



2020 SUSTAINABILITY REPORT





2020
SUSTAINABILITY
REPORT

STATEMENT OF RESPONSIBILITY

"This document contains accurate and sufficient information on the business activities conducted by Volcan Compañía Minera S.A.A. in 2020. Notwithstanding the issuer's liability, the undersigned are liable for the content herein, in accordance with applicable legal provisions".

Lima, February 20th 2021



José Picasso Salinas
Chairman of the Board of Directors



Juan Ignacio Rosado Gómez de la Torre
Chief Executive Officer

The new coronavirus SARS-CoV-2 (COVID-19) that emerged in the Chinese city of Wuhan at the end of 2019 altered the worldwide scenario during 2020. Aiming to fight the pandemic, the governments triggered actions which halted their economies worldwide.

As of March 17, Volcan shut down its operations and entered a phase of "Care and Maintenance", which lasted up to May 18, 2020.

Volcan actively participated with the Executive and related unions in order to restart operations. This is how a strict health and safety protocol was established (The COVID-19 surveillance, prevention, and control Plan for all our operations).

Volcan complied with the required protocols to restart operations; which had to be approved by the Ministry of Energy and Mines and sent to the Ministry of Health for review. This is how, as of May 18, 2020, Volcan gradually restarted its mining operations.

This stoppage, which led to the mandatory suspension of activities, affected the production levels and increased costs for the year.

2020, A YEAR WHICH
MADE **US STRONGER**

**DESPITE THIS SITUATION,
VOLCAN, IN AN
UNPRECEDENTED EFFORT,
DOES NOT STOP, AND
CONTINUES TO CONTRIBUTE
TO THE COUNTRY'S
DEVELOPMENT THROUGH
RESPONSIBLE MINING.**



CONTENTS

10

LETTER TO THE SHAREHOLDERS

25

OUR COMPANY

53

INVESTOR RELATIONS MANAGEMENT

69

HUMAN RESOURCES

93

CUSTOMER MANAGEMENT

109

RESPONSIBLE ENVIRONMENTAL MANAGEMENT

19

KEY INDICATORS AND CHANGES -2020

45

SUSTAINABILITY MANAGEMENT

59

SAFETY AND HEALTH

89

SUPPLIERS AND CONTRACTORS MANAGEMENT

97

LOCAL COMMUNITIES MANAGEMENT

125

ABOUT THIS SUSTAINABILITY REPORT



LETTER TO THE SHAREHOLDERS

Dear Shareholders:

2020 has been particularly difficult for the world at large. We have gone through one of the most severe and complex health, economic and social crisis in history. The SARS-CoV-2 coronavirus (COVID-19) emerged in the Chinese city of Wuhan in late 2019. Since then, the world had to face the COVID-19 pandemic, which continues to claim victims all over the globe and has caused more than 2.7 million deaths and more than 124 million infections to this day.

In March, following the World Health Organization's pandemic declaration, all countries ordered massive lockdowns, border closures, and confinement to prevent the spread of the virus. Due to the mandatory social distancing, thousands of businesses and companies closed their doors, causing unemployment and uncertainty over the duration of the crisis and slowing down investments in all the economy's production sectors.

Thus, the COVID-19 pandemic caused not only a health crisis, but also a global economic crisis with general drops in the gross domestic product, stock market crashes, and fluctuations in commodity and currency prices. 2020 saw a 3.3% decline in the global GDP: U.S.A. -3.5%, Eurozone -6.6%, United Kingdom -9.9%, India -8.0%, Japan -4.8%, Latin America -6.9%. Meanwhile, China's GDP grew by 2.3%, making it the only world power to register a GDP growth increasingly closer to that of the U.S.A., although it was the lowest figure since 1976. The impact was greater in Latin America, where economies are developing and emerging: Brazil -4.5%, Mexico -8.5%, Argentina -10.4% and Peru -11.1%. As a result, global economy went into recession.

Peru's GDP fell 11.1%, the highest contraction in the last 31 years, due to the lower production of goods and services resulting from the COVID-19 pandemic. GDP dropped by 39% only in April, and 30% in 2Q, followed by negative results in 3Q and 4Q, with an accumulated figure of -5.3% in the second half of the year. All sectors evidenced significant reduction rates, except for the agricultural and fishing sectors, which recorded an annual growth of 1.3% and 2.1%, respectively.

On March 15, 2020, the government of Peru declared a state of national emergency and mandatory social quarantine nationwide after the first case of COVID-19 was reported on March 6, 2020.

On March 16, one day after the emergency declaration, Volcan shut down all its mining operations to protect the health and safety of all its workers and their families.

During the first part of the lockdown, our mines focused on the essential tasks. As from June, following the implementation of strict health protocols approved by the relevant authorities, we resumed operations in our different mining units.

Furthermore, Volcan was involved in a social fund against COVID-19 established to help vulnerable communities within the areas of direct influence. In accordance with the guidelines of this fund, Volcan has delivered basic medical kits for the vulnerable population, improved medical kits to equip local medical posts, and food kits.

Moreover, during the 1Q 2021, Volcan donated two oxygen plants,

one for Universidad Cayetano Heredia's Hospital and another one for Daniel Alcides Carrión Hospital located in Cerro de Pasco, which were commissioned and are used to assist the patients of such hospitals.

In addition, Volcan was actively involved in a number of donations for the population through the National Society of Mining, Energy and Oil. It last participated in 2021 by making possible the arrival from China of the first batch of one million vaccines manufactured by the Sinopharm laboratory.

The year 2021 will continue to see more uncertainty in Peru and around the world due to the COVID-19.

In the international political arena, the U.S. presidential elections were held, where Democrat Joe Biden defeated Republican Donald Trump, who lost the reelection in a deeply polarized election process. In Latin America, Jeanine Áñez was appointed president of Bolivia, while elections were called after the resignation of Evo Morales. In October 2020, Luis Arce, former Minister of Economy of Evo Morales, won the elections in Bolivia. In the same month, Chile voted in favor of drafting a new Constitution, with a broad support exceeding 78%. In April 2021, the members of the Constituent Assembly will be elected; they will be responsible for proposing a new Constitution. In April 2022, Chileans are expected to vote to decide on the approval of the new Magna Carta. Recent demonstrations and election results in Latin America reflect the discontent of the general population (Argentina and Mexico), most of whom demand better social conditions. We are paying close

attention to these situations in our neighboring countries to the extent that we are economically and culturally similar, and the fact that they could lead to radical political-economic positions that have done so much damage to the world throughout history. In April 2021, presidential elections will be held in Ecuador and Peru.

National political environment in 2020 was also marked by several major political events. On January 26, 2020, congressional elections were held as a result of Martín Vizcarra's decision to dissolve the Congress in September 2019.

On March 15, Martín Vizcarra's administration ordered a mandatory social lockdown, the closure of borders and passenger transportation restrictions in the face of the COVID-19 outbreak. On July 5, the Congress approved for the first time a constitutional amendment to remove parliamentary immunity and political pre-trial against the president, the Cabinet ministers, the judges of the Constitutional Court, the supreme court judges and prosecutors as well as other authorities holding such investiture. On August 6, Walter Martos Ruiz was sworn in as Prime Minister, after the Congress denied the vote of confidence to the newly elected Prime Minister Pedro Cateriano.

On November 9, the Congress approved a motion to impeach the President of the Republic, Mr. Martín Vizcarra, for moral incapacity, with 105 votes in favor, 19 votes against and 4 abstentions. The following day, Manuel Merino, president of Congress, was sworn in as the President of Peru. On November 15, Manuel Merino resigned as President

of the Republic after the death of two young people within the context of the demonstrations against Manuel Merino's administration. On November 17, the spokesman of the Purple Party's bench, Francisco Sagasti, who was previously elected as a member of the Congress's Board of Directors, was sworn in as President of Peru.

As a consequence of the global downturn caused by COVID-19 and Peru's political turmoil, the mining and hydrocarbons sector shrank 13.2% in the year, which is explained by the suspension of mining activities during the final days of the 1Q and most of 2Q. The metals with the greatest decrease in production were gold (-32%), silver (-22.5%), and lead (-21.9%).

With regard to metal prices, there was a dramatic fall in copper, silver, zinc and lead prices during the 1Q 2020, chiefly due to the lower demand. However, this situation was subsequently reversed as a result of the global downturn and the decrease in mining production caused by the spread of COVID-19. As a consequence, metal prices rose in the second half of the year

The zinc price rose by 18.8%, from 2,293 USD/MT at the end of 2019 to 2,724 USD/MT. Likewise, the lead price increased by 2.5% from 1,924 USD/MT to 1,972 USD/MT at the end of 2020.

Conversely, copper saw a 25.8% increase from 6,156 USD/MT to 7,742 USD/MT; silver rose by 46.8% from 18.05 USD/oz to 26.49 USD/oz and gold by 24.1% from 1,523 USD/oz to 1,889 USD/oz.

In 2020, the mining sector accounted for 8.8% of GDP and 63% of total exports, which requires stronger public policies for the defense and promotion of this sector.

According to the annual ranking of the Fraser Institute for 2020, Peru moved down ten spots in the mining investment attractiveness index and was ranked 34th out of 77 evaluated jurisdictions. This annual ranking evaluates two factors: geological potential and political perception.

Regarding geological potential, Peru dropped eighteen positions compared to 2019, reaching the 30th spot. In terms of the perception of public policies and practices associated with the sector, Peru was ranked 42nd after moving up three positions. Greater emphasis should be placed on promoting State policies to seize the mining potential of Peru, in addition to guaranteeing the startup of important projects such as Mina Justa (Ica), Cuajone (Moquegua), Quellaveco (Moquegua), and those that remain stagnant such as Tia Maria (Arequipa), Corani (Puno), Conga (Cajamarca), Río Blanco (Piura), Galeno (Cajamarca), Michiquillay (Cajamarca), La Granja (Cajamarca), among others. The unfortunate case of Minera Las Bambas is worth noting, continuously affected by social conflicts which, added to extremist left-wing political interference, have gone so far as to result in operational shutdowns. It is noteworthy the sustained blockade to stop the traffic of concentrate trucks to the Matarani port (Peru's southern corridor), which affects around 30% of Peru's copper production.

As noted in the past, we are responsible for promoting the

development of Peru. Opportunities do not come every day, particularly when there is global competition for attracting new investments that will go to those countries where better conditions are offered. We see that traditionally non-mining countries in the region such as Ecuador, Colombia, and Brazil are beginning to develop a better reputation in order to attract investors that seize their mining potential.

It should be reiterated that excessive oversight pressure on tax, labor, environmental and social matters is in detriment of the opportunities for developing the major potential of Peru's mining industry.

Such pressure, added to the damage caused by the law of prior consultation and the inefficient use of the mining royalties, which should be distributed more effectively depending on the needs of each region, resulted in social conflicts that remain unresolved to this date.

This has brought about delays in private investment and cost overruns for local mining companies. It should be noted that the Executive branch has failed to push a series of reforms to reduce the excessive bureaucratic procedures that the mining sector is required to satisfy in order to explore and develop any projects, and that makes it very difficult to invest in the country.

In 2020, Volcan produced 167 thousand FMT of zinc, 30.3% lower than in 2019, 12.1 million ounces of silver, lower by -22.4%, and 41 thousand FMT of lead, lower by -16.9%.

This is mainly explained by the three-month shutdown of the operating

units, in compliance with the declaration of a national emergency by COVID-19.

It should be noted that the Company remains focused on controlling and reducing costs in all Mining Units. During 2020, Volcan established new health protocols to prevent spread of COVID-19 in our operations, thus representing a greater cost. As a result, the unit cost in 2020 was USD/MT, a 6.8% increase compared to the 45.2 USD/MT of 2019.

Investments made in the Mining Units decreased by 36.3%, from USD 180 million in 2019 to USD 114 million in 2020. This decrease is mainly explained by not executing works due to the operations shut down caused by COVID-19 pandemic. In addition, investments in expansion projects decreased from USD 7.8 million to USD 2.9 million, while regional exploration investments decreased from USD 4.2 million to USD 0.8 million.

Energy sector experienced a reduction from USD 2.5 MM to USD 0.5 MM. As a result, total investments in 2020 amounted to USD 118 million, a 38.9% increase with regard to USD 194 million in 2019.

INVESTMENTS MADE IN THE MINING UNITS DECREASED BY
36.3%,
FROM USD 180 MILLION IN 2019 TO
USD 114 MILLION IN 2020

During 2020, net sales totaled USD 535 million, a 28% decline if compared to USD 744 million in 2019. The Company's gross margin decreased from 20% in 2019 to 17%

in 2020. EBITDA amounted to USD 164 million, compared to USD 244 million in 2019. Meanwhile, net loss before exceptional charges totaled USD 59 million and the final net loss for the year was USD 150 million as reported in the balance sheet of Volcan Compañía Minera and Subsidiaries.

As regards the corporate safety policy, emphasis was placed on the implementation of 19 elements of the SafeWork Program in 2020: Despite all these efforts, we regret to report one fatal accident in 2020. Volcan owns 354 thousand hectares of mining concessions for the development of exploration activities and mining projects. In terms of total ore reserves, Volcan's estimates have been prepared by applying industry best practices and the international standards established in the JORC CODE, as well as complying with the guidelines established by Glencore Technical Services.

At Chungar, despite the restrictions, exploration continued in the Esperanza orebody with high grades of zinc and copper. To date, all drill holes have cut significant mineralization, allowing to define the first preliminary geological model with an estimate of inferred resources. While at Andaychagua and Yauli mining units, exploration activities with diamond drilling yielded positive results, increasing certainty in the Salvadora and Salvadora Norte orebodies, which are two new structures with high zinc grade.

In addition, Volcan carried out exploration activities in four advanced projects: Romina, Carhuacayán, Palma and Zoraida. In Romina, significant mineralization of zinc, lead and silver has been defined.



VOLCAN HAS FOUR ADVANCED PROJECTS: ROMINA, CARHUACAYÁN, PALMA AND ZORAIDA.



Mineralized bodies and mantos have also been defined in the surrounding areas, named as Andrea, Adriana and Esperanza. In Carhuacayán, significant mineralization of zinc, lead and silver has been defined in the La Tapada body. Both projects, Romina and Carhuacayán, will produce ore to be treated at the Alpamarca Concentrator Plant. Palma is a greenfield project where significant mineralization of zinc, lead and silver has been defined, with great potential in four major areas along a 7 km corridor: Kenita, Palma, Santa Lidia and Palmeron. This will enable the development of a separate mining project from the other Mining Units.

Regarding the energy business, Volcan owns 13 hydroelectric plants, 350 km of transmission lines and 26 electrical substations. Energy generation during 2020 totaled 430 GWh, which represents a 11% increase with regard to the previous year. This is explained by the restart of operations of the Rucuy hydroelectric plant on June 01, 2019.

Energy consumption during the year totaled 665 GWh, representing a 12% decrease if compared to the previous year. This is mainly explained by the operations shutdown by COVID-19. It is worth highlighting that energy generation accounted for 65% of total energy consumption.

As part of its policy on corporate social responsibility and care for the environment, Volcan seeks to engage in dialog and strengthen its relations with community leaders, key authorities and social stakeholders to generate a positive impact on the development of the communities

within its direct area of influence. For such purpose, in 2020 the Company invested over USD 4 million in agreements with 39 communities within its direct area of influence. It is important to highlight that in response to the global pandemic caused by the increase of COVID-19 cases, a social fund was established to provide food, warm clothing against the cold, PPE and equipment for rural medical posts in more than 50 communities, population centers and institutions such as the Fire Department and the National Peruvian Police.

In order to ensure the sustainability of operations for this year of serious impact due to lower production and income, in August 2020 a bank financing totaling USD 300 MM was arranged with the main financial entities in the country and abroad. This financing was used to pay the short-term banking loans. In addition, Volcan signed up to the Reactiva Peru Governmental Program for a total amount of USD 13.6 MM through Volcan Compañía Minera S.A.A. and its subsidiaries.

It should be noted that the Company has been executing on a financial restructuring plan in order to extend maturity and reduce its total debt. In this regard, in February 2021, the Company successfully issued 5-year international bonds worth USD 475 MM, at an annual rate of 4.375%. Thus, the maturity date of a major part of the Company's debt was significantly extended. It is also worth noting that, in this new bond issuance, there were interest indicators of over USD 4.2 billion, i.e. 9.3 times the amount of the issuance. The proceeds of this issuance

were used to pay off the syndicated loan of USD 300 MM and to buy back 2012 Bonds in the amount of USD 125 MM (balance of USD 535 MM, maturity date February 2022).

As part of the financial restructuring stage, a Shareholders' Meeting will be called in the 3Q for the issuance of capital amounting to USD 400 MM.

Cosco Shipping Ports Chancay Peru S.A. (hereinafter, CSPCP), the company that manages the Chancay port project and where Volcan holds a 40% stake, continues to move forward with the construction of the first Multipurpose Port Terminal of Chancay. The works of the entrance gate that leads to the underground viaduct tunnel were completed in December 2020, with an investment of USD 9 MM, all the necessary protocols, permits and licenses have been obtained. Likewise, the construction of the camp with a 1,500 people capacity and collateral works was completed with a USD 7.5 million investment.

It should be noted that, on December 22, 2020, CSPCP obtained the approval of the Amendment to the Environmental Impact Study (MEIA, by its acronyms in Spanish) for the operations area of the port, aimed to expand port capacities to four berths: two multi-purpose ones and two for containers. It is also worth mentioning that the National Port Authority granted the Port Qualification on February 11, 2021.

The Chancay Port works are progressing on schedule, with an estimated investment of USD 1.3 billion for the first stage. To date,

the 1.8 km underground viaduct tunnel works have been resumed. On the other hand, the works at the port's operations area will start in the first half of 2021, with the relevant protocols, permits and licenses in place.

The construction of the Chancay port represents a major opportunity for the economic development of Peru through a new connectivity network made up of maritime and terrestrial economic routes between China and the rest of the world.

Due to its outstanding features, it is expected to become the integrated port and logistical hub of the Pacific region in the medium term.

Moreover, on July 17, 2020, the members of the Board of directors Daniel Maté Badenes, Christopher Eskdale and Carlos Perezagua Marín resigned from their position, and in their replacement Nikola Popovic, Abraham Chahuán and Carlos Francisco Fernández were appointed as members of the Board of Directors until ending the Board of directors' term of office (March 2018 - March 2021).

Finally, on behalf of the Board of Directors, I would like to avail of this opportunity to thank all of our current workers across all our Mining Units, employees, executives and partners for their hard work, dedication, and commitment to the goals of the Company. For more than seven decades now, Volcan has been investing in the mining development of Peru's central highlands, with a commitment to sustainable growth in harmony with neighboring communities and the

environment. However, this hasn't been an easy task.

A number of challenges have emerged, but thanks to the hard work of our founders and of those who over decades have enabled the Company to continue to grow – workers, engineers, executives and directors – we have successfully overcome them.

Lastly, I would like to thank you, our shareholders, for your trust, support and interest in Volcan's activities.

José Picasso Salinas
Chairman of the Board of Directors

UNITED FOR ONE GOAL 102-16

Volcan is continuously evolving and it is reflected in the way it is and does. In this sense, in 2020, Volcan's vision and mission changed into a deeper, more essential and permanent: **PURPOSE**

RESPONSIBLY SOURCING THE COMMODITIES FOR EVERYDAY LIFE.



This step in its evolution brings it in line with its main partner: Glencore, the world's leading Swiss multinational company engaged in the trading and production of commodities. Another fundamental step has been the adoption of Glencore's values.

Volcan is committed to foster long-term growth and opportunities for its stakeholders, including its customers, shareholders and employees, as well as the communities and the country.

COMMODITIES BECOMING INTO WELL-BEING

Volcan is a responsible producer of key commodities that are used in different basic aspects of life. From the construction of essential infrastructure for communities, populations and cities, to highways and railroad networks; and from the production of batteries for new technologies and modern transportation to sophisticated equipment for medical diagnosis
Our work is vital in the world we live.





ONE

KEY INDICATORS AND CHANGES - 2020



IN 2020, THE COMPANY'S SUSTAINABILITY MANAGEMENT OBTAINED THE FOLLOWING RESULTS:



ECONOMICS

NET SALES ¹⁰²⁻⁷
USD 535 MM

EBITDA
USD 164 MM

NET LOSSES
USD - 150 MM

NET PROFIT BEFORE EXCEPTIONALS:
USD -59 MM

TOTAL ASSETS
USD 2,073 MM



ENVIRONMENTAL

THE PROCESS OF INCLUDING THE MAIN REQUIREMENTS OF THE INTERNATIONAL COUNCIL ON MINING & METALS (ICMM) WITHIN VOLCAN'S ENVIRONMENTAL MANAGEMENT FRAMEWORK FOR THE WATER AND EFFLUENT ENVIRONMENTAL MANAGEMENT AND COMPREHENSIVE CLOSURE STANDARDS BEGAN.

VOLCAN'S ENVIRONMENTAL MANAGEMENT SYSTEM IS MEASURABLE AND ASSESSED THROUGH QUALIFICATION CRITERIA ESTABLISHED. IN 2020, THE ASSESSMENT WAS IMPLEMENTED AT 74%
REPRESENTING A 3% INCREASE FOR THIS YEAR.



SOCIAL

3,227 ^{102-7,102-8}
DIRECT EMPLOYEES:

3,022
MEN

205
WOMEN

INVESTMENT IN COMMUNITIES
USD 3.9 MM

7,126
CONTRACTOR COMPANIES' WORKERS

- THE VOLCAN-ENSEÑA PERÚ PARTNERSHIP WAS PRESENT IN ALL MINING UNITS, DIRECTLY BENEFITING MORE THAN **1,023 STUDENTS** IN YAULI, CHUNGAR AND CERRO.
- 69% OF THE WORKERS AND 40% OF THE **EMPLOYEES ARE UNION MEMBERS** ¹⁰²⁻⁸
- **109 SUPPLIERS AND 69 CONTRACTORS, ON AVERAGE**



VOLCAN IS THE THIRD COMPANY WITH PROJECTS AWARDED UNDER THE PUBLIC WORKS TAX CREDIT MECHANISM

SIGNIFICANT CHANGES

102-10

OPERATING ASPECTS

The new SARS-CoV-2 (COVID-19) that emerged in the Chinese city of Wuhan at the end of 2019 altered the worldwide scenario during 2020. This pandemic has forced almost all governments in the world to take measures such as social distancing, which paralyzed their economies in order to contain the disease.

As of March 17, Volcan shut down its operations and entered a phase of "Care and Maintenance".

During the following weeks, Volcan actively participated in the coordination meetings between the Executive Power and other companies regarding health and safety protocols for the restart of operations. This is how a strict health protocol was established (The COVID-19 surveillance, prevention, and control Plan for all our operations).

Volcan complied with the required protocols to restart operations, which had to be approved by the Ministry of Energy and Mines and sent to the Ministry of Health for review. This is how, as of May 18, 2020, Volcan gradually restarted its mining operations

This stoppage, which led to the mandatory suspension of activities, affected the production levels and increased costs for the year.

