

HUBBAY

2023


INTEGRATED ANNUAL REPORT



We **care** about our **people**,
our **communities** and
our **planet**.

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 *In 2023, our New Britannia mill performed significantly above nameplate capacity. New Britannia mill, Manitoba*



CEO Message

It's always rewarding when a plan comes together. In 2023, Hudbay delivered on our performance strategy and positioned us for long-term growth and stability. Even in the face of unexpected challenges, the brownfield investments we completed in Peru and Manitoba contributed to generating significant revenue, enhancing our free cash flow profile and paving the way for future balance sheet deleveraging.

At our Constancia mine in Peru, we had a strong year benefiting from the contribution of Pampacancha high-grade ore, driving higher production and reduced cash costs, and enabling significant cash flow generation. Additionally, we signed an agreement to source renewable energy that will dramatically reduce Hudbay's carbon footprint beginning in 2026.

In Manitoba, our Snow Lake operations hit their stride with higher gold grades being mined at Lalor, the New Britannia mill operating above nameplate capacity and the Stall mill achieving higher copper and gold recoveries. We also expanded our prospective land package in the Snow Lake region by acquiring Rockcliff Metals Corp. and the Cook Lake properties. This opens the door for potential mineral expansion and mine life extension, creating substantial long-term value at our Snow Lake operations.

The acquisition of Copper Mountain, a long-life, open pit copper mine in British Columbia, was a

significant addition to our portfolio, positioning Hudbay as Canada's fourth-largest Canadian copper producer. We issued our first Copper Mountain technical report in December, outlining our base case mine plan following the acquisition. The report identifies numerous opportunities to enhance the mine's production profile, reduce operating costs, and progress on process optimization.

In September, we published a pre-feasibility study for Phase I of the Copper World project that significantly enhanced the economics and de-risked the project through higher levels of engineering, a simplified project design, lower upfront capex and a longer mine life, all while requiring only state-level permits.

Culture drives companies. As part of our effort to build and support OneHudbay across all our businesses and activities, we developed and shared our purpose statement to help people, inside and outside Hudbay, better understand who we are, what motivates us and why we exist.



PERU

Late in 2022 and through to early 2023, following a change in the country’s political leadership, Peru experienced a period of social unrest that extended into the Cusco mining region, where Hubbay’s Constancia mine is located. Roads were blockaded, interrupting the flow of personnel, supplies and ore, and in one instance, protesters were near our property. Unlike some of our peers during this period, Hubbay was able to keep the Constancia mill in operation, thanks to the close relationships we enjoy with communities near our mine. Our ability to remain operational highlights the remarkable job that the team at Constancia has done in building relationships with our neighbours based on trust, respect and mutual benefit (see [feature story](#)).

This period of unrest did delay the positive contribution of higher grades from Pampacancha to the Constancia mill; however, in the third quarter, we began to see the positive impact from Pampacancha. This, with Lalor and Copper Mountain, helped to deliver record quarterly revenue and record quarterly consolidated gold production in the second half of 2023.

To continue our expansion efforts in Peru, we submitted a drill permit application for Maria Reyna in late 2023 and expect to submit a drill permit application for Caballito in the first half of 2024. At Constancia, we continue to optimize mine plans, including a recent drilling program on the west side of the reserve pit to identify additional mineralization, which led to an upgrade of the mineral resources to reserves. The long-term potential for the mine continues to ensure stability and prosperity for the Company and local community stakeholders.

In April 2023, taking a step that will deliver company-wide sustainability initiatives, Constancia signed a 10-year power purchase agreement with ENGIE, Energía Perú. Starting in 2026, ENGIE will provide the mine with access to a 100% renewable energy supply. This agreement will help to reduce Hubbay’s Scope 1 and Scope 2 emissions by 40% compared to our 2021 baseline and is a significant milestone on our journey to reducing our greenhouse gas emissions by 50% by 2030.

MANITOBA

In three years, Hubbay will mark the 100th anniversary of our founding in 1927 and our origins in Flin Flon. Today, Manitoba remains an essential part of our story and long-term success. We enjoyed record gold production from our Snow Lake operations during 2023, driven by our investments in upgrading the New Britannia mill and focus on mining higher copper and gold grade zones at the Lalor mine. During the year, the New Britannia mill performed well above its nameplate capacity, and we look forward to continuing strong performance in the years ahead. In a similar step to enhance performance, we completed the first phase of the Stall mill recovery improvement project, which contributed to higher gold and copper recoveries.

We continue to pursue opportunities for creating stakeholder value within the region through continuous exploration efforts, innovation and driving operational efficiencies. This year, we consolidated our land package in Snow Lake through targeted acquisitions, expanding our claims by 250% to 2,690 square kilometres in the highly prospective Snow Lake Greenstone Belt. This consolidation opens the door to future exploration opportunities and the potential for significantly extending the mine life of our Snow Lake operations.

In 2023, we pursued partnerships to reduce risk and extend the reach of our exploration efforts in the Flin Flon region. We recently signed an option agreement with Marubeni Corporation of Japan, which enables Marubeni to fund exploration efforts in looking for new, economically attractive mineral deposits within trucking distance of our existing processing facilities in Flin Flon. Our efforts in the Flin Flon region also included investigating ways to reduce the environmental impact and realize the economic potential of more than 100 million tonnes of tailings generated by more than 90 years of mining activity.

In addition to achieving record productivity, the Manitoba Business Unit hit a significant milestone with the launch of the “Home Safe Every Day” program (see [feature story](#)). This initiative, which has company-wide potential, aims to establish a proactive and self-sustaining safety culture at our Manitoba operations.



 CEO Peter Kukielski and COO Andre Lauzon tour Copper Mountain mine, British Columbia

BRITISH COLUMBIA

In June, we completed our acquisition of Copper Mountain Mining Corporation, and Hudbay became the indirect owner of 75% of the Copper Mountain mine. The addition of Copper Mountain, an open pit copper, gold and silver mine located near the town of Princeton in southern British Columbia, to our portfolio of operations further established Hudbay as a top-tier, Americas-focused copper mining company. Looking forward, we expect the Copper Mountain mine to be a significant contributor to our production profile for many years, delivering 45,000 tonnes of copper annually over the next 10 years.

The acquisition helps rebalance and diversify our portfolio, which is now founded upon three long-life mines and a range of development projects located in Canada, Peru and the United States, all mining-friendly jurisdictions. Working with the strong team at Copper Mountain, we are now positioned to draw upon our proven strengths in realizing operating efficiencies to transform Copper Mountain into a stable copper producer with an anticipated 21-year mine life.

ARIZONA AND NEVADA

In September, we published a Copper World pre-feasibility study (PFS) that indicated how we can leverage our experience to reduce risk and enhance the economics of the first phase of the project. Focusing on Phase I, which will require only state and local permits, the PFS extends Phase I mine life to 20 years with average annual copper production of 85,000 tonnes. We intend to continue taking a prudent approach to advancing Copper World and ensuring we meet all the conditions for project sanctioning established in our 3-P plan, including securing a joint venture partner.

Positive local sentiment for the project is clear with a November 2023 survey of Arizona voters. Conducted by the Tucson Metro Chamber and the Arizona Mining Association, the survey revealed a growing trend of increased support for copper mining, which includes support for Copper World. When provided with a thorough description of the project, a majority of voters voiced their support for Copper World, which is 28 miles south of Tucson.

PURPOSE AND SUSTAINABILITY

In addition to enjoying noteworthy progress in our operations over the year, we made significant advances concerning organization-wide priorities, including purpose, culture and sustainability. Our achievements included introducing our purpose statement (see [feature story](#)), which will support our OneHudbay culture and help people inside and outside of Hudbay understand our impact on the lives of those we touch and our contribution as a producer of essential metals that help the world address challenges like climate change. Throughout 2023, we continued to work on developing our equity, diversity and inclusion strategy because we recognize the benefits it creates and the value it delivers to all of our stakeholders.

On the sustainability front, we have made significant progress on the GHG reduction roadmap we introduced in 2021. In 2022, we publicly committed to achieving net zero GHG emissions at our operations by 2050. In 2023 (see [feature story](#)), each of our business units developed its own unique roadmap showing how it will contribute to achieving this objective. Their commitment will help ensure we reach our goal.

LOOKING FORWARD

A little over a decade ago, Hudbay had one operating business unit. Today, we are geographically diversified and have three active, long-life operations – Constancia, Snow Lake and Copper Mountain – in stable, mining-friendly jurisdictions, and a robust project pipeline with outstanding growth potential. Our portfolio is well balanced and better positioned to manage risk and realize opportunities. By embracing our purpose, Hudbay will be more diverse, more sustainable and, as a producer of essential metals, even more critical to global efforts to decarbonize and meet the challenge of climate change.

As we and our peers in the copper sector have long noted, new projects are not coming onstream at the required rate, and the copper supply will not meet demand needs. Hudbay is an outlier with three productive mines and an outstanding copper project pipeline. Together with our stakeholders, we are uniquely well positioned to realize the benefits of the strong long-term copper price environment.

Looking to the future, we are excited by the opportunities and focused on building a resilient, diversified copper company that will make a vital contribution to creating a more sustainable world.

Sincerely,



Peter Kukielski
President and Chief Executive Officer

Our Feature Stories

Every year, Hudbay’s activities as a mining company, employer and community member produce great stories about how, across our organization, we are living our values and working to achieve our purpose.



THE POWER OF COMMUNITY IN PERU

In 2023, in response to political unrest in Peru, protesters started roadblocks to mines in the Cusco region, where Constancia is located, and in some cases occupied and vandalized mining sites. During this period, Hudbay was able to keep the Constancia mill operating. This was due in large measure to the efforts of community members near Constancia, who made it clear that they regarded Constancia as a good neighbour whose interests and operations they wanted to protect.

[PLEASE VISIT HUDBAY’S 2023 INTEGRATED ANNUAL REPORT WEBSITE TO READ MORE](#)

 Local residents outside the Hudbay-supported Community House, Chilloroya, Peru



BUILDING A SAFETY CULTURE IN MANITOBA

Over the course of 2023, the Manitoba Business Unit continued to build upon and integrate its “Home Safe Every Day” initiative. The efforts included establishing three work streams – Safety Governance, Supervisory Leadership, and High Potential Prevention and Mitigation – all oriented towards incident prevention and instilling a self-perpetuating safety culture.

[PLEASE VISIT HUDBAY’S 2023 INTEGRATED ANNUAL REPORT WEBSITE TO READ MORE](#)

 Members of the Health and Safety team at Lalor mine in Manitoba



ONE PURPOSE. ONEHUDBAY

As a corporation, explorer, mine developer and mine operator, Hudbay is active in Canada (British Columbia, Manitoba and Ontario), Peru (Cusco and La Libertad) and the United States (Arizona and Nevada). We represent a diverse mix of people, skills and talents, united by the purpose we introduced in 2023. The goal of our purpose is to focus our efforts, inspire our people, support our values and help build a shared, unifying culture everywhere we operate.

PLEASE VISIT HUDBAY'S 2023 INTEGRATED ANNUAL REPORT WEBSITE TO READ MORE

 *Staff leaving a meeting at our Toronto office*



MAKING PROGRESS ON OUR GHG ROADMAP

In 2021, Hudbay introduced its GHG reduction roadmap, followed by major reduction targets for 2030 and a commitment to achieving net zero GHG emissions by 2050. In 2023, our business units, excluding British Columbia, set out their own roadmaps for reaching our company-wide goals. Our performance and key steps during the year, notably Constancia's agreement with renewable energy supplier ENGIE, show Hudbay is making solid progress on our GHG reduction roadmap.

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 *Truck being loaded at Copper Mountain mine, British Columbia*

Our Company

Hudbay is a copper-focused mining company with three long-life operations and a world-class pipeline of copper growth projects in tier-one mining-friendly jurisdictions of Canada, Peru and the United States. Hudbay’s operating portfolio includes the Constanca mine in Cusco (Peru), the Snow Lake operations in Manitoba (Canada) and the Copper Mountain mine in British Columbia (Canada). Copper is the primary metal produced by the Company, which is complemented by meaningful gold production. Hudbay’s growth pipeline includes the Copper World project in Arizona (United States), the Mason project in Nevada (United States), the Llaguen project in La Libertad (Peru) and several expansion and exploration opportunities near its existing operations.

 *Employees working from New Britannia control room, Manitoba*



The value Hubbay creates and the impact it has is embodied in its purpose statement: “We care about our people, our communities and our planet. Hubbay provides the metals the world needs. We work sustainably, transform lives and create better futures for communities.” Hubbay’s mission is to create sustainable value and strong returns by leveraging its core strengths in community relations, focused exploration, mine development and efficient operations.

The Company is governed by the *Canada Business Corporations Act*, and its shares are listed under the symbol “HBM” on the Toronto Stock Exchange, New York Stock Exchange and Bolsa de Valores de Lima.

PERU

Constancia mine (Chumbivilcas) – 18-year mine life

- 100% ownership
- Open pit long-life copper/molybdenum mine
- 90,000-tonnes-per-day (tpd) concentrator processes Constancia and Pampacancha ore
- Annual average copper (Cu) and gold (Au) production of 101,000 tonnes and 62,000 ounces, respectively,¹ which includes continued higher copper and gold grades from Pampacancha into the third quarter of 2025

Pampacancha mine (Chumbivilcas) – two-year mine life

- 100% ownership
- Satellite open pit copper/gold mine
- Production commenced in 2021

Exploration properties near Constancia

- Maria Reyna
- Caballito
- Kusiorcco

Llaguen (Otuzco) – development project

- 100% ownership
- Open pit copper project

MANITOBA, CANADA

Snow Lake – 15-year mine life

- 100% ownership
- Lalor is an underground gold/zinc/silver/copper mine
- 1901 is an underground zinc/gold deposit
- New Britannia mill processes gold-rich ore and Stall concentrator processes base metal ore
- Annual average Au production of 185,000 ounces²

Exploration properties

- WIM
- New Britannia
- Talbot
- Pen II
- Watts

BRITISH COLUMBIA, CANADA

Copper Mountain – 21-year mine life

- Acquired by Hubbay in 2023
- 75% ownership
- Open pit copper/gold/silver mine
- 45,000 tpd mill capacity
- Annual average Cu and Au production of 46,500 tonnes and 35,000 ounces, respectively³

UNITED STATES

Copper World (Arizona) – 20-year mine life⁴

- 100% ownership
- Open pit copper project
- Expected annual average Cu production of 85,000 tonnes over the mine life of Phase I⁴
- Phase I with a 20-year mine life, requiring only state and local permits
- Phase II has the potential to further extend the mine life with an expansion onto federal land

Mason (Nevada) – 27-year mine life

- 100% ownership
- Open pit copper project

OTHER PROPERTIES

- Tailings reprocessing project in Flin Flon, Manitoba
- Flin Flon exploration projects in partnership with Marubeni
- Greenfield exploration properties in Canada, Peru, the United States and Chile



¹ Annual average over the 2024–2026 period using the midpoint of three-year annual guidance for Peru dated March 28, 2024 (includes Pampacancha production).

² Annual average over the 2024–2026 period using the midpoint of three-year annual guidance for Manitoba dated March 28, 2024.

³ Annual average over the 2024–2028 period using the mine plan in the December 4, 2023 technical report for Copper Mountain. Represents 100% of production from the Copper Mountain mine, in which Hubbay holds a 75% interest.

⁴ Based on Phase I of the Copper World mine plan, as contemplated in the PFS dated September 8, 2023.

Purpose Statement

**We care about our people,
our communities and
our planet.**

Hudbay provides the metals the world needs. We work sustainably, transform lives and create better futures for communities.

WE TRANSFORM LIVES

We invest in our employees, their families and local communities through long-term employment, local procurement and economic development to improve their quality of life and ensure the communities benefit from our presence.

WE OPERATE RESPONSIBLY

From exploration to closure, we operate safely and responsibly, we welcome innovation and we strive to minimize our environmental footprint while following leading operating practices in all facets of mining.

WE PROVIDE CRITICAL METALS

We produce copper and other metals needed for everyday products and essential for applications to support the energy transition towards a more sustainable future.



ONE HUDBAY
how we work

MISSION:

To create sustainable value and strong returns by leveraging our core strengths in community relations, focused exploration, mine development and efficient operations.

VALUES:

Dignity and Respect

We treat our stakeholders and each other in ways that bring out the very best in each of us.

Caring

We sustain and contribute to the well-being of people and the environment in which we operate.

Openness

We speak freely and listen with care about opportunities, issues and concerns.

Trustworthiness

We can count on each other to do the right thing, and we follow through on our commitments.

Corporate Governance

Hudbay’s purpose, mission and core values serve as guiding principles and support strong governance. Effective leaders, who are committed to transparency, accountability and ethical conduct, shape the Company’s culture and ensure responsible decision-making for long-term success.

The Board of Directors at Hudbay is responsible for providing direction and oversight to the Company. Our [Corporate Governance Guidelines](#) establish uniform expectations for the functioning of the Board, its committees, individual directors and senior management. This includes upholding the highest standards of ethical conduct and prioritizing the Company’s and shareholders’ best interests.

Our Board members possess strong judgment and character, and the knowledge to contribute meaningfully to the Company. As of May 21, 2024, 9 out of 10 Board members were independent, non-executive directors, with Peter Kukielski, Hudbay’s President and CEO, being the sole non-independent, executive director.

The Board actively promotes diversity in gender, viewpoints, backgrounds, experiences and other demographics, including representation of Indigenous peoples, persons with disabilities and members of visible minority groups. As part of the Copper Mountain acquisition in 2023, we added Jeane Hull and Paula Rogers as two new directors, further enhancing the diversity of our Board. Jeane Hull brings over 35 years of operational leadership and engineering experience in mining, and Paula Rogers has 25 years of expertise in corporate

governance, treasury, mergers and acquisitions, financial reporting and tax within Canadian-based international public companies. As of May 21, 2024, 40% of our directors were women and 20% of our other directors identified as a member of an Indigenous group or as a visible minority.

The Board has five standing committees – Audit; Compensation and Human Resources; Corporate Governance and Nominating; Environmental, Health, Safety and Sustainability; and Technical – to assist the Board in fulfilling its duties.

Hudbay earned an “AA” overall ESG rating in MSCI’s latest annual ESG Ranking, and our corporate governance ranked in the top 10% of all assessed companies. The “AA” rating places Hudbay in MSCI’s “Leaders” category, recognizing industry-leading management of significant ESG risks and opportunities.

See our [Management Information Circular](#) to learn more.



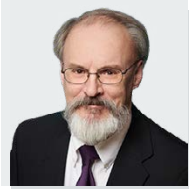



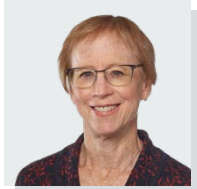
A meeting at Hudbay’s Toronto headquarters






Board of Directors

As of May 21, 2024, the following members were elected to Hudbay's Board of Directors:

LEARN MORE:

- [Board of Directors' biographies](#)
- [Governance policies, standards, guidelines and committee charters](#)
- [Management Information Circular](#)

Director					
	Stephen A. Lang Chair	Carol T. Banducci Director	Igor Gonzales Director	Jeane L. Hull Director	Carin S. Knickel Director
Director Since	2019	2017	2013	2023	2015
Independent	Yes	Yes	Yes	Yes	Yes
Gender (M/F)	M	F	M	F	F

Director					
	Peter Kukielski President and CEO	George Lafond Director	Colin Osborne Director	Paula C. Rogers Director	David Smith Director
Director Since	2019	2022	2018	2023	2019
Independent	No	Yes	Yes	Yes	Yes
Gender (M/F)	M	M	M	F	M

When assessing director nominees, we consider relevant skills and expertise, judgment and character, diversity, and the extent to which the interplay of an individual’s expertise, skills, knowledge and experience with that of other members of the Board will build a board that is effective, diverse, collegial and responsive to the needs of the Company. For a more detailed matrix, see our [Circular](#).



60% identify as a member of a designated group*

* Includes women, Indigenous peoples and visible minorities.



90% have a high degree of experience or expertise in ESG*

* Includes at least one of safety; social, communities and culture; environmental and climate; and corporate governance.

	Lang	Banducci	Gonzales	Hull	Knickel	Kukielski	Lafond	Osborne	Rogers	Smith
Board Representation										
Audit Committee		Member					Member		Member	Chair
Compensation and Human Resources Committee	Member			Member				Chair		Member
Corporate Governance and Nominating Committee					Chair			Member	Member	
Environmental, Health, Safety and Sustainability Committee		Member	Chair		Member		Member			
Technical Committee	Member		Member	Chair						

	Lang	Banducci	Gonzales	Hull	Knickel	Kukielski	Lafond	Osborne	Rogers	Smith
Board Expertise										
CEO/Senior Officer	●	●	●	●	●	●	●	●	●	●
Corporate Governance	●	●	○	●	●	●	●	○	●	●
Environment and Climate	○	○	○	●	○	○	○	○	○	○
Finance and M&A	○	●	○	○	●	●	○	●	●	●
Government Relations and Permitting	●	●	●	●	○	●	●	○	○	○
Human Resources/Executive Compensation	●	●	○	●	●	○	●	○	○	●
International Business	●	●	●	●	●	●	○	●	●	●
Marketing	○	○	●	○	○	●	○	○	○	○
Mining/Resource Industry	●	●	●	●	●	●	○	●	●	●
Operations	●	○	●	●	●	●	○	●	○	○
Risk Management	○	●	●	○	●	●	○	●	●	●
Safety	●	○	●	●	●	●	○	●	○	○
Social, Communities and Culture	○	○	●	○	○	○	●	○	○	○

● Extensive experience ○ Some experience ○ No experience

Business Conduct

Our commitment to high standards of conduct, consistent with our values, is outlined in our **Code of Business Conduct and Ethics** (the Code of Business Conduct, or the Code), along with the **Supplier Code of Conduct and Ethics**. Our **Customer Code of Conduct and Ethics** sets similar expectations for all customers engaging with Hudbay. These standards include avoiding conflicts of interest, ensuring legal compliance, protecting confidential information, maintaining a safe and healthy workplace and fostering a respectful work environment.

Upon joining the Company, all Board members and employees must confirm their understanding and compliance with our Code of Business Conduct. Directors and executive officers are required to disclose any conflict of interest to the Board. Annually, individuals with a Hudbay email address re-certify compliance with the Code, **Confidentiality and Insider Trading Policy** and **Statement on Anti-Corruption**. They also acknowledge understanding of our Whistleblower Policy, which prohibits discrimination, harassment or retaliation against those reporting conduct that may violate our Code or any laws.

Although employees may engage in the political process as private citizens, our Code prohibits political contributions made on Hudbay’s behalf. The Company is committed to non-partisanship, engaging with all relevant government officials irrespective of political affiliation.

COMPLIANCE TRAINING

Our Legal group provides oversight of our global compliance program, including adherence to our annual Certification Policy, which requires all new employees to read the Code when hired or appointed and acknowledge that they will abide by the Code. The Certification Policy also requires that all directors, officers and active employees across the organization annually certify their understanding of the Code and acknowledge they will abide by the Code.

We regularly conduct training sessions across the organization relating to applicable laws prohibiting bribery to ensure employees, especially those who may interact with government officials and other third parties, understand such laws and know how to comply with them. In early 2024, we completed an online certification campaign in which all active employees were provided copies of the Code and our key compliance policies (including anti-corruption policies) and asked to e-sign the policies to certify their understanding of the policies and



 Team members at our Hudbay office in Tucson, Arizona

their compliance therewith. Additionally, in the third quarter of 2023, we completed an online certification campaign for the Copper Mountain employees who joined the Hudbay organization as part of our onboarding process. Also during 2023, our Peru Business Unit’s Compliance function carried out targeted compliance training, which included specialized training for the Procurement and Finance teams and an in-person anti-corruption workshop for our Institutional Relations and Government Relations leaders.

As part of our ongoing commitment to ethical business conduct, in 2022 we completed a comprehensive review of our anti-bribery and corruption policies, which resulted in updates to our Code of Business Conduct and other related

compliance policies. We also engaged a third-party expert to carry out an anti-corruption risk assessment and review of our Peru Business Unit’s compliance program, which was completed in 2023. The review found that we have a comprehensive and mature compliance program in Peru that is appropriately designed for the potential risks the Company faces. We followed this assessment with an internal audit of our vendor onboarding procedures in Peru.

We utilized the findings of the internal audit and the potential enhancement opportunities that were identified by the third-party review to update our Global Supplier Due Diligence Policy in early 2024, which now includes a screening question related to modern anti-slavery risk.

RISKS, ISSUES OR COMPLAINTS


We carefully assess the bribery and corruption risks applicable to our business units and corporate office. Risks in Peru continue to pose the most significant challenges due to difficulties in monitoring compliance among contractors, agents, and potentially employees as the Company grows, coupled with increased enforcement of anti-corruption laws. To mitigate these risks, we conduct targeted training on the Canadian *Corruption of Foreign Public Officials Act* (CFPOA) and the US *Foreign Corrupt Practices Act* (FCPA) for specific groups or roles deemed appropriate. This includes anti-corruption compliance training in Peru that addresses jurisdiction-relevant matters. We also have internal controls to pre-emptively detect potential violations.

In 2023, there were no reported corruption incidents and no accusations of corruption involving employees, business partners or legal cases. There were 13 incidents reported to our third-party whistleblower service in 2023. Although none of these incidents involved substantial allegations of fraud or breaches of our Code, some claims concerned improper business practices or behaviour contrary to applicable policies and procedures.

Stakeholders can report issues through various channels, including the following:

- All projects and operating sites have a grievance process dedicated to addressing community concerns. Further details on community concerns in 2023 are presented in the Communities section of this report.
- Shareholders can communicate directly with our Board of Directors by emailing our Board Chair at chair@hubbay.com. The Chair of Hubbay's Audit Committee oversees confidential reports regarding perceived violations of the Company's internal and accounting controls, auditing matters or violations of our Code or Supplier Code of Conduct via our whistleblower hotline. The reports are managed in accordance with our Whistleblower Policy, and the committee chair ensures reports are appropriately investigated. Reports can be submitted by calling +1 877 457-7318 or visiting www.clearviewconnects.com.
- Canada's National Contact Point (NCP) for the Organisation for Economic Co-operation and Development (OECD) serves as a platform for dialogue, aiding businesses, employee organizations and other concerned parties in resolving issues. Canada's NCP can be reached by email at npc.pcn@international.gc.ca or by calling +1 343 203-2341.
- The independent Canadian Ombudsperson for Responsible Enterprise (CORE) investigates human rights complaints related to Canadian companies operating overseas. More information about CORE's roles and responsibilities and complaint process is available on its website.



 Moving our plan for Copper World forward in Tucson, Arizona

Risk Management

Our operations, exploration and business activities are subject to numerous laws and regulations in multiple jurisdictions. To achieve our business objectives, we employ a robust approach to effectively manage such broad and complex risks and opportunities, including material sustainability matters like climate change, water use and community conflicts.

Hudbay’s enterprise risk management (ERM) process establishes a common framework, providing clear direction and guidance across the organization to identify, analyze and mitigate existing and emerging strategic risks. This process is designed to embed effective risk management practices and tools into our culture, systems and processes.

Our Board of Directors oversees Hudbay’s risk management by assessing the Company’s principal risks. The Audit Committee helps implement policies and monitors systems to oversee these risks. Each committee oversees specific risks assigned by the Board or Audit Committee and reviews management’s risk management strategies.

Hudbay executives are accountable for the following:

- Adhering to the risk appetite established by the Board in conducting business.
- Incorporating risk management into strategic business planning, budgeting, resource allocation and operational processes, including human resources, finance and compliance.
- Actively overseeing and addressing principal business risks.

Identified risks are allocated to the individuals possessing the most pertinent knowledge and expertise for effective management and monitoring. Each business unit maintains risk registers managed by their respective vice presidents. Risks are consolidated across the Company, with risks ranked as Tier 1 and Tier 2 reported to the Board and relevant oversight committees.

Details about Hudbay’s long-term and emerging risks, along with their potential business impacts, can be found in the Risk Factors section of our [Annual Information Form](#).

PRECAUTIONARY APPROACH

Hudbay is committed to conducting activities throughout the mine lifecycle under the precautionary approach – a risk management principle that calls for preventive actions when an activity has the potential to pose a risk to human health or the environment. We consider preventive actions when it is within our power to do so and when harm is scientifically plausible but uncertain.

Through baseline environmental and social impact studies, we assess risks and develop action plans to avoid, mitigate or control potentially significant impacts;

implement appropriate monitoring and management systems; and responsibly conduct land reclamation and mine closure. In all cases, we solicit stakeholder input. More information about how Hudbay takes a precautionary approach to our material sustainability matters is provided throughout this report.

CLIMATE RISKS

We are dedicated to understanding and addressing the short, medium and long-term risks associated with climate change for our business and the communities in which we operate.

The Board’s EHSS Committee oversees climate-related risks. Through our ERM process, corporate and site leaders identify, review and manage such risks, with each risk assigned to a designated risk owner. To date, we have reviewed the following climate risks:

- **Short and medium-term climate risks** – In our most recent survey of locations, we did not identify any significant short or medium-term climate risks. Limited changes are expected in the medium term, affirming our current climate resilience approach.
- **Medium-term greenhouse gas (GHG) emissions-related risks** – In our latest assessment, we identified medium-term GHG emissions-related risks. These include the cost of carbon, regulatory considerations and product market risks, particularly concerning emissions intensity per unit of product. To mitigate these risks, we have developed a GHG emissions reduction roadmap that we anticipate will have no adverse impact on our business performance.

Our GHG reduction roadmap aligns with our strategy. The demand for copper to support the energy transition remains strong, and this roadmap is consistent with a 2°C or lower scenario. We are confident that our approach not only addresses GHG mitigation risks but also positions us favourably in the evolving landscape of sustainability and climate action. We highlight this roadmap in the [Making Progress on Our GHG Roadmap](#) feature story.

The Task Force on Climate-related Financial Disclosures (TCFD) are voluntary guidelines focused on assessing climate-related risks and opportunities for businesses. Since 2021, we have mapped our disclosures to the TCFD’s 11 disclosure recommendations across four key areas – governance, strategy, risk management, and metrics and targets. Our TCFD disclosures are available on [page 43](#) of this report.

EMERGENCY RESPONSE AND CRISIS MANAGEMENT

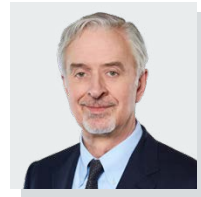
Hudbay has plans and procedures to ensure business continuity during crises or emergencies. The corporate office and each business unit maintain a crisis management and preparedness plan to identify potential crises and develop an appropriate response. The corporate office provides oversight of business unit plans and centrally manages potential enterprise-wide risks such as cyber threats and global pandemics. Crisis management teams conduct regular training and exercises to maintain readiness. Our development, and use, of our crisis management procedures is reflected in our [TSM scores](#).

Management Team

Hudbay’s skilled and experienced management team is responsible for driving our strategies and demonstrating our purpose to work sustainably, transform lives and create better futures for communities.

As of May 21, 2024, the following were members of Hudbay’s management team:

LEARN MORE:
[Management team biographies](#)



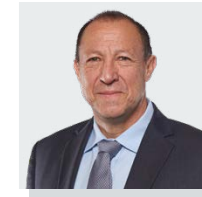
Peter Kukielski
 President and Chief Executive Officer



Andre Lauzon
 Chief Operating Officer



Eugene Lei
 Chief Financial Officer



Javier Del Rio
 Senior Vice President, US Business Unit



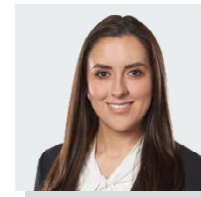
Patrick Donnelly
 Senior Vice President, Legal and Organizational Effectiveness



Olivier Tavchandjian
 Senior Vice President, Exploration and Technical Services



Peter Adamek
 Vice President, Finance



Candace Brulé
 Vice President, Investor Relations



Robert Carter
 Vice President, Manitoba Business Unit



Jon Douglas
 Vice President and Treasurer



Warren Flannery
 Vice President, Business Planning and Reclamation



Mark Gupta
 Vice President, Corporate Development



John Ritter
 Vice President, British Columbia Business Unit



Luis Santivañez
 Vice President, South America Business Unit



Matt Taylor
 Vice President, Metallurgy Technical Services



Business and Financial Review

2023 was an outstanding year for Hudbay, in which a carefully executed, long-term strategy delivered the intended results. In both Manitoba and Peru, we began seeing the significant benefits of our \$250 million brownfield investment program. We achieved record gold production at our Lalor mine and realized higher copper grades at Constanca – much of this strong performance was driven by recovery improvement programs that were on time and on budget.

Hudbay staff at our Toronto office

We increased recoveries at both the Constancia and Stall mills, and, driven by continuous improvement initiatives, we increased throughput levels at the New Britannia mill, which went well beyond its nameplate capacity. In addition to enjoying the benefits of well-implemented strategies at our established operations, we were able to capitalize on opportunity with the successful acquisition and integration of the Copper Mountain mine, which added diversity and growing production to our strong operating portfolio. At the same time, we took measures to strengthen our balance sheet, lay the foundation for a high-potential exploration program and further derisk our Copper World project.

