

SUSTAINABILITY REPORT — 2020 —





GRI 102-3

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SUSTAINABILITY REPORT 2020



MESSAGE FROM OUR GENERAL MANAGER

We saved many lives, and we saved the company

COVID-19 compelled us to transform ourselves, to rethink the way in which we have to work to prioritize our collaborators' health and wellbeing during the pandemic. But at the same time, we also need to support our business, ensuring that our operations and activities can run as smoothly as possible.

This has led us to streamline the digital transformation process and rethink the way we manage our operating model. Moreover, though it may sound contradictory, remote working has provided us the opportunity to be closer to one another.

In other words, we may say that we took the right direction, because we have been consistent with our values and our business objective and philosophy has guided us: we prioritized people, we took care of them, and we have created stronger bonds.

I would like to make a brief chronological review to better explain the way in which our strategy, our timely response and the performance of all Minsur's workers has allowed us to cope with this crisis in 2020.

Recap of facts

There is a first moment, before the lockdown, when we knew that something strong was on its way and that it was going to hit us, but we didn't know when or how hard. In fact, not a lot of people know this, but in a Management meeting, the Thursday before the Government established the lockdown, we already had made the decision that nobody was going to work in the office the next week.

Then, we had days of great uncertainty and stress with the announcement of the lockdown in Peru. At that moment, the Government didn't state clearly what was going to happen,

if our industry was going to continue working and how long these measures would last. Because of that, we were in a position where we had to make decisions very quickly with very little information.

The next Wednesday after the lockdown was decreed, I called for a Board of Directors meeting and proposed to suspend operations. It was unanimously agreed. Those 96 hours were very intense. Then, things started becoming clearer and we decided to design and implement COVID protocols from that moment on.

The next stage, restarting operations, we wanted to show the Government that we were ready to obtain the authorization and we were the first company to do so (first Marcobre and then Minsur). But, even at that moment, we were aware that things remained being uncertain: we didn't know what was going to happen or if our plans were going to work as we expected. In addition, there were limitations that were beyond us: masks, rapid tests and other necessary supplies were not available in the market.

That was the beginning of a new stage for Minsur in this process of adaptation and adjustment to the pandemic: the cultural transformation within the company. It was essential to help our collaborators to understand that changing their behavior was more important than having rapid tests or oxygen. In this sense, communication has been intense and constant from day one, and it continues to this day.

Currently, we are at a stage of sustaining our operations. We know, at the moment I'm writing these lines, that a third wave is on its way. Thus, we continue strengthening a cultural change in people; we believe it is possible to behave according to the protocols without strict and permanent supervision. Only that will let us move forward towards the consolidation and optimization of this new way of working.



A sound strategy

It is fair to say that this change didn't start from scratch, strictly speaking. Having implemented a very strong culture of safety in the last seven years taught us a series of lessons and know-how that have been decisive at this stage. Precisely one year before the COVID-19 arrived, we had decided to apply the same safety management system to manage health issues involving all our employees. That, without a doubt, is the foundation based on which we have been able to build our strategy faster and in a more robust way.

In the midst of the pandemic, we were worried about the short term, but once we managed to stabilize, our medium and long-term dreams remained in full force.

The company's strategy allowed us to look at things differently. In that regard, I would like to highlight initiatives such as the LINGO project that aims at implementing lean methodologies. It had already started not long before the pandemic, and it allowed us to boost business performance. It replicated in the real world, what we had already defined in theory. Without LINGO we would not have achieved the results we did.

Furthermore, supporting our plans and strategies, our values have been decisive to keep us afloat and weather the storm the best way possible. In particular: Safety, Commitment and Responsibility. Living up to these values and keeping them in mind at all times has made the implementation of cultural changes easier and more bearable.

Today I can say that, as a result of all these processes and changes experienced in such a short time and in such a dizzying way, always firmly supported by our values and culture, we have a much more consolidated, integrated and resilient organization.

THE COMPANY'S STRATEGY ALLOWED US TO LOOK AT THINGS DIFFERENTLY. IN THAT REGARD, I WOULD LIKE TO HIGHLIGHT INITIATIVES SUCH AS THE LINGO PROJECT THAT AIMS AT IMPLEMENTING LEAN METHODOLOGIES.

Far-reaching lessons

But we have also learned valuable lessons. I always say that, during the pandemic -as the CEO- I faced the most difficult decision in my career, but also the easiest one to make. Suspending operations at first, taking time to organize, create protocols, train and adapt, always having our people's life and health as our priority, was the tangible proof that our values are not only preached but also practiced.

I would also like to emphasize transparency and honesty as a constant throughout the process. These have been essential to determine how to communicate everything in a timely manner. Now that we have been out of the office for a year, we have been closer to each other, and we have generated an ongoing and transparent communication. Easy subjects, difficult subjects, we have put them all on the table and we have answered the best way possible; and when we didn't have answers, we were not afraid to say we didn't have them at the moment.

Nevertheless, nothing would have been possible if we had not promoted closer bonds. Not only with our employees: also with our customers, with the authorities, with the shareholders and the Board of Directors. This, in turn, has allowed us to establish a new narrative with the communities, for instance. Now, we are in a more collaborative situation, showing that working together we obtain better results than if we did it separately.

I must emphasize that never before had I been in such close contact with the Board of Directors, as I did during this crisis. And I had never received such a strong support as the one I received during the pandemic. The fact that we are able to maintain a closer and more aligned communication among stakeholders remains as a great lesson of leadership.

Another lesson learned at this stage is that we need to act. Analysis paralysis can stop decision-making. Here we had to dare to decide in the midst of uncertainty, with very little information, and learn to unlearn what we already knew on how we should act. In this road we also lost the fear to make mistakes.

Of course, there is always a chance for improvement. Maybe, in the first weeks I felt so much responsibility that I tried to solve all problems. And it was impossible, despite the fact that I worked 19 hours a day. It was not sustainable. I understood that we needed more than ever to empower and trust our staff, and they were going to do the things they had to do.

Precisely, from the sustainability point of view, 2020 has been interesting. The first sustainability pillar is the people, and this year -more than ever- we have put people first. And I think we have never strengthened this pillar that much, that fast.

The environmental pillar also had to be prioritized. The social pillar, too. The COVID-19, in the social aspect, has brought us closer to the people. It has helped us saving lives and manage the health emergency.

It is also an opportunity to change the company's image and that of the industry in general. We have done a very large contribution not only to the communities, but also to the regions that are in our area of influence. We have donated and contributed with oxygen plants, medicines and everything that has been in our reach.

For me, all of this is part of our way towards sustainability: when the pandemic is over, we will be a more sustainable company than we used to be.

I would like to end these words by thanking my entire team, the great people and professionals who have given more than 100% at all times, without complaints or excuses, totally committed to the company and to Minsur's entire team. My recognition and admiration to all of them.

Juan Luis Kruger

General Manager
Minsur

GRI 102-14



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VOICES FROM WITHIN

We gathered the testimonies of Minsur's managers and directors, who share some of the lessons, experiences and findings the year of the pandemic brought with it.

DIEGO MOLINA

Director of Transformation and Strategy

"A team prepared for everything"

"My team was recruited in a special way. One of the requirements to get in was to have a sense of adventure, not being afraid of the unknown and being flexible, being capable to adapt to the environment. Thus, I think they knew how to adjust, and the team was essentially designed to address that type of circumstances; a SWAT team prepared for everything.

At the end of 2019, we had been already talking about the need to rearrange the way we worked in our units and see how that could be translated into the company's teams. We wanted to empower them, so that decisions are made closer to the line of action.

For me the pandemic showed us that we could break paradigms and work in a different way: one that empowers our teams and makes them capable to get answers we were not expecting".

JOAQUÍN LARREA

Director of Administration and Finances

"Making the company more human is, and has been, very important"

"The COVID has not affected us directly, but from the commercial point of view we understood that a close communication with our customers was essential to avoid uncertainty, similarly to what we did internally with all our employees.

Financial technology has been a great support to address this situation without further problems. We already had plans to digitalize and streamline our processes through these tools and instruments, but the pandemic forced us to implement them. Reports are being automated and digitalized in order to simplify processes.

Making the company more human is, and has been, very important throughout the pandemic. I believe that any person reading this report should feel represented by what has happened. In all our departments we have lost workers, and our workers have lost relatives. We are all together in this situation".

ALBERTO CÁRDENAS

Chief Operating Officer

"We have learnt to manage things we were not managing before"

"The pandemic did not produce anything new, but it has speeded up the processes we needed to follow to understand where we were standing, and that made us learn quickly. I feel that we have opened to situations we considered unconceivable before, such as how to operate remotely, which is a common subject in other industries. We have also understood the significance of mental healthcare, particularly in such difficult and uncertain times.

In August last year we had an extreme situation in San Rafael. There was a real outbreak, something beyond one or two isolated cases, almost 100 people were sick. That meant building an epidemiological fence with almost 700 people in isolation. Fortunately, we were able to contain it.

I think, in the last year we had to take care of things we usually didn't, lots of work that we used to take for granted. At home I have a small yard, and at that moment the gardener could not come, so I had to learn how to mow the lawn. This is similar to what we have done in our business, and it made us realize all the huge work that is required to keep our operations going".

ALBERTO UGARTECHE

Corporate Environmental Manager

"The response I've seen in all our units has been worthy of applause"

"The pandemic has affected very much the way we used to work. Thus, I think we have reinvented ourselves in many aspects. We have learned to be flexible, to reschedule projects. Our employees' health has been our priority, I can say that from my own experience.

The operating area has suffered the biggest impact, and the environmental management department was also affected by that. Indoor capacity limitations affected work performance, because we were not allowed to have the number of people required to conduct certain tasks within the same space. We rearranged our priorities, we suspended some things and cancelled some others, we reconsidered many.

I'm pleasantly surprised by people's commitment, their dedication. I feel I'm lucky for having a very strong team, with brutal resilience and impressive mental strength. All of them have shown 100% of commitment and the response I've seen in all units has been worthy of applause".



ALVARO ESCALANTE

Director of Human Resources

“Today we are a company that is much more focused on the human aspect”

“The COVID caused many types of impacts, but what affected me the most -and I think everybody- is that it brought great uncertainty in relation to our lives; the feeling that we don’t know what we are facing, we don’t know how to handle it and, in spite of that, we must handle it.

If I had to draw up a conclusion about what has happened, both we and the great majority of companies have developed a more human approach, a more empathetic one, that focuses more on mental health and on ensuring our employees’ wellbeing.

Today, I can say that we are company that is much more focused on the human aspect, with all that it means. People in our company have always characterized for their level of commitment and a foolproof capacity. And this situation has proven it. We have fulfilled many objectives in adverse situations, and this was only possible because everybody did what they had to do and more”.

ANDRÉS DULANTO

Corporate Supervisor of Health and Hygiene

“We made special emphasis on those who were more vulnerable to the virus”

“Despite the fact that the rules were not very clear at the beginning of the pandemic, we made special emphasis on protecting those who were more vulnerable to the virus, with a standard that was higher than the one set forth by domestic laws. These people were the first sent home, to work there. Protecting our employees, both in terms of their physical and their mental health, has been a priority both at the containment and at the coexistence stage.

Generating a culture takes time, but it has to go hand in hand with other strategies. For example, early detection of COVID cases. In this regard, we have been refining and perfecting methods. Currently, we are using highly efficient rapid-diagnostic molecular tests. Our detection protocol is very strict, with an over 85% margin.

Though the second wave has been much worse than the first one, our performance as a company has been put to test and we have seen that we are able to resist: our operations never stopped, we have contained it well”.

EMILIO ALFAGEME

Corporate Legal Manager

“The company and its collaborators have created a new way to interact”

“From the point of view of Human Rights, we can tell that our understanding of remote work was not right. A rigid paradigm that had no basis in reality has been broken. Online work is not only feasible, but it also allows obtaining the same results and discovering a new dimension of people engagement.

I think the crisis has helped us becoming more flexible. The organization has become flatter and horizontal. It is a change in the dynamics, which has evidenced that there are good people, who work and are valuable for the team and the company, at all levels.

The company and its employees have created a new way to interact. The dynamics have changed forever. There is no way back. If we used to see the company as a geometric figure, as something cold, now we understand that we are the company, and thus it is human. It is not an abstract entity. It is something we do every day”.

JOSÉ CHANG

Social Manager

“Minsur’s commitment has been with the people’s wellbeing”

“We have been actively involved in all our areas of influence. One of our main objectives was generating trust with local and central authorities. For that purpose, we hold many conversations with them, coordinating to prove the strength of our protocols and the measures that we were adopting.

We had been participating in Social Development Committees since 2019. And we strengthened these coordination spaces, both in development and safety aspects, to use them during this crisis. So, they became coordination spaces to address the need to improve our reaction capacity.

I want to highlight the company’s commitment with people wellbeing at all times. Whether it is a pandemic or a natural disaster, Minsur’s response capacity and its sensitivity towards these events is there. That’s something I want to highlight.”.



GONZALO QUIJANDRÍA

Director of Corporate Affairs

“Working remotely has brought us closer”

“The first days the main concern was to continue operating. And that is a normal reaction in our industry. But the hours were passing by, the days were passing by, and we started realizing that this was not a situation we were going to overcome with only momentum and attitude. We had to stop for strictly human reasons: to ensure our employees’ physical and mental health, and their wellbeing.

Because we are working remotely, we are also opening our homes to our work. These used to be two separated spaces. And this situation allowed me to discover things, such as the voices of the children of those who work with me. I feel much closer to them when I see how they work from home. This proximity generates a much better culture of work. Their families are working with each one of them, supporting us in different ways, and that influences positively our workforce”.



1 MAIN FIGURES OF 2020



43 years



us\$ 267.5 million in EBITDA



us\$ 98.029 million in taxes



us\$ 601 million in total capital



us\$ 3,359.8 million in debt



USD 1,426 million in community investments



0 fatal accidents



3,588 collaborators



37.78 Average hours of training per collaborator



492,256.95 tCO₂eq in carbon footprint



689,520 thousand m³ of withdrawn water

2 INTRODUCTION TO 2020

2.1 Minsur facing the COVID-19

The outbreak of the new coronavirus in the world and its arrival in our country was the most disruptive element last year, and in our recent history. At the beginning of the pandemic, though the rules and provisions were not very clear, our priority was protecting our people; in particular those who are more vulnerable to the virus, with a higher standard than the one imposed by domestic laws. These workers started working from home.

There are two clear stages we have gone through during the health emergency. The first one was containment: preventing as much as possible that the virus enters or spreads in our operations. The second stage, we are currently going through, is coexistence: understanding that the virus is everywhere and that, no matter the precautions we take, we are vulnerable to it.

In this second stage, our prevention culture has been a cornerstone of our strategy. However, at the same time, we were generating a new culture to learn how to coexist with the virus and protect us from it, and thus we also used other strategies. For instance, early detection of cases. Today we use highly efficient molecular test of rapid diagnosis. We also have a very strict protocol to detect positive cases.

We have confronted a second wave that was much worse than the first one, and our performance as a company has been tested: our operations never stopped. We resisted and we knew how to contain the strikes of the first and second waves.

In each section of this report, we explain how the different departments of Minsur responded to the health emergency in a coordinated way.

2.2 Transformation and Resilience

The pandemic proved that we could break paradigms and work differently: with empowered teams. This empowerment strengthened remarkably our response capacity at levels we were not expecting, and -in several cases- we obtained very good results despite the difficult situation.

Since the end of 2019, we were exploring the need to redesign the way we were working with our units and see how to translate this into the company's teams to empower them, so that decisions are made closer to the line of action. The pandemic pushed us to make that leap.

The clearest example are our results in the Smelting Plant and Refinery of Pisco, thanks to LINGO: we established a more agile way to operate, and at the same time we made the concept behind the initiative easier to understand. With its implementation, any doubt that might have existed disappeared. The strategy was confirmed and strengthened.

We have, for instance, the case of Pisco, which not only exceeded its results, but it did it with less people, under more complicated and adverse conditions. But that happened, because they did it together, in a coordinated way and with the support of the executive team. In addition, due to this transformation the new leaders had a better connection with their corresponding teams.

Another example is the creation and implementation of the app for Safety and Health in the Mining Division. It enabled compliance with the health protocols, but -at the same time- it made us crave for more digital initiatives for the company. Thus, in the midst of the pandemic, we created the Digital Transformation Management that goes beyond initiatives that protect the health of our employees.

ANOTHER EXAMPLE IS THE CREATION AND IMPLEMENTATION OF THE APP FOR SAFETY AND HEALTH IN THE MINING DIVISION. IT ENABLED COMPLIANCE WITH THE HEALTH PROTOCOLS, BUT -AT THE SAME TIME- IT MADE US CRAVE FOR MORE DIGITAL INITIATIVES FOR THE COMPANY.

The Transformation team has been recruited in a special manner to operate in an environment of uncertainty that requires flexibility and adaptability. They have adapted to provide support and solutions to a company that needs to continue operating within a high-risk environment.



3 FRAME FOR A SUSTAINABLE MANAGEMENT

3.1 Vision and Mission

Our company’s vision, mission and values reflect our commitment with a responsible management that drives sustainability at all levels of the organization: from the decision-making process to the implementation stage. Furthermore, we consider that they standardize our staff’s behavior.

Mission

Generate value by transforming mineral resources in a sustainable manner.

Visión

Develop and operate world-class mining assets, as a benchmark in terms of safety, operational efficiency, socio-environmental responsibility and people development.

3.2 Values

GRI 102-16



Safety

We develop all our activities in a safely manner.



