



Tracey Kerr
Chair, Sustainability Committee

Our commitment to sustainability is not just a business necessity, but a moral obligation to future generations

Since the Company's inception, we have endeavoured to maintain and reinforce our corporate values of respecting the wellbeing of our employees, the environment and the communities in which we operate.

\$119.4_m

LOCAL
PROCUREMENT

5.27

ECO
SCORE

33%

FEMALE BOARD
COMPOSITION

2nd

RANKING OUT
OF 16 MINING
COMPANIES
IN PERU
(2022 MERCO
RESPONSIBILIDAD ESG
RANKING)



Dear shareholder

In my capacity as the new Chair of the Sustainability Committee, I am thrilled to share with you the significant strides we have made delivering across our many ESG initiatives during 2022. We're determined not to stand still however, and through our Online Engagement Forum I have had the pleasure of speaking personally with some of our diverse and very talented people to understand what more we can do to improve. We understand that our decisions and actions taken today will shape the world for years to come and the team and I are all dedicated to being a leader in responsible mining. I do hope you enjoy reading about our progress to date and we warmly welcome any feedback.

Serving our Communities

We have forged strong partnerships with our local communities and invested approximately \$7.0 million in 2022 to support education, connectivity, health and nutrition, and socio-economic development initiatives. Our efforts have benefited over 2,000 people in Peru who received free medical care, and 687 primary and secondary school students who participated in skills development workshops. Approximately 500 people also gained access to our digital centres, where they received information and communication technology training. Finally, we procured goods and services worth \$119.4 million from local providers in Peru, Argentina and Brazil, contributing to the growth of local economies.

Protecting the Environment

We launched our updated Environmental Management System to monitor and improve our environmental performance. Our sustainability efforts were externally recognised through our CDP climate change impact report, which I'm proud to say received a B rating – an improvement on last year and higher than the mining industry average. We also continue working towards net zero emissions by 2050, and plan on setting interim targets for 2030 in 2023, which will serve as a stepping-stone to achieve our goal.

Promoting Health and Safety

We're proud of our outstanding health and safety record, with no fatal or serious accidents occurring in the high-risk field of underground mining in 2022. We also introduced an in-house integrated safety performance indicator – Seguscore – to track and improve vital safety metrics. We retained our DNV Level 7 Occupational Health and Safety Management System rating, reflecting our unwavering commitment to upholding the highest safety standards.

Empowering our People

We offer equal opportunities to all our employees, regardless of their race, gender, religion, ethnicity, age, or any other personal characteristic. Our low voluntary employee turnover rate of just 4% speaks to our positive culture. Mining is a predominately male industry, which historically has had challenges regarding the sexual harassment of female workers. During 2022, we continued assessing our Company with ELSA – a comprehensive diagnostic and intervention tool, which confirms a substantial decrease in harassment cases compared with 2021.

Guaranteeing we are a Responsible Business

Hochschild continues to receive external recognition for our responsible business practices. For the second year running, we were honoured with the EMIN award for Mining Excellence in the South Macro Region, presented by the Peruvian National Society of Industries, the Peruvian Mining Engineers Institute, and the Arequipa Chamber of Commerce. Additionally, we maintained our certification for Anti-Bribery from 'Entrepreneurs for Integrity' and achieved second place among 16 mining companies in the 2022 MERCOS Responsabilidad ESG ranking in Peru.

Moving forward, we will launch a new set of ESG KPIs in 2023 that will help us monitor our progress across all these topics. Our goal is to further enhance our ESG practices by launching new projects that promote socio-economic development in our local communities, reduce our environmental footprint through effective climate risk management, assess additional High Potential Events (HPEs) to enhance safety measures, and strengthen our grievance and whistleblower mechanisms to ensure the wellbeing and satisfaction of our employees. I look forward to sharing our progress with you next year.

If you have any comments and feedback on our sustainability activities or report, please reach out to us at sustainability@hocplc.com.

Tracey Kerr
Chair, Sustainability Committee

Our approach to sustainability

Our areas of focus



Hochschild's approach to sustainability

The aim behind our long-term business strategy is to provide an attractive investment proposition for our shareholders, while also enhancing value for all our stakeholders, including our employees, customers, suppliers, and local communities.

To ensure that both these objectives are met, we have focused our efforts and operational delivery on the areas where we can have the biggest impact, supported by our commitment to the United Nations Sustainability Development Goals (UN SDGs). We initially identified these areas through a materiality assessment, which we reviewed in 2021. In this latest review, we determined 14 key environmental, social and governance topics that are vital to both our Company and its

stakeholders. The process involved analysing external trends, conducting a peer benchmarking exercise, engaging with stakeholders both within and outside the Company, and comprehensively examining and prioritising material topics. We undertake a materiality assessment every two years and plan to revisit and refresh it in 2023.

Sustainability Strategy

Minimal footprint

Maximise innovation

Transparency

Robust culture

Best in class

Governance

Good corporate governance is key to ensuring the effective and efficient management of a company, promoting transparency, accountability and trust in the business and its operations, which requires strong guidance and leadership. Our Board of Directors holds the ultimate accountability for creating policies on sustainability, making sure that the Company complies with both international and national regulations, and for establishing sustainability as a source of lasting competitive advantage.

The Board has tasked the Sustainability Committee, an official sub-committee, with the responsibility of overseeing sustainability matters, ensuring

compliance and implementing systems and practices effectively throughout Hochschild to manage ESG-related risks and opportunities.

Tracey Kerr chairs the Sustainability Committee and has Board-level responsibility for ESG issues. She is also the Designated Non-Executive Director for Workforce Engagement. The Vice Presidents of Operations, Legal & Corporate Affairs, and Human Resources report to Tracey Kerr as Chair of the Sustainability Committee.

