



Marimaca Copper Corp.

# Sustainability Commitments



## 1.0 Introduction

Marimaca Copper Corp. (“we” or “MCC”) is a TSX listed copper exploration and development company. Our flagship asset is the Marimaca Copper Project in Chile, a unique development stage copper project with exceptional economics in the Antofagasta region of Chile. In addition to the Marimaca Project, we also hold an extensive land package across the wider Marimaca District, where we continue to explore and identify several targets for growth, in terms of potential for near-mine expansion and to assess potential opportunities to make new regional discoveries.

A commitment to sustainability is an integral part of our business: we seek to create long-term value for all stakeholders through the integration of ESG best practices as part of the development of our business. The Board of MCC has adopted this to reflect our sustainability commitment. We intend to review our approach and commitments periodically as MCC and the Marimaca Project evolves.

Below we seek to explain:

- Our vision, values, and approach to sustainability;
- Our governance framework, how this is structured and how oversight of sustainability and ESG is allocated across this framework; and
- Our commitments to performance standards and principles that seek to underpin and progress sustainable practices.

### 1.1 Our Vision

The Marimaca Project is one of the most important global copper discoveries in recent years and presents an exciting opportunity to develop a low cost, high margin operation in a tier 1 jurisdiction. Whilst this provides an outstanding opportunity for economic investment, we believe this should also be used as an opportunity to progress the project as a leading sustainable operation and an employer and business partner of choice.

### 1.2 Values

We have identified certain core values to achieve our vision and established commitments in respect of each of them, as follows:

- *Transparency and accountability*: we believe that a transparent corporate governance structure, with express allocation of roles and responsibilities, provides a basis for all stakeholders to understand how our business is managed. We also believe that transparent structures help to ensure that appropriate accountability is allocated across the company to manage day to day performance.
- *Safeguarding health, safety, and security*: the wellbeing of our employees and contractors and maintenance of secure working environments are fundamental to our business practices.
- *Ensuring environmental stewardship*: we conduct our activities in an environmentally responsible manner to minimise the impact and footprint of our activities and, where possible, we aim to improve and enhance the environment in which we operate.
- *Constructive stakeholder engagement*: we value the trust and support of local stakeholders. We endeavour to collaborate with stakeholders to deliver shared value and seek to provide open and accessible avenues for communication and to voice concerns, if any.



- *Promoting and supporting our people:* we are committed to employing the best person for the job and to providing avenues for professional development whenever possible. We seek to progress diversity and inclusion within our workforce culture.
- *Progressing sustainable development:* innovative and sustainable practices are of paramount importance in the progression of exploration, development and to the practices that we seek to employ in eventual production.

## 2.0 Governance

### 2.1 Board Structure & Oversight

Strong corporate governance is essential if we are to achieve our business and sustainability objectives. To achieve this our Board has adopted several mandates.

Firstly, the Board has adopted a specific mandate detailing matters that are reserved for its responsibility along with specific performance expectations of directors. In an ESG context, the Board is required to ensure that MCC adopts appropriate systems for risk management, internal controls, and governance across all business areas, with the assistance of specific Board Committees.

The Board's mandate is supported by policies and protocols that have been established for MCC's Board committees, these being: the Audit Committee, the Compensation Committee, the Environmental, Social and Governance (**ESG**) Committee and the Nominations and Governance Committee. The documents for these Committees are publicly available.

The Audit Committee has oversight of MCC's systems of internal controls and risk management along with oversight of financial and audit functions and responsibilities.

The ESG Committee is responsible for developing and recommending our approach to ESG. This committee has the authority to approve the adoption of any ESG-related standards or initiatives. It is responsible for monitoring, assessing, and managing risk-related environmental and social issues. It can periodically review and, when appropriate, establish ESG-related goals and objectives relevant to the compensation of MCC group employees and it can engage with shareholders and other stakeholders in respect of ESG issues. Each year, the ESG Committee is required to review the adequacy of MCC's ESG practices and recommend enhancements.

### 2.2 Policies & Practices

In addition to Board and Board committee mandates, we have adopted several core corporate policies. New policies will be developed as MCC matures and grows. Currently our policies include:

- A Code of Conduct
- A Whistleblowing Policy
- A Disclosure Policy
- An Insider Trading and Blackout Policy
- A Stakeholder Concerns Protocol

These policies seek to ensure we address and communicate expected behaviours to protect business integrity and identify various communication channels that may be used to voice any concerns in respect of matters relating to our business.

