



**2021**

Atalaya Mining plc

# Sustainability Report









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Independent limited assurance report of the Sustainability  
Report 2021

ATALAYA MINING PLC



## INDEPENDENT LIMITED ASSURANCE REPORT OF THE SUSTAINABILITY REPORT 2021 ATALAYA MINING PLC

To the Management of Atalaya Mining plc.:

### Scope of work

As commissioned by the Management of Atalaya Mining plc. (hereinafter, Atalaya), we have carried out the review of the Information contained in the "Sustainability Report 2021" of Atalaya. This information has been prepared in accordance with GRI Sustainability Reporting Standards (GRI Standards) core option and the Law 11/2018 of 28 December 2018 approved by the Spanish Parliament in response to the Directive 2014/95/EU of the European Parliament and the Council of 22 October 2014, as detailed in "Report Profile".

The scope considered by Atalaya for the preparation of the Report is defined in "Scope consolidation of Atalaya and subsidiaries".

The preparation of the "Sustainability Report 2021", as well as its content, is the responsibility of the Management of Atalaya, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

### Criteria

Our review was carried out based on:

- ▶ Standard ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited assurance scope.

### Applied procedures Performed

Our review consisted in requesting information from the Sustainability Department and the various business units participating in the preparation of the "Sustainability Report 2021", applying processes and analytical procedures, and sampling review tests as described in the general terms below:

- ▶ Interviews with the staff in charge of the preparation of the sustainability information in order to gain a deep understanding of how the objectives and sustainability policies are considered, set into practice, and integrated within Atalaya's global strategy.
- ▶ Reviewing the processes for the compilation and validation of the information presented in the Report.
- ▶ Checking the processes held by Atalaya in order to define the material aspects and stakeholder participation.
- ▶ Reviewing the adaptation of the structure and content of the Report, as indicated in the GRI Standards sustainability reporting framework of the Global Reporting Initiative, in accordance with the comprehensive option.

- ▶ Checking selected samples of the quantitative and qualitative information of the contents included in the "Sustainability Report 2021", as well as their adequate compilation from data supplied by information sources. The review tests have been defined to provide the aforementioned assurance level.
- ▶ Checking that the financial information included in the Report has been audited by independent third parties.

These procedures have been applied to the sustainability information contained in the attached Report and to the contents in Annex 2 "GRI Content" and Annex 3 "NON-FINANCIAL INFORMATION CONTENT", with the aforementioned scope.

The scope of our review is considerably lower than a reasonable assurance report. Therefore, the degree of assurance is also less extensive. This report in no case should be considered as an audit report.

### Independence and quality control

We have complied with the requirements of independence and the other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and maintains, as a result, a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, and legal and regulatory provisions.

Our work has been performed by a team of sustainability experts with a wide experience in reviewing this type of information.

### Conclusions

As a result of our limited review, we conclude that no matter came to our attention that would indicate that the "Sustainability Report 2021" has not been prepared, in all material respects, according to the GRI Standards, which includes the data reliability, the suitability of the information presented and the absence of significant deviations and omissions.

This report has been prepared exclusively for the management of Atalaya, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.



Alberto Castilla Vida  
Partner



1/

# Letter from the Chairman



**Roger Davey**

Chairman Atalaya Mining plc

**“At the end of 2020, at Atalaya, we committed to support the Ten Principles of the United Nations Global Compact, referring to Human Rights, Labour Rights, the Environment, and Anti-corruption.**

It is a pleasure to present Atalaya Mining’s first Sustainability Report, a document prepared following the Global Reporting Initiative Standards, and with which we would like to present our business project and its importance for society and the people who live in its environment.

At the end of 2020, at Atalaya, we committed to support the Ten Principles of the United Nations Global Compact, referring to Human Rights, Labour Rights, the Environment, and Anti-corruption. This is a commitment that we renew year after year and, which drive us to take on the Sustainable Development Goals as our own, outlining a global framework for action to build a fairer and more liveable future.

This is a responsibility that is embodied in our new Sustainability Policy and which has led us to implement a Sustainability Master Plan that covers all areas of the organisation: the fields of Good Governance, People, Safe Operation, Environment and Climate Change, Society, and Innovation and Technology. This shows how sustainable criteria acquire a powerful influence in decision-making, and thus, they set the course of our strategic model.

And of course, in this context, we understand the key role of transparency and accountability; this report is proof of this, a demonstration of the efforts and progress made by our organisation in the implementation of the Ten Principles.

Alongside the sustainability paradigm that will guide the global economy, we are witnessing a profound social transformation in which copper is set to play a leading role. The energy and digital transition have boosted its demand linked to the urbanisation and electrification of cities and the promotion of renewable energies. As a result, we are perceiving an increase in its price on the metals market. A bright outlook for us, but one which, in recent months, has been accompanied by an extraordinary rise in energy prices, forcing us to be very cautious due to its impact on

production costs. An energy crisis that has overlapped with what we hope will be the tail-end of the Covid-19 pandemic, which has required us to redouble our efforts to guarantee the health and safety of our sites.

However, despite this difficult scenario, we can be very proud of our Company, which has exceeded 56,000 tonnes of copper produced in 2021 thanks to improved metallurgical recovery, and to reach a new milestone at the historic Minas de Riotinto site, with 15.8 million tonnes of ore treated at the plant, one million more than in 2020.

A Company that continues to advance towards its promising future by finalising the projects to exploit the San Dionisio and San Antonio sites, and increasing its exploration budget to 10 million euros in 2022 to advance in Masa Valverde, Riotinto Este and Ossa Morena. All of this demonstrates the Company's compliance with its plans to stabilise its production and operating costs, which reinforces its objective of securing its activity in the medium and long term.

Furthermore, Atalaya Mining has reinforced its commitment to sustainability and is developing projects that will optimise its operations while contributing to the commitments acquired by our Sustainability Policy. In this regard, the installation of an expert system in the SAG mill is remarkable as it reduces energy consumption and CO2 emissions, as well as improves flotation, with new reagents that increase recovery.

The permits for the construction of a 50MW photovoltaic plant were obtained at the beginning of March 2022. Atalaya is ready to start the construction of this pioneering project in the sector that will provide green energy to the plant. In this regard, it has already obtained registration in the Registry of Carbon Footprint, Offsets, and CO2 Absorption Projects, where the Ministry for Ecological Transition collects emissions data from companies that aim to calculate, reduce and offset their CO2 emissions transparently. This initiative is yielding results, with a drop in the ratio of CO2 per tonne produced from 0.55 to 0.49 between 2019 and 2020.

All of the above marks the steps towards Atalaya Mining's priority to guarantee the long-term performance of the business project, maintain production targets and minimise operating costs, and continue to reinforce safety systems and actions to guarantee the highest standards in line with international best practices.

We should also mention the new assets managed by the Company, which respond to a strategy of organic and inorganic growth, promoting the development of projects such as Touro and taking advantage of the Company's capabilities to enter new geographies and commodities where it can add value should suitable opportunities arise. Also, our commitment is to continue contributing to the sustainable progress of local communities by offering employment opportunities and generating business for ancillary companies, customers, and suppliers of products and services.

I encourage you to read this report, which explains how we have reached this point and the value that this journey has brought to our Company and to the environment in which we operate. Happy reading and let us continue to move forward, together, into the future.

**“Atalaya is ready to start the construction of this pioneering project in the sector that will provide green energy to the plant.**



**Roger Davey**

Chairman Atalaya Mining plc  
23 March 2022

# 2/ Atalaya at a Glance

## Our Portfolio

Atalaya Mining has a portfolio of assets comprising an operating mine and others in the exploration and permitting phase that constitute options for future growth.

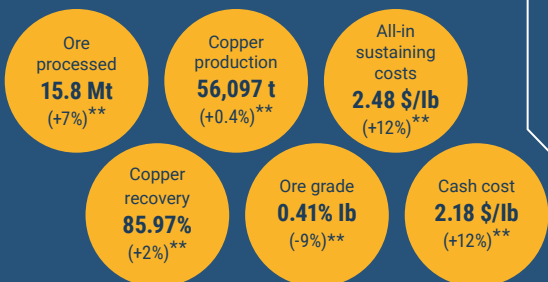
### PROYECTO TOURO (PERMITTING)\*

Past producing mine with well understood orebodies and excellent infrastructure.

It is considered by the company as a low-geographical-risk first step in creating a multi-asset producer.

### PROYECTO RIOTINTO (IN OPERATION)\*

Constitutes a large-scale, long-life operation located in a prolific mining district. In 2019, it completed an expansion project which increased total commercial production to 15 Mtpa.



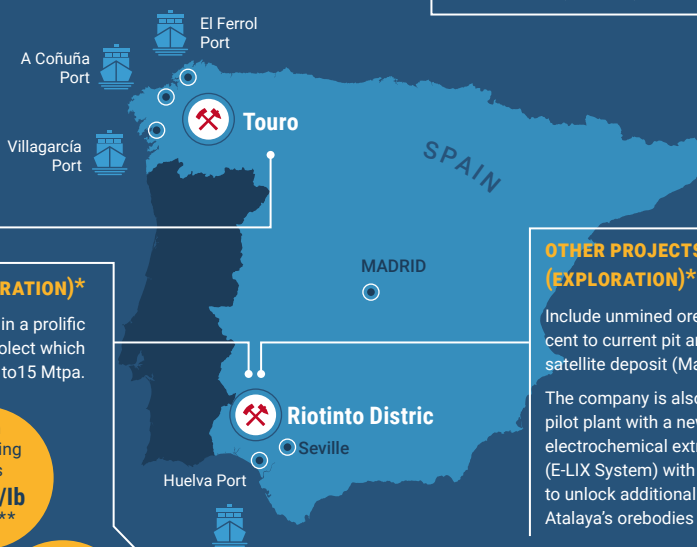
## Our Company

Atalaya Mining is a fast-growing AIM and TSX-listed mining and development company which produces copper concentrates at its wholly owned Proyecto Riotinto site in southwest Spain. Atalaya's current operations include the Cerro Colorado open pit mine and a modern 15Mtpa processing plant, which has the potential to become a processing hub from owned regional projects currently in the permitting stage.

Atalaya strives to become a leading multi-asset copper producer in Europe, maximising the potential value of its current low-risk assets and developing new deposits.

## Our Results (2021)

405.7 M€ (+60%)**	Revenues
193 M€ (+10%)**	Operating costs
199.1 M€ (+195%)**	EBITDA
132.2 M€ (+335%)**	Profit



### OTHER PROJECTS (EXPLORATION)\*

Include unmined orebodies adjacent to current pit and a potential satellite deposit (Masa Valverde).

The company is also operating a pilot plant with a newly developed electrochemical extraction process (E-LIX System) with potential to unlock additional value from Atalaya's orebodies and beyond.

(\*) Find more information about portfolio projects in chapter 2.  
(\*\*) Vs. 2020

## Sustainability Commitment

We are committed to produce copper in a manner that provides benefits for those regions where it operates, without compromising the ability of future generations to meet their own needs. Our sustainability strategy pursues a two fold objective:

- Provide society with the essential raw materials required for economic growth and the energy transition.
- Conduct responsible mining that positively impacts local communities, the environment and all our stakeholders.

## ESG Performance (2021)

Data with \* corresponds to Proyecto Riotinto

### GOOD GOVERNANCE

- 57% Independent directors
- 0 corruption incidents

### SOCIETY

- 68.3% local employees
- 92% invoiced from domestic suppliers
- 2.7 M invested for heritage conservation
- 917 K€ dedicated to social activities through our foundation

### PEOPLE

- 503 employees<sup>(1)</sup>
- 6,521 hours of training

### SAFETY OPERATION\*

- 3 "Category A" waste mining storage facilities
- 0 security incidents
- 100% of workers covered by a Health & Safety management system
- 0 fatalities
- 6.09 Lost time injuries frequency rate (workforce + subcontractors)
- 0.20 Severity rate (workforce+contractors)
- 0 occupational diseases or illnesses

### INNOVATION AND TECHNOLOGY

- 3.3 M€ investment In geological and mining research

### ENVIRONMENT AND CLIMATE CHANGE\*

- 560,859 kg of PM10 dust particulate emissions
- 4.802 GJ/tonne concentrate of energy consumption
- 0.42 tCO<sub>2</sub>eq/t concentrate of scope 1, 2 and 3 emissions
- 0.41 m<sup>3</sup>/t of ore processed of external water consumption
- 87% of non-mining waste diverted from disposal
- 9% of reused/recycled mining waste

(1) In addition to 3 members from the Top Management.



## Milestones in 2021



Meet or increase annual production below the lower end of cost guidance



Implementation of the Compliance and criminal risk control system



Beginning of negotiations to draw up an Equality Plan



Hiring of a significant number of people to support the archaeological excavations



Accomplishment of materiality analysis and develop first sustainability report



Development of several actions to reinforce the safety of key elements such as tallings deposits, waste dumps and excavations



Authorization of the 50 MW Photovoltaic Solar Plant for self-consumption of energy



Creation of an industrial school for the unemployed of the local region



Formalization of an internal R&D working group



# Atalaya Mining, premier pure-play copper producer in Europe

## 3.1/ Description of the Atalaya Mining Group

Atalaya<sup>2</sup> is a fast-growing AIM and TSX-listed mining and development company which produces copper concentrates at its wholly owned Proyecto Riotinto site in southwest Spain. Atalaya’s current operations include the Cerro Colorado open pit mine and a modern 15Mtpa processing plant, which has the potential to become a processing hub for material from wholly owned regional projects currently in the permitting stage.

Atalaya strives to become a leading multi-asset copper producer in Europe, maximising the potential value of its current low-risk assets and further exploring new opportunities.

Our expertise and knowledge of the copper market, coupled with our deep entrenchment with the communities in which we operate, ensures that we will achieve the best results for all stakeholders, employees, and local communities.

(2) Atalaya or the Company refers to Atalaya Mining plc.

## Our Company and its history in brief



## Our mission, vision and values



### Mission:

**Responsibly Increasing Long Term Value for All Stakeholders**

Atalaya Mining implements its strategic objectives to ensure the ongoing stable growth of the Company. Protecting and enhancing the value for all stakeholders is of paramount importance, and the Company continuously looks at opportunities to achieve this.



### Vision:

**Operational Expertise that Delivers**

Atalaya Mining continues to build on its success at Proyecto Riotinto, increasing production and capacity, with a view to becoming a multi-asset producer. It maintains a focus on the development of low-cost, low-risk assets in mining-favorable jurisdictions.



### Values:

**A Committed duty to a Safe and Ethical & Working Environment**

Atalaya Mining is committed to responsible mining and upholds its core principles of honesty and accountability. The Company works with all stakeholders to ensure that its values are completely aligned with the local community and environment.



## Company structure

Atalaya Mining plc is the parent company of a number of entities<sup>2</sup>. Among the most important, the entity Atalaya Riotinto Minera S.L.U manages Proyecto Riotinto, which is currently in operation and represents the majority of the quantitative indicators to which this sustainability report refers.

In addition, there are other entities that mainly manage projects in the exploration and permitting phase, such as the entity Cobre San Rafael S.L., in charge of developing Proyecto Touro, Atalaya Masa Valverde, S.L., in charge of developing Masa Valverde and Rio Narcea Nickel, S.L. in charge of developing Proyecto Ossa Morena.

(2) Atalaya Mining Group is comprised by: Atalaya Mining Group is comprised by: Atalaya Mining Plc, Atalaya Riotinto Minera SLU, Atalaya Minasderiotinto Project (UK) Ltd, EMED Marketing Ltd, EMED Mining Spain S.L, Eastern Mediterranean Exploration & Development SLU, Atalaya Touro (UK), Ltd., Recursos Cuenca Minera, S.L., Atalaya Servicios Mineros, SLU, Fundacion Atalaya Riotinto, Cobre San Rafael, S.L., Atalaya Financing, Ltd, Atalaya Masa Valverde, SL, Atalaya Ossa Morena SL, Explotaciones Gallegas del Cobre, S.L.



### Atalaya's salient features

#### STRONG PIPELINE OF ORGANIC GROWTH PROJECTS

Atalaya develops its projects exploiting common or existing infrastructure. The Company is carrying out some explorations in adjacent or nearby orebodies, which implies a low CAPEX and a potential for high returns. Furthermore, Atalaya is promoting in Touro (Galicia) a second project to complement its portfolio.

#### PREMIER PURE- PLAY COPPER PRODUCER IN EUROPE

In 2021 Atalaya has achieved a strong copper production (56,097 tonnes) thanks to its high recovery rates (85.97%).

#### COPPER PRODUCER WITH SCALE, GROWTH AND CONSISTENCY

Processing 15 Mtpa, Atalaya has sufficient reserves to support a long mine life at Proyecto Riotinto.

#### LED BY TEAM OF PROVEN MINE BUILDERS AND OPERATORS

Atalaya's team has a strong track record in executing capital projects, with significant in-house capabilities, which helps to reduce costs and ensure the best performance.

#### ESG ALIGNED WITH BEST PRACTICES

Atalaya counts on strong relationships with the local communities and several environmental, social and health and safety initiatives aligned with industry best practices.

#### LOW RISK INVESTMENT PROPOSITION

Atalaya has its assets in top mining jurisdictions, is generating robust cash flow and has a strong balance sheet.

#### CONSOLIDATED PROJECT WITH A STRONG FOCUS ON SAFETY IN ALL OPERATIONS

The Safety of Proyecto Riotinto has been a priority from the beginning, designed with safety factors beyond what is legally required.

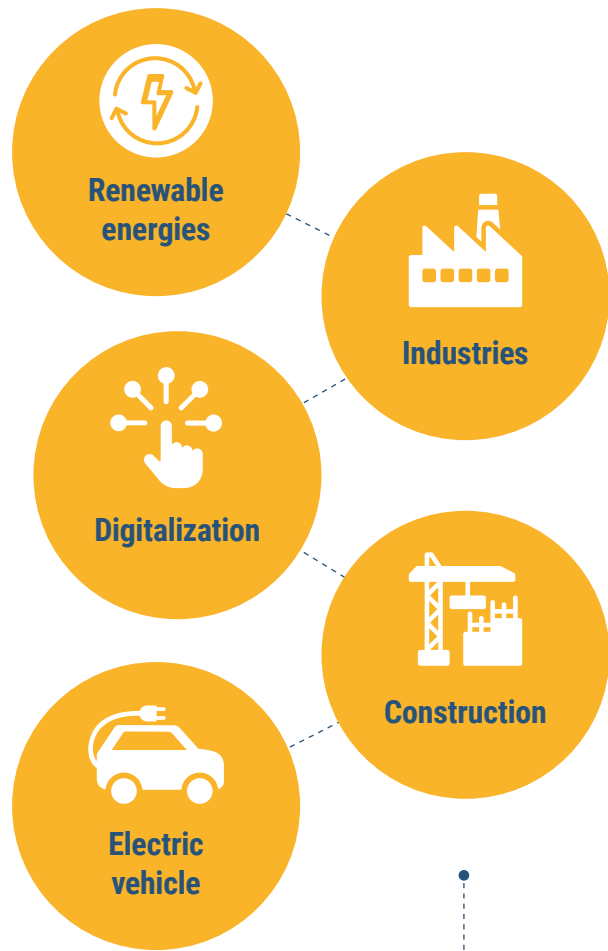
#### GENERATION OF A LARGE NUMBER OF JOBS, MAINLY FOR LOCAL COMMUNITIES

More than 500 people are currently part of the Atalaya's staff, 68% come from the province of Mining Basin, as well as, a large number of jobs through subcontractors and business that provide services to Atalaya.

### 3.2/ Focusing on the exploitation of a critical metal for the energy transition and the fight against climate change

Atalaya focuses on an essential raw material market with strong fundamentals.

- 1/** Copper is **fundamental to the sustainable development** of the world economy and will continue to contribute to its growth. Its use is indispensable in strategic sectors and activities to meet energy transition and climate change mitigation goals.
- 2/** Copper market **exhibits strong fundamentals** driven by growing demand and the many barriers to adding new supply.
- 3/** Obtaining the resource is technically, financially, socially and environmentally complex. This context is generating a consensus around a **scenario of high copper prices** in the medium and long term.



### Main fundamentals in Copper market. Critical factors affecting supply and demand

**SUPPLY**

- \* Rising prices allow producers to reduce cut-off grades
- \* Investor optimism is expected to reduce investment hurdle rates
- \* Increased sourcing from scrap

- \* Decreasing asset quality
- \* Increasing ESG standards add to project complexity
- \* Return of capex inflation
- \* Few new discoveries
- \* Return of resource nationalism

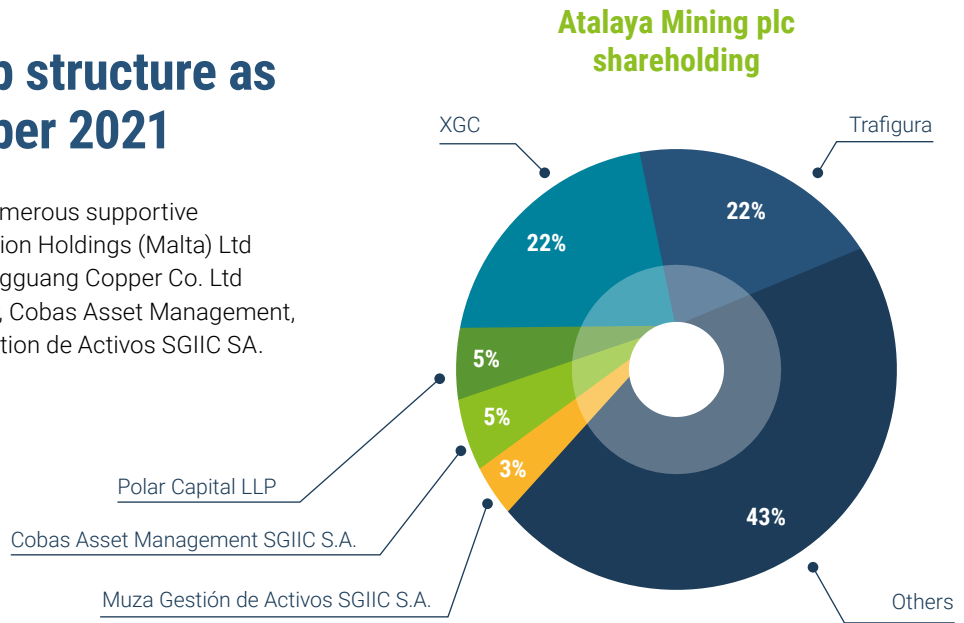
**DEMAND**

- \* Critical to decarbonisation
- \* Demand for electric vehicles
- \* Global stimulus spending in response to COVID
- \* Continued urbanisation in emerging economies

- \* Substitution in certain products (i.e. with aluminium)
- \* "Thrifting" of volumes in end-products, where possible

### 3.3/ Ownership structure as at 31 December 2021

Atalaya Mining plc has numerous supportive shareholders including Urion Holdings (Malta) Ltd (“Trafigura”), Yanggu Xiangguang Copper Co. Ltd (“XGC”), Polar Capital LLP, Cobas Asset Management, SGIIC, S.A. and Muza Gestión de Activos SGIIC SA.



### 3.4/ Our portfolio

Atalaya Mining has a portfolio of assets comprising an operating mine (Proyecto Riotinto) and others that constitute options for future growth.

Among them is Proyecto Touro, which is currently in the permitting phase. The Company is currently working with a number of key administrative bodies to address additional information requests about this project.

In addition, the Company is progressing in the development of other projects, which are still in the exploration and permitting phase, all of them located in the Riotinto district.

In December 2021, Atalaya announced the acquisition of a 51% interest in Rio Narcea Nickel, S.L., which owns 17 investigation permits. The acquisition of a 100% interest in three investigation permits that are also located along the Ossa-Morena Metallogenic Belt.

**E-LIX PROJECT**  
A system with potential to unlock value from complex ores

**RIOTINTO DISTRICT**  
Proyecto Riotinto  
San Dionisio / Planes San Antonio  
Masa Valverde








# Proyecto RIOTINTO (Operating phase)

## Mine information

Riotinto is a conventional open-pit mine located in the geographical area of Huelva (Andalusia Autonomous Region). The mine currently includes processing facilities (i.e crushing, grinding, flotation), waste dumps, tailings and water and auxiliary facilities. The concentrate is transported by road to Huelva port. The operations completed in 2019 an expansion project which increased total processing levels to 15 Mtpa.

## Key Figures 2021

	<b>56 kt Cu</b> ..... Annual production
	<b>&gt; 10 years</b> ..... Mine life
	<b>2.48 US\$/Lb</b> ..... AISC
	<b>~186 Mt</b> ..... Ore reserves <sup>3</sup>
	<b>15 Mt</b> ..... Processing capacity
	<b>~ 702 kt Cu</b> ..... Contained reserves

(3) Atalaya Mining announcement dated 24 June 2021.



## Main Features

A desire to remain in the territory through efficient operations and the acquisition of satellite deposits. Despite operating in a complicated orography and with a low copper content, the implementation of an integrated management system between the mine and industrial operations has maximised efficiency in the process. Existence of a tailings dam that meets international standards above those established in Spanish regulations.

### Our greatest pride, the socio-economic impact of Proyecto Riotinto

In January 2015, the construction project for the new Riotinto mine began, which started production in 2016.

From that period of reconstruction and modernisation to the present day, at maximum production, Proyecto Riotinto has become a driving force for the region; this power has had the primary effect of socio-economic revitalisation of the Mining Basin, in the province of Huelva.

Throughout this process, the Company’s workforce has grown significantly (to more than 500 people today). Likewise, the contractor companies that carry out continuous operations added to those that carry out specific tasks raise the number of people that access the installations daily to over 700 people.

The influence of mining activities and their capacity to generate employment has had an effect on the labour demand factor in the municipalities that make up the Mining Basin of Riotinto region.

In some of them, the drop in the demand for employment has reached up to 50%.

#### Direct employments

- 503 employees.
- 68% of employees from the local community.
- 1174 €/month salary in lower skilled positions (+84% minimum inter-professional wage).

#### Our socioeconomic footprint

- 700 employees from contractors work in our site (1,000 when developing construction or maintenance activities).
- Other indirect and induced employment in other businesses and activities serving the mine (Collaboration with 588 suppliers in the last year).

“A mine with long history which brings a prosperous future for the riotinto basin”

### A district with a long history

The Riotinto mines have a long history, starting to be exploited in 700 BC. The arrival of the Romans to the Iberian Peninsula, implied the mining reaching its moment of maximum splendour, opening deep galleries. Over the following centuries, the mines were mined intermittently. They were occupied by the British in the 19th century, which boosted the area in a different way from its geographical context, with increased growth, higher education rates and better socio-cultural conditions from other areas.

In more recent times, the mines were closed permanently in 2001, due to the fall of metal prices. This resulted in negative consequences for the area, with the disappearance of economic activity, higher unemployment and environmental degradation.

Finally, Atalaya Mining plc’s proposal of a new mining project allowed, in 2015, to restart mining with an approach adapted to the most demanding standards in terms of sustainability and efficiency. Since then, the mine has become a driving force for the region, which has led to the socio-economic revitalisation of the Riotinto Mining Basin.



# Proyecto TOURO






## (Permitting phase)

### Project information

Atalaya is focused on creating a portfolio that combines producing, development and exploration assets and Proyecto Tour is considered as a low-geographical-risk first step in achieving this goal.

Touro consists of a past-producing open-pit mine, which is located in the Galicia, Autonomous Region, in the north of Spain. Atalaya Mining entered into a phased earn in agreement in 2017 to acquire up to 80% ownership. The project includes strong infrastructure in place, with a high voltage power and a road network providing access to an international airport and a number of deep-water ports.

### Key Figures 2021

	<b>30 kt Cu</b> ..... Annual production
	<b>&gt; 12 years</b> ..... Mine life
	<b>80%</b> ..... Ownership, post earn-in <sup>4</sup>
	<b>90 Mt</b> ..... Ore reserves
	<b>~170 Mt</b> ..... Ore resources <sup>5</sup>
	<b>~390 kt Cu</b> ..... Contained reserves

(4) Atalaya Mining announcement dated 23 Feb 2017.

(5) M.&I resources, inclusive of reserves.

### Main Features

- » Excellent project with a globally outstanding approach.
- » Inspired by a zero environmental risk philosophy and will promote restoration in parallel with project development.
- » The project will provide other benefits such as managing historical environmental liabilities, reducing the carbon footprint and boosting local socio-economic development.
- » The Company is promoting the project in a transparent manner, maintaining a close relationship with stakeholders and getting involved in supporting community interest initiatives.

### “World-class approach to design a new project”

After getting a negative environmental impact statement, Atalaya is preparing a new project approach that is designed with a “Zero Risk” philosophy with respect to the environment and downstream water systems. The project will eliminate water over tailings, will provide solutions for historical environmental impacts and will promote ESG initiatives (e.g reduction of carbon footprint).

The project also plans to use local workforce and service companies, engagement with local communities and operation excellence.





## Other projects in Riotinto District (Exploration and permitting phase)

Unmined orebodies adjacent to current pit (San Dionisio and planes-San Antonio) and a Potential satellite deposit (Masa Valverde)

### San Dionisio and Planes-San Antonio



San Dionisio offers potential for open pit mining of copper-only ore adjacent to existing infrastructure. Historical mining records exist and drilling information has been verified by Atalaya through 48 drill holes. Atalaya plans to develop economic studies, including a new mine plan that combines San Dionisio and Cerro Colorado.

### Masa Valverde



Masa Valverde is among the largest undeveloped VMS (Volcanogenic massive sulfide) deposits in the prolific Iberian Pyrite Belt. Atalaya acquired it in October 2020 and project area includes two exploration permits that cover an area of 4,000 hectares. The company has filed for environmental permits and it is currently developing an exploration campaign with 2 rigs.



### Historical Resources

#### San Dionisio

**17.2 Mt at 1.45% Cu**  
(Alfredo stockwork)

**45 Mt at 0.88% Cu and 2.2.% Zn**  
(massive sulphide)

#### Planes San-Antonio

**9.1 Mt at 1.67% Cu and 2.13% Zn**

#### Masa Valverde

**66 Mt at 2.57% Cu<sub>eg</sub><sup>6</sup>**

(6) Masa Valverde deposit, as at Dec-2017; based on 66 Mt at 0.67% Cu, 1.92% Zn, 0.90% Pb, 34 g/t Ag and 0.63 g/tAu and metals prices in Oct-2020. Excludes the Majadales deposit.

## E-LIX

### A system with potential to unlock value from complex ores

#### Project Information

Atalaya is operating a 5tpd pilot plant at Riotinto with a newly developed electrochemical extraction process, for which Atalaya has an exclusive license in Spain and Portugal. This process involves the application of

singular catalysts and physicochemical conditions. The project obtained optimal results proven for global concentrates including Copper and Zinc. Therefore, Atalaya has commissioned a feasibility study to evaluate the development of an industrial scale plant. This system has the potential to unlock value from complex ores such as the Atalaya's Copper- Zinc deposits, or other deposits in the Iberian Pyrite Belt and beyond. In addition, this project has the potential for cost savings due to the reduced charges associated to transportation or treatment, which would result in a reduction on carbon emissions.

### 3.5/ Growth strategy

Atalaya intends to grow and expand, pursuing opportunities where it can add value. The Company maintains a long-standing philosophy based on achieving operational excellence and extending the life of its current operations and developing options for future growth.

The idea is to build on the success of Proyecto Riotinto by increasing production and capacity, with a view to becoming multi-asset producer. The strategy is to focus on developing low-cost, low-risk assets in mining-friendly jurisdictions. The Company aims to diversify, both in assets and commodities, where it already has the necessary know-how and experience.

As for the assets, Atalaya's main operation is Riotinto, a mine that processes approximately 15 million tonnes of ore per year to produce 250,000 tonnes of concentrate (obtaining 55,000 tonnes of copper). Atalaya is exploring the nearby orebodies, where it is possible to add value through technologies such as the E-LIX System (owned by Lain Technologies Ltd) that would maximise the value of complex sulphides in the Riotinto District and the Pyrite Belt. In this sense, the evaluation of high grade brownfield orebodies increases options and mine life.

In addition to Riotinto District, the short-term objective is Proyecto Touro, where the Company wishes to develop a world-class mine, being an example of sustainable mining. Touro is a critical project to create value and support the Company's growth.

Atalaya is also evaluating external opportunities that leverage core capabilities such as the new prospects in Pyrite Belt as Masa Valverde and other safe mining jurisdictions.

In December 2021, Atalaya announced the acquisition of a 51% interest in Rio Narcea Nickel, S.L., which owns 17 investigation permits, as well as the acquisition of a 100% interest in three investigation permits that are also located along the Ossa-Morena Metallogenic Belt.

In this ambition for growth, Atalaya is looking to other countries where it can perform its activity, preferably in Latin America and Europe. In addition, the Company will consider the benefits of moving its listing to the London Main Market at the right time.

### 3.6/ A project with a collaborative approach

Atalaya promotes, alongside other participants in the sector, a collaborative approach based on the exchange of knowledge, best practices and analysis of common problems, as we are aware of the benefits this can bring to the sustainable development of mining activity and the multiplication of the positive impacts it can have on the territory.

In this way, the Company performs actions such as maintaining constant dialogue with peers from the sector as well as organising frequent visits and talks.



*Atalaya is member of the Association of Research, Extractive, Mining-Metallurgical, Auxiliary and Service Companies (AMINER) with which it collaborates on numerous projects of interest to the sector in Spain.*

# 4/ Our commitment to sustainability



## Our milestones in 2021

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- 1/ Management approval of a corporate Sustainability Policy.
- 2/ Elaboration of a sustainability strategy.
- 3/ Creation of a sustainability department.
- 4/ Creation of a Sustainability Committee within the Riotinto Project to monitor compliance with the Company's sustainability policy and strategy.
- 5/ Joining the Spanish Network of the United Nations Global Compact.
- 6/ Development of the Company's first materiality assessment according to GRI and other standards criteria.

## Objectives 2022

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- 1/ Formalize a climate change mitigation and adaptation strategy to identify climate risks and opportunities.
- 2/ Renewing our commitment to the UN Global Compact and its 10 principles.
- 3/ Conduct a study of the social impact of our activity (social capital).
- 4/ Continue to develop corporate ESG policies.
- 5/ Conduct a study of the impact of our activity on the Sustainable Development Goals and establish indicators for monitoring.
- 6/ Continue internal and external dissemination of ESG initiatives and results.

## Our management approach

Atalaya Mining plc is committed to sustainability and to conducting its activities in accordance with the highest Environmental, Social and Governance standards.

Mining, due to its characteristics, is an activity that can generate significant impacts in the areas where it is carried out. However, if properly managed, negative impacts can be mitigated and mining can become an engine for generating wealth, developing the human capital of the local community and promoting environmental projects that ensure the conservation of the environment for future generations to enjoy. At the same time, mining commodities such as copper play a key role in helping society to achieve an environmentally friendly future.

Atalaya has developed its operation in accordance with these principles since the beginning of its activity in 2015, offering the Riotinto Mining Basin a mining project that has been a source of prosperity and sustainable development for the region, having achieved outstanding results since mine restart.