Responsibility

We respect all our stakeholders and we are socially and openly responsible.



Integrity

Acting with absolute honesty, transparency and respect.



Comitment

We fullfil all our commitments. We are persevering.



Excellence

We aim at being the best in what we do.



Trust

We build trust relationships we are, honest, authentic and supportive.

The Executive Committee is responsible for developing, approving and updating our values, while the Human Resources Director is responsible for ensuring they are fulfilled.

The corporate values are disseminated in Spanish and Portuguese and are shared with the entire staff in Peru and Brazil through organizational communications, the Code of Ethics and Conduct, as well as in award ceremonies.



3.3 Sustainability strategy

Our strategy stems from the commitment of our Board of Directors and it is applied across the Breca Group. Our admission into the ICMM in 2018 has shaped the way towards excellence in our sustainability management, something we have been working on for several years.

We measure our sustainability management progress against our level of adjustment to the ICMM Principles and other international standards. Thanks to these we are already a world-class mining company. This process has allowed us identifying gaps we should work on, but also the strengths we can use.

It is, for example, thanks to our work with the ICMM Principles that we improved our occupational health and safety management system, which allowed us to respond to the challenges brought by the COVID-19 pandemic in 2020.

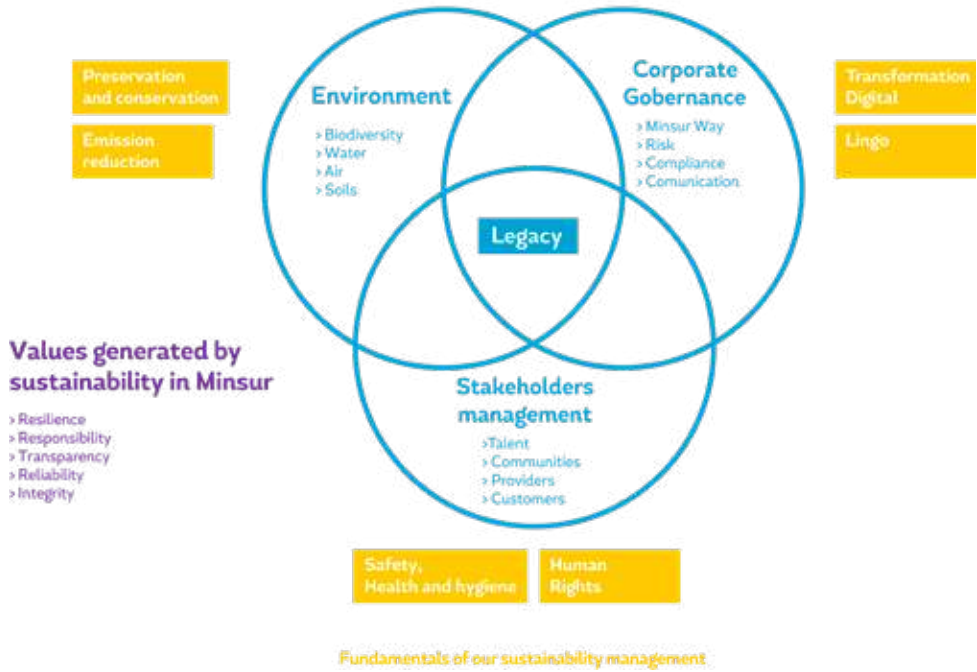
WE MEASURE OUR SUSTAINABILITY MANAGEMENT PROGRESS AGAINST OUR LEVEL OF ADJUSTMENT TO THE ICMM PRINCIPLES AND OTHER INTERNATIONAL STANDARDS. THANKS TO THESE WE ARE ALREADY A WORLD-CLASS MINING COMPANY.

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 trusts and transparency through continuous communication.



Sustainability model

Pillars of the Sustainability model



These three pillars are comprised by the following components:

- » Corporate Governance: MinsurWay, risk, compliance and communication management.
- » Stakeholder management: talent, suppliers, community relations and customers.
- » Environment: Water, air, soil and biodiversity preservation and conservation, as well as climate change management.

As you can see in the graphic, each pillar has associated features that generate values, such as transparency, trust and commitment, among others.

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

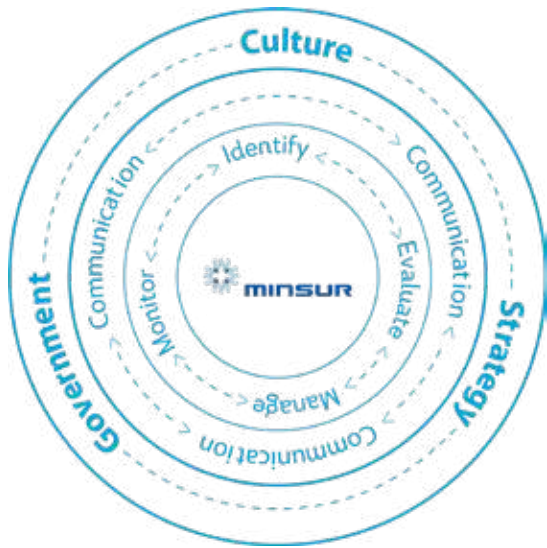
3.4 Standards and rules of conduct of our company



Legal and Regulatory Compliance Management, in coordination with the Human Resources Management and other corporate areas is responsible for supervising that our rules of conduct and standards are met. These documents are disseminated through communications, training, meetings and newsletters.

3.5 Risk management
NO GRI RISK MANAGEMENT

We have a risk management system supported 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.



Our risk management system's governance is defined at all levels, based on the risk matrix¹, where the main stakeholders involved in each risk and their responsibilities are established. We have a Corporate Risk Committee and, since 2020, also a Strategic Risk Committee. Both bodies are responsible for observing the main risks that may occur at different levels of the organization.



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. Likewise, we updated the financial impacts, both at the level of operations and at the corporate level.

Aiming at expanding our risk assessment approach, we have assessed -from a social perspective- the risks of stakeholders because of our actions. Among these risks we found the environmental impact on neighboring landowners or the reduction of local employment once the construction stage of projects -such as the B2 project- is completed.

We also expanded the emerging risk analysis, based on international reports on global and specific risks for the mining industry. Thus, we started identifying and managing the company's risks associated with human rights in our

mining units, in accordance with our policies and standards. The COVID-19 pandemic has also been a catalyst for our analysis of emerging risks, both for our staff and operations.

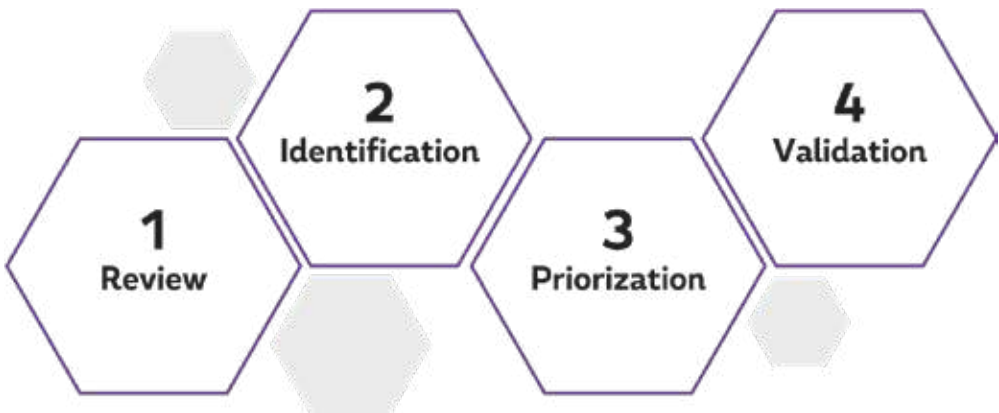
Furthermore, in our units we conducted a risk analysis associated to critical infrastructure, using the bowtie methodology. This analysis focused on identifying critical controls of each infrastructure and the action plans necessary to mitigate associated risks.

By updating our risk assessment matrix and including a larger number of extreme risks, we aimed at reducing our risk appetite, since it also leads us to design appropriate mitigation plans.

1. This matrix considers the risks identified for Minsur, its mining units, Marcobre and Taboca.

3.6 Materiality assessment
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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) 6 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.

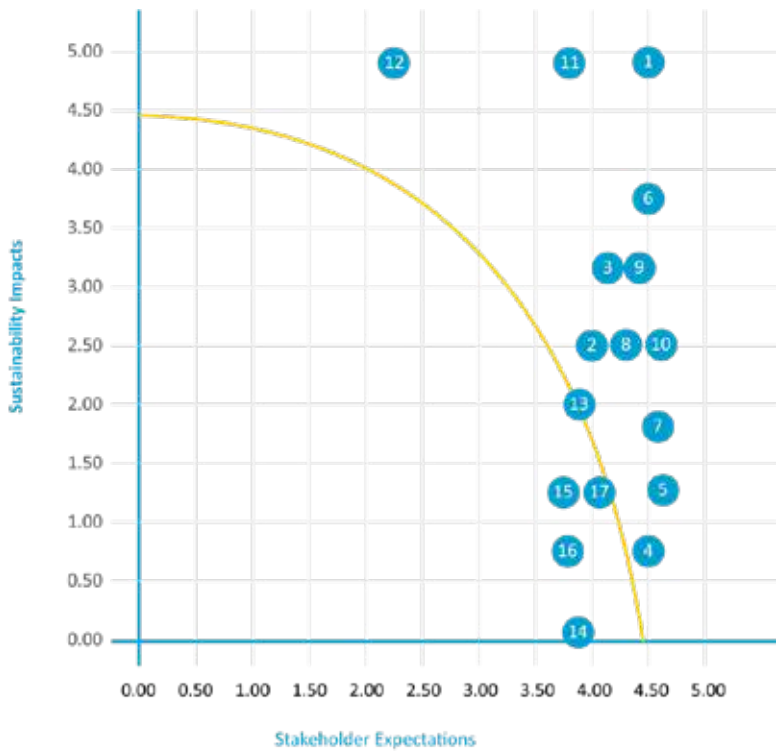
Likewise, we had dialogues with the stakeholders of these operations and projects. Representatives of the communities, collaborators, suppliers and contractors participated in dialogue panels, online surveys and interviews.

3. Prioritization

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. 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.

In Annex 6 you may review the material aspects, their definition and coverage.

3.7 Relationship with stakeholders

Trust is the foundation of our relationship with stakeholders in the long term. We maintain an open and constant dialogue with them, paying attention to their expectations and answering their questions.

According to the ICMM guidelines, we have channels with different communication frequencies: We have intranet, e-mail and our website for permanent interactions. And we also have annual communication processes, such as the sustainability report, the climate surveys and the committees.

The level of engagement and intervention are key to identify our stakeholders, and this identification is based on the following criteria: bidirectional impact, existence of any type of relationship with Minsur, and existence of a shared development vision.

In Annex 7 you may find the list of our stakeholders, the communication channels with them and their main expectations.

THE LEVEL OF ENGAGEMENT AND INTERVENTION ARE KEY TO IDENTIFY OUR STAKEHOLDERS, AND THIS IDENTIFICATION IS BASED ON THE FOLLOWING CRITERIA: BIDIRECTIONAL IMPACT, EXISTENCE OF ANY TYPE OF RELATIONSHIP WITH MINSUR, AND EXISTENCE OF A SHARED DEVELOPMENT VISION.

4 EXCELLENCE

Minsur was founded in 1977, as a result of the transformation of the Peruvian branch of Minsur Partnership Limited of Bahamas, called Minsur Sociedad Ltd., which operated in Peru since 1966.

Mainly dedicated to exploration, exploitation and processing of mineral deposits, Minsur is a leader in the international tin market. Recently it has entered the gold market through Pucamarca mine, which started operating in February 2013. The other two production units of the company are San Rafael mine and the Smelting Plant and Refinery of Pisco.

Minsur is also the majority shareholder of Minera Latinoamericana S.A.C., which is the main shareholder of Mineração Taboca S.A., a company that operates Pitinga mine in the State of Amazonas (Brazil), from which tin, niobium and tantalum. Taboca is also the owner of the Smelting Plan of Pirapora in Sao Paulo. Throguh its subsidiary, Minera Latinoamericana S.A.C., it is the owner of 73.9 % of Melón, leading company in the production and commercialization of cement, concrete, mortars and aggregates in Chile.

Minsur, through its subsidiary Cumbres Andinas S.A., owns 60 % of Marcobre S.A.C.'s shares, and it manages a copper ore project called Mina Justa, located in the San Juan de Marcona district, in Ica.

Our operations and projects

GRI 102-1 | 102-4 | 102-5 | 102-45

	Location	Company	Unit / project	Main products
Operations	Puno, (Peru)	Minsur S. A.	San Rafael MU	Tin
	Ica (Peru)	Minsur S. A.	Smelting Plant and Refinery	Tin
	Tacna (Peru)	Minsur S. A.	Pucamarca MU	Gold
	Sao Paulo (Brasil)	Mineração Taboca S. A.	Pitinga MU SPR Pirapora	Tin and ferroalloys
Exploration projects	Puno (Peru)	Minsur S. A.	Santo Domingo	Tin
	Puno (Peru)	Minsur S. A.	Nazareth	Tin
	Huancavelica (Peru)	Cumbres del Sur S.A.C	Mina Marta	Copper
Expansion projects	Ica (Peru)	Marcobre S. A.C	Mina Justa	Copper
Closing mines	Puno (Peru)	Cumbres del Sur S.A.C	Mina Regina	NA
	Huancavelica (Peru)	Cumbres del Sur S.A.C	Mina Marta	NA

4.1 Minsur’s operations

At the end of 2020, we have 5 operations: 3 in Peru and 2 in Brazil.

SAN RAFAEL MU

- » Location: Melgar province, Puno department, Peru.
- » Start of operations: 1977.
- » Estimated life of mine: 8.1 years.
- » Type of operation: underground tin mine.
- » Processes: concentration and flotation.
- » Average ore grade 2020 (processing): 1.90 %.
- » Production in 2020: 17,458 tons of tin.
- » Certifications: ISO 14001, ISO 9001, OHSAS 18001.

San Rafael MU works with the innovative ore sorting process, a German technology that analyzes rock composition using X rays, and identifies those with tin content. This enables us to sort them according to their ore grade. In 2020, a part of this plant’s operations was conducted using the double sorting method.

Likewise, in 2020 operations were supported by the new B2 Tailings Reuse Plant (B2 Plant). This Plant allows recovering tin from tailings stored in the B2 dam that come from the first operations conducted in the mine.

B2 TAILINGS REUSE

- » Location: Melgar province, Puno department, Peru.
- » Mineral: Concentrated tin.
- » Average tin grade 2020 (processing): 0.82 %.
- » Production in 2020: 3,190 tons of tin.

SPR OF PISCO

- » Location: Pisco province, Ica department, (Peru).
- » Start of operations: 1996.
- » Type of operation: tin smelting and refining.
- » Processes: submerged lance smelting furnace.
- » Average grade of fed tin concentrate in 2020: 39 %.
- » Production in 2020: 19,592 tons of tin.
- » Certifications: ISO 14001, ISO 9001, OHSAS 18001.

The Smelting Plant and Refinery (SPR) of Pisco is the final operational arm of San Rafael MU for producing and selling refined tin. The SPR is one of the world’s first operations using the submerged lance technology to process tin concentrate, which allows cost and production- time efficiency. Thanks to that, we have an average purity of 99,95%, and world-class tin-based alloys.

In 2020, the furnace was partially fed with the concentrate produced in the new B2 plant, located in San Rafael. In Pisco, we increased the furnace’s capacity through initiatives implemented under the Lingo methodology, thus processing 5,915 tons of concentrate in December 2020 (the best result in the last 13 years).

PUCAMARCA MU

- » Location: Palca province, Tacna department (Peru).
- » Start of operations: 2013.
- » Estimated life of mine: 6 years.
- » Type of operation: open pit mine of gold (main) and silver.
- » Processes: Absorption, Desorption and Recovery (ADR).
- » Average ore grade 2020: 0.48 grams per ton (g/t).
- » Production in 2020: 80,215 ounces of gold.
- » Certifications: ISO 14001, ISO 9001, OHSAS 18001.

Pucamarca MU is located at the border with Chile. Through the crushing and leaching processes ore size is reduced and metal is separated from the rock. Then, it is smelted in an electric furnace to obtain dore bars of 60 % to 70 % of purity.

PITINGA MU

- » Location: State of Amazonas (Brasil).
- » Start of operations: 1982.
- » Estimated life of mine: 31 years.
- » Type of operation: tin, niobium and tantalum.
- » Processes: concentration and flotation.
- » Treated ore grade: 0.198 % of tin and 0.263 % of niobium and tantalum.
- » Production in 2020: 6,148 tons of tin contained in concentrate and 3,484 tons of ferroalloys (FeNb, FeTa).
- » Certifications: ISO 9001.

Pitinga MU has an estimated life of mine of 31 years. It was acquired in 2008 through our subsidiary, Minera Latinoamericana S.A.C..

In 2020, we continued improving the fragmentation process, by changing the mining plan to optimize transport levels and mean distance, in order to significantly increase ore transport efficiency. Furthermore, we consolidated operations in the new BMU’s expansion.

SPR OF PIRAPORA

- » Location: Sao Paulo state (Brasil).
- » Start of operations: 1973.
- » Type of operation: smelting plant and tin refinery.
- » Processes: electric smelting furnace.
- » Treated ore grade: 47.2 %.
- » Production in 2020: 5,479 tons of tin.
- » Certifications: ISO 9001, ISO 14001.

