

Sustainability
Report

2020

Overcoming *challenges*



MINERA SAN CRISTÓBAL S.A.



WE VALUE YOUR COMMENTS (102-53)
We value our stakeholders' opinions regarding our 2020 Sustainability Report. For more information, questions or comments, please contact:

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About US

It is our purpose to inform our stakeholders and the general public about our performance, and show how we advance in strengthening a mining operation with principles in favor of sustainable development.

1.1 Message from the President and Vice President & General Manager (102-14)

Dear readers,

Albeit that 2020 was a very complicated year worldwide due to the COVID-19 pandemic, we are pleased to present the sixth version of our Sustainability Report, which describes our performance and conveys our continuous improvement towards a strengthened mining operation built on principles favoring Sustainable Development and whose values have become an integral part of our way of thinking and acting over the years.

We want to highlight, that thanks to the hard work and commitment of all of us who make up this company, we were able to carry on with our operations despite the situation, implementing very strict biosafety protocols to protect the lives of our employees and contractors. This is specifically addressed in Chapter 2. "Challenges in Pandemic Times", which describes all measures implemented in all areas, but specifically in our Health area. We have given priority to prevention in the occupational health of our workers and their families, providing timely and quality services that are constantly adapting to changing conditions.

In order to address the risks caused by the COVID-19 pandemic, we are using a model of labor, family and social-community protection. The activities and methodology were implemented within the framework of the "Preventive and intervention procedures in health for safe operations in Minera San Cristóbal during the COVID-19 pandemic", approved by the Ministry of Health. This made it possible for us to develop regular activities in MSC and protect the population. We provide support with intensive care equipment and biosafety materials, we facilitate and subsidize treatment of serious cases, even of people without medical care coverage, and we apply massive diagnosis testing in our communities.

In relation to our communities, the investment made in this reporting year totaled 2.6 million dollars, mainly focused on improving the community infrastructure and roads, followed by investments in basic services. Progress in 2020 brought us up to 84.5% of compliance with the long-term agreements and conventions with the communities, local and regional organizations.

This year's average social license rating was 3.31 but we closed the year at 3.52, meeting our goal of 3.50 and maintaining the "Tolerance" level with our stakeholders. This decrease in the average rating was mainly due to the health crisis caused by COVID-19 and the socio-political situation related to presidential elections and social conflicts at the national level, which had effects in the communities in our direct and indirect influence area.

Regarding our Workforce and pursuing the best working conditions for our workers, it should be noted that this year there have been no significant changes compared to the year before, despite the situation. We have a stable number of 1,320 employees of MSC and 580 of the contractors. Of our staff, 49% comes from the surrounding communities; 14% from the city of Potosí; 36% from other cities in the country; and foreign staff account for 1% of the total. Of our personnel, 13% is female and 87% is male. During this year, we provided 10,302 hours of training on topics related to quality, health, safety and the environment, as well as others of a technical nature and specific to our operations.

It is very important to underscore that for us safety comes first and our management model meets high standards in terms of industrial safety and protection of our workers and contractors. In 2020, we had no work-related fatalities and we achieved a Lost Time Frequency Rate (LTFR) of Zero for MSC and 0.70 for the Contractors. Our industrial hygiene program has a primarily preventive approach and is aimed at avoiding occupational diseases, adding value to the safety of the workers and the company. All areas are subject to constant monitoring and the results help prioritize, optimize and improve working conditions, besides recommending adequate controls for our different activities.

With regard to Environmental matters, this year we accomplished a reduction of the volume of water pumped from the well field (7.49 M m³) and of the volume of supernatant water recovered from the tailings deposit (2.54 M m³). This aspect contributed to the sustainability of the aquifer and also enabled a reduction of operational costs.



One hundred percent (100%) of the electricity used in our facilities is acquired from the national interconnected system. Of the total energy consumption, electricity accounts for 52%; diesel for 47.3%; and petrol for the remaining 0.7%. Energy consumption in relation to 2019 decreased by 19.5%. However, the rate of consumption per tonne of concentrate produced increased slightly, because the tonnage of mineral treated in the plant decreased by 21.7% compared to the previous year.

The reduction in the consumption of electricity and fuel in 2020 gave rise to a decrease in direct greenhouse gas (GHG) emissions.

As regards our alignment with ICMC principles, we have made progress in validating the documents reflecting the human rights practices for both MSC and the contractors; the risk management model that integrates the different areas of analysis of sustainable development; the framework for action on biodiversity and climate change; a study on resilience whose results will contribute to identifying possible risks and impacts from the perspective of the communities; and finally, the comprehensive evaluation of the operation's hydrological and hydrogeological system.

In the economic sphere, in 2020 our revenues from the sale of concentrate decreased by 32% compared to 2019 (from US \$ 627 M to US \$ 428 M), primarily due to the COVID-19 effect, which led to a decrease in production during approximately three months. On average, we produced 1,185 t of concentrate per day.

The corporate income tax in 2020 was lower than that in 2019, mainly due to the decrease in sales and the advance payment of the corporate income tax relating to 2019.

We did business with 988 suppliers and we invested an approximate amount of US \$ 246.2 million in the combined purchase of goods and services. This amount was lower than in 2019, mainly due to the impact caused by the COVID-19 pandemic. Fifty percent (50%) of these goods and services were sourced in Bolivia. US\$ 10 M (4%) of the total was sourced specifically from local communities and US\$ 113 M (46%) from other cities in the country.

For all these reasons, and thanks to the efforts of our team, we have been able to overcome the challenges that arise day in day out. There is no doubt that we have significant challenges ahead, but we will continue to work for the continuous improvement of the sustainability of our operations in search of a better future for all.

We kindly invite you to read our report.

Dave Assels
Vice President & General Manager

Takashi Onda
President

1.2 Our company (102-3, 102-4)

Minera San Cristóbal S.A. (MSC) (102-1) is a Bolivian mining company which has been a fully-owned subsidiary of the Japanese Sumitomo Corporation since March 2009.

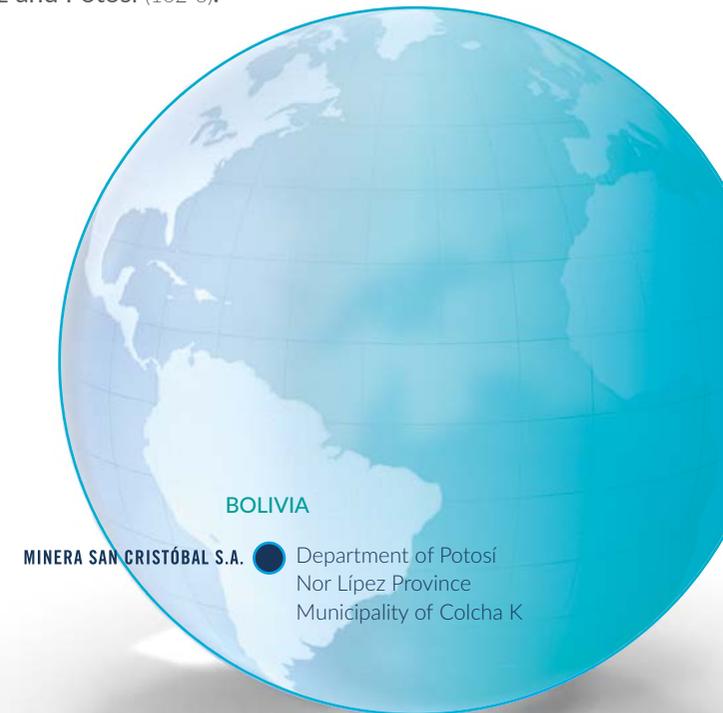


Develop a model mining operation through safe operations, at low cost, with innovative technology, with social commitment and respect for the environment, that creates value to the shareholders, the employees, the region in which it operates and the country.

More information at: <https://www.minerasancristobal.com/v3/en/inicio/our-company/corporate-values/>

LOCATION

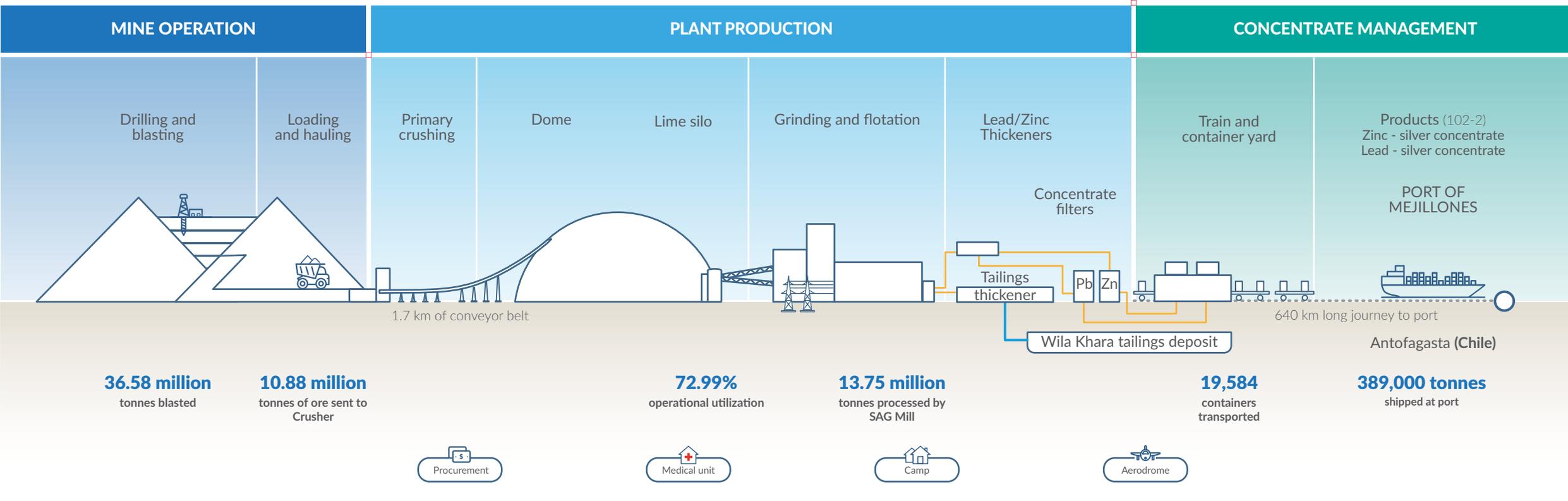
The San Cristóbal mine, which is our only operation (102-7), is located in the province of Nor Lípez, municipality of Colcha K, department of Potosí (102-4). Our administrative offices are located in the cities of La Paz and Potosí (102-3).



We carry out our productive activities with a focus on protecting people's health and lives, respecting the environment, ensuring social commitment, promoting human rights and operational efficiency.

OUR COMPANY (102-2)

INITIAL INVESTMENT: US\$ 1.8 BILLION



36.58 million
tonnes blasted

10.88 million
tonnes of ore sent to
Crusher

72.99%
operational utilization

13.75 million
tonnes processed by
SAG Mill

19,584
containers
transported

389,000 tonnes
shipped at port



Exports by continent (102-6)

36% Smelters in Europe

45% Smelters in Asia

19% Smelters in Australia

MAIN INDUSTRIES:

Steel - Brass - Transport - Construction alloys
Consumer Goods - Household appliances and engineering

We contribute to the following SDGs



* Direct impact
** Direct influence

+ Increase of positive impact



- Minimization of negative impact

More details on the process at: <https://www.minerasancristobal.com/v3/en/inicio/operations/>

1.3 About this report and its verification

It is our purpose to inform our stakeholders and the general public on an annual basis (102-52) about our performance, and show how we advance in strengthening a mining operation with principles in favor of sustainable development.

All data published in this sustainability report convey the results of one calendar year, from 1 January to 31 December 2020 (102-50). Previous versions of the report cover the years 2015, 2016, 2017, 2018 and 2019 (102-51).

We have put together this report in accordance with the 'Core' option (102-54) of the GRI-2016 (Global Reporting Initiative) Standards and its respective Mining and Metals Sector Supplement; and we have also included the eleven 'Comprehensive' General Standard Disclosures. On page 105, you can find the Content Index, which shows the location of the performance indicators for material topics.

In order to offer a greater level of trust to the stakeholders and the general public in relation to the content of the Sustainability Report, firm Deloitte (102-56) has been hired for the independent verification of the sustainability performance standards, applicable for the 2020 reporting period.



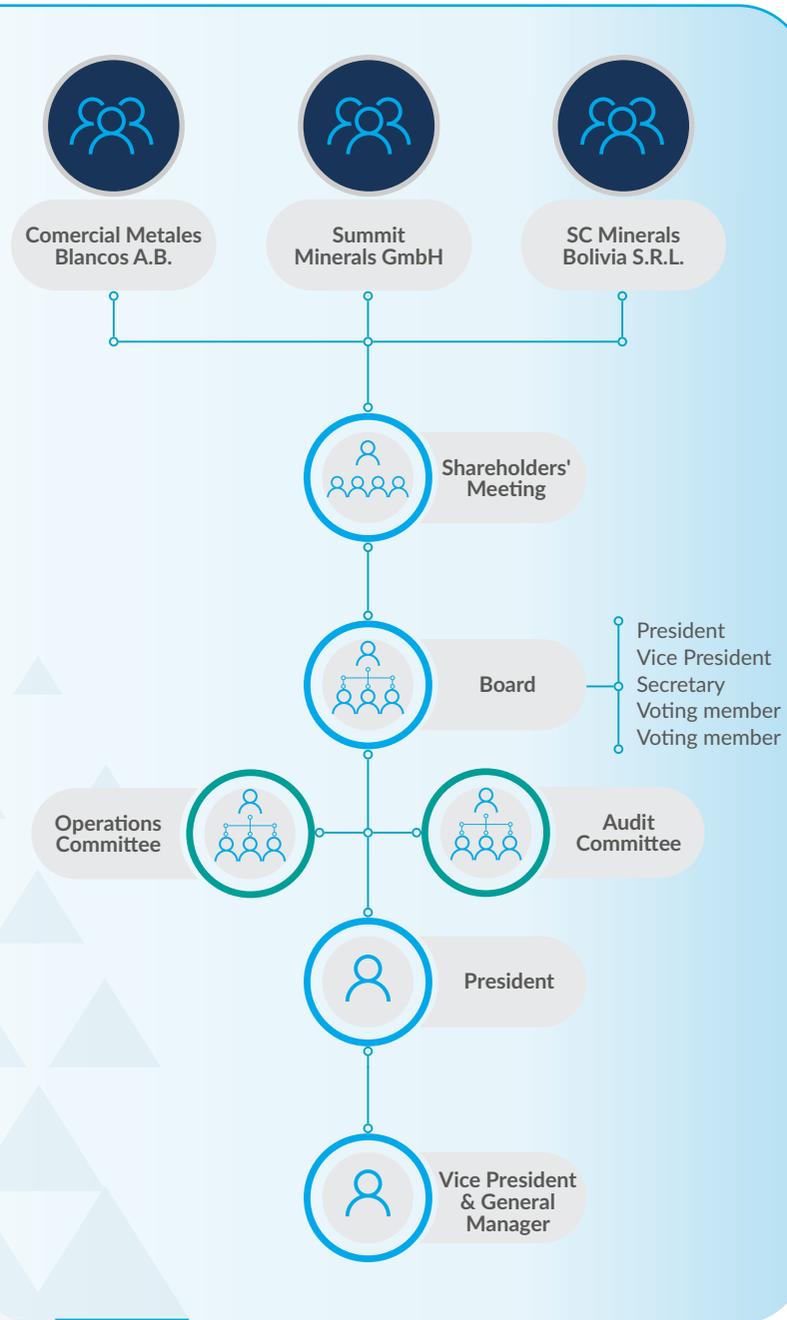
1.4 Corporate governance structure

Minera San Cristóbal S.A. is a company incorporated in Bolivia in 2000. As of March 2009, it is a wholly-owned subsidiary of the Sumitomo Corporation, a multi-sector business conglomerate headquartered in Japan (102-5).

As at 29 December 2020, the shareholder structure of MSC was as follows:

- ▶ Comercial Metales Blancos AB, with a share of 99.9999956%
- ▶ Summit Minerals GmbH, with a share of 0.0000022%
- ▶ SC Minerals Bolivia S.R.L., with a share of 0.0000022%

The difference in the data reported between years 2019 and 2020 is due to the fact that changes were made in 2020 in terms of capital, initially increasing it and then reducing it.



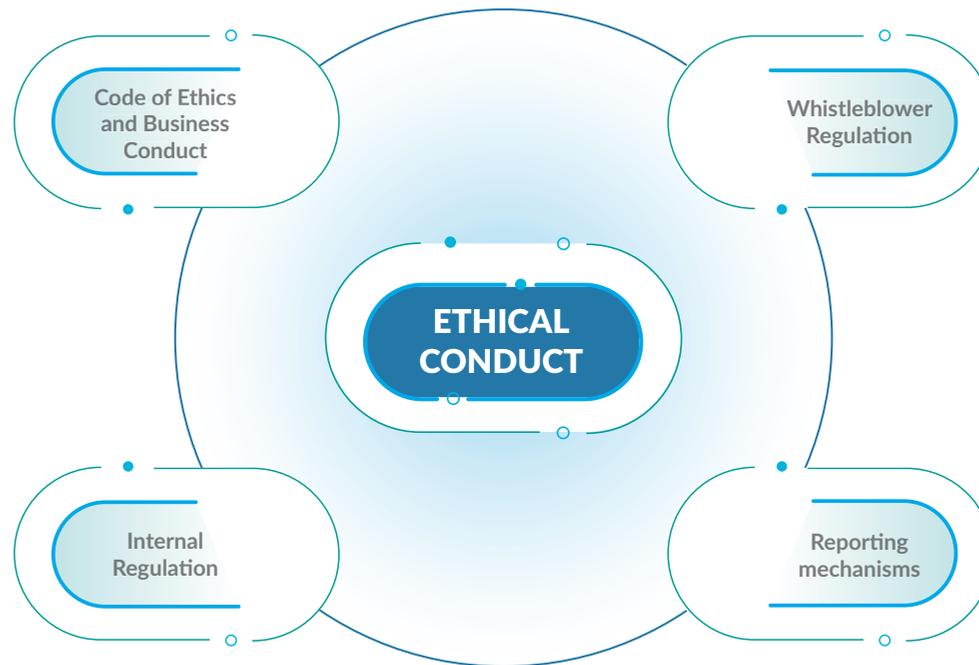
According to Bolivian legislation and our bylaws (102-18), the General Meeting of Shareholders is the highest decision-making body of the company. This corporate government body holds ordinary or extraordinary meetings to decide on fundamental matters regarding sustainable development, the company budget, new mining developments, internal control, operations and others. The company is administered by a Board of Directors whose members are appointed by the General Meeting of Shareholders. The five appointed members of the Board are the President, Vice President, Secretary and two Board Members. The President is a resident in Bolivia during his tenure.

We have an Operational Committee composed of four members designated by the Board of Directors, which has powers to make high-level decisions related to MSC operations which are validated by the Board of Directors. Our organizational operational structure is made up of the Vice President & General Manager, Directors, Managers and Superintendents, who are responsible for managing operational, economic, environmental and social issues (102-20).

We have an Audit Committee, which is made up of three members: the President of the Board, the Vice President & General Manager and the Deputy General Manager of the company, and which is empowered to conduct coordinated supervision of financial reporting processes, audit processes, internal control, and compliance with relevant rules and regulations.

1.5 Ethical conduct

We carry out our activities within the framework of our management policy, our policy of mutual respect and ethical and legal principles, avoiding any act of corruption, i.e. any act that violates the laws in effect and the ethical values governing our company. To do this, we have put in place the following structure:



By way of prevention, we train our staff on a recurring basis and as part of their job induction (205-2).

Our ethics and business conduct rules promote ethical and honest conduct, including the management and prevention of actual or apparent conflicts of interest that arise as a result of personal and professional relationships (102-25).

Our financial reporting regulations comprise compliance with applicable regulations and legal requirements related to corporate reporting and financial disclosure, accounting and audit procedures, and other issues relating to fraud against shareholders.

The fight against corruption and bribery in our operation is frontal and unwavering (100% evaluated). We do not tolerate any act of bribery or fraud by the Board of Directors, employees, suppliers or others. No illegal actions were identified or reported in 2020 (205-1, 205-3). We do not participate in party politics and we do not give any kind of contribution to political parties in the country (415-1).

Our internal regulations ensure and promote a harmonious human relationship at all levels of the company, which is underpinned by our Policy of Mutual Respect.

We implement a formal complaint/suggestion mechanism (102-17) through our Human Resources and Technical Development department, which is applicable when a worker, employee or contractor has been subject to treatment that violates our policies and standards, and the labor laws in force. Therefore, we encourage our employees to directly share any problem or concern regarding the workplace with their direct supervisors. If the concern involves supervisors, they can take it to other levels or to the Human Resources department, so it would be solved according to the instruction manual (102-25, 102-33). During 2020, we have received no complaints related to labor practices through these mechanisms (103-2).

As part of our approach to find procedures to deal with possible complaints of workplace abuse or harassment, we have an internal procedure to guarantee transparency and fairness, as well as protection of the person who makes the complaint. We give complainants the guarantee that they will be heard and that we will follow up on their complaint

while preserving their integrity. We also guarantee the right of defense of the person against whom the report is filed and, according to constitutional rights, this person is considered innocent until proven otherwise (406-1, 103-2). In 2020, there were cases of consultation that were resolved through the direct intervention of the Labor Relations Unit.



In the same way, we have an external mechanism to address concerns and/or complaints for the communities and external local providers, which is managed by our Sustainable Development and Community Relations team. All suggestions and complaints are studied and dealt with in accordance with the instruction manual on Addressing Concerns and/or Complaints from Stakeholders.

We ensure that no disciplinary measures are taken against any employee or contractor who reports safety infringements, violations of the code of ethics, of the financial reporting regulation or any action that may be perceived as an act of corruption ■

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Challenges in

pandemic times

The access to health protection and COVID-19 case care services are based on the principle of equality among company workers and contractors.



Production and health

COVID-19

The challenge of 2020

Our company was also affected by the outbreak of the pandemic. However, thanks to the commitment we took on from the beginning of our operations to health and safety, we managed to adapt our processes to this time filled with challenges faster and more efficiently through various actions.

Epidemiological control in the area of operations

Fostering equality

Workers' health protection in view of the COVID-19 pandemic

Epidemiological control brigades

Emotional containment

The future of the pandemic in Minera San Cristóbal

Development of the health services network for COVID-19 case management

Cooperation and solidarity

2.1 Safe operations at Minera San Cristóbal during the COVID-19 pandemic

From the moment we decided to become a world-class company and be a producer committed to sustainable development, our productive activities have adopted a focus on the protection of people's health and lives, as well as on respect for the environment, social commitment and the promotion of human rights.

This means that beyond implementing specific actions aimed at providing specific support to certain population groups, we have successfully introduced the vision of sustainable development in all principles, values and activities, positively impacting local, departmental and national development from an economic, social and cultural perspective.

Within this framework, we have been able to face the challenges posed by the outbreak of the COVID-19 pandemic in the world and in Bolivia in a more comprehensive and sustained way and we have managed to considerably reduce its impact both on our operations and on the health status of the population living in the area around the company.



2.2 Workers' health protection in view of the COVID-19 pandemic

By the time the first cases of COVID-19 appeared in Bolivia, we were already developing our productive activities within a framework of protecting the health and safety of the workers, their families, and the communities in the area of influence. By then, we had already obtained certification NB 512001 (Healthy Company Management), certifications OHSAS 18001 (occupational health and safety management), ISO 9001 (quality management), and ISO 14001 (environmental management) as acknowledgments at the level of the organization for our response in these fields.

From our beginnings, we have implemented a solid health system aimed at prevention, promotion and care, which provides services with a high problem-solving capacity, and an efficient and internationally outstanding occupational health model, as well as an epidemiological surveillance and control system. Without doubt, this has made it easier to face the challenges posed by the COVID-19 pandemic.

In this scenario, our challenge during the pandemic was to keep production going in order to continue contributing to economic growth, quality, decent and secure employment, as well as income generation for the workers and their families, without jeopardizing the health and life of people, beyond what the disease itself had been causing. Thus, the determination to carry on with our productive activities during the pandemic shows our commitment to Bolivian society to continue contributing to sustainable development of the country and the region in the midst of the crisis.



Through our decision to deploy a health strategy based on the principles of primary health care, with a focus on prevention and promotion, we were able to confirm that the best measure to reduce risks is to work comprehensively from a preventive approach. We say *comprehensively* because in our view the worker is not an isolated individual; he or she lives with a family and in a social environment. That is why working to protect workers has also implied working with their family and, in the case of workers who live in the communities, with the entire community.

Epidemiological control in the area of operations

Because of the reasons mentioned above, the intervention model we designed was aimed, on the one hand, at reducing the risks of contagion in the area of operations, based on the biosafety protocol called “Health prevention and intervention procedures for safe operations in Minera San Cristóbal during the COVID-19 coronavirus pandemic”; and, on the other hand, at identifying cases of COVID-19 in a timely manner in the families and communities that engage with the company and strengthening the COVID-19 diagnosis and treatment services across the country.

Regarding the actions in the area of operations, in order to have the highest level of control of COVID-19 transmission, the following main measures were put in place:



Reduction in the number and frequency of personnel displacements, thereto changing the work shifts to 28 days, with an average of 700 workers.



Development of a database on workers, with background information on base diseases, clinical history, age, pregnancies and place of residence to define their entry into the operations area and offices.



Ongoing assessment of the type of work to be carried out based on the priorities of the production process with a view to the allocation of “essential” personnel.



Implementation of periods of isolation prior to entering the area of operations, for workers arriving from both the cities and communities, with controls before and after isolation.



Isolation of the area of operations to reduce contact and the frequency of interactions with other sectors and population groups, and to control the exchange of goods and the exit of personnel authorized to operate outside the camp.



Implementation of strict biosafety measures (frequent hand washing, mandatory use of face masks and social distancing) in the areas of operations, dining rooms, means of transport and in all work areas.



Permanent provision of biosafety supplies in all areas, with the daily distribution of surgical face masks and the monthly provision of 2,000 liters of alcohol for the disinfection of personnel, vehicles, equipment and materials of daily usage.



Permanent epidemiological surveillance and control, through health controls, trend measurement and adequate conditions for treating cases. By the end of 2020, more than 21,300 medical controls had been carried out, including COVID-19 rapid tests and RT-PCR tests, and around 1,790 medical controls of carriers and other actions aimed at the timely identification of cases.



Installation of a laboratory to process RT-PCR tests in the operations area in order to rule out or confirm cases within ten hours.

During the first months of the pandemic, our prevention and containment mechanisms were highly effective. However, because of the considerable increase in cases in the operations area, it was necessary to constantly review the processes put in place and provide for reengineering, constantly improving our capacity to respond to the contingency.



Fostering equality

Another equally important aspect has been to manage the principle of equality in access to health protection means and COVID-19 case care services between company workers and contractors. Accordingly, all control, assessment, treatment and communication measures have been the same for all and have been put in place within the framework of safety and solidarity. This has not only reduced the risk, but has created a safe and reliable environment for everyone.

Thanks to the epidemiological control and surveillance measures, the area of operations became a low-risk space, despite the severity of the pandemic, with permanent medical assessments of the workers and the application of outbreak control strategies.

Epidemiological control brigades

Since the beginning of the pandemic, we have strengthened the company's health system in all cities and communities where we have workers. Thus, we conduct epidemiological tracking in all homes, with medical assessments, rapid tests, health orientation, psychological support and the provision of medicines. As a result of this strategy, we have set up a collaboration network so that each and every worker would be covered in an emergency, through access channels for health services at the three levels of care, according to the complexity of each case.

Until December 2020, we conducted 31 epidemiological tracking campaigns both in cities and in the area of operations, covering around 5,854 people who received more than two visits each.

The epidemiological brigades set up both in cities and in the area of operations have enabled a large-scale mobilization in the active search for cases, which has paid off with the early identification of positive COVID-19 cases. Approximately 88% of the identified cases were asymptomatic, 10% was in the early stage of the disease and only 2% was in advanced stages of the disease.

Following WHO recommendations, we massively and continuously applied COVID-19 detection tests. With this objective in mind, we set up a laboratory support network covering rapid tests, Elisa and Chemiluminescence immunoassay (CLIA) tests for the detection of antibodies, as well as molecular biology laboratories for RT-PCR tests. We also set up a laboratory next to the company's center of operations.

In the context of the pandemic, we performed more than 25,500 rapid tests for COVID-19, 2,000 RT-PCR tests, and 233 Elisa and Chemiluminescence tests.

This factor of the timely detection of cases considerably reduced the possibility of the outlook becoming worse, since preventive treatment schemes were applied through an extensive medicine distribution network that included the workers' homes, health services and the network of pharmacies across the country.

Due to the rapid spread of the disease and its severity, in all cases we had to extend the reach of our actions beyond the workers and their immediate family, reaching out to more people who do not directly engage with the company.



