



HOCHSCHILD
BEYOND MINING

Committed to a Better World

Hochschild Mining PLC
2020 Sustainability Report



Welcome to our 2020 Sustainability Report

Welcome to Hochschild Mining PLC's 2020 Sustainability Report, which reflects our ongoing commitment to responsibility, as well as the steps we are continually taking to better measure our impact and improve our sustainability performance.



About this report

This report has been produced to provide our stakeholders with a transparent account of our ongoing responsibility journey and the sustainability topics of most importance to our business. Our Annual Report includes additional information about the management, operations and financial performance of Hochschild Mining PLC for the same reporting period.

Hochschild's Chief Executive Officer and senior management team have led the preparation of this report which has been reviewed and approved by the Chair of the Sustainability Committee.

Scope and boundary

The information in this report covers the sustainability activities and performance of Hochschild Mining for the financial year 1 January 2020 to 31 December 2020. Company-wide policies and activities at all our operations, including the subsidiaries and joint ventures over which Hochschild has management control or acts as operator, are covered in this report.

This report has been prepared in accordance with the 'Core' option of the Global Reporting Initiative Standards ('GRI'), which are the globally recognised standards for sustainability reporting and disclosure. For further information, please refer to the GRI Content Index in the appendix.

For more information

You can read more at www.hochschildmining.com. If you would like further information or to provide any feedback, email us at info@hocplc.com.

We look forward to hearing from you.



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hochschildmining.com

CHAIRMAN'S INTRODUCTION

“Welcome to our 2020 Sustainability Report. Since our Company’s inception, we have been building a responsible culture that values and supports environmental, social and governance matters.”



“We take enormous pride in managing our business in a way that ensures returns to all stakeholders, including our employees and the communities surrounding our operations.”

Eduardo Hochschild
Chairman

I am delighted to present Hochschild Mining PLC's 2020 Sustainability Report. We recognise that sustainability is a vital consideration at all stages of the mine cycle – from exploration to construction, extraction and closure – and as such, has been a key pillar of Hochschild's corporate purpose for many years.

Since our listing on the London Stock Exchange in 2006, we have come a long way on our journey to becoming a company more focused on sustainability with significant achievements along the way. We will continue to invest our time, resources and energy to generate long-term stakeholder value through the transparent delivery of key minerals and a commitment to creating a positive impact and contributing to a better world. We have an exciting journey ahead and I look forward to reporting on our progress.

Finally, shortly prior to issuing this report, a tragic accident took place in southern Peru involving our transport contractor which claimed the lives of 26 people who worked at our Pallancata operation. The entire organisation has been deeply affected by this very sad and unprecedented incident and the management team has been doing everything possible to investigate its circumstances and provide a wide range of support measures to everyone affected. We have of course been fully supporting the local authorities and the contractor with their respective accident investigations. As you will see in this report, our Company adopts a rigorous framework of safety protocols which cover all aspects of our business. The safety of everyone who works at Hochschild is our highest priority.

Eduardo Hochschild
Chairman



LETTER FROM THE CEO

“Guided by our purpose – ensuring responsible and innovative mining committed to a better world – we endeavour to maintain and reinforce our corporate values, which are centred on the wellbeing of our employees, the environment and the communities in which we operate.”

Ignacio Bustamante
Chief Executive Officer



This Sustainability Report highlights the achievements and challenges of 2020 and our vision for 2021 and beyond.

Responding to the challenges of Covid-19

2020 was a year of unprecedented challenge as a result of the global Covid-19 pandemic, which remains the most pressing operational risk for the Company. Protecting the health and safety of our people was our first priority, and we took immediate and decisive action in early March 2020 to halt our Peruvian operations and exploration programmes. I am incredibly proud of our Company's resourcefulness in these very challenging times and I would like to say a heartfelt thank you to all our employees for their continued dedication and efforts over the past year in such difficult circumstances.

Safety continues to be our number one priority

Amplified by the pandemic, our people's safety and wellbeing was more important than ever. We take our responsibilities to safety extremely seriously and dedicate significant resources to promoting a 'safety-first' culture, initially established through our Safety Culture Transformation Plan (the 'Safety Plan') which, since its launch in 2017, has resulted in significant improvements.

In spite of our progress in reducing injury rates and improving safety metrics across the Company, it is with deep regret that an accident at our Pallancata mine during the first quarter of 2020 resulted in a fatality. This tragic event reminds us of the inherent dangers of mining and makes us even more determined to continually reinforce our controls, promote the right behaviour and deeply embed a safety culture throughout the organisation. No other goal than zero harm is acceptable and with each safety incident we learn and adapt our internal processes and culture accordingly, to reduce the risk of repeating occurrences.

Creating the right culture

Establishing Company-wide cultural attributes has been fundamental to our approach in recent years and one of the key attributes is responsibility. As I mentioned above, our Safety Plan brought about impressive improvements and we have been aiming to replicate this success in managing our environmental footprint.

In 2020, we took the first steps in implementing an Environment Culture Transformation Plan, working with external consultants to further embed an environmentally conscious culture across the Company. These efforts are ultimately aimed at continually reducing our consumption of vital natural resources. Indeed, this is an area where we are already demonstrating strong performance, achieving our best ECO Score to date in 2020. We plan to build on this success in 2021 and beyond.

Keeping our communities connected

We recognise the responsibility we have to our host communities, and being respectful neighbours is one of our core values. Delivering our flagship community programmes was more important than ever in 2020, and so we revised our community relations strategy to be able to adapt to the new circumstances. In addition to providing basic community necessities including food, cleaning products, and Personal Protective Equipment ('PPE'), we concentrated our resources to establish internet connection across 13 communities. This meant we were able to successfully continue delivering our educational, health and economic development programmes, whilst keeping families connected during the crisis.

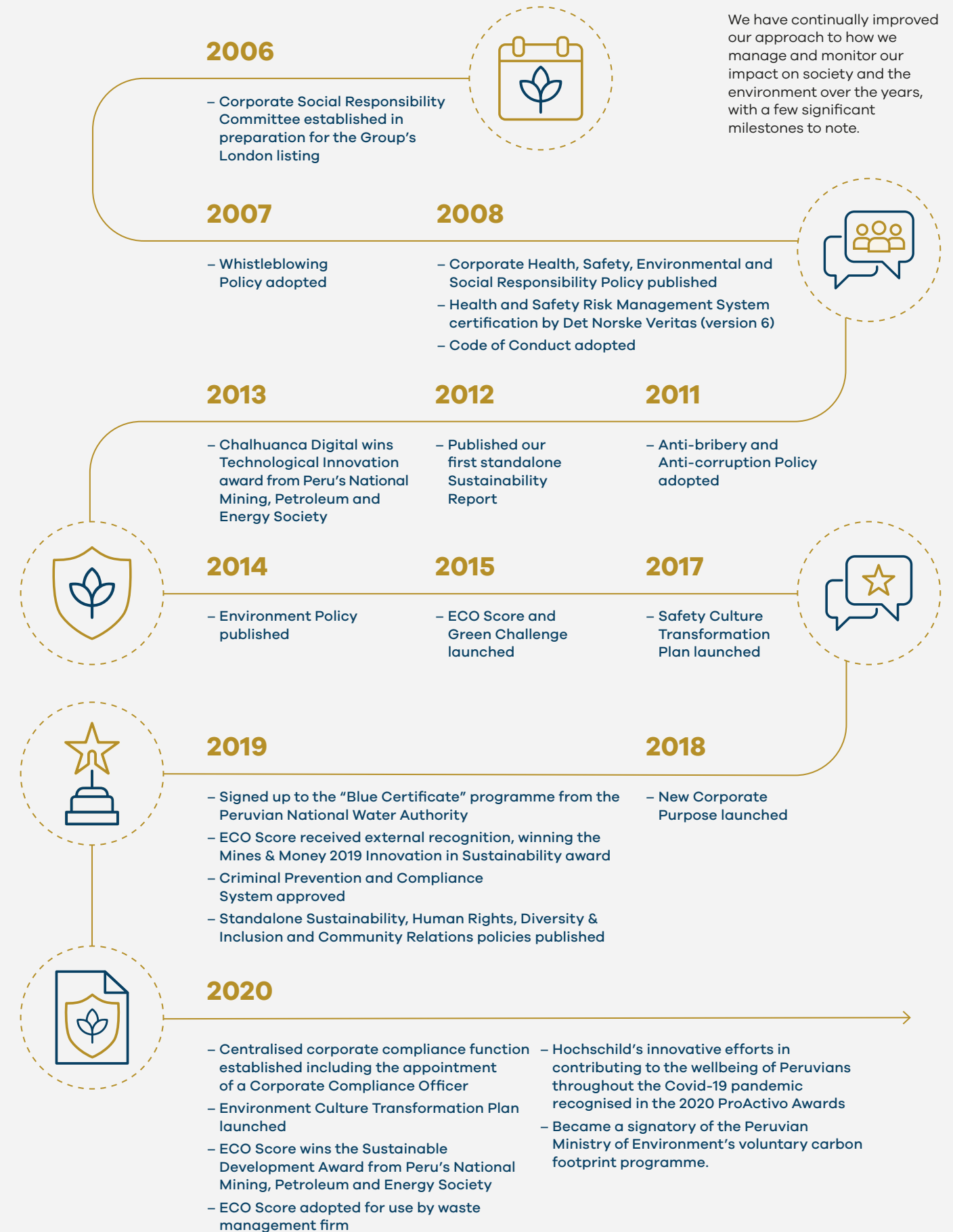
Looking ahead: Mining for a better world

Our purpose remains clear and our commitment to sustainability remains absolute. However, we recognise there is always room for improvement and that we must continue to evolve and adapt. Transparent and open engagement with our stakeholders will continue to be fundamental to the safe and responsible running of our business and, as such, we will need your support along the way.

I invite our readers to learn more about our current approach to sustainability, our business and its challenges and our future aspirations. We welcome your feedback and I look forward to communicating developments as the year progresses.

Ignacio Bustamante
CEO

Hochschild's sustainability milestones



ABOUT HOCHSCHILD

Overview

With over 100 years of operating experience in the Americas, Hochschild is a leading underground precious metals mining company, focusing on the exploration, mining, processing and sale of gold and silver.

We own six sites in Peru: Ares and Arcata (Arequipa), Selene (Apurimac), Inmaculada and Pallancata (Ayacucho), and Sipan (Cajamarca). In Argentina, we are the majority shareholder and operator of the San Jose mine in the Santa Cruz province. In Chile, we own the Volcan gold project in the Maricunga region and the Biolantanidos rare earths deposit in Concepción, Chile.

We currently have three underground mines in operation: Inmaculada and Pallancata in Peru and San Jose in Argentina. All of our underground operations are epithermal vein deposits and the principal mining method used is cut and fill.

Hochschild is listed on the Main Market of the London Stock Exchange and is headquartered in Lima, Peru. In addition, we have offices in Argentina (Buenos Aires), Chile (Santiago and Concepción) and the UK (London).

Operational sites

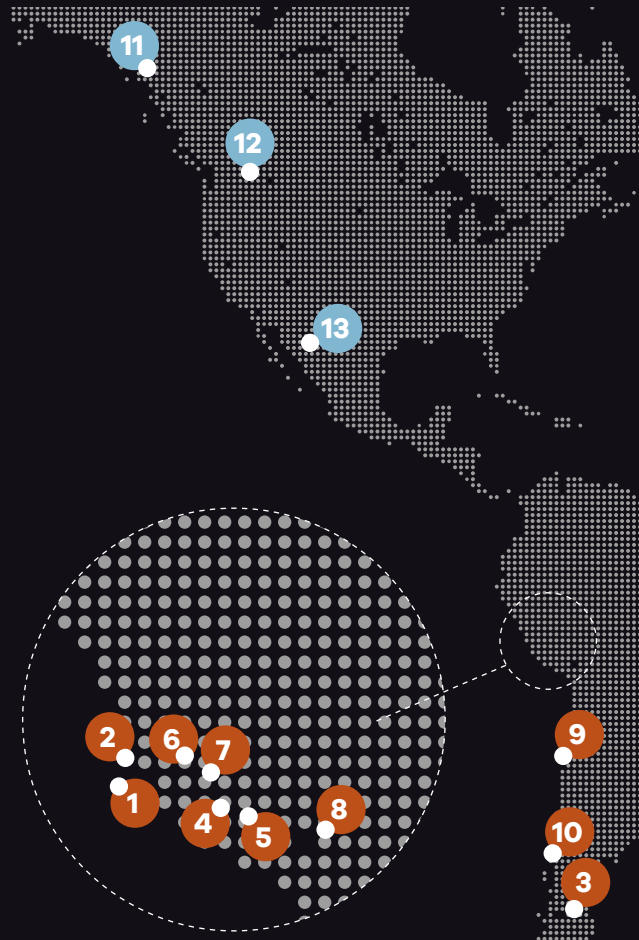
- 1 Inmaculada (Peru)
- 2 Pallancata (Peru)
- 3 San Jose (Argentina)

Exploration projects

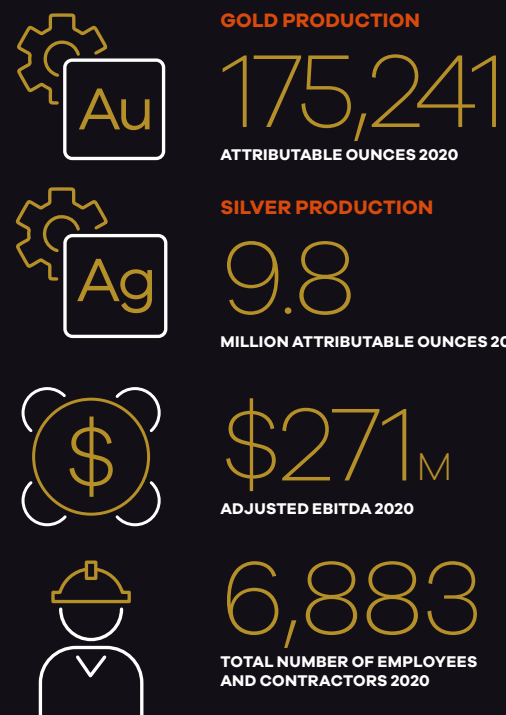
- 4 Arcata (Peru)
- 5 Ares (Peru)
- 6 Azuca (Peru)
- 7 Crespo (Peru)
- 8 Condor (Peru)
- 9 Volcan (Chile)
- 10 Biolantanidos (Chile)

Exploration sites

- 11 Snip (Canada)
- 12 Cooke Mountain (US)
- 13 Sarape (Mexico)



Our business at a glance



Our purpose

"Responsible and innovative mining committed to a better world."

Our vision

is for responsibility and innovation to underpin our strategy. We are focused on generating long-term stakeholder value through the transparent delivery of key minerals and a commitment to creating a positive impact on the world.

Our corporate values

reflect our purpose and guide our day-to-day conduct, providing the foundation of our culture and what it means to work at Hochschild. They are the fundamental basis of our sustainability management system along with our Code of Conduct and Group policies.

Innovation

Inspiring others

Recognising talent

Seeking efficiencies

Demonstrating responsibility

Introduction

A responsible business

Safety and our people

The environment

Our communities

Appendix

2020 Sustainability highlights

3.34

TCO₂E/KOZ AG EQ
CARBON EMISSIONS INTENSITY

5.74/6

BEST EVER ECO SCORE (2019: 4.82)

ZERO

ENVIRONMENTAL INCIDENTS
(2019:6)

\$13.3m

GOODS AND SERVICES PROCURED FROM
COMMUNITY RUN-BUSINESSES (2019: US\$8.4M)

13

LOCAL COMMUNITIES CONNECTED
TO THE INTERNET

86%

WATER REUSED & CIRCULATED
(2019: 86%)

>1,400

STUDENTS IN LOCAL COMMUNITIES
SUPPORTED THROUGH ONLINE
LEARNING

EXTERNAL AWARDS AND RECOGNITION

ECO Score was selected as the winner of the Peruvian National Oil and Energy Mining Society's Sustainable Development Award.



