

Corporate governance

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MATERIAL TOPICS

- Corporate governance
- Transparency, communications and trust
- New regulations, regulatory uncertainty and permits
- Risk management
- Cybersecurity

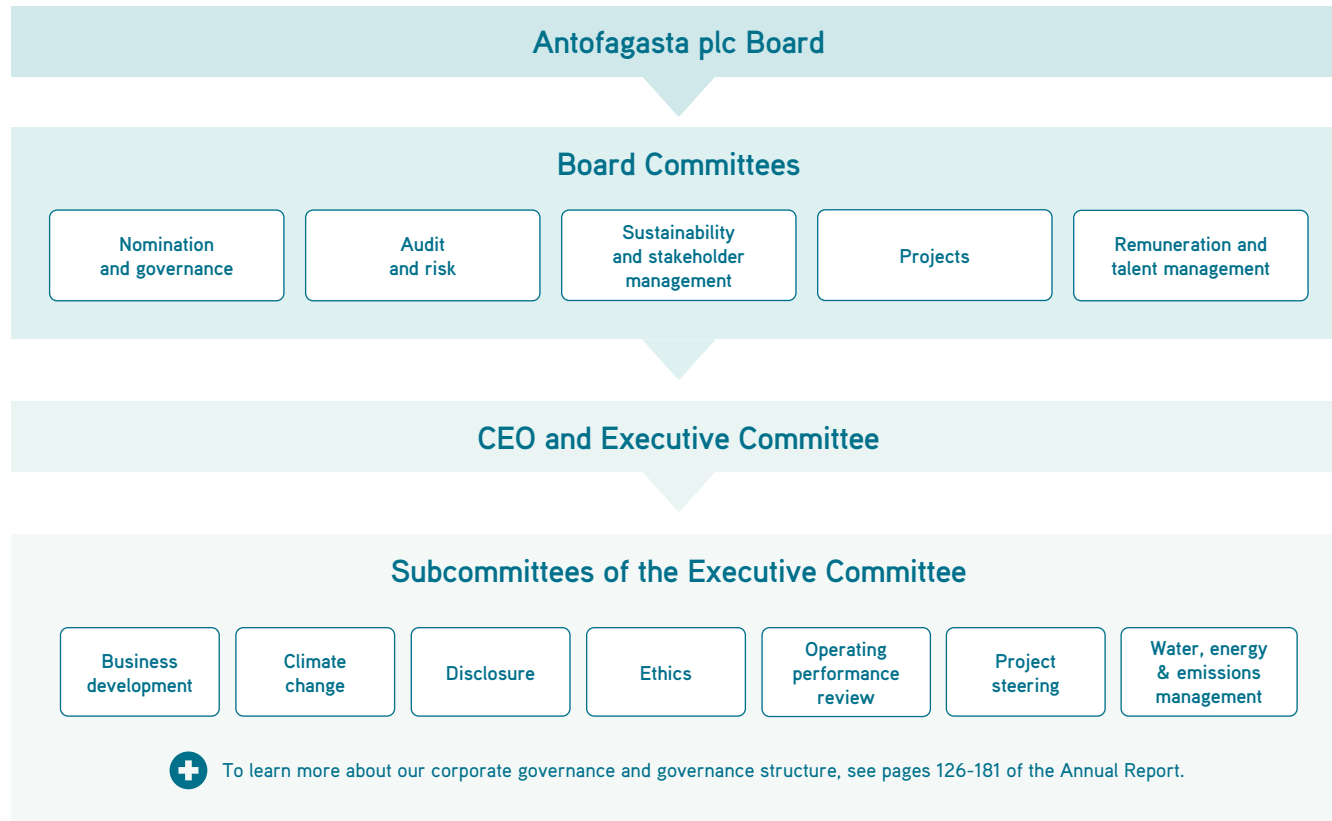
Workers at Centinela's Integrated Remote Operations Centre

Governance Structure

Corporate Governance

GRI 2-9, 2-10, 2-11, 2-12, 2-16, 2-19, 3-3, 405-1

At Antofagasta, we strongly believe that a robust governance structure based on appropriate corporate policies and clear guidelines assures our sustainable performance in line with the best international practices and compliance. Our diverse and experienced Board plays a key role in defining our strategy, vision, creation of shared value, and our commitment to accountability.



