

# Sustainability Report **2019**



Building on strength



**Cerro Verde**

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# I.

## Vision and Mission



### Vision

To be the leader in Safe Production in low-grade copper mining

### Mission

Everyone goes home safely every day

Everyone working together toward the same goal

Achieve better operational efficiencies of its kind

Spend money wisely to maximize value

Maintain acceptance to operate locally

## Letter from the President - General Manager

We are pleased to present our sixth Sustainability Report, titled "BUILDING ON STRENGTH," in which we include our economic, environmental and social performance during 2019.

As we prepared this report, we could not ignore the difficult health and economic crisis facing the world due to the unprecedented COVID-19 pandemic. From day one, we have taken drastic measures to protect the health of our employees, their families and our communities, while complying with Peruvian government regulations to contain the COVID-19 outbreak. On March 17, 2020, we stopped production and focused on critical activities necessary to maintain the facilities and ensure sound health and safety and environmental conditions pending a return to normal operations. After economic reactivation was announced by the Peruvian government, we quickly adapted to the new safety and security protocols required due to the pandemic. Our "Plan for the surveillance, prevention and control of Covid-19 at work" was approved in May of 2020 by our internal Safety Committee, by the Ministry of Energy and Mines, as well as by the Ministry of Health through the National Institute of Health. With the committed work of the Cerro Verde team, we are managing to overcome this difficult situation, and we hope to return to pre-pandemic production levels before

the end of 2020. Equally important, we have focused our attention on offering assistance and aid in Arequipa. We have assisted in various ways, including transportation for health personnel to the different hospital centers, donating non-invasive respirators, protective equipment for health personnel and food baskets, as well as donating a modern oxygen generating plant and cylinders to the Regional Government of Arequipa.

During 2019, we are pleased to report we have placed, once again, as the main copper producer in our region, Arequipa, and our country, according to the Mining Statistical Bulletin prepared by the Ministry of Energy and Mines and available on its website. Our production reached a total of 1,872,802 MT of copper concentrate, 24,157 MT of molybdenum concentrate and 39,961 MT of 100% Grade AA LME copper cathodes (99.999% purity). China is the main destination for our copper concentrate sales, while Peru is the main destination for our copper cathodes. Annual sales totaled US\$2.9 billion.

At the core of this achievement is our extraordinary workforce - 5,100 at the close of 2019. The safety of our workforce, both our employees and contractor employees, remains our highest priority. During the reported year, our Total Recordable Incident Rate (TRIR) was 0.46.

Our Cerro Verde operations have allowed us to generate value for all our stakeholders, from employees and contractors to neighboring communities and especially for the population surrounding our Production Unit. This is what drives us to continue working in coordination with our partners and stakeholders for sustainable development, not only of Cerro Verde but also the areas within our direct influence and in the Arequipa region. In 2019, we invested US\$5 million in social programs, in accordance with the provisions of our Social Management Plan (SMP). These projects were developed in diverse areas, such as: education, training, health, agriculture and livestock, environment, income generation, infrastructure, and culture. Additionally, within the framework of our Community Relations Policy, we also have made various additional investments to those planned in our SMP, which total US\$2.5 million. These are framed in agreements signed with various institutions and have delivered US\$180,000 through our Donations Committee. Among these programs we highlight the "Restoration of the Santa Marta Parish Complex," which is part of Arequipa's historic center and suffered structural damage during the 2001 earthquake, worsening over time. For this reason, this parish complex was closed by a provision issued by the Public Ministry and Civil Defense in 2014 and remained closed for five



years due to its security conditions. The reconstruction, maintenance and enhancement of this colonial building took 240 days. On September 15, 2019, the church was opened with a mass celebrated by Monsignor Javier del Río, Archbishop of Arequipa. Our efforts have been recognized. This contribution to the White City and our ongoing work

with stakeholders earned us the 2019 EMA Award (Most Admired Companies) PwC, the G de Gestión magazine and the San Pablo Catholic University, in recognition of our social responsibility work.

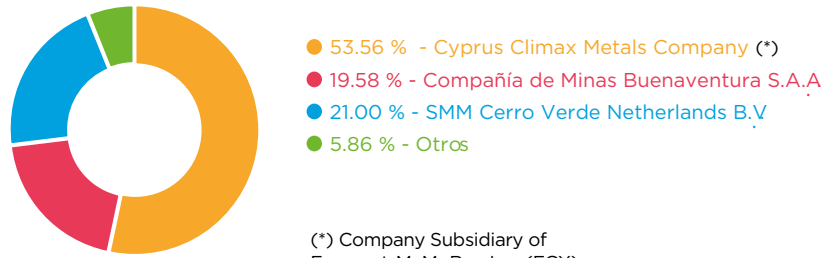
The continuous dialogue with our stakeholders, the joint work, and the

feedback we have received have allowed us to meet our goals in a manner and without conflicts. We are committed to continue working along these lines to identify opportunities for sustainable investments together with the authorities and interest groups, given the long-lived nature of our operations.

We would like to thank our employees for their hard work, dedication and commitment, which have led to the success of our operations. We also would like to thank our contractors for their valuable contributions; the national, regional and local authorities for the constructive relationships we maintain for the benefit of the community; and all the public officials who, through their strict supervision and observations, have helped with our processes and permits.

Finally, we would like to express our sincere gratitude to our shareholders for their trust in the Sociedad Minera Cerro Verde management team as well as the Board of Directors for their knowledge, judgment and counsel, which have enriched our sustainable development efforts.

**Derek J. Cooke**  
President - General Manager

NAME OF THE ORGANIZATION	Sociedad Minera Cerro Verde S.A.A. <sup>1</sup>		
UNIT	Cerro Verde Production Unit		
COUNTRY WHERE THE COMPANY OPERATES	Perú		
HEADQUARTERS	Arequipa		
SHAREHOLDERS	<p><b>GRAPHIC 1 - CERRO VERDE SHAREHOLDERS</b></p>  <ul style="list-style-type: none"> <li>53.56 % - Cyprus Climax Metals Company (*)</li> <li>19.58 % - Compañía de Minas Buenaventura S.A.A.</li> <li>21.00 % - SMM Cerro Verde Netherlands B.V.</li> <li>5.86 % - Otros</li> </ul> <p>(*) Company Subsidiary of Freeport-McMoRan Inc. (FCX)</p>		
PRIMARY PRODUCTS	Production and commercialization of mineral concentrates: copper and molybdenum concentrate as well as copper cathodes.		
REPORTING PERIOD	2019		
REPORTING CYCLE	Yearly		
PREVIOUS REPORT	2018		
NET SALES <sup>2</sup>	<p><b>2019</b></p> <p>US\$2,869.9</p>	<p><b>2018</b></p> <p>US\$3,061.9</p>	<p><b>2017</b></p> <p>US\$3,211.2</p>
CAPITALIZATION	As of December 31, 2019, the amount of share capital is US\$990,658,513.96, represented by 350,056,012 issued and outstanding shares, fully subscribed and fully paid, with a nominal value of US\$2.83 each.		

**PRODUCTION**

Main copper concentrate producer in Peru, according to the Mining Statistical Bulletin prepared by the Ministry of Energy and Mines and available on its website.

- Cu Concentrate: 1,872,802 MT
- Mo Concentrate: 24,157 MT
- Cu Cathodes: 39,961 MT

**How do we do it?**



**5100**  
employees



**90%**  
reused water



**58%**  
local employment



**Wildlife Habitat Council - "Gold Certification"**



**6%**  
women

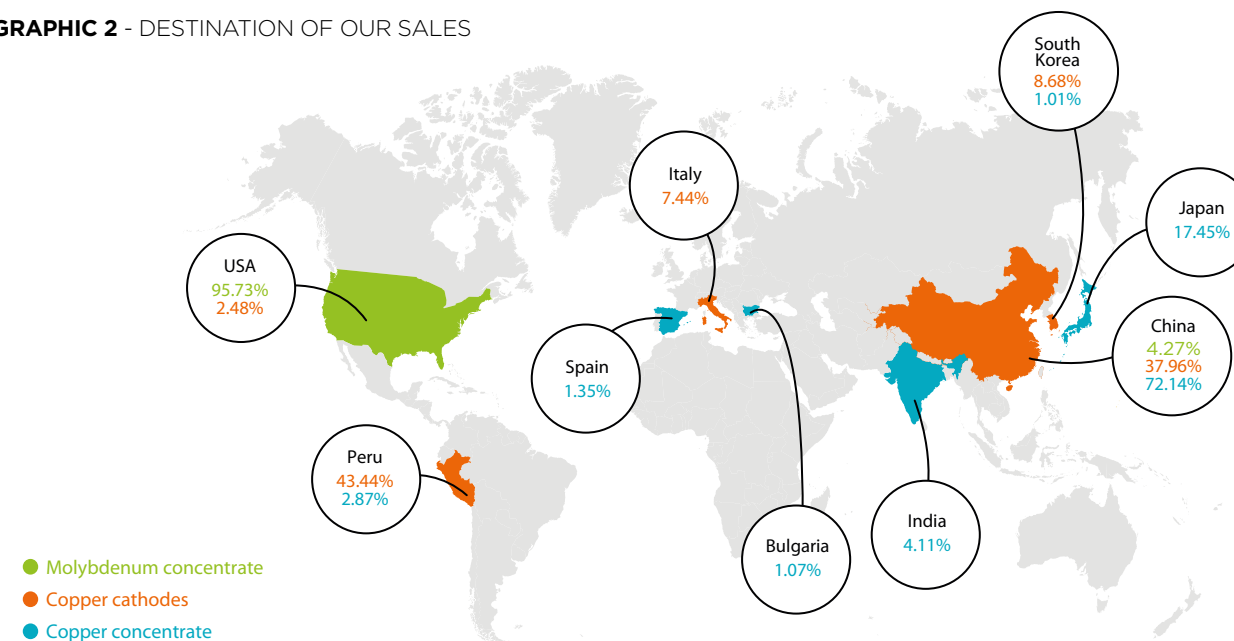


**0**  
fatalities

<sup>1</sup> Cerro Verde was incorporated as a Public Limited Company in August 1993. By agreement of 1999's General Board of Shareholders, Cerro Verde adapted to the special form of Publicly Traded Company.

<sup>2</sup> Expressed in millions of US dollars. 2017, 2018 and 2019 net sales, in addition to the product sales shown, include the contributions to OEFA and OSINERGMIN which are shown as a deduction from sales in the company's financial statements (available in [www.smv.gob.pe](http://www.smv.gob.pe) and [www.cerroverde.pe](http://www.cerroverde.pe)) in the amount of US\$6.7 million, US\$8.3 million and US\$6.8 million respectively.