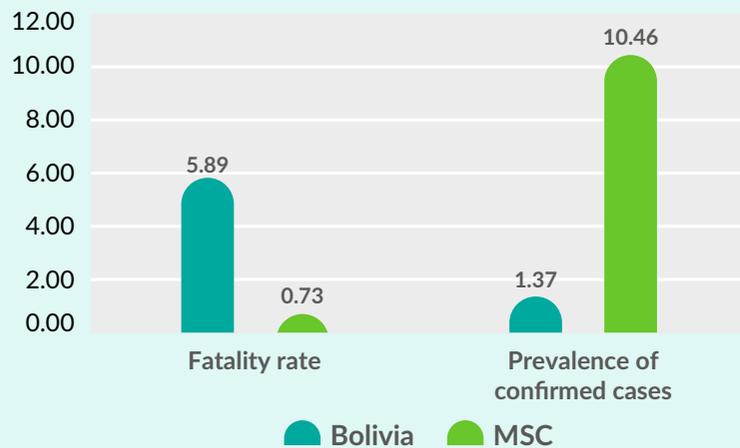
Emotional containment

We brought in a group of psychologists to develop an “emotional containment” program. Using digital media and social networks, this was helpful to provide support and guidance at critical times and at times of great anxiety due to the devastating effects of the pandemic among the families and in society as a whole.

COVID-19 case management service network

Compared with the biostatistical data at the level of Bolivia, the COVID-19 death rate in our company amounts to 0.73%, i.e. significantly lower than that of the country (5.89%). We believe that this result is thanks to the preventive actions mentioned above, with which we were able to cover 90% of the people under our coverage.

COMPARISON OF INDICATORS FOR BOLIVIA AND MSC DECEMBER 2020 (%)



Although this information is encouraging, we felt obliged to further improve the pandemic containment measures in the area of Minera San Cristóbal.

From the point of view of health services, for moderate and severe cases we put in place a network of COVID-19 centers with intermediate and intensive care units, including units in the area of operations. This was complemented with a network of ambulances to transfer critical patients.

Within the strategy of strengthening the health network to deal with COVID-19 cases, we strengthened the Toldos Comprehensive Health Center for managing critical cases, providing it with the necessary medicines, as well as special equipment such as mechanical ventilators, material for advanced airway management (intubation), ten oxygen generators, ten new medical oxygen tubes, face masks, infrared thermometers and pulse oximeters. In addition, we added fifteen health professionals to set up COVID brigades in the two work shifts at the camp.

Likewise, we implemented isolation areas for COVID-19 cases in the Aguirre Camp, with a capacity for 50 people and with daily monitoring by Toldos health personnel.

At present, we have more than 26 intermediate and intensive care units, and approximately one hundred beds for hospitalizing moderate cases.

Thanks to our medical supplies network, we had biosafety material and medical equipment, even when severe shortage hit the country.

Finally, we ensured the timely provision of medication, according to medical care protocols and in accordance with ongoing medical advances and discoveries in relation to the disease.



2.3 Cooperation and solidarity

Cooperating in a pandemic was the name of the axis of support that we provided to the extent of our possibilities to individuals, families, communities and institutions, giving them access to means of diagnosis and treatment, as well as preventive and care services in cases with limitations of any type. We donated intensive care equipment and biosafety materials, we facilitated and subsidized treatment of serious cases, even of people without medical care coverage, we applied massive diagnosis tests in the communities, and in the cities we provided care to people not directly engaged with the company.

2.4 The future of the pandemic in Minera San Cristóbal

The course of the COVID-19 pandemic suggests that its intensity and severity will remain at least throughout 2021. This outlook forces us to continue applying the model applied so far, at all times seeking a balance between production and health. This implies that we will have to keep up our permanent monitoring and evaluation efforts to gradually measure the impact of the disease and make the necessary adjustments along the way to achieve the greatest possible effectiveness in the control of COVID-19.



Since the end of December 2020, COVID-19 vaccination rollout has begun worldwide, an encouraging step in the fight against this evil. While we wait for vaccines to become available in the world market, approval by the national government and open marketing authorization in the country, we are putting in place all the technical and logistical conditions needed for medium-term application of a vaccination plan benefiting our working population and their families with this fundamental protection mechanism ■

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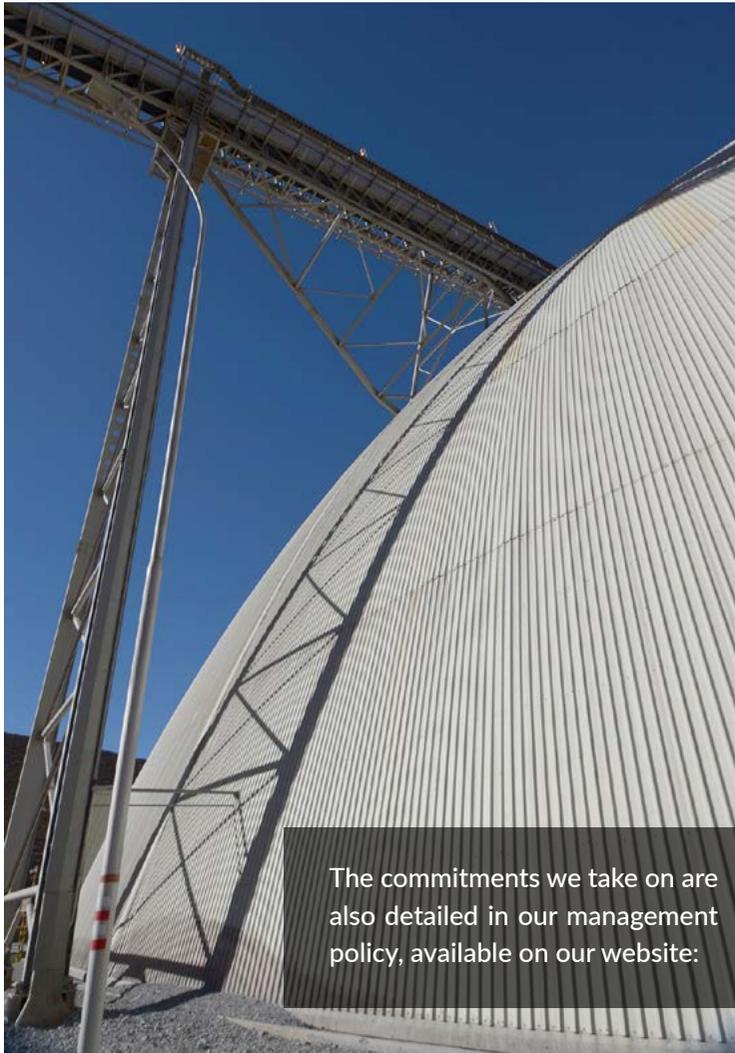
CONTENTS

Sustainable development

We promote responsible and principles-based mining, and we integrate sustainable development into our way of thinking and acting.

3.1 Sustainable development management

We promote responsible and principles-based mining, and we integrate sustainable development into our way of thinking and acting. In this sense, in 2020 we revised and updated our strategic plan (2020-2024) that includes the following elements:



The commitments we take on are also detailed in our management policy, available on our website:

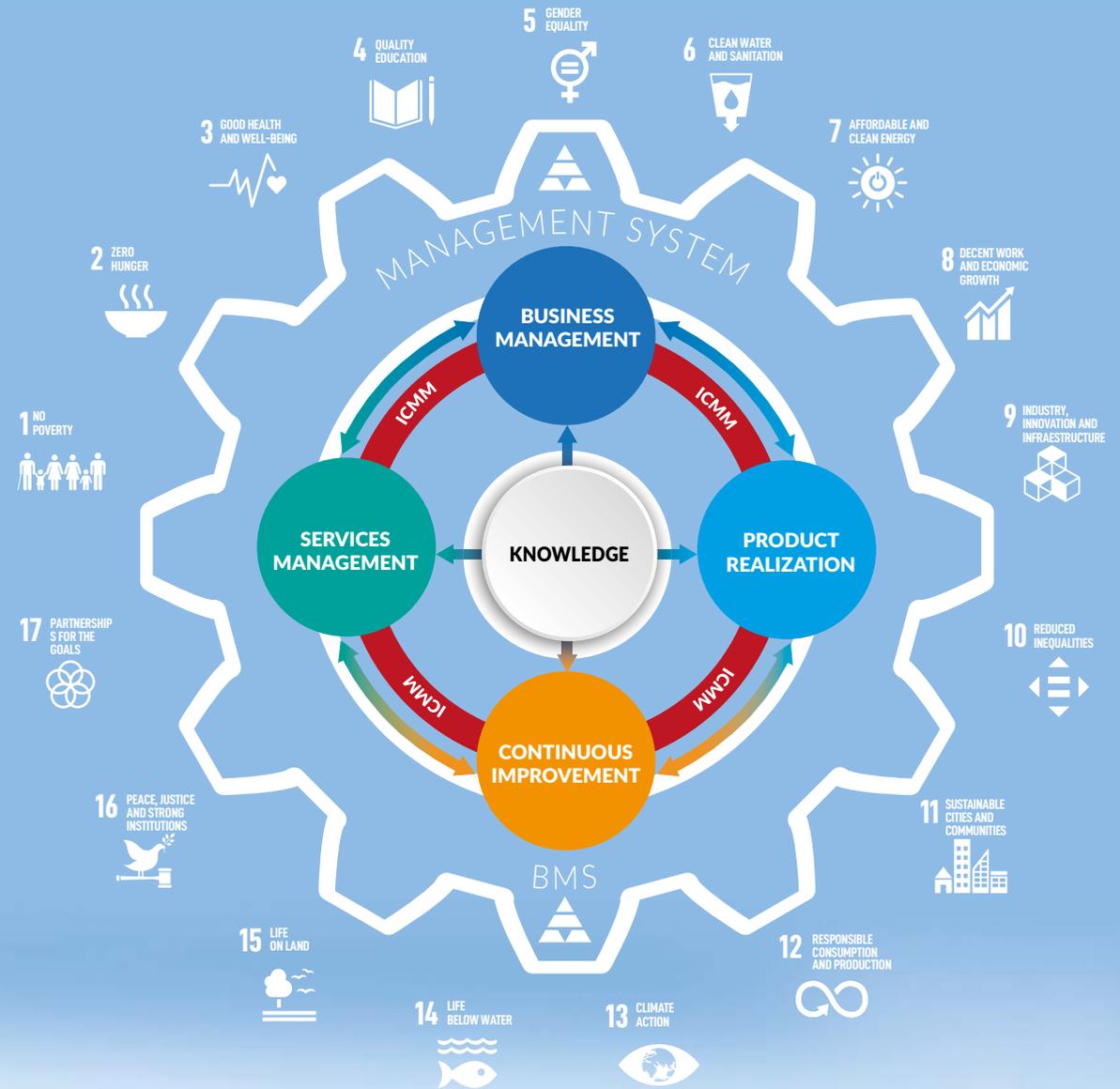


<https://www.minerasancristobal.com/v3/en/inicio/ourcompany/management-policy/>

The guidelines and best practices in the field of sustainability that we apply, including the SDGs, the ICMM principles, the GRI standards, the requirements of ISO and OHSAS standards, are integrated into the processes of our management system.

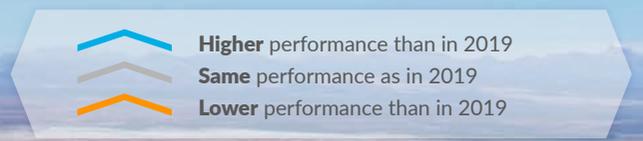
management model

It comprises four main components: business management, product realization, services, and continuous improvement. These systems interact in a dynamic manner through the flow of knowledge and feedback from stakeholders (103-3).



3.2 Our sustainability performance

The 2020 goals and achievement thereof are described below:

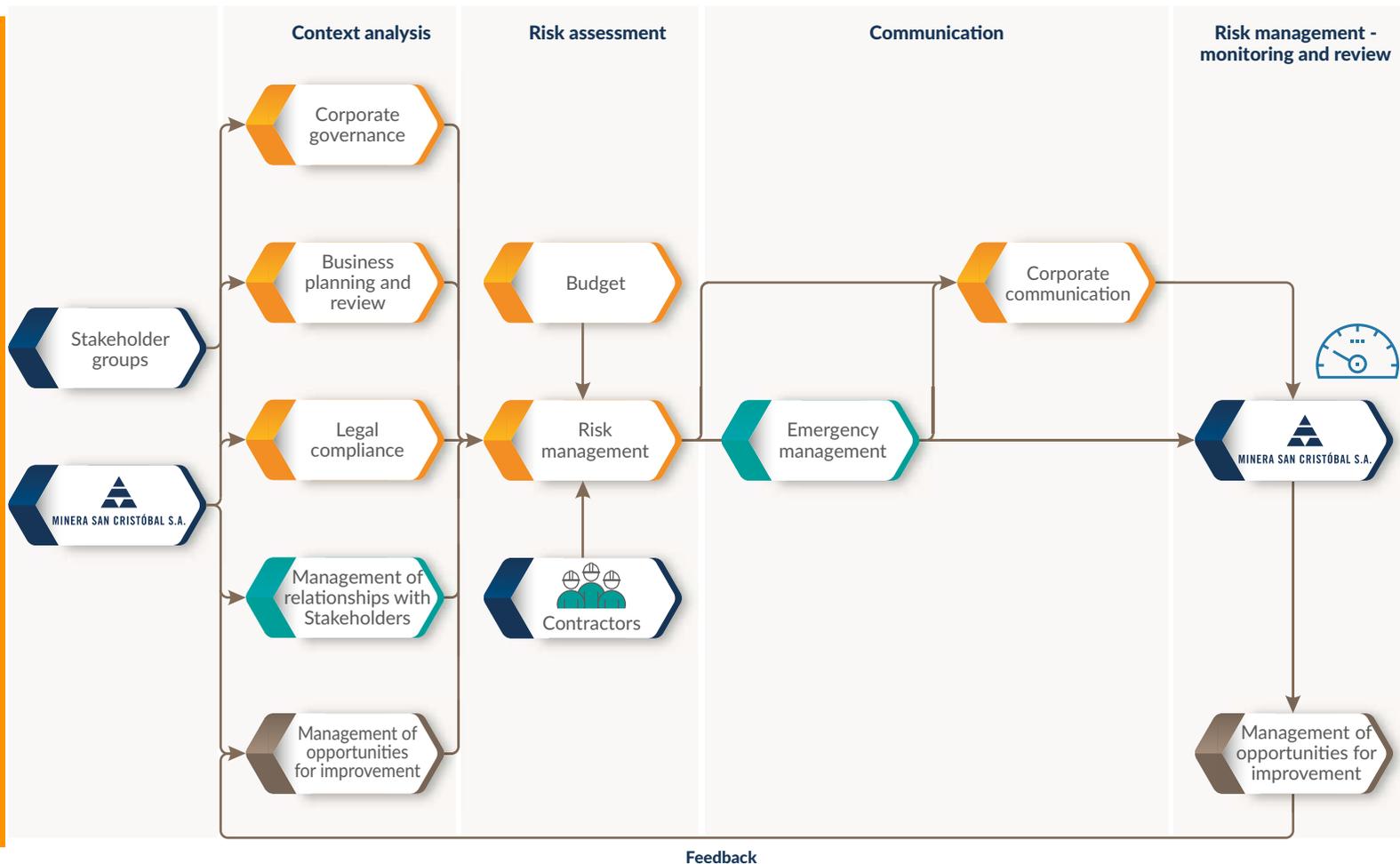


3.3 Comprehensive risk management

With our comprehensive risk management model, we can identify, assess and manage risks and uncertainties in the face of internal and external events or scenarios that may hinder the achievement of our strategic objectives.

This model includes the different management areas linked to sustainability: economic; occupational safety and health; environment; community; reputational; and legal.

Our identification and assessment of risks is comprehensive and participatory, both at a strategic and operational level.



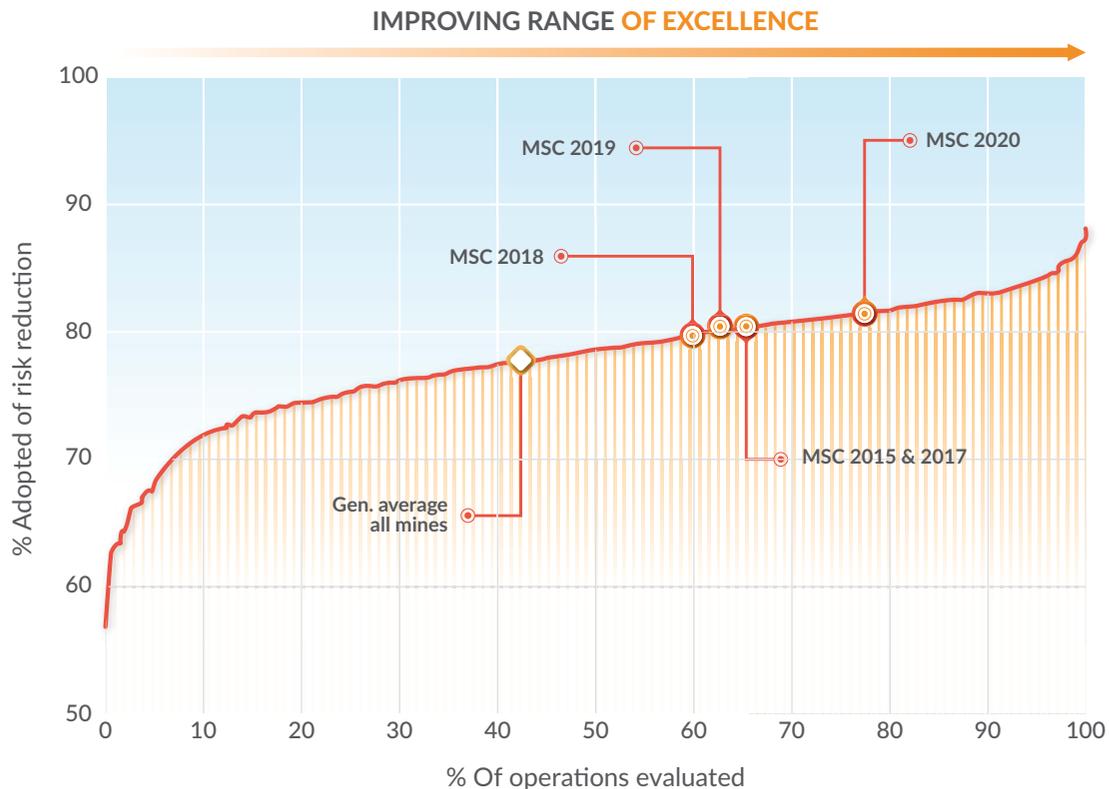
Among the main risks identified in 2020 are (102-15):

- ▶ Metal prices below the economically profitable threshold
- ▶ Social closure plan
- ▶ Environmental closure plan
- ▶ Logistical interruptions of the port and railways
- ▶ Catastrophic failure of the SAG mill
- ▶ Legal uncertainty
- ▶ Tailings deposit
- ▶ Effects of water use for the operation
- ▶ COVID-19 pandemic

Addressing these risks allows us to manage possible impacts associated with permanent/temporary interruptions of the operations, sanctions or fines, economic losses, production losses, environmental impacts, health and safety impacts, social conflicts, etc.

We manage opportunities, such as, inter alia, remote work; process automation; comprehensive water use; environmental conservation programs in conjunction with the communities; partnerships with different social actors; Human Rights management; efficient use of energy; and development projects in communities.

Through the “Business Planning and Review” process, our executive team validates the set of strategic business goals and objectives that are formulated taking into account the risks and opportunities identified by the Risk Committee and approved by the Vice President and General Manager (102 -29) (102-30) (102-31).



On a yearly basis, our reinsurers make an evaluation of our ability to control the risk scenarios related to operational continuity (integrated into insurance policies). The graph shows the improvement we achieved in risk coverage from 2015 (80.5%) to 2020 (81.4%), compared to the average value achieved by mining companies using the IMIU (International Mining Industry Underwriters) methodology. It is clear that our level of performance is above average.

Regarding the methodology: each operation is evaluated using a comprehensive risk assessment model, developed by IMIU, which can provide a comparative measurement of the probability of loss and the consequences. Using this model, it is possible to compare every mine, regardless of the type of operation or product. Since 2003, IMIU has conducted more than 3,500 individual studies in nearly 500 different mining operations around the world. Source: <https://www.imiu.co.uk/>



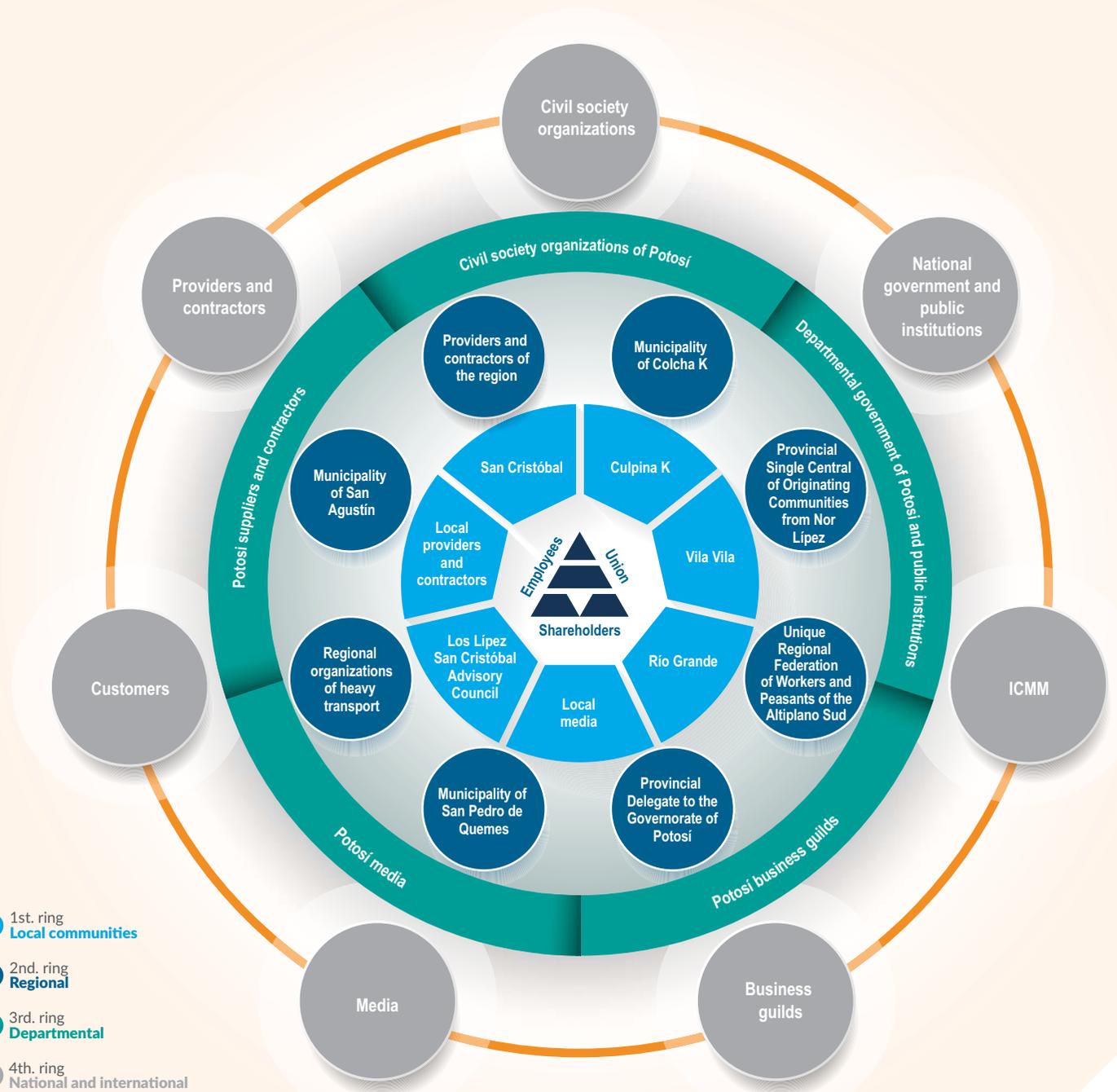
3.4 Stakeholders and materiality

Identification of stakeholders (102-40, 102-42, 102-43, 102-44, 102-34, 102-46).

Every year, we identify, map and analyze the stakeholders in order to engage with them proactively. This engagement is based on the values of mutual respect, honesty and transparency.

We define our stakeholders as the people, groups of people, organizations and public/private institutions that affect our activities or may be affected, positively or negatively, as a result of our activities.

Our communications committee led the process of analysis, identification and validation of the following stakeholders:



We have several communication channels to understand the concerns of our stakeholders (worries, complaints or suggestions) and expectations related to different aspects of our operations. It is also important for us to have direct contact (formal and informal conversations, interviews and meetings) with the people who require a closer and more individualized approach.

We respond to, process and follow up requests submitted, since we are interested in providing an appropriate response to their concerns. Before closing each process, we inform the interested party about the actions that were carried out, within the framework of respect, as these actions help us to improve our operations and processes.



Materiality process

Our materiality analysis takes into account the following stages:

IDENTIFICATION

- Interviews/Focus groups with different stakeholders (individual or organizational) (Baseline 2017).
- Annual stakeholder analysis and event monitoring.
- Opinions of the management team (Managements/Senior Superintendencies).

List of material topics by stakeholder group.

PRIORIZATION

- Annual analysis of the results of each stakeholder group.
- From a qualitative perspective, they are classified on a scale of high, medium and low depending on the frequency and intensity and/or passion with which the topics or concerns were raised or mentioned in the meetings.
- Opinions of the executive team (Managements/Senior Superintendencies).

List of prioritized material topics.

VALIDATION

- Presentation of results to the Presidency and Vice Presidency & General Management.

List of prioritized and validated material topics (102-34).

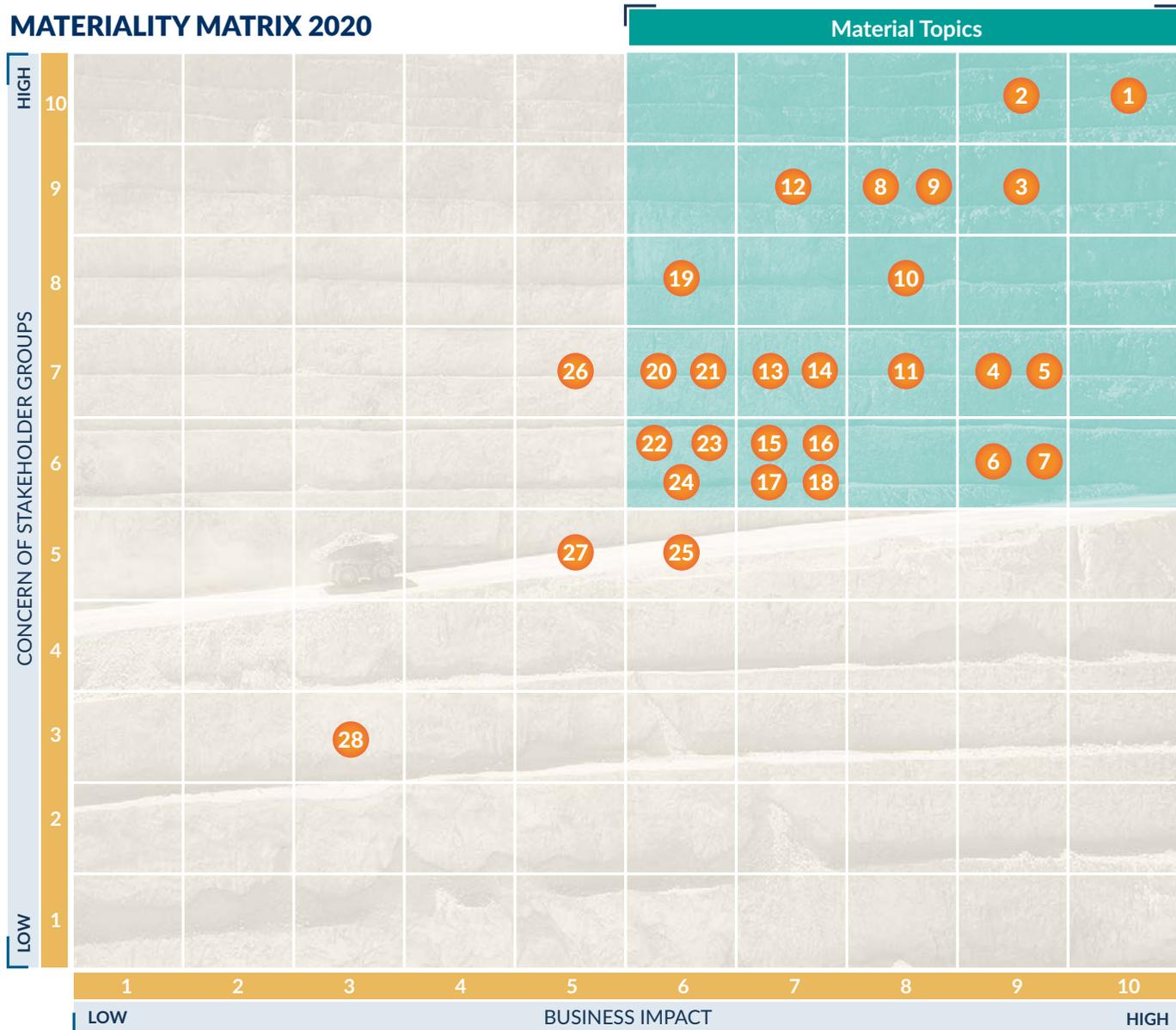


After determining the prioritized and validated material topics, we position them in the materiality matrix, which has two dimensions of analysis. The first one is related to the level of concern regarding the topic among the stakeholders (vertical axis), and the second is associated with the level of impact on the business, both by the action of Minera San Cristóbal and by the action of stakeholders (horizontal axis).

