

OUR SUSTAINABILITY AND MATERIALITY STRATEGY

1. Sustainability in Minsur

Our strategy stems from the commitment of our Board Directors and is transversally aligned with Breca Group. Our admission to the ICMM in 2018 has paved our way towards excellence in sustainability management, on which we had been working for several years.

Because our management abides by the ICMM principles, we improved our occupational health and safety management, which allowed us to respond to the challenges brought by the COVID-19 pandemic in 2020.

In 2020, we redefined our sustainability model, which will guide our actions during the 2021-2030 period. This model is supported on three fundamental pillars: fulfilling the commitments assumed with our stakeholders (communities, customers, talent, suppliers and contractors), a responsible and conscious environmental management, and our governance and compliance system that promotes trust and transparency through continuous communication.

Furthermore, we decided that the best way to implement this model is through an interdisciplinary team. Thus, we created the Sustainability and Human Rights Committee, which is responsible for the progress and implementation of each attribute.

Sustainability model

Pillars of the Sustainability model



These three pillars are comprised by the following components:

1.1 First Pillar: Corporate governance

Risk management

We have a risk management system based on three great pillars: organizational culture, strategic objectives and governance. This management is supported by communication at all levels of the organization, so that we can plan, identify, assess, manage and monitor our company's operating and strategic risks.

In line with the work plan to adjust ourselves to the ICMM principles, we reviewed our risk matrix and updated the impact and likelihood criteria of identified risks to strengthen that way a proper assessment under a safety, social, environmental and reputational approach.

Based on this analysis, we define the health and safety of our employees as one of the priority risks of our management.

Safety, a fundamental value for us.

We are responsible for the health and safety of our collaborators, our most precious asset. We always act safely, and we spare no efforts to maximize safety in all our activities. We meet the highest standards, but -based on our continuous improvement strategy- we have developed a Management System that will allow us to be recognized as a world-class mining company, leader in health and safety issues.

We develop annual internal audits to verify the status of implementation of the risk management and change management standards, as well as the 21 safety operating standards.

Achievements:

1. In 2020 we had zero fatal occupational accidents for the fifth consecutive year.
2. The Mina Justa – Marcobre project was awarded the Safety Plaque, Gold category, for reaching the milestone of 7 million man-hours worked with no lost-time injuries. (date 01.11.2014)
3. The San Rafael, Pucamarca and Pisco mining units and the Mina Justa projects received the Biosafety certification against COVID-19 "SAFE GUARD" by Bureau Veritas.
4. The Smelting Plant and Refinery of Pisco obtained the ISO 45001:2018 certification.

1.2 Second Pillar: The Environment

Environmental Management and Climate change

Climate change is a real probability and a critical challenge for the planet that requires genuine leadership from the mining sector, taking measure to reduce emissions and managing potential impacts related to all business aspects (water, air, soil and biodiversity).

Climate change mitigation requires effective management and control of all sources of energy that are used in our mining units and projects, to optimize and reduce greenhouse gas (GHG) emissions through a greater use of renewable energies and new technologies.

1.3 Third Pillar: Stakeholder management

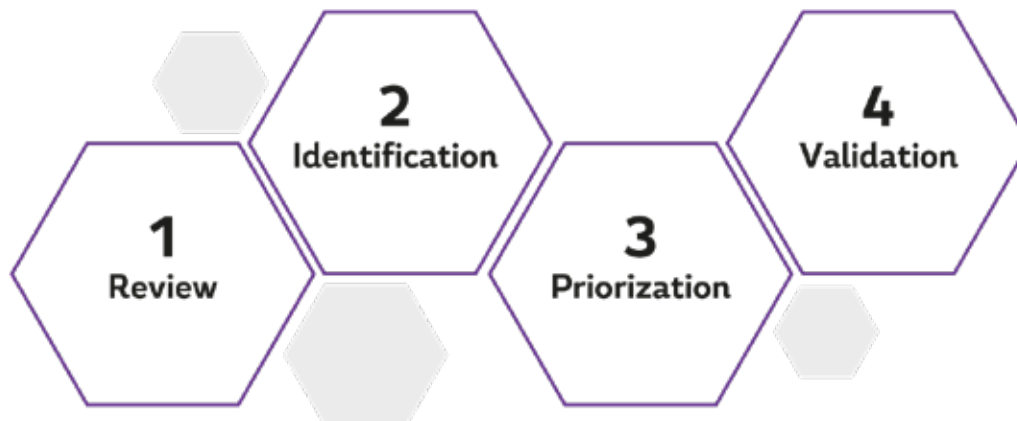
Local community engagement

In 2020, with the announcement of the national emergency due to COVID-19, the focus of our engagement strategy was generating and keeping the trust of our stakeholders, in our scopes of operations to meet the strict protocols developed by the company. We also work intensely to strengthen the health systems of our operating units, in association and coordinating with the competent authorities in the corresponding levels of intervention.

