



Report

2023



# Index





# 1

## Message from the President and CEO of Dynacor Group

GRI: 2-22



I am pleased to present the fourth Sustainability Report, which is in accordance with the Standards of the **Global Reporting Initiative - GRI**, a document that allows us to transparently communicate the main results of our economic, environmental and social management for the year 2023 to our stakeholders.

For 28 years, we have been present in the business of processing gold ore bought from ASM (Artisanal and Small-Scale Miners), both formal and in the process of formalization, and the sale of precious metals.

2023 was also another exceptional year in the history of Dynacor. We maintained our sustained growth with the production of 130,001 ounces of gold equivalent and consequently our sales increased to US\$251.5 million. Likewise, we distributed a value of US\$254.8 million in purchases, payments of obligations, investments and taxes.

Once again, with the teamwork of our 531 employees (in Canada and Peru) we

managed to exceed the objectives set by the Corporation. They are undoubtedly the foundation of Dynacor's solid growth. Therefore, we consider our staff as the most important asset of our Corporation.

To improve the skills of our employees, training was promoted in the Comprehensive Mining Management Program and Reporting Process according to the 2021 GRI Standards and Reporting on Human Rights with the 2021 GRI Standards.

During 2023, we achieved a historic production with an increase of 18% over last year and aligned ourselves with international standards such as the International Cyanide Code.

In addition, there was a 34% increase of purchases from mining contractors in Peru compared to 2022 (US\$201.9 million in 2023 vs. US\$150.6 million in 2022). In addition, we invested US\$235,016 in local labour and employment, generating a positive impact in Chala (Arequipa), as well as in other regions of Peru.



During 2023, we achieved a **historic production with an increase of 18% over last year.**"

In 2023, we continued to improve the traceability of our gold with our Mineral Management System, internal verification system and face-to-face visits to our mining suppliers.

We implement new trends in governance, environmental protection and relations with the populations in our area of influence. In this Sustainability Report, we updated our material topics with the dual materiality approach.





**With a shared vision, we invested US\$105,958 in communities, in health, nutrition, education, environmental management, basic infrastructure."**

In the social field, our investment was made through the Community Development Program (Veta Dorada Subsidiary) and Fidamar (International Fund for Artisanal Miners), whose funds come from the PX Impact® Program.

With a shared vision, we invested US\$105,958 in communities, in health, nutrition, education, environmental management, basic infrastructure, and development and building of capacities in local institutions, benefiting more than 15,500 people.

Through Fidamar, US\$527,300 was allocated, which directly benefited more than 9,000 people, including children and adults from artisanal mining communities.

In the environmental management of our operations, we recorded important achievements such as an 18% reduction

in water consumption intensity and we operate with zero effluents. In addition, 51% of our global energy consumption was from renewable sources and we started measuring our Scope 3 emissions.

At Dynacor we will continue to implement good practices that will help us strengthen our business model with ASM and we will seek to create value for our stakeholders, as well as develop opportunities for our area of influence.

I wish to thank our shareholders, Board and employees for the commitment and support provided in each project we implement.

Finally, I cordially invite you to read the following chapters of our 2023 ESG Report, in which we explain our sustainable practices.

**Jean Martineau**

President and Chief Executive Officer of  
Dynacor Group.



2

**28**  
**YEARS**  
OF LEADERSHIP IN  
THE ASM BUSINESS



**23%**  
LOCAL WORKFORCE  
(AREQUIPA)



# Our Performance



**531**  
EMPLOYEES

**18%**  
REDUCTION OF  
WATER CONSUMPTION  
INTENSITY



**ONLY**  
**PROCESSING**  
PLANT IN THE TOP 10 GOLD  
PRODUCERS IN PERU



**130.001**  
GOLD EQUIVALENT  
OUNCES PRODUCED

US\$  
**201.9**  
MILLION IN PURCHASES  
FROM ASMS

**51%**  
ENERGY  
CONSUMPTION  
FROM RENEWABLE  
SOURCES



**0**  
ACCIDENTS  
WITH SERIOUS  
CONSEQUENCES

**34,713**  
**HOURS**  
OF TRAINING



# About Dynacor Group





# About Dynacor Group

We are a Canadian Corporation, Dynacor Group Inc., listed on the Toronto Stock Exchange (TSX) under the ticker symbol DNG, and we pay dividends to our shareholders. We have been operating in Peru since 1996 through our subsidiary Veta Dorada (500 mt/day processing plant). We specialize in the processing of gold ore acquired from ASM (Artisanal and Small-Scale Miners), both formal and in the process of formalization, and in the sale of precious metals.

We also operate the Tumipampa gold and copper project located in Abancay, Apurimac region (Peru).

Over the past 28 years, we have established a solid business model that has positioned us as the leading ASM ore processing plant in Peru. We operate under the Medium and Large Mining Operations Law. In 2023, we remained among the top 10 main gold producers according to the Mining Statistics Bulletin of the Peruvian Ministry of Energy and Mines

<https://www.gob.pe/institucion/minem/colecciones/6-boletin-estadistico-minero>.

Likewise, we are the first Corporation with processing operations in Peru to publish an ESG report based on the Global Reporting Initiative (GRI) Standards that guarantee our transparency.