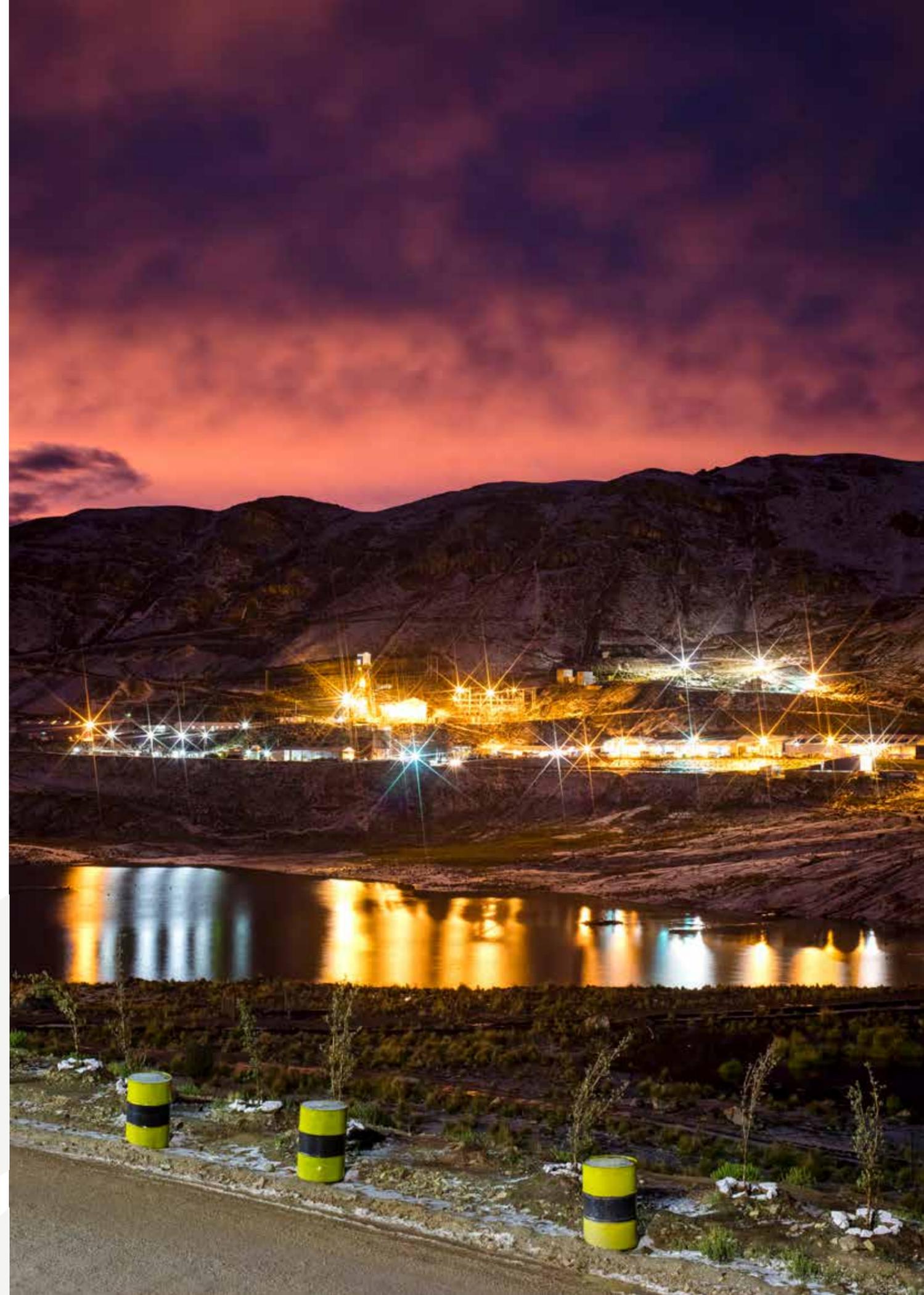
In December 2019, Volcan entered into an agreement with Cerro de Pasco Resources Inc. for the sale of its shares in Empresa Administradora Cerro S.A.C., Óxidos de Pasco S.A.C. and Remediadora Ambiental S.A.C. and was subject to the compliance with some conditions, but the agreement was not executed during 2020.

Alternatives to reach an agreement are being assessed.

CORPORATE ASPECTS

102-7

In July 2020, Mr. Christopher Eskdale, Mr. Daniel Mate Badenes and Mr. Carlos Perezagua Marin resigned as directors of Volcan Compañía Minera SAA and Compañía Minera Chungar SAC. In the same month, Nikola Popovic, Abraham Chahuán Abedrabo and Carlos Francisco Fernández Navarro were appointed in their place as directors of Volcan Compañía Minera SAA and Compañía Minera Chungar SAC.





TWO

OUR COMPANY



TIMELINE

1943

Start of operations

1990

Volcan **started the expansion of its operations** through the purchase of mining concession and their assets

1997

Volcan **acquired** Empresa Minera Marh Túnel S.A., Owner of San Cristobal and Andaychagua mining operations and the Marh Túnel and Andaychagua plants.

1999

As a result of the acquisition of Empresa Minera Marh Paragasha S.A.C., which included Cerro de Pasco Mining Unit, Volcan **became** the Peru's largest zinc producer.

2000

Volcan **acquired** Empresa Administradora Chungar S.A.C. and Empresa Explotadora Vinchos Ltda. S.A.C.

2004

Volcan **acquired** the Baños I, II, III and IV, as well as the Chicrín hydroelectric plant.

2009

The Empresa Administradora Chungar S.A.C. **completed the construction** of the Baños IV hydroelectric plant.

2012

Volcan **placed 10-year corporate bonds** for a total amount of USD 600 million at a fixed rate of 5.375%.

Also, Volcan **acquired** Empresa Hidroeléctrica Huanchor S.A.C and **commissioned** Baños V hydroelectric plant.

2013

Islay mine concession was **consolidated** through the purchase of surrounding areas. The expansion of Animon Concentrate Plant was **completed** and expansion of Victoria and Andaychagua plants were completed too.

2014

The Company **started operations** in the new Alpamarca Mining Unit and the Oxide Plant. The Tingo Hydroelectric plant **was purchased**.

2016

The Rucuy hydroelectric plant **began commercial operations**. Volcan purchased Romina polymetallic project from Milpo Mining Company.

2017

Glencore International AG **became the owner** of Volcan by purchasing 55.028% of Class-A shares.

2019

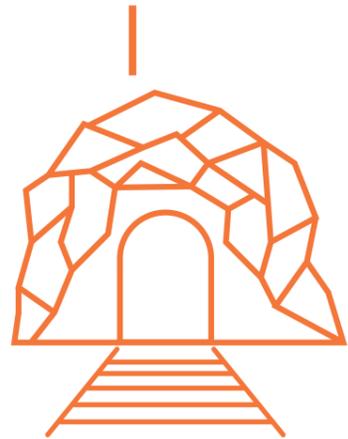
The Company entered into association agreements with the Chinese company Cosco Shipping Ports Limited (CSPL) for the development of the Port Terminal of Chancay.

2020

Volcan stopped its mining operations for more than 60 days due to the **COVID-19 pandemic**. The timely design and implementation of strict protocols and infrastructure to safeguard the health and safety of the entire workforce of the Company allowed to restart and recover the operative production.



IN 2019, VOLCAN CELEBRATED 76 YEARS OF MINING ACTIVITY



A HISTORY OF COMMITMENT

Volcan is a Peruvian company engaged in the exploration, exploitation and beneficiation of ore. Its operations began in 1943. In 2019, Volcan celebrated 76 years of mining activities.

Due to the continuous hard work and dedication of its directors and employees, Volcan became one of the leading producers of silver, zinc, and lead in Peru and across the world.

Volcan sells zinc, lead, copper and silver concentrates, as well as doré bars, in the local and international markets. Also, Furthermore, Volcan owns Hydroelectric plants para su propio

that generate energy for its own consumption, as well as for sale to various companies in the vicinity of its operations.

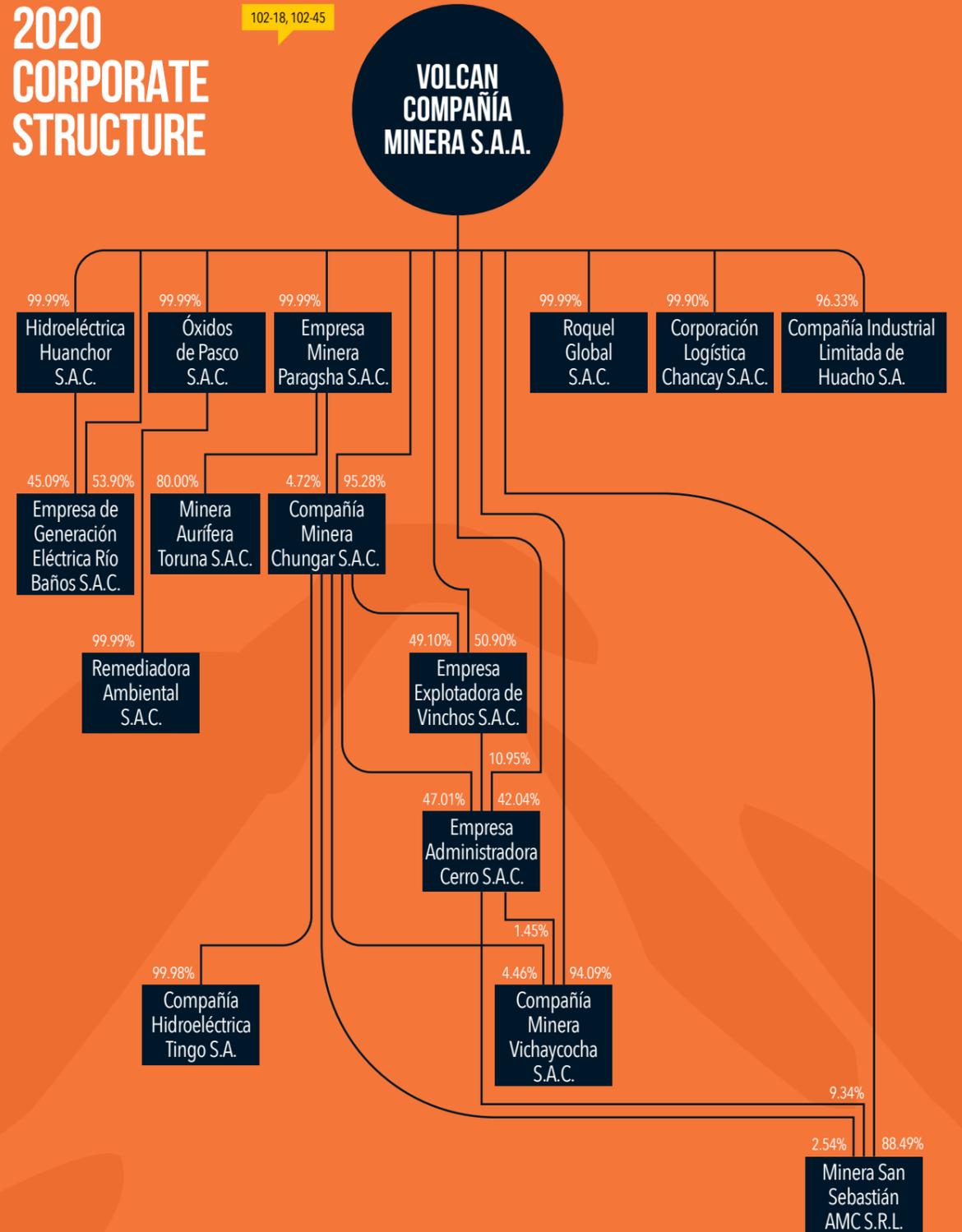
Its mining activities are defined by the ISIC 1320 (mining of non-ferrous metalliferous ores) and ISIC 3510 (generation, transmission and processing of non-ferrous ores) codes.

The Company, a product of the merger of Volcan Compañía Minera SA and Empresa Minera Mahr Túnel S.A., was incorporated by public deed on February 1, 1998, executed before the notary Dr. Abraham Velarde. The Company is registered in the Public Mining Registry under entry 1, file 41074 and in item 11363057 of the Registry of Legal Entities of Lima.



2020 CORPORATE STRUCTURE

102-18, 102-45



OUR OPERATIONS

Volcan's activities are developed in Per in the regions of Lima, Pasco and Junín.

102-3, 102-4, 102-7

The legal domicile of Volcan is Avenida Manuel Olgún n.º 373, district of Santiago de Surco, in the region of Lima. Volcan has five Mining Units: Yauli, Chungar, Cerro de Pasco, Alpamarca and the Pasco Oxides Plant. Together, they have nine underground mines, three open pits, six concentrator plants

with a treatment capacity of 23,650 tpd, one 2,750 tpd plant in care and maintenance and a leaching plant of 2,500 tpd. The composition of each unit is detailed below:

Moreover, the 13 hydroelectric plants of Volcan are located near its mining operations.

MINING UNITS, MINES AND PLANTS

UNIT	MINES			PLANTS		EXPLORATION AND MINING CONCESSION	
	NAME	TYPE	STATUS	NAME	TYPE	NUMBER	HAS (000)
Yauli	San Cristóbal	Underground	Active	Victoria	Concentrator	144	40
	Andaychagua	Underground	Active	Mahr Túnel	Concentrator		
	Ticlo	Underground	Active	Andaychagua	Concentrator		
	Carahuacra	Underground	Active				
	Carahuacra Norte	Open Pit	Suspended				
Chungar	Animón	Underground	Active	Animón	Concentrator	12	14
	Islay	Underground	Active				
Cerro de Pasco	Mina subterránea	Underground	Suspended	Paragsha	Concentrator	29	18
	Raúl Rojas	Open Pit	Suspended	San Expedito	Concentrator		
	Vinchos	Underground	Suspended				
Alpamarca	Río Pallanga	Underground	Suspended	Alpamarca	Concentrator	28	19
	Alpamarca	Open Pit	Active				
Óxidos de Pasco	Stockpiles	Stockpiles	Active	Óxidos	Lixiviation	1	0
Greenfield Exploration						628	263
Total concessions						842	354



**VOLCAN'S
ACTIVITIES ARE
DEVELOPED IN
PERU, IN THE
REGIONS OF LIMA,
PASCO AND JUNIN.**



MINING UNITS AND THEIR PRODUCTS 102-2

UNIT	PRODUCT	FINES CONECT
Yauli	Zinc concentrate	Zinc, silver
	Lead concentrate	Lead, silver
	Copper concentrate	Copper, silver, gold
Chungar	Zinc concentrate	Zinc, silver
	Bulk concentrate	Lead, copper, silver
Cerro de Pasco	Zinc concentrate	Zinc, silver
	Lead concentrate	Lead, silver
Alpamarca	Zinc concentrate	Zinc, silver
	Bulk concentrate	Lead, copper, silver
Óxidos de Pasco	Doré bars	Silver, gold

MINING UNITS LOCATION 102-4

UNIT	REGION	LOCATION
Yauli	Junín	170 Km from the city of Lima
Chungar	Pasco	219 Km from the city of Lima
Cerro de Pasco	Pasco	295 Km from the city of Lima
Alpamarca	Junín	182 Km from the city of Lima
Óxidos de Pasco	Pasco	295 Km from the city of Lima

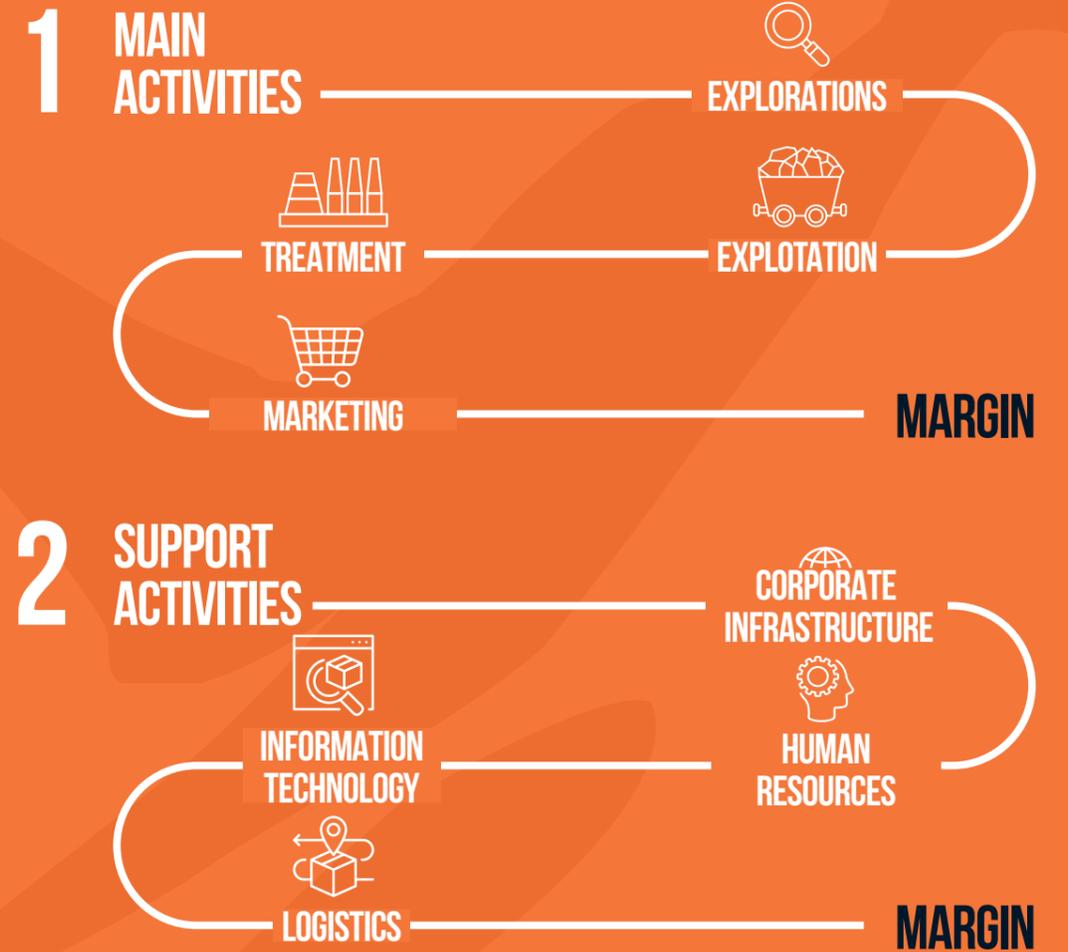
HYDROELECTRIC PLANTS LOCATION 102-4

UNIT	REGION	LOCATION
CH's Chungar*	Junín	170 Km from the city of Lima
CH Tingo	Lima/Pasco	130 Km from the city of Lima
CH Huanchor	Lima	110 Km from the city of Lima
CH Rucuy	Lima	142 Km from the city of Lima

* Volcan has 10 hydroelectrical plants: Baños I-V (5), Chicrin I-IV (4) and San José (1). Only the Hydroelectrical Plant of San José is located in Pasco.

**OUR VALUE
CHAIN**

Volcan's corporate value chain describes the development of its main strategic activities to generate value for the final customer.



WORKING WITH SOLID CORPORATE PRINCIPLES

The corporate practice is the framework for corporate governance and comprises the values, the code of conduct and the corporate and operational policies. It also represents the commitment to good corporate practices Volcan's standards and policies regarding the activities and external regulatory requirements

This includes the United Nations Global Compact and the International Council on Mining & Metals (ICMM) membership requirements. This framework outlines clear guidelines on social, environmental and compliance standards that must be respected by all Volcan workers.

CORPORATE PRACTICES



VALUES

CODE OF CONDUCT (CODE)

CORPORATE POLICIES AND STANDARDS

OPERATIONAL POLICIES AND STANDARDS

CORPORATE VALUES

102-16

SAFETY

WE WILL NEVER COMPROMISE on safety. We look out for each other, and if the work is not safe, we stop it.

WE TAKE RESPONSIBILITY for our actions. We talk and listen to others to understand what they expect from us. We work to improve our commercial, social and environmental performance.

RESPONSIBILITY

TRANSPARENCY

WE ARE HONEST and direct when we communicate. We strive to improve by sharing information, and encouraging dialogue and constructive feedback.

WE WORK efficiently and focus on what's important. We avoid unnecessary complexity, and look for simple and pragmatic solutions.

SIMPLICITY

ENTREPRENEURSHIP

WE ENCOURAGE new ideas and adapt quickly to change. We are always looking for new opportunities to create value and ways to improve working in a safe manner.



THE CORPORATE PRACTICE IS THE FRAMEWORK FOR CORPORATE GOVERNANCE AND COMPRISES THE VALUES, CODE OF CONDUCT AND THE CORPORATE AND OPERATIONAL POLICIES.



WORKING WITH INTEGRITY

The corporate principles and values and the code of ethics and conduct of Volcan establish a set of standards that contribute to professional development and creates a work environment with integrity and honesty. These standards are addressed to the employees, managers and directors of Volcan, as well as to its contractors.

Volcan encourages full compliance with this code. If any employee notices any unethical conduct, he/she must inform his/her operations manager or general auditor. For this purpose, the Whistle Blowing Hotline, an anonymous and open communications channel, could also be used.

102-17

THESE STANDARDS ARE ADDRESSED TO THE EMPLOYEES, MANAGERS AND DIRECTORS OF VOLCAN, AS WELL AS TO ITS CONTRACTOR COMPANIES.

CODE OF CONDUCT

102-16, 103-2

Volcan's code of conduct aims not only to establish a set of standards to ensure compliance with laws and regulations, but also to maintain and develop a culture of compliance and ethical conduct within Volcan.

This code seeks to ensure that each employee acts with integrity and in compliance with applicable laws and regulations. It is also intended to exclude any personal advantage and that the interests of the Company are not affected. The following is an excerpt of the code of conduct; the complete document can be found at

WWW.VOLCAN.COM.PE

1. **Compliance with the code of conduct**

Everyone who works or provides services for Volcan, regardless of their position or function, must respect the Group's code and policies. This code aims to ensure that the aspirations of the values are reflected in daily decisions and activities, as well as in the corporate culture.

Failure to comply with the requirements of the Code of Conduct, relevant Volcan policies or the law may result in disciplinary actions, including the rescission of employment contract, or even, in the case of an employee providing services to the Group, termination of his or her employment contract.

2.

Health and Safety

The safety of people is the top priority. Not only occupational fatalities, illnesses and injuries must be prevented, but a safe and healthy workplace must also be maintained, which is everyone's responsibility.

Volcan is committed to establish a strong safety culture that requires visible leadership at all levels of the hierarchical management structure, a high degree of employee and contractor involvement, and a focus on hazard identification, risk analysis and risk management. The employees are trained to be capable to complete their tasks safely and in accordance with procedures and health and safety policies.

3.

Our people

People are key for Volcan's success. A diverse work environment is essential for the success of any company.

People are treated with equality and respect, ensuring that they have the opportunity to develop their professional career based on their potential, as well as a commitment to comply with the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work.

4.

Human Rights

Volcan supports and respects human rights in accordance with the Universal Declaration of Human Rights. We seek to defend the dignity, fundamental freedoms and human rights of our employees, contractors and the communities where we live and work, as well as other people related to the Company's activities. Moreover, we ensure that human rights awareness is incorporated into internal risk assessment processes.

5.

Communities

Las operaciones deben tener un Our operations must have a predominantly positive impact on the communities in which they operate. The objective is to establish strong relationships with the neighboring communities. For this purpose, their concerns are identified and addressed, and their quality of life is improved by collaborating in activities and programs designed for that purpose.

6.

Environment

The Company is aware that its operations can have direct and indirect impacts on the environment. Therefore, it seeks to minimize any negative impact on the environment in accordance with the precautionary principle.

Natural resources are conserved and protected through a wide range of proactive initiatives including the efficient use of energy and water, the reduction of waste and emissions, and the protection of biodiversity.

7.

Taxes

Volcan is committed to full compliance with relevant laws and

internal and external reporting requirements, including those concerning disclosure of information to tax authorities and reporting of tax payments made.

8.

Communications

The Company recognizes the importance of maintaining an active dialogue and relationship with stakeholders. Therefore, Volcan is committed to communicate regularly, openly and accurately with its employees, contractors, customers, suppliers, local communities and investors, as well as with the corresponding



associations, governments and other stakeholders.

9. Regulatory compliance

The Company is committed to operate in accordance with strong ethical principles. In this regard, all Volcan employees are expected to have an adequate behavior based on these principles.

Volcan will not knowingly allow third parties that seek to break the law or engage in any criminal, fraudulent or corrupt practices in any country. The Company implements training programs and strong leadership that is supported by internal controls, procedures and policies in order to avoid such misconduct. This covers

conflict of interest situations, bribery, political activities and contributions, commercial competition, insider trading, government regulations, money laundering, financing of terrorism, among others.

10. Quality and safety of products

Detailed management policies and programs are in place to ensure that products meet regulatory requirements and quality standards, as well as customer needs.

11. Protection and maintenance of assets

Volcan is responsible for the Group's assets under its control. These include

business opportunities, funds, assets, confidential information and personal equipment, such as mobile devices, computers and access rights to information technology infrastructure.

12. Communication channel

Volcan implements the Complaint Line, an open anonymous communications channel in order to provide the opportunity for any employee to anonymously submit complaints, reports, problems or suggestions regarding compliance related to any aspect of the company.

PRODUCT DETAILED MANAGEMENT POLICIES AND PROGRAMS ARE IN PLACE TO ENSURE THAT PRODUCTS MEET REGULATORY REQUIREMENTS AND QUALITY STANDARDS, AS WELL AS CUSTOMER NEEDS.

PARTICIPATION IN ASSOCIATION AND ORGANIZATIONS

102-13



1.
NATIONAL SOCIETY OF MINING, PETROLEUM AND ENERGY: ACTIVE MEMBER

2.
AMERICAN CHAMBER OF COMMERCE OF PERU (AMCHAM): MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE

3.
PERUVIAN SOCIETY OF FOREIGN TRADE (COMEX)

4.
ENSEÑA PERÚ: MEMBER OF CAMPEONES POR LA EDUCACIÓN, AN ALLIANCE OF COMPANIES COMMITTED TO EDUCATION WITH THE OBJETIVE TO REDUCE LEARNING GAPS IN MATHEMATICS AND READING COMPREHENSION.

