

Additional sustainability information

1. CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Our corporate governance practices help us to generate value for our shareholders and stakeholders. The board of directors, as the main governing body, oversees the correct implementation of corporate strategy and supervises responsible business conduct, including ethical aspects and potential impacts on the economy, the environment, and people.

Our board is composed of eight non-executive directors. We follow the guidelines of the Superintendency of the Securities Market (SMV for its acronym in Spanish) for the definition of "independent director". According to this definition, we currently do not have independent directors, since the two professionals who, until 2021, qualified as independent, have lost this status due to being directors of Minsur and other related companies for more than 10 years.

Main criteria of the SMV to qualify a director as independent (SMV N° 016-2019-SMV-01):

1. Have professional experience, moral, and financial solvency.
2. Not be a shareholder with a percentage greater than one percent (1%) of the capital stock of the company.
3. Not be a director, member of senior management, employee of the same economic group, or employee in any company that is a shareholder with a participation equal to or greater than five percent (5%) of its capital stock.
4. Not have been a director, member of senior management, employee of the company or of a company of the same economic group, or of a company that is a shareholder of the company with a participation equal to or greater than five percent (5%) of its capital stock, unless three (3) years have elapsed since the termination of such relationship.
5. Not have or have had in the last three (3) years a commercial or contractual business relationship, direct or indirect, and of a significant nature.
6. Not be a spouse, nor maintain a common-law relationship, nor be related by blood or affinity up to the second degree with shareholders who have a shareholding equal to or greater than five percent (5%) of its capital stock.
7. Not be a director or member of the senior management of another company in which a director or member of the senior management of the company is a member of the board of directors unless the latter is an independent director of the company.
8. Not be or have been during the last three (3) years, a partner or employee of the company that provides external auditing services to the company or to any other company of its economic group.
9. Not participate simultaneously as an independent director in more than five (5) companies.
10. Not have more than ten (10) continuous or alternating years during the last fifteen (15) years, as an independent director of the company or of any company within an economic group.

Each director has a trajectory in the company and the average board tenure is reported in the table below. The time is recorded from the year of admission on the board to the last fiscal year.

Members	Year of entry	Year of evaluation	Total Years
Fortunato Brescia	2001	2022	22
Alex Fort Brescia	2001	2022	22
Mario Brescia Moreyra	2001	2022	22
Rosa Brescia de Fort	2004	2022	19
Pedro Brescia Moreyra	2001	2022	22
Jaime Araoz Medanic	2016	2022	7
Miguel Aramburú	2012	2022	11
Patricio de Solminihać Tampier	2019	2022	4
Average			16.1

2. MATERIALITY PROCESS

The materiality process helps us to define the priorities of our sustainability strategy and incorporate the expectations of our stakeholders. Thus, we update the process periodically— at least every two years — or whenever there is a significant change in the business.

In 2022 we updated our materiality process, using the new methodology of the 2021 GRI standard. The process is described below, which includes the identification and assessment of real and potential impacts caused by our activities. [See our 2022 Sustainability Report, page 127.](#)



Due to the context of political and social instability that Peru experienced during 2022, the materiality process used secondary sources of information to incorporate the opinion of stakeholders. Among them, for example, we used community perception studies, information derived from our complaints and grievance mechanisms, our Human Rights Due Diligence Assessment, the Customer Voice Study, our Employee Engagement Survey, among others. We also seek greater alignment with our risk management processes. Therefore, the corporate risk team actively participated in the impact identification and assessment process to define our material issues.

Material issues

The list of material issues includes priorities for the company which take into consideration different variables such as risk analysis and financial and non-financial impacts, as well as priorities for our stakeholders.

This materiality process feeds into our sustainability strategy, where we set short, medium and long-term objectives and targets: these are overseen by the Sustainability Committee and are also aligned with the individual performance objectives of the company's senior executives.

Our list of material topics was approved by the Corporate Sustainability Committee, in which our CEO participated. In addition, it was externally verified by an independent third party (PWC) under the review process of our 2022 Sustainability Report.

Prioritized material issues 2022

	Material Issue
1	Health and Safety
2	Ethics and compliance
3	Social management
4	Supply chain
5	Risk management
6	Economic performance
7	GHG emission and climate change management
8	Talent and culture
9	Tailings
10	Mine closure and remediation
11	Human rights
12	Water management and effluents

