



FIRST QUANTUM
MINERALS LTD.

Cobre Panamá

SUSTAINABILITY REPORT

2022





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CREDITS
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The data presented corresponds to the period between 1 January and 31 December 2022.

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This Sustainability Report informs our stakeholders of the commitment we have as an organization to maximize our positive impacts, mitigate the negative ones, and add economic, social, and environmental value to Panamá



LETTER FROM THE CEO

Sustainability is central

2022 was a challenging year for our business and for the global economy. We have remained focused on operational performance and the execution and delivery of our key projects, which includes the expansion of production at Cobre Panamá, one of the world's top 10 copper mines. Panama should be proud of its significant contribution to the world's energy transition through copper from a responsibly operated mine. Robust environmental, health and safety performance and strong community relations help us to drive operational efficiencies and performance.

Copper is the future

Copper is essential to the world's transition to renewable energy. It's a core component in electrical networks, solar panels, wind farms and electric vehicles, crucial due to its electrical and thermal conductivity. As the world transitions to more sustainable and lower carbon sources of energy, significantly increased volumes of copper will be needed to achieve global decarbonisation targets. Furthermore, the demand for the metals that we mine, and the contribution that our mining projects make to society, are key to drive socioeconomic development, both in Panamá, and across the globe.

Responsible Mining

Although 2022 brought about a range of challenges for our business, the future looks exciting for both First Quantum and Panamá. I'm proud of the contribution that our responsible mining makes to society and I believe First Quantum is the right company to deliver the energy metals needed for the 21st century.

TRISTAN PASCALL

CEO
FIRST QUANTUM MINERALS

LETTER FROM THE GENERAL MANAGER

Driving economic growth

Cobre Panamá represents an important contribution to the country's economic growth and prosperity. With more than \$10 billion invested in Panamá to date, Cobre Panamá is the largest private investment in Panamá's history. 40,000 direct and indirect jobs are generated by our mine, and we spend around \$20 million every week with more than 2,000 local suppliers and Cobre Panamá contributes more than \$2.5 billion to Panamá's GDP.

Sustainable in our approach

We're committed to the development of our neighbouring communities through our education and livelihood programs, and we take seriously our commitment to the environment in which we operate. We have implemented an ambitious program of conservation, rescue and environmental restoration to support Panamá's rich biodiversity.

Benefiting Panamá

Cobre Panamá positions the country globally as an important producer of copper, a critical mineral necessary for the development of clean energy technologies to decarbonize the global economy and address climate change.

ALAN DELANEY

GENERAL MANAGER
COBRE PANAMÁ



FIRST QUANTUM
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Cobre Panamá





Minera Panamá at a glance

Minera Panamá's investment into the Cobre Panamá project is recognized as the largest private investment project in the history of the country. The Cobre Panamá concession is located 120 kilometers west of Panama City and 20 kilometers from the Caribbean coast, in the municipalities of Donoso and Omar Torrijos Herrera in the provinces of Colón and Coclé respectively. The mining footprint will eventually cover 5,900 ha. The mine employs almost 7,000 people and in 2022 contributed more than \$2.7 billion to the Panamanian Gross Domestic Product. The operation is estimated to have an operating life of 33 years.



