly by the Risk and Compliance Management Department. We also have an autonomous Internal Audit area that undertakes regular and ad hoc reviews of risk management controls and procedures. This area reports directly to the Audit and Risk Committee.

Key safety and sustainability risks

Antofagasta Minerals maintains a risk register through a robust assessment of the potential key risks that could affect our performance. This register is used to ensure key risks are identified in a comprehensive and systematic way and that agreed definitions of risk are used.

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

We have identified 18 risks grouped under People, Safety and Sustainability, Competitiveness, Growth, Innovation and Transversal. Preventive and mitigation measures have been established for all risks.

For each risk, the Board determines the risk appetite (the acceptable level of risk to achieve its objectives) and the risk level (the impact and likelihood of the risk occurring).

In the Safety and Sustainability area, six risks have been identified. In 2020, the Board increased the risk appetite from low to medium for all of these, except corruption. Following the approval of a Climate Change Strategy during the year, the Board reduced the risk level for climate change from high to medium. It also determined that political, legal and regulatory change is now likely, rather than possible, due to planned constitutional reform in Chile.



Key elements of integrated risk management

- **We recognise that risks are inherent to our business:** only through adequate risk management can internal stakeholders be effectively supported in making key strategic decisions and implementing our strategy
- **Exposure to risks must be consistent with our risk appetite:** the Board defines and regularly reviews the acceptable level of exposure to key risks. Risks are aligned with risk appetite, taking into consideration the balance between threats and opportunities
- **We are all responsible for managing risks:** each business activity carries out risk evaluations to ensure the sound identification, management, monitoring and reporting of risks that could impact the achievement of our goals
- **Risk is analysed through a consistent framework:** our risk management methodology is applied to all our operating companies, projects, exploration activities and support areas so that we have a comprehensive view of the uncertainties that could affect us in achieving our strategic goals
- **We are committed to continuous improvement:** lessons learned and best practices are incorporated into our procedures to protect and unlock value sustainably

Safety and sustainability risks

Risk	Risk appetite	Risk Level	
		2020	v. 2019
Safety and health	●	●	=
Environmental management	●	●	=
Climate change	●	●	↘
Community relations	●	●	=
Political, legal and regulatory	●	●	↗
Corruption	●	●	=

KEY: ● Low ● Medium ● High ● Very High

Copper for a more sustainable world

Copper is essential to modern society and a greener future. Its exceptional ability to conduct electricity and heat makes it the metal of choice to achieve the twin objectives of providing affordable and clean energy and tackling climate change.

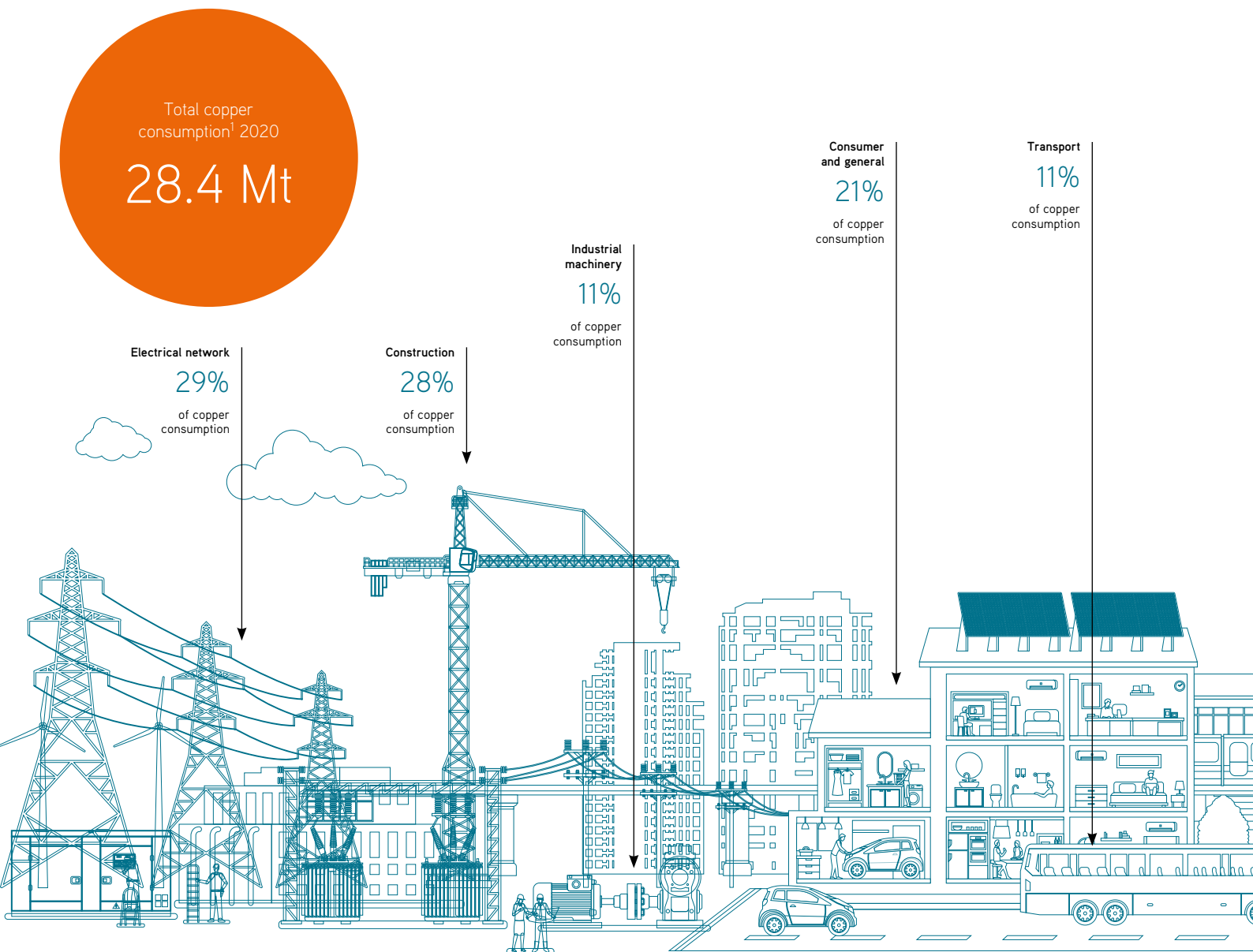
The metal's outstanding electric and thermal properties means that it is able to generate, transmit and distribute electricity and heat efficiently and safely, thus using less energy and reducing greenhouse gas emissions. It is a vital component for the energy-efficient performance

of renewable energy systems and electric vehicles as well as the electronic devices we use daily, from mobile telephones and laptops to televisions and domestic appliances.

Copper is a key input for the construction sector, which uses it to power, plumb, heat, ventilate, cool and provide internet to our homes and offices. Its use in industrial machinery promotes clean, economic development.

Among its other special attributes, copper's antimicrobial properties can kill germs. It can also be infinitely recycled without losing any of its chemical or physical properties. Together with its

contribution to renewable energy and silent, clean electric cars, copper is an integral part of creating the smarter, quieter and cleaner cities of tomorrow.



¹ Source: Wood Mackenzie, Copper Outlook December 2020. Total copper consumption includes direct use of scrap

Delivering sustainable economic value

We directly distribute part of the economic value we generate to our different stakeholders, including our employees, neighbouring communities and, through the taxes we pay, the country as a whole.

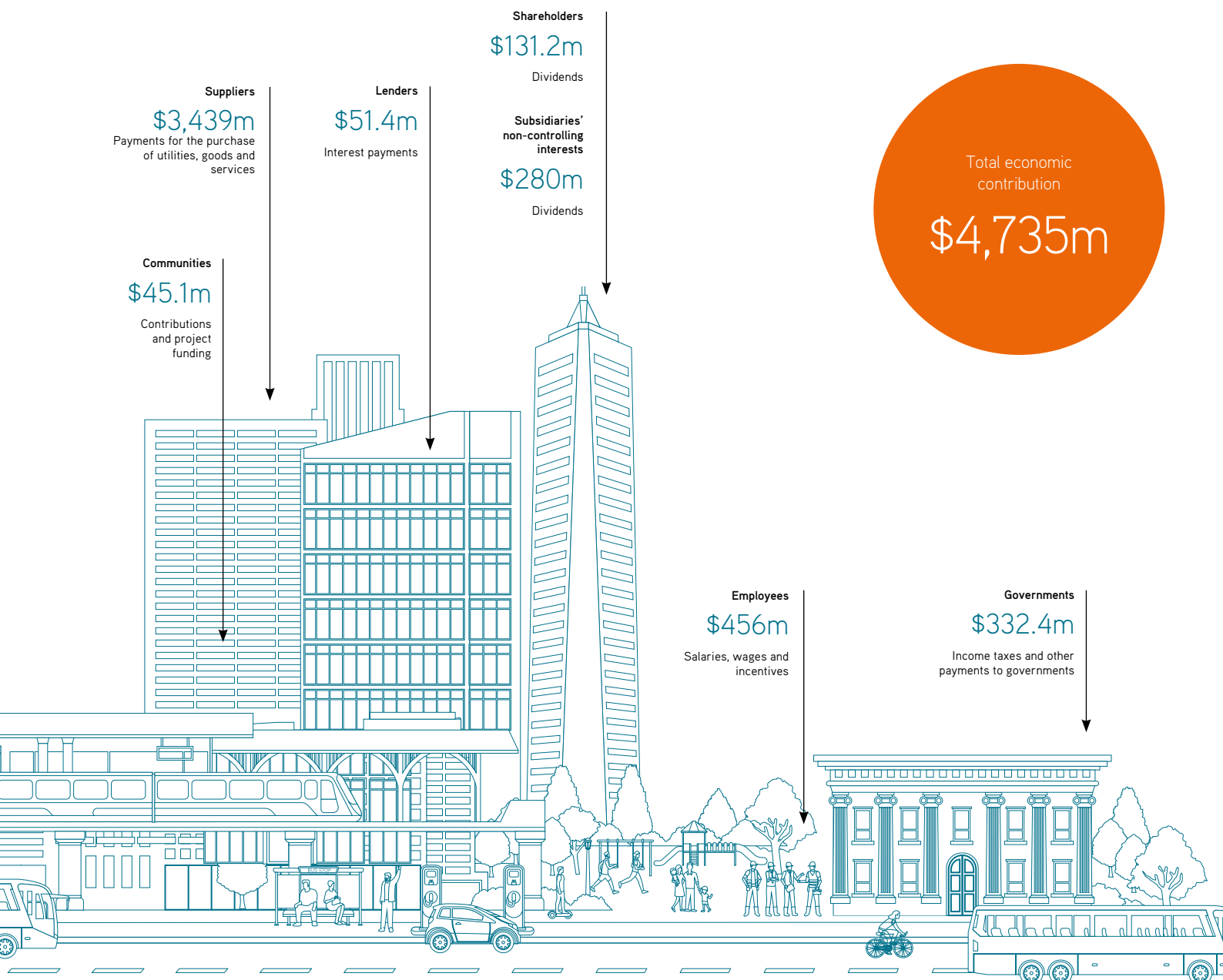
Our purpose is to develop mining for a better future and we understand that generating economic value means more than making a profit. We generate economic value for all our

stakeholders, distributing it through wages, purchases of goods and services, contributions to local communities, taxes, dividends and the interest paid to our lenders. This direct distribution of economic value also generates indirect benefits through spending by employees, suppliers, the government and others.

For Antofagasta Minerals, delivering economic value implies generating profits responsibly and with a long-term vision, incorporating unique and

innovative solutions in business decisions to address challenges in the regions where we operate and working to tackle today's global challenges.

In 2020, we distributed a total of \$4,735 million to our stakeholders.



Responsible supply

Our suppliers play a critical role in our ability to operate continuously, safely and efficiently and we worked particularly closely with them this year to control the spread of COVID-19.

HIGHLIGHTS 2020

- The value of contracts awarded to local suppliers rose by 9% to \$275 million
- We reduced payment times for local suppliers to 15 days
- We improved our administration of contracts to enable contract owners to focus on critical tasks



In 2020, Antofagasta Minerals worked with 2,214 suppliers of goods and services which range from electricity and fuel to catering and maintenance services. A central procurement team applies common procedures to ensure compliance with our standards as well as competitive and fair tender processes.

We carry out due diligence on all potential suppliers prior to awarding a contract. We review company ownership, the participation of politically exposed persons (PEP), anti-trust issues, compliance models, commercial behaviour, legal cases, labour practices, conflicts of interest and contract risks. A compliance tracker system monitors irregularities such as money laundering, fraud or environmental infractions.

Tenders take place on an online platform to ensure objective and auditable award procedures. In 2019, we introduced Robotic Process Automation (RPA) solutions to automate tender invitations, leading to greater participation and competitiveness. In 2020, the software was updated to assist in the evaluation of bids.

Contracts with suppliers include clauses requiring compliance with Chilean Law N° 20.393 on bribery and asset laundering, the UK's Bribery Act on corruption and Modern Slavery Act, and our policies and procedures. In addition, we consider health and safety and energy efficiency criteria when awarding contracts. Audits to

ensure compliance were conducted online in 2020 due to the COVID-19 pandemic.

During the year, we updated our guidelines to administer contracts for services to enable contract owners to focus on critical tasks, such as safety and health. We also set up a small corporate team to support the operating companies manage contracts. Our Procurement team also received refresher training on the Group's Crime Prevention Manual, modern slavery and our Compliance Model.

Suppliers can use the tender platform as well as the *Tu Voz* reporting line on the company's website to make complaints that can be filed anonymously.

Prioritising local growth

Our Procurement area seeks to stimulate economic growth in the regions where we operate by generating opportunities for local suppliers, enhancing their business capabilities and encouraging suppliers to employ local people. Our strategy is supported by alliances with regional stakeholders such as business associations, universities, government agencies, local municipalities and community organisations.

Boosting local suppliers

In 2020, we implemented new guidelines, approved in 2019, on regional procurement and recruitment to promote the contracting of

supplier companies with headquarters in the Antofagasta and Coquimbo Regions where our operations are based. The guidelines seek to improve the registration and classification of local suppliers in our database and to facilitate their participation in tenders by reducing administrative and financial barriers.

During the year, we increased the number of local suppliers¹ registered in our database and invited to participate in our tenders. In addition, the value of contracts awarded to suppliers in the regions where we operate rose by 9% to \$275 million, of which small and medium companies (SMEs) accounted for 54%. Payment times were reduced to 15 days at the end of 2019.

In July, we signed an agreement with the Antofagasta Industrialists' Association (AIA) to use its Approved Supplier Company System (SICEP), a digital database of certified suppliers, to increase our list of potential local suppliers and to publish tenders for the next six months. The initiative provides suppliers with greater visibility of upcoming opportunities and more time to prepare offers.

¹ As from 2019, local suppliers in this report are defined as companies that are headquartered in the Antofagasta and Coquimbo Regions. Prior to 2019, we defined local suppliers as companies with an operating base in these two regions and headquarters in these, or other, Chilean regions.