2022 Key materiality, objectives, and alignment metrics

Pillar	Topic	Objective	Goal 2022	Linked to staff performance targets
Environmental care	Climate change	Reduce our GHG emissions (scope 1 and 2)	<ul style="list-style-type: none"> Design 2050 Net Zero Roadmap 	<ul style="list-style-type: none"> CEO COO Environmental team
Health and Safety	Health & safety	Protecting life and health of people, ensuring world-class standards	<ul style="list-style-type: none"> Zero fatal accidents 1.52 RIFR 1.63 HPEFR 	<ul style="list-style-type: none"> All the company
Shared value	Talent	Ensure talent availability, which shares our purpose and is aligned to our culture	<ul style="list-style-type: none"> Culture and engagement survey = 78% 	<ul style="list-style-type: none"> HR team
		Identify and remove potential barriers to gender diversity	<ul style="list-style-type: none"> 9.7% of women 6.5% of women in management positions 	<ul style="list-style-type: none"> Pending
	Community	Improve quality of life and provide development opportunities in the communities where we operate	<ul style="list-style-type: none"> 100% of 2022 social investment plan 	<ul style="list-style-type: none"> Social team
	Suppliers	Promote development of local businesses providing basic formal and sustainable services	<ul style="list-style-type: none"> Baseline and design of San Rafael working plan 	<ul style="list-style-type: none"> Supply chain team
Responsible governance	Human Rights	Respect HR and promote equal opportunities across our value chain	<ul style="list-style-type: none"> Master Human Rights Plan updated and executed 	<ul style="list-style-type: none"> Legal /Sustainability team

2022 Main Materiality Metrics for External Stakeholders

Pillar	Topic	Material Issue	Output Metric	Expected impact
Environmental care	Climate change	GHG management and climate change	Total emissions in tons of CO2 eq	<ul style="list-style-type: none"> Increased consumption of renewable energy Reduce consumption of fossil fuels
Shared Value	Community	Social management and community impact	<ul style="list-style-type: none"> Social investment amount Number of local employees % of local purchases Number of social incidents 	<ul style="list-style-type: none"> More resilient communities Improvement of local quality of life

3. ETHICAL BUSINESS

In accordance with our integrity and transparency commitments, Minsur publicly communicates possible breaches of the Code of Ethics and Conduct.

Subject	N° Confirmed cases ¹	Action taken
Bribery, corruption, or anti-competitive practices	0	n/a
Discrimination or inappropriate treatment	30	Applied different types of actions, including training, warnings, and termination of employment. See Sustainability Report 2022 , pages 55-61
Harassment	3	Applied different types of actions, including training, warnings, and termination of employment. Sexual harassment cases were submitted to the Sexual Harassment Intervention Committee. See Sustainability Report 2022 , pages 55- 61
Infringement of customer privacy	0	n/a
Money laundering or insider trading	0	n/a
Conflicts of interest	1	Disciplinary sanctions and dismissal.

¹ Source: Cases received to the Corporate Integrity Channel and investigated according to our internal procedures.

4. CYBERSECURITY COMMITMENT

Thanks to our prevention efforts, during 2022 we did not register any significant cybersecurity breaches that could affect our customers or employees.

5. TALENT MANAGEMENT

Variable compensation

Minsur has a variable remuneration program that aims to recognize and motivate employees for their individual performance and other business results. This program applies to all personnel, including the CEO.

In this regard, the business results component is evaluated according to 3 factors: sustainability, and operational and financial performance. In 2022, variable compensation included the following topics and variables:

Factors assessed	Sub-topics included
Sustainability performance	Health & Safety
	Environment
	People
Operational performance	Production
	Costs
Economic performance	Financial results
	Economic value
	CAPEX

Long term compensation

Minsur has a Long-Term Incentive Policy that seeks to reward – with a bonus – the performance, leadership, and significant contributions to the business of employees who meet certain eligibility criteria. During 2022 4.6% of our employees participated in this program. This program has an evaluation period of 3 years during which the established conditions, which are based on the achievement of certain indicators defined by the company are measured.

Workforce breakdown

In relation to the commitments in diversity and inclusion, Minsur monitors gender diversity in its workforce. The purpose is to not only have a record of the number of women out of all employees, but also to monitor the number of women in the different job position levels in all the operational units.

Diversity Indicator	Percentage ²	Target
Women out of total employees	9.9	Target: 18% Target year: 2030 Intermediate target: 14% in 2025
Women in management positions (all levels)	7.8	Target: 20% Target year: 2030 Intermediate target: 12% in 2025
Women in junior management positions	13.7	ND
Women in top management positions	9.8	ND
Women in management positions in revenue-generating functions ³	3.6	ND
Women in management positions in revenue-generating functions ⁴	5.3	ND
Women in STEM related positions ⁵	16.7	ND

² The percentage of each category is calculated based on the total of each category.

³ Considering top, middle, and junior management of the following areas: Mine, Plant, Operations and commercial. Scope: Minsur and Marcobre.

⁴ Considering top and middle management, of the following areas: Mine, Plant, Operations and commercial. Scope: Minsur and Marcobre.

⁵ Considering professionals who perform in positions related to the fields of Science, Technology, Engineering and Mathematics. Scope: Minsur and Marcobre.

Breakdown based on Nationality	% of total employees	% in leadership positions of total managers
Peruvian	75.7	71.7
Brazilian	24.0	27.6
Chilean	0.2	0.5
Other	0.1	0.2
Total	100	100

Freedom of association

Freedom of association and collective bargaining are respected in all our operations.