The highest corporate governance body of Antofagasta plc is the Board of Directors, led by a **Non-Executive Chairman**

45%

of Board members are women.

6

out of 11 members of the Board are independent¹.

64%

of the Board members self declare to have sustainability skills. This includes competence on climate-related issues.

1. This means that no individual or small group of individuals can dominate the Board's decision-making.

New milling plant at Los Pelambres

Sustainability and Stakeholder Management Committee

GRI 2-12, 2-13, 2-17, 2-24

The Sustainability and Stakeholder Management Committee supports the role of the Board and gives recommendations to ensure that environmental, social and governance topics are included in the Board's ongoing decision-making. The Committee supervises the social dimensions of our sustainability and human rights policies, in addition to providing guidance on how the Group should reflect the visions and interests of its various stakeholders.

We maintain regular dialogue with our stakeholders and ensure that their views are carefully considered in the Board's deliberations. The Committee regularly reviews and updates the Group's policy framework on safety, health, environment, human rights and community relations, and supervises the Group's performance in the definition of and compliance with environmental, social and occupational health and safety policies.

In addition, the Committee reflects stakeholders' opinions and interests in relation to operations, projects and other relevant business activities. Independent reports are delivered regularly for discussion by the Committee in line with material topics and the level of progress associated with them.

In 2023, its main focuses were:

- Monitoring the implementation of New Standard for Tailings Management and Dam Break Analysis.
- Overseeing Minera Los Pelambres' water strategy.
- Reviewing the Health and Safety Results and Plans, as well as the Psychosocial Risk Analysis questionnaire results.
- Reviewing implementation of the climate change strategy.

Sustainability and Stakeholder Management Committee

Chair Vivianne Blanlot (since 2017)

Members Michael Anglin
Jorge Bande
Juan Claro
Ramón Jara
Eugenia Parot

The CEO, the COO, the Vice President of Corporate Affairs and Sustainability, and the Company Secretary periodically attend the meetings, as do other directors who are not members. The Committee meets whenever necessary and at least twice a year. In 2023, the Committee met seven times to assess the organisation's priorities.

Sustainability Management at the Executive Level

At the executive level, sustainability permeates and guides management of the organisation. The Vice Presidency of Corporate Affairs and Sustainability is responsible for the execution of our sustainability policy and for ensuring that all our employees share our commitment. Progress in regard to strategies and models derived from our sustainability policies is evaluated on a regular basis.

Each of this Vice Presidency's management divisions delivers a strategic approach to the mining companies and works in a coordinated manner to achieve proposed objectives in different areas, such as worker health and safety and company environmental performance.

Chief Operating Officer

Vice president of Corporate Affairs and Sustainability

HEALTH AND
SAFETY
MANAGER

ENVIRONMENTAL
MANAGER

PUBLIC AFFAIRS
MANAGER

SUSTAINABILITY
PERFORMANCE
MANAGER

SECURITY
MANAGER

COMMUNICATIONS
MANAGER



To learn more about the competencies of our Board, see page 134 of the Annual Report.

Compliance and Internal Controls

Transparency, Communication and Trust

GRI 3-3

We believe in the importance of developing effective and transparent institutions. Supported by our guidelines, Ethics Code and internal policies, we run our business in an accountable manner. We strive to make progress with integrity, respecting human rights and regulations, openly communicating our performance with a focus on our stakeholders, and constantly supervising our procedures.

To achieve our objectives within a framework of sustainable long-term development, we maintain a solid governance system that includes an Ethics Committee, open channels of communication, training, and multiple levels of control in all our operations, in our exploration projects and activities, and in our relationships with third parties.