**GRAPHIC 2 - DESTINATION OF OUR SALES**





# The company



Cerro Verde, a company of the Freeport-McMoRan Inc. (FCX) economic group, operates a low-grade copper mine in the Cerro Verde Production Unit (CVPU), comprising, among others, the mining concession “Cerro Verde 1, 2 and 3” and the concession of profit “Planta de Beneficio Cerro Verde,” in which mining activities of extraction and benefit or treatment of ore are carried out.

In 2019, there were no significant changes in the size, structure, property or supply chain of Cerro Verde, or in the coverage, scope or methods of valuation or expression of content included in this report compared to the previous year, so the material issues reported in this year are comparable.

## 1. Location

The CVPU is located in the province and department of Arequipa, approximately 30 km south of Arequipa, at an average altitude of 2,700 masl, and it is accessible through paved roads.

The main access from Arequipa is through the AR-115 Departmental Highway (Panamericana Antigua), passing through the town of Tiabaya and the sector of Congata (Uchumayo). From this last point, it is 9.5 km until the crossing or junction with the company’s private access to finally reach the entrance checkpoint. Another way to access the CVPU is through the Carretera Panamericana (Panamericana Highway) - Variante de Uchumayo (Uchumayo Relief Road) (Km 48 - La



Repartición) by traveling 10 kms along the AR-115 Departmental Highway to private entrance road “San José.” It also can be accessed from the town of Yarabamba through an unpaved road of approximately 15 km.

We also have a private, paved, two-way road of approximately 30.5 km from the CVPU to the PERURAIL’s La Joya Transfer Station.

CVPU is located in the Atacama Desert, in the Pacific copper belt, with an average rainfall of 38.1 mm/year, and it is in a seismically active area.

## 2. Awards granted

- Most Admired Companies (EMA in spanish) Arequipa 2019. This award, previously awarded to companies in Lima, recognizes companies with the highest reputation rating. Arequipa, as the development pole of the south, was the city designated for the decentralization of the award. The event was organized by PwC, the magazine G from Gestión and the Universidad Católica San Pablo

- First prize for technological innovation, in the Innovative company and Innovative Idea categories, in the national competition, organized by the National Society of Mining, Oil and Energy
- First place in the 2019 HP Planet Partners Recycling Program
- Best exhibitor booth in the Mining category: Social Responsibility at EXTEMIN within the framework of PERUMIN 34 Mining Convention
- Recognition for our contribution to the improvement of educational quality, awarded by UGEL Arequipa Sur.

## 3. Memberships in associations and initiatives we endorse

Freeport-McMoRan Inc. is a founding member of the International Council on Mining and Metals (ICMM). The implementation of the ICMM Sustainable Development Framework throughout the corporation results in the implementation of sustainability programs at the level of each production unit.



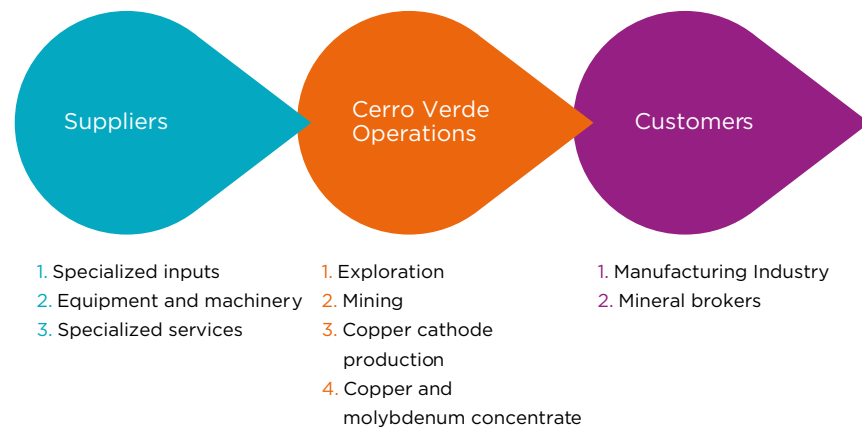
**4. Supply chain**

We acknowledge our suppliers as strategic allies in the timely and successful performance of our operations because

they supply us with a wide range of goods and services, from materials for grinding ore to snacks for those in our participatory environmental monitoring program. During 2019, we have carried out operations with 1,526 local, national and international suppliers, and the transactions with them exceeded US\$2 billion. Goods correspond to 56.31%, while services correspond to 43.69%.

Cerro Verde prioritizes purchasing at the local level (suppliers located within the Arequipa Region who provide goods / services) under competitive conditions, related to product or service quality and price. The value of monetary transactions carried out with local suppliers is equivalent to 18.37% of the total.

**GRAPHIC 3 - CERRO VERDE SUPPLY CHAIN**



At Cerro Verde, we expect that the process to supply goods and services reflects our corporate values; therefore, we have a Supplier Code of Conduct, which specifies our expectations from our suppliers and vendors in the areas of safety, human rights, the fight against corruption, community and environment.

**Security in the international logistics chain**

In 2018, with RIN SUNAT N° 000 320000/2018/000061 and with the certificate valid from January 2, 2019, Sociedad Minera Cerro Verde managed to establish, implement, maintain and improve its Security Management System in the International Logistics Chain for its Import processes, using as implementation criteria the Security Levels of the Authorized Economic Operator Program (OAS), of the National Superintendency of Tax Administration - SUNAT. This system, based on risk management, identified the main threats and vulnerabilities of the import process in Cerro Verde, allowing control of its risks.

This certification recognizes Cerro Verde, as a Trusted Operator before the Customs Administration, that:

- Complies with current legal regulations
- maintains an adequate system of accounting and logistics records
- Provides financial solvency evidence
- Implements and maintains a level of security in its processes in the international logistics chain (imports).

**5. Stakeholders**

The "Toolkit for Community Development" published by ICMM was used to identify and analyze stakeholders; specifically, the following tools: 1. Stakeholder Identification, and 2. Stakeholder Analysis. The combined application of these tools allowed identification of individuals, entities and stakeholders who may be affected significantly by activities or products of the organization and whose actions can, within reason, impact the ability of the organization to successfully implement strategies and achieve objectives.

STAKEHOLDERS	MEDIA / RELATIONSHIP MECHANISMS
Freeport-McMoRan Inc., ECONOMIC GROUP OF WHICH CERRO VERDE IS A PART.	Meetings at the corporate office (United States - Phoenix), meetings at other venues, visits to Cerro Verde, conference calls, emails, internal systems such as SharePoint and Intranet.
SHAREHOLDERS	Public reports (important facts), financial statements, management reports, Annual Report and annexes, general meeting of shareholders, Board meetings, Management Committee, direct communication (letters, emails, phone) and website.
WORKFORCE	Internal communication by email, bimonthly magazine, physical publications at "Ventanas Informativas" (bulletin boards), meetings with Cerro Verde's Workers' Union, a Health and Safety Committee. Internal Satisfaction Analysis (ISA) through surveys to measure work environment, Corporate Compliance Line (Principles of Business Conduct), Performance Assessments, Intranet and internal communications through the "Informados" initiative, accessible by email, a mobile application and website.
COMMUNITY	Cerro Verde has three Permanent Information Offices (PIO), open to the general public, located in Arequipa (Cerro Verde Complex), Uchumayo and Yarabamba. Since 2007, have promoted communication through monthly newsletters called "Somos Yarabamba" and "Somos Uchumayo" and the most recent addition of "Somos Tiabaya" in November 2018, direct meetings between Cerro Verde authorized officials and community leaders as well as workshops, exhibitions, participative monitoring, guided visits to our operations and nurseries, and website.
GOVERNMENT	The Cerro Verde Vice President of Corporate Affairs is responsible for company's sustainable development and intergovernmental affairs.
SUPPLIERS	The Cerro Verde Global Supply Chain Management manages purchases and services required by the organization and the relationship with our suppliers.
CUSTOMERS	The Cerro Verde sales superintendent is responsible for managing the relationship with the corporate office regarding sales and customers.





The company, as part of the Freeport-McMoRan economic group which is a member of the International Mining and Metals Council (ICMM), is committed to implementing the Sustainable Development Framework, defined by a set of 10 Principles, performance expectations, position statements, transparent reporting practices and an External Assurance Process.

In addition, as part of our desire to demonstrate leadership in sustainability in the market, we have implemented The Copper Mark assurance system that uses an existing tool in the copper industry, called "Risk Preparedness Assessment," through which it addresses 32 thematic areas of environmental, social and governance (ESG) aspects. Thus, it seeks to improve practices across the entire spectrum of the operation, covering all the main areas of responsible production.

At Cerro Verde, we use an integrated assessment tool for ICMM and The Copper Mark requirements, the same tool we use to conduct self-assessments.

**Committee on Sustainable Development (or Risk Committee)**

As part of the implementation of the Sustainable Development Framework, the company has a Sustainable Development Committee (or Risk Steering Committee), composed of the President, the vice presidency of corporate affairs, general managers and administrative and operational



managers. This Committee is responsible for reviewing and updating the "Risk Register for Sustainable Development of Cerro Verde," where risks and opportunities for Sustainable Development are identified and evaluated, action plans are established and monitored. Finally, the verification of these processes is performed. We have participated in an annual verification process by an independent third party since 2010. During the reported year, we faced the assurance and verification process in December 2019, after updating our Risk Matrix, action and monitoring plans, as well as the performance self-assessment in September, in accordance with our internal processes.

In order to ensure that our policy commitments and objectives are

being met, Freeport-McMoRan has implemented a combination of audit and evaluation programs. Our operations also are overseen by state regulatory bodies.

**Our Policies and Certifications**

Cerro Verde has adopted the various policies established by Freeport-McMoRan, among which we have:

- Human Rights Policy
- Principles of Business Conduct
- Supplier Code of Conduct
- Environmental Policy
- Health and Safety Policy
- Community Relations Policy
- Anti-corruption Policy.

Cerro Verde also has the following certifications:

- Quality Management System

(QMS), ISO 9001:2015, which was recommended to continue until November 18, 2021, in October 2019

- Environmental Management System (EMS), ISO 14001:2015, which was recommended to continue until February 23, 2021, in January 2019
- Occupational Safety & Health Management System (OSHMS), OHSAS 18001:2007, which was recommended to continue until January 29, 2020, in July 2019
- Authorized Economic Operator (AEO), as Importer, obtained by SUNAT Resolution N° 000 320000/2018/000061 and an effective until January 2, 2019.

The scope of EMS and OSHMS includes activities that are associated with the extraction of minerals, production of copper cathodes and production of copper and molybdenum concentrate, and the QMS is applied specifically to produce copper cathodes through the electrodeposition process. On the other hand, our Chemical Laboratory and Characterization has the ISO/IEC 17025:2005 accreditation granted by the National Institute of Quality, INACAL.