COVID-19

The COVID-19 pandemic posed extra challenges for our Procurement team in 2020 mainly due to health restrictions on manufacturing and transport logistics which impacted international supply chains. Weekly review meetings with critical suppliers allowed us to address these issues effectively by accelerating purchases and stocks when alerted about longer delivery times.

Contractors were required to report on their own COVID-19 prevention protocols and whether workers fell into higher risk groups or had symptoms of the illness. Restrictions were also imposed on Antucoya and Centinela contractors staying in the nearby towns of María Elena and Sierra Gorda, respectively.

Contractors affected by Antofagasta Minerals' decision to temporarily suspend its expansion projects, for example at Los Pelambres, and some other activities at its operations received a monthly salary of at least Ch\$500,000, the Ethical Minimum Wage set by the company. We began gradually resuming suspended activities in the third quarter of the year.

For the first time, Antofagasta Minerals also held online business meetings exclusively for suppliers based in the regions where we operate to discuss upcoming tenders and connect potential suppliers with opportunities. In August, we presented 12 tenders to 73 companies from the Antofagasta Region and, in November, our Los Pelambres mine presented seven tenders to 150 companies in the Coquimbo Region.

Promoting local employment

In August, Antofagasta Minerals launched a platform to allow large suppliers to publish job openings locally for contracts with our northern mining operations. Four major global suppliers have committed to using this platform and to give priority to hiring local people.

Los Pelambres includes a key performance indicator (KPI) in non-specialist contracts for 30% of supplier companies' workforce to be recruited locally.

Developing suppliers

One of our undertakings as active members of the Antofagasta Mining Cluster, a public-private alliance to promote the Antofagasta Region's economic and social progress, is to foster the development of innovative suppliers. As part of this commitment, in 2020, we proposed operational challenges to local technology companies in the framework of the Industrial Weeks for Innovation in Antofagasta. After two series of online workshops, participating suppliers pitched four solutions to problems

presented by our mining operations. Since being launched in 2018, 120 companies have taken part in the initiative, with 754 people attending the launch events and 398 the workshops.

We also participate in Expande, an open innovation programme to promote the development of high-potential solutions from technological companies to address challenges faced by the mining industry. In 2020, together with Expande, we held 17 online pitch days for suppliers to present solutions to 10 challenges published on our InnovaMinerals open innovation platform. We are currently co-developing 12 innovation projects.

In December, we provided training to around 200 regional SME suppliers on how to take part in our tenders and use our digital platforms.

[**+ See page 49 in Communities for more information.**](#)

Our people

Antofagasta Minerals seeks to promote a diverse and inclusive culture that fosters innovation and enables employees to meet their full potential. Our digital transformation programme is an increasingly important part of this strategy.

HIGHLIGHTS 2020

- In 2020, 50% of new recruits were women
- We rolled out our Digital Academy to improve employees' skills
- We approved a permanent hybrid form of in-person and remote working

Antofagasta Minerals' main focus in 2020 was to manage the impact of the COVID-19 health emergency so as to protect the health and safety of our employees and contractors, ensure operational continuity and safeguard jobs.

Our priority was to reduce to a minimum the number of people working in our corporate offices and operations to control the spread of infection at the workplace and in nearby communities. We rapidly implemented remote working for all possible positions, closing corporate offices and reducing worker numbers at the operations by between 30% and 35% at the pandemic's peak.

During the year, we conducted three surveys to monitor how employees were coping with remote working and the pandemic. A large majority expressed support for the opportunity to work from home. We increased internal communications to keep employees informed about COVID-19 and provided tools to help them handle stress with online initiatives such as mindfulness and yoga, and leadership support guides. We launched a campaign against intra-family violence. We also provided a 24/7 confidential, psychological support line and a Wellbeing and Support Programme for employees and their families involving sessions with a mental health expert.

The pandemic made us change some plans but also helped to reinforce parts of our People strategy which is built on the four pillars of culture, organisational effectiveness, labour relations and engagement, and organisational skills and talent management.

In 2020, Antofagasta Minerals had 21,378 employees and contractors. The largest proportion of our workforce is employed at Centinela with 33%, followed by Los Pelambres (30%), our corporate offices (17%), Zaldívar (11%) and Antucoya (9%), respectively. We focus on promoting local employment and, in 2020, 40% of our mining companies' employees were

from the Antofagasta and Coquimbo Regions where our operations are based.

Inclusive culture

Antofagasta Minerals is committed to providing a workplace where everyone can flourish regardless of race, gender, sexual orientation, nationality, disability, religion or social background. Respect is one of the six core values contained in our Charter of Values and underpins the way we work and relate to people.

We believe an inclusive and diverse workplace is essential for people to fulfil their potential, thus promoting wellbeing, talent retention, safety and productivity. Our Diversity and Inclusion (D&I) Strategy, launched in 2018, is initially focused on creating the conditions to attract, recruit and retain women, people with disabilities and employees with international experience in the workforce.

In 2020, we renewed our D&I Council's membership and elected 90 inclusion champions, known as "agents for change", at our operations and offices who were trained on the D&I strategy, gender equity, disability, inclusive leadership and unconscious bias.

Fostering D&I

In December 2020, an employee survey showed high adhesion to our D&I strategy:

- 93% consider D&I a priority for the business
- 86% feel the company values diversity
- 80% say they can freely express their opinions
- 83% say senior management foster D&I through their words and actions
- 88% say their line manager promotes a work environment in which individual differences are valued
- 90% agree or strongly agree that achieving an inclusive organisation is everyone's responsibility.

Employee wellbeing

A central part of our D&I Strategy is our Work-Life Balance Guidelines which seek to improve the division of employees' time between work and family or leisure activities and create a more sustainable workforce. The guidelines were launched in our corporate offices in 2020 and we plan to roll them out in our operations in the first quarter of 2021. They include benefits that go beyond those required under Chilean law, such as additional days off for bereavement or paternity leave, a gradual return to work after maternity leave and up to a year's unpaid leave or sabbatical for personal or health reasons.

The guidelines include a flexitime system allowing employees who work 5x2 shifts (five days of work and two days off) to choose whether to start their working day earlier, or end it later, than standard office hours. The system applies to employees working in the office and remotely.

Gender balance

By the end of 2020, women represented 14.7% of our employees, a significant improvement on 10% in 2019 and exceeding our target of 13.3% for the year. They also accounted for 20% of supervisors and senior managers, compared to 17% the previous year. Our goal is to double women's participation in our direct workforce from the 2018 baseline of 8.6% by the end of 2022.

In 2020, for the first time, we included targets for women's participation in annual Performance Agreements. We also reviewed and corrected identified gender pay gaps. We continued to raise internal awareness about sexual harassment and unconscious bias through webinars and video spots and ran an external campaign on Women and Mining in the north of the country.

These initiatives are paying off. In 2020, 50% of new recruits were female, adding 356 women to our workforce in different levels but focusing on entry-level positions. More than 90% of candidates selected for our apprentice and Young Graduate programmes were women. We also hired over 100 women as supervisors.

During the year, a record number of women took part in training programmes. We launched *Desarrollo Mujer* (Women's Development), which offers gender-focused leadership training and mentoring programmes given by the local NGO, Comunidad Mujer, to reinforce women's ability to perform in a male-dominated industry. A total of 105 women participated in *Desarrollo Mujer* and another 17 in different senior leadership training opportunities. We also provided coaching to seven women holding executive roles for the first time.

Centinela drives change

Antofagasta Minerals seeks to increase the share of women in its workforce, improve employees' job opportunities and give more jobs to local people in the regions where we operate. Centinela's growth strategy meets all these objectives:

- In total, 88 of 91 apprentices were women that began on-site training in December to operate or conduct maintenance on its current fleet of manual trucks.
- Mine truck drivers are being retrained to operate the autonomous trucks which will start working in the new Esperanza Sur pit at the end of 2021.
- 96% of the apprentices live in the Antofagasta Region where the mine is located.



Photo: Nicol Huerta Núñez - Zaldívar

Other gender-focused initiatives include active involvement in:

- **National Women and Mining Working Group:** public-private initiative to address work-life balance issues hindering the incorporation of women in mining.
- **Ministry of Women and Gender Equity's Gender Parity Initiative:** public-private initiative to reduce gender gaps in Chile's labour market.
- **30% Club:** sponsorship of the Chilean chapter of a UK initiative that seeks to increase women's representation on boards and in senior management.
- **Target Gender Equality:** UN Global Compact initiative to set and reach ambitious corporate targets for women's representation and leadership in business.

People with disabilities

Under Chile's Workplace Inclusion Law, people with disabilities must account for at least 1% of a company's workforce as from 1 April 2020. Antofagasta Minerals met this requirement as an organisation, and at each of its operations, as a result of providing universal access at its corporate offices; improving accessibility to its website for the visually impaired; and using inclusive platforms and job fairs for people with disabilities. We continue to work with Chile's Mining Council to define a technical standard on universal access to mine sites for people with disabilities.

Organisational effectiveness

Digital transformation

In April 2020, we created the Vice President of Strategy and Innovation function to drive our digital roadmap and innovation. The function's responsibilities include the adoption of the remote integrated management of operations and automated equipment as well as the Digital Transformation project to introduce technologies to eliminate printed paper, automate repetitive processes and make data-based decisions. By the end of 2020, 20 Digital Transformation projects had been implemented, seven were under development and six were in the design stage.

To support this change in the way we work, we established a Digital Academy to ensure we have the organisational capabilities to capture the benefits of technology as well as improve employees' skills and job opportunities. Over 1,500 senior leaders and supervisors took digital literacy courses on basic terminology and tools. By the end of the year, 94% had received diplomas for completing all nine online courses and 234 had moved onto a specialist course on data-based decision-making.

New Forms of Working

The COVID-19 pandemic showed that employees are able to work remotely without compromising safety, efficiency or productivity. Employee feedback was also positive about remote working. As a result, we decided to examine the longer-term opportunities offered by remote working with a view to:

- Building a resilient and flexible organisation with the inbuilt capacity to respond to unexpected external events
- Capturing opportunities to improve productivity and efficiency, for example by reducing travel
- Offering a more attractive work-life balance to deepen our D&I strategy

Based on employee feedback, 30 working sessions, six focus groups and a benchmarking analysis, the New Forms of Working project was proposed. It comprises a hybrid system of planned remote and in-person work, the latter to maintain a sense of belonging to work teams, align employees behind the company culture and prevent any psychosocial risks from working at home. Corporate roles will be required to work in person 50% of the time, while roles at operations have been divided into three in-person models: 100% of the time (such as truck operators), 50% of the time, and at least one week a month. The model was approved by the Board in November and began to be partially rolled out in January 2021 in keeping with ongoing COVID-19 health restrictions.

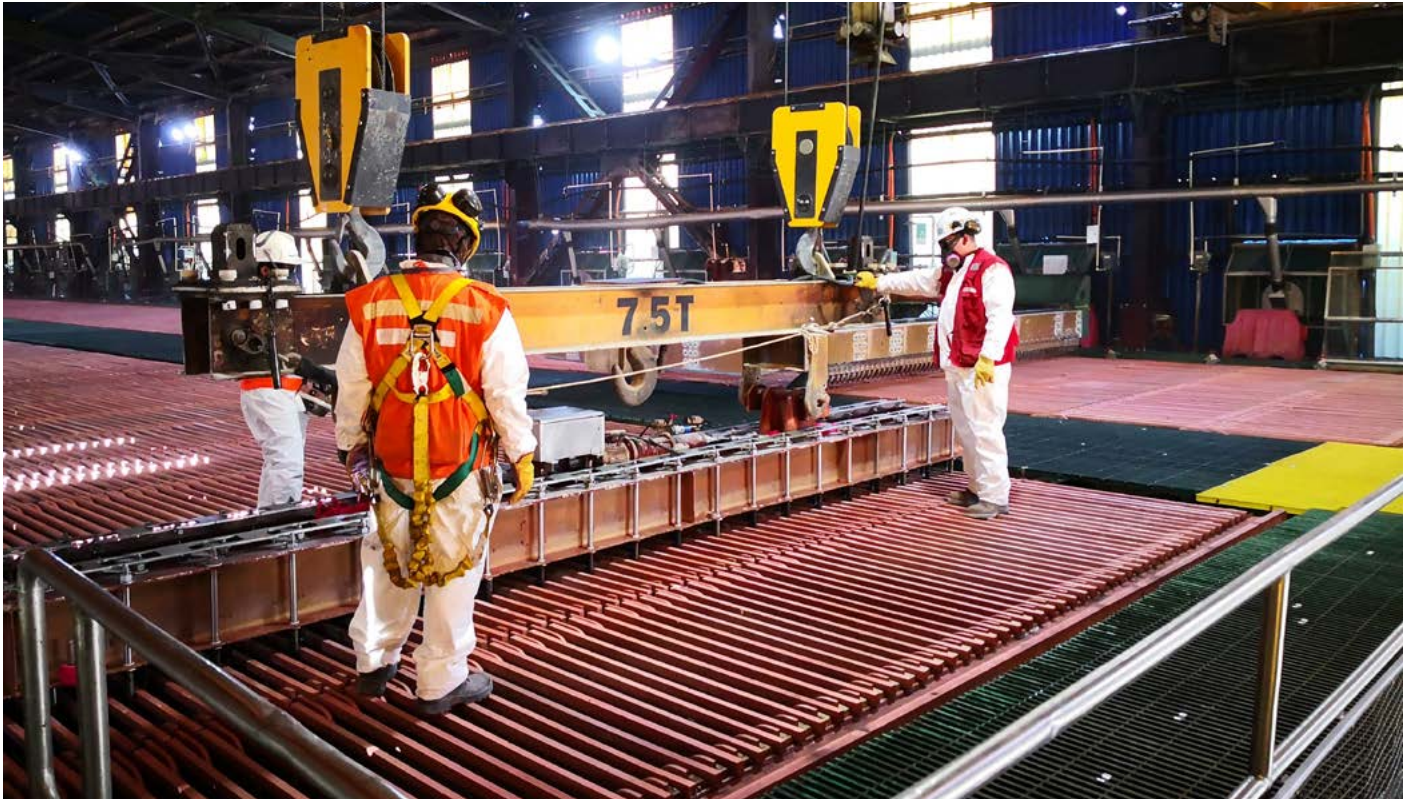


Photo: Pedro Astorga Arzola - Centinela

Building human capital

Antofagasta is committed to promoting a culture that fosters innovation, develops skills and enables transformation. In 2020, we invested \$1.1 million in employee training, the equivalent of 31 hours of training per employee, including the Digital Academy, Desarrollo Mujer, and safety and health. Due to COVID-19, most of the training was online.

We also designed a training programme that will be implemented in 2021 on non-technical skills that are required in today's digital world such as the capacity to learn quickly, work in a team, be curious and promote innovation.

Fostering young and local talent

Since 2010, we have run a Graduates Programme to recruit talented young people with the potential to take on key executive roles. In 2020, of the 20 young people selected, 19 were women.

