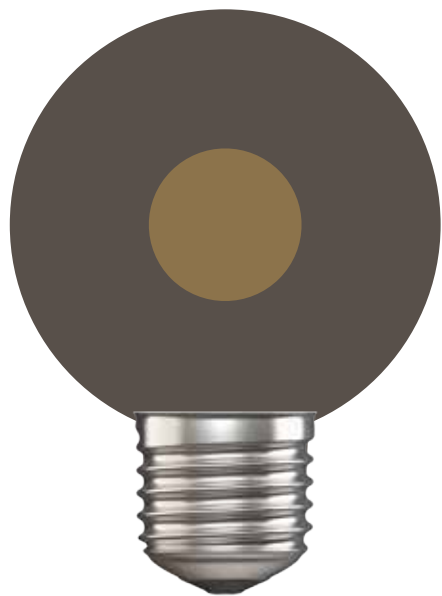


**PODEROSA**



# Focused on Innovation \_

2022 ANNUAL SUSTAINABILITY REPORT



Focused  
on Innovation \_  
2022 ANNUAL SUSTAINABILITY REPORT



We understand innovation as the incorporation of new ideas to improve our production and management processes. These ideas are translated into positive changes that generate value and bring about growth and sustainable development.

Innovation has enabled us to adapt to new requirements and unforeseen situations. It plays an essential role in harmonizing our operations with the environment. We are all committed to this approach. The Company's senior management assumes an active leading in its implementation.

We are aware of the great challenges that lie ahead of us, and we need effective answers to overcome them. In this sense, innovation is in the core of our decisions, and with the right method, it can bring about changes to produce positive economic, environmental, and social impacts.

# Innovation is a transversal process

INNOVATION CULTURE CUTS ACROSS ALL OUR PROCESSES, AREAS, AND LEVELS

**CREDITS**  
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2022

DISCLAIMER

This 2022 Annual Report has been prepared under the principles of good faith and transparency, in accordance with the legal provisions in force and pursuant to the Manual for the Presentation of Annual Reports of the Peruvian Securities Market Superintendence (SMV); therefore, any deficiency or omission is not voluntary. Pursuant to CONASEV’s General Management Order N° 211-98-EF/94.11 and its modifications, we hereby state that “This document contains true and sufficient information regarding the business of Compañía Minera Poderosa S.A. during 2022. Notwithstanding the liability of the persons who have prepared it, the undersigned are liable for its contents pursuant to the legal provisions in force”.

THE INFORMATION  
CONTAINED IN THIS  
ANNUAL REPORT  
CANNOT BE USED ALONE  
FOR INVESTMENT  
DECISIONS.

**Evangelina Arias Vargas de Sologuren**  
Chairperson of the Board of Directors

**Russell Marcelo Santillana Salas**  
General Manager

**Daniel Ricardo Torres Espinoza**  
Operations Manager

**José Antonio Elejalde Noya**  
Administration, Finance and Trade Manager

**Walter Teodoro Martín Díaz Meyzan**  
Integrated Management System and Social Responsibility Manager

**Fausto Cueva Castillo**  
Geology and Explorations Manager

**Iván Tomás Asmat Salazar**  
Accountant General

**Helena Zuazo Arnao**  
Head of the Legal Department



# ABOUT THIS REPORT

GRI  
2-2  
2-3  
2-4  
2-14

Our sustainability report is addressed to all our stakeholders. In this document we communicate in a transparent manner the most outstanding results of our economic, social, and environmental management. We consider this report as a management tool that helps us to understand the impacts of our business and allows us to open our doors to all our stakeholders.

For the past thirteen years, we have designed our sustainability reports pursuant to the Global Reporting Initiative (GRI) methodology. The reports are published on a anual basis.

The last report, corresponding to the period 2021, was published in 2022. The information contained in this report corresponds to the period between January 1st to December 31st, 2022, and has been designed as per the GRI standards. The period covered in the financial report corresponds to the period of this report.

In this report there are no changes or restatements related to mergers or purchases, changes in the years or base periods, business nature or measurement methods. There have been no updates to the information presented in prior periods that should be evaluated. During this period, the following were the significant changes in the size, structure and ownership of the company:

- The mandatory General Shareholder meeting held on March 10, 2022, approved by majority vote profits distribution for a total of USD 88,935,000.00, to be debited from the 2019 and 2020 accrued results, this corresponds to a dividend of USD 0.196 per common share. The number of shares is 453,750,000 with a nominal value of PEN 1.00 each.

This report includes a brief description and a link to tour corporate organization, Asociacion

Pataz. Poderosa’s financial statement does not include that of Asociacion Pataz, for both institutions are managed independently, and they submit separate financial statements. The full audited financial statement is published through a link (see page 253). This report contains the main data of the company’s financial status.

Our Board of Directors reviews and approves the Annual Sustainability Report, including the Material Topics and the operation’s results. Information is collected from the different management areas of the company for the design of the Report. This information is systematically organized and submitted to the Board for approval.



The electronic version of this 2022 Annual Sustainability Report can be found in [www.poderosa.com.pe](http://www.poderosa.com.pe)

For further information about this report please contact **Compañía Minera Poderosa S.A.**  
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# MATERIALITY PRINCIPLE

The material topics developed in this report reflect the most significant economic, environmental, and social impacts of our activities or that could substantially influence the assessments and decisions of our stakeholders. The periodic assessment of our materiality meets two functions:

- It helps us set and evaluate the strategic sustainability objectives that guide our operations, and to prioritize actions to achieve them.
- It allows us identifying emerging Material Topics and managing with due diligence, the most relevant ones for our stakeholders, with a sustainability approach.

In 2022 we reaffirmed our commitment with a more sustainable future. We have reviewed and updated the materiality process carried out in 2020with the participation of experts in sustainability the senior management line executives and our main stakeholders.

The result of this review reflects the most significant powerful and real impacts for the economy, the environment, and people, based on probability and severity. We would also like to stress the importance of human rights therefore we work closely with our employees in every one of our operations and value chain to raise awareness among them.

# MATERIALITY

GRI  
2-3  
3-1

The steps that guided our materiality process were the following:

1

CONTEXT ANALYSIS

- To define initial sustainability topics:
- We carried out benchmarking with other relevant industry companies both domestic and international.
  - We reviewed sustainability standards, frameworks, and documents to identify relevant topics for the mining industry such as the GRI; The Sustainability Yearbook 2022, SASB Materiality Finder.
  - We reviewed documents related with our sustainability strategy, our good corporate governance, social responsibility, the code of conduct of the National Mining, Oil and Energy society (SNMPE) our internal labor regulation, our policies and commitments, our sustainability statement, and the mission and vision of the company. In addition, we considered Responde's report about this document and the report about our application to the Sustainable Responsible Company award.
  - We were in constant communication with the local communities of our area of influence to understand the most relevant sustainability aspects for them. All the same, we reviewed the perception study of the communities regarding our performance.

2

IMPACT IDENTIFICATION

- To analyze the relevance of the sustainability issues identified in the previous step and identify actual and potential impacts on the economy, the environment, and people, with an emphasis on human rights, we performed the following actions:
- We reviewed the list of relevant topics in 2022.
  - We review the company's risk list.
  - We Interviewed and the people responsible for the relations with each one of the stakeholder groups.
  - We analyzed the results of the different dialogue mechanisms with the stakeholders: surveys, interviews, among others.

3

ASSESSMENT OF IMPACT RELEVANCE OF

- After identifying our impacts, we have assessed their importance according to the probability and severity criteria.
- We analyzed Poderosa's risk matrix.
  - We considered the opinions of managers, leaders, and consultants.
  - We reviewed our financial statement and operation indicators.
  - We analyzed surveys and perception studies.

4

PRIORITIZATION AND VALIDATION OF IMPACTS

Based on the former steps, we identified the most significant real and potential impacts, and we grouped them under Material Topics. The Material Topics and GRI theme contents detailed in the 2022 Annual Sustainability Report were validated and approved by the senior management. 18 material aspects were validated in this process.

In 2022 we reaffirm our commitment with a more sustainable future





In 2022 we have maintained and managed the same Material Topics as in 2021 to give continuity to our prevention, mitigation, and management actions on negative social, economic, and environmental impacts. Unlike last year, the cross-cutting approach to human rights, a key aspect of our work, was strengthened.

Material Topic	Significant Impact (s)	The company causes it (C), contributes (T) or is directly linked (DV) to it	Real or potential	Negative or positive	Stakeholder impacted
Environment and Climate Action					
Emissions GEI	Greenhouse gas emissions scope 1, 2 and 3	T	R	N	Shareholders and investors, communities, suppliers, contractors, employees, Government
Energy Management	Reduction of energy costs in our operations	C	R	P	Shareholders and investors, employees, directors, Government
Materials Management (tailings and waste)	1. Potential effects on human health and the environment	C	P	N	Shareholders and investors, communities, employees, suppliers, contractors, Government
	2. Optimization of tailings filtering	C	R	P	Communities, employees, Government
	3. Establishment of plans and strategies to ensure efficient waste management in the long term	C	R	P	Communities, employees, Government
Water management	1. Potential effects on the quality and quantity of water used for the activities in the operations	C	P	N	Communities, suppliers, contractors
	2. Reduction of water consumption in operations due to the adoption of new technologies	C	R	P	Communities, employees, Government

[ 18 MATERIAL TOPICS HIGHLIGHTED ]

Material Topic	Significant Impact (s)	The company causes it (C), contributes (T) or is directly linked (DV) to it	Real or potential	Negative or positive	Stakeholder impacted
Ecologic Management: biodiversity and forestation	1. Securing the supply of timber in the area of influence	C	R	P	Communities, employees, Government
	2. Mitigation of the carbon footprint	T	R	P	Communities, employees, suppliers, contractors, Government
	3. Cooperation with public policies for the conservation of Abiseo River National Park	T	R	P	Communities, employees, Government
Air quality	Implementation of an air quality management system	C	R	P	Shareholders and investors, communities, employees, suppliers, contractors, Government
Mine closure plan	Rehabilitation of the areas used to preserve the ecosystem	C	R	P	Government, community
Participative monitoring	Creation of spaces for dialogue with communities to prevent environmental impacts on water sources	C	R	P	Government, community







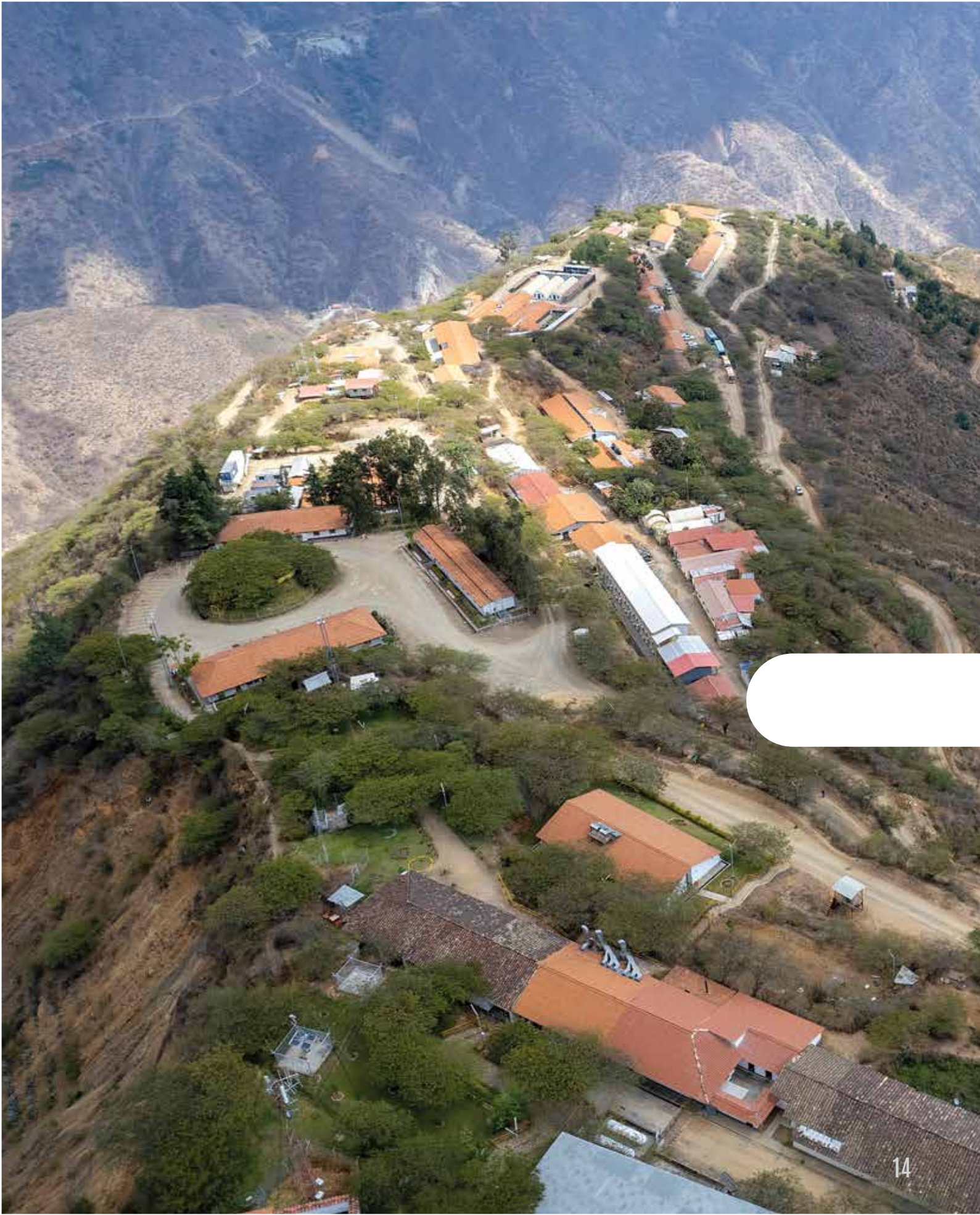
Material Topic	Significant Impact (s)	The company causes it (C), contributes (T) or is directly linked (DV) to it	Real or potential	Negative or positive	Stakeholder impacted
People and Human Rights					
Occupational health and safety	Prevention of occupational diseases and accidents	C	R	P	Shareholders and investors, directors, employees
Community relations	Promotion of sustainable development in the area of influence	T	R	P	Shareholders and investors, communities, employees, suppliers, contractors, Government
Labor practices and decent work	1. Respect for employees' right to decent work	C	R	P	Directors, employees
	2. Promotion of equal work opportunities	C	R	P	Shareholders, investors, communities, employees, suppliers, contractors, Government
	3. Human rights training to prevent child labor in directly related companies	DV	R	P	Communities, employees, suppliers, contractors, Government
Formalization of artisanal miners	Improvement of environmental development and care skills and knowledge	C	R	P	Artisanal miners, Government, community, suppliers



Material Topic	Significant Impact (s)	The company causes it (C), contributes (T) or is directly linked (DV) to it	Real or potential	Negative or positive	Stakeholder impacted
Organization					
Company ethics and anti-corruption practices	Implementation of an anti-corruption management system	C	R	P	Shareholders and investors, employees, Government
	Compliance with commitments and policies of responsible business conduct	C	R	P	Shareholders, investors, employees, suppliers, contractors, Government
Economic performance	Generation of economic value for our stakeholders	C	R	P	Shareholders and investors, directors, employees, community, Government
Innovation	Improved operational efficiency and cost reduction	C	R	P	Shareholders and investors, employees, suppliers, contractors, Government
Operations management: production	Maintaining responsible operational efficiency	C	R	P	Shareholders and directors, employees, contractors, Government
Suppliers: supply chain	1. Local employment generation	C	R	P	Suppliers, community
	2. Supply chain efficiency improvement	C	R	P	Suppliers
Asset security	Impact of illegal mining in the mining operations	DV	R	N	Employees, contractors, suppliers, community







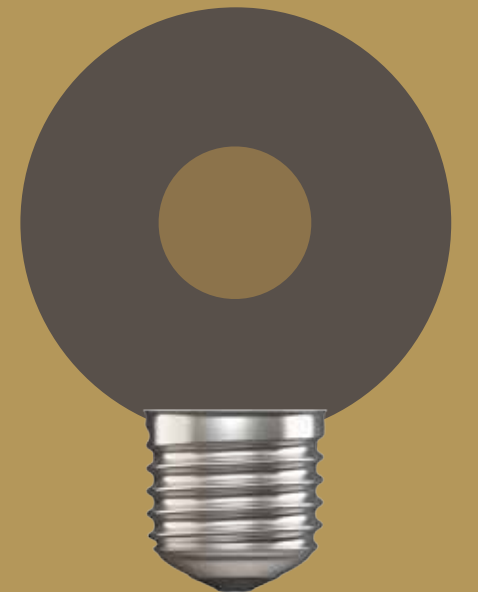
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# WE ARE MINERA PODEROSA



# [ CHAIRPERSON'S LETTER ]

As in the two previous years, 2022 faced different and continuous challenges, which once again tested our resilience, our capacity to adapt to new situations, and confirmed the importance of acting with solidarity and empathy at all times. These times of uncertainty and challenges have taught us a lot and have strengthened us as a team.

In the third year of the Covid-19 pandemic, the spread had repercussions in our mining units. To control it, we maintained prevention and mitigation sanitary measures. In the last two years, we have worked with the public health agencies to carry out vaccination campaigns, both for our employees and for the surrounding populations. Although these actions managed to reduce the number of cases, this situation generates additional costs and

reduces staff availability. We are not relaxing our precautions; we continue to seek to protect our personnel and their families, as well as our neighbors in nearby towns. We reiterate our firm commitment to continue in this line and to do everything in our hands, as a private company, to protect our environment from the pandemic. We express our gratitude to the public institutions and health care professionals for their ongoing struggle against this disease.

At a global level, in February 2022 Rusia invaded Ukraine, causing great uncertainty and serious economic consequences. The conflict affected energy availability, especially in Europe; fuel prices rose; global transportation suffered multiple disruptions and complications; persistent inflationary pressure was generated, raising the cost of living; among other situations. On the other hand, China's "zero covid" policy affected world growth. In this complicated panorama, commercial clashes between China and the U.S.A. contributed to increase uncertainty.

Gold behavior during 2022, as in the previous year, was volatile. Its quotation rose as a result of the geopolitical risk resulting from the Russia-Ukraine conflict. From May on, the aggressive U.S. FED rate increase policy to contain the growing inflation triggered

the quotation of the US dollar and the performance of US bonds to historical peaks. This measure affected gold quotation, which reached a minimum of USD 1,622.33/ounce. As the inflation rates lowered, the price of gold became stronger and closed the year in USD 1,812.35/ounce. The average annual price was USD 1800.87/ounce, slightly above the 2021 average, which reached USD 1,798.84/ounce.

Amidst this complex global turmoil, in our country, as forecasted by the Peruvian Central Reserve Bank for 2022, GDP growth was 3.7%, while in 2021 it reached 13.6%. This figure results from the recovery of the great fall of 2020 due to the pandemic restrictions. The Trade Balance had a USD 9,565 million surplus, lower than the previous year, which was USD 14,927 million. This reduction is mostly due to an increase in imports in 2022. In this regard, it is important to mention that exports of some materials were limited due to the restrictions caused by social protests in some important mining operations. All the same, as in the rest of the world, global inflation affected our economy and drove up the prices of imports. Domestically, inflation exceeded the target range forecasted by the Peruvian central Reserve Bank and reached 8.46%, which caused an increase in the cost of living. During 2022 the economic

activity of the country continued to recover from the effects of the pandemic, however political instability generated by the previous five-year governments, increased, and peaked at the beginning of December, when President Pedro Castillo gave a failed coup, which lead to his removal and to the subsequent appointment of her Vice President, Dina Boluarte, her constitutional successor. In view of this situation, it is necessary to reiterate that the stability of the country is key to generate the confidence that long-term investments require, such as those in the mining sector, and that investment is essential for economic growth, closing gaps and, consequently, to achieve the development that our country requires.

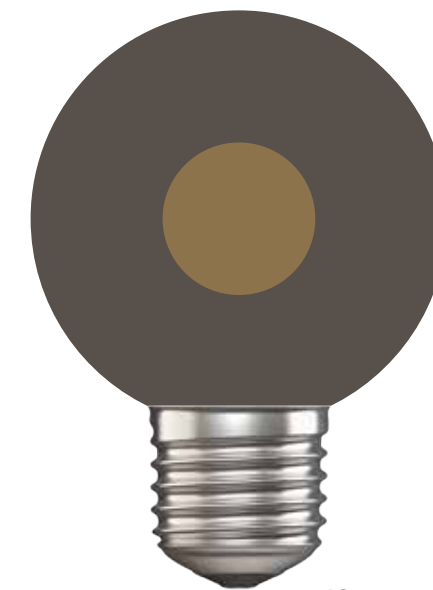
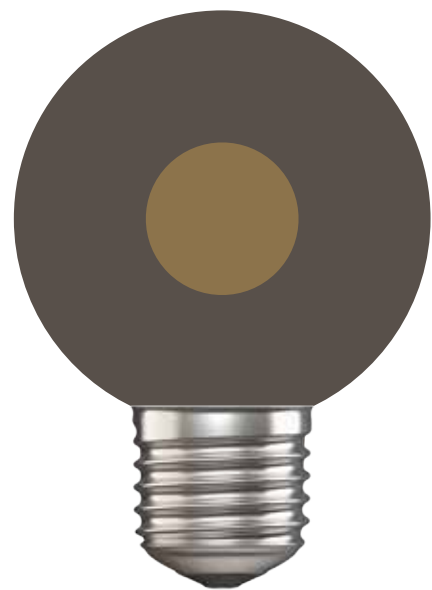
Because of COVID-19, our mining units continue to have problems to have complete staff, although this situation is decreasing. This is mainly due to the deficit of rooms with the necessary biosafety and quality conditions according to the protocols adopted, and to a greater demand of lodging in the mine as a result of an increase of security personnel which protect our operations and our personnel from the growing criminality and illegal mining in our zone. To tackle this problem, we have projected to complete the construction and repair of camps by the end of 2023. In terms of security, unfortunately

## These times of uncertainty and challenges have taught us a lot and have strengthened us as a team

the accident index passed from 0.09 in 2021 to 5.03 in 2022 due to a regrettable accident occurred in December. We still have a long way to go to reach our goal of ZERO accidents, so I invite everyone to spare no effort to continue working safely and taking care of our health; it is essential to do so as to reach our goal.

Our reserves went from 753,038 ounces of gold in 2021 to 769,079 in 2022; 302,084 ounces of gold were produced, a slight increase compared to the 298,444 ounces produced in 2021, but lower than the 314,023 ounces of 2019. Sales in 2022 were USD 544,805,105, the average selling price was USD 1,798.05/ ounce, slightly higher than that of 2021, which was SD 1,796.1/ ounce. The total cost per ounce was USD 1,138.67 in 2022, 10% higher than the USD 1,038.39/ ounce in the previous year. Greater costs were mainly due to the general inflation which directly affected inputs and services. In addition, due to the illegal miners in the area, we incurred in higher security costs. Sales and production levels reached in 2022 allowed us to

have good economic and financial results and continue to occupy the first place as a gold producer in the country. Illegal and informal mining continue to grow significantly, both in our region and nationwide. The main factors continue to be the same: the high gold prices, the absence of law enforcement and the continued postponements of the extraordinary artisanal mining formalization process, initiated in 2002, 20 years ago. Unfortunately, under the cover of this process,





illegal mining activities hide under a supposed legality and, in many cases, violate the acquired rights of individuals and formal miners; they invade operating zones; cause serious damage to property and the environment; affect operating infrastructure; and illegally extract ore from third-party concessions. Likewise, and what is worse, cases of physical aggression and intimidation, even with firearms, have been reported against employees of formal companies, as has occurred with ours.

Companies such as ours continue being affected by these illegal activities which increasingly harm our operations. It is imperative that the government exercise its role and enforce respect for the rule of law with no further delay.

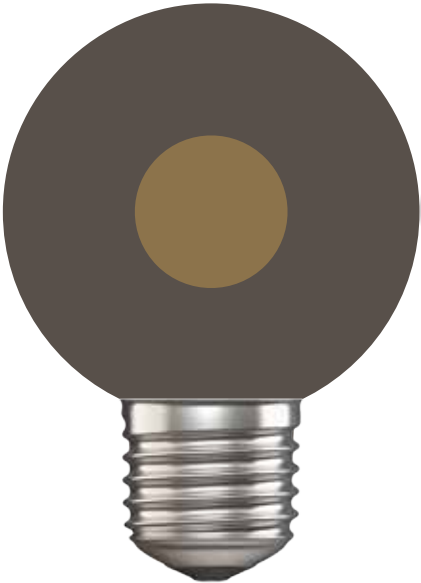
Poderosa is convinced that it is possible to live in a better world. Therefore, we are committed to directing our actions and making decisions from a sustainability perspective. We understand sustainability as an approach that allows us to generate value beyond the operating life of our mine, and to contribute to equitable growth for all our stakeholders.

From this approach, we implement plans to mitigate or reduce the possible impacts that our activity may cause to health and the environment. Year after year we work to improve the efficiency of our processes, with the clear purpose of improving the society in which we operate and protecting our environment. Consequently, we are committed to being a sustainable company and to influencing other companies to achieve this status, as we are certain that the sustainability of companies improves the future of all of us.

We focus on joining efforts with various public and private entities and adhere to global initiatives to face the great challenges posed by the modern world. An issue that we are addressing with great concern and responsibility is climate change. In this regard, we were acknowledged by the Ministry of Environment with the Huella de Carbono Peru recognition, for calculating the Greenhouse Gas emissions in our operations using the Huella de Carbono Peru tool. This important information allows us to propose effective strategies

to reduce our footprint. We are also focused on maintaining an efficient operation in terms of energy use; therefore, we develop projects and investments in renewable, clean energy to reduce our dependence on fossil fuels.

We are part of a very important economic industry for the country's economy; therefore, we consider that our role is essential in sustainable development. In this sense, we seek to transform our operation to continue working with increasingly environmentally friendly processes and minimize our footprint. For example, the innovation management we are implementing has the clear purpose of generating optimal solutions to the actual or potential negative impacts produced by our operation. We are working to expand the culture of innovation throughout the company, and to install a process in which we all contribute ideas that generate changes and improvements in the conditions of our employees, their health, as well as the care and protection of the environment. In 2022 innovations have focused on water, waste, energy, and



We are focused on promoting the development of education, health, and the economy of our surrounding populations through Asociacion Pataz

operations management, among others. This report presents the progress made to reduce and mitigate impacts, together with the plans and strategies adopted.

We are focused on promoting the development of education, health, and the economy of our surrounding populations through Asociacion Pataz, our non-profit organization which started operating 16 years ago. Asociacion Pataz is a key player in the sustainable development of the area. It fosters economic development through agricultural and forestry projects, and productive chains. All the same it promotes and works with public-private partnerships to close health, education, and governance gaps. To scale up the impact of the interventions, in 2021 we set up Rurana, Asociacion Pataz's Social Innovation Center, which, through social innovation will help to close the gaps in our district.

We are very proud to share some of the most remarkable results achieved throughout our company's history in Pataz. To promote the area's development, we have forested 5,257 hectares with 6,460,518 trees, we have built approximately 250 km of public roads; together with JASS, CODECOS and the district municipality, the regional government, and other institutions, we have provided 100% of

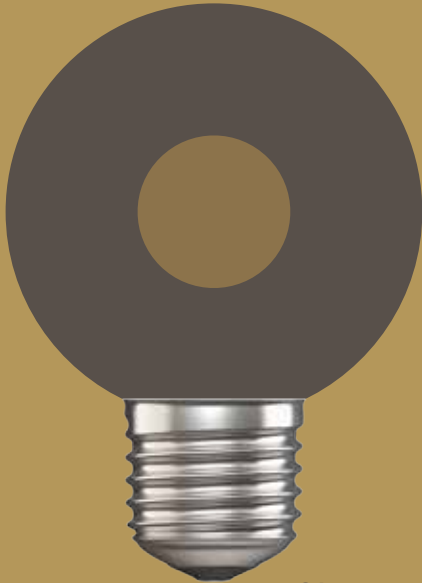
the communities with electric energy from the Interconnected National Grid. 100% have tap water systems, 18 of them have micro measuring systems, and one is being implemented. 100% of schools have been built with bricks and cement, all of them have internet connections and are totally equipped and furnished, ready to receive the students in 2023. All the same, 4 out of the 6 health clinics have internet, and with the passing of the years, they have been gradually equipped. All of this has been possible through the "power of joint effort".

Along the same lines, and as part of the path to excellence in corporate governance, we decided to increase transparency and accountability in the industry. Since 2011 we voluntarily submit our information on payments to the Government, pursuant to the Extractive Industry Transparency Initiative. As regards this initiative, we are pleased to inform you that in 2022 we have become an alternate representative to the EITI Peru Permanent Multisector Committee, a three-party body aimed at implementing the EITI standard in Peru. As a consequence, as of January 2023 we will be a EITI international supporting company.

Finally, even though the economic results for 2022 are favorable, I cannot help but mention that

we have been going through extremely difficult times, both due to the advance of illegal mining and the domestic and international context. I would like to reiterate our firm commitment to make our best efforts to overcome these difficult circumstances in the best possible way. We will continue to work according to our values and principles, seeking to create development opportunities for everyone in our surroundings. I am deeply grateful to our shareholders for their trust, to the Board of Directors and to the entire Poderosa team for their permanent support and great commitment.

Yours sincerely,  
**Evangelina Arias Vargas de Sologuren**





# [ WE ARE AN AGENT FOR DEVELOPMENT ]

We are a Peruvian private mining company, established in 1980 under the name of Compañía Minera Poderosa SA, engaged in mineral exploitation, extraction, processing, and trading. Our focus is underground gold mining, and due to our size, we are considered a middle-size mining company.

We run our operations in the Pataz district and province, in La Libertad Region, Peru. Our operation has 3 mining units: Marañon, Santa Maria, and Palca. We have administrative offices and warehouses in Lima and Trujillo, and we do not have assets or affiliates abroad. We have treated gold in this area since 1982 nonstop. Our mining rights comprise 113,479 hectares, but we carry out operations in 13,574 hectares, and our prospection and exploration

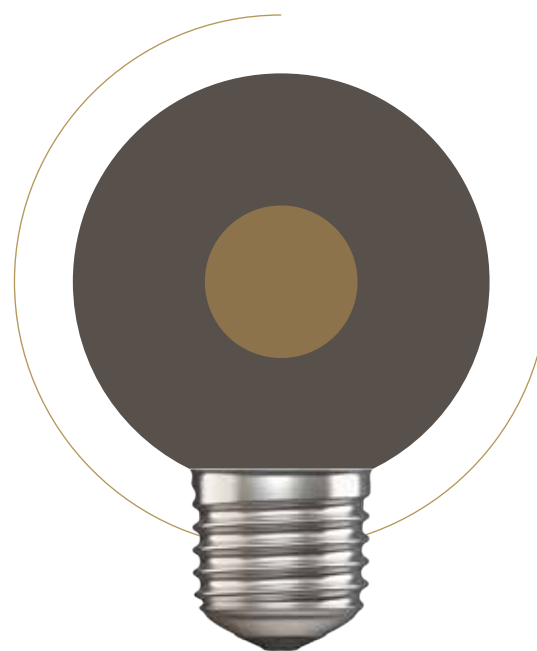
works take place in the rest of the land, especially in La Lima, to the North and Suyubamba, South of the production sites. Our headquarters are in Avenida La Floresta No. 497, of. 501, Urb. Chacarilla del Estanque, San Borja, Lima, Perú.

Our mining operations comprise the whole cycle from exploration and extraction of mineral resources to mining, processing, and trade. We supply the precious metals markets. We produce dore bars made up of approximately 55% gold, 40% silver and the rest is made up of other minerals.

Total sales in 2022 added up to PEN 2,090,683,167 (USD 544,805,105). The total of our shipments were sent to our customers in Canada and Switzerland. In Canada we

refine our production in Asahi Refining, and in Switzerland in Argor Heraeus. Both refineries are among the best in the world due to their Prestige, years of operation and international certification. The are both LBMA certified, and produce bars with the London Good Delivery seal, the most appreciated quality standard in the precious metals market. The gold content of the refined bars is 99.99%.

It should be noted that there are no significant changes in the value chain, sector, or other commercial relationships with respect to the previous reporting period.



mid-Size  
mining

[ 113,479  
hectares of  
mining rights ]

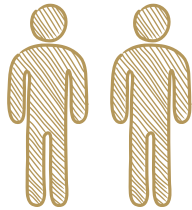




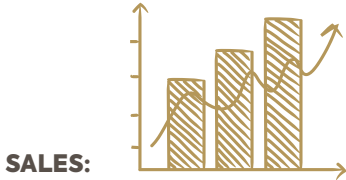
# [ KEY IMPACTS IN 2022 ]



780  
EMPLOYEES IN  
PAYROLL



3,919  
EMPLOYEES OF RELATED  
CONTRACTORS AND  
MINING COMPANIES



SALES: 300,662 GOLD OUNCES | 191,898 SILVER OUNCES

PEN 2,090,683,167  
(USD 544,805,105)

## MAIN ECONOMIC INDICATORS

	As of Dec. 2020	As of Dec. 2021	As of Dec. 2022
Net Production (gold ounces)	264,792	298,444	302,084
Total Sales (in thousand Soles)	1,663,261	2,102,746	2,090,683
Net profit (in thousand soles)	385,559	552,791	407,345
Net assets (in thousand soles)	1,196,379	1,517,920	1,594,982
Assets (in thousand soles)	1' 708,321	2' 072,248	2,100,877
Liabilities (in thousand soles)	511,943	554,328	505,895





# [ AWARDS AND RECOGNITIONS ]

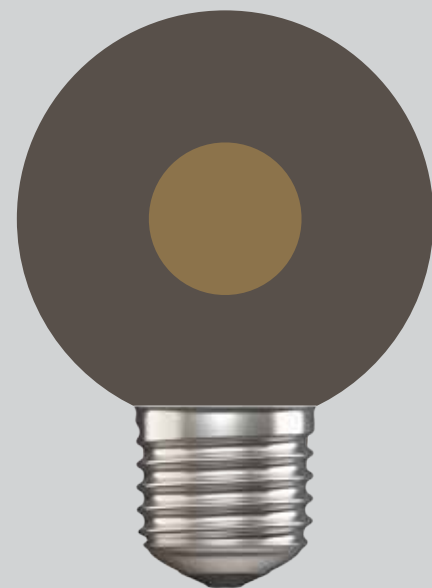
## FEBRUARY

**Sociedad Nacional de Minería, Petróleo y Energía (National Mining, Oil and Energy Association - SNMPE)**

The SNMPE, through the Technology and Innovation Committee, and in the framework of the Award to Technological Innovation in the mining sector – 2021 edition, awarded Poderosa and Pontificia Universidad Católica del Perú (PUCP) the First Place in the Academic Innovator category, for the joint work performed under the name “Technical Evaluation of the Use of Gold Tailings as Prefabricated Construction Materials Using Geopolymers”.

## APRIL

**AOTS (Association for Overseas Technical Cooperation and Sustainable Partnerships)**



Kaizen-5S National Award. Gold medal. For implementing and maintaining the 5S process.

## MAY

**Congress of the Republic, Peruvian Association of Engineers, La Libertad Department Council, and Instituto Peruano en Ciencias de la Tierra**

Poderosa receives recognition as a Responsible, Clean and Sustainable Company for its valuable contribution to the conservation of the ecosystem and society in Peru, on the celebration of International Environment Day.

## JUNE

**Perú Sostenible in alliance with the Mexican Center for Philanthropy (CEMEFI)**

For tenth consecutive year, Poderosa received the Socially Responsible Company Award (SRC), corresponding to 2021.

**Consejo Nacional de Ciencia, Tecnología e Innovación Tecnológica (National Council for Science, Technology and Technological Innovation -CONCYTEC)**

During the Innovation Week organized by CONCYTEC,

Poderosa was acknowledged as Innovative Company, under the framework of Law No. 30309 (Law that promotes Scientific Research, Technological Development and Technological Innovation) for the development of the project called “Speed analysis through indirect seismic exploration to identify zones with high mineral potential”, a research based on Research, Development, and Innovation).

**Pontificia Universidad Católica del Perú (PUCP) Quality Institute, sponsored by the United States American Society for Quality (ASQ)**

As part of the eighth edition of the Leaders of Excellence 2022 International Quality Competition, Poderosa received the silver award for the project “Implementation of explosives traceability through a bar code reader in Poderosa”; developed and executed in the Just in Time. Continuous Improvement Circle

## AUGUST

**Proactivo**

In the V edition of the Concurso Premios Proactivo, Poderosa was recognized in the mid-size mining category for the project “Production of potato starch biofilms reinforced with cellulose nanofibers”.

## SEPTEMBER

**Instituto de Ingenieros de Minas del Perú (Peruvian Mining Engineer Institute) Sociedad Nacional de Industria de Arequipa (Arequipa National Industry Society) and Arequipa Chamber of Commerce and Industry, in PERUMIN 35**

In the 2022 edition of EMIN-Excelencia Minera, Poderosa was acknowledged for its great contribution to the economic development of the country.

**Ministry of Environment**

Poderosa received the “Huella de Carbono Perú” level 1 award, for calculating greenhouse gas emissions in 2020 using the Huella de Carbono Perú.

**Ministry of Production and ProInnovate**

Poderosa, together with Asociacion Pataz, won the open innovation contest funds with the project “The Power of Joint Effort for World Class Mining”.

**Amautas Mineros (Non-profit association recognized for its mining outreach activities in northern, central, and southern Peru. Integrated by volunteers, young multidisciplinary university students from more than 50 public and private universities)**

During its tenth anniversary celebration Amautas Mineros acknowledge Poderosa for its constant support to the Amautas

Mineros volunteers to disseminate the good practices of modern, formal, and responsible mining in our country.

## OCTOBER

**Sociedad Nacional de Industrias (National Industries Society - SNI)**

Poderosa participated in the National Quality Award, obtaining the Quality Leader Medal – Gold Category, for showing that our management model is very similar to the National Quality Award.

## NOVEMBER

**La Libertad Comité Regional Empresa, Estado, Academia, Sociedad Civil Organizada (La Libertad Company, Estate, Academy, Organized Civil Society Regional Committee - CREEAS)**

During the “Semana de la Innovación-4 WARD”, Poderosa was recognized for its contribution to strengthen the regional innovation ecosystem through Rurana, its social innovation center. All the same, they praised Poderosa’s contribution to sustainable and innovative development its surroundings and of the region.

**Peruvian Cancer Foundation**

It granted Poderosa the Platinum Heart Distinction for its valuable contribution to the 2022 fundraiser to build the “Ponle Corazon” Home.

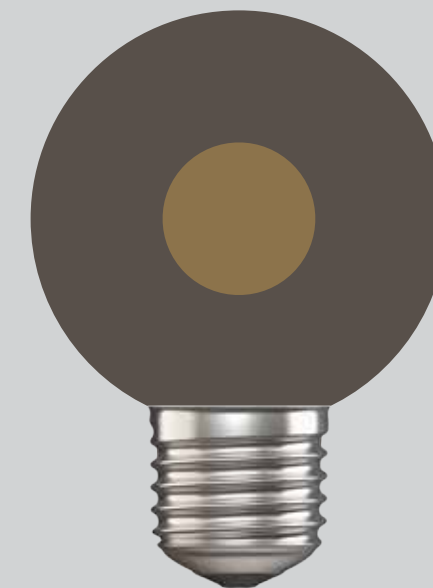
## DECEMBER

**Asociación para el Desarrollo Intercultural (Association for Intercultural Development - ADEI)**

In the 25<sup>th</sup> anniversary celebration, ADEI recognized Poderosa for its valuable and sustained cooperation with La Libertad school integration project.

**Superintendencia Nacional de Servicios de Saneamiento (National Superintendency of Sanitation Services -SUNASS)**

In the framework of the “Good practices for saving drinking water” IX School Contest and as a strategic ally of its Education Program, SUNASS granted Poderosa the “Compromiso con el Agua Potable” recognition for its contribution to train new generations committed to valuing drinking water and sanitation services.



# ( OUR DNA )

## CORPORATE PRINCIPLES AND VALUES

- **Safety and security**  
We take care of our lives, our health, our wellbeing, and that of our colleagues.
- **Responsibility**  
We are proud of our work, and responsible for our results. We are not afraid of making mistakes, we correct each other, and we improve every day.
- **Teamwork**  
Together we find the best solution and results. We are not arrogant, and we respect other people's ideas.
- **Respect**  
We treat others as we want to be treated. We walk our talk. We comply with the law, and we care for nature.
- **Productivity**  
We are committed to produce more, in a better way and through adequate use of our resources. We respond and adapt easily to change.
- **Learning and teaching**  
I ask if do not know something, and I share what I know.
- **Integrity**  
We are honest and fair; we act ethically and correctly.

To be the company  
you can feel proud  
of working with

To responsibly transform our  
mineral wealth into development  
opportunities

viSiOn

miSSiOn

Rev. 02  
January 2015

**Mrs. Evangelina Arias Vargas de Sologuren**  
Chairperson of the Board of Directors

**Eng. Russell Marcelo Santillana Salas**  
General Manager

# ( OUR ORGANIZATIONAL STRUCTURE )

## GENERAL SHAREHOLDERS MEETING

### BOARD OF DIRECTORS

#### EXECUTIVE COMMITTEE

**Evangelina Arias**  
Chairperson of the Board of Directors with executive functions

**Russell Marcelo Santillana**  
General Manager

#### OFFICERS AND ADMINISTRATIVE TEAM

**Helena Zuazo**  
Institutional Head of the Legal Department

**Diego Sologuren**  
Strategic Development Executive Coordinator

**José Estela Ramírez**  
Energy Projects Superintendent

**Julio Accinelli**  
Lima Tailings and Dumpsters Project Coordinator

**Arturo Cervantes**  
Head of Asset Security

**Luis Cárdenas**  
Head of Environmental Permits and Security

**Mariano Pacheco**  
Head of Mining Properties

**Beeler Callupe**  
Public Projects Manager

**Walter Díaz**  
Integrated Management System and Social Responsibility

**Fausto Cueva**  
Geology and Explorations Manager

**Daniel Torres**  
Operations Manager

**José Elejalde**  
Administration, Finance and Trade Manager

**Jimena Sologuren**  
Social Responsibility and Communications Deputy Manager

**Aníbal La Puente**  
Logistics and Cost Deputy Management

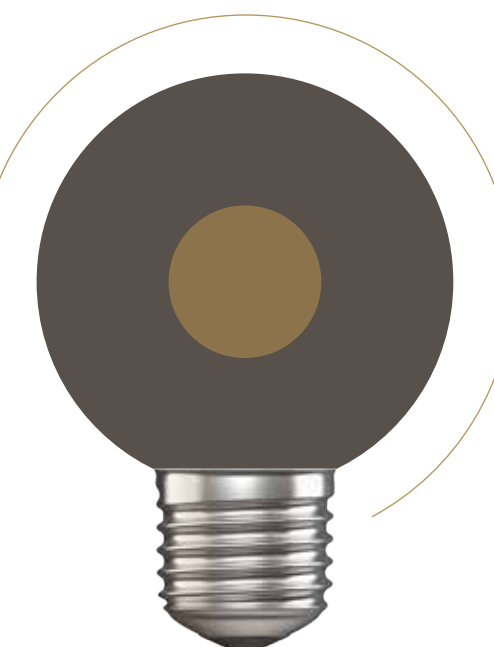
**York Dueñas**  
Information Technology Deputy Manager

**Dennis Marcos**  
Collection Superintendent

## OFFICERS PER GENDER AND AGE

**22**  
30-50 years: **6**  
Over 50: **16**  
Lima: **8**  
Marañón: **10**  
Santa María: **4**

**4**  
30-50 years: **3**  
Over 50: **1**  
Lima: **3**  
Marañón: **1**



# [ RISKS AND IMPACTS THAT AFFECTED US ]

Our strategic framework is fed by the different systems we operate to maintain international quality standards. We rely on ISO 9001 to manage risks, impacts, and find opportunities to optimize our processes, as well as to take care of the safety and health of all our employees. Major risks are addressed in specific committees according to their potential.

## GLOBAL INFLATION

Although costs increased, given the traditionally counter inflationary nature of the gold price, the impact on our operation was offset by higher metal prices. Due to our healthy debt levels, the company's exposure to this situation has been limited.

## ENERGY PROJECTS

The energy projects were declared economically unviable, which caused a significant accounting impact. Actions are being taken to secure power supply to our production units. To this end, we have analyzed the potential for renewable electricity generation in the areas adjacent to the operations and have examined other forms of power transmission.

## COVID-19

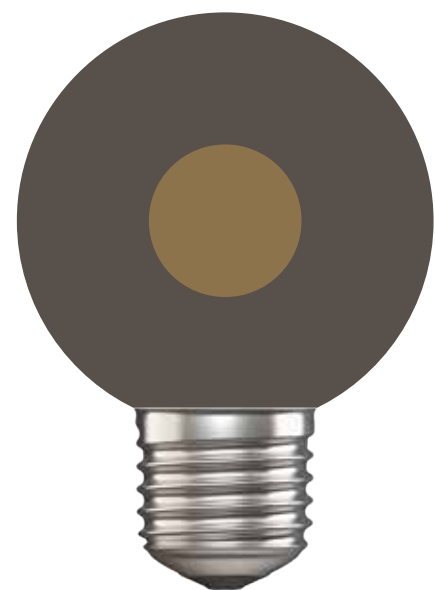
Covid-10 spread continued to take a toll in additional costs and lower staff availability, however this situation has been decreasing. We manage this disease through vaccination, use of facemasks and social distancing. These measures allowed to reduce the number of cases, both domestically and in our operations.

## ILLEGAL AND INFORMAL MINING

Illegal mining, and informal mining that is not part of our formalization process, generated significant impacts and risks in our operations. The greatest impact, doubtlessly, was human loss caused by criminals associated with these activities. Illegal and informal mining hinder the orderly functioning of the mining operation and put our personnel at risk, as well as causing loss of reserves and resources in our concessions. Despite our best efforts, this problem exceeds our capacities and authority, in many aspects. For further information, please refer to the section "Formalization of Artisanal Miners" in page 229.

## POLITICAL INSTABILITY

Political instability increased significantly in the last quarter of the year (See "Domestic Outlook in page 39). Although the area in which we operate has not been strongly affected, there are still potential risks.



# [ ASSET SECURITY ]



## THE IMPACT AND ITS CONSEQUENCES

The safety and lives of our employees, as well as those of the people living in our neighboring areas, are of vital importance to us. The increase in illegal mining and the presence of related organized mafias are a concern for our company. This situation undermines human rights (exploitation of people, child labor and other illegal activities), investment and private property, and damages the environment.

Once again, in 2022, illegal mining activities complicated the orderly functioning of the mining operation, caused the loss of reserves and resources in the concessions where we operate and, worse still, continued to put the safety of our work team at risk. This situation affected, in the same way, the small formal miners or artisanal miners in formalization with whom we have been working for several decades in a legal and peaceful manner in areas that we have assigned for this work. The actions of illegal miners do not discriminate, it impacts hundreds of families and individuals who make a living from mining.

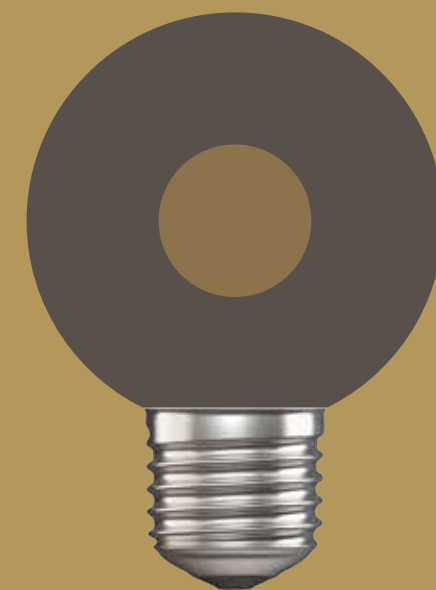
During 2022, illegal mining continued to expand, mainly due to the lack of control by the competent authorities, their absence, the ineffective work of the Public Prosecutor's office and the National Police, as well as to

the high price of gold. This situation increased violence by armed criminals and organized gangs in different areas of the country, mainly in our region. It also has a direct impact in our infrastructure, in our projects, in the stability of the rock wall, generating loss of mineral resources and environmental

**SAFETY**  
The safety and life of our employees, as well as of the people living in our surroundings, are a constant concern for us

pollution. Despite an increase in security measures, our employees and our contractors' employees were victims of violence and attacks. Three workers were killed in different events, which we deeply regret, therefore we reiterate our sincere condolences to the victims' families.

All the same, we have witnessed that artisanal miners under formalization have organized themselves to take control of





certain exploitation sectors within our operations. This represents a significant cost increase, which affects our results, and therefore, the payment of taxes to the government.

OUR EFFORTS

We make our best efforts to control illegal mining, however, this problem exceeds our capabilities and attributions in many aspects. To counteract this situation, we have doubled our efforts to contain crime and illegality.

- We increased asset protection through industrial security companies.
- We lifted mining blockades to prevent and recover areas taken over by illegal miners and armed gangs.
- We reported these incidents to the corresponding authorities: Peruvian National Police, and the Public Prosecutor’s Office.

In 2022, we filed 220 complaints with the Public Prosecutor’s Office and the Peruvian National Police, which were brought to the attention of the competent authorities of the Regional Government. Unfortunately, our demands have not been answered.

Another fact that contributes to the advance of illegality has been the extension of the integral mining formalization process approved by the Congress of the Republic at the end of 2021 for three additional years. It is worth mentioning that this process has been extended four times in the last 19 years, distorting the exceptional nature of the procedure and encouraged impunity for illegal mining.

The following tables show the high number of clandestine connections (illegal tunnels that connect to our mining operations) and the alarming increase in criminal acts perpetrated by organized gangs (parqueros), which even have long-range automatic weapons.

YEAR	Connections
2017	8
2018	29
2019	36
2020	40
2021	84
2022	20

YEAR	Incidents
2017	11
2018	3
2019	8
2020	47
2021	242
2022	206

There are no signs of change in the short term. However, we act with resilience and optimism, we will continue to deploy all our efforts to ensure the continuity of operations and use all legal and formal mechanisms to protect our mining concessions and enforce the right to property and freedom of enterprise.



ACTING WITH RESILIENCE AND OPTIMISM  
WE WILL CONTINUE TO DEPLOY ALL OUR EFFORTS  
TO PROTECT LIVES



# [ WORKING TOGETHER FOR DEVELOPMENT ]

We envision a country with better opportunities for all, where the resources generated by private companies are invested in promoting the development and wellbeing of society. To achieve this goal, it is essential to work together with national and international initiatives that are aligned with our short and long-term objectives. Our participation in unions, institutions and civil society organizations linked to the mining sector or that share objectives similar to ours is a strategic element in influencing sustainable development and is critical to the development of our activities. Poderosa has not adhered to any external sustainability or social responsibility initiatives. However, our sustainability

statement, policies, principles, and management systems are aligned with global initiatives or guidelines in force. Also, Asociacion Pataz works in line with the Sustainable Development Goals established by the United Nations Organization (UN).

## EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI PERÚ)

We are convinced that accountability and transparency are fundamental corporate pillars that promote development and social peace. Therefore, since 2011 we actively and voluntarily participate in the process to implement this initiative in Peru. In 2022 we adhered to the 8th National Report on Extractive

Industries Transparency 2019-2020. The EITI is a global initiative made up by representatives of governments, extractive industry companies and civil society groups. This report promotes transparency and accountability of the payments made by the mining, oil, and gas companies and the income received by the government, as to contribute to the governance of these important economic activities.

## SOCIEDAD NACIONAL DE MINERIA, PETROLEO Y ENERGIA (NATIONAL MINING, OIL AND ENERGY ASSOCIATION- SNMPE)

We are a member of the SNMPE.

We participate in several committees and adhere to its code of conduct. It is a non-profit business organization whose objective is to promote investment, ensure competitiveness and promote the sustainable use of natural resources.

## PATRONATO PERÚ 2021 (PERU 2021 TRUST)

We are a member of this organization, which promotes socially responsible practices at the corporate, governmental and citizen levels.

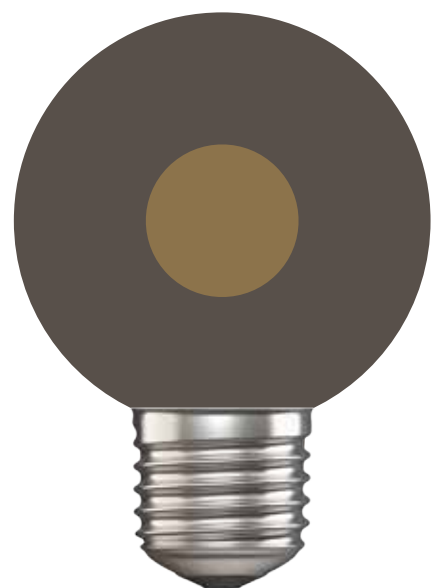
## WE ARE PART OF THE FOLLOWING INSTITUTIONS

- Peruvian Canadian Chamber of Commerce
- Mining Safety Institute (ISEM)
- Lima Chamber of Commerce
- La Libertad Chamber of Commerce and Production
- Pro Libertad Business Group
- Peruvian Mining Engineers Institute
- Universidad Nacional de Ingenieria (UNI) Trust.
- Asociacion para el Progreso de la Direccion (APD)

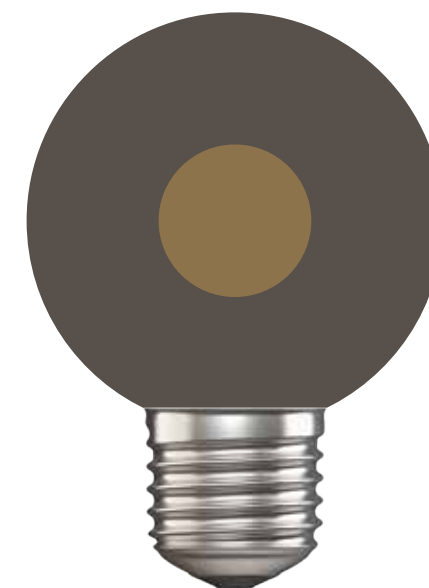
- Asociacion de Buenos Empleadores (ABE)
- Soluciones Empresariales contra la Pobreza (SEP)
- Alianza para Obras por Impuestos (ALOXI)
- Mining Innovation Hub
- Comité Regional de Empresa, Estado, Academia y Sociedad (Creeas-La Libertad)
- IPAE –Entrepreneurial Association
- Comex Perú – Sociedad de Comercio Exterior del Perú (Peruvian Foreign Trade Association)

## OUR RELATIONSHIP WITH GOVERNMENT INSTITUTIONS

On the other hand, at a domestic level, we participate and work together with the regional government through agreements with its management offices (health, education, etc.) and under the works for taxes (OXI) scheme. We work with the provincial government under a framework agreement, and with the district governments, through agreements to execute development projects through Asociacion Pataz or our community relations office.



development  
It is essential to work together with  
national and international initiatives  
aligned with our short and  
long-term objectives





## RESULTS OF THE OPERATIONS AND MARKETS SERVED

As of the end of 2022, sales in US Dollars and the production exceeded the forecast. 300,662 ounces of gold fines and 191,898 ounces of silver were produced. From our total sales, 99.23% corresponded to gold and the rest, to silver. Average gold price published in the London Bullion Market Association was USD 1,800.75. Our average selling price was USD 1,798. Also, the average selling price considering financial hedging was USD 1,811.

Our customers are in Canada and Switzerland. Our entire production is sent to these two countries. In

Canada we refine our production in Asahi Refining, and in Switzerland, in Argor Heraeus. Both refineries are LBMA certified and produce bars with the London Good Delivery seal, the most appreciated quality standard in the precious metals market. The gold content of the refined bars is 99.99%.

We focus on maintaining a strong relationship with our customers, serving them, and listening to their comments and suggestions. In the last few years, we have not received any complaints from our customers regarding data breaches, products shipped, or the



Our customers  
are in  
Canada and  
Switzerland

services provided. As to measure customer satisfaction of our clients, we develop annual surveys which have shown excellent results in the past years. We also maintain a close relationship and constant communication with them. The results of the customer satisfaction surveys for 2022 showed 100% satisfaction, as was the case in 2021 and 2020, which encourage us to continue working to keep our high service and production standards.

## PERMITS, APPROVALS AND AUTHORIZATIONS

**Annex 3** (page 240) includes a list of permits, approvals, and authorizations that we have obtained, and which allow us to operate in harmony with our surroundings, government institutions, society, the environment, and other stakeholders.



Sales:  
Average price  
**USD 1,798**



Sales:  
Average Price considering  
financial hedging  
**USD 1,811**





# [ DOMESTIC AND INTERNATIONAL CONTEXT ]

## INTERNATIONAL OUTLOOK

After two complicated years in terms of health, economy, and uncertainty, 2022 continued to present major challenges for the global economy. On the one hand, the invasion of Ukraine by Russia caused fear in the market as well as energy disruptions that drove up fuel prices. The cost of life increased in most countries with persistent inflation both in developed and in emerging economies. All the same, the Chinese Zero Covid policy affected growth of the Asian giant, and of the rest of the world. The International Monetary Fund lowered its forecast for the global economy to 3.2% for 2022, with the world's major economies such as

the U.S., Europe and China facing difficulties at the same time. Developed country economies grew 2.4% compared to 5.2% in 2021, and emerging country economies grew 3.7%, down from 6.6% growth a year earlier, according to IMF projections.<sup>1</sup>

The rapid increase of inflation in most economies had a very strong global impact, for it generated an almost general response by the central banks. The US index price peaked at 9.1% in June 2022, a level not seen since 1982. In Europe, in the United Kingdom, as in emerging economies, they reached maximum levels. The impact of inflation in emerging economies was reflected in the cost of life, especially of food and fuels. The slowdown of the Chinese economy helped to slightly alleviate global

inflation due to a lower demand of some commodities by China. At a global level, the IMF forecasted an inflation rate of 8.8% for 2022, 7.9% for developed countries and 9.9% for developing economies.<sup>2</sup>

Metals and minerals prices were affected by uncertainty, China's slowdown due to its Covid Zero policy and lower investor confidence. All the same, the US Dollar rally led to higher prices for dollar-denominated metals for holders of other currencies. Strong rate increases by central banks, to counter rising inflation, also weighed on the demand for metals. The price of the three-month copper contract accumulated a 12.64% decline during 2022, according to Bloomberg. Zinc had a similar behavior than that of copper,

it dropped 12.12%, according to Bloomberg too. The price of gold had a very similar performance to the US Dollar and to the 10-year U.S. treasury bond yields. The increase in the price of the US Dollar weakened gold quotation in the markets. All the same, the return of 10-year US treasury bonds reached historical peaks, affecting the demand for gold, which is an asset used a haven, but, which, contrary to bonds, does not generate any interests to its holders. After much volatility, the gold price closed 2022 down 0.5%<sup>3</sup>, having recovered much ground since November, when investors' expectations of lower U.S. Federal Reserve benchmark rate increases generated a sustained rally until the end of 2022.

The U.S. dollar started 2022 falling against its six major competitors, touching a low in March 2022. Due to the increased global volatility because of the Russia-Ukraine war, many investors turned to the U.S. dollar, which strengthened its value against other currencies. As of April 2022, the US Dollar started a rally which kept it at maximum historic levels compared to other currencies, supported by an aggressive U.S. Federal Reserve monetary stimulus withdrawal plan, to address the worst inflation in the country in decades. The Federal Reserve increased its reference rates in a much more aggressive manner that the central banks of the United Kingdom and the European Union, which leveraged the US Dollar, taking it to record highs in 2022. The Euro, on its part, had an inverse performance than that of the U.S. dollar, hitting a low of 0.9594

Euros per dollar in September 2022 and closing the year with a 5.24% decline, according to Bloomberg data.

The challenges that arose during 2022, such as the geopolitical crisis due to war and strong trade clashes between the U.S. and China, inflation that reached record levels and the reactions of central banks to contain inflation, caused strong damage to the performance of stock markets worldwide. Investor confidence was affected and so were corporate results. The main U.S. stock market index, the Standard & Poor's, retreated 19.48% according to daily data compiled by Bloomberg LP. The Dow Jones Industrial Index did not have a better luck and accumulated a decline of 9.40%. In Europe, the Stoxx Europe 600 index, which comprises shares of European companies in 17 countries, fell by 17.69% during 2022, as did the London Stock Exchange index, which fell by 11.26%. Finally, the Shanghai Stock Exchange index also accumulated a drop of 21.80% during 2022, according to Bloomberg data.

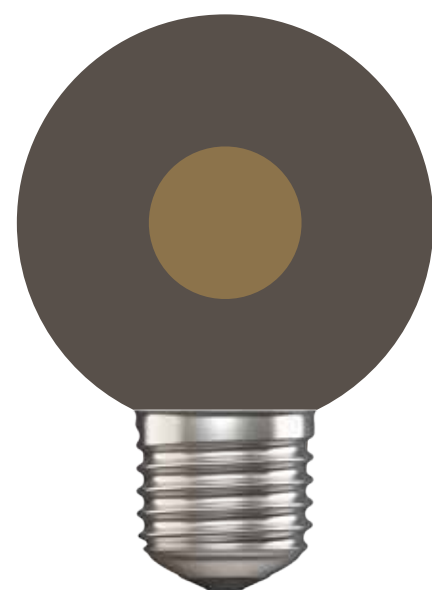
2023 is inheriting the main problems that occurred in 2022, it starts with an ongoing war in Ukraine, galloping inflation and central banks reacting aggressively with plans to increase reference rates. This scenario is compounded by growing expectations of the onset of a recessionary cycle. On the other hand, the reopening of China, after a prolonged shutdown due to covid-19, could support global growth, as it has ambitious infrastructure plans and is the world's largest buyer of metals.

## DOMESTIC OUTLOOK

The international component, explained in the previous section, was accompanied by domestic political uncertainty, which reached a peak with the attempt by the former president Pedro Castillo, to shut down Congress, which generated the admission of vacancy against him and the Vice-President, Dina Boluarte's takeover. In this scenario, the Peruvian Central Reserve Bank (BCRP) forecasted the growth of the Peruvian economy at 2.9% for 2022.<sup>4</sup>

During 2022 the domestic economic activity recovered after two years for restrictive policies to face the sanitary emergency due to Covid-19. The industries that contributed the most to domestic production were services, trade, and manufacturing. On the contrary, the industries with worst results were fisheries, primary production, and metal-mechanics.<sup>5</sup>

Metallic mining was one of the sectors that showed the worst performance during the year. Social conflicts, road closures, lower grades, and the suspension of operations of some mining

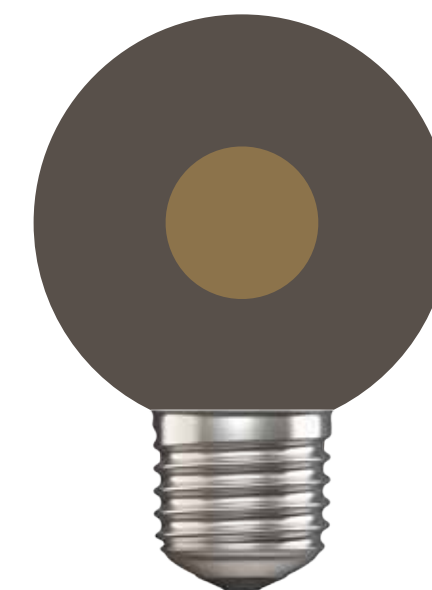


The price of gold closed 2022 with a  
**0.5%** decrease<sup>3</sup>

Metals and minerals prices were affected by uncertainty, China's slowdown due to its Covid Zero policy and lower investor confidence

<sup>1</sup> International Monetary Fund, World Economic Outlook, Oct 2022  
<sup>2</sup> Ibid.

<sup>3</sup> Bloomberg LP  
<sup>4</sup> Peruvian Central Reserve Bank. Inflation Report, Current outlook and macroeconomic projections 2022-2024  
<sup>5</sup> Ibid.





companies weakened the sector's results. The percentage variation for the metallic mining sector during 2022 was 0% according to the BCRP.

The strength of the US Dollar worldwide had a heavy impact on most world currencies. During the first half of the year, the sol/ dollar exchange rate was very volatile, this increased even more when the conflict between Russia and Ukraine scaled up. As of June, the Peruvian currency started to become weaker, due to the increase in the US Federal Reserve rates, which strengthened the US Dollar. Despite the strong impact on the sol after the attempt to shut down the Congress, the Peruvian currency outperformed most of the currencies in the region and presented the lowest exchange rate volatility compared to the rest of the countries in in South America.<sup>6</sup>

A trade balance surplus is projected for 2022, although below that achieved in 2021. The

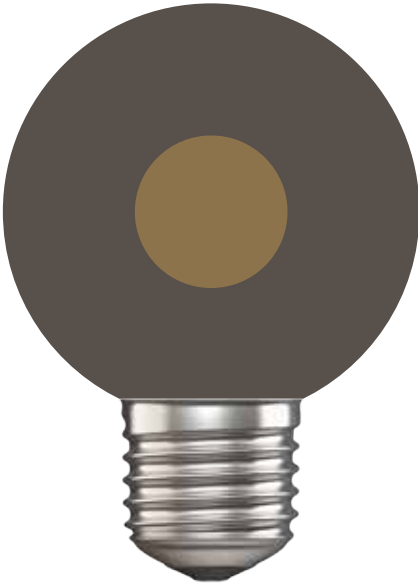
reduction in the balance between exports and imports with respect to the previous year is due to the increase in the price of imports and to the decrease in exports due to lower primary production.<sup>7</sup>

Both headline and non-food and energy inflation were above the BCRP target range during 2022. The largest contribution to inflation was food, vehicle fuels, dining out of home and local transportation. All the same, global inflation had repercussions on the domestic economy, by increasing the price of imports. As of November 2022, the BCRP forecasted an inflation rate of 7.6%. As was the case with many central banks abroad, the BCRP adjusted its reference rate to contain the growing inflation and closed 2022 in 7.50%.<sup>8</sup>

Latin American stock exchanges had mixed performances, affected by high volatility during 2022, which dissipated towards the end of the year. The Lima Stock Exchange General Index accumulated a modest gain of

6.4% in 2022<sup>9</sup>. Challenging global economic conditions generated greater investor interest in stocks considered less risky. The best performing sector during 2022 was the consumer sector and, on the contrary, the construction sector presented the worst results, given the lower dynamism of construction and the delays in public and private projects.

2023 carries over many of the 2022 challenges, given the high inflation rates worldwide, the risk of recession and the ongoing geopolitical problems. The BCRP forecasts lower inflation rates, but a slower economic activity due to the political uncertainty caused by the lack of consumer and investor trust. It is expected that the reopening of China increases the price of commodities, which would benefit the value of our primary exports.



The percentage variation for the metallic mining sector during 2022 was 0% according to the BCRP

<sup>6</sup>. Ibid.  
<sup>7</sup>. Ibid.  
<sup>8</sup>. Ibid.  
<sup>9</sup>. Lima Stock Exchange, Update. The importance of diversification. Historic Performance Indexes. December 14, 2022





# [ RESPONSIBLE COMMITMENTS AND POLICIES ]

We assume commitments and subscribe to policies of responsible business conduct. Our strategies to maintain our growth and profitability are based on the sustainability of our organization, by working in a safe, ethical, and responsible manner. Our Sustainability Statement is an instrument that reflects our policies and our commitment with our stakeholders, aimed at achieving positive social impact and adequate economic results.

We focus on two transversal axes: operational excellence and safety. These are performed within the legal framework and with moral solvency, with social and environmental responsibility approach inside and outside our company. We add innovation to

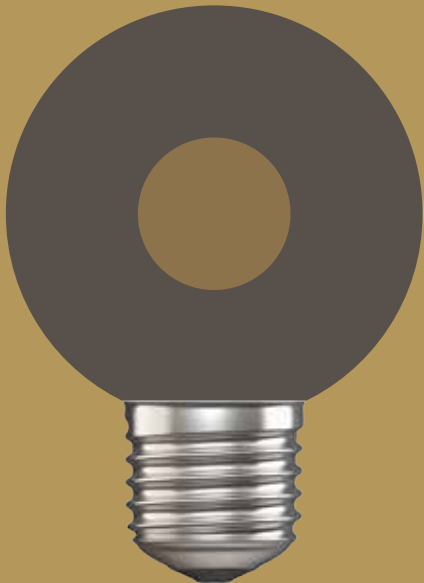
these two pillars, as a process to adapt to new situations and to find optimal and original solutions to the industry's problems and to the impacts generated by us. All business practices and all our employees, directors, managers and contractors, or persons representing us in any instance are governed by our Code of Ethics and Conduct, as well as by our compliance, safety, occupational health, environmental and quality policies.

