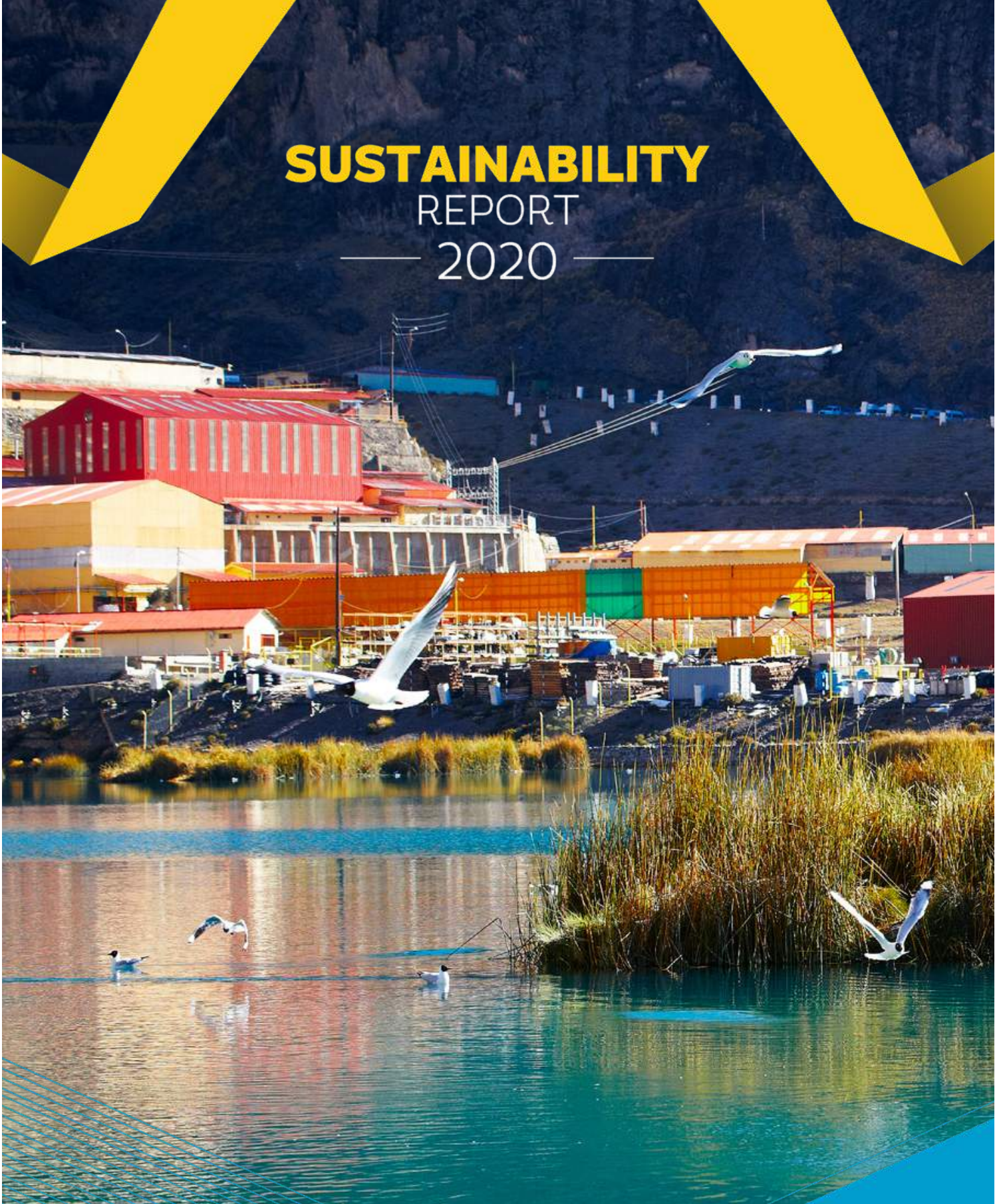


SUSTAINABILITY REPORT — 2020 —





GRI 102-3**Minsur S. A.**

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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.