Compliance Model

GRI 2-15, 2-16, 2-27

Our Compliance Model applies to both our employees and contractors. It is clearly defined and is communicated regularly through internal channels, as well as being available on our website. 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 Compliance Model is reviewed regularly, both internally and by third parties, and on corruption-related matters it is certified in accordance with Chilean anti-corruption legislation (Law No. 20,393), which regulates criminal liability of legal entities.

Our compliance model

1 Prevent

Prevention is key to averting the occurrence of any irregular or illegal situations. We regularly provide tools and training opportunities to all employees and contractors to enhance appropriate behaviour through:

- Internal policies and procedures.
- Anti-trust guidelines.
- The management and update of our Compliance Risk Matrix.
- Our robust due diligence processes.
- Anti-corruption clauses in suppliers' and employees' contracts.
- Compliance training and communication.
- Access Control and Governance, Risk and Compliance (GRC) tools are used as part of the segregation of duties control.

2 Detect

Detection of any potentially irregular or illegal situation is boosted by:

- Open whistleblowing channels where individuals can present complaints and grievances anonymously under our non-retaliation policy.
- Data analysis.
- Anti-corruption internal controls.
- Internal policies, procedures or guidelines, under permanent review.
- Internal audit.

3 Act

Immediate action is taken if an irregular or illegal situation is detected. We investigate according to our internal procedures using fact-based, objective and professional standards. An Ethics Committee associated with our operations reviews the findings of every investigation and recommends remediation plans to the Corporate Ethics Committee. The compliance programme's performance is reported twice a year to the Audit and Risk Committee and to the Board.

In 2023, we focused on boosting our prevention culture across the whole Group and at the grassroots level. Each time we identify a gap in a particular area, we reinforce training, control optimisation, policy adjustment and communication. In August, the "Ley de Delitos Económicos" (Economic Crimes Law) was published. This new legislation establishes a new legal regime applicable to natural persons (individuals) and another to legal entities (companies). Although we are confident that we have robust controls in place, we reassessed the Group's risk matrix, in order to identify the needs of any new or adjustment in our controls.



For further information, please visit our [2023 Annual Report and Sustainability Databook](#).

Compliance and Internal Controls *continued*

Code of Ethics

Our Code of Ethics frames our commitment to conducting business in a responsible and sustainable 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 at the centre of our Compliance Model and supports the implementation of all other related activities. The overall ethical principles and conducts of the Code should serve as a behaviour guide for all our employees and Board members, as appropriate to their functions, and all who provide services to the Group.

Since 2023, every new employee must complete an e-learning induction course on ethics. This training was successfully implemented to all of our workers in 2023.

Protecting our reputation

A robust due diligence process is in place, based on a risk analysis approach. Our objective is to ensure that Antofagasta is doing business with suitable third parties. In this way, we work to protect the Group's reputation.

A campaign "let's talk about integrity" was launched in 2023, with a large-scale communication related to respect, safety and health and environmental management.

Anti-corruption Regulations

GRI 205-1, 205-2, 205-3, 206-1

At Antofagasta, we comply with all applicable anti-corruption and anti-bribery legislation and ensure that necessary controls are in place to prevent any unethical behaviour. 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. Our Audit and Risk Committee monitors adherence to the Compliance Model and Crime Prevention.


Payments to Governments

GRI 201-4, 415-1

In Chile, ties with governments and regulators are subject to strict engagement mechanisms, defined under Lobby Law No. 20,730. This Law seeks to regulate lobbying activity and other efforts to represent specific interests in support of greater transparency. The Law applies to the officials of central and local administrations who regulate activities such as the issue, modification and repeal of administrative acts and laws, and the decisions of the authorities and officials.

We comply with our own policies and the laws and regulations of host countries, always maintaining high standards of engagement. We make payments to governments in the form of taxes and licence fees relating to our activities in the exploration, discovery, development and extraction of minerals.

Political donations under certain requirements are permitted by Chilean law, but Antofagasta made no political donations in 2023. However, we often make contributions by financing projects benefitting 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).

 For further information, please visit our [2023 Annual Report and Sustainability Databook, Compliance sheet](#).