Our highest governance body approves our internal policies. We share the content of these principles at the beginning of every new contract, and they are published on our website and intranet. In addition, every new member of our team receives

specific training on these topics, and every year we reinforce the knowledge and understanding of our main policies and procedures, as well as our values and Code of Ethics and Conduct.

Our sustainability approach is in line with the precautionary principle, defined as the set of measures to prevent or avoid possible negative impacts of our activities on the environment. Therefore, we include efficient policies, procedures, and strategies into our business operations, to help us meet our environmental commitments.

All the same, our due diligence process is related to antibribery and asset laundry and terrorism financing, which is included in



Our strategies to maintain our growth and profitability are based on the sustainability of our organization, by working in a safe, ethical, and responsible manner

our Asset Laundry and Terrorism Financing Prevention System (SPLAFT), as well as in our Crime Prevention Model, based on Law 30424, certified under ISO 37301 and the model of Empresarios por la Integridad. These systems include the Compliance Policy, the Code of Ethics and Conduct, the due diligence process of knowing your customer, final beneficiary, suppliers, directors, and workers; risk management procedure of the compliance management system, and PLAFT; procedure to prevent and detect unusual and suspicious transactions, and the PLAFT

Manual, approved by our Board of Directors.

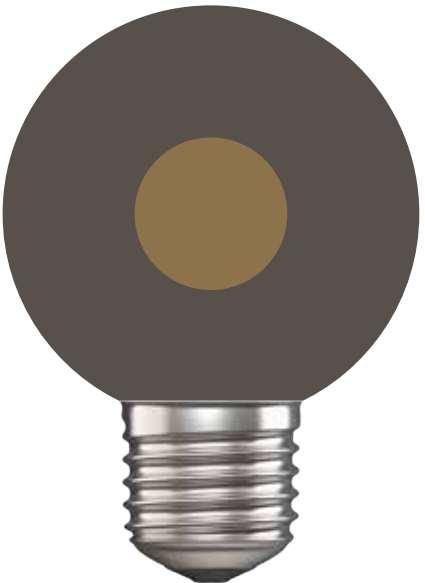
We do not have a human rights due diligence process; however, we are fully committed to respecting the dignity and human rights of the local population, workers, contractors, and all people. In this matter, we declare that we respect and promote human rights in all our areas of operation, consistent with the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and domestic laws. We are currently in the process

of updating our human rights management due diligence with an external consultant.

## COMMITMENTS AND POLICIES

Commitments and policies are endorsed by our Chairperson of the Board of Directors and our General Manager, who ultimately oversee their implementation.

Name	In force since	Approved by
Sustainability Statement	Rev. July 2021	Chairperson of the Board of Directors General Manager
Management Policy		
Quality Policy		
Environmental Policy		
Occupational Health and Safety		
Compliance Policy	Jan. 2020	Chairperson of the Board of Directors General Manager
Ethics Code	Jan. 2021	Board of Directors General Manager
Manual for the Prevention of Asset Laundry and Terrorism Financing	Jan. 2022	Board of Directors
9 golden rules	May. 2017	Joint Committee
Harassment Policy	Aug. 2020	Administration, Finances and Trade Management



# [ SUSTAINABILITY STATEMENT ]

**Poderosa is mainly a gold producing mining company,** committed to the development of its stakeholders. To this purpose, we believe that it is our obligation to be a sustainable company, by achieving positive social impacts and adequate economic results. We are committed to working ethically and under the good corporate governance principles, to be a good employer, a good neighbor and to respect the environment.

**We believe that is urgent that our stakeholders trust us,** therefore it is necessary that we work under the legal framework and with moral solvency. We are therefore committed to work transparently, to abide by clear policies, to condemn any kind of corruption, to act against asset laundry, to **respect human rights**, and to reject forced and child labor.

**We believe in being a good employer.** To achieve this goal, we provide a safe

working environment, decent camp sites, adequate infrastructure, competitive salaries, and a healthy working environment. We promote respect, teamwork, productivity, continuous improvement, knowledge exchange and innovation.

**We believe in being a good neighbor.** For such purpose, we treat the communities with respect, and we contribute to local development by promoting, within our possibilities, the advancement of the economy, education, health, and governance in our area of influence.

**We believe in sustainable and responsible use of natural resources.** Although every human activity has an impact on the environment, we are committed to prevent, reduce, and mitigate any negative impacts that we generate.

**We believe in incremental and disruptive innovation.** To this end, we constantly promote improvement projects to test and incorporate new technologies in the processes, allowing to give sustainability to the company and to develop a portfolio of projects.

Rev. 01  
July 2021

**Mrs. Evangelina Arias Vargas de Sologuren**  
Chairperson of the Board of Directors

**Eng. Russell Marcelo Santillana Salas**  
General Manager



SUSTAINABILITY





# [ RESPONSIBLE POLICIES ]

## MANAGEMENT POLICY

We are mainly a gold producing mining company, committed to responsibly transform our mineral wealth into development opportunities. We seek the sustainability of our operations, **through an innovation culture in our processes**. In this regard, we are committed to:

- Focus our efforts to fulfill our vision, mission, sustainability statement, established principles and values and the achievement of our strategic objectives.
- Show visible leadership of the line of command with responsibility in safety, health, occupational health, environmental management, and process quality.
- Acknowledge our stakeholders, their needs, and **requirements**,

- seeking their satisfaction and helping them to manage their own development.
- Develop teamwork through continuous improvement circles and the practice of the 5S methodology for its application in the daily work.
- Continuously improve the Comprehensive Management Systems' performance.
- Comply with the applicable legal framework and other voluntarily established requirements, in every activity carried out by our organization.
- Communicate and explain our policies to every person working with Poderosa or on its behalf and inform them to our stakeholders.

## QUALITY POLICY

- To develop efficient processes, products and services that are part of a responsible production chain, together with our workforce, to meet the expectations of our stakeholders, **adapting ourselves to the changes in strategy and management of innovative processes**.
- **Fostering innovation in our activities**.

## ENVIRONMENTAL POLICY

- Protect the environment, preventing, reducing, and mitigating the negative impacts we cause.
- Promote responsible and sustainable use of natural resources, from our products' life cycle perspective.

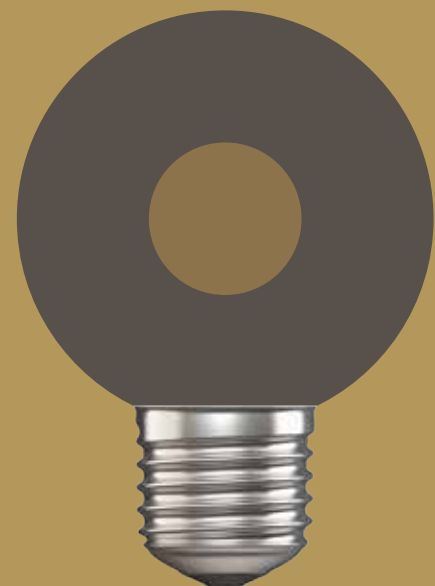
## OCCUPATIONAL HEALTH AND SECURITY POLICY

- Prevent all type of work-related injuries, illnesses, and accidents, by identifying and **eliminating hazards, as far as possible**, assessing and controlling risks in our processes.
- Promote workers' participation and consultation to keep **safe and healthy working conditions and facilities**.

Rev. 07  
July 07, 2021

**Mrs. Evangelina Arias Vargas de Sologuren**  
Chairman of the Board of Directors

**Eng. Russell Marcelo Santillana Salas**  
General Manager



## COMPLIANCE POLICY

**We are mainly a gold producing mining company**, and our mission is to responsibly transform our mineral wealth into development opportunities. We seek the sustainability of our operations, in this regard:

We reject and prohibit any act of corruption, including bribery, collusion, and the trafficking of influences, as well as any act that qualifies as asset laundering or terrorism financing in any form, whether direct or indirect, through an agent or business partner, whether in relation to a public official or an individual.

We seek the sustainability of our operations through the promotion of innovation in our processes

We therefore commit to:

- Meet the requirements of the Compliance Management System and seek continuous improvement.
- Comply with the applicable legal framework regarding bribery, collusion, trafficking of influences, asset laundering and terrorism financing prevention.
- Promote ethical behaviors among our stakeholders, according to the Code of Ethics and Conduct and encourage the raising of concerns and complaints in good faith, based on a reasonable belief of confidence and without fear of reprisal, ensuring confidentiality.

Furthermore, to ensure the correct establishment, maintenance and enhancement of the Compliance Management System, the Social Responsibility and Comprehensive Management System Manager has been appointed as Compliance Risk Prevention Officer, with the authority and guarantee of

Independence to exercise his functions and reporting to the Ethics Committee and Board of Directors' Good Corporate Governance.

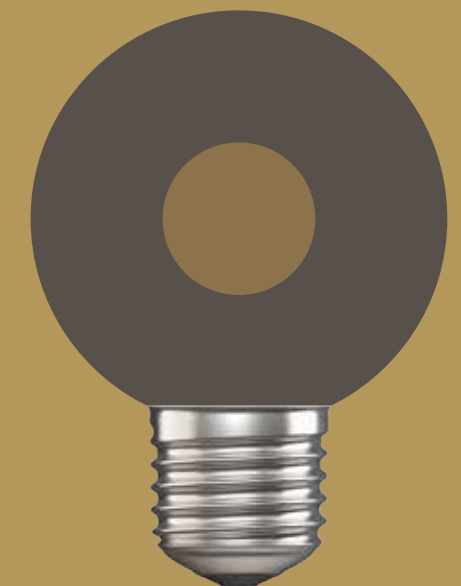
Failure to comply with this policy will result in the application of sanctions included in the disciplinary regime of the Internal Labor Regulations for employees and penalties or commercial termination with contractors and suppliers as appropriate.

Rev. 01  
January 2020

**Mrs. Evangelina Arias Vargas de Sologuren**  
Chairman of the Board of Directors

**Eng. Russell Marcelo Santillana Salas**  
General Manager

CODE OF ETHICS  
AND CONDUCT



# [ INNOVATION DRIVES OUR DEVELOPMENT ]



## TRANSFORMING IMPACT

Since its early days, Poderosa has traced a path that goes beyond optimizing its operations, focusing on operational efficiency, and moving towards building a sustainable and environmentally responsible mining industry. This commitment to sustainability is not only a necessity, but an imperative that guides our company's every step in the Peruvian mining industry.

Mining, one of Peru's economic drivers, is facing urgent challenges. The concern for resources depletion, the growing demand for environmental and social sustainability, and the need to

improve operational efficacy are only some of the challenges that we must overcome. In this dynamic and challenging context, innovation management comes up as a vital tool to guarantee long term sustainability and profitability.

Innovation is the engine that drives transformation in Poderosa. We are committed to join efforts and resources towards initiatives that drive economic growth and that foster human and social development too. This way, we can establish a virtuous cycle that will position us as an innovative and socially responsible company. Innovation is the path towards a sustainable future.

## INNOVATION AND BUSINESS AGILITY

We have implemented training programs to strengthen the innovation mindset and business agility. In addition, we have conducted hands-on workshops, offered mentoring, and provided coaching to work teams. We foster collaboration focused on finding new ways to create value by implementing initiatives that support the achievement of the company's strategic objectives.

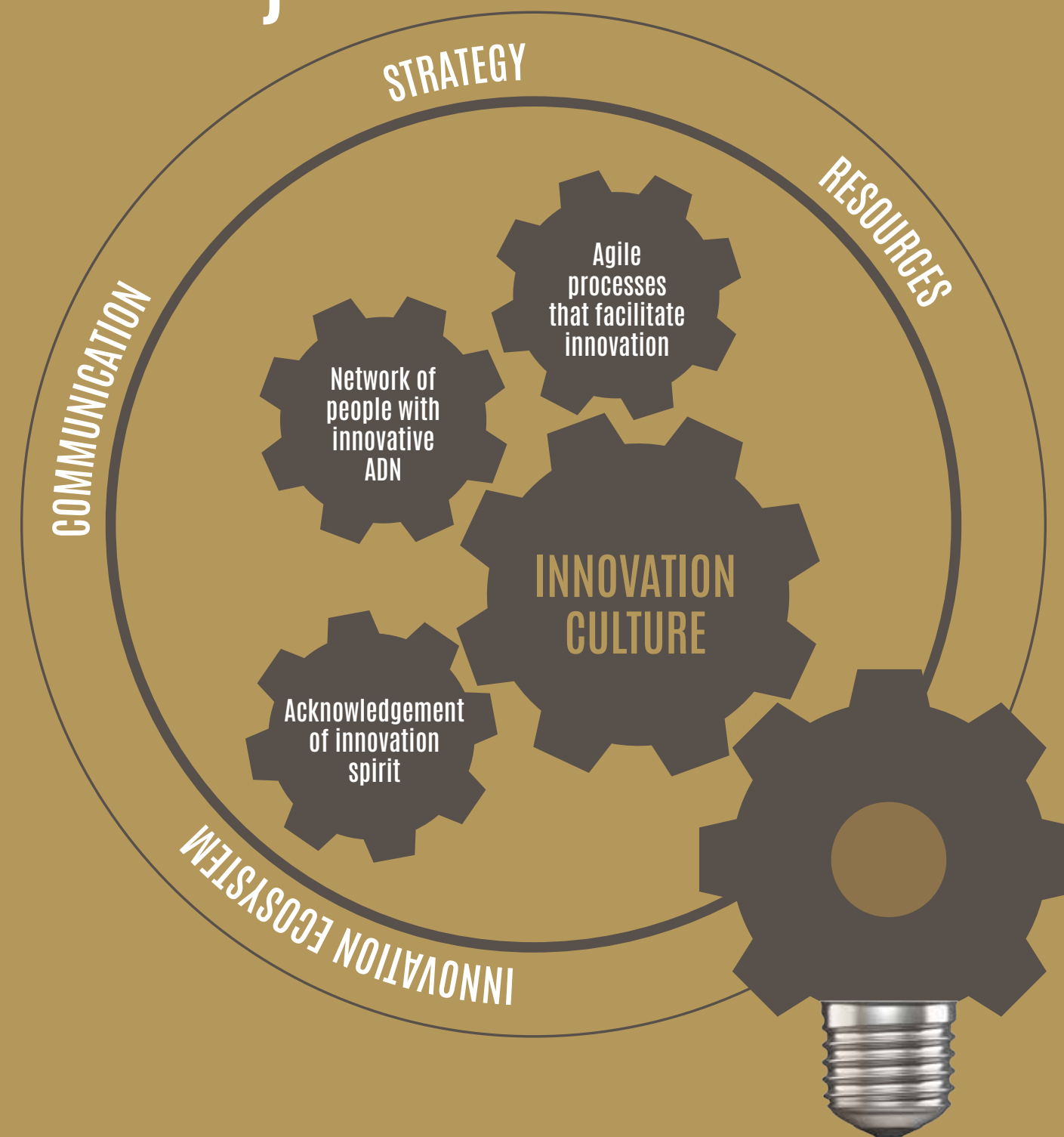


**1. Challenge management:** systematic search for opportunities in the processes for the creation of positive changes that generate value, aligning the opportunities with the objectives and goals of the organization that contribute to its growth and sustainable development.

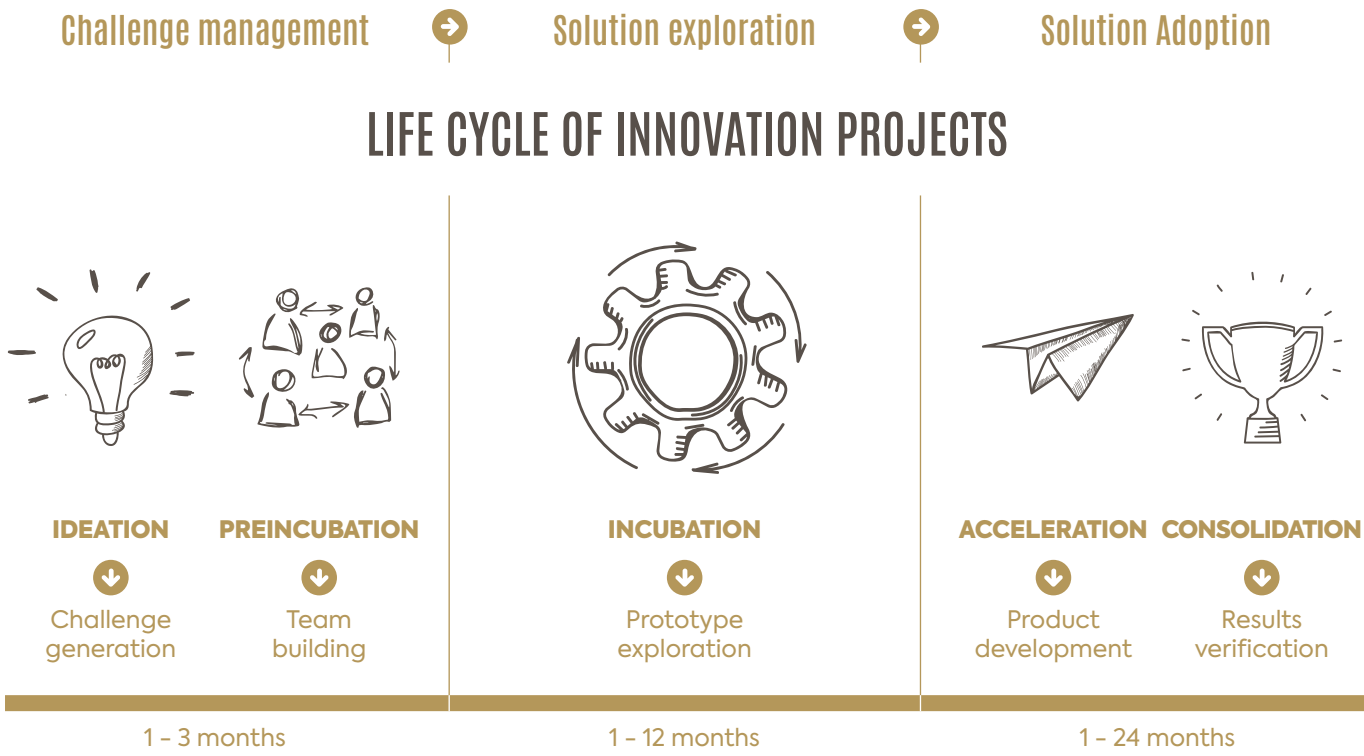
**2. Solution exploration:** research, search, development, and validation of alternatives that allow an agile and effective response to the challenges posed in the various processes of the organization, focused on maximizing the creation of value and its sustainable development.

**3. Adoption of solutions:** scaling, implementation, deployment, and maintenance of - validated - solution alternatives in the various processes of the organization, as well as verification of results to ensure their contribution to the company's growth and sustainable development.

# [ INNOVATION MODEL ]



INNOVATION MANAGEMENT PROCESSES



OBJECTIVE OF INNOVATION MANAGEMENT BY 2026

Stages	Steps	Compliance	2023	2024	2025	2026
PHASE I Create a climate of change	Create the sense of urgency (Great Opportunity)	0%	40%	70%	90%	100%
	Create a climate of change	0%	60%	80%	100%	100%
	Develop a clear vision	0%	100%	100%	100%	100%
PHASE II Engage and enable the entire organization	Communicate the vision	0%	40%	100%	100%	100%
	Engage and enable the entire organization	0%	60%	80%	100%	100%
	Generate (and celebrate) short term success	0%	40%	60%	80%	100%
PHASE III Implement and maintain the transformation	Build on the same path (“Once is not enough”)	0%	40%	60%	80%	100%
	Implement and maintain the transformation	0%	40%	60%	90%	100%

We foster an organizational culture that promotes experimentation, the acceptance of controlled risks and continuous learning. We facilitate spaces that lead to the generation of new ideas and innovative solutions with a holistic approach that encompasses all departments, processes, and hierarchical levels

of our organization. We promote adaptation to change, agile decision making and collaboration at all organizational levels. However, this journey began several years ago and is reflected in our continuous investments in innovation projects, as evidenced by the following indicators for the last three years:

Investment percentage in innovation projects vs total company costs:

2020: 0.4%  
2021: 1.1%  
2022: 1.5%





## TESTING INNOVATIVE IDEAS

The mining industry faces pressing challenges. It is necessary to harmonize mining operations with the surroundings, and in this regard, most mining companies are assuming a more active role in sustainable development. Our Senior Management leads this commitment. We currently hold the Sustainable Management Company Distinction.

During 2022, we tested six innovative projects to achieve great impact in several operational and environmental aspects.

### PROCESSING (PLANT)

Adaptation and validation of a chemical refining process of the precipitate to obtain high purity gold and silver bars. **It will allow reducing polluting elements in the refining process, achieving a more environmentally friendly process.**

### PLANNING AND ENGINEER GEOPHYSICS

Speed analysis through indirect seismic exploration based on induced seismic data to identify zones with high mineral potential. **It will allow optimizing the geologic and mineralogic characterization process in the company's mining concessions.**

### INSTRUMENTATION AND PROCESS CONTROL

Measurement and on-line reporting of efficiency, use and availability of the Santa Maria Production Unit compressors. **It will optimize power consumption in the compressed air system.**

### INSTRUMENTATION AND PROCESS CONTROL

Implementation of an automatic monitoring and reporting system for the Marañon Plant. **To facilitate plant management.**

### ENERGY PROJECTS

Reduce power supply interruptions and increase outside lighting of the Paraiso bungalows through a solar photovoltaic system and LED lamps. **Use of clean energy to favor the organization's sustainable development.**

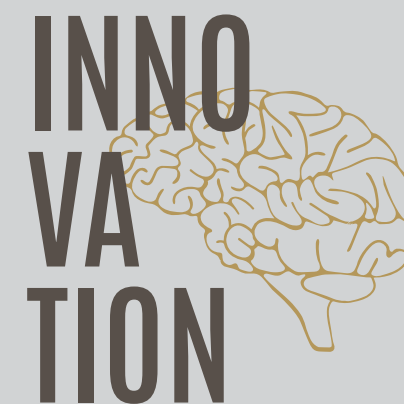
### ENERGY PROJECTS

Increase the power supply reliability and capacity in the Chagual airdrome through the installation of a hybrid photovoltaic system with batteries. **Use of clean energy to favor the organization's sustainable development.**

## OPEN INNOVATION

This is the launching of innovation challenges. This activity allows us to quickly access many organizations in the innovation ecosystem. In addition, we rely on their technology monitoring processes. In summary, Open innovation allows reducing the time to respond to a challenge, and we benefit from the capabilities and experience of other organizations.

Finally, we are committed to generate innovative opportunities within the circular economy and shared value concepts. We are all involved in the search for innovation: from our directors, shareholders, investors, employees down to the community and the Government. They can all contribute and help to find solutions to the impacts that our company may produce.



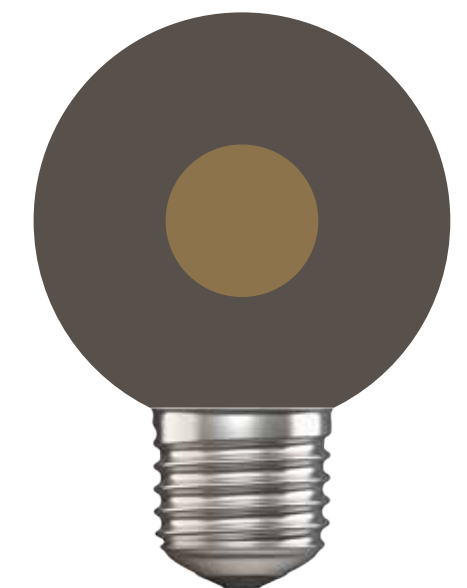
# IN PERMANENT TOUCH WITH OUR STAKEHOLDERS

We cannot achieve sustainability without identifying all the agents involved in our environment and managing the way we relate to them. Our stakeholders are the entities or individuals that receive the impact of our activities, and whose actions have a direct impact of the company's goals. Identifying them allows us to integrate their expectations and demands into our corporate strategy.

By involving our stakeholders in the way in which we operate, we gain their trust, and we strengthen commitments. In this regard, we involve the stakeholders before the start of a project, and we maintain this relationship throughout the operation's life cycle. We have identified them through an external and internal environment analysis of our organization. To this end, we have used mapping and perception studies, which also provide inputs for adequate relationship management with them.

To connect with the different groups and to deal with their concerns, we promote dialog and communication with them, responding to their expectations and fostering friendly relationships based on trust and transparency.

As part of our commitment with our stakeholders, we have mechanisms that help remediate and guarantee an efficient solution to a problem. Our grievance and complaints mechanism (for further details, see page 218) has action plans to remediate any negative impacts that our activities may have caused, directly or indirectly. All the same, we monitor social conflicts through permanent dialog and monitoring and prevention reports (see page 220).

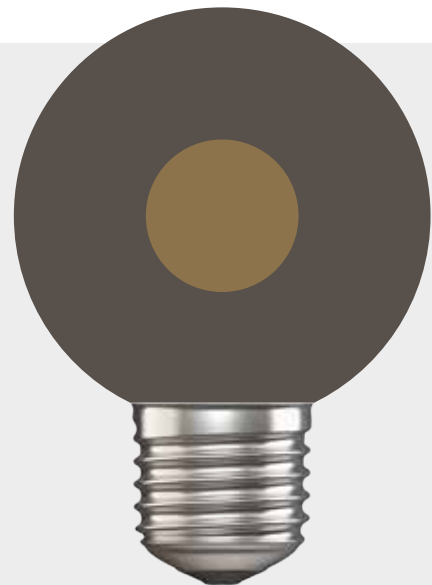


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2-25  
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## OUR STAKEHOLDERS

Definition	Commitment	Main expectations	Company strategy
<b>SHAREHOLDERS.</b> Majority/Minority			
They own the company's assets.	To create increased economic value for the majority and minority shareholders.	<ul style="list-style-type: none"> <li>Company's economic and sustainable development results, and strict compliance with ethical guidelines</li> <li>Occupational health and safety approach</li> <li>Exploration, reserves forecast and operations development.</li> <li>Anticorruption practices</li> </ul>	<ul style="list-style-type: none"> <li>We work hard to meet the goals set out in the annual plan, even in adverse scenarios such as the ones experienced in 2020 and 2021.</li> <li>We adapt to changes in an agile manner.</li> <li>We fully comply with and respect our code of ethics and conduct as well as our compliance policy.</li> </ul>
<b>WORKERS.</b> Workmen / Employees/ Officers			
Those who carry out daily tasks, from strategic management down to operations.	To respect individuals and their professional development. Furthermore, to provide a safe working environment, to watch over the health of our workers and to voluntarily comply with international standards, such as ISO 45001.	Life quality improvement within the company, adequate working conditions and an enjoyable corporate environment, economic performance, sustainability, compliance with occupational health and safety standards, equal opportunities, and transparent promotion processes.	<ul style="list-style-type: none"> <li>We work hard to meet the goals set in the annual plan to retain talent and generate a sense of belonging to the Poderosa family.</li> <li>We fully comply with and respect our code of ethics and conduct as well as our compliance policy.</li> </ul>



### COMMUNICATION MEANS

#### SHAREHOLDERS

- Important events
- Annual shareholders meeting
- Web site
- Annual Report
- E-mails
- Telephone

#### WORKERS

- Daily intranet
- Batolito (biannual) and special newsletter (bimonthly)
- E-mails
- Periodic meetings
- Bulletin boards updated once a week
- Suggestion box

Definition	Commitment	Main expectations	Company strategy
<b>SUPPLIERS.</b> Local/ Domestic /Foreign			
The companies or organizations providing products or services to the company.	To advise small and the most vulnerable suppliers in business management matters, to recognize their right to progress, and to help them become agents of their own development.	<ul style="list-style-type: none"> <li>Timely payments, growth and continuous development opportunities, company innovation practices that can improve goods and services supply and quality.</li> <li>Transparent and fair selection, assessment, and reassessment processes.</li> </ul>	<ul style="list-style-type: none"> <li>We consider our suppliers to be our strategic partners, therefore, we seek to establish long term relations under such conditions that help us develop and grow.</li> <li>We fully comply with and respect our code of ethics and conduct as well as our compliance policy.</li> </ul>
<b>COMMUNITY.</b> Communities in our direct / indirect area of influence			
The communities and authorities directly or indirectly related to the company's operations. Civil society organizations and local and regional governments are also included.	To respect people and to contribute, within the scope of our operations, to the development of individuals, communities, and Peruvian progress. To recognize our stakeholder's right to progress, and to help them become agents of their own development.	Community and population development and welfare, improvement of their roads, entrepreneurial and employment opportunities, increased products yield and sales, water quality and quantity.	<ul style="list-style-type: none"> <li>Under our good neighbor approach, our Community Relations team and Asociacion Patataz, the NGO founded by Poderosa, execute comprehensive development projects through different modalities (alliances, works for taxes, financing, among other).</li> <li>We fully comply with and respect our code of ethics and conduct as well as our compliance policy.</li> </ul>



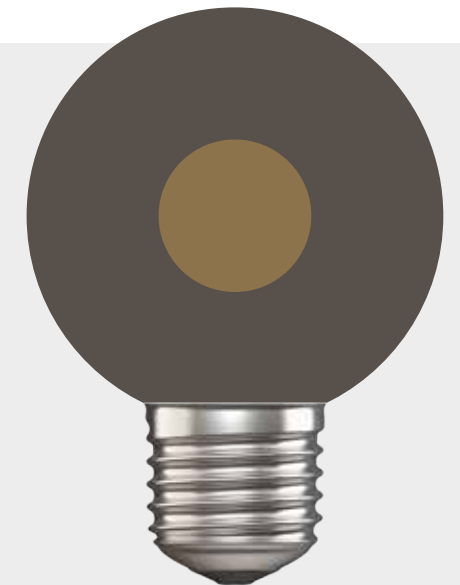
### COMMUNICATION MEANS

#### SUPPLIERS

- E-mails
- Periodic scheduled meetings
- Visits
- Telephone

#### COMMUNITY

- Periodic meetings
- Perception studies (biannual)
- Community Batolito (quarterly) and special newsletter (annual)
- Radio



Definition	Commitment	Main expectations	Company strategy
GOVERNMENT			
Group of national, regional, and local organizations directly or indirectly related with our activity.	We generate economic value and development for the country through the taxes we pay, and we carry out our activities respecting the laws and regulations that govern our industry.	<ul style="list-style-type: none"><li>• Compliance with regulations in economic, environmental, and social aspects; compliance with work-related health and safety standards; multistakeholder dialog and cooperation, institutional synergy generation to drive the community's sustainable development and fight against corruption.</li><li>• Innovation: technology and know-how transfer</li></ul>	<ul style="list-style-type: none"><li>• We strive to strictly comply with the regulations governing our business.</li><li>• We work in synergy with the Government to carry out works and projects that bring development to the region.</li><li>• We are transparent with our actions and information and always act ethically.</li><li>• We fully comply with and respect our Code of Ethics and Conduct as well as with our Compliance Policy.</li></ul>
CUSTOMERS			
The buyers of our final product. There is no customer classification or category.	Produce gold in the most efficient, effective, and flexible way. Maintain the quality of our processes and products, including the voluntary international standards, such as ISO 9001, that ensure customer satisfaction.	A product that meets customer's specifications and standards	<ul style="list-style-type: none"><li>• Our plant and laboratory teams work with quality to deliver a product that meets customer requirements.</li><li>• We fully comply with our Code of Ethics and Conduct as well as with our Compliance Policy, and we respect them.</li></ul>

Definition	Commitment	Main expectations	Company strategy
ARTISANAL MINERS			
Formal artisanal miners working within our direct area of influence and who deliver the mineral they extract to be processed by Poderosa.	<ul style="list-style-type: none"><li>• Support them to carry out safe and environmentally friendly work.</li><li>• Be transparent in the analysis, processing, and treatment of the mineral they deliver.</li><li>• Help them become agents of their own development and that of their community.</li></ul>	<ul style="list-style-type: none"><li>• Transparent and timely liquidation process.</li><li>• Possibility to constantly grow and develop.</li><li>• Support in safety and security aspects</li></ul>	<ul style="list-style-type: none"><li>• We have a team dedicated to working with artisanal miners under contract with Poderosa for greater work fluidity.</li><li>• We also believe that it is vital to transfer skills in health and safety issues.</li><li>• We fully comply with and respect our code of ethics and conduct as well as our compliance policy.</li></ul>



COMMUNICATION  
MEANS

GOVERNMENT

- Through the conducts established in the regulation that govern our economic activities.

CUSTOMERS

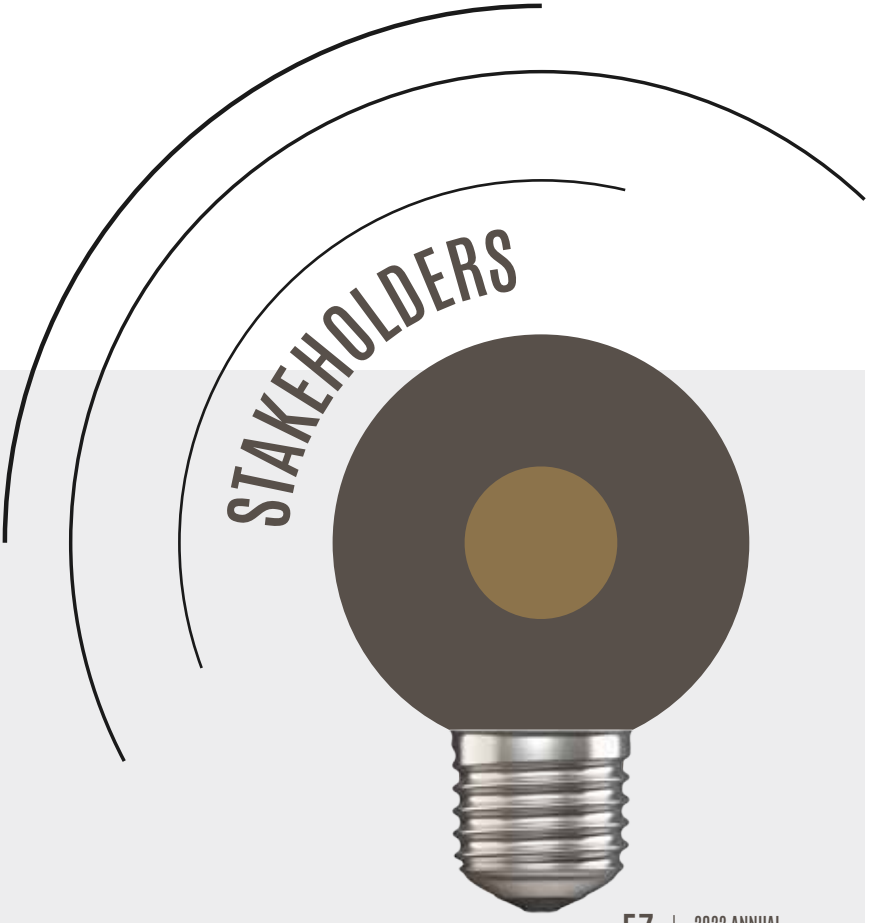
- E-mails
- Periodic scheduled meetings
- Biannual Survey
- Telephone



COMMUNICATION  
MEANS

ARTISANAL MINERS

- E-mails
- Periodic meetings
- Technical Visits
- Telephone





# [ CERTIFICATIONS THAT GUARANTEE OPTIMAL PROCESSES ]

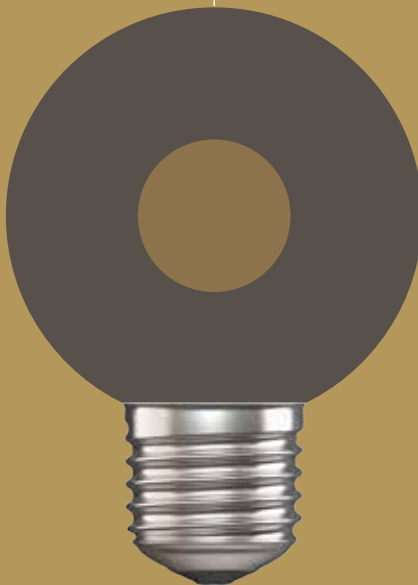


[ ISO 9001:2015  
ISO 14001:2015  
ISO 45001:2018  
ISO 37001-2016 ]

To guarantee an operation that is responsible for its surroundings and for the people's safety and health, we use high international standards in our processes. Our quality management system has been certified under ISO 9001:2015 standards; our environmental management system is certified under ISO 14001:2015 standard, and our occupational health and safety management system has been certified under ISO 45001:2018 standard. Furthermore, our company has been certified under the ISO 37001-2016 Anti-Bribery Management System Standard, and the Zero Bribery Certification. Managing these standards allow for better process control and helps us make decisions and execute actions for continuous improvement.

## FIRST AUDIT PROCESS TO MAINTAIN THE ISO 9001:2015, ISO 14001:2015 AND ISO 45001:2018 SYSTEMS

Focused on maintaining high standards in terms of quality, health and safety, and environmental care, we successfully passed the first maintenance audit of our ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 systems, and we managed to renew our comprehensive management system. These achievements allow us to continue to be among the world's leading and highly competitive organizations and help us to improve organizational performance and generate synergies between processes and management systems.



To guarantee an operation that is responsible for its surroundings and for the people's safety and health, we use high international standards in our processes





# ETHICAL PRACTICES AND TRANSPARENCY



To build trust among our employees, the community, and other stakeholders, we must work safely and with a focus on sustainability and business ethics. For more than 43 years we have built a sound reputation in Pataz, based on honesty and responsibility. We are committed to keeping and reaffirming the values and principles that have allowed us to hold friendly relations with our surroundings. In this regard, we express that the actions of our employees, directors, and any other person acting in our name, are rules by our business culture, lawfulness, and ethics.

## STATEMENT SUPPORTING EITI

**“COMPAÑIA MINERA PODEROSA HEREBY REPRESENTS THAT SINCE 2011 IT HAS BEEN ACTIVELY PARTICIPATING IN THE PROCESS TO IMPLEMENT THE EITI IN PERU. THIS IS BECAUSE IT IS CONVINCED THAT TRANSPARENCY AND ACCOUNTABILITY, FIXED COMPONENTS OF THE EITI STANDARD\*, ARE FUNDAMENTAL AND NECESSARY FOR ITS ACTIVITY TO BE BENEFICIAL FOR THE COUNTRY. ALL THE SAME, COMPAÑIA MINERA PODEROSA REPRESENTS THAT IT SUPPORTS AND PROMOTES ANY PUBLIC POLICIES AND PROCESSES IMPLEMENTED BY THE GOVERNMENT TO MAKE LICENSES AND CONTRACTS GRANTING TRANSPARENT, TO FIGHT AGAINST CORRUPTION”.**

\* The Extractive Industries Transparency Initiative (EITI) is an organization that promotes the open and accountable management of in the public and corporate sector, and the transparency of natural resources management in the extractive industry.

## FIGHTING CORRUPTION

### ISO 37001-2016 Anti-Bribery Management System Standard and Zero Bribery Certification

We have established principles that we strictly adhere to. Our Code of Ethics and Compliance Policy are intended to ensure compliance with the law and ethical behavior throughout the organization. In this regard, our Compliance Policy rejects and prohibits any act of corruption, including bribery, collusion, and influence peddling, as well as any act that qualifies as money laundering or terrorism financing in any form, whether directly or indirectly, through an agent or business partner, whether in relation to a public official or an individual.

As a responsible organization, we must contribute to fight against corruption, and generate positive impacts on our stakeholders, through the implementation of anti-corruption practices and compliance with responsible business conduct commitments and policies.

We work purposefully to implement the guidelines and controls to ensure honest and ethical performance in every activity of our processes. We manage this approach through three fundamental pillars: prevention, detection, and reporting.

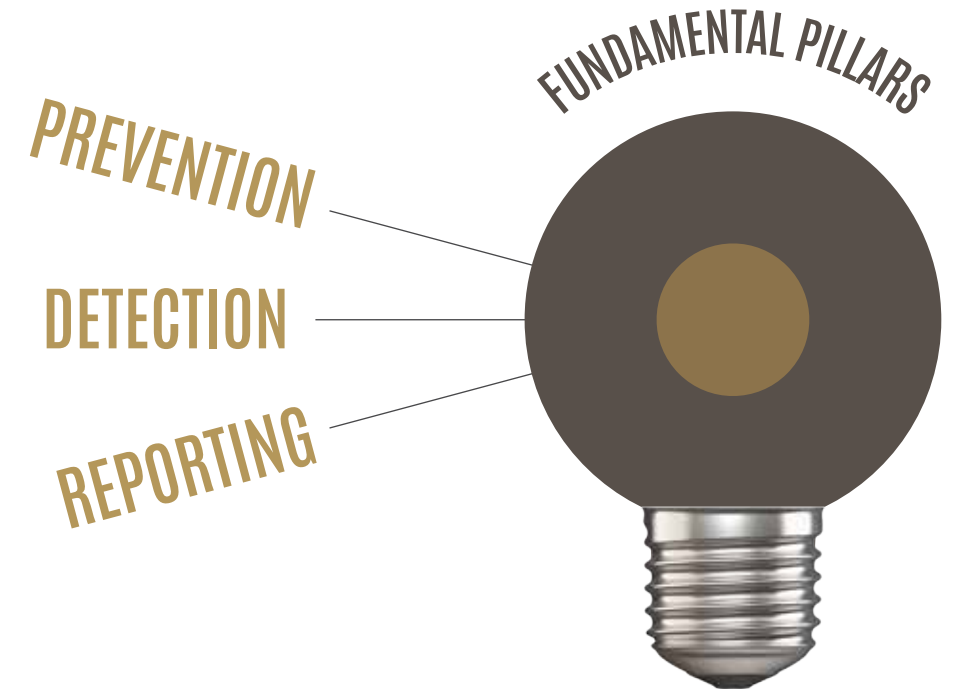
Our Management System allows us to establish and promote a culture of integrity, transparency, compliance, and anti-corruption; to this end, we have a methodology for identifying and evaluating risks, and we determine the necessary controls to prevent their materialization. Our process allows us to detect warning signs in situations or behaviors that deviate from the ethical framework established in our compliance policy and in our Code of Ethics and Conduct

As a consequence, in 2019 we obtained the ISO 37001:2016- Anti-Bribery Management System international certificate. We were the first Peruvian mining company to receive this certification granted by BASC Peru, under the Peru Certification brand. All the same, we received the Zero Anti-Bribery Certification (which, as of 2022, is called Antibribery Certification), which is supported by Empresarios por la Integridad, and is audited by SGS Perú. In 2022, external Audits were performed to our management systems, and

so, we were able to keep both certifications. This successful process affirms our commitment to keep and continuously improve our management systems.

This commitment is cross cutting to the entire organization. We have an Ethics Committee that reviews the management system's progress and from time to time, according to the indicators in place, reviews the trainings performed, the due diligence processes, and the Ethics Channel statistics, with respect to clients, suppliers, and workers.

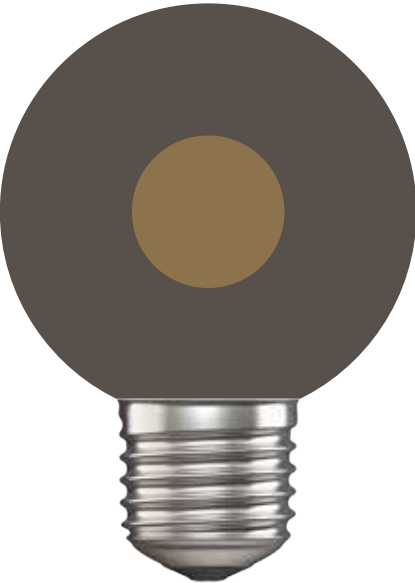
**100% OF OUR OPERATION IS CONSTANTLY ASSESSED TO AVOID THESE PRACTICES**





**Compliance management system**  
In the last quarter of 2022, we assumed the challenge to start the implementation of ISO 37301:2021 standard: Compliance Management System, to ensure and strengthen regulatory compliance of our obligations throughout the organization.

**ETHICS CHANNEL**  
Our Ethics and Good Corporate Governance Committee assumes an important leadership role to maintain our organization’s reputation. All the same, we have an Ethics Channel, with several contact means such as telephone, e-mail, website, and personal interviews, for our workers and business partners to report any complaints related to Human Rights, ethical behavior, or integrity of the organization.



The channel is managed externally, by BDO company, to ensure transparency and confidentiality of the data recorded. We have also socialized among employees and other stakeholders, the mechanisms to use this service, which is available 24 hours a day, throughout the year, and can be accessed from any device via the internet. It should be noted that all complaints or claims are treated confidentially and anonymously, and we firmly maintain our position of zero tolerance for retaliation.

Our employees receive constant training and information on

**THE CHANNEL IS MANAGED EXTERNALLY TO ENSURE TRANSPARENCY AND CONFIDENTIALITY OF THE DATA RECORDED**

the use of these media and are given advice on ethical and legal conduct and the integrity of the organization. In 2022, we received 20 requests through our complaints channel, 20 were closed, 43% were solved and 52% were not proven.

COMPLAINTS THROUGH THE ETHICS CHANNEL

Classification of complaints	Complaints	Closed	Applicable	Not applicable	Under investigation
Gifts received or undue benefits	2	2	0	2	0
Other illegal activities/irregular conduct	5	5	0	5	0
Non-compliance with regulations and procedures	3	3	1	2	0
Bribery	1	1	0	1	0
Conflict of interest	1	1	0	1	0
Falsification of documents and signatures	2	2	2	0	0
Use or abuse of company resources	1	1	1	0	0
Workplace harassment	3	3	3	0	0
Alteration or manipulation of information	2	1	1	0	1
Appropriation of money	1	1	1	0	0
Total	21	20	9	11	1

Website:  
[www.bdo.lineaetica.com/poderosa](http://www.bdo.lineaetica.com/poderosa)  
Telephone: 0800-00626  
E-mail:  
[lineaetica@bdo.com.pe](mailto:lineaetica@bdo.com.pe)  
Personal appointments:  
Av. Antonio Miró Quesada N° 425,  
piso 10, oficina 1005, Magdalena  
del Mar, Lima 17



**CONTRIBUTIONS TO POLITICAL PARTIES**  
Our Code of Ethics establishes the commitment to refrain from making any type of contribution to political campaigns, except for a very special reason, which must be approved by the General Management and the Executive Committee and must be informed to the Compliance Risk Prevention Officer, and must be recorded as provided for by the law. In 2022 no such contribution was made.



# CORPORATE GOVERNANCE

## GENERAL SHAREHOLDERS' MEETING

### BOARD OF DIRECTORS

Executive Committee  
Auditing Committee  
Strategy and Sustainability Committee  
Ethics and Good Governance Committee  
Hedging Committee  
Artisanal Mining Committee  
Innovation Working Group

### GENERAL MANAGEMENT

### EMPLOYEES

## LEADERSHIP THAT GUIDES AND MOTIVATES US

With a long-term view, we seek to strengthen our Corporate Governance practices, which are aimed at ensuring efficiency, accountability, and transparency in the way we operate. The General Shareholders Meeting leads our governance structure. It is mainly accountable for the company's social management and annual results; it also elects and promotes the Board of Directors, appoints the external auditors, modifies the by-laws, and restructures the company.

Our Board of Directors is made up by eleven official members and seven alternate members, elected by the General Shareholders Meeting for a three-year period. From the eleven official members, ten are non-executive Directors; eight are men and three are women. It is made up by official and alternate members. There

are no underrepresented social groups in our company structure. The General Management is responsible for the correct steering of the company; it executes the policies and decisions of the Board of Directors and General Shareholders Meetings. The Administrative, Finance and Trade Management; Operations Management, the Comprehensive Integrated Management, Social Responsibility Management and Geology and Explorations Management are each accountable for their own affairs, to meet the company's annual plan.

Independent directors are those who are not linked to majority shareholders or to the management team. We consider them crucial in providing an unbiased view of our organization's activities. They are called upon for their professional background, honorability, sufficiency, and financial independence.

Likewise, the members of the Board of Directors are not subject to external influence or conflicts of interest when making their decisions; as established in our Code of Ethics, the Board of Directors is committed to placing the company's interests above their personal or private interests. This extends to all employees, who do not allow their personal interests to influence or interfere with sound and impartial work decisions.

### Our Board of Directors Committees

- The Executive Committee decides on any kind of situations that require an additional decision to the one made by the General Management.
- The Auditing Committee supervises and ensures integrity and transparency of the corporate information and

identifies and assesses risks that could affect the development of our operations.

- The Ethics and Good Corporate Governance Committee oversees the compliance with the Good Corporate Governance guidelines, mechanisms, and procedures.
- The Strategy and Sustainability Committee designs, analyses and reviews strategies and plan for the company's development. All the same, it is responsible for the identification of improvements in economic, environmental, and social management.
- The Hedging Committee analyzes the situation of prices of the metals we produce.

When joining our team, all Directors receive comprehensive information on the main aspects of our business, as well as the purpose, values and code of conduct, their roles, and responsibilities. They receive training on legal, compliance, and sustainability issues of our operation and they visit the mine once a year.

All the same, to increase the knowledge, skills, and expertise of the senior ruling body on sustainable development, the Directors take part in several instances where they get involved in the environmental, social, and economic aspects of the business: the Sustainability Committee of the Company, where these topics

are discussed and information on sustainability is exchanged; meetings with our NGO Asociacion Patataz, among other.

On the other hand, there is no formal procedure to evaluate the performance of the Board of Directors within the company or its performance in overseeing the management of the organization's impacts on the environment, the economy, and people. Shareholders choose directors based on their skills and experience, and whose competencies will have a positive impact on the management of the company.

It should be noted that during the appointment process, aspects such as diversity and independence of potential directors are considered. Also, the Board of Directors 'performance is assessed, in general. As for the Committees, the Board appoints its representatives using the same criteria. There is no procedure in place to address conflicts of interest on the Board of Directors.

## STRATEGY AND SUSTAINABILITY COMMITTEE

Official members	Alternate members	Guest officers
Evangelina Arias* Walter Sologuren** José Marín** José Picasso** José De Bernardis**	Víctor Ostolaza** Juan Proaño** Jorge Picasso**	Marcelo Santillana José Elejalde Diego Sologuren (S) Jimena Sologuren Daniel Torres

## AUDITING COMMITTEE

Official members	Alternate members	Guest officers
Evangelina Arias* Víctor Ostolaza** José Picasso** José De Bernardis**	Juan Assereto** Jorge Picasso**	Marcelo Santillana José Elejalde (S) Diego Sologuren Jimena Sologuren

\* Chairperson of the Board of Directors with executive functions  
\*\* Independent Director  
(S) Secretary



GRI  
2-10  
2-11  
2-12  
2-13  
2-15  
2-16

ETHICS AND GOOD CORPORATE GOVERNANCE COMMITTEE

Official members	Alternate members	Guest officers
Evangelina Arias* Víctor Ostolaza** Isabel Arias** Eduardo Ferrero** Jorge Picasso**	Carolina Castro** Juan Assereto** Ricardo Revoredo**	Marcelo Santillana José Elejalde Diego Sologuren Jimena Sologuren Walter Díaz <b>(S)</b> Helena Zuazo

EXECUTIVE COMMITTEE

Official members	Alternate members	Guest officers
Evangelina Arias* José Picasso** Víctor Ostolaza** José De Bernardis**	Juan Assereto** Jorge Picasso** Walter Sologuren**	Marcelo Santillana <b>(S)</b> José Elejalde Diego Sologuren Jimena Sologuren Helena Zuazo

\* Chairperson of the Board of Directors with executive functions  
\*\* Independent Director  
(S) Secretary

We must mention that the Chairperson of our Board of Directors, Mrs. Evangelina Arias Vargas de Sologuren, has been elected as executive chair, and her functions include chairing the Board of Directors and the Senior Management regarding the strategy, goals, and objectives of the entire organization, to guarantee its sustainability, maximization of financial results and production, stakeholder development, and the generation of positive social impacts.

The Board reviews the company's performance in its monthly meetings or when it decides to hold a meeting, regarding management of the impacts on the economy, the environment and people, and operational and

financial issues; it also reviews the work entrusted to the committees. The attending officers are responsible for transmitting the decisions to the other employees and express their concerns to the Board of Directors members. All the same, the Executive Committee reviews the company's performance.

Among its functions, the Board of Directors, together with management, develops and approves or updates the principles, values, strategies, policies, and objectives related to economic, environmental, and social issues.

Board members are directly involved in various working areas, such as the Sustainability Committee and others. The Board's opinion of the process to identify and address our impacts is favorable, especially in advancing energy transformation, circular economy, and territorial development.

The shareholders express their opinions directly during the General Shareholders Meeting. The company has not designed any additional procedure for the shareholders and workers to communicate their recommendations to the Board of Directors.

Furthermore, in our Code of Ethics, we declare the Board's commitment to put the company's interests ahead of individual or personal interests. As we can see, the ultimate oversight and responsibility for our company's sustainability strategy and framework rests with our Board of Directors.

COMPOSITION OF THE BOARD OF DIRECTORS

Board of directors	Position	Independence	Years in the ruling body	Meaningful positions and additional information
Evangelina Arias Vargas de Sologuren	Chairperson	Non-independent	1980	See Annex 1
José Enrique Juan Picasso Salinas	Vice Chair	Non-independent	2006	
Victoria Isabel Arias Vargas	Official	Non-independent	1991	
Ana Carolina Arias Vargas	Official	Non-independent	1997	
Jorge Alfredo Guillermo Picasso Salinas	Official	Non-independent	2009	
José Nicolás De Bernardis Cuglieván	Official	Non-independent	1998	
Juan Antonio Assereto Duharte	Official	Non-independent	2001	
Walter Eduardo Sologuren Jordan	Official	Non-independent	1987	
Víctor Augusto Cayetano Ostolaza Fernández Prada	Official	Non-independent	1999	
Adolfo Darío Arias Díaz	Official	Non-independent	2009	
José Néstor Marún Sales	Official	Independent	2017	
Juan Antonio Proaño Arias	Alternate	Non-independent	2009	
Fernando A P Cantuarias Alfaro	Alternate	Non-independent	2009	
Eduardo José Ferrero Costa	Alternate	Non-independent	2007	
Ricardo Eleazar Revoredo Luna	Alternate	Non-independent	2007	
Rafael Bernardo Luis Picasso Salinas	Alternate	Non-independent	2009	
Carolina María Castro Quirós	Alternate	Independent	2012	
Carlos Fernando Aranda Arce	Alternate	Independent	2017	

DIRECTORS RESUME

The professional background of each Director can be found in Annex 1 to this report.

OFFICERS RESUME

The professional background of our Officers can be found in Annex 2 to this report.

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# CORPORATE AND LEGAL INFORMATION

Our purpose is to develop mining activities, in general. This economic activity, according to the International Standard Industrial Classification (ISIC), established by the United Nations, corresponds to section B, division 07, extraction of metallic minerals, group 072, class 0729. It has an indefinite duration.

Poderosa was incorporated before Dr. Gaston E. Barboza Bezada, Notary Public in and for Lima, through a notarial recorded instrument dated May 5, 1980, registered on page 395, volume 24 of the Registry of Mining Corporations of the Public Registry of Mines. On January 7, 1999, Poderosa adjusted its bylaws to the new General Corporations Act, before Notary Public of Lima,

Dr. Ricardo Fernandini Barreda. This adjustment was recorded on entry 75 of file 24395 of the Book of Corporations and Other Legal Entities of the Public Registry of Mines. Later, on June 9, 2008, the bylaws were totally modified before Notary Public of Lima, Dr. Jorge Orihuela Iberico, and registered in page B 0002 of the electronic file 01204769 of the Registry of Legal Entities of the IX Registration Area – Lima Office.

## SHAREHOLDERS AND CAPITAL STOCK

The company's capital stock is registered before the Lima Stock Exchange and the Securities Market Public Record since January 27, 2005.

As of the end of 2022, the company had a capital stock of PEN 453,750,000.00, fully subscribed, and paid. The capital stock is represented by 453,750,000 common shares at a nominal value of PEN 1.00 each, with voting rights. 51.2240% of this stock corresponds to domestic shareholders (accounting for 232,429,175 shares) and 48.7760% are held by non-domiciled shareholders (representing 221,320,825 shares). All the same, we must mention that Poderosa is not a part of any economic group.

Main shareholder number 1 is a non-domiciled legal entity, shareholders 2 and 3 are Peruvian domiciled individuals, shareholder 4 is a Peruvian domiciled legal entity and shareholders 5, 6 and 7 are non-domiciled legal entities.

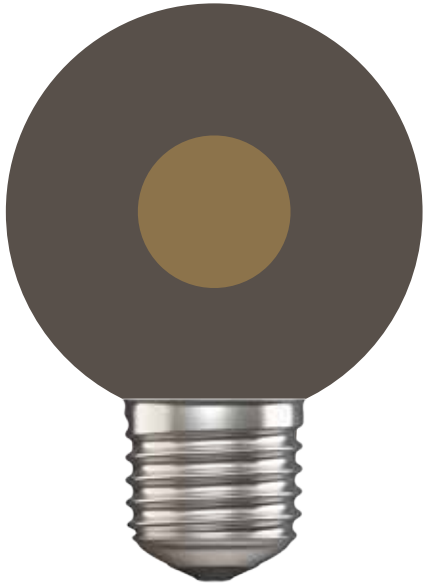
### SHAREHOLDER BREAKDOWN

Holding	Number of shareholders	Participation (%)
Less than 1%	308	2.30
Between 1% and 5%	1	4.25
Between 5% and 10%	2	19.26
More than 10%	5	74.19
<b>Total</b>	<b>316</b>	<b>100</b>

### PARTICIPATION OF THE MAIN SHAREHOLDERS

Main Shareholders	Number of shares	Participation (%)
Talingo Corporation	83,926,216	18.50
Arias Vargas Victoria Isabel	72,809,351	16.05
Arias Vargas de Sologuren Luz Evangelina	69,048,335	15.22
Ccori Apu S.A.C.	63,341,163	13.96
South America Mining Investment Corp	47,478,150	10.46
Xelor Shipping Limited	43,694,365	9.63
Zulema Invest Limited	43,694,362	9.63

°Z	Name	Nationality
1	Talingo Corporation	British Virgin Islands
2	Victoria Isabel Arias Vargas	Peruvian
3	Luz Evangelina Arias Vargas de Sologuren	Peruvian
4	Ccori Apu S.A.C.	Peruvian
5	South America Mining Investment Corp	British Virgin Islands
6	Xelor Shipping Limited	British Virgin Islands
7	Zulema Invest Limited	British Virgin Islands





Dividend Policy

On September 30, 2009, the company’s general shareholders’ meeting approved the following dividend policy: “The company shall distribute between 40% and

60% of the annual distributable profits, in cash”.

Stock Exchange quotation

During 2022, the shares were quoted as follows, in average.

COMPAÑÍA MINERA PODEROSA S.A. VARIABLE INCOME

QUOTATIONS 2022 (PEN)

ISIN Code	Mnemonic	Year – Month	Opening	Close	Maximum	Minimum	Average price
PEP635001006	PODERC1	2022-01	9.50	10.80	11.20	9.50	10.24
PEP635001006	PODERC1	2022-02	11.05	12.40	12.40	10.80	11.24
PEP635001006	PODERC1	2022-03	12.46	11.00	12.60	11.00	12.02
PEP635001006	PODERC1	2022-04	11.10	10.00	11.10	10.00	10.66
PEP635001006	PODERC1	2022-05	10.00	10.05	10.11	10.00	10.03
PEP635001006	PODERC1	2022-06	10.05	10.00	1.05	9.80	9.86
PEP635001006	PODERC1	2022-07	9.50	8.70	9.75	8.50	8.89
PEP635001006	PODERC1	2022-08	8.50	8.60	8.60	8.50	8.57
PEP635001006	PODERC1	2022-09	8.55	8.55	8.55	8.55	8.52
PEP635001006	PODERC1	2022-10	8.55	8.55	8.55	8.55	8.55
PEP635001006	PODERC1	2022-11	8.55	8.85	9.15	8.54	8.77
PEP635001006	PODERC1	2022-12	8.85	9.40	9.40	8.85	8.88

LEGAL COMPLIANCE

We comply with all the legal obligations that establish the regulations, authorizations and permits in environmental, water resources, mining matters, and other type of permits. These responsible actions have allowed us to keep a low number of administrative sanctioning proceedings.

Fines and non-monetary sanctions for violation of environmental regulations

In 2022, an appeal proceeding was filed before the Environmental Assessment and Control Agency (OEFA) court, which ordered administrative procedures and the application of sanctions. As a consequence, through Order No. 459-2022-OEFA/ TFA-SE, Director’s Resolution N. ° 02426-2021-OEFA/ DFAI dated October 15, 2021, which determined Compañía Minera Poderosa S.A.’s administrative responsibility, was revoked. Finally,

the administrative sanctioning proceeding was filed. In the past three years, (2020, 2021 and 2022) we have not received any complaints for environmental issues.

Tax contingencies

As of December 31<sup>st</sup>, 2022, there were several tax proceedings against the Tax Authority pending solution, most of them have been appealed before the Tax Court. The procedures refer to the following periods:

- 2015 Income Tax: Objections were determined for an omitted amount of PEN 1,891 thousand and a PEN 945 thousand fine for omitted taxes, which has been challenged and is pending resolution by the tax court.
- 2015 Special Mining Tax: The Tax Court issued an order where it resolved the appeal. Later, the Company filed a contentious-administrative lawsuit against the Resolution of the Tax Court on the points that confirmed the objections.

Legal contingencies

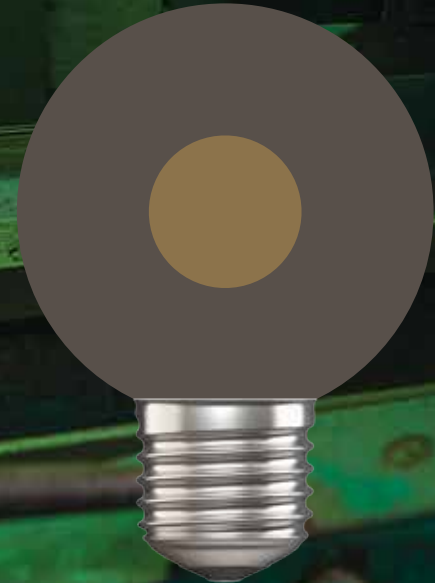
As of December 31, 2022, several complaints were pending against the company, including payment of the following: (a) Invalidity of an administrative action for PEN 190,131 (b) obligation to pay PEN 9,782,207, and (c) social benefits and damages resulting from breach of labor regulations in favor of former company and contractor workers for approximately 8,510,143.

The management and its legal advisors estimate that given the sound legal arguments to obtain a favorable ruling, the result of these proceedings for the company will not have a significant impact in our financial statement.

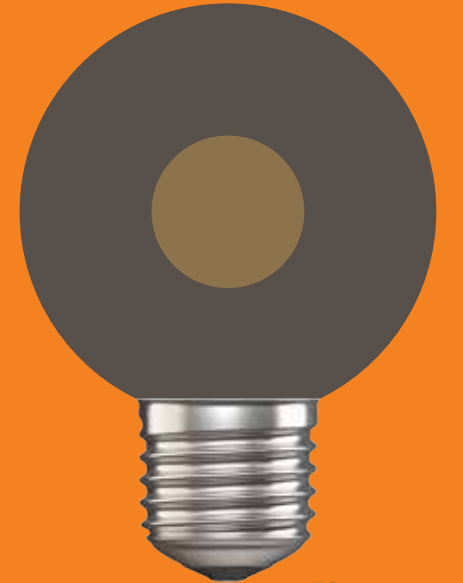
GRI 2-17







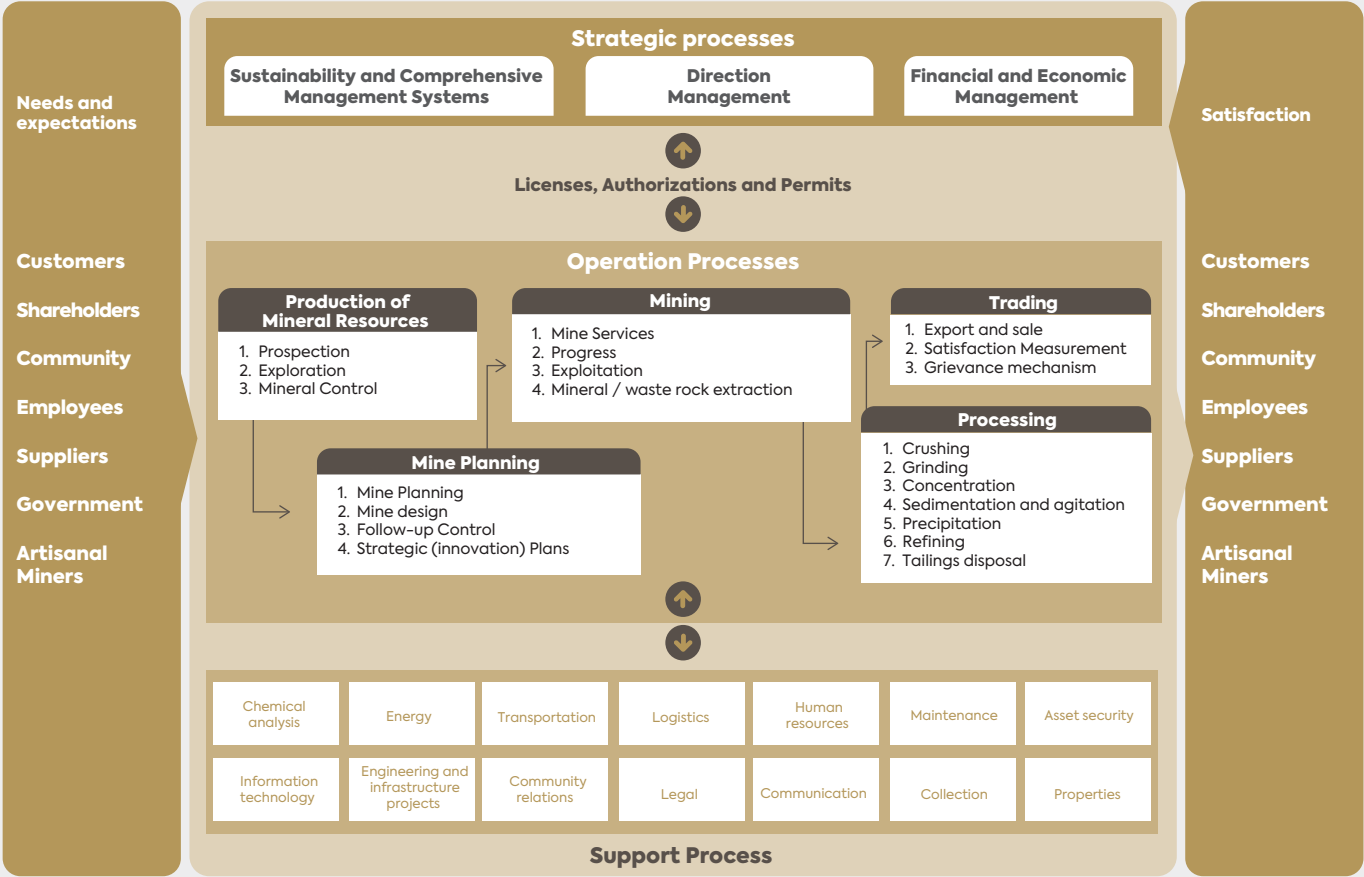
# OPERATIONAL EXCELLENCE





PROCESS MAP

GRI 2-6



GXD\_MP\_01 Rev. 01





MANAGEMENT INDEXES

GRI 2-6

MANAGEMENT INDEXES					Exe- cuted 2021 Ac- crued	Exe- cuted 2022 Ac- crued
SECURITY				Frequency Severity Accidents Near misses	2.21 40.44 0.09 1,031	2.17 2,321.53 5.03 1,008
GEOLOGY	Progress		Progress DDH (m)	56,255	62,025	
	Resources		Resource Tons Resource Ounces Resource Grade	1,474,822 780,703 16.46	1,537,315 787,918 15.94	
	Reserves		Resource Tons Resource Ounces Resource Grade	1,398,736 753,038 16.75	1,465,386 769,079 16.32	
MINE				Mineral sent to plant (Mine+LA) (t) H + V Operation progress (m) Positioning work Development work Mine work Raise boring Progress Raise climber Progress Tmb/Tar_Total TMT/Tar_Total Prepared Mineral - (accessibility 0 - 3 months)	487,920 30,307 5,706 6,981 17,621 119 549 2.53 1.13 4.31	526,601 42,761 8,425 9,646 24,691 58 1,249 2.84 1.00 4.88
PLANT	Marañón	Resource Production	Mine	Treated (t)	126,060	150,880
				Estimated mill head grade (gr/MT)	12.54	11.41
			Designa- ted task	Recovery (%)	97.56%	97.58%
				Production (ounces)	48,888	55,232
		Potential Production	Free Ex- ploration	Treated (t)	54,784	62,669
				Estimated mill head grade (gr/MT)	29.79	27.43
			Consolidated Marañón	Recovery (%)	90.36%	90.26%
				Production (ounces)	47,610	49,157

					Exe- cuted 2021 Ac- crued	Exe- cuted 2022 Ac- crued
PLANT	Santa María	Resource Production	Mine	Treated (t)	301,732	319,117
				Estimated mill head grade (gr/MT)	16.66	15.49
				Recovery (%)	91.71%	91.99%
				Production (ounces)	148,105	145,967
		Designa- ted task		Treated (t)	-	-
				Estimated mill head grade (gr/MT)	-	-
				Recovery (%)	-	-
				Production (ounces)	-	-
	Potential Production	Free Ex- ploration		Treated (t)	-	-
				Estimated mill head grade (gr/MT)	-	-
			Recovery (%)	-	-	
			Production (ounces)	-	-	
Consolidated Santa María		Treated (t)	301,732	319,117		
		Estimated mill head grade (gr/MT)	16.66	15.49		
		Recovery (%)	91.71%	91.99%		
		Production (ounces)	148,105	145,967		
Collection (cl)		Treated (t)	82,338	86,770		
		Estimated mill head grade (gr/MT)	22.65	21.10		
		Recovery (%)	88.50%	88.78%		
Consolidated		Production (ounces)	53,841	51,728		
		Treated (t)	564,914	619,436		
		Estimated mill head grade (gr/MT)	17.89	16.49		
MAINTENANCE		Recovery (%)	91.81%	92.06%		
		Production (ounces)	298,444	302,084		
		Total Energy (MW-hr)	83,169	98,628		
		Hydraulic Energy Cost (USD/kW-h)	0.0705	0.0388		
		Thermal Energy Cost (USD/kW-h)	0.4621	0.4211		
		SIN Cost (USD/kW-h)	0.0671	0.0757		
		Palca Energy (KW-h)	-	-		
		Trackless Mechanic Availability	95.24%	85.04%		
		Conventional Mechanic Availability	84.37%	89.17%		
		kw-h /Gross metric ton	73.99	62.90		
	Kw -h / TMT	147.22	159.22			

GRI 2-6





		Exe- cuted 2021 Ac- rued	Exe- cuted 2022 Ac- rued
HUMAN RESOURCES	Company Staff	717	780
	Specialized company Staff	3,266	3,919
	Operating Staff	3,107	3,665
	Investment Staff	876	1,034
	Total staff	3,983	4,699
	Total mine staff	2,655	3,133
	Annual staff turnover	66%	77%
SALES AND COSTS	Sales Au and Ag (USD)	539,261,710	544,805,105
	Sales Au (oz.)	297,161	300,662
	Average Au sale price (USD/oz.)	1,796.1	1,798.0
	Production Cost (USD/Mt)	292.6	318.2
	Production Cost (USD/oz.)	577.3	676.9
	Effective Cost (USD/oz.)	733.2	834.9
	Total Cost (USD/oz.)	1,038.4	1,138.7
	Cubing Cost USD/cubed oz.USS\$/Kw-h	132.9	162.4
INVESTMENT	Consolidated	0.0975	0.1251
	Investment USD/oz.	393.5	515.4
	Normal Investment USD	79,327,464	104,994,563
FINANCES	Growth Investment USD	15,407,902	22,492,260
	EBITDA (USD) NIC 21 (last 12 months)	252,281,881	245,552,983
	EBITDA (USD) NIC 21 (2021)	252,281,881	245,552,983
	Coverage Index (EBITDA/interests)	-	-
	Debt service Hedging Ratio	38.12	43.11
	Leverage Index	0.12	0.10
	(total financial debt / EBITDA (last 12 months)	-	-
	Additional banking financing USD	-	-
	Collateral coverage = collateral / principal balance	-	-



# [ 4 DECADES PRODUCING ] DEVELOPMENT

## PRODUCTION EVOLUTION (1982- 2022)

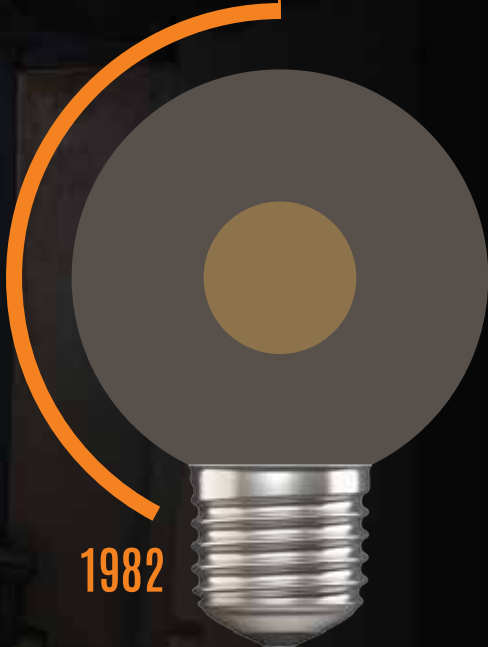
During more than four decades of nonstop activity, we have managed to evolve towards a better way of mining, with responsibility towards our surroundings and contributing to the development of our country. Throughout our life span (as of the end of 2022) we have extracted 10,104,783 tons of ore and we have produced 4,472,789 ounces of gold fines with an average grade of 14.88 grams of gold per ton.