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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".



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

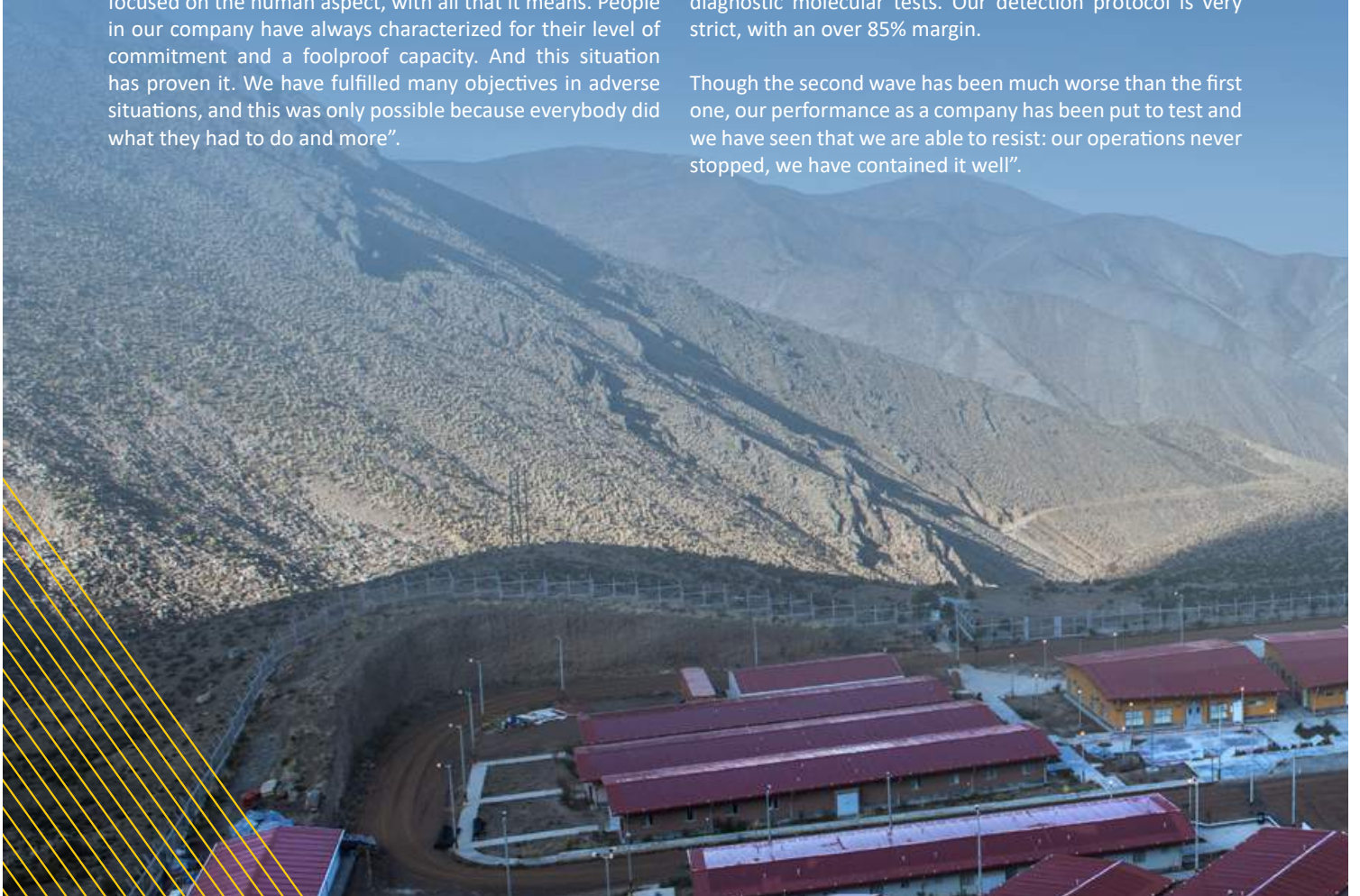
Corporate Supervisor of Health and Hygiene

“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”.



