



Tracey Kerr
Chair, Sustainability
Committee

Dear shareholder

Our purpose at Hochschild is to create long-term positive social, economic and environmental results. Sustainability is fundamental to this purpose.

Our commitment to sustainability underlies how we operate as a business; it shapes our culture and how we work in our day-to-day. It shapes our relationships with our communities, contractors and local governments, and it underpins how we interact with the environment and the physical landscape in which we operate.

In the next few sections of this report, I am pleased to share the sustainability-related milestones that we have been working towards in 2023 and highlight our newly-launched sustainability ambitions for 2030.

The 2030 sustainability ambitions were established across five strategic pillars: Serving our Communities; Protecting the Environment; Promoting Health & Safety; Empowering our People; and Being a Responsible Business. Progress against these areas is measured through a set of core ESG Key Performance Indicators (KPIs) and ambitions that have been developed, reviewed and approved by the Board in August of this year. It has been encouraging to see our regional teams across Peru, Argentina and Brazil working together through multiple workshops to establish these long-term goals. Our year-to-year performance against these will drive a more informed view of our progress against our material topics and deliver greater transparency for our stakeholders.

This year I am proud to report that Hochschild became the first mining company in Peru to receive a green loan. This loan is a significant milestone for us and demonstrates our commitment to being a responsible and innovative mining company. The loan carries an interest rate which can be adjusted based on our performance in two distinct areas: our environmental performance, as measured by the ECO Score, and our safety performance as tracked by the Lost Time Injury Frequency Rate (LTIFR) indicator.

We achieved our strongest collective ECO Score result this year since its implementation in 2015; our results exceeded this year’s target range, the most ambitious to date. Since 2015, we have reduced our potable water consumption by 60% and our domestic waste per person by 52%. On the strength of our ECO Score performance, Hochschild was recognised this year, alongside other world-class companies, in the Sustainability Leadership category by the Business Intelligence Group.

Beyond our KPI monitoring, we have worked to strengthen our environmental culture across our business and operations. This includes launching an updated Environmental Management System (EMS), reviewing and restructuring our Environmental Culture Transformation Plan and investing in our own environmental ambassadors.

Climate change and biodiversity remain top priorities for our business. Achieving net zero using today’s technologies will foremost require the procurement of green electricity, operational changes in existing mines, and close collaboration with our contractors through procurement tools. Our approach is driven by our interim ambition to decrease our greenhouse gas (GHG) Scope 1 & 2 emissions by 30% by 2030. In 2025, we will quantify the financial impact of climate on our business and undertake a detailed low-carbon transition assessment to refine our climate-related strategy and strengthen our CFD-aligned reporting. We have continued our focus on monitoring biodiversity levels in our areas of direct influence and continue to raise awareness of the biodiversity in our local communities. An example of this has been our Knowledge Trail in Mara Rosa, Brazil, which we opened in 2022, and for which we have been formally recognised through the Sustainable Goiás Award, presented by the Goiás State Environment and Sustainable Development Department. We look forward to developing our biodiversity strategy in 2025 to set our nature-positive ambition.

The safety of our people is an integral measure of our corporate success and remains our highest priority. In 2023, we achieved the best results in our recorded company history across our three main safety indicators. This historic progress is a strong testament to the dedication of our teams who are using innovation and technology to continually improve the safety of our operations.

Since I joined Hochschild in 2022, I have witnessed the consistent strengthening of our business’ safety culture; I am proud to see this result in real change over the last two years, particularly in maintaining a zero rate of fatal incidents at our sites.

We have worked to strengthen our social engagement strategy and find meaningful ways of supporting our local communities. In Peru, for example, this included increasing local employment and procurement, supporting local governments with public infrastructure, and positively engaging local communities through educational, health and digital connectivity programmes.

Driving gender diversity in our own workforce remains a key challenge in this industry and a top priority for Hochschild. Our 2023 mentorship and training programmes have built on our 2022 progress and I am particularly pleased to report that, this year, we have increased the proportion of women in leadership roles in the Company to 18%, up from 15% in 2022. Additionally, Hochschild hired nine women who completed our “Women of Gold” programme in 2023. This is a good example of how we can drive long-term and meaningful opportunities for women in mining. These women, who are trained professionals in metallurgy, mine, maintenance and geology, now have the opportunity to pursue a career with Hochschild at our Inmaculada mine.

In the coming 3-5 years, our strategic focus will be guided and informed by the progress against our ESG KPIs within our 2030 ambition areas. We look forward to reviewing next year the individual plans to meet these annual KPI ambitions and also to developing our next standalone sustainability report, which will detail our 2024 progress.

Responsibility is at the core of our corporate values and sustainability ambition