Recognised for our innovative efforts in contributing to the wellbeing of Peruvians throughout the Covid-19 pandemic.



Ranked in 8th place out of 39 mining companies across Latin America for progress on driving gender equality.



Ranked in 27th place out of 100 companies with the greatest capacity to attract and retain talent in Peru. In addition, we were ranked 3rd in our sector.

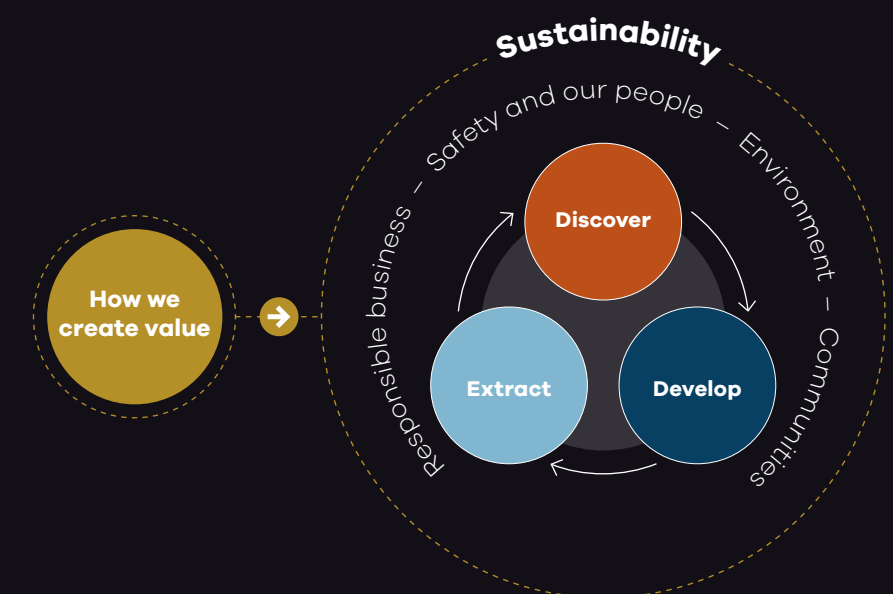


Our approach to sustainability

Our long-term business model was developed to not only offer an attractive investment proposition for our shareholders, but also as part of our commitment to making a better world for our workforce, communities and society as a whole. We seek to create long-term value through safe, innovative and environmentally sound operations.

Sustainability is a vital consideration at all stages of the mine cycle – from exploration to extraction, and construction to closure, and a strategic imperative for the Company.

To ensure our values are adhered to, we have adopted a number of policies over the years, which demonstrate our commitment to the areas in which we can make the most difference, underpinned by our consideration of the United Nations Sustainability Development Goals.



Hochschild's contribution to the Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a universal call to action to address some of the world's most pressing sustainability issues, now and into the future. At its heart are the 17 Sustainable Development Goals ('SDGs') – an ambitious set of goals aimed at ending poverty, improving health and wellbeing and ending inequality – all whilst tackling climate change and working to preserve our oceans and forests.

We support the UN's 2030 Agenda for Sustainable Development and recognise that meeting the ambitions they set out will require the co-operation of governments, civil society and businesses around the world. As such, we are working where possible to align our efforts to bring about positive social, economic and environmental outcomes with the SDGs. As part of this, we have identified seven SDGs where we believe we, as a business, can have the most positive impact. We are refining our approach and plan to report on our future progress in these areas.



We are working where possible to align our efforts to bring about positive social, economic and environmental outcomes with the SDGs."

David Vexler

Corporate Environmental Manager



GOAL 3

Ensure healthy lives and promote wellbeing for all at all ages

Safety is our number one priority. We make every effort to safeguard the health and wellbeing of our employees, contractors and communities.



GOAL 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Having a highly trained and skilled workforce is critical to our ongoing success. The Company provides learning opportunities for all, including local communities, through our educational programmes.



GOAL 5

Achieve gender equality and empower all women and girls

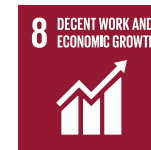
Diversity, inclusivity and a conducive work environment that promotes equal opportunities for all are fundamental to the sustainability of our Company.



GOAL 6

Ensure availability and sustainable management of water and sanitation for all

Water is essential to Hochschild's business and to our host communities. We promote the responsible use of potable water in our mining assets and our progress is measured by our ECO Score.



GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Wherever we operate, we aim to leave a lasting, positive legacy through our economic contribution and status as a major source of jobs and livelihoods.



GOAL 13

Take urgent action to combat climate change and its impacts

Acknowledging the global significance of climate change, we are committed to taking the necessary measures to continually reduce our greenhouse gas emissions footprint through maximising our operational energy efficiency.



GOAL 17

Strengthen the means of implementation and revitalise the global partnership for sustainable development

We believe sustainable development, by definition, requires working in partnership with many global, national and local stakeholders.



Defining what matters most

In 2020, we undertook a materiality assessment to prioritise the sustainability topics that matter most to our business.

Our assessment was guided by the GRI Standards and involved extensive research on the material topics considered by peers and the wider industry, including those related to the UN SDGs, as well as input from our senior management.

Fourteen key topics emerged, enabling us to prioritise and focus our actions on the most material issues and, in turn, inform the structure of this report. The results of this assessment have been reviewed and approved by Hochschild's senior management team and we will commit to review the results as we respond to the changes taking place in our industry and the world around us. Next year, we will look to strengthen the external stakeholder analysis in our materiality process by reaching out to our external stakeholders for their input.

Ensuring we are a responsible business

By behaving with honesty and integrity, we act in the best interest of our Company, our families and our society.



MATERIAL TOPICS

- Business conduct and ethics
- Respecting human rights

UN SDGs



WHERE TO FIND OUT MORE

Page 18 of this report

Safeguarding our people and their safety

Given the inherently high risk profile of mining, safety is always our highest priority. Ensuring the safety of our employees is a key measure of our corporate success.



MATERIAL TOPICS

- Occupational health and safety
- Labour relations
- Recruitment, retention and engagement
- Diversity & Inclusion

UN SDGs



WHERE TO FIND OUT MORE

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Protecting the environment

At Hochschild we are committed to operating and producing metals with the least possible environmental footprint.



MATERIAL TOPICS

- Water management
- Waste management
- Energy use and climate change
- Responsible tailings and management
- Mine closure
- Land use and biodiversity

UN SDGs



WHERE TO FIND OUT MORE

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Serving our communities

We recognise our responsibility to host communities and invest significant resources to understand their needs and expectations.



MATERIAL TOPICS

- Socio-economic contribution
- Community relations

UN SDGs



WHERE TO FIND OUT MORE

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“For any company to succeed, it is important to work alongside stakeholders, ensuring value to society as well as its shareholders and other stakeholders. Now more than ever, we believe it is important that we all reflect on how to work together for success.”

Graham Birch
Chair, Sustainability Committee



- Detailed updates on the actions being taken to protect the welfare of our employees as a result of the Covid-19 pandemic;
- Reviews of the Group’s exposure to sustainability risks and the controls and action plans to mitigate them;
- Review of standalone policies on Community Relations, Human Rights, Diversity & Inclusion and Sustainability, drawing from the values set out in the Group’s Code of Conduct; and
- Monitoring best practice to identify opportunities to enhance the Group’s approach, such as the management of tailings facilities in light of the publication of the International Council on Mining & Metal’s (ICMM’s) Global Industry Standard.

Despite 2020 being a challenging year, I am proud of the progress we have made and our sustainability achievements have been recognised amongst our external stakeholders. For example, our innovative ECO Score won an award for the second year in a row – this time from the Peruvian National Oil and Energy Mining Society. In addition, I am delighted to announce that our important Connectivity Project, developed to support our communities through Covid-19, won the ProActivo Award, recognising our innovative efforts. More information about all our sustainability achievements can be found in subsequent sections of this report.

Looking ahead to 2021 and beyond, we have a comprehensive work plan to drive continuous improvement. This includes rolling out internal training on our recently published Human Rights Policy; continuing to scale our initiatives to improve gender diversity across the business; strengthening our environmental culture; and carefully managing our climate-related risks and their impacts through the Carbon Disclosure Project (‘CDP’) disclosure and the Task Force on Climate-related Financial Disclosures (‘TCFD’). I look forward to reporting on our progress in these critical areas.

Graham Birch
Chair of the Sustainability Committee

Strong sustainability governance is critical for Hochschild to maintain its social licence to operate, requiring leadership from the very top of the organisation. Our Board of Directors has ultimate responsibility for ensuring the adoption of Group policies relating to sustainability and employee matters, and that national and international standards are met.

The Sustainability Committee, a formal committee of the Board, is delegated with responsibility for various sustainability and employee issues. It was established with the aim to focus on compliance and ensuring that appropriate systems and practices are in place Company-wide to guarantee the effective management of sustainability-related risks.

The Committee was convened four times in 2020 and considered the following matters:

- Approval of the 2019 Sustainability Report for inclusion in the 2019 Annual Report;
- Monitoring of the execution of the yearly plan in each of the five key areas of focus (Health, Safety, Community Relations, Environmental Management and Employee Engagement);

Our governance framework

Board

Approves Company’s strategy and monitors implementation, providing leadership and supporting the senior management team in achieving sustainable added value for shareholders



Audit Committee

Monitors the integrity of the Company’s financial statements and the effectiveness of the Company’s internal controls and risk management systems, overseeing the relationship with external auditors.



Remuneration Committee

Determines and agrees with the Board the broad policy for the remuneration of the Executive Directors, the other members of senior management and the Company Secretary.



Sustainability Committee

Oversees and makes all necessary recommendations to the Board in connection with sustainability issues as they affect the Company’s operations.



Nomination Committee

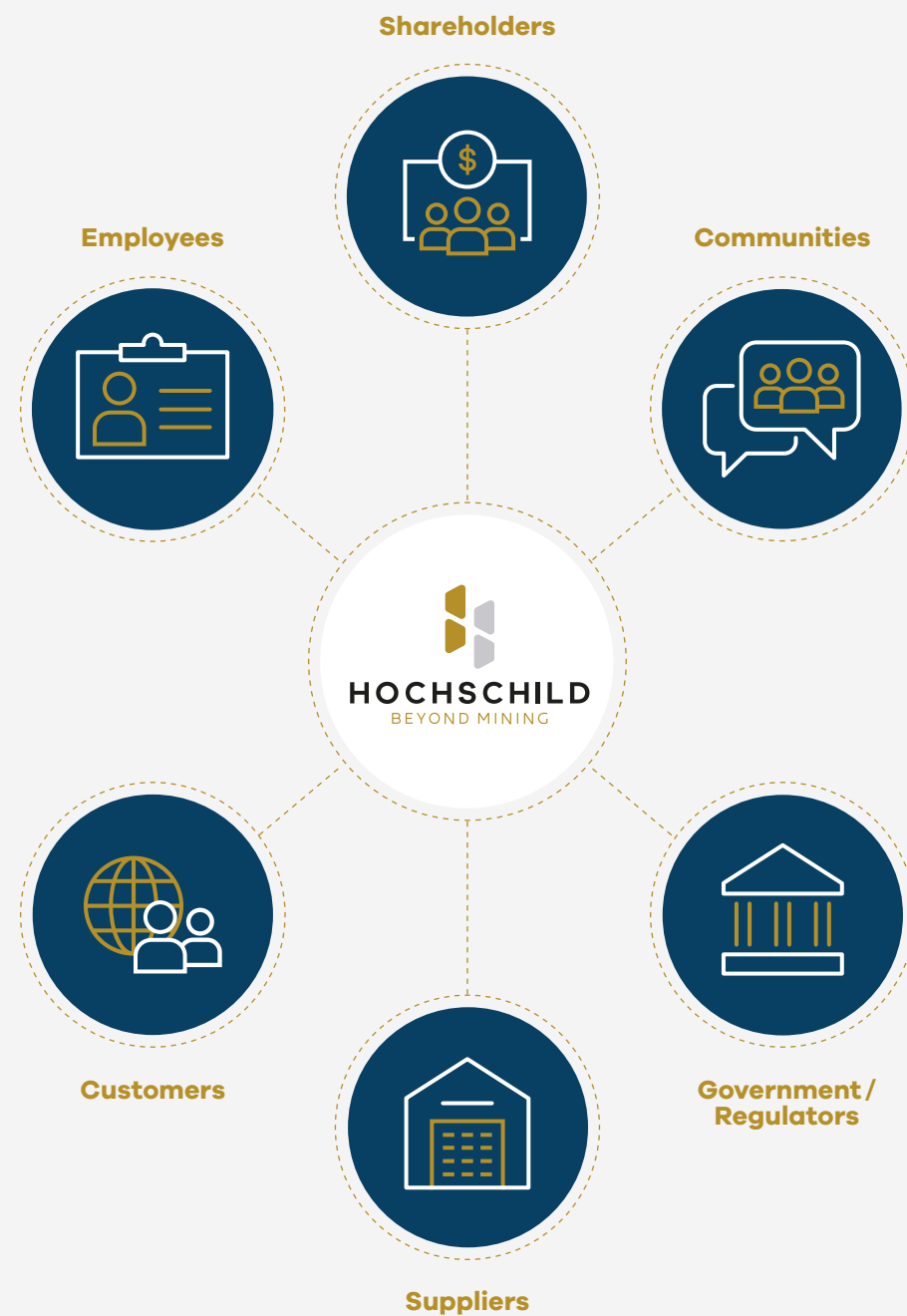
Identifies and nominates candidates for the approval of the Board to fill Board vacancies and make recommendations for the Board on Board composition and balance.

STAKEHOLDER ENGAGEMENT

As part of our corporate strategy, we are focused on generating long-term stakeholder value through the transparent delivery of key minerals and a commitment to creating a positive global impact.

To ensure we are able to maintain strong, respectful and mutually beneficial relationships with all our stakeholders, we proactively invest in meaningful two-way dialogue, carefully tailored to each of our key stakeholder groups.

Our six key stakeholder groups



We engage through a number of channels, with any material matters reported to the Board as part of its consideration of quarterly Risk Management updates.

	Why are they important to us?	Engagement activities	Issues raised in 2020
Shareholders 	Our shareholders are investors and owners of the business. We seek to establish and maintain constructive relations with all shareholders through open dialogue and an ongoing programme of engagement.	We engage through various methods throughout the year with the participation of the CEO, CFO, members of the Board and the Head of Investor Relations. The Chair of the Remuneration Committee engaged with our major shareholders on the proposed changes to the Remuneration Policy which is being submitted for approval at the forthcoming AGM.	<ul style="list-style-type: none"> – The impact of the Covid-19 pandemic on the business – Environmental matters, including climate change, tailings storage facilities – Diversity
Employees 	Our people are key to the success of our business. We seek to attract, retain and develop our people through competitive remuneration, positive working environment and development opportunities.	<p>In general, employee engagement takes many forms and includes the use of surveys, presentations and Q&A sessions with management. Our 2020 programme, primarily facilitated online, included:</p> <ul style="list-style-type: none"> – presentations from the Chairman and senior management on various topics, including coping strategies during the pandemic and adjusting to new ways of working; – sessions led by the Country General Managers with managers of the mining units; and – regular meetings with labour unions to negotiate collective agreements and discuss matters of interest. 	<ul style="list-style-type: none"> – Covid-19 health protocols – Impact of changes in working shift patterns during the pandemic – Discussions on remuneration for workers who remained onsite during operational stoppages – Physical and mental health support during lockdown

STAKEHOLDER ENGAGEMENT

	Why are they important to us?	Engagement activities	Issues raised in 2020
Communities 	<p>We recognise our social commitments to understand the needs and expectations of our host communities. Through close collaboration we implement social investment programmes in our areas of focus.</p>	<p>We adopt a varied approach to engaging with local communities including:</p> <ul style="list-style-type: none"> – direct interaction with local mayors and residents; – our Permanent Information Office and at town hall meetings; – community surveys; – collaborative activities, for example environmental monitoring; and – the implementation of local purchasing and hiring protocols. <p>During 2020, our approach was adapted so that we could continue to provide support in our areas of focus: health & nutrition, education and economic development.</p>	<ul style="list-style-type: none"> – Access to online services during periods of Covid-19 related restrictions – Environment – Local hiring and purchasing – Community permits and/or access to private property
Government/Regulators 	<p>It is our aim to maintain a constructive relationship and open dialogue with the various governmental authorities we interact with in each of the countries where we operate.</p>	<p>The Vice President of Corporate Affairs oversees regular interaction with relevant authorities and regulators in Peru, both at a company level but also through the National Mining Association. Various teams also regularly interact with public officials and regulators as part of their operational functions.</p> <p>The equivalent role in our Argentinian joint venture is undertaken by the General Manager and General Counsel. We also play an active role through the National Mining Association.</p>	<ul style="list-style-type: none"> – Covid-19 health protocols – Health, Safety & Environmental performance and compliance – Contribution to regional development such as investment in social programmes/ infrastructure

	Why are they important to us?	Engagement activities	Issues raised in 2020
Suppliers 	<p>As a key influence on how we operate our business, we seek a relationship of mutual benefit while requiring high standards of conduct.</p>	<p>The General Managers of our Peruvian and Argentinian operations maintain ongoing dialogue with suppliers to the mine sites. Other suppliers are managed by the relevant functional department such as IT, Group Finance, etc.</p>	<ul style="list-style-type: none"> – Covid-19 health protocols for onsite suppliers (such as catering contractors) – Managing the deliveries of mine supplies due to mandated restrictions
Customers 	<p>Due to the nature of what we produce, Hochschild has relatively few customers. As a result, relations with our customers are key to our success. Our sales and logistics teams oversee a relationship of co-operation and constant dialogue.</p>	<p>Our sales and logistics team oversee a relationship of co-operation and constant dialogue.</p> <p>In addition to the usual relationship management, customer engagement during 2020 took place virtually, including during London Metals Exchange week.</p>	<ul style="list-style-type: none"> – The revision of shipping schedules due to the impact of Covid-19

Ensuring we are a responsible business

At Hochschild, we firmly believe that the sustainability of our business can only be built by doing the right thing – always acting honestly and ethically.



