Climate-related financial disclosures

Introduction to Hochschild's approach to climate change

Within the Intergovernmental Panel on Climate Change's (IPCC) latest Assessment Report it was concluded that human activities, including the burning of fossil fuels and changes in land use, have caused unprecedented changes in the Earth's climate. We recognise climate change as being one of the most urgent issues people are facing globally and that it could significantly influence the physical, regulatory, and economic environment in which we operate.

Here at Hochschild, we understand the key role that we, and the mining industry as a whole, must play in supporting the global transition to a Net-Zero world. Therefore, we are dedicated to responsibly managing our impact on the environment, our carbon footprint, in addition to the potential effects climate change could have on our business.

This is reflected in the actions that we have taken in recent years, including:

- The undertaking of a series of updated climate-related risk and opportunity assessments – to provide additional insights into how climate change could potentially affect our assets, operations, and business strategy in the short, medium, and long-term future.
- Our ambition to reduce our Scope 1 and 2 Greenhouse Gas (GHG) emissions by 30% by 2030, against our 2021 baseline, as well as our commitment to achieve a Net-Zero emissions profile by 2050.

We also will be undertaking a financial quantification assessment in 2025 to ensure that we fully understand the potential financial materiality of the most significant climate-related risks that our business faces.

Task Force on Climate-Related Financial Disclosures (TCFD) requirements

Hochschild is within the scope of the UK Financial Conduct Authority's (FCA) and the UK Companies Act climate-related reporting requirements. This requires us to disclose, on a comply or explain basis, against the recommendations of the TCFD, as well as against the UK Climate-related Financial Disclosure (CFD) requirements. The CFD's guidance states that disclosures consistent with the FCA's listing rule and the TCFD's recommendations are likely to meet CFD disclosure requirements. Therefore, the following report includes a summary of how we are managing our carbon footprint and the effect of climate change on our business in alignment with the FCA's reporting requirements and UK CFD. This includes the 11 TCFD key disclosure recommendations, covering four disclosure areas: Governance, Strategy, Risk Management and Metrics & Targets. For further details, please refer to the table on page 95.

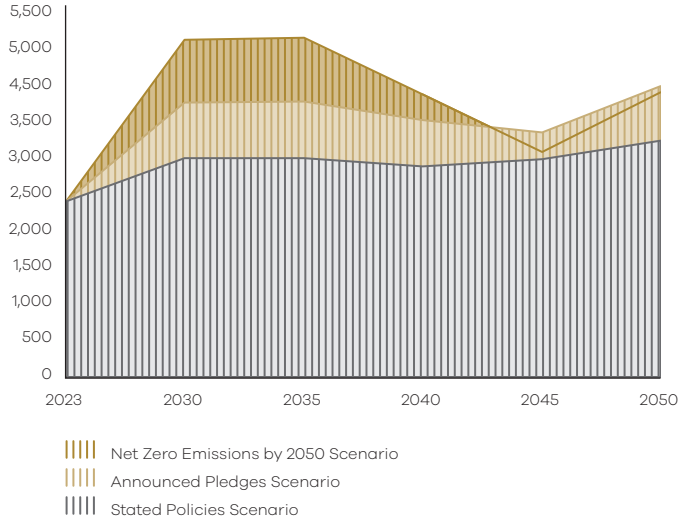
Hochschild's products are key in the global transition to a low-carbon economy

The transition to a low-carbon economy will require significant quantities and investment in precious metals such as gold and silver. This places Hochschild in a unique position to support the transition to a low-carbon economy and to assist in the global adoption of low-carbon technologies. Silver will play an important feature in the energy transition as it is a component for solar photovoltaic (PV) panels where global demand is continuing to grow. Additionally, gold will have multiple uses such as being used in battery technology and continuing to play a crucial role in investment portfolios by central banks and investors.

A new opportunity identified within this year's updated scenario analysis was to maximise circular processes, ultimately reducing the intensity of energy use, alongside benefits of reducing waste. Over the long term, this will enable Hochschild to lower the emissions profile of both gold and silver, therefore supporting the downstream supply chain in reducing their Scope 3 emissions.

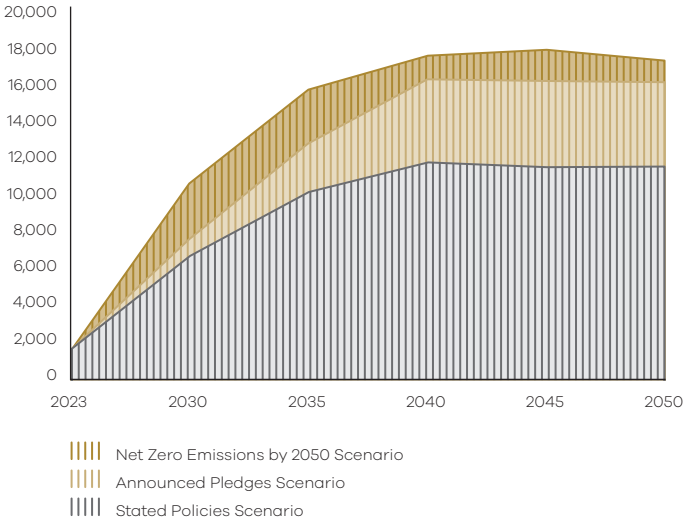
Mineral demand for Solar PV (kt) under the Stated Policies, Announced Pledges and Net Zero by 2050 scenario (IEA, 2024)

Capacity for solar PV (GW)



Mineral demand for EV (kt) under the Stated Policies, Announced Pledges and Net Zero by 2050 scenario (IEA, 2024)[1]

Mineral demand for EV (kt)



1 Please note that the IEA ("Institute for Environmental Analytics") data for total mineral demand for electric vehicles (" EV") does not include silver (but instead it includes other minerals such as copper, graphite, nickel, etc.). However, the data point has been selected as an indicator to represent the likely demand for silver in the future.