Committee membership and attendance at Committee meetings are detailed in the table below:

2022 Meeting attendance

Members	Independent	Maximum possible attendance	Actual attendance
Tracey Kerr, Non-Executive Director (Chair)*	Yes	3	3
Graham Birch, Non-Executive Director**	Yes	2	2
Ignacio Bustamante, Chief Executive Officer	No	4	4
Eileen Kamerick, Non-Executive Director	Yes	4	3
Michael Rawlinson, Non-Executive Director***	Yes	1	1
Mike Sylvestre, Non-Executive Director****	Yes	2	2

* Tracey Kerr was appointed member of the Committee on 1 March 2022 and as Chair of the Committee on 26 May 2022.

** Graham Birch stepped down from the Committee on his retirement from the Board on 26 May 2022.

*** Michael Rawlinson stepped down from the Committee on 1 March 2022.

**** Mike Sylvestre joined the Committee on 26 May 2022.

The Committee conducted the following key activities during 2022:

Core areas of focus

- Monitoring the execution of the annual plan in key areas: Serving our Communities, Protecting the Environment, Ensuring Health and Safety, Empowering our People, and Guaranteeing we are a Responsible Business;
- Oversight of the ongoing rollout of the Environment Culture Transformation Plan as well as updates on the progress of the Company's Carbon Strategy; and
- Consideration of the issues raised by employees in the roundtables hosted by Tracey Kerr, Sustainability Committee Chair (see page 65 for further details).

Policy & risk management

- Reviewing and approving the updated Corporate Environmental Policy;
- Benchmarking the risk assessment of the Company's Tailings Storage Facilities (TSF) with reference to the International Council on Mining and Metals' (ICMM) Global Standard on Tailings Management; and
- Reviewing key sustainability-related risks faced by the Company and evaluating the adequacy of the mitigation measures put in place.

Reporting & monitoring

- Approving the Sustainability section for inclusion in the 2021 Annual Report and reviewing the standalone 2021 Sustainability Report;
- Providing oversight and updates on external ESG-related disclosure initiatives, for example the Company's participation in the Carbon Disclosure Project (CDP), MSCI and Sustainalytics; and
- Selecting and adopting ESG-related Key Performance Indicators (KPIs) in alignment with the Company's strategy.

Sustainability reporting

To provide our stakeholders with greater transparency on the impact of climate change on our business, we began participating in CDP surveys and reporting under the Task Force for Climate-related Financial Disclosure (TCFD) framework in 2021. We were encouraged that our CDP climate score for 2022 showed a marked improvement from 2021. More information on our scores can be found on the website.

For climate-specific disclosure, we have published our 2022 report based on the TCFD framework, which can be found from page 68. Using these external disclosure frameworks, we are committed to providing our stakeholders with an ongoing and transparent account of the material topics and to outline the steps we are continually taking to improve our sustainability performance.

In addition, we publish a Sustainability Report that conforms to the requirements of the GRI Universal Standards every two years, with the next one set to be published in 2024. Our previous Sustainability Report, published in 2022 can be found via our website at:

<https://www.hochschildmining.com/sustainability/sustainability-reports-and-policies/>

Launching new ESG KPIs

After a comprehensive internal review, our Board of Directors approved the publication of new KPIs in May 2022, against which the Company's future sustainability performance will be measured. The ESG KPI dashboard can be found on our website under Our Reporting and Ratings at:

<https://www.hochschildmining.com/sustainability/sustainability-reports-and-policies/>

We will report our performance against the chosen KPIs on an annual basis. In addition, to track our ESG performance, we will set clear and actionable KPI targets for 2030. The list of tracked KPIs will be supplemented as appropriate, as we continue to monitor their significance.



Serving our Communities

Highlights

61%

LOCAL MINE WORKFORCE VS TOTAL MINE WORKFORCE* (2021: 58%)

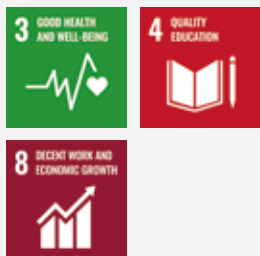
\$119.4m

LOCAL PROCUREMENT IN PERU, ARGENTINA AND BRAZIL* (2021: \$94.7M IN PERU AND ARGENTINA)

\$7.0m

SPENT OR DONATED TO BENEFIT LOCAL COMMUNITIES AND LOCAL GOVERNMENTS (2021: \$6.8M)

Alignment to UN SDGs



At Hochschild, we are deeply committed to supporting the local communities where we operate. Our aim is to make a significant and positive impact on the development of these communities. We have identified the following material topics related to this pillar: Positively Impacting Local Communities and Respecting Human Rights.

Our approach to serving our communities

Our approach at Hochschild is to foster strong partnerships with our local communities, while respecting their unique cultural heritage, practices and social dynamics. Since transparent communication is a high priority for us, we keep our communities informed of any relevant Company developments and actively engage them in decision-making processes that may impact them.

Our approach is guided by our Community Relations Policy, which outlines our commitment to building trust, establishing open lines of communication, and actively listening to and addressing community concerns. We work with government authorities to ensure our social investment strategies are implemented successfully and have a long-lasting impact.

Key achievements 2022

– **Digital inclusion:** The Conexión Futuro ('Future Connection') programme aims to increase employability in the rural areas surrounding our mining units in Peru through technical skills training. This initiative is especially intended for

communities with a large student population, where digital centres are established to provide them with information and communication technology (ICT) training. Over 180 students from six localities have already benefited from the programme. These centres are equipped with projectors, wireless network systems and sound systems, and access to them is always free of charge. In 2022, one new digital centre was established in Pausa and two were upgraded in Pacapausa and Cascara, communities in Peru. With these new and improved centres, there are a total of 10 centres built since programme launch in 2020, which connect 13 localities in Peru with stable internet access.

Beneficiaries of the 6 Digital Centres in Peru in 2022	491
Students attending technical certification courses	183
ICT issues resolved	1,929
Total internet connections in 13 local communities in Peru	118,264
Average number of daily connections	50

* Local refers to people working at the mines or businesses that belong to the regions where the Company operates (Peru: Apurímac, Arequipa, Ayacucho and Cajamarca; Argentina: Santa Cruz; Brazil: Goiás).