Our policies seek to ensure compliance with applicable law and regulation. However, to achieve our sustainability objectives, we believe that in certain areas, we will need to not only meet, but exceed



legal expectations. Where this is the case, we will seek to identify ‘best practice’ expectations by reference to the Equator Principles and the IFC Performance Standards. In adopting these as reference points, we aim to ensure that the Marimaca Project is progressed in a socially responsible manner and reflects world leading sustainability management practices.

### 2.3 Ethical Conduct & Culture

Our Code of Conduct sets out our fundamental standards for conduct and covers a wide range of business practices and procedures that reflect core values of honesty, integrity, transparency, responsibility, and fairness. The Code also addresses reporting expectations and compliance procedures for suspected illegal or unethical behaviour. The Code is publicly available [here](#). In addition to providing access to the Code, we also provide periodic training on requirements and expectations to ensure the standards we seek to set are understood by members of our organisation.

### 2.4 Stakeholder Engagement

We are progressing our approach to stakeholder engagement as part of the development practices for the Marimaca project. In this way, we aim to ensure that we have appropriate avenues for communication and dialogue with our stakeholders, particularly local stakeholders as project activities increase. As part of this, we have recently adopted a Stakeholder Concerns Protocol, which sets out procedures that can be used to bring matters of concern to our attention. The purpose of the protocol is to ensure we have provided a means of communication to review concerns with stakeholders at the outset with a view to achieving solutions that work for all. Again, this protocol has been made public and is available [here](#).

### 2.5 Risk Management

We are developing our risk management practices in conjunction with the development of the Marimaca project. These practices focus not only on operational matters and technical risks but are expanded to cover financial risk assessments and assessments of non-technical risks, including sustainability risks. We conduct periodic risk assessments, including assessments that identify those risks that are most material to our business, trends affecting material risks, priority of risks and risk rankings along with actions and avenues for risk mitigation. Members of MCC’s executive team have day-to-day oversight of risk management. Ultimate responsibility for risk management falls with the Board of MCC.



## 3.0 Our Commitments

We have aligned our sustainability commitments to focus on areas that are material to our business and day-to-day activities. In addition, we have sought to align our commitments to some of the positions communicated via key international standards, in particular the Position Statements that have been endorsed by the International Council on Mining and Metals (**ICMM**) in support of the implementation of the ICMM's Mining Principles and Performance Expectations.

### Health, Safety & Wellbeing

The health, safety and wellbeing of our employees is of paramount importance to us. We have established several health and safety protocols and procedures, including emergency response and preparedness procedures, to maintain and safeguard health and safety in the workplace.

In terms of worker safety, we seek to identify potential hazards through periodic assessments and where these hazards exist, we provide preventive and protective measures, and provide the necessary training as required.

We document and report occupational accidents, diseases, and incidents; and identify emergency prevention, preparedness, and response arrangements, by reference to events, developments, or potential threats within our environment.

We undertake commercially reasonable efforts to ensure that all contractors that we engage are reputable and legitimate enterprises and have the relevant health and safety procedures in place.

### Energy & Climate Change

We will strive to continually reduce our carbon footprint and will work with key suppliers and stakeholders to mitigate our greenhouse gas emissions.

- We aim to achieve this by consistently evaluating options to improve our energy efficiency and, where practical, incorporate renewable energy into our supply mix. In this regard, early engagement with large scale energy utilities has confirmed the potential to source 100% renewable energy from the national electricity grid in northern Chile.
- We support predictable long-term carbon pricing and other market mechanisms in Chile that incentivise innovation and deliver least cost pathways to emission reductions.
- We will commit to disclosing our Scope 1 & Scope 2 emissions in our Annual Sustainability Report, when developed, and will set emission reduction targets and expected timeframes for achievement.

### Water Stewardship

Water scarcity in the Antofagasta region makes water stewardship an important consideration for all aspects of our business planning and strategy and requires that we engage proactively and inclusively with stakeholders that may influence or be affected by our water use and/or discharge. We aim to satisfy processing water needs for the Marimaca project through supply arrangements that provide access to sea water from existing, permitted seawater intakes, without desalination requirements. In addition, to achieve the most sustainable water related outcomes, we commit to:

- Publicly support any regional initiatives that we believe promote better water use, effective catchment management and contribute to improved water security and sanitation in the region.