Our apprentice programmes are aimed at hiring young people from the regions where we operate. In 2020, we hired 91 apprentices at Centinela, 10 at Los Pelambres and 15 at Zaldívar, of whom over 81% are women.

We are actively involved in Eleva, a public-private initiative that brings together government agencies, mining companies, the Mining Competencies Council (CCM) and the Fundación Chile technology transfer institute, to ensure technical training programmes are aligned with

the needs of the mining industry. Our Vice President of Human Resources, Ana María Rabagliati, is President of the CCM. Following a pilot programme at Antucoya in 2018, all our operations offer internships to CCM-certified technical institutions under the Eleva programme and, in 2020, a total of 40 people took part.

In September, ten people, including five women, graduated from Antucoya's Relevos (Relief Workers) programme and became certified to drive the mine's trucks during breaks in shifts. The programme was specifically aimed at residents of the nearby town of María Elena to allow them to commute daily to and from work.

Leadership seal

In 2020, we provided webinars and toolkits on the five leadership skills defined in our new Leadership Competencies Model, approved the previous year. The skills - I value all contributions, I act thinking of the future, I develop myself and others, I do things with conviction and commitment, and I create value in everything we do - reflect the inclusive and innovative culture we aim to develop and are aimed at all employees. In 2021, we will continue to strengthen these capacities through related training programmes.

Labour relations

Antofagasta Minerals recognises employees' right to union membership and collective bargaining. In Chile freedom of association is protected by law. Our mining operations have 11 unions: four at Centinela, three at Los Pelambres, two at Zaldívar and two at Antucoya, together representing 78% of all employees.

In 2020, we closed five labour agreements: one at Zaldívar and four at Centinela. Negotiations were conducted remotely and involved no strikes. Under Chilean law, these binding agreements are renegotiated up to every three years and cover salaries, shift patterns and employment benefits among other matters.

Chilean legislation prohibits forced and child labour, limits working hours and includes 15 days of annual paid leave and a minimum wage.

Our employees and contractors can make complaints on our confidential *Tu Voz* system available on our website as well as directly to the operations.



Photo: Antonio Álvarez - SGS Minerals, Centinela



Contractors

Contractors perform key tasks in our businesses and account for 75% of our total workforce. They are contractually required to comply with Antofagasta's safety and health, environmental and ethical standards, as well as the UK Modern Slavery Act. In 2020, we strengthened our oversight of contractors to ensure compliance with protocols for critical tasks.

We also require our contractors and subcontractors to provide their employees with health and life insurance and, in the case of Los Pelambres and Centinela, support for their children's education.

During the year, we launched a platform for large contractor companies providing services to our operations in the Antofagasta Region to publish job openings, thus furthering our commitment to create employment in the regions where we operate.

In early 2020, we had to temporarily demobilise 1,875 contractors due to the suspension of

activities at our Los Pelambres Expansion project to protect workers and communities from COVID-19. Agreements were reached with contractor companies to keep suspended contractors on at least the monthly Ethical Minimum Wage of Ch\$500,000 set by Antofagasta on 1 January 2020, which is approximately two-thirds higher than the national minimum wage. This commitment to our contractors' job retention allowed us to resume activities quickly when we began restarting project activities in the third quarter.

[+ See pages 34-35 in Suppliers for more information.](#)

25%
Employees

75%
Contractors

14.7%
Women

78%
Unionised employees

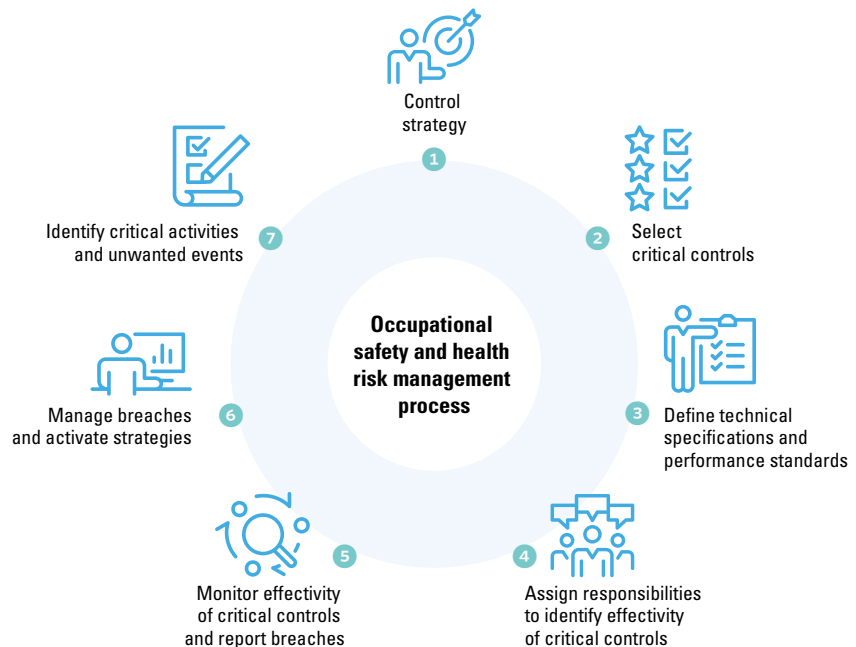
Safety and health

The safety and health of our employees, contractors and nearby communities are our top priority. Our early, decisive action to control the spread of COVID-19 allowed us to operate safely and continuously throughout the year.

HIGHLIGHTS 2020

- By the end of 2020, we achieved a record of 27 months without a fatality
- Our LTIFR fell 3% to a record 0.73
- High potential incidents dropped 63% to an all-time low

In 2020, we continued to deepen our occupational safety and health strategy which is based on four pillars: safety risk management, health risk management, standardised reporting and continuous improvement, and leadership. The strategy aims to meet four main goals: zero fatalities, zero occupational illnesses, the development of a resilient culture and the automation of hazardous processes.



Performance in 2020

For the second consecutive year, there were no fatal accidents related to Antofagasta Minerals' activities among employees and contractors or related third parties such as communities. By the end of 2020, we had completed almost 27 months with no fatalities, a new record.

We continued to improve our Lost Time Injury Frequency Rate (LTIFR) which fell 3% compared to 2019 to 0.73 per million hours worked, another new record. Our Total Recordable Injury Frequency Rate (TRIFR), which includes lost time injuries and medical treatment injuries, rose by 2% to 0.55 per 200,000 hours worked.

We did not register any cases of occupational illness in 2020.

Safety risk management

During the year, we strengthened the effective implementation of critical controls for high risk activities. We updated our Control Strategies for ten identified fatal risks and more clearly defined roles and responsibilities at the operational level to improve the management of critical controls.

Our strategy involves a seven-step process to continuously improve the identification of safety breaches and understanding of the root causes of high potential incidents (HPIs), in other words, incidents that could have led to one or more fatalities. HPIs are leading indicators of the effectiveness of safety controls and facilitate the

early introduction of improvements to prevent serious accidents. We continue to focus on learning and sharing findings across operations from HPI investigations to close risk management gaps.

In 2020, we began using HPIs as a measure of safety in our employees' Performance Agreements to reinforce a preventive and resilient safety culture. During the year, we reduced HPIs by 63% year-on-year, far exceeding our reduction target of between 10% and 15%. Our most frequent HPIs are related to transport (light vehicles and interaction with mobile mining equipment), uncontrolled releases of energy, and slope failures and rockfalls.

We also promote the reporting of near-misses to strengthen our safety performance. Our near-miss frequency rate rose by 15% to 298, reflecting a significant improvement to our reporting culture.

Occupational health risk management

Antofagasta Minerals is committed to providing a healthy workplace and contributing to the physical and mental wellbeing of our employees and contractors. In 2020, we established Control Strategies for four of our most significant occupational health risks: silica dust, noise, fatigue and drowsiness, and acid mist.

For the first time, we also established a reporting target for high potential unwanted health events to stimulate awareness, reporting and facilitate improvements. The group registered a frequency rate of 108 such events per million hours worked.

In addition, we strengthened our psychosocial health programme to help employees and contractors handle any harmful effects on mental health of the COVID-19 pandemic, including a new confidential 24x7 helpline. We also set up a working group of representatives from unions, human resources, mining operations and occupational health, to deepen the understanding of psychosocial risks and identify improvements.

Contractors

Our contractors and subcontractors are included in our safety and health performance data and must comply in full with our standards and procedures. In 2020, we strengthened our management of contractors by improving oversight and grading contractor companies according to their overall safety and health performance. The information is used by the Procurement area when awarding new contracts and, if certain standards are not met, they may be removed from the Suppliers register.

Automated Drill Rigs

In 2020, our Los Pelambres mine successfully implemented automated drill rigs which not only increased productivity, but also improved safety and reduced workers' exposure to occupational hazards such as noise, dust and vibration.

COVID-19

Antofagasta Minerals began implementing measures in February to prevent or slow the spread of COVID-19 to maintain a safe and healthy workplace and protect the health of our employees, contractors and nearby communities.

Our first main step was to limit access to offices and operations to positions that required in person attendance to ensure operational continuity. Higher-risk individuals were required to stay at home and remote working was swiftly organised for all possible roles.

Main controls

Four basic controls were implemented to prevent COVID-19 infection in the workplace:

- Health self-assessment questionnaires and health checks prior to each shift
- Obligatory use of masks in all common areas
- Physical distancing on buses, pick-up trucks, charter planes and common areas
- Frequent hand cleansing

In addition, we hired buses and charter flights to transfer employees and contractors to and from site at the start and end of each shift. Other measures included installing barriers in vehicles to separate people, frequently disinfecting spaces and additional training for catering staff on how to handle food.

Information campaigns on critical COVID-19 control habits were conducted through e-learning, posters, videos and competitions.

Protocol

Employees or contractors with specific COVID-19-related symptoms identified at the workplace are immediately isolated in the polyclinic and transferred as soon as possible to a health centre for a PCR test. Close as well as low-risk contact colleagues are traced, removed from the workplace and also tested for the illness.

Close workplace contacts are required to quarantine for 14 days at home or in sanitary accommodation. Quarantine is lifted for low-risk cases who test negative.

Asymptomatic confirmed cases are required to maintain quarantine for 14 days and symptomatic confirmed cases for 28 days to ensure employees and contractors only return to work in optimum health.

Employees and contractors who work in areas with high levels of people contact are proactively tested.

In 2020, we traced and monitored 12,885 suspected cases of COVID-19, of which 1,186 were confirmed. Tragically, three of our contractors, who began showing symptoms on their rest days or when remote working, died of COVID during the year.



Photo: Eduardo Ruz Jiménez - Centinela

Communities

The lessons learned in the implementation of social programmes and the networks of collaboration developed during years of engagement with communities were key for the support we were able to provide during the pandemic.

HIGHLIGHTS 2020

- We underpinned our respect for human rights by establishing a formal Human Rights Policy.
- In addition to our planned social initiatives, we created a \$6 million COVID Fund to finance health measures and social and economic support for neighbouring communities.
- We renewed our alliance with the Antofagasta Mining Cluster for a further two years.

The areas where our mines are located - the Coquimbo Region of central-northern Chile and the Antofagasta Region in the north of the country - are economically and socially quite different:

- Our largest operation, Los Pelambres, is located in the Coquimbo Region's largely agricultural Choapa Valley where its neighbours include large towns such as Illapel, the capital of the Choapa Province, and Salamanca as well as many smaller towns and remote rural settlements. Its area of influence also includes the town of Los Vilos on the coast, close to which it has the Punta Chungo port facilities and is building a sea water desalination plant.
- Our other three mines - Centinela, Antucoya and Zaldívar - are located in the far more sparsely populated Atacama Desert where mining and, more recently, solar energy production are the main economic activities. Centinela is 34 km from the town of Sierra Gorda and Antucoya is 75 km from María Elena while Zaldívar is located 100 km from the Atacama Salt Flat. The area of influence of Centinela and Antucoya includes the town of Mejillones on the coast of the Antofagasta Region, where they use third-party port facilities to import inputs such as oil and explosives. In Michilla, a fishing village some 60 km north of Mejillones, Centinela and Antucoya extract sea water for use at the mines and Centinela has a pier from which it ships concentrate, transported down to the coast by pipeline.

Indigenous communities form part of the areas of influence of Los Pelambres and Zaldívar:

- Members of the Taucán Diaguita community live in the Choapa Valley while the fishing community in Los Vilos includes members of the Chango people, which had been thought extinct but was recently recognised as one of Chile's ten indigenous peoples.
- Zaldívar obtains water from the Atacama Salt Flat, some 100 km from the mine, where the Atacameño communities of Peine, Socaire, Camar and Talabre are located.

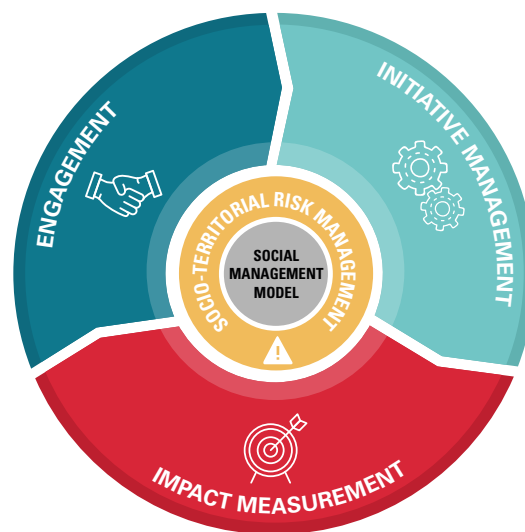
Social Management Model

Our Social Management Model is designed to ensure the consistency of our engagement principles, methodologies and practices across our operations. It has four components: Engagement, Initiative Management, Impact Measurement, and Socio-Territorial Risk Management. Following the incorporation in 2020, as planned, of an Impact Measurement Standard and a Risk Management Standard, all four components now have their corresponding standard.

Our engagement with neighbouring communities is based on the principles of dialogue, collaboration, traceability, excellence and transparency and we seek to grow together with these communities and contribute to their long-term social and economic development, whilst also taking care to prevent, mitigate and compensate for any adverse impact our activities may have. We have a broad range of social programmes, often implemented in alliance with local foundations, and the initiatives they implement are selected and designed together with communities through working groups to address specific areas of their development or concerns.

Social contribution

Our social contribution comprises all our operations' social investment projects and programmes, including both voluntary initiatives and legally binding commitments, such as those stipulated in Resolutions of Environmental Approval (RCAs). It also includes the programmes implemented by Fundación Minera Los Pelambres.



Social Management Model

ENGAGEMENT	INITIATIVE MANAGEMENT	IMPACT MEASUREMENT	SOCIO-TERRITORIAL RISK MANAGEMENT
A relationship-building process defined by the Group to connect with different stakeholders, resolving disputes, contributing to development and fostering social acceptance of our operations and their growth.	Ensures the correct physical, financial and administrative implementation of social investments in the operations' areas of influence, in line with the planning and resources defined for each of them.	Defines indicators to understand the contribution of initiatives rolled out in Antofagasta Minerals' areas of influence, facilitating future decision-making on the social investment strategy, based on business objectives.	Identifies critical issues arising from the interaction (or lack of) between the company, community and/or local or national authorities in order to anticipate and manage potential risks that may affect the reputation, operation and/or growth of the Group's companies.