## 2022 PRODUCTION

The Marañon plant worked at a capacity of 800 MTD, and Santa Maria I, 1,000 t/d starting October. Together, they treated 619,436 t of gold ore, with a grade of 16.49 grams Au/ton and a recovery ratio of 92,06%. In total, 298,444 oz of gold fines were produced.

10,104,783 t  
MINERAL ORE EXTRACTED

4,472,789 oz  
GOLD FINES PRODUCED



# [ GROWTH STRATEGY ]

## PROSPECTION

During 2022 surveys and exploration works were carried out at a regional, district, and local scale within our mining concession, as well as in the central sector of the Eastern Mountain Range of Peru.

A magnetometry and radiometry geophysical survey was performed on the Pataz Batholith and the Lavasen volcanic formations to determine the architecture of the magmatic bodies and locate sectors that may contain mineralization next to the current mining operations. Also, rock samples were taken for geochronology studies.

In the Montañitas Project, the diamond drilling campaign continued, with the interception of quartz-sulfide veins structures with

geochemical anomalies of gold and other metals, associated to different hydrothermal alteration assemblies, in a 1 x 1.5 km area. In the Rafaella project, some veins and hydrothermal gaps have been identified in contact sectors between metabasaltic rock sequences of the Marañon Complex and magmatic rock of the same age as the Pataz Batholith.

On the other hand, under an agreement with The Centre of Exploration Targeting (University of Western Australia), a new regional exploration project was started, along the Eastern Mountain range, specifically between Huánuco, Pasco and Junin regions, based in the investigations on the evolution processes of the intrusive and metamorphic systems, and their relationship with gold mineralization.

## EXPLORATION AND DEVELOPMENT

During 2022, 18,070 meters of exploration mining works were completed, together with 62,025 meters of underground diamond drilling. The estimated gold ounce ratio as of the end of the year was 14.98 oz Au/m (P+D).

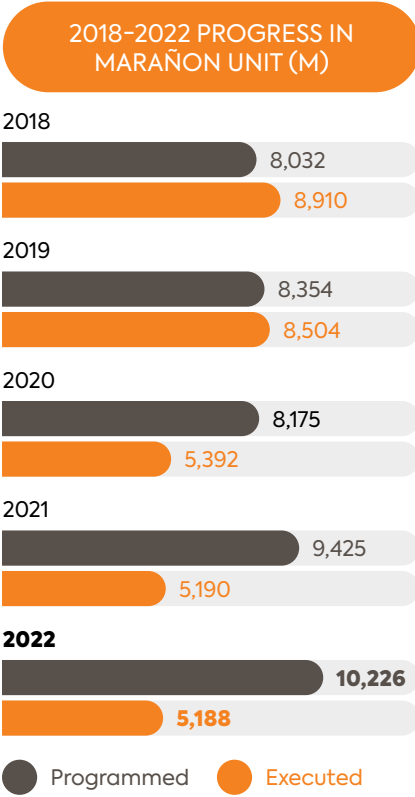
### Exploration at Marañon Production Unit

Exploration works took place mainly in the Lola 1, Luz, Jimena, Arisa, Karola Techo, Valdivia, Pencas, Choloque, Consuelo and Hilary veins.

35,244 m meters of diamond drilling were executed. With respect to mining activities, these comprised 5,188 m, out of which 2,480 m corresponded to positioning works and 2,708 m to development works. Main access and positioning works

are being carried out to execute long reach drills at levels 1680 CR SE, 1800 CR NW1 and 2300 CR NE.

Explorations were mostly carried out in Lola vein, between levels 2050 and 2540, Luz vein, between levels 1600 and 1720, Jimena vein in level 1800, Arisa vein in level 2300 and Karola vein between levels 1350 and 1400. 210 m of purchase activities have been carried out in Valdivia vein.



### Explorations in Santa Maria Production Unit

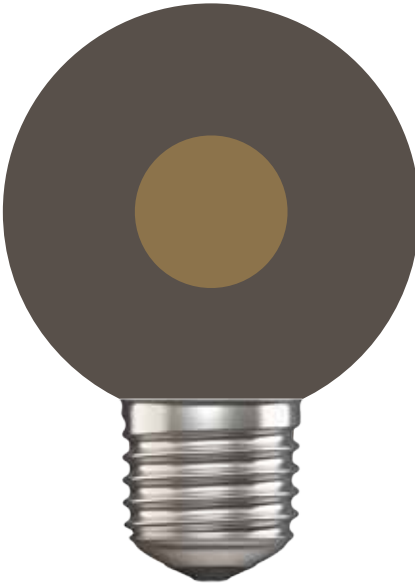
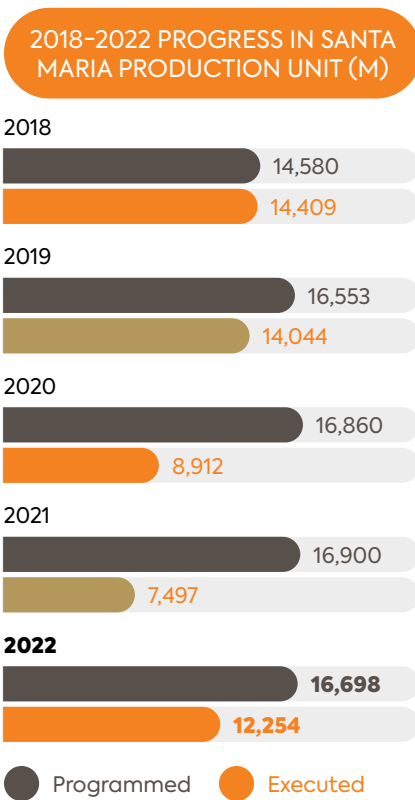
Exploration works took place in the Briana, Julie, San Vicente, San Lorenzo, San Pedro, Samy and Maren vein systems.

26,780 m. meters of diamond drilling were executed. With respect to mining activities, 12,254 m were completed, out of which 5,354 m corresponded to positioning works and 6,900 m to development works.

We must mention that in the San Pedro-San Lorenzo vein system, 1,718 m were completed.

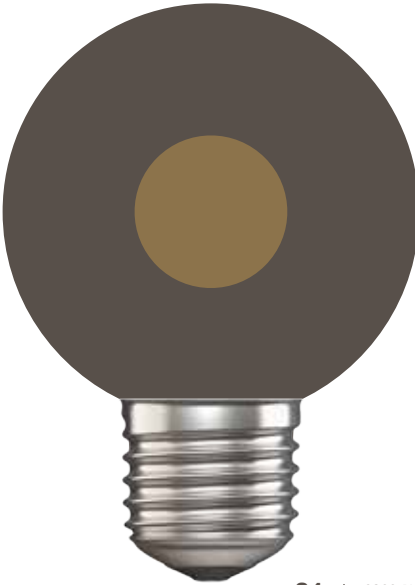
The explorations corresponded mainly to the Julie vein system, between levels 2120 and 2050, San Vicente system, between levels 2670 and 2860; and Samy system, between levels 2120 and 3220.

In the San Pedro vein system, the development of the GL S at level 3260 and in the San Lorenzo vein system, the expansion of the CR E section at level 3260.



Surveys and exploration works were carried out at a regional, district, and local scale within our mining concession

strategy





**Exploration at Palca Production Unit**

The explorations took place in the Poderosa and Diana vein systems, at level 3190 and in the Isabel vein system, at level 2180. 628 m of mining works were performed, out of which 590 m corresponded to positioning works and 38 m to development works.

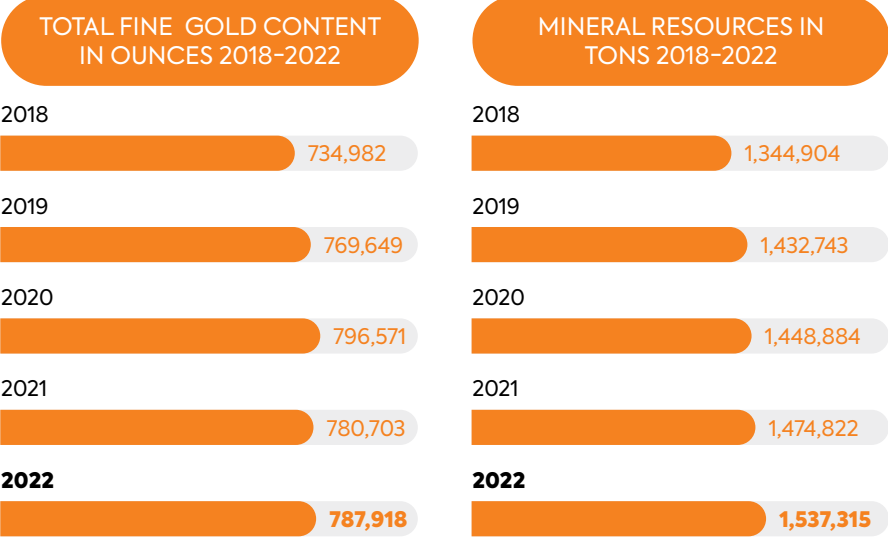
At level 3190, CR E was executed, together with the ammunition warehouse infrastructure, where shotcrete support works, civil works and metal mechanic works will be carried out. At level 2180, the CR NE was developed.

**Exploration Works at Montañitas Production Unit**

The exploration works were carried out in the Maribel vein system, at level 3575. Mining works added up to 226 m, corresponding to positioning works.

**RESOURCES**

At the end of the year, the company extracted 787,918 ounces of gold contained in 1,537,315 tons of mineral ore. Currently, the total content of gold in the field (mineral ore, plus mineral extracted) reached 5,321,104 gold ounces.



**WE MANAGE A RESPONSIBLE OPERATION**



We seek responsible operational efficiency. This positive attitude in the way in which we state our activity is one of the keys to our resilience and sustainability. Process optimization requires reaffirming our mission: to responsibility transform our mineral wealth into development opportunities. This statement becomes more significant when it is related to our vision, principles, policies, plans, and strategies. For us, developing our operations management equals to produce the largest amount of gold with efficiency, safety the workers and care for the environment.

Our operations management is supported by strategic processes and policies, such as sustainability management, integrated management system,

leadership management, quality policy, management policy, environmental policy, occupational health and safety policy and economic and financial management.

Operations require absolute respect for the laws, in this regard we previously request the corresponding permits, licenses, and authorizations before the regulating entities, and we strictly comply with them, during the operations stage as well as during the progressive and final closure.

One of the main goals of the operations management (and which is the basis of the sustainability of our operations) consists in keeping or increasing mining production levels. Production has control on the

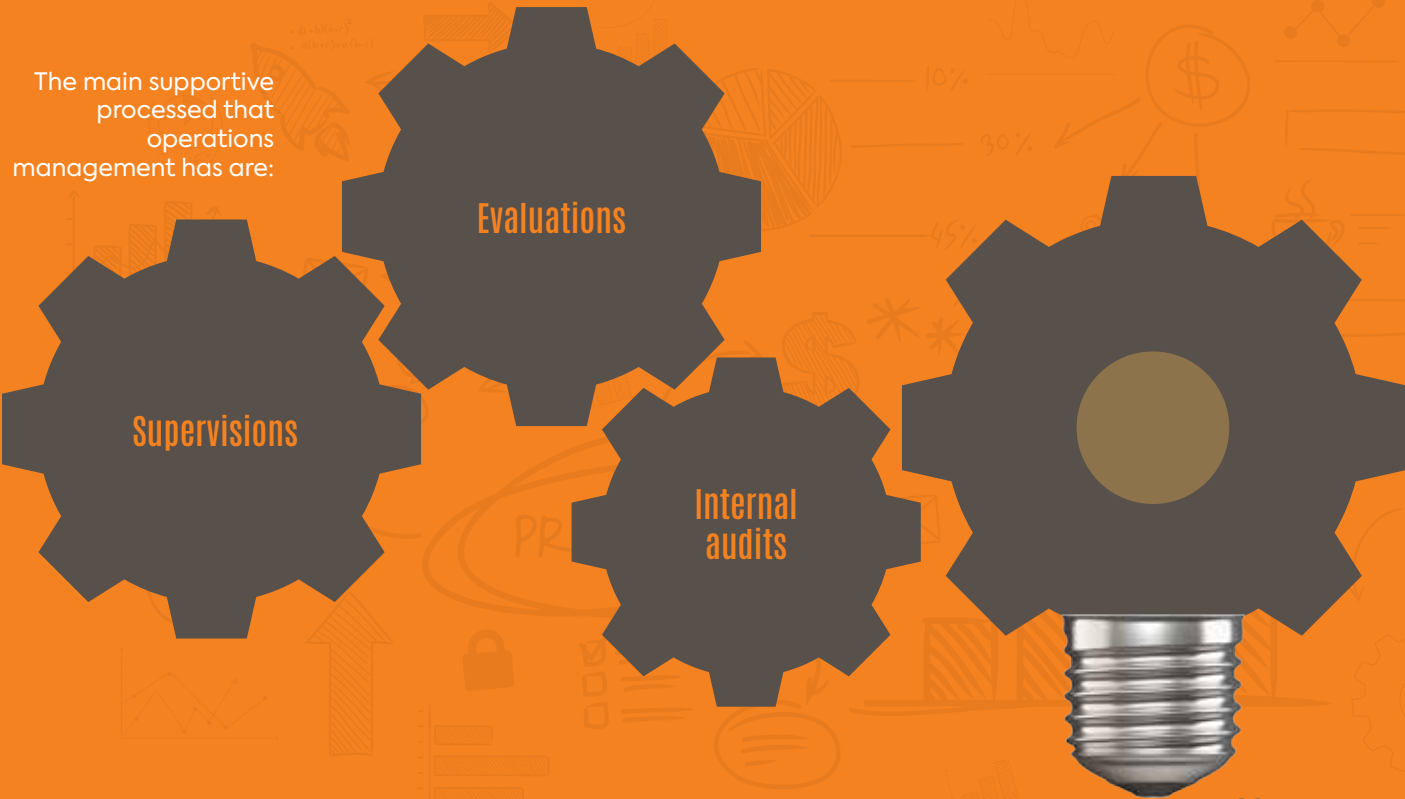
mining techniques and costs, but not on the price of metals or the available ore. From this perspective, we try to maintain three years of reserves, otherwise, due to the kind of field we have, we would not be using resources efficiently if we keep reserves longer. Discovering reserves is the key to make decisions about production expansion.

Continuous improvement of operations management has a positive impact on our employees, the community, directors, investors, and the Government. The participation of employees is instrumental in innovation processes. In this reporting year, no negative significant impacts have been identified on people, the environment, or the economy.

GRI 3-3



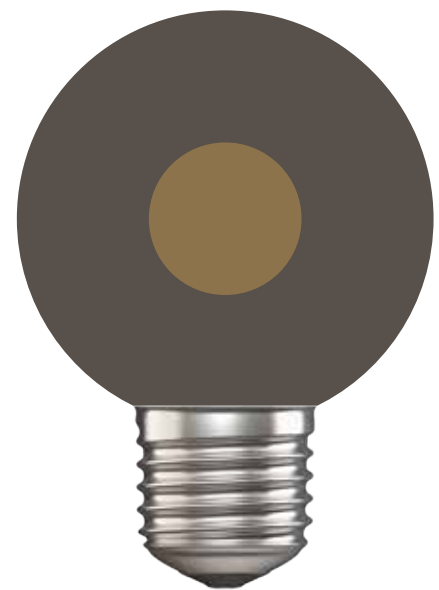
The main supportive processed that operations management has are:





INNOVATION THAT TRANSFORMS

We are aware that we are increasingly immersed in constant changes that require quick and effective responses. Organizations, such as ours, must not only consider economic viability, but also environmental responsibility and social equity, which will ultimately allow them to be sustainable. In this regard, technology and innovation play a key role. We promote a culture of innovation in every area of our company, to meet the objective of generating changes that produce a valuable impact. (See Innovation, page 48)



INTERNATIONAL RESEARCH TO OPTIMIZE OUR PROCESSES



1

A contract for refractory mineral research services has been signed (mineral from Santa Filomena and collection) with Cappes Cassidy & Associates (Reno, Nevada), to increase Au and Ag recovery.

2

Tailings samples were sent to North Carolina University (U.S.A.), for quartz recovery studies and for trade.

3

Tailings samples were sent to t Universidad de Navarra (Spain) for gold and silver value recovery studies. We are coordinating additional studies to recover these resources from the refractory ore with Glencore (tailings and ore samples from Santa Filomena).

4

Under an agreement with The Centre for Exploration Targeting and the technical support of experts from the Centre For Microscopy, Characterization and Analysis, Western Australia University, we prepared igneous and metamorphic rocks for dating and isotopic studies, that will continue in 2023.

5

The first phase of the Machine Learning algorithms was carried out in alliance with the Chilean company Mineral Forecast to determine prospection zones in the Marañon Production Unit, the exploration targets determined will be tested through diamond drilling.

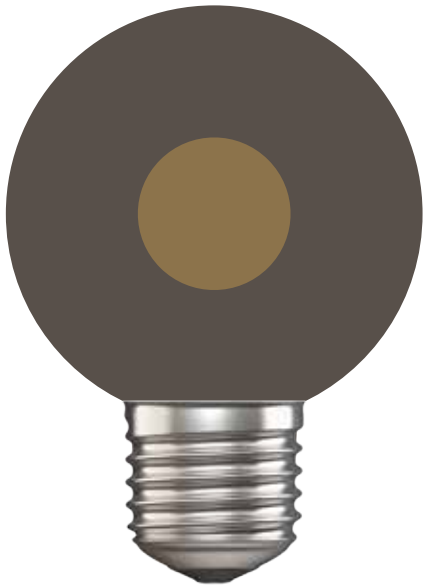




# [ MINE ]

## MARAÑON PRODUCTION UNIT

Total production was 66,408 t and 35,092 ounces of gold, which represented goal compliance of 80% and 98%, correspondingly. 20,616 t and 9,247 ounces of gold were produced in exploitation works; 19,074 t and 6,635 ounces of gold were produced in development and preparation works; in assigned works the total was 26,718 t and 19,210 ounces of gold. Mine recovery was 94%. This production deficit was due to staff shortage in the operation and to the presences of illegal miners.

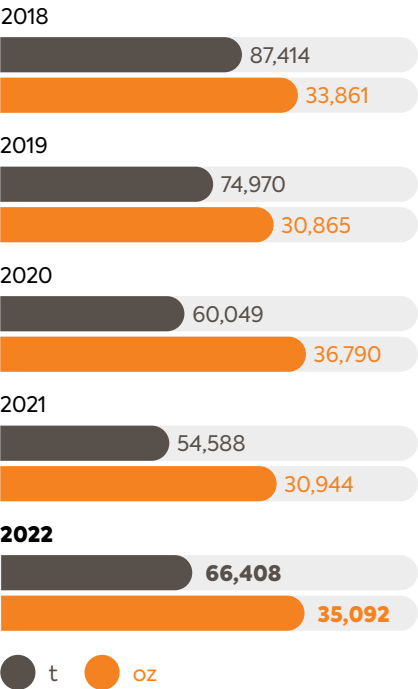


### HISTORIC RESOURCE PRODUCTION (T)

ORIGIN: MARAÑON MINE

Treatment	Marañon Plant	Santa Maria Plant	Total
2018	87,414	-	87,414
2019	74,970	-	74,970
2020	60,049	-	60,049
2021	54,588	-	54,588
2022	66,408	-	66,408

### HISTORIC RESOURCE PRODUCTION

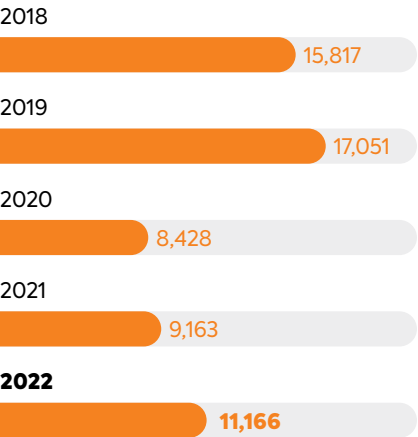


### HISTORIC RESOURCE PRODUCTION (OZ)

ORIGIN: MARAÑON MINE

Treatment	Marañon Plant	Santa Maria Plant	Total
2018	33,861	-	33,861
2019	36,790	-	36,790
2020	30,865	-	30,865
2021	30,944	-	30,944
2022	35,092	-	35,092

### ANNUAL PROGRESS (M)



## IMPROVEMENTS IN MINING OPERATIONS

### PREPARATION AND DEVELOPMENT WITH ALIMAK EQUIPMENT

200 m of ALIMAK chimneys were completed in Luz vein.

### RADIO COMMUNICATION SYSTEM INSIDE KAROLA, PENCAS AND CONSUELO MINES

In 2022, the leaky feeder cable was expanded in every area to improve communication. 30 km have been installed.

### SECTION EXPANSION

A section expansion was performed at RA Estrella and CR 500-1 level 1467 to bring in new equipment for the operations. The expansion works were performed with expansive agent. This technique will be used to install facilities lines (water, air, power, and communications).

### PAJILLA VEIN

520 m positioning works were developed at level 1800 CR NW and the Raise climber Chimney 64 was completed to optimize ventilation (206 meters).

### LUZ VEIN

504 m of positive and negative ramps were completed for preparation and exploitation, applying cut and filling as exploitation method.

### LOLA VEIN

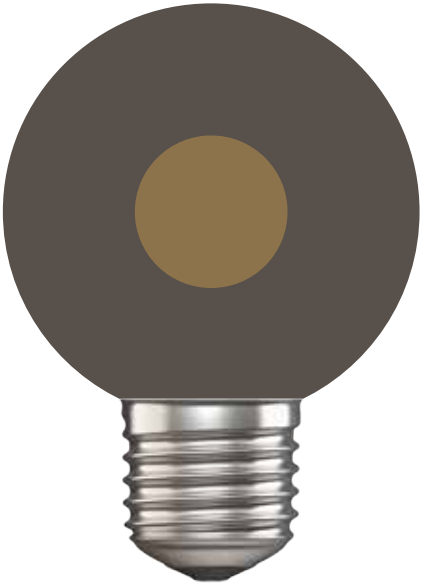
RA Katy progressed in 815 m, reaching level 2010.



SANTA MARIA  
PRODUCTION UNIT

During 2022, 466,258 tons were treated to produce 215,264 oz of gold, with a recovery rate of 92.58%. From the total production of Santa Maria mine, coming from pits, development, and preparation works, 430,308 tons were treated at Santa Maria and Marañon plants, with a result of 185,316 ounces of gold. 35,951 tons of ore from assigned works were treated, resulting in 29,947 ounces of gold.

All the same, 28,791 m vertical and horizontal works were executed, out of which 10,536 m correspond to exploration works, 10,182 m to development works and 8,073 m to preparation works.

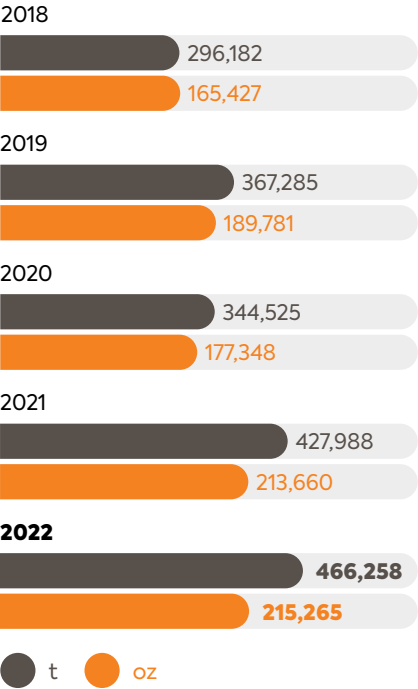


HISTORIC RESOURCE  
PRODUCTION (T)

ORIGIN: SANTA MARIA MINE

Treatment	Marañon Plant	Santa Maria Plant	Total
2018	66,471	229,711	296,182
2019	100,413	266,872	367,285
2020	69,549	274,976	344,525
2021	126,256	301,732	427,988
2022	147,141	319,117	466,258

HISTORIC RESOURCE  
PRODUCTION

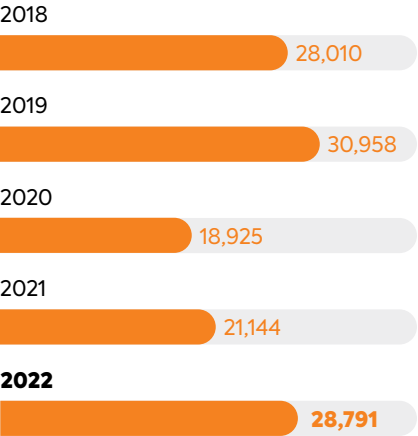


HISTORIC RESOURCE  
PRODUCTION (OZ)

ORIGIN: SANTA MARIA MINE

Treatment	Marañon Plant	Santa Maria Plant	Total
2018	40,889	124,538	165,427
2019	51,823	137,957	189,781
2020	38,952	138,395	177,348
2021	65,554	148,105	213,660
2022	69,296	145,967	215,264

ANNUAL PROGRESS (M)



IMPROVEMENTS IN  
MINE OPERATION

COMPRESSED AIR CIRCUIT

To improve the compressed air pressure at the different work sites, we continued to install 10" diameter Alvenius pipes in the main circuits.

EFFLUENT TREATMENT SYSTEM

Concrete ditches were built to have better control of the concentration of suspended solids and of arsenic in the effluents.

RAISE BORING AND RAISE  
CLIMBER CHIMNEY

To improve the ventilation flow at the different mining sites, we continued to work on the raise boring chimney.

INTEGRATION OF SANTA MARIA, MARAÑON AND  
PALCA PRODUCTION UNITS

To integrate Santa Maria and Palca production units, 405 meters in CR 0600 level 2520, 583 meters in CR SE 1, level 2670 and 442 meters in CR S level 3100 were executed. For the integration of Santa Maria and Marañon production units, 501 m were executed in CR 5000 level 2120.

IMPROVEMENT OF THE COMMUNICATION SYSTEM,  
AUTOMATION AND CONTROL INSIDE THE MINE

To improve the communication system, monitor equipment and people inside the mine and to automate the mechanic hoppers and fans, 26,000 meters of optic fiber were installed in the different levels of Santa Maria mine.

TROLLEY LINE

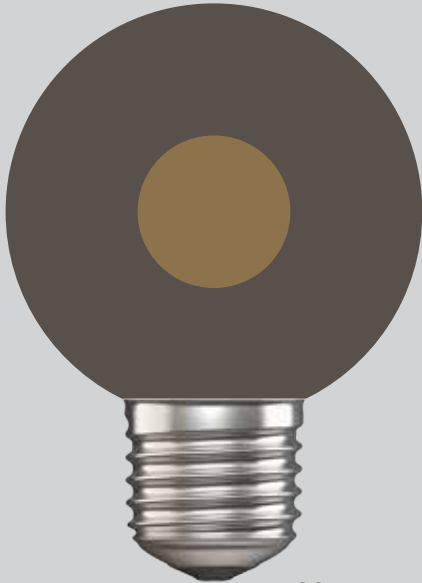
To increase productivity in level 2120 extraction, a trolley line was installed in level 2600.

ROAD MAINTENANCE

As to increase mechanic availability of our equipment and prevent economic loss due to failure, we continued to install 60 lb steel reels, (changing wooden sleepers for concrete ones) and to carry out daily maintenance of the Cauville line, as well as periodic cleaning of the ditches.

ASSET SECURITY

Video surveillance cameras were installed at different points inside the mine and on the surface, a perimeter fence was built in vulnerable areas and plugs were installed in the different tunnels built by informal miners..





ACCRUED PRODUCTION MARAÑON/SANTA MARIA



( PLANT )

619,436 tons of ore were processed in the Marañon and Santa Maria I plants, obtaining 302,084 ounces of gold. Out of the total processed, 300,319 tons corresponded to the Marañon plant and 319,117 t to the Santa Maria I plant. Accrued gold recovery at the beneficiation plants was 90.06%.

According to the production program, compliance with ore processing was 102.83% and gold production reached 102.28%.

MARAÑON PLANT

The treatment program was completed. 304.8 accumulated stoppage hours of the plant were recorded, out of which 173.4 hours were due to scheduled maintenance, 86.3 hours due to lack of ore, 19.5 hours due to a non-scheduled maintenance, and 21.95 hours due to power outages.

In addition, the quality of the crushed product was maintained, on average, above 97% under 3/8". Loading of balls into the mills was controlled and monitored, which resulted in 58.4% -200 m. in the primary grinding circuit. The general tailings granulometry average was 82.7% -200 m.

On the other hand, we continued to monitor and control the rich solution grades in the precipitate, and the sweeping was carried out with the atomic absorption equipment. We managed to maintain gold recovery in the precipitate in 99.1%. Finally, we managed to return 2,076 oz from the tailings pond to the recirculating solution.

SANTA MARIA PLANT

The treatment program was completed. The number of hours that the plant stopped working

were 362.44, out of which 181.83 h corresponded to scheduled maintenance, 56.91 hours to non-scheduled maintenance and 26.72 h due to an energy shut down.

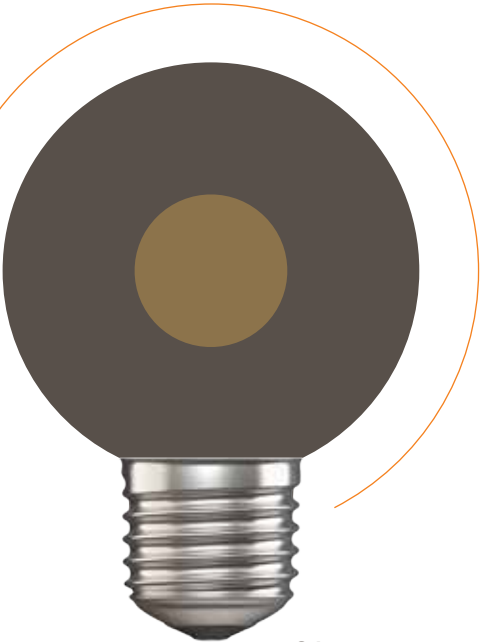
In the crushing circuit, we managed to increase the 2021 yield by 2.6%, from 53.1 t/h to 54.6 t/h and the quality of the crushed product was maintained in 99.2% under 3/8", in average.

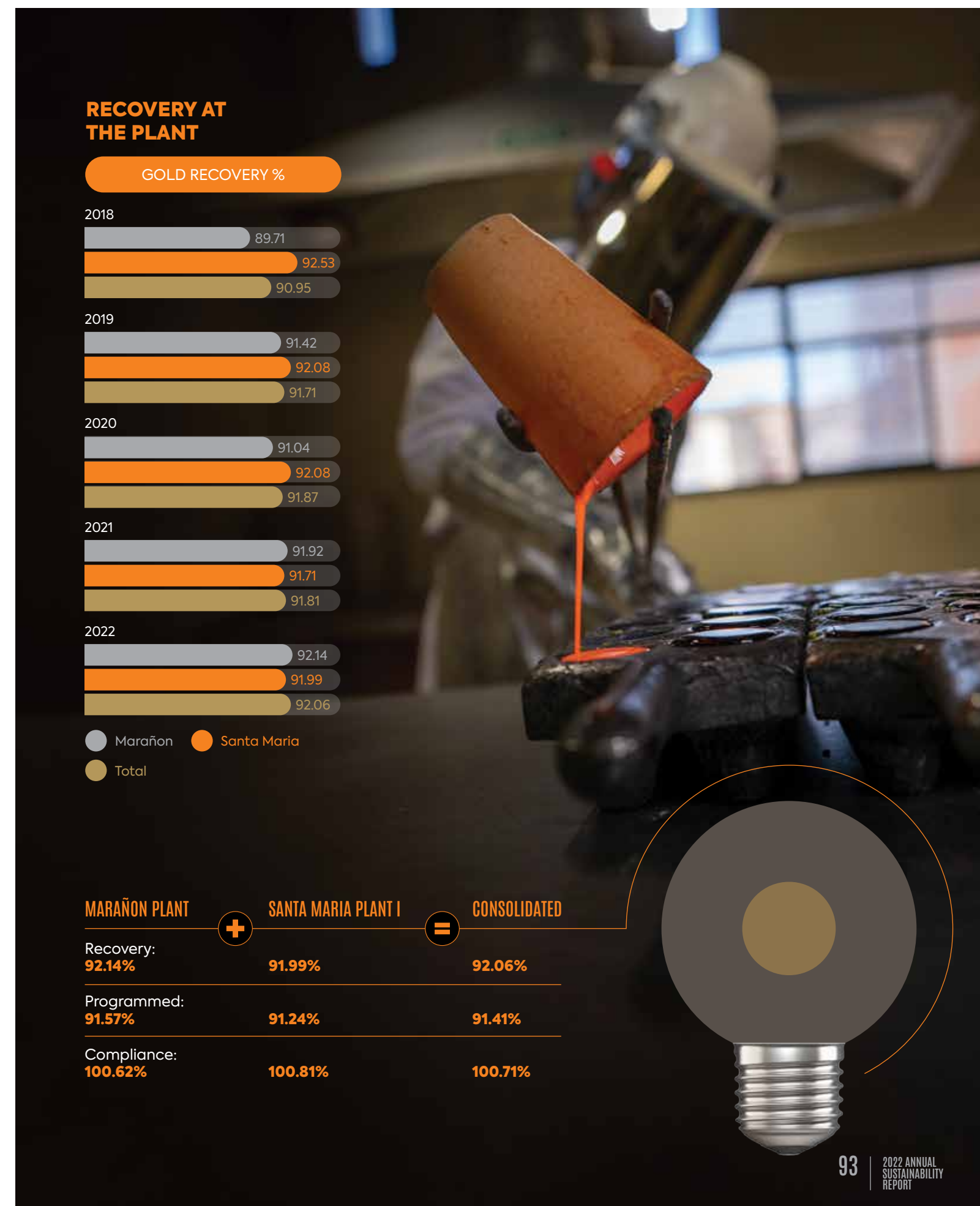
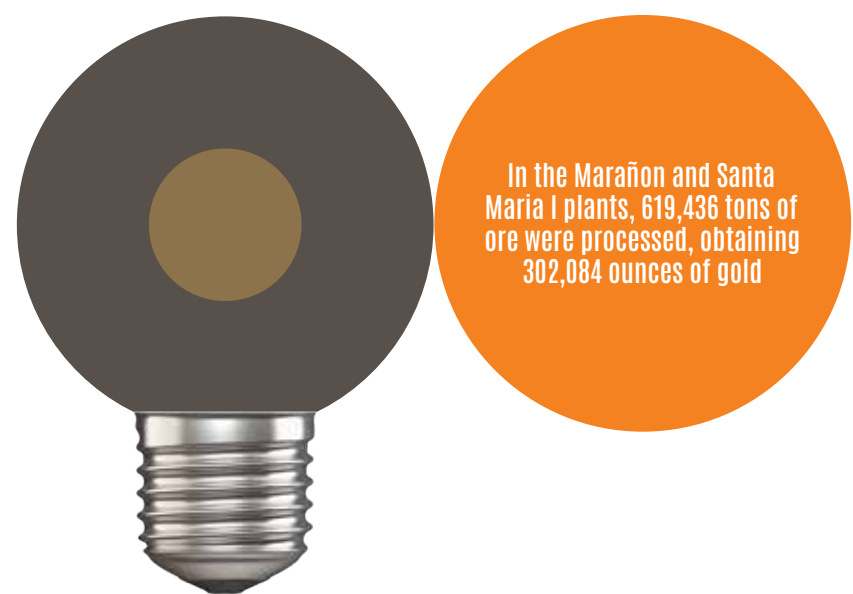
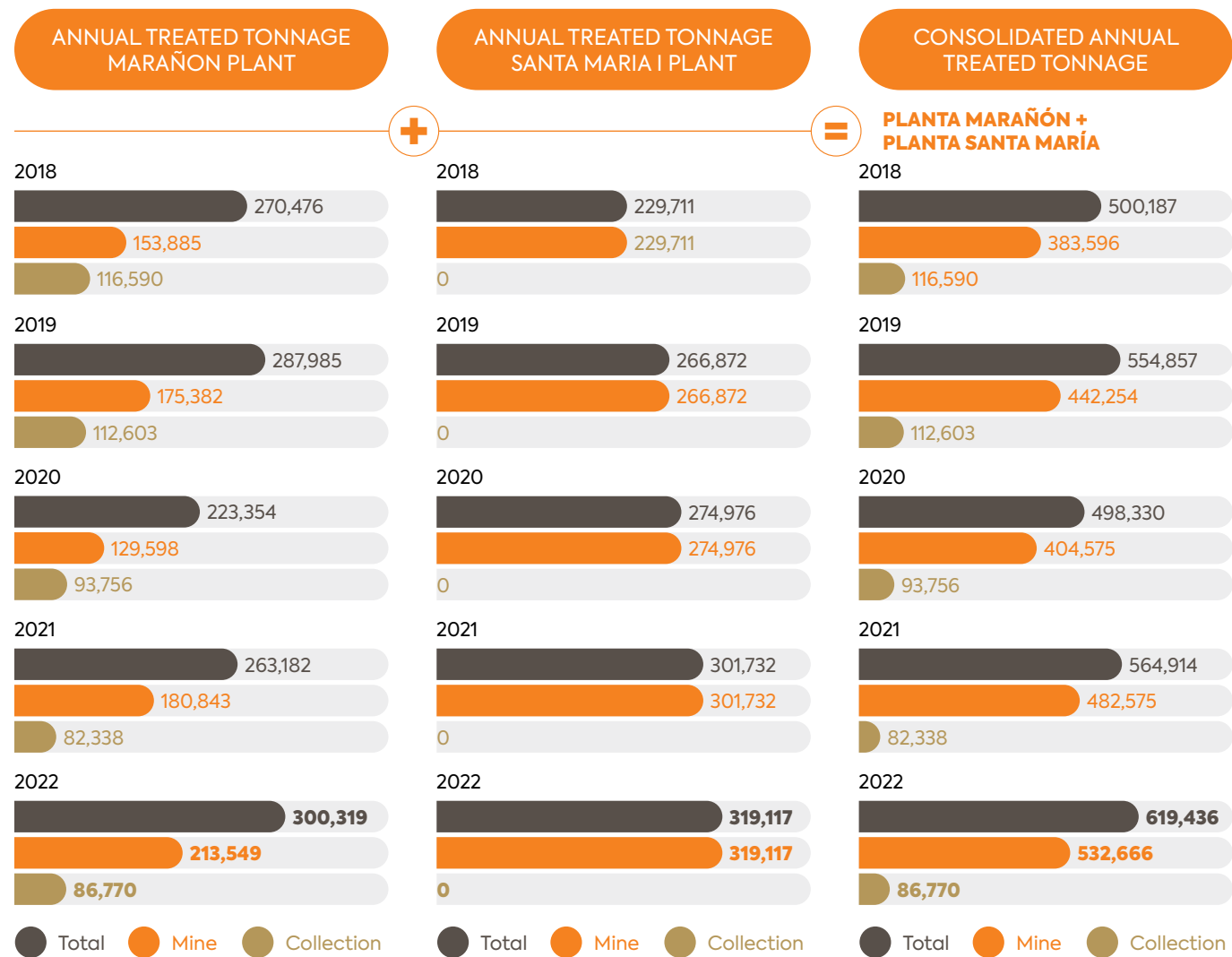
The milling grade increased from 58.4% to 59.3%, smaller than the 200 mesh (75 um), the same happened with the regrinding of concentrates, from 94.3% to 95.1% smaller than the 400 mesh (38 um).

Gold recovery from precipitation was 98.4%. 29.24% gold and 16.63% silver were obtained in the precipitate. In the tailings filtering plant, we managed to filter 82.78% of the tailings produced in the plant.

( TREATED TONNAGE )

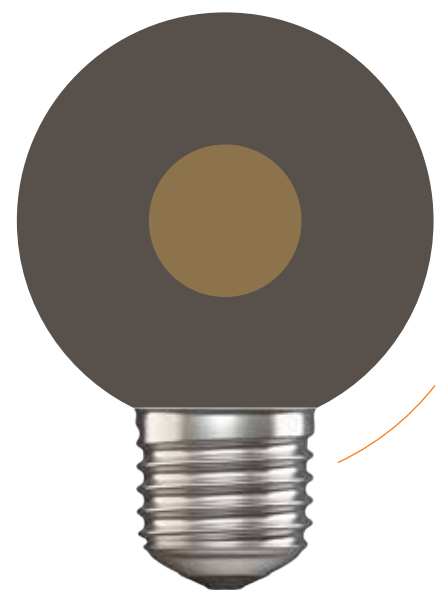
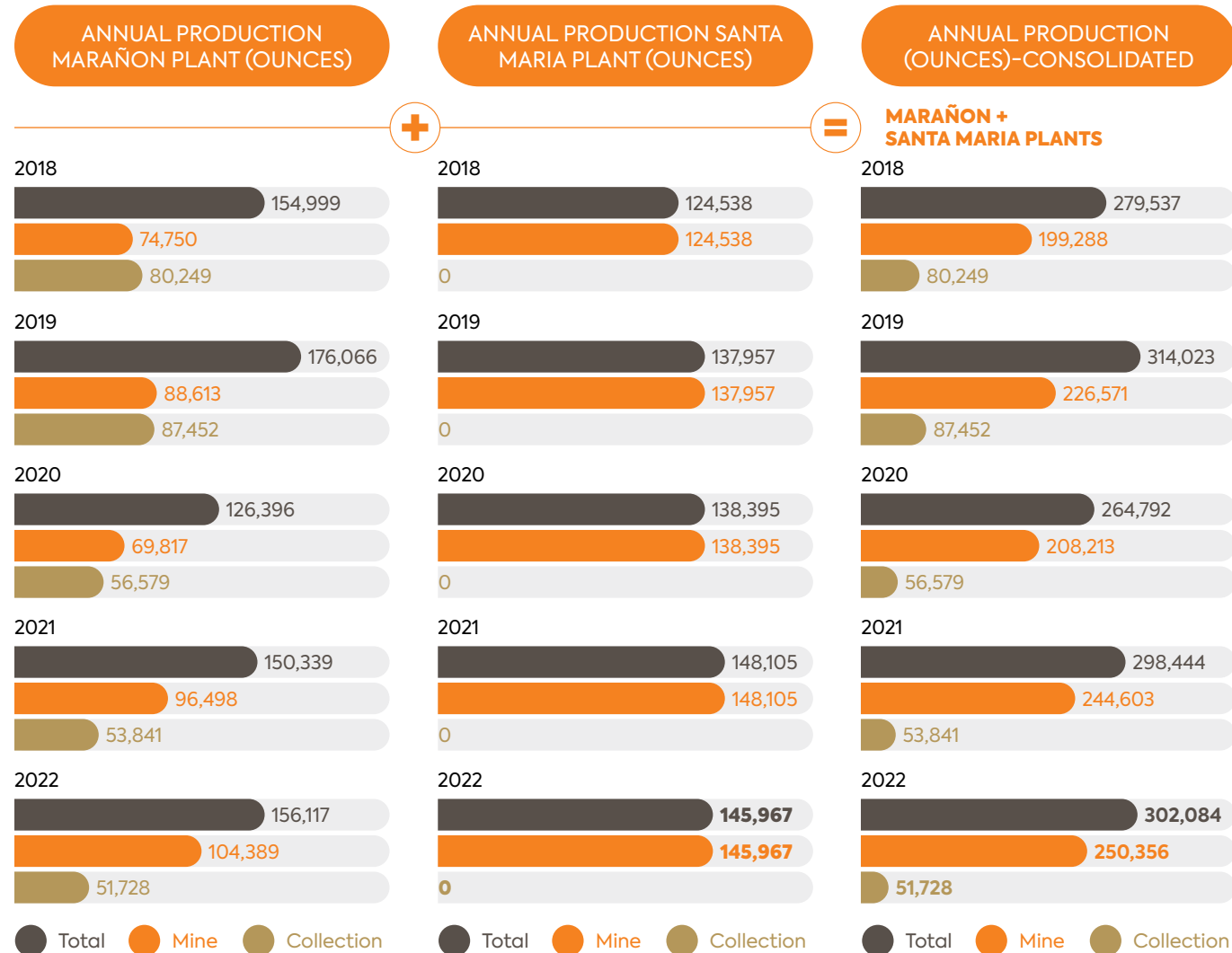
MARAÑON PLANT	SANTA MARIA PLANT I	CONSOLIDATED
Mineral treated: 300,319 t	319,117 t	619,436 t
Programmed: 292,000 t	310,400 t	602,400 t
Compliance: 102.85%	102.81%	102.28%







## GOLD PRODUCTION



## MARAÑÓN PLANT

Gold Production:  
**156,117 oz**

**99.53%**  
compliance with  
the programmed  
production  
(156,858 oz).

## SANTA MARIA PLANT I

Fines Production:  
**145,967 oz**

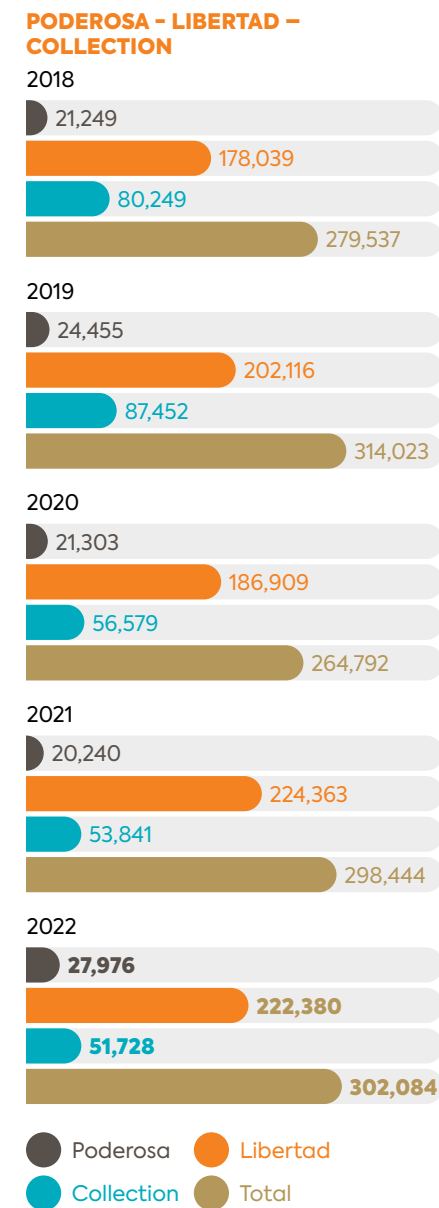
**105.41%**  
compliance  
with the  
programmed  
production  
(138,482 oz).

**CONSOLIDATED**

Consolidated  
Production:  
**302,084 oz**

**102.28%**  
compliance with  
the programmed  
production  
(295,340 oz).

CONSOLIDATED ANNUAL  
PRODUCTION (OUNCES)



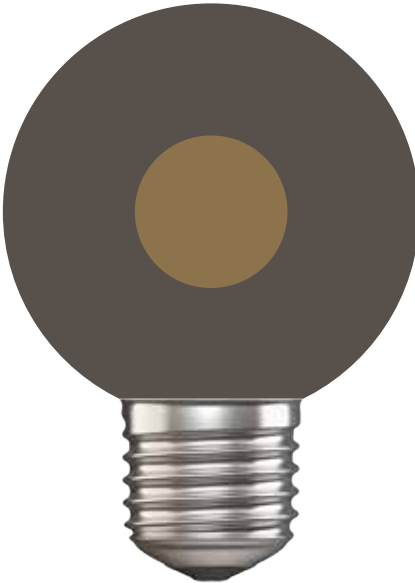


SPECIFIC CONSUMPTION OF MAIN INPUTS

Cyanide consumption was 0.979 kg/t, 0.42% less than in 2021. Cyanide concentration in the plants grinding circuits was maintained to ensure maximum gold extraction.

Lime consumption was 1.27 kg/t, 5,6% lower than in 2021, the reduction of lime consumption at the Santa Maria plant was 8,6% and 5,9% in Marañon Plant, due to a better control and follow-up of operational parameters.

Steel ball consumption was 1.53 kg/t, 0,51% more than in 2021 due to the commissioning of the M7.5x12 in the Santa Maria Plant on November 2022.



SPECIFIC CONSUMPTION OF MAIN INPUTS

Year	NaCN (kg/TM)	NaCN (kg/Oz)	Lime (kg/TM)	Balls (kg/TM)
2018	0.89	1.59	1.01	1.08
2019	0.90	1.59	1.28	1.62
2020	0.97	1.82	1.46	1.57
2021	0.98	1.86	1.35	1.52
2022	0.98	2.01	1.27	1.53

SMELTER

Pollutants in dore bars

The two main pollutants in the bars are lead (Pb) and arsenic (As). The content of this elements in the bars produced in the Marañon plant was 0.287% and 0.081%, respectively, which means a reduction of Pb in 9,896% and an increase in As in 34,759% compared to 2021. In the Santa Maria plant bars, the result was 0.556% and 0.667%, respectively, a 14.309% reduction in lead and a 38.372 % increase in arsenic.

The contents of both metals in the dore bars from the smelter have been kept below 2%, which is the maximum trading limit.

Pollutants in the precipitate

Lead contents in the Marañon Plant precipitate decreased from

8.67% to 8.40%, compared to 2021, and in the Santa Maria Plant it went from 1.61% to 1.25%.

The arsenic grade in the Marañon Plant increased from 0.39% to 0.47%, compared to 2021, and in Santa Maria Plant it increased from 0.94% to 1.23%.

Pollutant treatment

Lead recovery from the smelter slag was 96.49% and arsenic recovery was 81.54% in the Marañon plant, while the results for Santa Maria were 59.92% and 35.77%, respectively.

Recovery at the smelter

Gold recovery from the precipitate at the smelter increased from 99.84% to 99.86%, despite an increase, the amount of lead and arsenic was the same in the precipitate.





# [ MAINTENANCE, ENERGY AND TRANSPORTATION ]

Innovation plays an important role in optimizing our processes. In this aspect, we achieved an adequate supply of energy to the mine, plant, and camps in terms of quantity and cost, within the guidelines of safety and environmental protection. Our maintenance, energy and transportation areas apply specific and innovative solutions to day-to-day problems and have set themselves the following objectives:

### MANAGEMENT INDICATORS

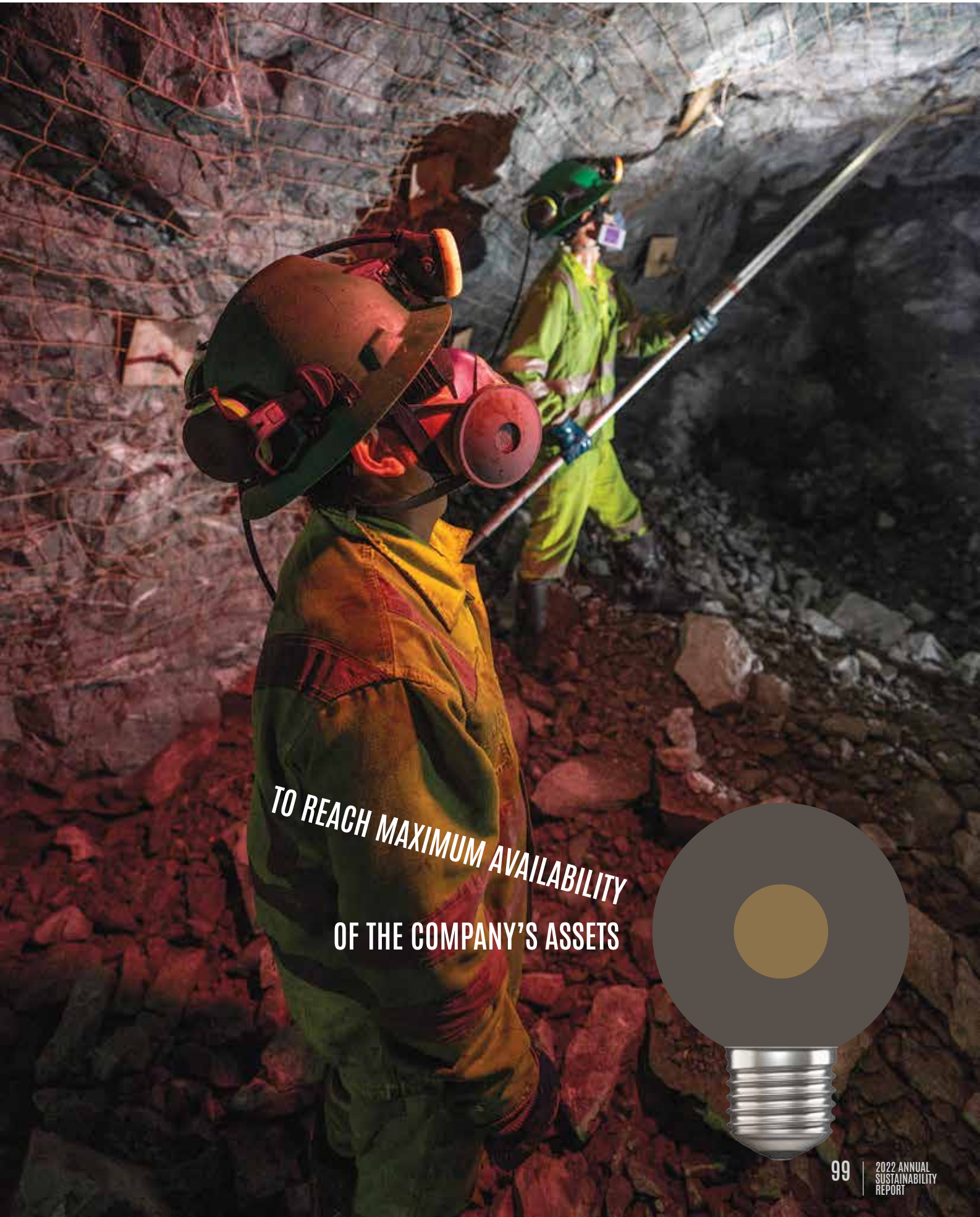
Indicator	Process	Executed	Goal	Difference
USD/TMT	Maintenance	21.27	≤ 18.99	+2.28
USD/MWh	Energy	124.0	≤ 99.0	+25.0
kWh/TMT	Energy	159.05	≤ 151.53	+7.52
USD/TMT	Transportation	6.35	≤ 5.09	+1.26

## Optimization

**Maintenance:** to reach maximum availability of the company's assets: mine equipment ≥ 90%, power generation equipment ≥ 95%, compressors s ≥ 96% plant equipment ≥ 96%, seeking a balance in the maintenance process costs according to production targets (≤ 18.99 USD/treated ton (TMT)) and committed with our workers' health and security and with environmental care.

**Energy:** Ensure optimal electric energy supply to our company's facilities, according to the growth in production and in terms of quantity, quality, and cost (USD/ MWh ≤ 99.0 and kWh/treated ton ≤ 151.53); under the occupational health and security guidelines, with environmental care.

**Transportation:** Maintain our company's roads in good condition and provide personnel and cargo transportation services with safety, quality and efficiency, respecting the environment at a cost of ≤ 5.09 USD/treated ton.



TO REACH MAXIMUM AVAILABILITY  
OF THE COMPANY'S ASSETS

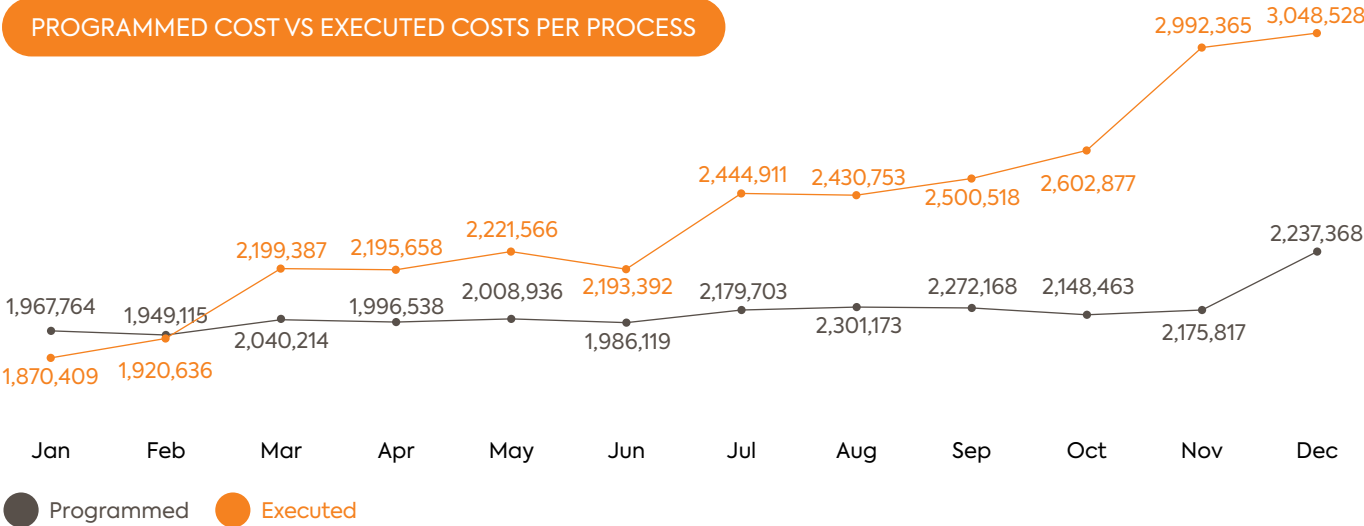


An adequate level of energy was supplied to the mine, plant, and camps

PROGRAMMED COST VS EXECUTED COSTS PER PROCESS

Process	Programmed USD	Executed USD	Difference USD	% Executed
Maintenance	12,322,286	13,167,041	+844,755	+6.9%
Energy	9,596,602	11,516,039	+1,919,437	+20.0%
Transportation	3,344,489	3,937,920	+593,431	+17.7%
Total	25,263,377	28,621,000	+3,357,623	+13.3%

PROGRAMMED COST VS EXECUTED COSTS PER PROCESS



MECHANIC AVAILABILITY 2022 (%). PROCESS: MAINTENANCE

Indicators	GOAL	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Gen. avg.
Mechanic Availability Scoops and Locomotives (%)	≥ 90.00%	92.50	93.80	91.10	89.50	89.20	91.80	91.50	87.00	90.50	89.40	93.10	93.60	91.10%
Mechanic Availability Diamond Drillers (%)	≥ 90.00%	97.10	91.60	82.90	90.80	88.40	89.60	91.00	95.40	94.10	84.90	87.90	88.80	90.20%
Mechanic Availability Plant Equipment (%)	≥ 96.00%	99.10	98.40	98.80	94.90	96.80	97.20	98.30	98.60	97.90	96.70	95.90	96.40	97.40%
Mechanic Availability Power Generation (%)	≥ 95.00%	95.00	94.80	96.80	99.70	99.50	92.20	85.60	85.20	89.60	97.60	96.50	92.60	93.80%
Mechanic Availability Heavy Equipment and Compressors (%)	≥ 96.00%	95.20	94.80	95.80	92.70	95.10	97.80	95.60	94.60	97.00	98.10	98.20	96.80	96.00%
General Average	≥ 93.40%	95.80	94.70	93.10	93.50	93.80	93.70	92.40	92.20	93.80	93.30	94.30	93.60	93.69%

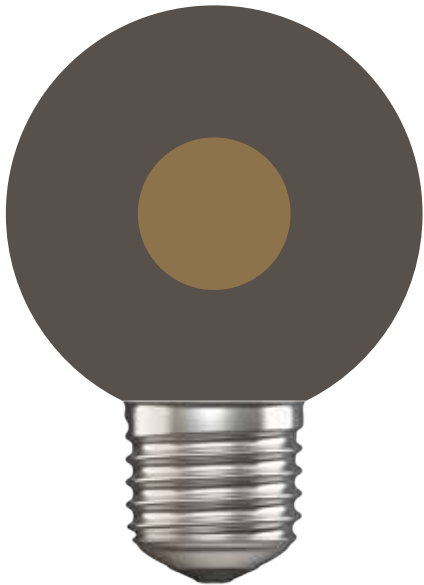
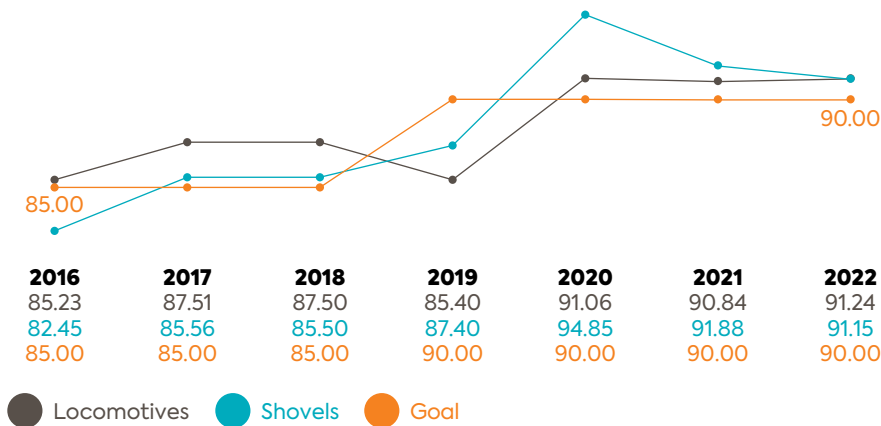




MECHANIC AVAILABILITY PER FLEET

	≥	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Scoop (ECM)	90.00	89.21	87.42	89.56	90.26	90.79	90.69	88.38	87.58	85.73	81.84	84.68	74.15	<b>86.38</b>
Dumper (ECM)	90.00	90.77	92.51	91.69	82.77	82.76	83.92	83.37	83.38	78.13	77.64	81.40	80.06	<b>83.79</b>
Jumbo (ECM)	90.00	95.40	93.32	93.07	80.51	90.94	82.56	91.08	90.79	85.22	87.83	92.12	91.32	<b>89.41</b>
Locomotives	90.00	94.54	93.18	93.51	91.73	89.04	90.22	90.46	86.19	89.48	91.91	92.07	93.37	<b>91.24</b>
Shovels	90.00	89.95	94.15	87.93	88.82	89.44	92.74	92.08	87.13	90.57	93.25	94.28	93.91	<b>91.15</b>
Fans	90.00	89.59	89.11	90.44	91.16	91.34	92.32	93.64	92.06	86.09	92.5	92.84	93.07	<b>91.23</b>
Winch	90.00	92.46	92.18	93.47	90.32	90.87	95.89	96.22	94.94	94.19	95.41	94.08	84.16	<b>92.85</b>
Front loader (ECM)	90.00	96.11	95.78	96.14	89.39	98.34	99.47	99.86	98.50	97.12	98.99	96.79	96.16	<b>96.94</b>
Motor grader (ECM)	90.00	96.56	99.29	100.00	90.67	88.79	87.07	90.67	85.53	87.22	91.61	96.67	90.97	<b>92.09</b>
Tractor	90.00	88.70	84.69	100.00	100.00	99.60	90.93	96.81	100.00	99.86	92.13	99.72	97.58	<b>95.84</b>
Compressor	90.00	95.07	94.05	93.82	94.44	94.27	99.73	93.97	93.78	99.83	99.75	99.45	98.80	<b>96.44</b>
Electric power station	90.00	95.07	94.29	96.52	99.73	99.51	95.90	88.99	94.36	98.73	97.04	97.11	92.22	<b>95.77</b>
Hydraulic Turbine	90.00	94.15	99.70	99.19	99.86	99.80	56.90	54.72	100.00	99.03	99.46	86.67	99.73	<b>89.13</b>

MECHANIC AVAILABILITY OF CONVENTIONAL EQUIPMENT (%)



Innovation plays an important role in optimizing our processes





# [ INFORMATION TECHNOLOGY ]

Information Technology (IT) has become an invaluable innovative tool in the industry. Our team is receiving constant training to seek continuous improvement and become a strategic partner for the company, implementing solutions oriented to increase the digitalization level of our operations, using state of the art technologies for digital transformation.

The daily effort and activities are focused on guaranteeing IT services availability and the implementation of efficient and reliable solutions, prioritizing risk management, continuous proves improvement and better user experience.

