



CLIMATE CHANGE INITIATIVES

December 2022

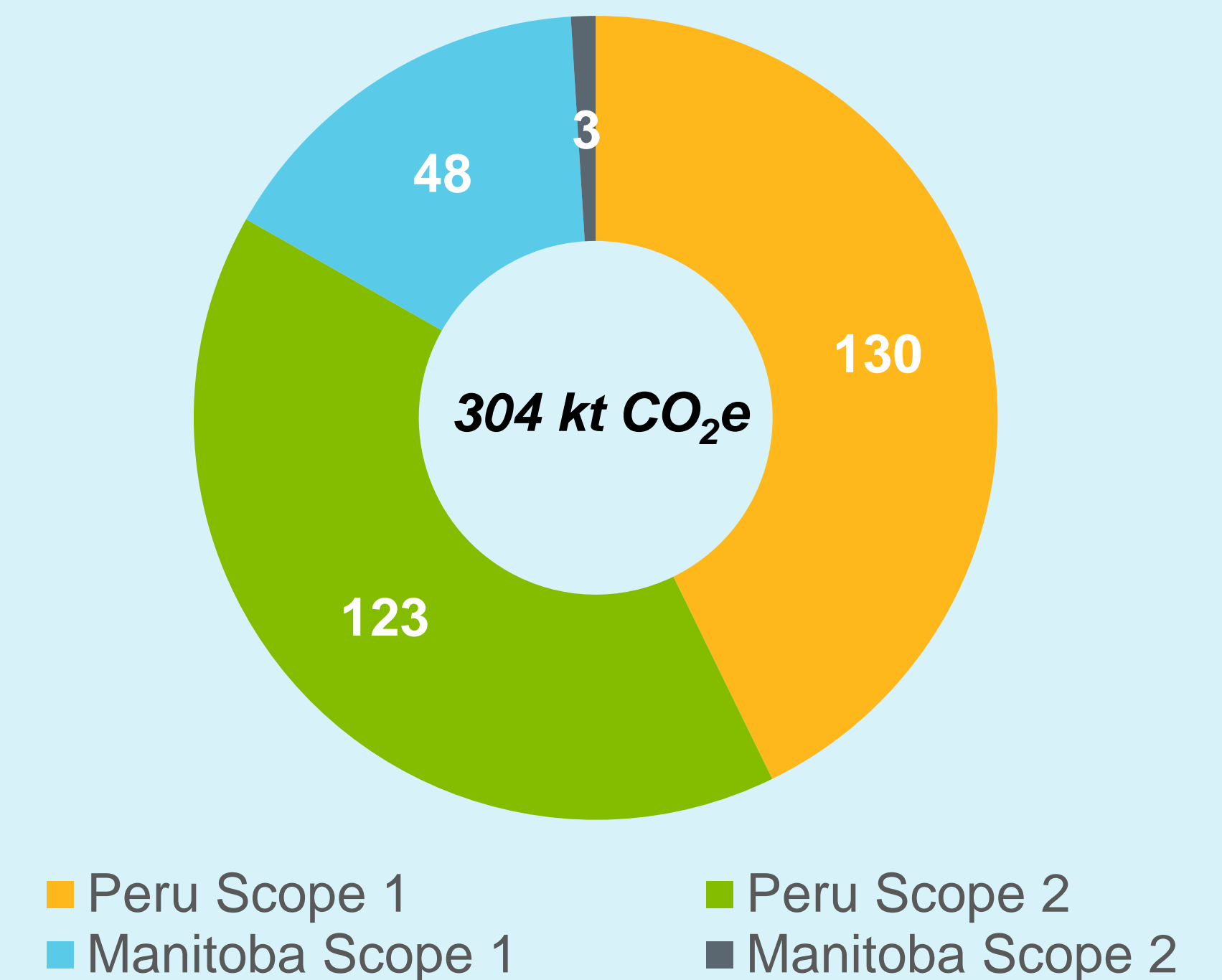
HUDBAY

HUDBAY IS A LOW-CARBON COPPER PRODUCER

REPORTING SCOPE 1 AND SCOPE 2 EMISSIONS FOR MORE THAN 10 YEARS

- More than **50%** of our total energy consumption in 2021 was from renewable sources
- **Peru** represents approximately **83%** of our total direct (Scope 1) and indirect (Scope 2) emissions
 - Diesel used in mining fleet is the main driver of Scope 1 emissions
 - **40%** of Peru's emissions relate to Scope 2
- **Manitoba** represents approximately **17%** of our total Scope 1 and Scope 2 emissions
 - Nearly **100%** of our electricity in Manitoba sourced from renewable hydropower
