

SUSTAINABILITY
REPORT

2021



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About this Report

The purpose of this report is to describe the sustainability performance of the Las Bambas Mining Unit (MU) from 1 January to 31 December 2021.

This annual report is based on the standards of the Global Reporting Initiative (GRI) and uses as reference the guidelines of the International Council on Mining and Metals (ICMM), the U.N. 2030 Agenda for Sustainable Development, and the Voluntary Principles on Security and Human Rights (VPSHR).

The document addresses 11 material or priority topics that comprise the framework of our economic, social and environmental performance. Those topics were defined using a methodology that analyses the sector and the guidelines of our parent company. Topics of greater relevance validated by various representatives of our stakeholders in previous years were also taken into account.

We will share this report with our stakeholders, whose feedback will be included when we update our future materiality processes and draft our future sustainability reports. This sustainability report is available at <https://www.lasbambas.com/publicaciones>



Material topics

MATERIAL TOPICS

We are Las Bambas

Ethical business conduct and compliance

SCOPE

Description and results of the ethical methods we use to manage our operations, and of the status of our business compliance processes in accordance with the international standards in this field.

PAGE REFERENCE

16-19
29-31

Operational excellence, innovation and digital transformation

Continuous improvement processes for optimal production and incorporation of cutting-edge technology, and innovation and digital transformation projects that have achieved significant progress during the year.

20-28

The Way We Work

Comprehensive safety and health

Information about safety and health performance, relevant indicators and programs in this area.

40-45

Talent management and Las Bambas culture

Talent management and initiatives that express our organisational culture and the value proposition for our employees. Information on the direct and indirect employment created.

36-39

Human rights

Our progress in terms of compliance, commitments to human rights and incorporation of the VPSHR.

34-35

We Mine for Progress

National social and economic impact

Social investment in programs and projects, works in exchange for taxes (WxT) and general contributions, and economic contribution at the local, regional and national levels through contractual royalties and mining canon.

47-56

Responsible supply chain

Our contractors' management and the environmental, social and human rights standards to which they adhere, including activities up to the shipping of our products. Also, promotion of good practices in small and medium enterprises that are part of our supply chain.

57-59

Challenges in Continuity of Operations

Risks to the continuity of operations

Description of 2021 events that had an impact on the normal development of our operations, and our position on the importance of reaching common agreements among the government, Las Bambas and our area of influence.

61-64

Commitment to compliance and dialogue for development

Compliance and reformulation of commitments, given the current situation. Development of solutions to channel the tensions that have arisen and to maintain ongoing dialogue regarding disputes with stakeholders.

65-69

Environmental Management

Comprehensive environmental management

Description and results of our environmental management, with emphasis on strict alignment with regulatory requirements and major milestones reached during the year.

71-79
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Climate change action

Our initiatives for the transition to an economy with fewer carbon emissions.

80-81

If you have any questions or comments about this sustainability report, please contact our Communications team at Comunicaciones.LasBambas@MMG.COM.

Performance Summary

Our Performance Against 2021 Goals

SAFETY AND HEALTH

- Achieve ≥ 6 field task observations (FTO) by supervisor per year.
- Reduce the All Injury Frequency Rate (AIFR) by 20%.
- Reduce the number of Significant Events with Energy Exchange (SEEE) by 15%.
- Maintain Total Recordable Injury Frequency Rate (TRIFR) at ≤ 0.75.
- Reduce incidents with damage to property by 20%, compared to 2020.
- Ensure > 95% compliance with the annual employee health surveillance plan and occupational hygiene monitoring.
- Ensure > 90% compliance with and implementation of the Fatal Risk Standard of carcinogens.
- Manage and align > 90% of our contractors to comply with MMG's occupational hygiene and health standards.

ENVIRONMENT

- Achieve zero level 2 or higher incidents.
- Continue with an environmental commitment compliance assurance plan.
- Implement a greenhouse gas (GHG) emission reduction plan.

COMMUNITY RELATIONS

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

HUMAN RESOURCES

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

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

2022 Goals

Goals to be achieved during 2022

SAFETY AND HEALTH

- Ensure ≥ 95% compliance with the safety culture promotion programs.
- Achieve an AIFR ≤ 1.75.
- Achieve a TRIFR ≤ 0.60.
- Reach ≤ 4 SEEE.
- Ensure ≥ 95% compliance with the leadership program.
- Reduce by 50% the frequency of recurring incidents.

ENVIRONMENT

- Continue with the environmental commitment assurance plan.
- Continue to include the GHG reduction plans in our climate change mitigation actions.
- Align our actions with the requirements of the Mining Principles established by the ICMM's standard and the U.N. Sustainable Development Goals (SDGs).

COMMUNITY RELATIONS

- Implement two projects in the education and agricultural and livestock farming areas in accordance with regional socioeconomic development priorities.
- Establish the Las Bambas Development Association to promote the implementation of our social projects.
- Promote training and hiring of local labour in compliance with established commitments.
- Strengthen a capacity-building program for local entrepreneurs that creates connections to various markets, in addition to facilitating the growth of local purchases by 3% compared to 2020.
- Establish a platform for regional development with a long-term vision, and with participation of local, regional and national agents.

HUMAN RESOURCES

- Improve the employee experience at the company to become the best employer in the sector.
- Continue to increase overall score on our employee engagement index.
- Increase local participation and hiring to 32%.
- Increase the total number of female employees at our company by 14%.
- Help our leaders become role models of The Way We Work leadership principles.
- Reinforce our communication and inclusion model, highlighting the diversity of cultures in our company.
- Ensure the continuity of the business through succession planning and by identifying new talent.

Message from MMG's CEO

Dear MMG Stakeholders,

I am pleased to present our 2021 Sustainability Report, my first as interim CEO.



COVID-19 pandemic response

In 2021, managing the impacts of the COVID-19 pandemic continued to be a primary focus for our sites and offices as we worked to mitigate risks whilst delivering production, driving development and providing employment.

Our focus has been on promoting COVID-19 vaccinations and following all relevant regional government strategies to help protect our people and provide support to the communities in which we live and work.

I am proud of our team for their commitment and resilience in very challenging circumstances, particularly our safety and health teams, who have worked tirelessly to implement and update protocols to protect the health and safety of our people and communities.

Safety

At MMG, the health and safety of our people is our most important value. We work hard to embed a companywide safety mindset, reinforced by our leaders, behaviours and culture across all our sites and offices. Nothing is more important than ensuring our people go home safely at the end of each day.

I am pleased to report that the full-year Total Recordable Injury Frequency (TRIF) for MMG as a whole has decreased by 21% to 1.09 for 2021. We also saw a drop in the number of Significant Events with Energy Exchange, which demonstrates that we are improving our understanding of risks and ensuring that the right controls are in place.

We noted with concern an increase in the number of high-potential recordable injuries, and this is a reminder to all of us to keep a safety-first mindset, look out for each other and stop and think before completing any task.

Tragically, I regret to report that on 27 August 2021, a vehicle transporting 18 contractors from Cusco to the Las Bambas mine left the road in the Huallpachaca area located in the Cotabambas province causing the death of 16 passengers and leaving two people injured. This is a tragic loss that has impacted many of us at MMG and Las Bambas. We extend our deep condolences to the families and friends of those lost.

We are committed to eliminating injuries in our business, and we remained focussed on understanding the root causes of all incidents, sharing our learnings and updating our procedures, to prevent them from happening again.

We mine for progress

At MMG, we consider stakeholder feedback a valuable indicator that helps our operations anticipate community concerns and proactively manage social risks. Feedback, whether it is a suggestion, compliment or complaint, matters to MMG, and we are always proactively seeking opportunities to improve and ensure we are living our value of We Want to Be Better.

In 2020, we undertook a review of our corporate Stakeholder Grievance Management processes to ensure alignment with the ICMM's updated guidance document Handling and Resolving Local-Level Concerns and Grievances: Human Rights in the Mining and Metals Sector (2019), as well as the International Labour Organisation Declaration of Fundamental Principles and Rights at Work, the Extractive Industries Transparency Initiative, and the United Nations Global Compact. Throughout 2021 we have worked with all site teams to better understand local grievance processes, and we launched a common self-serve platform to automatically record confidential grievances.

During 2021, Las Bambas operations continued to be disrupted by a series of ongoing community blockades on public roads between Las Bambas operations and the port. These disagreements are centred on benefit sharing, local business and employment opportunities and compensation issues.

The use of road disruption as a means of facilitating solutions presents significant challenges to the operation of Las Bambas, with the site losing over 400 days of transport as a result of the ongoing blockades. MMG is committed to finding enduring and peaceful solutions but acknowledges that we cannot do this without the ongoing and proactive support of regional and national governments.

Setting environmental, social and governance targets across MMG

As a company, we are proud of our reputation as a business that is serious about sustainable development and managing impacts to people, heritage and the environment. Our standards of performance and disclosure on environmental, social and governance (ESG) issues must continue to expand to meet rising expectations from our stakeholders and investors.

To ensure we can meet this challenge and the growing reporting and compliance requirements, we have created ESG focus indicators designed to target our efforts toward the most material issues for our business and our stakeholders. We intend to integrate these performance metrics into each site's annual targets in 2022, and then we will integrate them into our performance incentive programs starting in 2023.

These metrics include a sustained focus on reducing our carbon footprint and maximising our contribution to an emerging low-carbon economy. Copper and zinc produced by our operations are essential inputs to low-carbon technologies, including solar panels, wind turbines, electric vehicles and large-scale batteries, to name just a few.

MMG has set itself a number of near- and medium-term targets as part of our climate resilience strategy. They include a commitment – along with that of International Council on Mining and Metals (ICMM) members – to support measures that will limit global warming, targeting net zero emissions by 2050.

MMG has also set a near-term, science-based target of a net reduction in greenhouse gas emissions of 40% by 2030, based on our 2020 levels. This is an ambitious target and sets MMG on a path to sourcing energy in new ways.

Building a sustainable future

As we look ahead to 2022, we are working to build momentum on the solid foundation for sustainable development and business growth we have built throughout this year.

I am also excited to further develop and deliver on our strategic growth opportunities in Peru, via the Chalcobamba development, strengthening our commitment to these critical regions.

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

Li Liangang
INTERIM CHIEF EXECUTIVE OFFICER

Message from MMG's Executive General Manager, Operations – Americas

Dear Readers,

We present to you our 14th Sustainability Report, which covers 2021. As in previous years, we try to foster communication with our stakeholders and share with them the most relevant information about our performance, in line with the transparency of our management and our contribution to the sustainable development of Apurímac region and Peru.



In 2021 we faced several challenges due to disagreements with some communities near our operations, as well as the health crisis that still lingers around us. Our priorities were safeguarding the health and safety of all our employees and promoting the establishment of agreements based on dialogue with those areas.

To safeguard the health of our employees, we implemented various initiatives to prevent COVID-19 infection. Currently, our Occupational Safety and Health Management System includes guidelines for assessing and protecting the health of our employees and contractors, in addition to collective and individual measures to prevent infection. We are not

only trying to return to work safely, but we also adopted initiatives to ensure we are taking care of the mental health of our employees and their families.

In line with our commitment to the development of Apurímac region, during 2021 our efforts focussed on the vaccination process. According to the priorities of Peru's Ministry of Health, we strengthened the cold chain by donating ultralow temperature freezers and other medical equipment to facilitate the delivery of vaccines to the most remote communities in Apurímac region. We also provided logistics support by ensuring the transport, food, fuel and medicines necessary to carry out the vaccination

campaigns. As a result of these efforts, it was possible to administer more than 130,000 doses of COVID-19 vaccines in the region.

We are also pleased to inform you that we continue to contribute to the development of Apurímac region. Currently, the region places among the top eight regions with the highest gross domestic product (GDP) per capita (above US \$3,781 per year), and among the four regions with the highest per capita public budget (US \$1,256). From 2016 to the publication of this report, we have paid more than US \$450 million for contractual royalties. This amount not only benefits Apurímac, but also the 84 municipalities in the region and the two public universities in Abancay and Andahuaylas.

In 2021 we had the opportunity to increase by 57% our investment in achieving compliance with the six highest-priority Sustainable Development Goals, compared to the prior year. We contributed a total of US \$31,546,834 to promote the **No poverty, Zero hunger, Health and well-being, Quality education, Gender equality and Clean water and sanitation** goals.

As for engagement with communities, during 2021 and into 2022, our operations were interrupted by blockades on public roads, and by invasions of our property. In both cases, the communities carried out those actions due to disagreements over the distribution of benefits, the demand for business opportunities and local employment, compensation issues and new commitments.

To address that, our Community Relations team has worked hard to convey key messages, and to set up various dialogue tables with government authorities and representatives of Huancuire, Pumamarca, Fuerabamba, Challhuahuacho, Cotabambas, Chila, Choquere and Chuicuni to discuss our company's compliance with commitments. In June 2022 we were able to resume our operations, thanks to the support of the Peruvian government in promoting dialogue forums with the involved communities. All the actions we carry out are governed by our commitment to the Voluntary Principles on Security and Human Rights.

We reaffirm our conviction to reaching agreements with the communities; national, regional and local governments; and all of our stakeholders. We do this through ongoing dialogue and gaining consensus, our commitment to transparency in our operations, and meeting our objective of ensuring the integrity and safety of our employees.

Finally, I would like to thank all the people who have contributed to maintaining our good performance during 2021. Thank you to our employees for the effort, commitment and resilience you have shown this past year. I would also like to reiterate our effort to maintain ongoing dialogue with our community and achieve the commitment of the authorities so that it becomes possible to work together for sustainable regional development and put into practice that we mine for progress.

Jianxian Wei
EXECUTIVE GENERAL MANAGER,
OPERATIONS – AMERICAS

WE ARE LAS BAMBAS



We are one of the major copper companies in Peru. We are ranked third in the sector for production capacity, and are considered a major global company. Our economic contribution accounts for 1% of the GDP of the country, 72% of Apurímac region's GDP and 9% of the national mining GDP. These achievements place us in a strategic position to contribute to the development of the communities adjacent to our operations, to the growth of the region that hosts our operations and to Peru as a whole.

We are one of the largest private investments in Peru, with US \$10 billion allocated to sustainable mining.

Business Profile

Since the beginning of our operations in 2005, our main approach has been to build a sustainable operating model that creates positive value for our stakeholders and profitability for our shareholders.

Las Bambas Production, 2020 to 2021 Comparison

Category	2020	2021
Cu concentrate grade	34.83%	33.61%
Recovery	87.00%	86.92%
Cu produced	311,020 t	290,097 t

Source: Based on production data collected by Las Bambas.

The Las Bambas MU is located in Apurímac region – specifically in Challhuahuacho, Tambobamba and Coyllurqui districts, in Cotabambas province, and Progreso district, in Grau province, between 3,800 and 4,600 metres above sea level (masl). Our operations are located approximately 75 km southwest of the city of Cusco, and more than 700 kilometres from the Port of Matarani, Arequipa region. This includes 438 kilometres of road that crosses some areas of Cusco and Arequipa.

