



2023 SUSTAINABILITY  
REPORT



SAFETY AND  
RESILIENCE

# SAFETY AND RESILIENCE

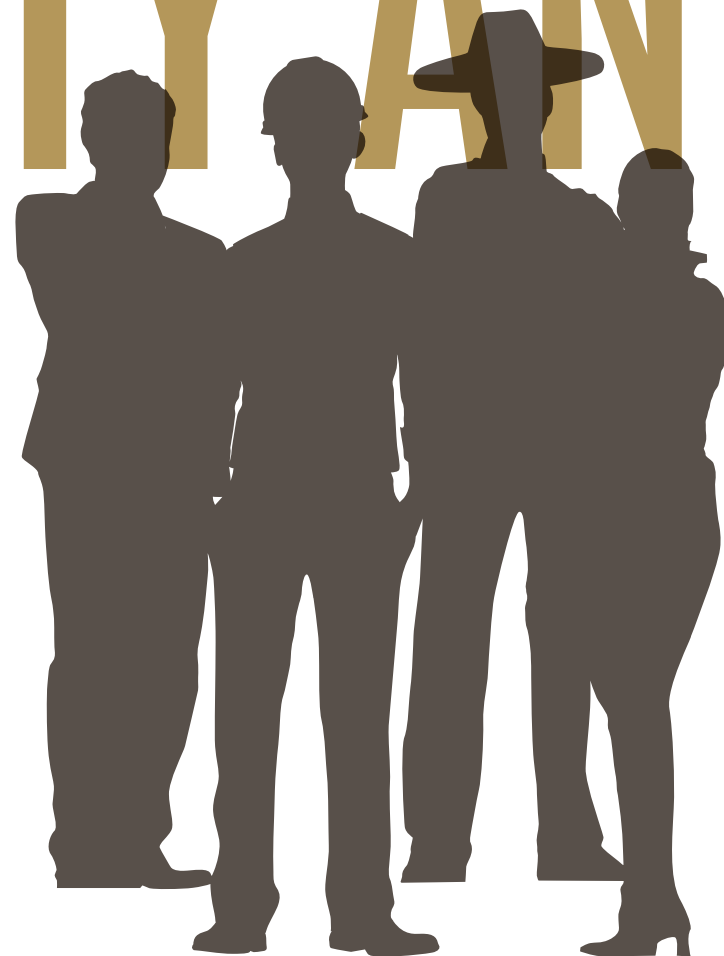




PEACE AND HARMONY ARE THE  
FOUNDATIONS FOR ECONOMIC AND SOCIAL  
DEVELOPMENT TO **GROW IN FREEDOM.**

# SAFETY AND SECURITY

## FOR SHARED AND SUSTAINABLE DEVELOPMENT.



Against this difficult context, Compañía Minera Poderosa is taking a leading role in the fight for a safe and secure environment. However, today more than ever, we need everyone's commitment and active participation.

We are convinced it is important to build a partnership between companies, the public sector, the population, leaders and local authorities, to secure a peaceful environment and create the necessary conditions to improve the quality of life for each and everyone. We are committed to working together and coordinating efforts to shape a future where security and safety will become a tangible reality for every person in our region.

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The information contained  
in this annual report  
cannot be used alone for  
investment decisions.

# DISCLAIMER

[GRI 2-2] [GRI 2-3] [EITI Principles 5, 6 and 9]

The 2023 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 2023. Notwithstanding the liability of the persons who have prepared it, the undersigned are liable for its contents pursuant to the legal provisions in force.”

**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

**Pablo Alfredo de La Flor Belaunde**  
Corporate Affairs Manager

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

**Iben Reyes Bendezú**  
Accountant General (i)



## ABOUT THIS REPORT

[GRI 2-4] [EITI Principles and EITI Standard 2023]

Our sustainability report is addressed to all our stakeholders to communicate the 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 fourteen years, we have produced our annual reports following the Global Reporting Initiative (GRI) methodology.



The last report, corresponding to the period 2022, was published in 2023. The information contained in this report corresponds to the period between January 1st to December 31st, 2023, and has been designed following the GRI standards and in line with the EITI Standard Principles and Requirements. The period covered in the financial report corresponds to the period of this report.

The material topics disclosed in this document reflect the most important economic, environmental and social impacts of our activities or that can substantially influence

our stakeholders' assessments and decisions. The periodic evaluation of our materiality meets two functions: it helps us to set and evaluate the strategic sustainability objectives that guide our operations and prioritize actions to achieve them; it allows us to identify emerging material topics and manage with due diligence those which are most relevant to our stakeholders from a sustainability perspective.

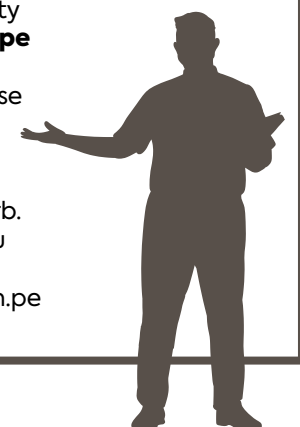
In this report there are no changes or restatements related to mergers or purchases, changes in the years or base periods, business nature or measurement methods. There have been no updates to the information presented in prior periods that should be evaluated.

This report includes a brief description and a link to our corporate organization, Asociación Pataz. Poderosa's financial statement does not include that of Asociación Pataz, for both institutions are managed independently, and they submit separate financial statements.

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 organized coherently and submitted to the Board for approval.

The electronic version of the 2023 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. Social Responsibility and Communications Deputy Management Office**  
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# INDEX

11	LETTER FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS
16	MAIN FIGURES FOR 2023
18	PART 1 WE ARE MINERA PODEROSA
66	PART 2 CORPORATE GOVERNANCE, ETHICS, COMPLIANCE AND ECONOMIC DEVELOPMENT
88	PART 3 OPERATIONAL EXCELLENCE
110	PART 4 ENVIRONMENTAL RESPONSIBILITY
152	PART 5 PODEROSA FAMILY
186	PART 6 VALUE CHAIN
194	PART 7 IMPACT ON THE TERRITORY
226	PART 8 FINANCIAL MANAGEMENT
230	PART 9 ANNEXES
246	PART 10 GRI CONTENT INDEX



# LETTER FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS

**Dear shareholders, employees and stakeholders,**

As in previous years, it is an honor to write to you to report on our company's performance in fiscal year 2023; one marked by ongoing challenges, but also for consolidation and growth opportunities. In a complex national and international environment, Poderosa has shown great resilience and steadfastness in its commitment to safety, ethical management, and sustainability across its entire operations.

The most important challenge we currently face is the presence of illegal miners in our area of operations. Although this illegal activity is also present in many other parts of the country, unfortunately Pataz is one of the areas with the highest number of illegal miners. This situation compels me to focus this year's letter on this specific problem, how it affects us and what risks it entails. Although it is an unusually long text, it is essential to clearly explain this issue.

**Illegal Mining**

Illegal mining is currently the main source of illicit funds in the country, and even exceeds that of drug trafficking. It is of particular concern that organized mafias engaged in this activity have forged partnerships with national and international criminal gangs engaged in hired killings, extortion, human trafficking and other related crimes, thus exponentially

increasing the level of danger in areas where they operate.

Given the current situation, it is with deep sorrow that we regret to inform you that, during 2023, 13 of our employees lost their lives while another 24 were seriously injured at the hands of criminals involved in illegal mining activities. This brings to 16 the number of employees who have been killed and 42 who were seriously injured because of criminal attacks perpetrated by these gangs in recent years. It is important to emphasize that we do everything within our power, and within the law, to protect our employees from such risks. Our security personnel are well trained and equipped with the best protection equipment; nevertheless, our ability to act as a private company is limited since, due to its nature, this is essentially a public safety and order issue, which must be dealt with and handled by the authorities.

Throughout the last decade, and particularly during the last five years, we have repeatedly warned of the increase and progression of criminal activity in our area of operations, calling on various government agencies to act. Unfortunately, despite our best efforts, for a long time the matter failed to be considered a priority. This situation began to change in the second half of 2023, when authorities started to change their attitude, and began to show greater interest in tackling illegal mining and related crimes.

Thus, in order to tackle crime in Pataz, the government has now increased the presence of the police, the armed forces and prosecutors in the area. Although we observe that many members of different organized criminal gangs are arrested and their weapons and explosives seized, we also watch helplessly as many of these criminals are released despite being caught in the act. Furthermore, as far as we are aware, the leaders of these gangs have yet to be apprehended. We hope that soon those who murdered our fellow workers will be found and be brought to justice to face the full extent of the law. We also hope that our authorities succeed in their mission to restore law and order in Pataz.

On our side, we will continue striving to fight against illegal mining and public insecurity. We are fully committed to respecting, promoting and guaranteeing human rights. Furthermore, we will keep working to keep our facilities safe and secure and will support authorities in whatever way we can to help tackle criminality. Likewise, we will continue our efforts to support true artisanal miners in their process to become formal.

**Formalization Process**

To gain a better understanding of why illegal mining has been growing so much in the country, it is important to understand that the unsuccessful formalization process, which is an exceptional procedure,





Mining is an activity that must be carried out with adequate controls; only formality and proper oversight ensure compliance.

and thus brief and temporary, has already been in force for 21 years. It was first introduced in 2002 (under Law 27651). Then, 10 years later, in 2012, it was amended (through Decree-Law 1105), which led to the creation of the National Registry for Declaration of Commitments, today known as the Comprehensive Formalization Registry (REINFO). However, this registry's validity has repeatedly been extended over the past decade. The formalization process is mainly based on the statement of any individual declaring that he/she has been performing mining activities in a specific location, and that he/she is willing to formalize his/her activities. Upon this statement, the person can continue operating and, to become formal, requires the following: simple environmental permits, as well as authorizations from the surface landowner, the holder of the mining concession and an official approval to begin mining activities.

The mining industry acted in good faith, convinced that the process was unique in nature and did not object; so much so that companies, such as Poderosa, implemented formalization programs. We thus support artisanal miners in our area of influence, encouraging them to formalize their activities and enhancing their capabilities so they may contribute towards the sustainable development of their activities. As a result of this program, 294 contracts have been signed with artisanal miners at the end of 2023. All the artisanal miners with whom we work are holders of Due Diligence certificates, thereby evidencing our commitment to abide by the law and act with transparency.

The problems with the process stem from the lack of oversight.

Once the statement is accepted, the relevant authority does not check the accuracy of said statement, nor does it supervise or oversee the mining activity of the parties making the statement to ascertain whether they comply with artisanal mining standards. Neither does the authority check such activities are carried out in compliance with established safety and environmental management standards, whether the activity actually takes place in the specified location, and that it does not trespass restricted areas, such as areas of operations or explorations of formal owners, or in national park areas, among other aspects.

Regional governments are responsible for carrying out the formalization process and checking whether artisanal miners actually comply with the regulations stipulated in the law. However, they lack both capacity and resources to fully comply with this obligation. This has enabled non-miners to enroll in the registry, thus encouraging the increase of informal mining to the detriment of the formalization process itself. This lack of oversight and control has also led to surface land and mining concessions being invaded, as well as trespassing into national parks. Furthermore, besides affecting investments by owners or concession holders, encroachments also compromise the safety of formal operations and the employees who work at these sites. It has been widely demonstrated that the rise of illegal mining leads to an increase in the number of other related crimes.

The process has been continually extended for several reasons, thus no longer used as an exceptional procedure, but rather as a

deterrent to formalization. Instead of following the ordinary process, small-scale and artisanal miners were able to enroll in this program without complying with all legal requirements; and, as the deadlines were constantly extended, there was no incentive to finalize the process. It should be noted that since mining is a high-risk activity and should not be carried out without adequate controls, the only way to ensure compliance is through formal operations and adequate oversight.

Likewise, the (REINFO) registry has not yet been properly filtered and formalization records still exist for areas where formal companies have already been authorized to explore and/or operate, areas which are restricted to those still undergoing the formalization process. The latter constitutes grounds for exclusion from the REINFO registry as it poses risks to the lives of workers and threatens investments made by formal companies. Miners who hold a REINFO record in these areas without a contract with the mining owner cannot become formal and, by definition, are illegal miners. As mentioned earlier, it is common in our area for illegal miners to have ties with organized criminal gangs and to act using extreme violence.

Finally, we must emphasize that the continued extensions to the formalization process violate the property rights that a state-issued concession should guarantee. This breach of the law is a strong deterrent to private investors.

#### Impact on our operations

The most serious aspect of illegal mining is that it puts the lives of our employees at risk. We can divide such risks into operating and criminal risks. We seek to reduce the operational risks associated

with such illegal activity through procedures and preventive measures. An important example of this type of risk is when an illegal miner breaks into our tunnels. The explosions used to this end put our personnel in the area at risk, both due to the discharge itself and to the release of toxic gases. Criminal risks are premeditated attacks with firearms and explosives, in response to which we deploy our best protection efforts, calling on specialized companies as well as law enforcement agencies. In this regard, it is important to reaffirm our commitment to promote and respect human rights within our operations and all along our value chain

In order to respond to rising crime rates, the company has been forced to increase its security personnel from 188 in 2018 to a total of 1,203 in 2023. This increase in security staff is essential to keep our employees safe. As a result, the cost of security services has suffered a ten-fold increase compared to normal circumstances. Similarly, the lack of security due to illegal mining has led to a higher turnover of contractor personnel (77%) than would be the case under normal circumstances.

Illegal miners seek to interconnect with our mining operations to take over our mineral resources and infrastructure. As a result, we have lost access to measured reserves and resources. On the other hand, illegal miners often damage our infrastructure when carrying out their own operations, thus resulting in investment losses and additional costs due to obstructed interconnections, a situation we have been experiencing from January 2020 up to December 2023.

In July roadblocks at the hands of illegal miners significantly

affected our operations for 48 days, resulting in economic losses due to a decrease in production of 28,000 ounces of gold. During these roadblocks inhabitants from several villages located in our district supported us by counter-blocking the illegal miners. We are deeply grateful to the local population for the significant support we received during these difficult times.

#### Latent Risks

Additionally, we are concerned about increasing crime rates in the District of Pataz and the growing number of informal mining activities in the southern part of the province, where we are also undertaking exploration projects. The presence of informal miners has slowed down our activities, making it harder to reach agreements with nearby communities; leaving a latent risk of encroachment should resources be identified. We trust that with the Government's increased attention to illegal mining, we can reduce this risk and thus be able to invest in exploration projects outside our operating units under normal conditions and with legal certainty.

The risks associated with the reopening of the REINFO registry or changes in legislation with similar effects are significant. We believe the public opinion is against continuing to further extend the formalization process and that Congress has almost reached consensus that it should not go ahead due to the problems it has caused. Nevertheless, draft bills requesting new extension dates for the REINFO registry give us reason to be cautious in this regard.

#### Operating Results

Despite these setbacks, Poderosa was able to hold its position as one of the country's leading gold



producers in 2023, with an 8.4% market share. It is worth noting that the La Libertad Region accounts for approximately 33% of the country's production.

Due to attacks by illegal miners, we lost control of some high-grade zones, which impacts the grade of available resources. However, we did manage to hold reserves amounting to 1,533,746 tons with 758,345 ounces, slightly above 2022 figures, despite having downloaded reserves from the inventory, due to encroachment by illegal miners.

At our Marañón and Santa María plants, we processed 637,731 tons of ore with a recovery rate of 91.09%, slightly lower than the previous year, to produce 269,379 ounces of gold. The increase in global gold prices somewhat mitigated the impact of decreased production due to stoppages because of roadblocks. Net sales amounted to a total of 1,993 million soles. Although production levels were lower than in previous years, given the circumstances, to have reached such levels is a great achievement by Poderosa and all its staff. Another accomplishment was to keep recovery levels above

91%, despite the lower grade and changes in mining areas. Our ability to produce under such adverse conditions is proof that we have a team of highly qualified professionals in all the company's units, and for this we feel truly proud.

In terms of occupational health and safety, in 2023, we made positive progress, with a marked decrease in the number of injuries resulting in lost time. Our frequency rate dropped to 0.7 for employees and 1.51 for contractors, thereby confirming the success of the preventative measures put in place. We are committed to maintaining this proactive approach to ensure a safe work environment. Nevertheless, unfortunately, due to an accident which took place in December 2022, a worker died in January of the following year because of injuries suffered. This unfortunate event highlights

the importance of continuously improving our processes to protect every one of our employees.

A total of 15 projects were assessed during our quality week, and the following were the winning projects: CMC - Clean Energies "Increase reliability and power supply capacity at Chagual airdrome.", EDT - Building the Future "Decrease accumulation of mine waste by reuse in Poderosa's operation site. "CMC - Kaizen Group 'Reducing rock mass fragmentation and damage, by analysis vibrations produced by the change in blasting agent', and CMC - Tecnomin ' Complete the mining cycle in narrow veins, performing CH with Alimak". Our employees' commitment to quality has resulted in Poderosa receiving a total of 18 recognitions and awards during 2023, on areas such as the environment, quality, operational excellence, and social

development. Congratulations to the entire team for these achievements.

18

recognitions and awards received during 2023, on areas such as the environment, quality, operational excellence, and social development

In terms of our environmental performance, we have taken clear steps towards our goal of becoming carbon neutral in Scopes 1 and 2 by 2030, with the inauguration of our battery energy storage system (BESS). Similarly, the environmental document to enable the implementation of the 7 MWp solar photovoltaic project that will supply the company with clean energy, was submitted. Together with Asociacion Patataz, in 2023 we planted a total of 335,136 trees both on community and Poderosa's land, bringing the total number of trees planted in the company's history to over 6,817,604. Additionally, we conducted two open tenders under the theme "Circular Economy Innovation," which resulted in the approval of a tailings reuse project scheduled to be executed during 2024. We are also proud to be part of the Inter-institutional Alliances to introduce new PhD programs at two Peruvian public institutions, Universidad Nacional de Ingeniería (the National Engineering University - UNI) (PhD in science

with a major in physics focusing on energy transition and renewable energies) and Universidad Nacional Agraria La Molina (the National Agrarian University of La Molina - UNALM) (PhD in engineering and environmental sciences with a special focus on circular economy).

We continue to support projects to promote local welfare through Community Relations and Asociacion Patataz. In this regard, we continue to work in close collaboration with the Community Development Committees (CODECOS). Furthermore, as part of our efforts to mitigate environmental and social impacts arising from the company's mining activities, we are working on initiatives to promote sustainable development and the welfare of our neighboring communities. Our aim is to generate a positive impact on the lives of people as well as the environment through our Corporate Social Responsibility programs and our NGO, Asociacion Patataz.

Poderosa remains firmly committed to integrity and transparency across all our operations. We have guidelines in place to help fight corruption and strictly comply with the legislation currently in force, thus enhancing our reputation and credibility in the industry. 2023 has been a year of great challenges for Poderosa, but also a year of many opportunities. Despite these difficulties, we have been able to forge ahead and adapt, while upholding our commitment to integrity, safety and sustainability.

I would like to express my most sincere thanks and appreciation to the entire team at Poderosa for their dedication and commitment each and every year. Their

hard work and outstanding professionalism are fundamental to the success of our operations. By the end of 2023, we will have a total of 777 in-house employees and 6,247 contractor employees, amounting to a total of 7,024 people whose commitment and dedication are invaluable.

Closing reflections

These surely are difficult times, but the support we have received so far inspires us to keep on fighting. I would like to thank the countless gestures of support we received following the terrible attack we suffered in December. I would also like to thank the journalists and opinion leaders who continue to put this issue on the agenda, as well as the trade unions and experts who have expressed their support in different ways, as well as those government officials who are acting against all kinds of crime. Finally, I would also like to thank all the Poderosa family members. I know that many are afraid, but despite this they continue working with dedication and commitment. We are doing everything we can and will continue to work hard to make sure you all remain safe. At Poderosa we are resilient, and I know we will get through this situation as we have done in the past. The work you are doing today is not only important for the company, but also for the country as a whole. Let us show everyone that criminals are not going to defeat Poderosa, and even less so Peru.

Sincerely,  
Evangelina Arias Vargas de Sologuren

La Libertad region accounts for approximately

33%

OF THE COUNTRY'S PRODUCTION.



# 2023

MAIN FIGURES IN

777

employees in payroll

6,247

employees of related contractors, mining companies, and microbusinesses

1,993

MILLION  
SOLES NET  
SALES

Total sales (ounces of gold):

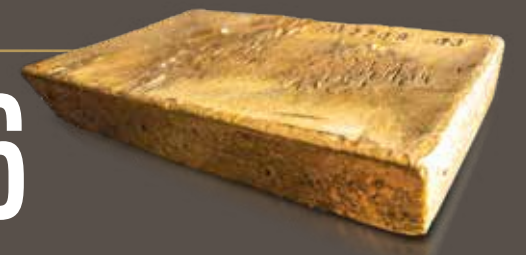
269,437

Production:

- Marañón unit: 40,396 ounces of gold produced
- Santa María unit: 180,132 ounces of gold produced

EBITDA (US\$)  
NIC 21 (2023):

191'998,616





# WE ARE MINERA PODEROSA

[GRI 2-1]

PART 1





# 1.1 ABOUT US

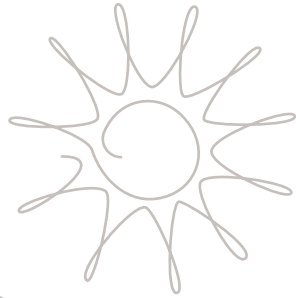
We are a Peruvian private mining company, established in 1980 under the name of Compañía Minera Poderosa S.A., engaged in mineral exploitation, extraction, processing, and trading.

Our focus is underground gold mining, and due to our size, we are considered a middle-size mining company. We are located in the Pataz District and Province, some 320 km east of the city of Trujillo in La Libertad Region, Peru. We are a very important company engaged in the extraction and processing of minerals in the area. We run our operations in a challenging geographic environment, in altitudes between 1,250 and 3,000 m.a.s.l, which demands a very careful and responsible management of our activities.

Our operation has 3 mining units: Marañón, Santa María, and Palca. We have administrative offices and warehouses in Lima and Trujillo, strengthening our regional and domestic presence and consolidating our position as a key stakeholder in Peruvian mining, and we do not have assets or affiliates abroad. Our headquarters are in Avenida La Floresta N° 497, of. 501, Urb. Chacarilla del Estanque, San Borja, Lima, Peru.

In Poderosa, we have a significant labor force made up by over 7,000 people, among contractors and employees in our payroll, who perform key roles in the different stages of the mining value chain. Our collective commitment is focused in practicing responsible mining, with an outstanding effort to minimize environmental and social impacts related to our extractive activity. As an integral part of our goal, we work non-stop to contribute to the sustainable development of the region and the country.

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.



# 1.2 OUR DNA

## OUR VISION

To be the company you can feel proud of working with.

## OUR MISSION

To responsibly transform our mineral wealth into development opportunities.

### CORPORATE PRINCIPLES AND VALUES

Our corporate principles and values are the foundations that shape our organizational culture and guide our daily actions.

**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 correct mistakes and, and we improve continuously.

**TEAMWORK:** Together we look for the best solution and results, with solidarity and respect other people's ideas.

**RESPECT:** We treat others adequately, we are coherent with our actions, we comply with the law, and care for nature.

**PRODUCTIVITY:** We are committed to produce more, in a better way, using our resources wisely and adapting to change.

**LEARNING AND TEACHING:** Willingness to learn continuously and to share knowledge.

**INTEGRITY:** Acting honestly and fair; with ethics and correction.



# 1.3 OUR ORGANIZATIONAL STRUCTURE

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GRI 2-12] [GRI 2-13] [GRI 2-14] [EITI Requirement 1.2b]  
[EITI Requirement 6.3a] [EITI Requirement 6.4c] [EITI Expectation for Companies 9]

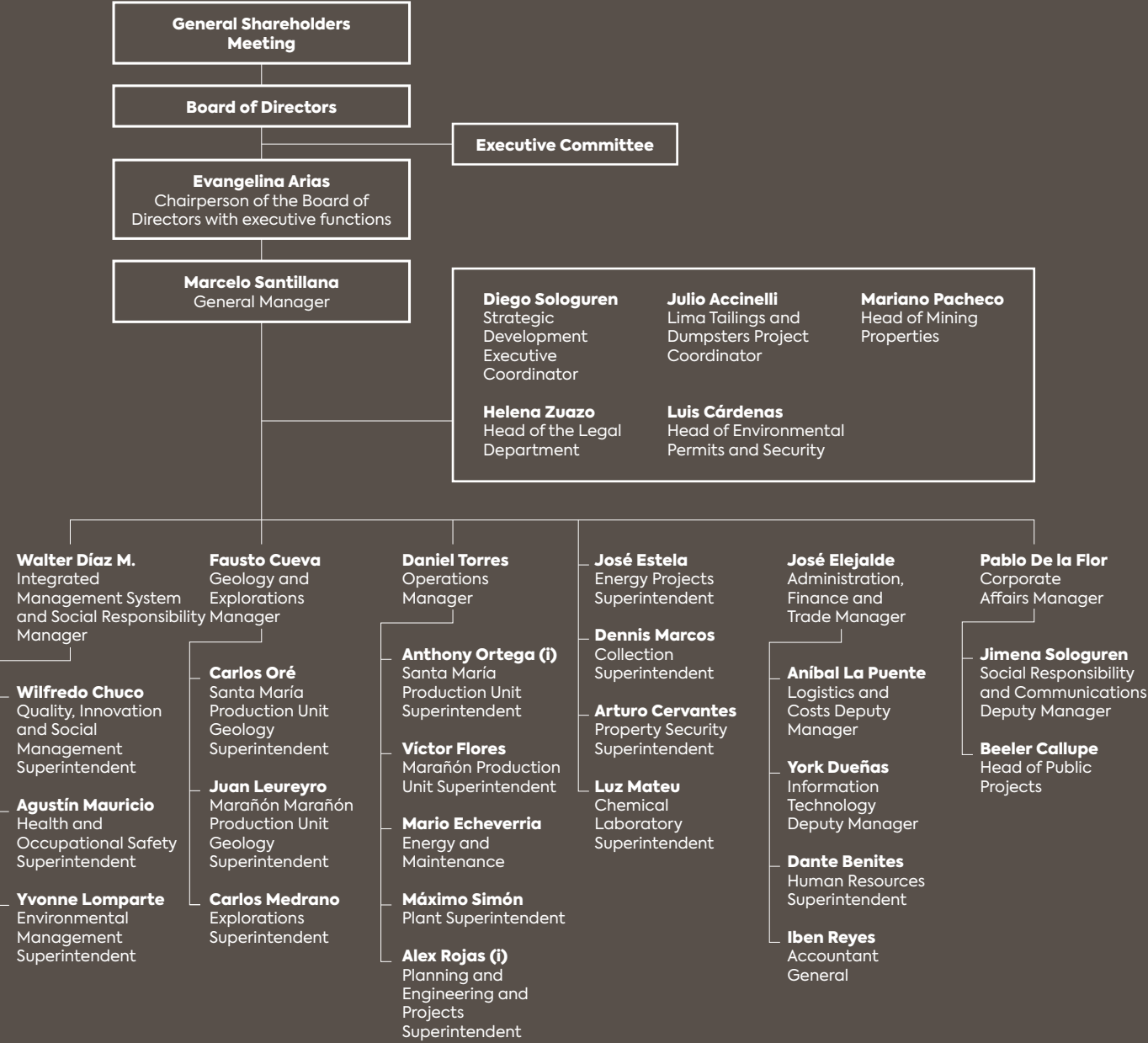
We have a hierarchy and role distribution that starts with the General Shareholders Meeting, followed by the Board of Directors and Executive Committee. The positions are structured into different levels and categories, such as Officers and Administrative Team, which reflects a clearly defined corporate organization. All the same, we include different specialization areas such as legal, security, public projects, geology, operations, among others. In 2023 the Corporate Affairs Management was created, under the leadership of Mr. Pablo de la Flor Belaunde, as shown in the organizational flowchart. All the same, Mr. Sr. Iben Reyes Bendezu was appointed Accountant General (i).

- Our organizational structure is made up as follows:
- **General Shareholders Meeting:** Highest ruling body of the company that groups the shareholders.
  - **Board of Directors:** Chaired by Evangelina Arias, Chairperson of the Board of Directors with executive functions
  - **Executive Committee:** Includes Russell Marcelo Santillana as General Manager.
  - **Officers and administrative team:** It is made up by managers and heads of specific areas.

- **Evangelina Arias Vargas De Sologuren:** CEO
- **Russell Marcelo Santillana Salas:** General Manager
- **Daniel Ricardo Torres Espinoza:** Operations Manager
- **Fausto Cueva Castillo:** Geology and Explorations Manager
- **José Antonio Elejalde Noya Administration:** Finance and Trade Manager
- **Walter Teodoro Martin Diaz Meyzan:** Integrated Management System and Social Responsibility
- **Pablo Alfredo De La Flor Belaunde:** Corporate Affairs Manager
- **Jimena Patricia Sologuren Arias:** Social Responsibility and Communications Deputy Manager
- **York Steve Dueñas Boada:** Information Technology Deputy Manager
- **Anibal Ricardo La Puente Valdivia:** Logistics and Cost Deputy Management
- **Helena Zuazo Arnao:** Head of the Legal Department
- **Iben Reyes Bendezu:** Accountant General (i)

OFFICERS PER GENDER AND AGE		WOMEN		MEN	
		Per age		Per age	
		Between 30 and 50 years	3	6	
		Over 50 years	2	16	
<b>Total</b>			<b>5</b>	<b>22</b>	

## Our organizational structure



# 1.4 OUR STAKEHOLDERS

[GRI 2-15] [GRI 2-29]


We are pleased to present the initiatives, progress and perspectives regarding our stakeholders. In each one of our interactions with shareholders, employees, suppliers and the community, we try to meet our corporate goals, and to positively contribute to social wellbeing and economic development. The identification of these groups allows us to include their expectations and demands into our corporate strategy.



We commit to hold transparent and ethical relations with each one of the stakeholders, by using channels and methodologies that ensure open and constructive dialog, from periodic meetings to updated reports. The identification of these groups is carried out through an analysis of the external and internal environment of our organization, using mappings and perception studies.

All the same, we have mechanisms that contribute to solve and guarantee efficient solutions to the requests of our stakeholders. Our complaint mechanism has actions plans to remediate any negative impacts caused by our activities, or which they have contributed to. Furthermore, we carry out social conflict monitoring based on ongoing dialog and monitoring and prevention reports.



We commit to hold transparent and ethical relations with each one of the stakeholders, by using channels and methodologies that ensure open and constructive dialog





SHAREHOLDERS				
DEFINITION	COMMITMENT	COMMUNICATION	EXPECTATIONS	PODEROSA'S ACTIONS
 <b>They own the company's assets</b>	To create increased economic value for the majority and minority shareholders.	<ul style="list-style-type: none"><li>• Important facts</li><li>• Annual shareholders meeting</li><li>• Website</li><li>• Annual Report</li><li>• E-mails</li><li>• Telephone</li></ul>	<ul style="list-style-type: none"><li>• Company's economic and sustainable development results</li><li>• Strict compliance with ethical guidelines</li><li>• Occupational health and safety approach, asset security and community relations.</li><li>• Exploration, reserves forecast and operations development</li><li>• Anti-corruption 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>

WORKERS: EMPLOYEES, WORKMEN AND OFFICERS				
DEFINITION	COMMITMENT	COMMUNICATION	EXPECTATIONS	PODEROSA'S ACTIONS
 <b>Those who carry out daily tasks, from strategic management down to operations.</b>	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.	<ul style="list-style-type: none"><li>• Daily Intranet</li><li>• Batolito Comunitario (biannual) and special newsletter (bimonthly)</li><li>• E-mails</li><li>• Periodic meetings</li><li>• Bulletin boards updated weekly</li><li>• Suggestion box</li><li>• Internal social network</li></ul>	<ul style="list-style-type: none"><li>• Improved quality of life within the company</li><li>• Adequate working conditions and good organizational climate - Economic performance</li><li>• Sustainability</li><li>• Compliance with safety and occupational health standards</li><li>• Equal opportunities and transparent promotion processes</li><li>• Ethical and transparent practices of the company.</li></ul>	<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>
SUPPLIERS				
DEFINITION	COMMITMENT	COMMUNICATION	EXPECTATIONS	PODEROSA'S ACTIONS
 <b>The companies or organizations providing products or services to the company.</b>	To advise the 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>• E-mails</li><li>• Scheduled meetings</li><li>• Visits</li><li>• Telephone</li></ul>	<ul style="list-style-type: none"><li>• Timely payments</li><li>• Good occupational health and safety practices</li><li>• Growth possibilities and continuous development opportunities</li><li>• Company innovation practices that can improve supply</li><li>• Goods and services 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>



COMMUNITIES: POPULATION IN OUR DIRECT / INDIRECT AREA OF INFLUENCE				
DEFINITION	COMMITMENT	COMMUNICATION	EXPECTATIONS	PODEROSA'S ACTIONS
 <p>The communities and authorities directly or indirectly related to the company's operations. Civil society organizations and local and regional governments are also included.</p>	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.	<ul style="list-style-type: none"><li>• Periodic meetings</li><li>• Perception studies (biannual)</li><li>• Community – Batolito (quarterly) and special newsletter (annual)</li><li>• Radio</li></ul>	<ul style="list-style-type: none"><li>• Community and population development and welfare</li><li>• Road Improvement, entrepreneurial and employment opportunities</li><li>• Increased products yield and sales,</li><li>• Water quality and quantity. The work with the JASS is appreciated.</li></ul>	<ul style="list-style-type: none"><li>• Under our good neighbor approach, our Community Relations team and Asociacion Pataz, 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>
GOVERNMENT				
DEFINITION	COMMITMENT	COMMUNICATION	EXPECTATIONS	PODEROSA'S ACTIONS
 <p>Group of national, regional, and local organizations directly or indirectly related with our activity.</p>	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.	Through the conducts established in the regulation that govern our economic activities	<ul style="list-style-type: none"><li>• Compliance with regulations in economic, environmental, and social aspects.</li><li>• Compliance with work-related health and safety standards</li><li>• Multistakeholder dialog and cooperation,</li><li>• Institutional synergy generation to drive the community's sustainable development and fight against corruption.</li><li>• Innovation: technology and skill 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>

ARTISANAL MINERS				
DEFINITION	COMMITMENT	COMMUNICATION	EXPECTATIONS	PODEROSA'S ACTIONS
 <p>Formal artisanal miners working within our direct area of influence and who deliver the mineral they extract to be processed by Poderosa</p>	Support them to carry out safe and environmentally friendly work. Be transparent in the analysis, processing, and treatment of the mineral they deliver. Help them become agents of their own development and that of their community.	<ul style="list-style-type: none"><li>• E-mails</li><li>• Periodic meetings</li><li>• Technical Visits</li><li>• Telephone</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><li>• Regional development</li><li>• Responsible use of water in the company's operations, prioritizing water availability for the community.</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>
CUSTOMERS				
DEFINITION	COMMITMENT	COMMUNICATION	EXPECTATIONS	PODEROSA'S ACTIONS
 <p>The buyers of our final product. There is no customer classification or category.</p>	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.	<ul style="list-style-type: none"><li>• E-mails</li><li>• Periodic meetings</li><li>• Biannual survey</li><li>• Telephone</li></ul>	<ul style="list-style-type: none"><li>• A product that meets customer's specifications and standards</li></ul>	<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>

# 1.5 DOUBLE MATERIALITY

[GRI 3-1] [GRI 302] [EITI Requirement 4.1<sup>a</sup>]

In 2023 we carried out the first double materiality process, which updated the materiality process carried out in 2020. This process is instrumental to identify priority topics in our environmental, social and governance management, as a result of the identification and assessment of real and potential impacts. For the double materiality, we consider two perspectives: the way in which Poderosa affects the surroundings (impact materiality) and the way in which the surroundings impact in Poderosa's value (financial materiality).

The adoption of a double materiality process reflects our commitment to

transparency and accountability. As active participants in the Extractive Industries Transparency Initiative (EITI), we understand the importance of disclosing accurate and complete information about our operations. By doing so, we contribute to promoting a more responsible corporate environment.

The 14 material topics defined, that are managed proactively, provide guidance to decision making and are fully integrated into our corporate strategy. Also, they allow us to transparently inform our stakeholders about our management's progress and challenge.

## THE 14 MATERIAL TOPICS DEFINED,

THAT ARE MANAGED PROACTIVELY, PROVIDE GUIDANCE TO DECISION MAKING AND ARE FULLY INTEGRATED INTO OUR CORPORATE STRATEGY.

# PODEROSA ↔ ENVIRONMENT



# METHODOLOGY

## Context Analysis → Impact Identification → Internal relevance assessment → Definition of material topics

- We carried out benchmarking with other relevant industry companies both domestic and international.
- We reviewed sustainability standards for the mining industry such, as well as sustainability reference standards.
- We reviewed studies on the mining industry trends.
- We reviewed documents related with our sustainability strategy, commitments, policies, codes of conduct, among others.

- To identify actual and potential impacts on the environment and coming from the environment that affect our value as a company, we carried out the following:
- We reviewed the list of relevant topics in 2022.
  - We review the company's risk matrix.
  - We held a panel with leaders to identify impacts and assess them according to probability and severity criteria.
  - We interviewed the General Manager to understand the priority topics in the company's long-term management.

- We interviewed our stakeholder groups (community, employees, suppliers, artisanal miners, Government, Asociación Pataz and shareholders) to identify impacts, and assess them according to severity criteria.

- We validated the impacts with key areas of the company.
- We prioritized the most relevant impacts.
- We defined 14 material topics.

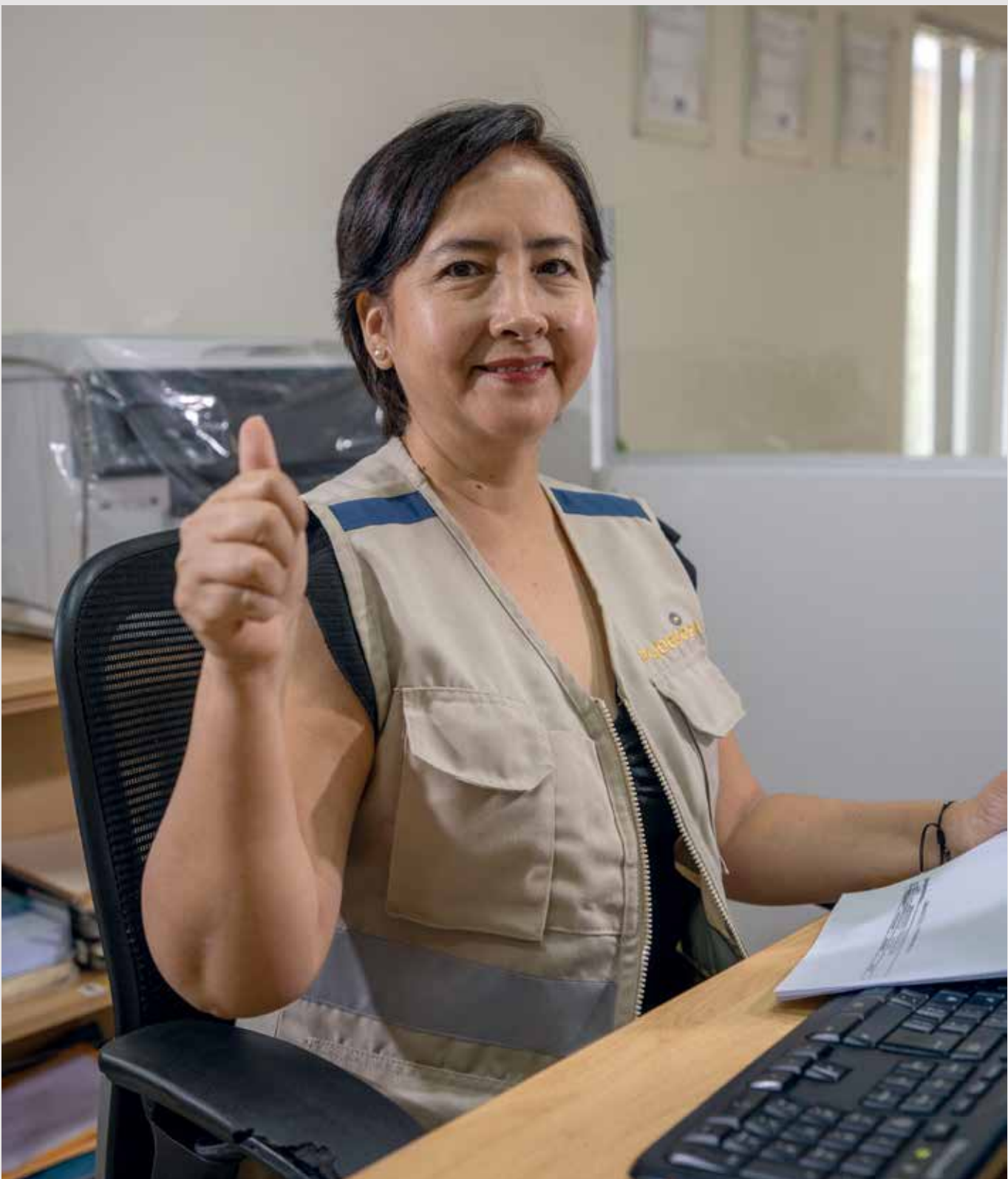
List of material topics for 2023

MATERIAL TOPIC	SIGNIFICANT IMPACT	REAL OR POTENTIAL	NEGATIVE OR POSITIVE	IMPACT ON STAKEHOLDER GROUP OR COMPANY
SOCIAL DIMENSION				
Property and asset security	Strikes, roadblocks, attacks, or defamation by criminal groups with ties to illegal mining cause reputational, economic, and personal safety and security damage to Poderosa's personnel.	Real	Negative	Company
	Protecting the company's property and assets by implementing security procedures in case of social conflict.	Potential	Positive	Company
	Despite the company putting controls in place, employees feel uneasy and insecure due to the impacts caused by illegal miners.	Real	Negative	Employees
	Ensuring the safety of employees in the event of conflict.	Real	Positive	Employees
Mining Formalization	Operations are impacted due to the Government's failure to mitigate crimes caused by illegal miners, thus jeopardizing the company's continuity.	Real	Negative	Company
	Improved relations with the Government by helping to formalize the mining sector.	Potential	Positive	Company
	Loss of human lives due to illegal miners despite the company's efforts to curb crime.	Real	Negative	Employees
	Less criminal activity, increased order and control due to the formalization process of mining activities.	Real	Positive	Employees
Community relations	Non-compliance of community agreements has led to conflicts (kidnappings, roadblocks, takeover of facilities, attacks to personnel, etc.).	Real	Negative	Company
	No disruption of operations due to improved relations with the community.	Potential	Positive	Company
	Impact on community traditions and dynamics (cultural identity, use of land and natural resources, traditions, etc.) because of the company's presence.	Potential	Negative	Community
	Social projects in the community to help enhance quality of life for the community.	Real	Positive	Community
Human Rights	Members of the PNP (Peruvian National Police) commit human rights violations or make inadequate use of the force against community members or local leaders, resulting in serious injuries and allegations of complicity against the company.	Potential	Negative	Company
	The opportunity to belong to organizations renowned for respecting and promoting human rights.	Potential	Positive	Company
	Discrimination that affects the dignity of employees or suppliers.	Potential	Negative	Employees
	Helping to eradicate child labor by providing training to companies involved in the project.	Real	Positive	Suppliers Community

MATERIAL TOPIC	SIGNIFICANT IMPACT	REAL OR POTENTIAL	NEGATIVE OR POSITIVE	IMPACT ON STAKEHOLDER GROUP OR COMPANY
Occupational health and safety	Increased costs due to higher work-related accidents.	Potential	Negative	Company
	Accident and occupational illness preparedness can reduce costs for medical care, workers' compensation and production downtime.	Real	Positive	Company
	Minor, disabling or fatal accidents due to noncompliance with provisions and control measures regarding occupational health and safety (PETS, IPERC, 9 Golden Rules, among others).	Real	Negative	Employees
	Health and safety protection for employees.	Real	Positive	Employees
Human capital management	High turnover of contracted personnel in the mining process.	Real	Negative	Company
	Increased employee retention due to a well-managed working environment.	Real	Positive	Company
	Impact on the work-life balance because of the work scheme and working hours.	Real	Negative	Employees
	Skills development and capacity building by providing training to our employees.	Real	Positive	Employees
ENVIRONMENTAL DIMENSION				
Climate change and Greenhouse Gas (GH) Emissions	Physical damage to the operation's infrastructure due to adverse weather events (landslides, slope failures, etc.)	Real	Negative	Company
	Acknowledgements for carbon footprint reduction efforts.	Potential	Positive	Company
	Production of Scope 1, 2 and 3 GHG emissions, which have an impact on the environment.	Real	Negative	Environment
	Training on environmental issues for workers aimed at reducing the impacts arising from their activities.	Real	Positive	Environment
Tailings and waste	Reputational damage and possible conflicts with the community due to mine tailings spills.	Potential	Negative	Company
	Efficient and responsible waste management.	Real	Positive	Company
	Infectious sources for human health due to inadequate management of waste and tailings.	Potential	Negative	Community
	Efficient management of all waste types.	Real	Positive	Environment
Responsible water use	Lack of water resources for the population and the company, as illegal miners discharge waste into these same water resources.	Real	Negative	Company
	Cost savings from reduced water consumption in operations due to the introduction of new technologies.	Potential	Positive	Company
	Contribution to water scarcity and depletion.	Potential	Negative	Community
	Improvements implemented to the drinking water system by the JAAS (Sanitation Management Boards), have made it possible to reach all the villages thus enhancing the local population's quality of life.	Real	Positive	Community



MATERIAL TOPIC	SIGNIFICANT IMPACT	REAL OR POTENTIAL	NEGATIVE OR POSITIVE	IMPACT ON STAKEHOLDER GROUP OR COMPANY
Energy management	Costs increase due to prioritization of fossil fuels	Potential	Negative	Company
	Reduced energy costs in our operations.	Real	Positive	Company
	Exclusive reliance on non-renewable energy sources has a high environmental impact.	Potential	Negative	Environment
	Reduced emissions thanks to power generation and procurement of renewable energy sources.	Real	Positive	Environment
Mine closure and reclamation	Legal sanctions and reputational damage due to non-compliance with environmental standards during the mine closure and restoration process.	Potential	Negative	Company
	Permits to begin new operations due to adequate mine closure and reclamation process.	Real	Positive	Company
	Inefficient management of mining activities results in irreversible degradation of used areas.	Potential	Negative	Environment
	Restore used areas to protect and improve ecosystems.	Real	Positive	Environment
GOVERNANCE DIMENSION				
Responsible Management of the supply chain	Theft, misappropriation or replacement of goods when transported by third-party workers.	Potential	Negative	Company
	Good supply chain practices ensure company sustainability.	Real	Positive	Company
	Non-compliance of employment conditions (remuneration, social benefits, insurance, working hours, etc.) by suppliers and contractors.	Potential	Negative	Suppliers
	Strengthening supplier capabilities and transferring ethical standards to suppliers.	Real	Positive	Suppliers
Ethics, transparency and compliance	Failing to comply with social commitments undertaken, undermines the company's trust and credibility.	Potential	Negative	Company
	Creating and monitoring compliance indicators, help to strengthen the compliance system.	Real	Positive	Company
	Unethical behavior of company employees results in community uneasiness.	Potential	Negative	Community
	Increased stakeholder confidence by guaranteeing ethical and honest practices, an integrated management system, regulatory compliance, transparency and reporting.	Real	Positive	Government Community Suppliers Artisanal miners Employees Customers
Economic performance	Loss of investors due to the company's poor financial performance, which hinders long-term continuity.	Potential	Negative	Company
	Increased investments due to good economic performance.	Real	Positive	Company
	Impact on stakeholders due to the company's poor economic profitability (less hiring capacity or lower salaries for employees, negative impact on the economy of suppliers and contractors).	Potential	Negative	Government Suppliers Employees
	Increase in value share distribution to society due to the company's positive economic performance.	Real	Positive	Government Community



# 1.6 INTERNATIONAL AND DOMESTIC OUTLOOK

## International outlook

During 2023, the world economy continued to face the effects of the 2020 pandemic. Both developed and developing country economies struggled to recover their pre-pandemic production levels. The global economy suffered from several different factors, such as interest rates peaking to control inflation, climate crises, geopolitical tensions and armed conflict in the Middle East, as well as lower consumption and investment levels. Central banks kept rates high to control inflation, but this measure penalized developed and even more so developing economies. As of October 2023, the International Monetary Fund (IMF) forecasted global growth for 2023 at 3%, down from 3.5% growth rate in 2022<sup>1</sup>. Developed country economies grew by 1.5% vs. 2.6% in 2022 while emerging country economies rose

by 4%, down from the previous year's 4.1% growth, according to IMF estimates<sup>2</sup>.

