

Codelco

Due Diligence in the Minerals Supply Chain

I – Responsible Sourcing Framework

Codelco acknowledges the fundamental importance of responsible sourcing in providing metals and minerals that contribute to the advancement of daily life. Our approach integrates social, ethical, and environmental considerations throughout our products, supply chains, and supplier relationships. We require our suppliers to uphold the same commitment to ethical, safe, and responsible business practices, aligning with our core Purpose and Values.

Codelco has a sustainability policy, which includes in its commitment number seven "Ensure Responsible Production". Additionally, in 2023, we implemented a management system to establish an effective internal due diligence management system for the minerals supply chain. The main objectives of this system is to prevent, identify, assess and, manage potential risks associated with our minerals supply chain in accordance with the OECD's 5-Step Framework for the Responsible Management of Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRA), and the Joint Due Diligence (JDD) Standard for Copper, Lead, Molybdenum, Nickel and Zinc. These processes have continued during 2024.

II - Management System

In 2024, Codelco has executed its due diligence process following the minerals supply chain management system. The scope of this system includes all the companies's divisions: Head Office, El Teniente, Ventanas, Andina, Salvador, Gabriela Mistral, Ministro Hales, Radomiro Tomic and Chuquicamata.

This system allows to identify, assess and manage risks in the minerals supply chain associated with human rights impacts, and financial crimes such as corruption, money laundering, bribery and financing of terrorism or armed groups. As part of this management system, Codelco has implemented the procedure: **PR-2.0.6 Due Diligence for Supply Chain**, which describes:

- The management system scope
- Roles and responsibilities
- Methodology to follow to identify any potential red flag
- Risk management and the verification process.

A Due Diligence Committee was conformed as part of the management system, whose responsibilities include but are not limited to:

- a) Review the implementation of the Procedure for the purchase and evaluation of suppliers of minerals.

- b) Review and validate risk management plans, where red flags have been confirmed in the supply chain.
- c) Recommend Codelco's asset (smelter - refinery) audit review and planning, if necessary, and in the framework of compliance with the minerals supply chain management system.
- d) Approve the content for the implementation and results report of the Procedure for the purchase and evaluation of mineral suppliers.

The Due Diligence Committee has met one time during the 2024.

Codelco's grievances mechanism is available to all employees, suppliers and any stakeholder, through our website. The statistics of all grievances received and investigated are public. During the 2024, there haven't been grievances related to the supply chain raised.

III - Identification of alarm signals

To assess potential risks associated with mineral suppliers with whom Codelco intends to enter, renew, or renegotiate contractual agreements, a comprehensive evaluation is conducted through the Know Your Counterparty (KYC) process. The KYC framework collects critical data related to governance, health and safety protocols, environmental management systems, supply chain due diligence, legal compliance, and sustainability practices. This information is verified through supporting documentation provided by the supplier and is systematically consolidated and securely stored within the Corporation's internal systems. In 2024, Codelco has requested and reviewed 16 KYC forms, representing 100% of its external mineral supply.

IV - Risk Assessment

In accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs), Codelco's risk assessment methodology is based on the internal Supply Chain Due Diligence procedure and is based on data collected via the Know Your Counterparty (KYC) process and information from specialized business analytics platforms. The methodology follows the following steps:

- Traceability from the origin; identification of locations that may originate from conflict and high-risk areas (CAHRA) and raising red flags related to the origin and transit of materials prior to delivery to the company.
- Supplier red flags associated with their legal performance, socio-environmental information and management systems implemented.

From the information gathered as part of the KYC form, the majority of Codelco's ore supply is sourced from Chile; although, three suppliers have stated that their mineral is coming from other countries.

Codelco has trained a team on the Internal Due Diligence Guidance for the Responsible Management of Mineral Supply Chains, this team is composed by matter subject experts on mining, sustainability, and supply chain management; this team is the responsible to evaluate and identify any potential risks. In 2024, Codelco evaluated 100% of its mineral suppliers, with no red flags identified.

However, as part of the due diligence process, nine suppliers were identified as having shareholdings in companies supplying minerals from, or operating in, countries with any red flags. The management system functioned effectively, raising alerts and triggering a Due Diligence process for these companies. This process included reviewing Responsible Sourcing policies, due diligence systems implemented, and business information services and press, demonstrating that these companies had robust due diligence systems in place. Additionally, strong evidence indicated that the supplied material from these companies does not originate from or transit through the CAHRA, therefore no red flag was confirmed, and the process continues to the reporting phase.

V - Risk Management

In instances where potential or existing risks of adverse impacts are identified—such as serious human rights violations or support for non-state armed groups—Codelco reserves the right to immediately suspend commercial activities with the involved counterparts.

For confirmed risks of adverse impacts, excluding those related to serious human rights violations or support for non-state armed groups, identified during risk assessments, Codelco may require the implementation of a risk management plan. This plan should include mitigation measures, clearly defined performance targets, and both qualitative and quantitative indicators to monitor and foster progress within established periods. Should repeated unsuccessful mitigation efforts occur within a six-month period, Codelco may suspend or discontinue business with the supplier for a minimum of three months, or until demonstrable and substantial improvements are achieved. No related confirmed potential risks have been identified in Codelco's mineral supply chain; therefore, no risk management plans have been requested.

VI - Independent Third Party Audit

During 2022 and 2023, Codelco successfully completed the independent assessment against the Joint Due Diligence (JDD) Standard for Copper, Lead, Molybdenum, Nickel and Zinc and the OECD's 5-Step Framework for the

Responsible Management of Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRA), as well as our due diligence management system in the mineral supply chain in all our divisions (Headquarters, Chuquicamata, El Teniente, Ministro Hales, Radomiro Tomic, Gabriela Mistral, Andina, Salvador and Ventanas). The summary reports are available on the Copper Mark website.

The frequency of the third party audit is aligned with the requirements of our Voluntary Sustainability Standard, in this case The Copper Mark.