During 2023, our social investment generated a positive impact on artisanal and small-scale mining communities located in the areas where we are present, contributing to local development.

GRI: 2-1 GRI: 2-2

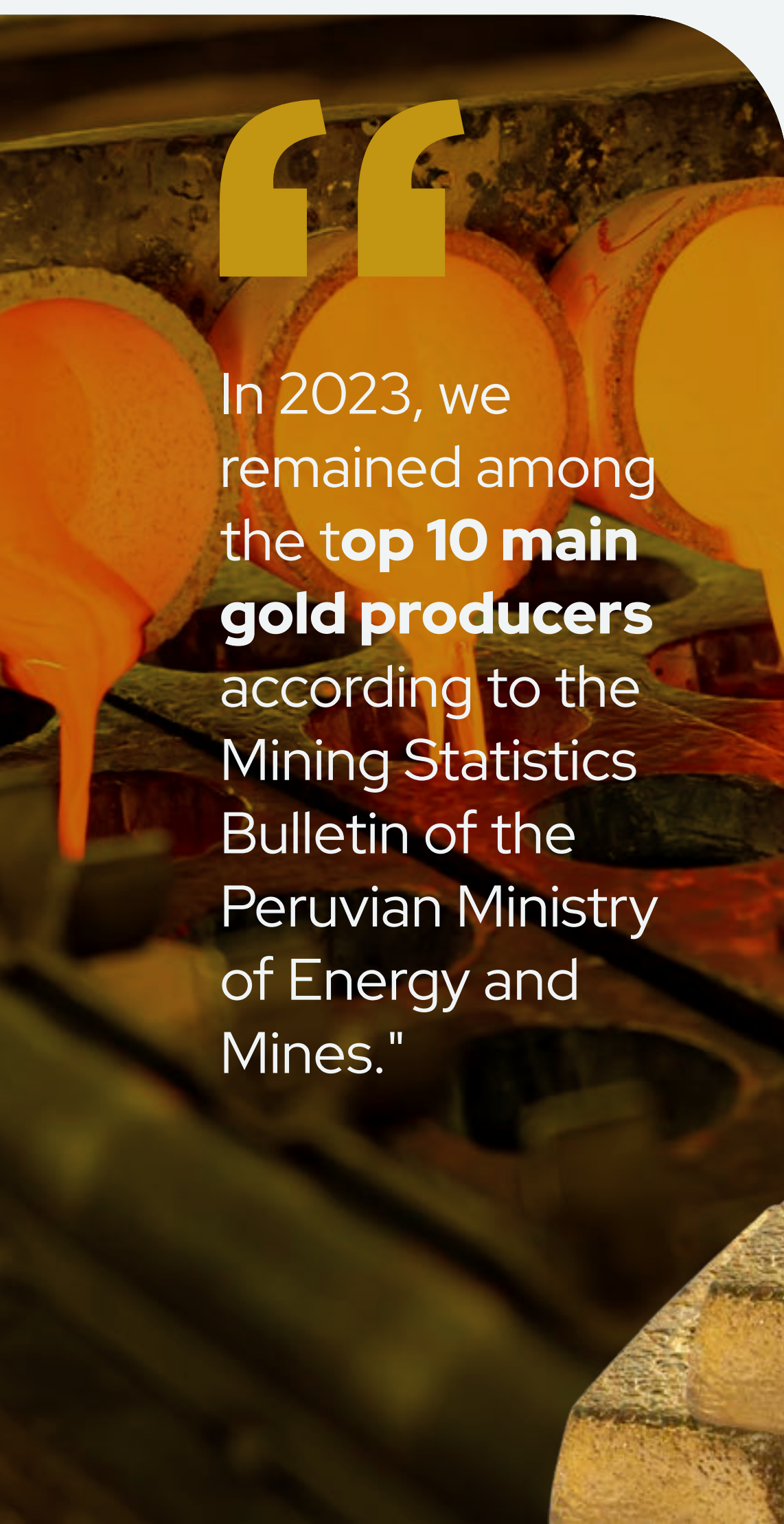
**“We have established a solid business model that has positioned us as the leading ASM ore processing plant in Peru.”**





## 3.1 Our Locations

GRI: 2-1



In 2023, we remained among the **top 10 main gold producers** according to the Mining Statistics Bulletin of the Peruvian Ministry of Energy and Mines."