2020 HIGHLIGHTS



Established a centralised corporate compliance function



Published the Company's first standalone **Human Rights Policy**, with plans in place to roll out accompanying employee-wide training



Appointed a **Corporate Compliance Officer** reporting directly to the CEO and the Board of Directors

The Hochschild approach to business conduct and ethics

It is our duty to maintain the confidence of those we interact with by acting with professionalism, honesty, transparency and integrity. We seek to act in the best interests of our Company, our families and society as a whole.

As a foundation of everything we do, all employees must comply with our Code of Conduct. This sets out the basic rules and principles of our Company regarding ethical behaviour and our corporate values, which apply to all aspects of the Group's operations and activities. The Code is supported by various policies, which cover a broad range of issues including anti-corruption and money laundering prevention.

We pride ourselves on our deep-rooted culture of compliance. In order to further promote, measure and evaluate our performance, a comprehensive compliance system is critical. As an example of our commitment, a centralised compliance function was established in 2020 led by a Corporate Compliance Officer. This position reports directly to the CEO and the Board of Directors and has the responsibility of ensuring compliance with our Code of Conduct and corporate policies and overseeing our whistleblowing arrangements.

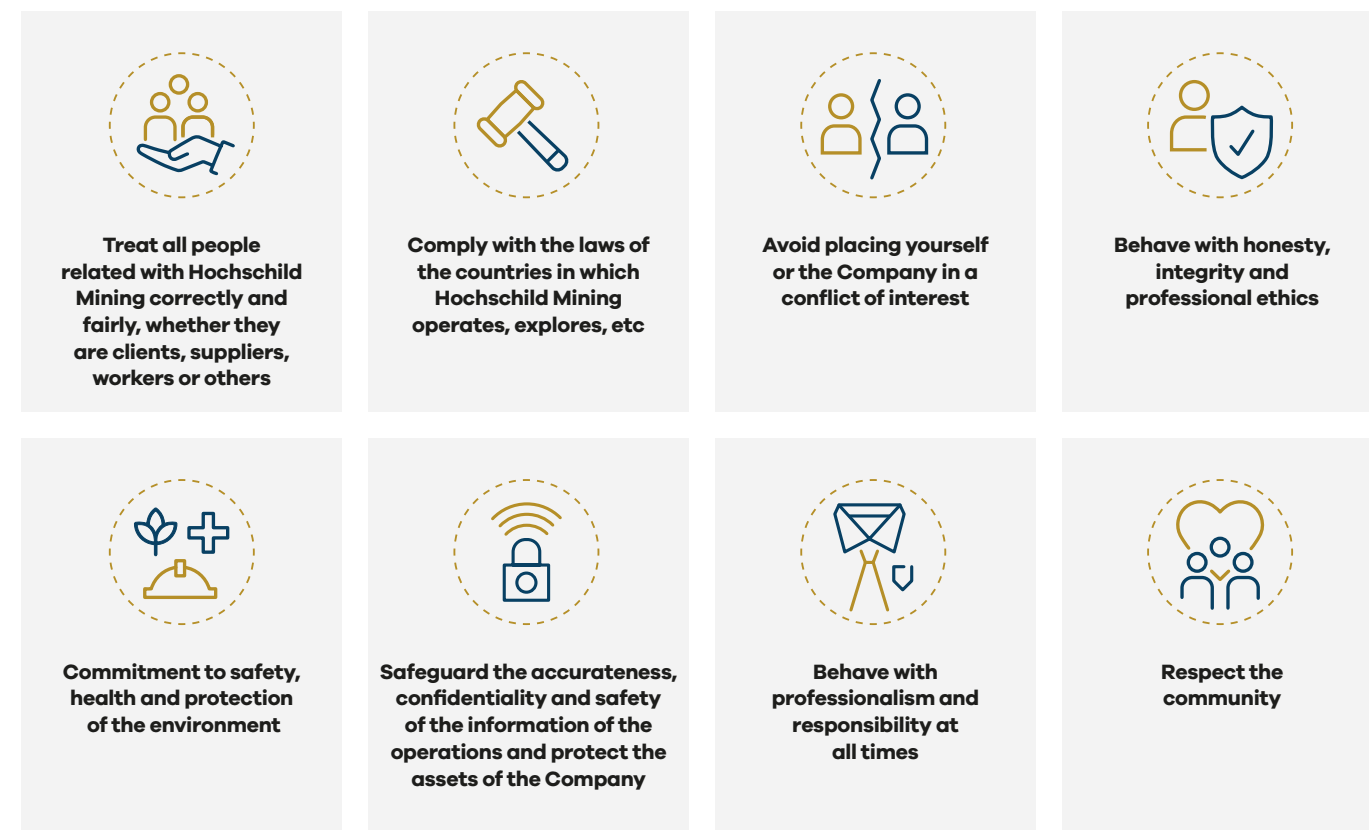
Addressing concerns

The Code of Conduct and supporting policies apply to every individual who acts on behalf of the Company, whether they be Directors, managers, suppliers or contractors. Breaches are treated very seriously and to facilitate anonymous reporting, the Company has a long-established Whistleblowing Policy. An online reporting portal, designed to provide employees with a mechanism to raise concerns in confidence, supports this.

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Principles of our Code of Conduct



FEATURE

Recognising ethical behaviour

To inspire and motivate employees to maintain a culture of compliance, Hochschild acknowledges and rewards exemplary ethical behaviour through a recently launched recognition programme.

For example, in October 2020, the CEO personally thanked and congratulated an employee for not accepting an inducement from a contractor, and instead immediately reporting the situation to the Security department.

Once Covid-19 restrictions have been lifted, a prize will be presented in-person in the presence of the employee's family.

Wilber Ancco
Warehouse operator



The Hochschild approach to respecting human rights



Hochschild is committed to upholding and respecting human rights within the Company and throughout our value chain. We seek to apply relevant international standards to understand, control and mitigate our impact.

In 2020, a standalone Human Rights Policy was adopted and is being implemented across the Group. The Policy aligns with the Universal Declaration of Human Rights, the United Nations (UN) Guiding Principles, the UN Global Compact and the International Labour Organisation's (ILO) core conventions. It provides a framework that sets out the guidelines with which our people and contractor companies shall conduct their activities. It covers six fundamental principles:

- 1 Respect** for everyone's human rights, with special attention given to the communities and populations in the area of influence of our operations, our people, contractors and suppliers;
- 2 Rejection of**
 - child labour
 - discrimination on any grounds such as race, age, religion, gender, nationality, marital status, sexual orientation, disabilities
 - sexual harassment
 - physical and psychological assault as well as any form of torture, slavery or forced labour;
- 3 Implementation and** maintenance of mechanisms for the handling of complaints and grievances;
- 4 Establishment** of due diligence mechanisms, including identifying and evaluating potential impacts of our activities and taking appropriate measures to prevent or mitigate them;
- 5 Promotion** of awareness and training activities for our people in the field of human rights; and
- 6 Requirement** for Hochschild's contractors and suppliers to adhere to the Human Rights Policy.

Looking to 2021, our focus will be on implementing Company-wide training to further embed these principles across all levels of the business.

Safeguarding our people and their safety

Our success relies on our people.



2020 HIGHLIGHTS

2.0

Successful continued implementation of the **Safety Culture Transformation Plan ('Safety Plan')** and introduction of an updated action plan known as "Safety 2.0"



Hochschild's Head of Health and Hygiene chaired the **Covid-19 Special Committee** established with responsibility for formulating, executing and evaluating the development of, and compliance with, our protocols



Health & Safety Management Systems operating at **all mining units achieved Level 6 re-certification by Det Norske Veritas GL**, with the intention to achieve Level 7



Established mental health support activities and programmes to support employees and their families during the pandemic

The Hochschild approach to safety

Given the inherently high-risk profile of mining and recognising that our people are our most valuable asset, we are committed to ensuring zero harm in the workplace. Employee safety is a key measure of our corporate success.

We recognise that a more engaged workforce is one where people actively look out for their own and others' safety, helping us to manage our safety and health risks. To further embed a Company-wide safety-first culture, in 2020 we reviewed the success of our Safety Plan, an initiative first launched in 2017 and championed across the Company. To ensure continuous improvement, we rolled out an updated action plan known as "Safety 2.0", made up of seven key attributes covering training, effective communication, recognition and linking compensation with safety indicators.



At Hochschild, we are committed to embedding a safety-positive culture to protect our employees – our most important asset. While I am proud of the important strides we are making with our Company-wide Safety Action Plan, we are continuously learning and improving to ensure our workforce return home safely after every shift"

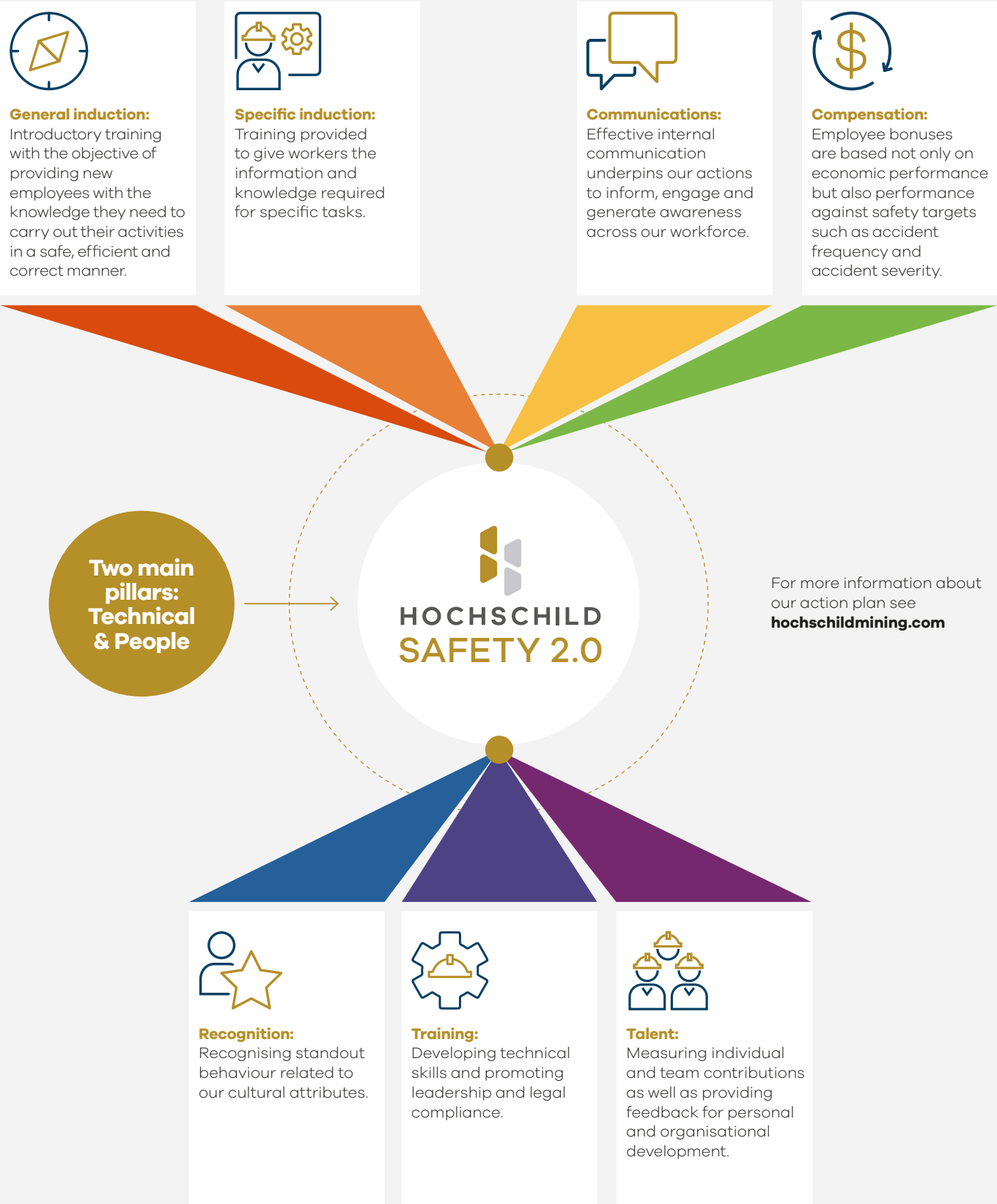
Eduardo Landin, Chief Operating Officer

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SAFETY AND OUR PEOPLE

Hochschild Safety 2.0



Investigating and learning from incidents

Despite the progress we have achieved, tragically, one person lost their life during 2020 at our Pallancata site as the result of a rock fall incident.

While clearing loose rocks from a wall in the mine with the assistance of two colleagues, the victim tripped on rocks and was subsequently struck by a large rock falling and resulting in fatal injuries. This regrettable incident serves as an important reminder that there is still more work to be done to succeed in eliminating fatal injuries. To this end, the root causes of the incident were formally investigated to ensure that lessons were learnt and communicated across the organisation, to drive continuous improvement.

In addition, the Company has established a CEO-led formal committee that meets regularly to review all High Potential Safety Events ('HPEs'). The Committee

is comprised of: the Vice Presidents of Operations and Human Resources; country and site managers; and the corporate safety team. It reviews the results of the formal investigations of all HPEs and approves and oversees corrective measures, proposing action plans for communication by site managers to their respective units.