2020 RESULTS

OPERATING RESULTS

Mining production

In 2020, the treatment volume decreased by 25.3%, mainly due to the shutdown of the mining units and the prioritization of critical tasks (care & maintenance) from March 18 to May 31, 2020, in compliance with the declaration of national emergency by COVID-19. Likewise, ore quality was prioritized at all Volcan mines and the treatment of sulfide stockpiles continued at the Cerro de Pasco mine.

THE TREATMENT VOLUME DECREASED BY **25.3%**, MAINLY DUE TO THE SHUTDOWN OF THE MINING UNITS AND THE PRIORITIZATION OF CRITICAL TASKS.

There was a decrease in the production of Zinc (-30.3%), Lead (-16.9%), Copper (-22.6%) and Silver (-22.4%) compared to 2019, as a result of a lower ore treatment.

Energy production

During 2020, Volcan's 13 hydroelectric plants generated 430 GWh, representing an 11% increase compared to the previous year's (387 GWh). This increase was mainly due to (i) the continued operation of the Rucuy hydroelectric plant, which restarted operations in June 2019; and (ii) to the increase in production of the Chungar hydroelectric plants by

2 GWh. It is worth highlighting that energy generation accounted for 23% of total energy consumption.

The energy from the Huanchor and Rucuy Hydroelectric Plants was used to comply with commitments agreed with third parties. Therefore, to

complete Volcan's total consumption, energy was purchased from the energy generation company named Engie Peru SAA through the National Interconnected Electrical System (SEIN), under the supply agreement that began on January 1, 2018.

CONSOLIDATED MINING PRODUCTION ¹⁰²⁻⁷

	2019	2020	VAR %
Ore treated (000 TM)	8,809	6,578	-25.3
Oxides plant	911	676	-25.8
Fines			
Zinc (000 TM)	239.0	166.6	-30.3
Lead (000 TM)	49.4	41.0	-16.9
Copper (000 TM)	4.5	3.5	-22.6
Silver (MM Oz)	15.6	12.1	-22.4
Gold (000 Oz)	21.6	10.6	-50.8

Source: Volcan Cia. Minera

VOLCAN ELECTRICITY BALANCE (GWH) ¹⁰²⁻⁷

	2019	2020	VAR %
Energy Production	387	430	-11
Chungar PH	151	153	1
Tingo PH	9	2	-77
Huanchor PH	159	144	-.9
Rucuy PH	68	131	94
Energy Consumption	756	665	-12
Purchased Energy	596	510	-14

Source: Volcan Cia. Minera

FINANCIAL RESULTS

PROFIT AND LOSS ACCOUNT ²⁰¹⁻¹

PROFIT AND LOSS ACCOUNT (USD MM)	2019	2020	VAR %
Sales	743.6	535.5	-28.0
Cost of sales	-596.4	-446.3	-25.2
Gross Profit	147.20	89.2	-39.4
Gross Margin	20%	17%	-3pp
Net profit before exceptional	-21.9	-58.8	168.0
Gross Margin	-3%	-11%	-8PP
Exceptional Items ¹	-48.4	-91.6	-22.6
Net profit after exceptional	-70.3	-150.4	-114.0
EBITDA²	244.1	164.1	-32.8
EBITDA margin	33%	31%	-2PP

¹ The exceptional items for 2020 totaled USD -91.6 MM, comprised of i) USD -31.3 MM for COVID-19 shutdown expenses, ii) USD -48.9 MM for the reversal of the accounting record of available-for-sale assets related to the unexecuted purchase agreement with Cerro de Pasco Resources (non-cash).

² Excludes exceptional items. Source: Volcan Cia. Minera.

DETAIL OF MINING SALES BY METAL ²⁰¹⁻¹

SALES (USD MM)	2019	2020	VAR %
Zinc (000 TM)	421.4	234.7	-43.3
Lead (000 TM)	83.8	59.1	-29.5
Copper (000 TM)	13.9	12.1	-13.1
Silver (MM Oz)	206.5	212.2	2.8
Gold (000 Oz)	28.5	13.6	-52.3
Sales before items	754.1	531.8	-29.5
Items ¹	-10.5	3.7	-135.1
Net Sales	743.6	535.5	-28.0

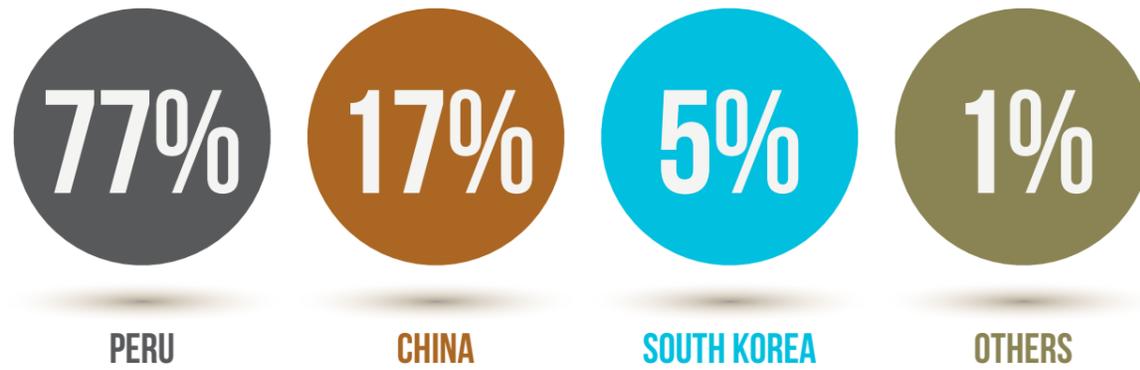
¹ Items: i) final settlements of prior period shipments, (ii) adjustments for open positions (embedded derivative and sales adjustment), (iii) results of hedges. Source: Volcan Cia. Minera.

Minning sales ¹⁰²⁻⁷

In 2020 the mining sales totaled USD 535 MM, which represented a decrease of 28% compared to the previous year.

Volcan's main customers are from Peru, with a 77% of 2020 sales value, followed by China (17%), South Korea (5%) and others (1%). ¹⁰²⁻⁶

**SALES BY DESTINATION
(PERCENTAGE OF
VALUE IN USD)**



Energy Sales

In the energy sector, net sales totaled USD 13.1 MM.

102-7

ENERGY SALES

ENERGY SALES (USD MM)	HUANCHOR	EGERBA	TINGO	TOTAL
Free Customers	5.0	-	0.1	5.1
Regulated Customers	1.1	-	-	1.1
Spot Market	0.2	4.7	-	4.9
Transmission	-	0.3	1.8	2.0
Total	6.4	5.0	1.9	13.1





THREE

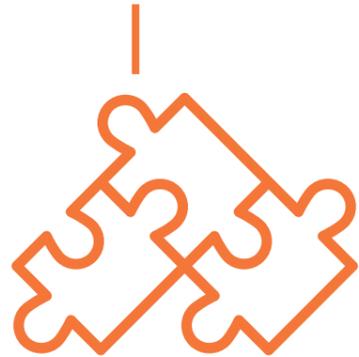
SUSTAINABILITY MANAGEMENT



SUSTAINABLE DEVELOPMENT GOALS (SDG)

102-12

VOLCAN ATTACHES GREAT IMPORTANCE TO FOSTERING HARMONIOUS RELATIONS IN ITS SOCIAL ENVIROMENT



Volcan attaches great importance to fostering harmonious relations in its social environment. In this sense, Volcan has aligned its voluntary social responsibility initiatives with the United Nations SDGs in order to prioritize its interventions within the communities of the area of influence. Furthermore, it has established alliances with private entities and governmental and non-governmental organizations to achieve its objectives. Its social responsibility plans and actions are mainly focused on the following objectives:

All Public Works Tax Credit projects contribute to reduce poverty (SDG 1), develop infrastructure (SDG 9) and generate partnerships for the goals (SDG 17). Since 2010, Volcan has financed 14 infrastructure and public services projects of great social impact with an investment of S/ 108.5 MM. These projects, regarding quality education (SDG 4), clean water and sanitation (SDG 6), solid waste management and transportation (SDG 11), among others, benefit nearly 500,000 people and incorporate sustainability, innovation and integrated solutions components. Volcan is also a founding member of Aloxi, the Alliance for Public Works Tax Credit, which brings together the companies responsible for executing more than 80% of the investment under this mechanism.

SDGS ADDRESSED IN 2020



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

Volcan is committed to generate sustainable impacts and improvements for the health standards of its communities of influence. For this, together with the NGO Prisma, its strategic partner in health, it has designed a project that seeks to monitor diseases in each community, their evolution over time and develop medical campaigns to treat them.

In response to the health emergency caused by COVID-19, Volcan has participated in a social fund aimed at vulnerable communities in the area of direct influence. In accordance with the guidelines of this fund, Volcan has delivered basic medical kits for the vulnerable population, improved medical kits to equip local medical posts, and food kits.

Likewise, Volcan Compañía Minera participated in the donation of COVID-19 rapid tests for the population through the National Society of Mining, Energy and Petroleum.

ENSURE INCLUSIVE, EQUITABLE AND QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR EVERYONE

During 2020, Volcan continued its multi-year partnership with Enseña Perú by designating teachers from

the organization into the various schools in its area of influence. In this way, the Company obtained immediate results in the academic performance of students, as it was able to directly impact more than 830 primary and secondary school students. The intervention was focused on the Yauli, Chungar and Cerro mining units. It also continued with the comprehensive Senati and Cetemin scholarship program, which directly benefits young people in the surrounding communities.



ENSURE THE AVAILABILITY OF WATER AND ITS SANITATION AND SUITABLE MANAGEMENT FOR EVERYONE

All Public Works Tax Credit projects contribute to reduce poverty (SDG 1), develop infrastructure (SDG 9) and generate partnerships for the goals (SDG 17).

Since 2010, Volcan has financed 14 infrastructure and public services projects of great social impact with an investment of S/ 108.5 MM. These projects, regarding quality education (SDG 4), clean water and sanitation (SDG 6), solid waste management and transportation (SDG 11), among others, benefit nearly 500,000 people and incorporate sustainability, innovation and integrated solutions components

Volcan is also a founding member of Aloxi, the Alliance for Public Works Tax Credit, which brings together the companies responsible for executing more than 80% of the investment under this mechanism.

AFFORDABLE, SECURE, SUSTAINABLE AND MODERN ENERGY FOR EVERYONE

Volcan owns hydroelectric plants and is committed to renewable energy projects for its own consumption and for third parties, it also owns electricity transmission systems.

In this sense, the Company seeks to improve its cost structure, increase the availability of energy in its mining operations and contribute to reduce greenhouse gas emissions.

BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTERING INNOVATION

In addition, Volcan initiated the development of the Chancay Port, which now is 40% owned by Volcan and 60% by its strategic partner Cosco Shipping Group, whose first stage of construction will mean an estimated investment of USD 1,300 MM, including the entrance complex, the underground viaduct tunnel, the port operating zone, the container terminal with two docks and the bulk, general cargo and rolling cargo terminal with two additional docks.

The Chancay Port Terminal Project represents a major opportunity for the economic development of Peru through a new connectivity network made up of maritime and terrestrial economic routes between China and the rest of the world. It is located 80 km north of Lima and due to its outstanding features, it is expected to become the integrated port and logistical hub of the Pacific region in the medium term.

In December 2020, workings at the mine portal entrance to the underground viaduct tunnel were

completed with an investment of USD 9 MM, all the necessary protocols, permits and licenses have been obtained. Likewise, the construction of the campsite with a 1,500 people capacity and collateral works were completed with a USD 7.5 million investment.

It should be noted that, on December 22, 2020, CSPPC obtained the approval of the Amendment to the Environmental Impact Study (MEIA, by its acronyms in Spanish) for the operations area of the port, aimed to expand port capacities to four berths: two multi-purpose ones and two for containers. The Chancay Port works are progressing on schedule, with an estimated investment of USD 1.3 billion for the first stage. The construction of the underground viaduct tunnel and access roads are expected to start in 1Q 2021. Furthermore, the construction of the port will start in the first half of 2021, with the necessary protocols, permits and licenses.

THE CHANCAY PORT WORKS ARE PROGRESSING ON SCHEDULE, WITH AN ESTIMATED INVESTMENT OF **USD 1,300 MM** FOR THE FIRST STAGE

Through this type of work, Volcan collaborates and remains committed to reduce the country's infrastructure gap.

SUSTAINABILITY STRATEGY

The corporate approach has changed in recent years, aiming to improve the relationship between profitability and responsibility. Modern and efficient companies are committed to the integral development of their economic, social and environmental surroundings. Volcan adheres to this concept because it understands that properly managing its environmental impacts positively influences the generation of value, which allows to achieve a sustainably develop for its operations. Furthermore, Volcan's internal policies are in accordance with the Peruvian legislation.

Volcan uses the environmental management system (EMS) to identify and prevent potential environmental impacts. This system will optimize water and energy

consumption as well as to control waste generation and assess the commitments undertaken. Volcan updates, improves, and redefines environmental measures according to the needs that may arise.

On the other hand, the internal audit department identifies opportunities for improvement and incorporates preventive and corrective actions in the different departments. In this way, the constant assessment system improves procedures, adds value and optimizes the management of economic, social and environmental risks.

Finally, all departments are supervised and monitored by regulatory agencies of the state, which assess compliance with procedures and regulatory by-laws. In this regard, Volcan has focused specially on the legal and environmental commitments assumed in the different environmental management instruments.

TRANSPARENCY OF INFORMATION

Volcan has identified the stakeholders directly or indirectly influenced by its operations and has considered those on which it could have a positive or negative impact.



VOLCAN USES THE ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) TO IDENTIFY AND PREVENT POTENTIAL ENVIRONMENTAL IMPACTS. THIS SYSTEM OPTIMIZES WATER AND ENERGY CONSUMPTION, AS WELL AS TO CONTROL WASTE GENERATION AND ASSESS THE COMMITMENTS UNDERTAKEN. VOLCAN UPDATES, IMPROVES AND RECONSIDERS ENVIRONMENTAL MEASURES ACCORDING TO THE NEEDS THAT MAY ARISE.

DIALOGUE AND MANAGEMENT WITH STAKEHOLDERS

Promote and maintain strong and long relationships with stakeholders is strategic for Volcan's corporate management. Employees, suppliers and contractors were surveyed and interviewed, as well as local groups including representatives of the communities in the areas of influence. In addition, the community relations officers provided quality information on the communities' expectations.

102-43

It is important to mention the participation of the stakeholders in the various stages of the mining activity, through dialogue processes, negotiations, participation in informative and participatory workshops, information mechanisms complaints and claims. In this sense, dialogue mechanisms allow to fluidly learn about and manage the relationship with stakeholders.

102-43

STAKEHOLDERS EXPECTATIONS BY CATEGORY 102-44

CATEGORÍA GRI	EXPECTATION
SHAREHOLDERS	Value generated (income) and distributed (operating and administrative costs, community investment, among others).
	Indirect economic consequences (investment in infrastructure, development of economic activities in the area of influence)
ENVIRONMENTAL	Use of water management
	Biodiversity care
	Effluent and waste management
SOCIAL (LABOR)	Investing for better environmental performance
	Employment and work practices (employee retention, turnover, social benefits, employee support, etc.)
	Occupational health and safety management
SOCIAL (SOCIETY)	Diversity and equal opportunities
	Impacts on communities and how are managed
	Information for customers and their satisfaction level
	Mine Closure Plan

MAIN MECHANISMS OF COMMUNICATION WITH THE STAKEHOLDERS 102-43

STAKEHOLDER GROUP	MECHANISMS
SHAREHOLDERS	General shareholders meeting
	Briefings meetings
	Market and Securities Portal of the Superintendence of Securities Market (SMV)
	Emails and postal mailings
EMPLOYEES	Via telephone
	Website of the Company
	Continuous and interdepartmental meetings with the teams.
	Agenda meetings with unions every two weeks
	Complaint handling
COMMUNITY	Virtual media, intranet, and daily e-mails and information boards
	Occupational Health and Safety Committees in all Mining Units
	Activities involving Employees
	Continuous relationship with the community relations officers
	Meetings with the authorities on a weekly basis
	Daily coordination with community directives
GOVERNMENT AND SOCIAL SOCIETY	Meeting with an active participation of the community
	Strategic meetings with opinion leaders
	Communicate their activities to the community through written and radio media
	Requests and letters
CUSTOMERS	Emails
	Telephone communications
	Information office
SUPPLIERS AND CONTRACTORS	Permanent communication by email and telephone
	Incident and claims department
	Plant views
	Permanent relationship
	Emails
	Via telephone





FOUR

INVESTOR RELATIONS MANAGEMENT



SHAREHOLDING STRUCTURE

MAIN SHAREHOLDERS — CLASS A COMMON SHARES

MAIN SHAREHOLDERS	%	ENTITY TYPE	NATIONALITY	CORPORATE GROUP
Glencore International AG	41.91	Legal Entity	Swiss	Glencore
Empresa Minera Paragsha S.A.C.	11.20	Legal Entity	Peruvian	Volcan
De Romaña Letts José Ignacio	10.34	Individual	Peruvian	Not applicable
Letts Colmenares de De Romaña Irene Florencia	9.90	Individual	Peruvian	Not applicable
Blue Streak International N.V.	8.38	Legal Entity	Netherlands Antilles	Not applicable
Sandown Resources S.A.*	7.81	Legal Entity	Panama	Glencore

* El grupo Glencore, incluyendo todas sus subsidiarias, alcanza el 55.03% de participación

MAIN SHAREHOLDERS — CLASS B COMMON SHARES

MAIN SHAREHOLDERS	%	ENTITY TYPE	NATIONALITY	CORPORATE GROUP
Profuturo AFP-PR Fondo 2	9.57	Legal Entity	Peruvian	Not applicable
RI - Fondo 2	8.20	Legal Entity	Peruvian	Not applicable
IN - Fondo 2	7.86	Legal Entity	Peruvian	Not applicable
HA - Fondo 2	6.05	Legal Entity	Peruvian	Not applicable
RI - Fondo 3	5.60	Legal Entity	Peruvian	Not applicable
Profuturo AFP-PR Fondo 3	5.11	Legal Entity	Peruvian	Not applicable
López De Romaña Dalmau Hernando Diego F.	4.13	Individual	Peruvian	Not applicable

PARTICIPATION IN THE STOCK MARKET

Volcan's shares are traded on the Lima Stock Exchange, the Santiago Stock Exchange, Santiago de Chile Stock Exchange and the Latibex (Madrid).

STRATEGIC COMMITTEES

They are responsible for making decisions and managing economic, social and environmental aspects. The steering committees are assembled by directors, while the operating committees are assembled by officers.

102-18

STOCK MARKET

ACTION	LIMA STOCK EXCHANGE	STOCK EXCHANGE	LATIBEX (MADRID)
Volcan - Common Class "A" Common Shares	VOLCAAC1	VCMAC1	
Volcan - Common Class "B" Common Shares	VOLCABC1	VCMB1	XVOLB MC



STEERING COMMITTEES 102-20

COMMITTEE	RESPONSIBILITIES
EXECUTIVE COMMITTEE	Study and solve matters entrusted by the Board of Directors, except for the rendering of accounts, distribution of interim dividends, presentation of financial statements to the General Meeting, nor the specific powers vested to the Board of Directors through the General Meeting, in accordance with Article 38 of the by-laws
AUDIT COMMITTEE	Provide support in the management process of the adequate compliance with the Corporate Governance Rules of the Company.
	Ensure the existence of an adequate internal control system.
	Monitor the implementation of effective controls based on the Cost/Benefit scheme It should be noted that although there is no formal Risk Committee, most of its functions are carried out by the Audit Committee.
HUMAN MANAGEMENT COMMITTEE	Ensure that the organizational structure is in line with the needs of the business by promoting meritocracy and fostering the professional development of the Company's executives.
	Define guidelines for compensation schemes (current and LP) for management levels, seeking the best alignment with the company's objectives and ensuring consistency with what the market offers, in order to attract and retain the best possible talent. Participate in determining annual bonuses for senior management, based on performance.
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	Define annual objectives and priority improvement initiatives for the community, environment, safety and occupational health
	Monitor the implementation progress of priority initiatives, including the progress of the Duport Project. Analyze and propose specific issues to be assessed, which require decisions by the board of Directors.

OPERATING COMMITTEES 102-20

	COMMITTEE	RESPONSIBILITIES
LIMA	Management Committee - Occupational Health and Safety	Seguimiento y control al cumplimiento de estándares, procedimientos e indicadores de gestión de severidad y accidentabilidad.
		Control and follow-up of environmental licenses and certifications Monitor and control the environmental inspections to identify and prevent environmental impacts and possible deviations in compliance with the regulations.
UNIDADES	Management Committee - Occupational Health and Safety	Monitor and Control the Safety Management System. Monitor de SSOMAC Committees Participate in scheduled safety inspections
	Human Management Indicators Committee	Control and follow-up the human resources indicators such as overtime, absenteeism, vacations, selection, medical, assessment, among others.
	Environmental Services Committee	Implement the Environmental Management System.
	Health Indicators Committee	Follow-up and control the occupational health indicators.
	Meeting for operating results, production and cost indicators and costs	Follow-up and control compliance with the monthly budget.

RELATIONSHIP WITH INVESTORS

Volcan maintains permanent communication with all stakeholders, beyond legal compliance. It is essential that current and potential investors have timely, comprehensive, accessible and transparent information on key activities that may impact their decisions. In this regard, Volcan's main achievements.

102-43

During 2020 were as follows:

- Preparation and held of the Annual Non-Face-to-Face Shareholders Meeting.
- Virtual presentations of financial results on a quarterly basis, developed by the General Manager or VP of administration and finance to specialized analysts who cover the values issued by Volcan.
- Virtual answer to inquiries from specialized analysts on financial results, effects of the pandemic and strategy to face it, carried out by the VP of administration and finance, and the deputy manager of financial planning.
- Implementation of virtual shareholder service, inquiries, send of securities statements and dividend payments through wire transfer.
- Attendance at conferences with national and international investors to present the Company's operating and financial results.





FIVE

SAFETY AND HEALTH





DURING 2020, OUR APPROACH WAS TO IMPLEMENT THE 19 ELEMENTS OF THE SAFEWORK PROGRAM. THE MAIN ACTIONS THAT WERE DEVELOPED WERE:

ELEMENT 1:

Fair Process/Consequence Management Procedure. The standard was updated, both for the sanction classification matrix and for the recognition program.

	VOLCAN SSOMAC MANAGEMENT SYSTEM	Code	ESG-VOL-GLO-07-02
		Review	03
	Title: Consequence Management Standard	Area	HSEC
		Pages	1/9

1. OBJECTIVE

Establish the guidelines to recognize compliance or sanction non-compliance with the Occupational Health and Safety and Environmental Policies, Directives or Procedures established by the company, in accordance with the labor legislation in force.

2. SCOPE

This standard applies to all employees of Volcan Compañía Minera S.A.A. and its subsidiaries (hereinafter referred to as "the Company"), mining contractors and contractors of related activities that provide services for the Company.

	VOLCAN	Code	REG-VOL-GLO-07-10
	SSOMAC MANAGEMENT SYSTEM	Review	2
	Title Penalty Classification Matrix	Area	HSEC
		Pages	1

The list of deviations described in this matrix is exhaustive; the disciplinary measures to be imposed may be greater than those described in the sanctions matrix, taking into account the nature and seriousness of the breach, the disciplinary behavior record, the circumstances in which the breach was committed, how responsible was the employee, among other factors that could aggravate the sanction, such as the breach of the fatal hazard protocols, life-saving behaviors and critical environmental risks.

The grounds for justified dismissal included in the labor legislation are not modified or excluded by the current matrix of penalties.

VIOLATION DESCRIPTION	BEHAVIORS	TIMEFRAME	TYPE OF SANCTION				
			WARNING IN WRITING	SUSPENSION (DAYS)			SERIOUS OFFENSE
				1 - 5	6 - 9	10 - 30	
VIOLATIONS RELATED TO SAFETY BREACH AT THE WORKPLACE							
Failure to comply with the Company's Safety, Occupational Health, Environment and Quality policy guidelines. - The behaviors and sanctions apply to both the Worker and the Supervisor.	Failure to comply with the Company's Safety, Occupational Health, Environment and Quality policy.	Not defined	1st time (*)		Repeat violation (1X*)	Repeat violation (2X*)	
	Behaviors and sanctions are applicable for both the Worker and Supervisor.	Not defined	1st time (*)		Repeat violation (1X*)	Repeat violation (2X*)	
	Failure to comply with the risk assessment procedure within the parameters established by the company.	Not defined	1st time (*)		Repeat violation (1X*)	Repeat violation (2X*)	
	Non-compliance with safety standards established by the Company.	Not defined	1st time (*)		Repeat violation (1X*)	Repeat violation (2X*)	
	Non-compliance with recommendations issued by audit, regarding risk mitigation of OHS, environmental and Quality.	Not defined	1st time (*)		Repeat violation (1X*)	Repeat violation (2X*)	
	Non-compliance with safety standards and tools (continuous IPERC; JSA, etc.). Non-compliance with the action protocol in case of emergencies.	Not defined	1st time (*)		Repeat violation (1X*)	Repeat violation (2X*)	
	Non-compliance with the substandard condition reported, assigned and in active status (with an approved budget).	Not defined	1st time (*)		Repeat violation (1X*)	Repeat violation (2X*)	
	Non-compliance with the HSEC training plan prepared by the company for its own personnel as well as that of the mining contractor and related activities.	Not defined	1st time (*)		Repeat violation (1X*)	Repeat violation (2X*)	

(*) The order in which the types of sanctions are indicated in this matrix are only for illustrative purposes, since the sanction to be applied corresponds to the seriousness, frequency and number of breaches incurred.