The Smelting Plant and Refinery (PFR) of Pirapora receives the tin production from Pitinga MU. The SPR processes cassiterite concentrates and turns them into high-quality refined tin of 99.97% of purity.

In 2020, we optimized the operational processes for in-furnace treatment, through the feeding formula and tin (Sn) concentrate consumption as sinter. Furthermore, the production processes referred to the processing of recirculating ore were stabilized. Thus, we offset the low tin ore grade of Pitinga’s concentrate.

Our expansion projects

MINA JUSTA

- » Location: Nasca province, Ica department (Peru).
- » Mineral: copper.
- » Total investment as of 31.12.2020 US\$: US\$ 1,546.40 MM.
- » Project’s total progress as of 25.12.2020: 98.8 %.
- » Construction total progress as of 25.12.2020: 99.6 %.

Our explorations projects

Exploration projects	Description
Nazareth	Location: Melgar province, Puno department (Peru) Mineral: tin Start: 2013
Mina Marta	Location: Huancavelica province, Huancavelica department (Peru) Mineral: copper and gold Start: 2012
Santo Domingo	Location: Melgar province, Puno department (Peru) Mineral: tin Start: 2013
Quimsachata	Location: Caylloma province, Arequipa department (Peru) Mineral: copper and gold Start: 2008
Lara	Location: Ayacucho department (Peru) Mineral: copper and molybdenum Start: 2020
Sumac Wayra	Location: Huarura province, Lima department (Peru) Mineral: copper and molybdenum Start: 2021
Colorada	Location: La Libertad department (Peru) Mineral: gold and silver Start: 2021
Amancaes	Location: Ancash department (Peru) Mineral: copper and molybdenum Start: 2021
Suyana	Location: Lima department (Peru) Mineral: copper and molybdenum Start: 2021
Pucaccasa	Location: Ica department (Peru) Mineral: copper and molybdenum Start: 2021

4.2 Economic performance

In 2020, we reached sales for US\$ 649.2 million, distributed as follows: US\$ 458.4 million came from tin, US\$ 136.7 million from gold, and US\$ 54.0 million from ferroalloys. This allowed us to achieve an EBITDA of US\$ 267.5 million, despite the impact of the COVID-19 crisis that affected us in terms of production and costs. Our EBITDA margin was 41 % and our operating margin was 26 %.

We managed economic performance efficiency through the following measures:

- » Operation and production supervision activities are reviewed in weekly and monthly meetings.
- » We held meetings to discuss COVID-19 guidelines, and monthly reports were generated to identify, assess and monitor all the pandemic-related expenditures.
- » On the financial side, we have Finance Committees for Minsur, Taboca, and - starting in 2021- for Marcobre.
- » Due to the Project Finance of Mina Justa project, we reported a financial covenant that ensures the company’s financial soundness.
- » We make quarterly projections of production, costs, capex, sales among other expenses, which are necessary inputs to conduct financial projections.
- » We have an internal audit team, and we also work with an external audit company.
- » The company’s results are reported to the market on a quarterly basis.

Furthermore, two projects have allowed us to counter the economic impacts of the pandemic:

- » Lingo Project: Lean Management program, first wave in Pisco (2020), second wave in San Rafael (2021).
- » Full Potential Project: Program to identify, assess and implement value-generating opportunities in our units through optimizations and reducing costs.

For 2021, we expect to start operations in Mina Justa.

COVID-19 Impact

At the economic level, the COVID-19 impacted our operating units due to mandatory transit restrictions. Because of these we had to demobilize our units’ teams and take immediate measures to protect our collaborators’ health and safety, which was our priority. Then, as the economic reactivation stages began, we started operating once again in all our units and projects approximately in late April or early May.

Thanks to the implementation of strict health and safety protocols, as well as to the monitoring of our staff from the moment they leave our unit until they come back, we managed to contain transmission levels and we operated continuously.

In addition, due to the COVID-19 we had a significant impact on our costs and capex. In total, because of the pandemic, we destined US\$ 40.8 million to our operating units, mainly for hotel services and transportation. In addition to the measures taken in our operations, we also implemented remote work for all employees in our corporate office.

Even under these conditions, 2020 was a year of transformation and great challenges for our Mining Division. Some of our achievements are detailed below:

- » In our B2 plant in San Rafael, we completed the ramp-up stage, and we reached the expected design parameters.
- » We made progress in our Mina Justa project, which is 98.8 % complete in line with our target plan.
- » We restarted operations after the mandatory shutdown in response to the health emergency, implementing capex and cost-reduction plans to preserve cash flow.
- » We implemented COVID-19-related health and safety protocols that allowed us restarting operations ensuring our employees’ health.
- » We increased the furnace capacity at the Smelting Plant of Pisco due to the implementation of Lingo, the lean management methodology.
- » We consolidated Taboca’s turn-around, reaching a positive EBITDA for the fourth consecutive year.
- » Pucamarca managed to maintain gold production at around 80,000 ounces according to plan, despite having shut down operations due to the lockdowns.

Commercialization

GRI 102-2 | GRI 102-6 | GRI 102-7

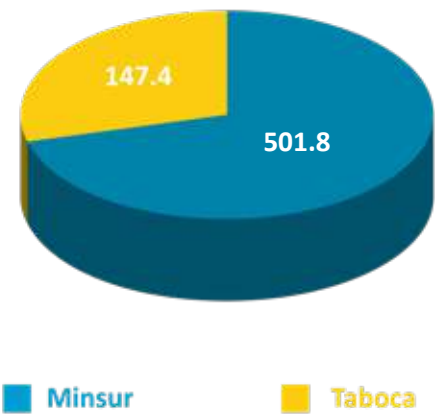
Despite the challenges posed by the COVID-19 pandemic, close coordination and constant communication -both on the government’s decisions as well as on our internal measures- were essential to minimize the impact on our customers. The largest demand of tin in the last quarter of 2020 allowed us to deliver our entire production, and we even closed 2020 with lesser stocks than planned.

Our main products are refined tin, as well as niobium and tantalum ferroalloys. Once Marcobre starts operations in 2021, we will add copper concentrates and copper cathodes to our portfolio. Our customers are distributed across Peru, Brazil, Latin America, United States, Europe and Asia.

Among the industries we serve with our tin products we find: the industrial welding, electronic welding, tinplate, chemical industry, wine bottle capsules. In addition, our niobium and tantalum ferroalloys are used in capacitors and the aerospace industry.

Consolidated sales of Minsur and Taboca amounted to US\$ 649.2 million.

Sale in millions of dollars (USD)



4.3 Sustainability in our supply chain

GRI 102-9 | GRI 102-10

Minsur’s and Marcobre’s supply chain has as its main responsibilities the procurement of materials, the hiring and management of services, warehouse management, as well as inbound and outbound logistics to the port of origin of our exports, supplying several operations such as open pit mines, underground mines and smelting plants.

Due to the pandemic, supply times and costs increased and thus we had to increase inventories to ensure coverage. Likewise, the procurement team included a new line related to biosecurity items (PPEs for COVID, materials/equipment and additional health services), all of that in an environment of multiple transport restrictions.

Furthermore, implemented biosecurity protocols produced significant changes in the contractors’ transportation process to the mining units, increasing costs and times to have these services available. Transportation protocols changed and quarantine/quarantining systems were implemented.

To cover the operations requirements, we strengthened our commercial relationships with strategic partners, reinforcing mutual collaboration strategies.

In 2020, considering our operations in Peru and Brazil, our purchases exceeded the US\$ 856 million, 37% in goods and 63% in services. Out of these purchases, 97% corresponded to domestic purchases and 3% to imports.

You may review a detail of purchases by mining unit in Annex 10.



Assessment of suppliers

Our suppliers are assessed, so that we have strategic partners who contribute to our activities and are also aligned to our sustainability vision. We work with suppliers that are approved under our economic, labor, legal and compliance, health and safety, social and environmental requirements.

In 2020 we developed a new Code of Ethics and Conduct for our suppliers. This Code is aligned to our ethical principles, and we have planned trainings for them, emphasizing the significance of sustainability for Minsur, our sustainability practices and the key importance of compliance and the respect for human rights.

Due to the pandemic restrictions, we had delays in our visits and audits to suppliers. Similarly, some new suppliers underwent an expedite assessment, because of the urgent need for oxygen plants and tanks, laboratory sampling services, enhancement of living conditions, among other products and services required to implement our health protocols and our contribution to the communities.

You may see the new suppliers, assessed in 2020 in Annex 10.

Local Purchases

One of the main positive impacts generated locally by our activity, with an impact on the quality of life of our neighboring communities, is the hiring of local companies. These commercial relationships turn us into agents of change, and at the same time they strengthen our neighbors’ role in their own progress, generating new opportunities and benefits.

Local companies working with us shall fulfill the same guidelines as all our suppliers, as set forth in the Corporate Policy for Purchases and Contracts. To efficiently manage local purchasing, our Marcobre unit has a policy and a procedure for the procurement of local goods and services.

In 2020, we developed the program to strengthen local businesses at the San Rafael MU, together with the Social Management department. With this program we provide advice and operational assistance to address and implement COVID-19 management protocols and safety aspects for the provision of services (lodging, transportation, restaurants, and laundries).

We support local companies in the implementation of biosecurity protocols and delivery services, aiming at adjusting their operations to the conditions imposed by the health emergency. We also projected our demand for services for the year 2021 to develop the offer of local suppliers.

In our operations in Brazil, in the absence of a local procurement policy, we are inviting suppliers from the States where we operate. We have started working to identify them and to establish an appropriate strategy to incorporate them in our supply chain.

In 2020, in our operations in Peru (Minsur and Marcobre), purchases from companies in the districts of our area of influence amounted to more than 7 million Dollars (US\$ 7,941,803.72) and represent 1.1 % of total purchases in Peru. In our operations in Brazil, local purchases amounted to US\$ 87,167,200.68 and represent 75 % of total purchases in Brazil.

It is worth mentioning that in our operations in Brazil, local suppliers are defined as suppliers from the States of Amazonas and Sao Paulo, where Pitinga MU and the SPR of Pirapora are located. You may see them in Annex 10.

4.4 Good governance, transparency and ethics

4.4.1 Government structure
GRI 102-18

The Board of Shareholders is the company's highest governing body. It appoints the Board of Directors, which is the body in charge of managing the company. The General Management reports to the Board of Directors and directs, supervises and plans the company's development.

Committees

Executive Committee (EXCO)	It is the meeting of the company's main executives to analyze the management of matters within their competence and eventually present proposals to the Board of Directors.
Audit, Risk and Compliance Committee	In charge of reviewing the annual audit plan, monitoring internal audit results, risk matrix and mitigation plans, compliance issues, code of ethics and integrity channel.
Talent Committee	In charge of validating the performance of the General Manager's direct reports, performance bonuses, reviewing salaries, development plans and validating high-potential employees.

The following Committees are responsible for the decisions on economic, social and environmental matters.

Operation Committee	It reviews monthly and accumulated operating results (production, costs, capex). Based on these results, decisions are made aiming at maintaining operating results in line with our budget.
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Finance Committee	It reviews monthly and accumulated operating and financial results (statement of results, general balance and cash flow), all these at the level of Minsur and at the level of its subsidiaries. Based on these results, decisions are made or actions are taken aiming at maintaining financial results in line with our budget, and recommendations are prepared, so that the Management and the Board of Directors make decisions.
Environmental Committee	Fulfilment of goals associated to environmental and sustainability indicators and KPIs are reviewed and verified. Compliance with continuous improvement projects and action plans is monitored, and risk and opportunities of all unit's environmental management are reviewed, aiming at ensuring compliance with Corporate Environmental Policies and Standards. It is a space where all aspects related to environmental management of all Minsur's operations, subsidiaries and contractors are analyzed and discussed, and where measures for the conservation and protection of the environment are recommended and established.
Social Management Committee	It addresses strategic issues related to the internal and external social management, sustainable development, social investment, corporate lines, among others
Sustainability and Human Rights Committee	It leads sustainability management at a corporate level (at the level of operations, such management is led by operating risk committees). It is responsible for reviewing and monitoring the sustainability indicators and the implementation of sustainability initiatives, in line with the Sustainability Master Plan for 2030. It is also responsible for communicating sustainability performance.

4.4.2 Ethics, anti-corruption efforts and system for the prevention of money laundering and the financing of terrorism

GRI 205-3 | GRI 415-1

Prevention of Public and Private Corruption

In 2020, the new Corporate Anticorruption and antibribery policy was approved. It sets forth the commitments and

general guidelines for the prevention of bribery, and public or private corruption, pursuant to the laws into force in the countries where we operate.

The Policy applies to all our staff, subsidiaries or related companies, as well as to our strategic partners (contractors, suppliers and customers). In the event that we become aware of any case that may imply a breach to the policy, we have an integrity channel that allows for anonymous reports. The cases shall be then investigated by the Compliance Committee, or any officer appointed by it. If the breach is confirmed, those involved shall be sanctioned. No corruption or bribery cases were confirmed in 2020.

Another measure to prevent corruption is the prohibition to make contributions to political parties or candidates. We do not make any political contributions or provide any benefits to candidates, parties or their representatives.

Furthermore, no gifts or special attentions are accepted from, or provided to, public officials, customers or suppliers of the private sector.

Prevention of Money laundering and the financing of terrorism

In 2020, we continued disseminating our System for the Prevention of Money Laundering and the financing of terrorism (MLFT) through compliance newsletters and online training. In this sense, we updated the company's criminal risk matrix, and we reviewed the action plans for the mitigation of existing criminal risks.

Furthermore, we sent to the Financial Intelligence Unit (FIU) of the Superintendence of Banking and Insurance of Peru, the Annual Report issued by the Compliance Officer (IAOC) for the 2019 period, pursuant to the provisions of Resolution SBS 789-2018. It is worth mentioning that no suspicious operations were identified in the Report to the FIU.



4.4.3 Regulatory Compliance

GRI 307-1 | GRI 419-1

Ensuring regulatory compliance is a task of the entire organization. To fulfil this obligation, the Legal and Regulatory Compliance Management, together with the operating areas of our units and projects, hold monthly meetings to review that the corresponding legal requirements are being met. These meetings are called Operational Excellence Committees.

Despite the challenging conditions of the COVID-19 pandemic, reviews of legal and regulatory compliance continued, thanks to remote communication enabled by technological means. This situation has streamlined communication with mining units and projects, allowing us to address and adapt to regulatory requirements in a timely manner.

Thanks to this, in 2020 our compliance reviews resulted in fewer findings, less administrative sanctioning procedures (ASP) and a reduction in accrued fines, as compared to the previous year.

Last but not least, in 2020, 4 Administrative Sanctioning Procedures (ASP) referred to alleged non-compliance by Minsur were completed. Only one of them resulted in a corrective measure without a fine. You may review these cases in detail in Annex 9.



THANKS TO THIS, IN 2020 OUR COMPLIANCE REVIEWS RESULTED IN FEWER FINDINGS, LESS ADMINISTRATIVE SANCTIONING PROCEDURES (ASP) AND A REDUCTION IN ACCRUED FINES, AS COMPARED TO THE PREVIOUS YEAR.



5 OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1

5.1 Health and safety management system

We have a corporate occupational health and safety system called MINSEGUR - Zero is possible! Each mining unit and project has its occupational health and safety management system, aligned to health and safety legal requirements and corporate guidelines.

The occupational health and Safety legal requirements in Peru are set forth in:

- » Law 29783. Occupational Health and Safety Law, and its Regulations (Supreme Decree 005-2012-TR).
- » Supreme Decree 024-2016: Regulations on Occupational Health and Safety in the mining industry.



GRI 403-8

The occupational health and safety system of each mining unit or project covers 100 % of collaborators (3,588 people). Furthermore, those workers who -for any reason- have to work outside the unit or project are also covered by the management system. Likewise, it also covers 100 % of contractors or external workers assigned to the unit or project (6,445 people). In 2020, due to governmental provisions issued within the framework of the health emergency, external audits to our occupational health and safety systems were suspended.

Workers who belong to material transport companies that do not exclusively provide services to mining units and projects have their own administration and their own occupational health and safety management system. However, our health and safety personnel monitors key safety aspects. In the event of an accident or high potential event during the provision of these services outside the mining units or projects, these events shall be informed, investigated and analyzed.

Our Smelting Plant and Refinery of Pisco achieved ISO 45001:2018 Occupational Health and Safety Management System certification in 2020. San Rafael and Pucamarca mining units are certified OHSAS 18001:2007 Safety and Health Management System.

We have developed several training courses on occupational health and safety for our workers. You may review the list of courses in Annex 11.

Hazards, risks and investigations of events

GRI 403-2

We have a standard for risk management and change management, and for managing the 5 critical risks. Our mining units and projects regularly develop a hazard identification and risk management process: IPERC (Hazard identification, risk assessment and control measures) baseline, continuous IPERC and PETAR (Written permits for high-risk works). The process applies the hierarchy of control.

We develop internal audits to verify the status of implementation of the risk management and change management standards, as well as the 21 safety operating standards. The latter establish the requirements and skills that the authorized staff have to meet to conduct high-risk activities. Mining units and projects issue the corresponding authorizations to their workers after training, assessment and verification of skills.

Improvement opportunities that have been identified in audit processes, as well as in the investigation of lost-of-time accidents or high-potential events, provide the opportunity to verify compliance with the corresponding authorizations.

To prevent and report hazards, we have the Policy on the right to say NO, which aims at empowering workers so that they refuse to perform a task or activity that could put their lives or other persons' lives at risk. This policy provides for the protection of workers against retaliation by their supervisors.