Whistleblowing Channel for Our Stakeholders

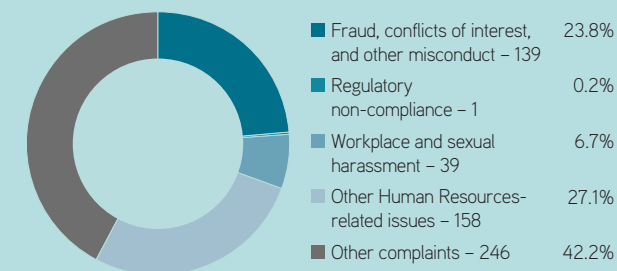
GRI 2-25, 2-26

At Antofagasta, we have two open communication channels with our stakeholders: one for complaints associated with ethics and management, run by the Risk and Compliance Management Department; and the other for grievances expressed by the communities close to our areas of operation, overseen by the Public Affairs area (see our People and communities chapter).

Our employees and stakeholders can make complaints or raise questions confidentially and anonymously through our reporting line Tu Voz (Your Voice), available on our website, e-mail and telephone. Whistleblowing investigations, performed by a group of experts, are centralised and standardised, guaranteeing the independence of the process.

In 2023, we received 583 allegations. Of these, 179 (31%) were ethics related and 404 (69%) were non-ethical concerns. Remediation actions were defined and implemented for all substantiated allegations.

2023 Complaints




Risk Management

GRI 3-3

At Antofagasta, our long-term sustainable growth is inextricably linked to effective corporate risk management. As an essential part of our culture and strategy, we continuously monitor both principal and emerging risks and have put in place a robust risk management framework to ensure identified risks are managed or mitigated before they result in negative impacts to the Group.

In 2023, we reviewed and revised our risk management methodology to better define the concept of “effective control” and to validate the efficacy of defined controls on site. In doing so, we conducted fieldwork to verify different risk levels according to existing responsibilities and worked directly with the “risk owners” consistently with lines of defence.

In November, the Risk and Compliance Management presented to the Board an updated report on our risk appetite,¹ including the ramifications of the Economic Crime Law No. 21,595, published in 2023. We also carried out the identification of risks associated with our new Integrated Operations Management (GIO) process, particularly at Los Pelambres (mining site and desalination plant) and Centinela.

 See page 144 of our 2023 Annual Report for more information on our Risk Governance.

Sustainability Risk Management


Risks associated with sustainability – one of our five strategic pillars, jointly with health and safety – are monitored regularly to identify degrees of uncertainty and allow us to adopt measures in a timely fashion. Growing levels of risk, particularly in relation to climate change, impose new challenges that require an integrated approach. In 2023,

1. Risk appetite is the expression of the acceptable exposure to uncertainties that we are willing to assume in the pursuit of our objectives. For further information on our risk appetite, please visit our 2023 Annual Report.
2. An instrument that encourages low-carbon investment.

we updated our sustainability and safety risks matrix, incorporating relevant changes according to the new challenges. The update resulted in the reduction of the level of occupational health and safety risk from “very high” to “high”.

| “Sustainability and safety” strategic pillar | Level of risk |
|--|---------------|
| Occupational health and safety | ● |
| Environmental management | ● |
| Climate change | ● |
| Community relations | ● |
| Political, legal and regulatory areas | ● |
| Corruption | ● |

● Low ● Medium ● High ● Very high

 For further information, please visit our 2023 Annual Report and Sustainability Databook.

Risks associated with climate change are part of our risk appetite and are a driver of our decision-making. We have a “shadow carbon pricing”². Our projects and initiatives that contribute to energy transition at a higher cost – such as electromobility and desalination plants – are supported by our sustainability framework, which is embedded in our Group’s strategy.

New Regulations, Regulatory Uncertainty and Permits

GRI 3-3

Our sustainability depends strongly on having a clear regulatory framework within which to develop our operations and share value with our stakeholders. We understand that low levels of economic, environmental and socio-political uncertainty favour investment decisions and facilitate an ongoing and consistent relationship between our companies and the expectations of society.

