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HOW WE MANAGE COMMUNITY AND ECONOMIC IMPACT

This fact sheet is one of a series describing Capstone's management approach to material topics. For information on recent developments in our management approach and current performance, see our [2024 Sustainability Report](#).

This topic covers our responsibility to manage impacts on local communities and deliver social and economic benefits in line with local development priorities. Community impacts that could affect human rights are addressed in [How We Manage Human Rights](#).

Impacts and Risks

We identify potential impacts on communities through international instruments, legislation, industry initiatives, impact assessments, community engagement processes, our whistleblower channel, and site-level grievance mechanisms.

Mining activities can affect communities both positively and negatively throughout the mining lifecycle as well as after closure. We recognize that our activities, decisions, and business relationships may impact neighboring communities, including local residents, many of whom are our employees or contractors, and local businesses. These communities have economic, social, cultural and environmental needs and interests that may be impacted by, or intersect with, our activities.

Positive impacts stemming from our business include economic contributions stemming from tax payments, local procurement, direct and indirect employment, and community investments. We support local socio-economic development through targeted investments in education, training, infrastructure improvement, and social services.

Our activities can also generate negative impacts, including dust, noise, traffic, and strain on local infrastructure. These can affect community health, safety, and overall quality of life. Environmental impacts may affect ecosystems, alter land use, limit access to resources, and affect traditional livelihoods. While we have not systematically documented all value chain impacts, we recognize the potential for the activities of our contractors, suppliers, joint venture partners, and customers to impact communities.

Through regulatory processes, social baselines, surveys, and ongoing engagement, we have identified the following community interests which may be associated with social or environmental impacts. See *Community Interests by Site* table below.

Community Interests by Site

Site	Community Interests Identified in Regulatory and Other Processes
Pinto Valley	Water resources, air quality, job opportunities, public health, public safety, recreation, wilderness and threatened species, local economic impact, community investments, education, housing, urban blight, Indigenous interests and traffic, community engagement
Mantos Blancos	Local employment and procurement, education, dust, water, soil contamination, traffic and safety, social investment, socio-demographic dynamics (quality of life, migration, public security), community relationships
Mantoverde	Local employment and procurement, dust, traffic, social and education investment, public security, impacts to marine environment and marine harvesting in coastal area (brine discharge area for desalination plant)
Cozamin	Public security, local employment and procurement, dust, impacts from blasting, property damage, water pollution, traffic, and social investments
Santo Domingo	Local employment and procurement, and improvements in general infrastructure

Failure to respect and manage community impacts can undermine socio-economic development. In regions where we operate, it can undermine support for our operations and contribute to social conflict, which can result in reputational damage, loss of social licence, operational disruptions, and financial penalties—all of which can have direct and indirect costs for the company.

Governance and Accountability

Capstone's governance framework establishes clear roles, responsibilities, accountability, and oversight for decisions pertaining to community and economic impact at both corporate and site levels.

Board oversight. The Board of Directors delegates oversight of community impacts and risks to two Board committees. The Technical and Operational Performance (TOP) Committee oversees site-level policies, activities and results related to community relations. The Governance, Nominating and Sustainability (GNS) Committee oversees implementation and reporting on Capstone's Sustainable Development Strategy, which includes our performance on our Communities strategic priority.

Executive accountability and support. The Chief Operating Officer (COO) and the Senior Vice President, Risk, ESG and General Counsel (General Counsel) are the senior executives accountable for matters relating to community impacts and risks. Respectively, they report quarterly to the TOP and GNS Committees on performance. The Corporate ESG team is responsible for developing community-related corporate policies, standards and guidelines and provides strategic guidance and subject matter expertise to support site implementation. The Communities Working Group comprised of corporate and site representatives, meets quarterly to review progress on implementing the SDS Communities priority and aligning with the Capstone Social Performance Standard. The group provides quarterly updates to the General Counsel.

Site management. The mine General Manager (GM) is accountable to the COO for management of community-related impacts and risks. ESG teams implement programs and procedures that comply with applicable legislation, adhere to Environmental Impact Assessment (EIA) and permit conditions, and align with corporate policies, standards and guidelines.

Stakeholder Engagement

Stakeholder engagement on community impacts takes place at the site level. Key stakeholders include permitting authorities and other government agencies, NGOs, local communities, and local business. Sites adhere to conditions in EIAs and other regulatory requirements, which consider potential community impacts. Sites also engage with local communities through regulatory assessment processes and proactive engagement, and with local businesses through the procurement process. Sites maintain a local presence and have relationships with community organizations and government agencies. For additional information on Capstone's stakeholders and our approach to engagement, see *Stakeholder Categories and Engagement Approaches* in our [2024 Sustainability Report](#).

Policy Commitments

Our policy commitments guide our approach to managing community and economic impacts.

Our [Code of Conduct](#) Policy (COC) sets out our expectations for responsible business conduct. It guides us to respect the cultural values, beliefs and traditions of people in the countries and regions in which we operate and to engage with communities in a respectful and culturally appropriate manner.