Our mining units and projects report all health and safety, labor, human rights, among other aspects through our integrity channel. In addition, workers have the right to report identified hazards to their representatives in the health and safety committee, or to the supervising authority.

GRI 403-7

All carriers and suppliers participating in activities and tasks in or outside our mining units and projects shall report incidents and accidents to the company. The selection process of carriers or suppliers requires an assessment of health and safety aspects.

Occupational Health and Safety Committees

GRI 403-4

We have a corporate health and safety committee, and health and safety committees in each one of our mining units and projects. These Committees are comprised by a number of universally elected employee representatives that is equal to the number of the company's representatives. Their meetings are held on a monthly basis. The occupational health and safety committees have decision-making powers, which are described in their duties (See Annex 11).

Health management

GRI 403-3

We have a Corporate Office for Health and Hygiene Supervision, and a specialist in occupational hygiene. In this regard, each MU or project has a healthcare center with outsourced services, in charge of monitoring our staff's health, provide timely medical services, identify health and hygiene risks, as well as assessing the level of risk and establishing control actions.

We also have ambulances and the necessary medical equipment to respond to any health emergency. In addition, as provided by law, our collaborators have health insurance and life insurance, which grants them medical attention for any non-work-related health problem.

In order to verify the level of implementation of our health and hygiene standards, we conduct annual audits on our health and wellbeing standard and on the 16 health and hygiene operating standards.

Regarding the confidentiality of our workers' medical data, health information is managed and used only by authorized medical staff of the mining unit, project or corporate area, in line with the Law 26842 "General Health Law"; Law 29733 "Personal Data Protection Law" and the Ministry Resolution 688-2020/MINSA, which approved the Guideline 294-MINSA/2020/OGTI, "Administrative Guideline on the handling of health-related personal data".

WE HAVE A CORPORATE HEALTH AND SAFETY COMMITTEE, AND HEALTH AND SAFETY COMMITTEES IN EACH ONE OF OUR MINING UNITS AND PROJECTS.



Health Promotion

GRI 403-6

Health promotion campaigns or programs are selected by the corresponding health department of our mining units and projects, in coordination with the corporate area. This is done in relation to relevant health issues that need to be controlled or mitigated.

In 2020, within the framework of the COVID-19 pandemic, mental health became more relevant. Thus, we implemented the Extraordinary Program for Emotional Support and Contention (PEACE). PEACE allows online therapy sessions for our collaborators and their families.

Moreover, for workers assigned to mining units and projects we have implemented a Tele Nutrition program for those who have a Body Mass Index (BMI) over 30. We also implemented an online health triage system through the Health and Safety in the mining division (APP-SSDM) app. We develop specific vaccination campaigns against influenza, pneumococcus and diphtheria/tetanus periodically in our mining units and projects.

Response to the COVID-19

The impact of COVID-19 on health and safety management has led to the following responses:

- » We increased health checkups and medical services.
- » We intensified disinfection and cleanup activities.
- » We changed work hours (atypical workdays).
- » We conducted online training and orientations using virtual media.
- » We reduce the capacity and improved ventilation in the common areas of our facilities (dining rooms, dressing rooms and offices).
- » We reduced the presence of specialized personnel due to pre-existing medical conditions or comorbidities that could lead to complications with COVID-19.
- » We changed transportation, mobilization and lodging processes in our mining units and projects.

5.2 Health and Safety performance

GRI 403-9

In 2020, we were able once again -for the fifth consecutive year- to prevent fatal accidents in our operations. Regarding lost-time injuries, we had 5 involving our employees and 9 involving our contractors. These recordable injuries meant in total 465 lost workdays for our employees and 933 lost workdays for our contractors.

In terms of occupational accident indicators, the lost time injury frequency rate (LTIFR) was 0.77 for our employees and 0.51 for contractors. The total recordable injury frequency rate (TRIFR) was 3.08 for employees and 1.75 for contractors. Last but not least, we totaled 6,501,521 hours worked by employees and 17,705,074 hours worked by contractors. The absenteeism rate was 0.57 %.

It is worth mentioning that we did not exclude any employee in the calculation of indicators, although some of the company's collaborators are working remotely, or in paid leave for COVID-19 related complications, pursuant to the laws into force, since March 15, 2020. We have included short, medium and long-term goals in Annex 11.

GRI 403-10

In 2020 no occupational illnesses were reported among our personnel. We managed the prevention of occupational diseases through our 16 health and hygiene operational standards and the annual occupational hygiene monitoring program, according to the risks of each mining unit and project.

Main 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.



6 THE HUMAN ASPECT AT THE CORE

Our Human Resources Policy, updated in 2020, establishes the guidelines for appropriately managing human talent, pursuant to the laws of the countries where we operate.

We recognize the value of human beings, at the personal and professional levels; we promote an environment that encourages diversity, equal opportunities and respect to ensure our collaborators' appropriate personal and professional development, in accordance with our corporate values.

We developed personal selection processes with special focus on the adequacy of the candidate's skills to our values and culture. We reject any type of discrimination based on gender, race, age, religion, political doctrine, social or physical condition, sexual orientation, or of any other kind.

We aim at having a culture based on meritocracy (high performance) where we recognize both the achievement of objectives and how they are achieved. Although we are aware that each collaborator is responsible for his/her own development, we strive to provide development opportunities to all those who have the skills, the potential and who act in line with our corporate values.

2020 challenges have developed a more human side of the company: they have led to increasing empathy towards all our stakeholders, while proving that people's physical wellbeing is as important as their mental health. We discovered that connecting with this human side is a process of permanent learning, and we will make progress as long as we people remain at the core.

A distinguishing feature that marked the working lives of many of our collaborators, was remote work. We opened our homes to our work, and we shared little bit of our private world with our colleagues. Thus, though we were

physically apart, the teams' unity has strengthened and communications among the different areas and at different levels became more dynamic.

6.1 Minsur's team

The conditions imposed by the health emergency did not prevent us from adapting to continue providing the best talent to our operations. Thus, we strengthened the digitalization of our recruitment and selection process, improving the applicants' experience in our website.

All the staff whose work could be performed remotely were sent to work home (telework). Covering the positions of vulnerable employees -that is, those who due to pre-existing conditions, were at a greater risk if they contracted COVID- was a particular challenge. Thus, we decided to grant paid leave and vacations to those employees who could not work remotely.

Moreover, we increased the coverage of open positions with internal talents and we worked in Committees to reassign the work of those on leave to other people in their teams. This measure made it possible to discover the talent of people who, due to their original responsibilities, had not shown it before.

In Marcobre, in spite of the pandemic, staff recruitment grew once activities restarted in Mina Justa project. We plan to start operations in 2021, thus it was essential to fill in 2020 the job positions for plant and plant maintenance before the start-up. In Taboca, an increase of the mining market promoted a higher recruitment rate.

At the end of 2020, we had 3,588 collaborators (2,272 in Peru and 1,316 in Brazil), 92.6 % men and 7.4 % women. You may review our staff and turnover figures in Annex 18 and 19.

Diversity and equal opportunities

We value the diversity of our talent and recognize that our work is richer because of it. The same diversity is the one increasing the likelihood of achieving or exceeding our objectives, promoting high performance, being more innovative, agile and achieving the best business results.

Furthermore, we have equitable salary structures that are free of any type of discrimination. We seek to offer competitive salaries in the market, and thus we regularly monitor comparable compensation practices in our industry. Remuneration evolution depends on the individual's performance, as well as on business results and value generation.

In Marcobre, we created a diversity committee that allows articulating related actions and prepare a mid-term diversity plan. In Taboca, we developed the Joven Aprendiz (Young apprentice) program that allows incorporating economically vulnerable youngsters into the job market. In 2020 it reached 39 youngsters (54% men and 46% women).

In 2021, Minsur is planning to establish a baseline on our collaborators' perception in terms of diversity and equal opportunities, with the advice of Aequales. Based on these results, we will prepare an action plan that will help our company to become more diverse and to be more consistent in this regard.

The measures we are taken will allow us preparing action plans to foster diversity in the workplace and promote an egalitarian and respectful environment within the company. You may find our diversity indicators in Annex 21.

GRI 406-1

It is worth mentioning that, based on our Human Rights policy, our commitment to the prevention of discrimination has been made official in our operations. We do not tolerate discrimination and we have not found any cases yet; Nevertheless, we are working to insert mechanisms to prevent discrimination in trainings provided to our employees, including also diversity issues.





6.1.1 Training and development

We promote training and the development of our collaborators, and we foster learning through experience, as an important part of our culture. We focus on training with specific objectives that are oriented to improve technical or skill capacities of our teams, thus contributing to achieve the business’ objectives. Leaders are responsible for accompanying and support their team members in their personal and professional development.

In 2020, our training focused on occupational health and safety and regulatory compliance². Key actions were the implementation of our own training platform, and the virtualization of our occupational health and safety content and of our content related to the prevention of money laundering and the financing of terrorism. The new pandemic context has made us focus on the virtualization of all our training programs.

Moreover, at the end of 2020, we reached an average of 37.78 training hours per collaborator, 39.07 training hours in the case of men and 20.76 in the case of women. Furthermore, in terms of performance assessment, 26% of our collaborators were evaluated. You may see our training and performance assessment numbers in Annex 20.

2. Regulatory compliance: Culture of ethics and compliance, prevention of money laundering and the financing of terrorism, prevention of public and private corruption, interaction with public officers, sexual harassment at the workplace, among others.

6.2 Minsur and Human Rights

6.2.1 Implementation of our human rights policy

In 2019, our Human Rights policy was approved and, in 2020, we have adapted our corporate policies and procedure to explicitly promote the unrestricted respect for Human Rights. You may find some of the documents reviewed and the improvements made in the table below.

Document	Mention to HR
Code of Ethics and Conduct	It indicates that all forms of torture, cruelty, inhumane treatment and/or forced labor, as well as the indiscriminate use of force and child labor, are rejected by Minsur.
Internal Work Regulations	It states that the company will in no case accept or tolerate anybody -directly or indirectly- allowing either forced or child labor.
Human Rights policy	The Human Rights policy points out that, under no circumstance the company will accept or tolerate anybody -directly or indirectly- allowing either forced or child labor.
Suppliers’ Code of Ethics and Conduct	It indicates that all forms of torture, cruelty, inhumane treatment and/or forced labor, as well as the indiscriminate use of force and child labor, are rejected by Minsur.
Sustainability policy	It indicates that relationships with our stakeholders shall develop within a framework of respect for Human Rights.
Complaints and grievances procedures	They define a category of complaints or grievances for human rights violations. These will be admitted faster and shall be confidential.

In addition to these policies, at the end of 2020, the Corporate Commercial Policy was being reviewed to incorporate human rights commitments.

Furthermore, all our agreements include clauses that make our Policies and Procedures extensive to our suppliers. Such clauses ensure compliance and respect for human rights in the provision of services to Minsur and its subsidiaries.

Child labor and forced labor
GRI 408-1 | GRI 409-1

We do not tolerate child or forced labor, directly or indirectly, in any of our units. In 2020, thanks to the incorporation of human rights non-compliance risks into our risk analysis, we were able to find that the San Rafael MU is the unit with the highest potential for non-compliance.

The center of Antauta district, 15 minutes away from San Rafael, is mainly devoted to agriculture and livestock activities and has an ancient tradition of family work, which increases the risk of child or forced labor in local businesses that supply goods and services to our staff.

In Antauta we have found two cases of adolescent labor, at a store and a restaurant. In both cases, we put an end to the commercial relation with such businesses. We have not found any forced labor case yet. It is worth mentioning that we will conduct an exhaustive assessment on human rights in 2021.

GRI 412-2

In 2020, we developed all the contents of our training courses on human rights for our entire personnel. Such training will start in 2021. In this regard, all the security staff of our units have been trained on the Voluntary Principles on Security and Human Rights.

6.2.2 Identification of risks associated with human rights

After analyzing and evaluating the risks, we identified the “Impact on workers’ rights resulting from misidentification of health and safety risks of vulnerable or high exposed workers” as the only high risk. This is due to the fact that health and safety risks are permanently present in mining operations. Besides, they need to be continuously updated and have a high impact since they may involve permanent physical damage. However, we keep their likelihood low, thanks to the controls we have implemented and our action plans to mitigate their occurrence and impact.

A mid-level risk we identified was the “impact on workers’ human rights due to poor working conditions in our operations”. From the health and safety perspective, we assessed this impact as moderate due to potential physical damage. In terms of likelihood, we found it was not likely, thanks to our action plans that include permanent monitoring. In relation to this risk, within the context of the pandemic, we adapted the living conditions of our facilities, so that they meet the requirements to ensure our workers’ health.

At the corporate level, we identified risks related to the “impact on human rights due to a lack of human rights-related guidelines and criteria in the management of contractors and suppliers” and the “impact on human rights due to the lack of policies, guidelines and training on human rights issues”. Thus, in 2020, we defined new internal human rights policies, and we also updated policies and procedures for our contractors and suppliers including new human rights guidelines.

We have also identified and assessed risks associated to our neighboring communities, such as the “impact on the rights of the communities, due to an increase in the floating population” which alters the regular conditions of the communities and areas of direct influence or neighboring areas to our operations.

Another identified risk was the “impact on the rights of the communities as a result of not having implemented and communicated community complaint mechanisms”. In this regard, we have a complaint and grievance management system, and we have defined action plans to ensure that risks do not materialize and affect the communities.

Our risk management is committed to permanently monitoring and managing risks identified through workshops. We also conduct reviews with different areas so that our action plans are updated with a continuous improvement vision, so as to mitigate risks to minimum and acceptable levels, preventing their impact in our operations and our environment.

6.2.3 Security and Human Rights
GRI 410-1

We seek that our entire staff and those who work on our behalf respect human rights unrestrictedly. Thus, they must be properly trained, especially those responsible for the security of our facilities. This has been stated in our human rights policy.

All the security staff are trained on the Voluntary Principles on Security and Human Rights (VPSHR), which has been included as a requirement in the outsourcing service contracts we entered into. And this is reflected in our annual training program for the security personnel. In 2020, training records show that 100 % of our security staff participated in this training.

With this training, we aim to continue having no complaints related to human rights violations against our security personnel, a goal we have maintained in 2020.

WE SEEK THAT OUR ENTIRE STAFF AND THOSE WHO WORK ON OUR BEHALF RESPECT HUMAN RIGHTS UNRESTRICTEDLY. THUS, THEY MUST BE PROPERLY TRAINED, ESPECIALLY THOSE RESPONSIBLE FOR THE SECURITY OF OUR FACILITIES.



6.2.4 Respect for the freedom of association and collective bargaining

We respect freedom of association and effectively recognize the right to collective bargaining with trade unions of all our operations by having a close relationship, with regular meetings, and based on respect for our workers and their leaders. And we have strived to maintain and promote good labor practices.

For that purpose, we maintain an open and permanent communication with our employees and their union representatives, in line with the principles of collective labor management and complying with regulations into force. In addition, we have a close communication with Union representatives, and we hold periodical meetings with them.

In Minsur, in 2020, we closed the collective negotiations of Pucamarca and Pisco units without setbacks, which resulted in 2-year agreements, while collective negotiation in San Rafael was submitted to arbitration, as agreed by both parties. In Taboca, Brazilian laws sets forth negotiations will last no more than 2 years. In Pitinga we closed the collective bargaining agreement in May 2019, and in Pirapora in November 2020. Both agreements shall be effective for 2 years, though their economic clauses shall be negotiated annually.

GRI 102-41

In 2020, 80.54 % of Minsur’s employees were subject to the measures of the collective agreement. In Taboca, because of Brazilian laws, 100% of employees are covered by the collective agreements.

GRI 407-1

It is worth mentioning that we did not find any significant risks to our employees’ or our suppliers’ freedom of association and their right to collective bargaining in our operations. Interaction with our unions have been essential for us to adapt to the COVID-19 pandemic, especially for changes in atypical work regimes. Collaboration with our unions enabled the continuity of our operations.



6.3 Relationship with our communities

6.3.1 Social management
GRI 413-1

In 2020, with the declaration of the national emergency due to COVID-19, the focus of our social management was enabling the continuity or the reactivation of our operations. Thus, our work focused on 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.

All of that didn’t prevent us from implementing social management instruments that were being developed since the end of 2019. On the contrary, they have been essential tools to enable social management in times of crisis. We refer specifically to our complaint and grievance mechanisms, local employment policy, human right policy, protocols and Code of Conduct for suppliers, as well as internal management tools, such as commitment and investment matrices and the monitoring of activities and results.

Minsur engagement with its communities has also acquired a more planned and systematic approach, without leaving aside its governing principles. In this sense, in 2020 we consolidated tools for compliance, participation and communication, Permanent Information office (OIP), complaints and grievances and local employment that respond to a management system aligned to international standards and our corporate principles.

IN 2020 WE CONSOLIDATED TOOLS FOR COMPLIANCE, PARTICIPATION AND COMMUNICATION, PERMANENT INFORMATION OFFICE (OIP), COMPLAINTS AND GRIEVANCES AND LOCAL EMPLOYMENT THAT RESPOND TO A MANAGEMENT SYSTEM ALIGNED TO INTERNATIONAL STANDARDS AND OUR CORPORATE PRINCIPLES.

Furthermore, the Code of Ethics and Conduct, which provides guidelines for ethical and responsible interaction with our stakeholders is constantly reviewed. These efforts will be maintained, and continuously improved and disseminated.

We see 2021 as a complex and challenging year, since it will be a period of economic reactivation, and all what it means in social terms. We shall also consider the second wave of transmission that will test what we have learnt and implemented in 2020. Thus, issues such as the generation of employment opportunities and local employment in our operations and projects shall have a special strategic approach by the different departments of our company and its operations.

