UK Tax Strategy

1. INTRODUCTION, PURPOSE AND SCOPE

As a founding principle, Hochschild Mining PLC and its subsidiaries (the "Group") characterises itself by:

- its high standards of safety and efficiency in its operations;
- the excellence of its people and the high standards of ethical behaviour expected of them; and
- its commitment to society and strong corporate values.

These principles, which we set out in greater detail in our Code of Conduct, apply to all aspects of the group's operations and activities, including how we discharge our obligations for taxation.

The purpose of this document is to comment specifically on the approach and arrangements we use to manage the Group's UK taxation affairs. In essence, this simply reflects our founding principle and general philosophy concerning our desire to build strong, long-term, relationships with communities and governments that will support our long-term, capital intensive, business.

The publication of this document is to satisfy the requirements of paragraph 19(2) of Schedule 19, of the Finance Act 2016 rather than to highlight or distinguish our treatment of UK taxation in comparison to any other aspect of our business.
We continuously monitor and review the Group's strategies and policies and this document was approved by the Audit Committee on the date set out on the following page as being an accurate statement of the position for the current financial year. The Audit Committee will review and approve this strategy each year.

2. THE GROUP'S ACTIVITIES IN THE UK

Hochschild Mining is a leading underground precious metals company and our primary operations focus on the exploration, mining, processing and sale of silver and gold in the Americas. Because our operations are essentially located in the Americas and we are headquartered in Peru, our activities conducted in the UK are small, relating mainly to servicing our needs for capital and interfacing with our shareholders and regulators. It is therefore to be expected, and is the case, that our UK taxation footprint is small and commensurate with the low level of our UK activities.

3. APPROACH TO RISK MANAGEMENT AND GOVERNANCE FOR UK TAXATION

The UK's taxation environment is complex and ever changing. Consequently, despite the Group's low levels of UK activity, and small UK taxation footprint, we are conscious of the need to maintain an active management of the Group's UK taxation affairs within a strong governance framework.

The primary accountability for the governance and management of risk relating to UK taxation lies with the Group's Chief Financial Officer who has the responsibility to establish and maintain accounting arrangements that are relevant and appropriate to meet the Group's UK taxation requirements. The Chief Financial Officer regularly reports to the Board on the discharge of his accountabilities.

In his management and governance of the Group's UK taxation affairs, the Chief Financial Officer is supported by senior and experienced staff within the Group and this resource is supplemented by the engagement of appropriate, professionally qualified, external UK taxation advisers who are knowledgeable about the Group's affairs.

The Group's tax affairs and positions are regularly scrutinised by our external auditors and by tax authorities as part of the normal course of our compliance procedures.

4. THE GROUP'S ACTIVITIES IN THE UK

The Group wishes to pay the right amount of taxation, in the right jurisdiction, at the right time as dictated by both UK and local legislation and custom as appropriate. Recognising the inherent complexity of, and the interactions between, taxation regimes around the world, the Group believes it is appropriate to plan how its taxation affairs are structured and delivered to meet this objective.

In planning its UK taxation, the Group seeks to establish and maintain a position that delivers taxation outcomes that are within the legislative intent of the UK taxation regime, are justifiable to HM Revenue & Customs ("HMRC") and the Group's stakeholders, and which have a high degree of certainty. In some cases, the law or how to apply it is not clear. In these situations, we will take steps to determine and follow parliament's intention where reasonably possible including seeking to obtain clarity through proactive engagement with HMRC on the basis of full disclosure. Where genuine uncertainty exists as to the application of the law, we will not adopt a position unless we are able to conclude that it is at least more likely than not the position will be accepted upon examination by HMRC (or a court) with full disclosure of all the relevant facts. This means we will only undertake transactions that we are prepared to fully disclose, and that we will not undertake transactions that are without strong underlying commercial motivation, or that are (or appear to be) artificial or contrived. We comply with our obligations under transfer pricing rules in the UK and jurisdictions where we operate. The group will not use "tax haven" companies in our tax strategies and has restructured or re-domiciled any such entities that have been inherited from past acquisitions.

5. THE LEVEL OF RISK IN RELATION TO UK TAXATION ACCEPTABLE TO THE GROUP

The Group's objective is to have a UK taxation position that is well understood, reliable, sustainable and as straightforward to manage as is commensurate with the Group's small UK taxation footprint. It is therefore the Group's principal objective to satisfy its UK taxation obligations in a proactive and timely manner and to avoid any unexpected UK taxation outcomes.

6. THE GROUP'S APPROACH IN ITS DEALINGS WITH HMRC

To support the objective of delivering its obligations and avoiding unexpected UK taxation outcomes, the Group actively seeks an open, real-time, dialogue with HMRC that is founded on mutual respect. This is so that HMRC can be made aware of developments in our business and areas of potential uncertainty are addressed at an early stage to produce a common understanding of the application of UK taxation to the Group's activities between HMRC and the Group. In its taxation returns, the Group seeks to make full and fair disclosure of the taxation treatments it has adopted and to respond promptly and positively to any questions and issues raised by HMRC in order to avoid time consuming and protracted investigations.

Approved by the Audit Committee of Hochschild Mining PLC
19 November 2025