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”.



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.

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.



3.3 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.



3.4 Standards and rules of conduct of our company

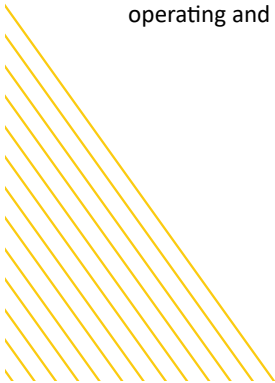
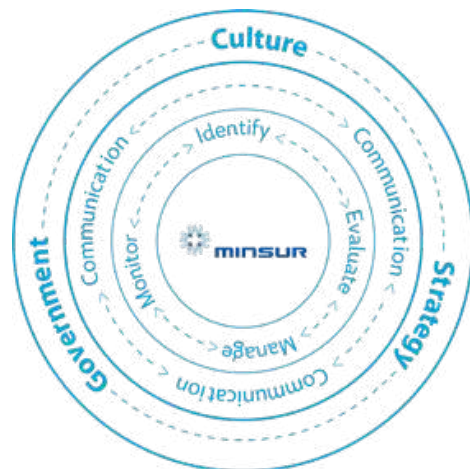


Legal and Regulatory Compliance Management, in coordination with the Human Resources Management and other corporate areas is responsible for supervising that our rules of conduct and standards are met. These documents are disseminated through communications, training, meetings and newsletters.

3.5 Risk management

NO GRI RISK MANAGEMENT

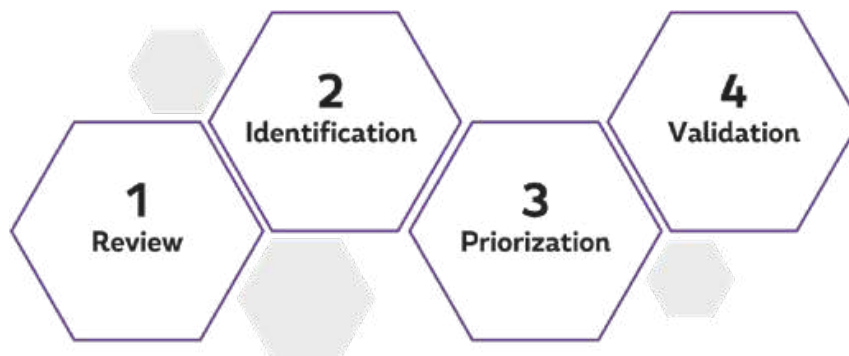
We have a risk management system supported on three great pillars: organizational culture, strategic objectives and governance. This management is supported by communication at all levels of the organization, so that we can plan, identify, assess, manage and monitor our company's operating and strategic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



3.6 Materiality assessment

GRI 102-46

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.



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.



4.1 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).



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: Huaura 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

Commercialization

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

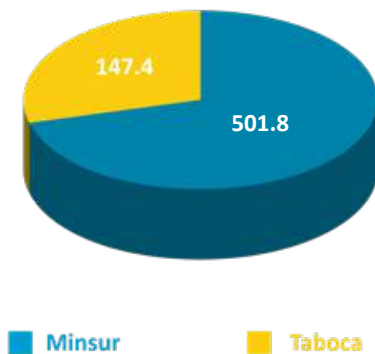
Despite the challenges posed by the COVID-19 pandemic, close coordination and constant communication -both on the government’s decisions as well as on our internal measures- were essential to minimize the impact on our customers. The largest demand of tin in the last quarter of 2020 allowed us to deliver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

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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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.



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.



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.



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.





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.

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.



6.2.4 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.



6.3.2 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.

6.3.2.4 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.