 - Manitoba emissions are primarily related to mining fleet and winter propane heating (Scope 1)
- Hudbay strives to continuously reduce its carbon footprint

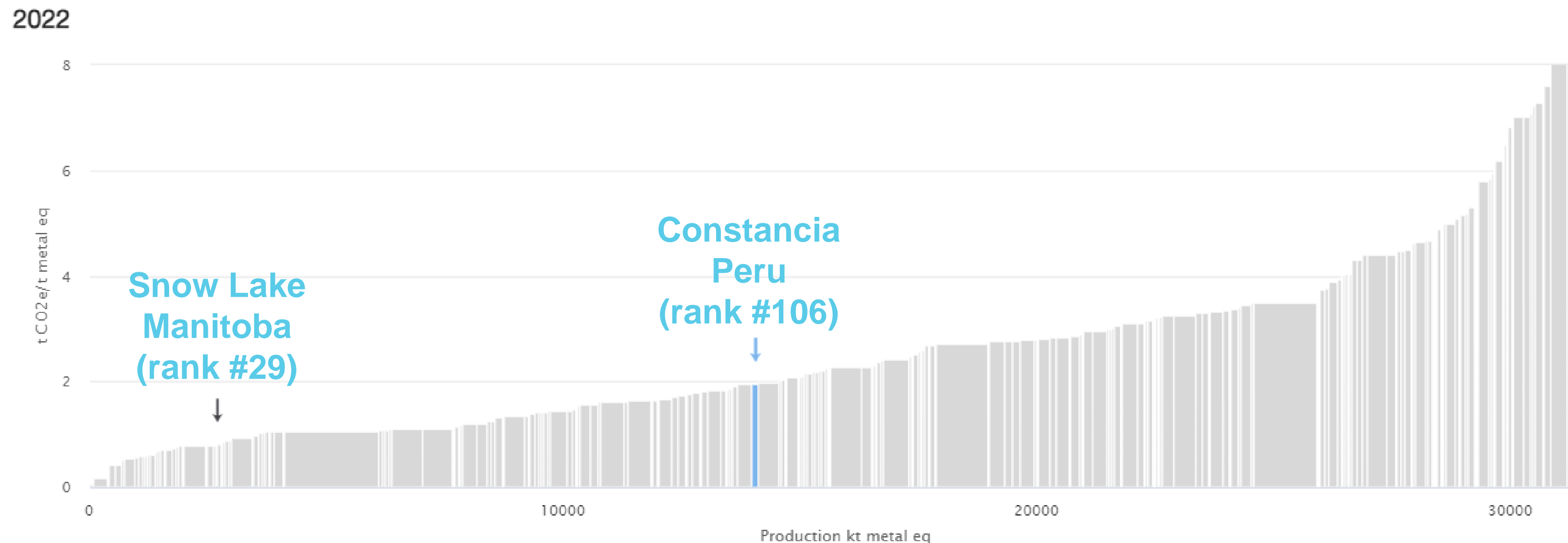
2021 SCOPE 1 & 3 GHG EMISSIONS



GLOBAL GREENHOUSE GAS EMISSIONS CURVE

HUDBAY'S OPERATIONS ARE WELL-POSITIONED ON THE SCOPE 1 & SCOPE 2 EMISSIONS CURVE

- Hudbay's operations are **favourably positioned** in the 1st and 2nd quartile of the global greenhouse gas ("GHG") emissions curve for copper operations
- Curve shows a total of 282 operating copper assets ranked for Scope 1 and Scope 2 emissions



Source: CRU International Global GHG Emissions Curve for copper producers in 2022.