A risk-based approach

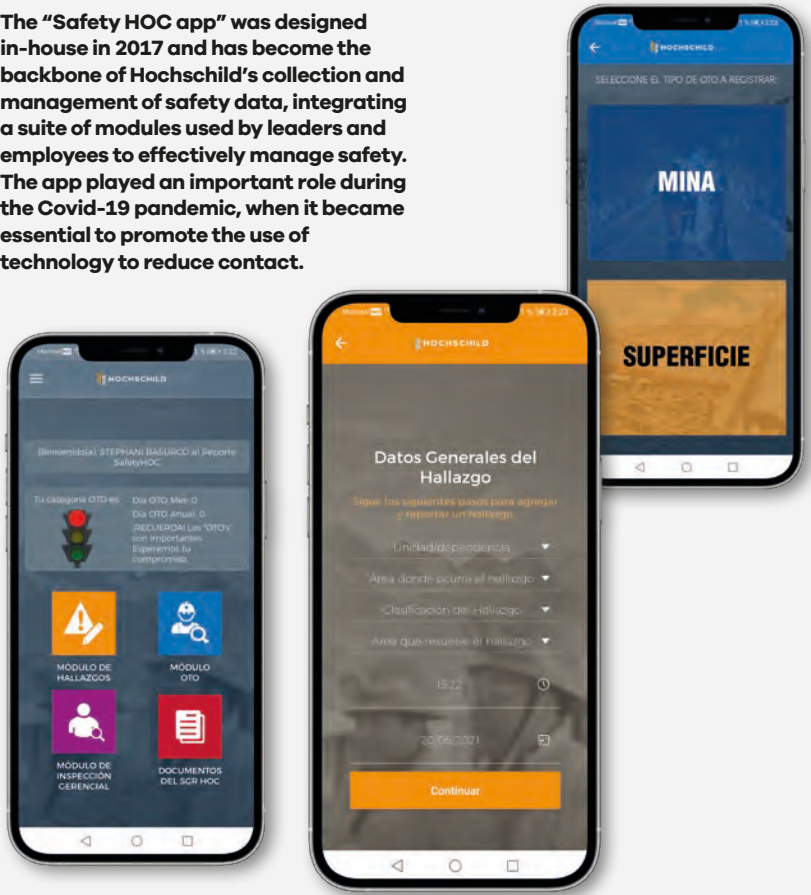
Hazard identification and risk assessment is a continuous process that is reviewed annually. Our workers are fully empowered and are positively encouraged to either remove themselves from work situations that they believe could cause injury or ill health, or to report hazards or hazardous situations. These decisions are protected by well-established rights to "refuse or stop unsafe work" complemented by an open culture designed to encourage workers to speak out.

Systematically managing risk is at the centre of our approach to safety and is underpinned by our Occupational Health & Safety Management System. This management system follows best practice in line with recognised international practices and is externally certified by Det Norske Veritas GL ('DNV'), to ensure compliance amongst mining units. In 2020, our Health and Safety Management Systems operating at all units achieved Level 6 re-certification by DNV. The system was further strengthened throughout the year, in line with continuous improvement, and our intention is to achieve Level 7 certification in the near future – a level which no other company in the region has achieved.

FEATURE

Safety HOC app

The "Safety HOC app" was designed in-house in 2017 and has become the backbone of Hochschild's collection and management of safety data, integrating a suite of modules used by leaders and employees to effectively manage safety. The app played an important role during the Covid-19 pandemic, when it became essential to promote the use of technology to reduce contact.



The app's functionality includes:

- a 'Findings' module which allows any worker to report deviations or any sub-standard safety conditions which require intervention. Deviations are grouped according to their severity. Low risk deviations are analysed as a group to analyse tendencies and define corrective actions for the entire group. High-risk deviations are analysed individually and specific actions assigned for each one. In total, 16,910 reports were submitted in 2020 with appropriate follow-up measures taken;
- the 'OTO' module (Operating Task Observation) which enables users to log safety-related behaviour observations to maintain positive reinforcement interventions;
- a 'Manager Inspections' module for more complex tasks requiring closer inspection from supervisors. It allows management to closely monitor activities associated with more critical risks.

SAFETY AND OUR PEOPLE

FEATURE

Encouraging good sleep hygiene

During 2020, workers who operate or drive equipment at two of Hochschild's mine sites were issued wristbands to monitor their sleep.

Before the beginning of every shift, supervisors would check that vehicle/machine operators had slept for a minimum defined period. If this requirement was not met, operators would be redeployed to a different activity or additional breaks would be added throughout the shift.

This technology is solely being used to raise awareness of the importance of sleep hygiene to ensure our employees are in a fit state to perform their work safely.

Depending on the results of the programme, it will be evaluated to be extended to contractors and other mining sites over the course of 2021.



Engaging employees and contractors

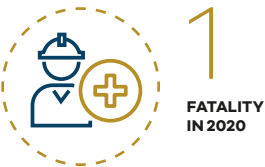
We have high expectations of all our employees and contractors in terms of safety practices, and provide the necessary training to ensure these are met.

This training is specifically targeted at ensuring personnel are provided with the skills and knowledge to perform their relevant work tasks as safely and efficiently as possible. We treat contractors and employees equally and as a result, each contractor working at any of our sites is required to undertake mandatory safety training before starting work.

Across all of our mining units, we convene employee safety committees that meet monthly to review health and safety developments, including training, internal regulations and any accidents and ongoing investigations.

1,707
HOURS OF SAFETY
TRAINING COMPLETED
IN 2020

PERFORMANCE



1
FATALITY
IN 2020



1.38
LOST TIME INJURY
FREQUENCY RATE
(LTIFR) INDEX IN 2020

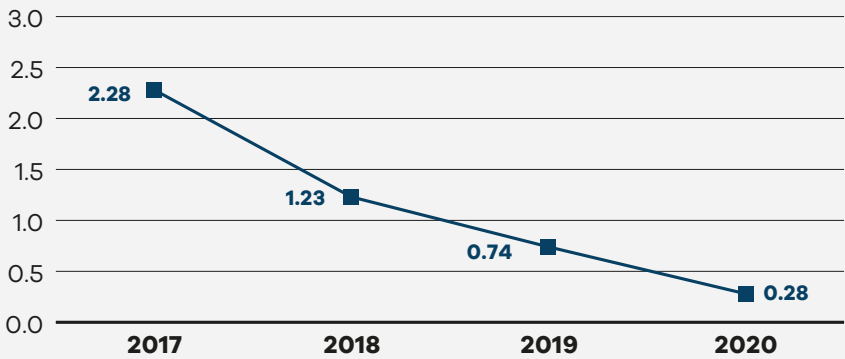


474
ACCIDENT SEVERITY
INDEX IN 2020

High Potential Events

Since 2017, the Company has monitored the occurrence of HPEs. HPEs are events which could have caused serious injury and encompass near misses as well as lost time events. All HPEs are reviewed by a CEO-led committee, as described above. The relevant site leader presents their investigation and the Committee contributes its recommendations which result in a proposed action plan. The lessons learnt are then conveyed by site managers at other operations to their respective units.

High Potential Safety Events (HPE) Index*



*HPE: Calculated as total number of high potential events per million labour hours

The Hochschild approach to health and hygiene

Underpinning the importance we place on our people and their wellbeing, we commit to providing an integrated approach to employee welfare, supporting our people's health and wellbeing and ultimately, improving employee motivation and productivity.

Whilst the Health team is focused on ensuring that employees have access to the relevant treatment services and infrastructure, the Hygiene team looks to reinforce the importance of quality of life at work through the prevention of occupational illness and ensuring the mental wellbeing of its employees.

The latter is an area of particular focus given the nature of the work and the two-week shift patterns that result in frequent periods of absence from families.

In 2020, Covid-19 placed an additional strain on the health and mental wellbeing of our workforce and their families. To protect the health of our employees and the communities we work in, Hochschild has been proactive in its approach to controlling and mitigating the risks and consequences of the Covid-19 pandemic.

2,487
INDIVIDUALS RECEIVED
PSYCHOLOGICAL PHONE
CONSULTATIONS

FEATURE

Mitigating the health and operational risks of Covid-19

We moved quickly to protect the health of our staff, halting production across our operations at varying points throughout March 2020 and resuming production only when it was safe to do so, with additional production stoppages taking place up until the end of the year.

In parallel, a Covid-19 Special Committee with the responsibility for formulating, executing and evaluating the development of, and compliance with, our Covid protocols was established. These Company-wide Covid protocols extended beyond official requirements, promoting the use of PPE, social distancing, disinfection of work areas, enhanced cleanliness, regular testing, and reduction of capacity in communal areas, such as the cafeteria. Throughout the pandemic, employees have received regular updates on safe work practices and access to both a comprehensive virus-testing programme and an expanded medical team.

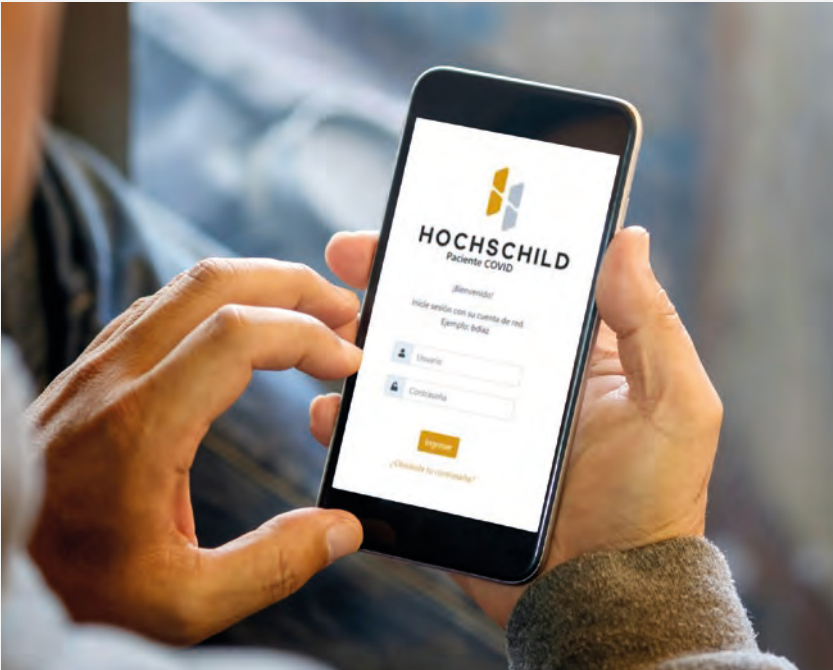


“The current global situation is extremely challenging for everyone, and at Hochschild, our priority remains the health and safety of our employees and stakeholders who have been vital in helping us manage this situation.”

Ignacio Bustamante, CEO

FEATURE

Pacientes Covid



To support the highly complex co-ordination of changing working shifts and safely moving workers from the mine site back to cities and vice versa, our Health and Hygiene team developed new software (known as “Pacientes Covid”), which links up to our existing Human Resources software for shift management.

This enables us to understand who is already at the mine, who has tested positive for Covid-19, who is recovering and those deemed to be ‘at risk’. Ultimately, it provides us with a ‘Covid secure’ list of workers who are available to travel to the mines and safely work on the next shift. Towards the end of 2020, this software was awarded second prize by the Peruvian Mining Society for technological innovation. It was the only Covid-related innovation to win an award.

This software will prove critical in the coming months, as it remains imperative to be able to provide Covid-secure operations.

Operations protocols

Pre-arrival

Testing
– Molecular testing of all employees & contractors*

Quarantine
– During the testing/ waiting for results period, entire workforce was quarantined in hotels (Cusco, Arequipa, Lima)

Transportation
– Capacity reduced to 50%
– Mandatory use of masks

High-risk employees
– 75 workers were identified as having one or more high-risk conditions (e.g., age > 60; BMI >30; or pre-existing medical conditions – heart-related, pulmonary, asthma, diabetes, etc.)

* From December, molecular testing was changed to antigen testing. With this new test, quarantine in hotels is no longer necessary.

On-site

Medical (team & protocols)
– Entire medical team on site was trained to identify and treat suspected cases or emergencies
– Psychological support
– Daily temperature checks (twice-a-day)

Treatment of suspected cases
– Special isolation areas were prepared
– On-site serological testing made available

Camps
– Mandatory social distancing (1.5m) required additional investment – mainly for contractor accommodation

Cafeteria
– Capacity reduced to 50% with a rotation schedule implemented

Off-site

Follow-up of contagion cases
– Close monitoring of all suspected cases
– Daily medical support
– Insurance services/ financial aid

Digital tracking systems
– Tracing and communication app “HOC Takes Care of You” is in use

Support for workers’ families
– Communication programme regarding prevention & health information
– Live video meetings with families to share information regarding HOC’s health protocols and provide support services

Taking a philosophical approach to protecting our people

At the onset of the pandemic, we quickly reassessed our strategy by asking ourselves the fundamental question of ‘who is in control?’.

We realised the answer to this question did not lie with Hochschild’s leadership or even with the authorities, but with the virus itself. To safeguard the health of our employees and the communities in which we work, we took the decision to listen closely to what the virus (and science) was telling us, and act accordingly.

In many instances, this meant us going beyond official requirements with our approach. For example, the Peruvian definition of ‘vulnerable people’ is anyone over the age of 65 and with a Body Mass Index (‘BMI’) of over 40. However, science has shown that mortality rates from the virus increase for people over the age of 60 and a BMI of 30. Therefore, to protect our people, we moved all workers with a BMI of over 30 and/or over the age of 60 from our mining operations to working remotely from their homes. To help minimise impact on production, temporary positions were created. Those workers identified as ‘high risk’ will continue to work from home until it is safe for them to return to the mine site.

Supporting the mental wellbeing of our employees and their families

During such an extraordinary period, our Health and Hygiene department established mental health support activities and programmes for employees and their families, including those self-isolating and returning to work. These included a dedicated helpline and WhatsApp support groups for workers, their families and contractors across Peru and Argentina. In total, almost 2,500 individuals (including workers and family members) received phone consultations from July to October.

Hochschild’s other Covid-19 efforts

Beyond our people, Hochschild is committed to helping all those who have been impacted by the Covid-19 pandemic. In 2020, we:

- contributed to a fund established by the Peruvian Mining Industry Association to donate 500,000 rapid Covid-19 tests to the Government;
- donated \$1 million to Hardship Funds established by Peru’s University of Engineering and Technology (‘UTEC’) and the Institute of Higher Education in Peru (‘TECSUP’);
- funded research and development of equipment to control the spread of the virus in Peru and to treat Covid-19 patients (including masks for mass-production and ventilators); and

- provided an immediate response to the communities close to our operations through the provision of basic food and biosecurity elements for their protection, as well as the provision of medical supplies and equipment to the local health network, with a total value of over \$800k.

US\$1m

DONATED TO HARDSHIP FUNDS ESTABLISHED BY UTEC

FEATURE

Conversamos en familia



Conversamos en familia

To help our employees and their families manage the challenging and uncertain times resulting from Covid-19, we promoted a programme to facilitate conversation within and between families, discussing the pandemic and its impact.

Specialists were on hand to discuss several topics related to Covid-19, including preventative measures, mental health, and relationships to help strengthen family bonds. In total, 23 sessions were run between June and December, with approximately 30 family members in attendance.

23

FAMILY CONVERSATION SESSIONS HELD BETWEEN JUNE AND DECEMBER 2020

THE HOCHSCHILD APPROACH TO OUR PEOPLE

The Hochschild approach to our people



54%
IN 2020 OF OUR TOTAL
WORKFORCE WAS
REPRESENTED BY A TRADE
UNION OR SIMILAR BODY

26
YOUNG PEOPLE BEING
CURRENTLY FUNDED



As well as ensuring safety at work, we seek to promote our Company culture and provide a positive and stimulating working environment where the development of employees is encouraged.

Recruitment, retention and engagement
Our ability to attract and retain a highly skilled and specialist workforce is critical to our success. Hochschild's Human Resources team is committed to: attracting and retaining the best people through monitoring the market for the best talent; providing competitive remuneration; fostering a positive working environment; and enabling our people to develop and grow with us.

In addition to the significant number of mandatory health and safety training courses carried out in 2020, Hochschild fosters a culture of continuous learning through its Yachay initiative ("Yachay" means "knowledge" in Quechua, one of Peru's official indigenous languages), which was launched in February 2020. Powered by an online platform, Yachay provides learning opportunities balanced to meet the needs of the Company as well as individual employee development.

The initiative offers Hochschild employees the opportunity to participate in 33 courses from universities across the world, covering topics from machine learning to public speaking to sustainability. In 2020, 34 employees obtained a certificate of completion and there are currently over 370 employees taking a course (55% of whom are operators and 16% are women).



Average training hours	
Operators	36
Other Employees	32

To provide employees with a designated space for continuous learning, we refurbished an old gym at our Inmaculada mine to create the "Yachay Lab" in February 2020.