- **Education:** Our educational programme Aprender para Triunfar (*'Learn to Succeed'*) not only provides academic support to primary school students in the areas of mathematical reasoning and reading comprehension, but also emphasises the development of socio-emotional and entrepreneurial skills for secondary school students. In 2022, we conducted workshops with over 450 secondary school students and 181 primary school students, trained 13 primary school teachers and 51 secondary school teachers as well as facilitated eight parent-teacher meetings. Ultimately, this programme benefited 675 students and 64 teachers.

To cater to the needs of the mining industry specifically, we sponsor higher education opportunities in technical subjects relevant to this industry through our Becas Futuro (*'Future Scholarship'*) programme. In 2022, 30 students were enrolled in higher education programmes and 64 received sponsorship for trade certifications related to work at a plant, mine, laboratory, among others.

Beneficiaries of the Aprender para Triunfar programme in 2022	739
Secondary school students who attended workshops	494
Primary school students who attended workshops	181
Number of trained teachers	64
Number of parent-teacher meetings	8
Beneficiaries of the Becas Futuro programme in 2022	94

- **Health and nutrition:** The Siempre Sanos (*'Always Healthy'*) programme implemented in partnership with the Peruvian Health Ministry addresses the medical needs of local communities. As part of this programme, we organised five campaigns with multi-speciality medical professionals to offer free medical care to these communities, reaching over 2,000 people.

Beneficiaries of the Siempre Sanos programme in 2022	2022
Number of multi-speciality medical campaigns	5

The Estimulación Temprana (*'Early Stimulation'*) programme supports new parents with infant nutrition and educates community members on preventive care. In 2022, more than 2,000 people benefited from the programme. Sixteen health promoters – trained by us and from within the communities – carried out almost 1,500 home visits to improve parents' knowledge of early child development. Furthermore, experts in specialised nutrition and early stimulation carried out 160 visits in local communities near the Inmaculada mine. We are pleased to report that there was a 51% reduction in child anaemia cases in this area in 2022, compared to the previous year.

Number of health promoters	16
Number of home visits carried out	1,459
Number of home visits carried out by specialised nutrition and early stimulation personnel	160
Reduction in child anaemia cases in local communities near the Inmaculada mine	51%

- **Economic development:** Hochschild's Impulso Productivo (*'Boosting Productivity'*) programme seeks to strengthen local entrepreneurs' business management skills and improve their market access to three food production-related areas: guinea pigs, poultry and vegetables. As a part of this programme, we were especially successful in setting up a collection centre for fruits and vegetables in San Javier de Alpabamba. We worked with 134 agricultural producers, who sold approximately \$26,000 worth of guinea pigs, chicken, vegetables and other local produce in 2022 to our food service provider and to the local market. We are proud to announce that in August 2022 we won first place in the Proactivo awards under the 'Large Mining' category for this programme.

A noteworthy part of this programme involved providing support to members of the Asociación de Productores Agroindustriales de Paucar del Sara Sara (Asapapssa) to help them in certifying their avocados as organic. Our support covered the cost of the certification process, including the pesticide analysis conducted by a third-party company. Along with 19 other partners, our efforts allowed these producers to export around 16 tonnes of organic avocados to the European market in 2022.

In a bid to further support the economic development of our communities in Peru, we began the Orgullo Pecuario (*'Pride in our Livestock'*) programme in 2016. In 2022, we provided 776 livestock producers with personalised technical assistance to improve the health of their livestock. Moreover, we carried out animal health campaign activities and provided support for the management of almost 140,000 camelids and cattle.

Beneficiaries of the Impulso Productivo programme in 2022	134
Sales of guinea pigs, chickens and fruits & vegetables	~\$ 26,000
Beneficiaries of the Orgullo Pecuario programme in 2022	776



Material topics in serving our communities

Positively impacting local communities

At Hochschild, our communities are one of our most important stakeholders. We established and implemented a Social Engagement Strategy – which includes our Community Relations Strategy – to help broaden our impact beyond the Company's four walls. Our aim is to foster a mutually beneficial relationship with 57 communities in our direct area of influence – approximately 7,000 families. To this end, we engage in a regular dialogue with our community members centred around four strategic themes: education, connectivity, health and nutrition and socio-economic development. We gather detailed feedback through focus groups, site visits and meetings with authorities to understand our social impact. Additionally, we have established Permanent Information Offices near the Inmaculada mine and in Pallancata to serve as a central point of contact for communities to ask questions or express concerns about our mining operations. We received 56 grievances and enquiries in 2022 in Peru and Brazil, and responded to all of them, with an average response time of 14.7 days.

Number of engagements with local communities in Peru	993
Response rate to grievances and enquiries	100%

We strive to generate local employment opportunities and aim to gradually increase this over time. In 2022, local employment, including people from communities near our mining sites and from the provinces where we operate in Peru, Argentina and Brazil, accounted for 61% of the total mine workforce.

Hochschild made social investments of approximately \$7.0 million in 2022 towards projects in the aforementioned four strategic areas, in ad-hoc philanthropic campaigns and in providing technical assistance to municipalities. Of this amount, \$3.4 million was provided to the Santa Cruz province in Argentina through a publicly managed Trust Fund, 'Proyecto UNIRSE', which finances diverse social projects. We are delighted to report that these investments have positively impacted the lives of over 30,000 individuals.

Education	\$1,057,733
Health and nutrition	\$580,150
Socio-economic development	\$765,468
Philanthropic campaigns	\$247,276
Culture and Communication	\$106,613
Donations	\$445,000
Local governments support	\$3,823,737

Respecting human rights

We have operationalised our commitment to human rights in the policies and procedures throughout our entire business enterprise. Key examples of this include updating our Whistleblowing portal to allow the registration of human rights violations/grievances and revising all our contract templates to reflect our commitment to the UN Universal Declaration of Human Rights. Our Human Rights Policy from 2020, which is aligned with internationally recognised human rights standards and frameworks, remains in effect for all our contractors and suppliers.



Hochschild is committed to upholding and respecting human rights within the Company and throughout our value chain."