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.

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.



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 desert 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

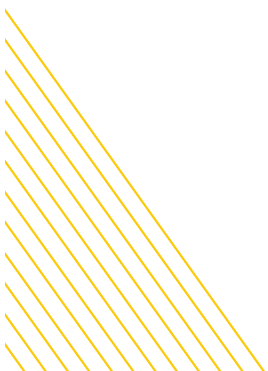
We extract water from 7 groundwater wells and 1 surface water well in the area of the Azufre River. We have an Environmental Management Plan to efficiently control this resource, and we conduct monthly monitoring. In 2020 we worked on different initiatives to achieve the following:

- » 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.



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

7.3 Tailings and mining waste management

NO GRI MINING WASTE

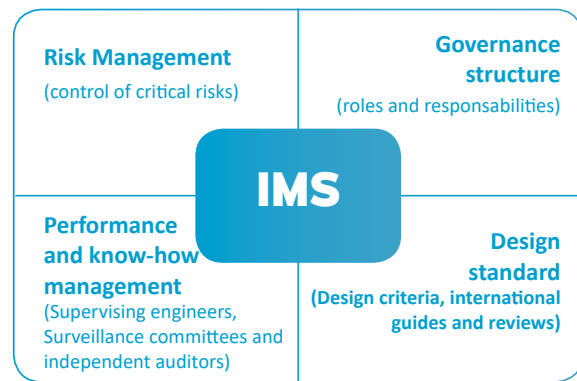
Our operations have infrastructure to minimize the environmental impact of our tailings and mining waste. All our processes aim at reducing the presence of waste in the surface and increase its reuse, with scheduled environmental closure activities at the end of operations

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.



7.5 Emission management

GRI 305

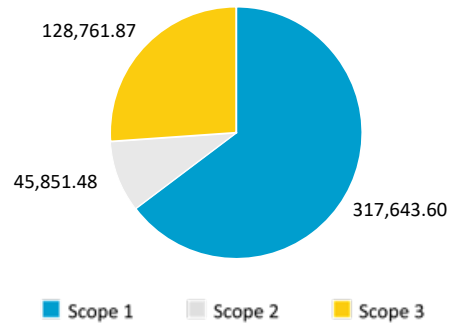
We think it is very important to adopt urgent measures to address climate change and its negative impacts. To do this, we have implemented mechanisms that allow reducing emission generated when developing our activities. Thanks to our dust and gas control measures, as proven by our monitoring results, 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.

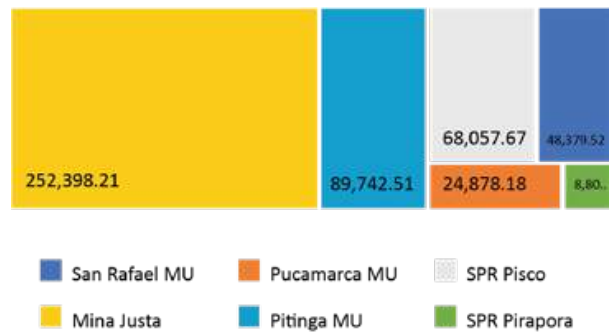
Based on our commitment, we measure our carbon footprint since 2017 and, in 2020 we started an audit process to certify our carbon footprint measurements corresponding to 2017, 2018, 2019 and on. It is worth mentioning that our carbon footprint has been measured under the standards of ISO 14064-1 and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



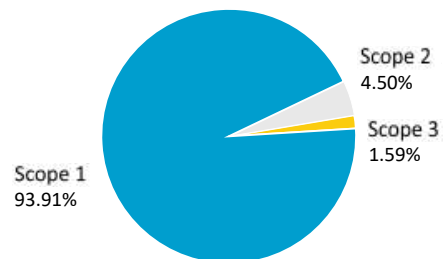
GHG emissions per operation



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).