Our IT department has been structured according to the company's needs and strategic objectives. The four process that comprise it are detailed below:

## IT SOLUTIONS

The objective of this process is to implement applications that generate quality data, facilitate decision making and provide an excellent user experience.

Main achievements:

- The implementation of ERP SAP S/4HANA was started. It includes productive and administrative processes to modernize our base information systems and to align our procedures to the good practices provided by the ERP.
- A new development platform was implemented to efficiently manage source code, assign activities under agile frameworks, automate deployments and routine tasks, take advantage of cloud computing capabilities, and develop projects with multiple work teams (internal and/or external).
- Agile team works were set up to develop products (applications) which requirements change or have a certain degree of uncertainty.
- An agile culture was adopted, under the SCRUM framework, both by the users (product owners) and by the development teams.
- The number of automated processes with "no code" tools increased. These allow implementation in short term and without a need for writing down code lines.

## IT INFRASTRUCTURE

The purpose of this process is to ensure the provision, operation and support of the software, hardware, and communications infrastructure to guarantee IT service availability.

Main achievements:

- Optic fiber rings implementation to improve communication availability between the company's units and processes.
- Installation of a contingency internet and RPV system to ensure the availability of these services.
- Cellular signal was enabled and improved in the units and camps.

## IT SECURITY AND CONTINUITY

It seeks to ensure the confidentiality, integrity and availability of the company's information, processes, and critical infrastructure.

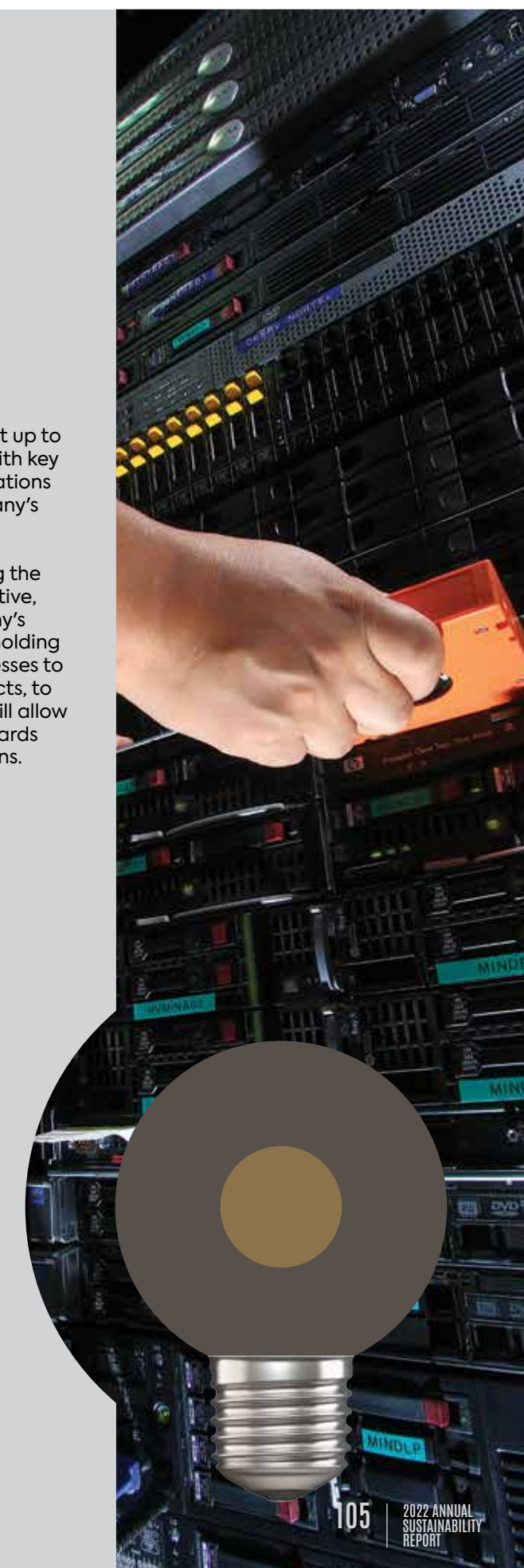
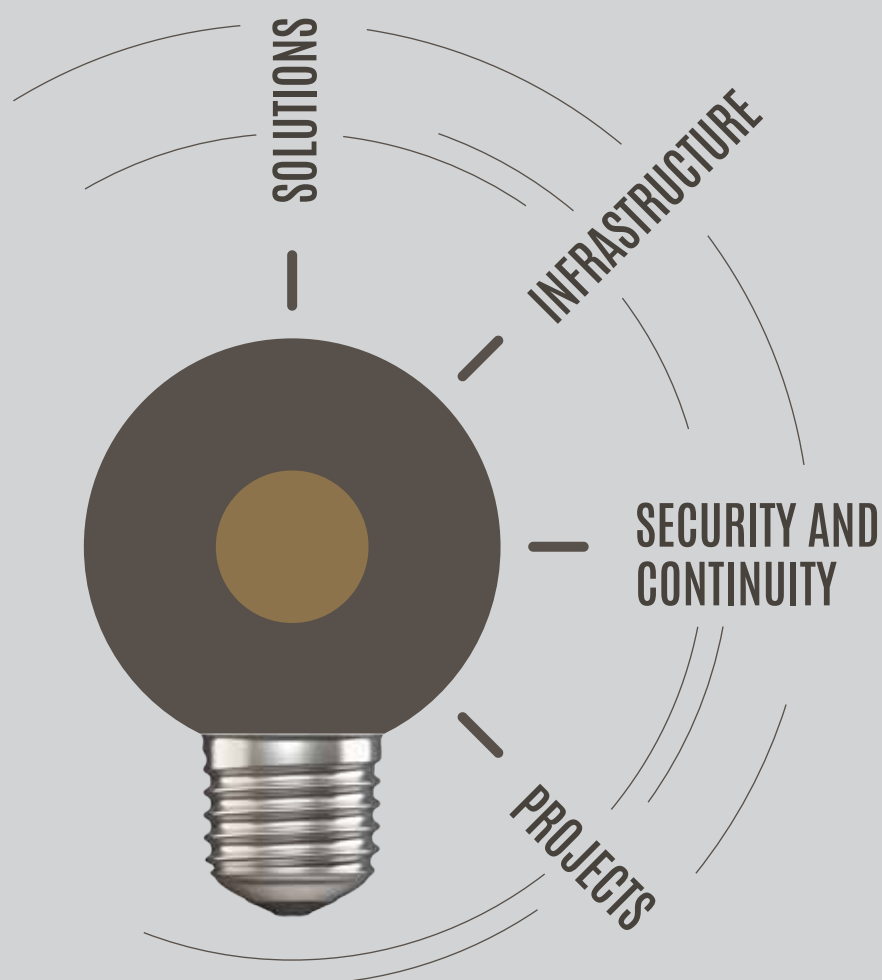
Main achievements:

- Automation of the monitoring of cybersecurity events and incidents.
- Improvement of the detection and response in the event of malware threats.
- Improvement of cybersecurity vulnerabilities identification.
- Strengthening of e-mail information protection.

## IT PROJECTS

This process was recently set up to identify, plan and comply with key technology and communications projects to meet the company's strategic objectives.

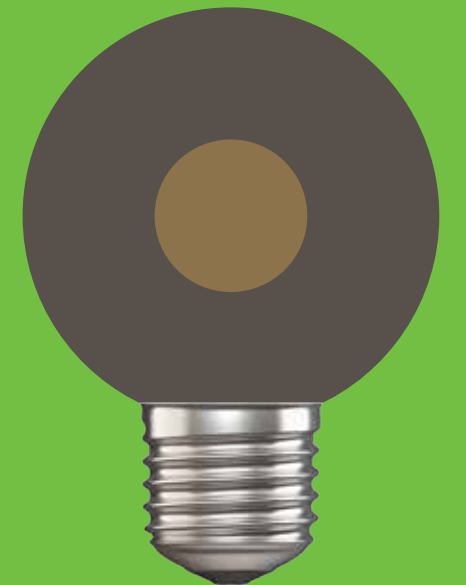
Currently, we are structuring the digital transformation initiative, which is part of the company's strategic plan, and we are holding meetings with critical processes to identify cross-cutting projects, to establish a roadmap that will allow us to accompany them towards the automation of operations.







# [ PART 3 ] RESPONSIBLE MANAGEMENT





# [ ECONOMIC PERFORMANCE ]



Management of this material topic reveals the economic value we provide. We aim to attain social, environmental, and economic balance to maximize investment, generate greater income and pay more taxes to the Government, so they can be used in public investment for the benefit of the communities. The impact of our economic performance translates into value generation for our stakeholders. It is a positive aspect which is only possible when we articulate our financial management with our values, integrated management system policies, occupational health, environmental protection, quality, and ethics together with our business philosophy: 5S. All the

same, we have a dividend policy that allows a balance between growth and profitability for our shareholders.

In 2022, we treated 619,436 tons of ore; gold production was 302,084 ounces, 1.22% more than in 2021. This increase is explained by the recovery of the mineral processed, compared to the low figures of the former year because of the pandemic. The number of ounces sold and dispatched in 2022 was 297,161 (these sales included the initial stock), which meant a 12% increase compared to 2021.

The net sales for the year added up to PEN 2,090,683,167, a reduction of 0.6% with respect to the PEN

2,102,746,925 in 2021. The cost of sales was PEN 1,205,402,557, a 9% increase compared to PEN 1,101,479,942 in 2021.

The average price for our exports was USD 1,798.00 per ounce of gold and USD 21.89 per ounce of silver. These prices (0.11% more compared to 2021) allowed for greater sales income than those values forecasted in the annual budget.

Regarding investments, the disbursement was USD 127.5 million in 2022, including investment in maintenance and growth. This represents 135% more than in 2021. The total financial debt (total liabilities) in 2022, showed a 4% reduction compared to the

previous year, and closed in USD 132.4 million.

Net profits for the year added up to PEN 407,344,659, which meant a 26% reduction compared to the 2021 result, which was PEN 552,791,498. The increase in the price of gold was minimum and did not favor this result.

It is important to mention that we have not received any financial assistance from the government during the reporting period, in terms of tax credits, subsidies, grants or otherwise.

We are committed to operating with transparency and

sustainability. To make this measurable, we focus on the final result and on measuring and reporting on our performance. Internal processes and our financial statements were audited in 2022

with favorable opinions by Protiviti and KPMG. During the reporting year, we have not identified any significant negative impacts on the people, the economy, or the environment.

## MAIN FINANCIAL INDICATORS

	2022	2021	2020
Ebitda (PEN million)	999.61	974.99	855.46
Net sales (PEN million)	2,090.7	2,102.7	1,663.2
Gross Margin (%)	42	48	48
Operational Margin (%)	33	36	37
Profits before taxes (PEN million)	628.58	799.68	569.2
Net profit (PEN million)	407.34	552.79	385.56

Ebitda (PEN million)

999.61

Net sales (PEN million)

628.58

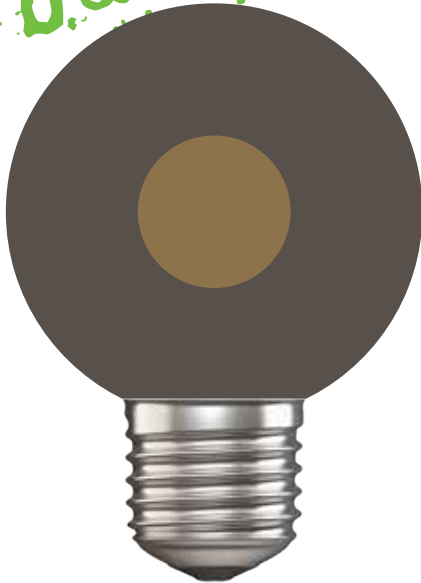
Profits before taxes (PEN million)

2,090.7

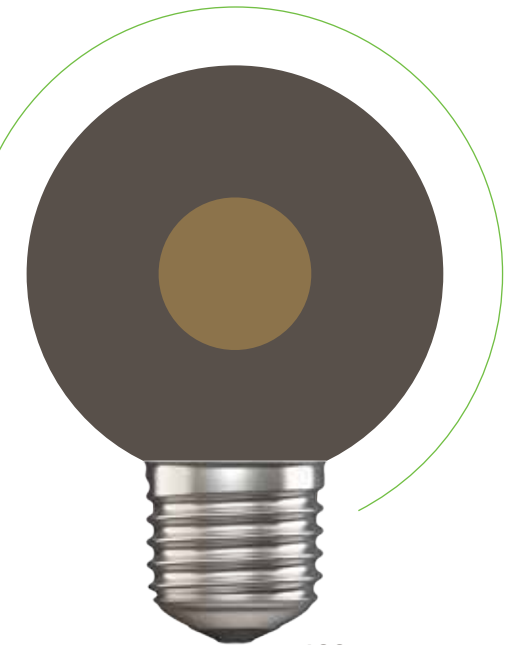
Net profit (PEN million)

407.34

balance



To guarantee an environmentally responsible operation and the health and safety of people, we use high international standards in our processes





We are very meticulous in the payment of taxes and other contributions related to our sector

We are very meticulous in the payment of taxes and other contributions related to our sector. In 2022 we have paid the following to the Government:

#### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (PEN)

		2022	2021
Economic Value Generated - Income	Net sales plus income from financial investments, indemnification, insurance, and asset sales	2,112,356,128	2,106,537,085
<b>DISTRIBUTED ECONOMIC VALUE</b>			
Supplier payments	Payment to suppliers, royalties, and payments for facilitation or donations	1,095,091,314	925,414,310
Employee salaries and benefits	Total payments to employees and social contributions. Does not include future payment commitments	155,583,599	129,621,451
Government payments	Gross taxes and rates	246,162,419	279,099,735
Investment in Communities	Voluntary contribution to and investment in the communities, including donations	17,991,568	17,126,529
<b>Withheld economic value</b>		<b>597,527,227</b>	<b>755,275,059</b>

#### TAXES AND CONTRIBUTIONS PAID

Taxes and contributions paid * (in USD million dollars)	2022	2021	2020
Income tax	46.61	56.67	46.03
Special mining tax	5.86	6.44	5.04
Mining royalties	5.92	6.30	4.66
Temporary tax on net assets	1.85	1.34	1.36
Supplementary mining pension fund (FCJMMS)	0.79	0.96	0.78
Osinergmin regulation contribution	0.76	0.75	0.66
OEFA regulation contribution	0.55	0.54	0.47

## INDEBTEDNESS

In 2022, short and medium-term bank financing operations were maintained to cover our investment needs. In August the short-term promissory note was refinanced for a total amount of USD 15 million at an EAR of 4.10% (1.19% in 2021). As of December 31st, 2022, the balance of the financial debt was USD 24.99 million (USD 29.19 million in 2021) with an average annual cost and an EAR of 3.46% (1.95% in 2021).

Hedging and leverage ratios were maintained as follows:

- Leverage ratio = 0.10 (total financial debt/EBITDA)
- Long term debt hedging ratio = 43.11 (EBITDA/ (Financial Expenditure + payments Long term debt)) = 38.12

Bank	Balance as of Dec 31, 2022 (million USD)	Type of debt
Scotiabank	15.00	Working Capital
	1.54	Financial leasing
Santander	0.60	Financial leasing
BBVA	7.85	Mid-term loan 2020

## COST EVOLUTION

In 2022, there was a 1.22% increase in ounce production compared to 2021. The cash cost per ounce produced was 14% higher than in 2021 (from 733 to 835 USD/oz), while the cash cost in dollars was 17% higher compared to 2021 (from 179.3 MM to 209.0 MM). The total cost per ounce increased by 10%, compared to 2021 (from USD 1,038.39/oz to USD 1,138.67/oz in 2022).

## AVERAGE GOLD PRICE

In September 2022, the price of gold reached a minimum of USD 1,622.33 per ounce. From November on, it recovered. The price of gold closed in 2022 above USD 1,800 per ounce.

#### AVERAGE GOLD PRICE 2017-2022 IN USD/OZ

#### SECURITY PRICING SOURCE XAUUSD BGN CURRENCY BGN

Date	Average gold price
2022	1,802.46
2021	1,798.84
2020	1,771.22
2019	1,393.82
2018	1,269.02
2017	1,258.80

## AUDIT REPORT

The Audit Report can be found in Chapter 7 of this report. The financial statement of Compañía Minera Poderosa S.A. does not include information on other institutions.





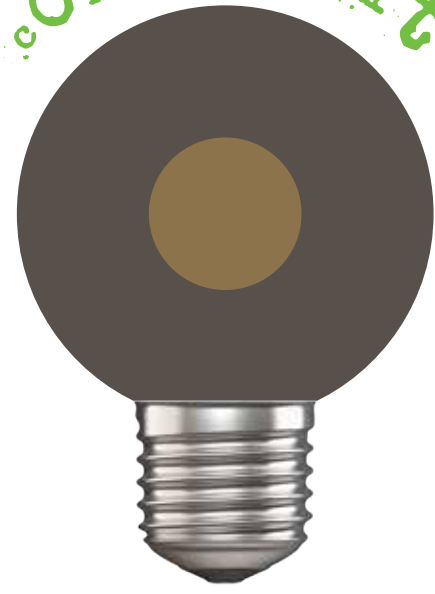
# [ ENVIRONMENT AND CLIMATE ACTION ]

## Consolidating an environmentally friendly operation

We are aware that mining activities generates positive or negative impacts on the environment. Therefore, we focus on consolidating adequate management to reduce or avoid negative impacts and strengthen the positive ones. Our environmental management implements actions to prevent negative impacts on the environment, to protect the



commitment



environmental components and species found in the area of influence of our operations. Mining is an activity that has evolved thanks to innovation, technology, and the expansion of a culture of safety and care for the environment.

## A commitment with the future

We are committed to develop our operations and mining projects with responsibility towards the environment, incorporating technology, automated processes and innovation to prevent pollution. Our environmental management is instrumental to achieve the sustainability we seek, and which is soundly integrated into our vision and mission.

We focus on the efficient use of natural resources in a sustainable manner and guarantee a healthy environment, applying good environmental practices, clean technologies and innovative solutions that continuously improve environmental controls.

## The pillars of our environmental management

- ISO 14001:2015 standard. It identifies the environmental aspects of the organization to establish controls in every stage of the mining cycle, to prevent, control and mitigate the impact of our operations in the environment.

- Environmental management plans.
- Environmental components monitoring programs.
- Emergency response plans.
- Contingency plan in the event of heavy rainfall.
- Environmental improvement projects.
- Use of technology and innovation to improve processes and reduce environmental pollution in all the processes of the mine.
- Regulation compliance.
- Environmental Impact Assessments (EIA) to obtain the certification for new projects.
- Closure plans for those components that have reached the end of their useful life.

## Environmental quality monitoring

We measure the environmental behavior of every mine process monthly through the environmental performance global indicator. The environmental performance is made up by program compliance indicators, legal commitments and requirements based on the EIA, compliance with ISO 14001:2015 standards and applicable regulations. The evidence of this compliance is obtained through field inspections, documents, and audits. Every June 5, on the World Environment Day, the processes that achieved the best environmental performance in the previous year are rewarded.

## 2022 MAIN ENVIRONMENTAL INDICATORS

99%

ENVIRONMENTAL PERFORMANCE IN THE PROCESSES

100%

OF THE WATER TREATED IN THE DOMESTIC RESIDUAL WATER TREATMENT PLANTS IS REUSED TO IRRIGATE GREEN AREAS

88%

OF THE WATER RECIRCULATES IN THE MINERAL PROCESSING PLANTS

DIRECT AND INDIRECT WATER FOOTPRINT IN 2020 WAS

802,440 m<sup>3</sup>/year

(1,339,601 M3 /YEAR IN 2019)

GREENHOUSE GAS EMISSIONS BELOW THE MAXIMUM PERMITTED LIMIT







GRI  
3-3

## EFFICIENT WATER MANAGEMENT

The water crisis is a worldwide problem that requires the participation of every industry, and it is one of the most relevant topics for our stakeholders. Minimizing the impact on the natural water flows contributes to a healthy local ecosystem. However, water is key for mineral processing. Our activities have the power to affect both water quality and quantity.

Clean and quality water is essential to all human activities; therefore, it is necessary that we adequately manage the impact of our activities on this resource. Water management is included in our sustainability statement and in the resource management plan as a priority topic.

All the same, we are committed to reducing water consumption in

our operations through the adoption of new technologies. This effort will bring about positive impacts for the communities, our employees, and the Government.

To manage water resources, we carry out ongoing and participative evaluations. Efficient management includes the participation of the stakeholders in the participatory monitoring that we carry out every year to meet our EIA commitments and also voluntarily (see page 120). This citizen participation helps us build trust and strengthen our long-term relations with the communities.

### High standards approach

In this regard we are very careful in complying with the high standards of water quality and quantity, and the regulations in force.

We are constantly working to optimize the use of water throughout our operations, improving recirculation of the effluents produced coming from the Marañon and Santa Maria mineral processing plants, and reusing the effluents from the domestic residual plants. We also use underground water and water outcrops for the cyanidation plant and for human consumption, after treating it in ultrafiltration plants.

We have water use licenses issued by the corresponding authority. We continue to implement water flow meters at the camps, canteens, and production areas to continue with the water use optimization and measurement plan. The criteria for the quality of effluent discharge take into consideration the legal framework in force and are established in our IGA and protocols. Internally, we use monitoring procedures and quality assurance tables to measure water quality; all the same, externally, we comply with the legal requirements applicable, such as the ECA category 3 for water (004-2017), and MINAM (010-2010) maximum permissible limits.

Regarding the receiving water mass, for the case of discharges, we work with the mixture area, as required by the National Water Authority. We deploy different strategies. We focus mainly on:

### MINIMIZING

preventing the loss of water sources in underground works, we close any filtrations of drills.

### REUSING

efficient use. We do not generate spillages and we prioritize recirculation in our processes.

### Water Footprint

To contribute to the evaluation and sustainability of our activities, we have measured our water footprint. This measurement is registered with the National Water Authority (ANA) in the water footprint program. The first measurement was carried out in 2019, as a baseline for this indicator. Based on these results, manage strategies to reduce and optimize water consumption in all our processes, year after year. The results of the 2109 – 2020 water footprint measurement show a significant reduction in consumption, however, 2020 was not a typical year due to the Covid-19 pandemic.

### Water use

We use water from superficial and underground sources. In 2022, our water consumption was below the total volume authorized by the National Water Authority. The average annual water supply at El Oso and Chorro Blanco ravines is 15,168,816 m<sup>3</sup>/year. ANA granted a license to use approximately 400l/s; for the Alberto Samaniego hydroelectric power station.

### 2020 WATER FOOTPRINT MEASUREMENT COMPARED TO 2019 (BASE YEAR)

Description	Water footprint 2019	Water footprint 2020
Total water footprint: Direct and indirect (m <sup>3</sup> /year)	1,339,601	802,440
Blue footprint	13%	21.42%
Green footprint	0.67%	0.7%
Grey footprint	86%	78%
Total footprint	0.16%	0.23%

### VARIATION OF THE TOTAL 2020 WATER FOOTPRINT COMPARED TO 2019 (BASE YEAR)

Description	2019	2020	Variation (%)
Grey footprint	1,152	623	-45.9%
Evaporation road watering	152	152	0.0%
Evaporation water surface	17	15	-11.8%
Green footprint	9	6	-33.3%
Evaporation garden transpiration	7	5	-28.6%
Oil energy indirect water footprint	2	1	-50%
Electric energy indirect water footprint	0	0	0.0%
<b>Total</b>	<b>1,340</b>	<b>802</b>	<b>-40.1%</b>

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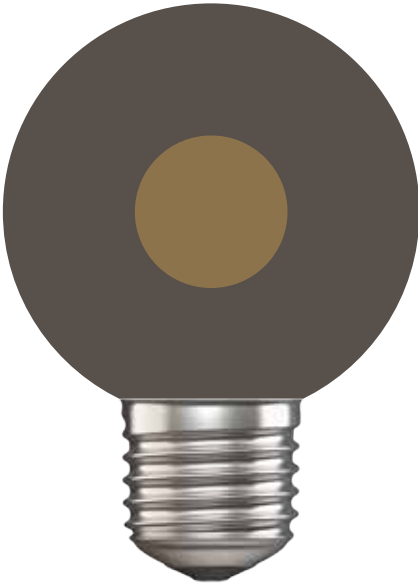


GRI  
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303-3

After the water passes through the turbines, it is sent back to the ravine. On the other hand, after generating energy at the Alberto Samaniego hydroelectric power station, the water is discharged to the original river course, El Tingo, except for 25 l/s, authorized by ANA, which are used in our operations at Vijus mining camp.

For our mining operations at La Lima, El Tingo and Papagayo, as for the camps and green areas, we have a license for water use up to 315,360 m3/year. Our operations in Cedro have a mining use license for water of up to 37,843 m3/year, this water is extracted from inside the mine.

We have managed to reduce natural water consumption through the adoption of technology at the tailings and the efficiency of the residual water plants, which allows recovering water from the processes. All the same, during 2022 digital gauge systems (flowmeters) were installed, and were integrated to the Scada System, allowing for real time information.



**Quality and quantity control**  
Measurement and follow-up are performed considering water quantity and quality. Quantity management corresponds to the continuous measurement of the water flow and volumes consumed, the frequency is daily, and the ANA report is monthly. Measurements in the main water sources within the basin are also taken monthly and are reported quarterly to the competent authority. On the other hand, quality management corresponds to the sampling and analysis of the physical - chemical and biological parameters. The frequency is monthly, and the report is delivered on a quarterly basis to the competent authority.

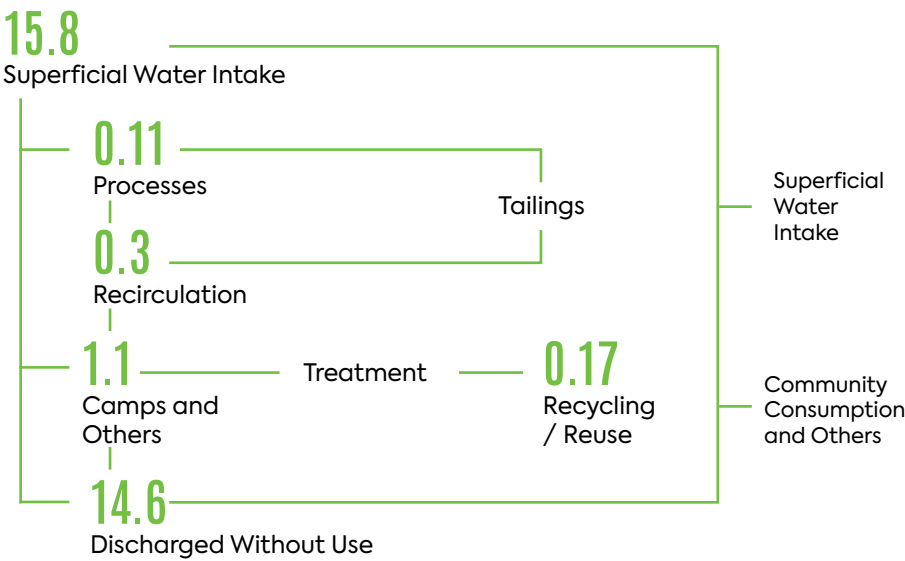
All the same, monitoring allows identifying and reporting impacts. This way, we can execute action

plans to control or mitigate them in a timely manner.

The water management goals and targets are established in the annual plan and are based on the monitoring, follow-up and measurements taken at the water sources. In this regard, we carry out hydrologic and hydrogeologic studies in the operation units to update the water source inventories, measurement and reload of water sources. Also, we align to the basin studies performed by the National Water Authority, and we meet its legal requirements.

It is important to mention that the basin where our operations are located is not considered as suffering from hydric stress.

PODEROSA GENERAL BALANCE FOR 2022 (MILLION DE M³)



The water we use comes from superficial and underground sources.

WATER CONSUMPTION AUTHORIZED BY THE NATIONAL WATER AUTHORITY VERSUS ACTUAL CONSUMPTION 2022

Zone	ANA Authorized Consumption (m³/Year)	2020			2021			2022			% Consumed from the source	Water Source
		Real consumption (m³/year)	Difference authorized vs actual consumption (m³)	% Consumed as per authorized	Real consumption (m³/year)	Difference authorized vs actual consumption (m³)	% Consumed as per authorized	Real consumption (m³/year)	Difference authorized vs actual consumption (m³)	% Consumed as per authorized		
Vijus	788,400	610,660	177,740	77.46	589,236.80	199,163	74.74	445,226	343,174	56.50	<5%	Chorro Blanco and El Oso ravines
Paraiso	315,360	239,137	76,223	75.83	161,551.20	153,809	51.23	168,232	147,128	53.30	<5%	Lavasen river
Cedro	37,843	18,823	19,021	49.74	16,426.00	21,417	43.41	29,900	7,943	79.10	<5%	Marleny outcrop
Santa Maria	161,149	30,374	130,775	18.85	27,650.90	133,498	17.16	26,259	134,890	16.30	<5%	Santa Maria ravine
	68,433	49,922	18,511	72.95	48,349.40	20,084	70.65	51,835	16,598	75.80	<5%	Virginia outcrop**
	100,915	67,169	33,746	66.56	63,628.10	37,287	63.05	76,375	24,540	75.70	<5%	Puquiopata outcrop**
	946,080	24,309	921,771	2.57	26,021.30	920,059	2.75	20,114	925,966	2.20	<5%	Frances* river

GRI  
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Water discharge

We are only authorized to discharge water to superficial water sources. These discharges that come from the mine effluents are treated and monitored daily. In this sense, the two substances that are present in our discharges are arsenic and suspension solids, therefore, we are very strict regarding water treatment before releasing the water to its final destination. The treatment method used on the effluent is coagulation and flocculation inside the mine. We focus on meeting the maximum permissible levels according to the legal provisions in force (DS No. 010-2010 MINAM). Follow up and measurement are done daily and monthly, and we request the services of an external

laboratory. As of the closing date of this report, we have not had any violations reported regarding external or internal monitoring. On the other hand, we have online water flow gauge systems (automatic), which allow us to perform daily analysis and to have a permanent control record in real time.





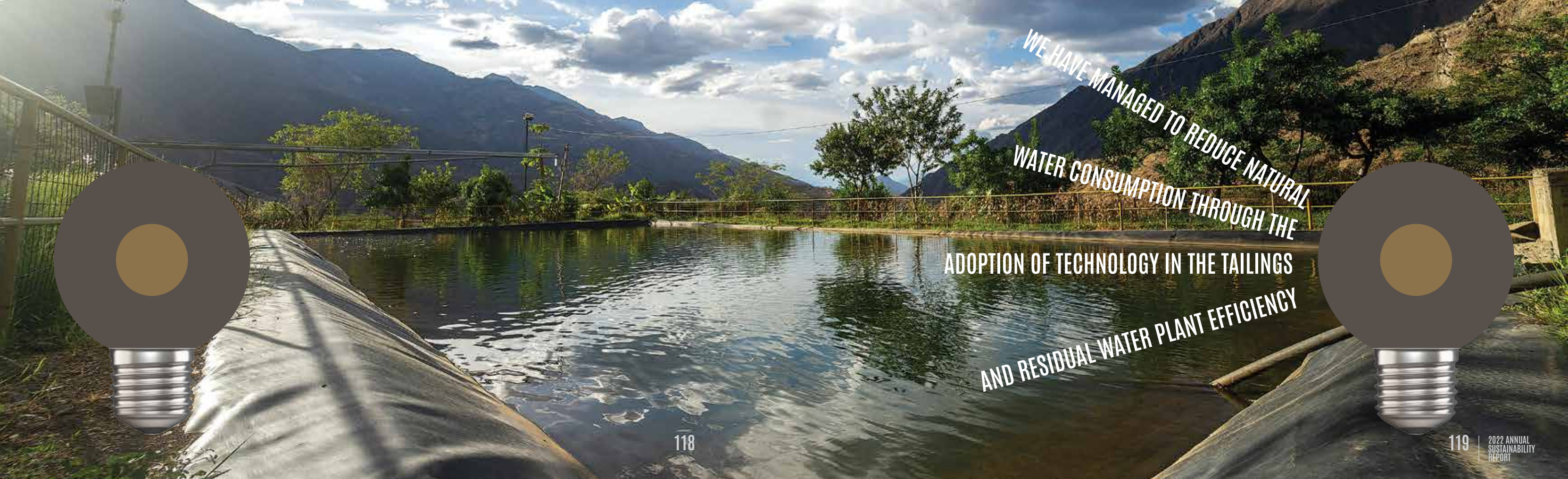
PERCENTAGE AND VOLUME OF RECYCLED AND REUSED WATER

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Description	2020					2021				2022			
	Water intake to the plant (m³)	Recirculated leaching solution (m³)	Necessary water for mineral processing (m³)	% reuse		Water intake to the plant (m³)	Recirculated leaching solution (m³)	Necessary water for mineral processing (m³)	% reuse	Water intake to the plant (m³)	Recirculated leaching solution (m³)	Necessary water for mineral processing (m³)	% reuse
Marañon mineral processing plant (789 TMD)	18,921.60	186,851.20	205,772.80	91%		16,744.00	169,080.00	185,813.00	91%	14,405.53	229,241.00	243,646.56	94.09
Santa Maria mineral processing plant (764* TMD - 855 TMD)	64,647.00	110,958.00	175.61	63%		84,624.96	105,474.00	190,098.96	55%	40,180.77	175,678.00	215,858.62	81.39
<b>Household residual water plant</b>	<b>Intake volume (m³ / year)</b>	<b>Treated volume</b>	<b>Reused volume (m³ / year)</b>	<b>% reuse</b>		<b>Intake volume (m³ / year)</b>	<b>Treated volume</b>	<b>Reused volume (m³ / year)</b>	<b>% reuse</b>	<b>Intake volume (m³ / year)</b>	<b>Treated volume</b>	<b>Reused volume (m³ / year)</b>	<b>% reuse</b>
MBR-Vijus	34,689.60	34,689.60	32,955.10	95%		18,775.58	18,775.58	1877.58	100%	18,885.00	18,885.00	18,885.00	100%
Compact Paraiso	10,139.50	10,139.50	10,139.50	100%		30,792.96	30,792.96	30,792.96	100%	33,288.00	33,288.00	33,288.00	100%
Conventional Paraiso	30,004.80	30,004.80	30,004.80	100%		17,099.37	17,099.37	17,099.37	100%	3,153.00	3,153.00	3,153.00	100%
Santa Maria	60,340.40	60,340.40	60,340.40	100%		63,500.21	63,500.21	63,500.21	100%	65,900.00	65,900.00	65,900.00	100%

+ Water flow (m³) is measured with flowmeters. The water is reused in the plant process. Calculation methodology is through mass balance. Both fresh and recirculated water are measured.  
\* Water flow (m³) is measured with flowmeters. The quality of the treated water which is reused meets the ECA for risk water (category3): D.S. No. 004-2017-MINAM. Treated water is reused for irrigation of green areas and roads in the different mining units. The calculation methodology is through mass balance.

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3-3

## SHARED RESPONSIBILITY

### Participatory Monitoring

The participation of the communities and of other stakeholders brings in solutions in agreement and valid for all and builds up trust and transparency. Therefore, since 2018 we include the local authorities in our environmental surveillance controls. Together we can determine the influence of the significant environmental aspects caused by our operations and we can show the results of actions to prevent or mitigate them. Our goal is to create room for dialogue with the communities to prevent environmental impacts on the water sources.

As part of our commitments in our Sustainability Statement, Management Policy and Environmental Policy, the

Environmental Management and Community Relations department coordinates with the community authorities in the area of influence to carry out this monitoring, which includes water quantity and quality in the ravines, and noise and air quality monitoring in the areas of interests of the community, these are performed using monitoring spots approved by an environmental management tool (IGA). The program is held twice a year (in the dry season and in the rainy season).

This participatory monitoring starts with previous training. In each training, we explain the purpose and the methodology adopted for the monitoring, the quality parameters that should be met, as well as other aspects of interest, as established in the environmental quality standards (ECA) regulations. Participatory monitoring was performed following the Ministry of Health Covid-19 prevention protocols.

### Transparent Assessments

In 2022, participatory monitoring was performed in the Marañon and Santa Maria Production Units, and in the Palca and Montañitas exploration projects. We also took part in the participative monitoring organized by the Local Water Authority (ALA) Huamachuco, together with the local authorities. In these activities, the receiving bodies in our operations were monitored.

On the other hand, through our community relations department, we met our commitments with local communities by carrying out activities with them to improve drinking water quality and empowering the Services and Sanitation management Committees (JASS) to efficiently manage water consumption in the communities (further information in page 206).

#### SUMMARY OF THE WATER AND AIR PARTICIPATORY MONITORING ACTIVITIES IN 2022

Zone	Training the participants on participatory monitoring, presentation of results and clarifications, in classrooms	No of attendants water and air quality monitoring
Santa Maria	Yes	10
Marañon	Yes	11
Palca	No	The community authorities were unable to attend, but the monitoring was carried out
Montañitas	Yes	8
Santa Maria	Yes	10
Marañon	Yes	9
Palca	Yes	8
Montañitas	Yes	10



## EMISSIONS MANAGEMENT

One of the greatest challenges facing humanity is climate change. Understanding its causes and consequences is crucial for taking appropriate action. In our organization, we work actively to contribute to climate change mitigation processes, for the sustainability of our activities and for the planet.

We are aware that the mining industry uses large amounts of energy to extract, smelt, produce, and transfer material and to carry out other supporting processes. Energy use causes greenhouse gas (GHG) emissions that contribute to climate change. Therefore, we focus on maintaining an efficient operation and on developing projects that provide cost savings and environmental benefits inside and outside our operation, thereby minimizing our footprint.

Through our Sustainability Statement, we commit to use natural resources in a sustainable and responsible manner. We apply strategies to prevent, reduce and mitigate the negative impacts we generate. At this point it is crucial to determine our carbon footprint. This value allows to quantify emissions reduction in the processes, through the implementation of clean technological strategies

and innovative applications in the emission generating processes. The goal is also to reduce the reliance on fossil fuels for direct and indirect processes and which generate GHG emissions.

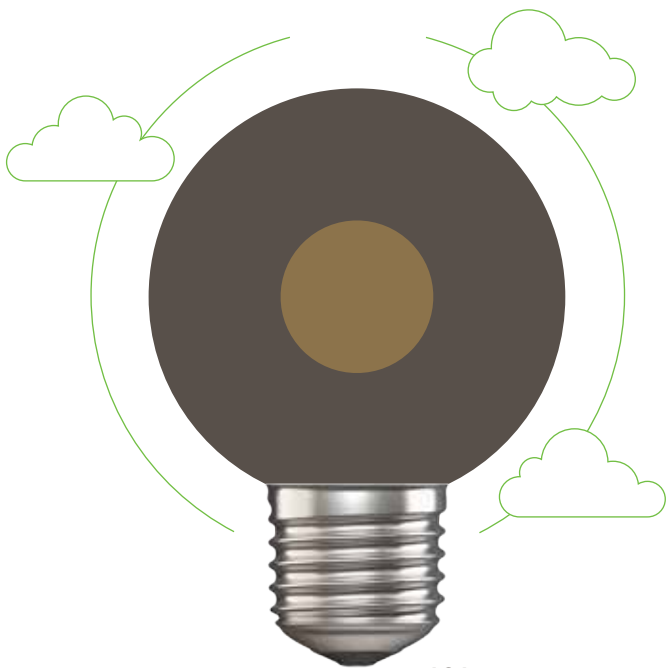
### Our carbon footprint

The baseline for our carbon footprint is 2020. The value of the carbon footprint was 40,917 tCO<sub>2</sub> eq, this figure was verified after the GHG calculation audit verification, as per the ISO 14064- 1:2018 standard, on November 29, 2022, by ICONTEC consulting company.

We have the Greenhouse Gas Inventory Verification Statement Certificate. Also, we are registered in the Ministry of Energy and Mines Peruvian Carbon Footprint Program, and we have obtained a recognition for our measurement.

As of the date of this report, the 2021 measurement was in the data collection and analysis stage. The result will be informed in our website and in the following report and informed to all the interested parties.

We have the Greenhouse Gas Inventory Verification Statement Certificate





Results for the baseline year 2020  
Emissions per categories

2020 CARBON FOOTPRINT (PER CATEGORIES, TYPE OF GHG, IN TCO2 EQ AND PERCENTAGES)

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305-5

Category	CO2 Emissions (t)	CH4 Emissions (t CO2 eq)	N2O Emissions (t CO2 eq)	HFC Emissions (t CO2 eq)	t CO2 eq	% Total
Category 1: Direct GHG emissions	8,070.79	1,688.32	26.79	18.5	9,840.24	24.05%
Transportation of own vehicles	6.26	0	0.03	0	6.29	0.02%
Fuel consumption of own stationary equipment	3,586.35	4.55	8.35	0	3,599.25	8.80%
Fuel consumption of own mobile machinery	227.65	0.38	3.44	0	231.47	0.57%
Kitchen	455.90	0.22	0.2	0	456.31	1.12%
Air conditioning	0	0	0	18.5	18.5	0.05%
Residual Water Treatment Plant	0	967.55	0	0	1,003.38	2.45%
Septic tank	0	10.44	0	0	10.44	0.03%
Fertilizers	0	0	0.14	0	0.14	0.00%
Welding	2.46	0	0	0	2.46	0.01%
Maintenance	67.23	0	0	0	67.23	0.16%
Blasting	193.59	0	0	0	193.59	0.47%
In-mine landfill	0	691.88	0	0	691.88	1.69%
Composting	11.1	9.08	6.88	0	27.06	0.07%
In-house power generation	3,520.24	4.23	7.75	0	3,532.22	8.63%
Category 2: Indirect GHG Emissions	11,355.99	20.95	23.86	0	11,400.79	27.86%
Emissions from electricity consumption	11,355.99	20.95	23.86	0	11,400.79	27.86%

Category	CO2 Emissions (t)	CH4 Emissions (t CO2 eq)	N2O Emissions (t CO2 eq)	HFC Emissions (t CO2 eq)	t CO2 eq	% Total
Category 3: Indirect GHG emissions from transportation	1,213.72	2.84	15.52	0	1,232.08	3.01%
Waste transportation	105.49	0.04	1.52	0	107.05	0.26%
Transportation of personnel in buses or vans hired by the company.	538.05	2.68	8.66	0	549.39	1.34%
Air travel	103.9	0.04	0.47	0	104.42	0.26%
Transportation of supplies	298.05	0.08	4.09	0	302.23	0.74%
Transportation of bullions	168.23	0.01	0.77	0	169	0.41%
Category 4: Indirect GHG emissions from products used by the organization.	18,340.73	9.11	93.4	0	18,443.24	45.08%
Waste generation	0	0	0	0	0	0.00%
Consumption of paper and cardboard	4.67	0	0	0	4.67	0.01%
Production of inputs used	10,763.11	0	0	0	10,763.11	26.31%
Fuel consumption of contracted vehicles	2,052.80	0	9.91	0	2,062.71	5.04%
Fuel consumption of third-party mobile machinery	5,520.14	9.11	83.49	0	5,612.74	13.72%
Total Carbon Footprint	38,981.23	1,721.23	159.56	18.5	40,916.35	100.00%

Source: Libélula Comunicación Ambiente y Desarrollo S.A.C.  
The value of Scope 2 GHG emissions is based on the location of operations.

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Efficient measures against climate change

Our gas emissions management plan monitors, controls and keeps emissions below the maximum allowed standards, pursuant to the legal provisions in force. Monitoring is performed by a laboratory certified by the Instituto Nacional de Calidad (Inacal). The monitoring frequency is determined as per the EIA's environmental monitoring plans.

Results in the smelter

According to our environmental assessments, a quarterly monitoring of emissions is carried out pursuant to the provisions of Ministerial Resolution No. 315-96-EM/VMM. The main greenhouse gases considered in this environmental instrument are SO2, CO and NOx. The smelting load composition and preventive maintenance of the gas treatment system are important factors to achieve good results in the emission quality. We have

implemented an electric induction furnace to replace the oil furnace, thus eliminating a large amount of combustion gas concentration, among other actions.

RESULTS OF SMELTER EMISSIONS IN THE MARAÑON PRODUCTION UNIT

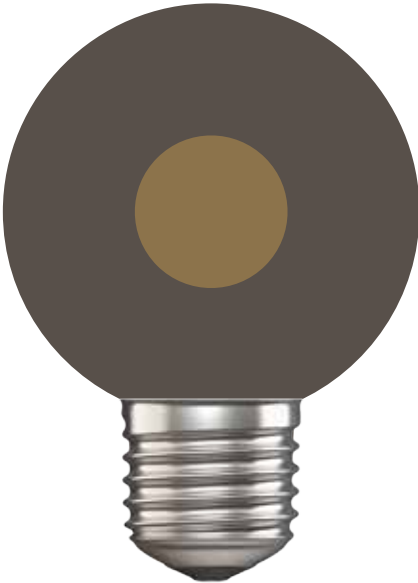
		2020							
		OTHER GASES					GHG		
Month	Chimney	Particulate material	Lead	Arsenic	Sulphur dioxide	Carbon monoxide	Nitrogen oxides		
			(mg/m³)	(mg/m³)	(t/d)	(mg/m³)	(mg/m³)		
Q1	Smelter	55.23	0.9567	1.30886	0.00450	2.50	2.05		
	Resmelter	134.09	5.77206	3.07025	0.00260	4.17	2.12		
Q2	Smelter	NOT PERFORMED DUE TO THE EMERGENCY STATUS MEASURES							
	Resmelter								
Q3	Smelter	20.57	0.52225	0.7606	0.00520	23.73	37.38		
	Resmelter	13.34	0.72968	0.85972	0.01010	1.32	177.23		
Q4	Smelter	33.44	2.39448	2.15698	0.0008	6.3	<1.8		
	Resmelter	94.09	4.48074	6.21227	0.0016	<1.15	<1.8		
MPL at any time (mg/ m3)		100	25	25	20	NE	NE		

		2021							
		OTHER GASES					GHG		
Month	Chimney	Particulate material	Lead	Arsenic	Sulphur dioxide	Carbon monoxide	Nitrogen oxides		
			(mg/m³)	(mg/m³)	(t/d)	(mg/m³)	(mg/m³)		
Q1	Smelter	2.94	0.00623	0.00535	0.0003	44.68	214.55	13.69	0.12423
	Resmelter	10.31	0.02262	0.02074	0.0063	93.17	47.22	9.35	0.01914
Q2	Smelter	23.77	0.05328	0.04651	0.0037	259.34	321.20	8.71	0.25919
	Resmelter	2.26	0.02714	0.01267	0.0008	73.73	25.54	10.57	0.23906
Q3	Smelter	11.52	0.64859	0.30386	0.338	20.24	21.02	0.40	0.07950
	Resmelter	28.64	1.27157	0.5859	0.0021	31.69	20.37	1.40	0.02850
Q4	Smelter	34.49	0.84088	0.92327	0.001	14.51	40.89	1.70	0.00661
	Resmelter	60	0.66773	0.20581	0.0006	74.08	120.79	1.73	0.00159
MPL at any time (mg/ m3)		100	25	25	20	NE	NE	100	25





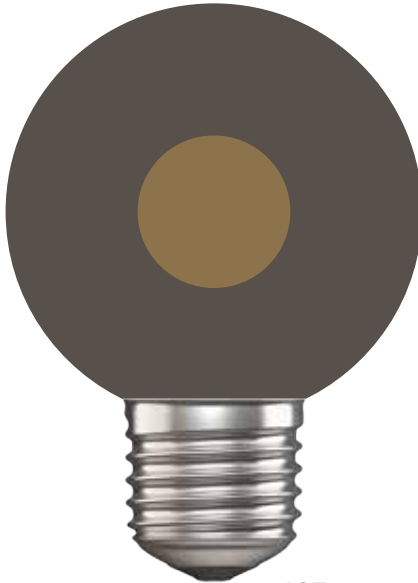
**Results on electric power generators**  
The results of the electric power generator emissions monitoring during 2022 were below the MPL. It is important to mention that these generators run to cover the excess demand of energy and when there are power outages in the National Interconnected Grid (SEIN). Currently, our operation receives energy from the SEIN and it is complemented with the energy produced in our Jose Alberto Samaniego hydroelectric power station. This way, we have significantly reduced the percentage of greenhouse gas emissions released by the electric power generators.



RESULTS OF ELECTRIC POWER GENERATOR EMISSIONS IN THE MARAÑON PRODUCTION UNIT 2022

		2020			2021			2022		
		OTHER GASES		GHG	OTHER GASES		GHG	OTHER GASES		GHG
Month	Chimney	Carbon monoxide (mg/m³)	Sulphur dioxide (mg/ m³)	Nitrogen oxides (mg/m³)	Carbon monoxide (mg/m³)	Sulphur dioxide (mg/ m³)	Nitrogen oxides (mg/m³)	Carbon monoxide (mg/m³)	Sulphur dioxide (mg/m³)	Nitrogen oxides (mg/m³)
Q1	CAT 3412 No. 2 Electric Power Generator	330.1	194.47	1,786.55		407.41	100.43	1,504.46		
	CAT 3412 No. 3 Electric Power Generator	334.27	197.33	2,158.75		407.8	110.04	1,532.44	285.61	66.73
	CAT 3516 Electric Power Generator	85.86	239.28	3,301.65		143.19	326.62	2,315.74	178.7	<2.86
	EMD 1 Electric Power Generator	408.88	136.32	2,080.16		OUT OF ORDER		264.61	24.31	1,326.1
	EMD 2 Electric Power Generator	429.3	86.75	1,661.33		319.21	47.16	954.39	MAINTENANCE	
	White Superior Electric Power Generator	498.49	101.05	2,126.78		206.19	143.23	1,409.45	MAINTENANCE	
	C-27 Electric Power Generator	134.62	214.49	2,068.11		176.4	156.33	1,709.54	104.62	17.16
	C-27 No. 2 Electric Power Generator							241.32	38.13	1,734.44
Q2	CAT 3516 Electric Power Generator	NOT PERFORMED DUE TO THE EMERGENCY STATUS MEASURES				1,553.82	32.75	2,523.97	MAINTENANCE	
	CAT 3412 No. 2 Electric Power Generator					934.76	522.73	994.01	272.25	<2.62
	CAT 3412 No. 3 Electric Power Generator					944.48	944.48	31.99	294.77	<2.62
	EMD 1 Electric Power Generator					191.68	12.23	264.41	256.21	<2.62
	EMD 2 Electric Power Generator					97.75	8.73	293.95	660.95	<2.62
	White Superior Electric Power Generator					1,984.12	35.81	220.81	743.43	<2.62
	C-27 Electric Power Generator					1,166.62	10.48	2,523.97	MAINTENANCE	
Q3	CAT 3516 Electric Power Generator	128.68	425.3	2,730.91		178.7	54.15	2,783.15	218.4	0
	CAT 3412 No. 2 Electric Power Generator	371.52	178.16	1,620.86		OUT OF ORDER - REPAIR		OUT OF ORDER		
	CAT 3412 No. 3 Electric Power Generator	363.7	182.09	1,555.58		386.8	109.17	1,947.23	324.5	0
	EMD No. 1 Electric Power Generator	201.23	200.87	1,472.60		146.62	35.81	1,405.94	192.8	0
	EMD No. 2 Electric Power Generator	109.2	117.03	1,094.69		266.14	5.24	1431.71		
	White Superior Electric Power Generator	340.22	95.19	1,403.87		615.51	26.2	1,997.46	383.3	0
	C-27 Electric Power Generator	120.28	130.13	1,611.01		157.31	20.96	2,022.74	168.7	2.6
	CAT C27 No. 2 Electric Power Generator							530.2	0	1,776.5
Q4	CAT 3516 Electric Power Generator	OUT OF ORDER				103.48	<2.62	938.21	171.4	0
	CAT 3412 No. 2 Electric Power Generator	387.94	12.23	1,871.66		OUT OF ORDER - REPAIR		OUT OF ORDER		
	CAT 3412 No. 3 Electric Power Generator	526.17	13.10	1,134.83		349	<2.62	16.42	337.1	0
	EMD No. 1 Electric Power Generator	244.90	64.19	1,344.73		271.1	<2.62	1,486.09	181.3	0
	EMD No. 2 Electric Power Generator	571.38	17.47	1,321.09		394.05	<2.62	1,344.66		
	White Superior Electric Power Generator	689.97	<2.26	1,903.77		9.73	36.68	1,804.55	363.8	0
	C-27 Electric Power Generator	MAINTENANCE				184.04	<2.62	1,587.68	183.2	0
	CAT C27 No. 2 Electric Power Generator							315.7	0	1,690.74
MPL at any time (mg/m³)		4,300	700	3,000		4,300	700	3,000	4,300	700

Currently, our operation receives energy from the SEIN and it is complemented with the energy produced in our Jose Alberto Samaniego hydroelectric power station



RESULTS OF ELECTRIC POWER GENERATOR EMISSIONS  
IN THE SANTA MARIA PRODUCTION UNIT 2021-2022

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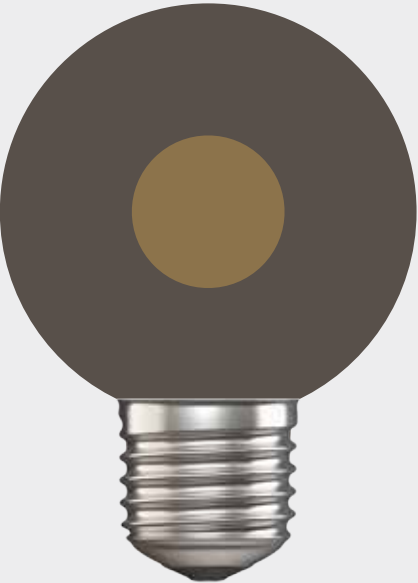
		2021			2022		
		OTHER GASES		GHG	OTHER GASES		GHG
Months	Chimney	Carbon monoxide (mg/m³)	Sulphur dioxide (mg/m³)	Nitrogen oxides (mg/m³)	Carbon monoxide (mg/m³)	Sulphur dioxide (mg/m³)	Nitrogen oxides (mg/m³)
Q2	GE- C27-02	412.63	29.55	966.62	271	14	2,429
	GE-C27-03	OUT OF ORDER			338	<2.86	2,187
Q4	GE-C27-02	RELOCATED MÑ			92	33.1	1,920.5
	GE-C27-03	<1.15	19.21	44.9	185.1	0	1,704.9
MPL at any time (mg/m³)		4,300	700	3,000	4,300	700	3,000

Supreme Decree Project MPL Gas emissions, electricity industry (FEBRUARY 13, 2004) \* Measurement and analysis methodology: EPA CTM 030 (test), October 13, Rev 7, 1997

Sampling methodology

a. Particulate Matter USEPA  
Method 5: Determination of  
Particulate Matter Emissions  
from Stationary Source

40 CFR Part 60 USEPA: based on the principle of isokinetic sampling, which consists of capturing the aspiration gases at the same speed as the ones inside the chimney. The particulate matter is determined gravimetrically after the unmixed water has been extracted.



AP-42 Methodology

Stationary Point and Area Sources Factor Emissions Compilation (USEPA 1985), that allows estimating the pollutant emission loads expressed in Kg/h, according to the type and volume of fuel used, as well as the operating period of the source.

b. Sulphur Dioxide  
US EPA Method 6:

Determination of sulfur dioxide emissions from stationary sources. Described in the 40 CODE OF FEDERAL REGULATIONS, Part 60. This measurement is performed together with the isokinetic measurement. Sulfuric acid vapor is separated (including sulfur trioxide) from sulfur dioxide. Both fractions are measured separately by the barium-thorin titration method. (Specific for high concentrations of SO2).

c. Metallic Elements lead,  
arsenic

Analysis in particle sampling filters, according to the method indicated: Lead and Arsenic: CFR Title 40, ANNEX A-8 to part 60, Method 29. 2014. Determination of Metal Emissions from Stationary Sources.

d. Gases and complementary  
parameters

Gas measurements were performed based on the principle of electrochemical cells according to CTM-030 (EPA) guideline, using TESTO equipment.

e. Gas exit velocity

US EPA Method 1: Localization of sampling points and velocity speed from stationary sources. US EPA Method 2: Determination of velocity and volumetric flow in chimney gases.







MATERIALS  
MANAGEMENT

Our strategy is designed to be environmentally friendly. In that sense, we seek to reduce and reuse the materials we use in our processes. We are working to incorporate a circular economy vision in our corporate culture and in the minds of our employees, contractors, suppliers, and communities.

Sorting and adequate management of the materials we use in all the working areas contributes to reducing the impact on the environment and on human health, both inside and outside our operations. Likewise, tailings facility management is essential to maintain hazardous waste storage facilities in good conditions of physical and chemical stability.

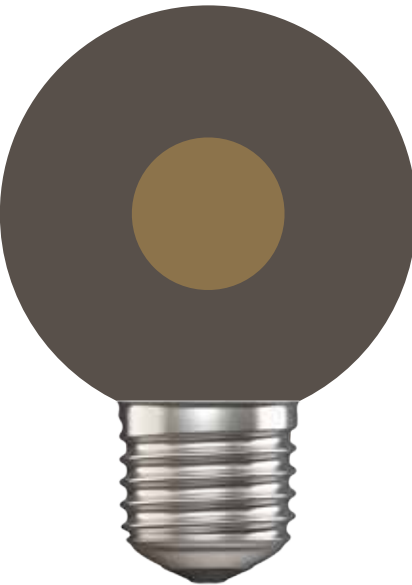
We produce hazardous and non-hazardous waste; therefore, we establish adequate plans and strategies to ensure their efficient long-term management. These actions are based on our Sustainability Statement, our Environmental Policy, and our Management Policy. In this, as in other key aspects, the sustainability of our activities, neighboring communities and environmental protection are fundamental variables when planning controls and implementing required process improvements.

To minimize the amount of waste, we promote the practice of the 3R principle: Reducing, Reusing and Recycling. We work on raising awareness among our workers, contractors, and the population, about the importance of reducing waste, and handling it adequately as to reduce pollution. Among other actions, in 2022, we decided to replace everyday

use materials with those that are eco-friendly, for example, use of LED lamps, water-saving systems, biodegradable detergents, among others. Also, we stopped using expanded polystyrene containers for lunch or meetings and replaced it with biodegradable disposable materials. Sensors were installed in pipes to save water together with automated lighting systems in the Lima office in some areas of the mine.

Hazardous materials require specialized handling and treatment to prevent pollution with fuel, hydrocarbons, chemical reagents, etc. All the same, we have two vehicles that collect the residues and take them to the land fill, to the industrial fill, to the hazardous solid residues warehouse or to the hazardous waste materials pile, according to their classification and type.

Water, energy, chemical inputs, minerals, and timber are the



strategy 

We are working to incorporate a circular economy vision in our corporate culture and in the minds of our employees, contractors, suppliers, and communities

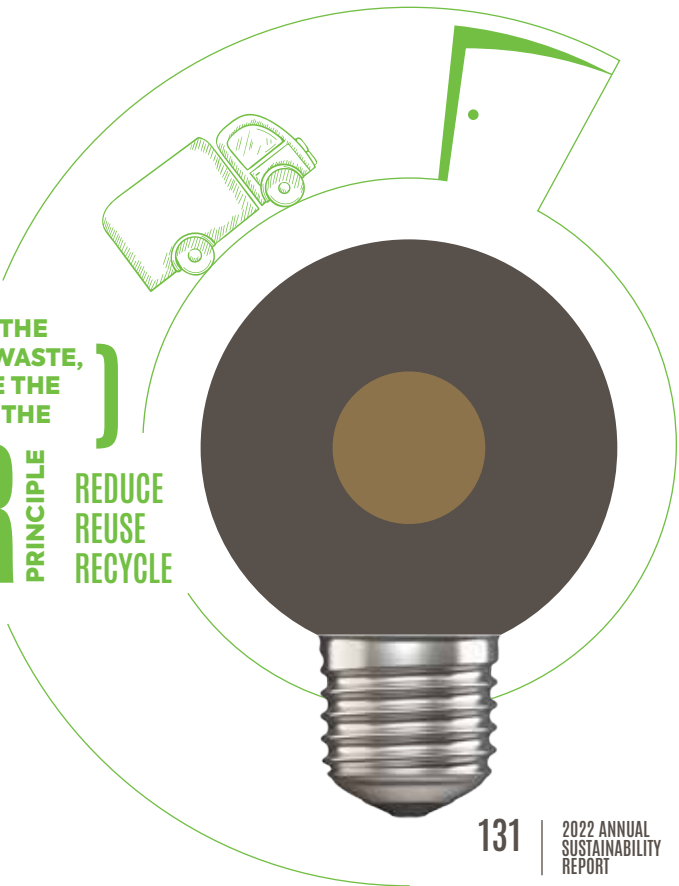
MAIN MATERIALS USED PER TYPE AND VOLUME 2018-2022

Material	Renewable	2018	2019	2020	2021	2022	Unit
Timber*	Yes	6,872	7,687	54,679	51,938	51,323	Pieces
Timber (sq ft)**	Yes	1,800,895	2,464,545	133,176	149,028	199,399	Pieces
Fuel	No	2,037,822	2,024,281	1,563,498	2,223,587	2,714,854	Gallons
Lubricants	No	48,438	59,257	32,775	36,902	49,831	Gallons
Greases	No	12,722	15,851	10,959	11,631	11,914	kg
Borax	No	9,025	13,664	11,050	13,275	12,975	kg
Sodium Carbonate	No	550	750	400	350	400	kg
Cyanide	No	448,000	500,000	482,000	552,000	602,000	kg
Zinc powder	No	24,650	30,600	24,250	30,150	27,100	kg
Lime	No	507,680	718,833	717,660	772,500	800,000	kg
Screws	No	180,385	196,168	124,388	191,880	211,832	Set.
Meshes	No	6,875	7,074	5,529	8,097	6,931	Rolls

\*Timber: Considers round logs.  
\*\*Timber (ft²): Considers planks, scantlings, tines

most used resources used in our operation processes. As production increases, so does mineral extraction and the use of materials. To control and reduce the use of timber for mine support purposes, we are using helical bolts, metallic beams, shotcrete, and other accessories. All the same, the newly exploited pits are filled with hydraulic filling. Cyanide, lime, zinc, sodium carbonate and borax are used in mineral processing and in product production.

TO MINIMIZE THE AMOUNT OF WASTE, WE PROMOTE THE PRACTICE OF THE 3R PRINCIPLE  
REDUCE  
REUSE  
RECYCLE



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Waste Disposal

Solid waste management is based on disposing waste in authorized platforms inside our operations, which are then stored temporarily (hazardous waste and waste that can be sold) or are disposed of inside our authorized landfills (general and domestic waste).

We hire certified companies, such as OE-RS, that are responsible for transferring hazardous residues and their final disposal in safety landfills or they take them for recycling, as in the case of residual oil. The companies responsible for this management are Gestion de Servicios Ambientales S.A.C. and Green Care.

Waste management is characterized by differentiation according to the intrinsic characteristics of each type of waste. In general, they are differentiated as hazardous and non-hazardous waste. They are disposed of in the corresponding-colored bins according to the type of waste.

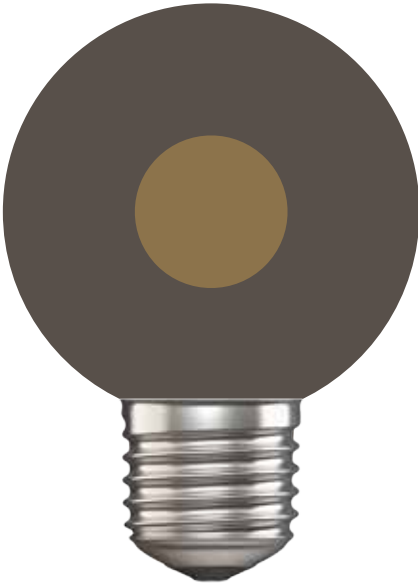
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We chose to prevent and minimize

2

Waste recovery is carried out, which includes activities such as recycling, reuse, and waste treatment; in this last aspect we have managed to obtain compost from organic waste

WASTE MANAGEMENT COMPLIES WITH A STRICT DISPOSAL PROTOCOL



SUMMARY OF THE WASTE GENERATED IN 2021, PER TYPE AND TREATMENT METHOD

	General/ domestic (t/year)	Industrial Hazardous (t/year)	Hospital (t/years)	Residual oil (gl/year)	Metallic (t/year)
Companies responsible for final disposal	Poderosa	Gestión de Servicios Ambientales SAC, Green Care, Innova Ambiental S.A., Kanay SAC	Gestión de Servicios Ambientales SAC, Green Care, Innova Ambiental S.A.	Gestión de Servicios Ambientales SAC, Green Care, Corporación Medioambiental AMPCO	Multiservicios Famise
Classification	Non-hazardous	Hazardous	Hazardous	Hazardous	Non-hazardous
Treatment method	Deposited in a sanitary landfill	Final disposal in security landfills	Security landfill	Recycled and sold	Recycled, recovered, and sold
2022	3,199.361	343.50	3.70	89	683.89
2021	1,389.510	294.50	4.10	68	536.53
2020	1,077.380	47.73	0.80	60	439.36
2019	808.590	86.84	0.68	76	451.89
2018	1,185.240	74.49	0.59	72	422.03

Source: Minera Poderosa



3

FINAL DISPOSAL OF WASTE

Residues for fertilizers

In 2022 our compost plant produced 6,020 k of compost from organic residues. These were used in the green areas of our facilities. We continue to explore new technological methods to improve production





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**Tailings and waste rock dump sites management facilities**

Our strict controls in place make our tailings and waste rock facilities safe for our processes, for the environment and the surrounding community. Our tailings (waste from ore processing) and waste rock (waste from the mining process) have detailed engineering files that establish the dimensions, general design, auxiliary control components (such as coronation channels), geotechnical measuring instruments, operations manual, among other controls that allow reviewing the physical and chemical condition of the waste facility. It is important to mention that the tailings and waste rock dumpsters require approval from the authority (MINEM General Mining Direction - DGM) before they start operating, all the same, Osinergmin constantly verifies the compliance with the controls established in the files and the approval resolutions.

TAILINGS PRODUCTION (NUMBER OF T/YEAR)

Tailings pond	2020	2021	2022
Marañon tailings	339,843	263,172	300,309
Santa Maria tailings	280,002	301,724	319,109
Total	619,845	564,896	619,418

WASTE ROCK GENERATION (NUMBER OF T/YEAR)

Dump Site	2020	2021	2022
Marañon	220,687	214,651	244,328
Santa Maria	318,149	219,179	490,017
Total	538,836	433,830	734,345



Waste management is characterized by differentiation according to the intrinsic characteristics of each type of waste



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MM2

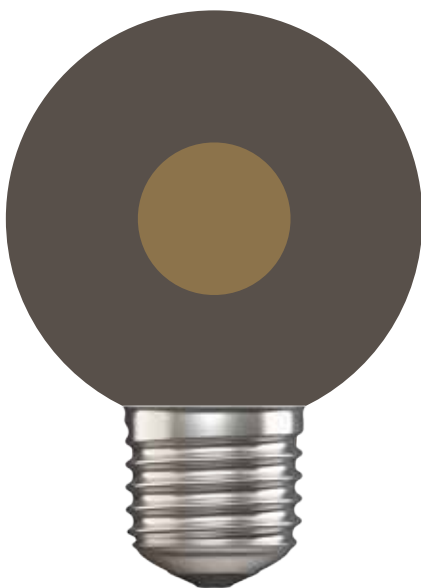


## RESPECT FOR BIODIVERSITY

Protecting our surroundings and preserving a healthy environment is key for the sustainability of our operations. Therefore, we perform our activities with respect, minimizing risks, and creating control mechanisms to preserve



We always seek to reduce the impacts of our operations)



our environment. Human activities, especially those that occupy large areas and develop infrastructure, such as the activity we carry out, can have an impact in the habitat of different types of species and can affect the balance of the ecosystem in general.

We recognize the importance of biodiversity, ecosystems, and are aware that certain species and natural resources are vital to the communities in our environment. We always seek to reduce the impacts of our operations to minimize long-term net habitat loss.

With this in mind, before we start our operations, we carry out environmental studies to measure their impact on the environment, according to the legal provisions in force, and we implement the Environmental Management Plan and Environmental Compensation Plan as mitigation measures to reduce environmental impacts, such as noise, use of land, among other.

According to our Environmental Management Policy, we seek to improve our environmental management and we continue to work to optimize the environmental management system based on ISO 14001:2015.

These measures, according to the River Abiseo National Park Master Plan, include protecting endangered endemic birds, forests and native plant species protected by domestic laws. The Abiseo River National Park has a great value regarding its endemic flora and fauna, and it also provides a cultural legacy for humankind. We always seek

to reduce the impacts of our operations on the archaeological sites within its territory. The goal is to protect the mist forests of the lower jungle, high jungle and to preserve those wild fauna species that are on the verge of extinction, besides protecting the Gran Pajatén and Los Pinchudos archaeological sites. Marañon and Santa Maria production units are located within the Abiseo River National Park buffer zone, between 1,200 and 2,900 m.a.s.l. They cover an approximate area of 4,746 hectares; however, direct operations are carried out in 2,500 hectares. Due to the location of our mining operations, there are no possible environmental, cultural, or social impacts on the National Park natural protected area. All our operations have a biodiversity management plan.