Jose Augusto Palma
VP Legal and
Corporate Affairs



Protecting the Environment

Highlights

5.27

2022 ECO SCORE (VS TARGET OF 5.00)

58%

REDUCTION IN POTABLE WATER CONSUMPTION COMPARED WITH 2015 (2021: 53% REDUCTION)

46%

DECREASE IN DOMESTIC SOLID WASTE GENERATED COMPARED WITH 2015 (2021: 48% REDUCTION)

Alignment to UN SDGs



Hochschild is committed to acting with responsibility towards the environment and to ensuring our business processes are environmentally sound. We have identified the following material topics related to this pillar: Climate Change Resilience, Water Management, Innovation through Technological Solutions, Safeguarding Biodiversity and Natural Resources through effective Land Use, and Responsible Management of Waste and Tailings.

Our approach to protecting the environment

Our Environmental Policy guides all our actions with the goal of minimising the environmental impact of our mining and metal production activities. These measures include reducing water usage, improving energy efficiency and increasing the use of recycled waste among other environmentally-conscious measures.

Key achievements 2022

– **Environmental Management System (EMS):** To enhance our environmental performance, we updated our Environmental Management System in 2022. The newly designed EMS was introduced in January 2023, with an internal announcement to mark its launch. Our EMS outlines 15 key processes and is aligned with ISO 14001:2015. Additionally, we created an EMS handbook, which was distributed to all our facilities. In 2023, we will take further steps to implement and reinforce our EMS practices by creating specific environmental management documentation for each of our mines. For further details on the processes of the EMS, please visit our website.

– **Environmental Culture Transformation Plan:** Our Environmental Culture Transformation Plan aims to foster and embed an eco-friendly culture across our business and operations. Key initiatives include the Environmental Ambassadors Programme and the Environmental Processes Optimisation Programme.

• **Environmental Ambassadors Programme:** In 2022, we formed the second group of environmental ambassadors for the mining units in Peru and Argentina. Our 35 ambassadors in Peru and 43 in Argentina were tasked with promoting a fundamental Company value: environmental responsibility in everything Hochschild does. The ambassadors were managed by the environmental superintendent of the relevant mining unit, who monitored and evaluated their performance. A training plan was established to provide the ambassadors with all the necessary resources required to effectively communicate information and instructions on environmental issues. Their tasks included participating in awareness-raising and cultural transformation campaigns, accompanying inspectors on monthly environmental inspections, and conducting field visits around the mining units.

• Environmental Processes

Optimisation Programme: We set up this programme with the aim of assessing environmental risks across our operations and implementing the most appropriate environmental controls. To this end, we formed interdisciplinary groups in each mine, and presented them with specific environmental problem statements. In 2022, we focused on two challenges: controlling dust on roads and improving containment in tailings pipelines. At the end of the year, teams presented their final proposals with the potential to be selected for implementation.

- **ECO Score: A Hochschild innovation:** Hochschild developed an innovative indicator – the ECO Score – to achieve a best-in-class environmental footprint. This tool enables us to measure our environmental performance as a single, easily understandable number. The ECO score serves as a powerful and innovative tool for managing environmental issues, holding employees accountable, and generating value for all stakeholders.

Every year, we review the target range for our ECO Score. Since 2021, this was between 5 and 6, our toughest goal yet. We were able to achieve excellent results in 2022, obtaining 5.27 out of 6, and we also achieved our best result yet for the environmental culture compliance indicator at 96.5% (compared with a target of 95%).



Hochschild is dedicated to reducing its greenhouse gas emissions, as addressing climate change is of utmost importance to the Company.”

David Vexler
Corporate Sustainability Director



To incentivise continuous improvement within the Company, we set a higher corporate target at 5.25 for 2023, and we will work towards achieving the highest possible score.

Additionally, we established more stringent targets for water consumption and domestic waste generation. The target for water consumption was reduced to 193 litres/person/day (previous target of 250 litres/person/day) and the target for domestic waste generation was also lowered to 1 kilogram/person/day (previous target of 1.5 kilograms/person/day) for 2023. More importantly, we improved our Environmental Culture inspection checklist criteria and assessment methods by drawing on lessons learned from the previous years. With the implementation of the EMS, we will endeavour to find and address any previously unidentified environmental issues and incorporate them as specific assessment criteria for each mine.

The 2022 Eco Score results were independently assured by EY Peru following the International Standard on Related Services (ISRS) 4400. Information on the ECO Score and how it is calculated can be found under:

<https://www.hochschildmining.com/sustainability/environment-and-climate-change/>

Material topics in protecting the environment

Climate change resilience

At Hochschild, we recognise the urgency of addressing climate change and are determined to play our part by continuously reducing our greenhouse gas (GHG) emissions. Our aim is to reach net zero GHG emissions by 2050. As part of our reduction pathway towards that goal, we will be setting interim targets for 2030. These targets will require us to improve our energy efficiency and increase our reliance on renewable energy sources. In 2022, we sourced 81% energy from renewable sources.

Our mining operations in both Peru and Argentina have a lower GHG emissions intensity compared to other gold and silver mines globally (1.81tCO₂e/koz Ag eq; 0.13 tCO₂e/oz Au eq). This is a result of our underground mining operations having lower emissions compared to open pit mines, utilising low-carbon grid-based electricity, and prioritising the use of renewable energy when available. For instance, we signed a new contract to source renewable energy for the Ares and Arcata mines in January 2022.

