

ESG Position Statement



Purpose & Scope

The purpose of this document is to establish Highland Copper Company Inc. (“Highland Copper”)’s commitment to ESG, which is underpinned by the company’s ESG strategic framework, as well as to outline accountabilities related to the company’s ESG strategy. All directors, officers, employees, and consultants engaged by Highland Copper are expected to adhere to the commitments outlined in this document to advance the company’s ESG strategy.





Our ESG Commitment

Highland Copper supports the objectives of the *Paris Agreement* and the *Glasgow Climate Pact* and recognizes the critical role of the global mining sector in providing the metals and minerals necessary to support the global low carbon transition.

As a development-stage copper company, we believe that ESG factors are inextricably linked to our company's core strategic drivers and understand that the way we manage ESG factors has an impact on the success and long-term value of our company. We recognize the importance of establishing a strong ESG approach to deliver sustainable returns for investors, as well as for our workforce and the communities in which we operate.

Highland Copper's ultimate objective is to adopt ESG best practices over time, which will ensure that the company is well-positioned to develop our copper resources responsibly, provide long-lasting economic and social benefits to our workforce and other key stakeholders, and support the global low carbon transition by providing a source of responsibly produced domestic copper. We are committed to continually assessing and refining our ESG approach at every stage of the mining lifecycle, particularly as our Copperwood and White Pine North projects enter into development and production.

Transparency and accountability to our investors and other stakeholders are critical to ensure our ESG approach drives meaningful results. As such, we are committed to providing decision-useful ESG information to our investors and stakeholders in alignment with market-leading, investor-preferred ESG disclosure frameworks over time.



ESG Strategic Framework

We acknowledge the growing interest from investors in companies' ESG performance and the increased focus on ESG factors by our stakeholders. As a result, we strive to establish and continuously develop a robust and fit-for-purpose ESG approach. Our ESG strategic framework underpins our corporate strategy and ensures that our business and operations meaningfully consider ESG from the outset.

As an integral component of the process to develop our ESG strategic framework, we conducted a formal ESG materiality assessment to identify the ESG factors that have the most potential to impact company value over the short-, medium-, and long-term and need to be managed by the company.

Using the results of the ESG materiality assessment as a starting point, we identified a set of strategic ESG factors that we believe offer Highland Copper the greatest opportunity to enhance long-term value for our investors and other stakeholders, given their alignment with Highland Copper's strategic advantages, financial drivers, and stakeholder priorities, which are our core strategic drivers.

Our strategic ESG factors—alongside the other material ESG factors identified—form the basis of our ESG strategic framework given their potential to impact company value and importance in driving forward our corporate strategy.

Our ESG strategic framework is underpinned by ESG Governance, as strong governance is the foundation of our approach to ESG and will allow us to effectively oversee and manage material ESG risks and opportunities, while advancing our strategic ESG factors.





ESG Governance

Material ESG Factors

- Biodiversity Impacts
- Business Ethics & Transparency
- Air Quality
- Climate Change - Physical
- GHG Emissions
- Waste & Hazardous Materials Management
- Energy Management
- Security, Human Rights & Rights of Indigenous Peoples

Strategic ESG Factors

Responsible Operations

We are committed to environmental stewardship and to develop, design, and operate our sites in a responsible and sustainable manner. As a company positioned to become a key source of domestic copper, we aim to minimize the potential impacts of our projects on the environment and our stakeholders and demonstrate continuous improvements over time.

- Tailings Storage Facilities Management
- Water Management

Our People

We are committed to providing long-lasting economic and social benefits to our workforce and other key stakeholders. As a company positioned to become one of the largest employers in Michigan's Upper Peninsula, we aim to provide quality employment to residents, economic benefits for neighbouring businesses, and to support the physical and psychological safety of our employees and local communities.

- Community Relations
- Human Capital Management
- Workforce Health & Safety

Climate Change Transition

We are committed to supplying a source of responsibly produced domestic copper that supports the transition to a lower carbon economy. Copper is expected to be a critical mineral in this transition. We aim to position ourselves as a key solution in this transition, which will include identifying opportunities to minimize our GHG emissions.

- Climate Change Transition



Highland Copper's Directional Commitments and Accountability

Highland Copper's ESG strategy is further supported by directional commitments and accountabilities, which are briefly outlined below.

Governance

We are committed to transparency and accountability over our material ESG factors and performance. We are committed to continuously improving our approach to ESG governance over time, including to ensure Board oversight of material ESG factors, senior management accountability for ESG factors and alignment on ESG as a key priority across the company.

Risk Management

We are committed to integrating ESG risks into our company-wide risk management policies and processes to ensure we adequately identify, manage, and monitor ESG risks.

Strategy

We are committed to incorporating ESG factors into our strategic decision making and financial planning. As such, Highland Copper's ESG strategic framework underpins our corporate strategy and will guide our approach to ESG over the short-, medium- and long-term.

Metrics & Targets

We are committed to measuring our ESG progress and performance through the collection, monitoring, and reporting of ESG metrics related to our material ESG factors. These metrics will be informed by market-leading, investor-preferred ESG disclosure frameworks. We will aim to establish quantitative and qualitative ESG targets over time.

Reporting & Disclosure

We will continue to evolve and improve our ESG and climate change disclosure to our key stakeholders to provide transparency regarding the ESG risks and opportunities that could impact the value of our business, the implementation of our ESG strategy, and our ESG performance in alignment with market-leading, investor-preferred ESG disclosure frameworks, including the SASB Standards and the TCFD recommendations.





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