Moreover, we will resume our social investment projects in those aspects that have been prioritized in our investment policies: productive development, closing of infrastructure gaps, education and services for early childhood.

Last but not least, in terms of engagement, we will aim at consolidating a proper attention and the study of the source of the most frequent complaints and grievances; as well as the implementation of proactive measures to prevent recurrence. Our Directors’ and Managers’ role in our monthly Social Management Committee shall become more relevant than it currently is. This informative forum for coordination and agreement will allow speeding up sustainable development results expected by Minsur.

6.3.2 Social Investment
GRI 203-1

Social investment in 2020 was marked by the health, social and economic crisis generated by the COVID-19 pandemic. This led us to coordinate with local, regional and national authorities, to redirect efforts in order to address the most immediate needs. Thus, we became one of the main private supports within our scope of action, thanks to our social investment in health and education, and also contributing with our know-how in logistics and project management.

Even so, our social investment strategy is still focused on 4 axes:



6.3.2.1 Social investment in San Rafael MU

San Rafael had a particularly challenging context, since it was one of the first mining units nationwide that suspended its production operations in order to prevent transmission and implement the necessary health protocols.

To restart operations, we had a dialogue with the people and their authorities, aiming at establishing preventive measures and at strengthening the local health system, considering that a significant percentage of workers of the mining unit stays in Antatuta.

In parallel, health authorities of Melgar province and Puno region also called for Minsur to join efforts to fight the spread of COVID-19.

The donation of an oxygen plant to Antauta stands out among the initiatives implemented to address the pandemic, and another one was donated to Melgar province, which was installed in the San Juan de Dios de Ayaviri Hospital. In

addition, we contributed with S/ 250,000 to Caritas-Puno to co-fund the purchase of an additional oxygen plant.

We shall also mention the donation of a cremation furnace to the Charitable association San Román Juliaca, the support to the Juliaca health network (EsSalud) with 50 oxygen tanks, and 50 hospital beds, and to the San Roman health network, particularly to the Carlos Monge Medrano hospital, with 55 hospital beds and 100 oxygen tanks.

Likewise, we shall mention the efforts to acquire a type-II ambulance that will be delivered to the Ajoyani healthcare center in the first quarter of 2021; the repairs and upgrades made to the Antauta healthcare center; refurbishment of the CETPRO of Antauta so that it can be used as the district's isolation center; and the strengthening of Antauta and Ajoyani healthcare centers by providing more staff and biosecurity equipment.

It is worth highlighting the support to the Antauta and Ajoyani municipalities to enhance their citizen security system by financing the municipal guard staff and fumigation expenses, which contributes to meet the COVID-19 protocols and mitigate its transmission.

Among our social and development investments, the project Fibra Emprendedora stands out: craftswomen who expanded their markets based on the quality of their products. The project "Mallas Antauta" also stands out. It has improved native pasture management and conservation in family production units by installing management and herding fences. Moreover, animal health campaigns were conducted in the area of direct influence.

Last but not least, in relation to local employment, we had an average of 750 local workers, with a peak of 898 local workers in September. And, regarding local purchases and services, US\$ 8.5 million were generated, considering those who worked directly for Minsur and contractors. Thus, we are helping to reactivate the economy in the area.

6.3.2.2 Social investment in Pucamarca MU

Pucamarca mining unit played a fundamental role providing private health and humanitarian support in Tacna region, one of the areas that was most hardly stroke by the pandemic. Since the beginning it established permanent coordination with local and regional health authorities to join efforts to address the spread of Covid-19.

We worked closely with Tacna regional government. We delivered more than 20,000 Covid-19 tests with their corresponding kits, which value exceeded S/. 1.5 million; a thermal cyler for PCR test valued in S/. 373 thousand, that allow processing molecular tests in a short period of time; 2 oxygen plants for a total value of S/. 1.95 million; 300 oxygen tanks with their corresponding gauges for S/. 947 thousand and groceries for the most vulnerable people (S/. 30 thousand); among other support actions. Furthermore, 100 oxygen tanks were delivered to the Hipólito Unanue for S/. 296 that allowed dealing with the hospital crisis. The mentioned values do not include VAT.

In Palca, area of direct influence, we delivered humanitarian support and donated hygiene and biosecurity materials that amounted to S/. 83,000. These were delivered through the municipality, the community and Palca CLAS.

Though the largest effort of our social management has been focused on the health emergency, we have tried not to neglect other commitments and needs raised by the people and their authorities. Thus, in 2020 we conducted investment studies for tap water and sewage projects in Vilavilano and Rio Caño sectors, with a S/. 206,000 investment.

6.3.2.3 Social investment in the SPR of Pisco

The Pisco smelting plant's relationship with the social environment was marked by the company's response to the health emergency. The first level of response was the humanitarian response to the sudden suspension of activities that affected the socioeconomic dynamics; and, thus, it meant a drastic reduction in family income. District municipalities took the initiative, requesting and channeling food aid to the most vulnerable groups.

Minsur was one of the first companies to join these initiatives, overcoming a series of logistical impacts to be able to deliver 13 tons of food to Pisco, Paracas and San Andres districts. Likewise, Minsur's support with health and health security materials (for a total value of S/. 41,000) was among the first to reach municipalities, healthcare centers, Regional Governments and charitable organizations. The assistance provided to the Paracas municipality was also relevant to strengthen the capacity of its Municipal Health Brigade to carry out preventive and control actions among the population.

Despite health context's limitations, the company kept providing support in other areas it has been involved, such as prevention of violence against women and the existing shelter mechanisms in Pisco, using advertising in public spaces. Other issues were: safety for the school built in Santa Cruz, Paracas -under the Works for Taxes mechanism- and maintenance of plots, where students and teachers develop good environmental practices. For both cases, S/. 12,000 were invested.

On the other hand, the company also responded to the need to provide health care services beyond the pandemic. We contributed to a comprehensive health campaign in Paracas, with a S/.17,000 investment, which provided more than two thousand treatments in 9 medical specialties with the participation of 19 health professionals. Finally, Minsur kept a permanent communication and coordination with local authorities, providing information, exchanging opinions and carrying out joint actions to help overcoming the health emergency challenges.

6.3.2.4 Social investment in Mina Justa

Marcobre, since the state of emergency was declared in March due to the COVID-19 pandemic, joined the emergency response to fight against the virus with donations that were part of its social intervention to support the people in its area of influence. As of December, donations delivered by Marcobre amounted to US\$ 339,000.

We delivered an oxygen plant for the Nasca hospital, oxygen tanks, rapid tests, PPEs and biosecurity materials. We also delivered packages with food for fishermen, the population of Marcona, the Police and the Vaso de Leche Committees, among other goods and services to strengthen the capacity response of local institutions to address the health emergency. In addition to responding to the emergency, we worked with the Nasca and Marcona healthcare centers in the campaign against VIH AIDS.

We also kept our social investment commitments for basic education, training, tourism and infrastructure (works for taxes).

In terms of education, we continued with the Educational Program Líderes del Cambio (Leaders of change), under the agreement entered into with UGEL of Nasca. This program aims at contributing with the achievements of learning through skills in children and youngsters of Marcona district, by encouraging, promoting healthy competition and awarding the participants. In 2020, we celebrated the sixth edition of this program, which not only represents the fulfillment of a social commitment made in the Amendment to the EIA, but also helps improving the results of the ECE test of the Ministry of Education.

Regarding training, we developed the Training for Life program, which aims at developing different skills -not related to the mining activities- among the people of Marcona, in order to reduce dependence on the project. In 2020, three courses were developed to generate new skills in trades for the people of Marcona. We also conducted psycho-pedagogical training for the teachers of San Juan de Marcona educational institutions.

In terms of tourism, Marcobre has supported events such as the National Bodyboard Championship and the Marcona Tourism Week. Likewise, the company seeks to promote the district's tourist attractions in the media.

6.3.2.5 Social investment in exploration projects

Social investment in our exploration projects Santo Domingo, Mina Marta and Mina Regina focused on responding to the health emergency, aiming at strengthening local capacities to address the pandemic, relieving basic needs of the people whose income was interrupted, and supporting students so that they can participate in the online education program promoted by the government.

Furthermore, when the emergency conditions allowed it, we restarted working to fulfil our social investment commitments in the other productive economic development and infrastructure axes.

6.3.3 Works for taxes

GRI 203-1

Thanks to the "Works for Taxes" mechanism, we participated in the implementation of public investment projects with a regional and local impact. We financed and implemented public works as a way of paying our income tax bill for the next Fiscal Year. Once works are delivered, the public treasury issues a certificate that may be used to pay income taxes. We shall mention that this mechanism helps reducing the country's existing infrastructure gap promptly and efficiently, favoring -in particular- our operations' neighboring communities.

In 2020, we completed the works of the Enhancement and expansion of basic sanitation services in Antauta municipality, Antauta district, within the area of influence of San Rafael MU. Thus, we were able to deliver the project to the Ministry of Housing, Construction and Sanitation. This work benefits more than 3,600 people with good-quality drinking water, 24 hours a day, and with an efficient sewage and solid waste treatment system. The amount invested exceeded US\$ 3.4 million.

Marcobre, presented 3 projects in 2020 under this mechanism: one has been delivered, one is being implemented and one is in process:

- » **Rehabilitation of the sewage and drainage system of San Juan de Marcona district.** This work was completed in January 2020. The project benefits more than 2,000 people and is connected to the Construction and Sanitation project-MVCS implemented by the Ministry of Housing, through the National Program for Urban Sanitation (PNSU, in Spanish). Through this project more water will be provided to the district by drilling wells.
- » **Improvement and expansion of educational services of the IESTP school of Marcona, according to pedagogical concepts of the XXI century** Works started in January 2020. It aims at improving and expanding educational services of the Higher Technological Educational Institute, considering Marcona's immediate future as the technological axis in the south. The IESTP will have modern laboratories and a better infrastructure. Moreover, it will teach 7 technical careers. The project shall benefit 1,260 people annually and it will be delivered in the first quarter of 2021.
- » **Enhancement of landscaping services for the Protected Natural Area (PNA) of San Fernando National Reserve and the Guano Island, Islets and Capes National Reserve – Punta San Juan in the Marcona District and the Nasca province** Coordination and the process to review the observations to the technical profile are being conducted hand in hand with the Pontifical Catholic University of Peru and SERNANP to complete the review of findings and be able to submit the last version of the technical profile.

6.3.4 Respect for indigenous and native populations

GRI 411-1

Both Peru and Brazil, the countries where we operate, have signed the ILO Convention 169 concerning indigenous and tribal peoples in independent countries, and both have laws regulating the prior, free and informed consent. These regulations provide the framework for operations in our mining units.

Since 2018, we created a Working Group comprised by the Legal, Environmental and Social Management departments, in order to ensure the respect for indigenous peoples in our areas of influence. This allowed us to adjust our policies and procedures concerning these issues.

Our Pitinga MU, in Brazil, interacts with the Federal Reserve of Waimiri-Atroari indigenous community, which has a territory of more than 2.5 hectares that received the permanent reserve legal status back in 1989. In 2020, we renewed an agreement that allows using the highway to access the mining unit and frames the commitments between the parties. It is worth mentioning that the mining unit's operations are outside the Reserve's territories.

This highway is permanently patrolled to control access, which was only granted with the consent of the Waimiri-Atroari. In addition, the company and representatives of the native community have monthly meetings to assess compliance with the agreement, abiding by Brazilian laws, pursuant to the regulatory framework for the protection of indigenous peoples and according to our sustainability policies and practices.

In 2020, there were no incidents related to violations of indigenous communities' rights, and no risks were identified in relation to these issues.

6.3.5 Local employment generation
NO GRI LOCAL EMPLOYMENT

Both Minsur and Marcobre prioritize the recruitment of local labor, both through our contractors and through Minsur’s companies. For that purpose, the social management department is the link between potential employers and local employment committees.

Once the contractors’ or Minsur’s calls for applications are received, the social management team disseminates it and receives the applicants’ resumes. These are recorded and filtered through a pre-selection process, considering that the applicants reside in the area of influence. Then, it sends the resumes of pre-selected candidates to the contractor, who is responsible for their assessment and selection. Once local employees are selected, the contractor sends the results to the Social Management office, which updates the local employment records.

Marcobre manages this process through its local employment policy. It reports the local recruitment processes’ progress to the associations, unions and local authorities on a weekly basis. Local employment is planned according to the project’s progress and the demand identified.

6.3.6 Community emergency preparedness
NO GRI EMERGENCY PREPAREDNESS

We have a Crisis Management Plan at the corporate level, which aims at prioritizing the protection of health and life, the environment, the communities and the company’s reputation, infrastructure, processes and equipment during a crisis situation. This plan considers crisis situations generated, or not, by business-related activities that occur in and out our mining units or projects, and defines responsibilities to respond to a crisis.

IN 2020, NO DRILLS OR PREVENTION
ACTIVITIES WERE CONDUCTED, SINCE
OUR WORK WITH THE COMMUNITIES
WAS FOCUSED ON THE COVID-19
HEALTH CRISIS.

In the same line, all our mining units and projects have an emergency response and management plan, based on which they conduct periodical drills and exercises. These plans are coordinated with local authorities and informed to the community to ensure they are safe if an event occurs. In 2020, no drills or prevention activities were conducted, since our work with the communities was focused on the COVID-19 health crisis.

The Awareness and Preparedness for Emergencies at Local Level – APELL, provides our operations with a model to prepare for, and respond to, industrial events. It involves the community, the company and the local government. The work conducted by Marcobre in the Mina Justa project since 2018 is an example of how this program is applied.

By implementing the APELL program in Mina Justa, we seek to reduce risks related to the transportation of copper cathodes and concentrate, and sulfuric acid, as well as to any potential spill of sulfuric acid in the sea or soil, which may put the neighboring communities at risk. The APELL program has 7 stages, 6 of which have been fully implemented. Stage 6, “review and audit”, is pending. At the end of 2020, Marcobre has started purchasing several components to equip the firefighting station of Marcona.

Stage 1: Stakeholders;
awareness and engagement

- » We conducted training workshops in Marcobre and with key local stakeholders and authorities in cities that are close to Mina Justa project (Marcona, Nasca, Vista Alegre, Ica and Paracas).

Stage 2: Risk analysis

- » Workshops and interviews were conducted to map stakeholders, hazards, vulnerability and a risk matrix.
- » Land and sea routes that are critical for Mina Justa project were analyzed.

Stage 3: Planning

- » The diagnosis of the previous stage was validated in workshops.
- » The APELL plans content and proposal were defined.
- » Emergency teams; resources were assessed in nearby cities.

Stage 4: Response Plan

- » The Emergency response plan was developed and it was validated with local authorities, and later integrated into other emergency plans.

Stage 5: Communication of
the Local Resonse Plan for
emegencies and disasters

- » The Plan was communicated to local committees and community teams were organized to respond to emergencies.
- » Key institutional stakeholders were trained.

Stage 6: Review and audit

- » This stage was not conducted due to the pandemic, since onsite meetings were required.
- » Procedures will be established to periodically update the plans, to communicate the validated local plans and for the APELL program’s communications to local authorities.

Stage 7: Tisur Assessment

- » The Emergency response program for Tisur was assessed. It is the port terminal where Mina Justa’s copper concentrate will be delivered, unloaded and stored.
- » The firefighting facilities of Camaná and Chala were assessed (close to Tisur).



7 ENVIRONMENTAL MANAGEMENT

GRI 102-11

Caring for the environment is our motto when developing our businesses. Thus, aiming at ensuring due diligence in all our projects and operations, our framework of corporate policies and standards gathers cross-cutting sustainability principles.

According to the ICMM principles -which aim, among others, at constantly improving its members’ environmental performance–, in 2020 Minsur approved four new policies that enhance our Environmental Management System (EMS):



All of them express our vision, strategy and commitment to manage our activities, prioritizing these critical issues for the environment and our operations. Based on these principles and requirements, we also updated our documents to include the new conditions within the COVID-19 pandemic context.

Our EMS is also comprised by 28 corporate and operating environmental standards, which are aligned to the ICMM requirements; ISO 14001 certification; several management and supervision instruments; the internal supervision and oversight tool called Environmental Performance Index (EPI); and a series of reactive, proactive and sustainability related KPIs.

Regarding the ISO 14001 certification, an international certification that provides companies with a specific framework to effectively and efficiently manage the environment. We shall mention that all our operations in Peru have this certification. In Brazil, Pirapora has ISO 14001 and Pitinga is in the process to receive it.

OUR EMS IS CONSTANTLY MONITORED BY OUR SPECIALISTS, BOTH IN OPERATION AND SUPPORT PROCESSES, WHICH ALLOW ENSURING THAT THE LEGAL REQUIREMENTS ARE MET AT ALL MINING STAGES.

Our EMS is constantly monitored by our specialists, both in operation and support processes, which allow ensuring that the legal requirements are met at all mining stages.

The main objective of the EMS is applying strategic guidelines for Minsur’s environmental sustainability at all mining project stages. Our SMS focuses on the following environmental components: water, climate change, biodiversity, permits, planning, environmental management, social management, rehabilitation and closure, among others, not only abiding by local standards and regulations, but also by the best practices of the industry at a global level.



Furthermore, Minsur has the following tools, among others, for a proper and responsible environmental management.