Our [Human Rights Policy](#) commits us to respecting and promoting human rights and Indigenous Peoples's rights. The policy broadens the community-related commitments in our Code of Conduct Policy and formalizes our requirement to integrate stakeholder engagement into project planning and operations.

Our [Integrated Health Safety Environment and Community Policy](#) commits us to proactively identify and manage our impacts on the environment, people, and communities. It also guides us to mitigate negative impacts we cause or contribute to through preventive or remedial actions as required. In addition, it encourages us to hire locally and procure from local businesses.

Our [Whistleblower Policy](#) provides guidance for Capstone employees and stakeholders, including community members, to report actual or suspected violations of laws, regulations, or company policies. It outlines the process for reporting ethical concerns and confirms Capstone's commitment to employee protection from retaliation.

Our [Supplier Code of Conduct Policy](#) (SCC) outlines expectations that suppliers adhere to our COC and supporting policies and standards, including our Human Rights Policy, and operate in compliance with applicable laws and regulations.

Our [Responsible Sourcing Policy](#) defines our commitment to embedding Capstone's sustainability expectations and considerations into the selection and management of suppliers and buyers and to assessing sustainability risks, including human rights, in our supply chain.

Except for the Responsible Sourcing Policy which applies only within our company, these policies apply to all Capstone employees, subsidiaries, and suppliers (as defined in the SCC). We communicate all policies to new Board members, executives, and employees as part of the onboarding process. Annual training on the COC and supporting policies is provided to all employees at both the corporate and site levels. In addition, Board members, executives, and employees are required to review the COC and supporting policies annually and formally acknowledge their commitment to uphold them. As new policies are introduced, we provide targeted training to relevant roles to facilitate effective implementation. Procurement teams are responsible for communicating the SCC requirements to suppliers, who agree to comply by signing our supplier agreement. All policies are available on Capstone's [website](#).

Strategy

Our business strategy is built on a foundation of strong business ethics. Managing our impacts and supporting local community development are essential to our business resilience. These practices help sustain our license to operate and enhance our ability to create long-term value, particularly in complex operating environments.

Managing community impacts is a priority of our Sustainable Development Strategy. Our goal is to proactively identify and manage potential adverse impacts on people and communities, uphold human rights, and maintain constructive, long-term relationships with stakeholders.

Communities priority: Proactively manage impacts and deliver socioeconomic benefits in line with local development priorities

Target 100% of sites assessed against the Capstone Social Performance Standard by 2025.
Strategy - Develop the Capstone Social Performance Standard as a company-wide framework for managing social impacts and socioeconomic contributions. - Align with International Finance Corporation (IFC) Performance Standards for Environmental and Social Sustainability, International Council on Mining and Metals (ICMM) Guidance on Social Performance, and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

We report on our Sustainable Development Strategy performance in our [Annual Sustainability Report](#).

We pursue The Copper Mark award as part of our strategy to embed sustainability across operations. The Copper Mark includes multiple performance criteria related to social and economic impact. Mantos Blancos and Mantoverde were awarded The Copper Mark in 2023. In August 2025, Pinto Valley was awarded The Copper Mark and Cozamin signed a letter of commitment to participate in The Copper Mark Assurance Process.

Management of Impacts and Risks

This section covers two key aspects of our Community and Economic Impact management approach: social impacts and economic impacts.

Social Impacts

We comply with national laws and work to uphold international standards. We comply with permit conditions, including conducting social and environmental impact assessments and engaging stakeholders as required by regulatory processes. Our Social Performance Standard drives us to align with the IFC Performance Standards for Environmental and Social Sustainability and the UNGPs.

We manage social risks at the site level and report through our Enterprise Risk Management (ERM) Framework. Our new Social Performance Standard establishes requirements for identifying and managing social risks at each site, ensuring alignment with the ERM Framework. Social risks identified at the technical and operational levels, including through EIA processes, are further evaluated, managed, and reported through the ERM process.

We have developed a corporate Social Performance Standard to guide our actions. Given Capstone's decentralized structure, corporate standards help create a shared understanding of sustainability priorities, aligning site-level efforts with Capstone's broader goals and policy objectives. Capstone's Social Performance Standard, adopted in 2025, incorporates best practices from internationally recognized frameworks and establishes consistent expectations and processes across all sites. Structured around the Plan-Do-Check-Act cycle, the Standard includes four key components: social baseline and perception assessment, grievance mechanisms, human rights risk assessments, and social performance plans.

We conduct studies and assessments to understand our impacts and community interests. All sites conduct community perception surveys. Our Chilean sites also conduct social baseline and social investment assessments. Mantos Blancos and Mantoverde also conduct annual human rights risk assessments. The results help us understand perceived and actual impacts as well as community priorities. Insights inform our social performance plans, which are updated annually, and help us tailor our engagement and community investments.

We engage with local communities. Sites undertake stakeholder mapping to identify key stakeholders, including vulnerable groups, and tailor engagement. Each site maintains regular dialogue with communities within its area of influence.

