HUDBAY

Climate-Related Disclosure Supplement

Published May 2026

At Hudbay, we believe that continuously improving how we manage the social, environmental and economic impacts, risks and opportunities associated with our activities is critical for our long-term success. Our focus on sustainability aligns with our 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."

As evidence of global warming and its effects mount, we are dedicated to understanding and addressing the risks that climate change poses to our business and surrounding communities – and to seizing opportunities that arise as we reduce our greenhouse gas (GHG) emissions and as demand for our products grows.

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About Hudbay

Hudbay (TSX, NYSE: HBM) is a copper-focused critical minerals mining company with three long-life operations and a world-class pipeline of copper growth projects in tier-one mining jurisdictions of Canada, Peru and the United States. Hudbay's operating portfolio includes the Constancia 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 and byproduct zinc, silver and molybdenum. 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.

Three employees venture into the field near our Copper Mountain mine in British Columbia.

Executive Message

At Hudbay, our actions on climate are integral to how we create long-term value. As a producer of critical minerals essential for the global transition to a low-carbon future, we believe it's important to manage our own footprint responsibly – and we have always done so. We know it's good for our business; it's what our stakeholders expect; and it's how we maintain our social licence to operate.

We approach climate change as both a risk and an opportunity. In the near term, our operations face region-specific challenges, such as the extreme weather events experienced in Manitoba this past year or the water scarcity concerns in Arizona. Over the longer term, we anticipate regulatory changes, such as increases in carbon pricing, which will require continued adaptation. At the same time, global demand for responsibly produced metals is expected to grow significantly, positioning Hudbay to play a key role in enabling a low-carbon future.

Our approach to managing climate-related risks has matured in recent years, to the point where climate considerations are now fully integrated into our business strategy, capital allocation processes and life-of-mine planning. We are focused on setting measurable, achievable targets supported by disciplined plans. This ensures that our commitments are credible, transparent and aligned with both environmental and financial performance.

In 2025, we updated our climate change targets, introducing 2030 GHG reduction targets specific to each business unit. This approach better reflects the differences between underground and open pit mining operations, and the unique demands of various business units in different locations.

Across our operations, our teams are pursuing practical, site-specific solutions to reduce emissions and improve efficiency, such as increasing electrification in underground mines, optimizing energy use and adopting renewable fuels where viable. We are also focused on leveraging innovation to make giant leaps in our emissions performance – not only converting to new technologies but eliminating certain processes completely.

Importantly, these initiatives are also delivering benefits to our employees. For example, by adopting battery electric vehicles (BEVs) in underground operations, we have improved air quality and heat management, creating a safer, cooler and more productive workplace with reduced operator fatigue.

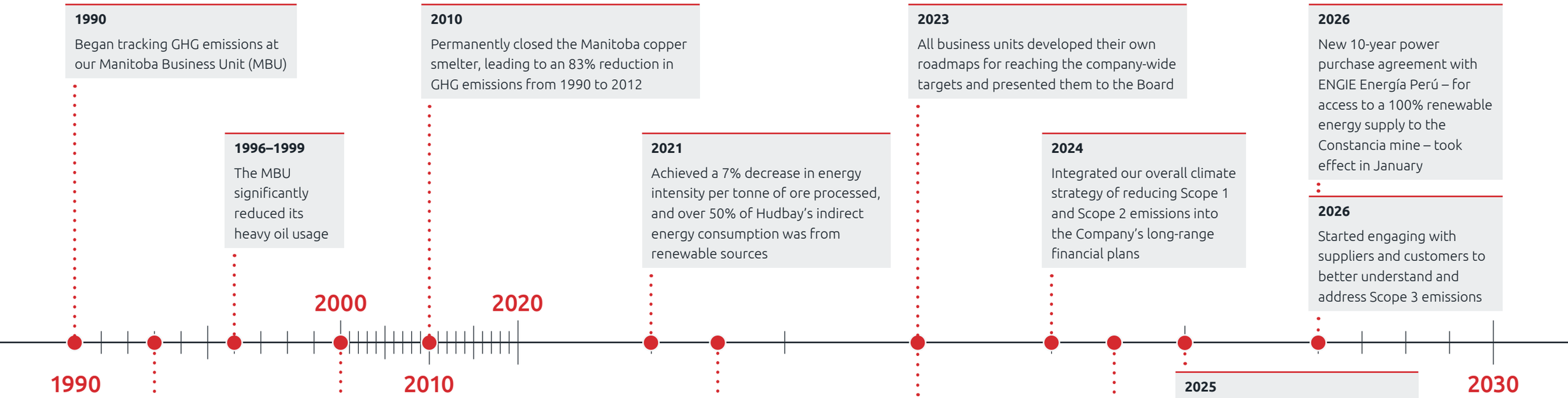
While most of our efforts to date have centred on Scope 1 and 2 emissions, we have started engaging with suppliers and customers to better understand and address Scope 3 emissions.[1] We are taking a collaborative, data-driven approach aimed at increasing transparency, encouraging shared progress, and ensuring that any future targets are grounded in robust information.

