



SUSTAINABILITY REPORT 2020





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ABOUT THIS REPORT

This report is based on the Standards of the Global Reporting Initiative (GRI), although this is not strictly a GRI report. Its purpose is to describe and explain the overall performance of the Las Bambas Mining Unit (MU) during 2020.

We focus on eight material issues or key aspects related to sustainability; namely, the economic, social and environmental aspects with the highest priority to our operation and stakeholders. This report also includes the contributions of MMG, our parent company.

We share this report with representatives of our stakeholders, whose feedback will be included when we update our future materiality processes and draft our next sustainability reports.

MATERIAL ISSUE	SCOPE	PAGE REFERENCE
We are Las Bambas		
Economic performance	Reports production performance in 2020 and the main economic and financial results.	16 - 21
The way we work		
Compliance and human rights	Shows the progress in terms of compliance and commitment to human rights and the incorporation of the Voluntary Principles on Security and Human Rights (VPSHR).	24 - 25
Operational excellence, innovation and digital transformation	Describes continuous improvement processes for optimal production and incorporation of cutting-edge technology, and innovation and digital transformation projects that have recorded significant progress in 2020.	26 - 27 38 - 39
Health and comprehensive safety	Informs about our management of work-related risks and all the measures and strategies implemented to fight COVID-19.	29 - 30
Human capital and well-being	Describes key aspects of talent management, change management, diversity management, direct and indirect local employment, and measures to protect our employees from COVID-19.	31
We mine for progress		
Contribution to development	Covers the ongoing engagement with surrounding communities and social investment: programs and projects, works in exchange for taxes (WxT) and general contributions.	12, 21 and 40 - 53
Commitment to compliance and constructive dialogue	Addresses compliance and redefinition of commitments with regard to the situation created by COVID-19, and the development of solutions to channel social tensions and maintain ongoing dialogue in dispute situations with stakeholders.	36 - 37
Our environmental management		
Comprehensive environmental management	Presents details on our environmental management, emphasising strict alignment with regulatory requirements and the main milestones reached during the year.	54 - 57 60 - 65



MESSAGE FROM MMG'S CEO

Dear MMG Stakeholders,

I am pleased to present our 2020 Sustainability Report.

2020 was a year like no other, where managing the risks presented by the COVID-19 pandemic dominated our focus while we continued to deliver production, drive development and provide employment and support to the communities in which we live and work.



HEALTH AND SAFETY

The health and safety of MMG people remains our first value. We work hard to embed a company-wide safety mindset.

In 2020 our total recordable injury frequency (TRIF) was 1.38 per million hours worked. This represents an improvement of 13% from the 2019 result of 1.58. In line with MMG's "Safety First" culture, we are committed to improving our safety performance and ensuring our people can return home safely to their families every day as we strive to eliminate workplace injuries.

COVID-19 PANDEMIC

The COVID-19 virus has directly impacted our people and communities. We have learned to adjust to increased protective measures and the impact the virus has imposed on our daily lives. We collectively mourn the many lives lost during this global pandemic.

I am proud of our people's efforts to keep those around them safe by following strict health and hygiene protocols. Our vigorous testing regime facilitated the continuation of production in regions including Peru, where the impact of COVID-19 has been particularly significant.

As mining is an essential operation, working from home is not an option for most of our people. MMG safeguarded our site-based operations wherever possible, also giving MMG people and their families access to mental health and support services tailored to their respective regions and local languages.

Throughout the pandemic we worked closely with regional communities, governments and all stakeholders; reflecting their insights and concerns in our site operations' continuity plans.

OUR CONTRIBUTION TO DEVELOPMENT

At MMG, we mine for progress, ensuring wherever possible that local communities, economies and supply chains benefit from our operations.

In 2020 we invested over US \$23.6 million in social development programs, up from US \$18.5 million in 2019. In addition, we contributed US \$308 million to global taxes and royalties. We supported local communities where our sites are located through the provision of employment, business development, healthcare, education and food security programs.

Notably, much of our 2020 social investment spend helped fight unforeseen COVID-19 impacts. This included training and support for local businesses and donating critical personal protective equipment (PPE), food and medical supplies to local and regional governments.

Wherever we work, we continue to cultivate sustainable and long-term solutions when community issues emerge. We are committed to upholding human rights wherever MMG operates, consistent with being an Engaged Member of the Voluntary Principles Initiative.

MINIMISING MMG'S IMPACT

MMG monitors our environmental footprint by managing natural resources, minimising waste and pursuing effective life-cycle management.

In 2020 our site teams worked hard to embed ongoing improvements in water management processes. This included implementing a major water infrastructure program at Las Bambas focused on the diversion of clean catchment runoff around operational areas, together with a focus on maximising water recovery from the tailings storage facility (TSF).

At MMG, we treat the management of tailings storage as a significant material issue that requires ongoing, rigorous risk management. Our tailings governance includes independent Dam Review Committees at each of our operations, and each TSF is designed, operated and maintained in accordance with leading engineering practices and principles. MMG meets or exceeds the regulatory requirements in each of the jurisdictions in which we operate.

In August 2020 the new Global Industry Standard on Tailings Management (GISTM) was released, in cooperation with the International Council on Mining & Metals (ICMM), the United Nations Environment Program (UNEP) and the Principles for Responsible Investment (PRI). The standard calls for the avoidance of extreme consequences to people and the environment from catastrophic tailings facility failures. MMG has already commenced work to ensure compliance with the standard and will work with involved stakeholders throughout the process.

CLIMATE CHANGE

MMG recognises the impacts of human-induced climate change, and that addressing the impacts of climate

change poses significant short- and long-term challenges for society.

We are committed to being part of the global solution by taking appropriate actions to reduce our emissions intensity, and sourcing the key mineral and metals required to help the global transition to a low-carbon future. In 2021 we will be reviewing our current environmental footprint and greenhouse gas reduction strategy with the intent of setting company-level reduction targets.

Finally, MMG is proud that our products – particularly copper and zinc – are a major input into global efforts to decarbonise and electrify energy and transport needs. If we wish to drive genuine reductions in carbon and arrest the impacts of global climate change, we will as a community rely more heavily on the critical role of metals in society.

I extend my thanks to employees, shareholders and host communities for your continued support. I want to particularly recognise our people for their dedication and contributions to our sustainability performance in such a difficult year. I look forward to the coming year as we continue to mine for progress.

Geoffrey (Xiaoyu) GAO
Chief Executive Officer



MESSAGE FROM MMG'S EXECUTIVE GENERAL MANAGER, OPERATIONS - AMERICAS

Dear Readers,

Despite the great challenges facing the world and our country due to COVID-19, we continue to mine for progress at Las Bambas, contributing with our social management projects and caring for our people, who are the driving force of our activities.



To honour the commitment we have made with our stakeholders, we present the Las Bambas Sustainability Report 2020, the 13th we have published since the commencement of our activities. This report shares the most relevant information on our performance, in line with the transparency of our administration, and it reflects our contribution to the sustainable development of Apurímac and Peru.

2020 has been a very challenging year for the Las Bambas MU and the rest of the world, beyond our operational activities, due to the complex situation created by the COVID-19 pandemic. Our production centre is located in a hard-to-reach geographic area, far

away from cities, and with a weak health infrastructure in the Andean areas.

Our priorities were safeguarding the health and lives of all our employees and contractors during the COVID-19 pandemic. This is why we implemented Las Bambas COVID-19 Surveillance, Prevention and Control in the Workplace Plan, in compliance with the biosafety protocols established by the government. In the second half of 2020, various political events that took place across the country had a negative impact on the economy and governability and increased social conflicts at the national level.

Faced with this, we developed a social management plan that includes

six action areas to meet the critical needs of our stakeholders, resulting from the pandemic. We worked to support the communities, prevent and contain the virus, strengthen the response capability of health facilities, strengthen education, and boost economic recovery, which ultimately impacted 120,000 families. We invested more than US \$4 million to benefit 80 communities from our area of direct influence (ADI) and along the road corridor, and various local governments.

As for our production, we applied multiple initiatives to ensure the continuity of our operations, mainly by investing in innovation and technology to facilitate remote and safe work, and

to strengthen our digital platforms. As a result, we produced 311,020 tonnes of copper in copper concentrate and 3,167 tonnes of molybdenum in concentrate; these may be considered positive figures given the limitations we had to face during this extremely challenging year.

Our contribution in terms of taxes and royalties exceeded US \$193 million. We also created 6,369 direct and indirect jobs, 25% of which were held by residents of Apurímac region. As for our talent management, worth highlighting is the work performed by the Diversity and Inclusion Committee to advance respect for diversity, egalitarian treatment, and to fight harassment and discrimination, goals to which we are strongly committed.

We continued to work with local suppliers, investing more than US \$36 million in purchases in Cotabambas and Grau provinces, and more than US \$28 million in Apurímac and Cusco regions. Together with these purchases, our procurement from suppliers operating in Peru totalled US \$1.185 billion. As for our social investment within the framework of the U.N. Sustainable Development Goals (SDGs), we allocated more than US \$20 million to actions focused on the six SDGs that are our priority. This includes projects to improve local income, increase agricultural availability, improve healthcare, digital education, gender equality and public investment studies.

Under the agreement executed with the Ministry of Transport and Communications (MTC), we committed to invest US \$10 million through the WxT method. Within the framework

of the same agreement, we have also collaborated with the government in the preparation of the respective studies for the construction of the Kutuqtay Bridge, reconstruction of 24 schools and a project to reduce the levels of anaemia in children under three years and pregnant women.

Throughout this period, we have faced various challenges related to the health emergency. In addition, our concentrate transport process was interrupted for 107 days due to blockades carried out by some sectors of the local population and the declaration of emergency due to the pandemic. In the face of such events, we always maintained our willingness to set up dialogue forums with the government and local communities, which gave rise to joint agreements in favour of the sustainable development of Apurímac.

With respect to our environmental management, we maintained our operational excellence standards and submitted our Second Supporting Technical Report for the Third Amendment to the detailed Environmental Impact Study (detailed EISA 3) to the National Environmental Certification Service for Sustainable Investments (SENACE, in Spanish). At the same time, we started conducting our analyses to submit the Fourth EISA (EISA 4), and implemented various initiatives within the framework of our citizen participation methods.

Additionally, in line with the sustainability of our operations, we intensified our fight against climate change by focusing on the reduction of greenhouse gas (GHG) emissions, and through our efforts to be more eco-efficient and minimise our impacts.

We continue to tirelessly work on fighting COVID-19 and protecting our employees and their families, and our stakeholders, through joint efforts with various state institutions for the benefit of Apurímac and Cusco regions.

We thank all our stakeholders for the trust they place in our company, and we reaffirm our commitment to local sustainable development and the practice of mining for progress.

Jianxian Wei

Executive General Manager,
Operations - Americas



PERFORMANCE SUMMARY

OUR PERFORMANCE AGAINST 2020 GOALS

Safety and Health

Implement ≥ 90% of the Safety Leadership Program.	■
Improve by ≥ 90% the rate of closed actions.	■
Reduce by 10% the All Injury Frequency Rate (AIFR).	■
Reduce by 20% the number of significant events with exchanged energy.	■
Achieve zero fatalities.	■
Achieve a Recordable Injury Frequency below 0.80.	■
Implement more than 95% of the occupational hygiene actions and medical programs with employees and contractors.	■
Implement the new Fatal Risk Standard (FRS) – Carcinogens.	■
Comply with ≥ 95% of the Health Management Plan related to COVID-19.	■

Environment

Achieve zero level 2 or higher incidents.	■
Comply with more than 90% of regulations and commitments stated in the 3 rd Environmental Impact Study amendment.	■
Prepare a baseline of GHGs and a management plan for their reduction.	■

Community Relations

Define and develop two flagship projects in the Health and Education areas.	■
Create a not-for-profit organisation to develop social projects.	■
Comply with 90% of our scheduled commitments; social commitments resulting from EISAs; and goals, targets and timelines of programs and projects. Incorporate gender indicators.	■
Implement 100% of control and/or mitigation plans for identified socioeconomic risks and impacts.	■
Promote hiring of local labour when honouring our commitments and carrying out social development projects.	■
Carry out an ongoing program to develop at least 5% more local suppliers than in 2019.	■

Human Resources

Strengthen leadership competencies by building soft, technical and commercial skills.	■
Reinforce the diversity culture by increasing the percentage of women and personnel with disabilities in the organisation.	■
Implement a macro plan for talent development.	■
Obtain more than 50% positive results on the labour climate survey by implementing a recognition and flexibility program.	■
Ensure that ≥ 25% of our employees are community residents.	■

Legend: ■ Goal met or substantially met ■ Made progress ■ Goal not met

2021 GOALS

GOALS TO BE ACHIEVED DURING 2021

Health and Safety

1. Achieve ≥ 6 field task observations by supervisor per year.
2. Reduce the AIFR by 20%.
3. Reduce the number of significant incidents with exchanged energy by 15%.
4. Maintain Total Recordable Injury Frequency Rate (TRIFR) at ≤ 0.75.
5. Reduce incidents with damage to property by 20%, compared to 2020.
6. Ensure > 95% compliance with the annual employee health surveillance plan and occupational hygiene monitoring.
7. Ensure > 90% compliance with and implementation of the FRS of carcinogens.
8. Manage and align > 90% of our contractors to comply with MMG's occupational hygiene and health standards.

Environment

1. Achieve zero level 2 or higher incidents.
2. Continue with an environmental commitment compliance assurance plan.
3. Implement a GHG emission reduction plan.

Community Relations

1. Define and develop two flagship projects in the health and education areas.
2. Create a not-for-profit organisation to develop social projects.
3. Comply with 100% of our scheduled commitments and incorporate gender indicators in our programs and projects.
4. Implement 100% of control and/or mitigation plans for identified socioeconomic risks and impacts.
5. Promote hiring and training of local labour when honouring our commitments.
6. Carry out an ongoing program to develop at least 5% more local suppliers than in 2020.

Human Resources

1. Obtain > 60% positive results on the people and culture survey.
2. Implement development plans for all our leadership positions, based on our talent management program.
3. Foster local employment through employability and training programs for direct influence communities, to achieve 28% of local employees.
4. Reinforce the diversity culture by increasing the percentage of female employees.
5. Establish an integration program into Las Bambas' culture for new employees.



WE ARE LAS BAMBAS

We are one of the major copper companies in Peru and one of the top 10 globally. We are also one of the largest private investments in Peru, having allocated US \$10 billion to sustainable mining. As one of the top 10 global copper miners, we directly benefit the communities in our area of influence in Apurímac region and the growth and development of our country by generating a positive impact on our suppliers, employees, shareholders and other stakeholders.

Each year we make a significant contribution to the national gross domestic product (GDP). Although affected by the COVID-19 pandemic and the restrictions resulting from it, the GDP continues to contribute to Peru's economy in a sustained manner. We also continue to be one of the most dynamic sectors in Peru: We contribute to national exports, advance the local economy, and create direct and indirect employment throughout our value chain.

Our operation is located at an altitude between 3,800 and 4,600 metres above sea level (masl), approximately 75 km southwest of the city of Cusco. We use the road that crosses this region to transport our ore to the Port of Matarani, in Arequipa region.

Our operation comprises an open pit mine and has three main deposits: Ferrobamba, Chalcobamba and Sulfobamba. The mining of Ferrobamba is underway, and we will extract ore from the other two in the future. Since exploration began in 2005, we have adopted an operating model focused on sustainable development that ensures profitability for our shareholders.

BUSINESS PROFILE

The Las Bambas MU is located between Challhuahuacho, Tambobamba and Coyllurqui districts, in Cotabambas and Grau provinces,

2020 PRODUCTION

Category	2019	2020
Cu concentrate grade	38.50%	34.83%
Recovery	86.10%	87.00%
Cu produced	382,518 t	311,020 t





Key data

- > We produce clean copper concentrate with gold, silver and molybdenum by-products.
- > We have ore reserves of 5.631 billion tonnes of copper and mineral resources of 8.982 billion tonnes.
- > We allocate 3% of our sales to contractual royalties.
- > The estimated life cycle of the Las Bambas MU is 18 years, which could be extended based on the progress in exploration activities.
- > As of 2020, Las Bambas has created 9,000 direct and indirect jobs, 20% of which were held by community residents of our region.
- > Between 2016 and 2020, we paid US \$290 million in royalties, and this amount was distributed among 84 municipalities in Apurímac.
- > Since 2018, we have invested more than US \$3 billion in local purchases in our ADI and our area of indirect influence (AII).

TIMELINE

2004

- > Xstrata Copper acquired the right to explore Las Bambas through an international public tender.

2008

- > Completed exploration of 306,908 accumulated drilled metres.

2009

- > Completed Feasibility Study.

2010

- > Held public hearing for the Environmental Impact Study (EIS) in Challhuahuacho.
- > Signed contract with the government to transfer the Las Bambas mining concessions titles, with an investment of US \$4.2 billion

2011

- > The government approved the EIS after a thorough citizen participation process.
- > Communicated a 10% increase in the Las Bambas mineral resource, equivalent to 1.71 billion tonnes at a grade of 0.6% copper.

2012

- > Engineered roads and main components for the operational start-up.
- > Began improvement of Las Bambas – Espinar road.
- > Allocated more than 60% of the investment for construction.