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

\$156m
VALUE OF GOODS AND SERVICES
PROCURED FROM LOCAL PROVIDERS
2022: \$119.4m

\$8.2m
INVESTED IN LOCAL
COMMUNITIES
2022: \$6.89m

5.76
ECO SCORE
(VS TARGET OF 5.25-6)
2022: 5.27

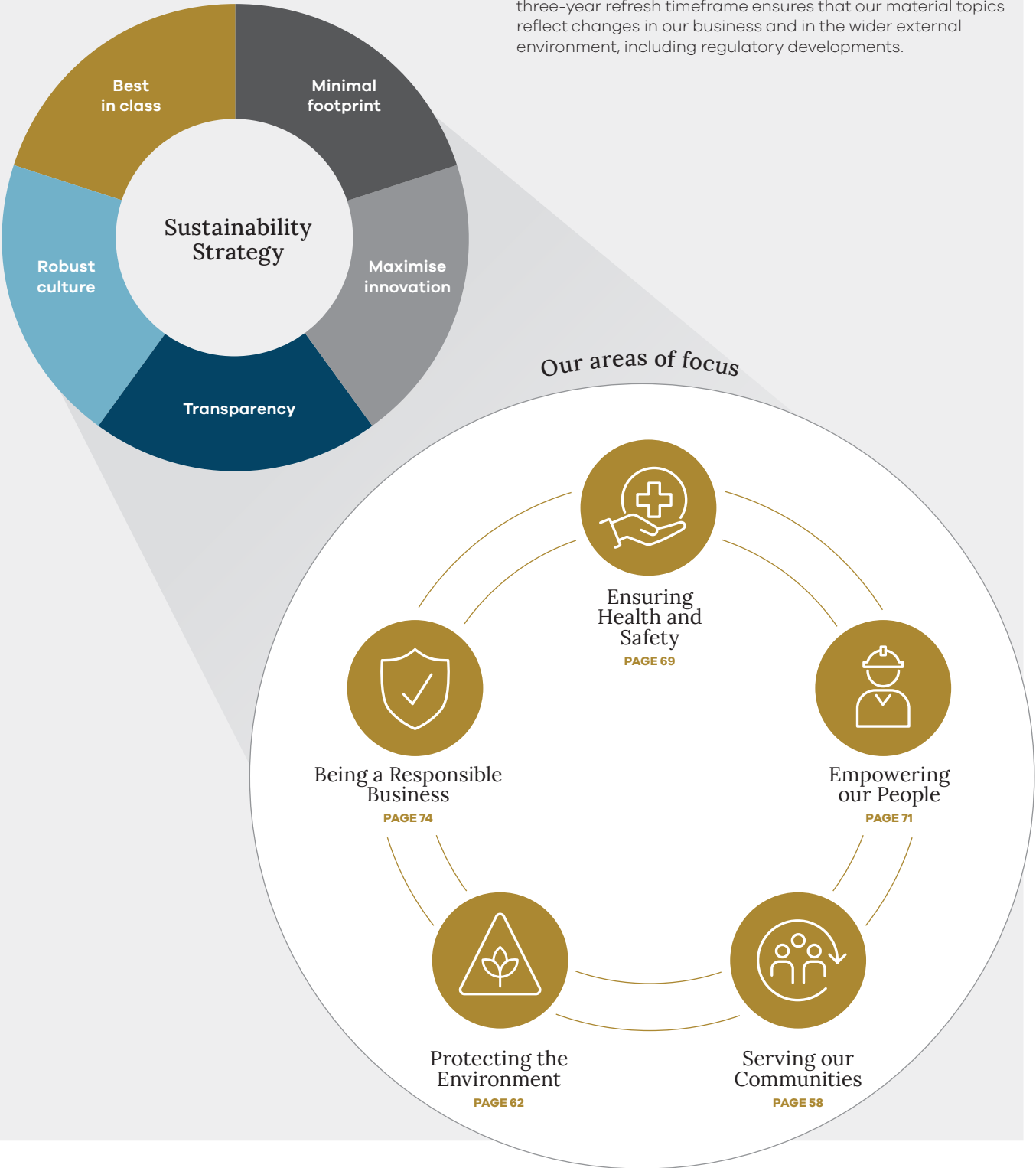
18%
WOMEN IN LEADERSHIP ROLES
2022: 15%

4th
2023 MERCO TALENTO RANKING (OUT
OF 17 MINING COMPANIES IN PERU)
2022: 2ND PLACE OUT OF 16 COMPANIES

Hochschild’s approach to sustainability

The aim behind our long-term business strategy is to provide an attractive investment proposition for our shareholders whilst also enhancing value for our customers, employees, suppliers, and local communities. To ensure that both of these objectives are met, we focus our efforts and operational delivery on the areas where we can have the biggest impact, supported by our commitment to the United Nations Sustainable Development Goals (UN SDGs).

We work with an external agency periodically to undertake a sustainability materiality assessment refresh. This enables us to identify and report on the sustainability topics that may pose a) financial or reputational risks or opportunities to our business and b) positive or negative contributions to society and the environment. Our sustainability focus areas provide an overview of how our material topics feed into our broader sustainability activities. In 2024/2025 we plan to undertake a refresh of our 2021/2022 materiality assessment. This two to three-year refresh timeframe ensures that our material topics reflect changes in our business and in the wider external environment, including regulatory developments.



“Robust sustainability governance is paramount to our long-term success and resilience as a business. I am proud to say that Hochschild has made significant strides this year in developing a comprehensive set of 2030 ambition areas which will serve as our guiding compass towards a more sustainable future. These ambition areas not only measure our environmental impact but also underline our commitment to social responsibility, ethical governance and transparent reporting practices. By fostering accountability at all levels and promoting transparency in our decision-making processes, we are laying a solid foundation for our long-term sustainable growth.”

Eduardo Landin, CEO

Governance
Our Board of Directors holds the ultimate accountability for creating policies on sustainability, ensuring that the Company complies with both international and national regulations, and establishing sustainability as a source of lasting competitive advantage.

The Sustainability Committee, an official sub-committee of the Board, consists of the CEO and two Independent Directors and is tasked with overseeing sustainability matters. Regular attendees are the COO and the Vice Presidents of Legal & Corporate Affairs, and of Human Resources. The role of the Sustainability Committee is to oversee and to make all necessary recommendations to the Board in connection with ESG issues as they affect the Company’s operations. For example, the ESG KPI ambitions for 2030 were recommended by management and were presented to the Sustainability Committee for review and consideration. After adequate review and discussion with management, the Sustainability Committee then took these ambitions to the Board for approval.

The Sustainability Committee also focuses on compliance with national and international standards to ensure that effective systems of standards, procedures and practices are in place at each of the Company’s operations. The Committee is also responsible for reviewing Management’s investigation of incidents or accidents that occur in order to assess whether policy improvements are required. As part of its policy and risk management activities, the Committee approved an updated Environmental Policy last year which includes specific provisions regarding climate change and biodiversity protection. For further detail on how Hochschild manages climate-related risks, please see our CFD report on page 76.

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

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

2023 Meeting attendance			
Members	Independent	Maximum possible attendance	Actual attendance
Tracey Kerr, Non-Executive Director (Chair)	Yes	4	4
Ignacio Bustamante, Chief Executive Officer*	No	3	3
Eileen Kamerick, Non-Executive Director**	Yes	2	2
Eduardo Landin, Chief Executive Officer*	No	1	1
Mike Sylvestre, Non-Executive Director	Yes	4	4

* On 26 August 2023, Ignacio Bustamante stepped down from the Committee following his resignation as CEO and was succeeded by Eduardo Landin.
** Eileen Kamerick stepped down from Committee on retiring from the Board on 9 June 2023.

The Committee conducted the following key activities during 2023:

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, in conjunction with the Audit Committee, Being a responsible business
- Oversight of the ongoing Environment Culture Transformation Plan, Safety Culture Transformation Plan, and the Social Culture Transformation Plan which seeks to enhance the Company’s social engagement strategy
- Received regular updates on the redundancy process at Pallancata which was placed on care and maintenance towards the end of 2023

Policy & risk management

- 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 Report and TCFD Report for inclusion in the 2022 Annual Report
- Receiving updates on external ESG-related disclosure initiatives, for example, the Company’s participation in the Carbon Disclosure Project (CDP), MSCI and Sustainalytics
- Considering and proposing to the Board, for adoption, the 2030 ambitions for the ESG related KPIs in alignment with the Company’s overall strategy

Sustainability reporting

We are encouraged that our external sustainability ratings have improved in maturity against the FTSE4Good, Sustainalytics and MSCI benchmarks.

In terms of environmental-related reporting, our 2023 Climate report for CDP received a B rating, which is higher than the average rating of C for the metallic mineral mining industry.

Our overall S&P score for 2023 (36) shows that Hochschild continues to perform at a higher maturity level than the current average (28) across the following three dimensions: Governance & Economic, Environmental, and Social.

	2023	2022
CDP Climate	B	B
CDP Water	B-	B-
FTSE4Good (/5)	3.6	2.4
Sustainalytics	Medium risk (28.6)	High risk (37.2)
MSCI	BB	B
S&P (/100)	36	41

For climate-specific disclosure, we developed our 2023 report based on the CFD framework, which can be found from page 76. Using these external disclosure frameworks, we are committed to providing our stakeholders with an ongoing and transparent account of our material topics and to outlining the steps we are continually taking to improve our sustainability performance.

We periodically publish a standalone Sustainability Report which covers, in detail, the sustainability activities and performance of Hochschild. Our latest standalone report was published in 2022 and was prepared in accordance with the “Core” option of the Global Reporting Initiative Standards. It can be found via our homepage:

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

Our next standalone Sustainability Report will be published in 2025.

Developing our 2030 ambition

After a comprehensive internal review, the Board of Directors approved, in August 2023, Hochschild’s ambition for 2030. This ambition takes into account the most recent materiality assessment, which identified areas of importance for Hochschild to both internal and external stakeholders. These ambition areas are supported by a robust selection of KPIs that will be measured against the 2021 baseline year. Performance against these KPIs will be reported on an annual basis.



Our interim 2030 ambition provides us with a framework for measuring and managing our impacts in a transparent and robust way. These are the areas which are most material to our business and where we can have the most impact on the environment and society.”

David Vexler, Corporate Sustainability Director

The selected KPIs are as follows:

SERVING OUR COMMUNITIES

	2030 Ambition
Local workforce vs total workforce (%)	60%
Local procurement vs total procurement (%)	20%
Social investment vs revenue (%)	0.90%

PROTECTING THE ENVIRONMENT

	2030 Ambition
GHG scope 1+2 emissions (%)	-30%
Freshwater utilised per ore processed (m³/ tonne)	0.22%
Recycled waste vs waste generated (%)	80%
Domestic waste landfilled (kg/person/day)	0.90
Potable water consumption (l/person/day)	174

PROMOTING HEALTH, SAFETY AND WELL-BEING AT WORK

	2030 Ambition
Fatal accidents	0
Lost time injury frequency (LTFR) ¹	1.2
Lost time injury severity rate (LTISR) ²	270

EMPOWERING OUR PEOPLE

	2030 Ambition
Women in workforce (%)	11%
Women in leadership roles (%)	20%
Women in Board seats (%)	40%
Voluntary turnover (%)	<5%

BEING A RESPONSIBLE BUSINESS

	2030 Ambition
Board members considered by investors to be independent (%) (excl. Chair)	>50%
Average tenure of Non-Executive Directors (excl. Chair)	6 years

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

These KPIs can also be found on our website:

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

The Company will monitor the continued relevance of the selected KPIs and will be supplemented as appropriate, for example, by the revision of key climate change related targets on completion of Hochschild’s Climate Strategy that sets an ambition to achieve Net Zero by 2050.