Investment in the community¹

\$45.1m

invested in social projects in 2020
22% more than in 2019

1 Mandatory and voluntary social projects and programmes, donations and social agreements. Includes programmes managed by Fundación Minera Los Pelambres.

Impact measurement

In 2020, we met our goal of measuring the impact of four programmes: two implemented by Fundación Minera Los Pelambres and two by Antucoya in northern Chile. All showed a positive social return on investment (SROI), led by Antucoya's *Relevos* (Relief Workers) programme, which trains people from nearby communities to operate mine trucks and employs them to cover the regular operators' shift breaks. It was followed by the programme of doctors' home visits and telemedicine implemented in the Antofagasta Region to relieve pressure on public health services during the pandemic and improve access to care.

Along with the management of socio-territorial risks - or, in other words, the early detection of issues that could affect the Group's reputation and/or operations - impact measurement is a key tool for the management and design of our social initiatives. Our new Impact Management Standard defines the methodology we use to evaluate all the projects and programmes implemented by our different operations, including matters such as minimum information requirements and the communication of the results to stakeholders. Under it, an Impact Committee, headed by the Public Affairs area, was established to oversee the evaluation process.

In 2020, the measured impact of social initiatives was incorporated as a key indicator in the Group's performance agreement. This provides an incentive for progress, as an organisation, on improving our programmes and generating significant and lasting positive impacts in the communities.



Our approach to human rights

In 2020, we formally introduced a Human Rights Policy, based on a prior human rights due diligence. It sets out the fundamental elements of our approach to human rights, establishing how we relate to employees, contractors, suppliers, business partners, communities and other parties directly related to our operations. Its main points include:

- We proactively seek the non-violation of human rights and act in accordance with the UN Guiding Principles on Business and Human Rights. We do not tolerate acts at odds with these rights that could be committed by our employees, workers in our supply chain or third parties in any way related to our operations.
- We place particular emphasis on avoiding behaviour that constitutes any form of exploitation, slavery or human trafficking, in both our operations and our supply chain, and we do not tolerate the use of child, forced or slave labour in any of our operations or the supply chain of Antofagasta plc.
- We are committed to avoiding discrimination of people, based on race, colour, gender, religion, political opinion, nationality or social origin, and harassment of the people employed by our company.
- We strive to carry out appropriate due diligence to identify, prevent, mitigate and respond to the possible negative consequences of our activities as regards human rights.
- In all our operations, we strive to have complaint mechanisms so that potentially affected persons can report to Antofagasta plc any situation with a possible impact on human rights.
- We seek to continually update and improve our practices, standards, policies, procedures and complaint mechanisms so as to ensure respect for human rights.
- We respect the rights, culture and heritage of the communities that host our explorations, operations and projects. We maintain continuous dialogue with them, from the exploration stage through to the closure of operations, and strive to maximise the benefits of our activities for the territories and communities where we operate and to reduce the possible negative impacts of these activities.
- We recognise and respect the rights, culture and traditions of all indigenous peoples and exercise special care in the case of those groups living in the vicinity of our operations and projects.
- We promote awareness of this Policy among our stakeholders and expect them to comply with this commitment.



Indigenous peoples

Our Human Rights Policy explicitly recognises and undertakes to respect the rights, culture and traditions of indigenous peoples. Our relations with the indigenous communities in our areas of influence are aligned with local legislation, the International Labour Organisation's (ILO) Convention 169 and the guidelines of the International Council on Mining and Metals (ICMM).

In 2020, Zaldívar carried out the Group's first voluntary indigenous consultation process with the Socaire Atacameño community. Implemented as part of the environmental evaluation of the operation's mine life extension project, it concluded positively with the signing of an agreement.

Zaldívar also engages with Socaire and other nearby indigenous communities through environmental working groups. In addition, it supports the Miscanti nursery school in Socaire as part of a broader programme of sponsorship of nursery schools, headed by the Antofagasta Industrialists' Association (AIA).

Complaint mechanisms

Community members have a number of channels through which to register a complaint. They can send an e-mail to the corresponding operation or a letter to one of its local offices or use the *Tu Voz* (Your Voice) reporting line on the Group's website where complaints can be made anonymously and are treated confidentially. However, their first point of contact is typically the local community relations coordinator.

All complaints are investigated, with the exact procedure depending on the nature of the complaint. In 2020, we reviewed our various complaint mechanisms and drew up a proposal for a single system in line with the guidelines of

the International Council on Mining and Metals (ICMM). As of late 2020, the proposal was undergoing internal validation.

Citizen participation processes

In addition to Zaldívar's voluntary consultation process with the Socaire indigenous community, Los Pelambres implemented an Early Citizen Participation Process (PACA) to inform the community about its Operational Adaptation project, which was announced in September. Meetings included local farmers' organisations, water users' associations, fishermen's organisations and neighbourhood associations.

Response to COVID-19

Faced with the outbreak of COVID-19 which, in Chile, began in March 2020, we rapidly refocused our social programmes to support nearby communities in containing the spread of the virus and mitigating its economic impacts. By April, we had already established a special-purpose \$6 million COVID Fund to finance our planned three-phase response: an Emergency Phase, focusing on preventive health measures; a Recovery Phase to alleviate immediate economic and social hardship; and a Normalisation Phase to support communities' reactivation.

In all these activities, we worked closely with local authorities and the central government and, in many cases, other companies and business associations. As is the practice of our regular social programmes, we implemented many of the COVID Fund's initiatives in alliance with local and national foundations and, in the case of Los Pelambres, its own foundation, Fundación Minera Los Pelambres.

Health measures

The numerous health measures ranged from the provision of medical supplies and PPE to the donation of PCR testing machines and respirators. Examples in the Coquimbo Region included:

- Construction of a new laboratory at the Dr. Humberto Elorza Cortés Hospital in Illapel to speed up PCR testing times for the inhabitants of the Choapa Province
- Donation of a total of 11 ventilators to different hospitals (some as part of a programme led by the Confederation of Production and Commerce (CPC), a business association)
- Donation of mobile X-ray equipment for a new intensive care unit at the hospital in Illapel

Similarly, in the Antofagasta Region, the support provided included:

- Reduction of pressure on local health services through the home medical visits and telemedicine programme
- Donation of three respirators to hospitals in Antofagasta and Calama
- Financing of voluntary isolation accommodation for infected people

Relief measures

Economic and social relief measures varied widely depending on the needs of the different communities. They included the distribution of food and other basic items as well as measures to make the use of public spaces, such as fruit and vegetable markets, safer. In both the Coquimbo and Antofagasta Regions, we also organised local suppliers and/or residents to make face masks, of which over 100,000 were produced.

COVID FUND

Healthcare and prevention

\$3.3m

Community support

\$1.1m

Economic reactivation

\$1.5m

\$5.9m

TOTAL COVID-19 FUND

As schools were forced to close, attention also turned to the challenges faced by teachers, pupils and their families. In response, we distributed Internet kits and provided support from experts in distance learning methodologies. For example, Fundación Minera Los Pelambres worked with Educación 2020, an NGO, to support 15 mainly rural schools in the Choapa Province, reaching 176 teachers and 2,097 pupils.

In line with the Group's policy of leveraging government efforts, Fundación Minera Los Pelambres also published three manuals, in April, May and July, on the benefits available from the state. They explained in straightforward language how to access the benefits and were particularly appreciated by the community.

Reactivation

In the Antofagasta Region, Antofagasta Minerals joined other local companies in contributing to the *Reactivando mi Pampa Salitrera* (Reactivating my Nitrates Pampa) fund set up by Corfo, the government's economic development agency, for the María Elena and Sierra Gorda municipal districts under its Reactivation Support Programme (PAR). It was open to applications from initiatives implemented jointly by between five and 15 small and mid-sized businesses (SMEs) and/or entrepreneurs and the grants, awarded in August, had a total of 35 beneficiaries (15 in Sierra Gorda, nine in María Elena and seven and four, respectively, in the nearby towns of Baquedano and Quillagua).

In the case of María Elena, Antucoya also joined other companies with operations near the town to create the *Juntos Impulsamos Tu Negocio* (Rebuilding Your Business Together) fund, which awarded grants to 33 entrepreneurs and micro-businesses in María Elena and Quillagua. Similarly, in the case of Sierra Gorda, Centinela, along with BHP's Spence mine, the Municipal Development Corporation and the municipal government, set up the *Todos Juntos Avanzamos* (Advancing All Together) fund, which awarded grants to 29 micro-businesses and 21 entrepreneurs in Sierra Gorda and Baquedano.

Another key step for Sierra Gorda was the gradual return, starting in September, of the employees of contractors working at Centinela, who lodge and eat there and are a key source of the town's income. A Safe Return Plan was drawn up and managed through an agreement with the Sierra Gorda Economic Development Corporation under which Centinela selected the

contractors whose employees were allowed to return and provided training to help the town implement the mine's own protocols. Monitors were also hired to supervise the process and, for example, a food delivery app was created.

In the Coquimbo Region, Fundación Minera Los Pelambres (FMLP) implemented the Choapa Emergency Economic Support programme for the Choapa Province in a bid to save struggling small businesses. In addition to grants, it provided technical advice on matters such as e-commerce and access to state benefits and promoted the businesses through its own communications channels. The programme was financed out of the FMLP's regular budget for economic development, matched with a contribution out of the COVID Fund, giving it a total budget of Ch\$1,140 million. It received 3,532 applications and supported a total of 2,096 initiatives in Salamanca, Illapel, Los Vilos and Canela.



Reducing pressure on health services in the Antofagasta Region

One of the programmes whose impact we measured in 2020 with positive results was the programme implemented in the Antofagasta Region to relieve pressure on its pandemic-stressed public health services. It built on the experience acquired through an existing healthcare programme under which specialists such as ophthalmologists, gynaecologists and nutritionists visit the towns of María Elena and Sierra Gorda. For three months, from mid-May to mid-August, the programme, implemented together with Manos que Ayudan, a foundation, as well as Antofagasta plc's transport division (FCAB) and the Regional Government, took doctors to María Elena, Sierra Gorda and Michilla to make home visits for non-COVID health problems. In this way, as well as helping to decongest hospitals and primary health centres, it enabled people with chronic illnesses and, therefore, at higher risk from COVID to continue their treatment from the safety of their homes.

In parallel, a medical call centre was established in Antofagasta from which, when necessary, home visits were also arranged. Over the three months, the centre attended over 6,500 calls and made over 1,800 home visits. Some 60% of the calls were related to mental health problems.



Drought relief in Choapa

Given the persistent drought in the Coquimbo Region, Fundación Minera Los Pelambres (FMLP) continued to implement its two water management programmes, albeit with some modifications in line with the pandemic.

- APRoxima.** This programme supports the local committees responsible for managing Rural Drinking Water (APR) systems and provides training and assistance for the construction and maintenance of infrastructure. In 2020, one of its main activities was the APRoxima Emergencia service on which the Salamanca APRs could call for minor repairs to their water systems. A committee was also established, bringing together the Salamanca APRs, the municipal government, Minera Los Pelambres and the FMLP, to select the improvement projects to be submitted for the government funding available for this purpose.
- Confluye.** The *Confluye* (Flow Together) programme works with the Water Users' Boards of the Choapa, Chalinga and Illapel Rivers to improve agricultural irrigation. In 2020, it focused on reducing water losses by repairing the lining of irrigation canals. In one of its main regular activities, Confluye also helps the Water Users' Boards to submit applications for government funding and advances them the amount awarded, thereby avoiding unnecessary delays on a project's implementation. In 2020, it signed an agreement with the Ministry of Agriculture to facilitate access to the resources available from the National Irrigation Commission (CNR) and the Institute for Agricultural Development (INDAP).

Minera Los Pelambres is actively participating in a Provincial Water Working Group established by the Regional Government to identify and implement solutions to improve the area's water security in the short, medium and long term. It is also co-financing the public-private Quitai Anko research consortium which, in 2019, won a bid to implement a five-year programme to develop sustainable solutions to water-related challenges, starting with the Choapa Valley. In 2020, the consortium began work on five strategic projects (see page 53).

Regular programmes

The restrictions imposed by the pandemic and our focus on emergency social programmes inevitably limited the implementation of our regular programmes. However, meetings of working groups with the community continued to take place, albeit online, putting us on a good footing to resume work once conditions permitted, as happened gradually towards the end of the year.

Somos Choapa

In the Choapa Province, we channel our social investment principally through the flagship *Somos Choapa* (We are Choapa) programme, an alliance between Minera Los Pelambres and the Choapa Province's four municipal districts - Salamanca, Illapel, Canela and Los Vilos - through which we seek to contribute to the area's sustainable development and the wellbeing of its inhabitants.

In 2020, the budget of the economic development programmes implemented for *Somos Choapa* by Fundación Minera Los Pelambres (FMLP) was largely transferred to the Choapa, Emergency Economic Support programme while initiatives such as the improvement of public spaces, which require work on the ground, were severely restricted. However, work continued on other projects and programmes:

- **Los Vilos dialysis centre.** In September, we opened a dialysis centre in Los Vilos. Built by Los Pelambres and equipped by the Regional Government, it means that patients in Los Vilos no longer have to travel to centres in other towns several times a week.
- **Aguas Claras 2 housing project.** This project in Salamanca, which was completed in September, has provided homes for 50 low-income families, mostly with women heads of household, and includes some homes adapted for the needs of family members with disabilities. For this public-private project, implemented in alliance with the Housing Ministry, Los Pelambres provided the design and undertook the work of obtaining permits.
- **Los Vilos stadium.** The first stage of a project to remodel the football stadium in Los Vilos was completed, with the installation of an artificial turf pitch and seating for 950 people. The second stage will include new changing rooms and public toilets as well as other improvements.
- **Scholarships.** As part of its Education and Culture line of work, the FMLP awarded a total of 637 scholarships for higher education and secondary schooling.



- **Integral Support for Agriculture (AIA).** In January, before the pandemic reached Chile, the FMLP awarded 295 grants under this programme which seeks, through the co-financing of investments and technical support, to help small farmers in the Salamanca municipal district increase their yields and the efficiency of irrigation.
- **Emprende Valle Alto.** In January, this version of the FMLP's *Emprende* (Entrepreneurship) programme, which supports the development of different economic activities, awarded 49 grants to small enterprises in the towns of Batuco, Chillepin, Cuncumén, Punta Nueva and Tranquila. These towns, at the head of Choapa Valley, are the Los Pelambres mine's closest neighbours.

Diálogos para el Desarrollo

Under the *Diálogos para el Desarrollo* (Dialogues for Development) programme, Antucoya and Centinela work with the municipal governments of María Elena (Antucoya) and Sierra Gorda (Centinela) and other strategic partners to foster the towns' development and contribute to their residents' quality of life. In operation since 2018, the programme grew out of our successful experience with *Somos Choapa*.

