



SMALL FOOTPRINT

LARGE BENEFIT

2020 SUSTAINABILITY REPORT



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Cover photo: Hecla worker monitoring reclamation efforts at the Troy Tailings Storage Facility.

Table of Contents photo: Taken from the ferry that transports workers from Juneau, Alaska across Auke Bay to Greens Creek Mine.

FROM THE PRESIDENT & CEO



Phillips S. Baker, Jr.
President & Chief Executive Officer

2020 was truly a remarkable year for our company. Because despite the seemingly overwhelming challenges of operating during a global pandemic – when many in our industry had to suspend guidance and shut down operations – Hecla’s people stepped up: It was the safest year in our 130-year history, silver production was 7% higher than the year before and more than 30% higher than 2018, and we had the highest gross revenues in our history.

At the same time, COVID-19 laid bare our country’s vulnerable supply chains, further highlighting the importance of domestically sourced supplies. As the largest silver producer in the United States, the metals we produce are essential for developing renewable energy sources, technologies, medical products, and even military defense technology. We take this responsibility seriously, and we quickly bolstered our already robust safety and health protocols to ensure worker and community safety and economic viability by keeping our mines operating.

Small Footprint, Large Benefit

We were able to accomplish all of this with a small environmental footprint. Company-wide, Hecla’s entire operations directly affect less than 3,900 acres, which is about equal in size to just two typical family farms in Montana, but we directly support over 2,300 families worldwide.

Our environmental performance also hit some important marks in 2020. To do our part to address climate change, our Scope 1 and 2 greenhouse gas (GHG) emissions decreased 36% from 2019, primarily due to more availability of line hydropower at our Greens Creek operation. We produced over 150 silver ounces for each ton of GHG emissions and 473 silver-equivalent ounces per ton emitted. If you compare our metal production to gold companies, we produce more than six ounces of gold equivalent for every ton of GHG emitted, probably one of the best in the industry. This outperformance is due to not only the hydropower that is the primary energy source at all our operations, but also the small footprint of primarily underground mines. Many mining companies move more rock in a day than we do in a year.

Additionally, in two years, we achieved our three-year goal to reduce our energy use by 5%, and we successfully completed reclamation of the 300-acre Troy Tailings Storage Facility in Montana. As a result, Troy has been returned to a productive wildlife habitat and is sequestering carbon.

In this extraordinarily challenging year, we also continued to provide high-quality jobs, delivered essential metals, and generated large economic and social benefits in the communities where we operate. We are typically the largest employer and taxpayer, and company-wide in 2020 we provided more than a \$550 million direct economic impact in wages, benefits, payment of taxes and license fees, purchase of goods and services, and local donations and contributions in communities whose combined total population is less than 100,000 people. Over a five-year period, this would equate to nearly a \$2.7 billion dollar direct impact, and over \$6 billion if we include indirect and induced benefits from our activities.

But it is not just an economic impact. Hecla has always been a strong community partner, and the pandemic only served to strengthen our ties to our local communities. To support residents and businesses, we helped address immediate and long-term needs by providing food, personal protective equipment, supplies, and financial assistance. As an example, we partnered with local organizations near our operations to provide over \$150,000 worth of “Hecla Bucks” vouchers for Hecla employees to purchase goods and services at local small businesses. These vouchers helped struggling businesses during the pandemic and were an important way for our employees to support their local communities.

Stakeholder Engagement & Governance

Hecla adapted to the communications and logistical challenges of engaging with our stakeholders during the pandemic. In Quebec, we met with our community advisory committee remotely, and we finalized a Cooperation Agreement with the Council of the Abitibiwinni First Nation (CAFN) that furthers the social and economic benefits to the First Nation community while providing them with jobs, business opportunities and training.

In addition, one of our governance goals in 2020 was to increase diversity on our Board of Directors. In February 2021, we appointed Ms. Alice Wong as a director. Ms. Wong has risk management and ESG expertise, and we are excited to have her as part of our Board. Our Board also approved and published a human rights policy statement that codified our commitment to support fundamental human rights and responsible workplace practices.

Finally, I want to emphasize the jurisdictions that we operate in provide the best framework for strong ESG. We are in jurisdictions that have stringent regulatory and legal frameworks for protecting the environment, assuring the safety and health of the workforce and transparency in our activities. Also, what ESG evaluation often misses is post-employment support. We at Hecla provide industry-leading post-employment benefits which include both a pension and 401K for our U.S. employees.

If 2020 has taught us anything, it is the importance of remaining flexible and open to new ways of operating. I am proud that Hecla rose to the occasion without compromising safety, responsibility, or accountability. In this sense, 2020’s success is a testament to the strength of our core values and business strategy, and it clearly positions us for an even more remarkable future.

A handwritten signature in black ink, appearing to read 'P. Baker', written over a white background.

Phillips S. Baker, Jr.
President & Chief Executive Officer
May 14, 2021

ABOUT HECLA



Hecla Mining Company is the largest primary silver producer in the United States. We have been in business for 130 years and are the oldest NYSE-listed precious metals mining company in North America. While we produce one-third of all silver in the U.S., we also mine gold, lead, and zinc and have exploration properties and pre-development projects in eight world-class silver and gold mining districts in the U.S., Canada, and Mexico.

Where We Operate

Our mines are located in North America, primarily in the U.S. These jurisdictions have stringent regulatory frameworks for environmental compliance, health and safety protections, community engagement, corporate governance, and adherence to human rights. This ensures our operations run efficiently, our workers are protected, and our investors get exposure to silver without taking on the political and currency risks of other countries. Our site locations are also highly rated by the [Fraser Institute's annual survey](#) of mineral and mining companies for investor attractiveness and a region's policy climate.

For investment attractiveness, Hecla operates in 4 of the top 10 regions globally (Nevada 1, Alaska 5, Quebec 6, Idaho 9).

For Policy Perception, we operate in 2 of the top 10 globally (Idaho 1, Nevada 5), with 4 in the top 20 (Alaska 13, Quebec 17).



HECLA BY THE NUMBERS

<p>5 operating mines</p>	<p>3 North American countries</p>	<p>2 of the top 5 largest primary silver mines in the world</p>	<p>13.5 million ounces of silver produced <small>largest U.S. producer— one-third of all U.S. silver</small></p>
<p>208,963 ounces of gold produced</p>	<p>34,127 tons of lead produced <small>third most U.S. production</small></p>	<p>63,112 tons of zinc produced <small>third most U.S. production</small></p>	<p>1,621 total direct employees with payrolls and benefits averaging > \$100K per worker</p>
<p>636 contractors</p>	<p>>\$691 million of record revenues</p>	<p>\$90 million cash flow</p>	<p>1891 year founded</p>



GREENS CREEK

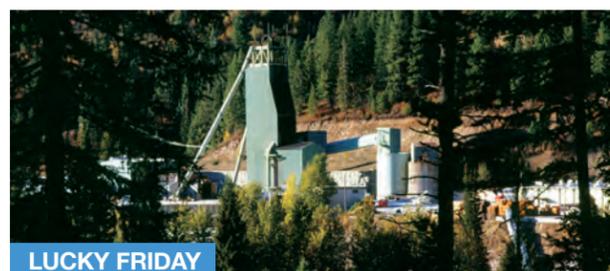


SAN SEBASTIAN

NEVADA



CASA BERARDI



LUCKY FRIDAY

HECLA'S OPERATIONS

Greens Creek

Alaska, USA

Underground

Workforce: 443 employees
Small Footprint: acres affected 320

2020 Production

10.5 Moz (Ag)
48.5 Koz (Au)
21.4 Ktons (Pb)
56.8 Ktons (Zn)

P&P Reserves

111.4 Moz (Ag)

M&I Reserves

114.7 Moz (Ag)

Lucky Friday

Idaho, USA

Underground

Workforce: 327 employees
Small Footprint: acres affected 149

2020 Production

2.0 Moz (Ag)
12.7 Ktons (Pb)
6.3 Ktons Zn
(full production reached in Q4 2020)

P&P Reserves

77 Moz (Ag)

M&I Reserves

0.86 Moz (Ag)

Casa Berardi

Quebec, Canada

Underground & Surface

Workforce: 676 employees
Small Footprint: acres affected 1,645

2020 Production

24.1 Koz (Ag)
121.5 Koz (Au)

P&P Reserves

1.2 Moz (Au) open pit
0.39 Moz (Au) underground

M&I Resources

0.17 Moz (Au) open pit
84.4 Moz (Au) underground

Nevada

Nevada, USA

Underground

Workforce: 76 employees
Small Footprint: acres affected 1,433

2020 Production

37.4 Koz (Ag)
31.8 Koz (Au)

P&P Reserves

31.0 Koz (Au)

M&I Reserves

145.0 Koz (Au)

San Sebastian

Durango, Mexico

Underground & Surface

Workforce: 30 employees
Small Footprint: acres affected 237

2020 Production

955 Koz (Ag)
7.2 Koz (Au)

M&I Reserves

15.0 Moz (Ag)

Pre-Development

Montana, USA

Underground

Exploration in Permitting

Inferred Resources

Montanore
18.3 Moz (Ag)
1.5B lbs (Cu)

Rock Creek

148.7 Moz (Ag)
1.3B lbs (Cu)

OUR METALS ARE ESSENTIAL



The COVID-19 pandemic has focused attention on the national supply chain: the individual elements that comprise the products we all rely upon every day must be easily accessible and efficiently transported to ensure health and economic security. Mining is at the very beginning of the supply chain. We provide the silver and other metals required for nearly every industry and consumer product, including low-carbon energy

sources such as wind and solar, health care applications, medicines, computers, cell phones, and electrical components. Silver is also an ideal mineral for defense technology and helps support armored vehicles, helicopters and aircraft. Hecla's operating philosophy of responsible mining ensures every action we take delivers our essential metals in a manner that is responsible, safe, and innovative.

Beginning of the supply chain

Hecla produces the raw materials that feed supply chains:

- Silver, gold, lead, and zinc

Our raw materials are turned into essential products, such as:

- Renewable energy (solar panels and batteries)
- Health care (x-rays and antibacterials)
- Electric vehicles
- Computers
- Smart phones

End users

These products play a critical role in a low-carbon future and are also necessary for modern life. Consumers, patients, hospitals, and the military use products every day that are made from our essential metals.

Voluntary Commitments & Certifications

Hecla voluntarily engages with a variety of organizations and frameworks at a global and national level to ensure that we are adhering to the highest standards of ESG policies and performance.



Sustainability Accounting Standards Board (SASB)

Hecla benchmarks our ESG data against the [SASB](#) Metals and Mining Standards, which identify financially material sustainability topics and metrics that are relevant to the mining industry. Our SASB metrics are included in this report and on our corporate [website](#).



Mining Association of Canada's Towards Sustainable Mining Framework (TSM)

The [TSM](#) program being implemented at our Casa Berardi Mine in Quebec, which is also under evaluation for our U.S. operations, is a systematic approach that allows mining companies to turn high-level environmental and social commitments into action on the ground.



Task Force on Climate-Related Financial Disclosures (TCFD)

Hecla is reporting against relevant aspects of the [TCFD](#) by incorporating climate-related risks and opportunities into our risk management and strategic planning processes. This reporting is referenced later in the report.



UN Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights

We strive to conduct our business in a manner consistent with the [United Nations Universal Declaration of Human Rights](#) and the [United Nations Guiding Principles on Business and Human Rights](#).



CORESafety

Hecla was the first U.S. hardrock mining company to earn an independent certification under the National Mining Association's [CORESafety](#) system, a voluntary, scalable, mining-specific safety and health management system.

Partnerships & Memberships

Hecla actively participates and holds leadership positions in national and regional organizations that advocate on behalf of the natural resources industry. We are also members of our local chambers of commerce and are an integral part of the business community where we operate. Some of our memberships include:

National Mining Association

Alaska Miners Association

Council of Alaska Producers

Idaho Mining Association

Nevada Mining Association

The Mining Association of Canada

Quebec Mining Association

The Silver Institute

Canadian Institute of Mining, Metallurgy and Petroleum

Society for Mining, Metallurgy and Exploration

American Exploration & Mining Association

Idaho Business for Education

Prospectors and Developers Association of Canada

Association of Mineral Exploration



United Nations Sustainable Development Goals

Hecla recognizes that each [United Nations Sustainable Development Goal](#) (UN SDG) is important, and we indirectly contribute in some way to the majority of them. We have prioritized the SDGs that align most directly with our business, corporate strategy, sustainability efforts, and stakeholder expectations, while also representing our greatest opportunities to contribute further to the goals. We cite specific examples under each goal.



In 2020, our workforce received 42,243 hours of health and safety training.



- We experienced zero employee or contractor fatalities in 2020.
- We exceeded our goal of reducing our AIFR by 5%, reducing AIFR by 24%, the lowest in company history.
- We provide excellent benefits for our full-time employees such as medical insurance, life insurance, long- and short-term disability, retirement provisions, and wellness programs. We are one of the few remaining companies to offer pension benefits.