During 2024, specific plans, including technical and financial considerations to achieve the 2030 goal for each KPI, will be developed. Yearly performance will be published on our website and in our Sustainability and/or Annual Reports.

Serving our Communities

Supporting the social and economic development of our local communities is a core commitment at Hochschild. Within this strategic pillar, we have identified the following material topics related to this pillar: Positively Impacting Local Communities and Respecting Human Rights.

Highlights

59%
LOCAL MINE WORKFORCE* VS TOTAL MINE
WORKFORCE IN PERU AND ARGENTINA
(2022: 53%)

\$156m
LOCAL PROCUREMENT*
IN PERU, ARGENTINA AND BRAZIL
(2022: \$119.4m)

\$8.2m
SPENT OR DONATED TO BENEFIT LOCAL
COMMUNITIES AND LOCAL GOVERNMENTS IN
PERU, AND ARGENTINA
(2022: \$6.89m)

Alignment to UN SDGs



* 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).



Our approach to serving our communities

Our social engagement strategy is focused on generating positive impact. We do this through fostering strong partnerships with local communities and through developing a range of programmes, based on the needs of our communities. These partnerships respect the unique cultural heritage, practices and social dynamics of these communities. We also keep our communities informed of any relevant company developments that may affect them and actively engage them to address their questions and concerns. Our programmes cover a breadth of development areas, from the provision of medical support and digital facilities to the coaching of female entrepreneurs and the technical training of mining students. To ensure that our programmes address the specific needs and expectations of our communities, we invest resources to understand what these needs are and maintain open and transparent dialogue in our engagement.

Our approach to generating positive impact is guided by our Community Relations Policy, which emphasises our dedication to building trust and listening to community concerns. We also consider how our operations may impact the local community, either directly or indirectly; this consideration is formally included within our application for environmental permits, under the Free Prior Informed Consent (FPIC) process. We also work with government authorities to ensure our social investment strategies are successfully implemented. As an example, this year we developed a multi-year Interinstitutional Agreement with the Municipality of La Unión in Peru for the benefit of the local population.

We are pleased to report that, this year, local workers represented 59% of our total workforce. This figure includes both Hochschild’s direct employees and permanent contractors in our mining sites in Peru and Argentina. This is an encouraging improvement from 53% in the previous year, against a 2030 ambition of 60%.



Our local communities are, and will always be, one of Hochschild’s most important stakeholders. From supporting health, to driving entrepreneurship, we are proud to see the value we bring. Our long-standing programmes have resulted into higher levels of digital inclusion, stronger economic networks and real career opportunities for underrepresented workers.”

Amalia Ruiz, Community Relations Manager – Peru

Progress against our ambition

	2021 Baseline	2022	2023	2030 Ambition
Local workforce vs total workforce (%)	51%	53%	59%	60%
Local procurement vs total procurement (%)	12%	15%	17%	20%
Social investment vs revenue (%)	0.84%	0.94%	1.18%	0.90%

Key achievements 2023

– **Digital inclusion:** In 2023, we continued to provide training to employees and community members to drive wider digital inclusion. This includes addressing digital skill gaps within our own workforce through the training of 24 senior individuals in ICT (Information and Communication Technology) skills. The “Conexión Futuro” (Future Connection) programme aims to increase employability in the rural areas surrounding our mines in Peru through technical skills training. Access to digital centres is provided, free of charge, in communities where there is typically a large student population. This year, over 600 community members benefited from digital centres across the localities of Oyolo, Pacapausa, Ccalaccapcha and Aniso, an increase from the number of beneficiaries in 2022 (491). Equipped with projectors, wireless network systems and sound systems, these centres offer digital training and have provided students and teachers with ICT support since 2020.

Beneficiaries of the 4* Digital Centres in Peru in 2023	614
Students attending technical certification courses	170**
ICT issues resolved	2,203***

* Number of digital centres in December 2023.
** Includes 75 female students.
*** Includes 710 interactions with women.

– **Education:** Through a range of different initiatives, we provide academic support, career guidance and socio-emotional and entrepreneurial skills for our local pupils and students. We aim to promote local employment in the mining industry, focusing on supporting individuals from communities near our operations.

To cater to the needs of the mining industry, we sponsor higher education scholarships in technical subjects relevant to this industry through our “Quri Yachay” (Golden knowledge in Quechua) scholarship programme. The mining training programme is led by Cetemin, a Peruvian educational institution that offers technical programmes related to mining. The young individuals, who live in communities surrounding our Inmaculada mine, receive training to enhance their employability in the mining industry and thus improve their quality of life and that of their families. The technical courses cover a range of topics related to plant, mine, laboratory and infrastructure requirements. Initiated 10 years ago, this programme has so far provided technical training to over 400 students (female and male). We are delighted to say that approximately 95% of these alumni students are now employed by Hochschild. In 2023, a new cohort of 64 students successfully graduated from their programme for mine drilling assistants.

Additional 2023 educational initiatives in Peru include a Vocational Guidance Fair for secondary school students in the 3rd, 4th and 5th grades, and “Fun Summer Workshops”. We also continued our educational programme “Aprender Para Triunfar” (Learn to Succeed), detailed below.

The Learn to Succeed programme provides academic and entrepreneurial support to primary and secondary school students, parents and teachers. Since 2012, over 300 students have benefited each year from this educational programme. In 2023, we engaged with students, teachers and parents from seven communities in areas of our direct influence, through workshops aimed at educational and psychological development. As an example, our “Soft Skills” workshops focused on enhancing life skills recommended by the United Nations (UN), including social, emotional and cognitive skills. Our “Life Project” sessions, meanwhile, helped 4th and 5th year secondary students gain clarity on planning their future career paths. Through the whole suite of workshops, which also included “Vocational Guidance”, “Psychological Support”, “Entrepreneurship Promotion”, “Parent Schools” and “Teacher Training”, we benefited over 700 students and over 50 teachers. As a result, we have seen significant progress made in reading, writing and mathematics amongst primary pupils. Guidance shared during 25 observation and feedback sessions has also helped to improve teachers’ pedagogical skills, enabling them to progress in innovative and comprehensive teaching practices. We have also seen stronger collaboration between teachers and learning specialists through our complementary inter-school activities.

Beneficiaries of the Aprender Para Triunfar programme in 2023	411
Number of parent-teacher meetings	7
Number of teacher observation and feedback sessions	25
Number of trained teachers	58*
Number of workshops	783**

* Primary level: 8; Secondary level: 50.
** Primary level: 187; Secondary level: 596.

- **Health and nutrition:** Through our Ccalaccapcha medical campaign held in October, we provided the population of the Ccalaccapcha community and surrounding areas with comprehensive care. The Cora Cora Health Network and the Pausa Micro-Network, both part of the Ministry of Health (MINSA) in Peru, along with our Inmaculada mine team, provided a total of 21 specialists for the campaign as well as equipment and supplies. In collaboration with these health networks, we provided comprehensive care for the entire population covering different specialties. This included informing and educating individuals in the risks of various diseases, their causes, and their side effects on physical, psychological, and social health.
- As a result of this campaign, which includes educational sessions on prevention, promotion, and recovery measures, the community members have strengthened their knowledge, behaviours, and attitudes towards their own health. The campaign has also worked to detect the main diseases affecting the paediatric and adult populations and invested in care related to different medical specialties to help improve the general health status of the locality.