2022



\$2,757

billion contribution to Panamá GDP*



+40K

direct and indirect formal jobs nationwide



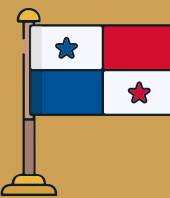
78%

water reused in our operations reused



+\$921 M

Paid to Panamanian suppliers



+89%

Panamanian workforce



67%

of employees are from the interior of the country



\$0.8 M/ HA

Contribution to the Panamanian GDP per hectare of the project footprint

THROUGHOUT THE DEVELOPMENT OF THE PROJECT



Represents 40%

of Panamá's total foreign investment during the period 2017 - 2020



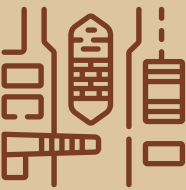
More than \$10 B

invested in Panama



4,200 HA

reforested areas



+2K

Panamanian suppliers do business with Minera Panama



Investment of \$136 M

in social programs to date



+125

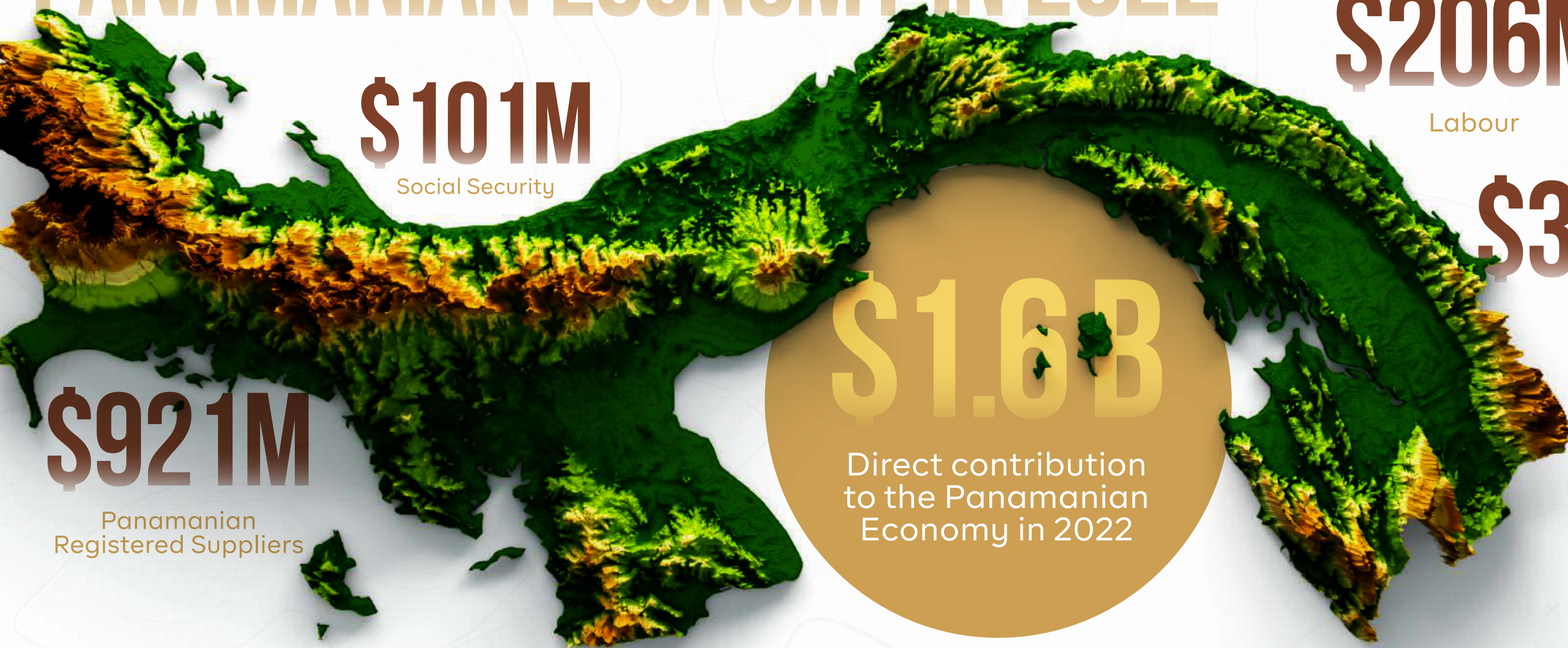
vessels exported through the canal carrying concentrate

* Instituto Nacional de Estadística y Censo 2022



GRI 203-2, 204-1

DIRECT CONTRIBUTION TO THE PANAMANIAN ECONOMY IN 2022



\$101M
Social Security

\$206M
Labour

\$375M*
Tax

\$375 million in taxes and royalties relating to 2022 will be paid by Minera Panama following approval of the refreshed concession contract by the Government of Panama

\$921M
Panamanian Registered Suppliers

\$1.6B
Direct contribution to the Panamanian Economy in 2022

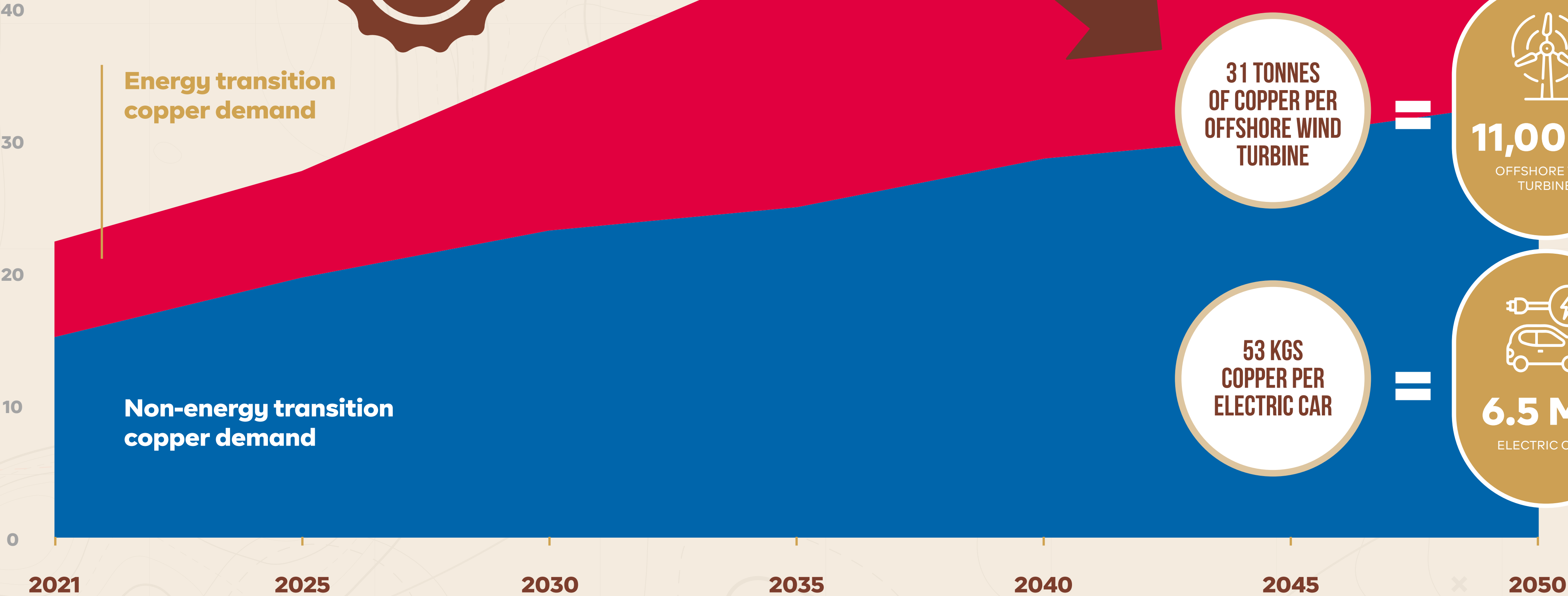


PANAMÁ'S CONTRIBUTION TO THE GLOBAL ENERGY TRANSITION



350,000 TONNES
Minera Panamá copper production, 2022

Copper demand, tonnes (millions)