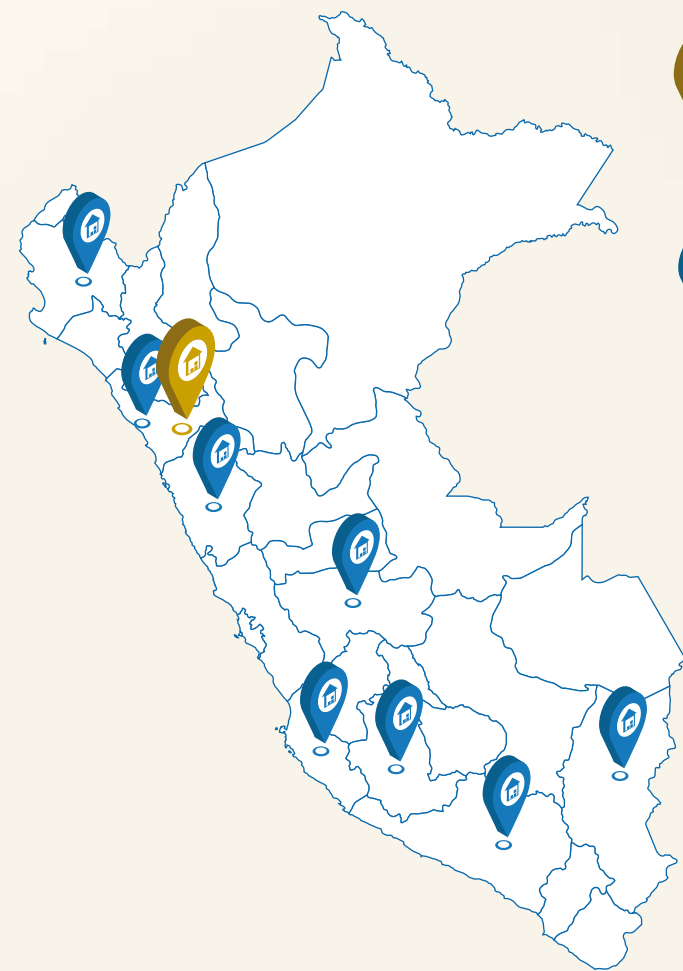


## 3.2 Our Production Process

GRI: 2-6

### 1 PURCHASING AND ORE CONTROL

Through our subsidiary Veta Dorada, we buy ore from Artisanal and Small-Scale Miners (ASM) enlisted in the formalizing process of the Peruvian government.



**Crushing Service**

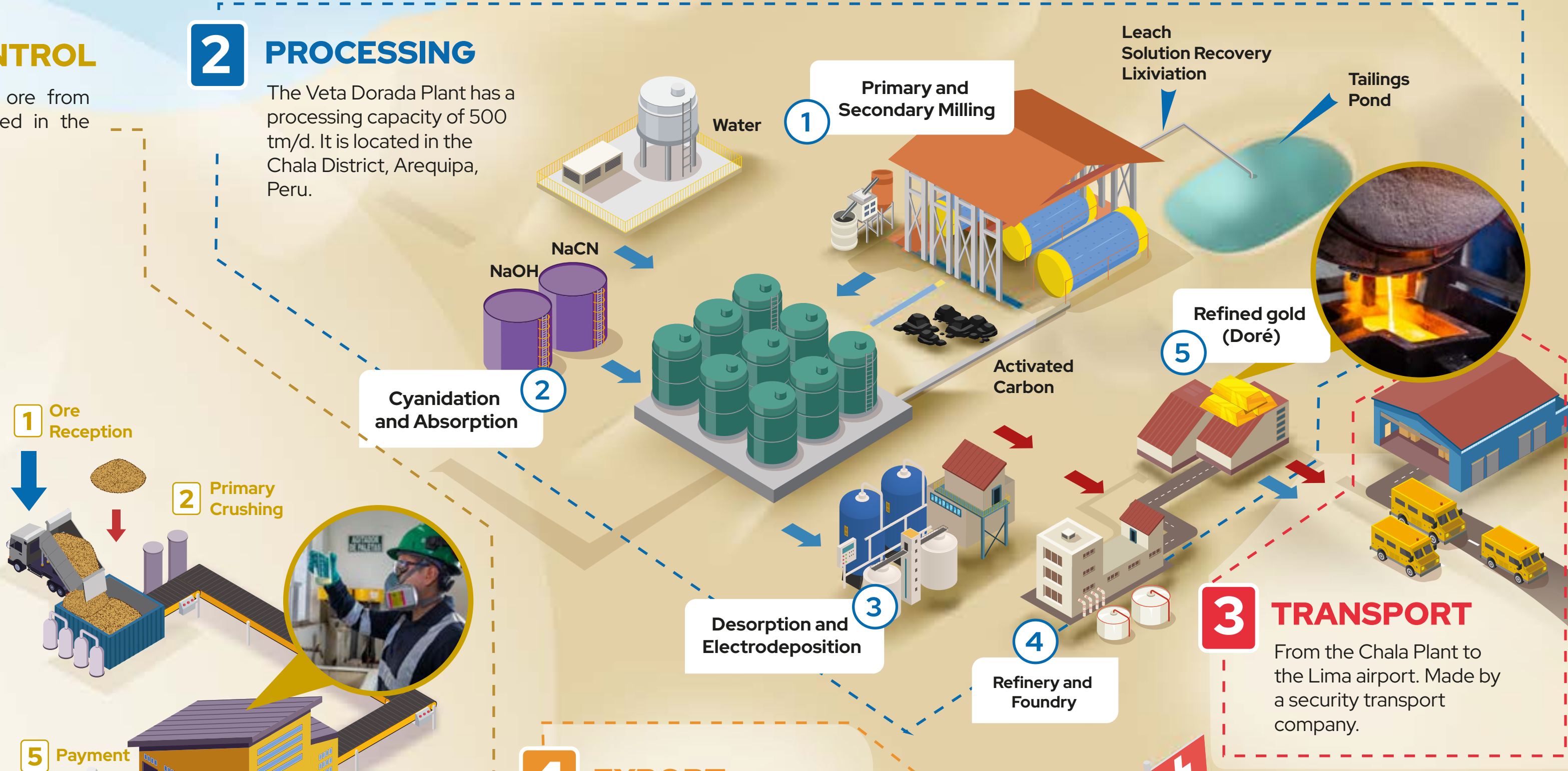
- Trujillo

**Purchasing Offices**

- Trujillo
- Chimbote
- Piura
- Junín
- Juliaca
- Huanca
- Nasca
- Chala
- Pedregal
- Ispacas
- Secocha
- Misky

### 2 PROCESSING

The Veta Dorada Plant has a processing capacity of 500 tm/d. It is located in the Chala District, Arequipa, Peru.