Looking ahead, we will continue to refine our climate strategy as technologies evolve and new opportunities emerge. As always, our focus will remain on producing more of the metals the world needs, with a lower environmental impact.

Peter Kukielski
President and Chief Executive Officer

1 **Scope 1** emissions are direct GHG emissions from sources that are owned or controlled by an organization. **Scope 2** emissions are indirect GHG emissions from the generation of purchased electricity, steam, heating and cooling, including from electricity purchased from the grid. **Scope 3** emissions are indirect 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.

Our Commitment to Emissions Reduction



1990
Began tracking GHG emissions at our Manitoba Business Unit (MBU)

1993
Achieved Canada's Kyoto Protocol target of reducing GHG emissions by 6% below 1990 levels by 2012, largely by switching to a hydrometallurgical process for zinc recovery

1996–1999
The MBU significantly reduced its heavy oil usage

2000
The MBU eliminated its use of coal

2010
Permanently closed the Manitoba copper smelter, leading to an 83% reduction in GHG emissions from 1990 to 2012

2021
Achieved a 7% decrease in energy intensity per tonne of ore processed, and over 50% of Hudbay's indirect energy consumption was from renewable sources

2021–2022
Introduced our first company-wide GHG reduction roadmap and 2030 targets

2023
All business units developed their own roadmaps for reaching the company-wide targets and presented them to the Board

2023
Acquired the Copper Mountain mine and incorporated its GHG reduction plans into Hudbay's GHG reduction roadmap

2023
Incorporated GHG analysis into the project pre-feasibility model for Copper World in Arizona

2024
Integrated our overall climate strategy of reducing Scope 1 and Scope 2 emissions into the Company's long-range financial plans

2024–2025
The expanded fleet of BEVs at the Lalor mine reduced reliance on diesel equipment and lowered the MBU's GHG emissions by 24% at year-end 2025 vs. 2024

2025
Revised the company-wide 2030 GHG reduction targets, adopting intensity-based, site-specific targets

2025
Renewable diesel powered 67% of site-wide mine equipment at Copper Mountain

2026
New 10-year power purchase agreement with ENGIE Energía Perú – for access to a 100% renewable energy supply to the Constancia mine – took effect in January

2026
Started engaging with suppliers and customers to better understand and address Scope 3 emissions

Governance

Social, environmental and economic considerations are embedded into Hudbay's overall management approach, and governance of these matters starts with our Board of Directors.

Board Oversight

Our Board of Directors oversees the management of our business and affairs, with a view to ensuring that shareholder value is enhanced without compromising our high standards of ethical conduct, and environmental and social responsibility.

The Board has overall responsibility for the Company's strategy, policies and processes for managing climate-related risks and opportunities. To help the Board fulfill this responsibility, it has delegated primary climate oversight authority to its Environmental, Health, Safety and Sustainability (EHSS) Committee. This committee is responsible for guiding and monitoring climate matters alongside other sustainability issues, as outlined in the EHSS Charter.

Among its responsibilities, the EHSS Committee:

- Approves the corporate Environmental, Health, Safety and Sustainability Policy
- Ensures compliance with applicable legal, regulatory and voluntarily adopted standards
- Oversees the design, implementation and effectiveness of the Company's sustainability-related policies, programs and management systems, including the adoption of any targets to reduce GHG emissions and strategic plans to address other climate-related risks and opportunities
- Monitors climate-related risks and other emerging nature-based risks, as assigned to it by the Board or the Board's Audit Committee as part of the Company's enterprise risk management program, and reviews management's strategies for managing these risks
- Monitors international and local policy as well as regulatory developments and trends that could affect Hudbay's business and operations, including those related to climate change

The EHSS Committee is kept informed of climate-related activities, performance and concerns through quarterly management reports. Climate matters are discussed at quarterly EHSS Committee meetings and, depending on the topic, may be brought forward to the full Board or Audit Committee.

The climate-related responsibilities of other Board committees include the following:

- **Audit Committee** – responsible for enterprise risk management policy and processes
- **Compensation and Human Resources Committee** – holds executives accountable for sustainability and climate performance

We regularly assess Board composition and strive to ensure that the Board, as a whole, possesses the skills, knowledge and experience required to oversee climate and other sustainability matters. We also maintain a continuing education program for directors, which includes training on environmental issues, industry practices and sustainability standards.

Management Responsibilities

At the management level, our President and Chief Executive Officer has the highest level of oversight of climate-related issues, including responsibility for the following:

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Developing a business strategy that considers environmental issues
- Reporting quarterly to the Board

Business unit and operations leaders are accountable for achieving and maintaining sustainable projects and operations and are supported by dedicated personnel who manage day-to-day climate-related activities. Each business unit maintains its own risk register, overseen by the respective vice president.