Specialists provided	21
Attendees during 3 days of care	800

The “Siempre Sanos” (Always Healthy) programme addresses the medical needs of local communities. This programme offers free medical care, supports new parents with infant nutrition and educates community members on preventative care. We continued with this programme in 2023, with more than 500 beneficiaries from the area of influence of the Inmaculada mine. Experts in specialised nutrition and early stimulation carried out 350 visits in local communities near Inmaculada. We also organised a campaign with multi-speciality medical professionals to improve the communities’ knowledge of healthcare.

Beneficiaries of the Siempre Sanos programme in 2023	512
Number of multi-speciality medical campaigns	1
Number of home visits carried out by specialised nutrition and early stimulation personnel	350

- **Socio-economic development:** Hochschild continues to support the local economies of its communities in Peru and Argentina. In 2023, this ranged from implementing a training programme for alpaca breeders, and standardising product quality through external laboratory tests at the collection centre for the “Red del Valle Huanca Huanca” productive network, to the following activities detailed below.
- **Procuring from local food suppliers:** To ensure that we support our local producers in a meaningful way, we have reactivated the supply of locally grown vegetables to Sodexo, our food services supplier at our Inmaculada mine. The sale of these vegetables, such as squash and carrots, provides the beneficiary producer families with greater marketing opportunities, thus helping to promote the wider economic development of our local communities.
- **Empowering female entrepreneurs:** In October, Hochschild conducted a training session on “Creating Digital Content for Female Entrepreneurs” in the locality of Perito Moreno, in Argentina. Facilitated by an external consultant, the six-hour session was attended by 14 female entrepreneurs and provided training on a range of topics, from clothes sales and art to sports-related activities. By equipping business owners with tools to develop and grow their projects, the initiative not only fosters community engagement but also upholds our commitment to contribute to the town’s growth. The exclusive training was organised by the Human Resources and Community Relations departments of our San Jose mine.
- **Strawberry cultivation:** In collaboration with Instituto Nacional de Tecnología Agropecuaria (INTA) and the Provincial Agricultural Council, Hochschild facilitated a productive strawberry cultivation project in Argentina’s Perito Moreno region. The project aimed to optimise agricultural processes through the financing and provision of machinery. The mechanisation initiative streamlined bed preparation, irrigation tape placement, and soil covering into a singular operation, boosting efficiency and yield per hectare.

Over 10 local families in Perito Moreno participated in the initiative, receiving necessary materials and strawberry seedlings. Both INTA and the Provincial Agricultural Council supervised the project and operating equipment whilst also offering cultivation guidance. This initiative not only supports local communities but also aligns with Hochschild’s commitment to fostering productive projects in key mining site regions.



- **Technical capabilities:** Hochschild’s “Impulso Productivo” (Boosting Productivity) programme continued in 2023, strengthening the technical capabilities at the individual and/or organisational level of all agricultural producers in the breeding of large and small animals and the cultivation of crops. The ongoing programme is framed within sustainable production in communities located near the Inmaculada mine, with a focus on food security and sustainable market access. Business networks are developed to increase networking and create bonds of trust among producers identified as potential suppliers. Alongside developing investment plans, the programme provides continuous training and technical assistance, develops pilot actions and drives the successful management and direction of business units. This year, a key objective has been to generate sustainable products and proposals by maintaining the operation of the primary processing centre in Santa Rosa de Cascara, and the fruit and vegetable collection centre in San Javier de Alpabamba.

Sales of guinea pigs, chickens and fruits & vegetables	\$72,857
Assistance sessions provided for livestock	1,058
Assistance sessions provided for crops	550

Material topics in serving our communities
Positively impacting local communities

At Hochschild we are proud to run a range of short- and long-term initiatives in our local communities. These initiatives are focused around our strategic areas: connectivity, education, health and nutrition, and socio-economic development. Where possible, we collaborate with our local governments to maximise the impact and reach of our initiatives and broader social investment strategies.

We engage in a regular dialogue with our community members and gather detailed feedback through focus groups, site visits and meetings with authorities to understand the needs and expectations of our social impact on our communities. Additionally, we have established Permanent Information Offices in communities near the Inmaculada and Pallancata mines, and in Perito Moreno for the San Jose mine. These offices serve as a central point of contact for communities to ask questions or express concerns about our mining operations.

In 2023, we received 93 grievances and inquiries and responded to 90, with the last three underway.

Hochschild made social investments of approximately \$8.2 million in 2023 towards projects in Peru and Argentina, the aforementioned strategic areas, in ad-hoc philanthropic campaigns and in providing technical assistance to municipalities.

Education	\$897,001
Health and nutrition	\$491,837
Socio-economic development	\$1,332,311
Philanthropic campaigns	\$244,009
Culture and communication	\$379,812
Donations	\$1,077,266
Local governments support	\$3,752,810

Respecting human rights

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

Our Human Rights Policy is aligned with the Universal Declaration of Human Rights, the United Nations Guiding Principles, the UN Global Compact and the International Labour Organisation’s (ILO) core conventions. The policy provides a framework of guidelines that sets out how our contractors and suppliers must conduct their activities. In 2024, we plan to update this policy to include explicit reference of human trafficking, freedom of association and the right to collective bargaining, in line with our existing Code of Conduct.

In 2024 we will begin developing a new due diligence approach to strengthen our existing Human Rights processes. In addition, we undertake a periodical review and update of our Whistleblowing portal to allow the registration of human rights violations/grievances (see “Being a responsible business”).

Protecting the Environment

At Hochschild, we are committed to producing metals with the lowest possible environmental footprint. We monitor our environmental impact through the following material topics: Climate Change Resilience, Water Management, Safeguarding Biodiversity and Natural Resources through effective Land Use, and Responsible Management of Waste and Tailings.

Highlights

5.76

2023 ECO SCORE (VS TARGET OF 5.25-6)
2022: 5.27

60%

REDUCTION IN POTABLE WATER CONSUMPTION
COMPARED WITH 2015
2022: 58%

52%

DECREASE IN DOMESTIC SOLID WASTE GENERATED
COMPARED WITH 2015
2022: 46%

Alignment to UN SDGs



Our approach to protecting the environment

Our Environmental Policy guides all of our actions with the goal of minimising the environmental impact of our mining and metal production activities. The Company has clear and defined roles and responsibilities for implementing our environmental management policy. The Policy measures include reducing water usage, improving energy efficiency, and increasing the use of recycled waste among other environmentally conscious measures. In 2025 we will develop our biodiversity strategy, allowing Hochschild to meet the business' medium- and long-term nature-related objectives through clear and appropriate targets.

In 2023, we reduced our potable water consumption by 4.9%, in comparison to 2022 levels, and exceeded our 2030 ambition for the second consecutive year. We have also continued to reduce levels of domestic waste sent to landfill, achieving a reduction of 11.7% in 2023 in comparison with 2022. The reduction in GHG emissions reflects the changes in the operations, and in 2024 we expect an increase once Mara Rosa is incorporated into this indicator.

Progress against our ambition

	2021 Baseline	2022	2023	2030 Ambition
GHG scope 1+2 emissions (%)	0%	-0.7%	-5.1	-30%
Freshwater utilised per ore processed (m³/ tonnes)	0.24	0.27	0.27	0.22
Recycled waste (%)	73%	68%	63%	80%
Domestic waste landfilled (kg/person/day)	1.00	1.05	0.93	0.90
Potable water consumption (l/person/day)	193	171	162.83	174

Key achievements 2023

– **Environmental Management System:** In January 2023, we launched our updated Environmental Management System (EMS) to further strengthen our environmentally-conscious culture across our business and operations. Our EMS is ISO 14001 aligned, and builds upon the wealth of knowledge and professional experience of our personnel, resulting in a tailor-made system that works best for the Company.

The main environmental standards and procedures were developed and published in the EMS portal on the Hochschild intranet. In 2023, the implementation of the EMS in our mines focused on the following Processes: environmental leadership, risk assessments, and field controls.