To help nurture and develop our future leaders, Hochschild conducts an annual Talent Inventory Review, to identify "top talent" within the organisation, recognise development opportunities, and establish internal succession plans for talented individuals to eventually assume leadership positions within the Company.

Attracting and developing entry-level graduate engineering talent is a focus to strengthen our talent pipeline. In collaboration with the Julian Baring Scholarship fund, we launched a scholarship programme for the communities close to our Inmaculada mine. We are currently funding 26 people on similarly funded schemes.



In 2020 we ranked 27th on the Merco Talento, a ranking that highlights the top 100 companies with the greatest capacity to attract and retain talent in Peru (improving 43 places from 2019).

27TH/100
ON THE MERCO TALENTO RANKING

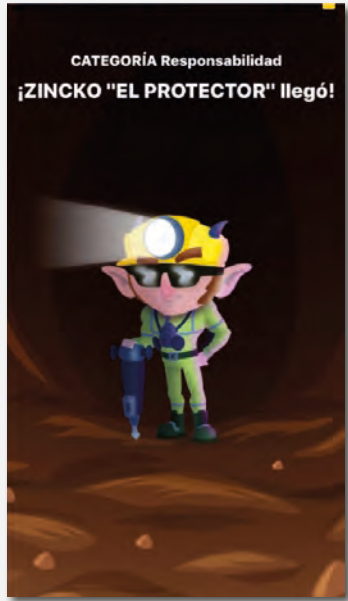
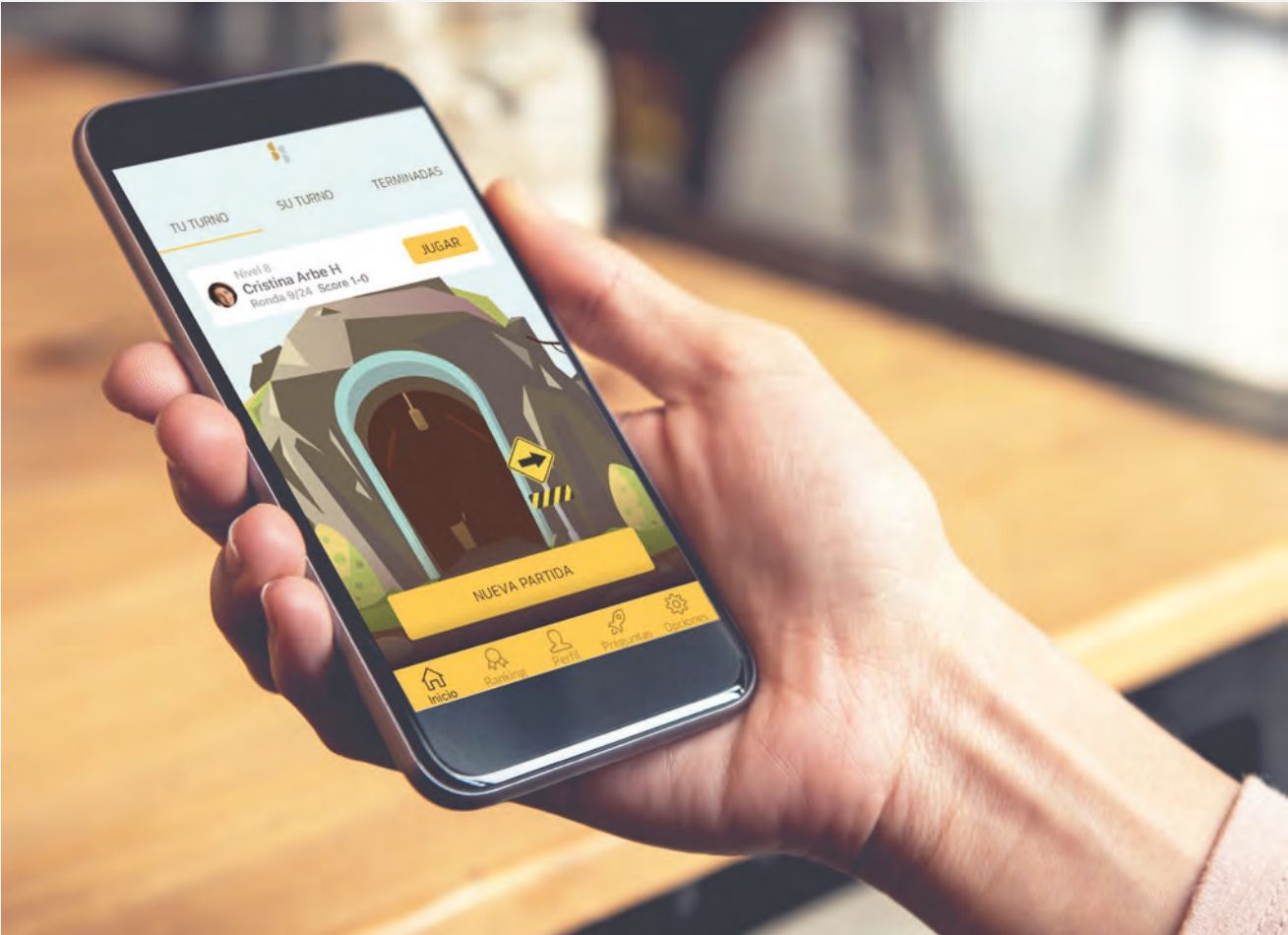
Labour relations
As a foundation of everything that we do, we recognise and uphold the freedom of association, collective representation, just compensation, job security and development opportunities of our workforce. Our Code of Conduct outlines the behaviour we expect from all our employees and contractors, as well as our commitment to treat everyone fairly, respecting the right to be free of harassment or intimidation in the workplace.

We acknowledge the rights of our employees to join organisations that protect and support their interests. This includes supporting the right to freedom of association and collective bargaining, in accordance with the laws and practices of the countries where we operate. In 2020, approximately 54% of our total workforce was represented by a labour union or similar body.

THE HOCHSCHILD APPROACH TO OUR PEOPLE

FEATURE

Encouraging employee engagement through the use of a new app



In 2020, we launched a new app for office and mine workers, with the ultimate objective of encouraging interaction between colleagues across operations, and contribute to their overall development.

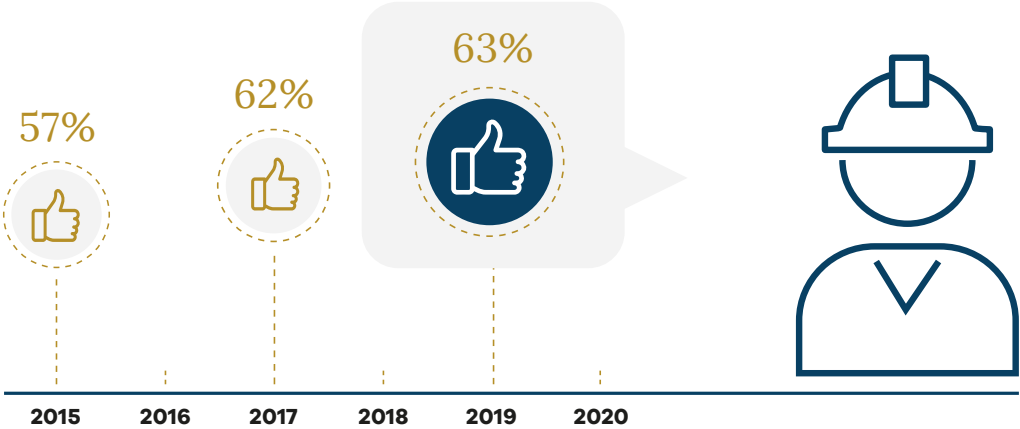
Topics covered include general company culture, talent, responsibility, efficiency and innovation. In addition, the app encourages employees to participate in interactive quizzes and tasks, competing against colleagues for a spot on the Company-wide leader board, whilst at the same time improving their knowledge about Hochschild's history, safety best practice, and behaviours which are consistent with the Company's cultural values.

Listening to our people

In 2020, we analysed the results of our latest Group-wide employee satisfaction survey, which was completed by 2,260 employees from across our sites in Peru and Argentina.

63%

OVERALL EMPLOYEE SATISFACTION

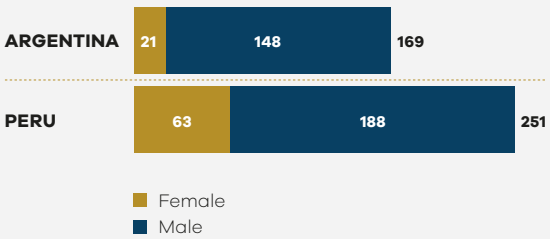


Overall, employee satisfaction with the work environment increased to 63% (from 62% in the previous survey held in 2017, and up from 57% in 2015). The key drivers were a sense of partnership, opportunities to grow and develop professionally, favourable working conditions and a perceived focus on ensuring high safety standards.

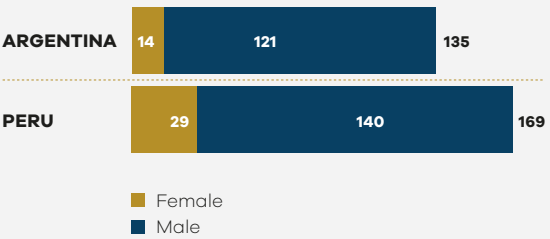
Areas for potential improvement have been acknowledged and taken into consideration for future planning. These include: providing clarity around career progression and promotions; strengthening formal and informal recognition programmes; better communication of monetary and non-monetary benefits; and improving channels of communication from the leadership team.

2020 Employee data

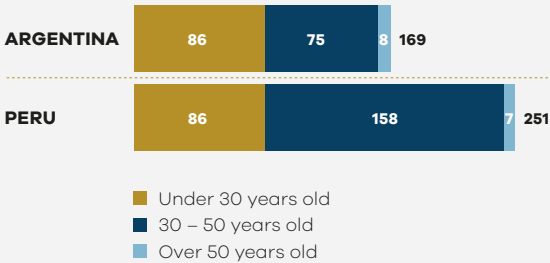
New hires by gender



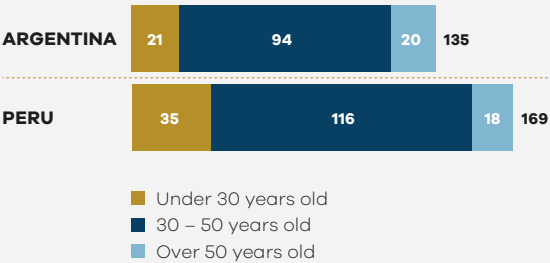
Departures by gender



New hires by age group



Departures by age group



THE HOCHSCHILD APPROACH TO OUR PEOPLE

FEATURE

Mujeres de Oro

With a view to promoting the participation of women in the mining sector, we launched an internship programme in 2020 – “Mujeres de Oro”, making Hochschild the first mining company in Peru with an internship programme specifically designed for nurturing female talent.

Among the benefits offered by the programme are: rotation across eight areas of the Company (including safety, community relations, and environment); the support of a mentor; training and performance evaluations; and the opportunity to continue with a permanent career path at Hochschild.

14

POSITIONS AVAILABLE

2,900

APPLICATIONS FOR THE POSITIONS AVAILABLE



“

I feel proud to be part of a Company that cares about my safety and professional growth. Thanks to the Women in Mining Programme, I am developing my potential and discovering more every day about the fascinating world of mining. I feel I am a part of this family, thanks to Hochschild for believing in me and giving me the trust to face new challenges.”

Judith Miranda



“

I became an intern at the Mine area thanks to the “Mujeres de Oro” programme, directed to women in all the country and from different professions that wished to work in operative and support areas in the Company. This is one of several initiatives that seeks to empower women and prepare them for future leadership roles in the sector, and increasing the female workforce in order to reach equity. All of the initiatives carried out by Hochschild motivate me to give my best in order to achieve my goals and contribute to the Company’s objectives through this programme.”

Jimena Rondon



“

Being part of the first programme that encourages the professional development of women in mining is, for me, a great achievement and responsibility. On one hand, it is an important achievement because out of almost 3,000 applicants, only 14 were selected, and I must confess it has not been easy, because so many talented and capable women applied. It is a great responsibility because, in a society that has stereotyped the mining sector, I have the opportunity to draw attention to the importance of gender diversity. The best part is that I can grow in a workplace that protects and respects our rights.”

Keiko Meza

THE HOCHSCHILD APPROACH TO OUR PEOPLE



Through our Diversity and Inclusion Programme, DiverSIdad, we are able to maximise our reach for talent as well as securing the business benefits that come from diversity of thought. This programme is fully aligned with SDG #5 and another aspect of our sense of responsibility which is a key element of our corporate purpose.”

Jose Palma, VP, Legal and Corporate Affairs

Promoting diversity and inclusion

At Hochschild, we are committed to providing equal employment opportunities for all, regardless of race, gender or religion. We believe diversity brings new and innovative ideas that contribute to our overall business success.

Mining, as an industry, has been traditionally dominated by men and so, diversity, particularly of gender, continues to be an area of focus. Hochschild is committed to promoting the participation, education, and development of women as outlined in our Diversity and Inclusion Policy. In 2019 we established a taskforce to address the gender imbalance in our workforce and it has already made significant progress with wide-ranging actions having been taken including the enhancement of family-friendly policies and ensuring the provision of suitable equipment and accommodation for female workers.

Our CEO is an important advocate in this space, sitting on the Peruvian Institute for Business Management’s (‘IPAE’) ‘Leaders for Gender Equality’ committee, alongside 11 other leaders striving to reduce the gender gap. In September 2020, he was appointed as a HeForShe ambassador at WIM PERU (“Women in Mining Peru”), with the objective of encouraging men in the mining industry to help draw attention to the role of women in mining and contribute to their overall development in the sector.

Like many of our peers, we are trialling a number of approaches to improve gender diversity across our business, taking active steps to redress the imbalance that currently exists:

- We launched a new internship programme in 2020 known as “Mujeres de Oro” and in its inaugural year, received over 2,900 applications for 14 positions.

- A “Beca Futuro Mujer” programme was also launched, providing 14 women from our communities with the opportunity to be certified as Plant and Infrastructure Assistants – skills highly valued in the mining industry. In total, 98 students were granted various scholarships at prestigious institutions across Peru and Argentina.
- We run programmes to raise awareness and educate employees on sexual harassment. In 2020, our #LibreDeAcoso programme provided online training, with over 500 employees completing the course. We also have a hotline to report any instances of sexual harassment in the workplace.
- We launched “Mujer Integral”, a leadership programme that seeks to train our female workers with the objective of promoting their development and growth within the Company. To date, 24 women have been trained.
- Hochschild’s Siembra, in partnership with Amautas Mineros (a civil society association of university students which showcases modern mining practices to students in Peru) is part of our external efforts to reduce the barriers and stereotypes that women face in the sector. By running virtual training sessions on unconscious bias and gender equality, we hope to provide students with the knowledge they need to become agents of change when they eventually enter the workforce. Ultimately, we hope to challenge the notion that the sector is only for men and help stimulate a larger, more diverse talent pool.

ZERO
CASES OF DISCRIMINATION IN 2020



Par
RANKING DE
EQUIDAD DE GÉNERO
EN LAS ORGANIZACIONES

The PAR Ranking provides a snapshot of the gender equity progress of participating organisations across Latin America.

In 2020, we ranked 54th out of 211 companies in Peru. In addition, we were 4th out of 16 extractive companies.

HeForShe
WIM Perú

IPAE
ASOCIACIÓN EMPRESARIAL

PERFORMANCE



Male 3,125
Female 272



Male 41
Female 1



Male 7
Female 2



PROTECTING THE ENVIRONMENT

Protecting the environment

All of us at Hochschild are committed to operating and producing metals with the smallest possible environmental footprint.



2020 HIGHLIGHTS



Demonstrated a high level of environmental efficiency, scoring **5.74 out of 6** in the ECO Score (representing a 73% improvement on 2015 and the best score since 2015)



Took the first steps towards implementing an **Environment Culture Transformation Plan**, working to embed an environmentally conscious culture across the Company and assure the long-term environmental performance



Zero environmental incidents

The Hochschild approach to environmental management

At Hochschild, we are committed to protecting the environment through applying best in class environmental management approaches. All of our activities are guided by the principles set out in our Environmental Policy and we continually seek ways to improve our consumption of resources, whether through reducing water usage, improving energy efficiency or increasing the proportion of waste that is recycled.