Inflation generally dropped in 2023 for both developing and developed economies, but for the latter the decrease was significantly greater given the strength of their economies, which was controlled with more aggressive contractionary monetary policies. Furthermore, developed economies did not suffer the consequences of either commodity price shocks or weak currencies. Most central banks tightened their reference rates to cope with higher inflation because of the pandemic. Overall, most economies achieved lower inflation rates in 2023 compared to 2022 levels. Lower oil prices and some food prices contributed to a decrease in inflation in 2023. The IMF is projecting global inflation for 2023 at 6.9%<sup>3</sup>.

Overall, in 2023, metal prices suffered the consequences of lower global investment and high inflation, as well as slower growth in China. Copper prices accumulated a 1.89% increase during 2023, zinc, a 12.69% drop, and lead, a 12.71% decrease, according to the London Metal Exchange spot price published by Bloomberg. On the other hand, gold, unlike base metals, closed the year 2023 with an increase of almost 13% backed by its safe-haven status in the face of ongoing geopolitical tensions and armed conflicts in the Middle East. Moreover, expectations that the U.S. Federal Reserve will start cutting its key rates earlier than previously announced, have given gold a certain advantage over the U.S. dollar. The IMF projects base metal prices to drop by 4.7% in 2023 and to follow the same trend in 2024<sup>4</sup>.

44.6%. The Dow Jones also rose by 16.2%. One of the biggest boosts for stock markets was the Fed's year-end speech shift, when it stated that it would begin to cut its reference rates in 2024, thereby bolstering better expectations for companies. The Euro Stoxx 50 index accumulated a 22.18% gain according to Bloomberg and the main UK stock market index, the FTSE accumulated a 30% increase, according to figures published by Bloomberg.

The U.S. dollar had a volatile performance over the year, following closely the release of U.S. financial data to anticipate the future of the Federal Reserve's reference rates. The world's major central banks' base rates hit record highs, which in turn drove Treasury bond yields to trade at levels seldom seen in recent years. This mainly had an impact on developing-country currencies, as many investors preferred to save in US dollars. On the other hand, the euro and the pound sterling followed similar yet opposing paths to that of the U.S. currency. The dollar-denominated euro accumulated a 4.69% increase, and the pound sterling accumulated a 6.36% increase during 2023<sup>5</sup>.

The effects of the global pandemic continued to be felt through 2023 and it is likely that economic constraints will continue to heavily impact global economies throughout 2024. This situation is further compounded by geopolitical tensions and armed conflicts in the Middle East. Presidential elections in the U.S.

could also cause turmoil given the strong polarized political situation in that country. The IMF expects global inflation to return to levels anticipated by central banks in 2024, given the measures undertaken to control inflation during 2023. Likewise, a slowdown in global output growth is anticipated, down from 3% in 2023 to 2.9% in 2024.

## Domestic outlook

During 2023, the country's economy had to face both local and global shocks and failed to maintain the recovery achieved in 2022. Locally, social conflicts had an impact on the flow of goods and services between provinces coupled with rains along the coast and droughts in the highlands, all of which had an impact on food supplies. In addition, high inflation rates, a contraction in private and public investment, together with lower private spending, had a direct impact on the country's economic activity. On top of these factors, high global inflation, geopolitical tensions and armed conflicts in the Middle East also weighed on the country's economic performance. The Central Reserve Bank of Peru (BCRP) has predicted a 0.5% decline in Peru's economic activity for the year 2023<sup>6</sup>.

External shocks coupled with local crises hit the main productive sectors, with construction, services and manufacturing being the hardest-hit activities. A decrease in private investment weighed on these industries throughout the

year. In addition, weather related conditions adversely impacted the agricultural and fishing sectors. On the other hand, the sectors which most contributed to domestic growth were the mining sector, which registered an 8.4% increase over 2022; trade, with a 2.5% increase; and the electricity and water sector<sup>7</sup>.

DURING 2023

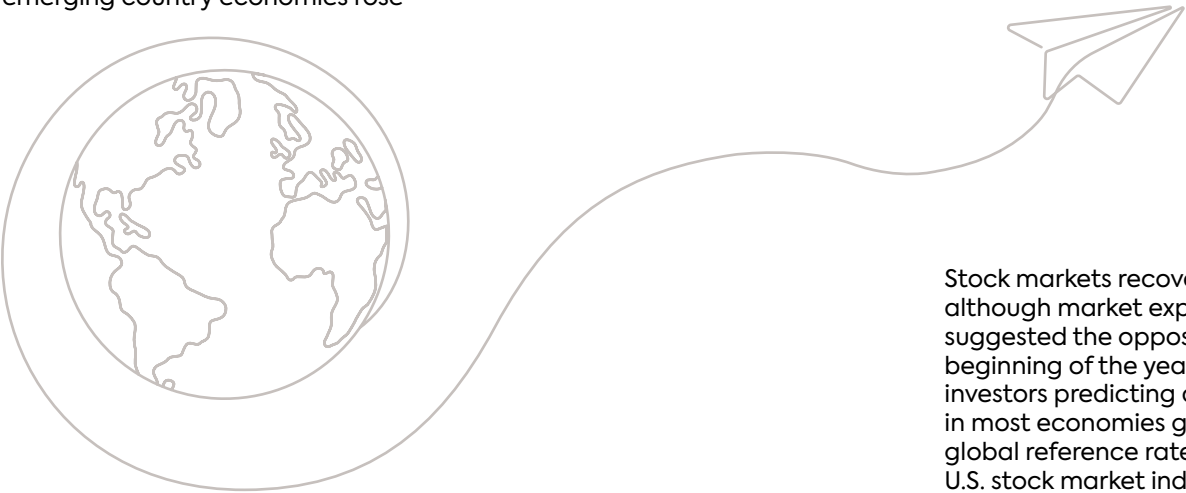
**METAL PRICES**

**SUFFERED**

THE CONSEQUENCES OF LOWER GLOBAL INVESTMENT AND HIGH INFLATION, AS WELL AS SLOWER GROWTH IN CHINA.

The metal mining sector was one of the sectors showing the highest growth rate in 2023, compared to the previous year. This growth can be explained by the start of operations of the Quellaveco mine and fewer mining activity stoppage days, according to the BCRP.

The Peruvian sol followed a volatile trend against the US dollar during 2023, given that as long as the US economic performance pointed to sustained inflation, the FED would have reason to keep its base rates at the highest levels, which benefitted the US dollar over the



Stock markets recovered in 2023, although market expectations suggested the opposite at the beginning of the year, with investors predicting a recession in most economies given higher global reference rates. The main U.S. stock market indexes posted gains: the S&P 500 accumulated a 24.2% increase during 2023 and the NASDAQ index rose by

1 IMF October 2023 World Economic Outlook  
2 Ibid.  
3 Idem  
4 Idem

5 Bloomberg LP  
6 Central Reserve Bank of Peru (BCRP), Inflation Report (December 2023)  
7 Idem



currencies of developing countries. However, as U.S. inflation rates seemed to be holding back and expectations of bringing an end to high U.S. rates began to take shape, the Peruvian sol started to rally during the second half of the year and closed 2023 with a 2.36% increase over the previous year's average<sup>8</sup>. In Latin American, the Peruvian sol remained stable and was one of the best performing and least volatile currencies among the region's top economies.

As of October 2023, the accumulated trade balance for the last twelve months reached a surplus of US\$ 15,354 million<sup>9</sup>. According to projections by the BCRP, the trade surplus for 2023 will be US\$ 16,185<sup>10</sup>. Exports also decreased, but at a much lower rate than imports. The drop in copper, zinc and gas prices impacted traditional export values.

Although inflation rates continued to fall during 2023 after peaking in November 2022, and despite the BCRP's best efforts to control inflation, rates remained higher than targeted. The BCRP forecasted a 3.1% inflation rate for 2023<sup>11</sup>. Some of the main inflation drivers were price increases in food, education and local transportation. On the other hand, a decrease in some food prices, during the second half of the year, slightly offset the initial increase.

Generally, stock markets recovered in most of the world's countries, including Latin America. The main stock market indexes accumulated gains at year-end due to prospects of better corporate results. The IGBVL (Lima Stock Exchange General Index) rose 21.70% by the end of 2023 and the select index climbed to 21%<sup>12</sup>. The best performing industries in the Peruvian stock market during 2023 were in mining, utilities and electricity. Conversely, the construction and industrial sectors accumulated losses throughout the year.

The economic effects of the 2020 pandemic continued to impact most economies during 2023 and by 2024 some developed countries are expected to recover their pre-pandemic production levels. Likewise, high inflation that hit most economies during 2023 is expected to remain under control and return to its target in 2024. However, continued challenges, such as the geopolitical situation in Europe, as well as geopolitical tensions and armed clashes in the Middle East, are likely to have a negative impact on the rest of the world. Domestically, the El Niño phenomenon continues to pose risks, and in the event of a moderate or mild El Niño, it may still have an impact on the country's domestic production as well as on inflation rates.

Average Gold Price

During 2023, gold prices proved to be highly volatile, driven mainly by the release of economic results in the U.S. and Europe, as investors sought to anticipate potential central bank reference rate movements. In 2023, reference rates traded at multi-year highs, which initially influenced gold prices. However, as inflation appeared to come under control, the market expected an early end to high rates, which is positive for gold. During 2023, gold and the U.S. dollar followed opposite paths. Thus, the average gold price for 2023 was US\$ 1,943.56, 12.56% higher than the previous year's average, according to Bloomberg figures. Likewise, the price of gold peaked in December at US\$ 2,077.84 amid expectations that the FED would start to cut its reference rate in March 2024. The lowest trading price during the year was \$1,811.29. Combined with the above-mentioned factors, the price of gold rose steadily since October, after Hamas attacked Israel, which marked the beginning of a conflict in the Middle East; thus, many investors turned to gold for its safe-haven quality in the face of uncertainty.



AVERAGE GOLD PRICE 2017-2023 IN US\$/OZ.	SECURITY PRICING SOURCE	XAUUSD BGN CURRENCY BGN
	DATE	AVERAGE GOLD PRICE
	2023	1,943.56
	2022	1,802.46
	2021	1,798.84
	2020	1,771.22
	2019	1,393.82
	2018	1,269.02

8 Idem  
9 BCRP  
10 BCRP  
11 Idem  
12 Lima Stock Exchange, Stock Market Report (December 2023)



# 1.7 RISKS AND IMPACTS THAT AFFECTED OUR BUSINESS

Our strategic framework is supported by different complementary systems which we use to ensure our operations meet the most demanding of international quality standards. In this regard, we have adopted the ISO 9001 standard, which enables us to better manage risks and impacts, and helps us identify opportunities for optimizing all our processes.



We have adopted the ISO 9001 standard, which enables us to better manage risks and impacts.

## Global inflation

One of the main challenges faced the world economy during the year was spiraling inflation, which placed increasing pressure on our business activities by increasing production costs. However, this adverse impact was offset by the counter-inflationary nature of gold and its high trading price, which together with the company's healthy indebtedness levels, helped to significantly mitigate our exposure to such risk.

## Energy projects

As part of our Environmental Energy Plan, we made significant progress in the execution of several renewable energy and energy efficiency projects, which enabled us to address the main risks identified. The most important initiative was the introduction of a Battery Energy Storage System (BESS), the first of its kind in Peruvian mining. The commissioning of the BESS has allowed the company to make significant savings in power tariffs and oil consumption for thermal power generation. Additionally, progress was made in measuring the area's wind potential, and a new contract for clean electric energy was signed.

## Covid-19

In line with nationwide pandemic trends, Covid-19 infection rates in our operations continued to drop. This was reflected by reduced additional costs to manage infection cases, we also observed a decline in absenteeism levels among employees because of this illness. A key factor for this success, was the decision to keep up vaccination programs, together with the use of face masks when appropriate, and social distancing practices according to the circumstances

## Political instability

Although the political environment showed some improvement over the previous year, there is still marked instability and intense polarization among the population, marked by confrontation between different state powers, and high turnover of key positions within the administration.

## Informal and illegal mining

The main risk and threat we currently face is informal and illegal miners, whose actions are becoming a serious threat to the physical safety of our employees as well as the performance of our daily activities. This situation is described in detail in the next section

# 1.8 INFORMAL AND ILLEGAL MINING

During the last five years, informal and illegal mining (carried out in forbidden and restricted areas, with no authorization whatsoever) has experienced exponential growth throughout the country. These activities have not only been driven by rising gold prices but also by the government's decision to withdraw, or practically have no presence at all, in large areas of the country. Another contributing factor has been the REINFO registry, which was originally conceived as a mechanism to make the process of becoming formalized easier, but in practice has become a shield of impunity for illegal operators who remain registered despite blatantly failing to comply with the provisions established by the REINFO.

The evidence shows that exceptional formalization efforts promoted by the Executive Branch over the last two decades have had poor results. Thus, 12 years after its implementation, the REINFO registry has barely been able to ensure the formalization of 13% of the more than 88,000 registered miners. This despite its simplified and speedy nature, as opposed to the ordinary regime. Notwithstanding its limited and temporary nature, Congress has extended the REINFO registry's period of validity up to three times, with the last deadline set for December 2024.

Constant extensions and a lack of control by the regional

governments responsible for supervising the process have provided perverse incentives for the process to continue. As a result, illegal miners have been able to camouflage themselves under cover of the legal protection afforded by the REINFO registry, violating acquired rights and invading areas where formal companies operate. This situation is not only associated with mineral extraction from third-party concessions, but it also causes significant environmental damage and leads to the violation of fundamental rights. Illegal miners fail to comply with environmental and labor regulations, evade paying taxes, and are also involved in other illicit activities such as human trafficking, contract killings, extortion, theft, drug trafficking, and organized crime.

According to several studies, activities by illegal miners have already become the main source of illicit funds, displacing drug trafficking as one of the greatest threats to national security.

The experience in Patatz, where illegal miners are colluded with organized criminal gangs, is not unrelated to this difficult situation. In fact, during 2023 our employees suffered serious attacks, which left 13 dead and another 24 seriously injured. Illegal miners also attacked our infrastructure, knocking down 10 high-voltage pylons. In addition, they blocked the main access roads to our

operations for a period of 48 days, resulting in significant economic losses, estimated at 28,000 ounces of gold production. Besides posing a direct threat to the physical safety of our workers, these illegal activities interfere with the smooth and orderly running of our operations, resulting in the loss of our reserves and resources.

It is important to point out that criminal actions do not discriminate and equally affect artisanal miners, who are strategic partners with whom we have worked formally and peacefully for decades. They too have been suffering the violent onslaught by illegal miners, negatively affecting the economy as well as the safety of their families.

This situation was reported before the Ministry of Energy and Mines, the Presidency of the Council of Ministers, the Congress of the Republic, the National Police, the Public Prosecutor's Office, the Judiciary, the Ombudsman's Office, as well as other government agencies. We have thus sought to draw attention to the serious threats that illegal mining, together with its growing ties with organized crime, represent for the country. The authorities finally seem to have taken due notice of the problem, having introduced last December important regulatory reforms and measures aimed at effectively tackling this serious issue.

# 1.9 PROPERTY AND ASSET PROTECTION

[GRI 3-3]

Management of property security at Compañía Minera Poderosa poses significant challenges, such as the increase in illegal mining and the presence of organized criminal gangs. These challenges represent a threat to human rights and give rise to crimes such as human exploitation, child labor and other illegal activities, as well as the encroachment of concessions and consequent environmental harm. We aim to protect people, mining assets, the environment, mitigate risks posed by illegal mining, as well as to guarantee respect for human rights.



We have stepped up asset protection by means of security and surveillance companies.

Illegal mining and informality continue to increase both regionally and nationally, due to critical factors such as high gold prices, the lack of law enforcement, impunity and delays in the exceptional formalization process for artisanal mining.

We have found that some artisanal miners in the process of formalizing their operations have joined forces with criminals to take over exploited areas within our operations. These actions have caused significant increases in production costs and losses in our mining operations. In the light of this scenario, we reaffirm our commitment to the safety of our people and mining assets. It is crucial for the Government to take decisive action to guarantee a safe and legal environment in the mining sector; therefore, the measures introduced at the end of the year to streamline the formalization process and to fight illegal mining more decisively are encouraging.

For our part, we continue to take actions to counteract this situation, and to address the issue by hiring surveillance and security personnel. Some of the most important actions we have undertaken in 2023 are as follows:

1. We have stepped up asset protection by means of security and surveillance companies.
2. We use surveillance to control our mining operations and prevent criminals from entering and seizing other areas.
3. We have implemented and are making use of available technology to monitor and control our facilities.
4. All these incidents are reported to the appropriate authorities, such as the Peruvian National Police and the Public Prosecutor's Office. Up to 2023, our legal department has submitted 242 complaints, primarily for trespassing and the apprehension of criminals, amounting to a total of 554 offenders, all of whom have been brought before the Public Prosecutor's Office and the Peruvian National Police. Likewise, these complaints were presented to the Regional Office for Energy, Mines, and Hydrocarbons (GREMH).





# 1.10 WORKING TOGETHER FOR DEVELOPMENT

[GRI 2-22] [GRI 2-28] [EITI Standard 2023]

Building a prosperous country, capable of generating opportunities and decent living conditions for its citizens, requires joint public-private action in favor of sustainable growth. While the Government is responsible for providing the institutional framework and ensuring complementary security and predictability, private investment is responsible for generating value and economic well-being. Hence the enormous importance of joining wills and working together to achieve development for the benefit of all.

Our commitment to joint action, inspired by our corporate principles

and values, drives our participation in different forums related not only to the mining sector but also to other areas of life in the country, in which we join forces with different institutions with similar objectives, to ensure the implementation of projects that generate positive impacts on the population, especially those living in situations of greater vulnerability.

In this regard, it is worth mentioning that we have been implementing different initiatives of Works for Taxes with local

governments, whose purpose is precisely to guarantee access to quality basic services such as water, sanitation and education, for the benefit of the population in our area of influence.

In this regard our Sustainability Statement, policies, principles and management systems are aligned with the current global initiatives and frameworks. The same applies to Asociacion Pataz, which activities are carried out in line with the United Nations Organization Sustainable Development Goals.

**Our Sustainability Statement, policies, principles and management systems are aligned with the current global initiatives and frameworks.**

## Extractive Industries Transparency Initiative (EITI PERU)



We are convinced that accountability and transparency and fundamental corporate pillars that promote development, trust and social cohabitation. Therefore, since 2011 we actively and voluntarily participate in the implementation of this initiative in Peru. The EITI is an effort made up by representatives of governments, extractive industry companies and different civil society groups. Its implementation promotes transparency and accountability of the payments made by the mining, oil, and gas companies and the income

received by the government. This way, EITI contributes significantly to strengthen the governance of these important economic activities.

### Institutions in which we participate

We join efforts with different institutions that have similar goals to ours to ensure the implementation of projects that generate positive impacts in the population, especially the most vulnerable one.

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

We are a member of the SNMPE, a non-profit business organization

that groups the main companies of these industries, and whose objective is to promote investment, ensure competitiveness and promote the sustainable use of natural resources and social development, strictly complying and respecting the current legal framework. As partners, we adhere to its code of conduct. Also, we participate in the different committees and chair the informal and illegal mining working group.



### Other institutions

- Patronato Peru 2021
- 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 Ingeniería (ProUNI) Trust.
- Asociación para el Progreso de la Dirección (APD)
- Asociación de Buenos Empleadores (ABE)
- Soluciones Empresariales contra la Pobreza (SEP)
- Alianza para Obras por Impuestos (ALOXI)
- Mining Innovation Hub
- Comité Regional de Empresa, Gobierno, Academia y Sociedad (La Libertad Company, Government, Academia, Organized and Civil Society Regional Committee CREEAS-La Libertad)
- IPAE-Asociación Empresarial
- Comex Peru-Sociedad de Comercio Exterior del Peru (Peruvian Foreign Trade Association)
- Australian Minerals Research Association (Amira)
- World Compliance Association
- Peru Sostenible
- UNESCO Pact for Culture to 2030



**Our relationship with government institutions**

At a local level, we participate and work together with the regional government through agreements with its management offices (health, education, etc.) 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. We also work with the three subnational entities to develop works for taxes (OxI) initiatives aimed at improving the population’s access to public infrastructure and quality basic services. We also have agreements with several public universities, which we support with student scholarships and contributions to improve infrastructure and promote research.

**We support impact initiatives**

As part of our commitment to sustainable development and to drive positive change in society, we actively promote and collaborate with various programs and projects that promote innovation, educational development and responsible entrepreneurship. We are proud to support various initiatives and organizations that have a positive impact on the Peruvian society. From supporting social and educational projects, to donating resources, sponsoring volunteer programs and promoting health, we work tirelessly to contribute to sustainable development and improve the quality of life of all Peruvians.

- **Universidad Peruana de Ciencias Aplicadas (UPC) – Congreso Internacional de Educadores (International Congress of Educators- CIE)** Congreso Internacional de Educadores – CIE 2023, whose central theme was: “Educational Innovation for a person-centered education” was held in person and remotely from February 14 to 16, 2023. The CIE 2023 brought together more than 1,000 teachers at national and international level, who ratified their commitment to Peruvian education, promoting the dissemination of knowledge, university research, latest trends and developments in Education Sciences. Compañía Minera Poderosa, through

Asociación Pataz participate as a Responsable

- **Universidad Peruana de Ciencias Aplicadas (UPC) – Protagonistas del Cambio (Protagonists of Change) 2023** Protagonistas del Cambio –PDC is a social responsibility program of the UPC, for community outreach, with 13 years of experience. It recognizes the commitment of 10 young leaders from all over Peru as agents of change, on an annual basis. Each year, young people between 18- and 29-years old take part in this program. They are directors, founders, co-founders or leaders of small entrepreneurship that have high social and / or environmental impact and have demonstrated sustainability for more than 6 months. From Poderosa, we participate through Asociacion Pataz, as a sponsor for this program which has benefited 130 students, 63% of which, from the provinces of 20 different regions of Peru.
- **North Hub** It is a platform that promotes social and environmental entrepreneurship in the North of Peru, promoted by Asociacion Pataz Social Innovation Center, KUNAN, Compañía Minera Poderosa and supported by CREEAS La Libertad – Comité Regional de Empresa, Gobierno, Academia y Sociedad Civil Organizada. The North Hub Networks is made up by 47 businesses, with significant

presence in La Libertad, Piura, Lambayeque, San Martin and Tumbes. The North Hub Prize is the biggest prize for a social and environmental business in the Northeast of the country. Between 2020 and 2023 it has given out S/ 75,000 in prizes for seed capital. There were 181 applications, 60 hours of legal counselling and 8 winners.

- **Supplier Development Program (PDP)** The Supplier Development Program is a contest for funds carried out by Innóvate Peru, that seeks to optimize the suppliers’ production chains to improve their productivity, profitability, working conditions and customer relations, thus promoting the Value Chain through the co-financing of a diagnostic study and the development and implementation of improvement plans. Poderosa participated as a trailbazing company and Asociación Pataz, is the articulator. We won the 2022 contest, and we executed this first intervention with ProInnovate. In the second Supplier Development Program, we participated with our resources, managing to increase our participant suppliers’ employees to 72.8%, 6 of the 7 participant suppliers obtained ISO certifications. All suppliers participated with continuous improvement projects and have taken actions towards social corporate responsibility. The average turnover index fell

to 1.25% and the commercial dependence index fell from 71.43% to 28.5%.

- **La Libertad Innova** La Libertad Innova Project: Innovation and Entrepreneurship, was a winning project of an Innovate Peru competition, addressed to promote the establishment of regional innovation and development ecosystems, started on December 2017 with the establishment of CREEAS. Today, it is at a key stage on its way to consolidating the region’s innovation ecosystem, as it has been carrying out important projects and events that are a benchmark of La Libertad and the north of Peru. Together with Asociación Pataz we are associates and co-funders of the project. Our strategic ally is Asociacion Pataz’s Social Innovation Center. Continuous work has allowed us to raise around 7 million soles for initiative funding, 22 thousand people have been sensitized, 6,500 people have been trained 80 activities have been performed, and 40 partners have joined the project in La Libertad.
- **“Jesus Arias Dávila” Scholarships for Universidad Nacional de Ingeniería students** Out policy in Poderosa is to contribute to the development and academic excellence of the new generations, therefore, we created the “Jesus Arias Dávila” Scholarship as an homage to

our founder and distinguished miner. This scholarship is granted to the Universiad Nacional de Ingeniería School of Geological, Mining and Metallurgical Engineering undergraduate students who have completed their third year of education and are in the upper fifth level. Since 2013, and up to the closing of 2023, 107 students have received the “Jesus Arias Dávila” as a full funded or partial scholarship or as scholarships to study English language. In addition, we provided trainee internships at Poderosa during the term of the student’s scholarship.

- **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 over 50 public and private universities who share the benefits of the modern, formal and responsible mining activities, facilitating objective information to 3rd, 4th, and 5th year secondary students, encouraging them to pursue a professional career related to the mining sector. From Poderosa, we collaborate annually and participate actively in the events they organize to disseminate mining among our country’s youth.
- **Organización Mundial de Apoyo a la Educación (OMA)** It is a non-profit association that fosters the formation of integral

and committed professionals in our country. Poderosa supports soft skill development among our young students, therefore in 2022 and 2023 we contributed with the “Hombre Roca” and “Mujer Roca” events, providing transportation, lodging and per-diem allowance to the young participants.

- **WAAIME Peru**

It is a female association related to the American Institute of Mining, Metallurgical and Petroleum Engineers, that supports low-income students that pursue a career in the mining and energy industries in the country. Poderosa has been sponsoring scholarship to outstanding students since 2022, through this female community.

- **Women in Mining Peru (WIM Peru)**

It is a non-profit association whose main objective is to highlight the participation of women in the Peruvian mining sector, promoting their personal and professional growth, to get more women involved in different mining-related jobs, at all levels. At Poderosa, in line with our corporate practices of diversity and inclusion and convinced of equal opportunities, we collaborated with the “National Walk” event organized to commemorate International Women’s Day in 2023.

- **Peru Te Quiero**

It is a non-profit civil association that connects efforts in an articulated, solidary and agile manner, bringing together people and organizations from all regions of Peru. Poderosa adhered to this initiative since 2020, and we have supported it with the necessary resources to implement social initiatives and actions, to fulfill their social initiatives and projects.

- **Asociación de Ayuda al Niño Quemado (Burned Children’s Aid Association – ANIQUEM)**

It is a Peruvian entity that helps children with health issues due to burns. As part of our Environmental Policy, we have a waste segregation program that allows us to participate in the “Recycle to Help” Program by delivering the waste we produce (paper, cardboard, plastic, glass, WEEE) to co-finance the rehabilitation of children and adolescents who are burn survivors, and in 2023, for the second consecutive year, we will contribute to the organization of their Christmas activities.

- **Fundación Peruana de Cáncer (Peruvian Cancer Foundation – FPC)**

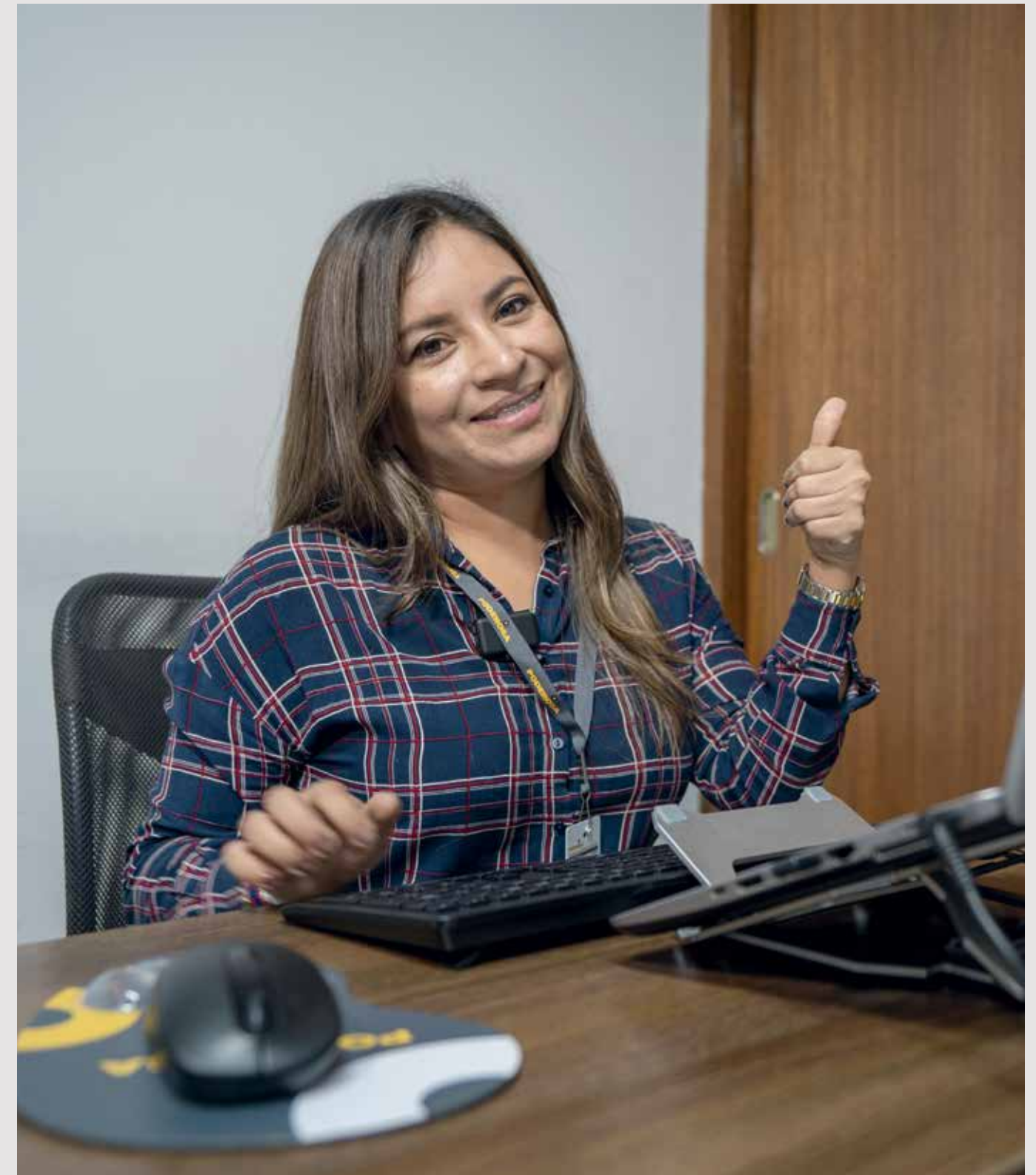
It is a non-profit organization, committed to providing comprehensive assistance to the neediest cancer patients in Peru and to contribute, through various initiatives, to raise the

standards of care and treatment of cancer in our country. Since 2017 we collaborate with their solidarity fundraising activities. In 2023 Poderosa donated a 1,369.8 m2 plot of land located in San Borja, to provide better lodging conditions for patients.

- **Liga Contra el Cáncer (League Against Cancer)**

It is a private charitable non-profit organization dedicated to carry out actions of prevention, education and early detection of cancer. For more than ten years we have been actively participating in the annual public collection, raising money through collection boxes that we place in the Lima and Trujillo offices, as well as in the Mining Unit, to promote collaboration among our employees.

We also collaborate with certain social assistance activities in coordination with public-private entities.





# 1.11 OPERATIONS RESULTS AND MARKETS SERVED

The net sales for 2023 added up to S/ 1,993 million, which represented a reduction of 4,7% with respect to the S/ 2,091 million in 2022. The cost of sales was S/ 1,324 million, a 9,9% increase compared to the cost in 2022.

S/ 1,993  
MILLION  
in net sales in 2023.

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 are not only committed to deliver products of the highest

quality, but also to cultivate sound relationships with our customers. We have established a constant dialog with them, serving them proactively, and listening to their comments and suggestions. It is gratifying to note that, in the last few years, we have not received any complaints from our customers regarding data breaches, products shipped, or the services provided.

# 1.12 INNOVATION THAT DRIVES OUR DEVELOPMENT

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. 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 tackle.

In this dynamic and challenging context, innovation management comes up as a vital tool to guarantee a sustainable future and long-term 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.

Our process involves three fronts:



1

## Challenge management

We are engaged in systematic search for opportunities in the processes for the creation of positive changes that generate value. We align these opportunities with our organization's objectives and goals to contribute to its growth and sustainable development.

2

## Solution exploration

We are committed to research, search, develop, and validate alternatives that allow an agile and effective response to the challenges posed in the various processes of our organization. Our focus is on maximizing the creation of value and promoting its sustainable development.

3

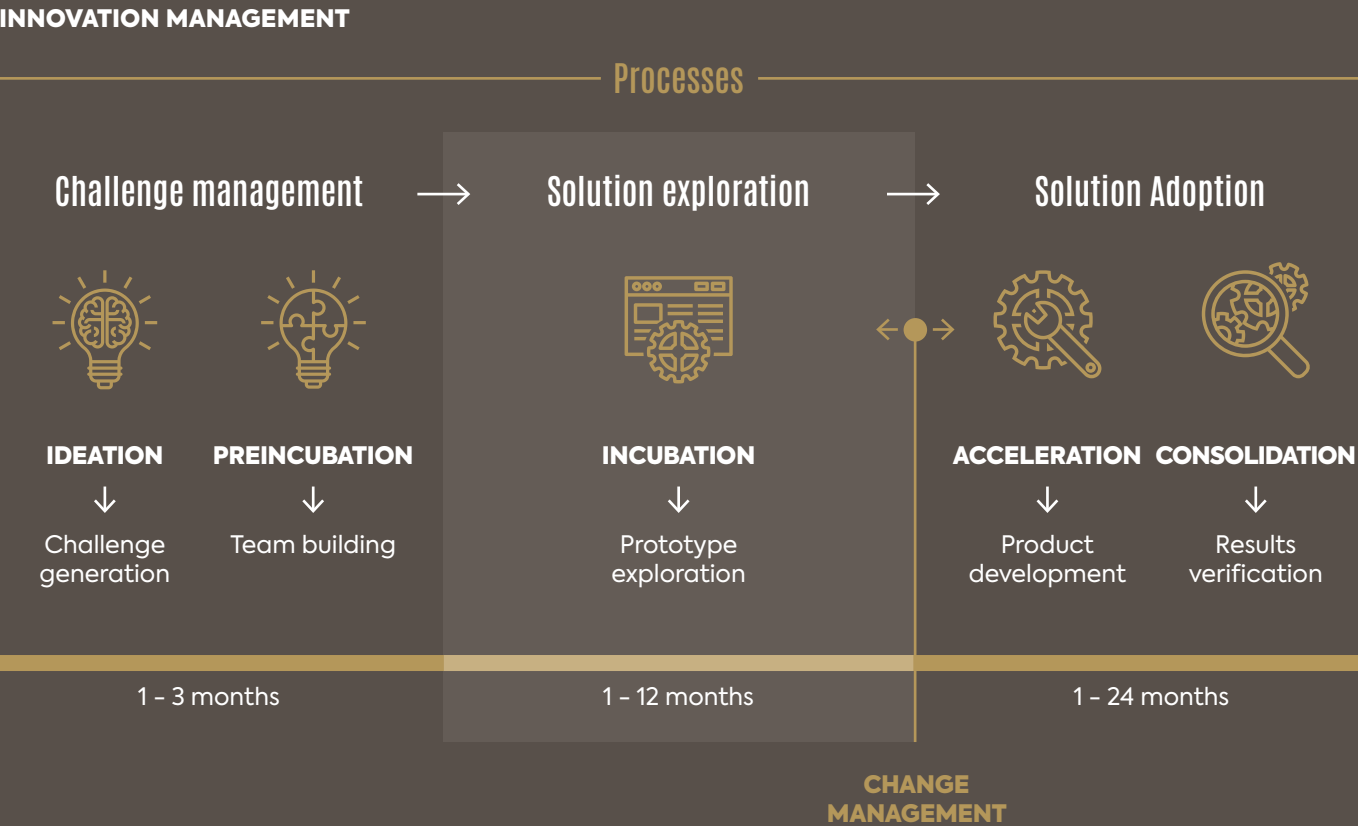
## Adoption of solutions

We are engaged in scaling up, implementing, deploying, and maintaining validated solution alternatives in the various processes of our organization. We also verify the results to ensure their contribution to the company's growth and sustainable development.





Innovation projects lifecycle



### We foster an organizational culture

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.



Organizational change strategy

In Poderosa we have designed an organizational change strategy that we intend to implement over the next four years. This is broken down into three phases, each with concrete steps designed to establish and reinforce structural and cultural change within the organization. With key performance indicators (KPIs) to measure success, it shows a projection and tracking from 2023 to 2026. The first phase focuses on creating the urgency and vision necessary for change, while the second and third phases are dedicated to engaging the organization and sustaining the transformation, respectively.

PHASES	STEPS	2023		2024		2025		2026	
		P	R	P	R	P	R	P	R
PHASE I Create change climate	Create the sense of urgency a (great opportunity)	70%	72%	90%	0%	100%	0%	100%	0%
	Create and articulate a guidance coalition (agents of change)								
	Develop a clear vision								
PHASE II Engage and enable the entire organization	Communicate the vision	70%	64%	80%	0%	90%	0%	100%	0%
	Eliminate obstacles (facilitate action by eliminating barriers)								
	Generate (and celebrate) short-term success								
PHASE III Implement and sustain the transformation	Build on the same road ("Once is not enough")	50%	48%	60%	0%	80%	0%	100%	0%
	Embed the culture change in the organization (institutionalize change)								
KPI	Compliance Percentage	63%	61%	77%	0%	90%	0%	100%	0%

Our main innovation initiatives

To strengthen our commitment to innovation mindset and business agility, we have established training programs. We include hands-on workshops, complemented by personalized mentoring, and

provide constant coaching to our teams. At the heart of our strategy lies the promotion of interdisciplinary collaboration, aimed at discovering innovative ways to create value. All of this is aligned with the implementation of initiatives that not only support but are also vital to achieving our company's strategic goals, thus

securing our position as an industry leader.

Among the process innovation projects in 2023, we highlight the following:

1

**Application of 3D digital models in subsurface mapping and diamond drill core logging:**  
This project was developed by the Geology team of the Santa María Production Unit, through the application and use of new technologies (Photogrammetry, LiDAR, Virtual Reality) to replace traditional 2D mapping and diamond drill core logging. Photogrammetry, linked to LiDar and VR technologies allows obtaining a database with space location, that can be processed by different geology application software. Currently, subsurface mapping and 3D diamond drill core logging is being implemented in the company. This allows to do the following in less time and in a safer manner:

- a. Obtain and generate geological models
- b. Visualize and interact with work teams
- c. Efficient direction towards exploration objectives
- d. Generation of strategic plans for operational continuity
- e. Reduction of the use of physical space for the handling and maintenance of diamond drill cores

In addition, this application facilitates the calculation of volumes in exploitation for ore control. In this sense, in Poderosa we have a sound digital asset available to support our operational needs.

2

**Reduce Poderosa's electricity costs and increase its electricity reliability through a BESS:**  
This project was developed by the Energy Projects team to reduce electric power costs during peak hours through Peak Shaving (levelling consumption peaks) in the company, associated to the power coincident with SEIN in Hidrandina's invoice and the generation of thermal electric power. Also, the Battery Energy Storage System (BESS), will operate as a backup power source that will act immediately, together with thermal generation in the event of an emergency; and will be later powered with solar photovoltaic energy, reducing power costs even further.

3

**Biogas and biofertilizers from organic waste produced in Poderosa, through a portable biodigester:** In search for new technologies to increase the value of organic waste with compost production, the Environmental Management team decided to try an Israeli technology portable biodigester, which provided energy and biofertilizer from organic waste.

According to the results, the portable biodigester is a good alternative to use organic waste at a small scale to obtain biogas for cooking and biofertilizer to improve the soil with nutrients. Therefore, we will standardize a procedure based on the tests being performed to be shared for testing with the population in the area of influence, as we foresee that it will be of great benefit. The use of organic waste (valuation) and obtention of biogas to cook food, and biofertilizers to be used or sold as nutrients, to improve soil quality will be some of the benefits for the population.

4

**Optimization of reagent consumption in ore processing at Minera Poderosa:** As part of our strategy to consider the evaluation of reagents in ore processing, the metallurgic research team has been performing tests at an industrial level to seek reagent optimization, considering mainly their physical and chemical characterization.

The purpose of the project is to improve the performance of the reagents and reduce operation costs. The reagents under evaluation are sodium cyanide, zinc powder, calcium oxide, antiscalants and flocculants. These reagents have been evaluated to determine their compositions, comparing them with the corresponding quality sheet. After that, laboratory tests are performed to establish the adequate doses to use them at a large scale. In our search for alternatives to sodium cyanide, we have obtained outstanding results in the lab with an alternate reagent that presents similar or even better extraction curves than sodium cyanide. The project is currently underway with 65% progress.

5

**Chemical refinery pilot plant project:** Through this project, our Plant team seeks to generate a different approach in a key stage of the mining activity in Peru. We seek to develop a local solution to the refining needs of valuable ore which, in turn, minimizes negative (environmental and occupational) impacts substantially. The goal is to develop a scale pilot plant capable of processing 10Kg batches of precipitate recovered from our production units through gold and silver chemical refining, to obtain high purity bars. We want to develop specific and detailed knowledge of the optimal operation conditions of the chemical refining process to scale it up to an industrial level, which, in the future, can turn into an innovation process for Peruvian mining. Currently, the project is being developed at pilot scale.

## International research to optimize our processes

- A contract for refractory mineral research services has been signed (mineral from Santa Filomena and collection) with Cappel Cassiday & Associates (Reno, Nevada), with the clear purpose to increase Au and Ag recovery.
- Tailings samples were sent to North Carolina University (U.S.A.), to perform quartz recovery studies and later, for trade. All the same, tailings samples were sent to Universidad de Navarra (Spain) for gold and silver value recovery studies. Currently, we are coordinating additional studies to recover these resources from the refractory ore with Glencore, using tailings and ore samples from Santa Filomena.
- Under a strategic 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 2024.
- 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 Marañón Production Unit. The exploration targets determined will be tested through diamond drilling. We

are committed to drive research and innovation in our sector to reach optimal results.

## Our main achievements

In the framework of the Open Innovation Project, carried out with ProInnovate co-funding, we successfully supported the results of the phase 1 of the project. This result has taken us to phase 2 of the project, to which ProInnovate will contribute with S/ 1,200,000 as non-refundable resources.

The project is called “Transformation of mine tailings into building materials with zeolite treatment: a sustainability and circular economy strategy in Compañía Minera Poderosa S.A.” and it proposes to apply a specific treatment using zeolite,

a mineral with unique properties. The purpose of this approach is to transform tailings into materials that can be used to build concrete slabs, pavement and paste fillings. Zeolite has absorbent and catalytic properties that could play a key role to improve the quality and characteristics of these materials.

All the same, the project includes specific goals such as the design and implementation of a pilot plant in VIJUS, Marañón Production Unit, centered in efficient separation of sulfides and silicates present in the tailings. This initiative not only seeks to optimize resources and to reduce waste, but also to promote the adoption of more sustainable practices and to contribute to the circular economy in the mining context.





# 1.13 RESPONSIBLE COMMITMENTS AND POLICIES

[GRI 2-23] [GRI 2-24] [GRI 2-25] [GRI 2-27] [EITI Requirement 6.1] [EITI Requirement 6.4] [EITI Expectation for Companies 2]

At Poderosa we assume commitments and abide by responsible business conduct policies, orienting our strategies towards sustainability. We focus on maintaining our growth and profitability through safe, ethical, environmentally and socially responsible practices. Our Sustainability Statement is an instrument that reflects our policies and our commitment to our stakeholders. We seek to generate positive social and environmental impact and to obtain adequate economic results through these initiatives.

We focus on two fundamental axes that are crosscutting to our operation: operational excellence and safety. These aspects which are developed coherently within the legal framework and with a sound ethical foundation, also address social considerations and



fundamental axes that are crosscutting to our operation: operational excellence and safety.

environmental responsibilities, both inside and outside our company. Besides these two pillars, we include innovation as an additional element.

All commercial activities and all the people who work in our company, whether employees, directors, managers, contractors, or persons representing us 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 which are shared at the beginning of every new relation. Also, they are published on our website and intranet. 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

In addition to the Quality, Occupational Health and Safety, and Environmental Management systems, we have a Money Laundry and Terrorism Financing Prevention System (AML/CTF), as well as our Anti Bribery Management System, certified under ISO 37301 and the Anti Bribery Certification by Empresarios por la Integridad. These systems are based on our Compliance Policy, the Code of Ethics and Conduct, the AML/CTF Manual, as well as specific

due diligence process and detection of unusual and suspicious transactions, approved by our Board of Directors.

We are fully committed to respecting the dignity and human rights of the local population, workers, contractors, and all people. Our commitment is in line with the Universal Declaration of Human Rights, Voluntary Principles on Security and 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.

We are working on the implementation within the different fronts of due diligence in the organization.

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



See Code of Ethics



NAME	LAST UPDATE	APPROVED BY
Sustainability Statement	Reviewed in July 2021	Chairperson of the Board of Directors General Manager
Management Policy		
Quality Policy		
Environmental Policy		
Occupational Health and Safety		
Compliance Policy	January 2023	Chairperson of the Board of Directors General Manager
Code of Ethics and Conduct	January 2023	Board of Directors General Manager
Anti Money Laundering and Counter Terrorism Financing Manual	Octobre 2023	Board of Directors
9 golden rules	2019	Joint Committee
Harassment Policy	Reviewed in December 2021	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. To achieve this, we commit 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 into the processes, allowing to give sustainability to the company and to develop a portfolio of projects.



Rev. 01  
July 2021

  
**Mrs. Eva Arias de Sologuren**  
Chairperson of the Board of Directors

  
**Engineer Russell Marcelo Santillana Salas**  
General Manager

### 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, ***promoting a culture of innovation 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 to achieve 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, expectations, 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

- 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.***
- Foster 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, 2021

  
**Mrs. Eva Arias de Sologuren**  
Chairperson of the Board of Directors

  
**Engineer Russell Marcelo Santillana Salas**  
General Manager



## COMPLIANCE POLICY

We are mainly a gold producing mining company which purpose is to seek the sustainability of our operations. We are oriented towards understanding our stakeholders, preventing and providing timely and efficient response in the event of any inadequate behavior, as reflected in our mission, vision, values, objectives and organizational strategies.

In this regard we reject and prohibit any act of corruption, including any kind of crime established in the applicable legal framework such as bribery, collusion, and the trading in influences, as well as any act that qualifies as money 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.

Therefore, to meet our objectives, through the integration of governance strategies and an ethical conduct, we commit to:

- Meet the requirements of the Anti-Money Laundering / Terrorism Financing, Anti bribery and Compliance Management System aiming at its continuous improvement.
- Comply with the applicable legal framework identifying, controlling and verifying our compliance obligations.
- Establish control plans to address compliance risks with the aim of reducing and/or mitigating them.
- Prevent actions or behaviors that violate current legislation or regulations or that may be perceived as ethically unacceptable by our stakeholders.
- Promote ethical behaviors among our stakeholders according to the Code of Ethics and Conduct and prevent actions that violate it, as well as current legislation or regulations.
- Encourage the raising of concerns and complaints in good faith, based on a reasonable belief of trust 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 maximum guarantee of Independence to exercise his functions and reporting directly 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.