To formalize this commitment with sustainability, the Company approved a **specific corporate policy** in this area in 2021. This policy was based on a diagnosis developed previously, which made it possible to assess

the state of management of the different aspects included in sustainability, as well as some priorities to be undertaken. Among other issues, this policy covers social, environmental and governance aspects. It also includes commitments on operational safety, occupational health and safety and commitment to innovation.

Since the approval of this policy, the Company has implemented several steps throughout the year to further integrate sustainability into the organization. These include the creation of a **specific department** with the mission of implementing the necessary procedures and practices<sup>7</sup>. This department also has the support of a specific body, the **Sustainability Committee**, composed management from the operation and departments of HR, safety, environment, communication and R&D among others, which are coordinated by the sustainability department. This Committee will ensure compliance with the policy, as well as the priorities that may be established in management.

(7) The company's management approach to sustainability is supported by systems and procedures developed by other areas of the company such as environment, safety and quality, which are explained in detail in other chapters of this report. Some of these systems are certified according to external standards such as ISO 45001, ISO 14001 and ISO 9001. Although the scope of these systems is limited to the Proyecto Riotinto, other subsidiaries of Atalaya Mining Plc are working to implement similar management standards. A notable initiative in this area is the implementation by Cobre San Rafael of the UNE sustainable mining standard for geological exploration activities.

## Our achievements in ESG (2015-2020)

### Environmental

- Management certified in accordance with the highest standards.
- Continuous improvement in environmental performance and resource consumption.
- Implementation of biodiversity conservation projects.
- Promotion of the circular economy and proper waste management.
- Development of pioneering projects and techniques through collaboration with other organizations in R&D.
- Rehabilitation of the environment, even assuming environmental liabilities prior to the company's activity.

### Social

- Promotion of local employment.
- Development of our talent in order to have a trained staff to develop activities in an efficient, safe and responsible way with the environment.
- Creation of Works Council and other bodies to promote social dialogue and coordination of efforts in key areas.
- Local purchasing.
- Development of a mining project with safety standards higher than those required by law.
- Historical heritage management.
- Creation of Atalaya Riotinto Minera Foundation, for CSR management in the local community.

### Governance

- Approval of operational policies: Environment, Health and Safety, quality and prevention of serious accidents.
- Legal compliance.
- Ethics and transparency.
- Risk and opportunity analysis.
- Creation of a structure for the management of ESG aspects.
- Incorporation of sustainability and ESG aspects in our dialogue with shareholders and other stakeholders.
- €1.8 million through Atalaya Riotinto Foundation for projects in the local community.

**ATALAYA MINING  
SUSTAINABILITY POLICY**



*This Sustainability policy can be downloaded from the Company's website*



Finally, with regard to the Company's commitment to sustainability, it is also worth mentioning the adhesion of Atalaya to various prestigious corporate frameworks and initiatives, thus joining forces with other companies and organizations to advance in the achievement of major sustainability goals, such as the UN Global Compact<sup>8</sup> and the sustainable development goals. Specifically, with regard to the latter initiative, the Company plans to carry out a specific impact study to assess the contribution of its activities to its achievement and to establish indicators for its monitoring.

**ATALAYA MINING'S PARTICIPATION IN THE CLIMATE AMBITION ACCELERATOR PROMOTED BY UN GLOBAL COMPACT**

Atalaya Mining has participated in 2021 in this programme designed to equip companies with the knowledge and skills they need to accelerate progress towards setting science-based emissions reduction targets aligned with the 1.5 °C pathway, putting them on a pathway to net zero emissions by 2050.



(8) In the GRI Content Index (see Annex II), a column has been included with the correspondence of each indicator with the Global Compact principles.

**Our strategy for the future**

Although Proyecto Riotinto concentrates the Company's main impacts and efforts, Atalaya Mining Plc, as a corporation, considers sustainability as a critical element in its future growth, as well as for the good performance in the operations of the rest of the Company's projects, even though these are not yet in the operational phase.

To this end, the Company, as a whole, **has developed a specific sustainability strategy** to ensure that the management of its operations and the proposal of new projects are aligned with the principles of the aforementioned policy.

This strategy also aims to ensure that the sustainable exploitation of its projects **provides society with essential raw materials required for the achievement of the goals established by the main national and international sustainability policies** such as climate change mitigation and energy transition.

The strategy has been designed to ensure compliance with the various axes contemplated in the policy and innovation and technology, and defines specific lines of work for each area. The structure of this sustainability report is aligned with the strategy, with specific chapters dedicated to explaining the management and performance achieved by the Company in each of the axes.

## - Atalaya Mining's Sustainability Strategy. Main axes and goals -

	Policy main axes	Main axes	Sustainable development goals
<b>Good governance</b>	Ensure a sound system of good corporate governance, integrating the achievement of sustainable development goals as a strategy in decision making.	Sustainable Good Governance Human Rights Code of Conduct Fight against corruption in all its forms Transparency and accountability	8, 10, 16, 17
	Implement effective risk and opportunity management strategies and systems for our mining operations.	Legal compliance Risks and Opportunities	
<b>People</b>	Promote quality employment, enabling people's personal and professional development and contributing to inclusive and sustainable economic growth.	People in the organization	5, 8, 10
		Freedom of association and collective bargaining	
		Gender equality	
		Integration of diversity	
		Towards a sustainable corporate culture	
		Talent management	
		Communication channels	
<b>Safe operation</b>	Prioritise safe operation, striving for continuous improvement in the area of people's safety and health with the ultimate goal of zero harm.	Continuous improvement	3, 8, 9, 12
		Training	
		Hazardous materials management	
		Mining waste management	
		Monitoring and communication	
		Emergencies	
<b>Environment and climate change</b>	Respecting the natural environment, maintaining a preventive approach that pursues continuous improvement in the environmental performance of operations, integrating the fight against climate change into the sustainable strategy.	Preventive approach	6, 7, 9, 12, 13, 15
		Biodiversity protection	
		Promotion of Circular Economy	
		Emission to the air. Mitigation, compensation and climate change adaptation	
		Water sustainable management	
	Monitoring and communication		
	Environmental training		
Proactively participate in the achievement of lasting territorial development, beyond the life of the mine, by promoting the creation of alternative territorial capital.	Restoration and closure		
<b>Society</b>	To contribute to the development of the territories where we operate, participating in the improvement of the living conditions of our environment from a perspective of social responsibility.	Local communities Cultural heritage	8, 11, 12, 17
	To transfer our culture of sustainability to our entire value chain.	Suppliers, contractors and supply chain Customers Investors and shareholders	
	Respond with transparency to our stakeholders, through economic, environmental and social performance indicators, with a focus on integrity, comparability and accuracy in the information generated.	Communication	
<b>Innovation and technology</b>	Promote innovation, through research and development of sustainable technologies and circular economy processes, establishing alliances and collaborations with other stakeholders.	Commitment to innovation	8, 12, 17

**UN Sustainable development goals:**



The approval of this new sustainability strategy coincides with an important change in the Company's internal culture, which has also resulted in the aforementioned creation of a specific department in charge of the global management of ESG aspects and the incorporation of sustainability in our dialogue with investors and other stakeholders.

The implementation of the defined priorities extends beyond Project Riotinto and encourage the adoption of its principles and procedures in the rest of the projects under development (see attached tables).



### Touro. A world-class approach based on sustainability and transparency to develop a new mining project in Spain

Atalaya, with the support of independent experts, is preparing a project approach that meets the standards required to receive permission by regional authorities to develop a new mining project in Touro (Galicia).

This approach, according to the sustainable commitment of the Company, is being designed considering the most stringent standards, like a "zero risk" philosophy with respect to the environment and downstream water systems.

Furthermore, the project contemplates other central aspects of Atalaya's philosophy, such as transparency, constant dialogue with stakeholders and the proposal of the project as an engine for the generation of employment and wealth that benefits the surrounding communities.

In addition, within the framework of this project, the company has undertaken two other initiatives of great interest from the point of view of sustainability. One of these has been to carry out a valuation of the natural capital associated with the project (see other box). Likewise, in collaboration with the Galician Chamber of Commerce, Cobre San Rafael has begun to implement the UNE-EN-22480 and UNE-EN-22470 standards for sustainable mining management, which will enable the company to develop a system for continuous improvement in this area. Final implementation is planned for 2022.



### Economic valuation of the natural capital associated with the Cobre San Rafael project (Touro)

Knowledge of ecosystem services helps to understand ecosystem functions and the resource flows provided by natural capital. These flows (provision of raw materials, food, climate regulation, soil or cultural functions) enable local communities and society, at different levels, to enjoy well-being.

In the framework of our Proyecto Touro, in collaboration with the University of Salamanca, the study "Economic valuation of the natural capital associated with the Cobre San Rafael project" has been carried out.

The scope includes the identification, mapping and valuation of ecosystem services within the project area to value the natural capital. With this information, the ecosystem services and natural capital are then valued after the implementation of the mining project and its associated restoration plan, resulting in a positive balance in favour of natural capital.

The valuation has been carried out according to the Natural Capital Protocol published by the Natural Capital Coalition, as well as according to the UNE-EN ISO 14008:2020 standard on Monetary valuation of environmental impacts and related environmental aspects.

## Transparent communication of our material impacts

Transparent communication of our impacts and achievements is a very important step in the consolidation of the Company's sustainability culture.

This report constitutes the first Sustainability Report of the Company and thanks to its alignment with the prestigious global standard (GRI - Global Reporting Initiative) enables us to communicate to our stakeholders our performance in those areas that are most material to them.

To make this objective possible, prior to the development of the report, the Company has completed a materiality assessment to define which aspects are key in terms of sustainability. This analysis has been carried out in accordance with the criteria set out in the applicable regulations and main standards and has involved the analysis of the main impacts of the organization in terms of sustainable development, their potential importance from a financial point of view and the relevance given to them by stakeholders<sup>9</sup>.

## Stakeholder engagement

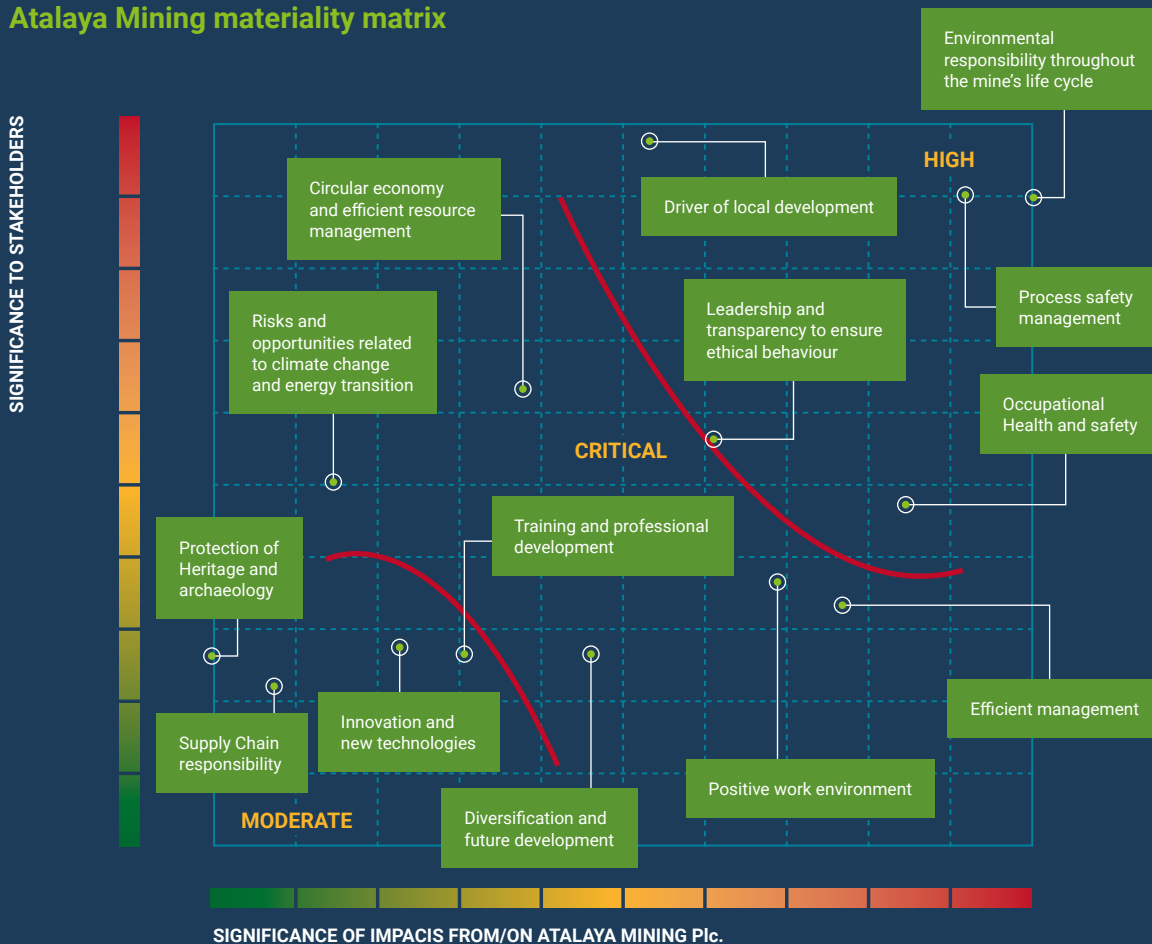
For Atalaya Mining, meeting the legitimate expectations of its stakeholders is one of the cornerstones of sustainability management. This is recognised in the Sustainability Policy approved by the Company.

Atalaya identifies and constantly evaluates the stakeholders that are key to its activities, considering as such those groups that are either affected by the Company's operations or impacts, or may have an influence on Atalaya through their decisions.

The Company assesses the main expectations and areas of interest of these groups and has also established various channels to respond to any queries or information needs they may have. Specifically, the Company has analysed the issues of importance to its stakeholders, having developed specific consultations within the framework of the materiality analysis on which this sustainability report is based.

(9) For more information on the methodology followed by the company in this activity, please refer to Appendix 1 of this report.

Atalaya Mining materiality matrix





Stakeholders	Aspects of interest	Channels of communication
<b>Employees</b>	<ul style="list-style-type: none"> <li>» Health and safety conditions</li> <li>» Professional development</li> <li>» Good working environment</li> <li>» Conciliation</li> <li>» Transparency and participation</li> <li>» Commitment to sustainability</li> </ul>	<ul style="list-style-type: none"> <li>» Intranet</li> <li>» Internal TV screens</li> <li>» Social media and whatsapp channel</li> <li>» Newsletters</li> <li>» Meetings and events</li> </ul>
<b>Local community</b>	<ul style="list-style-type: none"> <li>» Employment generation and economic diversification</li> <li>» Maintenance of the activity and compatibility with other sectors.</li> <li>» Training of the population and attention to social and cultural needs</li> <li>» Information on operations and smooth response to incidents</li> <li>» Environmental management</li> </ul>	<ul style="list-style-type: none"> <li>» Newsletter</li> <li>» Briefings and events</li> <li>» Social networks and whatsapp channel</li> <li>» Media</li> <li>» Website</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>» Economic-financial information and operational performance.</li> <li>» ESG policies and criteria adopted in management</li> <li>» Forecasts</li> <li>» Long-term profitability</li> <li>» Shareholder returns (included dividends)</li> <li>» Share price performance</li> </ul>	<ul style="list-style-type: none"> <li>» Releases area in the webpage</li> <li>» Investor relations contact</li> <li>» News releases</li> <li>» Posting on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR)</li> <li>» Disclosure to relevant stock markets of all material information</li> <li>» Investor presentations, roadshows and conference calls</li> <li>» General Meetings of the Company</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>» Compliance with agreed commitments (deadlines, quality, prices, etc.)</li> <li>» Sustainability of the Business Plan</li> <li>» Effective resolution of complaints</li> <li>» Technical advice and information on the products manufactured</li> <li>» Improvement of the quality of the concentrate marketed</li> <li>» Information on delivery times, status</li> </ul>	<ul style="list-style-type: none"> <li>» Commercial area</li> <li>» Customer satisfaction survey</li> <li>» Annual activity report</li> <li>» Commercial analysis of market trends</li> </ul>
<b>Public Administration</b>	<ul style="list-style-type: none"> <li>» Compliance with legal requirements (environmental, mining, heritage protection, labour, safety)</li> <li>» Timely response to any requirement</li> <li>» Transparency and reputation of the Company</li> </ul>	<ul style="list-style-type: none"> <li>» Submission of projects and reports (compliance with legal requirements), publications, site visits, etc.</li> <li>» Direct site visits</li> </ul>
<b>Suppliers and contractors</b>	<ul style="list-style-type: none"> <li>» Agility, transparency and compliance in the management of contracts, documentation of the coordination of activities and payments</li> <li>» Development and application of new technologies</li> </ul>	<ul style="list-style-type: none"> <li>» Purchasing Management and Supplier Evaluation</li> <li>» Face-to-face coordination meetings</li> </ul>
<b>NGOs and local associations</b>	<ul style="list-style-type: none"> <li>» Commitment to the environment, heritage and surroundings</li> <li>» Smooth response to requests for information</li> </ul>	<ul style="list-style-type: none"> <li>» Issuance of environmental reports and assessments</li> <li>» Media and communications</li> <li>» Website and social media</li> <li>» Newsletter</li> <li>» Publications</li> <li>» Visits</li> </ul>
<b>Industry bodies</b>	<ul style="list-style-type: none"> <li>» Negotiation of agreements and sectoral positions before the administration.</li> <li>» Identification of opportunities</li> <li>» Knowledge exchange</li> </ul>	<ul style="list-style-type: none"> <li>» Participation in the industry body (AMINER)</li> </ul>
<b>Universities</b>	<ul style="list-style-type: none"> <li>» Collaboration agreements (R&amp;D activities, heritage management, environmental protection, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>» Annual meetings</li> <li>» Cooperation agreements</li> <li>» Publications</li> <li>» Visits</li> </ul>
<b>Research centers</b>	<ul style="list-style-type: none"> <li>» Generation, development, transfer and dissemination of knowledge under a framework of collaborative agreements</li> </ul>	<ul style="list-style-type: none"> <li>» Annual meetings</li> <li>» Cooperation agreements</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>» Protection of historical heritage</li> <li>» Protection of the environment</li> </ul>	<ul style="list-style-type: none"> <li>» Publications</li> <li>» Visits</li> </ul>
<b>Trade unions</b>	<ul style="list-style-type: none"> <li>» Respect for working and safety conditions</li> <li>» Conflict resolution</li> </ul>	<ul style="list-style-type: none"> <li>» Meetings</li> </ul>

\* In addition to the channels explicitly mentioned in this table, the Company maintains continuous interaction with these stakeholders through the areas in charge of managing the different aspects related to them.

5/

# Good governance and responsible management

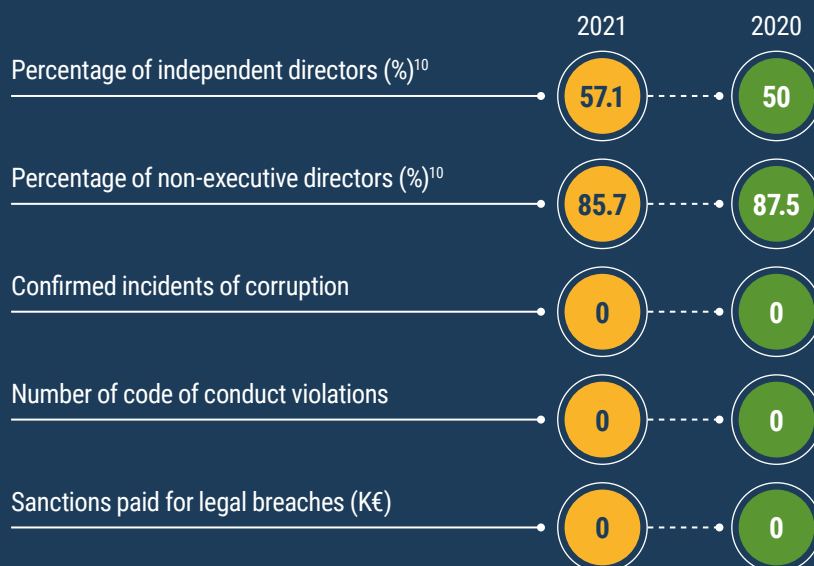
## Our milestones in 2021

- 1/ Departure of a non-independent director and an independent director and appointment of an independent replacement
- 2/ Initiation of the implementation of the compliance and Criminal Risk Control System.
- 3/ Payment by Atalaya of €53 million to Astor Management AG in satisfaction of a judgment resulted in the commencement of the Proyecto Riotinto operation.

## Objectives 2022

- 1/ Continuation of the compliance system with its policies, procedures and KPIs.
- 2/ Certification of the compliance system
- 3/ Further development and consolidation of ESG policies
- 4/ Improve Board diversity

## Our performance 2020-2021



(10) As at 31 December 2021



## 5.1/ Good Governance

Atalaya Mining plc largely attributes its success to good governance within its organization and recognises the importance of responsible management in order to deliver a good performance and meet its environmental, social and governance commitments and desires. The good governance in Atalaya rules the relations between shareholders, Board of Directors and Management of the Company, generating transparency, trust, credibility and security.

The implementation of an Integrated Management System is also an important tool in assuring good governance and efficient management of the Company. This system covers all the processes developed in the key asset of the Company and affects the final quality perceived by the customer, the environment and occupational safety. This system is certified against the most exigent international standards and is subject to internal and external audits. One of our objectives for the coming year is to include the compliance system in this verification and certification system.

**COMMITTED TO THE APPLICATION OF SOUND CORPORATE GOVERNANCE**

As a AIM and TSX listed Company, Atalaya complies with recognised corporate governance codes such as the QCA Code (Quoted Company Alliance)<sup>(11)</sup> and the National Policy 58-201 of the Canadian Securities Administrators.

QUOTED  
COMPANIES  
ALLIANCE

THE QCA  
CORPORATE GOVERNANCE  
CODE



(11) The Company disclosures against these codes may be found in the [web page](#).

## Governance structure

### BOARD OF DIRECTORS STRUCTURE

The Company has a unitary Board comprising one executive director and six non-executive directors, four of which are independent. The Board is structured in such a way that there is a clear balance of authority, ensuring that no director has unfettered powers.

The Board has the final responsibility for the success of the operations of the Company. It must ensure that management has in place appropriate processes for strategic planning and risk assessment, internal control and monitor performance against benchmarks. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

The Board is in continuous contact with the CEO who is the executive director of any aspect related with the environmental, social, operational and economic development of the Company.

The Board is assisted in its responsibilities by three Board Committees. The Chair of each Committee reports to the Board following each Committee meeting,

**“The Company’s Board of Directors has an active ongoing process to identify potential gender diverse director candidates and plans to add at least one gender diverse director in the first half of 2022 and another gender diverse director before the 2023 Atalaya Annual General Meeting (AGM)”**

allowing the Board to understand and, if necessary, discuss matters in detail and consider the Committee’s recommendations (see figure).

The Company is currently undergoing a Board renewal process. An independent and a non-independent directors left the Board in 2021 and a new independent director was appointed.

The majority of the directors are independent, and bring a wide range of insights, ranging from an understanding of copper trends and needs, experience in the mining sector, financial expertise, audit expertise that ensure sound due diligence as well as knowledge of stock exchange legislation. All this allows us to manage successfully.

## Board of Directors

### Audit and Financial Risk Committee (“AFRC”)

- ✓ Reviews and monitors financial statements.
- ✓ Reviews Company’s public disclosure of financial information.
- ✓ Reviews estimates and judgements that are material to reported financial information.
- ✓ Oversees the auditors’ arrangements and performance
- ✓ Reviews internal and external risks of the Company.

Dr. Hussein Barma  
(Chairman)  
Mr. Roger Davey  
Mr. Stephen Scott

### Corporate Governance Nominating Compensation Committee (“CGNCC”)

- ✓ Reviews Directors’ compensation and performance.
- ✓ Reviews Corporate Governance of Atalaya and practices, independence, charter’s review, and structure.
- ✓ Compensation and performance of officers of Atalaya.
- ✓ Succession planning.

Stephen Scott (Chairman)  
Mr. Roger Davey  
Dr. Hussein Barma  
Mr. Damon Barber

### Physical Risk Committee (“PRC”)

- ✓ Oversees safety, health, environment and security matters of the Company.
- ✓ Oversees enterprise-wide physical risk management.
- ✓ Reviews compliance with legal and regulatory obligations relating to safety, health, and the environment.

Mr. Neil Gregson (Chairman)  
Mr. Roger Davey  
Mr. Stephen Scott

### REMUNERATION OF THE BOARD

The Corporate Governance, Nominating and Compensation Committee (GNCC) periodically reviews and, if advisable, approves and recommends for Board approval the compensation to be paid to Directors.

In the case of non-executive directors, this compensation is composed by fees paid out of the maximum aggregate amount approved by shareholders. The sum each non-executive Director is paid is determined by the CGNC Committee from time to time. Additional fees may be paid for chairing and participating on Board Committees.

Non-executive Directors may choose to receive shares in the Company as part of their compensation instead of receiving cash and may participate in equity schemes of the Company such as option plans, that are designed to encourage enhanced performance by the participant.

In addition, non-executive Directors get others benefits such us have their indemnity insurance paid by the Company.

“One of the main strengths of the Company lies in the diversity of skills within the Board and Senior Management, bringing different experiences and independence, thus ensuring management success. We are also proud to have a Board of Directors with representation from different countries and cultures, providing rich diversity”

### SENIOR MANAGEMENT

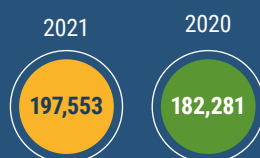
Atalaya counts with an internationally experienced management team with significant in-country expertise. The top management of the Company consists of the Chief Executive Officer, the Chief Financial Officer and the General Manager of Proyecto Riotinto. This team has decades of experience in the mining sector, as well as in project development and finance.

### Composition of the Board in Atalaya Mining plc\*

Name	Role	Position	Period of service
Roger Davey	Non-executive Chairman of the Board	Independent	may 2010
Alberto Lavandeira	Managing Director and Chief Executive Officer	Independent	may 2014
Dr. Hussein Barma	Non-executive Director and Chair of the AFRC	Independent	September 2015
Neil Gregson	Non-executive Director and Chair of the PRC	Independent	February 2021
Jesús Fernández	Non-executive Director	Non-independent	June 2015
Harry Liu	Non-executive Director	Non-independent	October 2010
Steve Scott	Non-executive Director and Chair of the GNCC	Independent	September 2015

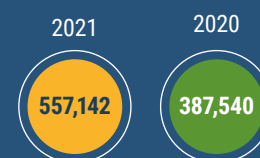
(\*) As at 31 December 2021

#### Average remuneration of directors



\* These figures include variable remuneration, attendance fees, severance pay, payment into long-term savings benefit systems and any other remuneration the Directors may get. Currently, all of our directors are men.

#### Average remuneration of Top management



\* Top management includes the CFO and the General Manager. These figures include variable remuneration, attendance fees, severance pay, payment into long-term savings benefit systems and any other remuneration that top management may get. Currently, our top management is composed by men.

### Senior Management of the Company



Alberto Lavandeira.  
Chief Executive Officer,  
Director



César Sánchez.  
Chief Financial Officer



Enrique Delgado.  
Operations - General  
Manager Proyecto Riotinto

## COMPENSATION AND REMUNERATION OF THE TOP MANAGEMENT

The Corporate Governance, Nominating and Compensation Committee periodically reviews and, if advisable, approves and recommends for Board approval performance goals for the CEO in light of the Company's corporate goals and objectives and of all senior management reporting to the CEO.

The Committee evaluates the performance of the Chief Executive Officer in relation to his or her performance goals. This evaluation is conducted in conjunction with the Chairman of the Board and is presented to the Board for its review. According to the results of this evaluation a compensation package for the CEO is recommended to the Board. In addition to the results of this evaluation, there are other factors and criteria to be considered as may be determined by the Committee from time to time.

## 5.2/ Ethics and compliance

### Ethics

The Company relies on a number of corporate policies and procedures to achieve responsible management. Some of them are the ones related with our Integrated Management System (e.g. environmental, quality, health and safety, major accident prevention) which affect directly the ethical performance of the Company.

However, one of the most important elements is the **Code of Business Conduct and Ethics**, a set of rules and procedures to reinforce ethical behaviour within the Company and provide guidance on appropriate working methods. The Code is reviewed at least annually by the Board and the Corporate Governance Nominating Compensation (CGNCC) Committee is responsible for oversight compliance.

To ensure compliance with the provisions of the Code, Atalaya has established a system for the receipt of complaints and reports of possible breaches. This scheme is formalised in the Whistleblower Policy adopted by the Company. This policy will be communicated to all employees and states that any of them may make a complaint, which will be treated anonymously and confidentially.

Beyond the Code of Business Conduct and Ethics, Atalaya Mining plc has other internal policies and procedures to ensure integrity in its operations (see box).

## CODE OF BUSINESS CONDUCT AND ETHICS

Atalaya Mining plc counts on a Code of Business and Ethics which provides the principles that employees must follow in dealing with customers and creditors as well as with government administrations, the general community and the rest of directors, officers and employees of the Company.

## CORPORATE POLICIES

Atalaya also counts on other corporate policies in place that reinforce integrity in the management of several areas.

1. Shareholder Communication Policy
2. Continuous Disclosure Policy
3. Risk Management Policy
4. Share Dealing Code
5. Community Relations Policy
6. Whistleblower Policy
7. Anti-Bribery and Anti-Corruption Policy

These include a **conflicts of interest** policy, which states that Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between its own interests and the ones of the Company. On appointment, Directors will have an opportunity to declare any such interests and they will be entered into the Company's Register of Ongoing Conflicts of Interest.

In addition, Atalaya recognises that business activities can have an impact on human rights and takes responsibility to work for their respect and implementation. At Atalaya, we respect freedom of association and the right to collective bargaining, and we are against any form of forced or compulsory labour, against any form of child labour and against all forms of discriminatory practices in employment and occupation.

Furthermore, while Atalaya operates in jurisdictions that are characterised by favourable and stable political and economic conditions, with low risk of human rights impacts, we recognise that there may be residuals from our activities that are important to manage. For this reason, Atalaya Mining has recently joined the Global Compact initiative to reaffirm our commitment

to compliance with Human Rights and Labour Standards. It is Atalaya's desire to work to implement active policies to ensure compliance with these principles in our area of influence.

## Compliance management system

Atalaya Mining has initiated the implementation of a compliance system to reinforce the controls in place in the Group's Spanish production entity (Atalaya Riotinto Minera, SL) and to reduce the risk of the Company, as a legal entity, and its employees committing criminal offences that could imply future criminal liability.

The Compliance system of Proyecto Riotinto is part of the Company's Integrated Management System and is made up of various elements such as: a risk map assessing the criminal risks in which the Company could incur and the Criminal Liability Prevention Manual, which sets out the principles of prevention and management within the Company, among others. Additionally, Atalaya has made progress in defining the criminal compliance body that will oversee these issues in the Company, as well as the procedure it will follow after identifying non-compliance or practices that could be subject to criminal offences. To ensure a good understanding and implementation of the system, a programme has been launched to provide the necessary training to employees in this area.

In 2022, the Company plans to achieve other objectives such as setting up a compliance body and certifying the compliance management system according to external frameworks.

## 5.3/ Risk prevention

Due to the nature of Atalaya's business in the mining industry, the Group is subject to various risks that could materially impact its future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to Atalaya.

Proper management of these risks has a positive impact on stakeholders as it reduces the potential impact on shareholder return on investment, the maintenance of employment and the local environmental where the Group's mining operations are located.

Therefore, Atalaya Mining plc has a Risk Management Policy whose objective is to assist the Company in

### RISK ASSESSMENT AND MITIGATION ACTIONS

Atalaya Mining plc's Consolidated and Company financial statements includes a full list of risks and actions to be mitigated.

Please refer to this document for more information.

establishing an effective system of risk control and internal control.

Within the framework of the system, the Company conducts an assessment of its main risks, which are classified into four main categories:

- » **Strategic risks:** among the main risks are lack of replacement of reserves, underestimation of capex, finance and license to operate.
- » **Commercial and financial risks:** significant changes to commodity prices, limited number of customers and foreign exchange risks, among others.
- » **Legal and regulatory risks:** political, legal and regulatory developments.
- » **Operational and external risks:** water, electricity and other key supply shortages; complexity of environmental laws, labour disruptions and cyber security, among others.

The Board of Directors is the highest body responsible for approving and monitoring these assessments.

Also, the Group has adopted a financial risk management policy which establishes key principles in managing its exposure to key financial risks. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The Group's senior management oversees the management of financial risks with the support of the AFRC.

### ESG RISKS

Beyond these risks, the Company is also exposed to other types of risks related to non-financial areas. These risks are identified by different business areas which define specific mitigation measures that are included in its management system.

## Non-financial risks identified by the Company

Area	Risks identified
Environment	<ul style="list-style-type: none"> <li>» Non-compliance with legal requirements in environmental matters.</li> <li>» Impact due to pollution generated by existing mining industry facilities due to their age.</li> <li>» Forest fire situation.</li> <li>» Diffuse emissions of particles generated in mining operations and exceedance of emission limit values in environmental quality controls.</li> <li>» Climate change risks.</li> </ul>
Safety	<ul style="list-style-type: none"> <li>» Fire inside the ore processing plant.</li> <li>» Leakage in the tailings pond.</li> <li>» Tailing ponds rupture.</li> <li>» Destabilisation of materials in the tailings dumps.</li> <li>» Increased accident rate of own employees and contractor staff.</li> </ul>
Social	<ul style="list-style-type: none"> <li>» Ecological and or socio-labour demonstrations.</li> <li>» Malicious publications in the media.</li> <li>» Poor participation and involvement of staff in communication, participation and consultation channels.</li> <li>» Labour unrest and reduced quality of performance due to employee disagreements with the Company.</li> <li>» Societal disapproval of the Company's management of the Asset of Cultural Interest and its elements. Possible administrative, criminal, reputational and production downtime consequences.</li> </ul>
Innovation and technologies	<ul style="list-style-type: none"> <li>» Breach of information systems involving loss of information and fraudulent use of information.</li> <li>» Absence of corporate ICT communication channels.</li> <li>» Loss of competitiveness in the copper market.</li> <li>» Loss of opportunities in the knowledge and or development of best practices in the sector.</li> </ul>
Supply chain	<ul style="list-style-type: none"> <li>» Incorrect homologation of suppliers of goods and services.</li> <li>» Operational or reputational impacts due to inadequate performance of a supplier or contractor critical to the Company.</li> </ul>
Ethics	<ul style="list-style-type: none"> <li>» Loss of confidence by stakeholders as a result of unethical behaviour by the Company.</li> <li>» Administrative or criminal consequences or loss of customers due to malpractice.</li> </ul>





# 6/ People

## Our milestones in 2021

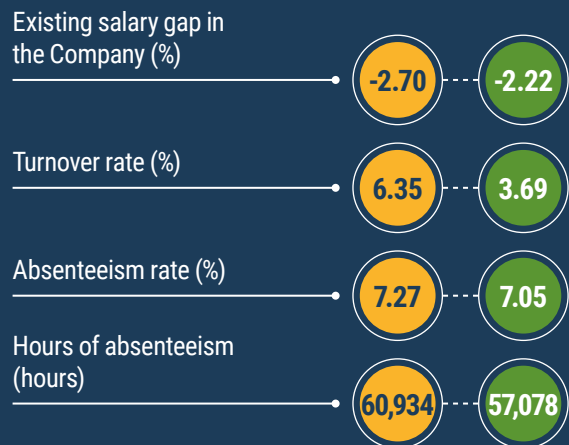
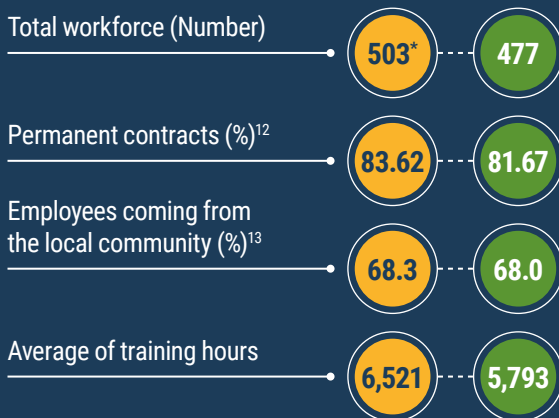
- 1/ Recruitment of employees for the archaeological excavation inside the Proyecto Riotinto property.
- 2/ Constitution of a Diversity Committee to promote different initiatives to raise awareness within the Company and the local community and promote equal opportunities.
- 3/ Start of the development of an equality plan.
- 4/ Collaborations with several high schools and universities in the area on dual training programmes.
- 5/ Organization of two courses by the Atalaya Foundation in collaboration with the Chamber of Commerce of Seville to improve the training and employability of personnel from the Riotinto Mining Basin.
- 6/ Launch of a job portal providing information on existing vacancies.
- 7/ Signing of an agreement with the Adecco Foundation with the aim of deploying initiatives for the integration of people with special needs.
- 8/ Creation of an intranet for better communication.