The relevant material topics are those specified in the upper right quadrant. In addition, we integrate their 2020 coverage and their relationship with stakeholders (103-1, 102-47).

The management team reviews and validates the results and the material topics that were prioritized (102-21) (102-32), which are addressed preferentially. The other topics are dealt with by the area that is responsible for carrying out the operational management. In the reporting year, COVID-19 was included as a material topic (102-49).

MATERIALITY MATRIX 2020



MSC	MATERIAL TOPICS	RELATED STAKEHOLDERS	COVERAGE INTERNAL / EXTERNAL
1	COVID-19	ALL	I-E
2	Health and Safety (0 fatalities and 0 LTI)	EM - CM - UN - TA - ICMM	I-E
3	Water (tailings deposit and water for communities)	ALL	I-E
4	Best Labor Practices (Practices implemented because of the pandemic)	EM	I
5	Waste Management	EM - GO - ICMM	I-E
6	Cost of labor and productivity (includes energy)	GO - CT - EM - TA	I-E
7	Concentrate export logistics	GO - CT - EM - TA	I-E
8	Corporate reputation	GO - EM - ICMM	I-E
9	Transparency	GO - EM - ICMM	I-E
10	SLO (Social License to Operate)	CM - GO - EM - MD - ICMM	I-E
11	Wila Khara (Tailings deposit)	CM	E
12	Employment	EM - UN - CM	I
13	Economic Benefits	CM - EM - SO - MD	I-E
14	Working climate (culture)	EM	I
15	Biodiversity/Protected areas (llamas and biodiversity strategy)	CM - SH	I-E
16	Climate change	SH - SO - GO	I-E
17	Comprehensive risk management	EM - SH - SO - ICMM	I-E
18	Relations with the Union	EM - UN	I-E
19	Sources of work after closure (social)	EM-CM-SO-MD	I-E
20	Closure Plan	CM - TA - ICMM	E
21	Oxides Project to extend LOM	CM - EM	I-E
22	Gender equity/Inclusion	GO - EM - ICMM	I-E
23	Discrimination	GO - EM - ICMM	I-E
24	Alternative work for local entrepreneurs	CM - EM - SO - MD	I-E
25	Training and professional development	EM	I
26	Employment for Second Generation in Communities	CM - EM - SO - MD	I-E
27	Child labor among suppliers (Human Rights)	GO - EM - ICMM	I-E
28	Product Lifecycle	SH - SO - EM	I-E

Stakeholder groups and abbreviations:

GO: Government
MD: Media

TA: Trade Associations
SO: Social Organizations

CM: Communities
EM: Employees

UN: Union
SH: Shareholders

CT: Customers
ICMM: ICMM

ALL: All

3.5 Commitment to external initiatives (102-12)

We adhere to the following initiatives and are subject to periodic evaluations to validate our performance.



The certificates are available on our website: <https://www.minerasancristobal.com/v3/en/inicio/certifications/>

3.6 Memberships and associations (102-13)

We are members or participate in the following associations:

	NATIONAL	National Association of Medium-sized Miners	Second Vice Presidency
	NATIONAL	Confederation of Private Entrepreneurs of Bolivia	Third General Member in the Executive Committee
	NATIONAL	National Chamber of Commerce	Affiliate
	NATIONAL	National Chamber of Industries	Member of the Board
	REGIONAL	Chamber of Exporters of La Paz	Member of the Board
	REGIONAL	Federation of Private Entrepreneurs of Potosí	Second Vice Presidency
	REGIONAL	Chamber of Industry and Commerce Santa Cruz	Affiliate
	INTERNATIONAL	International Council on Mining and Metals	Member

In accordance with the ICMM admission process, during 2020 we met with the Expert Panel of this institution to review our progress in implementation of the Action Plan agreed upon. The Panel reviewed numerous documents prepared by MSC and our consultants. However, due to the global COVID-19 pandemic crisis, the Panel suspended its review in March 2020 to then resume the process in late May 2020.

In summary, progress focused on the following aspects:

Our Management Policy already specifically integrates issues related to human rights, harassment, stakeholder groups, biodiversity, climate change and ethical practices.

Documents that integrate our human rights practices both in our company and among contractors have been validated.

The risk management model integrates the different areas of analysis of sustainable development.

We have action frameworks on biodiversity and climate change.

We have conducted a resilience study with the support of consultants from the University of Queensland, the results of which will contribute to the identification of possible risks and impacts from the perspective of the communities.

We have carried out the integrated evaluation of the hydrological and hydrogeological system, and we have prepared a proposal for the hydrogeochemical conceptual and numerical model ■

4

CONTENTS

Economic performance

4 Economic performance

The figures regarding our economic performance transparently show the positive impact of our company on development and on the local, regional and national economy.



Approach

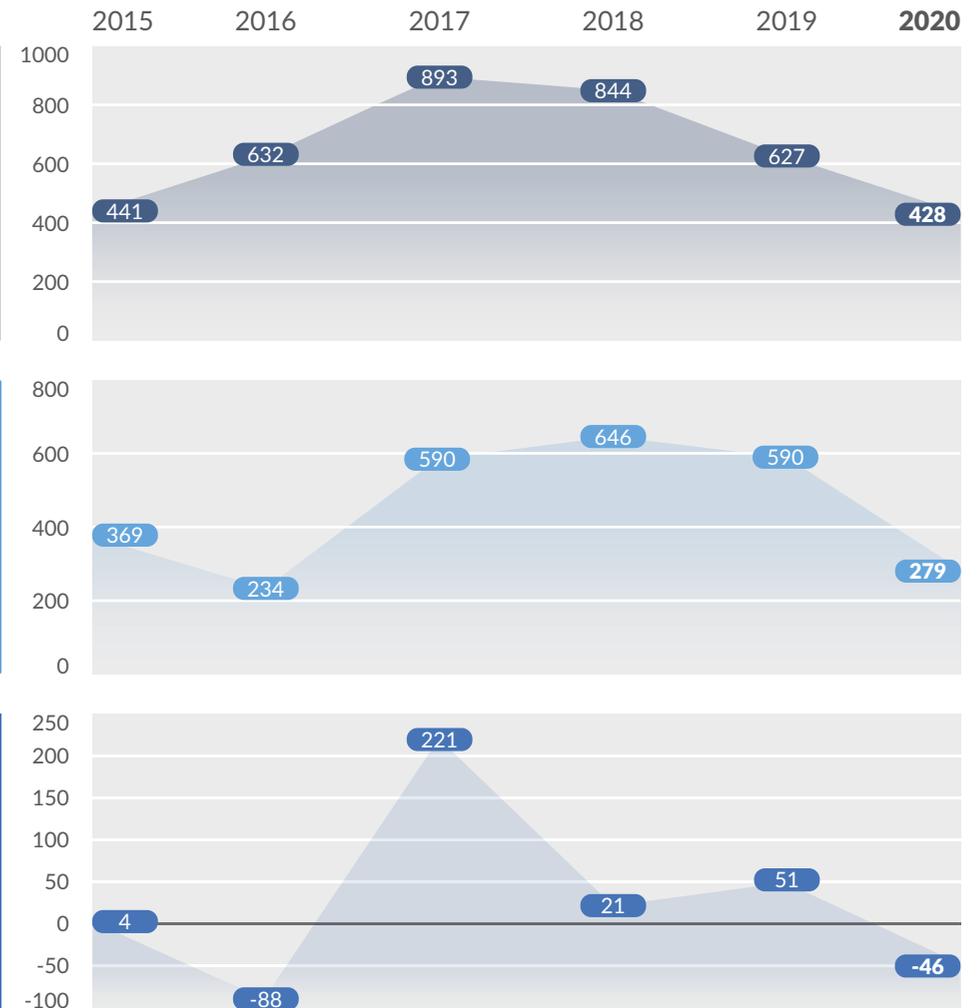
In 2020, our revenues from the sale of concentrate decreased by 32% compared to 2019, primarily due to the COVID-19 effect, which led to a decrease in production during approximately ninety days. Furthermore, the low international prices of minerals during the first months of the pandemic, despite the recovery in prices from October, affected our annual sales. In addition, an adjustment for fixed asset impairment has been recorded, which contributed, among other things, to a decrease of the net result by 191% compared to 2019.

On the other hand, working capital has declined by 53% compared to 2019, mainly due to a decrease in available funds as a result of the refund of capital contributed by the shareholder.

It is also important to mention that the corporate income tax in 2020 was lower than that in 2019, mainly due to the decrease in sales and the advance payment of the corporate income tax relating to 2019.

During 2020, no fines or any other non-monetary sanctions were imposed on our company for breaching laws or regulations (419-1), nor were there significant changes in relation to size, structure, ownership and supply chain (102-10).

4.1 Highlights (102-7)





The information on economic performance comes from internally audited accounts; financial management is subject to both internal and external verification because of its relevance.

Internally, we conduct random reviews through an annual program of evaluations which is the result of risk management, which we use for quarterly verification of the effectiveness of internal controls designed to ensure the integrity, exposure, validity and accuracy of the financial information. The information in the Financial Statements as at the end of March and September is externally audited.

ECONOMIC PERFORMANCE - MINERA SAN CRISTÓBAL SA (201-1)

	Million US\$					
	2015	2016	2017	2018	2019	2020
Economic value generated						
Operating revenues	441.3	631.7	892.8	843.6	627.2	427.5
Financial revenues	0.1	0.2	2.6	10.7	9.4	2.2
Non-operating revenues	11.1	10.0	8.5	9.1	7.1	3.3
Total economic value generated (1)	452.5	641.9	903.9	863.4	643.7	433.0

(1) Revenues from concentrate sales net of treatment and freight costs.
 Revenues from interest earned on short-term investments.
 Revenues from exchange rate gain.

	Million US\$					
	2015	2016	2017	2018	2019	2020
Distributed economic value						
Operating costs	219.9	188.1	206.3	217.5	212.1	153.9
Wages and benefits	76.0	78.1	79.6	90.4	102.8	76.9
Capital expenditure	13.1	7.2	10.9	9.6	11.7	9.8
Financial expenditures	7.0	8.0	7.8	8.1	8.6	5.0
Payments to capital providers (owners)	117.0	70.0	100.0	200.0	161.7	365.3
Payments to Government (taxes)	61.1	246.9	191.9	253.7	401.9	59.8
Community investment	0.8	0.9	1.7	1.0	4.9	3.9
Distributed economic value (2)	494.8	599.2	598.3	780.2	903.7	674.6
Total retained economic value (3)	-42.3	42.7	305.6	83.2	-260.0	-241.6

(2) Operating costs: Payments to suppliers of goods and services for normal operation.
 Wages and benefits: Value distributed to workers through payments of wages, social contributions, bonuses, social benefits and health.
 Capital expenditure: Investment in capital assets that contribute to the operation.
 Financial expenditures: The obligations generated from interest on bank loans.
 Payments to capital providers: Includes dividends paid to shareholders of the Company.
 Payments to Government: Contribution of the company to the tax authority, through the payment of corporate income tax, royalties, mining surface rental fees and other taxes.
 Community investments: Contributions to social programs, sponsorship and donations.

(3) Retained economic value: This is the difference between the generated economic value and the distributed economic value, which will be reinvested in the company to ensure continuity of the operations. This difference includes depreciation and amortization in addition to the profit of the period.

The Financial Statements as of 30 September 2020 submitted to the National Revenue Service (SIN) only concern the activities of Minera San Cristóbal S.A. and do not include any other entity (102-45).

4.2 Our suppliers (102-9, 204-1)

We make efforts to benefit national and local suppliers with procurement for our operations. Our contractors are registered as suppliers after the qualification process and we award contracts through public bidding processes, quotations and direct invitation. Likewise, we take special care to ensure that our contractors comply with the policies and standards related to quality, health, safety and environment implemented by our company, and that they respect the relationship with our communities.

The contracts with our suppliers are subject to our Code of Ethics and Business Conduct, which includes anti-corruption and anti-bribery clauses. Likewise, we conduct regular monitoring and performance evaluations to verify whether the quality of the services provided is as per the expected level.

In 2020, we had a commercial relationship with 988 suppliers and we invested an approximate amount of US\$ 246 million in the combined purchase of goods and services. This amount was lower than in 2019, mainly due to the impact of the COVID-19 pandemic.

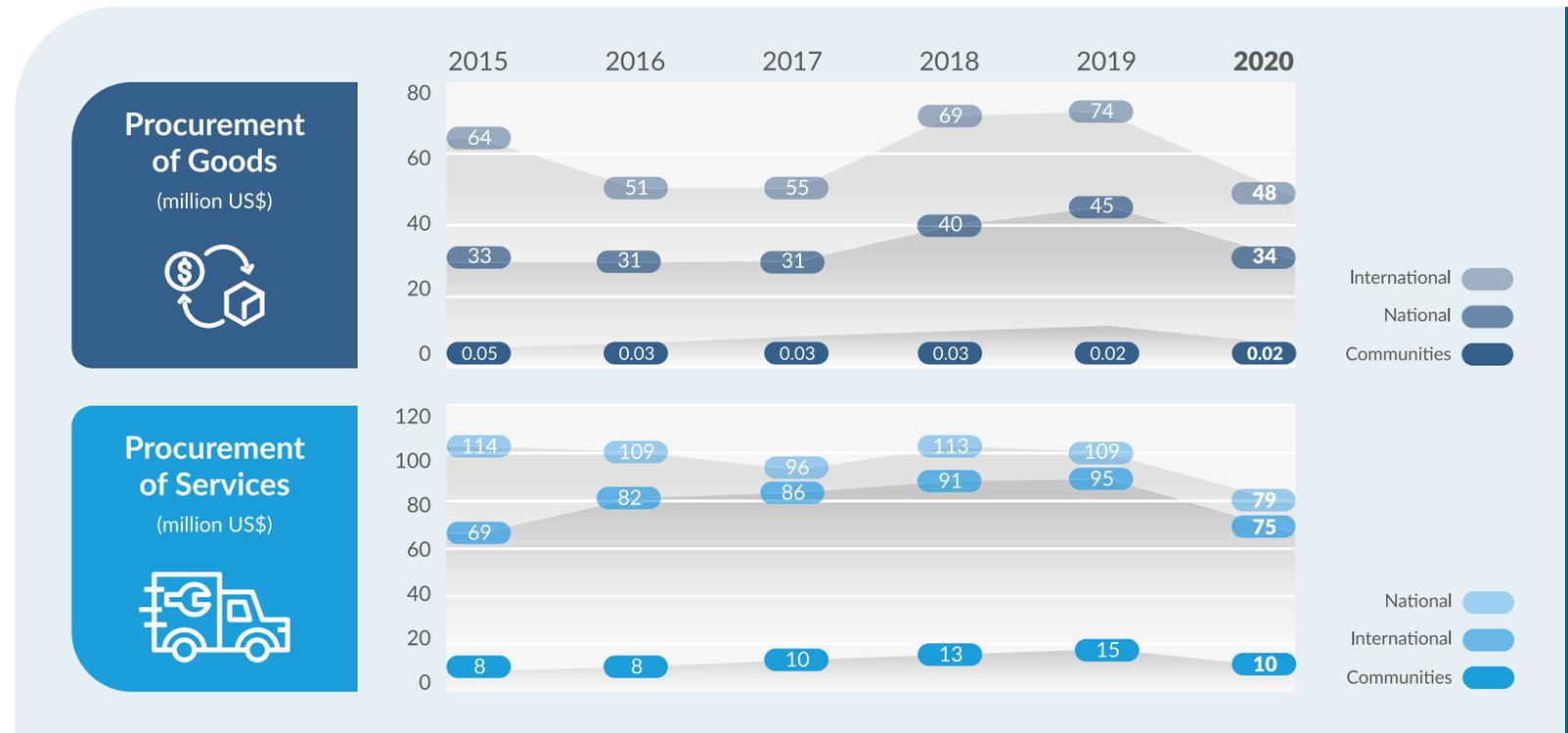
Of this amount, the procurement of goods accounted for an approximate amount of US\$ 82 million, of which US\$ 34 million (42% of the total) stemmed from national suppliers and suppliers from the communities. Because the volumes and specifications for certain supplies used in the operation are not produced in the local market, most of these are purchased in the international market, especially diesel, explosives, reagents and mill parts.

In terms of services (transportation, electricity, food, maintenance, etc.), we invested an amount of US\$ 164 million. Thus, while services purchased abroad make up 46% of total procurement, the rest of the services are procured from national suppliers, including from the local communities.

Regarding the geographical composition of our service providers, 6% of all services (US\$ 10 million) were procured in the communities of the direct influence area (Culpina K,

San Cristóbal and Vila Vila) and 48% of the total services (US\$ 79 million) from the rest of the country.

Beyond the economic benefits we generate for suppliers of goods and services in the region, we continue to promote the work of local suppliers, helping them improve their performance ■



5

CONTENTS

Our

people

While carrying out our operations, we seek the best working conditions for our workers.



Approach

While conducting our operations, we seek the best working conditions and the permanent training of our employees; we manage a health care system that prioritizes prevention in the occupational health of our workers and their families; and we comply with high standards of industrial safety and protection of workers and contractors, guaranteeing efficiency in production. The actions we carry out in terms of safety and health in our operations respond to the joint construction of a preventive culture.



CASE STUDY

Strengthening labor relations and internal communication with personnel in times of pandemic

The arrival and permanence of the COVID-19 pandemic have affected work in companies worldwide, in both financial and social terms, interfering with and altering interpersonal and labor relationships, particularly in the field of communication.

Although the new reality due to the pandemic-related confinement has forced us to modify routines and customs, and has caused physical estrangement between people, at the same time it has been an opportunity to maintain permanent contact and strengthen alternative communication channels.

MATERIAL	QUANTITY	REACH	MINIMUM NO. OF PEOPLE	MINIMUM NO. OF VIEWS	TOTAL VIEWS/DAY	TOTAL VIEWS/WEEK
Banners	9	MSC employees and workers in La Paz offices and camp	500	1	500	2,500
Posters	10	MSC employees and workers in La Paz offices and camp	500	1	500	2,500
Email messages	1	MSC employees and workers in La Paz offices and camp	200	1	200	1,000
WhatsApp messages	7	MSC employees and workers in La Paz offices and camp	500	3	1,500	1,500
TOTAL VIEWS PER WEEK						7,500



Under the current circumstances, we have taken on the challenge of strengthening internal communication strategies, with the purpose of ensuring permanent and efficient contact with employees, workers and workers' representatives, so as not to lose fluency in the empathic, timely and appropriate communication that has always characterized us.

In this sense, we developed a series of elements, tools and means from different fronts, which helped us strengthen our relationship with workers and ensure continuity of the work, thus confirming our ability to be flexible and adapt to any situation, despite adverse circumstances.



Our primary objective was to inform all workers about the measures which the company had to adopt in view of the confinement and about the development of activities. Likewise, we provided information on essential prevention and health measures through materials disseminated in our offices in La Paz, common areas, work areas and maintenance areas in the camps, obtaining more than 7,000 views of the material per week. This made it possible for us to properly position the biosafety messages among all our staff.

In addition, we produced printed materials (information cards and flyers) to ensure formal communication about the COVID-19 prevention measures. This material is delivered at each shift change, distributing an average of 500 units per month to 100% of our staff. All this material was also replicated through electronic channels, covering a total of 400 messages since April 2020.

With regard to our work activities, we initially put in place training programs to share information about teleworking and about the safe return to the office, through four *webinars* led by internal facilitators, targeting staff who work in the offices of La Paz and Potosí. On the other hand, we continued focusing on the high-performance teams adapted to the virtual modality. With the support of an international facilitator, we developed six workshops for five teams from different areas of the company, in which topics related to productivity, efficiency, leadership and communication were addressed.



Subsequently, we implemented the preparation programs for entering the site, which are taught virtually to our staff and contractors throughout the isolation period prior to entering the camp. The content covers different topics, from meetings on the commitment to safety, focused on biosafety measures for the prevention of COVID-19; emotional well-being; environmental care; industrial safety; regulatory and administrative aspects; and information security; to talks on health care, among others.

During 2020, we held 180 meetings with an average of 140 participants, with a total estimated number of 25,200 interactions throughout the process. All this with the objective of informing our workers about the measures to prevent contagion while they are on site, preparing them emotionally, ensuring active communication and information, and strengthening relationships between coworkers.

Apart from institutional communication, the importance of which is beyond discussion, we are convinced that the communication that allows us to keep in touch with our staff is fundamental, which is why we have a presence at the medical check-ups of the more than 500 people in the camp. We organize meetings on prevention in different areas and visits to different places; and we ensure constant availability of our internal customer service to permanently answer questions and respond to suggestions.

Despite the difficulties and challenges due to the pandemic, the experience of the past months has made it clear to us that labor relations, fostered by internal communication and the actions of the Human Resources area, build a sense of ownership.

We still have a long way to go, but we are aware that labor relations and protecting the health and safety of our employees are the strength that will allow us to overcome adversity and reach the goals we have set for ourselves.

5.1 Human rights (103-2, 408-1)

We adhere to the human rights principles laid down in the Constitution of the Plurinational State of Bolivia, the Universal Declaration of Human Rights of the United Nations, the covenants of the International Labor Organization and the ICMM principles. We are committed to honest and transparent communication with our stakeholders; and we act with respect for the cultural heritage, traditions and customs of the communities where we operate.

In 2020 there were no incidents related to human rights violations (including discrimination) (406-1). As part of the ICMM alignment activities, we validated the content of the following documents with our different areas:



Human rights management manual: it is complementary to our values, management policy, policy of mutual respect and code of ethics, integrating the overall approach to human rights and our commitments. It is applicable to all our activities and is an adhesion guide for our contractors.

Code of Conduct for suppliers: it sets forth the minimum standards of conduct that we expect from our suppliers.

Instructions for managing abuse, workplace harassment and sexual harassment: they provide for the activities through which we manage situations of abuse, sexual harassment and workplace harassment, providing for appropriate instruments to assist the people who work with us.

Next year, we will work on final approval and dissemination of the documentation related to human rights among the different stakeholder groups, in addition to integrating criteria in the interaction with contractors.

CASE STUDY

Promoting human rights in companies transporting materials and supplies

We are convinced that human rights education and training are a fundamental factor in promoting values and attitudes that encourage our suppliers to respect, observe and defend their own rights and those of others. That is why in 2020, we developed training on human rights for administrative personnel and drivers of companies that transport materials and supplies and who come from both the communities and other parts of the country. This training was conducted within the framework of the human rights principles laid down in the Constitution of the Plurinational State of Bolivia, the Universal Declaration of Human Rights of the United Nations, the covenants of the International Labor Organization and the ICMM principles.

In coordination with the Bolivian Foreign Trade Institute (IBCE, in Spanish), and because of the restrictions due to the COVID-19 pandemic, we held four virtual training sessions in which issues inherent to human rights were addressed, focusing on the following content:



1 Topic

Introduction to the Universal Declaration of Human Rights

- Presentation and brief explanation of the content of the 30 articles of the Universal Declaration of Human Rights.



2 Topic

Fundamental Rights in the Constitution of the Plurinational State of Bolivia

- Explanation of the meaning of Fundamental Rights and how the Bolivian State contributes with mechanisms for the population to enjoy its rights through different laws.



3 Topic

Rights violations due to negative practices, such as:

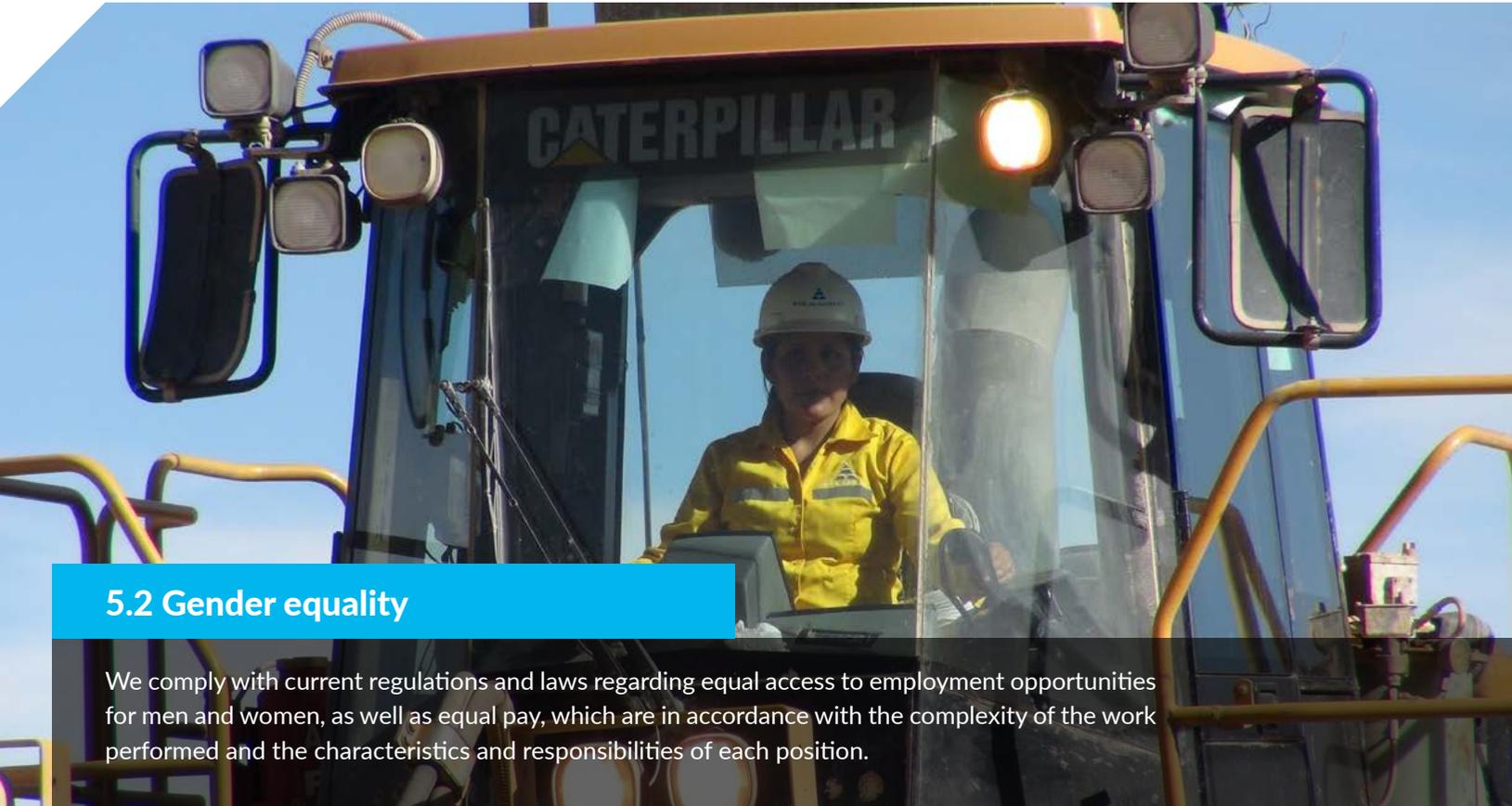
- Child labor
- Forced labor
- Discrimination
- Gender inequity
- Harassment





In the four sessions, we had a total of 193 participants from the different companies and cooperatives that provide us with material transportation services:

- ▶ TRADECO S.R.L. (12 participants)
- ▶ JAYULA (8 participants)
- ▶ COOPERATIVA DE TRANSPORTE NOR LÍPEZ (43 participants)
- ▶ COOPERATIVA CENTENARIO (37 participants)
- ▶ COOPERATIVA 11 DE JULIO (16 participants)
- ▶ TRANS APALA S.R.L. (10 participants)
- ▶ EMPRESA DE TRANSPORTES SOL DE LOS LÍPEZ (10 participants)
- ▶ COOPERATIVA DE TRANSPORTE SAN CRISTÓBAL DE LÍPEZ (21 participants)
- ▶ COOPERATIVA TRANS KACHI LAGUNA (11 participants)
- ▶ TRANS TIÑINI (14 participants)
- ▶ SAN CRISTÓBAL FOUNDATION (11 participants)



5.2 Gender equality

We comply with current regulations and laws regarding equal access to employment opportunities for men and women, as well as equal pay, which are in accordance with the complexity of the work performed and the characteristics and responsibilities of each position.

In this sense, whenever someone joins our company on the basis of an employment contract, his or her salary is based on the salary structure set for each hierarchical level, approved by Management, without discrimination on the grounds of gender or age.

On the other hand, and considering the great variability in terms of seniority premiums, the annual salary increases applied on an individual basis and the differences in the number of female and male personnel on the company's payroll, in 2020 the salary of male workers was 1.11 times higher than the salary of female workers. In executive positions, men's wages are 1.69 times higher than women's wages, and in supervisory positions, the ratio of women's wages to men's wages is 1 (same proportion) (405-2).

5.3 Workforce characteristics

In 2020, we had 1,320 employees distributed in the camp and our offices in the cities of Potosí and La Paz, as well as 580 contractor employees. Thus, we reached a total of 1,900 workers (102-7).

Within the corporate culture that characterizes us, we interact and maintain a fluent communication with our stakeholders, including the trade union, contractors, the Ministry of Labor, the Ministry of Health and the Migration Office, among others.