ELEMENT 3:

SafeWork Fatal Hazard Protocols introduction modules Internal audits were completed at the end of each quarter to measure the implementation of these protocols. The result was 84.4% by the end of 2020

FATAL HAZARD PROTOCOLS

01. ENERGY ISOLATION	02. WORKING AT HEIGHT	03. CONFINED SPACES AND IRRESPIRABLE/NOXIOUS ATMOSPHERE	04. MOBILE EQUIPMENT	05. GROUND STRATA FAILURE
06. ELECTRICAL SAFETY	07. EMERGENCY RESPONSE	08. LIFT AND CRANAGE	09. FIRE AND EXPLOSION	10. EXPLOSIVE AND SHOT FIRING
11. TYRE AND RIM MANAGEMENT	12. INRUSH AND OUTBURST	16. SHAFTS AND WINDERS		

ELEMENT 7:

Communication and reporting of NMRI - Near Miss Risk Incident The report and investigation process of near-accidents at all mining units, both for Volcan and contractor companies, was reinforced to analyze all non-injury incident, and thus,

prevent the occurrence of a major accident.

ELEMENT 10:

Glencore Communication (GCOM). The objective of the GCOM is to increase the safety of operations by positively influencing the behavior of all persons involved, through a process of information exchange and communication. The GCOM is a framework for meetings used to facilitate communication between teams before or after a shift.

GCOM MEETING



IT FOSTERS A SAFE WORKPLACE GEARED TOWARDS ACHIEVING A ZERO-HARM CULTURE.

1

HOW WAS THE PREVIOUS SHIFT?

Key questions

Are you feeling good?
Is there any issue at home?
How is your family doing?

The leader of the meeting should provide the following information: Substandard acts and conditions reported and actions taken as response. STOP policy application, learnings embedded from events occurred during the previous shift. Controls to be implemented. Provide positive feedback to workers.

2

WHAT ARE TODAY'S ACTIVITIES FOR THE INCOMING SHIFT?

Are the personnel trained in the activity and do they hold an authorization in force (equipment operators, SUCAMEC, others)?

3

WHAT ARE THE RISKS ASSOCIATED TO THE ACTIVITIES?

What FHPs and Life-Saving Behaviors are related to this activity? The following management tools are delivered: Work Order, Continuous Risk Assessment (IPERC), Safe Work Instructions (SWI) or Job Safety Analysis (JSA), and pre-use checklist

4

WHAT CONTROLS ARE CURRENTLY REQUIRED TO COMPLETE THESE ACTIVITIES SAFELY?

Are the engineering and critical controls in place to complete the activity? If no critical controls were implemented, the activity should not be completed. **Apply the STOP Policy (SLAM).** Safety improvement opportunities should be recorded on the GCOM Dashboard

5

WHAT ARE THE HIGH-RISK ACTIVITIES THAT REQUIRE A HIGH-RISK WORK PERMIT (HPWR)?

Deliver the HPWR with the SSOMAC register number to the activity leader. NO activity can be completed without this requirement. The HPWR should be delivered by the responsible of the area. The Safety department will audit compliance with the controls in the field.

Close Verify the condition of the workers' PPE. Sign the attendance register and GCOM book with the action plan and close with the SAFETY MOTTO and the commitment to safe work. Every and each worker must show their commitment book duly completed.

SAFETY IS VOLCAN'S FIRST VALUE. PRODUCTION DOES NOT EXCEED SAFETY.



ELEMENT 19:

Catastrophic Hazard Management Process. Through the bowtie methodology, we have identified critical preventive and mitigating controls for each catastrophic risk scenario associated with the Fatal Hazard Protocols. These risk assessments have been registered in Glencore's Risk Manager system and compliance is monitored from there. The development schedule was as follows:



Based on the identification of critical controls and recommendations from the audits from 2019 and 2020 at Glencore's expense, we have implemented the following controls:

- The Cabletec equipment have been acquired to install the cable bolt at Andaychagua mine.
- Implementation of Fire Suppression System in mobile Equipment entering the UG operation.
- Acquisition of refuge chambers and temporary tent shelters (canvas) as a mitigating control during a fire.
- Acquisition and delivery of 1.4 kg Cyholding self-contained self-rescuers (SCSRs).
- Communications system, such as portable radios with tetra system in mine.
- Implementation of underground refuel stations, located in the chimneys with foul air intake.
- Fire drills in underground substations and mobile equipment.
- Mapping, identification and signaling of fresh air must points.
- Blasting procedure with personnel on the surface. Only the personnel involved remain in the mine.
- Procedure for loading in negative SLS stopes with personnel only on the upper level of the stope.

2020 SAFETY KPIS

LFLTP
LOSS TIME FREQUENCY RATE PER 1 MILLION WORKED HOURS



13.7%
REDUCTION

TFLI
DISABLING INJURIES FREQUENCY RATE PER 1 MILLION WORKED MAN-HOURS



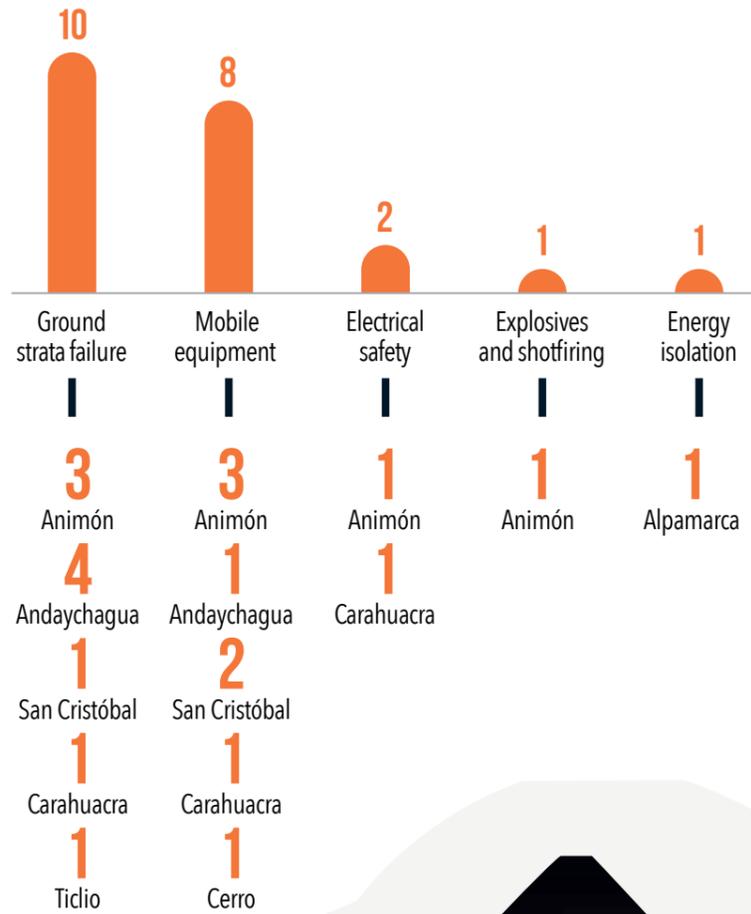
49.4%
REDUCTION

TFTLR
TOTAL RECORDABLE INJURIE FREQUENCY RATES



47.4%
REDUCTION

TYPES OF ACCIDENT



The results of safety management at Volcan and its subsidiaries were as follows:

- 1 Fatal Accident at San Cristobal mine.
- 23 LTI Accidents.
- 44 minor accidents.
- 109 accidents with damage to property.
- 22 HPRIs, as detailed in the left table.

The main objectives for 2021 are to ensure zero fatalities, consolidate the safety culture towards a zero-harm culture and align world-class standards under Glencore guidelines focused on prevention and mitigation of events with catastrophic consequences in order to respond to emergencies and fires and explosions events.





SIX

HUMAN RESOURCES



2020 has been a different year, because from the beginning there were great challenges and important objectives were set. Due to the COVID-19 situation the usual practices had to be rethought in order to ensure a better working environment with the new working conditions for all employees. The Company is committed to enforce its purpose, values and code of conduct. Moreover, it guarantees compliance with the collective bargaining agreements of all its unions.

103-2

At the end of 2020, 3,222 employees worked directly at Volcan, both in Lima and in the operating units. In addition, there were 7,126 employees from contractor companies, which represented 68.8% of the total workforce.

102-7

DUE TO THE COVID-19 SITUATION, THE USUAL PRACTICES HAD TO BE RETHOUGHT IN ORDER TO ENSURE A BETTER WORK ENVIRONMENT.

TOTAL EMPLOYEES BY GENDER AND EMPLOYMENT CATEGORY

102-8, 405-1

SOCIETY	GENDER		TOTAL
	FEMALE	MALE	
Volcan Cía. Minera S.A.A.	134	1,660	1,794
Officials	3	26	29
Staff	103	414	517
Employees	25	857	882
Workers	3	363	366
Cía. Minera Chungar S.A.C.	36	998	1,034
Officials	0	2	2
Staff	29	244	273
Employees	5	351	356
Workers	2	401	403
EMP. Admin. Cerro S.A.C	24	232	256
Officials	0	0	0
Staff	5	50	55
Employees	5	23	28
Workers	14	159	173
Óxidos de Pasco S.A.C.	10	110	120
Officials	0	0	0
Staff	6	33	39
Employees	3	43	46
Workers	1	34	35
Hidroeléctrica Huanchor S.A.C.	1	22	23
Staff	1	12	13
Employees	0	10	10
Total	205	3,022	3,227
Officials	3	28	31
Staff	144	753	897
Employees	38	1,284	1,322
Workers	20	957	977

TOTAL EMPLOYEES BY TYPE OF CONTRACT

102-8, 405-1

DIVISION	SOCIETY	MINING UNIT	PERMANENT STAFF		FIXED-TERM STAFF		TOTAL		
			FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	TOTAL
Mining	Volcan Cía. Minera S.A.A	Yauli and Lima	82	1,270	52	390	134	1,660	1,794
	Cía. Minera Chungar S.A.C.	Chungar and Alpamarca	14	704	22	294	36	998	1,034
	Emp. Adm. Cerro SAC	Cerro de Pasco	7	168	17	64	24	232	256
	Óxidos de Pasco S.A.C	Óxidos de Pasco	4	88	6	22	10	110	120
Energy	Hidroeléctrica Huanchor SAC	C.H. Huanchor	1	21	0	1	1	22	23
Total			108	2,251	97	771	205	3,022	3,227



PAYROLL BY REGION AND GENDER 102-8, 405-1

REGION	VOLCAN CÍA. MINERA S.A.A			CÍA. MINERA CHUNGAR S.A.C			EMP. ADMIN. CERRO S.A.C		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Áncash	1	17	18	0	9	9	0	2	2
Arequipa	4	19	23	0	23	23	0	4	4
Ayacucho	0	4	4	0	2	2	0	0	0
Cajamarca	1	0	1	0	3	3	0	2	2
Callao	8	21	29	21	31	5	0	1	1
Cusco	0	1	1	1	1	2	0	0	0
Huancavelica	0	27	27	0	4	4	0	1	1
Huánuco	1	21	22	1	31	32	0	3	3
Ica	0	7	7	0	11	11	0	1	1
Junín	34	972	1,006	4	214	218	5	32	37
La Libertad	3	24	27	2	18	20	0	0	0
Lambayeque	0	4	4	0	2	2	0	0	0
Lima	78	422	500	21	192	213	3	32	35
Moquegua	0	0	0	0	0	0	1	4	5
Pasco	4	112	116	4	466	470	14	5	164
Piura	0	4	4	1	8	9	1	0	1
Puno	0	2	2	0	0	0	0	0	0
Tacna	0	3	3	0	0	0	0	0	0
Ucayali	0	0	0	0	1	1	0	0	0
Total	134	1,660	1,794	36	998	1,034	24	232	256

REGION	OXIDOS DE PASCO S.A.A			HIDROELECTRICA HUANCHOR S.A.C			CONSOLIDATED		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Áncash	0	5	5	0	1	1	1	33	34
Arequipa	1	0	1	0	1	1	5	47	52
Ayacucho	0	0	0	0	0	0	0	6	6
Cajamarca	0	3	3	0	0	0	1	8	9
Callao	0	1	1	0	0	0	10	36	46
Cusco	0	0	0	0	0	0	1	2	3
Huancavelica	0	0	0	0	0	0	0	32	32
Huánuco	0	4	4	0	0	0	2	59	61
Ica	0	1	1	0	0	0	0	20	20
Junín	2	19	21	0	8	8	45	1,245	1,290
La Libertad	1	4	5	0	0	0	6	46	52
Lambayeque	0	0	0	0	1	1	0	7	7
Lima	2	20	22	1	12	13	105	678	783
Moquegua	0	1	1	0	0	0	1	5	6
Pasco	4	52	56	0	0	0	26	780	806
Piura	0	0	0	0	0	0	2	12	14
Puno	0	0	0	0	0	0	0	2	2
Tacna	0	0	0	0	0	0	0	3	3
Ucayali	0	0	0	0	0	0	0	0	0
Total	10	110	120	1	22	23	205	3,022	3,227



TALENT RECRUITMENT AND RETENTION STRATEGY

Volcan focuses on recruiting the best talent that can contribute to achieve results and to build an organizational culture. To this end, we work one employer branding initiatives, applicant experience, internal recruitment and promotion of internal talent.

The assessment standards at Volcan and its contractors have evolved every year through best practices. Furthermore, a virtual assessment system has been incorporated, which has optimized

results and reduced recruitment times. Our ability to obtain information allowed us to work using metrics that demonstrate the candidates' adherence to the culture and the profile being sought.

VOLCAN FOCUSES ON RECRUITING THE BEST TALENT THAT CAN CONTRIBUTE TO ACHIEVE RESULTS AND BUILDING AN ORGANIZATIONAL CULTURE.

Volcan is involved in attracting, developing and retaining its talent. For this, it manages the following methodologies:

PERFORMANCE AND TALENT ASSESSMENT

TRAINING ACCORDING TO THE ANNUAL TRAINING PLANS

CAREER LINE INCLUDING TRAINEE AND INTERNSHIP TRAINING PROGRAMS

INTERNAL PROMOTIONS BY MERITOCRACY OR INTERNAL COMPETITION

ANALYSIS OF CRITICAL POSITIONS FOR THE OPERATIONS

LABOR MARKET AND SALARY STUDIES, AMON

TRAINING AND DEVELOPMENT

At Volcan, safety is the main value, which is why we continuously strive to achieve the highest standards in the industry, in order to consolidate a culture of operational excellence. For this, all of our efforts are focused on developing and carrying out training activities for our own employees contractors, in order to align productivity, continuous improvement and safety culture, in a sustainable manner, with the Company's strategic objectives.

The training strategy systemically integrates the three main pillars of the Company in terms of competencies, such as

safety, leadership and technical competencies within an annual training program, aimed at developing the Company's talent to ensure that each and every employee becomes a key factor to achieve the objectives of each of their departments, in turn, this will lead to achieve the strategic objectives of the business.

At Volcan, training efforts have been directed to its own personnel and contractor personnel. During 2020, 115,926 man-hours were invested for the Company's employees with a per capita of 53 hours of training per worker. Similarly, for workers of contractors, 188,069 man-hours were invested with a per capita of 40 hours of training per worker.

2020 was a year for reconsider the training modality. The COVID-19 pandemic made it necessary to maintain social distancing and to eliminate face-to-face meetings, including training. As a result, we switched to the virtual modality (synchronous and asynchronous), confident that the achievement of our objectives depends on human capital and its continuous development. Therefore, the number of licenses for the e-learning course management platform (LMS Talent) increased from 1,500 to 10,000 licenses for asynchronous training of dedicadas a cursos virtuales.

The company's own personnel and contractors, and the use of the MS Teams online communication application for synchronous

AVERAGE MAN-HOURS OF TRAINING OF EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

COMPANY'S PERSONNEL	BY PROFESSIONAL CATEGORY				BY GENDER			
	OFFICIALS	STAFF	EMPLOYEES	WORKERS	FEMALE	MALE	TOTAL	
Number of workers	31	897	1,322	8	977	205	3,022	3,227
Man-hours of training	2,574	74,791	17,856	20,705	7,052	108,874	115,926	
Average training hours per worker	83.0	83.4	13.5	21.2	34.4	36.0	35.9	

CONTRACTORS' PERSONNEL	BY GENDER		
	FEMALE	MALE	TOTAL
Number of workers	530	6,596	7,126
Man-hours training	12,214	175,855	188,069
Average number of training hours per workers	23.0	26.7	26.4



training. In 2020, a total of 115,927 man-hours were recorded for the company's own personnel, of which 80% represented virtual courses, and a total of 188,069 man-hours were recorded for contractor's personnel, 72% of which were dedicated to virtual courses.

The Supervisor Leadership Program and the Operator Training Program were maintained until the beginning of the national emergency, and the opportunity was taken to redesign them according to the new modality to be launched at the end of the year.

The management of the training and development department is assessed by means of a structure of indicators established for each of its training programs.

103-3

These include the percentage of compliance of each training action with respect to the planned target audience, as well as the effectiveness of the learning process, which translates into increased productivity, reduction of work incidents, results of the organizational climate survey (ECO) and performance assessment.

Volcan is committed to the development of talent, for which it provides facilities and financial support to employees considered to have high potential, in order to turn them into multipliers of best practices in mining. These facilities translate into training activities abroad and graduate studies (specialized courses, certificate courses and master's degrees) in the best institutions and business schools in Peru.

404-2

PARTICIPANTS AND MAN-HOURS TRAINING IN SPECIAL PROGRAMS

404-1

COMPANY PERSONNEL	SUPERVISOR DEVELOPMENT PROGRAM	OPERATORS TRAINING PROGRAM	TOTAL
Participants	63	56	119
Man-hours trainings	1,512	1,425	2,937

CONTRACTOR PERSONNEL	SUPERVISOR DEVELOPMENT PROGRAM	OPERATORS TRAINING PROGRAM	TOTAL
Participants	198	39	237
Man-hours trainings	4,752	677	5,429

LABOR WELFARE AND WORKING CONDITIONS

Volcan prioritizes establishing a better working environment and adequate conditions for all its employees, as well as to maintain a state of well-being during their time at the company.

103-2

For this reason, the health, hygiene and welfare department work in the three stages of prevention (primary, secondary and tertiary) and the respective health surveillance (VISA), which includes occupational and non-occupational aspects, and occupational hygiene, providing objective information and social welfare for employees. In this regard, the following activities were completed:

HEALTH DEPARTMENT

- The COVID-19 prevention protocol was implemented at the operations in accordance with the current legislation.
- The medical posts were adapted to provide adequate assistance to workers suspected of having COVID-19.
- Isolation centers were implemented to monitor workers diagnosed with COVID-19.

- A COVID-19 screening policy was developed through diagnostic tests, such as rapid and molecular tests.
- Workers with pathologies that represent a severe risk of COVID-19 infection were detected, and it was decided that these people will work from home (home office).
- Report of COVID-19 cases was included in the Siscovid.
- A massive COVID-19 prevention campaign was developed through press releases, flyers, bulletins and banners.
- As part of the COVID-19 prevention protocol for workers, the following controls were implemented:
 - Symptomatology Card
 - Medical passport
 - Epidemiological record
 - Contact log
 - Contact record
 - COVID-19 preventive measures documentation
 - Protective equipment (mask, alcohol spray and face shield)

- A medical center was implemented in Huancayo to treat patients in isolation and recovery.

HYGIENE DEPARTMENT

The occupational hygiene department provides information on the factors and agents identified in each workplace to determine the level of exposure. It also establishes controls at the source of exposure and the need for protective devices among employees to safeguard them.

SOCIAL WELFARE DEPARTMENT

It is focused on improving the quality of life of employees and their families

- through the following activities:
- Social support and follow-up for employees on medical leave.
 - Integration activities to improve the work environment.
 - Inspections and verifications of canteens at mining units in accordance with established standards.
 - COVID-19 assistance program for employees.
 - Assistance to family members of employees with health problems.
 - Assistance to bereaved (deceased workers or immediate family members).



ORGANIZATIONAL CLIMATE AND COMMITMENT

The well-being and commitment of our employees is a priority for Volcan. For this, it elaborates and applies satisfaction surveys on a yearly basis to know their perception with respect to the identification and commitment, leadership and human resources management.

This contributes to elaborate and develop initiatives that have a positive impact on employee satisfaction.

In 2020, for the first time, the Company's workers and employees were included in the ECO, and a 99% participation was obtained. The overall results of the ECO showed an overall satisfaction level of 76%, which are communicated to each of the Company's mining units and departments, where climate committees are subsequently formed to develop cross-cutting and specific action plans.

The improvements obtained from the subdimensions of the recently ECO were training, team work and inclusion, and recognition.

Finally, Volcan's culture has been strengthened through various, initiatives, such as the safety and years of service recognition programs. During 2020, 245 employee recognition awards were issued, which is why a group of employees received awards during the year-end meeting, which was virtually.

In addition to the initiatives implemented, monthly "Dialoguemos" meetings were held, where Volcan's leaders shared with the workers important issues.

Of Peru and the Company; the delivery of health products, the recognition of workers who completed five years of service with the Company, among others.

MECHANISMS OF COMMUNICATION WITH STAKEHOLDERS 102-43

MECHANISM	DESCRIPTION
Internal agreement meetings	Comments and collective labor and operational claims are virtually received. Agreements recorded in minutes are monitored during periodic meetings and indicators
Weekly agenda meetings submitted by the unions to the Labor Relations Departments	We respond to labor, security and operational claims filed from the Mining Units. Agenda items are monitored based on indicators and reviewed through a monthly Labor Relations Committee, which is sent to the Operations General Management.
Union briefing meetings on COVID-19 preventive measures	Virtual meetings are held with the support of the Health Department to report on the current situation of the indicators and preventive measures that are being implemented.
Individual claim handling	Claims are received as per the internal work regulations and the collective bargaining agreement. The immediate supervisor is responsible for handling such claims, and in second instance, the head of Labor Relations of the respective Mining Unit. This process was conducted virtually,
Dialoguemos meetings	Meeting through the MS Teams platform that seeks to strengthen the relationship between the Operations General Manager and the staff, both in Lima and in the Mining Units. The objective is to communicate the current situation and perspectives of the company in terms of safety, operations, finances, projects, work environment and other points of relevance to the Company. This meeting promotes open two-way communication to answer all kinds of questions and concerns.
Quarterly meetings	Virtual meeting with Volcan's Federation of Metallurgical Mining Workers and Unions to discuss the economic and financial status of the company. The purpose is to keep personnel informed and committed to corporate objectives.

COMMITMENT

AT VOLCAN, THE WELL-BEING AND THE COMMITMENT OF ITS EMPLOYEES ARE A PRIORITY. FOR THIS, IT ELABORATES AND APPLIES SATISFACTION SURVEYS ON A YEARLY BASIS.

Volcan's dialogue procedures and policies on labor issues demonstrate its interest to establish closer ties between its employees and union organizations. On the other hand, the collective bargaining agreements and internal policies establish procedures for attention, control and follow-up of commitments, which are conducted through periodic virtual meetings with the different union organizations, and permanent and joint inspections of the workplaces.

The general indicator of labor relations management measures the stoppages of operations caused by personnel, as a result of claims that have not been addressed or collective bargaining processes. In 2020, there were no strikes or blockades by employees.