Internal audits, Cross-audits, and Legal and Regulatory Compliance audits	Conducted to determine the degree of compliance of our operations with the EMS and applicable legal requirements, as well as to validate its effectiveness. If below-standard performance is detected, the unit’s or project’s Environmental Supervisor shall implement the corrective actions required in the final audit report, and then he/she shall report the results of implementing these actions. This applies to cross-audits carried out by Internal Audit, Legal Compliance, as well as for cross-audits conducted by members of Environmental teams when visiting mining units, other than their place of work. Last but not least, it is worth mentioning that, eventually, external audits are also hired, and in 2020 an external audit was conducted assessing compliance with environmental standards in all the Mining Division’s units.
Environmental performance indicators (EPI and KPIs)	On a monthly basis, Environmental Supervisors conduct detailed environmental management inspections in all departments of our units, using the EPI (Environmental Performance Index) tool. Furthermore, they record and assess environmental indicators (KPIs). Through the EPI and the KPIs, environmental impacts and potential risks are measured and monitored. These indicators are reported to the Environmental Manager, COO and CEO in monthly and quarterly meetings to identify and define improvement opportunities to be implemented.
Environmental monitoring	Environmental monitoring and surveillance points have been established in the areas of direct environmental influence of our units and projects, as approved in our Environmental Management instruments (EMI) for permanent assessment of environmental noise, air quality, soil quality, sediments, biodiversity and water quality. Furthermore, participatory environmental monitoring is conducted in our units engaging communities of the area of direct influence, as well as internal control monitoring.
Environmental supervision	Our environmental performance is periodically supervised by the Agency for Environmental Assessment and Enforcement (OEFA) in Peru; Instituto de Proteção Ambiental do Amazonas (IPAAM) in Amazonas region, and Companhia Ambiental do Estado de São Paulo (CETESBI) in Sao Paulo region, Brazil. The objective is verifying compliance with laws, environmental commitments and obligations established in the EMIs, permit and authorization processes, mandates or provisions issued by the competent agencies, as well as with other sources of auditable environmental obligations.

7.1 Responsible management of water and effluents

We have a Policy of Excellence in water management, in which we pledge to reduce the amount of water consumed. Thus, in all our operations we use water resources responsibly during the entire production process, implementing different measuring, control and continuous management improvement strategies.

We monitor the quality and the amount of incoming water from different sources (surface water, groundwater and seawater), its use in our processes and effluents, pursuant to legal requirements and international environmental standards adopted to manage it optimally.

SPR of Pisco

In the SPR of Pisco, water coming from underground sources, mainly from authorized drains and wells. The smelting plant is in an area classified by the National Water Authority as an area of high water stress. Water is mainly used in the smelting plant and refinery, and effluents from domestic wastewater are reused in other activities of the process, after being treated in an activated sludge plant, meeting the Environmental Quality Standard (EQA) for water category 3, according to the Peruvian laws. This management has a positive impact, such as the afforestation of dessert areas that improve air quality and the ecosystem.

We ensure efficiency in the use of water thanks to scheduled inspections, meter supervision to monitor compliance and an awareness program for our staff. Moreover, we ensure water availability for neighboring populations and users because the water collection points are very close to our plant.

In 2020 total water consumption amounted to 166,188 megaliters.

WE ENSURE EFFICIENCY IN THE USE OF WATER THANKS TO SCHEDULED INSPECTIONS, METER SUPERVISION TO MONITOR COMPLIANCE AND AN AWARENESS PROGRAM FOR OUR STAFF.

Pucamarca MU

We extract water from 7 groundwater wells and 1 surface water well in the area of the Azufre River. We have an Environmental Management Plan to efficiently control this resource, and we conduct monthly monitoring. In 2020 we worked on different initiatives to achieve the following:

- » Water consumption below that approved in the water use licenses.
- » Water consumption and quality monitoring reports to the National Water Authority (NWA) and treated wastewater consumption and quality.
- » Recirculation of industrial and domestic water in the processes.
- » No discharges.

To continue with this optimal management, we have planned in the short, mid and long term:

- » Continue implementing the Policy of Excellence in water management and carrying out environmental monitoring.
- » Calculation of the water footprint.
- » Development of hydrogeological and hydrological modeling studies for the expansions of main components.
- » Hydro chemistry update.

In 2020 total water consumption amounted to 394.40 megaliters.

San Rafael MU

We have a certified Environmental Management System for the entire operation's life cycle, an Environmental Management Plan and an Environmental Management Program to prevent impacts and efficiently manage the use of water and the proper management of effluents through reutilization. In 2020 we have fulfilled all our commitments included in the abovementioned documents.

In addition, we have water uses licenses:

- » To withdraw surface water from the Estancococha lake.
- » To withdraw underground water from inside the mine.
- » For water consumption by the population, to supply drinking water treatment plants for consumption in the camps. From there it is derived to the domestic wastewater treatment plant. It has to meet the MPL before being discharged.

Furthermore, in the reporting period we conducted:

- » Assessment of impacts in receiving bodies. Through a third party it was ensured that Minsur properly manages water discharge into the receiving body.
- » Water savings campaign. The human resources department promotes annual campaigns to raise awareness among the employees on the proper use of water.
- » Systematization of the accumulated volume of discharged water, incorporating it into the plant's software, in order to better monitor it in an automated way at the discharge point.
- » An internal audit to the water management standard, which validated compliance with the ICMM requirements.

In 2020, total water consumption amounted to 1,779.02 megaliters.

Mina Justa

We have to authorized sources of water: underground water of Jahuary river and seawater from the San Juan Bay. The first source will only be used during the construction stage, and the second source in the operation stage in order to ensure lower impacts and to prevent a competition for freshwater. Mina Justa is a mining project with zero discharges.

In 2020, total water consumption amounted to 505,606 megaliters.

SPR of Pirapora

We used exclusively underground water, and we use it in all our processes, both industrial and administrative processes. We have an environmental management system and corporate indicators to monitor them, such as water quality, industrial and domestic effluents, as well as superficial and underground water, as well as internal and external environmental audits, and compliance with environmental Brazilian laws (Resolution CONAMA 430 Art. 16). It is worth emphasizing that we had no incidents of non-compliance with discharge limits.

In 2020 total water consumption amounted to 61.16 megaliters.

Pitinga MU

We have implemented a water monitoring database, corporate indicators and an environmental management system that includes internal and external audits and compliance with the Brazilian environmental laws: art 18 of State Decree 8486, art. 16 of Resolution CONAMA 430 and art. 14 and 15 of Resolution CONAMA 357. This will allow us to prepare a baseline study for water characterization in the short term, and a Water Management Plan in the medium term. Furthermore, we have hydrometers to measure groundwater withdrawal, we have conducted the optical profiling and we have complied with the Instituto de Proteção Ambiental do Amazonas (Institute of Environmental Protection of Amazonas) – IPAAM's protocols.

In 2020 we implemented a an environmental training program that included a Weekly Environmental Dialogue (DAS, in

Spanish) and a schedule for aware consumption and good water use practices for the company's staff. There have been incidents of non-compliance with superficial discharge limits (215) and industrial effluent discharge limits (52). In 2020, total water consumption amounted to 7,233.53 megaliters, because Pitinga MU works with a high recirculation volume.

7.2 Waste management

Each unit has a solid and hazardous waste collection and disposal program led by a specialized contractor. Materials are separated, some of them are reused or recycled, and the other are shipped for their final disposal, except for timber which is reused for several purposes.

Waste management is carried out by a certified solid waste operating company (EO-RS) that is authorized by competent authorities. This company collects, transports and disposes solid waste in authorized landfills and/or treatment plants.

We are constantly raising awareness and maintaining bi-directional communications on proper segregation and disposal of solid waste generated in our operating, maintenance and logistic processes, among others. We also have a circular economy approach to solid waste management aiming at generating value from it.

Due to the new measures adopted to address the COVID-19 pandemic, some waste (mainly, waste from dining facilities) had to be regarded as potentially bio-contaminated waste (hazardous waste) aiming at appropriately manage this type of waste. This explains the difference in relation to 2019.

In the reporting period, the company produced 9,796.48 tons of solid waste, 3,065.87 tons were hazardous waste, and 6,730.66 tons were non-hazardous waste. Out of the total, 2,272.93 tons were recycled or reused, and 7,523.60 tons were eliminated or shipped to landfills.

SPR of Pisco

Waste management in this unit is divided into -on the one hand- chemical inputs, tin concentrate and by-products of the smelting process; and, on the other hand, slag, solid metal waste and packaging of hazardous materials. Waste is

segregated and those with commercial value are collected by a solid waste operating company recognized by the Ministry of the Environment (MINAM) that is constantly trained by Minsur. The big bags used to transport tin concentrate are reused to continue transporting the same concentrate a number of times until they reach the use limit. Finally, they are disposed in a landfill. Afterwards, for proper management purposes, we apply internal audit procedures.

In 2020 we produced 157.13 tons of solid waste, 25.04 tons were hazardous, and 132.09 tons were non-hazardous. Out of the total we were able to recycle or reuse 7.95 tons; 124.14 tons were shipped to landfills and 25.04 tons were shipped to security landfills.

Pucamarca MU

In 2020, the greatest impact on waste generation was produced by an increase in the number of contractors, since we are building the Stage 4 of the Leaching pad, and the COVID 19 crisis that required adaptation to new provisions and regulations for the management of bio-contaminated waste.

Within this context, Minsur conducted several actions, such as: inspections in the waste management area and all other areas of the Mining Unit, monitoring of waste storage facilities, monitoring against KPIs, agreement with waste management companies that have the corresponding authorizations, and disposal of hazardous non-reusable waste in a landfill outside the mining unit. Moreover, we presented the hazardous waste manifests, which contributes to the traceability of waste produced.

Thus, Pucamarca MU produced a total of 462.76 tons of solid waste, out of which 123.33 tons were hazardous waste, and 339.43 tons were non-hazardous waste. Out of this total, we were able to recycle or reuse 312.06 tons, 101.60 tons were shipped to landfills, and 49.10 tons were shipped to security landfills.

San Rafael MU

Waste generation is a significant environmental aspect. Thus, we have an Environmental Management Program

focused on reduction, reuse and recycling, and based on a circular economy approach. So, through an authorized waste operating company some of the produced waste is sold and other is reused. For that purpose, among the main actions conducted in 2020, we have: Preparation of a waste minimization plan, and the implementation of an organic waste treatment area (compost generation).

With that, we produced in total 2,066.79 tons of solid waste: 676.04 tons were hazardous, and 1,390.75 tons were non-hazardous. Out of the total waste, we were able to recycle or reuse 1,144.13 tons, and 349.69 tons were shipped to landfills, and 572.97 tons were shipped to security landfills.

Mina Justa

In 2020, the internal landfill started operating 100% and COVID-19 protocols were implemented for waste disposal outside of the mine.

In this period, we generated a total of 6,649.23 tons of solid waste: 2,071.18 tons were hazardous solid waste, and 4,578.05 tons were non-hazardous solid waste. Out of the total, we were able to recycle or reuse 733.73 tons; 4,209.82 tons were shipped to landfills and 1,705.68 tons were shipped to security landfills.

SPR of Pirapora

Waste management is carried out internally with periodic environmental inspections, control documents, and corporate indicators. In 2020, bio-contaminated waste was included as hazardous waste due to the effects of the pandemic.

In 2020, we produced 71.54 tons of solid waste, 15.29 tons were hazardous solid waste, and 56.25 tons were non-hazardous solid waste. Out of the total, we were able to recycle or reuse 13.88 tons, and 49.70 tons were shipped.

Pitinga MU

Waste management includes selective collection, environmental inspections and training in environmental issues (DAS) for all our staff in the MU. Besides, we comply with the Internal Waste Transport Manifest (MITRE) and the Waste Transport Manifest (MTR), as well as with the delivery of the Certificate of Waste Final Destination.

Waste disposal occurs after a selection process, then they go to Intermediate Waste Deposits (DIR, in Spanish) and are later transported by trucks to the Temporary Waste Storage Center (CATRE, in Spanish) and landfill.

Selective collection aims mainly at ensuring waste segregation at the source, and that generation, collection and final disposal are conducted in a supervised way, through well-defined operating procedures, with collection logistics, treatment and destination of recyclable and non-recyclable waste, contributing to reduce waste and related potential environmental impacts.

For this activity we shall previously separate potentially recyclable materials from other waste at their source, thus reducing the volume of waste for final disposal.

For other waste, the following procedures apply:

- » Solid waste, type I, are sent to Intermediate Waste Deposits and/or CATRE for subsequent final disposal.
- » Domestic and unserviceable waste (unmarketable and non-hazardous) are shipped to the internal landfill or for external incineration, provided that they are not hazardous.

In 2020 we produced 389.08 tons of solid waste: 154.99 tons were hazardous waste, and 234.09 tons were non-hazardous waste. Out of the total, we were able to recycle or reuse 61.18 tons and we shipped 141.55 tons to landfills.

7.3 Tailings and mining waste management
NO GRI MINING WASTE

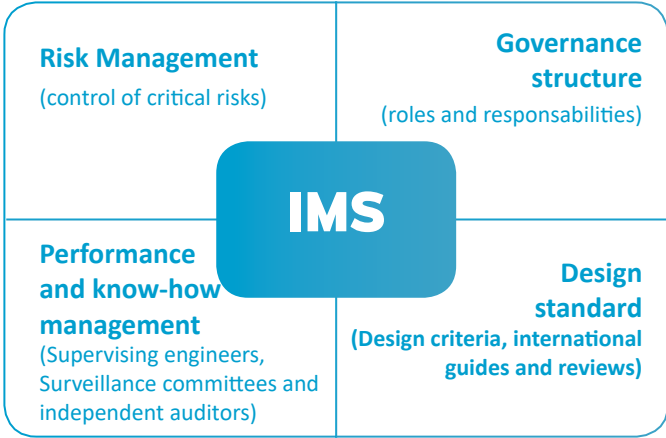
Our operations have infrastructure to minimize the environmental impact of our tailings and mining waste. All our processes aim at reducing the presence of waste in the surface and increase its reuse, with scheduled environmental closure activities at the end of operations

In 2020 we have implemented our Infrastructure Management Standard (IMS), which gathers our good practices and establishes the general framework that guides the preparation of plans, procedures and actions that ensure the integrity and safe operation of mining production material facilities, thus guaranteeing the sustainability of our operations.

Its scope reaches mining production material facilities:

- 1. Tailings dams
- 2. Leaching pads
- 3. Mining waste deposits, and
- 4. Freshwater supply reservoirs

Because of their relevance, these facilities are called critical infrastructure. We implemented the Infrastructure Management Strategy (IMS) and monitor it in all mining units at all stages. Such implementation considers four essential elements that we apply to all our operations. You may find the description of elements in Annex 14



Based on these foundations, our management process for this type of infrastructure comprises a continuous improvement system, with several subprocesses with input and output information in each sub-process (You may see the continuous improvement diagram in the Annex 14).

As part of our environmental controls, we carry out weekly inspections of the corresponding infrastructure's tailings lines and filtrations, according to the design and the Operation, Maintenance and Surveillance Manual. Moreover, we conduct stability monitoring as part of the geotechnical controls.

You may see the amount of mining waste produced in 2020 in Annex 14.

7.4 Material management
GRI 301

In 2020, we maintained a very close relationship with stakeholders related to material management in our in-country operations. We have held meetings with strategic suppliers to correct deviations in their commitments or non-compliance situations, and to assess continuity plans in response to shutdown-related risks caused by COVID-19. We also held monthly meetings with internal customers to review their consumption projections. We held daily meetings with Warehouses to ensure we had enough stock.

All of that has contributed to consolidate commercial relationships with strategic suppliers and has helped us maintaining our operations under framework agreements for the procurement of essential materials for our operations. We also entered into Price agreements for biosecurity agreements to meet the demand resulting from the health crisis. And, since we did not have production losses, we increased our inventory of essential supplies and spare parts to ensure the continuity of our operations.

It is worth specially highlighting that one of the health emergency impacts was the increase in the cost of imported materials, as well as longer delivery times due to international transport restrictions. To address this problem, we streamlined internal processes to promptly respond to the emergency. Furthermore, we increased our inventory of biosecurity materials with conventional PPE (masks, paper overalls, face shields, gloves, etc.) and control tests and other supplies.

You may find a detail of production materials in Annex 12.

The results of Taboca operating management show that:

- » We increased the number of agreements and contracts and reduced the number of suppliers. We established a plan for the development of new processes and new suppliers in the "inputs" category, ensuring supply and price levels.

- » Since August, we had a significant increase in items, reaching in December a high volume of purchases, the highest since June 2019.
- » 24,132 items were purchased through 8,110 orders.
- » 26 % decline in orders and 13 % decline in items, as compared to 2019.
- » 10 % decline in spot purchases, as compared to 2019 (from 41 % to 31 %);
- » 69 % of this year's purchases were carried out through implemented agreements.
- » Reduction of 7 % in our supplier base, as compared to 2019, and of 17% as compared to 2018.

And to optimize supply and material procurement management, we carried out the following actions:

- » Development of new processes and suppliers, including exclusive and sole-source suppliers.
- » Preparation of training material on the procurement process and logistics. Four training days were conducted for our leaders and our staff in all Taboca's units.
- » The Code of Conduct was shared with 1,346 suppliers.
- » Review of supplier assessment documents in process.

And specifically, in relation to the health crisis:

- » We have established safety protocols with our suppliers
- » It was also necessary to adjust our stock due to the delay in deliveries, as well as to the need for emergency supplies.
- » We adjusted the specifications of safety materials and other health materials, such as COVID-19 tests, alcohol-based hand sanitizer and all the necessary adjustments for our offices and plants, such as cleaning and access restrictions.
- » Inventories were readjusted to ensure supply to our plants.
- » It was also necessary to develop materials in response to the new reality, considering the COVID-19 protocols.