In 2024, we will roll out further training on EMS to reinforce our workforce's understanding of each Process; we will also perform an internal audit (led by our own specialists) to measure the effectiveness of our first year of implementation and identify opportunities for improvement. Additionally, we continue to conduct "managerial" or "corporate" inspections at all sites.

– **Environmental Culture Transformation Plan (ECTP):** In 2023, we reviewed and restructured the ECTP in line with our updated EMS Processes and Company attributes. The graphic below shows how our ECTP and EMS align, alongside key activities in 2023 for each segment.

Environmental Culture Transformation Plan (ECTP) structure



- **Environmental Ambassadors Programme:** To fully embed our ECTP into our everyday operations, we invite employees, across all levels, to be part of our Environmental Ambassador Programme. Our ambassadors serve as catalysts, accelerating the impact of the transformation process. In 2023, our ambassadors:
- led and advocated actions in operations related to the ECTP;
 - acted as guardians of best environmental practices;
 - proposed new initiatives aligned with environmental care;
 - participated in environmental calendar activities, training sessions, and field visits;
 - shared knowledge, such as guidance for shift handovers in their areas;
 - led housekeeping campaigns in their areas of work;
 - collaborated with the environmental team on planned inspections of their areas and other internal inspections;
 - documented visits and activities through photos and videos.

– **ECO Score – Hochschild’s internal performance monitoring tool:** The ECO score is a scoring framework that allows Hochschild to quantify the business’ environmental performance within a single metric, expressing environmental management in a way that is easily understood. The collective annual score includes indicators on environmental culture, incidents, environmental audits, water quality, water use and waste generation. The ECO score serves as a powerful and innovative tool for managing environmental issues, holding employees accountable, and generating value for our stakeholders. The 2023 ECO Score results will undergo independent verification by Ernst & Young (EY) Peru, following the International Standard on Assurance Engagements (ISAE) 3000.

In 2023, we increased our ECO score target range from 5–6, to 5.25–6. Compared to an environmental efficiency score of 5.27 in 2022, we improved our score to 5.76 in 2023, pushing Hochschild closer to the higher band of our target range. We are pleased to report that, since 2015, we have improved our environmental efficiency score by 74%.



Reducing our impact on the planet is at the core of Hochschild’s culture and values. To further strengthen this environmentally-conscious culture, we have updated our Environmental Management System (EMS). We are also pleased to have exceeded our ECO Score target this year and look forward to developing our biodiversity strategy in the short-medium term.”

Claudia Revilla, Environmental Officer

This year, we have continued our Interinstitutional Alliance Cooperation partnership with Landscape Reserve Sub Cuenca del Cotahuasi, for the third consecutive year. Funding was used for environmental education, participative management, and sustainable economic activities. This included holding the third edition of the “Emprendedores por Cotahuasi” (Entrepreneurs for Cotahuasi) programme, which supports local entrepreneurs, supporting 526 beneficiaries across three winning projects.

Material topics in protecting the environment
Climate change resilience

Our 2030 ambition is to reduce our GHG Scope 1+2 emissions by 30% against a 2021 baseline. Our aim is to reach net-zero GHG emissions by 2050. Achieving our interim 2030 ambition will require the use of renewable electricity and transition towards more efficient vehicles with lower GHG emissions. In 2023, we sourced 79% of energy from renewable sources. As shown by the Mara Rosa Green Energy Project case study below, the production of renewable energy will also play an increasing role in enabling Hochschild to reduce its Scope 1&2 GHG emissions.

Mara Rosa Green Energy Project

In 2023, Hochschild announced a partnership with Solatio Energia (a photovoltaic sector specialist) to implement a solar energy project that will supply 100% of the energy required by Mara Rosa’s operations from renewable energy sources. The solar project involves constructing a photovoltaic plant in the municipality of Jaboticatubas, in the metropolitan region of Belo Horizonte (MG).

All production from the new solar plant will be fed into the National Interconnected System (SIN), offsetting the total volume of energy consumed by the operations in Mara Rosa. Construction work on the new solar plant began in October 2023, and production is scheduled to begin in Q1 2025. With a capacity of 124.6 MW of energy, the solar plant will guarantee that the amount of energy produced will meet 100% of the energy demand throughout the mine’s useful life, initially planned for 10 years.

Our 2030 ambition will also require operational changes in existing mines and operations (including process changes, asset upgrades and the use of future technological advancements) alongside the use of offsets or neutralisation projects to eliminate residual GHG emissions.

Our mining operations in both Peru and Argentina have a lower GHG emissions intensity compared to other gold and silver mines globally (1.85 tCO₂e/koz Ag eq; 0.15 tCO₂e/oz Au eq). This is due to the underground nature of our mining operations, which having lower emissions compared to open pit mines, using low-carbon grid-based electricity, and prioritising the use of renewable energy when available.

Our annual GHG footprint calculations are shown below. From 2024 onwards, Brazil will be included in these calculations following the commencement of operations at Mara Rosa.

Greenhouse gas emissions data ^{1,2} (tonnes of CO ₂ e)	2023	2022 ³	2021	2020	2019	2018	2017	2016	2015	2014
Emissions from combustion of fuel and operation of facilities (tCO ₂ e)	42,475	45,374	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	65,542	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	13,691	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	108,017	113,490	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) ^{6,7}	3.55	3.64	3.11	2.76	2.64	2.60	3.16	3.27	3.70	5.08
Scope 3 emissions (tCO₂e)	25,872	29,734	24,821⁸	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy consumption	435,824,161	477,278,230	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	144,796,179	159,336,476	165,114,299	132,414,133	143,763,206	n/a	n/a	n/a	n/a	n/a
From purchased electricity (kWh)	291,027,982	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, 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 Jose.
- 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.

Risks relating to climate change are managed at the highest governance levels through our Sustainability Committee, Risk Committee and the Audit Committee. Our CFD-aligned report, (see pages 76 to 89) details specific information on our approach to managing climate risks and opportunities, including governance, strategy, metrics and targets, and risk management. In 2025, the business will conduct an assessment of financial and transition risks relating to climate change.



Water management

Hochschild’s strategy for responsible water management is designed to make optimal use of water resources. In 2023, 84.3% of all water used in processing plants was reused, maintaining our 2022 level of water reuse and helping Hochschild to minimise intake of freshwater. At the Inmaculada mine, 80% of the water used was reclaimed (2022: 78%), at the Selene mine, the figure was 99% (2022: 99%) and at the San Jose mine, it was 73% (2022: 69%). 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 have continued to reduce our water footprint at the Inmaculada mine in line with the project implemented as part of the Blue Certificate programme by the Peruvian Water Authority (ANA). The Blue Certificate requires companies to assess their water use, implement reduction plans, and engage with local communities in a shared value programme. Our water savings in 2023 from this project amounted to 83,477 m³ at the Inmaculada processing plant (2022: 61,062 m³).

We have also continued to reduce our potable water consumption year-on-year, from 171.2 m³ in 2022 to 162.83 m³ in 2023. This amounts to a 60% reduction in potable water consumption since 2015. Potable water consumption rate in 2023 was the lowest to date.

We closely monitor water discharge to the environment to ensure it complies with national regulations, with around 2,000 parameters monitored annually. In 2023 we had 0 incidents of non-compliance with national standards.

Freshwater use (m³)

Year	Freshwater used in process plants
2020	454,527
2021	589,904
2022	651,066
2023	578,919

Potable water use (litres/person/day)

2023	2022	2021	2020	2019	2018	2017	2016	2015
162.83	171.2	192.83	230.67	206.01	224.78	214.08	293.71	408.35

Safeguarding biodiversity and natural resources through effective land use

While Hochschild will never operate inside a protected area, several of our sites are located inside or near the buffer zone of the Landscape Reserve Sub Cuenca del Cotahuasi, a legally-recognised national protected area in the Arequipa region in Peru. We conduct flora and fauna programmes in areas of direct influence of our mines and we annually monitor biodiversity levels at all sites. Our objective is to mitigate the environmental footprint of our operations, with the aim of returning the environment to a state similar to that which existed before our intervention. We also invest resources into developing environmental education, environmental and social awareness, and appreciation of local cultural heritage (see Knowledge Trail case study).

