

TCFD PROGRESS REPORT

Antofagasta (“the “Company”) today releases a progress report on its implementation of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The report provides an overview of the Company’s TCFD-related work to date and its climate resilience response. The Company plans to achieve full disclosure against the TCFD recommendations during Q1 2022.

Ivan Arriagada, Antofagasta CEO commented: *“We recognise that climate change is one of the greatest challenges facing society and our company today. A successful transition to a low-carbon economy requires a significant input of copper as a vital ingredient of renewable power generation and electrification of transportation so it is our responsibility as one of the world’s largest copper producers to ensure we understand and reduce exposure to climate risks.*

“Our long-term vision is to minimise our emissions, enhance water security and have resilient operations”.

“We are strengthening our climate resilience, adapting to today’s climate change impacts, whilst also mitigating against emerging climate risks and seizing opportunities to decarbonise our business. The TCFD recommendations provide a welcome framework for us to share with our stakeholders our journey to combat climate change and manage its impacts.”

TCFD Progress Report Highlights:

Governance

- The Board of Directors has ultimate responsibility and oversight for climate-related issues
- Climate-related responsibilities are assigned to specific management-level positions and employees and managers are held accountable through annual performance agreements.

Strategy

- Two scenarios are being used to reflect two extremes of climate change:
 - An ‘aggressive mitigation’ scenario under which significant policy and regulatory action and rapid technological change imply that the rise in temperature remains well below 2°C (based on the Sustainable Development Scenario of the International Energy Agency (IEA))
 - A ‘high-warming’ scenario under which there is limited action taken to address rising emissions and average temperatures rise by around 4°C by 2100, generating significant disruption of climate and weather systems (based on the IPCC’s RCP8.5 scenario)
- Transition and physical climate-related issues are being assessed under both scenarios to determine the potential risks and opportunities and associated business impacts
- The potential financial impact of the most material climate-related risks and opportunities is being quantified so as to inform the Company’s response, in terms of strengthening its business resilience.

Risk management

- Climate change risk is managed within Antofagasta’s risk management framework, which considers the costs and benefits associated with climate change
- Building a lasting framework that enables the business to adapt to, capture and manage the potential risks related to the impact of the transition to a low-carbon economy and the physical impacts of climate change
- The Company will be seeking to analyse the financial impact of climate risks, to help further tailor its current risk management processes to allow the effective management of the intricacies of climate risks.

Metrics and targets

- The Company has committed to becoming carbon neutral by 2050, in line with Chile's national target.
- Having achieved its first emissions reduction target two years early, the Company has now committed to a further 30% reduction (730,000 tCO₂e) of Scope 1 and 2 emissions by 2025
- By the end of 2022 the Mining division will be using 100% renewable electricity
- The completion of a desalination plant at Los Pelambres in 2022 will further increase the Company's use of seawater
- In 2021, the Company will complete the analysis to assess emissions across its entire value chain (Scope 1, 2 and 3)

The TCFD Progress Update Report is available on the Company's website [here](#).

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