2013

- > Glencore became owner of Las Bambas as part of its acquisition of Xstrata.
- > Made 65% progress on pioneering roads, 40% on concentrator plant, and 95% on improvement of the road.

2014

- > Second EIS amendment (EISA 2) submitted and approved to allow ground transport of copper concentrate.
- > The joint venture of MMG Limited, Guoxin International Investment Co. Ltd. and CITIC Metal Co. Ltd. purchased Las Bambas.
- > Started physical resettlement of Fuerabamba community.

2015

- > Obtained first production of copper concentrate as part of commissioning activities.
- > Developed commissioning and commenced ramp-up to full production

2016

- > First shipment of copper concentrate at the Port of Matarani.
- > Commenced commercial production.

2017

- > Achieved first complete year of commercial production.
- > Production exceeded 450kt of copper in concentrate.
- > Submitted EISA 3.

2018

- > EISA 3 approved.
- > Commenced exploration studies in the west area of the concession.

2019

- > Created space for dialogue and compliance with commitments for development of Cotabambas province and Grau district, department of Apurímac.

2020

- > Started Stage 2 of operational development.
- > Started EISA 4.
- > The operation sustained itself in the midst of the COVID-19 pandemic with zero days of interruption.



MMG WORLDWIDE

OUR OPERATOR

MMG, our parent company, is a mid-tier, global producer of base metals, including copper and zinc, headquartered in Melbourne, Australia. MMG is the joint venture formed by Guoxin International Investment Co. Ltd. and CITIC Metal.

Currently, MMG is listed on the Hong Kong Stock Exchange (HKEX:1208)

and has a secondary listing on the Australian Securities Exchange (ASX: MMG).

It operates and develops copper, zinc and other base metal projects at four operating sites across the world and employs more than 10,000 direct employees and contractors.

Its mining operations are located in Australia, the Democratic Republic of Congo and Peru.



Notes for page 17:
 * Total wages and benefits for Australia include expenses where the action may report into but take place outside of the country.
 % national = the percentage of the workforce with the same nationality of the country where the operations are located.
 % female = the percentage of women out of the total MMG workforce for that location. This does not include contractors.
 For information on royalties and income tax, procurement and employment taxes and benefits, refer to the Tax and Community Contribution section (pages 50 and 51) of MMG's Sustainability Report.

AUSTRALIA (DUGALD RIVER AND ROSEBERY)

Production	Workforce	Economic contribution (US \$ '000)	Social development spend (US \$ '000)
245,097 tonnes of zinc in zinc concentrate	Total 1,090	Total tax including royalties US \$65,539	US \$483
47,119 tonnes of lead in lead concentrate	% Female 11.8	% National 94.2	Total wages and benefits* US \$72,800
1,537 tonnes of copper in copper concentrate		Total domestic supply procurement US \$311,290	Total capital investment US \$58,963

AFRICA (KINSEVERE, LUBUMBASHI AND JOHANNESBURG)

Production	Workforce	Economic contribution (US \$ '000)	Social development spend (US \$ '000)
72,007 tonnes of copper cathode	Total 2,415	Total tax including royalties US \$49,515	US \$2,935
	% Female 10.4	% National 97	Total wages and benefits* US \$56,935
		Total domestic supply procurement US \$155,260	Total capital investment US \$19,569

AMERICAS (LAS BAMBAS AND LIMA)

Production	Workforce	Economic contribution (US \$ '000)	Social development spend (US \$ '000)
311,020 tonnes of copper in copper concentrate	Total 6,369	Total tax including royalties US \$193,334	US \$20,138
3,167 tonnes of molybdenum in concentrate	% Female 8.9	% National 99	Total wages and benefits US \$117.6
		Total procurement in Peru US \$1,185,030	Total capital investment US \$436,865

CORPORATE OFFICE (INCLUDES MELBOURNE, HONG KONG AND VIENTIANE OFFICES)

Workforce	Total	% Female
	160	50.6
Social development spend (US \$ '000)	US \$58	



MMG CORPORATE GOVERNANCE

MMG, our global parent company

As part of our commitment to sustainability, MMG is a member company of the International Council on Mining and Metals (ICMM), and aligns all standards, policies, procedures and internal processes with the 10 Mining Principles of that organisation.

OUR MAJORITY SHAREHOLDER

MMG's majority shareholder is China Minmetals Corporation (CMC), a company created in 1950 and recognised as one of China's largest state-owned multinational enterprises. This holding is engaged in the development, production, marketing and integrated services of metals and minerals, in addition to running businesses in the financial, real estate and logistics sectors. This enables MMG to capitalise on the networks and broad distribution and marketing channels in China's base metals market.

The corporation's sustainability philosophy is based on a firm commitment to create the greatest possible integrated value for the economy, society and the environment. This is achieved by operating with integrity and aligning competencies to the goals of stakeholders and local economic and social needs.

OUR OPERATING MODEL

MMG's vision is to build the world's most respected mining company. We mine to create wealth for our people, host communities and shareholders with an ambition to double the size and value of MMG, and then double again by 2030.

We have established strong foundations that support future growth and development. MMG has four strategic drivers that are embedded into our corporate planning and decision-making processes that are also managed by Las Bambas:

> **China Champion:** Building on the strength of the world's largest consumer of metals and mineral resources to create a sustainable competitive advantage.

- > **Business Miner:** Adopting a mindset that leverages excellence in owning and operating mines to generate superior returns on investment, enhancing our ability to fund and deliver future growth.
- > **Federation of MMG:** Embracing the advantages of an empowered and diverse operating structure with core group disciplines and guiding values that drive a unique way of working across our international footprint.
- > **Delivering Progress:** Taking pride in mining's role in driving social progress through local, regional and national contributions and delivering materials for a changing world.



Concentrator plant

OUR FUNDAMENTAL PRINCIPLES

VISION

To be the best copper miner in Peru and the industry reference point worldwide.

MISSION

We mine to create wealth for our people, host communities and shareholders.

STRATEGIC ENABLERS

GROWTH

We acquire, discover and develop mining assets that transform our business.

TRANSFORM OPERATIONS

We develop effective plans to deliver innovative growth opportunities and improve productivity.

PEOPLE AND ORGANISATION

We provide a safe, healthy and secure workplace and a culture that values collaboration, accountability and respect.

REPUTATION

We are valued for our commitment to progress, long-term partnerships and international management.



Maintenance personnel work inside the truck shop.

OUR VALUES



We think safety first



We do what we say



We respect each other



We want to be better



We work together



BUSINESS STANDARDS AND PHILOSOPHY

OUR STANDARDS

As part of MMG, we align with high sustainability standards, and the thoroughness and excellence of MMG's processes. We have an integrated audit program to comply with our occupational safety and health, environment and community standards.

MMG's standards for managing material risks, as well as meeting current local and international regulations, enable us to operate with a high degree of organisational effectiveness and maintain our competitive advantages.

We follow MMG's Risk Management Procedure that is based on ISO 31000:2009, which is the international risk management standard in organisations. The Risk Management Procedure outlines the guidelines to identify, analyse, control and assess risks at all our parent company's operations.

Risks are assessed against strict consequence criteria, which enable us to determine the maximum foreseeable losses that would arise in the absence of appropriate controls.



Maintenance personnel keep Las Bambas in good working order.

Our standards adopt a "Three Lines of Defence" assurance approach:

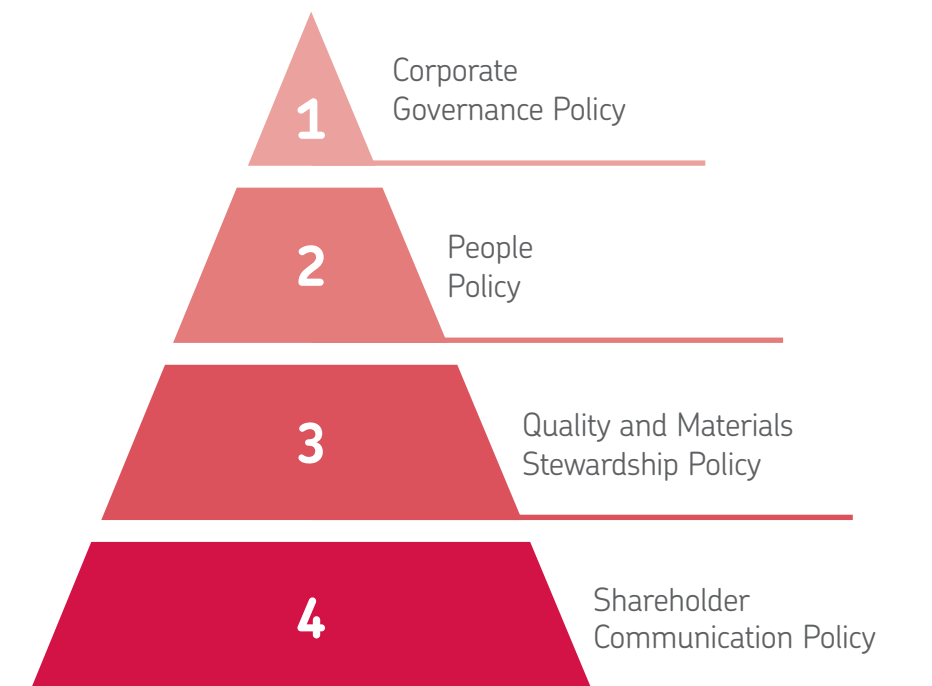
- 1. The First Line of Defence:** Implementation of business standards and development of routine testing and analysis of the effectiveness of critical controls for previously identified materials risks.
- 2. The Second Line of Defence:** Ongoing evaluation of controls established by the standards and validation of business conformance with the standards. This is undertaken by Group Functions.

- 3. The Third Line of Defence:** Implementation of our internal audit program, which tests the effectiveness of our standards and critical controls for material risks, and the effectiveness of first and second lines of defence, to make the required adjustments for optimal performance. Internal audit also reviews the work of key process areas and identifies potential improvement opportunities. The internal audit program is managed by MMG's Audit, Risk and Assurance team in accordance with the Internal Audit Procedure.

OUR SUSTAINABILITY COMMITMENT

At Las Bambas, we continuously reconfirm our commitment to the sustainable development of the communities and regions in which we operate. This cross-functional philosophy to our production chain must be adopted by all the members of our organisation. Mining for progress implies minimising and controlling the negative impacts of our operation to maximise the benefits we create.

Our Safety, Security, Health, Environment and Community Policy is in line with our commitment to ICMM's 10 Mining Principles. Our sustainable development approach includes the business policies shown in the chart below:





MEMBERSHIPS

We think it is necessary to develop partnerships with sector organisations and civil society to boost the positive impacts generated by mining, to create shared value.

INTERNATIONAL

- > International Council on Mining and Metals
- > International Zinc Association
- > Minerals Council of Australia
- > Mining Progress Initiative of the Democratic Republic of the Congo

We support the Extractive Industries Transparency Initiative (EITI).

NATIONAL

- > National Society of Mining, Petroleum and Energy (SNMPE, in Spanish)
- > Procobre
- > Peruvian-Australian Chamber of Commerce
- > Peruvian-Chinese Chamber of Commerce
- > Apurímac Chamber of Commerce

Extractive Industries Transparency Initiative

The EITI is the global standard to promote the open and accountable management of oil, gas and mineral resources.

This initiative requires the disclosure of information along the extractive industry value chain from the point of extraction to how revenues make their way through the government, and how they benefit the public. By doing so, the EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide data to inform reforms for greater transparency and accountability in the extractives sector.

Las Bambas has been a member of the Apurímac regional EITI since 2017. We have actively participated in the first and second "Regional Transparency Study of the EITI

Initiative for Apurímac Region," to communicate that the appropriate and timely investment of contractual royalties and other resources of the extractive industry have helped to close social gaps and improve the quality of life of the people in our areas of influence.

The municipalities of the five districts where we operate in Cotabambas province will participate in the second study. As in previous years, in 2020 we actively provided the information required by the EITI.



Ferrobamba Pit

Independent Advisory Group

At Las Bambas, we keep the good practice of seeking independent expert advice that enables us to have situational awareness. So far we have used an Independent Advisory Group (IAG) during the exploration and life cycle of the operation. It is composed of external specialists who have no association with Las Bambas' management. They provide ongoing advice to our leaders on institutional, economic, environmental and social matters.

The IAG held three virtual meetings in 2020 to address issues related to the pandemic and the care implemented at the operation, and the support we have been offering mainly in the southern part of Peru. It also provided support in the analysis of political, economic and social developments.

This group focuses primarily on strategic issues and offers recommendations based on the experience of each of its members, who participate on an individual basis and not on behalf of the entities to which they belong.



We want to be better is one of our corporate values.

OPERATIONAL EXCELLENCE, INNOVATION AND TECHNOLOGY

Since 2016 we have been implementing our strategic technological transformation plan, intended to modernise the sector through digital platforms to reduce costs, increase safety and efficiency, and improve the quality of life in the community. In 2020 we reinforced our operational performance by strengthening projects focused on automating and transforming the production process that were started in the prior year.

With the new challenges raised by the global market, we are addressing

the international socio-political environment related to the COVID-19 pandemic with a commitment to innovation and the digitisation of our processes. We are integrating people, technology and processes to add value to the operation and to mine for the future. A digital format enables us to accurately keep track of our operation and the business, in addition to applying efficient, safe and proactive solutions. Our digital vision will empower us to ensure the sustainability of our operation and our contribution to the progress and recovery of Peru.

We are undergoing this transformation to drive innovative technological improvements that will enable us to operate as a first-class company, strengthen our leadership in the industry and make the most of the opportunities made possible by new technologies.



We are developing a clear strategy focused on five important areas: hybrid platform, integrated communications, applications and mobility, data and artificial intelligence (AI) and cyber security.

As part of this new digital transformation vision implemented together with various business functions during 2020, we identified 32 initiatives, nine of which were prioritised and immediately implemented.

BENEFITS

Hybrid platform

- > Lower hardware investment
- > Agile resource availability
- > Unlimited growth
- > Cost optimisation

Integrated communications

- > Lower hardware investment
- > Reduced operating and monitoring costs
- > Availability of applications anywhere
- > Enablement of automation and use of mobile applications at the mine

Applications and mobility

- > Information anytime, anywhere
- > Real-time decisions
- > Interconnected systems
- > Applications with new front-end (user experience - UX)
- > New back-end platforms (containers)

Data and AI

- > Better performance
- > Reduced possibility of human errors
- > Cost reduction
- > Automated decisions
- > Result prediction and smart decision-making

Cyber security

- > Assurance of availability and reliability of company information technology (IT) and operational technology (OT) environments
- > Reduced risks of losing critical infrastructure control

EXPEDITED DIGITISATION

To generate the necessary digitised solutions and increase our efficiency, we prioritised training activities. In 2020 72 employees, were trained in data analytics workshops with Power BI to have reliable information when making business-related decisions. We plan to continue with these activities in 2021.

CITRIX WORKSPACE

A platform that allows immediate access to files, applications and virtual desks from any device with the security, availability and flexibility required by the business. In 2020 we provided access to critical applications for mine and plant operators.

CYBER SECURITY IMPROVEMENTS

Implementation of next-generation firewalls to provide intelligence, control, identification and display of all applications on the network.



Our telecommunications systems have cutting-edge technology.

During this period, we also expedited the development of applications to facilitate the communication between areas and processes, and to manage paperwork that could not be processed in person.

APPROVALS APP

A tool to easily and quickly request online approval of new contracts.

COVID-19 HEALTH

An application for real-time verification of employees' medical eligibility to enter the unit.

HR CHATBOT

A new virtual Bambino Bot assistant that uses AI to answer questions regarding several processes such as recruitment and selection, organisational development, personnel administration, and social welfare, among others. This tool is available to our personnel 24/7.

LTE – CORPORATE NETWORK INTEGRATION

Integration between the new long-term evolution (LTE or 4G) network and the corporate network that will enable us to have more IT services in the field through mobile devices such as tablets or smart phones.

FILE STORAGE SOLUTION

Development of a new storage solution with greater capacity and performance to meet future demand.

INTERNET AND REMOTE ACCESS

Progressive changes in Internet infrastructure to handle the demand resulting from the changes caused by new work dynamics due to COVID-19.

INTEROPERABILITY PILOT, VIDEOCONFERENCES AND MICROSOFT TEAMS

Existing platform integration, including videoconference systems, with the Microsoft Teams platform, to ensure more productive collaborative meetings and sessions.



We continued to carry out our digital transformation projects, which allow us to efficiently manage the needs of various areas.

PRIVATE LTE (4G)

A wireless communication platform that will connect the existing systems and future technologies of our operation. The project includes migrating from the current mine operations network (Mesh network) to the private LTE (4G). This will enable us to have coverage higher than 90% across the unit.

P25 RADIO SYSTEM – ALWAYS CONNECTED

A highly reliable and available, mission-critical radio system that will meet the radio communications needs of our operation and will include specific features based on the requirements of the user areas.

INTEGRATED GEOTECHNICAL MONITORING MANAGEMENT

Improvement, integration and automation of the soil and slope monitoring system at the operation's dump, ditch and dams, to improve the critical risk control through real-time alerts.

HARDWARE UPDATE

Prioritised and progressive update of the critical components of our technology platform, to eliminate risks associated with the loss of services due to failures.

