

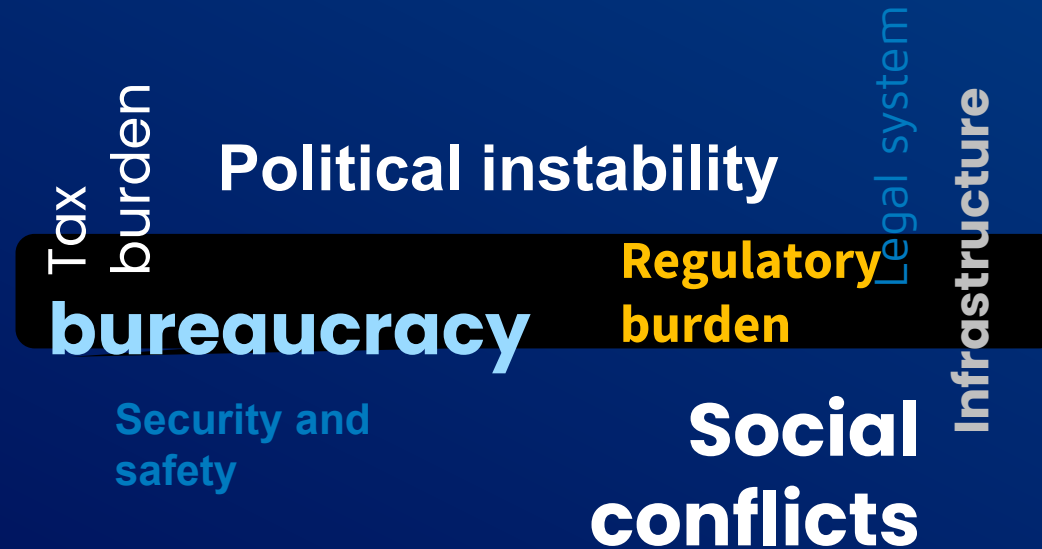
The role of Peruvian mining *vis-à-vis* global challenges



In our more than 46-year history, we have known how to address and overcome the challenges faced by the mining industry in Peru




Currently, we are witnessing a series of local challenges that have an impact on the competitiveness of Peruvian mining...



We address all these challenges with great responsibility, with the top talent of the industry and fully committed to Peru.





But today, the challenges and opportunities of the mining industry in Peru go beyond the local scope

Let us think globally.....

An era of changes or a change of era?

We are witnessing structural changes in the world. They reach all dimensions of life and are the result of a combination of factors, including: technological progress, globalization and the environmental situation.

All these pose a series of challenges that call into question our planet's sustainability and the role of industries, such as mining.



The environmental challenge

- 68%

Decline in wildlife since 1970

- 83%

Decline in freshwater bodies since 1970

10-100x

Global species extinction rate

- 85%

Decline in wetlands, rich in biodiversity

- 75%

Decline in flying insect biomass in the last 27 years

6th

Major mass extinction of wildlife, since the extinction of dinosaurs



Source: BCG,

Social and institutional challenge

3x

Increase of mass migrations since 1970

Breakdown of social cohesion: trust crisis, social polarization

Crisis of the democratic system

45%

Of young people from 30 surveyed countries distrusts democracy, according to Open Society

**EL CAMBIO CLIMÁTICO
IMPULSARÁ MIGRACIONES MASIVAS
Y GRANDES TRANSFORMACIONES
SI NO SE DETIENE**



Climate change will cause mass migrations and great transformations, if it is not stopped.

Illegal mining and conflict-minerals challenge

Both conflict-minerals and illegal mining are sources of serious violations to human rights, the environment and undermine employment

They finance conflicts and armed movements, promote corruption and money laundering, attack indigenous peoples, encourage child labor and people trafficking.



20%

Of the world's gold, diamond, tin and tantalum production is illegal*

80%

Of precious stones come from illegal sources*

7.5x

Increase of illegal mining activities in the Amazon rainforest in the last 36 years**

75.6 million

Of hectares in the Amazon region have been lost due to illegal activities in the last 30 years**

Technological challenge

- Communication technologies: privacy and cybersecurity
- Automation and artificial intelligence: consequences in the employment structure (**64%** of US workers will be affected by AI, **300 million** jobs at risk worldwide*)