In addition, senior management has formed an Environmental, Social and Governance (ESG) Steering Committee at the corporate office, consisting of the Chief Operating Officer, Chief Financial Officer and three senior vice presidents, to provide deeper oversight and planning for all sustainability matters, including climate. Steering Committee output is incorporated into the quarterly management reports provided to the Board's EHSS Committee.

Management's Disclosure Committee is responsible for ensuring that the information we disclose with respect to Hudbay's environmental or climate-related strategy, targets or performance is adequately and properly substantiated, not misleading, and reported in compliance with applicable laws and regulations.

Executive Compensation

Sustainability aspects are integrated into performance-related compensation for executives through our Corporate Scorecard, which sets out key performance objectives that guide and incentivize leaders as they carry out Hudbay's strategy. The scorecard includes financial, operating, growth/strategy and ESG objectives.

Among Hudbay's operational leadership, individual performance accounts for between 15% and 40% of annual short-term incentive compensation, depending on the role.

Details on the Corporate Scorecard and executive performance are published in our annual Management Information Circular, found in the Disclosure Centre on our website.

Two employees from our Constancia mine in Peru check environmental data in the field.

Strategy and Targets

Our climate strategy includes 2030 GHG emissions reduction targets that are specific to each business unit and focused on areas where we believe we can make the greatest impact.

GHG Emissions Reduction Targets

Through our strategic planning and risk management processes, climate change has been identified as an environmental risk for our business, due in part to how extreme weather events and water scarcity may affect our operations and local communities. We have also identified regulatory considerations, market requirements and expectations, and investor demands concerning GHG emissions and reduction strategies as risk factors.

To mitigate emissions-related risks, our ESG Steering Committee conducted a thorough analysis of our efforts in 2025, including incorporating the newly acquired Copper Mountain mine. Following this review, the committee approved a new climate approach that better reflects the diversified nature of our business. This approach considers the differences between underground and open pit mining operations, and the unique demands of various business units in different locations.

Each business unit is responsible for developing its own GHG reduction roadmap in line with its 2030 target. The roadmaps include interim targets and timelines as well as plans for monitoring performance.

The ESG Steering Committee reviews performance and disclosures for various topics, including climate change, twice a year. Climate-related performance data is also gathered through the annual reporting process. A new software tool currently used to improve efficiencies associated with the collection of data used in annual disclosure reports may be expanded in the future to enable more frequent updates.

Scenario Analysis

Assessing the fundamentals of our business through climate scenario analyses enables us to better integrate climate risk into our strategic planning and risk management processes, and identify opportunities to improve business resilience.

Given the geographic and climatic diversity of our mines and projects, each business unit is responsible for assessing its own climate-related risks and opportunities and implementing the necessary adaptation measures. We have not conducted a corporate-level climate scenario analysis for several years but will consider doing so in the near future.

Climate Change Targets

BUSINESS UNIT	GHG EMISSIONS REDUCTION TARGET	EMISSIONS INTENSITY (BASE YEAR)	2025 PERFORMANCE	PROGRESS TOWARDS 2030 TARGET
Peru	• 99% reduction in Scope 2 GHG emissions intensity (tonnes of Scope 2 emissions per kilotonne of ore processed)	4.033 (2022)	5.264	On track with significant reduction in Scope 2 expected in 2026
Snow Lake	• 25% reduction in Scope 1 GHG emissions intensity (tonnes of Scope 1 emissions per kilometre)	0.118 (2022)	0.097	On track with significant reduction achieved to date
British Columbia	• 5% reduction in Scope 1 GHG emissions intensity (tonnes of Scope 1 emissions per kilometre)	0.048 (2024)	0.044	On track with significant reduction achieved to date

An employee from our Constancia mine in Peru works with a local supplier that specializes in environmental solutions.

Decarbonizing Our Operations and Supply Chain

Our approach to decarbonization considers the differences between underground and open pit mining operations, and the unique demands of various business units in different locations.

Peru

Peru accounts for our largest quantity of Scope 2 emissions, and we are reducing intensity by sourcing renewable energy and increasing mill throughput. Our new 10-year power purchase agreement with ENGIE Energía Perú – for access to a 100% renewable energy supply to the Constancia mine – came into effect in January 2026. This is expected to be a key contributing factor towards the Peru operations reaching their 2030 target of a 99% reduction in Scope 2 GHG emissions intensity compared to a 2022 baseline.

Manitoba

At our Snow Lake operations in Manitoba, we have minimal Scope 2 emissions because the electrical grid is nearly all hydroelectric. Our efforts are therefore focused on reducing Scope 1 emissions intensity, mainly through reductions in diesel and propane usage.

We continue to expand our fleet of electric equipment for use at underground operations. Following the successful integration of the electric Epiroc scooptram ST14 SG, the Lalor mine continues to displace diesel consumption through the introduction of additional high-efficiency battery electric units. This shift has yielded immediate benefits towards achievement of climate targets through reduced emissions, but more importantly, it has improved underground air quality and heat management, creating a safer, cooler and more productive workplace with reduced operator fatigue.