In a year defined by solid results and significant achievements, we met our 2023 consolidated production guidance for all metals. Our consolidated 2023 cash cost and sustaining cash cost exceeded expectations and significantly outperformed our 2023 guidance range. The results from both Peru and Manitoba demonstrate the successful outcome of our recent brownfield capital investments and our unrelenting focus on optimization.

In Peru, full-year copper production product was within 2023 guidance ranges while gold production exceeded the top end of the guidance. Full-year cash costs also improved significantly over 2022 levels and achieved the low end of our 2023 annual cost guidance range.

During a year marked by continued political volatility, we were able to keep operating without interruption, which is a testament to the depth and strength of our relationship with our neighbours, the communities near Constancia. (See [**Our Feature Stories: The Power of Community in Peru.**](#))

In the first quarter of 2023, we signed a new 10-year power purchase agreement with ENGIE *Energía Perú* for access to a 100% renewable energy supply to Constancia, which will come into effect in January 2026. Total Scope 1 and Scope 2 GHG emissions company-wide at our current operations are expected to decline by 40% during the life of the contract, helping to position us to achieve our 50% reduction target by 2030.

Over the course of the year, we continued to execute a limited drill program and technical evaluations at the Constancia deposit to confirm the economic viability of adding an additional mining phase to the current mine plan that would convert mineral resources to mineral reserves, which is reflected in our March 2024 mineral reserve and resource estimate update. Hudbay controls a large, contiguous block of mineral rights with the potential to host satellite mineral deposits near our Constancia processing facility, including the past producing Caballito property and the highly prospective Maria Reyna property. After completing a surface rights exploration agreement with the community of Uchucarcco in August 2022, we began exploration activities. In November 2023, we submitted an environmental impact assessment as a first step of a drill permit application for Maria Reyna, and we submitted a similar application for Caballito in April 2024. To date, surface mapping and geochemical sampling confirm that both Caballito and Maria Reyna host sulfide and oxide rich copper mineralization.



 Truck at Copper Mountain mine, British Columbia

In Manitoba, the production of all metals achieved 2023 production guidance, while copper exceeded the top end of the 2023 annual guidance range. Production of gold in 2023 was 16% higher than in 2022, a noteworthy increase.

Throughout the year, we continued to work on improvement initiatives aimed at supporting higher production levels, minimizing dilution and enhancing metal recoveries at the Snow Lake operations. A significant focus continues to be placed on improving the quality of ore production at Lalor mine, employing techniques such as stope redesigns, grade control practices prior to blasting and implementing mine design adjustments to mitigate dilution. Taking these proactive steps is helping to reduce the inclusion of waste rock in the mining cycle.

During the year, Hudbay made progress on optimization efforts at both our Manitoba mills. At New Britannia, we prioritized process improvements and smoothly integrating additional gold ore feed from the Lalor mine. We are also exploring opportunities to share maintenance services between New Britannia and Lalor during shutdown periods, which should reduce our overall contractor requirements. The process improvements at New Britannia were implemented with minimal capital outlay while enabling the Company to reach progressively higher production targets.

The Stall mill recovery improvement project, commissioned in the second quarter of 2023, focused on methods to optimize the recovery circuit. In the second half of the year, this led to notably higher recoveries for copper, above 90%, and gold, above 65%.

We also initiated our largest annual exploration program in Snow Lake in early 2024, consisting of geophysical surveys and drill campaigns to test the newly acquired Cook Lake claims, former Rockcliff properties, and near-mine exploration at Lalor. We have advanced a development and exploration drift at the 1901 deposit in Snow Lake, and in Flin Flon we continue to advance metallurgical test studies and explored metallurgical technologies as part of our evaluation of the opportunity offered by tailings reprocessing.

In British Columbia, Copper Mountain, which we acquired in April 2023, achieved our post-acquisition 2023 production guidance for both copper and gold and exceeded silver production for the year. During the year, we initiated and implemented stabilization plans for Copper Mountain with a focus on opening additional mine faces, enhancing ore feed to the plant and improving plant reliability. The mine operations team also executed a fleet production ramp-up plan, remobilizing the mining fleet from 14 to 28 haul trucks by the end of the year, to increase mining activities and improve flexibility. We published our first mine plan for Copper Mountain that projected a 21-year mine life but left open the possibility of extending mine life beyond that period.

As part of our stabilization efforts at Copper Mountain, we began a process of accelerated stripping that, over the next three years, will enable access to higher-grade ore while contributing to improved operating efficiencies and lower operating costs. Additionally, we are implementing plant improvement initiatives.

In the United States, we continue to focus on advancing Copper World through the permitting process, and making progress on the deleveraging targets set out in our 3-P plan for sanctioning the project. We released an enhanced pre-feasibility study in September 2023 that laid out how Hudbay intends to de-risk the project through higher levels of engineering, a simplified project design, lower upfront capital expenditures and a longer mine life. A court challenge to the October 2021 permit for our Mined Land Reclamation Plant was dismissed in May 2023 and we expect to receive approval for our two outstanding state permits, an Aquifer Protection Permit and an Air Quality Permit, from the Arizona Department of Environmental Quality in 2024.

Key Accomplishments

- Achieved 2023 consolidated production guidance for all metals. Full-year 2023 copper production of 131,691 tonnes, gold production of 310,429 ounces and silver production of 3,575,234 ounces increased by 26%, 41% and 13%, respectively, compared to 2022.
- Consolidated 2023 cash cost and sustaining cash cost were better than expected and significantly outperformed the 2023 guidance range.
- Acquisition of Copper Mountain in British Columbia makes Hudbay the fourth-largest copper producer and the fifth-largest gold producer in Canada¹.
- Realized record copper recoveries of 87.4% at the Constancia mill in the fourth quarter of 2023 as a result of the successful completion of the recovery improvement program in the second quarter, on time and on budget.
- Delivered higher copper recoveries above 90% and gold recoveries above 65% at the Stall mill in the second half of 2023 because of the successful ramp-up of the Stall mill recovery improvement project in the second quarter, on time and on budget.
- New Britannia mill achieved record throughput levels averaging 1,650 tonnes per day in 2023 and 1,800 tonnes per day in the fourth quarter, exceeding its original design capacity of 1,500 tonnes per day due to the successful implementation of process improvement initiatives.
- Launched largest annual exploration program in Snow Lake consisting of geophysical surveys and drill campaigns testing the newly acquired Cook Lake claims, former Rockcliff properties and near-mine exploration at Lalor.
- Advanced a development and exploration drift at the 1901 deposit in Snow Lake, located within 1,000 metres from the underground ramp access to the Lalor mine.
- Completed Copper World Phase I pre-feasibility study in September 2023, which demonstrated a de-risked and simplified mine plan with an extended 20-year mine life.
- Completed \$90 million in debt repayments during the fourth quarter with a \$30 million net reduction in the Company’s revolving credit facility balance and a \$59.7 million redemption of the remaining Copper Mountain bonds, well ahead of the 2026 maturity to increase financial flexibility and lower financing costs.

¹ Sourced from Wood Mackenzie, Global Copper Investment Horizon Outlook report, 2023 actual production for Canadian-based mining companies.



 A revegetated slope near the Copper Mountain mine in British Columbia

2023 Operations and Financial Summary

OPERATIONS SUMMARY

For the years ended December 31

Operating Performance (metal in concentrate and doré)	2023	2022
Production¹		
Copper (tonnes)	131,691	104,173
Gold (ounces)	310,429	219,700
Silver (ounces)	3,575,234	3,161,294
Zinc (tonnes)	34,642	55,381
Molybdenum (tonnes)	1,566	1,377
Payable Metal Sold		
Copper (tonnes)	124,996	94,473
Gold ² (ounces)	276,893	213,415
Silver ² (ounces)	3,145,166	2,978,485
Zinc ³ (tonnes)	28,779	59,043
Molybdenum (tonnes)	1,462	1,352

FINANCIAL SUMMARY

For the years ended December 31

Financial Performance (in \$000s, except per share amounts)	2023	2022
Revenue	\$ 1,690,030	\$ 1,461,440
Earnings before tax	151,830	95,815
Basic earnings per share	0.22	0.27
Net earnings	69,543	70,382
Operating cash flows before precious metals stream deposit and change in non-cash working capital	569,994	391,729

Financial Condition ⁴ (in \$000s)	2023	2022
Cash and cash equivalents	\$ 249,794	\$ 225,655
Working capital ⁵	135,913	76,534
Total assets	5,312,634	4,325,943
Total long-term debt	1,287,536	1,184,162
Equity	2,069,811	1,571,809

¹ Metal reported in concentrate and doré are prior to deductions associated with smelter contract terms.

² Includes total payable gold and silver in concentrate and in doré sold.

³ Includes refined zinc metal sold and payable zinc in concentrate sold.

⁴ Following completion of the Copper Mountain acquisition on June 20, 2023, the Company's financial condition as at December 31, 2023 includes Copper Mountain, and accordingly there is no comparable period information.

⁵ Working capital is determined as total current assets less total current liabilities as defined under IFRS and disclosed on the consolidated financial statements.

Strategy

Our mission is to create sustainable value and strong returns by leveraging our core strengths in community relations, focused exploration, mine development and efficient operations.

We believe that copper is the commodity with the best long-term supply/demand fundamentals and offers shareholders the greatest opportunity for sustained risk-adjusted returns. Copper is essential for achieving global climate change goals – it is one of the most heavily utilized metals in renewable energy systems and is the least carbon intensive. Through the discovery and successful development of economic mineral deposits, and through highly efficient low-cost operations to extract the metals, we believe sustainable value will be created for all stakeholders.

Hudbay’s successful development, ramp-up and operation of the Constancia open pit mine in Peru, our long history of underground mining and full life-cycle experience in northern Manitoba, our track record of reserve expansion through effective exploration, and our organic pipeline of copper development projects including Copper World, Mason and Llaguen, provide us with a competitive advantage to deliver sustainable value relative to other mining companies of similar scale.

Over the past decade, we have built a world-class asset portfolio by executing a consistent long-term growth strategy focused on copper. We continuously work to generate strong free cash flow and optimize the value of our producing assets through exploration, brownfield expansion projects and efficient and safe operations. Furthermore, we intend to sustainably grow Hudbay through the exploration and development of our robust project pipeline, as well as through the acquisition of other properties that fit our stringent strategic criteria.



 Team members meeting at Hudbay's Toronto headquarters

To ensure that any investment in our existing assets or acquisition of other mineral assets is consistent with our purpose and mission, we have established a number of criteria for evaluating these opportunities. The criteria include the following:

- **Sustainability:** We are focused on jurisdictions that support responsible mining activity. Our current geographic focus is on select investment grade countries in the Americas, with strong rule of law and respect for human rights consistent with our longstanding focus on environmental, social and governance (ESG) principles;
- **Copper Focus:** We believe copper is the commodity with the best long-term supply/demand fundamentals. Global copper mine supply is challenged due to declining industry grades, limited exploration success and an insufficient pipeline of development-ready projects while demand will continue to increase through global decarbonization initiatives. We believe this long-term supply/demand gap will create opportunities for increased risk-adjusted returns. While our primary focus is on copper, we recognize and value the polymetallic nature of copper deposits and, in particular, the counter-cyclical nature of gold in our portfolio;
- **Quality:** We are focused on investing in long-life, low-cost, expandable, high-quality assets that can capture peak pricing of multiple commodity price cycles and can generate free cash flow through the troughs of price cycles;

- **Potential:** We consider the full spectrum of acquisition and investment opportunities, from early-stage exploration to producing assets, which offer significant incremental potential for exploration, development, expansion and optimization beyond the stated resources and mine plan;
- **Process:** We develop a clear understanding of how an investment or acquisition can create value through our robust due diligence and capital allocation process that applies our technical, social, operational and project execution expertise;
- **Operatorship:** We believe value is created through leveraging Hudbay's competitive advantages in safe and efficient operations and effective exploration, project development and community relations. While operatorship is a key criterion, we are open to joint ventures and partnerships that de-risk our portfolio and increase risk-adjusted returns; and
- **Capital Allocation:** We pursue investments and acquisitions that are accretive to Hudbay on a per share basis. Given that our strategic focus includes allocating capital to assets at various stages of development, when evaluating accretion, we will consider measures such as internal rate of return (IRR), return on invested capital (ROIC), net asset value per share and the contained value of reserves and resources per share.

BUSINESS OBJECTIVES FOR 2024

Our key objectives for 2024 are to:

- Enhance Hudbay's position to deliver its leading copper growth pipeline;
- Deliver copper production growth and maintain strong gold production from diversified operating platform to generate strong cash flow;
- Execute stabilization plan at Copper Mountain to drive improved operating performance and achieve operating synergies;
- Maintain continued focus on financial discipline as we progress towards achieving deleveraging targets by managing discretionary spending and generating strong returns on invested capital;
- Evaluate the viability of an additional mining phase at Constancia that could convert a portion of mineral resources to mineral reserves;
- Evaluate opportunities to utilize excess capacity at the Stall mill in Snow Lake to enhance production and achieve greater economies of scale;
- Progress de-risking of the Copper World project through final state permitting activities and a potential joint venture partnership to prudently advance the 3-P plan required for sanctioning;

- Execute the large exploration program on the expanded land package in Snow Lake to target new discoveries;
- Advance plans to drill the prospective Maria Reyna and Caballito properties near Constancia;
- Assess economic viability of various metallurgical technologies for the reprocessing of Flin Flon tailings;
- Advance exploration partnership with Marubeni to explore for new discoveries within trucking distance of the Flin Flon processing facilities;
- Continue to identify and evaluate opportunities to further reduce greenhouse gas emissions in alignment with our climate change commitments and global decarbonization goals;
- Assess growth opportunities that meet our stringent strategic criteria and allocate capital to pursue those opportunities that create sustainable value for the Company and our stakeholders; and
- As always, continue to operate safely and sustainably, aligned with our Company purpose to ensure that our activities have a positive impact on our people, our communities and our planet.

Business Activities


In 2023, Hudbay delivered, ending the year with increased copper production, record gold production and record financial performance in the successful achievement of our annual guidance metrics. At the same time, we remained committed to building close relationships with our local communities and to always operating safely and efficiently.

It was a year of execution and delivery as we realized the higher grades in Peru, achieved record gold production in Manitoba and enhanced our operating base with the addition of the Copper Mountain mine. We continued to demonstrate financial discipline through reduced discretionary spending to drive free cash flow generation and debt reduction. Our commitment to continued financial discipline, together with our resilient operating platform, will allow us to prudently advance and unlock value from our leading organic pipeline of brownfield expansion and greenfield exploration and development opportunities.

- Achieved 2023 consolidated production guidance for all metals. Full-year 2023 copper production of 131,691 tonnes, gold production of 310,429 ounces and silver production of 3,575,234 ounces increased by 26%, 41% and 13%, respectively, compared to 2022.
- Consolidated 2023 cash cost and sustaining cash cost were better than expected and significantly outperformed the 2023 guidance range. Full-year 2023 consolidated cash cost and sustaining cash cost per pound of copper produced, net of by-product credits¹, were \$0.80 and \$1.72, respectively, decreasing by 7% and 17%, respectively, compared to 2022.
- Continuously enhancing our position to deliver leading copper growth pipeline through copper production growth while maintaining strong gold production from a diversified platform with strong cash flow generation in 2024.

¹ Cash costs and sustaining cash costs are non-IFRS financial performance measures with no standardized definition under IFRS. For further details on why Hudbay believes cash costs are a useful performance indicator, please refer to the Company's management's discussion and analysis for the period ended December 31, 2023.



 Geologists at our operations in Peru

PERU

- Full-year copper production was within 2023 guidance ranges, while gold production exceeded the top end of guidance.
- Full-year cash costs significantly improved over 2022 levels and achieved the low end of the 2023 annual cost guidance range.
- Achieved record copper recoveries of 87.4% at the Constancia mill in the fourth quarter of 2023 as a result of the successful completion of the recovery improvement program in the second quarter, on time and on budget.
- Gold and silver recoveries in 2023 were 13% and 7% higher, respectively, than in 2022 due to increased processing of higher-grade Pampacancha ore.
- Advanced the permitting process for exploratory drilling in Maria Reyna and Caballito.
- Successfully navigated through a period of political volatility while maintaining steady operations.

MANITOBA

- Full-year gold production was well within the 2023 guidance range and exceeded recent expectations of being positioned at the lower end of the range.
- Full-year cash costs were within the 2023 annual guidance range.
- Gold, copper and silver grades mined at Lalor during 2023 were 19%, 18% and 12% higher than in 2022, reflecting the successful execution of our strategic mine plan.
- Successful process improvement initiatives at New Britannia enabled us to reach progressively higher production targets, with the mill averaging approximately 1,800 tonnes per day in the fourth quarter, significantly exceeding its original design capacity of 1,500 tonnes per day.
- Initiated the largest exploration program in the MBU's history in Snow Lake, focused on testing the deep extensions of the gold and copper zones at Lalor, the Lalor Northwest target, the newly acquired Cook Lake claims, and the former Rockcliff properties.

BRITISH COLUMBIA

- Achieved post-acquisition 2023 production guidance for copper and gold and exceeded the post-acquisition guidance for silver.
- Implemented stabilization plans at the Copper Mountain mine with a focus on opening additional mining faces, optimizing ore feed to the plant and improving plant reliability.
- Published an updated mine plan that projects average annual copper production of 46,500 tonnes in the first five years, 45,000 tonnes in the first 10 years and 37,000 tonnes over the 21-year mine life.

USA

- Released results of the de-risked and enhanced Copper World pre-feasibility study for Phase I in September 2023, which demonstrated a simplified mine plan with an extended 20-year mine life.
- Copper World Phase I requires only state permitting; we expect to receive the two final permits, an Aquifer Protection Permit and an Air Quality Permit, from the Arizona Department of Environmental Quality in 2024.

CORPORATE

- Completed the acquisition of the Copper Mountain mine, initiated operational stabilization plans and published the Company's first technical report for Copper Mountain.
- Advanced our GHG reduction roadmap as the Peru and Manitoba teams submitted their plans for helping to reach the company-wide GHG reduction goals.
- Delivered annual discretionary spending reduction targets for 2023 with lower growth capital and exploration expenditures compared to 2022. As a result of a continued focus on discretionary spending reductions, total capital expenditures for 2023 (excluding Copper Mountain) of approximately \$243 million were \$57 million lower than original guidance levels, a further decrease from the \$30 million in reductions announced in the third quarter.
- Launched our new purpose statement across the organization.

Financials

Hudbay met our 2023 consolidated production guidance for all metals. On a business unit stand-alone basis, Peru exceeded the top end of the gold production guidance range, Manitoba exceeded the top end of the copper production guidance range, while Copper Mountain exceeded the top end of the silver production guidance range for the portion of 2023 since acquisition.

Consolidated copper, gold and silver production for the full year 2023 increased by 26%, 41% and 13%, respectively, compared to 2022 with the acquisition of Copper Mountain as well as higher throughput and recoveries in Peru and Manitoba and higher overall copper, gold and silver grades.

We achieved record annual revenue of \$1,690.0 million with strong consolidated copper production of 45,450 tonnes and record consolidated gold production of 112,776 ounces in the fourth quarter from continued higher grades at the Pampacancha deposit in Peru and the Lalor mine in Manitoba and the contributions of the newly acquired Copper Mountain mine in British Columbia.

Consolidated 2023 cash cost and sustaining cash cost were better than expected and significantly outperformed the 2023 guidance range. Full-year 2023 consolidated cash cost and sustaining cash cost per pound of copper produced, net of by-product credits¹, were \$0.80 and \$1.72, respectively, decreasing by 7% and 17%, respectively, compared to 2022.

Delivered annual discretionary spending reduction targets for 2023 with lower growth capital and exploration expenditures compared to 2022. As a result of a continued focus on discretionary spending reductions, total capital expenditures for 2023 (excluding Copper Mountain) of approximately \$243 million were \$57 million lower than original guidance levels, a further decrease from the \$30 million in reductions announced in the third quarter.

Completed \$90 million in debt repayments during the fourth quarter with a \$30 million net reduction in the Company's revolving credit facility balance and a \$60 million redemption of the remaining Copper Mountain bonds, well ahead of the 2026 maturity to increase financial flexibility and lower financing costs. Deleveraging efforts continued into the first quarter of 2024 with an additional \$10 million repayment of the Company's revolving credit facility balance in January 2024.

LEARN MORE:

[Consolidated Financial Statements](#)

[Management's Discussion and Analysis](#)

¹ Cash costs and sustaining cash costs are non-IFRS financial performance measures with no standardized definition under IFRS. For further details on why Hudbay believes cash costs are a useful performance indicator, please refer to the Company's management's discussion and analysis for the period ended December 31, 2023.

Sustainability Approach

Hudbay’s purpose statement – **emphasizing care for people, communities and the planet** – serves as the cornerstone for our commitment to sustainability. By producing essential metals and operating sustainably, we strive to align our actions with a broader vision of responsible and ethical business practices.

\$192.7 million

spent with local suppliers

8%

decrease in GHG intensity per tonne of copper equivalent



 Across Hudbay, we continually monitor water quality near our mines

Creating Healthy Workplaces in Peru

At Hudbay, we aim to safeguard and enhance the well-being of our employees. We prioritize creating healthy work environments and continuous improvement, recognizing these as fundamental elements for competitiveness, productivity and sustainability.

At our Constanca operation in Peru, we have implemented several measures and programs designed to proactively mitigate occupational risks, promote healthy behaviours and integrate well-being considerations into our daily activities and decision-making processes.


As a testament to these efforts, in 2023, Constanca received the “Healthy Company Management” certificate from **SGS Peru**, one of the world’s leading testing, inspection and certification companies. The recognition is based on an evaluation of our management practices, processes and systems related to health and well-being against guidelines established by the World Health Organization and International Labour Organization.

These include:

- **Occupational health and safety** – Measures to ensure the safety and well-being of workers, prevent accidents, minimize exposure to hazardous substances and comply with safety regulations.
- **Mental health and well-being** – Programs aimed at reducing stress, promoting work-life balance and creating supportive environments for employees.
- **Ergonomics** – Efforts to prevent musculoskeletal disorders and create workspaces that support the physical health of our workforce.
- **Health promotion** – Initiatives that promote healthy lifestyles, physical activity and preventive health measures.
- **Inclusive and non-discriminatory practices** – Commitments to promote diversity, inclusion and non-discrimination and create an environment where all employees feel valued and respected.

This certification highlights our commitment to prioritizing employee well-being and establishing a workplace that meets and surpasses the highest health and wellness standards.



 Pit supervisors in Peru

Advancing Tailings Management Practices in Manitoba

An important aspect of the Mining Association of Canada’s Towards Sustainable Mining program is continuous improvement. In Manitoba, we continued to build on our multi-year tailings stability initiative to implement best practices in managing risks and opportunities associated with our tailings facilities.

In 2023, key activities included:

- **Flin Flon Tailings Impoundment System (FFTIS) legacy dam upgrades** – Following the shutdown of the 777 mine and processing activities in 2022, the FFTIS facility went into care and maintenance in 2023 for the first time since the 1930s, changing the facility’s status. This required reassessing the existing structures, reviewing the Dam Consequence Classification and updating the stability assessment. We also implemented the Engineer of Record’s recommended actions to minimize the risk of static liquefaction. In 2024, we will continue to analyze the remaining structures for future stability upgrades.
- **Reprocessing of FFTIS tailings** – More than 100 million tons of tailings have been deposited in the FFTIS for over 90 years. In 2023, we conducted metallurgical research with technology partners to explore the potential for reprocessing FFTIS tailings to produce non-acid-generating residual tailings. If feasible, this would reduce the on-site waste that contributes to ongoing water treatment requirements, offer a new mineral resource and extend the life of the Flin Flon metallurgical complex operation.

- **FFTIS water treatment** – We commissioned a pH-adjustment system to manage and treat water within the FFTIS tailings ponds and water clarification pond. The cessation of milling and lower-than-normal spring runoff required us to discharge treated water for a short time in the fall. We are studying technological solutions that address our water management and treatment needs.
- **Anderson Tailings Impoundment Area (ATIA)** – A key priority at the ATIA in Snow Lake is optimizing space to reduce the facility’s footprint and avoid the need for an additional tailings facility in the future. In 2023, Hubbay implemented several deposition methodology improvements to maximize available space in the ATIA. Additionally, we applied for regulatory approval to transition from subaqueous to subaerial deposition. This change could enhance impoundment space efficiency, address seasonal operational challenges and defer capital expenditures for dam raise construction to future years.



 *Overseeing a tailings pond in northern Manitoba*

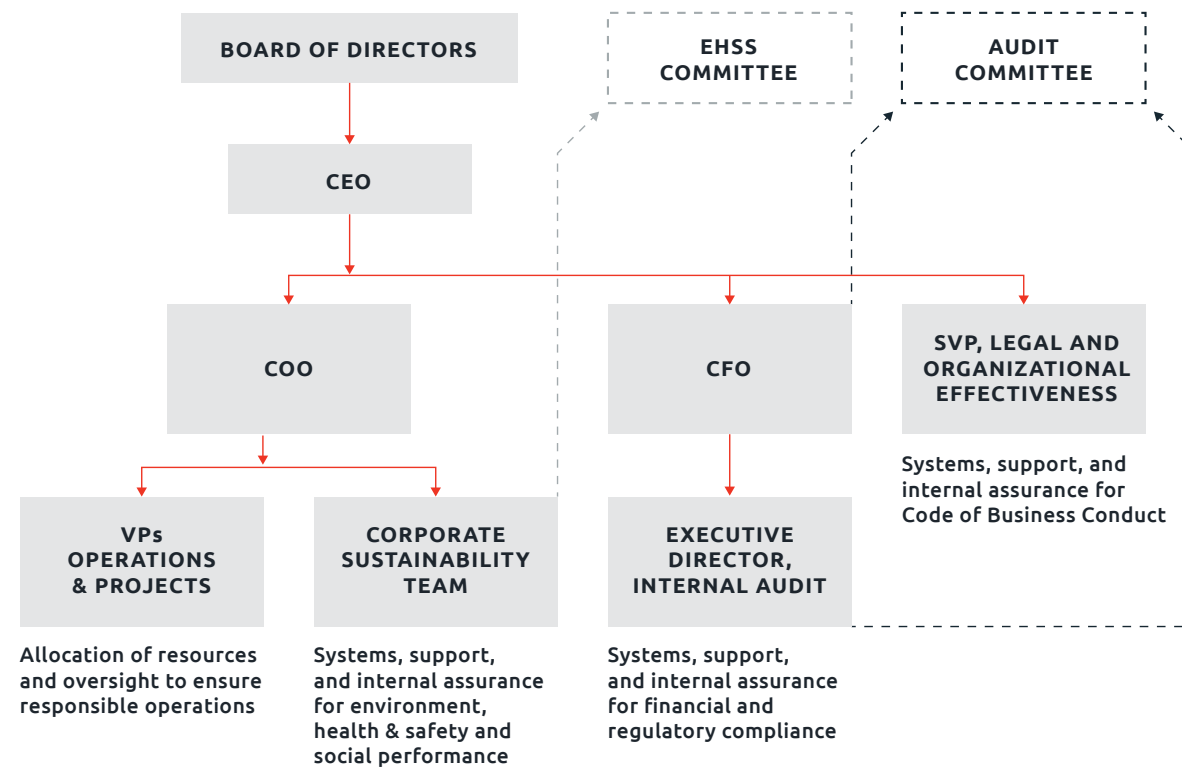
Sustainability Governance

Sustainability governance plays a pivotal role in achieving sustainability objectives and meeting stakeholder expectations. Our sustainability governance framework supports responsible decision-making by defining the role of the Board, clarifying the duties and responsibilities of management, and ensuring sustainable practices are integrated throughout the organization.

The Board’s five committees, particularly the Environmental, Health, Safety and Sustainability (EHSS) Committee, oversee Hudbay’s sustainability activities. Meeting quarterly, the EHSS committee ensures robust governance by reviewing our human rights, social, environmental, health and safety policies, systems and programs. It assesses key EHSS risks and monitors the effectiveness of our management systems through certification processes and TSM performance assessments.

The President and CEO is responsible for day-to-day business operations, while the Chief Operating Officer establishes the Company’s sustainability governance. Business unit and operations leaders are accountable for achieving and maintaining sustainable projects and operations and are supported by dedicated personnel who manage the daily health, safety, environmental, community relations, human rights and other sustainability matters.

SUSTAINABILITY MANAGEMENT FRAMEWORK



Hudbay’s Sustainability Management Framework forms the foundation for operating in an environmentally and socially responsible manner.

Our comprehensive management systems – which include our Code of Business Conduct, Human Rights Policy, Environmental, Health, Safety and Sustainability Policy, Supplier Code of Conduct and Ethics and Customer Code of Conduct and Ethics – articulate our sustainability commitments throughout the business and value chain.

Each operation maintains a formal management system supporting sustainability performance, with health and safety and environmental components certified to ISO 45001 and 14001 standards, respectively. In 2023, our Manitoba and Peru business units maintained ISO certifications. We are working towards certification of Copper Mountain’s EHS system.

Our business units are responsible for setting objectives, identifying risks and demonstrating that sustainability matters are being effectively managed. We use an integrated software system to track health, safety and environmental incidents and investigations, capture stakeholder engagement commitments and activities, and document non-conformance to our standards and corrective actions. In Arizona and Manitoba, we also use this system to support permitting requirements. Each quarter, the Board receives reports on significant incidents. We conduct in-depth investigations for serious and high-potential and actual incidents to analyze causes and determine what critical controls and corrective actions are needed to prevent recurrence.

TOWARDS SUSTAINABLE MINING

As a voluntary member of the Mining Association of Canada (MAC), we participate in MAC’s Towards Sustainable Mining (TSM) program. This program empowers mining companies to fulfill society’s demand for minerals, metals and energy products in a socially, economically and environmentally responsible manner through site-level performance assessments. TSM is globally recognized as an industry-leading practice, and has been adopted by national mining associations beyond Canada. Today, 12 other countries – Argentina, Australia, Botswana, Brazil, Colombia, Finland, Guatemala, Mexico, Norway, Panama, the Philippines and Spain – have adopted the program.

Our participation in TSM supports Hudbay’s accountability and transparency through site-level evaluations and public reporting across the following protocols:

- Community and People
 - Indigenous and community relationships
 - Safe, healthy and respectful workplaces
 - Crisis management and communications planning
 - Equitable, diverse and inclusive workplaces
 - Prevention of child and forced labour
- Environment and Climate Change
 - Climate change
 - Biodiversity conservation
 - Water stewardship
 - Tailings management



 Planning for a sustainable mine in Tucson, Arizona

While TSM is required for MAC members’ Canadian operations, we go beyond this requirement and implement it at all our operations. We set a goal to achieve a minimum level A rating across all indicators, which is evidence of good performance and that commitments and accountabilities are in place. In 2023, we achieved this goal across all protocols in all our business units with the exception of one B. We are currently working to close this gap and we publicly report our assessments on the [MAC website](#).

MAC’s [TSM Responsible Sourcing Alignment Supplement](#) maps the TSM protocols to emerging performance frameworks, such as the International Council on Mining and Metals (ICMM) Mining Principles, the World Gold Council’s (WGC) Responsible Gold Mining Principles and the Responsible Minerals Initiative (RMI) Risk Readiness Assessment, which includes the International Copper Alliance and Copper Mark. In November 2023, Copper Mark, ICMM, MAC and WGC announced an effort to consolidate their individual voluntary responsible mining standards into a [single global standard](#) with a multi-stakeholder oversight system. Hudbay is contributing to this effort through our active participation in the initiative’s Industry Advisory Group. A robust stakeholder engagement and public consultation process is expected in 2024.

INTERNATIONAL SYSTEMS AND PERFORMANCE STANDARDS

To inform our sustainability approach and strive towards continuous improvement, we apply the following international best practice standards.

International Systems

- [ISO 14001](#) environmental management systems standard
- [ISO 45001](#) occupational health and safety management systems standard
- [ISO 9001](#) quality management systems standard for the production and supply of cast zinc products (through to June 2022, when we ceased production of zinc metal)
- [Towards Sustainable Mining](#) – the Mining Association of Canada’s set of tools and indicators to drive performance and ensure key mining risks are managed responsibly
- [Voluntary Principles on Security and Human Rights](#) – an operating framework that ensures security practices include respect for human rights
- [IFC Performance Standards](#) – the International Finance Corporation (IFC), part of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries. Hudbay follows the IFC’s Performance Standards on Environmental and Social Sustainability at our Constancia site in Peru.

Transparently disclosing our sustainability performance is good business and essential to earning and maintaining stakeholder trust. Hudbay voluntarily participates in the following environmental, social and governance (ESG) disclosure frameworks and programs.

International Reporting Standards

- [Global Reporting Initiative](#) (GRI) – an independent, international organization that provides the world’s most widely used standards for sustainability reporting, known as the GRI Standards
- [CDP](#) (formerly called the Carbon Disclosure Project) – a non-profit that runs the global disclosure system for thousands of organizations to manage environmental matters such as water use, biodiversity impacts and climate change strategies
- [Sustainability Accounting Standards Board](#) (SASB) – an independent non-profit organization that aims to improve industry-specific standards for the disclosure of financially material sustainability information
- [Task Force on Climate-related Financial Disclosures](#) (TCFD) – an organization established by the Financial Stability Board to improve the reporting of climate-related risks and opportunities

The disclosures in this report have been mapped to the GRI Universal Standards, the SASB Metals & Mining Standard and the TCFD recommendations.