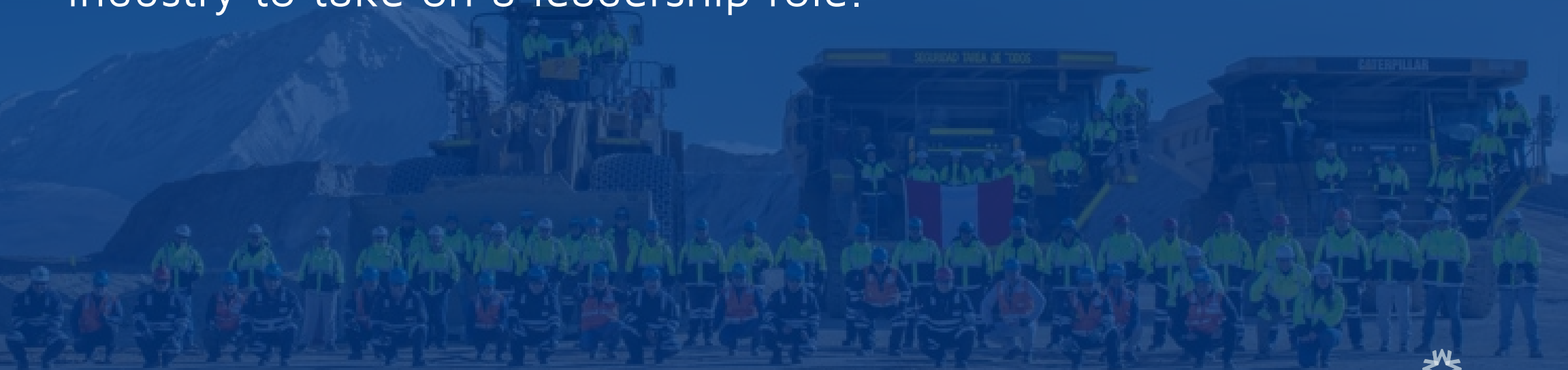


*Goldman Sachs

The mining sector is strategic to address these challenges

Traditionally, the mining industry has been seen as part of the problem.

However, these challenges represent an opportunity for this industry to take on a leadership role.



To seize this opportunity, we need a different approach...

Sustainable mining shall understand what are the global trends and challenges, and change its business strategy's approach.

What is this new approach?

A mining industry with a transcendent and human purpose

We need to **think and evolve** establishing a transcendent **purpose**, as a more human industry, which puts people and society at the center of its decisions.

It means designing new business strategies, as well as governance and management systems with sustainability as a cornerstone.



Further strengthening our commitment to the environment



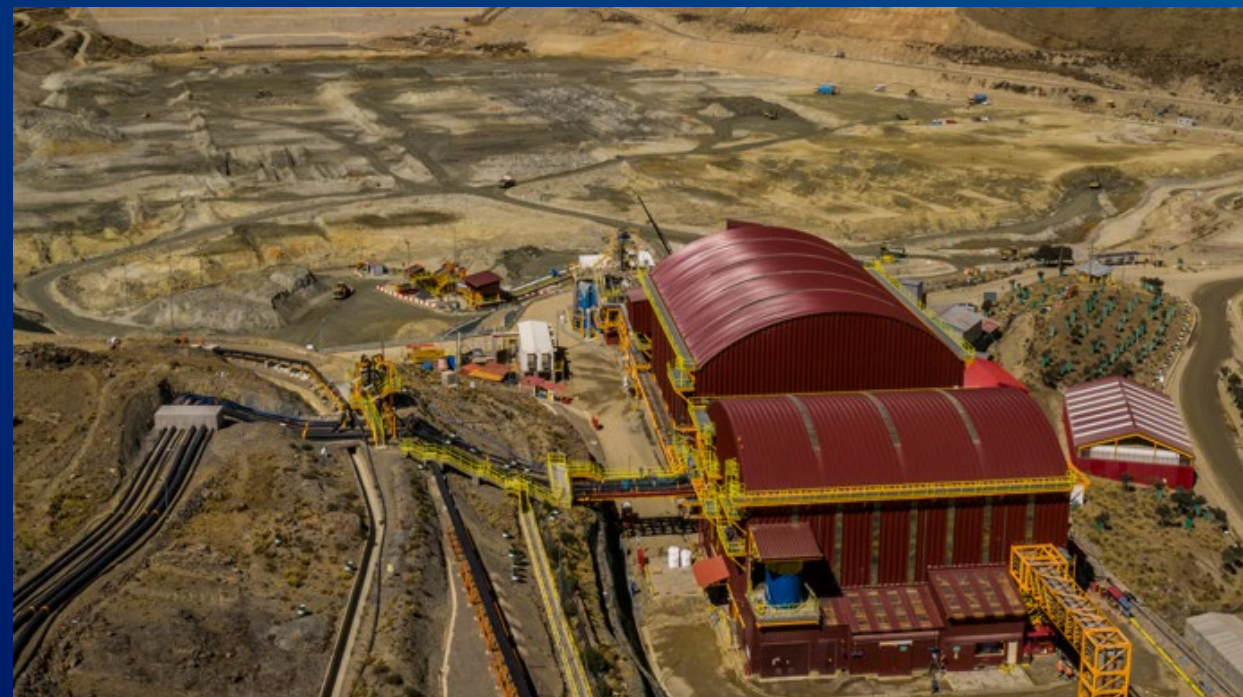
We shall strengthen our **environmental commitment, specially towards climate change**, and make it more transparent.