3 TONNES
COPPER PER
1MW SOLAR

=

**134
GW**
SOLAR

31 TONNES
OF COPPER PER
OFFSHORE WIND
TURBINE

=

11,000+
OFFSHORE WIND
TURBINES

53 KGS
COPPER PER
ELECTRIC CAR

=

6.5 M+
ELECTRIC CARS



LOCAL EMPLOYMENT

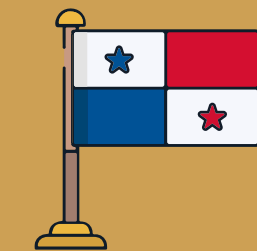
We have generated more than 40,000 jobs in Panamá. This is equivalent to 2.3% of the total employment of the country.



In 2021, it was estimated that Minera Panamá generated

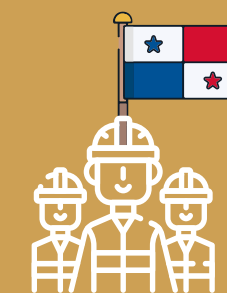
40,793

direct and indirect jobs



67%

workforce is from the interior of Panamá.



89%

of the mine's employees are Panamanian



48

Woman selected for the Trade School Learnership Program



GRI 404-2

PROFESSIONAL DEVELOPMENT AND TRAINING

People will always be at the heart of Minera Panamá's success. Creating a culture and environment that continues to develop, attract and retain talent is therefore a top priority. Our people development strategy covers the growth of the entire team and includes a range of interventions including face-to-face on site-training, online training, as well as financial support to Panamanians studying in Panamá and abroad. The communities living near to the mine are always a priority for us and it is why we have invested in and developed the Trade School in La Pintada.



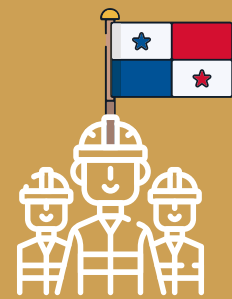
\$1.2 M

Invested in La Pintada Trade School Learnership Program in 2022.



164

Learners participating in the Trade School Learnership Program in La Pintada in 2022.



7

Panamanians sponsored to complete Masters Degrees in Mining in Canada in 2022.



308

Panamanian supervisors graduated from basic supervisory skills training in 2022.

Invested in the La Pintada Trade School to date



DIVERSITY AND INCLUSION

We treat our employees fairly and with respect. We promote diversity and inclusion in the workplace and strive to provide an environment that offers equality of opportunity, and is free from harassment, violence and intimidation.

The mining industry faces challenges in attracting science, technology, engineering and maths (STEM) graduates to become the next generation of miners. Furthermore, the industry has historically had low representation of women. In recognition of the benefits that come with a diverse workforce, we have focused on how we can attract women to STEM related careers at Minera Panamá. Our training and development programmes are designed to ensure equality of opportunity thereby improving the representation and advancement of women in our workforce. Approximately 30% of the learners at the La Pintada Trade School are women.



+50%

of the participants in Power Station and Mining Engineering Trainee programs are female



30%

of the learners at the La Pintada Trade School in 2022 were female



30%

Of Cobre Panamá employees are under the age of 30





ENVIRONMENTAL COMPLIANCE



99.6%

Compliance in 2022 to environmental conditions established in the project Environmental Impact Assessment

Our environmental management was born from the Environmental Impact Study, approved in 2011, which is recognized as being one of the most complete in the region

265

Environmental Commitments



9

Independent audits reporting to the government over the last 5 years



499

Auditor days on site since 2000



36

independent government mandated audits since inception





MINING FOOTPRINT

Since 2000, less than 1% of tree cover loss in Panama is as a result of Minera Panamá. Almost half a million hectares has been cleared by shifting agriculture.

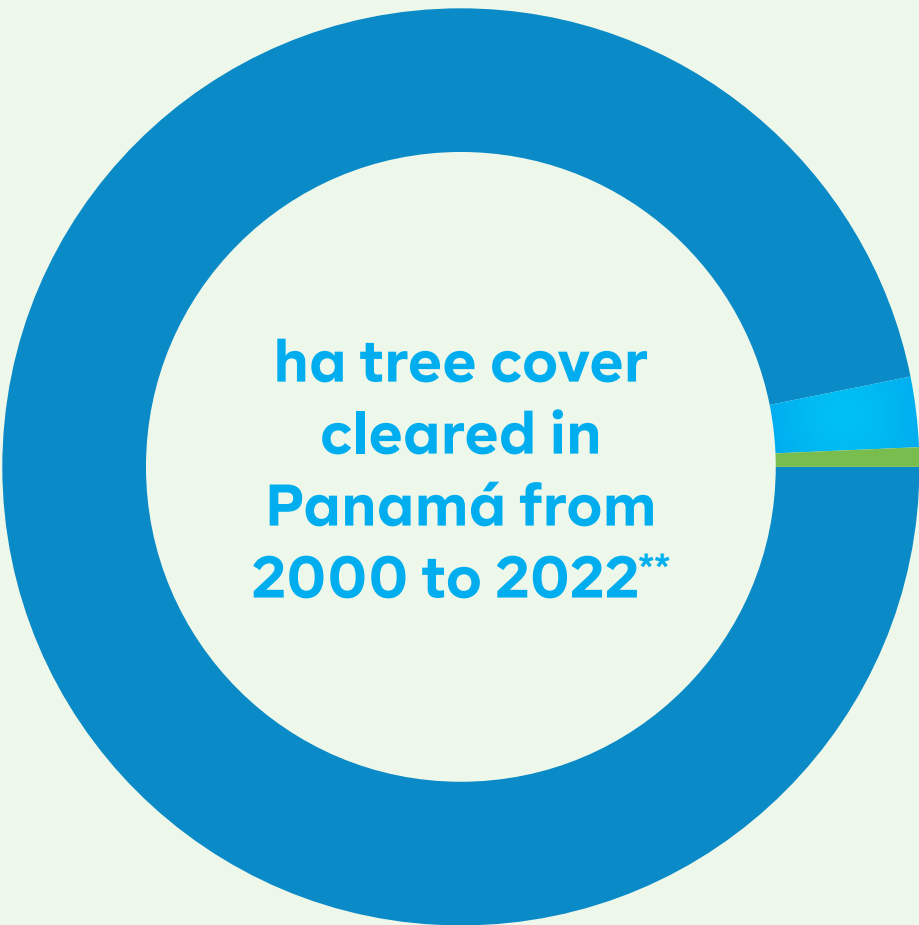
Minera Panama’s annual contribution to GDP per hectare cleared is over 900 times that of agriculture.