Governance of climate-related issues

Board of Directors

Sustainability continues to be an increasingly important topic to Hochschild's stakeholders; therefore it is crucial that Environmental, Social, and Governance (ESG) topics are seamlessly integrated into our operations and governance structures. This includes ensuring there are clear governance structures that manage climate-related risks and opportunities responsibly. This is overseen at the highest level by our Board of Directors who have overall accountability for the management of policies and initiatives related to sustainability and climate change. This includes consideration of climate-related risks and opportunities that can affect several aspects of the Group's financial statements, such as production costs, capital expenditure, and closure costs, as well as influence the Group's approach to strategic planning and risk management. To date, Hochschild has effectively managed climate-related risks within its day-to-day budget allocations approved by the Board.

Board members bring expertise from their respective careers, including individuals experienced in managing sustainability, climate change and water management within the mining industry. The Sustainability Committee supports the Board in its oversight of these matters. This is key to understanding the resilience of business operations in a changing climate. The Board's involvement in sustainability issues is facilitated through quarterly interactions with the Sustainability and Audit Committees, both of which are responsible for reporting climate-related issues to the Board. At these meetings, key sustainability topics are presented, including risks associated with climate, water management, and other environmental risks, as well as quarterly progress against Hochschild's ESG ambitions. This year, we have developed our first annual GHG emissions action plan – which outlines the specific measures that we intend to take to meet the interim goal set for the year, which is aligned with our 2030 GHG emissions reduction ambition. This GHG emissions action plan will be reviewed each year, and the Sustainability Committee will provide the Board with regular updates on the implementation of the action plan.

Sustainability Committee

Hochschild's Sustainability Committee (the Committee) has directly overseen sustainability systems and policies since 2006. The Committee comprises Hochschild's CEO, an independent Director, and is chaired by a second independent Director. Hochschild's COO, and the Vice Presidents of Legal and Public Affairs, and People Management and Corporate Affairs are also regular attendees. The Committee has a wide scope of responsibilities, and the discussion and management of climate-related issues are scheduled agenda items during every quarterly meeting. During these meetings, the Committee provides recommendations to the Board on climate change and GHG emissions-related topics that are material to Hochschild's operations and business plans. The Committee also manages the processes around ESG-related risks and opportunities, oversees Hochschild's compliance with relevant national and international standards, and reviews the policies and procedures in place for investigating relevant incidents. The Committee also reviews yearly ECO Score targets and ESG KPIs and presents these to the Board for approval. In addition to the Committee, special working groups are established in response to specific climate-related events. For example:

- The El Niño phenomenon triggered the formation of a taskforce in August 2023, which was in effect until the first quarter of 2024 and included the Peruvian General Manager, Corporate Safety Manager, Logistics Manager, and the Head of Internal Audit. This group was responsible for monitoring and managing business risks that might emerge by working to understand the situation alongside government authorities, implementing weather monitoring systems and providing support to the mines that could be impacted.
- In 2024, a working water management taskforce was established in response to water shortages across Argentina. This taskforce is comprised of a range of managers and superintendents across Argentina and is responsible for reviewing actions being taken to increase our water efficiency and reduce our overall water usage in San Jose. Our Sustainability Director meets with the water management taskforce on a bi-weekly basis – to track and monitor any progress being made by the taskforce.

Managing climate-related risks

Our process for monitoring climate-related risks and opportunities is led by the Risk Committee made up of Hochschild's CEO, Vice Presidents, Country General Managers, and the Head of the Internal Audit function. The Risk Committee is primarily responsible for executing the risk management process at Hochschild, and monitoring the impact and effectiveness of controls to support Hochschild's business objectives. The Risk Committee meets prior to quarterly Board meetings and approves the latest version of the risk register for consideration by (a) the Group's Audit Committee, which has oversight of risk management on behalf of the Board, and (b) the Board, in its consideration of the significant risks faced by the business. Sustainability risks and plans to mitigate these are also monitored by the Sustainability Committee.

In 2024 we conducted an updated climate-related scenario analysis, identifying emerging physical and transition risks (detailed in the "Climate-related risks, opportunities and strategies" section on page 84). In addition, the carbon pricing risk and opportunity to reduce land transport emissions were selected for deeper analysis.

Climate change is considered a significant risk in Hochschild's risk management framework (as detailed in the Risk Management section on page 107), and the key risks identified in the updated climate-related scenario analysis will be integrated into it, considering current and potential future implications of climate on the business. By leveraging forward-looking climate data and integrating climate-related risks into Hochschild's risk management framework, the Board and Management levels can assess the potential impact and implications on future budget allocations.