AUGMENTED REALITY – PHASE 1

Implementation of augmented reality to receive live remote technical assistance from our technicians, experts or strategic partners, and reduce response times to incidences that occur at our unit.

THERMAL IMAGING CAMERAS

Automated identification process of personnel running a fever (> 38 °C) for COVID-19 screening.

MOBILISATION AT THE MINE

Automated personnel access to our operation by managing the booking of buses, airplanes and accommodations in coordination with the Transport and Logistics area. The Medical area can also make use of this information to comply with the COVID-19 biosafety protocols.

IMPROVEMENT IN CLOSED-CIRCUIT TELEVISION (CCTV) PLATFORM

Increasing video surveillance platform at the mine, by going from 70 to 250 cameras and displaying new control points to reduce risks.

MEDICAL SYSTEM (MEDIWEB)

A health information and medical history management system (medical visits, occupational programs, medical surveillance, labour incidents, etc.), and medical fitness of our employees and contractors to access the mine.

TECHNOLOGICAL EQUIPMENT IN TRANSPORT UNITS

Our transport units have been equipped with SmartCap devices for drivers' fatigue and drowsiness control, including communication equipment, speed control, telemetry and HD internal and external camera with voice recording.

We also have 24/7 GPS monitoring in our units.



People from local communities learn new skills through our training program.

OPERATIONAL TECHNOLOGY

During 2020 we made technological improvements to our production process.

EASY FUEL SYSTEM

Improved real-time and remote fuel management with new reports, dashboards and modules, and through software update.

HIGH-ACCURACY DRILLS

Installation of GPS receivers with a vision range of six constellations, to improve accuracy of drills and enable automatic, remote operation.

GREATER DRILL RELIABILITY

Installation of a new land station that allows for reducing the presence of land survey personnel in the field, to decrease their exposure to hazards inherent to point transfer and demarcation tasks.

COMPLETENESS OF FLEET MANAGEMENT DATA

Identification of fuel consumption rates, to be used by the Planning area.

TECHNOLOGICAL SUPPORT TO DETECT UNSAFE PRACTICES AT THE OPERATION

Identification of operators' unsafe practices by establishing trends based on reading data of operational events, to develop action plans for their mitigation.



Importance of copper to society

Copper is an essential metal to our society, and its relevance in the global economy is undeniable. Its corrosion-resistant properties and capacity to form stable compounds, in addition to its tensile strength and hardness, make it a great conductor of electricity and heat. This is why copper is the main metal that drives current technology.

USES OF COPPER TO FIGHT THE PANDEMIC

Copper became more relevant during the COVID-19 global pandemic according to a study published by the New England Journal of Medicine at Princeton University. The study determined the virus that causes COVID-19 remains active for three days on plastic and stainless-steel surfaces, unlike with copper, in which the virus's survivability does not exceed four hours.

This type of research enables us to see copper with fresh eyes and consider it an essential product in people's lives, especially in the health sector. Several initiatives have emerged as a result of the health crisis, such as the production of face masks with copper components to prevent infections in Chile and China, and the development of Intensive Care Unit (ICU) beds using copper materials in the United States.

Face masks are being manufactured with fabrics containing copper wires or filaments as thin as threads, whose antibacterial properties have been



Loading operations are carried out in the Ferrobamba Pit.

certified by institutes in Chile and Brazil. As for the self-disinfecting copper beds, they maintain their cleaning and disinfecting properties throughout the care provided to the patient.

THE ROLE OF COPPER IN OUR FUTURE

In addition to its roles in the healthcare field, the copper industry and its by-products create millions of jobs and offer the possibility of

improving the quality of life as a result of applications in various lines of business. The use of this mineral has helped resolve critical problems facing humanity, and it will be essential to addressing future challenges related to CO₂ gas reduction, food supply, basic infrastructure needs, sustainable development and hospital infections.

Copper plays a role in boosting employment in local and regional economies, as it is used by a broad range of trades, from plumbers and

electricians to automotive workers and manufacturers of electronic equipment and technology. Others

will likely be added in the future as copper continues to contribute value to society.

CATEGORY	USES	EXAMPLES
Infrastructure	Plays an important role in infrastructure and the safe and reliable transmission of energy and efficient transport	<ul style="list-style-type: none"> > Railways > Electrical grids > Telecommunications > Water supply > Healthcare > Construction
Food chain	Helps make storing food and extending its life cycle possible. Used to optimise agricultural production and in refrigeration equipment for food transport	<ul style="list-style-type: none"> > Refrigeration systems > Fertilisers > Potable water > Energy equipment
Medical devices	Copper alloy components used in the development of medical equipment and therapies that improve the quality of life in patients	<ul style="list-style-type: none"> > Visual aids > Diagnostic devices > Surgical robots > Implants > 3D print > Ventilator components > Copper face masks
Manufacturing	Used throughout the global manufacturing production chain	<ul style="list-style-type: none"> > Defence > Aerospace industry > Automotive industry > Clean technology > Communication
Technology	Used in manufacturing equipment and systems that keep us interconnected at all times, increasing the efficiency of our work	<ul style="list-style-type: none"> > Smart phones > Desktop computers and laptops > Artificial intelligence > Renewable energy generation

Source: Copper Alliance and BBC¹

¹ (2020) Coronavirus transmission: The remarkable antimicrobial properties of copper and how it is used in intensive care units in Chile. BBC.



Awards and recognition

RANKED 2nd BEST MINING COMPANY FOR REPUTATION

MERCO

The Corporate Reputation Business Monitor (MERCOC) ranked Las Bambas 2nd in the category of Mining Company with the Best Reputation in Peru. MERCOC recognises 100 companies and business leaders with the best corporate reputation in Peru. Las Bambas ranked 69th in the Business category, having climbed 21 places compared to 2019.

RANKED 2nd BEST MINING COMPANY FOR ATTRACTING AND RETAINING HUMAN TALENT

MERCO

Las Bambas was ranked 2nd in the category of Best Mining Company for Attracting and Retaining Human Talent by MERCOC in 2020 for our efforts to build a better place to work and a person-centred strategy. We climbed 10 positions globally compared to 2019, ranking 24th overall for the first time.

SAFETY AND HEALTH AWARD

MMG AWARDS 2020

MMG awarded our Health team its highest corporate recognition, the Safety and Health Award, for outstanding health and safety leadership during the health crisis caused by the pandemic.

RANKED 3rd IN LARGE MINING INDUSTRY

PROACTIVO AWARDS

Las Bambas ranked 3rd in the Proactivo Awards, Large Mining Industry category, thanks to *Juntos la Hacemos* (We Do It Together), our program to fight COVID-19 in the communities of Apurímac and Cusco regions. This initiative focused on meeting the most urgent needs of the population to mitigate the negative economic impact caused by the virus and to reduce its spread.

Stage 2 of Las Bambas development

Stage 2 includes an extensive program of studies and projects for the continuity of our operations.

A group from the Development Department, composed of technical experts and leaders from across the organisation and other strategic partners, is exclusively devoted to the project. There is also a Steering Committee that supervises the progress made.

The expansion plans developed by the Project Execution Department will include the 65 technological components identified to date.



OUR COMPREHENSIVE APPROACH TO COVID-19



We faced the COVID-19 pandemic by implementing a number of preventive measures that prioritise the care of our people.

We adopted an intervention approach focused on emphasising the health strategy devised by the Apurímac and Cusco regional and local governments, and on reinforcing the food security of families. We also collaborated with the education sector and provided humanitarian aid to our communities.

The activation and implementation of our emergency protocol in response to the pandemic and the creation of the Emergency Committee were coordinated with the Apurímac and Cusco regional health bureaus (DIRESA) and the Challhuahuacho Civil Defence Platform.

Since the beginning of the health emergency, we have carried out actions to reduce the transmission of the virus in Cotabambas, Grau and Tambobamba provinces in Apurímac, and Chumbivilcas, Espinar and Paruro provinces in Cusco. That support involved modifying the mining operation plans and the Social Management Plan.

About COVID-19

COVID-19 is the disease caused by the new coronavirus known as SARS-CoV-2. Most people infected with the COVID-19 virus experience mild to moderate respiratory illness and recover without requiring special treatment. Older people and those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease or cancer are more likely to develop serious illness.

The best way to prevent and slow down transmission is to be well informed about the COVID-19 virus, the disease it causes and how it spreads. The COVID-19 virus spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes.

Source: World Health Organisation



OUR ACTIONS AGAINST COVID-19

To effectively contribute in a fast-changing situation, we established six lines of action on which to focus for successful results amidst the global uncertainty and, in particular, to mitigate risk in two regions that have significant public health shortcomings.

- 1 Prevention and support to the communities
- 2 Containment of the virus; detection and care of the first cases
- 3 Strengthening of health facility response capability
- 4 Provision of medicinal oxygen for Apurímac
- 5 Education
- 6 Economic recovery



Employees work under strict health and safety protocols in response to COVID-19.

The execution of our strategy benefitted more than 120,000 families in Apurímac and Cusco. All our actions were aligned with government initiatives and were designed to meet the critical needs created by the pandemic.

In 2020 we invested more than US \$4 million to benefit 80 communities in our ADI and the road corridor, and to support various local governments. In the medium term, we intend to

continue working with the community, our strategic partners and the local and regional governments to drive the economic and educational recovery of the regions in which we operate.

Throughout the year, we made multiple efforts within the defined action lines, to mitigate the negative impacts of the pandemic in the short and medium term in Apurímac, Cusco and Lima.

WE ARE LAS BAMBAS

OUR COMPREHENSIVE APPROACH TO COVID-19

THE WAY WE WORK

WE MINE FOR PROGRESS

OUR ENVIRONMENTAL MANAGEMENT

ACTION LINES	MAIN EFFORTS	BUDGET (US \$)
1. Prevention and support to the communities (April - June)	<ul style="list-style-type: none"> > We donated 10,168 baskets containing basic goods, 9,000 family cleaning kits and 10,000 reusable face masks to the families of 78 communities in Cotabamba province and districts along the national road in Cusco region. > We delivered 28,000 pairs of surgical gloves and three-fold face masks, 713 bottles containing one litre of alcohol gel, 220 portable hand wash stations and 90 digital thermometers to 19 district anti-COVID-19 committees for the protection of healthcare professionals, National Police officers and municipal patrol guards, and first responders to contain COVID-19 in 51 facilities in Apurímac (Abancay, Cotabamba and Progreso) and Cusco. 	468,737
2. Containment of the virus, detection and care for the first cases (April - July)	<ul style="list-style-type: none"> > We disinfected 1,622 km of streets using the <i>Llinphuy</i> (hygiene, in Quechua) unit that generates droplets of an innocuous solution to reduce possible sources of infection. This route was divided in 562 km that corresponded to 14 districts in Cusco and 1,060 km to 19 districts in Apurímac. A total of 80 communities, towns and cities benefitted from this initiative. > We mobilised 852 people to their homes in Cusco and Apurímac. > We installed two tents to isolate people and provide care for COVID-19 cases in Mara and Tambobamba. > We financed 500,000 rapid tests for the Ministry of Health (MINSa) together with other mining companies. > We delivered more than 19,000 rapid tests in Apurímac and Cusco. 	499,422
3. Strengthening of health facility response capability (August - October)	<ul style="list-style-type: none"> > We financed the second stage of the <i>Suyay</i> (hope, in Quechua) project, led by <i>Universidad Nacional de Ingeniería</i>, for the fabrication of low-cost mechanical ventilators with domestic supplies. > We helped equip 30 healthcare facilities with biomedical personal protection and hygiene material, five beds with ventilators for the Special Care Unit, 27 hospital beds, and Type II and III ambulance equipment; in addition to ancillary equipment to treat COVID-19 patients. > We donated two volumetric ventilators, 50 medicinal oxygen tanks and 5,000 rapid tests to the Cusco Regional Government. > We contributed US \$4,923 to the <i>Te Cuido Cusco</i> (I Take Care of You, Cusco) campaign. 	1,285,092
4. Provision of medicinal oxygen for Apurímac (August - October)	<ul style="list-style-type: none"> > We delivered a medicinal oxygen generation plant to the Guillermo Díaz de la Vega Hospital in Abancay, which produces 480 m³/day. > We delivered a second medicinal oxygen generation plant with a capacity of 86.4 m³/day to the Tambobamba Hospital. > We donated 50 medicinal oxygen tanks and three volumetric ventilators. > We contributed US \$7,086 to the <i>Apurímac Respira</i> (Apurímac Breathes) public fundraiser. 	691,176
5. Education (April - December)	<ul style="list-style-type: none"> > We broadcast 30 hours per week of educational content of the Ministry of Education's (MINEDU) <i>Aprendo en Casa</i> (I Learn at Home) program on Radio Surphuy to all the Cotabamba province. > We contributed to digital education in Huanquire and Fuerabamba by providing laptops, Internet access, teacher training, distributing educational materials and hiring community educational assistants. > We transformed our 21 facilities of the Las Bambas Educational Resources Program (PREB) into Educational Resources Centres for community school learning. > We donated kits for 104 schools to benefit 5,000 children from Cotabamba, including one laptop, one multifunction printer, 10,000 sheets of paper, USBs containing educational resources and workbooks. 	1,559,800
6. Economic recovery (August - October)	<ul style="list-style-type: none"> > We advised 660 local entrepreneurs from Cotabamba on compliance with MINSa's protocols. > We purchased 20,000 reusable face masks manufactured in Haquira district. > We inspected inns, restaurants and laundries in Challhuahuacho. > We conducted screening tests on local business employees and contractors. 	227,860



ACTIONS TO ADVANCE OUR HEALTH STRATEGY

500,000

kits purchased by the SNMPE with the contribution of Las Bambas and other member companies

More than 10,000

rapid tests delivered to the Apurímac Regional Government

5

ventilators made available to the Apurímac Regional Government to provide care to seriously affected COVID-19 patients

56

communities and cities in Cusco and Apurímac disinfected with the *Llinphuy* equipment

51

facilities (health centres, municipalities and police stations) in Apurímac and Cusco received biosafety materials

More than 8,000

cleaning kits delivered to communities in Apurímac and Cusco

SUPPORT ACTIONS FOR FOOD SECURITY, EDUCATION AND WELFARE

372

Cusco residents returned to their homes on two humanitarian flights financed by Las Bambas

78

communities and sectors from Apurímac and Cusco received baskets with basic goods to face mandatory isolation

COVID-19 management and challenges faced by the Las Bambas Health area

Given the challenges raised by a pandemic jeopardising people's health and lives, we adopted preventive measures to ensure the protection of all.

Our main challenges included:

1	Detecting infected employees
2	Maintaining employees' physical and mental well-being
3	Containing the exponential progression of COVID-19 at our company
4	Adapting and modifying the working environment and work day
5	Implementing environmental and engineering controls
6	Establishing a method to communicate positive information to employees and strategic partners
7	Creating standardised documents to communicate health matters
8	Preserving the functionality and organisation of the health team
9	Aligning the established health standards for COVID-19 with strategic partners



The Antawasi Medical Centre is equipped with modern X-ray devices.

We also defined the main actions to safeguard the health of all people:

- > We prepared the Las Bambas COVID-19 Surveillance, Prevention and Control in the Workplace Plan.
- > We conducted an analysis of COVID-19 with an infectious disease specialist and a health team to establish the guidelines that would be part of our biosafety protocol.
- > We conducted serological (identification of antibodies for SARS CoV-2 under the chemiluminescence immunoassays (CLIA) method) and molecular (virus presence) tests to follow up on and trace exposed employees.
- > We created a health team to exclusively manage COVID-19 and comply with the functions of follow-up, care, surveillance, scheduling of controls and delivery of results to our employees.

- > We implemented a temporary isolation area under the supervision of a health team, for monitoring and recovery of infected employees.
- > We launched the "Salud COVID-19" (COVID-19 Health) application to detect personnel with respiratory or virus-related symptoms, which sends real-time notifications to the health team.

In 2021 we intend to keep our work areas free of COVID-19, maintain the safety and cleanliness of our operations, and ensure follow-up on our plan so we can focus on managing occupational risks.



COVID-19 Controls

To prevent the spread of the virus, we implemented work plans and control measures aimed at safeguarding the health of everyone at our MU:

COVID-19 COMMITTEE

A multidisciplinary work team with specific functions related to the measures to prevent and mitigate COVID-19 in the workplace. It quickly coordinates all the measures required for a safe return to work under the guidelines established by MMG's Health area.

COVID-19 HEALTHCARE GROUP

A multidisciplinary healthcare team whose functions include medical surveillance, scheduling, performance and interpretation of serological tests, healthcare, psychological support, nutritional support, assurance of employees' return to their jobs, and implementation of health and awareness-raising campaigns regarding preventive measures.

THE ESSEL GROUP

The multidisciplinary Local Employees Partners Health Team (ESSEL, in Spanish) is in charge of supervising compliance with the Las Bambas COVID-19 Surveillance, Prevention and Control in the Workplace Plan in Challhuahuacho.



Las Bambas' personnel take COVID-19 molecular tests before travelling to the operation.

The health and safety of our employees and contractors

Based on the health surveillance protocols of employees at risk of being exposed to COVID-19, we adopted a number of guidelines that include the level of epidemiological risk, the number of employees and the type of activity performed:

1. CLEAN-UP AND DISINFECTION OF WORK SPACES

We established an appropriate procedure to clean the workplace before daily work starts. Vehicles are disinfected before and after they are used, and before they enter the facilities of the MU.