LOCAL COLLABORATORS (FROM THE COMPANY AND CONTRACTORS)

UNIT	DETAIL
Yauli	121 employees belong to the local communities (1,110 community members)
Hydroelectric Plants	3 employees belong to the local communities (412 community members)

SOCIAL BENEFITS FOR EMPLOYEES

Volcan provides the following social benefits for all full-time employees:

401.2

SOCIAL BENEFITS

BENEFIT	DETAIL
Life insurance	Life insurance by law for all employees from the first day of work.
Health insurance	EPS medical insurance for staff and officials. The workers and employees have health insurance covered by EsSalud.
Personal accident insurance	Benefit for Managers and Deputy Managers.
Supplemental Health Insurance for Risk Works	In case of disability or incapacity due to work-related accidents, workers are covered by Rimac EPS Insurance.
Economic benefits for permanent or temporary disability	The temporary disability allowance is covered by Essalud. In case of permanent disability coverage is provided by the Office of Social Security Normalization (ONP) or the Pension Fund Administrators (AFP).
Coverage for disability (due to work accidents)	In the case of permanent disability due to a work accident, it is assumed by the ONP or Insurance Company.
Maternity or paternity leave	Maternity leave is 98 days, and paternity leave is 10 days.
Leave for immediate relatives in serious health conditions	The leave for serious or terminally ill family members is 07 calendar days. If necessary, it can be extended with additional leave on account of vacation.
Retirement pension fund	Benefit acquired by the worker for his or her contributions to the pension fund system. Each employee has an individual savings account (AFP or ONP) in his or her name.

ECONOMIC WELL-BEING

The largest percentage of the total workforce correspond to workers and employees of the Yauli, Chungar and Cerro de Pasco mining units. The salary compensation is established in accordance with the provisions of the collective bargaining agreement; and it is not based on minimum wage regulations under no circumstances

103.2, 202.1

RELATION BETWEEN THE LOWER WAGE AND LEGAL MINIMUM WAGE

	DETAIL
Legal minimum wage (SML)	S/. 930
Minimum wage operation	S/. 1761
Relation (minimum wage / SML)	1.89

PERFORMANCE MANAGEMENT

As part of employee development, Volcan completed the performance management cycle in 2020, which aims to identify the individual contribution of each employee during the assessment period. Volcan's leaders and employees were actively involved in each stage of the cycle and in the actions implemented, which contributed to the successful completion of this important process.

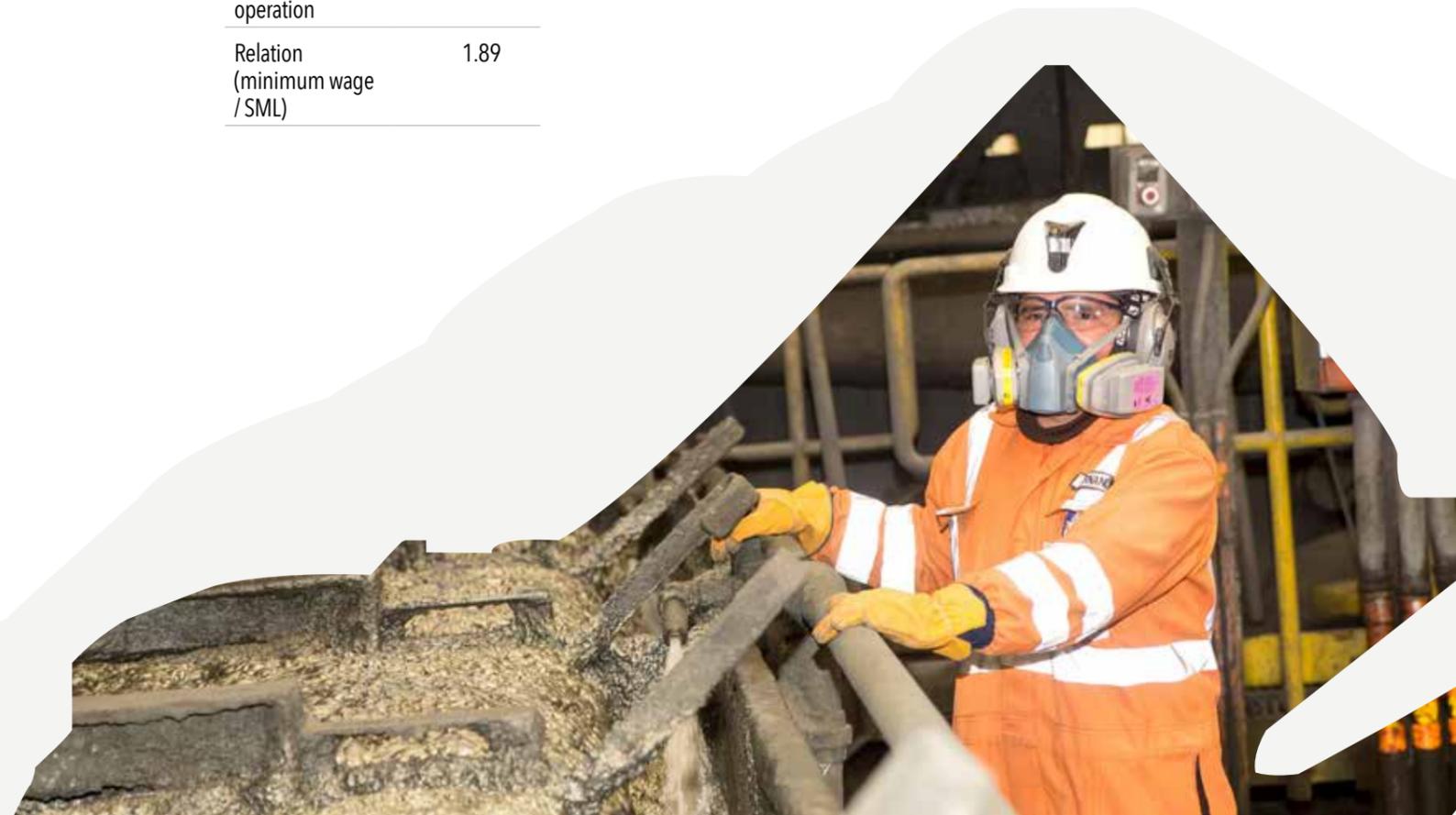
103.2

The performance management cycle has contributed to strengthen a culture of meritocracy by identifying internal talent and developing strategies for its development. In 2020, training, succession, compensation and recognition plans were generated.

KEY CHANGES IN THE WORKFORCE

The increase of personnel turnover in the market due to the economic situation resulted in personnel reduction processes, and Volcan was affected by this global situation. During 2020, the Company terminated 456 people, mainly due to resignation, mutual dissent and termination of the contract.

102.8



EMPLOYEES TERMINATED IN 2020

SOCIETY	
Volcan Cía. Minera S.A.A	236
Cía. Minera Chungar	137.
Emp. Admin. Cerro S.A.C	62
Óxidos de Pasco S.A.C	21
Hidroeléctrica Huanchor S.A.C	0
Total	456

WORKERS TERMINATED FOR CAUSE

CAUSE	
Dismiss	15
Decease	12
Serious offence	3
Mutual dissent	116
Resignation	211
Retirement	1
Termination of the contract	82
Termination of the trial period	16
Total	456

In this sense, Volcan's annual turnover was 14.1%, concentrated in employees from Junin, Pasco y Lima. ⁴⁰¹⁻¹

This level of turnover requires quick and appropriate actions to fill positions and to remain activities unaffected. In 2020, Volcan, which was able to fill the positions vacated by the termination and other positions, hired a total of 484 new employees; Including those resulting from the Transfer of Personnel from Contractor Company to Mine Owner program. ¹⁰³⁻¹

During 2020, additional personnel were hired in Lima, Junin and Pasco. Most of them are people from the communities or skilled workers, who reside near Volcan's operations.

ANNUAL EMPLOYEE TURNOVER AGE AND GENDER

DIVISION	SOCIETY	UNIT	BY AGE (YEARS)			BY GENDER		TOTAL
			19-29	30-49	50 +	MALE	FEMALE	
Mining	Volcán Cía. Minera S.A.A	Yauli and Lima	1.0%	3.8%	2.6%	0.9%	6.4%	7.3%
	Cía. Minera Chungar S.A.C.	Chungar and Alpamarca	0.7%	3.1%	0.4%	0.5%	3.7%	4.2%
	Emp. Adm. Cerro SAC	Cerro de Pasco	0.6%	1.0%	0.3%	0.7%	1.2%	1.9%
	Óxidos de Pasco S. A.C	Óxidos de Pasco	0.1%	0.5%	0.0%	0.1%	0.6%	0.7%
Energy	Hidroeléctrica Huanchor SAC	C.H. Huanchor	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total			24%	8.4%	3.3%	2.2%	12.0%	14.1%

ANNUAL EMPLOYEE TURNOVER BY REGION

REGION	VOLCAN CÍA. MINERA S.A.A	CÍA. MINERA CHUNGAR S.A.C.	EMP. ADM. ERRO SAC	ÓXIDOS DE PASCO S.A.C	HIDROELÉCTRICA HUANCHOR SAC	CONSOLIDATED
Ancash	0.28%	0.10%	0.40%	0.80%	0.00%	0.20%
Arequipa	0.67%	0.50%	0.80%	0.00%	0.00%	0.60%
Ayacucho	0.00%	0.10%	0.40%	0.00%	0.00%	0.20%
Cajamarca	0.00%	0.30%	0.00%	0.00%	0.00%	0.10%
Callao	0.33%	0.10%	0.00%	0.80%	0.00%	0.20%
Cusco	0.11%	0.10%	0.00%	0.00%	0.00%	0.10%
Huancavelica	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%
Huánuco	0.17%	0.10%	0.40%	0.00%	0.00%	0.20%
Junín	25.41%	2.80%	0.40%	6.70%	0.00%	4.20%
La Libertad	0.22%	0.60%	0.80%	0.80%	0.00%	0.40%
Lambayeque	0.00%	0.10%	0.00%	0.00%	0.00%	0.00%
Lima	25.46%	3.90%	3.50%	5.80%	0.00%	4.80%
Pasco	0.33%	4.40%	17.60%	2.50%	0.00%	3.10%
Piura	0.06%	0.10%	0.00%	0.00%	0.00%	0.10%
San Martín	0.00%	0.10%	0.00%	0.00%	0.00%	0.00%
Tacna	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%
Ucayali	0.00%	0.10%	0.00%	0.00%	0.00%	0.00%
Total	13.16%	13.25%	24.22%	17.50%	0.00%	14.10%

IN 2020, VOLCAN, THAT WAS ABLE TO FILL THE POSITIONS VACATED DUE TO TERMINATION AND OTHER POSITIONS, HIRED A TOTAL OF 484 NEW EMPLOYEES; INCLUDING THOSE RESULTING FROM THE TRANSFER OF PERSONNEL FROM CONTRACTOR COMPANY TO MINE OWNER PROGRAM.

LOCAL HIRING

Providing employment to trained personnel in the area of the different mining units is a key factor to promote local development and strong community relations. In this regard, Volcan maintains its commitment, as agreed with the communities, to prioritize people from the communities when hiring personnel for its operations. The number of community members currently working and the manner in which work is requested, varies according to each community.

103-1, 103-2

The local hiring process begins by identifying the position, then determining the worker profile and seeking candidates. The position requirements are communicated to the communal resident committee through the Corporate Social Responsibility office in each mining unit. The ultimate objective is to meet, in a reasonable manner, the demand for work in accordance with operating needs.

PROVIDE EMPLOYMENT TO TRAINED PERSONNEL IN THE AREA IS A KEY FACTOR TO PROMOTE LOCAL DEVELOPMENT AND STRONG COMMUNITY RELATIONS.

FIRMLY RESPECTING HUMAN RIGHTS

Respect for human rights is a topic that Volcan promotes both inside and outside the Company, including suppliers and subcontractors. In addition, as part of the induction process of new employees to the Company, they receive a talk on the code of conduct.

103-2

To provide guarantees and prevent possible cases of human rights abuses, Volcan offers an anonymous "Complaint Line". In 2020, the Company did not receive any reports or become aware of any incidents of discrimination, forced labor, or child labor in its operating mining units. In 2020, Volcan implemented the Procedure for the Use of the Complaint Line, which establishes the channels for workers and third parties to report cases of discrimination, forced labor, child labor and, in general, any other case in which the law has not been complied with.

406-1, 408-1, 409-1

NON-DISCRIMINATION

Eradicating discrimination of any kind is important to Volcan, as managing this issue strengthens the work environment. Therefore, Volcan has programs to support its employees their families and the community in general, which

103-1, 103-2

are based on prevention, education and advice.

FORCED LABOR

Volcan condemns any form of forced labor in all of its operations. Compliance with measures to eliminate poor labor practices is an opportunity to improve workplace climate.

103-1

The Company did not receive any forced labor reports in 2020. In this regard, Volcan complies with labor regulations and respect for recognition of its employees' overtime. The Company's Internal Workplace Regulation is aligned with the General Law on Workplace Inspection, the Internal Regulation on Workplace Health and Safety, the Code of Conduct and the SSOMAC policy. Volcan also offers support programs for its employees and their families for the prevention of forced labor risks.

103-2, 409-1

VOLCAN COMPLIES WITH LABOR REGULATIONS AND RECOGNIZES AND RESPECTS ITS EMPLOYEE OVERTIME.

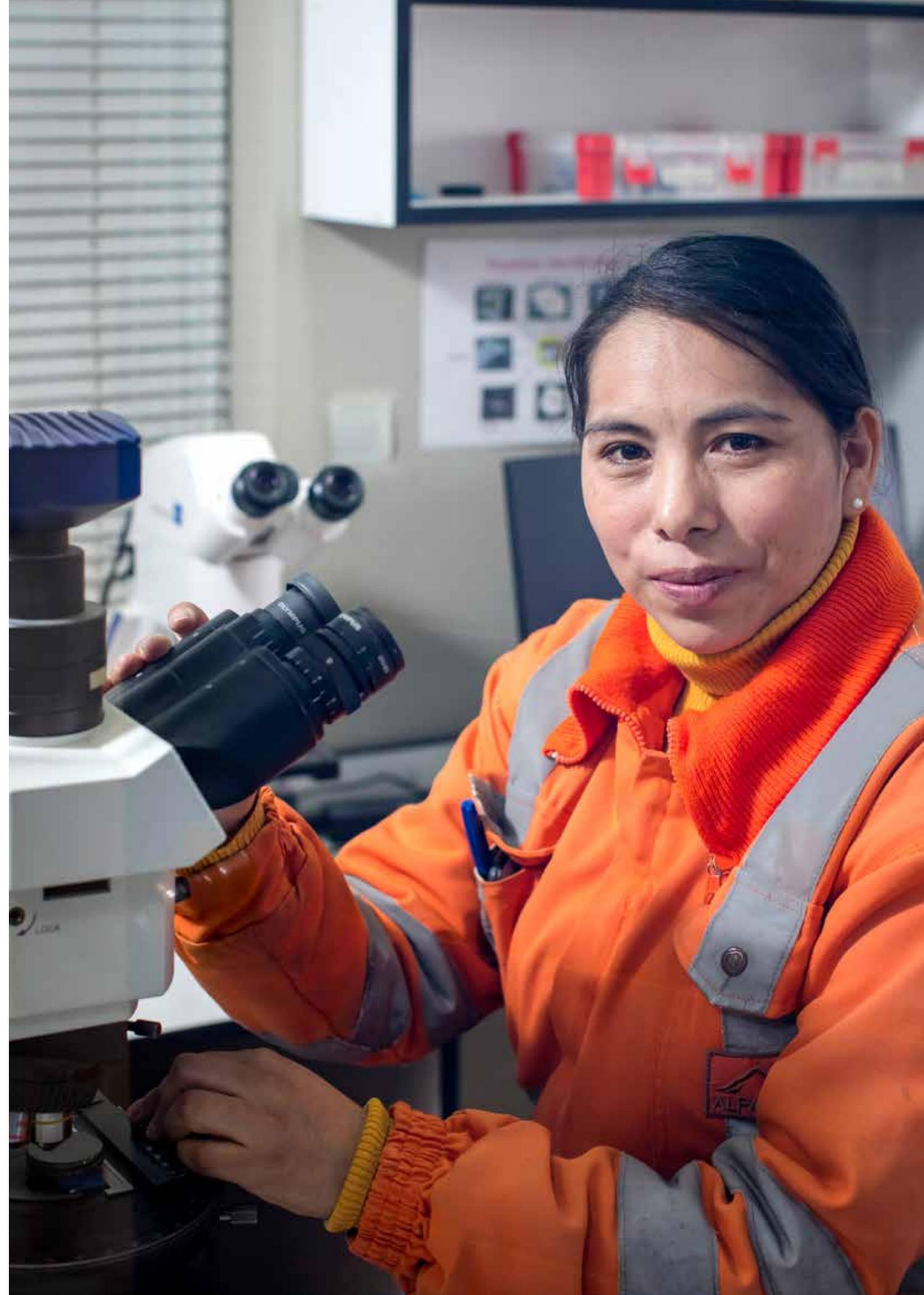
CHILD LABOR

Under the code of conduct, Volcan supports and respects the Universal Declaration of Human Rights, which upholds not to employ minors.

103-1

The Company also has procedures, regulations and internal management controls for hiring personnel, which prohibit child labor.

408-1, 103-2



To prevent the risk of child labor, Volcan is firmly committed to help communities by providing education, regarding aspects as infrastructure, designation of teachers and a psychologist, hold extracurricular workshops, posters, magazines, parenting school, among others.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Volcan respects the right to collective bargaining, as established in the collective bargaining agreement and internal work regulations. These documents include commitments to improve working conditions and economic benefits provided by the Company in agreement with eight unions to avoid the impact of labor strikes or stoppages. 103-1

In addition, Volcan respects its employees' freedom to join unions and participate in collective bargaining, as established by both national and international law. Employees are completely free to meet and associate between them in the entity or union of their choice. 103-2

VOLCAN RESPECTS ITS EMPLOYEES FREEDOM TO JOIN UNIONS AND PARTICIPATE IN COLLECTIVE BARGAINING, AS ESTABLISHED BY BOTH NATIONAL AND INTERNATIONAL LAW.

Any collective bargaining with Volcan's unions is carried out through direct dialogue.

In this sense, the Company signs collective bargaining agreements on an annual basis with the unions that represent the majority of its employees. During these negotiations, the parties assess salary increases and working conditions in the operating units. It should be noted that employees of contractor or supplier companies are not represented by unions. 103-3

Moreover, benefits contained in collective bargaining agreements apply to all Volcan employees as per the Company's policy. It is important to note that 69% of workers and 39.7% of employees belong to a union and their salary increases and working conditions are regulated through collective bargaining processes. 102-41

As in other aspects, the Company provides a Whistleblowing Hotline for reporting cases of discrimination or infringement of the rights of unionized employees. 406-1

REGULATORY COMPLIANCE WITH UNIONS

Compliance with legal labor obligations and collective bargaining agreements improves relations with employees, strengthens the continuity of operations, and enables the company to understand personnel concerns and needs. 103-1

Volcan uses the following tools to manage labor relations and to comply with legal labor obligations and agreements: 103-2

- Virtual regular meetings with union representatives, as established by the Company and the unions. These meetings take place every two weeks or every month.
- Continuous improvement virtual meetings with the participation of the Operations Management. The purpose of these meetings is to obtain regular feedback from employees through their unions, and follow-up on implementation.
- Virtual meetings with union representatives and the Financial and Accounting Management to provide regular updates on the economic and financial situation of the operations.

Finally, through labor relations committees, Volcan monthly assesses management indicators related to: 103-3

- The number of items addressed in the bi-weekly or monthly agendas with different unions.
- Compliance with commitments made to unions, arising from internal items (agenda)
- Number of workers that belong to unions from the total of employees in the operation.
- Number or stoppage days due to unions grievances.

COMPLIANCE WITH LABOR REGULATIONS AND COLLECTIVE BARGAINING AGREEMENTS IMPROVES RELATIONS WITH EMPLOYEES.

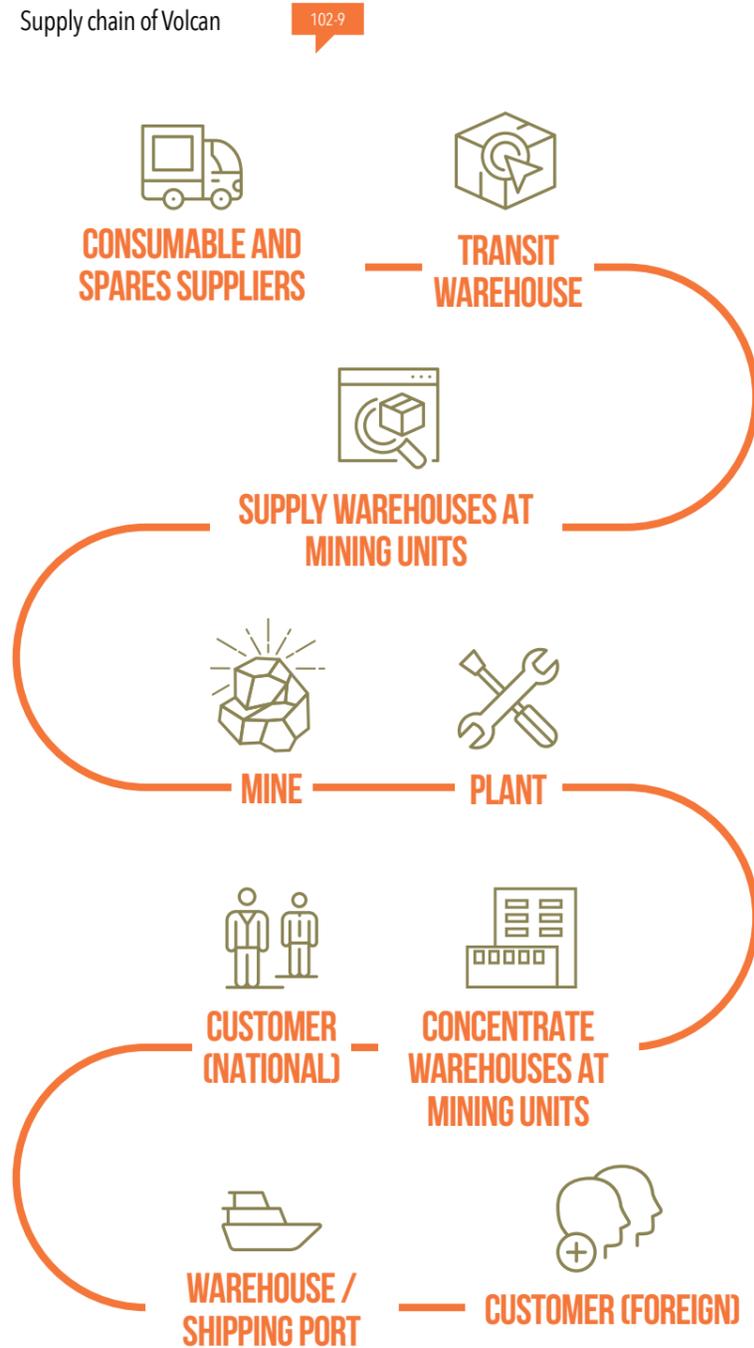




SEVEN

SUPPLIERS AND CONTRACTORS MANAGEMENT





EFFICIENT MANAGEMENT OF CONTRACTORS AND SUPPLIERS

Contractors and suppliers are a fundamental part of the Volcan supply chain. They provide goods, services, information, and resources to meet the needs of all operating units. 103-1

In 2020, Volcan disbursed USD 450 million to contractors and suppliers' companies. Annual procurement of supplies and regular spare parts totaled USD 161 million and payments to contractors' companies totaled USD 289 million.

AVERAGE AMOUNT AND PAYMENTS TO SUPPLIERS AND CONTRACTORS IN 2020 102-9

CLASSIFICATION	AVERAGE AMOUNT	ANNUAL PAYMENT (USD MM)
Regular Suppliers	109	146
Regular Contractors	69	212
Total	178	358

To ensure appropriate economic, social, and environmental performance, Volcan supervises its subcontractors to ensure that they comply with labor laws and are aligned with the principles, values, policies and safety standards of the Company. In this sense, the Company strictly controls compliance with regulations and obligations in the operating units. In addition, the Contractor invoice payment procedure is subject to controls; invoices are approved only after the contractor submits evidence of compliance with labor obligations for the previous month to the Administrative Department. 103-2

Consequently, all contractors' companies must work in accordance with the standards of Volcan's Occupational Health and Safety and Environment System, as well as best practices in social responsibility promoted by the Company. Each contractor company's worker is required to receive a minimum number of hours of training and actively participate in all programs and talks given each month.

Due to the global pandemic and the state of emergency since March 2020 decreed by the Peruvian government, the processes with suppliers and contractors have been in compliance with the Company's corporate policies and procedures.

PROCUREMENT PRACTICES

Volcan's procurement policy prioritizes local hiring for services and certain inputs, as long as the required technical conditions and quality standards are met, and goods and services are offered at competitive market prices. Therefore, the Company encourages contractor or suppliers to hire personnel from the area of influence of the mining unit, mainly for positions requiring unskilled labor. 103-2

In addition, Volcan has quality standards for the commodities it purchases and makes periodic visits to its different suppliers. The Company also follows a procedure that establishes technical and financial mechanisms for procuring goods and services.