Our environmental purpose for 2030 is to contribute to a sustainable future, always acting with responsibility and environmental excellence.

While the business of our Company is metal extraction, we commit to always acting in a responsible manner to leave the smallest environmental footprint possible and contribute to a better world, as outlined in our corporate purpose.

Comparing data from 2020 with 2015, since the implementation of the ECO Score

43%

REDUCTION IN WATER CONSUMPTION PER PERSON

39%

REDUCTION IN DOMESTIC WASTE GENERATION

IN THIS SECTION

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ECO Score: A Hochschild innovation



ECO Score

5.74

HOCHSCHILD'S ECO SCORE FOR 2020 OUT OF A MAXIMUM OF 6

73%

IMPROVEMENT SINCE 2015

To achieve a best in class environmental performance, we created an innovative tool that allows us to quantify and distil our environmental performance in a single number. In this way, we have succeeded in expressing intangible environmental management in a way that is universally understood.

Launched in 2017, the ECO Score measures a range of KPIs which reflect, among other things, compliance with discharge limits and zero-tolerance to environmental incidents, regulatory findings, and sound environmental management (covering potable water consumption, domestic waste generation per worker, proportion of recyclable/ industrial waste that is commercialised, and environmental culture). The 2020 results are independently assured by Ernst & Young ('EY') following the International Standard on Related Services (ISRS) 4400, with the overall score supplementing other Corporate Performance objectives to determine employee bonuses.

We believe the ECO Score can be seen as an option that other companies within, or beyond, the mining industry can adopt to promote a strong environmental culture. We were delighted when Resiter, a waste management company and strategic partner of ours, adopted the ECO Score for use in their own operations.

At Hochschild we are absolutely committed to be the global leaders in environmental performance, producing metals with the least environmental footprint. Environmental management and performance is part of our core business, it's part of our day to day. Specifically we've developed a tool, which is called the ECO Score

We've managed to put our environmental performance, which is sometimes abstract, into a number which we've been able to track, every of our mines is able to perform against, setting high standards, setting a healthy competition among our mines."

David Vexler, Corporate Environmental Manager

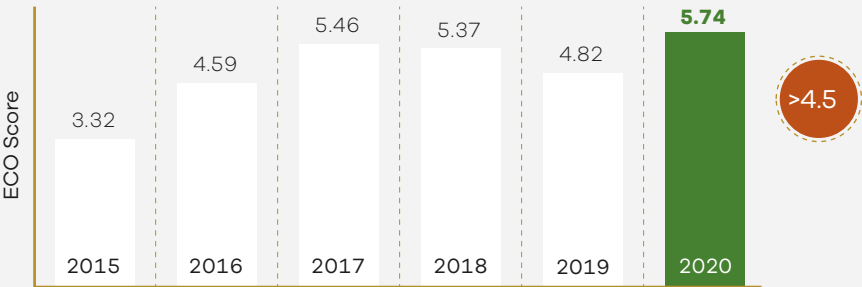
Performance

In 2020, our ECO Score was 5.74 out of 6, exceeding our most stretching target for the year of 4.75. Since 2015, the ECO Score has improved by 73%, reflecting a significantly higher level of environmental efficiency. To incentivise continuous improvement, the Group has set the challenging target to achieve 5 out of 6 for 2021.

External recognition

The ECO Score has received external recognition since its launch. In 2019, we won a Mines and Money award for "Innovation in Sustainability" and most recently in 2020, we were proud to win first place in the Peruvian National Oil and Energy Mining Society's Sustainable Development Award, which recognises best environmental practices across the energy and mining sector. In addition, the ECO Score was selected for showcasing at the International Association for Impact Assessment's 2021 Conference.

ECO score – threshold for attaining the most stretching level of performance >4.5



Environment Culture Transformation Plan

To further prioritise and strengthen our environmental activities, in 2020 we enlisted DuPont Sustainable Solutions ('DSS') to assess our internal environmental culture to understand the level of commitment and engagement of our Company leaders on environmental issues.

To replicate the success of our Safety Plan, we launched an 'Environment Culture Transformation Plan'. Three workstreams have been identified to drive continuous improvement: People – communicating the importance of respecting and conserving the environment to our workforce and stakeholders; Technical – focusing on the continuous improvement of Hochschild's Environmental Management System; and Technology and Innovation – aiming to reduce our environmental footprint.



Our environmental mission for 2030 is to contribute to a sustainable future, always acting with responsibility and environmental excellence.



1. People

OBJECTIVE

Communicate the importance of respecting and conserving the environment to our workforce and stakeholders, raising awareness and motivating them to become agents for change.

2. Technical operations

OBJECTIVE

Ensure real commitment to the environment, through continuous improvement of our Environmental Management System.

3. Technical innovation

OBJECTIVE

Reduce our environmental impact using technology and innovation in our process.

PROTECTING THE ENVIRONMENT

Water management

Water is a shared, vital and increasingly scarce resource. According to UNFCCC projections, water is one of the resources most affected by climate change. It is a critical resource for the mining industry and used as a basic input for ore processing. If a mine does not manage its water use adequately, it can negatively affect water sources in surrounding areas from both a quality and quantity perspective.

In this context, Hochschild is committed to managing water responsibly, through safeguarding its availability by the efficient use of water resources within our mining operations.

PERFORMANCE

In 2020 (and 2019), 86% of all water used in processing was recycled water, predominantly from water recovery plants at our tailings storage facilities. The remaining 14% was fresh water¹.



Water consumed in the processing plants:

3,257,603 m³

(2019: 5,181,969)



Fresh water¹ consumed in the processing plants:

442,371 m³

(2019: 735,533)

Recirculated water:

86%

WATER RECYCLED AND REUSED ACROSS ALL SITES

Inmaculada:

73%

RECIRCULATED

Selene:

100%

RECIRCULATED

San Jose:

72%

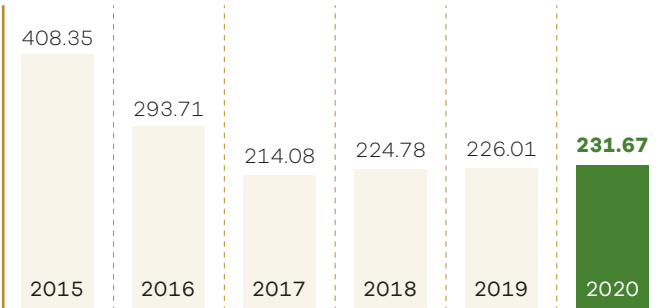
RECIRCULATED

1 Surplus of mine water that results from dewatering underground activities as flood protection measure.

The Covid-19 pandemic resulted in a significant use of water in order to meet clean, sanitary and safe housing conditions. As a result, potable water (measured on a per person basis) increased by 12% in 2020, compared to 2019 levels.

Despite this, we still succeeded in achieving our most stretching internal objective to keep water consumption below 250 litres/person/day. Furthermore, since implementation of the ECO Score, consumption of potable water has been reduced by 43%. In 2020, we have saved 268,305 cubic metres of potable water. This is equivalent to 429 million bottles of water.

Water consumption (litres/person/day)
Objective: Less than 250 litres/person/day



CASE STUDY

Blue certificate from Peruvian Water Authority



Blue certificate is the recognition granted by the Peruvian Water Authority to water-responsible users who participate in the “Water Footprint Programme” and successfully follow through on their commitments to measure their water footprint, implement a reduction plan, and develop a ‘shared value’ programme to benefit local communities.

Our Inmaculada mine site was accepted into the programme in 2019 and throughout 2020 we worked on the implementation of a water reduction programme with the objective of recirculating water from the domestic and grey water treatment plants to the processing plant through the installation of pumps and piping, always assuring an adequate quality

of the treated water. As a result of these efforts, we expect to save 20,000 cubic metres of fresh water annually.

The Peruvian Water Authority also expects the programme to benefit local communities through the implementation of a shared value initiative. In 2020, we continued to roll out a programme working with communities to provide technical knowledge and assistance to local producers and guinea pig breeders.

By the end of 2021, our Pallancata mine will also participate in the programme.



Expected results

ZERO

DISCHARGE OF TREATED DOMESTIC SEWAGE

20,000 m³

OF FRESH WATER SAVED YEARLY

6

EQUIVALENT OF 6 OLYMPIC SWIMMING POOLS SAVED PER YEAR

PROTECTING THE ENVIRONMENT

FEATURE

Recovery of water from tailings



Our San Jose mine uses tailings as underground backfill. Through the use of hydrocyclones we are able to separate the fine and coarse tailings. The coarse tailings are used as backfill, while the fine tailings are processed in a water recovery plant, which uses horizontal centrifuges or decanters to recover water for reuse. Once the water has been extracted, the “dry” tailings are disposed of in the tailing facility.

In 2020, we recovered 333,862m³ of water from the tailings, which was subsequently reused in our processing plant and mining operations.



333,862m³

VOLUME OF WATER RECOVERED FROM THE SAN JOSE WATER RECOVERY PLANT THROUGHOUT 2020

Waste management

Hochschild has detailed waste management plans in place to ensure all hazardous and non-hazardous waste generated is minimised and dealt with in a safe and responsible manner.

PERFORMANCE

In 2020, domestic waste generated across all our sites increased by 14% from 2019 levels, but we still met our most stretching internal objective to generate less than 1.5 kg/person/day. This increase can be attributed to the Covid-19 pandemic, which resulted in an increased demand for PPE. Nevertheless, since the implementation of the ECO Score, we have reduced domestic waste by 39%, more than 1.2 million kg.

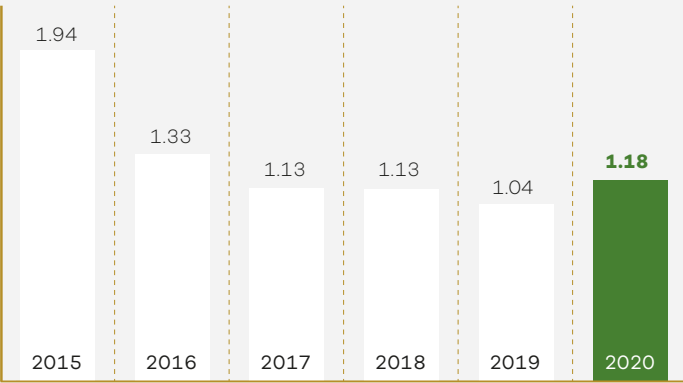


1.18 kg/per/day

ORGANIC AND GENERAL WASTE IN 2020

Generation of domestic waste (Kg/person/day)

Objective: <1.5 Kg/person/day



Responsible tailings storage management

Hochschild has 11 Tailings Storage Facilities (‘TSF’) in total, nine of which are downstream with rock buttresses. The two TSFs in Argentina were built with a central berm with impoundments on both sides. With the exception of the Ares TSF, which is in the process of being closed, all of our TSFs are classified as low or moderate risk. We have classified the Ares TSF as high risk based on the outcome of an internal assessment using, as reference, the Canadian Dam Association guidelines on Consequence Classification Ratings. We currently have four operational TSFs – two in Peru and two in Argentina.

We have robust systems in place to manage TSFs, which we assess regularly, with a policy of commissioning external inspections of operational facilities every two years. We are currently completing the implementation of the recommendations from the last audit, which took place in 2019 and which concluded that all dams are stable, with any observations being minor and related to care and maintenance. The next audit is due to commence in Q3 2021.

Hochschild supports the need for greater transparency in the mining sector and discloses full details on each of its TSFs and how they are managed. We are in the process of reviewing the ICMM’s new Global Industry Standard on Tailings Management to identify opportunities to further improve our TSF management.

For more details, please refer to <http://www.hochschildmining.com/en/responsibility>.

PROTECTING THE ENVIRONMENT



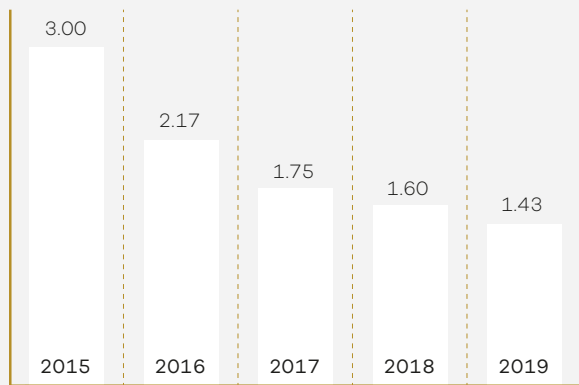
Good practices
Since the implementation of the ECO Score we reduced significantly the ratio of observations per inspection. This demonstrates that the ECO Score is a tool that has improved our overall environmental performance.

SINCE THE IMPLEMENTATION OF THE ECO SCORE WE HAVE REDUCED BY

52%

THE RATIO OF OBSERVATIONS PER INSPECTION CARRIED OUT BY THE ENVIRONMENTAL REGULATOR

Ratio of observations per inspection



2020 only had one supervision, with no observations, ratio 0

Energy use and climate change

At Hochschild, our carbon emissions primarily result from electricity use in our mining and processing operations. Our operations in both Peru and Argentina have a favourable greenhouse gas (‘GHG’) emissions intensity compared to other gold and silver mines globally (3.34 tCO₂e/koz Ag eq; 287.26 tCO₂e/koz Au eq). This is due to the underground nature of our mining operations (which generally have lower GHG emissions than larger open pit mines) and our low-carbon, grid-based electricity supply which is almost 50% sourced from hydro power. However, acknowledging the global significance of climate change, we are committed to taking the necessary measures to continually reduce our GHG footprint by evaluating additional low-carbon energy options and improving our operational energy efficiency, which also helps to deliver valuable cost savings to the business.

Huella De Carbano Peru

In 2020, we became a participant of the Peruvian Ministry of Environment’s voluntary carbon footprint programme, a recognition programme that rewards companies according to the degree of responsibility in managing their GHG emissions.

We have received the “Level 1 Footprint” acknowledgement for measuring our GHG emissions from both the Inmaculada and Pallancata mines. During 2021 we are working to secure independent certification of our carbon footprint.



Forward looking plans for managing climate risk
Hochschild is committed to assessing and reducing its exposure to climate-related financial risk and from 2021 will make the necessary preparations to align with the requirements of the TCFD as well as provide data to the Carbon Disclosure Project (an international non-profit organisation that helps companies disclose their environmental impacts). In addition, we will develop an action plan to continually reduce the carbon footprint of our operations, with an ultimate ambition to reach net zero.

PROTECTING THE ENVIRONMENT

PERFORMANCE

Our direct (Scope 1 and 2) operational emissions decreased in 2020 due to Covid-19 and were 98,974 tonnes CO₂e (compared to 122,210 tonnes CO₂e in 2019).

To further improve our energy efficiency we continue to replace conventional diesel-powered equipment with electric models.



EMISSIONS INTENSITY

3.34
tCO₂e/k oz Ag eq

287.26
tCO₂e/koz Au eq



FEATURE

Decarbonising our transport



At our San Jose mine in Argentina, we are already operating six electric mine vehicles, purchased between 2017 and 2018. In 2020, we piloted the use of the first electric vehicle at Inmaculada for liquid waste management. Working in partnership with our onsite waste management contractor, the project is the first of its kind in Latin America and, if successful, will be scaled up throughout 2021.

In 2021, we hope to expand our electric fleet with the purchase of electric vehicles for use in larger underground chambers that will not only reduce our carbon footprint but will also cut ventilation costs.

Land use and biodiversity

Peru sits within the top 10 of the most biodiverse countries on the planet and several of our sites are located inside the buffer zone of the Landscape Reserve Sub Cuenca del Cotahuasi, a legally recognised national protected area in the Arequipa region. Through managing our operations responsibly, our goal is to preserve this valuable natural asset for future generations.