INDUSTRY INVOLVEMENT

Hudbay participates in industry associations and multi-stakeholder groups through membership, funding, sharing of expertise, and participation in committees and working groups. Memberships include the following:

- Aboriginal Chamber of Commerce (Manitoba)
- Alianza para Obras por Impuestos – ALOXI
- American Exploration and Mining Association
- Arizona Chamber of Commerce & Industry
- Arizona Mining Association
- Arizona Small Business Association
- Arizona Trails Association
- Several Arizona Chambers of Commerce – Greater Vail Area, Green Valley/Sahuarita, Tucson Hispanic, Tucson Metro
- Asociación Vida Perú (a non-profit organization that donates medical equipment and medicines)
- BlackNorth Initiative
- Business for Social Responsibility (BSR) (a non-profit business network and consultancy dedicated to sustainability)
- Cámara de Comercio Perú Canadá
- Canadian Council for Aboriginal Business
- Canadian Institute of Mining, Metallurgy and Petroleum and relevant societies
- Catalyst Accord 2022 and the 30% Club
- Coalition for Energy Efficient Comminution (CEEC) (an international, not-for-profit, registered charity committed to sharing energy-efficient mining and mineral processing solutions)
- Cusco Chamber of Commerce
- Empresarios por la Educación (a Peruvian private sector organization to develop and promote educational projects)
- Extractive Industries Transparency Initiative (EITI)
- Flin Flon and District Chamber of Commerce
- Instituto de Ingenieros de Minas del Perú (Peruvian mining engineers association)
- International Zinc Association
- Manitoba Employers Council
- Metropolitan Pima Alliance
- Mining Association of British Columbia
- Mining Association of Canada
- Mining Association of Manitoba Inc.
- Mining Foundation of the Southwest (US)
- Mining Safety Round Table (a collaborative group of safety-committed mining companies that share experiences and identify best practices)
- National Mining Association (US)
- National Society of Mining, Oil, and Energy (SNMPE) (Peru)
- Nevada Mining Association
- Nogales–Santa Cruz Chamber of Commerce
- Saskatchewan Mining Association
- Snow Lake Chamber of Commerce
- Sociedad de Comercio Exterior del Perú – COMEX (Peruvian business association made up of the largest export and import companies)
- Sociedad Geológica del Perú – SGP (Peruvian geological association)
- Southeast Arizona Economic Development Group
- Southeastern Arizona Contractors Association
- Southern Arizona Business Coalition
- WAAIME (the Women’s Auxiliary to the American Institute of Mining, Metallurgical, and Petroleum Engineers – Peruvian Section)
- Women in Mining Peru – WiM PERU
- Yerington Chamber of Commerce

Human Rights and Security

Aligned with our core values of dignity and respect, we are committed to fostering an environment that brings out the very best in everyone. Our **Human Rights Policy** explicitly endorses the principles of the **Universal Declaration of Human Rights**. Both the policy and our Code of Business Conduct affirm our commitment to respecting human rights in all our business activities.

Respecting the dignity of all people includes valuing their culture, customs and traditions. Our fair labour practices include zero tolerance for forced, compulsory and child labour, and we actively work to prevent any violation of human rights within our sphere of influence.

The most recent third-party verifications of TSM performance at our Peru, Manitoba and British Columbia business units confirmed that there were processes and controls in place, commensurate with the jurisdictional risk, to ensure Hudbay does not use forced labour or employ any child under the age of 15.

In May 2023, the Canadian Parliament passed Bill S-211, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. The Act, which came into force on January 1, 2024, requires certain government agencies and Canadian companies that produce or import goods produced outside of Canada, to submit detailed reports on the risks of modern slavery and forced labour within their supply chains. Because Hudbay meets the reporting

obligation criteria under the Act, we published our **first report** on April 17, 2024, ahead of the May 31, 2024 due date. As part of the report's development, we assessed the gaps between what we currently disclose in the TSM Child and Forced Labour Protocol and the requirements of the new law.

The **UN Guiding Principles on Business and Human Rights** are a framework for businesses to respect human rights, encompassing a public commitment, a due diligence process to assess risks and a method for providing remedies to impacted individuals. We recognize that respecting human rights is foundational to managing social risks and opportunities. Supporting guidance materials ensure we mitigate impacts, employ security practices informed by an understanding of community concerns, engage communities and key stakeholders, and continuously improve our awareness of potential community matters that may pose risks to Hudbay personnel and assets.

We continuously assess how community situations and Hudbay's activities may impact individuals and communities. The framework and guidelines ensure consistency while also being adaptable to the local context.

Concerns related to human rights issues within our business can be reported through various channels outlined in the **Risks, Issues or Complaints** section of this report. In 2023, there were no human rights issues raised or reported through our Board, hotline, site grievance mechanisms or external agencies.



 Tracking aging cheese at a dairy farm near our Constanica mine

SECURITY PRACTICES

Our Security Policy and Corporate Plan integrates our Human Rights Policy, detailing how we assess risks, secure work environments, and safeguard our employees, contractors and assets. Our objective is to respond appropriately to security threats, minimize conflicts and foster trust with communities and stakeholders.

The Security Policy and Corporate Plan assesses and ranks the security risk level of each operation, and detailed risk assessments at each location define specific actions based on risk levels:

- **Low risk** – Requires an annual review of the corporate risk assessment, an annual advisory site visit, a local social risk assessment, training on the Voluntary Principles on Security and Human Rights (VPs) for security management, and increased awareness of the VPs with contracted private and public security personnel.
- **Medium risk** – Requires at least an annual audit of site security practices using the Global Compact Canada VPs framework, at least one annual advisory visit, structured programs to implement the VPs (including training), a grievance mechanism for security-related complaints, and active participation in forums that promote security and human rights.
- **High risk** – Requires an annual audit by an independent Voluntary Principles Organization (VPO)-recognized auditor, a grievance mechanism for security-related complaints, and engagement with national and international organizations on security practices.

All our operating and exploration sites are categorized as low risk except for Constanca in Peru, which is medium risk due to the country's history of social and political unrest. This requires more rigorous risk evaluation and management.

In early 2023, there was one community protest near our Constanca operation. We discuss the protest and Hudbay's response in The Power of Community in Peru feature story. We also highlight the security agreement we entered into in the Resilience and Meaningful Relationships Prevail Amidst Social Unrest in Peru feature story.

Our operations, projects and exploration sites with security personnel follow the VPs to minimize security-related impacts on communities and align practices with internationally recognized human rights principles. All contracts between Hudbay and security services require adherence to the VP framework, the UN Code of Conduct for Law Enforcement Officials and the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials. Governments have the primary responsibility for maintaining law and order, but whenever we rely on public security providers, the VPs require their actions align with the protection of human rights.



 Drone use in Manitoba

Tailings Stewardship

Engineered tailings storage facilities (TSFs) are designed to securely store mine tailings, the fine-grained material (either paste or slurry) left after the process of separating minerals from crushed ore. Because uncontained releases of tailings can have catastrophic impacts to people and the environment, ensuring TSFs are properly designed, built, operated and maintained is an industry-wide priority.

TAILINGS MANAGEMENT PROTOCOL SUPPORTS BEST PRACTICES

As a member of MAC, we assess our tailings management approach against TSM’s Tailings Management Protocol. Following the 2020 release of the Global Industry Standard on Tailings Management (GISTM), which raised the bar for the safe management of tailings facilities around the world, MAC reviewed the GISTM requirements and incorporated aspects that enhance the safe management of tailings facilities into TSM protocols.

TSM’s advanced stage of implementation and well-established verification processes are recognized as advantages over GISTM, and key investors agree that a level A or higher in all protocol indicators and compliance with the Canadian Dam Association (CDA) Dam Safety Guidelines are equivalent to following the GISTM.

The protocol’s five performance indicators assess the following practices:

- Tailings management policy and commitment
- Tailings management system and emergency preparedness
- Assigned accountability and responsibility for tailings management
- Annual tailings management review
- Site-specific operation, maintenance and surveillance processes

One of the TSM program’s strengths is the integrated nature of the protocols, where one defines a process embedded into another. For example, community engagement is an important aspect of responsible tailings management. The Indigenous and Community Relationships Protocol assesses community engagement, and the Tailings Management Protocol assesses engagement on tailings-related activities that may pose a risk to the public.



 *The tailings dam in British Columbia*

We require our business units to maintain a level A or higher rating for the protocol. In the latest TSM assessment, our Manitoba and Peru business units received level A ratings across all five indicators and Copper Mountain received level AA ratings for all indicators. Manitoba and Peru’s ratings decreased from the previous assessment due to an amendment to the protocol requiring an external audit, but with the audits planned for 2024, it is expected their ratings will again increase to AA to be aligned with Copper Mountain.

TAILINGS GOVERNANCE

Our Tailings Governance Charter defines the governance for the effective management of tailings facilities throughout all stages of design, construction, operation and closure.

In 2023, we updated the charter to more clearly define roles and responsibilities and how information flows from operating sites, through the corporate office and to the Board. Our Tailings Management System (TMS) includes two layers for supporting responsible tailings management:

- A site- or business unit-level TMS maintained by the personnel responsible for day-to-day activities, including planning, monitoring, risk identification and reporting.
- The Corporate Tailings Governance System that details corporate and Board responsibilities to ensure tailings are adequately managed.

Hudbay’s Chief Operating Officer serves as the Accountable Executive Officer (AEO), who is the senior executive responsible for the safe management of tailings at all facilities and engages directly with the Board on any tailings-related issues. Each business unit Vice President has similar accountabilities to the AEO for facilities within their business unit, as well as a responsible person who provides regular updates to the Vice President. A Tailings Governance Team (TGT) supports the AEO and provides support to the business units. Members of the TGT include senior leaders in operations, technical services, exploration, business planning, reclamation and sustainability.

Key third-party roles include:

- **Independent technical review board (ITRB)** – An independent expert panel conducts systematic evaluations of the technical aspects of tailings facilities and operations at least annually (typically twice per year, with one being on-site for active sites) throughout the lifecycle.
- **Engineer of record (EOR)** – A qualified individual verifies that facilities are designed, constructed and operated in accordance with performance objectives and all applicable guidelines, standards and regulatory requirements.
- **Dam safety review provider** – An external expert conducts dam safety reviews (DSRs), independent of the ITRB and EOR, every five years, as per the CDA Dam Safety Guidelines.
- **Insurance Inspector** – An external provider completes periodic reviews, inspections and reports on the insured facilities.

ON-THE-GROUND APPROACH TO TAILINGS STEWARDSHIP

Hudbay manages five TSFs – three (including two on care and maintenance) at our Manitoba Business Unit, one at Constancia in Peru and one at Copper Mountain in British Columbia. Details on these facilities are available in our [Mine Tailings Disclosure Table](#) posted on our website.

There were no significant incidents at any of our TSFs that threatened human health or the environment in 2023.

Our Constancia operation in Peru stores tailings in an engineered tailings management facility (TMF). Sensors located throughout the facility provide the mine’s control centre with information on rain impact, water levels, depth and drainage. In 2023, normal operations continued, and there were two meetings of our ITRB Board to review the Constancia TMF.

In Manitoba, the Flin Flon Tailings Impoundment System (FTTIS) went into care and maintenance, and we evaluated several options to optimize the Anderson Tailings Impoundment Area (ATIA) at Snow Lake. We discuss these efforts in the feature story [Advancing Tailings Management Practices in Manitoba](#).

At our Copper Mountain mine in British Columbia, the ore body is a low sulfidation, carbonate-hosted copper deposit, resulting in non-acidic mine tailings. Stored in a natural valley, these tailings are further constrained by sand dams on each end of the valley. The dams, built using a rigorous modified centreline construction method with coarse, free-draining sand, contain a small volume of water that is recycled for mineral processing. The technical design of this TMF ensures geotechnical stability and safe operation.

In 2023, Copper Mountain completed several items to improve the TMF operation. This included an evaluation of cyclone performance to improve and maintain coarse sand specification and improvements to the seepage collection system pumping performance. Two administrative improvement activities related to the operation, maintenance and surveillance of the TMF were also undertaken, and we completed an external Towards Sustainable Mining (TSM) audit as well as an update to the risk register related to dam design.


Stakeholder Engagement

The diverse perspectives of stakeholders – including employees, shareholders, suppliers, government officials, communities, rights holders and others – help us prioritize and manage our impacts, make better decisions and continuously improve.

Meaningful and frequent engagement, tailored to the stakeholder, topic or concern, enhances our understanding of their needs and expectations. Our Stakeholder Engagement Standard and supporting guidance detail the requirements for understanding perspectives and addressing concerns, and our Shareholder Engagement Policy promotes open dialogue between our Board of Directors and shareholders.

Additionally, we actively participate in industry associations and multi-stakeholder initiatives, collaborating to address issues and challenges, share expertise and lessons learned, and promote best practices.



 Winter Solstice celebration, Manitoba

2023 ENGAGEMENT ACTIVITIES AND TOPICS

The following table lists key stakeholders and how we engaged with them in 2023:

Stakeholder group	Key topics/concerns raised	Engagement mechanisms	Examples of engagement in 2023
<p>Shareholders, debtholders, investors and analysts</p>	<ul style="list-style-type: none"> • Production growth from Pampacancha and New Britannia • Free cash flow generation • Copper World exploration and development plans • Closure of the 777 mine, and potential tailings reprocessing opportunity in Flin Flon and Snow Lake • Exploration updates • Mergers and acquisitions • Political and social context in Peru • Inflationary pressures on costs • Tailings facility safety 	<ul style="list-style-type: none"> • Industry conference participation (18 events) • Investor meetings and presentations, road shows and conference calls (over 250 events) • Virtual webcast presentations (one event) • Virtual Annual General Meeting of Shareholders • Tours of mining operations and project sites • Board–shareholder engagement • Website, news releases and other public disclosures • Social media posts 	<p>Hosted two special situation conference calls for the Copper Mountain acquisition as well as for Copper World’s Pre-feasibility Study.</p> <p>Hosted an analyst and investor site visit to the Constancia operation in Peru.</p> <p>Details on these and other engagement activities are discussed further in the Tailings Stewardship and Climate Change sections and on our Investors site.</p>
<p>Employees and contractors</p>	<ul style="list-style-type: none"> • Health and safety • Work processes • Business performance • Understanding of compensation and benefits • Opportunities for personal development • Compliance with environmental requirements • Training for policies, permits or other requirements • Diversity, equity and inclusion 	<ul style="list-style-type: none"> • CEO email messages • Senior management site visits • Town hall meetings • Orientation and training programs • One-on-one and small group manager/staff meetings • Health and wellness committees and activities • Diversity and Inclusion committee • Hudbay intranet • Staff newsletters 	<p>Launched leadership development programs.</p> <p>Held virtual events, including town halls, to keep employees informed about the business.</p> <p>Details on these and other engagement activities are discussed further in the People section.</p>

Stakeholder group	Key topics/concerns raised	Engagement mechanisms	Examples of engagement in 2023
<p>Unions</p>	<ul style="list-style-type: none"> • Updates on mine life and activities related to closure • Mobility • Seniority • Outstanding grievances • Health and safety 	<ul style="list-style-type: none"> • Meetings with union leaders on outstanding issues • Formal grievance processes • Joint health and safety committees 	<p>Included union representation on the Workforce Adjustment Committee and Camp Committee in Manitoba to help employees adjust to transition.</p> <p>Held monthly meetings with the union that represents employees in Peru.</p> <p>Details on these and other engagement activities are discussed further in the People section.</p>
<p>Local communities and Native American/Indigenous groups</p>	<ul style="list-style-type: none"> • Development project updates • Community and area activities and investments • Safety and environmental concerns • Land use • Water use and quality • Local employment and procurement • Training programs for community members • Cultural protection, awareness and dissemination • Educating employees on intercultural competency, conflict resolution, human rights and anti-racism • Future operations plans (operating life) 	<ul style="list-style-type: none"> • Community information and consultation meetings/dialogue tables • Community partnerships • Site tours and open houses • Site grievance/community response processes • Community relations offices • Cultural awareness workshops and other training 	<p>Conducted a citizen participation workshop with the Uchucarcco community in Peru.</p> <p>Held monthly Indigenous culture sessions at our operations in Flin Flon and Snow Lake.</p> <p>Engaged Native American tribes in archeological surveys at Copper World.</p> <p>Met with community and Indigenous leaders on mine expansion plan at Copper Mountain and hosted hundreds of community members for the annual Princeton Mining Days event.</p> <p>Details on these and other engagement activities are discussed further in the Communities section.</p>
<p>Customers</p>	<ul style="list-style-type: none"> • Achieving agreed-on terms of delivery for products • Provision of information on product safety and product origin • Compliance with environmentally and socially responsible performance and risk management 	<ul style="list-style-type: none"> • Direct contact • Industry and business forums • Managed production interruptions 	<p>Continued to engage with our customers around the world and deliver our products in an environmentally and socially responsible manner.</p> <p>Details on these and other engagement activities are discussed further in the Responsible Supply Chain section.</p>

Materiality

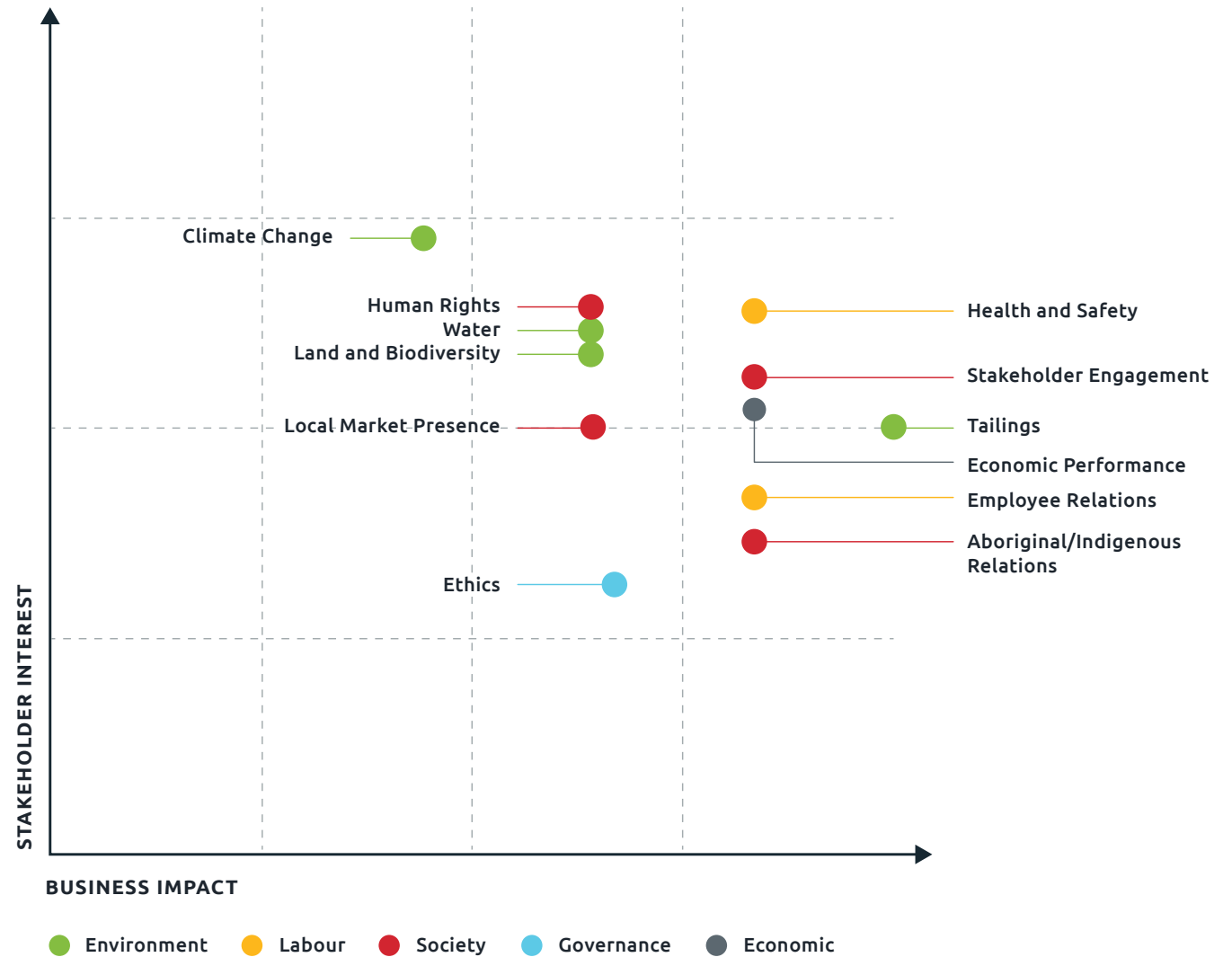
Our material sustainability issues are those that have the most significant potential impacts on the economy, environment, and people and human rights.

We aim to review our priorities regularly to ensure they align with changes in our business and address emerging issues. This report reflects the issues identified in the latest review, which was in 2020. Our next review is planned for 2024, which will incorporate the newly acquired Copper Mountain mine.

MATERIALITY MATRIX

The last materiality review identified 12 priority issues, ranked by business risk and significance to key stakeholders. Higher business risk issues involve elements beyond our control (e.g., community perceptions, metal prices, individual behaviours). Lower business risk issues have less impact on our business or can be directly mitigated through our systems and processes. Corresponding sections of this report discuss our due diligence and mitigations for these risks.

The diagram lists our priority issues and how they rank in terms of business risk and stakeholder interest.



The following table shows the alignment of our priority issues with the GRI Standards, the SASB Metals & Mining Standard and the TCFD recommendations. Specific reporting indicators are disclosed in our [reporting framework index](#).

Priority issue	GRI Standards	SASB	TCFD
Ethics	Ethics and integrity Anti-corruption	Business ethics and transparency	
Human rights	Security practices Human rights grievance mechanisms	Security and human rights	
Stakeholder engagement	Stakeholder engagement Environmental grievance mechanisms Grievance mechanisms for impacts on society	Community relations	
Community well-being	Significant actual or potential negative impacts on local communities	Community relations	
Indigenous relations	Indigenous rights	Indigenous peoples	
Health and safety	Occupational health and safety	Workforce health and safety	
Employee relations	Labour/management relations	Labour relations	
Economic performance	Economic performance Indirect economic impacts Procurement practices		
Local market presence	Employment Closure planning Resettlement		
Land and biodiversity	Biodiversity	Biodiversity impacts	
Water	Water	Water management	
Tailings	Effluents and waste	Waste and hazardous materials management	
Climate change	Energy consumption Direct GHG emissions Indirect GHG emissions	GHG emissions Energy management	Board oversight of climate-related risks Scope 1 and 2 emissions and related risks

BOUNDARIES

We conducted the materiality review on the initial boundary assumption of activities and facilities within Hudbay’s management control (as described in the **Our Company** section of this report). Participants in the review process were then asked for cases in which boundary limits should be adjusted for specific aspects. Based on stakeholder expectations and business risk, the following additions were deemed appropriate:

- Safety statistics are tracked and reported for all contractor activities under Hudbay contracts and Hudbay supervision (e.g., activities of contractors working on Hudbay sites, activities of exploration contractors).
- Environmental incidents related to transportation between Hudbay locations are generally tracked, reviewed and reported by Hudbay.
- Grievances are accepted and investigated with respect to local contractors and security activities related to Hudbay and are included in grievance numbers and characterization in this report.
- Scope 2 greenhouse gas emissions are calculated and reported.

Exploration sites have special considerations in our reporting:

- Sites for which we do not maintain managerial control are excluded.
- Corporate exploration with managerial control over the site is included and reported by country, although we do not collect or report energy, GHG emissions, or local market presence data.
- Business unit exploration with managerial control over the site is included and embedded in the business unit numbers.

Responsible Supply Chain

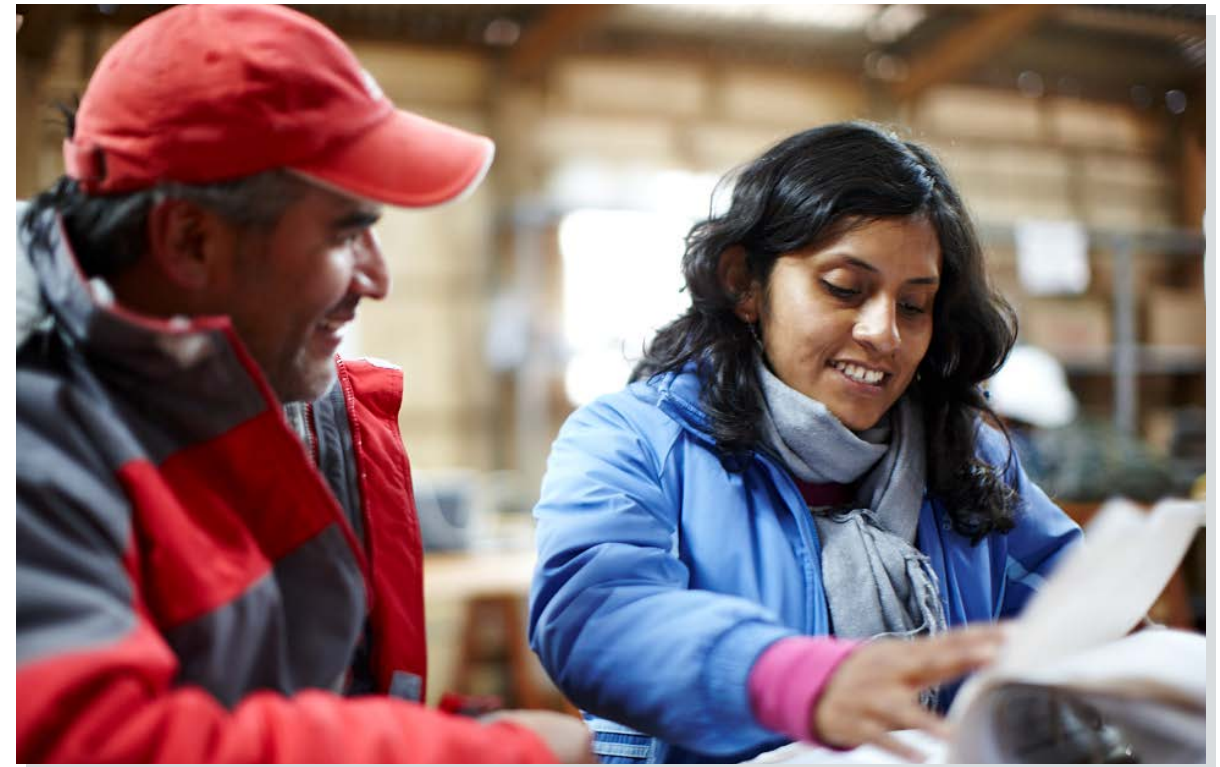
Mining is the first stage of a complex value chain that converts mineral resources into everyday products and vital applications supporting the transition to a more sustainable future.


Hudbay works with hundreds of suppliers and subcontractors across diverse jurisdictions. We have the greatest influence on supply chain activities related to our operations, on-site contractors, local suppliers, and Hudbay products up to the point from which they are shipped (at the plant gate in Manitoba, the concentrate shed at the mill in British Columbia and the port loading facility in Peru). All suppliers are screened for corruption risks in accordance with our Global Supplier Due Diligence Policy. Our legal function conducts due diligence on suppliers with an elevated risk, and our internal audit function reviews the contract/supplier screening process.

Supporting local businesses through procurement is a key way communities benefit from our presence. In addition to standard due diligence, each operation monitors on-site and local suppliers.

We seek suppliers who share our values and work in partnership with us to continuously improve our performance. Our **Supplier Code of Conduct and Ethics** (Supplier Code of Conduct) states our expectations for honest and ethical business conduct from our suppliers. As a condition of doing business with Hudbay, our contracts generally require suppliers to:

- Read, accept and comply with our Supplier Code of Conduct (or a comparable standard) and all other applicable compliance policies, including our Statement on Anti-Corruption, Human Rights Policy, and Environmental Health and Safety Policy
- Comply with all applicable laws, rules and regulations, including anti-corruption laws, anti-money laundering laws, anti-slavery laws and sanctions
- Protect confidential information
- Respect human rights and observe Hudbay’s Human Rights Policy
- Establish practices and procedures that protect the health and safety of workers and the environment
- Accept Hudbay’s supplier due diligence process
- Report suspected violations of the Supplier Code of Conduct and applicable compliance policies by any supplier or Hudbay personnel



 Community team meeting at Hudbay Peru

Our Customer Code of Conduct and Ethics mirrors these standards for customers. Our marketing function ensures smelters that receive our concentrate follow responsible mineral production processes through a questionnaire. If any concern with a customer arises, we carry out more detailed due diligence that may include engaging a legal firm or consultant to investigate (which may include an audit) or conducting site visits, if needed.

In May 2023, the Canadian Parliament passed Bill S-211, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. The Act, which

went into effect on January 1, 2024, requires certain government agencies and Canadian companies that produce or import goods produced outside of Canada, to submit detailed reporting on the risks of modern slavery and forced labour within their supply chains. Because Hudbay meets the reporting obligation criteria under the Act, we submitted our **first report** on April 17, 2024, ahead of the May 31, 2024, due date. This included assessing gaps between what we currently disclose in the TSM Child and Forced Labour Protocol and the requirements of the new law.

SUPPLY CHAIN PERFORMANCE

The direct supply chain for our metal products originates in Hudbay’s mines in Manitoba, British Columbia and Peru.

The indirect supply chain for energy, goods and services used in transforming ore and concentrate into products includes thousands of suppliers, who provide operating and maintenance supplies, energy and fuels, and capital goods:

- In Peru, our top 50 suppliers accounted for 77% of our spending, and 96% of our spending was with suppliers based in Peru.
- In Manitoba, our supplier base relates to production operations and capital projects. Our top 50 suppliers represented 78% of our spending, and 95% of our spending was with suppliers in Canada. These suppliers provided goods and services such as engineering services, electricity, spare parts for equipment, underground haul trucks and other capital equipment.
- In British Columbia, our top 50 suppliers accounted for 99% of our spending.

Hudbay’s top 10 suppliers in 2023, were (in alphabetical order):

- CN (CAD)
- Corporación Primax S.A.
- Enel Generación Peru S.A.A.
- Epiroc Canada Inc.
- Ferreyros Sociedad Anónima
- GIW Industries Inc.
- PetroValue Products Canada
- ServcoCanada
- SMS Equipment
- Stracon S.A.

PRODUCTS

We produce copper concentrate, gold and silver doré, zinc concentrate and molybdenum concentrate. All the products we produce are essential in today’s society, with the demand for responsibly produced copper growing as the global economy continues to decarbonize, cities grow and more drivers choose electric vehicles.

Of the products produced at our operations in Canada and Peru in 2023:

- Hudbay sold and delivered the majority of its copper concentrate to traders and smelters in Asia, with a lesser portion sold to buyers in the Americas. The smelting process and refining of the copper content ultimately result in 99.99% pure copper, an essential metal for modern living.
- The silver/gold doré production from our Snow Lake operations is sent to a refinery in Canada, and the resulting precious metals credits were sold to Canadian financial institutions.
- The zinc concentrate produced at our Snow Lake operations is sold mainly to smelters in Europe.
- The molybdenum concentrate produced in Peru is sold and delivered to buyers in Asia and the Americas.
- The copper concentrate produced at Copper Mountain in British Columbia was transported by truck to the port in Vancouver and shipped to a refinery in Japan.


The safety data sheets that accompany our products provide details of their composition, toxicology, handling, storage and exposure hazards. We further meet our product stewardship commitments by collaborating with governments and industry associations, the International Molybdenum Association and the European Copper Institute, to guide our compliance with international requirements such as those provided by the International Maritime Organization (IMO). The IMO specifies hazard classification criteria for bulk cargoes, and the International Convention for the Prevention of Pollution from Ships (MARPOL) restricts the disposal of bulk cargo residues classified as “harmful to the marine environment” (HME) under the amended Annex V of the MARPOL convention. Based on the European Copper Institute determination of the MARPOL classification for Constancia’s copper concentrates and other assessments, all Hudbay copper concentrates have been confirmed as not HME.

United Nations Sustainable Development Goals


Hudbay recognizes the mining industry’s potential to positively contribute to the 17 Sustainable Development Goals (SDGs) outlined in the UN’s 2030 Agenda for Sustainable Development. Several SDGs closely align with the industry and others that require collaboration with government, civil society and other organizations.


Although stakeholder and community needs drive our activities, we believe many of these efforts contribute to the desired outcomes of the SDGs. We remain committed to exploring opportunities to measure and report our contributions to the SDGs, integrating them into our business planning and reporting. The following table discusses our efforts to advance the SDGs most relevant to Hudbay.