In María Elena, work continued in 2020 on a heritage, memory and identity project to raise awareness of the town's past as a key centre of Chile's nitrates industry in the late nineteenth and early twentieth centuries. It completed the construction of an attractive website (<https://mariaelenapatrimonial.cl>), launched in January 2021, about the town and its history.

In a public safety project in María Elena, the installation of alarms continued, albeit more slowly than anticipated before the pandemic, while the installation of cameras had to be postponed until 2021.

In 2020, the National Health Service Supply Centre (CENABAST) became a supplier of the online pharmacy created for María Elena in 2019 to avoid its inhabitants having to travel to larger towns to acquire medicines. A decision was taken to close the online pharmacy's physical premises in favour of distributing through the local public health centre.

In Sierra Gorda, work during most of the year focused on social and economic relief but, by the end of the year, was being resumed on other initiatives. They include a circular economy project to recycle waste such as plastic bottles and wood chips from Centinela and the construction of a greenhouse to grow salad vegetables for the mine.



Job creation

In 2020, we conducted a materiality assessment to identify the sustainability issues that are most critical for our business and stakeholders (see page 11). It confirmed that job creation is a key expectation among neighbouring communities and, beyond the immediate support we were able to provide in 2020, this will remain a more than usually pressing concern as communities seek to recover from the economic impacts of the pandemic.

We directly employed 2,144 people from the Antofagasta and Coquimbo Regions in 2020, representing 40% of the workforce. However, we also create jobs through our use of local suppliers and by encouraging our larger suppliers to recruit locally.

In line with this, we introduced new Guidelines on Regional Procurement and Recruitment in December 2019. They make explicit our preference for suppliers from the region where an operation is located and reduce barriers to their participation in tenders. In 2020, the value of contracts awarded to suppliers in the regions where we operate rose by 9% (see page 35).

In August 2020, we launched a platform to facilitate local hiring by our own large suppliers. This is currently operating as a pilot in the Antofagasta Region with four suppliers.

We are aware that, as we move forward with our digital transformation and the automation of processes, new skills will be required to access job opportunities. We are addressing this challenge both through internal training (see page 37) and initiatives that target the community such as our Apprentices Programmes and our participation in the Eleva programme. Implemented by the Fundación Chile technology transfer institute, with partners that include the Mining Competencies Council (CCM), Eleva seeks to ensure that training standards are in line with industry needs by certifying educational establishments, providing training for their staff and offering pupils work experience at leading mining companies.



Antofagasta Mining Cluster

Another key vehicle for our social investment in northern Chile is the Antofagasta Mining Cluster. In December 2018, when we signed a collaboration agreement with this public-private alliance, we were the first mining company to do so and, in December 2020, we renewed the agreement for a further two years.

The Cluster, which also includes government agencies and educational institutions, seeks to promote the long-term economic and social development of the Antofagasta Region. Our commitment is to support two of its five pillars: the creation of human capital and the development of regional suppliers, with a particular focus on innovation.

Over the past two years, we have invested \$1.8 million in strengthening human capital in the Antofagasta Region, directly benefitting 1,662 people. Our work includes 22 programmes with local universities as well as initiatives implemented at our operations such as Antucoya's *Relevos* (Relief Workers) programme. All our operations also offer Apprentices Programmes, with participants drawn mostly from the Antofagasta Region. Similarly, in accepting students to prepare their theses at our operations, we give priority to those from local universities, which accounted for 75% of the intake in 2020.

In 2020, Centinela marked a milestone with its Apprentices Programme in that, out of its intake of 106 participants, 103, or 96%, were women. In line with health protocols, the courses were taught online using streaming, with two options: Operation of Mining Trucks and Electromechanical Maintenance. In November, the operation went on to hire 91 of the participants (88 women and three men) to do their work experience online.

We also contribute to the development of regional human capital through the Eleva programme. It is national in scope but, in practice, many of the students obtaining work experience at our operations are from the local area. In September 2020, ten young people completed their work experience at Zaldívar and seven of them were hired, while a further ten were acquiring work experience at Antucoya, albeit with delays because of pandemic-related restrictions.

Over the past two years, we have significantly increased our use of suppliers from the Antofagasta Region. In 2020, we acquired goods and services for \$201 million from local companies, up by 23% on the same period in 2019.

A further key step in this direction was the agreement we signed in July with the Antofagasta Industrialists' Association (AIA) to use its Approved Supplier Company System (SICEP), a digital database of certified suppliers. This resulted in a 20% increase in the number of local suppliers with access to information about potential business with our operations.

In the case of the promotion of innovation, our InnovaMinerals open collaboration platform fosters the development of innovative solutions to challenges faced by the mining industry. We also participate in *Expande*, a national public-private programme, led by the Fundación Chile technology transfer institute, which also promotes innovation in mining (see page 35).

Climate change

In line with our purpose of developing mining for a better future, we are taking decisive steps to manage and mitigate the effects of climate change on our business and areas of influence.

HIGHLIGHTS 2020

- Our new Climate Change Strategy came into force in 2020.
- In July 2020, Zaldívar became our first mine to use only electricity generated from renewable sources.
- We have contributed to the creation of a university chair for research into water sustainability.

At Antofagasta Minerals, we take into account Chile's particular vulnerability to climate change. Since 2019, our risk matrix has specifically included climate change and we have drawn up a comprehensive Climate Change Strategy, which was approved by the Board in 2020.

Thanks to this strategy, we will be able to take a multi-disciplinary approach to the challenges posed by climate change, improving coordination of the many initiatives, large and small, being implemented by the different areas of our operations. The Strategy has five pillars: development of resilience to climate change, reduction of greenhouse gas emissions, efficient use of strategic resources, management of the environment and biodiversity, and integration of stakeholders.

For each pillar, different areas of action have been identified, accompanied by a preliminary plan of short, medium and long-term work. For example, resilience to climate change refers to the development of initiatives to adapt to the direct risks that climate change poses for the Group. The short-term actions related to this pillar include:

- Achieving a more in-depth understanding of the physical and transition risks for each operation under different temperature-increase scenarios
- Incorporating the risks into our risk management systems in greater detail
- Evaluating the impacts of climate change from the operational, financial and social standpoints.

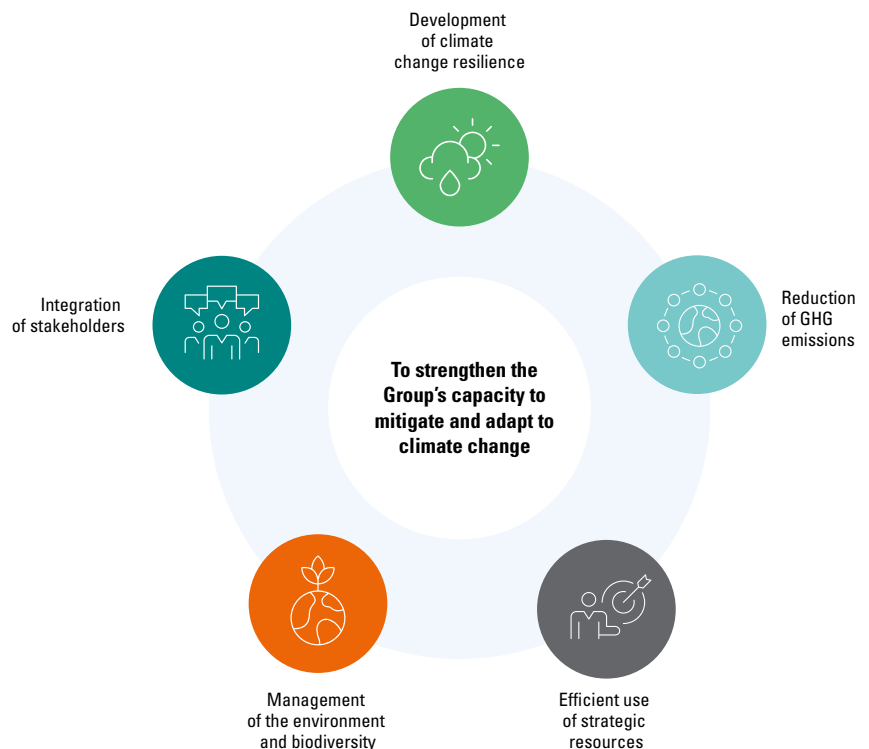
In the medium and long term, we anticipate that, with greater knowledge about the impacts of climate change, we will be able to progress in defining other areas of action under this pillar that will, for example, permit the implementation of measures to adapt the infrastructure and critical processes of our operations.

In 2021, we will publish a report with information about actions in relation to each pillar. It will also include our progress on implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).¹

In the context of our new Climate Change Strategy, we have created a Strategic Resources area within our Strategy and Innovation area. It will focus on the centralized management of the Group's water and energy resources. Officially launched on 1 January 2021, its mission is to

provide a long-term vision for our use of water and energy. These two strategic resources are becoming ever more closely related as we replace continental water with sea water, with its energy implications in terms of desalination and the pumping of water to mine sites. This new area will also support the different operations in initiatives to increase their energy and water efficiency.

Climate Change Strategy



¹ Under these recommendations, companies should report the impacts of climate change on their operations and how these are being addressed in order to help financial markets understand if the impacts are correctly reflected in the valuation of their assets.



Photo: Iván Andrés Aguirre Villegas - Antucoya

Switching to renewable energy

In the early 2010s, in what was then a pioneering move in the mining industry, Los Pelambres spearheaded the construction of a wind farm and two solar plants. It has since sold its stake in these projects but they continue to supply it with electricity and, together with the mine's self-generating mineral conveyor belt, make a significant contribution to its energy consumption.

Over the past few years, our mining operations have gone on to renegotiate their power purchase agreements (PPAs) with generators, switching from conventional sources - principally coal - to renewables. In the first outcome of these renegotiations, Zaldívar became the first of the Group's mining operations to use electricity only from renewable energy sources, making the switch in July 2020.

It will be followed by Los Pelambres - with the exact date of its full switch depending on the start-up of a new hydroelectric plant - and by Antucoya and Centinela. As a result, all our mining operations' electricity consumption will be supplied from renewable sources as from 2022.

As part of the renegotiation of Centinela's PPA with energy multinational Engie, we reached an agreement to transfer our 40% stake in the Hornitos coal-fired power plant, located in the port of Mejillones in northern Chile, to Engie, which already owns the other 60%. The transfer will be completed in 2021.

Energy consumption and management

Energy represents some 17% of our mining operations' total operating costs. Out of this, approximately 12% corresponds to electricity and 5% to fuels, principally diesel. In 2020, our

electricity consumption reached 3,490 GWh, down from 3,557 GWh in 2019. This reflected a drop in copper production from its record level in 2019 as well as the implementation of energy efficiency initiatives.

Our Energy Management Strategy has three pillars:

- Supply security
- Competitiveness
- Energy efficiency and emission reduction

In 2020, work on the Strategy's consolidation included the incorporation of an Energy Portal, a platform that brings together data from all our four operations in a single place.

The energy efficiency projects implemented by our operations in 2020 included the installation of a variable frequency drive (VFD) for one of Los Pelambres' water pumps. This represented a saving of 1,548 MWh/year and the avoidance of 587 tCO₂e/year in emissions. Similarly, improvements to a pumping system at Zaldívar resulted in a saving of 1,525 MWh/year and the avoidance of 599 tCO₂e/year in emissions. In addition, Los Pelambres switched its milling and flotation plant from conventional to LED lighting, with its lower energy consumption, saving 745 MWh/year and avoiding the emission of 276 tCO₂e/year.

Antofagasta Minerals Electricity Matrix, 2018-2030

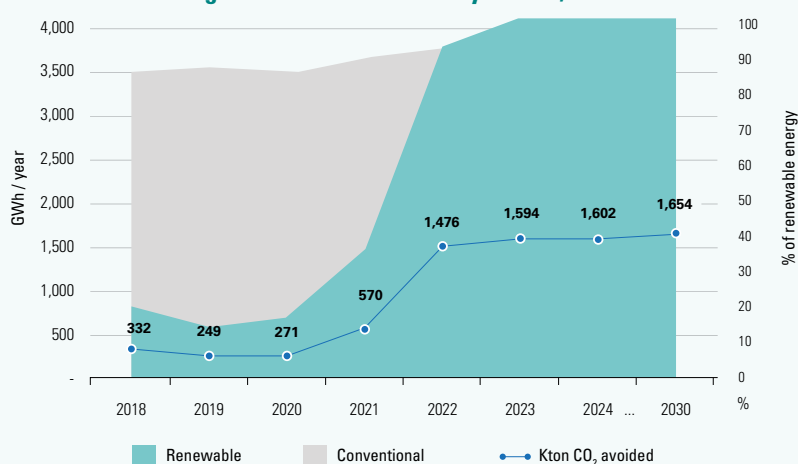




Photo: Roberto Jarpa - Antucoya

Reducing greenhouse gas emissions

Since 2017, we have been implementing a series of projects to reduce our direct and indirect CO₂ emissions (or Scope 1 and Scope 2 emissions) by 300,000 tonnes by 2022. As of the end of 2020, we had reduced emissions by 581,353 tCO₂e, enabling us to meet the target established for the mining division.

The reduction of our Scope 2 emissions reflects the impact of energy efficiency projects implemented by all our mining operations. Another key factor was the integration of Chile's formerly separate electricity systems. This allowed lower-carbon energy from central and southern Chile to be brought to northern Chile where the Centinela, Antucoya and Zaldívar mines are located and significantly reduced their emissions.

The full switch of Zaldívar to renewably-generated electricity in July 2020 meant a reduction of 67,615 tCO₂e in our Scope 2 emissions. However, under the Corporate GHG Protocol Standard, this is not included in the reduction of 581,355 tCO₂e since, for this, the generators' certification must be validated and the necessary local regulation is not yet in place. As a result, we continued to use the average emissions factor of Chile's electricity system to calculate the emissions associated with our power consumption in 2020.

Our next challenge is to reduce our Scope 1 emissions, generated principally by the diesel used in mining vehicles and for heating the water and solutions used in different mineral treatment processes. Centinela and Antucoya have switched their boilers from diesel to liquefied natural gas (LNG) as a cleaner alternative. We are also looking at alternatives such as solar

energy and are closely monitoring the development of new technologies such as green hydrogen.

In 2021, we plan to identify gaps in data about our Scope 3 emissions and define the methodology we will use for their measurement as from 2022. These are the greenhouse gases associated with our inputs and products, but over which we do not have control and correspond to upstream and downstream activities such as the shipping of our products to customers.

CO₂ emissions (tonnes of CO₂ equivalent)¹

	Scope 1 direct emissions			Scope 2 indirect emissions			Total emissions			CO ₂ emissions intensity tCO ₂ e/tCu ²		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Los Pelambres	257,801	251,580	262,355	464,492	544,900	523,942	722,293	796,480	786,297	2.01	2.19	2.20
Centinela	492,496	448,890	453,898	542,020	539,300	563,101	1,034,516	988,190	1,016,999	4.19	3.57	4.10
Zaldívar	152,340	140,623	141,475	162,688	192,862	180,109	315,028	333,485	321,584	3.27	2.87	3.40
Antucoya	152,577	152,231	168,490	120,087	114,337	123,353	272,664	266,568	291,843	3.44	3.71	4.04
Corporate offices	108	106	1	603	825	1,189	711	931	1,191	-	-	-
Total	1,055,322	993,430	1,026,219	1,289,890	1,392,224	1,391,694	2,345,212	2,385,654	2,417,914	3.19	3.10	3.33

¹ Further information on our CO₂ emissions can be found on the Carbon Disclosure Project website (www.cdp.net).