### 4 EXPORT:

**Gold:** From the Lima airport to Switzerland, through a PX Precinox customs agent.

**Silver:** Based on buyers.

### 3 TRANSPORT

From the Chala Plant to the Lima airport. Made by a security transport company.

“ Dynacor has a risk management system for the prevention of money laundering and terrorism financing, and a code of conduct that guarantee sustainable practices that respect human rights. ”

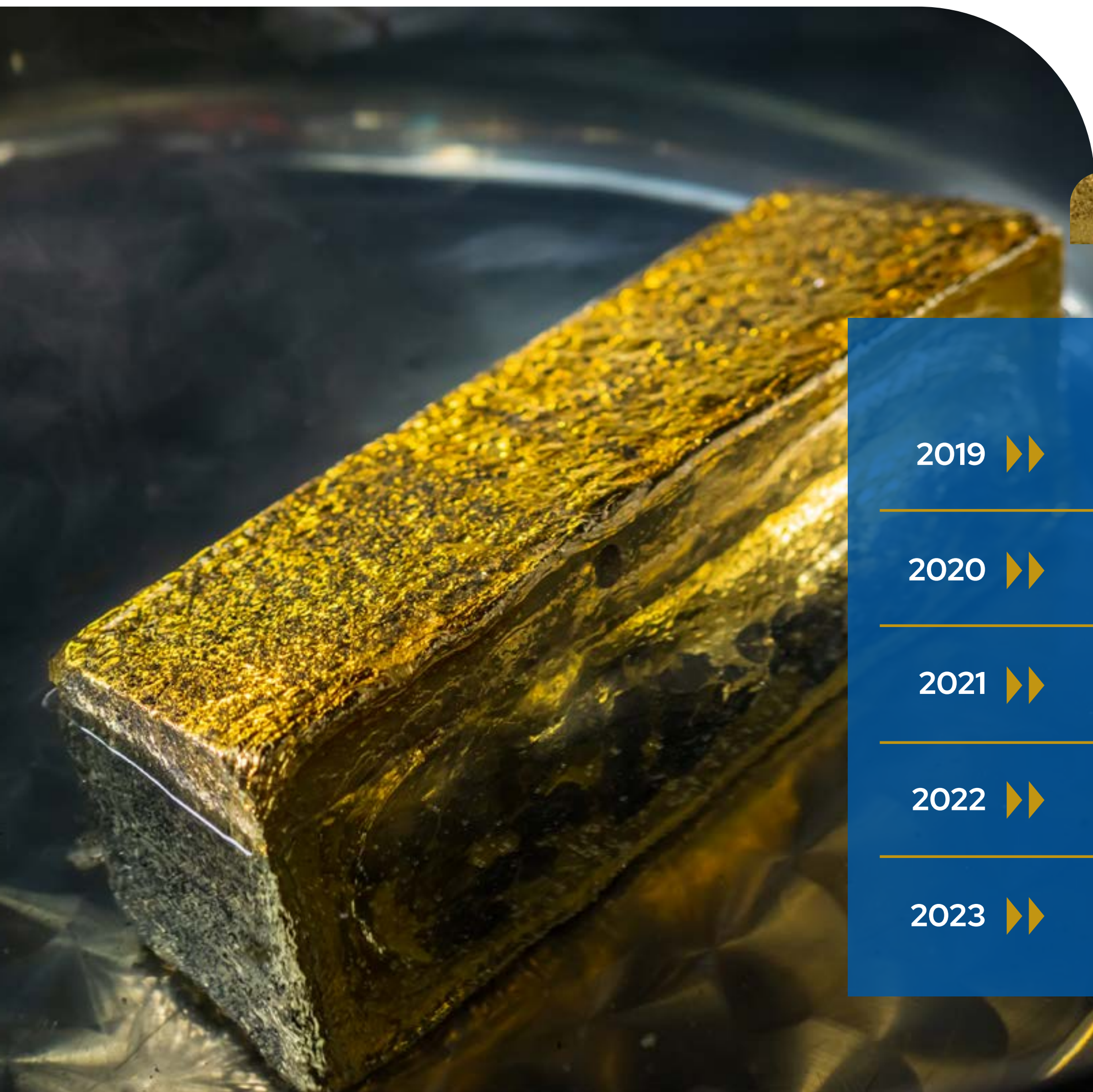




### 3.3 Our Products

GRI: 2-6

“ We develop social projects in ASM communities through our **PX IMPACT® certified responsible gold program.**”



	Gold	Silver		
	 Switzerland	 Peru	 India	 Dubai
2019 ▶▶	100 %	70 %	30 %	-
2020 ▶▶	100 %	21 %	-	79 %
2021 ▶▶	100 %	42 %	58 %	-
2022 ▶▶	100 %	5 %	95 %	-
2023 ▶▶	100 %	16 %	84 %	-



## > Vision

Dynacor intends to become the world's leading processor of gold produced from ore purchased from artisanal miners, in an environmental and socially responsible manner.

