

Message from the CEO



IVÁN ARRIAGADA
Chief Executive Officer

Dear stakeholders,

At Antofagasta Minerals, copper is the core of our business and sustainability lies at the heart of our strategy. In line with our purpose of developing mining for a better future, in this Sustainability Report we have shared our main achievements across 2023 as a Mining Group in the economic, environmental, social and governance spheres.

We foster our long-term value creation through five robust strategic pillars: safety and sustainability, competitiveness, people and culture, growth, and innovation, all of which are supported by tailor-made policies and practices that are embedded throughout our organisation and are underpinned by our corporate values. We rigorously apply the best local and international standards regarding our people, including our suppliers and local communities, wherever we engage them.

We take care of our people

We had zero fatalities in 2023 as in 2022. Our LTIFR¹ has consistently decreased over the last two years. In 2023, we advanced in the consolidation of our management system by embedding occupational health and safety planning into our operational model, with the aim of ensuring the implementation of critical controls to prevent unplanned events.

At Antofagasta Minerals, we believe in the value of diversity and strive to increase the number of women employed in our mining activities. We are proud to have surpassed our internal 2023 goal of 22%, with women now accounting for 23.7% of the talent involved in our activities.

Sustainable growth

We are aware of the key role of copper in the energy transition and increasing associated demand for the metal worldwide. We have therefore been working to achieve greater levels of efficiency in our operations and projects. We are especially proud of the sustainable approach involved in our recently approved Centinela Second Concentrator project.

This investment is a key decision for achieving our long-term growth plans. Construction will begin during the first half of 2024 and the plant will enter operation in 2027. At its peak, it will create around 13,000 jobs, with local employment being our priority. In line with our innovation and sustainability practices, it will continue to use 100% seawater across the production process, along with renewable energy. The project involves a second milling plant, a new thickened tailings deposit, and it will operate with autonomous trucks and drilling rigs. It will be managed remotely bringing greater safety and quality of life to our people.

Water is also a key element in our Climate Change Strategy, which is framed in our Sustainability Policy. In 2023, the Coquimbo Region's Environmental Evaluation Commission gave approval to Los Pelambres Operational Adaptation project, which will double the capacity of the desalination plant to 800 litres/second. When the plant is ready, our goal is that 90% of the water that is used for the operations will be seawater or recirculated water.

1. LTIFR – Number of accidents with lost time on the part of own workers and contractors per million hours worked.

Our approach to climate change

In order to better respond to climate change challenges, we consolidated three new management areas in 2023: Water Resources, Competitiveness and Decarbonisation. With the commitment of these dedicated teams, at each of our four companies, we expect to accomplish and exceed our sustainability targets over the coming years.

Electromobility is essential to our decarbonisation strategy. We already operate the largest fleet of electric light trucks and auxiliary equipment at any mining site in Chile. This year, a total of 50 electric vehicles began work at Centinela, reducing Greenhouse Gas (GHG) emissions. In addition, the company acquired eight electric mining equipment to operate in the Esperanza Sur autonomous pit, resulting in a further reduction of 5,200 tonnes of CO₂e annually. During the past year, in Los Pelambres, we evaluated starting a pilot implementation project involving electric-powered trolleys in the Las Hualtatas dump area, and will commence testing dynamic charging solutions for haul trucks during the first quarter of 2025.

In 2023, we introduced a new revised Scope 1 and 2 GHG emission reduction target to reduce Scope 1 and 2 emissions by 50% by the year 2035 against a 2020 baseline. Together with this, we introduced our first emission reduction target for Scope 3 emissions – to reduce Scope 3 emissions by 10% by the year 2030 using 2022 as a baseline for projecting emissions. In addition, in August 2023, Antofagasta Minerals, together with other major mining companies operating in Chile, formed the mining industry's first Scope 3 Emissions Traceability Roundtable.

As required by the Global Industry Standard on Tailings Management (GISTM), we completed compliance with the standard requirements at the El Mauro dam at Los Pelambres and the Centinela thickened tailings deposit (in the case of the last one, two years earlier than required) in August 2023. The implementation of the New Standard required the development of a preventive emergency plan with the community of Sierra Gorda (influence area of Centinela), which became the first municipality in Chile to have a natural hazard emergency simulation, and in Caimanes, a location 15 kilometres away from El Mauro tailings facility.

Message from the Chief Executive Officer *continued*

Innovation

We are committed to responding to the world's challenges in the way that we do mining. We are adapting and focusing on critical and emerging issues that need to be addressed globally. As part of this, innovation plays a pivotal role in our industrial processes and competitiveness. It is embedded in our business and is a key driver of our long-term sustainability, particularly in our continued efforts to address the global challenge of climate change.

In a landmark step, we have patented Cuprochlor-T, which will allow us to extract lower-grade copper and extend the lifecycle of our mining deposits through innovative solutions for the production process. Innovation in our company also serves the safety of our people. We have increased the number of autonomous haul trucks and remotely operated mining drills across our operations, accompanied by training for all operators on our sites, which enables them to engage with these innovative technologies and minimises the possibility of accidents.

Centinela's Integrated Operations Management (GIO) project has been developed effectively during its second year of operation. The project consists of a remote centre in the Antofagasta Region from which the plant, mine and port activities can be controlled remotely using real-time data, significantly benefiting our people's safety, efficiency, and productivity levels. Los Pelambres has also implemented its own GIO centre, transferring critical milestones towards remote and integrated operation along the entire value chain. This involves the digitalisation and remotisation of operations and integrating centralised information systems, supported by workers' training for these tasks.

Suppliers

Our suppliers play a critical role in achieving our objectives. We support them collaboratively through our Suppliers for a Better Future programme with the tools they need to comply with sustainability standards concerning their performance, emissions reduction targets, and respect for human rights, among other issues that align with our corporate purpose. This initiative has provided national and regional suppliers with tools to increase competitiveness and their capacity for growth, helping them to incorporate themselves into the industry in an effective and efficient manner. This is particularly true for local small and medium-sized companies (SMEs) in the Antofagasta and Coquimbo regions.

Community engagement

Shared social value is key to our sustainable approach. We seek to contribute to social and economic development in the local communities in which we operate through proactive engagement based on trust, transparency, respect and acknowledgement of distinctiveness and diversity, collaborating with local organisations and authorities.

Our work contributes to a number of the United Nations Sustainable Development Goals (SDGs), mainly those regarding education, economic development, and deploying infrastructure. In 2023, more than 1,300 students benefited directly from our education programmes in the Antofagasta and Coquimbo regions; more than 650 micro and small businesses were assisted by the Cosecha and Emprene programmes in the Choapa Valley; and a newly reconstructed church and town square were inaugurated, following a year of work supported by Zaldívar, and in collaboration with the Atacama indigenous community of Camar.

As a leading mining company, we know that a long-term sustainable approach is critical to the continued creation of shared value. This is our focus. I invite you to explore our progress during 2023 in greater detail, and to discover the progress we are making in our economic, environmental, social and governance goals, to develop mining for a better future.

IVÁN ARRIAGADA

Chief Executive Officer, Antofagasta Minerals



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