Sustainable Development Goals	Link to Topic
	<p><u>Our Feature Stories</u></p> <ul style="list-style-type: none"> • The Power of Community in Peru <p><u>Business and Financial Review</u></p> <p><u>People</u></p> <p><u>Communities > Our Approach</u></p> <ul style="list-style-type: none"> • Economic Contributions • Indigenous Engagement • Local Hiring and Procurement • Community Development <p><u>Communities > Peru</u></p> <p><u>Communities > Manitoba</u></p> <p><u>Communities > British Columbia</u></p> <p><u>Communities > Arizona and Nevada</u></p> <p><u>Planet</u></p> <ul style="list-style-type: none"> • Protecting Ecosystems Through Responsible Water Management
	


Sustainable Development Goals	Link to Topic
	<p><u>Our Feature Stories</u></p> <ul style="list-style-type: none"> • Making Progress on Our GHG Roadmap <p><u>Sustainability Approach</u></p> <ul style="list-style-type: none"> • Advancing Tailings Management Practices in Manitoba <p><u>Sustainability Approach > Tailings Stewardship</u></p> <p><u>Communities > Our Approach</u></p> <p><u>Communities > Peru</u></p> <p><u>Communities > Manitoba</u></p> <p><u>Planet</u></p> <ul style="list-style-type: none"> • Harnessing Innovative Technologies to Cut Greenhouse Gas Emissions at Copper Mountain <p><u>Planet > Our Approach</u></p> <p><u>Planet > Peru</u></p> <p><u>Planet > Manitoba</u></p> <p><u>Planet > British Columbia</u></p> <p><u>Planet > Arizona and Nevada</u></p>


Sustainable Development Goals		Link to Topic
		<p>Sustainability Approach > Sustainability Governance</p> <ul style="list-style-type: none"> Industry Involvement <p>Communities > Our Approach</p>
		<p>Our Company > Corporate Governance</p> <p>People</p> <ul style="list-style-type: none"> Hudbay's Culture Initiative Leads to Enhanced Leadership Development Programs <p>People > Our Approach</p> <ul style="list-style-type: none"> Diversity and Inclusion <p>People > Peru</p> <p>People > British Columbia</p> <p>Communities > Peru</p> <p>Planet</p> <ul style="list-style-type: none"> Protecting Ecosystems Through Responsible Water Management <p>Key Performance Data Table (Employees)</p> <ul style="list-style-type: none"> Workforce Diversity

Sustainable Development Goals		Link to Topic
		<p>Sustainability Approach</p> <ul style="list-style-type: none"> Advancing Tailings Management Practices in Manitoba <p>Sustainability Approach > Tailings Stewardship</p> <p>Communities > Peru</p> <p>Planet</p> <ul style="list-style-type: none"> Protecting Ecosystems Through Responsible Water Management <p>Planet > Our Approach</p> <ul style="list-style-type: none"> Water <p>Planet > Peru</p> <p>Planet > Manitoba</p> <p>Planet > British Columbia</p> <p>Planet > Arizona and Nevada</p>

Sustainable Development Goals		Link to Topic
	<u>Our Feature Stories</u>	
	<ul style="list-style-type: none"> • Making Progress on Our GHG Roadmap 	
	<u>Sustainability Approach</u>	
	<ul style="list-style-type: none"> • Advancing Tailings Management Practices in Manitoba 	
	<u>Sustainability Approach > Tailings Stewardship</u>	
	<u>Sustainability Approach > Responsible Supply Chain</u>	
	<ul style="list-style-type: none"> • Supply Chain Performance • Products 	
	<u>Planet</u>	
	<ul style="list-style-type: none"> • Protecting Ecosystems Through Responsible Water Management • Harnessing Innovative Technologies to Cut Greenhouse Gas Emissions at Copper Mountain 	
	<u>Planet > Our Approach</u>	
<u>Planet > Peru</u>		
<u>Planet > Manitoba</u>		
<u>Planet > British Columbia</u>		
<u>Planet > Arizona and Nevada</u>		

	<u>Planet</u>	
	<ul style="list-style-type: none"> • Protecting Ecosystems Through Responsible Water Management 	
	<u>Planet > Our Approach</u>	
	<ul style="list-style-type: none"> • Land and Biodiversity • Closure and Reclamation 	
	<u>Planet > Peru</u>	
	<u>Planet > Manitoba</u>	
	<u>Planet > British Columbia</u>	
	<u>Planet > Arizona and Nevada</u>	
	<u>Key Performance Data Table (Environment)</u>	
	<ul style="list-style-type: none"> • Land Use • Sites Requiring Biodiversity Management Plans • Habitats Protected or Restored • IUCN Red List Species 	
	<u>Our Company > Business Conduct</u>	
	<ul style="list-style-type: none"> • Compliance Training 	
	<u>Sustainability Approach > Human Rights and Security</u>	
	<ul style="list-style-type: none"> • Security Practices 	
	<u>Sustainability Approach > Responsible Supply Chain</u>	
<u>People > Our Approach</u>		
<ul style="list-style-type: none"> • Diversity and Inclusion 		

Sustainable Development Goals		Link to Topic
	<u>Our Feature Stories</u>	
	• Building a Safety Culture in Manitoba	
	<u>Sustainability Approach</u>	
	• Creating Healthy Workplaces in Peru	
	<u>People</u>	
	• All-Volunteer Emergency Response Team at Copper World Establishes Strong Safety Foundation	
	<u>People > Our Approach</u>	
	• Health and Safety	
	<u>People > Peru</u>	
	<u>People > Manitoba</u>	
	<u>People > British Columbia</u>	
	<u>People > Arizona and Nevada</u>	
	<u>Communities > Our Approach</u>	
• Economic Contributions		
<u>Communities > Peru</u>		
<u>Communities > Manitoba</u>		
<u>Communities > British Columbia</u>		
<u>Communities > Arizona and Nevada</u>		

Sustainable Development Goals		Link to Topic
	<u>Our Feature Stories</u>	
	• Making Progress on Our GHG Roadmap	
	<u>Our Company > Risk Management</u>	
	• Climate Risks	
	<u>Planet</u>	
	• Harnessing Innovative Technologies to Cut Greenhouse Gas Emissions at Copper Mountain	
	<u>Planet > Our Approach</u>	
	• Climate Change	
	<u>Planet > Peru</u>	
	<u>Planet > Manitoba</u>	
<u>Planet > British Columbia</u>		
<u>Planet > Arizona and Nevada</u>		

Recognizing that the SDGs represent national-level governmental commitments, we will continue to align our activities with relevant goals and help connect national processes to local needs, as represented in SDG 17 (Partnerships for the Goals).



People

We care about our people. We invest in our employees, striving to provide a safe, healthy, respectful and rewarding workplace that fosters a values-based culture where everyone has the opportunity to grow and thrive.

14%

Indigenous employment in Manitoba and British Columbia

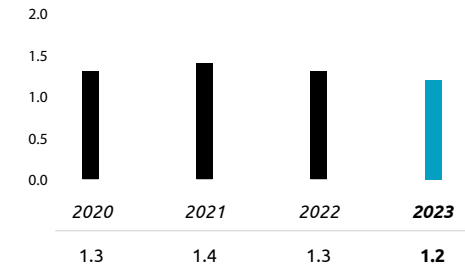
20%

local community employment in Peru

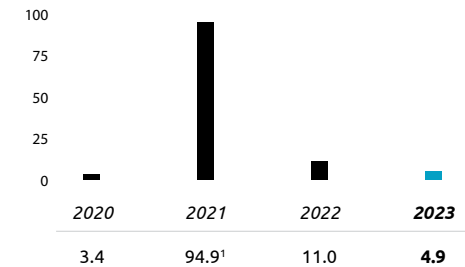
18%

overall female employment

TOTAL RECORDABLE INJURY FREQUENCY
(lost time, restricted work, and medical treatment injuries per 200,000 hours worked)



LOST TIME INJURY SEVERITY
(days lost per 200,000 hours worked)



 Office worker, Manitoba

¹ In addition to acknowledging our June 2021 fatality through the convention of adding 6,000 days to our lost time injury severity for 2021, this tragic event is also represented in our redoubled efforts around safety culture, training and oversight.

Hudbay’s Culture Initiative Leads to Enhanced Leadership Development Programs

In 2022, Hudbay launched a comprehensive culture initiative aimed at shaping a workplace culture aligned with its business goals.

Through interviews and workshops, Hudbay’s leadership team identified cultural attributes essential for achieving the desired outcome of a culture that is collaborative, agile, accountable, connected and performance driven. These were then aligned to Hudbay’s purpose statement and integrated into business unit and company-wide action plans. The plans include short- and long-term programs to strengthen each attribute.

One key action was the launch of the “ONETeam” leadership training program in 2023. Initially designed for the Manitoba Business Unit’s supervisory group (around 100 people) to focus on coaching and conflict resolution skills, it has been expanded into a six-day leadership development program for supervisors and upper-level management. Manitoba Business Unit supervisors completed the program in February 2024. The British Columbia Business Unit plans to roll it out in the fall, and Peru will integrate aspects into its existing leadership development programs.


Another insight from the culture initiative was the need to better prepare people who transition into

leadership roles. Our “ONEImpact” program identified around 30 employees across the organization who have consistently performed at a high level and have the potential to move into a more senior leadership role. In January 2023, these employees began a two-year leadership development course. Activities in 2023 included engaging discussions with senior executives, various leadership courses, and a 360-degree review to understand strengths and opportunities.

Both programs include a focus on culture. ONETeam includes a full day of culture training, and ONEImpact dedicates a workshop to culture and driving results. This ensures leaders understand and align with our desired culture right from the start.

To foster female leadership, we expanded our support for a Canadian women-in-mining networking and leadership development program. In 2023, two women from Hudbay participated in the year-long program, featuring in-person meetings and virtual sessions to connect with and learn from other women in mining. Two more women have been sponsored by Hudbay to join the program in 2024.



 Team member at the Flin Flon lab in Manitoba

All-Volunteer Emergency Response Team at Copper World Establishes Strong Safety Foundation

Safety isn't just a task; it is a core value at Hudbay. At our Copper World project in Arizona, Health and Safety Manager Nate Madrigal is establishing the groundwork for a robust safety culture before operations even begin.

Soon after joining Hudbay in 2023, Nate established an emergency response team (ERT) at the Copper World site. Currently comprising 100% volunteers, the five-member ERT undergoes rigorous training in crucial areas such as first aid, CPR, AED usage and fire safety. Because Copper World is 30 minutes away from local first responders, these skills are essential for ensuring swift and effective responses in emergencies.

Deidra Estrada, who is Hudbay's Environmental Technician and a former U.S. Army Medic, leads the weekly team meetings, reviewing essential skills and teaching new ones. In 2024, the team will further expand their skills by undergoing technical training on scenarios such as rescues in confined spaces or falls from heights. They also plan to increase the frequency of drills from quarterly to monthly. These exercises not only test response times but also reinforce the skills learned during the regular training sessions.

Transparency is a key element of the ERT's approach. By openly sharing their activities, the team fosters an environment of trust among employees. This transparency encourages an open dialogue, making it easier for employees to seek assistance or ask questions.



In Arizona, Copper World's emergency response team practise their skills

Our Approach

Hudbay’s values guide our efforts to foster a workplace culture where we look out for each other’s safety, value different perspectives and experiences, and seek opportunities to collaborate.

Our **Code of Business Conduct and Ethics** states our expectations that everyone representing Hudbay honestly and ethically engage in business and comply with all applicable laws. Our **Environmental, Health, Safety and Sustainability** and **Diversity** policies state our dedication to continuously improving our systems and practices. These efforts aim to protect people, foster an inclusive workplace and cultivate a sense of belonging for all.

HEALTH AND SAFETY

Comprehensive management systems play a pivotal role in effectively managing the health and safety risks inherent in our activities. These systems provide a structured framework for identifying, assessing and mitigating potential hazards. All Hudbay operations must obtain ISO 45001 certification within two years of reaching commercial production (or being acquired). This internationally recognized standard for occupational health and safety management systems must be maintained throughout the life of the operation.

We conduct annual self-assessments of our performance against the Mining Association of Canada’s (MAC) Towards Sustainable Mining (TSM) Safety and Health Protocol. In the 2023 evaluation,

our Peru Business Unit and British Columbia Business Unit achieved level AAA ratings across all indicators. Manitoba achieved level AAA ratings on three indicators, a level AA rating on the performance indicator and one level A rating on the planning and implementation indicator due to the need to further define controls as either critical, mitigating or underpinning.

All three business units have identified their top fatality risks and the critical controls that must be in place before a task is carried out. Workers at the mine conduct assessments (verifications) to ensure critical controls are in place and effective.

To hold ourselves accountable, we set annual public safety targets to improve our total recordable injury frequency rate (based on ICMM classification criteria) and our lost time injury severity rate from our current three-year average. In 2023, we achieved both these targets.

Our occupational health programs diligently monitor workplace risks, including hearing loss and illnesses caused by airborne agents. We also have several initiatives to address mental health and well-being. This includes helping individuals and managers recognize mental health issues and receive the necessary attention and care.



 Office worker, Manitoba

CULTURE AND ENGAGEMENT

To be an employer of choice everywhere we operate, we strive to foster a workplace culture that is respectful and engages everyone to strive to reach their full potential.

Our “OneHudbay” managerial leadership approach underpins a highly effective organization that prioritizes the growth and career advancement of every employee. Central to OneHudbay is a rigorous and structured approach to talent management and succession planning.

We use various employee engagement channels and tools, including town hall meetings, workshops, internal emails and videos from senior leaders, and our company intranet. We also conduct employee engagement surveys and seek feedback to prioritize ways to build a stronger culture that attracts and retains top talent in a tight labour market. We discuss how these insights help us identify programs, such as robust leadership development, that improve our culture in our feature story, [Hudbay’s Culture Initiative Leads to Enhanced Leadership Development Programs](#).

Supporting OneHudbay is our Human Resources Management System (HRMS), which includes several talent management solutions and provides detailed workforce analytics.

DIVERSITY AND INCLUSION

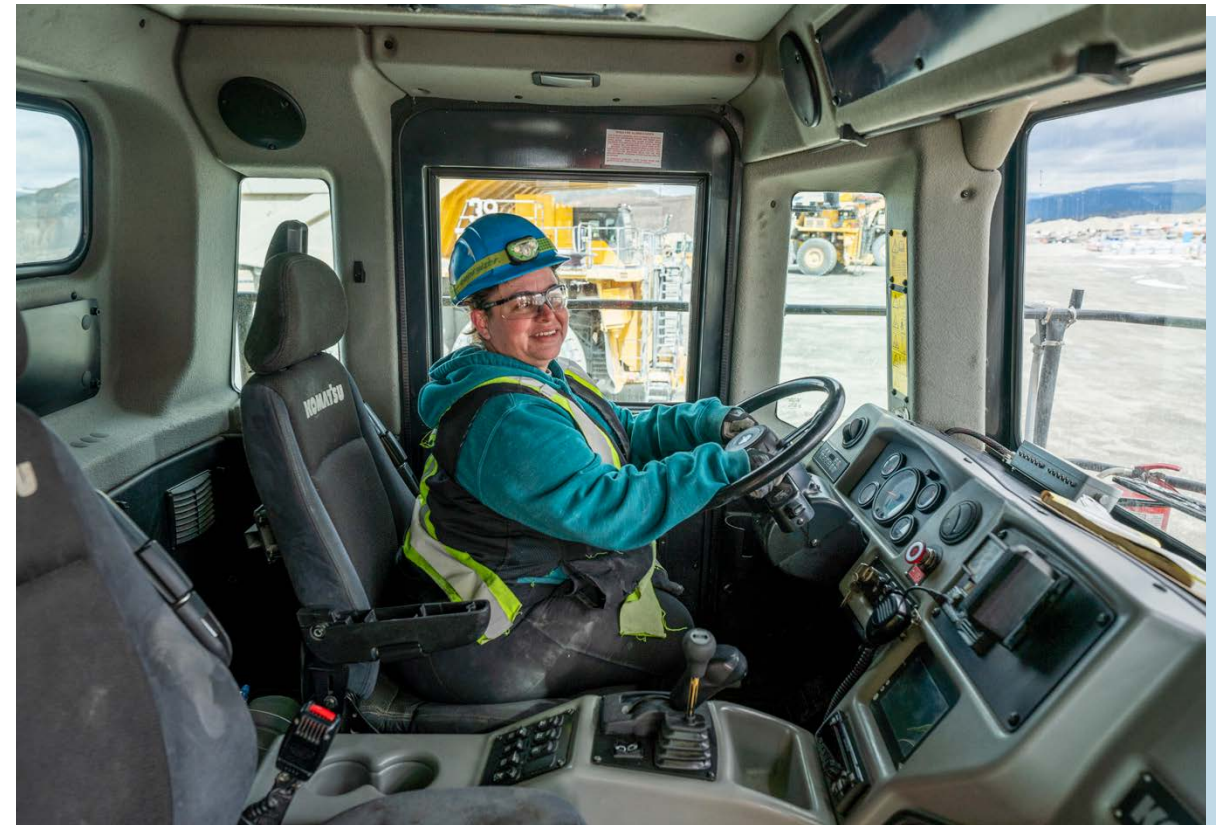
At Hudbay, we define “diversity” as the various traits and characteristics that make individuals unique, such as race, gender, religion, national origin, indigeneity, sexual orientation and life experiences. On the other hand, “inclusion” refers to behaviours and social norms that foster a sense of belonging. Together, diversity and inclusion enhance employee engagement and productivity.

We support initiatives – such as the Catalyst Accord, the 30% Club and the **BlackNorth CEO Pledge** – that aim to advance women in business, address systemic anti-Black racism, and increase diversity and inclusion in Canadian businesses and boardrooms. In addition to our Board’s formal approach to ensuring representation of women and designated groups (e.g., Indigenous peoples, persons with disabilities and visible minorities) on the Board and in senior management, our company-wide **Diversity Policy** states Hudbay’s commitment to creating an inclusive and equitable organizational culture. To further guide our efforts, the corporate Diversity and Inclusion Committee, composed of employees in our corporate office, advises management on diversity, inclusion and equity matters and supports the realization of our diversity and inclusion commitments. In 2024, the committee plans to organize a speaker series, beginning with a session featuring a panel of Hudbay executives, including the President and CEO, discussing diversity and inclusion and answering questions from employees.

In alignment with our diversity and inclusion objectives, each site prioritizes employment opportunities for local communities and Indigenous groups, ensuring our workforce mirrors the demographics of our operational areas.

WORKFORCE RIGHTS

We respect workers’ rights and aim to provide a workplace free from harassment and discrimination. Approximately 1,180 full-time, part-time and contract employees (55% of our employees) are represented by a union, and we respect the rights of our employees to join a union and engage in the collective bargaining process. Our goal is to collaborate with the seven unions that represent our employees on solutions that create mutual benefit.



Truck driver at Copper Mountain, British Columbia

Peru

The majority of Hudbay’s workforce in Peru is based at our Constancia operation in a remote area of southern Peru. Personnel at the mine work multi-day shifts, residing at Constancia’s accommodation camp during their rotation.

As of the end of 2023, the Peru Business Unit had 1,060 employees, including 180 term employees (i.e., those with contracts that end on a specific date). Of our full-time employees, 100% are from Peru, 20% are from the local communities, primarily Chilloroya and Uchucarcco, and 16% are women.

COMPREHENSIVE HEALTH AND SAFETY APPROACH DRIVES PERFORMANCE

In 2023, Constancia maintained its industry-leading safety record in Peru, with a total recordable injury frequency rate of 0.29 and lost time injury severity of 0.24 – both below the operation’s targets. However, the site did experience two lost time accidents.

To eliminate fatalities, Constancia has identified its top 10 fatality risks, assigned two supervisors to each critical risk to demonstrate visible leadership and accountability, and defined the criteria for critical control verifications. Work began in 2023 to optimize critical control checklists and integrate them into the site’s mobile safety app. The app facilitates real-time monitoring of safety protocols and includes several safety tools. In 2023, we expanded access to the app to contractors and digitized additional health and safety management tools.

To increase awareness of specific safety hazards, we conducted campaigns focused on hand injuries, fall prevention and concentrating on tasks, engaging 1,200 employees and 3,600 contractors, primarily in the plant and mine processing areas. As part of our safety recognition program, throughout 2023, we recognized six supervisors and six workers for demonstrating positive, safe behaviours.

In 2023, Hudbay employees and contractors underwent more than 141,000 hours of safety and health training. This included more than 65,000 hours dedicated to critical risks such as working at heights and in confined spaces and performing “hot” works (e.g., welding, grinding). Additionally, business continuity and risk management personnel underwent training on the Incident Cause Analysis Method (ICAM) process we use to investigate accidents, and managers and directors participated in a comprehensive risk management course.

In 2023, Constancia and Antapaccay (a nearby mine run by Glencore) partnered on an “Occupational Health and Safety Passport” project to standardize entry criteria for both mine sites. This process allows employees of contracting companies to undergo a



Conducting field geology in Peru

single general induction and pass a single medical examination to enter both mine sites, streamlining the process for contractor employees engaged in short-term work like maintenance shutdowns and

creating efficiencies for the operations. The goal is to encourage other companies in southern Peru to join this initiative, fostering a larger project for the mutual benefit of workers and companies alike.

EMPLOYEE FEEDBACK STRENGTHENS PEOPLE STRATEGY

The Peru Business Unit’s people strategy is based on three pillars:

- “Be Hubbay” aims to boost employee engagement by aligning them with the Company’s mission, purpose and values.
- “Be Longer” focuses on attracting, retaining and developing top talent, creating a positive workplace culture for long-term commitment.
- “Be Great” supports career development through learning opportunities, training programs and opportunities for promotions within the Company.

In 2023, we conducted “It’s time to talk” sessions with employees, having open and honest conversations about their needs and collecting improvement suggestions with no topic deemed off limits. This feedback led to several improvements, including a new Points Lunch Box service that provides more flexible food options for those working at the mine site.

Towards the end of 2023, employees participated in 360-degree performance evaluations, soliciting feedback from managers and peers and performing self-evaluations to offer a comprehensive assessment of individual performance. These reviews, when combined with employee engagement surveys and other forums, provided valuable insights and helped refine performance management strategies.

To address employee feedback, we expanded training and growth opportunities. In 2023, we collaborated with SENATI, the largest technical training institute in Peru, on a professional and technical training program. Currently, 13 employees are enrolled. Additionally, we provided scholarships to 81 employees during the year – 67 of them were granted to the children of employees to advance their skills and education and pursue careers in mining, and 14 were given directly to employees to continue their studies. Additionally, through an agreement with an educational promotion institute, five employees, who were eligible for scholarships, are now pursuing master’s degrees and language education. We also piloted the expert-led courses available on the LinkedIn Learning online platform with 24 employees and provided 21 internships with Hubbay.



 Hubbay continually monitors water quality near our operations

CREATING A MORE DIVERSE, EQUITABLE AND INCLUSIVE WORKPLACE

In Peru, our “Nuestras Voces” (Our Voices) program addresses all aspects of diversity, equity and inclusion. The acronym VOICES outlines key focus areas for creating a workplace where everyone thrives:

- **Values** – Demonstrate our values
- **Openness** – Model inclusive leadership
- **Inclusion** – Value all communities and interest groups
- **Confidence** – Foster a psychologically safe environment
- **Education** – Promote opportunities through education
- **Sustainability** – Empower schools in the Chumbivilcas province with access to quality learning

One objective of the VOICES program is to increase the percentage of women in the workforce to 30%. Supporting this goal were several initiatives and programs in 2023, including:

- We continued our Hatun Warmi program, which we launched in 2021, providing women from the local communities the training and skills to operate heavy machinery.
- To improve the work experience of new mothers, we implemented the “Responsible Maternity” program, extending maternity leave to 183 days (twice the duration required by law) and providing additional benefits to support new mothers.
- We improved our recruiting process by standardizing questions for all candidates, adopting a “blind CV/resume” approach to reduce unconscious biases, and requiring at least one woman to be considered among the final candidates.
- To combat unwanted behaviours, such as sexual harassment, we established an internal committee that is exploring programs and improvements to create a more respectful workplace.
- We participated in OMA Peru’s “Rock Women” program, mentoring women who are pursuing careers and seeking leadership roles in mining.

As a testament to the Peru Business Unit’s efforts to create a workplace that is safe, healthy and committed to helping everyone feel valued, Constancia received the “Healthy Company Management” certification from SGS Peru, one of the world’s leading testing, inspection and certification companies. We highlight this achievement in the [**Creating Healthy Workplaces in Peru**](#) feature story.

FOSTERING A POSITIVE UNION-MANAGEMENT RELATIONSHIP

Hudbay has a collective bargaining agreement with the Unified Workers Union of Constancia (SUTRAMICOH) that establishes the working rules and other terms and conditions of employment that apply to approximately 55% of our Peru Business Unit employees. We prioritize collaboration with SUTRAMICOH, engaging in monthly meetings through a formal labour relations committee. These meetings aim to address needs, identify improvement opportunities and foster solutions beneficial to all parties.

In 2023, a workshop with new union leaders facilitated a discussion on creating a shared vision. Additionally, Constancia’s General Manager met with the head of the union to discuss the Company’s financials and operations. These conversations aim to establish a foundation of trust as Hudbay and SUTRAMICOH began negotiations in 2023 on a new collective bargaining agreement.

Manitoba

In Manitoba, Hudbay continued to focus on managing the transitions associated with the closure of the 777 mine in Flin Flon and the shift of employees to our operations in Snow Lake. At the end of the year, we employed 819 people at our Snow Lake operation and 101 personnel at our Flin Flon office (who support both the operations in Snow Lake and care and maintenance activities at the 777 complex). At the end of 2023, approximately 14% of our employees in Manitoba identified as Indigenous and 18% were women.

EFFECTIVELY MANAGING CHANGE

In 2023, the Manitoba Business Unit launched a leadership training program initially focused on building coaching and conflict resolution skills for supervisors. The program has expanded into a comprehensive six-day leadership development initiative, with supervisors scheduled to undergo the training in February 2024 and other leaders participating in the fall. We highlight this program in the [Hudbay’s Culture Initiative Leads to Enhanced Leadership Development Programs](#) feature story.

To support employees who were impacted by the closure of the 777 mine in 2022, we collaborated with the Northern Manitoba Sector Council and the unions representing our employees in Manitoba to form a Workforce Adjustment Committee (WAC). The WAC provided training and support, such as resume writing and interview preparation, to help impacted workers secure new employment opportunities. In 2023, 51 individuals sought services through the WAC.

In 2023, recognizing the challenges for employees adjusting to a seven-day shift away from home, we established a Camp Committee, involving various functions and union representation. The committee commenced efforts to improve the Snow Lake accommodation camp environment, focusing on improved food choices, upgraded recreation and entertainment facilities, and heightened security through additional cameras and lighting on walkways. Further improvements under consideration include more daycare options and additional pathways between buildings.

The WAC and Camp committees are examples of how we collaborate on key operational areas with the six unions that represent 73% of the employees in the Manitoba Business Unit. In 2024, we will enter negotiations on a new collective bargaining agreement. We hope to reach a new agreement without any labour disruptions before the current one expires in June.



 Operator in Lalor mine, Manitoba

PROVIDING AND MAINTAINING A SAFE AND HEALTHY WORKPLACE

The lost time injury severity rate for the business unit was 18.7 in 2023, which was down from 32.4 in 2022 and better than our goal of 20.2. However, we experienced eight lost time accidents, contributing to a total recordable injury frequency rate across the business unit of 9.7, which missed our target of 9.1.¹

Because we continue to experience high potential events that could result in a serious injury or fatality,

in 2023, the Vice President of the Manitoba Business Unit spearheaded the launch of the “Home Safe Every Day” initiative. This program revolves around a roadmap comprising three key work streams – Safety Governance, Supervisory Leadership, and High Potential Prevention and Mitigation – to prevent incidents by thoroughly assessing risks and implementing controls to reduce their frequency. We highlight this program in the [Building a Safety Culture in Manitoba](#) feature story.

¹ The numbers stated here follow Manitoba’s reporting requirements, which align to the provincial guidelines. They differ from our company-wide reporting because we use ICMM guidelines to make Hudbay’s health and safety statistics more comparable to industry peers.

British Columbia

On June 20, 2023, Hudbay completed the acquisition of the Copper Mountain Mining Company, welcoming the British Columbia-based team into the Hudbay family. We recognize the challenges of such transitions and appreciate the commitment shown by everyone at Copper Mountain. We commend the resilience, dedication and adaptability of our new team members during this period of change and uncertainty. Together, we aim to create a collaborative and inclusive environment that values and celebrates everyone’s contributions.

At the end of 2023, our British Columbia Business Unit employed 547 individuals.

NAVIGATING CHANGE DURING ACQUISITION

In 2023, the human resources team in British Columbia adapted to the changing business needs following the Hudbay transaction. The uncertainties inherent in such a transformative process resulted in higher turnover and longer times to fill key roles. Integration activities temporarily paused some programs to ensure alignment with the combined Company’s business objectives. The second half of 2023 focused on recruiting for critical positions, such as mill operators, and building a positive organizational culture, which will continue into 2024. An employee engagement survey with the Copper Mountain workforce in late 2023 provided several insights into current sentiment, and these will inform action plans and programs for 2024.

Copper Mountain strives for an inclusive environment where all employees feel welcomed, safe and

supported. The proportion of female and Indigenous employees serves as a key indicator of our efforts to foster diversity. We set a goal for 30% of our new hires in 2023 to be women, and we missed this objective, with women comprising 24% of personnel hired during the year. The representation of women and Indigenous employees remained steady at 18% and 15%, respectively, from the end of 2022 to the end of 2023.

As a drive-in/drive-out operation 23 kilometres from Princeton, BC, we prioritize hiring members of the local communities and aim to be the employer of choice in the region. At the end of 2023, our workforce was 73% local, compared to 80% in 2022.

Our investment in people includes training opportunities, internal promotions and a comprehensive apprenticeship program covering tuition, textbooks, living allowance and wages. We also focused on enhancing training for haul truck drivers to ensure they have an adequate level of competency in a shorter amount of time.



 Environmental monitoring goes on all year round

FOCUS ON SAFETY

Our Copper Mountain mine has several programs to support its strong safety culture. These include Life-Saving Rules to prevent fatalities and mitigate safety risks, critical control verifications to ensure the controls that mitigate top risks are in place and effective, and visible felt leadership and processes to ensure safety risks are carefully evaluated and controlled before implementing significant changes.

The mine has never experienced a fatality and has improved its safety metrics in recent years. We are always looking to improve by continuously discussing recent safety incidents or concerns, reviewing Hudbay’s safety protocols and standards, and reinforcing a culture of safety awareness.

Arizona and Nevada

At the end of 2023, our US business unit had 43 full-time employees working towards the development of the Copper World project in Arizona and the Mason project in Nevada.

In September, we released the results of an enhanced pre-feasibility study (PFS) for Phase I of the Copper World project. The study estimated the project would create around 400 direct and 3,000 indirect jobs. We intend to offer apprenticeship readiness programs and community-based workforce training programs across the skilled and technical levels to maximize local employment. At our Mason project, the preliminary economic assessment (PEA) completed in 2021 indicates a projected requirement for around 600 contractors during the construction phase and 300 full-time employees for ongoing operations. The construction and operation of Mason are expected to create another 2,000 indirect jobs, most of which will be filled by those living in the nearby communities.

ESTABLISHING A STRONG WORKPLACE SAFETY CULTURE

In 2023, there were no serious safety incidents, but we did have one restricted-duty incident at the Mason project when a contractor slipped and hurt her knee.

As we progress the Copper World project, we have increased our focus on safety. In 2023, we hired a dedicated health and safety manager, who initiated several safety programs during the year, including:

- We established a critical risk management program as part of our effort to eliminate fatalities. The three-phase program involves identifying critical risks (completed in 2023), determining critical controls (ongoing with completion targeted in early 2024), and conducting field verification by management and supervisors (aiming to finish by the end of 2024).
- We established an all-volunteer emergency response team consisting of one coordinator and four members. They respond to medical emergencies, collaborating with external resources if needed. All team members are first aid and CPR certified through the American Red Cross. We highlight this team in the feature story [All-Volunteer Emergency Response Team at Copper World Establishes Strong Safety Foundation.](#)
- We implemented a monthly employee-led safety meeting where a team member selects and presents a relevant and timely safety topic. Additionally, they lead a team in conducting a mock Mine Safety and Health Administration (MSHA) audit anywhere on site.
- We implemented a compliance program that requires contractors to submit specific health and safety documents to ensure that every contractor adheres to Hudbay's safety and health requirements.

In July 2023, when a wildfire ignited near the Copper World site, Hudbay's safety team worked closely with local first responders and firefighting crews. Together, they identified optimal routes and access points to combat the blaze. Additionally, the team established a designated medevac point to ensure swift emergency response in the event of any injuries or unforeseen emergencies. Due to the effective response, the fire was quickly contained.

In 2024, we plan to conduct occupational health sampling, including respiratory, dust and noise sampling. We will also perform annual audiometric exams, similar to hearing tests, for everyone.

In November 2023, Hudbay's Nate Madrigal, Health and Safety Manager, and Aaron Vesledahl, Field Engineer, were honoured with Safe Miner Awards by the Arizona Mining Association (AMA). AMA members nominate individuals for five distinct categories, recognizing outstanding contributions to safety in the mining industry. This recognition reflects Nate and Aaron's commitment and exceptional efforts to ensure a safe environment for everyone.