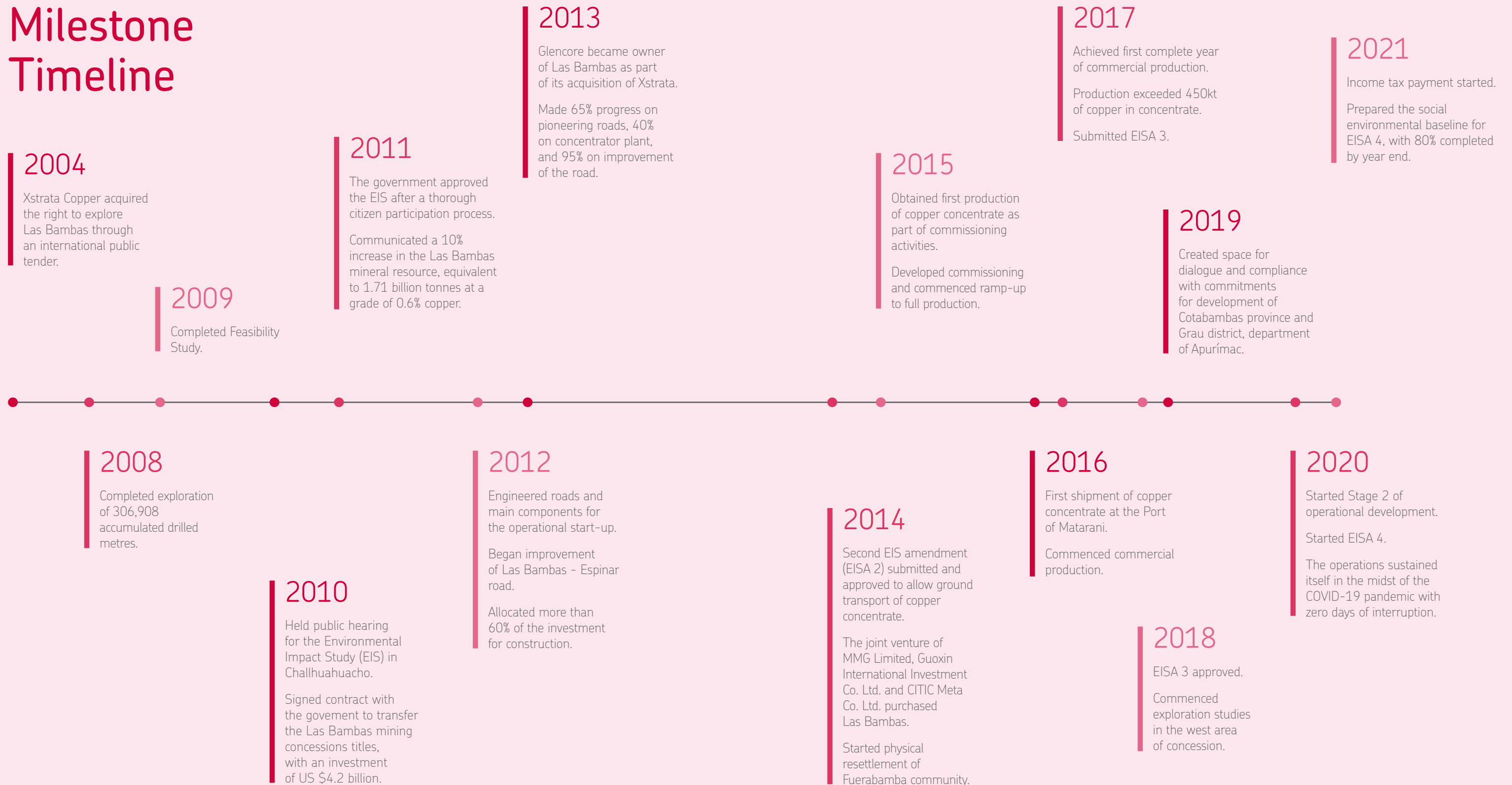
We have an open pit operation and three main deposits: Ferrobamba, Chalcobamba and Sulfobamba. The mining of Ferrobamba is underway, and we will extract ore from the other two in the future.

We have ore reserves of 5.5 million tonnes of copper and mineral resources of 8.5 million tonnes.

We plan to produce more than 2 million tonnes of copper in concentrate over the next five years of operation. Based on our estimates, the life cycle of the mine is approximately 18 years, although we have significant exploration potential.

Our concentrates are traded globally. Asia is our main copper concentrate buyer, and China is the largest market, and our molybdenum concentrate is predominantly sold to Chile and Asia.

Milestone Timeline



MMG Worldwide

Minerals and Metals Group (MMG), our parent company, is a mid-tier, global producer of base metals, headquartered in Melbourne (Australia) and in Beijing (China). MMG operates and develops copper, zinc and other base metal projects in Australia, the Democratic Republic of the Congo and Peru.

MMG's vision is to build the world's most respected mining company. MMG intends to mine to create wealth for our people, host communities and shareholders. Proof of this is the management that takes place in each of the four mining operation sites, and the creation of more than 8,868 direct jobs globally during 2021.

Currently, MMG is listed on the Hong Kong Stock Exchange (HKEX: 1208). It is a member company of ICMM, and its policies and standards are aligned with the 10 Sustainable Development Principles of that organisation.



AUSTRALIA (Dugald River, Rosebery and the Australia operations office)

PRODUCTION	WORKFORCE	ECONOMIC CONTRIBUTION (US \$ '000)
249,767 tonnes of zinc in zinc concentrate	Total 638	Total taxes (including royalties) 90,366
45,414 tonnes of lead in lead concentrate	% Female 10.66	Total wages and benefits 114,936
1,567 tonnes of copper in copper concentrate	% National 96.5	Total capital investment 98,862
		Local supply chain spend 397,530
		Social development spend 98,862

DEMOCRATIC REPUBLIC OF THE CONGO (DRC) (Lubumbashi, Johannesburg and Kinsevere offices)

PRODUCTION	WORKFORCE	ECONOMIC CONTRIBUTION (US \$ '000)
48,017 tonnes of copper cathode	Total 788	Total taxes (including royalties) 89,409
	% Female 15.48	Total wages and benefits 54,295
	% National 94.5	Total capital investment 22,420
		Local supply chain spend 101,910
		Social development spend 1,089

PERU – Las Bambas and Lima office

PRODUCTION	WORKFORCE	ECONOMIC CONTRIBUTION (US \$ '000)
290,097 tonnes of copper in copper concentrate	Total 2,673	Total taxes (including royalties) 247,755
4,985 tonnes of molybdenum in concentrate	% Female 12.13	Total wages and benefits 128,414
	% National 98.6	Total capital investment 452,294
		Local supply chain spend 1,174,250
		Social development spend 31,547

CORPORATE OFFICE (Melbourne, Beijing, Hong Kong and Vientiane offices)

Workforce 158	% Female 49.37
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OUR MAJORITY SHAREHOLDER

MMG's majority shareholder is China Minmetals Corporation (CMC), a company recognised as one of China's largest state-owned multinational enterprises. CMC has strong relationships with foreign institutions and resource and construction projects in more than 60 countries. In 2021 it placed 65th in the Fortune Global 500 list of companies, and 2021 marked the 15th consecutive year it has appeared on the list.

CMC operates across the industry value chain, from resource acquisition and exploration to project design, construction, mining, marketing, distribution and subsequent processing in the global sector of metals and minerals.

CORPORATE GOVERNANCE

We work with MMG's corporate fundamental principles globally (mission, vision and values), adapted to the conditions of our operations. We have a Sustainability Policy and standards that will enable us to manage safety, health, social performance, environment and responsible economic development.

MMG's fundamental principles are based on four strategic drivers that will govern our decision-making and actions as a company:

- **China Champion:** Building on the strength of the world's largest consumer of metals and mineral resources enables us to create value to maintain a sustainable competitive advantage with progressive growth.
- **Business Miner:** Adopting a mindset of operational excellence to achieve greater optimisation and generate returns on investment enhances our ability to fund and deliver opportunities for future growth.
- **Federation of MMG:** Capitalising to the fullest on the advantages of belonging to an empowered and diverse operating structure with guiding values that drive a unique way of working at the international level.
- **Delivering Progress:** Contributing to the development of the country at the local, regional and national levels strengthens our management for social progress.

Business Philosophy and Standards

STRATEGIC ALIGNMENT

Our operations are based on MMG's organisational pillars and values:



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.



OUR STANDARDS

We align with the thorough, sustainability-focused standards of excellence in MMG's processes. We have an integrated audit program to comply with our occupational safety and health, environment and community standards. MMG's standards enable us to keep our competitive advantage and organisational efficiency to manage material risks and comply with legal regulations and external obligations.

We follow MMG's Risk Management Procedure, which is based on ISO 31000:2009, the international risk management standard in organisations.

The Risk Management Procedure outlines the steps to identify, analyse, control and assess risks. Risks are assessed against consequence criteria, which enable us to determine the maximum foreseeable losses that would arise in the absence of appropriate controls.

This procedure applies the Three Lines of Defence assurance approach:

First Line of Defence

Implementation of business standards at all our operations and development of routine testing and analysis of the effectiveness of critical controls for previously identified material risks.



We think safety first



We respect each other



We work together



We do what we say



We want to be better

Second Line of Defence

Ongoing validation of controls established by the standards. This is undertaken by MMG Group functions.

Third Line of Defence

Implementation of our internal audit program, which validates the design and efficiency of our standards and controls for material risks, in addition to strengthening the effectiveness of the first and second lines of defence. Internal audit identifies good practices and improvement opportunities for our operations. This process is managed by MMG's Audit, Risk and Assurance team in accordance with the Internal Audit Procedure.

Operational Excellence

PRODUCTION PROCESS

We have an open pit mine with complex components and automation-intensive processes in which we use cutting-edge technology and latest-generation mining equipment.

Our production process starts with the extraction of ore from the Ferrobamba pit. The material is then crushed and transported to a conventional flotation circuit using a conveyor. The ore is transported over 5 kilometres to the facilities where the copper and molybdenum concentrate is produced.

We seek the greatest efficiency possible in water management, and we make our best effort to use resources in a sustainable manner. We use freshwater, mainly from

the Challhuahuacho River, and we have a reservoir for the dry season. Most of the water used by our tailings and concentrate thickeners, and by the tailings dam, is reused in our production process. In 2021 our percentage of reused water reached just over 96%.

We use a bimodal system and closed containers to transport our concentrate. The first part of the route involves trucking

the concentrate to the transfer station, located between kilometres 138 and 139 of subdivision 4 of the Arequipa-Puno railway. We subsequently transport the ore by rail to the Port of Matarani in Arequipa.

Since 2016 we have included micro-paving, road watering and maintenance to mitigate potential environmental impacts. As of publication of this report, we had covered approximately 60 kilometres on the routes adjacent to various towns.

THE WAY LAS BAMBAS OPERATES

CRUSHING

We reduce the size of the ore to a maximum of 7 inches.

Mining trucks

We remove 400,000 tonnes of material each day using appropriate machinery.

Overland conveyor

We transport the material 5.2 kilometres to the concentrator plant.

GRINDING

At the concentrator plant, we reduce the size of the crushed rock to 0.18 millimetres.

Thickeners

1. We separate and recover water from the concentrate.
2. We separate the tailings from water so water can be reused.

FLOTATION

We separate the copper sulphides from the molybdenum and other elements.

FILTRATION

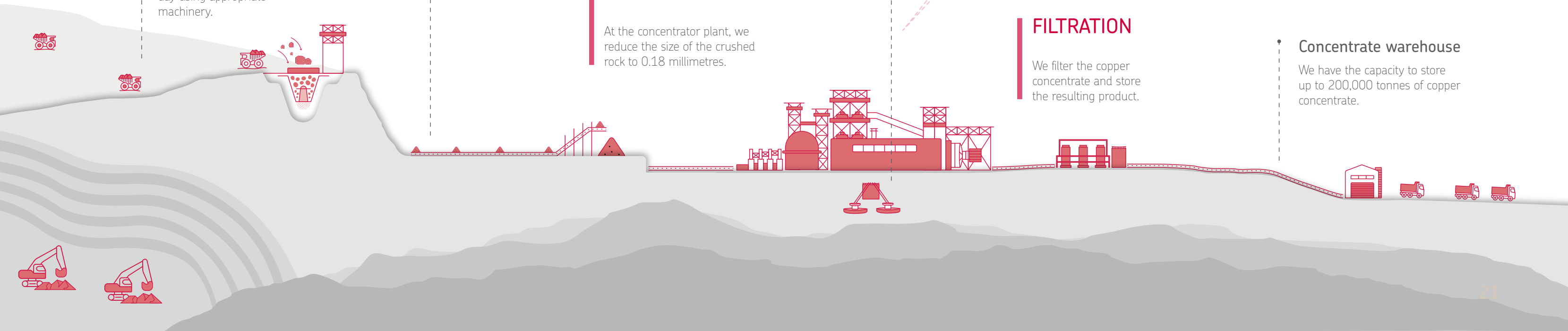
We filter the copper concentrate and store the resulting product.

TRANSPORT

We transport the copper concentrate by truck and rail to the Port of Matarani for export.

Concentrate warehouse

We have the capacity to store up to 200,000 tonnes of copper concentrate.



OUR INITIATIVES

Our operating processes meet the current challenges of the mining sector and the health emergency situation caused by the COVID-19 pandemic. The circumstances led us to innovate, opting for the comprehensive digitalisation of

our processes, which will enable us to have more detailed information on our activities to generate safer, more efficient and sustainable solutions.

We started implementing our strategic technological transformation plan in 2016. Since then, we have developed digital platforms that help to reduce costs, increase safety, strengthen automation and improve people's quality of life.



Currently, our strategy encompasses the five areas described below:

Areas	Benefits
HYBRID PLATFORM	<ul style="list-style-type: none"> • Less investment in equipment and physical support • Agile resource availability • Unlimited growth • Cost optimisation
INTEGRATED COMMUNICATIONS	<ul style="list-style-type: none"> • Less investment in equipment and physical support • Reduced operating and monitoring costs • Availability of applications anywhere • Automation and use of mobile applications at the mine
APPLICATIONS AND MOBILITY	<ul style="list-style-type: none"> • Information anytime, anywhere • Real-time decisions • Interconnected systems • Applications with new front-end (user experience - UX) • New back-end platforms (containers)
DATA AND ARTIFICIAL INTELLIGENCE	<ul style="list-style-type: none"> • Better performance • Reduced possibility of human errors • Cost reduction • Automated decisions • Result prediction and smart decision-making
CYBER SECURITY	<ul style="list-style-type: none"> • Assurance of availability and reliability of company information technology and operational technology (OT) environments • Reduced risks of losing critical infrastructure control

With respect to sourcing, we developed an in-depth strategy focussed on China, and we have exceeded all the objectives associated with our strategic indicators, including, among others, the development of 17 new categories and a more than 20% increase in the annual spend from China sourcing.

In the local sphere, during 2021 we recorded our highest investment of more than US \$60 million resulting from development in numerous categories: plant shutdown services, earthworks/access and platforms, maintenance of internal and external roads, personnel transport, work services, infrastructure maintenance and logistics.

During the period when our operations were blocked in 2021, we strengthened our strategies to ensure the continuity of full-capacity production at the plant and nearly maximum capacity at the mine by implementing the following actions:

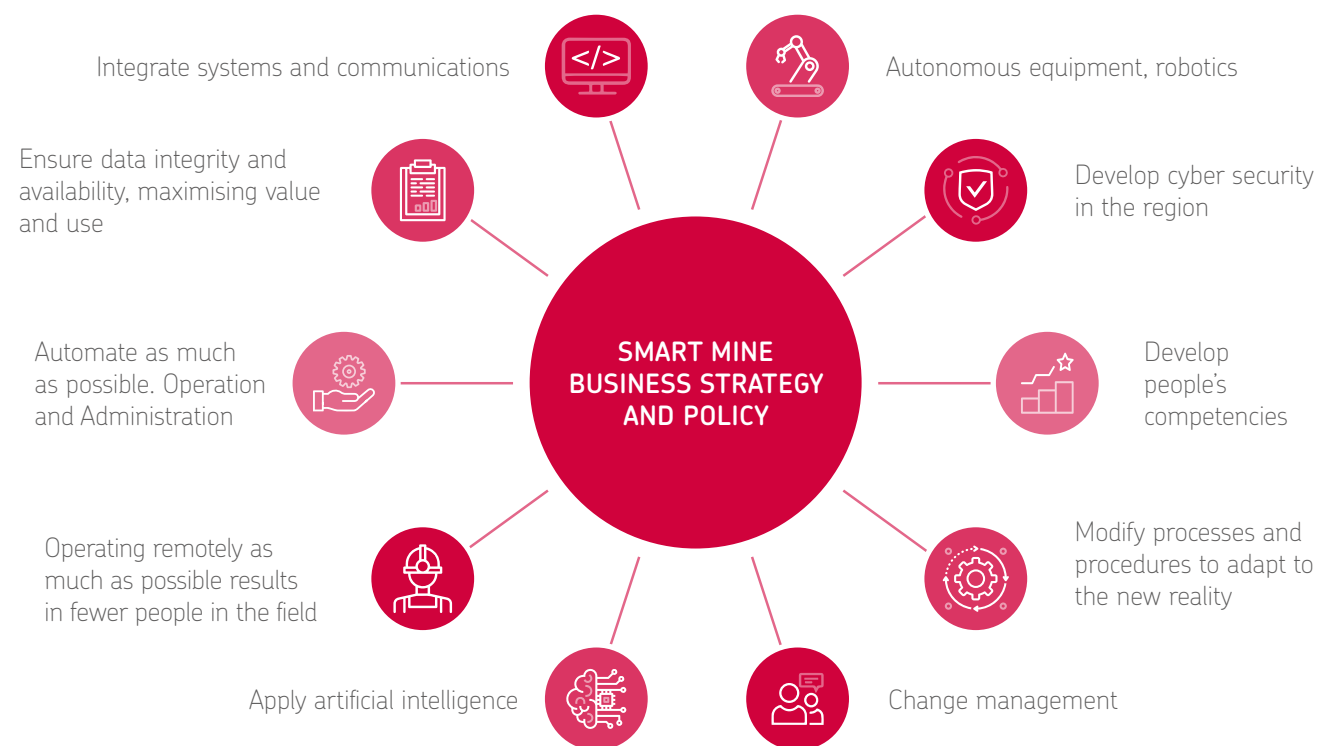
- We optimised round-trip discharge times.
- We strategically managed the truck fleet, including the use of alternate roads and a 40% increase in the number of vehicles.
- We improved the punctuality of our deliveries from 70 to 80%.