- Hecla considers workforce training to be an important part of the educational continuum. Our employees and contractors worked more than 4.4 million man-hours and received more than 42,243 hours of health and safety training.
- In the communities where we operate, we partner with organizations on programs to expand employee skills and train students for a career in mining.



- We recognize that mining operations can directly or indirectly impact water. At each of our sites, the goal is to reduce freshwater consumption, use water efficiently, maintain water quality, recycle water and engage with communities to collaboratively manage shared water resources.
- Company-wide, we recycled 48% of the water used or diverted in our operations.



- Hecla uses renewable energy sources whenever possible to reduce our carbon footprint. 76% of Hecla's electrical power that came from the grid was hydropower.
- When our Greens Creek mine is able to purchase surplus hydroelectricity from the local utility, that reduces the electrical bill for all ratepayers in Juneau, Alaska.



- We are the largest private employer and taxpayer in Juneau, Alaska and Wallace/Mullan, Idaho.
- We provided 2,257 direct jobs, including contractors, in North America — the majority in the U.S.
- We provided another 3,000+ plus indirect jobs.
- We provided more than a \$550 million direct impact company-wide for our local communities.
- Our human rights policy statement is a foundation for business conduct within our workforce and along our supply chain.



- We benchmark against relevant aspects of the Task Force on Climate-Related Financial Disclosures (TCFD) and continue to assess business risks associated with climate change.
- We reduced our Scope 1 and Scope 2 greenhouse gas emissions by 36% from 2019 to 2020.
- In 2021, we will establish targets against the goal of being net carbon neutral by 2050.



- Company-wide, our operations only disturbed 3,883 acres of land—about equal in size to just two typical family farms in Montana.
- Hecla reclaimed 354 acres in 2020, including completing reclamation of the 300-acre Troy Tailings Storage Facility (TSF).
- We partnered with local suppliers, contractors, and regional indigenous peoples to harvest seed and plant over 200,000 shrubs and trees at the TSF site.

ABOUT THIS REPORT

The 2020 Sustainability Report is where Hecla Mining Company comprehensively assembles our environmental, social, and governance (ESG) performance and focus areas. This report, which covers our performance from January 1 to December 31, 2020, communicates the ways in which sustainability is integrated into Hecla’s business strategy, starting at the highest levels of leadership and planning. We have detailed how our executive team and Board of Directors identify and manage ESG issues as well as how risks and opportunities factor into long-term planning and daily decision making. The theme for this year’s report is **“Small Footprint, Large Benefit.”** Throughout this report, we will demonstrate Hecla’s small environmental footprint and our efforts to continually reduce our impact while providing a large economic and social benefit to our local communities. To help illustrate this point, we provide key metrics describing Hecla’s output in terms of environmental impact. We believe that these numbers, especially when compared to others within our peer group, highlight the unique value Hecla promotes to all stakeholders.

For the third year, Hecla has benchmarked our performance against the [Sustainability Accounting Standards Board](#) (SASB) Metals and Mining standards. Our SASB metrics are included at the end of this report and on our [website](#). 2020 is also the first year that we are reporting against relevant aspects of the [Task Force on Climate-Related Financial Disclosures](#) (TCFD), which is described in more detail in this report.

Throughout this report, we refer to Hecla Mining Company as “Hecla” or the “Company” and use the terms “we,” “us,” and “our” to refer to Hecla Mining Company and its subsidiaries.

Priority ESG Topics

Hecla develops and strengthens relationships with our primary stakeholders through frequent, transparent communication and open feedback mechanisms. Proactive engagement with employees, contractors, communities, and shareholders helps us understand their expectations for performance and maintain transparency. Priority topics include those that are most relevant to Hecla and align with the SASB industry specific Metal and Mining protocol. Sub-topics represent the ESG risks and opportunities most important to our stakeholders. We have included the associated SASB code for each topic in the adjacent chart.

RELEVANT TOPIC	SUB-TOPIC	ASSOCIATED SASB CODE
Business Model & Innovation		
Business Ethics & Transparency	Tax transparency (payments to governments)	EM-MM-510a.1 — management system for prevention of corruption and bribery throughout the value chain EM-MM-5191.2 — production is in countries that have the 20 lowest rankings in the Transparency International’s Corruption Perception Index
Social Capital		
Community Relations	Managing environmental impacts Managing social impacts Economic impacts Local hiring and procurement Socio-economic development	EM-MM-210b.1 — process to manage risks and opportunities associated with community rights and interests
Security, Human Rights & Rights of Indigenous Peoples	Security Engagement	EM-MM-210 a.1 — operating in or near areas of conflict EM-MM-210a.2 — operating in or near indigenous land EM-MM-210a.3 — engagement process and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict
Human Capital		
Employee Safety & Health	Safety performance Workforce training and development Employee attraction, retention, and development	EM-MM-320a.1 — All-Injury Frequency Rate (AIFR), fatality rate, MSHA rate, health, safety, and emergency response training
Labor Relations	Labor practices	EM-MM-310a.1 — collective bargaining agreement EM-MM-310a.2 — number and duration of strikes and lockouts
Environment		
Water Management	Water quality Water use	EM-MM-140a.1 — water use and water stress EM-MM-140a.2 — non-compliance associated with water quality permits, standards, and regulations
Climate, Energy & Greenhouse Gas Emissions	Climate change Energy use Greenhouse gas emissions	EM-MM-130a.1 — energy consumption and renewables EM-MM-110a.1 — Scope 1 emissions EM-MM-110a.2 — strategy to manage Scope 1 emissions, emissions reduction targets, and performance
Waste & Hazardous Materials Management	Tailings management Waste rock Industrial waste Spills	EM-MM-150a.1 — percentage of tailings waste recycled EM-MM-150a.2 — total weight of mineral processing waste, percentage recycled EM-MM-150.3 -- number of tailings impoundments broken down by MSHA hazard potential
Ecological Impacts	Biodiversity Mine closure	EM-MM-160a.1 — environmental management policies and practices for active sites EM-MM-160a.2 — acid rock drainage EM-MM-160a.3 — operations in or near sites with protected conservation status or endangered species habitat

SMALL FOOTPRINT, LARGE BENEFIT:

Our geographic and environmental footprint may be small, but we back our operations with a big commitment to ensuring positive economic and social benefits for our communities.

SUSTAINABILITY FRAMEWORK



 **SMALL FOOTPRINT, LARGE BENEFIT**

Sustainability & Risk Management Are Integrated into Our Operations

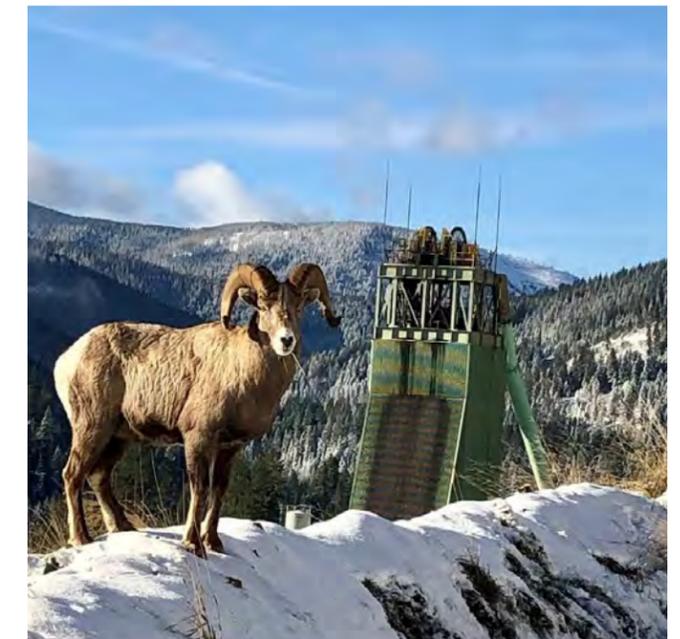
Hecla has always taken the long view of our operations and their impact. Our mines are long-lived, and our 130 years of success is directly tied to a business strategy that incorporates sophisticated risk management and performance standards to keep us on track operationally while allowing for known and unknown circumstances.

Hecla's strategy is focused on efficient, sustainable practices, safe and inclusive workforce development, and decision-making that accounts for shifting geopolitical trends that impact where we operate and our stakeholders' priorities.

Hecla policies, performance, and actions revolve around a central framework of values that touch all aspects of our operations and planning, setting forth a vision of fully integrated sustainability and responsibility.

Communicating About Sustainability & Risk

Just as our operational strategies have evolved, so have our ways of communicating about sustainability and risk. We recognize that sustainability policies and performance are elevated by transparency. This report contains performance against standardized metrics as well as an accounting of actions underway and projected.



Bighorn sheep near our Lucky Friday Mine in Idaho. We have a small footprint and we seek to further minimize our wildlife habitat and environmental impact.

MANAGING COVID-19 TO ENSURE ESSENTIAL METALS REMAIN IN AMERICA'S SUPPLY CHAIN

Hecla's corporate strategy emphasizes preparedness and flexibility, which has enabled us to weather economic crises, world wars, and more than one global pandemic. To manage the challenges of COVID-19, we tapped our superior logistical systems to provide relief and maintain a level of operational normalcy when many other companies were forced to slow down. This swift and decisive action by leadership mitigated the pandemic's impact across the entire Company.

Safety First



Our well-established safety culture enabled us to mobilize and organize operations to protect the health and safety of our workforce. Even before COVID-19 was deemed a pandemic, we aggressively [updated](#) our health and safety protocols throughout the company, including:

- Restricting site staff to essential personnel and contractors, and allowing others to work from home
- Stockpiling up to six months' worth of critical mining supplies to protect against possible supply disruptions
- Eliminating all non-essential business travel and requiring CEO approval of all travel
- Instituting self-quarantine protocols for workers
- Conducting health screenings of workers when they arrived at work
- Routinely disinfecting facilities and equipment
- Practicing social distancing procedures including staggering bus and boat schedules for those who take those modes of transportation to the worksite, limiting the number of people on buses and boats, reducing the number of people in meetings, and staggering lunch shifts

Greens Creek Mine

At our Greens Creek Mine, we went beyond the preventative measures and protocols that we put in place at our other operations given the mine's remote location and community concerns that workers could be a vector for the disease into the community as they arrived for their shifts. Even before the State of Alaska implemented restrictive travel mandates and health orders, we required two-week quarantines in local hotels for all workers, including local residents, to ensure the mine was free from COVID-19. As testing became commercially available in late May, we were able to modify our state-required critical infrastructure community and workforce protection plan to reduce quarantine to seven days in hotels for travelers. Locals were also allowed to self-quarantine at home. However, shift lengths increased to three weeks at the mine so that many workers were away from their families for a month at a time, including quarantine. All employees were tested twice for COVID-19 during quarantine. Samples had to be flown out of Juneau to be processed out of state, often resulting in delays and missed shifts due to weather and flight logistics. To rectify this, we worked with a private contractor to implement molecular COVID-19 testing capacity that provided same-day results and shortened the quarantine to five days. Our Hecla



Hecla Quebec donated masks to the employees and the local community, including elementary and high school students.

team at Greens Creek meticulously navigated these unique circumstances to institute quarantine and health monitoring protocols that were beneficial to our employees, protected the community, and allowed this critical mine to remain safe and productive.

Protecting & Supporting Our Communities

We take seriously our role as a leader in our communities, which is why we felt a responsibility to help protect and lessen the pandemic's impact. We identified and addressed immediate and long-term needs, including food, supplies, and financial assistance:

- We tapped our supply chain to make 30,000 masks available to the City and Borough of Juneau.
- Greens Creek donated twenty-five cases (12,500 pairs) of gloves to the City of Juneau for use by the police department and first responders.



Hecla donated essential food items near our San Sebastian Mine in Durango, Mexico.

"Hecla's always been behind the local businesses."