ITEM	MINSUR	MARCOBRE	TABOCA
Total of employees who belong to a union	799	471	494
% employees who belong to a union	69.7%	72.1%	29.0%
Total % employees who belong to a union	50.4%		

6. HEALTH AND SAFETY

Safety events

At Minsur we track process safety events tier 1 that occur during the year, which are recorded for every million hours worked.

	FY2019	FY2020	FY2021	FY 2022
Number of process safety events: tier 1 per 1 million hours worked	0.09	0.04	0.11	0.05
% of operations covered	100	100	100	100

7. SOCIAL MANAGEMENT AND COMMUNITIES

Charitable donations

In line with our corporate purpose, we aim to sustainably contribute to improving the living conditions of people in our area of influence, generating economic and social wellbeing. Although we seek to prioritize social investments that generate a sustained impact on the quality of life of local populations, charitable donations are also part of our social management. To make these donations, we follow the approval and registration protocol established in our Social Management Standard and the Donations Procedure.

Main charitable donations made in 2022		
Beneficiary entity	Amount (USD)	Purpose
AID Producers	107,968.8	Climate emergency
Red de Salud Melgar	62,974.4	Health
Red de Salud Carabaya	63,142.8	Health
Mothers of Families CC Vilavilani, CC Palca, CC Ataspaca	29,547.0	Food baskets
Children and Families CC Vilavilani, CC Palca, CC Ataspaca	35,849.5	Food baskets
Fishermen of San Andres	2,895.0	Support economic activities
Women's Emergency Center	2,594.0	Health
Mothers of Families of Pampas de Ocas, San Andrés and Paracas	2,705.7	Food baskets
Sporting events organized by MD San Andres on the District Anniversary	3,653.6	Sports event

Beneficiary entity	Amount (USD)	Purpose
Volunteers participating in the beach cleaning campaigns	2,219.0	Beach cleaning
School Campaign 2022 / for the rural communities of Condoraque and Peña Azul	7,284.6	Education
Cold Campaign / for the rural communities of Condoraque and Peña Azul	4,928.8	Climate emergency
Christmas Campaign / for the rural communities of Condoraque and Peña Azul	6,741.8	Social welfare
Moradores Association of Cruce de Marcona	3,025.6	Infrastructure
Marcona Health Center	3,416.2	Health
Marcona Social Sports Club	925.1	Sports event
COCOEM	651.8	Security equipment
COPMAR	3,500.0	Communications equipment
Ricardo Cruz Rivarola Hospital	4,753.3	Health
IESTP Luis Felipe de las Casas Grieve	443.6	Education
Marcona Municipal District	5,300.0	Tourism activities
Policia Nacional del Perú	2,648.7	IT equipment
SERNANP	3,076.9	Environment
Cayetano Peruvian University - Center of Environmental Sustainability	3,333.3	Health

8. SUPPLY CHAIN

Identification of Critical Suppliers									
Category	MINSUR				Cumbres del Sur	MARCOBRE	TABOCA		Total
	Lima	San Rafael	Pisco	Pucamarca		Marcona	Amazonas	Sao Paulo	
Total number of Tier-1 suppliers	524	1,009	568	511	85	1,051	431	612	4,791
Total number of significant suppliers in Tier-1	31	113	87	62	12	67	12	11	395
Critical suppliers in other levels	0	0	0	0	0	0	0	0	0

9. ENVIRONMENTAL MANAGEMENT

Current certifications

Certification	San Rafael	Pucamarca	Pisco	Mina Justa	Pitinga	Pirapora
ISO 14001	X	X	X			X
ISO 9001	X	X	X		X	X
ISO 45001	X	X	X			
BASC			X			
RMAP			X		X	X
Other internal/external verifications	X	X	X	X	X	X

Energy consumption⁶

Total power consumption	Unit	FY2019	FY2020	FY2021	FY 2022
Total consumption of non-renewable energy	MWh	1,125,813	1,050,771	1,623,411	1,938,862
Total renewable energy consumption	MWh	0	0	0	0
Information coverage (as % of denominator)	% of operations	100	100	100	100

Detail of GHG scope 3 emissions

In 2022 we generated 766,187 tCO₂eq of scope 3 emissions in accordance with the ISO methodology used in the 2022 Sustainability Report. In the following table we present our scope 3 emissions according to the GHG protocol categories⁷.

Scope 3 Category (based on GHG Protocol)	Tons of CO ₂ eq
Purchased Goods and Services	211,005.66
Upstream transportation and distribution	19,620.06
Waste generated in Operations	992.95
Business travel	11,827.12
Employee commuting	1,698.54
Downstream transportation and distribution	8,273.50
Processing of sold products	512,769.27

⁶ To register the totals, conversion factors have been used under the energy equivalence factor (3.6 GJ = 1 MWh). On the other hand, a change in the consistency of data from previous years regarding the conversion is reported. On this, all the registered information has an external verification by PricewaterhouseCoopers (PwC).

⁷ It should be noted that an adjustment has been made in the category "fuel and energy related activities" to avoid double counting of part of scope 2.