Distance of our operations from natural protected areas

Mine	Distance (km)
Arcata	1.34*
Ares	20.23
Inmaculada	21.30
Pallancata	20.70
Selene	22.80

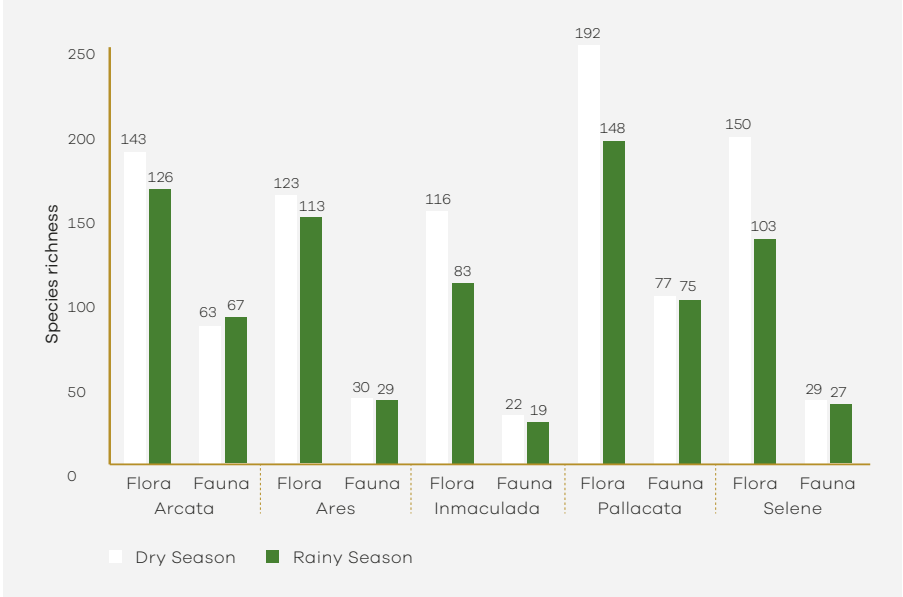
*Arcata is located inside the Landscape Reserve Sub Cuenca del Cotahuasi buffer zone



PROTECTING THE ENVIRONMENT

Before commencing any operation, we conduct detailed baseline studies which allow us to understand any potential impact and define effective mitigation and monitoring plans. To understand any variations against this baseline, biodiversity monitoring at each mine unit is conducted by a specialist consulting company biannually (i.e. in the rainy and dry seasons) to maintain the biodiversity of our surroundings.

The results of these surveys in 2020 confirmed that the abundance of species across all sites has remained constant, with the sighting of key indicator species (most notably birds of prey), reflecting the overall health of the ecosystem. Flora and fauna of particular conservation interest, some of which are vulnerable and/or endangered, were also observed throughout the year.



Mine closure: Leaving a positive legacy



Recognising that environmental and social responsibility extends beyond the life of our operations, mine closure plans are in place to restore areas where mining activity has ceased and we operate a policy of progressively closing historic mine components.

In 2020, the Company incurred additional cost by making a higher provision for the liabilities associated with the closure of two of the Group's mines; San Jose and Ares. This was prompted by an annual review of these operations' mine closure plans by a third-party consultant. The additional provision reflects improvements to the closure plan of the Ares TSF and increased transportation costs at San Jose.

CASE STUDY

Closure of a waste rock deposit at Arcata

In 2019 we started a rehabilitation project at the Eduardo waste rock deposit at our Arcata site, located in southern Peru.

The project was based on a detailed engineering study prepared by specialist consultants, Klohn Crippen Berger. Work was initially undertaken to confirm the physical and hydrological stability of the land, before a low permeability material was spread to help strengthen the rocky terrain. To prepare for revegetation, an additional layer of top-soil was added to the surface and a drainage system was installed to promote favourable growing conditions.

In 2020, we were able to proceed with revegetation. We transplanted ichu, a grass native to Peru, from neighbouring areas and sowed rye grass seeds, which protects the landscape from erosion during the rainy season. Finally, an irrigation system was installed to guarantee favourable conditions throughout the year, including the dry season.



SERVING OUR COMMUNITIES

Serving our communities

Hochschild recognises its responsibilities to host communities and invests significant resources to understand the needs and expectations of local communities and governments.



2020 HIGHLIGHTS



\$5.5 million invested in local communities



Recognised for our 2020 connectivity project, which has helped **13 communities access free internet** throughout the pandemic



Procured goods and services from community-run businesses worth **\$13.3m** (2019: \$8.4m)



Hired 613 community members across our six mines in Peru and **260 local workers** in our mine in Argentina

The Hochschild approach to serving our communities

We strive to promote close long-term collaboration with local communities, with full respect for local customs and social dynamics.

Our actions are guided by our Sustainability, Human Rights and Community Relations policies which provide the framework for our engagement with the communities and other local stakeholders. Our social engagement strategy is based on five pillars: (i) stakeholder engagement strategy; (ii) local employment; (iii) the procurement of local goods and services; (iv) community investment in social programmes; and (v) supporting local governments with capacity building and local investment projects. Through the implementation of this strategy, our intention is to **build trust and a mutually beneficial relationship** with the 49 communities in our direct area of influence – approximately 3,000 families.

3,000

FAMILIES – COLLECTIVE POPULATION IN OUR DIRECT AREA OF INFLUENCE

Donations

74

TONNES OF SUPPLIES AND FOOD TO OUR LOCAL COMMUNITIES

70,673

ITEMS OF MEDICAL PPE, OXYGEN AND OTHER MEDICAL SUPPLIES TO LOCAL HOSPITALS AND MEDICAL CENTRES (15,604 ARGENTINA, 55,069 PERU)

6,500

COVID-19 TESTS TO LOCAL MEDICAL CENTRES AND CONTRIBUTED TO THE DONATION OF COVID-19 TESTS FROM THE MINING INDUSTRY ASSOCIATION TO THE GOVERNMENT

IN THIS SECTION

The Hochschild approach to serving our communities	53
Local employment	54
Community investment	55

SERVING OUR COMMUNITIES

Local employment

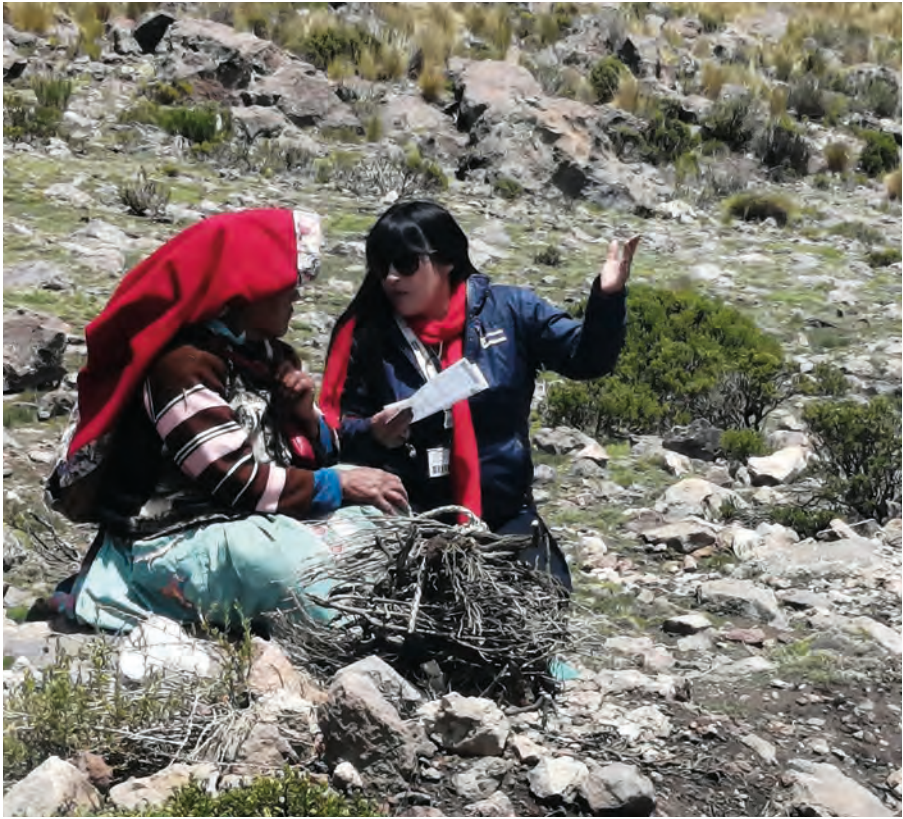
We believe that generating employment opportunities for residents of the local communities near our mining projects and operations is a key part of our contribution. In Peru, we employ 613 members across the communities employed in our six mines. For example, at Inmaculada and Pallancata-Selene, local employment accounted for 7% and 15% respectively of the total workforce. Our objective is to gradually increase this number over time.

In Argentina, we employ 260 local workers at our San Jose mine which represents 20% of the total workforce*.

Procurement of local goods and services

In addition to creating jobs, we believe that supplying opportunities for local providers of good and services allows us to deliver tangible socio-economic value for our communities. In 2020, we procured goods and services from community-run businesses worth \$13,264,276.

* 598 of the total workforce of the San Jose mine come from the Santa Cruz province.



1,635

NUMBER OF ENGAGEMENTS WITH LOCAL COMMUNITIES

100%

RESPONSES TO GRIEVANCES AND INQUIRIES



Community investment in social programmes

Another pillar of our strategy is the investment we make in various social programmes that benefit the communities in our areas of influence. In 2020, we invested a total of \$5.5 million in partnership with national authorities, which focus on four key areas of social investment benefiting over 10,000 individuals: education, connectivity, health and economic development.

613

PEOPLE HIRED FROM LOCAL COMMUNITIES

\$13.3m

VALUE OF PROCURED GOODS AND SERVICES FROM COMMUNITY-RUN BUSINESSES

Community investment by programme type



Education	\$814,739.31
Health and nutrition	\$1,115,590.86
Economic development	\$603,740.09
Philanthropic campaigns	\$169,143.19
Other*	\$2,770,190.44

*Other: Given to the province in Argentina through a publicly managed Trust Fund called "Proyecto UNIRSE" by the Provincial Government of Santa Cruz, oriented to finance diverse programmes and projects



Education
Our educational programme, "Aprender para Triunfar", supports students from across elementary and secondary school education, providing the skills and tools needed to help prepare for adult life and promoting emotional and entrepreneurship skills.

Connectivity
Our "Conexión Futuro" programme develops digital centres in Peruvian communities and is led by technical specialists training the local community in basic computer and IT skills. The team worked remotely in 2020, providing advice and support to communities, helping them to adjust to the new reality. After several months of lockdown, we were able to reopen the digital centres with a limited capacity and with social distancing.



Health and nutrition
Through the "Siempre Sanos" programme, in collaboration with the Peruvian Health Ministry, the Company is committed to meeting the health needs of individuals, families and communities living close to our operations. In addition to providing free medical care, the programme holds workshops for health prevention and health education, particularly providing support to parents on early childhood development and child nutrition.



Economic development
Hochschild's "Impulso Productivo" programme seeks to strengthen local entrepreneurs' business management skills through the development of investment and improvement plans, as well as providing access to markets.

The "Orgullo Pecuario" programme seeks to contribute to the wellbeing and development of the livestock producers of the communities. The Company provides training in genetic improvement of the livestock and animal health.





2020 community projects

While a number of our community projects were paused in 2020 due to Covid-19, we continued to deliver our flagship programmes which were more important than ever. Technology, provided through our “Conexión Futuro” programme, played a critical role in our community projects throughout 2020. To keep communities connected during the pandemic, we prioritised our resources to establish internet connectivity across 13 communities.

300

STUDENTS SUPPORTED FROM ACROSS
12 SCHOOLS IN REMOTE AREAS

1,693

MEDICAL CONSULTATIONS IN 2020

Facilitating distance learning:

The 13 communities benefiting from the Connectivity Project were prioritised because they have the largest student populations. Allowing schoolchildren to continue their studies during the Covid-19 pandemic was therefore the focus of our community support. In 2020, we were able to facilitate academic support for over 1,400 students and 150 teachers across 13 schools (including elementary and high schools) in remote areas within our sphere of influence.



Meeting the health needs of communities:

During 2020, we continued to meet the health needs of individuals and families through our “Siempre Sanos” programme by providing medicines, nutritional and early stimulation advice in collaboration with local health promoters and networks. We embraced technology through the development of educational films and the digitisation of resources and materials to ensure we could continue to transfer knowledge and advice, whilst respecting social distancing requirements. In 2020, the programme saw almost 1,700 consultations. The programme also worked closely with local health establishments to help prepare them for possible Covid-19 infections and monitored local Covid-19 patients.

Supporting economic activities:

The technical specialists from our community digital centres were able to help communities adjust to the new reality under Covid-19 and ensure the continuity of local economic activities. This was achieved by providing both face-to-face and virtual technical assistance and training, as well as providing requisite supplies and materials.



“

The Connectivity Project has helped a lot in our studies. It allows us to study during the pandemic from our homes. The internet has become a necessity and thanks to this programme, we can learn from a distance.”

Diana Bustamante,
5th grade, San Francisco de Rivacayco

“

Thanks to this project I have been able to access technological tools and discover new applications that have helped me in my studies. Besides me, the project has helped my family and friends to continue with their higher education studies.”

Nicolee Ilave,
4th grade, San Javier de Alpabamba



FEATURE

Providing entrepreneurial training and support in Argentina



In 2016, the employees of our San Jose mine in Argentina trained individuals in the nearby community of Perito Moreno in textile cutting and entrepreneurial skills including management and administration. Because of this support, participants were able to form a small textile company known as “Puntadas Peritenses”.

In 2020, Puntadas Peritenses supplied Minera Santa Cruz (the joint venture company co-owned by Hochschild and its partner McEwen Mining) with more than a thousand items of work clothing, including personal protective equipment, overalls, sweaters and vests.



FEATURE

Keeping communities connected throughout the pandemic

As well as meeting the basic food and medical needs of communities throughout the pandemic, Hochschild identified the need for improved communications. In many of our local communities, the lack of a telephone signal proved a significant barrier to the successful development of virtual education, as mandated by the Peruvian Government since March 2020.

To close this communication gap, our Connectivity Project was developed to provide the necessary infrastructure to allow the population of 13 communities surrounding our mining units to access free and unlimited internet from their homes. As a result, over 6,500 residents were connected, making virtual education and training activities viable, supporting small businesses, and keeping families connected during these challenging times.

Our efforts have been recognised externally, receiving first prize in the **ProActivo Awards 2020**, an award recognising the innovative efforts of mining companies to contribute to the wellbeing of Peruvians throughout the pandemic.



We, as medical professionals, welcomed the internet connection programme. It was an enormous support during the pandemic as the pharmacy was able to make financial transfers to family members. Community members were able to receive payments from the Juntos and Pension 65 programmes.”

Hernan Huamani



I created a WhatsApp group for my restaurant to communicate easily with my diners (throughout the pandemic)... I share the daily menu and they can order lunch and dinner. Before, I had no way to connect or communicate with them and plan, leading to food waste. Now, I can advise them of availability, avoiding food waste.”

Etelvina Huamani Ybarguen



Engaging with our communities

We engage in regular dialogue with local communities and monitor our social impact by gathering detailed feedback. Our community relation activities aim to keep all stakeholders informed of our activities, to respond to their queries and doubts, and to be open to any suggestions they have regarding activities and projects that matter to them. Communication channels are tailored to each community in order to maximise engagement, and may include guided site visits, meeting with authorities, focus groups, and participatory environmental monitoring. In 2020, we engaged with communities through over 1,600 interactions.

We have Permanent Information Offices (“PIO”) located in a town near our Inmaculada site and in Pallancata, which act as a permanent point of contact for our communities. We also have a permanent office in the town of Perito

Moreno in the Santa Cruz province in Argentina. These offices are open to our communities and are used to provide information regarding our activities, as well as to receive any grievances or concerns. To comply with social restrictions imposed as a result of Covid-19, the PIO for Inmaculada operated virtually in 2020, providing information and responses to any queries through a series of virtual channels, including email, WhatsApp, SMS and Facebook.