COPPER IS ESSENTIAL FOR ACHIEVING GLOBAL CLIMATE CHANGE GOALS



Global De-carbonization

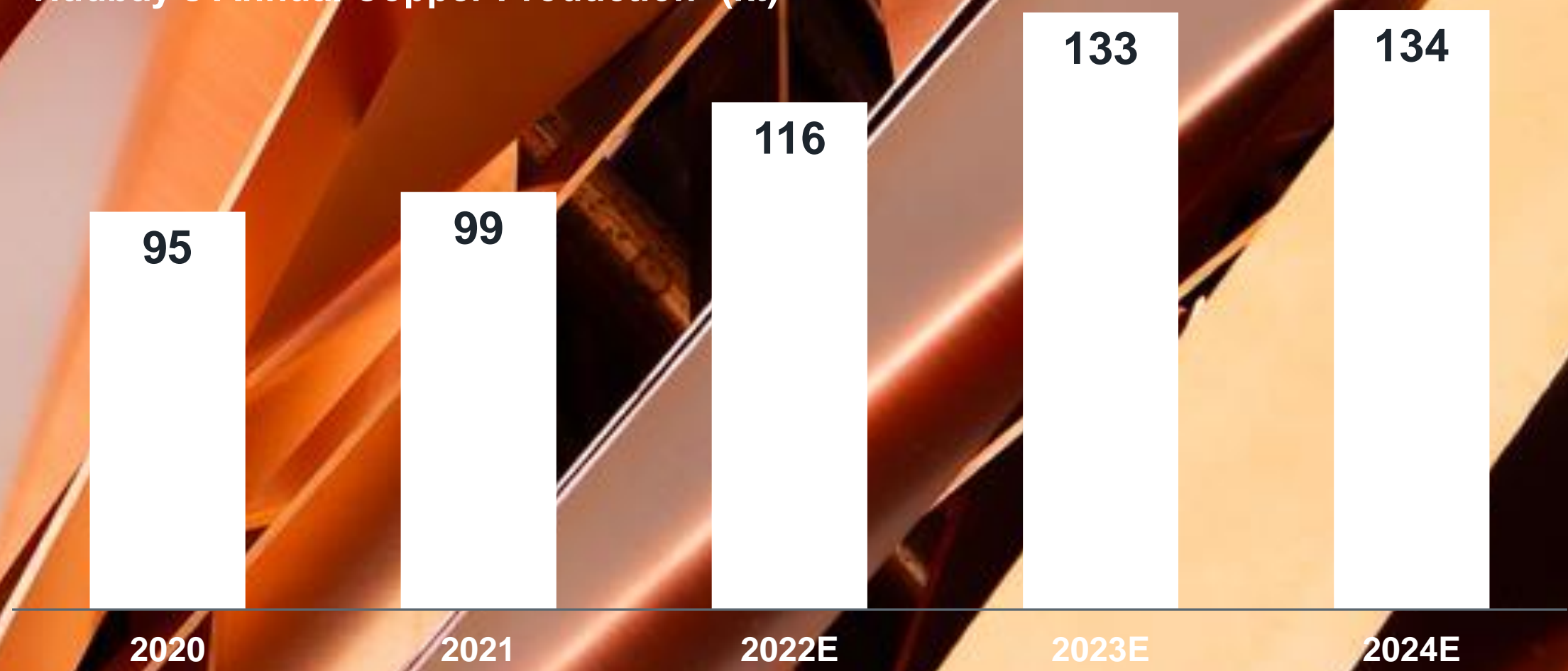
- Copper is one of the most heavily utilized metals in renewable energy systems and is the least carbon-intensive



Electrification of Vehicles

- EVs require nearly 4x more copper than a conventional gas vehicle²
- EV production and sales expected to be more than 50% of vehicles sales by 2035²

Hudbay's Annual Copper Production¹ (kt)



1. Midpoint of Hudbay's copper production guidance shown for years 2022 to 2024.
2. Source: Bloomberg New Energy Forum, Reuters.