## > Mission

We produce environmental and socially responsible gold by building and maintaining a true partnership with artisanal miners, our employees, as well as the communities where we operate around the world and all our other stakeholders, in an equitable and transparent manner.

## > Corporate Values

- ◆ Respect
- ◆ Ethical Behaviour
- ◆ Environmental Responsibility

# Code of Conduct



Updated in 2023, our Code of Conduct applies to all directors, officers and employees of Dynacor and the Veta Dorada subsidiary, including stakeholders outside the Corporation.

It is based on:



Compliance with the law

Health and safety

Environmental protection

Human rights

Anti-bribery and anti-corruption

Conflicts of interest

Prevention of money laundering and terrorist financing

Relations with suppliers and customers

Employee relations

Diversity, inclusion and non-discrimination

Community relations

Communication and implementation



### 3.4 Governance and Corporate Governance GRI: 3-3

As Dynacor Group we are incorporated under Canadian law and our subsidiary Veta Dorada under Peruvian law.

Our Corporation comprises a Board of Directors composed of eight members elected by the General Shareholders' Meeting for a renewable term of one year. The selection and appointment of directors respond to criteria of competence, experience and independence. Thus, of the eight members, six are independent directors and two are not independent. GRI: 2-9

Diversity is another important criteria when forming the Board of Directors, which includes professional profiles and multidisciplinary experiences, gender (two women and six men), and different nationalities and generations. Given the international nature of the Corporation, work is carried out in a multilingual environment: French, English and Spanish, with French being the predominant language. GRI: 2-10

The Chairman of the Board and the President and CEO of the group are different persons. GRI: 2-11

There are 4 committees on the Board of Directors, and their functions are:



#### The Governance, Nomination and Remuneration Committee's mission



is to ensure the adoption and incorporation of good corporate governance practices, to issue recommendations on the remuneration of the company's senior executives and managers, and to ensure plans for their succession.

#### The Audit and Risk Management Committee



whose main functions are the control of financial information, the effectiveness of internal control, the election of auditors and the management and control of financial and non-financial risks.

#### The Environmental and Social Responsibility Committee



ensures the proper functioning of Dynacor's environmental and social health and safety management. In addition, it reviews and annually approves the content of the Sustainability Report. This Information is reported to the Board of Directors.

#### The Information Technology Committee



was created in 2023 and its main objectives are to oversee and promote technological innovation, the promotion of technological and digital culture in the company, and the management and

control of Information Technology and Cybersecurity risks.

In addition, the Board makes recommendations to senior executives and managers; it oversees all activities and, in particular, operational risks. Dynacor's statement of values, vision, mission, strategy and value creation, and Dynacor's policies and goals related to sustainable development are also part of its work. GRI: 2-12

The Board assesses and analyzes the Corporation's impacts, risks and opportunities. With the support of each Committee, it oversees impacts on the environment, the economy and on people. GRI: 2-13





Furthermore, it acknowledges and promotes the importance of a governance that takes sustainable development into account. Therefore, since 2020, Dynacor publishes the Sustainability Report, which is supervised by a member of the Board of Directors. The final Sustainability Report is reviewed by the President and CEO of Dynacor, the Director of Environmental and Social Responsibility, and the General Manager of our subsidiary. **GRI: 2-14**

At Dynacor, it is the role of the Board of Directors to supervise and manage any potential conflict of interest situation in the Corporation. **GRI: 2-15**

Any conflict of interest is dealt with in accordance with the Board's internal regulations and codes of operation.

In 2023, we received three complaints to our whistleblowing channel. The main concerns involved labour practices and decent work issues, which were addressed in a timely manner and closed. **GRI: 2-16**

Training and updates on the subject of sustainable development occupy an important position in the training of the members of the Board of Directors, given the strategic focus of