**Sustainable Development Goals:**

Cerro Verde develops several initiatives within the framework of these objectives. By implementing "The Copper Mark," we work to align our programs, projects and activities with the 2030 Agenda of the Sustainable Development Goals (SDGs) promoted by the United Nations, as applicable.



# IV.

## Sustainability focuses



### 1. Corporate governance, ethics and integrity, compliance, human rights and safety

#### Governance

Cerro Verde, an Open Anonymous Company listed on the Lima Stock Exchange, is fully aware that the adoption of good corporate governance practices, implemented by the Superintendence of the Securities Market, SMV, through the Code of Good Corporate Governance for Peruvian Companies, is fundamental to strengthen the ties it maintains with its shareholders.

These principles, adopted by Cerro Verde and embodied in our “Manual of Procedures of Good Corporate Governance of Sociedad Minera Cerro Verde S.A.A.,” promote a climate of respect for the rights of shareholders and investors in general. They contribute to generating value, soundness and efficiency in societies and transparent information in the stock market, which in turn helps mitigate any failures that exist in these financial markets by information asymmetry.

The level of compliance with these principles is found in the annex “Report on compliance with the Code of Good Corporate Governance for Peruvian companies (10150),” available on the websites of the SMV and Cerro Verde at [www.smv.gob.pe](http://www.smv.gob.pe) and [www.cerroverde.pe](http://www.cerroverde.pe) respectively.

The governance regime of Cerro Verde is entrusted to the General Shareholders’ Meeting, the Board of Directors and Management, those who exercise their duties in accordance with the stipulations of the statutes and the General Law on Companies. In turn, these actions are guided by the Good Corporate Governance Practices and our “Principles of Business Conduct.”

#### General Board of Shareholders:

The highest governing body at Cerro Verde is the Board of Shareholders. It is required to meet at least once a year by requirement to address the agenda proposed by the Board of Directors, including the approval of the social investment management during the year prior to the meeting. During the year, they can meet as many times as necessary according to the Statutes and Corporations Acts.

As of the end of the reported year, there was only one meeting in March.

#### The Board of Directors:

The next governing body is the Board of Directors, which according to the statute, is made up of 11 members, comprised of five Principal Directors and six Alternate Directors. Each Principal Director has a first and second Alternate Director. The participation of independent directors is not considered within the Board. Directors are elected for a term of three years and remain in office if new elections are not held. They meet at least quarterly, through face-to-face and non-face-to-

face meetings. Our current Board of Directors, elected for 2017 - 2020 in the Mandatory Shareholders Meeting held on March 30, 2017, is as follows:

#### MAIN DIRECTORS\*

Harry M. Conger

Derek J. Cooke

Rohn M. Householder

Hiroshi Asahi

Victor E. Gobitz Colchado

#### ALTERNATE DIRECTORS

Julia J. Torreblanca Marmanillo

Steven I. Tanner

Hidenori Hosaka

Koji Ueda

Raul Benavides Ganoza

Leandro Luis Martin García Raggio

(\* ) During the period of preparation of this Report there were changes in the composition of the Board of Directors, which were made known to the market, in a timely manner and can be consulted on the Cerro Verde website: [www.cerroverde.pe](http://www.cerroverde.pe) and the SMV: [www.smv.gob.pe](http://www.smv.gob.pe)

On August 28 of the current year, the Board of Directors approved the resignations submitted by Mr. Harry M. Conger and Victor E. Gobitz Colchado, as well as the appointment of Mr. Joshua F. Olmsted as Main Director and Chairman of the Board, and Roque Benavides Ganoza as Main Director.

**SPECIAL COMMITTEES:**

COMMITTEES	MAIN FUNCTIONS	FREQUENCY OF MEETINGS
Tax Committee	<ul style="list-style-type: none"> <li>Report about tax processes and procedures</li> <li>Evaluate tax effects of operations conducted by Cerro Verde</li> </ul>	Monthly
Risk Committee	<ul style="list-style-type: none"> <li>Identify and manage the register of risks and opportunities of the operation</li> <li>Establish action plans for risk management</li> <li>Establish action plans to foster opportunities of sustainable development</li> </ul>	Annually and as needed
Management Committee	<ul style="list-style-type: none"> <li>Report on operations and performance to the Board of Directors</li> <li>Update information and receive contributions and suggestions, if applicable</li> </ul>	Quarterly
Corporate Social Management Committee	<ul style="list-style-type: none"> <li>Review and evaluate support, donations and auspices requests received from public or private institutions, leaders and / or residents</li> <li>Review Social Management Plan projects</li> <li>Review voluntary initiatives</li> </ul>	2 per month, on average

**Management:**

Management consists of several managers and is the governance entity responsible for executing resolutions of the General Board of Shareholders and the Board of Directors. Notwithstanding the attributions granted by law, both the General Board of Shareholders and the Board of Directors delegate to management several powers through agreements adopted in shareholder and board meetings.

**Ethics and integrity**

**Principles of Business Conduct – PBC**

The PBC established by our parent company, Freeport-McMoRan Inc. and adopted by Cerro Verde, highlight our core values of Safety, Respect, Integrity, Excellence and Commitment, defining how we work and the behavior that is expected of all of us. The PBC outlines a wide range of business situations, ranging

from promoting a safe workplace to complying with laws and avoiding conflicts of interest, to develop and foster positive relationships with local communities and other groups of interest.

We also have multiple mechanisms in place for workers and third parties to report possible PBC violations. One of the main mechanisms is the Freeport-McMoRan Compliance Line, a telephone system administered by an independent third party that allows anonymous

reporting. A similar web-based reporting system is also available, along with also operated by a third party, along with the option to send an email directly to the Corporate Compliance Department and its subsequent referral to the local Compliance Department. These channels complement our long-established process of reporting community and human rights grievances. Through the existence of multiple reporting mechanisms, including anonymous communications, all members of our workforce and third parties are encouraged to “raise their voice” if they perceive that any situation or circumstance could possibly violate or does violate the PBC.

Additionally, the Freeport-McMoRan Supplier Code of Conduct, updated in 2018, which we also have adopted, sets the expectations we have for our suppliers of goods and services, whom we treat as partners. These expectations focus on areas such as security, respect for human rights, anticorruption, community and the environment.

Our policies, together with external standards and initiatives, form the overall framework that guides our sustainability programs. Supporting this framework are the internal systems of government and administration that detail how we operate.

**Compliance Management System**

During the reported year, Cerro Verde has continued with the implementation of a renewed Compliance Management

System to help in preventing, detecting, addressing and mitigating corruption risks and help in following applicable laws. This system integrates and refers to Law No. 27693, “Law that creates the Financial Intelligence Unit” and Law No. 30424, “Law governing the administrative responsibility of legal persons” and amendments given by Legislative Decree No.1352 and Law No.30835, regulated by D.S. No.002-2019-JUS. The prevention of the crime of private corruption, which was included in the legal system by D. L. No. 1385, also has been integrated into this system. Additionally, we emphasize that our system envisages the implementation of the U.S. Foreign Corrupt Practices Act (FCPA). The compliance program is subject to limited annual review by FCX, as well as to external audit.

We highlight that our system has been structured using as reference the international norm ISO 37001:2016.

Recognizing the possible legal liability that could result from actions executed by our business partners, such as contracting companies, Freeport-McMoRan, has implemented a Due Diligence Platform, called Freeport-McMoRan Compliance Exchange (FCeX). This software platform is based on surveys designed to assess risk in areas such as anti-corruption, international trade and human rights. FCeX has significantly improved the company’s ability to identify, assess, mitigate and control compliance risks on the part of contracting companies in goods and / or services.



**COMPLIANCE MANAGEMENT SYSTEM**

**RISK MANAGEMENT MODEL**

IDENTIFICATION	EVALUATION	IMPLEMENTATION
TASK	RISKS	CONTROLS
In wich workers, in the performance of their duties, have or may have contact with government entities or public officials, or establish contact or commercial relationships with private entities.	<ul style="list-style-type: none"> <li>• Identification and evaluation of risks and opportunities</li> <li>• Planning to address risks and opportunities</li> <li>• Setting objectives and planning to achieve them</li> </ul>	<ul style="list-style-type: none"> <li>• Training of key workers and contractor companies</li> <li>• Implementation of policies and procedures</li> <li>• Reporting channels</li> <li>• Follow up, measurement and analysis</li> <li>• Improvement actions</li> </ul>
LEADERSHIP		
<ul style="list-style-type: none"> <li>• Leadership and Commitment</li> <li>• Anticorruption Policy</li> <li>• Roles, responsibilities and authority</li> </ul>		
IMPROVEMENT	FOLLOW UP / VERIFICATION	
Improvement actions: <ul style="list-style-type: none"> <li>• non-conformities and corrective actions</li> <li>• continuous improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring, measurement and analysis</li> <li>• Internal audit</li> <li>• Management review</li> </ul>	

ORGANIZATION CONTEXT



During the reported year:

- We communicated about our Management Compliance System, to:
  - 100% of our Board of Directors, made up of 5 Head Directors, as well as 50% of alternate Directors
  - 100% of our workers
  - 51% of our contractors
- We trained on anti-corruption issues to:
  - 100% of the Board and
  - 100% of our workers
- We detected, investigated and confirmed a case of corruption between private, applying the disciplinary measures of the case, which resulted in the disengagement of a worker, as well as the termination of a contract with a third party.

**Human rights**

Respect for human rights, is a long-standing commitment at Cerro Verde. As such, we have adopted the Freeport-McMoRan Human Rights Policy. This Policy commits us to conduct our operations in a manner consistent with the Universal Declaration of Human Rights, local laws and regulations and the United Nations Guiding Principles on Business.

Our Human Rights Policy applies to our workers, to workers of labor intermediary companies who are providing services in the Production Unit or any other facility under the administration of Cerro Verde, to the staff Peru's National Police (PNP), which provide services in accordance with the agreement between both parties, and those who, because of their duties, have to interact with the inhabitants of neighboring communities and contractor companies.

**TRAINING - 2019:**

- We trained 82% of our workers, 97% of private security contractors and 100% of police personnel in HHRR and Voluntary Principles
- All new workers at Cerro Verde received initial training on our HRD Policy and the reporting channels they can access, as well as a brochure on HRDs and internal labor regulations
- Some workers from private security contractors assigned to the protection of expatriate personnel, as well as the protection of dustbins in our Production Unit, are armed. These workers received training in firearms as well as defensive driving training.