### We protect our valuable natural resources

Before the start of the operations, we measure biodiversity to understand its characteristics and its ecosystems. When the mine is operating at full capacity, biologic monitoring allows to quantify the existing biodiversity and compare it to the measurements taken. All the same, to design realistic conservation or compensation plans, it is necessary to measure and quantify the biodiversity in the area of influence to take actions leading to improve the conditions and to increase biodiversity.

As part of Poderosa's Environmental Impact Assessments (EIA) environmental management, we perform flora and fauna, and hydrobiological monitoring in our areas of influence.

### One million trees planted

In line with our commitment to protect biodiversity and the environment, we are moving towards our goal of making mining more responsible and contributing to the sustainability of the country and neighboring communities. This decision is evident through the forestation and reforestation activities carried out by our company. These bring about many benefits: They help improve air and soil quality, they create natural flora and fauna habitats and generate productive activities in the communities in our area of influence. All the same, forestation reduces our carbon footprint.

All the same, forestation activities allow us to compensate the use of timber in our operations. This project, which we carry out voluntarily, contributes to enhance the environment and to provide clean air to the surrounding area.

The forestation activities are managed with the participation of the neighboring communities. Their contribution is very important to us. Every year we allocate funds to carry out forestation activities in our land, in agreement with the community members as we foster agro-industrial activities through our NGO, Asociacion Pataz. (For further information refer to Asociacion Pataz's Annual Report): [www.asociacionpataz.org.pe/](http://www.asociacionpataz.org.pe/)



### Impacts on carbon footprint reduction

The impact of forestation activities has been measured, in general, based on the generation of oxygen that each tree returns to the environment and how they absorb CO2. In 2022 we measured our carbon footprint for 2021. These results will also allow us to relate forestation as compensatory measures to reduce the footprint. On the other hand, the impacts of forestation are related to the increase of tree production in the Huaylillas, Buldibuyo, Ongon and Tayabamba districts, in the Pataz province.

During 2022 454,443 plants have been installed in community lands, through Asociacion Pataz. We must mention that throughout the history of the company, 5,257 hectares have been forested with more than 6,460,518 trees.

GRI  
304-3







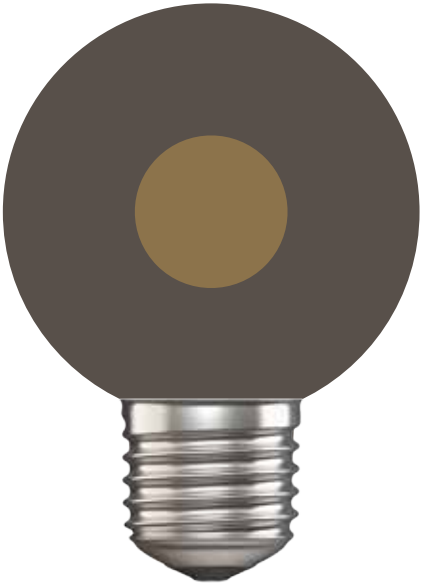
Throughout the history of  
the company, 5,257 hectares have  
been forested with more than  
6,460,518 trees





FORESTATION ACTIVITIES FINANCED BY PODEROSA IN 2022

Commu- nity	2020		2021		2022		Type of tree	Executed by	Benefi- ciary
	No. trees planted	No. ha reforested o forested	No. trees planted	No. ha reforested o forested	No. trees planted	No. ha reforested o forested			
Chugay	220,000	264.01	165,000	150	165,000	150	Pine	Asociación Pataz	Coopandina
	10,000	12.5	6,400	8	6,400	8	Quinual	Asociación Pataz	Coopandina
Tayabamba	367,290	330	127,600	116	240,000	218	Pine	Asociación Pataz	La Victoria Farming Community
	107,000	130	30,000	37.5	16,825	21.03	Quinual	Asociación Pataz	La Victoria Farming Community
Macania	24,000	17.77	-	-	-	-	Eucalyptus	Asociación Pataz	Asociación Macania
Suyubamba- Antapita	-	-	14,100	8.81	-	-	Eucalyptus urograndis	Poderosa	Poderosa
	-	-	6,350	3.97	-	-	Highland Cider	Poderosa	Poderosa
	-	-	1,400	0.88	-	-	Radiata Pine	Poderosa	Poderosa
	-	-	100	0.06	-	-	Carica papaya	Poderosa	Poderosa
Pataz	-	-	-	-	830	0.75	Quina	Asociación Pataz	Los Alisos Community members
	-	-	-	-	833	0.75	Quina	Asociación Pataz	Vista Florida Pías Community members
Pías	-	-	-	-	555	0.50	Eucalyptus	Asociación Pataz	Alacoto Community members
Santa Clara / Condormarca	-	-	-	-	24,000	17.77	Eucalipto	Asociación Pataz	Asociación Macania
Total	728,290	754.28	350,950	325.22	454,443	416.8			



In 2022, 454,443 trees  
have been planted in  
community land through  
Asociacion Pataz







As part of Poderosa’s commitment with the zone’s biodiversity, and as established in the Environmental Management Plan included in the Environmental Impact Assessments (EIA), we carry out periodic flora and fauna evaluation and monitoring to have standardized and biological information that allows follow-up of the evolution and regeneration of the wildlife.



Type	Criteria	Species	Total
FLORA	In critical danger	-	-
	Endangered	-	-
	Vulnerable	<ul style="list-style-type: none"><li>• <i>Jacaranda acutifolia</i></li><li>• <i>Caesalpinia spinosa</i></li><li>• <i>Jatropha macrantha</i></li></ul>	3
	Almost threatened	<ul style="list-style-type: none"><li>• <i>Tecoma sambucifolia</i></li><li>• <i>Salvia oppositifolia</i></li><li>• <i>Acacia macracantha</i></li><li>• <i>Iresine weber</i></li></ul>	4
	Minor concern	-	-
FAUNA	In critical danger	-	-
	Endangered	<i>Tremarctos ornatus</i>	1
	Vulnerable	-	-
	Almost threatened	<b>Animals</b> <ul style="list-style-type: none"><li>• <i>Phyllotis andium</i></li><li>• <i>Eremoryzomys polius</i></li><li>• <i>Artibeus fraterculus</i></li><li>• <i>Artibeus planirostris</i></li><li>• <i>Glossophaga soricina</i></li><li>• <i>Micronycteris megalotis</i></li><li>• <i>Sturnira oporaphilum</i></li><li>• <i>Carollia perspicillata</i></li><li>• <i>Lycalopex culpaeus</i></li><li>• <i>Puma concolor</i></li></ul> <b>Reptiles</b> <ul style="list-style-type: none"><li>• <i>Flavipunctatus</i></li><li>• <i>Sibynomorphus</i> sp.</li><li>• <i>Micrurus cf. mertensi</i></li><li>• <i>Epictia</i> sp.</li><li>• <i>Stenocercus omari</i></li></ul> <b>Anphibian</b> <ul style="list-style-type: none"><li>• <i>Rhinella gr. spinulosa</i></li></ul> <b>Birds</b> <ul style="list-style-type: none"><li>• <i>Forpus xanthops</i></li><li>• <i>Columba oenops</i></li></ul>	18
	Minor concern	-	-



MINE CLOSURE PLAN

Our environmental management deploys a variety of tools. Careful and responsible mine closure planning and execution are critical to successfully managing environmental, safety and social impacts. Mining activities have a finite life span. Mine closure is a complex and challenging issue, and we must ensure that closure plans mitigate risks and leave a positive legacy at the end of the operation.

Our mine closure plan includes technical and legal actions that enable us to remediate the areas used or disrupted so that they can meet ecosystem characteristics that are compatible with a healthy and suitable environment

for the development of life and for landscape preservation. This includes the remediation of the site, and, during the closure process, it ensures that there are no hazards left to health, or to the environment.

**Looking ahead into the future**  
We design mine closure plans at feasibility level, following the industry regulations; we also execute the closure of components that have completed their operation lifespan; establishing financial guarantees for those components scheduled for the final closure stage and mine post closure maintenance.

On July 26, 2022, the second update of the Poderosa Mining Unit Closure Plan was approved

(report No. 412-2022/MINEM-DGAAM-DEAMDGAM) by Director’s Office Resolution No. 222-2022/MINEMDGAAM. The activities are being executed according to the plan.

We must ensure that the closure plans mitigate risks





RESOLUTIONS APPROVED DURING THE OPERATION OF THE MINE

Approval year	Mine closure plan description	Approval resolution
2010	Mine closure plan	RD N° 119-2010-MEM-AAM
2011	1st Modification to Mine Closure Plan	RD N° 121-2011-MEM-AAM
2013	Mine Closure Plan update	RD N° 298-2013-MEM/AAM
2016	2nd Modification to Mine Closure Plan	RD N° 065-2016-MEM-DGAAM
2017	3rd Modification to Mine Closure Plan	RD N° 093-2017-MEM-DGAAM
2018	4th Modification to Mine Closure Plan	RD N° 102-2018-MEM-DGAAM
2022	Mine Closure Plan 2nd update	RD N° 222-2022-MINEM-DGAAM

INVESTMENT IN GRADUAL CLOSURE MEASURES 2007-2022 (USD)

EXECUTED BUDGET

	2007	2008	2009	2010	2011	2012	2013	2014
Total	325,224	416,627	180,222	404,287	110,341	408,414	628,426	1,099,312
Total accrued	325,224	741,851	922,073	1,326,360	1,436,700	1,845,115	2,473,540	3,572,852

	2015	2016	2017	2018	2019	2020	2021	2022 (ene.-nov)
Total	831,878	1,155,132	1,152,584	1,629,210	192,857	82,248	1,288,923	841,840
Total accrued	4,404,730	5,559,862	6,712,446	8,341,656	8,534,513	8,616,761	9,905,684	10,747,523



ENERGY MANAGEMENT

In line with our commitment to reduce energy emissions, energy management allows to respond to the mining operations electric power demand in a timely and reliable manner. It is oriented to reduce electricity costs in the generation, transmission, and distribution processes, prioritizing the reliability of the internal grid with a lower social and environmental impact. Our plans are embedded in our Responsibility Statement and our Environmental Policy.

To analyze the future energy needs in the operational areas, electric generation projects are implemented with Renewable Energy Resources (RER) and there are plans in place to have a sound transmission system. To achieve this, the Superintendency of Energy Projects (SPE) has implemented an energy project management procedure involving each project stage (profile, prefeasibility, feasibility, investment and start up) based on the Project Management Institute (PMI) standards. The PMI is a global, not-for-profit professional organization for project and program managers, established in 1969 and has more than 2.9 million members worldwide.

Our focus is on renewable energy sources

The Superintendency of Energy Projects assesses the projects' progress according to the annual program approved by the Senior Management, it reviews any possible deviations, implementing the necessary measures to orient them towards the stated objectives in a timely manner. Therefore, the improvement opportunities identified at the end of last year's internal auditing report, were executed.

During 2022, total energy consumption increased in 18% compared to 2021, due to the

commissioning of new equipment. Hydroelectric power generation increased in 113.4%, and thermal electric energy increased in 284.8%, therefore, oil consumption increased in 75%.

However, we managed to reach 7.4% renewable energy use compared to the 3.5% goal. This is because we produced more renewable energy in the Tingo Hydro Electric power station because of the rainfall in the basin.

The accrued energy cost in 2022 was 99.01 USD/MWh, this result is 29.41% higher than in 2021 (76.51 USD/ MWh).

GRI  
3-3  
302-1

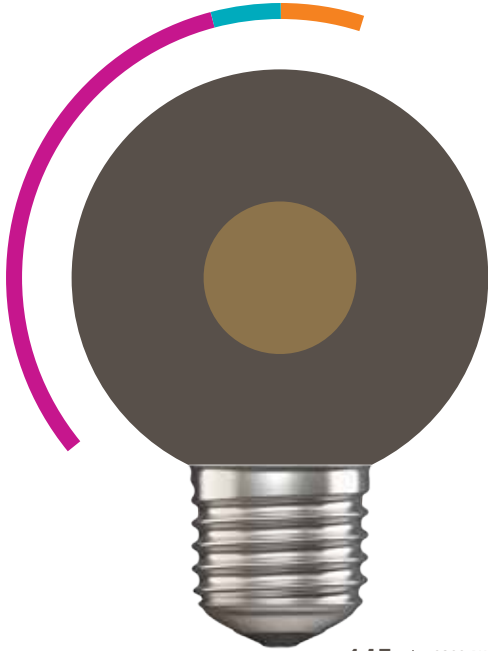
ENERGY INPUT PER TYPE OF SOURCE 2022

355,372 GJ  
TOTAL ENERGY CONSUMPTION

85%  
SEIN  
301,958 GJ

8% THERMAL 27,164 GJ  
7% HYDROELECTRIC 26,250 GJ

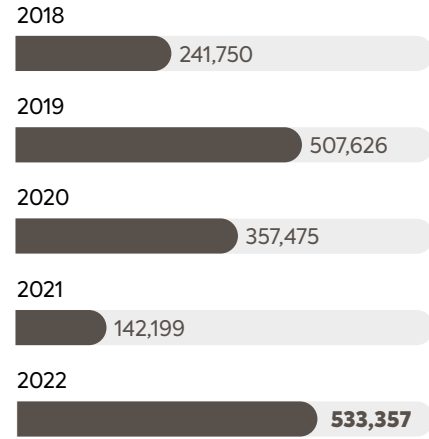
From the three sources of energy, hydroelectric energy is considered renewable.



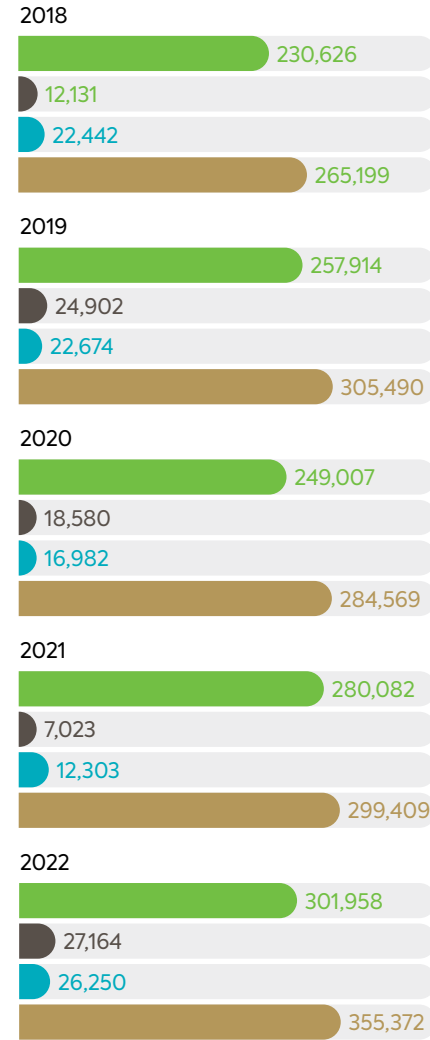


GRI  
302-1

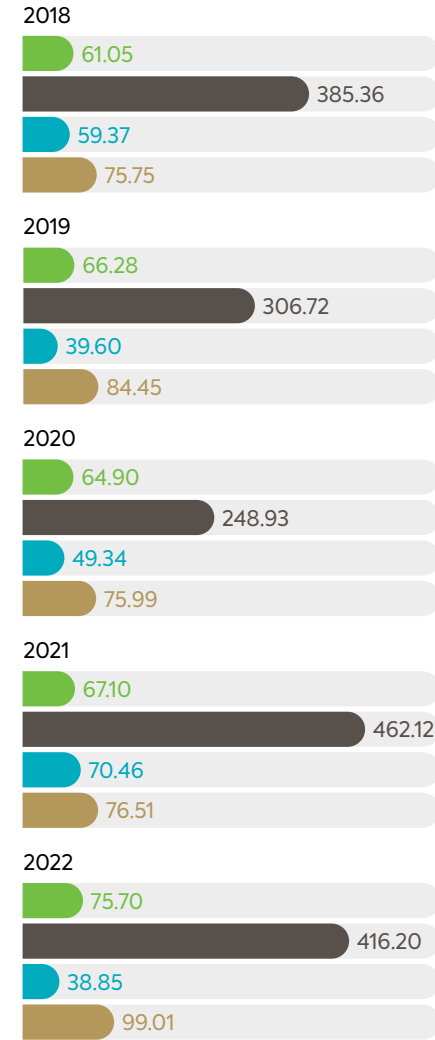
ANNUAL OIL  
CONSUMPTION (GAL)  
IN THERMAL POWER  
GENERATION



TOTAL ENERGY  
CONSUMPTION PER  
SOURCE 2018-2022 (GJ)



UNIT TOTAL COST OF  
ELECTRIC ENERGY 2018-  
2022 (USD/MWH)



THE TOTAL POWER  
COST IN 2022 WAS  
99.01 USD/MWh

SEIN Thermal  
Hydroelectric Total energy

Solar power

For energy savings purpose, the electric water heaters of the employee hotels were replaced by solar water heaters with intelligent panels to have better control of water and temperature. All the same, a solar photovoltaic hybrid system was installed with lithium batteries in the Chagual Airdrome and in the Paraiso camp, high area.



WE PRIORITIZE THE RELIABILITY IN THE INTERNAL  
NETWORK AND A LOWER IMPACT IN THE SOCIAL  
AND ENVIRONMENTAL ENVIRONMENT



**Hydroelectric power projects and transmission lines**

Our intention to use more renewable energy was reinforced during 2022. We continued with the development of renewable energy generation projects and the installation of power transmission lines in our production units. We installed electric equipment to reinforce the supply of SEIN to our operations.

All the same, we completed the design of the Electromobility Plan for the mid and long term, and a new renewable power supply contract was signed with SEIN, as part of our transition to clean energy as established in our 2022-2026 Strategic Plan. In this regard, we carried out the following projects:



**RENEWABLE ENERGY PROJECTS**

**1.1. Conventional Renewable Energy**

H1 Hydroelectric Power Station

At the beginning of 2022, the pre-feasibility study of the 15 MW project was completed. The technical file was awarded to a consulting company, specialized in developing the feasibility study and the water use study. At the end of the year, this company carried out the first field survey as part of the project.

Hydroelectric power station N1

The pre-feasibility study of the project was completed at

the beginning of 2022; and, according to the evaluation of the consultant, the original project was reformulated to a derivation type hydroelectric power station, which comprises a shorter conduction length and a new power supply of approximately 12 MW. At the end of 2022 the bidding process for the feasibility study was started.

Tingo 2 Hydroelectric power station

In 2022, after the field works were completed, the project feasibility study was developed and finished. The result is a derivation hydroelectric power station, with a power supply of 1.7 MW, and a 5,000 m3 time-controlled reservoir, which is planned to capture the water released from the existing Tingo 1 hydroelectric power station. At the end of 2022, the water use study was started, it should be

submitted to the corresponding authority at the beginning of 2023.

Cativén I and II Hydroelectric power station and associated transmission system

In March 2022, the prefeasibility study for 4 new hydroelectric projects in areas adjacent to our operations was completed and included the Cativen I and Cativen II hydroelectric power stations in its technical, economic, social, and environmental evaluation. The latter were not favorable evaluated. On the other hand, in May 2022, the recommendation was to stop the development of both projects due to their low economic and financial indicators, due to the energy price situation in the next two decades, considering the technical, social, and environmental difficulties they face, besides the high investment ratios and costs incurred.

As a consequence, in the Board of Directors meeting held in October 2022, it was agreed that the corresponding electric concessions would be returned, because the execution of the hydroelectric projects and associated transmission lines had become unfeasible. This was timely reported to the Securities Markets Superintendency.

**1.2. Non-Conventional Renewable Energy**

7 MWp solar photovoltaic project

In 2022, a 1.5 km perimeter fence was built in company land to define the project area (11 hectares). The feasibility study for the project was also completed. At the end of the year, a specialized company was awarded the contract for the

development of the environmental study.

4 MW/8 MWh BATTERY ENERGY STORAGE SYSTEM (BESS)

During 2022, the purchase, manufacturing, of the BESS project equipment was completed and transferred to the mining unit. The CIRA and PMA were also arranged and approved. In the last quarter of 2022, the detail engineering was completed. Regarding the construction, the implementation of the platform, earthworks, and the conditioning of the wall were started in the area adjacent to the LPC I substation. Progress was 54%. The system is to be commissioned in the second half of 2023.

Campamento Paraíso solar photovoltaic project

In the first half of 2022, the 15 kWp solar photovoltaic system with 53 kWh lithium batteries went into operation in the high part of Campamento Paraíso. With this system we achieved the electric autonomy of the camp, optimizing power consumption and reducing the contribution of the interconnected system. In addition, the external lighting was improved with photovoltaic LED lamps with batteries, improving power quality and offering more safety and comfort to the employees.

Chagual airdrome hybrid solar photovoltaic project

In 2022, the 40 kWp solar photovoltaic system with 52.80 kWh-day lithium batteries went into operation in the Chagual airdrome. This project improves the operations reliability and

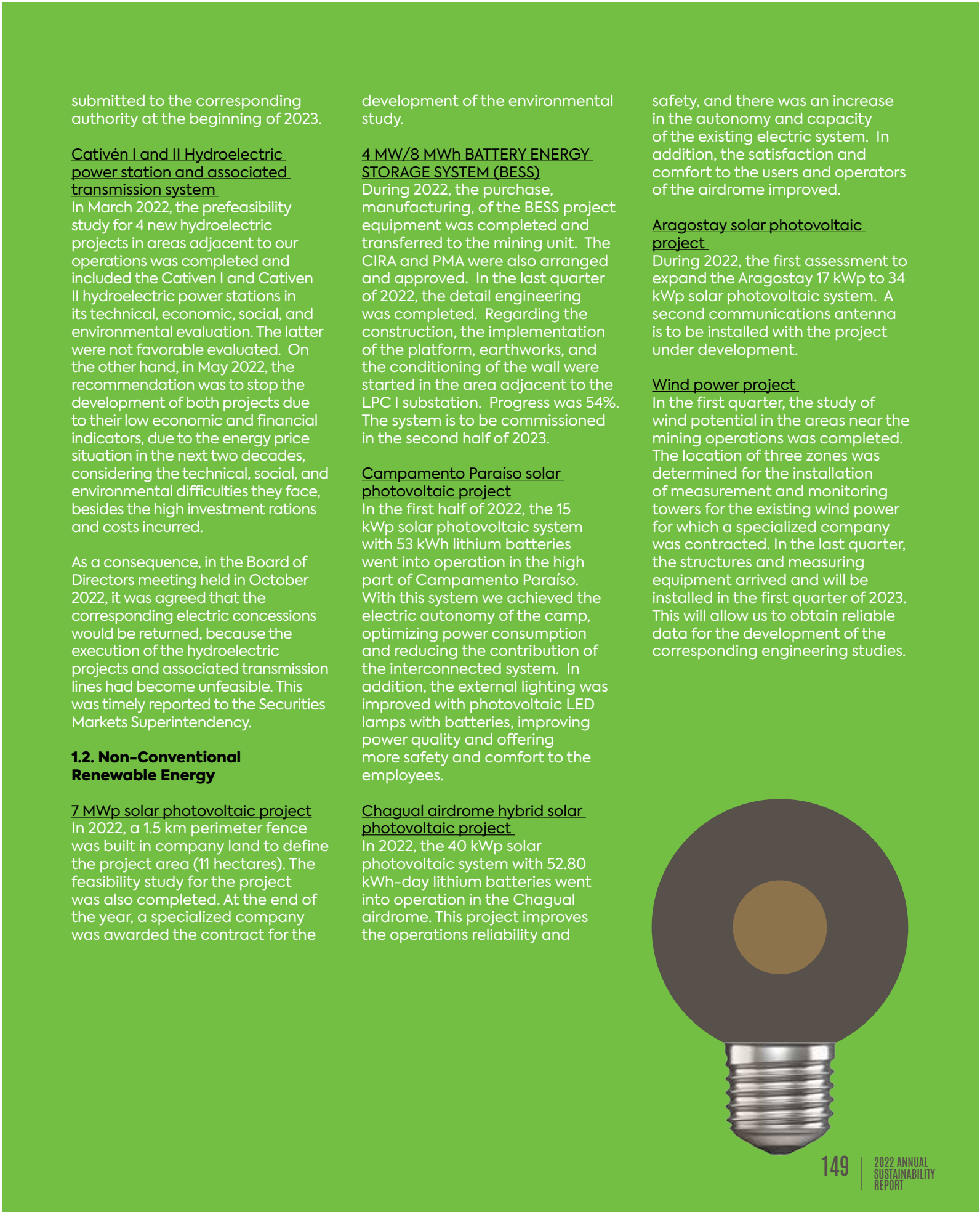
safety, and there was an increase in the autonomy and capacity of the existing electric system. In addition, the satisfaction and comfort to the users and operators of the airdrome improved.

Aragostay solar photovoltaic project

During 2022, the first assessment to expand the Aragostay 17 kWp to 34 kWp solar photovoltaic system. A second communications antenna is to be installed with the project under development.

Wind power project

In the first quarter, the study of wind potential in the areas near the mining operations was completed. The location of three zones was determined for the installation of measurement and monitoring towers for the existing wind power for which a specialized company was contracted. In the last quarter, the structures and measuring equipment arrived and will be installed in the first quarter of 2023. This will allow us to obtain reliable data for the development of the corresponding engineering studies.





2

**POWER TRANSMISSION PROJECTS**

60 KV transmission line from LPCI Chacparrosas-Substation – 13 km

On May 23, 2022, the La Libertad Energy and Mines Regional Management Office (GREM) approved the DIA of the project. The construction was started on August 2022. At the end of the year, 32% of the work had been completed, including the foundations of the structures, the platform, and the construction of the services for the execution of the work. The work is expected to be completed in early 2024.

220 kV, SEIN transmission line

In 2022 progress was made with the final engineering of the project and the preoperational study (EPO) was presented to the Comité de Operación Económica del Sistema Interconectado Nacional (National Interconnected System Economic Operations Committee- COES).

LT 22.9 KV Cajabamba-Huamachuco regulation and compensation system

On July 11 2022, the reactive compensation bank and 22.9 kV voltage regulation bank were put into operation in the distribution line from Cajabamba substation to Huamachuco substation. This project allows access to more power from SEIN in the Cabajamba substation bar.

3

**ELECTROMOBILITY PLAND AND PILOT PROJECT**

Pursuant to the 2022-2026 Strategic Plan, Initiative No. 8: Transition to Clean Energies, in 2022 we completed the Electromobility Plan, which consists of migrating to electric vehicles in the mining unit. We have foreseen to start 2023 with a pilot project of an electric bus for staff transportation. All the same, we have considered gradual migration to hybrid vehicles for internal transportation of heavy cargo (mineral).

4

**SEIN POWER SUPPLY MANAGEMENT**

In February 2022, we started the contract of power supply for the period January 2023 – December 2027. 15 power generating companies participated in the bidding process. In the fourth quarter of 2022 the offer presented by Kallpa Generación S.A. was selected and the corresponding power supply contract was signed. Later, Poderosa assigned its position in this contract to Hidrandina S.A. through a new contract with this company.

It should be noted that, based on our environmental policy, the new electricity supply will be entirely backed by Renewable Energy Certificates.

**PURPOSE**

We continued with the development of renewable energy generation projects and the installation of power transmission lines in our production units





# [ SOCIAL MANAGEMENT ]



## LABOR PRACTICES AND DECENT WORK

### Building a sense of belonging

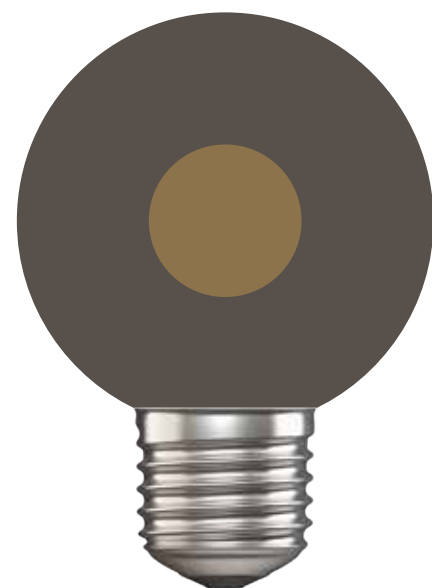
We want to inspire, to become a source of motivation, to make our employees feel identified with our principles and feel part of a big family. Our vision places our workers' satisfaction as the main value to achieve sustainability: To be the company in which its employees feel proud to work is a challenge that motivates us every day. We believe in being a good employer. To achieve this goal, we provide a safe

working environment, adequate infrastructure, competitive salaries, and a healthy working environment, optimal for personal and professional development. In this regard, we seek to strengthen three significant impacts: respect for the right to decent work; the promotion of equal employment opportunities; and training, especially in human rights.

Respect, teamwork, productivity, continuous improvement and fostering innovation are aspects that characterize our workforce. Our employees create value for our stakeholders. Our team brings in knowledge, ideas, and energy to continually improve our operation and our performance. This commitment is supported by our Declaration of Responsibility, our Management Policies, our

Occupational Health and Safety Policies, and is embedded in our company's vision.

In that sense, people and their safety and wellbeing come first, always, every day. This approach has been reinforced since 2020, due to the covid-19 health crisis. We have implemented several protocols and made investments to mitigate the impact on the health of both our staff and their families. All the same, we have deployed a series of strategies and investments to provide professional and personal development opportunities to our workers, training them constantly to achieve better performance and growth. Furthermore, we work to provide them with high living standards in the cafeterias, camps, and safe and adequate work areas



## VISION

To be the company in which its employees feel proud to work is a challenge that motivates us every day



# 780

EMPLOYEES IN PODEROSA'S  
PAYROLL

# 3,919

WORKERS OF CONTRACTOR  
COMPANIES

# 814

SUPPLIERS ASSESSED  
AND SELECTED

# USD 1,318,832.40

INVESTED IN TRAINING PROGRAMS

# 330,399

TRAINING HOURS IN HEALTH  
AND SAFETY

### AVERAGE INVESTMENT COST IN DEVELOPMENT PROGRAMS





for them to carry out their work, and to foster their wellbeing, good labor environment and to provide them with benefits.

We meet all our legal labor obligations, and undergo audits carried out by the corresponding authorities.

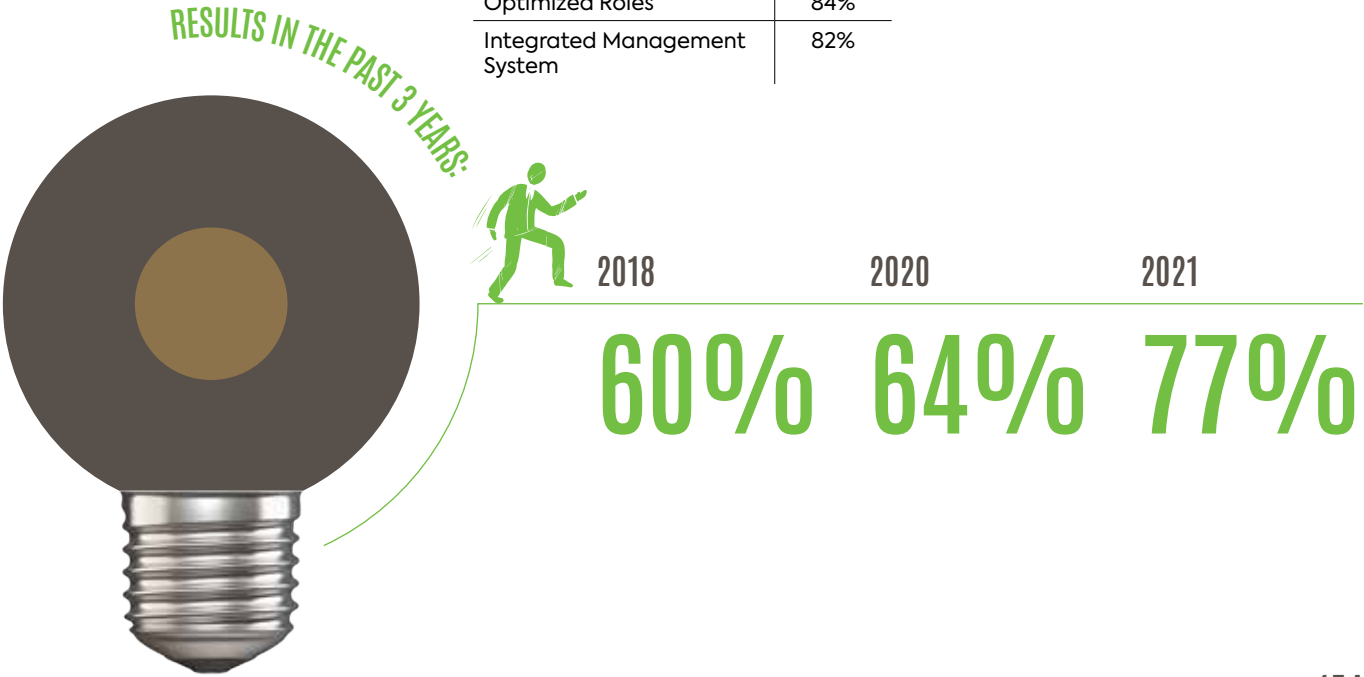
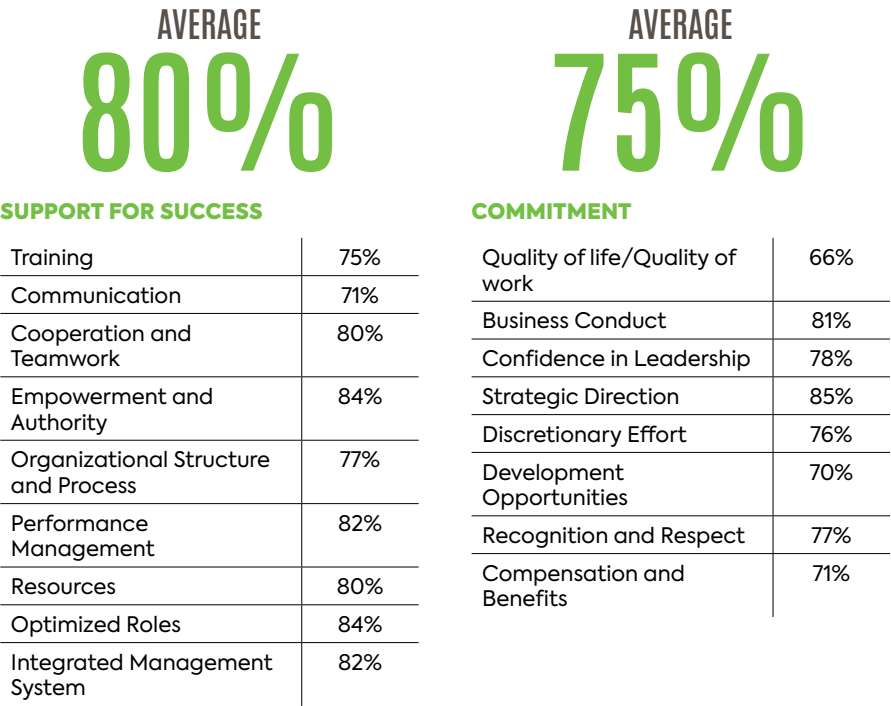
**Together we build a positive labor environment**

The organizational climate survey is a tool we use to measure the positive impact of our commitment with our employees. An optimal organizational climate has a positive impact on the motivation and perception of our employees. Therefore, taking as a baseline the results of the last organizational climate survey (2021), in 2022 we monitored the compliance with the action plans aligned with our strategic objectives.

The measurement carried out in April 2022, corresponded to 2021

and showed an upward trend. The most highly rated dimensions were: strategic direction, 85% de satisfaction; empowerment and authority, 84%; and commitment, 82%. These results show the employees' perception regarding the support they receive to achieve success, as well as the commitment shown at work.

WORK ENVIRONMENT MEASUREMENT RESULTS

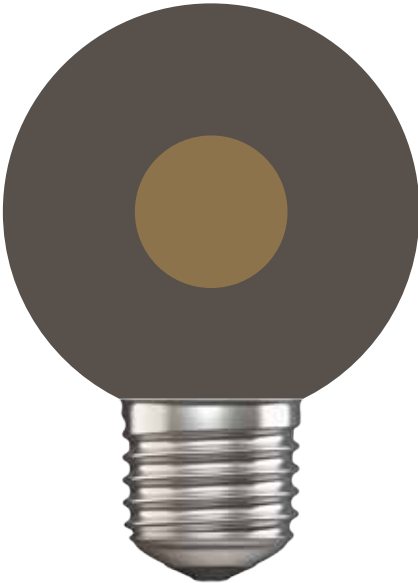




Talent that inspires us

Our team  
The data shown corresponds to the information obtained by the Human Resources area, as recorded in the employee payroll at the end of the reporting year. Both temporary and permanent employees are hired under the same labor regime. Temporary jobs correspond to employees with a fixed term contract and undergo an evaluation process for its renovation, from time to time (every six months, in average).

The fluctuations in the number of employees are not significant, they correspond to changes within the normal ranges in this industry. In 2022, as a result in production increase, there was a sudden growth in the worker payroll.



OUR WORKERS BY TYPE OF CONTRACT AND GENDER

Type of contract	Gender		Total
	Male	Female	
Temporary	62	16	78
Permanent	624	78	702
General Total	686	94	780

Source: Minera Poderosa S.A. Human Resources Data Base

EMPLOYEES PER JOB CATEGORY, GENDER, AND GEOGRAPHIC LOCATION

Occupation	Gender				Location					
	Male	%	Female	%	La libertad	%	Lima	%	Others	%
Workers	312	45	3	3	227	56	22	10	66	42
Employees	352	52	87	93	177	43	172	80	90	57
Officers	22	3	4	4	4	1	21	10	1	1
Total	686	100	94	100	408	100	215	100	157	100
	88%		12%		52%		28%		20%	

Source: Minera Poderosa S.A. Human Resources Data Base

EMPLOYEES PER AGE, GENDER, AND ORIGIN

Category	Gender				Origin					
	Male	%	Female	%	La libertad	%	Lima	%	Other	%
Under 30	44	7	17	18	26	6	17	8	19	12
Between 31 and 40	186	28	37	40	95	23	74	35	53	34
Between 41 and 50	219	32	28	30	129	32	63	29	55	35
Between 51 and 60	178	26	6	6	122	30	39	18	24	15
Between 61 and 70	59	7	6	6	36	9	22	10	6	4
Total	686	100	94	100	408	100	215	100	157	100
	88%		12%		52%		28%		20%	

Source: Minera Poderosa S.A. Human Resources Data Base

EMPLOYEES THAT JOINED PODEROSA IN 2022 PER AGE, GENDER, AND GEOGRAPHIC LOCATION

Category	Gender				Origin					
	Male	%	Female	%	La libertad	%	Lima	%	Other	%
Under 30	25	28	9	53	13	42	10	21	12	44
Between 31 and 40	46	52	5	30	13	42	26	54	11	41
Between 41 and 50	15	17	2	12	4	13	10	21	3	11
Between 51 and 60	3	3	1	5	1	3	2	4	1	4
Between 61 and 70	89	100	17	100	31	100	48	100	27	100
%	84%		16%		29%		45%		26%	

Source: Minera Poderosa S.A. Human Resources Data Base

TALENT





EMPLOYEES THAT LEFT IN 2022 PER AGE,  
GENDER, AND GEOGRAPHIC LOCATION

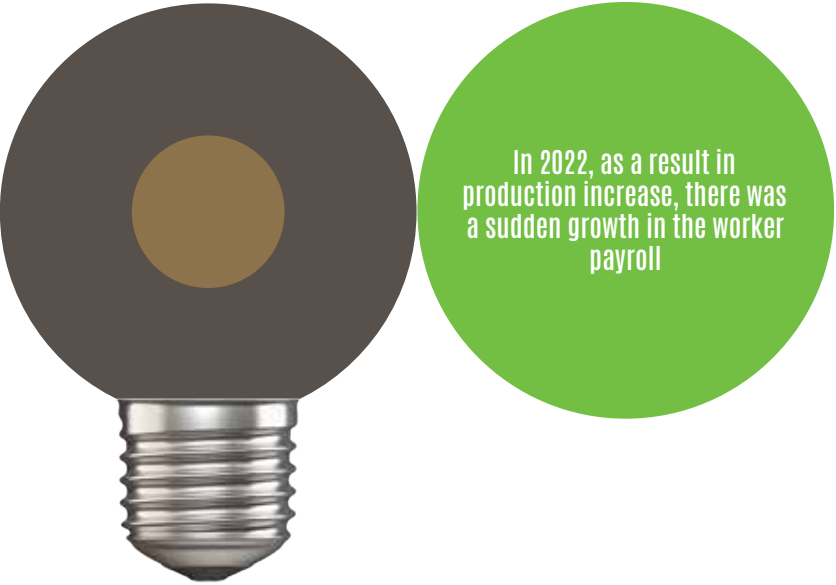
Category	Gender				Origin					
	Male	%	Female	%	La Libertad	%	Lima	%	Other	%
Under 30	5	11	4	66	3	14	4	24	2	15
Between 31 and 40	18	40	1	17	5	24	6	34	8	62
Between 41 and 50	9	20	1	17	6	29	4	24	0	0
Between 51 and 60	6	13	0	0	3	14	2	12	1	8
Between 61 and 70	7	16	0	0	4	19	1	6	2	15
Total	45	100	6	100	21	100	17	100	13	100
	88%		12%		41%		33%		26%	

Source: Minera Poderosa S.A. Human Resources Data Base

PODEROSA PAYROLL ANNUAL STAFF TURNOVER 2022

Payroll	Workers	Employees	Officers	Total 2022	Total 2021	Total 2020	Total 2019
Active	315	439	26	780	717	711	707
Terminated	13	38	0	51	20	10	25
Turnover	4%	9%	0%	7%	3%	1%	4%

Source: Minera Poderosa S.A. Human Resources Data Base



**Contractors: our strategic partners**  
The number of workers added up to 3,919. They are hired through a third party. In our case, we require the services of companies specialized in mining and related activities, engaged in exploration, exploitation, maintenance, and complementary activities related to the company's line of business.

The following chart was drafted at the end of this report based on the data of non-employed workers (data delivered by the contractors to the Human Resource area, as per their payroll). There have not been any significant changes compared to previous years that require an explanation.

CONTRACTOR STAFF 2022

Payroll	Gender	Workmen	Employees	Total
Specialized companies, mine	Female	6	25	31
	Male	1,386	186	1,572
Specialized companies, related	Female	68	55	123
	Male	1,910	283	2,193
Total		3,370	549	3,919

Source: Minera Poderosa S.A. human resources base

CONTRACTOR TURNOVER





Life quality

We understand that for the development and sustainability of our operation it is vital to establish solid and transparent labor relations, based on a close, understanding, and motivating relationship with and among employees. In this way we establish a relationship of trust and shared responsibilities. An important role in this aspect is to improve the quality of life and well-being of our people.

Every year we make several changes to our infrastructure and improve camp management. All the same, we continue to protect health, by implementing protocols to prevent covid-19 in all the sites:

- Implementation of boot wash stations and shoe mats at the entrance of the camps.
- Implementation of alcohol gel dispensers at the entrance of the camps and offices
- Implementation of liquid soap in the restrooms

- Self-service stations, cleaning, and disinfection kits in the bedrooms
- Polycarbonate divisions in bathrooms and laundry rooms.
- Constant room disinfection.

On the other hand, new modules were built to provide staff comfort and to expand our lodging capacity. All the same, a comprehensive maintenance of the existing camps was performed. The following infrastructure improvements were made in 2022:

Paraíso Camp:

- One module was built with capacity for 144 beds.
- One dressing room was built to allow better drying and ventilation of the clothes worn by the employees who enter the mine.
- The roof of bungalows 6 and 11 were replaced and the bungalows underwent full maintenance works.

- The roofs of camps N1, N2, N3 and N4 were changed, and the camps underwent full maintenance works.
- Drywall walls were installed in camps E1 and E2, and they underwent full maintenance works

Vijus Camp:

- Two modules were built with capacity for 144 beds each.
- Camps were reclassified for the comfort of the female staff, which number grew considerably in 2022.

Cedro site:

- One module was built with capacity for 120 beds.
- The roof of the workers hotel was changed, and the hotel underwent full maintenance works.

Santa Maria site:

- In Hualanga zone, 2 modules were built with capacity for 120 beds each.

- In level 2260, geomembrane was installed, Andean tiles were replaced on the roof and the rooms of the workers' hotel underwent comprehensive maintenance.
- In level 2500, 2 modules were built with capacity for 120 beds each.
- In level 2500, geomembrane was installed on the workers' hotel 3 roof, on the cafeteria roof and on employees' hotel 3 roof.
- In level 2500 geomembrane was installed on the roof, and the rooms at employees' hotel 2 underwent full maintenance.
- In level 2500, the rooms of employees' hotel 1 underwent full maintenance.
- In level 2670, geomembrane was installed, Andean tiles were replaced on the roof and the

rooms of the workers' hotel underwent comprehensive maintenance.

It must be noted that in joint work with contracting companies, we started raising awareness about the 5S philosophy among the workers, which they applied in their rooms. All the same, the Environmental Management area helped to design the rooms and to implement green areas.

Social Wellbeing

The Covid-19 pandemic experience taught us lessons that we learnt and adapted to our needs. Therefore, in 2022, our efforts were focused on the physical, mental, and social wellbeing of our employees and their families, promoting activities

and recreational spaces to progressively return to in person activities, without neglecting health care. We highlight the launching of the program Cuenta Comigo (Count on Me), a psychologic support initiative to take care of mental health. On the other hand, we increased our benefits, such as birthday presents, kits for newborns, among others.

During the crisis we found the opportunity to innovate, to reinvent ourselves and to move forward. We took on the challenge of managing wellbeing through online platforms, working as a team and articulating efforts with other areas to serve all sites and workers.

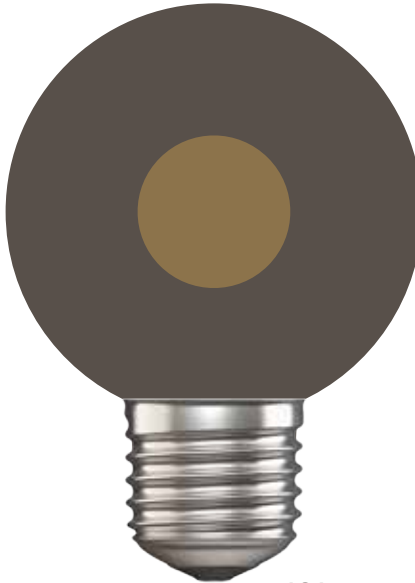
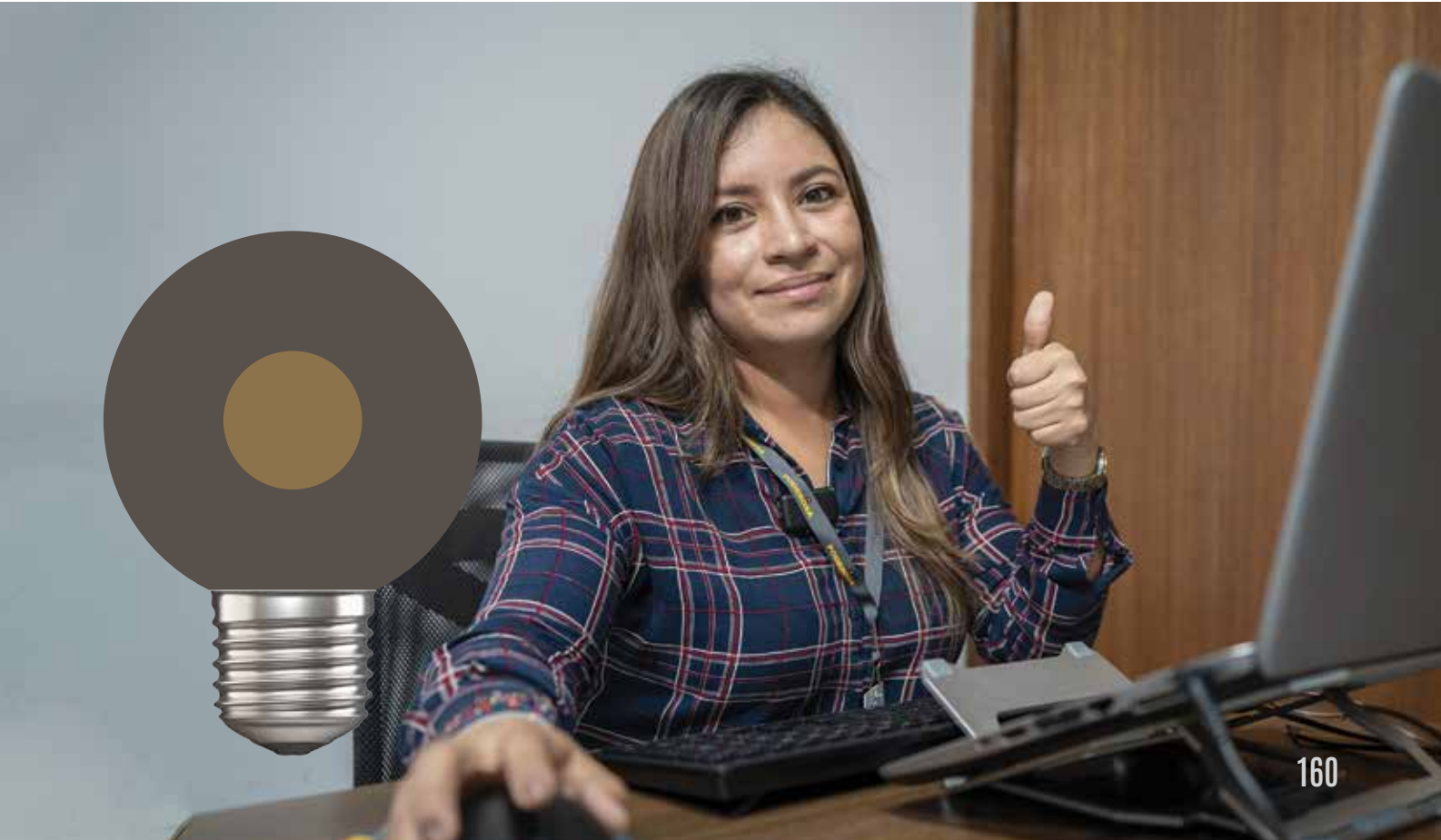
We executed 100% of our activities plan, which reached all our employees at the different sites. The quality of meals was also improved with healthier options for breakfast, lunch, and dinner.

Employee benefits

We included the following social benefits for our full-time workers.

EXPANSION OF THE LODGING CAPACITY

Unit capacity			Officer / employee / line			
Unit	Sites	Levels	Employees	Officers	Workmen	General total
Marañon	Cedro	Cedro	26	-	478	504
	Paraíso	Paraíso	237	12	1,084	1,333
	Vijus	Chagual	5	-	-	5
		Livias	-	-	20	20
		Vijus	212	6	779	997
Santa Maria	Santa Maria	Nivel 2260	-	-	1,040	1,040
		Level 2360	12	-	252	264
		Level 2410	-	-	24	24
		Level 2500	18	-	315	333
		Level 2520	305	8	1,033	1,346
		Level 2670	-	-	120	120
		Level 3090	26	-	387	413
		Level 3100	6	-	267	273
		Nivel 3100	8	-	477	485
General total			855	26	6,276	7,157





Life Insurance	Detail
Health Insurance	Vida Ley Life Insurance from the first day of work for all employees.
Oncology Insurance	Workmen are covered exclusively by Essalud. Employees and officers can choose between being covered by Essalud or by Pacifico Private Insurance.
Complementary Labor and Risk Insurance	The company pays a cancer insurance policy to those employees and officers that chose Private Insurance.
Economic Benefits for Temporary or Permanent Disability	Insurance for workers engaged in high-risk activities. Covers cases of death, disability, or incapacity due to work-related accidents. Pacifico Insurance company coverage.
Maternity Leave	These subsidies are assumed by Essalud. In case of permanent disability, the coverage is paid by the National Pension Fund or the Private Pension Fund.
Paternity Leave	Leave of absence for 98 calendar days.
Severe Health Condition Family Leave	Leave of absence for 10 calendar days.
Mas Vida Insurance	Leave of absence for 7 calendar days to take care of a relative with severe health condition.
Death Leave	Two working days, consecutive or not, to pass their annual oncology preventive exams.
Death Allowance	Optional insurance that covers common or work-related accidents. Monthly fee is S/5.00
Extraordinary Financial Assistance to Beneficiaries in the event of the Death of a Worker	For death of the employee's relatives up to the second degree of consanguinity or first degree of consanguinity, 5 calendar days are granted if the death occurs within the department of La Libertad and 07 days if it occurs outside of this area. For the staff working in Lima and Trujillo, they are granted 3 days leave.
Education allowance	Financial assistance of PEN 5,050.00 in the event of death of a worker, death of spouse or children up to 23 years of age.
Extraordinary Financial Assistance to Beneficiaries in the event of the Death of a Worker	PEN 1,500.00 per month for 3 months or until the Intestate Succession is presented.
Education allowance	PEN 1,500.00. Applies to workers who have children in school, and who are between 3 and 22 years and 12 months old.



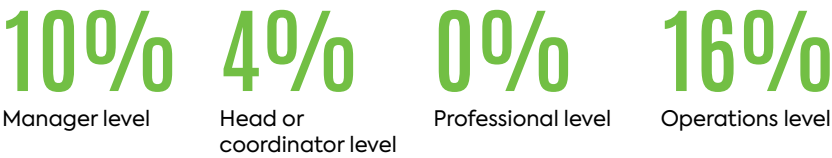
We establish solid and transparent working relationships, based on a close, understanding, and motivating bond

**Salary indicators**  
Maintaining an adequate hierarchical structure of categorization and classification of positions allows us to establish a correct and flexible salary structure. To this end, we have organized occupational groups; each group is made up by different categories, which allow us to have internal equity among all workers. In this aspect, we seek equal access to employment and equal working conditions.

It is worth mentioning that the difference in salaries is explained by the seniority of the personnel. There have been many cases of female staff promotions in different areas, however, male personnel are more senior. If we look at our salary system, which applies 5% annual salary raises, in average, we can see a difference in salaries. These will be reduced in time.

SALARY INDICATORS PER GENDER

SALARY DIFFERENCE BETWEEN MEN AND WOMEN



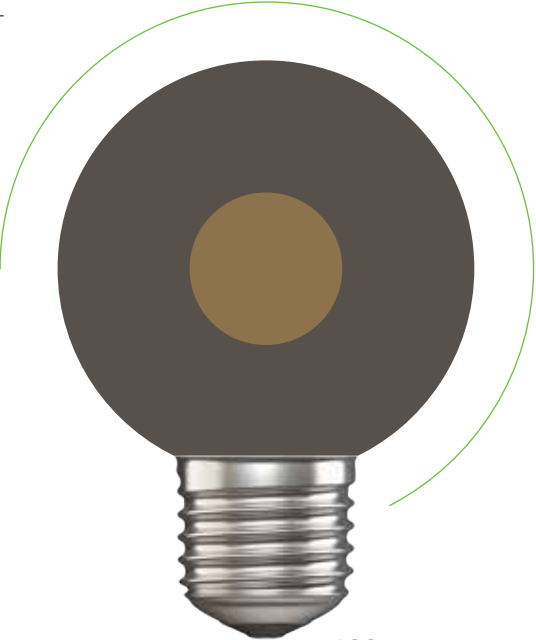
WORK GROUPS AND CATEGORIES

Work Group	Salary category	% internal equity compliance
Professional	9	100%
	8	74%
	7	79%
	6	59%
	5	73%
	4	62%
	3	92%
	2	100%
	1	100%
Empleado técnico	6	83%
	5	77%
	4	80%
	3	90%
	2	91%
Obreros	1	91%
	7	74%
	6	94%
	5	99%
	4	91%
	3	87%
	2	100%
	1	100%

**Administrative procedures (health and wellbeing)**  
We provided advice and support to employees in the following aspects:

- EsSalud registrations: 48 registrations before EsSalud for rightful beneficiaries, among wives and children; and 17 nursing benefits, which are oriented to care for the newborns.
- Registration with Health Care Providers (EPS): 32 registrations to Healthcare Providers
- 804 medical leaves were processed (corresponding to daily leaves) for their registry in the payrolls within the first 20 days and subsidies.
- PEN 228,919 were recovered for sickness allowances, labor accidents, sequels to labor accidents and maternity leaves. Most of the subsidies were due to common sickness.

**Recreational, social, and cultural activities management**  
• Active pauses program for remote work personnel and administrative offices at the mining unit to prevent occupational illnesses.





- Talks and information newsletters on social benefits and their procedures.
  - Holiday celebration, remotely and in person in all the sites: Mother’s day, Father’s day, Family Day, etc.
  - Family wellbeing program such as summer school, attended by more than 200 children between and 12 years.
  - Acknowledgement program for long service recognition, we recognize 5-year periods completed, this year 232 people were recognized.

Canteen management. The following activities have been executed:

  - Development and compliance of the inspections program in every unit.
- Compliance and control of the significant environmental aspects.
  - Customer service training in every concessionaire.
  - Equipment implementation
  - Awareness rising of diners.
  - Opening and implementation of canteens inside the mine.
  - Satisfaction evaluation surveys.
  - Installation of acrylic divisions, alcohol gel dispensers and mask hooks.
  - Implementation of sinks, alcohol gel dispensers, liquid soap and electric dryers and polycarbonate divisions in all dining rooms and interiors.
  - Pest control: fumigation program compliance.
  - Inspections and audits.
  - Construction of temporary canteens and recreation centers (kiosks).
- In the main levels, where the operations are centered, definitive canteens were built, considering the hazard analysis and critical control point approach (HACCP). This project is underway.

ONGOING TALENT BUILDING

Training programs  
We focus on developing the professional potential of our employees. In 2022, we carried out a comprehensive training program in line with the company’s strategic objectives. This program has enabled to build or develop workers’ skills, enhance employment opportunities, and help with risk prevention.

All the same, given the covid-19 situation, the programs were adapted to modalities that enabled us to reach the end users. Investment in training in the last three years was:



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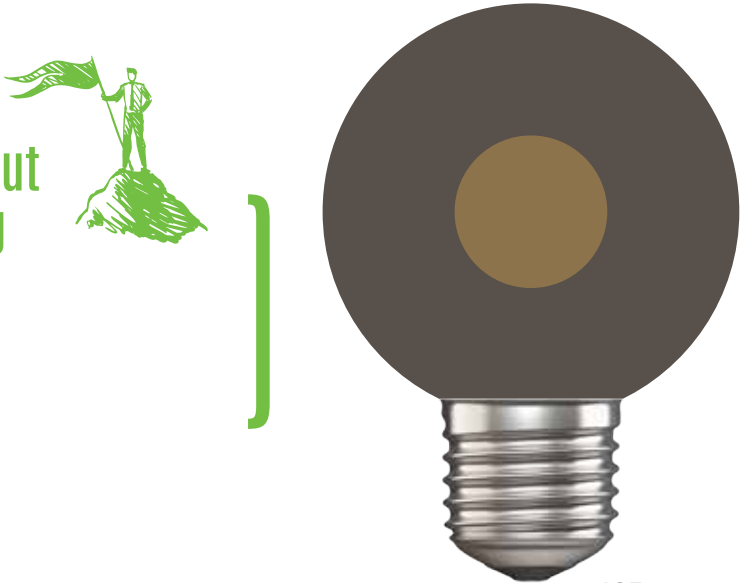
COMPREHENSIVE TRAINING PROGRAM (CTP)

(GI)	(STP)	(PCI)	(PCF)	(OEP)
<b>General Induction Program</b>  Aimed at providing information or general guidance regarding the company and in the work area; for all incoming personnel, primarily focused on safety and occupational health issues (Supreme Decree 024-2016-EM and amendments, Supreme Decree 023-2017-EM).	<b>Standard Training Program</b>  Aimed at reinforcing knowledge and raising awareness on issues related to IMS (Integrated Management System) (Supreme Decree 024-2016-EM and amendments, Supreme Decree 023-2017-EM).	<b>In-House Training Program</b>  Aimed at strengthening and/or developing employee’s technical skills at his/her workstation, embodied in the PETS*, MSDS** and the area’s goals.	<b>Functional Training Program</b>  Aimed at strengthening and updating technical and managerial skills, based on specific position and strategic goal requirements.	<b>Ongoing training program</b>  Aimed at specialization and professional development and talent retention.

For Poderosa’s workers, and personnel from associated companies, contractors, and small-scale businesses

\*PETS: Written Safe Work Procedures \*\*MSDS: Material Safety Data Sheet

During 2022, we carried out a comprehensive training program, in line with our strategic objectives



WE SEEK EQUAL ACCESS TO  
EMPLOYMENT AND EQUAL  
WORKING CONDITIONS

AVERAGE TRAINING HOURS PER PERSON

Type of training	Sex	Hours	Number of people	Training Hours per person
Functional Training Program	F	729	76	10
	M	7,269	344	21
In-House Training Program	F	4,799	1,482	3
	M	138,504	67,958	2
Conferences and Meetings Program	F	39	122	0
	M	1,537	3,767	0
Ongoing Training Program	F	265	9	29
	M	1,334	33	40
General Induction Program	F	2,248	281	8
	M	54,952	6,460	9
Standard Training Program	F	5,517	2,148	3
	M	113,206	47,210	2
TOTAL	F	13,597	4,118	53
	M	316,802	125,772	75
	TOTAL	330,399	129,890	128

TRAINING HOURS IN  
LABOR RISKS, HEALTHAND  
ENVIRONMENT

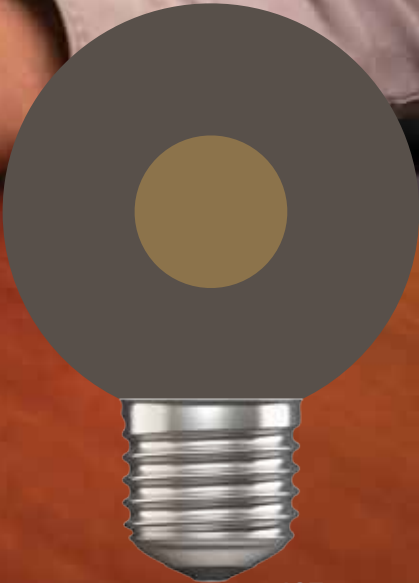
Type of Training	No. Men Hours
Environment	64,166
Labor Risk Prevention	253,236
Health	3,400
Total	320,802

TRAINING HOURS PER  
ONGOING AND FUNCTIONAL  
TRAINING PROGRAM

Type of Training	Total
Diploma	51
Specialization	554
Refresher course	8,442
Master' s Degree	550
Total	9,597

2020  
236,966  
2021  
188,865  
2022  
330,399

AVERAGE  
TRAINING  
HOURS





NUMBER OF TRAINING  
HOURS/PERSON PER TYPE OF  
JOB POSITION

Job type	Total
Employee	30,661
Officer	3,055
Workman	259,533
Trainee	490
Professional	36,660
<b>Total</b>	<b>330,399</b>

**Knowledge Transfer to Contractors**  
Several training courses were held to reinforce the knowledge of the staff employed by our contractors, as well as associated and small-scale companies regarding standards, procedures and issues of general interest pertaining to D.S. 024-2016, published by the Ministry of Energy and Mines and its modification D.S. 023 – 2017 E.M.

TRAINING FOR CONTRACTORS

Type of Company	Hours	Persons	Training Hours
Artisanal	8,864	1,371	6
Related Contractors	74,590	26,888	3
Mining Contractors	154,417	69,130	2
Micro businesses	44,712	17,068	3

**Follow my Development Certification Program**  
The “Follow my Development” program promotes learning safe working procedures and standards in an andragogical manner, among adults, and fixes knowledge in an interactive manner, it is

PETS CERTIFICATION  
(SAFE WORK WRITTEN  
PROCEDURE)

Payroll	2021	2022
Compañía Minera Poderosa Sa	5,597	630
Mining Contractors	16,948	10,232
Related Contractors	6,941	4,037
Artisanal	21	43
Micro Businesses	1,180	953
<b>Total</b>	<b>30,687</b>	<b>15,895</b>

characterized by measuring theoretical and practical knowledge through Planned Work Observations (OPT).

**Acknowledgement program and prizes for innovation**

Integration activities as well as labor performance ones make workers become even more engaged with our vision, mission, and principles. We are all part of one organization, and we contribute to its development. In 2022, we recognized the most outstanding employees both from Poderosa as from our contractors, with the Jesus Arias Davila award, which promotes safe behavior and encourages our personnel. As part of the celebrations for Miner’s Day, on December 5, 33 workers: 3 workmen, and 10 workmen and 7 employees of Poderosa, and 16 contractor workers received this prize. The 2022 Safest Worker Award went to two Poderosa workers, and 26 contractor workers. This award assesses safe behavior through operational discipline, 5S philosophy, teamwork, initiative, respect, productivity, and safety training.

**Continuous Improvement Circles and Teamwork**  
In June 2022, we took part in the Líderes de la Excelencia International Quality Competition, organized by the Pontificia Universidad Católica del Perú (PUCP) Quality Institute, and sponsored by the U.S. American

Society For Quality (ASQ). We submitted an improvement project that won an award in the Silver category:

CMC Just In Time, project: Implement explosive traceability through a bar code reader in PODEROSA.  
  
Process: Logistics Mine. Impact: Safety, Productivity and Environmental Management. Annual savings: USD 581,208

**Poderosa Quality Week**  
In the XXIII Quality Week “People who improve and innovate towards operational excellence” 15 projects were evaluated, 4 of them were directly related to innovation projects and 13 to continuous improvement. All the same, keynote talks were held on topics such as “Keys to exercise real leadership in times of crisis”, “Mourning and resilience” and “Organizational culture management and innovation”. It must be mentioned that we are strengthening our process to implement the innovation culture and will strengthen continuous improvement in all the areas of the company.

The winners were:

SERVICES CATEGORY

**Gold:** CMC – Clean Energies  
Increase the power supply reliability and capacity in Chagual airdrome.

**Silver:** EDT – Building the future  
Reduce the accumulation of mine waste rock by reusing in in Poderosa’s operations.

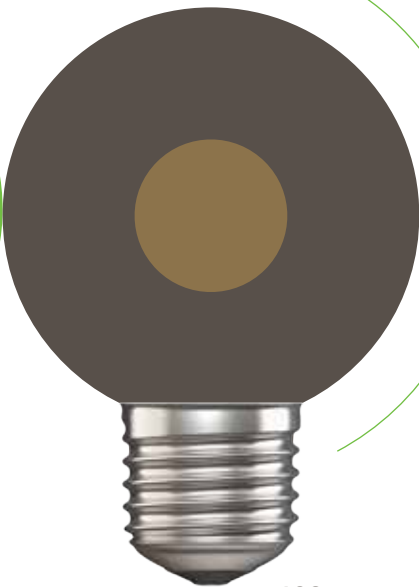
PRODUCTION CATEGORY

**Gold:** CMC – Kaizen Group  
Reduce fragmentation and damage to the rock wall through the analysis of vibrations generated by the change of explosives.

**Silver:** CMC – Tecnomin  
Complete the mining cycle in narrow veins, executing chimneys with Alimak.



We are strengthening our process to implement the innovation culture and will strengthen continuous improvement in all the areas of the company



In order to promote and strengthen the culture of innovation in the company, in 2022, we created the Innovation area, with the objective of improving productivity in our processes. (see Innovation, page 48).

National Quality Award

In October 2022, we participated in the National Quality Award, organized by the National Industries Society. We proudly obtained the Quality Leader Gold medal. This is the most important recognition awarded by Peru to those companies that have shown superior level quality management. The purpose of this award is to help organizations to implement world class comprehensive quality and productivity systems, to achieve high product and service reliability based on the Malcom Baldrige excellency model.

5S

The 5S philosophy is embedded in our DNA. 5S is a Japanese philosophy, which stands for: sort, set in order, shine, sustain and self-discipline. These values go beyond the work environment and can be applied in everyday life.

Encouraging the use of the 5S philosophy has stretched beyond our boundaries. This philosophy has reached our workers, contractors, family members and the mine’s surrounding communities, it is particularly practiced in schools where our employees have led seminars and workshops to teach this method to schoolchildren through the new virtual reality now.

NUMBER OF WORKERS THAT MAKE UP THE SOLE LABOR UNION (SLU)

	Number	Percentage
Workers who are SLU members	253	34%
Workers who are non-SLU members	62	8%
Total workmen	315	42%
Total employees	465	61%
Total Poderosa staff	780	

NUMBER OF WORKERS UNDER COLLECTIVE BARGAINING AGREEMENT OVER THE PAST 3 YEARS

Year	Total number of workmen	Staff that are part of the Union	% of staff under collective bargaining agreement	% of staff that is not under collective bargaining agreement
2020	296	235	79%	21%
2021	304	243	80%	20%
2022	315	253	80%	20%

We participated in the National 5S-Kaizen Award, organized by AOTS to strengthen this discipline. During the event, we showed the application of 5S in every process of the mining unit.

