

BEST PRACTICES GUIDE

Community Contributions





1. INTRODUCTION

The purpose of this guide is to set the guidelines for making community contributions. It is part of SAAM's Compliance Program or Crime Prevention Model on Corporate Criminal Liability and is intended as a supplement to the company's policy, as set out in its Code of Ethics.

SAAM's activities play a strategic role in the economic development of the countries where it operates. The company permanently interacts with stakeholders in the localities where it operates, including government entities and local authorities, community groups or neighborhood councils, local social, educational and/or cultural institutions, among others. These relationships are always conducted with utmost respect for the institutions, in accordance with each country's current legal framework and adhering to the highest ethical standards to achieve our business objectives. The company is committed to acting responsibly not only in terms of its own business management, but also in relation to environmental, social and governance management.

This guide has been prepared as an aide for the respective employees and executives in the performance of their duties. It helps them to make decisions regarding the contributions deemed appropriate and that benefit the country and the communities surrounding the company's operations, ensuring that they are carried out with utmost integrity and that they strictly adhere to the Compliance Program and the Code of Ethics.

This guide is intended to prevent acts of corruption, money laundering, financing of terrorism, bribery among individuals and unfair administration, as well as to avoid political financing and conflicts of interest, by shedding light on the management of personnel, executives and managers of SAAM and its related companies, with regard to donations.

2. SCOPE

The operating principles and guidelines in this document apply to SAAM and all its subsidiaries. Regardless of the applicable regulations in each country where we operate, this best practices guide establishes the minimum required standards for community contributions.

Its application is therefore strongly recommended for associates.



3. TYPES OF CONTRIBUTIONS

3.1. Donation: a monetary or in-kind contribution made without there being a commitment or promise between the parties to exchange a consideration. The company makes donations to provide money or goods used to carry out activities, create or improve infrastructure, or to provide community support services through contributions to non-profit organizations, duly constituted and authorized to receive donations under current legislation; these organizations, in turn, must provide a corresponding donation certificate.

3.2. Sponsorship: An economic contribution for a specific project or activity, which obliges the recipient to include the sponsor's name in its publicity and dissemination activities. Unlike a donation, the sponsor is compensated through the exposure of its image being publicly associated with the initiative in question.

3.3. Patronage: This is the support given by the company to a specific project or activity that does not involve the provision of resources, but does involve the support of the company's name, image and prestige, which is understood to add value to the sponsored company to help it succeed.

3.4. Commodatum or loan of use: Contract in which one of the parties gives the other free-of-charge use of chattel property or real estate, which the latter must return after the end of its use.





4. PROVISION OF COMMUNITY CONTRIBUTIONS

4.1. Eligible areas for contributions

In accordance with the social investment guidelines defined by SAAM, community contributions are limited to the following areas:

- Community engagement
- Education
- Culture
- Community facilities
- Wellbeing and socio-environmental education
- Sports

Priority will be given to contributions that produce a positive social impact on the communities in the area of influence of SAAM's operations, or of its subsidiaries or associates, and that are linked to initiatives consistent and compatible with the company's mission and values.

Institutions that allow the use of tax benefits according to existing legislation will also be given preference.