**Safety**

In line with our commitment to protecting our workers and properties, we have taken steps to provide a safe working environment. In this area, it is the Voluntary Principles on Safety and Human Rights (Voluntary Principles) that constitute the guidelines of our security programs (Industrial Protection), including interaction with PNP staff under agreement between the parties, private security contractors and our workers in the Industrial Protection area.



At Cerro Verde we have our own internal security department: Industrial Protection, and we have the services of two private security contractors. Both direct workers and private security contractors perform functions such as protecting company facilities, monitoring shipments of supplies and products, traffic control assistance, and emergency response assistance at the operations.

Contracts with private security providers include specific language related to the Cerro Verde Human Rights Policy and the Voluntary Principles by extension.

Cerro Verde, like other companies and residents of Peru, rely on the Peruvian government for the maintenance of public order, respect for the rule of law and the protection of personnel and

property. The Peruvian government is responsible for employing police personnel and directing its operations.

Cerro Verde's operations have limited support from public security forces, under the terms of the agreement signed with the PNP. According to our legislation, PNP officers may volunteer to be placed in different operations, during their license. The agreement mentioned was renewed in December 2019, with a two-year validity and details the relationship between Cerro Verde and the PNP,

including the areas of support and coordination. The Convention also includes a commitment by the parties to the United Nations Code of Conduct and the Basic Principles on the Use of Force and Firearms by law enforcement officials, Peruvian laws related to HRD and other national or international standards related to HRDs and international humanitarian law.

Cerro Verde's total cost for this support were US\$1 million in 2019. This included remuneration as well as daily transportation, other support and food.



**CLAIMS - 2019:**

124 complaints were reported to the Human Rights Compliance 96 related to human resources, 18 related to contracts, 8 related to harassment in the workplace and 2 related to sexual harassment. No complaints were related to security. The number of claims, more than in previous years, is due to contractors having greater knowledge of our claim mechanisms as they were selected to receive training in our Supplier Code of Conduct in 2019. Regardless of the type and credibility of these claims, all the cases were documented, investigated, reviewed and closed by the Cerro Verde Office of Human Rights Compliance.

**2. Economic**

According to the Mining Statistical Bulletin prepared by the Ministry of Energy and Mines and available on its website, Cerro Verde was positioned, once again, in the first place of the total national copper production, representing 19.3%. As well as the main producer of molybdenum, with a participation of 42.7% of the national total. It is important to note that, in 2019, copper production reported its highest volume in the last decade, reflecting an increase of 96.9% compared to that reported in 2010.

Cerro Verde contributes to the socioeconomic development of the country, as well the Arequipa Region, directly and indirectly, through the employment it generates, the taxes and royalties it pays and the social investment it makes to improve the quality of life for those in the Areas of Direct and Indirect Influence. Another mechanism for socioeconomic development is the specialized services it contracts and the goods it buys, thus generating production chains with other sectors, which contributes to increasing the economic activity of the region and country.

Chart 1 shows the distribution of the economic value that we generate directly. The data comes from our audited annual financial statements available at [ww.smv.gob.pe](http://ww.smv.gob.pe) and on our website [www.cerroverde.pe](http://www.cerroverde.pe).

**Chart 1:** Distribution of the 2019 generated economic value, expressed in millions U.S. dollars.

REVENUES	
Net sales, revenues from financial investments, asset sales and other (*)	2,908
<b>GENERATED ECONOMIC VALUE</b>	<b>2 908</b>
EXPENDITURES	
Operational Costs	1,840
Salaries and Social Benefits	285
Payments to Capital Providers (**)	116
Payments to the Government (***)	127
Investment in the community	8
<b>DISTRIBUTED ECONOMIC VALUE</b>	<b>2,376</b>
<b>RETAINED ECONOMIC VALUE</b>	<b>532</b>

(\*) According to the GRI Standards, in addition to net sales, other revenues such as financial Investments have been included in REVENUES.  
 (\*\*) Interest paid for royalties has been included in Payments to Capital Providers.  
 (\*\*\*) The following have been considered in Payments to the Government: Income Taxes, Special Tax on Mining, Royalties, Import Duties, Municipal Taxes, and Mining Concession Fees. With regard to annual taxes, those paid during the reported year, 2019, have been considered. Deferred taxes have not been considered.

Cerro Verde has a significant direct and indirect impact on the regional and national economy in terms of employment, family income, tax collection and resources for local governments. According to the Analysis of the impact of Sociedad Minera Cerro Verde S.A.A. in the economy of Arequipa and Peru (2005 - 2019) prepared by APOYO CONSULTORIA, Cerro Verde operations and investments in 2019 generated an

average direct and indirect impact equivalent to 2% of the GNP of Peru and 25.8% of the Arequipa Region.

As referenced in our annual report 2019 and in our Financial Statements, annual and intermediate, public documents, the Superintendence of Tax Administration (SUNAT), considers that Cerro Verde must pay mining royalties for the ore processed by its C1 concentrator, which began operations.

On June 23, 2004, Law No. 28528 – Mining Royalty Law was approved by which the holders of mining concessions must pay, as an economic consideration for the extraction of metallic and non-metallic mining resources, a mining royalty that was determined by applying rates that vary between 1% and 3% on the value of the concentrate or its equivalent, according to the quotation of international market prices published by the Ministry of Energy and Mines. Based on the Contract of Guarantees and Investment Promotion Measures (hereinafter, the Stability Contract), signed in 1998, Cerro Verde determined that the payment of said mining royalties was not applicable, because said contribution was created after the signing of the stability contract with the Peruvian Government. However, under the terms of its new stability contract, which entered into force on January 1, 2014, Cerro Verde began paying mining royalties and special mining tax for all its production based on Law No. 29788 of 2011, which are calculated on operating income with rates ranging between 1% and 12%, besides Income Taxes of 32%, among others.

SUNAT has requested mining royalties, that in its opinion Cerro Verde should have paid, for the minerals processed in the C1 concentrator, that began operating at the end of 2006. These observations cover the period from December 2006 to December 2013 and have been challenged in the administrative and judicial level by Cerro Verde.

Likewise, we specify that, in February 2020, Freeport-McMoRan Inc., requested, in its own name and on behalf of the company, the initiation of an arbitration procedure before the Center International Settlement of Investment Disputes (ICSID), for which it had to desist from all processes

and procedures in process. For more information, you can consult our 2019 Annual Report and our Annual and Interim Financial Statements, available through the website of the Superintendency of the Securities Market: [www.smv.gob.pe](http://www.smv.gob.pe) and our website: [www.cerroverde.pe](http://www.cerroverde.pe).



### 3. Social

#### OUR STRENGTH

At Cerro Verde we are proud of the commitment and performance of each and every one of our workers, who are a key part of our success. Our direct workforce, at the end of 2019, was 5,100 workers, working full-time, including 216 new workers compared to the end of 2018. All calculations in this section have been made based on the form at the close of the reported year.

#### Labor Relations

At Cerro Verde we strive every day to maintain a good working climate, where every worker is proud to be part of our team. Collective bargaining is a central commitment to our workers, taking place in regular periods. In 2018, as a result of the early negotiation process between Cerro Verde and the Union, a new Collective Agreement was signed with a validity of three years, extending from September 1, 2018 to August 31, 2021. The benefits agreed in this Convention amount to 67% of the total number of workers, even though only 29% of the total is unionized.

Likewise, in our constant concern to build better industrial relations every day, during the reported period, in Cerro Verde we have implemented different action plans to improve the working climate based on the results of the latest survey of work climate implemented in 2017.



**Diversity in the workplace**

Cerro Verde is a company with an active equal opportunity policy. Applications for employment are considered without discrimination on the basis of race, color, religion, country of origin,

citizenship, sex, age, or disability, among others. All hiring decisions are based solely on the suitability of the applicant for the position to which he or she applies. It is also aimed at giving opportunity to people in the Arequipa Region who have the skills to serve in

the positions offered at Cerro Verde. Likewise, in our effort to keep this equity, we have a Salary Equality Policy.

Of our total direct workforce, 6% are women, 0.63% are foreigners and 58% are from the Arequipa Region.



→ **The total number of employees per employment contract (permanent or temporary) and by sex:**

**Chart 2 - Type of contract and sex**

Type of contract	Female	Male	TOTAL
Foreign	8	24	32
Regular	223	3,114	3,337
Temporary	82	1,649	1,731
<b>Total</b>	<b>313</b>	<b>4,787</b>	<b>5,100</b>

→ **The total number of employees per employment contract (permanent or temporary) and by region**

**Chart 3 - Origin\***

Contract	Foreign	Local	Nationals	TOTAL
Foreign	32			32
Regular		2,069	1,268	3,337
Temporary	1	903	827	1,731
<b>Total</b>	<b>33</b>	<b>2,972</b>	<b>2,095</b>	<b>5,100</b>

(\*) For the preparation of this Table 3, the UBIGEO (Geographic Location Code) registered in the National Registry of Identification and Civil Status (RENIEC) of our workers has been considered, likewise, we have delimited the places of origin as follows:

- Local: Workers whose place of origin is the Arequipa Region.
- Nationals: Workers whose place of origin is all the regions of Peru, excluding the Arequipa Region.
- Foreigners: Workers who have a place of origin other than Peru.



→ **Percentage of employees by job category for each of the following diversity categories: sex**

**Chart 4**

Laboral Category	Female		Male		TOTAL	
	N°	%	N°	%	N°	%
President, vice president or senior manager	1	0.02%	4	0.08%	5	0.10%
Managers	8	0.16%	31	0.61%	39	0.76%
Superintendents	5	0.10%	56	1.10%	61	1.20%
Professionals	140	2.75%	673	13.20%	813	15.94%
Bachelors	100	1.96%	643	12.61%	743	14.57%
Technicians	35	0.69%	3,418	61.73%	3,183	62.41%
Administrative operators	24	0.47%	232	4.55%	256	5.02%
<b>Total</b>	<b>313</b>	<b>6.14%</b>	<b>4,787</b>	<b>93.86%</b>	<b>5,100</b>	<b>100.00%</b>

→ **Percentage of employees by job category for each of the following diversity categories: age group**

**Chart 5**

Labour Category	Less than 30		Between 30 and 50		Over 50		TOTAL	
	N°	%	N°	%	N°	%	N°	%
President, vice president or senior manager		0.00%	3	0.06%	2	0.04%	5	0.10%
Managers		0.00%	28	0.55%	11	0.22%	39	0.76%
Superintendents		0.00%	48	0.94%	13	0.25%	61	1.20%
Professionals	47	0.92%	703	13.78%	63	1.24%	813	15.94%
Bachelors	143	2.80%	533	10.45%	67	1.31%	743	14.57%
Technicians	214	4.20%	2,702	52.98%	267	5.24%	3,183	62.41%
Administrative operators	3	0.06%	213	4.18%	40	0.78%	256	5.02%
<b>Total</b>	<b>407</b>	<b>7.98%</b>	<b>4,230</b>	<b>82.94%</b>	<b>463</b>	<b>9.08%</b>	<b>5,100</b>	<b>100.00%</b>

**Training and education**

It is our workers who forge the leadership and solidity of Cerro Verde. Therefore, the effort of each one is paid with optimal working conditions, good working climate and the encouragement of its integral development, both professional and personal.