Collective bargaining agreements

Every year, since its establishment On September 29, 2004, the Sole Labor Union (SLU) negotiates its agenda to obtain benefits for the workers. The benefits agreed upon in the collective bargaining agreements extend to all our workers.

Human Rights

Our Code of Ethics and Conduct reflects our firm commitment to respect human rights and the rejection of any activity that violates them. Likewise, our performance complies with the provisions of the Peruvian Constitution and national and international human rights standards, in line with the Universal Declaration of Human Rights, the Guiding Principles on Business, and Human Rights of the United Nations.

Under this commitment:

- We apply processes that allow assessing, mitigating, and responding to potential impacts to human rights, resulting from our activities.
- We seek to transfer these conduct principles to our suppliers and contractors.
- We monitor and account for our performance annually.

- We investigate any violation, and if we are found liable, we implement reasonable remediation measures.
- We promote human rights training to our employees, contractors and local representatives.
- We abide by the Voluntary Principles on Security and Human Rights, regarding asset security.

We are a respectful employer, that believes in equal opportunities and does not discriminate based on gender, religion, race, sexual orientation, or HIV condition. Up to date, we have not received any complaints or claims for violating human rights. We have not had any discrimination cases during the present year.

Labor Conflicts

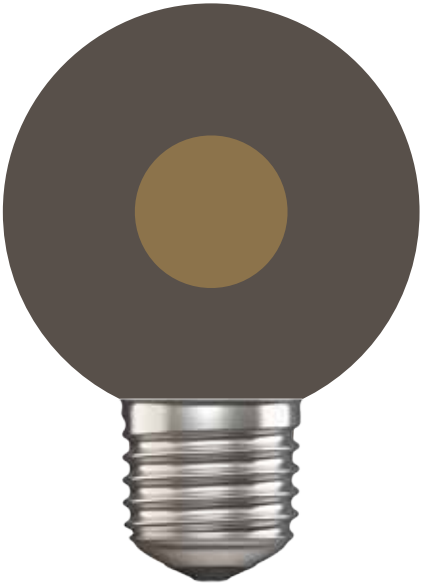
During 2022 no strikes took place due to labor conflicts.

PERCENTAGE OF EMPLOYEES WITH DISABILITIES OVER THE LAST 3 YEARS

Year	Total staff	Staff with disabilities	% of staff with disabilities
2020	711	20	3%
2021	717	20	3%
2022	780	18	2.48%

HUMAN RIGHTS TRAINING

Year	Man / Hour Human rights training
2020	0
2021	0.63
2022	2.65



# ZERO

INCIDENTS AND COMPLAINTS ABOUT ACTUAL HUMAN RIGHTS ABUSES

OUR OPERATIONS HAVE NO SIGNIFICANT RISKS OF CHILD LABOR OR FORCED OR COMPULSORY LABOR CASES

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2022 ANNUAL SUSTAINABILITY REPORT





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403-4

## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

The nature of the mining activities entails potential hazards that can result in undesired events if we fail to apply a zero tolerance and permissiveness policy. Our workers perform complex and potentially risky tasks, such as rock blasting, handling heavy machinery, use of chemical substances, etc. These activities are prone to risks that can cause occupational diseases or cause injuries. Therefore, we are committed to protect the health, safety and wellbeing of our work team and the neighboring communities.

These efforts are focused on developing a safety culture that allows fostering mutual help between teams, to anticipate to accidents, control risks and to assume responsibilities throughout the chain of command. In this regard, technology, automation and improvement in controls and critical procedures are key factors to reduce disease and injury indexes.

To maintain sustainable safety performance, the leadership and commitment of senior management and general management is of vital importance for processes to execute their plans properly, as established in our Management Policy. Our Statement of Responsibility reinforces our commitment to safe work; and in our Occupational Health and Safety Policy we express our concern for the prevention of work-related

injuries, illnesses, and incidents, as well as the importance of employee participation and consultation in this matter. As regards the subcommittees, through and accountancy process, we emphasize the gradual implementation of the elements of the safety and occupational health management system, such as operational discipline, risk management, change management, preventive approach to work, incident investigation, training and development, and effective communication.

In addition, we stress continuous and correct efforts to implement the 9 Golden Rules for Life, Base IPERC, reject unsafe work, accountability of contractor companies and contract review, through strict compliance with procedures, policies, rules, and safety standards.

### Prevention: A non-stop effort

Our priority is to create safe working environments, and to protect the safety, health and wellbeing of our workers, contractors, suppliers, and communities. To assess and measured process performance, internal and external audits have been performed, the results of which have are communicated and implemented in a systemic and continuous improvement manner in the areas or by the contractors.

The management line, accountable for occupational safety and health performance, receives advice from safety professionals and is focused on the correct application of labor risk prevention techniques: 5S, Base IPERC, Continuous IPERC, ATS, PETAR, STOP and inspections under the framework of the critical risks management.

Our Occupational Health and Safety Management System includes 20 elements, as detailed in the Annual Occupational Health

and Safety Management Program. Our integrated system is based on ISO 9001, 14001, and 45001 standards. On the other hand, the system fosters the participation and consultation of all employees, which is vital for the success of the operation. The share opinions and suggestions as well as any acts or conditions, they are encouraged to say “no” to unsafe labor practices.

All workers in all areas, locations and Levels are covered by the plans deployed by our Health and Safety System.

It must be mentioned that from February 8 to 10, we had a remote recertification auditing process for ISO 9001:2015, 14001:2015, 45001:2018 follow-up.

On the other hand, in 2022, management inspections were carried out with the process leaders, during which the application of 5S and preventive techniques in the working areas were reinforced. In addition,

contractors (mining and related companies) and operational and support processes were evaluated through audits and inspections by safety professionals to determine the level of implementation of the occupational health and safety system and critical controls.

No accidents were registered in the Marañon or Santa Maria Plants during this year. These results encourage us to work towards our zero injuries goal. Despite our efforts, 48 accidents occurred outside these plants, 100% of the victims were men. These happened mainly in La Libertad (54%), other regions (40%) and Lima (6%). Our goal has always been to avoid the possibility of fatal accidents; however, we deeply regret the loss of three colleagues in three different events.

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## 9 RULES OF GOLD FOR LIFE

### ALWAYS

1. **Say “NO”** to unsafe work
2. **We do not work under the influence** of alcohol, coca leaf or other drugs
3. **We are not permissive.** We take immediate action in the event of risks
4. **We always comply** with the regulations, PETS, and standards

### IN TEAMS

5. **We never operate** engine-run equipment and winches without authorization
6. **We do not enter in contact** with equipment, systems or places that are blocked and/ or labelled as dangerous
7. **We respect speed limits,** resting periods, traffic schedules, and restrictions during the rainy season

### IN LABOR

8. **We always** ventilate, water, untie loose rooks and place the necessary supports in the works
9. **We fasten** the spillways and lifting chimneys with grids

## PREVENTION 9 CRITICAL RISKS

1. Rock fall
2. Gassing
3. Falling to a different level
4. Explosion
5. Slipping
6. Electrocution
7. Entrapment
8. Overturning
9. Hit-and-run

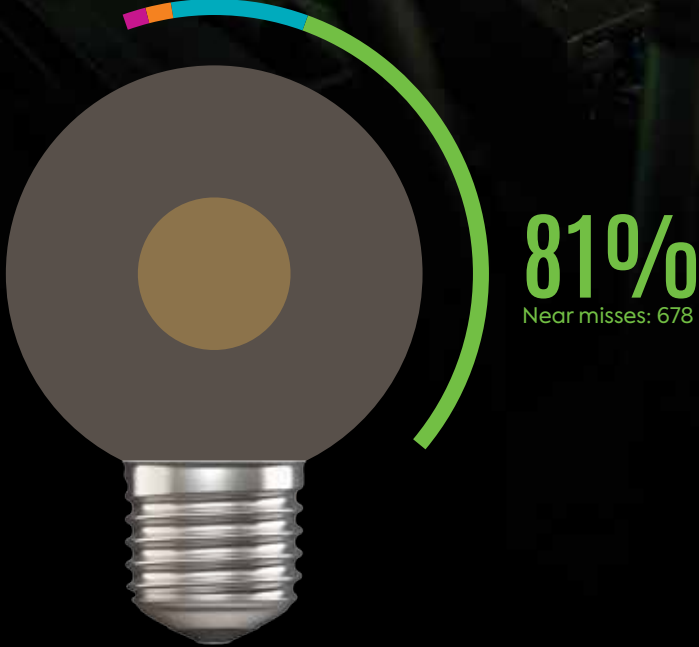


REPORT PER TYPE OF ACCIDENT/NEAR MISSES -2022

2% Disabling Accident: 20

3% Minor Accident: 28

13% Accident with property damage: 110



The most frequent causes of injury were material handling, serious injury to life and health (due to criminal acts inside the mine), people falling, rocks falling, and workers being hit or trapped by moving machinery. The number of hours worked was 9,229,691.

FATAL ACCIDENTS REPORT

Year	Fatal accidents
2020	0
2021	0
2022	3

PODEROSA 2022

1.46  
Frequency Index

4,386.41  
Severity Index

6.39  
Accident Index

CONTRACTOR COMPANIES 2022

2.29  
Frequency Index

1,960.44  
Severity Index

4.49  
Accident Index

ACCIDENT RATE 2020-2021-2022

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ACCIDENT INDEX (AI)												
Poderosa 2020	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Poderosa 2021	0.00	0.00	0.00	0.10	0.08	0.06	0.16	0.12	0.38	0.30	0.25	0.38
Poderosa 2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.39
Contractors 2020	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Contractors 2021	0.05	0.11	0.09	0.06	0.11	0.08	0.05	0.04	0.06	0.06	0.05	0.05
Contractors 2022	0.09	5.99	3.58	12.86	8.75	6.44	5.54	4.53	4.06	3.89	3.11	4.49

FREQUENCY INDEX (IF)												
Poderosa 2020	0.0	0.0	2.9	2.2	1.8	1.6	1.4	1.2	1.1	1.0	0.9	0.8
Poderosa 2021	0.0	0.0	0.0	2.3	1.9	1.6	2.7	2.3	3.1	2.8	2.5	3.8
Poderosa 2022	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Contractors 2020	1.9	3.0	3.3	3.0	2.5	2.3	2.5	2.2	2.0	1.8	1.6	1.4
Contractors 2021	2.3	3.4	3.0	2.2	2.7	2.2	1.9	1.6	2.1	2.1	1.7	1.9
Contractors 2022	1.98	1.99	1.88	3.15	2.77	2.52	2.58	2.41	2.47	2.66	2.38	2.29

SEVERITY INDEX (SI)												
Poderosa 2020	0.0	0.0	77.0	59.4	48.9	42.5	37.8	33.4	29.8	26.6	24.1	21.9
Poderosa 2021	0.0	0.0	0.0	44.5	44.7	37.4	58.6	51.1	122.9	109.6	98.9	99.5
Poderosa 2022	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4386.4
Contractors 2020	1.9	41.6	35.5	47.6	40.2	36.1	40.4	36.0	32.2	28.8	25.9	23.4
Contractors 2021	21.0	31.0	30.9	26.4	42.0	34.9	29.4	25.2	28.5	30.4	27.4	27.3
Contractors 2022	47.5	3,010.6	1,904.6	4082.2	3,154.2	2,551.8	2,148.9	1,876.2	1,646.5	1,462.1	1,307.7	1,960.4

Source: Compañía Minera Poderosa S.A. safety system platform. Rates have been calculated per every 1,000,000 work hours.

Safety

Our priority is to create safe working environments, and to protect the safety, health and wellbeing of our workers, contractors, suppliers, and communities





Occupational Health and Safety Training

In 2022, a total of 330,991 person-hours training were provided to our workers and contractors. All the same, we carried out the training plan to comply with DS No. 024-2016-EM and its modification DS No. 023-2017-EM. The staff was trained in environmental obligations and programs focused on compliance with sanitary regulations.

All the same, trainings were held on first aids, prevention of occupational and common illnesses. We must stress the effort made to provide these courses, and the constant training of our supervisors and contractors in the correct application of preventive

Type of training	Total training hours
Training	9,597
Environment	3,631
Labor risks prevention	314,702
Health	3,060
Total	330,991

techniques in the field, with the advice of safety professionals.

Emergency response

We have a crisis committee and a central emergency committee to coordinate and attend to undesired events. The brigade members located in the mining unit are on alert for any emergency. In addition, a comprehensive emergency response training program was implemented, including vehicle rescue, fire prevention and fighting, handling of hazardous materials, rescue at heights, and mining rescue. These courses were given by external specialists throughout the unit. We have equipped emergency stations in Chagual, Vijus, Papagayo, Cedro and Santa Maria.

Occupational Hygiene

The workers' health and wellbeing are important pillars for our organization. We believe that mining activities are linked to the safety culture and the latter is directly linked to our business success. During 2022, and according to the Comprehensive Occupational Hygiene Program, monitoring, and evaluation of

risk factors at workstations, were carried out.

In the context of the pandemic, which tested our capacity to adapt and react, biological risk management and the implementation of improvement actions and preventive controls were reinforced. Another relevant aspect was fatigue measurement of the transportation operator, the design of underground mine lighting, and ventilation and CO2 control in the offices and canteens on the surface.

Work -related medical surveillance

We carry out an annual program for the prevention and control of common and occupational diseases, as well as health promotion. The results demonstrate the effectiveness and importance of compliance with preventive measures, such as symptom reporting, respiratory protection, and hygiene to avoid the uncontrolled spread of covid-19.

Common disease incidence rate: **23.69%** (goal ≤ 35%)

Work absenteeism due to common illnesses: **7.42** medical leave days on average per month per one thousand workers (goal ≤ 18 days)

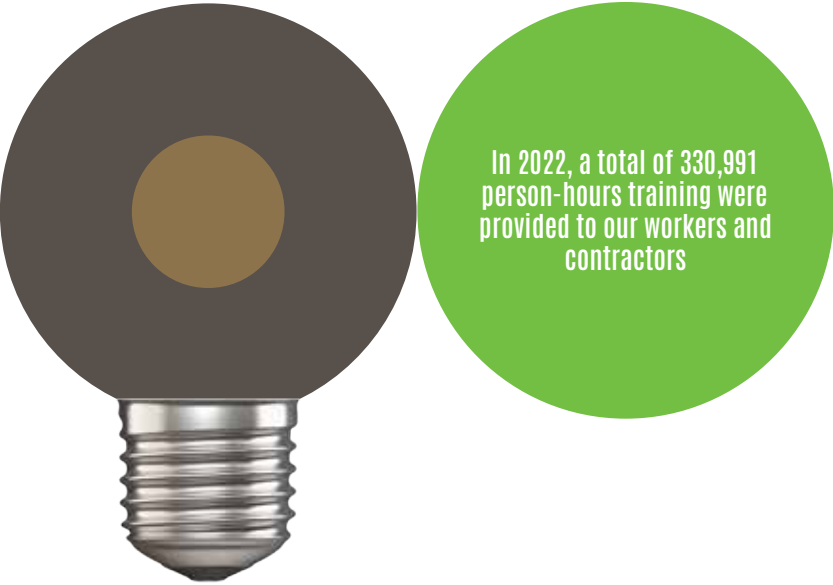
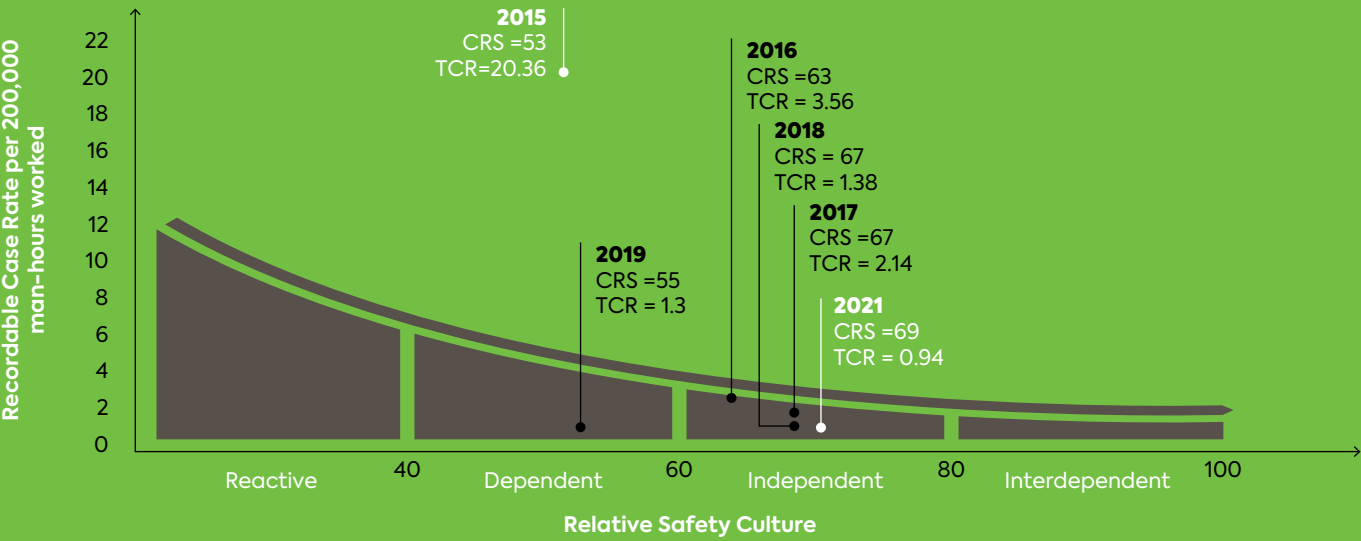
Safety culture evolution

The last safety culture evaluation was carried out in 2021. The update of the Relative Safety Culture (CRS) has been scheduled for the end of 2023.

EVOLUTION OF THE OCCUPATIONAL HEALTH AND SAFETY CULTURE 2015-DECEMBER 2021. BRADLEY CURVE

	2015	2016	2017	2018	2018	2020	2021	Difference compared to 2015
Relative Safety Culture (RSC)	53	63	67	67	55	-	69	Increase 30.20%
Recordable Case Rate (RCR) **	20.36	3.56	2.14	1.38	1.3	-	0.94	Reduction 95.40%

\*\* Number of injuries per 200, 000 Men Hours Worked



In 2022, a total of 330,991 person-hours training were provided to our workers and contractors



**Risk Management (continuous IPERC matrix)**

Acting against occupational risks and hazards to maintain a safe working environment without any negative impacts, is fundamental for adequate risk management within the occupational health and safety management system. To reinforce safety performance, our approach is to continue working with field follow-up to the line of command of the different processes. We therefore ensure the correct application of the Continuous IPERC methodology by the workers during the execution of their tasks. This Methodology is a management tool that stands for Identification of Hazards, Risk Assessment and Control Measures. It is a preventive technique is carried out by all the workers before they start their activities.

**Our response to Covid-19**

In 2022, Covid-19 disease had an impact on our mining unit. To control this spread, we reinforced prevention and mitigation measures such as taking antigen screening tests,

both at the entrance to the mining unit and in mass or targeted screening. Likewise, we applied epidemiological barriers, according to our surveillance plans and protocols. This way, we protect the health of our employees and guarantee the continuity of the operations.

All the same, we continued with follow-up and control of the vaccination process of our employees, as provided for in the legal provisions in force; we also carried out vaccination campaigns in the mine.

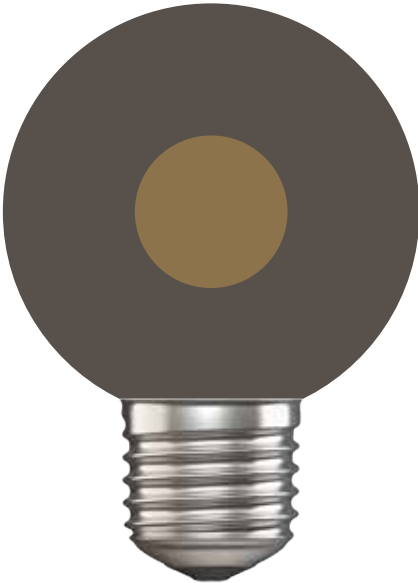
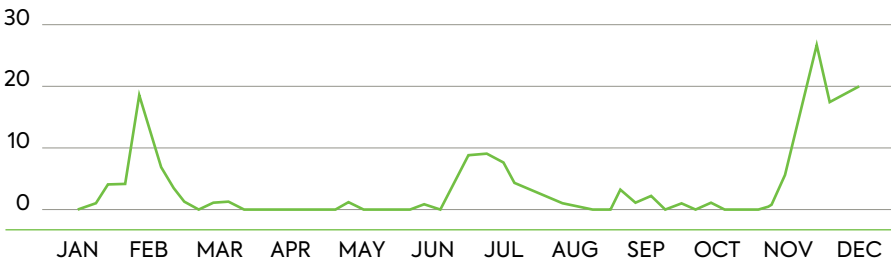
The communications area informed about the measures to be taken by our employees in the event of any unusual symptom. It also organized training activities and sent Covid-19 alerts. The results of these efforts

(supported by the line of command, leaders, and managers) resulted in a gradual reduction of positive cases in the mine. This year, 39,167 tests were applied.

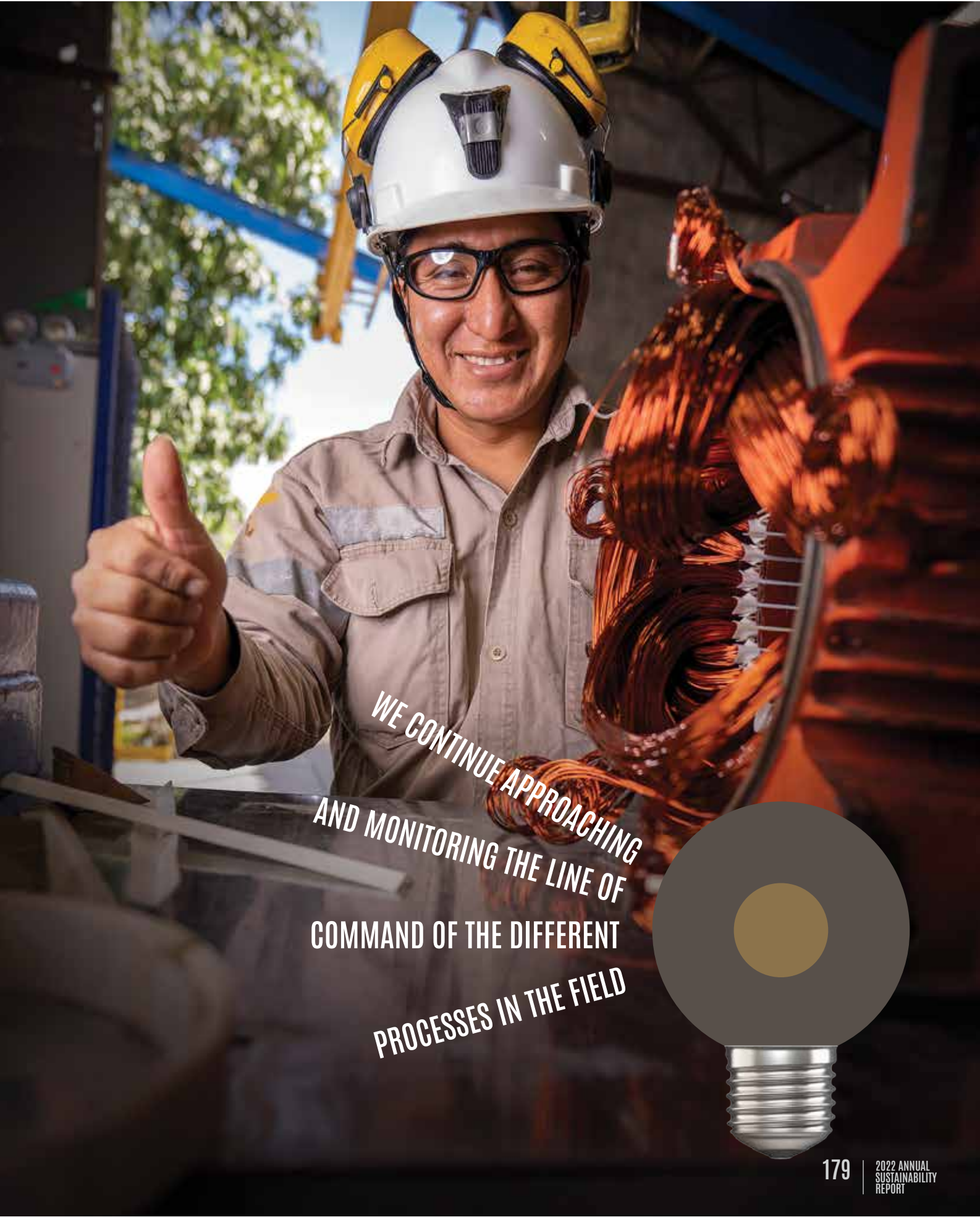
**Compliance of biosafety protocols**

Compulsory compliance of the biosafety protocols was enforced, considering the behavior of the disease, the cases detected, and the instructions given by the competent national health authority. The most important measures taken were hand washing, correct use of facemasks, respect for social distancing, correct disposal of contaminated waste, attending the health clinic in the presence of symptoms and the compliance with the isolation, as necessary.

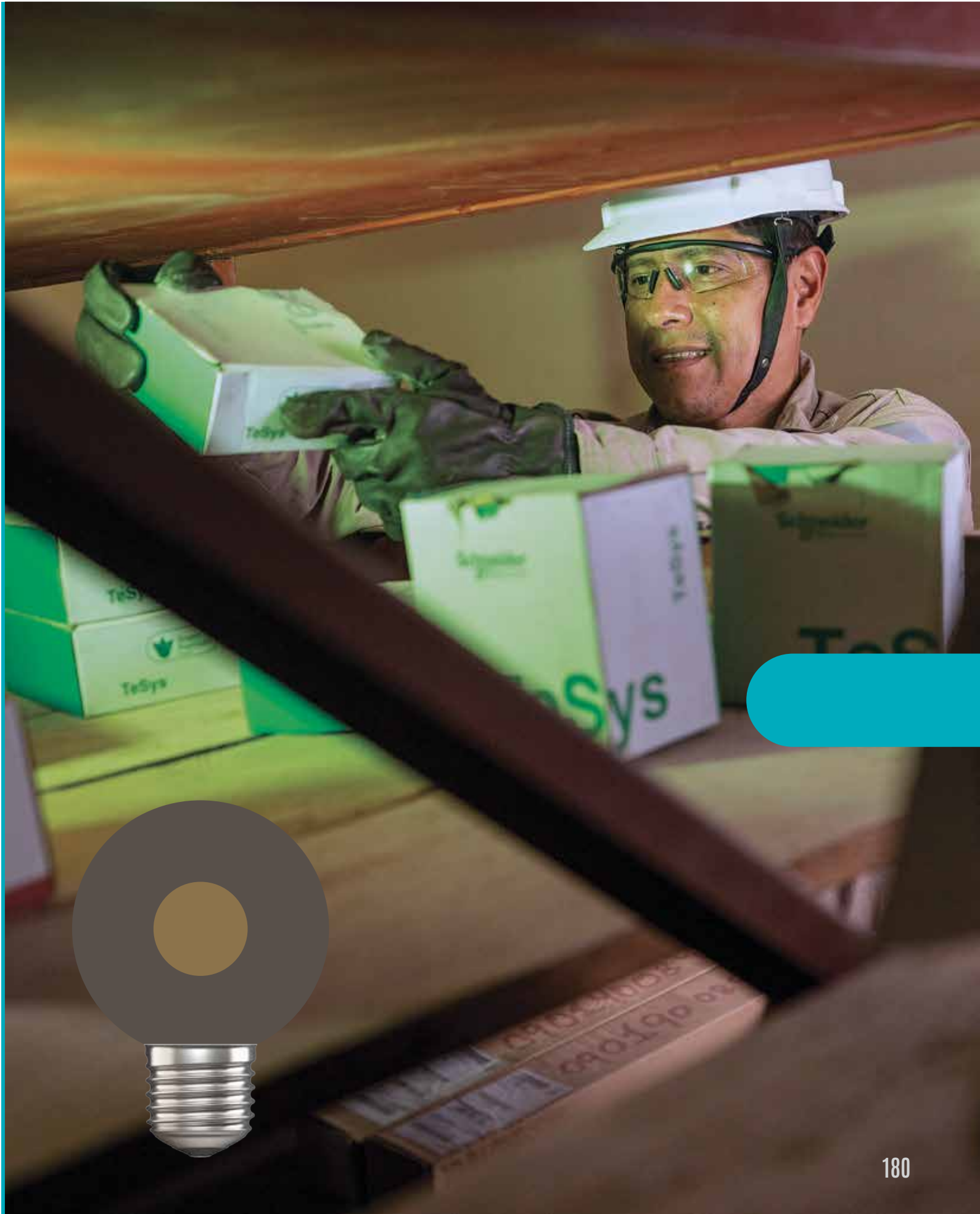
MONTHLY POSITIVITY IN UM (%)



We continued with follow-up and control of the vaccination process of our employees, as provided for in the legal provisions in force



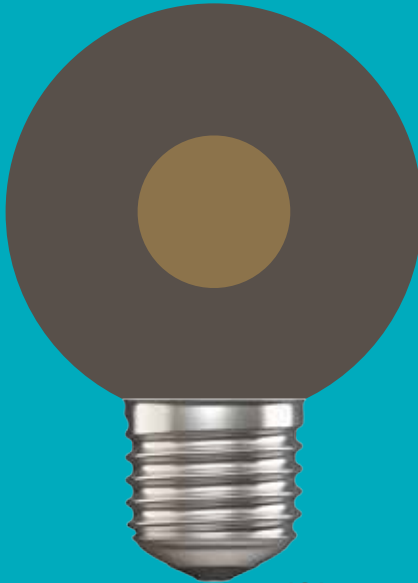
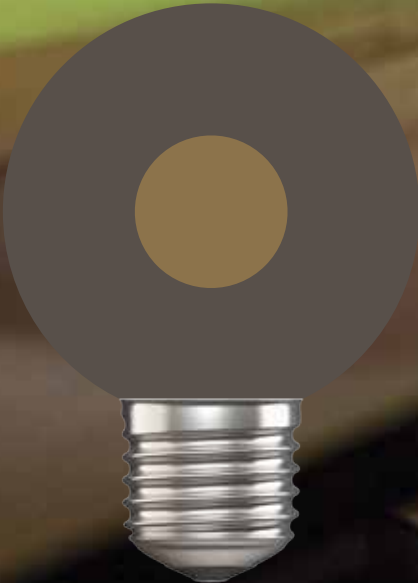




[ PART 4 ]  
SUPPLIER DEVELOPMENT



SUPPLY CHAIN



We are focused on guaranteeing a supply chain that meets the quality and safety standards required by our company. In this sense, we focus on developing and assessing the suppliers as our business partners. We therefore have a strict selection process.

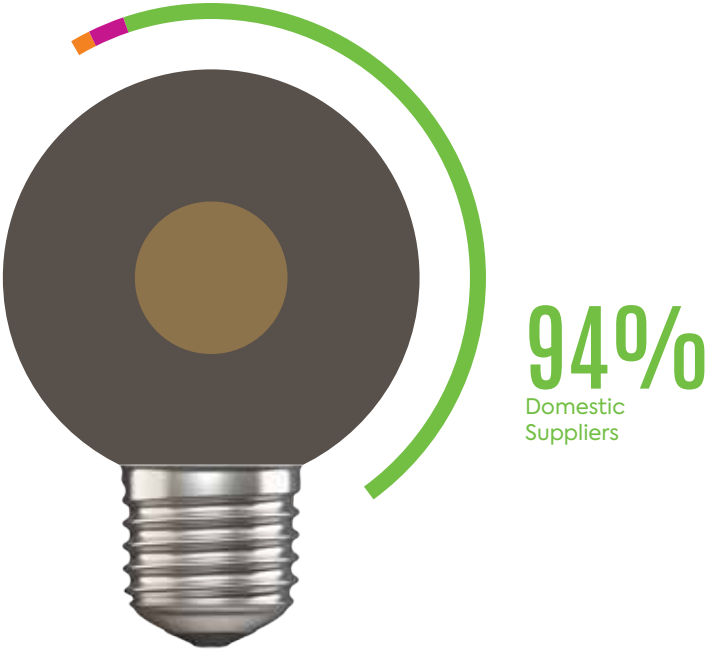
We encourage the optimization of our suppliers' quality standards as regards sustainability, quality, safety, and environment throughout the value chain as to minimize risks and develop long-term alliances. This is achieved through supplier standardization, evaluation, and revaluation.

With this continuous improvement strategy, we build long-lasting relationships of trust with suppliers and contractors that allow us to

share our principles and values with them.

Therefore, our commitment goes beyond the exchange relationship with our suppliers, who, through various initiatives, can develop innovative products and to provide increasingly complex services and improve productivity, making them more competitive. All the same, a positive impact to which we pay special attention is the generation of local jobs through contractors and local companies which supply goods and services to the operations. However, we are also aware that our company can be directly linked to negative impacts on the supply chain such as human rights violation.

Therefore, our Quality Policy defines our commitment to work together to create a responsible productive chain. We have good administrative and operational practices, both internal and external, that seek to strengthen our long-term commercial relation in an integral and loyal manner with our strategic partners identified.



QUALITY OF SUPPLIERS  
AND SERVICES WITH  
GOOD PRACTICES

In 2022 we had 814 duly evaluated and selected suppliers (excluding contractors), among domestic and foreign. They provided us with goods and services in compliance with the quality standards of our operations, management, and investment projects development.

In addition, we have signed 14 supply contracts after establishing partnerships with strategic suppliers and 8 contracts for transportation services, technical support for service inspection and complementary logistics operations.

TYPE OF SUPPLIERS

	Number	%
Number of companies that supply goods	461	50
Number of people that supply goods	10	1
Number of companies that supply services	426	46
Number of people that supply services	30	3

SUPPLIER ORIGIN

	Number	%
La Libertad	121	15%
Other cities	693	85%
Total	814	100%



MAIN  
INDICATORS



34.6%  
PURCHASES OF GOODS AND  
SERVICES OF REGIONAL ORIGIN

94%  
RELATED COMPANIES IN  
THE ELITE GROUP

47%  
MINING CONTRACTOR  
COMPANIES IN THE ELITE GROUP

98%  
CRITICAL SUPPLIERS ASSESSED (SECURITY, QUALITY,  
ENVIRONMENT, HOUSING CONDITIONS AND OUTSOURCING AUDITS  
WERE CARRIED OUT)

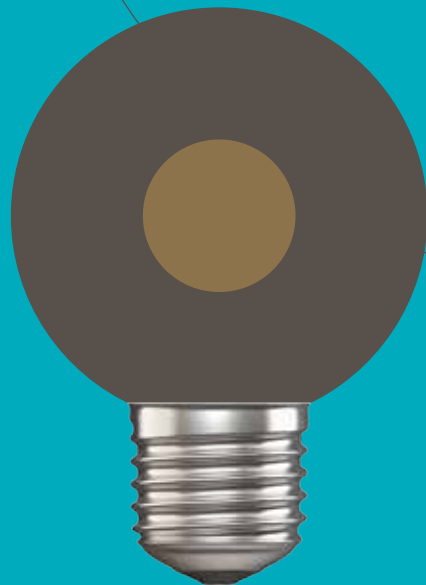






# SUPPLY CHAIN

1. SUPPLIER
2. TRANSIT WAREHOUSE
3. LAND TRANSPORTATION
4. SUPPLY WAREHOUSE (MINE)
5. EXPLORATION
6. MINING
7. PROCESSING
8. PRODUCT WAREHOUSE
9. CARGO AGENT WAREHOUSE
10. AIR TRANSPORTATION
11. CUSTOMERS



Our Quality Policy defines our commitment to work together to create a responsible productive chain





TOTAL GOODS AND SERVICES IN USD

Goods		Services		Contractors		Total	%
Regional (La Libertad)							
19,905,769	24%	6,410,897	44%	31,789,013	44.4%	58,105,679	34.6%
Other regions							
57,217,513	70%	7,979,442	55%	39,771,003	55.6%	104,967,958	62.5%
Imports							
4,768,369	6%	170,412	1%			4,938,781	2.9%
Total USD							
81,891,652	100%	14,560,752	100%	71,560,015	100%	168,012,417	100%

ORIGIN OF SUPPLIERS FOREIGN – DOMESTIC



**FOREIGN**  
Belgium, Canada, Chile, China, Colombia, U.S.A., France, Italy, South Korea, United Kingdom, South Africa, Australia, Ireland, Spain, Turkey and Uruguay

**DOMESTIC**  
Lima, Trujillo, Arequipa, Cajamarca, Chepén, Chimbote and Loreto



SUPPLIER STANDARDIZATION

Assessing and reassessing our suppliers under a risk-based management approach, considering commercial risk, corporate social responsibility, experience accreditation, financial risk, and management systems criteria is a critical aspect of value generation. Therefore, all the service provider suppliers, and those who want to be part our supplier portfolio undergo standardization and due diligence processes. 223 services suppliers that have a contract or that are about to sign one, have passed this process successfully. Variables such as activity, capacity, comprehensive Management System, and commercial aspects are reviewed in this assessment.

In the case of contractors, they are classified into high, medium, and low categories, through and assessment that take these five variables into considerations:

- 1 Invoice level
- 2 Production continuity
- 3 Number of workers
- 4 Frequency of the service (recurrence)
- 5 Activity risk level

COMPREHENSIVE PERFORMANCE EVALUATIONS

The contract management area uses a tool that can objectively reassess the organizational results of the contractors which are at the core of the business (mining and related contractors). This tool is called Nine Box, and allows performance evaluation, mainly based on the productivity and safety results (both main indicators), which are in turn calibrated with labor and financial indicators (risk central report).

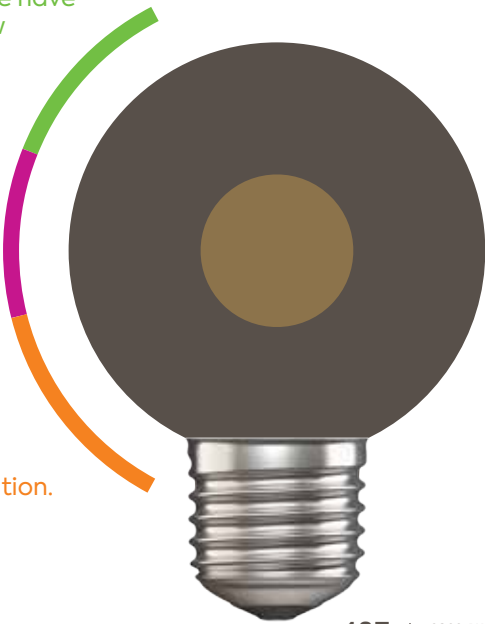
PERFORMANCE

The results of this evaluation break down the contractor companies into three groups:

**First group - Elite contractors:** We have noted that these contractors show strong safety performance and effective program compliance, all the same, they show strong labor and financial compliance.

**Second group - Promising contractors:** This group's results vary substantially. These contractors are in the process of standardizing results to become high performers.

**Low performing contractors:** show a trend of continuously reduced performance and require our attention and constant evaluation.



MINING CONTRACTOR COMPANIES PERFORMANCE

%	Type	Number of Companies
47%	Elite	7
33%	Promising	5
20%	Low performing	3

RELATED COMPANIES

%	Type	Number of Companies
94%	Elite	17
6%	Promising	1
0%	Low performing	0



CRITICAL SUPPLIERS  
ASSESSED

2020	2021	2022
97%	98%	98%

In addition, in 2022, audits were carried out to verify the compliance of the obligations contained in the contracts in cross cutting topics such as safety, quality, environment, housing conditions and outsourcing. These audits will continue in 2023, for they help to strengthen the contractor companies' management and performance. 100% of new suppliers undergo social criteria screening.

STRENGTHENING  
SERVICE SUPPLIERS

In 2022, we worked with a group of seven suppliers to strengthen their business capacities. These contractor companies include occupational health, civil works, green areas, transportation, and maintenance.

Local suppliers are individuals or legal entities established and located in the district of Pataz and in the rest of the region of La Libertad, where we have our operations. We maintain a contractual relationship with them for the supply of goods and services. The supply includes supplies by type of material movement, i.e., automatic replenishment, direct orders, and projects; additionally, there are fixed assets, which are acquired according to the annual investment plan.

PROCUREMENT OF  
GOODS AND SERVICES

Our supply chain considers several processes to help guarantee the supply of these goods and services. The process starts with an internal request order according to the annual investment and costs plan which is approved by the Board, managers, superintendents, and department heads.

There are some frequent consumption products are referred to as automatic replenishment and include materials such as liquid and gaseous fuels, chemical products, reagents, grinding media,

lubricants and oils, explosives and accessories, timber, among others. Many of these products are hazardous, therefore, their procurement is complicated due to legal standards and regulations. Moreover, transportation, storage and handling of these products is very risky because their physical and chemical properties can have adverse effects on people's health as well as on the company's facilities, processes, and the environment. Therefore, these products are extremely critical to the mining operation.

Timely procurement is guaranteed by a logistics planning process, and by a team of buyers and warehouse keepers who carry out domestic purchases and imports. We also have a transit area or in-transit warehouse where materials and equipment are received and dispatched to our mining units, and which are delivered in Lima and in Trujillo. The transportation process is carried out by well-known outsourced companies that cover the route Lima-Trujillo-mine.

At the mines, we have two central warehouses, together with storage units, gas stations, timber storage facilities, ammunitions, and heavy and bulky materials warehouses.

- ACTIVITIES PERFORMED WITH SERVICE SUPPLIERS
- 2022-2024 Strategic Plan: biweekly remote and in-person monitoring of the activities foreseen in the 2022 strategic plan and in the operating plan.
  - Business Plan (indicators and goals): follow-up of the 2022 marketing management and sales plans.
  - 2022 Human Resources Management Plan.
  - Indicator table for business management monitoring and control.
  - 2022 social responsibility and innovation management.
  - Improvements in the standardization process.

ACCIDENT RATE ALONG  
CRITICAL ROUTE

Transportation of materials and equipment from the supplier's plants or warehouses abroad to Lima, Trujillo and Pacasmayo requires a strict process with security and control standards to guarantee a secure service. Hazardous materials, such as liquid and gaseous fuels, lubricants, explosives, sodium cyanide, chemical products, among others, are included in the list of goods transported. Maritime or air freight agents transport imported goods, while domestic transportation is done from the coast through a long route that crosses the harsh geography and climate of the northern mountains, up to our two mining units.

THE ACCIDENT RATE IN 2022 ALONG  
THE CRITICAL ROUTE WAS:

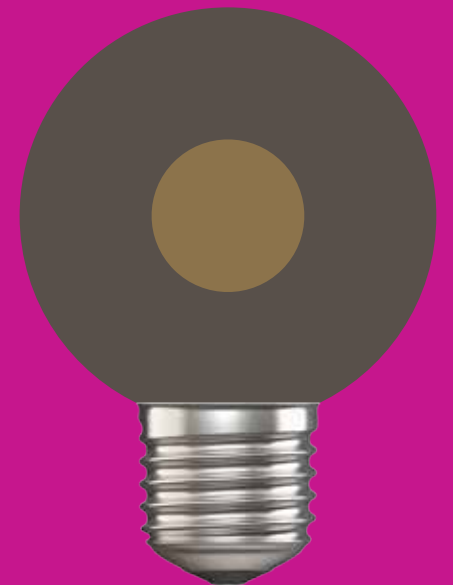
ZERO





commitment [ PART 5 ]

# COMMUNITY RELATIONS





# [ OUR COMMITMENT WITH NEIGHBORING COMMUNITIES ]



Under our community relations approach, we are committed to promoting development in our areas of influence through sound, constructive and receptive bonds. Close interaction with our stakeholders helps us understand their needs, so we can focus our contributions so the communities can develop in a sustainable manner.

In 2022, through our Community Relations Plan, we confirm our Social Responsibility Policy and our participatory intervention strategy with the population of our direct and indirect areas of influence. The Community Relations Policy states that it is essential to maintain and promote adequate relations in a sensitive social environment, to prevent social conflicts that could affect

our operations by strengthening community and environmental project management to help to the sustainable development of our area of influence. All the same, in our Sustainability Statement we express our willingness to be considered a good neighbor and to contribute to community progress.

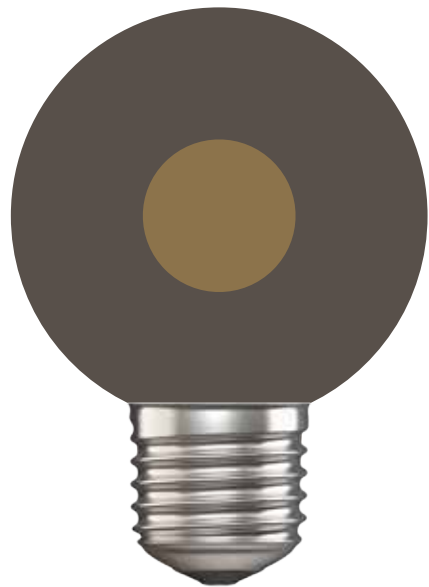
Our purpose is to improve the quality of life of families and ensure the sustainability of mining operations. We are considered good neighbors, and we work in cooperation for the development of the communities, and we control social conflicts

adequately and systematically. This objective is evident through the implementation of the Pataz District Sustainable Development Program, which fosters social, economic, and governance development. The program components are run by Asociacion Pataz, our strategic ally. The strategy is based on the effort and shared responsibility of private companies, the local government, several government agencies, together with the population, organized in Community Development Committees (CODECOS).



## development

[ We seek to contribute to the development of our area of influence through solid, constructive, and responsive links ]



## MAIN INDICATORS

### PEN 11,968,952

IN SOCIAL INVESTMENT TO IMPROVE LIFE QUALITY OF THE POPULATION. OUR INVESTMENTS ARE PRO BONO

### 102,687

PEOPLE BENEFITED BY THE COMMUNITY RELATIONS ACTIVITIES IN 2022

### PEN 306,900

INVESTED IN COVID-19 PREVENTION, IN 2022

### 100%

COMPLIANCE WITH SOCIAL AND ENVIRONMENTAL COMMITMENTS

### 92

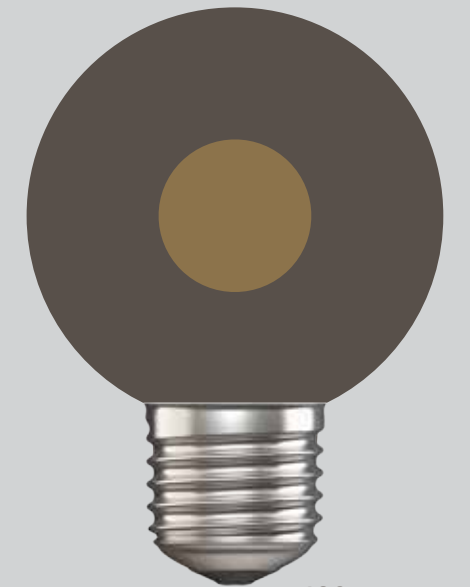
CODECOS LEADERS, 65 AUTHORITIES OR LEADERS, AND 431 DWELLERS DEVELOPED THEIR COMMUNITY DEVELOPMENT MANAGEMENT CAPACITIES

### PEN 195,000

DELIVERED TO 3 PROJECTS, WINNERS OF THE 2022 CONTEST: SUYUBAMBA, CAMPAMENTO, AND SOCORRO CODECOS

### 452

PARTICIPANTS, 107 OF WHICH ARE JASS LEADERS OF THE PATAZ DISTRICT, 40 LEADERS AND AUTHORITIES, 305 DWELLERS RECEIVE TRAINING, COUNCELLING AND TECHNICAL ASSISTANCE TO MANAGE, OPERATE AND MAINTAIN THE TAP WATER SYSTEMS





COMMUNITY RELATIONS  
PLAN

Our Community Relations Plan contains the programs that guide the relationship, promote dialogue, and direct the communication that our company and our contractors carry out in the area of social influence of the Marañon mining unit. The main goal is to prevent and mitigate the negative social impacts identified, among which the following are the most important:

- Increase in the cost of living (prices of products and labor).
- Migration of outsiders in search of job opportunities.
- Change of economic activities: from subsistence farmers to Artisanal Miners.
- Increase in criminal activities and social vices.
- Exploitation, child labor in informal mining.

This social management tool allows us to build and strengthen harmonious relations with our neighboring populations. The area responsible for the process, the Community Relations area carries out activities grouped under the following sub-processes:

1. Information and citizenship participation.
2. Purchase of surface rights.
3. Compensatory damages.
4. Promotion of sustainable development.
5. Social and environmental management.

COMMUNITY RELATIONS  
PROTOCOL

The early participation of the population involved in all stages of our operations is a fundamental practice to achieve social acceptance and generate trust. Our protocol contains a set of measures for community relations that contribute to minimize social risks and generate a favorable environment for the development of operations. The protocol may be modified or updated as necessary.

COMMUNITY  
RELATIONS  
STRATEGY

Effective communication and citizen participation

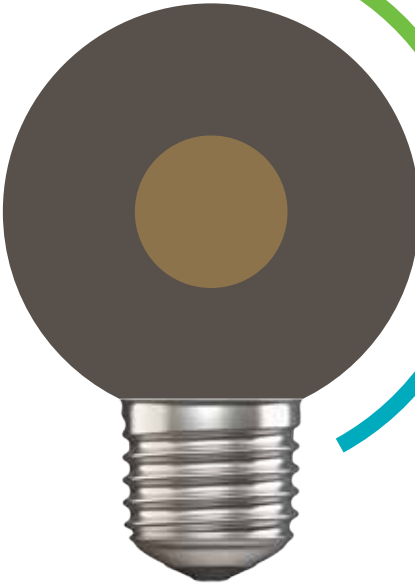
Promoting citizen participation processes in the implementation of mining projects, as an element that generates feedback spaces for proper decision-making, delegation of responsibilities and/or adoption of agreements. Likewise, adequately communicate the different Environmental Impact Studies approved and strictly comply with the processes of citizen participation in the studies.

Working in partnership and with co-responsibility

At all times, efforts will be made to articulate contributions and efforts among existing organizations and institutions at the community and district levels, as well as those related outside the area but with shared responsibility, to maximize the benefits..

Contribution to sustainable development

Under a three-party approach, community development in the different communities with articulated work between CODECO, the local government, and Poderosa is promoted. The efforts are concentrated in the sustainable development goals, related to health, nutrition, education, capacity building, clean water, gender equality, poverty alleviation, climate action, peace, justice, and strong institutions.



OUR PROTOCOL CONTAINS  
A SET OF MEASURES FOR  
COMMUNITY RELATIONS



RELATIONSHIP  
PROTOCOL  
GUIDELINES

RESPECT FOR THE ENVIRONMENT  
AND SUSTAINABLE DEVELOPMENT

- The exploration, extraction, exploitation, production, transformation, transportation, distribution and/or use of natural resources related to Poderosa's activities are carried out in compliance with and enforcing the country's current legislation.
- Responsibility and efficiency are essential and constant standards in the processes of exploitation and use of natural resources.
- The harmonization of legitimate business and productive interests seeks to contribute to a decent life and the sustainable development of society.
- We promote population's empowerment and capacity building as fundamental pillars of their development process. Through the Community Development Committees (CODECOs) local development plans are made viable.

RELATIONSHIP WITH THE  
AUTHORITIES AND THE  
POPULATION IN THE AREA OF  
INFLUENCE

- Communication with the authorities and the population of the area of influence will be clear, transparent, and timely, under a framework of respect and courtesy.
- The contribution of the population will be duly systematized and organized, to be considered in the decision-making processes.

CULTURAL IDENTITY

All actions will be carried out within a framework of respect for the values, beliefs, identity, traditions, uses and local customs of the population in the area of influence, trying not to affect the development of their daily activities and cultural expressions.

LABOR CONTRACTING

The company and the contractors will give priority to hiring local labor, to the extent possible and considering whether there is a local supply, according to the demands of the mining company and the minimum requirements of the position.

EMPLOYEE BEHAVIOR

The dissemination of and compliance with the Code of Ethics and Conduct shall be promoted among all employees.

GOOD NEIGHBOR  
POLICY

As expressed in our Sustainability Statement, we are committed to being a good neighbor, promoting dialogue with communities of direct influence, to strengthen good relations and trust in communities, social organizations, and local government.

Implementation of the good neighbor policy:

- Deploy the information and communications plan.
- Establish a continuous and permanent dialog process.
- Acknowledge, accept, and participate in the customs, experiences, and needs of the communities.

- Recognize community authorities and leaders as active agents of local development.
- Fulfill our commitments to our surroundings: environmental protection and respect for human rights. We have a database of compliance with agreements and commitments with the communities in which we operate.
- Promote initiatives, commitments, and contributions with a social vision through the implementation and execution of productive projects that contribute to community development and the improvement of the livelihood of the population.
- Contribute to prepare citizens more committed to their

- communities, recognizing their potential to solve their problems.
- Promote self-reflection and self-criticism, through the development of agreements with communities so that this practice becomes a form of harmonious coexistence.

GRI  
2-29

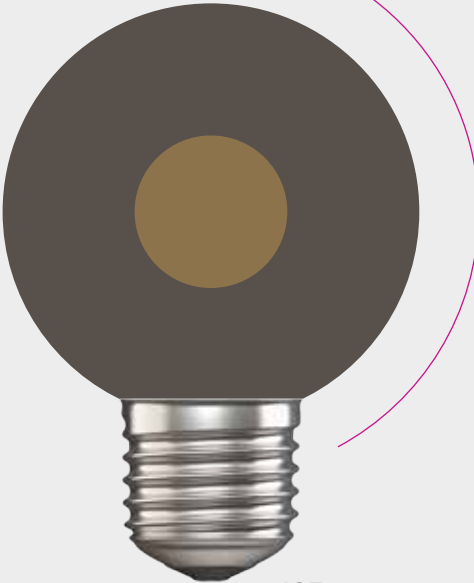
DEVELOPMENT

OUR CONTRIBUTION TO DEVELOPMENT

We assess the performance of community relations through management indicators, according to the 2022 annual plan. The results are reviewed on a quarterly basis at policy management meetings.

MAIN RESULTS  
OF THE 2022  
ANNUAL PLAN

- **80.40%** compliance of purchase and right of use plans.
- **100%** compliance with social and environmental commitments.
- **15 CODECOS** formalized and registered before SUNARP.
- **8 CODECOS** rated Level IV of empowerment (maximum score) and 7 were rated Level III.
- **20 Tap Water Systems (SAP)** in the Patatz district managed by the JASS with chlorination system.
- **18 JASS** of the Patatz district have micro measurement systems.
- **20 JASS** received a good management rating.
- **20 tap water intake and conduction systems** rated as good.
- **26 families** in the Patatz district communities rolled out the healthy houses pilot plan.
- **10 CODECOS** executed or maintained cooperation agreements with public and private institutions.





# [ DIRECT AND INDIRECT AREA OF INFLUENCE ]

The geographic space over which mining activities and their components exert some type of environmental and social impact is considered the area of influence. This area is defined based on the potential impacts of the project; and, based on this, the main measures of the Environmental Management Plan are designed to minimize, correct, mitigate, or compensate the impacts.

Our Area of Direct Influence (AID) receives direct or higher intensity,

positive and negative impacts on the environment. It is mainly impacted by the activities of our Marañon and Santa Maria Production Units, in the Pataz district, Palca, in Pataz and Pías districts as well as by those in the Montañitas exploration project, in Tayabamba, for they are located close to the different components of our operations. In this area, we work with a preventive approach to minimize social and environmental impacts and implement mitigation or compensation measures.

Our Indirect Area of Influence (IAI) is established according to the indirect environmental and social impacts of the mining components. This is the area where the impacts transcend the physical space of the project and its associated infrastructure, that is, the zone outside the direct area of influence.

In all our processes, we promote our Environmental Policy, preventing, reducing, and mitigating the negative impacts generated by our processes; we also promote the protection of the responsible and sustainable use of natural resources.

## DIRECT AND INDIRECT AREA OF INFLUENCE

	Production Unit/ Project	Region	Province	District	Village	Community
1	Marañon Production Unit	La Libertad	Pataz	Pataz	Vijus/Barrio Chino	
2	Santa Maria Production Unit	La Libertad	Pataz	Pataz	Pataz, Campamento, Pueblo Nuevo, Zarumilla, Vista Florida, Socorro-Cedro	
3	Palca Production Unit	La Libertad	Pías	Pías	Alacoto, Pamparacra, Pías, Suyubamba	Pías Farming Community
4	Montañitas Exploration Project	La Libertad	Pataz	Tayabamba	Tayabamba	La Victoria Farming Community
5	Montañitas Exploration Project	La Libertad	Pataz	Huayllillas	Huayllillas	Estrella de Oro Farming Community
6	Montañitas Exploration Project	La Libertad	Pataz	Ongon	Uctubamba	
7	Las Defensas Exploration Project	La Libertad	Pataz	Pataz	Chuquitambo, Nimpana, Shicún	Sol Farming Community
8	Ariabamba Exploration Project	La Libertad	Pataz	Pataz	Pías/Melomea	Pías Farming Community
9	Rafaela Exploration Project	Huancaspata	Pataz	Huancaspata	Huancaspata	
10	Misquichilca project	Condormarca	Bolívar	Condormarca		Condormarca Farming Community
11	Regional exploration projects	Huánuco, Junín, Cerro de Pasco	Huánuco, Junín, Cerro de Pasco	Chupaca, Pachitea	Chupaca, Pachitea	

Direct and indirect area of influence Source: Compañía Minera Poderosa S.A Community Relations



In all our processes, we promote our Environmental Policy, preventing, reducing, and mitigating the negative impacts generated by our processes



# [ CODECOS EMPOWERMENT ]

The Community Development Committees (CODECOS) represent a local management and governance model. They are an organization, an association made up by individuals and legal entities that represent the dwellers of a village, community, population, or neighborhood. Their purpose is to supervise and control public expenditure execution in their jurisdiction, and to design and manage their community development plan.

We have promoted this model in every community in the Pataz District, and recently, in Pías (Alacoto and Pamparacra). As a result of the training and counselling provided, the CODECOS have managed to lead community development processes, reflected in project

execution. These activities have reduced the gaps in health, education, economic development, among other sectors; and have helped to meet the basic needs of families such as access to tap water and sanitation, health, education, better economic income, etc.

To consolidate their achievements, the CODECOS have formalized their organization through their registration before the District Municipality of Pataz and Pías, registration in the Public Records

and obtaining their Taxpayer's Registry number (RUC). This has allowed them to execute cooperation agreements with the Pataz District Municipality, Poderosa, Asociacion Pataz, among other institutions.

The strengthening process has become concrete through actions like the CODECOS district level meetings, participation in the 2022 contests for funding, and financing management for the execution of projects scheduled in the community development plans.

## CAPACITY BUILDING FOR EFFICIENT MANAGEMENT

By the end of 2022, we finished the implementation of the capacity building plan for directors, authorities, leaders, and population. Trainings, counselling,

### 2022 CODECOS, AUTHORITIES AND POPULATION TRAINING

	Community	Directors	Authorities -leaders	Population	Total
1	Chuquitambo	8	2	8	18
2	Nimpana	8	8	75	91
3	Shicún	9	4	113	126
4	Vijus	7	4	3	14
5	Chagual	6	4	0	10
6	Suyubamba	9	6	86	101
8	Vista Florida	6	3	0	9
7	San Fernando	5	1	1	7
8	Campamento	9	13	44	66
9	Pueblo Nuevo	7	5	5	17
10	Los Alisos	4	7	0	11
11	Zarumilla	6	5	38	49
13	Socorro	8	3	58	69
Total		92	65	431	588

and technical assistance sessions were held. The topics addressed were strategic planning, community development plans, organizational structure, by-laws, regulations, budget, agreements, project design and management and municipal management.

## FORMALIZATION AND AGREEMENTS

Agreement execution is an empowerment criterion for the CODECOS. In 2022, the CODECOS signed ten interinstitutional agreements with different organizations. Also, the thirteen established CODECOS signed a framework agreement with the Pataz District Municipality to finance projects of the Contest for Funds; four CODECOS have agreements with Poderosa; and two CODECOS have signed

agreements with Asociacion Pataz to execute their projects.

On the other hand, the Vista Florida CODECO signed an agreement with the secondary school of the zone to implement its project in the school facilities. All the same, the Vijus and Zarumilla CODECOS have signed an agreement with the Pataz Health Network, execution unit 415 to hire the staff required by the health clinics in each community.

## COMMUNITY DEVELOPMENT PLANS

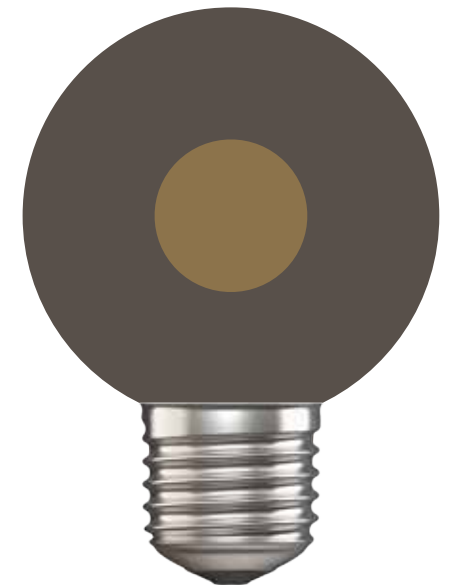
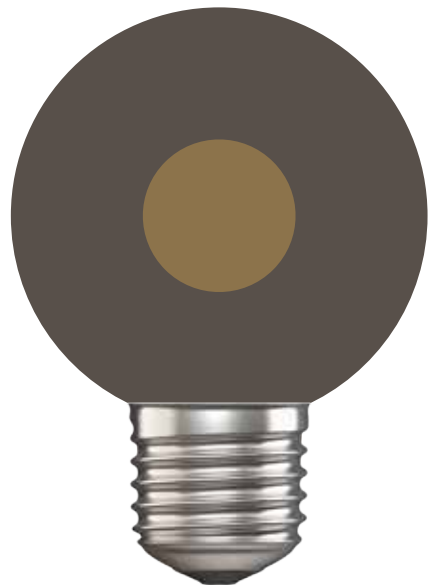
In 2022, the thirteen CODECOS implemented their community development plans in their corresponding communities. The implemented plans are in line with the sustainable development goals, and their goal is to improve



As a result of the training and counselling provided, the CODECOS have managed to lead community development processes, reflected in project execution

### COOPERATION AGREEMENTS 2022

	CODECOS/ community	Cooperation Framework Agreement between Pataz District Municipality, Asociacion Pataz and CODECOS	Agreement with Poderosa	Agreement with Asocia- cion Pataz	Agreement with execu- tion unit 415	Agreement with school
1	Chuquitambo	07/10/2019	20/08/2020			
2	Nimpana					
3	Shicún					
4	Vijus		02/09/2021		13/12/2022	
5	Chagual					
6	Suyubamba					
8	Vista Florida			02/01/2022		12/11/2020
7	San Fernando					
8	Campamento					
9	Pueblo Nuevo		08/08/2021			
10	Los Alisos			14/12/2018		
11	Zarumilla				20/10/2022	
13	Socorro		29/03/2022			
Total		1	4	2	2	1





the livelihoods of the inhabitants of each community. The implementation of the community development plans was 96.10% of the activities programmed.

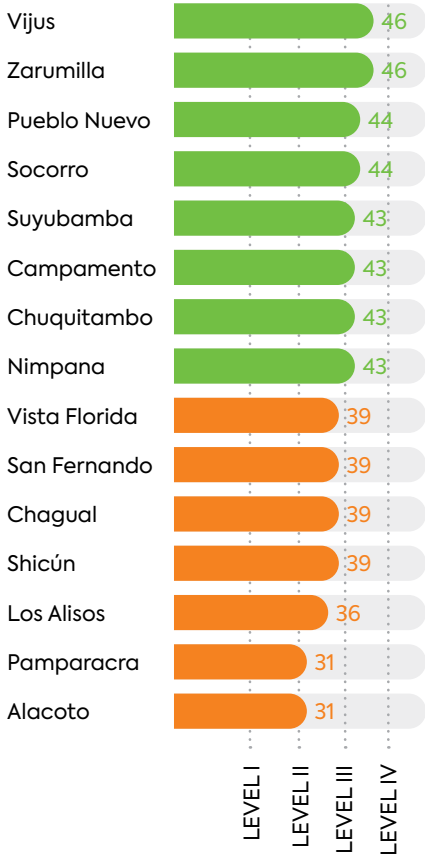
EXECUTION OF COMMUNITY DEVELOPMENT PLANS 2022

Quarter	Programmed	Executed
Q I	13.10%	12.60%
Q II	48.90%	47.20%
Q III	76%	73%
Q IV	100.00%	96.10%

EMPOWERMENT LEVEL

The two Pias CODECOS were included in the empowerment assessment. In conclusion, seven CODECOS met empowerment level III and eight, empowerment level IV.

EMPOWERMENT LEVEL OF THE CODECOS IN THE IV QUARTER OF 2022



EMPOWERMENT

CHARACTERISTICS OF EMPOWERMENT LEVELS

CODECOS IN LEVEL IV	8	Management beyond the district	Projects implemented with community contribution
CODECOS IN LEVEL III	7	Management at district level	Manage and execute projects
CODECOS IN LEVEL II	0	Organized and recognized	Planning
CODECOS IN LEVEL I	0	Disorganized	
TOTAL	15		

FINANCING LOCAL DEVELOPMENT PROJECTS

2022 CONTEST WINNER PROJECTS (PEN)

CODECO	Winner of The Funding Competition	Fund	Entrepreneurs	Pataz District Municipality	CODECO Irrigation committee	Budget
Suyubamba	Increase of the agricultural area through the improvement of the Poderosa - Suyubamba, irrigation channel.		12,886.97	94,360.97	19,083.07	191,331.01
CODECO	Winner of The Funding Competition	Fund	Entrepreneurs	Pataz District Municipality	Parents Association CODECO	Budget
Socorro	Remodeling of the "Rayitos de Cornelia" Pre-school facilities in Cedro sector, Socorro community	65,000.00	10,055.75	52,488.84	23736.84	151,281.43
CODECO	Winner of The Funding Competition	Fund	Other	School	Parents Association CODECO	Budget
Nimpana	Improving comprehensive health services through the implementation of health clinic in Nimpana	65,000.00	41,106.97	7,845.73	19,154.20	133,106.90

GRI  
203-1  
203-2  
413-1

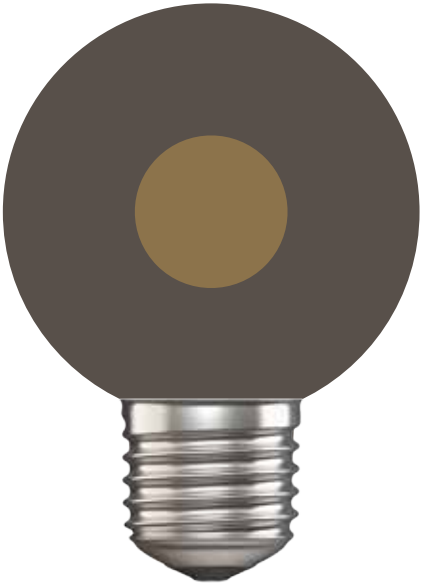




The project contest is a mechanism to allocate funds to citizens organized under a CODECOS. They have the responsibility to define and implement projects to improve their life quality. For social organizations, access to funding is an important tool for it involves them in the country's development processes. This mechanism helps to generate scale economies in the production system, improves articulation to the markets and strengthens competitiveness.

All the same, the purpose is to strengthen the capacities of the CODECOS in the administration and execution of works related to the development of their community.

As of December 2022, 28 projects on education, drinking water, clothing workshops, health, cafeterias, and sanitation were implemented, among others.