In 2025, we expanded our fleet of BEVs at Lalor to 10, with two more added in 2026. Continuing to expand the electric equipment fleet and other operational efficiency initiatives will progress the Snow Lake operations towards their 2030 target of a 25% reduction in Scope 1 GHG emissions intensity compared to a 2022 baseline.

British Columbia

At the Copper Mountain mine, efforts to drive operational efficiency are a core focus and will enable our British Columbia operations to progress towards their 2030 target of a 5% reduction in Scope 1 GHG emissions intensity compared to a 2024 baseline.

We utilize several pieces of electric equipment at Copper Mountain, including three electric shovels and three electric rotary blasthole drills, which reduce carbon intensity by displacing existing diesel equipment. In addition, we took steps to implement renewable diesel, also known as hydrotreated vegetable oil fuel, to power 67% of site-wide mine equipment in 2025.

Scope 3 Emissions

Recognizing that purchased goods and services is a key Scope 3 category for our business, we are revisiting the supplier engagement process at each business unit to better understand the carbon maturity of our primary suppliers. Our three-phased approach is focused on bottom-up data collection and enhancing supplier relationships to drive transparency and influence positive industry GHG behaviours.

We have begun engaging with customers and partners to arrive at more accurate estimates of downstream emissions data for smelting (i.e., processing of sold products) and freight (i.e., downstream transportation and distribution).

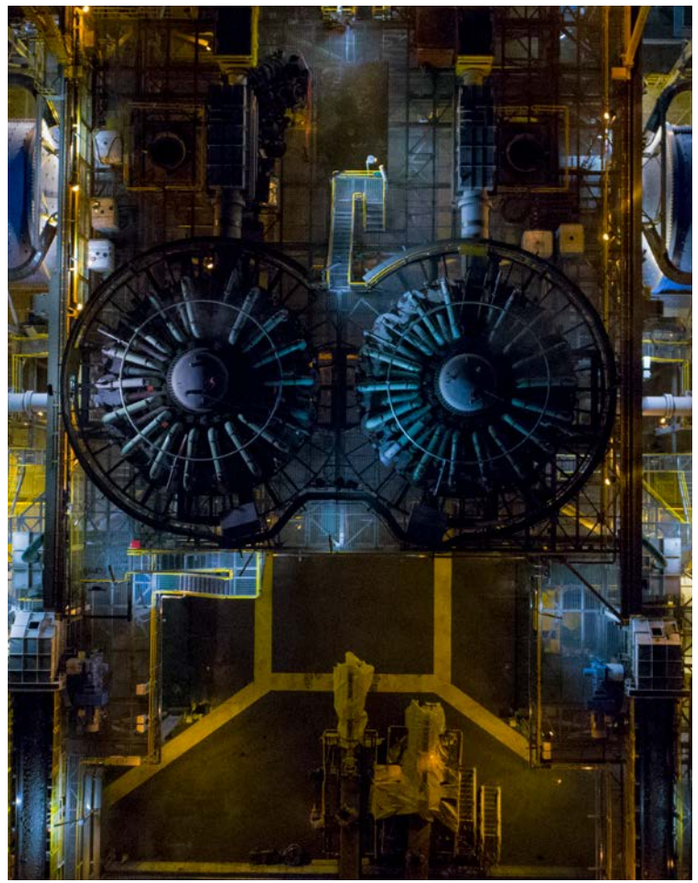
One of the electric vehicles at our Snow Lake operations in Manitoba. In 2025, the Manitoba Business Unit expanded its fleet of electric vehicles to 10.

Key Decarbonization Levers

Electrification

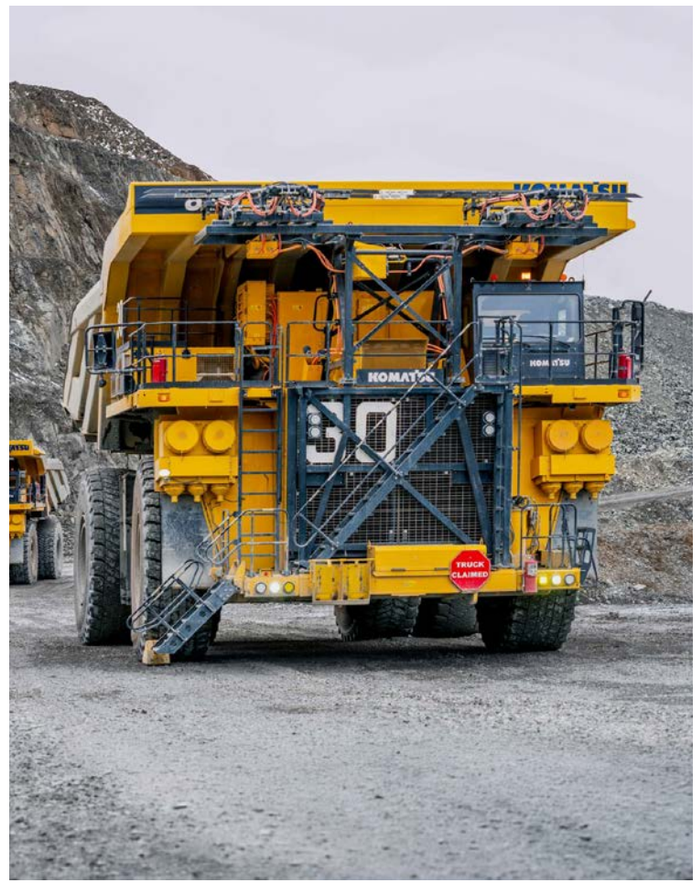
We continue to expand our electric equipment fleet and implement operational efficiency initiatives at the Snow Lake operations. Vehicles like the one pictured here are used in underground operations.