At Cerro Verde, we facilitate training and development activities for our workers, thus contributing to the improvement of their skills in their current position. The training is based on plans developed between the Human Resources Management, through the personnel development department, and the area where they perform. The management of the department is also to comply with and enforce the strategic policies of the company and the applicable legal provisions on training, coordinating and supervising the established standards and guidelines for implementation, monitoring and compliance with the Training Plan. The basic criterion for determining activities is based on the analysis of the needs of the worker in his current position in order to best perform his work.

Finally, the best training alternatives are evaluated and offered by coordinating them and providing all the administrative and logistical support they deserve.

→ **Average hours of training, by gender and work category**

**Chart 6 - Average Hours of Training**

Labour Category	Female	Male	TOTAL
President, vice president or senior manager	17.00	11.50	12.60
Managers	24.93	26.61	26.31
Superintendents	21.60	46.34	44.31
Professional	22.14	22.88	22.76
Bachelors	17.96	21.37	20.91
Technicians	22.18	25.03	25.00
Administrative operators	20.33	20.00	20.04
<b>Total</b>	<b>20.68</b>	<b>24.74</b>	<b>24.03</b>

**Sexual Harassment Intervention Committee**

At Cerro Verde, we promote a positive work environment in which each worker is respected and valued. During the reported year we installed a temporary Intervention Committee against Sexual Harassment, which ended when we installed the Definitive Committee, for 2020-2021. This committee consists of four members, two workers' representatives (owners and alternates) and two representatives of the employer, ensuring gender parity in both cases. Elections for members of this Committee were held in December 2019, the year in which an interim committee was established, which was in force until the above-mentioned internal election process was carried out.

**HEALTH AND SAFETY**

At Cerro Verde, our production goals, as well as our growth goals, are achieved by a highly motivated workforce committed to health, safety and environmentally responsible operations. The quality of life of our workers, their families and surrounding communities is fundamental to our strength and success. All these elements constitute for us Safe Production.

Safe Production is at the heart of all our business and labor decisions. In line with this philosophy, Cerro Verde has an Occupational Safety and Health Policy, which considers the safety and health of all its employees to be a high priority issue and a core value of the

company. We believe that all work-related injuries and illnesses can be prevented and we are committed to providing a healthy and safe working environment, providing adequate resources through implementation, operation, maintenance and improvement of our Occupational Safety and Health Management System, which in July 2019 passed a Recertification Audit and received the recommendation to remain certified in OHSAS 18001:2007.

Cerro Verde has a Committee on Safety and Health, consisting of 12 members (six on behalf of the company and 6 on behalf of the employees) and alternates. Employees representatives are elected through an election process and according to this, they represent 100% of the total of our workforce. The last election for members on this committee was held in December 2019, the term of the committee will be one year.

Because our goal is for all of us to return home safely, Cerro Verde demands the same health and safety performance from the contracting companies that provide services to us and developed a Health and Safety Management Manual for Contracting Companies that requires the identification, assessment and control of risks, before the start of the contract work.

Likewise, as part of our efforts to improve the performance of the

contracting companies we work with, during the reporting year, we were able to implement special training on our expectations, 14 rules of life and safety principles, aimed at managers, residents and line supervisors. During

the current year, while we were developing this report, we have not been able to monitor and confirm the results obtained, due to the new conditions we had to face due to COVID-19.

**Chart 7 - Global Rate of Recordable Incidents (TRIR)**

	2019	2018	2017
Cerro Verde	0.37	0.23	0.53
Contractors	0.53	0.54	0.62
<b>Total</b>	<b>0.46</b>	<b>0.40</b>	<b>0.57</b>

The TRIR - Total Recordable Incident Rate is a measurement of the number of recordable work injuries, normalized per 100 workers a year. The result is calculated by multiplying the number of recordable injuries in one calendar year times 200,000 (100 employees working 2,000 hours a year) and dividing that number by the total man-hours worked during the year. Recordable cases are death during performance of work tasks and work injuries that do not endanger life and imply one or more of the following factors: temporary disability to perform work or need for medical care (other than first aid).





→ During the reported year, at Cerro Verde we recorded a total of 320 events, according to the following classification:

**Chart 8**

Type of company	Incidents	Accidents			
		Mild (First Aid and Medical Treatment)	Disabling	Fatal	TOTAL
Contractors	57	92	33	0	182
Own	78	40	20	0	138
<b>Total</b>	<b>135</b>	<b>132</b>	<b>53</b>	<b>0</b>	<b>320</b>

Source: Extranet MEM - Monthly Statistical Statement - Accumulated December 2019

→ Our accident rate, calculated on the basis of D.S. No. 024-2016-EM "Occupational Safety and Health Regulations in Mining," was as follows:

**Chart 9 - Accident rate**

Type of company	Frequency Index (1)	Severity Index (2)	Accident Index (3)
Contractors	2.75	122.79	0.33
Own	1.33	76.72	0.10
<b>Total</b>	<b>1.96</b>	<b>102.39</b>	<b>0.20</b>

Source: Extranet MEM- Monthly Statistical Statement - Accumulated December 2019

- (1). Number of fatal and disabling accidents per million hours - man worked, as set out in D.S. No. 024-2016-EM Occupational Safety and Health Regulations in Mining.
- (2). Number of days lost or charged for every million hours - man worked, as set out in D.S. No. 024-2016-EM Regulations on Occupational Safety and Health in Mining.
- (3). It is the product of the frequency index by the severity index divided by 1000.

→ In 2019 there were no cases of Professional Diseases for personnel of Sociedad Minera Cerro Verde S.A.A.

Source: Extranet MEM- Monthly Statistical Statement - Accumulated December 2019

→ In 2019 there were no fatalities.

→ During 2019, 2,772 days were lost or charged, corresponding to calendar days and accounted for from the day after the accident occurred (disabling or fatal).

**Chart 10**

Year	Type of company	Amount (days)
2019	Contractors	1852
	Own	920
	<b>Total</b>	<b>2772</b>

Source: Extranet MEM- Monthly Statistical Statement - Accumulated December 2019

→ During 2019, the company recorded a total of 32,263 days of absence\*:

**Chart 11 - Days of absence**

2019	Amount (days)
Men	28824
Women	3439
<b>Total</b>	<b>32263</b>

(\*) The information represents the staff of Sociedad Minera Cerro Verde S.A.A. Source: SMCV Personnel Management Department Database.



**COMMUNITY RELATIONS**

At Cerro Verde we contribute to the sustainable development of Arequipa by integrating economic growth, environmental protection, social progress and effective governance of our region. Thanks to the joint efforts and constant communication among the company, authorities and civil society, we have developed projects that benefit the population and allow our operations to be conducted in an environment of social peace.

Our operations allow us to generate value for all our stakeholders, especially for residents in the communities of our areas of direct influence (ADIs). We want to continue working with other stakeholders for the sustainable development, not only of Cerro Verde, but also of our ADIs and the Arequipa Region, seeking to achieve a positive social impact through the participation of all those involved in social development.

Our strategy is to build a long-term relationship through continuous dialogue and citizen participation with our diverse stakeholders. This provides us with frequent feedback. This is a process that we initiated early on with the communities.

We are committed to keep working with the authorities and stakeholders to achieve the goals set without any conflicts, with the aim of closing socio-economic gaps to improve the quality of life of the population.



In the reported year, we made investments for US\$5 million according to our Social Management Plan (SMP). We also channeled US\$182 thousand of assistance through our Donations Committee. Our SMP is divided into five lines of action and the following is a summary of some of the projects developed within each of these lines:

- Communications Program
- Social Contingency Program
- Employment Program
- Local Economic Development Program
  - Productive Development
  - Social Development
  - Cultural Development
- Local Capacity-Building Program
- Donations Committee



## Communications Program

### Annual Guided Tour Program

Within this program we have the following:

#### Mine Institutional Visits Program

Through this program we educate visitors about the production process and the systems of environmental management, quality, safety and occupational health, implemented in our operation, demonstrating the high standards with which we work. During the reported year, we recorded 3,272 visitors. Direct and transparent information was provided to students from universities, higher technological institutes, local, regional and national authorities such as the National Water Authority, Regional Energy and Mines Management, representatives of the Regional EITI, among others.

#### “Vive Cerro Verde” Visit Program

“Vive Cerro Verde” allows us to communicate and contribute to the educational development of the city of Arequipa, through educational talks in the classroom, visits to our nursery of Uchumayo and guided visits to the mine. This year we recorded the participation of 18,347 high school students in the program, as follows:

- Mine visits: 2,081 students
- Nursery Visits: 8,995 students
- Talks held in educational institutions: 7,271 students

Considering these two programs, a total of 5,353 people visited Cerro Verde Production Unit on the 2019.

### Informative Newsletters

Through these means, we inform to the population of Uchumayo, Tiabaya and Yarabamba districts about the development of our operations and the execution of our social projects in a clear and transparent way. During the reported year, we distributed 54,000 “We are Uchumayo” newsletters, 18,000 “We are Yarabamba” newsletters, and 12,000 “We are Tiabaya” newsletters.

### Permanent Information Offices

We have Permanent Information Offices in the districts of Arequipa, Uchumayo and Yarabamba. These offices are aimed at meeting the multiple information needs of the population around us, as well as receiving their comments, complaints or grievances, allowing us to have a direct and personalized relationship with the population. During the year, we have reported 1,997 visits. More than 70% of these visits were to learn about job opportunities available at Cerro Verde.

5,353

visitors during the reported year

18,347

high school students participated in the program

84,000

newsletters distributed

1,997

attentions during the reported year

## Social Contingency Program

### Participatory Environmental Monitoring:

The Participatory Environmental Monitoring of air, surface water and groundwater quality is carried out four times a year, in March, June, September and December. It involves representatives of local governments, government institutions, universities, professional associations and civil society. It allows us to build trust in the population about the responsible management of the environmental aspects related to our operations. This year, it was carried out in the districts of Uchumayo, Tiabaya, Jacobo Hunter, Socabaya, Quequeña and Yarabamba, with the participation of 1,271 people.