7.5 Emission management
GRI 305

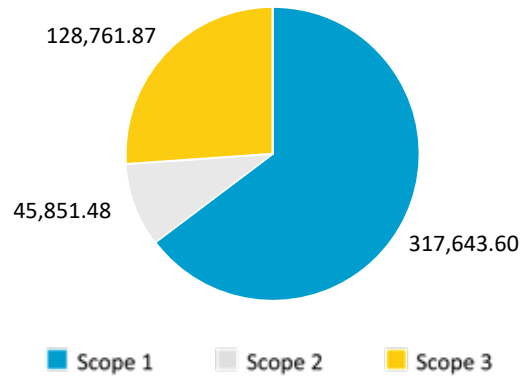
We think it is very important to adopt urgent measures to address climate change and its negative impacts. To do this, we have implemented mechanisms that allow reducing emission generated when developing our activities. Thanks to our dust and gas control measures, as proven by our monitoring results, we complied with the maximum permissible limits (MPL) established by law, as well as with air environmental quality standards (EQS). This way, we do not alter air quality, we protect the environment and ensure the health of our staff and neighboring communities.

We have an environmental management plan with high standards approved in our environmental management instruments, which have a sustainability approach for environmental protection.

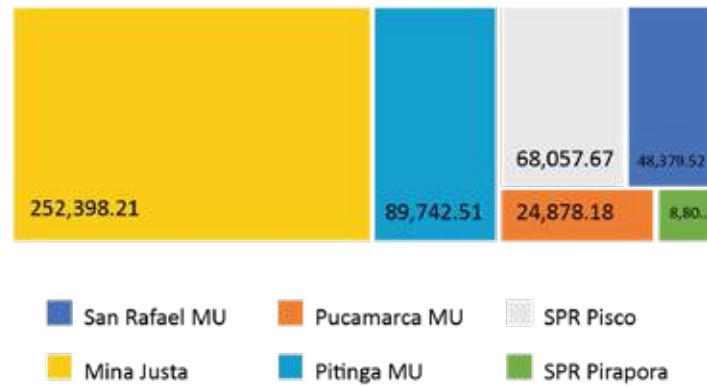
Based on our commitment, we measure our carbon footprint since 2017 and, in 2020 we started an audit process to certify our carbon footprint measurements corresponding to 2017, 2018, 2019 and on. It is worth mentioning that our carbon footprint has been measured under the standards of ISO 14064-1 and GHG Protocol.

In 2020, the total carbon footprint of the mining units and smelting and refining plants included in this report reached 492,256.95 tons of CO2 equivalent (tCO2eq). The detail of our carbon footprint measurement can be reviewed in Annex 16.

GHG emissions in 2020



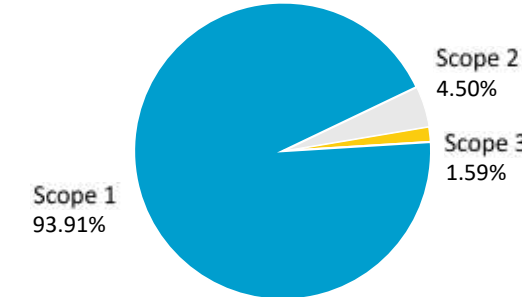
GHG emissions per operation



SPR of Pisco

Our SPR Pisco emitted 68,057.67 tCO2eq in 2020, mainly due to direct emissions (scope 1). This is mainly due to the use of coal as a reducing agent that represents 47.52% (32,341.10 tCO2eq), as well as the fuel consumption of our own stationary equipment with 42.12% (28,663.34 tCO2eq).

GHG emissions in SPR Pisco



In order to reduce our carbon footprint, in 2020 we carried out the following controls.

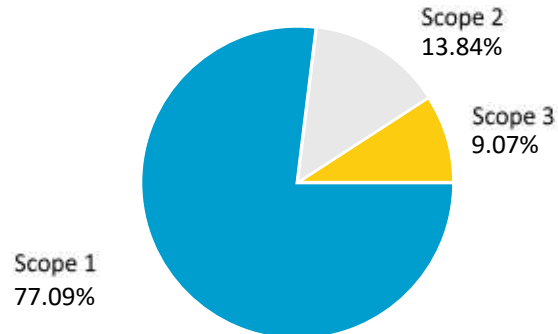
- » Control of emissions in the smelting process and slag treatment. Control of fugitive emissions, level 12000 (Change of DLC) and control of fugitive emissions (Gas cooler, Blow off).
- » Control of emissions in the smelting process. Implementation of the PSP and refinery gas hygiene system.
- » Control of emissions from the crushing plant. Process encapsulation system (upgrade).

On the other hand, we have considered environmental excellence projects for 2021, aiming at improving our environmental performance in emissions.

Pucamarca MU

Our Pucamarca MU presents a total emissions of 24,878.18 tCO2eq in 2020, mainly due to direct emissions (scope 1) 77.09% of emissions (19,178.82 tCO2eq), followed by scope 2 with 13.84%. These emissions are mainly explained by fuel consumption in own mobile machinery (56.25% / 13,994.35 tCO2eq), followed by electricity consumption (13.84% / 3,442.34 tCO2eq) and fuel consumption in third party mobile machinery (13.45% / 3,345.98 tCO2eq).

GHG emissions in Pucamarca MU



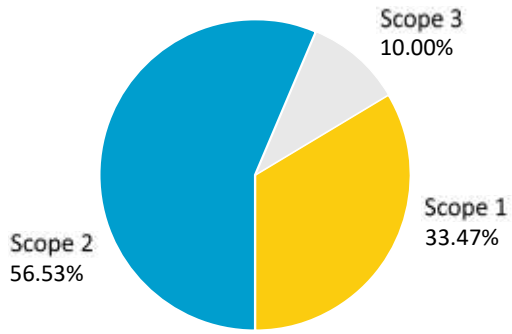
Emission management in the mining unit was focused on applying bischofite in dry season in secondary and main entrances to the mine for dust suppression. Furthermore, we implemented emission monitoring on a quarterly basis, and the results are below the legal limits (Ministerial Resolution 315-96-EM/VMM). These results were quarterly reported to MINEM and OEFA; and we carried out preventive and corrective maintenance of our equipment.

For the following periods, we have planned a carbon footprint reduction and vehicle gas measurements.

San Rafael MU

Our San Rafael MU generated a total emissions of 48,379.52 tCO2eq, mainly explained by electricity consumption (scope 2) and direct emissions (scope 1). The consumption of electrical energy is the main source of emissions and explains 56.53% of these (27,349.41 tCO2eq), followed by the consumption of fuels by third-party mobile machinery (19.55% / 9,456.86 tCO2eq).

GHG emissions in San Rafael MU



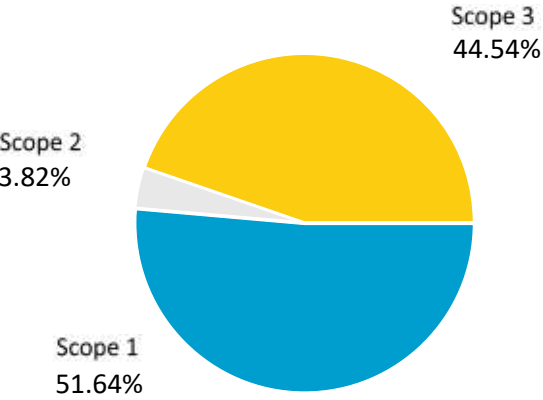
In 2020 we fulfilled the environmental commitments assumed in applicable environmental management instruments and we continue controlling pollution, assessing the feasibility of purchasing an ecological additive to optimize emission management.

In the short term, we are ensuring irrigation continuity with a cistern, and quarterly air quality monitoring. In the mid-term, the purchase of the abovementioned additive to improve pollution monitoring. In the long run, Minsur wants to set a benchmark for pollution control.

Mina Justa

In 2020, carbon footprint measurement had to deal with the challenge imposed by the pandemic. Besides, we were about to complete the project’s construction stage. The measurement showed we generated 252,398.21 tons of CO2 equivalents, an increase compared to 2019, even though the construction was suspended for a few months.

GHG emissions at Mina Justa

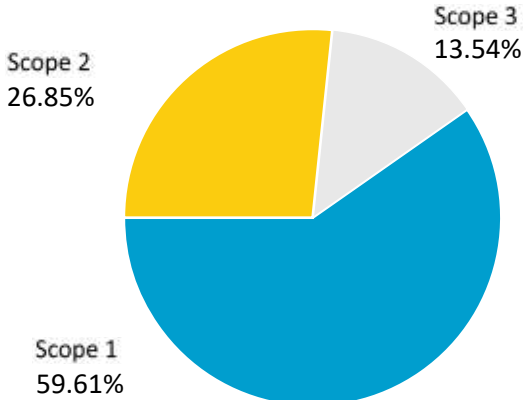


For 2021 we have projected starting commercial operations in Mina Justa. Thus, we are working to automate our carbon footprint measurement, so that we are able to identify the main emission sources and take actions to mitigate impacts.

SPR of Pirapora

Our SPR Pirapora, generated a total emissions of 8,800.87 tCO2eq. Scope 1 emissions explain 59.61% of total emissions. The main sources of emissions are electricity consumption (26.85% / 2,363.33 tCO2eq) and the use of coal as a reducing agent (23.68% / 2,084.08 tCO2eq).

GHG emissions in SPR Pirapora

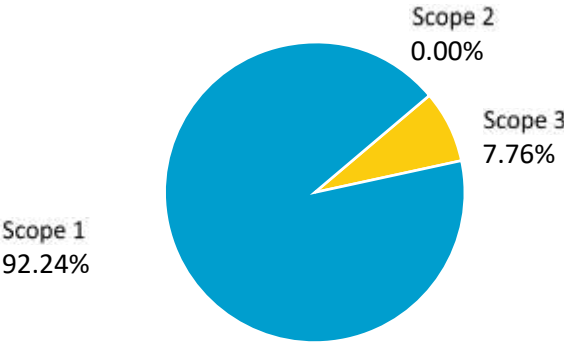


Aiming at better controlling and measuring emissions, the company has prepared a report on emissions -made by an external laboratory- and has implemented visual inspections.

Pitinga MU

In 2020, Pitinga MU generated a total emissions of 89,742.51 tCO2eq. This mining unit uses energy from its own hydroelectric plant, so it does not register Scope 2 emissions. The emissions generated by the consumption of electrical energy from its plant are registered within Scope 1.

GHG emissions in Pitinga MU



The power generation of the plant is the main source of GHG (61.87% / 55,522.62 tCO2eq), followed by fuel consumption by electric generators (16.08% / 14,428.71 tCO2eq).

Emission management is included in the environmental management system. In 2020, a report on emissions was prepared by an external laboratory for management and control purposes. Furthermore, performance considered mainly:

- » Chimney surveillance
- » Monitoring of fixed and mobile sources
- » Wetting of tracks

Furthermore, for the mid-term, the company aims at preparing an atmospheric plume dispersion study; and, in the long term, designing an Air Quality Management Plan.



7.6 Energy management
GRI 302

We promote efficient management of energy consumption, since we aim at reducing Greenhouse Gas (GHG) emissions, as well as energy costs in all our sites and operations. We measured and recorded energy levels annually. With the results, we prepared initiatives to reduce impacts caused by our emissions to the environment, and we started conducting research to implement renewable energy sources.

These activities have led to an energy consumption of 9,222,273.20 GJ for the operations included in this report.

SPR of Pisco

In 2020, energy management focused on continue using clean energy in our smelting and refinery operations. For that purpose, we monitor compliance with indicators that are directly related to the tons of concentrate treated and/or the tons of obtained product.

We expect we will be able to maintain and ensure LPG availability in the next periods, and to improve our processes to optimize the use of energy.

Pucamarca MU

In the reporting period, our main energy management achievements were a responsible energy consumption that responded to our administrative and operating needs, and energy consumption according to our budget. This was achieved thanks to the monthly monitoring and follow-up of the main related indicators, such as: diesel, LPG, fuel and electric power consumption, as well as to the operational controls established and the preventive and corrective maintenance of our equipment.

THUS, IN 2020, THE ELECTRIC POWER RATE WAS MAINTAINED, FOR WHICH WE CONTROLLED THE BILLABLE COINCIDENT POWER WITH THE PEAK DEMAND OF THE NATIONAL INTERCONNECTED ELECTRIC SYSTEM. IN ADDITION, WE MET THE GUIDELINES ESTABLISHED IN THE CLIMATE CHANGE POLICY, SEEKING ENERGY EFFICIENCY BASED ON SUSTAINABILITY.

San Rafael MU

In San Rafael MU we have the energy sustainability indicator, which is monthly measured and assessed to identify energy-efficiency opportunities in our operation. Thus, we have meters that show us the main sources of energy consumption in our operation.

Thus, in 2020, the electric power rate was maintained, for which we controlled the billable coincident power with the peak demand of the National Interconnected Electric System. In addition, we met the guidelines established in the Climate Change Policy, seeking energy efficiency based on sustainability.

On the other hand, short term goals were set, such as continuing measuring our carbon footprint. In the medium term, we will optimize energy efficiency, reducing high consumption sources with new technologies. And, in the long term, we aim at setting a benchmark in sustainable energy management.

7.7 Respect for biodiversity
GRI 304 | GRI 304-2

SPR of Pisco

Although in the last years there has been no constructions outside the approved area, our goal is continue improving our processes' efficiency to prevent any negative impact that may occur, and we do not introduce non-native flora or wildlife. Afforested areas improve soil stability and contribute to the generation of healthy ecosystems.

In addition, we contribute to maintaining a healthy ecosystem, monitoring our operating processes; with operating equipment, gas treatment and measurement with the latest technology equipment, which allows us to carry out strict monitoring activities on an ongoing basis.

Pucamarca MU

In 2020, we started the construction of the PAD stage 4. This process has been approved in an environmental study, with the corresponding management considerations, that include but are not limited to:

- » Incorporation of supervision stations to monitor flora and wildlife in the adjacent area, where the future Caldero pit has been projected.
- » Monitoring of endangered species.
- » Bi-annual biologic monitoring, reporting to SERFOR, OEFA and MINEM authorities, both in rainy and dry seasons.
- » Land movement in the PAD 4 site footprint.
- » Training on biodiversity issues for our team.

San Rafael MU

In biodiversity management we implemented the Environmental Management Plan's prevention, control and mitigation measures, which allow ensuring the conservation of flora and wildlife species that are present in San Rafael MU, in its immediate surroundings, and which may be affected due to construction and operation activities. We

conduct activities to relocate species, to rescue them, and implement operating controls to protect them.

It is worth mentioning that due to the pandemic, the monitoring program had to be rescheduled because of the government provisions. However, we complied with the two monitoring activities assumed as part of our environmental commitment.

Furthermore, thanks to the ALS Laboratory, which is in charge of preparing the bi-annual reports, it has been verified that the biodiversity indexes are similar to those indicated in the baseline. There has also been a positive impact on the flora and wildlife as a result of small animal breeding activities and reforestation of green areas.

Mina Justa

In 2020, we have conducted more than 70% of our environmental monitoring commitments, without completing all of them due to the health crisis. This was possible thanks to the Participatory Environmental Monitoring and Surveillance Committee, which participates in biological monitoring activities, for which we decided to use online accompaniment. Moreover, we carried out partial monitoring of marine biology.

Considering the current construction stage of the project, we have identified the following impacts:

- » Use of the space for Project Footprint planning.
- » Earthmoving, which causes soil removal and emissions to the atmosphere.
- » Noise, due to machinery and equipment operation.
- » Alteration of the coastal desert habitat.
- » Loss of flora.
- » Alteration of the aquatic habitat due to the installation of the multibuoy terminal and the seawater intake terminal.



According to the analysis of the project’s impacts, their extent falls within the area of direct and indirect influence, which covers 11,040 hectares in total. The Project footprint is the one that will suffer direct impacts due to earthworks, with an area of 4,940 hectares.

Impacts on soil and habitat within the footprint area will be permanent. Impacts caused by noise, emission to the atmosphere, and the scaring away of wildlife will last for the medium term.

Pitinga MU

For biodiversity performance management, Pitinga MU has a management system that considers a database to monitor water, the monitoring of fixed sources (chimneys) and mobile sources (black smoke), as well as the final waste destination certificate. Moreover, we have internal and external audits, monitoring of superficial and groundwaters, of industrial and domestic effluents, among other instruments.

Though the Pitinga MU is not located in any conservation areas, it does borders the Uatumã biological reserve (to the south) and the Waimiri Atroari and Trombetas Mapuera indigenous reserves (to the East). In addition, since the Pitinga mine is in the Amazon biome, wild animals are usually seen in the access highways, operation area and villages. Thus, we have an internal procedure to guide all people circulating in the Pitinga complex.

- » The procedure addresses issues such as: sighting of and/or encounters with animals, as well as guidelines not to handle or approach them, preserving their safety and personal care.
- » Pitinga roads have signs for drivers to respect speed limits for their own safety and to avoid hitting animals.

We shall emphasize that, in the Hydropower license renewal process, IPAAM established the monitoring of flora and wildlife for a one-year period, with activities that started in September 2019.

For example, wildlife monitoring was conducted in Vila de Pitinga surroundings, as well as monitoring of water resources: surface and groundwaters, of industrial and domestic effluents, of fixed sources (chimneys) and mobile sources (black smoke). Pursuant to the Degraded Area Recovery Program, the flora is monitored with restoration and conservation actions.