## STAGES OF THE FUNDING COMPETITION

- 1 Call for applications and promotion of the funding competition
- 2 Design and presentation of project ideas
- 3 Follow-up to design project profiles
- 4 Profile presentation in project road shows
- 5 Agreement execution with the winner CODECOS



## FOLLOW UP TO PREVIOUS YEARS PROJECTS

### 2020

**CODECO Chagual**  
Improvement of the education system at School I.E. No. 80746- Warehouse – Kitchen – School Cafeteria with 5S approach – Chagual Community.  
**PROGRESS: 100%**

**CODECO Vijus**  
Improvement of the water supply system to Vijus community, in Pataz district, through the installation of household water meters for the control of water use in Vijus.  
**AVPROGRESS: 100%**

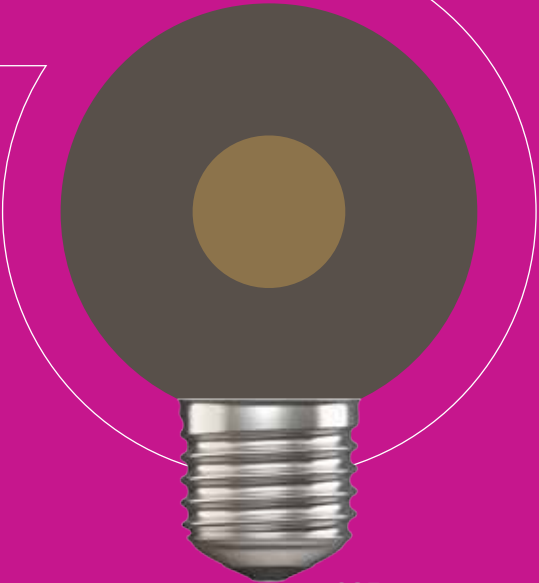
**CODECO Pueblo Nuevo**  
Expansion and improvement of the sewerage system of Pueblo Nuevo.  
**PROGRESS: 100% executed by the Pataz District Municipality, under the expansion and improvement of the sewerage system and residual water treatment comprehensive project, in Pueblo Nuevo**

### 2021

**CODECO San Fernando**  
Improvement of the drinking water system through the construction of a new intake and conduction line in San Fernando community, Pataz district, La Libertad Region.  
**PROGRESS: 100%**

**CODECO Vista Florida**  
Implementation of a clothes workshop to produce work uniforms and quality garments for the mining, construction, and other industries in Vista Florida community, Pataz, La Libertad  
**PROGRESS: 20%**

**CODECO Nimpana**  
Improvement of the comprehensive health services through the implementation of a health clinic in Nimpana community.  
**PROGRESS: 100%**





# [ WATER AND SANITATION COMMUNITY MANAGEMENT ]

Water and sanitation management is a priority. Water is a resource to which access is crucial for human existence and development and is essential for the normal course of our operations. In Peru, 97.7% of the water available is focused on the Atlantic watershed, where 30% of the population is located; 0.5% is on the Titicaca watershed, where 5% of the population lives, and the remaining 1.8% is found in the Pacific watershed, which holds 65% of the population. This means that the majority of the population has less water.

This situation is aggravated by the wasteful use of water resources and its conflictive management generating a reduction of the available sources. Among other aspects, water pollution caused by some activities such as informal

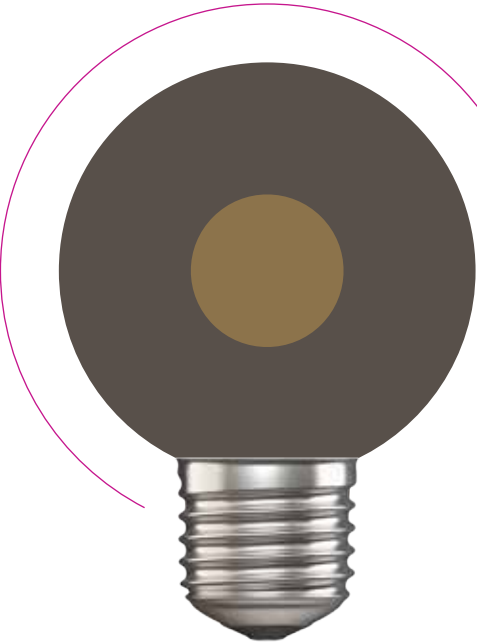
mining, is more frequent and widespread, resulting in a decrease in usable water volumes.

Through the Pataz District Sustainable Human Development Program, we continue to address the water and sewerage problem, developing and executing projects together with the community authorities and the local government. To this end, we provide technical support and training to the JASS leaders, to strengthen their capacities and skills. We therefore foster the access to quality water, and efficient, rational, and sustainable water use.

We focus on building the organizational and management skills of the Sanitation Services Management Boards (JASS) so that they can monitor the drinking water systems, capable

of solving problems at the intakes, in the water conduction systems, cleaning of water tanks and consumption measurement. All the same, they are trained to establish the cost of water and to charge for its use, which income is used to solve problems that may occur in any component of their drinking water system.

In 2022, 452 people were trained to develop their skills and capacities: 107 members of the JASS boards; 40 community leaders, and 305 community members. The topics were addressed were: organization (formalization, roles, and functions), management (working plan and budget, family quota), and operation and maintenance of the water system, (water consumption control, water measurement reading, water cleaning, disinfection, and chlorination).



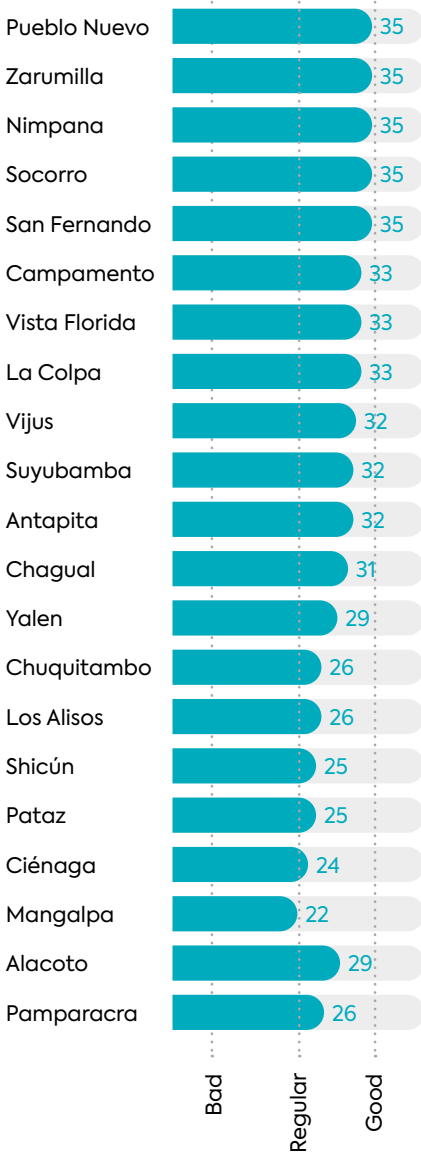
**452** people  
**107** members of the JASS boards  
**40** community leaders  
**305** community members

WERE TRAINED TO DEVELOP THEIR SKILLS AND CAPACITIES

## DRINKING WATER SYSTEMS UNDER CONSTANT EVALUATION

Drinking water systems monitoring mechanisms allowed us to make

JASS MANAGEMENT  
LEVEL AS OF THE FOURTH  
QUARTER OF 2022



optimal decisions. In 2022 two monitoring activities were carried out: one in the rainy season, and the other one in the dry season. Participatory monitoring activities are carried out in a comprehensive manner with the participation of the CODECOS, the JASS, the local authorities, representatives of the Pataz District Municipality, of the health clinic and of Poderosa.

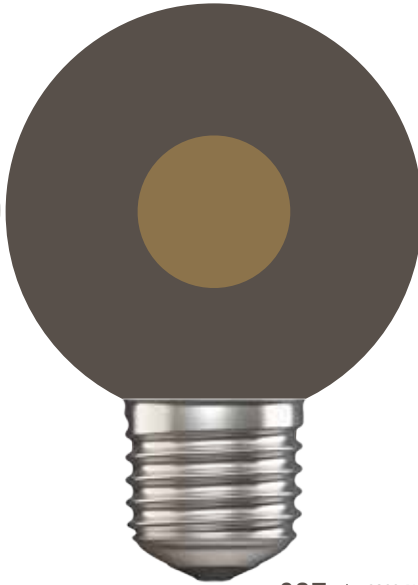
The following aspects were monitored: water quality

(bacteriologic, physical, and chemical analysis), quantity and infrastructure (intake, conduction line, reservoir, distribution network, house connections).

According to the evaluation matrix for measuring the management level of the 21 JASSs, four variables were considered: organization, administration, quality and sustainability, and twelve indicators.

### VARIABLES FOR DRINKING WATER SYSTEM EVALUATION

Evaluation Variables	Evaluation Indicator
Organization	JASS organization (Board of directors)
	Municipal recognition (resolution of the mayor's office)
	Water use rights (use license)
Administration	Annual operation plan (POA)
	Accountability
	Residual chlorine level
Quality	Cleaning and disinfection (POA)
	Chlorination system
	Management instruments (administrative records)
Sustainability	Service continuity
	Family quota (AOM)
	Operator (OM)





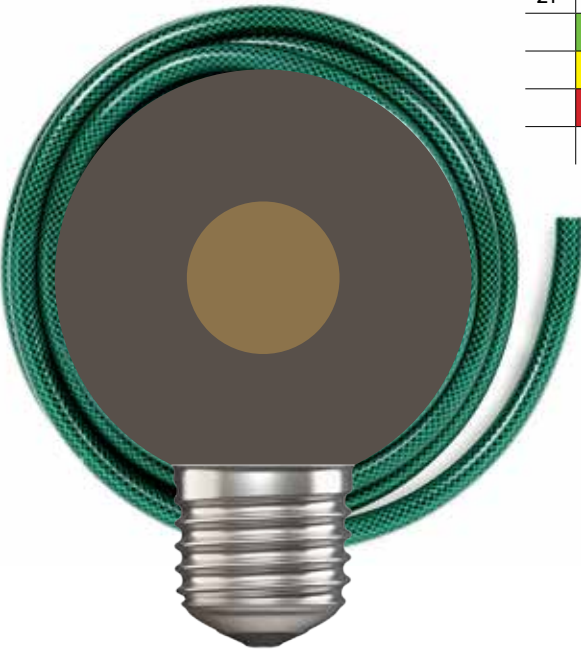
INFRASTRUCTURE EVALUATION

In 2022, two drinking water system infrastructure monitoring surveys took place. The evaluation considers five aspects: intake, conduction line, reservoir, distribution network and house connections. At the end of the evaluation, 20 JASS were rated Good and one, regular.

WATER FLOW EVALUATION

The two water flow monitoring surveys, in May and September, confirmed the impacts of the dry season, which resulted in a significant decrease. The water flow rates in two drinking water systems decreased, from 2.72 l/s to 1.85 l/s in the case of Campamento and from 1.29 l/s to 0.51 l/s in La Ciénega. Therefore, the water service was rationalized in the Campamento drinking water system, to supply water to the population.

We were also able to observe that the water flow in San Fernando and Pataz decreased, compared to 2021, during the dry season, however, the demand of the population was met.



EVALUATION OF THE INFRASTRUCTURE IN 2022

	Drinking Water System/Community	Rating					
		Intake	Conduction Line	Reservoir	Distribution Network	House Connection	Drinking Water Sys-tems General Rating
1	Chuquitambo	G	G	G	G	G	G
2	Nimpana	G	G	G	G	G	G
3	Shicún	G	G	G	G	G	G
4	Vijus	G	G	G	G	R	G
5	Chagual	G	G	G	G	G	G
6	Suyubamba	R	G	G	G	G	G
7	Vista Florida	G	G	G	G	G	G
8	San Fernando	G	G	G	G	G	G
9	Campamento	G	G	G	G	G	G
10	Pataz	G	G	G	G	G	G
11	Pueblo Nuevo	G	G	G	G	G	G
12	Los Alisos	G	G	G	G	G	G
13	Zarumilla	R	G	G	G	G	G
14	Socorro	G	G	G	G	G	G
15	Mangalpa	G	R	G	R	R	R
16	Yalen	G	G	G	G	G	G
17	Ciénega	G	G	G	G	G	G
18	Colpa	G	G	G	G	G	G
19	Antapita	G	G	G	G	G	G
20	Alacoto	G	G	G	G	G	G
21	Pamparacra	G	G	G	G	G	G
	Good	19	20	21	G	19	20
	Regular	2	1	0	1	2	1
	Bad	0	0	0	0	0	0
	TOTAL	21	21	21	21	21	21

2022 WATER FLOW EVALUATION

	Drinking Water System/Community	Population	Current Demand (Lt/s)	Future Demand 20 years (Lt/s)	Water Out-crop (Lt/s) Sep 2022	Water Out-crop (Lt/s) Sep 2021	Water out-crop (Lt/s) Dec 2021
1	Chuquitambo	623.7	0.84	1.18	1.03	1.03	-
2	Nimpana	1022	1.85	2.58	4.85	2.07	4.49
3	Shicún	426	0.77	1.08	1.78	2.05	-
4	Vijus	3600	6.50	9.10	11.54	10.99	-
5	Chagual	653.4	1.18	1.65	5.21	4.75	-
6	Suyubamba	881.4	1.19	1.67	2.14	2.67	-
7	Vista Florida	1,110	1.50	2.10	3.16	2.77	-
8	San Fernando	300	0.41	0.57	0.41	0.73	-
9	Campamento	2,250	4.06	5.69	1.85	2.72	4.88
10	Pataz	4,230	7.64	10.69	6.20	7.13	10.35
11	Pueblo Nuevo	1,500	2.71	3.79	13.21	6.60	-
12	Los Alisos	120	0.16	0.23	0.95	1.40	-
13	Zarumilla	1,750	3.16	4.42	5.18	4.47	-
14	Socorro	1,200	2.17	3.03	2.25	2.23	-
15	Mangalpa	154	0.21	0.29	0.49	0.44	-
16	Yalen	224	0.30	0.42	6.02	6.02	-
17	Ciénega	150	0.20	0.28	0.51	1.29	-
18	La Colpa	70	0.13	0.18	0.08	0.06	0.085
19	Antapita	195	0.26	0.37	1.20	1.45	-
20	Alacoto	148	0.26	0.28	1.48	1.25	-
21	Pamparacra	240	0.33	0.46	1.84	1.65	-
		20,847.5	35.83	50.06	71.38	63.77	19.805

WE FOSTER THE ACCESS TO QUALITY WATER, AND EFFICIENT, RATIONAL, AND SUSTAINABLE WATER USE



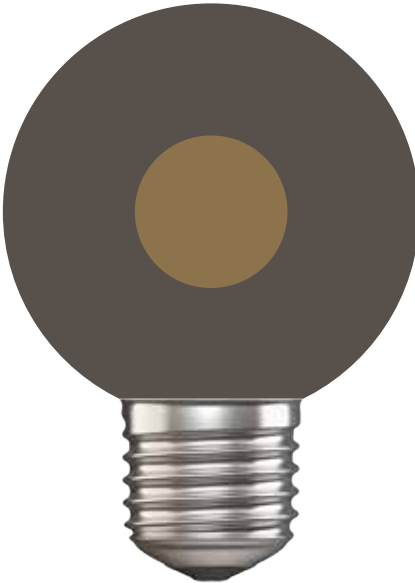


### WATER QUALITY EVALUATION

Finally, regarding water quality monitoring of the drinking water systems, the results show that 13 JASS were in good conditions, while 8 JASS were classified as bad. In 2022, two water quality for human consumption monitoring surveys were performed, including bacteriologic, physical, and chemical analysis of the drinking water systems. The results published correspond to the second monitoring.

Regarding microbiologic analysis, two drinking water systems (Shicún and Pataz) were in bad conditions because of coliforms presence. Shicún JASS did not carry out the chlorination process as its distribution network was damaged, while the Pataz JASS does not have a chlorination system.

In every case, the physical analysis results are within the maximum permissible limits (MPL) established by the Ministry of Health (MINSA) Health Direction (DISA).



As for the chemical analysis, Chuquitambo, Campamento, Pataz, La Ciénega and Antapita systems were in bad condition due to the presence of heavy metals (arsenic). This situation is explained due to the proximity to the mine shafts and because of informal mining activities. In the case of

Chuquitambo, metals are present in the due to the nature of the area.

The situation is the same as evidenced in the chemical analysis results for the two drinking water systems of Pias. Alacoto and Pamparacra are in bad condition due to the presence of heavy

2022 WATER QUALITY EVALUATION

	Drinking Water System/ Community	Condition			
		Bacteriologic analysis result at house connection	Physical analysis result	Chemical analysis result	Bacteriologic and physical and chemical quality
1	Chuquitambo	G	G	B	B
2	Nimpana	G	G	G	G
3	Shicún	B	G	G	B
4	Vijus	G	G	G	G
5	Chagual	G	G	G	G
6	Suyubamba	G	G	G	G
7	Vista Florida	G	G	G	G
8	San Fernando	G	G	G	G
9	Campamento	G	G	B	B
10	Pataz	B	G	B	B
11	Pueblo Nuevo	G	G	G	G
12	Los Alisos	G	G	G	G
13	Zarumilla	G	G	G	G
14	Socorro	G	G	G	G
15	Mangalpa	G	G	G	G
16	Yalen	G	G	G	G
17	La Ciénega	G	G	B	B
18	La Colpa	G	G	G	G
19	Antapita	G	G	B	B
20	Alacoto	G	G	B	B
21	Pamparacra	B	G	B	B
Good		18	21	14	13
Regular		0	0	0	0
Bad		3	0	7	8
Total		19	19	19	21

metals such as arsenic, due to the informal mining activities in the area. Microbiological analysis of registered bad conditions for it does not have a chlorination system. The physical analysis results show they are in good conditions, within the MINSA and DISA maximum permissible limits.

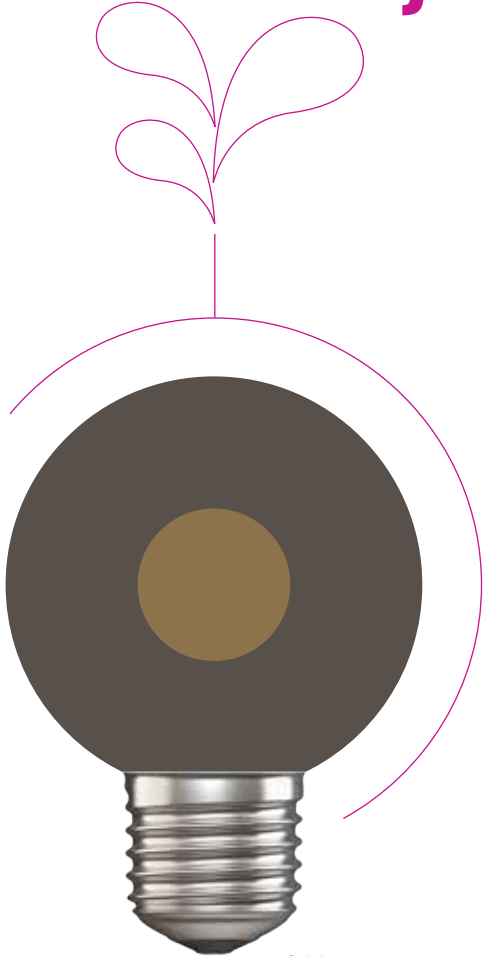
### INTEGRAL EVALUATION

The results of the integral evaluation include infrastructure, flow, and quality of the drinking water systems. According to the second monitoring report, 19 water systems were in good conditions, and 2 in regular conditions.

INTEGRAL EVALUATION, NOVEMBER 2022 (SECOND MONITORING)

	Community/ Water system	Infrastructure	Flow	Quality	Condition
1	Chuquitambo	G	G	B	G
2	Nimpana	G	G	G	G
3	Shicún	G	G	B	G
4	Vijus	G	G	G	G
5	Chagual	G	G	G	G
6	Suyubamba	G	G	G	G
7	Vista Florida	G	G	G	G
8	San Fernando	G	G	G	G
9	Campamento	G	R	B	R
10	Pataz	G	G	B	G
11	Pueblo Nuevo	G	G	G	G
12	Los Alisos	G	G	G	G
13	Zarumilla	G	G	G	G
14	Socorro	G	G	G	G
15	Mangalpa	R	G	G	G
16	Yalen	G	G	G	G
17	La Ciénega	G	R	B	R
18	La Colpa	G	R	G	G
19	Antapita	G	G	B	G
20	Alacoto	G	G	B	G
21	Pamparacra	G	G	B	G
Good		20	18	13	19
Regular		1	3	0	2
Bad		0	0	8	0
Total		21	21	21	21

According to the second monitoring report, 19 water systems were in good conditions, and 2 in regular conditions





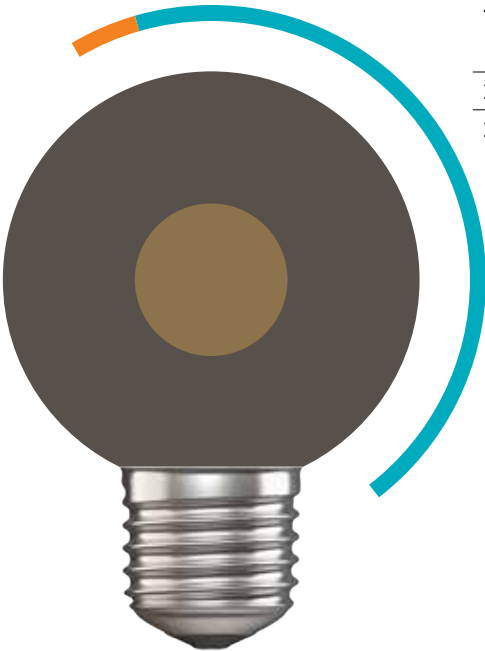
INTEGRAL EVALUATION  
OF DRINKING WATER  
SYSTEMS WITH  
CHLORINATION

Out of the 20 drinking water systems, 18 have chlorination systems. In 2022 we provided advice and technical assistance to the JASS to keep their chlorination systems operational, especially those who serve large populations such as Nimpana, Socorro, Campamento, Vijus, Chagual and Suyubamba. Chrlorination systems allow the population to drink safe water.

The Pataz community did not implement its chlorination system because the Pataz District Municipality was working

( **21** TOTAL DRINKING WATER SYSTEMS )

**5%**  
Systems without chlorination system (1)



DRINKING WATER SYSTEMS IMPLEMENTED WITH CHLORINATION IN THE COMMUNITIES OF THE PATAZ DISTRICT AS OF QUARTER IV OF 2022

	Community/ Village	Drinking water system with chlorination	Current situation
1	Chuquitambo	Yes	Implemented
2	Nimpana	Yes	Implemented
3	Shicún	Yes	Implemented
4	Vijus	Yes	Implemented
5	Chagual	Yes	Implemented
6	Suyubamba	Yes	Implemented
7	San Fernando	Yes	Implemented
8	Campamento	Yes	Implemented
9	Pueblo Nuevo - Pueblo Nuevo	Yes	Implemented
10	Pueblo Nuevo – Carabamba	Yes	Implemented
11	Pueblo Nuevo – Santa María	Yes	Implemented
12	Los Alisos	Yes	Implemented
11	Zarumilla	Yes	Implemented
12	Socorro	Yes	Implemented
13	Yalen	Yes	Implemented
14	La Colpa	Yes	Implemented
15	Antapita	Yes	Implemented
16	Mangalpa	Yes	Implemented
17	Vista Florida	Yes	Implemented
18	La Ciénega	Yes	Implemented
19	Pataz	No	The drinking water system will be improved by the Pataz District Municipality, including the chlorination system.
20	Alacoto	Yes	Implemented
21	Pamparacra	Yes	Implemented

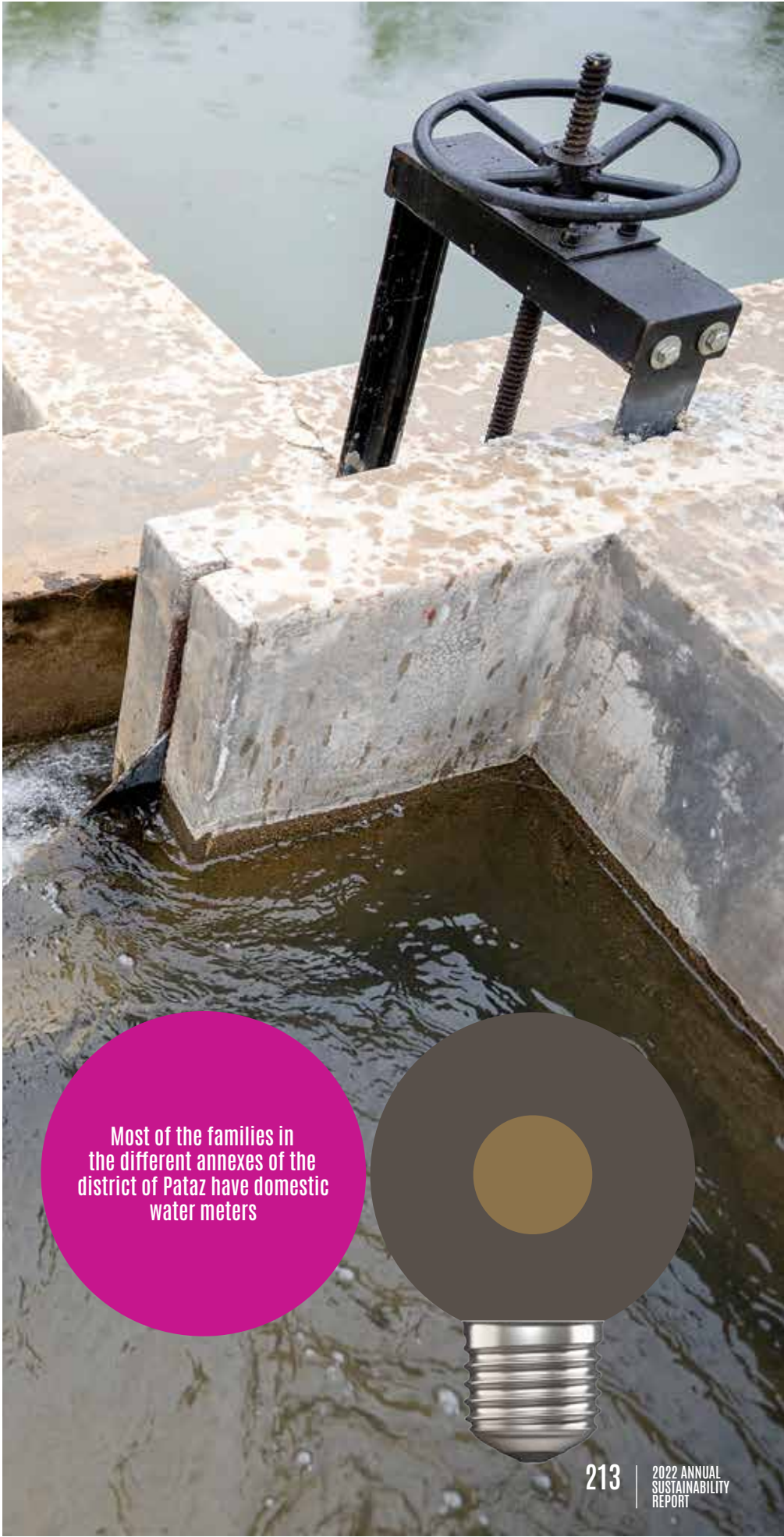
**95%**  
Systems implemented with chlorination (20)

on technical to improve the drinking water system, including chlorination, through the Works for Taxes program.

Regarding the drinking water systems recently integrated to this evaluation, Alacoto and Pamparacra, both have chlorination systems and trainings were held on technical support for the operation and maintenance of the system, allowing to have quality water for human consumption, according to the Regional Health Direction (DIRESA) standards.

DRINKING WATER  
SYSTEM WITH MICRO  
MEASUREMENT

As of the end of 2022, 18 drinking water systems were implemented with micro measurement. This means that most of the families in the Pataz communities have domestic water meters. In the case of Vijus, 419 meters were installed out of a total of 504. In Vista Florida, the district municipality has designed a drinking water system improvement project, which includes domestic meters. During this year, technical assistance has been provided to the JASS, with emphasis in the implementation of a software and Excel spreadsheets to control and charge water service, as was the case of Pueblo Nuevo and Nimpana.



Most of the families in the different annexes of the district of Pataz have domestic water meters





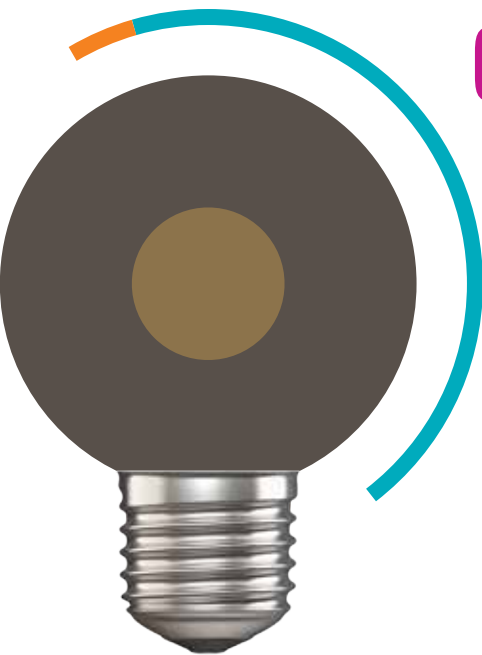
DRINKING WATER SYSTEMS WITH MICRO MEASUREMENT  
IN THE PATAZ DISTRICT AS OF DECEMBER 2022

	Community/ village	Drinking water systems with micro meters	No. JASS Users	No. meters purchased		Total meters	Meters to be managed	Observations
				Project	JASS			
1	Chuquitambo	Implemented	81	81	0	81	0	The Drinking Water System enhancement project implemented new meters.
2	Shicún	Implemented	77	77	0	77	0	New meters will be installed under Pataz District Municipality projects, to be completed between March and April 2023.
3	Chagual	Implemented	110	80	10	90	20	The JASS will purchase 20 additional meters for replacement and for new installations.
4	Suyubamba	Implemented	113	105	0	105	10	The JASS will expand the installation of meters to 10 new users and will change the damaged ones.
5	San fernando	Implemented	60	51	0	51	10	The JASS will expand the installation of meters to 7 new users.
6	Campamento	Implemented	250	232	0	232	0	The JASS purchased 18 meters to replace damaged ones and for new users.
7	Pueblo nuevo	Implementado	200	140	55	195	0	The JASS has 10 meters for new users.
8	Zarumilla	Implementado	184	130	50	180	0	The JASS has 19 meters in stock for replacement or for new users.

	Community/ village	Drinking water systems with micro meters	No. JASS Users	No. meters purchased		Total meters	Meters to be managed	Observations
				Project	JASS			
9	Socorro	Implemented	162	162	0	162	0	The JASS has 20 meters in its warehouse for replacement or for new users
10	Antapita	Implemented	39	42	0	39	0	The JASS has 3 meters in stock for new users.
11	Los alisos	Implemented	25	25	0	25	0	
12	Yalen	Implemented	24	24	0	24	0	
13	Ciénega	Implementado	30	25	0	25	5	The JASS will expand the installation of meters to 5 new users
14	La colpa	Implemented	14	14	0	14	0	
15	Nimpana	Implemented	146	126	10	136	0	The JASS will expand the installation of meters to 20 new users
16	Mangalpa	Under execution	20	20	0	20	0	
17	Vijus	Under execution	504	524	0	524	85	419 meters have been installed, 85 meters are in the JASS warehouse to continue with their installation
18	Vista florida	Managed by the Pataz District Municipality	165	165	0	0	0	The Municipality has begun the installation of 165 meters, which installation will be completed in March – April 2023.
19	Pataz	Managed by the Pataz District Municipality	470	0	0	0	0	The Pataz District Municipality is working on a technical file for the improvement of the Pataz drinking water system, which includes micro measurement, through the Works for Taxes program.

5%

Drinking water systems  
without micro meters (1)



( TOTAL  
19  
DRINKING  
WATER SYSTEMS )

95%

Drinking water  
systems implemented  
with micro meters (18)

COORDINATION WITH  
LA LIBERTAD SUNASS

The National Superintendency of Sanitation Services (SUNASS) is the public regulatory body for sanitation services in urban and rural areas. In 2022, it took part in the IV JASS District Meeting. It also held trainings for the JASS directors of Socorro, Campamento and Nimpana, and supervised its drinking water systems, to verify the state and condition of the systems. Finally, it performed a routine monitoring of the water quality and measured the pH, turbidity, and residual chlorine.





# [ HEALTHY HOUSES ]

The purpose of this project is to contribute to improving the health conditions and quality of life of families in Chuquitambo and Nimpana. Active participation of families is instrumental to acquire healthy habits and lifestyles.

In 2022, the project focused on the implementation of bedrooms for parents, and for male and female children. This proposal seeks to contribute to the development of families as a basic social unit, adopting healthy behaviors and generating adequate environments that improve the quality of life of family members. The following actions took place under this activity together with the participating families:

## EVALUATION

An external jury oversaw the level of compliance with the commitments assumed and the effort made by the participating families. The results were remarkable. For example, the entry evaluation score of Chuquitambo was 5.3, while the exit evaluation was 11.7. In Nimpana, it was similar: 6.25 points in the entry evaluation and 11.6 in the exit evaluation.

## AWARD TO THE BEST IMPLEMENTATION

To encourage and recognize the most enthusiastic families, we awarded first and second places

in the implementation of project activities. The evaluation was carried out by a panel of juries. It is worth noting that all the families showed great responsibility and improved the conditions of their houses significantly.

- DESIGN OF A BASELINE TO ASSESS BEDROOMS BEFORE AND AFTER.
- INVITATION TO FAMILIES TO PARTICIPATE IN COORDINATION WITH THE CHUQUITAMBO CODECO AND THE NIMPANA HEALTH CLINIC.
- TRAINING OF PARTICIPANT FAMILIES.
- PERMANENT TECHNICAL ASSISTANCE AND FOLLOW-UP.
- DELIVERY OF MATERIALS TO ENCOURAGE HOUSE CONDITIONING.

# IMPROVE MENT

## HEALTHY HOUSES - FIRST AND SECOND PLACES 2022

	First and last names	Community	Entry evaluation	Exit evaluation
1	María Campos Tamayo	Chuquitambo	9.5	15 first place
2	Melva Mauricio García	Chuquitambo	6	14 second place
3	Ilda Carranza Garro	Nimpana	4	15 first place
4	Martina Damiana Ríos Laiza	Nimpana	4.5	11 second place





# HANDLING OF GRIEVANCES AND COMPLAINTS IN 2022

Compensation and mitigation for damages is targeted to maintain and strengthen our relations with the population. We have set up mechanisms for proper and satisfactory resolution of claims and disputes with individuals, organizations, or community authorities in the area of influence. Timely and immediate resolution of complaints guarantees the sustainability of our operations, prevents express or latent conflicts, and allows for safe operations.

The procedure for social grievances and complaints for damages is assessed through the PDVA methodology.

As of December 2022, we have received six complaints for damages, four of them were accepted and two were denied (because the evaluation process showed that Poderosa was not responsible).

According to the history of compensatory damages, between 2012 and 2022, 52 cases have been attended. 44 cases have been solved in time, and 8 cases have been denied.

## COMPENSATORY DAMAGES CASES HEARD

Complaint situation	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	General Total
Accepted	1	2	3	9	12	5	3	2	2	1		4	44
Denied		2	1	1	1						1	2	8
<b>Total</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>10</b>	<b>13</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>52</b>

## PHVA METHODOLOGY

**PLAN:** we identify and channel complaints and grievances.

**DO:** cases are attended to immediately.

**VERIFY:** we determine our responsibility through a technical evaluation.

**ACT:** we sign an indemnity agreement in case our liability is determined.

## STATUS OF THE REQUESTS

Production unit	Accepted	Total general
P. Lavasén	8	8
P. Montañitas	2	2
P. Lavasén	1	1
U.P. Marañón	6	6
U.P. Santa María	21	21
U.P. Santa María	1	1
U.P. Palca	3	3
U.P. Santa María	2	2
<b>Total</b>	<b>44</b>	<b>44</b>

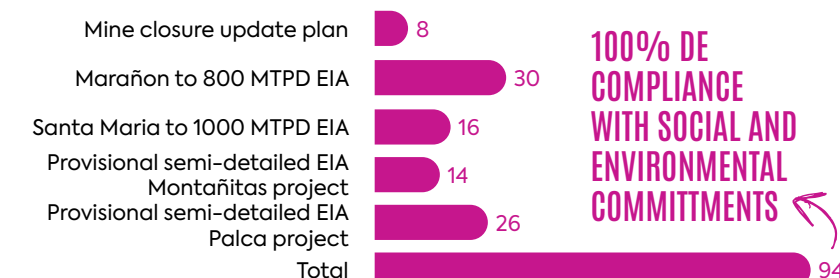
BETWEEN 2012 AND 2022, 52 CASES HAVE BEEN HEARD. 44 CASES HAVE BEEN SOLVED IN TIME, AND 8 CASES HAVE BEEN DENIED

# SOCIAL AND ENVIRONMENTAL COMMITMENTS

Fulfilling commitments strengthens trust and contributes to building harmonic relationships. In 2022, we met 100% of the social and environmental commitments scheduled. These commitments are included in different Social

Environmental Impact Assessments (EIAS) in force, such as the mine closure update plan, the Marañón to 800 MTPD EIAS, Santa María to 1000 MTPD EIAS, Montañitas project EIAS, and Palca project EIAS.

## SOCIAL AND ENVIRONMENTAL COMMITMENTS RESULTS AS OF QUARTER IV, DECEMBER 2022 (COMPLIANCE)



Fulfilling commitments strengthens trust and contributes to building harmonic relationships



# [ SOCIAL CONFLICT ] MONITORING

Permanent dialog with the stakeholders is our Community Relations area's most valuable tool to control and monitor social conflicts. We have therefore implemented a monitoring and social conflict prevention report in our direct influence areas.

Prevention is our best ally. This matrix has a warning management process, that allows preventing express conflicts that may affect the operation's sustainability. Our preventive strategy starts with the reception, information, analysis, and warning report; it continues with follow-up, conflict resolution and fulfillment of the agreement.

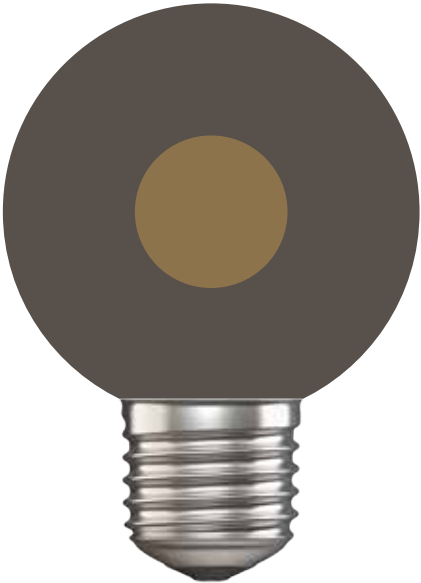
This approach is complemented by meetings requested by stakeholders or by us. In this way,

we can have more evidence of the situation and the risk of possible conflicts. Each meeting is recorded in a report that considers, in addition to what was discussed, the registrar's perceptions and identification of risks. This document allows us to follow up on agreements and enforce them in a timely manner.

Between 2012 al 2022, we have registered 36 conflicts on artisanal mining. From 2017 to 2022, we have had 17 invasions of illegal miners, informal miners, and organized gangs in our operations. At the end of 2022 we have registered 5 invasions, which we have managed to recover, in some cases with the help of the National Police.

SOCIAL CONFLICT REPORT 2009- 2022

Type of conflict	2009	2011	2012	2013	2016	2017	2018	2019	2020	2021	2022	General Total
Water and artisanal mining		1										1
Property dispute								1				1
High traffic impact								1				1
Property invasion								2				2
Artisanal mining	1		1	2			1	1				6
Illegal miners / parqueros										4		4
Encroachment					1	1	3	5	1	1	5	17
Heavy vehicle traffic							1					1
Claim for prohibition of driving a motor bike in the industrial facilities of Minera Poderosa								1				1
Delay in fulfilling an agreement		1										1
Protest against Poderosa for filing a complaint for encroachment										1		1
Total	1	2	1	2	1	1	5	11	1	6	5	36



WE HAVE IMPLEMENTED A MONITORING  
AND SOCIAL CONFLICT PREVENTION REPORT  
IN OUR AREAS OF INFLUENCE





# [ PURCHASE OF REAL AND SURFACE RIGHTS ]

By the end of 2022, according to the scheduled purchase plan, 32 real surface rights were acquired: 15 purchase agreements (113.19 ha) for the construction of the road to el Hueco dump site, and 7 easements for the mining operation (228.52 ha) for the

construction of an alternate road 5B, that will connect the future Palca project camp site, in Alacoto community, Pías.

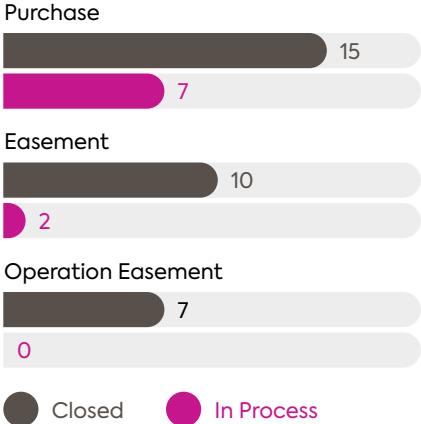
In general, we acquired 352.159 hectares for the construction of mining components, and

10 easements were obtained for survey activities in Rafaela, Ariabamba and Montañitas (in La Victoria farming community). The execution was 80.40% of 100% scheduled.

## TYPES OF RIGHT ACQUISITION

Situation	Closed	Total
Purchase	15	15
Easement	10	10
Operation Easement	7	7
<b>Total</b>	<b>32</b>	<b>32</b>

## ACQUISITION OF REAL SURFACE RIGHTS QUARTER IV 2022



## SITUATION OF REAL RIGHTS ACQUISITION

Production / exploration unit	Closed	Total
Ariabamba	1	1
Montañitas	5	5
Rafaela	4	4
UP Marañón	5	5
UP Palca	17	17
<b>Total</b>	<b>32</b>	<b>32</b>

352.159  
HECTARES ACQUIRED

# [ CHRISTMAS CAMPAIGN: PODEROSA, A SMILE FOR CHRISTMAS 2022 ]

In 2022 we launched the Christmas campaign “Poderosa, a Smile for Christmas”.

The Community Relations area donated toys to the CODECOS and authorities, who were responsible for organizing a Christmas show and to for giving out the presents to the children in their communities.

10,167 toys were donated. 5,522 for Pataz district and 4,645 for

Tayabamba, Ongón, Huayllillas, Buldibuyo and Pías. In addition, Proyectos Energéticos donated 500 toys. The toys were distributed among boys and girls up to 12 years old.



TOTAL INVESTMENT IN THIS CAMPAIGN  
**PEN 175,500**  
(PROYECTOS ENERGÉTICOS INVESTED PEN 8,750).





# SOCIAL INVESTMENT IN THE COMMUNITIES

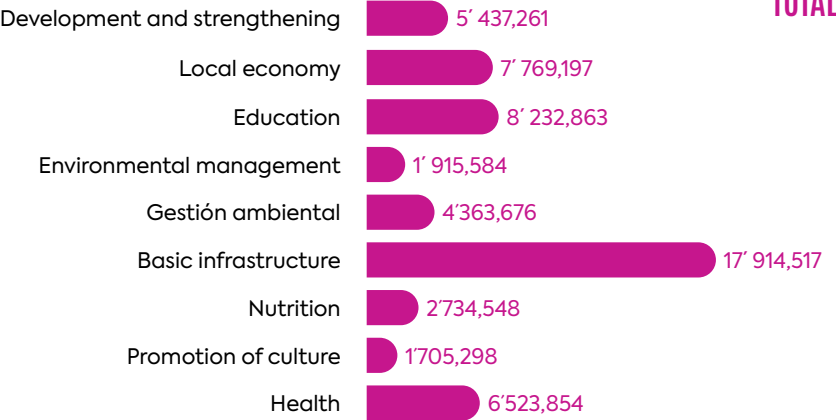
According to the Consolidated Annual Statement (DAC for its acronym in Spanish), reported to the Ministry of Energy and Mines, in 2022 Poderosa’s social investment in development and capacity building, local economy, education, local employment, environmental management, basic infrastructure, nutrition, promotion of culture and health was PEN 11,968,952.

## INVESTMENT IN SUSTAINABLE DEVELOPMENT

	2016	2017	2018	2019	2020	2021	2022
Development and strengthening	407,388	35,834	150,380	317,105	181,055	2'350,823	1' 994,676
Local economy	1'035,082	127,436	693,943	1'025,300	1'658,136	1'222,619	2' 006,681
Education	660,744	876,373	1'170,912	1'372,074	1'140,255	814,828	2' 197,677
Local employment		128,632	196,954	280,840	634,858	349,226	325,074
Environmental management	353,550	424,964	186,652	665,769	766,495	852,622	1'113,624
Basic infrastructure	703,381	385,780	10'229,008	1'581,371	1'903,539	1'146,330	1' 965,108
Nutrition	182,719	129,685	530,146	634,547	333,877	461,230	462,344
Promotion of culture	22,272	29,838	68,522	286,052	140,457	717,952	440,205
Health	758,877	722,817	81,008	39,461	701,117	2'757,011	1'463,563
Total	4'124,013	2'861,359	13'307,525	6'202,519	7'459,789	10'672,641	11' 968,952

PODEROSA’S SOCIAL INVESTMENT BETWEEN 2016 AND 2022

PEN 56'596,798  
TOTAL



## ASOCIACIÓN PATAZ

Asociacion Pataz is a non-profit organization established on December 30, 2004, by Compañía Minera Poderosa S.A. under its social corporate responsibility policy, and which started its activities on August 21, 2006. Asociacion Pataz develops projects and activities that are enhanced by the natural wealth and the strength and desire to improve of the neighboring populations. It is located in a large and complex territory inhabited by populations with different development levels. Its intervention strategy allows a better use of the available resources, both own and external.

One of the key aspects is joint work, that is, cooperation between the public and private sectors through programs, projects, and activities with an innovative component,

to promote the development of the to support the low-income population.

Its intervention is focused on the Pataz district, however, its actions extend, with specific interventions, to some communities and villages in Pias, Chilia, Huaylillas, Tayabamba, and Ongon in the Pataz province, as well as in some communities and villages in Cochorco and Chugay districts, in Sánchez Carrión province.

Innovation is a practice that is evolving its way of being and doing. Therefore, in 2021 Asociacion Pataz's Social Innovation Center, RURANA, was born. This initiative is organized under a missions approach, with the purpose of closing social, economic and environmental gaps. It uses science, technology, innovation, and entrepreneurship to enhance

the life quality of low economic income communities.

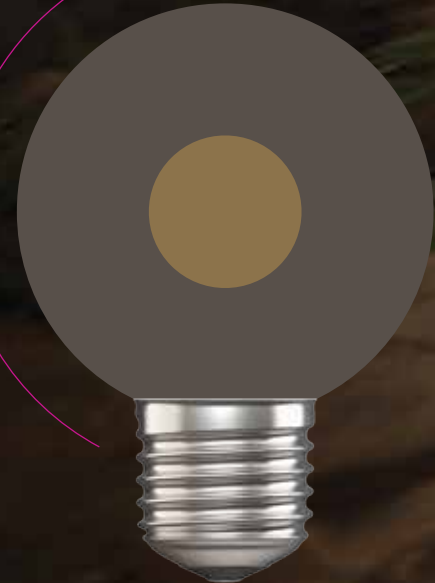
In Asociacion Pataz's 2022 Annual Sustainability Report, designed under the GRI standards guidelines, which is attached to this document, you can find the achievements of the projects developed under the mission approach. This report is also available at [www.asociacionpataz.org.pe](http://www.asociacionpataz.org.pe)





THE INTERVENTION  
AXES OF THE  
MISSIONS ARE

- 1 Health, physical and mental well-being
- 2 Education innovation and social mobility
- 3 Economic development and wealth generation
- 4 Nutrition and food safety
- 5 Environmental and ecosystem protection
- 6 Communities, culture, and sustainability
- 7 Institutionality



ASOCIACION PATAZ DEVELOPS PROJECTS AND  
ACTIVITIES THAT ARE ENHANCED BY THE NATURAL  
WEALTH AND THE STRENGTH AND DESIRE TO  
IMPROVE OF THE NEIGHBORING POPULATIONS





# [ WORKS FOR TAXES 2022 ]

The Works for Taxes mechanism (Oxl) is an instrument which allows economic and social development in different areas of the country, with the quality and timeline demanded by the authorities and the population. For us, it represents an important contribution to the well-being of our stakeholders. Oxl not only contributes to the reduction of the country's infrastructure gap, but also allows for greater coverage of public services, generates direct and indirect employment and, as a company, improves our relationship with the community and enhances the development of social responsibility programs.

In 2022, we doubled our efforts to promote high impact projects for

the Pataz population in water and sanitation, safety, and education. This was carried out through joint and articulated work between the different areas of our company, the executors of the works, private entities, supervisors, and public agencies officers to promote and carry out works with the highest quality standards.

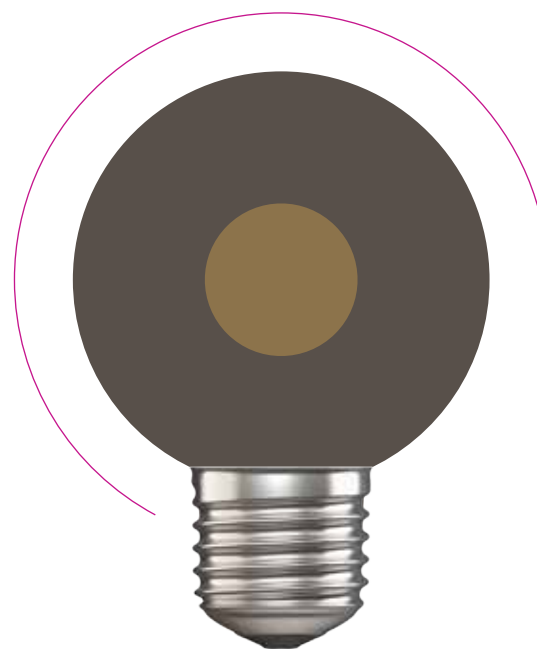
As a consequence, thanks to the joint work, and especially to the Pataz Provincial Municipality, in May 2022 sanitation works were started in Yurajpaccha, Vaquería de Los Andes, Alborada de Los Andes, Huarichaca and Huarimarca, in Tayabamba district. These works represent the largest investment made by our company for health and development

purposes. The investment made was PEN 19,000,000. All the same, in April 2022, the Pataz District Municipality approved the Public Investment Project for drinking water and sanitation in Pataz and Patacito, with a total investment of 10,000,000.

On the other hand, we highlight the effort made by the Pataz and Cochorco District Municipalities, the La Libertad regional government, the Ministry of Housing and the Ministry of Internal Affairs to promote and reactivate private initiatives such as the projects to improve the drinking water and sewerage systems in Vijus; drinking water and sewerage systems in La Viña settlement; construction of the Secondary Education Level school in Pueblo Nuevo; creation of a police station in Pataz; construction of a multiple use Municipal Hall in Aricapampa-Cochorco.

Finally, it is important to emphasize this type of articulation between the public and private sectors, through the Oxl mechanism, which promotes the execution of public investment projects to close social gaps.

**PEN 19,000,000**  
INVESTED IN  
SANITATION WORKS



# [ FORMALIZATION OF ARTISANAL MINERS ]

We are committed to support Artisanal Miners because it helps us improve our relations with this group of stakeholders, enhance their knowledge and skills, and contribute to the development of their activities in harmony with the environment and human rights. We focus on promoting safe and environmentally friendly operations, on being transparent with the analysis, processing and treatment of the ore delivered, helping them to manage their development and that of their community.

Artisanal formal miners and those under formalization are those within our direct area of influence and who deliver Poderosa the ore they extract to be treated. We are firmly focused on this issue to prevent and mitigate the negative impacts on people, human rights and the environment caused by the expansion of informality in this sector.

## STRENGTHENING MANAGEMENT SKILLS

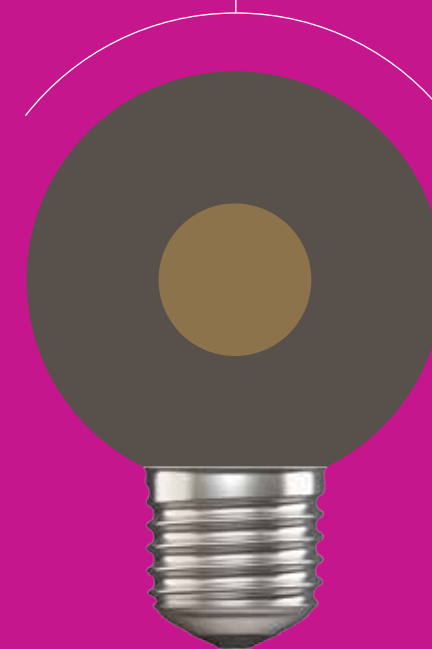
We have a team of professionals dedicated to work with artisanal miners who have signed exploration and exploitation

contracts with Poderosa and who have completed their due diligence processes successfully. This allows to work with greater seamlessness with them. All the same, we consider that it is fundamental to build their capacities regarding occupational safety and health. The importance of achieving their formalization encourage us to accompany them in each process.

As of the end of 2022, 281 artisanal miners were working with us under exploration and exploitation contracts, out of which 60 are already formal and 221 are undergoing formalization. 129 of them have filed their environmental management instruments before the competent authority, while 27 of them have developed the corresponding instruments on their own. 66 artisanal miners work under DS No. 001-2020-MINEM regime, which modified Article 18 Regulation of the Formalization and Promotion of Small and Artisanal Mining Law which was approved by DS No. 013-2002-EM.

We must mention that the 281 Artisanal Miners hold their Due Diligence certificate, with "apt" qualification. This certification is renewed every two years.

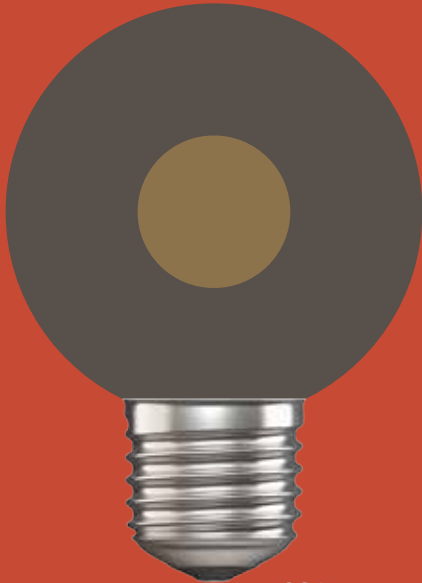
**We focus on promoting safe and environmentally friendly operations**







[ PART  
6 ]  
ANNEXES





# ( ANNEX 1 )

GRI  
2-9

## DIRECTORS PROFESSIONAL BACKGROUND

### EVANGELINA ARIAS VARGAS DE SOLOGUREN Chairperson of the Board of Directors.

Currently, she is also the chair of the Board of Directors of Asociacion Pataz, Director of Compañía Minera San Ignacio de Morococha (Simsa), she is a director and member of Sociedad Nacional de Minería, Petróleo y Energía (Peruvian National Mining, Oil and Energy Association– SNMPE) consultative board, deputy vice president and member of the Board of Directors of Patronato de la UNI (ProUNI), member of the Canadian Peruvian Chamber of Commerce mining committee (CCCCP), member of the steering committee of Asociacion para el Progreso de la Direccion (APD), member of the business advisory board of Fundacion Internacional para La Libertad (FIL), member of mining management engineering career advisory board at Universidad Peruana de Ciencias Aplicadas (UPC), member of the PAD – CARD mining consulting council, Universidad de Piura Directors School, Member of the Comité Consultivo del Comité Regional de Empresa, Estado, Academia y Sociedad Civil Organizada (CREEAS), founding Member of Empresarios por la Integridad (ExI), honorary member of the Peruvian Engineer Association (SIP), honorary member of Women in Mining (WIM), member of Women Corporate Directors (WCD),

member of the advisory committee and honorary member of the Asociacion de Mujeres Empresarias del Peru (Peruvian Businesswomen Association – AMEP), among others.

She was the Director of the Peruvian Mining Engineer Institute (IIMP), (2018 – 2020), Chairperson of the Inter American Mining Society (Sociedad Interamericana de Minería – SIM) (2014-2016), Chairperson of the SNMPE (2013-2015), Director of CONFIEP (2013-2015), Chair of the Mining Sector Committee; Vice Chair of the Peruvian National Mining, Oil and Energy Association (2011-2013); Alternate Director of CONFIEP (2011-2013 and 2015-2017), member of CEAL (2013-2017), among other.

She was awarded the Doctor Honoris Causa title by UNI (2014), and the School of Architecture of this university granted her the Habich Torch (2013). El Comercio newspaper and EY recognized her as Entrepreneurial Leader for Change in 2016 (LEC); Consejo Empresarial Alianza por Ibero-America (CEAPI) awarded her the Woman, Company and Leadership distinction in Ibero-America, (2019); Asociacion de Mujeres Empresarias del Peru (AMEP) awarded her the Price Inspiring Women: Drivers of Change 2019; in 2020, Women in Mining UK included her in the list of 100 inspiring women in global mining; and CONFIEP recognized her in the Great Company Category, on International Women Day (March 2021), among others.

Mrs. Evangelina Arias Vargas de Sologuren is a shareholder with representative stock in the company.

### JOSÉ ENRIQUE JUAN PICASSO SALINAS Official director since November 2006 and Vice Chairperson of the Board of Directors since April 2009.

Currently, he is Chairman of the Board of Directors and of the Executive Committee of Volcan Compañía Minera S.A.A.; Chairman of the Board of Directors of Compañía Minera Chungar SAC., Chairman of the Board of Directors of Reactivos Nacionales S.A., Vice-president of Cosco Shipping Ports Chancay, Director of Bodegas Vista Alegre S.A., and Director of Cementos Polpaico S.A. Chile. Director of the Peruvian National Mining, Oil and Energy Association (SNMPE). Member of Consejo Empresarial Chileno Peruano (Chile – Peru Business Council - CEChP).

Previously, Mr. Jose Picasso was Vice-president for Embotelladora Latinoamericana S.A.A. (Coca Cola) and was a Director for Compañía Minera Atacocha S.A.A., Castrovirreyna Compañía Minera S.A., Corporacion Minera Castrovirreyra S.A., EXSA S.A., Compañía Molinera del Peru S.A., Compañía de Seguros La Fenix Peruana S.A., Lima Stock Exchange S.A., and Accion Comunitaria (ACP).

### VICTORIA ISABEL ARIAS VARGAS Official director since 2009. She was also an official director between 1991 and 1995, and alternate director between 2004 and 2009.

She holds a licentiate degree in Business Administration by Universidad de Lima, with an

MBA by the European Institute of Business Administration (Insead), Fontainebleau, France. She has been Commercial Manager and Director of Industrias Alimentarias S.A (Indalsa) and Deputy General Manager of Compañía Minera San Ignacio de Morococha S.A, General Manager of Servicios Pachachaca S.A. and Cleighdan Trading Inc., and Director of Sociedad Minera Gran Bretaña, and Asinde. Member of the Peruvian National Mining, Oil and Energy Association Advisory Board, Expomina 2018, and Vice Chair of Cedro board of directors. At present, she is Official Director of Compañía Minera Poderosa S.A., Chairperson of the board of directors of Compañía Minera San Ignacio de Morococha S.A.A., official director of Compañía Minera Galaxia Dorada de Pataz SA, Director of Compania Minera San Valentin SA, Director of the Club de la Banca y Comercio and Honorary Member of Women CEO Peru. Member of the OMA, Amautas Mineros, Agromin and Expomina Peru consulting councils. Member of the Board of Directors of Cedro, Member of Premios ProActivo Consulting Council, director of the Canada Peru Chamber of Commerce board of directors , and member of Women Corporate Directors ( WCD ). Mrs. Victoria Isabel Arias Vargas is a representative shareholder of the company.

### ANA CAROLINA ARIAS VARGAS Official director since March 2004, she was also an official director from 1997 to April 2001.

She graduated as an economist from Universidad de Lima, and holds a Master´s degree on Shipping, Trade and Finance by The City

University of London; she pursued the Top Management Program “PAD” at Universidad de Piura. Between 1982 and 1999 she was an advisor to the trade management area of Compañía Minera San Ignacio de Morococha S.A. In 2001 she became director of the Peruvian National Mining, Oil and Energy Association. From 2001 to 2006 she was vice chair of the Board of Directors of Compañía Minera San Ignacio de Morococha S.A.

### JORGE ALFREDO GUILLERMO PICASSO SALINAS Official director since 2009.

He is a lawyer by the Universidad Catolica school of law, and a businessman. He is currently a director of several companies such as Inversiones en Turismo S.A. and Vida Camara Peru S.A. He has been the President of the Peruvian Bank Association and of the Peruvian National Confederation of Private Business Institutions (CONFIEP).

### JOSÉ NICOLÁS DE BERNARDIS CUGLIEVAN Official director since March 1998. He was Chief Executive Officer of Poderosa from 2005 to 2007.

Industrial Engineer graduated from the Universidad Nacional de Ingenieria with a master's degree by ESAN and MBA by Texas University and completed the Harvard Management Development Program (MDP). He has been a director of several companies, with broad experience in executive and managerial positions in important companies, such as Cerveceria Backus & Johnston, Compañía

Nacional de Cerveza S.A., Quimpac S.A. He was General Manager Volcán Compañía Minera S.A.A. and Compañía Minera Atacocha S.A.A. He is currently a Director of San Ignacio de Morococha S.A.A. and LHH-DBM Perú.

### JUAN ANTONIO ASSERETO DUHARTE Official director since 2001.

He graduated as a geologist engineer from Universidad Nacional Mayor de San Marcos, pursued studies in the Top Management Program – PAD at Universidad de Piura and the CEOs Program at Kellogg, Northwestern University. He is currently an alternate member of the board of directors of Compañía Minera San Ignacio de Morococha S.A., and Vice President of the board of directors of Asociacion Pataz. He is Director-Treasurer of the Silver Board of Peru and chair of the Organizing Committee of the following events: a) National Silver Contest, 24 editions carried out since 1997; the 2020th edition was held virtually; b) Hispanic American Silver producer meeting, in its eight versions held since 2001. In 2016 he was a member of the board of directors of Petroperú SA. He was formerly Executive Director of Comision de Promocion de la Inversion Privada (Private Investment Promotion Commission– COPRI), Chairman of the Board of Directors and of the Special Privatization Committee (CEPRI) of Centromin Peru, S.A., General Manager and then Chairperson of the Board of Directors and member of the Special Privatization Committee (CEPRI), of Tintaya SA, Chairperson of the Board of Directors of



Perupetro S.A., Director of Refinería La Pampilla, Director of Empresa Eléctrica de Piura S.A. and Compañía Minera Iscaycruz. In 1997 he received the Engineer of the Year award from the Sociedad de Ingenieros del Perú (Peruvian Engineers' Association).

**WALTER EDUARDO SOLOGUREN JORDAN**  
**Official director since 2009. He was also an official director between 1987 and 1997 and an alternate director from 2004 to 2008.**

He studied geology at Universidad Nacional de Ingeniería and holds a master's degree in business administration by ESAN. He has worked as a geologist consultant, and, as such, in 1977, he visited the province of Pataz to explore prospects for the Arias family, among other activities. In 1978, when he was Exploration Manager of Agessa, he took part in the construction of the Poderosa Project. In 1984, he assumed the position of Operations Manager of Poderosa and in 1987, he became General Manager. During his office, he was responsible for the growth from 120 to 650 tons per day; he pushed the project for the second plant of 200 t/d and decided the issuance of corporate bonds. He has also been General Manager of other companies of the Arias family as well as of Barrick Misquichilca S.A., where he oversaw the design and commissioning of the Pierina mine and became Manager of Corporate Affairs.

Later, he was appointed Executive Director of Compañía Aurífera Real Aventura S.A.C. His work within this industry includes chairing the Peruvian National Association of Mining, Oil and Energy (SNMPE) and has been President and founder

of the Gold Committee and the Environmental Affairs Committee. He has been a professor at Universidad Nacional de Ingeniería and Pontificia Universidad Católica del Perú. In 2000, he was elected Businessman of the Millennium by Universidad Nacional de Ingeniería. Currently, he is a director of Corporación Minera Ccoriorcco SAC. He is also a member of the External Consultative Committee at the School of Engineering, Mining Section at Pontificia Universidad Católica del Perú. He is a member of the Consulting Committee at the SNMPE. Mr. Walter Sologuren is married to Executive Chairperson Evangelina Arias Vargas de Sologuren.

**VÍCTOR AUGUSTO CAYETANO OSTOLAZA FERNÁNDEZ PRADA**  
**Official director since 2000. He was alternate director from 1999 to 2000.**

He pursued studies at Universidad de Lima School of Law and Political Sciences where he graduated as a lawyer. He works with the Rossello Law Firm. He is responsible for the corporate and financial legal area at the firm. He has broad experience in tax regulation and corporate structure, including tax, corporate, commercial, civil, and contract areas, specialized in company reorganization and restructuring. He is a director of several corporations, including Compañía Minera San Ignacio de Morococha.

He is the legal advisor to the company.

**ADOLFO DARÍO ARIAS DÍAZ**  
**Official director since December 2015. He was also an alternate director from 1999 to 2015.**

He studied at Fairleigh Dickinson University, Teaneck New Jersey,

U.S.A. where he received a bachelor's degree of science in Electrical Engineering and a Master of Administrative Science degree. He currently acts as General Manager of Cultivos Orgánicos S.A.C. Mr. Adolfo Arias is son to the main shareholder of the company, Mr. Agustín Arias Davila.

**JOSÉ NÉSTOR MARÚN SALES**  
**Official director since 2017.**

He is a mining engineer, graduated from Universidad Nacional de San Juan, Argentina, with more than 38 years of experience in copper and gold mining operations. He has pursued specialization courses in international business at the London Business School Global Business Consortium. He worked as Operations Manager at Ernest Henry Mine, in Australia, from 2001 to 2004, he was also operations manager at Minera Alumbrera in Argentina from 2005 to 2006. He was General Manager at Xstrata Tintaya, Executive Vice President of Operations for South America at Xstrata Copper, for Peru, Chile and Argentina, and he was responsible for the operations at Tintaya, Antapaccay, Las Bambas, in Peru; Minera Alumbrera, in Argentina, and Lomas Bayas, in Chile, between 2007 and 2013. From 2007 to 2010 he was also a member of the Antamina partners advisory committee. He was Executive General Manager of Operations for Argentina and Chile at Glencore (2013–2015).

From 2015 until June 2018, he was General Manager and CEO of Komatsu Mitsui Maquinarias de Perú S.A. Currently, he is a non-executive director in that company and an official director of San Ignacio de Morochocha S.A. in Peru, and he has recently joined

the Board of Directors of Saxum Engineering, in Argentina. Mr. Marún is an independent director.

**JUAN ANTONIO PROAÑO ARIAS**  
**Alternate director since 2009. He was an official director between 2001 and 2003, and an alternate director from 2004 to 2007.**

Mr. Proaño studied Mining Engineering at Universidad Nacional de Ingeniería; Economic Geology at Stanford University, California, USA; and completed the High Management Program at Universidad de Piura. He was Director of Cerro Grande Mining Corporation, a company with mining operations in Chile. He was vice-president of Compañía Minera El Indio and Compañía Minera San José, both in Chile, as well as of Compañía Minera San Ignacio de Morococha S.A.A. He was General Manager of Sociedad Minera El Brocal S.A.A.; International Officer at the Interamerican Development Bank; Chief Engineer of Corporación Interamericana de Inversiones, both based in Washington, D.C. U.S.A.: geologist at Cerro de Pasco Corporation, International Officer for Rio Doce Geologia e Mineração,

subsidiary of Companhia Vale do Rio Doce, in Brazil, and St. Joe Minerals Corporation, in New York, USA. He was Chair of the Peruvian Geology Association, director and chair of the Peruvian Mining Producers Committee; Founder Director of the Mining Security Institute; Director of the Peruvian Mining Engineer Institute, among other.

**FERNANDO A P CANTUARIAS ALFARO**  
**Alternate director since 2009. He was also an official director between 1980 and 1995, and alternate director from 2004 to 2007.**

He was founding partner and is senior partner of the Cantuarias, Garrido Lecca y Mulanovich Abogados SCRL law firm, which merged with the Rossello Abogados Law Firm. He is currently a consulting partner of the law firm. He studied at Pontificia Universidad Católica del Perú and graduated as a lawyer at Universidad Nacional Mayor de San Marcos. He has worked mainly in the private sector as an expert in commercial law, in contract and tax aspects of the

mining and industrial sectors, as well as in bids and public tenders. He works abroad as an advisor to domestic and foreign clients on contractual aspects and is an advisor to government entities on bids and tenders. He is a consultant for different business groups and a member of the board of directors of most of the companies he advises. On several occasions he has been invited to be an arbitrator in some of the most important arbitration courts in Lima. From 2006 to 2007 he was the chief of the advisory board to the Minister of Housing and Construction and in 2008 he worked as the chief of the advisory board to the Ministry of Public Health. Between 2011 and 2014 he worked as deputy chief and chief advisor to the Ministry of Foreign Trade and Tourism. Currently, Mr. Cantuarias works as legal advisor for Estudio Rosello Law Firm.