New Mining: Innovation and Digitalisation

Our digital transformation process aspires to transform Las Bambas into a full-fledged smart mine by 2030. To achieve that objective, we will integrate processes, technologies and people; and our main partners will be robotics, artificial intelligence and automation. These processes will help us improve our results in terms of costs, volume and safety.

We have invested approximately US \$12 million since we set off on our digital transformation journey in 2020.

We have a roadmap focussed on our technology, with projection for the next four years, as well as a plan that extends until 2030. We also have the Digital Transformation Program that involves the entire company in project management processes, from conception to support.¹This is a cyclical process because the identified improvement opportunities are used in idea generation processes that take place in the future.



¹The processes include: (1) generation of ideas, (2) decision, (3) pre-feasibility, (4) feasibility, (5) authorisation for project funding (APF) and/or business case, (6) prioritisation, (7) implementation, (8) support and (9) continuous improvement.

In 2021 we implemented the Operational Technology Superintendence and the Program for Digital Transformation Agents to generate innovative ideas in areas across the business. More than 40 digital transformation agents from 19 areas of our company currently participate, and our suppliers can also be involved in the idea generation process.

Our Business Strategy and Smart Mine Policy are groundbreaking in the mining industry and supported by our achievements in technology innovation.

Digital transformation

- We managed the processing of 57 initiatives and the implementation of 37 projects.
- We approved eight project initiation forms (PIFs) and six APFs to be handled in 2022.

Advanced analytics

- We developed 121 projects, 40 of which were delivered.
- We benefitted 20 areas from our company.
- We reduced manual report preparation time by 430 man-hours.

Projects

- We developed 23 projects, 17 of which were delivered and six are pending for 2022.
- Two notable projects:
 - Mini DOC: Proof of concept of the Integrated Operations Centre of production processes. Technical validation of the remote operation of activities involving control and management of our production processes.
 - Environmental telemetry: Integration of monitoring solutions for weather, air quality and flow-rate measurement stations. Implementation of a component for advanced data analysis and activation of control plans. Ensures compliance with our EIS.

Achievements

- We prepared a Technology Master Plan (up to 2030) and the Las Bambas roadmap 2022-2024.
- We designed the strategy for transformation into a smart mine.





Below is a more detailed description of our main projects:

Project

Description and Benefits



DELIVERED PROJECTS

Tax document control	<ul style="list-style-type: none"> We gathered, validated, stored and retrieved supporting documents for control processes for tax purposes. We mitigated tax risk by collecting supporting documents for 90% of spend in the purchase register.
Workforce management	We implemented technological solutions for identification, training, control, personnel access and medical management processes.
Video management system upgrade	We increased the capacity of the video surveillance platform to 250 cameras. This boosted security of the interior and perimeter of the mine.
Payslip automation (Phase 2)	We digitalised payslips and implemented self-service solutions to issue payslips at the mine. We delivered approximately 900 digital payslips per month, and this helped to reduce process time by 40 man-hours per month.
Personal data protection	We updated documentation related to the databases declared before the Ministry of Justice and Human Rights to comply with the provisions mandated in Law 29733.
Control processes	<ul style="list-style-type: none"> We integrated technology solutions to expedite the ore control process. We eliminated manual error in the calculation of the reconciliation and stock balance. The reconciliation factor was reduced by at least 0.25%, equivalent to a reduction of US \$4.5 million compared to 2019.
OT governance framework (Phase 3)	We implemented an environmental management framework based on good practices of the Information Technology Infrastructure Library and associated disciplines.



**PROJECTS IN PROGRESS:
WE ARE IN THE PROCESS OF...**

Integration of OT networks	Redesigning the industrial networks to build a new highly available virtual infrastructure for operational solutions.
Strategic planning / AMT Asset management	<ul style="list-style-type: none"> Implementing the Asset Management Tool (AMT) information program for real-time correction of deviations from the annual maintenance budget. Reducing costs by approximately US \$1.4 million starting in 2022.
Smart detector of bucket tooth loss	<ul style="list-style-type: none"> Detecting the loss of teeth in shovels by implementing video analytics technology. Reducing unplanned shutdowns of the primary crusher by approximately 120 hours per year.
Clearances to work	Digitalising the hazard, risk and control identification (HIRAC) forms for heavy fleet operators.
Perimeter security technology	Implementing solutions to reduce the site invasion risk from very high to medium scale.
Automation of local purchasing process	<ul style="list-style-type: none"> Tracking and controlling the social contribution of our strategic partners using an information system. Automating and standardising the processes of request, assignment and delivery of services provided by community businesses. Reducing the time to generate the occupancy report from seven to two days.

 DIGITAL OPERATIONS CENTRE

In 2021 we implemented the Digital Operations Centre (DOC), which allows us to monitor and operate the mine from our office in Lima. This project comprises six fully equipped workstations with the capacity to operate on a 24/7 basis.

We used an evolutionary design that allows for incorporating more workstations into the model until we achieve our objective of an integrated and 100% remote operation. We anticipate great challenges in 2022 and intend to continue relying on this model for our operations.

In 2021 we conducted a pilot test that enabled us to validate technical operability related to this project. The identified benefits of the DOC include:

- Integration and collaboration between areas and suppliers
- Improved decision-making and greater clarity of responsibilities
- Increased safety and less risk exposure
- Having a powerful platform that fosters improvements
- Reinforcement of teamwork and integrated work
- Improvement in people's quality of life

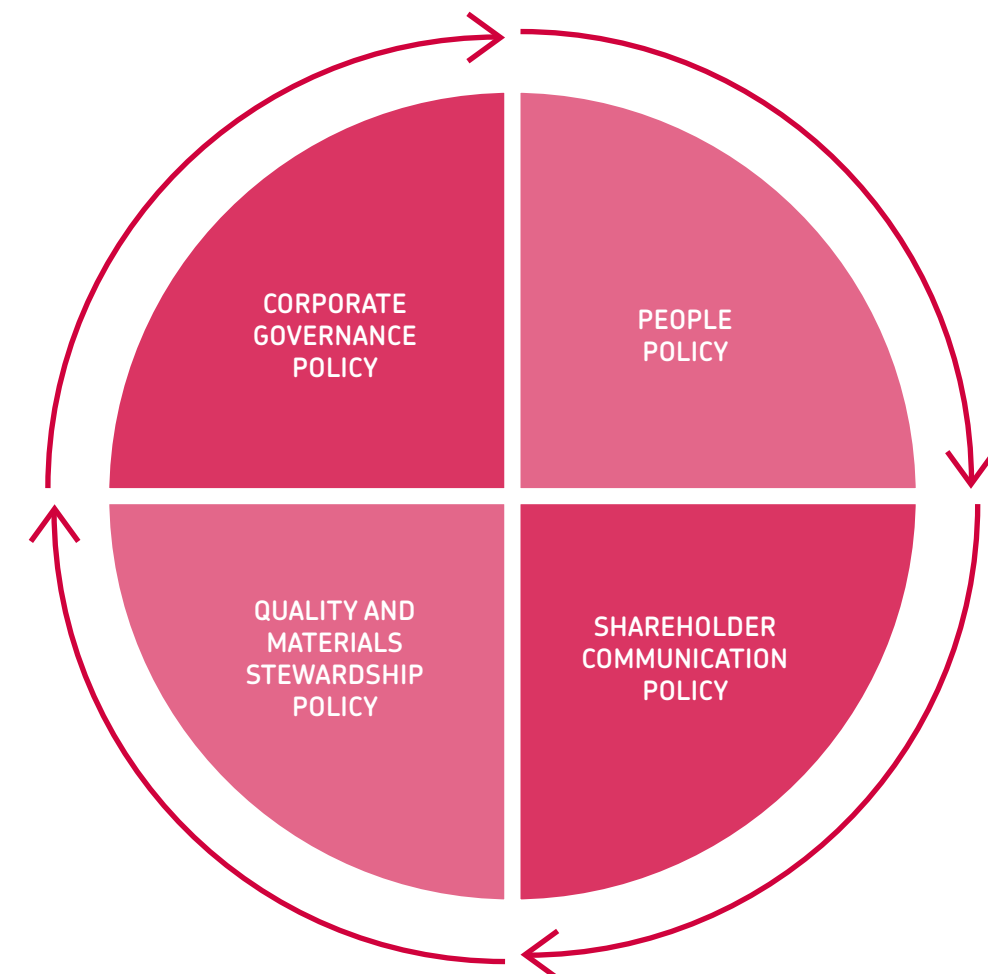
Finally, we never stop looking for improvement opportunities where technology can add more value to the business, such as using video analytics and automated field activities.



Sustainability Commitments

We have an ongoing commitment to building a company that contributes to sustainable development at the local, regional and national levels. Corporate sustainability is the approach that helps us to better direct our efforts to generate social value, ensure respect for the environment and promote corporate development and economic efficiency. This helps minimise negative impacts and maximise benefits.

We have a Safety, Protection, Health, Environment and Community Relations Policy that aligns with our commitment to ICMM's 10 Sustainable Development Principles. Our sustainability management also includes the following business policies:




Ethics and Compliance

We use our Code of Conduct to guide us in responding to potential ethical risks. It helps every employee, supplier and contractor who works with our company align their labour practice standards with ours, especially with regard to conflicts of interest, fraud, corruption and legal compliance. Our stance on business integrity also helps strengthen ties with our stakeholders.

In 2021 our Intervention Committee against Sexual Harassment achieved great progress, including the preparation of an organisational

diagnostic, the outcome of which was to develop a leadership workshop and internally provide awareness-raising training activities. Additionally, MMG published its second annual report as an active member of the VPSHR Initiative. The report refers to 2021 and was published in February 2022.



CONFIDENTIAL HOTLINE

We have an independent, confidential system for whistleblowing that is available to all MMG employees globally in their local language and enables them 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



AWARDS AND RECOGNITION

RANKED 3RD IN THE MINING SECTOR IN THE MERCO BUSINESS RANKING 2021 AND PLACED 68TH IN THE GENERAL RANKING.

RANKED 3RD IN THE MINING SECTOR IN THE MERCO TALENT RANKING 2021 AND PLACED 26TH IN THE GENERAL RANKING.

RANKED 6TH IN THE MINING SECTOR IN THE MERCO RESPONSIBILITY RANKING² AND PLACED 81ST IN THE GENERAL RANKING.

RANKED 1ST IN THE 24TH NATIONAL SAFETY CONTEST (OPEN PIT MINING CATEGORY), PRESENTED BY PERU'S MINING SAFETY INSTITUTE (ISEM).

RECOGNISED FOR OUR GOOD PRACTICE OF HANDLING QUESTIONS AND COMPLAINTS BY THE MINISTRY OF ENERGY AND MINES (MINEM) RESPONSIBLE BUSINESS CONDUCT PROGRAM.

² Ranking of the most socially responsible companies.

THE WAY WE WORK



We manage our business to achieve the greatest efficiency and impact possible.
 We take transparent actions aligned with our policies and values.
 We promote the strengthening of our human team to be a more productive, communicative and sustainable company.

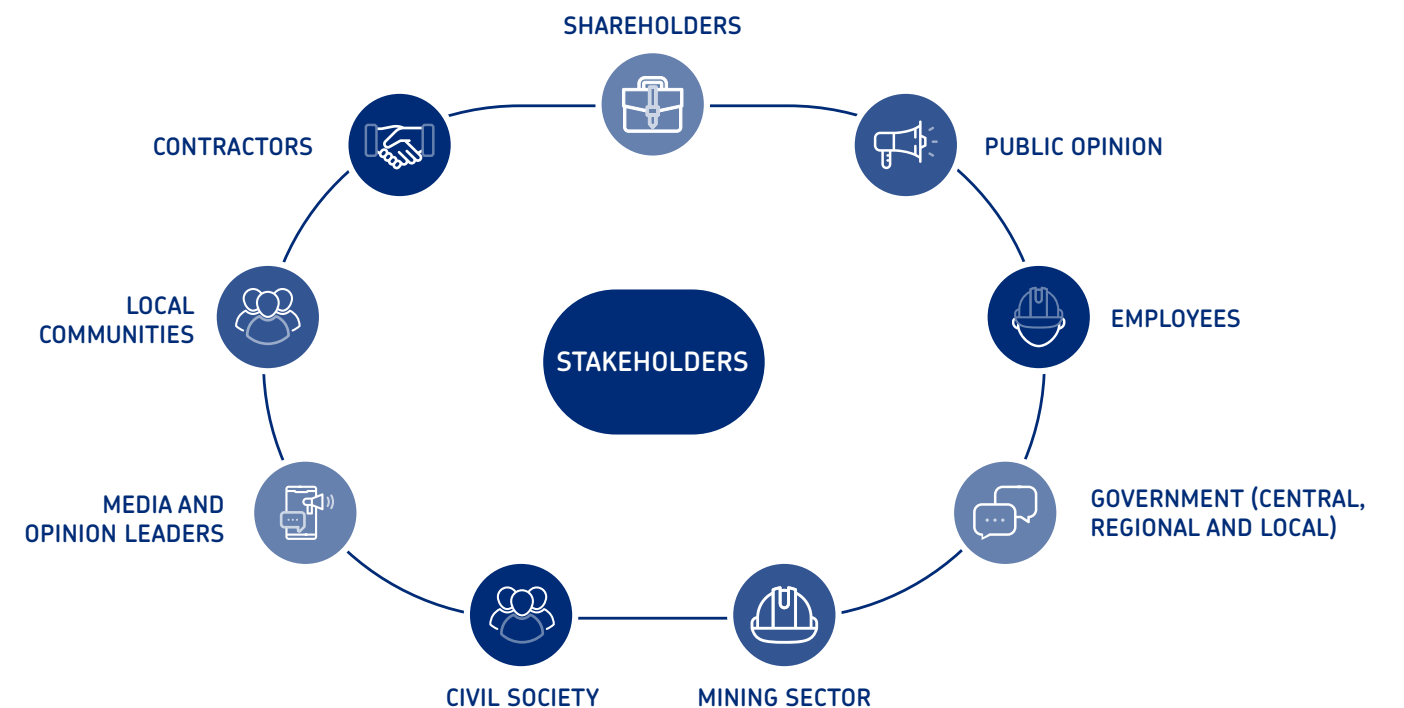
Dialogue with Stakeholders

We want our operations to create positive value for every stakeholder. We identify our stakeholders, build relationships with them and communicate through dialogue channels to build mutual trust and collaboration.

We strive to strengthen these important relationships to achieve long-term results for all parties involved. The main criteria in defining our stakeholders are the impact of our activities on that group and vice versa, and sharing a common vision for the development of our area of influence.

We recognise that strong engagement with each stakeholder is critical throughout the life cycle of our mining projects, from exploration to mine closure. Our business decisions incorporate the value we bring to local communities and the government (central, regional and local).

Our engagement approach is aligned with the ICMM's Mining Principles for Sustainable Development.





MEMBERSHIPS

International

- International Zinc Association
- Minerals Council of Australia
- Mining Progress Initiative of the Democratic Republic of the Congo
- Extractive Industries Transparency Initiative (EITI)

National

- National Society of Mining, Petroleum and Energy (SNMPE, in Spanish)
- Peruvian Copper Promotion Centre (PROCOBRE, in Spanish)
- Peruvian-Australian Chamber of Commerce
- Peruvian-Chinese Chamber of Commerce
- Apurímac Chamber of Commerce

Human Rights

We build engagement by promoting respect for human rights. We respect the customs and cultures of the communities from our area of influence, seek development opportunities for them, and promote equity among our employees, contractors and suppliers.

Our commitment to the support and protection of human rights prevents us from being complicit in any type of abuse. Our actions are aligned with the Guiding Principles on Business and Human Rights, the VPSHR and the U.N. 2030 Agenda for Sustainable Development.

Our Voluntary Principles and Human Rights Committee, composed of representatives of our company and our stakeholders, addresses matters such as:

- Labour relations
- Purchase of goods and services
- Engagement with communities from our area of influence and the government
- Social development
- Risk analysis
- Formal grievance methods
- All aspects of the business related to security and human rights matters

The Committee has been entrusted with achieving the convergence between our actions and the VPSHR guidelines. In 2021 we conducted a gap analysis and a risk analysis using the toolkit methodology for implementation of the VPSHR. This is the first time that our company is subject to a cross-functional risk analysis of this type.