Cleaner Energy Sources



A 10-year energy supply contract with ENGIE Energía Perú came into effect in January 2026 for our Constancia mine, guaranteeing a supply of renewable energy to satisfy the mine's anticipated future energy requirements.

Energy Efficiency Improvements



As we assess Scope 1 GHG emissions, we measure our efficiency based on the total distance travelled to move the material we mine. For open pit mines like our Copper Mountain mine (pictured here), we include the total kilometres for hauling ore to the crusher and waste to non-economic rock storage areas.

Risk Management

As we grow and adapt, robust risk management is vital to achieving our business objectives and ensuring long-term success.

Identifying and Assessing Climate-Related Risks and Opportunities

We recognize that risks and opportunities related to climate could affect our business and the communities in which we operate over the short (one to five years), medium (six to 15 years) and long term (15 years or more). This requires us to integrate climate-related risk and opportunity considerations into our risk management processes and to adapt our strategy and financial planning processes accordingly.

Our enterprise risk management (ERM) framework provides a unified approach to identifying, analyzing and mitigating existing and emerging strategic risks. This framework is designed to embed effective risk management practices and tools into the organization's culture, systems and processes. Details about our long-term and emerging risks and their potential business impacts are published in our Annual Information Form.

The Board's EHSS Committee oversees climate-related risks. Through our ERM process, corporate and site leaders identify, review and manage these risks, with each risk assigned to a designated risk owner. Each business unit maintains its own risk register, overseen by the respective vice president.

Our assessment of Hudbay's vulnerability to climate-related risks considers both physical risks associated with a changing climate, which could have both acute and chronic effects, and transition risks associated with the shift to a low-carbon economy.

We use estimation criteria to assess vulnerability, considering factors such as the likelihood, magnitude and duration of the risk.

To date, we have reviewed the following climate risks:

- **Physical risks:** In our most recent survey of locations, we identified the increased potential for wildfires associated with extremely hot and dry conditions. Worker safety is related to this risk, and several controls have been implemented to address it.
- **Transition risks:** In our latest assessment, we identified medium-term transition 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 approach that we anticipate will have no adverse impact on our business performance.

Several trucks at our Constancia mine in Peru busily haul ore around the mine.

Assessing Climate Risks and Opportunities

CATEGORY/RISK TYPE	RISK/OPPORTUNITY	POTENTIAL BUSINESS IMPACT	TIME HORIZON	ACTIONS WE ARE TAKING
Physical Risks				
Increased extreme weather events	Our current operations are located in geographical areas where typical weather can be hazardous. The Constancia mine is situated in an area susceptible to seismic activity and El Niño and La Niña weather systems, and the Copper World project is vulnerable to extreme dry heat. Our Manitoba operations are predisposed to cold temperatures, heavy snowfall and the inherent risks associated with sudden and drastic changes in temperature. Our British Columbia operations have similar weather conditions, but are also susceptible to occasional drought conditions.	An increase in extreme weather events at our operations, including increased frequency and severity of storms, winds, and changes in precipitation and temperatures, could result in unanticipated challenges and may adversely affect our operations.	Short term	• Weather exposure procedures • Temperature-controlled environment breaks • Weather exposure training/refresher before each season • Reduced physical activity in extreme conditions • Adjusted clothing/personal protective equipment • Fans/ventilation to circulate air • Physically demanding jobs scheduled for cooler times of day • Monitoring the condition of fellow team members • Monitoring for seismic/weather conditions and patterns • Expanding equipment/material tie-down requirements to combat high winds
Rising sea levels	A change in sea level could disrupt supply shipping channels, impacting both the transportation of equipment and resources to our operations and the delivery of our products to smelters and other purchasers.	Alternative shipping routes may need to be considered.	Long term	• Ongoing monitoring
Water availability	Climate change may adversely affect water availability in arid locations, including the Southwestern United States (where our Copper World and Mason projects are located). Water scarcity and shortages can lead to pressure and government action to reduce industrial water consumption, which may restrict the use of existing water rights.	Water shortages relative to operating needs could arise.	Short term	• Designing facilities to maximize precipitation collection and to ensure water reuse
Wildfires	Our Manitoba and British Columbia operations are both situated in regions where forest fires may take place when drought-like conditions exist.	Employees may not be able to enter or exit the site. Operations may be at risk of closure.	Short, medium and long term	• Monitoring and implementation of environmental best practices in direct operations, such as installing fire breaks around the property