2. HEALTH ASSESSMENT AND SURVEILLANCE

We carried out various actions to detect potential cases of infection prior to entering the facilities, including:

- > Our health staff identify the risks of employees' exposure to SARS-CoV-2 based on their position before the work day or transport, return or resumption of work.
- > Completion of the symptomatology form of the Salud COVID-19 application.
- > Body temperature monitoring.
- > Assessment of symptoms associated with COVID-19.
- > Application and interpretation of serological or molecular tests (RT-PCR SARS-CoV-2) to follow up on and trace the exposed employees.
- > At the end of the work day and before returning to their homes, employees are assessed and given a rapid serological test.

3. COLLECTIVE AND PERSONAL PREVENTIVE MEASURES

We implemented strict preventive measures at our facilities to reduce the risk of infection, and to maintain healthy work environments that ensure the continuity of our operation:

- > Social distancing (one to two metres) in all common areas
- > One person per room accommodation standard
- > Setting schedules for the use of common areas (cafeteria)
- > Body temperature monitoring using (non-contact) infrared thermometers or (fixed and/or mobile) thermal imaging cameras
- > Delivery of disposable face masks and alcohol gel for the work day
- > Implementation of hand washing stations (sink, tap with connection to potable water, liquid or antibacterial soap and paper towels) and provision of supplies for disinfection of hands
- > Clean-up and disinfection of shoes and luggage with an antibacterial solution, in addition to using a shoe disinfectant mat
- > Signage on the floor and chairs to indicate minimum distance requirement of 1.5 metres between employees in meeting rooms and waiting areas
- > Use of charters and implementation of preventive health measures to transport employees
- > Awareness-raising talks about preventive measures against COVID-19 (more than 1,200 families of our employees).

Health measures for employees at home

1. TELEWORKING

Due to the health crisis, a significant number of our employees have been working from home. For that purpose, we prepared a teleworking protocol that establishes the guidelines and methods for appropriate execution of remote work. This method presented some advantages, such as greater productivity, increased motivation and an optimised balance between personal/family life and work responsibilities.

The protocol includes:

- > Delivery of electronic equipment, ergonomic furniture and wireless Internet modems
- > Workshops and talks on health, prevention and a healthy life
- > Free functional training and CrossFit program

- > Free yoga and meditation program
- > Ongoing telephone assistance through our Employee Care Centre (CAE, in Spanish)
- > Free psychological counselling for employees and their families
- > Virtual theatre plays and other entertaining initiatives for children and adults

2. EMPLOYEE CARE CENTRE

This centre provides support to our employees, their direct family members and our contractors on human resources (HR), logistics and health. Services are available 24/7 and mainly focus on teleconsultation, follow-up and medical surveillance activities, as well as answering questions or addressing concerns related to the Las Bambas COVID-19 Surveillance, Prevention and Control in the Workplace Plan.

In 2020 1,200 employees received support from the CAE, with 2,600 recorded telephone calls. This is how we identified improvement opportunities to provide support to our employees and strengthen our engagement with them.



The Employee Care Centre provides customised care to employees.



Continuity of our operations

In 2020 as a result of the mandatory quarantine, copper production declined by between 13 and 15%; nevertheless, our priority during this time was to safeguard the health and lives of our employees.

At the beginning of the pandemic, we had 50% of our workforce. Once resumption of activities in the mining sector was authorised, we operated with 80% of our personnel and resumed our usual concentrate production and transport levels.

Implementation of new technologies and an appropriate digital communications system were crucial to recover our production levels and remotely control the operations. Those measures enabled our employees to control the plant, the Mine Dispatch system, the geotechnical and hydrogeological controls and the dispatch of concentrate trucks from their homes. They also boosted the use of augmented reality, LTE communication, P25 radio communication, cell phones and the Digital Operations Centre.

During this period we invested more than US \$60 million in mining equipment (electric shovels, mining trucks and ancillary equipment), due to greater deepening and extension of the mine. We have also installed infrastructure to expand the ore throughput capacity of the molybdenum plant from 40 to 100%. Part of our investment was allocated to new camps and medical area facilities to deal with the pandemic.

SUCCESS CASE



Las Bambas delivers a medicinal oxygen generation plant to the Abancay Regional Hospital.

MEDICINAL OXYGEN TO SAVE MORE LIVES

As in the rest of the country, the impact of COVID-19 has put to the test the response capability of the health staff of the Guillermo Díaz de la Vega Regional Hospital in Abancay, the main health facility in Apurímac region.

The work of the health staff goes beyond the direct care of COVID-19 patients. "Their tasks also consist of taking care of people's health through education and prevention activities," said hospital director Renán Ramos, who highlighted the 24-hour-a-day commitment of his team. "They also identify cases, search for contacts, apply and analyse diagnostic tests, in addition to their daily work," he added.

With the commitment to join efforts to address the virus, we donated a medicinal oxygen plant to take care of those COVID-19 patients in moderate to severe condition admitted to the hospital. The donation of the plant is in addition to the delivery of 521 tanks that will obtain medicinal oxygen from the company Cachimayo.

"The generation capacity of this plant will allow us to fill 420 tanks per week, which will also ensure the supply of medicinal oxygen for all the provinces of the region," said the regional health director Julio Rosario.

This has been a fundamental contribution to the hospital, as it will enable the facility to maintain an ongoing supply without depending on third parties. This is why we completed the necessary paperwork and made efforts to expedite the purchasing process (two weeks ahead of schedule), despite the shortage of medicinal oxygen in the domestic and international market.

"The delivery of this plant is the result of the joint work of all the social agents in Apurímac. For this reason, I want to thank Las Bambas for its active participation in the health strategy undertaken by the regional government as part of its social responsibility," said Rosa Béjar, general manager of the Apurímac regional government.

This new contribution is part of our strategy, in coordination with local and regional authorities, to strengthen the health conditions, food security, education and welfare of the families in Apurímac region.

"With this donation, we honour the commitment we announced on 20 June, thanks to work that has been coordinated with various sectors, always keeping in mind the goal of contributing to the health of the residents of Apurímac," pointed out Viviano Loayza, representative of the Las Bambas Corporate Affairs Department.



Las Bambas' medical staff provide timely preventive care to employees.

NEXT STEPS

We have plans to conduct exploratory drilling in 35,000 ha of mining concessions and infill drilling to improve the reliability of the mineral resource and ore reserve quality. Those plans include the development of the communities, obtaining government permits, and the study and execution of the project.

We plan to resume the construction of the third ball mill at the concentrator plant for better ore processing and copper recovery, and to start mining the Chalcobamba Pit at full production capacity, in strict compliance with COVID-19 protocols.





THE WAY WE WORK

Our priority is to create value for our stakeholders. We focus on strengthening the relationships of respect, harmony and trust we have built with them, in addition to being a transparent company that honours our commitments and promotes policies and values aligned with sustainability.

STAKEHOLDER ENGAGEMENT: MANAGEMENT OF DIALOGUE METHODS

At MMG we strive to deliver sustainable benefits for our stakeholders and prioritise actions and behaviours that are valued by the communities, regions and nations in which we operate.

We are aware that the practice of sustainable mining requires

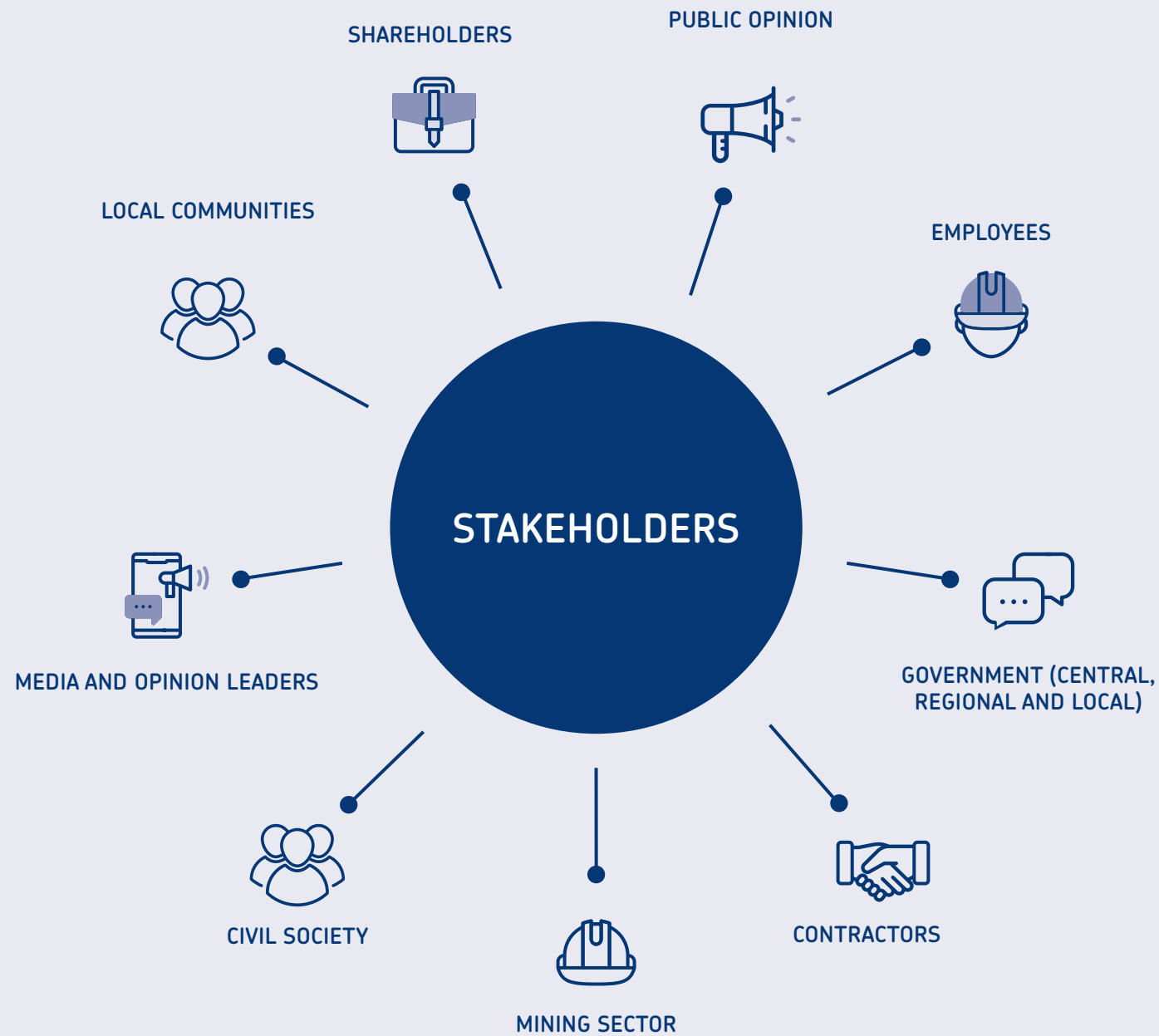
coordinating efforts with the government, private companies and civil society. This is why we have built long-term relationships with our stakeholders and use communication methods adapted to the specific needs of our area of influence. Our engagement approach is aligned with the ICMM's Mining Principles.

We recognise that strong stakeholder engagement is required throughout the project life cycle, from exploration to closure. This is critical to ensuring we make business decisions that are responsive to the needs and expectations of our host communities and their governments.

Stakeholder Identification Criteria

- > Impact of their activities on our operation and vice versa
- > A shared vision of sustainable development in our areas of direct and indirect influence





Stakeholder Feedback

Since 2010 we have organised our traditional dialogue panels with stakeholders from the area of influence of our operation: However, we opted for postponing them in 2020, due to the National State of Emergency established as a result of the COVID-19 pandemic, and out of respect for the social distancing measures decreed by the government to protect the health and well-being of all.

Despite the limitations, we have maintained open communication methods with the population and shared ongoing information with our stakeholders.

COMMUNITY ENGAGEMENT APPROACH

We have a Community Engagement Plan and Comprehensive Strategy based on open dialogue and respect among the various social agents involved. That plan focuses on the implementation of strategic and long-term initiatives for engagement, and on creating synergy with other sectors and the government.

During 2020 we updated and redirected these guidelines to comply with the required biosafety protocols and implemented an Action Plan for Social Management during the COVID-19 pandemic.

Our efforts focused on building trust amidst social uncertainty, and we kept our commitments regarding investment and social development projects.

Our main initiatives in 2020:

- > **We maintained an active engagement and dialogue** with more than 80 communities in the ADI.

- > **We broadcast information** and key messages on COVID-19 prevention.

- > **We promoted meetings through virtual channels and limited in-person meetings** with the communities as preventive measures against the virus, taking into account various phases of economic recovery.

- > **We complied with all biosafety protocols** to participate in cultural and camaraderie activities in open spaces, to continue to strengthen our ties with the communities and preserve local customs.

- > **We launched the *Willana Wasi* web** to provide virtual attention to the communities, given the restrictions for mobilisation and opening of facilities.

- > **We implemented the *Borealis* database**, which allows storing large amounts of stakeholder information for our different areas in a centralised and systematised manner.



We promote the use of digital platforms to keep our stakeholders informed.



HUMAN RIGHTS

MMG is committed to respecting the human rights of all our stakeholders and the communities in which we live and operate, and to providing access to effective remedies where we make an impact. We are also committed to the continuous improvement of the well-being of communities surrounding our operations through our commitment to the protection of human rights, the ongoing monitoring and improvement of our grievance management processes and our alignment to the U.N. SDGs.

We address human rights issues and integrate them into our internal policies and procedures, and throughout our production chain.

We express our respect for human rights through participation in the customs and culture of our local stakeholders; involving the communities in the discussion on sustainable development and opportunities for working together; sharing information in a timely and assertive manner; focusing on resolving disputes and/or conflicts through dialogue as the first option; and providing equal opportunities for our employees, contractors and suppliers.

We reject complicity in any type of human rights abuse, and we adopt a position that supports those rights and ensures compliance in all activities.

Our Human Rights Policy, effective since 2019, is aligned with the U.N. Universal Declaration of Human Rights, the Voluntary Principles on Security and Human Rights (VPSHR), ICMM's Sustainable Development Framework, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the labour standards of the International Labour Organisation (ILO) Declaration related to the Fundamental Principles and Rights at Work.

Our risk management approach includes all the aforementioned international standards through the following actions:

- › Inclusion of the human rights approach in our talent management, risk analysis activities and formal grievance and complaints processes
- › Application of processes that allow reporting conduct that violates the rights of people, ensuring the whistleblower's anonymity and disallowing any type of intimidation or retaliation
- › Continuity of our engagement and consultation processes, and incorporation of cultural aspects that ensure the participation of farming communities and vulnerable groups for inclusive decision-making
- › Respect for human rights, worldviews, interests, forward planning, connections with land and water, and the right to a healthy environment of the indigenous peoples and farming communities with which we engage.

Las Bambas' Voluntary Principles and Human Rights Committee

Since 2020, MMG has been a member of the VPSHR Initiative; therefore, we have started a process of participation in and alignment with those guidelines under the leadership of the Las Bambas' Voluntary Principles and Human Rights Committee. The Committee is composed of representatives of various company areas who interact with internal and external stakeholders to manage all the processes involved in the development of the business.

Those processes include labour relations, purchase of goods and services (including private security), engagement with the communities from the area of influence and governance, social development, risk analysis and formal grievance methods,

as well as all those aspects of the business related to security and human rights matters.

In 2020 we trained more than 400 public and private security personnel, and in our risk analysis of the area, we included risks related to potential human rights violations.

We also entered into a new private security contract and a new public security agreement, which demonstrate our commitment to the VPSHR. Both include the training of new private security personnel and refresher training on a biannual basis. In addition, police officers must receive training in human rights each time they enter the mine.

No grievances related to human rights violations were received in 2020.

During 2021 we plan to carry out an internal assessment to identify gaps related to the VPSHR, using the standards defined in the ICMM's Sustainable Development Framework, and the VPSHR Implementation Guidance Tools. The results will enable us to enrich the plan to implement those principles.



Andean Crops Project

ICMM's 10 Mining Principles

These principles define the environmental, social and corporate governance requirements applicable to the good sustainability practices for the mining and metallurgical industry. Our objective is to comply with these principles when we manage our operations.

Ethical business practices	Implement and maintain ethical business practices and strong corporate governance and transparency systems to support sustainable development.
Decision-making process	Integrate sustainable development matters into the company's strategy and decision-making.
Human rights	Support fundamental human rights and respect for cultures, customs and values in our relationships with employees and other groups affected by our activities.
Risk management	Implement risk management strategies based on valid information and science, taking into account the perceptions of the stakeholders related to the risks.
Health and safety	Seek the continuous improvement of our health and safety performance, with the ultimate goal of achieving zero harm.
Environmental Performance	Seek continuous improvement of our environmental performance; for example, in water management, energy consumption and climate change.
Biodiversity conservation	Contribute to biodiversity conservation and establish integrated approaches to land-use planning.
Responsible production	Facilitate and encourage the design, use, reuse, recycling and responsible disposal of our products containing metals and ores.
Social performance	Contribute to social, economic and institutional development of the communities located in our areas of operation.
Stakeholder engagement	Implement effective, transparent and independently verifiable information, communication and participation methods with our stakeholders.