To minimise the effect of our operations on the surrounding area, we implement specific measures, including compensation programmes; to avoid significant environmental or landscape impacts from mine operation and closure.

In 2023, we received approval for two compensation plans that will allow Hochschild to maintain and increase the ecological equivalence at our Inmaculada mine (see Inmaculada compensation case study). Compensation has also been embedded into the design of the Mara Rosa mine development and, as such, has been a key consideration since the beginning of the construction process (see Terra Ronca biodiversity case study).



Knowledge Trail – Environmental and heritage education project, Brazil

The Knowledge Trail is an environmental and heritage education project developed by Hochschild in the town of Mara Rosa in Goiás. The project is dedicated to Science, Culture and Education, with the aims of disseminating scientific knowledge, raising environmental awareness and valuing the region’s cultural heritage. In recognition of this, the Knowledge Trail was awarded 1st place in the 2023 edition of the Sustainable Goiás Award, in the Innovation, Science and Education category, by SEMAD (State Secretariat for the Environment). The Sustainable Goiás Award aims to recognise and reward sustainable actions carried out in the State of Goiás. SEMAD received 91 entries for the award, from which it selected three finalists in six categories and awarded the best project in each group: (i) Public Servant; (ii) Public Policy; (iii) Press; (iv) Rural and Business Activity; (v) Innovation, Science and Education; and (vi) Third Sector.

Terra Ronca biodiversity, forest preservation and compensation, Brazil

“The Terra Ronca State Park” (PETeR) is home to one of the most important speleological complexes in South America. In 2021, the Goiás State launched a campaign to recognise this park as a World Natural Heritage Site by the United Nations Educational, Scientific and Cultural Organization (UNESCO). To fulfil the legal obligation for forest compensation, resulting from the removal of vegetation for the construction of the Mara Rosa Project, Hochschild proposed the donation of an area within this conservation unit. After a two-year consultation process, Hochschild received approval by the SEMAD to acquire and donate to the State of Goiás, 705 hectares of land. 481 hectares of the land donated by Hochschild is planned for Forestry Compensation, for the removal of native species protected by law in Permanent Preservation Areas (APP). 223 hectares remain available for compensation and the relocation of legal reserves (registered and proposed). As a result, this area can be preserved successfully as an important Conservation Unity for the Cerrado’s biodiversity.

Mine closure: Following a mine closure, the future use of the land is a fundamental consideration in our operations, as well as in the rehabilitation of the intervened areas. In line with this objective, the areas must be restored to a safe and stable physical condition in accordance with the surrounding landscape. In terms of managerial responsibility for land closure and rehabilitation, Hochschild has a specific department (and a Closure Manager) that is responsible for the execution and fulfilment of the closing commitments of our mines and exploration projects. As part of this process, we make financial provisions to cover closure and rehabilitation. The closure provision is assessed annually both internally and externally by specialised auditors. Third party experts are typically contracted every three years to incorporate changes in scope, cost estimates and the life of mine. The resulting reports inform closure plan approvals by the authorities. We report on environmental and social closure activities for all of our operational and closed mining units according to applicable regulations.

In 2023 we continued work on the closure of the Ares mine TSF. This work includes the dewatering of the TSF, via a state-of-the-art water treatment plant with a reverse osmosis system that ensures compliance with Peruvian Maximum Permissible limits; it also includes increasing the area of tailings covered with inert material and raincoat.

Responsible management of waste and tailings

Our ECO Score includes an indicator for monitoring effluent quality, which reflects any non-compliances with national standards in all of our discharges to the environment and prevents any toxic emissions. As a result, we are pleased to report that we achieved our target of 0 non-compliances with national standards for water discharge to the environment. Hochschild has no significant air emissions and air quality is periodically monitored at all mining sites to ensure compliance with environmental quality standards. In 2023, Hochschild recorded one minor environmental incident at our Inmaculada mine. This incident did not impact the soil due to the timely response and clean-up measures.

We also have extensive Waste Management Plans in place to ensure each specific waste stream is managed in the best manner possible. We strive to minimise the waste that ends up in landfills and we prioritise recycling/reuse opportunities. In 2023, our composting and domestic waste reuse efforts increased and now San Jose and Inmaculada are testing this onsite at a small scale. As a result of these efforts, including the implementation of the ECO Score, domestic waste generation has decreased by 52% since 2015.

Domestic waste generation (kg/person/day)

2023	2022	2021	2020	2019	2018	2017	2016	2015
0.93	1.05	1.00	1.18	1.04	1.13	1.13	1.33	1.94

Generation of waste by type (tonnes)

	2023	2022	2021	2020	2019	2018
Domestic waste	1,520	1,832	1,808	1,565	1,547	2,100
Recyclable waste	777	956	792	599	642	706
Scrap metal	1,593	1,180	1,250	977	1,288	1,528
Recyclable hazardous waste	181	193	198	147	231	304
Non-recyclable hazardous waste	1,182	1,157	1,136	610	748	807
Electronic waste	9	8	12	9	11	8

Commercialisation/Repurposing of waste (tonnes)

	2023	2022	2021	2020	2019	2018
Sold/repurposed waste	3,330	3,630	3,769	2,201	3,870	2,924

All waste rock and tailings generated as part of mining and processing are managed in accordance with our environmental permits, and have purpose-made engineered facilities for each waste type at all mines.

Hochschild has 11 TSFs in total, nine of which are downstream with rock buttresses and two with central berms with impoundments on both sides. Of these, four were operational for the majority of 2023 – two in Peru and two in Argentina. By the end of 2023, one of these tailings storage facilities was no longer operational due to the planned suspension of the Pallancata mine in Peru. In 2023, external audits were conducted on all TSFs in Peru. An internal audit was conducted in Argentina.



We fully support the need for greater transparency in the mining sector and we disclose comprehensive details on each of our TSFs and their management. Our most recent Church of England report on TSFs, published in 2022, is provided below; this is based on the ICMM Global Industry Standard on Tailings Management.

www.hochschildmining.com/media/wt5bs313/church-of-england-info-request-v090622.pdf

Ensuring Health and Safety

Employee safety is a key measure of our corporate success. The high-risk nature of the mining process means that this topic must be prioritised to protect our people and the overall success of our operations. We strongly believe that a healthy, satisfied and motivated workforce plays a crucial role in driving the growth of our Company. Our material topic relating to this pillar is: Occupational health, safety and well-being.

Highlights

0
WORK-RELATED FATALITIES
2022: 0

37
LOST TIME INJURY
SEVERITY RATE
2022: 93

0.99
LTIFR
2022: 1.37

Alignment to UN SDGs



Our approach to ensuring health and safety

Everyone at Hochschild is responsible to conduct their work in the safest way possible. We are currently the only mining company to hold Det Norske Veritas (DNV) ISRS level 7 and we are committed to upholding these high safety standards. The Company recognises that an informed and attentive workforce, where individuals are engaged with health and safety in a way that looks out for themselves and others, is vital to managing safety and health risks.

We are extremely pleased to report that Hochschild is on track to achieve the business' 2030 ambition and that Hochschild recorded no fatal accidents in 2023. This marks the second year in a row that we have achieved this critical result. Equally encouraging are the 2023 results for our two major safety indicators: the Lost Time Frequency Rate (LTFR) and the Lost Time Injury Severity Rate (LTISR); our 2023 results in these indicators are the best in Hochschild's history.