² Tonnes of CO₂ equivalent per tonne of copper produced.

Water management and use

All our mining operations are in water-stressed areas. The efficient use of water is, therefore, a core part of our approach to mitigating and adapting to climate change as we seek to ensure sufficient water availability for our operations, local communities and conservation of the environment.

In response, we are increasing our use of sea water. Two of our mines - Centinela and Antucoya - already use raw sea water, extracted on the coast and pumped up to the mine sites. In 2020, this accounted for 86% and 97%¹ of their total consumption, respectively.

Los Pelambres will also begin to use sea water in 2022 when it completes construction of the first 400-l/s stage of a desalination plant on the coast of the Coquimbo Region. In 2020, we decided to double the plant's capacity to 800 l/s by 2025, which will enable Los Pelambres to cease water withdrawals from the Choapa River. As a result, sea water, in either raw or desalinated form, is expected to account for some 90% of our mines' total water consumption in 2025, up from 43% in 2020.

The Choapa Valley, where Los Pelambres is located, has been grappling with a drought for 12 years and the mine is actively participating in a Provincial Water Working Group established by the Regional Government to identify and implement solutions to improve the area's water security in the short, medium and long term. We also work directly with local communities to help them manage their water needs (see page 46).

In addition, Los Pelambres is co-financing a research consortium that, in 2019, won a bid to implement a five-year programme to develop sustainable solutions to water-related challenges, starting with the Choapa Valley but with a view to their subsequent application in the rest of the

Coquimbo Region and the neighbouring Atacama and Valparaíso Regions. In 2020, this public-private Quitai Anko consortium began work on five strategic projects that include the recharge of aquifers, a model for calculating the aquifer's water balance and the development of an integrated water information system to help ensure the supply and quality of rural drinking water. Over the course of the year, it also held a number of technical and outreach webinars on related subjects.

Our Zaldívar operation in northern Chile uses continental water, drawn from wells located some 100 km from the mine. These water extraction permits will expire in 2025 and, as part of the Environmental Impact Assessment (EIA) submitted to extend the mine's life, we are seeking to extend them to 2031. The EIA is currently under evaluation by the environmental authorities.

Water consumption and management

In 2020, our operations consumed a total of 67.9 million m³ of water, up from 60.8 million m³ in 2019. The increase was explained principally by higher withdrawals of continental water at Los Pelambres in response to very low levels of water in the El Mauro tailings storage facility (from which water is recycled to the concentrator), an increase in the volume of mineral treated and the priority given to the use of continental water by local communities.

Water withdrawals from each source are measured in terms of both the rate of flow and volume in order to predict the source's behaviour and provide the authorities with compliance reports.

Water consumption by source (millions of m³)

Source	2020	2019	2018
Surface water	19.5	13.9	16.5
Groundwater	19.4	18.3	19.4
Third-party suppliers	0.009	0.4	0.9
Sea water	29.0	28.2	30.4
Total	67.9	60.8	67.2

We have continued to apply the ICMM's Water Stewardship Framework to reporting our direct water extraction. In addition, we report our water risk exposure in accordance with the requirements of the Water Programme of the Carbon Disclosure Project (CDP).

In 2020, we worked on the preparation of a Water Management Standard, which we expect to complete in 2021. This will form part of our new Climate Change Strategy.

Photo: Erick Francesconi Aravena - Minera Los Pelambres

University chair for water research

In November 2020, Antofagasta Minerals announced an endowment of \$1.5 million for the Antofagasta Minerals Chair of Water Sustainability at the Catholic University of Chile (UC). Through research and outreach activities, this private sector-university alliance seeks to contribute to water management throughout the country. It will enable the University to undertake multi-disciplinary research, bringing together disciplines that include engineering, agronomy and geography as well as the public health area of the UC's Faculty of Medicine.



¹ Antucoya uses 100% raw sea water but, in line with the ICMM's Water Reporting Guide, the 3% of raw sea water retained in heaps is considered groundwater.

Focus on the environment

Through our environmental practices, we seek to ensure the sustainable development of both our operations and their areas of influence.

HIGHLIGHTS 2020

- Centinela and Zaldívar have undertaken to obtain Copper Mark certification.
- No operational event with severe environmental consequences occurred at our operations in 2020.
- We are participating in a public-private committee on the circular economy in mining.

We recognise that mining, from exploration through to an operation's closure, has an impact on the environment in the area around the operation as well as, more broadly, through greenhouse gas emissions. Given the places where we have our operations - the Atacama Desert and the semi-arid Coquimbo Region - water is a particular focus of our environmental management.

Through our environmental management, we seek to prevent, control and mitigate any environmental impacts we may have and, if they occur, to compensate appropriately. We also strive constantly to ensure the efficient use of natural resources. We believe that this is the way to achieve the long-term sustainability of our operations and the sustainable development of our host communities.

Environmental Management Model

We have a Sustainability Policy and an Environmental Management Model that seek to ensure that our operations, exploration activities and projects take environmental factors into account. Our Environmental Management Model covers leadership, the management of environmental events and operational risks with environmental consequences and the regulatory risks associated with environmental requirements.

In addition to the Climate Change Strategy, which was approved by the Board in 2020 (see page 50), we have specific standards on significant environmental issues such as biodiversity and mine closure.

Our environmental sustainability goals

- Ensure compliance with commitments related to our environmental permits and legal requirements and effectively implement critical environmental controls
- Ensure zero operational events with severe environmental impacts and/or sanctions from the authorities
- Design and enable the Group's operational continuity and development projects from the socio-environmental standpoint
- Incorporate innovations and future environmental management trends in how the Group operates
- Generate a culture of compliance, control and organisational learning on environmental matters.

The general manager of each mining operation is responsible for environmental issues. The operations' environmental teams monitor and report operational events and environmental risks and requirements to the corporate Environment area. Environmental performance is reported monthly to the Executive Committee and at least half-yearly or when required to the Sustainability and Stakeholder Management Committee.

In 2020, the Internal Audit area performed environmental audits on all our operations with no significant negative findings.

At all four mining operations, compliance with our emissions reduction plan accounts for 5% of annual performance bonus targets while Los Pelambres, which is in the drought-stricken Coquimbo Region, also has specific water consumption targets.

Environmental compliance

In Chile, large-scale projects are subject to strict environmental and social impact assessments by the Environmental Evaluation Service (SEA) in order to obtain a Resolution of Environmental Approval (RCA) and be able to proceed with the project.¹ These RCAs include legally binding commitments on matters such as the prevention and mitigation of a project's impact on the

environment and any necessary compensation measures. Compliance with commitments is verified by the Superintendency for the Environment (SMA) and failure to comply can result in fines or even revocation of the RCA.

Antofagasta has a total of 62 RCAs, entailing over 10,000 commitments on matters that include conditions of construction, operation and closure as well as water use, air quality and biodiversity. We manage compliance with our commitments through an environmental requirements management system on a platform that is common to all four operations as well as projects (at the prospecting and construction stage).

Zaldívar is currently seeking approval of the Environmental Impact Assessment (EIA) for its operational continuity project. In the first half of 2021, Los Pelambres plans to submit the EIA for the first stage of its Pelambres Futuro project, which includes the expansion of its desalination plant.

Reporting of operational events with environmental consequences

In 2020, the Group reviewed its procedures for the internal reporting, investigation, evaluation and classification of operational events with environmental consequences. In addition to purely environmental parameters, their classification now takes into account the community reaction's to an event. In this way, we are able to incorporate the reputational effect that it may have, even if no environmental norm is infringed.

Events with environmental consequences are classified as Actual (high, medium or low) or Potential (high or low) if the event could have occurred in slightly different circumstances. Actual high or medium severity incidents are investigated by a commission established specifically for this purpose.

In 2020, we experienced no operational events with severe environmental consequences. A total of 893 environmental events or findings were recorded, up by 6% on 2019. According to the criterion established in the environmental evaluation of each operation or project, 44 were reported to the SMA.

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

Training

Environmental training programmes for both our operations and projects continued in 2020, with talks and workshops given by external experts. During the year, workshops on mine closure plans and Chile's Extended Producer Responsibility (REP) Law were held while talks included topics such as climate change, project permitting and archaeology.

Responsible production

In November, Centinela and Zaldívar committed to the Copper Mark, an independent assurance process for copper companies' environmental, social and governance practices. Developed by the International Copper Association (ICA) in line with the UN Sustainable Development Goals (SDGs), it includes matters such as greenhouse gas emissions, tailings management and biodiversity, and is designed to enable investors and consumers to make informed decisions about responsibly produced copper. In 2021, Centinela and Zaldívar will carry out the self-evaluation process and subsequent audit and we plan to extend the assurance process to Los Pelambres and Antucoya.

Tailings

Our mining operations have three main tailings storage facilities (TSFs): the El Mauro and Los Quillayes conventional tailings dams at Los Pelambres and a thickened tailings deposit at Centinela. In addition, Zaldívar has a small TSF from the flotation and concentration of sulphides. Los Quillayes, the original TSF at Los Pelambres, has limited remaining capacity and is no longer in regular use.

All our TSFs are built using the safest downstream construction method and are designed to withstand severe earthquakes and extreme weather. They are subject to regular inspection by the government's National Geology and Mining Service (SERNAGEOMIN).

In 2020, we strengthened our system of TSF governance. This included an increase in the involvement of the Independent Tailings Review Board we have for the Los Pelambres and Centinela TSFs. In 2020, in line with best international practices, an independent review of the Zaldívar TSF was also conducted.



Photo: Fabián Olea Melán - Centinela

In August, the new Global Industry Standard on Tailings Management was launched. This followed completion of the Global Tailings Review, co-convened by the International Council on Mining and Metals (ICMM), the United Nations Environment Programme (UNEP) and the Principles for Responsible Investment (PRI) in the wake of the failures at the Brumadinho and Mariana TSFs in Brazil. We have undertaken to comply with the Standard at Los Pelambres within three years of the Standard's launch and, at Centinela and Zaldívar, within five years.



Programa Tranque

At its El Mauro TSF, Los Pelambres is piloting Programa Tranque (Tailings Programme), a public-private initiative managed by Fundación Chile, a Santiago-based technology transfer institute, to develop an advanced system for monitoring a TSF's physical and chemical stability and an early warning system.

The project is constructing a numerical model that brings together the many different indicators used by the industry to measure a TSF's physical and chemical stability and shows the combined result of their interaction. Mining companies already generate vast quantities of real-time data about the behaviour of their TSFs, but the ability to combine this information would constitute a major breakthrough for operational decisions, particularly in the face of potential risks.

It would also, in another of the project's aims, permit the development of an information system for nearby communities about a TSF's response to, for example, a period of unusually intense rain or a seismic event.

In 2020, the project suffered some delays, due principally to the pandemic which, because of restrictions on movement, prevented the installation of sensors. However, El Mauro is already uploading information for the model's development. This work will continue in 2021 when at least one of the other mining companies participating in the project is also expected to start uploading data.



Other mining waste

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



Circular economy

Our processes produce hazardous industrial waste, such as used oil and batteries, as well as non-hazardous waste, such as sludge and timber. All are managed in accordance with legal requirements. Whenever possible, we reduce waste or recycle it to avoid its final disposal.

In 2020, we began preliminary work towards the adoption of circular economy practices. Internally, this included a workshop on Chile's Extended Producer Responsibility (REP) Law under which manufacturers and importers of priority products must take responsibility for them once their useful life has ended. In addition, we participated in a public-private Circular Economy Committee. Its purpose is to review recycling initiatives at the industry level, establish contact with the suppliers involved in these initiatives and prepare a diagnosis ahead of the next steps in the gradual implementation of the REP law.



Air quality

Our operations have robust programmes to suppress and control dust emissions (PM10 and PM2.5), which are monitored permanently and, in some cases, with the participation of the local community. In addition, air quality data is reported monthly to the regional authorities as stipulated in our environmental permits.

In May 2020, unusual weather conditions and operating conditions at the El Mauro TSF, combined with the general dryness of the drought-stricken area, produced a dust cloud that was visible from the nearby Pupío Valley and the town of Caimanes. The emissions were controlled and the corresponding air quality norm was not infringed. Nonetheless, in response to community concerns, we are implementing a series of additional voluntary measures in conjunction with the SMA, principally as regards maintaining the humidity of the dam wall.



Mine closure

As required under Chilean law, all our operations have closure plans approved by SERNAGEOMIN. In 2020, we made ongoing progress in aligning their closure plans with the ICMM's Integrated Mine Closure - Good Practice Guide.

In line with legal requirements on the update of closure plans, Centinela submitted an update of its closure plan to SERNAGEOMIN in 2020 and Los Pelambres presented a partial closure plan while, as of the end of the year, Antucoya was reviewing its plan with a view to its submission in 2021. In addition, Centinela and Zaldívar are drawing up internal closure plans under our own Mine Closure Standard, which includes aspects not envisaged under regulatory requirements.







Photo: Pedro Alvano Ramos Lorenzo - Projects, Antofagasta Minerals

Biodiversity

Our Biodiversity Standard, which we are currently in the process of updating, is aligned with the ICMM's position statement on Mining and Protected Areas. It has three goals: to prevent or minimise impacts on biodiversity, to restore or provide appropriate compensation for any impact, and to generate additional benefits for the areas where we operate.

The Choapa Valley, where Los Pelambres is located, is particularly rich in biodiversity. In response, the operation protects and conserves an area of more than 27,000 hectares, equivalent to seven times that used by the mine and its related installations. The protected area includes four nature sanctuaries:

Laguna Conchalí

This coastal wetland, which was abandoned before Los Pelambres undertook its restoration, is a key staging area for migratory birds. Located 4 km north of the town of Los Vilos, it is one of Chile's 16 RAMSAR sites.

Monte Aranda

The principal value of this nature sanctuary, close to Los Pelambres, is its populations of the Chilean palm, an endemic species classified as vulnerable by the International Union for Conservation of Nature (IUCN). In 2020, Los Pelambres completed the planting of 207 hectares of native vegetation in compliance with a commitment under one of its RCAs and as part of a broader initiative to reforest a total area of 1,500 hectares.

Quebrada Llau-Llau

Also close to Los Pelambres, this sanctuary is home to some of the Coquimbo Region's endangered species such as the white Chilean myrtle, a flowering plant, and the *canelo* or winter's bark tree.

Cerro Santa Inés

This site was acquired for conservation by Los Pelambres in 2014 and declared a nature sanctuary by the Chilean government in July 2020. It contains a relict rainforest that has survived, despite the area's semi-arid climate, thanks to the coastal fog that often enshrouds the hill. It has an important population of *olivillo* trees, an evergreen species usually found in wetter southern Chile.