ETHICS AND COMPLIANCE

Our values and our Code of Conduct underpin our commitment to establishing and maintaining long-term meaningful relationships with our stakeholders, including governments and employees. We aim to act with integrity in all situations and to provide formal structures to review and respond to any potential behavioural, ethical or cultural issues as they may arise.

The Code sets the standards of behaviour that must be exemplified by our employees, contractors and suppliers in their working practices. It also addresses topics such as conflicts of interest, fraud, anticorruption measures and legal compliance.

In compliance with the applicable laws, we have created a Sexual Harassment Intervention Committee, composed of four members to ensure gender parity. This committee functions within the framework of the law and our Sexual Harassment Prevention and Discipline Policy.

We review our corporate governance policies on a regular basis, so that they are aligned with the goals of the EITI and the VPSHR.

Due to the declaration of the State of Health Emergency and the National State of Emergency during 2020, we prioritised the handling of matters related to the pandemic. For 2021, we will evaluate and implement the Criminal Prevention Model, regulated by Law 30424, which regulates the administrative responsibility of legal entities.

CONFIDENTIAL HOTLINE

We have an independent system for whistleblowing, which is available to all MMG employees globally in their local language.

The whistleblower hotline is available for employees to report any behaviour they think contradicts our values or MMG's Code of Conduct. For information on how to access this confidential line, send an email to mmgwhistleblower@deloitte.com.au.

TALENT MANAGEMENT

We are committed to building lasting partnerships with our people and ensuring they have the right capabilities and development opportunities to deliver on our strategy.

MMG has one standard governing people and benefits matters globally: the People Standard. This standard is supported with detailed work quality requirements, systems and processes to ensure global standards and local

requirements are met, which include policies related to compensation, dismissal, working hours, recruitment and promotion.

Our operational excellence and sustainability are possible thanks to the high calibre of the people who make up our unit, whose work enables us to successfully achieve our institutional goals and objectives. We promote a climate that motivates our people to grow and develop to their maximum potential.

OUR PEOPLE

We are committed to sharing our successes with our communities through local employment opportunities and by investing in training and education to help local residents transition to careers in mining or related fields.

In 2020 our payroll included 2,205 people, and we created a total of 6,369 direct and indirect jobs, 25% of which were held by employees from Apurímac region. In addition, 22% of our direct payroll workforce comes from the region.

EMPLOYMENT

Type	Men		Women		Total	
	No.	%	No.	%	No.	%
Direct	2,009	91.1%	196	8.9%	2,205	100%
Indirect*	3,648	87.6%	516	12.4%	4,164	100%
Total**	5,657	88.8%	712	11.2%	6,369	100%

*Our indirect personnel account for 4,164 Full-Time Equivalents (FTE) as of December 2020.

**Personnel with valid working relationship as of December 2020.

TRAINING AND DEVELOPMENT

We continue to enable employees' professional development to enhance leadership capabilities and support career paths.

In 2020 the COVID-19 pandemic had a direct impact on our personnel development, training and instruction processes, which led us to incorporate new learning technologies. We reinforced the *Mi Aprendizaje* (My Learning) platform with the SuccessFactors (asynchronous learning) software, and we used Microsoft Teams (synchronous learning) to schedule training sessions.

Our main initiatives in 2020 included:

- > Development of the Las Bambas Leadership Program, which strengthens leaders' soft and management skills, personally and professionally. This program has three modules: Operational Responsibility for Leaders, E2E Value Chain and Soft Skills Development.
- > Virtualisation of more than 30 courses on our *Mi Aprendizaje* platform, including the courses in Annex 6 to Executive Decree (D.S.) No. 023-2017-EM, Safety and Health Regulation in Mining and D.S. No. 040-2014-EM, Regulation on Environmental Protection and Management for Mining Activities.

Labour Relations: Freedom of Association and Collective Bargaining

We are aligned with ILO provisions with regard to the fundamental principles and rights at work. In 2020 37.8% of our employees were unionised.

Since we have an effective collective agreement from 2019 to 2022, we did not hold any collective bargaining sessions in 2020. This was a period to confirm our commitment to labour rights and respect for the union and its members; therefore, we complied with the provisions contained in the agreement. We maintained our open communication methods to foster dialogue and the personal and professional development of our employees.

- > Development of the *Alianza con China* (China Champion) induction program, the purpose of which is to communicate to employees the strengths of the Chinese culture, in connection with our majority shareholder, China Minmetals, as a competitive advantage for our growth.
- > Coordination to implement virtual reality in 2021 so our employees may be trained in high-risk activities without exposure, physical or health risk at the Antawasi mining camp.

In 2020 we developed our *Vive más* (Live More) website, which enabled our employees to access 10 inter-institutional agreements, and various products and services associated with health, safety, fun, well-being, sports, financial solutions, facilities and education, that can contribute to their personal and family well-being.



Members of the Las Bambas workers' union hold a meeting.



DIVERSITY AND INCLUSION

We believe that achieving high performance requires us to embrace a diverse and inclusive approach, enabling us to benefit from a broad range of experience and diverse thinking, improving our decision-making. MMG seeks to recruit talented people from diverse backgrounds, particularly from the communities and regions in which we work.

We planned and incorporated actions in coordination with the Diversity and Inclusion Committee to promote respect for diversity, equal treatment, and the fight against harassment and discrimination.

During 2020 we organised forums and talks on diversity and inclusion, which focused on reinforcing the role of women in mining and addressing topics related to mutual respect. We also tried to maintain an open dialogue on those topics to break unconscious biases and value the different styles of working that exist in teams.



Las Bambas employees come from diverse backgrounds and work together in an inclusive environment.

We created a job matrix to include people with disabilities, and we built partnerships with certain organisations that communicated the vacancies offered by our operation to increase inclusivity.

In 2020 17.2% of people hired at Las Bambas were women. We added 20 female operators to our Mine Operations area, which represents an increase in women holding priority technical positions for our business.

Currently, women make up 8.9% of Las Bambas' direct payroll. Two percent of that total hold management positions, 7% hold middle management positions, and 58% are professionals holding administrative positions. Women hold 32% of our technical positions, while 1% of women participate in our internships.

Las Bambas MMG's Diversity and Inclusion Policy

In 2020 we launched our Las Bambas MMG's Diversity and Inclusion Policy, which is a milestone in our human rights management, as it promotes a work environment that recognises equal rights for all people; values the identity and heterogeneity of each human being; and supports everyone reaching their maximum potential, regardless of race, nationality, ethnic origin, religion, gender, sexual orientation, age, disability and culture, among other factors.

This policy highlights our intolerance of discrimination in all its forms, and supports equal opportunity and fair and impartial treatment of all the people in our organisation and environment. It applies to all employees, contractors and suppliers.

It also addresses inclusive communication, harassment-free work environment, age, nationality, disability, gender equality, balanced life, maternity and paternity leave, and respect for differences.

To ensure adoption of the policy, we have created the Diversity and Inclusion Committee, which drives and monitors the actions outlined to comply with our short- and long-term diversity and inclusion goals.

SUCCESS CASE



Our pink mining truck, symbol of the fight against cancer campaign.

THE PINK MONTH

Currently, Peru is experiencing one of the worst health crises due to the COVID-19 pandemic. Consequently, the priority efforts in the health sector focus on patients infected with the virus. This creates a challenge to carry out preventive check-ups and care for patients diagnosed with cancer. According to data from the Peruvian League Against Cancer, as a result of the above, in 2020 85% of breast cancer cases were diagnosed at an advanced stage and only 15% at an early stage.

To address this situation, we joined Viva Air and the Peruvian League Against Cancer in October, in an effort to raise awareness about preventing breast cancer and bring visibility to the importance of self-examination for early detection of this disease.

Viva Air's pink airplane and our pink mining truck were the

symbols used to remind the public of the importance of continuing to fight this invisible enemy that keeps claiming lives globally. At the same time, we invite all Peruvians to contribute to the hard work carried out by the Peruvian League Against Cancer.

Mirtha Yamamoto, Manager, Business Services Americas, said that although this is the first time that the company has taken action to support this noble cause, it is perfectly aligned with its Diversity and Inclusion Policy, since self-care and prevention are also considered forms of empowerment. "Since 2016 we have had a Diversity and Inclusion Program, which is making sustained efforts to build a safe and equitable workplace for all our employees. At our company, there is a spirit of empowerment at all levels; hence, promoting self-care inspires people to take control of their own health and create a personal prevention culture to safeguard their own lives."

OCCUPATIONAL SAFETY AND HEALTH

At MMG, we think about safety first. We are working hard to embed a companywide safety mindset with supporting leadership, behaviours, cultures and processes in every area of our business. We believe it is possible to have an injury-free workplace.

Our occupational safety and health management is aligned with the Safety, Protection, Health and Environmental Performance Standard, the Fatal Risk Standard, the country's legal requirements, the ICMM's 10 Mining Principles, and the VPSHR.

We hold regular meetings with our safety team to develop strategies to promptly address potential risks, complaint management and incident identification processes.

Some of the most outstanding initiatives in terms of occupational safety in 2020 included:

- > Progress in developing the Manual on the Occupational Safety and Health Management System of our mining operation
- > Implementation of atmospheric protection systems for electrical storms with the support of the critical control owner
- > Relaunch of The Three W's campaign and the Antecedent-Behaviour-Consequence (ABC) of Safety
- > Development of a Recognition Program
- > Development of our *Nos Cuidamos* (We Take Care of Ourselves) program, with a special focus on implementation of and compliance with health protocols to manage COVID-19



- > Implementation of occupational safety and health statistics reporting using the Power BI system
- > Monthly alignment meetings between our contractors and the departments
- > Quarterly meetings on Management Assurance Review and risk management at department level
- > Coaching of teams in all departments
- > Weekly Management Walkdown to monitor safety practices through unannounced visits to various areas. Each walkdown resulted in identifying improvement opportunities, more than 90% of which have been fulfilled.
- > Working in close collaboration with our contractors to involve them in safety management. In 2020 we presented a Maintenance Management award to Ferreyros S.A. for its commitment to safety.

In 2020 we received one monetary safety sanction of approximately US \$225,000, as a result of administrative proceedings related to the fatality of an employee that occurred in 2017. Those proceedings are being appealed, and the final resolution is pending evaluation by the corresponding authority.

SAFETY INDICATORS

Indicator	2019	2020
Total Recordable Injury Frequency	0.95	0.51
Total number of injuries	15	6
Fatalities*	0	0
Lost time injuries	9	1
Restricted work injuries	1	3
Medical treatment injuries	5	2
Total number of hours worked	14,631,855	11,765,072

*Employees (direct workers) only

Safety campaigns

We implemented Las Bambas' Three W's awareness program, field risk analyses and the ABC of Safety campaigns focused on promoting a safety culture that enables people to stop and raise their hand in situations of potential risk and danger.

Las Bambas' Three W's

- > What am I doing? Why?
- > What could go wrong?
- > What should I do to face a potential risk?

The ABC of Safety

- > A - Antecedents
- > B - Behaviour
- > C - Consequence

We reinforce personal self-care and assess various operational risks through training activities and dissemination of information, in addition to acting on employees' behaviours by analysing incidents that have taken place.

In 2020 we trained supervisors and employees on the ABC, to change risky behaviours identified through feedback. We also designated a Safety Partner of each area and among our contractors, so that these people follow up on the identified observations and unsafe behaviours.

Our challenges for 2021 are to empower employees to raise their hand in the event of unsafe and risky conditions, and modify risky behaviours through recognition or commitment to change.

Recognition Program 2020

The purpose of this program is to build a culture of recognition in accordance with safe work practices. We thought it was necessary to value and recognise safe behaviours and actions, and the outstanding occupational safety and health performance of our employees, teams and strategic partners.

We identified those who think safety first, who complied with the injury prevention programs and achieved zero accidents, who are safety leaders and role models, and those whose actions are consistent with MMG's values.

A clear example of this is Mr. José Paucarpoma Tello from the Maintenance Department, who received recognition for being the Safe Employee 2020 for his commitment to MMG's first value, THINK SAFETY FIRST. He demonstrated his leadership in safety, the Stop and Think practice and Las Bambas' Three W's.

We try to make safety an intrinsic part of our daily practices between people and teams.



Psychology office at the Antawasi Medical Centre.

OCCUPATIONAL HEALTH IN THE TIME OF COVID-19

We have adopted a comprehensive approach to occupational health and hygiene management focused on promoting prevention activities with employees. Healthcare was an extremely complex issue in 2020 due to the COVID-19 pandemic, and we had to adapt to the biosafety protocols established by the government.

These were some of the main activities implemented in 2020:

- > Renovation and expansion of the Antawasi Medical Centre and purchase of high-tech medical equipment (X-rays and luminescence equipment) as support for diagnosing COVID-19
- > Full compliance with our Occupational Hygiene program to monitor physical agents (lighting, noise, non-ionising radiations, heat stress and vibration), chemical agents (metals, silica and particulate matter), biological agents and psycho-social and ergonomic factors
- > Preventive tetanus, diphtheria and influenza immunisation campaigns for our employees.

MENTAL HEALTH AND WELL-BEING

In 2020 we carried out our mental health programs to provide comprehensive care in a multidisciplinary, efficient, safe, timely and satisfactory manner to patients.

With regard to mental health, we provided interactive conferences on psychological well-being and stress management in the context of COVID-19, advice on managing anxiety and stress, how to maintain a healthy immune system, and the role of mental health at work, among other topics. We also addressed self-motivation, assertiveness at work, teamwork and healthy sleep habits.

Our psychology team provided support to employees who tested positive for COVID-19, during and after their isolation and recovery. These patients were also assessed using the Self-Report Questionnaire that the MINSa included in the psychological care guide for families dealing with COVID-19.



STATUS OF LAS BAMBAS' COMMITMENTS

In 2004 the company that was awarded the Las Bambas Project concession through the bidding process committed to comply with seven social conditions that contribute to the sustainable development of Apurímac region. Those conditions were established in Annex K of the concession agreement executed as a result of the public hearings, coordination and dialogue process with the population.

Upon acquiring Las Bambas, MMG continued to comply with those conditions and is honouring those commitments to date. Following are descriptions of the progress made in 2020.

Implementation of an Environmental Impact Study (EIS) to preserve the environment, flora, fauna and water resources

1

- > We held 20 participatory workshops with communities from our areas of direct and indirect influence (13,032 participants).
- > We carried out 15 participatory environmental monitoring activities of water, air quality and noise.
- > We delivered eight reports of test results (water, air quality and noise according to the scope in each community) to local authorities, and shared those results with eight stakeholders (communities and municipalities).
- > As of 2020, we preserved 28 archaeological sites and delivered more than 4,000 artifacts to the Abancay Museum. These activities involved an investment of more than US \$29,000.

Creation of job opportunities for professionals, technicians and labourers from Apurímac region and provinces as a priority

2

- > We have had a Local Employment Promotion Office since 2015.
- > We provided direct and indirect job opportunities for skilled and unskilled labour, to benefit the residents of Apurímac region.
- > We have 2,205 direct employees and 4,164 indirect employees from Apurímac. Namely, 25% of our jobs are performed by local personnel.

Assisted resettlement of Fuerabamba community and payment of compensation

3

- > In 2010 we signed an agreement with the Fuerabamba farming community that included 171 agreements organised in 13 areas (the Agreement Summary). Since then, we have complied with employment programs, business promotion programs, economic compensation, urban land replacement, and social investment, etc.
- > There are other 86 agreements from subsequent meeting minutes, bringing the total to 257 commitments undertaken with the Fuerabamba community as at 2020.

Land replacement for agriculture, livestock farming and housing

4

- > Compensation payment for land totalled US \$2.7 million.
- > We assigned land for housing, livestock farming and agriculture under several compensation agreements reached with the Fuerabamba community for the use of land and affected resources.
- > We helped to strengthen the production chain of cattle and sheep owned by 674 families in 12 communities.

Respect for local culture and customs, especially human rights

5

- > We promoted festivals and traditional cultural expressions of the communities in our ADI. The 7th Interregional Dance Contest and the 11th Provincial Competition of Dances and Qhaswas (carnival songs) were held during the *T'ikapallana* (Flower Gathering Festival) 2020.

Social and environmental responsibility and creation of positive relationships with communities

6

- > From 2016 to the end of 2020, we invested more than US \$1 million in education-related projects for school children from our ADI.
- > We continued with the Las Bambas Scholarship Program, which has benefitted a total of 125 participants (101 from Fuerabamba, five from Carmen Alto, nine from Huanquire, five from Pumamarca, two from Manantiales, one from Mara and two from Manuel Seoane Corrales).
- > More than 33% of the scholarship holders are studying for science or engineering careers.
- > Fifty-one percent of scholarship holders are women, and 49% are men.
- > Fifty-one percent study in Cusco, 21% in Arequipa, 16% in Lima, 10% in Apurímac and 2% in Puno.