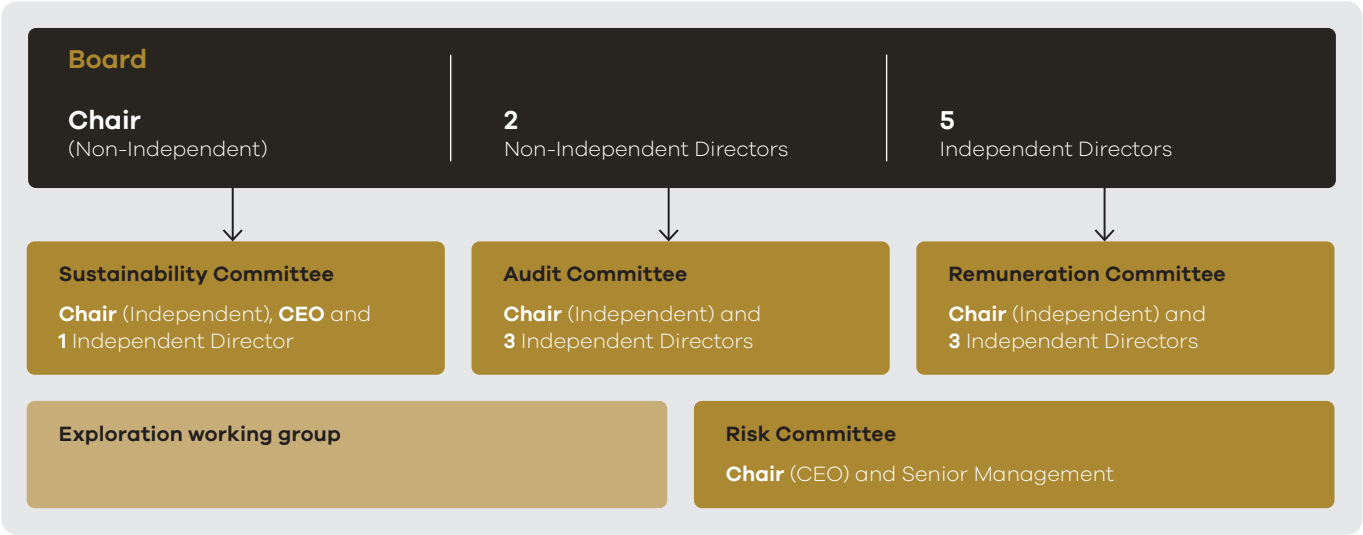
Environmental management

The Sustainability Director has responsibility for the ESG team and reports to the Vice President of People Management and Corporate Affairs. The ESG department monitors Hochschild's ESG performance through data gathering on ESG metrics, including GHG emissions, energy usage, water consumption, and percentage of waste recycled. The reporting, disclosure, and communication of Hochschild's progress within these ESG areas, to both internal and external stakeholders, are also managed by the ESG department.

In each country where mining operations are present (Peru, Brazil, and Argentina) there is a dedicated Environmental Lead. It is the responsibility of each Environmental Lead to ensure environmental goals are met at all sites, and to take corrective actions when necessary.

At Hochschild we have a Remuneration Policy in place to incentivise a reduction in our environmental impact, the details of which are available in the "Our Climate-Related Metrics and Targets" section on page 90.

Our governance structure



Climate-related risks, opportunities, and strategies

Our approach to assessing our exposure to physical and transition risks and opportunities

At Hochschild, we understand the importance of fully considering how climate change could impact our business. As a result, in recent years we have undertaken a number of Climate-related Risk and Opportunity (CRO) assessments – focusing on how climate change could impact our current and future exposure to a full range of physical risks and transition risks and opportunities.

Due to changes in our business and the availability of updated climate data, this year we have undertaken an updated CRO assessment. This included scenario analysis across physical risks and transition risks and opportunities, and a detailed transition assessment. These updated assessments have helped to:

- Improve our visibility of the different climate-related physical risks and transition risks and opportunities that may exist across our organisation (including the drivers and timing of these risks/opportunities); and
- Prioritise, support and inform our management – including our internal risk management decision-making process - of the different physical risks and transition risks and opportunities that may be present across five mining facilities (including Inmaculada, Selene, Pallancata, Mara Rosa, and San Jose, located across Peru, Brazil, and Argentina).

During the process of undertaking the updated scenario analysis, and through Hochschild's existing governance structures, climate-related risks and opportunities have been assessed in alignment with our business-wide Enterprise Risk Management framework. As with other business risks, each identified climate-related risk and/or opportunity was assigned a consequence of impact rating, that represented the potential damage and/or associated loss of service, and a probability rating that represented the likelihood of a climate hazard/event occurring. Based on these consequence and probability ratings, a 3x5 risk matrix, shown in the table below, used to map each risk under baseline and future projected climatic conditions (2030 and 2050). This produces an overall risk rating classified as a Low, Medium, or High risk. Once risk ratings were assigned, the potential impact of each risk was also qualitatively assessed, and next steps were recommended to manage each risk.

To ensure that physical and transition risks are appropriately considered, we have integrated and mapped the significant and emerging climate-related risks identified within previous years' CRO assessments onto our mining units' existing risk matrices (which are updated quarterly). These matrices are consistently reviewed during quarterly Risk Committee and Board meetings in the process described above. This ensures that we are consistently monitoring and managing climate-related risks and incorporating them into our financial strategy and budget allocations. We plan to follow this same process and integrate any significant and emerging climate-related risks identified within this year's updated CRO assessment in the coming months.

Following this we also undertook a more detailed assessment of the most significant transition risks and opportunities identified in the updated CRO assessment. The findings have provided us with greater insight and understanding into the Group's potential exposure to the most significant transition risks and opportunities identified for our business.

Risk evaluation

Consequence of impact rating (S)				
Very high	**5**	5	10	15
High	**4**	4	8	12
Moderate	**3**	3	6	9
Low	**2**	2	4	6
Insignificant	**1**	1	2	3
		1	**2**	**3**
		Low	Medium	High
		Probability/likelihood rating (P)		

Risk classifications and recommended actions

Risk category	Risk score	Hochschild Mining PLC recommended actions
High	9-15	Requires management/ top management attention
Moderate	5-8	Requires management to assign responsibilities
Low	1-4	Routine procedures are required to address risks

Scenarios used

In order to assess how physical risks and transition risks and opportunities could impact our business in the future, our updated CRO assessments utilised the latest climate scenario data.

For the physical aspect of our assessment we utilised the IPCC's Shared Socioeconomic Pathway (SSP) 1-2.6 (SSP1-2.6) and SSP5-8.5. SSP1-2.6 represents a lower emissions scenario – resulting in warming of ~1.8°C by 2100* whilst SSP5-8.5 represents a higher emissions scenario – resulting in a warming of ~4.4°C by 2100*. These two scenarios were selected as they represent a range of plausible future climatic conditions, as per the TCFD's recommendations, and allow us to consider how the physical impacts of climate change could impact our business (for SSP5-8.5 specifically).