- Proactively manage the volume of any fresh, groundwater we consume, if any, and the quality of water we discharge to minimise potential environmental impacts and realise opportunities to recycle and reuse water. To assist this objective, we will maintain a water balance of our operations and understand how our actions cumulatively impact other users in the Antofagasta region.
- Publicly report company water performance, material risks, opportunities and management response using consistent industry metrics and recognised approaches.

### Human Rights & Labour

We uphold and respect the fundamental principles of human rights and we will not tolerate any violation of human rights. In this regard, we will continue to align our human rights practices with the UN Guiding Principles on Business and Human Rights and the expectations and practices that these principles set.

As noted above, we maintain systems and controls to safeguard the health and safety of our employees and third parties within our operations. As an employer we are committed to respecting the rights of workers and providing equal opportunities and fair pay and we operate a strict principle of no discrimination or harassment of any kind.

### Partnerships & Collaboration

We understand that collaboration and partnerships with key stakeholders underpin our social licence to operate and is critical to a successful project. In this regard:

- We will endeavour to understand the socio-economic contribution of our project locally and throughout the broader region.
- We will actively collaborate and partner with key stakeholders to ensure the project's socio-economic contribution is fully realised.
- We will seek to engage on any matters of concern raised by key stakeholders in the context of our business and endeavour to address them collaboratively.
- We will report on our partnerships and collaboration efforts in our annual report and via shareholder communications.

### Biodiversity & Cultural Heritage

We believe that negative impacts on Project-affected ecosystems should be avoided where possible. Where these impacts are unavoidable, they should be minimised and mitigated, and where residual impacts remain, we will engage as appropriate to identify opportunities to remedy or offset such impacts.

We have implemented a Chance Find Procedure to address matters relating to cultural heritage. The procedure prevents previously unknown heritage resources from being disturbed until an assessment by a competent specialist is made and actions consistent with laws to protect Chile's cultural heritage are implemented.

### Transparency Reporting

Marimaca supports the Extractive Industries Transparency Initiative (EITI), a global standard which promotes the open and accountable management of oil, gas, and mineral resources. The EITI principles which we support are summarised as follows:



- We believe that greater transparency in the extractive industries serves as a catalyst for public debate and provides greater opportunities for sustainable development.
- We will publicly disclose our financial statements consistent with our listing obligations.
- We will publicly disclose beneficial owners and take steps to identify the beneficial owners of direct business partners, including Joint Ventures and contractors. As a listed company will do what is required by applicable regulations and listing requirements.
- We will engage in rigorous procurement processes, including due diligence with respect to partners and vendors.
- We support countries' decisions to disclose future licenses and contracts entered into that govern the exploration and exploitation of oil, gas, and minerals in accordance with the recommendations in the EITI Standard.
- We will work together with the Chilean government, to deliver natural resources in a manner that benefits societies and communities.
- We will ensure that our processes are appropriate to deliver the data required for high standards of accountability.

### Waste Management & Hazardous Materials

The Marimaca project has no requirement for a tailing's storage facility. This eliminates one of the most significant risks commonly associated with mining operations.

Every effort will be made to reduce the volume of waste generated by our operations. Where possible we will attempt to recover and reuse waste. Where waste cannot be recovered or reused, we will treat, destroy, or dispose of it in an environmentally sound manner. Where waste is hazardous, we will adopt GIIP (Good International Industry Practice).

Where hazardous waste disposal is conducted by third parties, we will ensure that our contractors are reputable and legitimate enterprises licensed by the relevant government regulatory agencies. We will obtain chain of custody documentation to the final destination and ascertain whether licensed disposal sites are being operated to acceptable standards.

Where this is not the case, we will reduce the volume of waste sent to such sites and consider alternative disposal options, including the possibility of developing own recovery or disposal facilities at the project site.

### Supply Chain Management & Procurement

Our goal is to maximise the volume of goods purchased from local suppliers and manufacturers so that we can support local, regional, and national economies. However, local procurement policies need to be considered as part of overall quality control and financial assessments. We will communicate our procurement practices transparently to all suppliers and will seek to promote competition.

### Closure

We will continue to assess and develop our closure planning in the context of the development of the Marimaca Project in accordance with the standards required for closure in Chile and in accordance with internationally recognised best practice.