January 2023  
Rev. 02

  
Mrs. Eva Arias de Sologuren  
Chairperson of the Board of Directors

  
Engineer Marcello Santillana Salas  
General Manager

## 1.14 CERTIFICATIONS THAT GUARANTEE OUR PROCESSES

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 the ISO 9001:2015 standard; our environmental management system is certified under the ISO 14001:2015 standard, and our occupational health and safety management system has been certified under the ISO 45001:2018 standard. Furthermore, our company has been certified under the ISO 37001-2016 Anti-Bribery Management System Standard, and the Anti Bribery Certification by Empresarios por la Integridad. Managing these standards allow for better process control and helps us make decisions and execute actions for continuous improvement.

## 1.15 PERMITS, APPROVALS AND AUTHORIZATIONS

Annex 3 lists the permits, approvals and authorizations we have obtained that allow us to operate in harmony with our surroundings, government institutions, society, the environment and other stakeholders.





# 1.16 AWARDS AND RECOGNITIONS

In 2023, thanks to our outstanding management in sustainability, quality, social innovation, corporate social responsibility, corporate governance, as well as our efforts at the mining industry level, we have received several awards and recognitions

N°	INSTITUTION	MONTH	AWARD OR RECOGNITION	TYPE	REASON
1	Ministry of Environment (MINAM)	February	Peru Carbon Footprint Level 2 (Period: from 01Jan 2020 to 31 Dec 2020)	Recognition	Acknowledgement awarded for calculating and checking greenhouse gas (GHG) emissions using the Peru Carbon Footprint tool for the 2020 reporting period. The award was granted after Poderosa performed GHG verification estimates according to ISO 14046:2018 requirements, which were carried out by the ICONTEC International, an accredited consulting firm.
2	Peru Sostenible	July	Business with Sustainable Management Award (EGS) 2022	Recognition	EGS [Business with Sustainable Management] assesses the performance of both large companies and SMEs, using parameters tailored for each of them, including questions with different scores according to the industry in which the company operates. The final phase of this process concludes with an award to participating companies that have achieved a minimum score of 50 points out of an overall total of 100.
3	CONCYTEC (National Council for Science, Technology and Innovation)	July	R&D&I. Compañía minera Poderosa S.A. Innovating Company 2022 Law N° 30309	Recognition	Award received during the sixth edition of the “2023 Innovation Week: Innovating with Purpose”, an event organized by CONCYTEC [National Council for Science, Technology and Innovation]. Companies with R&D&I projects approved within the framework of Law No. 30309 were distinguished at this event. CONCYTEC has assessed a project by Poderosa for the 2022 period.
4	Proactivo	August	Proactivo Awards – Medium-sized Mining Category.	Recognition	Distinction awarded at the sixth edition of the 2023 Proactivo Awards. The award was given to Compañía Minera Poderosa S.A. as the winner in the Medium-sized Mining Category. The award-winning project was: “Nutritional Andean Cereal Bar: A Delicious Nutritional Anti-Anemia Solution”.
5	Sociedad Nacional de Industrias (National Industries Society - SNI)	October	Recognition to Excellence Practices in the Production Category	Recognition	The SNI [National Industry Society] Quality Management Committee grants the Outstanding Best Practices of the KAIZEN Cycle for Continuous Improvement (CCI) Award, under the Production Category, for the following nomination: “Reducing rock mass fragmentation and damage, by analyzing vibrations produced by the change of blasting agent at RA MAREN NV. 3200 – SM PU”.

N°	INSTITUTION	MONTH	AWARD OR RECOGNITION	TYPE	REASON
6	Sociedad Nacional de Industrias (National Industries Society - SNI)	October	Recognition to Best Excellence Practice in the Production Category	Recognition	The SNI [National Industries Society] Quality Management Committee grants the Award for Best Excellence Practice for Clean Energies of the Cycle for Continuous Improvement (CCI), in the Production Category, with the following nomination: “Implementation of a Hybrid Solar Battery Photovoltaic System for Power Supply to Chagual Airdrome.”
7	Sociedad Nacional de Industrias (National Industries Society - SNI)	October	National Quality Award	Award	The Quality Management Committee awards the Peruvian National Quality Award to Compañía Minera Poderosa S.A. in the Production Category. This is the most important acknowledgement awarded in Peru to companies that have demonstrated outstanding quality management.
8	Sociedad Nacional de Industrias (National Industries Society - SNI)	October	Gold Category Quality Leader	Certificate	The Quality Management Committee certifies that Compañía Minera Poderosa S.A. has achieved Gold Category Quality Leader Status following the 2023 assessment process, which included individual assessments, consensus and a site inspection, in accordance with requirements established by the National Quality Award
9	Sociedad Nacional de Industrias (National Industries Society - SNI)	October	National Quality Award – Gold Medal	Recognition	The Quality Management Committee certifies that Compañía Minera Poderosa S.A. has achieved Gold Category Quality Leader Status following the 2023 assessment process, which included individual assessments, consensus and a site inspection, in accordance with requirements established by the National Quality Award.
10	Instituto Nacional de Defensa Civil (INDECI)	October	Recognition for their valuable contribution to reactive disaster risk management during the period 2022-2023, for the benefit of the country's vulnerable population.	Recognition	Contribution to Responsive Disaster Risk Management in 2022 and 2023.
11	Alliance For Integrity- Focal Point Peru	October	Recognition of good practice - project “Building governance with integrity”.	Recognition	Presentation by Poderosa of its best practice, “Systematization of the Workers’ Affidavit Knowledge Disclosure Process”, was reviewed and will be published during the Latin American Regional Integrity Week.

N°	INSTITUTION	MONTH	AWARD OR RECOGNITION	TYPE	REASON
12	La Libertad Company, Government, Academia, and Organized Civil Society Regional Committee - CREEAS La Libertad	November	Leader in social innovation with mission-based approach in Peru	Recognition	Active participation at the FIS ("Social Innovation Festival") innovation ecosystem for La Libertad Region.
13	La Libertad Regional Government and Comité Ejecutivo Regional Exportador La Libertad (La Libertad Regional Exporter Executive Committee)	November	For having implemented the corporate social responsibility project with an agricultural focus for the benefit of the population	Diploma	On National Exporter's Day in La Libertad Region, the Regional Government of La Libertad together with the Regional Exporter's Executive Committee for La Libertad, awarded Poderosa a diploma for having implemented a corporate social responsibility project focused on agriculture for the benefit of the population.
14	La Libertad Regional Government and Comité Ejecutivo Regional Exportador La Libertad (La Libertad Regional Exporter Executive Committee)	November	For having achieved the best performance as a large size company in the mining sector in the product diversification category.	Diploma	On National Exporter's Day in La Libertad Region, the Regional Government of La Libertad together with the Regional Exporter's Executive Committee for La Libertad awarded Poderosa an award for top performing large company in the mining sector, under the Product Diversification Category.
15	Universidad Nacional de Cajamarca	November	Recognition to Poderosa for its valuable support and commitment to the development of Peru.	Recognition	For their participation as speakers at the Third International Mining Congress of Cajamarca – COMINCAX
16	National Water Authority - ANA	December	Blue Certificate awarded to Minera Poderosa S.A., Marañón and Santa María Production Units	Certificate	In recognition of being a water-responsible company, having successfully complied with commitments undertaken in terms of efficient water use and shared value, as part of the water footprint program.
17	Association for Overseas Technical Cooperation and Sustainable Partnerships - AOTS	December	5S National Award (2023 Edition) Lima and Trujillo	Gold medal	Recognition for the successful implementation and continuity of the 5S Kaizen system in the Lima and Trujillo administrative offices. Highest score nationwide.
18	Association for Overseas Technical Cooperation and Sustainable Partnerships - AOTS	December	5S National Award (2023 Edition) Santa María and Marañón Mining Units	Gold medal	Recognition for the successful implementation and continuity of the 5S Kaizen system in the Santa María and Marañón mining units.







# CORPORATE

## PART 2

GOVERNANCE,  
ETHICS, COMPLIANCE  
AND ECONOMIC  
DEVELOPMENT



# 2.1 CORPORATE GOVERNANCE

[GRI 2-17] [GRI 2-18] [GRI 2-19] [GRI 2-20] [EITI Expectation for Company 3]

### General shareholders’ meeting

#### Board of Directors

- Executive Committee
- Auditing Committee
- Strategy and Sustainability Committee
- Ethics and Good Governance Committee
- Hedging Committee

### General Management

### Employees

### Leadership that guides and motivates us

With a long-term view, we are focused on strengthening 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.

During the appointment process, the General Shareholders Meeting considers aspects such as diversity and independence of potential directors. All the same, it assesses the performance of the Board. As for the Committees, the Board appoints its representatives using the same criteria.

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. 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, Geology and Explorations Management, and Corporate Affairs Management are each accountable for their own affairs, according to our annual plan.



BOARD OF DIRECTORS

TYPE	2022	2023
Total number of Directors	18	18
Independent Directors	3	2
Executive Directors	1	1
Other non-executive Directors	10	10

The General Shareholders Meeting considers aspects such as diversity and independence of potential Directors.

The qualification of independent Directors is performed pursuant to the criteria established by the Securities Market Superintendency. Their contribution is crucial in providing an unbiased view of our organization’s activities. They are called upon for their professional background, honorability, sufficiency, and financial independence. We also make sure that they have proven experience in the industry.

### INDEPENDENT DIRECTORS WITH EXPERIENCE IN THE INDUSTRY

	2021	2022	2023
Number of independent Directors with experience in the industry during the last three years	3	3	2

Likewise, we make sure that 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 and all employees are committed to placing the company’s interests above their personal or private interests, to avoid their personal interests to influence sensible and impartial work decisions.

### BOARD OF DIRECTORS MEMBERS

MEMBER	POSITION	INDEPENDENCE	SINCE	SIGNIFICANT POSITIONS AND ADDITIONAL INFORMATION
Evangelina Arias Vargas de Sologuren	Chairperson	Non-independent	1980	Refer to 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 Cuglievan	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	Independiente	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	



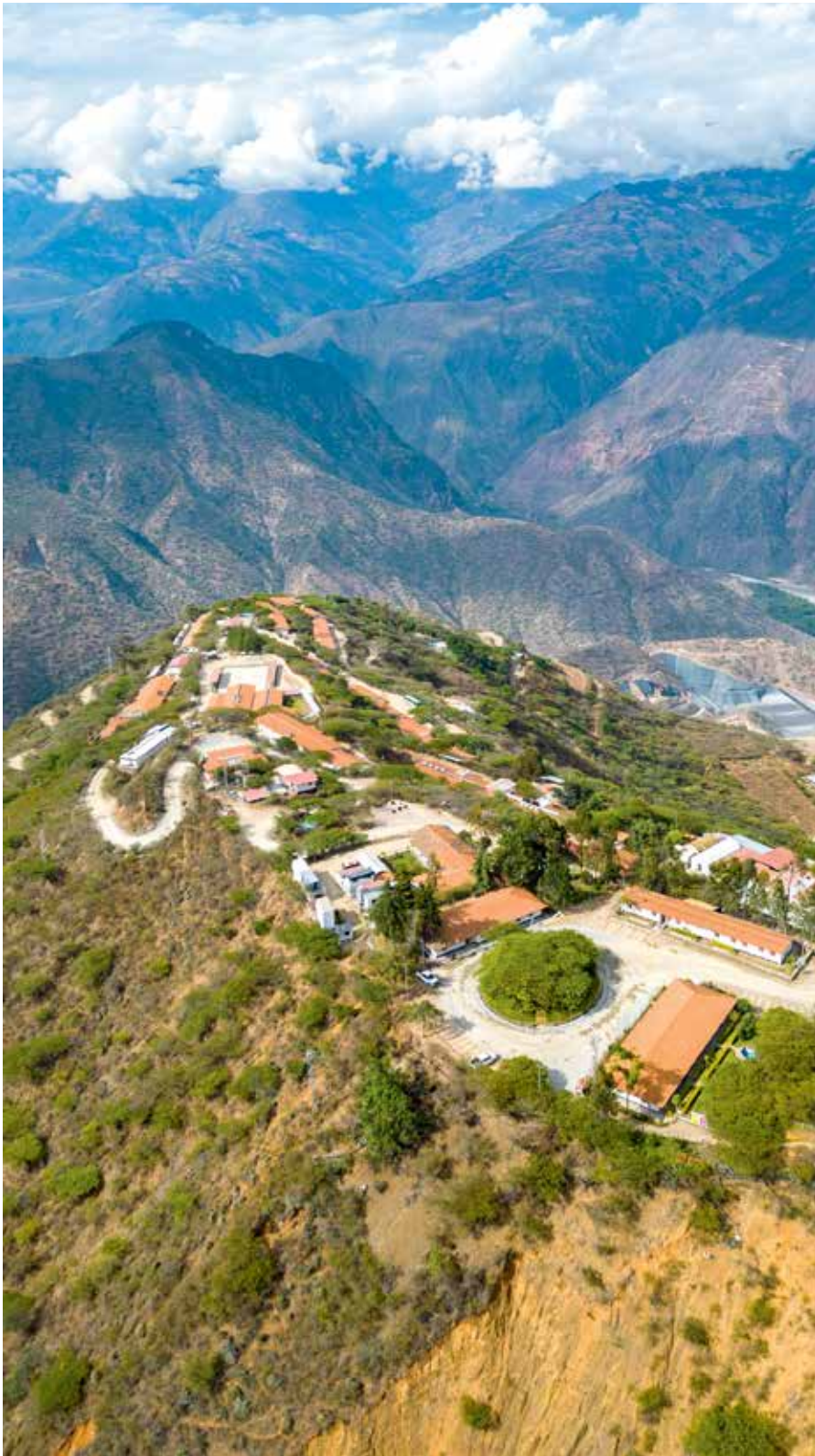
See Corporate Governance



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.

There is no formal procedure in place to assess the performance of the Board of Directors in overseeing the management of the organization's impacts on the environment, the economy, and people, or in general terms. Shareholders choose directors based on their skills and experience and stress the importance of the competencies that will be beneficial for the management of the company, for no formal assessments have been performed, nor any concrete measures have been established on that regard.

Although we do not have formal procedures to prevent and manage conflicts of interests in the BOD, in such event, the governance body establishes the mechanisms to prevent and mitigate them.



FUNCTIONS OF THE BOARD OF DIRECTORS COMMITTEES

**Executive Committee:** Oversees the company's performance and decides on any kind of situations that require an additional decision to the one made by the General Management.  
**Meeting frequency: weekly**

OFFICIAL MEMBERS	ALTERNATE MEMBERS	GUEST OFFICERS
<ul style="list-style-type: none"><li>• Evangelina Arias*</li><li>• José Picasso</li><li>• Víctor Ostolaza</li><li>• José de Bernardis</li></ul>	<ul style="list-style-type: none"><li>• Juan Assereto</li><li>• Jorge Picasso</li><li>• Walter Sologuren</li></ul>	<ul style="list-style-type: none"><li>• Marcelo Santillana (S)</li><li>• José Elejalde</li><li>• Diego Sologuren</li><li>• Jimena Sologuren</li><li>• Helena Zuazo</li></ul>

**Auditing Committee:** supervises and ensures integrity and transparency of the corporate information and identifies and assesses risks that could affect the development of the company's operations.  
**Meeting frequency: quarterly**

OFFICIAL MEMBERS	ALTERNATE MEMBERS	GUEST OFFICERS
<ul style="list-style-type: none"><li>• Evangelina Arias*</li><li>• José Picasso</li><li>• Víctor Ostolaza</li><li>• José de Bernardis</li></ul>	<ul style="list-style-type: none"><li>• Juan Assereto</li><li>• Jorge Picasso</li><li>• Walter Sologuren</li></ul>	<ul style="list-style-type: none"><li>• Marcelo Santillana (S)</li><li>• José Elejalde</li><li>• Diego Sologuren</li><li>• Jimena Sologuren</li><li>• Helena Zuazo</li></ul>

**Ethics and Good Corporate Governance Committee:** oversees the company's compliance with the Good Corporate Governance guidelines and mechanisms.  
**Meeting frequency: quarterly**

OFFICIAL MEMBERS	ALTERNATE MEMBERS	GUEST OFFICERS
<ul style="list-style-type: none"><li>• Evangelina Arias*</li><li>• Víctor Ostolaza</li><li>• Isabel Arias</li><li>• Eduardo Ferrero</li><li>• Jorge Picasso</li></ul>	<ul style="list-style-type: none"><li>• Carolina Castro</li><li>• Juan Assereto</li><li>• Ricardo Revoredo</li></ul>	<ul style="list-style-type: none"><li>• Marcelo Santillana</li><li>• José Elejalde</li><li>• Diego Sologuren</li><li>• Jimena Sologuren</li><li>• Walter Díaz (S)</li><li>• Helena Zuazo</li></ul>

**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 recommendation of improvements in economic, environmental, and social management.  
**Meeting frequency: quarterly**

OFFICIAL MEMBERS	ALTERNATE MEMBERS	GUEST OFFICERS
<ul style="list-style-type: none"><li>• Evangelina Arias*</li><li>• Walter Sologuren</li><li>• José Marín**</li><li>• José Picasso</li><li>• José De Bernardis</li></ul>	<ul style="list-style-type: none"><li>• Víctor Ostolaza</li><li>• Juan Proaño</li><li>• Jorge Picasso</li></ul>	<ul style="list-style-type: none"><li>• Marcelo Santillana</li><li>• José Elejalde</li><li>• Diego Sologuren (S)</li><li>• Jimena Sologuren</li><li>• Daniel Torres</li></ul>

**Hedging Committee:** analyzes the situation of prices of the metals we produce. It works on a permanent basis.  
**Meeting frequency: as necessary.**

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



Functions of the Board of Directors regarding Environmental, Social and Governance (ESG) impact management

The Board reviews the company's performance monthly 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 act as intermediaries, transmitting the decisions to the employees and expressing their concerns to the Board of Directors members. All the same, the Executive Committee reviews the company's business performance on a weekly basis.



The Board reviews the company's performance.

Within its functions, the Board of Directors, together with management, develops and approves or updates the principles, values, strategies, policies, and objectives related to sustainable development and to the management of economic, environmental, and social issues. In 2023 it approved the update of the Sustainability Statement and Code of Ethics and Conduct.

Board members participate actively in various working areas, such as the Strategy and Sustainability Committee, among others. The Board's vision of the process to identify and address our ESG impacts is favorable, especially in advancing energy transformation, circular economy, and territorial development.

On an annual basis, the Board of Directors performs a thorough review of the sustainability reports and assesses them according to their alignment with the Company's policies, principles, values, objectives and goals, before approving them. These reports are then shared with the General Shareholders Meeting for approval.

Training of the Board of Directors on sustainable development

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 participate in different events where they get involved in the environmental, social, and economic aspects of the business; for example, the Strategy and Sustainability Committee of the Company, where sustainability topics are discussed and information is exchanged; meetings with our NGO Asociacion Pataz, among other.

Remuneration Policy

The Board of Directors members receive a percentage of the yearly profits, according to the company by-laws. The senior management adopts remuneration policies of senior executives according to their performance assessment.

Tenure of the Board of Directors

In 2023, the average tenure of our Board members was 19 years, 18 years in 2022 and 17 years in 2021. This number reflects our dedication to stability and retention of expertise on the company's governing body, which is critical to maintaining management continuity and depth of knowledge in our operations and corporate strategies.

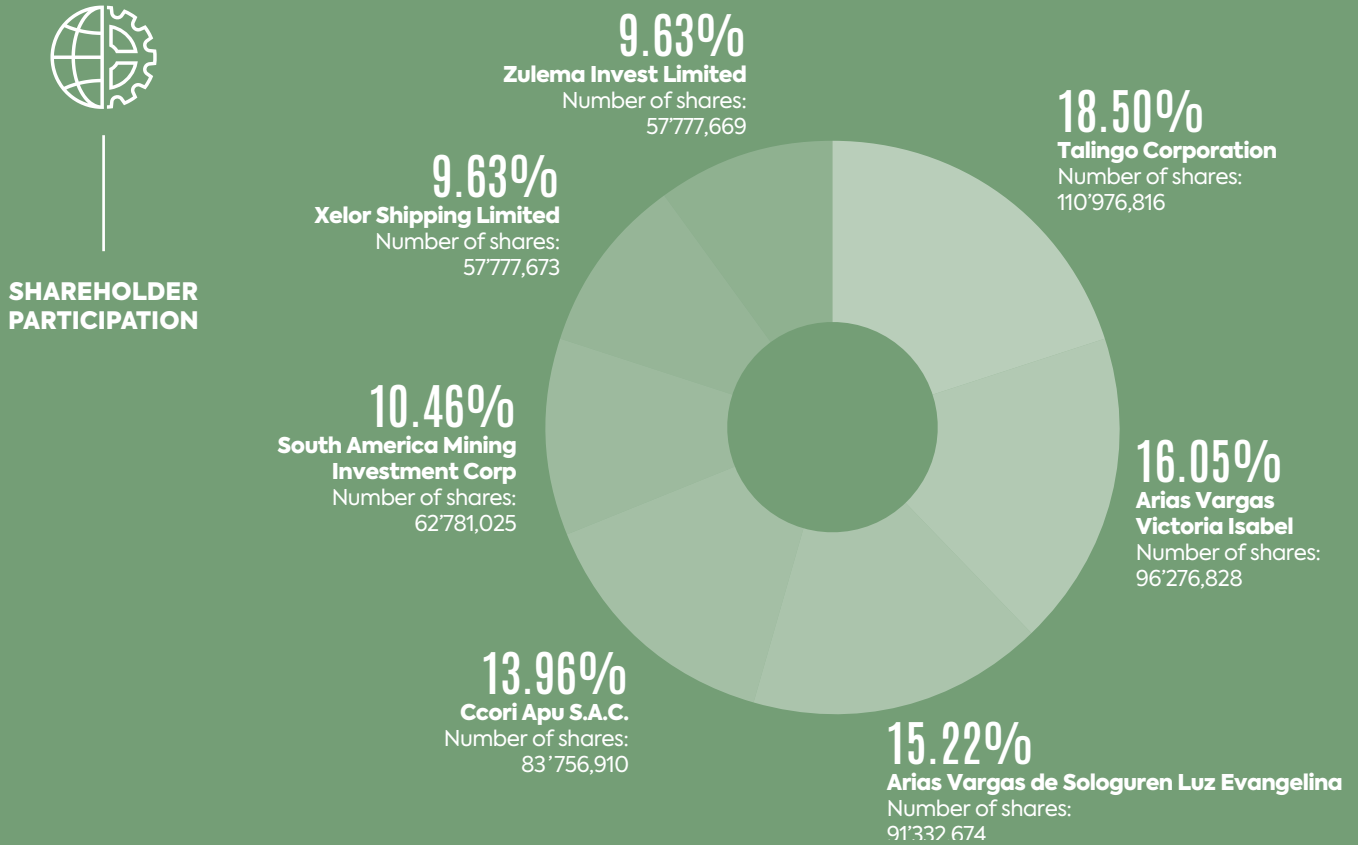
2.2 CORPORATE ASPECTS

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 G, 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

MAIN SHAREHOLDERS

Nº	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





HOLDING	N° OF SHAREHOLDERS	PARTICIPATION (%)
Less than 1%	379	2,3
Between 1% and 5%	1	4,25
Between 5% and 10%	2	19,26
More than 10%	5	74,19
<b>Total</b>	<b>387</b>	<b>100</b>

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 G 0002 of the electronic file 01204769 of the Registry of Legal Entities of the IX Registration Area – Lima Office.

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 2023, the company had a capital stock of S/ 600,000,000.00, fully subscribed, and paid. The capital stock is represented by 600,000,000 common shares at a nominal value of S/ 1.00 each, with voting rights. 51.2240% of this stock corresponds to domestic shareholders (accounting for 307,344,000 shares) and 48.7760% are held

by non-domiciled shareholders (representing 292,656,000shares). 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..

### Dividends 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 2023, the shares were quoted as follows, in average.

VARIABLE INCOME	ISIN CODE	MNEMONIC	YEAR - MONTH	2023 QUOTATIONS (PEN)				AVERAGE PRICE
				OPENING S/	CLOSE S/	MAXIMUM S/	MINI-MUM S/	
	PEP635001006	PODERC1	2023-01	10.00	10.50	10.50	9.70	<b>9.84</b>
	PEP635001006	PODERC1	2023-02	9.90	9.90	10.38	9.80	<b>9.98</b>
	PEP635001006	PODERC1	2023-03	9.90	11.00	11.50	9.90	<b>11.05</b>
	PEP635001006	PODERC1	2023-04	10.40	11.20	11.20	10.40	<b>10.84</b>
	PEP635001006	PODERC1	2023-05	11.00	11.20	11.20	10.90	<b>10.96</b>
	PEP635001006	PODERC1	2023-06	8.55	7.85	8.55	7.85	<b>8.40</b>
	PEP635001006	PODERC1	2023-07	7.85	7.90	8.00	7.85	<b>7.90</b>
	PEP635001006	PODERC1	2023-08	7.90	7.90	7.90	7.85	<b>7.89</b>
	PEP635001006	PODERC1	2023-09	7.89	6.90	7.89	6.90	<b>7.30</b>
	PEP635001006	PODERC1	2023-10	6.75	7.30	7.30	6.75	<b>7.06</b>
	PEP635001006	PODERC1	2023-11	7.25	7.30	7.30	7.20	<b>7.27</b>
	PEP635001006	PODERC1	2023-12	7.28	7.30	7.45	7.27	<b>7.35</b>

## 2.3 ETHICS AND TRANSPARENCY

[GRI 2-16] [GRI 2-26] [GRI 3-3] [GRI 206-1] [EITI Expectation for Companies 7]

To build trust among our employees, the community, and other stakeholders, we guarantee that our work is focused on safety, sustainability, and business ethics. We have over 43 years of experience, during which we have built a sound reputation 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 ensure that the actions of our employees, directors, and any other person acting in our name, are ruled by our business culture, lawfulness, and ethics.

We have a comprehensive system that promotes ethics and prevents, detects, and corrects inappropriate conducts. We maintain clear and transparent communication with our stakeholders, and we show our commitment with integrity and ethics. Also, we reject and prohibit any form of corruption, including crime types such as bribery, collusion, and trading in influence, as well as any activity that qualifies as money laundering or terrorism financing, whether directly or indirectly, through an agent or business partner, whether in relation to a public official or an individual.

### Statement supporting the Extractive Industries Transparency Initiative

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

In 2023, we prioritized timely review of due diligence processes with our suppliers, customers and employees, focusing on key areas such as Procurement, Collection, Contract Management, Trade and Human Resources. All the same, we have worked to improve the visibility and knowledge of the Complaints Channel for a more efficient handling of the complaints received.

To strengthen compliance culture, our focus in 2023 was the implementation of ISO

37301:2021 standard: Compliance Management System. This process is monitored through the Annual Risk and Compliance Plan, to guarantee comprehensive follow-up. Also, we implemented our Comprehensive Risk Management based on ISO 31000: 2018.

To facilitate communication, we have an open channel through the following e-mail address: cumplimiento@poderosa.com.pe and the telephone extension of the Risk and Compliance Area. This channel allows to seek advice and raise concerns about the application of policies and procedures. In addition, the Ethics Channel has several contact means, allowing our employees and stakeholders to report their complaints about any deviation related to ethical behavior and Human Rights.



Compañía 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, Compañía 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.

Anti-corruption

[GRI 205-1] [GRI 205-2] [GRI 205-3]

In Poderosa we are committed to the fight against corruption, respect for human rights, compliance with the legal regulations in force, and voluntarily assumed commitments. Therefore, we ensure the identification and evaluation of risks at the organizational level to establish controls to mitigate any negative impact and take the corresponding corrective actions, according to the type of risk and severity of the impact.

ISO 37301:2021 COMPLIANCE MANAGEMENT SYSTEM 1

We promote the implementation of the requirements of the ISO 37301:2021 standard, to strengthen our Compliance Management System. As of the end of 2023, we are ready to start the auditing procedures to obtain this certification in the first quarter of 2024.

ISO 37001:2016- ANTI-BRIBERY MANAGEMENT SYSTEM AND ANTIBRIBERY 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 trading in influence, 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.

IN 2023 WE WERE  
ABLE TO KEEP  
OUR ANTIBRIBERY  
MANAGEMENT SYSTEM  
CERTIFICATION.

Our Anti-bribery 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.



Our Anti-bribery Management System allows us to establish and promote a culture of integrity, transparency, compliance, and anti-corruption.



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. In the same year, we received the Zero Anti-Bribery Certification (which, since 2022, has been renamed

We must contribute to fight against corruption, and generate positive impacts on our stakeholders.

Antibribery Certification), which is supported by Empresarios por la Integridad.

In 2023 Peru Certification carried out a follow-up audit to our Antibribery System, and as a result we were able to keep our certification. In addition, SGS Peru reassessed the prevention model and we received the renewal of the Antibribery Certification by Empresarios por la Integridad.

RISK ASSESSMENT

Following the ISO 31000:2018, we carried out a thorough risk assessment, in all Poderosa's processes including corruption risks with specific controls for their mitigation.

In line with ISO 31000, we focus on identification, assessment and establishment of controls for the different risks in the organization. All the same, we design action plans for those risks which level is considered unacceptable. During 2023, we strengthened our comprehensive risk management and fostered a risk culture among the staff responsible for the processes and their teams.

Ethics Committee

Our Ethics and Good Corporate Governance Committee assumes an important leadership role to maintain our organization's reputation. The Committee

periodically reviews the progress and results of the Anti-Money Laundering and Terrorist Financing Prevention System, the Compliance Management System and the different ethical issues within the organization, based on the established objectives and indicators, the training carried out, the due diligence processes and the statistics of the Ethics Channel, in relation to customers, suppliers and employees. The report of the Ethics Committee is submitted to the Board of Directors.

Ethics Channel

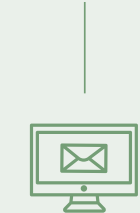
We have an Ethics Channel, with several communication options such as telephone, E-mail, Website, and personal interviews. This is a confidential channel for our workers and other stakeholders to report any deviation from the Code of Ethics and Conduct, the Compliance Policy, the AML/CTF Manual or internal policies.

External administration of this channel by BDO company ensures the transparency and confidentiality of the data recorded. We have socialized among employees and other stakeholders, the procedures to use this service, which is available 24 hours a day, throughout the year, and can be accessed from any device available. It should be noted that all complaints are treated confidentially and

anonymously, if so requested by the complainant and we firmly maintain our position of zero tolerance for retaliation in case of complaints made in good faith. Any questions or opportunities for improvement regarding the Ethics Channel can be sent to the following e-mail address: cumplimiento@poderosa.com.pe.

We follow up daily on incoming complaints and proceed with the corresponding investigations and sanctions in accordance with the Internal Work Regulations, as appropriate. In addition, every four months, we report on the government of the Ethics Channel to the Ethics and Good Corporate Governance Committee and the Board of Directors.

COMPLAINTS THROUGH THE ETHICS CHANNEL IN 2023



TYPE OF COMPLAINT	TOTAL NUMBER OF COMPLAINTS	CLOSED	APPLICABLE	NOT APPLICABLE	UNDER INVESTIGATION
Gifts received or undue benefits	1	1	0	1	0
Other illegal activities/irregular conduct	7	7	4	3	0
Non-compliance with regulations and procedures	5	5	2	3	0
Use or abuse of company resources	2	2	0	2	0
Appropriation of money	2	2	0	2	0
Alteration or manipulation of information	5	5	3	2	0
Workplace harassment	9	8	3	5	1
Sexual harassment or abuse	4	4	4	0	0
Conflict of interest	6	6	0	6	0
Money laundering and/or terrorism financing	1	0	0	0	1
Affecting human rights*	1	1	0	1	0
Collusion	1	1	0	1	0
Document and signature forgery	1	1	1	0	0
Misappropriation of funds	1	1	0	1	0
Total	46	44	17	27	2

(\*) the complaint was not admitted



Channels

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



Training on ethics and anti-corruption

We provide our employees with ongoing training and information on our ethics and Anti-corruption policies, our Code of Ethics and Conduct, and on the use of the Ethics Channel. We also provide them with advice on ethical and legal conduct to strengthen the integrity of the organization.

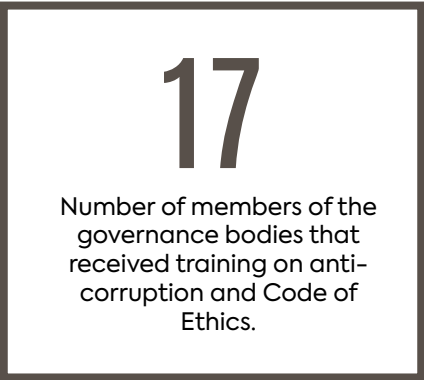
With respect to our contractors, it is important to mention that each critical contractor is provided with the Code of Ethics and Compliance Policy before starting the business relationship and with each update of the document. Also, during 2023, a public video was sent to them about Poderosa’s Crime Prevention Model.



TRAININGS ON THE CODE OF ETHICS AND ANTI-CORRUPTION PROCEDURES FOR EMPLOYEES



TRAININGS ON THE CODE OF ETHICS AND ANTI-CORRUPTION PROCEDURES FOR MEMBERS OF THE GOVERNANCE BODIES



COMMUNICATION ABOUT THE CODE OF ETHICS AND ANTI-CORRUPTION POLICIES AND PROCEDURES

Total number of governance body members who have been informed about the organization's Code of Ethics and anti-corruption procedures	18
Percentage of governance body members who have been informed about the organization's Code of Ethics and anti-corruption procedures	100%
Total number of employees who have been informed about the organization's Code of Ethics and anti-corruption procedures	777
Percentage of employees who have been informed about the organization's Code of Ethics and anti-corruption procedures	100%
Total number of business partners who have been informed about the organization's Code of Ethics and anti-corruption procedures	1,747
Percentage of business partners who have been informed about the organization's Code of Ethics and anti-corruption procedures	100%

Contribution 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 t be recorded as provided for by the law. In 2023 no such contribution was made.



## 2.4 LEGAL COMPLIANCE

We comply with all the legal obligations established in 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

In 2023, the OEFA Audit and Incentive Application Bureau (Dirección de Fiscalización y Aplicación de Incentivos) determined noncompliance with corrective actions N° 2 and N° 4 ordered through Director's Order N° 00315-2020-OEFA/DAI and modified through Resolution 211-2020-OEFA/TFA-SE, as a result of the 2017 Regular Supervision, since the samples taken by Poderosa, after the remediation work, showed results higher than the EQS

Soil in the area of the Santa María Filtering Tailings Plant, for which we were imposed a coercive fine of 80 Tax Units, which has been paid and the corrective actions have been adopted.

### Tax Contingencies

As of December 31st, 2023, there is one tax proceedings against the Tax Authority pending solution, and which has been appealed before the Tax Court. The procedure refers to the following period: 2015 Income Tax: Objections were determined for S/6,755 945 thousand.

As of December 31st, 2023, the total amount of the tax debt (principal plus interests) was S/ 3,530 thousand and the total amount of the fine is S/ 1,765 thousand. This has been challenged and is pending resolution by the Tax Court.

### Legal contingencies

As of December 31st, 2023, several complaints were pending against the company, including payment of the following: (a) Invalidity of an administrative action for S/ (00) 217,246 (b) obligation to pay PEN S/ (000) 6,217, and (c) social benefits and damages resulting from breach of labor regulations in favor of former company and contractor workers for approximately S/ (000) 5,219.

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 the Company's separate financial statement.



We comply with all the legal obligations established in the regulations, authorizations and permits in environmental, water, and mining matters, and other type of permits.

## 2.5 ECONOMIC PERFORMANCE

[GRI 201-1] [GRI 201-2] [GRI 3-3]

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

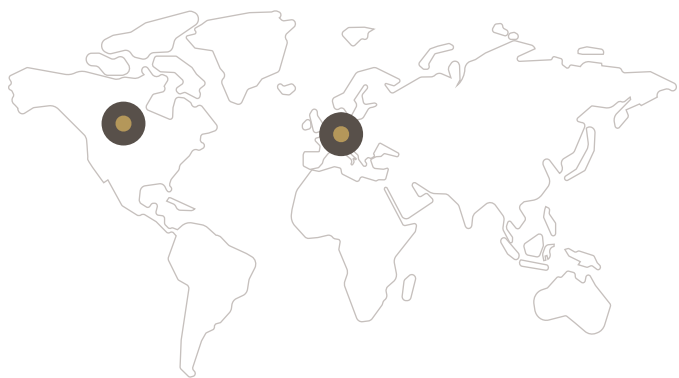
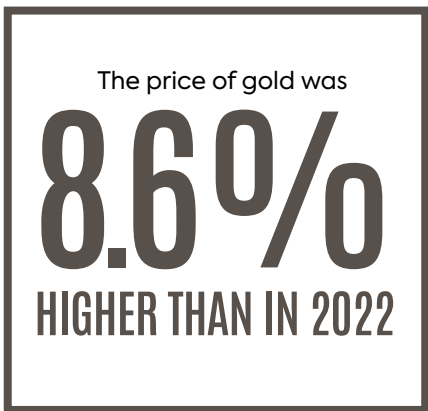
As of the end of 2023, net sales for the year added up to S/ 1,993 million, a reduction of 4.7% with respect to the S/ 2,091 million in 2022. The cost of sales was S/ 1,324, a 9.9% increase compared to the cost in 2022. Despite having a better price in 2023, sales were almost 30,000 ounces less than in 2022. Another factor that affects the lower sale in soles is the average exchange rate of sales, which was lower in 2023, S/ 3.756 in 2023 compared to S/ 3.837 in 2022.

The average price for our exports was USD 1,953 per ounce of gold and USD 23.45 per ounce of silver. The price of gold was 8.6% higher than in 2022. This helped to

compensate the lower number of ounces produced in this year. 100% of the production was exported to our customers: Asahi in Canada and Argor-Heraeus in Switzerland.

The net profit for the year was S/ 295,664,409, which was 27.4% lower than in 2022, which was S/ 407,344,659.

We are committed to operating with transparency and sustainability. To make this measurable, we focus on the result and on measuring and reporting on our performance. Internal processes and our financial statements were audited in 2023 with favorable opinions by KPMG. During the reporting year, we have not identified any significant negative impacts on the people, the economy, or the environment.



**100% of the production was exported to our customers: Asahi in Canada and Argor-Heraeus in Switzerland.**



MAIN FINANCIAL INDICATORS

INDICATOR	2020	2021	2022	2023
EBITDA (S/. million)	855.46	974.99	999.61	712.89
Net sales (S/. million)	1,663.20	2,102.70	2,090.70	1,992.60
Gross Margin (%)	48	48	42	34
Operational Margin (%)	37	36	33	23
Profits before taxes (PEN million)	569.2	799.68	628.58	459.4
Net profit (PEN million)	385.56	552.79	407.34	295.7

Cost evolution

Costs have been increasing over the last few years; this has meant that, despite a better price in 2023, the gross margin has decreased. Compared to 2022, the highest impact is due to the payments made to artisanal miners under Assigned Works contract, and expenditures for surveillance services, which has increased in 100%. In addition, we also had cost increases in mining contractor costs, transportation, leaching, environmental management, among other.

The exchange rate also had an impact on our sales revenue. In 2023 we had an average exchange rate on sales of S/ 3.756 per USD versus S/ 3.837 in 2022; in addition to the lower sale of ounces, we received less soles from the sale of gold.

We are very diligent in the payment of taxes and other contributions related to our sector. In 2023, we have contributed to the country’s development by investing in human resources, suppliers, timely payments to the government, and investments in the community.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (S/)

TYPE	DESCRIPTION	2021	2022	2023
Economic Value Generated – Income	Payment to suppliers, royalties, and payments for facilitation or gifts	2,106’537,085	2,112’356,128	2,006’212,965
Distributed economic value				
Supplier payments	Payment to suppliers, royalties, and payments for facilitation or gifts	925’414,310	1,095’091,314	1,205’406,950
Employee salaries and benefits	Total payments to employees and social contributions. Does not include future payment commitments	129’621,451	155’583,599	147’957,520
Government payments	Gross taxes and rates	279’099,735	246’162,419	182’228,934
Investment in Communities	Voluntary contribution to and investment in the communities, including donations	17’126,529	17’991,568	27’483,229
Withheld economic value		755’275,059	597’527,227	443’136,331





Indebtedness

In 2023, short and medium-term bank financing operations were maintained to cover the company's investment needs. In August the short-term promissory note for a total amount of USD 15 million was cancelled, and a new one for USD 18 million was taken at a 6% rate, all of this with Scotiabank.

As of December 31st, 2023, the balance of the financial debt was USD 41.4 million (USD 24.99 million

in 2022) with an average annual cost and an EAR of 6.28% (3.46% in 2022).

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Average gold price

In 2023, the gold price experienced a lot of volatility mainly due to economic data results in the U.S.A. and Europe, as investors tried to anticipate possible movements in central bank reference rates. Reference rates were traded at multi-year highs during 2023, which initially weighed on the gold price. But given that the inflation seemed

to be more controlled, the market was betting for an early end to high rates, which is favorable for gold. The trajectory of gold and the U.S. dollar was reversed during 2023. The average gold price for 2023 was US\$ 1,943.56, 12.56% higher than the previous year's average, according to Bloomberg data. All the same, it reached a high of US\$ 2,077.84 in December on expectations that the FED would

begin to cut its reference rate in March 2024. The minimum price quoted during the year was US\$ 1,811.29. In addition to the factors mentioned above, the price of gold rose steadily since October, after Hamas attacked Israel, which marked the beginning of a conflict in the Middle East, and many investors turned to gold for its safe-haven quality in the face of uncertainty.

Audit report

The Audit Report can be found in Chapter 8 of this report. The financial statement of Compañía Minera Poderosa S.A. does not include information on other institutions.

Hedging and leverage ratios were maintained as follows:

- Leverage ratio = 0.22 (total financial debt/ EBITDA)
- Long term debt hedging ratio = 14.33 (EBITDA/ (Financial Expenditure + payments Long-term debt)

BANK	BALANCE AS OF DEC 31, 2023 (MILLION US\$)	TYPE OF INDEBTEDNESS
Scotiabank	18.0	Working Capital
	1.11	Financial leasing
Santander	0.27	Financial leasing
BBVA	22.0	Mid-term loan 2020

AVERAGE GOLD PRICE 2017 – 2023	SECURITY PRICING SOURCE	XAUUSD BGN CURRENCY BGN
	DATE	AVERAGE GOLD PRICE
	2023	1,943.56
	2022	1,802.46
	2021	1,798.84
	2020	1,771.22
	2019	1,393.82
	2018	1,269.02
	2017	1,258.80







# OPERATIONAL EXCELLENCE

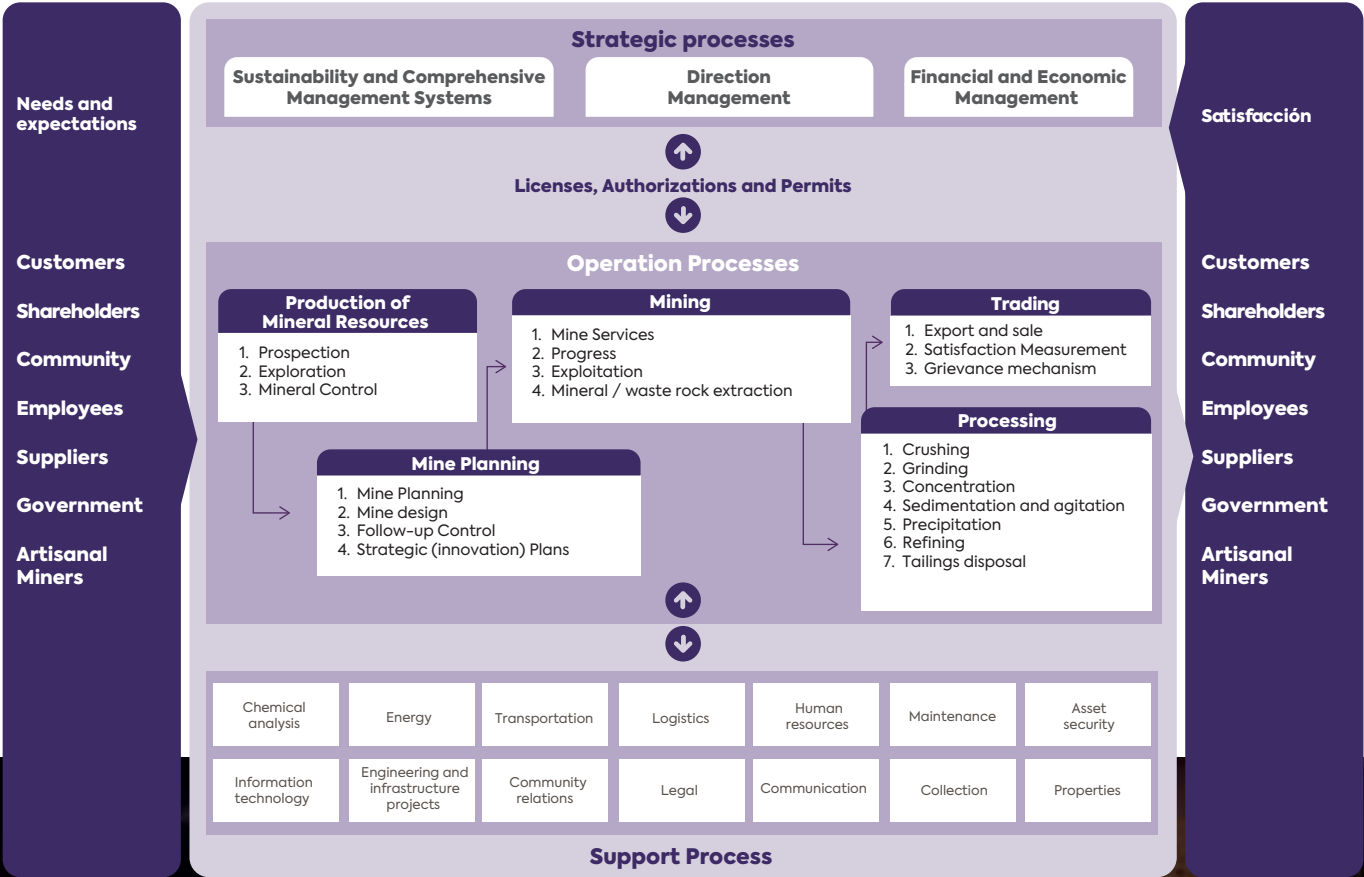
[GRI 2-6]

PART 3



# 3.1 OUR VALUE CHAIN

## Process map



GXD\_MP\_01 Rev. 01

## Management indexes

INDEXES				EXECUTED 2022 ACCRUED	EXECUTED 2023 ACCRUED	
Security				Frequency	2.17	1.37
				Severity	2,321.53	584.75
				Accidents	5.03	0.80
				Near misses	1,008	1,149
Geology	Progress	Progress DDH (m)		62,025	52,841	
	Resources	Resource Tons™		1'537,315	1'680,856	
		Resource Ounces (Oz)		787,918	802,027	
		Resource Grade (g/t)		15.94	14.84	
	Reserves	Reserve tons ™		1'465,386	1'533,746	
		Reserve Ounces (Oz)		769,079	758,345	
		Reserves Grade (g/t)		16.32	15.38	
Mine				Mineral sent to plant (Mine+LA) (t) TM	526,601	557,803
				H + V Operation progress	42,761	46,277
				Positioning work (m)	8,425	10,782
				Development work (m)	9,646	11,245
				Mine work (m)	24,691	24,250
				Raise boring Progress (m)	58	
				Raise climber Progress (m)	1,249	1,613
				Tmb/Tar_ Total	2.84	3.24
				TMT/Tar_ Total	1.00	1.20
				Prepared Mineral – (accessibility 0 – 3 months)	4.88	4.89
Plant	Marañón	Resource Production	Mine	Treated ™	150,880	116,055
				Estimated mill head grade (gr/TM)	11.41	12.08
				Recovery (%)	97.58%	98.19%
				Production (oz)	55,232	44,263
			Designated Task	Treated ™	62,669	80,936
				Estimated mill head grade (gr/TM)	27.43	26.87
				Recovery (%)	90.26%	90.11%
				Production (oz)	49,157	64,021
		Potential Production	Free Exploration	Treated ™	86,770	91,616
				Estimated mill head grade (gr/TM)	21.10	18.81
				Recovery (%)	88.78%	88.33%
				Production (oz)	51,728	48,851



INDEXES				EXECUTED 2022 ACCRUED	EXECUTED 2023 ACCRUED		
Plant	Consolidated Marañón			Treated <sup>TM</sup>	300,319	288,607	
				Estimated mill head grade (gr/TM)	17.55	18.36	
				Recovery (%)	92.14%	91.67%	
				Production (oz)	156,117	157,135	
	Santa María	Resource Production	Mine	Treated <sup>TM</sup>	319,117	348,689	
				Estimated mill head grade (gr/TM)	15.49	11.06	
				Recovery (%)	91.99%	90.30%	
				Production (oz)	145,967	111,881	
			Assigned Task	Treated <sup>TM</sup>		435	
				Estimated mill head grade (gr/TM)		28.53	
				Recovery (%)		90.70%	
				Production (oz)		363	
			Potential Production	Free Exploration	Treated <sup>TM</sup>		
					Estimated mill head grade (gr/TM)		
					Recovery (%)		
					Production (oz)		
		Consolidated Santa María		Treated <sup>TM</sup>	319,117	349,124	
				Estimated mill head grade (gr/TM)	15.49	11.08	
				Recovery (%)	91.99%	90.30%	
				Production (oz)	145,967	112,244	
	Collection (CL)			Treated <sup>TM</sup>	86,770	91,616	
				Estimated mill head grade (gr/TM)	21.1	18.81	
				Recovery (%)	88.78%	88.33%	
				Production (oz)	51,728	48,851	
	Consolidated			Treated <sup>TM</sup>	619,436	637,731	
				Estimated mill head grade (gr/TM)	16.49	14.38	
				Recovery (%)	92.06%	91.09%	
				Production (oz)	302,084	269,379	
Maintenance				Total energy (MW-h)	98,628	109,130	
				Hydraulic Energy Cost (\$/kW-h)	0.039	0.059	
				Thermal Energy Cost (\$/kW-h)	0.421	0.393	
				SIN Cost (\$/kW-h)	0.076	0.071	
				PALCA Energy (kW-h)			
				Trackless Mechanic Availability	85.04%	80.86%	
				Conventional Mechanic Availability	89.17%	90.38%	
				kW-h / Gross Metric Ton	62.90	71.74	
				kW-h / TMT	159.22	171.12	

INDEXES		EXECUTED 2022 ACCRUED	EXECUTED 2023 ACCRUED
Human Resources	Company Staff	780	777
	Specialized company Staff	3,919	4,394
	Operating Staff	3,665	4,033
	Investment Staff	1,034	1,138
	Total staff	4,699	5,171
	Total mine staff (20/10)	3,133	3,447
	Annual staff turnover (%)	77%	58%
Sales and Costs	Sales Au and Ag (USD)	544'805,105	530'458,905
	Sales Au (oz.)	300,662	269,437
	Average Au sale price (USD/oz.)	1,798.00	1,952.70
	Production Cost (USD/Mt)	318.20	371.20
	Production Cost (USD/oz.)	676.90	919.30
	Effective Cost (USD/oz.)	834.90	1,116.90
	Total Cost (USD/oz.)	1,138.70	1,459.40
	Cubing Cost USD/cubed oz	162.40	225.70
	US\$/ kW-h Consolidated	0.1251	0.1391
Investment	Investment (US\$/Oz)	515.4	701.6
	Normal investment (US\$)	104'994,563	126'076,677
	Growth investment (US\$)	22'492,260	27'038,111
Finances	EBITDA (USD) NIC 21 (last 12 months)	245'552,983	191'998,616
	EBITDA (US\$) NIC 21 (2023)	245'552,983	191'998,616
	Coverage Index (EBITDA/interests)	-	-
	Debt service Hedging Ratio	43.11	14.83
	Leverage Index (total financial debt / EBITDA (last 12 months)	0.10	0.22
	Additional banking financing USD	-	-
	Collateral coverage (collateral / principal balance)	-	-

## 3.2 DECADES PRODUCING DEVELOPMENT

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.