For the transition aspect of our assessment, we primarily utilised the Network for Greening the Financial System (NGFS) Net Zero 2050 and Current Policies scenarios. The Net Zero 2050 scenario represents a lower emissions scenario – resulting in warming of ~1.5°C by 2100*, whilst the Current Policies scenarios represents a higher emissions scenario – resulting in ~3°C by 2100*. For transition risks and/or opportunities where suitable NGFS climate indicator data was not available, the IEA's Stated Policies Scenario (STEPS) and Net Zero by 2050 (NZE) scenarios were used (STEPS: representing a ~2.5-3°C temperature increase by 2100* and NZE: representing a 1.5°C temperature increase by 2100*).

* This figure represents future projected warming above pre-industrial temperatures.

Time horizons

Within our updated CRO assessment, physical risks and transition risks and opportunities were assessed across a range of time horizons. This provides insight into the potential materiality of each risk/opportunity in the short, medium, and long-term future.

When assessing physical risks, the CRO assessment utilised the following time horizons:

- Baseline, representing the current climatic conditions and associated materiality of each risk;
- 2030, representing the materiality of each risk in the short-medium term future; and
- 2050, representing the materiality of each risk in the long-term future.

Our assessment of transition risks and opportunities included the following time horizons:

- 2030, representing the materiality of each risk in the short-term future;
- 2040, representing the materiality of each risk in the medium-term future; and
- 2050, representing the materiality of each risk in the long-term future.

All of the above time horizons were selected for inclusion within this CRO assessment based upon their relevance to the operational lifetime of our assets, and our forward looking business strategy.

Electro hydraulic drilling rig

The physical risk profile of our operations in Peru, Argentina, and Brazil

The physical CRO assessment evaluated the exposure of Hochschild's facilities and immediate value chain across Peru (including the Inmaculada and Pallancata mining sites and Selene processing plant), Argentina (San Jose mining site) and Brazil (Mara Rosa mining site) to nine climate hazards. The assessment concluded that five physical risks were rated as "high" risks and 15 were rated as "medium" risks (see our risk evaluation matrix on page 84 for the definitions of each risk category).

The results of this assessment are summarised in the table to the right. This includes a summary of each of the physical risks that were assigned a "high" risk rating, any mitigation measures that are in place to manage each risk, and the identification of which sites each risk is relevant to.

It should be noted that our current operating assets (Inmaculada, Mara Rosa and San Jose) have a relatively short life of mine. However, Hochschild's expectation is to continue operating beyond 2050; therefore, the longer-term physical risks associated with climate change (e.g. those that may emerge by 2050) are still identified as being relevant to our business.

● **Low risk** ● **Moderate risk** ● **High risk**

Hazard	Risk rating (by 2050 (SSP5-8.5)) Argentina	Brazil	Peru
Extreme heat	●	●	
Wildfires	●	●	
Extreme rainfall/ flooding	●	●	●
Water stress and drought	●	●	
Extreme winds and storms	●	●	●

Description of risk	Risk response
Impact of extreme heat on production efficiency, reducing revenue and increasing operating expenditure: Site operations may be disrupted due to increasing temperatures negatively affecting heat-sensitive manufacturing equipment (e.g. extraction machinery). This could lead to more inefficient or delayed production, potentially reducing revenue. Increased operating expenditure may be required for repairs to damaged equipment.	Under present-day conditions, this risk is not identified as a material issue for any of our sites. However, we will continue to closely monitor the potential emergence of this risk in the future – and will prepare appropriate responses and action plans as needed.
Impact of wildfires on infrastructure, increasing capital expenditure: Direct heat and flames associated with wildfires can cause direct physical damage to the structural integrity of on-site infrastructure (e.g. water storage facilities, mineral processing facilities, smelters etc.). If flammable chemicals are stored incorrectly, this could exacerbate the impacts associated with wildfires. Repair or replacement of key site infrastructure can also lead to significant increases in capital expenditure.	For Mara Rosa specifically: – Firebreaks have been created around the perimeter of the Mara Rosa site. – Periodic inspections of our firebreaks are undertaken. – We continuously monitor for the presence of smoke during the dry season – and take immediate action to prepare for wildfires (where necessary). – We have an on-site fire brigade to help manage and counteract fire risks. – Communicate with neighbouring properties to ensure an appropriate collective response to wildfires is carried out. – Under present-day conditions, this risk is not identified as a material issue for San Jose. However, we will continue to closely monitor the potential emergence of this risk in the future – and will prepare appropriate responses and action plans as needed.
Impact of extreme rainfall flooding on mining facilities, reducing revenue: Extreme rainfall flooding could lead to increased water levels in tailings facilities which could reduce operating capacity. In a worst-case scenario, this could lead to overtopping, due to insufficient capacity or failure of the embankments. A reduction in the tailings facilities' operating capacity and/or disruption to nearby site personnel camps could reduce revenues. The Mara Rosa site has already experienced impacts associated with extreme rainfall flooding as confirmed by the Mara Rosa site lead.	– Precipitation levels are monitored continuously by the freeboard in the Group's Tailings Storage Facilities (TSFs). – Internal and external audits are conducted on a regular basis to ensure the stability of our operational TSFs. For example, in 2024, an external audit was conducted on the three TSFs in San Jose. – Following audits and where required, our TSFs have been redesigned and upgraded. – Roads to and from our sites are monitored to identify areas of high erosion/washouts and are continuously maintained to reduce the risk of erosion associated with extreme rainfall. – Additional stocking of critical materials at our sites when needed, such as during El Niño events.
Impact of water stress and drought on mining operations, reducing revenue: Reductions in water availability could disrupt operations across each of Hochschild's mining facilities (including the TSFs present at each site). If sufficient water is not made available at each site, water-intensive operations could be disrupted. For TSFs specifically, a reduction in water supply could reduce the quantity of water that can be stored and reused for operations. This could subsequently disrupt upstream operations within each mining site. As a result, both impacts could result in a delay in production and cause a reduction in revenue.	– Reusing water within our processing plants. – Assigning KPI's associated with reducing our freshwater usage. – Implementing water usage reduction measures. For example: • in 2024 we implemented a lined water reservoir at our San Jose site to reduce losses by infiltration and evaporation; and • at our Mara Rosa site we prioritise the reuse of water in our day to day operations. – We encourage our sites to reduce their potable water usage – which is also recommended through our ECO Score.
Impact of extreme winds and storms on aboveground structures and electrical equipment, increasing capital expenditure: Strong winds associated with storms could result in direct physical damage to mining infrastructure such as TSFs, processing facilities and machinery (e.g. drilling equipment, transformers, water pumps). As key assets required for the operation of Hochschild's mines, if replacement is required, an increase in capital expenditure can be anticipated.	– We continuously track the weather across our operating regions. – Undertaking future CRO assessments using multiple scenarios to further improve project design.