1,271

people participated in the monitoring

## Employment Program

### Promotion for labour recruitment

This program generate job opportunities for the inhabitants of the areas of direct influence (ADIs), through contracting companies, according to the requirements of the operation and the budget scope. During the reported year, 404 jobs were generated, of which 35% were occupied by women.

404

jobs were generated

### Workshops to improve job opportunities

These workshops contribute to the development and improvement of the skills and competencies of the inhabitants of the districts of Uchumayo, Tiabaya, Yarabamba and La Joya, allowing them to improve their level of employability. During the reported year, three workshops were held and 56 attendees participated in total.

56

assistants in 3 workshops

### Labour Market Study 2019

Cerro Verde conducted a Labor Market Study, to obtain information related to the occupational, demographic and economic characteristics of the Arequipa Region. This study allows an analysis of the aspects and requirements of the labor demand in the region; as well as, to develop strategies in the technical labor training programs that we promote.



## Local Economic Development Program

### Productive Development

#### Agricultural and Farming Development

The Agricultural & Farming Development program includes the implementation of activities and projects to improve the irrigation infrastructure of the main users' committees in the districts of our Direct Influence Area, as well as agricultural and farming technical assistance:

- Improvement of the irrigation infrastructure "La Higuera" and "Corbacho" of the Tiabaya Users' Committee. A total of 2,079 lineal meters of channels improved
- Improvement of the irrigation infrastructure of Tingo Grande. A total of 545 lineal meters of channels improved
- Promotion of agricultural development and improvement of the efficiency of irrigation water use in the district of La Joya. This project started in June 2017 and ended in January 2019
- Promotion of agricultural development in the districts of Uchumayo, Tiabaya, Yarabamba and Hunter. This program lasted 20 months (2017-2020) and it benefitted 721 agricultural producers
- Use of renewable energy in the district of La Joya, through the implementation of solar stoves, which benefited 50 agricultural producers during the reported year
- Preparation of business plans within the framework of the PROCOMPITE IV program in the district of Yarabamba. The objective of this program is to develop business plans (production proposals) focused on production chains, within the context of the Program to Support Productive Competitiveness (PROCOMPITE IV). 14 organizations benefited from this program
- Construction of GLOBAL GAP Modules in the La Joya district. 2 modules were built with the objective of certifying crop management with the Global GAP standard. Thus, farmers in La Joya can improve their production processes to achieve export directly

2,624.06

lineal meters of irrigation infrastructure intervened



#### Fishing Development

- Promotion and development of artisanal fishing. It includes the implementation of a training program aimed at strengthening the technical, productive and commercial capacities of the artisanal fishing agents in the Islay district
- Improvement of infrastructure and equipment for the development of fishing activities

#### Tourism Development

- Support for tourist areas aimed at contributing to the development of tourism activities in the districts of Uchumayo, Tiabaya, Yarabamba, La Joya and Matarani, in coordination with the Regional Management of Foreign Trade and Tourism
- Promotion of tourist attractions through gastronomy fairs in the districts of Uchumayo, Tiabaya, Yarabamba, La Joya and Islay
- Improvement of tourist infrastructure and equipment in the districts of Uchumayo, Tiabaya, Yarabamba, La Joya and Islay

100

entrepreneurs of tourism sector trained



## Development Social

### Health

- Preparation of a health study, as a baseline, to identify the main problems affecting the health and well-being of the population of the districts of Uchumayo, Tiabaya, Yarabamba, La Joya and Islay. This study will improve strategies in implementing the activities of this line of action in our areas of direct influence (ADIs)
- Implementation and training in ICTs (Information and Communication Technologies) for health facilities in ADI districts; aimed at improving the performance of health personnel through training in information management and management, using ICTs according to the reality of each health facility. During the reported year, 61 people were trained
- Execution of health-care campaigns, with special emphasis on the prevention of Acute Diarrheal Diseases (ADDs) and Acute Respiratory Infections (ARIs), in vulnerable sectors. This project is implemented in conjunction with the Municipality, Government, Commissioner and corresponding health facilities of the districts of Uchumayo, Tiabaya, Yarabamba and La Joya. A total of 14 health campaigns were carried out, including the prevention of ADDs and ARIs and comprehensive campaigns
- Biomedical equipment to Posts and Health Centers of the Uchumayo, Tiabaya, Yarabamba and La Joya
- Implementation of a care module for patients affected by Tuberculosis

### Nutrition

- Plan to fight anemia. The objective of this program is to contribute to the reduction of the anemia index in the population of the districts of Uchumayo, Tiabaya, Yarabamba, La Joya and Islay
- Healthy Lunch Boxes. The objective of this program is to promote eating habits for a healthy life in the educational community of the Uchumayo, Tiabaya, Yarabamba, La Joya and Islay districts, through the development of healthy lunch boxes
- Implementation of school kitchens, which facilitate the good disposition and management of state-endowed food, through the Qali Warma program. 47 equipped kitchens have been implemented
- Handwashing initiative, which, through workshops, seeks to raise awareness of the student population of the districts of Uchumayo, Tiabaya, Yarabamba, La Joya and Islay, about the importance of proper hand washing, in order to contribute to improving their health

### Education

- The educational research study allowed for have a diagnosis in the districts of Uchumayo, Tiabaya, Yarabamba, La Joya and Islay, to understand the factors associated with the achievement of learning of students of Regular Basic Education and promote strategies in the execution of our programs aimed at the education sector of our AID
- Strengthening teaching skills and educational conditions at the Initial Level, through the program "Small Learning," which benefited, 57 teachers from districts of Uchumayo,

14

health campaigns were carried out, including the prevention of ADDs and ARIs and comprehensive campaigns.

47

school kitchens implemented

57

teachers benefited from the "Pequeños Aprendiendo" program

- Tiabaya, Yarabamba, La Joya and Islay in the reported year
- Promotion of environmental education in regular basic education
- Promotion of technical – productive higher education
- Updating and developing competencies in the use of new educational technologies
- Implementation and conditioning for the use of TICS in educational institutions
- STEAM Robotics (Scientific School and EDUINNOVA)
- Contribution to the improvement of comprehensive communication capabilities and mathematical logical reasoning
- Delivery of consumable materials for students and educational activities, installation of meshes and contribution with improvements in equipment and school furniture

### Public services, infrastructure and equipment

- Electronic Audit System. This program consists of the operation of seven road safety porches that include an electronic control system, LED panels of variable information (road safety and awareness messages) and a pedestrian traffic light. The objective of this project is to mitigate road hazards that may occur as a result of increased vehicle traffic for vans, buses, heavy transport, public transport among others on the main road that crosses the districts of Sachaca, Tiabaya and Uchumayo
- Road Safety Program 2019 "Driving with Safety," aimed at providing training on the road safety, defensive driving, updated on traffic regulations, good customer service (passengers), relaxation techniques and driving stress management, first aid and firefighting in vehicles, to drivers and collectors of the main public transport companies whose transport route is through the districts of Sachaca, Uchumayo and Tiabaya
- Improvement of public service infrastructure



## Cultural Development

### Culture And Recreation

- Creative Summer 2019: This program consists of the execution of sports and cultural workshops, in the district of Uchumayo. During 2019, 634 children and young people were assisted
- Auspices 2019: During the reporting year, we have sponsored various cultural and sporting events, according to our corporate principles and values. These activities promote environmental care, strengthen education, health and safety, and encourage sport and art development. We hosted a total of 91 events

### Alternate route for peregrination to the Santuario de la Virgen de Chapi

As an important part of the fulfillment of the activities detailed in the MEIAS, Cerro Verde invests in supporting the pilgrimage to the Chapi Sanctuary, a cultural activity that is carried out year after year by the residents of San Camilo, San Isidro, La Cano and Islay to the Sanctuary located in the Polobaya district. During the reported year, the participation of 54 pilgrims was registered



# 634

children and young people attended sports and cultural workshops

## Capacity-Building Program

### Job Technical Training

- Technical Job Training Program: Objective is to develop knowledge and skills in the local population so that they can be better incorporated into the labour market. During the reported year, 160 people were registered
- Impact Studies of the Training and Technical Program (PCTL): The implementation of these studies seeks to know the socioeconomic characteristics of the population benefiting from the job technical training program

### Environmental Management

- Participatory Forstituent Project: Whose objective is to increase the forest areas in Arequipa (Yarabamba, Uchumayo, Tiabaya, La Joya). During the reported year a total of 137,781 trees were planted
- Dissemination and awareness to citizens about native species, afforestation and rational use of natural resources
- Development of Forest Research Projects: The objectives of this project are (i) To know the rate of gas exchange (Carbon dioxide capture and oxygen generation) in various forest species, native and exotic, present in Arequipa (*Queñua*, *Yara*, *Cahuato*, *Molle serrano*, *Tara*, *Mioporo* and *Fresno*), at the same time, a baseline is established, since this type of study has not been previously carried out in our area. The results obtained indicate that the species that have the best ecosystem services for the province are the native species, considering that these are also tolerant to water scarcity and are those that we mainly produce in our nurseries, (ii) Acclimatize endemic species of Peru to the climatic conditions of the city of Arequipa and (iii) Recover, through biotechnological tools, endemic and threatened species, such as the "Quina tree" and "Queñua"
- Management of the nurseries of Uchumayo and Yarabamba, with the aim of producing seedlings of fruit and forest trees, 90 thousand seedlings in the Uchumayo Nursery and 60 thousand seedlings in the Yarabamba Nursery
- Construction of the Forest Nursery of Cacayaco - Chiguata, whose objective is to increase the production of trees of Queñua to recover the forest of queñuas present in the foothills of the Pichupichu in Arequipa
- Construction of the educational nursery of the I.E. Agricultural Technician of La Joya.
- Implementation of demonstrative plots of fruit and vegetable production
- Support program for proper solid waste management

### Risk Prevention

- Emergency support by rainy season 2019, through the implementation of tools and equipment to the different institutions responsible for dealing with rain emergencies

# 160

people benefited during the reported year

# 137,781

trees planted

### Promotion And Development Of SMEs

- Productive technical training program
- Training program in proper management of solid waste.
- Equipment program to Sponsored SMEs
- EMPRENDE: Entrepreneurship and Business Development Center
- DreamBuilder: Business Creator for Women Online program to train women entrepreneurs in business management programs, to facilitate the implementation and their business and the elaboration of their business plans
- Study of impact to projects in the business sector
- Study of the business sector in the Arequipa Region and the AID districts

### Citizen Security

- Life Values Program
- Studies on citizen safety
- Training program for key actors in citizen security; Public security awareness program for local people and training in citizenship, skills development and citizen security
- Equipment program for citizen security agents



### Democratic Governance

- Local government governance strengthening service
  - Concerted Development Plan for Socabaya, Yarabamba and Uchumayo districts
- In addition, in the frame of our Social Responsibility philosophy, a number of investments have been made in addition to those contemplated in our PGS, which add up to US\$2.5 million. These initiatives are aligned to the Sustainable Development Goals and have been reflected in various agreements signed with the Regional Government of Arequipa, local governments, among other institutions

### Culture And Recreation

#### • Restoration of the Parish Complex of Santa Marta

Restoration and maintenance works have been carried out on the parish complex of Santa Marta, which belongs to the Historic Center of Arequipa and is considered as a cultural asset.