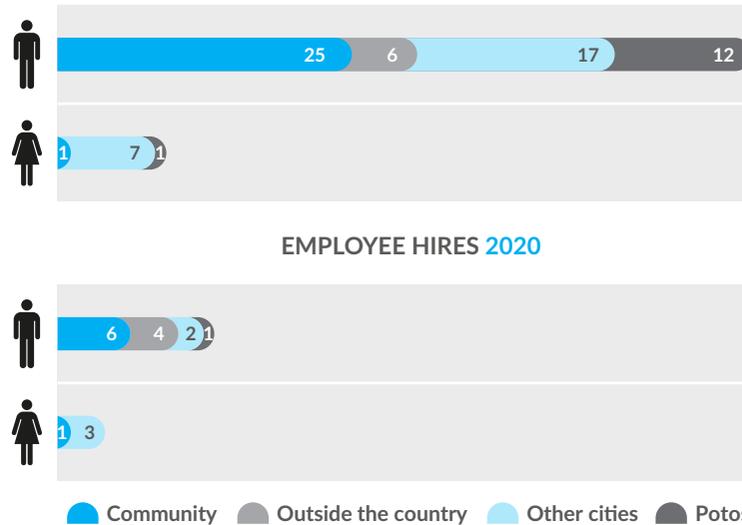
In 2020, we hired 13 men and 4 women. With these hires, the annual accumulated turnover rate reached 5.2% (401-1) and the annual average turnover was 0.42%. The factors explaining the staff turnover were mainly personal reasons and adjustments to our structure.

As far as recruitment is concerned, we ensure that all workers are of legal age, for which we request submission of the relevant supporting documents. While there is a risk of underage work in parts of the supply chain, we include legally binding provisions in this sense in the contracts with our product and service providers.

We want to highlight some of the positive factors that contribute to the permanence of our staff:

- ▶ We are among the companies that pay the most competitive salaries in the country.
- ▶ The benefits package that we offer to our employees (full-time, temporary or under contract) includes a delegated health insurance; technical and specialized training; bonuses based on performance and the attainment of goals; commercial opportunities for the procurement of goods and services by staff at preferential prices; and recreational areas in the camp (401-2).
- ▶ Regarding the rotating work shifts, we should highlight that in certain operational areas we have a 7 by 7 work schedule. However, due to the COVID-19 pandemic in 2020 we implemented an individual agreement for the transitional and temporary modification of work days and shifts. This modification entails that as an extraordinary, transitional and temporary measure, the operation has implemented shifts of 35 continuous working days, with a similar number of days off. When the workers come back from their place of origin, they spend seven days in pre-care and isolation before entering the operations area and then stay 28 days at the Toldos Camp.
- ▶ We apply high health and safety standards for the protection of our employees (403-1).

EMPLOYEE REDUCTIONS 2020



EMPLOYEE HIRES 2020

The maternity benefits we offer are compliant with the law in force in our country. Women have 45 days of leave before and after the date of birth of their baby. Men have four days of paternity leave on or around the date of their baby's birth. Both men and women receive 100% of their salary during this leave (401-2).

The retention rate after maternity or paternity leave reached 100% (401-3); that is, all six women who enjoyed maternity leave returned to work. The three men who enjoyed paternity leave all returned to their source of employment after their leave. During the rigid quarantine due to the pandemic, there was no need for workers to request leave.

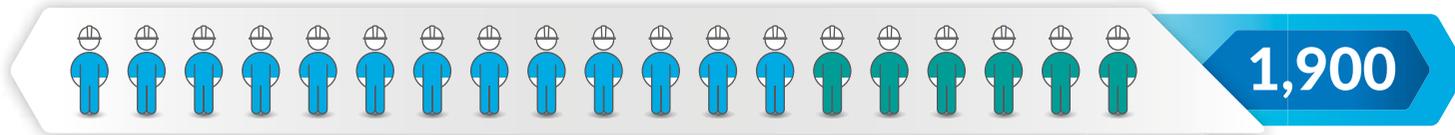


5.4 Local recruitment

We prioritize the hiring of personnel from the communities in the area of direct influence to occupy the operational positions, by communicating our requirements to the local administrative authorities of the surrounding communities. Once this source has been exhausted, and with the aim of finding qualified personnel, we broaden the search to the regional level and, subsequently, to the national level.

Our executive level consists of Directors, Managers, Senior Superintendents and Superintendents. Among the representatives at the executive level, one superintendent comes from the local communities in the company's area of influence, accounting for 0.08% of the executive level (202-2).

OUR WORKFORCE (405-1, 102-8)



Hiring MSC employees by place of residence (102-8)



Investment in training (thousand US\$)



Accumulated man-hours of training (404-1)





5.5 Training and development

Training and support for the continuous improvement of our employees are critical to the success of our operations and the enhanced performance of the company.

In 2020, 100% of the workforce subject to annual performance assessments successfully and effectively completed this process, in accordance with established standards. The group of workers that we assess in this process is composed of superintendents, supervisors, employees and workers, of whom 166 women (100%) and 1,133 men (100%) were assessed (404-3).

The investment for training was US\$ 163,883, which is equivalent to 10,302 accumulated man-hours (404-1). Compared to 2019, both the investment and the number of actual man-hours decreased, mainly due to the pandemic, limiting the number of in-person courses, given the nature of the operations.

MAN-HOURS OF TRAINING BY LEVEL (MSC and Contractors)

Level	TOTAL TRAINING HOURS FOR MEN	TOTAL TRAINING HOURS FOR WOMEN	AVERAGE HOURS FOR MEN	AVERAGE HOURS FOR WOMEN	COMBINED AVERAGE TRAINING HOURS
Employees and Workers	7,565.00	1,415.00	7.41	8.90	7.61
Executives	126.00	0.00	7.88		7.88
Supervisory positions	1,097.00	99.00	9.54	11.00	9.65
Total MSC	8,788.00	1,514.00			
Contractors	9,606.00	808.00	8.03	8.16	8.04

The training we provide includes issues related to quality, health, safety, environment, and other technical and specific topics, aimed at the proper performance of responsibilities. The number of courses for employees is defined in a matrix of compulsory courses per position. The aim is for our personnel to remain up-to-date as regards our standards in terms of industrial

safety, administrative aspects, environment, health and issues related to cultural aspects of the company. In 2020, we organized the following courses (403-5):

COURSES	DESCRIPTION
Authorized insulator Basic insulator Insulation and risk analysis at work (ART) mine	Prevent incidents related to interventions in electrical equipment in operations of the concentration plant and in mine equipment maintenance processes.
Lead Ecotoxicology and Cyanide Poisoning	Prevent poisoning by these substances and know what to do in case of contingencies.
OHS Orientation Induction and update on safety and health General induction MSC	Have general knowledge of the regulations and procedures related to industrial safety, health, environment and administrative aspects.
Incident investigation	Conduct investigations of incidents and/or near-incidents with a high and low loss potential.
Defensive driving Safe driving at the mine site	Make drivers aware of good driving practices and know the vehicle driving policies at MSC.
Work permits: height, hot work, confined spaces and excavations Risk analysis at work (ART, in Spanish) / Previous work verification (VPT, in Spanish) Issuer/Carrier	Know the safety procedures and standards introduced in MSC for high-risk jobs: height, hot work, confined spaces and excavations, as well as for identifying hazards and risk assessments in general.
MSC emergency plan Fire prevention and control	Know MSC's protocols to act in case of incidents.
First aid and CPR	Know the procedures to be applied when dealing with incidents that require timely first aid, including training in CPR.
Emergency Response Plan Ground evacuation	Know the emergency response procedures in the case of air operations.
Controlled substances Transportation of hazardous substances	Know the protocols regarding the different types of controlled substances, beside the national and internal regulations of MSC related to controlled and hazardous substances.

The man-hours covered by these courses in 2020 were as follows:

TYPE OF PERSONNEL	WOMEN	MEN
MSC personnel	160	1,044
Personnel of contractors	742	9,122



5.6 Labor relations

Within labor relations, we support the right to freedom of association and collective bargaining. We have a workers' union: the Sindicato Mixto de Trabajadores Mineros de San Cristóbal, which was created in 2010. In 2020, no risks related to the lack of freedom of association were identified in both operations and at the level of contractors (407-1).

At the end of 2020, 710 workers were formally affiliated to the union, out of a total of 1,320, i.e. 54% (102-41). At MSC, we respect the personal decisions of the workers regarding their constitutional right to become a member or not of a trade union, and we avoid interfering in that institution's organizational life.

Our approach to labor relations revolves around regular interaction with trade union leaders within a mutually respectful dialogue on workers' needs and joint resolution of any problems that may arise. The core characteristics of the negotiation processes are based on our values and are intended to provide solutions that benefit both parties.

Agreements signed

Every year we negotiate the collective agreement, which includes general issues, such as salary increases, donations that we can grant based on our financial and legal capacity, and proposals for improvements in health and safety issues, among others (403-4).

Due to the conditions generated by the pandemic, in 2020 there was no set of demands related to working and salary conditions, but we did reach an agreement on the conditions for the scholarship program, thereto signing an addendum to increase the number of scholarships from 45 to 60. We also ensured continuity of the program of single incentives for scholarship completion, fully honoring said agreements.

Activities carried out without signing a collective agreement

We understand that the lack of signing a collective agreement cannot stop the search for improvement in the working conditions of our workers. For this reason, we carry out a series of actions, which we detail below:

- ▶ We take out private life insurance coverage.
- ▶ We develop an internal promotions program for our workers.
- ▶ We have developed an annual program for maintenance of our surrounding roads.
- ▶ With regard to health issues, and due to the pandemic, we socialized the MSC Biosafety Protocol, which was approved by competent authorities. This protocol covers areas such as the use of land and air transport; the use of hotels; and information campaigns on the use of biosafety material. The information was distributed physically, digitally and personally, using audiovisual and written media, emails, WhatsApp messages and other means.
- ▶ We have implemented the plan for isolation prior to entering the camp in order to minimize the risk of COVID-19 infections. This implementation went hand in hand with workshops, courses, talks and online psychological support from competent professionals for the workers who entered the Toldos Camp.
- ▶ We reached 1,800,000 (one million eight hundred thousand) hours without incidents, for which we rewarded our employees with food packages.



Hygiene, occupational safety and wellbeing mixed committee ⁽⁴⁰³⁻⁴⁾

In view of the size of our company and the volume of our staff, we have the legal obligation to set up the Hygiene, occupational safety and wellbeing mixed committee, whose functions and responsibilities are described in Decree-Law 16998 “General Law on Hygiene, Occupational Safety and Wellbeing” and in Ministerial Resolution No. 496/04 “Regulation for the Establishment of Hygiene and Occupational Safety Mixed Committees”.

The mixed committee is composed jointly and equally of representatives of the employers and the workers, and is made up of a chairperson, a secretary and voting members.

The mixed committee at the mine site is made up of 55 representatives of the workers and employer. Due to the pandemic, the activities planned for this year were not fully executed, since our efforts focused on monitoring, disseminating and reinforcing our biosafety protocols.

The mixed committee at the La Paz office is made up of four representatives of the workers and four representatives of the employer. Likewise, this committee also supported implementation of the biosafety protocols.

The activities for participation and consultation of our workers are integrated into our management system, through the application of processes and documents related

to risk management; change management; emergency management; investigation of incidents; management of opportunities for improvement; training and development; internal audit; and industrial hygiene measurement, among others.

We are working on the process of adapting to the new ISO 45001 occupational health and safety standard, which mainly provides for the facilitation of the mechanisms, time, training and resources needed for consultation and participation ⁽⁴⁰³⁻⁴⁾.



5.7 Health

Our health system has been certified in accordance with healthy business standard NB 512001 since 2014. In 2020 we focused our efforts on protection of the workers and contractors that are active in the area of operations and in the offices of La Paz and Potosí (403-1). This system administers the short-term health insurance, for which it has an extensive network of health services covering all care levels. It is distributed throughout the country and organized as follows (403-6):

▶ A local network, with four health centers, three dental centers, physiotherapy services and a clinical laboratory, with support for land and air transfer of patients, and with a team that comprises specialists and general practitioners, nurses, physiotherapists, dentists, pharmacists and biochemists.

▶ An external network, with 75 health services that include all medical, dental and clinical laboratory specialties, through third-level hospitals where highly specialized services are available. This network has more than 200 specialist doctors and advanced diagnosis centers.

Through all health services combined, the following programs are executed (403-6):

▶ Medical care and emergencies program, aimed at providing care to the workers and their families in case of illness. Here, the chronic patient monitoring program stands out, with medical and multidisciplinary monitoring activities.

▶ Prevention and promotion program, aimed at treating prevalent diseases and protecting health. Here, the programs targeting vulnerable groups, e.g. the elderly, women of childbearing age, children under 5 years old, pregnant women, and school-age children, stand out.

▶ Occupational health program, which considers the worker in an environment of occupational and personal risk.



During the COVID-19 pandemic, we had to prioritize our activities, developing the conditions for adequate access to timely, comprehensive and quality care.

The activities and methodology were implemented within the framework of the “Preventive and intervention procedures in health for safe operations in Minera San



Cristóbal during the COVID-19 pandemic”, approved by the Ministry of Health. This made it possible for us to develop regular activities in MSC and protect the population, achieving a low mortality rate. Below is an overview of the main activities and results achieved in relation to COVID-19 at MSC:

- ▶ 97.93% recovery rate, i.e. higher than the 84.20% reported nationally.
- ▶ 0.73% mortality rate, i.e. lower than the 5.89% reached in Bolivia.
- ▶ 95% of the population that has had COVID-19 had no complications.
- ▶ Development of monitoring and analysis spaces.
- ▶ Studies and research, and forecasts in the country and in MSC, which provided important information to plan tracking campaigns and work shifts.
- ▶ To address the risks caused by the COVID-19 pandemic, we have used a model of labor, family and social-community protection. The population covered is made up of workers, contractors, families and people from the communities where protection measures were developed. Thanks to this model, we managed to reach 95% of this population.



During 2020, we reduced the number of workers in the operations to around 700 per shift. All our workers have been covered by the entry, permanence and exit controls at the operations site; inspection controls in the area; and the epidemiological surveillance measures adopted by our Health System (403-8).

The COVID-19 pandemic has been a challenge for our Health System, since it required the rapid implementation of measures to protect our population from the SARS-CoV-2 virus and, at the same time, safe operations for the economic benefit of the workers, the region and the country. In this sense, during 2020, the programs focusing on COVID-19 prevention and control have been adapted (403-2):

MEDICAL CARE AND EMERGENCY PROGRAM

- ▶ Design of COVID-19 care protocols for the health services of the local network and compatibility of the protocols in the external network.
- ▶ Training and refresher training for health personnel in epidemiological and clinical management.
- ▶ Development of the care network, which includes isolation centers, COVID-19 centers, first and second level care centers, along with centers specialized in the management of serious and complicated cases in intensive care units.
- ▶ Construction of the COVID-19 diagnosis network, including a laboratory exclusively for RT-PCR testing in the operations area. This network encompasses all departments where we have covered population, and, by the end of 2020, it had carried out more than 25,000 rapid tests, Elisa and chemiluminescence tests, and RT-PCR tests. Regarding diagnostic imaging, we have X-ray and chest CT services.
- ▶ Development of the supply network for medicines, medical devices and biosafety material at the national level.

HEALTH PREVENTION AND PROMOTION PROGRAM

- ▶ In order to detect COVID-19 cases in a timely manner, we carried out 13,960 medical controls in epidemiological tracking campaigns at household level across the country.
- ▶ We also performed 1,571 remote medical check-ups to provide guidance and monitor suspected and confirmed cases.
- ▶ We produced information material for prevention, which was disseminated constantly.

OCCUPATIONAL HEALTH PROGRAM

Development of COVID-19 epidemiological brigades in the area of operations, for surveillance and control of epidemic outbreaks. Among the leaders of these brigades are professionals specialized in epidemiology, public health and occupational medicine and, from a more operational perspective, medical and nursing personnel. The following main activities were carried out:

- ▶ 23,040 entry, permanence and exit controls of personnel in the operations area.
- ▶ Monitoring of compliance with biosafety recommendations and respiratory symptoms related to COVID-19.

As a result of this axis of intervention, we have been able to control epidemic outbreaks, which ensured the regular development of our operations.

- ▶ During the isolation before entering the monthly work shift, we have implemented a program of emotional containment and psychological/therapeutic support, which reaches approximately 700 workers and contractors at every work shift.
- ▶ Regarding the protection of vulnerable groups, during the pandemic entry to the operations area was restricted for people with some underlying disease, such as diabetes, hypertension or respiratory diseases, in addition to pregnant women and people over 65 years of age.

The comprehensive Occupational Health program is developed within the framework of the network of services of the Health System, which is designed by levels of care, and works in an organized and integrated manner under referral and return procedures that cover the camp, the communities and the cities with population covered (403-3):

- ▶ **Occupational Health Center.** This center is located in our area of operations and has an interdisciplinary team of occupational health and other specialists, e.g. in occupational physiotherapy, audiometry, laboratory, spirometry and radiology, developing worker health surveillance and prevention and control programs. This center is open all year round from 7:00 a.m. to 7:00 p.m., and it is also open at night in accordance with the requirements in terms of controls and tests.

- ▶ **Toldos Comprehensive Health Center.** Health service focused on emergencies and specialties, located in the operations area and with a 24/7/365 care service. It provides the specialties of general surgery and internal medicine/cardiology.

- ▶ **Local health network.** It provides medical, dental and laboratory health services in the communities surrounding the operation. It should be noted that the network is certified by the Departmental Health Service (SEDES) Potosí for its operation.

- ▶ **External health network.** It includes services in the cities of the country where the third level of care is available.

The set of risk assessment and control activities to protect the workers' health is called Worker Health Surveillance, and is aimed at all of our workers and the contractors who perform their activities in the camp. In this regard, we have an occupational health area and an interdisciplinary team made up of the occupational health specialty, which carry out programs with a focus on prevention and control of the main health problems.

It should be noted that we implemented the model aimed at controlling the health risks due to occupational exposure, in addition to the health problems inherent to age and vulnerable groups. This way, we can provide a comprehensive approach to worker protection. In this context, the Health System has developed programs for the prevention and control of cardiovascular risk, musculoskeletal disorders, erythrocytosis, nutrition, prevention of prostate cancer, comprehensive women's health, visual and hearing health, immunizations and lead control (403-7).



To preserve the health of our workers in relation to the risks of their job, we use a risk identification matrix according to similar exposure groups and we apply medical review protocols during the periodic health checkup (which is annual), which concludes with an assessment of aptitude for the worker to continue to perform his job. This communication is made personally to the worker and, if necessary, he is included in a prevention and control program. It should be noted that the evaluation of relevance of the risk matrix is carried out on an annual basis. For now, the operation has not undergone significant changes, so it has not been necessary to update the matrix. In the case of contractors, from the point of view of methodology and protocols specific to their health insurance, they are the ones who identify the risks related to the work environment and perform tests and controls on aptitude for work. This activity is supervised by our Occupational Medicine area (403-2).

In the event that a worker, supervisor or the hygiene area deems this to be necessary, a job assessment is carried out to verify if the risks are controlled. If the worker does not comply with the required aptitude, he will do his work subject to restrictions, temporary disability, a change of job or he will benefit from the disability regime, and all activities will be coordinated with his work area (403-9).

On the other hand, we have a health information system, which has standardized processes for registering health events and collecting data, as well as for data processing and

operational and strategic reporting. With this information, it is possible to monitor the health status of all people covered, and to make an analysis of health conditions and trends.



5.8 Safety

Health and Safety Performance (403-2)

All efforts to improve our performance in safety and health are carried out through preventive programs, which guide us towards the goal of achieving a culture of prevention, with a strong commitment from senior management and following the guidelines of legal requirements and other requirements that are regularly identified and evaluated.

We work in accordance with OHSAS 18001, NB 512001 and other international voluntary standards, such as those of the United States Occupational Safety and Health Administration (OSHA), the United States Mine Safety and Health Administration (MSHA), and the American Conference of Governmental Industrial Hygienists (ACGIH), and primarily complying with Bolivian legislation (403-1).

Our programs carried out within the framework of the highest international standards and national regulations.

PROGRAM	OBJECTIVE	COMPLIANCE
Height program	Improve operational control of fall protection.	77%
Risk management program	Carry out a timely hazard identification and risk assessment, implementing effective control measures to lower the risk level to an acceptable level for the organization and thus prevent accidents.	85%
Electrical risk management program	Minimize losses due to electrical incidents through improvements in the implementation of risk controls and the provision of technical observation tools for safety personnel.	91%
Industrial hygiene program	Monitor occupational and environmental agents to assess occupational exposures and verify the effectiveness of current controls, and/or to recommend controls to be implemented.	90%
Contractor Strengthening Program	Enhance the performance of contractors to a minimum of 90% of the health and safety requirements for contractors, producing performance indicators and supporting documentation; and reach a TRFR of <1 and a LTFR of 0.	65%
STOP behavioral program	Promote a change in behavior in relation to safety among our personnel and the contractors and encourage the intervention of people.	82%
IRO-ISOP inspection program	Conduct inspections to ensure that the most important controls for high-risk jobs are in place and that substandard conditions are identified and corrected in a timely manner.	81%
Incident investigation program	Improve the document system and information management of the incident investigation process by creating new instructions and indicator reports of the ENAXIS incident module.	67%



Risk management program

We have successfully implemented the “Risk Management Program” to empower the supervisory line in the control of “unacceptable and/or substantial” risks, with the aim of all areas conducting planned activities to ensure that their critical risk controls are optimally implemented in their work areas.

To carry out an adequate control of these activities, we carry out six-monthly evaluations and, in addition, we distribute daily information related to incidents in the previous shift and safety instructions. This information is also used in the areas as topics of discussion in the “safety assessment and commitment meetings”.

The main mechanism we have for identifying occupational hazards and evaluating risks on a regular basis is the risk management process, which integrates the areas of safety, health, environment, operations and others. In addition, we have decided on the hierarchy of controls detailed below:

1 ELIMINATION:

Remove the hazard by not performing the task or altering the conditions under which the work is carried out.

2 SUBSTITUTION:

If the process cannot be eliminated, consider changing the hazardous substance or process with one that is less inherently hazardous.

3 ENGINEERING:

Engineering controls entail changing processes, equipment, infrastructure, etc.

4 SIGNAGE/WARNINGS/ALARM:

This refers to the means used to communicate hazards, isolate the work area and prevent the exposure of personnel to the hazard.

5 ADMINISTRATIVE/PROCEDURES/ TRAINING/COMPETENCY:

This area includes introducing and maintaining work practices that reduce risk to the extent that the employee’s exposure to hazards is limited.

6 EPP:

Personal Protective Equipment should be used as a last resort.

In order to ensure implementation of the controls put in place, means of verification have been defined to determine the degree of implementation of the risk management measures. The means of verification are the documents, plans, programs, certifications, control sheets and indicators that help us prove implementation of the control measures. In brief, these means of verification are correlated with the control measures and are evaluated periodically within the “Risk Management” program.



If any worker decides to stop any work activity that involves risks related to the safety of personnel, contractors and visitors, he is backed to do so by the management policy, the ethics and business conduct regulations, the foundations of the Golden Rules Manual and work permits, among others. Another provision is that all employees have the obligation to stop an activity that is not being carried out safely, without fear of retaliation.

Industrial hygiene program

Our industrial hygiene program has a primarily preventive approach and is aimed at avoiding occupational diseases, adding value to the safety of the workers and the company. We have monitoring reports from all areas of the company with results that help prioritize, optimize and improve the working conditions. During the COVID-19 pandemic, we made assessments of critical jobs to be able to prioritize the areas in which using PPE (protection for the respiratory system, disposable coveralls and others) is mandatory and thus guarantee protection of the exposed workers' health.

Monitoring the different occupational risk agents is the responsibility of professionals in the occupational safety and health area with specific knowledge in the field of industrial hygiene and in accordance with the methodologies recommended by ACGIH, OSHA, NIOSH and others identified as being applicable to the operation. The table below shows the main monitoring efforts we carry out:

SAMPLES TAKEN FOR OCCUPATIONAL RISK AGENTS (ORAs)

AGENTS	MINE	PLANT	SUPPORT AREAS
Noise	25	43	22
Breathable dust	11	17	4
Breathable silica	11	17	4
Lead	2	17	4
Metal fumes	2	4	N/A
Arsenic	N/A	7	1
Acid gases	N/A	2	N/A
DPM (Diesel Particulate Material)	4	2	1

It was indispensable for us to purchase equipment to measure radiation in micro detection ranges, to measure thermal stress, vibration of mining equipment and to make other measurements in order to comply with the standards adopted through monitoring and measurement

results. We have identified the ORAs present in the areas of operations as well as their concentration levels and the exposure affecting personnel. This way, we can recommend appropriate controls and PPE for our different activities.





Incident Management/Behavioral Observation

We have mechanisms for workers to report occupational hazard situations, including:

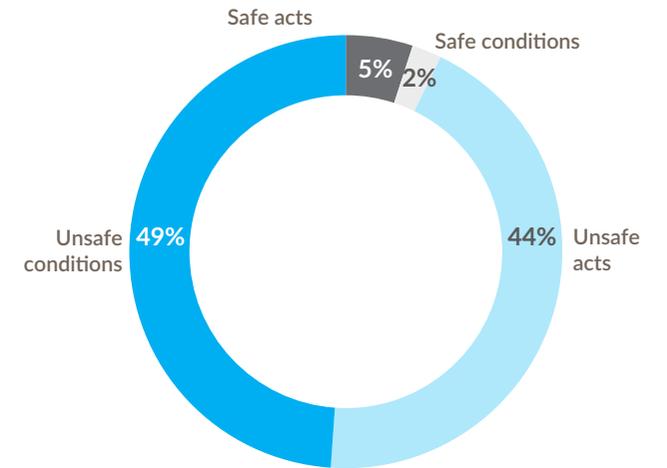
Behavioral observation sheet

We understand that more than 80% of all accidents occur because of people's behavior, which in most cases is detected by co-workers. The STOP program is aimed at all workers taking care of themselves and stopping any dangerous behavior on time through a safety conversation, which directly addresses actions or conditions that may cause an incident.

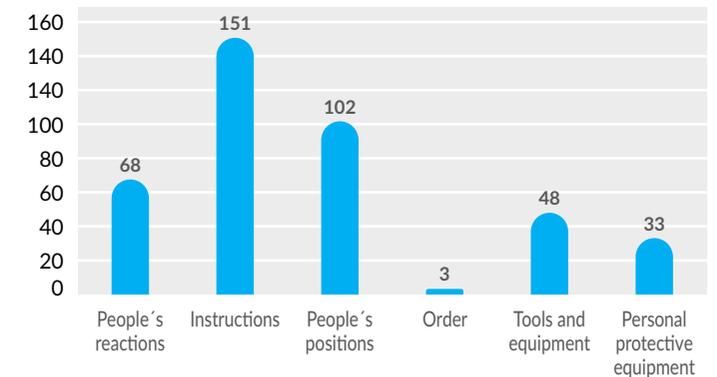
The report of behavioral observation sheets does not consider retaliation against observers for their actions in the face of an identified hazard, which is the result of the action of people or of the conditions in a workplace. In 2020, 1,469 STOP observations were generated, which accounts for an average of 4 daily observations.

According to the classification of STOP observations, 49% concern unsafe conditions; 44% unsafe acts; and 7% are safe acts and conditions (according to the standard).

CLASSIFICATION OF OBSERVATIONS



CLASSIFICATION OF UNSAFE ACTS



Incident reporting

Everyone must report any incident they witness or of which they are part to their immediate superior and to the Department of Industrial Safety or Environment, as appropriate. Failure to report an incident/accident at work within the terms set is considered serious misconduct and will be sanctioned in accordance with our internal regulations. In 2020, 146 incidents were reported in different areas of our operations.

Incident investigation

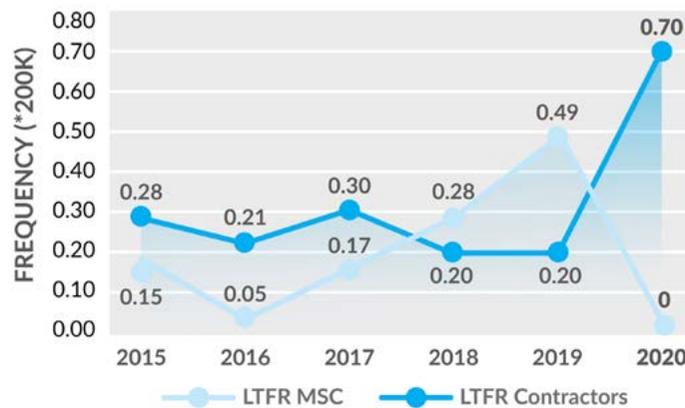
Our process for investigating incidents sets out the steps to follow for reporting, investigation, analysis and communication, whereby all parties involved must meet the deadlines. We use causal analysis criteria that guide the correct definition of corrective/preventive measures. In 2020, we managed to improve the Total Recordable Frequency Rate (TRFR) for MSC and the contractors.



Lost Time Frequency Rate (LTFR) - Total Recordable Frequency Rate (TRFR) of MSC and contractors

For statistical monitoring and comparison purposes, we present the information since 2015:

LTFR MSC vs. CONTRACTORS



TRFR MSC vs. CONTRACTORS



The graph below refers to all incidents reported in 2020, both concerning MSC and the contractors, according to the type of incidents.

During 2020, no one died from occupational injury or accident, and no one got seriously injured in occupational accidents. As in previous years, we did not identify any occupational diseases. The number of hours worked was 2,203,363 for our employees and 1,144,218 for the contractors (403-9, 403-10).