Our transition risk and opportunity risk profile

The summary of transition risks and opportunities builds on previous assessments and actions that are being considered to meet our Net Zero targets.

The results shown in the table on the right consider transition risks and opportunities to be relevant to all operations across Peru, Argentina, and Brazil. These focus on a high and a medium risk, followed by three high opportunities split across alignment to TCFD categories.

Notably, the opportunities focusing on reducing road transport emissions and investing in low carbon technologies will enable us to make good progress in reducing our overall emissions profile.

● **High opportunity** ● **Moderate risk** ● **High risk**

TCFD category	**Risk/opportunity rating by 2050** (under Net Zero 2050 scenario)
Policy	●
Policy	●
Resource efficiency	●
Technology	●
Resource efficiency	●

Description of risk/opportunity	Risk/opportunity response
Risk – The impact of carbon pricing on operating & capital expenditure was selected for deeper analysis: Development of carbon pricing mechanisms are expected to have an impact on our operational costs in the future. The Brazilian emissions trading scheme is expected to closely resemble that of the European Union. Peru is expected to be a fast follower of Brazil so we will continue to monitor regulatory developments. Argentina has a carbon tax scheme, however, it should be noted that it currently does not have an impact on Hochschild's operating costs. Carbon pricing can drive innovation in cleaner technologies and more efficient processes within the mining sector. The cost of investing in lower carbon technologies may be cheaper in the long run if carbon prices increase over time. We will continue to decarbonise the operation over future time periods to reduce our emissions profile and save future operating expenditure.	– Hochschild will continue to monitor regulatory developments to assess the impact of potential future carbon pricing.
Risk – Investor concern regarding climate action: As well as regulatory pressure, activist investors have started to put pressure on mining companies to decarbonise their business, which may cause Hochschild to bring capital expenditure ahead of time.	– Hochschild has an ambition to reduce 30% of Scope 1 and 2 emissions from the 2021 baseline level by 2030 and develops annual action plans.
Opportunity – Reduced land transport emissions was selected for deeper analysis: To reach our 2030 ambition and 2050 target we are seeking opportunities to reduce emissions from our portfolio of fleet at our mines. We are expecting to transition towards more energy efficient vehicles with lower greenhouse gas emissions when these are readily available at competitive costs within the next four years.	– Hochschild has close relationships and is continuing to work with suppliers who are working to provide vehicles with lower greenhouse gas emissions.
Opportunity – Investment in low carbon technologies: Investing in low carbon technologies will enable us to create operational efficiencies within its mining processes resulting in lower emissions. We will continue to deploy capital expenditure to fund new technologies which will enable lower energy usage and savings on other inputs that create emissions in the mining process (i.e. extraction).	– We have an offtake agreement with Solatio Energia (a photovoltaic sector specialist) to implement a solar energy project that will supply renewable energy for the Mara Rosa operations. With a capacity of 124.6 MW of energy, the solar plant will guarantee that the amount of energy produced will meet the energy demand throughout the mine's useful life. All production from the new solar plant will feed into the National Interconnected System (SIN), offsetting the total volume of energy consumed by the operations in Mara Rosa.Production is scheduled to begin in H2 2025. – Hochschild are assessing opportunities to continue transition to other renewable energy contracts, replacing current remaining conventional grid sourced energy.
Opportunity – Developing circular processes: Under a Net Zero scenario, developing circular processes at mine sites will reduce emissions. Our ultimate goal is to minimise waste generation to the greatest extent possible and only reuse/recycle what is left after the mining process.	– Tailings and waste rock are reused as backfill for the underground mines in Inmaculada and San Jose. – Some waste rock from Mara Rosa is sold to a rail company. – We encourage our sites to maximise recycling of all waste– which is also recommended through an ESG KPI. – We reuse 100% of treated domestic wastewater in the Inmaculada and San Jose processing plants.

The resilience of our strategy to climate change

Both the physical and transition aspects of the updated CRO assessment have considered the resilience of our assets, operations and business strategy under a range of climate change scenarios, including a 2°C or lower scenario (for the physical element this scenario is SSP1-2.6 and for the transition element this is the Net Zero by 2050/NZE scenario).