Gross Domestic Product
contribution in 2022 per
cleared hectare *

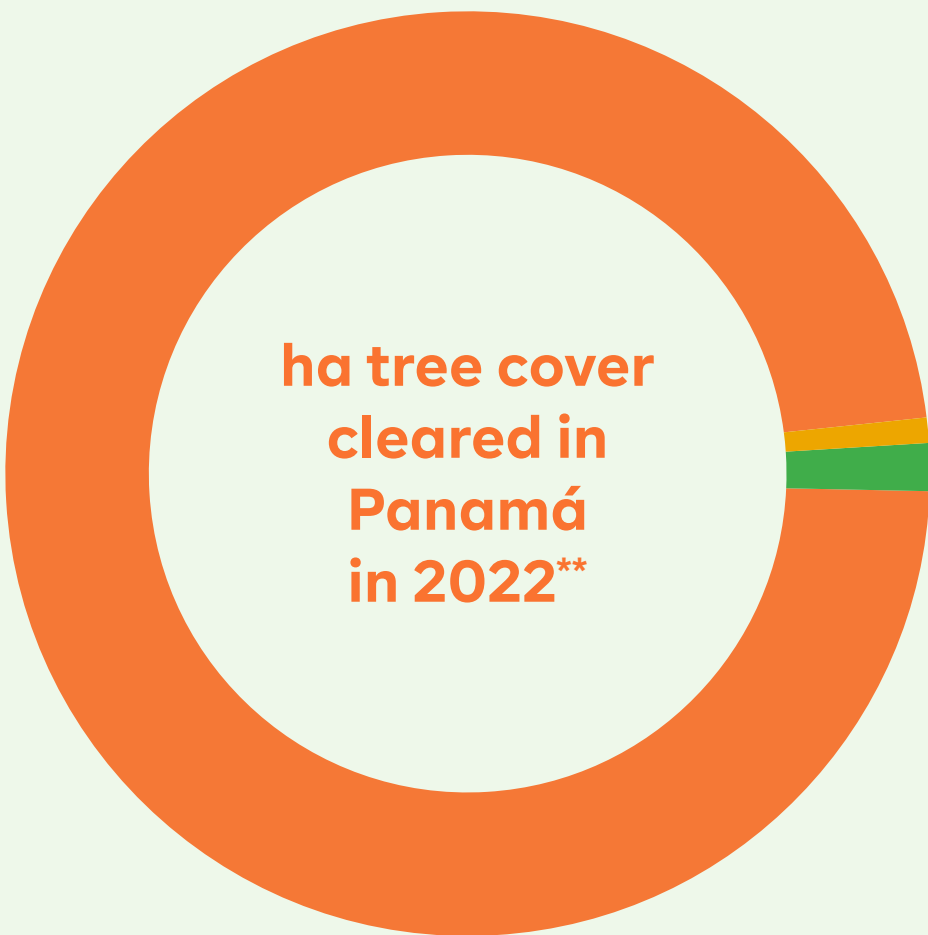
\$920 / ha
Agriculture

+\$800,000 / ha
Minera Panamá

Tree Cover Loss
in Panamá**



Others	11,941 ha
Minera Panamá	3,305 ha
Shifting Agriculture	467,909 ha



Others	119 ha
Minera Panamá	225 ha
Shifting Agriculture	16,983 ha

5,900
ha approved
for clearance

Commitment to
grow
10,475
ha of forest during
project phase

* 'Instituto Nacional de Estadística y Censo and the FAO'
** Global Forest Watch. "Tree cover loss" from www.globalforestwatch.org.

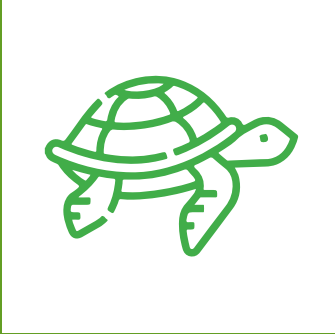


GRI 304-3

PROTECTED AREA AND SPECIES SUPPORT

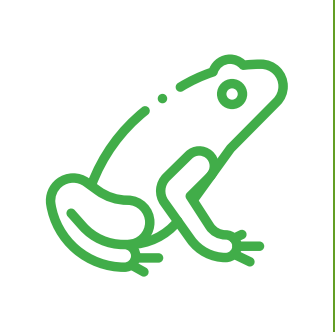


Santa Fe National Park
Omar Torrijos National Park
Donoso Protected Area



Sea Turtle Conservancy

Monitoring and researching of sea turtles from Bocas del Toro to Colon, an area with one of the world's most important turtle populations.