In the regulation arena, we work on three different dimensions:


1. Follow-up on early identification of possible impacts on our Group
2. Identification of emerging topics nationally and internationally
3. Participation and inputs in mining industry associations

In 2023, key national topics were: the potential impacts of the Chilean constitutional process and the scenarios emerging from the December plebiscite, both in the mining industry and across society; and new regulations within the industry. In the international arena, we also monitored any potential impact of the Israel-Palestine conflict and the Russia-Ukraine war.

In Chile, in August 2023, the President promulgated the Large Mining Royalty Law, which, beginning in 2024, seeks to collect 0.45% of GDP, that is, an equivalent of approximately US\$ 1.35 billion, of which US\$ 450 million will be allocated to the regions of Tarapacá, Antofagasta, Atacama, Coquimbo, Valparaíso and O’Higgins.

In addition, the new Economic Crime Law No. 21,595 may impose increasing sanctions on companies and individuals. We have been analysing and preparing ourselves to train our employees and adjust our activities, in order to reinforce our internal mechanisms and systems, with a particular focus on minimising any significant impact on our environment, on avoiding corruption, and preventing crime.

Permits, and environmental authorisations in particular, are also relevant to investment project decisions and to operating within a clear regulatory framework. New criteria and guidelines have introduced stricter requirements.

 For further information, please visit chapter 5, Environment and Climate Change.

Boosting Cybersecurity

GRI 3-3

Digital technology plays a critical role in increasing the productivity of our processes. We are constantly updating our systems and enhancing our action plans to identify, minimise and control any potential risk that might affect our regular networks and programmes. Due to its strategic relevance and visibility, cybersecurity has become a key issue in protecting our digital infrastructure and ensuring our sustainable progress.

Cybersecurity is one of the four pillars of the Company's technology strategy (2022-2024), along with "360 connected",¹ "digitally managed"² and carbon footprint reduction. Under the umbrella of *Living CyberSecurity*, we organised three relevant activities and initiatives in 2023.

First, we have brought cybersecurity to our communities, and to high schools and universities in particular, through our "AMSA School" initiative, aimed at secondary students.³ The objective is to provide education about cybersecurity and promote harassment (cyberbullying) prevention among young people.

Second, we have widely communicated the concept of cybersecurity within our companies and among our workers through large-scale cybersecurity events and fairs, with cybersecurity stands offering playful activities to encourage a friendlier view of technology.

Third, we organise around 14 ethical hacking events to test the level of vulnerability of our overall digital security systems. With the support of internationally renowned companies, in September we held an event that yielded positive results in terms of IT (Information Technology) and OT (Operation Technology). The information obtained helps us to verify and constantly improve our digital controls.