### Claims Attention 2023

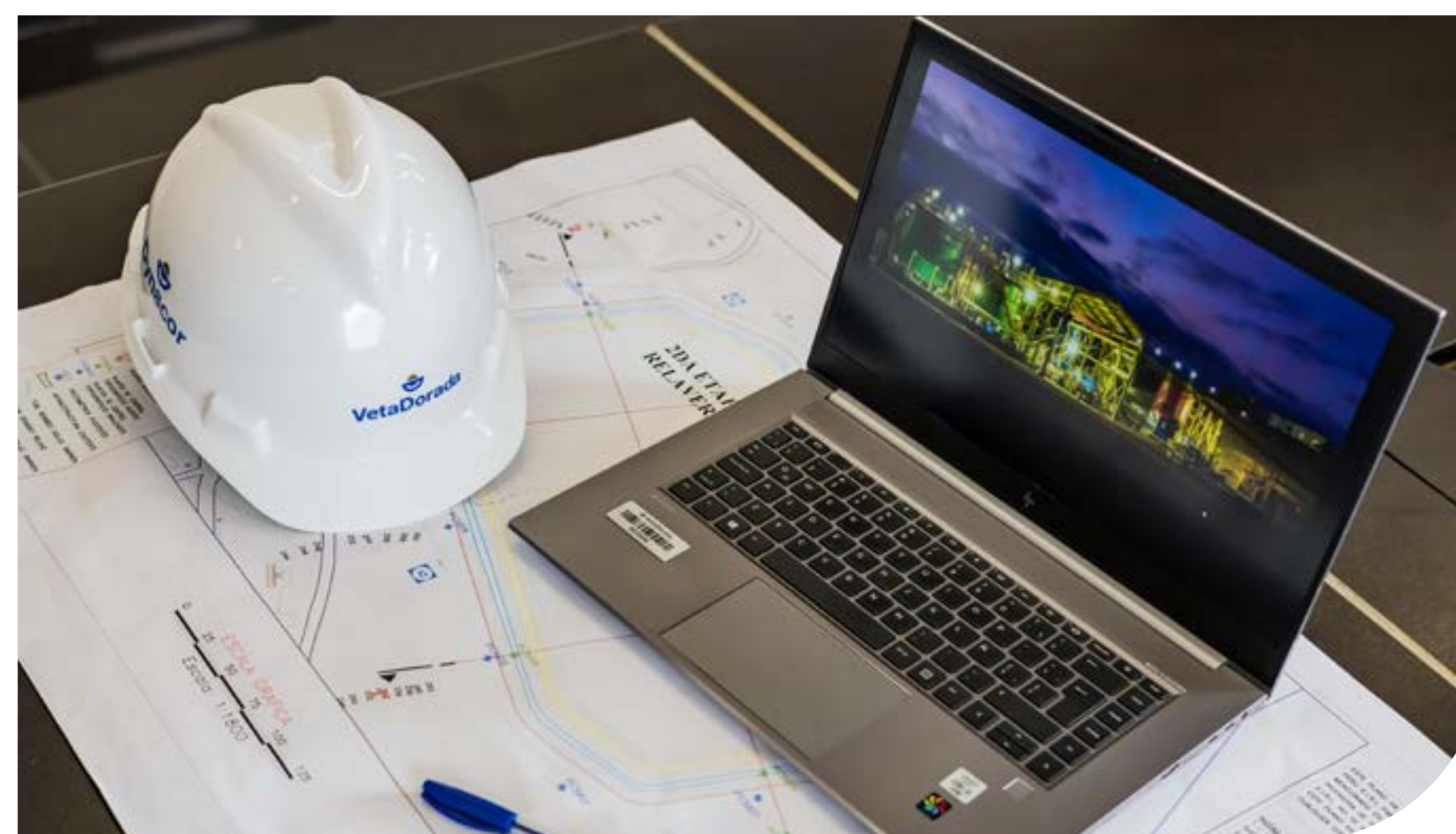
Categories	Total Received	Status			
		Closed	Correct	Incorrect	Ongoing
Human Rights	0	0	0	0	0
Labour Practices and Decent Work	3	3	2	1	0
Business Ethics and Anti-Corruption	0	0	0	0	0

the Corporation. In 2023, they received training in ESG Criteria Integration. **GRI: 2-17**

In line with good corporate governance practices and in order to monitor the effectiveness and cohesion of its members, the Board of Directors evaluates their performance on an annual basis. The overall evaluation of the Board includes individual members, committees and the Chairman of the Board. This process is led by the Governance, Nomination and Remuneration Committee. **GRI: 2-18**

The remuneration of Senior Management and Board members is determined on the basis of comparative remuneration studies in companies with similar activities and characteristics to the Corporation and different performance and result indicators based on objectives previously evaluated and approved by the Board. **GRI: 2-19 GRI: 2-20**

In 2023 in our Peruvian subsidiary, the ratio of the annual base remuneration of the highest-paid person to the median base remuneration of employees excluding the highest-paid person was 12.13. **GRI: 2-21**





### 3.5 Economic Performance

We generate sustainable economic growth by creating and sharing value with our stakeholders. To achieve this, we maintain a real commitment to our main stakeholders, also supporting the development and revitalization of the local economy in the areas in which we operate.

In 2023 we processed more ore than in 2022 and obtained better economic results from sales. At year-end 2023, revenues were US\$251.5 million and the economic value retained was US\$-3.3 million in operating costs and fulfilment of financial obligations to our stakeholders. GRI 201-1