NUMBER AND TYPE OF INCIDENTS 2020



LTI: Lost Time Injury
 RWC: Restricted Work Case
 MTI: Medical Treatment Injury
 FAI: First Aid Injury
 NMI: Near Miss
 DMG: Material Damage

SAFETY PERFORMANCE

OSHA STANDARDS - FREQUENCY INDEX (INJURY RATE)	2015	2016	2017	2018	2019	2020
Workers	0.41	0.33	0.29	0.57	0.79	0.09
Contractors	1.11	0.74	0.91	0.71	1.32	1.22
Fatalities	1	0	1	0	0	0
MSC worker absenteeism rate (OHS-related incidents)	0.89	0.86	0.28	0.04	0.07	0.00
Contractor worker absenteeism rate (OHS-related incidents)	1.15	1.01	1.67	0.05	0.02	0.29



Emergency preparedness and response

In view of the context of the pandemic, the Emergency Response Unit (ERU) had to change its work programs, so the training of voluntary brigade members had to be suspended and the training sessions for permanent staff had to be implemented virtually. Likewise, efforts have increased to comply with the rest of the work programs, with an emphasis on drills, inspections and tests of active and passive emergency systems.

To date, our emergency response group is made up of six members who are highly trained in dealing with emergency events and two specialized support contractors, the first one with four industrial firefighters who are experts in large-scale mining emergencies and the other one with personnel with NFPA certification in inspections, tests and maintenance of early warning systems for fires.

The work program of the Emergency Response Unit includes planning, preparedness and response to industrial, community and third-party emergencies. Simultaneously, we verify that all emergency response elements are available in the company (passive and active equipment) to ensure an effective response in the event of an emergency.

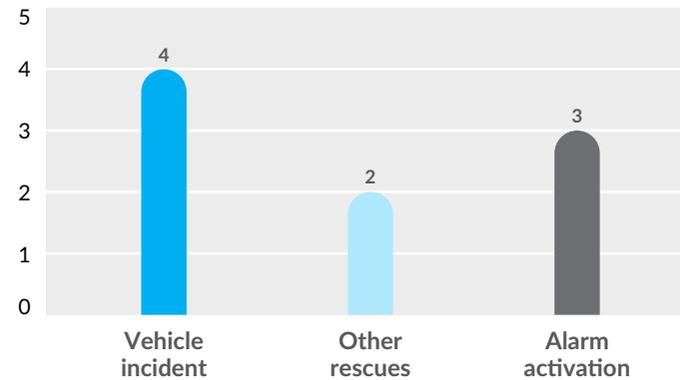
Emergencies

During 2020, nine events were attended: five offsite and the remaining four in our area of operations. In the reporting year, thirteen people were injured, ten of them private persons offsite and three collaborators of MSC (own personnel and contractors).

Despite the restrictions on vehicle circulation due to the COVID-19 pandemic, the incidents prevailing in the reporting period involved vehicles.

In order to protect the health of ERU staff, we have developed a special and extraordinary annex to the emergency management plan, which includes control measures and special procedures for offsite response. Our staff have also been trained in this protocol.

EMERGENCIES 2020



Drills

Year 2020 was a particularly challenging year for the annual drill program. Therefore, more than one event has been developed with virtual support and videoconference monitoring, and, despite some rescheduling, all scenarios identified in the emergency management plan have been tested and practiced in different areas of the organization.

Most difficulties in these exercises were due to communication failures, which were recorded, analyzed and subject to correction planning.



Inspections

The inspection program of the Emergency Response Unit comprises four sectors in order to cover the entire operation. Around 2,200 items, both assets and liabilities, are periodically inspected at the mine, Toldos, plant and Aguirre; the latter includes the services of the La Paz and Potosí offices.

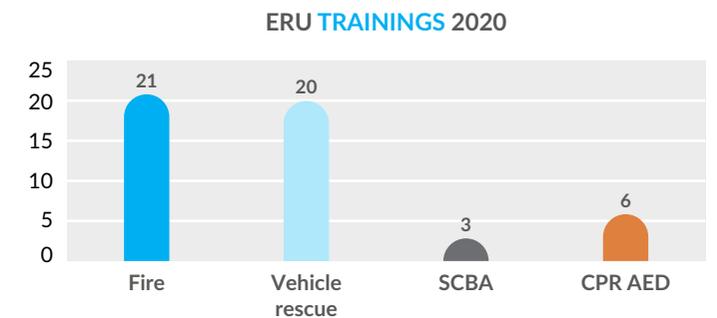


Training

All employees of the Response Unit have participated in world-class lectures on the use and application of NFPA standards to manage fire alarm and detection systems, hydrants, automatic sprinklers, spray systems and foam systems, among other important topics that will continue to be addressed in 2021.



In 2020, 16,620 man-hours were allocated to a total of 50 emergency response courses around fires (21), vehicle rescue (20), self-contained breathing apparatus (SCBA-3) and CPR using an automated external defibrillator AED (6) ■

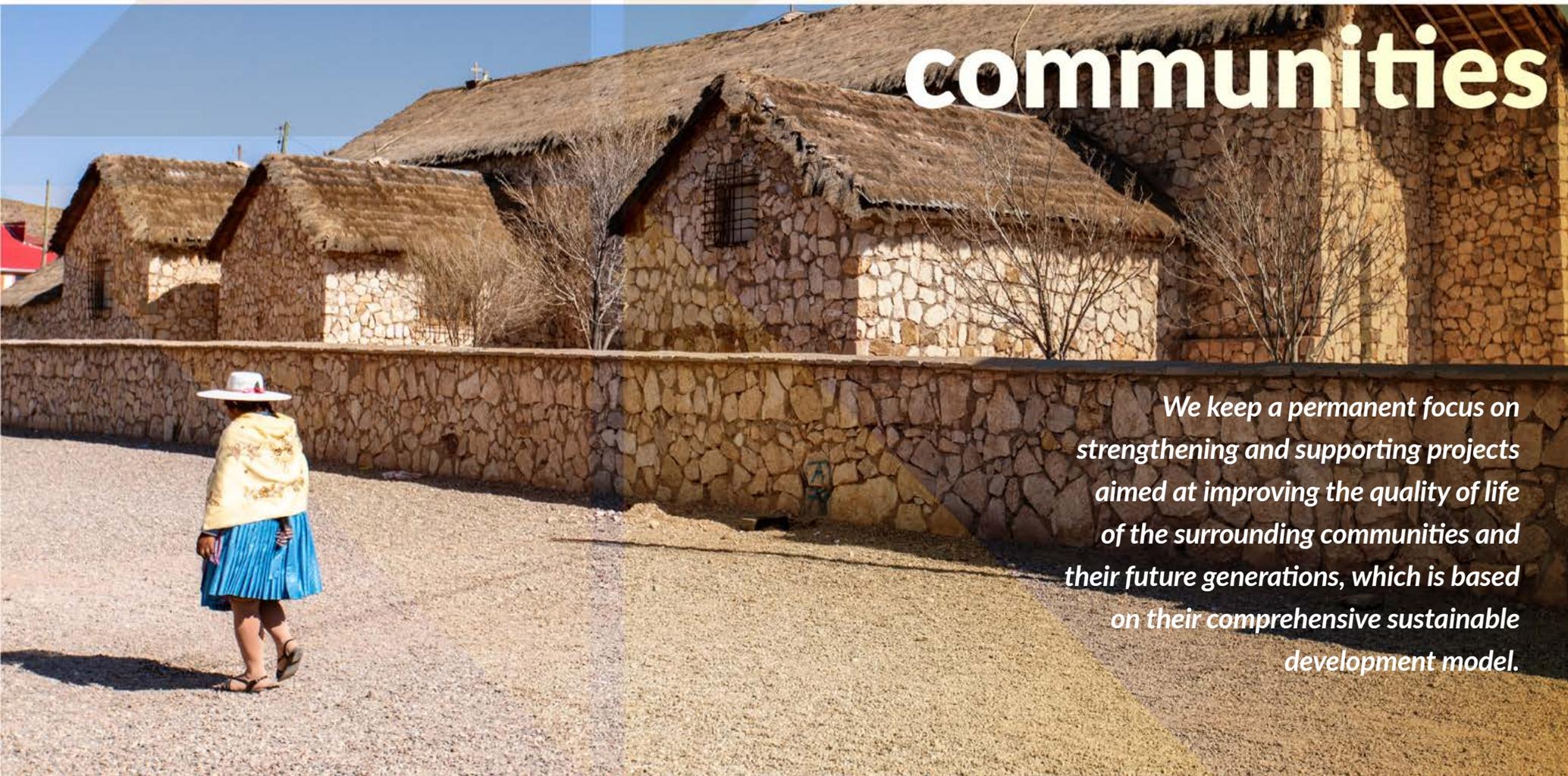


6

CONTENTS

Our

communities



We keep a permanent focus on strengthening and supporting projects aimed at improving the quality of life of the surrounding communities and their future generations, which is based on their comprehensive sustainable development model.

Approach

At MSC, we continuously facilitate and support projects aimed at improving the quality of life of the surrounding communities and their future generations, based on a comprehensive sustainable development model. We have a track record of complying with agreements with the communities, and with local and regional organizations, within the framework of our social responsibility policy and our corporate values (103-2).

We are aware of the reality in the communities and their needs during the pandemic. Accordingly, we implement strategies that seek to minimize the population's vulnerability, improving the conditions of health care centers, ensuring continuity and quality of basic services and disseminating information on biosafety.

In this year, the performance of our activities was affected by the restrictions due to the COVID-19 pandemic.



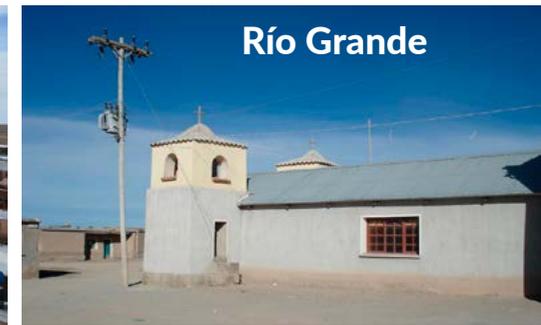
San Cristóbal



Culpina K



Vila Vila



Río Grande

6.1 Area of influence (MM5)

The area of direct influence of our activities comprises four communities that are affected by our operations, while the area of indirect influence comprises eight communities located along the main road between Uyuni and Avaroa, and the railway we use to transport materials, inputs and concentrates.

The communities in the area of influence have a primarily native indigenous population that is part of the Central Única Provincial de Comunidades Originarias de Nor Lípez as an indigenous territory, Territorio Indígena Originario Campesino (TIOC).

We comply with Bolivian legislation regarding the rights of Indigenous Peoples, as well as international treaties, guidelines and principles related to mining activities. In 2020 there were no cases of violation of the rights of indigenous people (411-1).

Likewise, as members, we cooperate in development projects that involve other communities in the area of intervention of the Consultative Council. The specific development projects and the areas of intervention are shown in the following infographic:



AREAS OF INFLUENCE AND PROJECTS



QUINOA PROJECT

16 participating communities:

Culpina K, San Cristóbal, Vilama, Cerro Gordo, Mejillones, Zoniquera, Villa Mar, Alota, Serena Vinto, Santiago Río Blanco, Río Grande, Pampa Grande, Pozo Cavado, Ramaditas, Catavi K y Vila Vila.



CAMELID PROJECT

9 participating communities:

San Cristóbal, Culpina K, Vila Vila, Río Grande, Pampa Grande, Catavi K, Pozo Cavado, Iscay Uno y Tambillo Ledezma.



VICUÑA PROJECT

12 participating communities:

Río Grande, Culpina K, Vila Vila, Pampa Grande, San Juan del Rosario, Aguaquiza, Calcha K, Vinto K, Santiago de Chuvica, Atulcha, Serena Vinto, (Colcha K, Mañica y Villa Candelaria).



TOURISM, EDUCATION AND HEALTH PROJECTS



4 participating communities:



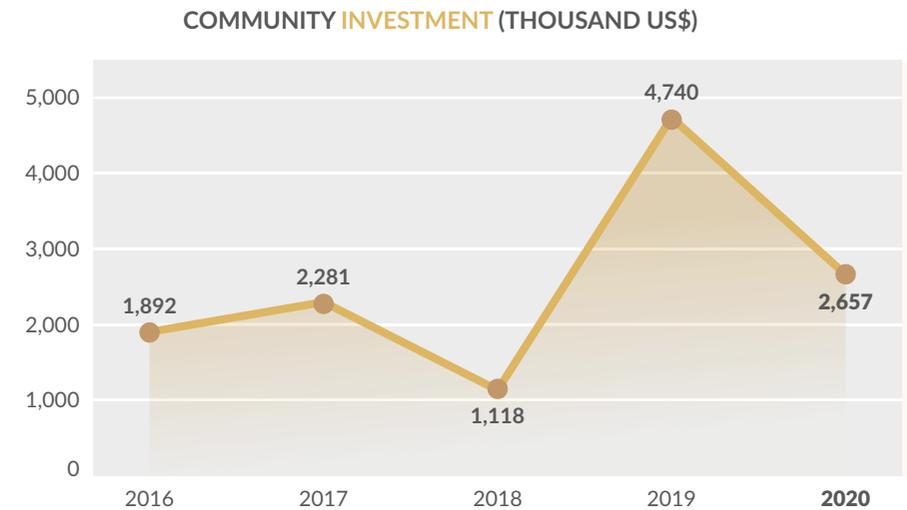
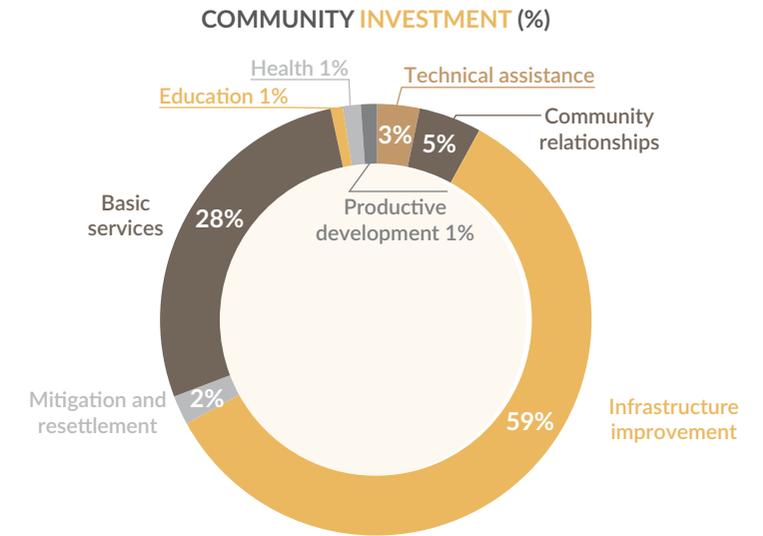
San Cristóbal, Culpina K, Vila Vila y Río Grande.

6.2 Community investment ⁽²⁰³⁻¹⁾ Indirect economic impact ⁽²⁰³⁻²⁾

AMOUNT OF INVESTMENT IN COMMUNITIES, BY PROJECT AND ACTIVITY (THOUSAND US\$)

PROJECT	ACTIVITY	
1. Technical assistance	1.1. Studies for social management	83.93
	1.2. Strengthening the Consultative Council	5.42
Total 1. Technical assistance		89.35
2. Community relationships	2.1. Dealing with requests	7.91
	2.2. Strategic social investment plans	7.56
	2.3 Social support	29.68
	2.4. Support for events	14.65
	2.5. Support for social organizations	34.72
	2.6. Environmental project	17.60
	2.7. Communication	6.57
Total 2. Community relationships		118.68
3. Infrastructure improvement	3.1. Community infrastructure improvement	22.54
	3.2. Road improvement	1,552.54
Total 3. Infrastructure improvement		1,575.08
4. Mitigation and resettlement	4.1. Resettlement and mitigation works	4.53
	4.2. Socio-economic restitution	50.12
Total 4. Mitigation and resettlement		54.65
5. Basic services	5.1. Support and strengthening of water services	93.82
	5.2. Support and strengthening of energy services	635.99
Total 5. Basic services		729.81
6. Education	6.3. Support for higher education (scholarships)	21.61
Total 6. Education		21.61
7. Health	7.1. Support for health promotion / prevention	14.10
	7.2. Support for health centers	5.03
	7.3. Support for the second-level hospital	14.08
	7.5. Support in psychological care	3.97
Total 7. Health		37.18
8. Productive development	8.1. Camelid project	15.10
	8.2. Quinoa project	9.18
	8.3. Tourism project	5.91
Total 8. Productive development		30.20
Grand total		2,656.55

*The difference in these values compared to the information on "Investments in communities" in the table in chapter "Economic performance" is due to the fact that the costs of some activities were appropriated to different cost centers.



In 2020, we made a greater investment in technical assistance, as we carried out resilience studies within the framework of social management. With regard to our relationship with communities and social organizations, our largest investment was allocated to the implementation of biosafety equipment and material.

Regarding the improvement of infrastructure, we provided a matching contribution for the Puente Río Grande – Cruce Laguna Colorada road project, in compliance with the agreements entered into with the municipalities of Colcha K and San Agustín.

The investments in basic services were mainly allocated to build the electrical bay in the community of San Cristóbal, which will help accomplish a greater capacity in terms of power generation for the communities of the region.

In health projects, we have provided support to the communities in the direct influence area and other communities in relation to prevention within the framework of the pandemic. Likewise, in the health area, we have provided the necessary support to put the San Cristóbal Comprehensive Health Center (formerly second-level hospital) into operation.

All productive development projects (camelids, quinoa, tourism) have been seriously affected by the pandemic. In the same way, in 2020, the total amount of investments in the communities has decreased because, during 2019, we had already made the payments of the matching contribution for the most important projects.



6.3 Community relations management (102-43,103-2)

Stakeholder perceptions

In order to understand stakeholder perceptions, our community liaisons periodically collect information in the communities of direct influence, the communities in the region, and the communities involved in the actions in support of sustainable development. This way, we can learn about the behavior, concerns and expectations of the communities. In 2020, the number of perceptions increased slightly, from 556 to 574, which was due to the existing concern about the pandemic and the incorporation of other stakeholder groups related to the social closure plan.

Dealing with requests

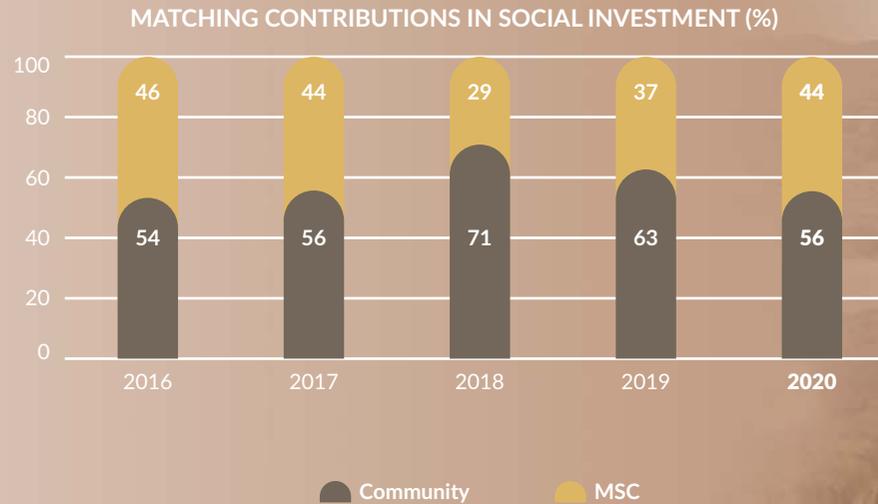
The number of requests made by the communities in 2020 compared to the years before went down to 118, of which 70 were accepted, 44 rejected and four were pending. The requests made were related to support for biosafety measures in the different communities, basic services and permits for authorities in the communities of direct influence.

COMMUNITY REQUESTS (number)



Social investment plans

Eight social investment plans were executed, in which our financial matching contribution accounted for 44% of the investment and the communities' contribution for the remaining 56%. In 2020, our rate of contribution increased in relation to the year before, because it was necessary to provide emergency support for the improvement of basic services and for the implementation of biosafety measures in the communities.



Social project

Considering the recommendations of the social closure plan and related international standards, we have prepared the 2020-2024 five-year plan, which covers the following programs:



In coordination with the authorities, we have developed the following actions:

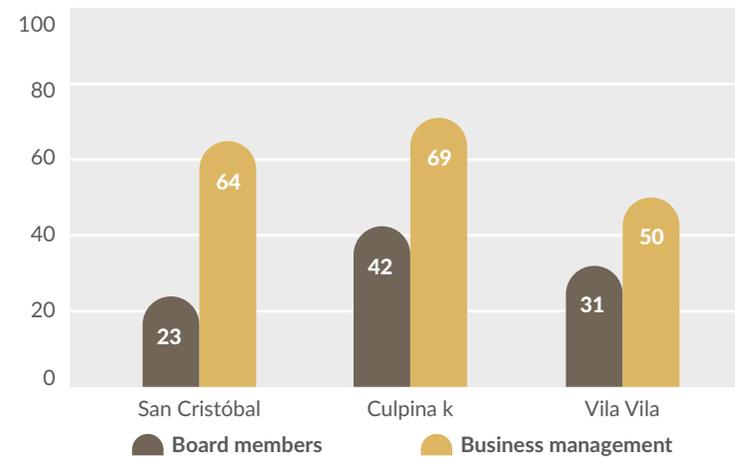
- ▶ Bi-monthly food package distribution. In total, we delivered 220 packages to 34 elderly citizens from the communities of San Cristóbal and Culpina K.
- ▶ Support with clothing for the elderly in the communities of San Cristóbal and Culpina K.
- ▶ Application of 44 social files for the benefit of the elderly of San Cristóbal and Culpina K.
- ▶ Support for female household heads of cleaning company Rijchary Kajari in the drafting of biosafety protocols for use in their different activities.
- ▶ Registration of companies, associations and other business ventures in the communities of San Cristóbal, Culpina K and Vila Vila.
- ▶ Virtual leadership and gender workshops.
- ▶ Broadcasting of radio messages on leadership, human rights and cultural revaluation.
- ▶ Systematization of data on the participation of women in the boards of community organizations and in the management of business ventures. The result can be seen in the following graph:



Food package distribution.



PARTICIPATION OF WOMEN (%)

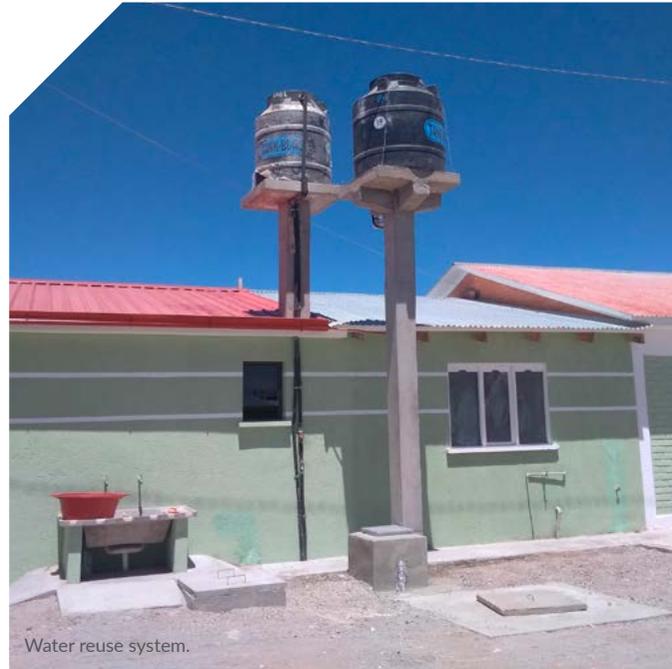
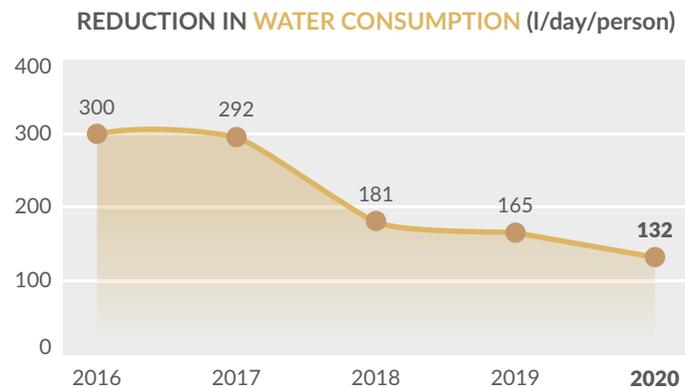


Environmental management in communities

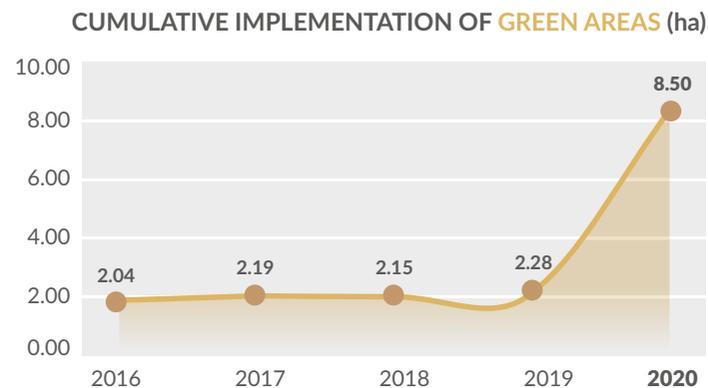
The environmental management envisaged in the 2020-2024 five-year plan aims to strengthen “good environmental practices” in close coordination with the environmental committees and with the Municipal Government of Colcha K. Within this framework, we have used social networks and also radio stations FM of San Cristóbal and Municipal of Colcha K to disseminate 40 messages on the following topics: waste management, rational water use, use of water storage tanks, the importance of green areas, biodiversity and climate change.

Moreover, we held an interinstitutional meeting with the environmental committees and with representatives of the Municipal Government of Colcha K to share the final project design of the integral landfill and the artificial wetland for waste water in San Cristóbal.

According to measurements related to domestic water consumption, in years 2019 and 2020 water consumption reduced from 165 to 132 l/day/person.



In relation to the coverage of green areas, the accumulated area grew from 2.28 hectares to 8.50 hectares in coordination with the Municipal Government of Colcha K.



Communication targeting communities

In 2020, we continued to disseminate messages and news about our institution and the projects of the Consultative Council, through digital platforms and the radio stations FM of San Cristóbal and Municipal of Colcha K, conveying information from our Sustainability Report and on sustainable development projects of the Consultative Council.

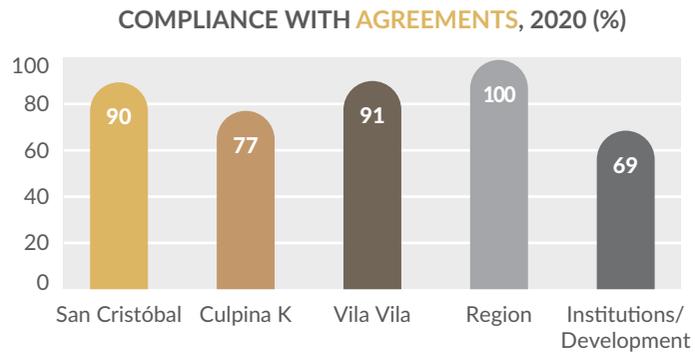
According to surveys carried out in 2020, 65% of all people consulted in the communities point out that they know the positive impacts generated by our company and 69% know the progress of the sustainable development projects coordinated with the Consultative Council.



6.4 Resettlement and mitigation of impacts (MM9)

Current status of compliance with agreements

Progress in the compliance of agreements in 2020 reached 84.5%, which is an increase of 2% in relation to 2019. This was due to the health situation.



Two new agreements were added:

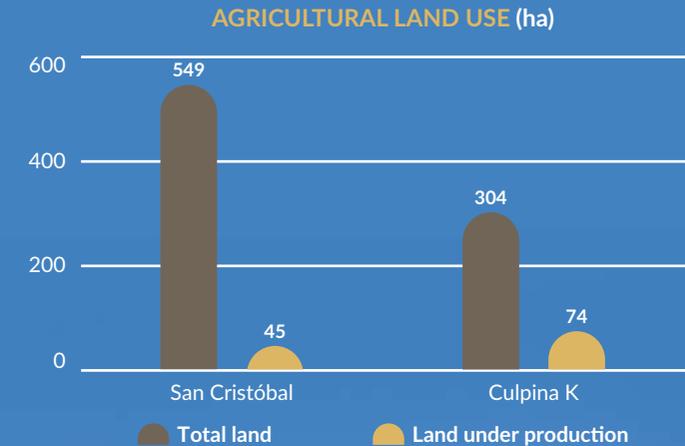
Framework agreement for interinstitutional cooperation between our company and the Consultative Council (for five years), to provide continuity to the support for development projects.

Interinstitutional cooperation agreement between our company and the Municipal Government of Colcha K (for two years), for hiring a specialized doctor exclusively for the San Cristóbal Comprehensive Health Center.

Socio-economic monitoring of the affected families of San Cristóbal and Culpina K

In 2020, we collected and systematized socioeconomic information and information on the productive base of the 32 affected families in San Cristóbal and the 14 affected families in Culpina K due to the use of productive lands.