Surveying in Arizona



Communities

We care about our communities. Through strategic investments in career opportunities, local procurement and economic development, we aim to enhance the quality of life and create better futures for the communities near our operations.

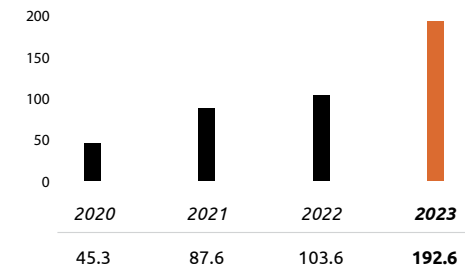
\$257.1 million

paid in employee wages and benefits

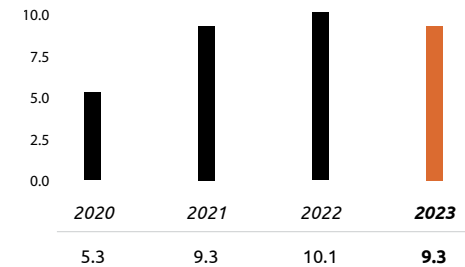
\$9.3 million

in community investments and charitable donations

LOCAL PROCUREMENT
(\$ millions)



COMMUNITY INVESTMENTS AND CHARITABLE DONATIONS
(\$ millions)



Strengthening community connections in Peru

Indigenous Circle for Everyone Offers Cultural Enrichment and Connection

In 2023, Hubbay’s Manitoba Business Unit expanded its Indigenous Circle for Everyone (ICE) program, launched in 2022, offering employees a comprehensive exploration of the cultural aspects of the neighbouring First Nations communities.


ICE adopts an engaging and innovative approach to deepen employees’ understanding of Indigenous cultures in Canada, particularly those near Flin Flon and Snow Lake. Held every third week of the month, ICE sessions feature different aspects of Indigenous culture, including language preservation, medicinal insights, sweat lodge ceremonies, land-based learnings, traditional songs and stories, and insights into community living. Special events celebrating the Winter and Summer Solstices featured performances from the Flin Flon, Snow Lake and Opaskwayak Cree Nation communities, as well as from the Hubbay team. The Summer Solstice event took place on National Indigenous Peoples Day, and Hubbay was a major sponsor of the celebration in partnership with the Flin Flon Aboriginal Friendship Centre.

ICE also emphasizes the Seven Sacred Teachings – symbolized by animals that represent a virtue like wisdom, respect and humility – that guide ethical conduct and harmonious community relationships.

All ICE sessions are recorded and posted on the Company’s Sharing Circle intranet site. This platform serves as a hub for sharing Canadian Indigenous cultural teachings, traditional knowledge and historical and contemporary issues. It also includes information on upcoming virtual and in-person events.

ICE will continue in 2024, providing both familiar and new cultural experiences.



 Ron Burwash, a citizen of the Red River Métis in Flin Flon, Manitoba, shares “Songs and Stories of the Red River Métis” at an Indigenous Circle for Everyone presentation.


Resilience and Meaningful Relationships Prevail Amidst Social Unrest in Peru

In the face of the social upheaval that marked the end of 2022 and the beginning of 2023 in Peru, Hubble was faced with the challenge of navigating through large-scale protests and property destruction triggered by an abrupt presidential change. The effect of this nationwide social unrest on Constancia was relatively minor; however, in January 2023, political agitators, who were not affiliated with the nearby communities, protested outside of Constancia’s gates. Fortunately, though some community-owned equipment was set on fire, the protest did not result in any injuries.

Soon after this protest, the government was contacted to request military and police support to protect our personnel and assets. The government’s resources were stretched thin during this period of unrest, but we were able to negotiate a service agreement with the national police to ensure 24/7 security at Constancia. Each time national police are on site, we provide training on the Voluntary Principles on Security and Human Rights.

Constancia experienced no further protests in 2023. This was not only attributed to the presence of police forces but also to the rejection of violence against us by our neighbouring communities, highlighting the importance of the relationships we have with these communities.



 Community celebrating emergency vehicles donated by Hubble, Peru

Our Approach

Hudbay is committed to building long-term relationships with communities and creating shared value. We aim to build trust by being transparent and consistently doing what we say we will do.

Our Code of Business Conduct and Ethics, along with our Stakeholder Engagement Standard, establish processes and requirements for building lasting relationships throughout the life of a mine. They state our expectations for stakeholder engagement, social investments, risk management and timely resolution to complaints or grievances.

We conduct annual self-assessments against the Mining Association of Canada’s (MAC) Towards Sustainable Mining (TSM) Indigenous and Community Relationships Protocol. The protocol evaluates our ability to engage communities of interest in meaningful dialogue and decision-making. It also assesses processes consistent with obtaining free, prior and informed consent (FPIC) of Indigenous peoples for impacts on their rights. In the 2023 assessment, our Peru Business Unit achieved level AAA ratings across all indicators, Copper Mountain achieved two level AAA, two AA and one A ratings, and the Manitoba Business Unit achieved two level AA, two A and one B ratings (an explanation of Manitoba’s B rating is included in the [Towards Sustainable Mining discussion](#)).

ECONOMIC CONTRIBUTIONS

We contribute positively by generating employment, promoting business opportunities, fulfilling tax and royalty obligations, and investing in community-centred socio-economic programs and infrastructure projects.

All payments we make to governments and organizations adhere to the laws in each jurisdiction where we operate, and we support global initiatives, such as the [Extractive Industries Transparency Initiative](#) (EITI) to promote revenue transparency and accountability. As a member of Peru’s National Society of Mining, Oil, and Energy, we support the government’s work to implement EITI requirements. Our compliance with Canada’s *Extractive Sector Transparency Measures Act* (ESTMA) provides an equivalent level of reporting to the EITI standard, and we filed our [annual ESTMA report](#) in May 2023.



 Monitoring test plots near Copper World in Arizona as part of our commitment to the local environment

COMMUNITY RELATIONSHIPS

We build trust with the communities near our exploration and operating sites by engaging with key stakeholders early and often. All operations, development projects and exploration sites identify key stakeholders, assess potential impacts, create stakeholder engagement plans, and establish mutually acceptable processes with the communities that are impacted by, or have an interest in, our activities. Our site-based community response mechanisms document stakeholder complaints and grievances, which are investigated to provide timely resolutions and remedies, as appropriate.

INDIGENOUS ENGAGEMENT

We actively engage with Indigenous groups, fostering awareness and understanding of our business and activities. Along with assessing potential impacts on their rights, we strive to collaborate on opportunities to create shared value. By incorporating their unique perspectives, knowledge and contributions, we strengthen our social and environmental programs.

Respect for the cultures and heritage of the communities near our operations is integral to our approach. We acknowledge Indigenous peoples’ distinct rights, culture and history, recognizing their profound connections to the land and water. Within our operations and exploration sites, we develop archaeological monitoring and cultural resource plans. Through collaboration with relevant community members and groups, we aim to identify and safeguard cultural artifacts discovered at our sites. This commitment underscores our dedication to preserving and celebrating the cultural richness of the areas where we operate.

LOCAL HIRING AND PROCUREMENT

Our Local Procurement and Employment Standard requires sites to engage stakeholders to maximize local hiring and procurement opportunities. This includes supporting government and civil society programs identified and prioritized by the communities to build local capacity and skills for both mining jobs and other livelihoods that stimulate socio-economic development and strengthen the community.

COMMUNITY DEVELOPMENT

We engage with communities early in the mine lifecycle to understand and support their priorities, ensuring our presence brings lasting positive change. Our Community Giving and Investment Standard establishes requirements and processes for contributions and investments. It emphasizes community involvement, mutual benefits and partnerships. These investments largely focus on infrastructure and socio-economic development initiatives that build resilience, sustainable livelihoods and independence from the mine’s operations.

We have several formal agreements with communities, districts and provinces, particularly in Peru and British Columbia, that detail our community investment commitments. Multi-stakeholder committees, which include Hudbay and local representatives, identify, approve and oversee the projects specified in the agreements.

Collaborating with government agencies, community development organizations, and expert partners amplifies the effectiveness of these programs.

We encourage our employees to make a difference. At the corporate level, Hudbay offers employees one paid day off each year to volunteer, matches certain employee donations, and supports capacity building for disadvantaged communities. In 2023, we continued to support Youth Without Shelter (YWS), serving as the title sponsor for YWS’s annual Cover Me Urban event, which raised more than \$140,000 to support its mission to provide shelter, education and training to homeless youth.

RESETTLEMENT AND LAND USE

We aim to prevent resettlement whenever possible. When resettlement is unavoidable, we adhere to international standards, including IFC Performance Standard 5. This involves minimizing adverse impacts on those displaced through measures, including fair compensation and ensuring that those affected are actively engaged in the process. In 2023, we did not undertake any resettlement activities.

Peru

In Peru, our dedication to transparent and open communication and extensive engagement has fostered strong relationships with local communities and supported successful socio-economic development collaborations.

NAVIGATING SOCIAL RISKS THROUGH MEANINGFUL ENGAGEMENT

A critical factor in avoiding operational disruptions amidst social unrest in Peru in early 2023 has been the joint commitment to ongoing engagement and commitment to collaboration by both Hudbay and local communities. Hudbay uses an integrated approach to managing social risks and supporting socio-economic opportunities for the communities near our Constancia operation. Despite a protest in January 2023 that resulted in some damages to equipment, Constancia experienced no significant interruptions in 2023. We discuss our response to this protest in the [Resilience and Meaningful Relationships Prevail Amidst Social Unrest in Peru](#) feature story.

FOCUSING ON COLLABORATION

Central to our commitment to maintaining social acceptance is creating shared value through stakeholder agreements that address primary community concerns. We have formal agreements at the provincial, district and local levels. These agreements can be comprehensive and long-term or specific to particular programs, objectives and timeframes.

One noteworthy achievement in 2023 stems from the exploration agreement signed last year with the Uchucarcco community that allowed us to commence exploration on the Maria Reyna and Caballito deposits. In November 2023, we conducted a citizen participation workshop, a key element of Peru’s regulatory decision-making process. This workshop served as a forum for discussion, clarification and feedback, providing members of the Uchucarcco community the opportunity to ask questions and voice concerns. Input from the workshop participants was incorporated into the updated Environmental Impact Assessment, which we then submitted to the regulatory authorities for review.



Local supplier meeting, Chilloroya, Peru

In 2023, we signed new sustainable development agreements with six communities in our area of influence – Casa Blanca, Chilloroya, Collana Alta, Huaylla Huaylla, Merquez and Urazana. Agreements were also reached with the province of Chumbivilcas and the districts of Chamaca and Livitaca. We maintained ongoing dialogue and positive relationships with the Velille district and the communities along our concentrate transportation route, as well as with the communities associated with the fourth Modification of the Environmental Impact Study (MEIA) that is required based on Constancia’s mine plan.

We established new service centres in Collana Alta, Collana Velille and Urazana, complementing our

existing offices in Chilloroya and Uchucarcco. These centres serve as convenient hubs where community members can ask questions or register complaints. To improve our responsiveness, we updated our Social Claims Procedure to ensure we effectively address and resolve community complaints, including those related to human rights and discrimination.

Throughout the year, Hudbay engaged in nearly 7,700 interactions involving more than 3,000 local stakeholders. We participated in 56 communal assemblies and conducted over 100 meetings within each community. We also welcomed hundreds of stakeholders to the mine for guided tours of our operations.

GROWING LOCAL SUPPLIER REPRESENTATION

Increasing the representation of local suppliers within our value chain is an important way to enhance community impact and foster sustainable development. One such initiative at Hudbay focuses on hiring local businesses to transport copper concentrate from our Constancia operation to the port of Matarani. In 2023, two community providers from Chilloroya and Uchucarcco received 35% of our concentrate transport contracts, up from 30% in 2022.

Other key local procurement activities in 2023 included:

- We awarded gardening, laundry, exterior cleaning and administrative kiosk services to local suppliers from Chilloroya.
- In partnership with our major business partner STRACON, we supported “The Association of Women Entrepreneurs of Chilloroya,” empowering local female entrepreneurs. Through specialized training, these women have become essential to several local suppliers that provide the safety vests to Constancia and other mines in southern Peru.
- We continued to encourage our suppliers to hire from the local communities. At the end of 2023, our contractor partners employed 179 people from the local communities.

Our strategy to incorporate and increase the participation of local enterprises in our value chain has yielded significant results. In 2023, we spent USD\$25 million with local suppliers, an increase of over 20% compared to 2022.

2023 COMMUNITY ACTIVITIES

We direct our social development investments towards projects that support the five priorities identified by the communities – health, infrastructure, agricultural development, education and the environment.

Under Peru’s “Work for Taxes” program – a public-private funding mechanism – we pay a portion of income taxes in advance to fund public works and later receive a tax certificate for 100% of the investment upon project completion. Hudbay ranks among the top 10 companies across Peru using this mechanism. In 2023, we undertook three key initiatives under the program, amounting to a total investment of USD\$15 million:

- **Pathway improvements** – In Velille, we worked with the town’s municipality on a project to pave pathways, construct drainage systems and install signage to enhance safety and walkability in several neighbourhoods.
- **New health centre** – Construction began on a new health facility in Uchucarcco that will benefit more than 2,200 community members.
- **Drinking water and sanitation improvements** – Planning commenced for a project aimed at enhancing the drinking water and sanitation infrastructure in Quehuincha.

We also fulfilled 93 new social commitments throughout 2023, including approximately USD\$6 million in investments. These included:

- Partnering with the Board of Directors of the Community of Chilloroya to employ 50 women for the “Maintenance of Internal Roads” project, enhancing more than 40 kilometres of roads.
- Launching the UPSKILLING initiative, providing information technology training to 20 youth in Chumbivilcas, Velille, Uchucarcco and Chilloroya, and delivering 716 multimedia projectors and three copiers to benefit over 19,000 students across 305 educational institutions in the Chumbivilcas province.
- Collaborating with the Chumbivilcas Health Network and Asociación Vida Perú to provide health screenings and medical services to 4,900 individuals.
- Supporting the construction of the 500-spectator Patapampa Stadium in Uchucarcco where local community members were hired for skilled and semi-skilled roles.

There were 59 grievances registered in 2023. Of the total, 42 were related to procurement matters between Hudbay and its suppliers, including issues related to delays in payments or reimbursements.

Manitoba

Hudbay has been operating in Manitoba for almost a century, beginning with mining in the Flin Flon area, and more recently expanding north to Snow Lake. Although we ceased mining activities in Flin Flon in 2022, we are committed to supporting the success of both the Flin Flon and Snow Lake communities.

STRENGTHENING COMMUNITY ENGAGEMENT INTERACTIONS AND PROCESSES

In 2023, we conducted several engagement activities with our communities of interest in Manitoba. We held meetings with the mayors and councils of both Flin Flon and Snow Lake to provide business updates and discuss ways to work together to address the needs of both the business and the community. Key concerns addressed in the Snow Lake meetings were related to topic areas such as water/sewer infrastructure needs, speed limits and fire breaks. Additionally, in the spirit of working together to build a sense of strong community involvement, Hudbay has committed to fund a new Recreational Director who will develop after-school activities for the youth of Snow Lake. Additionally, considering the limited daycare options in Snow Lake, we will be exploring opportunities with the Town to expand daycare services. In Flin Flon, we entered into a 12-month lease agreement with the city for two buildings Hudbay no longer uses – the staff house and Whitney House. The city is interested in potentially using the 17-room staff

house as temporary housing for those working on construction projects in the area and is evaluating historical preservation options for Whitney House.

In both Flin Flon and Snow Lake, we have multi-year grant-in-lieu agreements with the local governments. The amount of the grant-in-lieu is determined by several factors, including the size and scope of our mining operations. In 2022, we renegotiated a five-year grant-in-lieu with Flin Flon that reflects our significantly reduced presence but expresses our commitment to the community. The agreement in Snow Lake expired at the end of 2023, and it was extended through 2024 with a 2% increase. Discussions will begin in 2024 on a new agreement for 2025 and beyond.



 A drum circle at a community outreach event in Manitoba

GROWING CONNECTIONS WITH INDIGENOUS COMMUNITIES

In Manitoba, our engagement approach with the Indigenous communities and other stakeholders near our mining operations and exploration activities is guided by best practices. This includes the criteria set by the Canadian Council for Aboriginal Business’s Progressive Aboriginal Relations (PAR) program. PAR is a comprehensive and structured approach to assessing policies, practices and performance that demonstrate a genuine commitment to building positive relationships with Indigenous communities in Canada.

Every three years, Hudbay’s Manitoba Business Unit undergoes a PAR assessment, and in the latest review (in 2022), we achieved Silver-level certification status, making us one of only two mining companies to attain this certification.

The PAR criteria have informed several programs and activities we use to engage in positive and meaningful ways with the eight Indigenous communities of interest where we operate in Manitoba. These include:

- **Measurable outcomes** – We establish internal objectives related to Indigenous employment, retention, procurement and engagement and track and report on our progress. A focus for 2024 is on encouraging employees to self-declare their Indigenous heritage.

- **Cultural awareness** – Hudbay’s Indigenous Circle for Everyone (ICE) provides an opportunity to share cultural teachings and enhance individual learning through invited speakers and Elders. We highlight this program in the **Indigenous Circle For Everyone Offers Cultural Enrichment and Connection** feature story. We also raise awareness of historical and contemporary issues by commemorating events like Red Dress Day (National Day of Awareness for missing and murdered Indigenous women and girls) and Orange Shirt Day (National Day for Truth and Reconciliation), selling orange shirts and directing proceeds towards residential school reconciliation organizations. In 2024, we plan to restart our quarterly day-long Indigenous Cultural Awareness workshops that help bridge cultural gaps and foster understanding and respect among employees and stakeholders.

- **Economic development support** – Fostering economic opportunities is a key element of our engagement strategy. Of the \$26.0 million in payments to suppliers in northern Manitoba and northwest Saskatchewan in 2023, approximately \$1.8 million was awarded to Indigenous businesses. In 2024, we plan to restart economic development workshops that ensure Indigenous contractors and Indigenous-owned businesses are aware of opportunities and understand how to work with Hudbay.

- **Community involvement** – Our approach focuses on collaboration and understanding in building strong and mutually beneficial relationships. In addition to frequent meetings with First Nations Elders and community leaders, in 2023, Hudbay was invited by the Chief of the Mosakahiken Cree Nation (MCN) to tour the Moose Lake Cultural Camp, a youth and community camp. Hudbay gifted the MCN hosts camp in-kind items, and MCN presented Hudbay with a moose antler carving. In 2023, we invited members of the Opaskwayak Cree Nation to visit our exploration camp and drill site near Snow Lake to discuss the project and address any concerns or questions. In 2024, we plan to restart our Traditional Knowledge program, inviting traditional knowledge holders (those with experience and cultural understanding) to work alongside members of Hudbay’s environment and exploration teams to assess the impacts of our activities.

2023 COMMUNITY ACTIVITIES

In 2023, the Manitoba Business Unit’s Donations Committee reviewed and allocated more than \$324,000 in community contributions. Major donations included:

- Flin Flon Bombers (\$21,900)
- Community Adult Learning Centre (\$6,000)
- Snow Lake Golf Club (\$5,000)
- Skills Canada (\$3,000)
- Lords Bounty Food Bank (\$2,500)

Hudbay also committed \$25,000 towards Indspire, an Indigenous-led charitable organization that invests in education for Indigenous people, including scholarships to Indigenous students from Ontario and Manitoba.

There were 207 complaints registered in 2023, of which 205 were union labour grievances. The majority of the grievances stem from the reduction of labour due to the recent transition to a smaller operation. No community grievances were registered. Labour grievances related to collective agreements are managed through a different process than the one used to address community grievances.

British Columbia

Copper Mountain is committed to being a positive force by hiring locally, sourcing from neighbouring communities and fostering enduring, mutually beneficial relationships with stakeholders. We understand our responsibility to the people and communities near the mine, particularly within the traditional unceded territory of the Smilq'mixw People, represented by the Upper Similkameen Indian Band (USIB) and the Lower Similkameen Indian Band (LSIB) First Nations.

FOSTERING MEANINGFUL RELATIONSHIPS

Copper Mountain places a high value on its relationships with local First Nations and communities, recognizing the importance of being a valued and trusted neighbour.

Copper Mountain has existing Participation Agreements (PA) with both the USIB and the LSIB. In 2023, we jointly began the process of amending the agreements to provide a more meaningful and aligned relationship. We have meetings with both Nations, covering topics of administration of the PAs, safety, environment, land use, donations, business opportunities, employment opportunities, reclamation and permitting.

The Town of Princeton has a longstanding connection with the mining industry, particularly with the Copper Mountain operation. Most of Copper Mountain's staff and leadership reside in the town and are active in the community. We regularly meet with the mayors and councillors of Princeton and Keremeos, as well as with personnel from the Regional District of Okanagan-Similkameen (RDOS), sharing development plans, identifying economic opportunities and addressing community concerns. As part of the mine review process, local communities participate in the mine's major permit and permit amendment reviews, including Copper Mountain's proposed New Ingerbelle expansion project (see [page 85](#) for more information about the project).

In 2023, we held regular meetings with representatives from the Towns of Princeton and Keremeos, RDOS, outfitters, ranchers and trappers. In addition, we had the pleasure of hosting two provincially elected officials at the mine, giving


George Heyman, BC's Minister of Environment and Climate Change Strategy, and Roly Russell, Boundary-Similkameen's member of the Legislative Assembly, an up-front look at the mine's electric trolley assist system and other innovative technologies contributing to the operation's greenhouse gas reduction initiatives.

Apart from planning sessions and meetings, Copper Mountain actively connects with the local community through various events and programs. In 2023, these initiatives encompassed mine tours for students and

the coordination of Princeton Mining Day, inviting the public up to the mine for a tour, with attendance ranging between 400 and 450 people.

In 2023, Hudbay launched a dedicated [Copper Mountain website](#) to share information about the mine and seek suggestions and feedback from our communities of interest.



 Mining Day, British Columbia

BUILDING TRUST THROUGH OPEN DIALOGUE

Our foundation for Indigenous relationships rests on trust, transparency and open dialogue. Through the PAs with the USIB and LSIB, we formalize our commitment to working together on mutually beneficial outcomes. Under the Joint Implementation Committee (JIC) established under the PAs, we meet to discuss the operation’s activities, including mine development plans, environmental matters, employment and business opportunities. To provide even more transparency, we invite USIB and LSIB technical experts to participate in our Independent Tailings Review Board (ITRB) meetings and tours, as well as our Independent Water Review Board (IWRB) meetings and tours.

In 2023, the USIB and LSIB jointly participated in one JIC meeting, two JTC meetings, one ITRB meetings/ tour and two IWRB tour/meetings.

To improve our End Land Use Planning (ELUP) process, we continued supporting the USIB and LSIB community-based ELUP. In 2023, USIB and LSIB provided a video presentation on the Community ELUP at the BC Technical and Research Committee on Reclamation.

We continue to work towards updating the PAs with the USIB and LSIB to foster a working relationship built on mutual trust, transparency and respect for their traditional knowledge.

2023 COMMUNITY ACTIVITIES

As the largest employer in Princeton and the surrounding area, we contribute significantly to the local economy, supporting various causes through donations and philanthropy.

For over 35 years, the BC mining industry has actively participated in the Mining for Miracles fundraising campaign for BC Children’s Hospital. The program features a friendly competition between mine managers to raise funds, and the top fundraiser earns the opportunity to throw a pie in the face of their competitor. In 2023, Copper Mountain’s General Manager competed against the Mayor of Princeton. Together, they raised \$30,000 for Mining for Miracles, showcasing the community’s spirited support. Copper Mountain employees donated to the cause at BBQ events hosted by the mine. Through a voting process based on donations, employees selected a colleague (who willingly volunteered) to have a pie thrown at them.

In 2023, the British Columbia Business Unit donated to more than 30 local charities and causes, providing more than \$100,000¹ to organizations such as:

- Princeton Fish and Game Club
- Mineral Resources Education Program of BC
- Similkameen Elementary Secondary School
- Princeton Posse Hockey Club
- Princeton Community Arts Council
- Princeton & District Community Services
- Logan Lake Miners (hockey team)
- Ooakane Friendship Centre
- Wild Sheep Society of BC
- Chopaka Rodeo Committee
- USIB’s Rebuilding of the White Church
- Ooakane Friendship Centre

There were no grievances formally registered in 2023.

¹ Total annual contribution for 2023 inclusive of contributions made prior to Hudbay acquisition in June 2023.

Arizona and Nevada

At both our Copper World and Mason projects, we actively engage stakeholders to demonstrate our commitment to transparency and cultivate meaningful relationships based on trust.

ADVANCING COPPER WORLD PROJECT

In 2023, we completed the drill program initiated in 2020 and published the enhanced pre-feasibility study (PFS) results for Phase I of the Copper World project in southern Arizona, requiring state and local permits only. The PFS highlighted the project’s potential to provide substantial benefits to the community and the local economy. Over the expected 20-year life of the operation, Hudbay anticipates contributing over \$850 million in US taxes, including around \$170 million to the state of Arizona. Copper World is projected to create more than 400 direct jobs and up to 3,000 indirect jobs, offering competitive wages and benefits.

According to the second annual survey by the Tucson Metro Chamber and Arizona Mining Association, support for Arizona’s copper mining industry has increased, with over 70% of Southern Arizona voters expressing support. Additionally, the poll, conducted in late October, indicated that support for our Copper World project has increased. When given a description of the project, more than half of voters (53.6%) support the project, a 17% net positive compared to the 36.9% who oppose the project. Around 9% of the survey participants had no opinion.

We actively engage key stakeholders on matters of interest involving Copper World and community concerns. In 2023, we continued to meet with leadership and council members of local Native American tribes at the site to discuss the project. These face-to-face meetings provide an opportunity for them to ask questions, express concerns and provide feedback. We are also conducting archaeological surveys on all our land before conducting ground-disturbing activities and have engaged tribal monitors to ensure any culturally significant resources identified are handled appropriately. We are following protocols established by the Arizona State Historic Preservation Office for treating and documenting items that are of historical and/or cultural significance.



 *Hudbay booth at University of Arizona fair*

Our comprehensive engagement approach involves meetings with local officials, regulators, homeowners and other stakeholders to build mutual respect and understanding throughout all stages of the Copper World project. In January 2024, the Arizona Department of Environmental Quality released our draft Aquifer Protection Permit for Copper World, initiating a public comment period. Mining Matters Arizona, a coalition dedicated to highlighting the pivotal role of Arizona’s mining industry in shaping the state’s future, established a **platform** for citizens to voice support for the permit and the overall project.

We provide ongoing project updates, news and a channel for comments and inquiries on our dedicated **Copper World website**, ensuring transparency and ongoing communication.

ENGAGING AT MASON

Mason is an advanced exploration project located approximately 85 kilometres southeast of Reno, Nevada, in the Yerington Copper District. During the project’s exploration stage, our stakeholder engagement objectives are to establish open lines of communication with city and county administrators, Native American tribal leaders and members and other stakeholders with an interest in the project.

In 2024, the project’s dedicated community relations lead held several meetings with tribes and community leaders, including a formal presentation at the Yerington Chamber of Commerce’s annual dinner. Additionally, we held two open houses in June, inviting community members to learn more about the project, meet the team and ask questions. We use several channels to share information about the Mason project, including our dedicated [Mason website](#), which we relaunched in 2023.

In 2020, we established a scholarship program, where the Yerington Paiute and Walker River Paiute tribes select a recipient who is interested in developing the knowledge and skills needed by the community (e.g., health care, social services, business development).


2023 COMMUNITY ACTIVITIES

The scholarships and grants at Mason are part of the business unit’s broader community giving and school grants program.

In 2023, we invested a total of \$18,000 to support community programs in Arizona and Nevada. This included \$10,000 to fund the construction of two new baseball fields in Yerington.

No complaints at the Copper World or Mason projects were formally registered through our grievance system in 2023.



 Tribal monitors, Mason site, Nevada



Planet

We care about **our planet**. From exploration to closure, we operate safely and responsibly, we welcome innovation, and we strive to minimize our environmental footprint while following leading practices in all facets of mining.

80%

of our indirect energy consumption from renewable sources

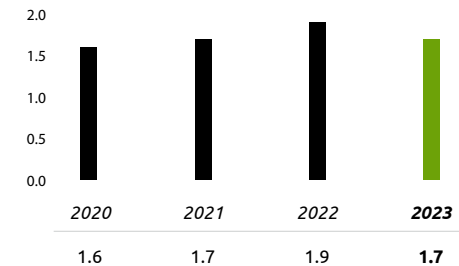
62%

of solid non-mineral waste at Constancia was recycled

77%

of total water used was recycled¹

GHG INTENSITY
(per tonne of copper-equivalent production) (tCO₂e/tCuEq)



¹ Water recycled does not include the full impact of our British Columbia Business Unit as process water data was not available at the time of data collection.

Overseeing reclamation progress in Flin Flon, Manitoba

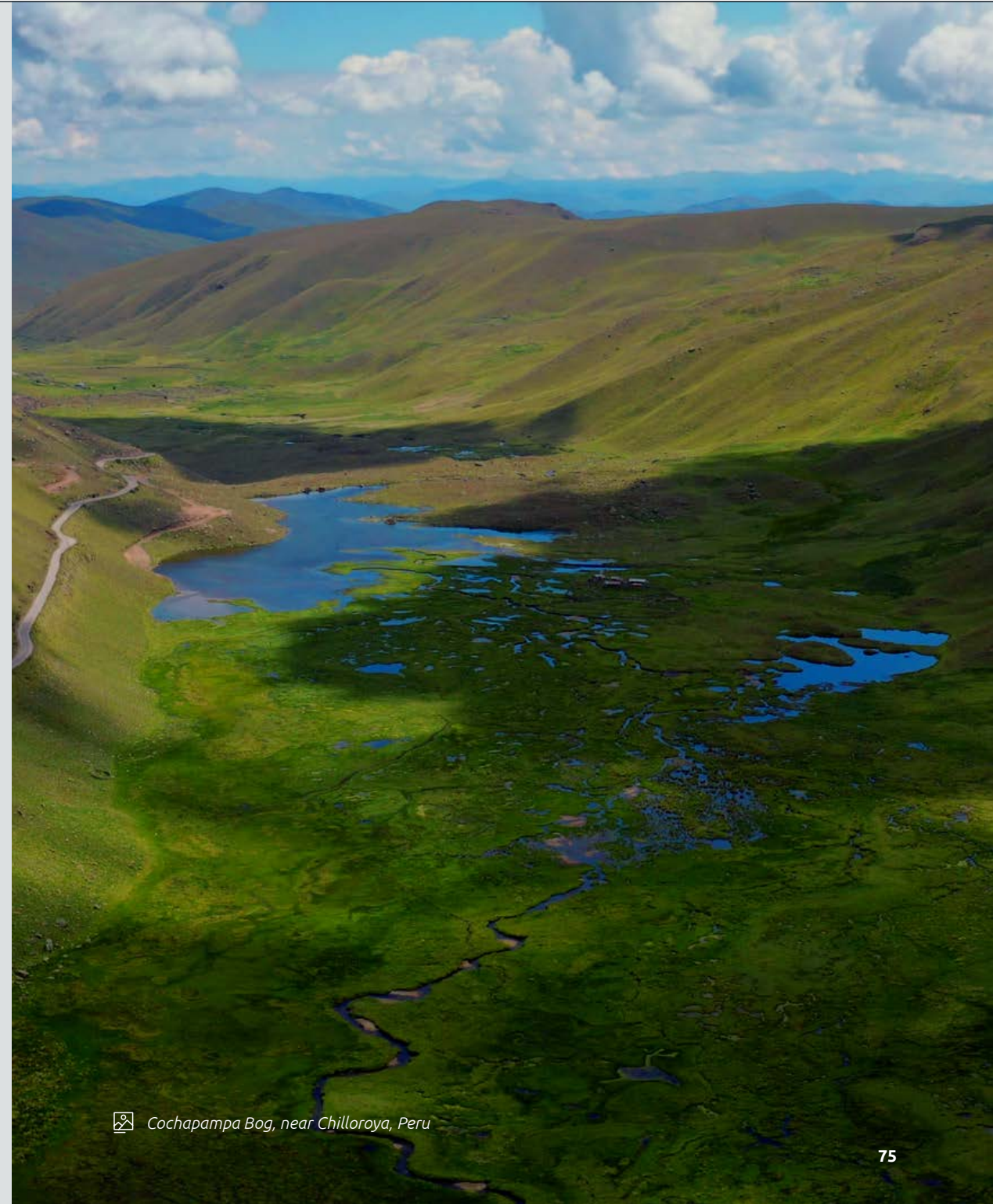
Protecting Ecosystems Through Responsible Water Management

In 2023, the team at Constancia earned Peru’s National Society of Mining, Oil, and Energy (SNMPE) Special Water Management Award for their work in rejuvenating the Cochapampa Bog. Situated near Chilloroya, a community close to Constancia, this wetland is critical for local agriculture and serves as a habitat for diverse plant and animal species.