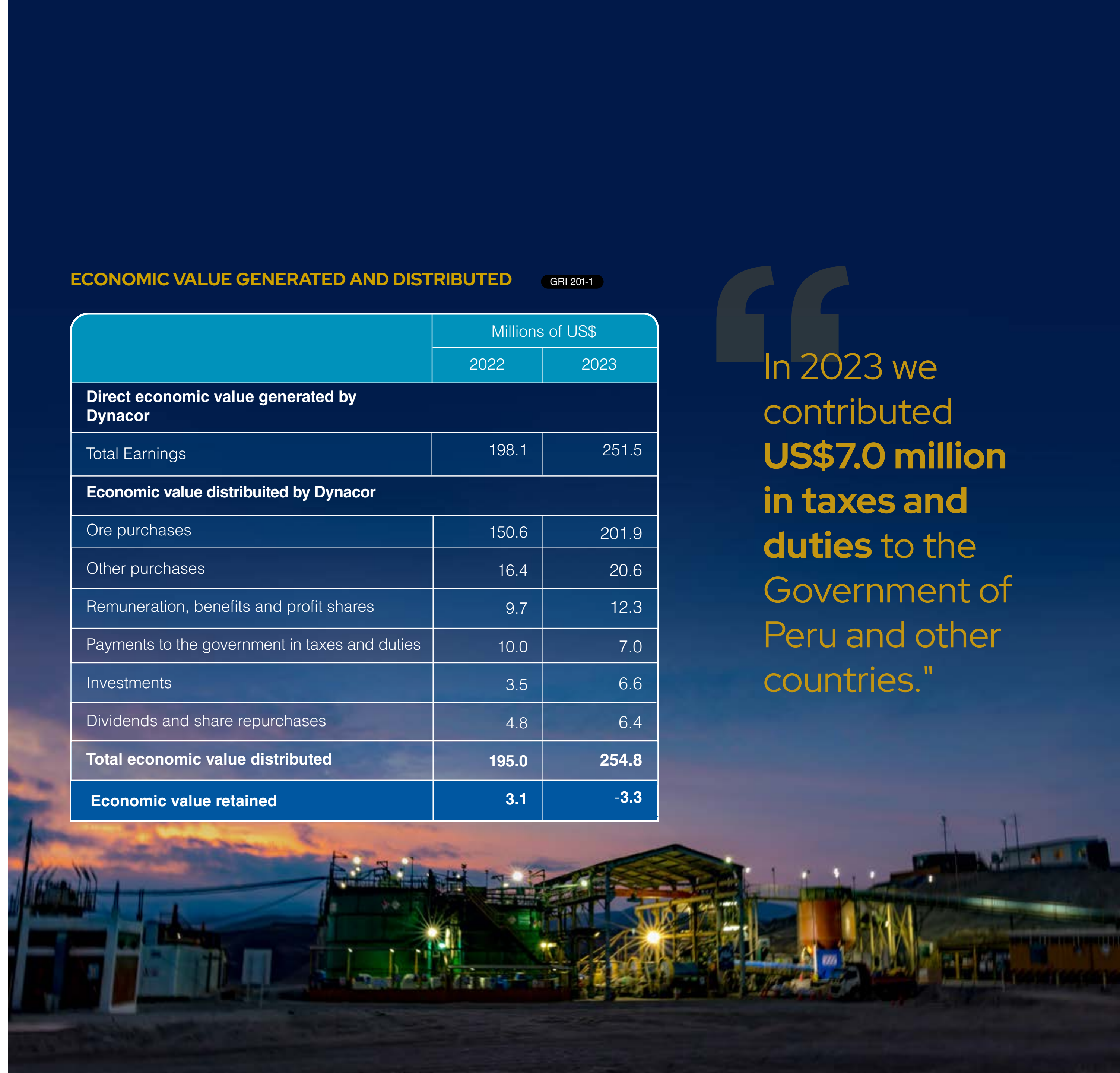
The negative economic value retained in 2023 is due to the increase in our ore inventory, which represented more than 40 days of production at the end of 2023, compared to more than 20 days of production at the end of 2022.

#### ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI 201-1

	Millions of US\$	
	2022	2023
<b>Direct economic value generated by Dynacor</b>		
Total Earnings	198.1	251.5
<b>Economic value distributed by Dynacor</b>		
Ore purchases	150.6	201.9
Other purchases	16.4	20.6
Remuneration, benefits and profit shares	9.7	12.3
Payments to the government in taxes and duties	10.0	7.0
Investments	3.5	6.6
Dividends and share repurchases	4.8	6.4
<b>Total economic value distributed</b>	<b>195.0</b>	<b>254.8</b>
<b>Economic value retained</b>	<b>3.1</b>	<b>-3.3</b>

“In 2023 we contributed **US\$7.0 million in taxes and duties** to the Government of Peru and other countries.”





### 3.6 About Our ESG Report

Our fourth ESG Report, which is published annually in accordance with the *Global Reporting Initiative* – GRI Standards, is designed to provide transparent communication on economic, environmental and social issues relevant to our stakeholders. This report covers the period from January to December 2023 and was published in June 2024.

It is important to note that Dynacor's Financial Reports are presented in the second half of March of each year, with data corresponding to the previous year.

Any queries regarding the content of this report can be sent to (esg@dynacor.com). **GRI 2-3**



Overall, financial results are impacted by external factors such as the market price of gold and the value of the US dollar against the sol or the Canadian dollar.

As our main short-term forecast, we are projecting an increase in sales of between 6% and 14% compared to 2023. The Corporation will continue to invest in its fixed assets in order to improve its efficiency, the well-being and safety of its employees and its financial results.

In 2023, the production of gold (doré) increased and amounted to 130,001 ounces of gold equivalent, due to investments made in the Veta Dorada Plant and increased ore purchases. Similarly, during this period, we purchased an office for the Lima headquarters.

Our commitment is to make the largest number of purchases from local suppliers, to minimize negative impacts on the environment in our production, and, at the same time, to maintain the distribution of dividends to our shareholders and share repurchases.