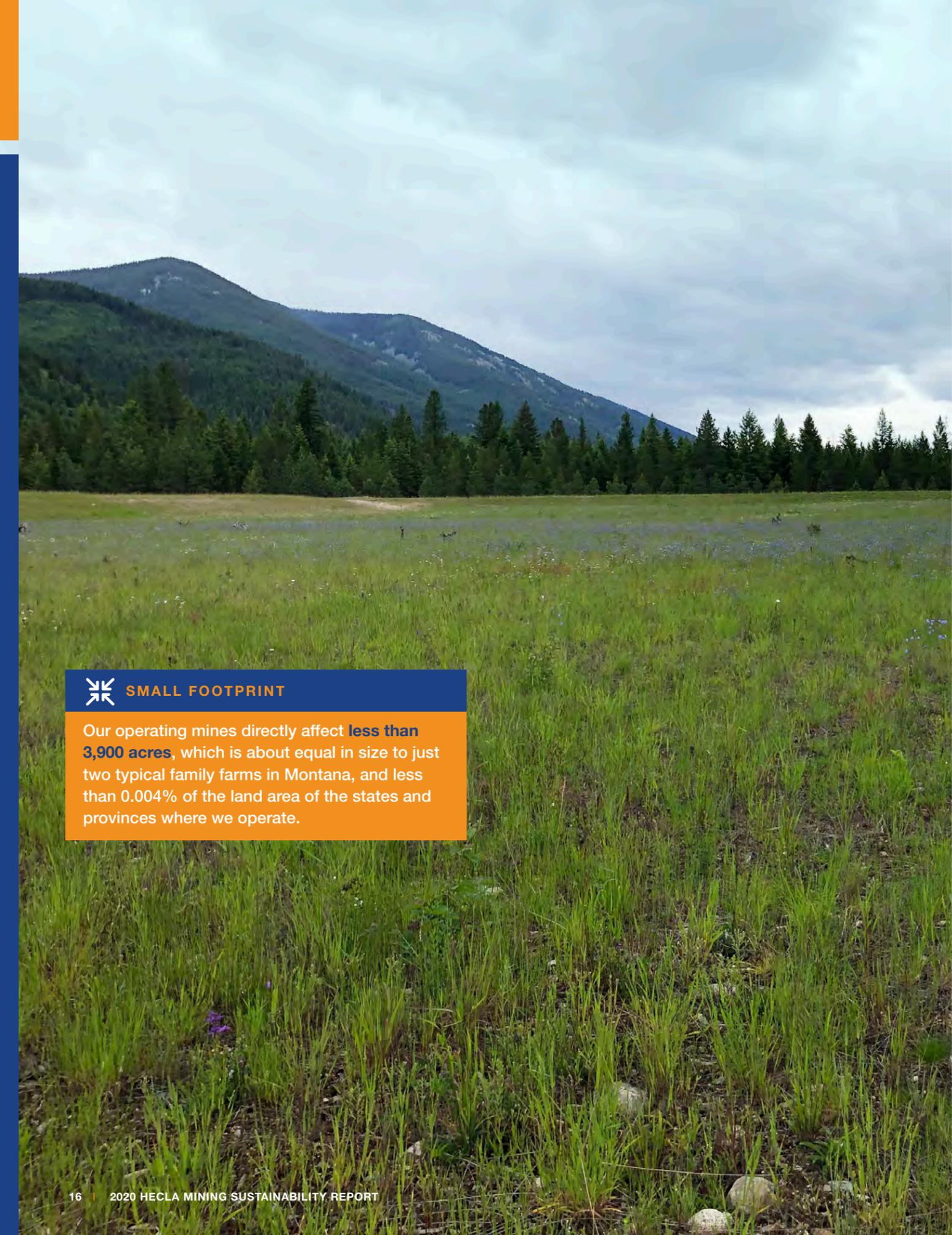
JAMES SHIELDS

Owner, Silver Shop, Wallace, Idaho

- We committed \$135,000 to local COVID relief efforts in Juneau and surrounding villages, including contributions to the Southeast Alaska Food Bank and the Aangoon Shú Senior Center in Angoon.
- At Casa Berardi, we donated more than 6,200 masks to family members of our employees and the community at large.
- Hecla partnered with local business organizations near the Lucky Friday, Nevada, and Casa Berardi operations to provide over \$150,000 worth of "Hecla Bucks" vouchers for Hecla employees to redeem for purchase of goods and services at local businesses.
- In Durango, Mexico, we donated rice, tuna, beans, pasta, peppers, cooking oil, milk, sugar, coffee, and toilet paper to those in need.
- Casa Berardi made donations to the local chamber of commerce and community foundations to enhance their community support efforts.



Greens Creek donated 25 cases of gloves to the City of Juneau, Alaska.



 **SMALL FOOTPRINT**

Our operating mines directly affect **less than 3,900 acres**, which is about equal in size to just two typical family farms in Montana, and less than 0.004% of the land area of the states and provinces where we operate.

ENVIRONMENT

Our Approach



Hecla is proud to produce the essential metals that shape everyday life, and we take seriously our mandate to ensure that the process of extracting those metals has a positive impact on the daily lives of our communities. Our work provides huge economic and social benefits to rural communities, yet our geographic and environmental footprint is small.

Commitment to the Environment

We recognize that mining can directly or indirectly impact climate, water, land, and air. At each of our sites, we endeavor to reduce freshwater and energy consumption, reduce our carbon footprint, maintain local water quality backed by rigorous testing and monitoring, utilize methods and technologies that help protect all aspects of the environment, and restore the land once mining is complete. We also set reduction targets for freshwater and energy use, and we implement and continually improve efficiencies into facilities, projects, and operations.

Environmental Responsibility

Hecla strives to comply with all applicable federal, state, and local environmental laws and regulations that govern our facilities. We conduct structured environmental reviews and audits to assess compliance.

In addition to Hecla's [Environmental Policy](#), employees and contractors are expected to comply with any other applicable internal policies, programs, standards, and procedures as well as all environmental laws, rules, and regulations as outlined in our [Code of Conduct](#).

Hecla's Environmental Management System

Our Environmental Management System (EMS) is a 13-element plan-do-check-act approach that ensures continuous improvement around issues including obligation registers, management of change, air quality, water and waste management, energy management, training, and reporting. This system promotes a culture of environmental awareness and innovation throughout the company.

In 2020:

- More than 90% of the key EMS elements are in place company-wide as confirmed by internal and third-party reviews.
- Company-wide, all site workers received more than 5,432 hours of environmental training, including a focus on job specific environmental awareness, hazardous material management, spill response, and reporting.

The EMS program is benchmarked against ISO-14001 and complements Canada's Towards Sustainable Mining (TSM) program.

2020 GOAL	2020 RESULT	2020 PERFORMANCE	2021 FOCUS AREA
Three-year energy intensity reduction target of 5% from the 2018 baseline year	✓	Achieved in year 2 of a 3-year goal of reducing energy consumption by 5% over 2018 levels	Establish new 3-year energy intensity reduction target of 5% from 2020 performance Develop a biomass heating system project in collaboration with the Cree community of Wasmanipi, Abitibiwinni First Nation, Tawich Construction and Cycle
Decrease greenhouse gas (GHG) emissions	✓	Achieved 36% reduction in GHG emissions from 2019 and over last 3 years saw 32% increase in the number of silver ounces produced per ton of GHG emission	Create a plan for being net zero carbon emissions by 2050 Become a supporter of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) Continue industry-leading silver equivalent ounce production per ton GHG emission
Initiate discharge reduction strategic planning effort at Lucky Friday	✓	Advanced effort through engineering of recycling system of discharge back into the mine and milling operations	Reduce site-wide discharges by 35% in 3 years
Roll out structured internal tailings, water, and waste technical teams	✓	Established these working groups at all of our operations	Maintain activity of tailings, water, and waste working groups at each operating property
Obtain agency concurrence with reclamation progress at the Troy Mine in Montana	✓	Completed phase 1 reclamation in 2020. In early 2021, the State of Montana reduced the required financial assurance nearly \$8 million	Complete Phase 2 reclamation works (building demolition) at Troy Mine
Achieve Level A under TSM program for tailings management and biodiversity conservation management at Casa Berardi	✓	Achieved Level A goal	Conduct assessment of TSM elements, including tailings stewardship protocol, at Lucky Friday and Greens Creek
Select members of an independent review board to advise on company-wide tailings management systems and risks	✓	Selected members of review panel	Independent review board to provide report to COO on its activities in 2021
Complete implementation of EMS system	✓	Completed third phase implementation of EMS elements company-wide	Complete a third-party review/audit of existing EMS systems and effectiveness and congruence with leading ESG measurement systems
Three-year freshwater intensity (gallons/ton ore milled) reduction target of 5% from the 2018 baseline year in 2021	✗	In 2020, in terms of gallons/Ag oz produced, we decreased water usage 18% (from 77 in 2019 to 63 in 2020) but gallons/ton ore milled increased slightly from 321 in 2019 to 349 in 2020	Achieve 5% freshwater use reduction targets over the 2018 baseline year Maintain 90%+ process water recycling company-wide Maintain Level A or better under TSM Water Stewardship Protocol at Casa Berardi



“[Hecla’s] first-class approach serves today – and will continue to serve in the future – as a classic example of how modern mine reclamation can and should be done.”

Lincoln County (MT) Board of County Commissioners

SMALL FOOTPRINT

Hecla’s gross revenue was the highest in our company’s history. When you compare our silver production versus freshwater use, greenhouse gas emissions emitted, energy consumption and the acres we affect, **we produce a lot of value per unit of impact.**

Revenue Generated Per Freshwater Use, Direct GHG Emissions, Energy Use, & Acres Affected

	2018	2019	2020
Revenue (gross)	\$5.8M	\$6.7M	\$7.0M
Revenue/freshwater gallons	\$0.74	\$0.69	\$0.81
Revenue/GHG ton	\$6,535	\$4,976	\$8,048
Revenue/energy kWh (total)	\$0.98	\$0.98	\$1.38
Revenue/energy kWh (total)	\$146,169	\$173,522	\$178,318

AIR: CLIMATE, EMISSIONS, & ENERGY USE

Climate Change

Climate change is expected to create more extreme weather patterns that can increase frequency of droughts and increase the amount of rainfall, circumstances that require careful water management. Potential key physical risks to Hecla from climate change include:

- Increased volumes of mine contact water requiring storage and treatment
- Increased design requirements for stormwater diversion and associated water management systems
- Reduced freshwater availability due to potential drought conditions

In addition, we have identified the opportunities and potential risks for Hecla as we shift toward a decarbonized energy future. Technologies that support decarbonization include renewable energy sources, electric vehicles, and energy storage, all of which require the metals we produce. However, as America transitions to these renewable energies, they may not have the same reliability as conventional energy sources. Thus, in a transition, we could see a possible curtailment of our energy supply, and these new energy sources may cost more in the future than our current supplies.

In 2021, we will be establishing targets against the goal of being net carbon neutral by 2050.

Hecla has adopted a robust and on-going continuous improvement approach to identify and manage climate change related risks and continue efforts to reduce our climate footprint. In addition, as a component of our EMS and our commitment to benchmarking

against relevant aspects of the [Task Force on Climate-Related Financial Disclosures](#), we conduct, on at least a triennial basis, structured high-level risk assessments (HLRAs) that include climate change considerations and appropriate materiality re-assessments. From these assessments, we develop site-specific management action plans that are assigned to the site management team for resolution. For example, we undertook a Greens Creek climate assessment as part of the tailings expansion planning that included consideration of the 100-year storm event that occurred in late 2020. This information will be incorporated into our decision-making process in the stormwater management design for the next expansion of the tailings facility.

Each key risk identified in the HLRA response action plan is designated an appropriate performance metric against which progress can be measured. We meet quarterly with the Health, Safety, Environmental & Technical Committee of our Board of Directors to present project updates, including results from HLRAs and progress on material HLRA action plans. Climate-related topics on a site-specific basis are included in these deliberations.

In 2020, we formalized tailings, waste, and water working groups at each site to consider how climate change and other environmental aspects could affect site design, operations, and closure of key mine facility infrastructure.

Greenhouse Gas Emissions

To further reduce our environmental impact, Hecla is working to reduce energy intensity use and greenhouse gas (GHG) emissions.

Greenhouse Gas Protocol

In order to determine Hecla's Scope 1 carbon dioxide emissions, a third-party consultant utilizes U.S. Environmental Protection Agency (EPA) reporting

standards, protocols, methodologies, and other related guidance. The calculations cover Scope 1, direct GHG emissions. Based on EPA guidance the following three greenhouse gases were estimated to determine CO2e:

- Carbon dioxide (CO2)
- Methane (CH4)
- Nitrous oxide (N2O)

The GHG guidance is based on *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol)* developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The Center's GHG guidance is meant to extend upon the GHG Protocol to align more closely with EPA-specific GHG calculation methodologies and emission factors.

Scope 2 indirect emissions calculations were also based on the GHG Protocol developed by the WRI and the WBCSD, and specifically, the recently updated GHG Protocol Scope 2 Guidance, which is an amendment to the GHG Protocol Corporate Standard.

Air Quality

Our operations have upgraded underground ventilation (converted from diesel to either biodiesel or electrical equipment use where possible), implemented cleaner engine technology and exhaust filtration, introduced enclosed and environmentally controlled operator cabs, and required respirators in high-exposure tasks and work areas.

Non-GHG Air Emissions

Hecla's predominately underground mines have very low air quantity emissions, so this factor is not material to our environmental performance.