Based on this analysis, we prepared a plan that led us to carry out the following actions:

- Identification of MMG's human rights standards and work quality requirements and their respective translation into Spanish
- Selection of a representative of the Regional Human Rights Work Group as the person responsible for reporting to our parent company, MMG
- Identification of eight company governance documents on human rights
- Identification of human rights operational risks (inappropriate management of the tailings storage facility, water management, loss of political and social licence, blockades of logistics routes and anti-corruption measures)
- Review of Memorandums of Understanding of our security providers to ensure the incorporation of the Voluntary Principles on Security and Human Rights

We also developed an equitable and timely system to answer questions and address complaints about our activities.



PROMOTION OF HUMAN RIGHTS

In 2021 we played an active role in training processes through the SNMPE's Human Rights Committee. As part of these initiatives, we conducted a course on human rights with 130 members and made various presentations on the importance of these matters in the mining sector.

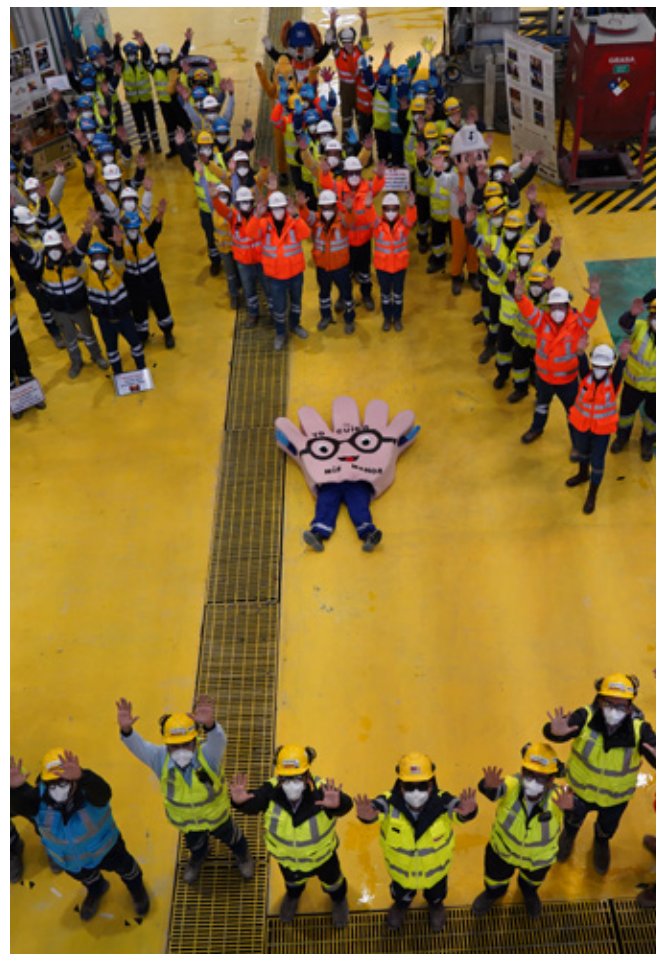
We met with representatives of the Ministry of Justice and Human Rights responsible for coordinating the National Human Rights Plan, and we established a partnership and joint courses of action for 2022.

Talent Management

Our people are critical to achieving our operational excellence. We work to create an optimal environment to mentor and boost our talent, based on our multiple guidelines.

MMG has implemented the People Standard, which governs matters related to our employees and their benefits worldwide. The standard is supported by work quality requirements, detailed systems and processes that ensure compliance with global standards and local requirements. It also addresses compensation, dismissals, working hours, recruitment and promotions.

In 2021 we achieved 67.5% satisfaction at the employee level. Our payroll included 2,673 people, and we created a total of 8,623 jobs (including direct and indirect jobs), 28% of which (2,384) come from Apurímac region. We recorded a total of 16,937,569 hours worked and an average turnover of 4.2% among employees.



Employment at Las Bambas in 2021

TYPE	MALE		FEMALE		TOTAL	
	No.	%	No.	%	No.	%
Direct	2,354	88.1	319	11.9	2,673	31
Indirect	5,195	87.3	755	12.7	5,950	69
Total	7,549	87.5	1,074	12.5	8,623	100

TRAINING AND DEVELOPMENT

We added value to our organisation by boosting the capacities of our employees and helping them improve their performance, productivity and engagement. Although the pandemic posed a challenge, we continued to develop various initiatives focussed on training and development.

In 2021 we implemented training programs to comply with environmental, occupational safety and health regulations, which totalled 122,702 hours (an average of 48 hours per employee). We also carried out voluntary participation programs to build technical competencies, management, leadership and soft skills, which totalled 2,690 hours. Other results worth highlighting include the following:



As part of the Annual Training Plan for all departments, **we delivered 847 certifications** to mobile hoisting and lifting equipment operators.



We implemented online courses through the **Success Factors** platform.



We used virtual reality to eliminate exposure risk in certifications for high-risk work (e.g., at heights, in confined spaces, energy isolation and lockout).



We implemented a program to teach Mandarin Chinese, and we continued with our English lessons and strengthening of Spanish language skills.



We included China sourcing in our induction and training process given the importance and benefits of our sourcing partnerships between China and Peru.



We managed our coaching and mentoring program and strengthened its content with talks from specialists in those areas.



We received 26 interns from Abancay, Cusco, Arequipa, Lima and other cities. We provided mentoring and the necessary training so they can become successful professionals and contribute to the development of our society.



LABOUR RELATIONS: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We have 1,106 unionised employees, who account for 41.4% of the total direct team of our company, in two unions. The Collective Agreement 2019 – 2022 was effective through 3 March 2022.

In 2021 we did not engage in significant negotiations for collective agreements, and we maintained only the agreed conditions. A new agreement was signed in September 2022 after a period of negotiations where we focused on promoting respect for labour rights, proactive dialogue and consensus for the sake of all parties.

DIVERSITY AND INCLUSION

The mining sector in our country is undergoing a transformation, not only at a technological level but also with respect to social issues such as gender inclusion and zero tolerance for workplace sexual harassment. We aim to be a diverse company that values all talent and believes in the inclusion and equity of all people, without distinction.



Our Diversity and Inclusion Committee, supported by the leaders of our organisation, follows six courses of action:

MAINSTREAMING OF THE DIVERSITY AND INCLUSION CULTURE

We launched numerous training activities for our employees to establish a diversity culture. Together with Aequales as a partner organisation, we developed the following thematic modules: the importance of equity; gender stereotypes and unconscious biases; inclusive and empathetic leadership; and family co-responsibility. For 2022 we plan to address the diversity issue with a gender-based approach and respect for the LGBTI community.

TRAINING OF AMBASSADORS

Throughout the year, several of our leaders served as diversity and inclusion ambassadors and represented us in organisations such as Women in Mining, the Peruvian Institute of Mining Engineers (IIMP, in Spanish), and the Peruvian Association of Human Resources (APERHU, in Spanish), among others.

REINFORCEMENT OF WOMEN'S REPRESENTATION IN THE ORGANISATION

We continue to work on greater inclusion of women in our organisation. Our contractors are our partners in that endeavour.

The percentage of women in our company has reached nearly 12% (319). Among our contractors, there is almost 13% (755) female representation. In the past three years, we recorded a considerable increase in the percentage of female new hires, from 12% (473) in 2019 to 22% (709) in 2021.

CREATION OF HARASSMENT-FREE SPACES

Our participation in the Harassment-free Spaces program was a significant milestone for our management in 2021. This initiative, promoted by the organisation Gender Lab with the support of the Inter-American Development Bank, analyses workplace sexual harassment through an information program that uses algorithms and artificial intelligence.

The assessment was conducted through a survey of 473 employees. The results we obtained were used to propose actions that included the following commitments made by our leaders:

- Reinforce the reporting channels and the knowledge about our internal policy on workplace sexual harassment issues.
- Build the capacities of key agents: Leaders, Intervention Committee against Sexual Harassment and Human Resources.
- Reduce tolerance for typical expressions of workplace sexual harassment. Develop the *No al Acoso* (No to Harassment) communications campaign, and provide training at all company levels.
- Strengthen senior leaders' commitment to this objective.

INCLUSION OF PEOPLE WITH DISABILITIES

We have committed to including people with disabilities in our workforce. In 2021 we shared our job postings through the Ministry of Labour and Employment Promotion, and we used our training activities to emphasise the importance of respect and instil values that contribute to having diverse teams.

Occupational Safety

Workplace safety in our operations is fundamental for each of our employees and strategic partners, and we want to eliminate any possibility of accidents or fatalities. We continuously strive to strengthen OSH actions.

Our Occupational Safety and Health Management System governs our performance in this area. This system meets Peruvian legal requirements; corporate requirements such as the Safe Task Management Standard, Fatal Risk Management Standards, and ISO 45001:2018 requirements; the ICMM's 10 Sustainable Development Principles; and the VPSHR. Due to the quality of our management, Las Bambas placed first in the Open Pit Mining category of the 24th National Mining Safety Contest evaluated by the Ministry of Energy and Mines, the IIMP, the SNMPE, the Peruvian Association of Professional Engineers, and Peru's Mining Safety Institute.

Meetings with our Safety team are extremely important to gather their input about potential risk identification, complaint management and proactive risk mitigation. The main labour safety initiatives we implemented in 2021 include:

- **Recognition program:** We recognised the safe behaviour and actions of our employees and strategic partners, at the individual and group level.
- **Safety culture program:** We assessed our safety culture based on the perceptions of our people with respect to our performance in this area. As a result of this process, we prepared a number of proposals and plans focussed on improving safety.

- **Field Task Observation (FTO) program:** We provided training to our employees in the safe performance of tasks. A group of leaders conducted the FTO, aimed at work teams and first-line supervisors, as part of field verification and coaching processes.

Safety Performance

Indicator	2020	2021
Total Recordable Injury Frequency	0.51	0.53
Total number of injuries	6	9
Fatalities*	0	0
Lost time injuries	1	8
Restricted work injuries	3	0
Medical treatment injuries	2	1
Total number of hours worked	11,765,072	16,967,689

*Employees (direct workers) only



Note: Our safety results were not affected by the traffic accident that occurred in August 2021, because our reported performance only includes direct employees.

Our safety and health management also involves contractors, and in 2021 we prepared a new procedure focussed on these important stakeholders.



SAFETY CULTURE EVALUATION

We conducted qualitative and quantitative assessments of our safety culture to boost our *We think safety first* value. The results were as follows:

- **Cooper method (quantitative):** Based on the results of a survey conducted with a representative sample of our employees, 55% were rated as average regarding their adherence to a safety culture.
- **Bradley method (qualitative):** We conducted focus groups, interviews and field verifications. The results revealed that 68% of the employees are at the dependent stage; i.e., their safety actions depend on third-party supervision; 27% were independent; and only 5% were interdependent, meaning they depend on each other as a team when it comes to safety.



FATAL MINIBUS ACCIDENT

On 27 August 2021, a minibus transporting contractor personnel assigned to our mining unit drove off the road. This tragic accident, which claimed the lives of 16 people and injured two, occurred in the Huallpachaca sector of the national public road, Cotabambas district and province (Apuímac region), approximately 117 kilometres from our operations.

We reported the accident to the appropriate labour and sector authorities by the deadline stipulated by current regulations. We immediately formed a multi-disciplinary investigation team that, based on the evidence found, determined the accident was caused by the driver's human error due to a distraction. That conclusion was corroborated by the safety video of the minibus involved in the accident.

In addition to counselling the affected families and investigating the exact circumstances of the accident, we focussed on strengthening corrective measures to prevent these types of events in the future. We are working on improving our drivers' capacity to identify potential hazards by conducting refresher training. We also implemented video monitoring and analytics, as well as measures to control loose items in the driver's cab.



We developed an Occupational Health Surveillance System with the following actions:

- Monitor the occupational health management of our strategic partners
- Audit occupational medical exams in standardised occupational clinics
- Deliver results of occupational medical fitness tests within 24 hours
- Prepare occupational health statistics for appropriate epidemiological surveillance
- Follow up on medical cases

We strengthened our occupational hygiene management by implementing the critical hygiene risk approach, by updating the hygiene risk baseline in our operations and preparing a hygiene risk matrix. We also improved our personal protective equipment (PPE) for people with jobs identified as critical.

Other initiatives implemented during the year include:

- **Anta Wasi Medical Centre:** We opened new areas that allow us to access medical services at our mining unit. We also have physicians and/or nurses trained to handle emergencies, whether or not they are related to work.
- **Assessments and monitoring:** We conducted 450 follow-up actions on occupational agents, which included the analysis of physical, chemical, biological, psycho-social and ergonomic risks.
- **Critical hygiene risks (CHRs):** We implemented a method to manage the treatment and control CHRs based on the CHR Management Procedure and the identification of the 10 main CHRs.
- **Air filtering:** We implemented a highly efficient filtering system to ensure good air quality in closed areas (buses, mining equipment cabs, control rooms, etc.), and for comfort in various spaces such as camps.
- **Contractor performance:** We reviewed the safety, health/hygiene and environment management plans of contractors to ensure proper occupational hygiene.

- **Annual medical exams:** These were conducted on our personnel at the Anta Wasi Medical Centre.
- **Management walk arounds:** Our managers carry out field activities once a week to interact with our employees and strategic partners – with the appropriate social distancing – to strengthen and convey leadership.

MENTAL HEALTH AND WELL-BEING

We know our employees spend a significant part of each day at work. This leads us to build work environments – in various forms – that promote their well-being, which is essential to maintaining good mental health.

The World Health Organisation indicates that the well-being of a person determines the extent to which they may be able to develop their capabilities, face the daily stresses of work and be productive.

Our employees have access to:

- Psychological support via phone or face-to-face at the mine
- A gym and sports courts where they can work out and are encouraged to take active breaks as a way to prevent musculoskeletal injuries
- Customised nutrition programs and promotion of physical activities overseen by specialists, to offer periodic follow-up with employees who struggle with obesity or healthy weight management
- Health and immunisation campaigns

LABOUR COMPLIANCE³

We are involved in proceedings with the National Superintendency of Labour Inspection (SUNAFIL) due to a workplace fatality that occurred on 2 October 2017. The institution initially imposed a fine on Las Bambas of approximately US \$207,000 claiming alleged occupational safety and health noncompliance⁴.

Occupational Health

We use the same guidelines for managing occupational safety as we do for occupational health (managing the health and hygiene of our employees and strategic partners). We have adopted a comprehensive preventive approach that involves an immediate response to any event that affects the physical or mental health of our people.

In 2021 we monitored and managed various existing occupational risks.

³ In addition to the proceedings with SUNAFIL, we are involved in judicial proceedings with the Supervisory Body for Investment in Energy and Mining over a fine it imposed on us due to alleged noncompliance with mining safety regulations.

⁴ In recent years, we have filed appeals for annulment against SUNAFIL because we think that its imputations are not duly supported. Since that institution confirmed the fine that was originally imposed, in January 2022, we filed a contentious-administrative lawsuit against the entity in July 2022.

To us, mental health is a very important part of life. The pandemic created a number of potential risks to the mental health of our employees. Faced with this challenge, we implemented the L-Mental Program, which includes the following actions:

- **L-Mental guide to emotions:** We prepared a guide on how to properly handle and control emotions during COVID-19, to prevent problems and promote the mental health of our employees.
- **Family mental health:** We presented workshops on assertive and effective communication among family members, mainly aimed at employees who tested positive for COVID-19.
- **Psycho-social risk monitoring:** We identified psycho-social risks, managed the elimination of potential risks and evaluated the adoption of timely preventive measures.
- **Mental health after being diagnosed with COVID-19:** Through our psychology staff, we provided support to employees who tested positive for COVID-19, and to those who had to quarantine.
- **L-Mental Health Week:** We will observe this special week on an annual basis, to create better awareness of physical and mental health among our employees. We feature various activities that challenge mental capacity and promote relaxation. We also conduct team-building workshops, mental agility activities, challenges, etc.

MANAGEMENT OF COVID-19

Our comprehensive approach to managing the challenges imposed by the COVID-19 pandemic revolves around a course of action that involves working directly with employees and contractors to maintain a healthy and safe work environment.