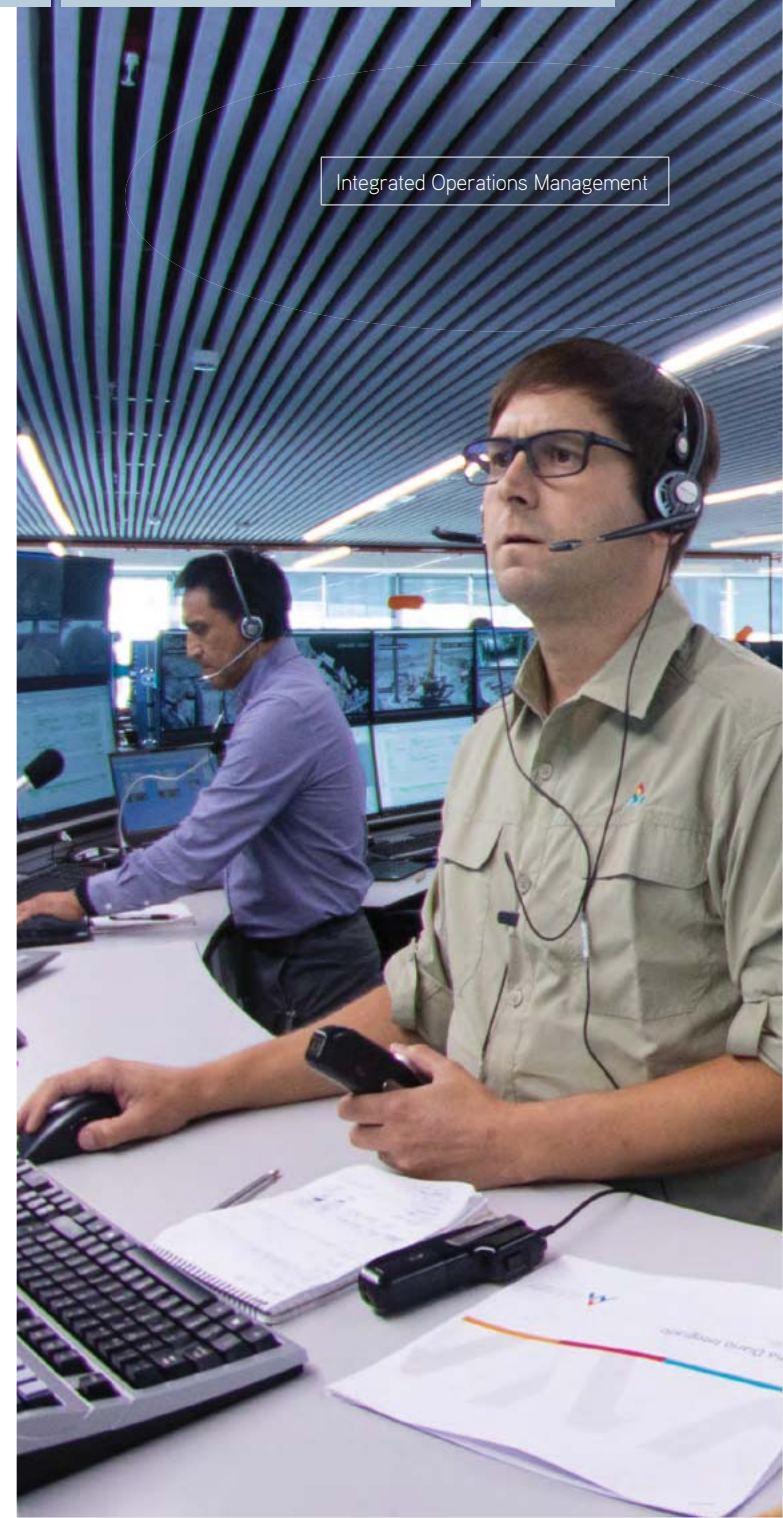
1. This focus concerns fixing a communication set to enable connectivity within the Mining Group.
2. This focus concerns the digitalisation of our operations.
3. The equivalent to 11th and 12th grades in high schools in Chile.

In addition, we started to carry out ethical phishing exercises three years ago, and with the help of training, information and digital education, we were able to significantly reduce the number of users who were unaware of suspicious activity or unethical practices. In 2023, we achieved substantial progress on the subject, which is no longer viewed as a critical issue by the Audit Committee.

In broader terms, we incorporated and adapted best practices from the ISO 27000 and NIST Cybersecurity Framework into our Company and linked a group of initiatives in three areas: implementation of technology to reduce cybersecurity risks, regular testing and the transformation of technology into a more approachable issue for users in order to reduce risks and to prevent cyber-attacks.

At Antofagasta, mechanisms such as procedural regulations, a Disaster Recovery Plan, a Crisis Committee and the above mentioned ethical hacking events represent a robust framework that allows our Company to achieve maturity both at the management level and in terms of our users' understanding of cyber-attack risks.

Integrated Operations Management



Our Tax Approach

GRI 207-1, 207-2, 207-3, 207-4, 3-3

Our tax contribution represents a fundamental element of value creation for our stakeholders. From government to local communities and shareholders, we are regularly and consistently contributing with resources generated by our sustainable business and, in turn, improving economic growth and quality of life in a variety of ways.