### Public Services

#### • Support to the Regional Government of Arequipa — Road Projects

The Regional Government of Arequipa has been supported through the delivery of various materials, such as premixed concrete and pipes, for the implementation of road projects.

### Education

#### • English scholarships for students of the “Beca Maestro 3.0”

The purpose of this program is to strengthen the capacities of teachers of the Master Scholarship Program 3.0, through training in a foreign language.

#### • Implementation of The Family House and Municipal Library

These two centers have been implemented, located in the Socabaya district, with equipment and furniture, in order to improve the service they provide, as well as encourage reading.

### Agricultural Development

#### • Irrigation Advisory System (SAR)

The development of the website of the National Water Authority's Irrigation Advisory System (SAR) (ANA) and related applications, which, from modules, allow the establishment of a system of advice on irrigation to agricultural producers has been supported.

#### • Development of capacities aimed at the promotion of agro-export in favor of the User Boards of the District of La Joya

## 4. Environmental

Cerro Verde has adopted the Environmental Policy of Freeport-McMoRan, which was updated in February 2018 and represents the statement of our intentions and guidelines related to our environmental performance. In this Policy, we are committed to minimizing the impact of our operations on the environment, complying with applicable regulations, applying the principle of continuous improvement and working hand in hand with our stakeholders.

Our Policy outlines eight commitments, which we expect each worker and contractor to follow and to report any concerns through our various communication mechanisms, including those published in the Principles of Business Conduct and Supplier Code of Conduct.

### Energy

For the development of our operations, Cerro Verde receives energy from the National Interconnected Electric System (SEIN), through three energy contracts with the generating companies Engie Energía Perú S.A., Kallpa Generación S.A. and Electroperú S.A. The maximum power consumed by Cerro Verde reached 490 MW in 2019 through its three supply points in the 138KV, 220KV and 500KV bars.

Most of our energy supply comes from renewable energy sources (hydroelectric), an important factor

in limiting our greenhouse gas (GHG) footprint in our operations.

During the reported fiscal year, Cerro

Verde explored new alternatives for the use of renewable energies, in addition to initiatives that would allow greater energy efficiency.

### COMMITMENTS

1. Operate our facilities in accordance with all applicable environmental standards, at a minimum, and when we believe that they are not sufficiently protective, we will apply internationally recognized management practices.
2. Prevent pollution and environmental impacts where possible, using risk management strategies based on valid data and a strong scientific basis.
3. Continuously improve the environmental performance of our operations by implementing ISO 14001 management systems.
4. Work with our stakeholders to ensure that permits, laws and regulations provide environmental protection based on appropriate scientific principles.
5. Educate and train workers and contractors to perform tasks in an environmentally responsible manner.
6. Be a responsible member of our local communities, respect people's culture and heritage, and contribute to biodiversity conservation.
7. Remedy environmental liabilities where our company is responsible.
8. Regularly review our environmental performance and publicly report our progress.



### Fossil Fuels.

We use two types of fossil fuels, the Diesel B5 mainly for heavy and light heavy equipment, such as: haul trucks, excavators, tractors and drills; and 90-octane gasohol mainly for light vehicles.

Chart 12: Energy consumption within the organization

POWER SOURCE	MILLIONS MWH	MILLIONS GALONES
Electricity (SEIN) (MWh)	3.6	
Diesel B5 (US Gallons)		58.2
Gasoline 90 (US Gallons)		0.4





**Water**

The CVPU is located in the Arequipa Region, in the south of Peru, in the Atacama desert area, so, through the history of our operations, we have always sought the sustainable use of water. Water is always a challenge for Cerro Verde. Cerro Verde is privatized to promote the development of the mining deposit contained in its mining concession. Various feasibility studies concluded that the scarcity of water was one of the major obstacles to allow the continuity of its operations and the expansion of the same to make Cerro Verde an economically viable deposit, considering that the copper grade is very low.

The proposed solution was to regulate the water that was lost in the Pacific Ocean through the construction of dams, such as Pillones and Bamputañe co-financed with EGASA and San José de Uzuña, co-financed with the Regional Government of Arequipa. We refer to this as the “Virtuoso Water Circle,” which we have closed with the Wastewater Treatment Plant (PTAR) La Enlozada, which completed two years of operation at the end of the reported year. The costs of construction and operation have been borne entirely by Cerro Verde.

Fresh water for the CVPU operation is mainly obtained from the Chili River and is supplemented by the treated water in the PTAR La Enlozada and by the groundwater wells from the Cerro

Verde and Santa Rosa open pits, which in varying quantity, are also dedicated to the control of dust emissions from internal roads. Our water use licenses total 2,160 lit/sec. These licenses grant the right to use surface water (Chili River), reuse of treated wastewater (PTAR La Enlozada, up to a limit of 1,000 lit/sec on average annually) and groundwater (Tajos Cerro Verde and Santa Rosa).

In 2018, we obtained the Extraordinary Blue Certificate, granted by the National Water Authority (ANA), for being a water-responsible and supportive company.



**Chart 13:** Water extraction by source

SOURCE	MILLIONS OF CUBIC METERS
Surface water	26.5
Ground water	0.4
Stormwater	0.5
Municipal wastewater	26.1
<b>Total</b>	<b>53.5</b>

**Chart 14:** Recycled and reused water

CONCEPT	MILLIONS OF CUBIC METERS
Total volume of water recycled or reused	482.5

The total volume of recycled or reused water corresponds to 90% of the total water used according to the GRI 303-1 indicator.

**Biodiversity**

Cerro Verde has a “Biodiversity Management Plan (PGB),” which includes several management programs based on information from the different Environmental Management Instruments of Cerro Verde, works published in research journals and meetings with specialists in Biodiversity and Conservation, and additional criteria from the work that Cerro Verde is currently developing are included. Under an adaptive management and ecosystem approach, the information collected is constantly reviewed in order to implement improvements or complement mitigation and control measures.

The PGB includes the action plans for the “guanaco” (Lama guanicoe) and its habitat, the “Peruvian longirostro bat” (Platalina genovensium) and its habitat, herpetofauna, avifauna, arthropodofauna and species of wild flora, and is also part of our System of Environmental Management. This is consistent with the International Finance Corporation’s (IFC) Performance Standard 6 for Biodiversity, reviewed by multiple credit institutions for debt financing, necessary for our Expansion and aligned to Principle 7 of Sustainable Development of the International Council on Mining and Metals (ICMM), which is verified annually.

In 2017, we obtained the Wildlife Habitat Council certification in the “Gold”

category, granted by the organization of the same name, made up of a group of corporations, conservation organizations and people dedicated

to the conservation and improvement of habitats. This certification extends until 2020.

**Chart 15:** Amount of land disturbed or rehabilitated (possessed, leased and managed for production or extractive use)

CONCEPT	HECTARES
Total land disturbed and not yet rehabilitated (A: Initial balance)	3,104.53
Total amount of land recently disturbed within the reporting period (B)	449.29
Total amount of land recently rehabilitated within the reporting period for agreed end use (C)	-
<b>Total land disturbed and not yet rehabilitated (D-A+B-C)</b>	<b>3,553.82</b>



Cerro Verde does not have its own, leased or managed operating facilities that are adjacent to, contain or are located in protected areas and unprotected areas of great value to biodiversity. However, it has carried out the rescue of biodiversity or other mitigation measures in different areas of the Production Unit. Here is a brief description:

Chart 16: Mitigated Areas

	“ AREAS OF FLORA RELOCATION AND INDUCTION UP TO 2019”	“ AREAS OF HERPETOFAUNA RELOCATION UP TO 2019”	“EL RESCATE - AREAS OF OLD MINING TUNNELS”
<b>Surface (Ha)</b>	42.82	25	120
<b>Location</b>	Quebradas Linga, Huayrondo, San José, Querendosa, Siete Vueltas, Querendosa y Quebradita	Quebradas Siete Vueltas y Querendosa	Quebradas Huayrondo, Siete Vueltas, Querendosa y Linga
<b>Specific Management Actions</b>	<ul style="list-style-type: none"> <li>- Spread of plant species according to the BMP</li> <li>- Rescue and relocation of plants according to the BMP</li> <li>- Implementation of restrictions and signposts in habitat improvement areas</li> <li>- Cactus flowering induction areas</li> </ul>	<ul style="list-style-type: none"> <li>- Rescue and relocation of herpetofauna (lizards) according to the BMP</li> </ul>	<ul style="list-style-type: none"> <li>- Management and protection of foraging habitat of P. genovensium</li> <li>- Management of shelter habitat of P. genovensium</li> <li>- Monitoring of P. genovensium population</li> <li>- Implementation of restrictions and signposts in habitat improvement areas</li> </ul>

**Emissions**

**Natural Sources.** The natural inputs of particulate matter are considered significant due to the nature of the soil component of the area made up of scarce plant cover, soil with medium and fine materials deposited in almost its entirety. In addition, medium and fine materials are composed of sand, frank sand and volcanic ash, which are subject

to wind erosion. The meteorological characteristics of the area, such as high evaporation levels and low precipitation favor dispersion phenomena.

**Anthropogenic sources.** The anthropogenic sources of particulate matter and greenhouse gases identified are related to Cerro Verde’s current operations (activities involved in the exploitation and processing of ore) and

land movements and activities developed in surrounding districts, such as: burning of farm fields, vehicle traffic, brickworks, among others.

Pursuant to Article 3 of Ministerial Resolution No. 315-96-EM/VMM approving the maximum permissible levels of elements and compounds present in gaseous emissions from metallurgical mining units, the maximum

permissible level of particulate emission to which metallurgical mining units are subject is 100 mg/m3 measured at any time or checkpoints. During the reported year, Cerro Verde did not exceed the stated limit.

Chart 17: Nitrogen oxides (NOX), Sulfur oxides (SOX) and other significant air emissions

CONCEPT	METRIC TONS
NOX	11,273
SOX	157
Particulate Matter – PM10	4,145
Volatile Organic Compounds	3,090

**Effluents and waste**

**Effluents.** Cerro Verde’s operations are certified zero discharge, issued by the National Water Authority.

**Waste.** Cerro Verde has a general plan for the management of solid waste, which aims to manage and control the waste from generation to final disposal, optimizing the management of them; that is, minimizing the generation of waste from the origin and through reuse and recycling techniques, reducing the risk associated with health and environment.