## Objectives 2022

- 1/ Development and dissemination of an anti-bullying protocol.
- 2/ Updating of the Code of Conduct in accordance with the development of the Regulatory Compliance System.
- 3/ Implementation of an employee performance appraisal.
- 4/ Approval of the equality plan.
- 5/ Approval of an intervention plan within the framework of the agreement with the Adecco Foundation aimed at integrating people with special needs into the workforce’s family environment.
- 6/ Integration of all people management policies (i.e. recruitment, training, assessment, remuneration, working environment, etc.) in a single document (Employee Guideline).

## Our performance 2020-2021

● 2021 ● 2020



\*Data in this chapter does not include the Company’s top management composed by three people. Data corresponding to this management are included in chapter “Good governance and responsible management.”

(12) Calculated as an average.

(13) Villages surrounding the site.

## 6.1/ Our workforce

Atalaya Mining Plc employed 503 people in 2021 (in addition to the top management, composed by 3 people – please refer to Chapter 5. Good Governance). A significant proportion of them work on Proyecto Riotinto and, although the majority are men, the Company has a much higher proportion of female employees than the industry average in Spain. Our workforce also enjoys a high degree of stability (84% of permanent contracts).

The consolidation of a trained and effective workforce capable of sustaining the growth of operations has been a priority for Atalaya since the start of its operations. In 2012, the Company had 55 employees, a figure that has risen an 814% to reach the 503 current employees.

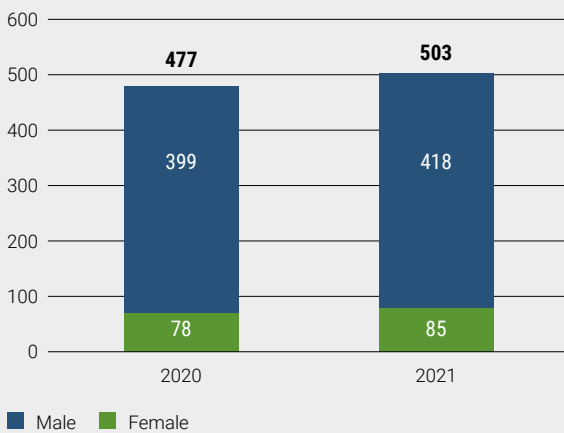
Throughout 2021, Atalaya has carried out actions in the area of recruitment, focusing on the productive areas with the aim of stabilising the workforce and achieve the targets set by the Company after the phase of equipment upgrade and production expansion to reach 15 million tonnes per year in Proyecto Riotinto. Recruitment has mainly been carried out in relation to archaeology activities, specifically in the area of heritage, with a positive and direct impact on unemployment in the towns neighbouring the mining site.



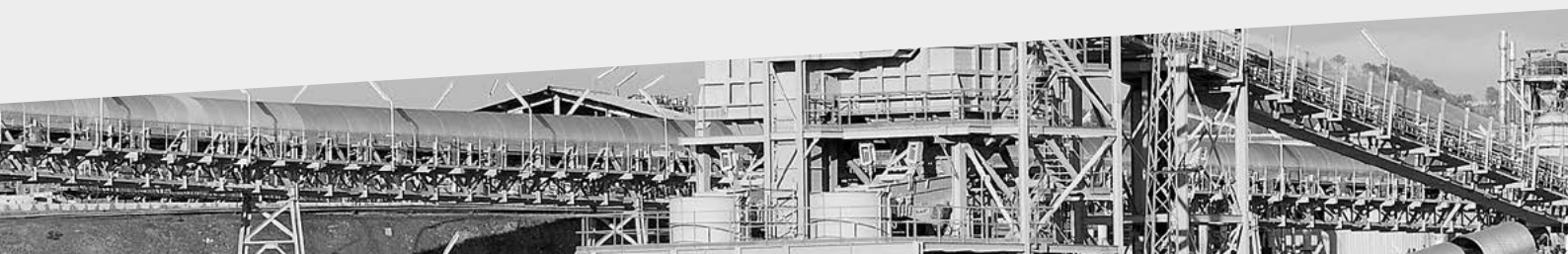
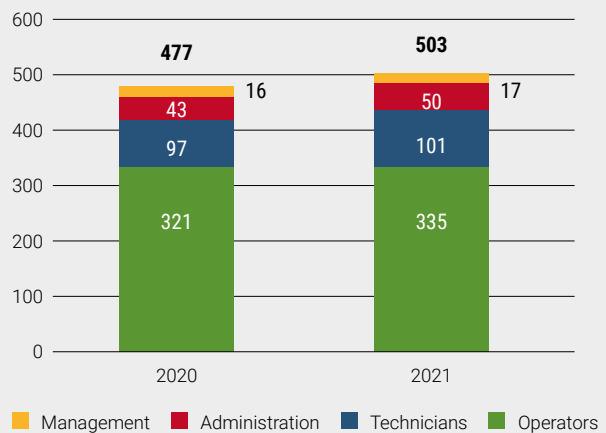
The following table shows the different breakdowns that make up or workforce (year-end calculations). Please refer to Annex 4 for further employee data calculated as an annual average.

### Atalaya Mining plc Work force

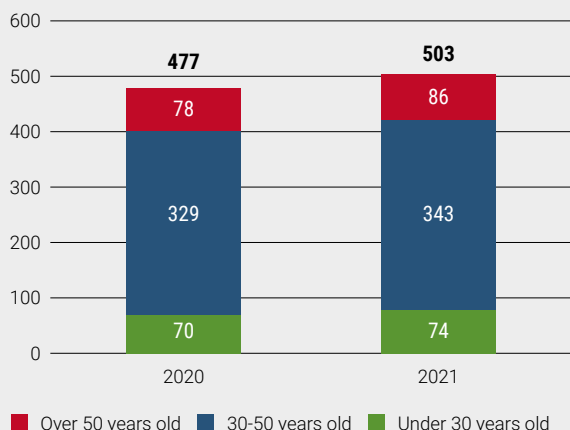
Distribution of employees by gender



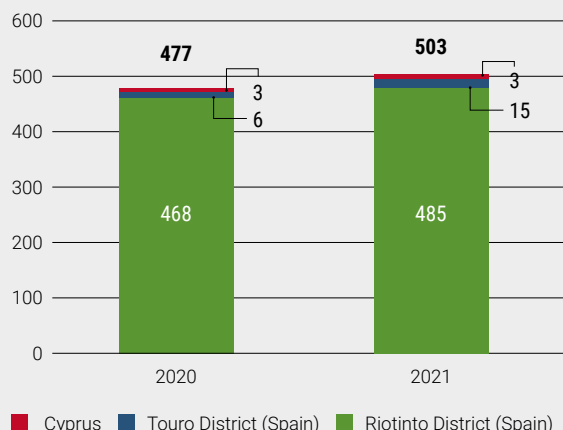
Distribution of employees by professional category



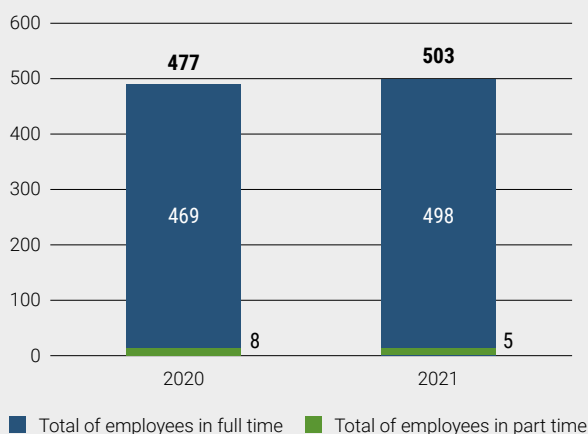
Distribution of employees by age



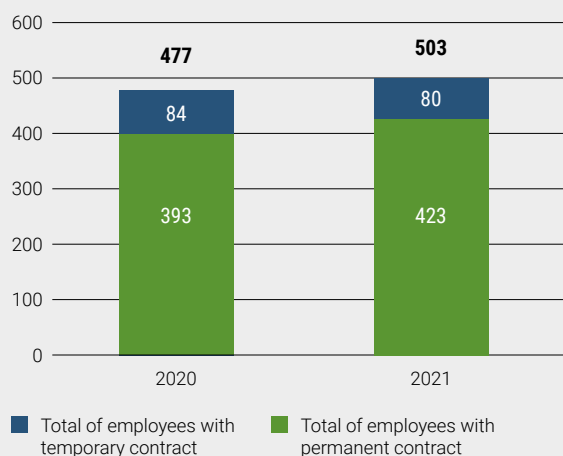
Distribution of employees by country and districts



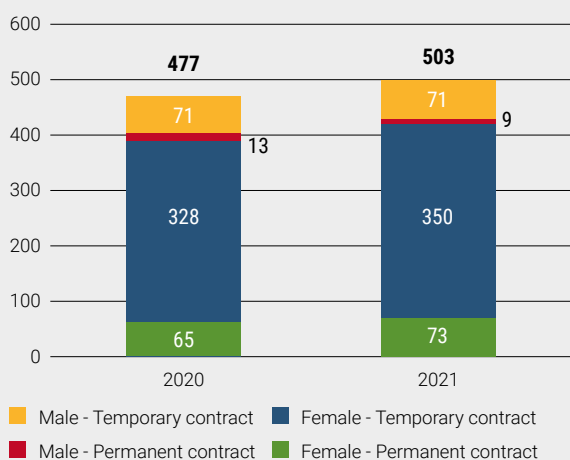
Distribution of employees by type of employment contract (full-time or part-time)



Distribution of employees by type of employment contract (infinite term or temporal term)



Distribution of employees by type of employment contract and gender (permanent or temporary)



Distribution of employees by type of employment contract and country (permanent or temporary)

		2020	2021
Permanent contract	Riotinto District	386	406
	Touro District	4	14
	Cyprus	3	3
Temporary contract	Riotinto District	82	79
	Touro District	2	1
	Cyprus	0	0



## People management policy

Given the important growth in workforce, Atalaya dedicated a great effort to recruiting and integrating new employees during the last years. Furthermore, most of the new hires come from an economically depressed local environment, which has posed a major challenge within the Company.

In parallel with this integration, Atalaya has progressively advanced in the development of new management policies governing all activities in the life cycle of our people, such as selection, recruitment, training, assessment and development, remuneration, improvement of the working environment and termination of the employment relationship. In 2022, as an objective defined by Atalaya, all these policies will merge in a single document, a People Management Policy.

### Key performance indicators

Recruitment of new employees and redundancies

		2020	2021
<b>NEW EMPLOYEE HIRES</b>		61	53
<b>By Age</b>	<b>Under 30 years old</b>	15	20
	<b>30-50 years old</b>	38	19
	<b>Over 50 years old</b>	8	5
<b>By gender</b>	<b>Female</b>	7	7
	<b>Male</b>	54	46
<b>By region</b>	<b>Spain</b>	61	53
	<b>Cyprus</b>	0	0
<b>REDUNDANCIES*</b>		0	2

(\*) Atalaya made redundant 2 employees in 2021, both of them male belonging to the category of operators and under the 30-50 years old category.

## Our commitment to local communities

The Company has relied heavily on people from the Riotinto surrounding communities to create this workforce. In doing so, Atalaya has demonstrated its commitment to the local community and to making the exploitation of mining resources a source of wealth and prosperity to contribute to the sustainable development of the area<sup>14</sup>.

**“We were faced with a depressed area with a high unemployment rate and no training in mining. We have hired a large number of people from the area and provided them with specific training”**

With the aim of developing the geographical area in which we are located, the Company encourages the recruitment of personnel from the neighbouring villages, which currently make up 68% of the Company’s total workforce. Atalaya also has agreements with the municipalities to extend this promotion to the most important contractors (for further information please refer to Section 8, Society).

(14) For further information please see Section 8. Engagement with our local community and other stakeholders.

### - CREATION OF AN OWN JOB PLATFORM -

The needs of the operation provides continuous opportunities for the recruitment of new profiles in the Company. For that purpose, Atalaya has created a platform to inform about business offers and receive CVs in accordance with personal data protection regulations, thus helping the Human Resources department in the recruitment tasks and improving the selection processes.

Percentage of employees coming from the Mining Basin

Employees (%) ..... **68.3**



## 6.2/ Equal opportunities and non-discrimination

Atalaya operates within a favourable framework for labour relations based on a non-discriminatory, equal opportunities system that respects diversity at all levels. This principle is enshrined into the corporate Code of Conduct and the rest of the policies of the Company.

In 2021, Atalaya created a **Diversity Committee**, composed by members of Human Resources, communications, corporate social responsibility and sustainability departments, with the mission of promoting projects of a very diverse nature that foster knowledge of social reality, raising awareness in society in general and in business in particular. It also seeks to design the most appropriate intervention programs to correct existing imbalances and to encourage training, promotion and specific employment generation programmes, as well as global accessibility.

Likewise, during the year the Company has initiated the development of a specific **Equality Plan** to be approved in 2022, which seeks to ensure equal opportunities for men and women within the Company.

For the moment, Atalaya has completed a diagnosis, conceived as an initial negotiation phase, within the framework of a negotiating committee with representatives of the Company and the employees, about the equality data to be considered and an analysis of the evolution in the latest years. After this initial diagnosis, the final plan will be completed in 2022 including key goals to be reached and specific actions to make it possible.

Equally, the Company will present in 2022 the result of other actions, currently under development, aimed to prevent potential situation of exclusion such as an anti-bullying protocol.

In addition to the equality plan, the Diversity Committee will also present an intervention plan in 2022. This intervention plan, which will be deployed in collaboration with Adecco, seeks to support people in vulnerability through a three-pillar cycle of inclusion: training and guidance; transformation of society and designing inclusive work environments.

One of the actions included within this intervention plan has been already launched. The Family Plan consist in a programme whose goal is to identify potential needs in order to achieve maximum vital autonomy for people

with disabilities in the family environment of Proyecto Riotinto workforce.

This Family Plan adds on other different collaborations that Atalaya maintains with other organizations to foster the integration of people with special needs (see box in the margin).

In this respect, the Company hires staff with special needs above the 2% threshold set by the applicable legislation. These hires are made through supply or service contracts with special employment centres (i.e. Ilunion and Aspromin). In addition, donations are made for integration actions not only in the labour sphere, but also in the social one.

### Key performance indicators

#### Diversity of governing bodies and rest of categories

Category	Gender	2020	2021
Management	Females	31.25%	29.41%
	Males	68.75%	70.59%
Administration	Females	58.14%	60.00%
	Males	41.86%	40.00%
Technicians	Females	20.62%	19.80%
	Males	79.38%	80.20%
Operators	Females	8.72%	8.96%
	Males	91.28%	91.04%

Category	Age	2020	2021
Management	Under 30 years old	0.00%	0.00%
	30-50 years old	50.00%	47.06%
	Over 50 years old	50.00%	52.94%
Administration	Under 30 years old	18.60%	22.00%
	30-50 years old	67.44%	66.00%
	Over 50 years old	13.95%	12.00%
Technicians	Under 30 years old	12.37%	13.86%
	30-50 years old	71.13%	69.31%
	Over 50 years old	16.49%	16.83%
Operators	Under 30 years old	15.58%	14.63%
	30-50 years old	69.47%	69.25%
	Over 50 years old	14.95%	16.12%

### Key performance indicators

Incidents of discrimination	2020	2021
<b>Incidents</b>	15	20

The Company has not registered any incident in 2020 and 2021.

Employees with special needs	2020	2021
<b>No. Employees</b>	5	5

### COLLABORATION IN THE INTEGRATION OF PEOPLE WITH SPECIAL NEEDS

Atalaya Mining collaborates regularly with two special employment centers managed by ILUNION and ASPROMIN. Furthermore, Atalaya signed a new agreement with Fundación Adecco in 2021 with the objective of deploying joint initiatives aimed at the full social and labour integration of people with special needs in the family environment of Proyecto Riotinto's staff.



## 6.3/ Collective bargaining and Freedom of Association

### Works council

Atalaya manages all employee relations in accordance with the applicable legislation in each country, such as the number of weeks' notice for operational changes (i.e. 2 weeks / 15 days), consultation processes and communication with employees.

In such a way, one of the most important tools which articulate this relationship is the Works Council which consists of 13 members elected by workers. This Works Council is regularly informed (quarterly or annually) on recruitment issues, health and safety information (absenteeism and accident rate data), developments in the sector and annual accounts, among others.

Ad hoc meetings are also convened with the Works Council whenever there are relevant issues to be dealt with based on the current situation. In this context, in

2021, a specific Committee was set up to deal with the management of the COVID-19 crisis.

In addition to the Works Council, Atalaya Mining follows an open-door policy, where it is not necessary for all issues to be channelled through the representatives<sup>15</sup>, maintaining a practice of open communication at all levels.

### Collective Bargaining Agreement

Atalaya complies with the rights of association<sup>16</sup>, with full freedom in trade union elections. The Company also has signed a Collective Bargaining Agreement, thus avoiding labour disputes. This collective bargaining covers 100% of the employees of Atalaya Riotinto Minera, representing the majority of the workforce. The rest of the employees in Spain are governed by sector agreements.

This agreement includes reference for all the main aspects regulated in the employment contract such as: hiring, organization of the working day, salaries, holidays, benefits for employees, types of offenses and sanctions contemplated in the code of conduct, etc. The Collective Agreement also addresses aspects related to the Health and Safety of workers such as

### MANAGEMENT OF THE COVID-19 HEALTH CRISIS

The design and implementation of the most appropriate measures to prevent the spread of COVID-19 has been one of the areas in which the collaboration between the Company and the workers, through the Works Committee, has led to positive safety results.

(15) Atalaya complies with the rights of association, with full freedom in trade union elections. According to the Spanish legislation, the company held in 2021 elections for workers representatives.

(16) In addition to compliance with the provisions of the International Labour Organisation's core conventions on freedom of association and the right to collective bargaining, the Company ensures that there is no child labour or forced labour as it operates in a country without such risks.

personal protective equipment, work clothes, alcohol and drug testing, maternity protection, among others (refer to section Safety Operations for more details).

The application of the collective bargaining agreement has been carried out satisfactorily until its expiration date, December 31, 2021. Therefore, the Company will set up a Commission for the negotiation of the update of the Agreement, regular meetings will be held on the basis of a timetable agreed by both parties (the Company and the workers).

## 6.4/ Training and professional development

Within the Integrated Management System of Proyecto Riotinto, training and awareness needs are identified, as well as the implementation and evaluation of actions carried out by staff.

Atalaya has an Annual Training Plan aimed at the entire staff of the Company, which is elaborated by the Human Resources Department based on the proposals of the area managers. The target set for 2021 was to reach 85% of the training approved in the Annual Plan.

The Plan includes legal requirements (i.e. Basic mining safety standards, guidelines for mobile mining machinery, etc.), as well as other staff development needs. In particular, the following trainings have been included in 2021:

- » **Specific training for the development of the job position** (e.g. training on geological mining management software (QGIS) or cartographic design software (ARCGIS, AUTOCAD).
- » **Training on health and safety** (e.g. Lock out – Tag Out (LOTO) procedures, work at heights, hot work, lifting loads, legionella, etc.).
- » **Environmental awareness training** (e.g. waste management, environmental emergencies, management of sludge ponds, etc.).

Beyond promoting employability and competitiveness, all training courses are also aimed at the personal development of employees. To this end, other training courses carried out in 2021 included human talent management and positive conflict management. In addition, Atalaya Mining developed a field leadership program in order to achieve a safe working environment, which started in 2020 for area managers (please refer to Safety Operations for further details) and will

continue in 2022 with actions oriented to other levels within the organization.

In addition to the activities aimed at the training and development of its own staff, Atalaya has promoted various projects with other academic and business organizations to promote the training of students who may eventually develop their careers in the Company or in other companies, and to improve the employability of other people in the Riotinto Mining Basin (see box below).



### Collaborations with educational organisations

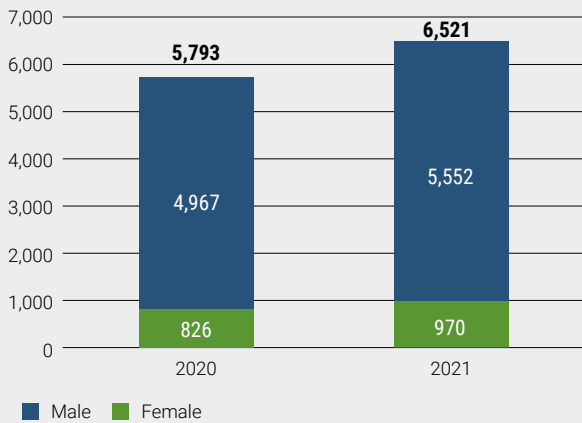
Atalaya has established collaborations with several high schools in the area, Andalusian universities or in the Hebe Plan of the Huelva Provincial Council to promote several curricular or extracurricular internship programs.

In particular, the following can be highlighted:

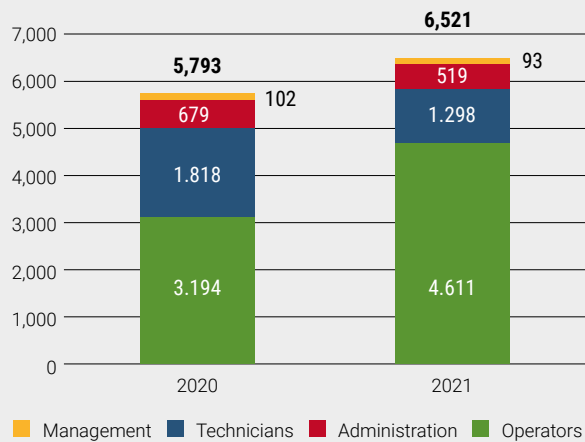
- » Collaboration with the IES Diego Macías Secondary School, for an Intermediate Degree in excavations and boreholes.
- » Beginning of meetings for coordination with the Vázquez Díaz Institute for an intermediate degree in Chemical Plants.
- » Internship programmes with Institutes in different subjects (i.e. maintenance, technical services, administration, IT, etc.).
- » Participation in the "Plan Hebe" of the province of Huelva for the development of internships for personnel in specific subjects.
- » Two courses organised by the Atalaya Foundation and the Chamber of Commerce of Seville to improve the training and employability of personnel in the Riotinto Mining Basin.

### Key performance indicators

Hours of training by gender



Hours of training by professional category



## 6.5/ Fair compensation

In accordance with the Company’s Code of Ethics, Atalaya’s salary policy promotes equal opportunities among staff members.

The remuneration of our people is established in accordance with the Collective Bargaining Agreement, although for the most strategic personnel specific conditions have been established that depend on the fulfillment of key Company objectives in terms of safety, production or compliance with the budget (i.e. earth movement, tonnes processed, accident rate and budget compliance).

The Collective Bargaining Agreement also includes some other benefits such as study grants, reduced summer working hours, shift bonuses, etc., which are offered on equal terms to all our employees.

In addition, as part of its efforts to ensure fair compensation for its employees, Atalaya Mining intends to

implement an employee performance appraisal system, which will allow the setting of targets that can be linked to specific incentives for staff.

#### COMPETITIVE REMUNERATION FOR NEW EMPLOYEES ABOVE MINIMUM LEGAL STANDARDS

Atalaya Mining offers new employees who join in the initial categories a salary 47% higher than the legal minimum wage and which is gender-neutral.

These conditions are offered to employees of both gender and are further proof of the Company’s commitment to offer a quality employment opportunity to the environment that hosts its activities.



## Key performance indicators

Average remuneration of employees by professional category

Job position	2020	2021
Operator	30,220.36 €	30,821.86 €
Technician	40,305.96 €	39,509.42 €
Administrative	33,497.76 €	34,534.46 €
Management	91,138.05 €	93,704.07 €

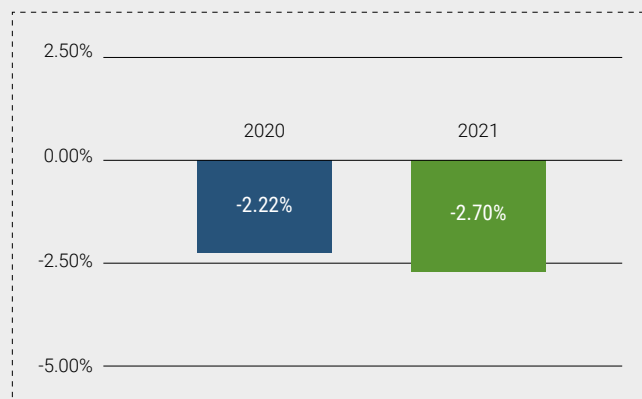
Average remuneration of employees by gender

Job position	2020	2021
Female	35,252.43 €	35,853.89 €
Male	34,484.55 €	34,899.25 €

Average remuneration of employees by age

Job position	2020	2021
Under 30 years old	27,996.37 €	27,463.01 €
30-50 years old	34,102.03 €	34,856.18 €
Over 50 years old	41,165.52 €	42,413.22 €

Salary gap



The salary gap has been calculated using the following formula:

$$\text{Salary gap} = \frac{\text{Average male remuneration} - \text{Average female remuneration}}{\text{Average male remuneration}}$$

*It should be noted that the average remuneration includes the variable part (i.e. allowances, compensation, payment to long-term savings, etc).*

## 6.6/ Flexibility and transparent communication

In addition to the policies outlined above, flexibility and transparent communication are two other elements in the value proposition that Atalaya offers its employees.

Working time in the Company is organised in rotating shifts of morning, afternoon and evening from Monday to Sunday; or Monday to Friday whether or not on a shift basis. The maximum annual working time is 1,738 hours for each employee, except for those with individual agreements.

In the area of flexibility and family reconciliation, the Company has implemented various measures included in its collective bargaining agreement, such as daily flexible working hours (e.g. employees have the possibility to work an additional 30 minutes from Monday to Thursday in order to reduce 2 hours on Fridays).

Furthermore, due to the health crisis caused by COVID-19, the Company has encouraged work remotely where possible<sup>17</sup>.

Likewise, and aware of the benefits that transparent communication can bring in improving the Company's internal climate, employee motivation and identification with the business project, Atalaya has created various internal communication mechanisms through which it shares with its employees the most important events in the activity or the priorities to be addressed for the future. These include the existence of a specific platform for internal communication, the publication of a periodic newsletter, the holding of face-to-face meetings and the broadcasting of the most important messages and news through television screens located in different parts of the facility.

(17) Atalaya has not established a digital disconnection policy as the most of our employees in operations are not expected to work outside working hours.



In addition to the previous, Atalaya has an “Open Door Policy”. The aim of this system is to make relations between employees and middle and senior management more fluid. This policy is put into practice through actions that aim to make interpersonal relations at work more informal and unstructured and hierarchical relations less rigid. Face-to-face contact gets the information flowing and allows direct knowledge of the doubts and conflicts that affect workers. An open door policy is not a regulation, it is not written down, nor is there a plan to back it up. It is a decision by the Company on how we want the relationships between the people in the Company to develop, which consists of opening up communication so that people do not feel intimidated

to speak or write to the levels of responsibility within the organisation, so that information flows easily upwards in a relaxed way and so that the opinion of the employees is known by the positions of responsibility in the Company. This does not preclude formal channels of communication through workers’ representatives.

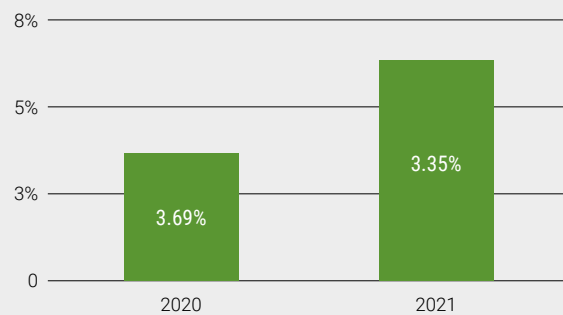
Atalaya Riotinto Minera, within the framework of the integrated management system, has an internal procedure for communications with stakeholders, both internal and external to the mining project. Employees are identified as interested parties and have channels available to express their complaints and/or opinions. In both 2020 and 2021, no employee complaints or opinions have been received.

### Key performance indicators<sup>18</sup>

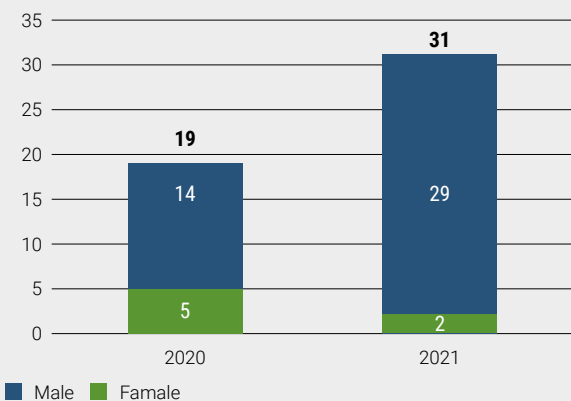
The difference in the turnover rate is mainly due to the fact that 2020 was an atypical year given the exceptional measures implemented by the Company, such as working remotely, an aspect that influenced the retention of certain job profiles. This makes it difficult to compare with the year 2021 when there is a reestablishment of activity.

(18) Refer to Annex 4 for further key performance indicators (i.e. parental leave).

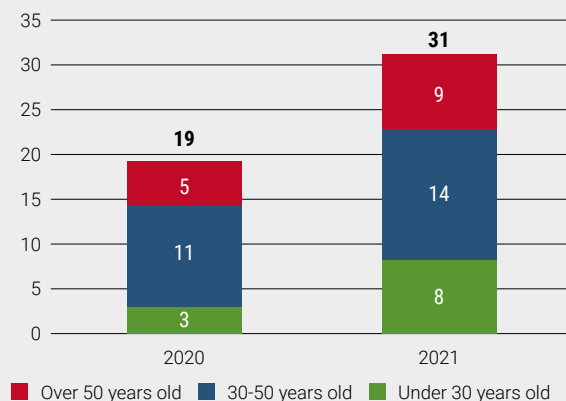
Turnover rate (%)



Number of employees that left the Company by gender



Number of employees that left the Company by age



# 7/ Safety Operations

## Our milestones in 2021

### Project Safety

- 1/ Start-up of a new process tailings pre-thickener to achieve the solids content of the process tailings from 35% to 50%.
- 2/ Presentation of a new project for the extension of the open pits, dumps and tailings deposit to improve the safety of all these facilities.
- 3/ Digital transition to geotechnical and geodetic control in Proyecto Riotinto's tailings deposits through an innovation and R&D project: MINERVA#SMARTGEOCONTROL
- 4/ Updating of the Company's Self-Protection Plan.

### Occupational Health and Safety

- 1/ Conducting psychosocial surveys for employees.
- 2/ Awarded a prize by FC Mutual for the Company's Risk Management System.
- 3/ Start of the control protocol for psychoactive substances at the entrances (entrance and exit).
- 4/ Incorporation of the "Industrial Hygiene" speciality as part of the Company's own prevention service for better management.
- 5/ Increase of the nursing service to 24 hours.
- 6/ Collaboration with "Sumamos" Plan of the Andalusian Regional Government to vaccinate against COVID-19 at Atalaya's own facilities.

## Objectives 2022

### Project Safety

- 1/ Commissioning of a second tailings pre-thickener to treat 100% of the process tailings and ensure that the tailings are deposited with 50% solids by weight deposited.
- 2/ Continuing the digital transition of the geodetic and geotechnical control in Proyecto Riotinto, in particular in the tailings deposit.
- 3/ Include all industrial equipment installed on a virtual platform for subsequent inclusion in the Industrial Register.
- 4/ Drawing up of the External Emergency Plan by the Regional Government of Andalusia.

### Occupational Health and Safety

- 1/ Develop a psychosocial factors action plan.
- 2/ Conduct a specific training for supervisors and middle management in occupational health and safety culture and leadership.
- 3/ Subject the occupational risk prevention management system to a legal audit, as well as the corresponding audits derived from its certification by the ISO 45000 certification.
- 4/ Increase staff involvement in the field leadership program.

## Our performance 2020-2021

### PROJECT SAFETY

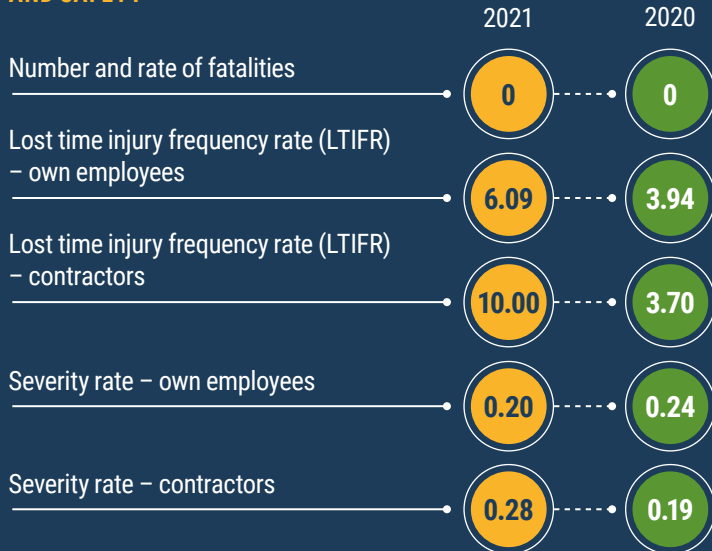
Number of "Category A" waste mining storage facilities<sup>19</sup>

3

Cumulative Safety incidents (2020-2021) (number)

0

### OCCUPATIONAL HEALTH AND SAFETY<sup>20</sup>



(19) Category A\* installation in accordance with currently legislation.