Integration of mining development with agricultural and livestock farming activities

7

- > We carried out the Andean Crops project with an investment of more than US \$213,000 (lower than expected, due to COVID-19), which has benefitted 1,400 families from 15 communities.
- > We carried out the Tree Nurseries project that recorded a production of 48,511 pine, queuña (*Polylepis*) and *Cytisus racemosa* seedlings, and 148 afforested ha in 34 communities from Challhuahuacho district.
- > We invested more than US \$8,000 in the guinea pig breeding project, but it was rescheduled due to the pandemic and ended in February 2021.
- > We installed 227 ha of diverse crops.
- > We promoted the participation of 655 families from 15 communities of the ADI in livestock farming projects, which enabled them to each increase their income by US \$708 per year.



T'ikapallana 2020

As in previous years, the traditional *T'ikapallana* was held in the Mamaportopampa esplanade (5,000 masl) in February 2020, attracting the participation of a large number of families from Cotabambas province and of visitors from other areas. The ever present *qhaswas* brought the people together to pay tribute to the *pachamama* (Mother Earth).

This festival consists of gathering typical flowers such as *surphuy* and *waqanki*, which are used to decorate the hats of single women and men who gather at Mamaportopampa to sing *qhaswas* and show their brave horses.

A special dance contest is held each year to unite the community and preserve the traditional activities of the province. In 2020 the 7th Interregional Dance Contest and the 11th Provincial Competition of T'ikapallana Dances and Qhaswas were held at the Rayroqa sports field in Tambobamba. Our company has sponsored this event since its establishment in 2009, as part of our social responsibility and commitment to respect, promote and give new value to the cultural identity and expressions of the communities and people from Cotabambas province, Apurímac region.

This contest has become the most important cultural expression of Cotabambas residents due to the originality, cheerfulness and colour displayed in the street parade, the *qhaswas* and dances of its six districts: Haqaira, Mara, Challhuahuacho, Tambobamba, Cotabambas and Coyllurqui. The participation of parade groups from other provinces and regions is promoted each year.

Edwin Amoretti, representative of Las Bambas, explains that "our objective is to become part of the cultural expressions of Cotabambas province, and to give new value to and disseminate this cultural expression; hence, a company delegation participates to share the joy of the *T'ikapallana* with the community and the provincial authorities."

The district and provincial municipal authorities thanked our company for supporting and promoting the ancestral culture of Cotabambas. Cotabambas provincial mayor Rildo Guillén thanked Las Bambas for being present at the cultural event and for sponsoring the successful development of their cultural expressions.

About the concentrate transport

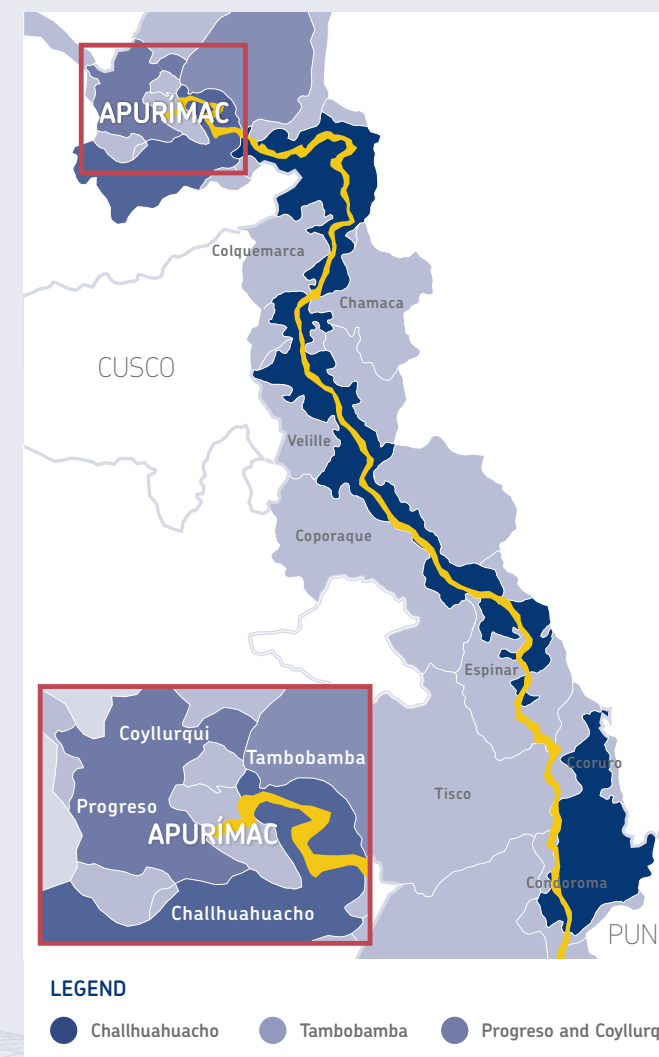
We use a bimodal transport system to carry the copper concentrate we produce in closed containers. We first transport the concentrate by truck to the new Pillones transfer station located between km 138 and 139, subdivision 4 of the Arequipa – Puno railway. This route, approximately 460 km, transverses three regions, four provinces, 14 districts and 49 communities. Once it reaches the transfer station, the ore is then transported by rail to the Port of Matarani, in Arequipa.

Since 2016 we have applied micro-paving to public roads to mitigate environmental impacts and contribute to the maintenance of the road.

Up to 2020 we covered more than 60 km on the routes adjacent to various towns of the Southern Road Corridor.

In 2020 we negotiated with our carriers to implement various changes in their fleets by 2021 and followed up on the transport plan of 125 container trucks per day.

PUBLIC ROAD CONCENTRATE TRANSPORT



While Las Bambas regularly engages with communities along the national road, in 2020 the population blocked the highway for several days. All road blocks – including those against other mining companies located near our operation – totalled 107 days of interruptions at various points on the national road in Cotabambas (Apurímac region), and Chumbivilcas and Espinar (Cusco region) provinces.

Those interruptions usually take place because some community members request payment for the use of the public road, as well as additional compensation. We have worked together with the Peruvian government in dialogue processes with the participation of local authorities and civil society representatives, which resulted in agreements related to the execution of new development projects and the reestablishment of free transit along the road.

Particularly in 2020, 43 days of road blocks were the result of local residents' fear of being infected with COVID-19 after the government confirmed the presence of the virus in the country. Another 20 days of road blocks were related to the conflict between the residents

of Espinar district with a mining company that operates in the area, and prevented the transport of units on the national road.

Blockades had a negative impact on the royalties paid to Apurímac region, which decreased by approximately 20-25% in 2020, compared to previous years, in which there were fewer significant interruptions of concentrate transport. Sales are reduced when copper concentrate cannot pass. This has a direct effect on the amount of royalties paid by the company and affects the cash flow received by local and regional governments, and the public universities in Apurímac.

Faced with these setbacks, Las Bambas reconfirmed our commitment to work with all the stakeholders to build sustainable solutions along the Southern Road Corridor, respecting dialogue and the local laws.

Blockades affect the sustainability of our operations and our contribution to the development of Apurímac and Cusco. However, we will continue to work with the Peruvian government to create open forums for dialogue and understanding, for the sake of a common vision of local progress.



WE MINE FOR PROGRESS

At MMG we mine for progress. For us, that means delivering progress for our people, host communities and countries, progress for economic well-being via the products and technologies we support and, most importantly for MMG, progress for broader human development.²

Along the same lines, Las Bambas will boost the benefits and opportunities we generate for our local stakeholders, and engage with them in a respectful and harmonious manner, to improve their quality of life.

DIRECT AND INDIRECT IMPACT OF THE OPERATION

We are aware that, in order to contribute to the growth and development of our stakeholders, we must ensure the sustainability of our operation and attain positive economic impact that demonstrates the tangible benefits of mining.

In this difficult local and global context, it is important to emphasise that our team maps potential operational, economic, environmental and socio-political risks, and we proactively integrate them into our forecasts and action plans.

Despite our financial results, we continue to bet on mining for progress, and we maintain the flow of capital investments for the sustainable development of our operation.

DIRECT ECONOMIC IMPACT (IN MILLIONS OF US \$)

Categories	2019	2020
Investments in construction and development	271.1	205.3
Total salaries paid	121.3	117.6
Domestic and international purchases from suppliers	1,197.1	1,262.8
Taxes and other payments to the government	282.7*	193.3
Social investment**	16.0	20.1

* This amount takes into account our parent company's scope and accounting criteria.

** Does not include compensation.

² More information on this section may be found at our Corporate Office website <https://wemineforprogress.com/>



SOCIAL INVESTMENT

Despite the complicated national context, in 2020 we invested more than US \$20 million in health, education, infrastructure, support to agricultural development, entrepreneurship and local management in our areas of direct and indirect social influence, which encompass two regions, four provinces, 14 districts and 89 communities and towns. That investment resulted in short-, medium- and long-term benefits in those localities.

We maintain regular communication with the people in our area of influence through Radio Surphuy, a participatory community radio station that reaches Cotabambas province.



Members of our Communications team in the Radio Surphuy booth.

We adopted an intervention strategy intended to create long-term cooperative partnerships, to connect and involve those who are agents of change in the areas in which we work:

> **Transparent and inclusive communication:** Call for the largest number of leading social agents in our area of influence, to involve them in dialogue processes in an inclusive manner.

> **Leverage:** We try to coordinate the requirements of various social agents with the necessary and/or available resources for their development (time, work, capital, land, etc.).

> **Co-responsibility:** We promote that each agent takes on a key role in sustainable development.

Impact of COVID-19 on social investment

As a result of the COVID-19 pandemic, our social investment priorities focused on ensuring the welfare and health of the people in our area of influence, without overlooking the importance of local economic recovery. This led us to redefine our strategies and their scope in this context of uncertainty.

Our main efforts focused on meeting basic human needs; adapting health, education and other kinds of projects and programs related to the current situation; and implementing biosafety protocols to execute our commitments. In some cases, this required an additional disbursement of funds and the rescheduling of our social investment plans.

Health actions to address the pandemic in the communities

We carried out various actions to address the pandemic in our areas of direct and indirect influence. This represented an increase in the total health budget compared to the prior year.

- > We delivered more than 10,000 baskets with food to vulnerable families in our area of influence.
- > We contributed US \$200,000 to purchase diagnostic kits through the SNMPE.

- > We donated US \$7,100 to the *Apurímac Respira 2020* public fundraiser to provide the Abancay Diocese with a medicinal oxygen plant for the benefit of Apurímac region.
- > We delivered 220 portable hand wash kits to the municipalities of the area of influence.
- > We helped repair the ambulance used by the Peruvian National Police Health Service – Cusco.
- > We delivered 20,000 blankets made with recycled material as part of the cold snap campaign.



Delivery of medical supplies and materials to the staff of the Chalhuhaucho Health Centre.



PROJECT EXECUTION

Health

- > We delivered medical equipment to 11 health facilities in the Cotabambas and Grau health networks.
- > We conducted 4,934 health visits in 21 communities through medical and/or dental campaigns.
- > We prepared nine health protocols and/or procedures for the economic recovery of Challhuahuacho and resumption of activities of our personnel outside the camp.

Infrastructure

- > We completed works started in 2019:
 - > Delivery of the Allahua community surveillance centre with related equipment
 - > Construction of two sports courts in Choquecca and Antuyo
 - > Maintenance of the irrigation system in Choquecca community
 - > Improvement of educational infrastructure of three schools in Huanquire community
- > In 2020 we started and completed the following works:
 - > Levelling of the football pitch in Pumamarca community
 - > Improvement of two community halls in Yanque and Choquecca
 - > Maintenance of basic infrastructure in 21 PREBs
 - > Maintenance of the road and access roads in Huanquire
 - > Construction of bathrooms and recreational infrastructure in the Sacsahuilca School
 - > Maintenance of country roads in 14 communities, generating 350 temporary wages
 - > Improvement of recreational infrastructure in the Virgen del Carmen School
 - > Construction of Huaylla Huaylla hall
- > We started the following works in 2020 and we will complete them in 2021:
 - > Construction of pedestrian crossings in Mara
 - > Construction of access pavements to the Mara School
 - > Construction of community fish farm in Sacsahuilca
 - > Roofing of carports in the houses of Nueva Fuerabamba
 - > Opening of dirt road in Jukucha, Ccapacmarca
 - > Construction of river defence in the Manantiales Neighbourhood
 - > Construction of restrooms in School 50633, Ricardo Emilio Vivanco Sota, in Carmen Alto
 - > Construction of playgrounds in Antuyo and Chumille communities

PROJECT EXECUTION

Education

- > As part of the Digital Education Project, we delivered 296 laptops and 635 tablets to school children and teachers from Fuerabamba, Huanquire, Pamputa communities and the Wichaypampa School.
- > We granted scholarships to 125 students, enabling them to pursue their studies. Fifteen of this group of scholarship holders graduated in 2020.
- > We financed the virtual platforms of higher technical institutes in Challhuahuacho and Progreso, to benefit 230 students.
- > The PREB benefitted 620 school students.
- > We provided 5,281 school students with 64 educational kits composed of 149 laptops, 47 printers, USBs, workbooks and guides for teachers of schools from 35 communities along the Heavy Haul Road (HHR).

Agriculture and livestock farming

- > We generated 4,668 unskilled labour wages in 21 tree nurseries.
- > We benefitted 674 families from 11 communities by immunising 1,479 head of cattle, 60,327 head of sheep and 1,191 llamas.
- > We installed 25 greenhouses in Huaycuy and Pisaccasa communities.
- > We donated 62 tonnes of forage oat seeds to the communities of the HHR.
- > We delivered 54 agricultural tractors to Pumamarca, Ccollana, Tuntuma and Urinsaya communities.
- > We harvested 227 ha of potatoes, barley, quinoa, Andean lupin and garlic, which will contribute to food security; production surpluses will be sold in local markets.
- > We delivered 900 pipes to improve the irrigation systems of the HHR.
- > We delivered 9,000 hens and supplies to families from 13 communities in Challhuahuacho, and trained them in animal husbandry and technical assistance.

Local entrepreneurship

- > We directly or indirectly purchased goods and services from 373 local businesses.

Local management

- > We obtained approval from the municipality, with the favourable opinion of the General Bureau of Agricultural Infrastructure and Irrigation, to carry out four major public investment projects (PIPs) for damming in Challhuahuacho.
- > We obtained the technical approval from Agrorural to carry out six minor PIPs and are in the process of addressing the observations made so we can obtain legal clearance.
- > We submitted six technical specifications for irrigation projects in Ccapacmarca.
- > We financed the preparation of the record and the technical profile of the irrigation system in Pitic community and the potable water service in Miraflores community.









CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The U.N. SDGs are a clear and structured guide on the priorities to be considered by governments, companies

and civil society organisations to contribute to the global fight against poverty. We strive to align our sustainability strategy with this framework to achieve a positive impact on our area of influence.

SOCIAL INVESTMENT WITHIN THE FRAMEWORK OF THE SDGs

SDGs	2019	2020	Description of activities carried out in 2020
 1 NO POVERTY	8,190,350	7,178,743	Projects to improve household income, such as tree nurseries, construction of country roads, development of local entrepreneurs and infrastructure works Scope: 37 beneficiary communities
 2 ZERO HUNGER	2,338,723	2,722,216	Projects to increase the availability of food in the 2021 agricultural season, focusing on Andean crops, greenhouses, animal health and livestock development Scope: 14 beneficiary communities
 3 GOOD HEALTH AND WELL-BEING	1,417,988	2,793,808	Health projects related to the COVID-19 pandemic, including equipment in health facilities, management of Nueva Fuerabamba Health Centre, and specific actions in the area of influence Scope: 94 communities, 19 district municipalities and 120,000 families from two beneficiary regions
 4 QUALITY EDUCATION	3,191,045	3,396,770	Digital education projects and PREBs focused on facilitating access to content provided by the MINEDU, which involved local electronic and technological equipment, Internet access, training of teachers and academic reinforcement Scope: 104 schools of communities from the ADI and All in Cusco and Apurímac regions
 5 GENDER EQUALITY	616,411	820,687	Projects that address gender equality and ensure the inclusion of women in local development related to education, culture and economics. Scope: 13 beneficiary communities
 6 CLEAN WATER AND SANITATION	292,949	3,226,215	Financing of technical studies for major and minor PIPs related to water, sanitation and irrigation
Total US \$	16,047,465	20,138,439	

SUCCESS CASE



Representatives of the Apurímac Regional Bureau visit the Nueva Fuerabamba School.



DIGITAL EDUCATION PROJECT AT THE FUERABAMBA SCHOOL

The health crisis created by COVID-19 has accelerated the need for implementing digital environments to remain connected and participate in education. The latter creates greater inequalities to the detriment of those communities that lack electric power, Internet connectivity, communication channels and technological equipment for their students and teachers. Consequently, national educational processes are being affected by several limitations.

Digital Education is a comprehensive project that includes five areas to facilitate this new normal: teachers,

directors, students, digital kits and connectivity, in line with MINEDU's regulations and the *Aprendo en Casa* program (on various radio stations, TV channels and the Internet).

We focused on strengthening the digital competencies of teachers through training activities conducted by a team of specialists. We used a digital platform with ongoing support that allowed the instructive interaction and institutional management, to ensure the continuity of educational services and accommodate the learning achievements of primary and secondary school students.

Other fundamental measures included the delivery of digital kits (laptops, tablets and a digital platform) to schools, teachers,

directors and students, and improvement of the connectivity in the premises, with Wi-Fi accessibility for nearby families.