The metallurgical mining activity and auxiliary processes carried out by Cerro Verde generate various wastes. These are managed in a way that meets high standards of regulatory compliance and environmental management practices. All workers of Cerro Verde and contracting companies are responsible for the proper management of the waste generated in their work areas.

As part of the compliance with Peruvian regulations applicable to waste management, a “Declaration on Non-Municipal Solid Waste Minimization and Management” is submitted annually to the competent authority during the first 15 business days of April of each year, as well as a “Dangerous Solid Waste Manifesto” for the first 15 business days of each quarter.

As part of the Waste Management Plan and continuous improvement of

the System, mechanisms have been implemented for the treatment of residues, such as: treatment of fluorescents, bulbs, aerosol cans; as well as equipment for crushing and compaction, which help us reduce the level of danger and reduce spaces for waste storage; which allows us to save resources and avoid disruption of new areas.

The tailings dams and dismounts (sterile rock) we produce represent our greatest volume of waste. The management of these large volumes of waste presents significant environmental, safety and engineering challenges. The main risks associated with the management of laves and dismounts are related to structural stability, geochemistry, water quality and dust generation. The management of this waste is regulated, and we apply programs that have been designed to comply with legal requirements and approved permits.



Chart 18: Waste by type and method of disposal

CONCEPT	DISPOSITION METHOD	METRIC TONS
<b>Hazardous Waste</b>	Sent to fill	1,404
	Recycled, reused	447
	Treated	29
	Stored on site	-
<b>Non-Hazardous Waste</b>	Send to fill	2,164
	Recycled, reused	28,269
	Stored on site	14,123
	Another provision	-
		<b>Cubic meters</b>
<b>Used oil</b>	Sent off-site	3,315
	Stored on site	68

Chart 19: Total amount of clearing (sterile rock), veers, electrolytic ship waste, sludge

	REMOVE	TAILINGS	WASTE ELECTROLYTIC SHIP ELECTRO-OBTAINING	SLUDGE WATER TREATMENT PRODUCT
<b>Metric ton</b>	167,879,520	140,990,347	38	17,433



## 1. About the report

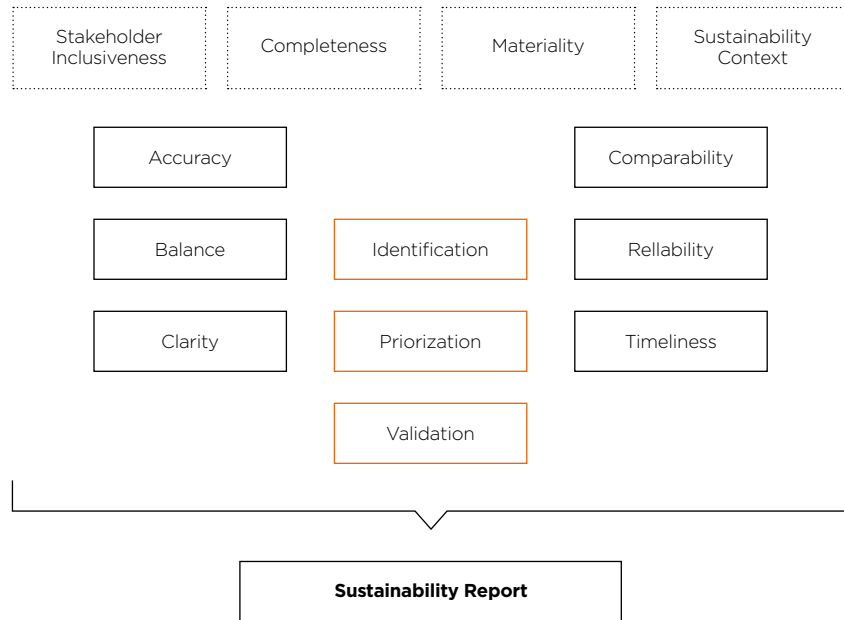
### General Information

Cerro Verde is pleased to publish for the sixth consecutive year its Sustainability Report, called “BUILDING ON STRENGTH” for January 1 to December 31, 2019, to share our main advances and achievements with our stakeholders.

This report was developed in accordance with the GRI Standards: Core Option. For further information or suggestions about this document, please contact:

**Julia J. Torreblanca Marmanillo**  
 Vice President of Corporate Affairs  
 Sociedad Minera Cerro Verde S.A.A.  
 E-mail: jtorrebl@fmi.com

In order to define the content and boundaries of the report, Cerro Verde has prepared a procedure that follows GRI guidelines. This procedure applies the principles of content and quality from that document:



### A. Identification

Relevant aspects for stakeholders are identified at this stage. These include originated questions, consultations or areas of concern because of its link to compliance obligations, risks and opportunities. These sources / methodologies were used for the Identification stage:

- Social and Environmental baseline of the Environmental and Social Impact Assessment for the Cerro Verde Production Unit Expansion.
- Social and Environmental Baseline of the Amendment to the Environmental and Social Impact Assessment of Cerro Verde Production Unit Expansion.
- Social and Environmental Baseline of the Environmental and Social Impact Assessment for the Waste Water Treatment System of Metropolitan Arequipa.
- Risk Register for Cerro Verde Sustainable Development.
- Reports from Cerro Verde Permanent Information Offices.
- Internal satisfaction analysis (Survey for our workers, led by the Human Resources Management).
- Benchmarking with reports of large national and international mining companies.
- Relevant topics for appropriate organizations: International Council on Mining and Metals, International Finance Corporation, National Society of Mining, Oil and Energy.

The relevant aspects identified are recorded in the Matrix for Materiality

Assessment, which includes the following sections:

#### 1. Identification of Relevant Aspects

- Category
- Subcategory
- Context
- Aspect
- Description
- Indicator
- Coverage
- Geographic scope
- Stakeholders

#### 2. Determination of influence in the decisions and evaluations of stakeholders

- Impacts
- Valuation of the influence regarding:
  - Perception of the impact
  - Perception of the impact’s importance
  - Expectations of actions and responses
  - Expectation of transference

#### 3. Determination of the importance of Environmental, Social and Economic Impacts

- Identification of risks and opportunities
- Risk Assessment

### B. Prioritization

This stage was performed using the graphical method for prioritizing aspects recommended by the GRI G4 guideline. These are distributed according to their influence on

the evaluations and decisions of stakeholders and according to the importance of economic, environmental and social impacts of the organization. The aspects identified as material at this stage are listed in the GRI content index.

### C. Validation

The validation of Material Aspects was conducted by the areas in Cerro Verde responsible for every aspect by preparing collection records of management and contents. Each record was validated by the person in charge of the area before sending it to the team responsible for preparing the 2019 Sustainability Report.

## Coverage of each material content

TOPICS - CONTENTS	COVERAGE - WHERE COULD IMPACTS HAPPEN?	
	INSIDE CERRO VERDE	OUTSIDE CERRO VERDE
<b>Economic</b>		
Economic Performance	X	X
Indirect Economic Impact		X
Purchasing Practices		X (Suppliers)
Anti-corruption	X	X
<b>Environmental</b>		
Energy	X	
Water	X	
Biodiversity	X	
Emissions	X	
Effluents and waste	X	
Environmental Compliance	X	
<b>Social</b>		
Occupational Health & Safety	X	
Training and Education	X	
Diversity and Equal Opportunities	X	
Non-discrimination	X	
Security Practices	X	X (Community)
Human Rights Assessment	X	X (Community)
Local Communities	X	X (Community)
Public Policy		X (Community)

## GRI CONTENTS

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GRI STANDARD	CONTENT	PAGE / COMMENTS
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	102-46 Defining report content and topic boundaries	54, 55, 56
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	102-48 Restatements of Information	Not occurred
	102-49 Changes in reporting	Not occurred
	102-50 Reporting period	2019
	102-51 Date of the most recent report	2018
	102-52 Reporting cycle	Annual
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	102-56 External assurance	Not verified

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	103-2 The management approach and its components	46
	103-3 Evaluation of the management approach	46
<b>GRI 307 Environmental Compliance 2016</b>	307-1 Non-compliance with environmental laws and regulations	During the reporting year, Cerro Verde has not identified any significant non-compliance with environmental laws, which have materialized in fines or nonmonetary sanctions.

SOCIAL		
OCCUPATIONAL HEALTH AND SAFETY		
<b>GRI 103 Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	30, 31
	103-2 The management approach and its components	30, 31
	103-3 Evaluation of the management approach	30, 31
<b>GRI 403 Occupational Health &amp; Safety 2016</b>	403-1 Workers representation in formal, joint management-worker health and safety committees	31
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities	31, 32, 33
TRAINING AND EDUCATION		
<b>GRI 103 Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	30
	103-2 The management approach and its components	30
	103-3 Evaluation of the management approach	30
<b>GRI 404 Training and education 2016</b>	404-1 Average hours of training per year per employee	30
DIVERSITY AND EQUAL OPPORTUNITY		
<b>GRI 103 Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	27, 28
	103-2 The management approach and its components	27, 28
	103-3 Evaluation of the management approach	27, 28
<b>GRI 405 Diversity and equal opportunity 2016</b>	405-1 Diversity of governance bodies and employees	29

NON-DISCRIMINATION		
<b>GRI 103 Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	27
	103-2 The management approach and its components	27
	103-3 Evaluation of the management approach	27
<b>GRI 406 Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	27
SECURITY PRACTICES		
<b>GRI 103 Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	24
	103-2 The management approach and its components	24
	103-3 Evaluation of the management approach	24
<b>GRI 410 Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	24
HUMAN RIGHTS ASSESSMENT		
<b>GRI 103 Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	23
	103-2 The management approach and its components	23
	103-3 Evaluation of the management approach	23
<b>GRI 412 Human Rights Assessment 2016</b>	412-1 Operations that have been subject to human rights reviews or impact assessments	23
	412-2 Employee training on human rights policies or procedures	23
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	23



### LOCAL COMMUNITIES

<b>GRI 103 Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	34 - 45
	103-2 The management approach and its components	34 - 45
	103-3 Evaluation of the management approach	34 - 45
<b>GRI 413 Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments and development programs	34 - 45

### PUBLIC POLITICS

<b>GRI 103 Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	
	103-2 The management approach and its components	Sociedad Minera Cerro Verde S.A.A. does not make any political contributions
	103-3 Evaluation of the management approach	
<b>GRI 415 Public Policy 2016</b>	415-1 Political Contributions	



Cerro Verde