(20) Data for Proyecto Riotinto, which is the Company's most significant operation. The rest of Atalaya's projects, not being in operation, are of lesser relevance. All data corresponding to the Riotinto project refer to all employees working on the project, both own employees and contractor personnel working at the site.

## 7.1/ Safety management of tailings facilities and open pits

### Safety management approach

Since the beginning of its activities, Atalaya Mining plc has been committed to guaranteeing safety and preventing any accident in the mining operation.

To achieve this, it has formalized a **Major Accident Prevention Policy** that establishes the principles<sup>21</sup> to

(21) Key guiding principles in this policy includes legal compliance; providing safe environments for employees and contractors, identifying major accidents and incorporating aspects necessary to prevent them and limit their negative consequences. Also, establishing procedures for the safe operation of the mining operation, including maintenance of facilities; planning; evaluating compliance with prevention objectives and setting up mechanisms for investigation and correction in case of non-compliance are other priorities in the implementation of the policy.

### PROYECTO RIOTINTO'S MAJOR ACCIDENT PREVENTION POLICY

This policy can be downloaded from the Company's website

reach the highest level of protection and serves as the basis for the Safety Management System implemented by the Company.

The practices and procedures established by this system complement the Safety Project developed by Atalaya for its mining operation at Riotinto, which from the beginning has been designed taking into account the most stringent standards (see highlighted box).

**“From the beginning of the project, safety has been one of our top priorities. Even before legislation was in place, the Riotinto tailings dam was designed with safety factors above current standards. No structural incident has ever occurred in the dams”**

For both the construction management of the tailings dam project and the management of tailings disposal operations, Proyecto Riotinto has clearly defined roles and responsibilities, including a number of safety technicians and supervisors.

This organization is in charge of working in a day-to-day basis for further strengthen safety systems and management practices. In this regard, the Company has implemented several actions through 2021, being the most important the following:

- » Start-up of a new process tailings pre-thickener to reach 50% tailings solids by weight.
- » Reinforcement of geotechnical control of the tailings facilities and open pits with quarterly audits by an authorised control body.
- » Implementation of new monitoring techniques to improve geodetic and geotechnical monitoring (see highlighted box).

Furthermore, the provision of specialised training to the employees is also a key principle in improving safety management. In such a way, Atalaya organized a specific training activity in 2021 regarding mining waste management consisting in a course on the management and governance of tailings dams.



## Safety project above standards

The Riotinto operation's safety project has several noteworthy features.

One of them corresponds to the construction methodology used in the tailings dams, based on rock material dam, which allows reaching safety factors above those established in the legislation.

Likewise, the control system of the facilities has been designed with a level of exhaustiveness that places it at the forefront worldwide. The project has a network of piezometers to monitor the flow of water in the tailings dam and

the pressures exerted by the tailings on the dam. There is also a network of inclinometers and markers to control movements inside the structure and on the surface. A control of filtration flows and water analysis is also carried out to identify any possible incorrect operation of the tailings dam.

The safety factor (i.e. the relation between the forces that can lead to dam failure and the resistant capacities of the dam) of the main section of the tailings dam has been increasing over time in all the projects designed. Back in the year 2000, the corresponding technical instruction required a safety factor of 1.4, while in 1979 the project was already designed with a factor of 1.5. In subsequent projects this factor

has been increased. Currently, the value has reached 1.88.

In order to adapt the project's characteristics to the highest standards, the Company works with leading consultants to adopt recommendations established by international organisations such as the Canadian Dam Association (CDA) or the International Council on Mining and Metals (ICMM) in the Global Tailings Management Standard for the Mining Industry.

\* Atalaya has presented in 2021 a new project to reinforce the safety of the tailing dam and key elements such as tailings dumps, waste dumps and open pits. This updating is explained in section "Updating of the safety project".

## “Minerva #Smartgeocontrol”, an innovation project to improve monitoring techniques

Atalaya is undertaking an innovative digital transition to geotechnical and geodetic control of the Proyecto Riotinto. The aim is to create a multidisciplinary monitoring and interpretation platform that will integrate classical monitoring techniques with innovative satellite, passive seismic and artificial intelligence techniques in real time.

The project initially focuses on the tailings dams of the Riotinto mine. Subsequently, we will extend the study to other structures requiring geotechnical monitoring. The project is divided into three phases:

1. **Research:** Study of the potential of three innovative monitoring techniques for stability control in mining environments:
  - **INSAR:** radar interferometry using the Sentinel-1 satellite of the Copernicus programme (CE-ESA).
  - **Passive seismic:** induced seismicity and ambient noise interferometry (ANI).

- **AI surveillance:** analysis of video images in real time.

2. **Development:** Calibration and validation of results using other classical techniques and field experience.
3. **Innovation:** Integration of multidisciplinary results in a single platform at end-user level; results, graphs, maps and reports in an easily interpretable format and a multidisciplinary platform early warning systems.

Thanks to this efforts, Proyecto Riotinto maintains an excellent safety performance which has been recognized by the external audits received throughout the year. They have also served as the basis for an active knowledge-sharing effort, through which Atalaya collaborates with other public bodies and companies in the sector to jointly improve the safety of mining activities.

### SHARING OF BEST PRACTICES ON SAFETY

The Company regularly collaborates within its industry association AMINER with public administrations to improve safety regulations.

In addition, Atalaya has participated in 2021 in seminars sharing some of the most advanced practices it has adopted in safety, such as the application to mining infrastructures of control techniques such as micro-seismicity, satellite control and artificial intelligence.



### Safety key performance indicators

Dam safety factor of the tailing dam (2020-2021) compared to what is required by regulation (in brackets)<sup>22</sup> — 1.88 / (1.4)

Security incidents (2020-2021) — 0

(22) Static safety factor for the main copper section. This factor is the ration between the forces that can lead to tailing dam failure and the resistant capacities of the dam. Although the regulations required a factor of 1.4, Atalaya’s design is above this value.



## Updating of the Safety project

Together with the update of the operating project and modification of the restoration plan submitted by the Company in 2021, Atalaya has also presented a new project for the tailings dam. All these improvements reinforce the safety and increase the control of the tailings facilities and open pits. This update will mainly entail an extension of the tailings facilities and is currently awaiting final approval.

**“Atalaya will allocate nearly €100 million over the next twelve years to the expansion of the tailings facilities as part of the updated mining project.**

As major improvements on safety of the extension of the tailings dam project will be the installation and improvement of the real-time control systems as well as the continuous monitoring of deformation and interstitial water pressures. In this respect, the Company will develop actions such as the following:

- » Real-time monitoring by video analytics of the state of the tailings facilities.
- » InSAR monitoring (Synthetic Aperture Radar Interferometry), with superimposition of radar images taken at different times to detect phase variations that

could be associated with deformations in the relief of the earth's surface.

- » Passive seismic monitoring, observation of variations in natural seismicity to detect changes in the subsurface environment.

Additionally, the Company projects to commission a second pre-thickener as a pre-settling tank which would contribute to diminish water going to the tailings facilities by increasing the solids content from 35% to 50%. In addition, it is planned to develop other actions to respond the recommendations from leading experts such as the international consultancy Knight Piésold in relation to the tailings facilities expansion project.

## 7.2/ Self-protection plan

For Atalaya it is of utmost importance to have a self-protection plan that takes into account all risk scenarios. The plan aims to foresee all possible emergency situations and to establish actions, provide adequate responses to them and serve the authorities to integrate the approach followed by the Company, in their own higher level self-protection plan.

Current self-protection plan for Proyecto Riotinto was updated by the Company in December 2020 and submitted to the competent authorities (i.e. Centre for the prevention of emergencies in the province of Huelva, Fire Service and Riotinto town council).

The content of the Plan covers all the Company's activities and sites, including workshops located inside the mining facility and occupied by contractor companies. Any new installations and their emergency risk assessment are included in the revisions of the plan. The emergencies are divided into three levels: acute, partial and general, which give rise to different actions. Also, the Plan includes a protocol which establishes the means of communication to the outside world.

The Self-Protection Plan is prepared by the team of Atalaya's own Prevention Service together with the Company's Facultative Director, being the CEO and the General Manager, the holder of the Self-Protection Plan and the Company's Action Plan respectively. It undergoes an annual external audit and, also, internal audits of the integrated management system. The self-protection plan will be reviewed at least every 3 years or if there are important changes in the facilities or in the organisational structure of Atalaya Riotinto Minera.

The creation of a self-protection brigade and the realization of emergency drills exceeding the frequency required by current legislation are other outstanding initiatives in the framework of the self-protection plan.

In such a way, Atalaya conducted two drills at Proyecto Riotinto in 2021. In addition, the Company reinforced its first intervention brigade adding new members and developing a specific programme to improve its training (see box).

**CREATION OF A SELF-PROTECTION BRIGADE**

In 2019, Atalaya created its own self-protection brigade made up of volunteer workers who have received specific training in basic life support and first aid, rescue at heights, confined spaces and fire protection.

To provide this training, the Company has been advised by leading organisation in this field, as well as with collaboration of the Seville Fire Brigade, with which the Company has signified a specific agreement. In 2021, Atalaya added three new members to this brigade which is composed by 26 brigadiers, 4 people from the emergency committee, the emergency manager and 2 first response heads.

## 7.3/ Protection of the health and safety of employees and contractors

### Management approach

In addition to project safety, Atalaya is committed to ensuring the occupational health and safety of all people working on the project.

To achieve this, the Company has implemented an Occupational Health and Safety Management System which has been externally certified in accordance with ISO 45001:2018<sup>23</sup>. This management system develops the principles and commitments set out in the Occupational Health and Safety Policy and extends to all personnel at Proyecto Riotinto including contracting companies.

For the rest of the Company's exploration and permitting projects, the standard of work is equivalent to that of the Proyecto Riotinto, although they do not yet operate under an ISO certified system as they are small organisations with a small number of employees.

(23) The system undergoes regular internal and external audits in accordance with the ISO standard under which it is certified. In addition, it also undergoes an audit in accordance with legislation every two years, also by an accredited external body.

**PROYECTO RIOTINTO'S OCCUPATIONAL HEALTH AND SAFETY POLICY**

The image shows a document titled "POLITICA DE SEGURIDAD Y SALUD DEL PROYECTO RIOTINTO". The document is in Spanish and outlines the company's policy on occupational health and safety. It includes a list of commitments and responsibilities, such as:
 

- 1. Cumplir y hacer cumplir toda la legislación vigente y requisitos aplicables en materia de Seguridad, Salud en el Trabajo.
- 2. Responder a los riesgos de trabajo, prevenir y controlar los accidentes de trabajo y enfermedades profesionales.
- 3. Informar y formar a todos los empleados y controlar toda la información de seguridad y salud laboral con los compromisos en el marco de los acuerdos, reuniones, reuniones, reuniones y el uso de medios de comunicación.
- 4. Comprometerse en la mejora de la Seguridad y Salud en el Trabajo a través de las medidas preventivas y de los empleados, donde todos los empleados tienen responsabilidad directa sobre su seguridad y su salud, además de la de sus compañeros, comarcas, visitantes y público en general.
- 5. Instaurar sistemas de Seguridad y Salud en el Trabajo para las funciones o roles pertinentes, para mantener y mejorar continuamente el Sistema de Gestión de la Seguridad y Salud en el Trabajo.
- 6. Adaptar el Sistema de Gestión de la Seguridad y Salud en el Trabajo según el análisis de los riesgos y oportunidades, de las acciones de seguimiento, medición, análisis y evaluación de los datos, de forma de los resultados de la investigación de los incidentes y los accidentes y los datos que se documentan, en cualquier momento y procedimiento de mejora continua.
- 7. Ser transparente en materia de Seguridad y Salud, promover y disponer de los canales, canales, canales y de los empleados, a través de los representantes, mediante los mecanismos de participación y consulta, de todos los empleados del Sistema de Gestión de la Seguridad y Salud en el Trabajo.
- 8. Comunicar esta política a todos los grupos de interés relacionados con la operación minera en cualquier momento, haciendo conocido de sus obligaciones en materia de Seguridad y Salud en el Trabajo y fomentando la comunicación abierta y transparente con los empleados, agentes sociales y público en general.

 The document is signed by the General Manager on September 28, 2020.

This policy can be downloaded from the Company's website.



In order to be able to deploy its management system and achieve the established security objectives, Proyecto Riotinto has set up its own Prevention Service which includes the three technical specialities in prevention (industrial hygiene, safety at work, ergonomics and applied psychosociology) and has arranged health surveillance with an external prevention service which carries out annual medical check-ups for all employees. The premises counts also with an internal 24 hours a day nursing service (see box).

As part of its Health & Safety organization, each department of the Company has one or more technicians appointed to monitor working conditions which allows for direct and integrated supervision.

Atalaya has also other bodies and processes that ensure the participation of workers in activities related to the development of the management system, including the Occupational Health and Safety Committee made up of representatives of the workers and the Company, which meets periodically to analyse developments in the most relevant aspects related to occupational health and safety. Similarly, the prevention delegates, as representatives of the workers, are invited

to participate in the risk assessment processes, as well as in the investigation of any accidents that may occur.

## Prevention of labour accidents

Early detection of risks and hazards is a fundamental tool for preventing accidents at work.

In this line, the Company has implemented several processes for identifying occupational safety hazards and risks<sup>24</sup>, as well as for identifying occupational incidents. These include: daily workplace inspections, regular risk assessments, management procedures for reporting incidents/accidents, regular meetings with workers and annual training, among others.

(24) The main accident risks are falls from heights, machinery overturning, being run over, entrapment and fire due to hot work.

### 24 HOURS A DAY NURSING SERVICE

Proyecto Riotinto has a nursing service authorised by the Ministry of Health of Andalusia. The service is staffed 24 hours a day by a graduated nurse qualified in basic life support and health emergencies, to attend to any worker who may suffer an accident, both at Atalaya and its contractors. Likewise, there is a doctor who attends once a week and provides technical support to the nurses.

### CONDUCTING A SURVEY ON PSYCHOSOCIAL FACTORS

Atalaya has developed in its Proyecto Riotinto a survey on psychosocial factors to all its own workers which identify their exposure to this type of risk. The ISTAS-21 methodology was applied for the survey, in which employee representatives, Atalaya’s management, represented by the Human Resources and Facultative Direction, and the Company’s own prevention service participate.

After the results were obtained, a working team was set up, in which an action plan is being developed. This team is called the “dynamisation group” and is responsible for developing actions to prevent risks.



## 5-why methodology for investigating accidents and potentially serious incidents

Atalaya Riotinto applies the five whys methodology to get to the root cause of accidents in order to avoid their repetition.

The methodology is based on asking questions from proven facts to explore the cause-effect relationships that have caused the accident and identify the main or root cause, from which an action plan is established.

The investigation involves all those people who, in addition to the accident victim himself, can provide information to answer the whys and wherefores, from supervisors, safety technicians, contractors and prevention delegates are directly invited.



In addition, Atalaya has recently started to consider other types of risks that may affect occupational health of its employees, such as those derived from psychosocial factors (see table above).

Continuous learning through experience is another tool used by the Company to prevent occupational hazards. To this end, Atalaya carries out exhaustive research to identify the root causes of hazards and design measures to prevent them in the future (see table).

Identified occupational hazards and risks are assessed and specific actions are established to prevent them. All of this is materialised in an annual planning of activities to be carried out, designed on the basis of the needs of each department and approved by the General Management.

## Safety culture

The reinforcement of the safety culture and its extension to all employees continues to be the Company's priority and for which various efforts have been undertaken in 2021, like the continuous training of our workforce in these aspects and the implementation of a pioneering safety leadership programme (see box).

In this respect, all employees receive job-specific training in accordance with current legislation, consisting of 20 hours of training in the Mining Complementary Training Instruction, which is refreshed every 2 years. In addition, each worker is periodically trained and educated on high consequence risks: working at heights, confined spaces, personal protective equipment, basic life support and first aid, among others<sup>25</sup>.

In addition to training initiatives, the Company promotes other actions to raise safety awareness among its employees and contractors. In this respect, it is worth highlighting the informative campaigns carried out by means of TV monitors located in the facility, as well as the annual "Santa Bárbara" safety award, which encourages the participation of its own workers and those of collaborating companies by contributing innovative and feasible ideas for the facility.

Finally, for the prevention of accidents, the Company has begun to implement a protocol to control the presence of psychoactive substances at the entrances to the facility (entrances and exits), as well as in case of an accident. This control is in addition to the one already in place since 2017 in relation to the consumption of alcohol. In addition, Atalaya has an agreement with the "Proyecto Hombre" organisation to take in workers with addiction problems in its treatment and rehabilitation programmes.

(25) The Company also provides a specific training for new employees on the risks and preventive measures in place.

### FIELD LEADERSHIP PROGRAMME

In its commitment to create a safe working environment, Atalaya has implemented a field leadership programme through the creation of working groups. It consists of 26 groups with a total of 103 technicians from all areas and departments, who once a month carry out various preventive activities: audits, observations, inspections and "stop and talk", among others.

“Our aim is to reinforce the culture of health and safety at work, both for our own employees and those of our contractors, so that they are constantly reminded of the importance of returning home after a day’s work without any kind of injury”

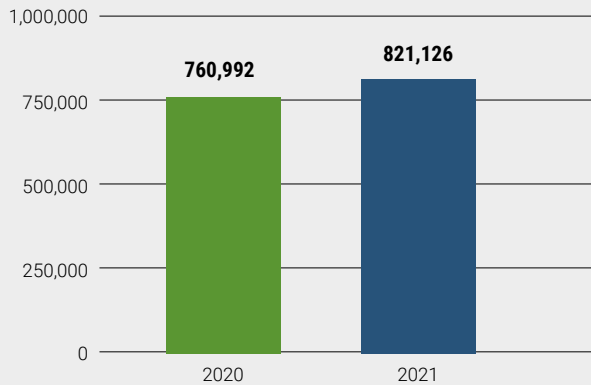


Atalaya has held eight editions of the Santa Bárbara Award to recognise the best ideas for improving security

### Work-related injuries - Key Performance Indicators

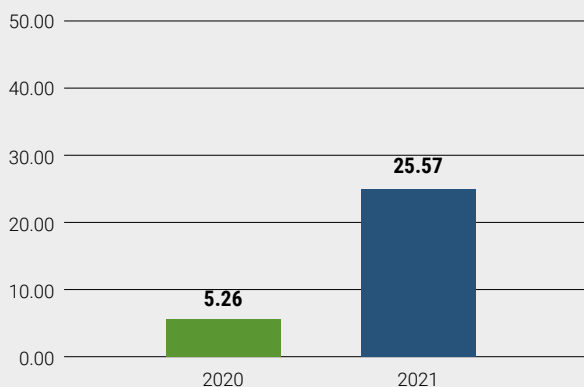


Number of hours worked (Own employees)



The number of hours worked has increased by about 60,000 hours by 2021. The main factor influencing this increase has been the recruitment of a significant number of staff to accelerate the activities related to heritage management and protection within the Project in order to ensure that the operation is not affected.

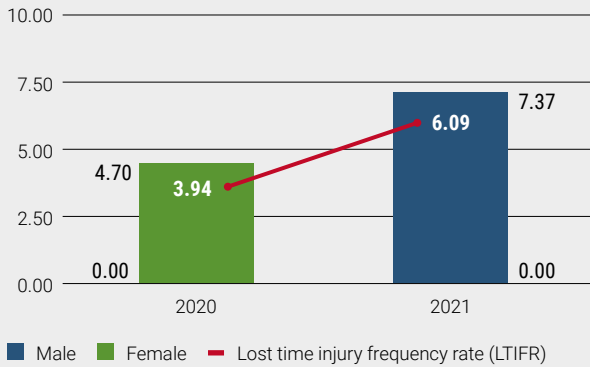
Near-misses frequency rate (Own employees)



Atalaya monitors and analyses any type of incident that occurs on site, even if it does not involve an injury or sick leave. The Company also keeps a record and analysis of near-misses.

The increase in the number of near-misses is due to the fact that, from 2021 onwards, incidents are more closely monitored.

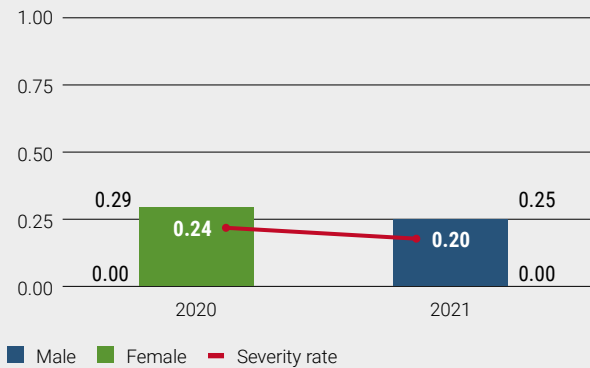
Lost time injury frequency rate (LTIFR). Own employees



Calculated as the number of lost time accidents per 10<sup>6</sup> divided by the total number of hours worked. This index refers to lost time accidents that are reported to the competent authorities. Despite the continued reduction in the number of accidents since 2019, the second half of 2021 has seen a change in trend resulting in an increase in the LTIFR.

Accidents increased from a total of 3 accidents in 2020 to 5 in 2021, all accidents involved males. The Company is assessing the underlying causes and has established a plan with specific measures to reverse this trend. All reported accidents have occurred for the male gender.

Severity rate. Own employees



There have been no fatalities or serious accidents at the facilities. The main types of injuries were due to pain and annoyances (in 2020) and fractures in 2021.

The severity rate decreased slightly because the consequences of accidents suffered by the workforce were lower than in the previous year, which facilitated their recovery in a shorter period of time.

## Prevention of occupational diseases

It is not only the reduction of accidents that is important for our prevention culture. But also, the reduction of risks that can lead to occupational diseases<sup>26</sup>. Atalaya has arranged health surveillance with an external prevention service made up of doctors specialised in occupational medicine and employees undergo an annual medical examination.

In order to prevent occupational diseases, regular measurements of various chemical and physical agents (i.e. volatile organic compounds, metals, noise, dust, vibrations, radiation, etc.) are of vital importance. The planning of the measurements is specific to each substance and to the results previously obtained).

(26) The main risks are exposure to dust and respirable crystalline silica and exposure to noise.



Also of great importance is the training programme for respiratory protection equipment to prevent exposure to dust and respirable crystalline silica.

The Company has not registered any of recordable cases of occupational diseases or illnesses in either 2020 or 2021 among its employees.



## Health and Safety of contractors

Health and safety management for contractors is also included in the Company's management system. Within the Company's own prevention service, there is a designated coordinator of business activities dedicated exclusively to the control and inspection of contractors' work conditions.

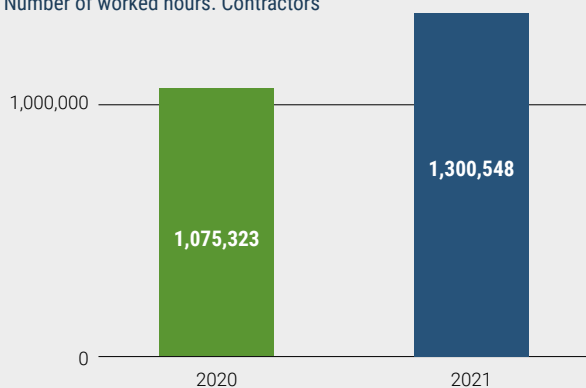
All collaborating companies and suppliers require accreditation prior to carrying out work in Atalaya's facilities, in order to check that the workers are qualified for the work they carry out and that the equipment complies with the inspections required by current legislation. Atalaya has a prevention technician that

verifies and validates all the documents necessary for the documentary control of the contractors, their equipment and their employees.

With regard to training, the Company applies the same criteria as for the rest of its employees. Atalaya requires its contractors to have the training required under current legislation in the mining sector that qualifies them in terms of health and safety for the job, in addition to that which accredits their training for certain activities, e.g. mining machinery, hot work or confined spaces, among others. It also provides them with the necessary training in both basic and high-consequence work procedures. In terms of training, contractors have trained 715 workers per month, as an annual average.

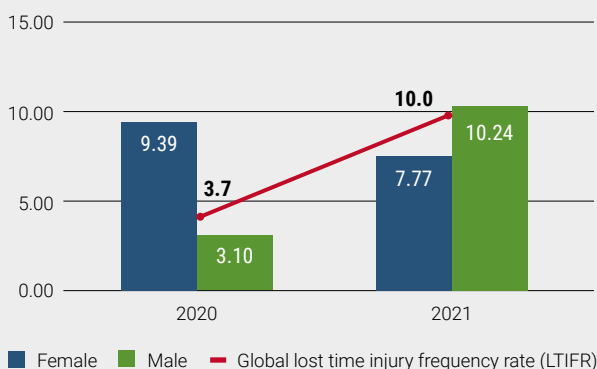
### Work-related injuries Key Performance Indicators

Number of worked hours. Contractors



The number of hours worked has increased by about 200,000 hours by 2021, due to an increase in production (the number of tonnes processed has increased in comparison with 2020).

Lost time injury frequency rate (LTIFR). Contractors



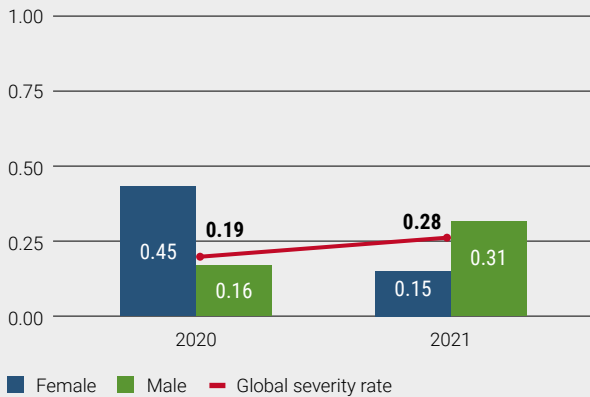
The number of accidents has grown from a total of 4 to a total of 13 by 2021 what has provoked an increase in the frequency rate. These accidents have gone from aches and annoyances (2020) to contusions (2021).

This increase in contractor accidents is concentrated in the activities carried out in the mine workshops. To change the trend, the main contractor has established an action plan focused on changing the safety culture.

In both years, only 1 accident took place for the female gender, with the majority of accidents occurring in men (3 in 2020 and 12 in 2021).

Specifically, with regard to high-consequence injuries, the rate was increased from 0 to 0.78 as a consequence of one serious accident occurred in 2021. No fatalities were registered among contractors.

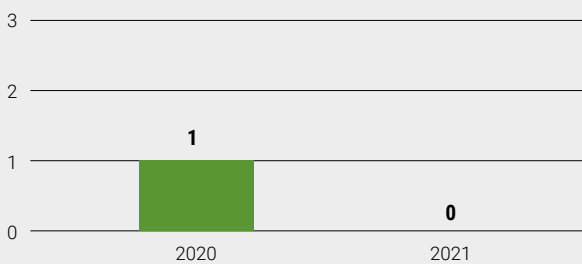
Severity rate. Contractors



There have been no fatalities or serious accidents at the facilities among the contractors.

An increase in severity rate was produced in 2021. This increase in contractor accidents is concentrated in the activities carried out in the mine workshops. To change the trend, the main contractor has established an action plan focused on changing the safety culture.

Number of occupational diseases and illnesses. Contractors



There have been no fatalities due to occupational diseases. However, in 2020, a case of silicosis was detected in one of the subcontractors (man).

The occupational disease is declared for the last job or Company that the worker has had, even if he/she has been exposed for much longer in other companies and with more seniority than the one in which the disease is declared.

In order to prevent occupational diseases, Atalaya carries out quarterly dust measurements of all its workers and requires the same level of commitment from contractors for their workers.

## 7.4/ COVID-19 prevention strategy

Atalaya has maintained a strategy at its facilities to prevent the spread of COVID-19. This strategy has ensured that the good results achieved in 2020, which allowed the activity to be carried out safely, have also been achieved in 2021.

From the outset, the implementation and monitoring of this strategy has been the responsibility of an emergency decision-making committee and a monitoring committee with the trade unions.

Specifically, the main actions carried out by the Company that have been part of this strategy included conducting PCRs, antigen tests and antibody tests on the entire workforce and monitoring contractors; the

construction of new changing rooms at the entrance to the facilities and the disinfections three times a day in the changing rooms.

### COLLABORATION WITH THE REGIONAL GOVERNMENT IN THE FIGHT AGAINST COVID-19

In addition to fighting the pandemic in its own facilities, Atalaya has supported the efforts of public administrations to expand vaccination against COVID-19.

To this end, the Company has joined the "Sumamos Plan" of the Andalusian Regional Government for the vaccination of its own workers and contractors.



# 8/ Environment and climate change



## Our milestones in 2021

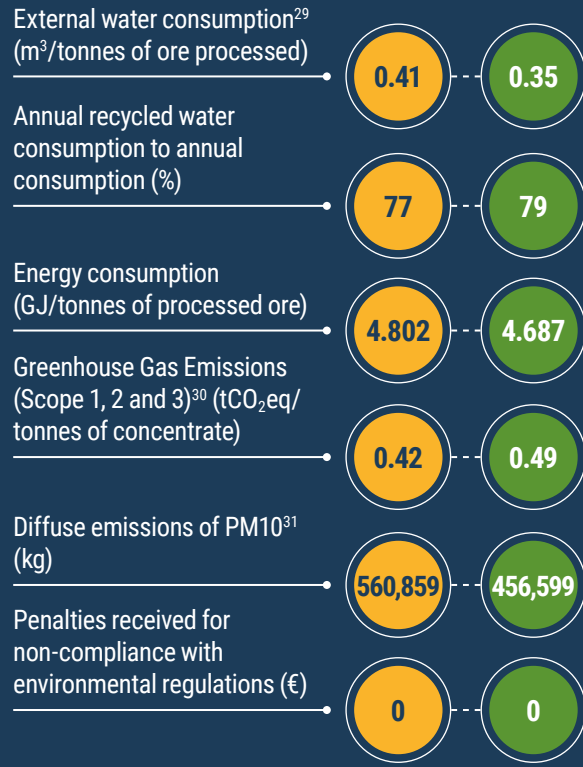
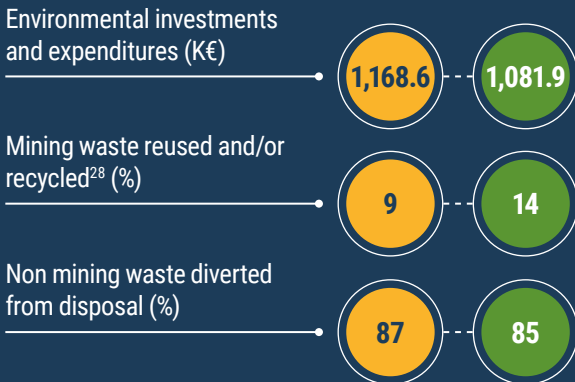
- 1/ Completion of an environmental risk analysis in accordance with Law 26/2007 on Environmental Responsibility.
- 2/ Calculation of the carbon footprint and inscription in the Register of the Ministry of Ecological Transition.
- 3/ Calculation of the water footprint.
- 4/ Licensing process underway for a 50MW solar power plant.
- 5/ Continuation of partnerships with universities on environmental projects on air quality, water and biodiversity and the start of a new partnership on mining restoration.
- 6/ Implementation of a training plan including environmental content for the workforce.
- 7/ Advancement in the implementation of the environmental restoration plan and pilot test for the application of tecnosol in mining waste restoration.
- 8/ Update of the Riotinto Project's environmental policy to include commitment to the fight against Climate Change.
- 9/ Conducting a valuation study of ecosystem services and natural capital for Proyecto Touro.
- 10/ Carrying out environmental baseline studies at the site of the future mining in Proyecto Touro.

## Objectives 2022

- 1/ Calculation of CO<sub>2</sub> sinks with the aim of establishing a carbon balance in combination with the carbon footprint.
- 2/ Commencement of construction of the solar power plant for self-consumption at Proyecto Riotinto.
- 3/ Restoration of passive dumps, inherited from historical activity of previous operators at the site, prior to Atalaya Mining.
- 4/ Recertification on ISO 1400:2015 of our environmental management system
- 5/ Continuity and inscription of the 2021 carbon footprint in the Register of the Ministry of Ecological Transition.
- 6/ Continue with the calculation of the water footprint for 2020 and 2021.
- 7/ Continue to collaborate with research entities in order to improve the technical and scientific knowledge of passive mine water treatment.

## Our performance 2020-2021<sup>27</sup>

● 2021 ● 2020



(27) All the environmental indicators reported in this chapter correspond to the Proyecto Riotinto because it is the only significant operation by the Company. The remaining projects of Atalaya Mining plc are not in operation phase so their environmental impact is very low compared to the Proyecto Riotinto.

(28) The percentage includes mine waste reused in the project.

(29) The annual external surface water consumption per total annual ore processed

(30) The 2021 figure is an estimate based on 2020 factors as 2021 factors are not available at the time of this report. Scope 3 data only includes "Contractors' transport".

(31) Calculation based on the "Guidance for the reporting of emissions from opencast mining operations"

## 8.1/ Environmental management approach

### Environmental management system

Atalaya Mining plc is committed to conduct its mining operation on a sustainable basis, with maximum prevention of any negative environmental, social or cultural impact which is reflected in the Environmental Policy approved for Proyecto Riotinto<sup>32</sup>.

The principles of this Policy include compliance with applicable environmental legislation and regulations, as

(32) Proyecto Riotinto is currently the Company's most significant operation with an impact on the environment. As indicated in chapter 2, the rest of the projects in Atalaya Mining's portfolio are still in the exploration and/or permitting phase and thus have significantly less environmental relevance.



This environmental policy can be downloaded [here](#).



## Proyecto Riotinto

The environmental management system is based on the Environmental Monitoring Plan (EMP) approved by the competent authorities. The aim of the EMP is to guarantee compliance with the preventive and corrective actions proposed in the Unified Environmental Authorisation (AAU, as well as in the rest of applicable legislation. The Plan establishes the periodicity of the execution of controls, as well as the submission of reports to the competent administration, and also contains the records of measurements and potential historical incidents, which allows a feasible traceability of Proyecto Riotinto. Likewise, in the context of environmental performance monitoring, Proyecto Riotinto has a series of specific indicators that cover all the environmental vectors with which the project interacts. In total there are 20 indicators corresponding to as many environmental control points for aspects such as channelled emissions



into the atmosphere, non-channelled emissions, air quality, noise, receiving environment, groundwater and diffuse waters derived from the historical activity prior to Atalaya. For each of these, a reference value and a monitoring periodicity are established. In addition, there is a programme of inspection, control and monitoring points where operations are verified with the indicated frequency, aimed at

controlling consumption, waste and emissions. The project has a resident environmental technician to guarantee compliance with these environmental conditions. This technician belongs to an entity included in the register of collaborating entities in matters of environmental quality of the Junta de Andalucía and his functions include inspecting and controlling the application of the environmental monitoring plan.

well as other environmental commitments to which the Company subscribes. In 2021, the policy was revised to explicitly include a commitment to combat climate change and integrating resilience and adaptation as part of continuous improvement.