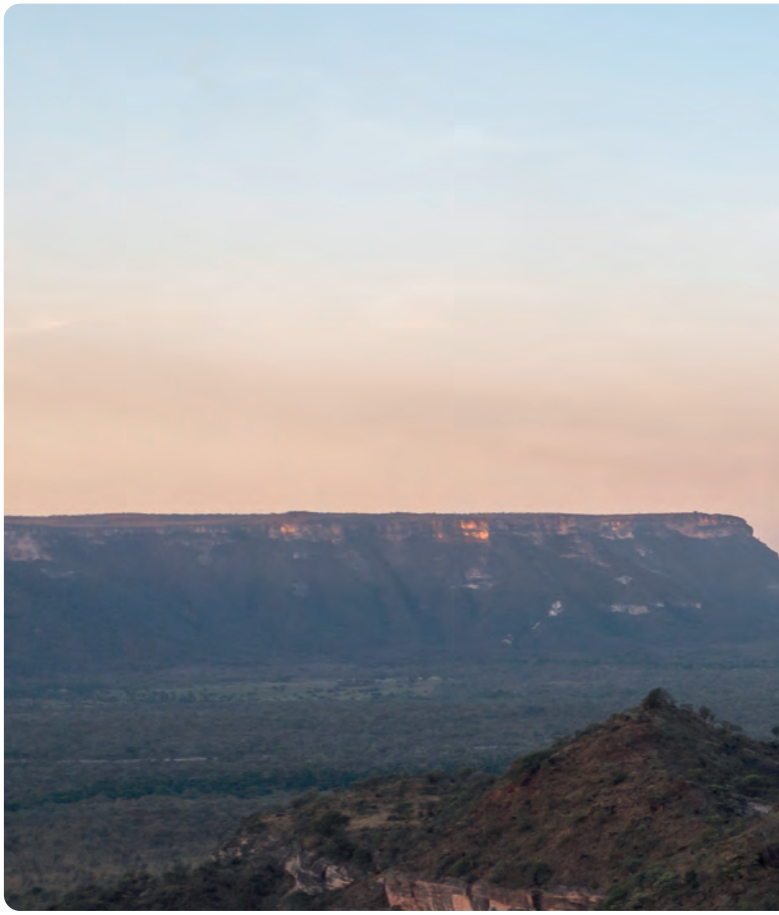
Although the findings of the physical CRO assessment identified a number of risks which could impact our assets and operations, we consider our business to be fairly resilient to those risks. Part of our resilience is associated with our expected Life of Mine (LOM). For example, the majority of the identified physical risks are anticipated to materialise over the long-term time horizon (2050) and under a higher emissions scenario, whilst the current expected LOM of our assets is currently up to 13 years – although it should be noted that we expect to continue operating up to, and beyond, 2050 and therefore in general risks emerging by 2050 could still be relevant to our business. Our resilience is also improved by a number of the risk management measures and responses we have implemented across each of our sites to reduce the potential impact of high-risk climate hazards on our assets and operations. For example, relating to flooding risks, we have implemented mitigation measures including our continuous monitoring of the freeboard in the Group's TSFs and installation of dewatering plants in Pallancata and Inmaculada (in 2025) to ensure the freeboard is at a safe level. We also track weather, install dry stacks where possible, and give maintenance of water-related infrastructure as outlined in the physical risks table (see pages 86 and 87).

We also consider our business to be resilient to the upcoming combination of future policy, market, and technology-based trends that will support the mining sector to reach Net Zero. To further our progress to meet our short-term objective of reducing Scope 1 and 2 emissions by 30% from the 2021 baseline level by 2030, in the next four years we expect low carbon mining vehicles to be readily available at competitive cost to reduce our emissions from our onsite mining fleet. In order to progress future resilience, we are assessing low carbon vehicle technology trends and continue to work with our third parties to purchase fleet that will support us in reducing our emissions. Across all mining operations, we are increasing the supply of renewable energy using power purchase agreements.

Our climate-related metrics and targets

At Hochschild, we are committed to being the leading global mining company in environmental excellence and recognise the importance of monitoring and measuring our progress against key metrics and targets relating to GHG emissions, water, and waste. We have continued to measure our progress against key metrics in 2024 to enable improvement in our environmental initiatives.

We have developed a process to internally quantify our environmental performance and to help monitor and measure progress against our targets. At the group level, starting in 2025, ESG metrics and KPIs represent 25% of our overall performance KPIs and metrics, with the following breakdown: Lost Time Injury Frequency Rate (LTIFR) 10%, Lost time injury severity rate (LTISR) 5%, ECO Score 5%, improvement in ESG indices 5% (which covers climate change, including CDP Climate).



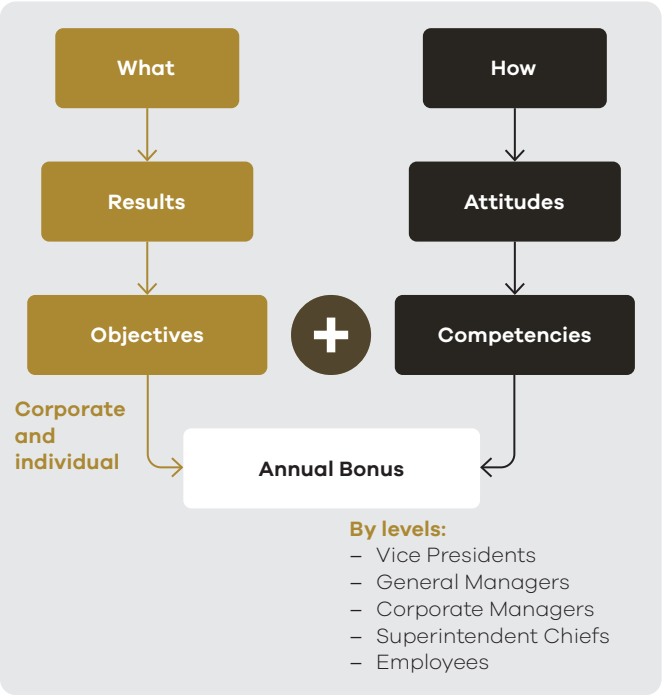
Terra Ronca State Park

Performance against these and other metrics (relating to profitable production and financial results) determines the extent of the annual bonus payouts to eligible employees, incentivising a reduction in our environmental footprint (as shown in the figure to the right). Additionally, we have a Long Term Incentive Program which includes monitoring performance targets against 13 of our 16 ESG KPIs – including our 2030 GHG reduction and freshwater reduction ambitions.