### 2023 Production

In the Marañón and Santa María I plants, 637,731 tons of ore were processed, obtaining 269,379 ounces of gold. From the total amount processed, 288,607 tons corresponded to Marañón plant and 349,124 tons to Santa María I plant. Accrued gold recovery at the beneficiation plants was 91.09%. According to the production schedule, the compliance of the processed ore was 97.07% and gold production, 90.88%.

637,731  
TONS PROCESSED IN 2023

288,607  
TONS MARAÑÓN PLANT

349,124  
TONS SANTA MARÍA I



## 3.3 GROWTH STRATEGY

Our objective is to increase mineral resources and reserves in a sustainable manner to guarantee the useful life of the mine and the continuity of its operations in the short, medium and long term, in the context of a culture of sustainable development, taking into account safety, care for the environment and a good relationship with the surrounding communities.

In 2023, our goal for the exploration program for Marañón, Santa María and Palca Production Units was to obtain 834,672 ounces of gold in mineral resources and earn 272,780 ounces of gold. As of 2026 our goal is to obtain 916,327 ounces of gold in mineral resources.

Therefore, we have a procedure that guides our subprocesses and activities to Obtain Mineral Resources (ORM), addressed to identify the areas that host mineral resources, to model its geometry and estimate its gold fine content, which, under certain evaluation criteria, can be extracted economically.

### Prospection

During 2022 surveys and exploration works were carried out at different scales within our mining concession in the Pataz Batholith, in the Montañas intrusivo complex, and specifically, in the lithostratigraphic units of the Andes Eastern Mountain Range

of Peru between the regions of Huánuco, Pasco and Junín.

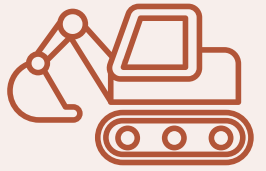
Under an agreement with the University of Western Australia (UWA), we continued with the regional exploration project along the Eastern Mountain range, between Huánuco, Pasco and Junín regions.

### Exploration and development

In 2023, 22,026.75 meters of exploration mining works were completed, together with 52,841.40 meters of diamond drilling. The gold ounce indicator obtained per every meter of exploration as of the end of the year was 11.64 oz Au/m (P+D).

### EXPLORATIONS IN MARAÑÓN PRODUCTION UNIT

Exploration works took place mainly in the Lola 1, Luz, Jimena, Valdivia, Choloque, Hilary, Pencas, Karola Techo and Consuelo veins. 26,179.15 m meters of diamond drilling were executed. With respect to mining activities, these comprised 6,107.90 m, out of which 3,177.70 m corresponded to positioning works and 2,930.10 m to development works. Main access and positioning works are being carried out to execute long reach drills at levels 1800 CR NW1, 2160 CR SE and 1680 CR SE. Explorations have taken place mainly in Lola vein between levels 2015 and



Our objective is to increase mineral resources and reserves in a sustainable manner to guarantee the useful life of the mine.





2470, Luz vein between levels 1600 and 1720; Jimena vein at level 1800; Choloque vein, at level 1467; Hilary vein, at level 1915, which, with diamond drilling extends to different levels; Pencas vein at 1680; Karola vein at level 1400; and Consuelo vein, at level 2350.

#### EXPLORATION IN SANTA MARÍA PRODUCTION UNIT

Exploration works took place in the Samy, Julie, San Lorenzo, San Pedro, San Vicente and Maren vein systems. 126,280 m. meters of diamond drilling were executed. With respect to mining activities, 12,795.95 m were completed.

In the San Lorenzo and San Pedro vein systems, 1,768.80 m of exploration works were completed. In the first phase, the objective is to connect levels 260 and 3150 to facilitate explorations in the abovementioned veins.

Exploration in the Samy vein system was carried out between levels 2860, 2910 and 3200. In the Julie vein, between levels 2050 and 2220, and in San Vicente vein, in level 2670.

#### EXPLORATIONS IN PALCA PRODUCTION UNIT

Explorations in Palca Production Unit will begin as soon as we receive the authorization to start exploration activities.

#### EXPLORACIONES EN LA UP MONTAÑITAS

In Montañitas Production Unit, we continue with the superficial survey, especially in the mining concession in La Victoria Farming Community, and to a lesser degree in Alto La Sabana and Huaynawinchos.

### Mineral Resources

At the end of 2023, we obtained 802,027 ounces of gold contained in 1,680,856 tons of mineral ore. The total amount of gold ounces in the field reached 5,604,470 gold ounces.

### We manage a responsible operation

Progressive implementation of technologies and automated processes for immediate benefits, together with an ongoing focus on asset management and continuous improvement through enhancement projects to ensure sustainable operational efficiency over time. This balanced approach will ensure maximization of value for stakeholders, compliance with legal regulations and preservation of the environment.

We manage our operations with responsibility, gradually implementing technologies and automated processes for immediate benefits, at the same time, we maintain an ongoing focus on asset management and continuous improvement through projects that ensure sustainable operational efficiency over time. This balance will ensure maximization of value for our stakeholders, compliance with legal regulations and preservation of the environment.

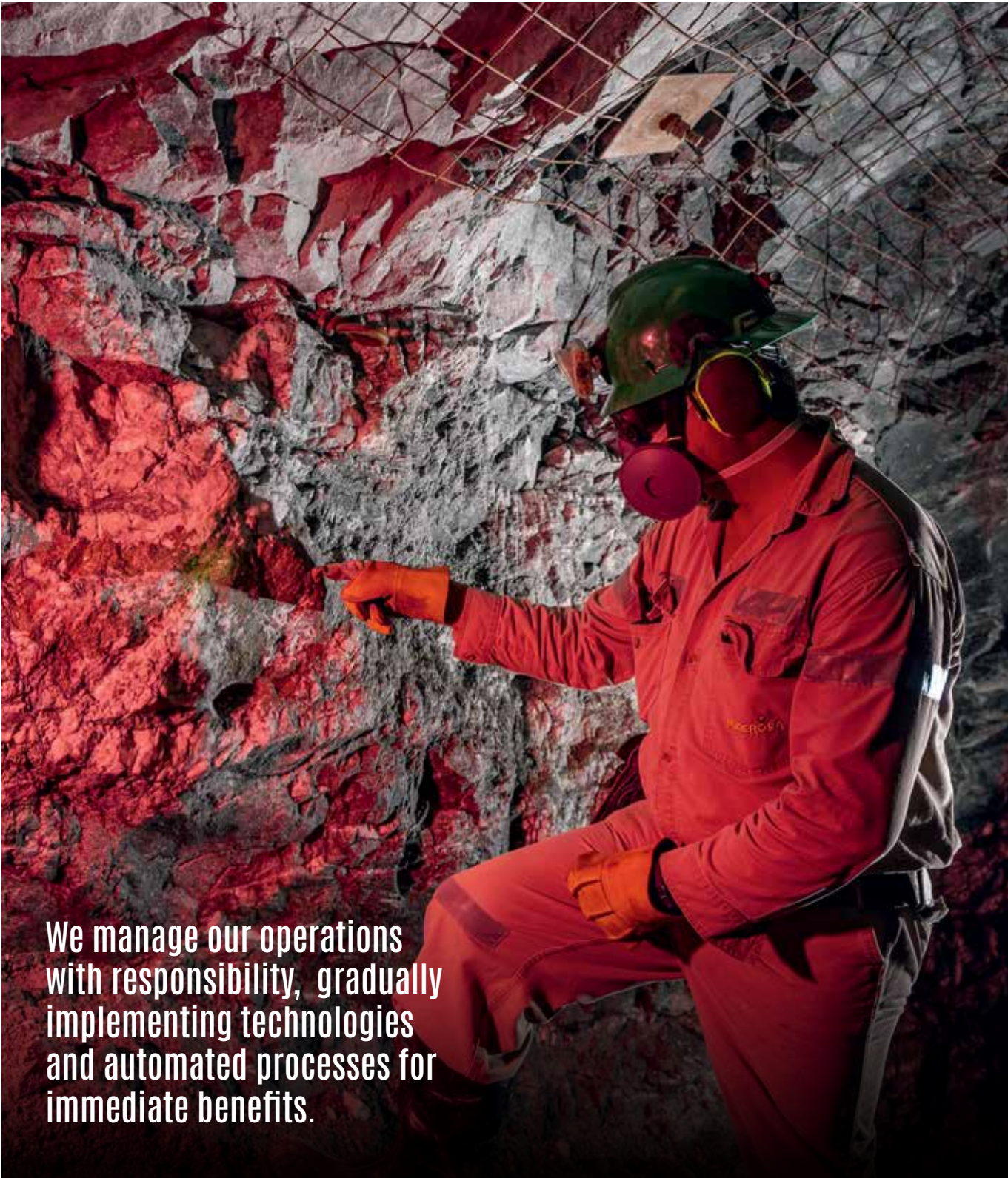
Our search for responsible operational efficiency is fundamental for our resilience and sustainability. Process optimization is a comprehensive part of our mission to transform our

mineral wealth into development opportunities in a responsible manner. This mission becomes more relevant when aligned to our vision, principles, policies, plans, and strategies.

At the core of our operations management we find our responsible 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.

To ensure legal and ethics operations, we carefully manage permits, licenses, and authorizations required by the regulating entities. We strictly comply with them during all the operations stages, including progressive and final closure processes.

One of our main goals in operations management consists of keeping or increasing mining production levels, for this has a direct impact in our mining techniques and related costs. However, it is important to bear in mind that we do not have control over the price of metals or the available ore. Therefore, we try to maintain three years of reserves, otherwise if we extend this period, it would not be efficient due to the nature of our field. The exploration of new reserves is the key to make decisions about future production expansions.



We manage our operations with responsibility, gradually implementing technologies and automated processes for immediate benefits.



# 3.4 MINE

## Marañón Production Unit

Our total production was 65,885 t and 40,396 ounces of gold, which represented goal compliance of 105% and 152%, correspondingly. 26,134 t and 13,930 ounces of gold were produced in exploitation works; 10,469 t and 4,803 ounces of gold were produced in development and preparation works; in assigned works the total was 29,282 t and 21,663 ounces of gold. Mine recovery was 94.24%.

All the same, the vertical and horizontal progress was 12,862 m, out of which 6,108 m correspond to exploration works; 5,714 m to development works, and 1,040 m to preparation works.

65,885 t  
TONS TOTAL  
PRODUCTION  
40,396 oz  
GOLD OUNCES  
PRODUCED



### IMPROVEMENTS IN MINING OPERATION IN MARAÑÓN PRODUCTION UNIT

- **Preparation and development with ALIMAK equipment:** 763 m of ALIMAK chimney were completed in Luz, Lola, Pencas and Choloque vein. In this way, mineralized zones were reached faster, resulting in production increase.
- **In-mine radio communication system Karola, Pencas and Consuelo:** In 2023 the leaky feeder cable was extended in every zone to improve communications. 30 km of cable have been installed.
- **Locomotives with lithium batteries:** A Trident lithium battery locomotive was acquired. It is currently operating at extraction level 1467 (Estrella mine).
- **Installation of concrete sleepers:** Installation of the first 300 concrete sleepers on track 1467 began.
- **Choloque Vein:** At level 1800, 536 m of Lucy RA were completed to communicate Raise Climber 5000 Level 1915.
- **Luz Vein:** 1,041 m of positive and negative ramps were completed for preparation and exploitation, using cut and fill as exploitation method.
- **Lola Vein:** 694 m of Katy RA were completed, to communicate Raise Climber CR 5000 Level 1915, therefore, connecting Cedro and Pencas.

## Santa María Production Unit

In 2023, from the total ore from Santa María Production Unit, 480,230 tons were treated to produce 180,132 ounces of gold, with a recovery of 91.20%. From the total production of Santa María mine, coming from pits, development, and preparation works, 349,124 tons were treated at Santa María, with a result of 112,244 ounces of gold. In Marañón the total was 131,106 tons, resulting in 67,888 ounces of gold.

All the same, 30,292 m vertical and horizontal works were executed, out of which 12,796 m corresponded to exploration works, 9,035 m to development works and 8,461 m to preparation works.

480,230  
TONS TOTAL  
PRODUCTION  
180,132  
OUNCES OF GOLD  
PRODUCED



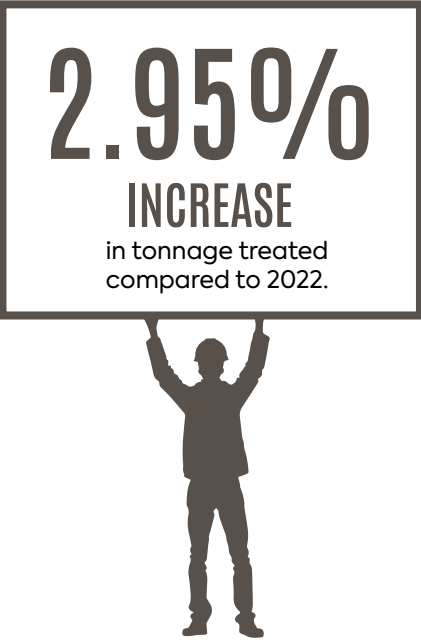
### IMPROVEMENTS IN MINING OPERATION IN SANTA MARÍA PRODUCTION UNIT

- **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 climber chimney.
- **Integration of Santa María, Marañón and Palca Production Units:** To connect Santa María and Palca production units, 503 meters were completed in RC 0600 level 2520, meters in RC SE 1, level 2670, and 398 meters in RC S level 3100. For the connection of Santa María and Marañón production units, 369 m were executed in RC 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
- **Road maintenance:** 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.
- **Property and Asset protection:** 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.



# 3.5 PLANT

We seek to obtain maximum gold recovery from the ore, using resources efficiently in the processing plants. In 2023, we had a 2.95% increase in tonnage treated compared to 2022, despite the 34-day road blockade and frequent power outages due to vandalistic attacks.



637,731 tons of ore were processed in the Marañón and Santa María I plants, obtaining 269,379 ounces of gold. Out of the total processed, 288,607 tons corresponded to the Marañón plant and 349,124 tons to the Santa María I plant. Accrued gold recovery at the beneficiation plants was 91.09%. According to the production program, compliance with ore processing was 97.07% and gold production reached 90.88%.

## Our main indicators

Treated tonnage:  
**637,731 tons**  
This represented 97.07% compliance with the 657,000 tons programmed.

Gold recovery:  
**91.09%**  
We complied in 90.88%. We did not meet the programmed mill head grade which was 15.41g/t, the amount realized was 14.38 g/t.

Gold Production:  
**269,379 oz**  
compliance was 90.88% from a total programmed of 296,407 oz.

Specific consumption of main inputs (kg/t):  
**sodium cyanide 1.000, lime 1.223 and steel balls 1.516.**

Accumulated plant downtime hours:  
**Marañón plant, 907.6 h and Santa María Plant 733.4 h**

## Smelter:

- Pollutants in the dore bars: 0.24% Pb and 0.29% As
- Pollutants in the precipitate: 2.88% Pb and 1.04% As
- Pollutant treatment: Lead recovery during smelting of the precipitate was 95.50% and 84.64% of arsenic recovery from the slag
- Recovery at the smelter: 99.75%

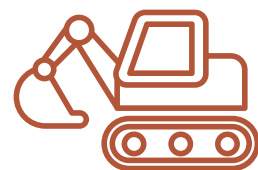
## Our main results

Marañón plant  
Gold Production:  
**157,135 oz**  
**104.08%**  
compliance with the programmed production (150,978 oz)

Santa María plant I  
Gold Production:  
**112,244 oz**  
**77.18 %**  
compliance with the programmed production (145,430 oz)

Consolidated  
Consolidated Production:  
**269,379 oz**  
**90.88%**  
compliance with the programmed production (296,407 oz)





**We seek to obtain maximum gold recovery from the ore, using resources efficiently in the processing plants.**

### **Marañón plant**

Compliance with the treatment program was 98.84%. 907.6 accumulated stoppage hours of the plant were recorded, out of which 594.4 hours were due to lack of ore, 176.2 h for scheduled maintenance, 105.9 hours due to power outages, 26.0 hours due to a non-scheduled maintenance, and 5.0 hours due to operational failures.

In the crushing circuit, the yield increased by 4.2% compared to 2022, maintaining the quality of the crushed product on average, above 97% under 3/8". In the primary grinding circuit, the granulometry was 56.9% -200 m in average, in secondary grinding, 78.2% -200 m, and in the general tailings granulometry average was 81.0% -200 m.

We managed to maintain gold recovery in the precipitate in 99.35% with a precipitate grade of 26.57% gold and 18.51% silver, and we managed to reduce lead content from 8.18% (2022) to 4.20%.

### **Santa María plant**

Compliance with the treatment program was 95.65%. The number of plant stoppage hours were 733.4, out of which 365.4 hours were due to lack of mineral, 182.9 h corresponded to scheduled maintenance, 74.2 hours to non-scheduled maintenance, 57.9 h due to power outages, and 53.1 h, due to operational failures.

In the crushing circuit, we managed to increase the 2022 yield by 2.7%, from 54.5t/h to 55.9 t/h and the quality of the crushed product was maintained in 97.7% in average, under 3/8".

The secondary milling circuit was started to increase the milling rate from 59.3% to 63.0%, smaller than the 200 mesh (75 um), in regrinding of concentrates it increased from 95.5% to 96.6%, smaller than the 400 mesh (38 um).

Gold recovery from precipitation was 98.1%, with a precipitate grade of 26.49 % gold and 18.50% silver.



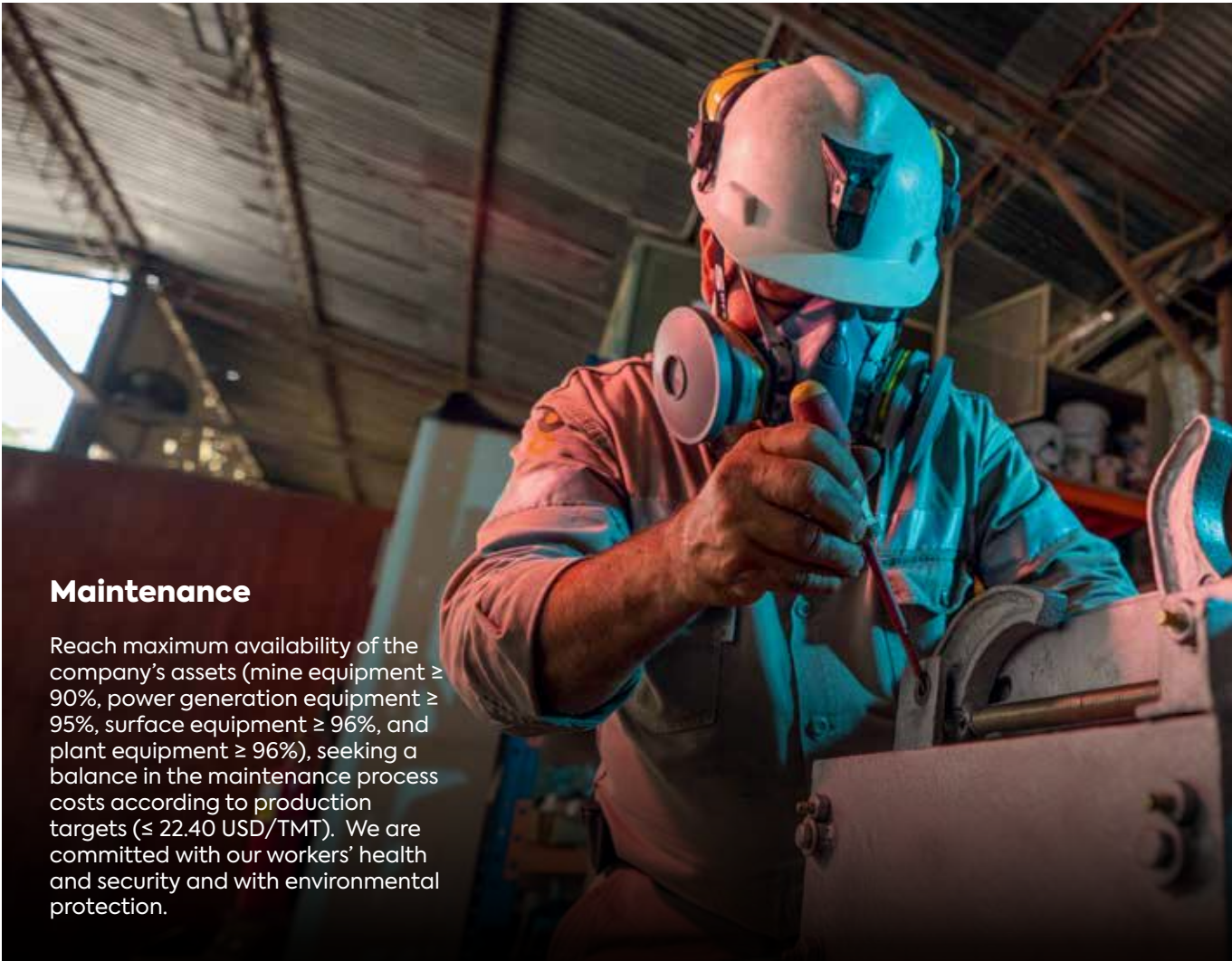


# 3.6 MAINTENANCE, ENERGY AND TRANSPORTATION

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.

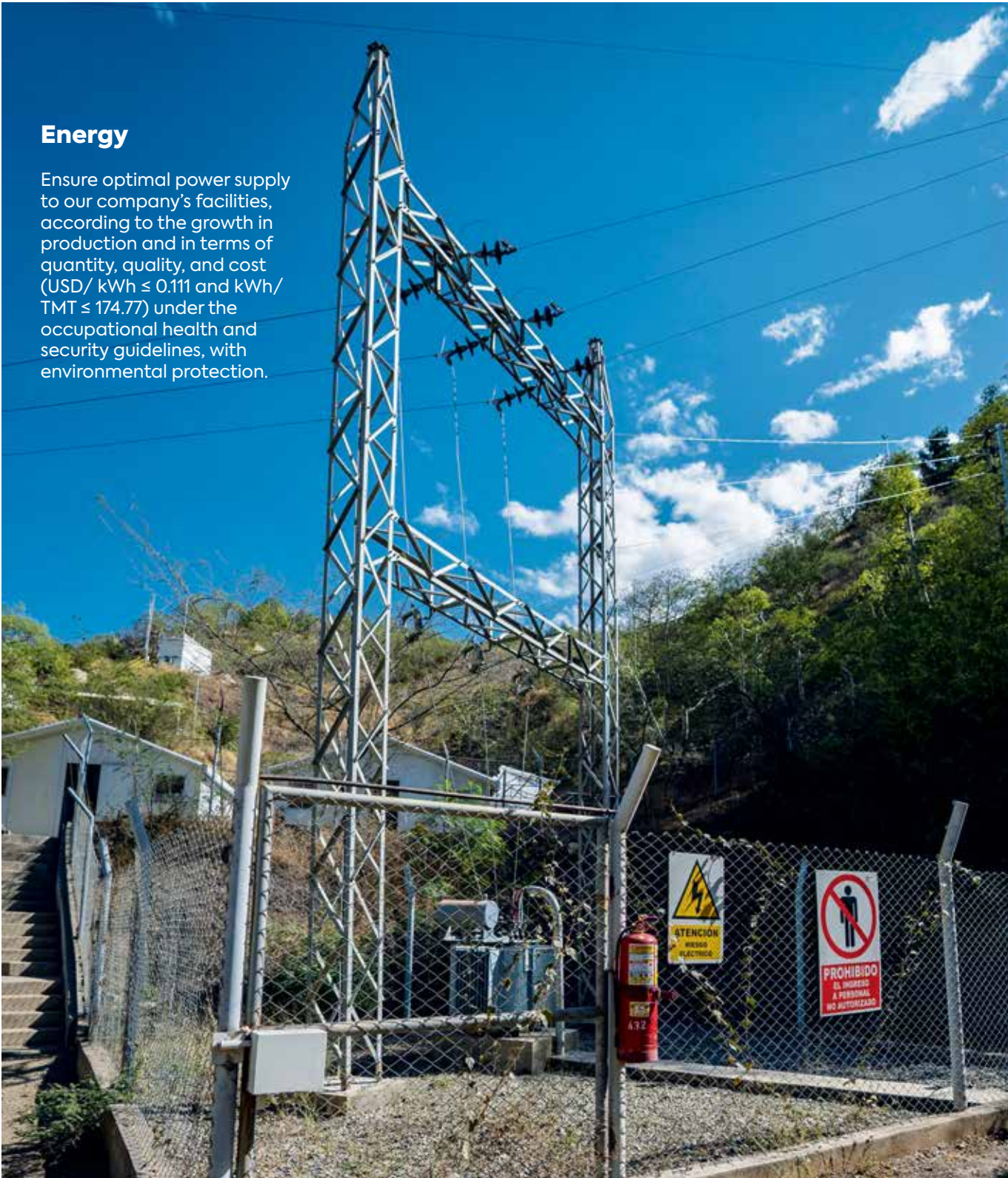
## 2023 MANAGEMENT INDICATORS

INDICATOR	PROCESS	EXECUTED	GOAL	DIFFERENCE
US\$ / TMT	Maintenance	21.66	≤ 22.4	-0.74
US\$ / MWh	Energy	138.13	≤ 111	+27.13
kWh / TMT	Energy	174.93	≤ 174.77	+0.16
US\$ / TMT	Transportation	8.8	≤ 6.87	+1.93



### Maintenance

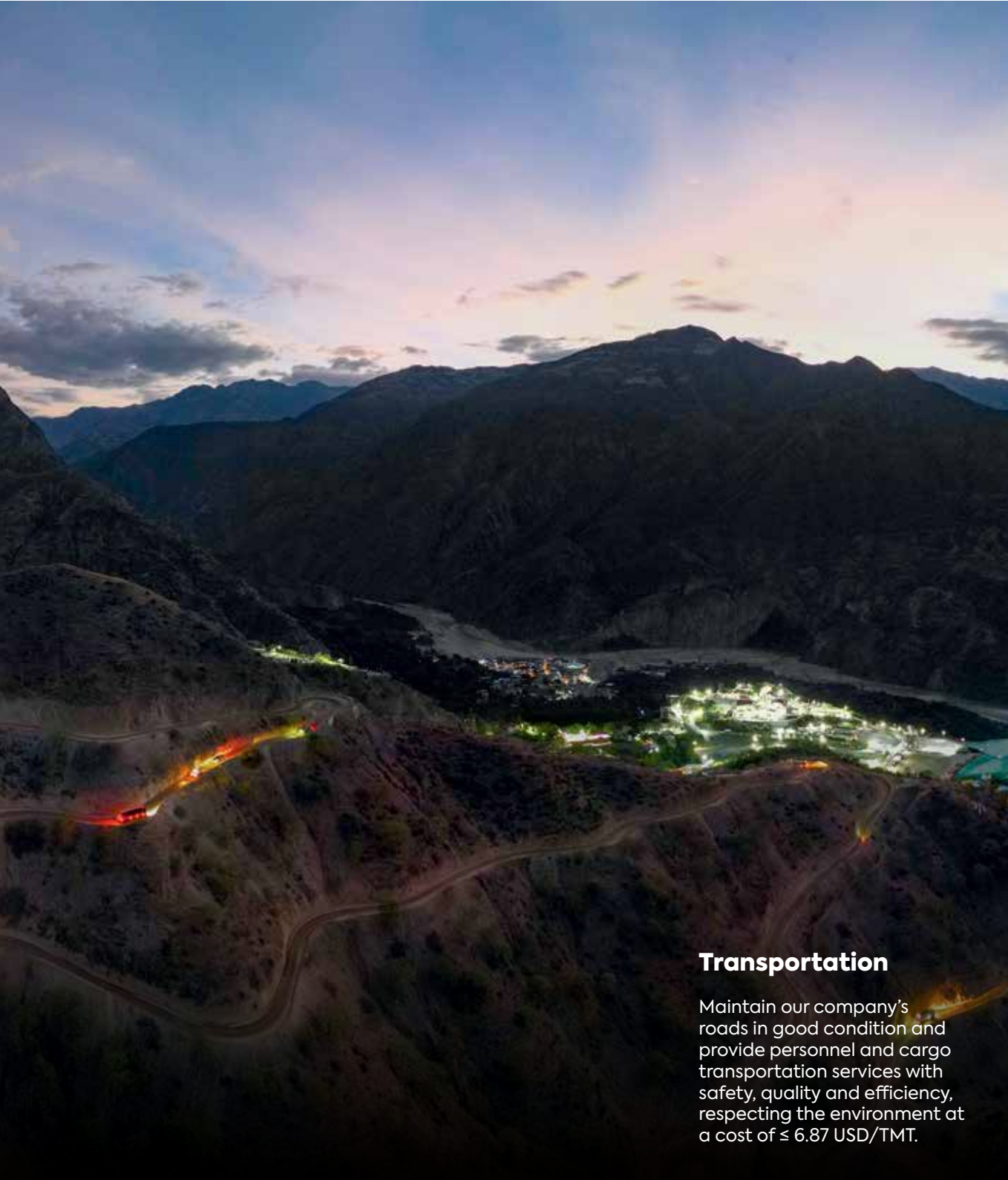
Reach maximum availability of the company's assets (mine equipment ≥ 90%, power generation equipment ≥ 95%, surface equipment ≥ 96%, and plant equipment ≥ 96%), seeking a balance in the maintenance process costs according to production targets (≤ 22.40 USD/TMT). We are committed with our workers' health and security and with environmental protection.



### Energy

Ensure optimal power supply to our company's facilities, according to the growth in production and in terms of quantity, quality, and cost (USD/ kWh ≤ 0.111 and kWh/ TMT ≤ 174.77) under the occupational health and security guidelines, with environmental protection.





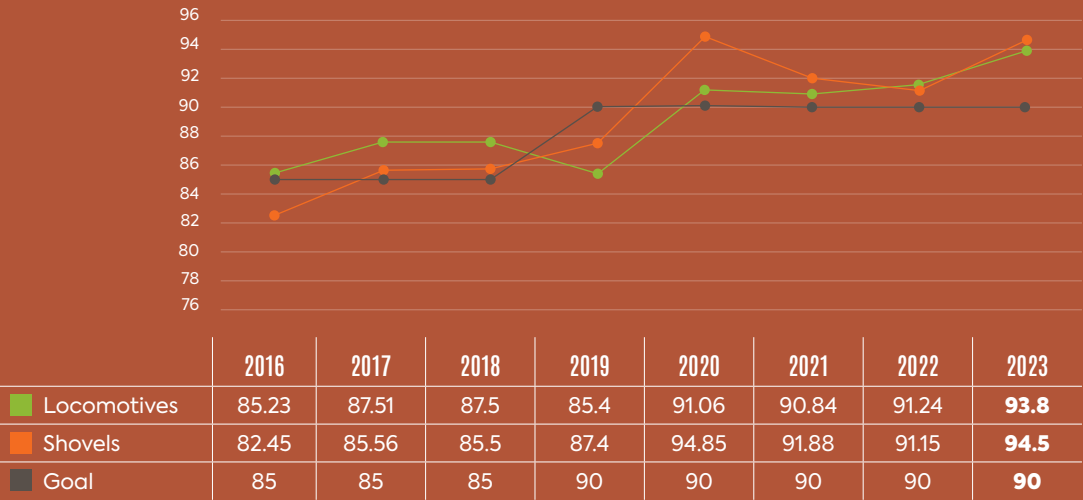
Transportation

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 ≤ 6.87 USD/TMT.

PROGRAMMED COST VS EXECUTED COSTS PER PROCESS	PROCESS	PROGRAMMED USD	EXECUTED USD	DIFFERENCE USD	% EXECUTED.
	Maintenance	14'977,679	13'430,726	-1'546,953	12
	Energy	12'902,764	14'419,408	1'516,644	-11
	Transportation	4'567,281	5'439,061	871,780	-16
	Total	32'447,724	33'289,195	841,471	-15

PROGRAMMED COST VS EXECUTED COSTS	MONTH - YEAR	PROGRAMMED	REAL
	Jan.-23	2'475,792	2'693,371
	Feb.-23	2'483,322	2'308,087
	Mar.-23	2'592,017	2'616,140
	Apr.-23	2'637,139	2'336,526
	May-23	2'789,145	2'433,418
	Jun.-23	2'658,446	2'644,206
	Jul.-23	2'725,815	2'514,465
	Aug.-23	2'827,195	2'677,622
	Sep.-23	2'756,400	3'281,206
	Oct.-23	2'867,440	2'940,294
	Nov.-23	2'760,227	3'352,247
	Dec.-23	2'874,787	3'491,612

MECHANIC  
AVAILABILITY OF  
CONVENTIONAL  
EQUIPMENT





# 3.7 INFORMATION TECHNOLOGY

We align our efforts with Poderosa’s strategic objectives, focusing our technological projects on the constant search for operational efficiency. This involves optimizing internal processes, improving productivity, reducing costs and minimizing risks. We also implement cybersecurity measures and protocols to protect our digital assets and ensure the continuity of our operations.

## IT Solutions

We are specialized in developing and implementing information systems that generate quality data, facilitate decision making and provide an excellent user experience.

**Our main initiative in 2023:**  
We completed the preparation, exploration and execution stages of the SAP S/4HANA project, with an additional period dedicated to effectively train our new key users. The deployment and go-live phases are scheduled for the first quarter of 2024.

## IT Infrastructure

We are responsible for the provision, operation and support of software, hardware and communications infrastructure, ensuring the continuous availability of IT services and driving efficiency and excellence in decision making.

**Our main initiatives in 2023:**

- We continued with the installation of fiber optics to establish communication rings that guarantee network services availability.
- We installed amplifiers to improve the cellular signal in our offices and mining camps
- We implemented new technological infrastructure that guarantees the availability and scalability of our servers in Lima and in the mine.

## IT security and continuity

We are focusing on ensuring the confidentiality, integrity and availability of the company’s information, processes, and critical infrastructure.

**Our main initiatives in 2023:**

- We performed a security analysis of the services implemented in the Microsoft cloud
- We improved the capacity and scope of our network security monitoring.
- We implemented ISP balancing to improve internet connectivity
- We implemented VPN connection tunnels to the SAP cloud service.



## IT projects

We are responsible for identifying, planning and executing the technology and communications projects essential to achieving the company’s strategic objectives.

**Our main initiatives in 2023:**

- We actively participated in conventions, congresses and trade fairs, and visited technology and mining companies in China, Germany, Chile and Mexico during the technology discovery phase. This allowed us to identify innovative solutions applicable to Minera Poderosa.
- We implemented the zero-residue printing service in our administrative office in Lima.
- We implemented Starlink satellite links to enable internet service in remote areas where we conduct exploration activities.
- We purchased interactive screens and set up hybrid meeting rooms in Lima and in the mine.
- We began installing cameras that use artificial intelligence to automate monitoring activities.
- We started the development project of a Document Management System based on Blockchain technology.
- We started the project to improve Claro’s cellular network coverage in our different mining units.







# ENVIRONMENTAL RESPONSIBILITY

PART 4





# 4.1 ENVIRONMENTAL RESPONSIBILITY

## Consolidation of an environmentally friendly operation

We are aware that mining activities have an impact on the environment. Therefore, we focus on consolidating adequate management to avoid negative impacts through the establishment of controls of our activities and to strengthen the positive impacts. Our environmental management carries out control and monitoring actions to prevent or mitigate negative impacts

on the environment, to protect the environmental components and species found in the area of influence of our operations. Mining is an activity that has evolved as a result of 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.

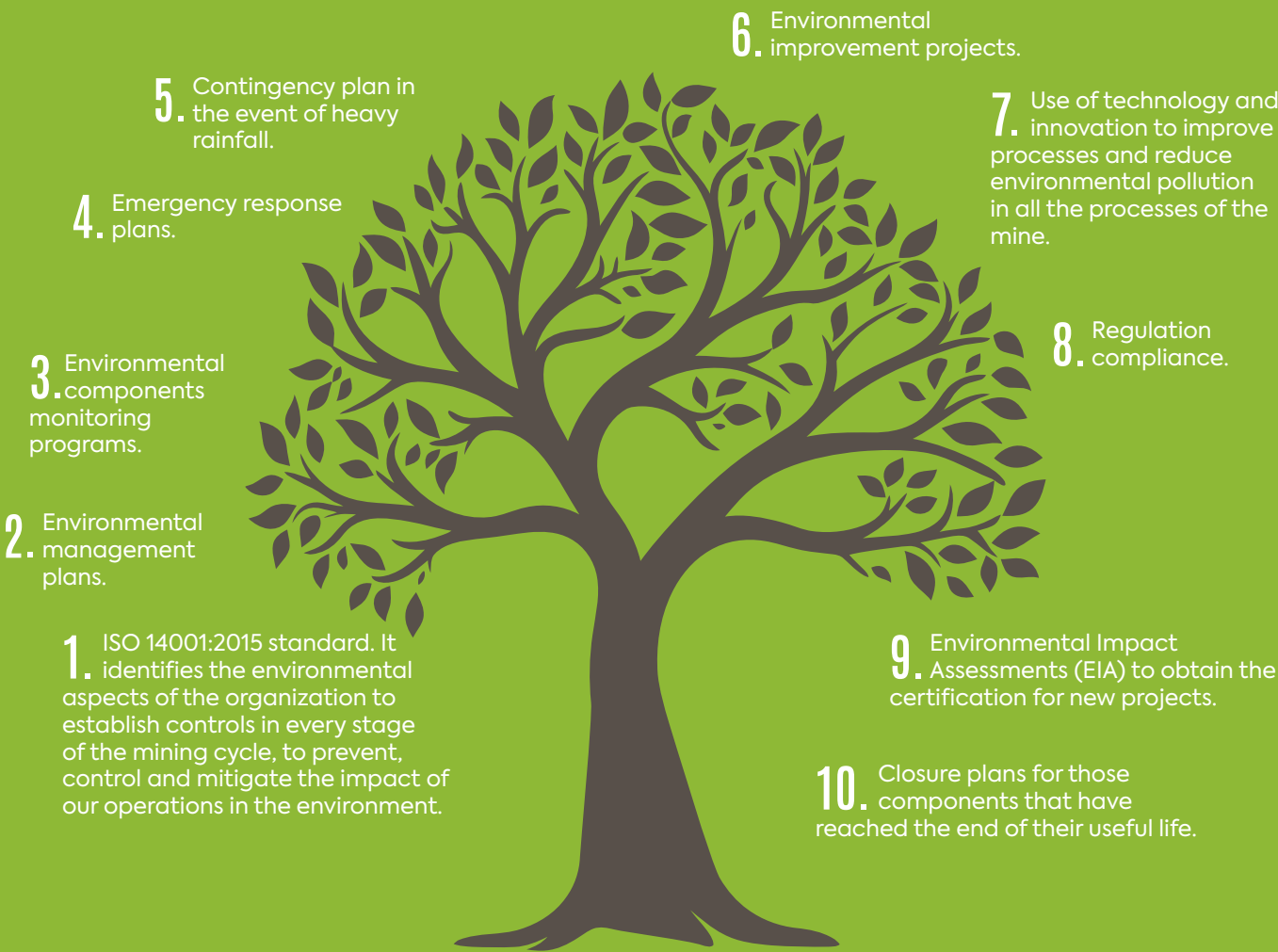
We focus on the efficient use of natural resources in a sustainable manner and guarantee a healthy environment, applying good environmental practices, clean technologies and innovative solutions that continuously improve environmental controls.



We focus on consolidating adequate management to avoid negative impacts through the establishment of controls of our activities and to strengthen the positive impacts.



## The pillars of our environmental management





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 environmental management plans. 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.

Recognitions in 2023

- We obtained levels 1 and 2 (second star) from the Ministry of Environment (MINAM) Peru Carbon Footprint acknowledging our measurement and verification of the carbon footprint corresponding to the base year 2021.
- We received the Blue Certificate from ANA, this achievement is the result of our water footprint measurement, and the success of the projects implemented to reduce water use, as well as the shared value initiatives.
- Recognition of excellent practices with the Solar Hybrid System project.

We must highlight that in 2021, 2022 and 2023, we did not have any environmental complaints. This is the result of constant work and proactive policies implemented to minimize our environmental impact.



ZERO  
ENVIRONMENTAL COMPLAINTS IN  
2021, 2022 AND 2023.

4.2 ACTIONS AGAINST CLIMATE CHANGE

[GRI 3-3] [GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [GRI 305-5] [GRI 305-6] [GRI 305-7]

OUR MOTIVATION

In our organization, we work actively to contribute to climate change mitigation processes, for the sustainability of our activities, to increase our resilience and generate a positive impact on the planet.

In our Code of Ethics and Conduct we affirm our commitment to fight against climate change, and we recognize it as a global and multisector challenge. We commit to address it actively by supporting the implementation of domestic policies on this regard and by promoting adaptation and mitigation measures both in our operations and in the activities of our neighboring communities, populations through coordinated project execution.

We are aware that the mining industry uses large amounts of energy in its extraction, transportation, processing and smelting processes, and generates greenhouse gas (GHG) emissions that contribute to climate change. As a response, we strive to maintain an efficient operation and to develop energy projects based on renewable energy, not only to reduce costs but also to generate significant environmental benefits, both inside and outside our operations.

In addition, we prioritize the implementation of circular economy initiatives and forestation and reforestation projects as part of our efforts to mitigate emissions and adapt to the risks

and opportunities posed by climate change. We recognize that the path to sustainability implies significant transformations in our practices, and we assume the responsibility of leading this change for the benefit of our socio-environmental surroundings and for future generations.

OUR EFFORTS

In Poderosa we establish the climate change management guidelines through the following policies:

- Sustainability Statement
- Environmental Policy
- Code of Ethics and Conduct
- Supply and Energy Committee Policy

In 2023, the Board of Directors approved the goal to achieve carbon neutrality in the scopes 1 and 2 of our carbon footprint for 2030, and the goal to become carbon neutral by 2040 was validated, including scope 3. The actions to meet these goals, led by the Environmental Management and Energy Project areas are described in our Annual Environmental Management Plan and our Environmental Energy Plan. The corporate strategies are being defined in Poderosa's internal Working Group for Actions against Climate Change.

We are working to reduce GHG emissions by progressively implementing clean energy projects, applying modern technologies in our processes to obtain better real-time controls, conducting research to



In our Code of Ethics and Conduct we affirm our commitment to fight against climate change, and we recognize it as a global and multisector challenge.

improve industrial processes, and promoting the circular economy through proper waste disposal. We recognize that this will be hard work, but we are committed and confident that we will reach our goal of zero GHG emissions by 2040, with the participation of our stakeholders and the power of joint efforts.

Also, as part our emission reduction plan, we have moved forward regarding carbon compensation. We expect to receive the first



green certificate from Kallpa company for the purchase of 100% renewable electricity in April 2024, and we are also assessing the possibility to purchase – sale of carbon credits.

We are in the process of establishing our Climate Action Strategy, which will include the abovementioned efforts, national environmental policies and high environmental sustainability international standards with the advice of an external consulting company. We are planning to make this commitment against climate change public in the second half of 2024.

OUR PROGRESS AND RESULTS

**WORKING GROUP ON ACTIONS AGAINST CLIMATE CHANGE.**  
In 2023, with the purpose of implementing tangible measures, we established the Working Group on Actions against Climate Change, made up by key representatives of Poderosa, to meet the goal of zero emissions.

The purpose of this Working Group is to act as a managing body, responsible for promoting and supervising the development of actions and projects oriented to mitigate, adapt to, and strengthen the company's resilience to climate change.

It is the responsibility of the Working Group to develop and supervise the Climate Action Strategy. As of the end of 2023 were working on the initial stages of this process.

**CARBON FOOTPRINT AND EMISSIONS MEASUREMENT**  
Our carbon footprint measurement for 2021 was 41,680 tons of carbon dioxide equivalent (tCO2eq). The value of this measurement was verified by the auditing firm ICONTEC Peru, in line with con ISO 14064-1:2018 in 2023. This figure, divided by the number of annual metric tons treated (TMT) sets an indicator that we monitor for continuous reduction purposes.

We have the Greenhouse Gas Inventory Verification Statement Certificate, and we are registered in the Ministry of Energy and Mines Peruvian Carbon Footprint

RESULTS FOR THE YEAR 2021

TOTAL GHG EMISSIONS PER CATEGORY	CATEGORY	2021
		GHG EMISSIONS (TCO <sub>2</sub> E)
	Category 1: Direct GHG emissions	17,046.21
	Category 2: Indirect GHG energy emissions	14,110.01
	Other categories – Other indirect emissions	10,957.84

Program. We have obtained a recognition for this measurement and for the verification of our footprint with the second star (level 2).