To enforce the compliance with the aforementioned environmental policy, the Company has implemented an environmental management system certified to the ISO 14001 standard<sup>33</sup>. This system, which is periodically audited promote continuous improvement in operations. Two audits are carried out annually, one internal by Company staff from different departments trained to do so and one external by a certified Company.

The system is based on the Environmental Monitoring Plan authorised by the competent administration and, although its scope is currently limited to the operations

of the Proyecto Riotinto. The Company is working to extend it to the rest of its projects in the operation and permitting phase with the goal of certifying it against ISO 14001 or another recognized standard.

The Company's future projection is to exploit the ore bodies adjacent to Cerro Colorado (i.e. San Dionosio and San Antonio), as well as other districts such as Masa Valverde. From the experienced gained at Proyecto Riotinto, the Company will be able to manage the environmental impacts of the new projects and leave a positive legacy.

(33) The proper implementation and operation of the system is the responsibility of the Environmental Department.



## Other projects in the exploration and permitting phase

For projects in the exploration and permitting phase (e.g. Touro, Masa Valverde, etc.) the Company implements a series of environmental actions such as: obtaining environmental permits, monitoring activities to comply with internal standards and performing land restoration at the end of the exploration mining activity in accordance with an authorised restoration plan.

## Environmental compliance

Through the aforementioned actions, the Company guarantees compliance with the requirements of the applicable legislation, as well as those established by the Unified Environmental Authorisation (AAU for its Spanish acronym) that has supported the activities of Proyecto Riotinto since the restart of mining activity in 2015-2016. The Company has specific tools to support this compliance work, such as a subscription to a legislative update service (SALEM) designed for the knowledge and updating of environmental, occupational risk prevention and industrial safety legislation.

With regard to the Unified Environmental Authorisation (AAU), Atalaya has submitted several non-substantial modifications in 2021, all of which are aimed at improving and optimising areas, processes or facilities in the project. Likewise, during 2021, the file relating to a substantial modification of the AAU submitted by the Company in 2020 underwent a public information process and is expected to be favourably resolved in the first half of 2022.

## Environmental Risk Prevention

The prevention of environmental risks is a fundamental aspect in the operation of the Proyecto Riotinto. For this reason, the Company has created a specific methodology that establishes how to prevent and respond to different situations that could occur accidentally within the project and cause significant environmental aspects. This methodology is included in a specific technical instruction.

**“There were no environmental incidents or accidents related to its activities in 2021. No sanctions for environmental non-compliance have been imposed on the Company either”**

Additionally, in accordance with the Spanish Law 26/2007 on Environmental Responsibility, Atalaya Mining developed an environmental risk analysis in 2021. This analysis was carried out in accordance with the methodology established by the UNE 150.008 standard and served as the basis for the quantification of the financial guarantee. The result obtained for the reference scenario falls within the range of 300,000 and 2,000,000 euros, together with the fact that Atalaya Riotinto Minera has implemented an Environmental Management System (ISO 140001), meaning that Atalaya Riotinto Minera would not be obliged to provide a financial guarantee.

The corresponding analysis was submitted on 14 July 2021 to the competent administration as established in the legislation in force.

In addition, following the results of the analysis, the Company has projected various investments for 2022 aimed at the improvement of the current fire prevention system through the installation of an automatic fire detection and extinguishing system in the Internal Management Park (i.e. in the hazardous waste warehouse).



## 8.2/ Circular Economy and Efficient Resource Management

### Management approach

The generation of waste and its correct management is one of the most significant aspects in our activity. At Proyecto Riotinto, mining waste constitute a significant part of our impact, mainly due to the volumes generated. Besides, other smaller quantities of other hazardous and non-hazardous waste is produced. The management of both waste fractions (mining waste and non-mining waste) is conducted in a differentiated manner, integrating the requirements set by each of the applicable legislations.

In all cases, a constant effort is made to minimise and reuse waste. The management policy in Proyecto Riotinto follows the “3Rs” rule (i.e. Reduce, Reuse and Recycle). In this line, the project counts on an annually reviewed **waste minimization plan**. The plan has reduction targets for those wastes considered as a priority, based on their characteristics, nature and/or quantities produced, and therefore specific actions are established for their reduction, such as increasing consumables in bulk format to reduce the production of packaging, promoting the reuse of wood or the recycling of most of the waste. More than 85% of the waste generated is destined for recovery.

Particularly noteworthy is the management of mining waste, much of which is used for restoration and dam reinforcement activities, thus promoting the principles of the circular economy (see box below).



*Non-hazardous waste park built in 2021 in Proyecto Riotinto*

Non-mining waste is temporarily stored in a designated waste storage park until its collection by an authorized contractor. During the 2021, several improvements were made to the management park such as the installation of the electricity, water supply, eye-wash facilities, an operator’s hut as well as the digitalisation of waste inputs and outputs. A non-hazardous waste park has also been built, which has led to a considerable improvement in the segregation of non-hazardous waste and in the general order and cleanliness of this waste.

Within the framework of the management system, Proyecto Riotinto has a technical instruction that describes the activities related to the waste production and management process, in response to the applicable legal requirements. The project has a log book in which the quantities of waste managed by authorised waste managers and waste collected by the local council are recorded.

For the control and monitoring of waste produced by third parties operating in the project facilities, periodic environmental monitoring inspections are carried out on contractors, in which their legal compliance is checked.



### Mining waste used in the restoration of tailings dams

Mine waste is one of the critical issues in the mine’s operation.

As production increases at Proyecto Riotinto, the process tailings dam needs to be enlarged and its reinforcements need to be increased. Using this situation as an opportunity and as one of the measures to reduce waste and support

the principles of the circular economy, Atalaya is using the mine waste for the construction of reinforcements and extensions to the various sections of the process tailings dam.

This initiative allows the tailings to be reused, minimising their deposition on the surface and turning them to a new application. Approximately, 9% of the mine wastes generated were reused in the construction of the new tailings deposit in 2021.

In 2021, the Company has launched a ranking of contractors that evaluates the environmental performance of each contractor based on the inspections carried out. Weighed against various criteria, the ranking provides information on which contractors are the best in the environmental performance of the project.

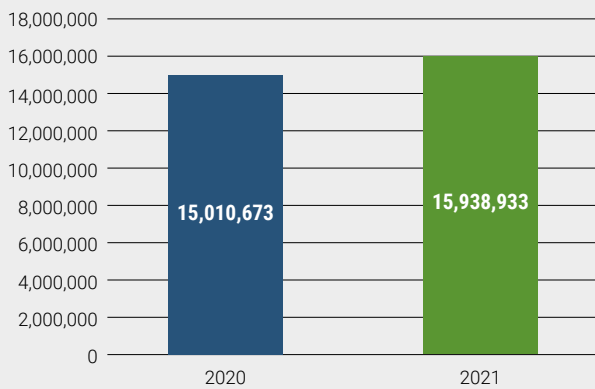
### Staff awareness-raising

For proper waste management, the involvement of our staff is of vital importance. For this reason, in 2021, specific training in waste management was given to the Riotinto Project staff. This awareness campaign also included contractors, with whom “talks to contractors” have been implemented in order to periodically provide them with information and training on those aspects that need to be reinforced. The Environment Department encourages all personnel to reuse available non-hazardous waste and, to this end, they are asked to take a photograph as a support.



### Waste management and circular economy key performance indicators

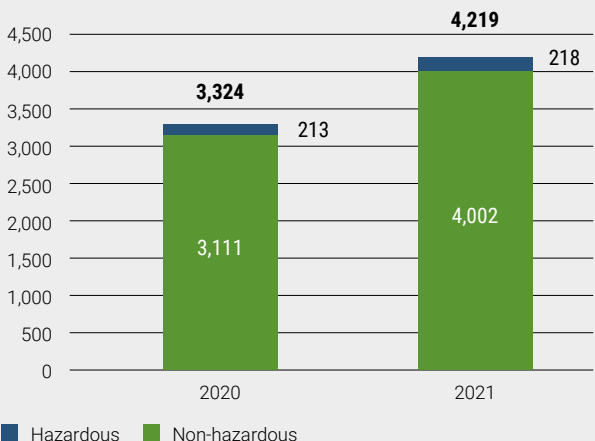
Total of materials that are used to produce and package the organization's primary products and services (Mt)



More than 90% correspond to tonnes processed, in addition to other materials such as lime (96 tonnes), bolas (19 tonnes), cytec aero (379 tonnes), and smaller quantities of other products such as flocculent, antifouling, among others.

In 2021, the consumption of reagent has been reduced in the copper concentrate extraction plant (-38%) and the water treatment plant (-48%), mainly to a substitution of the type of lime used in the processes, which has allowed to decrease the use of this reagent. All materials used by the Company come from non-renewable sources.

Total non mining waste produced (t)\*



In 2021 there has been an increase in the amount of non-hazardous waste due to the increase in metal waste managed by the project thanks to better use of waste used balls present in the rejection of the milling process.

\* Non-hazardous waste mainly consists of domestic waste, wooden packaging, paper & cardboard and plastics. Hazardous waste streams comprise used oils, organic solvents, contaminated packaging, laboratory reagents, aerosols, paint and varnished waste, batteries, luminaries, contaminated soils and others.



**Non mining waste.**  
Waste destined for disposal

	2020	2021
<b>Total waste destined for disposal (t)</b>	<b>501</b>	<b>551</b>
<b>Non Hazardous (t)</b>	<b>436</b>	<b>481</b>
Landfilling (t)	436	481
<b>Hazardous (t)</b>	<b>65</b>	<b>70</b>
Landfilling (t)	65	70

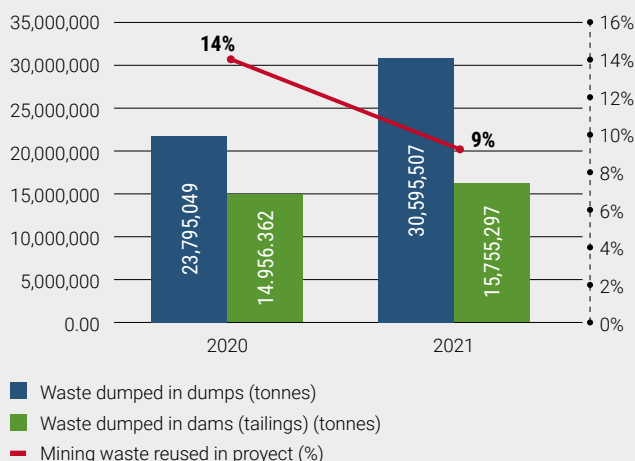
There is an increase in non-hazardous waste destined for disposal from 2020 to 2021, mainly due to the increase of managed waste from mixtures of industrial inert waste. This increase is justified in different waste withdrawals for the cleaning of obsolete areas in the Proyecto Riotinto.

**Non mining waste.**  
Waste diverted from disposal

	2020	2021
<b>Total waste diverted from disposal (t)</b>	<b>2822</b>	<b>3669</b>
<b>Non Hazardous (t)</b>	<b>2675</b>	<b>3521</b>
Waste Recycled (t)	2675	3521
<b>Hazardous (t)</b>	<b>147</b>	<b>148</b>
Waste Recycled (t)	147	148

The increase in the amount of non-hazardous waste destined for recycling is mainly due to the recovery of metal balls from the milling process indicated above.

**Mining waste. Total generation and destination**



In 2021, the amount of mining waste produced has increased, mainly due to the increase in production. In terms of percentages, landfill waste has increased by 7 million m<sup>3</sup>, mining waste has increased by 800,000 m<sup>3</sup> and the percentage of mining waste produced has increased by 1.5 million m<sup>3</sup>.

The percentage of waste reuse in the project has been slightly lower in 2021 (9%) compared to the amount in 2020 (14%). The reuse of mine tailings depends on work rate of the mine itself and the need for this material. Atalaya uses this material for the dam extension and other construction works, so the demand of this material is adjusted to the works rate. Atalaya continues to prioritise the reuse of its waste wherever possible.

**Note:** Proyecto Riotinto counts with 3 category A waste storage facilities.

## 8.3/ Efficient Water Management and Zero Discharge Approach

### Management approach

Water consumption is necessary for the production process, especially for the so-called “wet area” in the grinding and flotation process. Water resource management at Proyecto Riotinto prioritises the reuse and recirculation of water, by relying on supply from an external source only when necessary. Under normal operating conditions, the project has a closed circuit by conditioning the various mining effluents for use in ore processing. The Company also has a water treatment line which allows mine water to be conditioned for use in mining and industrial applications. As a result, water consumption is greatly reduced, with the percentage of fresh water<sup>34</sup> being around 10-15% of the total.

Regarding water discharge, the Riotinto Project has a zero liquid discharge approach (ZLD). Although it has had a discharge permit since the beginning of the activity, it has never made use of it.

**“Thanks to our water management, the project only needs an amount of fresh water equivalent to 10% - 15% in relation to the total needed”**

Due to its sustainability strategy and its status as a mining Company, Atalaya Mining has a long history of making decisions that favour the protection of water resources. In order to get a more clear understanding of its impacts, Atalaya has completed in 2021 the calculation and verification of Proyecto Riotinto’s water footprint for the period 2015-2019. The Company, through the evaluation of the water footprint aims to identify in which facilities and processes the highest consumption and/or degradation of water takes place, so that measures can be identified to reduce the impact of the activity on the water resource (see box).

(34) The water abstractions are made from the reservoirs located in the neighbourhood of the project (Odiel Reservoir, Campofrío Reservoir and Aguas Limpias), these are surface abstractions that are pumped to the project area.



### Water Footprint Calculation

Atalaya calculated the water footprint for Proyecto Riotinto, which was verified by an external accredited Company (EQA) following the procedure established by the Water Footprint Network. The study of Proyecto Riotinto analysed the direct and indirect water consumption (due to the organisation’s consumption of materials and energy) and took into account the three components of the water footprint: blue (consumption of water along the supply chain), green (rainwater that is not transformed into runoff and evapotranspires through plants) and grey (water required to assimilate a given pollutant load).

Total water footprint in 2019 (last year for which data is available) was equivalent to 53,795 m<sup>3</sup>/t of ore concentrate, which represents a reduction of 21.33% compared to the reference year (2016). This reduction is mainly due to better management and reduction of direct blue water consumption, as well as a reduction in indirect water consumption required to obtain the ore concentrate to be marketed.

The environmental sustainability analysis associated with the water footprint concluded that the water requirements of the environment are met, i.e. surface and groundwater flows remain within certain ranges with respect to water runoff and the natural water needs required by the ecosystem are respected. Furthermore, the pollutant absorption capacity is not exceeded as no water is discharged into the environment.

## Management of historical environmental liabilities

One of the main aspects of the Proyecto Riotinto is the fact that it is a historical project. As a mine that has been exploited for hundreds of years, it has inherited environmental liabilities such as the so-called “diffuse waters”. These waters come from passive areas of the project, they are not generated by the activity of the Company.

Despite not having been generated by Atalaya’s activity, the Restoration Plan approved by the Company as well as the Unified Environmental Authorisation,

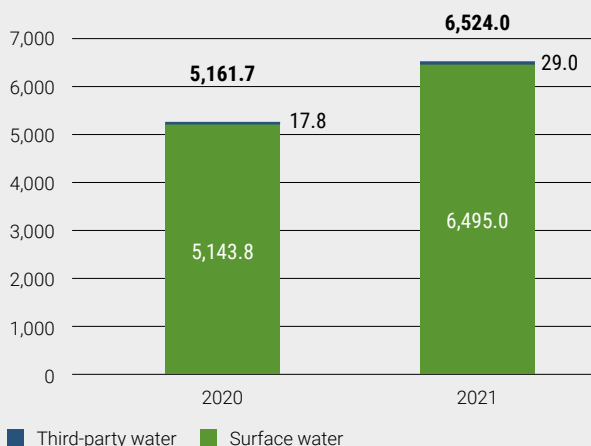
contemplates the management of diffuse waters and the progressive reduction of its metallic load to 100% of the base pollutant load<sup>35</sup> at the end of Proyecto Riotinto’s life.

Currently, Proyecto Riotinto has achieved a reduction of these pollutants above the values required in the corresponding authorizations as indicates a specific report carried out by the University of Huelva with which the Company collaborates in the quantification of the evolution of this metallic load (this report is expected to available in first quarter of 2022).

(35) Reference year: 2015.

## Water management key performance indicators

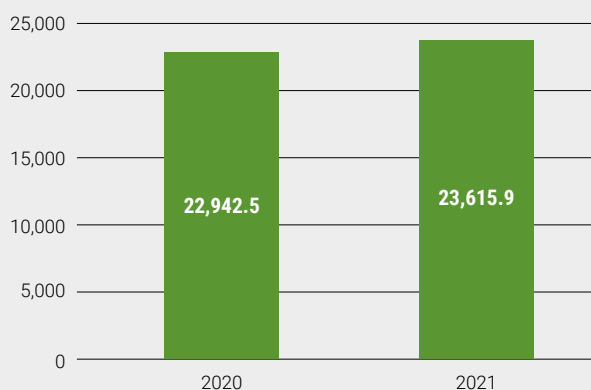
Water withdrawal (thousand m<sup>3</sup>)



Data include fresh water coming from the “Agua Limpia”, “Campofrío” and “Odiel” reservoirs. Incoming water from rainwater is also added.

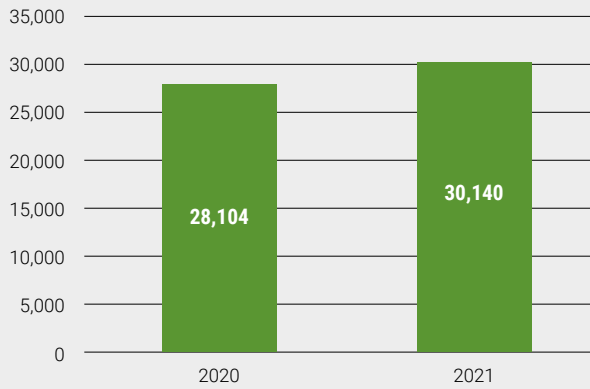
The increase in 2021 is mainly due to increased production and low rainfall in that year.

Water recycled (thousand m<sup>3</sup>)



The amount of recycled water has not changed significantly between 2020 and 2021.

Water consumption (thousand m<sup>3</sup>)



No wastewater discharge is generated at Proyecto Riotinto. Water consumption is, therefore, calculated as the sum of the water withdrawal plus the recycled water.

Water management. Other indicators

	2020	2021
Annual net primary water consumption to annual production (fresh water + third-party water) (m <sup>3</sup> /tonnes of concentrate produced)	20.2	24.1
Surface water consumption per tonne of ore processed (m <sup>3</sup> /tonnes ore processed)	0.35	0.41
Total annual water consumption <sup>36</sup> to annual production (m <sup>3</sup> /tonnes of concentrate produced)	109	111
Annual recycled water consumption to annual consumption (%)	79	77

In 2021, production has increased, and therefore, the tonnes of ore treated at the processing plant, which is associated with an increase in water consumption compared to the previous year.

Atalaya works and will continue to work on improving water consumption and efficiency.

(36) Total water consumption includes water withdrawal and recycled water.





## 8.4/ Energy Transition and Climate Change

### Energy and carbon emissions management approach

Energy consumption is one of the significant environmental aspects of Proyecto Riotinto, as it is inherent to the activities carried out there. This energy consumption is also responsible for a large part of the Company's carbon footprint (see next section).

Given the importance of this energy consumption, Proyecto Riotinto monitors it continuously and regularly. Also, Atalaya has adopted other actions conducted to reduce energy consumption and greenhouse gas emissions such as the installation of new flotation cells and replacement of old equipment which have provided an improvement of the production process and equipment and the harness of renewable energy (see box below).



#### Harnessing solar energy

In line with the Company's commitment to the continuous improvement of its environmental performance and, in particular, with the objective of reducing greenhouse gas emissions, Atalaya Mining plans to install a solar power plant for self-consumption at Proyecto Riotinto.

This solar plant will generate 50 MW, which would be one of the largest self-consumption plants in Spain and the first within a mine. The new photovoltaic plant, a pioneer in the sector, could offer an annual reduction of more than 40,000 tonnes of indirect CO<sub>2</sub> emissions, as electricity consumption accounts for more than 60% of the mining operation's carbon footprint.

During 2021, the Company has conducted the permitting phase, with construction work scheduled to start in the first half of 2022.

### Energy management key performance indicators

Energy consumption within the organization

	2020	2021
<b>Total Energy consumption (GJ)</b>	<b>1,200,000.126</b>	<b>1,300,000.132</b>
Electricity consumption (GJ)	1,200,000.000	1,300,000.000
Total fuel consumption within the organization from non-renewable sources (GJ)	126	132
Diesel oil A consumption (m <sup>3</sup> )	91	104
Diesel oil B consumption (m <sup>3</sup> )	15,292	16,072
<b>Total Energy Intensity (GJ)</b>	<b>4.687</b>	<b>4.802</b>

The reported electricity consumption comes from the Spanish mix. The Company in its Proyecto Riotinto does not import other forms of energy such as heat, steam or cold. Nor does it make any energy sales abroad.

The increases in energy consumption are mainly due to an increase in production. Atalaya expects to increase consumption from renewable sources with the construction of the future solar plant.

The consumption of diesel A used by light vehicles has increased since the number of workers and therefore the fleet of vehicles has increased.

### Calculation of the carbon footprint

Atalaya has completed the calculation of the carbon footprint in Proyecto Riotinto which is the Company's most significant operation in this respect. In 2021, this footprint was calculated<sup>(37)</sup> to be 115,223 tCO<sub>2eq</sub>, 7.85% less than in the previous year. Scope 1 accounted for 2.94% of total emissions, Scope 2 for 61.61% and Scope 3 accounted for the remaining 35.45%.

Proyecto Riotinto's direct carbon emissions (Scope 1) come mainly from those activities associated with

(37) The 2021 figure is an estimate based on 2020 factors as 2021 factors are not available at the time of this report.

diesel consumption in the different processes carried out at the industrial plant and in some transport equipment. The main source of emissions, those computed under scope 2, came from electricity consumption in the project.

Finally, Proyecto Riotinto's also considers in its carbon footprint other indirect emissions generated from sources that are neither owned nor controlled by the organisation under analysis (Scope 3) such as the consumption of energy in contractor's transport activities. This emissions, as stated before, were the second most important source for the whole project.

The indicator that compares emissions with the tonnes of copper concentrate produced, with a value of 0.45 for 2021, allows us to establish that the index is 18% lower than in 2019 (0.55) and that the Company is on a good trend towards meeting its reduction targets. Atalaya has also carried out a study of its carbon footprint over the last five years, noting that the trend is towards a decreasing footprint.

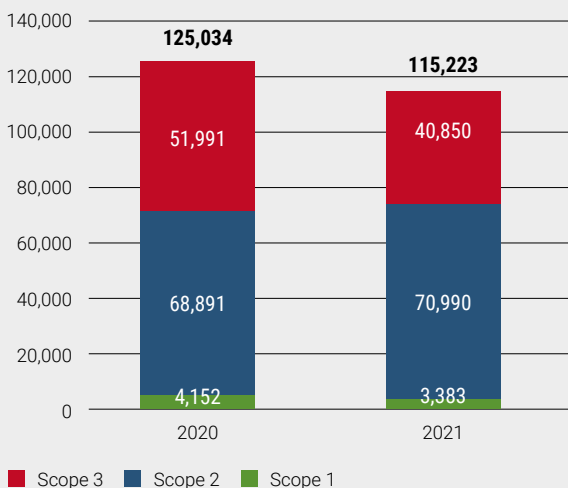
### Registration of the carbon footprint

In Spain, the Ministry for Ecological Transition and Demographic Challenge launched the National Registry of Carbon Footprint, offsetting and carbon dioxide absorption projects, with the aim that organisations calculate, reduce and offset their carbon footprint and register it voluntarily. Atalaya Mining registered its carbon footprint in 2021.

**“Atalaya has achieved a significant reduction in greenhouse gas emissions from its operation of the Riotinto project in recent years. In order to continue on this decarbonisation path, the Company has drawn up a plan to reduce its carbon footprint by 15% in the period 2021-2025”**

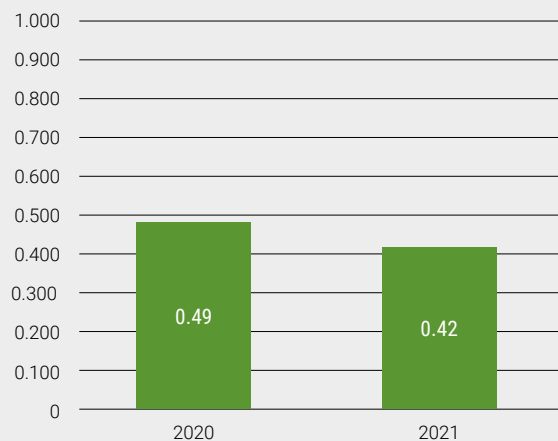
## Carbon emissions management key performance indicators

Total Greenhouse Gas emissions (tCO<sub>2eq</sub>)



In 2021 there has been an increase in electricity consumption and thus in scope 2.

GHG Intensity (scope 1 + scope 2 + scope 3) (tCO<sub>2eq</sub>/t of processed ore)<sup>(38)</sup>



GHG emission intensity is slightly reduced in 2021, due to an increase in concentrate production.

(38) The 2021 figure is an estimate based on 2020 factors as 2021 factors are not available at the time of this report. Scope 3 data only includes "Contractors' transport".

## 8.5/ Biodiversity Protection

### Impacts and measures on biodiversity

The impact of the mining operation on biodiversity can be considered significant, especially in view of the existence of protected species of both flora and fauna.

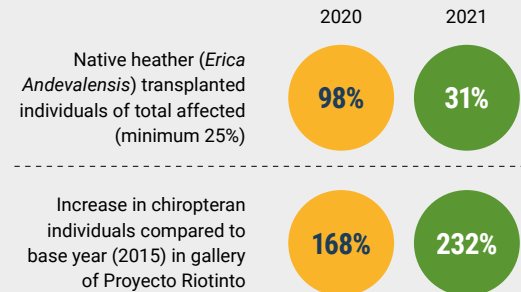
Atalaya has a specific methodology for the management of biodiversity, integrating the requirements established in the Unified Environmental Authorization and sectoral applicable legislation.

This methodology, formalized in a technical instruction, supports the Company's actions for the conservation of different elements of the natural environment in the area of its operations, including mainly the management of a protected species of flora (*Erica andevalensis*) and the management of bats. For more information, see the attached table.

The environmental department has been closely involved in a project to restore areas impacted by forest fires in Nerva (see Chapter 9 Society). Our tree nursery is also regularly visited by school children and other nature conservation centres.

Beside its wildlife conservation programs, Proyecto Riotinto also has developed a Forest Fire Prevention Plan that is implemented annually. Some of the actions

### Biodiversity management key performance indicators



In 2020, 57 individuals of *Erica Andevalensis* were affected, practically all of which were translocated. In 2021, the number of individuals affected was 709, with a total of 220 translocated, which represents 31%. According to the management plan, the minimum number of affected individuals to be translocated is 25%.

In 2015, a total of 109 chiropteran individuals were counted in the Riotinto Project, which has increased to 292 individuals in 2020 and 362 in 2021.

include opening and maintenance of firebreak lines; clearing and cutting of certain forest areas; clearing around sensitive installations (i.e. generator set, pumps, pipes, generators, transformers, etc.) and clearing of roadsides.

### Wildlife conservation projects

Proyecto Riotinto has implemented a biodiversity management system to meet its protected species management obligations:



#### 1/ Translocation, monitoring and artificial reproduction of a protected flora species (*Erica andevalensis*).

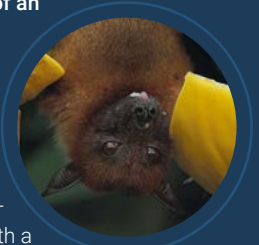
The management plan for Erica includes the translocation of individuals harvested by the activity. For that, while the authorisations stipulate a minimum of 25% of translocated individuals, since the start of the project, the average is more than 35%. Another measure is the collection of seeds from affected individuals to reproduce them in nurseries (around 600 individuals) and use them to restore project areas. Unaffected populations are also monitored and controlled.

The Company is also immersed in a campaign to raise awareness among the local population, for which it has

prepared information leaflets to be distributed in schools and town halls, accompanied by informative talks.

#### 2/ Control of chiropteran population and construction of an artificial refuge.

Monitoring of chiropteran populations is carried out for both the breeding and hibernation seasons, with a direct and indirect census respectively. One of the census caves is showing an exponential increase in the population since the start of the activity. In addition, as a compensatory measure, an artificial refuge has been created, which was built in 2015.



## 8.6/ Air Quality

Our operations in Proyecto Riotinto give rise to two types of atmospheric emissions, those that are channelled (currently four sources) and those generated diffusely and inherent to the mining activity. Proyecto Riotinto has implemented an exhaustive programme of specific control for diffusive emissions, as well as preventive and corrective measures.

In 2021, the Company has continued to strengthen its management in this area by implementing various actions such as the elimination of vehicle traffic on

the mining track, the installation of a bag filter in the screening plant and covering the stock of coarse materials (total investment of the cover was 3M€). Atalaya has also developed pioneering initiatives such as a dispersions study for the emissions generated at stockpile and improvements in the weather and air quality forecasting service.

In addition, with regard to noise emissions, Proyecto Riotinto carries out six-monthly self-monitoring in accordance with the applicable legislation.

## Pioneering initiatives implemented in Proyecto Riotinto

### Project to improve air quality control in collaboration with the University of Huelva

Atalaya maintains a close collaboration with the University of Huelva for scientific and technological projects, including the installation of a network of five fixed sensors with Airvisual technology that continuously measure the concentration of PM2.5 and PM10 particles. The aim is to monitor the air quality to ensure that it is adequate and in conformity with international standards. With this project, the values are known in real time, allowing immediate mitigation measures if necessary.

### Weather and air quality forecasting service

As the best available technology for the early detection and management of emissions, Proyecto Riotinto has implemented a predictive modeling system allowing to know 48 hours in advance the meteorological evolution in the area, as well as the air quality of the environment. Therefore, it is possible to anticipate potential environmental and operational problematic situations.

This prediction system makes it possible to organize work according to the weather forecast known in advance and to allocate extra resources, such as reinforcement risks in certain areas or even the rethinking of work areas and methods used, if necessary.

### Monitoring and warning system for suspended particulate matter in the PRT

Proyecto Riotinto carries out daily inspections of a series of control points throughout the project area, in order to visually check for the presence of dust, and to reinforce preventive measures.

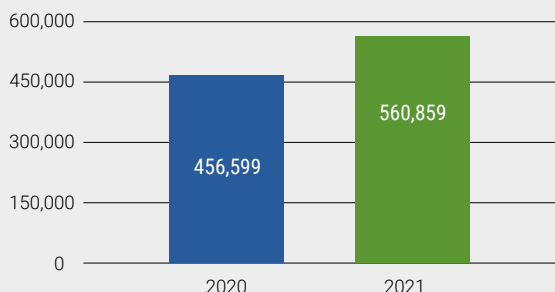
The results of the inspections carried out are immediately brought to the attention of the various project managers, ensuring a rapid response.

This system is intensified during dry periods and has been perfected over time, complemented by the weather forecast system (wind direction forecast for the following working hours) and the mapping of the presence of PM2.5 particles in the PRT by means of mobile sensors, as an innovative measure.



## Air quality key performance indicators

Emissions of dust particulates (PM10) (kg)<sup>39</sup>



The increase in 2021 is mainly caused by the increase in the number of track metres that trucks have travelled together with the increase in the number of blasts.

(39) Calculation based on the "Guidance for the reporting of emissions from opencast mining operations".

**Note:** Emissions of other pollutants referred to in the GRI standard such as NOx, SOx are not reported because are not considered material.

The approval of a new mining project by Atalaya has prompted an update of the **Proyecto Riotinto's Restoration Plan** which will follow the guidelines already approved in the current restoration plan and will incorporate new actions within the current planning.

As part of this updated plan, the resulting surfaces will be remodeled in a manner consistent with the surrounding landscape. This action will provide structural security and will allow to form slopes and work platforms on which to carry out environmental restoration work. The plan also provides for the sealing of the created surfaces, which will minimize exposure to the collected material. The sealing of these surfaces may be carried out using slate which can be accessed by updating the mining project.

The restoration project also proposes the use of geomembrane and geotextile as the best available technique for the closure and sealing of the tailings dam, after managing the stored water.

Finally, the installation of an exhaustive monitoring network of the remaining structures to guarantee the water quality for the receiving environment, the value of heritage goods and new routes for visitors are other actions considered.

## 8.7/ Environmental Restoration Plan

Since the beginning of its operation in 2015, Atalaya has implemented a Restoration Plan, in accordance with the legislation, aimed at the following objectives:

- » Landscape and environmental integration of the areas created, preserving the values of the mining landscape which is characteristic of the area and which is culturally protected.
- » To guarantee adequate water quality in the restored areas.
- » To ensure the safety and long-term stability of the remaining structures.
- » To generate an end use of the land that is beneficial to the socio-economic environment of the area where the mining operation is located.

In addition, Proyecto Riotinto's Restoration Plan envisages the rehabilitation of non-active areas inherited from previous mining activities in the area (mine tailings) and which are not the result of the activity of Atalaya Mining.

### Tecnosol pilot test

Atalaya conducts pilot tests to evaluate potential restoration techniques. In such a way, the Company has implemented a test with tecnosol, which consists of the execution of two parallel tests on two plots of 100m<sup>2</sup> each, where a total of 100 tonnes of soil with different thicknesses are placed. In addition, another plot is prepared in order to compare the results.

The test lasts 6 months, where a periodic monitoring of: vegetation, tecnosol, waste dump, generated run-off water, groundwater is carried out. The soil is made from sewage sludge, plant remains, biomass ashes and gravel, and once spread, herbaceous seeds will be incorporated. The test aims to verify the usefulness of the tecnosoils for the restoration of passive waste dumps of Proyecto Riotinto.

Financial guarantees for the environmental restoration of Proyecto Riotinto (2015-2021)

71.9 M€

# 9/ Society

## Our milestones in 2021

### Local communities

- › Creation of an industrial school for unemployed people from the Cuenca Minera region.
- › Public visits to Corta Atalaya, in collaboration with the Town Council of Minas de Riotinto.

### Supply chain

- › Efforts to strengthen the recruitment of local suppliers.
- › Registration of environmental, health and safety and quality incidents with providers.

### Heritage

- › Completion of the annual customer satisfaction report.

### Customer engagement

- › Excavations of the Archaeological sites “Cortalago”, “Archaeological Level 5” and “Nuevo Filón Norte 1”.