CATEGORY/RISK TYPE	RISK/OPPORTUNITY	POTENTIAL BUSINESS IMPACT	TIME HORIZON	ACTIONS WE ARE TAKING
Transition Risks and Opportunities				
Reputation	Mining companies may fall out of favour with some investors due to the industry's real or perceived impacts on climate change. Community concerns over water scarcity may erode our social licence to operate.	Our reputation, shareholder base and access to capital could be negatively affected.	Short, medium and long term	• Occasionally engaging with investors, suppliers and neighbours on the topic
Policy and legal	Governments and regulatory bodies may introduce legislative changes to respond to the potential impacts of climate change. Additional government actions in different jurisdictions may be taken to regulate climate change–related measures, including regulations on carbon emissions and energy and water use to achieve national and/or international targets.	The direct and indirect costs of our operations could increase, impacting the economics of future projects and having a material adverse effect on our business. If metal-consuming economies implement carbon border adjustments, the relative competitiveness of our operations and the direct customer for our concentrates could be impacted.	Short, medium and long term	• Ongoing monitoring of political direction • Participating in programs intended to minimize competitiveness risks
Capital flow and financing	There is an opportunity to reduce our energy use, and thus our carbon emissions as well.	Long-range planning of energy use and the associated GHG emissions, built directly into our financial plans, is intended, in part, to decrease costs over time.	Long term	• Incorporating energy use and GHG emissions forecasts into the long-range plan so we can compare actual data projected over time, which will help us identify which opportunities will be financially viable

An employee from our Constancia mine in Peru conducts water monitoring near the mine.

Managing Climate-Related Risks and Opportunities

Hudbay's environmental management systems, which are ISO 14001 certified at our operating locations, are designed both to identify, manage and mitigate environmental risks, and to identify opportunities. In this way, climate-related risks and opportunities are systematically assessed and monitored as part of the organization's overall strategy.

We begin with an aspects list, which considers both internal and external factors, and a review of stakeholder needs and expectations. Once the key aspects have been identified and a risk assessment has been completed (which feeds into our ERM process for the highest risks), we implement procedures and controls to mitigate risks and realize opportunities.

Employees are trained in these procedures. Controls, procedures and training are reviewed on a regular basis. Review occurs through daily, monthly, quarterly or annual monitoring as needed, and internal reporting occurs as necessary, based on the assessments. We then host internal monthly management meetings to review topics of particular interest to executive management and those that pose the greatest potential risk.

Under the Towards Sustainable Mining (TSM) Climate Change Protocol, we annually assess our processes, management systems and reporting mechanisms to manage our energy use and GHG emissions. The protocol is intended to facilitate continual performance improvements in the mining sector related to the management of climate-related risks and opportunities, including any associated mitigation and adaptation strategies, target-setting and reporting.

Performance against the protocol's indicators are published on the Mining Association of Canada (MAC) website and externally verified every three years. While TSM is required for MAC members' Canadian operations, we go beyond this requirement and implement it at all our operations, with a goal of achieving a minimum level A rating across all indicators, which is evidence of good performance and that commitments and accountabilities are in place.

Metrics

The key to achieving our GHG reduction targets is to measure and improve our efficiency against key process drivers.

GHG Emissions

We have integrated our overall climate change strategy of reducing Scope 1 and Scope 2 GHG emissions into our long-range financial plans. We believe the best way to hold ourselves accountable to meaningful GHG reductions is to measure our efficiency against key process drivers, while recognizing the unique characteristics of our various business units, such as fluctuating strip ratios in open pit mines and changing development profiles at underground mines.

Scope 1 Emissions

In assessing Scope 1 emissions, we measure our efficiency based on the total distance travelled to move the material we mine:

- For open pit mines, we include the total kilometres for hauling ore to the crusher and waste to non-economic rock storage areas. Our forecasts assume a constant fuel consumption rate that is applied to the kilometres, which may vary depending on the amount of uphill versus downhill hauling that occurs, and we expect to incorporate more detailed projections in the future.
- For underground mines, we include the total kilometres for hauling ore to the shaft and waste to the final backfill location. This accounts for most of the mining activity; however, we plan to evaluate other material movement that may be captured in the future.

Scope 2 Emissions

The largest driver of Scope 2 emissions is associated with the electricity used to operate processing facilities and mine hoists. We evaluate our Scope 2 performance based on tonnes of ore processed, which may improve as we source renewable power and increase processing efficiency at our operations.

Performance

Please see our most recent Annual Report and Sustainability Performance Data posted on our website for the annual Scope 1 and Scope 2 emissions and emissions intensity of each business unit, and for performance against our 2030 emissions targets.

A shovel loads a haul truck at our Copper Mountain mine in British Columbia.

About This Report

This Climate-Related Disclosure Supplement is our first stand-alone report on how we view and address climate change – from managing physical and transition risks, to enhancing resilience within Hudbay and the communities where we operate, to reducing our emissions. We intend to publish similar disclosures every three to four years. In the interim, we will publish updates to our approach and performance in our Annual Report.