It is worth mentioning that we have a Gas Emissions Management Plan that 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. We use the EPA CTM 030 (test), measurement and analysis methodology (October 13, Rev 7, 1997) to measure the emissions of our power plants.

2021 COMPAÑÍA MINERA PODEROSA  
CARBON FOOTPRINT (PER CATEGORIES, TYPE OF GHG, IN TCO<sub>2</sub> EQ)

CATEGORY	CARBON DIOXIDE (TCO <sub>2</sub> )	METHANE (TCH <sub>4</sub> )	NITROUS OXIDE (TN <sub>2</sub> O)	HYDROFLUORO-CARBON (THFC)	PERFLUORO-CARBON (THFC)	SULPHUR HEXAFLUORIDE (TSF6)	NITROGEN TRIFLUORIDE (TNF3)	GHG EMISSIONS (TCO <sub>2</sub> E)
CATEGORY 1: DIRECT GHG EMISSIONS								
Stationary combustion sources	1,956.25	0.07	0.01	0	0	0	0	1,961.63
Biogenic stationary sources	0	0	0	0	0	0	0	0.16
Mobile combustion emissions	11,072.63	0.61	3.77	0	0	0	0	12,089.05
Biogenic mobile sources	0	0.01	0	0	0	0	0	1.15
Cooling leaks	0	0	0	0.007155	0	0	0	13.76
Fertilizer application	0	0	0	0	0	0	0	0.97
Indirect N <sub>2</sub> O emissions due to fertilizer application	0	0	0	0	0	0	0	0.45
Other sources	0	0	0	0	0	0	0	2,979.04
CATEGORY 2 - INDIRECT EMISSIONS FROM PURCHASED ENERGY								
Electric power consumption	14,060.08	0.8	0.1	0	0	0	0	14,110.01
OTHER CATEGORIES - OTHER INDIRECT EMISSIONS								
Air Transportation	135.5	0	0	0	0	0	0	135.5
Land Transportation	0	0	0	0	0	0	0	0
Paper consumption	6.18	0	0	0	0	0	0	6.18
Other sources	0	0	0	0	0	0	0	10,816.16

Source: Libélula comunicación ambiente y desarrollo SAC

# 4.3 EMISSIONS AND AIR QUALITY MONITORING

## OUR MOTIVATION

Our goal is for Poderosa to manage the emissions that impact on air quality, which affect human health and environmental preservation. Our gas emissions management plan monitors, controls and keeps emissions below the maximum allowed standards, pursuant to the legal provisions in force.

## OUR EFFORT

In our Integrated Management System Policy, which includes the Environmental Policy, we establish guidelines to protect the environment and to mitigate the impacts on air quality. This approach is supported by our ISO 14001 environmental management system, which allows implementing preventive and corrective measures to maintain the operation's equipment in optimal conditions.

Emissions monitoring, which includes NOx, SO2, CO and other physical and chemical parameters is carried out in the smelter chimneys and in the electric power station emissions. These measurements are carried out by an external laboratory certified by INACAL, and the frequency is determined according to the environmental monitoring plans established in the EIA. We have already performed measurements for 2021 and 2022.

Among our Environmental Management Instruments (EMI),

we have established air quality monitoring points based on the environmental and social assessment of our components. Our primary objective is to comply with our annual monitoring program, which covers all air quality monitoring points. For any deviation in results, we take immediate corrective actions. Our main metrics are based on the air quality monitoring results established in the EMIs, which must comply with air quality standards (EQS).

In addition to monitoring, another important goal is the irrigation of roads to reduce dust generated by vehicle traffic. In 2023, and in the long term, we will continue to test additives suggested by some suppliers to control dust generation on roads.

Forestation is an ongoing activity for Poderosa. Every year we carry out forestation programs in our land and in collaboration with the local communities. Planting trees not only helps to improve air quality, but it also contributes to a healthier environment.

**PARTICIPATORY MONITORING**  
Participatory monitoring is a practice that we have been promoting since 2018 and through which we involve local authorities in our environmental surveillance controls. This initiative seeks to determine the influence of the significant environmental impacts generated by our operations, as well as to promote transparency and show tangible results. The Environmental Management and

Community Relations areas work closely with the local authorities of the communities in our area of influence to carry out this monitoring program.

The program includes air quality monitoring in areas of interest for the community, in points previously approved by an EMI. These monitoring activities are carried out twice a year, during the dry and the rainy season, to obtain a complete vision of the environmental conditions throughout time.

This participatory process starts with previous training for the



Our gas emissions management plan monitors, controls and keeps emissions below the maximum allowed standards, pursuant to the legal provisions in force.

participants, where we explain the purpose and the methodology adopted for the monitoring, the quality parameters that should be met, as well as other relevant aspects of interest, as established in the environmental quality standards (EQS) regulations. The results of previous monitoring are also presented and any queries that may arise are answered, thus ensuring that participants have a clear understanding of the purpose and importance of monitoring in the verification of air quality.



In 2023, participatory monitoring was performed in the Marañón and Santa María Production Units, as well as 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 main local authorities. In these activities we focused on the receiving bodies inside our operations.

Also, through our Community Relations Department, we carried

out activities to improve drinking water quality and to build the communities' capacities to manage water use efficiently. We work to empower the Services and Sanitation management Committees (JASS) to solve their water supply, conduction and storage problems. The establishment of tariffs based on water consumption allows communities to pay the costs and solve any issues that may arise in the maintenance of their drinking water systems.

## OUR PROGRESS AND RESULTS

**SMELTER RESULTS**  
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 furnaces, thus eliminating a large amount of combustion gas concentration, among other actions.

According to our environmental assessments, monitoring of emissions is carried out on a quarterly basis, 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.



RESULTS OF SMELTER EMISSIONS  
IN THE MARAÑÓN PRODUCTION  
UNIT PER QUARTER

		2020						2021							2022						2023					
			OTHER GASES				GHG		OTHER GASES				GHG			OTHER GASES				GHG			OTHER GASES			GHG
Quarter	Chimney	Particulate material	Lead	Arsenic	Sulphur dioxide	Carbon monoxide	Nitrogen oxides	Particulate material	Lead	Arsenic	Sulphur dioxide	Carbon monoxide	Nitrogen oxides		Particulate material	Lead	Arsenic	Sulphur dioxide	Carbon monoxide	Nitrogen oxides	Particulate material	Lead	Arsenic	Sulphur dioxide	Carbon monoxide	Nitrogen oxides
		(mg/ m³)	(mg/ m³)	(mg/ m³)	(t/d)	(mg/ m³)	(mg/ m³)	(mg/ m³)	(mg/ m³)	(mg/ m³)	(t/d)	(mg/ m³)	(mg/ m³)		(mg/ m³)	(mg/m³)	(mg/m³)	(t/d)	(mg/m³)	(mg/m³)	(mg/m³)	(mg/m³)	(mg/m³)	(mg/ m³3)	(t/d)	(mg/m³)
1t	Smelter	55.23	0.9567	1.30886	0.0045	2.5	2.05	2.94	0.00623	0.00535	0.0003	44.68	214.55		13.69	0.12423	0.59723	<80.0	61.86	261.52	Not performed due to maintenanc eof smelter furnaces					
	Resmelter	134.09	5.77206	3.07025	0.0026	4.17	2.12	10.31	0.02262	0.02074	0.0063	93.17	47.22		9.35	0.01914	0.01455	<80.0	167.63	108.25						
2t	Smelter	Not performed due to the emergency status measures						23.77	0.05328	0.04651	0.0037	259.34	321.2		8.71	0.25919	0.21746	0.000	1.15		0.476	0.002	0.001	< 3.5	< 1.25	< 2.67
	Resmelter							2.26	0.02714	0.01267	0.0008	73.73	25.54		10.57	0.23906	0.07995	0	1.15		The two processes were performed (smelting and resmelting) and only one result was obtained					
3t	Smelter	20.57	0.52225	0.7606	0.0052	23.73	37.38	11.52	0.64859	0.30386	0.338	20.24	21.02		0.4	0.0795	0.038	527.9	13	167.45	0.476	0.0024	0.00086	< 3.5	< 1.25	< 2.67
	Resmelter	13.34	0.72968	0.85972	0.0101	1.32	177.23	28.64	1.27157	0.5859	0.0021	31.69	20.37		1.4	0.0285	0.0425	0	126	11.15	The two processes were performed (smelting and resmelting) and only one result was obtained					
4t	Smelter	33.44	2.39448	2.15698	0.0008	6.3	<1.8	34.49	0.84088	0.92327	0.001	14.51	40.89		1.7	0.00661	0.17736	60.205	11.3	165.85	47.4	0.0054	0.02455	< 3.5	< 1,25	4.2
	Resmelter	94.09	4.48074	6.21227	0.0016	<1.15	<1.8	60	0.66773	0.20581	0.0006	74.08	120.79		1.73	0.00159	0.01621	3	36.5	80.063	65.3	0.0256	0.3627	< 3.5	< 1,25	< 2.67
MPL at any time (mg/ m³)		100	25	25	20	NE	NE	100	25	25	20	NE	NE		100	25	25	20	Ne	Ne	100	25	25	20	NE	NE

RESULTS OF ELECTRIC POWER GENERATORS

The results of the electric power generator emissions monitoring during 2023 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 MARAÑÓN PRODUCTION UNIT

		2020			2021			2022			2023		
Quarter	Chimney	OTHER GASES		GHG	OTHER GASES		GHG	OTHER GASES		GHG	OTHER GASES		GHG
		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)	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				Maintenance		
	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	1,402.49	194.71	<0.25	460.04
	CAT 3516 Electric Power Generator	85.86	239.28	3,301.65	143.19	326.62	2,315.74	178.7	<2.86	1,939.20	97.28	<0.25	748.81
	EMD 1 Elec- tric Power Generator	408.88	136.32	2,080.16	Inoperativo			264.61	24.31	1,326.10	181.43	<0.25	797.68
	EMD 2 Elec- tric Power Generator	429.3	86.75	1,661.33	319.21	47.16	954.39	Maintenance			Maintenance		
	White Supe- rior Electric Power Generator	498.49	101.05	2,126.78	206.19	143.23	1,409.45	Maintenance			292.48	<0.25	493.25
	C-27 Electric Power Generator	134.62	214.49	2,068.11	176.4	156.33	1,709.54	104.62	1716	1,551.50	76.34	<0.25	346.13
	C-27 No. 2 Electric Power Generator							241.32	38.13	1,734.44	Maintenance		

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

		2020			2021			2022			2023		
Quarter	Chimney	OTHER GASES		GHG	OTHER GASES		GHG	OTHER GASES		GHG	OTHER GASES		GHG
		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)	Carbon monoxide (mg/m³)	Sulphur dioxide (mg/m³)	Nitrogen oxides (mg/m³)
Q2	CAT 3516 Electric Power Generator	Not performed due to the emergency status measures			1,553.82	32.75	2,523.97	Mantenimiento			117.43	18.56	937.45
	CAT 3412 No. 2 Electric Power Generator				934.76	522.73	994.01	272.25	<2.62	2,468.45	Maintenance		
	CAT 3412 No. 3 Electric Power Generator				944.48	944.48	31.99	294.77	<2.62	2,065.51	218.62	< 0.25	377.8
	EMD 1 Elec- tric Power Generator				191.68	12.23	264.41	256.21	<2.62	1,708.72	117.35	< 0.25	636.22
	EMD 2 Elec- tric Power Generator				97.75	8.73	293.95	660.95	<2.62	1,750.62	47.54	< 0.25	573.02
	White Supe- rior Electric Power Generator				1,984.12	35.81	220.81	743.43	<2.62	2,447.88	225.01	< 0.25	400.65
	C-27 Electric Power Generator				1,166.62	10.48	2,523.97	Maintenance			91.45	< 0.25	342.05



		2020			2021			2022			2023		
Quarter	Chimney	OTHER GASES		GHG	OTHER GASES		GHG	OTHER GASES		GHG	OTHER GASES		GHG
		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)	Carbon monoxide (mg/m³)	Sulphur dioxide (mg/m³)	Nitrogen oxides (mg/m³)
Q3	CAT 3516 Electric Power Generator	128.68	425.3	2,730.91	178.7	54.15	2,783.15	218.4	0	3,134.60	95.11	93.49	1,672.98
	CAT 3412 No. 2 Electric Power Generator	371.52	178.16	1,620.86	Out of order-repair			Out of order			Maintenance		
	CAT 3412 N° 3 Electric Power Generator	363.7	182.09	1,555.58	386.8	109.17	1,947.23	324.5	0	1,634.60	Maintenance		
	EMD N° 1 Electric Power Generator	201.23	200.87	1,472.60	146.62	35.81	1,405.94	192.8	0	1,518.90	96.59	16.23	579.9
	White Superior Electric Power Generator	109.2	117.03	1,094.69	266.14	5.24	1431.71				33.5	7.5	442.58
	C-27 Electric Power Generator	340.22	95.19	1,403.87	615.51	26.2	1,997.46	383.3	0	1,721.60	271.9	43.54	1,115.3
	CAT C27 No. 2 Electric Power Generator	120.28	130.13	1,611.01	157.31	20.96	2,022.74	168.7	2.6	2,047.50	60.53	0.89	440.47
	CAT 3516 Electric Power Generator							530.2	0	1,776.5	101.72	8.18	279.84

		2020			2021			2022			2023		
Quarter	Chimney	OTHER GASES		GHG	OTHER GASES		GHG	OTHER GASES		GHG	OTHER GASES		GHG
		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)	Carbon monoxide (mg/m³)	Sulphur dioxide (mg/m³)	Nitrogen oxides (mg/m³)
Q4	CAT 3412 No. 2 Electric Power Gen-erator	Inoperativo			103.48	<2.62	938.21	171.4	0	3,525.73	51.82	< 0.25	481.03
	White Supe-rior Electric Power Gen-erator	387.94	12.23	1,871.66	Out of order-repair			Out of order			Out of order		
	CAT 3412 No. 3 Electric Power Gen-erator	526.17	13.1	1,134.83	349	<2.62	16.42	3371	0	1,602.94	Maintenance		
	EMD No. 1 Electric Power Gen-erator	244.9	64.19	1,344.73	271.1	<2.62	1,486.09	181.3	0	1,715.20	123.26	10.49	491.01
	EMD No. 2 Electric Power Gen-erator	571.38	17.47	1,321.09	394.05	<2.62	1,344.66				13.55	12.02	423.93
	White Supe-rior Electric Power Gen-erator	689.97	<2.26	1,903.77	9.73	36.68	1,804.55	363.8	0	1,720.85	153.83	< 0.25	412.65
	C-27 Electric Power Gen-erator	Maintenance			184.04	<2.62	1,587.68	183.2	0	2,395.64	Maintenance		
	CAT C27 No. 2 Electric Power Gen-erator							315.7	0	1,690.74	91.31	< 0.25	249.89
	MPL at any time (mg/ m³)	4,300	700	3,000	4,300	700	3,000	4,300	700	3,000	4,300	700	3,000

RESULTS  
OF ELECTRIC  
POWER  
GENERATOR  
EMISSIONS  
IN THE  
SANTA MARÍA  
PRODUCTION  
UNIT

		2021			2022			2023		
		Other gases		GHG	Other gases		GHG	Other gases		GHG
Quarter	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)
Q2	GE- C27-02	412.63	29.55	966.62	271	14	2,429	63.03	23.41	453.49
	GE-C27-03	OUT OF ORDER			338	<2.86	2,187	5.93	5	358.49
Q4	GE-C27-02	RELOCATED MARAÑÓN			92	33.1	1,920.50	18.25	29.79	736.16
		<1.15	19.21	44.9	185.1	0	1,704.90	28.58	38.27	841.17
MPL at any time (mg/m³)		4,300	700	3,000	4,300	700	3,000	4,300	700	3,000

SAMPLING METHODOLOGY

- **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.
- **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).
- **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.

- **Gases and complementary parameters:** Gas measurements were performed based on the principle of electrochemical cells according to CTM-030 (EPA) guideline, using TESTO equipment.
- **Gas exit velocity:** US EPA Method 1: Localization of sampling points and velocity speed from stationary sources.

CYANIDE CODE

The “International Cyanide Management Code for Gold and Silver Mining” (Cyanide Code) is a voluntary, program of best practices for cyanide handling. It is one of the earliest certification programs in the mining industry and it has been implemented successfully in operations around the world, both in developed as in developing countries. The objective is to improve cyanide handling in gold and silver mining, to protect human health and reduce environmental impacts.

We are working to become a signatory to this Code. During 2023 we have been closing gaps identified in an audit to comply with its requirements and obtain certification, although at the end of the year we were still in the process of closing those gaps.



We are working to become a signatory to this Code. During 2023 we have been closing gaps identified in an audit to comply with its requirements and obtain certification.





# 4.4 COMMITMENT TO ENERGY EFFICIENCY

[GRI 3-3] [GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4] [GRI 302-5]

## OUR MOTIVATION

In response to increasing energy demand, we seek sustainable solutions aligned with our commitment to reduce emissions. Our approach to energy management focuses on meeting the electricity demand of our mining operations in a timely and safe manner, while reducing the consumption of diesel fuels through self-generation projects using renewable energies such as hydroelectric, solar photovoltaic and wind power, and improving the electricity transmission system at our production units. We do all this while prioritizing the reliability of our internal network and minimizing the impact on the social and environmental surroundings.

Our energy management is focused on meeting the electricity demand of our mining operations in a timely and safe manner, while reducing electricity costs in the generation, transmission and distribution processes. All of this with a focus on obtaining the highest reliability of our internal network and minimizing the impact on the social and environmental surroundings, in accordance with our commitment to reduce emissions.

## OUR EFFORTS

We establish guidelines to use energy efficiently through our Sustainability Statement, our Environmental Policy and the Procurement and Energy

Committee Policy, in line with the 2022-2026 Environmental Energy Plan, in the Initiative N°8 “Transition towards Clean Energy” (Environmental Energy Plan) where we plan our actions for every year.

Our goal is to measure and reduce Greenhouse Gas (GHG) emissions through clean energy projects and innovations in processes that release GHG, such as transportation and thermoelectric generation. To this end, we permanently measure energy consumption in our processes in the operation, identifying the source of supply such as hydroelectric, thermal and purchase of electricity from the SEIN, to control the incidence of thermoelectric energy produced based on fossil fuels, for this we also calculate our carbon footprint, using the year 2020 as a reference.

During 2023, as part of our Environmental Energy Plan, we implemented renewable energy projects and initiated energy measurements to develop an Energy Efficiency plan. We highlight the successful installation of the first Battery Energy Storage System (BESS) to reduce energy and oil consumption in thermoelectric generation from October 2023. We also evaluated wind energy potential through the installation of two wind measurement towers

We started to use clean energy from SEIN through a new supply contract, and this will enable us to

obtain our first green certificate in 2024. Also, we moved ahead towards the approval of our 7 MWp Solar Photovoltaic project’s environmental instrument by the Energy and Mines Regional Management Office (GREMLL). This project will help us charge the BESS with clean energy and reduce the use of oil in thermal electric generation.

## OUR PROGRESS

### CONVENTIONAL RENEWABLE ENERGY

- Hydroelectric power station N1: The feasibility study for the project is 95% complete, and work has begun to obtain water accreditation for a 12 MW diversion-type hydroelectric power plant.

### NON-CONVENTIONAL RENEWABLE ENERGY

- 7 MWp Solar Photovoltaic project: We started the procedure to obtain the project permits. Also, we received the CIRA (Nonexistence of Archaeologic Remains Certificate) and the exemption of the Pre-operation Study from COES. On the other hand, we started the procedures to get the environmental permit (Environmental Impact Statement) before the GREMLL.
- Aragostay Antenna – Photovoltaic solar project: We completed the basic engineering for the 23kW solar project with batteries to supply electrical power to the communications antenna of Aragostay.

- Photovoltaic Solar Distributed Generation Project: We developed the basic engineering of the project for a first stage of 500 kW in Santa María.
- BESS Battery Energy Storage System: In October 2023, the 4 MW/8 MWh project was commissioned to reduce electric power bills and reduce thermoelectric generation.
- Wind power project. Two 60-meter towers were installed to measure and monitor the existing wind power to obtain reliable data destined to develop the corresponding engineering studies.

### ELECTRIC POWER TRANSMISSION PROJECTS

60 kV LPCI Substation, Chaparrosas Substation, 13 km transmission line. At the end of 2023, we had an overall progress of 93% of the work, including the implementation of all the

transmission line structures and the arrival of the two power transformers and yard equipment. The work is scheduled to be completed in the first quarter of 2024.

### ELECTROMOBILITY PLAN AND PILOT PROJECT

According to the contents of the Environmental Energy Plan, in 2023 we have purchased our first electric bus for staff transportation. This project represents a significant step within our Electromobility Plan to 2024. We have foreseen that the pilot bus will be in full operation in the first quarter of 2024, representing an important milestone in our transition towards cleaner and more sustainable energy sources

### SEIN POWER SUPPLY MANAGEMENT

At the end of 2023, we completed the first year buying 100%

renewable energy. We expect to receive the first green certificate on the first quarter of 2024.

Total non-renewable fuel consumption was 15,166.02 MWh, while non-renewable electricity purchased was 0 MWh. There were no purchases of vapor, heating, cooling or other forms of non-renewable power. On the other hand, consumption of renewable power added up to 93,964.04 MWh, exceeding the established goal of total renewable power consumption of 3,274 MWh. These results show a positive progress towards more sustainable practices.

## OUR RESULTS

INDICATORS (EXPRESSED IN MWH)	2023
a. Non-renewable fuels purchased and consumed	15,166.02
b. Non-renewable power purchased	0
c. Vapor, heating, cooling and other forms of (non-renewable) power purchased	0
Total renewable power consumed (hydroelectric + purchased)	93,964.04
Total renewable energy consumption goal	3,274
e. Total non-renewable power sold	0
Total consumption of non-renewable energy consumed (a+b+c-e)	15,166.02
Total renewable energy consumption goal for 2023	114,826
Total cost of power consumption (in soles)	46'544,908.50



# 4.5 EFFICIENT WATER USE

[GRI 303-1] [GRI 303-2] [GRI 303-3] [GRI 303-4] [GRI 303-5]

## OUR MOTIVATION

The global water crisis is a very relevant concern for our stakeholders and demands collaboration of all sectors. It is essential to minimize the impact on the natural water flows to preserve a healthy local ecosystem. We recognize that water is fundamental for mineral ore processing, which can affect both water quality and quantity.

To mitigate impacts, we implement rigorous monitoring controls on the quantity and quality of effluents and receiving bodies. Prior to discharge or reuse, we carry out physicochemical treatment in compliance with LMPs and EQS, respectively.

We manage our water sources responsibly and seek to reduce the impact on their quantity and quality by adopting new technologies. We constantly monitor our water footprint, continually evaluating our performance and working on improvements.

## OUR EFFORTS

We maintain our corporate commitment to responsible water use and our work is ruled by the Sustainability Statement and the Integrated Management System (SIG).

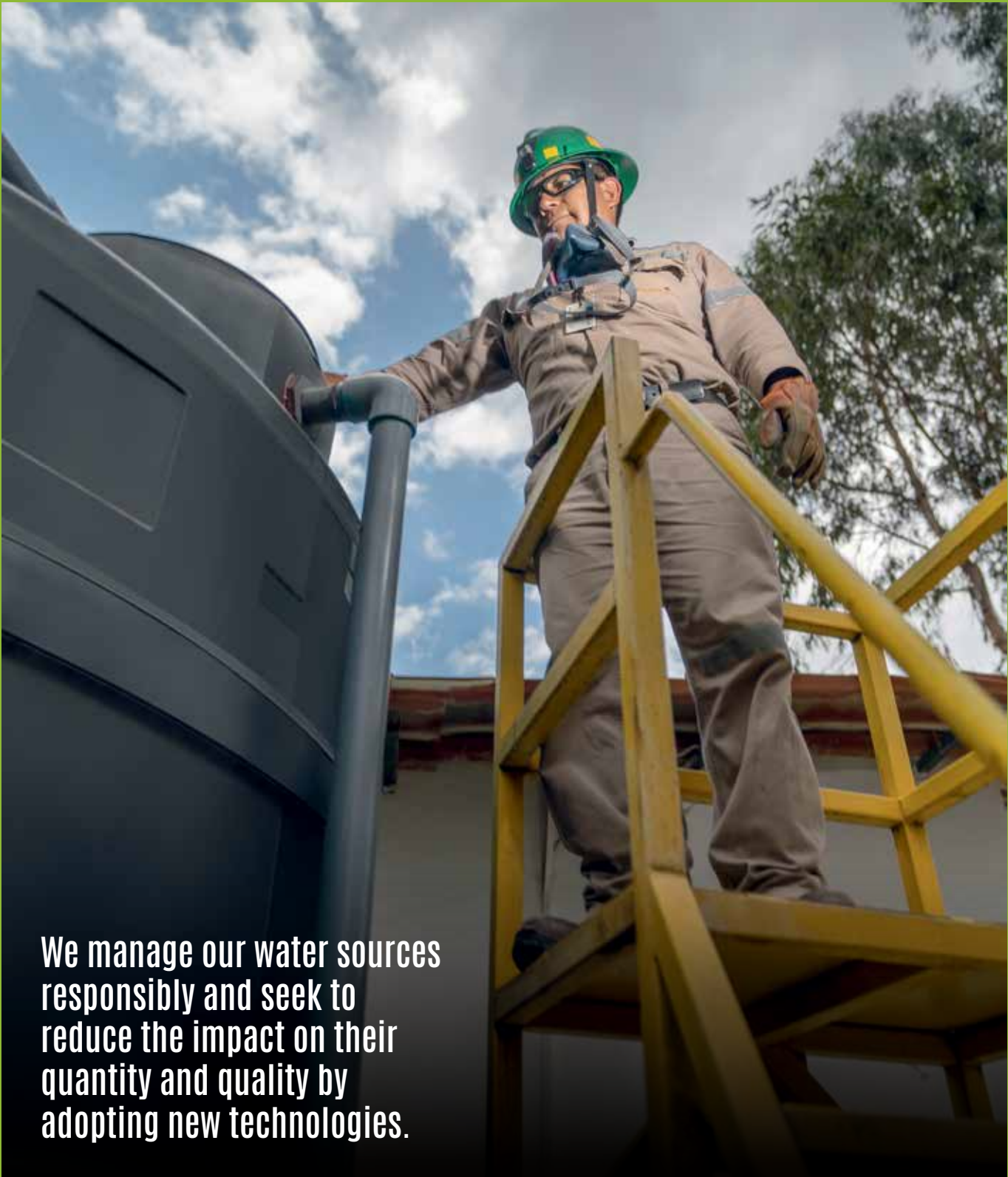
Our main goal is to adequately handle the impact of our activities on this resource. In this regard, this

is a priority in our environmental management. We are committed to reducing water consumption in our operations through continuous assessment and inclusion of new technologies. This technologic effort will bring about positive consequences for the communities, our employees and the government.

Regarding the receiving water mass, for the case of discharges, we work with the mixture area, as required by environmental instruments, as per the regulations issued by the National Water Authority. We deploy different strategies to achieve adequate water management

### We focus mainly on the following:

- Minimizing, preventing the loss of water sources in underground works, therefore we close drills, we report water leaks in the camps, workshops and offices.
- Reusing efficient use. We do not generate spillages and we prioritize recirculation in our processes. The new projects have a reuse approach, and we are working on reusing the current discharges.



We manage our water sources responsibly and seek to reduce the impact on their quantity and quality by adopting new technologies.



## OUR PROGRESS AND RESULTS

In 2023 we continue to carry out ongoing and collaborative assessments to review and optimize water savings. Also, the stakeholders keep taking part in the participatory monitoring performed every year to meet with the EIA commitments and we do it on a voluntary basis. This citizenship participation allows us to continue teaching about monitoring and water quality, build trust, and strengthen our long-term relationships with communities. Also, in 2023 we started with the proposals to update the water footprint to 2023.

### High standards approach

We are constantly working to optimize the use of water throughout our operations, improving recirculation of the effluents produced coming from the Marañón and Santa María mineral processing plants, and reusing the effluents from the domestic residual plants, and we reuse the effluent resulting from the treatment of domestic wastewater plants. We also reuse 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 measurement, control and optimization plan. The criteria for the quality of effluent discharge take into consideration the legal framework in force and are established in our EMI 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 EQS category 3 for water (004-2017), and MINAM (010-2010) maximum permissible limits (MPL).

### Water Footprint

To contribute to the evaluation and sustainability of our activities, we have measured our water footprint complying with the SIO 14046 standards. 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, we manage strategies to reduce and optimize water consumption in all our processes. The results of the 2109 and 2020 water footprint measurement show a significant reduction in consumption, however, 2020 was not a typical year due to the Covid-19 pandemic.

We are very careful in complying with the high standards of water quality and quantity, and the regulations in force.



2020 WATER FOOTPRINT MEASUREMENT COMPARED TO 2019 (BASE YEAR)

DESCRIPTION	WATER FOOTPRINT 2019	WATER FOOTPRINT 2020
Total water footprint: Direct and indirect (m³ /year)	1'339,601	802,440
Blue footprint	13%	21.42%
Green footprint	0.67%	0.70%
Grey footprint	86%	78%
Total indirect water footprint	0.16%	0.23%

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

DESCRIPTION	2020	2019	VARIATION (%)
Grey footprint	623	1,152	-45.9
Evaporation road watering	152	152	0
Evaporation water surface	15	17	-11.8
Green footprint	6	9	-33.3
Evaporation garden transpiration	5	7	-28.6
Oil energy indirect water footprint	1	2	-50
Electric energy indirect water footprint	0	0	0

The last water footprint measurement report corresponds to 2020 and was performed to comply with the ISO 14046 requirements. In 2024 we will update the water footprints for 2021, 2022 and 2023.

### Water Use

We use water from superficial and underground sources. In 2023, 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 m³/year. ANA granted

Poderosa a water use license for 400l/s; for the Alberto Samaniego hydroelectric power station.

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 freshwater 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 2023 we received the authorization for water reuse of the effluent treated at Consuelo mine shaft for our camps, canteens and forestation of the Hualanga area.

WATER  
CONSUMPTION  
AUTHORIZED BY  
THE NATIONAL  
WATER  
AUTHORITY  
VERSUS ACTUAL  
CONSUMPTION

		2020			2021				2022			2023				
Zone	ANA Au- thorized Consump- tion (m³/ Year	Real con- sumption (m³/year)	Difference authorized vs actual consump- tion (m³)	% Consumed as per authorized	Real con- sumption (m³/year)	Difference authorized vs actual consump- tion (m³)	% Consumed as per authorized		Real con- sumption (m³/year)	Difference authorized vs actual consumption (m³)	% Consumed as per authorized	Real con- sumption (m³/year)	Difference authorized vs actual consumption (m³)	% Consumed as per authorized	Real consumption (m³/year)	Water source
Vijus	788,400	610,660	177,740	77.46	589,236.80	199,163	74.74		445,226	343,174	56.50	405,829.40	382,570.60	51.48	<5%	Quebrada Chorro Blanco y El Oso
Paraíso	315,360	239,137	76,223	75.83	161551.2	153,809	51.23		168,232	147,128	53.30	157,605.46	157,754.54	49.98	<5%	Río Lavasen
Cedro	37,843	18,823	19,021	49.74	16,426	21,417	43.41		29,900	7,943	79.10	26,296	11,547	69.49	<5%	Marleny
Santa María	161,149	30,374	130,775	18.85	27,650.9	133,498	17.16		26,259	134,890	16.30	23,072.26	138,076.74	14.32	<5%	Quebrada Santa María
	68,433	49,922	18,511	72.95	48,349.40	20,084	70.65		51,835	16,598	75.80	59,122.66	9,310.34	86.39	<5%	Virginia**
	100,915	67,169	33,746	66.56	63,628.10	37,287	63.05		76,375	24,540	75.70	64,831.96	36,083.04	64.25	<5%	Puquiopata**
	946,080	24,309	921,771	2.57	26,021.30	920,059	2.75		20,114	925,966	2.20	20,312.64	925,767.36	2.15	<5%	Río Francés*
Total		1,040,392			932,864				817,941			757,070				



We have managed to reduce freshwater consumption through the adoption of technology at the tailings and the efficiency of the residual water plants, which allows recovering water from the processes.





We carry out hydrologic and hydrogeologic studies in the operation units to update the water source inventories, measurement and reload of water sources.

TOTAL WATER WITHDRAWAL FROM WATER-STRESSED AREAS (EXPRESSED IN MILLION CUBIC METERS)	2021	2022	2023
Surface water	0	0	0
Underground water	0	0	0
Sea water	0	0	0
Water produced	0	0	0
Water from third parties	0	0	0
	2021	2022	2023
Total water consumed from water-stressed areas during the last three years:	0%	0%	0%

### 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 reporting to ANA 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.

### Water discharge

We are only authorized to discharge water to superficial water sources. Discharges from mine effluents are treated and monitored daily. In this sense, the two substances present in our discharges are arsenic and suspension solids, therefore, we are very strict regarding water treatment before releasing the water to its 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). Monitoring 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.

TOTAL WATER DISCHARGE IN ALL THE ZONES	2021	2022	2023
Surface water	5,821.00	6,621.00	5,391.11
Underground water	0	0	0
Sea water	0	0	0
Water produced	0	0	0
Water from third parties	0	0	0





# 4.6 WASTE MANAGEMENT AND CIRCULAR ECONOMY

[GRI 306-1] [GRI 306-2] [GRI 306-3] [GRI 306-4] [GRI 306-5]

## OUR MOTIVATION

Proper waste management is essential to maintain control of our storage facilities, both for hazardous and non-hazardous waste, and to ensure their 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. Our goal is for Poderosa to comprehensively manage its waste, including tailings, by implementing plans and controls that guarantee the safety of our facilities, the community and the environment. In addition, we actively promote a culture of waste reduction among our employees.

We also seek to reduce and reuse the materials employed 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

## OUR EFFORTS

All our actions related to waste and circular economy are meant to comply the mining sector environmental regulations, as well as with our commitments established in our Sustainability Statement and Integrated Management System Policy. Both in this aspect, and in others which are of vital importance, we consider the sustainability of our activities, the wellbeing of the neighboring communities and the protection of the environment as fundamental variables when planning controls and

implementing improvements in our processes.

We have a Solid Waste Management Plan which is updated every year according to new goals to minimize waste generation. The objectives and resources to manage waste are established in the 2023 Annual Plan, approved by the Board of Directors. The Board of Directors is the body that approves the plan.

**The following were the milestones in 2023:**

- 1Manufacturing of bricks with mine waste rock
2. Innovate Peru award for the research on the use of tailings
3. Circular Economy training and workshop for the main process leaders, as part of their involvement in the implementation of the circular economy model in Poderosa.
4. Contribution with recyclable waste to ANIQUEM NGO
5. Commitment with the Peruvian-German Chamber initiative Fantástico Sostenibilidad con Plástico.



Our goal is for Poderosa to comprehensively manage its waste, including tailings, by implementing plans and controls that guarantee the safety of our facilities, the community and the environment.



Measuring waste and tailings in 2023

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 waste warehouse or to the hazardous waste materials pile, according to their classification and type. In 2023, tests have been carried out to reuse the waste rock in the manufacturing of bricks, with very good results. Research is also being conducted for the reuse of tailings.

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

**WASTE DISPOSAL**  
Solid waste is disposed of 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 recover sellable waste which is sold to EC-RS to be valued.

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.

In general, we differentiate waste as hazardous and non-hazardous. It is disposed of in the corresponding-colored bins according to its type.

In 2023, our company produced 8,688.47 TM of waste, 461.9 TM corresponded to hazardous materials, which reflect critical awareness of the need to handle this type of waste adequately to mitigate negative impacts in the environment. We also produced 8,226.57 tons of non-hazardous waste, between biomass, metals and plastics: 2,247.41 tons, 1,012.47 tons and 13.22 tons, correspondingly. These figures are a call to our continued responsibility to seek to reduce waste and improve our recycling and reuse practices.

EXPRESSED IN METRIC TONS	2021	2022	2023
Total waste produced	3,919.99	7,822.56	8,688.47
Total hazardous waste	239.39	279.4	461.9
Total non-hazardous waste	3680.6	7,543.16	8,226.57
Category 1 materials – ex: biomass	636.92	1,717.27	2,247.41
Category 2 materials – ex: metals	798.76	1,220.39	1,012.47
Category 3 materials – ex: plastic	5.63	13.13	13.22

Type of waste generated

In 2023, our company produced 461.90 t of hazardous solid waste, which represents an increase over the previous year. As for non-hazardous solid waste, 8,226.57 t were reported. Despite the increase in hazardous waste generation, no hazardous waste was recycled. The percentage of hazardous waste generated over the total was 5%, which indicates a slight increase compared to 4% in 2022. These numbers underscore the need to improve our hazardous waste management and recycling practices.

EXPRESSED IN METRIC TONS	2021	2022	2023
Total hazardous waste	239.39	279.40	461.90
Total non-hazardous waste	3,680.60	7,543.16	8,226.57
Total hazardous waste recycled	0	0	0
Percentage of hazardous waste produced	6%	4%	5%

YEAR	TOTAL SOLIDS	TOTAL LIQUIDS	OIL TON/YEAR	TOTAL WASTE TON/YEAR	TON/YEAR HAZARDOUS WASTE	% HAZARDOUS WASTE
Total 2023	4,368.91	33,319	113	4,482.26	335.15	7.48
Total 2022	4,230.45	26,214	89	4,319.63	436.38	10.1
Total 2021	2,224.64	20,076	68	2,292.94	366.9	16
Total 2020	1,565.27	17,505	60	1,624.82	108.08	6.65

	GENERAL/DOMESTIC (T/YEAR)	INDUSTRIAL HAZARDOUS (T/YEAR)	HOSPITAL (T/YEAR)	RESIDUAL OIL (GL/YEAR)	METALLIC WASTE (T/YEAR)
Companies responsible for final disposal	Poderosa	Gestión de Servicios Ambientales S.A.C. Ambiental SA, Kanay SAC	Gestión de Servicios Ambientales S.A.C. Innova Ambiental SA	Gestión de Servicios Ambientales SAC, 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
Total 2023	3,708.70	219.7	2.1	33,319	438.41
Total 2022	3,199.36	343.5	3.7	26,214	683.89
Total 2021	1,389.51	294.5	4.1	20,076	536.53
Total 2020	1,077.38	47.73	0.8	17,505	439.36
Total 2019	808.59	86.84	0.68	22,356	451.89
Total 2018	1,185.24	74.49	0.59	21,282	422.03
Total 2017	825.23	55.08	1.03	25,320	358.68
Total 2016	965.25	90.6	1.4	15,200	228.60
Total 2015	882.31	102.09	1.26	19,608	152.02





### 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 Bureau - DGM) before they start operating, all the same, Osinergmin constantly verifies the compliance with the controls established in the files and the approval resolutions.

### Significant waste-related impacts

Significant waste-related impacts arise from the transport of materials such as solid waste, chemicals, gases and other hazardous wastes, which can result in the generation of leached tailings, solutions and gas emissions. These potential events are identified and controlled

through operational control actions and when they are major events the controls are established in the Emergency Response Plan, which in turn are approved within the Environmental Management Instruments (EMIs).

The proper selection and management of the materials used in all areas of our activity is fundamental to minimize our environmental impact, both in our operations and in their surroundings. To achieve this, we adopt measures to reduce the amount of waste produced and promote the 3R approach: reduce, reuse and recycle. In addition, we carry out daily waste collection and keep records of the amount collected by type of waste.

### Circular economy strategy

We have developed an environmentally aware strategy based on the reduction and reuse of the materials in our processes. We are making efforts to embed a circular economy mindset in our corporate culture at every level of the organization, including employees, contractors, suppliers, and neighboring communities. This strategy and its related goals are expressed in our Annual Plan.

Sorting and adequate management of the resources, materials and inputs in all the working areas not only contributes to reducing the impact on human health and on the environment, but

also to foster a more sustainable operation both inside and outside our facilities.

Our goal is to achieve zero-residues, through the implementation of the circular economy principles. Although we are still in the process of implementation, we have trained our leaders and have carried out several initiatives on this issue in 2023.

**CIRCULAR ECONOMY GOALS**  
We chose to prevent and minimize. We have two goals:

- In the short term, our goal in 2023 was training to lead the change required for the implementation of circular economy. Training will be carried out frequently.
- In the long term, standardize the implementation of circular economy according to ISO 59004 standard. Meeting with work teams to guide them in the implementation of circular economy and implementing circular economy change projects.

**PROGRESS AND RESULTS**  
We continue working in the implementation of circular economy practices in Poderosa. We have gradually replaced everyday use materials with more eco-friendly options, 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 them

with biodegradable disposable materials. We have joined the “Fantástico Sostenibilidad con Plástico” initiative, led by the German Chamber of Commerce, which offers workshops about ecofriendly products and a list of suppliers, to promote purchase and use of these products, reducing single-use plastics.

We have also carried out recycling campaigns together with the schools in the areas of influence and we have tested bricks manufactured from rock waste.

In terms of waste utilization, in 2023 our composting plant transformed organic waste into 7,585 kg of compost, which was used to enrich the green areas of our facilities. We continue to research and adopt new technologies to improve compost production efficiency.

Finally, we frequently raise awareness among our employees, contractors and the population about the importance of waste reduction and adequate handling to prevent pollution.





# 4.7 RESPECT FOR BIODIVERSITY

## OUR MOTIVATION

operations. Therefore, we perform our activities with respect, controlling risks, and creating control mechanisms to preserve our environment. Human activities, especially those that occupy large areas and develop infrastructure, such as ours, 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, of the ecosystems, and are aware that certain species and natural resources are vital to the communities in our surroundings. We are in the Abiseo River National Park buffer area; therefore, we have cooperation agreements with the National Service for Natural Protected Areas (SERNANP).

We always seek to reduce the impacts of our operations to minimize long-term net habitat

loss. We carry out biological monitoring of flora, fauna (masto zoological, ornithological, herpetological, entomological) and hydrobiology at sampling points throughout the area of environmental influence of our operations, as defined in our EMI. We will continue to monitor to verify the effect of our operations on biodiversity and establish controls when necessary.

## OUR EFFORTS

Our Environmental Policy guides our biodiversity management. In line with this Policy, we work continuously to foster care for biodiversity through our Environmental Management System, based ISO 14001:2015.

In 2023, we started forestation of pines and queñuales in 100 hectares in our property, in the Andrés Rázuri Community. This work will take approximately 3 years and is being carried out with 100% local labor and services. We carry out environmental studies prior to the execution of our works, as provided for in the legal provisions in force, to measure the impact of our operations. We implement mandatorily the Environmental Management Plan and Environmental Revegetation and Compensation Plan to mitigate

any impacts on the environment, such as noise, land use, among others. These measures, according to the Abiseo River National Park Master Plan include the protection of endangered endemic birds, forestry and native plants protected by domestic regulations.

The Abiseo River National Park has a great value regarding its endemic flora and fauna, and it also provides a cultural legacy for humankind due to the archaeological sites found in its territory. Its purpose is to protect 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.

It must be mentioned that the Marañón and Santa María 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 established in the Environmental Management Instrument.

## 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 to compare it against 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. Therefore, biological monitoring represents an ongoing activity to analyze the effects on biodiversity. The results in 2023 inform us that the flora and fauna have not been affected.

We will carry out some activities to preserve the species of the area. Also, we have internal rules and signs in public areas, forbidding hunting or harming animals in the area.

## One million trees planted

In line with our commitment to protect biodiversity and the environment, we are heading 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 since 1980. 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.

Furthermore, forestation 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. Some of 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 oxygen generation that each tree returns to the environment and how they absorb CO2. In 2023 we completed the measurement of our carbon footprint for 2021. These results will also allow us to relate forestation as compensatory measures to reduce the footprint, therefore, we have planned to update the forestry inventory. 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.

In 2023, 335,136 trees have been planted in community and in Poderosa land through Asociación Pataz. We must mention that throughout the history of the company, 5,568 hectares have been forested with more than 6,817,604 trees.



FORESTATION ACTIVITIES IN 2023

	2021		2022		2023					
Community	No. trees planted	No. ha reforested or forested	No. trees planted	No. ha reforested or forested	No. trees planted	No. ha reforested or forested	Type of tree	Financing	Executed	Beneficiary
Chugay	165,000	150	165,000	150			Pine	Poderosa	Asociación Pataz	Coopandina
	6,400	8	6,400	8	5,000	6	Quinual	Poderosa	Asociación Pataz	Coopandina
					171,679	143.25	Pinus Radiata	Poderosa	Asociación Pataz	Coopandina
Tayabamba	127,600	116	240,000	218			Pine	Poderosa	Asociación Pataz	CC La Victoria
	30,000	38	16,825	21			Quinual	Poderosa	Asociación Pataz	CC La Victoria
					135,500	131.14	Pinus Radiata	Poderosa	Asociación Pataz	CC La Victoria
Macania							Eucalyptus	Poderosa	Asociación Pataz	Asociación Macania
Suyubamba- Antapita	14,100	9					Eucalyptus urograndis	Poderosa	Poderosa	Poderosa
	6,350	4					Highland Cider	Poderosa	Poderosa	Poderosa
	1,400	1					Pinus radiata	Poderosa	Poderosa	Poderosa
	100	0					Carica papaya	Poderosa	Poderosa	Poderosa
Pataz			830	1			Quina	Poderosa	Asociación Pataz	Los Alisos Community members
			833	1	100	0.16	Quina	Poderosa	Asociación Pataz	Vista Florida Pías Community members, San Fernando
Pias			555	1	200	0.32	Quina	Poderosa	Asociación Pataz	Alacoto, Pias, Pamparacra population
Santa Clara / Condormarca			24,000	18			Eucalyptus	Poderosa	Asociación Pataz	Asociación Macania
Hualanga					557	0.5	Ficus	Poderosa	Poderosa	Poderosa
Hualanga					100	0.16	Plum	Poderosa	Poderosa	Poderosa
Piñuto					12,000	8.80	Eucalyptus	CMPSA	Asociación Pataz	Asociación Macania
Santa Catalina					10,000	7.40	Eucalyptus	CMPSA	Asociación Pataz	Asociación Macania
Total	350,950	325	454,443	417	335,136	298				





Species under conservation and vulnerability status in the Pataz district

As part of Poderosa’s commitment to 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.

Our operations take place in the Abiseo River National Park buffer zone, and according to the biologic monitoring performed, our activities have not caused environmental, cultural or social impacts to the local wild flora and fauna.



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





# 4.8 MINE CLOSURE PLAN

[GRI 3-3]

## OUR MOTIVATION

Our mine closure management enables us to comprehensively manage our environmental, social and safety impacts. We are governed by detailed planning, which comprises those components that will reach the end of their useful life according to an established schedule and to the mine’s operability.

When the component reaches the end of its useful life, we implement remediation, restoration, dismantling and revegetation activities, among others. These actions seek to restore the

environment almost to its original conditions or, in some cases, to give it a new useful life. The closure of the components is carried out in accordance with mine closure plans, considering both the operability of the mine and the projected useful life of the different elements.

Our environmental management deploys a variety of tools to ensure that mine closure is carried out in a comprehensive and careful manner. We recognize that mining has a limited life cycle and therefore it is crucial to address closure in a planned and proactive manner. We want to ensure that closure plans mitigate risks

and leave a positive legacy for communities and the surrounding environment 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. We commit to meet GRI 3-3 MM10 characteristics and ensure an ecosystem 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. We initiated feasibility files for some major components, thus anticipating future modifications to the mine closure plan.

On July 2022, the second update of the Poderosa Mining Unit Closure Plan was approved by Director’s Office Resolution No. 222-2022/ MINEMDGAAM. The activities are being executed according to the plan. In 2023 we presented the file for the fifth modification to the mine closure plan, currently in process before the Environmental Affairs General Bureau (Dirección General de Asuntos Ambientales -DGAAM).

In addition, in 2023 we carried out post-closure maintenance, an essential activity that allows us to preserve closed components in

optimal environmental and safety conditions. We submit detailed reports to the relevant authorities, showing our commitment to transparency and long-term sustainability.

These are the resolutions approved throughout the operation of the mining activities.