Assuming with responsibility the mining industry's role for **decarbonizing** the planet. Implementing a thorough water management plan, steadily reducing carbon emissions.

Promoting the adoption of sustainable technologies

Adopting **new technologies** responsibly and promoting **research and development** to address challenges, such as the energy transition, a circular economy and other sensitive environmental aspects.

Furthermore, aiming at digital transformation and strengthening cybersecurity



Building a social model to generate trust



It is imperative to build **new relationships with society**.

For instance, building intercultural bridges and promoting a transformative dialogue to align positive interests, thus enabling agreements entered into by multiple stakeholders, to share value and foster territorial development.

Transparency is essential to build trust.

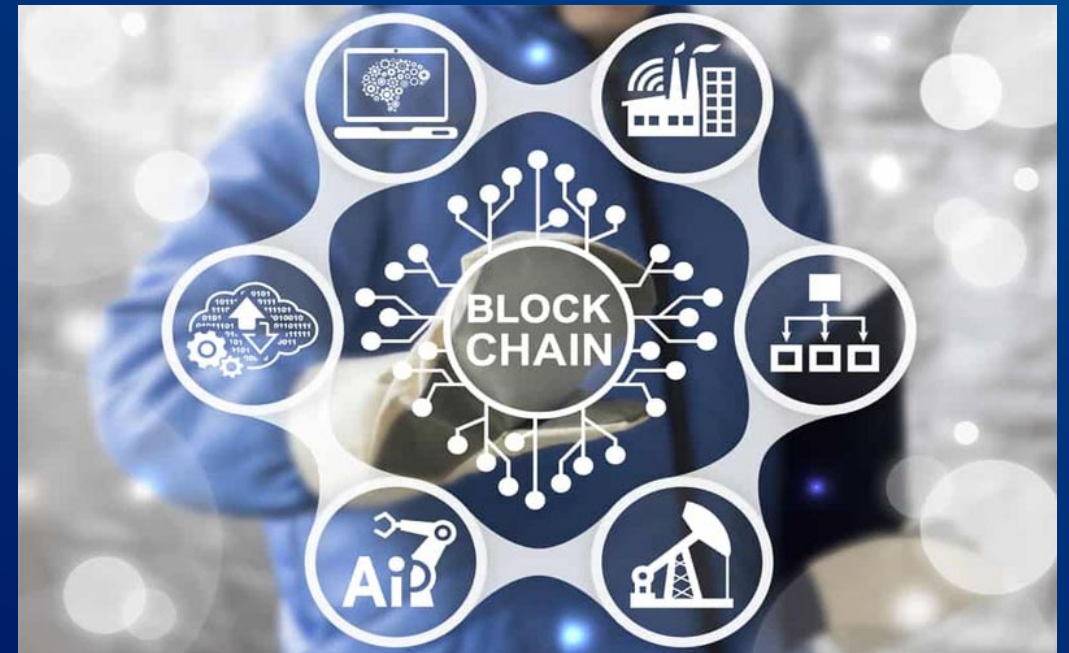
The companies can set the foundations to build **human capital** and citizenship.

Promoting sustainable mineral trade

A sustainable mineral trade is key to face illegal activities that undermine society, such as illegal mining.

It is possible to work together with the authorities to share information or promote knowledge and sustainable practices.

Likewise, mineral sourcing certification through traceability systems and using technology, e.g.: blockchain.



Promoting cooperation for development



Strengthening **institutional partnerships** at different levels, such as adhering to international initiatives, synergies with scholars, the government and our partners in the value chain.

Participating and promoting global initiatives for the planet.

Recruiting and developing young talent for the mining industry...

We have a real commitment to these challenges

|| A **Sustainability** approach that embodies our purpose and guides all our activities

|| A change in our **culture: people at the center**

|| A new approach to **build social relationships**, based on **development agreements** with communities and regions

|| **Adhering** to organizations or initiatives strengthening our management and transparency: ICMM, EITI, UN Global Compact, DJSI, ISO 37001, entre otras

|| A strategy to fulfill our commitment to reach **net zero GHG emissions**

|| Using **blockchain** to be able to **trace** 100% of our tin

|| A business strategy, called "**SusTINable**", which develops cooperation relationships with our customers in the long term





Always guided by our purpose...



*We improve lives. transforming minerals into
wellbeing*

Peruvian mining is an exceptional position to face these challenges and turn them into opportunities to build a more sustainable world



We share this commitment, but we cannot do it alone...

We need to align interests and work closely with all stakeholders: the government, scholars, communities and civil society.

Thank you



MINSUR