This section focuses primarily on the waste and water components as relevant metrics and targets associated with the climate-related risks and opportunities which were identified in our recently undertaken scenario analysis (e.g. water stress and drought for physical risk).

Based on other risks identified in our the scenario analysis, we anticipate considering additional metrics associated with identified risks as they materialise.

Our model for monitoring and measuring progress against key metrics and targets



Water

At Hochschild, we understand the importance of managing our water resources in the regions where we operate. This is due to the water-intensive nature of our operations and the potential risk from drought our sites face as identified in our physical risk assessment. As a result, we use multiple metrics to monitor our consumption of water resources and have set targets to reduce our on-site potable water consumption and freshwater consumption in operations.

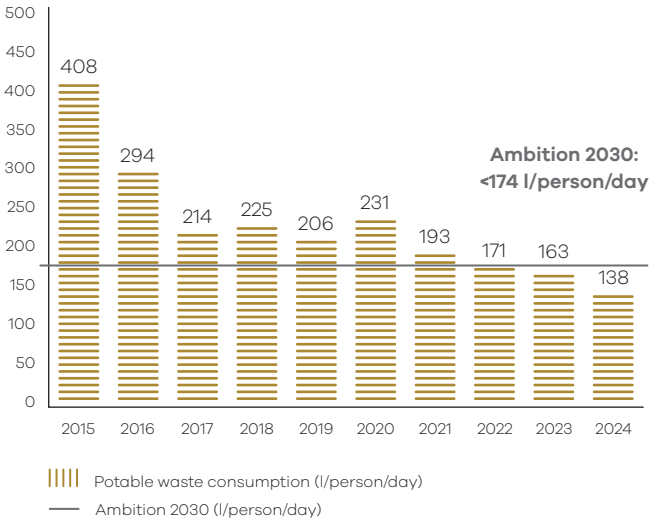
Between 2015 and 2024, a reduction in potable water consumption (litres per person per day) of 66% was achieved*, with 2024 representing our lowest recorded potable water consumption at 138 litres per person per day and meeting our 2030 ambition.

In addition to monitoring our potable water consumption, we are also working towards increasing the recirculation of water in our processing plants to reduce freshwater intake. We recognise the importance of monitoring freshwater consumption as a significant proportion of our water requirements for our operations is met through recycled water, and if insufficient recycled water is available, freshwater is utilised. In 2024, 0.31m^3 of freshwater was used per tonne of ore processed and it is our intention to reduce freshwater consumption to 0.22m^3/tonne by 2030, as defined in our 2030 ambitions. To minimise the intake of freshwater, we utilise recycled water in our processing plants. In 2024, 72% of all water used in the Inmaculada and San Jose processing plants was recycled.

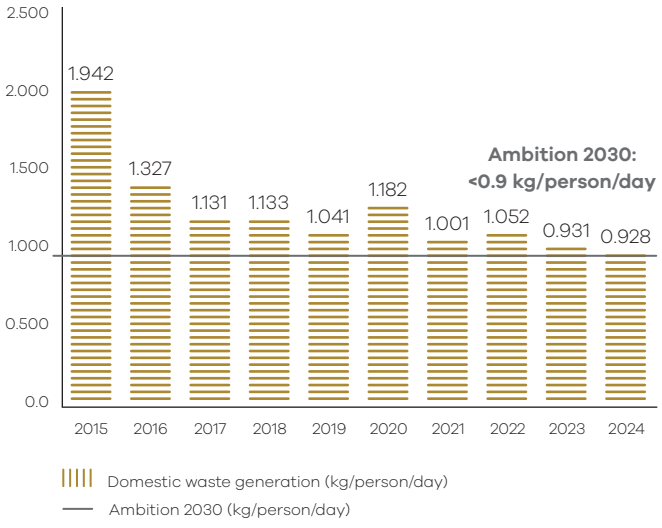
Waste

We also understand the benefits of reducing our waste generation, including conserving resources and reducing GHG emissions, and therefore monitor our waste generation and recycling rates. Between 2015 and 2024, we have reduced landfilled domestic waste by 52%*, with a decrease in waste generated per person per day from 1.942kg to 0.928kg. To further reduce our waste generation, Hochschild has set a 2030 ambition for waste generated to be 0.90kg per person per day. Simultaneously we seek to increase the percentage of total waste that is recycled to 80% by 2030, compared to 57% in 2024.

Potable water consumption and 2030 ambition
(litres per person per day)



Waste generation and 2030 ambition
(kg per person per day)



* Water and waste data excludes Brazil due to Mara Rosa construction and commissioning activities. Mara Rosa will be included from 2025 which will be the first full year of mining operations.

Future Mara Rosa green energy project

Introduction to GHG emissions and Net Zero commitments

At Hochschild, we report our Scope 1, 2 (market-based), and 3 emissions on an annual basis. For a full breakdown of our Scope 1, 2, and 3 emissions for 2024, please refer to the Environmental section of the Annual Report on page 69. Emissions are calculated on a yearly basis in alignment with the ISO 14064-1 Standard and the GHG Protocol Corporate Accounting and Reporting Standard. Our Scope 1, 2, and 3 GHG emissions are a key metric used to monitor our climate impact over time.

Our Scope 1 and 2 (market-based) emissions have increased in 2024, since we are including the Mara Rosa mine emissions. This increase has been partially offset by a decrease in emissions between 2023 and 2024 since two of our mines (Pallancata and Selene) were under care and maintenance. We therefore recognise that we may need to rebaseline our emissions in 2025 to account for these changes.

Our 2024 Scope 3 emissions constitute 24% of our total emissions, with the highest contribution coming from Category 4 (58%). However, it should be noted that Hochschild has only calculated the following Scope 3 categories:

- Category 4: Upstream transportation and distribution
- Category 5: Waste
- Category 6: Business travel
- Category 7: Employee commuting
- Category 9: Downstream transportation and distribution

The selected categories represent emissions over which Hochschild has a reasonable degree of influence. Other categories either lack sufficient data for accurate assessment or fall outside of our direct or indirect sphere of control, limiting the ability to effectively measure or mitigate them. We are planning to undertake a relevance and screening assessment for our Scope 3 GHG emissions and update our calculations, as required.