Our Occupational Safety and Health Management System implemented the following guidelines to prevent infections or more harmful situations:



HEALTH ASSESSMENT AND SURVEILLANCE

Actions performed to identify COVID-19 cases prior to entering the facilities:

- Identification of infection risk based on type of job
- Symptom disclosure form at APP Salud (www.saludlb.pe).
- Assessment of symptoms
- Rapid antigen tests
- Return to home assessment

COLLECTIVE AND INDIVIDUAL MEASURES

Strict measures at our facilities to mitigate the risk of infection:

- Social distancing in camps, offices, transport and common areas
- Daily delivery of face masks and alcohol. Hand-washing reminders.
- Strategic placement of signage focussed on COVID-19 prevention
- Accommodations limited to one person per bedroom in camps

We built on these courses of action to prepare specific work plans:

- **Temporary isolation area:** We designed areas to separate the employees who tested negative from those who showed respiratory or other COVID-19-related symptoms. Our mining unit has 60 bedrooms, and Challhuahuacho has 10 bedrooms.
- **Immunisation campaigns:** Together with the Apurímac – Challhuahuacho Regional Health Bureau, we administered 5,195 doses of vaccine to employees and strategic partners at our facilities. We promoted immunisation messages through posters and emails, among other channels.

- **Remote healthcare:** We provided virtual visits, follow-up and monitoring services to our employees.
- **Scheduling system:** We designed a web platform to schedule COVID-19 tests and access results, and follow up on and monitor employee health status.

Our most impressive achievements include the implementation of 94 health facilities with the best capabilities to treat COVID-19 cases. We simultaneously increased the volume of medicinal oxygen available to 566 cubic metres for the daily treatment of patients who suffered from this disease.



WE MINE FOR PROGRESS



Our motto, We Mine for Progress, implies that we contribute to human development. We create direct and indirect opportunities to contribute to the development of the region and the country, placing special emphasis on our local stakeholders. Our actions are based on respectful and proactive engagement that benefits all parties and results in improvements in people's quality of life.

Our economic results always lead to progress for the local communities with whom we engage. In 2021 this benefit was affected by the social situation our operations faced, which included being interrupted for 106 days; however, due to prior identification of this risk, we were prepared to manage its impact. This is something we take pride in, especially due to the challenges in the social climate.

Engagement Approach

Our area of influence covers four provinces, 14 districts, and more than 80 communities and towns. In 2021 our community engagement team used the following tools as the framework for its activities: the 10-year Integrated Site Strategy and the Social Management Master Plan, which were adapted at the beginning of the year due to the second wave of COVID-19 in our country. Given the socio-political situation, we intensified our engagement actions and decided to aim them at building trust, always prioritising dialogue and respect among the parties.

Our strategy considers that social agents are development agents; i.e., the beneficiaries themselves become the protagonists of the sustainable future of their communities. We think this is a responsible approach for the future, as it places us as partners and breaks away from paternalistic relationships.

Direct Economic Impact (in US \$ millions)

INDICATOR	2020	2021
Investments in construction and development	205.3	225.4*
Total salaries paid	117.6	128.4
Domestic and international purchases	1,262.8	1,320.9
Taxes and other payments to the government	193.3	247.7
Social investment**	20.1	31.5

*This figure refers to sustaining capital expenditure (CAPEX); total CAPEX amounts to US \$452 million.
 **Does not include compensation.

Three principles are the pillars of our engagement:



Transparent and inclusive communication

A broad, inclusive invitation to the largest number of social agents in a territory.



Leverage

Each agent contributes its own resources (time, work, capital, land, etc.).



Co-responsibility

Each agent takes on a key role.

The application of these principles has allowed us to have continuity in the dialogue forums with the communities, and in those promoted by the government, where we actively participated every time we were invited.

Other key aspects of our engagement included respect for the commitments we have undertaken, implementation of social development projects and strategic initiatives, and promotion of local culture through communication and participation in community festivals and cultural activities.

Social Investment

In 2021 we invested more than US \$31.5 million in the development of communities from our area of influence. The chart below outlines our areas of work and the main achievements throughout the year:

EDUCATION

OBJECTIVE: Help to improve the quality of the service provided by schools.

- We implemented the Las Bambas Educational Resources Program (PREB) and digital education initiatives, to benefit more than 1,500 compulsory education students.
- We provided training to more than 540 compulsory education teachers.
- We offered summer school courses to more than 480 compulsory education students.
- We delivered higher education scholarships to 119 youths.
- We saw 19 students who benefitted from our scholarships complete their higher education in 2021.
- We delivered 172 digital tablets to students at the Wichaypampa School in Challhuahuacho.
- We trained 140 students at the Challhuahuacho Public Higher Technological Institute.
- We implemented a literacy program that benefitted 120 adults.



HEALTH

OBJECTIVE: Help to improve the health and nutrition of families, placing special emphasis on reducing chronic malnutrition and childhood anaemia.

- We developed the COVID-19 Plan that benefitted more than 120,000 families. As part of the plan, we delivered biosafety equipment and supplies and implemented biosafety protocols in Challhuahuacho, worth more than US \$1.8 million.
- We developed community health campaigns that benefitted more than 1,860 families. The Fuerabamba Health Centre provided services to more than 500 families from that community.
- We provided support to the Qali Warma National Program, benefitting 683 students. This is an important contribution to fighting chronic childhood malnutrition, which has been reduced since 2016.

AGRICULTURAL AND LIVESTOCK FARMING AND FORESTRY DEVELOPMENT

OBJECTIVE: Contribute to agricultural and livestock farming development, food security and improved family income.

- We implemented a household farming program with the participation of 1,630 families engaged in growing Andean crops, vegetables, etc.
- We supported cattle-raising activity by delivering pastures and implementing animal health and genetics initiatives that benefitted 1,049 families. We also implemented a guinea pig and hen breeding project that benefitted 290 families.
- We provided support to the Yavi Yavi agricultural and livestock farming property with the participation of 250 families.
- We employed workers for the equivalent of 6,534 days to install tree nurseries.

LOCAL ENTREPRENEURS

OBJECTIVE: Help to strengthen the development strategy and model for local businesses.

- We provided technical assistance and helped 150 businesses learn how to implement health protocols.
- We opened a business development centre with the participation of 40 businesses.
- We facilitated business connections that benefitted 10 companies from Chalcobamba.
- Together with 15 businesses, we proposed a new concentrate transport model to benefit operations.

INFRASTRUCTURE

OBJECTIVE: Increase access to quality infrastructure for economic, human and social development.







- We conducted water project studies that will benefit more than 8,000 people and a sanitation project that will benefit 6,000 people.
- We implemented health, educational, production and recreational infrastructure that benefitted more than 12,000 people.
- We hired local labour to open country roads, for the equivalent of 12,500 workdays.

CONTRIBUTION TO THE U.N. SUSTAINABLE DEVELOPMENT GOALS

Our investment actions to create social value are aligned with the U.N. 2030 Agenda for Sustainable Development and its SDGs, as this is the standard framework for all public and private organisations globally. We identified six SDGs that have a direct impact on our local stakeholders.

2021 presented the opportunity to increase by 57% our investment in achieving compliance with the six highest-priority SDGs, compared to the prior year. The chart below outlines our social investment performance in accordance with the SDGs, prioritised by our business management:

Social investment related to the SDGs (in US \$)

SDG	2020	2021
 1 NO POVERTY	7,178,743	19,366,522
 2 ZERO HUNGER	2,722,216	2,903,724
 3 GOOD HEALTH AND WELL-BEING	2,793,808	4,640,652
 4 QUALITY EDUCATION	3,396,770	4,019,121
 5 GENDER EQUALITY	820,687	83,105
 6 CLEAN WATER AND SANITATION	3,226,215	533,710
Total	20,138,439	31,546,834

SUCCESS CASE

Agricultural mechanisation

Agricultural and livestock farming activity faces several challenges in our area of influence given the lack of technology; low yield of crops, resulting in low profitability; and low income for producer families. To face those challenges, we promoted mechanisation, which increases the yield of crops and, consequently, the income and quality of life of families. Our strategy also included the delivery of equipment and products as detailed below:

 **12**
fully equipped
agricultural tractors

 **132**
pieces of agricultural equipment
(harvesters, chippers, weed eaters,
farming implements, etc.)

 **186**
tonnes of certified native potato
and forage oats seeds to 29 communities, to
drive production of crops



SUCCESS CASES

Local school development

We are financing the reconstruction of the largest secondary school in Mara district, Cotabambas province, Apurímac region. We invested US \$3.3 million in this work, which will benefit 276 students. The project includes the construction and equipping of 11 classrooms, three laboratories, one library, one sports facility and 15 bathrooms and dressing rooms. The initiative will be developed for 14 months and is part of a group of projects implemented under the WxT method. We are proud to work shoulder to shoulder with our community on this vital infrastructure that will help its development.

Leveraging public funds in the Choquecca Antio community

To increase the competitiveness of small- and medium-sized agricultural producers, we fostered the creation of partnerships, efficient management and adoption of technology through the delivery of nonreimbursable resources. Our strategy involved the following actions:

- Leveraging public funds and delivery of economic contributions. In 2021 we invested US \$171,902 with the support of Agroideas and the Puririy Wiñaypaq Guinea Pig Breeders Association. We financed 50% of the expenses of that association. This investment aligned with the Technology Adoption Business Plan.

Digital education in Apurímac

Ensuring the continuity of quality education during the pandemic has been a challenge in various parts of our areas of influence. To face this problem, we used the guidelines and recommendations of the Ministry of Education, and this helped us to validate our strategy as an innovation benchmark in Apurímac region. We took the following actions:



Implementation of

3

select digital schools focussed on providing an intercultural and territorial approach and aimed at sustainable development, competency building and digital culture.



Establishment of PREBs in 17 communities from our area of direct influence (ADI), to serve

1,506
students.



Blended and face-to-face teaching services for

744

students from select schools.



Training of

50

teachers and headmasters from select schools in digital competencies, socio-emotional training and curriculum management.

FIGHT AGAINST COVID-19

We focussed on supporting the health strategy of regional and local governments in Apurímac and Cusco, and we helped to reinforce food security among families. We worked on the following courses of action:



AREA 1: BUILDING REGIONAL AND LOCAL CAPACITIES AGAINST COVID-19

- We conducted COVID-19 prevention campaigns with messages to approximately 187,000 people in 12 districts. The messages were communicated in Spanish and Quechua.
- We trained 194 health promoters, each one representing a community. We worked on the implementation of a community public health surveillance program for the early detection of cases.
- We donated two medicinal oxygen plants in Tambobamba and Abancay with a daily capacity of 86.5 cubic metres and 480 cubic metres, respectively. The donation represented a 122% increase in daily volume of oxygen, from 463 to 566 cubic metres, and we ensured the availability of this resource for anyone who required it. We also provided ongoing maintenance to three medicinal oxygen plants (Tambobamba Hospital, Abancay Hospital and Challhuahuacho Health Centre), to ensure the appropriate treatment of critical patients.
- We delivered one type II rural ambulance to the Apurímac Regional Health Bureau.
- We delivered equipment to the Challhuahuacho Provisional Care Centre. We also delivered prevention and hygiene supplies to six police stations in Tambobamba and Velille.
- We reinforced the service capacity of the Challhuahuacho Health Centre by hiring 15 health professionals in June and December.
- We distributed 5,000 baskets containing basic goods.



AREA 2: CAPACITY-BUILDING OF LOCAL BUSINESSES TO ADAPT TO NEW BIOSAFETY PROTOCOLS

- We developed eight biosafety protocols together with our partners.
- The Challhuahuacho Business Development Centre created a social distancing solution by convening a virtual business workshop attended by 76 local businesses.
- We trained 660 owners and employees of local businesses in biosafety protocols.
- We approved 354 local businesses that complied with the protocols established against COVID-19. This allowed them to provide services to our company and contractors.
- We applied COVID-19 screening tests to 17,780 employees of local businesses.
- We provided the necessary care to 400 contractors at our temporary Care Centre that treats COVID-19 cases.



AREA 3: STRENGTHENING OF LOGISTICS CAPACITY FOR REGIONAL IMMUNISATION

- We delivered vaccine preservation equipment to 70 health facilities.
- We provided support in the coordination of 112 *vacunatonos* (immunisation campaigns) and 663 mobile immunisation brigades in 12 districts of Abancay, Andahuaylas and Cotabambas.

Consultation and Complaint Management

Our consultation and complaint management covers more than 80 farming communities, 19 districts and six provinces of Apurímac and Cusco, and includes the activities carried out by the company and our contractors.

One of the most effective and purposeful communication channels is the filing of consultations and complaints, and we have established Permanent Information Offices (PIOs) available to the communities from our area of influence. Those offices are located in Abancay, Challhuahuacho and Tambobamba. We also have three information offices in Ccapacmarca, Velille and Espinar. In 2021 we resumed face-to-face service at the Challhuahuacho and Tambobamba PIOs.

This year we received a total of 186 new cases related to local suppliers (70%), damages to private property (23%), local employment (5%) and socio-environmental issues (2%). If we include the consultations and complaints that are still pending resolution, we managed a total of 238 cases, 130 from 2021 and 108 from previous years. The following table shows the increase in efficiency of our management from 2020 to 2021:

Consultations and Complaints

CATEGORY	2020	2021
Submitted	170	186
Resolved	68	130
In process of resolution	102	56

Note: This includes cases filed in 2021, not those from the prior years.

There are 69 cases in process of resolution (including those of previous years related to the following topics: damages to private property (64%), local suppliers (30%), local employment (3%) and socio-environmental issues (3%).

In 2021 our average period for case resolution was 76 days, an improvement compared to 158 days recorded in previous years. This improvement in our management led the MINEM to highlight our handling system through its Recognition Program of Responsible Business Conduct. That recognition positions our consultation and complaint management as a good practice in all business sectors.

We foresaw the need to strengthen communication and implementation of the handling procedure that was updated in mid-2021, acknowledging more involvement from the areas responsible for resolving cases.

WORKS IN EXCHANGE FOR TAXES (WXT)

The implementation of WxT is another method of great importance for our social impact. This is an opportunity to join the implementation of priority infrastructure works in various parts of our area of influence. This innovative method promotes a partnership between the private and public sectors to reduce infrastructure and capacity gaps.

Despite the health and political context in the country, we have continued to contribute under the WxT method. In 2021 we invested a total of US \$3.29 million in this category. We rank among the companies with the highest investment figures in recent years.

Suppliers and Supply Chain

Our operations benefit from the actions of our suppliers of goods and services, which comply with our standards and good practice guidelines. We mainly require support services to mining, energy, logistics and activities associated with fixed and mobile plant assets.

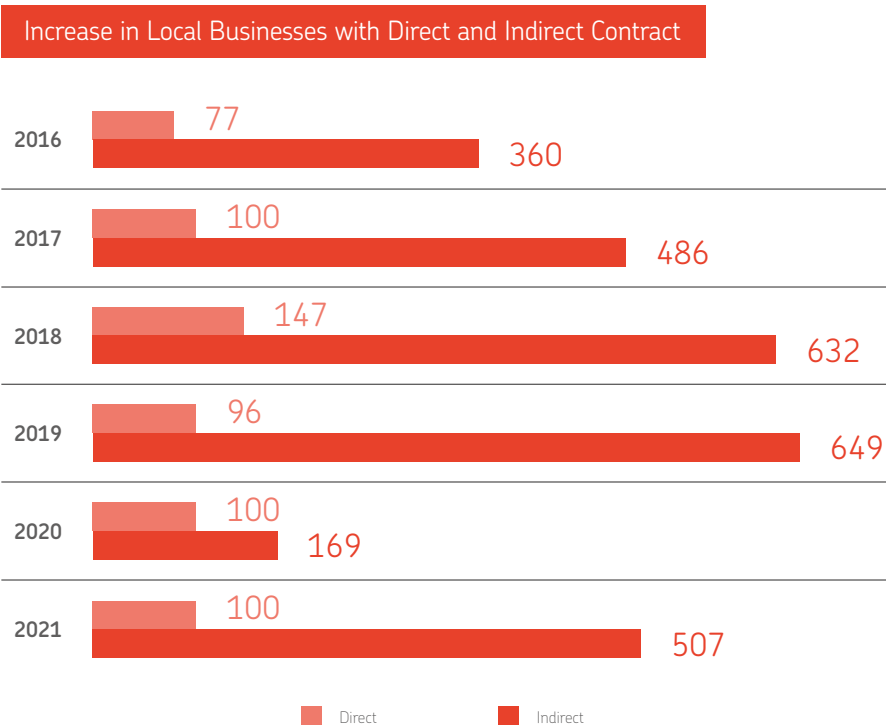
In 2021 we recorded a 74.5% increase in our local purchases in Cotabambas and Cusco compared to 2020, and reported US \$80.1 million in purchases from international companies.