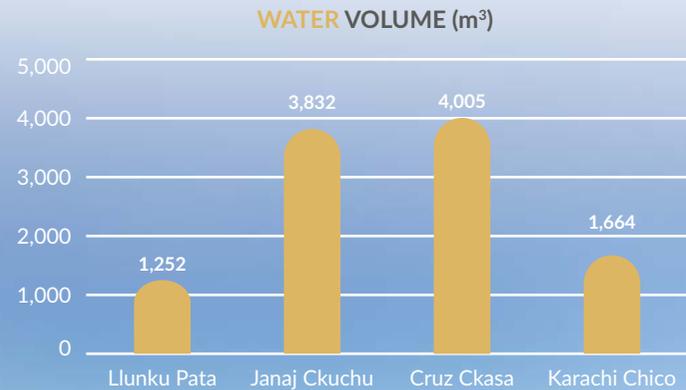
The affected families of San Cristóbal own 2,185 camelids and 549 hectares of cropland, of which 45 hectares actually have crops. The affected families of Culpina K own 1,256 camelids and 304 hectares of cropland, of which 74 hectares actually have crops.



Monitoring impact mitigation in productive areas of San Cristóbal and Culpina K

The physical verification of livestock and operation of the works was suspended in March 2020. The transfer of livestock to *sayañas* (places for grazing and agriculture) was also suspended due to the pandemic. However, our promoter maintained permanent telephone contact with the farmers to follow up the situation of the cattle and the status of the works.

Maintenance work was done in the four dams for the containment and storage of runoff water (reservoirs) for livestock consumption. These dams are located in the vicinity of the mine's area of operations. The water storage capacity of each reservoir is shown in the following graph:



In relation to the annual maintenance of local roads in 2020, a total of 72 kilometers was maintained with external machinery from community-based company ESMI.



Reservoir near the mine's area of operations.



Reverse osmosis water treatment plant - San Cristóbal.

Basic services

Both the operation and maintenance of the pumping systems were the responsibility of the water committees of San Cristóbal and Culpina K. In the same way, the annual maintenance of the water wells was carried out with trained local suppliers.

In order to ensure quality drinking water for the population of San Cristóbal, construction of the infrastructure and equipment of the reverse osmosis plant were completed. Operation is scheduled to start in 2021.



Maintenance of water wells - Culpina K.

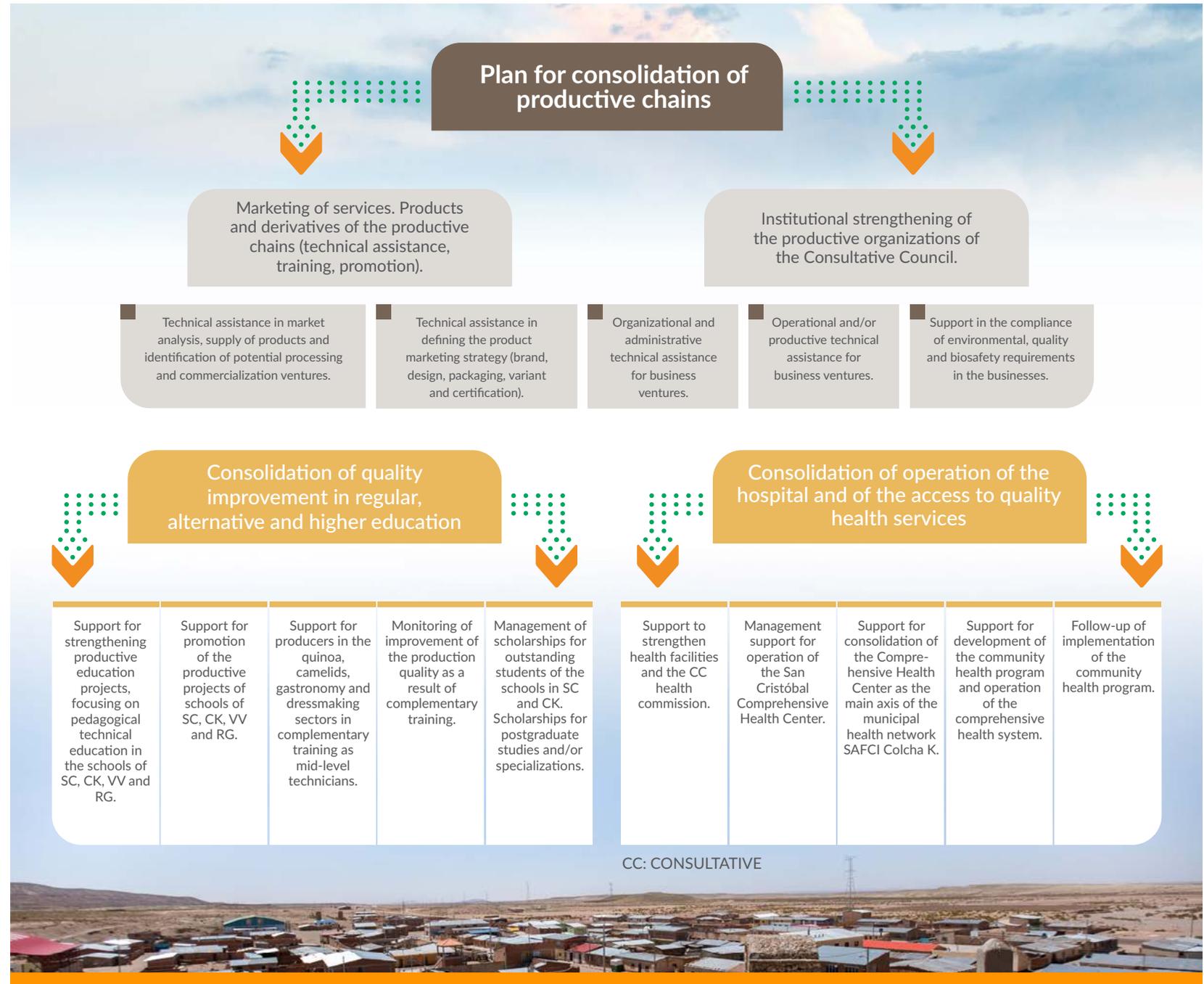
6.5 Development projects (413-1)

Five-year plan of the Consultative Council

At the end of January, we held the annual evaluation and planning meeting of the Consultative Council. At this meeting, an evaluation was made of the 2016–2020 five-year plan and the 2020–2024 five-year plan was drawn up.

In this phase of consolidation of the productive chains of the projects of the Consultative Council, the plan focuses on marketing, fomenting entrepreneurship, and productive, institutional and organizational strengthening. This in order to steer sustainability of the different projects into the right direction.

Since 2019, the project entitled “Expanding opportunities for development and economic growth in communities in the influence area of the mining sector” has been negotiated with the Inter-American Development Bank (IDB). The purpose of this project is to enhance the opportunities and socioeconomic benefits in the communities by strengthening the capacities of both public and private actors in the local business ecosystem. This project was approved by the IDB and will be executed jointly with Fundación para el Desarrollo Sostenible (FUNDES).



Quinoa project

The situation caused by the pandemic has prevented the Association of Agricultural Producers of the Community of Culpina K (APRACCUK) from conducting the internal inspection in the 16 organic quinoa growing communities.

The Organization of Women Entrepreneurs of Culpina K (OMECK) continued with artisanal quinoa processing during the pandemic, observing all biosafety protocols. In this way, they were able to deliver 850 kg of preroasted quinoa to Newrest, which is the company providing our catering service.

Regarding maintenance of the equipment of the quinoa project, we took the necessary steps for the expert technician to put into operation the optical sensor of the quinoa saponin removal plant. Nonetheless, due to restrictions on travel to the country, he was unable to come to the country and so in 2020, production at this plant could not start.

Finally, we purchased biosafety and production equipment and materials to support the Organization of Women Entrepreneurs of Culpina K.



Preroasted quinoa production.



Camelid project

The llama slaughterhouse and the llama meat processing plant resumed their operations in June. However, production was not continuous due to the permanent health-related provisions decreed at the national, departmental and municipal levels.

During 2020, a total of 94 llamas were slaughtered and the processing plant manufactured 1,600 kg of meat derivatives.

SENASAG granted the applicable health certifications to the slaughterhouse and two of the processed products. The products derived from llama meat, such as fresh meat, jerky and chorizo, are sold mainly at the regional fairs of San Cristóbal and Colcha K.

In coordination with FUNDES, biosafety protocols were developed for the slaughterhouse and the llama meat processing plant, and these documents were approved by the Municipal Government of Colcha K.



Tourism projects

As happened in other parts of the world, the tourism sector in the communities surrounding our areas of operation was deeply affected by the pandemic. Tourism sector leaders and entrepreneurs from local communities participated in different forums, webinars and virtual events sponsored by national and international tourism organizations to discuss the new conditions, challenges and opportunities for the sector.

Moreover, in coordination with FUNDES, we developed biosafety protocols for reopening the hotel and gastronomy businesses, which were approved by the Municipal Government of Colcha K. And several local entrepreneurs in the gastronomy sector ventured into the home delivery service, for which they used different digital platforms. Later, this service was extended to the supply and demand for services and other products.

On the other hand, we supported the reopening of hotel businesses in San Cristóbal and some in Culpina K by using the hotels for the temporary confinement of our workers and contractors before returning to the camp for their respective work shifts.

Finally, within the tourism projects, the women entrepreneurs from Río Grande received an award from the Bolivian Tourism Agency (BOLTUR) for assuming leading roles in the community-based tourism sector. It should be noted that this group of women has the steadfast support of our company.



Education project

Regular education

During the first months of the pandemic, the resumption of school was uncertain until August, when the Ministry of Education decided to shut down the school year. Our actions were limited to supporting the development of biosafety protocols for the schools; no progress was made with regard to the Socio-Productive Projects.

Alternative education

Within the framework of complementary education, we only managed to conduct one virtual course at a basic technical level in garment making with 12 entrepreneurs from CIPAET - Vila Vila.

Higher education

We have continued to grant 10 scholarships to outstanding students of the schools of San Cristóbal and Culpina K (nine women and one man), so that they can pursue higher studies at different universities and technical institutes. When the in-person possibility shut down, they continued their studies virtually.

Likewise, the four professionals from the communities who received scholarships completed their master's studies at the *Next International Business School* in Madrid, Spain.

Community-based health project

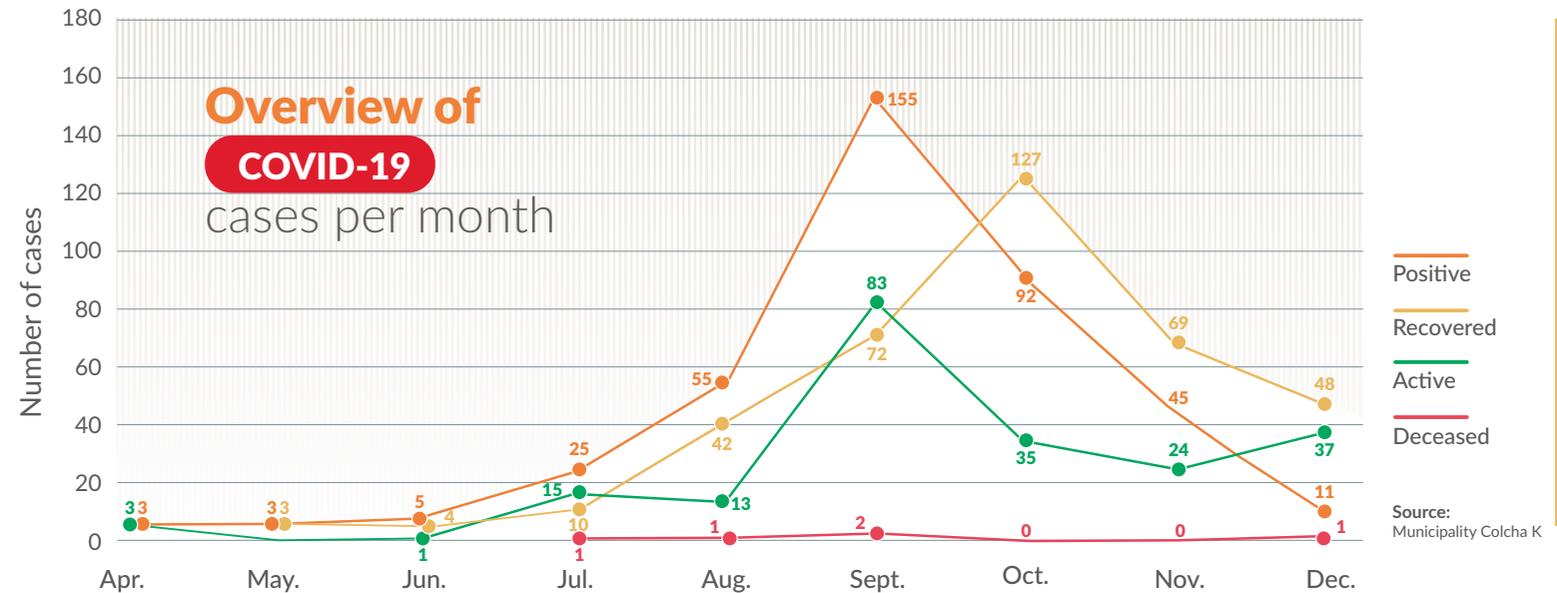
The activities of the Health Project mainly focused on supporting the authorities and the Health Committees of the communities in the implementation of biosafety measures to prevent and contain the spread of COVID-19.

Relations with the authorities of the local communities and with the mayors of Uyuni, Colcha K and San Pedro de Quemes were based primarily on the submission of requests for authorization to circulate for our personnel and our contractors who started and ended their long work shifts. These requests were made by submitting detailed lists, statements on the delivery of medical certifications and compliance with biosafety protocols for the transportation of both passengers and cargo.

Regarding the health project, we broadcast 12 radio messages and four audiovisual messages through the municipal and local radio stations and the local television channel of San Cristóbal. This campaign was developed in coordination with the director of the Comprehensive Health Center and with the San Cristóbal Emergency Operations Committee (COE).

In the same way, we provided support to update biosafety protocols for health centers, as well as for neighborhood shops, and we drafted a *Family Guide* to face COVID-19 and *Talking Maps* of the communities of San Cristóbal, Culpina K and Vila Vila to organize tracking campaigns for the early detection of COVID-19.

The monthly number of positive, recovered and active COVID-19 cases and the monthly number of deaths due to COVID-19 in all communities, according to information from the municipality of Colcha K's health network, is detailed in the graph below:



During the first months of the pandemic, the COVID-19 virus reached the communities of the southwest of Potosí with a low impact, since there were only three cases in April. From July onwards, the number of positive COVID-19 cases increased, reaching the highest peak in September with 155 cases, mostly in the community of San Cristóbal, when the restrictive measures were relaxed. At the level of the municipality, five people died from COVID-19.

Strengthening health centers

With the aim of strengthening the health centers of San Cristóbal, Culpina K, Vila Vila and Río Grande, we provided them with four stationary oxygen concentrators with accessories and four anti-spill kits. Additionally,

we conducted environmental inspections and prepared reports.

The authorities of the communities of the municipality of Colcha K, under the leadership of the Municipal Government, held various interinstitutional meetings and took steps with departmental and national authorities for the second-level hospital in San Cristóbal to be put into operation. However, due to the strict legal requirements, the operating authorization under this category could not be obtained and so on 7 November 2020, it was inaugurated as the San Cristóbal Comprehensive Health Center.

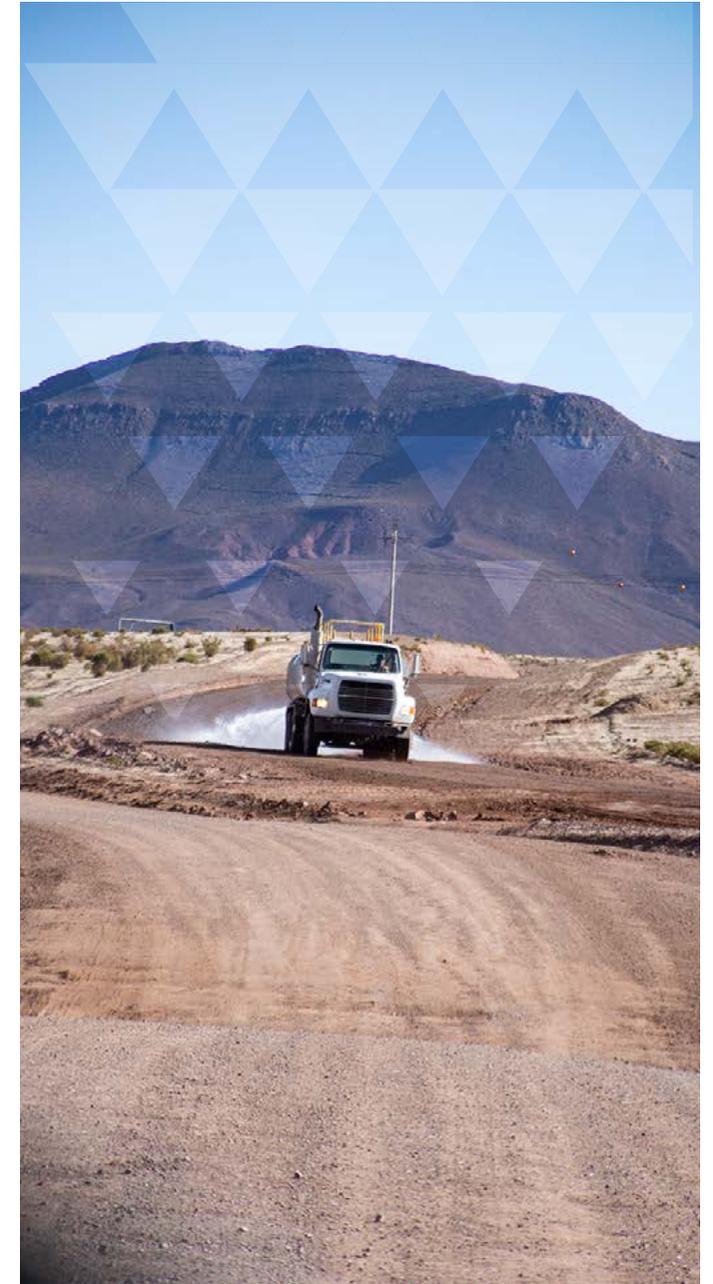
Competitive fund

Due to the financial restrictions established by the government because of the pandemic crisis, since March the credits granted by the Competitive Fund have been suspended. However, despite current laws and regulations, some beneficiaries have continued to pay back their loans, underscoring the Competitive Fund's strength.

Macroprojects

In this reporting year, we provided support to the following macroprojects:

- ▶ Third phase of construction of the asphalt road Puente Río Grande - Cruce Laguna Colorada (as matching contribution of this project).
- ▶ Design, construction and commissioning of the bay at the lithium substation for electrification of the Lípez I network.
- ▶ Completion of the feasibility study and final design of the San Cristóbal dry port.



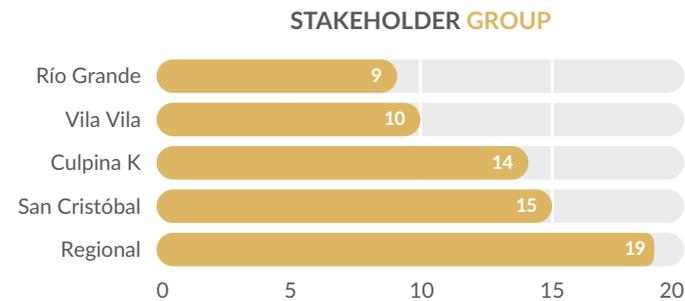
6.6 Social capital (102-43, 102-44, 103-2, MM7)

Identification of stakeholders

There are 67 strategic stakeholders. In 2020 we included two new stakeholder groups:

- ▶ Review commission of agreements in Culpina K.
- ▶ Health advisory commission in the group of the region.

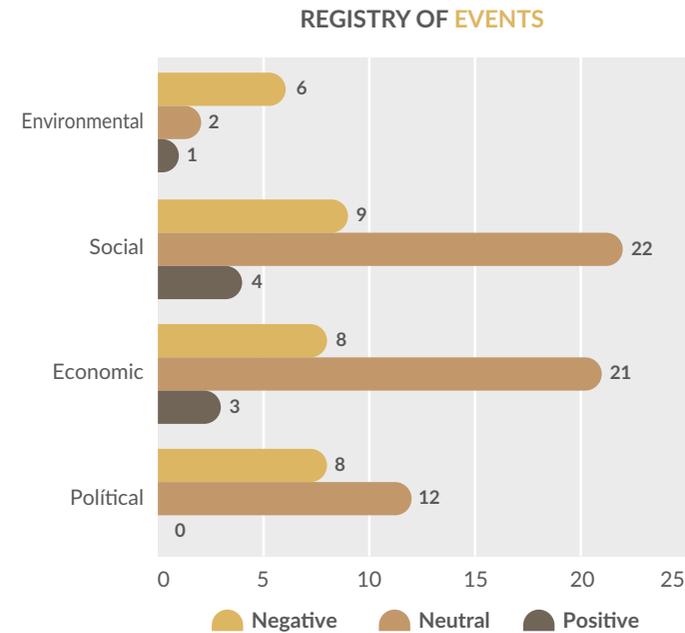
The following graph shows the number of stakeholder groups by community and in the region:



Registration and systematization of events

Events are particularly relevant facts or occurrences related to our stakeholders. In 2020, we registered a total of 96 events, of which 59% were neutral events, 32% negative events and 9% positive events. The destabilization of the social context, mainly as a result of the pandemic, and also because of the national socio-political situation, had an impact on the events displaying a greater neutral and negative trend.

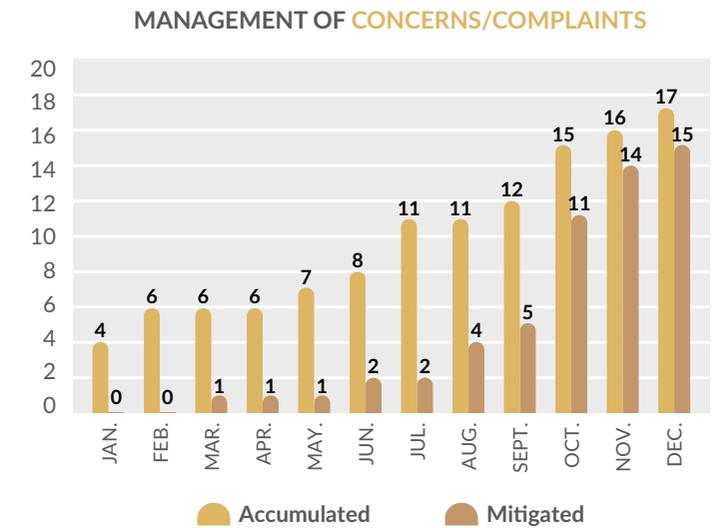
Based on the systematization of the events, the topics of the events are detailed in the graph below:



Management of concerns/complaints

Based on the systematization of the events recorded, and based on criteria defined by our organization, we identify the concerns and complaints for their respective treatment. In total, 17 matters were registered: seven related to the social factor, six to the environmental factor, and four to the economic factor.

The following graph shows, cumulatively, the monthly number of concerns/complaints that have been mitigated:



It is important to highlight that the areas of personnel transport services, commercial management, environment, contracts, logistics, medical unit, auxiliary services and mine played a relevant role in the resolution of concerns and complaints during the reporting year.

Two matters remained pending for 2021: the complaint related to dust generation on the road in the Turquiri sector of the community of Copacabana, and the complaint regarding the resumption of activities of communal contractor company Wila Kara S.R.L. in Culpina K.

Social risk management in communities

We updated the identification, management and evaluation of social risks at the local and regional level, with a total of five social risks, as per the following detail:

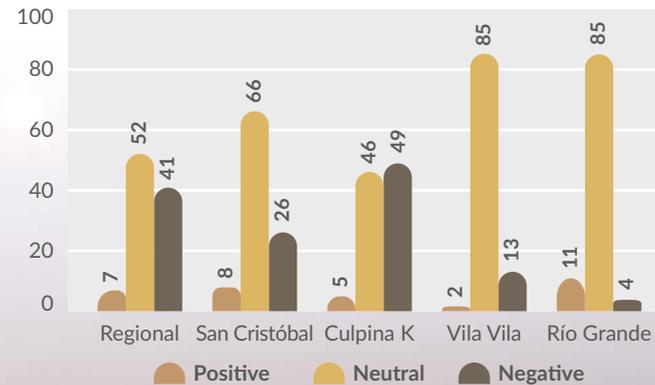
No	COMMUNITY	FACTOR	RISKS
1	Culpina K	Social	Soils affected by possible overflowing and tailings water seepage outside the Wila Khara Lagoon
2	San Cristóbal	Social	Consolidation of gravity-based water project for human consumption
3	San Cristóbal / Culpina K	Social	Groundwater level reduction in the northern and southern well fields
4	San Cristóbal / Culpina K / Vila Vila	Social	Unemployment of local population (MSC workers)
5	Communities / Authorities / Organizations in the area of direct and indirect influence	Political / Social	Social conflicts external to MSC

In the Annual Activity Plan, specific actions and strategies are included to control each risk.

Stakeholder behavior

The behavior of the stakeholder groups throughout 2020 tended to be regular to negative, due to the increasing number of concerns, complaints and social risks and the irregular execution of activities of the Social Management Plan at the local and regional level, due to the company's biosafety regulations.

STAKEHOLDER BEHAVIOR (%)

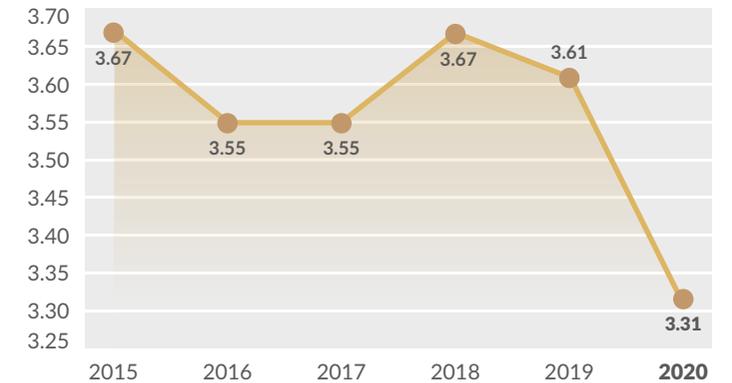


Social License to Operate (SLO)

As in all years, in 2020 we performed monthly measurements of the Social License to Operate (SLO); the average score this year was 3.31 but we ended the year at 3.52, reaching our target 3.50 and maintaining the level of "Tolerance" with our stakeholders. This decrease in the average score was mainly due to the health crisis caused by COVID-19 and the socio-political situation related to presidential elections and social conflicts at the national level, which had effects in the communities in our direct and indirect influence area.

The year-on-year SLO comparison is detailed below:

SLO AVERAGE MEASUREMENT



6.7 Social closure plan

In 2020 we concluded the study to update the social closure plan with the technical assistance of specialists from company *Knight Piésold Consulting*.

This closure plan, which is complementary to the environmental closure plan, considers the social programs that we seek to implement in the progressive closure, final closure and post-closure phases. It comprises seven strategic objectives, one for each phase of the social closure process.

According to the structure of the plan, the nature of specific objectives 1, 2, 7 and 8 is such that they cut across the other objectives related to key topics of closure of the operations.

OVERALL AND SPECIFIC STRATEGIC OBJECTIVES OF THE SOCIAL CLOSURE PLAN



OO: Overall Objective SO: Specific Objective

The actions proposed to achieve the strategic objectives of the social closure plan were integrated into the current five-year Social Management Plan 2020–2024.

Resilience study in communities near the San Cristóbal mining project



In 2020, with the support of the University of Queensland - Brisbane (Australia), we conducted an exploratory research study on the characteristics of resilience in the communities of San Cristóbal, Culpina K and Vila Vila. This study takes into account the current and potential recovery capacity of the three communities in light of planned closure of the mine. This will be helpful to project actions to support the communities' transition towards a post-mine economy and society. The study focuses on the resilience of the communities, but also that of groups and individuals within each community and their influence on community resilience.

Main findings

While the communities associated with the mine have a long history of resilience as individuals and communities, and also in terms of their own lives and culture in a challenging environment, they are also highly vulnerable to closure of the mine. And this is one of the main findings of the study: the communities are only just now beginning to realize the reality of future closure of the mine and to discuss it among themselves.

- Agency and self-organization

It is noted that the organization of each community is structured through numerous committees with community decision-making power and economic responsibilities. Although it has been detected that there is good potential in terms of decision-making, the communities need to rebuild their self-confidence and their capacity for self-organization, casting off their dependence on the company. It has been identified that one of the ideas limiting the communities' sense of self-sufficiency is that they perceive themselves as mining camps, rather than taking on responsibility for themselves.

- Diverse and innovative economy

The need to build a diversified economy has been acknowledged since our first proposal, as evidenced by our initial agreements with the communities. Nonetheless, despite the excellent collaboration between the two parties, especially the efforts to build new businesses to add value to customary livelihoods (such as camelids and quinoa production), the economies still lack the diversity needed to provide a suitable and sufficient buffer for when the mine closes. The quinoa and camelid business ventures seem well suited to the culture, skills and region, but they have come along very slowly and full-fledged operation is still a long way off. While activities such as construction, transportation, food businesses and dressmaking shops appear to be diversifying the economy, so far their customer bases are largely connected to the mine, either directly or indirectly. Likewise, the hotels seek to access a new market based on tourism, but they are still incipient or their turnover still largely depends on the mineworkers.