- Pinto Valley has established a community advisory committee representing local government and businesses, as well as health, education and social welfare interests, to advise Pinto Valley on community needs and inform Pinto Valley's community investments strategy.
- Mantos Blancos has established a working group with its nearest neighbour, the village of Baquedano, located 25 kilometers from the site. The group is managed in partnership with Fundación Trascender through the "Mi Baquedano" program, which includes community projects and youth-focused initiatives. Fundación Trascender meets weekly with local stakeholders, and Mantos Blancos representatives participate monthly.
- Mantoverde holds regular meetings with stakeholder groups, including through permanent working tables established with fishers' unions, cultural and business organizations, and neighbourhood associations in Chañaral, El Salado, Flamenco and Las Piscinas.
- Cozamin meets both formally and informally with leaders of local communities. Some of Cozamin's mine infrastructure is located on land owned by the neighbouring Ejido¹. Cozamin holds monthly meetings with the Ejido board.

Our grievance mechanisms allow stakeholders to raise concerns directly with the company. Site-level grievance mechanisms provide accessible channels for community members and other stakeholders to raise concerns, ask questions, or offer feedback related to our operations, impacts, or business relationships. Mantos Blancos, Mantoverde, and Santo Domingo have one combined mechanism aligned with the IFC Performance Standards and UNGPs and includes tools such as a dedicated phone line, and email. Pinto Valley has a dedicated phone line and website form. Cozamin utilizes feedback boxes located at and near the mine as well as in the offices of the local Ejido.

Our grievance processes require timely acknowledgment of concerns, and we are committed to providing effective and appropriate remedies when required. Stakeholders also have the option to submit anonymous concerns through our Whistleblower Hotline. Details for accessing these channels are available on both the

¹ An Ejido is an area of communal land tenure in Mexico registered with the National Agrarian Registry of Mexico and parcelled out to community members for agricultural use.

[English](#) and [Spanish](#) versions of our website. We assess the performance and effectiveness of our grievance mechanisms on an annual basis.

We consider community impacts in mine closure planning. Our mine closure plans establish objectives for long-term site maintenance and monitoring of residual impacts on local communities. Mantoverde and Mantos Blancos have developed comprehensive mine closure plans, that consider economic and environmental impacts. As required by permits, the plans include financial provisions encompassing infrastructure removal, environmental remediation, land restoration.

Economic Impacts

We invest in local socio-economic development. All sites have community investment plans with programs shaped by the community priorities and needs identified through assessments and ongoing engagement. Investments, including donations, sponsorships, and in-kind support help strengthen local services and infrastructure, and support community organizations and cultural, recreational, or conservation events. Sites also support employment and business training programs targeted to the needs of communities. For example, Mantoverde's "Learning for Development" provides trades training for community members from Chañaral and Flamenco. Mantos Blancos' Eureka program supports start-ups at local high schools in the Antofagasta region.

We invest in local infrastructure development. We support local communities with investments to upgrade local infrastructure and social services. Mantoverde signed an agreement with the Chile Drinking Water and Sewage Company (ECONSSA Chile) and the Regional Government of Atacama to provide desalinated water for coastal communities near the Mantoverde desalination plant (per Mantoverde Development Project environmental approval commitment). Mantoverde has met its commitments to build the infrastructure to deliver desalinated water to the company and is awaiting action from the government and company to complete the distribution network to the communities. Santo Domingo has made an agreement to deliver potable water to the community of Diego de Almagro, once operations begin.

We prioritize local hiring. We operate in communities with long traditions of mining, where community support is essential to our success. The majority of our workforce is hired from local communities near our operations. Some of our sites have practices to support local hiring. Cozamin has programs in place to support employment of members of the Ejido community. Mantoverde's cable operators program trains women from the local community for potential employment at the site.

We emphasize local content in our supply chains. We make efforts to source goods and services locally, which stimulates local economic activity. Utilizing local suppliers can also make our supply chains more resilient and cost effective

Monitoring and Continuous Improvement

We monitor our impacts and risks and assess the effectiveness of our management system. We monitor community issues raised through our Whistleblower Hotline or site-level grievance mechanisms and conduct studies and assessments. Information received helps us understand how we are managing actual and perceived impacts and informs site-level social performance plans.

We have processes for responding to stakeholder concerns. Stakeholders can report concerns through our [Whistleblower Hotline](#) or site-level grievance procedures and seek remedy for negative impacts.

Our Communities Working Group functions as a vehicle for continuous improvement. Site and corporate participants share status updates and operational experiences, which facilitates knowledge transfer and supports progress and accountability. The group meets quarterly and monitors progress on the Communities priority of our Sustainable Development Strategy.

We track and report our performance on an annual basis. Please refer to our [2024 Sustainability Report](#) and [Data Book](#) for community and economic impact related performance data.

Metrics

Community and Economic Impact indicators reported at the site and consolidated levels include:

- Direct economic value generated and distributed
- Proportion of spending on local suppliers
- Local employment