Purchases in Peru (in US \$ millions)

CATEGORY	2020	2021
Cotabambas and Grau (local/district)	36.1	62.9
Apurímac and Cusco (regional)	28.1	83.7
Peru (national)	1,120.9	1,174.3
Total (including international purchases)	1,185.1	1,320.9



Another key aspect of our local economic impact is contracting with businesses that provide direct and indirect services. The graph below shows an increase in the number of local businesses contracted since 2020. We contracted with 100 local businesses that provide direct services such as maintenance, construction, road watering, civil services and works; and with 507 other local businesses that provide hospitality, catering, laundry and personnel transport services.



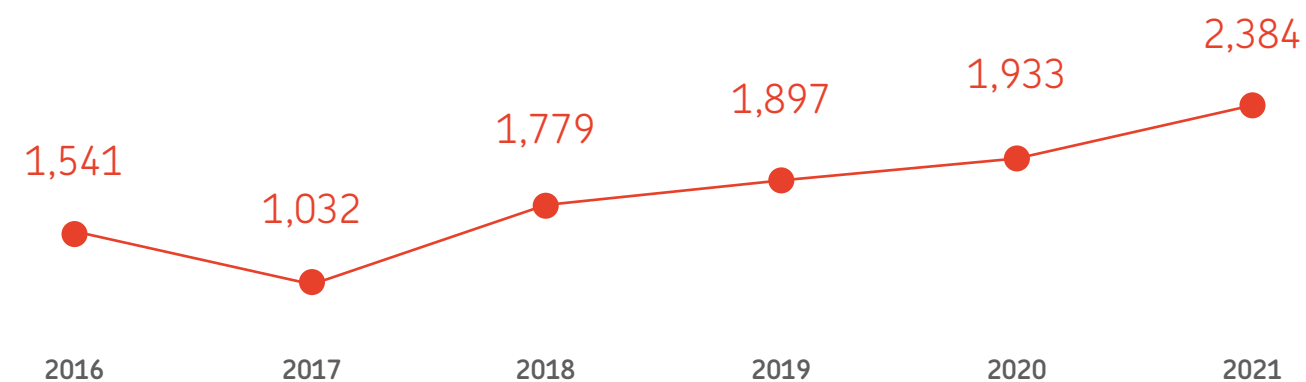
Local Employment

Part of our economic impact at the local and regional level lies in the creation of direct and indirect jobs for people who come from the southern macro region, with particular emphasis on Apurímac region.

In 2021 we employed 2,494 direct and indirect local people⁵ from this area. There are 2,384 employees from Apurímac region, accounting for 28% of our total workforce. Women accounted for 26% of the workforce from the macro region and from Apurímac.

The largest number of direct and indirect employees are from Cotabambas, Abancay and Andahuaylas provinces of Apurímac region. The graph below shows the trend for Apurímac region in recent years, noting very important progress in 2021.

Direct and Indirect Local Jobs in Apurímac



Among the local employment initiatives taken, the mining truck driver training program is noteworthy. The purpose of the program is to incorporate local personnel in various positions in our operations. A total of 65 people from Fuerabamba and Huancuire communities participated in the training activities provided in 2021. Fifty-five of the total participants passed the theoretical and practical tests.

⁵ Apurímac, Cusco and areas of the Heavy Haul Road (HHR) Project. There are 120 employees from the latter two.

CHALLENGES IN CONTINUITY OF OPERATIONS

Our contribution to Apurímac region and Peru has been clearly evidenced in recent years. In 2016 the commencement of our operations increased Apurímac's GDP by 141%, and currently, the Apurímac region ranks among the eight regions nationwide with the highest GDP per capita, above US \$3,781 per year, and among the four regions with the highest public budget per capita, exceeding US \$1,256.

From 2016 to the publication of this report, we have paid more than US \$450 million for royalties. In 2021, we also paid mining canon for the first time (50% of income tax, according to Peruvian regulations). The income tax we paid for 2021 was US \$170 million. As a result, the Apurímac region received more than US \$85 million from mining canon in 2022. Given the magnitude of our contribution, these royalties not only benefit the region as a whole, but also its 84 municipalities and the two public universities that operate in Abancay and Andahuaylas.

During the second half of 2021 and the first half of 2022, there was a growing climate of unrest in the Southern Road Corridor and the communities near our operations. This situation is not unrelated to the reality of the country where, according to the Report on Social Conflicts of the Ombudsman's Office,⁶ in 2022, 65.9% of the 132 socio-environmental conflicts reported in the country are related to the mining sector. As in Apurímac region, mining has been a partner of development and economic growth across the country; nevertheless, conflicts around mining have increased in the past two years.

2021 and 2022 Conflicts

Between 2016 and the publication of this report, our company accumulated more than 400 days of inability to transport concentrate to the Port of Matarani in Arequipa region due to various blockades on the public road and other social conflicts. These disagreements centre on benefit sharing, local business and employment opportunities, and compensation issues. We are committed to finding enduring and peaceful solutions but acknowledge that we can't do this without the ongoing and proactive support of regional and national governments.

In 2021 representatives of communities located along the public road used to transport our concentrate staged various protest actions to force the Peruvian government to listen to their demands. Those actions resulted in more than 100 days of blockades that prevented the transport of concentrate, supplies and personnel. The protests resulted in the interruption of our operations, due to restricted entry and exit. Our primary objective was to ensure the safety of our employees. Finally, in December 2021, representatives of the government and our company were able to steer the dialogue with the communities, and in January 2022 we reached important agreements, such as contracting the transport of concentrate and rental of light trucks with community businesses.

⁶ Source: REPORT ON SOCIAL CONFLICTS No. 218 (April 2022). Ombudsman's Office. <https://www.defensoria.gob.pe/wp-content/uploads/2022/05/Reporte-Mensual-de-Conflictos-Sociales-n.218-2022-abril-2022.pdf>



However, in January and February 2022, four communities from Ccapacmarca district (Sayhua, Ccapacmarca, Huascabamba and Tahuay) blocked the Southern Road Corridor at two points. Those communities withdrew from the dialogue process set up with the government and other communities from our area of influence. In this situation, we have maintained our conviction that we will reach agreements with the communities and the Peruvian government in a respectful and constructive way.

Our operations have been interrupted for more than 50 days in the first half of 2022 because trespassers from the Fuerabamba and Huancuire communities invaded our property. In April 2022, about 500 people from the aforementioned communities invaded areas near the mining operations in Challhuahuacho district, and the Chalcobamba project, located in Coyllurqui district, Cotabambas province, in Apurímac region.

As usual in our operations, the health, safety and protection of our employees, contractors and community residents was our first priority at the time of the invasion, and this led us

to suspend our copper production activities to protect their physical integrity. We tried to establish a constructive dialogue with the trespassers so they safely leave our property. Huancuire community residents could not be removed and are still within our facilities in the area of the Chalcobamba deposit.

We were able to resume our operations in June 2022, thanks to the support of the Peruvian government, which promoted dialogue forums with the involved communities.

All the actions we performed and will continue to perform are governed by our commitment to the VPSHR. Below is a thorough description of the dialogue forums we tried to establish with the involved communities that invaded our private property. This description covers the information on these events up to publication of this sustainability report.

Dialogue Forums with the Huancuire and Fuerabamba Communities

- **Huancuire community:** In March 2022 the MINEM approved the Authorisation for the Commencement of Activities for the Chalcobamba project. The corresponding resolution included the unwillingness of the Huancuire community to exercise its right to prior consultation in July 2021, despite the repeated requests and invitations to obtain its participation in various stages of the process and to receive related information. The MINEM considered that the prior consultation process had ended in July 2021, but not without first issuing protection measures to ensure its collective rights.

In the second half of 2021 a dialogue table enabled us to reach an agreement with the community to progressively resume work and resolve 11 items on its list of demands. By the end of 2021 we were able to resume activities in Chalcobamba with community businesses and close two agenda items. Unfortunately, despite our efforts, on 14 April 2022, a group of approximately 150 Huancuire community residents took advantage of Fuerabamba's invasion and invaded the Chalcobamba project. This forced us to exercise our legitimate right to extrajudicial possessory defence on 27 April within the legal deadline (15 days), and the Fuerabamba invaders were removed. Unfortunately,

the invaders damaged our equipment and facilities, claiming that the MINEM did not carry out the prior consultation process for the commencement of activities in the Chalcobamba pit. The Huancuire community has not abandoned its invasion so far and has not allowed us to progress with the review of the commitments.

- **Fuerabamba community:** From 2019 to date, we have maintained an active dialogue table with the Fuerabamba community. The Prime Minister's Office (PCM) and the MINEM participate in this table as guarantors that we will comply with our commitments. In February 2022 we participated in meetings with community leaders to schedule compliance with company commitments for the year and to establish the corresponding schedule. Unfortunately, it was not possible to reach an agreement on scheduling. In April 2022 150 Fuerabamba community residents invaded our operations, claiming an alleged breach of commitments, and we were forced to temporarily stop operations as of 20 April 2022. On the same day of the events, the MINEM visited the site and proposed the creation of a commission that reviews the status of our compliance with commitments, but this initiative was rejected by the community. In May 2022 a new government commission travelled to the area to re-establish dialogue. The communities rejected the proposal once again and are not evidencing any willingness to end the invasion. Although we firmly reject the illegal coercive measures adopted by the community, we confirm our willingness to jointly, respectfully and transparently build a vision of development for the region.

Thanks to the decisive action of the Peruvian government, in June 2022 it was possible to re-establish dialogue with the Fuerabamba, Huancuire, Choaquere, Chila, Pumamarca and Chuicuni communities. To that end, the executive branch designated a high-level ministerial commission composed of the ministers of Energy and Mines, Justice and Human Rights, Foreign Trade and Tourism, Transport and Communications, the Environment, and Women and Vulnerable Populations, accompanied by the Social Management and Dialogue Secretariat of the PCM.

Other participants in the commission included neutral institutions such as the Peruvian Episcopal Conference and the Ombudsman's Office.

This dialogue process began within the 30-day truce that started on 15 June 2022. During that truce, the communities committed to end all the forceful measures, and the Peruvian government committed to derogate the State of Emergency ordered in the area and set up a dialogue forum called Commitment Compliance and Monitoring Table. As of publication of this report, we have resumed our operations, and 53 meetings have been held, where 187 commitments accounting for 45% of the commitments maintained with these six communities have been reviewed or are in the process of being reviewed.

We are committed to forming strong partnerships with our communities and recognise that we will need to achieve a step change in how we manage social performance and stakeholder engagement at Las Bambas. This means moving from a state of frequent conflict to a more sustainable partnership model based on shared goals. To achieve this, we have established a team of internal and external experts from Peru and MMG's Head Office.

Since June 2022 we have continued to engage in ongoing dialogue with communities to review existing commitments transparently and comprehensively. These dialogue tables are continuing, and we will provide further updates when the process is complete.



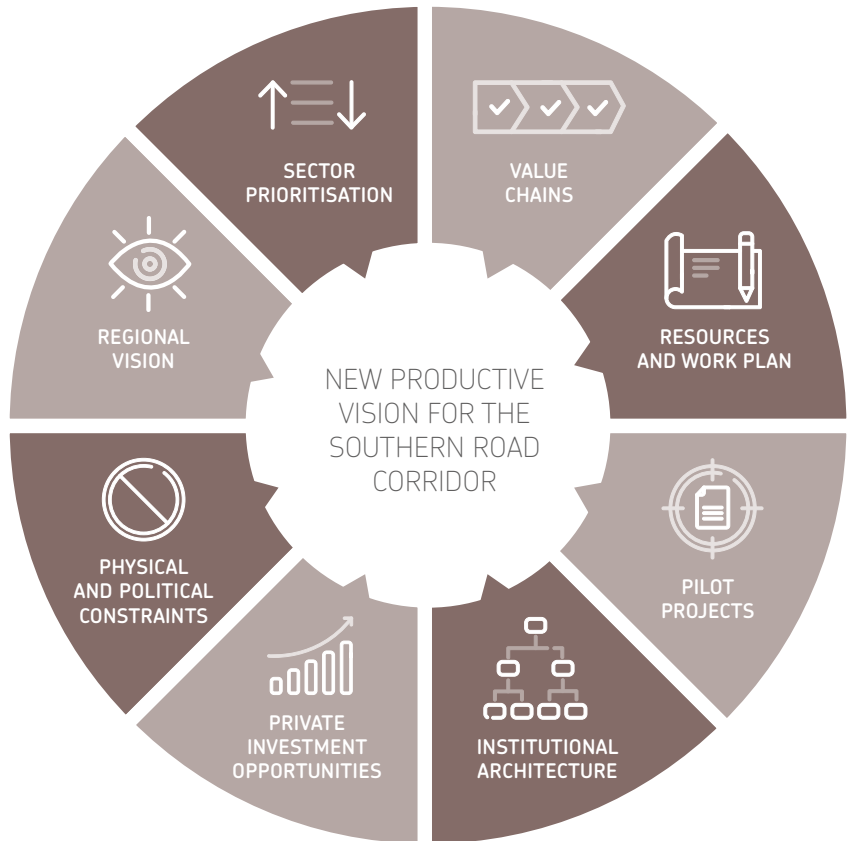
Social Investment in the Southern Road Corridor

In 2021 we prepared a study focussed on the socioeconomic development of the communities located along the Southern Road Corridor (Apuřimac and Cusco), the route used by the trucks that transport our copper concentrate. The study includes a baseline, economic diagnostic, analysis of prioritised value

chains, and the establishment of a new vision of regional integration.

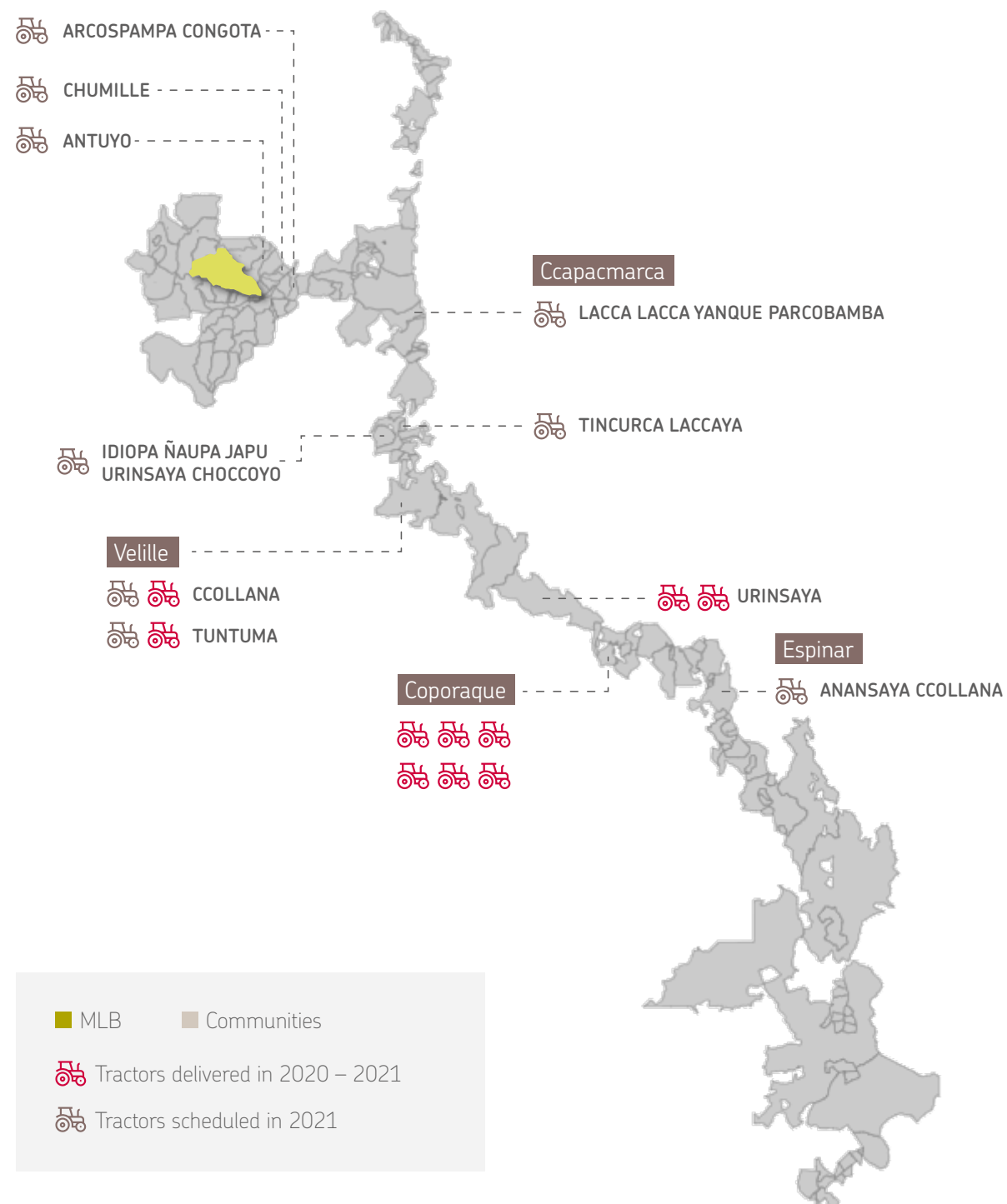
The figure below shows the synthesis of our contribution to the comprehensive development of the local communities located along this road.