APPROVAL YEAR	MINE CLOSURE PLAN DESCRIPTION	APPROVAL RESOLUTION
2010	Mine closure plan	RD N.º 119-2010-MEM-AAM
2011	1st Modification to Mine Closure Plan	RD N.º 121-2011-MEM-AAM
2013	Mine Closure Plan update	RD N.º 298-2013-MEM/AAM
2016	2nd Modification to Mine Closure Plan	RD N.º 065-2016-MEM-DGAAM
2017	3rd Modification to Mine Closure Plan	RD N.º 093-2017-MEM-DGAAM
2018	4th Modification to Mine Closure Plan	RD N.º 102-2018-MEM-DGAAM
2022	Mine Closure Plan 2nd update	RD N.º 222-2022-MINEM-DGAAM
2023	5th Modification to Mine Closure Plan	In process before DGAAM

BREAKDOWN OF THE INVESTMENT IN ENVIRONMENTAL MANAGEMENT	INVESTMENT ITEMS	2023	WHY DID THE FIGURE INCREASE OR DECREASE IN 2023?
	Environmental Training	6,954.94	On schedule
	Environmental Supervision and Counseling	462,896.77	Operating costs
	Waste and Effluent Management	883,118.72	On schedule
	Environmental Management Plans	1'974,302.31	Operating program compliance
	Environmental Contingencies	27,969.15	Program compliance
	Total	3'355,241.89	

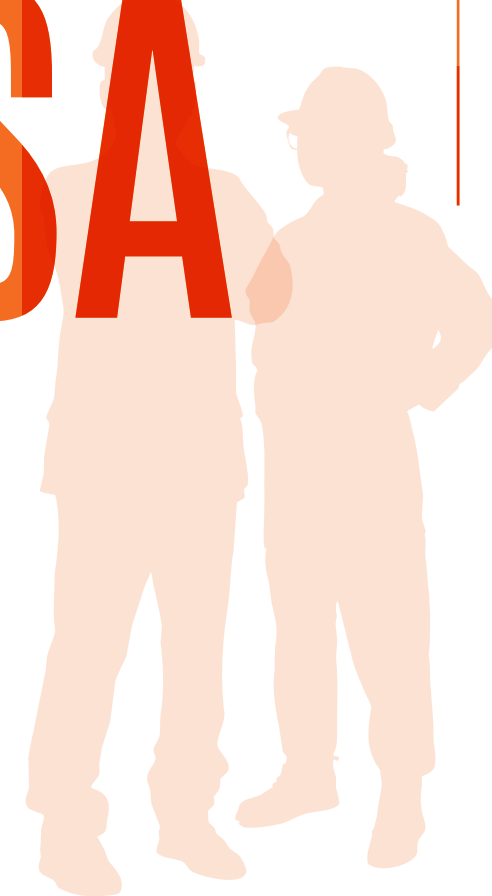




# PODEROSA FAMILY

PART 5

[GRI 2-7] [GRI 2-8] [GRI 2-21]  
[GRI 3-3] [GRI 401-1] [GRI  
401-2] [GRI 401-3] [GRI 404-  
1] [GRI 404-2] [GRI 404-3]  
[EITI Expectativa Empresas  
7] [EITI Expectation for  
Companies 9]



# 5.1 PODEROSA TEAM

We strive to be a constant source of inspiration and motivation, and we want our employees not only to share our principles and values, but also to feel part of our family. Respect, teamwork, productivity, and fostering innovation are the pillars that define our labor force. Our goal is to become the company in which each employee feels proud to work.

To achieve this goal, we commit to provide the following to our employees:



These commitments are supported by our Statement of Responsibility and our Management and Occupational Health and Safety Policies.

## Goals in 2023

- Ensure the provision of qualified personnel at all levels.
- Decrease recruitment turnaround time to less than 40 days
- Promote internal advancement within the organization
- Reduce staff and key personnel turnover
- Improve and standardize living conditions
- Improve and standardize food conditions
- Improve talent management across the organization
- Improve organizational climate and culture management
- Optimize the staff performance assessment process, as well as the different individual development plans.

## Our initiatives

- Update of the organizational climate survey process, from a traditional assessment to a systematic model.
- Implementation of an on boarding process to ensure correct incorporation to the company.
- Starting the organizational culture evaluation and management process allowed us to diagnose our organizational culture and propose strategies to improve it.
- Digitalization of the performance assessment. This process allowed us to have greater control over the scope and management of the assessment of 100% of our employees, as well as a better

- follow-up of feedback and development plans.
- Development of standards and guidelines to optimize training.
- Digitalization of the staff affiliation process.
- Implementation of TuRecibo platform for document management, allowing a reduction in paper use.

## Recognitions

- We received the ABE certification by Amcham Peru, which evidences the good practices we exercise with our employees.

## Our indicators

Staff election. Total processes closed /Total processes opened <b>= 100%</b>	Average response times per processes closed <b>&lt; 40 days</b>	Total promotion/Total openings created with option to a promotion <b>&gt;= 50%</b>	Total dismissals resignation staff /Total Poderosa staff <b>&lt;= 6%</b>
Total dismissals resignation key staff / Total key staff <b>&lt;= 3%</b>	Induction Programs executed in 2023 / Induction Programs scheduled in 2023 <b>&gt;= 75%</b>	Active employees 2023 assessed /Total number of employees assessed <b>= 100%</b>	Percentage of satisfaction in work environment <b>&gt;= al 70% = 78%</b>



Team composition

[GRI 2-30]

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.

It is important to note that both our temporary employees and those with permanent contracts undergo an evaluation process for possible renewal, which is carried out, on average, every six months. These evaluations are an integral part of our commitment to efficiency and quality in job performance. Both temporary and permanent employees are hired under the same labor regime.

TOTAL EMPLOYEES BY TYPE OF CONTRACT, GENDER AND LOCATION

TYPE OF CONTRACT	GENDER				LOCATION					
	Female	%	Male	%	La Libertad	%	Lima	%	Other	%
Permanent employees	75	10	566	73	343	44	158	20	140	18
Temporary employees	20	3	116	15	45	6	52	7	39	5
Employees with non-guaranteed hours *	0	0	0	0	0	0	0	0	0	0
Full time employees	95	12	682	88	388	50	210	27	179	23
Part time employees	0	0	0	0	0	0	0	0	0	0
Total	95	12	682	88	388	50	210	27	179	23

TOTAL NUMBER OF EMPLOYEES PER AGE, GENDER AND LOCATION

AGE GROUP	GENDER				LOCATION					
	Female	%	Male	%	La Libertad	%	Lima	%	Other	%
Under 30 years	14	2	37	5	23	3	11	1	17	2
Between 30 and 50 years	68	9	398	51	206	27	137	18	123	16
Over 50 years	13	2	247	32	159	20	62	8	39	5
Total	95	12	682	88	388	50	210	27	179	23

TOTAL EMPLOYEES PER JOB CATEGORY, GENDER AND LOCATION

JOB CATEGORY	GENDER				LOCATION					
	Female	%	Male	%	La Libertad	%	Lima	%	Other	%
Workers	3	0	303	39	215	28	20	3	71	9
Employees	87	11	357	46	169	22	168	22	107	14
Officers	5	1	22	3	4	1	22	3	1	0
Total	95	12	682	88	388	50	210	27	179	23



Collective bargaining agreements

The Sole Labor Union (SLU) was established on September 29, 2004. Union negotiations are held every year to obtain benefits for employees. The benefits agreed upon in the collective bargaining agreements extend to all our workers.

TOTAL NUMBER OF EMPLOYEES UNDER COLLECTIVE AGREEMENT

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
2021	304	243	80	20
2022	315	253	80	20
2023	306	245	80	20



Workers who are not employees

Currently there are more than 6,000 workers who are not direct employees of the organization, but who are identified as workers of contractor companies: specialized in mining and related activities, and microbusinesses.



CATEGORIES OF WORKERS WHO ARE NOT THE MOST USUAL EMPLOYEES 2023

CATEGORY	GENDER	TOTAL 2023	WORKMEN	EMPLOYEES	DESCRIBE THEIR CONTRACT RELATION WITH THE ORGANIZATION	DESCRIBE THE TYPE OF WORK PERFORMED
Specialized mining companies	Female	48	12	36	Personnel assigned to a mining unit, under outsourcing modality	Mining contractors carry out mining exploitation activities.
	Male	1,957	1,756	201		
	Total	2,005	1,768	237		
Specialized related companies	Female	139	74	65	Personnel assigned to a mining unit, under labor intermediation modality	Related contractors provide complementary services to the organization.
	Male	2,184	1,572	612		
	Total	2,323	1,646	677		
Microbusiness-es	Female	113	23	90	SMEs that work in the mining unit under labor intermediation modality.	Micro business contractors provide complementary services to the organization.
	Male	1,806	1,410	396		
	Total	1,919	1,433	486		
TOTAL		6,247	4,847	1,400		

NON-EMPLOYED WORKERS

	TOTAL
Total number of non-employed workers and whose work is controlled by the organization in 2023	6,247



### New hires and turnover rates

Our team is our most valuable asset. Understanding hiring and turnover trends, as well as the reasons behind departures, allows us to take steps to improve talent retention and design policies that drive the growth and stability of our team.

#### TOTAL NUMBER OF EMPLOYEES THAT JOINED PODEROSA IN 2023 PER AGE, GENDER, AND LOCATION. NEW HIRE RATES

AGE GROUP	GENDER				LOCATION					
	Female	%	Male	%	La Libertad	%	Lima	%	Other	%
Under 30 years	7	1	13	2	9	1	5	1	6	1
Between 30 and 50 years	4	1	20	3	5	1	7	1	12	2
Over 50 years	0	0	2	0	0	0	2	0	0	0
<b>Total</b>	<b>11</b>	<b>2</b>	<b>35</b>	<b>5</b>	<b>14</b>	<b>2</b>	<b>14</b>	<b>2</b>	<b>18</b>	<b>3</b>

#### TOTAL NUMBER AND STAFF TURNOVER RATE DURING 2023, PER AGE GROUP, GENDER AND LOCATION

LOCATION	GENDER	AGE	NUMBER	TURNOVER RATE (%)
La Libertad	Female	Under 30 years	2	0.26
		Between 30 and 50 years	4	0.51
		Over 50 years	0	0.00
	Male	Under 30 years	1	0.13
		Between 30 and 50 years	9	1.16
		Over 50 years	9	1.16
Lima	Female	Under 30 years	4	0.51
		Between 30 and 50 years	3	0.39
		Over 50 years	0	0.00
	Male	Under 30 years	1	0.13
		Between 30 and 50 years	14	1.80
		Over 50 years	2	0.26
Otro	Female	Under 30 years	1	0.13
		Between 30 and 50 years	1	0.13
		Over 50 years	0	0.00
	Male	Under 30 years	1	0.13
		Between 30 and 50 years	8	1.03
		Over 50 years	1	0.13

### PARENTAL LEAVE

INDICATOR	TOTAL	MALE	FEMALE
Total number of employees who have been eligible for parental leave, by gender.	<b>42</b>	38	4
Total number of employees who have taken parental leave, by gender.	<b>42</b>	38	4
Total number of employees who have returned to work in the reporting period after completing parental leave, by gender.	<b>42</b>	38	4
Total number of employees who have returned to work after completing parental leave and who were still employed 12 months after returning to work, by gender.	<b>42</b>	38	4
Return to work and retention rate of employees who took parental leave, by gender.	<b>5%</b>	5%	1%

Our team is our most valuable asset.

### Ensuring good work environment

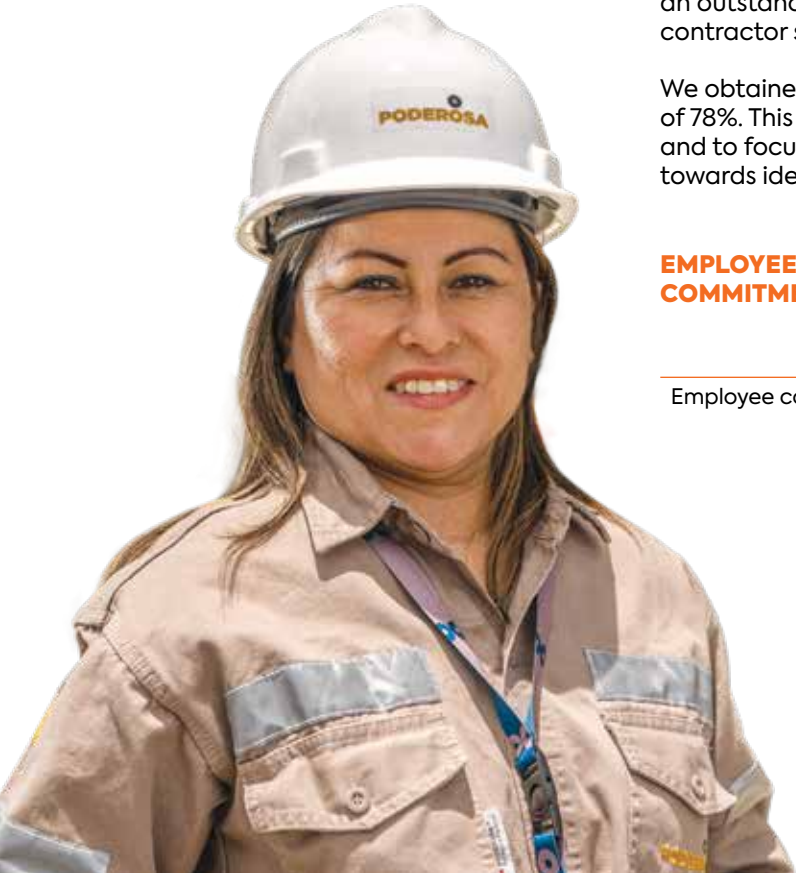
In 2023, as part of our ongoing commitment to strengthening our organizational climate and culture, we assessed our work environment. In this assessment, performed every year, we explore in detail seven essential factors: culture and values, communication, leadership, talent development, resources and support, compensation and benefits, and working conditions.

To develop this study in a thorough manner, process was conducted with an external consultant firm. Through remote and in-person surveys, we were able to gather valuable information from 3,489 employees, with an outstanding participation of 84% of our employees and 47% of our contractor staff.

We obtained a weighted average in the percentage of overall satisfaction of 78%. This data is fundamental to guide and manage our work plans, and to focus on reinforcing our best practices and on channeling efforts towards identified opportunities for improvement.

### EMPLOYEE COMMITMENT LEVEL

	2021	2022	2023	META 2023
Employee commitment level	64%	77%	<b>73%</b>	80%





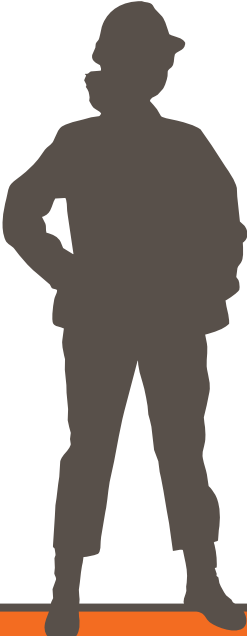
We achieved a 75.5% commitment level among our employees, slightly lower than the 77% of the previous year, but still close to our goal of 80% for this period. To this end, we have implemented several actions such as improving transportation and canteen services, raising lodging standards, and implementing training programs. These measures are aimed at improving the work environment

and, consequently, increasing the commitment and satisfaction of our team.

**Infrastructure improvement**

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. One of our fundamental approaches is to improve the live quality of our people. Every year we implement significant changes in our infrastructure and camp management.

WORK ENVIRONMENT MEASUREMENT RESULTS	2022	2023
	Support for success / average: 80%	Support for success / average: 74%
	Training: 75%	Training 73%
	Communication: 71%	Communication: 69%
	Cooperation and Teamwork: 80%	Cooperation and Teamwork: 75%
	Empowerment and Authority: 84%	Empowerment and Authority: -
	Organizational Structure and Process: 77%	Organizational Structure and Process: 78%
	Performance Management: 82%	Performance Management: 76%
	Resources: 80%	Resources: 74%
	Optimized Roles: 84%	Optimized Roles: -
	Integrated Management System: 82%	Integrated Management System: 75%
	Commitment / average: 74%	Commitment / average: 73%
	Quality of life/Work conditions: 66%	Quality of life/Work conditions: 63%
	Business Conduct: 81%	Business Conduct: 76%
	Confidence in Leadership: 78%	Confidence in Leadership: 71%
	Strategic Direction: 85%	Strategic Direction: 82%
	Discretionary Effort: 76%	Discretionary Effort: -
	Development Opportunities: 70%	Development Opportunities: 71%
	Recognition and Respect: 77%	Recognition and Respect: 71
	Compensation and Benefits: 71%	Compensation and Benefits: 68%



During 2023, we are proud to highlight the following improvements made:

**PARAÍSO CAMP**

- Construction of a new building with capacity for 32 employees.
- Construction of 2 additional dressers for the mine operation staff.
- Comprehensive maintenance of the roofs of the 5 bungalows (N° 06, 07, 08, 09 and 10).
- Repair of a sports court, now used for social and recreational activities.
- Installation of 37 light posts with photovoltaic system, focused on environmental care, distributed at various points in the camps.

**VIJUS CAMP**

- Construction of two additional modules, expanding our capacity for 64 employees.
- Camp change, transfer of female staff from Camp O to Modular Hotel 02 for greater comfort.
- Repair of a sports slab, now used for social and recreational activities.

**CEDRO CAMP**

- Repair of a sports court, now used for social and recreational activities.
- Comprehensive maintenance of the roofs of the workmen hotel.
- Implementation of offices for the administrative staff.

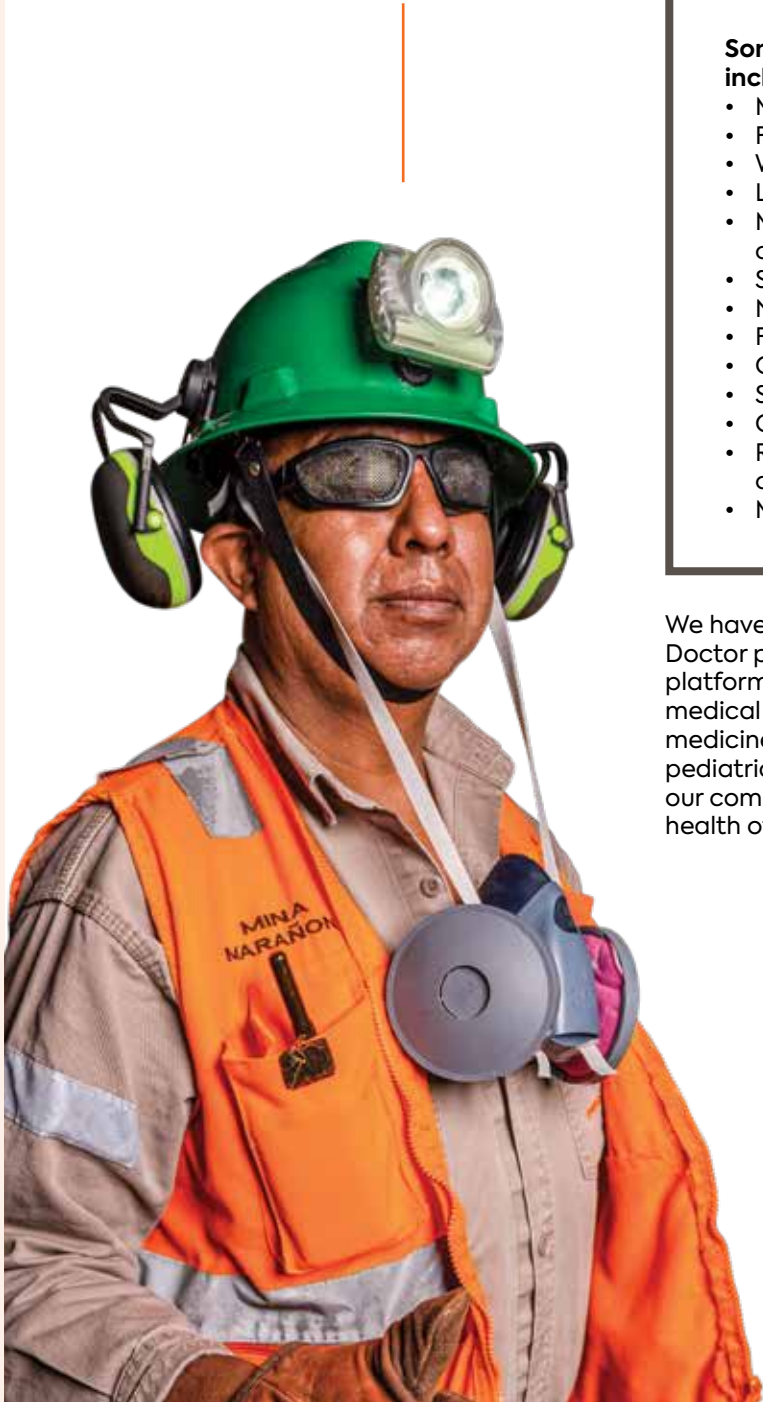
**SANTA MARÍA CAMP**

- Purchase of 4 modules with capacity for 128 employees in Hualanga.
- Construction of a new modular hotel at level 2500 with capacity for 168 employees.
- Construction of 1 module at level 2670 with capacity for 32 employees.
- Construction of 1 module at level 3100 with capacity for 168 employees, and 2 small modules with capacity for 40 beds.
- Comprehensive maintenance of the restrooms in the Jesus Arias auditorium.

In general terms, these improvements have been complemented by awareness activities about our 5S philosophy, which we integrate into the work environment. In addition, we have established bimonthly 5S campaigns to clean the pedestrian walkways from the Halcón checkpoint to the mine office. We are committed to the continuous progress and well-being of our working community.



**We develop programs and activities focused on the well-being of our employees and their families.**



**Committed to the well-being of our team**

We develop programs and activities focused on the well-being of our employees and their families. To this end, we carry out in-person activities at our different sites.

**Some of these initiatives include the following:**

- Mother's Day
- Father's Day
- Women's Day
- Labor Day
- Monthly birthday celebrations
- Summer camps
- National Holidays
- Family Day
- Children's Day
- Summer camps
- Christmas Show
- Recognition for years of service
- Miner's Day

We have introduced the Smart Doctor program, a virtual platform that provides access to medical consultations in general medicine, psychology, nutrition and pediatrics. This innovation reflects our commitment to the integral health of our team, to which we

provide accessible and remote resources.

In addition, we share valuable information to promote healthy lifestyles through brochures and newsletters. We strive to keep our employees informed and motivated to adopt habits that improve their overall well-being.

On the leisure aspect, our operations are equipped with areas designed for healthy recreation and physical activity. We have sports courts, video game rooms, gyms and recreation centers to ensure that our employees have suitable spaces to relax and stay active.

Focused on promoting healthy eating, we have implemented improvements in the canteen menus and remote trainings on nutrition. The quality of our food service has experienced a significant boost thanks to a new menu structure that includes dessert festivals, juices, breads, among others. We have also installed ice cream machines at Vijus and Paraiso.

Considering the growth of our operations, we are currently building three new canteens in Hualanga, level 2410 and 3100. These initiatives show our sound commitment to the well-being of each one of our team members.



Salary indicators

Maintaining an adequate hierarchical structure of categorization and classification of positions enables the establishment of a correct and flexible salary structure. To this end, we have organized occupational groups; each group is made up by different categories, makes internal equity among all workers possible. 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 staff. There have been many cases of female staff promotions in different areas, however, male staff are more senior.

Our salary system consists of categories, which have been classified according to the

complexity and responsibility of each position. Each category has a salary band with a minimum and a maximum; the position of a worker within this band is determined according to his or her performance. Within this approach, we seek to compensate each employee fairly.

SALARY DIFFERENCES BETWEEN MEN AND WOMEN

LEVEL	SALARY DIFFERENCE 2023
Manager level	12%
Head or coordinator level	26%
Professional level	39%
Operations level	0%

Our salary system consists of categories, which have been classified according to the complexity and responsibility of each position.

TOTAL ANNUAL COMPENSATION OF THE HIGHEST-PAID INDIVIDUAL	AVERAGE TOTAL ANNUAL COMPENSATION OF ALL EMPLOYEES EXCLUDING THE HIGHEST PAID INDIVIDUAL	RATIO
1'437,661.54	155,292.25	9.257780346
% INCREASE IN COMPENSATION OF THE HIGHEST PAID INDIVIDUAL	TOTAL% INCREASE IN ANNUAL COMPENSATION OF ALL EMPLOYEES EXCLUDING THE HIGHEST PAID INDIVIDUAL	RATIO
-11	-8	1.375





We provided advice and support to employees in the following aspects:

- **EsSalud registrations:** 97 registrations before EsSalud for rightful beneficiaries, among wives and children; and 10 nursing benefits, which are oriented to care for the newborns.
- **Registration with Health Care Providers (EPS):** 77 registrations and 24 removals.
- 386 medical leaves were processed (corresponding to daily leaves) for their registry in the payrolls within the first 20 days and subsidies.
- S/ 217,311 were recovered for sickness allowances, labor accidents, sequels to labor accidents and maternity leaves. Most of the subsidies were due to common sickness.

SOCIAL  
BENEFITS

Life insurance	Vida Ley Life Insurance from the first day of work for all employees
Health Insurance	The company Works with EPS Pacifico. Employees can opt for this Benefit, which is paid in part by the company. This benefit includes an oncology insurance policy
Complementary Labor and Risk Insurance	Insurance for workers engaged in high-risk activities
	Covers cases of death, disability, or incapacity due to work-related accidents
	Pacifico Insurance company coverage
Economic Benefits for Temporary or Permanent Disability	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
Maternity Leave	98 calendar days
Paternity Leave	10 calendar days
Severe Health Condition Family Leave	7 calendar days to take care of a relative with severe health condition
Paid leave for oncological examinations	Two working days, consecutive or not, to pass their annual oncology preventive exams
Más Vida Insurance policy	Optional insurance that covers common or work-related accidents
	Monthly fee is S/5.00
Bereavement leave	For death of the employee's relatives up to the second degree of consanguinity or first degree of consanguinity
	5 calendar days
Death benefit	When the death occurs in a different geographical location from where the employee's workplace is located, the leave of absence will be extended for the term of the distance
	Financial assistance of PEN 5,350.00 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 an employee	S/ 1,750 per month for 3 months or until the Intestate Succession is presented
Education allowance	S/ 1,680
	Applies to workers who have children in school, and who are between 3 and 22 years and 12 months old.

Training programs

We have developed a comprehensive training program that addressed all the training needs in the different stages, considering the specific objectives of each one of them. These programs include:

- **Induction Program for new staff:** Aimed at providing information or general guidance regarding the company and in the work area; for all incoming personnel. It is primarily focused on safety and occupational health issues, according to the regulations in force: (Supreme Decree 024-2016-EM and amendments, Supreme Decree 023-2017-EM).

- **Regulatory Training Program:** Aimed at reinforcing knowledge and raising awareness on safety – related issues, as established in annex 06, Art. 75 of Supreme Decree N° 024-2016-EM and amendments, Supreme Decree N° 023-2017-EM.
- **Transversal Regulatory Training Program:** Aimed at reinforcing knowledge and raising awareness on issues related to IMS (Integrated Management System), including 5S, ISOs, Compliance, among others.
- **Career Development Training Program:** Aimed at strengthening or acquiring knowledge about new tools that allow employees to develop professionally within the

- organization, including topics such as Excel and SAP.
- **Soft Skills Training Program:** Aimed at strengthening and updating managerial skills, based on specific position requirements and on the Company's strategic goals.
- **Specific Technical Training Program:** Aimed at strengthening and updating employee's technical skills directly related to the activities and tasks of each worker at his/her workstation.

This comprehensive approach reflects our ongoing commitment to the professional development and growth of our team.



### TRAINING INDICATORS

INDICATORS	2021	2022	2023
Total number of employees who received training	752	869	<b>959</b>
Percentage of employees who received training	96%	97%	<b>97%</b>
Percentage of managers who received training	4%	3%	<b>3%</b>
Total hours of training provided	36,195	48,291	<b>28,337</b>
Average hours of training and development per full-time employee (man hours)	49	59	<b>34</b>
Indicator of hours of training and development per employee (considering the number of events per employee)	6,944	5,936	<b>1,672</b>
Total hours of occupational health and safety, health and environmental training	24,752	38,615	<b>17,634</b>
Number of online courses available	6	8	<b>9</b>
Number of internal trainings	77	93	<b>115</b>
Number of external trainings	145	128	<b>117</b>

### TRAINING HOURS BY GENDER

TRAINING HOURS BY GENDER:	2021		2022		2023	
	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE
Men	32,255	92%	43,620	90%	23,739	91%
Women	3,940	8%	4,671	10%	4,598	9%
<b>Total</b>	<b>36,195</b>	<b>100%</b>	<b>48,291</b>	<b>100%</b>	<b>28,337</b>	<b>100%</b>

### TRAINING HOURS BY AGE GROUP

TRAINING HOURS BY AGE GROUP:	2021		2022		2023	
	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE
Under 30 years	417	21	1,983	26	<b>3,650</b>	<b>21</b>
Between 30 and 50 years	19,323	45	26,908	54	<b>16,243</b>	<b>33</b>
Over 50 years	16,455	55	19,401	67	<b>8,444</b>	<b>30</b>

### TRAINING HOURS BY POSITIONS

TRAINING HOURS BY POSITIONS:	2021		2022		2023	
	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE
Employee	11,286	74	9,453	62	<b>2,974</b>	<b>19</b>
Officer	2,840	149	3,030	117	<b>2,553</b>	<b>95</b>
Workman	7,597	26	16,842	5	<b>6,598</b>	<b>22</b>
Trainee	17	1	436	10	<b>2,559</b>	<b>57</b>
Professional	14,455	58	18,532	65	<b>13,653</b>	<b>47</b>
<b>Total</b>	<b>36,195</b>	<b>308</b>	<b>48,291</b>	<b>307</b>	<b>28,337</b>	<b>239</b>

### TRAINING HOURS BY LOCATION

TRAINING HOURS BY LOCATION:	2021		2022		2023	
	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE
Lima	4,005	47	4,064	56	<b>4,013</b>	<b>28</b>
La Libertad	32,190	65	44,227	58	<b>24,324</b>	<b>50</b>
Other	0	0	0	0	<b>0</b>	<b>0</b>





**TRAINING  
HOURS BY  
PROGRAM AND  
GENDER**

TRAINING HOURS BY PROGRAM AND GENDER		2021		2022		2023	
		TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE
Functional Training Program	Female	1,636	45	729	20	<b>1,660</b>	<b>40</b>
	Male	8,010	42	7,318	43	<b>7,400</b>	<b>44</b>
In-House Training Program	Female	89	2	211	3	<b>877</b>	<b>8</b>
	Male	1,921	5	3,572	6	<b>7,786</b>	<b>12</b>
Conferences and meetings program	Female	2	1	29	2	<b>18</b>	<b>1</b>
	Male	271	1	386	2	<b>1,194</b>	<b>5</b>
Ongoing training program	Female	364	30	265	33	<b>604</b>	<b>55</b>
	Male	1,433	38	1,364	51	<b>1,039</b>	<b>31</b>
General Induction Program	Female	72	9	280	9	<b>448</b>	<b>8</b>
	Male	6,872	191	5,656	46	<b>1,224</b>	<b>11</b>
Standard Training Program	Female	1,776	21	3,157	18	<b>991</b>	<b>16</b>
	Male	13,748	21	25,324	35	<b>5,096</b>	<b>7</b>
Total	Female	3,940	108	4,671	85	<b>4,598</b>	<b>128</b>
	Male	3,255	298	43,620	183	<b>23,739</b>	<b>110</b>
<b>Total</b>		<b>36,195</b>	<b>406</b>	<b>48,291</b>	<b>268</b>	<b>28,337</b>	<b>238</b>

**TRAINING  
HOURS BY  
ONGOING AND  
FUNCTIONAL  
TRAINING  
PROGRAM**

TRAINING HOURS BY ONGOING AND FUNCTIONAL TRAINING PROGRAM	2021		2022		2023	
	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NUMBER OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE
Diploma	264	24	171	29	<b>395</b>	<b>26</b>
Specialization	997	27	526	38	<b>1,016</b>	<b>48</b>
Refresher course	9,635	44	8,389	40	<b>8,931</b>	<b>43</b>
Master's degree	547	68	590	54	<b>361</b>	<b>60</b>
<b>General Total</b>	<b>11,443</b>	<b>163</b>	<b>9,676</b>	<b>161</b>	<b>10,703</b>	<b>177</b>

**TRAINING  
EXPENDITURE**

TRAINING EXPENDITURE (USD)	2021	2022	2023
Total investment in training and development for the reporting period	420,593	1'318,832	<b>1'383,344</b>
Average amount spent on training and development per employee	559,30	1,517.64	<b>1'442,49</b>

**TRAINING FOR  
CONTRACTORS**

TYPE OF COMPANY	2022			2023		
	TRAINING HOURS	NO. OF PEOPLE TRAINED	HHC	TRAINING HOURS	NO. OF PEOPLE TRAINED.	HHC
Related Contractors	77,905	2,975	26	<b>58,082</b>	<b>3,289</b>	<b>18</b>
Mining Contractors	147,479	3,292	45	<b>39,374</b>	<b>2,790</b>	<b>14</b>
Micro businesses	51,085	2,508	20	<b>42,383</b>	<b>2,534</b>	<b>17</b>



# Our Acknowledgement programs

## PERFORMANCE RECOGNITION PROGRAM – JESUS ARIAS AWARD

In Poderosa We value and celebrate our exceptional achievements through our Recognition program, the “Jesus Arias Award”. This program not only highlights our individual success, but also strengthens our connection with the vision, mission and fundamental principles of the company.

Our leaders and the Human Development teams carry out detailed assessments to recognize outstanding employees, for which they use criteria such as operational discipline, 5S philosophy, attendance to scheduled trainings, and the 2023 performance assessment average. We also assess adhesion to our corporate values, such as initiative, productivity, respect, responsibility, learning and teaching, and integrity. This prestigious award was granted to 21 employees in total, including 9 workmen and 11 employees of Poderosa, who stood out in different areas and sites.

We carried out the election of the most outstanding employees, selected by their own co-workers. Two co-workers from the Information Technology (IT) and Human Resources (HHRR) areas were the most voted, which evidences the recognition and appreciation of their colleagues.

In addition, we implemented an award for outstanding contractors for the first time. This distinction was based on performance throughout the year and was carried out by the Contract Administration area.

The criteria evaluated included compliance with the 5S philosophy, safety indicators, productivity, financial score and compliance with labor obligations. A total of 8 mining and service contractors of Santa María and Marañón Production Units were recognized.

## PODEROSA QUALITY WEEK

In the XXIV Quality Week “Improving and innovating for responsible mining”, 16 projects were evaluated, 4 of them were directly related to innovation projects and 12 to continuous improvement. In addition to the evaluation of projects, we had 8 rapid improvements presented by line staff, we held keynote speeches on crucial topics such as sustainability and circular economy, challenges in implementing business agility, tools of the digital era and the impact of the sustainability report.

The winners were:

Strategic and Support Processes

- **Gold Miner:** CMC – Clean Energies “Reduce the cost of electricity in peak hours through peak shaving in Poderosa”
- **Silver Miner:** CMC SERMEP – PDP2 – “Decrease accumulation of rock waste by reuse in Poderosa’s operations”

Production Category

- **Gold Miner:** CMC QORY MASKAQ “Optimizing the process of obtaining mineral resources through digital models for better interpretation, control and safety in Poderosa”
- **Silver Miner:** CMC Technological Research and Innovation” – “Optimizing reagent consumption for mineral processing in Poderosa”

## 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 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 reality.

To strengthen this discipline, we participated in the National 5S-Kaizen Award, organized by AOTS. In 2023 we were awarded the Gold Medal for the mining unit and administrative offices; we showed the application of 5S in all our processes.





# 5.2 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

[GRI 3-1] [GRI 403-1] [GRI 403-2] [GRI 403-3] [GRI 403-5] [GRI 403-6]  
[GRI 403-7] [GRI 403-8] [GRI 403-9]

In Poderosa, we acknowledge that the mining activities entail inherent potential hazards that must be managed under a zero tolerance and permissiveness policy to prevent undesired events. Our tasks that include drilling, rock blasting, handling heavy machinery and use of chemical substances among other, are complex and potentially hazardous, for they expose our workers to several risks that may result in occupational diseases or injuries.

We reaffirm our strong commitment to ensuring a safe

and healthy environment for the well-being of our employees and the communities in which we operate. In this context, at Poderosa we have developed a sound occupational safety and health management system, detailed in 20 elements, included in our Annual Program. This system is based on ISO 9001, 14001, and 45001 standards, showing our commitment with the highest quality, environment, and occupational health standards. We actively promote the participation of all our employees and recognize that

their involvement is essential to the success of our operations. We appreciate their input and consultation, and the importance of their perspective in the continuous improvement of our occupational health and safety practices.

Our Occupational Health and Safety Policy reflects our dedication to safe work and highlights our greatest concern for the prevention of work-related injuries, illnesses, and incidents.

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, and place the necessary supports in the works.

9. We fasten the spillways and lifting chimneys with grids.

## Our focus in 2023

Our efforts remain focused on developing a safety culture that embraces incident prevention, risk control and accountability at all levels of the hierarchy.

In addition, we recognize that technology, automation, and continuous improvement of critical controls and procedures play a key role in reducing illness and injury rates. We strive to integrate these tools and approaches into our daily operations to further strengthen our commitment to the safety and well-being of all our team members.

## Our assessment and performance

To assess and measure process performance, we have carried out internal and external audits, which results are informed and implemented systematically in the areas or contractor companies, with a continuous improvement approach. 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 Program. The 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. They share opinions and suggestions as well as any acts or conditions, they are encouraged to say "no" to unsafe labor practices.

The 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, 2023, we had a follow-up audit for the certification ISO 9001:2015, 14001:2015, 45001:2018 standards.

In 2023, 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 Marañón or Santa María 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 staff affected 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.

The most frequent causes of injury were material handling, serious attempts on life and health (due to criminal acts inside the mine), people falling, rocks falling, and workers being hit or trapped by moving machinery.

## EMPLOYEE FATAL ACCIDENTS AND INJURIES

EMPLOYEE INDICATORS	2021	2022	2023
Number of deaths resulting from an occupational accident injury	0	1	1
Accident rate	0.4	6.39	3.02
Number of recordable injuries per occupational accident (fatal, disabling and minor)	7	3	4
Number of employee hours worked	1'316,771.1	1'373,789.1	1'408,701.4

In 2023, we recorded one fatal workplace accident. This event highlights the critical importance of workplace safety measures and the need to continually review and improve risk prevention protocols to protect the health and safety of all employees.

We have also seen the results of our occupational safety efforts through a significant reduction in the incidence of lost-time injuries. Our frequency rate for employees has reduced to 0.7 and for contractors to 1.51, which shows the success of our prevention and safety training initiatives. We are committed to continuing this proactive approach to ensure that everyone in our organization can work in a safe and healthy environment.

NON-EMPLOYEE FATAL ACCIDENTS AND INJURIES

NON-EMPLOYEE INDICATORS	2021	2022	2023
Number of deaths resulting from an occupational accident injury	0	2	0
Accident rate	0.1	4.49	0.06
Number of recordable injuries per occupational accident (fatal, disabling and minor)	27	45	26
Number of employee hours worked	5'928,077	7'884,832	9'525,850

FATAL ACCIDENTS

ACCIDENTS	2021	2022	2023
Fatal Accidents	0	3	1

LOST TIME INJURIES

EMPLOYEE AND CONTRACTOR INDICATORS	2021	2022	2023
Lost Time Injury Frequency Rate (LTIFR) – Employees	3.8	1.5	0.7
Lost Time Injury Frequency Rate (LTIFR) – Contractors	1.9	2.3	1.51



TYPES OF ACCIDENTS AND HOURS WORKED

INDICATOR	2022	2023
Total hours worked by all direct employees during the year	1,373,789	1,408,701
Number of Minor Accidents (Direct Employees)	1	2
Number of Disabling Accidents (Direct Employees)	1	1
Number of Fatal Accidents (Direct Employees)	1	1

INDICATOR	2022	2023
Total hours worked by all contractors during the year	7,884,832	9,525,850
Number of Minor Accidents (Contractors)	27	13
Number of Disabling Accidents (Contractors)	16	13
Number of Fatal Accidents (Contractors)	2	0

Occupational Health and Safety Training

In 2023, we executed our Emergency Response comprehensive training program. The staff was also 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.

OCCUPATIONAL HEALTH AND SAFETY TRAINING HOURS

TYPE OF TRAINING	2022	2023
Labor risks	96,939	82,446
OHS management tools	24,538	54,081
First Aids	629	763
Total general	122,106	137,290

Emergency response

We have a Crisis Committee and a Central Emergency Committee that are fundamental to coordinate and mitigate the impacts of undesired events. The brigade members of the mining unit are prepared for any emergency. In addition, a comprehensive emergency response training program was executed, 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. All the same, we have emergency stations in Chagual, Vijus, Papagayo, Cedro and Santa María.

IPERC

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 and to ensure the correct application of the Continuous IPERC methodology by the employees during the execution of their tasks.



# 5.3 DIVERSITY AND INCLUSION

[GRI 405-1] [GRI 405-2]

We strive to provide equal opportunities for work, growth, development and care for all.

At Poderosa, we share a strong vision of diversity. We strive to provide equal opportunities for work, growth, development and care for all. In addition, we are dedicated to fostering an environment that promotes respect and cordial treatment among all members, regardless of political, religious, racial, gender, nationality or other differences.

Our aspiration is to become a social reference with a positive impact on the families, communities and companies that collaborate with Poderosa. We seek to lead in promoting equal opportunities and respect for all staff, and to maintain an egalitarian approach in all our interactions.

We therefore have the following policies in place:

- Equity, Diversity and Inclusion Policy
- Recruitment and Selection Policy
- Internal Promotion Policy

### Our main goals in 2023

- Promote equal opportunities, and inclusive and non-discrimination criteria in our recruitment and selection processes, seeking to attract diverse talent
- Promote the awareness of all our employees about

equality, through the necessary communication and training actions, as well as ensuring objective evaluations without gender bias

- Ensure a work environment free of violence, harassment, offensive or disrespectful behavior.
- Ensure gender equality and career opportunities in leadership positions
- Guarantee that all staff with physical limitations have equal opportunities to participate in all aspects of work to the best of their abilities and desires and take on alternative tasks if necessary.
- Ensure the implementation of adequate infrastructure and equipment for female staff.

### Our metrics in 2023

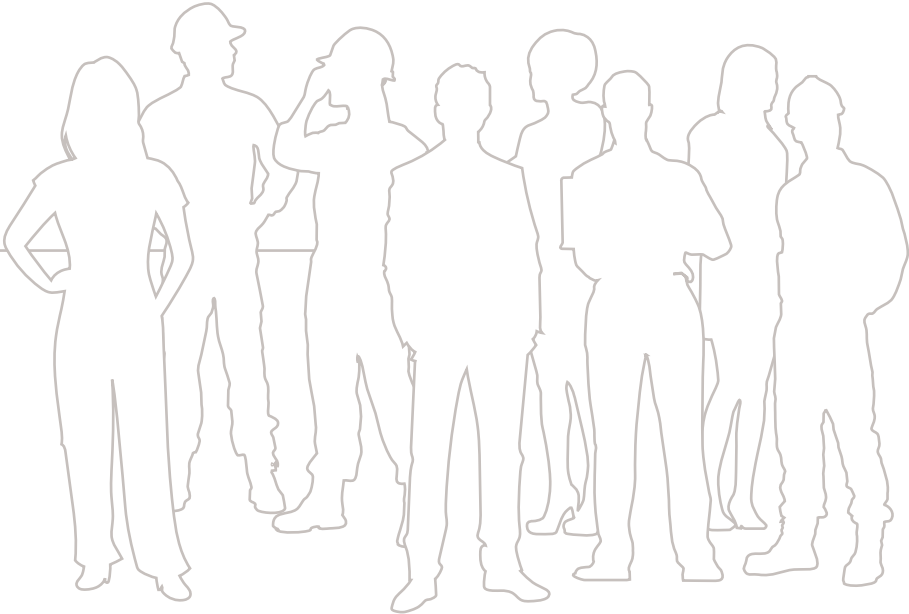
- Percentage of women in the payroll. Goal: number of women => 6 %
- Percentage of staff with disabilities in Poderosa. Goal: to hire at least 3% of staff with disability, out of the total payroll.
- Use of complaint channels in case of sexual and workplace harassment Goal: maintain or increase the 2022 frequency.
- Maintain or increase the number of female staff with access to promotions. Goal: maintain at least 15% of female staff promoted.

### STAFF WITH DISABILITIES IN PODEROSA

YEAR	TOTAL STAFF	STAFF WITH DISABILITIES	% DE PERSONAL CON DISCAPACIDAD
	% of staff with disabilities	20	3
2022	780	20	3
2023	777	4	0.5

### Our main initiatives in 2023

- We conducted a diagnosis and received advice from a consulting firm specialized in inclusion and diversity and identified key strategies for the 2023 plan and the following years.
- We integrated our inclusion and diversity policy summary into various public calls and reinforced our values and commitments.
- We organized awareness raising conferences for the Recruitment and Selection team and stressed the importance of eliminating bias in the hiring process.
- We held in-person workshops to raise awareness among male and female staff about equal opportunities in several areas.
- We digitalized the course related to the prevention of sexual and workplace harassment, broadened its scope and disseminated the importance of preventing these behaviors.
- We provided information on the different mechanisms and channels available for employees to file a complaint.
- We set up the Inclusion and Diversity Committee as part of our ongoing commitment to promote an inclusive and respectful work environment.



WE SEEK TO LEAD IN THE PROMOTION OF EQUAL OPPORTUNITIES AND RESPECT FOR ALL THE STAFF





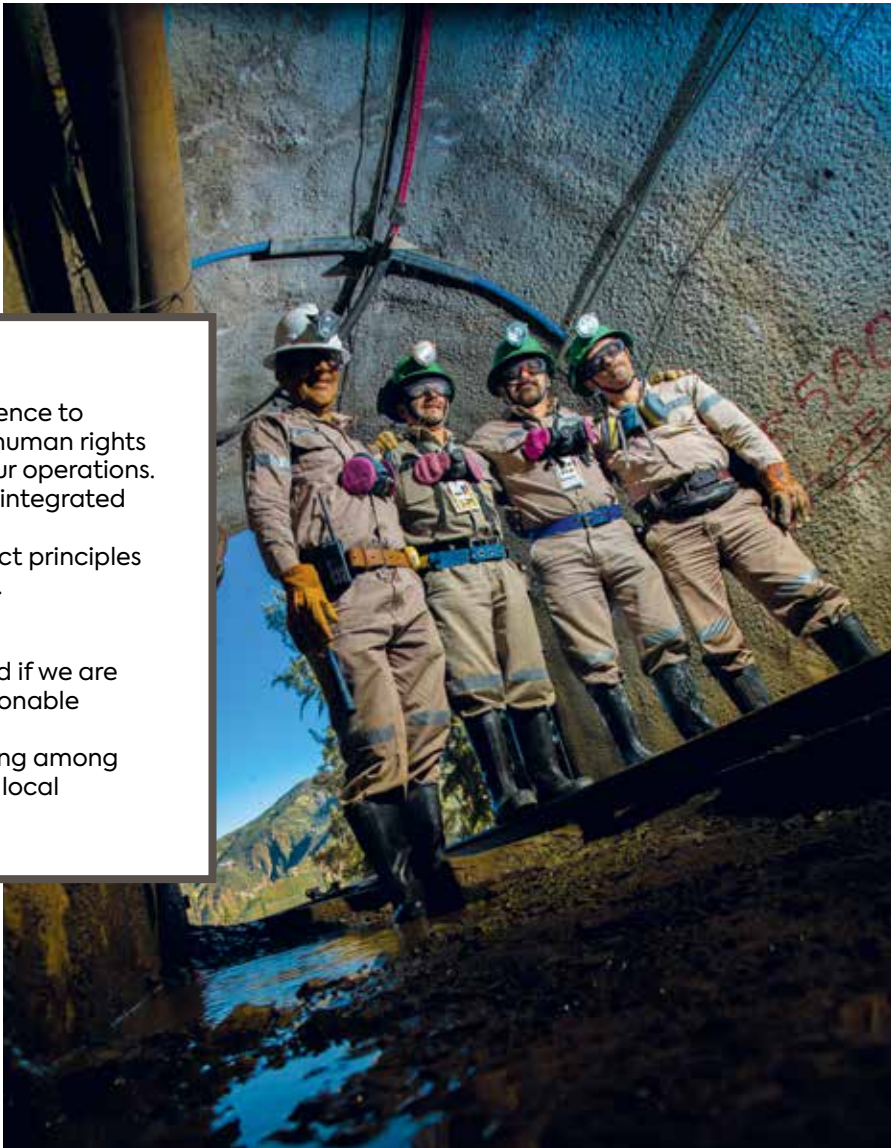
# 5.4 HUMAN RIGHTS

[GRI 3-3]

At Poderosa we are committed to respecting, promoting and ensuring compliance with human rights in our operations and throughout our value chain. Therefore, we are consistently aligned with the Universal Declaration of Human Rights, the Guiding Principles on Business, and Human Rights of the United Nations, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and its Fundamental Conventions, the Voluntary Principles on Security and Human Rights, the National Action Plan on Business and Human Rights (2021-2025) and national legislation.