It is worth noting that, in 2020, 98% of materials and supplies were purchased from Peruvian suppliers. The remaining 2% were imports. 204-1

Volcan allocates a percentage of its annual budget to suppliers in order to purchase products and services for the areas of its major operations. A local supplier is defined as any company that provides services or goods and is located within the area of influence of Volcan's mine operations.

- 14% of the value of services contracted is at the local level (rural communities and community enterprises).

- 4.79% of the value of supplier companies is local.

PROPER PRODUCT MANAGEMENT

Volcan guarantees the correct handling and manipulation of its production, and this not only ensures efficient management, but also adequate environmental care throughout the logistics chain. In this regard, the Company strives to work with partners who engage in transportation, storage, shipping, and other specialized services. In addition, the Company uses Material Safety Data Sheets (MSDS) for each of its products. The reports are available to all agents in the chain. This procedure enables the Company to ensure the transparency of information about the chemical composition, use, storage, handling, emergency procedures, and potential health effects of its products. As a result, customers, shipping companies, logistics agents, and warehouses are duly informed. All MSDS reports are reviewed and periodically updated to ensure their applicability. 103-1, 103-2



EIGHT

CUSTOMER MANAGEMENT



A GOOD COMMERCIAL RELATIONSHIP IS BUILT ON THE FOUNDATIONS OF CONTRACT COMPLIANCE, WHICH IS DEFINED IN THE DELIVERY PLAN AND THE AGREED TECHNICAL SPECIFICATIONS.



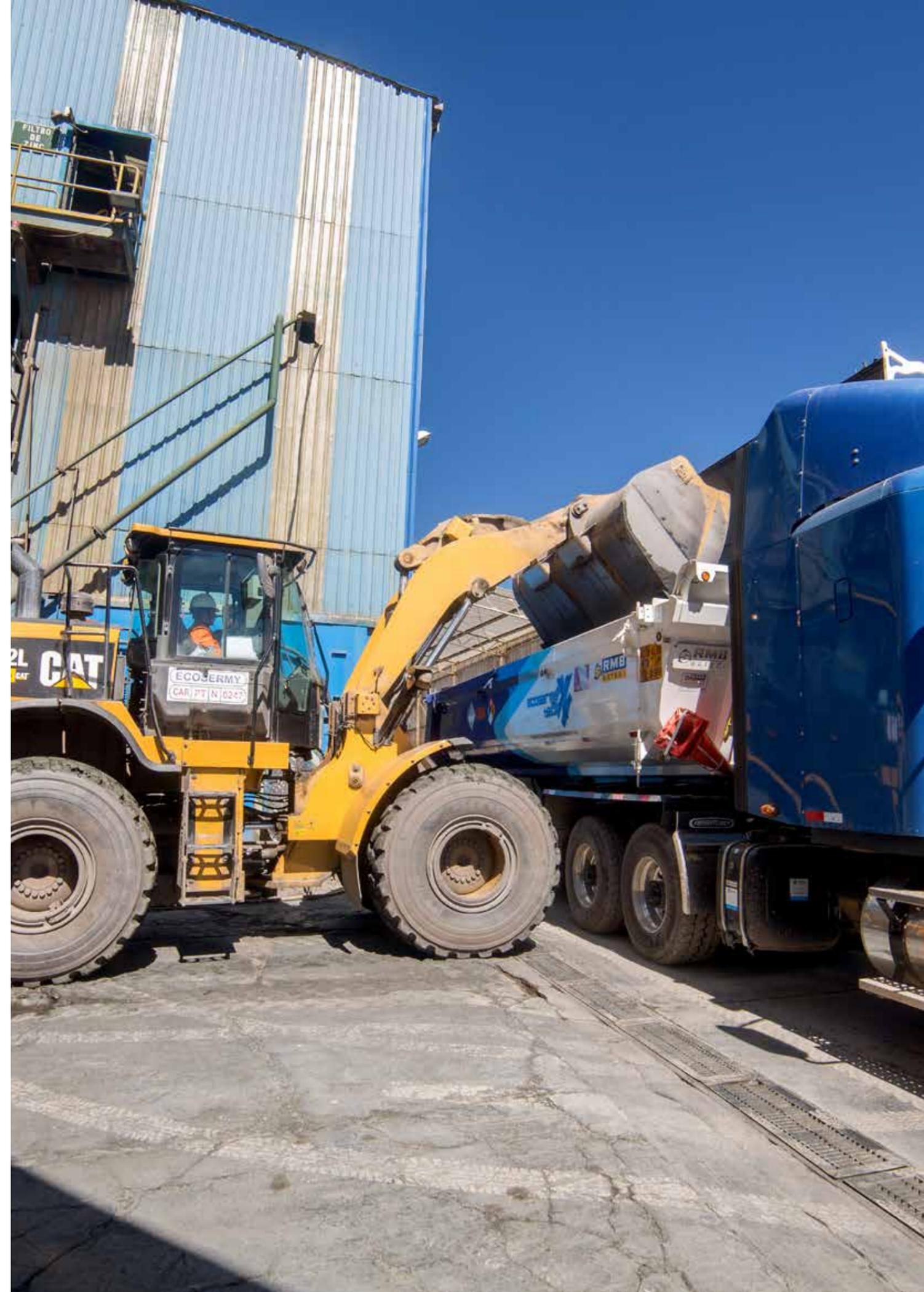
One of the most important objectives of Volcan's commercial management is to build a portfolio of key customers in order to achieve diversification based on a solid, long-term relation. This diversification is key to obtain good commercial terms and to successfully place the material in a surplus market.

A good commercial relation is built on the foundations of contract compliance, which is defined in the delivery plan and the agreed technical specifications. For this, the Operations Management and Logistics Management are in constant communication to anticipate, assess, and promptly inform the customer about any deviation from planned deliveries caused by production, operational or logistic issues.

The commercial management assesses the following indicators:

1
CONCENTRATES DELIVERED UNDER THE SALES CONTRACT WITH CUSTOMER

1
CONCENTRATES QUALITY ACCORDING TO THE AGREED TECHNICAL SPECIFICATIONS





NINE

COMMUNITIES RELATIONS MANAGEMENT





VOLCAN STRIVES TO STRENGTHEN ITS RELATIONSHIP AND DIALOGUE WITH COMMUNITY LEADERS, MAIN GOVERNMENT AUTHORITIES AND SOCIAL GROUPS TO GENERATE A PARTNERSHIP COMMITTED TO DEVELOPMENT AND COMMUNITY WELL-BEING

Social responsibility is a strategic area of the Volcan corporate vision to reach its goal of becoming a leading mining company by 2021..

To achieve this goal, our social management is used as a tool that allow us to carry out operations in a sustainable manner and have a positive impact on the development of communities within our direct area of influence. In this sense, we strive to strengthen our relationship and dialogue with community leaders as well as important government authorities and social groups to generate a partnership committed to development and community wellbeing.

Our sustainable management is based on Sustainable Development Plans and Community Relations Plans and the Public Works Tax Credit Program, which are focused on collaboration through:

- Productive development projects that involve diversification beyond mining itself.
- Promoting local employment through formalization and growth of community enterprises that provide goods and services for operations.
- Strategic areas of development such as education, health, nutrition, institution-building, and infrastructure.
- Public-private partnership mechanisms to reduce the infrastructure and utilities gap.

The basis of open and harmonious communication is respect for people, their customs, and their traditions. That is the essence of Volcan's relations with one of its main stakeholder groups, such as the communities within its area of influence. One of the pillars of community relations management is the expectations that communities have of the Company.

In this aspect, Volcan has Open Door Policies to receive all members from stakeholder groups. It also has communication mechanisms, such as procedures to address complaints and grievances, and inquiries directly related to the operations, environmental matters, among others.

VOLCAN CUENTA CON POLÍTICAS DE PUERTAS ABIERTAS PARA RECIBIR A TODAS LAS PERSONAS QUE FORMAN PARTE DEL GRUPO DE INTERÉS.

As part of its communication efforts, Volcan publishes a journal at each mining unit to explain what it does for community and share relevant articles related to education health, safety, environment, among others. In addition, public communications are made on local radio stations.

KEY COMMUNITY EXPECTATIONS

- A strategic alliance that promotes community development
- Development interventions based on the sustainable development plan.
- Expectation that the Company will prioritize hiring members of the local community and their families (direct or indirect hiring).

Current law requires that companies conduct environmental and social studies before initiating any extractive activity. These instruments clearly establish the mechanisms for assessing and managing the impacts of operational activities on the surrounding population. This information develops environmental and social baselines that describe the environmental and socioeconomic characteristics of the area prior to start activities.

In this sense, baselines are used to determine the potential social impacts of the activity or mining project and to develop mitigating measures or control negative impacts and reinforce positive ones. These measures are set forth in the Community Relations Plan (CRP) which also documents the concerns and desires of the population.

Based on this analysis, the following programs were established:

- Communication and information programs.
- Education programs
- Health programs
- Employment promotion programs
- Local goods and services procurement programs
- Cultural promotion programs, among others

Volcan manages mechanisms for involvement, follow-up and control of the community relations activities contained in its policies, rules and procedures, including:

- Community Relations Plans (CRP) on a yearly basis that register commitments acquired by the Company.
- Community relations protocols that govern the conduct and performance of all management personnel at operating units or projects.

- Current legislations, which include mechanisms for enforcement and control compliance with commitments.
- Involvement of the Office of Social Management and Dialogue of the Presidential Council of Ministers, which channels community grievances, coordinates dialogue, and facilitates consensus
- The participation of the Ministry of Energy and Mines, through the Social Management Office, facilitates dialogue and verifies the information in the Annual Consolidated Declaration, which is a sworn statement.
- Permanent Information Offices (PIO), which are a channel for community concerns, complaints, and grievances regarding social and environmental matters.



AREAS OF INFLUENCE

Each operating unit of Volcan has signed agreements with the communities of its direct area of influence. The operating units and the communities within their direct and indirect areas of influence are shown below:

39*

RURAL COMMUNITIES IN THE AREA OF DIRECT IMPACT

* Rural communities that are considered for more than one area of direct impact are considered only once for the final counting

AREA OF DIRECT INFLUENCE 413-1, 413-2

BAÑOS	CERRO	ALPAMARCA	CHUNGAR	CARAHUA-CRA-SAN CRISTÓBAL	ANDAYCHAGUA	TICLIO	EXPLORATIONS
13	11	4	2	3	2	3	6
Carhuacayán Chauca Chuquiripay Huascoy Pirca San José de Baños San Juan de Uchucuanico San Juan de Viscas San Miguel de Vichaycocha San Salvador de Pampas Santa Catalina Santa Cruz de Andamarca Ravira	Quiulacocho Racracancha Sacra Familia San Antonio de Rancas San Miguel Santa Ana de Tusi Tingo Palca Yurajhuanca La Merced de Jarria San Miguel de Pallanchacra Vinchos	Carhuacayán San José de Baños Santa Catalina Chuquiripay	San José de Huayllay San Agustín de Huaychao	Pomacocha San Juan Bautista de Pachachaca Yauli	Huay Huay Suitucancha	San Francisco de Asís Pucará San Mateo de Huanchor San Antonio	Chauca Cochahuayco Santa Catalina Santa Cruz Sisicaya Vichaycocha

BUILDING HARMONIOUS COMMUNITY RELATIONS

COMMITMENT TO EDUCATION

Primary and secondary education 203-1

In 2020, the alliance with Enseña Peru NGO, an association that promotes a professional movement to transform education, was still in place. This partnership between Volcan and Enseña Perú has been present at the Yauli, Chungar and Cerro de Pasco mining units during the year, and had a direct impact on more than 1,023 primary and secondary education students. Improvement indicators were achieved in math, language comprehension, physics, english, science, technology and environment.

Higher Education Yauli Mining Unit

Four full SENATI scholarships were awarded to young people from the Yauli Rural Community, as part of the agreement with the community. There were new students for the careers of Maintenance Mechanics, Automotive Mechanics, Heavy Machinery Mechanics and Software Engineering with Intelligence.

Chungar Mining Unit

Ten students from the Huayllay Community received SENATI scholarships and English classes were also offered to students during the summer. Moreover, two students were awarded with scholarships at SENATI, two students at Tecsup and two students at Cetemin.

Cerro de Pasco Mining Unit

In the San Antonio de Rancas Community, 25 students received scholarships at the Universidad Nacional Daniel Alcides Carrión (Undac), 15 students received full scholarships at Senati and two at Tecsup.

Likewise, in the Quiulacocho community, three students received scholarships at Undac and one student received a full scholarship at SENATI.

Alpamarca Mining Unit

In 2020, three students in the community of San José de Baños received full scholarships at SENATI.

Moreover, in the Santa Catalina community, three students received full scholarships at SENATI and other three students received scholarships at Cetemin. Finally, the "Vacaciones en escena" vacation program was implemented in two communities of Santa Catalina (Santa Cruz and Santa Catalina), which was attended by the children of the community.

TRAINING

Yauli Mining Unit

- In 2020, Computers and IT workshops were held with the attendance of over 20 students from the Pomacocha Rural Community, which is a direct area of influence of the San Cristobal-Carahuacra mining units. This activity was carried out in coordination with SENATI and in compliance with the agreement with the community. However, the activities were limited due to the pandemic.

Chungar Mining Unit

- The annual "Heavy Equipment Operator" training course was held for 20 community members of Huaychao and their sons. However, the training course could not be provided due to the pandemic, since its methodology is 80% practical and the students had to attend the course in person.

COMUNIDADES EN EL PROGRAMA DE ENSEÑA PERÚ 203-1

DEPARTAMENTO	UNIDAD	COMUNIDAD
	Cerro	Rancas Huayllay
Pasco	Chungar	Cochamarca León Pata Andacancha Suitucancha
Junín	Yauli	Huay-Huay Yauli

Therefore, this clause was replaced by the purchase of tablets for education benefits upon request of the community.

Cerro Mining Unit

- Training in the Code of Ethics and Conduct was provided to the employees of contractor and community companies in its area of direct influence, in accordance with the Community Relations Plan and Reporting Program.
- Moreover, training in participatory social and environmental monitoring was provided, aimed at communities and villages in the area of influence. Subsequently, a follow-up was carried out during February and December. The latter was carried out in compliance with COVID-19 protocols.
- Due to the COVID-19 situation in 2020, in coordination with SENATI, virtual training in labor and technical education was developed for the communities within the areas of social influence of Cerro de Pasco.

Alpamarca Mining Unit

- The "Vacaciones en escena" program was developed in the communities of Santa Catalina, Santa Cruz and San José de Baños.
- During the vaccination campaigns, a workshop was held on the prevention of diseases in sheep and cattle in compliance with biosecurity protocols.

HEALTH

The strategic alliance between the Company and PrismaNGO is still in place, and seeks to uphold the improvement of health standards and further impact the communities' quality of life.

The project has identified (through progress and monitoring indicators) prevalent diseases across over ten specialties, mainly respiratory, musculoskeletal and gastrointestinal conditions. In addition, efforts to prevent these diseases are implemented through advocacy meetings, raising awareness among authorities, and through in-person educational sessions on key topics, which are determined by the community's needs, such as

care and personal hygiene, healthy nutrition, anemia prevention among others.

More than 9,500 medical attentions are given every year.

Volcan seeks the involvement of the State in the implementation and execution of these initiatives, as it plays a fundamental role to ensure the project's sustainability. In this regard, when patients who required immediate medical attention were detected, facilities were provided to ensure they received adequate treatment at public health institutions. In 2020, due to the restrictions of the COVID-19 pandemic, it was decided to carry out donation campaigns to support the fight against the pandemic, as agreed with the communities.

MEDICAL CAMPAIGNS PER COMMUNITY

DIVISION	UNIT	LOCATION	CAMPAIGN
Mining	Yauli (Carahuacra- San Cristóbal, Andaychagua, Ticlio)	Pachachaca	1°
		Pomacocha	1°
		Suitucancho	1°
	Cerro	Yauli	2°
		Quiulacocha	2°
		Yurajhuanca	1°
		Chungar	2°
Total mining			11
Energy	CH Baños	Ravira	1°
		Viscas	1°
Total energy			2
Total			13

SUPPORT CAMPAIGN AGAINST COVID-19

Glencore established a social fund for its global operations as a response to the global pandemic caused by the increase of COVID-19 cases. The objective was to support operations so that they have the resources to meaningfully assist the community in which they operate.

At the end of 2020, an investment of USD 366 thousand was provided, equivalent to hundreds of tons of basic humanitarian aid, such as food, warm clothing against the cold, delivery of PPEs and equipment for rural medical posts to benefit more than fifty communities, villages and institutions, such as firefighters and the National Police.

A TOTAL AMOUNT OF 366,500 USD WAS INVESTED, EQUIVALENT TO TONS OF BASIC HUMANITARIAN AID.

VOLCAN USED THIS FUND FOR:

1. PROTECT THE SAFETY AND HEALTH OF EMPLOYEES AND THE COMMUNITIES NEAR THE MINING UNITS.

2. REDUCE THE ECONOMIC BURDEN OF THE COMMUNITIES THROUGH COORDINATION AND DELIVERY OF BASIC NECESSITIES IN THIS EMERGENCY STAGE.

Campaign against Anaemia

In parallel, and through the same alliance, since 2018, Prisma has been fighting the incidence of the anemia syndrome in children under 5 in the Cerro and Chungar Communities (Paragsha, Quiulacocha) and Chungar (Huaychao). The plan identifies children's nutritional condition, their consumption of iron-rich foods and/or supplements, processing of necessary micronutrients, and the severity of the anemia, if detected. In 2020, the intervention had to be suspended due to the emergency situation caused by the COVID-19. However, it is scheduled to be restarted in 2021.

ECONOMIC DEVELOPMENT

As part of the economic development, Volcan and Prisma NGO designed a joint action strategy for preserving and protecting traditional businesses and developing their industry through innovative ideas.

Agricultural and livestock campaigns aimed at improving the productive chain, through technical assistance and progress monitoring in the areas of influence. In 2020, over 120,000 heads of livestock were vaccinated. The COVID-19 sanitary protocol was implemented and followed in all campaigns.

Local employment promotion

By encouraging local employment, we contributed to reduce unemployment and increase the income of communities in the area of influence.

Also, it was possible to promote the improvement of local personnel

capabilities to contribute to their human and professional development. Volcan continues to pursue its policy of engaging local companies. In 2020, community businesses achieved an aggregate annual turnover of approximately USD 50 Million.

INFRASTRUCTURE

Volcan promotes the development of infrastructure to generate a positive social impact on quality of life, in line with the commitments assumed by the Company and the needs of the communities within its direct area of influence.

VISITS PER LOCATION

DIVISION	UNIT	LOCATION	CAMPAIGN	
Mining	Cerro	Coop. Yanamate	1°	
		Quiulacocha	2°	
		Yurajhuanca	1°	
	Chungar	Huayllay	1°	
		Huaychao	1°	
	Alpamarca	Santa Catalina	1°	
		Pomacocha	1°	
		Yauli	1°	
	Energy	CH Baños	Suitucancho	1°
			San José de Baños	1°
Santa Cruz de Andamarca			1°	
CH Baños		San Miguel de Vichaycocha	1°	
		San Juan de Chauca	1°	
		Viscas	1°	
		Ravira	1°	
CH Baños		Huascoy - Chuquiquirpay	1°	
		Pacaraos	1°	
		Total mining		10
Total energy		8		
Total		18		

In 2020, the following was implemented:

Chungar Mining Unit

- In 2020, as part of the agreement with the Huaychao Community, aiming to support the community to continue strengthening its agricultural activities, the construction of the second livestock shed in Jatumpampa, with a capacity for 2,000 head of cattle, was completed. The purpose of this investment is to provide the animals with a space with food, water and an appropriate place to rest and shear their wool, which will result in productivity, profitability and economy for the community.
- Furthermore, the first cattle shed was built in 2019 in Carpacancon, and both in compliance with clause 8.5.4 of 16 Agreement have been executed with the Peasant Community of Huaychao.
- Similarly, in Huaychao, a total amount of S/. 100,000 was contributed in accordance with clause 8.7.5 of the agreement to improve cultivated pastures with technified irrigation and to genetically improve livestock
- In Huallay, three villages carried out their productive projects

to continue with the economic development of the community. San Carlos built the first and second stages of the tap. Andacancha continued with the construction of the fourth floor of its commercial housing project. Finally, a recreational park was built in Canchacucho.

Alpamarca Mining Unit

- In 2020, under the agreement reached with the Santa Catalina Community regarding the Romina II project, the local community building was built for a total amount of S/300,000. In addition, a total amount of USD 18 thousand was granted to develop the annual improvement project to improve the irrigation system and pastures as part of the social responsibility program.
- In the community of San José de Baños, nearly 300 metal posts and 1,000 m of Olympic mesh were delivered to fence the farm and establish the limit border with the Chuquiquirpay community

- In the community of Carhuacayán, nearly 300 metal posts and 1,000 m of Olympic mesh were delivered to fence and establish the limit border with the community of San José de Baños.

OVERSIGHT COMPLIANCE

Volcan's activities are supervised by government agencies that enforce fulfillment commitments made to communities and application of standards to prevent significant impact on the environment that could harm human health and lives.



The Agency for Environmental Assessment and Enforcement (OEFA) assesses, oversees and in some cases, sanctions Volcan's activities. OEFA is a specialized technical body attached to the Ministry of Environment, it enforces and ensures an adequate balance between private investment for economic activities and environmental protection. In addition, it controls the National System for Environmental Assessment and Enforcement (SINEFA, by its acronyms in Spanish).

103-3

FORMAL GRIEVANCE MECHANISMS

As part of its environmental policy and to comply with citizen engagement regulations (Supreme Decree No. 028-2008-EM, Regulation on Citizen Engagement in the Mining Subsector), Volcan and its subsidiaries implement citizen engagement mechanisms for the different stages of mining activity, such as exploration, production, or mine closure. In addition, the Company has a Permanent Information Office in all approved environmental impact assessments available to the community and provide information about project and operational progress.

102-43, 103-2, 413-1, MM7

These offices receive suggestions, comments, reports, and grievances from stakeholders in the areas of influence. The documentation is promptly processed and addressed. Depending on the type of grievance meetings are held to clarify questions, which are complemented by guided visits when necessary.

SOCIAL INVESTMENT

The goal of Volcan's social investment is to contribute to sustainable human development in the 39 communities in its area of direct influence. In 2020, Volcan invested USD 3.91 million in this area. The investment is primarily based on the Company's 84 agreements and commitments with rural communities, established in sustainable development and community relations plans arising out of environmental impact assessments. This investment is concentrated in three areas: education, health, and economic development. In addition, to strengthen the local economy, Volcan worked with 21 community enterprises with total billing around

103-1, 103-2, 203-1

USD 50 million per year for civil works, mining operations, and hauling services, among others.

Likewise, the Company Donated a total amount of USD 366,500 together with Glencore for the sole purpose of strengthening the capacity of communities to fight against the COVID-19 pandemic.

(103-3)(203-2)

There are currently no impact evaluations being implemented for the main projects and investments made, as it is necessary to establish a baseline that would enable analysis of the current situation. In 2020, prior to the completion of the baselines, a perception study to take place in the main communities within the area of direct influence.

SOCIAL INVESTMENT BY UNIT

SOCIAL INVESTMENT	(USD)
Alpamarca	68,665
Andaychagua	400,520
Animón	371,037
Cerro	661,522
Exploraciones	1'019,619
Islay	333,287
Óxidos	127,325
Carahuacra - San Cristóbal	222,718
Tidlio	259,522
CC.HH	449,702
Total	3'913,917

203-1

SIGNIFICANT INVESTMENTS IN SOCIAL INFRASTRUCTURE

Since 2010, Volcan and its subsidiary Chungar have financed 14 infrastructures and public services projects of great social impact with an investment of S/108.5 million, which have contributed to reduce the country's infrastructure gap in education, water and sanitation, solid waste management, transport, among others. These projects benefit approximately 500 thousand people.

203-1

Volcan is actively participating and promoting the Public Works for taxes mechanism through new projects and by approaching the new local, regional and national authorities. The projects executed by the Company benefit mainly the closest populations and follow an internal

strategy of investing in crucial sectors to achieve greater social impact. Moreover, Volcan holds the third spot among mining companies in the Public Works Tax Credit ranking in terms of total investment amount committed. The Company is a founding member of ALOXI, the Partnership for Public Works Tax Credits, which brings together the companies responsible for executing more than 80% of investment under this mechanism.

Volcan aims to continue the development of the city through further investments in the Public Works Tax Credits program. Projects are currently under assessment for joint execution with the new authorities.