Greenhouse gas emissions data^{1,2} (tonnes of CO₂e)

	2022	2021 ³	2020	2019	2018	2017	2016	2015	2014
Emissions from combustion of fuel and operation of facilities (tCO ₂ e)	43,196	46,339	40,647	39,341	38,939	47,265	46,033	46,892	73,244
Emissions from total purchased electricity (tCO ₂ e) ⁴	68,116	58,133	41,254	82,833	85,084	94,249	91,893	78,163	69,933
Emissions from purchased electricity – non-renewable sources (tCO ₂ e) ⁵	13,389	12,820	6,591	n/a	n/a	n/a	n/a	n/a	n/a
Total Scope 1 & Scope 2 emissions (tCO₂e)⁶	111,312	104,472	81,901	122,174	124,023	141,514	137,926	125,055	143,178
Emissions intensity, per thousand ounces of total silver equivalent produced (CO ₂ e/k oz Ag) ^{6,7}	3.57	3.11	2.76	2.64	2.60	3.16	3.27	3.70	5.08
Scope 3 emissions (tCO₂e)	29,736	29,029	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy consumption	476,691,426	465,027,594	366,955,382	446,288,131	n/a	n/a	n/a	n/a	n/a
From combustion of fuel (kWh) ⁸	158,749,673	165,114,299	132,414,133	143,763,206	n/a	n/a	n/a	n/a	n/a
From purchased electricity (kWh)	317,941,753	299,913,295	234,541,249	302,524,925	n/a	n/a	n/a	n/a	n/a

1 Method used based on ISO 14064-1 Standard and GHG Protocol Corporate Accounting and Reporting Standard, using IPCC and Peruvian emission factors.

Gases included in the calculation of all three scopes: CO₂, CH₄, N₂O.

2 Includes data for the whole year for Peru (former and current operating assets, Azuca, warehouses and office locations), Argentina (San Jose and Buenos Aires office) and London office. 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.

3 Restated following a review of underlying data and external verification of the emissions from Inmaculada, Pallancata, Selene and San José.

4 Location-based emissions. Total purchased electricity from both renewable and non-renewable sources.

5 Market-based emissions. Excludes electricity purchased from renewable sources, hydropower in Peru and wind power in Argentina.

6 Emissions (and intensity) reflect combustion of fuel and operation of facilities (Scope 1) and purchased electricity (Scope 2) – location-based emissions.

7 Total production includes 100% of all production, including that attributable to the joint venture partner at San Jose.

8 Collected information has been converted to kWh from gallons of fuel using net calorific values obtained from the Peruvian Ministry of Environment. Corresponds to fuel calculated for Scope 1.

Hochschild oversees and manages climate change-related risks at the highest governance levels through its Sustainability Committee and the Audit Committee. In terms of environmental-related reporting, our climate change impact report for CDP received a B rating, which was an improvement from our C rating in the previous year and higher than the average rating of C for the mining industry. Our TCFD report details specific information on our approach to managing climate risks and opportunities, including governance, strategy and risk management, which can be found on page 68.

Water management

Hochschild has established a strategy for responsible water management to make optimal use of water resources. In 2022, 84.3% of all water used in processing plants was recycled, minimising intake of freshwater. At the Inmaculada mine, 78% of the water used was reclaimed (2021: 75%), at the Selene mine, the figure was 99% (2021: 99%) and at the San Jose mine, it was 69% (2021: 77%). It is noteworthy that the Inmaculada mine operates in an area with high water stress, and the Selene mine operates in an area with medium-high water stress. We closely monitor water discharge to the environment to ensure it complies with national regulations, with around 2,000 parameters monitored annually.

In 2022, we continued reducing our water footprint at the Inmaculada mining site in line with the project implemented as part of the Blue Certificate programme by the Peruvian Water Authority (ANA). The project, implemented in 2021, consisted in recirculating treated water from the domestic water treatment plant to the processing plant. Our water savings in 2022 amounted to 61,062m³, equivalent to a 17% reduction of the annual industrial freshwater consumption at the Inmaculada processing plant.

Water use in our operations* (m³)

Year	Freshwater used in processing plants (m ³)
2020	454,527
2021	589,904
2022	651,066

*Inmaculada, Selene and San Jose mines.

In addition, we are proud to report that the potable water consumption rate in 2022 was the lowest to date, a result of the successful implementation of several initiatives. These included installing electro-valves to improve water use and control, running a communication campaign around the efficient use of water and maintaining high quality water pipelines.

Potable water consumption (l/person/day)

2022	2021	2020	2019	2018	2017	2016	2015
171.21	192.83	230.67	206.01	224.78	214.08	293.71	408.35

Innovation through technological solutions

Our dedication to innovation allows us to embrace new technologies and apply them to our business. In 2022, we launched an Innova campaign with the goal of reducing our environmental impact by incorporating technology and innovation into our processes, proposed by our workers. We received proposals via our innovative projects portal, which will be evaluated to determine which projects are feasible for implementation.

An example of one such project came from plant workers in the San Jose mine in Argentina, who proposed an improvement to the water recovery process. They identified an opportunity to increase the efficiency of the water recovery plant, maximising water recovery and drastically reducing the need for freshwater in the processing plant. The project was implemented in January 2021 and saved an estimated 12,335 m³ of freshwater within the first 12 months of operation. The team received an award in recognition for their innovative proposal.

We have also held talks on innovation to inspire and encourage creativity within our business, with topics such as electrification of mining vehicles being discussed. The talks reached an audience of over 100 people.

Safeguarding biodiversity and natural resources through effective land use

In recognition of Peru's status as one of the world's most biodiverse countries, and the proximity of our operations to national protected areas, Hochschild has included biodiversity as a priority in its revised 2022 Environmental Policy. Biodiversity needs are included in the monitoring and planning of activities and operations to avoid any undue nature-related risks and impacts. In the future, we intend to set ambitious nature-positive targets.

To protect the ecology around our mining units, a specialist consulting firm conducts surveys of the ecosystems surrounding our mining units twice a year, in both the rainy and dry seasons. The results of these surveys confirmed the overall health of the ecosystem in 2022.

In order to protect biodiversity and to increase awareness on this topic, Hochschild developed a 'Knowledge Trail' in the municipality of Mara Rosa, with full accessibility for people with special needs. Open to the public since September 2022, the Trail is an environmental and heritage education project aimed at the communities of Mara Rosa, Amaralina and the neighbouring localities. The trail, which spans approximately 400 metres, features 13 activity stations showcasing over 10 years of research on the Cerrado biome ecoregion and local communities.