Production per GHG Emissions*

	2018	2019	2020
Ag ounces	10,369,503	12,605,234	13,542,957
Ag-Equivalent ounces	43,600,000	47,200,000	40,700,000
Au-Equivalent ounces	622,857	674,286	581,429
GHG Scope 1 (tons)	66,619	101,718	55,418
GHG Scope 2 (tons)	23,390	32,626	20,164
GHG Scope 1 & 2 (tons)	86,783	135,301	85,970
Total Energy Kwh	580,974,762	689,062,509	500,244,722
kWh Electricity	289,265,811	308,565,571	288,404,740
Tons milled	2,511,540	2,824,866	2,441,160
Tons GHG/Ag oz	0.008	0.010	0.006
Ag ounces/Ton GHG	119	93	157
Ag-Equivalent ounces/Ton GHG	502	349	473
Au-Equivalent ounces/Ton GHG	7.2	5.0	6.8

* Au-Equivalent ounces have been restated using the long-term average ratio of 70 Ag-ounces per Au-ounce

SMALL FOOTPRINT

Company-wide, we achieved a **36% reduction in GHG emissions** from 2019 and over last three years we saw a **32% increase in the number of silver ounces** produced per ton of GHG emission.

Overall, we produced **473 silver equivalent ounces per ton of GHG**.

Hecla produces **two to three-times more gold equivalent ounces/ton GHG** than some of the largest gold-mining companies.

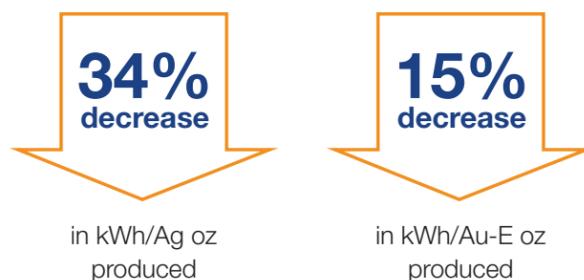
Energy Use

Reducing energy consumption through streamlined processes and adoption of technology is positive for the environment and for our operating efficiency.

Production per Energy Intensity

	2018	2019	2020
Total energy kWh/Ag ounces	55.9	54.7	37.1
Total energy kWh/Ag-Equivalent ounces	13	15	12
Total energy kWh/Au-Equivalent ounces	1,246	1,351	1,061
Total energy kWh/tons milled	231	244	205

OVER THREE YEARS



In 2020, Hecla achieved more than our multi-year 5% energy reduction goal.

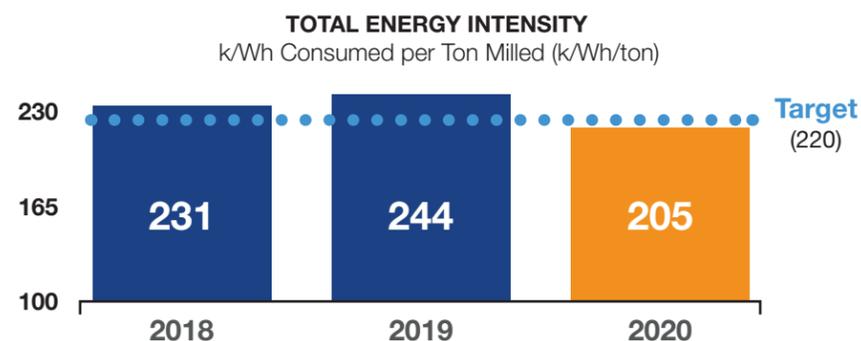
We use a variety of energy sources for our operations. Below is an overview of our energy sources by percentage:

Total Energy Use

Energy	kWh	% of total kWh	
Total Energy Consumed	508,886,777		
Electricity—from line power	275,490,812	54.1%	
Percent line power from hydropower—76%			
Electricity—on site by diesel generation	14,825,986	2.9%	
Diesel (gal)	4,991,558	187,962,640	36.9%
Gasoline (gal)	228,592	7,510,930	1.5%
Natural Gas (CF)	24,615,094	7,218,503	1.4%
Propane (gal)	635,810	17,789,964	3.5%
		100%	

Alternative Energy Sources

In addition to creating efficiencies to reduce energy intensity consumption and GHG intensity emissions, Hecla uses alternative energy sources whenever possible to further reduce our carbon footprint. Line power to our Greens Creek, Casa Berardi, and Lucky Friday operations utilizes a high percentage of renewable hydropower. In addition, when Greens Creek is able to purchase surplus hydroelectricity from the local utility, it reduces the electrical bill for all ratepayers in Juneau, Alaska.



WATER STEWARDSHIP

Water is necessary for the mining process, and we are committed to being responsible stewards of this critical natural resource to avoid straining future supply for local communities. Water stewardship practices include using water efficiently, maintaining water quality, recycling water, and engaging with communities to collaboratively manage shared water resources.

During all phases of the mine life cycle, our operations have controls in place to protect water resources, and we conduct extensive and ongoing assessments that inform decision making. We develop comprehensive water management plans tailored to each site that consider potential variations that could occur due to operation changes, mine phases, and levels of precipitation.

Water Compliance

On-site management teams have primary responsibility for water management and are responsible for implementing water management plans that meet applicable regulatory requirements related to water.

Water Quality

We have in place comprehensive water quality monitoring programs to help ensure that we meet all applicable regulatory requirements related to water. These plans include baseline water conditions and a robust program of sampling, quality analysis, and audits. These data help us better understand usage, identify opportunities to reduce consumption, and increase recycling to reduce the associated volume of treated water to ensure that natural waters are protected.



Hecla employees monitoring the water near the Lucky Friday Mine in Idaho.

Water Risk & Impact Assessments

Other than our Hecla Nevada and Mexican operations, we operate in net precipitation zones (more rainfall than evaporation) that are not considered high or extremely high-water stress areas. In late 2020, Greens Creek Mine experienced two significant storm events that caused landslides and major flooding in the region. The mine handled the events as well as could be expected and is incorporating lessons learned into future project designs and plans.

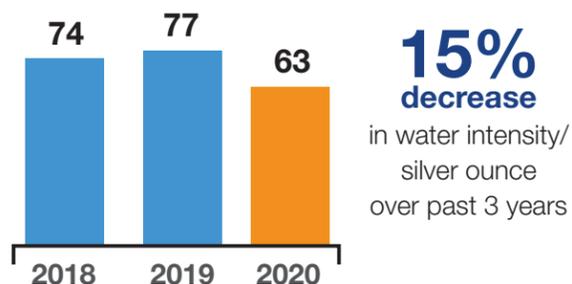
Freshwater Use & Reduction

Hecla is always focused on using water more efficiently. We continue to advance efforts to meet our three-year freshwater intensity (gallons/ton ore milled) reduction of 5% from the 2018 baseline year in 2021. We have also initiated a discharge reduction strategic planning effort at Lucky Friday with a goal of reducing site-wide discharges by 35% in three years.



In 2020, 95% of the electricity we used was line power. Of that, 76% was from hydropower.

PRODUCTION PER WATER INTENSITY
Gallons freshwater per /Ag ounces produced



Water Discharge

We strive at each operation to meet applicable federal and state (or provincial) water quality permit conditions.

Water Recycling

Whenever possible, we recycle and reuse water for milling and processing to help offset our freshwater withdrawal. In 2020 we recycled nearly 1 1/2 times more water than we withdrew from freshwater sources.

High recycling percentage at two sites:

- 2020: we recycled more than 90% of the water from the tailings pond at Casa Berardi
- 2020: we recycled 95% of the process water at the Lucky Friday

Water Withdrawn, Recycled, & Discharged

	2018	2019	2020
Withdrawn (gallons)	771,348,294	970,840,220	850,813,590
Recycled (gallons)	1,177,591,953	1,229,256,885	1,321,390,160
Discharged (gallons)	1,897,212,869	2,464,207,407	2,758,218,825
Total % Recycled	62%	50%	48%

Several of Hecla’s operations are located in areas of net positive precipitation. Water managed and subsequently discharged include waters other than freshwater, collected due to precipitation, open pit and underground inflows, as well as stormwater capture. Hecla’s recycling efforts reduce water volumes that otherwise would be discharged.

WASTE & TAILINGS MANAGEMENT

Waste

Different types of waste are generated during each stage of the mining process. Hecla strives to reduce waste output on all fronts specific to each operation, and we continuously explore the environmentally responsible use of resources, products, and materials. All sites have active programs for reuse, recycling, and recovery of hazardous and non-hazardous materials such as scrap metal, batteries, antifreeze, used oil, and paints/solvents.

In 2020, company-wide Hecla generated 3,208 tons of non and hazardous waste and recycled 1,600 tons or 50% of material (metals, batteries, oil, paper, paint/solvents, and cardboard).

Tailings

Tailings, the fine-grained materials that remain after the valuable minerals are separated in hard rock mining and ore processing, are a type of waste that must be managed and stored carefully. We recognize that tailings pose an environmental risk and could be potentially catastrophic if a tailings storage facility fails. Hecla’s formalized tailings stewardship program started in 2014, and it is designed to ensure all our operations implement best practices and risk-based approaches to manage mining waste. Our comprehensive [tailings management standard](#) provides procedures and protocols to ensure the safe and environmentally responsible design, construction, operation, and closure of our tailings storage facilities.

Benchmark Against Industry-Leading Frameworks

The Hecla Tailings Standard is benchmarked against industry-leading tailings management frameworks of the [Canadian Dam Association](#), Canada’s [Towards Sustainable Mining](#) (TMS), and the new [Global Industry Standard on Tailings Management](#) released in the third quarter of 2020. These frameworks include robust site characterization, engineering and design requirements, management and governance, emergency response, and third-party review.

In 2020, our Casa Berardi Mine achieved a Level A rating for TSM’s Tailings Management Protocol.

Early Adopter of the Dry-Stack Method

At our Greens Creek Mine in Alaska, Hecla was an early adopter of the dry-stack method of tailings management that minimizes the tailings surface footprint, reduces the amount of water retained in the tailings, and lessens the consequences of any potential failure. It also allows the opportunity for concurrent reclamation that further enhances the site’s stability.



Dry-stack method of tailings management at the Greens Creek Mine in Alaska.

A High Percentage of Tailings are Reused

In 2020, the total tailings produced company-wide that were returned to mines as backfill rather than stored on the surface increased from 24% to 28%. Returning these tailings as structural fill increases stability, improves safety, and reduces surface storage requirements. At our Lucky Friday Mine in Idaho, the volume of tailings produced in the milling process that was returned to the underground mine as structural fill was 50%, and at Greens Creek in Alaska it was 44%.

Company-wide Tailings & UG Backfill

	2018	2019	2020
Deposited surface	1,468,983 (76%)	1,869,219 (76%)	1,418,710 (72%)
Backfilled UG	467,028 (24%)	589,472 (24%)	541,216 (28%)
Total	1,936,011	2,458,691	1,959,926

LAND & BIODIVERSITY

Site Closure & Reclamation

Even though our geographic footprint is small, we have an ongoing commitment to reclaim mined lands. Reclamation is an integral part of every Hecla project from the initial design process. We undertake thorough planning before mining begins and take all necessary steps to mitigate against environmental impacts before, during, and after the mine is in active use. We also communicate progress to and collaborate with local stakeholders to ensure we are aligned on closure goals such as returning the land to other productive uses. Reclamation efforts typically include removing structures, regrading and seeding the land, protecting and monitoring the tailings-storage facility, and monitoring water quality.

All our sites are required to maintain up-to-date plans for reclamation and closure, and Hecla has committed more than \$180 million to ensure mined lands are successfully reclaimed. These sums are held by state and federal agencies to guarantee the reclamation is completed. On a quarterly basis, we undertake a structured review of company-wide assets and retirement obligations to ensure appropriate plans and financial accruals are in place. Our Audit Committee provides this report to our Board of Directors.

SMALL FOOTPRINT

Our operations disturb less than 3,900 acres of land, and we reclaimed 354 acres in 2020 — 300 of those acres were formally released from reclamation financial assurance.

Troy Mine Tailings Storage Facility

In 2020, we completed reclamation on the 300-acre Troy Tailings Storage Facility (TSF), thereby meeting our commitment to the Northwest Montana community to reclaim Troy Mine even though we had never operated it. Throughout this process, we engaged with stakeholders via community meetings and site tours.

We are returning the TSF to productive post-mining land uses and have partnered with local suppliers, contractors, and the Confederated Salish and Kootenai Tribes to harvest seed for, cultivate, and plant over 200,000 shrubs and trees. A self-sustaining native forest community and wildlife habitat is already growing and coming to life. In early 2021, the State of Montana reduced the required financial assurance by nearly \$8 million because Hecla Montana met or exceeded reclamation requirements for the TSF.



RECLAMATION WORK AT TROY TSF

2017

Workers began the process of moving and placing almost 450,000 cubic yards of soil over 308 acres.



2018 & 2019

We partnered with tribal nursery to collect native plant seedlings and planted more than 200,000 trees and shrubs.