Progress against our ambition

	2021 Baseline	2022	2023	2030 Ambition
Fatal accidents	2	0	0	0
Lost time injury frequency rate (LTFR)	1.26	1.37	0.99	1.2
Lost time injury severity rate (LTISR)	676	93	37	270

Key achievements in 2023

– **Safety Initiatives:** The Seguscore, launched in 2022, is an in-house integrated safety performance indicator that incorporates proactive or “leading” safety indicators such as the measurement of leadership presence, behavioural observations, planned task observations and random mini audits, as well as reactive or “lagging” safety indicators such as lost time injury frequency rate (LTIFR), lost time injury severity rate (LTISR), and High Potential Events (HPEs) i.e. events that may result in severe injury or lost time injuries. In 2023, the Seguscore was reframed by Hochschild as a qualitative tool. Following a review of the scoring approach and process, Hochschild determined, for instance, that leadership presence cannot be measured only by field inspections.

In this case, the new scoring approach requires that deviations detected during field inspections must be resolved within a set time period, according to the level of risk that they present. This approach provides our supervisors with valuable site-specific information, allowing them to demonstrate their presence in the field, the number of deviations, and, more importantly, how fast we are closing those gaps so that the safety conditions are promptly improved to avoid the occurrence of safety events.

– **Investigating and learning from safety incidents:** All Incidents were investigated promptly and appropriate response measures were implemented. We remain committed to health and safety by continuing to promote the improvement of all activities and assess the potential occurrence of HPEs. In the event of an HPE occurring, our CEO leads a meeting with the COO and all the Operational Unit Managers to review the internal investigation. In this meeting, the root causes are discussed, and control actions are reinforced at the corporate level to share the lessons learned with the entire organisation. During 2023, six HPEs were evaluated. Hochschild continues to work to reduce this number of HPEs to zero through a range of initiatives:

- We improved the fatigue control system installed in all our buses and 4x4 pickup trucks in Peru to enhance road safety in the transportation of personnel between cities and mine sites. This system collects data analysed through a business intelligence dashboard to predict potential incidents
- Our Peruvian and Argentinian operations implemented a smartwatch/wristband for all personnel (company and contractors) who operate heavy machinery. This smartwatch/wristband monitors sleep time to prevent fatigue at work which can increase the risk of incidents

– **Well-being:** To support the mental health and well-being of our employees, we continued the “Conversemos en familia” (Talk as a family) programme that was launched in 2022 in Peru. In conjunction with the ECTP, a family workshop was held in Arequipa, Peru. This included conversations on parenting topics and interactive activities for the adults and children in attendance; the aim was to help communication with the parents, and provide a healthy environment for the children to thrive.



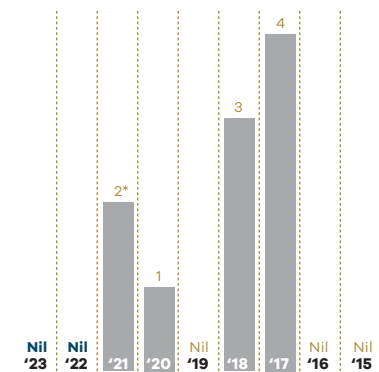
Material topic in ensuring health and safety
Occupational health, safety and well-being

Hochschild offers a safe, healthy and secure workplace in which our direct employees, as well as our contractors, can feel safe and thrive. We adopt practical measures to avoid workplace fatalities, eliminate occupational health hazards and support employee well-being.

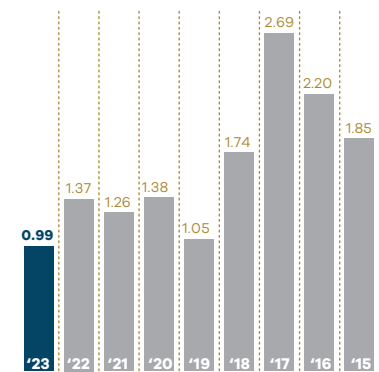
To ensure a safe working environment, we implement a systematic risk management approach, supported by our Occupational Health and Safety (OHS) Management System. In 2023, we carried out internal audits which were conducted by internal Hochschild-trained auditors. Our OHS Management System applies to all sites, Hochschild employees and contractors.

Safety performance

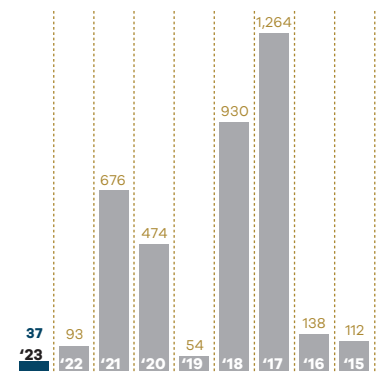
Fatal accidents



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

Our people drive the success of our business and the positive impact we have on the planet and society. By creating a working environment that is supportive and empowering, we can improve employee satisfaction, provide better and more equal employee opportunities and increase retention rates. We identified the following material topics relating to this pillar: Labour Relations, Diversity and Inclusion, Recruitment, Retention and Engagement and Innovation through Technological Solutions.

Highlights

4.5%

VOLUNTARY EMPLOYMENT TURNOVER
2022: 4%

9.6%

WOMEN IN THE WORKFORCE
2022: 9%

18%

WOMEN IN LEADERSHIP ROLES
2022: 15%



Our approach to supporting our people

The importance that we place on our people is underpinned by the commitments laid out in our Corporate Diversity & Inclusion Policy, including respecting human rights and promoting diversity and inclusion as part of our corporate purpose. We strive to provide a safe and healthy workplace environment that, above all, promotes a healthy work-life balance and demonstrates inclusion. As part of this commitment, we invest in wellness initiatives and professional development for our employees, and offer competitive compensation and benefits.

Progress against our ambition

	2021 Baseline	2022	2023	2030 Ambition
Women in workforce (%)	9%	9%	10%	11%
Women in leadership roles* (%)	15%	15%	18%	20%
Women in Board seats (%)	33%	33%	38%	40%
Voluntary turnover (%)	5.0%	3.9%	4.5%	<5%

* Leadership roles include senior, middle and junior management.



Alignment to UN SDGs



Key achievements in 2023

- **Internships for Women:** We strongly believe that diversity helps promote new and innovative ideas that can contribute to our overall business success. Our continued focus on gender diversity, in a male-dominant industry, is reflected in our “Mujeres de Oro” (Women of Gold) internship programme. This programme offers young women professionals rotations across eight different departments at the Inmaculada mine, such as plant, mine, safety, community relations, and environment. The programme also offers mentorship, training, and the potential for a permanent career with Hochschild. In 2023, Hochschild hired nine out of ten women who started the programme in 2022 and finished in 2023.
- **Increasing gender diversity at Hochschild:** This year, Hochschild has successfully increased the representation of women at multiple levels of the organisation. We have increased the percentage of women in our entire workforce from 9% to 9.6%. Similarly, the percentage of women in leadership roles has risen from 15% to 18%. As a result, we are proud that we are moving closer to our 2030 gender diversity ambition. As a mining company, we recognise the challenges faced by our industry to build female representation. These incremental improvements are reflective of the important progress that is needed. We will continue, each year, to promote the participation, education, training, development and leadership of women within our organisation.
- **Anti-sexual harassment:** In 2023 we carried out the third annual ELSA survey, a comprehensive diagnostic and intervention tool that helps companies respond preventatively to sexual harassment in the workplace. Our findings help Hochschild to identify existing gaps and other opportunities for improvement.
The survey found that:
 - 69% of employees know and have read the Anti-Harassment Policy
 - 88% have received training on the subject
 - 70% were aware of the investigation process for complaints



Our employees are the lifeblood of our organisation. We are proud to be externally recognised for our talent retention and attraction efforts which provide our valued employees with the opportunities and culture to develop as professionals and reach their full potential. Through this environment, we aim to build female representation at all levels at Hochschild, with the broader aim of advancing improvements in gender diversity across the mining sector more widely.”

Cristina Arbe, Manager of Attraction, Communication and Culture



Material topics in empowering our people

Diversity and inclusion

At Hochschild, diversity, inclusion and a safe work environment that promotes equal opportunities for all are fundamental to the sustainability of our Company and to our corporate purpose.