At Antofagasta, compliance means paying the right amount of tax in the right place and at the correct time. It involves disclosing all relevant facts and circumstances to the tax authorities, and claiming relief and incentives where available and as intended. Our tax affairs are overseen at all levels of management, including by the Board of Directors.

We manage and report tax matters at every Board Meeting. In addition, these topics are analysed and managed daily by the Head of Tax, and, where appropriate, brought to the attention of the Audit Committee and Board of Directors.

We operate a Tax Strategy that is approved by the Board of Directors and applies to all of Antofagasta's companies. It is this strategy that establishes the guidelines for our tax behaviour in terms of governance, approach to business transactions, tax risk and the way we are required to deal with external stakeholders, including tax authorities.

Risks might emerge in relation to the interpretation of tax laws and the nature of our compliance arrangements. Antofagasta Minerals proactively seeks to identify, analyse, manage and monitor these risks, to ensure they remain in line with the Company's low risk appetite. Where there is significant uncertainty or complexity in relation to a risk, we might seek external advice.

Our approach to dealing with tax authorities is based on integrity, respect, fairness and a spirit of cooperative compliance. Almost 100% of Antofagasta's taxes are paid in Chile, where all our operations are located.

 For further information, please visit our [2022 Tax Report](#).

Workers at Centinela





Beneficiary of the APROxima en Red programme

Respecting Human Rights

At Antofagasta, we recognise the dignity and value of the human being as an essential element of what we do. Acknowledging and respecting human rights implies action within a framework of equality, fairness and non-discrimination. We particularly believe in the importance in the right to access healthcare, education and an adequate standard of living.

Respect for Human Rights

GRI 3-3, 2-24

Our Human Rights Policy defines and guarantees respect for the human rights of all our stakeholders. The approach determines how we connect with employees, contractors, suppliers, business partners, communities and other actors related directly to our operations. We respect and observe all internationally recognised human rights. These rights include those indicated in the International Bill of Human Rights, which includes the Universal Declaration of Human Rights.

We emphasise the avoidance of behaviours that constitute any form of exploitation, slavery or human trafficking, both in our operations and in our supply chain, and we do not tolerate the use of child, forced or slave labour in any operations of Antofagasta plc or its supply chain. In compliance with the Modern Slavery Law 2015 UK, we publish an annual statement of the measures taken to ensure that slavery and human trafficking do not occur in our supply chain or in any area of our business.

Respect for indigenous peoples

GRI 411-1

0

incidents of violations involving rights of indigenous peoples in 2023

Our Human Rights Policy, which applies to all Group companies, recognises, respects and contributes to the protection of the rights, culture and traditions of all indigenous peoples and exercises special care in the case of those groups living in the vicinity of our operations and projects.

Our policy reinforces our commitment to the rights of indigenous peoples and aligns our security practices with the Voluntary Principles on Security and Human Rights (VPSHR) and the United Nations (UN) Guiding Principles on Business and Human Rights. We apply an Indigenous Peoples Engagement Standard, to ensure that all of Antofagasta Minerals' operations and projects consistently employ development processes and practices that harmonise our activities and fully respect the human rights of indigenous peoples.

Our Due Diligence Process

GRI 2-23, 2-24

In 2023, the International Council on Mining and Metals (ICMM) updated its Human Rights Due Diligence Guidance, an important resource that helps member mining companies to better integrate human rights into existing risk management approaches. The guide stresses the fact that every person deserves to be treated with dignity and respect, and that all businesses, regardless of where they operate, have a responsibility to respect human rights.

Our main input for the development of our Human Rights Policy hinges on the first Due Diligence exercise implemented in 2018 at all our companies. We are currently working on our second Due Diligence process, to assess the current status of potential risks identified in our first process and establish new action plans accordingly.

This is considered a key process in understanding and anticipating potential industry impacts on the community, and in designing preventive action plans to mitigate any potential negative consequences of our activities in terms of indigenous peoples, and community relations, labour rights, work-life balance, water stewardship, dust release, and other topics.