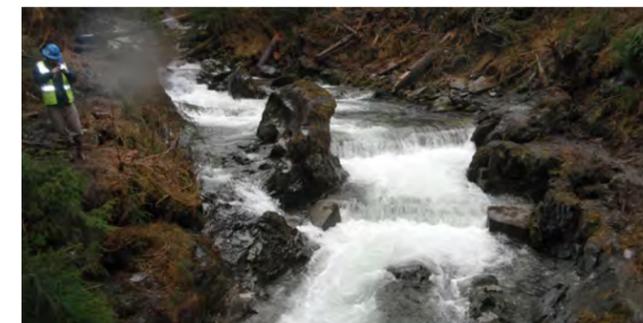
2020

Final reclamation completed. A self-sustaining native forest community and wildlife habitat is already growing and coming to life.

Learn more about our reclamation work at [Troy Mine](#).



Hecla helps support Angoon Youth Conservation Corps. (AYCC) Photo credit: Josh Orem, AYCC Youth Leader



Greens Creek Mine constructed a fish passage in Alaska.

San Sebastian Mine

At the San Sebastian Mine in Mexico, reclamation efforts include backfilling the open pits with rock and soil. In 2020, we placed 1.2M tons of waste rock material in backfilling the Middle Vein open pit. To date, more than 3M tons of material have been backfilled. Once reclamation of the pits is completed, the land will return to the owners and its previous agricultural use.

Lucky Friday

Wherever possible, we perform concurrent reclamation while operations in other parts of the mine may still be in use. For example, we have closed two older TSF facilities and are in the process of closing a third at the Lucky Friday.

Biodiversity

Hecla's biodiversity footprint is not restricted to our mine sites – the actions we take can extend to habitats and species that live and migrate beyond our direct operations. We account for this in our comprehensive land and habitat management activities, which are an integral part of our operational plans. As part of any project permitting process, we conduct detailed studies that consider the potential impacts on biodiversity and incorporate mitigation measures into any project plans. Where possible, we consult with local communities and indigenous peoples for guidance and insight about wildlife. Plans include monitoring, studying, protecting, and supporting ecosystems. Examples include:

- Hecla has been an active partner with and helped build the [Angoon Youth Conservation Corps](#), a program targeted at the Alaska Native Youth. In 2020, the Hecla Charitable Foundation's \$15,000 grant

supported the youth's work on stewardship projects focused on restoring and conserving the Admiralty Island National Monument and the Kootznoowoo Wilderness. Projects included:

- Naturalization/rehabilitation of socially impacted sites such as cleaning up and repairing eleven campsites
- Brushing and clearing six miles of trail
- Leading trash removal and public education effort in Village of Angoon
- Removing 500 pounds of marine debris from 23 miles of shoreline
- Hecla's two evaluation projects in northwestern Montana would provide a total of 893 acres of high-priority land as permanent grizzly bear habitat.
- Our Montana evaluation projects fund two Montana Fish, Wildlife and Parks positions at each site for the duration of the project.
- Casa Berardi achieved a **Level A rating for TSM's Biodiversity Conservation Management Protocol**.
- Hecla Quebec continues to be a major partner of the Industrial Research Chair NSERC-UQAT on northern biodiversity in a mining context. Their mission is to work toward developing strategies that reduce the potential impacts of development throughout the mine life cycle on northern biodiversity, including climate change.
- In Alaska, the Greens Creek Mine constructed a fish passage to bypass a natural barrier to salmon spawning habitat, which has created nearly three miles of additional spawning habitat.



HUMAN CAPITAL MANAGEMENT

Our Approach



For 130 years, our people have been our most valuable asset. Corporate performance is only as good as our people, which is why our policies and performance related to people have always been integrated into Hecla's overall business strategy and risk management plans. Accordingly, collecting human capital management (HCM) data is a critical component of business management and planning. We have elevated reporting of this data to demonstrate the role that HCM plays in Hecla's commitment to sustainability and responsibility.

2020 GOAL	2020 RESULT	2020 PERFORMANCE	2021 FOCUS AREA
Continue to prioritize local hiring and procurement	✓	80% of employees are local	Maintain local hire and procurement focus
Publicly report employee demographic data, including gender, age, and race/ethnicity	✓	For the first time, all this information is included in our 2020 Sustainability report	Continue to be transparent in these areas
Strive to mirror the demographics of our local communities	✓	More than quadrupled the number of First Nations hired from the Abitibiwinni (Pikogan) community by Hecla Quebec from 2018 to 2020 Hecla Quebec participates in virtual job and recruitment fairs specifically targeted to the First Nation community Hecla has a program to recruit female interns	Maintain goal on diversity
Continue to seek opportunities for female employees in operations, engineering, and geology	✓	From 2018 to 2019, the percentage of woman working at Hecla more than doubled from 4.5% to 9.3%. In 2020, 9.7% of women made up our workforce. The percentage of females in management has remained steady at 19%	Maintain goal
Complete discrimination training program for managers and supervisors	✓	On-line training programs required to be completed	Continue in 2021

Our People

Hecla is often the largest private employer and taxpayer in the communities in which we operate. Furthermore, Hecla management is dedicated to continuously investing in the technology, training, systems, and programs that help protect and support our people. This active, on-going commitment to talent management is essential to not only company performance, but also our social license to operate.

Responsibility for Human Capital Management

At the executive level, the Vice President of Human Resources reports directly to the CEO and is responsible for implementing Hecla's HCM program. The position is an executive level position to reflect the priority we place on utilizing our human capital resources to meet our business strategy. At the local level, Hecla's corporate and site human resources professionals manage the Company's HCM at their respective site.

Diversity & Inclusion

We strive for our workforce to reflect the demographics near our mine sites. Our Greens Creek Mine in Alaska is a bit of an outlier because we cannot fill all the roles through the Alaskan population. While we target Alaska residents, we also post job openings in the lower 48 U.S. states with the primary goal of attracting employees who are dedicated to our values of excellence and safety.



Our people are our most valuable asset.

Though mining is a predominantly male industry, Hecla is committed to creating more opportunities for women in our workforce. Women make up 9.75% of our employees and 19% at the managerial level.

Diversity efforts include:

- Company-wide, our diversity/anti discrimination training is completed during the new hire orientation.
- Hecla Quebec participates in virtual job and recruitment fairs, such as the Job Fair organized by the Kijitowin Commission of the Algonquin community of Lac-Simon that is specifically targeted to this First Nation community.
- Hecla has a program to recruit female interns.

Discrimination & Harassment

Hecla prohibits discrimination of any kind. More information is included under the "Employee Relations" section of our [Code of Conduct](#).

Hiring from the First Nation Community

The number of First Nations hired from the Abitibiwinni (Pikogan) community by Hecla Quebec has more than quadrupled since 2018, from six to an average of 25 who worked at Casa Berardi operations each month in 2020 on various jobs related to the tailings pond, mill, pit, and geology. In total, 48 First Nation workers were employed by Hecla Quebec in 2020.



Worker at our Casa Berardi Mine.

Workforce Skills & Capabilities

We endeavor to hire people with the right skills for modern mining operations, and we ensure they have relevant and current qualifications as well as continuous access to training and improvement opportunities. While minimum training requirements for our workforce is discussed in Hecla's [Safety and Health Policy](#), here are specific examples of our 2020 training:

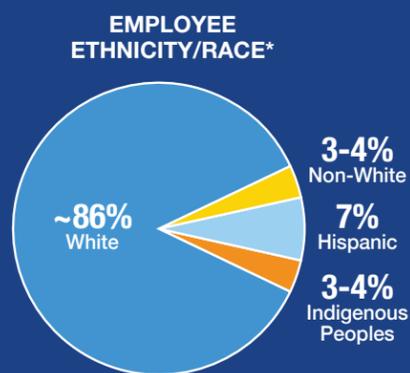
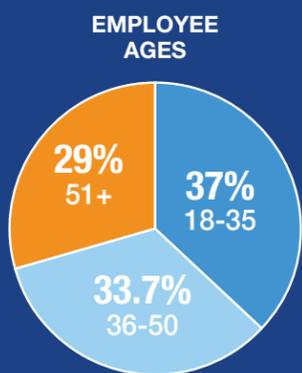
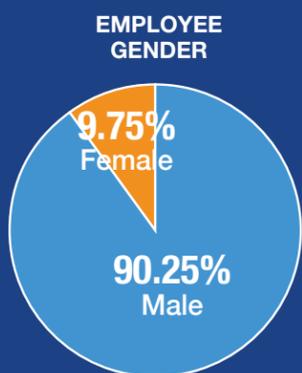
- Our employees and contractors worked more than 4.4 million man-hours and received more than 42,243 hours of health and safety training.
- Site employees received 5,432 hours of environmental training.
- Hecla places particular emphasis on ensuring employees are able to manage and execute emerging technologies that make our workplace safer and more efficient. For example:
 - We have advanced worker progression skill training in partnership with North Idaho College and the Workforce Training Center in Coeur d'Alene to equip the Lucky Friday hourly workforce in expanding their skills sets.

Employee Education Support

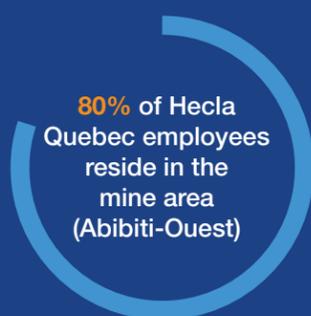
Hecla offers a reimbursement program to assist with educational expenses for employees who are interested in furthering their education.

HECLA WORKFORCE DATA SNAPSHOT

Total Workforce	Direct Workers	Contractors
2,257	1,621	636



LOCAL HIRING AND PROCUREMENT IS A TOP PRIORITY



Hecla Quebec has 620 suppliers, including 350 from the Abitibi-Témiscamingue region.

*This information is not collected in Quebec, Canada, in conformance with local norms.



WORKER SAFETY & HEALTH

Our Approach



Hecla's commitment to the safety, health, and welfare of our workforce is an essential part of our corporate culture and reputation within the industry, with employees and in our communities, and is embodied in our extensive Hecla [Safety and Health Policy](#). To ensure continuous improvement, these standards are tested, re-evaluated, and continually reviewed.

2020 GOAL	2020 RESULT	2020 PERFORMANCE	2021 FOCUS AREA
Achieve 0 fatalities	✓	0 employee or contractor fatalities	Achieve 0 fatalities
Meet or exceed 5% reduction in All-Injury Frequency Rate (AIFR)	✓	Reduced AIFR by 24% to 1.22. Lowest in company history, far exceeding 5% goal	Further reduce AIFR by 5%
5% Short-Term Incentive Program (STIP) goal	✓	37% reduction in total non-compliance violations since 2018	Further reduce STIP goal by 5%
Implement plans at each site to manage COVID-19 to protect worker health with minimal disruption to operations	✓	Implemented comprehensive health and safety protocols at each mine, including quarantines and rapid testing at our Greens Creek operation	Incorporate plans into long-term safety and health protocols at each site

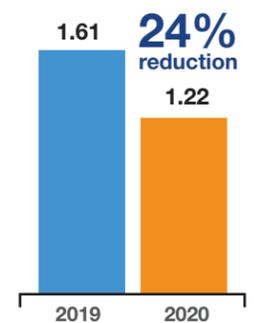
Additional 2021 Focus Areas

- Each site to implement Hecla's Zero Tolerance standard (immediately terminable offenses)
- Complete at each site an internal audit of Hecla Safety and Health Management System
- Develop COVID-19 Fatigue Management Program

HECLA'S PHILOSOPHY:

Operate mines safely by promoting a deeply-rooted value-based culture, leveraging mining skills developed over the Company's long history, and innovating new practices.

2020 PERFORMANCE ALL INJURY FREQUENCY RATE (AIFR)



In 2020, reduced AIFR by 24% — **far exceeding our 5% reduction goal**

Internal & External Safety & Health Audits

Our [Hecla Safety and Health Management System](#) (SHMS) reflects HMS process training and orientation to ensure that our training complies with the Mine Safety & Health Administration (MSHA) regulations in the United States, Occupational Health and Safety in Mines regulations in Quebec, and the Federal regulations for Occupational Health, Safety and Work Environment in Mexico.