RANKING OF COMPANIES BY INVESTMENT AND NUMBER OF PROJECTS (MM S/ FOR THE PERIOD OF 2009-2020)

N°	COMPANY	TOTAL
1	Banco de Crédito del Perú S.A.A. - BCP	1,210.29
2	Compañía Minera Antamina S.A.	1,036.26
3	Southern Peru Copper Corporation	852.83
4	Optical Technologies S.A.C.	301.39
5	Telefónica del Perú S.A.A.	233.25
6	Banco Internacional del Perú S.A.A. - Interbank	191.17
7	Unión de Cervecerías Peruanas Backus y Johnston S.A.A. - BACKUS	113.94
8	Volcan	108.5*
9	Ferreyros S.A.	90.15
10	Yura S.A.	88.35

(*) Volcan Compañía Minera S.A.A. and Compañía Minera Chungar S.A.C Source: Bureau of Decentralized Investments - ProInversión

SINCE 2010, VOLCAN AND ITS SUBSIDIARY CHUNGAR HAVE FINANCED 14 INFRASTRUCTURE AND PUBLIC SERVICES PROJECTS OF GREAT SOCIAL IMPACT WITH AN INVESTMENT OF S/ 108.5 MILLION, WHICH HAVE CONTRIBUTED TO REDUCE THE COUNTRY'S INFRASTRUCTURE GAP IN EDUCATION, WASTER AND SANITATION, SOLID WASTE MANAGEMENT, TRANSPORTATION, AMONG OTHERS.



TEN

REPONSIBLE ENVIRONMENTAL MANAGEMENT



ENVIRONMENTAL MANAGEMENT SYSTEM

103-1, 102-11

Volcan is committed to establish an environmental management aimed at the sustainable development of the Company, therefore, as part of this vision of sustainability, a world-class environmental management that seeks Volcan's sustainable development, with continuous challenges in the improvement of results as part of the commitment to a culture of corporate sustainability.

For this, standards, requirements, tools and indicators have been established to apply the best environmental practices and to achieve a world-class environmental management that seeks Volcan's sustainable development, with

continuous challenges in the improvement of results as part of the commitment to a culture of corporate sustainability.

STANDARDS, REQUIREMENTS, TOOLS AND INDICATORS HAVE BEEN ESTABLISHED TO APPLY THE BEST ENVIRONMENTAL PRACTICES AND TO ACHIEVE A WORLD-CLASS ENVIRONMENTAL MANAGEMENT

The development of the management system is applied through eight environmental management standards for environmental critical risks. These standards constitute the Volcan's Green Book.

In 2020, the process of including the main requirements of the International Council on Mining and Metals (ICMM) within Volcan's environmental management framework for water and effluent environmental management standards and comprehensive closure began.

ENVIRONMENTAL MANAGEMENT STANDARDS

- Environmental management for Projects.
- Water and effluent Management.
- Critical Environmental Risk Management System.
- Comprehensive Mine Closure Management.
- Solid Waste Management.
- Management of hazardous cargo transportation.
- Management of Atmospheric emissions.
- Natural Resources Management.

VOLCAN'S GREEN BOOK

The environmental management system at Volcan is measurable and assessed on a yearly-basis through external corporate audits using established qualification criteria, which allow measuring the evolution, and confirming the environmental focus and commitment to continuous improvement aimed at preventing and controlling the main environmental risks.

103-2



LIQUID EFFLUENTS OUT OF LIMITS



INADEQUATE WASTE DISPOSAL



DAM BREAK



NEW PRODUCTS



WASTE OF NATURAL RESOURCES



ACCIDENTS DURING TRANSPORTATION OF HAZARDOUS CARGO



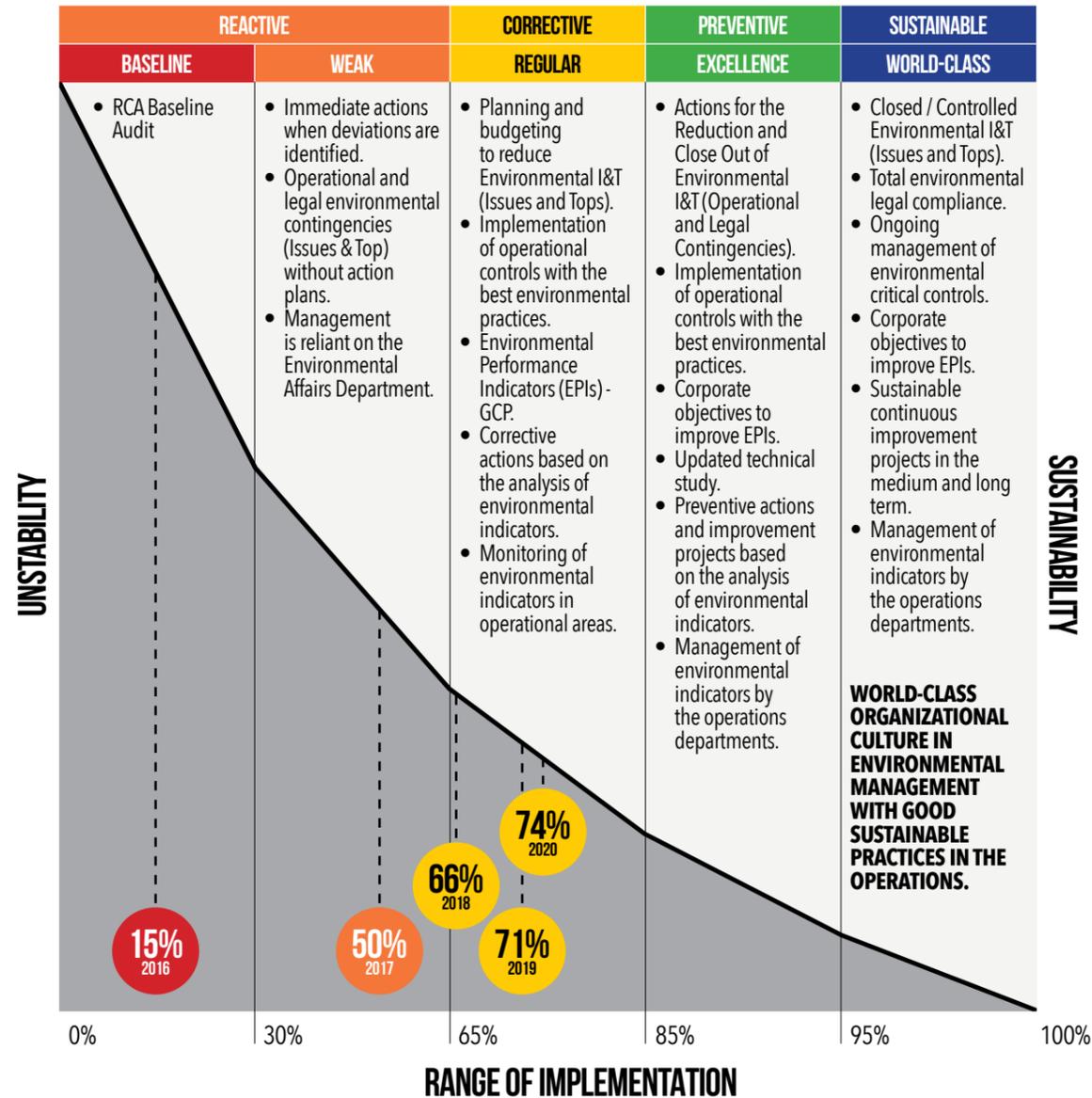
DEGRADATION OF AREAS



ATMOSPHERIC EMISSIONS



EVOLUTION OF VOLCAN'S ENVIRONMENTAL MANAGEMENT SYSTEM



ENERGY

302-1, 302-3

At Volcan, energy consumption is through renewable and non-renewable energy sources.

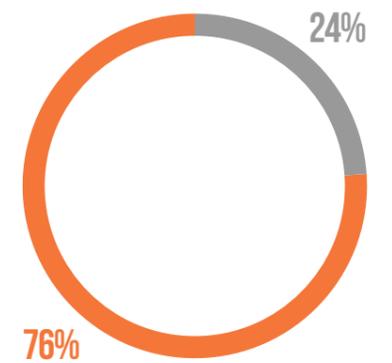
The energy consumption from renewable sources is carried out with its own hydroelectric energy from the Chungar and Tingo hydroelectric plants, which represent 24% of Volcan's total energy consumption. Moreover, the 76% of energy is supplied (purchased) by the SEIN

and is considered non-renewable energy.

To increase operational efficiency, the Company created the Corporate Energy Efficiency Program aimed at maintaining energy costs at 8-10% of ore production cost. This program seeks to minimize energy consumption during peak hours, turning off equipment and using condenser banks to efficiently compensate for reactive energy.

302-4

ENERGY CONSUMPTION



● Renewable
● Not renewable

2020 ENERGY CONSUMPTION

MINING UNITS	ENERGY CONSUMPTION (MWH)		
	NOT RENEWABLE	RENEWABLE	TOTAL
Alpamarca	23,164	-	23,164
Andaychagua	86,887	-	86,887
Chungar	64,021	155,057	219,078
Cerro	131,855	-	131,855
San Cristóbal - Carahuacra	143,558	-	143,558
Ticlio	46,373	-	46,373
Total	495,860	155,057	650,917



WATER AND EFFLUENTS MANAGEMENT

303-1, 303-2, 306-1

Water is an essential resource for mining that is used mainly in the ore concentration process and as industrial water on a smaller scale as domestic water for camps and auxiliary structures. The main sources of water supply are surface and underground water that are found in rivers, ponds and springs previously identified and assessed in the established environmental certifications.

Volcan and its subsidiaries are implementing measures to optimize the efficient use of water resources:

- Recirculation of water in mining processes.
- Inspections to detect leaks and/or poor practices in order to identify improvements opportunities.
- Identify process improvements and reduce water consumption.
- Personnel training in rational water use and consumption.

Volcan and its subsidiaries have an authorized discharge volume of 48.6 million for extraction from surface and underground sources.

Volcan recirculated 28% of the total water used in its operating activities during 2020.

Volcan and its subsidiaries have an authorized discharge volume of 92.1 million m³ per year towards receiving points.

The quality criteria for water discharges are established by the Ministry of the Environment and the Ministry of Energy and Mines, for which Volcan ensures the care, preservation and protection of water resources for its discharges through treatment systems implemented in all mining units. It also has an environmental monitoring program

to verify the quality of effluents and the quality of the receiving body in the entire water monitoring network established in the area of influence in order to identify operational deviations, assess trends and then take actions to prevent, control and mitigate the impacts that may be generated by discharges.

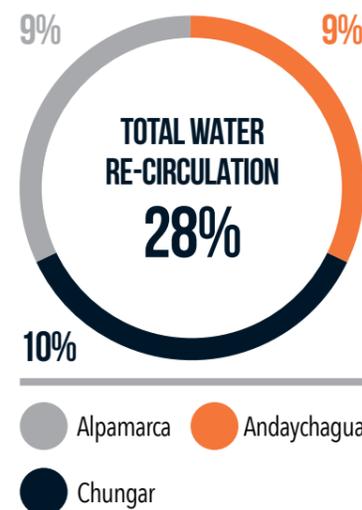
AUTHORIZED WATER VOLUMES BY UNIT

MINING UNIT	VOLUME (M ³ '000)
Alpamarca	2,140
Andaychagua	2,443
Chungar	3,312
Cerro	30,590
San Cristóbal -Carahuacra	9,446
Ticlío	647

VOLCAN HAS AN ENVIRONMENTAL MONITORING PROGRAM TO VERIFY THE EFFLUENTS AND THE QUALITY OF THE RECEIVING BODY IN THE ENTIRE WATER MONITORING NETWORK ESTABLISHED IN THE AREA OF INFLUENCE.

As part of the water and effluent management standard, Volcan is establishing best market practices to achieve a comprehensive water management, including short, medium- and long-term actions in line with national regulations and also adopting the best practices in the market and the initiatives contained in the ICMM guidelines.

WATER RE-CIRCULATION



EMISSIONS AND AIR QUALITY

305-1, 305-2, 305-4

Volcan's corporate carbon footprint has been prepared following the methodology of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol), as well as based on the guidelines and principles of the Standard ISO 14064. For this calculation, the greenhouse gases established by the Kyoto Protocol (CO₂, CH₄, N₂O, HFCs, PFCs and SF₆) are considered. This calculation is established and determined on the Glencore Corporate Practices (GCP) platform, which collect the information recorded by each Volcan mining unit with the following results:

The air quality monitoring networks in the areas of influence recorded values below the Environmental Quality Standard (EQS) regulated by Supreme Decree No. 003-2017-MINAM.

VOLCAN GHG EMISSIONS PER YEAR

MINING UNITS	GHG (TCO ₂ E)		
	2018	2019	2020
Alpamarca	13,387	17,383	14,221
Andaychagua	26,785	37,789	23,388
Chungar	31,766	31,019	25,152
Cerro	29,116	32,225	30,165
San Cristóbal -Carahuacra	55,865	56,978	43,470
Ticlío	12,719	14,848	12,728
Centrales	160	135	172
Total	169,798	190,378	149,296

GHG SCOPE 1 Y SCOPE 2 – VOLCAN

MINING UNITS	SCOPE 1 (TCO ₂ E)			SCOPE 2 (TCO ₂ E)		
	2018	2019	2020	2018	2019	2020
Alpamarca	7,410	11,406	9,606	5,977	5,978	4,616
Andaychagua	9,348	17,956	6,098	17,438	19,833	17,290
Chungar	20,605	17,433	12,412	11,161	13,587	12,740
Cerro	2,311	1,560	2,651	26,805	30,665	27,514
San Cristóbal -Carahuacra	19,867	21,146	14,902	35,998	35,833	28,568
Ticlío	4,210	4,327	3,500	8,509	10,520	9,228
Centrales	160	135	172	-	-	-
Total	63,911	73,963	49,340	105,887	116,415	99,956

BIODIVERSITY

Biodiversity is an important aspect of Volcan's environment protection policy. However, it should be noted that none of Volcan's operations are located within protected natural areas that are part of the National System of Protected Natural Areas (SINANPE).

As part of the environmental monitoring plan, flora, fauna and hydrobiology are monitored periodically.



WASTE MANAGEMENT

In accordance with solid waste management standards and national regulations, waste is managed without affecting the environment or people's health by applying appropriate controls to generate, segregate, store, transport and dispose of solid waste.

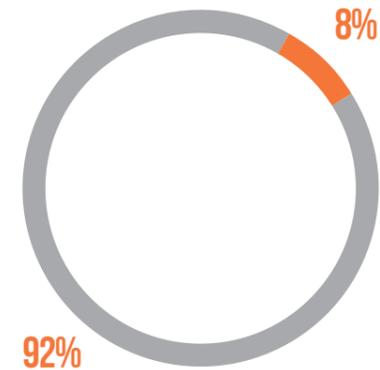
At Volcan, waste is separated by mineral waste and non-mineral waste.

Regarding ore waste, each mining unit has a tailings storage facility and waste dumps that store 92%, which are designed for such purpose. While, 8% of the ore waste is reused by the operation for underground workings.

Non-mineral waste is subdivided into hazardous and non-hazardous

waste, which is temporarily stored in the mining units for subsequent proper disposal.

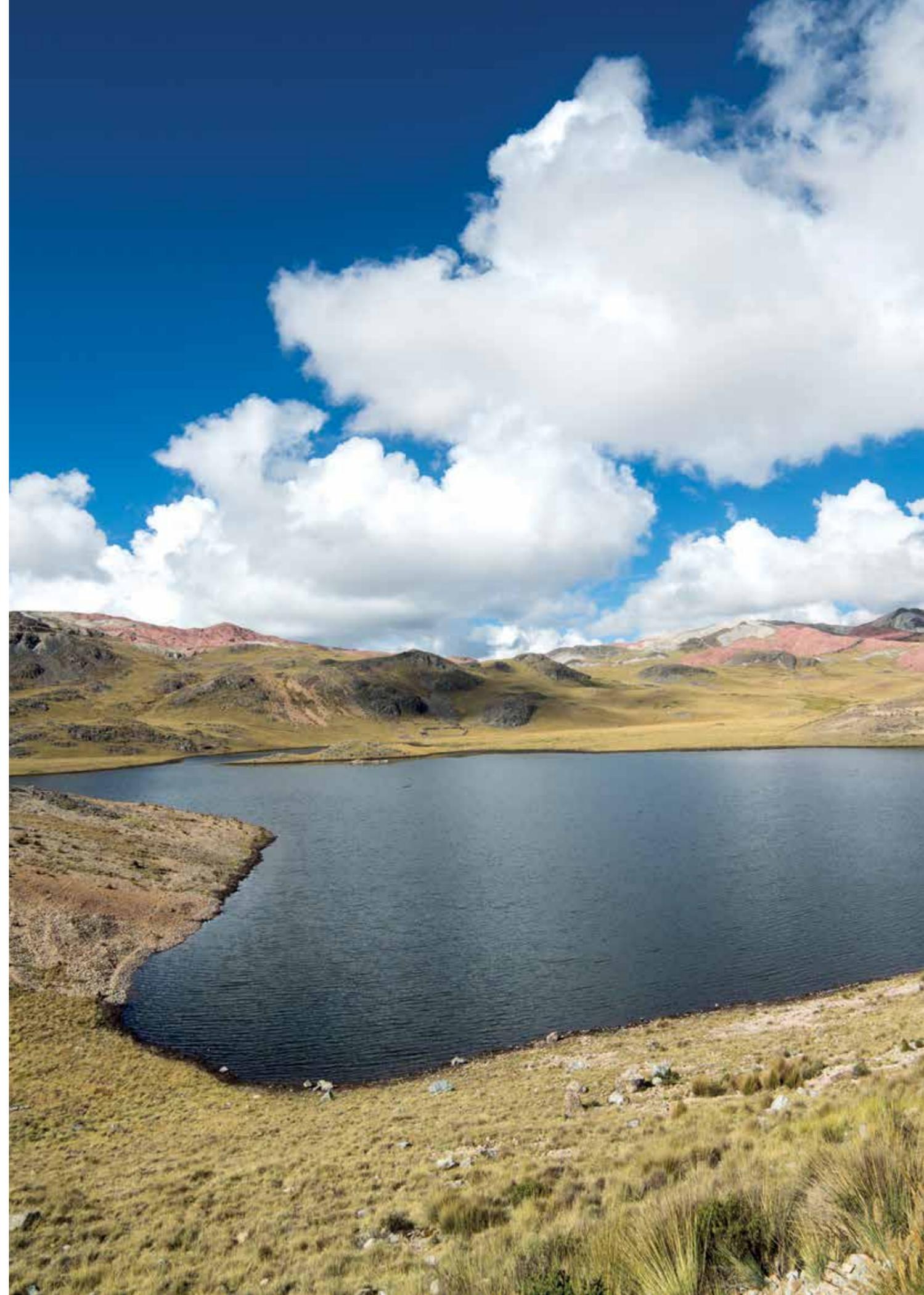
REUSED MINERAL WASTE



- Mineral waste (tailings, waste, and slurries)
- Reused ore waste

VOLCAN 2020 WASTE MANAGEMENT

MINING UNITS	MINERAL WASTE (T)	NON-MINERAL WASTE (T)	TOTAL
Alpamarca	6'712,901	375	6'713,276
Andaychagua	722,595	818	723,413
Chungar	1'660,178	4,423	1'664,601
Cerro	5'225,177	785	5'225,962
San Cristóbal -Carahuacra	1'287,272	2,003	1'289,275
Tidlio	143,015	185	143,200
Centrales	-	85	85
Total	15'751,138	8,674	15'759,812



Non-hazardous waste is sold and/or disposed of at sanitary backfills of the mining units, and non-hazardous waste is transported and taken to safety landfills outside the mining units. For this, waste service providers companies accredited and authorized by the authorities are hired.

MINE CLOSURE PLAN (MCP)

The final stage of a mine requires appropriate procedures to ensure that disturbed areas are able to recover both socially

103.2

and environmentally and to avoid generating environmental liabilities that affect future generations. To date, all Volcan mining units have approved Mine Closure Plans (MCP) in place. The Company developed its first closure plans starting in 2009, under Law No. 28090 and its regulation, Supreme Decree No. 033-2005.

As part of the execution of mine closure plans approved by the Peruvian government, Volcan is developing studies and designs to execute a progressive closure and to ensure a sustainable closure measures over time. The progress in the activities executed and their results are reported to the Ministry of Energy and Mines for subsequent auditing by the Environmental Assessment and Control Agency (OEFA)

In 2020, the following areas were rehabilitated in Volcan:

VOLCAN 2020 GENERATION OF NON-MINERAL WASTE

MINING UNITS	HAZARDOUS NON-MINERAL WASTE (T)	NON-HAZARDOUS NON-MINERAL WASTE (T)	TOTAL
Alpamarca	89.8	285.6	375.4
Andaychagua	153.5	664.2	817.7
Chungar	1,102.6	3,320.5	4,423.1
Cerro	81.5	703.7	785.2
San Cristóbal -Carahuacra	334.5	1,655.4	1,989.9
Ticio	41.6	143.5	185.1
Centrales	0.7	62.9	63.6
Total	1,804	6,836	8,640

VOLCAN IS DEVELOPING STUDIES AND DESIGNS TO EXECUTE A PROGRESSIVE CLOSURE AND TO ENSURE A SUSTAINABLE CLOSURE MEASURES OVER TIME.

VOLCAN 2020 REHABILITATED AREAS

MINING UNITS	REHABILITATED LAND (HA)
Alpamarca	0.11
Andaychagua	0.16
Chungar	-
Cerro	1.99
San Cristóbal -Carahuacra	-
Ticio	0.25
Explorations	2.55
Total	5.06

TAILINGS STORAGE FACILITY MANAGEMENT

Volcan has tailings storage facilities for its operations. Each one has environmental certifications, and construction and operating permits in force.

103.2

Tailings Storage Facilities management uses the SIGDERE tool (Waste Storage Management System for the Tailings Storage Facilities and Waste Dumps) to perform the technical and environmental comprehensive planning to enforce the monitoring programs, and empower operators at concentrator

plants allowing them to make a critical analysis and follow-up on compliance in a continuous improvement system.

SIGDERE's implementation started in 2016, as a progressive process. In 2020, the process continued, with emphasis on strengthening the implementation of the TSF Adaptation and Safety Program, establishing short-term actions to not only adopt best practices, but also migrate towards the best technology available, aiming at adaptation to the guidelines of the Canadian Dam Association (CDA) and the standards of Glencore.

The evolution of the 2020 Volcan's TSF impoundment standards obtained the following results:

- TSF are managed in a responsible manner, regarding

- environmentally and physically safe under social agreements.
- A new tailings management governance system was implemented at the corporate level.
- TSF were brought into compliance with Canadian CDA guidelines.
- Long-term tailings management plans were developed for all operations.
- Critical controls were improved, emergency response plans were updated, and early warning systems were designed to prepare communities for catastrophic events.
- The technology evolution of tailings disposal is mainly aimed at:
 - Eliminate as much as possible the influence of water.
 - Minimize the required area by reducing the distribution.
 - Design life greater than 10 years.
 - Designs prepared for seismic and heavy rainfall events.
- An investment of USD 170 MM in TSF was projected for the next four years.

The table shows the tailings storage facilities by mining unit.