CLIMATE CHANGE COMMITMENTS ANNOUNCED IN 2022

HUDBAY RECOGNIZES ITS ROLE IN MITIGATING CLIMATE CHANGE

- Highbay is pursuing improvement across the scope of our business and over the 2030- and 2050-time frames
- Achieving targets requires a disciplined process to pursue the right economics and implementations as economics and technologies evolve

↓50%

lower absolute Scope 1 and Scope 2
emissions from existing operations by 2030

Net Zero

total emissions by 2050

Scope 3

emissions reporting to be introduced in
the near-term

New Projects

and acquisitions will be assessed against
corporate emissions targets

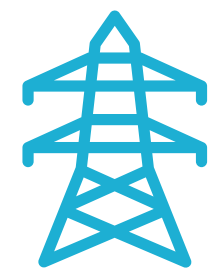
continued **transparency** in emissions reporting and disclosure

EMISSIONS REDUCTION ROADMAP TO 2030

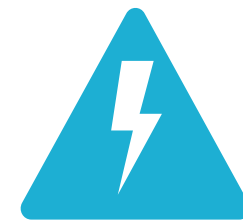
MULTIPLE PATHWAYS TO ACHIEVE A 50% REDUCTION IN EMISSIONS BY 2030

- Highbay roadmap focuses on achieving economic implementations
- Continued focus on operating efficiencies to reduce emissions intensity
- Opportunities available to abate emissions:

PRINCIPAL ABATEMENT OPTIONS



Grid decarbonization



Fleet electrification

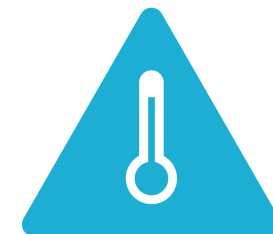


Extraction and processing improvements

ADDITIONAL ABATEMENT OPTIONS



Alternative fuels

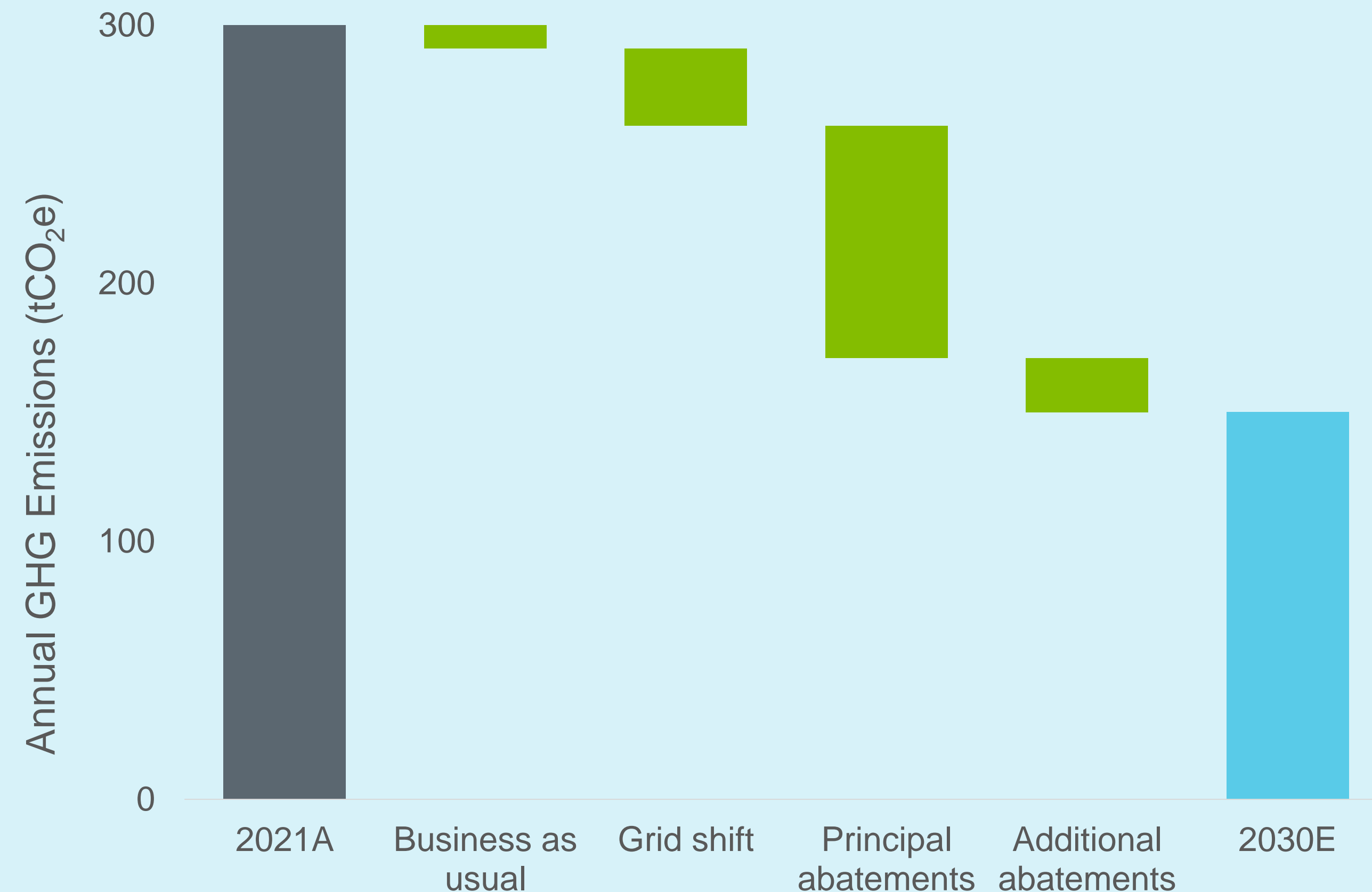


Heating electrification



Trolley assist

GHG REDUCTION OPPORTUNITIES



Note: Chart is for illustrative purposes only and actual reduction number may differ from what is presented here.

OTHER CLIMATE CHANGE INITIATIVES

PROGRESSING TECHNICAL OPPORTUNITIES TO FINANCIALLY VIABLE IMPLEMENTATION

- Many of the existing technologies are expected to be advanced to improve cost effectiveness
- Brownfield and greenfield growth projects will consider achievable emissions reductions
 - The Copper World project has been designed to ultimately produce onsite copper and reduce overseas shipping and processing emissions
- All initiatives will be assessed through Hudbay's capital allocation process to ensure investment balances climate change and economic targets
- Enhanced disclosure with future reporting on material Scope 3 emissions to align with industry certifications

HUDBAY'S COPPER WORLD DEVELOPMENT PROJECT



CLIMATE DISCLOSURE AND TRANSPARENCY

COMMITTED TO INDUSTRY BEST PRACTICES FOR CLIMATE RISK MANAGEMENT AND DISCLOSURE



- As a member of the Mining Association of Canada, we commit to align with the Toward Sustainable Mining environmental protocols, including the recently revised TSM Climate Change Protocol



- Hudbay has been reporting global GHG emissions data and performance to the CDP Climate questionnaire for more than 10 years



- Our 2021 Annual Sustainability Report maps our CDP responses to the Task Force on Climate-related Financial Disclosures recommendations

CAUTIONARY INFORMATION AND NOTES

This presentation contains forward-looking information within the meaning of applicable Canadian and United States securities legislation. Forward-looking information includes, but is not limited to, Hudbay's intention and ability to meet emissions reduction targets and the intended design and output of the Copper World project. 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 the company 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 Hudbay 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 meet emissions reduction targets, the company's ability to develop the Copper World project, the likelihood that existing GHG reduction technologies will become cost effective and that new, cost-effective technologies will be developed and become commercially available, and the ability of the company to fund Copper World and any emissions reduction initiatives.

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 generally associated with the mining industry, such as economic factors (including future commodity prices, currency fluctuations, energy prices and general cost escalation), as well as the risks discussed under the heading "Risk Factors" in Hudbay's most recent Annual Information Form.

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. Hudbay does not assume any obligation to update or revise any forward-looking information after the date of this presentation or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

■ Classifying GHG Emissions:

- Scope 1 emissions are direct GHG emissions that occur from sources controlled or owned by Hudbay
- Scope 2 emissions relate to purchased electricity
- Scope 3 emissions come from up and down the supply chain and can include activities ranging from production of grinding media to downstream processing