Frog Conservation

From an initial population of 107 pairs, we have successfully bred over a thousand individuals.



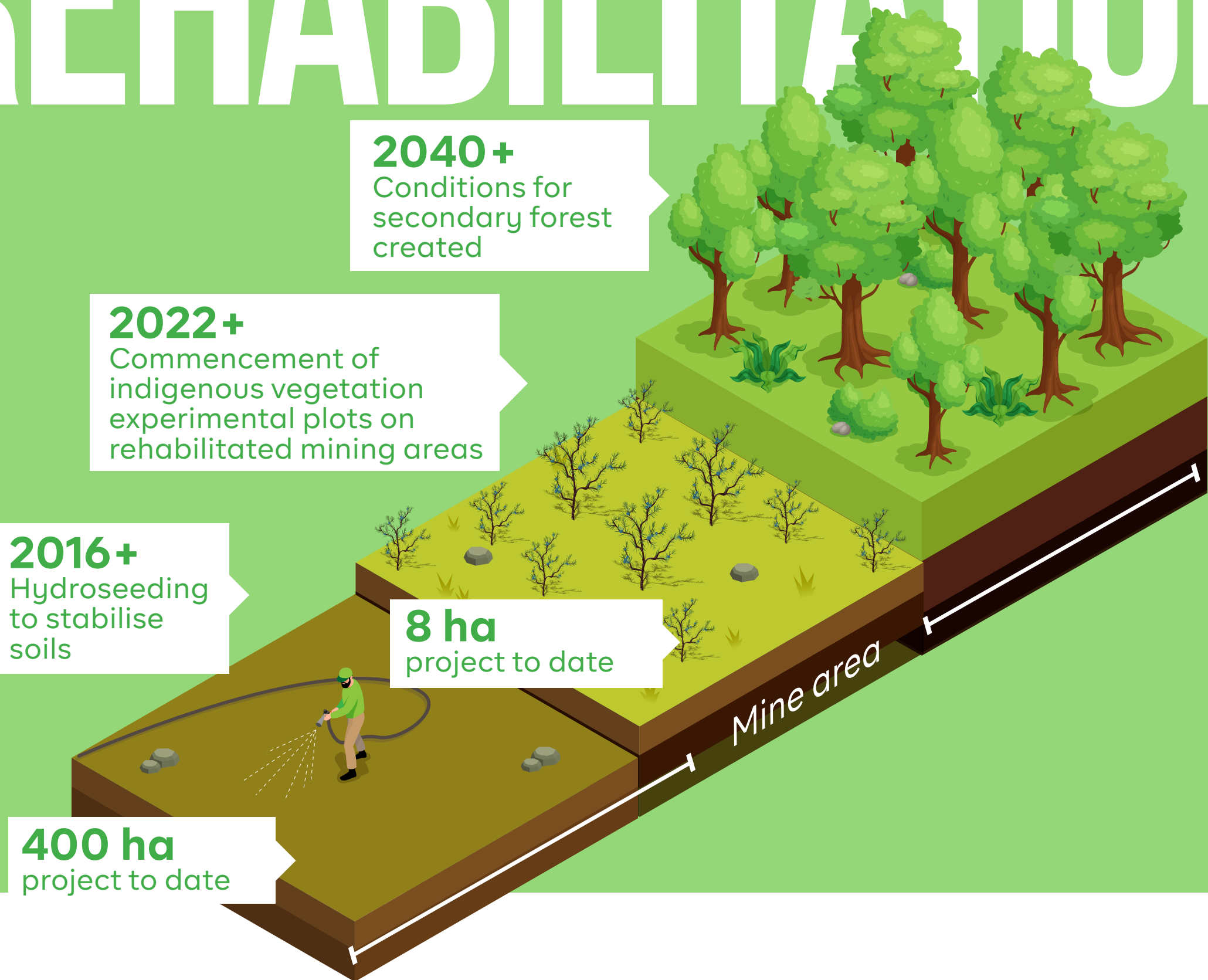
Harpy Eagle Conservation

Cobre Panama collaborates with the Peregrine Fund to conserve 40,000 ha of Harpy Eagle habitat.