In 2022, Hochschild Mining's Peruvian operator, Compañía Minera Ares, continued its partnership with Profonampe, a Peruvian trust fund for national parks and protected areas, to preserve and conserve the Cotahuasi Landscape Reserve. Based on the Reserve's Master Plan, four strategic components were prioritised:

- i) Structural management: Improving the Reserve signage to demarcate the Reserve's boundaries and to clearly identify tourist attractions.
- ii) Response to natural disasters: Providing equipment (uniforms and tools) to the fire brigade within the Reserve. Holding training courses on fire control techniques, fire risks and hazards, personal safety among other topics for firefighters.
- iii) Environmental education: Holding educational conventions on biodiversity integrating the local schools and the general public.
- iv) Sustainable economic activities: Supporting local entrepreneurship through the 'Emprendedores por Cotahuasi' programme. In 2022, 3 business proposals from local communities received funding, benefiting 336 individuals.

Responsible management of waste and tailings

Hochschild recognises the damage that hazardous and non-hazardous waste can cause if not managed correctly. To minimise risk, we have extensive Waste Management Plans in place. As a result of these efforts, including the implementation of the ECO Score, domestic waste generation has decreased by 45.9% since 2015.

Domestic waste generation (kg/person/day)

2022	2021	2020	2019	2018	2017	2016	2015
1.05	1.00	1.18	1.04	1.13	1.13	1.33	1.94

Hochschild has 11 tailings storage facilities in total, nine of which are downstream with rock buttresses and two with central berms with impoundments on both sides. Of these, four are currently operational – two in Peru and two in Argentina. To ensure the stability of our operational tailings facilities, we conduct external audits every two years. The latest audit took place in 2021 and concluded that all dams were stable, with only minor maintenance-related observations. An action plan addressed these issues in 2022. Our next audit is scheduled for later this year.

Hochschild provides induction and training on the policies regulating TSF management for employees. We fully support the need for greater transparency in the mining sector and therefore disclose comprehensive details on each of our TSFs and their management. We published our updated Church of England report on TSFs, based on the ICMM Global Industry Standard on Tailings Management under:

<https://www.hochschildmining.com/sustainability/sustainability-reports-and-policies/>

➤ READ MORE

See [hochschildmining.com](https://www.hochschildmining.com) for further details on the Group's TSFs



Ensuring Health and Safety



Highlights

0

**WORK-RELATED
FATALITIES
(2021:2)**

93

**SEVERITY INDEX
(2021: 676)**

1.37

**LTIFR
(2021:1.26)**

Alignment to UN SDGs



At Hochschild, we understand that our employees are our most valuable resource, and with the high-risk nature of mining, prioritising their safety is crucial to our operations and overall success. We firmly believe that a healthy and motivated workforce plays an important role in driving the growth of our Company. Our material topic relating to this pillar is: Occupational Health, Safety and Wellbeing.

Our approach to health and safety

Everyone at Hochschild has a responsibility to work in the safest manner possible. The Company recognises that a highly engaged workforce, where individuals are proactively looking out for their own and others' safety, is vital to managing safety and health risks.

Key achievements 2022

– **Accidents:** We are extremely pleased to report that no fatal accidents occurred in 2022, demonstrating a robust safety performance despite the high risk associated with underground mining.

– **Safety 2.0:** To embed a Company-wide safety-first culture, we upgraded our Safety Action Plan to Safety 2.0 in 2020 based on seven fundamental aspects. These included providing technical training, developing a feedback culture, giving awards for standout behaviour and linking compensation with safety amongst others. As a part of this plan, we officially launched the Seguscore after a period of internal testing in January 2022. The Seguscore is an in-house integrated safety performance indicator, which incorporates proactive safety indicators such as internal inspection results, as well as traditional safety indicators such as frequency, severity, and high potential events.

Hochschild obtained a Seguscore of 9.7 out of 10 in 2022, based on a score of 5 out of 5 under the traditional reactive indicators, and a 4.7 out of 5 on the proactive indicators. In 2023, we plan to keep improving our Seguscore by incorporating key lessons from the previous year. Two main areas of focus include encouraging active employee leadership in safety and increasing the role of health and safety leaders at our mining units.

Another feature of Safety 2.0 is an in-house tailored risk perception programme we developed in 2021 to improve our employees' and contractors' understanding of safety-related risks. The programme focuses on six parameters covering areas such as fatigue, daily habits and time management, all of which are presented by internal instructors certified by us. The training is conducted regularly to ensure that all employees and contractors have a chance to participate and take an active role in promoting safety. In 2022, two rounds of the training were held with a 92% attendance rate among mining employees in Peru. The second round particularly emphasised the lessons learned from recent safety incidents at Hochschild.

- **Investigating and learning from safety incidents:** No significant safety-related incidents occurred in 2022. Minor incidents that occurred were

investigated in a timely manner and appropriate measures were implemented. We remained diligent in our commitment to safety by continuing to assess the potential occurrence of High Potential Events (HPEs), which refer to events that could result in serious injury or lost time. When an HPE occurs, our CEO holds a meeting to conduct a thorough investigation and develop a corrective action plan. During 2022, six HPEs were evaluated.

To enhance road safety and provide our drivers with greater control, all our personnel transport buses are equipped with integrated GPS as well as a speed and fatigue control system. This system collects data that is analysed through a business intelligence dashboard, aimed at predicting potential incidents. The implementation of this system was based on the lessons learned from a safety incident that occurred in 2021.

- **Wellbeing:** To support the mental health and wellbeing of our employees, we promoted the *Conversemos en familia* ('Talk as a family') programme in 2022 in Peru. The programme consisted of nine one-hour online sessions with 20 to 30 participants per session. The topics covered included healthy eating, internet risks, financial education and breast cancer prevention. Based on the positive feedback received, we intend to continue these sessions in 2023 and will be revising the themes of the talks to keep them relevant and topical.

Material topic in health and safety

Occupational health, safety and wellbeing

The health, safety and wellbeing of our employees and contractors is integral to our business. We adopt practical measures to avoid workplace fatalities, eliminate occupational health hazards and support employee wellbeing.

To ensure a safe working environment, we implement a systematic risk management approach, supported by our Occupational Health and Safety (OHS) Management System. In H1 2022, the OHS System received certification from DNV at Level 7 after an external audit, which applies to all our operating units. Additionally, internal cross-audits were conducted by Hochschild-trained Auditors in H2 2022, and all findings were promptly addressed.