Recognizing the impact of Constancia’s activities on certain parts of the bog, we collaborated with stakeholders to develop the Cochapampa Bog Sustainable Use and Management program. This initiative aims to reduce wetland usage, enhance water management practices with investments in water catchment and harvesting systems, and build capacity through training and partnerships with governmental and support organizations.

Since the launch of the program in 2014, wetland water consumption has declined by 90%. This success is attributed to strategies like reducing livestock load (up to 60%) and grazing activity in the

wetland and introducing less water-intensive economic activities. Today, Chilloroya now cultivates strawberries, a crop that demands notably less water to produce one kilogram compared to the water requirements for producing a kilogram of beef or cheese. Hubday built 15 greenhouses as part of the initiative, and the community independently financed the construction of three more, showcasing strong support for the program. Around 65% of the women from the Chilloroya community participate, contributing to the program’s success and community empowerment.



 Cochapampa Bog, near Chilloroya, Peru

Harnessing Innovative Technologies to Cut Greenhouse Gas Emissions at Copper Mountain

Hudbay’s Copper Mountain mine in British Columbia is at the forefront of environmentally conscious mining practices, implementing innovative technologies and solutions to curb greenhouse gas (GHG) emissions and minimize environmental impacts.

These include:

- **Electric trolley-assist** – This innovative system is currently the only one of its kind in North America. Trolley-assist transports haul trucks carrying ore up the one-kilometre ramp from the pit to the crusher via pantographs and wires powered by hydroelectricity from BC Hydro. This reduces the amount of diesel needed to power the fully loaded trucks up the ramp, displacing approximately 400 litres of diesel per hour, or about one tonne of CO₂ emissions. At the end of 2023, Copper Mountain had seven trolley-capable haul trucks. A \$10 million grant from the CleanBC Industry Fund and \$2 million from BC Hydro helped fund the system. This system was **featured on an episode** of the Fully Charged Show in October.
- **World’s largest electric excavator** – In October 2023, Copper Mountain commissioned the world’s largest electric hydraulic excavator, standing at 9.7 metres tall and 10 metres wide. Operating solely on electricity, the PC8000-11 excavator is the newest addition to the operation’s

electric fleet, joining two other electric excavators. In 2024, the operation plans to commission its third electric blasthole drill. Supporting these efforts are provincial and federal grants.

- **Renewable diesel** – To further address emissions from haul trucks, the primary source of GHG emissions in open pit mining, we partnered with Cummins, Komatsu, and SMS to evaluate the use of renewable diesel in our haul trucks. In 2023, we completed a laboratory-based test and field testing on two of our haul trucks, using only renewable diesel, testing in cold weather conditions and monitoring the impacts on engine performance and reliability. Due to the success of the trial, 80% of the fuel purchased in 2024 will be renewable diesel.

We continue to investigate the use of alternative fuels and energy sources, including hydrogen, battery, wind and fuel cell technology. Copper Mountain’s commitment to sustainable practices demonstrates responsible mining’s role in the transition to a greener future.



Collecting environmental data at Copper Mountain

Our Approach

Hudbay is committed to environmentally responsible mineral exploration and mining, as explicitly stated in our **Environmental, Health, Safety and Sustainability Policy**. Our operations and exploration sites avoid or mitigate adverse effects on the environment, comply with the laws and regulations in each jurisdiction where we operate, and maintain an ISO 14001-certified environmental management system (or achieve certification within two years of commencing production or being acquired).

Eco-efficiency improvements, aiming to achieve more with less, are a key measure of our performance. We track our use of resources and integrate eco-efficiency considerations into investment decisions and business planning processes. For example, our Authorization of Expenditure process includes eco-efficiency considerations to identify opportunities for reducing GHG emissions while lowering costs and increasing productivity. Monitoring eco-efficiency metrics allows us to identify improvements and adjust production methods or adopt new technologies to reduce resource consumption.

LAND AND BIODIVERSITY

Our Biodiversity Conservation Standard aims to preserve healthy ecosystems and biodiversity throughout the mine lifecycle. Each site assesses local conditions – such as threatened and endangered species, protected areas and critical habitat – and the potential impacts from Hudbay’s activities. Site-specific biodiversity and ecosystem

services management plans apply the mitigation hierarchy, which emphasizes avoiding and minimizing any negative impacts, restoring sites no longer used by a project, and identifying the need for offsets if impacts remain.

Our standard aligns with the TSM Biodiversity Conservation Management Protocol and the IFC Ecosystem Services Performance Standard. Our Peru Business Unit received level AAA ratings on all three protocol indicators for the sixth year in a row. Our Manitoba Business Unit also received all level AAA ratings, and our British Columbia Business Unit received one level AAA, one AA and one A ratings. We also report our biodiversity data and performance to the CDP (formerly the Carbon Disclosure Project).



 A team collects water samples in Flin Flon

CLIMATE CHANGE

In 2022, we pledged to achieve a 50% reduction in greenhouse gas (GHG) emissions from existing operations by 2030 and net zero GHG emissions by 2050, aligning with global decarbonization goals.¹

Under the TSM Climate Change Protocol, we annually assess our processes, management systems and reporting mechanisms to manage our energy use and GHG emissions. In 2023, all our business units achieved a level A or higher rating across all protocol indicators, and Manitoba and Peru received level AA ratings for the facility climate change management indicator. We also achieved a level A rating for the corporate-focus indicator related to setting meaningful targets for emissions reduction and focusing on climate adaptation.

In 2023, we consolidated the efforts across all business units into a roadmap that contributes towards the overall goal of a 50% reduction in Scope 1 and Scope 2 GHG emissions by 2030. The roadmap helps identify initiatives, categorize their potential impacts and plan their progression year by year. In addition, we advanced qualitative assessments of our Scope 3 emissions to improve our understanding of where our GHG influence and impacts lie. This collaborative approach ensures we prioritize and support the initiatives with the greatest contribution towards our goal. We highlight this effort in the [Making Progress on Our GHG Roadmap](#) feature story.

Our global GHG emissions data and performance are reported to the CDP, aligning with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Compared to 2022, our direct energy consumption decreased 11% and indirect energy consumption increased 21%. These fluctuations were in large part due to reduced energy consumption in Manitoba with the planned closure of the 777 mine in 2022 and the addition of the Copper Mountain mine in 2023. Total GHG emissions increased 16%, but GHG intensity per tonne of copper equivalent decreased 8% with the addition of the Copper Mountain mine in 2023. Approximately 55% of our total energy consumption came from renewables, with nearly 100% of Manitoba and British Columbia’s electricity sourced from renewable hydropower.

AIR

Hudbay’s operations do not generate any major point source air emissions, such as stack emissions or releases through a confined air stream. Our primary air emissions are particulate matter like dust and fuel emissions, mainly originating from blasting activities, ore excavation and vehicles on unpaved roads. To maintain safe air quality on and around our sites, we employ controls, such as dust suppression systems, conduct regular monitoring, and fully comply with air emissions laws, regulations and reporting requirements in the countries where we operate.

WATER

Water is vital for healthy communities and ecosystems and is essential to our operations. Our water management approach focuses on running our operations in a manner that avoids conflicts with other water users and minimizes our impact on water resources.

Each site develops a water management plan, assessing water quality, quantity and availability and taking into account the needs of local communities and other users. These plans undergo regular reviews and updates. None of our current operations are in water-stressed areas.

We annually report on our water management practices against the TSM Water Stewardship Protocol. Our Peru Business Unit achieved a level AAA rating on three indicators and a level AA on one. Manitoba received a level AA rating on three indicators and a level A on one, and British Columbia achieved two level AA and two level A ratings.

In 2023, we reduced our total amount of water withdrawn by 6% and water discharged by approximately 37% compared to 2022. Precipitation can impact the amount of water our operations discharge. Approximately 77% of our total water use was recycled or reused.²

Hudbay has been actively participating in CDP’s annual water questionnaire since 2010.



 Copper Mountain, British Columbia

¹ Hudbay’s climate change targets were established in 2022 and are based on a 2021 baseline for Scope 1 and Scope 2 GHG emissions from existing operations. The targets exclude the British Columbia operations, which were acquired in 2023, and we are evaluating the impact of the British Columbia operations on Hudbay’s GHG reduction roadmap.
² Water recycled does not include the full impact of our British Columbia Business Unit as process water data was not available at the time of data collection.

WASTE AND TAILINGS

All Hudbay operations have plans to reduce, reuse, recycle and responsibly dispose of hazardous and non-hazardous waste. Because facilities that store tailings (the residual material after minerals are extracted from the crushed ore) present higher risks, we have additional processes and resources to effectively manage these risks. A detailed discussion of our tailings management approach is included in the [Tailings Stewardship](#) section.

Sites are required to manage waste rock in adherence to environmental regulations and industry standards and in a manner that minimizes the potential for acid rock drainage – which is caused when certain minerals in the rock interact with air and water. Waste rock and tailings may be classified as potentially acid-generating (PAG) or non-acid-generating (NAG). We address the potential impact of PAG-classified material by reusing (where possible) or disposing of it in contained areas engineered to prevent acidic runoff.

CLOSURE AND RECLAMATION

Our closure plans ensure compliance with all legal frameworks and regulations within the jurisdictions where we operate. They also align with TSM’s Mine Closure Framework, which goes beyond legal and regulatory requirements to address the social aspects of closure. We are committed to working with stakeholders – in particular, the communities closest to our mines – to develop mine closure plans that mitigate the socio-economic impacts of closure. For example, at Copper Mountain, we support the local First Nations communities in the development a community-based End Land Use Plan (ELUP) that incorporates their desired recreational and traditional end land uses. This plan will be a key part of the site’s comprehensive ELUP.

Our closure plans include identifying opportunities to rehabilitate areas that are either no longer required for mining activities or are on lands we own that will not be mined. For instance, at Constanca, we have reforested grazing lands we own but are not needed for mining, and at our Mason exploration project, we have revegetated and reclaimed areas once used as roads and drill pads for exploration to their pre-disturbed state. Closed mine sites are rehabilitated to achieve an agreed-upon beneficial post-mining use. Post-closure activities involve ongoing maintenance and monitoring to ensure successful and intended progress towards closure objectives.



 Taking well-water samples near Flin Flon

Peru

In Peru, our approach to applying best practices in environmental stewardship is exemplified by our record in maintaining compliance with all environmental laws and regulations. We are dedicated to ongoing improvement, ensuring we meet the expectations of our stakeholders.

MAINTAINING COMPLIANCE AND PERFORMANCE EXPECTATIONS

The Peru Business Unit sets annual environmental key performance indicators (KPI). In 2023, the business unit exceeded its overall target as well as all the targets in each of the four areas. Highlights of activities and programs in each area include the following:

- **Environmental management** – Each year, the Ministry of the Environment’s enforcement agency (OEFA) inspects Constancia’s compliance with environmental standards and regulations. In 2023, OEFA conducted three inspections, and for the fifth year in a row, OEFA inspectors observed no compliance issues in the regular inspection, making Constancia the only mine in Peru with this achievement.
- **Socio-environmental** – We conducted quarterly participatory monitoring with the neighbourhood environmental surveillance committees and members of the communities. The results were later presented in communal assemblies. Participants did not observe any exceedances in 2023.

- **Environmental quality** – Constancia did not experience any level 2 or higher environmental incidents in 2023. In 2024, we plan to install a monitoring sensor system in the wastewater treatment plant that provides real-time information on the plant’s performance.
- **Sustainability** – Constancia once again received two stars for reporting and certifying Constancia’s carbon footprint for 2022 from the Ministry of Environment. The consulting firm AENOR verified our disclosures in the report.

Another sustainability objective is responsibly managing waste. In 2023, Constancia recycled 62% of all solid waste, a 5% decrease in recycling compared to the year before, mainly due to the site’s inability to recycle out-of-use haul truck tires. Due to changes in the national regulations in 2022, only major tire manufacturers can recycle tires from the mine sites. This became economically impractical for Hudbay, and we are working with our peers to address this issue. Through our membership in Peru’s National Society of Mining, Oil, and Energy (SNMPE), we are engaging the Ministry of Environment and the Ministry of Economy and Finance to request changes to the regulations and allow others in the value chain to recycle the tires. In the meantime, we are storing the tires on-site.



 A team from Constancia tests water in a stream near the mine

Through the Waste Xpress system, Constancia treated nearly all the organic waste from the accommodation camp, decreasing the volume of solid waste by 44%, which saved \$38,000 in transportation and disposal costs in 2023.

In August 2023, we obtained the permit to allow us to use non-harmful sewage sludge that is captured in our wastewater treatment plant’s filters and mixed with other organic material to enrich the topsoil used for progressive closure. During the year, we used nearly 400,000 kilograms of sludge in topsoil, resulting in a savings of USD\$95,000.

MANAGING OUR CARBON FOOTPRINT

The biggest opportunities to achieve our 2030 and 2050 climate targets (detailed in the [Making Progress on Our GHG Roadmap](#) feature story) are in Peru, which represents approximately 90% of our total direct (Scope 1) and indirect (Scope 2) emissions.

With 45% of Constancia’s emissions related to Scope 2 GHG emissions (i.e., those from purchased electricity, steam, heating and cooling), in April 2023, Constancia signed a 10-year power purchase agreement (PPA) with ENGIE Energía Perú, providing access to a 100% renewable energy supply for Constancia. This agreement is a significant step towards meeting our GHG emissions reduction commitments. The contract, effective January 1, 2026, ensures a consistent and guaranteed supply of renewable energy, offering improved flexibility and lower costs. The consumption-based contract allows variable costs based on actual usage, with no minimum spend or penalties. It also includes Renewable Energy Certificates (RECs) to guarantee a 100% carbon-neutral energy supply at Constancia.

As part of Constancia’s 2023 GHG emissions management plan, we hired an internationally recognized firm from Argentina to conduct an energy audit. The purpose of the audit was to identify opportunities to decrease our GHG emissions and reduce our energy use. In 2024, we are going to perform feasibility studies on the opportunities with the most potential. These include modifying water pumps in the process plant and the system that transports water from the tailings facility to the process plant, and switching from diesel-generated substations to grid sources.

REDUCING OUR WATER FOOTPRINT

In 2022, Constancia commenced work to earn the Blue Certificate (Certificado Azul) from the Peruvian National Water Authority (Autoridad Nacional del Agua, or ANA). This certification, part of the agency’s Water Footprint program, supports efforts to reduce water use in the production of goods and services across the country while promoting responsible water management practices. To obtain the certification, companies and organizations must:

- Measure their water footprint;
- Develop a water reduction plan for their operations; and
- Implement a shared-value project with surrounding communities.

To reduce our water footprint, we built an automated car wash that recirculates more than 80% of the water used, resulting in an annual savings of 500 cubic metres of water. Additionally, we constructed two reservoirs in Quimsachata, a community that was resettled during Constancia’s development, supporting 18 families and their agriculture-based livelihoods.

In early 2024, we expect the ANA to finalize the process by conducting a site inspection before awarding Constancia with the Blue Certificate.

PRESERVING BIODIVERSITY AND RESTORING ECOSYSTEMS

In 2023, Constancia successfully met all primary objectives for actively managing biodiversity impacts and ecosystem services outlined in its annual biodiversity action plan (BAP). Notably, the Cochapampa Bog Sustainable Use and Management program, a key component of the plan, was recognized by Peru’s National Society of Mining, Oil, and Energy (SNMPE), earning its Special Water Management Award for rejuvenating the Cochapampa Bog. We highlight this award in the [Protecting Ecosystems Through Responsible Water Management](#) feature story.

In 2023, we formed a Progressive Closure Committee that includes employees from several functions, including permits and sustainability, mine planning, technical services and environmental controls. Constancia achieved 100% of its annual progressive reclamation plan, closing a total of 23.7 hectares in four areas. The closure work consisted of engineering, land grading according to design, laying organic soil, installing water management structures and planting native seeds.

We also collaborated with the Chamaca community, planting 213 hectares of forest species and 30 hectares of cultivated pastures, an action that reinforces our commitment to sustainability and reducing CO₂ emissions.

Manitoba

Following the closure of the 777 mine in Flin Flon in June 2022, the Manitoba Business Unit focused on care and maintenance activities in Flin Flon and enhancing environmental practices in both Flin Flon and Snow Lake. In 2023, we restructured the MBU’s environment department into two distinct departments – environmental controls and geo-engineering and tailings – to better address emerging issues in both areas.

ADVANCING ENVIRONMENTAL MANAGEMENT PRACTICES

In 2023, the Manitoba Business Unit established internal objectives to continuously improve its environmental management practices and performance. Activities to achieve these goals included the following:

- **Effluent management** – One important aspect of our water management approach is ensuring the quality of effluent (i.e., treated water discharged from tailings facilities and water treatment plants) complies with all laws and regulations when discharged into the environment. Facilities on care and maintenance have the same requirements, and when the Flin Flon Tailings Impoundment System (FFTIS) went on care and maintenance in 2023, we conducted a five-week campaign to extensively monitor and study the FFTIS effluent. This effort confirmed the effluent was in compliance and also increased our understanding of the performance of the new water treatment system to better inform future planning and decision-making.

- **Freshwater consumption** – At the Lalor operation, we continued the efforts that began in 2022 to capture natural groundwater and treat it for use as process water. This reduces the need to use fresh water and treat the process water. Freshwater consumption in 2023 was 6% lower than in 2022.
- **Biodiversity conservation** – As part of a data-sharing agreement with the province of Manitoba to understand where caribou are in relation to our activities in Snow Lake, we deployed trail cameras in early 2023 and collected them at the beginning of 2024. The data from the cameras will be combined with the government’s research to enhance our understanding of caribou migration and habitat quality and inform decisions on future mine developments. In a smaller-scale project, an environmental scientist at our New Britannia mill developed a plan to create a pollinator garden, repurposing old flower beds. Planting will begin in the spring of 2024.

- **Dusting mitigation** – One aspect of air emissions we focus on is dust events. As the FFTIS transitioned into care and maintenance and process water was not being added to the facility, we implemented a comprehensive dust management program, targeting key areas of potential concern. At the New Britannia mill, we installed skirting and rubber baffles on the drop chutes to better contain the dust generated when ore is moved from one place to the next.

- **Public engagement** – We introduced a quarterly environmental newsletter for employees and communities of interest. The publication showcases environmental initiatives, raises awareness of compliance requirements, includes information on upcoming events and summarizes topics discussed during public information sessions. We also set up a dedicated email account for the business unit’s environment team so that stakeholder inquiries are addressed by the person most familiar with the matter. We plan to further expand our public engagement efforts in 2024.



 Reclamation activities in Manitoba

At the end of 2023, we developed an overall environmental strategy and approach to setting goals and objectives for the business unit. During a session with department leads and the Vice President of the business unit, we identified key performance metrics – decrease propane and diesel usage, reduce freshwater consumption, audit freshwater systems, minimize reagent usage, lower environmental release risks, enhance waste and dust source management, and improve public engagement. In early 2024, we plan to set measurable targets for each objective.

We are actively working to develop and strengthen internal capacity for detailed planning and execution of closure activities. Hudbay has conducted progressive reclamation on prior operating sites and is continuing to focus on this in the Flin Flon area.

IMPROVING WASTE MANAGEMENT

As a mining company, we generate several waste streams that require proper management. With the two waste disposal grounds (WDGs) in Snow Lake we use for our operations reaching capacity, we applied for an Environment Act License (EAL) to construct and operate a new “class 1” regional WDG. In 2023, we received the EAL and completed construction on the facility. The WDG became operational on January 1, 2024.

The class 1 WDG meets the highest standards, featuring a lined leach basin, and requires stricter waste segregation and diversion measures. In 2023, we continued to implement the Waste Prevention, Management and Recycling policy the business unit implemented in 2022. One of the notable initiatives in 2023 was to engage a trucking company to transport used wood pallets to Winnipeg for recycling instead of burning them. We plan to continue this program in 2024.

IDENTIFYING GHG REDUCTION OPPORTUNITIES

To support Hudbay’s overall GHG reduction goals, the business unit developed a comprehensive overview of opportunities through 2030, prioritizing them based on the major emitters. This process also helped ongoing GHG reduction efforts that other departments might not have been aware of.

In 2023, we conducted a successful trial of a battery electric load-haul-dump (LHD) (underground scoop) at Lalor. Although the primary reason for initiating the trial was to reduce GHG emissions, the trial yielded additional benefits such as reduced maintenance, lower fuel costs, improved air quality and decreased ventilation requirements. The battery electric LHD also demonstrated greater strength and capability compared to its diesel counterpart. In 2024, we plan to purchase the LHD machine used in the trials along with two additional units.

Other efforts during the year to reduce energy consumption and GHG emissions included a “Lights Out” initiative in Flin Flon, turning off lights at the end of shifts. We also began installing timers on building vent fans, and at the New Britannia mill, we installed upgraded filters that consume 20% less energy than before.

British Columbia

Copper Mountain’s approach to sustainability integrates innovative technologies with a commitment to best responsible environmental management practices that ensure the utmost care for the environment.

INDUSTRY LEADER IN THE CLEAN ENERGY TRANSITION

Copper Mountain ranks among the lowest quartile for GHG emissions among copper mines and has the potential to be one of the lowest-emitting open pit copper mines in the world. As part of the operation’s objective to reduce carbon intensity, the site is implementing cutting-edge solutions and testing fuel options. We highlight these projects in the [Harnessing Innovative Technologies to Cut Greenhouse Gas Emissions at Copper Mountain](#) feature story.

In 2023, Copper Mountain continued to collaborate with the BC Ministry of Energy, Mines, and Low Carbon Innovation on the Energy and Mines Digital Trust (EMDT), a blockchain-based ESG credential system. The EMDT enables mining and energy operators to easily disclose the origin and production details of their products through digital credentials. The use of digital credentials provides operators with a secure means to swiftly exhibit their dedication to ESG goals.

HOLISTIC APPROACH TO BIODIVERSITY CONSERVATION AND RECLAMATION

Copper Mountain is committed to biodiversity conservation and reclamation. We build reclamation plans into all mine designs and aim to reclaim as much area as possible before mining operations cease. The operation’s progressive reclamation process, initiated in 2018 with small-scale trials, includes an objective to conduct progressive reclamation on 25 hectares annually over 10 years. In collaboration with Metro Vancouver, Arrow Transportation and a local First Nations partner, Copper Mountain uses Class A biosolids and wood chips to create reclamation soil. In 2023, Copper Mountain conducted reclamation activities on an additional 26 hectares.

Aligned with the operation’s conceptual End Land Use Plan (ELUP) objectives, in April 2023, we planted approximately 75,000 trees and shrubs in areas where reclamation soil had been placed between 2018 and 2020. However, due to unusually high temperatures in the spring, many of the trees and shrubs succumbed to vapor pressure deficit, caused by high temperatures hindering their ability to absorb water and nutrients. In response, we adapted our approach, planting 2,000 stems of native shrubs



 A roadway near the Copper Mountain mine

in four different areas in the fall. This trial aims to explore alternative methods for successful tree growth in changing conditions.

Given the common presence of wildlife at Copper Mountain, the site is focused on keeping people safe and the wildlife wild. Cameras throughout the site record wildlife sightings, and we train employees and contractors on the importance of reporting field observations. We also survey areas prior to conducting any clearing or other disturbance activities to minimize impacts to wildlife. As part of our pledge to be a WildSafe Business, we engage WildSafeBC to provide training on bear awareness and other practices to minimize conflicts with wildlife.

In 2023, we conducted winter wildlife tracking, in collaboration with USIB, to build on assessments completed previously and further our understanding of wildlife habitat use in the area. The annual effectiveness evaluation for the Wolfe Creek Fish Habitat Offset Plan – a component of the broader Wolfe Creek Realignment project aimed at improving fish productivity and passage, construction of which was completed in summer 2021 – indicated that the constructed ponds continue to provide a suitable habitat. Additionally, two new species were observed. The review also identified the need for minor creek improvements and a side channel to redirect more fresh water into one of the ponds.

Demonstrating our commitment to wildlife, we contributed CAD\$11,000 to the Wild Sheep Society of British Columbia in 2023. This donation supports the acquisition of GPS collars needed for tracking sheep as part of a disease management project. It also establishes a valuable partnership, providing us with insights and expertise should we detect the presence of sheep near the mine in the future.

ADVANCING WATER STEWARDSHIP PRACTICES

Copper Mountain’s water management plan focuses on optimizing water use, protecting water resources and preserving water quality throughout the mine’s lifecycle. There was one uncontrolled site contact discharge during the year, with no significant impact to the environment.

One of Copper Mountain’s primary water-related risks is related to managing contact water from non-economic rock storage areas (NERSA), mine water and the tailings management facility (TMF). The operation has only one authorized discharge location. The discharge, called the East Dam seepage, collects from the toe of the TMF’s East Dam and is authorized to discharge into Wolfe Creek. In 2023, there was no water discharged at this location. Over the past three years, we have installed seepage interception systems, which have reduced the amount of nitrates in Wolfe Creek. In 2023, we installed groundwater monitoring wells in the area around the East Dam seepage to inform the hydrogeological model downstream of the East Dam. This will help us better manage sulfate levels in Wolfe Creek.

We continued to successfully segregate potentially acid-generating (PAG) waste to reduce the risk of acid mine drainage (AMD) and minimize the threat to water quality.

A couple of years ago, we conducted an assessment related to modelled increase of molybdenum levels in drainages to the Similkameen and Wolfe Creek. Although the study indicated the water is safe for ungulates, the species of concern, we continue to proactively monitor the water quality. This includes collaborating with local ranchers downstream to analyze blood samples in their livestock. We cover the costs of the blood samples, and the ranchers share the results with us. To date, no issues related to water quality have been detected. This approach allows us to promptly address any changes in water quality and ensures a baseline for potential future follow-ups.

COPPER MOUNTAIN’S NEW INGERBELLE EXPANSION PROJECT

The New Ingerbelle project will involve a pushback of the existing Ingerbelle open pit at Copper Mountain mine. It was previously mined between 1972 and 1980, and again from 1995 to 1996. In 2017, Copper Mountain started exploration drilling at the existing Ingerbelle pit to extend the life of the mine. Based on positive drilling results and additional proven reserves, Copper Mountain is amending its Mines Act and Environmental Management Act permits to allow for mining activities to recommence on the Ingerbelle pit, now referred to as the New Ingerbelle pit. The New Ingerbelle project is proceeding through the coordinated authorizations process, managed by the BC Ministry of Energy, Mines and Low Carbon Innovation’s Major Mines Office (MMO). Copper Mountain is committed to ongoing stakeholder and Indigenous engagement throughout the MMO coordinated authorizations review and permit amendment processes.

Arizona and Nevada

Hudbay’s Copper World and Mason projects have the potential to address the growing demand for copper, driven by the momentum of the clean energy transition. Our proven track record of using advanced mining techniques and maintaining high environmental standards demonstrates our ability to responsibly and sustainably produce the metals the world needs.

ADVANCING COPPER WORLD PERMITTING PROCESS

We continued to progress our Copper World project in 2023. In September, we published the pre-feasibility study (PFS) for Phase I at Copper World, which requires state and local permits only. Phase I boasts a 20-year mine life, extending four years beyond the timeline presented in the preliminary economic assessment released in 2022.

Towards the end of 2022, we submitted applications to the Arizona Department of Environmental Quality (ADEQ) for the two remaining permits required for Phase I – the Aquifer Protection and Air Quality Permits. In 2023, we engaged with regulators, providing technical data and adjusting modelling to enhance the application. Copper World is designed to be a net-neutral water user, committing to recharge 100% of the water extracted from the aquifer during production. Monitoring and reporting, mandated by state permits, will ensure compliance with all water quality standards. We are responding to public comments received on the draft Aquifer Protection Permit for Copper World, which was issued by the ADEQ in January 2024. We expect to obtain both permits in 2024.

In Phase I, a sulfide concentrator will initially produce copper concentrate as the final product. In the fifth year, the addition of a concentrate leach facility and a solvent extraction and electrowinning plant will enable the production of copper cathodes. This shift to copper cathode production is estimated to lower energy consumption by more than 10% and decrease GHG and sulfur dioxide emissions by eliminating overseas shipping, smelting and refining activities associated with copper concentrate. Hudbay aims to further reduce the project’s GHG emissions as part of the Company’s specific targets for emissions reduction in its existing operations, aligning with Hudbay’s overall 2030 climate target.

Hudbay continues to explore additional opportunities to reduce environmental impacts. These include assessing the feasibility of obtaining renewable energy from local providers at a minimal cost, using autonomous or electric haul trucks in the operation, and employing diverse post-reclamation land uses such as domestic renewable energy production. Additionally, if Hudbay can acquire additional private land, it could expedite dry stack tailings deposition, which would reduce water consumption.



 Establishing environmental baselines at the Happy Valley spring in Arizona

The *US Clean Water Act* oversees pollutant discharge into “navigable waters,” defined as “the waters of the United States, including the territorial seas.” However, the definition of “waters of the United States” (WOTUS) has been a subject of ongoing debate and legal disputes. Because of uncertainty surrounding the WOTUS definition due to policy variations among different administrations, in 2022 Hudbay conducted an independent study to assess whether waterways on its Arizona property could be classified as WOTUS. The study determined that none of the historic mine workings on the property impacted the Santa Cruz River, the nearest potentially relevant water body, and that none of the site’s washes qualify as WOTUS. The Company shared its findings and studies with the EPA and Army Corps of Engineers. In May 2023, the U.S. Supreme Court’s decision in *Sackett v EPA* clarified the WOTUS definition, reinforcing Hudbay’s findings.

Additionally, in May 2023, Hudbay received a favourable ruling from the U.S. Court of Appeals for the Ninth Circuit, overturning the US Fish and Wildlife Service’s designation of the Copper World

area as jaguar critical habitat. While this ruling doesn’t affect the state permitting process for Copper World’s Phase I, it is expected to simplify the federal permitting process for Phase II.

DEVELOPING GROUNDWATER MODEL AT MASON

The preliminary economic assessment (PEA) published in 2021 detailed the significant potential of our Mason project in Nevada’s Yerington Copper District. Based on ongoing engagement with local, government and other key stakeholders, one of their biggest concerns is the project’s impact on water sources. As we prepare the project’s groundwater model – which helps us understand relevant groundwater systems and facilitates water management decision-making – we have offered to help fund the hiring of experts to represent interested community organizations. This allows the stakeholder groups to actively participate in the development of the model and ensure there is a process for independent review.

Sustainability Performance



 *Committed to reclamation and restoration in Flin Flon*

Basis of Reporting

All financial information is presented in US dollars except where otherwise indicated. All operating data is reported using the metric system. Some metrics are reported on both an absolute basis and an intensity basis against kilotonnes of production (metal or metal in concentrate). Safety data frequency rates are measured per 200,000 hours worked. Financial performance data presented in this report for the British Columbia operating unit is from the date of acquisition, June 20, 2023, while all other performance data presented represents the full reporting year, from January 1, 2023. It is shown on a 100% basis, with Hudbay owning a 75% interest in the operations.

DATA MEASUREMENT TECHNIQUES

Data is measured or estimated, and operations are asked to explain significant deviations in year-over-year trends. The performance data is reported at a mix of operational and corporate levels. Data is checked and approved at the site level and reviewed for consistency by the corporate data collection team.

We provide safety and environmental incident definitions so that all operations report incidents consistently. We calculate greenhouse gas (GHG) emissions using published factors for emissions.

Most of the performance data for water and energy is metered. We purchase all our electricity from local grids. Utility grid statistics are therefore used to compile GHG numbers related to purchased electricity.

Data for the indicators is collected and compiled using the information submitted on a standard template by each site. We provide instruction and criteria for indicators based on GRI Standards, SASB, CDP questionnaires and Towards Sustainable Mining (TSM) protocols and frameworks, and we supply a GHG emissions worksheet developed by the Mining Association of Canada (MAC).