We are committed to respecting human rights and promoting diversity and inclusion. As such, we reject any acts of discrimination that are based on race, gender, religion, ethnicity, age or any other distinguishing characteristic or trait. Our Diversity and Inclusion Policy outlines our commitment to promoting equal opportunities for all, including the participation, education and empowerment of women in the workplace.

Gender diversity	2023	2022	2021	2020	2019	2018	2017	2016
Number of employees								
Men	2,921	3,282	3,347	3,155	3,024	3,894	3,849	3,859
Women	311	316	316	275	218	245	235	222
Number of senior managers								
Men	38	44	43	41	37	37	36	35
Women	5	6	2	1	1	1	1	1
Number of Board members								
Men	5	6	6	7	7	7	7	8
Women	3	3	3	2	1	1	1	1

Age structure	Employees	Board
<30	510	0
30-50	2,374	1
>50	348	7

Labour relations

We recognise and respect the right to freedom of association and collective bargaining, in accordance with the laws and regulations of the countries in which we operate. Underpinning our relations with our workforce are principles and practices related to fair compensation, job security and professional development opportunities. In 2023, approximately 74% of our total workforce was represented by a trade union or similar body. We recorded 0 strikes or lockouts during 2023.

Recruitment, retention and engagement

We are committed to attracting and retaining a skilled workforce by creating a workplace that is engaging, innovative and defined by our corporate purpose and values. In 2023, nearly 94% of our employees were permanent full-time workers, with a low voluntary turnover rate of 4.5%. In the 2023, Merco Talento ranking, Hochschild was ranked 4th among 17 mining sector companies in Peru and placed 36th out of the top 100 companies in Peru based on our talent retention and attraction efforts. The ranking promotes the improvement of human capital management within organisations, providing them with various metrics and evaluation elements that contribute to a better understanding of the aspirations of the individuals working within them.

Contracts in 2023	Permanent contracts	Fixed term contracts
Men	2,755	166
Women	274	37
Total	3,029	203

Innovation through technological solutions

We strive to promote innovation in all aspects of our business to increase productivity, improve worker safety and reduce our impact on the environment. Our ongoing Innova platform allows Hochschild to receive initiatives from every level of the Company. Launched in 2022, the objective of the tool is to incorporate technology and innovation into our processes, proposed by our workers. Anyone, at any time, can use the platform to upload their disruptive, applied, or incremental initiatives so that they can be evaluated and implemented in a timely way.

Our Innova platform

Step 1: Submission

Submit an idea that could help the business solve a current problem or make a difference for our Company.

Step 2: Evaluation

An expert from the site of the proposed idea will review and then distribute the idea to a wider network of specialists for evaluation. Here, different evaluation methods are used, including scoring card scores, voting and evaluation forms. Experts are selected according to their organisational structure and subject matter expertise.

Step 3: Implementation

If the idea is successful, the Innova tool will assemble a project team to implement the idea.

Step 4: Reward

The potential monetary gain for the business, from a successfully implemented idea, is calculated. Subsequently, a proportional prize is awarded to the project team.

- In 2023, we developed two Innova Campaigns on the following topics:
- ChatGPT and Artificial Intelligence for efficiency at Hochschild
 - Conversemos en familia, for the families who participated in the family workshop in October, as part of the ECTP
 - Eight projects were implemented this year, having been proposed between 2021-2023. A further four projects have passed the Evaluation stage and are expected to be implemented in 2024

Being a Responsible Business

Acting honestly and ethically is central to our business. We are resolute in our dedication to ethical business practices and are committed to maintaining the highest level of responsibility in our operations, relationships, and transactions. Within this governance pillar, we have identified the following topics as material for our business: Responsible Business Conduct and Ethics, Advocacy for Positive Change and Responsible Supply Chain Management.

Highlights

63%

DIRECTORS CONSIDERED TO BE INDEPENDENT
(2022: 66%)

Alignment to UN SDGs



Our approach to responsible business

Our approach to acting responsibly is guided by our robust corporate governance framework of policies, procedures, and systems. This framework holds the business to account in driving positive economic, social and environmental outcomes. It goes beyond minimum compliance with legal and regulatory requirements and involves advancing a corporate culture that is aligned with our shared values: Innovation, Inspiring others, Recognising talent, Seeking efficiencies, and Demonstrating responsibility.



Operating as a responsible business underpins Hochschild’s ability to have a positive impact on sustainability issues whilst simultaneously delivering value for our stakeholders. Achieving our 2030 sustainability ambition requires maintaining the highest levels of ethical standards, both in our own operations and in our supply chain, whilst ensuring robust corporate governance systems are in place.”

Raj Bhasin, Company Secretary

Key achievements in 2023

- **Policies:** We 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:** Although no external anti-bribery audit was required in 2023, we successfully passed an assessment to re-confirm our eligibility to undergo an external audit in 2024, to recertify our previous certification in anti-bribery from the organisation Entrepreneurs for Integrity. In the meantime, we have continued to implement the latest anti-bribery standards to maintain our certification ahead of our assessment next year.

Material topics in ensuring we are a responsible business
Responsible business conduct and ethics

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. In early 2023 we distributed an updated version, with a more robust Environmental section.

Our Code of Conduct is distributed to all employees and outlines the ethical standards and values that we expect of our employees to promote responsible behaviour, establish accountability, and foster a positive corporate culture. In addition to the Code of Conduct, our supplementary policies cover topics such as anti-corruption, anti-bribery, and money laundering prevention among others. Any violations of the Code of Conduct are considered serious misconduct and handled with the utmost urgency.

The Company has a long-established Whistleblowing Policy and an online portal, available 24/7, to provide any person working with or at Hochschild, with a means of raising concerns, anonymously or otherwise. The Company values all genuine reports received through this portal as they contribute to upholding the high ethical standards established by the Group. We have a policy of zero tolerance towards retaliation; for this reason, we are committed to maintaining strict confidentiality regarding genuine complaints received and the identity of those filing them. The Group encourages those submitting a report to provide their name as it enables Hochschild to collect further details that could assist with the investigation. In 2023, we received 60 reports through this system, all of which have been addressed.

Created in 2023 and estimated to launch early in 2024, the Internal Legal and Compliance Portal will provide all employees centralised and immediate access to all documents and initiatives related to business conduct and ethics. This establishes the availability of resources that support compliance with the Company’s rules, policies and documents.

The Compliance Integrity Programme was implemented in 2023 in Brazil. The goal is to prevent and detect breaches of law and regulations. This reinforces Hochschild’s commitment to integrity, and upholds the Company’s reputation. The programme involved: high leadership support, risk identification and mapping, creation of policies and a Code of Conduct, trainings, internal controls, whistleblowing, and more.

This year, the HOC Compliance Podcast was created and launched in Brazil. It provides employees with accessible content related to themes of compliance. Complementary to the Code of Conduct, this will support employee awareness and adherence to the Company’s processes and procedures. The podcast initiative will also be replicated in Peru and Argentina.

The launch of online compliance training provides employees with access to an intuitive and clear format of Compliance and Legal training. In animated format, this content was designed to be engaging and allow easy assimilation of information. Starting with the topic of Conflicts of Interest in Brazil, this training implements standardised learning that underpins compliance with laws and the Company’s internal rules.

Advocacy for positive change

We actively engage with policymakers, professionals, and civil society to collectively discuss, shape and approve new initiatives aimed at enhancing regulations in mining and environmental sectors. In demonstration of our commitment to promoting ESG guidelines and practices within the mining industry, we play an active role in various 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, the Confederação Nacional da Indústria (CNI) in Brazil. We also participate in the Instituto Brasileiro de Mineração (IBRAM), a key institution within Brazil’s mining industry that promotes responsible mining practices, influences policy decisions, fosters innovation, and facilitates collaboration among various stakeholders in Brazil’s mining industry.

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 the specific standards outlined in our updated Supplier Code of Conduct.

In Brazil, preventative due diligence of strategic suppliers and monitoring of 100% of the entities with which Hochschild has a commercial relationship within the country ensures that we only contract with entities who share our corporate values.