This disclosure has been prepared with reference to Canadian Sustainability Disclosure Standard (CSDS) 2, *Climate-related Disclosures*, issued by the Canadian Sustainability Standards Board. CSDS 1 General Requirements have been applied only to the extent that they relate to climate-related disclosures.

This disclosure covers the period from January 1 to December 31, 2025. All financial information is presented in US dollars except where otherwise indicated. All operating data is reported using the metric system. Any variation between site-level and consolidated corporate emissions data that is reported is due to differences in jurisdictional requirements for reporting.

Please see our most recent Annual Report and Sustainability Performance Data, found in the Disclosure Centre on our website, for the annual Scope 1 and Scope 2 emissions and emissions intensity of each business unit, and for performance against our 2030 emissions targets.

Methodology and Basis of Preparation

Consolidation Approach

Hudbay has 100% ownership of the Manitoba, Peru and British Columbia operations, and 70% ownership of the Copper World project in Arizona. Therefore, either operational or financial control could apply. We use the operational control approach because, when assessing environmental impacts and collecting performance data in areas such as water and greenhouse gas emissions, it is generally considered a more robust method than the financial control approach.

This approach better reflects Hudbay's ability to actively manage emissions sources, water use and other environmental impacts through its oversight of operational activities. It empowers us to implement specific reduction strategies, such as upgrading equipment, optimizing processes and enforcing sustainability standards. It focuses on what we can actively manage. Focusing on financial control may identify overall environmental costs, but is less effective in pinpointing specific operational efficiencies.

Methodology

Our methodology for reporting Scope 1 and 2 emissions is rigorous and aligned with international standards.

Data collection: Each site collects data on fuel and electricity consumption via energy invoices. Data is collected monthly on-site and is reported annually at the corporate level, with monthly updates provided internally. Multiple checks and balances are in place throughout the collection system to ensure accuracy.

Calculation methods: Emissions are calculated at both the site and corporate levels. We have transitioned to a software provider, and emissions calculations are predominantly automated. The calculations adhere to the most up-to-date government requirements, with priority given to national-level factor requirements in case of discrepancies with local regulations when reporting at an enterprise level.

Emission factors used for the 2025 reporting year:

- Scope 1 emissions:
  - Canada: Canada's Greenhouse Gas Quantification Requirements (December 2022 edition, Environment and Climate Change Canada)
  - Peru: 2006 IPCC Guidelines for National Greenhouse Gas Inventories Fifth Assessment Report, 2014 (AR5) 100-year (time horizon) GWP table 8.A.1
- Scope 2 emissions:
  - Canada: National Inventory Report 1990–2019, Part 3, Table A13-8 (April 2020 edition, Environment and Climate Change Canada)
  - Peru: International Energy Agency (IEA) Emission Factors 2025: Methodology and Publications

Audit procedures: Peru and British Columbia operations undergo full audits of Scope 1 emissions data. Manitoba operations have been subject to limited assurance checks for the past three years. Plans are in place to implement full audits for Manitoba operations in the next reporting year.

Forward-Looking Information

This document contains forward-looking information within the meaning of applicable Canadian and United States securities legislation. All information contained in this document, 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 document is qualified by this cautionary note.