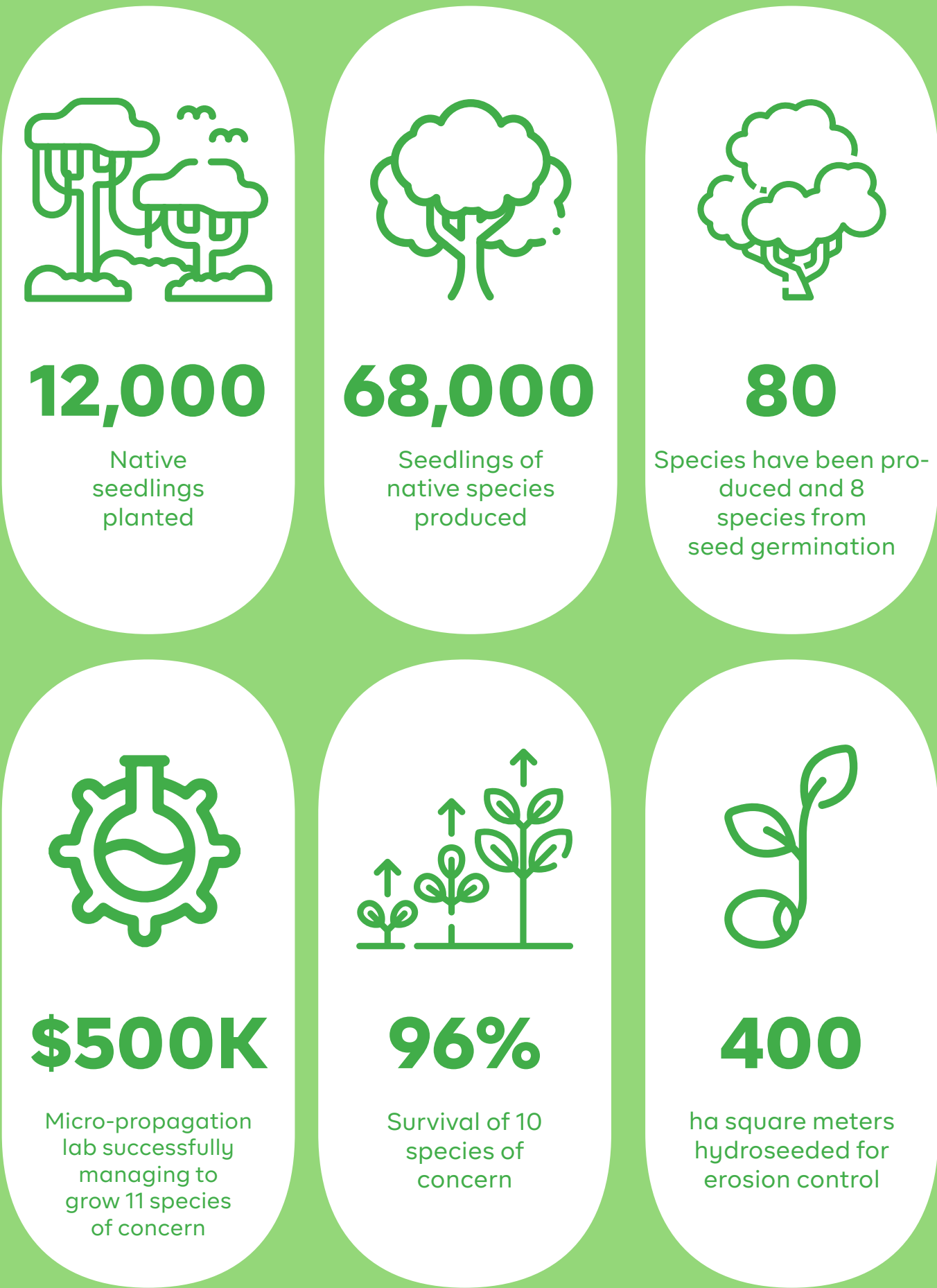


MINE FOOTPRINT REHABILITATION



OUTCOMES 2020-2023

BACKGROUND 2014-2019





REFORESTATION OUTSIDE OF OUR MINE FOOTPRINT



\$25M

Dollars invested
to reforest more
than 4,200 ha
nationwide.
This reforestation represents
more than a third of the life
of mine commitment





GRI 303-4, 303-5

WATER USE

The drainage of the mine is physically not connected with the catchment of the Panamá Canal.



423 M m³ of sea water was withdrawn in 2022 for cooling water at the Cobre Panamá power station, of this 423 M m³ was discharged. Since this use of water is not directly used for mining operational processes it is not included in the above water input and output diagram.

*Calculated in accordance with the International Council on Metals and Mining (ICMM) - Water Reporting Good Practice Guide, 2nd Edition



WATER QUALITY



Real Time Water Quality and Quantity Monitoring

pH, Dissolved Oxygen, Turbidity, Temperature, Specific Conductivity, Oxidation-Reduction Potential, Total Suspended Solids, Water Flow



Compliance Monitoring

Full range of physical and chemical parameters Monitored 4 x per month. Reported to MiAmbiente every 6 months in accordance with permit. Analyzed at an internationally accredited laboratory. Full compliance since permit issued



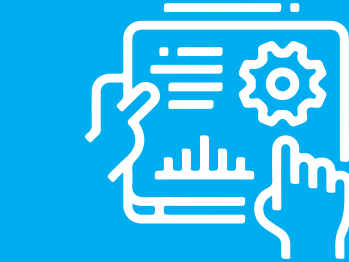
Participatory Community Monitoring

With the guidance of an independent international expert, fourteen communities monitor the quality of rivers



Ecosystem Protection

International specialists assess aquatic fauna population, species richness and overall abundance.



+260

water quality monitoring points around the mine



+100

parameters of water quality



16

cameras monitoring physical water quality

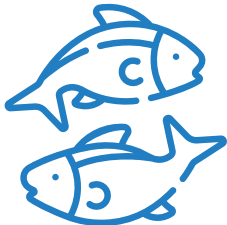


43

control stations to measure parameters in both real time and delayed



The mine is located in a different drainage catchment to the Panamá Canal.

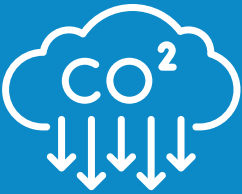


Quantity of fish biodiversity and quality: No change was evidenced during the quarterly studies carried out.



GRI 305-1, 305-2

GREENHOUSE GAS EMISSIONS




-50%

Reduce coal generation power reliance by up to 50%

Planned

We first expect to transition half the energy currently provided by our Punta Rincon coal-fired power station to alternative lower carbon sources, including renewables. We then expect to transition away from coal entirely by 2030.