Edgar Soncco Condori is a primary education teacher at the Fuerabamba School. When the health emergency was declared, he resisted becoming depressed by the challenges and limitations that remote teaching from home implied. He initially taught his classes on the phone, but the Digital Education Project enabled him to take ownership of digital technologies to continue to teach and learn. Edgar commented that one of the most valuable components of this experience is the possibility of parents getting more involved in the academic progress of their children.



SUCCESS CASE



Representatives of the Regional Education Bureau and the Cotabambas Local Education Management Unit visit the PREB.

SCHOOL CONTINUITY THANKS TO THE PREB

Erikson Rojas Vivanco lives in Chumille community and attends the fifth grade at Quehuira School. Like most students in the country, he had no certainty of what was going to happen with his school year given the health emergency created by COVID-19.

Once biosafety protocols to serve the students were established, Erikson arrived at the Chumille PREB and continued with his school activities.

The community promoter of the facility helped him access the *Aprendo en Casa* program and receive work forms and additional materials. Erikson's family, as

well as those of many students who attend the 17 PREB facilities located in the ADI, are confident that they will receive the necessary support to continue with their children's education.

In 2020 the PREB was adapted to become a community centre that supports students who receive distance learning during the health emergency. It also provides special attention to vulnerable children of the community, so they can continue with their learning process. In addition to providing a safe environment, students can also use educational materials, school supplies, workbooks and technological equipment (e.g., printers), as well as cleaning kits and PPE.

COMMITMENT TO THE WORKS IN EXCHANGE FOR TAXES (WxT) METHOD

We understand that, in order to improve the developmental levels in Apurímac region, we must join forces with the government and get directly involved in the execution of public works that reduce infrastructure and capability gaps. The more than US \$50 million in our WxT portfolio is designated to the infrastructure, education and health sectors, to serve 15 communities in five districts.

We have been collaborating with the government to prepare a detailed engineering study of the Kutuqtay Bridge; the restatement of the pre-investment studies for the reconstruction of 24 schools; and a proposed project to reduce the levels of anaemia in children under three years and pregnant women.

Under the agreement executed with the MTC, we are committed to invest US \$10 million through the WxT method. We take pride in being ranked as one of five companies with the largest investment commitments in 2020, to be executed in 2021.

SUCCESS CASE



3D image of future Kutuqtay bridge.

CONSTRUCTION OF THE KUTUQTAY BRIDGE (COTABAMBAS, APURÍMAC)

This project is part of the Cotabambas Province Development Plan. The Kutuqtay Bridge will be 180 metres long and 9 metres wide and will require an investment of more than US \$10 million. The plan is to construct it over the Apurímac River, on the border between Cotabambas (Apurímac) and Anta (Cusco) provinces.

This work has been requested by the authorities and community members, who have to travel for approximately seven hours to reach the city of Cusco. The construction of this bridge would reduce the travel time to two to three hours. This work will open a new connecting route that will not only improve travel time, but connect people and boost the economy of 50,000 residents of the involved areas.

The construction stage is expected to start in August 2021.

LOCAL EMPLOYMENT

Beyond our efforts aimed at social investment, we foster the economic development of Apurímac region through the creation of direct and indirect employment in the Southern Macro Region.

The progress of mining in this area offers opportunities to boost the skills of the local people and has improved their qualifications to hold jobs. In 2020 we hired 1,933 employees from Apurímac region, who accounted for 25% of our local workforce. Women from Apurímac were hired for more than 27% of those jobs.

KEY DATA ON LOCAL EMPLOYMENT

Of the 2,205 people who are on our company's direct payroll (direct employment)

more than 22% (493) are local

Of the 1,933 local employees (direct and indirect employment) hired in 2020

more than 27% (533) are women

LOCAL EMPLOYMENT PROGRAMS

Despite the COVID-19 pandemic, during 2020, we continued to provide local training programs to mining truck operator apprentices, who started training in 2019. Under the required biosafety protocols, 56 community residents completed the program satisfactorily and automatically entered the local employment program. All of them were hired as needed or for a fixed term until January 2021.

In the first quarter of 2021, we will start new training programs with community residents from Fuerabamba and Huanquire.



BUSINESS REACTIVATION AND NEW OPPORTUNITIES

To contribute to business reactivation, we trained 52 entrepreneurs from the restaurant sector and 393 entrepreneurs from the hospitality sector in the implementation of biosafety protocols to reactivate their businesses. Twenty-nine restaurants have executed contracts with our contractors and have created 230 local jobs. One hundred ten hotels have already obtained contracts with our subcontractors, resulting in 214 local jobs.

SUCCESS CASE



Hospedaje Continental in Challhuahuacho district.

A RESPONSIBLE UNDERTAKING (CONTRIBUTION TO SDG 8)

"When the pandemic began, I had to face the interruption of my household income, the responsibility of continuing to pay my bank loan, taking care of my family's health and dismissing personnel when hotel activities stopped," commented Isabel Llicahua Allcahua, owner of *Hospedaje Continental*, the five-story hotel with 40 beds that her family built.

To overcome the difficulties, Isabel followed the protocols established by the government under Las Bambas' advice and that provided by G&C Salud y Desarrollo, our capacity-building, health and development operator. She also used her savings to avoid debt problems due to the credit she had requested. However, the greatest concern arose when the virus arrived in Challhuahuacho and the fear of infection grew.

When the government began to reactivate the local economy, Isabel decided to get trained, implement biosafety protocols and obtain information to care for

the health of her clients and work team. This was a great challenge due to the restrictions to enter Arequipa and Cusco, the complications to obtain the supplies required by the protocols, and the price speculation.

Isabel managed to obtain the supplies she needed and opted to order online to equip her hotel in accordance with the established regulations.

Currently, Isabel tries to seize all opportunities to reactivate her business. This means organising the necessary logistics to meet protocols and protect her clients. In this manner, she will be able to re-establish her household income and maintain the hotel that took so much effort to build.

In 2021 she expects to receive a star rating for the hotel, from the Ministry of Foreign Trade and Tourism, and proceed with continuous improvement of her processes. Isabel advertises the hotel through well-known digital platforms, which have enabled her to attract international clients that are MMG's suppliers.



SUCCESS CASE



The recently renovated Hotel Lennyn.

REOPENING OF HOTEL LENNYN (CONTRIBUTION TO SDG 1)

The COVID-19 pandemic was a severe blow to Víctor Raúl Berrio Huamaní, owner of Hotel Lennyn, which also offers restaurant services, as establishments like his had to close for some time and then resume their operations in compliance with government protocols.

When the time came to reopen the hotel, Víctor faced several challenges in applying biosafety protocols, since the border closing prevented him from obtaining the supplies he had requested to operate. The pandemic had created exorbitant cost increases. Nevertheless, he did what he could to reactivate his business because the hotel was his household income, and how his staff supported their families.

He decided to get trained by Las Bambas and G&C Salud y Desarrollo to implement the required protocols. However, he had to face many difficulties, such as the purchase of biosafety supplies in Lima because the prices in Cusco were unaffordable.

He used this time to make various changes in the kitchen and dining room, which enabled him to improve the cleanliness of those areas. He also built dressing rooms and bathrooms and improved the staff's sleeping quarters.

During the pandemic, Víctor Raúl also launched the hotel webpage (www.hotellennyn.com.pe) and managed his social networks to reach potential clients.





GRIEVANCE AND COMPLAINT MANAGEMENT

As part of our Citizen Participation Plan, we have permanent information offices (PIOs) in Apurímac (Abancay, Challhuahuacho, Tambobamba and Mara) and Cusco (Espinar, Ccapacmarca and Velille). At these offices we are at the disposal of the residents from our areas of influence to answer their questions and address issues, and to register consultations and complaints. Our purpose is to maintain these methods as ongoing communication and feedback channels.

In 2020 we updated and implemented a new method to submit cases, to facilitate investigation and resolution in a timely and culturally appropriate way. We established a Consultation and Complaint System aligned with the U.N. Guiding Principles on Businesses and Human Rights.

The changes in the procedure better facilitate handling consultations and complaints related to the impact of the operations on our stakeholders, the conduct of our personnel and contractors in local communities, and reports of human rights abuses.

In this difficult context, we set out to maintain the continuity of this service

making the Willana Wasi digital platform available to the people. That platform has the same services offered at the in-person PIOs, and enables complainants to easily submit their case.

We also created an email box (consultasyreclamos@mmg.com) as an alternative communication and ongoing service channel, while still offering in-person consultation and service by phone.

Sixty-five percent of the consultations and complaints we received in 2020 were related to contractors not paying local suppliers; 27% to alleged damages to property and cattle; 5% to local employment; 2% to environmental issues; and 1% to alleged non-compliance with commitments and social investment. During the reporting period we did not receive complaints for discrimination or violation of rights of the indigenous population.

Despite the difficulties during COVID-19, we ensured continuity to handle new cases and cases in process of resolution; and we rescheduled services in coordination with the claimants due to the mobility limitations associated with the pandemic. In 2021 we will work on the application of a proactive approach to anticipate the concerns of the community and manage possible social risks through joint work with the operational areas.

GRIEVANCES AND COMPLAINTS

Category	2019	2020
Submitted	215	170
Resolved	177	68
In process of resolution	38	102



Las Bambas' contractors comply with strict health protocols.

SUPPLIERS AND SUPPLY CHAIN

We focus on working with suppliers of goods and services aligned with our high standards and good business practices. This is why we have highly competitive strategic partners. Our main suppliers provide support services to mining, energy, logistics and activities associated with fixed and mobile plant assets.

As part of our supplier engagement process, we also seek formal agreements from suppliers to comply with our Code of Conduct and Anticorruption policies as well as other relevant company standards, policies and procedures, including those related to human rights, health and safety, and the environment.

In the past three reported periods, the amount spent with local suppliers (most of them small and medium enterprises from Cotabambas and Grau provinces) exceeded

US \$110 million. During 2020 our international purchases amounted to US \$77.8 million, while purchases from suppliers operating in Peru reached more than US \$1.18 billion.

EXPENSES IN PURCHASES IN PERU (IN MILLIONS OF US \$)

Level	2019	2020
Cotabambas and Grau (local)	34.7	36.1
Apurímac and Cusco (regional)*	6.7	28.1
Rest of Peru	1,094.2	1,120.9

*Does not include local purchases

³ Collecting supporting documents is defined as obtaining documentation that justifies the services outlined on invoices paid to the suppliers from the commencement of our operation.

Below we detail some of our main achievements in supplier management during 2020:

- > We conducted the labour control of 2,009 full-time personnel contracts, to verify compliance with current labour laws.
- > We saved US \$28.4 million in the cost of transporting people to and from the mine due to the new COVID-19 protocol.
- > We have 121 out of 135 contractors under standardisation that are currently providing services at the mine.
- > We audited 12 of our contractors with a higher criticality level and established continuous improvement plans, and conducted a rigorous follow-up of their compliance.
- > We developed the Tax Project for the purpose of simplifying contracts and collecting supporting documents,³ for invoices worth a total of US \$16.1 million.
- > We closed 26 complaints without risks for our operation and formalised the closing of four contracts without contingencies.
- > We strengthened the roles of 46 contract owners in recognition of their effort, responsibility and dedication to safety, technical indicators and cost management matters.
- > We implemented a new monthly labour control system of contractors, to ensure their compliance with obligations.



New biosafety protocol for Cusco

The application of the biosafety protocol related to the COVID-19 pandemic demanded various efforts from us to manage suppliers and contractors. We detail some of these efforts below:

- > Arrangement with laboratories to conduct approximately 540 tests per day, including molecular and CLIA tests, providing results in 12 and four hours, respectively
- > Bidding process for air transport on commercial flights, including contractor rates
- > Validation of 19 hotels (seven new ones) with a capacity of 863 rooms for an estimated demand of 540 guests per day
- > Relocation of personnel to main cities
- > Implementation, in record time and with excellent technical, commercial and contractual conditions, of all the goods and services required to comply with the biosafety protocol and continuation of our operations (clinics, hotels, charters (private flights), taxis, hotel/airport transfers, health teams and personnel, supplies and equipment)
- > Support in the relocation process to Challhuahuacho, with the assistance of 61 contractors

We also provided support and mentoring to our contractors on COVID-19 management (86 contract owners, 350 businesses, 20,000 employees and their families), which reflected in the improvement of their prevention practices and the reduction in virus transmission rate.

DEVELOPMENT OF LOCAL SUPPLIERS

To promote the integration of new local suppliers into our production process, we provided specialised training, technical assistance and instruction to local businesses on our Code of Conduct and Anticorruption Policies, to facilitate their access to new business opportunities and contribute to their continuous improvement.

Our relationships with local businesses highlight a demand-oriented approach

that enables them to join the market under a strategy that promotes competition among the entrepreneurs providing goods and services. Seven new local companies joined our production chain in 2020. Those companies provide their services to the Chalcobamba project.

We also provide the Directory of Local Entrepreneurs to our internal areas and other strategic partners. We ensure that each company listed in this directory meets our high quality, safety and service standards

and participates in our Local Entrepreneur Development Program. The directory has been shared with our Challhuahuacho and Cusco offices, and at the Perumin sector event. This information made it possible to close new contracts that benefit the local economy.

LAS BAMBAS LOCAL ENTREPRENEUR DEVELOPMENT PROGRAM (LEDP)

This program enables us to obtain products and services from local suppliers that meet our quality, safety, environmental, technical and social responsibility standards, as well as commercial viability criteria.

Throughout 2020 we strengthened the competitiveness model for the development of local businesses in the area of influence of our operation, with an approach to compliance with safety and quality standards to achieve competitiveness in the market.

Due to the COVID-19 pandemic, we redefined and updated our strategies and resources to promote compliance with health protocols by local businesses, to help them resume their economic activities. Between May and December, we implemented various initiatives specifically for this purpose.



Industrias Metálicas Muñoz, a local business based in Challhuahuacho, engaged in the fabrication and assembly of metalworks, construction of civil works and electrical installations.

MAIN ACTIONS PERFORMED IN 2020 THROUGH OUR OPERATORS:

- > **GyC operator:** We trained 660 local businesses on biosafety protocols, 73% of which passed the minimum requirements.
- > **Recursos SAC operator:** We provided technical assistance and training on market, HR, management, costs and finance to 22 local businesses of the personnel transport line of business.
- > **ESAN operator:** We resumed training at the Challhuahuacho Business Development Centre with the First Seminar on Business Partnership, provided online with the participation of 76 local businesses.
- > **ISEM operator:** We advised six local companies on the management of their occupational safety and health plans, to integrate them into our projects.

In 2021 we plan to focus on the follow-up and compliance with health protocols by local businesses, creation of business opportunities, definition of our business model for the next five years, and the development of synergies between the government and private companies to generate improvements for local businesses.

RESULTS OF OUR WORK WITH LOCAL BUSINESSES IN 2020

12% increase in local purchases made by our contractors compared to 2019

76 local businesses directly worked with us and

297 as subcontractors

373 local businesses provided us with goods and services directly or indirectly

RESETTLEMENT

In 2020 we focused on honouring our commitments to local employment, in a joint effort with the Fuerabamba Community Board and the state institutions led by the Prime Minister's Office. We agreed to the hiring of 186 community residents as employees of our operation in January 2021.

During 2020 we worked on strengthening Fuerabamba's digital education, with the delivery of 499 tablets for preschool and primary school students, and laptops for secondary school students. We also improved Internet service with the installation of Wi-Fi signal repeaters.

As part of our initiatives to promote local employment, we are organising a labour fair to be held in 2021 with the goal of hiring 350 employees in maintenance, transport and ancillary services, among others.



OUR ENVIRONMENTAL MANAGEMENT



At MMG, we are committed to minimising our environmental footprint through the efficient use of natural resources, management of waste produced and effective life cycle management. We are focused on managing our impacts and aligning our environmental and biodiversity protection activities with our life of asset plans.

We have high operational excellence standards and comply with the current environmental regulations, for a sustainable operation whose production process is in harmony with the environment.

ENVIRONMENTAL MANAGEMENT SYSTEM

As part of the formal mining sector, we have a strong commitment to the care and protection of the environment in which we operate. During 2020 we designed an integrated Environmental Management System (EMS) focused on helping us take responsibility for the impacts generated by our activities.

The main pillars adopted by that system are ISO 14001:2015; ICMM's principles, standards and guides; the SDGs; the legal obligations we have based on applicable environmental regulations; the environmental commitments approved in the environmental management instruments (such as the 3rd EIS Amendment); and the guidelines of

MMG – Las Bambas (standards and procedures, among other documents), to have a group of controls applicable to each significant environmental aspect for each department.

We do not only comply with the government regulations on the environment; we go beyond that and adopt the good practices of the extractive industry and global sustainability and environmental innovation trends. We also apply new technologies to promote eco-efficiency in our processes and minimise impacts.

Since Las Bambas is an open pit operation, we must anticipate, manage, control, mitigate, rehabilitate and/or compensate potential impacts, in line with the provisions set forth by the government. For that purpose, we have an EIS with three amendments that address the implemented operational changes and associated measures.



Status of the 3rd EIS Amendment (EISA 3)

In July 2020 we submitted our 2nd Supporting Technical Report to the detailed EISA 3 to the National Certification Service for Sustainable Investments (SENACE).