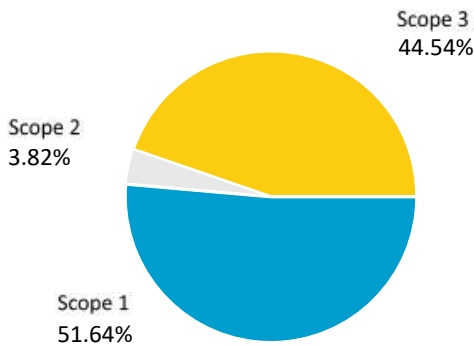
GHG emissions in SPR Pisco



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

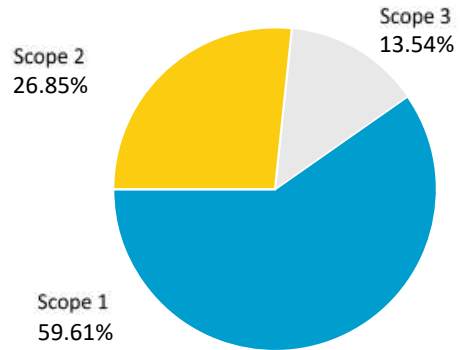


For 2021 we have projected starting commercial operations in Mina Justa. Thus, we are working to automate our carbon footprint measurement, so that we are able to identify the main emission sources and take actions to mitigate impacts.

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

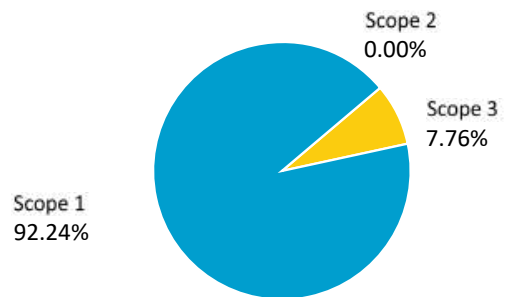


Aiming at better controlling and measuring emissions, the company has prepared a report on emissions -made by an external laboratory- and has implemented visual inspections.

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



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.





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.

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.



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			
	102-55: GRI content index	79-87			
	102-56: External verification	88-89			
Specific contents					
Economic performance					
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	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
Water and effluents					
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	64-66			
	103-3: Evaluation of the management approach	64-66			
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			
	103-3: Evaluation of the management approach	70-73			
GRI 305: Emissions 2016	305-1: Direct (scope 1) GHG emissions	Annex 16			3, 12, 13, 14, 15
	305-2: Energy indirect (scope 2) GHG emissions	Annex 16			3, 12, 13, 14, 15
	305-3: Other indirect (scope 3) GHG emissions	Annex 16			3, 12, 13, 14, 15
	305-4: GHG emissions intensity	Annex 16			3, 12, 13, 14, 15
Waste					
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			
	103-3: Evaluation of the management approach	66-68			

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			
	403-9 Work accident injuries	44			3, 8
	403-10 Dolencias y enfermedades laborales	44-45			3, 8
Education and training					
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
Diversity and equal opportunities					
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			
	103-3: Evaluación del enfoque de gestión	47			
GRI 405: Diversity and equal opportunities 2016	405-1: Diversity of the board of directors and collaborators	Annex 21			
Non-discrimination					
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			
	103-3: Evaluation of the management approach	47			

GRI standard	Thematic content	Page	Omissions or observations	ICMM PRINCIPLE	ODS
Rights of indigenous peoples					
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	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			
Human Rights assessments					
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 412: Human Rights assessments 2016	412-2: Employee training on human rights policies or procedures	50			
Local communities					
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
Public policies					
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			



MINSUR S.A.

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

DECEMBER 31, 2020



October 23, 2020
Minsur S.A.
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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 requires 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.



June 25, 2021
Minsur S.A.
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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.

Jorge's Apuricio y Asociados

Countersigned by

A handwritten signature in black ink, appearing to read 'Juan M. Arrarte', is written over a light gray rectangular background.

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