Transition entirely away from the Punta Rincon coal-fired power station to lower carbon sources of energy, likely through a combination of renewables and natural gas.

In progress

A study of the power market, including supply and demand, has been commissioned. This will inform us of the requirements for power generation in Panamá and identify how Minera Panamá can support new lower-carbon power generation in Panamá as we seek to lower the greenhouse gas emissions of our operation. Key considerations are ensuring a reliable power supply to operations that is commercially viable and cost effective power and consistent with a just transition.



up to 20%

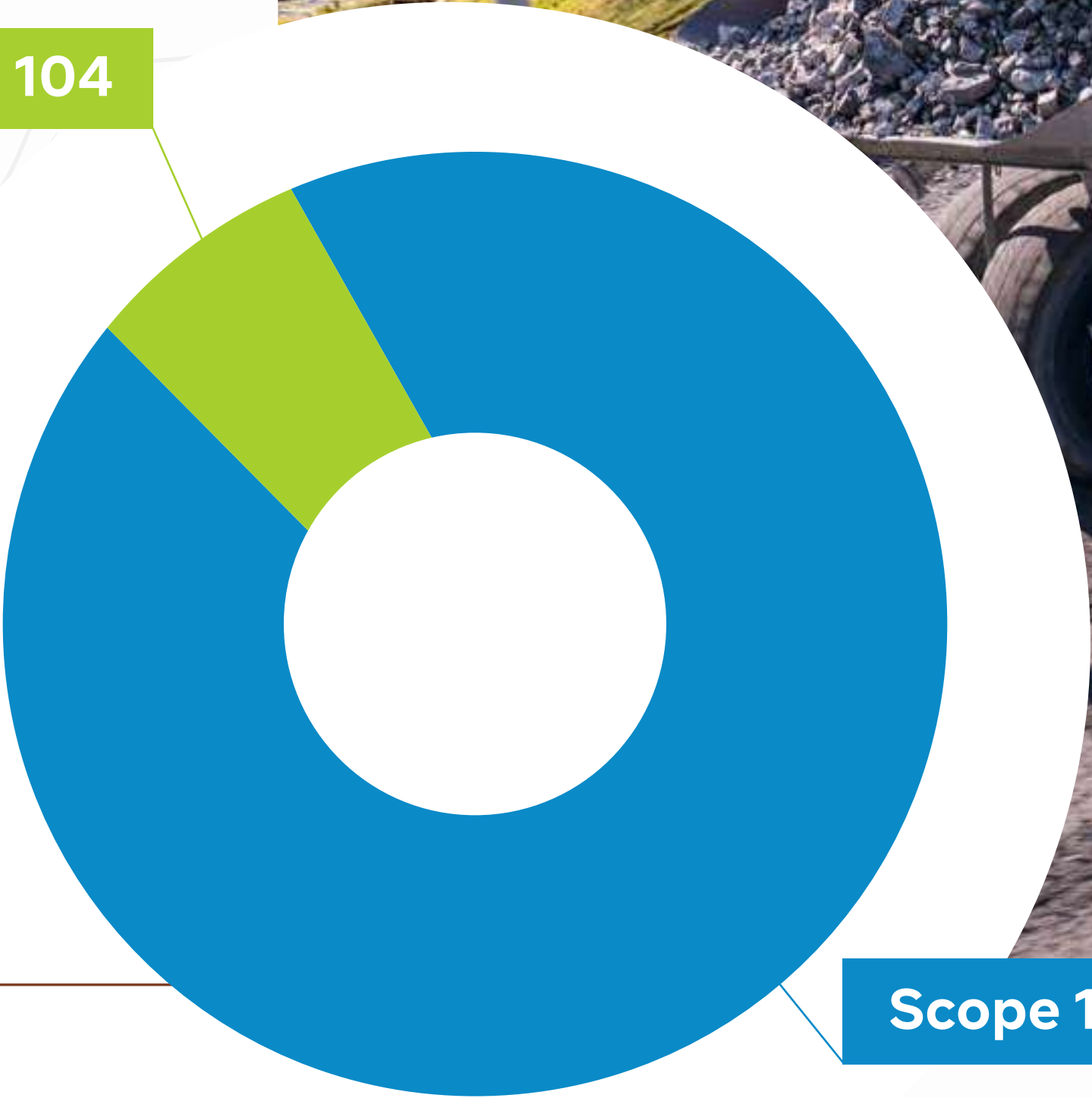
Renewable power at Cobre Panamá

Achieved

Renewable power agreement in place with AES Panamá for the CP100 expansion from 2024.

Greenhouse Gas Emissions 2022 (kt)

Scope 2: 104



Scope 1: 2,359



Trolley Assist allows trucks to run off the electricity grid. As we transition to renewable energy, trolley will make a significant contribution to the reduction of our Greenhouse Gas Emissions.



GRI 413-1

COMMUNITY RELATIONSHIPS



5

Five full-time community engagement professionals meet various communities through one-on-one sessions, focus groups, and community gatherings

1

Dedicated Grievance Officer handles community grievances related to work opportunities, environment complaints, and community safety

13

Community Participatory Committees provide input towards the initiation and development of all community related projects

100%

of the project's resettlement was completed in accordance with the International Finance Corporation's Performance Standards. The project provided indigenous communities with the opportunity of Free, Prior and Informed Consent



INFRASTRUCTURE

Our investment focused on the improvement of infrastructure of educational centers, housing and community spaces

\$3.1M

Infrastructure investment in 2022



Significant Investment in infrastructure in Coclé and Colón through the ongoing realignment and maintenance of the Llano Grande Road. The Llano Grande Road, which is open to all communities in the area has seen significant improvements over the years in terms of its accessibility and commuter safety.