Measurement of the effectiveness of our safety and health systems is carried out through the use of monitoring techniques including audits and inspections, such as:

- Daily plant and equipment pre-start checks
- Weekly site inspections
- Internal safety and health systems and performance compliance audits
- External safety and health systems and performance compliance audits

Safety & Health Performance

The focus on safety and behavior have steadily improved our safety records every year over the past eight years. In 2012, we instituted our SHMS. Since then:

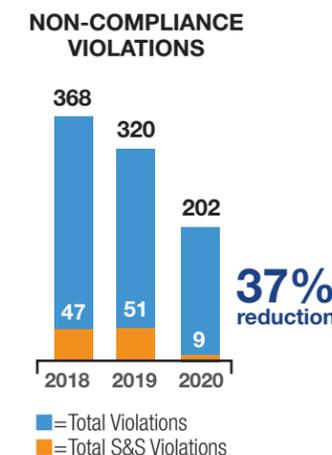
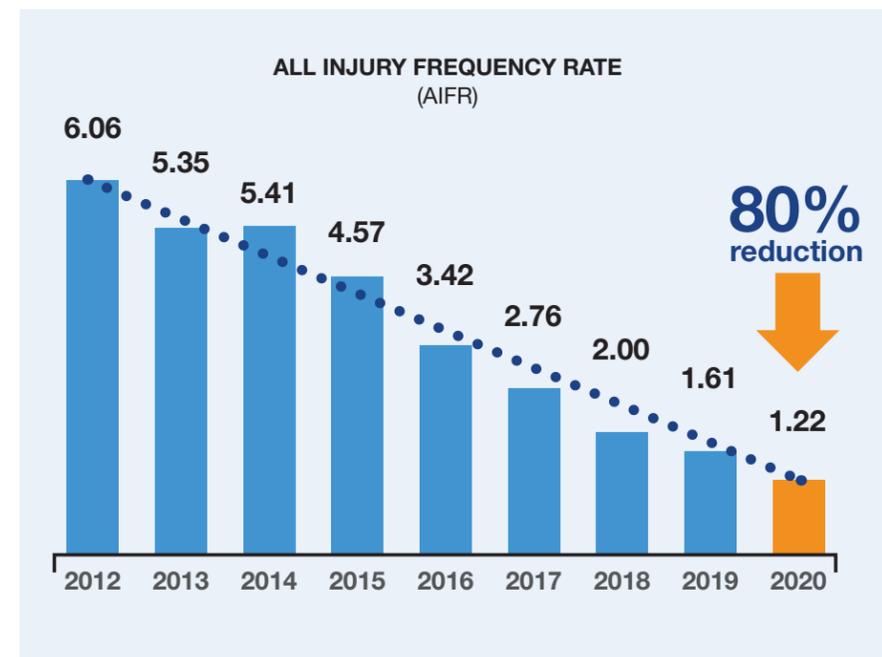
- We have had zero mine employee fatalities and one contractor fatality
- We have steadily reduced our AIFR year over year by **80% to our lowest safety rating in Company history**
- We became the first U.S. and internationally certified sites under the National Mining Association's CORESafety program



SAFETY AND HEALTH MANAGEMENT SYSTEM



The Hecla Safety and Health Management System ensures high performance and facilitates continuous improvement. Consistent with best practices in the field, this system is designed to provide consistency across the company in terms of specifying requirements and responsibilities, but it is not intended to be prescriptive.



202 total non-compliance violations in 2020

SAFETY: TAKE IT HOME

Our culture of safety is not just in the workplace. In 2020, we instituted a *SAFETY: Take It Home* campaign contest to showcase how Hecla's employees and contractors promote safety protocols learned on the job to their families at home. Our contest was shared by both the National Mining Association and CORESafety. Here are some of the photos from our contestants.



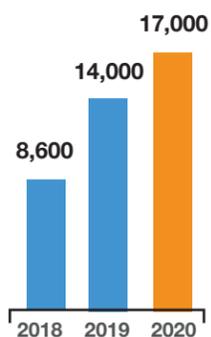
Employee Wellness

If the pandemic has taught us anything, it is that a healthy workforce is the cornerstone of a healthy economy. Hecla's health and wellness programs cover education, health interventions, and disease management.

Tracking & Reporting

Tracking and reporting health and safety data increases accountability and provides important insights into areas that need improvement or expansion. Hecla tracks safety performance indicators including injuries, near misses, observations, and equipment damages, with a goal of reducing safety incidents and improving upon the previous year's performance.

SAFETY OBSERVATIONS & EMPLOYEE INTERACTIONS

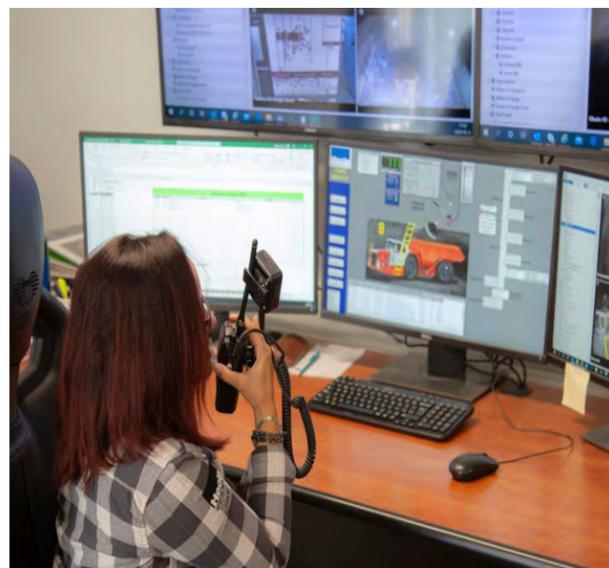


In 2020, there **were over 17,000** observation and interactions to enhance the safety awareness culture

Programs That Inspire Excellence & Improvement

To achieve stellar results, Hecla executes a variety of programs that incorporate training, innovation, and engagement. These programs are designed to help employees develop skills that enable them to perform their work in a safe, healthy, and environmentally responsible manner.

- Our Hecla management team annually reviews the Hecla SHMS to ensure that it meets the requirements of Hecla's objectives and the CORESafety system.
- The Hecla Take 5 Safety Focus program fosters continuous improvement by improving job site awareness and decreasing exposure to high and critical risk activities at each job site.
- In 2019, four of Hecla's operations participated in their respective area's mine rescue competitions. Due to COVID-19, the mine rescue safety competitions did not take place in 2020, but our teams continued to train and prepare for treacherous emergency response operations.



Hecla employees can remotely operate equipment which improves worker safety.

Emergency Preparedness

Each operation maintains a written, site-specific emergency response and crisis communication plan. All workers are familiar with and expected to comply with the requirements detailed in this plan. The plan includes an assessment and acquisition of adequate foreseeable emergency resources, including warning devices, first aid supplies, rescue equipment, and communication aids. Emergency response drills are conducted at least annually.

Learn more about how we keep our workers [safe](#).

Innovation & Safety

A commitment to innovation shapes Hecla's operational strategy across the board, but the impact of innovation is probably most acutely experienced in the realm of health and safety. By automating certain mining tasks, we allow miners to do more planning and problem solving while the machines do the repetitive work tasks. This improves safety and productivity. Our innovation efforts also help reduce our environmental footprint while increasing efficiency and productivity.



Autonomous 24-hour trucks increase safety and productivity and decrease energy use.

2020 Innovation Highlights

We have invested in the **Remote Vein Miner** at the Lucky Friday Mine, a technology that would incorporate multiple steps of underground mining into a continuous operation, and we are piloting a **new mining method** that would make our operations even safer and more efficient.

Hecla is an early adopter of **Teleremote battery-operated load, haul, and dump (LHD) equipment**. This technology is remotely administered and reduces energy use and heat output. It operates with zero emissions, and it significantly lowers noise levels and improves worker safety by moving employees away from the mine-face. It also allows one operator to run up to three machines from the same station.

The **autonomous 24-hour truck operation** at our Casa Berardi Mine has increased safety, increased payloads by 8%, and decreased energy use by 17% per vehicle. The expected cost savings from just two trucks is around \$3 million per year.

Hecla uses an **automated jumbo stope drill** at Casa Berardi that allows drilling during shift changes and improves drill accuracy while also increasing productivity and efficiency.

At our Casa Berardi Mine, we employ **timers on the mine ventilation systems** to reduce electricity consumption for underground ventilation by 23%.

OUR COMMUNITIES

Our Approach



Operating long-lived mines has allowed us to develop deep and mutually beneficial partnerships between our company and the communities in which we operate. While our geographic footprint is small, we provide large social and economic benefits to host communities.

HECLA CHARITABLE FOUNDATION CONTRIBUTIONS

\$3,654,823

HEALTH
\$335,208

YOUTH
\$489,107

EDUCATION
\$1,020,572

COMMUNITY
\$1,809,935

The Foundation has contributed \$3.65 million to local communities since 2009.



2020 GOAL	2020 RESULT	2020 PERFORMANCE	2021 FOCUS AREA
Refresh the community advisory committees in each of our locations	✓	Community Advisory Committee (CAG) was reestablished at Greens Creek Casa Berardi Mine Liaison Committee met remotely and discussed a number of ESG topics	Reactivate CAG Maintain Casa Berardi Mine Liaison Committee Reactivate Montana project community advisory committee
Advance a collaboration agreement with the Abitibiwinni First Nation community in Quebec	✓	Hecla Quebec and the Council of the Abitibiwinni First Nation signed Cooperation Agreement	Continue to implement the Cooperation Agreement
Develop a mining machine mechanics program in collaboration with the James Bay Professional Training Center	✓	16 students enrolled in 2020	Continue to build program and enroll more students
Achieve a Level A rating for the Indigenous and Community Relations Protocol of the TSM framework	✓	Achieved goal	Maintain Level A rating
Restart the biomass heating project at Casa Berardi in collaboration with the local community and First Nations	✓	Project was delayed due to COVID-19. Participating parties toured the installations at Casa Berardi and continued to conduct planning discussions	Begin the project in 2021
Hold workshops to educate and address questions on sustenance fisheries and the impacts of global mercury that may impact the local environment	X	Due to COVID-19, we were not able to hold any workshops	We plan to continue this program once we are able to host workshops again

Community & Stakeholder Engagement

Below is an example of how we engage with the community during every stage of the mining life cycle.

During all phases of mining, we strive to:

- Communicate information through local media, flyers, social media, and community meetings
- Emphasize listening and responding to local stakeholders' feedback and concerns or grievances
- Make all materials available in the local language and provide translation if necessary
- Work with local stakeholders to identify and prioritize opportunities for community support via the Hecla Charitable Foundation
- Publicly disclose the results of environmental, economic, and social impact assessments

 **LARGE BENEFIT**

Our work makes a direct economic impact of more than **\$550 million** in wages, benefits, payment of taxes and license fees, purchase of goods and services, and local donations and contributions.

We are the **largest private-sector employer and taxpayer in Juneau, Alaska and Wallace/Mullan, Idaho.**

- Collaborate with local stakeholders to mitigate environmental and social impacts
- Become a community partner and encourage company management and employees to take leadership positions in the community

Accountability & Communication

Below are specific examples of protocols and committees we use to communicate with stakeholders about ESG performance.

Towards Sustainable Mining

At Casa Berardi, we benchmark against the [Towards Sustainable Mining](#) (TSM) standard, a globally recognized sustainability program that helps provide local communities and stakeholders with essential information about how operations are faring in important ESG areas. Every three years, participating companies undergo third-party verification from a Verification Service Provider. We will be evaluating a broader benchmarking against TSM for our U.S. operations in 2021.

**LEVEL
A
RATING**

As of 2020, Casa Berardi has achieved a **Level A or higher rating** for nearly all of the TSM protocols.

Casa Berardi Mine Liaison Committee

The committee was created by Casa Berardi to facilitate citizen participation in operational activities. In 2020, the members discussed topics such as biodiversity, job creation and socio-economic benefits, site restoration, and water management. As a result of committee feedback, Hecla Quebec increased focus and efforts on incorporating ESG factors into long-term business strategy and incentive compensation programs, and communicating their ESG practices and performance to stakeholders. The committee is comprised of nine members and is made up of the following stakeholder groups:

- Residents of Abitibi-Ouest and Nord-du-Quebec
- Municipal
- Aboriginal Community (Pikogan)
- Socio-Economic
- Environment
- Education/Training

COMMUNITY ENGAGEMENT DURING THE MINING LIFE CYCLE



Exploration

Designate a person within Hecla to be the point person on community relationships

Conduct analysis of community social-economic landscape to identify population and community dynamics

Identify and communicate with key stakeholders

Spearhead initiatives to include local and Indigenous Nations in community engagement and workforce development activities (e.g., Agreement with Gitanyow Band in British Columbia)



Development, Design & Permitting

Hold public and community meetings about project permitting, including project scoping and public comment period

Establish community advisory groups

Conduct social-economic impact assessments

Collaborate with local stakeholders

Refine giving strategy for Hecla Charitable Foundation

Negotiate development/operations agreements as appropriate with community and Indigenous Nations



Construction

Continue stakeholder collaboration

Establish community-facing communications tools such as Facebook page for mine site

Recruit employees from local geographic region whenever possible through local advertising and job fairs

Implement training programs and partnerships with local community and government agencies



Operations

Communicate and work with all local stakeholders

Hold community information meetings which include reporting on environmental, social, and economic performance

Implement operation agreements as appropriate with community and Indigenous Nations (e.g., Collaboration Agreement with Pikokan First Nations in Quebec)



Reclamation & Closure

Hold community informational meetings about closure plan

Partner as appropriate with Indigenous Nations for closure work (e.g., native plant nursery with Kootenai-Salish Confederated Tribes in Montana and drill pad reclamation in Nevada with the Western Shoshone Band)

Implement closure plan and monitor impacts

LARGE BENEFIT

Our direct economic impact is more than \$550 million, which equates to **\$141,000 in wages per acre.**

More than one indirect job is created by each Hecla job, leading to an **additional 3,000+ workers in our local communities.**

Hecla Greens Creek Community Advisory Committee (CAG)

At Greens Creek, the community advisory committee (CAG) was reestablished using remote meeting methods due to COVID-19. CAG is part of a collaborative effort between Greens Creek and its stakeholder constituencies to ensure representative community input is considered in the ESG aspects of the mine's planning processes. The group is comprised of seven or more members from at least the following stakeholder constituencies:

- Alaska Native community
- Municipal government
- Private sector
- Educational and academic community
- Environmental community
- Human services/charitable organizations

Local Donations & Volunteerism

Hecla and our employees provide large social benefits wherever we operate by partnering and contributing in meaningful ways to the social well-being of our host communities. Despite the challenges from COVID-19, our employees and Hecla continued to give back to communities in a variety of ways. For example:

- In 2020, the Hecla Charitable Foundation donated more than \$337,000 toward education, youth activities, community programs, and health services activities and committed an additional \$135,000 specifically for COVID-19 response and recovery efforts in our communities. Since 2009, the Foundation has contributed over \$3.6 million.