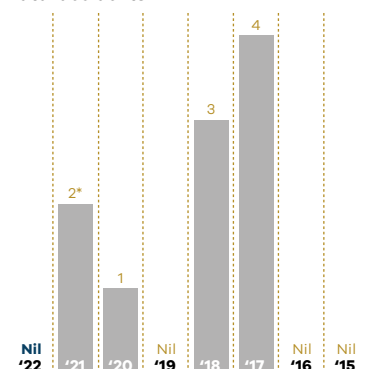


Hochschild offers a healthy and secured workplace in which our employees as well as contractors can feel safe and thrive."

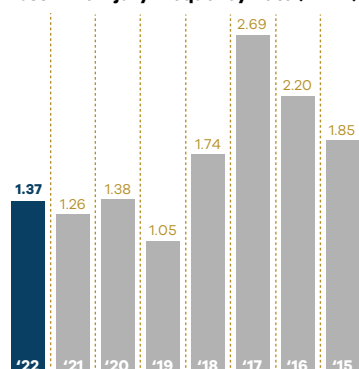
Eduardo Landin
Chief Operating Officer

Safety performance

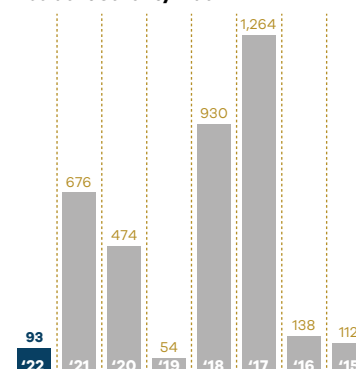
Fatal accidents



Lost Time Injury Frequency Rate (LTIFR)



Accident Severity Index



* Taking into account the ICCM's Health and Safety Guidance, the Sustainability Committee took the view that the Pallancata bus highway accident would not be reportable by Hochschild in its safety KPIs as it took place outside of Hochschild Mining's operation and involved third-party transportation.



Empowering our People

Highlights

4%

**VOLUNTARY
EMPLOYMENT
TURNOVER
(2021: 5%)**

9%

**FEMALE WORKERS VS
TOTAL WORKFORCE
(2021: 9%)**

33%

**FEMALE REPRESENTATION
AT BOARD LEVEL
(2021: 33%)**

Alignment to UN SDGs



Our people are absolutely pivotal to the success of our business. By creating a supportive work environment, we can improve employee satisfaction and increase retention rates. We identified the following material topics relating to this pillar: Labour Relations, Diversity and Inclusion, and Recruitment, Retention and Engagement.

Our approach to supporting our people

Underpinning the importance we place on our people, we are committed to providing a safe and healthy workplace, an inclusive work environment, offering competitive compensation and benefits, implementing wellness initiatives, investing in professional development and promoting work-life balance.

Key achievements 2022

– **Internships for women:** We believe diversity brings new and innovative ideas that contribute to our overall business success. Our focus on gender diversity in a predominantly male industry is reflected in the launch of our Mujeres de Oro ('Women of Gold') internship programme in 2020. This programme offers rotations across eight different departments (including safety, community relations, and environment), mentorship, training, and the potential for a permanent career with Hochschild.



In its first year, 10 women completed the programme and were hired at the Inmaculada mine. In 2022, 11 women enrolled in the programme and are still continuing their training.

We are honoured to have received the 'Empresa Segura, Libre de Violencia y Discriminación contra la Mujer' (Safe Company, Free of Violence and Discrimination Against Women) Gold award from the Ministry of Women and Vulnerable Populations in Peru. This recognition is given every two years to companies that support non-discrimination and non-violence towards women.

- **Anti-sexual harassment:** Hochschild has a strict policy of zero tolerance towards any form of harassment, including sexual harassment. To tackle this issue proactively, we implemented ELSA, a comprehensive diagnostic and intervention tool developed by GenderLab. ELSA measures four key indicators: tolerance, prevalence, confidence and myths through the means of an employee survey. Based on the results of our initial survey in Peru in 2021, we launched an action plan that included a communication campaign and e-learning training on sexual harassment. Our second ELSA survey in 2022 showed a positive outcome, with increased awareness of sexual harassment-related issues and a decrease in people that experienced some form of sexual harassment from 51% to 8% in Peru compared with 2021. We identified areas for improvement, such as increasing awareness of our Anti-Harassment Policy and providing further training, which we will continue to work on.

- **Listening to our people:** As part of the Board's efforts to gain a greater insight into the views of its employees, we launched the Online Employee Forum hosted by Tracey Kerr as the designated Board member for workforce engagement (see opposite page).

Material topics in our people

Diversity and Inclusion

At Hochschild, diversity and inclusion are deeply embedded in our corporate culture and equal employment opportunities are provided to all employees.

We are committed to providing equal employment opportunities for all, regardless of race, gender, religion, ethnicity, age or any other distinguishing characteristic or trait. Our Diversity and Inclusion Policy outlines our commitment to promoting diversity, including the education and development of women in the workplace. As of 2022, 33% of our Board of Directors and 12% of senior management were women, and we are striving to increase this representation.

We firmly believe in the merits of a multi-generation team, as can be seen in our workforce with its varied age composition. Younger and older employees working together bring benefits such as mutual learning, mentorship opportunities, and the acquisition of new skills and competencies.

Labour Relations

We recognise and uphold the principle of freedom of association in accordance with the laws and practices of the countries in which we operate, fair compensation, job security and professional development opportunities. In 2022, approximately 55% of our total workforce was represented by a trade union or similar body. We did not record any strikes or lockouts during 2022.

Recruitment, Retention and Engagement

We are committed to recruiting and retaining a skilled workforce by creating an attractive and innovative place to work. In 2022, nearly 90% of our employees were permanent full-time workers, with a low voluntary turnover rate of 4%. Additionally, we ranked second among 18 mining sector companies in Peru in the Merco Empresas corporate reputation ranking, and placed 23rd out of top 100 companies in Peru based on our talent retention and attraction efforts.