In line with the frameworks mentioned and our values, we have a human rights management action line that overlaps five pillars of due diligence: commitment, risk management, training and outreach, complaint mechanisms, and monitoring and reporting.

**At Poderosa we are committed to respecting, promoting and ensuring compliance with human rights in our operations and throughout our value chain.**



**Under this commitment:**

- We conduct adequate due diligence to identify and mitigate potential human rights risks and impacts arising from our operations.
- We include human rights risks in integrated risk management.
- 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 among our employees, contractors and local representatives.

## Commitment

**It involves public statements, an oversight structure, and resources aligned to human rights.**

In Poderosa we have corporate policies that guide our actions and define the expected behavior regarding human rights. The Code of Ethics is our main guiding document on this regard, in which we reaffirm our commitment to non-discrimination, rejection of child and forced labor, and compliance with environmental regulations. This document applies to all our main stakeholders: from employees and officers to customers, suppliers, contractors and Board members, regardless of their hierarchic level or labor regime. The code was updated and approved by the Board of Directors in January 2023.

We have also reviewed our Sustainability Statement in 2023 to emphasize our commitments to human rights, non-discrimination and equal opportunities.

## Risk Management

**It implies the identification and evaluation of risks and impacts to human rights, action plans, controls and monitoring, and transfer of standards to suppliers and contractors.**

In 2023 we included the human rights risk management into our comprehensive risk management. We update our risks in this area on a regular basis following Responsible Business Conduct

and Human Rights Standards and reviewing the reports of the complaints channel. We develop action plans based on the risks identified to mitigate them.

The company assesses 100% of its operations in human rights risks (408-1). In 2023, we held workshops with those areas considered in greater risk regarding human rights: Human Resources, Contract Administration, Community Relations and Property and Asset Security. Regarding suppliers, we have not identified significant risks related to child labor, hazardous work or forced work. All the same, all our suppliers sign a letter of adhesion to the Code of Ethics, which includes a point on freedom of association.

## Training and culture

**It refers to training of company employees on human rights, training of suppliers with higher risks to sustainability and human rights, as well as internal and external diffusion of our commitments.**

In Poderosa we train our employees, leaders and strategic partners on human rights. In 2021 we started to include human rights topics in the ethics and anti-corruption trainings, first in key areas, and then we sought to extend its outreach every year.





Human Rights trainings

In 2023 we trained 774 employees in human rights topics.

INDICATOR	2021	2022	2023
Total training hours in the year	1	1	3
Ratio of training hours (hours/employees)	0.63	2.65	1.015

SECURITY STAFF TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES

Percentage of security staff that has received formal training in specific human rights policies or procedures of the organization, and its application in security	100%
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Compliance management system

Through our Ethics Channel it is possible to report human rights violations.

We have an Ethics Channel dedicated to receiving, among other, complaints related to Human Rights. We have rigorous complaint handling procedures in place, which detail the timelines for processing complaints and transparently communicating the results of investigations. Our complaint handling protocol was reviewed and updated in 2023 to ensure its effectiveness and alignment with recent standards.

Monitoring and reporting

This implies having monitoring mechanisms in place, performance reports and evidence of the lessons learnt.

In this 2023 report we are pleased to present, for the first time, our progress in human rights management. We share the progress made with our stakeholders and reaffirm our commitment with the advancement and respect for human rights.





# VALUE CHAIN



## PART 6



# 6.1 SUPPLIER MANAGEMENT

[GRI 3-3] [GRI 414-2]

The Procurement Department is responsible for supplying the goods and services necessary to comply with the development of our productive and administrative processes, in a timely and efficient manner. Our supply chain considers a set of processes that ensure the provision of these goods and services. The process begins with the request for internal orders based on the annual cost and investment plan approved by the Board of Directors, the head offices, the superintendencies and the management.

## OUR MOTIVATION

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.

Our commitment goes beyond the exchange relationship with our suppliers, who, through various initiatives, can develop innovative products, 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 creation of local jobs through contractors and local companies which supply goods and services.

## OUR EFFORTS

Our commitment goes beyond the exchange relationship with

our suppliers, who, through various initiatives, can develop innovative products, provide increasingly complex services, and improve productivity, making them more competitive.

Our policies are clearly defined, and 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.



## Logistic Management

Purchase and management of automatic replenishment materials such as fuels, chemical products and explosives is vital for the mining operation. 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

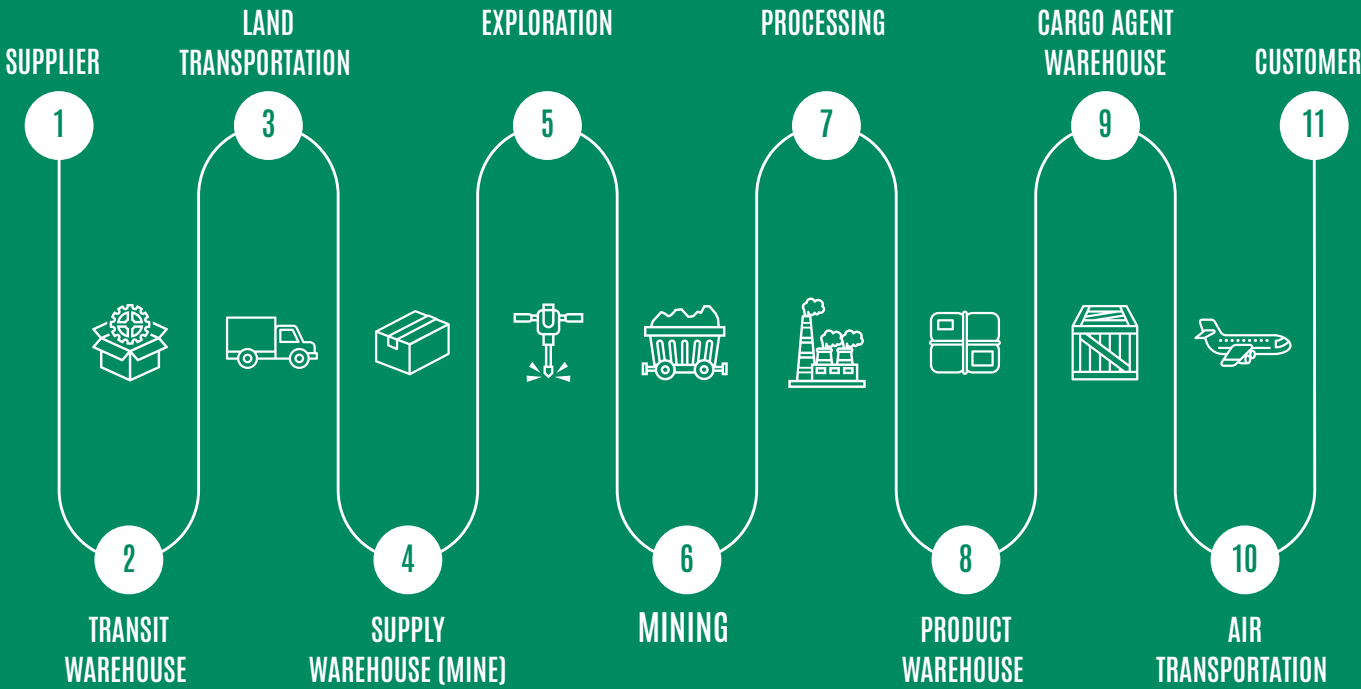
have adverse effects on people's health as well as on the company's facilities, processes, and the environment. Therefore, their use is highly dangerous for the mining operation.

To guarantee timely procurement, we have 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 outsourced companies that cover the route Lima-Trujillo-mine.

At the mines, we have a sound infrastructure, including two central warehouses, storage units, gas stations, timber storage facilities, ammunitions deposits and specialized warehouses for heavy and bulky materials.

## SUPPLY CHAIN STRUCTURE





Our suppliers

In 2023 we had 760 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. All the same, we have signed 14 supply contracts through partnerships with strategic suppliers and 9 contracts for transportation services and technical support for service inspection.

TYPE OF SUPPLIERS

N°	TOTAL	%
Number of companies that supply goods	440	49
Number of people that supply goods	7	1
Number of companies that supply services	426	47
Number of people that supply services	27	3

SUPPLIER BREAKDOWN ACCORDING TO THEIR GEOGRAPHIC LOCATION

INDICATORS		2021	2022	2023
Total number of suppliers		787	817	760
Per location	Local	53	71	54
	Regional	19	9	16
	Lima	688	708	661
	International	27	29	29

SUPPLIER ORIGIN

2023		
SUPPLIER ORIGIN	TOTAL	%
La Libertad	70	9
Other cities	690	91
Total	760	100

SUPPLIER PERCENTAGE ACCORDING TO GEOGRAPHIC ORIGIN

2022			2023		
INTERNATIONAL	DOMESTIC	LOCAL	INTERNATIONAL	DOMESTIC	LOCAL
3%	87%	10%	4%	87%	9%

ESTIMATED MONETARY VALUE OF PAYMENTS TO SUPPLIERS

2021	2022	2023
US\$	US\$	US\$
58,303,374.28	77,745,965.08	69,395,476.53



duly evaluated and selected suppliers (excluding contractors), among domestic and foreign.



Local Suppliers

[GRI 204-1]

Local suppliers are individuals or legal entities established in the district of Pataz and in other areas of La Libertad region, where we carry out our operations. We maintain contract relationships with them for the supply of goods and services. The supply includes different types of material movement, from automatic replenishment to direct orders, and projects. In addition, fixed assets are also considered, and they are purchased according to the annual investment plan.

RATIO OF MONETARY VALUE OF PAYMENTS MADE TO LOCAL SUPPLIERS				
	2021	2022	2023	
Percentage of supply Budget for significant operations spent with local suppliers	4.0%	4.0%	4.5%	

Supplier development

We recognize the importance of our suppliers to build a sustainable and resilient supply chain. Therefore, in 2018 we developed the first Supplier Development Program (SDP) to enhance our supplier entrepreneurial management skills to strengthen the business networks within Pataz’s vibrant innovation and entrepreneurship ecosystem.

As a comprehensive part of the SDP, we carried out a diagnosis through a standardization report which provided the fundamental baseline for our next actions. Also, we implemented a strict indicator measurement system that included crucial aspects such as staff turnover, customer satisfaction, social responsibility initiatives, commercial dependence and other relevant

SUPPLIER STANDARDIZATION				
	2021	2022	2023	
Percentage of suppliers assessed	N/A	N/A	87.23%	

parameters. Due to the good results of the first SDP, (2018 – 2020), in 2023 we implemented the second SDP (2021 – 2023) with the participation of 7 companies, which ratified their commitment to sustainable development and continuous improvement.

Supplier assessment

[GRI 308-1]

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

Therefore, our critical suppliers undergo a standardization process, through Corporación Hodelpe SAC. All of them are assessed in environmental, social and governance issues. All the same, the critical suppliers that undergo standardization by Hodelpe, must pass a virtual audit.

6.2 OUR CUSTOMERS

In Poderosa, we try to maintain strong relationships with our customers, showing constant attention to their needs and appreciating their valuable feedback. Over the last few years, we are proud to say that we have not received any complaints from our customers regarding data breaches, products shipped, or the services provided.

CUSTOMER  
SATISFACTION LEVEL

2021	2022	2023
100%	100%	100%

Currently, we hold a direct relationship with two customers to whom we send doré bars, a mixture of gold and silver and other residual elements. These customers provide us with refining services, and we later sell them the refined gold and silver ounces, to compensate for their service.

To quantitatively measure customer satisfaction of our clients, we carry out annual surveys which have shown excellent results in the past years. Our commitment is to maintain high quality and service standards and make sure we continue exceeding the expectations of our valuable customers.



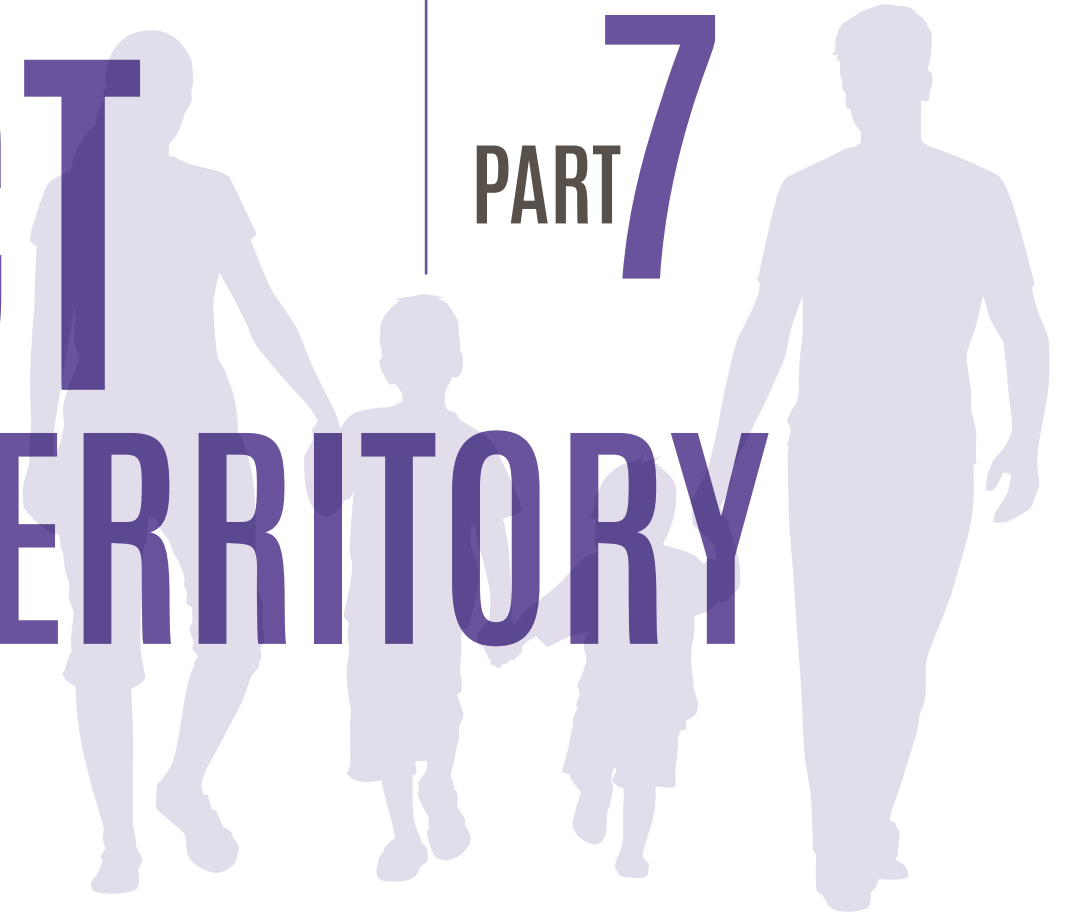




# IMPACT ON THE TERRITORY

## PART 7

[GRI 3-3] [GRI 203-1] [GRI 203-2]  
[GRI 413-1] [GRI 413-2]





# 7.1 OUR CONTRIBUTION TO DEVELOPMENT

We are firmly committed to promoting development in our areas of influence and we seek to create sound, constructive and receptive bonds. Close and continuous interaction with our stakeholders helps us to fully understand their needs, so we can focus our efforts to contribute with the community's sustainable development.

Our main purpose is to improve the quality of life of families in the areas of influence and ensure the sustainability of the mining operations. We foster good neighbor relations in in cooperation for the development of the communities, and we manage social conflicts efficiently and systematically. This objective is evident through the implementation of the Pataz District Sustainable Human Development Program, which fosters social, economic, and governance development.

In line with these principles, our Community Relations Policy establishes the importance of maintaining and promoting adequate relations in a sensitive social environment. This approach is key to prevent social conflicts that could affect our operations by strengthening community and environmental project management to help to the sustainable development of the region.

Our milestone in 2023:

S/ 11'968,952 in social investment

to improve life quality of the population.

100% compliance

with social and environmental commitments.

S/ 150,000 delivered

to three projects winners of the 2023 contests: **Vijus, Nimpana and Pueblo Nuevo CODECOS.**

**We executed a cooperation agreement between the Pataz Health Network Execution Unit 415, Poderosa and Asociación Pataz.** The purpose of this Agreement is to join efforts to implement projects and actions that contribute to health promotion, prevention and recovery. All the same, it fosters community participation in the creation of a healthy environment, and respects Pataz citizens' fundamental rights.



50,000 people benefited

by the community relations activities in 2023.

**107 CODECOS leaders, 75 authorities or local leaders, and 319 community members** strengthened their community development management skills and capacities

Under the Works for Taxes program, **we implemented the Drinking Water and Sanitation project in 5 communities in Tayabamba District.** This initiative represents an investment of 19.6 million soles and will benefit approximately 800 people.

**638 participants,** 114 of which are JASS directors, 54 leaders and authorities; and 470 users of 22 JASS, 18 from Pataz and 4 from Pías, received counselling, training, and technical assistance to manage, operate and maintain the drinking water systems, a vital resource for community wellbeing.

# 7.2 OUR COMMITMENT TO NEIGHBORING COMMUNITIES

## Community relations plan

We have a Community Relations Plan, in line with the commitments of our Community Relations Policy which guides the relationship, promotes dialogue, and directs the communication between our company, the contractors and the communities located in our area of social influence. The main plan is to prevent and mitigate any negative social impacts that may occur, among which the following are the most important:

- Increase in the cost of living, reflected in the prices of products and services, as well as in salaries.
- Migration of outsiders in search of job opportunities.

- Transition of economic activities: from subsistence farming to artisanal mining.
- Increase in criminal activities and related social problems.
- Exploitation and child labor in informal mining.

Our participatory intervention strategy addressed to the population in our direct and indirect areas of influence, aims at harmonic and sustainable cohabitation.

## Community relations protocol

Our community relations protocol contains a set of measures to approach the communities, to minimize social risks and generate

a favorable environment for the development of our operations.

**This includes guidelines on the following topics:**

- Environment and sustainable development
- Relations with authorities and population in the area of influence
- Cultural identity
- Contract of local labor
- Employee behavior





Community relations strategy

We have a relationship strategy based on the effort and co-responsibility between our company, the local government and various government sectors, as well as the participation of the organized population through Community Development Committees. (CODECOS). Our strategy has three fronts:

**1** **Effective communication and citizen participation:** Promoting citizen participation processes in the implementation of mining projects, as an element that generates feedback opportunities for proper decision-making, delegation of responsibilities and/or adoption of agreements. Likewise, we seek to adequately communicate the different Environmental Impact Studies approved and strictly comply with the processes of citizen participation in the studies.

**2** **Working in partnership and with co-responsibility:** We 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.

**3** **Contribution to sustainable development:** We concentrate our efforts 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.

Good neighbor policy

With this policy, we are committed to being a good neighbor, promoting dialogue with communities of direct influence, strengthening good relations and building trust in communities, social organizations, and local government. .

We have a relationship strategy based on the effort and co-responsibility.





# 7.3 DIRECT AND INDIRECT AREA OF INFLUENCE

Our area of influence is defined based on the potential impacts of the project. 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.
- 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.

In La Libertad region, we have Santa María Production Unit and Palca Production Unit, in the Pataz District, together with several exploration projects in Montañitas, Tayabamba and Pataz, that have a positive impact on the Pías,

Andrés Rázuri de Suyubamba, and La Victoria farming communities, among others.

Furthermore, we highlight our presence in different parts of Peru with regional exploration projects that directly benefit the surrounding communities. These activities reflect our corporate responsibility and the importance of collaborating with the communities to ensure joint and sustainable progress.

## DIRECT AND INDIRECT AREA OF INFLUENCE

Nº	PRODUCTION UNIT/ PROJECT	REGION	PROVINCE	DISTRICT	VILLAGE	COMMUNITY
1	Santa María		Pataz	Pataz	Pataz, Campamento, Pueblo Nuevo, Zarumilla, Vista Florida, Socorro.	
2	Palca Production Unit	La Libertad	Pataz	Pataz/Pías	Pías/Suyubamba	Pías Farming Community, Andres Razuri de Suyubamba Farming Community
3	Montanitas Exploration Project	La Libertad	Huaylillas	Huaylillas	Huaylillas	Estrella de Oro Farming Community
4	Montanitas Exploration Project	La Libertad	Ongon	Uctubamba	Uctubamba	
5	Montanitas Exploration Project	La Libertad	Pataz	Tayabamba	Tayabamba	La Victoria.Farming Community
6	Montanitas Exploration Project	La Libertad	Pataz	Pías/ Melomea	Pías	Pías Farming Community
7	Exploration Project	La Libertad	Pataz	Pataz	Chuquitambo, Nimpana, Shicun	Las Defensas Sol Naciente Farming Community
8	Sol Naciente Exploration Project	La Libertad	Pataz	Pataz	Chuquitambo, Nimpana	Sol Naciente Farming Community
9	Regional exploration projects					



# 7.4 CODECOS EMPOWERMENT



As a result of the training and counselling provided, the CODECOS have managed to lead community development initiatives, reflected in the execution of several projects.

The Community Development Committees (CODECOS) are a local management and governance model at local level. These organizations are made up by individuals and legal entities that represent the dwellers of a specific area, village, community, population, or neighborhood. Its purpose is to supervise and control public expenditure execution in their jurisdiction, and to design and manage a community development plan.

We have promoted this model in every community in the Pataz District, and recently, in Pias (Alacoto and Pamparacra). As a result of the training and counselling provided, the CODECOS have managed to lead community development initiatives, reflected in the execution of several projects. These initiatives have a great impact in the reduction of gaps in health, education, economic development, and have helped to meet the basic family needs such as access to tap water, sanitation, health, education, and to improve family income, etc.

Training and counselling have been carried out through the CODECOS district level meetings, their participation in the 2023 contest for funds, and raising financial resources to execute the projects scheduled in the community development plans.

In the 2023 empowerment assessment, we included the two

Pias CODECOS. As a result, six CODECOS met empowerment level III, and nine met empowerment level IV, one CODECO is at empowerment level II.

## CODECOS EMPOWERMENT LEVEL IN 2023

2023	
COMMUNITY	EMPOWERMENT LEVEL
Vijus	46
Zarumilla	46
Socorro	46
Campamento	44
Suyubamba	43
chuquitambo	43
Nimpana	43
Pueblo Nuevo	42
San Fernando	42
Chagual	41
Vista Florida	40
Shicun	40
Alocoto	37
Pamparacra	36
Los Alisos	35
Cruz Colorada	26

## EMPOWERMENT LEVEL

2023	
EMPOWERMENT LEVEL	NUMBER OF CODECOS
CODECOS in level IV	9
CODECOS in level III	6
CODECOS in level II	1

## Formalization and agreements

Agreement execution is an empowerment criterion for CODECOS empowerment. In 2023, 13 CODECOS signed a comprehensive agreement with the Pataz District Municipality to finance the projects of the Contest for Funds. Also, six CODECOS have signed agreements with Poderosa: Chuquitambo, Suyubamba, Vista Florida, Pueblo Nuevo, Campamento, and Socorro.

All the same, four CODECOS have signed agreements with Asociacion Pataz, and are in the process executing their projects under the Contest for Funds framework in the Vista Florida community, which is implementing a clothing and sewing workshop. In the case of the Suyubamba CODECO, it has signed an agreement to improve the irrigation channel, which project is being implemented. Campamento CODECO has signed an agreement to repair two classrooms in the Divino Niño Jesus primary

education school, which is being implemented.

Socorro CODECO signed an agreement to improve and remodel the Rayitos de Cornelia (PRONOEI) Elementary school. The project is being executed.

On the other hand, 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 clinic in each community.

## COOPERATION AGREEMENTS

2023					
N°	CODECOS/ COMMUNITY	COOPERATION FRAMEWORK AGREEMENT BETWEEN PATAZ DISTRICT MUNICIPALITY, ASOCIACION PATAZ AND CODECOS	SPECIFIC COOPERATION AGREEMENT BETWEEN PODEROSA AND CODECOS	AGREEMENT WITH ASOCIACIÓN PATAZ AND CODECOS, FOR THE EXECUTION OF THE CONTEST FOR FUNDS PROJECTS	COOPERATION AGREEMENT BETWEEN -CODECO AND EXECUTION UNIT 415 - PATAZ
1	Chuquitambo	27/04/2023	27/03/2023		
2	Nimpana				
3	Shicun				
4	Vijus				13/12/2023
5	Chagual				
6	Suyubamba		19/09/2023	02/01/2023	
7	Vista florida		16/10/2023	02/01/2022	
8	San fernando				
9	Campamento			02/01/2023	
10	Pueblo nuevo		26/06/2023		
11	Los alisos		08/08/2021		
12	Zarumilla				20/12/2022
13	Socorro		29/03/2022	02/01/2023	
Total		1	6	4	2



Capacity building

In 2023, 107 CODECOS leaders (75 community authorities and leaders, and 319 dwellers) actively participated in the capacity building process, focused on community development management. This program provided the participants with the key tools and knowledge to improve their skills and abilities to contribute more effectively to their community progress and well-being.

2023 Project contest

The project contest is a mechanism to allocate funds to citizens organized under a CODECOS. The purpose is to promote the design and implementation of projects to improve their life quality. For social organizations, access to funding is an important tool for it helps to generate scale economies in the production system, improves articulation to the markets and strengthens competitiveness.

All the same, the purpose of this initiative 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 2023, 35 projects on education, drinking water, clothing workshops, health, soda shops, and sanitation projects were implemented, among others.

In 2023 S/ 150,000 were granted to three projects, winners of the 2023 Project Contest: Vijus, Nimpana and Pueblo Nuevo CODECOS.

CODECOS AUTHORITIES AND POPULATION TRAINING

2023					
N°	COMMUNITY	CODECOS DIRECTORS	AUTHORITIES -LEADERS	POPULATION	TOTAL
1	Chuquitambo	6	7	12	25
2	Nimpana	5	6	35	46
3	Shicún	7	2	1	10
4	Vijus	3	5	1	9
5	Chagual	9	5	25	39
6	Suyubamba	9	5	0	14
7	Vista Florida	5	4	0	9
8	San Fernando	7	2	4	13
9	Campamento	7	8	8	23
10	Pueblo Nuevo	7	5	0	12
11	Los Alisos	5	9	30	44
12	Zarumilla	5	1	0	6
13	Socorro	9	4	87	100
14	Alacoto	8	5	14	27
15	Pamparacra	8	7	42	57
16	Cruz Colorada	7	0	60	67
Total number of participants		107	75	319	501

These are resource allocation mechanisms that give the citizens the responsibility to implement the necessary projects to improve their life quality. For social organizations, access to funding is an important tool for involves them in the country's development process.

Contest funds are concrete initiatives that seek to contribute to a specific field and, in this way, solve a problem that helps to improve the quality of life of

Peruvians. They contribute to generate economies of scale in production systems, improve market articulation and strengthen competitiveness.

In 2023, 35 projects on education, drinking water, clothing workshops, health, soda shops, and sanitation projects were implemented, among others.

2023 CONTEST WINNER PROJECTS

2023					
CODECO	WINNER PROJECT	FUND	ASOCIACIÓN PATAZ	COUNTERPART	AREA
Nimpana	Solid waste management in Nimpana	198,678.57	65,000.00	102,886.55	Medio ambiente
Vijus	Improve water access, distribution and quality in Vijus community, Pataz district, La Libertad	275,331.99	65,000.00	210,431.78	Salud
Pueblo Nuevo	Improvement of education quality through the construction of two classrooms for School N.º 80800 primary level in Pueblo Nuevo Community, Pataz district	145,418.56	65,000.00	80,398.55	Educación



S/ 150,000

were granted to three projects, winners of the 2023 Project Contest.

# 7.5 LOCAL DEVELOPMENT PROJECT FUNDING

Our commitment to the infrastructure development and improvement of Pataz district and surroundings includes the prevention of landslides in slopes, improving school infrastructure, agricultural development and enhancing the quality of basic services such as electricity and drinking water. Our main goals

include strengthening the security and well-being of the local communities, for their progress through these initiatives.

With a total investment of S/ 10,935,294.96, we have a plan that aims not only at improving the existing infrastructure, but also to strengthen the resilience of our

communities in the event of natural phenomena, and to improve the quality of life of the inhabitants of the Pataz district and neighboring areas. The different initiatives that we present reflect our commitment to sustainable development and social well-being in one of the most Dynamic and challenging regions of our country.



PROJECT	DESCRIPTION	SIZE	TOTAL (S/.)	DURATION / DEVELOPMENT LEVEL
Additional consulting service for design of technical file for complementary works for temporary control of landslides in Gran Pajatén Library slope walls.	Prevention of infrastructure of the Gran Pajatén library in the district of Pataz	District	<b>S/172,375.00</b>	1 month
Installation of a perimeter fence in Chuquitambo school, Pataz District	Promote the educational safety of students in Chuquitambo community school	District	<b>S/12,360.00</b>	2 months
Support for the Serpiente de Oro – Vijus Users Committee to de-silt the irrigation channels sand traps	Prevention of infrastructure of the Gran Pajatén library in the district of Pataz	District	<b>S/89,812.90</b>	1 month
Construction of 117 m of channel in Barrio Chino, Vijus	Promote agricultural development in Vijus.	District	<b>S/63,873.50</b>	1 month
Electric power for 15 housed in Huangale community	Promote rural electricity in Huangale	District	<b>S/7,280.00</b>	5 months
Control of slope walls in Pataz Park Library	Prevention of infrastructure of the Gran Pajatén library in the district of Pataz	District	<b>S/43,350.00</b>	2 months
Salary of an agricultural assistant specialist the Serpiente de Oro – Vijus User Committee.	Promotion of agricultural development among the Serpiente de Oro – Vijus User Committee.	District	<b>S/3,699.89</b>	12 months
Logistic support to Ugel Pataz to transfer books from Tayabamba to Pataz and Pias	Promotion of education quality in the Pataz district and province	Province	<b>S/384,090.00</b>	1 month
Donation of groceries, tools and construction materials during the rainfall emergency to the Peruvian Association of Municipalities.	Support for prevention of natural phenomena in Pataz district	District	<b>S/11,800.00</b>	1 month
Repair of the DIVPOL – National Police truck, Huamachuco.	Promote citizen security and management by the National Police	Province	<b>S/8,282.00</b>	1 month
Donation of 2 reels of 4” HDPE hose for Nimpana JASS (Farming Community Sol Naciente), Pataz.	Improvement of the drinking water system in Nimpana.	District	<b>S/115,994.00</b>	1 month
Support for the completion of the Ongon District church construction, Pataz Province	Promote cultural religious activities in Ongón district	District	<b>S/2,000.00</b>	5 months
Construction materials for the Chilia perimeter fence and sports court in Chilia Farmer Patrol Hall	Improvement of the Chilia District Farmer patrols facilities infrastructure	District	<b>S/4,840.00</b>	8 months
Improvement of the Molino Viejo main square infrastructure	Improvement of infrastructure to promote cultural spaces in the Molino district main square	District	<b>S/7,056.40</b>	1 month
Improvements in the electrical installations of the Vijus Health Clinic– Pataz	Improvement of the Vijus Health Clinic infrastructure	District	<b>S/2,799.90</b>	1 month



PROJECT	DESCRIPTION	SIZE	TOTAL (S/.)	DURATION / DEVELOPMENT LEVEL
Donation of computer equipment for Suyubamba community hall	Equipment for Andres Razuri farming community hall in Suyubamba	District	<b>S/9,204.00</b>	1 month
Donation of boardroom desk, 1,80 X 0,80 shelf, and 150 plastic chairs to Suyubamba community hall	Equipment for Andres Razuri farming community hall in Suyubamba	District	<b>S/137,516.66</b>	1 month
Corrective maintenance of Huaylillas ambulance	Promoting the quality of medical emergencies Huaylillas district	Province	<b>S. 2,400.00</b>	1 month
Materials for the Shicun community school fence, Pataz.	Promote educational security of Shicun school students	District	<b>S/3,384.58</b>	1 month
Support with the construction of a manhole box for the water control valve in Vijus Health Clinic- Pataz	Improve and control drinking water consumption in Vijus Health Clinic.	District	<b>S/4,200.00</b>	1 month
Apoyo para construir comedor escolar I.E. 80137 - Miguel de Cervantes Saavedra, Cochorco	Promote food and nutritional security of the students of School 80137.	District	<b>S/20,700.70</b>	8 months
Computer equipment for the implementation of the Pedagogic Innovation Classroom (AIP) at Gustavo Ries school in Trujillo.	Promote the educational equipment in Gustavo Ries school.	Trujillo district	<b>S/5,215.60</b>	1 month
Canvas for the front of the Jesus Solidario Parish, Alto Trujillo	Improve the infrastructure of the Alto de Trujillo Parish.	Trujillo district	<b>S/68,750.00</b>	4 months
Electric power connection for Mamalicha Housing Association, El Porvernir District, Trujillo	Promotion of electric infrastructure in the marginal urban areas of Trujillo district	Trujillo district	<b>S/263,938.00</b>	6 months
Reconstruction of the Zarumilla school sidewalk affected by landslides	Improve pedestrian infrastructure in Zarumilla	District	<b>S/17,030.06</b>	3 months
Salary of the Chuquitambo technified irrigation system operator	Improve technified irrigation system in Chuquitambo	District	<b>S/1,300.00</b>	1 month
Desing of technical file for the construction of Universidad Nacional de Trujillo classrooms	Technical file for Universidad Nacional de Trujillo	Trujillo district	<b>S/9,400.00</b>	3 months
Construction of a solid waste shack for Vijus	Promoting good practices in solid waste management	District	<b>S/3,500.00</b>	5 months
Donation of a 100 m HDPEC-8 hose to Vijus JASS and CODECO.	Improvement of the drinking water system in Vijus	District	<b>S/22,785.00</b>	1 month
Donation of 300 cement bags to the Leoncio Prado Farming Community, Pataz.	Promotion of local infrastructure in Vista Florida Farming community	District	<b>S/4,240.00</b>	1 month
Donation of waste containers to the Chagual School PTA, Pataz.	Promoting good practices in solid waste management	District	<b>S/5,482.00</b>	1 month
Spare parts to the Llacuabamba National Police truck, Parcoy.	Promote citizen security and management by the National Police	Province	<b>S/104,486.17</b>	1 month

PROJECT	DESCRIPTION	SIZE	TOTAL (S/.)	DURATION / DEVELOPMENT LEVEL
Provision of water tank truck service for Cochorco - Cochorco	Dust Prevention in Cochorco and Molino districts	District	<b>S/4,285.00</b>	1 month
Hoses to rehabilitate the Water systems in Antapita, Pataz.	Improvement of the drinking water system in Antapita	District	<b>S/800.00</b>	1 month
Hiring an excavator to work 200 hours to clean the Tingo River in Vijus, Pataz	Support for prevention of natural phenomena in Pataz district	District	<b>S/10,500.00</b>	1 month
Donation of boots and flashlights to the Santa Rosa de Zancobamba, Farmer Patrols	Promote Farmer patrol equipment for citizen security	District	<b>S/184,262.50</b>	1 month
Donation of 120 m of steel cable to improve the Nimpana drinking water system in Pataz.	Improvement of the drinking water system in Nimpana	District	<b>S/1,034.50</b>	1 month
Donation of materials and inputs for the Tayabamba drinking water system conduction line maintenance project, Pataz Provincial Municipality	Improvement of the drinking water system in Tayabamba	Province	<b>S/ 1,216.56</b>	1 month
Donation of 10 solid waste containers to Pampamarca JASS and CODECO, in Pias.		District	<b>S/18,408.00</b>	1 month
Water micro measurement project design service in Alacoto and Pamparacra, Pias	Improvement of the drinking water system in Antapita	District	<b>S/2,050.00</b>	1 month
Donation of 10 reels of 8” S-25 PVC pipes to Pampamarca authorities, Pias.	Promotion of agricultural infrastructure	District	<b>S/5,000.00</b>	1 month
Medium defibrillator for the Disaster Prevention Campaign with the participation of the Red Cross	Support for prevention of natural phenomena in the district of Pataz	District	<b>S/1,520.00</b>	1 month
Implementation of the San Fernando drinking water system.	Support for the implementation of the drinking water system for San Fernando community members	District	<b>S/50,000.00</b>	6 months
Drinking water system in 5 communities in Tayabamba – Works for Taxes	Implementation of the water system for human consumption	District	<b>S/9’043,072.84</b>	

Total  
S/ 10’935,294.96

# 7.6 WATER AND SANITATION COMMUNITY MANAGEMENT

Access to water is essential for human survival and progress and is indispensable for the normal functioning of our activities. Therefore, prioritizing the management of water and sanitation services is crucial.

Through the Works for Taxes modality, we implemented drinking water and sanitation systems in 5 communities in Tayabamba district. This initiative, that represents a S/ 19.6 million investment has benefited 800 people. On November 29, 2023, the opening ceremony of the water system in the Yuracpaccha annex was an important milestone. It should be noted that in the other annexes, the systems are currently under construction.

The main milestones during 2023 were as follows:

- The National Water Authority – ANA granted us the Blue Certificate, for our participation in the water footprint program, and for satisfactorily complying with the Water Reduction Program and the “Implementation of a micro measurement system in Vijus community” shared value project, through which we promote savings of quality drinking water in Vijus. This achievement was possible through the collaboration and leadership of Asociación Pataz, Vijus CODECO, Vijus JASS, Community Relations and the Pataz District Municipality.
- We built a manhole box for the water control valve in the Vijus-Pataz health clinic to

improve and control drinking water consumption in that clinic. The cost of the project was S/ 4,200 and was completed in one month.

- We donated hoses to rehabilitate the water systems in Antapita, Pataz, to improve the drinking water system in Antapita community. The cost of the project was S/ 800 and was completed in one month.
- We donated 120 m of steel cable to improve the Nimpana drinking water system in Pataz, to optimize Nimpana’s drinking water system. The allocated budget S/ 1,034.50, and the project was completed in one month.
- We donated materials for the Tayabamba drinking water system conduction line maintenance, in Pataz District Municipality. The purpose was to improve the drinking water system in Tayabamba district, with a budget of S/ 1,216.56 and the project was completed in one month.
- We designed water micro measurement systems in Alacoto and Pamparacra projects, in Pias, to improve the drinking water system in Antapita community. The budget for this project was S/ 2,050 and was completed in one month.
- We implemented the drinking water system in San Fernando community, to help in the implementation of the drinking water system for the community members. The budget for this project was S/ 50,000 and was completed in six months.

## Drinking water systems constantly monitored

Drinking water systems monitoring mechanisms allow us to make optimal decisions. In 2023 two monitoring activities were carried out: one in the rainy season, and the other one in the dry season. Participatory monitoring activities carried out measured quality (bacteriologic, physical, and chemical analysis), quantity and infrastructure (intake, conduction line, reservoir, distribution network, house connections).

Community participatory monitoring is carried out in a comprehensive manner with the participation of the CODECOS and JASS members, local authorities, representatives of the Pataz District Municipality, health clinic and Poderosa.

According to the evaluation matrix used to measure the 22 JASS management levels, 4 variables were considered: organization, management, quality and sustainability, together with 12 evaluation 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 IV quarter, 22 JASS were rated Good (Chuquitambo, Nimpana, Shicun, Vijus, Chagual, Suyubamba, Vista Florida, San Fernando, Campamento, Pataz, Pueblo Nuevo, Los Alisos, Zarumilla, Socorro, Yalen, La Ciénaga, La Colpa, Antapita, Alacoto, Pamparacra, Cenolen and 1 JASS was rated regular (Pías).

22 ↖  
JASS were rated Good at the end of the IV quarter.

EVALUATION OF THE PATAZ DISTRICT COMMUNITIES DRINKING WATER INFRASTRUCTURE IN 2023

N°	DRINKING WATER SYSTEM/ COMMUNITY	RATING				HOUSE CONNEC- TION	DRINKING WATER SYSTEMS GENERAL RATING
		INTAKE	CONDU- CTION LINE	RESERVOIR	DISTRI- BUTION NETWORK		
1	Chuquitambo	G	G	G	G	G	G
2	Nimpana	B	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	G	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	R	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	Yalen	G	G	G	G	G	G
16	La Ciénaga	R	G	G	G	G	G
17	Colpa	G	G	G	G	G	G
18	Antapita	G	G	G	G	G	G
19	Alacoto	G	G	G	G	G	G
20	Pamparacra	G	G	G	G	B	G
21	Pías	G	R	G	R	G	R
22	Cenolen	G	G	G	G	R	G
	Good	18	21	22	21	22	21
	Regular	3	1	0	1	1	1
	Bad	1	0	0	0	0	0
	Total	22	22	22	22	22	22

Water flow evaluation

In May and September 2023, we carried out three water flow monitoring activities in some drinking water systems. The water flow in September 2023 has diminished compared to 2022. The most alarming sign can be seen in Campamento, which level fell from 18.5 l/s to 1.44 l/s. The following evaluation, in December 2023, confirms that the water flow

reduction is 0.73 l/s. These gauged flows do not cover the current demand of the population, which is 4.06 l/s. All the same, in other water systems such as Pataz, Socorro and La Colpa, the gauged flows do not meet the current demand.

With respect to drinking water in Campamento, a profile was prepared and sent to the municipality, by means of which contributions have been made

by Poderosa, the population and the municipality to execute a project for new water intake. This is underway and will solve the water shortage problem.

Regarding the other water systems, the flow reduction is seasonal, it is lower in the dry season, and it increases in the rainy season. To deal with this situation, the JASS carry out water management and rationalization.

WATER FLOW EVALUATION 2023

N. °	DRINKING WATER SYSTEM/ COMMUNITY	POPULATION	CURRENT DEMAND (LT/S)	FUTURE DEMAND 20 YEARS (LT/S)	WATER OUTCROP (L/S) SEP. 2022	WATER OUTCROP (L/S) SEP. 2023	WATER OUTCROP (L/S) DEC. 2023
1	Chuquitambo	405	0.55	0.77	1.03	1.05	
2	Nimpana	730	1.32	1.85	4.85	4.11	
3	Shicún	426	0.77	1.08	1.78	1.37	
4	Vijus	3,600	6.5	9.10	11.54	9.88	
5	Chagual	726	1.31	1.84	5.21	4.36	
6	Suyubamba	920	1.25	1.74	2.14	1.90	
7	Vista Florida	1,110	1.5	2.10	3.16	2.27	
8	San Fernando	300	0.41	0.57	0.41	0.69	
9	Campamento	2,250	4.06	5.69	1.85	1.44	0.73
10	Pataz	5,400	9.75	13.65	6.20	7.47	3.68
11	Pueblo Nuevo	1,725	3.11	4.36	13.21	6.74	
12	Los Alisos	150	0.2	0.28	0.95	0.48	
13	Zarumilla	1,820	3.29	4.60	5.18	4.06	
14	Socorro	1,360	2.46	3.44	2.25	2.20	2.30
15	Yalen	240	0.33	0.46	6.02	4.83	
16	La Ciénaga	175	0.24	0.33	0.51	0.43	
17	La Colpa	70	0.13	0.18	0.08	0.08	0.13
18	Antapita	195	0.26	0.37	1.20	0.95	
19	Alacoto	157	0.21	0.30	1.48	1.24	
20	Pamparacra	260	0.35	0.49	1.84	0.86	
21	Pías	620	1.12	1.57	1.48	2.55	
22	Cenolen	165	0.22	0.31	0.29	0.29	
		21,602.4	37.43	52.40	67.56	54.34	

WATER QUALITY  
EVALUATION 2023

N.º	DRINKING WATER SYSTEM/ COMMUNITY	BACTERIOLOGIC ANALYSIS RESULT AT HOUSE CONNECTION	PHYSICAL ANALYSIS RESULT	CHEMICAL ANALYSIS RESULT	BACTERIOLOGIC AND PHYSICAL AND CHEMICAL QUALITY
		CONDITION	CONDITION	CONDITION	CONDITION
1	Chuquitambo	G	G	B	B
2	Nimpana	B	G	G	B
3	Shicún	G	G	G	G
4	Vijus	G	G	B	B
5	Chagual	G	G	G	G
6	Suyubamba Locro Falso	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	Yalen	G	G	G	G
16	La Ciénaga	G	G	B	B
17	La Colpa	G	G	G	G
18	Antapita	G	G	B	B
19	Alacoto, Pías	G	G	B	B
20	Pamparacra, Pías	G	G	B	B
21	Pías	G	G	B	B
22	Cenolen, Pías	G	G	G	G
Good		20	22	13	12
Regular		0	0	0	0
Bad		2	0	9	10
Total		22	22	22	22

7.7 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 2023 we carried out follow-up actions on healthy houses and continued with the work plan, prioritizing the implementation in the houses in Nimpana and Chuquitambo. During the follow-up visits we were able to see that the families now maintain hygienic habits and we noticed a change in attitude, as they have adopted behaviors leading to healthy environments aimed at generating healthy lifestyles among the members of a family.

HEALTHY  
HOUSES RATING

Nº	FIRST AND LAST NAME	COMMUNITY	ENTRY LEVEL ASSESSMENT	EXIT LEVEL ASSESSMENT	POSITION
1	Lilia Tumbajulca Rondo	Nimpana	11.5	16	1st place
2	Hilda Carranza Tamayo	Nimpana	4	15.8	2nd place
3	María Campos Tamayo	Chuquitambo	9.5	15.3	3rd place
4	Marcela Carranza Cruz	Nimpana	7.5	15	4th place





# 7.8 HANDLING OF GRIEVANCES AND COMPLAINTS



We strive to maintain and strengthen our relations with the population; therefore, we have mechanisms in place that allow to compensate and mitigate social and environmental damages. Procedures have been established 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 PHVA methodology approach is the cornerstone for handling of grievances and complaints:

## PHVA Methodology:

- P**LAN. We identify and channel complaints and grievances.
- H**EAR. Cases are attended to immediately.
- V**ERIFY. We determine our responsibility through a technical evaluation.
- A**CT. We sign an indemnity agreement in case our liability is determined.

We have mechanisms that allow to compensate and mitigate social and environmental damages.

## NUMBER OF COMPLAINTS OR GRIEVANCES FROM LOCAL COMMUNITIES

COMPLAINTS	2021	2022	2023
Total number of complaints or grievances	1	6	2
i. Accepted	0	4	2
ii. Denied	1	2	0

CASES IDENTIFIED	COMMENTS ABOUT THE REASON OF THE COMPLAINT OR GRIEVANCE	STATUS OF THE COMPLAINT OF GRIEVANCE
Death of cattle in Karola area, as a result of being run over by a dump truck. Owner: Madein Vidal	According to the evaluation, the claim was accepted, and the mitigation of damages was made with the payment of S/ 2,000	Closed
Rockfall in Lizando Roldán Trujillo artisanal mining camp	Forest Tech S.A.C and J&S Contratistas Generales contractor, repaired the damaged infrastructure such as camp roof and walls.	Closed

## CHANNELS:

Complaints or grievances of the community are received through a letter at the reception desk:

- Marañón Production Unit Information Office**  
Address: Barrio San Antonio S/N Vijus
- Santa María Production Unit Information Office**  
Address: Santa María S/N Pueblo Nuevo

In 2023 we have had two claims for property damage in the Marañón Production Unit, that have been taken care of after evaluation, with timely and equitable compensation.