No negative impacts affecting biodiversity were identified with these actions.

7.8 Closure plans
NO GRI CLOSURE PLANS

The sustainability approach is at all stages of our project: construction, operation, closure and post-closure. We design all our projects thinking, since the beginning, in their closure.

We are aware that closing operations cause economic, social and environmental impacts. Thus, in all our operations we assumed a commitment to comply with the provisions for the implementation of progressive closing, final closure and post-closure activities, to guarantee physical, geochemical, hydrological and biological stability of components.

These commitments are documented in the mine closure plans, which are regularly reviewed to ensure more reliability and good results for future generations.

Pucamarca MU

Pucamarca MU, is at the stage of progressive closure. In this context, no activities have been carried out in 2020 within the approved schedule for the Mine Closure Plan.

San Rafael MU

San Rafael is at the operation stage. Thus, no post-closure activities have been conducted. Bi-annual reports have been submitted to the General Directorate of Mining of the Ministry of Energy and Mining, and the progressive closure is being complied with pursuant to the second update of the Mine Closure Plan (MCP). The objective is keeping the MCP updated according to the new components approved in the last Environmental Management Instrument (EMI) and complying with the closure schedule.

Mina Justa

Since it is still at the construction stage, progressive closure activities have not yet began. However, an Amendment to the Closure Plan has been approved by DR 089-2019-MEM-DGAAM, on June 14, 2019. The amount presented in the amendment is US\$ 41’137,554.

WE ARE AWARE THAT CLOSING OPERATIONS CAUSE ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS. THUS, IN ALL OUR OPERATIONS WE ASSUMED A COMMITMENT TO COMPLY WITH THE PROVISIONS FOR THE IMPLEMENTATION OF PROGRESSIVE CLOSING, FINAL CLOSURE AND POST-CLOSURE ACTIVITIES, TO GUARANTEE PHYSICAL, GEOCHEMICAL, HYDROLOGICAL AND BIOLOGICAL STABILITY OF COMPONENTS.

SPR of Pirapora

The Mine Closure Plan considers the Mining Plan or the Economic Use Plan and Tailings and Waste Disposal Plan. Furthermore, it includes the Definition of the Future Scenario for closing units, dismantling/plant closure actions, as well as contractual aspects and commitments with governmental agencies or stakeholders applicable to the closure.

Pitinga MU

The Mine Closure Plan (MCP) is reviewed periodically, analyzing all possible risks to identify new elements, thus ensuring more reliability and good results for future generations. The MCP includes demobilization of equipment, mitigation of environmental liabilities, as well as problems related with environmental and social issues.

The principles that supported the MCP are appropriate for the scenario, aligned with legal requirements and integrated to the company’s commercial strategy. The Brazilian agency that regulates mining activities in the country requires that the document is submitted within 5 years before the mine closure.

8 ON THIS SUSTAINABILITY REPORT

GRI 102-50 | GRI 102-52 | GRI 102-54

This is our seventh sustainability report, it is published annually. It covers the period from January 1 to December 31, 2020. This Report has been prepared in accordance to the “core” option of the Global Reporting Initiative (GRI) standards, and pursuant to the ICMM Principles. Price Waterhouse Cooper (PWC) was in charge of the external verification of this report, and its verification letter is attached to the document hereof.

It covers Minsur’s operations in Peru (San Rafael MU, Pucamarca MU, SPR of Pisco, Mina Justa expansion project) and in Brazil (including Pitinga MU and SPR of Pirapora). When relevant, this Report refers to the exploration and expansion projects; as well as to the mines at a closure stage.

GRI 102-53

For more information on our organization and our sustainability management, please contact us at asuntoscorporativos@minsur.com.



9 GRI INDEX

GRI 102-55



For the Materiality Disclosure Services, GRI Services has reviewed that the table of contents is clear, and that the reference for Contents 102-40 to 102-49 correspond to the sections indicated in the report.

GRI standard	Thematic content	Page	Omissions or observations	ICMM PRINCIPLE	ODS
Foundation					
GRI 101: Foundation	-				
General Disclosures					
GRI 102: General Disclosures 2016	102-1: Name of the organization	29			
	102-2: Main brands, products and services	34			
	102-3: Location of headquarters	4			
	102-4: Location of operations	29			
	102-5: Ownership and legal form	29			
	102-6: Markets served	34			
	102-7: Scale of the organization	17, 34			
	102-8: Information on employees and other workers	Annex 18			8
	102-9: Supply chain	34			
	102-10: Significant changes to the organization and its supply chain	34			
	102-11: Precautionary principle or approach	60-63			
	102-12: External initiatives	Annex 3			
	102-13: Membership of associations	Annex 3			

GRI standard	Thematic content	Page	Omissions or observations	ICMM PRINCIPLE	ODS
	102-14: Statement from senior decision-makers	6-9			
	102-16: Values, principles, standards and norms of behavior	20-21			16
	102-18: Corporate governance structure	36-37			
	102-40: List of stakeholders	Annex 7			
	102-41: Collective bargaining agreements	52			
	102-42: Identification and selection of stakeholders	Annex 7			
	102-43: Approach to stakeholder engagement	Annex 7			
	102-44: Key topics and concerns raised	Annex 7			
	102-45: Entities included on the consolidated financial statements	29			
	102-46: Defining report content and topic boundaries	26-28			
	102-47: List of material topics	Annex 6			
	102-48: Restatement of information	There was no restatement of information			
	102-49: Changes in reporting	There was no restatement of information			
	102-50: Reporting period	78			
	102-51: Date of the most recent report 71 2018	2019			
	102-52: Reporting cycle	78			
	102-53: Contact point for questions regarding the report	78			
	102-54: Claims of reporting in accordance with the GRI standards	78			
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Specific contents					
Economic performance					
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	103-2: The management approach and its components	33			
	103-3: Evaluation of the management approach	33			
GRI 201: Economic performance 2016	201-1: Direct economic value generated and distributed	Annex 5			2, 5, 7, 8, 9

GRI standard	Thematic content	Page	Omissions or observations	ICMM PRINCIPLE	ODS
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
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	103-3: Evaluation of the management approach	54			
GRI 201: Economic performance 2016	203-1: Infrastructure investments and supported services	54-57			2, 5, 7, 9, 11
Procurement practices					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	35			
	103-3: Evaluation of the management approach	35			
GRI 204: Procurement practices 2016	204-1: Proportion of spending on local suppliers	Annex 10			12
Anticorruption					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	37			
	103-3: Evaluation of the management approach	37			
GRI 205: Anticorruption 2016	205-3: Confirmed incidents of corruption and actions taken	37			16
Materials					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	69			
	103-3: Evaluation of the management approach	69			
GRI 301: Materials 2016	301-1: Materials used by weight or volume	Annex 12			13, 14, 15
Energy					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	74			
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GRI standard	Thematic content	Page	Omissions or observations	ICMM PRINCIPLE	ODS
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GRI 303: Water and effluents 2018	303-1 Interaction with water as a shared resource	64-66			
	303-2 Management of impacts related to discharges of water	64-66			
	303-3 Water extraction	Annex 15			6
	303-4 Water spillage	Annex 15			6
	303-5 Water spillage	Annex 15			6
Biodiversity					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	75-76			
	103-3: Evaluation of the management approach	75-76			
GRI 304: Biodiversity 2016	304-2: Significant impacts of activities, products and services of biodiversity	75-76			6, 14, 15
Emissions					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	70-73			
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GRI 305: Emissions 2016	305-1: Direct (scope 1) GHG emissions	Annex 16			3, 12, 13, 14, 15
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	305-4: GHG emissions intensity	Annex 16			3, 12, 13, 14, 15
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	66-68			
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GRI standard	Thematic content	Page	Omissions or observations	ICMM PRINCIPLE	ODS
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	306-3 Waste generated	Annex 17			3, 6, 12
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	103-2: The management approach and its components	38			
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GRI 307: Environmental compliance 2016	307-1: Non-compliance with environmental laws and regulations	Annex 9			16
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	35			
	103-3: Evaluation of the management approach	35			
GRI 308: Supplier environmental assessment 2016	308-1: New suppliers that were screened using environmental criteria	Annex 10			
Employment					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	46-47			
	103-3: Evaluation of the management approach	46-47			
GRI 401: Employment 2016	401-1: New employment hires and employee turnover	Annex 19			5, 8
Occupational health and safety					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	40-45			
	103-3: Evaluation of the management approach	40-45			

GRI standard	Thematic content	Page	Omissions or observations	ICMM PRINCIPLE	ODS
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	40-42			
	403-2 Hazard identification, risk assessment and incident investigation	42			
	403-3 Occupational health services	43			
	403-4 Worker participation, consultation and communication on health and safety at work	43			
	403-5 Training of workers on health and safety at work	Annex 11			
	403-6 Promotion of workers health	44			
	403-7 Prevention and mitigation of impacts on the health and safety of workers directly linked through commercial relationships	42			
	403-8 Workers covered by an occupational health and safety management system	42			
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	48			
	103-3: Evaluation of the management approach	48			
GRI 404: Education and training 2016	404-1: Average hours of training per year per employee	Annex 20			4, 5, 8
	404-3: Percentage of employees receiving regular performance and career development reviews	Annex 20			4, 5, 8
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
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GRI 405: Diversity and equal opportunities 2016	405-1: Diversity of the board of directors and collaborators	Annex 21			
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	47			
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GRI standard	Thematic content	Page	Omissions or observations	ICMM PRINCIPLE	ODS
GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	47			5, 8, 16
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	52			
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GRI 407: Freedom of association and collective bargaining 2016	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	52			8
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	50			
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GRI 408: Child labor 2016	408-1: Operations and suppliers at significant risk for incidents of child labor	50			8, 16
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	50			
	103-3: Evaluation of the management approach	50			
GRI 409: Forced or compulsory labor 2016	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	50			8
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	51			
	103-3: Evaluation of the management approach	51			
GRI 410: Security practices 2016	410-1: Security personnel (Surveillance) trained in human rights policies or procedures, as well as support forces (police / armed forces).	51			16

GRI standard	Thematic content	Page	Omissions or observations	ICMM PRINCIPLE	ODS
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	103-2: The management approach and its components	57			
	103-3: Evaluation of the management approach	57			
GRI 411: Rights of indigenous peoples 2016	411-1: Incidents of violations involving rights of indigenous peoples	57			
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	50			
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GRI 412: Human Rights assessments 2016	412-2: Employee training on human rights policies or procedures	50			
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	53			
	103-3: Evaluation of the management approach	53			
GRI 413: Local communities 2016	413-1: Operations with local community engagement, impact assessment and development programs	53			
Supplier social assessment					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	35			
	103-3: Evaluation of the management approach	35			
GRI 414: Supplier social assessment 2016	414-1: New suppliers that were screened using social criteria	Annex 10			16
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	37			
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GRI standard	Thematic content	Page	Omissions or observations	ICMM PRINCIPLE	ODS
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	77			
	103-3: Evaluation of the management approach	77			
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	24-25			
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	103-2: The management approach and its components	18			
	103-3: Evaluation of the management approach	18			
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
	103-2: The management approach and its components	58			
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GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundaries	Annex 6			
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	103-2: The management approach and its components	18			
	103-3: Evaluation of the management approach	18			



MINSUR S.A.

INDEPENDENT PRACTITIONER’S LIMITED ASSURANCE REPORT

DECEMBER 31, 2020

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INDEPENDENT PRACTITIONER’S LIMITED ASSURANCE REPORT ON THE IDENTIFIED
SUSTAINABILITY INFORMATION INCLUDED IN THE 2020 SUSTAINABILITY REPORT

Shareholders and Board of Directors

June 25, 2021

We have undertaken a limited assurance engagement on the topics (hereinafter, objects of limited assurance scope) that are detailed below, for the year ended December 31, 2020 (hereinafter, the year under review), included in the 2020 Sustainability Report (hereinafter, IS20) of Minsur S.A. This assurance was conducted by a multidisciplinary team including auditors and sustainability experts.

- a. The performance indicators included in the IS20 of Minsur S.A. issued by the Administration, both in its printed version and PDF¹ version, described in GRI Index of each report (section 13) and the declaration of Minsur S.A. included in IS20 regarding its filing in accordance with the “Essential” option of the GRI Standards in its 2016 version and based on the Assurance Procedure of the International Council on Mining and Metals (hereinafter, ICMM).

Our verification with limited assurance scope is carried out with respect to the limited assurance objects that respond to the criteria described in GRI Index of IS20; we have not performed any procedure with respect to other elements included in said objects and; therefore, we do not express a conclusion on said elements.

Criteria

The criteria used by Minsur S.A. to prepare the before mentioned objects were established in accordance with the terms and conditions set forth in the Global Reporting Initiative Standards (GRI) and based on the Assurance Procedure of ICMM; and with the formalized procedures that, in relation to these indicators, the Administration defined as a complement to the aforementioned in GRI, which are detailed in GRI Index of IS20 .

¹ The maintenance and integrity of the Minsur S.A. website (<https://www.minsur.com/>), objective repository of the pdf version of the 2020 Sustainability Report, is the responsibility of the Minsur S.A. Administration. This limited assurance report does not include the consideration of these activities and, accordingly, Gaveglío Aparicio y Asociados S. Civil de R.L. accepts no responsibility for any difference between the information presented on said website and the objects of limited assurance in the Report issued by the Administration of Minsur S.A. on which said limited assurance was made and the conclusion was issued.

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Management’s responsibility for assurance objects

The Administration of Minsur S.A. is responsible for the preparation and presentation of the objects of limited assurance, in accordance with the criteria detailed in GRI Index of IS20. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the assurance objects that are free from material misstatements, whether due to fraud or error.

Our independence and quality control

We have complied with the ethical and independence requirements of the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants (IESBA), approved for application in Peru by the Board of Deans of Peruvian Certified Public Accountants, which is based on the principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our Firm applies the International Standard on Quality Control 1 (ISQC 1) and, therefore, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the objects of assurance based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagement ISAE, specifically ISAE 3000, 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', approved for application in Peru by the Board of Deans of Peruvian Certified Public Accountants. This standard require that we plan and perform this engagement to obtain limited assurance about whether the objects of limited assurance are free from material misstatement.

A limited assurance engagement involves assessing the suitability, in the circumstances, of the use of criteria by Minsur S.A. as a basis for the preparation of limited assurance objects, assessing the risks of material misstatement in them, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of said objects.

The procedures we performed were based on our professional judgment and included inquiries, observation of the developed processes, inspection of documents, and reconciling with underlying documents. Given the circumstances of the engagement, in performing the procedures listed above we:

- a. Understanding the tools used to generate, aggregate and report limited assurance objects through inquiries with those responsible for related processes.
- b. Substantive tests of detail, on the basis of determined selection in accordance with assurance standards, on the information taken to determine the indicators subject to limited assurance through:
 - i. Review of policies and procedures established by Minsur S.A.



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- ii. Review of supporting documents of internal and external origin.
- iii. Arithmetic calculations according to formulas previously defined in the information criteria presented in Index GRI of IS20.
- iv. Comparison of the contents presented by the Administration in its IS20 with what is established in this regard in the “Essential” option of the GRI Standards in its 2016 version and the Assurance Procedure of ICMM.

The procedures for collecting evidence in a limited assurance engagement vary in nature and extent from a reasonable assurance engagement and, therefore, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained in a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, as well as procedures performed in response to the assessed risks. Accordingly, we do not express a reasonable assurance opinion about whether the limited assurance objects of Minsur S.A. have been prepared, in all material aspects, in accordance with the criteria detailed in GRI Index of IS20.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion with limited assurance scope.

Conclusion

Based on the procedures we have performed and the evidence we have obtained:

- Nothing has come to our attention that causes us to believe that the performance indicators included in IS20, regarding the information that responds to the assurance criteria described in GRI Index of IS20, are not prepared, in all material aspects, in accordance with these criterias.
- Nothing has come to our attention that causes us to believe the statement of Minsur S.A. included in IS20 regarding its presentation in accordance with the “Essential” option of the GRI Standards and the Assurance Procedure of ICMM, regarding information which responds to the assurance criteria described in GRI Index of IS20, is not prepared, in all material aspects, in accordance with these criterias.

Relevant Issues

Without qualifying our opinion, it stands out that:

- Qualitative interpretations of relevance, materiality and accuracy of non-financial information that comprises the objects of limited assurance are subject to the criterias that the organization has defined internally for this purpose.
- Our assurance is carried out on the objectives of limited assurance corresponding to the year under review and, therefore, it does not include information from previous years included in IS20, related to future projections and goals, or with financial information from Minsur S.A. for the year under review, unless otherwise stated in GRI Index of IS20. We have not made any



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work outside the agreed scope and, therefore, our conclusion is restricted to the objects of assurance that respond to the assurance criteria described in GRI Index of IS20.

The absence of a significant body of defined criterias on which to draw to evaluate non-financial information, allows different methods and measures that can affect comparability with other entities. In addition, GHG quantification is subject to inherent uncertainty to determine emissions factors and the values needed to combine emissions of different gases

Use and distribution

This report, including the conclusion, has been prepared by Management to present to the Executive Directorate of Minsur S.A. in the framework of information on their performance and activities in the IS20. We authorize the publication of this report within the Sustainability Report.

To the extent permitted by law, we do not accept or assume responsibility for our work or for this report against third parties other than the Executive Directorate of Minsur S.A., unless expressly agreed terms and prior written knowledge.

Integris Apurisco y Asociados

Countersigned by

----- (partner)
Juan M. Arrarte
Peruvian Certified Public Accountant
Registration No. 01-020621