Key Performance Data

Economic (in \$ millions, unless otherwise stated)	2023	2022	2021	2020	2019
Direct economic value generated and distributed					
Profit (loss) before tax	\$ 152.0	\$ 95.8	\$ (217.4)	\$ (144.6)	\$ (452.8)
Revenues	\$ 1,690.0	\$ 1,461.4	\$ 1,501.6	\$ 1,088.7	\$ 1,237.4
Operating costs					
Canada	470.4	338.0	706.2	450.0	448.3
United States	3.8	99.9	39.4	6.1	29.7
Peru	527.1	435.6	379.9	311.3	375.9
Total	\$ 1,001.3	\$ 873.6	\$ 1,125.8	\$ 767.7	\$ 859.4
Employee wages and benefits					
Canada	173.7	176.2	183.1	168.2	150.8
United States	7.6	9.0	5.5	4.0	5.9
Peru	75.8	52.9	60.8	50.6	45.4
Total	\$ 257.1	\$ 238.1	\$ 249.4	\$ 222.8	\$ 202.1
Payments to government					
Taxes paid					
Canada	2.6	3.5	2.7	2.2	5.8
United States	0.0	0.0	0.1	0.0	0.0
Peru	56.3	36.3	28.0	24.1	32.9
Total	\$ 58.9	\$ 39.9	\$ 30.8	\$ 26.3	\$ 38.7

Economic (in \$ millions, unless otherwise stated)	2023	2022	2021	2020	2019
Municipal taxes and grants					
Canada	28.1	13.6	14.4	10.9	6.6
United States	0.1	0.5	0.3	0.2	0.0
Peru	9.9	19.2	12.2	10.5	9.7
Total	\$ 38.1	\$ 33.4	\$ 30.8	\$ 21.6	\$ 16.3
Penalties and interest paid					
Canada	0.0	0.0	0.0	0.0	0.0
United States	0.0	0.0	0.0	0.0	0.0
Peru	0.1	0.1	0.0	0.1	2.1
Chile	0.0	0.0	0.0	0.0	0.0
Total	\$ 0.1	\$ 0.1	\$ 0.0	\$ 0.1	\$ 2.1
Payments to providers of capital					
Dividends paid	\$ 4.5	\$ 4.0	\$ 4.1	\$ 3.8	\$ 3.9
Interest payments made to providers of loans	\$ 74.0	\$ 63.8	\$ 84.4	\$ 81.5	\$ 74.8
Financing fees paid					
Canada	5.3	4.5	8.5	4.7	1.7
Peru	6.9	7.8	11.2	11.5	24.4
Total	\$ 12.2	\$ 12.3	\$ 19.6	\$ 16.2	\$ 26.1
Capital expenditures – cash flow basis	\$ 281.0	\$ 309.0	\$ 377.4	\$ 361.2	\$ 259.2
Payments – local communities for land use (in \$000s)					
Canada	19.8¹	27.9	3.1	0.0	0.0
United States	0.0	0.0	0.0	0.0	0.0
Peru	10,476.0	35,232.0	26,195.0	98,322.0	3,355.0
Total land use payments	\$ 10,495.8	\$ 35,259.9	\$ 26,198.1	\$ 98,322.0	\$ 3,355.0

¹ Outstanding accrual for the development of a trailer park and airport in Snow Lake.

Economic (in \$ millions, unless otherwise stated)	2023	2022	2021	2020	2019
Public benefit					
Community investments and charitable donations (in \$000s)					
Canada	357.9	449.2	702.8	552.3	373.8
United States	32.6	38.4	94.5	93.0	162.0
Peru	8,891.0	9,599.0	8,480.0	4,633.0	7,572.0
Total community investments and donations ¹	\$ 9,281.5	\$ 10,086.6	\$ 9,277.3	\$ 5,278.4	\$ 8,107.8
Resettlement investment (Peru) (in \$000s)	\$ 199.0 ²	\$ 1,288.0	\$ 43.0	\$ 0.0	\$ 0.0

¹ Political donations are included in this total; however, in accordance with Hudbay policy, political donations were \$0.

² Resettlement payments are a continuation of commitments made for the operation of the Constancia mine. Negotiation agreements were signed with 36 owners and include the resettlement process for the 36 affected families in the area of Coporaque, specifically the Fundo Quinsachata.

Employees	2023	2022	2021	2020	2019
Total workforce					
Full-time employees					
Manitoba	933	974	1,323	1,392	1,411
Corporate	74	75	75	76	69
Arizona	43	42	60	28	25
British Columbia	547	N/av	N/av	N/av	N/av
Peru	865	833	787	739	728
Total full-time employees	2,462	1,924	2,245	2,235	2,233
Employment					
Part-time employees					
Manitoba	0	0	34	31	14
Corporate	0	1	0	0	1
Arizona	2	2	0	4	2
British Columbia	0	N/av	N/av	N/av	N/av
Peru	0	0	0	0	0
Total part-time employees	2	3	34	35	17

Employees	2023	2022	2021	2020	2019
Contract (term) employees					
Manitoba	36	47	56	51	64
Corporate	2	3	2	1	2
Arizona	0	16	45	1	1
British Columbia	0	N/av	N/av	N/av	N/av
Peru	183	247	139	165	130
Total contract employees	221	313	242	218	197
Co-op and summer students hired					
Manitoba	3	4	26	20	13
Corporate	0	0	0	4	5
Arizona	2	0	3	0	0
British Columbia	15	N/av	N/av	N/av	N/av
Peru	18	42	33	30	23
Total co-op/summer students	38	46	62	54	41
Employees represented by collective bargaining agreements	1,182	1,089	1,332	1,389	1,238
Percentage of employees represented by trade unions (includes all full-time and part-time employees)	55%	57%	58%	61%	55%
Operational changes					
Minimum number of weeks provided before operational changes (MBU only)	2	2	2	2	2
Negotiated into collective agreements (MBU only)	Yes	Yes	Yes	Yes	Yes
Number of strikes or lockouts exceeding one week					
Manitoba	0	0	0	0	0
Corporate	N/ap	N/ap	N/ap	N/ap	N/ap
Arizona	0	0	N/ap	N/ap	N/ap
British Columbia	0	N/av	N/av	N/av	N/av
Peru	0	0	0	0	0
Total	0	0	0	0	0

Employees	2023	2022	2021	2020	2019
Employee turnover (voluntary and involuntary, unless noted; includes all full-time employees)					
Manitoba	139	469	254	179	168
Corporate	14	10	13	10	18
Arizona	29	29	46	10	18
British Columbia	97	N/av	N/av	N/av	N/av
Peru	78	93	81	104	84
Total	357	601	394	303	288
Employee turnover – age distribution					
<30	26%	27%	29%	21%	18%
30–50	47%	44%	45%	42%	47%
>50	27%	29%	26%	37%	35%
Employee turnover – gender					
Male	75%	76%	80%	82%	79%
Female	25%	24%	20%	18%	21%
Voluntary turnover rate (Hudbay total)	9%	9%	14%	9%	9%
Involuntary turnover rate (Hudbay total)	5%	22%	2%	5%	4%
New employee hires					
Manitoba	52	78	189	172	233
Corporate	9	11	13	8	13
Arizona	15	32	35	16	8
British Columbia	127	N/av	N/av	N/av	N/av
Peru	128	194	112	146	98
Total	331	315	349	342	352

Employees	2023	2022	2021	2020	2019
New hires – age distribution					
<30	44%	45%	45%	36%	39%
30–50	41%	46%	44%	54%	45%
>50	14%	9%	11%	11%	16%
New hires – gender					
Male	78%	71%	68%	80%	78%
Female	22%	29%	32%	20%	22%
Net number of full-time employees added (decreased)					
Canada	505	(419)	(70)	(12)	24
United States	1	14	32	3	(8)
Peru	32	94	48	11	38
Total	538	(311)	10	2	54
Senior management from local community	10¹	2	5	5	4
Number of contractor full-time equivalent staff					
Manitoba	249	553	710	456	407
Peru	2,662	2,389	2,838	1,774	2,283
British Columbia	53	N/av	N/av	N/av	N/av
Arizona	13	117	37	14	15
Person-hours of work (including contractors)					
North America	5,384,923	5,157,627	5,583,816	3,902,648	3,750,575
South America	6,191,724	6,364,413	7,551,957	6,257,428	7,146,600
Total person-hours	11,576,647	11,522,040	13,135,773	10,160,076	10,897,175

¹ This only includes Peru, British Columbia and Arizona. Data is unavailable for Manitoba and Corporate.

Employees	2023	2022	2021	2020	2019
Employees receiving regular performance and career development reviews (includes all full-time employees)					
Percentage reviewed	55%	75%	62%	59%	53%
Hudbay total workforce age distribution (includes all full-time employees)					
<30	13%	14%	16%	14%	14%
30–50	61%	62%	59%	63%	62%
>50	26%	24%	25%	23%	24%
Composition of employees					
Workforce diversity (includes all full-time employees)					
Female					
Manitoba	18%	17%	19%	18%	16%
Corporate	41%	38%	42%	41%	48%
Arizona	28%	27%	29%	32%	28%
British Columbia	18%	N/av	N/av	N/av	N/av
Peru	16%	15%	10%	12%	12%
Total	18%	17%	17%	17%	16%
Percentage of workforce that are Indigenous (MBU and BCBU only)	14%	13%	16%	15%	15%
Percentage of workforce that are disabled (MBU only)	2%	2%	2%	2%	4%
Percentage of workforce that are visible minorities (MBU only)	7%	6%	7%	5%	6%
Composition of executive management and corporate governance bodies					
Board of Directors (ratio male to female)	1.4:1	2.7:1	2.3:1	2.3:1	2.7:1
Age distribution					
<30	0%	0%	0%	0%	0%
30–50	9%	9%	10%	10%	9%
>50	91%	91%	90%	90%	91%

Employees	2023	2022	2021	2020	2019
Executive management (ratio male to female)	14.0:1	5.5:1	6.0:1	13.0:1	13.0:1
Age distribution					
<30	0%	0%	0%	0%	0%
30–50	57%	45%	47%	43%	43%
>50	43%	55%	53%	57%	57%
Ratio of annual compensation of highest paid individual to mean total compensation					
Canada (MBU, excluding Corporate office)	4.7:1	3.5:1	7.4:1	7.1:1	4.1:1
Canada (BCBU, excluding Corporate office)	3.7:1	N/av	N/av	N/av	N/av
Canada (including Corporate office)	19.2:1	24.4:1	30.8:1	23.0:1	26.4:1
Peru	11.5:1	29.1:1	16.1:1	14.5:1	17.8:1
United States (ABU)	5.4:1	10.8:1	32.5:1	8.8:1	4.4:1
Workforce represented in formal joint management–worker Health and Safety Committees					
Percentage represented	99%¹	98%	97%	99%	99%

¹ Hudbay's Arizona employees are currently not covered because the size of their office does not require it.

Employees	2023	2022	2021	2020	2019
Health and safety performance (per 200,000 hours worked, except where noted)					
Lost time injury frequency (LTI)					
Manitoba	0.8	1.4	0.6	0.6	0.7
Manitoba contractors	0.0	0.0	0.1	0.2	0.0
British Columbia	0.3	N/av	N/av	N/av	N/av
British Columbia contractors	0.0	N/av	N/av	N/av	N/av
Peru	0.0	0.1	0.0	0.1	0.1
Peru contractors	0.1	0.0	0.0	0.0	0.0
Arizona	0.0	0.0	0.0	0.0	0.0
Arizona contractors	0.0	0.0	0.0	0.0	0.0
Other North America (not including MBU, BCBU and ABU)	0.0	0.0	0.0	0.0	0.0
Other North America contractors (not including MBU, BCBU and ABU)	0.0	0.0	0.0	0.0	0.0
Other South America (not including Peru)	0.0	0.0	0.0	0.0	0.0
Other South America contractors (not including Peru)	0.0	0.0	0.0	0.0	0.0
Total	0.2	0.3	0.2	0.2	0.2

Employees	2023	2022	2021	2020	2019
Lost time injury severity (SEV)					
Manitoba	29.3	42.2	8.8	10.5	5.5
Manitoba contractors	0.0	0.0	826.5	6.1	0.0
British Columbia	0.0	N/av	N/av	N/av	N/av
British Columbia contractors	0.0	N/av	N/av	N/av	N/av
Peru	0.0	0.0	0.0	0.0	9.4
Peru contractors	0.4	7.0	0.2	0.0	1.6
Arizona	0.0	0.0	0.0	0.0	0.0
Arizona contractors	0.0	0.0	0.0	0.0	0.0
Other North America (not including MBU, BCBU and ABU)	0.0	0.0	0.0	0.0	0.0
Other North America contractors (not including MBU, BCBU and ABU)	0.0	0.0	0.0	0.0	0.0
Other South America (not including Peru)	0.0	0.0	0.0	0.0	0.0
Other South America contractors (not including Peru)	0.0	0.0	0.0	0.0	0.0
Total	4.9	11.0	94.9	3.4	4.1

Employees	2023	2022	2021	2020	2019
Total recordable injury frequency					
Manitoba	5.0	3.8	2.8	2.7	3.1
Manitoba contractors	5.0	4.0	5.7	3.4	4.3
British Columbia	1.7	N/av	N/av	N/av	N/av
British Columbia contractors	1.8	N/av	N/av	N/av	N/av
Peru	0.1	0.1	0.1	0.2	0.3
Peru contractors	0.3	0.2	0.4	0.4	0.3
Arizona	0.0	6.6	5.2	4.2	0.0
Arizona contractors	7.6	0.8	0.0	0.0	0.0
Other North America (not including MBU, BCBU and ABU)	1.3	0.0	0.0	0.0	1.3
Other North America contractors (not including MBU, BCBU and ABU)	0.0	0.0	0.0	0.0	0.0
Other South America (not including Peru)	0.0	0.0	0.0	0.0	0.0
Other South America contractors (not including Peru)	0.0	0.0	0.0	0.0	0.0
Total	1.2	1.3	1.4	1.3	1.3

Employees	2023	2022	2021	2020	2019
First aid (FA) frequency					
Manitoba	17.8	17.0	14.0	18.1	20.8
Manitoba contractors	12.3	17.4	14.5	12.6	16.6
British Columbia	13.6	N/av	N/av	N/av	N/av
British Columbia contractors	10.8	N/av	N/av	N/av	N/av
Peru	0.7	0.2	0.2	0.2	0.4
Peru contractors	0.3	1.0	0.8	0.8	0.9
Arizona	4.5	9.9	2.6	0.0	3.4
Arizona contractors	0.0	0.0	1.2	0.0	12.5
Other North America (not including MBU, BCBU & ABU)	0.0	9.3	0.0	0.0	0.0
Other North America contractors (not including MBU, BCBU & ABU)	0.0	0.0	0.0	0.0	0.0
Other South America (not including Peru)	0.0	0.0	0.0	0.0	0.0
Other South America contractors (not including Peru)	0.0	0.0	0.0	0.0	0.0
Total	4.5	5.7	4.9	6.4	6.9
Fatality	0	0	1	0	0
Reportable occurrences (defined as EHS incidents required by Hudbay policy to be reported to our Board of Directors)	95	67	61	57	81

Society	2023	2022	2021	2020	2019
Total number of incidents of discrimination (and actions taken)	1¹	0	0	0	0
Land use disputes	0	0	2	0	1
Resettlements					
Number of households (Peru only)	0	0	0	0	0
Number of individuals (Peru only)	0	0	0	0	0

¹ Incident was reviewed and addressed.

Society	2023	2022	2021	2020	2019
Number and percentage of operations assessed for corruption risks					
Number – operations	4	4	4	4	4
Percentage	100%	100%	100%	100%	100%
Employees that anti-corruption policies have been communicated to					
Number	1,242	1,162	354	546	562
Percentage	50%¹	47%	58%	90%	92%
Governance body members that anti-corruption policies have been communicated to					
Number	12	11	10	10	9
Percentage	100%	100%	100%	100%	100%
Governance body members that received training on anti-corruption					
Number	12²	11	10	10	9
Percentage	100%	100%	100%	100%	100%
Average hours of training (Peru and Arizona business units only)					
Males in management	30.33	27.43	26.43	26.97	32.35
Females in management	17.19	5.87	0.70	1.37	20.00
Males in non-management	39.25	179.20	30.46	52.37	42.92
Females in non-management	37.37	31.21	3.04	48.53	20.14
Security practices (security personnel training)					
Hudbay security personnel trained on human rights policies and procedures					
Number	17	18	16	21	16
Percentage	100%	100%	89%	100%	100%
Contractor security personnel trained on human rights policies and procedures					
Number	118	181	129	125	116
Percentage	100%	100%	100%	100%	100%

¹ Hudbay's anti-corruption training varies from year to year. On an annual basis, all directors, officers and employees with Hudbay email addresses, accounting for 50% of our workforce this year, are required to read and sign off on our compliance policies (including our Whistleblower Policy, Code of Business Conduct and Ethics, Statement of Anti-Corruption, and Confidentiality and Insider Trading Policy).

² Board directors are required to complete the same annual certification process as our employees with respect to our key compliance policies. In addition, our directors are encouraged to attend third-party educational programs, particularly with the Institute of Corporate Directors, where they have access to educational materials and are invited to training seminars throughout the year. For more information, see our [Management Information Circular](#).

Society	2023	2022	2021	2020	2019
Value of fines or sanctions for non-compliance with laws and regulations	\$0	\$0	\$0	\$0	\$0
Grievances about impacts on society					
Number filed through formal grievance mechanisms	61	85	55	64	78
Number addressed during reporting period	61	85	55	64	9
Number resolved during reporting period	38	75	46	53	69
Number filed prior to the reporting period that were resolved during the reporting period	0	0	0	0	6
Number of other concerns					
Environment	7	5	3	7	5
Labour and commercial practices	252	235	132	151	152
Resettlement/livelihood	0	3	1	9	4
Human rights	2¹	0	1	1	1
Other	5	11	48	26	25
Closure plans					
Total number of operations	6	5	6	4	4
Number of company operations that have closure plans	6	5	6	4	4
Percentage of total operations with closure plans	100%	100%	100%	100%	100%
Number of advanced exploration projects that have closure plans	3	2	4	2	3
Percentage of advanced exploration projects that have closure plans	100%	100%	100%	100%	100%
Overall financial provision representing the present value of future cash flows relating to estimated closure costs per Canadian Generally Accepted Accounting Principles (in \$ 000s)	\$315,341	\$276,402	\$467,800	\$343,132	\$302,116
Report whether operations have implemented local community engagement, impact assessments and development programs in line with the Stakeholder Engagement Standard					
Manitoba	Partial	Partial	Yes	Yes	Yes
British Columbia	Yes	N/av	N/av	N/av	N/av
Arizona	Yes	Yes	Yes	Yes	Yes
Peru	Yes	Yes	Yes	Yes	Yes

¹ Both grievances have been reviewed and addressed.

Society	2023	2022	2021	2020	2019
Report whether operations are taking place in or adjacent to Indigenous peoples' territories					
Manitoba	Yes	Yes	Yes	Yes	Yes
British Columbia	Yes	N/av	N/av	N/av	N/av
Arizona	Yes	Yes	Yes	Yes	Yes
Peru	Yes	Yes	Yes	Yes	Yes
Artisanal/small-scale and informal mining					
Manitoba	No artisanal/ small-scale or informal mining	No artisanal/ small-scale or informal mining	No artisanal/ small-scale or informal mining	No artisanal/ small-scale or informal mining	No artisanal/ small-scale or informal mining
British Columbia	No artisanal/ small-scale or informal mining	N/av	N/av	N/av	N/av
Arizona	No artisanal/ small-scale or informal mining	No artisanal/ small-scale or informal mining	No artisanal/ small-scale or informal mining	No artisanal/ small-scale or informal mining	No artisanal/ small-scale or informal mining
Peru ¹	Yes	Yes	Yes	Yes	Yes

¹ Previous informal mining activities at Pampacancha ended upon the completion of agreements with the community and land users prior to the start of Hudbay's operating activities. Informal mining is taking place on some of our mineral claim areas for which we do not control surface rights, but this is not in the vicinity of or impacting our operations.

Environment	2023	2022	2021	2020	2019
Direct energy consumption by primary energy source (terajoules)					
Propane	287	749	544	624	615
Diesel	2,214	2,062	1,815	1,393	1,794
Gasoline	10	19	19	15	15
Other	0	0	0	0	0
Total	2,513	2,830	2,378	2,031	2,424

Environment	2023	2022	2021	2020	2019
Direct energy consumption by business unit (terajoules)					
Manitoba	440	962	760	846	844
Peru	1,981	1,853	1,618	1,185	1,579
British Columbia	92	N/av	N/av	N/av	N/av
Indirect energy consumption by business unit (terajoules)					
Manitoba	764	1,843	3,222	3,422	3,381
Peru	2,594	2,553	2,555	2,300	2,523
British Columbia	1,968	N/av	N/av	N/av	N/av
Total electricity consumed	5,326	4,396	5,777	5,722	5,905
Indirect energy sold/credits (terajoules)					
Electricity	0.00	0.00	0.00	0.00	0.84
Total indirect energy consumed by organization (terajoules)					
	5,326	4,396	5,777	5,722	5,904
Total direct and indirect greenhouse gas emissions (kilotonnes of CO₂e equivalent)					
Direct CO ₂ e emissions					
Manitoba	28	61	48	53	53
Peru	159	149	130	92	110
British Columbia	67	N/av	N/av	N/av	N/av
Total direct CO ₂ e emissions	254	210	178	144	161
Indirect CO ₂ e emissions ¹					
Manitoba	1	1	3	3	3
Peru	125	123	123	132	139
British Columbia	8	N/av	N/av	N/av	N/av
Total indirect CO ₂ e emissions	134	124	126	135	142
Total	388	333	304	286	303

¹ We report location-based energy consumption, not market-based. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emissions factor data).

Environment	2023	2022	2021	2020	2019
NO_x, SO_x and other significant air emissions (in tonnes)					
NO _x , SO _x					
Manitoba	0.00	0.00	0.00	0.00	0.00
British Columbia	0.00	N/av	N/av	N/av	N/av
Peru	0.00	0.00	0.00	0.00	0.00
Arizona	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00
Particulate					
Manitoba	0.55	0.37	0.69	0.43	0.65
British Columbia	0.00	N/av	N/av	N/av	N/av
Peru	0.00	0.00	0.00	N/av	N/av
Arizona	0.00	0.00	0.00	0.00	0.00
Total	0.55	0.37	0.69	0.43	0.65
Total water withdrawal (000 cubic metres)					
Surface water	6,556	6,317	11,478	12,093	12,693
Groundwater	5,058	5,190	4,704	4,540	4,144
Rainwater collected directly and stored by the organization	5,901	7,223	8,479	7,705	5,093
Waste water from another organization	0.00	0.00	0.00	0.00	0.00
Municipal water supplies	0.41	0.25	0.20	0.08	0.14
Total water withdrawal	17,516	18,730	24,661	24,338	21,930
Percentage and total volume of water recycled and reused					
Total volume (000 cubic metres)	57,632	64,885	59,242	57,474	71,911
Percentage	77% ¹	78%	71%	70%	77%

¹ Water recycled does not include the full impact of our British Columbia Business Unit as process water data was not available at the time of data collection.

Environment	2023	2022	2021	2020	2019
Total water discharged (000 cubic metres)					
Flin Flon Creek	526	8,241	11,521	14,342	12,501
Wekusko Lake	5,662	2,411	1,685	4,370	4,384
Woosey Creek	1,293	1,398	1,462	1,824	1,670
Nome Lake	30	30	40	35	30
Herblet Lake	243	435	473	576	595
Similkameen River	16	N/av	N/av	N/av	N/av
Chilloroya River	1,820	2,591	2,445	1,981	862
Total water discharged	9,590	15,106	17,627	23,128	20,041
Total number of significant spills¹	0	0	0	1	0
Volume (liquid) (m ³)	0	0	0	50	0
Volume (solid) (tonnes)	0	0	0	0	0
Hazardous waste disposed of at external facility (tonnes)	758	726	660	468	926
Total amounts of waste (tonnes)²					
Overburden	1,033,993	116,237	299,498	65,738	256,454
Waste rock	87,553,953	38,700,044	35,408,474	23,992,684	37,005,883
Tailings	45,174,643	31,120,463	31,694,502	28,044,090	33,211,879
Total amounts of waste recycled (tonnes)					
Waste rock used as backfill	26,684,642	583,730	0	2,770	19,530
Waste rock used for tailing structures	7,616,782	5,528,824	6,783,750	9,385,125	10,508,423
Tailings used for backfill	363,698	722,570	726,428	688,613	738,743
Total	34,665,122	6,835,124	7,510,178	10,076,508	11,266,696
Number of fines or sanctions for non-compliance with environmental laws and regulations	0	2	2	0	6

¹ We define a significant spill as anything that causes a moderate or higher impact on the physical or biological environment, which may include limited impairment of ecosystem function, impact to surface or groundwater or impact to drinking water supply.

² The large increase in our reported overburden and waste rock produced and waste rock recycled is due to the acquisition of Copper Mountain mine.

Environment	2023	2022	2021	2020	2019
Land use (hectares) – mineral tenure					
Manitoba and Saskatchewan	594,168	645,861	611,642	603,506	518,030
British Columbia	N/av	N/av	N/av	N/av	N/av
Nunavut	21	21	21	21	21
Total Canada	594,189	645,882	505,908	603,527	518,051
Arizona	11,619	11,619	11,575	11,532	7,284
Nevada	14,394	14,394	14,394	14,394	0
New Mexico	1,917	1,917	1,917	1,917	0
Total United States	27,930	27,929	28,960	16,311	0
Peru	162,045	161,245	160,845	160,754	139,496
Total South/Central America	162,045	162,776	9,462	162,285	141,027
Total	784,164	836,587	515,371	782,123	659,078
Land use (hectares) – surface rights					
Manitoba and Saskatchewan	7,829	7,819	7,724	7,718	7,711
British Columbia	N/av	N/av	N/av	N/av	N/av
Nunavut	0	0	0	0	0
Total Canada	7,829	7,819	7,724	7,718	7,711
Arizona	3,755	3,646	3,251	3,249	0
Nevada	86	86	86	86	0
New Mexico	0	0	0	0	0
Total United States	3,841	3,731	4,347	3,335	0
Peru	9,462	9,462	9,462	9,462	7,700
Total South/Central America	9,462	9,462	9,462	9,462	7,700
Total	21,133	21,013	21,533	20,516	15,411

Environment	2023	2022	2021	2020	2019
Land use (hectares) – disturbed land					
Manitoba and Saskatchewan	1,661	1,649	N/av	N/av	N/av
British Columbia	N/av	N/av	N/av	N/av	N/av
Nunavut	0	0	0	0	0
Total Canada	1,661	1,649	N/av	N/av	N/av
Arizona	23	251	N/av	N/av	N/av
Nevada	0	0	N/av	N/av	N/av
New Mexico	0	0	N/av	N/av	N/av
Total United States	23	251	N/av	N/av	N/av
Peru	1,850	1,790	1,709	1,620	1,591
Total South/Central America	1,850	1,790	1,709	1,620	1,591
Total	3,533	3,690	1,709	1,620	1,591
Sites requiring biodiversity management plans					
Number of sites legally requiring plans	1	2	2	2	2
Number of sites with voluntary plans in place	5	2	2	1	1
Habitats protected or restored (hectares)					
Protected	49	49	49	49	N/av
Restored	24	88	107	84	25
Partnerships exist	No	No	No	No	Yes
Status at close of reporting period	Monitoring	Monitoring	Monitoring	Monitoring	Monitoring
IUCN Red List species and National Conservation List species					
Critically endangered	3	3	2	2	3
Endangered	11	7	11	6	6
Vulnerable	35	23	26	26	29
Near threatened	26	32	16	24	24
Least concern	335	329	351	342	388

Environment Intensity Metrics	2023	2022	2021	2020	2019
Total ore processed (tonnes)	39,145,560	32,530,545	31,450,027	28,915,383	34,039,587
Total copper-equivalent production (tonnes) ¹	225,430	178,969	175,463	183,539	224,239
Total direct and indirect energy consumption (terajoules)	7,839	7,211	8,155	7,753	8,326
Energy intensity (terajoules per million tonnes of ore processed)	200	222	259	268	245
Energy intensity (terajoules per kilotonne of copper-equivalent production)	35	40	46	42	37
Total direct and indirect GHG emissions (kilotonnes of CO ₂ equivalent)	388	333	304	286	303
GHG intensity (tonnes of GHG emissions per kilotonne of ore processed)	9.9	10.2	9.7	9.9	8.9
GHG intensity (tonnes of GHG emissions per tonne of copper-equivalent production)	1.7	1.9	1.7	1.6	1.3

¹ Copper-equivalent (Cu-Eq) production calculated using realized metal prices as per revenue in each period. 2023 includes a partial period for British Columbia since the acquisition on June 20, 2023.

2023 Targets and Achievements

Target	Achievement	Details
HEALTH AND SAFETY		
Match or improve on our three-year total recordable injury frequency average of 1.35 (based on ICMM classification criteria)	Achieved	Further explanation about our performance is provided in the People section.
COMMUNITY		
Avoid operational shutdowns at our Peru operations due to community/political activity	Achieved	Operations continued notwithstanding roadblocks throughout Peru. More information is provided under Communities > Peru , and in the Power of Community in Peru and Resilience and Meaningful Relationships Prevail Amidst Social Unrest in Peru feature stories.
Returning Manitoba TSM Indigenous and Community Relationships Protocol performance to A or above for all of the indicators	Partially achieved	More information is provided in the Towards Sustainable Mining discussion.
ENVIRONMENT		
Conduct active tracking and monitoring at each business unit (with reporting into corporate) involving identification of reduction opportunity areas, with status of development, economics and partner/supplier engagement	Achieved	More information is provided in the Making Progress on Our GHG Roadmap feature story.
Identify and disclose in Copper World pre-feasibility study (or on a stand-alone basis) opportunities that would allow development of Copper World within our current 50% reduction target	Achieved	Copper World’s PFS contemplates significant carbon emissions reduction. More information is provided under Planet > Arizona and Nevada .
Complete an internal assessment for Copper World project against the TSM Biodiversity and Water Stewardship Protocols	Partially achieved	We initiated an internal assessment in May 2023, but we were unable to complete the review due to resource constraints and a temporary shift in priorities related to the Copper Mountain acquisition.
GOVERNANCE		
Roll out new High Potential Employee Program	Achieved	More information is provided in the Hudbay’s Culture Initiative Leads to Enhanced Leadership Development Programs feature story.
Execute action plans developed in 2022 based on the 2021 culture survey	Achieved	More information is provided in the Hudbay’s Culture Initiative Leads to Enhanced Leadership Development Programs feature story.
Design and complete materials for the Manitoba supervisory training program	Achieved	More information is provided in the Hudbay’s Culture Initiative Leads to Enhanced Leadership Development Programs feature story.

Target	Achievement	Details
FINANCIAL EXCELLENCE/GROWTH		
Production – all metals within public guidance ranges	Achieved	Production targets exceeded consolidated production guidance for all metals. More information is provided in the MD&A .
Operating cash flow – meet budgeted target	Achieved	Exceeded budgeted targets. More information is provided in the MD&A .
MBU to hoist 3% more ore up the shaft in 2023 over 2022	Achieved	Exceeded budgeted targets. More information is provided in the MD&A .