Antofagasta Minerals is implementing specific conservation programmes for bird, animal and plant species in its operations' areas of influence. Of these, one species - the *gaviotín chico*, a type of tern - is classified as endangered by the IUCN while other bird and plant species are classified as vulnerable.

Both Los Pelambres and Centinela monitor the marine environment (water quality, sediments and flora and fauna) in the vicinity of their port facilities, located in Los Vilos and Michilla, respectively. In Los Vilos, Los Pelambres is supporting a project to repopulate the Conchalí Bay with the *erizo rojo* (Chilean sea urchin), *loco*

(Chilean abalone), mussels and other shellfish. In addition, it is participating in a public-private initiative to farm *congrío*, a popular fish, with a view to the implementation of a long-term repopulation plan.

Appendices





Independent Assurance Letter



Deloitte Advisory SpA
Rosario Norte 407
Las Condes, Santiago
Chile
Fono: (56) 227 297 000
Fax: (56) 223 749 177
deloittechile@deloitte.com
www.deloitte.cl

INDEPENDENT REVISION REPORT OF ANTOFAGASTA MINERALS SUSTAINABILITY REPORT 2020

Dear Shareholders and Directors
Antofagasta Minerals S.A.

Please find herein the outcomes of the revision of the 2020 Sustainability Report of Antofagasta Minerals.

Scope

This revision was limited to evaluate the adherence of the contents and indicators included in the 2020 Sustainability Report to the Global Reporting Initiative (GRI) Standards, which arose from the materiality process that the Company carried out following the aforementioned Standards. In addition, this revision included the verification of the compliance with the Principles of Sustainable Development and the Position Statements of the International Council on Mining and Metals (ICMM).

Standards and Assurance Process

We have carried out our assignment in accordance with the sustainability standards of the Global Reporting Initiative and the Assurance Criteria according to the subject matter object of analysis 1,2,3 and 4 of the International Council on Mining and Metals, according to the standards of Independence established in the Code of Ethics of the International Federation of Accounts (IFAC).

The activities performed to carry out this assessment included the gathering of information, the application of analytic procedures and the performance of verification tests. These activities are described as follows:

- ✓ Meetings with the sustainability management area.
- ✓ Understanding of the Materiality Process carried out by Antofagasta Minerals.
- ✓ Evidence review with the areas participating in the preparation of the 2020 Report.
- ✓ Analysis of the adherence of the contents of the 2020 Sustainability Report to the GRI Standards: Core option, and review of the indicators included in the report in order to verify that they are aligned with the protocols established in the Standards, and whether the fact that some indicators are not applicable or not materiality is justified.
- ✓ Verification, through assurance tests, of the information corresponding to the indicators included in the 2020 Sustainability Report and its adequate gathering from the data provided by Antofagasta Minerals information sources.

The drafting of the 2020 Sustainability Report, as well as its contents are under Antofagasta Minerals responsibility, which is in charge of the definition, adaptation, and maintenance of the management and internal control systems from who the information is obtained.

Our responsibility is to issue an independent report based on the procedures applied in our review.

The indicators reported and verified are indicated in the GRI Content Index, located on pages 70 to 74 of the 2020 Sustainability Report of Antofagasta Minerals.

Conclusions

Regarding the verified indicators, we can affirm that no aspect has been revealed that would make us believe that the Antofagasta Minerals 2020 Sustainability Report has not been prepared in accordance with the GRI Standard or with the Assurance Criteria according to the subject matter object of analysis 1,2,3 and 4 of the International Council on Mining and Metals (ICMM), in the aspects indicated in the scope.

Fernando Gaziano
Partner

May 10th, 2021

ICMM Principles

Antofagasta Minerals is a member of the International Council on Mining and Metals and adheres to its Sustainable Development Framework. The framework defines 10 Mining Principles for member companies relating to corporate governance and economic, social and environmental performance.

The following table shows the page in the report where details can be found of Antofagasta Minerals' initiatives and progress for each one of these principles.

ICMM Principles		Page
1	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.	24-31
2	Integrate sustainable development principles in corporate strategy and decision-making processes.	10-15, 26-27
3	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.	26, 29, 43-44
4	Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risk.	28-31
5	Pursue continual improvement in safety and health performance with the ultimate goal of zero harm.	40-41
6	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.	50-56
7	Contribute to the conservation of biodiversity and integrated approaches to land-use planning.	59
8	Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.	55-56
9	Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.	2-49
10	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.	18-21

ICMM Position Statements	Page Number/URL
Climate Change	50-53
Mining and Protected Areas	59
Indigenous Peoples and Mining	29, 44
Mining Partnerships for Development	20-21
Mercury Risk Management	Antofagasta Minerals does not produce mercury or use it in its processes.
Transparency of Mineral Revenues	29, 33 Link to Payment to Governments Report: https://www.antofagasta.co.uk/media/3951/report-on-payments-to-governments-2019.pdf
Water Stewardship	53
Tailings Governance	55 Link to Tailings Facility Management Report: https://www.antofagasta.co.uk/media/3556/antofagasta-tailings-facility-management-6-june-2019.pdf

Sustainability goals

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

Strategic area	Target 2020	Performance 2020	Comment
People			
Zero fatalities	0	0	As part of our strategy to eradicate fatal accidents at our operations, we focused on strengthening our management of critical controls for high risk activities and high potential incidents (HPIs), defined as incidents that could have resulted in one or more fatalities.
High potential incidents (HPIs)	10% reduction with respect to 2019	63% reduction with respect to 2019	In 2020, we began to use high potential incidents as a safety indicator in performance agreements with employees in order to foster a preventive and resilient safety culture. During the year, there were 71 such incidents, a drop of 63% on 2019.
Diversity and inclusion	Increase women's workforce participation to 13.2% and the participation of persons with disabilities to 1%	Women's participation reached 14.7% and, in the case of persons with disabilities, 1.2%.	Our target for end-2022 is to double women's participation in our workforce with respect to the baseline of 8.6% in 2018.
Social			
Social management	95-100% compliance with implementation of planned social initiatives and 100% of impact measurement programme	100% implementation of planned social initiatives and impact measurement programme	For 2021, a plan of action was defined to address gaps detected in impact measurements in 2020 and, in this way, improve social initiatives.
Environment			
Compliance with regulatory requirements	100% compliance with internal plan for high and medium-risk regulatory requirements	100% compliance with plan	The operations worked on the implementation of their plan to close gaps in high and medium-risk environmental undertakings entered into in 2020.
Reduction of GHG emissions	Reduction of 300,000 tonnes in CO ₂ e emissions by 2022 compared to the baseline in 2017	By end-2020, emissions were down by 581,335 tonnes of CO ₂ e compared to the 2017 baseline, achieving the target two years ahead of schedule.	The reduction was due principally to the integration in 2018 of Chile's two main electricity systems to form the National Electricity System (SEN) as well as to measures adopted in 2019 and 2020 to reduce power consumption.
Economic performance			
EBITDA	\$2,524 million	\$2,678 million	The increase of 14% on 2019 was explained by higher copper and gold prices and lower unit costs that were partially offset by lower copper production.
Copper production	720.4-742.7 kt	733.9 kt	At 733,900 tonnes, copper production was 4.7% down on 2019, due principally to an expected reduction in grades in Centinela concentrates.
Transparency and corporate governance			
Ethics and compliance	Implementation of a new model of Compliance Management and update of internal norms: Due Diligence/Gifts and Invitations/Complaints Investigation Manual/Facilitation Fees	A new governance model was implemented, separating the functions of Compliance and the Crime Prevention Office; a centralised investigation service for the Group's companies permitted greater specialisation in the treatment of issues.	The new Compliance Management model and internal norms regulate how we relate with our stakeholders (shareholders, employees, authorities, communities, customers, suppliers and business partners) and provide guidelines on how we want to put our values into practice as a Group.
Risk management	Incorporate risk analysis in key business processes and ensure implementation of the new system for consolidated risk management	The Group's appetite for risk was reviewed, the necessary updates were made in the Climate Change and Project Implementation areas and the creation of a new transversal area, known as Broad-Scope External Risks, was approved. The new risk management system was implemented successfully.	The risk management system permits better management (identification, monitoring and online control) of all risks, including particularly the Group's main risks.
Human Rights	Approval of the Human Rights Policy by the Board and the preparation and implementation of a plan to close gaps detected in the due diligence	The Human Rights Policy was approved by the Board and the plan to close gaps was implemented as envisaged.	A system for monitoring the gap closure plan was also established and a campaign was launched to increase awareness of human rights issues at the Group level.

Summary of sustainability performance

INDICATOR	BASIS OF CALCULATION	GRI STANDARDS	2020	2019	2018	2017
Economic Performance						
Economic						
Copper production	Thousands of tonnes	102-7	733.9	769.9	725.3	704.3
Revenue	Millions of US dollars, excluding non-operating revenue	102-7	4,979.9	4,804.0	4,560.3	4,578.3
EBITDA	Millions of US dollars	102-7	2,678.2	2,358.1	2,139.4	2,488.5
Economic value generated and distributed						
Operating revenue and sale of assets (a)	Millions of US dollars, including non-operating revenue	201-1	5,301.1	5,517.8	5,192.8	4,600.6
Investment income (b)	Millions of US dollars	201-1	19.3	48.1	30.1	23.3
Economic value generated (a+b)	Millions of US dollars	201-1	5,320.3	5,565.8	5,222.9	4,623.9
Workers: remuneration and benefits	Millions of US dollars	201-1	456.0	440.0	449.6	422.2
Suppliers: purchase of utilities, goods and services	Millions of US dollars	201-1	3,439.4	3,368.8	3,104.3	1,811.3
Community: Contributions to community projects	Millions of US dollars	201-1	45.1	39.5	33.7	12.1
Financing: payments to lenders	Millions of US dollars	201-1	51.4	74.0	66.1	89.5
State: taxes	Millions of US dollars	201-1	332.4	411.4	566.9	492.9
Shareholders: dividends	Millions of US dollars	201-2	411.2	920.4	587.0	572.3
Economic value distributed	Millions of US dollars	201-1	4,735.5	5,254.0	4,807.6	3,400.3
Economic value retained	Millions of US dollars	201-1	584.8	311.8	415.3	1,223.6
Responsible Supply						
Suppliers						
	Annual average number	102-7	2,214	2,907	4,028	2,865
From Antofagasta and Coquimbo Regions	Percentage of total	102-8; 204-1	22%	24%	36%	24%
From other regions in Chile	Percentage of total	102-8	72%	70%	57%	70%
From outside Chile	Percentage of total	102-8	6%	5%	7%	6%
Local suppliers	Number of suppliers from Antofagasta and Coquimbo Regions	102-8	494.0	688.0	1,455.0	688.0
Purchases						
	Millions of US dollars, Total purchases	204-1	3,066.6	3,194.1	3,218.0	2,445.0
Local purchases	Millions of US dollars in purchases of goods and services net of VAT in Antofagasta and Coquimbo Regions	204-1	368.0	386.5	1,929.0	350.0
Purchases from other regions in Chile	Millions of US dollars	204-1	2,575.1	2,709.1	1,138.0	2,037.0
Purchases outside Chile	Millions of US dollars	204-1	123.5	96.1	151.0	59.0
Purchases from SMEs	Millions of US dollars	204-1	321.7	327.1	469.0	358.0
Transparency and Corporate Governance						
Corporate Governance						
Board composition						
Male directors	As at 31 December	102-22; 405-1	8	9	9	9
Female directors	As at 31 December	102-22; 405-1	2	2	2	2
Board tenure: 1 to 5 years	As at 31 December	102-22	3	3	3	4
Board tenure: 6 to 9 years	As at 31 December	102-22	4	4	3	2
Board tenure: Over 9 years	As at 31 December	102-22	3	4	5	5
Independent	As at 31 December	102-22	6	7	6	5
Not independent	As at 31 December	102-22	4	4	5	6
Executive	As at 31 December	102-22	-	-	-	-
Non-executives	As at 31 December	102-22	10	11	11	11

INDICATOR	BASIS OF CALCULATION	GRI STANDARDS	2020	2019	2018	2017
Ethics and Compliance						
Code of Ethics						
Complaints received under the Code	Number of complaints received	102-17	357	198	120	112
Complaints resolved	Percent of complaints resolved	102-17	94%	76%	82%	100%
People						
Employees and Contractors						
Breakdown of own employees						
Permanent and full-time employees	Annual average number	102-8	5,325	5,185	5,108	5,026
Men	Annual average number	102-8	4,693	4,698	4,670	4,593
Women	Annual average number	102-8	632	487	438	433
Supervisors and executives	Annual average number	405-1	1,938	1,871	1,760	1,726
Employees	Annual average number	405-1	3,387	3,314	3,348	3,301
Female supervisors and executives	Annual average number	405-1	389	315	273	250
Female employees	Annual average number	405-1	243	173	165	183
Diversity & Inclusion						
Permanent and full-time employees	Number as at 31 December		5,416	5,237	5,145	s,i
Women	Number as at 31 December		798	532	453	s,i
Participation of women	Percent as at 31 December		14.7%	10.2%	8.8%	s,i
Global talent	Percentage of foreign employees		1.1%	1.1%	1.0%	s,i
Disabilities	Percentage of employees with disabilities		1.2%	0.5%	0.1%	s,i
Labour relations						
Union membership	Annual average number of unionised employees	405-1	4,150	4,027	3,884	3,808
	Percentage of unionised employees	405-1	78%	78%	76%	76%
Training						
Hours of training	Number of hours	404-1	155,971	253,558	259,316	152,197
Hours of training per worker	Hours/employee	404-1	31	49	51	30
Amount spent on training	Thousands of US dollars	404-1	1,165.1	3,181.8	4,633.0	3,208.0
Amount spent per employee	US dollars/employee	404-1	228.0	613.6	907.0	638.0
Performance evaluation						
Employees with performance evaluation	Percentage of total	404-3	33%	34%	33%	30%
Talent management						
Key roles filled internally	Annual percentage	405-1	59%	53%	62%	37%
Contractors	Annual average number	102-9	16,053	17,929	14,333	14,472