The assessed changes are related to the optimisation of project components, equipment and infrastructure; electric power supply; internal access roads; and the environmental monitoring program, among others. All amendments are related to the operational area of our MU and do not involve changes in the previously undertaken environmental and social commitments.

As part of the assessment process, we received an Observations Report in August 2020, which we fully addressed to obtain SENACE's approval.

Status of the 4th EIS Amendment (EISA 4)

In June 2020 we started the process of drafting EISA 4, in line with the current regulations for the sector. In December 2020 we submitted our proposal to SENACE for the citizen participation methods related to this study, which had to be adapted to the context of the COVID-19 pandemic. Below we detail the activities related to the stage prior to the preparation of the EISA, which took an intercultural approach:

- › **Broadcast of citizen participation announcements:** 1,050 micro programs were aired by Surphuy, Challhuahuacho and Mallmanya radio stations to communicate how citizens could participate, but the results were not announced. We selected Radio Surphuy to broadcast four programs focused on encouraging people to ask questions; as a result, 44 consultations took place.
- › **Distribution of information in digital format:** We presented materials to 176 authorities to inform about the beginning of EISA 4 and encourage participation of the people in a virtual PIO.

› **Virtual guided visits to the facilities of the MU:** We hosted four virtual guided visits with the participation of 21 authorities from Chumille, Carmen Alto, Quehuira, Ccasa and Manuel Seoane Corrales. We used these visits to share information on the production process and EISA 4.

› **Virtual PIO:** We received 234 inquiries via telephone, WhatsApp, webpage and Facebook. The majority of questions were related to employment opportunities and citizen participation.

These activities were performed between November and December 2020. The purpose was to inform the people from the ADI about the beginning of EISA 4 and the study area, and to detail the activities that would be carried out during the preparation of the environmental management instrument.



Citizen participation enables people to provide input and comments to the Environmental Impact Study amendment (EISA) process. This does not mean that residents approve the study; SENACE is the authority that assesses and approves the document. LAS BAMBAS LISTENS TO YOU Call or text using WhatsApp 941 804 105 and visit us at our permanent information office (PIO) www.willanawasi.pe

ENVIRONMENTAL COMPLIANCE

We maintain high standards of operational and environmental excellence, and we provide timely information and communicate our environmental activities to our stakeholders. Since transparency is a fundamental value for our operation, we think it is important to report the monetary and non-monetary fines imposed on us during this period.

During 2020 we did not receive any fines for non-compliance with the current environmental regulations.

In this period, the Environmental Assessment and Oversight Body (OEFA) imposed a non-monetary administrative sanction on Las Bambas to verify compliance with the preparation of EISA 4. After the due process, the OEFA indicated that we were meeting all the requirements.

The OEFA also imposed three administrative sanctions on us for an amount of approximately US \$170,000, claiming that we had failed to comply with current regulations. We are currently appealing those sanctions.

We received four environmental grievances about dust generation during transport of concentrate on the logistics route (national road) from Velille and Ccapacmarca districts. Due to the State of Emergency for the global COVID-19 pandemic, we could close only one of the submitted grievances.

WATER MANAGEMENT

Water is an essential resource for the life of people and is also extremely important for the development of economic, environmental and social activities. At Las Bambas, we respect the worldviews of local residents regarding this important resource and its efficient use, and minimise the potential impacts generated by our operation.

We focus on optimising our water management practices based on MMG's guidelines and the ICMM's environmental guidelines. We also comply with the standards set by the current regulations and our environmental commitments. We focus on three fronts: minimising freshwater use, reusing contact water and controlling sediment.

Our operational progress has enabled us to reduce the freshwater withdrawal from the Challhuahuacho River. We improved the efficiency of our water processing system and increased the volume of water withdrawn from our tailings dam for reuse.

As a result of our efficiency in freshwater consumption in 2020, the collection of that resource at the Challhuahuacho intake accounted for 0.98% of the authorised water use licence. Our freshwater consumption at the operation reached 6.50% in the year.

During this period, we made several efforts to minimise water-related risks, including the construction and maintenance of control dams, full maintenance of the clarification pond, and implementation of controls to handle sediment in the pit.

Reported outputs and diversions from the site have also increased due to



We monitor water quality on a regular basis.



higher water use in our improved Dust Management Program, and better measurement of seepage and entrained water. Notwithstanding these factors, the site has been able to reduce the amount of excess water stored in the tailings storage facility.

We have also implemented a major water infrastructure program focused on the diversion of clean catchment runoff around the operational mining areas. This program has greatly reduced the generation of suspended sediment loadings ('dirty water'), providing both improved water quality and a more natural flow regime to the downstream ecosystem. We have ongoing programs to find opportunities for improvements in catchment management at all our operations.

TOTAL WATER WITHDRAWAL BY SOURCE (GL)

Type	2019	2020
Borefields	1,788	2,679
Entrained in ore and tailings consolidation	2,085	1,566
Precipitation and runoff	9,271	10,139
Rivers and creeks	1,819	3,842
Total	14,963	18,226

WASTE, EFFLUENTS AND TAILINGS

We focus on respecting and complying with current regulations on waste, effluent and tailings management, and on respecting the maximum allowable limits (MALs) applicable to each process.

MINING WASTE

We generate two types of mining waste:

- > tailings from the concentrator plant
- > waste rock from the Ferrobamba Pit

MINING WASTE (IN T)

Type	2019	2020
Mineralised – Non-Acid Forming Waste Rock Mined	128,287,882	137,484,467
Mineralised – Tailings Generated	50,360,001	44,482,425
Total	178,647,883	181,966,892

Tailings are disposed of at a tailings dam built to the highest standards, such as those set by the Australian National Committee on Large Dams, Canadian Dam Association and Mining Association of Canada.

Non-acid forming (NAF) waste rock is disposed of at our Huancarane waste rock dump, which has geotechnical controls using radar and extensometers to conduct monitoring in real time. This system ensures the physical and chemical stability of the facility against risks of sliding.



We separate solid waste based on composition and origin.

NON-MINING WASTE

Non-mining waste includes domestic and industrial hazardous and non-hazardous waste. This classification differentiates those that are recyclable, non-recyclable or reusable.

- > **Non-hazardous waste:** Our MU has a landfill for treatment of non-hazardous waste. During this period, waste was mainly composed of paper and cardboard, organic materials, metals, plastics and general waste. Due to the pandemic, in 2020 we did not continue with pilot tests to compost waste from cafeterias. The main reasons for this were the reduced number of personnel and prioritisation of critical activities.
- > **Hazardous waste:** Recyclable waste (mainly plastics, paper and scrap metal) is sent to certified recycling plants. When it is not recyclable, and it is hazardous, it is sent to a certified landfill. This type of waste is processed outside of our ADI.

During 2020 we sold 4,942.33 tonnes of waste.

NON-HAZARDOUS WASTE (IN T)

Type	2019	2020
Disposed of in an on-site landfill (general waste)	3,504	3,045
Recycled/reused/treated on-site	17,883	12,906
Total	21,387	15,951

HAZARDOUS WASTE (IN T)

Type	2019	2020
Recycled/reused/treated/combusted oil	1,162	937
Other hazardous waste disposed of in an off-site landfill	1,040	690
Total	2,202	1,627



Technical management of the tailings storage facility (TSF)

We have made significant progress in the development of efficient management for our TSF and other water dams, in line with the ICMM's Tailings Governance Framework and Critical Control Management. Being part of MMG, Las Bambas supports the Global Industry Standard on Tailings Management.

We implemented risk management processes and efficient change management for the planning, construction and operation of the TSF. As a result, in 2020 we received recognition from the Las Bambas External Advisory Panel.

This panel is composed of a committee of internationally renowned experts, geotechnical engineering and hydrogeology specialists who meet once a year to assess various design and analysis parameters of the tailings dam results.

During 2020 we also maintained high standards for the construction and development to raise the embankment. An independent panel of experts reviewed the engineering and construction progress and validated our compliance with the geotechnical and engineering parameters. Additionally, we relocated the 33kV electric transmission line, to continue with raising the TSF.

As part of the studies to increase storage capacity, we completed engineering and conducted stability and seismic deformation studies to modify the alignment of the embankment's right abutment. Those studies resulted in approval for construction in December 2020.

IMPROVEMENTS IN IMPLEMENTATION PROCESSES:

- > We used ZBoat automated equipment with built-in echo sounder and GPS to conduct bathymetry works in the dams. These works are supplemented with drone photogrammetry to obtain the general topography of the TSF.
- > We used a drone to inspect the contour canals around the TSF.
- > We installed a bird deterrent system as part of the TSF's environmental controls.
- > We installed a video camera on the left abutment of the dam, upstream from the embankment, as a surveillance system monitored from the Water and Tailings Control Room.



Tailings dam

EFFLUENTS

Las Bambas has designed a water management system that controls the quality of the discharge of liquids and ensures compliance with the MALs established for our activity.

This system consists of a water collection mechanism that first diverts effluents to an intermediate sedimentation dam equipped with a flocculation system. The water with less sediment is then conveyed to a final clarification dam, where it undergoes a new sedimentation and settling process that only discharges the water if it complies with the aforementioned MALs. The final dam has a pumping system to recirculate water if it does not yet comply with the MALs.

We have implemented periodic internal audits to verify the physical stability of these components.

Our main activities in 2020 included:

- > Implementation of three check dams in the operation canal to precipitate solids and metals in a suspended phase
- > Clean-up of sediment in clarification dams, plus 90% of the A and B dams
- > Installation of water quality and quantity sensors in the clarification dam that allow implementation of action plans

ENERGY AND EMISSIONS

At MMG we strive to be as efficient as possible in our combustion of fuel to manage costs and preserve a healthy working environment for our people (particularly those working underground).

We consider environmental and health implications in our supply contracts for equipment, electricity and fuel via our procurement processes.

We monitor our ecological footprint of energy consumption and GHG emission, to create plans that help mitigate our impacts.

ENERGY CONSUMPTION (IN GJ)

Indicator	2019	2020
Total energy consumption	10,500,801	10,622,233

GREENHOUSE GAS EMISSIONS (CO₂ EQUIVALENT)

Type	2019	2020
GHG – CH ₄ Methane Scope 1 as CO ₂ -e	618	642
GHG – N ₂ O Nitrous Oxide Scope 1 as CO ₂ -e	1,254	1,310
GHG – CO ₂ Carbon Dioxide Scope 1 as CO ₂ -e	434,793	459,579
GHG – CO ₂ Carbon Dioxide Scope 2 as CO ₂ -e	293,707	276,494
Total	730,372	738,025

OTHER EMISSIONS

Type	2019	2020
Other Emission – Oxides of Nitrogen (NO _x)	11,471	20,764
Other Emission – Oxides of Sulphur (SO _x)	7	6
Other Emission – Particulate Matter (PM10)	3,630	3,935
Other Emission – Volatile Organic Compounds (VOCs)	511	675
Total	12,352	25,380



Dust mitigation

We carried out several actions to manage dust at our MU, to reduce the associated environmental impacts. For example, we watered the roads of the operation with large tanker trucks or giant sprinklers, as required; and we watered minor roads with tanker trucks. We also used bischofite as a dust suppressant.

Bischofite is a magnesium chloride hexahydrate used in construction materials, and in agricultural activities, oil extraction, and in the medical and chemical industries (production of metallic magnesium).

With regard to vehicle traffic, we strive to reduce emissions by using diesel with less sulphur content. We also established speed limits for vehicles in accordance with the location, and a number of sanctions in the event of non-compliance. Special attention is paid to vehicle age, maintenance frequency, preventive inspection and use of horns.

We continue to regularly monitor air emissions, and in 2020 we set up new monitoring stations to continue the work undertaken in 2019. This has helped ensure real-time monitoring of conditions along the Southern Road Corridor and improve reporting frequency.

Along the Southern Road Corridor, we water the roads using tanker trucks and apply dust suppressants. The hired tanker trucks are owned by local businesses.

SUCCESS CASE



Air monitoring station

TELEMETRY AT AUTOMATIC AIR QUALITY CONTROL STATIONS IN THE SOUTHERN ROAD CORRIDOR

Telemetry makes it possible to collect data from automatic air quality control equipment in real time, storing it in a server and displaying the information on any device that has specialised software. Thus, it is not necessary to go to each station, download the measurement records and process them for analysis. Telemetry also predicts deviations in due time to proactively allow for taking the appropriate corrective measures.

Before using telemetry, the biggest challenge was operating and maintaining the air quality stations along the Southern Road Corridor, apart from the lack of cellular signal along the entire section.

One of the challenges in 2021 is to implement the environmental monitoring control centre at the MU and take corrective actions from there with respect to operating equipment and managing impacts on air quality along the Southern Road Corridor.

We expect to accredit the data generated by the automatic equipment through the National Quality Institute, since Peru does not have a protocol for automatic equipment accreditation.

BIODIVERSITY

We manage our operations to identify potential impacts to biodiversity and to implement mitigation strategies to avoid or offset these impacts. We are committed to biodiversity conservation, with special emphasis on key species recorded on national and international threatened species lists.

In 2020 we monitored biodiversity during the wet and dry seasons, to study the composition and richness, abundance, density and diversity of flora and fauna species; and to obtain data on the effects of relocation of rescued species. The most outstanding fauna species included: lizard (*Liolaemus qalaywa*), toad (*Rhinella spinulosa*), frog (*Telmatobius jelskii*), Andean flicker (*Colaptes rupicola*), and yellow-billed teal (*Anas flavirostris*), among others. The most outstanding flora species included: *Nototriche armeriifolia*, *Echinopsis maximiliana* and *Lupinus cuzcensis*.

We started preparing the diagnostic study of the distribution and abundance of *vizcachas* in Chalcobamba. This is necessary to start the rescue of this species in the future construction areas of the main and secondary mining components.

SUCCESS CASE



Conserving biodiversity is important in our operations.

BIODIVERSITY CONSERVATION

Our environmental management instruments reflect our commitment to biodiversity conservation and ICMM's principles, which guide us to ensure the sustainability of our operation.

During 2020 we took various actions that will have a positive impact on local biodiversity. We developed a diagnostic study of the distribution and abundance of *vizcachas* in Chalcobamba; monitored rescued fauna

(*Liolaemus qalaywa*) and flora (*Nototriche armeriifolia* and *Lupinus cuzcensis*) species; monitored the biodiversity of hydrobiological, ornithological, herpetological and botanical species; and collected information on the condition of the Pumamarca high Andean wetlands.

We faced various challenges in carrying out these activities, such as the COVID-19 pandemic restrictions, limited personnel, problems accessing the communities to carry out biological monitoring activities, and weather factors that limited field work.



Mine closure and land rehabilitation

In compliance with our mine closure plan, we carried out the following activities:

- > Total land disturbed to date: 3,389 ha
- > Total land disturbed in 2020: 919 ha
- > Total land rehabilitated to date: 101 ha
- > Total land rehabilitated in 2020: 1 ha



Ferrobamba Pit

CLIMATE CHANGE

MMG recognises the impacts of human-induced climate change on the environment, economy and communities, and that the impacts of climate change pose significant short- and long-term challenges for society.

We welcome efforts made by governments to cooperatively reach the global climate agreement and support long-term climate goals that balance greenhouse gas reductions with economic development.

We joined the fight against climate change by carrying out various actions that contribute to the reduction of GHGs. Some of them are described below:

- > Management of 21 community tree nurseries that mainly produce

queuña, pine and eucalyptus seedlings, which have been used to afforest an area of 1,288 ha to date. In 2020 only pine seedlings were produced, and 148 ha were afforested.

- > Afforestation for World Environment Day. We launched the *Adopta un árbol* (Adopt a tree) campaign with the participation of leaders and officers from various areas, who committed to take care of and protect the trees they adopted, and to preserve our environment.

In general, our environmental management focuses on eco-efficiency and minimisation of impacts generated by our operation. This is how we care for and contribute to environmental protection and climate change mitigation.

ENVIRONMENTAL MONITORING

We think the active participation of local communities is fundamental to reinforce the transparency of our activities. We have established PIOs where people can participate in consultations and/or submit grievances of any type, including environmental concerns.

We established agreements with the communities to carry out monitoring processes and geological exploration activities. These measures have reinforced the joint work carried out with Huancuire community with regard to the Chalcobamba site.

During 2020 we involved 76 people in participatory environmental monitoring processes, and 43% of them were women.

The goal of Las Bambas is to establish connections with community boards to strengthen existing participation (monitoring activities, clean-up campaigns, and guided visits, among others).

Air quality monitoring

At our MU, we monitor air quality at nine stations on a quarterly basis. Those stations are located at the Antawasi Camp; in Chuicuni Bajo, Chuicuni, Manuel Seoane Corrales, Huancuire and Pumamarca farming communities; and in Challhuahuacho, Chicñahui and Antuyo towns. It is necessary to request access to these places to perform monitoring activities.

In 2020 we commissioned the preparation of an air quality

modelling study, the results of which will allow us to make decisions regarding existing controls and clarify mitigation measures.

We also performed an internal monitoring activity along the Southern Road Corridor, from the MU to Pillones (approximately 400 km). We have 10 automatic air quality control stations connected by telemetry, which generate real-time data. During 2020 the stations could not operate at full capacity due to mobility restrictions.



Environmental monitoring station



If you have any questions
or comments about this sustainability
report, please contact

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