We have committed to become Net Zero by 2050 across both our operations (Scope 1 and 2) and value chain (Scope 3). In 2023 we also set an ambition to reduce our Scope 1 and 2 (market-based) emissions by 30% by 2030, compared to our 2021 baseline.

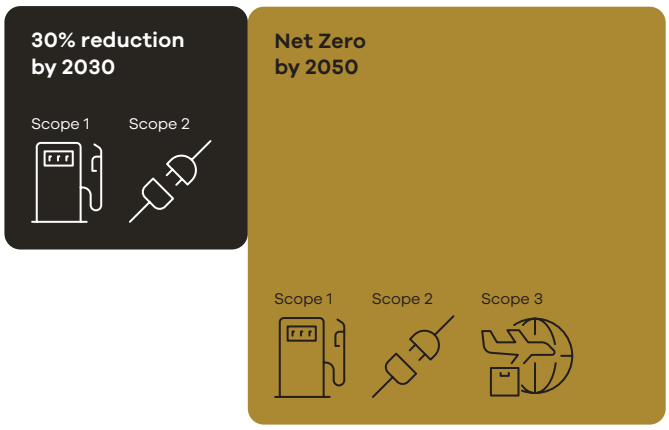
To achieve our target of Net Zero by 2050 across the value chain, we understand the need to improve our understanding of our Scope 3 footprint, and work closely with our suppliers in order to implement a Scope 3 emission reduction strategy thereafter.

For Scope 1 and 2 GHG emission reductions, we have developed a Carbon Roadmap. This has allowed our business to understand some of the activities/investments that may be required to reach this target including, but not limited to:

- Utilising low-carbon grid-based electricity and prioritising the use of renewable energy when available (already ongoing).
- Implementing behaviour change programs across the business.
- Using higher efficiency vehicles, with lower GHG emissions.

As we start to implement these measures, we recognise the importance of monitoring and assessing progress against our GHG emission reduction targets. This year, we have developed our first annual GHG emissions action plan – which outlines the specific measures that we intend to take to meet the interim goal set for the year, which is aligned with our 2030 GHG emissions reduction ambition. This GHG emissions action plan will be reviewed each year, and the Sustainability Committee will provide the Board with regular updates on the implementation of the action plan.

Our annual GHG footprint is also presented to the Sustainability Committee so that they can oversee progress against these ambitions and support continued progress towards our Scope 1 and 2 reduction ambition by 2030.



Next steps

This year we have taken action to improve:

- Our management of climate-related issues;
- Our understanding of the different climate-related risks and opportunities that our business could be exposed to; and
- Our overall compliance with the UK CFD and TCFD's recommendations.

Over the course of 2025, we will continue to review and adapt our management of climate-related issues in alignment with the TCFD and UK CFD.

Within the table to the right, we have detailed the current status of our consistency with each of the TCFD's recommendations and our planned next steps to increase our consistency in the future. In 2025 we have commissioned a third-party consultancy to support us in undertaking a financial quantification assessment of climate-related risks associated with our business, which will be incorporated into our annual financial report. This will help Hochschild to understand the potential financial materiality of the most significant climate-related risks that our business faces.

We are also aware of emerging regulatory requirements which we will need to monitor and consider when publishing future disclosures associated with climate-related issues (from 2025 onwards). For example:

- The International Sustainability Standards Board (ISSB) (of the International Financial Reporting Standards - IFRS) has released the new "IFRS S2 Sustainability Disclosure Standard". The IFRS S2 supersedes the TCFD's recommendations and requires a number of additional climate-related disclosures (when compared with the TCFD's recommendations).
- As the UK government develops its Sustainability Reporting Standards (UK SRS), it is also assessing the suitability of the IFRS Sustainability Disclosure Standards for endorsement and application across the UK. Subject to positive endorsement (which is anticipated to be confirmed in 2025), the UK SRS will likely be based upon IFRS S1 and S2.
- Following this, the Financial Conduct Authority will be able to use the UK SRS to introduce requirements for UK-listed companies to report sustainability-related information to their investors.

We will continue to monitor the UK's regulatory landscape to ensure that we are disclosing in alignment with all relevant climate-related disclosure requirements.

TCFD Pillar/Recommendation		Status	Next steps
Governance	1. Describe the board's oversight of climate-related risks and opportunities	Consistent	–
	2. Describe management's role in assessing and managing climate-related risks and opportunities	Consistent	–
Risk management	3. Describe the organisation's processes for identifying and assessing climate-related risks.	Consistent	Key risks identified in the 2024 climate-related scenario analysis will be integrated into Hochschild's risk management framework, considering current and potential future implications of climate on the business.
	4. Describe the organisation's processes for managing climate-related risks.	Consistent	
	5. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Partially consistent	
Strategy	6. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Consistent	–
	7. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Consistent	Based upon the results of our previously completed physical and transition CRO assessments, we aim to quantify the financial impact of any potentially material climate-related risks in 2025.
	8. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Consistent	Following the completion of our 2024 climate-related scenario analysis, we intend to review and update our current management of each of the key climate-related risks that we have identified to ensure we are appropriately and effectively managing each identified risk.
Metrics & targets	9. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially consistent	We will continue to explore the use of additional metrics that could be used to support our management of climate-related risks and opportunities, including the consideration of metrics related to any climate-related risks identified in the scenario analysis undertaken this year.
	10. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Partially consistent	In 2026, Hochschild will undertake a relevance/screening assessment for our Scope 3 GHG emissions and review/update our calculations, as required.
	11. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Consistent	–