- Governance within the communities, with MSC and with the municipality

The three communities have a wealth of community-based institutions; there is no need to create more. However, many of them need new energy and hope to operate as centers of community agency and self-organization.

We believe that it is essential to foster stronger relations between the authorities of the three communities, so they would have closer links, and also with other government bodies. This means that it is especially important to strengthen relations with the municipal government of Colcha K, which are still limited. We are confident that a stronger relationship between the three communities will benefit everyone.

- Community infrastructure

The limited water supply is a problem which the three communities have in common and which also requires the

presence of community authorities and leaders. Considering that San Cristóbal, Culpina K and Vila Vila are located in an arid region that is highly vulnerable to climate change, they are at high risk with water infrastructure that does not respond to the needs regarding human consumption and productive uses of the growing population. Efforts have been made to improve the water supply, but they consider that these are insufficient, given the rapidly expanding population attracted by our company to this region. The difficulty of solving the water issue is a predominant concern of the community committees, preventing them from concentrating on the many aspects of the mine closure and from focusing on strengthening the community.

- Positive outlook

Many members of the community are confident in their ability to cope with the mine closure. They expect to encounter difficulties, but believe that they will be able to overcome them with their will and perseverance.



- Knowledge, skills and learning

The community members have many skills thanks to their jobs in our company, the knowledge they have gained, and the activities we support on a regular basis. This offers individual mineworkers the possibility to take their skills elsewhere when the mine closes, or to develop new post-mine businesses, contributing to their communities in a variety of ways. Moreover, the communities have several women entrepreneurs who are helping to build new economic ventures and who keep their organizations active. Thus, there is great human potential to make greater use of the skills and motivation of the mineworkers and women in new businesses.

- Social networks and support

The communities are closely linked under their usual social organization and also through cooperative relationships in their traditional livelihoods and festivities. Still, some of these ties have been weakened by more individualistic values as a consequence of the employment and income in mining.

The social networks offers significant potential for strengthening community organizations and a good foundation for self-organization, once community members see a need.

- Relationship with the environment

The native residents of the region clearly still have a very strong commitment to their land and culture, and wish to remain in the area. They are also deeply committed to their customary ways of life, which are linked to the characteristics of the region, i.e. breeding camelids and growing quinoa.

- Values and beliefs

The participation of community members in activities that reinforce community cohesion has gone down, in part due to their employment in our company. The significant change in their patron saint festivities, for example, is a result of this. In addition, the cohesion and unity that used to characterize the three communities have been affected by the inclination towards more individualistic values of the community members who work in the company.

Links between individual, group and community resilience

There are trade-offs and synergies between individual, group and community resilience. Some individuals and families are actively planning and making investments to ensure their own future resilience, primarily elsewhere and with a view to relocating once the mines closes.

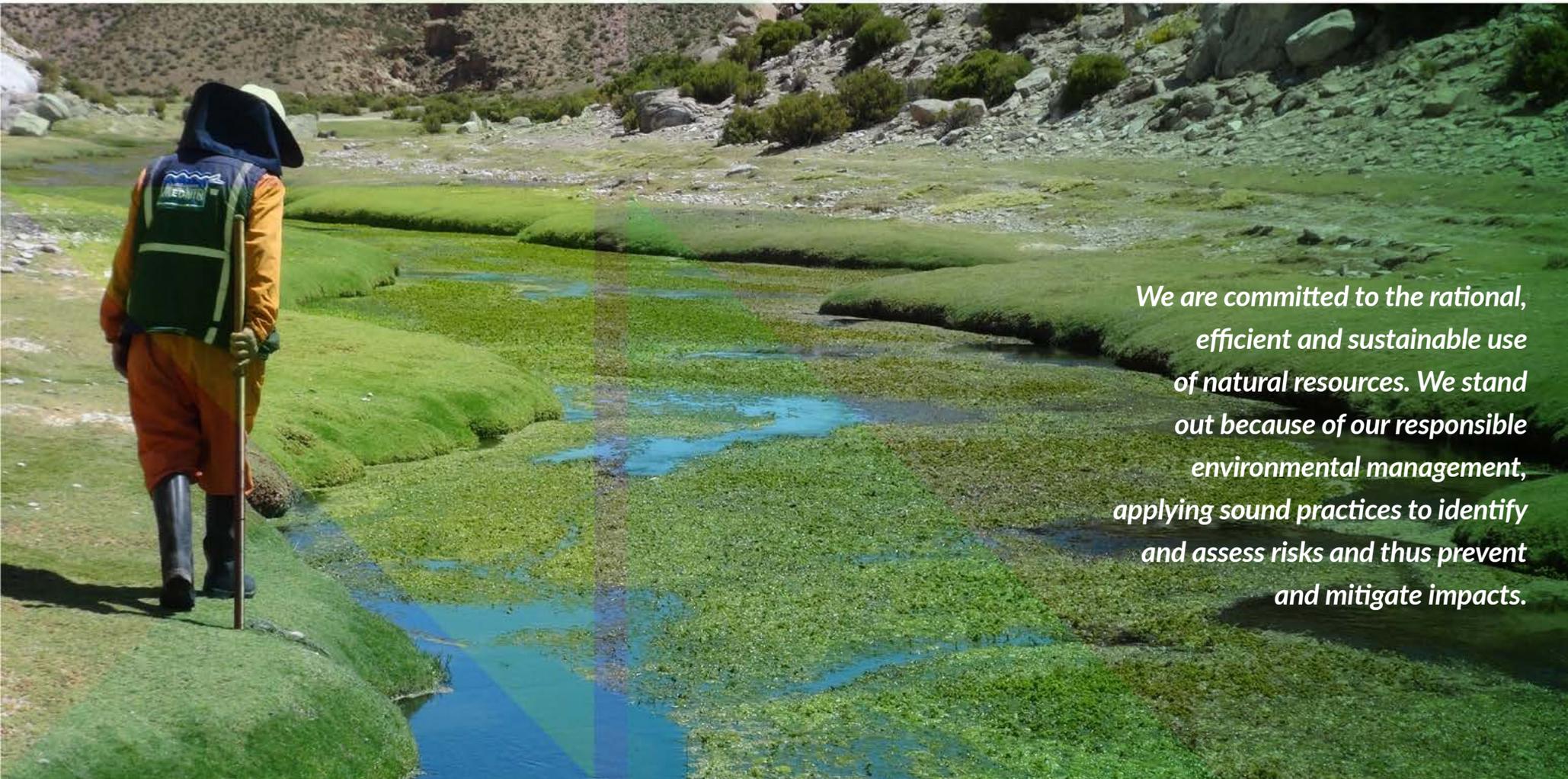
Finally, little evidence was observed of groups and communities in a purposeful process of building their own resilience. In part, this is because they are just beginning to consider closure of the mine in a more tangible way. Faced with this phenomenon, we have planned workshops and meetings with specialists in the area to trigger resilience in workers, contractors and community members that will be affected by the mine closure. This task will be supported by the permanent actions that we have been conducting to strengthen economic ventures outside of our operations ■



7

CONTENTS

Environment



We are committed to the rational, efficient and sustainable use of natural resources. We stand out because of our responsible environmental management, applying sound practices to identify and assess risks and thus prevent and mitigate impacts.

Approach

Our environmental management system is based on compliance with current regulations, the care and rational, efficient and sustainable use of natural resources, and the application of good environmental practices. Our operational activities are based on the identification and assessment of risks; on the mitigation/remediation of negative impacts; and on the application of standards and protocols for monitoring environmental factors. This way, we generate credibility and trust with our stakeholders (102-11, 103-2).

7.1 Efficient use of water (303-1, 303-2, 303-3)

The industrial water used as an input in the mineral processing plant comes from the pumping in the northern and southern well fields of the Jaukihua aquifer, located 10 km southeast of the mine. In the baseline study, carried out during the project construction phase, this water body was characterized as saline and not apt for human or animal consumption or irrigation. Likewise, according to the bibliographic review, the source of groundwater extraction is located in an area where the demand for this resource is low; therefore, no water stress is generated.

Subsequent studies confirmed that Jaukihua is a non-confined saltwater aquifer that stores approximately 366 million cubic meters, and that is recharged. It is therefore sufficient to supply water for the production during the

mine's years of operation. This aquifer is not part of and is not adjacent to national or international protected areas and, as a deep groundwater source, it does not affect other surface water bodies.

The results of monitoring fauna and flora, which has been carried out annually since the operation began, confirm that the conservation of local biodiversity and endemic or protected species do not depend on this aquifer.

However, and despite the fact that the quality of the groundwater stored in the aquifer makes it a source of no importance for other activities of the surrounding communities, we adhere to a policy of rational use and responsible management of water resources in the company.



Industrial water consumption

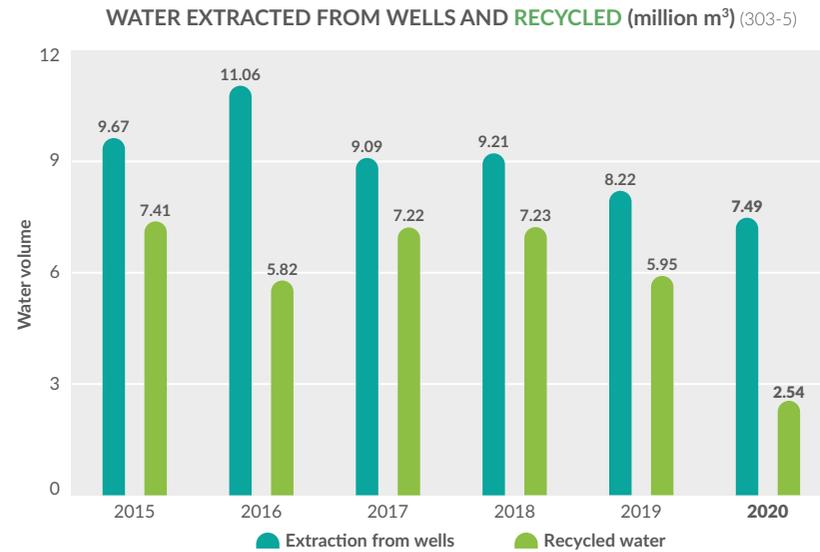
The intermittent nature of our activities during 2020 caused a decrease in the production of mineral concentrates, and therefore a reduction of the volume of water pumped from the well field and of the volume of water recovered from the tailings deposit (6,953 m³/day). This aspect contributed to the sustainability of the aquifer and also enabled a reduction of operational costs.

In total, 7.49 million m³ of groundwater were extracted, the sources of which have a total dissolved solids rate of > 1000 mg/l; and 2.54 million m³ of supernatant water were recovered in the tailings deposit (water from the process use circuit), which accounts for 34% of the water



used in the process (303-1). The average rate of extracted water consumption per tonne treated was 0.54 m³/t.

The complementary sources of water (water collected in the mine and surface runoff harvested in the rainy season) were not included in this report, because their contributions are not measured with automatic instruments and there is no absolute certainty regarding the flows (303-3).



The wastewater from the camp and the dining room is treated through a biological process until the quality is adequate for reuse in the irrigation of revegetation plots and roads in the operating area, as an environmental control measure to avoid liquid discharges outside the operating area and dust emissions into the air. Due to the water deficit in the area and the demand for water for different activities, there are no discharges into water bodies (303-4).



7.2 Energy consumption (302-1)

100% of the electricity used in our facilities is acquired from the national interconnected system. Of the total energy consumption, electricity accounts for 52%; diesel for 47.3%; and petrol for the remaining 0.7%.

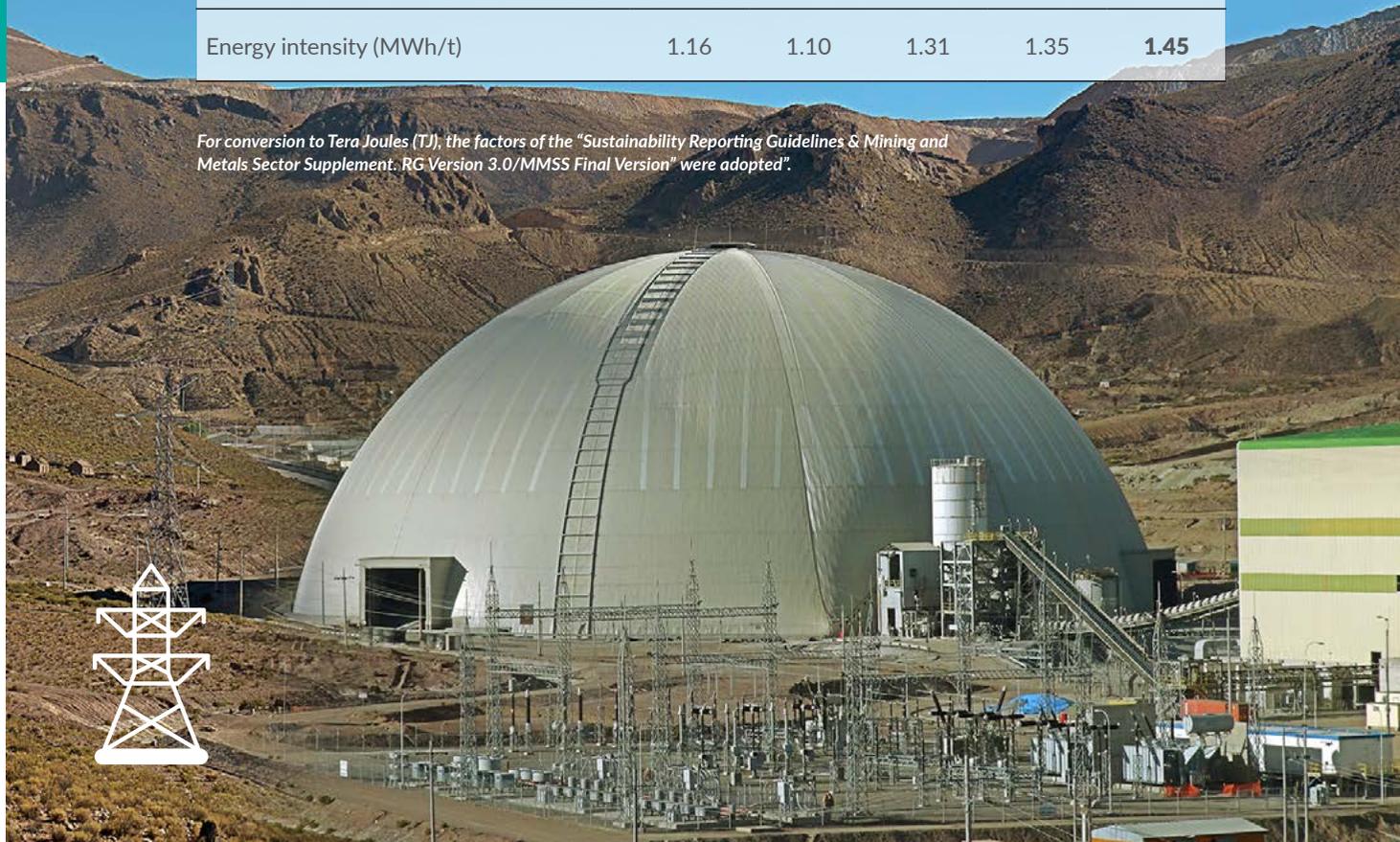
In 2020, the average electrical intensity was 0.0027 TJ/t of processed concentrate and the total energy intensity was 0.0052 TJ/t, i.e. slightly higher than in 2019, when it was 0.0048 TJ/t (302-3, 302-4).

The graphs show that energy consumption compared to 2019 decreased by 67,526 MWh (19.5%). The main reason explaining the decrease in energy consumption was the stoppage of operations in April; but the rate of consumption per tonne of concentrate produced increased slightly, because the tonnage of mineral treated in the plant decreased by 3.80 million t; that is, 21.7% less than the previous year (302-4).

ELECTRICAL AND ENERGY INTENSITY PER TONNE OF PROCESSED CONCENTRATE

	2016	2017	2018	2019	2020
Electrical intensity (MWh/t)	0.61	0.58	0.61	0.64	0.75
Energy intensity (MWh/t)	1.16	1.10	1.31	1.35	1.45

For conversion to Tera Joules (TJ), the factors of the "Sustainability Reporting Guidelines & Mining and Metals Sector Supplement: RG Version 3.0/MMSS Final Version" were adopted.



UNIT ENERGY CONSUMPTION (KWh/t)



ANNUAL ENERGY CONSUMPTION (MWh)



7.3 Atmospheric emissions

The air quality in our area of influence is periodically monitored at eight PM-10 stations located around the mine, at the tailings deposit, at the camp and at two stations with cascade impactors in the communities of San Cristóbal and Culpina K. According to the standards of the United States Environmental Protection Agency (EPA), measurements are made 24 hours a day, every 12 days.

To prevent dust and particulate material dispersion in the air, we have implemented the following controls:



Speed restriction in the operational area.



Frequent irrigation of roads.



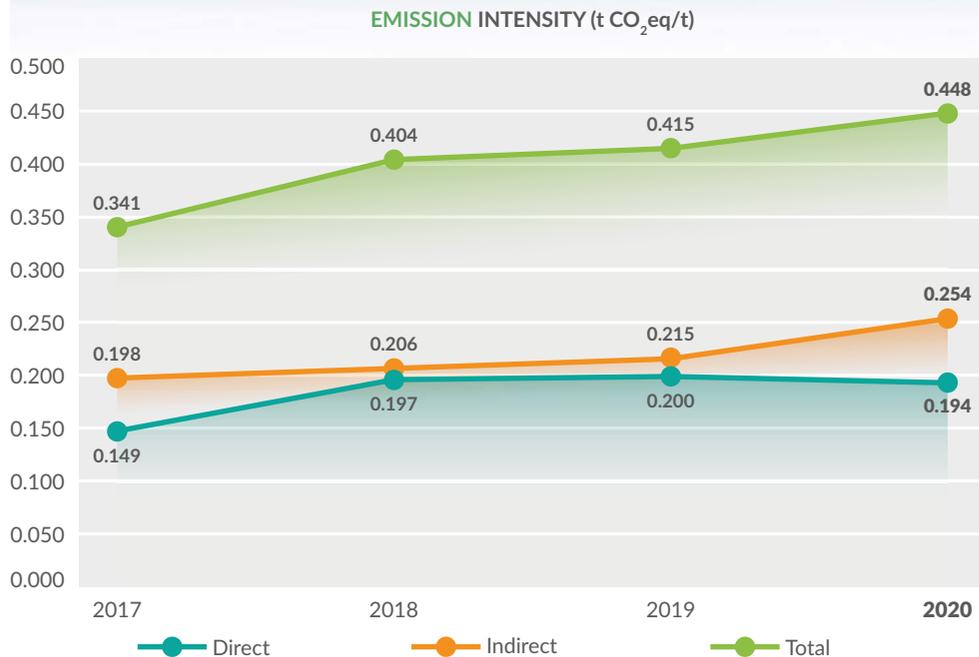
Construction of a 140 m diameter dome over the stockpile.

With respect to noise generation, two-monthly monitoring is carried out at specific points within the operations area and in communities. The measured values are below the permissible level.



Dome: 140m diameter

Greenhouse gases



In order to calculate the greenhouse gas emissions, the document entitled “UNE-ISO / TR 14069:2015 IN: Greenhouse gas – Quantification and reporting of greenhouse emissions for organizations – Guidance for the application of ISO 14064-1” is used. For the conversion of energy and fuels to tonnes of CO₂ equivalent, we used the factors from the table “Emission Factors for Greenhouse Gas Inventories”, which was published by the United States Environmental Protection Agency (EPA) - https://www.epa.gov/sites/default/files/2021-04/documents/emission-factors_mar2020.pdf

The reduction in electricity and fuel consumption (305-5) in 2020 gave rise to a logical decrease in total greenhouse gas (GHG) emissions, which totaled 165,036 t CO₂eq. This value is 26.4%

lower than that reported in 2019, and is made up of 71,431 t CO₂eq of direct emissions (305-1) and 93,605 t CO₂eq of indirect emissions (305-2).

The total GHG emission intensity rate is 0.448 t CO₂eq per tonne of concentrate, which is the result of dividing the total emissions, including energy consumption, by the total tonnes of mineral concentrates produced in a year. The total value of the intensity of emissions is composed of the intensity of direct emissions with a value of 0.194 t CO₂eq and the intensity of indirect emissions with a value of 0.254 t CO₂eq (305-4).

7.4 Waste management (306-2, 306-3)

The potential effects of waste generation, identified in the project's environmental impact assessment, include possible soil, air and water contamination (306-1).

The infographic below shows the amount of waste (in tonnes); the final destination (disposal or otherwise); the place of management (on or off the premises); the hazard level; and the operation applied:



Non-mining waste

Solid waste management comprises the steps of classification at source (separation by type of waste), collection and transport, temporary storage and final disposal. Of the 1,581.16 t of total waste generated in 2020, 83.08% was separated for recycling and reuse and 16.92% was separated for disposal.

Waste diverted from disposal ⁽³⁰⁶⁻⁴⁾	Total [t]	
Non-hazardous recyclable waste (PET bottles, cardboard, plastics, cables, scrap)	668.66	▶  Transport to recycling ▶ 
Hazardous recyclable waste (hydraulic hoses, filters, oils and coolants)	307.73	
Organic	337.29	▶  Composting ▶ 

Waste directed to disposal ⁽³⁰⁶⁻⁵⁾	Total [t]	
Conventional (food wrappers, toilet paper, construction waste, etc.)	213.94	▶  Disposal in pits
Hazardous (hospital waste, oily rags and grease)	28.25	▶  Incineration
Hazardous (paint containers, aerosol containers, incineration ashes, dried sludge)	25.28	▶  Disposal in security pits

The main reason for the global reduction in waste generation compared to 2019 was the lower consumption of oils and coolants, among others. However, a greater amount of scrap metal waste generation is recorded, which is largely related to the fact that this waste was fully accounted for before being taken away for reuse/recycling in 2020.

As a by-product of treatment of the waste water from camps, offices and dining rooms, in 2020 approximately about 36 m³/year of septic sludge were generated, which were disposed of in pits of the Industrial Sanitary Landfill (ISL).

	2015	2016	2017	2018	2019	2020
Septic sludge in m ³ /year	128	106	190	93	153	36



Industrial Sanitary for responsible waste management

Plant tailings (MM3)

The pulp waste from the mineral flotation process in the concentrator plant, called tailings, is pumped and transported by pipeline to the tailings deposit, located 10 km southwest of the Toldos plant, on the bed of a natural depression called Wila Khara, which is the lower part of the basin bearing the same name.

This basin is endorheic and the underlying geological formations have very low permeability, preventing infiltration and the risk of groundwater contamination.

Thanks to its topography, the tailings deposit only has perimeter berms and does not require a structural containment dam like other mining operations. In 2020, 13.4 million tonnes of tailings were discharged.

2015	2016	2017	2018	2019	2020
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Tailings sent to the deposit per year, in million tonnes

17.9	17.9	18.4	17.5	16.1	13.4
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Waste rock dumps

During 2020, 25.14 million tonnes of waste material were generated, which were disposed in dumps or piles. To prevent the possible generation of acid rock drainage, we have a drainage system that captures, stores and evacuates infiltration and rain waters, avoiding contact with the piles of waste material and temporary stocks of low-grade ore.

WASTE ROCK PER YEAR (million t)



7.5 Climate change and biodiversity (304-2, 304-3)

According to the International Union for Conservation of Nature, the main endangered species in our area of operation are: the small parina, the suri or Andean ostrich, the chirquincho and the Andean fox. The endangered flora includes thola, yareta and sicha (304-4). However, the area of influence of our operation is very far from any protected area or national reserve (304-1).

With regard to our alignment with ICMM principles, we are preparing a comprehensive and strategic approach to climate change. Among the operational tasks that we carried out during 2020, we can mention the following:

- ✔ Purchase of equipment and training of personnel for measuring gases produced by mobile sources.
- ✔ Measurement of gas emissions from the incineration furnace.
- ✔ Approval of the content of training courses on the effects of climate change and inclusion thereof as part of the matrix of mandatory courses.

With regard to biodiversity, we carried out the following activities:

- ✔ Evaluation of community requests to repopulate areas with native, medicinal and traditional plants.
- ✔ Approval of the content of training courses on biodiversity conservation and inclusion thereof as part of the matrix of mandatory courses.

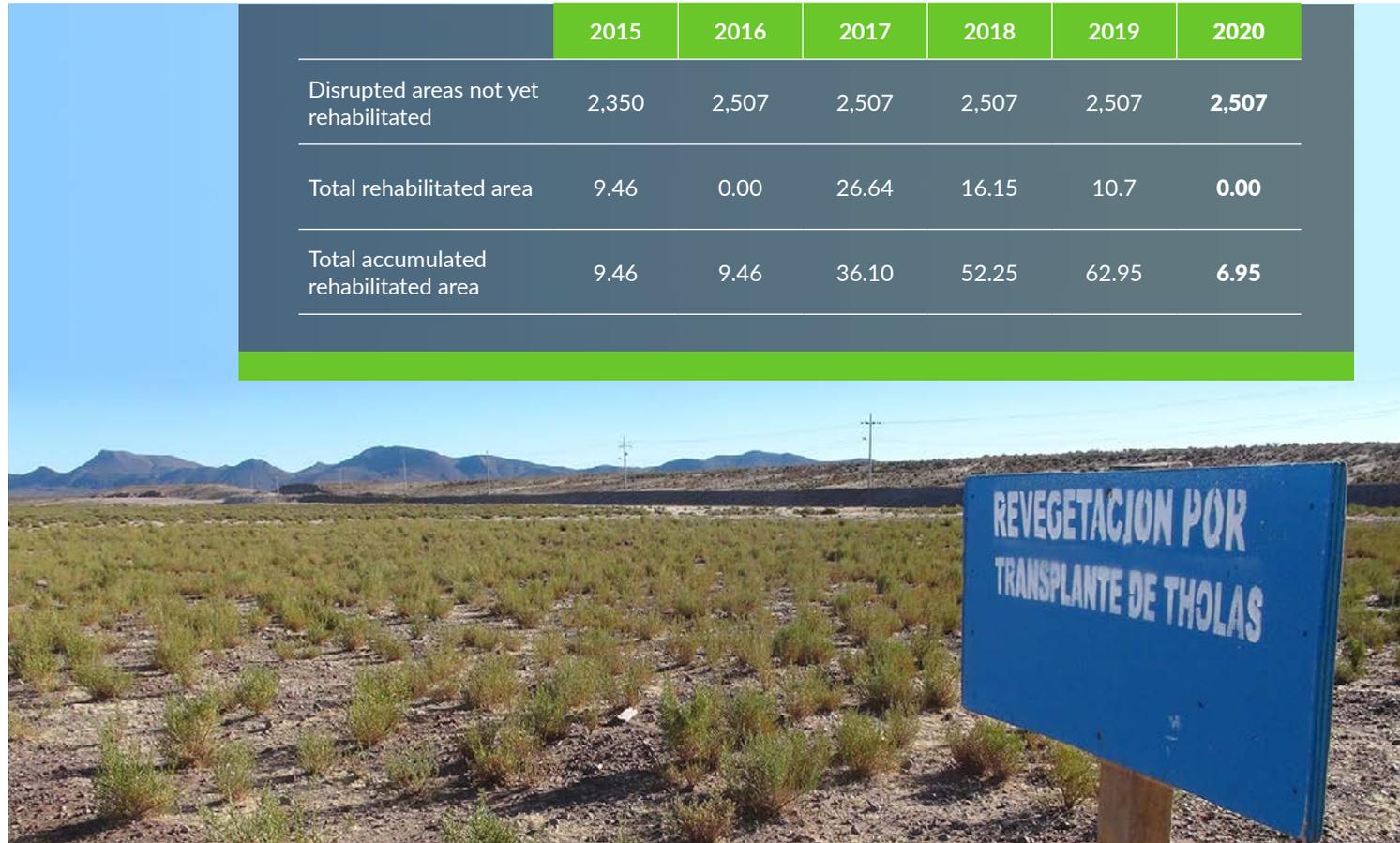
We have taken on a commitment to biodiversity and climate change, which is why we have explicitly integrated both issues into our business strategy.

Soil remediation and rehabilitation (304-3)

Every year, we execute tasks for the remediation and rehabilitation of areas disrupted by mining activities, with the purpose of reestablishing traditional use of the soil and preserving the local ecosystems as much as possible. Since 2007 we have developed the revegetation plan of 133 hectares (ha) of soils that were affected during the construction phase and during operations. We carry out this action with the participation of a local community-based company.

QUANTITY OF DISTURBED AND REHABILITATED LAND (ha)

	2015	2016	2017	2018	2019	2020
Disrupted areas not yet rehabilitated	2,350	2,507	2,507	2,507	2,507	2,507
Total rehabilitated area	9.46	0.00	26.64	16.15	10.7	0.00
Total accumulated rehabilitated area	9.46	9.46	36.10	52.25	62.95	6.95



Regarding environmental complaints, during 2020 we only received complaints related to dust dispersion on the main road that connects Uyuni to Abaroa (border with Chile), which bothers the inhabitants due to the number of light and heavy vehicles using that road on a daily basis. Efforts have been underway for two years to upgrade and asphalt this road.

Environmental complaints

Likewise, in 2020 we continued with the action plan to address the concerns of the community of Culpina K regarding tailings management in the Wila Khara operating area, periodically monitoring the water accumulation sites around the deposit and the soils of adjacent agricultural land.