## Objectives 2022

### Local communities

- › Establish an offer of regular tourist visits to the mining facilities (Riotinto experience).
- › Creation of a “citizens’ panel” to provide information and receive opinions and complaints.

### Supply chain

- › Develop a pre-assessment to evaluate and develop a plan to comply with the 15869 standard on purchasing excellence.
- › Develop, disseminate and audit the code of conduct for suppliers with special attention to ESG aspects.

### Heritage

- › Completion of the archaeological excavation of “Cortalago”.
- › Archaeological excavation of “Argamasilla”, including actions to protect the site.

## Our performance 2020-2021<sup>40</sup>

● 2021 ● 2020

Percentage of employees coming from local community (%)



Budget dedicated to social activities through our Foundation<sup>41</sup> (K€)



Invoiced from local suppliers<sup>42</sup> (%)



Investment made for the protection of local heritage (M€)



Complaints received from customers



(40) Data for Proyecto Riotinto

(41) Budget corresponding to agreements signed during the year

(42) Corresponding to Atalaya Riotinto Minera



## 9.1/ A long-term project contributing to the prosperity of the mining area

### Creating long-term prosperity in Riotinto Mining Basin

Proyecto Riotinto has been a driving force for the socio-economic revitalisation of the Riotinto Mining Basin in the province of Huelva.

The Company is strongly committed to the creation of local employment, extending the socio-economic footprint to contractors and business and activities providing services to the mine.

The importance of mining and associated activities has had a decisive influence on a decline in the demand for employment in the local environment in the last few years. Such decline has reached 50% in the case of some municipalities.

“Atalaya envisages Proyecto Riotinto as a long-term mine that will contribute in a stable manner to the sustainable exploitation of the mining resources in the area and contribute to the socio-economic development of the local community.

Beside its positive impact on employment and wealth generation, the Company supports other initiatives in its local environment to contribute to socio-economic development and diversification.

The most important activities at this respect in the latest years were the signing of local agreements to promote direct and indirect employment, the development of training and qualification actions to promote the employability of unemployed people and different actions to support economic diversification in the region. These activities are in addition to other social and community initiatives developed by the Atalaya Riotinto Foundation as detailed in the following section.

### Our socioeconomic footprint



#### DIRECT EMPLOYMENT

- **503** employees
- **68%** of employees from the local community
- **1774** €/month salary in lower skilled positions (+84% minimum inter-professional wage)

#### OUR SOCIOECONOMIC FOOTPRINT

- **700** employees from contractors work in our site (1,000 when developing construction or maintenance activities).
- Other indirect and induced employment in other businesses and activities servicing the mine (Collaboration with 588 suppliers in the last year).



## Some actions to support socio-economic growth and diversification

### Industrial school to promote employability

The Atalaya Riotinto Foundation offers a free mining plant operator's course for people who are unemployed in the region. This is specialised training in industrial and mining installation work, with the use of specific machinery.

In total, 20 places are available for people living in the municipalities of the Cuenca Minera, who are selected on the basis of their training and aptitudes. The objective is to facilitate the labour insertion of these people, as well as to cover the needs of specific profiles of

the contracting companies in the mine environment.

The study plan is coordinated by a prestigious training entity and has three main blocks: a theoretical training; a training to improve personal skills and practical training in companies in the industrial sector. In 2021, a training module on drilling, excavation and explosives work was also included. Of the group of students in the first edition, more than 50% found work in the mining or auxiliary sector.

### Malacate Challenge to promote entrepreneurship

Initiative promoted by the Atalaya Riotinto Foundation in collaboration with Río Tinto Foundation that awards €25k to the best business project in the region.

This initiative seeks to promote the entrepreneurial culture and the diversification of the business activity in the mining basin.

The first edition was held in 2018 and its objectives were to generate business

opportunities, take advantages of new niches of economic activities and contribute to the generation of employment, through the annual call for applications.

In 2020 and 2021 it has not been carried out due to the pandemic, but the communication with the collaborators and the work of accompanying the winners of past editions has been maintained.

### Opening of Corta Atalaya to the reception of visitors

Atalaya Mining and the Town Council of Minas de Riotinto have reached agreements this year to make Corta Atalaya available to visitors. The design and management of this new tourist offer will be carried out by the Río Tinto Foundation, which will contribute its experience in recovering heritage elements and transforming them into projects that generate added value for the region.

Since its opening to the public in July 2021, the new attraction has already received more than 6,000 visits.

The Company is also working with the Río Tinto Foundation to make visits to the mine part of the tourist offer promoted by this entity. To this end, it is planned to offer visitors an introduction at a reception centre, followed by a tour of the facilities in a 4x4 bus. The aim is to start these visits in the last quarter of 2022.



Likewise, contributing to the growth and prosperity of the environments in which we operate is a priority in the design of projects under development. Atalaya has developed a specific study in this respect with regard

to the Touro project, which assesses the positive impact that the Cobre San Rafael project will have on the Autonomous Community of Galicia and the local environment of Touro.

### Proyecto Touro, a driving force for socio-economic development in its local environment

According to the analysis carried out, Atalaya has concluded that the development of the Touro project would have a direct impact in economic terms equivalent to 2,542.61 million euros in Galicia during the whole life cycle of the project, mainly in the sectors of Manufacture of metal products and Construction.

The municipalities where the project is located will benefit from the creation of more than 60 direct jobs during the initial phase and around 400 direct jobs during the operation period.

In addition, in the municipalities of Touro and O Pino, around 240 full-time equivalent jobs will be created indirectly during the initial phase and between 119 and 134 during the operation phase.



## Atalaya Riotinto Foundation

Since its beginnings, the Atalaya Riotinto Foundation has been aware of the importance of working alongside the local community. The foundation has its sphere of action in the Riotinto Mining Basin, where it maintains three lines of action: collaboration with non-profit organisations; agreements with the local councils; and work on its own initiatives.

For its own projects, Atalaya provides the foundation with the needed funds. In 2021, Atalaya Riotinto Foundation signed various agreements amounting to 917 k€ that positively benefit 33 entities and more than 40,000 stakeholders.

These activities are part of a collaboration agreement that Atalaya and the Atalaya Riotinto Foundation have with the municipalities of Riotinto Mining Basin. Precisely, this agreement has been renewed in 2021 and

contemplates continuing to develop programmes to improve infrastructures and other activities in the social, educational, environmental and economic development fields. As a novelty, this agreement incorporates the municipalities of Zalamea La Real and La Granada de Riotinto, which join Nerva, El Campillo, Campofrío and Berrocal.

The Atalaya RioTinto Foundation reports annually on its results and actions. In the first half of 2022 it will publish the report corresponding to 2021.

**“Since 2016, the Atalaya Riotinto Foundation has been supporting projects and institutions in the surrounding area in order to strengthen local economic activity that will last beyond the mining activity itself.**

## Examples of outstanding projects supported by Atalaya Riotinto Foundation

### Restoration of Peña de Hierro landscape

As part of its social responsibility action, Atalaya has restored almost 20 hectares of land surrounding Peña de Hierro, one of the local area's main tourist attractions, which was destroyed in a forest fire in 2018.

In collaboration with the Riotinto Foundation and the Nerva Town Council, the "Plan de Restauración de terrenos forestales incendiados en los Montes Terrejos y Tejonera" (Restoration Plan

for burnt forest land in Montes Terrejos and Tejonera) was initiated.

The fire caused emotional damage to the surrounding community and the loss of the landscape and recreational quality of the forest. The Director of the Riotinto Foundation affirmed that the work undertaken thanks to Atalaya's commitment to its environment will make it possible for the affected area to recover its full splendour.

### School visits programme

Atalaya Riotinto Foundation has a programme of school visits to Proyecto Riotinto facilities, with the aim of raising awareness among schoolchildren of the importance of the mining activity in social, environmental and cultural terms.

The programme is aimed at pupils of different levels, who can enjoy educational activities adapted to their needs. The visits include an initial talk, a guided tour of the mining facilities,

and visits to the historical sites as "Corta Atalaya" and the "Necropolis of La Dehesa", where the importance of the proper management of historical heritage is explained. They also visit the industrial facilities to learn the basics of the ore processing to obtain copper concentrate.

For these visits, Atalaya Foundation provides the students with transport, safety equipment, teaching material and specialised guides.

## Three main working areas of Atalaya Riotinto Foundation and key initiatives carried in 2021

### Main area

### Purpose

### Outstanding projects



Education and local development

Promotion of initiatives with the capacity to mobilize resources and people: improvement and conservation of infrastructures, energy saving, enhancement of historical and natural heritage, citizen services and training.

- » Renovation of the Zalamea La Real Nursery school.
- » Asphaltting Works in various streets.
- » The Reconstruction of the Campofrío Interpretation Centre.



Social Support

Collaboration with institutions and organisations that work to improve the situation of people with economic, health, social or other difficulties.

- » Support for the work of Cáritas, Atenea, Unidos por el Alto, AFA.
- » Implementation of a transport service for the most vulnerable residents of Minas de Riotinto.



Culture, Heritage and traditions

Contribution to the maintenance, dissemination and enhancement of heritage assets.

- » Social publications.
- » Restoration of historic railway models.
- » Support to the work of artists and local cultural organizations.

## Terras Programme and other initiatives in the framework of Proyecto Touro

In addition, the Company has created the Terras Programme within the framework of Proyecto Touro. This programme aims to contribute value to society over and above its business objectives, keeping these aligned with social expectations and needs. This programme joins other activities that the Company promotes in the area to support entities or people from the world of sport with roots in the territory, such as Sociedad Deportiva Compostela, Touro CF, O Pino FC, Boiro Voleibol, SD Arzúa, the sailor Capitán Peregrina and the local rally driver César Garabatos.

## Fluid relationship with local stakeholders

Atalaya maintains an open-door policy and a fluid relationship with its stakeholders. The high expectations of these groups in terms of environmental, social and safety impact, among others, drive the organisation to continuously improve the performance of its activities, resulting in a better level of competitiveness and adaptability.

The ability to communicate the positive impacts of the activity to the society in a constant and systematic manner has a beneficial effect on the Company's reputation. Likewise, the careful management of stakeholders favours an improved understanding of the territory and provides Atalaya with the opportunity to bring the mining operation closer to the local population, increasing the feeling of belonging.

The Company follows these principles of transparency and deeper engagement with stakeholders, not only in its current operation but also in the development of new projects with the aim of opening communication channels to respond to stakeholder expectations and concerns, thus aligning project development with stakeholder issues. Particularly, it is of special interest the reduction of risk in new projects, an effort that can be favoured by an appropriate management of stakeholders and questions such as reputation, solvency and transparency (see box below).

This sustainable approach is part of Atalaya's strategy and must be imbricated in the work carried out by the different areas of the Company, with special emphasis on the areas of Communication and Social Responsibility.

As a future objective for 2022, the Company plans to develop within the framework of the Riotinto Project a **Citizen Panel** through which the Company can provide information on its activities and receive opinions, complaints and suggestions from a group of people representative of the local population. Atalaya plans to hold one meeting per quarter with the chosen group, which would be made up of people from each of the towns in the Cuenca Minera, including some who are employees of the Company itself.

**“Atalaya, as a Company committed to the environment, looks to the future through the eyes of sustainability. The aim is to achieve a sustainable management of the copper extraction process, based on the conviction that increasing the social, environmental and economic value of its activities improves business results.**

## Engagement with stakeholders in the development of new projects (Touro)

Atalaya is developing the Cobre San Rafael project in Touro, Galicia (northwest Spain).

From the beginning, engagement with local stakeholders has been a priority in order to understand their expectations and convey the value proposition in the social, environmental, safety and innovation areas.

In this context, Atalaya is constantly consulting with these groups, which involves dialogue with the administration, the setting up of an information office open to the public and meetings with groups of neighbours, owners and representatives of productive sectors in the area, among other activities.



## 9.2/ Protection of Local Heritage

### Management approach

Proyecto Riotinto's Environmental Policy also aims to prevent any negative cultural impact, and among its compromises is to protect, conserve and enhance the value of the historical heritage present, as an essential part of the Company's commitment to society.

Proyecto Riotinto is therefore engaged to the protection of present heritage, especially archaeological heritage, as the project area is part of the Riotinto-Nerva heritage area of Cultural Interest. All these actions are part of the Company's Integrated Management System and are subject to internal and external audits.

As a result of this commitment, the Company has elaborated a Global Project for the Management of the Historical and Archaeological Heritage of the Proyecto Riotinto, authorised by the Competent Administration, which establishes a series of actions for the management of the affected historical heritage. Among the main ones are the following:

- » **The control of earthworks** to verify the existence of archaeological remains and to enable their documentation and the collection of movable goods. The Director of the Riotinto Mining Museum undertakes the tasks of valuation and protection of any action involving earthworks, with the consensus of the Archaeological Inspection of the Territorial Delegation.

### Resources dedicated to the protection of the local heritage (2021)



8  
archaeologists

68  
archaeological  
assistants

2.7 M/€  
of investment

- » **Archaeological monitoring** of all the elements that form part of the Proyecto Riotinto and are protected as part of the Asset of Cultural Interest, documenting its transformation as a consequence of the development of the mining project.
- » **Archaeological excavations** to discover and investigate all kinds of historical or palentological remains, as well as geomorphological elements related to them. In all cases, the presentation of an intervention project authorised by the competent administration is required.
- » **Documentary and graphic studies** (photographic, bibliographic, topographic, etc.) of archaeological sites and also of materials deposited in museums or other institutions or centres.



### Archaeological remains identified

A total of 22 Roman galleries and 38 contemporary ones have been identified since the start of mining work, and it has been possible to study and document them before the mining exploration progressed. In 2021, more than 160 hours of earthwork monitoring were carried out.

### Singular elements within the Asset of Cultural Interest

Filón Sur, Cerro Colorado, Corta Atalaya, the Industrial Unit and the mining waste dams stand out as singular elements. Its transformation is documented throughout the life of the project.

### Collaboration with the University of Huelva for the scientific coordination of archaeological excavations

Atalaya has a collaboration agreement with the University of Huelva for the scientific coordination of preventive archaeological interventions in the area of Proyecto Riotinto through the research group HUM 838: Territory and Power. In this way, all the advances and results of these interventions are supervised by this Scientific Coordinator.

### Photogrammetric study of a Roman archaeological site

One of the most outstanding initiatives for heritage protection is the photogrammetric study, given that the archaeological sites studied in Proyecto Riotinto show a complex and extensive historical occupation, with a multitude of superimposed stratigraphies.

For a better analysis and understanding of the excavated sites, the team of archaeologists at Atalaya Riotinto Minera relies on the use of the latest technologies available, such as the use

of photogrammetry and HDS (High-Definition Surveying) techniques for the graphic documentation of the exhumed structures.

The field work includes a drone flight to take photographs and a topographical study of the area. The data is then processed with specific photogrammetry software. This work allows the orthophotos to be used as a background on which to superimpose elements of a map.

## Restoration and enhancement of heritage to promote tourism

Other initiatives carried out by the Company in the latest years have been the restoration and enhancement of unique elements of great interest. This restoration has enabled them to be preserved and made accessible to the public.

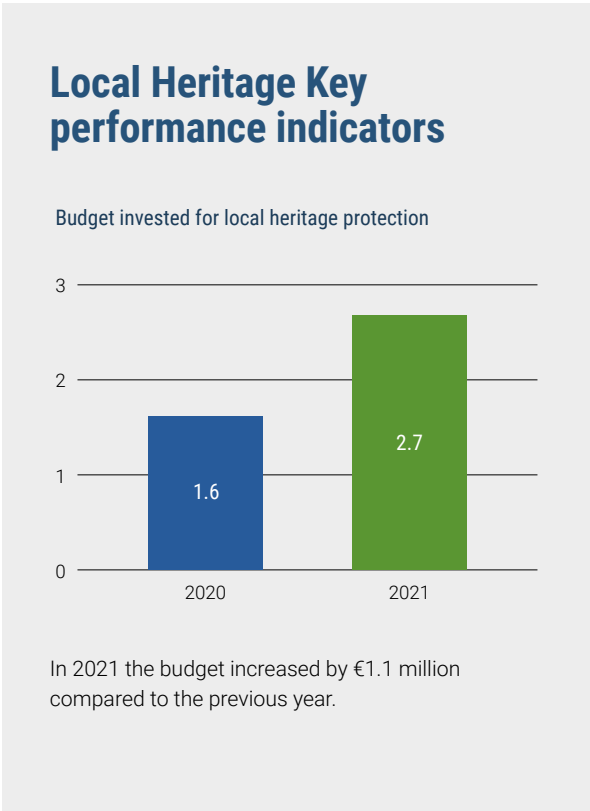
Some of the most noteworthy actions in this respect have been the cleaning and landscaping of the Necrópolis de La Dehesa, the consolidation of the Cerda cast-iron chimney to prevent its deterioration and the extraction of three metallurgical Roman furnaces for their subsequent restoration and museumisation under conditions to be determined by the competent administration.

The Company will continue to carry out its restoration activities enhancing the value of important elements until the end of the mining project, with work being planned on elements such as the San Luis Classifier/ Crusher plant and the Tunnel 11 electrical substation, among others.

The conservation of these elements enhances the tourist attractiveness of the site. In this line, the Company, through the authorised restoration plan and its global project for the management of the historical heritage, contemplates a set of actions for the public use of the Riotinto Mine after the closure of the mining project. The central axis of this project will be the establishment of routes for visitors that will connect the most relevant heritage elements based on their magnitude and landscape importance.

**ENHANCEMENT OF HERITAGE**

The restoration of elements such as the cementation tower or the installation of information signs in the Necropolis La Dehesa, has allowed for the conservation and public presentation of the valuable heritage of the site.



## 9.3/ Sustainable and local supply chain

### Description of the supply chain and local commitment

In 2021, 93% of total purchased and contracted from Atalaya Mining operations were accounted by Atalaya Riotinto Minera, in charge of managing Proyecto Riotinto, working with 677 suppliers and contractors during the year and invoicing a total amount of € 253 million. These companies were mainly contractors responsible for carrying out certain activities within the mining project, such as civil works, mechanical and electrical maintenance services and mine operations, as well as manufacturers of various input goods (Mills, pumps, crushers, filters, cells flotations, speed reducers, motors, etc.).

In the selection of these providers, Atalaya is committed to prioritising sourcing and subcontracting from local companies. In 2021, 92% were domestic suppliers. Local procurements provide advantages in terms of flexibility, risk mitigation and a quick response to Company requests. It also improves the local economy and brings value to the area. Only in cases where the local supplier market cannot meet the demand, other national, European or global suppliers are used.



### Management approach in the purchasing function

Atalaya has a procedure included in the integrated management system of Proyecto Riotinto<sup>(43)</sup> to regulate the procurement process for all goods and services, ensuring effective management in terms of cost, quality and deadlines, in accordance with the different regulations, as well as the Company's general policies and procedures.

In an **initial assessment phase**, suppliers and contractors are addressed with safety, quality, environmental and good practice requirements, which are defined with the collaboration of the internal departments in charge of these areas. In addition, and depending on the category of supplier or contract in question, the Company also requests information on the existence of quality or environmental management systems certified according to ISO standards.

The **dialogue** with suppliers prior to the award of any purchase is conducted in the negotiation of the service contracts. The aim is also to convey the importance that the Company attaches to having first-class suppliers who act with the utmost safety, guaranteeing the quality of their work and respecting the environment.

Afterwards, **monitoring** is carried out through monthly certifications. In addition, audits are carried out to detect incidents in the fields of environment, safety and quality, which are follow up until resolved. In some cases, these incidents can result in a financial penalty, requirements to invest in auxiliary means, improve the safety of contractors, etc. This audit scheme applies to both material suppliers and service providers<sup>(44)</sup> and its importance is based on correcting and closing all incidents that may arise. In this way, it is possible to prevent preferential purchases or malpractice, bring greater security to the industrial process, improve reputation and reduce costs.

Atalaya will continue working to reinforce the responsible performance of its supply chain. A new initiative is planned for 2022, consisting in elaborating and auditing a specific supplier's code of conduct which promotes good practices related with social and environmental aspects and prevention of corruption and bribes.

(43) Purchasing management and supplier evaluation procedure. As part of Proyecto Riotinto's Integrated Management System, the application of the procedure is subject to the existing audit scheme, as well as to external audits of accounts received by the company.

(44) Additionally, the Company performs specific controls of subcontractors which include ensuring that subcontracted workers do not perform tasks in excess of the hours established by law through monthly certifications and the authorisation of subcontractors by the main service provider through an online platform to avoid precarious contracts.

## Digitalisation in procurement management

In addition to the above actions, the Company has launched other initiatives to improve the management of its supply chain by taking advantage of the benefits offered by digitalisation.

Atalaya has implemented the digital ERP AX system in Proyecto Riotinto, which allows us to analyse the inputs and outputs of different supplies from the warehouse and establish consignment reserves negotiated with our suppliers.

This management provides numerous advantages when it comes to limiting the impact on

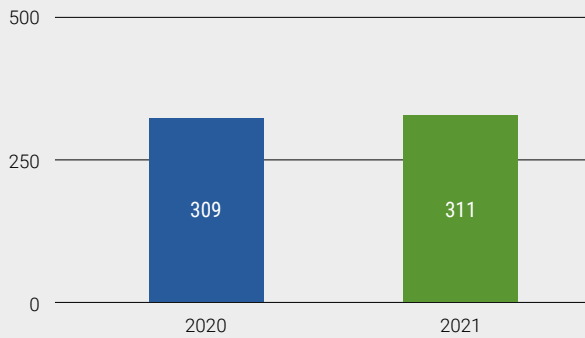
supply prices, ensuring the continuity of the industrial process in emergency situations, periods of shortage such as that caused by COVID or at times when it is necessary to purchase high-cost supplies or with long delivery times.

The computer application makes it possible to control the expiry dates on the negotiated consignments and renew them at the appropriate time. It also brings other advantages such as limiting the existence of fixed assets in our warehouses and thus preventing the impact that a potential fire or other events could have on their integrity.



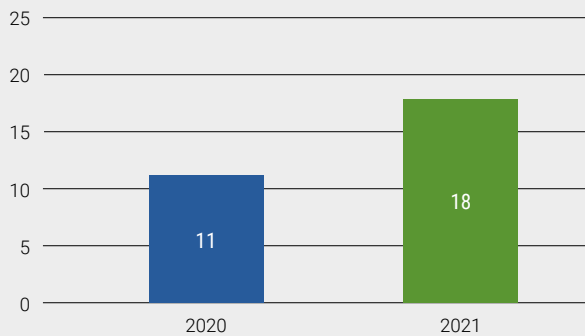
## Supply chain key performance indicators

Number of suppliers assessed for environmental impacts



100% of new suppliers have been assessed for environmental criteria in both 2020 and 2021. Data includes suppliers from Atalaya Riotinto Minera, Masa Valverde and Cobre San Rafael.

Number of suppliers identified as suppliers with potential and actual negative environmental impacts

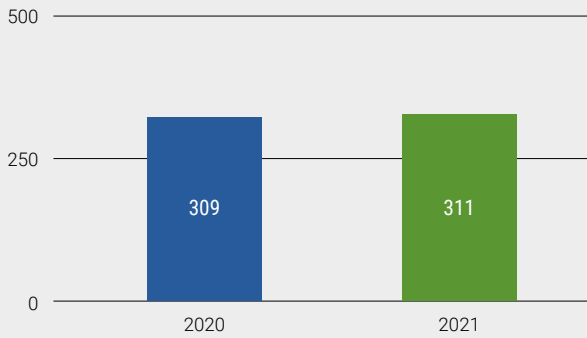


0% of suppliers from *Masa Valverde* and *Cobre San Rafael* have been identified as having negative environmental impacts (all detected non-compliances were minor, with no significant impacts and easily resolved).

Regarding *Atalaya Riotinto Minera*, suppliers identified as having potential and actual environmental impacts have increased from 11 in 2020, representing 2% of suppliers for that year, to 18 in 2021, representing 4% of suppliers.

None of suppliers identified as having potential negative environmental impacts have ended relationships with the Company, as these impacts were resolved.

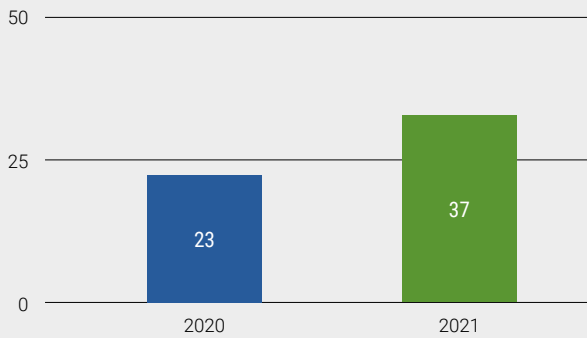
Number of suppliers assessed for social impacts (Health and safety impacts)



100% of new suppliers have been assessed for social criteria in both 2020 and 2021. Data include suppliers from *Atalaya Riotinto Minera*, *Masa Valverde* and *Cobre San Rafael*.

0% of suppliers have been identified as having significant negative social impacts.

Number of suppliers identified as suppliers with potential and actual negative social impacts



0% of suppliers from *Masa Valverde* and *Cobre San Rafael* have been identified as having negative social impacts.

Regarding *Atalaya Riotinto Minera*, suppliers identified as having potential and actual negative social impacts have increased from 23 in 2020, representing 5% of suppliers for that year, to 37 in 2021, representing 8% of suppliers.

None of suppliers identified as having or potentially having negative social impacts have ended relationships with the Company, as these impacts were resolved.





## 9.4/ Quality and customer satisfaction

In addition to the local community and suppliers and contractors, customers are another important stakeholder for Atalaya.

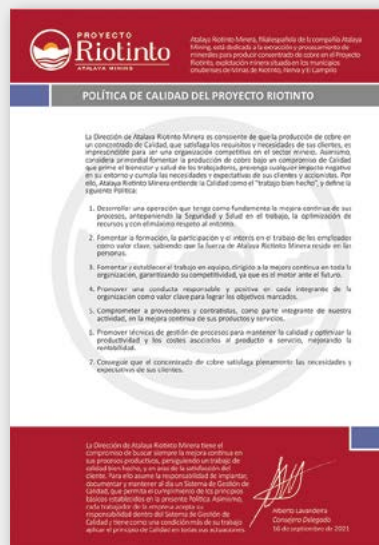
The management approach of the relationship with customers is part of the ISO 9001:2015 management system, which allows us to assess satisfaction with regard to meeting requirements and expectations, implement systems to manage complaints, incidents and claims and ensure that they are resolved.

Based on these results, Atalaya prepares an annual customer satisfaction report. This satisfaction report includes issues such as sales volume per customer, delivery conditions, delivery times, characteristics of the product delivered to the customer, potential incidents detected and related actions taken, as well as an analysis of trends compared to previous years in order to monitor whether the evaluation is favourable.

During the previous year, all customer contract specifications and delivery times were met. In addition, copper concentrate quality and production increased compared to 2020.

Potential claims/complaints from customers can be received through different means or through Atalaya Riotinto Minera's Senior Management. In any case, the complaint/claim is registered in a specific report and is investigated by the logistics, the area of systems

### PROYECTO RIOTINTO'S QUALITY POLICY



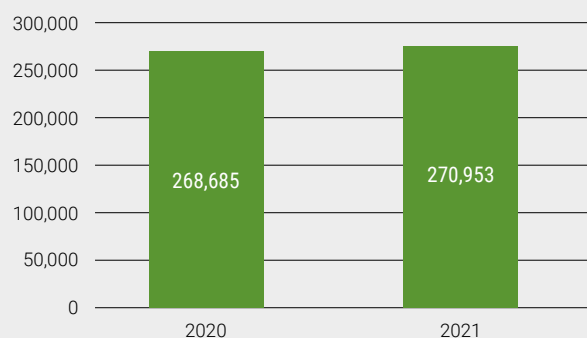
This quality policy can be downloaded through the Company website.

coordination and the affected departments. After the investigation and definition of the treatment of the complaint/claim, the Company provides solutions to avoid its causes and prevent its repetition. If necessary, appropriate action is taken in accordance with the Company's internal procedures.

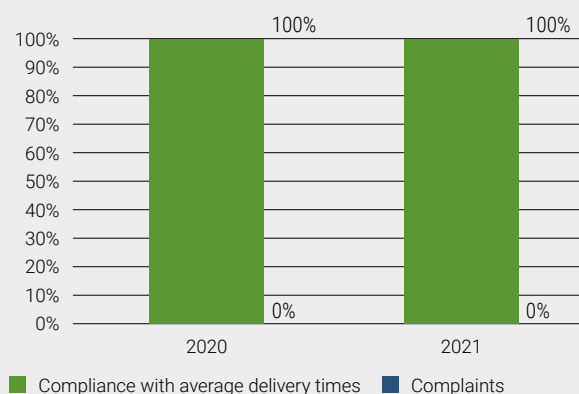
Finally, the Invoicing and Sales area of the Administration and Finance Department monitors the immediate treatment and the actions defined in the resolution of the complaint or claim, as well as the closure of the same.

## Quality Key performance indicators

Deliveries (tonnes of dry material)



Compliance with delivery times and complaints received



# 10/ Innovation and Technology

## Our milestones in 2021

### Innovation

- › Creation of an internal working group oriented towards innovation within the process of Atalaya Mining.
- › Development of diverse projects in areas such as the use of secondary raw materials or the early recovery of water from tailings, benefits of critical materials in the final concentrate and the increase of metallurgical performance through different techniques.
- › Joining European consortiums (STRETCH, LOWLIFE and CREMO) for the presentation of international projects.

### Digitalization and adoption of new technologies

- › Development of a contingency plan in case of cyber-attack.
- › Licensing of a broadcasting channel for the Proyecto Riotinto to cover the extension of the works.
- › Digitalisation of different processes to optimize the management of invoice and delivery notes and KPI generation.

## Objectives 2022

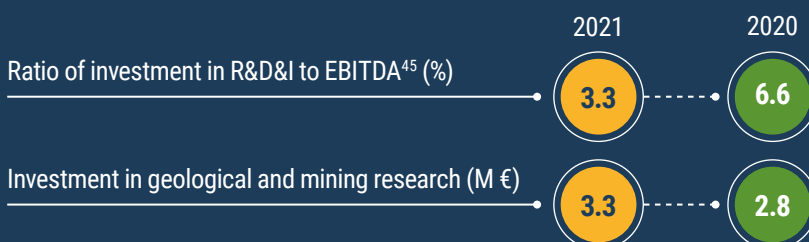
### Innovation

- › Define a strategy to establish a network of agreements with other entities for the development of R&D&I projects.
- › Define a strategy for the identification of internal projects in order to speed up their presentation to existing lines of aid.
- › Identification of the best consortiums that research and develop best practices in metallurgical projects in order to promote the Company's adhesion to them.
- › Conduct a study of new techniques for monitoring surface and subsurface deformations.

### Digitalization and adoption of new technologies

- › Further digitisation of internal processes and documentation, eliminating the use of paper and automating a multitude of tasks.
- › Provide 4G coverage in the Operational Area and subsequent upgrade to 5G.
- › Implementation of Lims (an enterprise resource system) in the Laboratory to facilitate the achievement of ISO 19027 certification.

## Our performance 2020-2021



(45) Data for Proyecto Riotinto. In 2021, investment increased by 54% compared to the previous year. EBITDA was 206% higher than the previous year.

## 10.1/ Innovation, research and development

### Management approach

Innovation and the development of new technologies provide an opportunity for Atalaya to maintain and improve its competitiveness and adopt the best practices in the copper market.

To efficiently manage these efforts, the Company has created a specific working group composed of representatives from different departments with the mission of deploy Atalaya’s innovation strategy. This strategy highlights four priority areas where the Company will focus its efforts.

The working group on R&D and innovation meets monthly with the managing direction of the Company to discuss potential developments, national and European projects and consortia for our membership. Also, the evaluation of internal project proposals, the study of aid lines and programmes and the presentation of projects to them are among the functions of the group.

### Priority areas of work in innovation

#### ENERGY EFFICIENCY

Reduction of energy consumption in critical equipment and reduction of the carbon footprint of the process

#### DIGITALISATION

Digitalisation in different processes (i.e. grinding and flotation circuits)

#### CIRCULAR ECONOMY

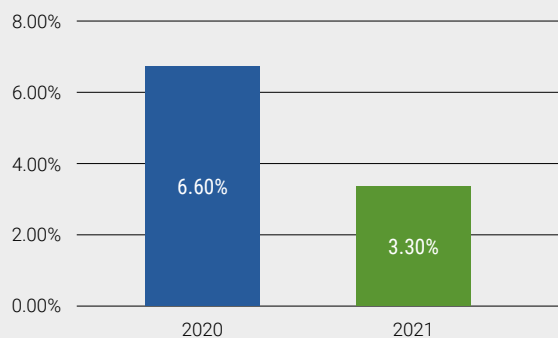
Waste recovery and processing

#### PRODUCTIVITY IMPROVEMENT

Study and evaluation of techniques and technologies for the improvement of production with a global vision

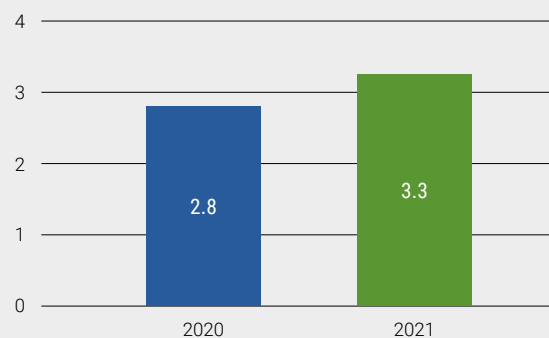
### Key indicators

Ratio of investment in R&D&I to EBITDA (%)



In 2021, EBITDA was 206% higher than the previous year mainly due to improved commodity prices.

Investment in geological and mining research (M€)



In 2021, investment increased by 54% compared to the previous year.

## Main projects in 2021

Throughout 2021, the Company worked on various innovation projects along the priority areas indicated above. In these projects, the Company has collaborated with external partners from the university and industrial sectors, which has made it possible to share capabilities and promote the exchange of knowledge.



## Key R+D+I projects in 2021



### Increase energy efficiency in grinding

Development of a digital solution allowing to operate and optimise the SAG mill in an automatic or semi-automatic mode.



### Study for the recovery of water in final waste

Study and piloting for the early recovery of water from the final flotation residues, in order to use water with the best properties.



### Study on new elements to increase metallurgical yields

Study and piloting of the potential for improvement in metallurgical yields through the use of grinding elements in the grinding and regrinding stages.



### Feasibility study of metallurgical waste for construction

Study to assess the viability of metallurgical waste for use as construction material. The study was favourable and was implemented in the works to enlarge the ponds.



### Study on auxiliary elements to increase metallurgical yields

Study and design of auxiliary equipment/ elements to improve the performance of flotation cells in terms of metallurgical yields.



### Research in the beneficiation of Critical Raw Materials (CRMs)

Investigation of different metallurgical techniques for the beneficiation of CRMs present in the final concentrate.