2024 Targets

HEALTH AND SAFETY

- Match or improve on our three-year total recordable injury frequency average of 1.35 (based on ICMM classification criteria)

COMMUNITY

- Execute Participation Agreements covering New Ingerbelle

ENVIRONMENT

- Complete studies that further advance our goals to reduce GHG emissions

FINANCIAL EXCELLENCE/GROWTH

- **Production** – all metals within public guidance ranges
- **Operating cash flow** – meet budgeted target
- **Operations** – MBU to complete drift to 1901 within 10% of budgeted cost
- **Operations** – BCBU mill stabilization, mine production and projects contemplated in budget are on schedule

GRI and SASB Index

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 2: GENERAL DISCLOSURES				
1. The Organization and Its Reporting Practices				
2-1	Organizational details	Our Company (see page 8) Business and Financial Review (see page 18) Website > About Us		
2-2	Entities included in the organization’s sustainability reporting	About This Report (see page 130) Annual Information Form (see page 5)		
2-3	Reporting period, frequency and contact point	About This Report (see page 130)		
2-4	Restatements of information	There are no restatements of information from previous reports.		
2-5	External assurance	External assurance was conducted only for the financial data in the 2023 Integrated Annual Report, and Hubbay does not have a policy pertaining to external assurance of sustainability data.		
2. Activities and Workers				
2-6	Activities, value chain and other business relationships	CEO Message (see page 3) Business and Financial Review (see page 18) Business and Financial Review > Business Activities (see page 25) Sustainability Approach > Responsible Supply Chain > Supply Chain Performance (see page 45) Sustainability Approach > Responsible Supply Chain > Products (see page 45) Sustainability Performance > Key Performance Data (see page 89)	EM-MM-000.A	Production of (1) metal ores and (2) finished metal products
2-7	Employees	Sustainability Performance > Key Performance Data (see page 91)	EM-MM-000.B	Total number of employees, percentage contractors
2-8	Workers who are not employees	Sustainability Performance > Key Performance Data (see page 92)	EM-MM-000.B	Total number of employees, percentage contractors

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 2: GENERAL DISCLOSURES				
3. Governance				
2-9	Governance structure and composition	Our Company > Corporate Governance (see page 11) Our Company > Board of Directors (see page 12) Our Company > Management Team (see page 17) Sustainability Approach > Sustainability Governance (see page 31) Management Information Circular Website > About Us > Board Website > About Us > Governance Website > Disclosure Centre > Committees		
2-10	Nomination and selection of the highest governance body	Management Information Circular Website > About Us > Governance Website > Disclosure Centre > Committees		
2-11	Chair of the highest governance body	Our Company > Corporate Governance (see page 11) Our Company > Board of Directors (see page 12) Management Information Circular Website > About Us > Board		
2-12	Role of the highest governance body in overseeing the management of impacts	Our Company > Corporate Governance (see page 11) Our Company > Risk Management (see page 16) Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Stakeholder Engagement (see page 39) Communities > Our Approach (see page 64) Corporate Governance Guidelines and Board Charter		
2-13	Delegation of responsibility for managing impacts	Our Company > Corporate Governance (see page 11) Sustainability Approach > Sustainability Governance (see page 31)		
2-14	Role of the highest governance body in sustainability reporting	Environmental, Health, Safety and Sustainability Committee Charter The EHSS (Board-level) Committee reviews and approves the content within the Integrated Annual Report.		
2-15	Conflicts of interest	Our Company > Business Conduct (see page 14) Sustainability Approach > Sustainability Governance (see page 31)		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 2: GENERAL DISCLOSURES				
3. Governance				
2-16	Communication of critical concerns	Our Company > Business Conduct > Risks, Issues or Complaints (see page 15) Our Company > Risk Management (see page 16) Sustainability Approach > Human Rights and Security (see page 35) Sustainability Approach > Stakeholder Engagement (see page 39) Sustainability Performance > Key Performance Data (see page 101) Whistleblower Policy		
2-17	Collective knowledge of the highest governance body	Annual Information Form (see page 58) Website > About Us > Board		
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Guidelines and Board Charter		
2-19	Remuneration policies	Management Information Circular Compensation and Human Resources Committee Charter		
2-20	Process to determine remuneration	Management Information Circular		
2-21	Annual total compensation ratio	Sustainability Performance > Key Performance Data (see page 96) Management Information Circular		
4. Strategy, Policies and Practices				
2-22	Statement on sustainable development strategy	CEO Message (see page 3)		
2-23	Policy commitments	Our Company > Purpose Statement (see page 10) Our Company > Business Conduct (see page 14) Our Company > Risk Management > Precautionary Approach (see page 16)		
2-24	Embedding policy commitments	Sustainability Approach > Sustainability Governance > Sustainability Management Framework (see page 31) Sustainability Approach > Human Rights and Security (see page 35) Sustainability Approach > Responsible Supply Chain (see page 44)		
2-25	Processes to remediate negative impacts	Our Company > Business Conduct > Risks, Issues or Complaints (see page 15)		
2-26	Mechanisms for seeking advice and raising concerns	Our Company > Business Conduct (see page 14) Sustainability Approach > Responsible Supply Chain (see page 44) Website > Disclosure Centre > Policies		
2-27	Compliance with laws and regulations	Sustainability Performance > Key Performance Data (see page 102)		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 2: GENERAL DISCLOSURES				
4. Strategy, Policies and Practices				
2-28	Membership associations	Sustainability Approach > Sustainability Governance > Industry Involvement (see page 34)		
5. Stakeholder Engagement				
2-29	Approach to stakeholder engagement	Sustainability Approach > Stakeholder Engagement (see page 39)		
2-30	Collective bargaining agreements	Sustainability Performance > Key Performance Data (see page 92)		
GRI 3: MATERIAL TOPICS				
3-1	Process to determine material topics	Sustainability Approach > Materiality (see page 42)		
3-2	List of material topics	Sustainability Approach > Materiality (see page 42)		
GRI 200: ECONOMIC STANDARDS SERIES				
Economic Performance				
GRI 3: Material Topics				
3-3 (14.9.1)	Management of material topics	CEO Message (see page 3) Our Company > Corporate Governance (see page 11) Our Company > Risk Management (see page 16) Business and Financial Review > Strategy (see page 23) Sustainability Approach > Materiality (see page 42) Communities > Our Approach (see page 64) Sustainability Performance > 2023 Targets and Achievements (see page 110) Sustainability Performance > 2024 Targets (see page 111) Annual Information Form (see page 6)		
GRI 201: Economic Performance				
201-1 (14.9.2) (14.23.2)	Direct economic value generated and distributed	Sustainability Performance > Key Performance Data (see page 89)		
201-2	Financial implications and other risks and opportunities due to climate change	CDP Climate Change 2023 Submission Management's Discussion and Analysis		
201-3	Defined benefit plan obligations and other retirement plans	Management's Discussion and Analysis		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 200: ECONOMIC STANDARDS SERIES				
Indirect Economic Impacts				
GRI 3: Material Topics				
3-3 (14.9.1)	Management of material topics	Sustainability Approach > Materiality (see page 42) Sustainability Approach > Responsible Supply Chain (see page 44) Communities > Our Approach (see page 64) Communities > Our Approach > Economic Contributions (see page 64) Communities > Peru (see page 66) Communities > Manitoba (see page 68) Communities > British Columbia (see page 70) Communities > Arizona and Nevada (see page 72) Note: We re-evaluate our management approach every few years as part of our materiality review process; an evaluation was last conducted in 2020. Our next materiality review will be conducted in 2024.		
GRI 203: Indirect Economic Impacts				
203-2 (14.9.4)	Significant indirect economic impacts	Sustainability Approach > Responsible Supply Chain > Supply Chain Performance (see page 45) Communities (see page 61)		
Procurement Practices				
GRI 3: Material Topics				
3-3 (14.9.1)	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) Sustainability Approach > Responsible Supply Chain (see page 44) Communities > Our Approach > Local Hiring and Procurement (see page 65) Supplier Code of Conduct and Ethics		
GRI 204: Procurement Practices				
204-1 (14.9.5)	Proportion of spending on local suppliers	Sustainability Approach > Responsible Supply Chain (see page 44)		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 200: ECONOMIC STANDARDS SERIES				
Anti-corruption				
GRI 3: Material Topics				
3-3 (14.22.1)	Management of material topics	Our Company > Business Conduct (see page 14) Our Company > Business Conduct > Compliance Training (see page 14) Our Company > Business Conduct > Risks, Issues or Complaints (see page 15) Our Company > Risk Management (see page 16) Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) Sustainability Approach > Responsible Supply Chain (see page 44) Statement on Anti-Corruption Supplier Code of Conduct and Ethics	EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain
GRI 205: Anti-corruption				
205-1 (14.22.2)	Operations assessed for risks related to corruption	Our Company > Business Conduct > Risks, Issues or Complaints (see page 15) Sustainability Performance > Key Performance Data (see page 101)		
205-2 (14.22.3)	Communication and training about anti-corruption policies and procedures	Sustainability Performance > Key Performance Data (see page 101)		
205-3 (14.22.4)	Confirmed incidents of corruption and actions taken	Our Company > Business Conduct > Risks, Issues or Complaints (see page 15)		
		Not applicable	EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index
GRI 300: ENVIRONMENTAL STANDARDS SERIES				
Energy				
GRI 3: Material Topics				
3-3 (14.1.1)	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) Planet > Our Approach > Climate Change (see page 78)		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 300: ENVIRONMENTAL STANDARDS SERIES				
Energy				
GRI 302: Energy				
302-1 (14.1.2)	Energy consumption within the organization	Sustainability Performance > Key Performance Data (see page 103) CDP Climate Change 2023 Submission	EM-MM-130a.1	Total energy consumed
		CDP Climate Change 2023 Submission	EM-MM-130a.1	Percentage grid electricity
		CDP Climate Change 2023 Submission	EM-MM-130a.1	Percentage renewable
Water				
GRI 3: Material Topics				
3-3 (14.7.1)	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) Planet > Our Approach > Water (see page 78) Sustainability Performance > 2023 Targets and Achievements (see page 110)		
GRI 303: Water and Effluents				
303-1 (14.7.2)	Interactions with water as a shared resource	Planet > Our Approach > Water (see page 78) CDP Water Report		
303-2 (14.7.3)	Management of water discharge-related impacts	Planet > Our Approach > Water (see page 78)		
303-3 (14.7.4)	Water withdrawal	Sustainability Performance > Key Performance Data (see page 105)		
303-4 (14.7.5)	Water discharged	Sustainability Performance > Key Performance Data (see page 106) CDP Water Report	EM-MM-140a.1	Total fresh water withdrawn, percentage occurring in regions with high or extremely high baseline water stress

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 300: ENVIRONMENTAL STANDARDS SERIES				
Water				
GRI 303: Water and Effluents				
303-5 (14.7.6)	Water consumption	Sustainability Performance > Key Performance Data (see page 105) CDP Water Report	EM-MM-140a.1	Total fresh water consumed, percentage occurring in regions with high or extremely high baseline water stress
		Not applicable	EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations
Biodiversity				
GRI 3: Material Topics				
3-3 (14.4.1)	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Sustainability Governance > International Systems and Performance Standards (see page 33) Sustainability Approach > Tailings Stewardship (see page 37) Sustainability Approach > Materiality (see page 42) Planet > Our Approach (see page 77) Planet > Our Approach > Land and Biodiversity (see page 77) Planet > Our Approach > Closure and Reclamation (see page 79) Environmental, Health, Safety and Sustainability Policy	EM-MM-160a.1	Description of environmental management policies and practices for active sites
GRI 304: Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	Planet > Our Approach > Land and Biodiversity (see page 77) Sustainability Performance > Key Performance Data (see page 108)	EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat
304-2	Significant impacts of activities, products and services on biodiversity	Planet > Our Approach > Land and Biodiversity (see page 77)		
304-3	Habitats protected or restored	Sustainability Performance > Key Performance Data (see page 108)		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 300: ENVIRONMENTAL STANDARDS SERIES				
Biodiversity				
GRI 304: Biodiversity				
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability Performance > Key Performance Data (see page 108)		
		Planet > Our Approach > Waste and Tailings (see page 79)	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is predicted to occur
		Planet > Our Approach > Waste and Tailings (see page 79)	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is actively mitigated
		If water discharge is potentially contaminated by acid rock drainage, it is contoured to flow to our treatment plant.	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is under treatment or remediation
MM1: Biodiversity				
MM1	Amount of land disturbed or rehabilitated	Sustainability Performance > Key Performance Data (see page 108)		
MM2: Biodiversity				
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number and percentage of those sites with a plan in place	Sustainability Performance > Key Performance Data (see page 108)		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 300: ENVIRONMENTAL STANDARDS SERIES				
Emissions				
GRI 3: Material Topics				
3-3 (14.1.1)	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) Planet > Our Approach > Climate Change (see page 78) Sustainability Performance > 2023 Targets and Achievements (see page 110) Sustainability Performance > 2024 Targets (see page 111) Note: Percentage covered under emissions-limiting regulations not available.		
GRI 305: Emissions				
305-1 (14.1.5)	Direct (Scope 1) GHG emissions	Sustainability Performance > Key Performance Data (see page 104) CDP Climate Change 2023 Submission	EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations
		Planet > Our Approach > Climate Change (see page 78) Sustainability Performance > 2023 Targets and Achievements (see page 110) Sustainability Performance > 2024 Targets (see page 111) CDP Climate Change 2023 Submission	EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance against those targets

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 300: ENVIRONMENTAL STANDARDS SERIES				
Emissions				
305-2 (14.1.6)	Energy indirect (Scope 2) GHG emissions	Sustainability Performance > Key Performance Data (see page 104) CDP Climate Change 2023 Submission		
				Air emissions of the following pollutants:
		Not applicable	EM-MM-120a.1	CO
305-7 (14.3.2)	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Not applicable	EM-MM-120a.1	NO _x (excluding N ₂ O)
		Not applicable	EM-MM-120a.1	SO _x
		Sustainability Performance > Key Performance Data (see page 105)	EM-MM-120a.1	Particulate matter (PM ₁₀)
		Not applicable	EM-MM-120a.1	Volatile organic compounds (VOCs)
		Not applicable	EM-MM-120a.1	Lead (Pb)
		Not applicable	EM-MM-120a.1	Mercury (Hg)
Waste				
GRI 3: Material Topics				
3-3 (14.5.1)	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Tailings Stewardship (see page 37) Sustainability Approach > Materiality (see page 42) Planet > Our Approach > Waste and Tailings (see page 79) Environmental, Health, Safety and Sustainability Policy		
GRI 306: Waste				
306-1 (14.5.2)	Waste generation and significant waste-related impacts	Sustainability Approach > Tailings Stewardship (see page 37) Planet > Our Approach > Waste and Tailings (see page 79)		
306-2 (14.5.3)	Management of significant waste-related impacts	Sustainability Approach > Tailings Stewardship (see page 37) Planet > Our Approach > Waste and Tailings (see page 79)		
306-3 (14.5.4)	Waste generated	Sustainability Performance > Key Performance Data (see page 106)		
306-4 (14.5.5)	Waste diverted from disposal	Sustainability Performance > Key Performance Data (see page 106)		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 300: ENVIRONMENTAL STANDARDS SERIES				
Waste				
GRI 306: Waste				
306-5 (14.5.6)	Waste directed to disposal	Sustainability Performance > Key Performance Data (see page 106)		
(14.6.3)		Mine Tailings Disclosure Table	EM-MM-540a.1	Tailings storage facility inventory table
(14.6.1) (14.6.2)		Sustainability Approach > Tailings Stewardship (see page 37) Planet > Our Approach > Waste and Tailings (see page 79)	EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities
MM3: Effluents and Waste				
MM3	Total amount of overburden, rock, tailings and sludges and their associated risks	Sustainability Performance > Key Performance Data (see page 106)	EM-MM-150a.4	Total weight of non-mineral waste generated
			EM-MM-150a.5	Total weight of tailings produced
			EM-MM-150a.6	Total weight of waste rock generated
			EM-MM-150a.7	Total weight of hazardous waste generated
			EM-MM-150a.8	Total weight of hazardous waste recycled

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 400: SOCIAL STANDARDS				
Employment				
GRI 3: Material Topics				
3-3 (14.17.1)	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) People > Our Approach > Culture and Engagement (see page 54) People > Our Approach > Diversity and Inclusion (see page 54) People > Peru (see page 55) People > Manitoba (see page 58) People > British Columbia (see page 59) People > Arizona and Nevada (see page 60)		
GRI 401: Employment				
401-1 (14.17.3)	New employee hires and employee turnover	Sustainability Performance > Key Performance Data (see pages 93–94)		
401-2 (14.17.4)	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Performance > Key Performance Data (see page 89)		
401-3 (14.17.5) (14.21.3)	Parental leave	Sustainability Performance > Key Performance Data (see page 89) Parental leave is tracked by business unit and employment level.		
Labour/Management Relations				
GRI 3: Material Topics				
3-3	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) People > Our Approach > Culture and Engagement (see page 54) People > Peru (see page 55) People > Manitoba (see page 58) People > British Columbia (see page 59) People > Arizona and Nevada (see page 60)		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 400: SOCIAL STANDARDS				
Employment				
GRI 402: Labour/Management Relations				
402-1 (14.8.2) (14.17.6)	Minimum notice periods regarding operational changes	Sustainability Performance > Key Performance Data (see page 92)	EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by US and foreign employees
MM4: Labour/Management Relations				
MM4	Number of strikes and lockouts exceeding one week's duration, by country	Sustainability Performance > Key Performance Data (see page 92)	EM-MM-310a.2	Number and duration of strikes and lockouts
Occupational Health and Safety				
GRI 3: Material Topics				
3-3 (14.16.1)	Management of material topics	Our Company > Risk Management > Emergency Response and Crisis Management (see page 16) Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) People (see page 50) People > Our Approach > Health and Safety (see page 53) People > Our Approach > Workforce Rights (see page 54) Sustainability Performance > 2023 Targets and Achievements (see page 110) Sustainability Performance > 2024 Targets (see page 111) Environmental, Health, Safety and Sustainability Policy		
Security Practices				
GRI 3: Material Topics				
3-3 (14.14.1)	Management of material topics	Our Company > Risk Management (see page 16) Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Human Rights and Security > Security Practices (see page 36) Sustainability Approach > Materiality (see page 42) Environmental, Health, Safety and Sustainability Policy Human Rights Policy		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 400: SOCIAL STANDARDS				
Security Practices				
GRI 410: Security Practices				
410-1 (14.14.2)	Security personnel trained in human rights policies or procedures	Sustainability Performance > Key Performance Data (see page 101)		
Rights of Indigenous Peoples				
GRI 3: Material Topics				
3-3 (14.11.1)	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Human Rights and Security (see page 35) Sustainability Approach > Stakeholder Engagement (see page 39) Sustainability Approach > Materiality (see page 42) People > Our Approach > Diversity and Inclusion (see page 54) Communities > Manitoba > Growing Connections with Indigenous Communities (see page 69) Human Rights Policy	EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict
GRI 411: Rights of Indigenous Peoples				
411-1 (14.11.2)	Incidents of violations involving rights of Indigenous peoples	There were zero violations in 2023.		
MM5: Indigenous Rights				
MM5 (14.11.3)	Total number of operations taking place in or adjacent to Indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous peoples' communities	Sustainability Performance > Key Performance Data (see page 103)	EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near Indigenous land


GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 400: SOCIAL STANDARDS				
Human Rights Assessment				
GRI 3: Material Topics				
3-3 (14.18.1) (14.19.1)	Management of material topics	Our Company > Business Conduct > Risks, Issues or Complaints (see page 15) Our Company > Risk Management (see page 16) Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Human Rights and Security (see page 35) Sustainability Approach > Materiality (see page 42) Sustainability Approach > Responsible Supply Chain (see page 44) People > Our Approach > Diversity and Inclusion (see page 54) Human Rights Policy		
GRI 412: Human Rights Assessment				
412-2	Employee training on human rights policies or procedures	Sustainability Performance > Key Performance Data (see page 101)		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Supplier Code of Conduct and Ethics Customer Code of Conduct and Ethics		
Local Communities				
GRI 3: Material Topics				
3-3 (14.10.1)	Management of material topics	Our Company > Business Conduct > Risks, Issues or Complaints (see page 15) Our Company > Risk Management (see page 16) Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) Sustainability Approach > Responsible Supply Chain (see page 44) People > Our Approach > Diversity and Inclusion (see page 54) Communities > Our Approach > Community Relationships (see page 65) Communities > Our Approach > Local Hiring and Procurement (see page 65) Communities > Our Approach > Community Development (see page 65)	EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests
GRI 413: Local Communities				
413-2 (14.10.3)	Operations with significant actual and potential negative impacts on local communities	Sustainability Performance > Key Performance Data (see page 102)		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
GRI 400: SOCIAL STANDARDS				
Local Communities				
MM6: Local Communities				
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous peoples	Sustainability Performance > Key Performance Data (see page 100)	EM-MM-210b.1	Number and duration of non-technical delays
MM7: Local Communities				
MM7 (14.10.4)	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous peoples, and the outcomes	Sustainability Performance > Key Performance Data (see page 102)		
Artisanal and Small-Scale Mining				
MM8: Artisanal and Small-Scale Mining				
MM8 (14.13.2)	Number and percentage of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	Sustainability Performance > Key Performance Data (see page 103)		
Resettlement				
GRI 3: Material Topics				
3-3	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) Communities > Our Approach > Resettlement and Land Use (see page 65)		
MM9: Resettlement				
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	Sustainability Performance > Key Performance Data (see page 100)		

GRI Standard	Disclosure	Response, Page Number(s) and/or URL(s)	SASB Code	SASB Metric
Closure Planning				
GRI 3: Material Topics				
3-3 (14.8.1)	Management of material topics	Sustainability Approach > Sustainability Governance (see page 31) Sustainability Approach > Materiality (see page 42) Communities > Our Approach (see page 64) Planet > Our Approach > Land and Biodiversity (see page 77) Planet > Our Approach > Closure and Reclamation (see page 79) Environmental, Health, Safety and Sustainability Policy		
MM10: Closure Planning				
MM10 (14.8.4) (14.8.8)	Number and percentage of operations with closure plans	Sustainability Performance > Key Performance Data (see page 102)		

About This Report



 *A front-end loader used in one of Hudbay's open pit mines in Peru*

About This Report

This report presents our approach to achieving success as a sustainable business and how we have performed across financial, operational, social and environmental dimensions. We believe social and environmental performance is as important as financial and operating performance, and that combining these results in a single report presents a holistic account of the Company’s activities.

We published our Management’s Discussion and Analysis of Results of Operations and Financial Condition and the consolidated financial statements for the year ended December 31, 2023, on February 23, 2024. The reports are posted on our website. The **Business and Financial Review** section of this report is based upon the financial and operational results disclosed in those documents.

We have produced an annual sustainability report every year since our 2003 report, and this is our 16th report based on the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Our most recent previous report was released in June 2023. Hudbay is reporting in reference to GRI Universal Standards, and addresses key metrics from both the SASB Metals & Mining Standard and the TCFD recommendations.

Our report covers all operating and project locations reported under **Our Company**, during the 2023 calendar year. Sustainability content has been defined based on our materiality analysis and aspects identification process, which applied to all of Hudbay’s operating assets. Our British Columbia Business Unit has not yet been involved in a materiality analysis, but will be in 2024 along with a reassessment carried out with all our operating sites.

More information on the scope of our reporting is available in the **Sustainability Performance** section of this report.

QUALIFIED PERSON

The technical and scientific information in this report related to the Company’s material properties has been approved by Olivier Tavchandjian, P. Geo., Hudbay’s Senior Vice-President, Exploration and Technical Services. Mr. Tavchandjian is a qualified person pursuant to Canadian Securities Administrators’ National Instrument 43-101. For a description of the key assumptions, parameters and methods used to estimate mineral reserves and resources, as well as data verification procedures and a general discussion of the extent to which the estimates of scientific and technical information may be affected by any known environmental, permitting, legal title, taxation, socio-political, marketing or other relevant factors, please see the Technical Reports for the Company’s material properties as filed by Hudbay’s SEDAR+ profile at **www.sedarplus.ca** and on Hudbay’s EDGAR profile at **www.sec.gov**.

FORWARD-LOOKING INFORMATION

This Integrated Annual Report contains forward-looking information within the meaning of applicable Canadian and United States securities legislation. All information contained in this Integrated Annual Report, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “budget”, “guidance”, “scheduled”, “estimates”, “forecasts”, “strategy”, “target”, “intends”, “objective”, “goal”, “understands”,

“anticipates” and “believes” (and variations of these or similar words) and statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” “occur” or “be achieved” or “will be taken” (and variations of these or similar expressions). All of the forward-looking information in this Integrated Annual Report is qualified by this cautionary note.

Forward-looking information includes, but is not limited to, statements with respect to the Company’s greenhouse gas and climate change strategies and initiatives; its ability to meet related greenhouse gas reduction and emission targets, anticipated environmental, health and safety performance, anticipated social development programs, environmental regulation and legislation and other government regulation of mining operations, the Company’s ability to effectively and appropriately engage with local communities and other stakeholders, the Company’s production, cost and capital and exploration expenditure guidance, expectations regarding reductions in discretionary spending and capital expenditures, the ability of the Company to stabilize and optimize the Copper Mountain mine operation and achieve operating synergies, the fleet production ramp up plan and the accelerated stripping strategies at the Copper Mountain site, the ability of the Company to complete business integration activities at the Copper Mountain mine, the estimated timelines and pre-requisites for sanctioning the Copper World project and the pursuit of a potential minority joint venture partner, expectations regarding the

permitting requirements for the Copper World project (including expected timing for receipt of such applicable permits), the expected benefits of Manitoba growth initiatives, including the advancement of the development and exploration drift at the 1901 deposit, the benefits and results of the option agreement entered into with Marubeni Corporation, the Company's future deleveraging strategies and the Company's ability to deleverage and repay debt as needed, expectations regarding the Company's cash balance and liquidity, the Company's ability to increase the mining rate at Lalor, the anticipated benefits from completing the Stall recovery improvement program, expectations regarding the ability to conduct exploration work and execute on exploration programs on its properties and to advance related drill plans, the advancement of the exploration program at Maria Reyna and Caballito and the status of the related drill permit application process, the ability to continue mining higher-grade ore in the Pampacancha pit and the Company's expectations resulting therefrom, the Company's evaluation and assessment of opportunities to reprocess tailings using various metallurgical technologies, expectations regarding the prospective nature of the Maria Reyna and Caballito properties, the anticipated impact of brownfield and greenfield growth projects on the Company's performance, anticipated expansion opportunities and extension of mine life in Snow Lake and the ability for Hudbay to find a new anchor deposit near the Company's Snow Lake operations, anticipated future drill programs and exploration activities and any results expected therefrom, anticipated mine plans, anticipated metals prices and the anticipated sensitivity of the Company's financial performance

to metals prices, events that may affect its operations and development projects, anticipated cash flows from operations and related liquidity requirements, the anticipated effect of external factors on revenue, such as commodity prices, estimation of mineral reserves and resources, mine life projections, reclamation costs, economic outlook, government regulation of mining operations, and business and acquisition strategies.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information.

The material factors or assumptions that have identified and were applied by the Company in drawing conclusions or making forecasts or projections set out in the forward-looking information, include, but are not limited to:

- the ability to achieve production, cost and capital guidance;
- the ability to achieve discretionary spending reductions without impacting operations;
- no significant interruptions to operations due to social or political unrest in the regions Hudbay operates, including the navigation of the complex environment in Peru;

- no interruptions to Hudbay's plans for advancing the Copper World project, including with respect to timely receipt of applicable permits and the pursuit of a potential minority joint venture partner;
- the ability for Hudbay to successfully complete the integration and optimization of the Copper Mountain operations, achieve operating synergies and develop and maintain good relations with key stakeholders;
- the ability to execute on the exploration plans and to advance related drill plans;
- the ability to advance the exploration program at Maria Reyna and Caballito;
- the success of mining, processing, exploration and development activities;
- the scheduled maintenance and availability of Hudbay's processing facilities;
- the accuracy of geological, mining and metallurgical estimates;
- anticipated metals prices and the costs of production;
- the supply and demand for metals Hudbay produces;
- the supply and availability of all forms of energy and fuels at reasonable prices;
- no significant unanticipated operational or technical difficulties;
- no significant interruptions to operations due to adverse effects from extreme weather events, including the current forest fire in the Flin Flon region and potential seasonal forest fires that may affect the regions in which Hudbay operates;

- the execution of Hudbay's business and growth strategies, including the success of their strategic investments and initiatives;
- the ability to achieve Hudbay's objectives and targets with respect to environmental and climate change initiatives;
- the availability of additional financing;
- the ability to deleverage and repay debt as needed;
- the ability to complete projects on time and on budget and other events that may affect Hudbay's ability to develop Hudbay's projects;
- the timing and receipt of various regulatory and governmental approvals;
- the availability of personnel for Hudbay's exploration, development and operational projects and ongoing employee relations;
- maintaining good relations with the employees at Hudbay's operations;
- maintaining good relations with the labour unions that represent certain of Hudbay's employees in Manitoba and Peru;
- maintaining good relations with the communities in which Hudbay operates, including the neighbouring Indigenous communities and local governments;
- no significant unanticipated challenges with stakeholders at Hudbay's various projects;
- no significant unanticipated events or changes relating to regulatory, environmental, health and safety matters;
- no significant unanticipated changes to the various international and national standards we adhere to;

- no significant unanticipated changes to our water usage, emissions intensity or energy intensity;
- no significant unanticipated changes in the political climate in the various jurisdictions in which we currently or plan to explore or operate;
- the ability to contemplate the effects of climate change at our sites, on our operations and on the extractive industry in general;
- no contests over title to Hudbay's properties, including as a result of rights or claimed rights of Indigenous peoples or challenges to the validity of their unpatented mining claims;
- the timing and possible outcome of pending litigation and no significant unanticipated litigation;
- certain tax matters, including, but not limited to current tax laws and regulations, changes in taxation policies and the refund of certain value added taxes from the Canadian and Peruvian governments; and
- no significant and continuing adverse changes in general economic conditions or conditions in the financial markets (including commodity prices and foreign exchange rates).

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to, risks related to the ongoing business integration of Copper Mountain and the process for designing, implementing and maintaining effective internal controls for Copper Mountain, the failure to

effectively complete the integration and optimization of the Copper Mountain operations or to achieve anticipated operating synergies, political and social risks in the regions Hudbay operates, including the navigation of the complex political and social environment in Peru, risks generally associated with the mining industry and the current geopolitical environment, including future commodity prices, currency and interest rate fluctuations, energy and consumable prices, supply chain constraints and general cost escalation in the current inflationary environment, risks related to the renegotiation of collective bargaining agreements with the labour unions representing certain of Hudbay's employees in Manitoba and Peru, uncertainties related to the development and operation of the Company's projects, the risk of an indicator of impairment or impairment reversal relating to a material mineral property, risks related to the Copper World project, including in relation to permitting, project delivery and financing risks, risks related to the Lalor mine plan, including the ability to convert inferred mineral resource estimates to higher confidence categories, dependence on key personnel and employee and union relations, risks related to political or social instability, unrest or change, risks in respect of Indigenous and community relations, rights and title claims, risks related to extreme weather events, including risks arising from the current forest fire in the Flin Flon region, potential seasonal forest fires that may affect the regions in which the Company operates and other severe storms, operational risks and hazards, including the cost of maintaining and

upgrading the Company's tailings management facilities and any unanticipated environmental, industrial and geological events and developments and the inability to insure against all risks, failure of plant, equipment, processes, transportation and other infrastructure to operate as anticipated, compliance with government and environmental regulations, including permitting requirements and anti-bribery legislation, depletion of the Company's reserves, volatile financial markets and interest rates that may affect the Company's ability to obtain additional financing on acceptable terms, the failure to obtain required approvals or clearances from government authorities on a timely basis, uncertainties related to the geology, continuity, grade and estimates of mineral reserves and resources, and the potential for variations in grade and recovery rates, uncertain costs of reclamation activities, the Company's ability to comply with its pension and other post-retirement obligations, the Company's ability to abide by the covenants in its debt instruments and other material contracts, tax refunds, hedging transactions, as well as the risks discussed under the heading "Risk Factors" in the Company's most recent annual information form and under the heading "Financial Risk Management" in the Company's most recent management's discussion and analysis, each available on SEDAR+ at www.sedarplus.ca, and other risks referenced throughout this Integrated Annual Report.

Should one or more risk, uncertainty, contingency or other factor materialize or should any factor or assumption prove incorrect, actual results could vary

materially from those expressed or implied in the forward-looking information. Accordingly, you should not place undue reliance on forward-looking information. We do not assume any obligation to update or revise any forward-looking information after the date of this Integrated Annual Report or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

NOTE TO UNITED STATES INVESTORS

This Integrated Annual Report has been prepared in accordance with the requirements of the securities laws in effect in Canada, which may differ materially from the requirements of United States securities laws applicable to US issuers.

Contact Us

We invite your comments and questions about this report.

Please contact Candace Brûlé, Vice President,
Investor Relations, 416 814-4387,
investor.relations@hubbay.com

Annual and Special Meeting of Shareholders

May 21, 2024, 2:00 pm ET
Toronto, Ontario

Glossary

Biodiversity – short for “biological diversity”; the variety of living organisms, genetic diversity and habitat diversity that creates and sustains variation in the environment

CDP – a non-profit that runs a global disclosure system for companies and governments to disclose their environmental performance

Community investment – voluntary investment of funds in the broader community, including for physical infrastructure and social programs

Conflict-free minerals – mineral production that does not contribute to serious human rights abuses in regions of armed conflict (drawing on the definitions provided in the *Dodd–Frank Act*)

Contractor – one who agrees to perform work or supply items at a certain price or rate

Donations – contributions to charities

Employee – a person directly employed by Hudbay and/or its subsidiaries

GHG emissions – greenhouse gas emissions

Global Reporting Initiative (GRI) – an independent institution whose mission is to develop and disseminate globally applicable sustainability reporting guidelines. For more information, visit www.globalreporting.org

GRI Standards – performance indicators contained in the GRI Sustainability Reporting Standards

Grant-in-lieu – an amount paid instead of property taxes

Injury frequency – number of injuries per 200,000 hours worked (per approximately 100 full-time employees)

ISO – International Organization for Standardization, a non-governmental international organization that develops voluntary management standards

Lost time injury (LTI) – a work-related injury that prevents the injured person from returning to work on his/her next scheduled workday after the day the injury occurred, because he/she is unfit to perform any duties

MAC – Mining Association of Canada

Material information – a fact or a change to the Company that could reasonably be expected to have a significant effect on the market price or value of the securities of the Company

Materiality – a process to identify the economic, environmental, governance and social issues most important to stakeholders and our business

Medical aid injury – a work-related injury that requires medical treatment based on criteria set out by the International Council on Mining and Metals (ICMM)

N/ap – not applicable

N/av – not available

Preliminary economic assessment (PEA) – an economic analysis of the potential viability of mineral resources taken at an early stage of a project

Recordable injury – includes lost time injuries, restricted work injuries and medical aid injuries

Restricted work – a work-related injury where a licensed healthcare provider or the employer recommends that the employee not perform one or more routine job functions or not work the usual full workday

SASB – Sustainability Accounting Standards Board, a set of standards to guide the disclosure of financially material sustainability information

SDGs – the 17 United Nations Sustainable Development Goals that were established in 2015 and aim to achieve a better and more sustainable future for all by 2030

Scope 1 emissions – direct greenhouse gas (GHG) emissions from sources that are owned or controlled by an organization

Scope 2 emissions – indirect greenhouse gas (GHG) emissions from the generation of purchased electricity, steam, heating and cooling including from electricity purchased from the grid

Scope 3 emissions – indirect greenhouse gas (GHG) emissions not included in Scope 1 or 2 that are generated from activities not owned or controlled by Hudbay but that are included in our value chain

Tailings – the fine waste rock that remains after separating the valuable minerals from the ore during mining and processing of mineral resources. Tailings may contain trace quantities of metals found in the host ore, as well as added compounds used to extract the minerals

TCFD – Task Force on Climate-related Financial Disclosures, a framework created by the Financial Stability Board to improve and increase reporting of climate-related financial disclosures

TSM – Towards Sustainable Mining, an initiative of the Mining Association of Canada

Work-related injury – An injury that is work related, and therefore included in Hudbay reporting statistics, according to criteria established by ICMM