**EDUARDO JOSÉ FERRERO COSTA**  
**Alternate director since 2007.**

He is a lawyer and doctor in law by Pontificia Universidad Católica del Perú. He has been senior partner at Estudio Echecopar Law Firm and head of its International





# ( ANNEX 2 )

area. Currently, he is the chair of the Peruvian chapter of the Paris International Chamber of Commerce, he is a senior professor at Pontificia Universidad Católica del Perú and member of the Hague Permanent Arbitration Court; he is alternate director of Compañía Minera San Ignacio de Morococha (SIMSA). He is engaged in international affairs, international arbitration, and corporate matters and he is part of the board of directors of several companies and private institutions.

He was Minister of Foreign Affairs of Peru and Ambassador of Peru to the United States of America and the Organization of American States (AOS). He was chair of Centro Peruano de Estudios Internacionales (Cepei). During three periods, he was a member of the United Nations Committee on the Elimination of Racial Discrimination (CERD), chair of the Arbitration Court on Racial Discrimination of the Peruvian American Chamber of Commerce and dean of the Law School and senior professor at Universidad del Pacífico. He has acted as Peru's General Attorney in international proceedings, such as the negotiations of Peru with Ecuador about territorial delimitation, the free trade negotiation with the United States of America, and the proceedings against Chile on the maritime delimitation before the International Court of Justice. He has published several articles in his area of expertise.

**RICARDO ELEAZAR REVOREDO**  
**Alternate director.**

He is a business consultant, and holds a licentiate degree in Business

Administration by Universidad Nacional Federico Villarreal in Lima, Peru, with post graduate studies at the Brazilian Institute of Capital Markets (Ibmec), RJ Brazil and specialization studies in finance at ESAN, Lima. He has been Vice Chairman of the board of directors at the Lima Stock Exchange and at Cavalli ICLV. He is currently a director of the Bolsa SAA group and of the Lima Stock Exchange SA, director of Volcan Compañía Minera SAA, director of Compañía Minera Chungar SAC, director of Proyectos Medicos SA, alternate director of Compañía Minera San Ignacio de Morococha SAA and member of the Universidad San Ignacio de Loyola (USIL) Corporate Management and Finance advisory council.

**RAFAEL BERNARDO LUIS PICASSO SALINAS**  
**Alternate director since April 2009.**

He graduated as a Lawyer from Pontificia Universidad Católica del Perú in 1987. He was a partner at Castro Picasso Sologuren Law Firm from June 1987 to November 1990. In December 1990 he was an associate lawyer of Luis Echevarría García Law Firm until March 1996. In April of the same year he worked as a lawyer of Argos S.A. Sociedad Agente de Bolsa until March 1996. Finally, he became partner at Echevarría Law firm, where he works at present. He is a director of Reactivos Nacionales, AFP Habitat SA, Secrex Compañía de Seguros de Crédito y Garantía SA, Inversiones en Turismo SA and Granja Azul SA.

He has participated in several acquisitions and spin-offs in

Peru. He has been recognized by Chambers & Partners for his work as a member of the country's first generation of legal advisors in insolvency matters. He has designed corporate restructuring strategies for both creditors and debtors, in addition to advising on various types of corporate financing. His extensive capital markets experience includes advising on primary and secondary public bids for short and long-term debt instruments, fixed and variable income equities and real estate securities, as well as related administrative sanctioning proceedings.

**CAROLINA MARÍA CASTRO QUIRÓS**  
**Alternate director since 2012.**

She studied at Universidad de Lima School of Law and Political Sciences where she graduated as a lawyer. She is a partner at Estudio Rosello law firm in the corporate and finance law area. She is an alternate director of Compañía Minera San Ignacio de Morococha SAA. She has broad experience in business and financial structure, including corporate, trade and civil law areas. Mrs. Castro is an independent director.

**CARLOS FERNANDO ARANDA ARCE**  
**Alternate director since 2017.**

He holds a master's degree in Biologic Sciences, and graduated from Universidad de Puerto Rico, Recinto de Río Piedras. He was the Technical Services Manager at Southern Peru Copper Corporation, Peru branch until June 2022. Until June 2022, he was a member of the

Extractive Industries Transparency Initiative (EITI) International Board of Directors and official mining company representative before the EITI Peru Permanent Multisector National Committee. He was chairman and director of the Instituto de Estudios Energetico Mineros (IDEM). SNMPE advisor of the Peruvian Delegation before the International Maritime Organization (IMO). He is Vice chair of Citizen Participation before the Consejo de Cooperación con la Dirección Ejecutiva de Turismo de la Policía Nacional del Perú (Cooperation Council with the National Police Tourism Executive Board). He was director of the SNMPE between 1998 and 2001. Between 1995 and 2016 he chaired the SNMPE Environment Issues Committee. In 2008 he was invited to be part of the working team that drafted the Law to create the Ministry of the Environment and was later member of the Advisory Board of this Ministry until 2012. He was a member of the Board of Directors of Fondo de Promoción de las Áreas Naturales Protegidas del Perú (Peruvian Natural Protected Areas Trust -PROFONANPE) between 2009 and 2013 representing CONFIEP. Between 2009 and 2011, he was Chair of the AmCham Sustainable Development Committee. Mr. Aranda is an independent director.

## OFFICERS PROFESSIONAL BACKGROUND

**RUSSELL MARCELO SANTILLANA SALAS**  
**General Manager.**

He graduated in 1973 as a mining engineer from Universidad Nacional de Ingeniería. He was worked for 49 years in different mining companies.

He has worked for 37 years with Poderosa, which he joined as Operations Deputy Manager. In 1986 he has promoted to Operations Manager and in December 2001 he was appointed General Manager. He has pursued post graduate courses at ESAN and Universidad de Lima. He was part time professor at Universidad Nacional de Ingeniería; and has been a speaker in several specialized mining congresses. He was a member of the Peruvian Association of Engineers, Mining Chapter Governing Board. He is currently a director of the Instituto de Seguridad Minera (Mining Safety and Security Institute - ISEM), member of the Peruvian National Mining, Oil and Energy Association Governing Board and member of Mining Sector Committee. He is a Member of the Board of Directors of the Peruvian Mining Engineers Institute. In 2018, KPMG and ESAN recognized him as the Most Profitable CEO in 2018 in the Mining Sector.

In 2019 he was recognized by Semana Económica as the most profitable CEO in Peru and the most profitable CEO in the mining

industry, for second consecutive year. In 2021 he was appointed as member of the Mining Technology and Innovation Congress, promoted by the Society for Innovation in Mining Perú SAC. All the same, in 2021, he participated as a mentor in the XII Mentoring Program of the Peruvian Mining Engineer Institute -IIMP.

**DANIEL TORRES ESPINOZA**  
**Operations Manager.**

He holds this position since January 2, 2017. Mining engineer graduated from Universidad Nacional de Ingeniería, ranking first in his class. He then pursued a Quick MBA at Gerens. He has taken part in several specialization programs at Universidad del Pacífico, Yale University (SEL), Wharton-Pennsylvania University (CBS) and AOTS (Japan). He has 32 years of experience in underground, gold, tin, and polymetallic mining. Between 2014 and 2017 he worked as Operations Manager for Minsur S.A. Unidad San Rafael (Breca Grupo Empresarial Mining Division). Between 2011 and 2014 he was Operations Manager at Andaychagua, San Cristóbal and Operations Manager for Unidad Yauli (interim) from Volcan Compañía Minera. Before that, from 2004 to 2011, he worked as Planning Superintendent for Unidad Yauli and for Empresa Administradora Chungar property of Volcan Compañía Minera. From 2000 to 2004 he worked as Mining and Planning Superintendent at Compañía Minera Huarón, property of Pan American Silver SRL. Before 2000, he was Mine Project and Planning Head at Empresa Minera Yauliyacu (now,



Quenuales) property of Glencore, and in Centromin Peru as Area Chief, Section Chief, and Guard Chief. It must be mentioned that engineer Torres started his career as Mine Planning Assistant in Compañía Minera Poderosa. He has also been guest speaker at the XX Peruvian Mining Engineers Convention held in Arequipa.

**WALTER DÍAZ MEYZAN**  
**Head of the Integrated Management and Social Responsibility System.**

He holds this position since 2018, and he is also responsible for compliance risk management. He graduated as an industrial engineer in 1993 from Universidad de Lima. He pursued post graduate studies, and holds an MBA by Universidad del Pacifico and

an Executive Master's degree in Comprehensive Quality Management, Environment and Labor Risk Management by Escuela de Negocios de Madrid (EOI). He is certified as Lean Six Sigma Black Belt. Ex participant of AOTS (Japan), in 2018 and 2019, with specialization in energy savings, 5S and innovation. He is an expert in anti-bribery management systems in LMS CERT Latam. He has 29 years of experience. From 2005 to 2010 he worked for Glencore – Xstrata, Swiss as Deputy Operations Manager, in Perubar (2005–2007), and was Quality, Safety and Security and Environmental Comprehensive Management System Corporate Coordinator (2007–2010). Between 2010 and 2017 he was Quality Management Manager (Safety and Security and Environment) at

Corporacion Aceros Arequipa. He is currently director of AOTS – Peru for the period 2022–2024.

**JOSÉ ANTONIO ELEJALDE NOYA**  
**Management, Finances and Trade Manager.**

Economist graduated from Universidad de Lima. He holds an MBA from Incae Business School and Universidad Adolfo Ibañez. He has participated in several specialization programs at Universidad de Piura, ESAN, Chicago University, Harvard University, Kellogg University, INCAE and AOTS, Japan. He holds a Comprehensive Ontological Coach certificate, and he is also a member of the John Maxwell Team. Since July 2003, he works as Management, Finance and Trade Manager at Compañía Minera

Poderosa and General Manager at Compañía Aurífera Suyubamba S.A., related to Poderosa until August 2011. He worked as Sales and Marketing Manager for Volvo Finance Peru S.A., a company of the Volvo Group which he worked with for 11 years.

**FAUSTO CUEVA CASTILLO**  
**Geology and Explorations Manager.**

He graduated as a geology engineer from Universidad Nacional de Ingeniería, in 1987 and holds registry number 34903 in the Peruvian Engineer Association. He has worked for 36 years as Explorations Geologist. He worked for Compañía Minera Pativilca during the copper explorations in the Mala district in Lima. He also worked as a High School teacher in Colegio La Inmaculada Concepción Pataz district, where he was born. Before joining Poderosa, he carried out geology surveys in Suyubamba as an independent geologist. He has worked for Compañía Minera Poderosa for 37 years, since 1985, when he joined the Universidad Heidelberg PHD student team to carry out the Pataz Batholith Metallogenetic Study. In 1986 he started working as Section Geologist in Papagayo. In 1987 he is awarded the Geologist Engineer degree with the thesis titled “Economic Geology of the Pataz District”. In 1991 he is appointed as Geology Superintendent in Poderosa. In 1989 he carried out a guided visit to several industrial plants and mines in Sudbury, Canada, and in the same

year he attended the World Gold Congress in Reno, after which he visited two of Newmont's gold mines in Nevada – U.S.A. In 1996 he participated in a guided visit organized by SONAMINPET to several mines and projects in the Nevada belt, U.S.A. In 2002, through an agreement with the Quebec University, School of Geology in Chicoutimi, he took part in a tour to nine mines in the Abitibi gold belt, Val d'Or, Canada. That same year, he visits the Teck Cominco POGO gold project in Alaska, U.S.A. In 2004 he takes part on a guided tour to 4 gold mines in Harmony, South Africa. In 2006 he studied a course in Total Quality in Yokohama – Japan, called Latin American Quality Management. In 2009 he takes part in the assessment team to observe the application of an Ore Sorter in Poderosa, which took place in Hamburg, Germany. He has participated in several courses and important mine related events as an assistant and a speaker. In 2016 he was appointed Geology and Explorations Manager.

**HELENA ZUAZO ARNAO**  
**Head of the Legal Department.**

EMBA candidate at Universidad Adolfo Ibañez. She completed a Master's degree in Mining Law at Universidad Peruana de Ciencias Aplicadas (UPC) in 2014. She is an attorney by Universidad de Lima since 2005, with more than 15 years of experience as a corporate attorney in the mining industry. She has participated in several specialized mining, environmental and business law programs at ESAN, UPC, and

Pontificia Universidad Católica del Perú. Since April 2015 she holds the position of Head of the Legal Department at Poderosa.

**IVÁN ASMAT SALAZAR**  
**General accountant.**

Chartered public accountant, graduated from Universidad Nacional de Trujillo, with 23 years of experience in the mining industry. He pursued post graduate studies at ESAN in the High Specialization Program in International Financial Reporting Standards, Financial Accountability Management, and Advanced Accountability Management. All the same, he pursued studies at Peruvian National Mining, Oil and Energy Association – SNMPE with specialization in Taxation and International Financial Reporting Standards, and Leadership Management studies at Universidad INCAE, Costa Rica. He also holds a master's degree in Auditing by Universidad del Pacifico.





( ANNEX 3 )

PERMITS, APPROVALS AND AUTHORIZATIONS

Components	Authorization/ Permit	Resolution No.	Date
MARAÑON PRODUCTION UNIT			
Beneficiation concession	Marañon Beneficiation Concession on 6 ha. Marañon Plant.	RD N° 313-90-EM-DGM/DCM	9/05/1990
	Authorization for the expansion of the Marañon Beneficiation concession to 269.09 ha and operation of the Livas tailings deposit.	RD N° 1315-2015-MEM-DGM	17/08/2015
Marañon beneficiation plant	Operation authorization for Marañon Beneficiation plant to 700 TMD	R N° 028-2011-MEM-DGM-V	24/01/2011
	Authorization for the construction of a chemical refinery. Implementation on technological enhancement in the recovery process.	R N° 399-2013-MEM-DGM-V	17/10/2013
	Authorization to expand the treatment capacity from 700 MTD to 800 MTD Marañon plant.	RD N° 0851-2016-MEM-DGM	31/12/2016
	Communication about replacement of sifters in the crushing process. Marañon plant.	R N° 1118-2017-MEM-DGM/V	29/11/2017
	Communication about equipment replacement due to technological enhancement of the collection belts and special ore transfer system in Marañon Plant.	R N° 0511-2019-MINEM-DGM-V	19/06/2019
	Communication about equipment replacement due to Technological Enhancement of the Smelting Process in the Marañon Beneficiation Plant to 800 MTD.	R N° 0065-2018-MEM-DGM-V	1/02/2018
	Communication about equipment replacement due to Technological Enhancement of the Milling process (replacement of 8 x 10 mill for a 9.5 x 12 mill and a 6 x 6 mill for an 8 x 10 mill) Marañon Benefit plant to 800 MTD.	R N° 0605-2018-MEM-DGM/V	11/07/2018
	Communication about equipment replacement due to Technological Enhancement of the primary crusher in the Marañon primary plant.	R N° 0605-2018-MEM-DGM/V	20/11/2020
	Communication about equipment replacement due to Technological Enhancement at the smelter – replacement of 50 kg refusion furnace -Marañon.	R. N° 0430-2021-MINEM-DGM/V	10/11/2021
Tailing Ponds	Operation authorization for the Marañon plant tailings pond No.6 up to level 1,270 m.a.s.l.	AD N° 224-2003-MEM-DGM/ PDM	07/11/2003
	Operation authorization for the Asnapampa tailings pond up to a 1200 m.a.s.l. maximum level.	RD N° 993-2009-MEM-DGM-V	21/12/2009
	Technical Mining Report ITM for the construction and operation of the Asnapampa expansion from level 1200 to 1204 m.a.s.l.	R N° 0403-2015-MEM-DGM/V	10/09/2015

Components	Authorization/ Permit	Resolution No.	Date
	Operation authorization for the Livas ravine filtered tailings pond, level 1504 m.a.s.l. Stage I.	R N° 0360-2015-MEM-DGM/V	17/08/2015
	Operation authorization for the Livas ravine filtered tailings pond.	RD N° 0558-2014- MEM-DGM/V	04/12/2014
	Expansion of CB to 269.09 Ha and Operation authorization for the Livas tailings deposit – Stage I.	RD N° 1315-2015-MEM-FDGM/V	17/08/2015
	Operation authorization for the Livas ravine filtered tailings pond – Stage II.	R N° 0008-2017-MEM-DGM/V	10/01/2017
	Operation authorization for the Livas ravine filtered tailings pond – Stage III Sulphurs Operation authorization for the Livas ravine filtered tailings pond – Stage IV.	R N° 0170-2018-MEM-DGM-V	22/02/2018
	Physical stabilization and protection from water and wind erosion of the tailings ponds 1 to 6 flood control wall.	R N° 0133-2022-MINEM-DGM/V	08/04/2020
	Estabilización física y protección de la erosión hídrica y eólica del depósito de relaves del 1 al 6-defensa ribereña.	RD N° 0869-2021-ANA-AAA.M	21/09/2021
Dumpsters	Authorization for Estrella 2 and Estrella 3 dumpster construction.	RD N° 0086-2015-MEM-DGM	30/03/2015
	Operation authorization for Estrella 2 dumpster.	R N° 0359-2016-MEM-DGM/V	30/06/2016
	Operation authorization for Estrella 3 dumpster.	R N° 1043-2017-MEM-DGM/V	12/08/2017
	Certificate of Absence of Archaeologic Remains – (CIRA) -Revolcadero waste rock deposit	CIRA 58-2020-DDC-LIB/MC	29/07/2020
	Technical Mining Report (ITM) for the construction and operation of the Revolcadero waste rock deposit -ITM.	RD N° 317-2021-MINEM-DGM	1/10/2021
	Revolcadero waste rock deposit – archaeological monitoring plan.	R N° 000704 -2021-DDC-LIB/ MC	22/12/2021
	Revolcadero waste rock deposit - Certificate of Absence of Archaeologic Remains – (CIRA) Additional areas.	CIRA 157 -2021-DDC-LIB/MC	9/07/2021
	Revolcadero waste rock deposit – archaeological monitoring plan.	R N° 000704 -2021-DDC-LIB/ MC	22/12/2021
Water use	License for 10 l/s water use from the Chorro Blanco and El Oso gorge for the Marañon Plant, camp sites and Vijus village.	RA N° 319-2009-ANA-ALA	17/09/2009
	400 l/s water use license from the El Tingo gorge, to generate energy for mining and metallurgic purposes.	RD N° 0062-91-AG. DGAS	5/08/1991
	Surface water use license from Lavasen river for mining purposes.	RD N° 1451-2014-ANA-AAA.M	31/12/2014



Components	Authorization/ Permit	Resolution No.	Date
<b>Residual water reuse and discharge</b>	Authorization to reuse of the Paraiso II domestic residual water treatment plant effluents.	RD N.º 823-2022-ANA-AAA.M	27/09/2022
	Reuse of domestic residual water treated at Paraiso camp.	RD N° 577-2019-ANA-AAA.M	20/08/2019
	Renewal of the Authorization for the disposal of industrial residual water treated at Estrella mineshaft level 1467.B, Marañon tailings pond E and Vijus domestic residual water treatment plant.	RD N° 160-2016-ANA-DGCRH	12/07/2016
	Reuse of the Vijus domestic residual water treatment plant effluents for irrigation.	RD N° 0015-2022-ANA-AAA.M	20-02-2022
	Sanitary Authorization for a septic tank and infiltration in the Papagayo field – septic tank.	RD N° 1722-2017-DCEA-DIGESA-SA	27/06/2017
	Sanitary Authorization for a septic tank and infiltration in the loading chamber field.	RD N° 0752-2017-DCEA-DIGESASA	2/05/2017
	Sanitary Authorization for a septic tank and infiltration in the LPC field.	RD N° 0828-2017-DCEA-DIGESASA	4/05/2017
	Sanitary Authorization for a septic tank and infiltration in the Trocha field – septic well.	RD N° 1725-2017-DCEA-DIGESA-SA	27/06/2017
<b>Power generation</b>	Authorization for 6.915 MW electric power generation activities at Antonio Samaniego Alcantara thermal power station.	RG N° 0108-2012-GR/GEMH-LL	17/08/2012
	Authorization for 1.05 MW electric power generation activities at Santa Maria thermal power station.	RM N° 034-94-EM/DGE	20/06/1994
	Authorization for electric power generation at El Tingo.	RM 099-94-EM/DGE	6/08/1994
<b>Power transmission</b>	EIA of the 60 kv Santa Monica substation (Cajabamba)-Morena substation (Pataz) power transmission line.	RD N.º 208-2004-MEM/AAE	28/11/2004
	Final concession for the 60 kv Cajabamba - Morena power transmission line.	RS N.º 042-2005-EM	14/07/2005
<b>Direct LPG Consumer and liquid fuel</b>	Registry of Poderosa Mining Unit as a consumer of liquid fuels.	Registro N.º 1281-051-040619	4/06/2019
	Operation authorization for the bulk LPG facility for direct consumer at Paraiso II camp site.	RG N.º 13171-2014-OS/OMR III	4/10/2014
	Operation authorization for the bulk LPG facility for direct consumer at Vijus camp site.	RG N.º 13168-2014-OS/OMR III	4/10/2014
	Operation authorization for the bulk LPG facility for direct consumer at Paraiso I camp site.	RG N.º 13166-2014-OS/OMR III	4/10/2014
<b>Explosives</b>	Renewal for underground type A powder magazine for explosives and accessories in Piñuto –accessories.	RG N.º 3337-2021-SUCAMECGEPP	12/11/2021
	Renewal for underground type A powder magazine for explosives and accessories in Piñuto-anfo.	RG N.º 3338-2021-SUCAMECGEPP	12/11/2021
	Renewal for underground type A powder magazine for explosives and accessories in Piñuto-explosives.	RG N.º 3332-2021-SUCAMECGEPP	12/11/2021
	Underground type A powder magazine for explosives and accessories in Jimena mine (Papagayo) – explosives.	RG N.º 3331-2021-SUCAMECGEPP	12/11/2021
	Underground type A powder magazine for explosives and accessories in Jimena mine (Papagayo) – accessories.	RG N.º 3336-2021-SUCAMECGEPP	12/11/2021
	Authorization for purchase and use of explosives and related materials 2022 UEA La Poderosa-Trujillo.	RG 00976-2022-SUCAMEC/GEPP	09/03/2022

Components	Authorization/ Permit	Resolution No.	Date
<b>Environmental instruments</b>	Approval of the Environmental Adjustment and Management Program (PAMA) execution for the Marañon Production Unit.	RD N.º 028-2003-EM/DGM	27/01/2003
	Approval of the EIA for Asnapampa I tailings deposits project.	RD N.º 022-2006-MEM/AAM	20/01/2006
	Supporting Technical Report (ITS) approval for the disposal of filtered tailings at Asnapampa-ITS Asnapampa tailings pond.	RD N.º 148-2014-MEM-DGAAM	26/03/2014
	Approval of the EIA for the Expansion of the Mining Operations and Beneficiation Plant to 800 MTD.	RD N.º 450-2014-MEM-AAM	1/09/2014
	Approval of the Expansion of the Asnapampa Tailings Dam at 1204 m.a.s.l. – ITS Marañon to 800 MTD.	RD N.º 236-2014-MEM-DGAAM	31/12/2014
	ITS approval for the drying ponds of tailings pond N 6, PTARD Vijus and other components.	RD N.º 461-2015-MEM-DGAAM	26/11/2015
	Environmental Impact Statement.	RGR N.º 085-2017-GRLL-GGR/GREMH	17/09/2017
	Soil EQS Marañon Production Unit.	RD N.º 294-2017-MEM-DGAAM	12/10/2017
	Terms of Reference and Preliminary Assessment for the EIA modification for the expansion of the mining operations and concession of Marañon beneficiation to 800 MTD.	RD N.º 113-2017-SENACE/DCA	8/05/2017
	Second Modification of the Poderosa Mining Unit Mine Closure Plan.	RD 222-2022-MINEM-DGAAM	22/07/2022
	3rd ITS Poderosa Mining Unit-change of use of Revolcadero tailings to waste rock deposit, and other.	RD N° 00021_2020_SENACE_PE_DEAR	30/01/2020
	PPC during the design of the EIA modification for the expansion of Marañon mining operations and beneficiation to 1000 MTD.	RD N.º 00119_2021_SENACE_PE_DEAR.1	7/09/2021
<b>Exploration</b>	Environmental Impact Statement Exploration La Lima.	RD N.º 039-2019-MEM-DGAAM	12/03/2019
	Authorization for the start of La Lima mining exploration activities.	Automatic Approval Certificate 0009-2019-DGM	2/07/2019
<b>Use of gorge water sides</b>	Authorization to build infrastructure on El Tingo water source. Transportation of waste rock from Karola dump site to Estrella 2 dump site.	RD N.º 2786-2017-ANA.AAA.M	6/12/2017
	Autorización para construir infraestructuras en fuentes de agua quebrada El Tingo. Transporte de desmonte a depósito de desmonte Karola a desmontera Estrella 2.	RD N.º 2785-2017-ANA.AAA.M	5/12/2017
<b>Certificate of Absence of Archaeologic Remains – CIRA</b>	Authorization to build infrastructure on El Tingo water source. Transportation of waste rock from Karola dump site to Estrella 2 dump site.	RD N.º 2785-2017-ANA.AAA.M	5/12/2017
<b>SANTA MARIA PRODUCTION UNIT</b>			
<b>Santa Maria I beneficiation plant</b>	Benefit concession Approval of the concession title for the expansion of the Santa Maria I benefit concession to 21.60 ha.	RD N.º 171-2010-MEM/DGM	8/09/2010
	Expansion of the Santa Maria I benefit concession to 399.39 ha and operation authorization for Hualanca – Stage I tailings deposit.	RD N.º 260-2016-MEM-DGM	26/09/2016
	Operation Authorization for the Santa Maria I Beneficiation Plant to 600 MTD. Stage II.	R N.º 0370-2016-MEM-DGM-V	5/07/2016

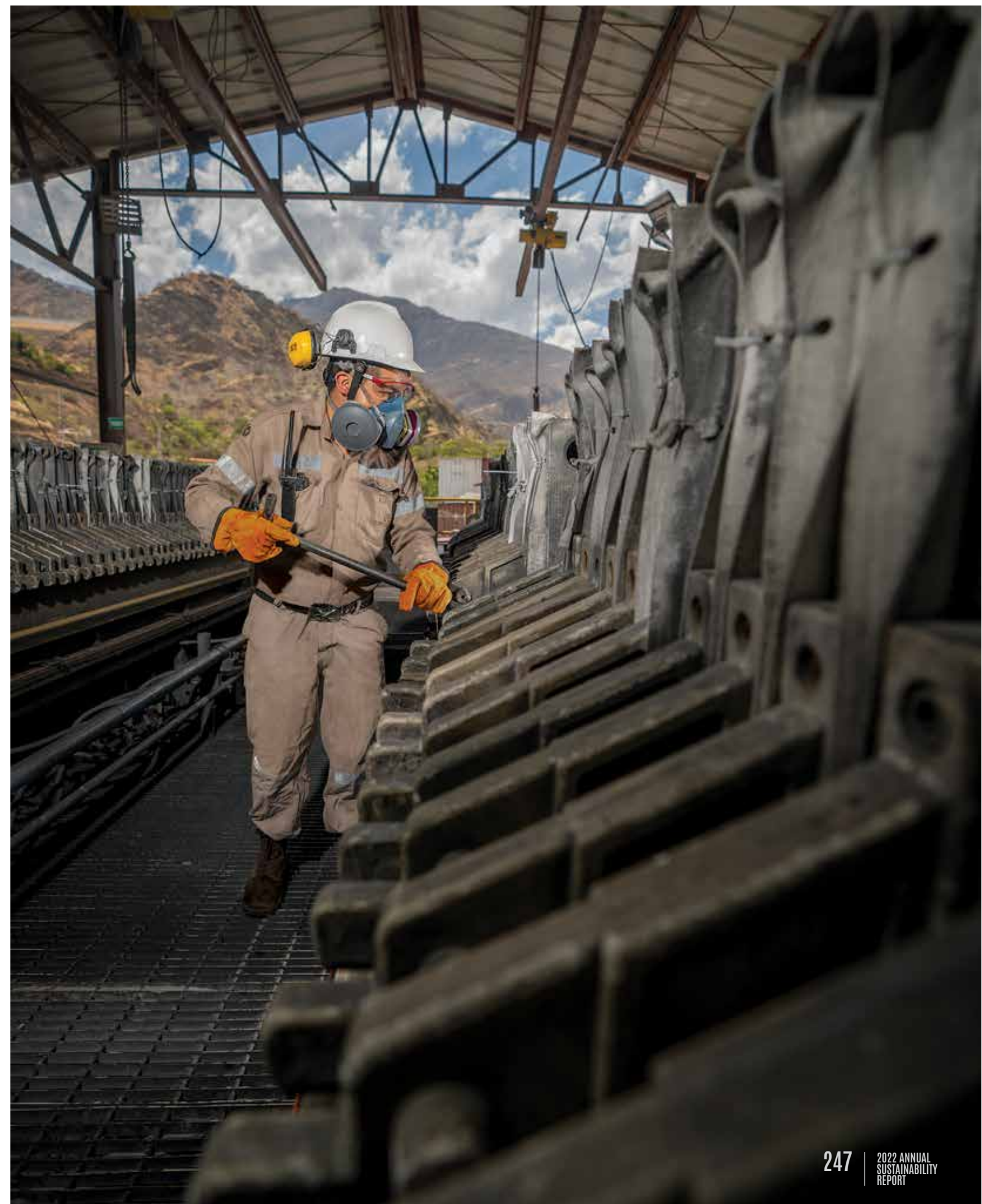


Components	Authorization/ Permit	Resolution No.	Date
Santa Maria I beneficiation plant	Installation of additional equipment in the crushing, grinding and liquid separation circuits at Santa Maria Plant.	R N.° 0178-2015-MEM-DGM/V	8/05/2015
	Communication of Press Filter installation in the tailings filtering circuit at Santa Maria Plant	R N.° 0428-2017-MEM-DGM/V	15/05/2017
	Communication of replacement of the secondary crusher due to obsolescence and efficiency Authorization for the construction of the Santa Maria I beneficiation plant to 1000 MTD.	Informe 214-20178-MEM-DGMDTM-PB	18/07/2018
	Operation Authorization for the Santa Maria I Beneficiation Plant to 1,000 MTD, stage 1.	R N.° 0542-2018-MEM-DGM/V	15/06/2018
	Autorización de funcionamiento planta de beneficio Santa María I a 1000 TMD, etapa 1.	R N.° 0591-2019-MINEM-DGM	9/12/2019
Tailings pods	Authorization for the operation of the expansion of the Santa Maria I tailings pond at 2,464.5 m.a.s.l.	RD N.° 1071-2009-MEM-DGM/V	30/12/2009
	Operation Authorization of the Hualanga tailings pond. Stage II.	R N.° 289-2022-MINEM-DGM/V	27/07/2022
	Operation Authorization of the Santa Maria tailings pond 2, up to level 2,412 m.a.s.l.	R N.° 0140-2015-MEM-DGM-V	13/04/2015
	Technical Mining Report (ITM) for the construction and operation of the filtered tailings plant and disposal of tailings in Santa Maria 2 tailings pond at 2415 m.a.s.l.	RD N.° 0319-2015-EM-DGM/V	27/07/2015
	Approval for the construction of filtered tailings pond in Hualanga to a maximum level of 1490 m.a.s.l.	RD N.° 0120-2015-MEM-DGM-V	6/04/2015
	Operation Authorization for the filtering tailings pond in Hualanga to a maximum level of 1360 m.a.s.l.	R N.° 0582-2016-MEM-DGM/V	26/11/2016
	Operation Authorization of the Santa Maria 2 tailings pond. Stage II. Phase 3. 2412 – Modification of the Operation Manual.	Informe N.° 349-2018-MEM-DGMDTM-PB	18/12/2018
	Authorization for tailings deposits at Hualanga. -Stage II and auxiliary components .	R N.° 294-2020-MEM-DGM/V	18/12/2018
Waste rock deposits	Authorization for construction of Chunturco waste rock deposits 1 and 2.	R N.° 0096-2020-MINEM-DGM/V	18/02/2020
	CIRA- waste rock deposit 2 Santa Maria – El Hueco, additional areas.	CIRA 55-2020-DDC-LIB/MC	21/07/2020
	CIRA- La Tuna waste rock deposit.	CIRA 61-2020-DDC-LIB/MC	30/07/2020
Water use	Administrative Authorization for 7 l/sec water use for domestic purposes from Frances gorge.	RA N.° 187-96-DRA-LL-AASC/ATDRH	19/12/1996
	1.20 l/s superficial water use permit for mining purposes from Marleny.	RD N.° 352-2014-ANA-AAA.M 9-04- 2014	9/04/2014
	Water use license from Virginia for mining purposes.	RD N.° 1169-2016-ANA-AAA.M	6/09/2016
	Water use license from Santa Maria gorge for mining purposes.	RD N.° 1172-2016-ANA-AAA.M	6/09/2016
	Water use license from Puquiopata gorge for mining purposes.	RD N.° 1192-2016-ANA-AAA.M	6/09/2016
	Authorization for the reuse of effluents from Consuelo Mine.	RD N.° 0647-2022-ANA-AAA.M	27/07/2022

Components	Authorization/ Permit	Resolution No.	Date
Residual water reuse and discharge	Authorization for Industrial Residual Water disposal, Consuelo, Atahualpa, and Santa Maria mines.	RD N.° 105-2020-ANA-DCERH	5/01/2020
	Authorization for level 2120 effluent disposal.	RD N.° 0141-2022-ANA-DCERH	30/06/2022
	Authorization for reuse of domestic residual water for irrigation from the Santa Maria Residual Water Treatment Plant.	RD N.° 0013-2022-ANA-AAA.M	18/02/2022
	File for the authorization of MBR Santa Maria effluent reuse.	RD N.° 300-2021-ANA-AAA.M	01/03/2021
	Septic tanks in camp at level 2410.	RD N.° 2552-2019/DCEA/DIGESA/ SA	14/04/2019
	Septic tanks in camp at level 2520.	RD N.° 2550-2019/DCEA/DIGESA/ SA	14/04/2019
	Septic tanks in camp at level 2670.	RD N.° 2553-2019/DCEA/DIGESA/ SA	14/04/2019
	Authorization to reuse the Hualanga compact Residual Water Treatment Plant effluents.	RD N.° 1791-2017-ANA-AAA.M	14/05/2021
Direct LPG consumer	Operation authorization for the bulk LPG facility for direct consumer at Cedro camp site.	RG N.° 13167-2014-OS/OMR III	4/10/2014
	Operation authorization for the bulk LPG facility for direct consumer at Santa Maria camp site.	RG N.° 13169-2014-OS/OMR III	4/10/2014
Explosives	Main type A powder magazine for blasting accessories at level 2450-blasting accessories.	RG N.° 03852-2021-SUCAMEC/GEPP	28/12/2021
	Main type A powder magazine for blasting accessories at level 2450-explosives.	RG N.° 03847-2021-SUCAMEC/GEPP	28/12/2021
	Main type A powder magazine for blasting accessories at level 2450-ANFO.	RG N.° 03856-2021-SUCAMEC/GEPP	28/12/2021
	Authorization for purchase and use of explosives and related materials 2022 UEA Libertad.	RG N.° 00639-2022-SUCAMEC/GEPP	14/02/2022
	Main type A powder magazine for blasting accessories at level 2360 – Accessories.	RG N.° 04187-2022-SUCAMEC-GEPP	11/11/2022
	Main type A powder magazine for blasting accessories at level 2360 – ANFO.	RG N.° 04476-2022-SUCAMEC-GEPP	11/11/2022
	Main type A powder magazine for blasting accessories at level 2360 – Explosives.	RG N.° 04229-2022-SUCAMEC-GEPP	11/11/2022
Landfill	Technical mining report for the modification of the Santa Maria I beneficiation concession to 33.03 Ha and construction and operation permit for the domestic and industrial landfill at Cedro.	RD N.° 1781-2015-MEM/DGM	30/09/2015
Environmen- tal instru- ments	EIA Modification for mining activities and expansion of the Santa Maria I beneficiation plant to 1000 MTD. Filtering and other components.	RD N.° 011-2017-SENACE-JEF-DEAR	28/11/2017
	Detailed Technical Memoir of the Santa Maria 2410, 2520, 2670 Camps. (Order 2504589 dated 06-09-2015).	RD N.° 278-2017-MEM-DGAM	3/10/2017
	First ITS for Santa Maria mining unit (new components and modification).	RD N.° 00077-2019-SENACE-PEDEAR.2	7/05/2019
	First ITS for Santa Maria mining unit (new components).	RD N.° 00012-2022-SENACE-PE/DEAR	18-01-2022



Authorization/ Permit	Resolution No.	Date
<b>PALCA PRODUCTION UNIT</b>		
EIA- sd Palca Explorations Project.	RD N.º 0035-2016-MEM-DGAAM	29/01/2016
Water use license from Carrizal gorge for non- mining activities in Suyubamba 10 l/s.	RA N.º 007-01-DRA-LL-AASC/ ATDRH	12/01/2001
Water use license from Carrizal gorge and Laguna Negra with mining purposes for Palca Project	RD N.º 1165-2018-ANA-AAA-M	3/09/2018
Authorization to start exploration activities.	RD N.º 167-2017-MEM-DGM	7/02/2017
CIRA 2016-073-DDC-CIB/MC.	CIRA Suyubamba-Palca	7/04/2016
CIRA 2016-073-DDC-LIB/MC.	CIRA LT 22 KV Pamparacra-Suyubamba.	25/10/2016
<b>MONTAÑITAS PRODUCTION UNIT</b>		
0.10 l/s water use authorization - Montañitas Project -renewal.	RD N.º 0761-2022-ANA-AAA.H	05/12/2022
Authorization to start Montañitas project exploration activities.	RD N.º 1782-2015-MEM/DGM	5/10/2015
Start of exploration operations stage II (platforms 1-7 y 15-17).	Automatic approval Certificate 0003-2019-DGM 12/03/2019	12/03/2019
Renewal for underground type A powder magazine for explosives and accessories in Tayabamba-accessories.	RG N.º 3421-2021-SUCAMEC/ GEPP	17/11/2021
Renewal for underground type A powder magazine for explosives and accessories in Tayabamba-explosives.	RG N.º 3420-2021-SUCAMEC/ GEPP	17/11/2021
ITS Modification of the Montañita Mining Exploration Projects (6 platforms and 24 months of expansion).	RD N.º 046-2021-MINEM-DGAAM	15/03/2021
Start of exploration operations stage III (6 additional platforms ITS- 24 -month schedule).	Communication of start of explorations	3/07/2021
<b>MISQUICHILCA PRODUCTION UNIT</b>		
DIA approval for Misquichilca exploration activities	R N.º 278-2012-MEM_AAM	3/09/2012
Authorization for start of exploration at Misquichilca.	RD N.º 107-2013-MEM-DGM	22/04/2013
<b>PRODUCTION UNIT LAVASEN ENERGY</b>		
Studies for electric power generation in Quishuar, Lavasen, Nimpana, Cativen and Piñuto cascades.	RM N.º 144-2008-MEM_DM	14/03/2008
Hydro energy use of the Lavasen and Quishuar for Cativen I and Cativen II hydroelectric power stations.	RD N.º 188-2011-MEM_AAM	20/06/2011
Hydrologic and water use study for non-mining purposes from Lavasen Paraiso basins.	RD N.º 0250-2011-ANA-AAA VI MARAÑÓN	19/11/2020
Hydrologic study as part of the water use from Lavasen and Quishuar basins.	RD N.º 0316-2010-ANA-DARH	1/10/2010
Final concession for energy generation.	RS N.º 109-2012-EM	13/11/2012
<b>AIRDROME PRODUCTION UNIT</b>		
Chagual – La Libertad Airdrome operation authorization.	RD N.º 894-2019-MTC-12	14/11/2019





# ( ANNEX 4 )

## MAINTENANCE, FACILITIES AND REPAIRS

### MINE MAINTENANCE

#### Marañon Production Unit

- Overhaul of WR20 No.2 Locomotive.
- Overhaul of LM36-1, LM57-6 Pneumatic Shovels
- Purchase of triangle star panels with differential potential for winches.
- Purchase of of Softstarter control panels with differential protection for fans.
- Expansion of Leaky Feeder communication cable and its accessories, amplifiers and shunts.

#### Santa Maria Production Unit

- Purchase of triangle star panels with differential potential for fans.
- Purchase of of Softstarter control panels with differential protection for fans.
- Purchase of complete transmissions for 5-ton and 8-ton Siton locomotives.
- Overhaul of 5 TN S5-1 Locomotive.
- Overhaul of TR57-12 Pneumatic shovel.
- Installation of 13 km Leaky Feeder communications line, for a total of 48.6 km of leaky feeder communications line installed in Santa Maria Production Unit, with one 1 header, 2 repeaters, 16, amplifiers, 8 backup power banks

and 47 shunts, among the most important equipment parts.

### PLANT MAINTENANCE

#### Marañon Production Unit

- Purchase of motor reductor for the FT2 Conveyor Belt power system.
- Purchase of motor reductor for the FT14 Conveyor Belt power system.
- Purchase of 440/220v distribution panel for que chemical lab in Vijus.
- Purchase of 5 IP65 boards with IP67 220/440 volt industrial outlets.
- Refurbishing of the precipitation and smelter electric systems.
- Overhaul of the 16"x24" – CQ3 jaw crusher.

#### Santa Maria Production Unit

- Purchase of motor reductor for the FT8A Conveyor Belt power system
- Purchase of 5 IP65 boards with IP67 220/440 volt industrial outlets.

### INSTRUMENTATION AND PROCESS CONTROL

#### Marañon Production Unit

The installation of the new 2100 CCM Rockwell Centerline in the crusher' s new electric room helped to:

- Reduce unexpected stops of the conveyor belts, plate feeders and sifters due to breakdowns in the old crusher drivers, which have already reached the end of

their life cycle;

- Integration of each CCM driver to the industrial communication network for its future integration to the SCADA system, and for diagnosis with IntelliCenter software.

The integration of the milling, remilling and precipitate plant measuring systems to the Scada system contributed to:

- Trigger alarms to anticipate failures in each process.
- Supervise the operational parameters of the plant and equipment, such as pumps, conveyor belts, agitators, and mills from the control room.
- Provide support to the head of the plant for the reports of the milling metallurgic scales.

Automatic generation reporting for the balance of primary milling masses helped to:

- Implement this automated balance and follow-up by the plant operations, which has allowed standardizing and optimizing the different metallurgic parameters in the primary milling process, even in the event of variable treated tonnage and ore mineralogic characteristics.

The purchase and installation of the fire detection system in the electric rooms of the plant and the electric distribution halls (substations) allowed:

- warning the plant and maintenance staff in the event of a fire in the electric halls and substations, caused by a short

circuit in the electric actuators or power distribution units.

The purchase and installation of storm detection systems in Paraiso helped to:

- Anticipate the presence of electric storms in the site, and to trigger automatic alarms through radio communications through all the channels we use.

The integration of the EMD-01 and EMD-02 power generators located in the JASA thermal power station to the SCADA system helped to:

- Remotely operate and supervise the thermal power station generators by the power station workers.
- Integrate the alarms and historic trends to optimize the diagnosis for each power generator.

#### Santa Maria Production Unit

The installation of pressure, level, flow, density, and humidity probes in the milling and remilling plant has allowed:

- reducing the pulp sampling times by the operators.
- improving the accuracy in the plant monitoring parameters.

The renewal of the control and power system of the No.12, 13 and 14 thickeners at Santa Maria Production Unit achieved the following results:

- Reduction in unexpected stops of the thickener, due to breakdowns in the control equipment, communication systems and power equipment such as speed variators.

- Optimization of the alarms due to deviations in the sedimentation process measurements.
- Update of the control logic for its future integration to the PlantPax Distribution Control System (DCS).
- Update of the HMI graphic screens for better interaction with the plant operators.
- Purchase and installation of a level probe to measure the sludge bed.

The purchase and installation of the fire detection system in the electric rooms of the plant and the electric distribution halls (substations) allowed:

- warning the plant and maintenance staff in the event of a fire in the electric halls and substations, caused by a short circuit in the electric actuators or power distribution units.

The purchase and installation of storm detection systems in Chaparrosas helped to:

- anticipate the presence of electric storms in the site, and to trigger automatic alarms through radio communications through all the channels we use.

The implementation of a stabilized power distribution system for instrument and control equipment helped to:

- prevent unexpected failures of the measuring and control devices due to fluctuations in the electric grid.

### MECHANIC WORKSHOP

- Purchase and commissioning of a 1090 cfm two stage electric compressor for the Consuelo compressor house.
- Purchase and commissioning of a 1600 cfm two stage electric compressor for the Karola compressor house.
- Purchase and commissioning of a 440-volt electric distribution board for the Consuelo compressor house

### ELECTRIC WORKSHOP

- Implementation of a grounding system for the Vijus server room.

### POWER GENERATION

#### Power generation and JASA thermal power station

- Overhaul of the cylinder heads, valves, turbochargers, injection pump, electrical system engine. CAT. 3412-2 power generator.
- Major repairs, replacement of rocker arm shaft, valve seating adjustment of CAT. 3516 power generator.
- Repair of the fuel system, change of 12 injectors, calibration pump and engine regulation, exhaust system, change of turbo compressor.
- Installation of smoke (fire) detector equipment in the cell room.
- Installation and commissioning of the G.E CAT. C27 – 2 to replace CAT. 3412-2, in the JASA thermal power station JASA.



- Power Generator EMD No. 2 Overhaul – Work in progress.

#### Power Generation at Tingo hydroelectric power station

- Modernization of the Voith turbine speed regulator excitation system.
- Change of manual valves for automatic ones in the Voith and Escher turbines.
- Installation of a new excitation system for the Escher and Voith turbines.
- Modernization of the Escher and Voith turbines protection system.
- Evaluation and study to repair the energy pipe of the hydroelectric power station

#### POWER TRANSMISSION

The following activities were executed:

##### In Marañon Production Unit

- Paraíso Campos Substations: change of the 320 kVA 25/0.46 kV transformer.
- Consuelo Substation: disassembly of the gantry and implementation of 25 kV and 4.16 kV cells.
- Atahualpa Substation: change of general panel and change of two 25/0.46 kV; 320 kVA transformers.
- Implementation of the new Cedro substation.
- One three phase oil immersed transformer 3000 kVA 25/10 KV DYN5, DELCROSA S A brand.

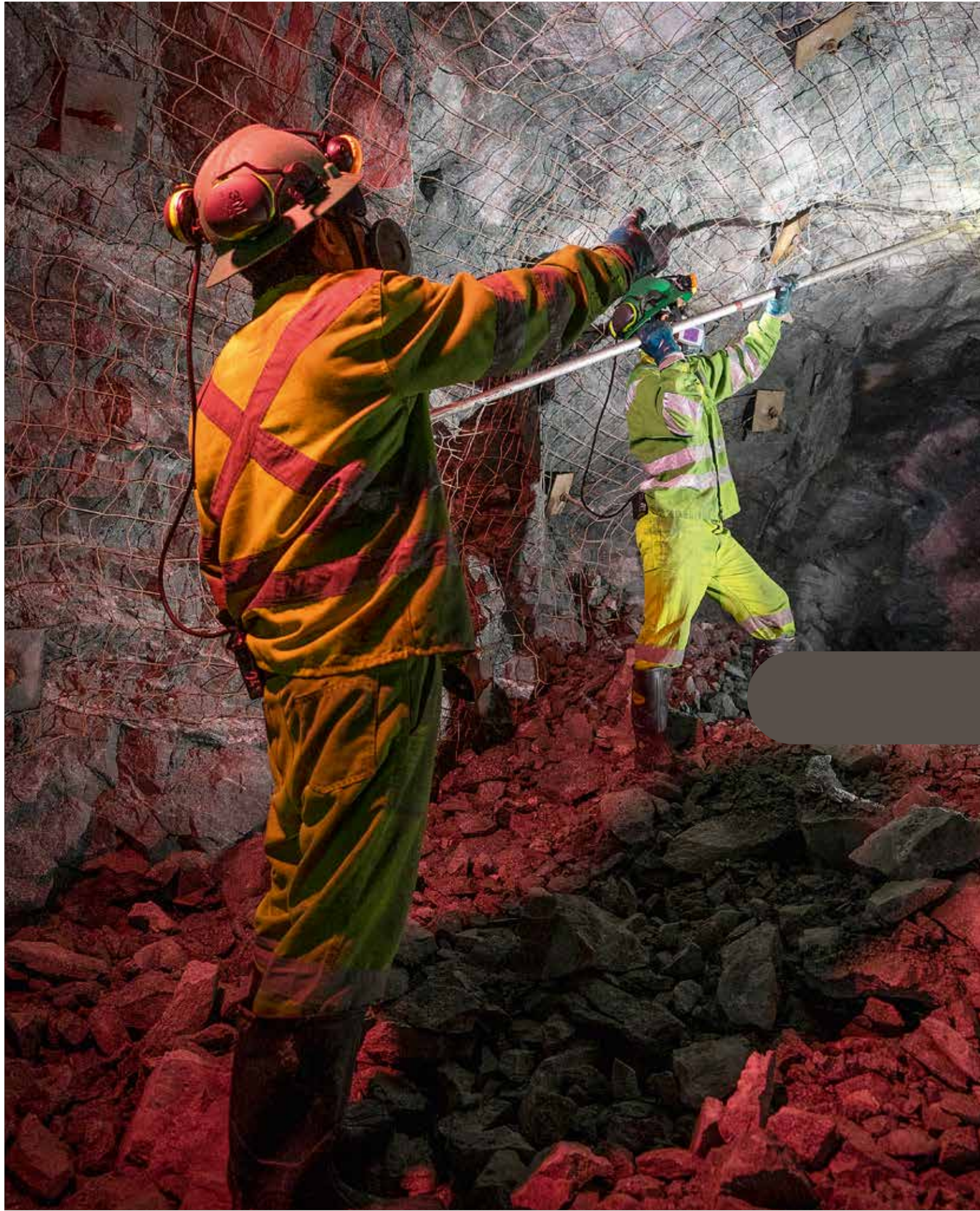
##### In Santa Maria Production Unit

- Substation Chacparrosas: Installation of a new 25/4.16 kV, 1.5 MVA transformer, in addition to the 3 transformers of the same characteristics already installed, which results in 4.5 MVA installed capacity to 4.16 kV level.
- Relocation of the 25 kV transmission line, Santa Maria Substation, Chacparrosas Substation, in the section between structure T7 (T7A) to T8; an additional T7B tower was installed, and an underground section was built between T7A and T7B; this relocation was made to avoid interference with the future 60kV line that will be connected to the new Chacparrosas substation.
- Installation of two new towers to implement the future 10 kW line from Chacparrosas substation to level 3100; structure T3A and T4A.
- Installation of new 4.16/0.23 kV, 320 kVA transformers, in the substations of hotel 4 ab camp 2410; to supply the necessary energy due to the accelerated power load increase.
- Purchase of assets to improve the power level at level 3100 Chacparrosas:
  - Two DELCROSA S A 3000 KVA 25/10 KV DYN5 three phase oil immersed transformers.
  - Three DELCROSA S A 320 KVA 10/0.46 KV DYN5 three phase oil immersed transformer.
  - Two DELCROSA S A 100 KVA

- 4.16/0.46 KV three phase oil immersed transformers.
- Two 50 KVA 4.16/0.46 kV three phase oil immersed transformers.
- Purchase of three 25kv cells for Santa Maria electric substation:
  - 25 kV 630A 20KA IAC AFL modular cell, ABB brand.
- Construction of the 25kv Hualanga Electric Substation:
  - Purchase of ANIXTER JORVEX S.A.C. 25 KV MT cells (1 module made up of 4 cells)
- Improvement of the medium voltage power transmission lines, Santa Maria Production Unit :
  - Four EPLI S.A.C 320KVA, 4160/460V-4X5.0%, three phase distribution transformers.
  - One EPLI S.A.C 160KVA, 4.16/0.46V three phase distribution transformer.







PART  
7

# FINANCIAL STATEMENT

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FINANCIAL  
STATEMENT







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(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN SPANISH AND IN SOLES)

INDEPENDENT AUDITORS' REPORT

To the Stockholders and Directors of  
Compañía Minera Poderosa S.A.

Opinion

We have audited the accompanying separate financial statements of Compañía Minera Poderosa S.A. (the Company), which comprise the separate statement of financial position as of December 31, 2022, and the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of the Company as of December 31, 2022, and its non-consolidated financial performance and its non-consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing approved for their application in Peru by the Dean's Council of the Peruvian Professional Associations of Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the separate financial statements in Peru, together with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements, respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of provision for environmental rehabilitation (see note 12 Property, plant and equipment and note 20 Provision for environmental rehabilitation to the separate financial statements)	
Key audit matters	Addressing key audit matters
The Company recognized a provision for environmental rehabilitation in 'liabilities' for US\$ 16,928 thousand and in 'assets' for US\$ 8,141 thousand.	We believe that this is a key audit matter due to the degree of management judgment and subjectivity, and the degree of complexity to determine the amount of the provision for environmental rehabilitation.
The Company is responsible for assessing IAS 16 Property, Plant and Equipment and IAS 37 Provisions, Contingent Liabilities and Contingent Assets, in accordance with the Company's policy.	Our approach to address the matter involved, among others, the following procedures:
The Company recognizes a provision for environmental rehabilitation and mine closure, which represents its legal obligation to restore the site at the end of its activities. These obligations are determined by regulatory requirements and policies and processes established by the Company (note 3.J).	<ul style="list-style-type: none"><li>Understand the process and evaluation of the design and implementation of controls to determine the amount.</li><li>Evaluate the existence and accuracy of disbursements made during the period.</li><li>Involve our corporate finance experts to review the discount rate of the amount of cash flows relating to provisions adjusted to present value made with the customer.</li><li>Review the disclosures made by management in the separate financial statements.</li></ul>
The provision for environmental rehabilitation is reviewed and approved by the Administration, Financial and Marketing Management.	

Emphasis of Matter

We draw attention to Note 2.D to these financial statements, which describes that functional and presentation currency of the Company is Soles, the procedure followed by the Company in order to translate the separate financial statements for the year ended December 31, 2022 and 2021 from Soles into US Dollars and the purpose of the financial statements in US Dollars in compliance with IFRS. As a result, these separate financial statements may not be suitable for another purpose. Our opinion is not modified related to these matters.

Other Matters

The separated financial statements of Compañía Minera Poderosa S.A. in soles (functional and presentation currency) as of December 31, 2022 and 2021 have been prepared and presented separately; and in our report, dated January 31, 2023, we expressed an unqualified opinion on those financial statements.





The consolidated financial statements of Compañía Minera Poderosa S.A. and its subsidiaries as of December 31, 2022 and 2021, have been prepared and presented separately; and in our report, dated March 14, 2023, we expressed an unqualified opinion on those financial statements. The accompanying separate financial statements have been prepared in compliance with existing regulations in Peru for the presentation of financial reporting and reflect the value of investments in subsidiaries using the cost model.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the separate financial statements and our auditor’s report thereon. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the separate financial statements does not cover the other information and we do not express an opinion, a conclusion, or any form of assurance thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether a material inconsistency exists between the other information and the separate financial statements, or the other information otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is required to evaluate whether there are conditions or events that raise substantial doubt about the Company’s ability to continue as a going concern; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with the Company’s governance are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They are considered material if they could, individually or in the aggregate, influence the economic decisions that users make on the basis of the separate financial statements.



As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, including the disclosures.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with the Company’s governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies or material weaknesses in internal control that we identify during our audit.

Also, we provide those charged with the Company’s governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards that have been applied to eliminate the threats.

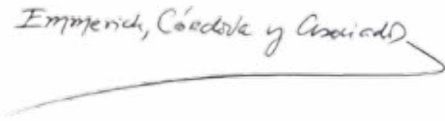
From the matters communicated with those charged with the Company’s governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are, therefore, the Key Audit Matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru,

May 24, 2023

Countersigned by:

  
Juan José Córdova (Partner)  
Peruvian CPA Registration 18869





(Translation of Financial Statements originally issued in Spanish and in Soles)

Compañía Minera Poderosa S.A.  
Separate Statement of Financial Position  
As of December 31, 2022 and 2021

In thousands of U.S. dollars	Note	2022	2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	66,554	155,590
Other financial assets	6	45,000	-
Trade accounts receivable	7	3,306	2,547
Other accounts receivable	8	16,259	4,150
Inventories	9	18,467	14,971
Prepaid expenses	10	3,781	3,346
<b>Total current assets</b>		<b>153,367</b>	<b>180,604</b>
<b>Non-current assets</b>			
Other accounts receivable	8	1,387	-
Investments in subsidiaries and associates	11	6,764	6,368
Prepaid expenses	10	3,930	4,648
Property, plant and equipment	12	217,152	190,414
Right-of-use assets	13	7,722	7,530
Intangible assets	14	159,645	128,756
<b>Total non-current assets</b>		<b>396,600</b>	<b>337,716</b>
<b>Total assets</b>		<b>549,967</b>	<b>518,320</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade accounts payable	15	27,066	21,521
Other accounts payable	16	33,380	39,139
Other financial liabilities	17	23,107	17,142
Lease liabilities	13	1,491	2,881
Employee benefits	18	15,574	17,890
Provisions	19	412	571
Current portion of provision for environmental rehabilitation	20	937	937
<b>Total current liabilities</b>		<b>101,967</b>	<b>100,081</b>
<b>Non-current liabilities</b>			
Other accounts payable	16	110	415
Other financial liabilities	17	-	7,854
Lease liabilities	13	3,076	4,307
Provision for environmental rehabilitation	20	15,991	16,871
Deferred tax liabilities	22	11,288	9,122
<b>Total non-current liabilities</b>		<b>30,465</b>	<b>38,569</b>
<b>Total liabilities</b>		<b>132,432</b>	<b>138,650</b>
<b>Equity</b>			
Issued capital	23	118,783	113,494
Other capital reserves	24	23,757	22,699
Retained earnings	25	274,995	243,477
<b>Total equity</b>		<b>417,535</b>	<b>379,670</b>
<b>Total equity and liabilities</b>		<b>549,967</b>	<b>518,320</b>

The accompanying notes on pages 5 to 76 are an integral part of these separate financial statements.

(Translation of Financial Statements originally issued in Spanish and in Soles)

Compañía Minera Poderosa S.A.  
Separate Statement of Profit or Loss and Other Comprehensive Income  
For the years ended December 31, 2022 and 2021

In thousands of U.S. dollars	Note	2022	2021
Revenue	28	544,805	539,262
Cost of sales	29	(320,645)	(293,272)
<b>Gross profit</b>		<b>224,160</b>	<b>245,990</b>
<b>Operating income (expenses)</b>			
Selling expenses	30	(13,616)	(13,996)
Administrative expenses	31	(41,769)	(41,585)
Other operating income	35	3,398	4,418
Other operating expenses	35	(17,526)	(377)
<b>Operating profit</b>		<b>154,647</b>	<b>194,450</b>
<b>Finance income (borrowing costs)</b>			
Finance income	33	4,656	286
Borrowing costs	33	(1,872)	(2,096)
<b>Finance cost, net</b>		<b>2,784</b>	<b>(1,810)</b>
<b>Profit before tax</b>		<b>157,431</b>	<b>192,640</b>
Tax expense	27	(53,097)	(61,959)
<b>Profit for the period</b>		<b>104,334</b>	<b>130,681</b>
Cummulative traslation adjustment		22,368	(18,702)
<b>Total other comprehensive income</b>		<b>126,702</b>	<b>111,979</b>
<b>Basic earnings per share (in U.S. dollars)</b>	34	<b>0.230</b>	<b>0.288</b>

The accompanying notes on pages 5 to 76 are an integral part of these separate financial statements.



(Translation of Financial Statements originally issued in Spanish and in Soles)

Compañía Minera Poderosa S.A.  
Separate Statement of Changes in Equity  
For the years ended December 31, 2022 and 2021

	Number of ordinary shares	Issued capital (note 23)	Other capital reserves (note 24)	Retained earnings (note 25)	Total equity
<i>In thousands of U.S. dollars</i>					
Balance as of January 1, 2021	363,000,000	100,166	20,033	209,928	330,127
Profit of the period	-	-	-	130,681	130,681
<b>Total other comprehensive income</b>	-	-	-	<b>130,681</b>	<b>130,681</b>
Dividend distribution	-	-	-	(62,433)	(62,433)
Dividends not distributed	-	-	-	(3)	(3)
Issuance of shares	90,750,000	26,517	-	(26,517)	-
Establishment of legal reserve	-	-	5,303	(5,303)	-
<b>Total transactions with stockholders</b>	<b>90,750,000</b>	<b>26,517</b>	<b>5,303</b>	<b>(94,256)</b>	<b>(62,436)</b>
Cummulative traslation adjustment	-	(13,189)	(2,637)	(2,876)	(18,702)
<b>Balance as of December 31, 2021</b>	<b>453,750,000</b>	<b>113,494</b>	<b>22,699</b>	<b>243,477</b>	<b>379,670</b>
Balance as of January 1, 2022	453,750,000	113,494	22,699	243,477	379,670
Profit of the period	-	-	-	104,334	104,334
<b>Total other comprehensive income</b>	-	-	-	<b>104,334</b>	<b>104,334</b>
Dividend distribution	-	-	-	(88,935)	(88,935)
Others	-	-	-	98	98
<b>Total transactions with stockholders</b>	-	-	-	<b>(88,837)</b>	<b>(88,837)</b>
Cummulative traslation adjustment	-	5,289	1,058	16,021	22,368
<b>Balance as of December 31, 2022</b>	<b>453,750,000</b>	<b>118,783</b>	<b>23,757</b>	<b>274,995</b>	<b>417,535</b>

The accompanying notes on pages 5 to 76 are an integral part of these separate financial statements.

(Translation of Financial Statements originally issued in Spanish and in Soles)

Compañía Minera Poderosa S.A.  
Separate Statement of Cash Flows  
For the years ended December 31, 2022 and 2021

<i>In thousands of U.S. dollars</i>	<i>Note</i>	2022	2021
<b>Cash flows from operating activities</b>			
Profit or loss		104,334	130,681
<b>Debit (credit) to non-cash items (profit or loss)</b>			
Depreciation	12 & 13	13,846	12,924
Amortization	14	62,927	62,444
Loss allowance for other accounts receivable	8 & 31	108	281
Reversal of an impairment loss on accounts receivable	8 & 35	(7)	(43)
Provision for litigations	19 & 31	146	(330)
Deferred tax	22 & 27.E	1,742	(1,547)
Costs of upgrading the provision for mine closure	20 & 33	388	225
Loss on sale of property, plant and equipment	35	17,124	377
Income tax	27.E	51,355	63,471
Exchange difference	33 & 5.A	(756)	(989)
Finance charge, net	33	423	1,429
<b>Debit (credit) for net changes in assets and liabilities</b>			
(Decrease) increase in trade accounts receivable	7	(759)	1,024
(Decrease) increase in other accounts receivable	8	(13,496)	455
Decrease in inventories	9	(3,496)	(1,151)
Increase in prepaid expenses	10	283	3,019
Increase in trade accounts payable	15	5,545	(2,101)
Increase in other accounts payable		(7,977)	6,678
Cash payments from liabilities for mine closure	20	(787)	(1,263)
Cash flows from operating activities		230,943	275,584
Cash payments from interest		(1,277)	(1,652)
Cash payments from income tax		(52,007)	(60,387)
<b>Net cash from operating activities</b>		<b>177,659</b>	<b>213,545</b>
<b>Cash flows from investing activities</b>			
Cash receipts from sale of property, plant and equipment	35	174	165
Acquisition of intangible assets	14	(82,576)	(54,200)
Acquisition of property, plant and equipment	12 & 13	(45,730)	(35,170)
Opening of time deposits	6	(45,000)	-
<b>Net cash used in investing activities</b>		<b>(173,132)</b>	<b>(89,205)</b>
<b>Cash flows from financing activities</b>			
Loans received	17	15,000	-
Cash payments from short-term loans	17	(13,000)	-
Cash payments from long-term loans	17	(4,073)	(5,073)
Cash payments from finance leases	13 & 17	(3,080)	(3,251)
Cash payments from dividends	17 & 25	(88,940)	(62,433)
<b>Net cash used in financing activities</b>		<b>(94,093)</b>	<b>(70,757)</b>
Net increase in cash and cash equivalents		(89,566)	53,583
Opening balance	6	155,590	101,018
Effects of changes in exchange rates on cash held		530	989
<b>Closing balance</b>	<b>6</b>	<b>66,554</b>	<b>155,590</b>
<b>Non-cash transactions</b>			
Decrease in costs for mine closure	12	(1,409)	(539)
Increase in liabilities for mine closure	20 & 33	388	225
Increase in right-of-use assets	13 i.	362	4,521
Increase in capital (capitalization of profits)	23	-	26,517

The accompanying notes on pages 5 to 76 are an integral part of these separate financial statements.





[ PART  
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# INDEPENDENT EXTERNAL VERIFICATION



The external evaluation is the review of the information in the sustainability report by a qualified third party. In our case, the consulting firm Responde has been the external, competent, and independent company that has carried out the review of the information in this sustainability report.

We submit the information in our report to external verification to increase the credibility of its content and to provide assurance about the socially responsible behavior we describe in these pages. In this regard, Poderosa’s highest governance body and senior executives participate in the decision to hire an independent third party to review our report.

The purpose of the external verification carried out by Responde is to confirm that the Compañía Minera Poderosa’s 2022 Sustainability Report has been designed following the Global Reporting Initiative

(GRI) Standards. The consultant company use the GRI criteria for its assessment and has sent a list of topics that have been corrected before its publication. There have been no limitations to complete this process.

Responde is a sustainability and sustainable development consultant agency, with 15 years of experience, working with private, public, and third-party sectors. It is independent and has maintained a transparent reputation throughout its corporate existence. The external verification letter is published below.



We submit the information in our report to external verification to increase the credibility of its content and to provide assurance about the socially responsible behavior we describe in these pages

External Verification Letter - Poderosa's Annual Sustainability Report

Lima, July 12th, 2023

To the attention of:  
Compañía Minera Poderosa S.A.  
Santiago de Surco, Lima - Peru

Subject: External Verification Letter for Poderosa's 2022 Annual Sustainability Report

Dear Sirs,

We hope this letter finds you well.

The external verification conducted by Responde aims to confirm that Company Minera Poderosa's 2022 Sustainability Report has been prepared following the Global Reporting Initiative (GRI) Standards (2021) as a reference.

The verification process included the following steps:

- 1. Reading and analyzing the report according to the "Principles for Report Content" described in "GRI 1: Foundation" of the GRI Standards (2021).
- 2. Verifying the GRI Index and the compliance with General Disclosures, Disclosures on Management Approach, and the chosen Topic-specific Standards.
- 3. Identifying strengths and opportunities for improvement in the reporting process and the disclosure of reported content.
- 4. Providing relevant comments and recommendations to enhance the Report.
- 5. Reviewing the final version of the Report.

Below is a brief description of the analysis conducted and recommendations for future Sustainability Reports:

A. Application of the principles

The report effectively describes the sustainability performance and progress, keeping stakeholders informed about the economic, environmental, and social impacts of the company's activities. The impacts of each material topic are well expressed. However, we encourage the organization to give greater emphasis in future reports to disclose both actual and potential negative impacts.

Overall, the report adequately presents the company's management regarding its approaches, learning, and challenges.

B. Compliance with General Disclosures, Disclosures on Management Approach, and chosen Topic-specific Standards

The Report complies with the principles of the GRI Standard for sustainability reporting. It also includes the necessary General Disclosures for a report referencing the GRI 2021 Standards, and the Material Topics and Topic-specific Standards are reported according to their materiality analysis.

C. Opportunities for improvement in the reporting process for future reporting and publication of reports



responde

For future years, it is recommended to ensure reporting all General Disclosures comprehensively. Additionally, addressing the Topic-specific Standards with more precision in providing the information requested by GRI is suggested. In this regard, specific recommendations have been provided regarding content.

D. Relevant recommendations

Regarding the Topic-specific Standards, it is advised to pay closer attention to the guidance for each indicator. Furthermore, enhancing comparability by presenting tables or charts with information from the last 2 or 3 years, demonstrating progress in management, could be valuable. Additionally, this is an opportunity to highlight the company's future goals and commitments.

E. Final review of the report

The company has made the essential changes indicated concerning the requirements of universal and topic-specific standards, ensuring proper reporting.

We want to clarify that our firm did not participate in the preparation of this Report.

After careful consideration, we confirm that Company Minera Poderosa's 2022 Annual Sustainability Report meets the necessary conditions for fulfilling a report referencing the Global Reporting Initiative (GRI) Standards.

This letter is issued for dissemination purposes.  
Sincerely,

RESPONDE S.A.C.  
  
Jorge Melo Vega  
Presidente of Responde

About Responde

We are a consultancy firm with 18 years of experience, working with organizations across the main sectors of the Peruvian economy. Our goal is to drive the integration of sustainable management into companies' strategies and operations, fostering trusted relationships with their stakeholders.

[www.responde.pe](http://www.responde.pe)

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GRI CONTENT  
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GRI standard	Content	Page (s)	Omission/observation
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