People indicators

Gender diversity*	2022	2021	2020	2019	2018	2017	2016
Number of employees							
Male	3,282	3,347	3,155	3,024	3,894	3,849	3,859
Female	316	316	275	218	245	235	222
Number of senior managers							
Male	44	43	41	37	37	36	35
Female	6	2	1	1	1	1	1
Number of Board members							
Male	6	6	7	7	7	7	8
Female	3	3	2	1	1	1	1

* As at 31 December 2022.

Age structure	Employees	Board
<30	556	1
30-50	2,637	0
>50	405	8

Contracts in 2022	Permanent employees	Fixed term contracts
Male	2,961	321
Female	276	40
Total	3,237	361

Online Employee Forum

Tracey Kerr hosted two sessions of the OEF which were also attended by the Vice President of Human Resources and the Company Secretary. These events provided an opportunity for Tracey to get to know colleagues across the organisation, seek their views on a wide range of issues and host a Q&A session.

The inaugural OEF was held with colleagues from the Lima and Buenos Aires offices and the second with colleagues from the new Mara Rosa project, in Brazil. Participants represented different departments including Human Resources, Sustainability, Finance and Project Management.



Feedback on areas of strength:

- Wide-ranging opportunities within the organisation.
- Supportive working environment.
- Acknowledged the Company's efforts to promote gender diversity.



Feedback on areas to develop:

- Continued push for innovation.
- Opportunities to integrate IT systems.
- The continuation of the series of events organised around the Company's cultural attributes.

At the Mara Rosa OEF, Tracey took the opportunity to understand views on perceptions of the success or otherwise of the transition following the acquisition of the project in April 2022. Colleagues expressed their satisfaction with the integration process and valued their participation in Company-wide online events which also provided simultaneous translation in Portuguese.



We are very excited to write the next chapter for Hochschild in Brazil.”

Participant in Mara Rosa OEF





Guaranteeing we are a Responsible Business

Highlights

6 out of 9

DIRECTORS CONSIDERED
TO BE INDEPENDENT

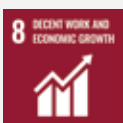


RECOGNISED BY THE
EMIN AWARD FOR
MINING EXCELLENCE



RETAINED THE
ANTI-BRIBERY
CERTIFICATION FROM
THE ENTREPRENEURS
FOR INTEGRITY

Alignment to UN SDGs



We are dedicated to operating with responsibility and implementing strong corporate governance systems that drive positive economic, social and environmental outcomes. We identified the following material topics related to this pillar: Responsible Business Conduct and Ethics, Advocacy for Positive Change and Responsible Supply Chain Management.

Our approach to responsible business

We are unwavering in our commitment to ethical business practices and are dedicated to maintaining the highest standards of honesty and integrity in all our relationships and transactions. Our approach to ethical business practices goes beyond meeting legal and regulatory obligations and involves fostering a corporate culture aligned with shared values.

Key achievements 2022

– **Policies:** In 2022, we thoroughly revised and updated our Prevention and Criminal Compliance Manual and Interaction with Public Officials Policy. Our operations in Peru and Argentina underwent evaluations for corruption risks in accordance with the Compliance Manual.

– **Recognition:** We retained our previous certification on anti-bribery from the organisation Entrepreneurs for Integrity. Although no audit was required in 2022, we successfully passed an assessment to re-confirm our eligibility and implemented the latest standards to maintain our certification. We are proud to have once again received the EMIN award (Mining Excellence of the South Macro Region) from the Peruvian National Society of Industries and the Arequipa Chamber of Commerce in Peru.



We place great importance on ensuring that we are part of a value chain that protects human rights, safeguards the environment, and promotes sustainable outcomes.”

Claudia Revilla
Environmental Officer

Material topics in Ensuring we are a Responsible Business

Responsible business conduct and ethics

As a company committed to responsible business practices, Hochschild is honoured to have received external recognition for our standards in governance.

Hochschild is committed to upholding the highest ethical standards in our operations and supply chain. Our Board is responsible for ensuring that our Company values are reflected in our behaviour. To embody this, we have established a Code of Conduct, along with supporting policies, that apply to all individuals acting on behalf of the Company. Our Code of Conduct outlines the ethical standards and values that we expect of our employees to promote responsible behaviour, establish accountability and foster a positive corporate culture. To ensure these standards are upheld, during 2022 we reviewed the Code, and distributed copies to all employees in early 2023. In addition to the Code of Conduct, our supplementary policies cover topics such as anti-corruption, anti-bribery and money laundering

prevention amongst others. Any violations of the Code of Conduct are considered serious misconduct and handled with utmost urgency. The Company has a long-established Whistleblowing Policy and an online portal to provide employees with a mechanism to raise concerns, anonymously or otherwise. Hochschild offers protection to all employees who file a complaint or make enquiries regarding the Code of Conduct, provided they act in good faith. We have a policy of zero tolerance towards retaliation.

Advocacy for positive change

We proactively collaborate with policy makers, practitioners, and the civil society to discuss, shape and approve new initiatives that improve mining and environmental regulations. To promote ESG guidelines and practices in the mining industry, we actively participate in industry associations and professional forums such as the Sociedad de Minería and Petróleo y Energía (SNMPE) in Peru, Cámara Argentina de Empresarios Mineros (CAEM) in Argentina as well as the Confederação Nacional da Indústria (CNI) in Brazil.

Responsible supply chain management

We place great importance on ensuring that we are part of a value chain that protects human rights, safeguards the environment and promotes sustainable outcomes. For this reason, our suppliers are required to comply with our updated Supplier Code of Conduct, which was distributed in 2022. The Code outlines adherence to specific standards related to human rights, work practices, hiring and purchasing, compliance with regulations, ethical business practices and the environment. Our Contracts Policy, which outlines the rights and responsibilities between us and our suppliers, was also revised in 2022. We prioritise ethical decision-making throughout the entire metal production process and promote the safe and responsible manufacturing, usage, recycling and disposal of metals.