Spill report

In 2020, no significant spills occurred while developing our activities which, according to the instructions in force, refer to spills of hazardous substances in quantities equal to or greater than 2,000 l (306-3).

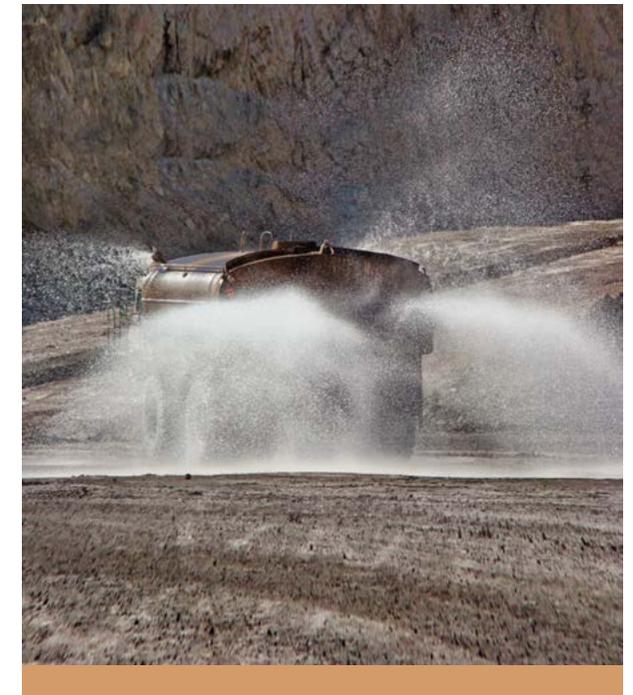
While developing our corporate activities, there were no environmental incidents to be reported to the national environmental authorities, nor were any fines or non-monetary penalties imposed on us for not complying with environmental laws or regulations (307-1).

7.6 Investments and total expenses on environmental protection

The operational costs and investments in prevention, mitigation and remediation of environmental impacts are specified in the table:

The difference in the total investment in environmental protection in 2020 in relation to the years before is mainly due to the impossibility of doing our normal work regarding the execution and maintenance of projects and activities such as the removal of top soil in the mine and the maintenance and stabilization of roads with bischofite.

Investments in environmental protection (US\$)	2015	2016	2017	2018	2019	2020
Operational costs and investments in prevention, mitigation and remediation of environmental impacts: Mine drainage civil works; watering of roads (mine and camp); dam cleaning and maintenance; top soil removal in Wila Khara; O&M water recovery.	2,558,378	1,600,408	4,315,978	4,379,970	5,702,028	924,935
Rehabilitation, revegetation and maintenance of areas disturbed by mining operations, within and outside the area of operations.		140,625	147,876	182,614	121,951	18,220
Environmental prevention and management costs	104,369	114,728	214,646	205,614	200,171	141,620
TOTAL	2,662,747	1,855,761	4,678,500	4,768,198	6,024,150	1,084,775



7.7 Mine closure planning (MM10)

In accordance with the guidelines set forth in the Management System and our strategic objectives, we periodically review and update our strategic, tactical and operational action plans for the prevention and control of environmental risks associated with our operations, and for the future closure and rehabilitation of disturbed areas.

The activities carried out in 2020 had to adapt to the restrictions due to COVID-19 and to the biosafety protocols required by the pandemic. We gave top priority to the health care of our staff and so we focused on tasks related to the review, validation and updating of the database, in which all departments participated.

Work plan for the five-year period 2020–2024

In 2020, our activities mainly focused on planning the closure and rehabilitation scheduled for the five-year period. Using the information generated in the planning phase, we prepared preliminary designs of works to remedy the sites disturbed by our activities, with the corresponding cost estimates. Furthermore, in this five-year period we intend to complete the necessary technical studies on aspects related to water management in the microbasins of the area of operations and the area of influence, chiefly focusing on hydrology, hydrogeology and geochemistry.

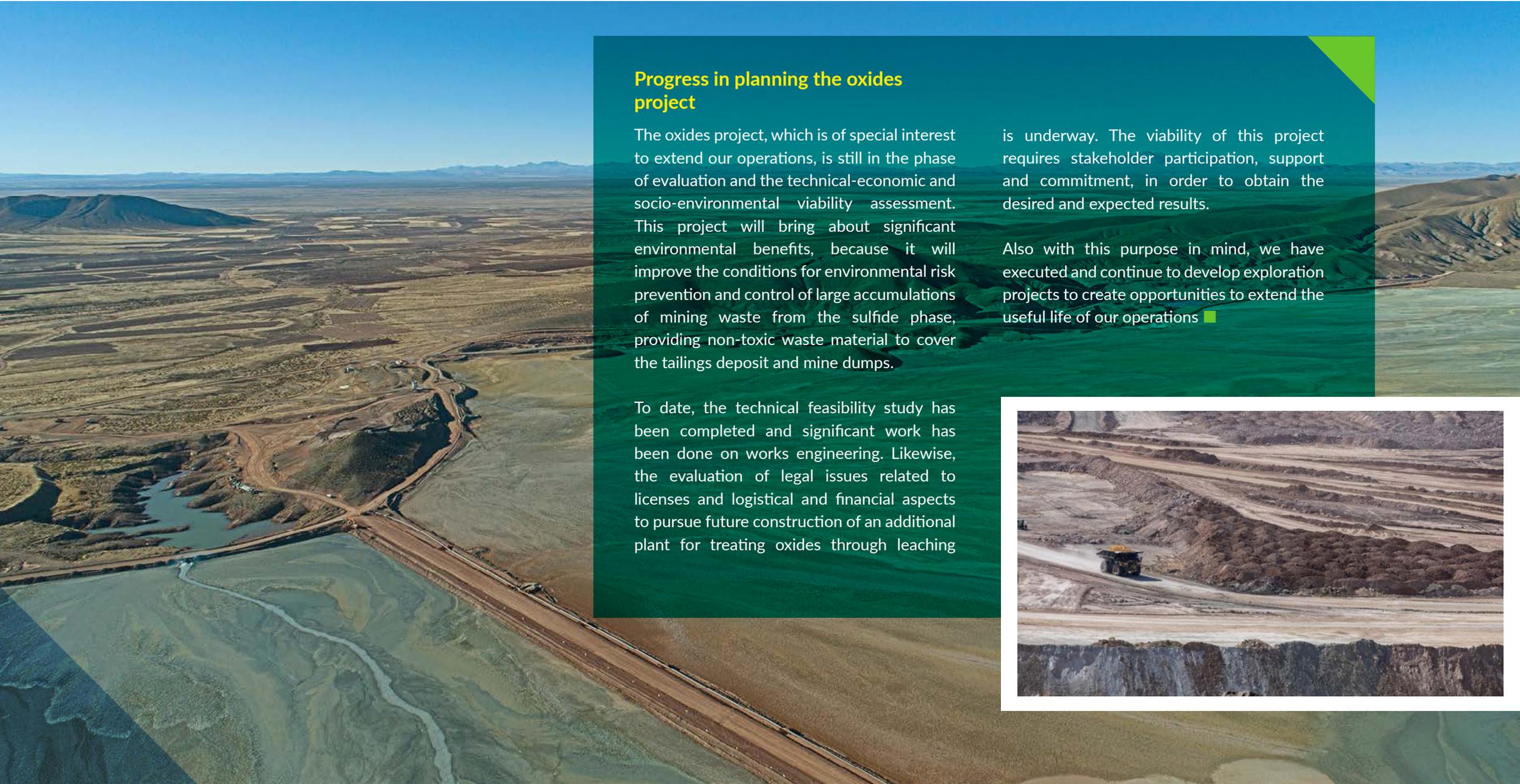
In 2009 we launched a long-term revegetation program, on which we put considerable emphasis in 2020. This program brings us great satisfaction and consists of a study of the adaptation and development of native species in disturbed soils, capacity-building of the communities concerned, the

generation of databases on seedling production, and the planning and development of research by way of pilots.

The main developments are summarized below:

- ▶ Physical stability: review and evaluation of data for readjusting the slope of dumps and follow-up of tests to determine the erosion rate.
- ▶ Hydrological stability: standardization of climate data for hydrological studies and for the integral water balance, review of information for calibration of the Modflow hydrogeological model of the well field, monitoring and provision of data for the hydrogeological study in the pit and dumps.
- ▶ Geochemical stability: development of the 3D geological model to obtain geochemical data from selected pit and dump areas.
- ▶ Biological stability: review of the inventory of top soil and soil cover materials for the mine area and the area of the Wila Khara tailings deposit.
- ▶ Social closure planning: drafting of the communication plan on the progress in planning measures for soil remediation and rehabilitation.





Progress in planning the oxides project

The oxides project, which is of special interest to extend our operations, is still in the phase of evaluation and the technical-economic and socio-environmental viability assessment. This project will bring about significant environmental benefits, because it will improve the conditions for environmental risk prevention and control of large accumulations of mining waste from the sulfide phase, providing non-toxic waste material to cover the tailings deposit and mine dumps.

To date, the technical feasibility study has been completed and significant work has been done on works engineering. Likewise, the evaluation of legal issues related to licenses and logistical and financial aspects to pursue future construction of an additional plant for treating oxides through leaching

is underway. The viability of this project requires stakeholder participation, support and commitment, in order to obtain the desired and expected results.

Also with this purpose in mind, we have executed and continue to develop exploration projects to create opportunities to extend the useful life of our operations ■



CASE STUDY

Estimation of the erosion rate in mine stripping waste and the tailings deposit

One of the objectives of our Environmental Closure Plan is to ensure physical stability of the soils, once the remediation and rehabilitation process has concluded, especially on the slopes of the tailings deposit and the mine stripping waste dumps.

At first glance, the natural slopes and soils, as well as those resulting from mining operations, show signs of water erosion that, *a priori*, could be considered moderate. Nonetheless, the final design of the remediation works and the coverage with waste material require field measurements and more detailed studies to determine the rate of water erosion.

Predicting soil water erosion on the slopes of mine stripping waste and on the berms of the tailings deposit is a complex task that requires taking into account many variables: type of soil, degree of compaction, vegetation cover, intensity and frequency of rainfall, among others.

To estimate the rate of soil erosion in an experimental mine plot, we implemented a simple controlled surface runoff system, according to the following parameters and conditions:

▶ The test is carried out on a slope covered with natural and revegetated soil, with a slope, density and material similar to those defined for remediating the stripping waste area.

▶ Rainfall is measured onsite with an artisanal rain gauge.

▶ The amount of sediment dragged along by surface runoff is captured and measured at the lowest point. This is repeated periodically to estimate the rate of soil erosion in tonnes per hectare and for different periods of time.



Plot delimited for experimental erosion tests

We are conducting these tests so we would have the necessary information to predict behavior of the slopes and so we could try to ensure their long-term stability ■

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Report of the independent auditors



Minera San Cristóbal reports its contribution to the Sustainable Development Goals. This information is verified by an independent third party based on sustainability performance standards.



Memorandum of independent review

Memorandum of independent review

Independent Review of the Sustainability Report 2020 – Minera San Cristóbal S.A.

Responsibilities of the Management of Minera San Cristóbal S.A. and Deloitte

The preparation of the 2020 Sustainability Report of Minera San Cristóbal S.A., between January 1st and December 31st, and its content are the responsibility of the organization which is also responsible for defining, adapting and maintaining management systems and internal control which information is obtained.

Our responsibility is to issue an independent report based on the procedures applied and previously agreed upon for our review. This Report has been prepared exclusively in the interest of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the Management of the Organization.

We have performed our work in accordance with the independence regulations required by the ethics code of the International Federation of Accountants (IFAC).

The scope of a limited review is substantially less than an audit. Therefore, we do not provide an audit about the Sustainability Report.

Scope of our work

We have carried out the review of the content adaptation of Minera San Cristóbal S.A. Sustainability Report 2020, to the Guide for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards), and the review of progress in managing ICMM (International Council on Mining and Metals), gaps for 2020 corresponding to the principles that had observations / gaps in the 2019 review. Within this review, the reporting and management activities of each of the principles and the totality of position statements according to ICMM, that did not have associated gaps were not included.

Standards and review processes

We have carried out our work in accordance with ISAE 3000 - International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accounts (IFAC).

Our review work consisted in the formulation of questions to the management, as well as to the different areas and operations of Minera San Cristóbal S.A. that have participated in the elaboration of the Sustainability Report 2020 and in the management of ICMM gaps, in the application of analytical procedures and tests of revision by sampling that is described below:

- Interviews with Minera San Cristóbal S.A. employees to know about the principles, management approaches and data consolidation systems applied to prepare the Report and to close the gaps associated with ICMM's assurance principles according to their scope.
- Limited analysis of how the content, structure and indicators were defined based on the materiality exercise according to the GRI Standards.
- Analysis of the processes to collect and validate the data presented in the report.
- Checking, by sample, testing and review of quantitative and qualitative evidence corresponding to the GRI and Minera San Cristóbal S.A. internal indicators included in the 2020 Sustainability Report, and proper compilation from the data supplied by Minera San Cristóbal S.A. the sources of information.

Confirmation that the 2020 Sustainability Report of Minera San Cristóbal S.A. has been prepared in accordance with the GRI Standards: Core option.



General contents:

It was confirmed that the report conforms to the requirements of the core option "in accordance" with the GRI Standards regarding the general basic contents.

Specific contents:

We review the management approach, the GRI internal contents of its material issues:

Material issues	GRI Content and/or Minera San Cristóbal internal KPIs
General content	102-6, 102-11, 102-12, 102-13, 102-14, 102-17, 102-20, 102-25, 102-32, 102-33, 102-34, 102-41, 102-43, 102-44.
Water	303-4, 303-5
Economic Benefits	203-2, 204-1.
Biodiversity / Protected areas	304-1, 304-3, 304-4
Climate change	305-1.
Training and professional development	404-1.
Product life cycle	102-2.
Work climate (Culture)	404-3.
Labor cost and productivity	201-1.
Human rights	411-1.
Discrimination	406-1.
Energy	302-1, 302-4.
Waste management	306-3, 306-4, 306-5.
Comprehensive risk management	102-15, 102-29, 102-30, 102-31
LSO (Social License to Operate)	102-21, MM7, MM9
Closure Plan and Oxides Project	MM10.
Relations with the union	407-1.
Corporate reputation	102-16, 102-18, 307-1, 419-1.
Health and Safety (Zero lost time fatalities or injuries)	403-9, 403-10.
Alternative job for local entrepreneurs	203-1
Child labor in providers (Human rights)	408-1.
Transparency	205-3.
Wila Khara (Queue Deposit)	MM3

In parallel, we reviewed the progress in managing the ICMM gaps identified in the immediately previous year, shared with the managers of Minera San Cristóbal S.A. As part of this review, Deloitte validated the documents evidencing the activities defined for closing each of the identified gaps, the times and responsible for them, and the state of progress according to the closing schedule.

Deloitte.

Conclusions

Based on the work carried out described in this report, the procedures carried out and the evidence obtained, no subject matter has come to our knowledge that leads us to think that the indicators within the scope of the review and included in the 2020 Sustainability Report of Minera San Cristóbal S.A. for the period between January 1st and December 31st 2020, have not met all the requirements for the preparation of reports in accordance with the essential option of the Global Reporting Initiative (GRI) Standards. For those indicators of the GRI Standards where Minera San Cristóbal S.A. did not report quantitatively (figures), only the qualitative information that included procedures, policies, evidence of activities carried out, among others, was reviewed.

With respect to ICMM, Deloitte identified that Minera San Cristóbal S.A. is developing in a meticulous and coordinated manner activities that allow closing the gaps identified in previous years with respect to the management associated with the ICMM assurance principles.

Alternative lines of actions

Deloitte has provided Minera San Cristóbal S.A. with a report with the most significant alternatives of action for the future preparation of Reports, which do not modify the conclusions expressed in this report, also a few observations that will strengthen the consolidation, management, measurement and communication processes of the organization's sustainability performance.

Declaration of Independence

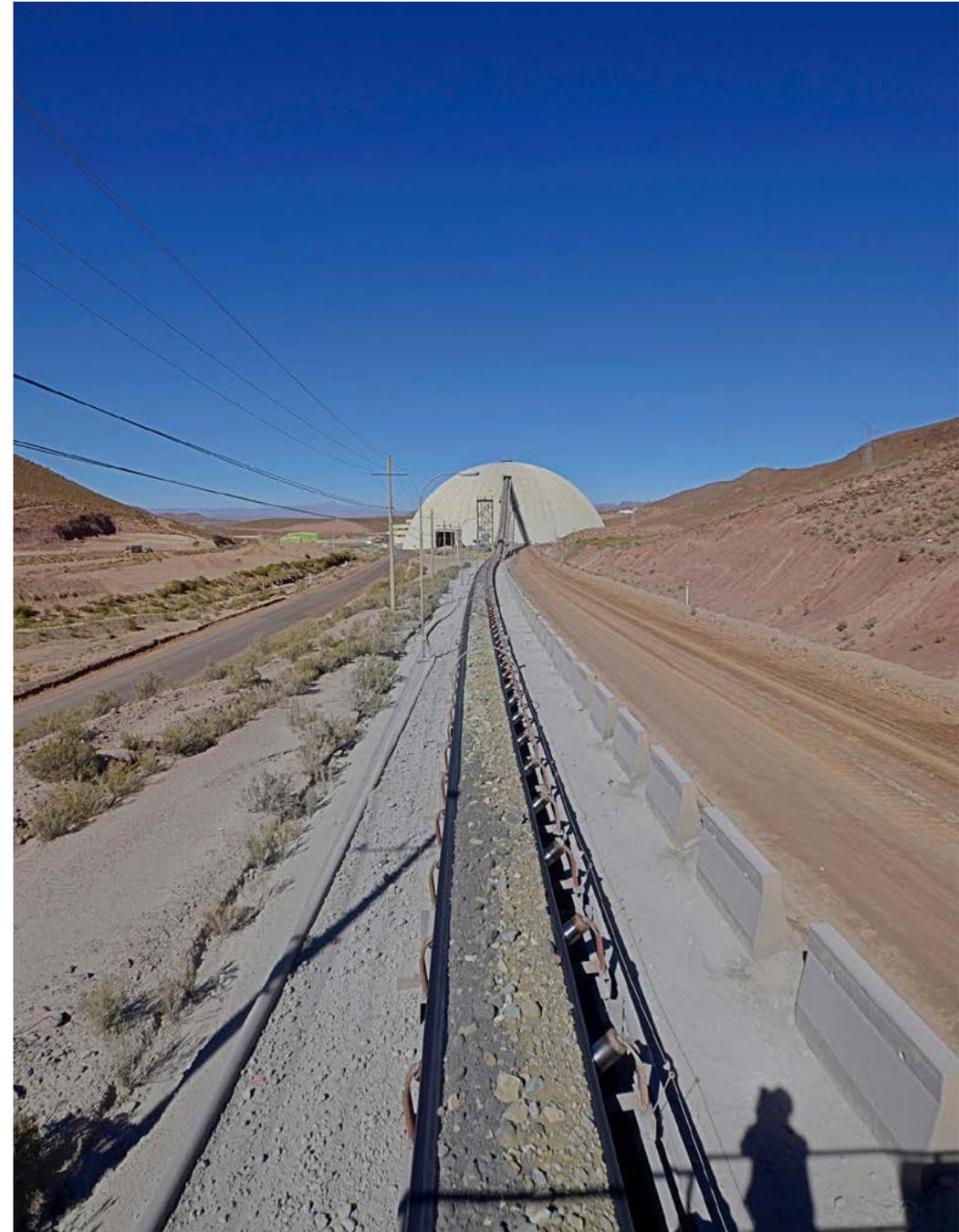
We confirm our independence from Minera San Cristóbal S.A. All of our employees carry out annual updates to the Ethics Policy where we promptly declare that we have no conflicts of interest with Minera San Cristóbal S.A., its subsidiaries and its stakeholders.



Jorge Enrique Múnera D.
Partner
Deloitte Asesores y Consultores Ltda
Bogotá, July 2021

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GRI content index

The GRI Standards are designed to enhance the global comparability and quality of information, thereby enabling greater transparency and accountability of companies. (GRI 101 Foundations).

GRI content index (102-55)

GRI STANDARD	MATERIAL TOPIC	PAGE NUMBER/OMISSION	ICMM		SDG
			RELATED PRINCIPLES	RELATED POSITION STATEMENTS	
102-1	Name of the Organization	General content			
102-2	Activities, brands, products and services	Product Lifecycle	1,8		
102-3	Location of headquarters	General content			
102-4	Location of operations	General content			
102-5	Ownership and legal form	General content	10		
102-6	Markets served	General content	8		
102-7	Scale of the organization	General content	- - -		
102-8	Information on employees and other workers	General content			8
102-9	Supply chain	Concentrate export logistics			
102-10	Significant changes to the organization and its supply chain	General content			
102-11	Precautionary Principle or approach	General content	2,4		
102-12	External initiatives	General content	10		17
102-13	Membership of associations	General content	2	Mining associations for development	17
102-14	Statement from senior decision-makers	General content	2		
102-15	Main impacts, risks and opportunities	Comprehensive risk management	2,4		
102-16	Values, principles, standards and norms of behavior	Corporate reputation	1,2		16
102-17	Mechanisms for advice and concerns about ethics	General content	1,2		16
102-18	Governance structure	Corporate reputation	1,2		
102-20	Executive-level responsibility for economic, environmental and social topics	General content	1,2		
102-21	Consulting stakeholders on economic, environmental and social topics	SLO (Social License to Operate)	1,2,10		16
102-25	Conflicts of Interest	General content	1,2		16
102-29	Identifying and managing economic, environmental and social impact	Comprehensive risk management	1,2		16
102-30	Effectiveness of risk management processes	Comprehensive risk management	1,2,4		

GRI STANDARD	MATERIAL TOPIC	PAGE NUMBER/OMISSION	ICMM		SDG
			RELATED PRINCIPLES	RELATED POSITION STATEMENTS	
102-31	Review of economic, environmental and social topics	Comprehensive risk management		1,2,4	
102-32	Highest governance body's role in sustainability reporting	General content		1,2	
102-33	Communicating critical concerns	General content		1,2,10	
102-34	Nature and total number of critical concerns	General content	-	1,2,10	
102-40	List of stakeholder groups	General content		10	
102-41	Collective bargaining agreements	General content		3	8
102-42	Identifying and selecting stakeholders	General content		10	
102-43	Approach to stakeholder engagement	General content	- -	10	
102-44	Key topics and concerns raised	General content	-	10	
102-45	Entities included in the consolidated financial statements	General content			
102-46	Defining report content and topic boundaries	General content			
102-47	List of material topics	General content		10	
102-48	Restatements of information	General content	There have been no restatements of information.		
102-49	Changes in reporting	COVID-19		2	
102-50	Reporting period	General content		10	
102-51	Date of most recent report	General content			
102-52	Reporting cycle	General content		10	
102-53	Contact point for questions regarding the report	General content		10	
102-54	Claims of reporting in accordance with the GRI Standards	General content			
102-55	GRI content index	General content			
102-56	External assurance	General content			
103-1	Explanation of the material topic and its boundary	General content			
103-2	The management approach and its components	General content	- - - - -	10	3,5,6,8,9,10,1,13,15,16,17
103-3	Evaluation of the management approach	General content			
201-1	Direct economic value generated and distributed	Cost of labor and productivity		9,10	Transparency in revenues from the mining sector 5,8,9
202-2	Proportion of senior management hired from the local community	Best labor practices		9	8

GRI STANDARD	MATERIAL TOPIC	PAGE NUMBER/OMISSION	ICMM		SDG
			RELATED PRINCIPLES	RELATED POSITION STATEMENTS	
203-1	Infrastructure investments and services supported (communities)	Alternative work for local entrepreneurs	9	Indigenous peoples and mining	2,5,7,9,11
203-2	Significant indirect economic impacts	Economic Benefits	9	Transparency in revenues from the mining sector	1,2,3,8,10,17
204-1	Proportion of spending on local suppliers	Economic Benefits	9		12
205-1	Operations assessed for risk related to corruption	Comprehensive risk management	1		16
205-2	Communication and training about anti-corruption policies and procedures	Transparency	1,2		16
205-3	Confirmed incidents of corruption and actions taken	Transparency	1		
302-1	Energy consumption within the organization	Energy	6	Climate change	7,12,13
302-3	Energy intensity	Energy	6		7,12,13
302-4	Reduction of energy consumption	Energy	6		7,12,13
303-1	Interactions with water as a shared resource	Water (tailings deposit and water for communities)	-	Water	6
303-2	Management of water discharge-related impacts	Water (tailings deposit and water for communities)	6	Water	6
303-3	Water extraction	Water (tailings deposit and water for communities)	-	Water	6
303-4	Water withdrawal	Water (tailings deposit and water for communities)	6	Water	6
303-5	Water consumption	Water (tailings deposit and water for communities)	6	Water	6
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity/Protected Areas	7	Mining and protected areas	15
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity/Protected Areas	7	Mining and protected areas	15
304-3	Habitats protected or restored	Biodiversity/Protected Areas	6,7		15
304-4	IUCN Red list species and national conservation list species with habitats in areas affected by operations	Biodiversity/Protected Areas	6,7		15
305-1	Direct (Scope 1) GHG emissions	Climate change	6	Climate change	7,12,13

GRI STANDARD	MATERIAL TOPIC	PAGE NUMBER/OMISSION	ICMM		SDG	
			RELATED PRINCIPLES	RELATED POSITION STATEMENTS		
305-2	Energy indirect (Scope 2) GHG emissions	Climate change		6	Climate change	7,12,13
305-4	GHG emissions intensity	Climate change		6	Climate change	7,12,13
305-5	Reduction of GHG emissions	Climate change		6	Climate change	7,12,13
306-1	Waste generation and significant waste-related impacts	Waste Management		6	Water	3,6,12
306-2	Management of significant waste-related impacts	Waste Management		6		3,6,12,15
306-3	Waste generated	Waste Management	-	6		3,6,12,15
306-4	Waste diverted from disposal	Waste Management		6		3,6,12,15
306-5	Waste directed to disposal	Waste Management		6		3,6,12,15
307-1	Non-compliance with environmental laws and regulations	Corporate reputation		6		16
401-1	New employee hires and employee turnover	Employment		3		5,8
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Best labor practices		3		8
401-3	Parental leave	Best labor practices		3		8
403-1	Occupational health and safety management system	Health and Safety (0 fatalities or injuries with lost time)	- -	5		3,8
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety (0 fatalities or injuries with lost time - Commitment)	- -	5		3,8
403-3	Occupational health services	Health and Safety (0 fatalities or injuries with lost time)		5		3,8
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety (0 fatalities or injuries with lost time)	-	5		8
403-5	Worker training on occupational health and safety	Health and Safety (0 fatalities or injuries with lost time)		5		4,8
403-6	Promotion of worker health	Health and Safety (0 fatalities or injuries with lost time)		5		3,8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety (0 fatalities or injuries with lost time)		5		3,8
403-8	Workers covered by an occupational health and safety management system	Health and Safety (0 fatalities or injuries with lost time)		5		3,8
403-9	Work-related injuries	Health and Safety (0 fatalities or injuries with lost time)	-	5		3,8
403-10	Work-related ill health	Health and Safety (0 fatalities or injuries with lost time)		5		3,8
404-1	Average hours of training per year per employee	Training and professional development	-	5		4,8

GRI STANDARD	MATERIAL TOPIC	PAGE NUMBER/OMISSION	ICMM		SDG
			RELATED PRINCIPLES	RELATED POSITION STATEMENTS	
404-3	Percentage of employees receiving regular performance and career development reviews	Working climate (culture)	3		5
405-1	Diversity of governance bodies and employees	Gender equity/Inclusion	3		5,8
405-2	Ratio of basic salary and remuneration of women to men	Gender equity/Inclusion	3		5,8,10
406-1	Incidents of discrimination and corrective actions taken	Discrimination	-		5,8,16
407-1	Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	Relations with the union	3		8
408-1	Operations and suppliers at significant risk for incidents of child labor	Child labor among suppliers (Human Rights)	3		8,16
411-1	Incidents of violations involving rights of indigenous peoples	Human Rights	3	Indigenous peoples and mining	10
413-1	Operations with local community engagement, impact assessments, and development programs	Sources of work after closure (social)	9		11,16,17
415-1	Political contributions	Transparency	1		16
419-1	Non-compliance with laws and regulations in the social and economic area	Corporate reputation	4		16
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	Wila Khara (Tailings deposit)	7, 8	Tailings governance	2,6,12
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities	Employment for Second Generation in Communities	3,10	Indigenous peoples and mining	1,16
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes	SLO (Social License to Operate)	9,10	Indigenous peoples and mining	1,2,11,16
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	SLO (Social License to Operate)	3,10		1,2,11
MM10	Number and percentage of operations with closure plans	Closure Plan and Oxides Project	6,9		11

Our workers are people with high standards of professionalism and excellent knowledge in the areas in which they operate. They are constantly trained and make significant contributions to MSC's work.

Two of them, with the best performance assessments in their work, were chosen to represent the 1,320 workers of Minera San Cristóbal S.A. on the cover of this Report.



Gladys Amelia Salvatierra Muraña
Cost Control and Project Analyst

Seniority: 10 years

Area: Administrative Superintendency of Operations

Place of residence according to contract: San Cristóbal



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Electrical Technician A

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