INDICATOR	BASIS OF CALCULATION	GRI STANDARDS	2020	2019	2018	2017
Safety and health						
Accidents						
Fatalities - Employees and contractors	Number in the year	403-9	0	0	1	0
Fatalities - Employees	Number in the year	403-9	0	0	0	0
Fatalities - Contractors	Number in the year	403-9	0	0	1	0
Lost Time Injury Frequency Rate (LTIFR) - Employees and contractors	Number of lost time incidents in the year per million hours worked	403-9	0.73	0.75	1.10	1.00
Lost Time Injury Frequency Rate (LTIFR) - Employees	Number of lost time incidents in the year per million hours worked	403-9	0.55	0.58	1.28	s.i
Lost Time Injury Frequency Rate (LTIFR) - Contractors	Number of lost time incidents in the year per million hours worked	403-9	0.77	0.79	1.05	s.i
Total Recordable Injury Frequency Rate (TRIFR) - Employees and contractors	Number of accidents in the year with and without lost time per 200,000 hours worked	403-9	0.55	0.54	0.63	s.i
Total Recordable Injury Frequency Rate (TRIFR) - Employees	Number of accidents in the year with and without lost time per 200,000 hours worked	403-9	0.46	0.33	0.59	s.i
Total Recordable Injury Frequency Rate (TRIFR) - Contractors	Number of accidents in the year with and without lost time per 200,000 hours worked	403-9	0.58	0.60	0.65	s.i
All Injury Frequency Rate (AIFR)	Number of accidents in the year with and without lost time, plus first aid, per million hours worked	403-9	6.14	5.73	5.10	7.40
Near misses - Employees and contractors	Number of near misses reported in the year per million hours worked	403-9	298	259	198	127
Occupational illnesses						
Occupational Illness Frequency Rate (OIFR)- Employees and Contractors	Number of occupational illnesses in the year per million hours worked	403-10	0.00	0.08	0.09	0.00
Occupational illnesses - Employees and Contractors	Number of occupational illnesses contracted in the year	403-10	0.00	4.00	3.00	3.00
Social Development						
Communities						
Operations with community participation	Percentage of all operations	413-1	100%	100%	100%	100%
Local employment						
Local workers	Annual average number of own employees from Antofagasta and Coquimbo Regions	203-2	2,144	2,158	2,227	2,623
	Percentage of own employees from Antofagasta and Coquimbo Regions	203-2	40%	42%	43,6%	52,2%
Local supervisors	Annual average number of supervisors that declare residence in Antofagasta and Coquimbo Regions	202-2	205	217	216	269

INDICATOR	BASIS OF CALCULATION	GRI STANDARDS	2020	2019	2018	2017
Environmental Management						
Environmental incidents and fines						
Incidents with an environmental impact	Number of high potential environmental incidents	306-3	0	0	-	-
Number of environmental fines	Number of fines	307-1	5	7	5	1
Payments in environmental fines	US dollars	307-1	53,482	15,636	12,272	1,438,905
Responsible mine closure						
Closure plans	Percentage of operations with closure plans	MM10	100%	100%	100%	100%

Water Management

Water consumption by source

Total water consumption	Thousands of m ³	303-5	67,963	60,821	67,201	65,731
Sea water	Thousands of m ³	303-3	29,036	28,225	30,447	29,231
Surface water	Thousands of m ³	303-3	19,481	13,898	16,534	18,138
Groundwater	Thousands of m ³	303-3	19,438	18,279	19,350	17,206
Third-party suppliers	Thousands of m ³	303-3	8.58	419	870	1,156
Sea water	Percentage of total water consumption	303-3	43%	46%	45%	45%
Water reuse rate	Percentage of water reused in processess	303-3	78%-96%	79%-97%	80%-96%	76-93%

INDICATOR	BASIS OF CALCULATION	GRI STANDARDS	2020	2019	2018	2017
Climate change and renewable energies						
Energy consumption						
Electricity	Gigajoules	302-1	12,580,542	12,349,688	12,549,096	11,906,112
Fuel	Gigajoules	302-1	12,502,913	11,939,589	11,962,226	9,491,721
Renewable energy						
Renewable energy	GWh generated from renewable sources	302-1	679.16	751.43	794.00	785.02
	Percentage of total consumption	302-1	19%	22%	23%	21%
Greenhouse gas emissions						
Scope 1, direct emissions	Tonnes CO ₂ equivalent emissions	305-1	1,055,322	993,431	1,026,219	854,628
Scope 2, indirect emissions	Tonnes CO ₂ equivalent emissions	305-2	1,289,890	1,392,223	1,391,695	2,071,937
CO ₂ emissions intensity	Tonnes CO ₂ equivalent emissions/tonne of copper produced	305-4	3.19	3.10	3.33	3.87

Mining Waste

Mining waste

Waste rock	Million tonnes	MM3	315.6	307.2	286.0	274.0
Tailings	Million tonnes	MM3	93.2	93.4	96.0	89.0
Spent ore	Million tonnes	MM3	84.2	66.5	63.0	38.0

Non-mining waste

Non-hazardous industrial waste	Tonnes	306-2	28,146	36,178	27,787	30,822
Hazardous industrial waste	Tonnes	306-2	8,759	9,085	10,015	8,933
Domestic	Tonnes	306-2	4,151	4,213	3,793	3,826

Waste treatment

Recycled	Tonnes	306-2	19,740	31,770	19,855	24,072
Composted	Tonnes	306-2	0	0	-	17
Reused	Tonnes	306-2	5,290	4,258	3,981	4,656
Burnt	Tonnes	306-2	0	0	-	-
Recycling rate	Percentage	306-2	61%	73%	56%	66%

Biodiversity and Heritage

Biodiversity

Protected areas	Hectares	304-3	26,921	26,921	26,921	25,803
-----------------	----------	-------	--------	--------	--------	--------

GRI Contents Index

This index allows you to identify the Global Reporting Initiative (GRI) Standards used for disclosures in this report, as well as associated content and the location of this information in our report or other documents available on the Company's website. This Sustainability Report has been prepared in accordance with the GRI Standards: Core option.

GRI STANDARD	DISCLOSURE	PAGE NUMBER OR URL	NOT REPORTED
GRI 101: Foundation 2016 (GRI 101 does not include disclosures)			
General contents			
	102-1 Name of the organisation	Front cover	
	102-2 Activities, brands, products and services	16-17	
	102-3 Location of headquarters	Santiago, Chile	
	102-4 Location of operations	16-17	
	102-5 Ownership and legal form	16-17	
	102-6 Markets served	32. Annual Report 2020 p. 10-15, 58,59	
	102-7 Scale of organisation	16-17	
	102-8 Information on employees and other workers	18, 36, 66	Information about employees and other workers is not shown by employment contract or region.
	102-9 Supply chain	18, 22-23, 34-35, 65	
	102-10 Significant changes to the organisation and its supply chain	4, 5, 8, 9. Annual Report 2020 p. 6-7, 18-19, 34, 57, 108-111	
	102-11 Precautionary Principle or approach	10, 27	
	102-12 External initiatives	20-21	
	102-13 Membership of associations	20-21	
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	4-5, 8-9	
	102-15 Key impacts, risks and opportunities	10-15, 18-19, 28-31, 64	
	102-16 Values, principles, standards and norms of behaviour	3, 14-15, 27-29	
	102-17 Mechanisms for advice and concerns about ethics	28-29	
	102-18 Governance structure	24-26. Annual Report 2020 p. 104-105	
	102-19 Delegating authority	24-25	
	102-20 Executive-level responsibility for economic, environmental and social topics	26	
	102-21 Consulting stakeholders on economic, environmental and social topics	11, 18-19, 26. Annual Report 2020 p. 108-111, 129-131	
	102-22 Composition of the highest governance body and its committees	65. Annual Report 2020 p. 112-118	Information not included on the membership of under-represented social groups and stakeholder representation.
	102-23 Chair of the highest governance body	The Chairman is not an executive of the company.	

ESTÁNDAR GRI	CONTENIDO	PÁG. O URL	NO REPORTADO
GRI 101: Foundation 2016 (GRI 101 does not include disclosures)			
General contents			
GRI 102: General Disclosures 2016	102-24 Nominating and selecting the highest governance body	Annual Report 2020 p. 120-122	
	102-25 Conflicts of interest	28, 29. Annual Report 2020 p. 102-103	Information not included on whether conflicts of interest are disclosed to stakeholder groups, according to GRI Standards.
	102-26 Role of the highest governance body in setting purpose, values and strategy	24	
	102-27 Collective knowledge of highest governance body	Annual Report 2020 p. 114	
	102-28 Evaluating the highest governance body's performance	Annual Report 2020 p. 123	
	102-29 Identifying and managing economic, environmental and social impacts	26, 30-31. Annual Report 2020 p. 24-30, 120-128	
	102-30 Effectiveness of risk management processes	30, 31. Annual Report 2020 p. 22-23, p. 120-128	
	102-31 Review of economic, environmental and social topics	26. Annual Report 2020 p. 24, 129-131	
	102-32 Highest governance body's role in sustainability reporting	26. Annual Report 2020 p. 129-131	
	102-35 Remuneration policies	Annual Report 2020 p. 134-152	
	102-40 List of stakeholder groups	18-21	
	102-41 Collective bargaining agreements	38-39	
	102-42 Identifying and selecting stakeholders	18-21	
	102-43 Approach to stakeholder engagement	18-21	Information not included on the frequency of engagement by type and by stakeholder group.
	102-44 Key topics and concerns raised	11, 12-13, 32-59	
	102-45 Entities included in the consolidated financial statements	The Sustainability Report 2020 only covers Antofagasta Minerals' operations. In contrast, the Annual Report 2020 covers the operations of Antofagasta plc, the mining group which controls Antofagasta Minerals.	
	102-46 Defining report content and topic boundaries	Inside front cover flap, 11	
	102-47 List of material topics	11	
	102-48 Restatements of information	The effect of any restatement of information with respect to previous reports and the reasons for the restatement, are shown in the footnotes to the respective indicators.	
	102-49 Changes in reporting	Significant changes are shown in the footnotes.	
	102-50 Reporting period	Inside front cover flap	
	102-51 Date of most recent report	Sustainability Report 2019 published in May 2020	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	Inside back cover flap	
	102-54 Claims of reporting in accordance with the GRI Standards	Inside front cover flap	
	102-55 GRI contents index	70-74	
	102-56 External assurance	62	

MATERIAL TOPICS

GRI STANDARD	DISCLOSURE	PAGE NUMBER OR URL	NOT REPORTED
--------------	------------	--------------------	--------------

I. Economic Development

Copper's role in future economy and economic performance

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	32-33	
	103-2 The management approach and its components	4-5, 33	
	103-3 Evaluation of the management approach	4-5, 33, 64	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	33, 65	
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	34-36, 39, 44-49, 65	
	Copper production	16-17, 65	
	Revenues	16-17, 65	
	EBITDA	4, 16-17, 65	

Responsible Supply

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	34	
	103-2 The management approach and its components	34-35	
	103-3 Evaluation of the management approach	34-35, 65	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	65	
	Total suppliers	34, 65	
	Purchase of goods and services	34-35, 65	

II. Transparency and Corporate Governance

Ethics, Compliance and Human Rights

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	28-29	
	103-2 The management approach and its components	28-29-43	
	103-3 Evaluation of the management approach	28-29, 66	
GRI 102: Ethics and Integrity 2016	Number of complaints received during the year	66	
	Percentage of complaints resolved during the year	66	

Corporate Governance and Risk Management

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	24, 30	
	103-2 The management approach and its components	24-31	
	103-3 Evaluation of the management approach	24, 29, 31	
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	65. Annual Report 2020 p. 114	

III. People

Safety and Health

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	40	
	103-2 The management approach and its components	40-41, 67	
	103-3 Evaluation of the management approach	40-41, 64, 67	

GRI STANDARD	DISCLOSURE	PAGE NUMBER OR URL	NOT REPORTED	
III. People				
Safety and Health				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	40		
	403-2 Hazard identification, risk assessment, and incident investigation	40-41		
	403-3 Occupational health services	40		
	403-5 Worker training on occupational health and safety	40		
	403-6 Promotion of worker health	40-41		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	40-41		
	403-9 Work-related injuries	67	Safety indicators are not shown by country, as they are all operations in Chile. Information not included: breakdown by sex, age or worker type, or the number of high potential work-related incidents.	
	403-10 Work-related ill health	67		
	Employee Engagement, Human Capital Development and Talent Attraction and Retention			
	GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	36	
103-2 The management approach and its components		36-39		
103-3 Evaluation of the management approach		36-39, 64		
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	36-37, 65-66		
	Unionisation and freedom of association	38, 66		
	MM4 Number of strikes and lockouts exceeding one week's duration	38		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	38, 66	Information not included: average hours of training broken down by sex and job category.	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	37-38	Information not included: Transition assistance programmes for professionals leaving the company	
	404-3 Percentage of employees receiving regular performance and career development reviews	66	Information not included: breakdown by sex and job category.	
Contractors				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	36, 39		
	103-2 The management approach and its components	39, 41		
	103-3 Evaluación del enfoque de gestión	39, 66		
IV. Social Development				
Community Engagement and Development				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	42		
	103-2 The management approach and its components	42-49		
	103-3 Evaluation of the management approach	42-49,64, 67		
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	67		
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	43-49, 67		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes.	44-49, 67		

GRI STANDARD	DISCLOSURE	PAGE NUMBER OR URL	NOT REPORTED
V. Environmental Management			
Environmental Management; Biodiversity and Heritage; Mine Closure; Emergency Preparedness; Air Quality			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	54	
	103-2 The management approach and its components	54-59	
	103-3 Evaluation of the management approach	54-59, 64	
GRI 306: Effluents and Waste 2016	306-3 Significant spills	54, 68	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	54, 68	
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	59, 69	
	MM10 Number and percentage of operations with closure plans	56, 68	
Water Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	53	
	103-2 The management approach and its components	53	
	103-3 Evaluation of the management approach	53, 68	
GRI 303: Water and Effluents 2016	303-3 Water withdrawal by source	53, 68	Wastewater from third party organisations is not used, nor is rainwater collected naturally in reservoirs and other water storage spaces quantified.
	303-5 Water consumption	53, 68	A breakdown of total water withdrawal by operation is not provided.
Climate Change and Renewable Energies			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	50	
	103-2 The management approach and its components	50-53, 64	
	103-3 Evaluation of the management approach	50-53, 64, 69	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	52, 69	
	305-2 Energy indirect (Scope 2) GHG emissions	52, 69	
	305-4 GHG emissions intensity	52, 69	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	51, 69	There is no heating, cooling or steam consumption or sales from renewable energy sources.
Mining Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55	
	103-2 The management approach and its components	55-56	
	103-3 Evaluation of the management approach	55, 69	
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	69	Antofagasta Minerals reports waste treatment methods by hazardous, non-hazardous and domestic waste (which is also non-hazardous).
	MM3 Total amount of coverings, rock, tailings and mud, and their associated risks	56, 69	





ANTOFAGASTA
MINERALS

SUSTAINABILITY REPORT 2020

Management

Public Affairs Department
Antofagasta Minerals

Contents

Emily Russell and Ruth Bradley

Translation into Spanish

Patricia Concha

Design and Production

www.negro.cl

Printing

Ograma

May 2021



Antofagasta Minerals' Sustainability Report 2020 is also available at www.aminerals.cl.

This report complements the financial and business information contained in Antofagasta plc's 2020 Annual Report and Financial Statements, available at www.antofagasta.co.uk.

Contact

For more information, or to make comments or enquire about this Sustainability Report, write to inforeporte@aminerals.cl

Group websites

www.aminerals.cl
www.antofagasta.co.uk



ANTOFAGASTA
MINERALS

www.aminerals.cl

www.antofagasta.co.uk