### Technology study for rapid identification of mineral species

Study on the use of X-Ray Diffraction [XRD] technology for the rapid identification of mineral species in the process.



### Research on Secondary Raw Materials (SMRs)

Investigation of mineralurgical and metallurgical techniques for the beneficiation of SMRs present in various mining and metallurgical waste.



### MinervaSmartgecontrol

Atalaya is undertaking an innovative digital transition to geotechnical and geodetic control of the Proyecto Riotinto. The aim is to create a multidisciplinary monitoring and interpretation platform that will integrate classical monitoring techniques with innovative satellite, passive seismic and artificial intelligence techniques in real time.

## External innovation and R&D collaborations

Collaboration in R&D&I projects with other academic and business organizations is a priority for Atalaya Mining plc as it can provide multiple synergies when it comes to promoting projects or developing good mining-metallurgical practices from which the Company can benefit.

Along these lines, in 2021 Atalaya joined three consortiums of companies that presented projects for European aid lines. The projects are designed to establish waste circularity strategies, good practices in the design, operation and decommissioning of mines and sludge ponds.

Beside these consortia, Atalaya collaborates in a regular basis with other partners in innovation projects. Among the most prominent organisations are the universities of Huelva, Oviedo and Politécnica de Madrid, CSIC (Spanish National Research Council), MO Group, Weir and FLSmidth.

### Innovation collaboration agreements

Organization	Purpose
	Collaboration for the development of technologies for monitoring critical infrastructures
	Collaboration for air quality monitoring
	Occasional collaborations for the monitoring of mineral species.
	Atalaya is a member of the association

## 10.2/ Digitalisation and new technologies

Atalaya has promoted during the latest years several projects aimed at foster the digitalisation of different processes and improve data generation and management. Some of these initiatives have consisted in the establishment of a new network system (corporate and local system with segmented networks), the implementation of an enterprise resource planning (ERP) and other projects developed in the context of the situation created by COVID-19 (i.e. communications for remote access were strengthened and new procedures for end-user support were created). All these projects, have brought important benefits to the operations.

Our efforts in digitalization and implementation of new technologies have provided important benefits to operations, such as reinforcing teamwork between departments, reducing costs, increasing speed in achieving different objectives, improving data generation and quality, and reinforcing security.

More specifically, the Company has focused its efforts in 2021 on two initiatives thanks to which it has improved efficiency or solved challenges of different nature that affected operations.



### Digitalization of invoicing and other processes

This initiative aims to optimise the management times of invoices and delivery notes. Both documents will be digitised and data can be extracted automatically.



### Licensing of a broadcasting channel for Proyecto Riotinto

Installation of two new radio repeaters and extension of the existing network due to increase in Atalaya's work, resulting in the need for more radio channels.

## Cybersecurity

For Atalaya Mining's business, it is essential to use Information and Technology (IT) resources as a means of providing information at all levels.

Likewise, in order for the organisation to achieve its objectives, it is necessary to guarantee minimum downtime, both in its IT resources and in communications; in this way it is possible to maintain an efficient contingency in all operational areas. Consequently, Atalaya Mining plc has implemented a Contingency and Cybersecurity Plan to protect the Company from these risks. Inside this Plan annual security audits by an external specialised Company are included.

## Contingency and Cybersecurity Plan



Atalaya counts on a Contingency and Cybersecurity Plan to protect the Company to guarantee, in the event of a cyberattack, minimum downtime and IT resources and communications.

This Plan encompasses different elements such as restructuring of the corporate network, segmentation of the production, management and

administration networks; backup copies between sites; increased security with monitoring systems, perimeter firewalls and improved authentication, among others. In addition, the Company has an external programmer, anti-virus and cyber security support, and annual audits are carried out by an external specialised Company.



# 11/ Economic-financial performance

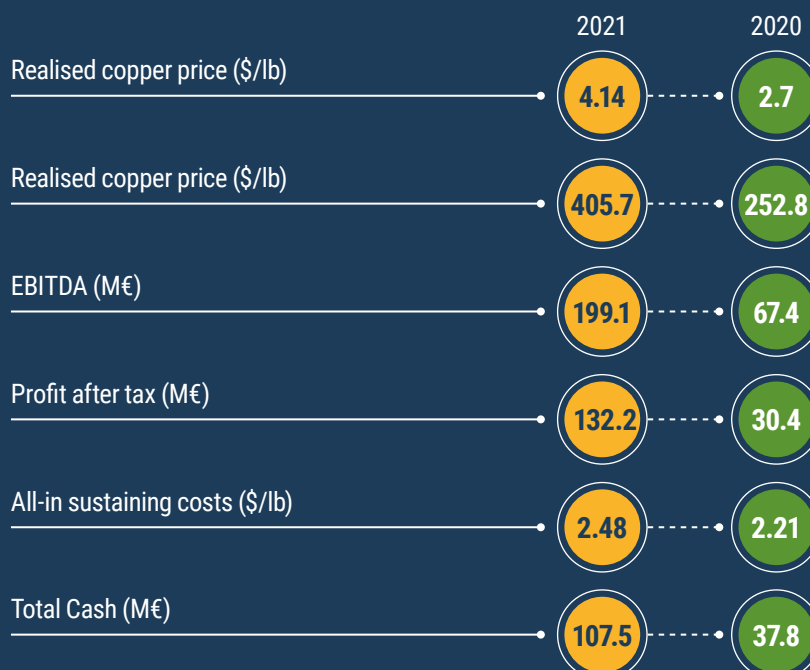
## Our milestones in 2021

- 1/ Strong production at Proyecto Riotinto driven by consistently good mine performance.
- 2/ Solid copper price environment and good cost control.
- 3/ Increased cash flow generation.
- 4/ Approval of an annual dividend payment policy and payment of dividends for the first time since the inception of Proyecto Riotinto at US\$0.395 per Company share.
- 5/ Growth in net cash position.
- 6/ Implementation of a project for the digitalization of documents, guaranteeing traceability, confidentiality and saving of up to 20,000 paper documents per year.

## Objectives 2022

- 1/ Meet annual production and cost forecasts.
- 2/ Continue to evaluate a capital return policy.
- 3/ Carry out growth projects that increase the value of the Company.
- 4/ Improve commercial liquidity.
- 5/ Redomicile the parent Company in the UK.

## Our performance 2020-2021



## 11.1/ Management approach

The adequate management in the economic-financial sphere generates an impact on stakeholders that affects the profitability of the shareholder's investment, the maintenance of employment and the local economic environment where the Group's mining operations are located.

In order to guarantee that the financial management is performed according to the corporate policies and applicable standards, Atalaya conducts mandatory external audits. Additionally, the Company also carries out voluntary external audits for those companies of lesser materiality in the overall operations.

In addition, the Company has started to implement a financial information internal control system for Proyecto Riotinto. In 2021, the Company documented all information generated and operational processes, identifying the potential risks associated and establishing controls to mitigate them. Once this documentation phase has been completed, in 2022 Atalaya will carry out recurring monitoring of the controls to ensure their effectiveness and efficiency.

### Remote financial audit

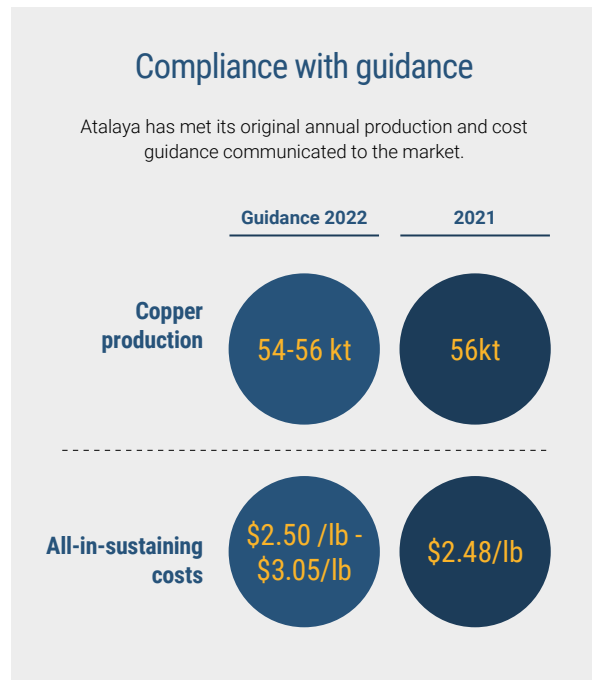
This year, due to the pandemic, the financial audit was conducted remotely, which was an important milestone in terms of transparency and reliability in the operation of all operational support teams. The Company gave the auditors unlimited access to its server, resulting in a streamlined and efficient audit.



## Goals in our financial management

One of the main goals of financial management in Atalaya has been maintaining the positive performance of the Company, increasing operating cashflows and keeping a strong balance sheet. Atalaya has been also capable of meeting the guidance communicated to the market in key financial magnitudes such as its All-in sustaining costs.

This effort in cost control, together with the good performance of the mine and the positive trend in the copper prices in the international market, will contribute to achieve another fundamental objective for the Company, which is generated value to the stakeholders.



## Improvement in the internal management of the economic-financial area

From an internal perspective, Atalaya has made many efforts over the last few years to improve efficiency in the economic and financial management, in a context of strong growth in operations. The Company has incorporated new technologies and has reinforced its staff, which has allowed to reach a situation of maturity in the management of processes and transactions after the initial growth stage.



Currently, Atalaya continues to make progress along these lines, seeking to improve the efficiency of its transactions, supported by the implementation of digital tools. In doing so, it promotes greater automation of its processes and improved transparency of information, avoiding human error and allowing each department to access its budget data on an ongoing basis, thereby improving its management capacity.

#### PROJECT FOR THE DIGITISATION OF SUPPLIER INVOICES

During 2021, Atalaya has been working on a project to digitalise invoices, which allows them to be sent by e-mail to the ERP, where they are registered in the Suppliers, Accounting and Payments module. Thanks to this project, the use of paper in Administration and Finance will be eliminated and the entire supplier invoicing and payment process will be digitalised, guaranteeing the traceability of the transaction and its confidentiality. In addition, savings of up to 20,000 paper documents per year are expected.

## 11.2/ Our performance in 2021

The Company's economic-financial results have been reinforced by the positive trend of copper prices, which have reached record highs in the last 10 years on the international market. Forecasts by industry experts and research analysts indicate that prices are expected to remain above \$4.00/lb for some time.

Copper prices has had an impact on the Company's EBITDA, which has also been favoured by the increase in production thanks to the continued good performance of the mine and its current nameplate capacity of 15Mtpa.

Atalaya has also managed to effectively control its costs by optimising operations and investing in modern machinery. Although, operating costs have increased due to higher earthworks, resulting in an increase in tailings, and other factors such as inflation or rising freight and steel costs, the Company has achieved to maintain its "All-in sustaining costs" at the low end of the guidance range communicated to the market.

All these factors have contributed to the fact that cash has increased significantly during 2021 on the back of strong operating results.

### Key indicators

#### Atalaya Mining economic-financial performance

Indicator	2021	2020
Realised copper price (\$/lb)	4.14	2.7
Revenue from operations (M€)	405.7	252.8
EBITDA (M€)	199.1	67.4
Profit after tax (M€)	132.2	30.4
Cash costs (C1) (\$/lb)	2.18	1.95
All-in sustaining costs (\$/lb)	2.48	2.21
Cash operating costs (M€)	193.0	176.3
Financial debt (M€)	47.4	-
Total Cash (M€)	107.5	37.8
Net cash/debt (M€)	60.1	(15.2)
CAPEX (M€)	34.6	30.4

#### Direct economic value generated, distributed and retained

Indicator	2021	2020
<b>Economic value generated</b>		
Revenues (M€)	405.7	252.8
<b>Economic value distributed</b>		
Cash operating costs (M€)	193.0	176.3
Wages and salaries; other payments and benefits for employees (M€)	23.8	21.2
Payments to capital providers (M€)	47.3	0
Investment in the community (K€)	650.3	507.2
<b>Economic value retained</b>		
Economic value generated – economic value distributed (M€)	114.4	49.6
Net cash/debt (M€)	60.1	(15.2)
CAPEX (M€)	34.6	30.4

## 11.3/ Responsible tax management

Proper tax management is expected from a reliable and responsible Company. A lack of rigour in tax matters may have negative reputational and criminal consequences for the Company and its managers. However, a responsible application of tax regulations can bring great benefits to both the Company and its environment, as the mining sector has a number of tax reliefs in Spain and Cyprus (see box).

Atalaya has implemented several actions during the latest years in order to guarantee a responsible fiscal management. In 2019, the Company underwent a voluntary tax review by the fiscal agency of Cyprus. Furthermore, the Company plans to develop a tax strategy that reinforces the principles of transparency and accountability in this area and projects in the medium term a roadmap to be followed, oriented towards concrete and measurable objectives in terms of expenditure and tax payments.

### Tax deductions for research and development

In Spain, there are a number of tax credits for the mining sector.

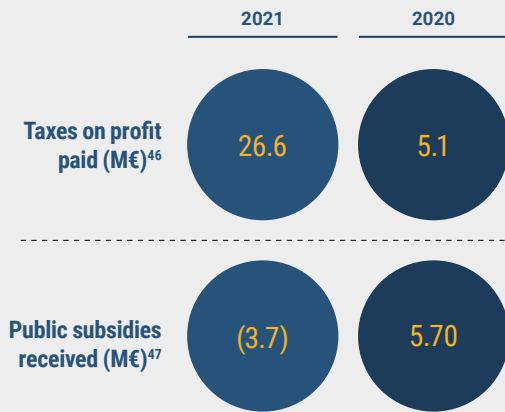
Accessing these credits implies a commitment on the part of Atalaya Mining to invest in research and exploration of new deposits, with the aim of prolonging mining activity.

In recent years, efforts have been made to identify research and development projects, preparing technical reports that were validated by an external certifying Company and submitted to the Ministry of Economy and Finance.

As a result, in the 2020 corporate tax settlement, tax deductions were applied as a result of this process and tax credits pending offsetting in subsequent years have been recognised.



### Atalaya Mining economic-financial performance



(46) 1 Taxes payment to governments. Please refer to "Payment to Government Report" in Atalaya's website.

(47) Calculated as sum of tax credits and tax breaks. For further information please refer to annual accounts report (note 10).

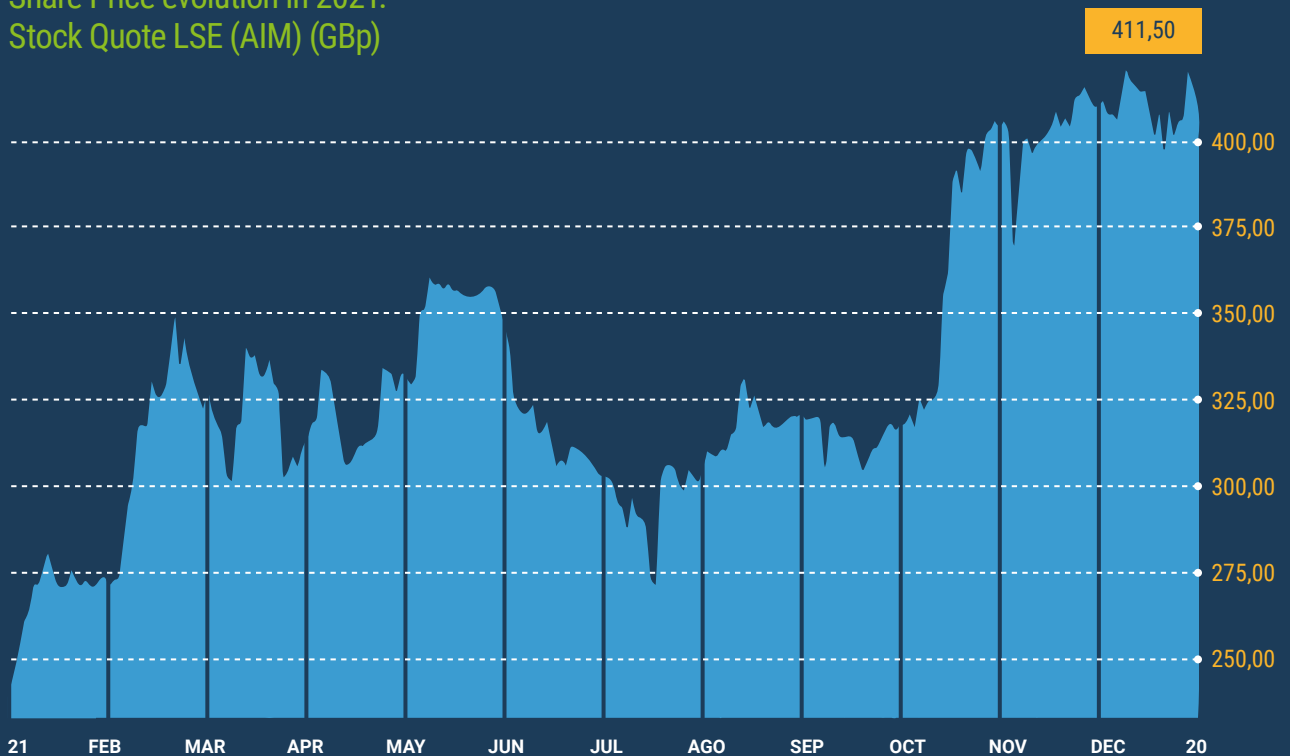
## 11.4/ Share price performance and dividend payments

Atalaya Mining plc share prices have nearly doubled since the start of 2021, from £2.35 to £4.11 (31 December, 2021).

The reasons for this positive evolution include the following: each quarter's excellent above-budget results driven by the high copper price; acquisition of new projects (Masa Valverde, Riotinto East); reserve upgrades; the Company's first dividend payment and new annual dividend policy; as well as the success of other projects such as E-LIX.

The payment of an inaugural dividends represents the first time return to shareholders since the restart of Proyecto Riotinto and was a major milestone during the year. On 1st December the Company paid its shareholders US\$0.395 per Atalaya Mining plc share. The Company also approved in November 2021 a forward dividend policy that provides for an annual payment of 30-50% of free cash generated in each financial year. This policy will take effect in financial year 2022.

Share Price evolution in 2021.  
Stock Quote LSE (AIM) (GBp)





## ANNEX 1/

# Methodology followed in the drafting of this report

## Frame of reference

This report has been prepared in accordance with the Essential option of the GRI Standards and to respond to the contents of Law 11/2018 on non-financial information. Likewise, it has responded to some indicators proposed by the “Metals&Mining” sector standard of the SASB initiative through its contents. Finally, the report has also considered some indicators established by the Spanish standard UNE-EN-22480.

## Reporting principles followed in the Annual Report

The following principles have been considered to ensure the correct collection, quality and processing of information:

- » **Stakeholder participation.** This report has been drawn up, considering stakeholders' expectations concerning its activity and its main strategic lines. The report's chapter dedicated to sustainability management (chapter 4) provides information on who the stakeholders are, the relationship maintained with them and how these expectations are identified and considered.
- » **Context of sustainability.** An assessment has been made of how the activities and services provided by Atalaya Mining plc interact with the economic, environmental and social context in which the Company carries out its activity. This analysis has been considered in the design of the content of the report.

- » **Materiality.** To define the most relevant sustainability aspects for the Company, a materiality study has been carried out. The methodology used to identify the material aspects is detailed below.
- » **Completeness.** Once the material aspects have been identified, sufficient information has been communicated about them, providing a complete picture of Atalaya Mining plc in the reporting period for stakeholders to understand its evolution, results, and current situation.

## Principles for the processing and quality of information

- » **Balance.** This report reflects both the positive and negative aspects of the Company's performance and provides an objective and comprehensive view of its overall development.
- » **Comparability.** Information has been compiled for 2021 and included in this report's contents to make it easier for stakeholders to analyze the evolution of the Company's performance in recent years and compare it with other organizations.
- » **Precision.** The information included is presented in a precise and detailed manner to meet the expectations expressed by stakeholders.
- » **Timeliness.** Atalaya Mining plc will publish an annual update of this report's contents to provide its stakeholders with regular access to information about its performance.

- » **Clarity.** To avoid misleading inaccuracies or the omission of important information, the Company presents information on its situation in a way that is accessible and clear to all its stakeholders.
- » **Reliability.** Throughout this report, Atalaya Mining plc has detailed the process followed for its preparation, laying the foundations so that in the future, the content included may be subject to an external review and evaluation to assess the quality and degree of materiality of the information.

## Materiality assessment

The standards published by the GRI Sustainability Reporting Guidelines require organizations reporting in accordance with their requirements to conduct a materiality assessment to help them determine the content to be covered.

According to GRI, a **material topic** reflects a reporting organization's significant economic, environmental and social impacts; or substantively influences the

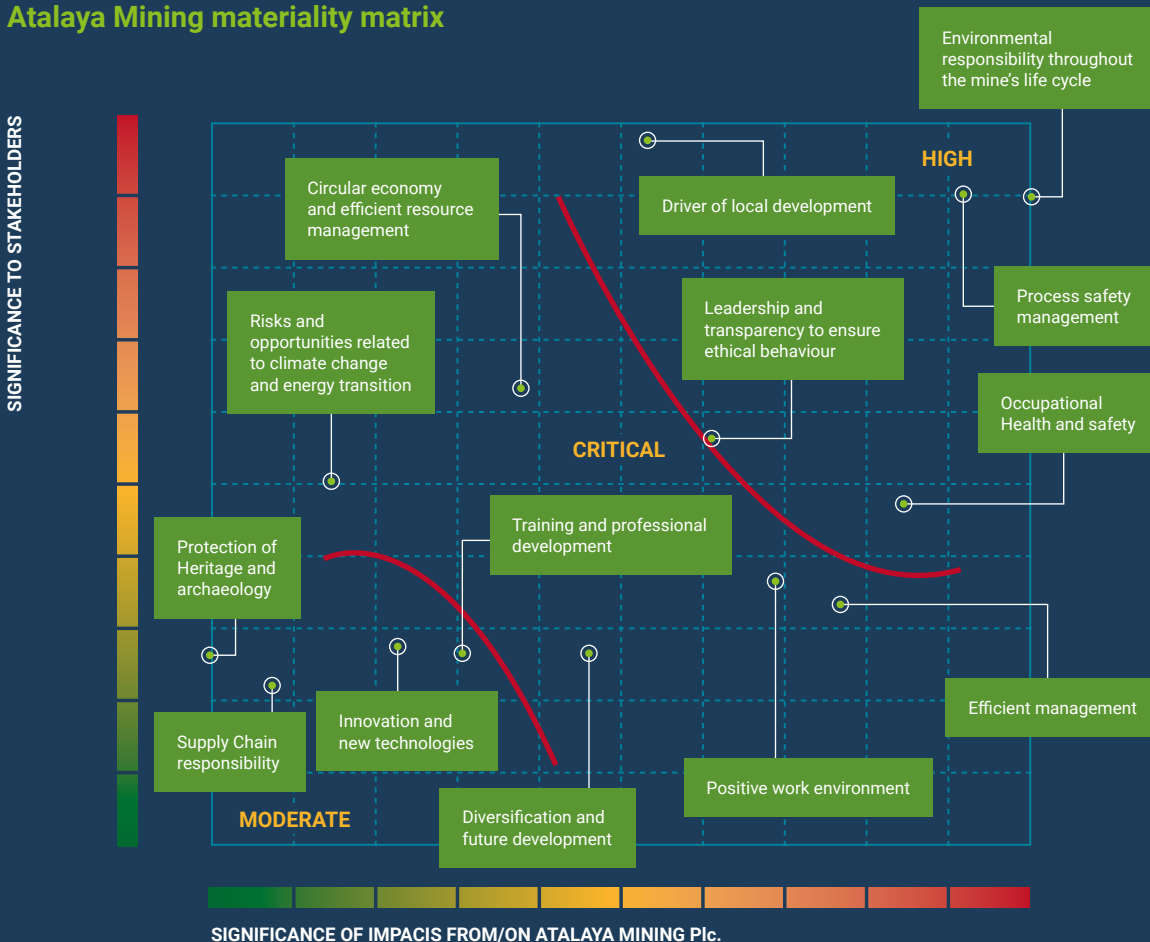
assessments and decisions of **stakeholders**. In sustainability reporting, **materiality** is the principle that determines which relevant topics are sufficiently important that it is **essential to report** on them.

The materiality assessment performed was based on the list of sustainability aspects proposed by GRI. In addition, other relevant aspects for both the Company and its stakeholders have been included, which have been identified in the different sources considered in the analysis (benchmarking of companies in the sector, internal interviews, press analysis, sustainability index requirements, analysis of other internal Atalaya documentation, etc.).

The materiality of each of the sustainability aspects of interest to the Company has then been assessed, and the results have been captured in a materiality matrix with a double axis:

- » Significance of impacts on/from Atalaya Mining
- » Significance to stakeholders

Atalaya Mining materiality matrix



# ANNEX 2/ Gri content

GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of a global compact	Relation to SDGs
<b>GRI 100 UNIVERSAL STANDARDS</b>						
GRI 100 Foundation 2016 (Note: does not require disclosure of information)						
GRI 102 General disclosures 2016						
<b>1.- Organisational profile *</b>						
102-1	Name of the organisation	Atalaya Mining plc				
102-2	Primary activities, brands, products and services	17				
102-3	Location of headquarters	Atalaya's headquarters are located in 1 Lampousa Street. 1095. Nicosia, Cyprus				
102-4	Location of operations	21, 22, 23, 24, 25				
102-5	Ownership and legal form	21				
102-6	Markets served	Atalaya Riotinto Minera SLU's main customer is EMED Marketing, a Company of the Atalaya Group, which is responsible for 100% of sales. In turn, this Company delivers to the final recipient in accordance with existing "offtaker" contracts, whose counterparties are: XGC, Trafigura and Orion. In 2021, 14.3% of our concentrates were exported to Europe and 85.7% to China.				
102-7	Scale of the organisation	15, 19, 26				
102-8	Information on employees and other workers	42, 43, 78, 79, 86			6	8
102-9	Supply chain	86				
102-10	Significant changes to the organisation and its supply chain	During the reporting period (2020 and 2021), there have been no significant changes to the organization's size, structure, ownership, or supply chain				

GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of an global compact	Relation to SDGs
102-11	Precautionary Principle or approach	52, 53, 64 and 65. Atalaya Mining plc applies the precautionary principle in its environmental and safety management not postponing cost-effective measures to prevent degradation of the environment and local livelihoods.			7	
102-12	External initiatives to which the organisation subscribes or which it endorses	29				
102-13	Main memberships of associations	26				
<b>2. Strategy</b>						
102-14	Statement from senior decisionmaker	13				
102-15	Key impacts, risks and opportunities	39, 40				
<b>3. Ethics and integrity</b>						
102-16	Values, principles, standards and norms of behaviour	18, 38			10	16
102-17	Mechanisms for advice and concerns about ethics	38			10	16
<b>4. Governance</b>						
102-18	Governance structure	36, 37				
102-19	Delegating authority	37. The Board of Atalaya Mining plc delegates authority over the management of economic, social and environmental issues to the Chief Executive Officer and other members of the Company's senior management. Periodically, through its meetings, the Board supervises the actions carried out.				
102-20	Executive-level positions with responsibility for economic, social and environmental topics	The executive responsible for economic, environmental and social issues is the CEO. The CEO reports directly to the Board				
102-21	Processes for consultation between Stakeholders and the Board of Directors	Stakeholder consultation on the most relevant issues in the operation of the Company is delegated by the Board to the responsible Company management. The most relevant conclusions of the consultation processes are communicated to the Board by the Chief Executive Officer at the meetings held periodically.				16



GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of a global compact	Relation to SDGs
102-22	Composition of the highest governance body and its committees	37				5, 16
102-23	Chair of the highest governance body	The Chairman is not an executive of the Company.				16
102-24	Selection and nomination of the members of the highest governance body	The Board may establish Committees to assist it in carrying out its responsibilities. Each of the Committees shall be comprised of a minimum of three directors and chaired by an independent Non-Executive Director. In the case of the AFRC, all members will be independent. Regarding criteria in the selection of their members, see pages 36 and 37. See also, section "Board Appointments" in the Financial Statements of the Company.				5, 16
102-25	Processes for the highest governance body to avoid conflicts of interest	Directors of the Company shall disclose in writing conflicts of interest to the Board or request to have entered in the minutes of meetings of the Board the nature and extent of such interest. See also, section "Conflict of interest" in the Financial Statements of the Company.				16
102-26	Role of highest governance body in setting purpose, values and strategy	Directors have an individual responsibility to ensure that the Board is undertaking its responsibilities as set out in this Board Charter. In such a way, Directors need to ensure that the Board is providing: leadership to the Company in the areas of ethics and culture; a clear strategic direction; among other areas.				
102-27	Collective knowledge of highest governance body	The collective knowledge of the Board is mainly derived from the meetings held. Approximately 8 per year. At these meetings the Council is informed of all material economic, environmental and social issues.				4
102-28	Evaluating the highest governance body's performance	The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. At least once in each financial year, there must be a performance evaluation and review. / The review is based on a number of goals established for the Board and individual Directors including those for the upcoming year. The goals are based on corporate requirements and any areas for improvement identified in previous reviews. / The Chairman provides each Director with confidential feedback on his or her performance. This feedback is used to develop a development plan for each Director.				
102-29	Identifying and managing economic, environmental and social impacts	The Board is responsible for guiding and monitoring the business and the affairs of the Company. In such a way it provides guiding and monitors the identification of key issues and the plans adopted for their management.				16

GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of an global compact	Relation to SDGs
102-30	Effectiveness of risk management processes	The Board with the assistance of its committees identify the risks inherent in the business of the Company and review and approve risk management policies, review management reports demonstrating compliance with policies and ensure that robust and effective risk management, compliance and internal control systems are in place.				
102-31	Review of economic, environmental and social topics	The Board reviews main topics in each of the meetings held ( approximately 8 per year).				
102-32	Highest governance body's role in sustainability reporting	Atalaya's Board of Directors is the body responsible for approval of the Sustainability Report.				
102-33	Communicating critical concerns	Critical concerns are communicated to the Board through the Chief Executive Officer.				
102-34	Nature and total number of critical concerns	Information unavailable. The Company will set up the reporting systems need to cover this standard in the following edition of its Sustainability report.				
102-35	Remuneration policies	37				
102-36	Process for determining remuneration	37				
102-37	Stakeholders' involvement in remuneration	No stakeholder but investors is involved in this process				16
102-38	Annual total compensation ratio	24.22%				
102-39	Percentage increase in annual total compensation ratio	0.79%				
<b>5. Stakeholder engagement</b>						
102-40	Stakeholder groups engaged by the organisation	32, 33				
102-41	Collective bargaining agreements	100% of employees in Spain.			3	8
102-42	Identifying and selecting stakeholders	32				

GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of a global compact	Relation to SDGs
102-43	Approach to stakeholder engagement	32 and 33. Engagement with stakeholders is generally carried out on an ongoing basis in day-to-day activities. In addition, for the purposes of this sustainability report and the materiality analysis on which it is based, Atalaya has conducted a number of specific interviews with its stakeholders.				
102-44	Key topics and concerns raised	32-37				
<b>6. Reporting practice</b>						
102-45	Entities included in the consolidated financial statements and in the boundary of this report	19. Please see also Financial Statement of the Company				
102-46	Defining report content and scope and topic boundaries	101, 102				
102-47	List of material topics	102				
102-48	Restatements of information provided in previous reports	If a specific indicator requires reformulation, it will be specifically explained in the indicator itself.				
102-49	Significant changes in scope and topic boundaries	There were no changes deemed significant in the scope, coverage or methods of valuation used in the report in financial year 2021, keeping the ability to compare the group's key figures with those of prior years.				
102-50	Reporting period	2020-2021				
102-51	Date of most recent report	This is the first report issued by the Company				
102-52	Reporting cycle	Atalaya Mining plc will publish sustainability reports in a yearly basis				
102-53	Contact point for questions regarding the report	maria.castro@atalayamining.com				
102-54	Claims of reporting in accordance with the GRI Standards	101				
102-55	GRI content index	103				
102-56	External assurance	10				

GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of un global compact	Relation to SDGs
<b>GRI 200 ECONOMIC DIMENSION</b>						
<b>A.</b>	<b>B. Topics of the GRI Standards</b>					
<b>GRI 201 Economic performance 2016</b>	Management approach (103-1, 103-2 and 103-3)	96-97				2, 5, 7, 8, 9, 13
	201-1	97				
	201-2	Potential CO <sub>2</sub> emission tolls have been identified which in a preliminary analysis are not expected to have a financial impact for the Company, but sector-specific regulation and regulatory developments will have to be monitored.			7	
	201-3	-				
	201-4	99				
<b>GRI 202 Marketpresence 2016</b>	Management approach (103-1, 103-2 and 103-3)	78-80			6	1, 5, 2008
	202-1	1774.29€/month vs 965€/month (83,86%)			6	
	202-2	100% of senior management come from Spain (CEO, CFO, and manager director of Atalaya Riotinto Minera)			6	
<b>-GRI 203 Indirect economic impacts 2016</b>	Management approach (103-1, 103-2 and 103-3)	79				1, 2, 3, 5, 7, 8, 9, 10, 11, 17
	203-2	79				
<b>GRI 204 Procurement practices 2016</b>	Management approach (103-1, 103-2 and 103-3)	86				12
	204-1	86				
<b>-GRI 205 Anticorruption 2016</b>	Management approach (103-1, 103-2 and 103-3)	38, 39			10	16
	205-1	Atalaya has implemented a compliance management system through which it assesses and prevents the possibility of committing crimes, including those related to corruption. This system covers the operations of the Riotinto Project, which is the Company's main asset. In 2021, 3 operations were evaluated for risks related to corruption, in centers where there are administration and purchasing personnel (i.e. Proyecto Riotinto, Cyprus, Cobre San Rafael), constituting 100% of the operations.			10	
	205-2	100% of the Governance body members were communicated about the Company's anticorruption policies and procedures (7 members in 2021). 100% of the business partners with representation in the BoD have been communicated (2 in 2021). 100% of the Governance body members have received training on anti-corruption (7 in 2021)			10	
	205-3	34			10	

GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of an global compact	Relation to SDGs
<b>-GRI 206 Anticompetitive behavior 2016</b>	Management approach (103-1, 103-2 and 103-3)	These aspects are considered within the Compliance Management System implemented by the Company within the Proyecto Riotinto.				16
	206-1	Atalaya has not been affected by any legal actions for anti-competitive behavior, anti-trust, and monopoly practices				
<b>-GRI 207 Tax 2019</b>	Management approach (103-1, 103-2 and 103-3)	98				
	207-1	98				
	207-2	The main risks identified by the Atalaya Group consist of risks arising from commercial and financial off-market transactions.  All the Group's transactions follow the ranges established by our transfer pricing report (performed by PwC). To date the Company has provided the necessary documentation when required to do so by a public administration through a tax inspection or a voluntary submission (in the case of Cyprus).				
	207-3	Information unavailable. The Company will set up the reporting systems need to cover this standard in the following edition of its Sustainability report.				