- Casa Berardi's management team raised funds for the Maison St-André Abitibi-Ouest. Employee contributions helped raise a record total of \$14,100 for food assistance to low-income people in Abitibi-Ouest.
- The Lucky Friday Mine provided lunches and snacks for Silver Valley Youth when they were not in school.
- Employees of the Casa Berardi Mine organized a clean-up of the Rotary Beach in Palmarolle as part of the Mouvement Zéro Déchet Abitibi-Témiscamingue activity.



Hecla Quebec employee volunteers to clean up a beach.

Indigenous Relations

Hecla has long appreciated the importance of open and respectful dialogue with local Indigenous Peoples around our operations. Examples include:

- In 2020, Hecla Quebec and the Council of the Abitibiwinni First Nation signed a Cooperation Agreement for the exploration, development, and operation of the Casa Berardi Mine projects. The objectives of the agreement include developing and maintaining a long-term relationship between the parties and providing for real and meaningful participation in these projects, including training programs, employment and advancement opportunities, business opportunities, and environmental protection measures. The agreement also creates a mechanism that allows the First Nation community to benefit financially from the long-term success of the projects.



Chief Monik Kistabish and Hecla Quebec's Vice-President of Operations and General Manager of the Casa Berardi Mine, Alain Grenier sign the Cooperation Agreement.

- At Casa Berardi, we achieved a Level A rating for the Indigenous and Community Relations Protocol of the TSM framework.
- Hecla Quebec and the Gitanyow Band in upper British Columbia continued to implement an exploration agreement that addresses mutual benefits from future exploration activity, including employment, contracting, environment and permitting, and additional considerations.
- Casa Berardi continued to collaborate with the Cree community of Wasmanipi, Abitibiwinni First Nation, Tawich Construction and Cyclo on a project to develop a biomass heating system for the mine. The project faced delays due to COVID-19, but in 2020, the participating parties toured the installations at Casa Berardi and continued to conduct planning discussions. The project is scheduled to begin in 2021.

“The signing of this agreement marks a new beginning and sets the table for years of collaboration to come.”

MONIK KISTABISH
Chief of the Abitibiwinni First Nation



Tour of the biomass project installations.

- For the fifth year, the Hecla Charitable Foundation partnered with the [Angoon Youth Conservation Corps](#), a program that provides opportunities for the Alaska Native youth to earn wages and gain employment proficiency and skills.
- At our Hollister Mine in Nevada, we work with the Western Shoshone Tribe and the Te-Moak Council on a number of cultural and environmental matters, including siting and reclamation of exploration drill sites.

“Hecla is proud that this partnership is based on mutual trust, protection of the environment and respect for Aboriginal people and their traditional way of life.”

ALAIN GRENIER
Hecla Quebec Vice President of Operations, Vice President-General Manager, Casa Berardi Mine

Education Programs: Building a Pipeline of Skilled Workers in Our Communities

Providing educational opportunities in our local communities has always been a priority for Hecla. We have partnered with a number of organizations on programs that are specifically geared toward training students for a career in mining. Examples include:

- **Pathway Program and University of Alaska’s Southeast Center for Mining Training, Greens Creek**

In 2020, Greens Creek renewed a partnership with the [University of Alaska Southeast \(UAS\) Center for Mine Training](#) by committing a gift of \$315,000 for scholarship assistance. *Pathway to Mining Careers* is a world-class workforce development program that prepares Alaskans for key jobs in the mining industry. This latest investment marks 10 years and \$1.2 million in contributions to UAS since the partnership began. To date, more than 10 percent of the diesel mechanics at Greens Creek have started their career paths at UAS.

- **Hecla-Quebec Global Development Fund (UQAT Foundation)**

The University of Quebec in Abitibi-Témiscamingue and Hecla Quebec have partnered for 10 years to support students through the [Hecla-Quebec Global Development Fund \(UQAT Foundation\)](#). Since 2009, Hecla Quebec has donated \$1.8 million to the Foundation thanks to a grant of \$1 per ounce produced at the Casa Berardi Mine.

“This continued partnership between UAS and Hecla Greens Creek means that another generation of Alaskans will have the support they need to start careers in one of Alaska’s most lucrative and vital industries.”

CASEY BAIN

Career Education Program Coordinator, University of Alaska Southeast



SMALL FOOTPRINT, LARGE BENEFIT

Our operations take up less than 3,900 acres but we produce \$692M in revenues = \$177K revenue per acre in our local communities.

- **Mineral Extraction Program in Quebec**

In 2020, Hecla Quebec hired a total of 15 graduates from the Mineral Extraction program at the [James Bay Vocational Training Center](#). The program allows students to perform the practical part of their training at the Casa Berardi Mine.

- **Mobile Mine Mechanics Training Program**

Hecla Quebec collaborated with the James Bay and Lac Abitibi professional training centers to develop a new mine mechanics training program that has enrolled a total of 16 students.

- **Mobile Mine Internship Program**

In 2020, Casa Berardi hired 25 interns and students who contributed to operational maintenance during the summer.

Students participate in the new mobile mine mechanics program in Quebec.



FUTURE CAREERS IN MINING

Hecla trains and educates students and interns about careers in mining.



Interns at the Casa Berardi Mine.

GOVERNANCE & TRANSPARENCY

Our Approach



Strong governance strengthens our policies and performance, and it distinguishes us as a respected precious metals producer. Operating transparently and with integrity has helped us earn the trust of our stakeholders, credibility within our communities, and dedication from our employees.

2020 GOAL	2020 RESULT	2020 PERFORMANCE	2021 FOCUS AREA
Add new director and identify two potential directors with one or more being a woman	✓	We identified a woman director in 2020 and officially appointed Ms. Alice Wong in February 2021 We have had four new directors since 2016, further reducing tenure	Refresh Board of Directors with an emphasis on diversity and add a director with ESG expertise
Draft a Human Rights Policy Statement	✓	Our Board of Directors approved and published a Human Rights Policy Statement We drafted a Supplier Code of Conduct in 2020 that includes adhering to standards of human rights. Code was approved and published in 2021	Continue to promote respecting human rights wherever we operate and throughout our supply chain
Review and strengthen ESG governance	✓	Our Board updated the charter of the Corporate Governance and Directors Nominating Committee and changed the name of the committee to the Governance and Social Responsibility Committee (GSR)	Recruit a new director with ESG expertise to sit on this committee

Eight of nine directors are independent

Two female members of the Board

Four new directors in the last four years

Independent Chairman of the Board

The positions of CEO and Chairman of the Board are held by separate persons

Average tenure is approximately 11 years

Average age of our directors is 67

Directors cannot be nominated for re-election after their 75th birthday

Board of Directors Composition & Refreshment

Hecla's Board of Directors (the "Board") oversees the Company's business strategy with the goal of delivering long-term value to shareholders and stakeholders. Board composition is a priority for our stakeholders and refreshing the Board with new perspectives and new ideas is critical to a forward-looking and strategic Board of Directors. In 2020, we identified a diverse candidate for director and appointed Ms. Alice Wong in February 2021.

In addition, our Board benefits from the valuable experience and familiarity of longer-serving directors. Ensuring diverse perspectives representing varied skills, professional experience, industry backgrounds, gender, and race is important for the long-term interests of stakeholders. We have one director who is retiring in 2021, and several directors are within one to two years of retirement age and will not be standing for reelection at the end of their respective terms. As such, we anticipate that we will be seeking qualified candidates to further enhance our Board's relevant experience and diversity.

Governance Policies & Ethics

As a publicly traded company listed on the New York Stock Exchange (NYSE), Hecla's management is held to an especially high set of ethical standards as described in our [Code of Conduct](#). This Code demonstrates a commitment to seeking and delivering best practices in ethics and integrity among our workforce and in every aspect of our business. In addition, our [Code of Ethics](#) further bolsters these ethical standards for Hecla's Chief Executive Officer and senior financial officers.

Corporate Governance Guidelines

Our [Corporate Governance Guidelines](#) provide stakeholders with the best-practice principles of our corporate governance program and Board framework. The GSR Committee oversees and conducts an annual performance evaluation of the Board.

Supplier Code of Conduct

Suppliers, vendors, and third-party contractors are expected to act ethically and consistently with our [Supplier Code of Conduct](#) when conducting business on our behalf.

Whistleblower Policy

Our [Whistleblower Policy](#) encourages employees to report any information related to fraud to the appropriate Hecla representatives without fear of retaliation.

Insider Trader Policy

All management and employees must comply with all federal and state securities laws and regulations as stated in our Policy on Insider Trading.

Human Rights

Hecla supports fundamental human rights and responsible workplace practices across the Company, along our supply chain, and in all jurisdictions in which we conduct business. We operate in jurisdictions where human rights laws are respected and promoted, and we are committed to respecting and observing all human rights, as we strive to conduct business in a manner consistent with the [United Nations Universal Declaration of Human Rights](#) and the [United Nations Guiding Principles on Business and Human Rights](#). More information is in our [Human Rights Policy Statement](#).

Bribery & Anti-Corruption Policy

Our employees and management team are expected to comply with all applicable national, state, and local laws and regulations in each country where they conduct business with regard to dealings with government officials, including lobbying, political contributions to candidates, and meeting with government agencies. See our [Code of Conduct](#) for specific policies against bribery and anti-corruption.



96% of Hecla's production comes from the U.S. and Canada

Hecla operates in jurisdictions rated by the [Transparency International's Corruption Perception Index](#) for low corruption. (Canada has a ranking of 11 and the U.S. ranking is 25).

Hecla's Economic Benefit

A table outlining Hecla's economic impact, including payments to governments, is at the end of this report.

Public Policy

Government policy is one of the most powerful external forces affecting us today. New laws and changes to existing laws can fundamentally impact Hecla's operations and the markets where we do business – and in turn, our bottom line – thereby affecting the Company, our employees, retirees, communities, and shareholders. Since government policy is so critical to our survival and success, we participate in the political process and advocate in a responsible and constructive manner on issues that advance the Company's goals and protect shareholder value.

Our government affairs representatives meet with lawmakers and government officials on issues that directly impact the Company such as tax policy, land use and access, permitting policy and environmental, health and safety standards. We are also members of trade associations that advocate on behalf of the natural resources industry.

We maintain the Hecla Mining Company Political Action Committee (Hecla PAC), which is a forum for our employees and directors to voluntarily contribute to a fund that supports the election of candidates to Congress that support a regulatory and legislative environment constructive to the operation and development of our mines. The Hecla PAC is organized under the provisions of the Federal Election Campaign Act of 1971 and the amendments of 1974, 1976, 1979. The Hecla PAC is managed by a Chairman who is appointed annually by Hecla's President and CEO. The Chairman appoints a Vice Chairman, Secretary, and Treasurer. The Chairman also appoints members to the Contribution Committee. Decisions about contributions to specific federal candidates are made by members of the Hecla PAC. We also file all required Hecla PAC contribution reports with the [Federal Election Commission](#). In 2020, the Hecla PAC contributed \$62,000 to federal candidates.

We are committed to the highest standard of ethical conduct in our involvement in policymaking and the political process. Additional policies related to our dealings with government officials are included in our [Code of Conduct](#) and are reported annually to the Board.

Role of Board in Risk Management

The Board is responsible for company-wide risk management oversight. Taking reasonable and responsible risks is an inherent part of Hecla's business and is critical to the continued innovation, growth, and achievement of strategic objectives. Hecla's long-term success is grounded in our ability to identify and manage the factors that have the greatest impact on our ability to create value over the long term. To accomplish this, the Board actively oversees and monitors the most significant issues that would be reasonably expected to materially impact Hecla's operations and ensures that necessary steps are taken to foster a culture of risk-adjusted decision making. The chart on the following page outlines the key risk oversight and management responsibilities of our Board, its committees, and management.