Thus, we had an active role in the regions where we operate, making significant investments in infrastructure, human rights, equipment and implements to address the pandemic's impacts. Likewise, we participated actively developing and promoting health protocols, providing our project management know-how and our humanitarian support to our stakeholders.

2. Our materiality assessment process

Our materiality assessment process followed the four stages indicated by GRI:



1. Review

The review stage aims at preparing a list of initial topics that will go through the following stages: identification and prioritization of material aspects. To prepare this initial list, we use several sources.

- Our former sustainability reports.
- A benchmarking of 7 sustainability reports of leading mining companies that are ICMM members.
- International guidelines and reports on sustainability issues related to the industry: the ICMM principles, the SASB Mining and Metals Sector Supplement, and the GRI Mining and Metals Sector Supplement (G4 version).
- The Sustainable Development Report 2020 – Sustainable Development Objectives and COVID-19 (Cambridge University Press) that provides the sustainability context at the country level, based on the performance of Sustainable Development Objectives.

2. Identification

Unlike previous periods, in 2020, the process of identifying material aspects was developed in our operations and projects, both from Minsur's and from our local stakeholders' point of view.

Teams from San Rafael, Pucamarca and SPR of Pisco operating units and Mina Justa project; as well as from our subsidiary Mineração Taboca in Brazil participated in five workshops to define the most relevant issues for each operation. This stage of the process allowed us to identify the similarities and differences in economic, social and environmental issues for each operation and project.

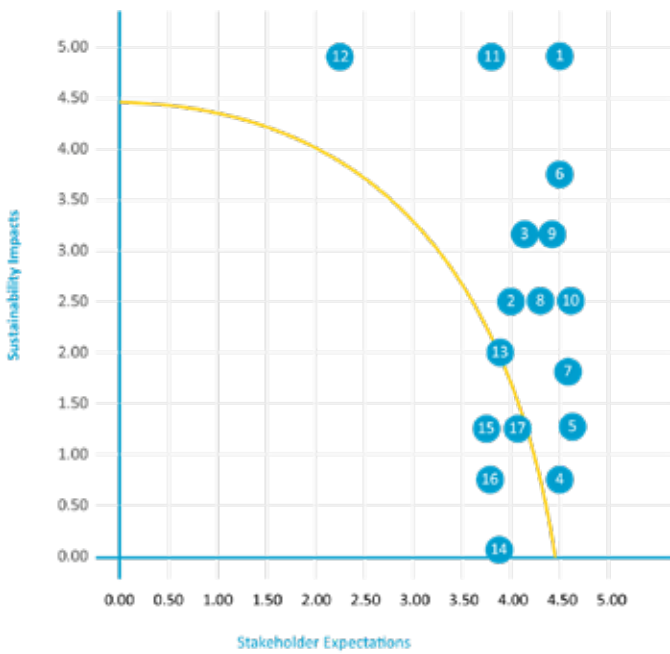
Likewise, we had dialogues with the stakeholders of these operations and projects. Representatives of the communities, collaborators, suppliers and contractors participated in dialogue panels, online surveys and interviews.

3. Priorization

The prioritization was then conducted from the perspective of each operation and their corresponding stakeholders. For expectations, we assigned scores to the topics, considering how frequently they were mentioned by the stakeholders in surveys, panels and interviews.

On the company side, we assessed each topic according to four criteria: the benchmarking with other mining companies, what is the link between the topics and the company's strategy (according to the Managers' insights), regulation and the benefit or seriousness of the initial topic.

We added the results of each operation, and we obtained the following assessment:



1	Health and safety
2	Human capital management
3	Governance, transparency and ethics
4	Economic performance
5	Risk management
6	Environmental management
7	Sustainability strategy
8	Local sustainable development
9	Relationship with local communities
10	Responsible management of water
11	Responsible supply
12	Responsible production
13	Human rights
14	Protection to biodiversity
15	Tailings and waste management
16	Climate Change
17	Inclusion, diversity and reduction of inequalities

4. Validation

The prioritized and added results were reviewed by our Executive Committee (EXCO). Besides validating the 13 material aspects that exceeded the threshold, they added the following topics: human rights, biodiversity protection, tailings and waste management, climate change and inclusion, diversity and reduction of inequalities.