Productive Vision for the Southern Road Corridor



We want our social management to promote development of the communities located along the Southern Road Corridor. We have invested US \$42.8 million between 2012 and 2021.

In 2021 we managed and scheduled the delivery of tractors to 11 local communities. The areas that received higher investments included: infrastructure, environmental management, local economy, culture, capacity building, health, education, consultation, local employment and nutrition.



■ MLB ■ Communities

🚛 Tractors delivered in 2020 – 2021

🚛 Tractors scheduled in 2021

Social Investment in the Southern Road Corridor (in US \$ millions)

2012	3.5
2013	3.4
2014	1.6
2015	1.4
2016	1.6
2017	2.5
2018	4.2
2019	9.2
2020	11.8
2021	3.6

We work in close coordination with regional government, municipalities and institutions. The main initiatives include:

- **Protection of livelihoods – livestock capital of high Andean towns:** We carried out this project with participation of the Challhuahuacho, Mara, Coyllurqui and Tambobamba municipalities. We purchased veterinarian products for the dosing and protection of livestock. We invested US \$54,536.31 to benefit 13,500 bovines, 221,000 sheep and 646 South American camelids.
- **Improving farmers markets:** We provided the markets with tents, hand wash modules, thermometers, waste baskets, disinfectants, etc. We benefitted 120 small producers of the region per each of the 24 events carried out in the year. Our investment totalled US \$6,785.62.
- **Bicentennial tambos:** We implemented early childhood development modules, agricultural and livestock farming modules, and information equipment in three *tambos* in Cotabambas province (Chocollo, Itaña and Yuricancha). Our investment totalled US \$41,710.
- **Youth employment regional plan:** We financed the hiring of an employment consultant to help the Regional Work Bureau carry out this plan. Our investment totalled US \$11,810.

- **Program for technical collaboration with and capacity building of local governments for territorial development:** We worked with 11 municipalities to implement projects in the investment cycle. We provided training to municipal management with a portfolio of prioritised projects, to increase knowledge in investing and to improve local government access to public funds, sector programs and grant funds. We invested US \$163,000 in this program.

We also carried out projects to support initiatives in education and health:

- **Support to senior citizens:** We supported the Abancay home for the elderly by delivering medical products and equipping the kitchen and cafeteria areas. This initiative will benefit more than 60 senior citizens. Our investment totalled US \$10,555. Thanks to an agreement with Vida Perú NGO, we were able to deliver medical goods and supplies worth US \$124,000.
- **Support to the Early Childhood Development Committee:** In collaboration with various agents, we participated in this committee, led by the Apurímac Regional Social Development Department. We have committed to investing US \$12,560.
- **Inter-institutional agreement with Vida Perú NGO:** We obtained medical goods and supplies worth US \$1.3 million. We contributed approximately US \$62,320.
- **Outstanding teacher contest:** We organised this contest together with the Apurímac Regional Education Bureau. Two teachers from Cotabambas province, Santos Alejandrino Paco Martínez and Marizol Chahua Pacco, and a teacher from Chinchero province, Alejandro Alcides Torres Huamán, and their respective schools, received this recognition. We invested US \$6,780 through the donation of laptops, printers, printing paper and digital courses for teachers at the winning schools.
- **Support to develop theses at Universidad Nacional Micaela Bastidas de Apurímac:** We supported a group of students from this university in obtaining funds for the preparation and defence of their theses. Our investment totalled US \$42,220.

Status of our Commitments

In 2004 the company that was awarded the Las Bambas Project concession through the bidding process committed to complying with seven social commitments as the company's contribution in favour of the sustainable development of Apurímac region. Those commitments 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 commitments and is honouring those commitments to date. In 2021 we maintained our promise despite the restrictions on our activity. Following are descriptions of the progress made in 2021 on the commitments we have with the communities and with the Peruvian government.



IMPLEMENTATION OF AN ENVIRONMENTAL IMPACT STUDY TO PRESERVE THE ENVIRONMENT, FLORA, FAUNA AND WATER RESOURCES

- **We carried out 31 citizen participation initiatives** with participation of a total of 289 people (53% women and 47% men).
- The monitored components included **water, air and noise**.
- **We delivered 34 reports** to 19 communities and 41 local authorities.
- As of 2021, we have preserved **28 archaeological sites** and delivered more than 4,000 artifacts to the Abancay Museum.



CREATION OF JOB OPPORTUNITIES FOR PROFESSIONALS, TECHNICIANS AND LABOURERS FROM APURÍMAC REGION AND PROVINCES AS A PRIORITY

- **We implemented capacity-building initiatives** for our communities from the ADI, placing emphasis on handicrafts (weavings) and gastronomy.
- **We implemented a training program** for the operation of mining trucks.
- **Twenty-eight percent** of our workforce is composed of employees from Apurímac.



ASSISTED RESETTLEMENT OF FUERABAMBA COMMUNITY AND PAYMENT OF COMPENSATION

- In 2010 we signed an agreement with the Fuerabamba farming community and **established 171 agreements organised in 13 areas** (Agreement Summary). We undertook 93 additional commitments with the community between 2014 and 2021.
- **We implemented the mentoring program for vulnerable groups** that served 130 people identified as vulnerable (senior citizens, single mothers, orphans and people with disabilities).
- Between 2011 and 2021, **the monthly support granted increased** from US \$75.39 to US \$376.98.



LAND REPLACEMENT FOR AGRICULTURE, LIVESTOCK FARMING AND HOUSING

- We honoured our commitment to delivering land for housing, livestock farming and agriculture, according to the resettlement agreement executed with the Fuerabamba farming community.
- We promoted access to community land (total area of 4,262 hectares), distributed into the following properties and registered in the name of the following communities:
 - **Urban land:**
Nueva Fuerabamba - 274 hectares (Chila and Choaquere)
 - **Agricultural and livestock farming land:**
Huaycorranra 11 hectares
Carhuacpampa 367 hectares
Yavi Yavi 3,610 hectares



RESPECT FOR LOCAL CULTURE AND CUSTOMS, ESPECIALLY HUMAN RIGHTS

- We sponsored various cultural activities for anniversaries and community and district celebrations. In 2021 we supported the celebrations of *Papa Tinkay* (a ritual offering to the flowering potato plants to bring a fruitful harvest), *Chaku de Vicuñas* (capture and shearing of live vicuñas), and the anniversaries of Pumamarca and Huancaire.
- We drafted and published the book *"Relatos de mi Cotabambas"* (Stories from my Cotabambas), which preserves the legends, myths and ancestral tales of the region, and delivered it to the Apurímac Regional Education Bureau.



SOCIAL AND ENVIRONMENTAL RESPONSIBILITY AND CREATION OF POSITIVE RELATIONSHIPS WITH COMMUNITIES

- **We developed various initiatives** in accordance with our Community Engagement Plan, our environmental controls within the operations and on the transport route, and the Environmental Monitoring Plan to improve the quality of life of residents.
- Between 2016 and 2021, our projects focused on education quality. **We improved the soft skills of compulsory education students from our ADI by 25%** and increased their learning achievements in mathematics and communication by 20%. Primary school students increased their learning by 20% in Fuerabamba schools, 8% in Huancaire schools and 6% in other schools in the ADI.
- In 2021 **we granted scholarships to a total of 122 youths** (53% female) to pursue technical and university studies.



INTEGRATION OF MINING DEVELOPMENT WITH AGRICULTURAL AND LIVESTOCK FARMING ACTIVITIES

- In 2021 **we developed the Andean Crops project** with an investment of US \$2,463,155. The project was implemented in 17 communities.
- **We built 23 tree nurseries** that produced a total of 1,777,020 pine seedlings.
- Between 2016 and 2021, **we afforested 1,288 hectares in 35 communities**.

ENVIRONMENTAL MANAGEMENT



Our activities are aimed at generating sustainable development in our ADI, in our host region and in the country. To this end, it is a priority for us to include environmental protection as a pillar for all our processes.

Our participation in the National Environmental Impact Assessment System, led by the Ministry of the Environment, is one of the ways in which we ensure commitment to that pillar. We have complied with the environmental certification process, which involved assessing the environmental impacts of our operations and designing control measures to prevent, mitigate or compensate the identified impacts. This process included the participation of community residents with whom we work.

Our approach to environmental responsibility is supported by corporate leaders, cutting-edge technology and the best possible operational processes to ensure efficiency. We are governed by rigorous standards and we apply the best international practices to ensure operational excellence and compliance with current Peruvian regulations.

Environmental Management System

We have environmental management instruments that lead our actions, procedures and activities. In 2021 we completed the development of the Environmental Management System for our operations, based on ISO 14001:2015, which proposes a risk management process approach using a Plan-Do-Check-Act (PDCA) Deming Cycle. To seek the continuous improvement of our performance, we also work in accordance with the ICMM's guidelines, the U.N. 2030 Agenda for Sustainable Development, the environmental obligations mandated in the current regulations, the environmental commitments approved in the environmental management instruments,⁷ and the guidelines of MMG.

Since Las Bambas is an open pit mining operation, our management system must anticipate, control, mitigate, rehabilitate and/or compensate for potential impacts. In 2022 we expect to implement our Environmental Management System in all departments and with our strategic partners.

Our objective not only focusses on complying with Peruvian environmental regulations but on achieving better environmental management performance through innovation and the use of new technologies to increase the eco-efficiency of our operations.

⁷ Environmental Impact Study and Mine Closure Plan, as amended.

ENVIRONMENTAL COMPLIANCE

We have implemented a rigorous monitoring system for our environmental commitments to verify our compliance with or progress on all the processes on a monthly basis, with the participation of all departments and strategic partners. We have also implemented digital platforms that enable us to be aware of the updates in the environmental regulations applicable in the country in order to comply with them.

As a result of our compliance programs, we can mention that in 2021 there were no significant administrative processes related to safety or the environment that could have had an impact on our operations.⁸

STATUS OF THE ENVIRONMENTAL IMPACT STUDY AMENDMENT (EISA)

Status of the 3rd EIS Amendment (EISA 3)

In October 2020 our 2nd Supporting Technical Report of the detailed EISA 3 was approved. The modifications included items related to the optimisation of equipment, infrastructure and components, and amendments to the electric power supply system and the environmental monitoring program in our area of operations. The amendments did not involve changes in previously undertaken commitments.

Status of the 4th EIS Amendment (EISA 4)

As of publication of this report, we are completing the environmental and social baseline studies of the amendment. We are also developing the engineering and supplementary studies of the components and changes that will be part of this amendment.



Air Quality Management

We implemented strict controls to ensure that air quality at our mining unit and on the national and regional roads we use to transport our concentrate is satisfactory.

We have implemented a monitoring network, which we analyse on an ongoing basis, to measure the effectiveness of our controls.

Our controls to preserve the air quality include the following:

Air Quality Management in 2021

AT OUR MINING UNIT

- We watered the roads used by our operations using large tanker trucks and giant sprinklers.
- We installed seven water cranes at the mine, using 1,096,554 cubic metres of water for dust mitigation between tanker trucks and the sprinkler system (the latter uses 267,429 cubic metres).
- We installed an 8,600-metre automated sprinkler system in the Ferrobamba pit, and a 2,700-metre system in the Chalcobamba pit.
- We installed water cranes on the access roads to the Ferrobamba pit.
- We used the Raring automated system for the primary crusher with sprays to create fog and dew drops that capture the dust particles.
- We have installed a system of filters at our crushing plant. The purpose of this system is to capture the ore fines generated by the primary crushing process.
- Our conveyor has an ore moistening system on the two transfer towers.
- We have a completely airtight concentrate warehouse with negative pressure.

FOR CONCENTRATE TRANSPORT

- We watered the transport roads using tanker trucks on more than 200 kilometres of unpaved road.
- In an agreement with the Ministry of Transport and Communications (MTC), the Cotabambas Provincial Municipality and the Cusco Regional Government, we improved and maintained the national road (Cotabambas - Apurímac section) and the regional road (Chumbivilcas - Cusco section) by placing cold micro-paving and black base on strategic sections of the route.
- We ensured that our drivers maintained a safe driving speed on roads near the towns.
- We controlled driving speed using GPS. This activity complies with the provisions mandated by the MTC.
- We established driving schedules and shifts that do not exceed nine consecutive days, and we required rest stops.
- We established driving shifts that do not exceed nine consecutive days, with rotations involving five days of rest after nine days of work plus one day for mobilisation.

⁸ Environment-related and safety-related sanctioning procedures involving a firm administrative resolution of fines equal to or higher than US \$1 million were considered for this report.

AIR QUALITY MONITORING

We have established an Environmental Surveillance Plan in EISA 3 that implements monitoring stations inside the operations and in neighbouring communities located within the environmental area of direct influence. Monitoring activities are carried out on a monthly basis and reported to the corresponding authorities on a quarterly basis; these are participatory activities conducted with community representatives and the results are also shared with the community.

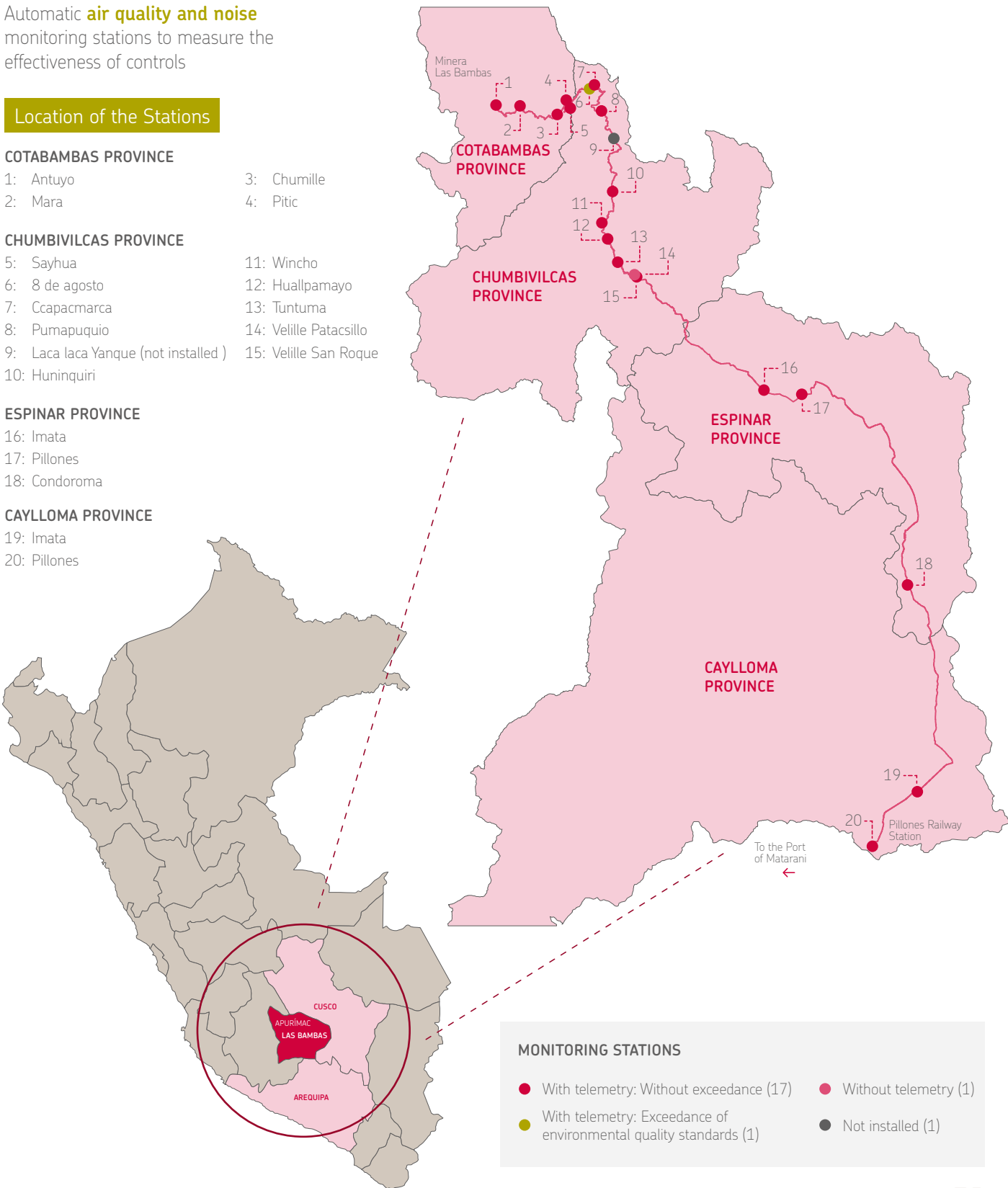
We have 19 automatic stations along the Southern Road Corridor to monitor particulate matter (PM10/PM2.5), which we check on a quarterly basis. The stations are located at the Anta Wasi camp and in the Chuicuni Bajo, Chuicuni, Manuel Seoane Corrales, Huancuire and Pumamarca farming communities; and in the towns of Challhuahuacho, Chicñahui and Antuyo; thus, the monitoring network covers 489 kilometres. This monitoring is carried out in real time and its methodology has been accredited by the National Quality Institute; hence, this is the first accreditation experience of these types of stations in Peru.