According to the history of compensatory damages from 2012 to 2023, 45 cases were taken care of in a timely manner, 7 cases have been denied and 2 are under evaluation. 54 cases in total. Timely and immediate resolution of complaints not only guarantees the sustainability of our operations, but it also prevents express or latent conflicts, and allows for safe operations. All the same, we have implemented a social conflict monitoring and prevention report about our direct areas of influence.



We have implemented a social conflict monitoring and prevention report about our direct areas of influence.

# 7.9 SOCIAL AND ENVIRONMENTAL COMMITMENTS

Fulfilling commitments strengthens trust and contributes to building harmonic relationships. In 2023, we met 100% of the social and environmental commitments scheduled.

# 7.10 SOCIAL CONFLICT MONITORING

Permanent dialog with the stakeholders is our most valuable tool to control and monitor social conflicts. We have therefore implemented a monitoring and social conflict prevention report in our direct areas of influence. 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, report analysis, and warning report; it continues with follow-up, conflict resolution and fulfillment of the agreement.

In June 2023 an illegal blockade of access roads by the peasant patrols of the Pueblo Nuevo and Los Alisos communities was reported, which lasted 46 days. The strike was based

on Poderosa's alleged responsibility in events provoked by illegal miners and parqueros, which is the subject of a legal investigation. This strike was promoted by the same organized crime gangs involved in illegal mining. The community of the Pataz district itself rejected it because of its links to crime. According to the conflict history from 2009 to 2023, we have had 37 cases.

SOCIAL CONFLICT REPORT 2009 - 2023

TYPE OF CONFLICT	2009	2011	2012	2013	2016	2017	2018	2019	2020	2021	2022	2023	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
Delay in fulfilling an agreement		1											1
Protest against Poderosa for filing a complaint for encroachment by Castillo brothers.										1			1
Intransigence of some residents in the transit with public motorcycles in Poderosa facilities								1					1
Roadblock by criminal gangs												1	1
Total	1	2	1	2	1	1	5	11	1	6	5	1	37



# 7.11 PURCHASE OF REAL AND SURFACE RIGHTS

In 2023, according to the scheduled purchase plan, 21 real surface rights were acquired. These include 4 plots (30,0312 ha) destined to Peruvian National Police facilities, to control informal mining activities. We have also bought land to develop the Palca Project. In addition, 14 easements have been formalized (79,7199 ha) for the construction of the alternate road 5B that will connect the future Palca Project camp, located in Alacoto community, Pías.

This process included the construction of the integral connection road between San Fernando, Vista Florida and Suyubamba, as well as the connection road to El Hueco waste rock dumpster. We also established two easement contracts to implement the Photovoltaic project in La Conga, Chuquitambo community and the environmental compensation zone of El Hueco waste rock dumpster, located in Iquique farm, Zarumilla community.

124.9  
hectares purchased.

## TYPES OF PURCHASE RIGHTS

	TOTAL
Closed	21
Easement	2
Purchase	
Rental contract	1
Operation Easement	14
Total	21

CONDITION	CLOSED	TOTAL
Lavasen	2	2
Palca Production Unit		11
Santa María Production Unit	7	7
Marañón Production Unit	1	1
Total general	21	21

## ACQUISITION OF REAL SURFACE RIGHTS QUARTER IV 2023



# 7.12 SOCIAL INVESTMENT IN THE COMMUNITIES

According to the Consolidated Annual Statement (DAC for its acronym in Spanish), submitted to the Ministry of Energy and Mines, in 2023 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 S/ 23,249,837 Soles

## CONTRIBUTIONS IN CASH AND IN KIND 2023

ITEM (S/)	2023
Total cash contributions	21’101,262.90
Total In-kind contributions	2’148,574.10

## PODEROSA’S SOCIAL INVESTMENT BETWEEN 2016 AND 2023

INVESTMENT IN SUSTAINABLE DEVELOPMENT	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
Development and strengthening	407,388	35,834	150,380	317,105	181,055	2’350,823	1,994,676	3’256,476.553	8’693,738
Local economy	1’035,082	127,436	693,943	1’025,300	1’658,136	1’222,619	2’006,681	2’545,733.288	10’314,930.29
Education	660,744	876,373	1’170,912	1’372,074	1’140,255	814,828	2’197,677	2,071,236,179	10’304,099.18
Local employment		128,632	196,954	280,840	634,858	349,226	325,074	626147,1233	2,541,731
Environmental management	353,550	424,964	186,652	665,769	766,495	852,622	1’113,624	1’413,287.188	5’776,963
Basic infrastructure	703,381	385,780	10’229,008	1’581,371	1’903,539	1’146,330	1’965,108	837,962.364	18’752,479.36
Nutrition	182,719	129,685	530,146	634,547	333,877	461,230	462,344	1’221,727.959	3’956,276
Promotion of culture	22,272	29,838	68,522	286,052	140,457	717,952	440,205	394,915,5	2,100,213.50
Health	758,877	722,817	81,008	39,461	701,117	2’757,011	1’463,563	10’882,350.84	17’406,204.84
Total	4’124,013	2’861,359	13’307,525	6’202,519	7’459,789	10’672,641	11’968,952	23’249,837	79’846,635

### Christmas volunteer program

In 2023 we carried out the Christmas campaign “Poderosa, a Smile for Christmas”. This initiative consisted of donating toys to the CODECOS and local authorities, who were responsible for organizing Christmas shows and distributing presents to children in their communities.

In this campaign, 10,335 toys were distributed, 5,384 were destined

to de Pataz District, while the remaining 4,971 were distributed to Tayabamba, Ongón, Huaylillas, Buldibuyo and Pías Districts. These toys were given boys and girls from 0 to 12 years old.

Also, our employees actively participated in community volunteer activities, distributing the presents and organizing the Christmas shows in the communities related to Poderosa. Some 250 employees took part in this Christmas campaign.

In total we invested S/ 184,262.50 in our corporate volunteering activity. This investment covered the materials and work hours dedicated by our volunteers. These actions not only benefited the community, but also strengthened our company’s team spirit and values. The significant financial effort for this campaign highlights our continued commitment to the well-being and happiness of the children during the holiday season in our communities.



## 7.13 ASOCIACION PATAZ

Asociacion Pataz, a non-profit organization founded on December 30, 2004, 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. The organization started its activities on August 21, 2006.

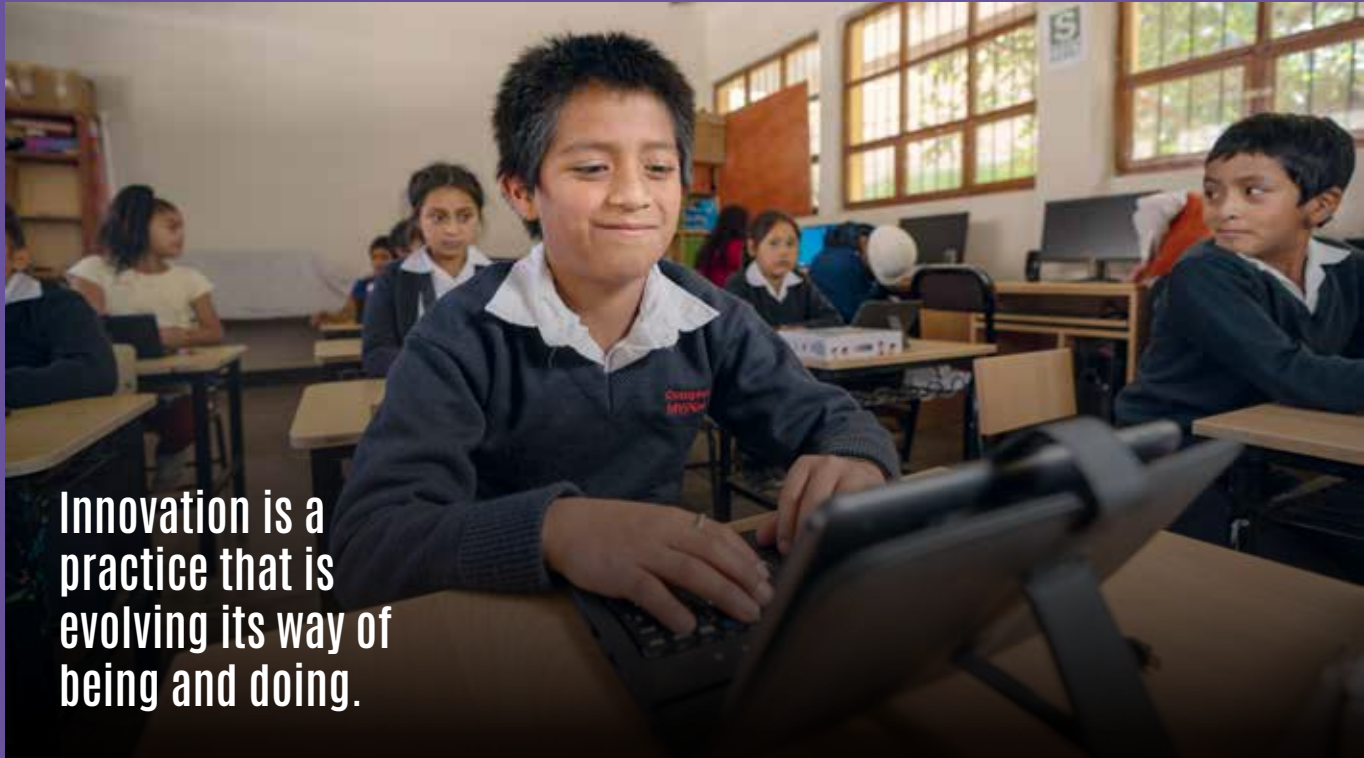
One of the key aspects is joint work, that is, cooperation between the public and private sectors through

programs, projects, and activities with an innovative component, to promote the development of the 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. All the same, it is organized under a missions-based approach, validated by the stakeholders of the area, which purpose is to close the social, economic and environmental gaps.

Innovation is a practice that is evolving its way of being and doing. Therefore, through the Social Innovation Center, RURANA, science, technology, innovation, and entrepreneurship are used to enhance the life quality of low economic income communities.

For further information about Asociación Pataz, refer to [www.asociacionpataz.org.pe](http://www.asociacionpataz.org.pe)



Innovation is a practice that is evolving its way of being and doing.



# 7.14 WORKS FOR TAXES



For us, it represents an important contribution to the well-being of our stakeholders.

The Works for Taxes mechanism (OxI) is an instrument which allows economic and social development in different regions of the country, for it responds to the quality and opportunity expectations of the authorities and the population. For us, it represents an important contribution to the well-being of our stakeholders. OxI not only plays an important role in 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 2023, a coordinated approach and promotion of the Works for Taxes with the newly appointed public officers was carried out, to promote high impact projects in water and sanitation, education and safety. Also, thanks to the joint work with the new authorities of the Pataz Provincial Municipality, we continued working in Yurajpaccha, Vaquería de Los Andes, Alborada de Los Andes, Huarichaca and Huarimarca, in Tayabamba district and we completed the project in December. The total investment was S/20,000,000.

On the other hand, we fostered projects through private initiatives

(PI) aimed at local governments in our area of influence. Therefore, in July we presented the PI to finance the San Alfonso primary and secondary school financing to the Sartibamba District Municipality and we started to design the studies in September, after its acceptance by the Municipality. All the same two Private Initiatives were presented to the Pataz District Municipality. The first one corresponds to funding for the Water and Sanitation System Improvement project in Suyubamba; and the second one, corresponds to funding for the Creation of School Infrastructure in Pueblo Nuevo. These Private Initiatives presented represent an investment of S/20'000,000. Finally, we must mention that we approached the Ministry of Internal Affairs for the execution of citizen security projects in in Pataz district.

In December the drinking water and sanitation project was completed in the five areas of La Victoria Farming Community: Yurajpaccha, Vaquería de Los Andes, Alborada de Los Andes, Huarichaca and Huarimarca. This meant a significant achievement, for it represents the ongoing execution of five projects carried out in parallel through independent systems, and which have benefited 2,500 dwellers directly.

# 7.15 FORMALIZATION OF ARTISANAL MINERS

[GRI 3-3]

Formalized artisanal miners and those in our direct area of influence constitute an important priority for us. They provide us with extracted ore to be processed. Our commitment focuses on preventing and mitigating adverse impacts on people, human rights and the environment that may arise due to increasing informality in the mining industry.

Our goal is to promote safe and respectful mining practices. We are committed to support artisanal miners, for we help to develop their activities with respect for the environment and for human rights.

Every year we assist artisanal miners with their formalization process with the REINFO registry, and we succeeded in obtaining the resolution enabling them to begin their activities. We then focus on promoting safe and environmentally friendly operations, as well as

showing transparency in analyzing, processing and treating the ore delivered, and helping them to become stewards of their progress and that of their community.

At the end of 2023, we had signed exploration and exploitation contracts with 294 artisanal miners, of whom 69 are currently formal operators while 225 continue in the formalization process. Of the latter, we have helped 126 to prepare their environmental management plans to be submitted before the relevant authorities, while another 31 miners have independently prepared their corresponding environmental plans. We also have a total of 68 artisanal miners working under the provisions of Supreme Decree No. 001-2020-MINEM, which amended regulations to Article 18 of the Small-Scale and Artisanal Mining Formalization and Promotion Act, approved by Supreme Decree No. 0132002-EM.

It is worth mentioning that all 294 artisanal miners hold due diligence certificates and are certified "eligible". This certification comes up for renewal every two years with the company HODELPE and, as an additional check, every company name is reviewed annually.

## Capacity building

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.





# FINANCIAL MANAGEMENT



## PART 8



# 8.1 FINANCIAL STATEMENT

Compañía Minera Poderosa S.A.  
Separate Statement of Financial Position  
As of December 31, 2023 and 2022

IN THOUSAND SOLES	NOTA	2023	2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalent	6	277,363	254,238
Other financial assets	6	-	171,900
Accounts receivable - commercial	7	14,628	12,630
Other accounts receivable	8	87,810	62,109
Stock	9	68,270	70,544
Expenditures paid in advance	10	16,458	14,443
<b>Total current assets</b>		<b>464,529</b>	<b>585,864</b>
<b>Non-current assets</b>			
Other accounts receivable	8	5,668	5,299
Investments in subsidiaries or associates	11	25,460	25,837
Expenditures paid in advance	10	12,011	15,013
Property, plant and equipment	12	1,035,860	829,522
Assets per right of use	13	21,778	29,499
Intangible assets	14	762,189	609,843
<b>Total non-current assets</b>		<b>1,862,966</b>	<b>1,515,013</b>
<b>Total assets</b>		<b>2,327,495</b>	<b>2,100,877</b>

# 8.2 INCOME STATEMENT

Compañía Minera Poderosa S.A.  
Separate Profit and Loss Statement and Other Comprehensive Profit (Loss)  
For the years ending on December 31st, 2023, and 2022

IN THOUSAND SOLES	NOTA	2023	2022
Income from ordinary activities	28	1,992,610	2,090,683
Cost of sales	29	(1,324,474)	(1,205,403)
<b>Gross profit</b>		<b>668,136</b>	<b>885,280</b>
<b>Operating Income (expenses)</b>			
Selling expenses	30	(53,764)	(52,160)
Administrative expenses	31	(171,810)	(159,211)
Other income (expense)	35	24,406	12,917
Other expenses	35	(10,612)	(53,884)
<b>Income from operating activities</b>		<b>456,356</b>	<b>632,932</b>
<b>Financial (expense) income</b>			
Financial income	33	10,004	18,351
Finance costs	33	(22,136)	(41,060)
<b>Net finance costs</b>		<b>(12,132)</b>	<b>(22,709)</b>
<b>Income before taxes</b>		<b>444,224</b>	<b>610,223</b>
Income tax expense	27	(148,5 60]	(202,878)
<b>Profit (loss) for the period</b>		<b>295,664</b>	<b>407,345</b>
Other comprehensive profit		-	-
<b>Total comprehensive profit</b>		<b>295,664</b>	<b>407,345</b>
<b>Basic earnings per common share (in soles)</b>	<b>34</b>	<b>0.493</b>	<b>0.898</b>



Click here to see the Financial Statement



PART 9



# ANNEX 1: DIRECTORS PROFESSIONAL BACKGROUND

**EVANGELINA ARIAS  
VARGAS DE SOLOGUREN**  
**Compañía Minera Poderosa  
S.A. Chairperson of the Board of  
Directors**

She graduated as an Architect from Universidad Nacional de Ingenieria (UNI).

Currently she is also Executive Chair of the Board of Directors of Asociación Pataz, Director of Compañía Minera San Ignacio de Morococha (SIMSA), Director and Member of Sociedad Nacional de Minería, Petróleo y Energía (Peruvian National Mining, Oil and Energy Association– SNMPE) consulting committee, deputy vice president and member of the Board of Directors of Patronato de la UNI (ProUNI), member of the Peruvian Canadian Chamber of Commerce (PCCC) Mining Committee, Member of the Steering Council of Asociación para el Progreso de la Dirección (APD), member of Consejo Empresario Asesor de la Fundación Internacional para la Libertad (Advisory Business Council of the International Foundation for 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 Committee Universidad de Piura Management 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 Engineers 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 Asociación de Mujeres Empresarias del Perú (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),, President of the SNMPE (2013–2015), Director of Peruvian National Confederation of Private Business Institutions – CONFIEP (2013–2015), Chair of the Mining Sector Committee and 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 Iberoamerica (CEAPI) awarded her the Woman, Company, and Leadership in Ibero America, (2019); Asociación de Mujeres Empresarias del Perú (AMEP) awarded her the Prize “Inspiring

Women: Drivers of Change 2019”;; Women in Mining UK included her in the WIM100, list of 100 inspiring women in global mining (2020); CONFIEP, acknowledged her in the Large Company Category in the International Woman’s 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.**

Businessman, Chairman of the Board of Directors of Reactivos Nacionales S.A., Vice-president of the Board of Directors of Compañía Minera Poderosa S.A. and Member of the Executive Committee, Vice-president of the Board of Directors of Cosco Shipping Ports Chancay, director Volcan Compañía Minera S.A.A. Director of Compañía Minera Chungar S.A.C., Director of Bodegas Vista Alegre S.A., Director of Cementos Polpaico SA 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., Corporación Minera Castrovirreyna S.A., EXSA S.A., Compañía Molinera del Perú S.A., Compañía de Seguros La Fenix Peruana S.A., Lima Stock Exchange S.A., and Accion Comunitaria (ACP). Mr. José Picasso is married to director Carolina Arias Vargas.

**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 Compañía 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, Expomina Peru, Premios ProActivo, Consulting Councils, director of the Canada Peru Chamber of Commerce board of directors , and member of Women Corporate Directors ( WCD ).

**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 Directors 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 Católica school of law, and a businessman. He is currently a director of several companies such as Inversiones en Turismo S.A. and Vivir Seguros SA. 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 Ingeniería 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 Cervecería Backus & Johnston, Compañía Nacional de Cerveza S.A., Quimpac S.A., Volcán Compañía Minera S.A.A., Compañía Minera Atacocha S.A.A., Compañía

Minera San Ignacio de Morococha S.A.A., among others. Currently, he is a Director at LHH-DBM Perú.

**JUAN ANTONIO ASSERETO DUHARTE**  
**Official director since 2001.**

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 Asociación 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, 27 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 Comisión de Promoción de la Inversión 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 has worked as a geologist consultant, and, as such, in 1977, he visited the province of Patate 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; of 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 SAA and Empresa Editora La Industria de Chiclayo. 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 and 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 Peru S.A., and later, member of the Board of Directors until the end of 2023. Since 2019 he is an official director of San Ignacio de Morococha S.A., Peru; and member of the board of Directors of Saxum Engineering, Argentina. Since 2023 he is a director at Ascot Gold Ltd, Canadá. Mr. Marun is and 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 Jose, 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 Corporacion 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 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 Catolica del Peru 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 and 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 Catolica del Peru. He has been senior partner at Estudio Echeopar Law Firm and head of its international 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 Catolica del Peru 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 Pacifico. 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 LUNA**  
**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 Vice-president of the Lima Stock Exchange, director of Proyectos Médicos S.A.,

alternate director of Compañía Minera San Ignacio de Morococha S.A.A., he was a director of Volcan Compañía Minera S.A.A. and Compañía Minera Chungar S.A.C. until September 2023 and is a 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 Catolica del Peru in 1987. Currently, we Works at Echeopar Law Firm since 1990, and is a parter since 2004. Chair of the board of directors of Invertur, director of Reactivos Nacionales SA (Renasa), director of Granja Azul SA, chair of the board of directors of AFP Habitat, director of Secrex Compañía de Seguros de Credito y Garantía (Cesce).

**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 Rio 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 Cooperacion con la Direccion Ejecutiva de Turismo de la Policia Nacional del Peru (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 Promocion de las Areas Naturales Protegidas del Peru (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.

# ANNEX 2: OFFICERS PROFESSIONAL BACKGROUND

**RUSSELL MARCELO  
SANTILLANA SALAS**  
**Compañía Minera Poderosa S. A.**  
**General Manager**

He graduated in 1973 as a mining engineer from Universidad Nacional de Ingenieria. He has worked for 38 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 Ingenieria; 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. 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 Economica 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 Ingenieria, ranking first in his class. He then pursued a Quick MBA at Gerens. He has taken part in several specialization programs at Universidad del Pacifico, Yale University (SEL), Wharton- Pennsylvania University (CBS), Booth School of Business - Chicago University (LASEP), IE University Business School Madrid - Spain (LITE), Kellogg School of Management-Northwestern University (CMP) and AOTS (Japón). He has 33 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 Cristobal 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 Huaron, 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**  
**Integrated Management and Social Responsibility System Manager.**

Integrated Management System Manager since 2018, responsible for the Safety, Occupational Health, Environment, Quality, Community Relations and Risks and Compliance areas. 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 has taken part in different specialization programs in Chicago University and Colorado School of Mines. He is an expert in anti-bribery management systems in LMS CERT Latam. From 2005 to 2010 he worked for Glencore - Xstrata 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 ESAN, Chicago University, INCAE Business School, Harvard Radcliffe Institute, Kellogg School of Management, PAD-Universidad de Piura Management School,

London School of Economics, Cambridge Judge Business School 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 Aurifera 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 Ingenieria, 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 Concepcion Patataz 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 Patataz 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, Valdor, 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**  
**Jefa del Área Legal**

MBA by Universidad Adolfo Ibáñez (UAI), Santiago de Chile in 2021. 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 17 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.

**IBEN REYES BENDEZÚ**  
**General accountant (i)**

Chartered public accountant, graduated from Universidad Nacional San Luis Gonzaga de Ica, with 37 years of experience in the mining sector. He pursued post graduate studies at the Lima Association of Chartered Accountants with specialization Diplomas in Taxation and Specialization in International Financial Reporting Standards (IFRS), all the same, he pursued studies at Universidad Peruana de Ciencias Aplicadas (UPC) obtaining a diploma in Leadership for Accountants. He completed postgraduate studies (MBA) at the Universidad de Tarapacá (Arica, Chile), obtaining a master’s degree in business administration and management, and participated in national congresses in his specialty. His professional career is summarized as accountant and general accountant of companies in the mining sector. From 2002 to 2017 he was a General Accountant, and since 2023 he is

General Accountant (i) at Compañía Minera Poderosa S.A.

**PABLO ALFREDO DE LA FLOR BELAUNDE**  
**Corporate Affairs Manager**

He is currently Corporate Affairs Manager at Compañía Minera Poderosa S.A. He has been an executive director at Peruvian National Association of Mining, Oil and Energy (SNMPE), vice president of Corporate Affairs at Banco de Crédito and vice-president of Corporate and Environmental Affairs at Compañía Minera Antamina. In the public sector, he was worked as executive director of the Autoridad para la Reconstrucción (Authority for Reconstruction), vice-minister of Foreign Trade, Chief of the Peru – USA FTA Negotiation Team, and vice-minister of Integration and Tourism. He has also worked as a Program Officer for the Ford Foundation and International Economist for the First National Bank of Chicago, having served as a consultant to various multilateral organizations. He has been president of The Annual Conference for Executives (CADE Ejecutivo), CADE for Education and PERUMIN business meeting. He has published 4 books, as well as several academic and journalist articles. He holds master’s degrees in public administration from Harvard University and International Relations from Yale University. He completed doctoral studies at the University of Chicago. He has received several institutional awards and academic scholarships.

# ANNEX 3: PERMITS, APPROVALS AND AUTHORIZATIONS

## MARAÑÓN PRODUCTION UNIT

### BENEFICIATION CONCESSION

- Marañón Beneficiation Concession on 6 ha. Marañón Plant.
- Authorization for the expansion of the Marañón Beneficiation concession to 269.09 ha and operation of the Liviás filtered tailings deposit.

### MARAÑÓN BENEFICIATION PLANT

- Authorization for the construction of a chemical refinery. Implementation on technological enhancement in the recovery process.
- Authorization to build the expansion of treatment capacity from 700 MTD to 800 MTD Marañón plant.
- Communication about replacement of sifters in the crushing process. Marañón plant
- Communication about equipment replacement due to technological enhancement of the collection belts and special ore transfer system in Marañón Plant
- Communication about equipment replacement due to Technological Enhancement of the Smelting Process in the Marañón Beneficiation Plant to 800 MTD
- 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) Marañón Benefit plant to 800

- MTD
- Communication about equipment replacement due to Technological Enhancement of the primary crusher in the Marañón primary plant
  - Communication about equipment replacement due to Technological Enhancement at the smelter – replacement of 50 kg refusion furnace -Marañón

### TAILING PONDS

- Operation authorization for the Marañón plant tailings pond No.6 up to level 1,270 m.a.s.l.
- Operation authorization for the Asnapampa tailings pond up to a 1200 m.a.s.l. maximum level.
- Technical Mining Report ITM for the construction and operation of the Asnapampa expansion from level 1200 to 1204 m.a.s.l.
- Operation authorization for the Liviás ravine filtered tailings pond.
- Operation authorization for the Liviás ravine filtered tailings pond, level 1504 m.a.s.l. Stage I.
- Expansion of CB to 269.09 Ha and Operation authorization for the Liviás tailings deposit – Stage I.
- Operation authorization for the Liviás ravine filtered tailings pond – Stage II.
- Operation authorization for the Liviás ravine filtered tailings pond – Stage III Sulphurs
- Operation authorization for the Liviás ravine filtered tailings pond – Stage IV.
- Physical stabilization and protection from water and wind erosion of the tailing ponds 1 to 6 flood control wall.

### WASTE ROCK DEPOSITS

- Authorization for Estrella 2 and Estrella 3 waste rock deposit construction
- Operation authorization for Estrella 2 waste rock deposit
- Operation authorization for Estrella 3 waste rock deposit
- Certificate of Absence of Archaeologic Remains – (CIRA) –Revolcadero waste rock deposit
- Technical Mining Report (ITM) for the construction and operation of the Revolcadero waste rock deposit –ITM
- Revolcadero waste rock deposit – archaeological monitoring plan
- Revolcadero waste rock deposit – Certificate of Absence of Archaeologic Remains – (CIRA) Additional areas
- Revolcadero waste rock deposit – archaeological monitoring plan – Stage II

### WATER USE

- License for 10 l/s water use from the Chorro Blanco and El Oso gorge for the Marañón Plant, camp sites and Vijus village.
- 400 l/s water use license from the El Tingo gorge, to generate energy for mining and Metallurgic purposes.
- Surface water use license from Lavasen river for mining purposes.

### RESIDUAL WATER REUSE AND DISCHARGE

- Authorization to reuse of the Paraiso II domestic residual water treatment plant effluents.
- Reuse of domestic residual water treated at Paraiso camp.

- Renewal of the Authorization for the disposal of industrial residual water treated at Estrella mineshaft level 1467
- Reuse of the Vijus domestic residual water treatment plant effluents for irrigation
- Sanitary Authorization for a septic tank and infiltration in the Papagayo field – septic tank
- Sanitary Authorization for a septic tank and infiltration in the loading chamber field
- Sanitary Authorization for a septic tank and infiltration in the LPC field
- Sanitary Authorization for a septic tank and infiltration in the Trocha field – septic well

#### POWER GENERATION

- Authorization for 6.915 MW electric power generation activities at Antonio Samaniego Alcantara thermal power station
- Authorization for 4.375 MW electric power generation activities at Santa María thermal power station
- Authorization for 1.76 MW electric power generation at El Tingo.

#### POWER TRANSMISSION

- EIA of the 60 kv Santa Monica substation (Cajabamba)– Morena substation (Pataz) power transmission line
- Final concession for the 60 kv Cajabamba – Morena power transmission line

#### DIRECT LPG CONSUMER AND LIQUID FUEL

- Registry of Poderosa Mining Unit as a consumer of liquid fuels. Registry No. 1281-051-040619.
- Operation authorization for the bulk LPG facility for direct

- consumer at Paraiso II camp site.
- Operation authorization for the bulk LPG facility for direct consumer at Vijus camp site.
- Operation authorization for the bulk LPG facility for direct consumer at Paraiso I camp site.

#### EXPLOSIVES

- Operation authorization for underground type A powder magazine for explosives in Piñuto.
- Operation authorization for underground type A powder magazine for ANFO in Piñuto.
- Operation authorization for underground type A powder magazine for accessories in Piñuto.
- Underground type A powder magazine for explosives and accessories in Jimena mine (Papagayo) – explosives
- Underground type A powder magazine for explosives and accessories in Jimena mine (Papagayo) – accessories.
- Authorization for purchase and use of explosives and related materials 2023 UEA La Poderosa-Trujillo

#### ENVIRONMENTAL INSTRUMENTS

- Approval of the Environmental Adjustment and Management Program (PAMA) execution for the Marañón Production Unit.
- Approval of the EIA for Asnapampa tailings deposits project
- Supporting Technical Report (ITS) approval for the disposal of filtered tailings at Asnapampa- ITS Asnapampa tailings pond
- Approval of the EIA for the Expansion of the Mining Operations and Beneficiation Plant to 800 MTD

- Approval of the Expansion of the Asnapampa Tailings Dam at 1204 m.a.s.l.
- ITS Marañón to 800 MTD.
- ITS approval for the drying ponds of tailings pond N 6, Vijus Domestic Residual Water Treatment Plant and other components
- 25 kV Transmission Line from Leonidas Pacheco Cano Substation (Morena) to A. Samaniego A. CT Environmental Impact Statement
- Marañón Production Unit Soil EQS
- Terms of Reference and Preliminary Assessment for the EIA modification for the expansion of the mining operations and concession of Marañón beneficiation to 800 MTD
- Second Modification of the Poderosa Mining Unit Mine Closure Plan
- 3rd ITS Poderosa Mining Unit- change of use of Revolcadero tailings to waste rock deposit, and other
- PPC during the design of the EIA modification for the expansion of Marañón mining operations and beneficiation to 1000 MTD.

#### EXPLORATION

- Environmental Impact Statement for Exploration in La Lima
- Authorization for the start of La Lima mining exploration activities
- Las Defensas exploration project Environmental Impact Statement.

#### USE OF GORGE WATER SIDES

- Authorization to build infrastructure on La Brava ravine

water source. Transportation of waste rock from to waste rock dumpster to Estrella 2 dumpster.

- Authorization to build infrastructure on El Tingo water source. Transportation of waste rock from Karola waste dumpster to Estrella 2 dumpster.

### SANTA MARÍA PRODUCTION UNIT

#### SANTA MARÍA I BENEFIT CONCESSION

- Benefit concession. Approval of the concession title for the expansion of the Santa María I benefit concession to 21.60 ha.
- Expansion of the Santa María I benefit concession to 399.39 ha and operation authorization for Hualanga – Stage I tailings deposit.

#### SANTA MARÍA I BENEFICIATION PLANT

- Installation of additional equipment in the crushing, grinding and liquid separation circuits at Santa María Plant.
- Communication of Press Filter installation in the tailings filtering circuit at Santa María Plant.
- Communication of replacement of the secondary crusher due to obsolescence and efficiency
- Authorization for the construction of the Santa María I beneficiation plant to 1000 MTD.
- Operation Authorization for the Santa María I Beneficiation Plant to 1,000 MTD, stage 1.
- Operation Authorization for the Santa María I Beneficiation Plant to 1,000 MTD, stage 2.

#### TAILINGS PONDS

- Authorization for the operation of the expansion of the Santa María

- I tailings pond to 2,464.5 m.a.s.l.
- Operation Authorization of the Santa María tailings pond 2, up to level 2,412 m.a.s.l.
- Technical Mining Report (ITM) for the construction and operation of the filtered tailings plant and disposal of tailings in Santa María 2 tailings pond at 2415 m.a.s.l.
- Approval for the construction of filtered tailings pond in Hualanga to a maximum level of 1490 m.a.s.l.
- Operation Authorization for the filtering tailings pond in Hualanga to a maximum level of 1360 m.a.s.l.
- Operation Authorization of the Santa María 2 tailings pond. Stage II. Phase 3. 2412 – Modification of the Operation Manual
- Authorization for tailings deposits construction at Hualanga. –Stage II and auxiliary components.
- Operation Authorization for the Hualanga tailings deposit for operation. Stage II up to level 1490 m.a.s.l.

#### WASTE ROCK DEPOSITS

- Authorization for construction of Chunturco waste rock deposits 1 and 2
- CIRA- waste rock deposit Santa María II – El Hueco, additional areas
- CIRA- La Tuna waste rock deposit
- Authorization for construction of Sante María waste rock deposit II El Hueco

#### WATER USE

- Administrative Authorization for 7 l/sec water use for domestic purposes from Frances gorge
- Superficial water use permit for 1.20 l/s for mining purposes from Marleny

- Water use license from Virginia for mining purposes
- Water use license from Santa María gorge for mining purposes
- Water use license from Puquiopata gorge for mining purposes
- Authorization for the reuse of effluents from Consuelo Mine

#### RESIDUAL WATER REUSE AND DISCHARGE

- Authorization for Industrial Residual Water disposal, Consuelo, Atahualpa, and Santa María mines
- Authorization for level 2120 effluent disposal
- Authorization for reuse of domestic residual water for irrigation from the Santa María Residual Water Treatment Plant.
- File for the authorization of MBR Santa María effluent reuse.
- Septic tanks in camp at level 2410
- Septic tanks in camp at level 2520
- Septic tanks in camp at level 2670
- Authorization to reuse the Hualanga compact Residual Water Treatment Plant effluents

#### DIRECT LPG AND LIQUID FUEL CONSUMER

- Operation authorization for the bulk LPG facility for direct consumer at Cedro camp site.
- Operation authorization for the bulk LPG facility for direct consumer at Santa María camp site.

#### EXPLOSIVES

- Main type A powder magazine for blasting accessories at level 2450–Consuelo – blasting accessories



- Main type A powder magazine for blasting accessories at level 2450-Consuelo - explosives
- Main type A powder magazine for blasting accessories at level 2450- Consuelo - ANFO.
- Main type A powder magazine for blasting accessories at level 2360 – Accessories.
- Main type A powder magazine for blasting accessories at level 2360 – ANFO.
- Main type A powder magazine for blasting accessories at level 2360 – Explosives.
- Authorization for purchase and use of explosives and related materials 2022 Libertad Administrative Economic Unit (UEA).

#### LANDFILL

- Technical mining report for the modification of the Santa María I beneficiation concession to 33.03 Ha.
- Construction and operation permit for the domestic and industrial landfill at El Cedro.

#### ENVIRONMENTAL INSTRUMENTS

- EIA Modification for mining activities and expansion of the Santa María I beneficiation plant to 1000 MTD. Filtering and other components
- Detailed Technical Report of the Santa María 2410, 2520, 2670 Camps.

- First ITS for Santa María mining unit (new components and modification)
- Second ITS for Santa María mining unit (new components).
- Third ITS for Santa María mining unit for waste rock disposal in Hualanga Tailings Deposit.

#### PALCA PRODUCTION

- Explorations Project Semi detailed Environmental Impact Assessment.
- License for non-mining use of water from Carrizal gorge for non- mining activities in Suyubamba 10 l/s.
- Water use license from Carrizal gorge and Laguna Negra for mining purposes for Palca Project.
- Authorization to start exploration activities.
- Palca explorations project CIRA.
- Explorations Project Modification Semi-Detailed Environmental Impact Assessment.
- Palca Explorations Project new exploration zones CIRA

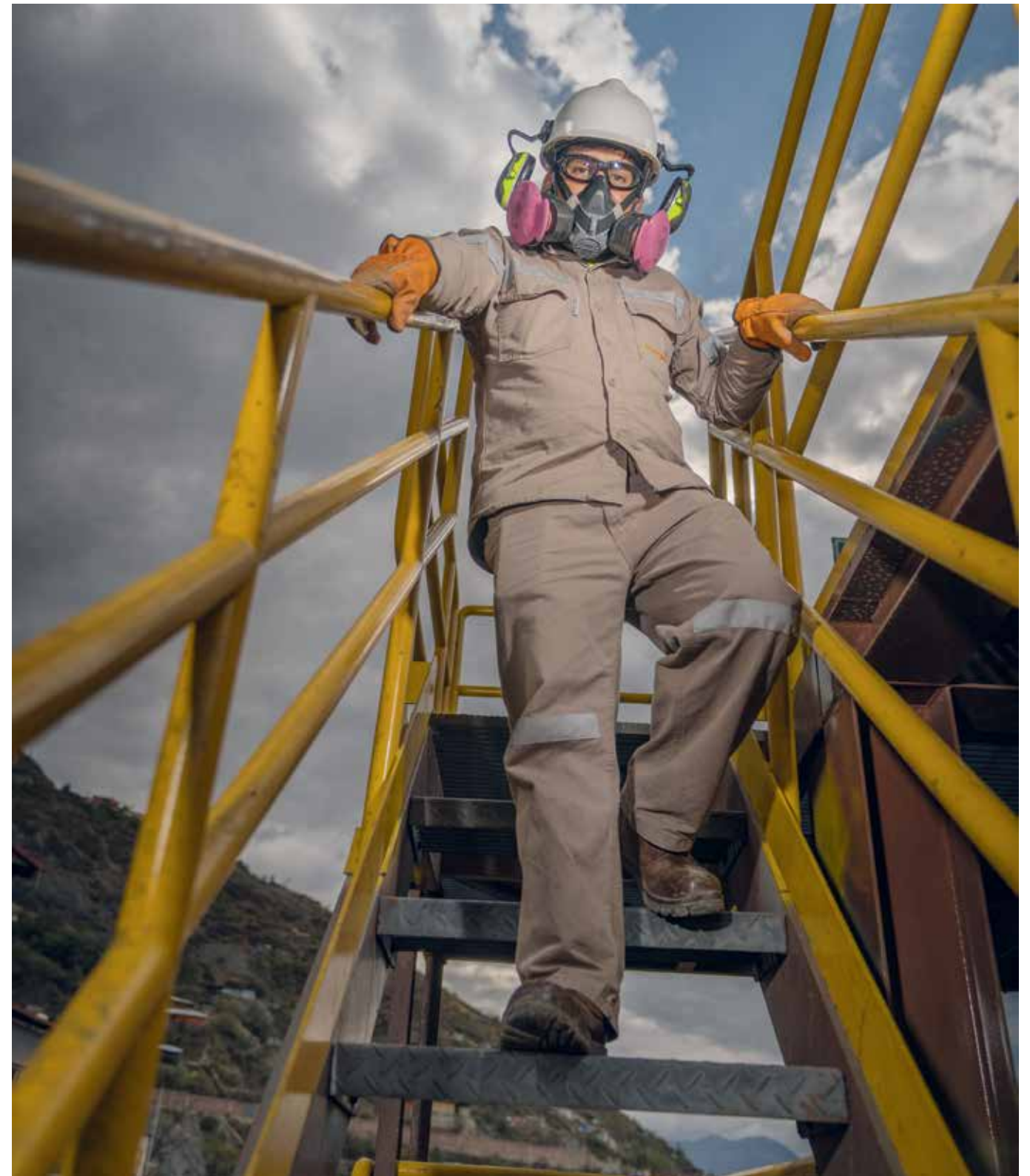
#### MONTAÑITAS PRODUCTION UNIT

- 0.10 l/s water use authorization - Montañitas Project -renewal.
- Authorization to start Montañitas project exploration activities.

- Start of exploration operations stage II (platforms 1-7 y 15-17)
- Automatic approval Certificate – Start of explorations
- Renewal for underground type A powder magazine for explosives and accessories in Tayabamba - Cruz Grande.
- Modification of the Montañita Mining Exploration Projects (6 platforms and 24 months of expansion).
- Start of exploration operations stage III (6 additional platforms ITS- 24 -month schedule).

#### AERÓDROMO PRODUCTION UNIT

- Chagual – La Libertad Private Airdrome operation authorization.







# GRI STANDARD CONTENT

## PART 10





GRI STANDARD	CONTENT	SECTION	PAGE
GRI 2: 1. The organization and its reporting practices	2-1 Organizational details	We are Minera Poderosa	18
	2-2 Entities included in the organization's sustainability reporting	Disclaimer	5
	2-3 Reporting period, frequency and contact point	About this Report	5
	2-4 Restatements of information	About this Report	7
	2-5 External assurance	-	-
GRI 2: 2. Activities and workers	2-6 Activities, value chain and other business relationships	Our Value Chain	88
	2-7 Employees	Poderosa Family	152
	2-8 Workers who are not employees	Poderosa Family	152
GRI 2: 3. Governance	2-9 Governance structure and composition	Our Organizational Structure	22
	2-10 Nomination and selection of the highest governance body	Our Organizational Structure	22
	2-11 Chair of the highest governance body	Our Organizational Structure	22
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Organizational Structure	22
	2-13 Delegation of responsibility for managing impacts	Our Organizational Structure	22
	2-14 Role of the highest governance body in sustainability reporting	Our Organizational Structure	22
	2-15 Conflicts of interest	Our Stakeholders	24
	2-16 Communication of critical concerns	Ethics and Transparency	75
	2-17 Collective knowledge of the highest governance body	Corporate Governance	68
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	68
	2-19 Remuneration policies	Corporate Governance	68
	2-20 Process to determine remuneration	Corporate Governance	68
	2- 21Annual total compensation ratio	Poderosa Family	152
	2-22 Statement on sustainable development strategy	Working together for development	42
GRI 2: 4. Strategy, policies and practices	2-23 Policy commitments	Responsible commitments and policies	56
	2-24 Embedding policy commitments	Responsible commitments and policies	56
	2-25 Processes to remediate negative impacts	Responsible commitments and policies	56

GRI STANDARD	CONTENT	SECTION	PAGE
GRI 2: 4. Strategy, policies and practices	2-26 Mechanisms for seeking advice and raising concerns.	Ethics and Transparency	75
	2-27 Compliance with laws and regulations	Responsible commitments and policies	56
	2-28 Membership associations	Working together for development	42
GRI 2: 5. Stakeholder engagement	2-29 Approach to stakeholder engagement	Our Stakeholders	24
	2-30 Collective bargaining agreements	Team Composition	156
GRI 3: Material topics 2021GRI	3-1 Process to determine material topics	Double Materiality	28
	3-2 List of material topics	Double Materiality	28
ASSET SECURITY			
GRI 3 Material topics 2021	3-3 Material topics management	Property and Asset Security	40
MINING FORMALIZATION			
GRI 3 Material topics 2021	3-3 Material topics management	Formalization of Artisanal Miners	225
CLIMATE CHANGE AND GHG EMISSIONS			
GRI 3 Material topics 2021	3-3 Material topics management	Actions against Climate Change	115
GRI 305 Emissions	305-1 Direct GHG Emissions (Scope 1)	Actions against Climate Change	115
	305-2 Energy indirect GHG emissions (Scope 2)	Actions against Climate Change	115
	305-3 Other indirect GHG emissions (Scope 3)	Actions against Climate Change	115
	305-4 Intensity of GHG emissions	Actions against Climate Change	115
	305-5 Reduction of GHG emissions	Actions against Climate Change	115
	305-6 Emissions of ozone-depleting substances (ODS)	Actions against Climate Change	115
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Actions against Climate Change	115
RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN			
GRI 3: Material topics 2021	3-3 Material topics management	Supplier Management	188
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Local Suppliers	192
414: Supplier Social Assessment	414-2 Negative social impacts in the Supply Chain and the actions taken.	Supplier Management	188

GRI STANDARD	CONTENT	SECTION	PAGE
COMMUNITY RELATIONS			
GRI 3: Material topics 2021	3-3 Material topics management	Our Contribution to Development	195
203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Impact on the Territory	195
	203-2 Significant indirect economic impacts	Impact on the Territory	195
413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Impact on the Territory	195
	413-2 Operations with significant actual and potential negative impacts on local communities	Impact on the Territory	195
ETHICS, TRANSPARENCY AND COMPLIANCE			
GRI 3: Material topics 2021	3-3 Material topics management	Ethics and Transparency	75
205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Anticorruption	76
	205-2 Communication and training about anti-corruption	Anticorruption	76
	205-3 Confirmed incidents of corruption and actions taken.	Anticorruption	76
206: Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	Ethics and Transparency	75
TAILINGS AND WASTE			
GRI 3: Material topics 2021	3-3 Material topics management	Waste management and circular economy	138
306: Waste	306-1 Waste generation and significant waste-related impacts	Waste management and circular economy	138
	306-2 Management of significant waste-related impacts	Waste management and circular economy	138
	306-3 Waste generated	Waste management and circular economy	138
	306-4 Waste diverted from disposal	Waste management and circular economy	138
	306-5 Waste directed to disposal	Waste management and circular economy	138
RESPONSIBLE WATER USE			
303 Water and Effluents	303-1 Interactions with water as a shared resource	Efficient Water Use	130
	303-2 Management of water discharge-related impacts	Efficient Water Use	130

GRI STANDARD	CONTENT	SECTION	PAGE
303 Water and Effluents	303-3 Water withdrawal	Efficient Water Use	130
	303-4 Water discharge	Efficient Water Use	130
	303-5 Water consumption	Efficient Water Use	130
ENERGY MANAGEMENT			
GRI 3: Material topics 2021	3-3 Material topics management	Commitment to Energy Efficiency	128
302: Energy	302-1 Energy consumption within the organization	Commitment to Energy Efficiency	128
	302-2 Energy consumption outside the organization	Commitment to Energy Efficiency	128
	302-3 Energy intensity	Commitment to Energy Efficiency	128
	302-4 Reduction of energy consumption	Commitment to Energy Efficiency	128
	302-5 Reductions in energy requirements of products and services	Commitment to Energy Efficiency	128
HUMAN RIGHTS			
GRI 3: Material topics 2021	3-3 Material topics management	Human Rights	182
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material topics 2021	3-3 Material topics management	Occupational Health and Safety Management	176
GRI 403: Salud y seguridad en el trabajo 2018	403-1 Occupational health and safety management system	Occupational Health and Safety Management	176
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Management	176
	403-3 Occupational health services	Occupational Health and Safety Management	176
	403-5 Worker training on occupational health and safety	Occupational Health and Safety Management	176
	403-6 Promotion of worker health	Occupational Health and Safety Management	176
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Management	176
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety Management	176
	403-9 Work-related injury	Occupational Health and Safety Management	176







GRI STANDARD	CONTENT	SECTION	PAGE
HUMAN CAPITAL MANAGEMENT			
GRI 3: Material topics 2021	3-3 Material topics management	Poderosa Family	155, 156
401: Employment	401-1 New employee hires and employee turnover	Poderosa Family	153
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Poderosa Family	153
401: Empleo	401-3 Parental leave	Poderosa Family	153
404: Training and education	404-1 Average hours of training per year per employee	Poderosa Family	153
	404-2 Programs for upgrading employee skills and transition assistance programs	Poderosa Family	153
	404-3 Percentage of employees receiving regular performance and career development reviews.	Poderosa Family	153
405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Diversity and Inclusion	156
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and Inclusion	166
ECONOMIC PERFORMANCE			
GRI 3: Material topics 2021	3-3 Material topics management	Economic Performance	83
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	Economic Performance	84
	201-4 4 Financial implications and other risks and opportunities	Economic Performance	84
ECONOMIC PERFORMANCE			
3-3 Material topics management	3-3 Material topics management	Mine Closure Plan	150

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