To receive and address any community concerns, we operate a formal grievance procedure, where we provide early response to complaints, inquiries and requests from the communities in our area of influence. This mechanism serves as an effective communication tool that helps to build trust and confidence with our neighbours. In 2020, we received 46 grievances and inquiries, all of which were responded to.

“Creating mutual, long lasting relationships with our host communities is critical to the success of Hochschild’s business and is central to our approach in the community relations team.

While 2020 was a particularly challenging year for all of us, we took the time to listen to and anticipate the needs of our communities, successfully allowing us to continue providing vital support to local education, health and employment”.

Carmen Cuba,
Community Relations Manager

Supporting local governments

The final pillar of our community relations strategy is the assistance we provide to local governments. We have agreements signed with six local municipalities near Inmaculada and Pallancata.

The agreements see support provided in four specific areas: (i) investment in an infrastructure project that we select together with the municipal authorities; (ii) financing of a technical study required for another infrastructure project that the municipality selects; (iii) support with capacity building; and (iv) a donation in specie made to the municipality. For example, in 2020 we donated a new ambulance to the municipality near Pallancata to support the local government’s efforts to improve the public health services available to its population. Most of the agreements have a four-year term which coincides with the mandate of local governments. This allows us to work together with the local governments in meeting certain medium-term objectives that benefit the local population.

In 2020, \$5.5 million was invested in the implementation of these agreements with local governments in Peru and Argentina.

Creating wider economic value also involves making royalty and tax payments to state and local authorities. In 2020 alone, these amounted to \$24.7 million in 2020 (compared to \$19.3 million in 2019).



Appendix



Appendix

2020 Data

Health and Safety

	2020	2019	2018	2017	2016
Fatal accidents	1	0	3	4	0
Accidents leading to an absence of one day or more	19	20	35	55	47
LTIFR ¹	1.38	1.05	1.74	2.69	2.20
Accidents Severity Index ²	474	54	930	1,264	138
Accidentability rate ³	0.65	0.06	1.62	3.40	0.29

1 Calculated as total number of accidents per million labour hours

2 Calculated as total number of days lost per million labour hours

3 Calculated as LTIFR x accident severity divided by 1,000

People

	2020	2019	2018	2017	2016
Full time employees					
Total					
Peru	1,960	1,876	2,861	2,959	2,888
Argentina	1,431	1,405	1,283	1,162	1,182
London, Chile	6	6	6	6	6
Total	3,397	3,287	4,150	4,127	4,076

2020							2019
Age group							
	Peru	Argentina	Total	Peru	Argentina	Total	
Under 30 years old	247	241	488	193	183	376	
30 – 50 years old	1,440	1,049	2,489	1,394	1,070	2,464	
Over 50 years old	273	141	414	289	152	441	
Total	1,960	1,431	3,391	1,876	1,405	3,281	

	2020	2019	2018	2017	2016
Talent attraction and retention					
New hires	420	392	583	465	728
Departures	304	1,288	517	811	903
Retention rate (%)	9%	35%	12%	20%	22%

	2020	2019	2018	2017	2016
Gender diversity					
Number of employees					
Male	3,125	3,057	3,904	3,889	3,855
Female	272	230	246	238	221
Number of senior managers					
Male	41	37	37	36	35
Female	1	1	1	1	1
Number of Board members					
Male	7	7	7	7	8
Female	2	1	1	1	1

APPENDIX CONTINUED

Environment

	2020	2019	2018	2017	2016
Water					
Water consumption (litres/person/day)	231.67	206.01	224.78	214.08	293.71
Water recirculated (%)	86%	–	–	–	

Waste

Domestic waste generation (kg/person day)	1.18	1.04	1.13	1.13	1.33
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Generation of waste by type (tons)

Organic and general waste	1,565	1,547	2,100	2,134	2,289
Recyclable waste	599	642	706	717	988
Scrap metal	1,380	1,288	1,528	1,510	1,568
Recyclable hazardous waste	147	231	304	288	281
Non-recyclable hazardous waste	610	748	807	884	1,134
Electronic waste	8.79	10.81	798	14.75	23.77
Sold/donated waste	2,201	3,870	2,924	3,215	1,941

Electricity use (MWh)

Electricity consumed MWh (from purchased electricity)	233,432.58	302,524.93	307,306.76	315,978.03	307,977.31
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Emissions (tonnes of CO₂e)

Scope 1	38,537	39,341	38,939	47,265	46,033
Scope 2	60,437	82,833	85,084	94,249	91,893
Total	98,974	122,174	124,023	141,514	137,926
Emissions intensity, per thousand ounces of total silver equivalent produced (tCO ₂ e/koz Ag eq)	3.34	2.64	2.60	3.16	3.27

- Method used based on ISO 14064-1 Standard and GHG Protocol Corporate Accounting and Reporting Standard using IPCC and Peruvian emission factors.
- Includes data for the whole year for Peru (former and current operating assets, Azuca, Crespo, warehouses and office locations) and San Jose.
- Total production includes 100% of all production, including that attributable to the joint venture partner at San Jose.
- Emissions (and intensity) include combustion of fuel and operation of facilities (Scope 1), and purchased electricity (Scope 2).
- Note: The Group's UK operations consist of a single office with an occupancy of three. Its total Scope 1 and Scope 2 emissions and energy consumption represent less than 0.01% of the Group's reported totals.

Communities

Community investment	2020	2019	2018	2017	2016
Spend on local communities (Millions of USD)	5.5*	9.3	8.3	5.6	4.4
Procured goods and services from community members (Millions of USD)	13.3	8.4	–	–	–

* Social programmes and agreements, connectivity programme, COVID donations

GRI Index table

This Sustainability Report is prepared in accordance with the GRI Standards: Core Option. In this GRI Index, we disclose the economic, environmental and social sustainability topics that are material to Hochschule.

GRI 102: General Disclosure 2016

GRI Standard	Disclosure number and name	Page reference
Organizational Profile	102-1 Name of the organization	Cover page
	102-2 Activities, brands, products, and services	page 6
	102-3 Location of headquarters	page 6
	102-4 Location of operations	page 6
	102-5 Ownership and legal form	page 6
	102-6 Markets served	page 6
	102-7 Scale of the organization	page 6
	102-8 Information on employees and other workers	page 33 and 61
	102-9 Supply chain	Annual Report 2020 (page 22-23)
	102-10 Significant changes to the organization and its supply chain	No significant changes during 2020
	102-11 Precautionary Principle or approach	Hochschild supports the intent of the Precautionary Principle, but has not expressed a specific commitment in the public domain
	102-12 External initiatives	pages 7-8, 36, 43
	102-13 Membership of associations	page 16
Strategy and analysis	102-14 Statement from senior decision-maker	pages 3-4 and 12
	102-15 Key impacts, risks, and opportunities	pages 10-11
Ethics and Integrity	102-16 Values, principles, standards, and norms of behaviour	page 6
Governance	102-18 Governance structure	pages 12-13
Stakeholder engagement	102-40 List of stakeholder groups	page 14
	102-41 Collective bargaining agreements	page 31
	102-42 Identifying and selecting stakeholders	pages 14-17
	102-43 Approach to stakeholder engagement	pages 14-17
	102-44 Key topics and concerns raised	pages 14-17
Reporting practice	102-45 Entities included in the consolidated financial statements	Annual Report 2020
	102-46 Defining report content and topic Boundaries	pages 10-11
	102-47 List of material topics	pages 10-11
	102-48 Restatements of information	No restatements this year
	102-49 Changes in reporting	This is Hochschild's first standalone Sustainability Report, the content of which was defined through a materiality assessment undertaken in 2020 to prioritise the sustainability topics that matter most to the business (see page 12)
	102-50 Reporting period	1 January – 31 December 2020
	102-51 Date of most recent report	July 2021 for FY 2020
	102-52 Reporting cycle	page 1 (annual)
	102-53 Contact point for questions regarding the report	page 1 (info@hocplc.com)
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
	102-55 GRI content index	Produced as an appendix to the Sustainability Report
	102-56 External assurance	This report has not been externally assured. External assurance is being considered for future reports

APPENDIX CONTINUED

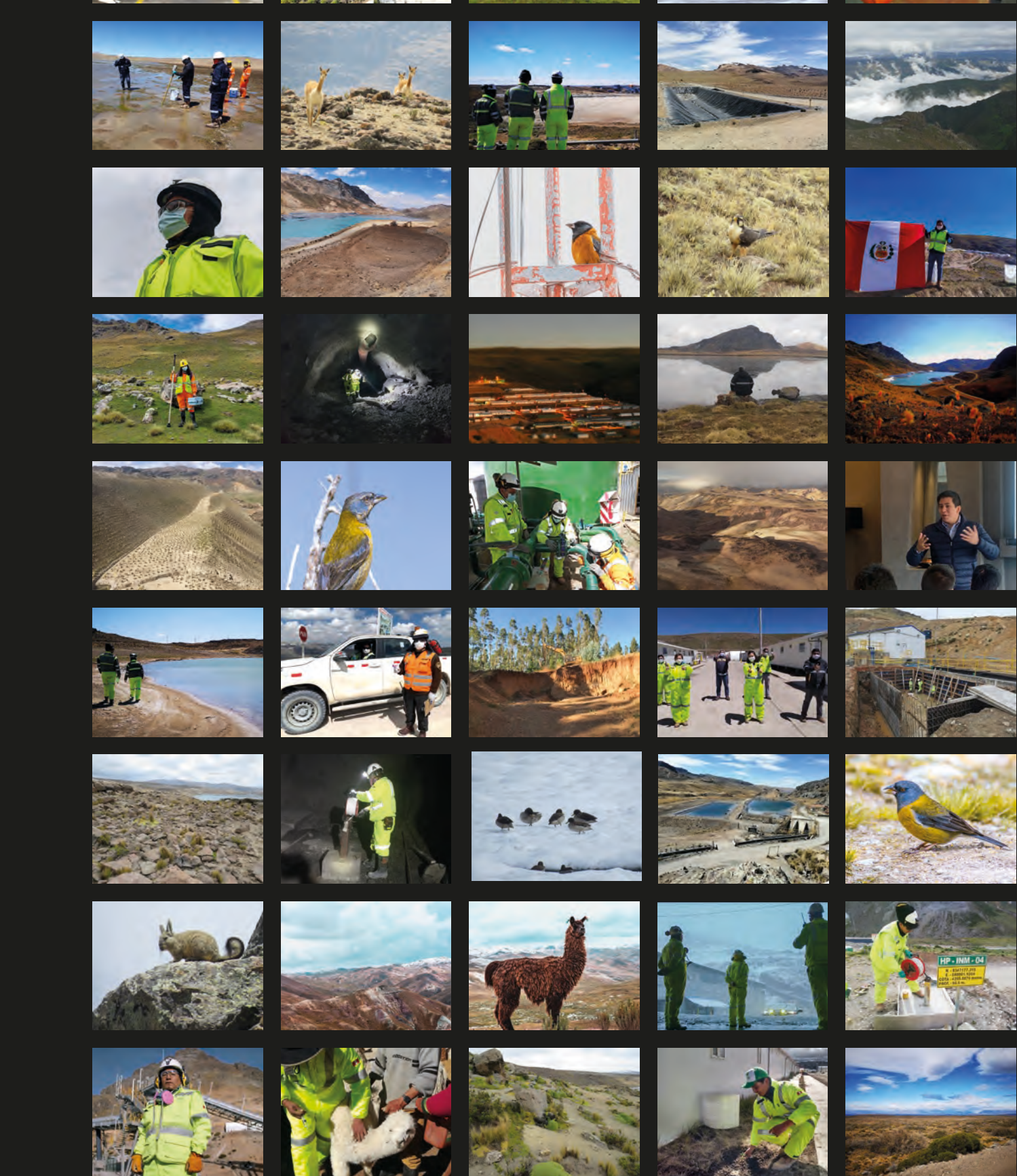
Specific Standard Disclosures

GRI 200 Economic Standards Series		
GRI Standard	Disclosure number and name	Page reference
Economic Performance		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	Annual report 2020, Financial Statements
	103-2 The management approach and its components	Annual report 2020, Financial Statements
	103-3 Evaluation of the management approach	Annual report 2020, Financial Statements
GRI 201: Economic Performance (2016)	201-1 Direct economic value generated and distributed	Annual report 2020, Financial Statements
Indirect Economic Performance		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	page 55
	103-2 The management approach and its components	page 55
	103-3 Evaluation of the management approach	page 55
GRI 203: Indirect Economic Impacts	102-54 Claims of reporting in accordance with the GRI Standards	page 55
Procurement Practices		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	page 54
	103-2 The management approach and its components	page 54
	103-3 Evaluation of the management approach	page 54
GRI 204: Procurement Practices (2016)	204-1 Proportion of spending on local suppliers	page 53
Anti-Corruption		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	page 19
	103-2 The management approach and its components	page 19
	103-3 Evaluation of the management approach	page 19
GRI 205: Anti-corruption (2016)	205-2 Communication and training about anti-corruption policies and procedures	page 19

GRI 300 Environmental Standards Series		
GRI Standard	Disclosure number and name	Page reference
Energy		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	pages 47-48
	103-2 The management approach and its components	pages 47-48
	103-3 Evaluation of the management approach	pages 47-48
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	page 48
Water and Effluents		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	pages 42-44
	103-2 The management approach and its components	pages 42-44
	103-3 Evaluation of the management approach	pages 42-44
GRI 303: Water and Effluents (2018)	303-1 Interactions with water as a shared resource	Page 42
	303-5 Water Consumption	page 42

GRI 300: Environmental Standards		
GRI Standard	Disclosure number and name	Page reference
Biodiversity		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	pages 49-51
	103-2 The management approach and its components	pages 49-51
	103-3 Evaluation of the management approach	pages 49-51
GRI 304 Biodiversity (2016)	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	page 49
Emissions		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	pages 47-48
	103-2 The management approach and its components	pages 47-48
	103-3 Evaluation of the management approach	pages 47-48
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	page 62
	305-2 Energy indirect (Scope 2) GHG emissions	page 62
	305-4 GHG emissions intensity	page 48
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	page 45
	103-2 The management approach and its components	page 45
	103-3 Evaluation of the management approach	page 45
GRI 306: Waste (2020)	306-1 Waste generation and significant waste-related impacts	page 45
	306-2 Management of significant waste-related impacts	page 45
	306-3: Waste generated	pages 45 and 62

GRI 400 Social Standards Series		
GRI Standard	Disclosure number and name	Page reference
Employment		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	page 31
	103-2 The management approach and its components	pages 31-33
	103-3 Evaluation of the management approach	pages 31-33
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	page 33
Occupational Health and Safety		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	pages 23
	103-2 The management approach and its components	pages 25-29
	103-3 Evaluation of the management approach	page 25
GRI 403: Occupational Health and Safety (2018)	403-1 Occupational health and safety management system	page 24
	403-2 Hazard identification, risk assessment, and incident investigation	page 25
	403-5 Worker training on occupational health and safety	pages 24 and 26
	403-6 Promotion of worker health	pages 27-29
Training and education		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	page 31
	103-2 The management approach and its components	page 31
	103-3 Evaluation of the management approach	page 31
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	page 31
	404-2 Programs for upgrading employee skills and transition assistance programs	page 31
Diversity and Equal Opportunity		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	page 36
	103-2 The management approach and its components	page 36
	103-3 Evaluation of the management approach	page 36
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees	page 37 and 61
Local Communities		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	page 53
	103-2 The management approach and its components	page 53-59
	103-3 Evaluation of the management approach	page 53-59
GRI 413: Local Communities (2016)	413-1 Operations with local community engagement, impact assessments, and development programs	page 53
Human Rights		
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	page 21
	103-2 The management approach and its components	page 21
	103-3 Evaluation of the management approach	page 21
GRI 412: Human Rights Assessment (2016)	412-2 Employee training on human rights policies or procedures	Looking to 2021, our focus will be on implementing company-wide training to further embed our six fundamental human rights principles, as covered in our Human Rights Policy, across all levels of the business.



Hochschild Mining PLC

17 Cavendish Square
London W1G 0PH
United Kingdom

+44 (0) 203 709 3260
info@hocplc.com
www.hochschildmining.com