Automatic **air quality and noise** monitoring stations to measure the effectiveness of controls

Location of the Stations

- COTABAMBAS PROVINCE**
 - 1: Antuyo
 - 2: Mara
 - 3: Chumille
 - 4: Pitic
- CHUMBIVILCAS PROVINCE**
 - 5: Sayhua
 - 6: 8 de agosto
 - 7: Ccapacmarca
 - 8: Pumapuquio
 - 9: Laca laca Yanque (not installed)
 - 10: Huninqui
 - 11: Wincho
 - 12: Huallpamayo
 - 13: Tuntuma
 - 14: Velille Patacsillo
 - 15: Velille San Roque
- ESPINAR PROVINCE**
 - 16: Imata
 - 17: Pillones
 - 18: Condorama
- CAYLLOMA PROVINCE**
 - 19: Imata
 - 20: Pillones



Water Management

Water is an essential resource for people and ecosystems; therefore, it has a direct influence on the economic and social activities of the communities. Water is also an important element in our operation, as it is necessary for the consumption of our employees, production of concentrate and our environmental controls.

For this reason, our water management is designed to meet our operational needs and, at the same time, minimise our impact and comply with the national quality standards.

Our management uses the guidelines of our parent company and the ICMM's environmental guidelines to improve our practices and standards for water management.

In recent years we have reduced the volume of freshwater withdrawal from the Challhuahuacho River. This means that we improved the efficiency of our water processing system and increased the volume of water withdrawn from our tailings dam for reuse.

In 2021 we used 25,289,839 cubic metres of water compared to the 17,742,797 cubic metres in the prior year. We also reduced our freshwater consumption from 6.49% in 2020 to 3.62% in 2021. The amount of reused water increased from 93.51% in 2020 to 96.38% in 2021. The table below offers details about our freshwater and reclaimed water management:

Water Management (in m³)

INDICATOR	2020	2021
Freshwater	2,744,484	926,911
Reclaimed water	83,550,182	97,964,343

The freshwater results reflect the reduction of our consumption in the clarification dam. We also followed up on the freshwater circuit at the concentrator plant, and we reduced the consumption of water at the intake of the Challhuahuacho River. As for reclaimed water, we recorded a greater recovery of water in thickeners, the tailings dam and the grinding and flotation processes.

Improvements in water management came from three courses of action: minimising freshwater consumption, reusing contact water and improved sediment control:

- We digitalised our reports on daily inspections in four dams.
- We improved the stability of the embankments located in front of the clarification dam.
- We optimised the flocculant dosing process at three dosing points in the creek of the Ferrobamba River.
- We worked on a plan to manage surface water in the pit with controls intended to channel the mine effluent.
- We installed new flow metering and rainfall stations to improve the measurement of water in the basin.
- We installed a continuous flow metering station in the contour canal of the Ferrobamba River, which allows us to collect actual information on an ongoing basis for the preparation of water balances.
- We installed five EPGI rainfall stations. These stations are important because they provide actual rainfall information in five areas of the operations: clarification pond, Ferrobamba pit, concentrator plant, Chalcobamba pit and Huancarane. This information enables us to evaluate various microclimates present in the operations area as well as the amount of rainfall. This, in turn, allows us to have more robust water models and balances.

Other aspects of our water management have also achieved optimal results in 2021, including increased water reuse from withdrawal at various sources.

Total Water Withdrawal by Source (in gal)

INDICATOR	2020	2021
Borefields	2,679	2,653
Entrained in ore and tailings consolidation	1,566	2,608
Precipitation and runoff	10,139	15,301
Rivers and creeks	3,842	7,896
Total	18,226	28,458

Our operations have a karstic deposit; hence, the pH of water naturally ranges between 8 and 8.5 and is not acidic water. We recirculate all the water we use in our processes, not discharging it at all. For the rest of the contact water, mainly water from the filtration of the waste rock dump and the pit, we have designed sedimentation processes to meet the maximum allowable limits (MALs) of Peruvian law.

During 2021 we cleaned 44% of the intermediate sedimentation dam, and we removed 44,673 cubic metres of solids. We also maintained the sedimentation embankments in the water course (check dams) and implemented some controls at the source, such as the channelling of mine water.

With regard to water management in the tailings dam, there is a risk of collapse associated with the volume of this resource. To control that risk, we opted for minimising the volume of water, which also implies using it properly, as this is contact water. Upon implementing this control measure, the use of water decreased by 1,641 gallons.



Waste, Effluents and Tailings

We focus on complying with current regulations on waste, effluents and tailings management, and this is supplemented by MMG's requirements. The MALs serve as the framework for developing our processes.

MINING WASTE

Our operations generate two types of mining waste:

- Tailings from the concentrator plant
- Waste rock from the Ferrobamba pit

Tailings are disposed of at a tailings dam built to the highest standards⁹ for the first type of waste, and for waste rock, we work with the Ferrobamba Waste Rock Dump.

We ensure the physical and chemical stability of our waste rock dumps through appropriate engineering design of slopes and the geochemical control of discharge materials. This waste rock does not form acidic water; i.e., it is non-acid-forming (NAF) waste rock.

Mining Waste (in t)		
INDICATOR	2020	2021
Mineralised – Non-Acid-Forming Waste Rock Mined	137,484,467	135,003,376
Mineralised – Tailings Generated	44,482,425	47,527,243
Total	181,966,892	182,530,619

NON-MINING WASTE

Non-mining waste includes domestic and industrial hazardous and nonhazardous waste that can be recycled or reused.

Our management includes the following actions based on the type of waste:

- **Domestic waste:** Our MU has a landfill for treatment.
- **Recyclable and hazardous industrial 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 area of influence.

In 2021 we recorded a 98% increase in nonhazardous waste and a 23% increase in hazardous waste.

Nonhazardous Waste (in t)		
INDICATOR	2020	2021
Disposed of in an on-site landfill (general waste)	3,045	4,326
Recycled/reused/treated on site	12,906	27,298
Total	15,951	31,624

Hazardous Waste (in t)		
INDICATOR	2020	2021
Recycled/reused/treated/combusted oil	937	701
Other hazardous waste disposed of in an off-site landfill	690	1,375
Total	1,627	2,076



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. Our system has a mechanism that collects contact water and diverts it first to an intermediate sedimentation pond and then to the sedimentation dam.

In 2021 we had more discharges in clarification due to the higher rainfall recorded during the year.

TAILINGS

We have a tailings storage megastructure. Our management has improved with the new standard for tailings storage facilities and water dams published by MMG, which is aligned with the ICMM's guidelines.

We have updated critical controls in our risk management system; we have managed the planning, design, construction and operation of the tailings dam with utmost care.

We think that the success of our management is due to the recommendations we received from a panel of external advisors composed of internationally renowned experts.

The panel meets on an annual basis to assess various design, construction, monitoring, operation and governance parameters, and to analyse the results of important variables in the tailings dam and water dams.

In 2021 we reduced the volume of the tailings dam upon reducing the consumption of sealing water at the concentrator plant. The panel held an annual review of the following topics: changes related to the increased capacity, right abutment realignment and relocation of the saddle dam. The permits for the realignment were approved at the end of 2020, and the construction started in March 2021. A total of 350 metres were realigned, including excavation, grouting work, kerbs and lining. Level 4,090.60 was completed in November. A stability and seismic deformation analysis was conducted for the relocation of the saddle dam.

During this period, we also maintained high-quality standards of construction and development of the dam embankment raising. As part of the dam safety studies, the annual audit conducted by Klohn Crippen Berger concluded that our Chuspipi tailings dam and clarification dams are operating and monitored in accordance with the corresponding design.

⁹ The Australian National Committee on Large Dams, Canadian Dam Association and Mining Association of Canada.

Energy, Emissions and Climate Emergency

Our commitment to the Paris Agreement and the National Strategy on Climate Change requires that we record our greenhouse gas (GHG) emissions. In 2021 we developed our Decarbonisation and Resilience-building Philosophy to Address the Climate Emergency, which integrates the requirements of Peru's National Strategy on Climate Change, the ICMM and U.N. SDG No. 13, Climate Action.

Based on these guidelines and using 2020 as the baseline, we have also undertaken the corporate commitment of reducing our GHG emissions by 40% by 2030 and reaching zero emissions in scopes 1 and 2 by 2050.

ENERGY

Our operations use energy at the plant and mine in accordance with our 2030 emission reduction goal. Our vision for that year includes a mine that uses energy from 100% renewable sources. Our 2021 energy consumption is shown below:

Energy Consumption (in GJ)

INDICATOR	2020	2021
Total energy consumption	11,364,541	11,822,850

We carried out the following actions:

- Evaluated the potential of renewable energy sources (solar, biogas, hydroelectric and wind) in our operations and adjacent areas
- Renegotiated the power supply contract with the aim of having renewable sources.
- Used Trolley Assist to operate the mine trucks with greater efficiency
- Started researching the possibility of using hydrogen-powered trucks at the mine
- Reinforced the progressive migration to using LED bulbs
- Implemented solar panels for the lighting of the conveyor and the provision of power to the LTE network
- Designed a regenerative conveyor and evaluated the generation of electricity in water conveyance systems
- Optimised our blasting and crushing cycles
- Improved our primary crushing circuit to reduce the size of the mill feed
- Optimised the load and speed of our trucks

Emissions and Climate Change

In 2021 we increased the area where drilling and blasting activities took place, compared to 2020. We also increased the total operating hours using mining trucks, shovels and other pieces of equipment, and working in the exposed area of the Ferrobamba pit.

Our 2021 results showed a slight increase (4%) in GHGs compared to 2020:

Greenhouse Gas Emissions (CO₂ Equivalent)

INDICATOR	2020	2021
GHG – CH ₄ Methane Scope 1 as CO ₂ -e	642	640
GHG – N ₂ O Nitrous Oxide Scope 1 as CO ₂ -e	1,310	1,325
GHG – CO ₂ Carbon Dioxide Scope 1 as CO ₂ -e	459,579	473,184
GHG – CO ₂ Carbon Dioxide Scope 2 as CO ₂ -e	276,494	231,867
Total	738,025	707,016

Other Emissions

INDICATOR	2020	2021
Other Emission – Oxides of Nitrogen (NO _x)	20,764	23,862
Other Emission – Oxides of Sulphur (SO _x)	6	33
Other Emission – Particulate Matter (PM10)	3,935	4,598
Other Emission – Volatile Organic Compounds (VOCs)	675	1,170
Total	25,380	29,663

We are aware that our operations must help to fight climate change. This is why we implemented initiatives such as reduction in the use of printed paper and single-use plastic.

We have also launched awareness campaigns such as *Consume lo necesario: frenemos juntos el cambio climático* (Use what you need: Let's curb climate change together), which involved our employees, and the *10 ecorretos* (10 eco-challenges) campaign aimed at creating eco-efficient habits.





Biodiversity

In 2021 we conducted semi-annual monitoring activities of the flora and fauna located inside and outside of our mining unit, to gather information and establish future strategies.

We developed rescue and translocation (relocation) protocols for amphibian and rodent species. Currently, there are no specific national protocols for these species; hence, our initiative makes us pioneers in this area.

We received approval of our translocation protocol¹⁰ from the National Forestry and Wild Fauna Service (SERFOR, in Spanish) for the work performed with the Puno grass mouse (*Akodon subfuscus*) and the painted big-eared mouse (*Auliscomys pictus*) species. These rodents are very important in ecosystems, as they participate in various ecological processes as seed predators and dispersers that regenerate woods. They are also an important component of the carnivore diet.

SERFOR also approved our translocation protocols¹¹ for species such as the Acancocha water frog (*Telmatobius jelskii*), the warty toad (*Rhinella spinulosa*), the common marsupial frog (*Gastrotheca marsupiata*) and the marbled four-eyed frog (*Pleurodema marmoratum*).

All our translocation protocols were prepared using national regulations and standards, and the criteria of the International Union for Conservation of Nature for translocations with conservation purposes.

¹⁰ Through General Bureau Resolution (RDG) No. D000201-2021-MIDAGRI-SERFOR-DGGSPFFS.

¹¹ Through RDG No. D000628-2021-SERFOR-DGGSPFFS and RDG No. D001302-2021-SERFOR-DGGSPFFS.

Land Management and Rehabilitation

The land used by our operations has a value that is equal to or higher than before our presence in the area. This is why it is important to take into consideration that soil protection during the operation stage includes remediation, rehabilitation and soil erosion control works.

In 2021 the compensation payment from the Community Fund to the Huancaire farming community decreased by almost US \$1.5 million. We also paid US \$256,000 for compensation to the Manuel Seoane Corrales community.

Worth noting is that the percentage of disturbed areas in this period was 32% less than in the prior year, as no significant earthworks were carried out. Earthwork activities in the Chalcobamba area have been interrupted for a few months. We recorded a 55% reduction in rehabilitated land due to the social challenges we faced during this period, as the companies responsible for the scheduled rehabilitation work were not allowed to enter the area.

Disturbed and Rehabilitated Land (in ha)

INDICATOR	2020	2021
Total land disturbed	2,389	2,403
Total land rehabilitated	101	102
Total land newly disturbed within reporting period	20	14
Total land newly rehabilitated within reporting period	1	0.67

In 2021 we built check dams, sedimentation ponds, canals, ditches and dry-stone walls (pircas) in various areas of the mine; we installed silt fences and evaluated slope stability as part of the erosion control measures. We also reforested 1,882 hectares and recorded 23 operational community plant nurseries.

We currently have in place a procedure that enables us to recover organic soil. Organic soil is the dark-coloured topsoil that is usually found in thicknesses ranging between 5 and 60 centimetres. At the end of 2021, there were organic matter deposits located in various parts of the mine that are used to care for and protect the organic soil to be used in rehabilitation and mine closure works.



MINE CLOSURE ACTION PLAN

The regulation on mine closure requires that a new update must be prepared five years after the first update of the closure plan (2016). On 24 September 2021, we submitted the Second Update of the Mine Closure Plan of the Las Bambas Mining Unit to the Apurímac Regional Mining Bureau and to the General Bureau of Mining Environmental Affairs of the Ministry of Energy and Mines.

Participatory Environmental Monitoring

The active participation of local communities is a key component to improve monitoring processes. Environmental monitoring activities offer an opportunity to increase transparency and strengthen the bonds of trust with local residents. Las Bambas has PIOs where people can ask questions and/or file complaints of any type, including those related to environmental matters.

By implementing these monitoring activities, we aim to reinforce the relationships with community boards, make our environmental management transparent and involve people in monitoring, clean-up campaigns, guided visits, etc.

In 2021 we involved 295 people in participatory environmental monitoring processes, 54% of whom were women. We reached agreements with the communities to carry out monitoring and geological exploration activities. These actions have strengthened our work with the Huanquire community related to the Chalcobamba site.



ENVIRONMENTAL EDUCATION IN THE COMMUNITIES

We have resumed face-to-face environmental training for residents of communities located in our area of direct social influence. We provided 27 training activities on environmental topics, which benefitted 448 residents (244 women and 204 men) from 16 local communities. The topics addressed included use of water, solid waste management and air quality.





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ABOUT LAS BAMBAS