TAILINGS STORAGE FACILITIES PER MINING UNIT

COMPANIES	MINING UNITS	TAILINGS STORAGE FACILITY	TYPE OF DISPOSAL
Volcan Compañía Minera S.A.A.	Carahuacra	Rumichaca	Thickening
	Andaychagua	Andaychagua Alto	Pulp
Compañía Minera Chungar S.A.C.	Alpamarca	Alpamarca	Thickening
	Animón	Animón	Thickening
Empresa Administradora Cerro S.A.C.	Cerro de Pasco	Ocroyoc	Pulp

ENVIRONMENTAL CERTIFICATIONS AND PERMITS

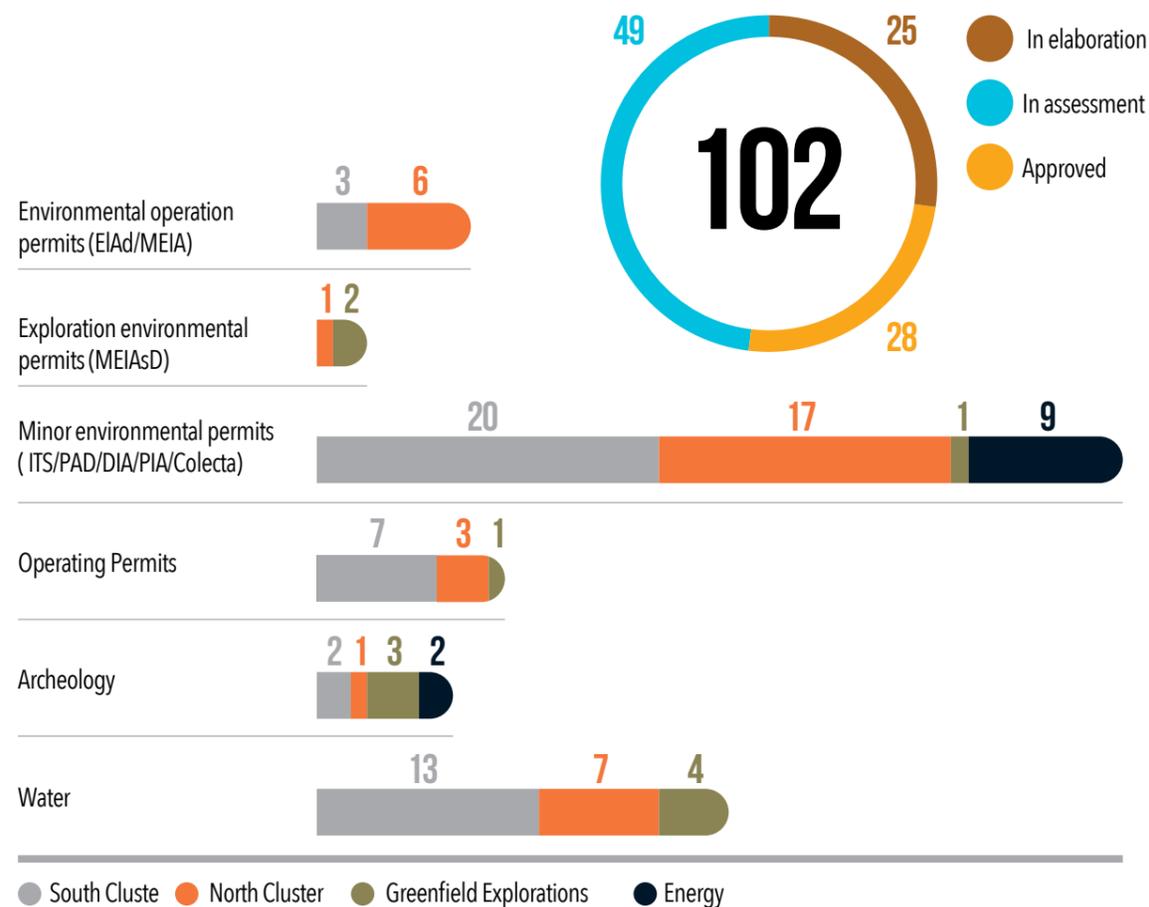
MANAGEMENT OF ENVIRONMENTAL LICENSES 2020

At the end of 2020, Volcan has managed 102 technical files: 25 in preparation, 49 in assessment and 28 approved (see the figure below).

To achieve a better management, Volcan Compañía Minera and its subsidiaries have grouped the mining units by Southern Cluster, Northern Cluster, Greenfield Exploration and Energy, and have optimized permit management.

The Southern Cluster is comprised by the Carahuacra, San Cristóbal-Mahr Tunnel, Ticlio and Andaychagua

PERMITS MANAGEMENT



EIA: Environmental Impact Assessment / MEIA: Modified Environmental Impact Assessment / ITS: Technical Support Report / DIA: Declaration of Impact Assessment / MEIAsd: Semi detailed Environmental Impact Assessment Modification / PAD: Detailed Environmental Plan.

mining units; while the Northern Cluster is comprised by the Animón, Islay, Alpamarca, Vinchos

and Romina mining units. Moreover, in greenfield explorations there are the San Sebastián, Carhuacayán, Palma and Zoraida exploration projects. Lastly, Energy is comprised by the Baños I, II, III, IV and V, Tingo

and Huanchor hydroelectric plants. In 2020, regarding the growth and operational continuity strategy, we started and continued environmental studies for new projects, expansions, modifications and technological improvements, which follow the corporate environmental guidelines and technical guidelines of the Ministry

of Energy and Mines and the National Service of Environmental Certification for Sustainable Investments (SENACE).

The following table summarizes the current status of the main growth projects and business continuity managed in 2020.

GROWTH AND BUSINESS CONTINUITY PROJECT

MINING UNIT	PROJECT	STATUS
Animón	MEIA for the implementation of PTARI and new wastewater treatment plant	Approved
	ITS for co-disposal of waste dump + filtered tailing from Esperanza	Approved
Alpamarca	MEIA to build the Quimacocha filtered tailing	In assessment
	MEIA for inpit tailings disposal and pit expansion	In elaboration
Cerro de Pasco	ITS for pit expansion and reuse of low-grade material	Approved
	Pit expansion	Start-up stage
Carahuacra	MEIA to build a filtered tailing	Preparation
Andaychagua	MEIA to disposed filtered tailings	Preparation
Islay	MEIA to implement PTARI and discharge point	Preparation
Ticlio	MEIA to implement PTARI and waste dump	Preparation
Growth project		
Romina	EIAd for Romina mining	Preparation

AT THE END OF 2020, VOLCAN HAS MANAGED 102 TECHNICAL FILES: 25 IN PREPARATION, 49 IN ASSESSMENT AND 28 APPROVED.

The following table shows the main 2020 environmental certifications and operating licenses approved.

2020 ENVIRONMENTAL CERTIFICATIONS AND LICENSES

COMPANY	MINING UNIT	TYPE OF PERMIT	PROJECT	SCOPE	APPROVAL RESOLUTION
Volcan Compañía Minera S.A.A	Carahuacra	ITS	5th ITS Carahuacra	02 Mineral Scope Explorations	N°00113-2020 SENACE-PE-DEAR
	Ticlio	ITS	2do ITS Ticlio	Explorations	N°00116-2020 SENACE-PE-DEAR
		PCM	2da Actualización PCM	Update	N°163-2020 MINEM -DGAMM
Compañía Minera Chungar SAC	Alpamarca	Hydrobiological collection	Collection of hydrobiological-2nd MEIA UM	MEIA Collection	N°00594-2020 PRODUCE -DGPCHDI
		Heritage studies	Heritage Studies - 2nd MEIA UM	Heritage Study 2nd MEIA	N°D000403-2020 MI NAGRI -SERFOR-DGGSPFFS
	ITS	3er ITS UM Animon	Concentrator plant modification	N°00279-2020 SENACE-PE-DEAR	
	ITS	4to. ITS UM	Co-disposal of filtered tailings	N°00061-2020 SENACE-PE-DEAR	
	ITM	ITM UM	Build a plant for filtered tailings	N°209-2020 MEN -DGM /V	
	Animón	CB	Area expansion 12.16 H a	Area expansion without increasing the area	N°0757-2020 MI MEN -DGM
		MEIA	1er MEIA	PTARI 1200 l/s New Tailings Storage Facility	N°00159-2020 SENACE-PE-DEAR
Empresa Administradora Cerro de Pasco SAC	Cerro de Pasco	ITS	Cerro de Pasco 3rd ITS UM UM	Expand the Raúl Rojas Use of the Miraflores TSF	N°000097-2020 SENACE-PE-DEAR

MEIA: Environmental Impact Study Modification
 CB: Benefit Concession
 ITM: Mining Technical Report
 PCM: Mine Closure Plan
 ITS: Technical Support Report

PERFORMANCE (YTD)

- Creation of the Environmental Permits and TSF Management
- File management: 25 in preparation, 49 in assessment and 28 approved.
- Guideline for environmental permit management.

2020 ACHIEVEMENTS

- Environmental and operating permit obtained for the Esperanza TSF in Animon.
- Environmental permit obtained to expand the pit and exploit stockpiles at Cerro de Pasco.
- Tailings permit and management strategy for TSF: San Cristóbal-Carahuacra (Gavilán TSF), Animon (Quimacocha TSF), Andaychagua, Alpamarca (Inpit).
- Future projects development: Romina, Zoraida, Carhuacayán and Palma

REGULATIONS, FINES AND PENALTIES

Volcan comply with environmental regulations through the following actions:

103-2, 307-1

- Communication of environmental obligations under environmental regulations.
- Conduct internal audits in mining units to verify environmental obligations.
- Follow-up and compliance verification with corrective measures imposed by the OEFA.
- Follow-up through operation alerts to comply with required periodic environmental reports.
- Environmental management system audits to prevent, mitigate and control environmental risks at operations, and compliance with environmental obligations

In 2020, 16 environmental supervisions, both special and regular, were conducted by the OEFA.

Likewise, regulatory compliance is assessed through these mechanisms:

- Correction of findings identified in environmental inspections.
- Reduction of findings detected during inspections conducted by the environmental authority.

COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

Volcan meets all requirements of environmental regulations in mining. Moreover, quarterly reports were submitted to the Ministry of Energy and Mines regarding water and air quality, and noise levels, meeting all Environmental obligations required by the Peruvian Government. It also submitted quarterly reports to the National Water Authority on effluent and water quality in receiving water bodies.

103-3, 307-1

Reports on environmental obligations were also submitted to the Ministry of Energy and Mines as established by Supreme Decree No. 040-2014-EM, as well as the Environmental Sustainability Report, the Environmental Strategy Compliance Report, the Annual Report on Significant Impacts, and the Annual Report on Reagents and Operational Inputs.



ELEVEN

— ABOUT THIS SUSTAINABILITY REPORT





FOR THE SIXTH
CONSECUTIVE
YEAR, THIS REPORT
HAS BEEN
PREPARED UNDER
THE METHODOLOGY
AND GUIDELINES
OF THE GLOBAL
REPORTING
INITIATIVE (GRI).

102-1, 102-45, 102-50, 102-51, 102-52

This document reports information on the economic, social and environmental performance of Volcan Compañía Minera S.A.A. and its subsidiaries in Peru, including mining operations, hydroelectric plants and administrative offices from January 1 to December 31, 2020.

102-54

For sixth consecutive year, this report has been prepared under the methodology and guidelines of the Global Reporting Initiative (GRI), Essential Option, being the fourth version under the new GRI Standards. Volcan publishes its reports on a yearly basis, the previous report was on October 2020, corresponding to the 2019 fiscal year.

102-49

To determine the contents, internal and external documentation was reviewed, as well as the monitoring of performance indicators on economic, environmental and social issues, which followed the technical protocols established by the GRI.

MATERIALITY PROCESS

102-46

In 2015, Volcan completed a preliminary cycle to prepare, for the first time, a sustainability report according to the GRI protocols. In June 2016, a consultancy company was hired to identify and select its material issues that determine the contents of its reports, reflecting the expectations of its stakeholders and the management of potential impacts that could affect the sustainability of its operations. The identification of material issues was determined by the following process:

STAGES OF THE PROCESS

1. REVIEW

The results of 166 online surveys directed to employees and suppliers, as well as community consultations as of 2015 were used to identify expectations and perceptions regarding our management, as well as aspects to be included in this report. In 2016, this stage was completed with the assessment of the 2015 report by identifying opportunities for improvement. Moreover, sustainability surveys were conducted with managers and surveys were conducted with the Company's shareholders and customers.

2. IDENTIFICATION

Based on the information obtained and the analysis of the different management tools, interviews were conducted with Volcan officials to identify the main impacts of operations related to sustainability. Emerging sustainability issues outlined in Robeco Sam's document named "The sustainability yearbook 2016" were identified and sustainability reports published by other global mining companies were compared to identify common aspects in the sector.

3. PRIORIZATION

The Perú2021 risk assessment methodology was used to determine the maturity, relevance and prioritization of the issues addressed in this report. This assessment takes into account the expectations of stakeholders, as well as the review of documents and reports related to the management of economic, social and environmental aspects.

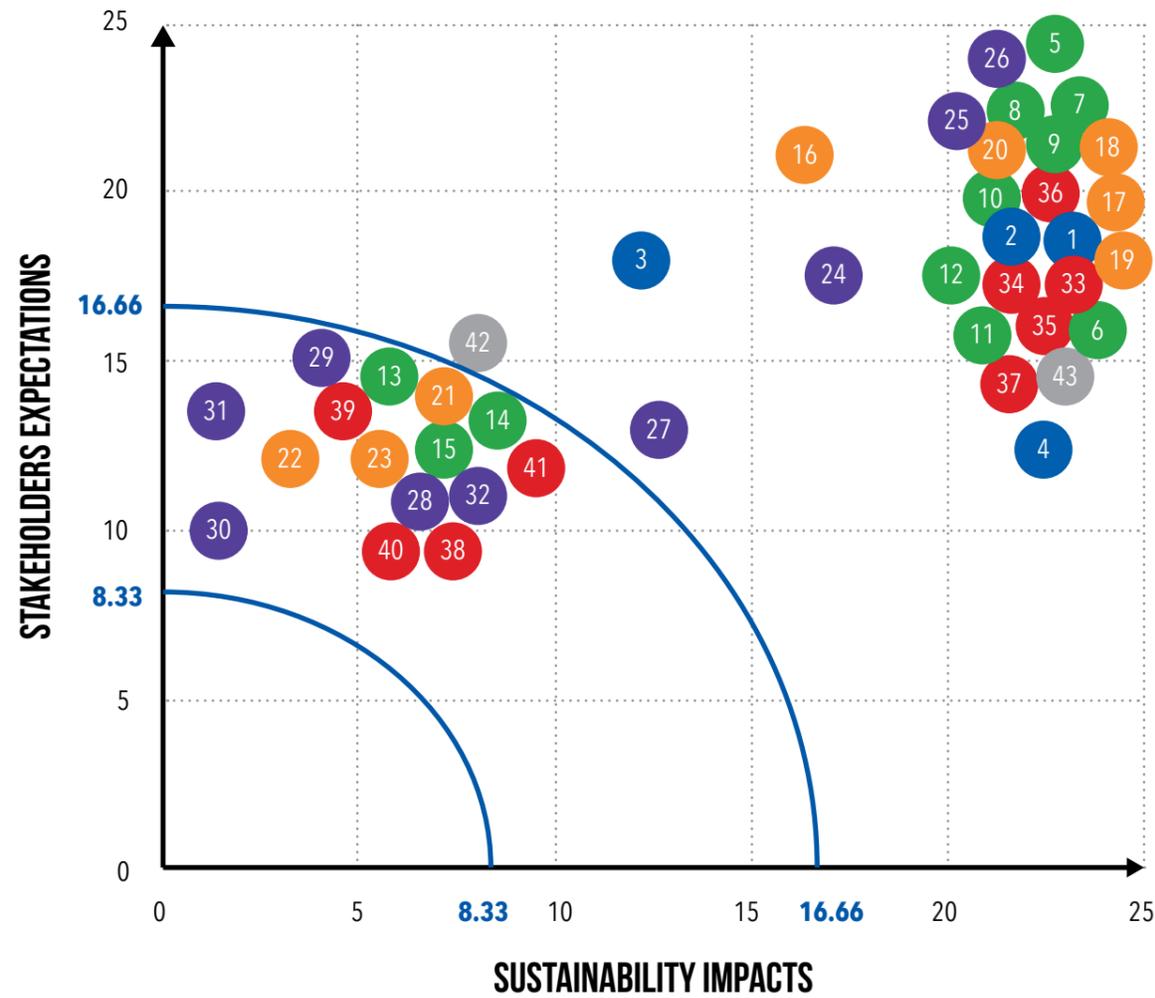
4. VALIDATION

The materiality matrix obtained was validated with managers, community representatives and employees. Subsequently, the indicators and management approaches required for the Sustainability Report were selected. In 2016, the material aspects identified in 2015 were validated through feedback meetings with officials from strategic areas. Focus groups meetings were held with community representatives and Yauli collaborators, and the representative of community relations at Chungar and CH Baños was interviewed. In addition, an induction workshop was held based on the GRI standard for Data Managers responsible for providing information. Finally, the 2016 accountability process was presented during a meeting attended by 24 managers of the Company.



As a result of this process, a list of material issues that remain valid was prioritized. Their level of coverage*, stakeholders and related business units are shown below:

102-16



* Description of where the impacts of each aspect occur.

MATERIAL ITEMS INCLUDED

102-47

GRI CATEGORY	N°	MATERIAL ITEM	COVERAGE	RELATED STAKEHOLDER	
Economy	1	Indirect economic consequences	External	Community	
	2	Economic performance	Internal	Shareholders, employees, government and civil society	
	3	Procurement practices	External	Suppliers	
	4	Presence in the Stock Market			
Environmental Affairs	5	Water	External	Community and environment	
	6	Biodiversity			
	7	Regulatory compliance (environment)	External	Community and environment	
	8	Waste and effluents	External	Community and environment	
	9	Emissions			
	10	Energy	External	Customers, community and environment	
	11	Environmental grievance mechanisms			
	12	Transportation	External	Customers, community and environment	
	13	Training and education	Internal	Employees	
	14	Employment	Internal and external	Employees and community	
	15	Assessment of supplier labor practices	Internal and external	Employees and suppliers	
Social: practices	16	Relationship between the workforce and management	Internal	Employees	
	17	Occupational health and safety	Internal and external	Employees and suppliers	
	18	Local communities	External	Community	
Social: society	19	Regulatory compliance (society)	Internal and external	Employees, customers, supplier, government and community	
	20	Mine Closure Plan			
	21	Grievance mechanisms for social impacts.	Internal and external		
	22	Freedom of association and collective bargaining.	Internal and external	Employees and suppliers	
	23	Safety measures.	Internal and external	Employees, suppliers and community Employees and suppliers	
	24	Non-discrimination.	Internal and external	Employees and suppliers	
	25	Forced labor	Internal and external	Customers	
	26	Child labor	External	Customers	
	Social: accountability over products	27	Product and services labelling	External	Cientes
		28	Customers privacy	External	Cientes

ÍNDICE GRI STANDARDS 102-55

	PAGE	OBSERVATION
GRI 102: General Content		
1. Profile of the Company		
Content 102-1	Name of the Company	28, 126
Content 102-2	Activities, brands, products and services	28, 32
Content 102-3	Location of headquarters	30
Content 102-4	Location of operations	30, 32
Content 102-5	Ownership and legal form	28
Content 102-6	Market options	41
Content 102-7	Company size	20-22, 30, 40, 41, 43, 70
Content 102-8	Information about employees and other workers	21, 70-72, 80, 81
Content 102-9	Supply chain	90
Content 102-10	Significant changes in the company and its supply chain	22
Content 102-11	Precautionary principle or approach	49, 110
Content 102-12	External initiatives	46
Content 102-13	Membership in associations	39
3. Ethics and integrity		
Content 102-16	Values, principles, standards and code of conduct	16, 35, 36, 128
Content 102-17	Advice mechanisms and ethical concerns	36
4. Gobernanza		
Content 102-18	Governance structure	29, 55
Content 102-20	Executive responsibility for economic, environmental and social issues	56, 57
5. Stakeholder participation		
Content 102-40	List of stakeholders	49
Content 102-41	Collective bargaining agreements	86
Content 102-42	Identification and selection of stakeholders	49
Content 102-43	Approach to stakeholder engagement	50, 51, 57, 78, 98, 106
Content 102-44	Key issues and concerns mentioned	50
6. Reporting practices		
Content 102-45	Entities included in the consolidated financial statements	29, 126

ÍNDICE GRI STANDARDS 102-55

	PAGE	OBSERVATION
Content 102-46	Definition of the reports content and the coverage of the subject matter	126
Content 102-47	List of material items	129
Content 102-49	Changes in report elaboration	126
Content 102-50	Reporting period	126
Content 102-51	Date of last report	126
Content 102-52	Reports preparation cycle	126
Content 102-54	Preparation statement of the report under the GRI Standards	126
Content 102-55	GRI contents index	130-133
GRI 103: Management approach		
Content 103-1	Explanation of the material item and its coverage	75, 82, 84, 86, 87, 90, 91, 98, 99, 106, 110
Content 103-2	Management approach and components	36, 70, 75, 76, 81, 84, 86, 87, 91, 98, 99, 104, 106, 111, 118, 119, 123
Content 103-3	Assessment of the management approach	76, 86, 87, 99, 105, 106, 123,
GRI 201: Economic performance		
Content 201-1	Valor económico directo generado y distribuido	41
GRI 202: Presence in the stock market		
Content 202-1	Ratio of initial standard level wage by gender against the local minimum wage	81
GRI 203: Indirect economic impacts		
Content 203-1	Infrastructure investments and services supported	101, 102, 104, 106
Content 203-2	Significant indirect economic impacts	106
GRI 204: Procurement practices		
Content 204-1	Expenses proportion on local suppliers	91
GRI 302: Energy		
Content 302-1	Energy consumption at Volcan	113
Content 302-3	Energy intensity	113
Content 302-4	Reduction of energy consumption	113
GRI 303: Water		
Content 303-1	Water extraction by source	114
Content 303-2	Management of impacts related to water discharges	114

GRI STANDARDS

102-55

		PAGE	OBSERVATION
GRI 304: Biodiversity			
Content 304-1	Operations centers owned, leased or managed and located within or near to protected areas or areas with high biodiversity value outside protected areas	116	
Content 304-3	Protected or restored habitats	116	
GRI 305: Emisiones			
Content 305-1	GHG direct emissions (scope 1)	115	
Content 305-2	GHG indirect emissions (scope 2)	115	
Content 305-4	GHG emissions intensity	115	
GRI 306: Waste and effluents			
Content 306-1	Discharge of water according to its quality and destination	114	
Content 306-2	Waste by type and disposal method	116	
Content 306-4	Hazardous waste transportation	116	
GRI 307: Environmental compliance			
Content 307-1	Non-compliance with environmental laws and regulations	123	
GRI 401: Employment			
Content 401-1	New recruitments and turnover of personnel	82	
Content 401-2	enefits for full-time employees, which are not provided to part-time or temporary employees	80	
GRI 404: Training and coaching			
Content 404-1	Average hours of training on a yearly basis per employee	75, 76	
Content 404-2	Programs to improve employee skills and transition assistance programs	75, 76	
GRI 405: Diversity and equal opportunities			
Content 405-1	Diversity in governing bodies and employees	70, 71, 72	
GRI 406: Non-discrimination			
Content 406-1	Cases of discrimination and corrective action taken	84, 86	
GRI 408: Child Labor			
Content 408-1	Operations and supplier with significant child labor cases	84, 86	

GRI STANDARDS

102-55

		PAGE	OBSERVATION
GRI 409: Forced or mandatory labor			
Content 409-1	Operations and suppliers with significant risk of child labor cases	84	
GRI 413: Local communities			
Content 413-1	Operations with local communities' participation, impact assessments and development programs	99, 100, 106	
Content 413-2	Operations with significant negative impacts (actual and potential) on local communities	100	
MM3			
	Total quantities of overburden, rock, waste slurries and their associated risks		
MM4			
	umber of strikes and blockades that have exceeded one-week duration	80	
MM7			
	Measures and outcomes of grievance mechanisms used to used to solve ground use disputes, customary rights of local communities and indigenous populations.	99, 106	

GENERAL INFORMATION

Volcan Compañía Minera S.A.A.

About the incorporation of the Company

The Company, which resulted from a merger between Volcan Compañía Minera S.A. and Empresa Minera Mahr Túnel S.A., was incorporated on February 1, 1998 by public deed executed before the Notary Public Dr. Abraham Velarde Álvarez. Volcan is registered in the Public Mining Registry under Entry 1, Record 41074, and in Record 11363057 of the Registry of Legal Entities of Lima. The company is engaged in the exploration, mining, and processing of ore on its own account and of its subsidiaries, and is entitled to carry out extraction, concentration, treatment and commercialization of all products and concentrates.

Its activities are classified ISIC category 1320, Mining of non-ferrous metal ores. The duration of the Company is unlimited, although limited to the availability of ore reserves which, in turn, may vary based on the investments made in exploration and their results.

Contact

Jorge L. Cotrina L. – Securities Manager
lcotrina@volcan.com.pe

Head Office

Address: Av. Manuel Olguín 373, Santiago de Surco, Lima, Peru
Phone number: (511) 416-7000

Website

www.volcan.com.pe

THE 2020 SUSTAINABILITY REPORT has been prepared by:

Edition

Volcan Compañía Minera S.A.A. Av.
Manuel Olguín 373, Santiago de
Surco – Lima, Peru

Design and Layout

Editorial design material
www.material.pe

Lima, July 2021 Legal Deposit at
the National Library of Peru N°2011-
04680



VOLCAN COMPAÑÍA MINERA S.A.A.

Toda comunicación referente al Reporte de Sostenibilidad 2020
debe ser dirigida a:

Correo: **sostenibilidad@volcan.com.pe**

Dirección: Avenida Manuel Olgúin N° 375,
Santiago de Surco, Lima - Perú

Página web: **www.volcan.com.pe**