

Suppliers for a Better Future programme progress

In 2023, we implemented our Suppliers for a Better Future programme. Launched in December 2022, the initiative seeks to align contractor best practices with our main purpose and standards. This is a collaborative project with a focus on the development of people, communities, sustainability, competitiveness and innovation.

Our programme's priorities

- Promote local employability and hiring of women, enhance diversity and inclusion (D&I) and respect of human and labour rights.
- Reduce carbon footprint and promote circular economy solutions.
- Strengthen the culture of productivity and integrity in our suppliers' processes.

The programme has given suppliers the tools to become world-class companies, to increase competitiveness and their capacity of growth, and to incorporate themselves into the industry in an effective and efficient manner. This is particularly the case for local small and medium-sized companies (SMEs) in the Antofagasta and Coquimbo regions.

2025 goals

18%	45%	25%
Spent on local suppliers	Local employment	Female employment by suppliers
Progress in 2023: 14%	Progress in 2023: 50%	Progress in 2023: 13%

We defined targets for 2025 in the categories of regional suppliers, market development for regional suppliers, and expenditure and regional supplier recruitment. We have also been working with Universidad Católica del Norte (UCN) on a competitiveness study and a plan to bridge existing gaps in sustainability. In December, UCN gave training to over 50 suppliers on sustainability and associated strategic topics.

2023 regional suppliers programme

50

SMEs companies in the Antofagasta and Coquimbo Regions

100%

progress on plans to bridge existing gaps in sustainability

In 2023, we carried out a risk screening of more than 2,500 suppliers based on their type of industry and geographical location. We invited those with a "high" or "very high" sustainability risk to complete a 360° evaluation of categories, such as water, biodiversity, local pollution, materials, chemical products and waste, safety, energy consumption, GHG emissions, diversity and inclusion, and corruption.

21 criteria

4 topics

Environment	Human and labour rights	Ethics	Sustainable purchases
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As part of our strategy, and before sharing any compliance goals with our suppliers, we approach entrepreneurial organisations in the Coquimbo and Antofagasta Regions, such as the Asociación de Industriales de Antofagasta (AIA) or Antofagasta Industrial Association and the Sistema de Calificación de Empresas Proveedoras de Bienes y Servicios (SICEP) or Supplier Qualification System, in order to evaluate the feasibility of our programmes, particularly at regional level.

In 2023, we required contractors to pay their employees an ethical gross monthly minimum wage of \$741.4, 35% higher than the minimum wage established by Chilean law, and to provide them with health and life insurance. Los Pelambres and Centinela also support the further education of contractors' children.

For further information on suppliers, please refer to our Sustainability Databook for 2023, available on our website (www.antofagasta.co.uk).

Case study

Collaborative emission reduction initiatives with our suppliers

- New explosives contract, which made available 25,000 tonnes of certified blue ammonium nitrate in 2023. This material undergoes an additional manufacturing step that internalises the CO₂ emitted in gas wells, generating a reduction of carbon emissions in the raw material and in the final product (explosives).
- Operation of electric vans and electrical auxiliary equipment for soil movement.
- Within the framework of the agreement signed with OEM in 2022, a formal assessment of the model required for the decarbonisation transformation at Minera Los Pelambres was carried out in 2023.

Case study

Our tools

- A supplier academy to explain the relevance of sustainability through training and skills development.
- Aprende En Red: a digital learning platform where local suppliers can access training on general and company-specific topics to enhance their skills and expand their knowledge to become more competitive when participating in bids.
- Business roundtables to connect supply and demand between our Mining division and potential suppliers.
- Forums to present our Group initiatives and improvement opportunities for suppliers.
- Regional supplier development project Suppliers for a Better Future.