4.2. General Considerations

- It is strictly prohibited to make any type of contribution to beneficiaries whose activities fall outside the country's current legal framework and/or whose actions could damage the image of SAAM and/or its related companies.
- It is prohibited to make direct contributions to public organizations or entities, whether centralized or decentralized (ministries, bodies, municipalities). This prohibition is notwithstanding a justified exception, which must be well founded and due to special circumstances (catastrophes, emergencies, pandemics or public calamity and/or when it is impossible to make the contribution through different means, etc.). Any exception must be validly expressed in writing by the CEO or general manager of the respective company.
- It is strictly forbidden to make contributions to public or private corporations that have been sanctioned, or for which there is an ongoing investigation for any of the offenses set out in Law No. 20,393 on Criminal Liability of Legal Entities—a Chilean law that punishes the legal entity (companies) for acts of corruption, bribery, money laundering, financing of terrorism, handling of stolen goods, unfair administration, incompatible negotiation, misappropriation, water pollution, violation of product bans, illegal fishing of seabed resources, processing and illegal storage of scarce products, among others; or other penalties of similar tenor in the respective jurisdiction (penalties related to free competition, environmental contamination, human trafficking, etc.).
- It is strictly forbidden to make contributions of any kind for political purposes, such as campaigns or political activities, either directly or indirectly, both during and before or after legal campaigning periods.
- Contributions of any kind to for-profit institutions are prohibited.
- Contributions to natural persons, including direct and indirect employees, are not allowed. Any exception must be expressly validated in writing by the general manager of the respective company.
- The background of the institutions being considered for a potential contribution must be legally reviewed through a due diligence process, both for the organization receiving the contributions, as well as its directors and representatives, ensuring that the background of the people in charge of its management does not cast any doubt on their intentions and mission, the stated objectives of the institution, and that the purposes for the intended contribution are real and that they

will benefit from it. This due diligence should consider aspects such as the project or event to be financed and/or the final destination of the funds and the relationship with public officials and PEPs, both of the directors and/or representatives and their related parties.

- Cash contributions are not allowed.
- No contributions or donations may be made as compensation for a commercial service rendered to SAAM and its subsidiaries.
- For all purposes of this Guide, donations in kind will be valued at their market value as defined by the respective CFO.
- Each company must have an annually defined budget for contributions and donations. If this amount needs to be exceeded, the respective Board of Directors must be consulted and this must be validated by the division manager.
- If one-half plus one of the budget needs to be allocated to a single donee within one calendar year, validation by the division manager is required.

Contributions may not be split as a means to circumvent this obligation.

- Due diligence and approval from Compliance Management are required before establishing and entering into a commodatum of chattel property agreement. The division manager must also formally request this authorization.
- Commodatums of real estate may only be granted after being duly authorized by SAAM's Board of Directors or the Board of Directors of the corresponding subsidiary.
- All commodatum agreements must consider all legal aspects envisaged under the legislation in force. Once approved, a review by the company's Legal Department must be arranged.
- Senior Management and employees of SAAM and its subsidiaries are required to notify the Crime Prevention Officer (or SAAM's Chief Compliance Officer) of any event or situation known to them that could undermine the proper fulfillment of the purpose of the contributions.





4.3. Authorization process

- The person or department receiving the request for a donation, sponsorship, patronage or commodatum must forward it to the person in charge of managing this type of request in the respective company. He/she must also notify the focal point defined by the respective General Manager for implementing this and other good practice guidelines of the Crime Prevention Model. This focal point must be duly reported to SAAM's Compliance and Corporate Affairs departments.
- The person in charge of managing the community contribution request must make sure that the request meets the defined social investment guidelines (see point 4.1).
- Then, after completing the evaluation of the previous step, the person in charge of managing community contributions must ask the requesting institution to complete a **Community Contribution Request Evaluation Form** (Appendix 1) and attach the documentation requested in it. This background information will allow us to perform a due diligence process.
- With the information in the **Community Contribution Request Evaluation Form**, the person in charge of managing community contributions will ask the Accounting Department of the respective company to determine the tax scheme applicable to the benefit, identifying whether the contribution is eligible for a tax exemption under current legislation, or whether it will be considered an "expense" and the item or accounting item under which it will be recorded. This information will be recorded in a Tax Analysis Report.
- Once the **Due Diligence and Tax Analysis** processes have been completed, and if no observations are found, the person in charge of managing community contributions will send the applicant an **affidavit** on the sanctions of Law 20.393 (Appendix 2), which includes a use of funds statement, to be signed by the applicant.
- Once all the background information has been collected (Due Diligence Report, Tax Analysis Report, affidavit signed by the requesting entity), the person in charge of managing community contributions must issue the **Community Contribution Authorization Form** (Appendix 3), and obtain the signature of the Deputy General Accountant or its equivalent, and the Crime Prevention Officer or its equivalent, and then submit it to be signed by the general manager of the respective company, together with the Due Diligence Report and the affidavit of the requesting institution.
- In the event that the authorized contribution exceeds the annual budget authorized and allocated for this purpose—whether for partial or total contributions during the period, the approval of the respective Board of Directors will be required, following validation by the respective division manager. Said approval will be recorded in the corresponding minutes, and also recorded in the **Community Contribution Authorization Form** (Appendix 3).
- If providing the benefit involves allocating one-half plus one of the budget to a single entity within one calendar year, validation by the division manager is required, which must be recorded on the **Community Contribution Authorization Form** (Appendix 3).
- Then, the person in charge of managing community contributions must inform the respective Treasury Department to process the payment, once again attaching the Due Diligence Report, the affidavit and the Community Contribution Authorization Form signed by the respective general manager.
- It should be noted that, as part of the Crime Prevention Model best practices, for any contribution or donation there must be a **"Donation Agreement"** (contract, see Appendix 4) signed by both parties, detailing aspects such as the name of the beneficiary entity, date, donated goods or services, amount and/