Board Responsibility & Management Accountability for ESG

The [Governance and Social Responsibility Committee](#), which is responsible for overseeing corporate governance and ESG risks and opportunities, updated its charter in early 2021. In addition, the [Health, Safety, Environmental and Technical Committee](#) supports the furtherance of Hecla's commitment to adopt best practices in mining operations, promote a healthy and safe work environment, and advance environmentally sound and socially responsible resource development.

At the executive level, the Vice President of External Affairs reports directly to the CEO and is responsible for implementing the Company's sustainability program, specifically on the community relations, environmental and social aspects of ESG, while the Board focuses on governance aspects.

At the local level, the Company has risk assessment and mitigation measures in place at each operation, and the Vice President – General Managers are responsible for ensuring continuous improvement toward sustainability goals.

Our [Sustainability Management Structure organizational chart](#) is included on our website.

Board of Directors

Monitors (including through committee reports) and assesses risk exposure:

- Operational
- Strategic
- Legal and regulatory
- Reputational
- Financing, including borrowing, liquidity, capital allocation and hedging

Management

- Business units identify and manage business risks
- Risk management updates provided through business reports from management are presented at meetings of the Board and its committees throughout the year

Audit Committee

- Manages financial statement integrity and reporting
- Monitors internal controls
- Oversees audit work
- Monitors compliance with securities and financial regulations
- Manages major financing and other business risk exposures
- Oversees major Information security, technology, and privacy and data protection

Governance & Social Responsibility Committee

- Identifies and monitors environmental, climate, health, safety, sustainability, public policy and social trends, issues, guidance, concerns and risks, and other corporate responsibility matters (collectively ESG)
- Evaluates and develops recommendations regarding adopting ESG policies, systems, strategies, and initiatives
- Identifies the selection of qualified candidates to become directors
- Develops and recommends Corporate Governance Guidelines and principles
- Oversees evaluation of the Board and management

Compensation Committee

- Oversees executive compensation policies and practices
- Assesses the Company's compensation arrangements to determine if their provisions and operations create undesired or unintentional risks of a material nature
- Approves compensation levels and programs for the executive officers, including the CEO

Health, Safety, Environmental & Technical Committee

- Oversees operational and other technical risks, reserves, environmental, health and safety compliance, as well as risks related to public policy initiatives
- Monitors the implementation and effectiveness of health, safety, environmental and sustainability policies and systems
- Oversees strategy and efforts to protect and improve the quality of the environment, including climate change and sustainability policies and programs
- Monitors efforts to create a culture of continuous improvement related to health, safety, environmental and sustainability practices

SASB TABLES

TABLE 1: Sustainability Disclosure Topics & Accounting Metrics (SASB)

TOPIC	METRIC	REPORT	SASB CODE
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Scope 1 was 55,418 Metric tons CO ₂ -e. The total of Scope 1 and Scope 2 was 85,970 Metric tons CO ₂ -e, a 36% decrease from 2019. Both Scope 1 and Scope 2 GHG emissions are covered under EPA and State reporting requirements but not otherwise covered under reference emission limiting regulations including Quebec Cap and Trade.	EM-MM-110a.1
	Description of long-term and short-term strategy to manage Scope 1 emissions, emission reduction targets, analysis of performance against those targets	CO ₂ -e emission reduction efforts tied closely to our targeted 5% direct energy intensity reduction over 3-year initiatives using Environmental Management System (EMS) to focus attention on energy savings, automated and semi-autonomous haulage, mucking, and drilling, along with on-demand ventilation. Goal is 5% direct energy reduction over 3 years using 2018 as baseline year. In 2020, we achieved more than our multi-year 5% energy reduction goal. Our energy intensity decreased from 244 kWh consumed per Ton Milled (kWh/ton) to 205 kWh/ton. Our target was 220 kWh/ton. We will set new 3-year targets in 2021.	EM-MM-110a.2
Air Quality	Air emissions of the following pollutants: 1) CO, 2) NO _x (excluding N ₂ O), 3) SO _x , 4) particulate matter (PM ₁₀), 5) mercury (Hg), 6) lead (Pb), and 7) volatile organic compounds (VOCs)	Hecla's predominately underground mines have very low air quantity emissions so this factor is not material to our environmental performance.	EM-MM120a.1
Energy Management	1) Total energy consumed, 2) percentage grid electricity, 3) percentage renewable	1) 508,886,777 kWh total energy consumed. 2) 54% was grid electricity. 3) Of that, 76% was from hydropower.	EM-MM-130a.1
Water Management	1) Total fresh water withdrawn, 2) Total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	1) Over 850 million gallons of fresh water was withdrawn and over 1.3 billion gallons recycled (includes mine waters recycled). 2) Hecla did not specifically measure total fresh water consumed in 2020. The percentage of our operations in regions with high or extremely high baseline water stress is 40% (2 of 5 operations—Nevada and Mexico). Fresh water use reduction target is 5% over 3 years with 2018 as baseline year. In 2020, freshwater use intensity (gallons/ton ore milled) increased slightly from 344 to 349 due to less tons milled. In terms of Gallons freshwater/silver ounces produced, freshwater use decreased from 77 to 63 gallons/silver ounces produced.	EM-MM-140a.1
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	In 2020, company-wide there were 36 permit exceedances. There were no formal enforcement actions during the year.	EM-MM-140a.2

TABLE 1: continued

TOPIC	METRIC	REPORT	SASB CODE
Waste & Hazardous Materials Management	Total weight of tailings waste, percentage recycled	Over 2.4 million tons of ore produced and 541,216 tons or 28% company-wide returned and recycled as backfill in the underground.	EM-MM-150a.1
	Total weight of mineral processing waste, percentage recycled	Company-wide, the total weight of waste was 3.2 tons. Of that, 1.6 tons or 50% of used batteries, antifreeze, oil, paint/solvents, metal, paper, and cardboard were recycled in 2020.	EM-MM-150a.2
	Number of tailings impoundments, broken down by MSHA hazard potential	One active tailings facility (Casa Berardi) would be rated in the high hazard category due to environmental considerations. Seven active or semi-active tailings facilities all rated in the significant hazard category due to lesser potential environmental effects. Greens Creek dry stack is not considered a dam.	EM-MM-150a.3
Biodiversity Impacts	Description of environmental management policies and practices for active sites	See page 17 and pages 24-27 of this report for more information.	EM-MM-160a.1
	Percentage of mine sites where acid rock drainage is: 1) predicted to occur, 2) actively mitigated, and 3) under treatment or remediation	1) One of ten actively managed sites (10%) (Greens Creek Mine) has long-term potential for acid generation (decades into the future) and these materials are being actively managed through selective handling and ultimate placement within lined containment with covers to minimize and control any potential seepage. 2) One of ten (10%) mine sites is being actively mitigated. The Hollister Mine's waste rock is being selectively handled and placed within lined containment with covers. 3) One of ten mine sites (10%) are under treatment or remediation. Grouse Creek, a closed property, is treating acid drainage from legacy underground mine workings under a water discharge permit.	EM-MM-160a.2
	Percentage of 1) proven and 2) probable reserves in or near sites with protected conservation status or endangered species habitat	Zero% of Hecla reserves are within designated conservation areas or IUCN Red List designated endangered species habitat. None of our reserves are located in areas designated under the World Conservation Union (IUCN) designation I-IV, UNESCO Natural World Heritage Sites, UNESCO Man and the Biosphere Reserves, and wetlands designated under the Convention on Wetlands of International Importance (the Ramsar Convention). Greens Creek Mine has nearly 111.4 Moz (Ag) of proven and probable ore reserves. The mine is located partially within the Admiralty Island National Monument.	EM-MM-160a.3

TABLE 1: continued

TOPIC	METRIC	REPORT	SASB CODE
Security, Human Rights & Rights of Indigenous Peoples	Percentage of 1) proven and 2) probable reserves in or near areas of conflict	Zero% of Hecla's current proven and probable ore reserves are within or near areas of conflict.	EM-MM-210a.1
	Percentage of 1) proven and 2) probable reserves in or near indigenous land	62% of our proven and probable gold reserves are at the Casa Berardi Mine. In 2020, Hecla Quebec and the Council of the Abitibiwinni First Nation signed a Cooperation Agreement for the exploration, development, and operation of the Casa Berardi Mine projects.	EM-MM.201a.2
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	See page 47 for human rights and pages 42-43 for indigenous rights.	EM-MM.201a.3
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	See pages 33-37 and 39-44 of this report for more information.	EM-MM.210b.1
	Number and duration of non-technical delays	Hecla had no non-technical delays in 2020.	EM-MM.210b.2
Labor Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	The Lucky Friday Mine in Idaho is covered by a collective bargaining agreement and represented approximately 13% of the 2020 workforce.	EM-MM.310a.1
	Number and duration of strikes and lockouts	Lucky Friday Mine strike was resolved, and a new collective bargaining agreement entered in January 2020. Mine ramped up to full production in the fourth quarter.	EM-MM-310a.2
Workforce Health & Safety	1) MSHA all incident rate, 2) fatality rate, 3) near miss frequency rate (NMFR) and 4) average hours of health, safety, and emergency response training for a) full-time employees and b) contract employees	1) AIFR=1.22, 24% decrease from 2019 and lowest in company history. 2) Fatality rate=0 3) Near miss incidents were 850 in 2020, but NMFR is not a useful comparison given the highly variable number of hours worked between sites and companies. 4) 42,241 total hours of health, safety and emergency response training for employees.	EM-MM.320a.1
Business Ethics & Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	Hecla complies with the Canadian Extractive Sector Transparency Act. Annually, Corporate legal provides training on corruption and bribery throughout the value chain. See our Code of Conduct for specific policies against bribery and anti-corruption.	EM-MM-510a.1
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	No production came from the 20 lowest rated countries on the index. 96% of 2020 production came from Canada and the U.S. which are rated #11 and #25 respectively in the Transparency International's Corruption Perception Index.	EM-MM-5101.2

TABLE 1: Activity Metrics (SASB)

METRIC	REPORT	SASB CODE
Production of 1) metal ores and 2) finished metal products	1) 2.4M tons of ore 2) 13.5M silver ounces; 208,962K gold ounces; 34.12K tons of lead and 63.1K tons of zinc in 2020.	EM-MM-000.A
Total number of employees, percentage contractors	Average end of year number of employees and contractors was 2,257 of which 1,621 were employees and 636 were contractors. The percentage of contractors was 39%.	EM-MM-000.B

OUR ECONOMIC BENEFIT

2020 – Economic Footprint: Wages, Vendor Payments & Other Data (in U.S. dollars)

SUBSIDIARY	REGION IMPACTED LEVEL A	TAXES - MINERAL, SALES, PROPERTY, INCOME & PAYROLL	WAGES, BONUSES & SEVERANCE	ROYALTIES & FEES	SPONSORSHIPS & GIFTS GOVT & NON GOVT	SCHOLARSHIPS & DONATIONS	PAYMENTS TO VENDORS IN THE REGION	TOTAL
Hecla Corporate	CDA, Vancouver B.C.	1,724,038	32,140,192	105,696	-	44,590	993,229	35,007,745
Greens Creek	Alaska	21,546,724	64,658,581	2,433,239	29,485	89,700	135,051,845	223,809,574
Casa Berardi	Val d'Or	28,806,317	46,338,466	1,064,574	414,716	267,916	68,805,539	145,697,527
Lucky Friday	Mullan, ID	1,207,512	25,956,803	66,000	-	-	42,801,584	70,031,899
Minera Hecla	Durango, MX	991,136	7,228,928	2,419,031	46,490	-	2,838,172	13,523,757
Nevada Operations	Nevada	3,843,555	16,289,866	-	-	-	38,945,336	59,078,757
Grouse Creek	Idaho	39,427	691,360	-	-	-	-	730,787
Hecla Silver Valley	Silver Valley	39,533	446,232	15,969	-	-	-	501,734
Hecla Charitable Foundation	Idaho, Alaska, Colorado, Canada, Montana, Nevada	-	-	-	337,358	-	-	337,358
Montana	Montana	228,458	571,961	91	-	-	1,175,499	1,976,009
Totals:		58,426,700	194,322,388	6,104,600	828,049	402,206	290,611,204	550,695,147

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Sustainability Report are forward-looking statements, including our current expectations and projections about future results, performance, prospects, and opportunities. We have tried to identify these forward-looking statements by using words such as “may,” “will,” “expect,” “anticipate,” “believe,” “intend,” “feel,” “plan,” “estimate,” “project,” “forecast,” and similar expressions. These forward-looking statements are based on information currently available to us and are expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to a number of risks, uncertainties, and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

These risks, uncertainties, and other factors include but are not limited to those set forth under *Part I, Item 1A – Risk Factors* in our annual report filed on Form 10-K for the year ended December 31, 2020, which is available on website or at SEC.gov. Given these risks and uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to Hecla Mining Company or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. We do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