Forward-looking information includes, but is not limited to, statements with respect to the Company’s climate change strategies, initiatives and targets, targets related to health and safety, community, environment, governance and financial excellence/growth, anticipated environmental, health and safety performance, anticipated social development programs, expectations regarding environmental regulation and legislation and other government regulation of mining operations or the mining industry, the Company’s ability to effectively and appropriately engage with local communities and other key stakeholders, the Company’s production, cost and capital and exploration expenditure guidance, Hudbay’s ability to advance and complete the multi-year optimization of the Copper Mountain mine in British Columbia, the implementation of stripping strategies and the expected benefits therefrom, the expected timing and benefits of British Columbia growth initiatives, including with respect to the development timelines associated with New Ingerbelle and any challenges to the New Ingerbelle permits (including the Lower Similkameen Indian Band’s recent application for judicial review), the estimated timelines and prerequisites for sanctioning the Copper World project, including the completion and anticipated results of the definitive feasibility study and potential timing of a project sanctioning decision, expectations regarding the sanctioning of the Copper World project, expectations regarding the potential impact of recent policy decisions from the United States government, the expected benefits of Manitoba growth initiatives, including the use of the exploration drift at the 1901 deposit and the potential utilization of excess capacity at the Stall mill, the ability for Hudbay to complete mill throughput enhancements at its operating business units, the Company’s future deleveraging strategies and its ability to deleverage and repay debt as needed, expectations with respect to the timing and the ability to satisfy the conditions required to close the proposed acquisition of Arizona Sonoran Copper Company Inc. and the expected benefits therefrom, expectations regarding the Company’s cash balance and liquidity and related cash management strategies, expectations regarding the Company’s capital planning strategies, expectations regarding tax synergies, expectations regarding the ability to conduct exploration work and execute on exploration programs on its properties and to advance related drill plans, expectations regarding the prospective nature of the Maria Reyna and Caballito properties and the status of the related drill permit application process, expectations regarding the Company’s ability to further reduce greenhouse gas emissions, Hudbay’s evaluation and assessment of opportunities to reprocess tailings using various metallurgical technologies, the anticipated impact of brownfield and greenfield growth projects on the Company’s performance, anticipated exploration and expansion opportunities and extension of mine life in Snow Lake and the Company’s ability to find a new anchor deposit near its Snow Lake operations, anticipated future drill programs and exploration activities and any results expected therefrom, the enhancement of stakeholder engagement and advancement of a pre-feasibility study and related test work at the Mason copper project in Nevada, anticipated mine plans, anticipated metals prices and the anticipated sensitivity of the Company’s financial performance to metals prices, events that may affect the Company’s operations and development projects, anticipated cash flows from operations and related liquidity requirements, the ability to achieve Hudbay’s climate change goals and initiatives, 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 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 has identified and were applied 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 and exploration expenditure guidance;
- no significant interruptions to Hudbay’s operations due to social or political unrest in the regions the Company operates, including the navigation of the complex political and social environment in Peru and the resolution of grievances raised by local communities and their residents;
- no interruptions to the Company’s plans for advancing the Copper World project, including with respect to any challenges to the Copper World permits;
- no interruptions to the Company’s plans for advancing New Ingerbelle, including with respect to any challenges to the New Ingerbelle permits;
- the Company’s ability to successfully advance and complete the optimization of the Copper Mountain operations and develop and maintain good relations with key stakeholders;
- the ability to satisfy the conditions required to close the proposed acquisition of Arizona Sonoran Copper Company Inc.;
- the ability to execute on the Company’s exploration plans and to advance related drill plans;
- the ability to advance the exploration program at the Maria Reyna and Caballito properties;
- the success of mining, processing, exploration and development activities;
- the scheduled maintenance and availability of the Company’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 the Company 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 forest fires that have affected and may continue to affect the regions in which Hudbay operates;

- the execution of the Company's business and growth strategies, including the success of its strategic investments and initiatives;
- the availability of additional financing, if needed;
- the ability to deleverage and repay debt, as needed;
- the ability to complete project targets on time and on budget and other events that may affect the Company's ability to develop its projects;
- the timing and receipt of various regulatory and governmental approvals;
- the availability of personnel for the Company's exploration, development and operational projects and ongoing employee relations;
- maintaining good relations with the employees at the Company's operations;
- maintaining good relations with the labour unions that represent certain of the Company's employees in Manitoba and Peru;
- maintaining good relations with the communities in which the Company operates, including the neighbouring Indigenous communities and local governments;
- no significant unanticipated challenges with stakeholders at the Company's various projects;
- no significant unanticipated events or changes relating to regulatory, environmental, health and safety matters;
- the ability to achieve Hudbay's objectives and targets with respect to climate change initiatives and targets related to health and safety, community, environment, governance and financial excellence/growth;
- 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 the Company's properties, including as a result of rights or claimed rights of Indigenous peoples or challenges to the validity of the Company's 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 failure to effectively advance and complete the optimization of the Copper Mountain mine operations, political and social risks in the regions the Company operates, including the navigation of the complex political and social environment in Peru and potential disruptions to operations arising from community protests and grievances, risks generally associated with the mining industry and the current geopolitical environment, including future commodity prices, the potential implementation or expansion of tariffs, currency and interest rate fluctuations, energy and consumable prices, supply chain constraints and general cost escalation in the current inflationary environment, 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 associated with the development of new projects, risks associated with acquisitions, investments and other strategic transactions including but not limited to the proposed acquisition of Arizona Sonoran Copper Company Inc., risks related to the Copper World project, including the risk of capital cost escalation, permitting challenges, project delivery risks 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, 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 (including any unanticipated significant interruptions to operations due to adverse effects from extreme weather events), 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, cybersecurity risks and risks related to the reliability and security of Hudbay's information technology and operational technology systems, including risks arising from cyber-attacks, ransomware, phishing and other malware, risks associated with the use of artificial intelligence technologies, as well as the risks discussed under the heading "Risk Factors" in the Company's most recent Annual Information Form for the year ended December 31, 2025 and other risks included in the Company's most recent annual Management's Discussion and Analysis for the year ended December 31, 2025 and most recent interim Management's Discussion and Analysis for the period ended March 31, 2026, each available on Hudbay's SEDAR+ profile at www.sedarplus.ca and EDGAR profile at www.sec.gov, and other risks referenced throughout this document.

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 document or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

Climate-Related Disclosure Supplement

We invite your comments and questions about this disclosure.

Please contact Candace Brûlé, Senior Vice President,
Capital Markets and Corporate Affairs, (416) 362-8181,
investor.relations@hudbay.com

hudbayminerals.com

Concept and design: worksdesign.com