or equivalent, reporting obligations, validity, possibility of auditing the use of funds by the donor, among other considerations, which can be requested from the applicant entity together with the Affidavit (Appendix 2).

- Finally, and as part of the post-donation process, the Donee institution is required to inform the Donor about the destination of the goods or money contributed by the Donor on a semi-annual basis. It must provide details of the projects and/or destinations of the funds and their recipients, which must be validated in the contract by the Donor.

4.3.1. Authorization process in the case of commodatum or loan of use

- The person or department receiving the request for commodatum or loan of use must forward it to the person in charge of managing this type of request in the respective company. He/she must also notify the focal point defined by the respective General Manager for implementing this and other good practice guidelines of the Crime Prevention Model. This focal point must be duly reported to SAAM's Compliance and Corporate Affairs departments.
- The person in charge of managing the community contribution request must make sure that the request meets the defined social investment guidelines (see point 4.1).
- The person in charge of managing community contributions will then ask the applicant institution to complete the **Community Contribution Request Evaluation Form** (Appendix 1) and attach the documentation requested in it.
- He/she must then formally specify in said **Community Contribution Request Evaluation Form** (Appendix 1) the premises, facility or goods to be provided in commodatum,

specifying all the necessary information, such as its location and full address, and the company name and Tax ID of the company that owns the property to be provided in commodatum. This background information will allow us to evaluate the relevance of the request and proceed with the due diligence process.

- In parallel to the information collected in the **Community Contribution Request Evaluation Form** (Appendix 1), attaching the requested information, the Due Diligence process will require forwarding the analysis of the contract's subject matter to the Legal Department so that they can prepare the document.
- If the Due Diligence is approved, a request for additional authorization by the Board of Directors of SAAM or the corresponding subsidiary should be evaluated, especially in the case of real estate.
- Once all the background information has been collected (Due Diligence Report; Board approval, if applicable), the person in charge of managing community contributions must issue the **Community Contribution Authorization Form** (Appendix 3). He/she must obtain the corresponding signatures and then request the signature of the respective company's general manager, together with the Due Diligence Report.



4.4. Registration and monitoring

- SAAM and each of its companies must keep an updated record of all donations, sponsorships, patronage or commodatums provided, together with their supporting documentation.
- Each company must keep an updated log of the contribution requests it has received, differentiating between rejected and accepted requests. In both cases, all supporting background information must be available to justify them.
- Contributions already implemented must include photographic and/or press records documenting the execution of the initiative in question and, at the same time, serve as material to illustrate the Community Outreach and Sustainability activities promoted by the respective company.
- Each company must report on a quarterly basis its Community Contributions Register to SAAM's Compliance and Corporate Affairs departments. At the very least, the record must include the type of contribution, the name of the institution, its Tax ID or identification code, the social investment objective of the contribution, the date and amount of the contribution, and the Donations Law to which it is subject, where applicable.
- Both the Community Contributions Register and its respective backups shall be subject to periodic reviews and audits.