<b>GRI 300 ENVIRONMENTAL DIMENSION</b>						
A.	B. Topics of the GRI Standards					
<b>GRI 301 Materials * 2016</b>	Management approach (103-1, 103-2 and 103-3)	64 and 65. Atalaya's management of this aspect of the Riotinto project is part of the Environmental Management System implemented by the Company and certified in accordance with the ISO 14001 standard.			7, 8, 9	8, 12
	301-1	68				
	301-2	No recycled input material is used to manufacture Atalaya's primary products.				
	301-3	This indicator is not applicable to Atalaya's activity.				
<b>GRI 302 Energy 2016</b>	Management approach (103-1, 103-2 and 103-3)	64, 65, 73			7, 8, 9	7, 8, 12, 13
	302-1	73				
	302-2	Information unavailable. The Company will set up the reporting systems need to cover this standard in the following edition of its Sustainability report.				
	302-3	73				
	302-4	Information unavailable. The Company will set up the reporting systems need to cover this standard in the following edition of its Sustainability report.				
	302-5	Information unavailable. The Company will set up the reporting systems need to cover this standard in the following edition of its Sustainability report.				

GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of un global compact	Relation to SDGs
<b>GRI 303 Water*2018</b>	Management approach (103-1, 103-2 and 103-3)	64, 65, 70			7, 8, 9	6, 8, 12
	303-1	70			7	
	303-2	70			7, 8	
	303-3	71, 72				
	303-4	70-72				
	303-5	72				
<b>GRI 304 Biodiversity *2016</b>	Management approach (103-1, 103-2 and 103-3)	64, 65, 75			7, 8, 9	6, 14, 15
	304-1	There is no operational sites adjacent to protected areas				
	304-2	75				
	304-3	75. Atalaya develops projects for the protection of various special and plant species in accordance with the requirements of the environmental authorization in its Proyecto Riotinto.			8	
	304-4	Information unavailable. The Company will set up the reporting systems need to cover this standard in the following edition of its Sustainability report.				
<b>GRI 305 Emissions *2016</b>	Management approach (103-1, 103-2 and 103-3)	73, 74, 76			7, 8, 9	3, 12, 13, 14, 15
	305-1	73, 74				
	305-2	73, 74				
	305-3	73, 74				
	305-4	73, 74				
	305-5	Information unavailable. The Company will set up the reporting systems need to cover this standard in the following edition of its Sustainability report.			7, 8, 9	
	305-6	Atalaya does not report this indicator as it is not considered material for the Company.				
	305-7	77			7, 8	
<b>GRI 306 Waste *2020</b>	Management approach (103-1, 103-2 and 103-3)	67, 68			7, 8, 9	3, 6, 12, 13, 14, 15
	306-1	67, 68				
	306-2	67, 68			7, 8, 9	
	306-3	68			8	
	306-4	69			7, 8	
	306-5	69				

GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of an global compact	Relation to SDGs
GRI 307 Environmental compliance 2016	Management approach (103-1, 103-2 and 103-3)	64, 65			8	12, 13, 14, 15, 16
	307-1	64				
GRI 308 Supplier environmental assessment 2016	Management approach (103-1, 103-2 and 103-3)	86, 87			7, 8	
	308-1	87			7	
	308-2	87			8	

**GRI 400 SOCIAL DIMENSION**

A.	B. Topics of the GRI Standards					
GRI 401 Employment *2016	Management approach (103-1, 103-2 and 103-3)	42, 44				5, 8
	401-1	49, 50				
	401-2	48, 49			6	
	401-3	121, 122				
GRI 402 Labour/ management relations * 2016	Management approach (103-1, 103-2 and 103-3)	46, 47				8
	402-1	46				
GRI 403 Occupational health and safety* 2018	Management approach (103-1, 103-2 and 103-3)	56, 57				3, 8
	403-1	56				
	403-2	57, 58				
	403-3	56, 57				
	403-4	57, 58				
	403-5	58, 60, 61				
	403-6	58, 62				
	403-7	Atalaya has not any specific approach for this aspect.				
	403-8	56				
	403-9	52, 59, 60, 61, 62				
403-10	52, 59, 60, 61, 62					
GRI 404 Training and education 2016	Management approach (103-1, 103-2 and 103-3)	47			6	4, 5, 8
	404-1	47, 48			6	
	404-2	Atalaya does not develop this kind of programmes.				
	404-3	Atalaya does not develop this kind of review.			6	

GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of a global compact	Relation to SDGs
<b>GRI 405 Diversity and equal opportunity 2016</b>	Management approach (103-1, 103-2 and 103-3)	45, 48			6	
	405-1	37, 45, 46				
<b>In 2021, the 85.7% of the members of the BoD are over 50 years old, and 14.3% between 30-50 years-old"</b>			6	5, 8, 10		
	405-2	49			6	
<b>GRI 406 Nondiscrimination 2016</b>	Management approach (103-1, 103-2 and 103-3)	45			6	5, 8, 16
	406-1	46			6	
<b>GRI 407 Freedom of association and collective bargaining* 2016</b>	Management approach (103-1, 103-2 and 103-3)	46			3	8
	407-1	The main operation developed by the Group (Proyecto Riotinto) is located in Spain. Its activities are carried out in accordance with the legal framework in force and therefore no risk is estimated in this regard. The Company does not have any specific procedure at the moment to evaluate the situation with suppliers.			3	
<b>GRI 408 Child labour 2016</b>	Management approach (103-1, 103-2 and 103-3)	In accordance with the provisions of our Code of Ethics, Atalaya carries out its activities in accordance with the legislation in the environments in which it operates. Given that its main operations are located in Spain, the legal framework ensures the absence of risks in terms of child labour, forced labour or respect for human rights. As far as suppliers are concerned, most of them are located in Spain. In any case, the Company does not have a specific procedure for assessing possible risks in social matters related to the activity of these suppliers, beyond contractually requiring them to comply with legislation. In addition, Atalaya is committed to complying with the principles of the Global Compact that make direct reference to this aspect.			5	8, 16
	408-1	See the response to the "Management Approach" section under Child Labour.			5	
<b>GRI 409 Forced or compulsory labour 2016</b>	Management approach (103-1, 103-2 and 103-3)	See the response to the "Management Approach" section under Child Labour.			4	8
	409-1	See the response to the "Management Approach" section under Child Labour.			4	
<b>GRI 410 Security practices 2016</b>	Management approach (103-1, 103-2 and 103-3)	Atalaya contracts the security services for its facilities with companies located in Spain and subject to the legal framework in force in this country. The training of security agents is provided by these companies.			1, 2	16
	410-1	See the response in the previous row.			1, 2	



GRI Standard	Description	Report page	Omissions	External assurance	Relation to the ten principles of an global compact	Relation to SDGs
<b>GRI 412 Human rights assessment 2016</b>	Management approach (103-1, 103-2 and 103-3)	See the response to the "Management Approach" section under Child Labour.			1, 2	
	412-1	See the response to the "Management Approach" section under Child Labour.			1, 2	
	412-2	Atalaya does not provide this type of training to its employees.			1, 2	
	412-3	There is no significant agreement with this type of clauses.			1, 2	
<b>GRI 413 Local communities *2016</b>	Management approach (103-1, 103-2 and 103-3)	83			1, 2	1
	413-1	80-83			1, 2	
	413-2	Information unavailable. The Company will set up the reporting systems need to cover this standard in the following edition of its Sustainability report.			1, 2	
<b>GRI 414 Supplier social assessment 2016</b>	Management approach (103-1, 103-2 and 103-3)	86, 88			2, 3, 4, 5, 6	5, 8, 16
	414-1	86, 88			2, 3, 4, 5, 6	
	414-2	86, 88			2, 3, 4, 5, 6	
<b>GRI 415 Public policy 2016</b>	Management approach (103-1, 103-2 and 103-3)	Atalaya does not make any contribution to political organizations				16
	415-1	Atalaya does not make any contribution to political organizations				
<b>GRI 419 Socioeconomic compliance 2016</b>	Management approach (103-1, 103-2 and 103-3)	38				16
	419-1	34				

SPECIFIC TOPICS OF THE ATALAYA GROUP						
Environmental responsibility throughout the mine's life cycle		77			7, 8, 9	6, 7, 13, 14, 15
Process safety management		53-55				3, 6, 11, 12, 14, 15
Innovation and new technologies		91			9	9, 12
Protection of Heritage and archaeology		84				11

## ANNEX 3/

# Non-financial information content

## Disclosures from the Sustainability Report

	GRI Disclosures	Report pages
<b>Description of the group's business model</b>		
Business environment	102-1	15-26, 79, 89. Atalaya Riotinto Minera SLU's main customer is EMED Marketing, a Company of the Atalaya Group, which is responsible for 100% of sales. In turn, this Company delivers to the final recipient in accordance with existing "offtaker" contracts, whose counterparties are: XGC, Trafigura and Orion. In 2021, 14.3% of our concentrates were exported to Europe and 85.7% to China.
Organisation and structure	102-2	
Markets in which it does business	102-3	
Objectives and strategies	102-4	
Main factors and trends that might affect its future progress	102-6 102-7 102-14	
<b>Description of policies that the group applies regarding such issues</b>		
Due diligence procedures applied to identify, evaluate, prevent and mitigate significant risks and impacts and for verification and control	103	38-40. For information about measures adopted, please consider Financial Statements of the Company (Section: "Principal Risks and Uncertainties"). With regards to non-financial risks, please consider the different sections in this report regarding the environmental, social and good-governance aspects.
Measures adopted		
<b>Results of policies</b>		
Key indicators of relevant non-financial results that allow for monitoring and evaluation of progress and that favour comparability among companies and industries, in accordance with the domestic, european or international reference frameworks used for each topic	103-2, 103-3	15, 34, 41, 51, 64, 78, 90, 95
<b>Main risks relating to these issues in connection with the group's activities</b>		
When relevant and appropriate, the commercial relations, products or services thereof that might have negative impacts in these areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with leading domestic, european or international frameworks for each area	102-15 205-1 413-1 407-1 408-1 409-1	38, 39, 40, 56
Information on the impacts detected, providing a breakdown thereof, particularly regarding the main short-, medium-and long-term risks		
Key indicators of non-financial results that are relevant regarding the specific business activity and that meet the standards of comparability, materiality, relevancy and reliability	102-54	Global Reporting Initiative Standards (GRI content index)

I. Information regarding environmental surveys		
Detailed information regarding the current and expected effects of the company's activities on the environment and, if applicable, on health and safety		
Environmental evaluation or certification procedures	102-11 201-2	63, 64, 65, 66, 67, 70, 73, 74, 75, 76, 77
Resources dedicated to the prevention of environmental risks	308-1 308-2	
Application of the precautionary principle		
Amount of reserves and coverage for environmental risks		
Specifically:		
<b>» Pollution:</b>		
Measures to prevent, reduce or repair carbon emissions that seriously affect the environ; taking into account any form of atmospheric pollution specific to an activity	305-5 305-6 305-7	73, 74, 76, 77
Including noise and light pollution.	76. Noise and light pollution is a non-material indicator for the Company.	
<b>» Circular economy and waste prevention and management:</b>		
Measures for the prevention, recycling, reuse, other forms of recovery and elimination of waste	301-2 301-3 306-2 (2020) 306-3 (2020) 306-4 (2020) 306-5 (2020)	67, 68, 69
Actions to combat food waste.	Non-material indicator for the Company.	
<b>» Sustainable use of resources:</b>		
Water consumption and supply in accordance with local limitations	303-2 (2018) 303-5 (2018)	67, 68, 70, 73, 74
Consumption of raw materials and measures adopted to improve the efficient use thereof	301-1 301-2 302-1	
Direct and indirect consumption of energy	302-2	
Measures taken to improve energy efficiency and the use of renewable energy	302-3 302-4	
<b>» Climate change:</b>		
On important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of property and services that produce it	305-1 305-2	73, 74. Even though, the Company has not adopted specific measures to adapt to the consequences of climate change, a future analysis is projected for 2022.
Measures adopted to adapt to the consequences of climate change	305-3 305-4 305-5	
Voluntarily established medium-and long-term targets established to reduce greenhouse gas emissions and the means implemented to such end	201-2	
<b>» Protection of biodiversity:</b>		
Measures taken to preserve or restore biodiversity	304-1 304-2	75
Impacts cause by activities or operations in protected areas	304-3 306-5	

II. Information regarding social issues and personnel		
<b>» Employment:</b>		
Total number and distribution of employees by gender, age, country and professional classification		
Total number and distribution of types of employment contracts	102-8 405-1	42, 43
Annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification,		
Number of dismissals by gender, age and professional classification	103	40
Average remuneration and evolution thereof broken down by gender, age and professional or similar classification;	103	49
Salary gap	405-2	49
Remuneration of same or average job positions of the company	103	49
Average remuneration of directors and officers, including variable remuneration, attendance fees, severance pay, payment into long-term savings benefit systems and any other remuneration broken down by gender	102-35 102-36 102-38 102-39	37
Implementation of labour disengagement policies	103	49
Employees with disabilities	405-1	46
<b>» Organisation of work:</b>		
Organisation of work time	103	49
Number of hours of absenteeism	103	49, 50, 52
Measures to facilitate enjoyment of reconciliation and encouragement of the responsible co-exercise of responsibility by both parents	103	49
<b>» Health and safety:</b>		
Occupational health and safety conditions	403-1 (2018) 403-2 (2018) 403-3 (2018) 403-7 (2018)	56, 57, 58
Occupational accidents, particularly the frequency and seriousness thereof broken down by gender	403-9 (2018)	59, 60
Occupational diseases; broken down by gender	403-10 (2018)	60
<b>» Social relations:</b>		
Organisation of social dialogue, including procedures to inform and consult with staff and negotiate with them	407-1	46, 47
Percentage of employees covered by collective bargaining agreements by country	102-41	46, 47
Balance of collective bargaining agreements, particularly in the field of workplace health and safety	403-4 (2018)	46, 47
<b>» Training:</b>		
Policies implemented in the field of training	404-2	47
Total hours of training by professional category	404-1	48
Universal accessibility of disabled persons	103	45

<b>» Equality:</b>		
Measures adopted to promote equality of treatment and opportunities between women and men	405	45
Equality plans (chapter iii of organic law 3/2007, of 22 march, for the effective equality of women and men)	405	45
Protocols against sexual and gender-based harassment	405	41
Measures adopted to promote the employment, integration and universal accessibility of disabled persons	405	45
Policy against all types of discrimination and, if applicable, management of diversity	406-1	45
<b>III. Information regarding respect for human rights</b>		
Application of human rights due diligence procedures	102-16 102-17 412-3 412-2 410-1 412-1	Ataya concentrates its operations in Spain where the current legal framework ensures compliance with human rights. The compliance management system implemented by the Company ensures Atalaya's compliance with these requirements as well as with the rest of those contemplated by the legal framework.
Prevention of the risks of violating human rights and, if applicable, measures to mitigate, manage and repair possible abuses	412	
Complaints of human rights violations	406-1, 411-1	Atalaya has not received any complaint regarding human right violations
Promotion of and compliance with the provisions of the basic treaties of the international labour organization regarding respect for the freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	407-1 406-1 409-1 408-1	46
<b>IV. Information regarding the fight against corruption and bribery</b>		
Measures adopted to prevent corruption and bribery	102-16 102-17 205-1 205-2 205-3	38, 39
Measures to combat money laundering	205-2	38, 39
Contributions to non-profit foundations and entities	103	78, 81, 82
<b>VI. Information about the company</b>		
<b>» Commitments of the company to sustainable development:</b>		
Impact of the company's operations on employment and local development	203-2 413-1	41, 78
Impact of the company's operations on local communities and on the land	203-2 411-1 413-1	78, 79
Relations with local players and types of dialogue therewith	102-43 413-1	83
Association or sponsorship activities	102-12 102-13	81, 82

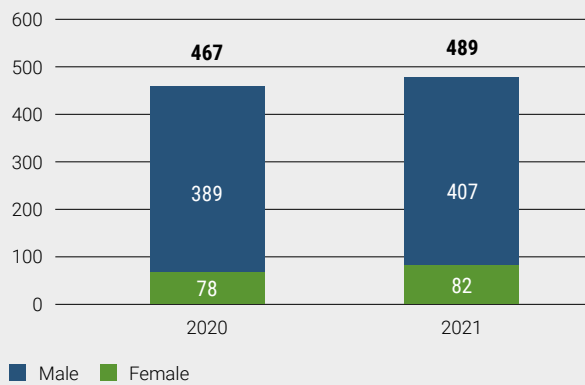
<b>» Subcontracting and suppliers:</b>		
Inclusion of social, gender equality and environmental issues in the purchasing policy	102-9 308-1 414-1	86
Consideration of social and environmental responsibility of suppliers and subcontractors in relations with them	414-1 308-1	86, 87, 88
Supervision and auditing systems and results thereof	308-2 414-2	86, 87, 88
<b>» Consumers:</b>		
Consumer health and safety measures	416-1	89. Atalaya manages the delivery of its products to its customers in accordance with the Company's existing quality policy. The characteristics of the product and of the customers who purchase it do not require the adoption of specific health and safety measures.
Grievance systems, complaints received and resolution thereof	416-2 418-1	89
<b>» Tax information:</b>		
Profits per country	207-4 (2019)	98, 99
Taxes on profit paid	207-4 (2019)	98, 99
Public subsidies received	201-4	98, 99

# ANNEX 4/ Other key performance indicators

## Atalaya Mining plc Work force<sup>46</sup>

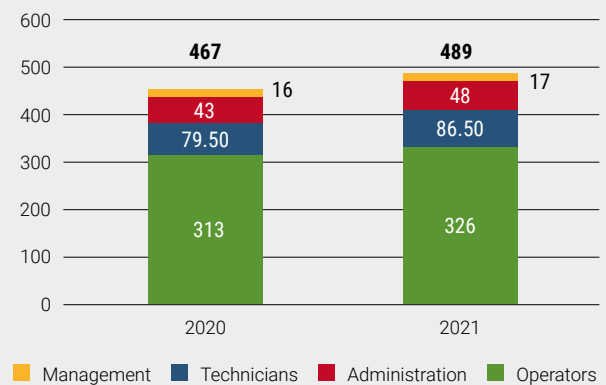
Distribution of total employees by gender\*

\*Calculated as an average



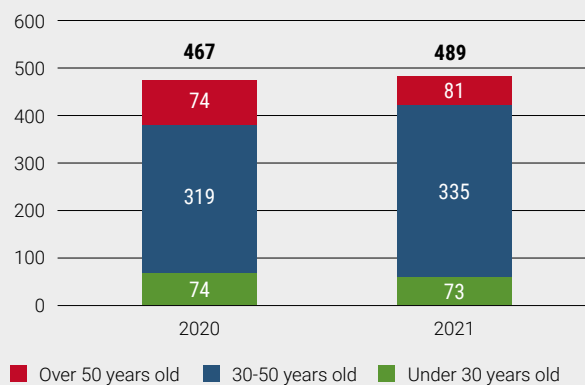
Distribution of total employees by professional category

\*Calculated as an average



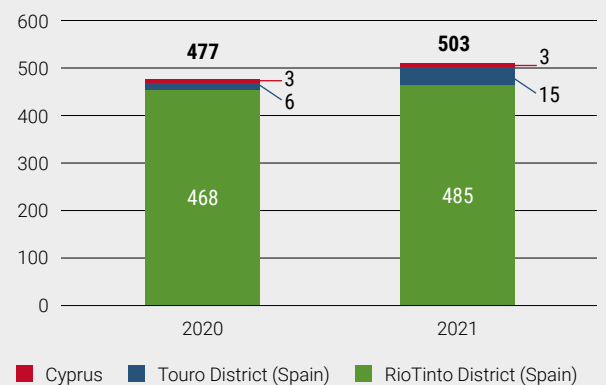
Distribution of total employees by age

\*Calculated as an average



Distribution of total employees by country and districts

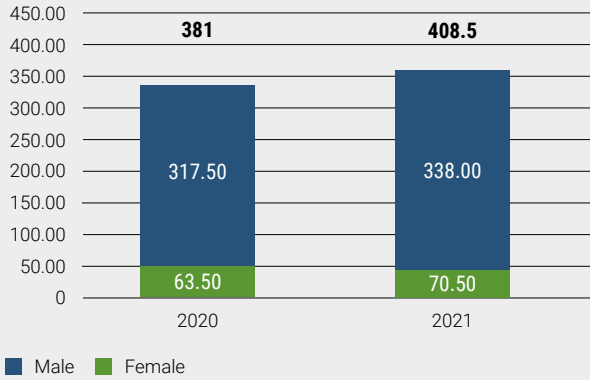
\*Calculated as an average



(46) The average data have been obtained from the year-end totals at the beginning and end of each period (i.e. January and December of the years 2020 and 2021).

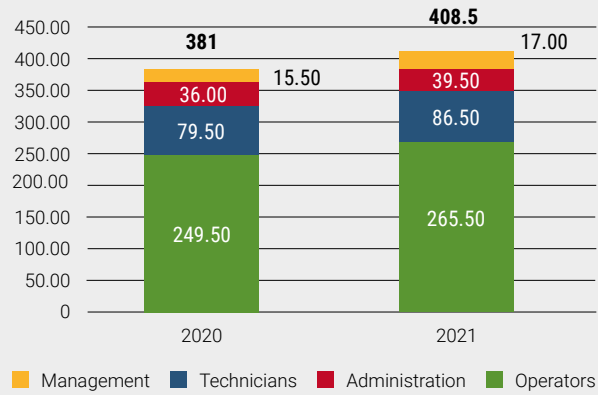
Distribution of employees with permanent contract by gender\*

\*Calculated as an average



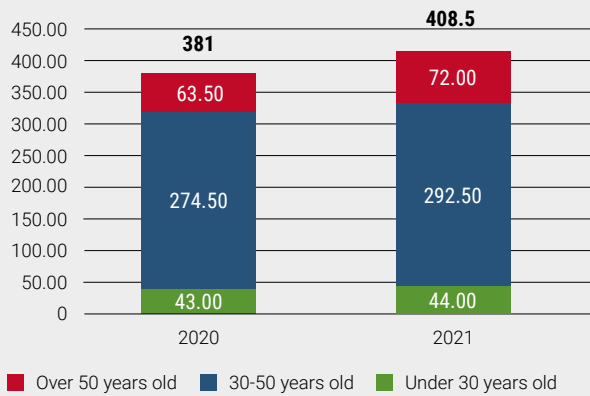
Distribution of employees with permanent contracts by professional category

\*Calculated as an average



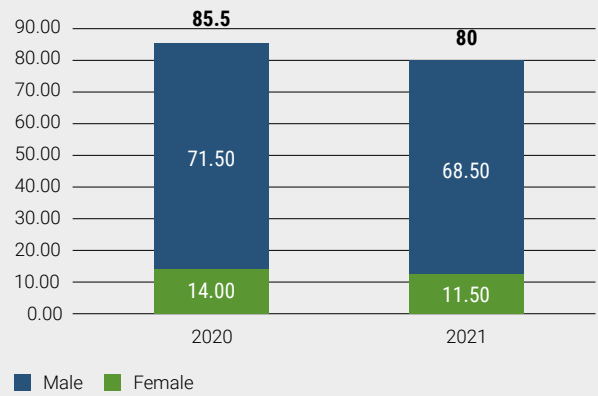
Distribution of employees with permanent contract by age

\*Calculated as an average



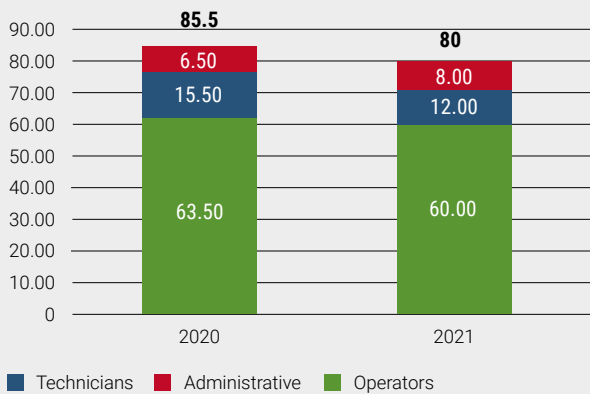
Distribution of employees with temporary contract by gender

\*Calculated as an average



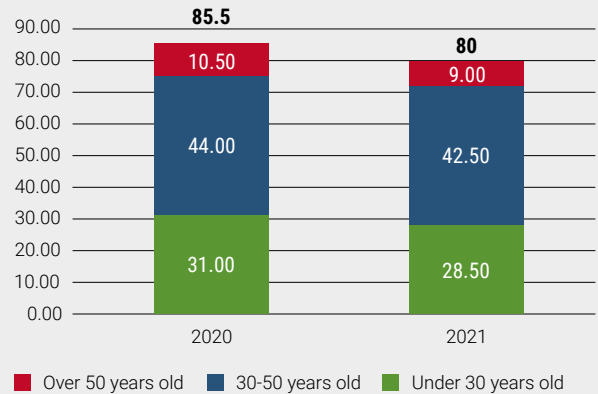
Distribution of employees with temporary contract by professional category

\*Calculated as an average



Distribution of employees with temporary contract by gender

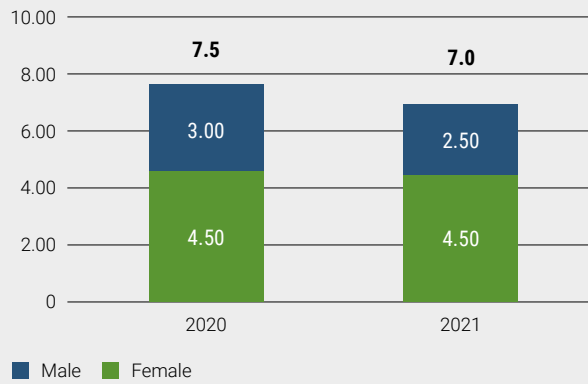
\*Calculated as an average





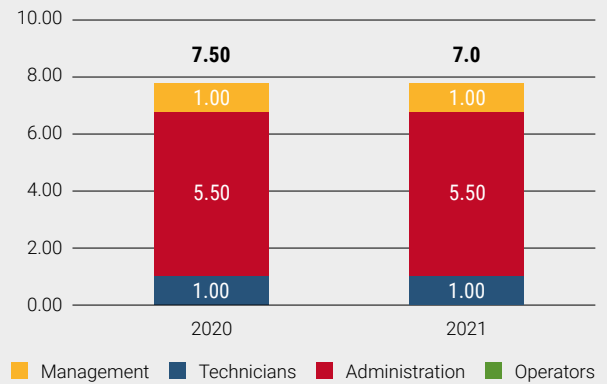
Distribution of part-time by gender

\*Calculated as an average



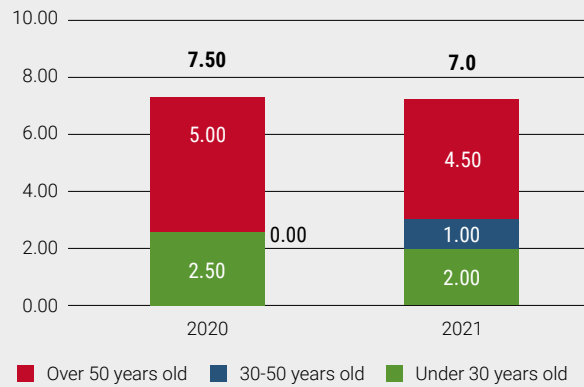
Distribution of part-time employees by professional category

\*Calculated as an average



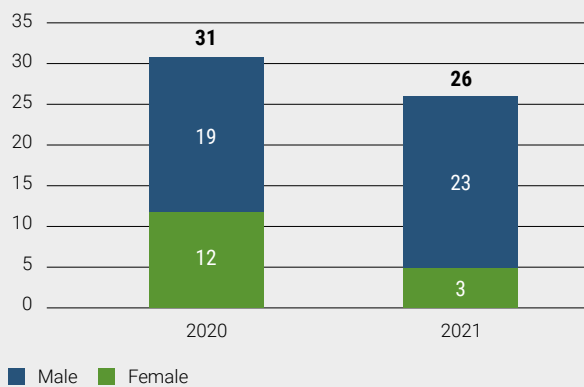
Distribution of part-time employees by age

\*Calculated as an average

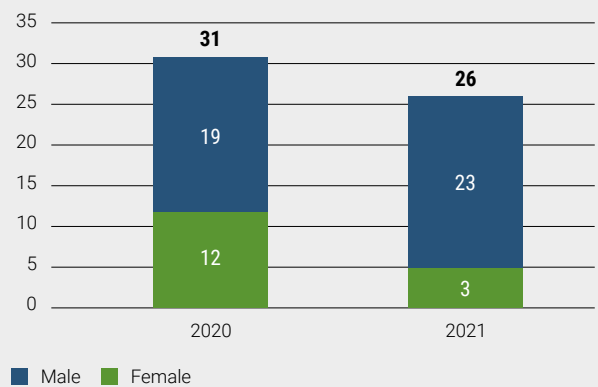


## Parental leave

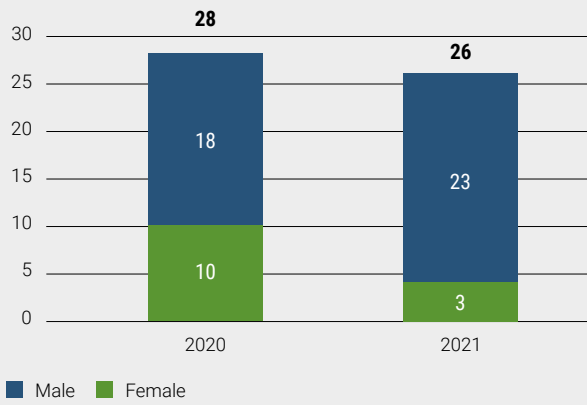
Employees that were entitled to parental leave



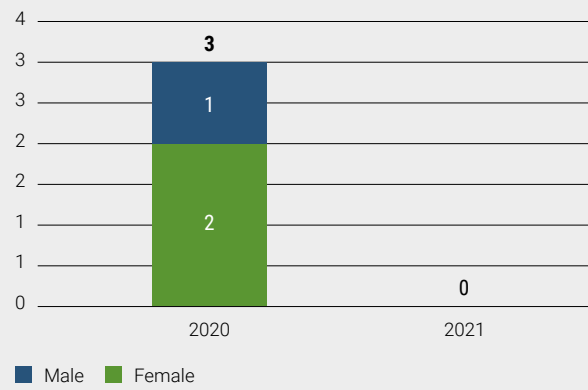
Employees that used parental leave



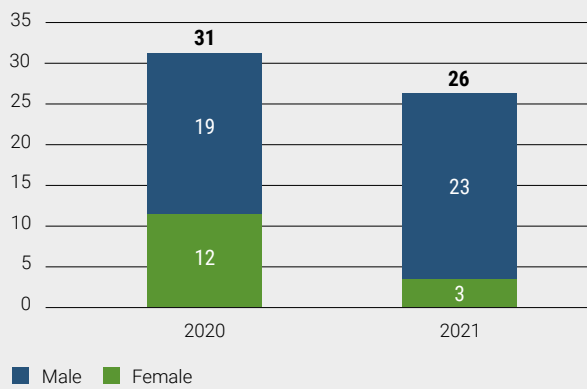
Employees that returned to work when parental leave ended

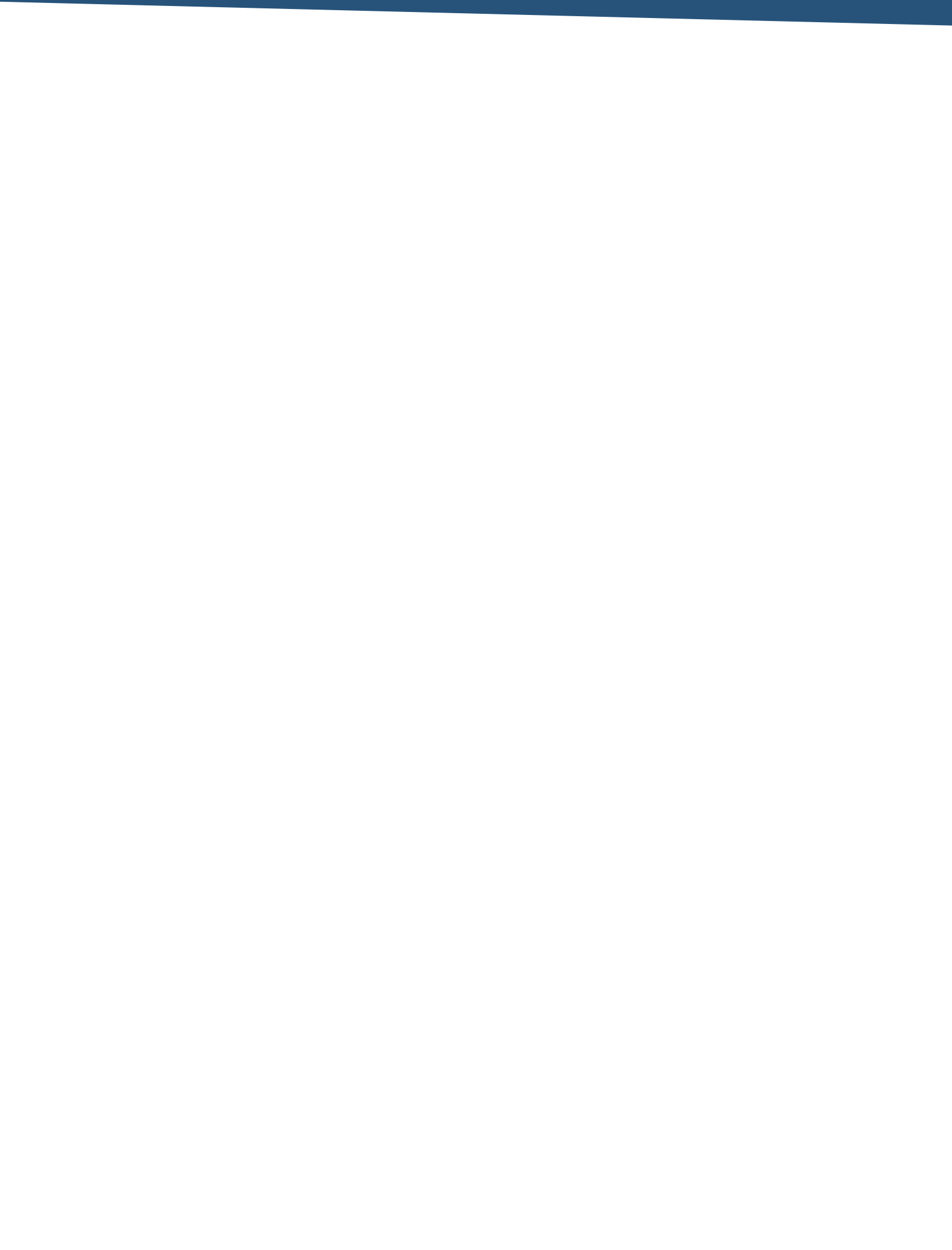


Employees that returned to work after parental leave ended that were still employed 12 months after their return to work



Return to work and retention rates of employees that took parental leave















2021  
Atalaya Mining plc

# Sustainability Report

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