Construction of a new vegetable and fruit depot for the Association of Producers of Donoso La Pintada (DONLAP). The depot provides for the efficient collection, cleaning, packaging and distribution of locally grown produce from local farmers.



Construction of the trades school for Industrial Professionals of Cobre Panamá.



5

Communities benefited from improvements to their water supply



7

Community computer rooms received infrastructure upgrades



7

Community schools renovated



LIVELIHOODS



\$2.4M

Invested in 2022

The economic development efforts at Cobre Panamá are focused on sustainable job creation which led to the formation of 7 new duly registered cooperatives. The cooperatives service not only the mine, but ‘also’ local market and other global firms. Some of the cooperatives have become mature producers of environmentally sustainable products. Other cooperatives are being pilots with training, planning and development activities taking place over the course of 2022.



DONLAP continues to provide the mine with locally grown fruits and vegetables from our communities.



Minera Panamá provided business planning and administrative support to the Community Committee for Socioeconomic Development of Cascajal (CCSDC). The CCSDC manages a fish farm and provides fish stock to 34 privately owned fish farms in the area



Minera Panamá donated equipment, infrastructure and provided administrative training to the Emilia Amparo Multiple Cooperative (COSMAE). COSMAE is a woman’s only cooperative that produces tortillas to local markets and restaurants.



Minera Panamá donated 20 sewing machines and provided training to the Cooperative of Multiple Services of Handicrafts and Textiles (COSMATEX).



Atlantic Region Tourist Adventures (ATUR) received training in tourism as well as equipment for the initiation of tourism ventures in the areas around the mine.



Agroindustrias La Ceiba received technical training, business development training and equipment to facilitate the production of coffee. The programme includes 32 farmers and covers approximately 400 ha.



“The Cobre Panamá reforestation project provided me with an opportunity to contribute to planting coffee plants with Agroindustrias “La Ceiba.” This experience led to gaining knowledge in coffee processing and production, with the most rewarding benefit being able to support the environment and the community. Expert training ensured the initiative’s sustainability.

Paula Garcia / Agroindustrias La Ceiba



EDUCATION AND TRAINING



3,600

Scholarships provided from primary school to university. Minera Panamá has sponsored 260 university graduates.

\$5.3 M

Investment into the La Pintada Trade School

Trade School

We built an educational center for the preparation of specialized technicians for the industrial and mining sector. The opening of the educational complex had an investment of \$ 5.3 million.

We support educational institutions through the creation of opportunities and benefits that contribute to improving the quality of education of children and young people.

\$1.5M

investment into education programs in 2022

Minera Panamá provided 1 meal a day for 6,700 students in over 70 schools in Danoso, La Pintada and Omar Torrijos in 2022

In collaboration with Nutre Hogar, Minera Panamá has developed an early childhood stimulation program for 360 children in Coclecito, Nueva Sinai and Villa del carmen

Investment into sports, arts and culture programs in 2022

We support various sports initiatives that promote physical activity and teamwork. Through cultural programs and artistic activities, we seek to strengthen the cultural identity of neighboring communities and preserve their heritage.



HEALTH AND WELL-BEING



We collaborate with institutions and non-governmental organizations to ensure the well-being and comprehensive health of the population, especially the most vulnerable groups.

+\$279K

invested in improving the health and well-being of our communities in 2022



In collaboration with the FundaAyda and Project Care, Minera Panamá secured a donation of +650K worth of medical equipment. In addition to facilitating the donation, Minera Panamá provided all of the logistics and transportation for the equipment.



\$113K

Donated for the Miguel de la Borda Health Centre in Donoso

Construction of a laboratory for the Gorgas Memorial Institute with the objective of expanding seroprevalence studies in the country, \$100,000 per year for four years.

2022 SUSTAINABILITY REPORT DATA SUMMARY

KPI	UNITS	2022	2021	2020
AIR/EMISSIONS				
Sulphur Dioxide (SO2) emissions	Metric tonnes	864	766	192
Particulate Matter (PM) Emissions	Metric tonnes	7	9	6
Nitrogen oxides (NOx) Emissions	Metric tonnes	1 518	1 632	1 714
TOTAL OPERATIONAL WATER WITHDRAWAL				
Water withdrawal: sea water	Megalitre	423 059	438 064	468 517
Water withdrawal: fresh surface water	Megalitre	153 534	133 820	111 960
Water withdrawal: groundwater	Megalitre	2 153	4 253	1 361
WATER DISCHARGE: SEA WATER				
Water discharge: sea water	Megalitre	422 401	437 383	467 789
Water discharge: fresh surface water	Megalitre	104 310	103 155	91 217
Water discharge: groundwater	Megalitre	0	2 232	2 727
Operational Water Consumption	Megalitre	41 200	35 115	40 373

KPI	UNITS	2022	2021	2020
GHG EMISSIONS				
SCOPE 1 - GHG EMISSIONS	Kt of CO2 equivalents	2 359	2 314	2 183
SCOPE 2 - GHG EMISSIONS	Kt of CO2 equivalents	104	85	21
ENERGY CONSUMPTION				
Renewable Electricity	TJ	864	766	192
Other Electricity	TJ	270	166	42
Hydrocarbon Fuel	TJ	9 740	9 572	7 608



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