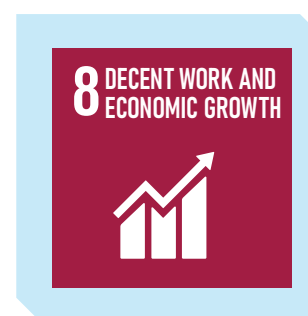
Committed to staff growth, each year we train employees involved in the preparation of accounting information, internal control procedures and external audits.

Our objective is to execute the annual budget, and to ensure the effectiveness of actions in favour of economic performance, internal procedures and external audits are maintained.

Likewise, stakeholders are kept informed about our economic performance and important facts through the publication of reports and press releases. **GRI 3-3**

For more details on the results for the year, financial information is available in the Annual Financial Reports, available on the website

<https://www.dynacor.com/financial-reports/>







### 3.7 Material Topics

GRI 3-1

Over the course of the year 2023, we carried out the materiality update by adopting a dual materiality approach. To do this, we developed a comprehensive process that addressed both impact materiality and financial materiality.

In defining the material topics, we followed the process of double materiality, thus obtaining two new topics and merging two previous topics into one, which we call Ethics, Integrity and Legality.

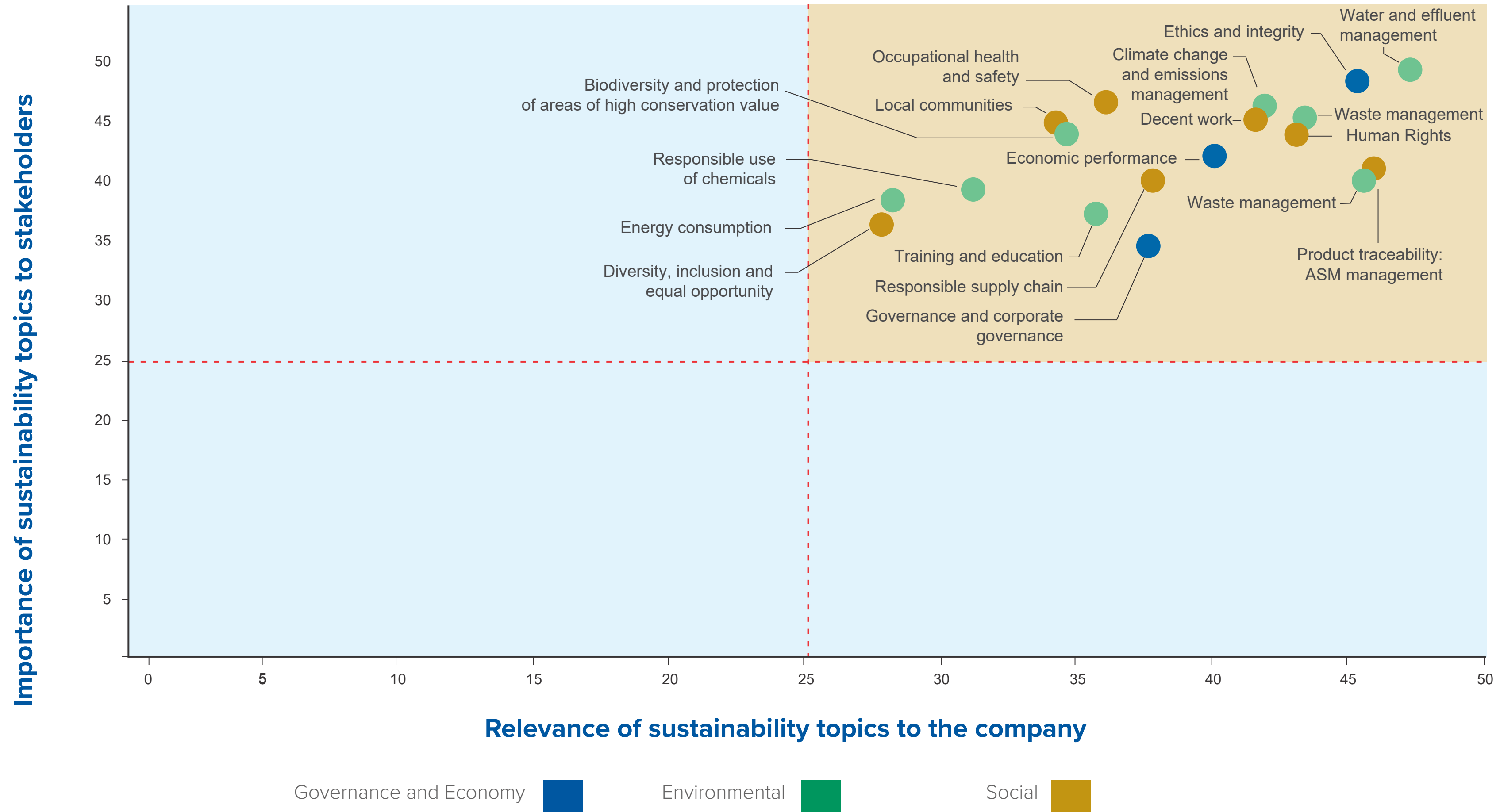
This process was carried out in four stages based on GRI 2021 standards and the *European Financial Reporting Advisory Group (EFRAG)*:





## Double materiality graph

GRI 3-2





### 3.8 Stakeholders

Thanks to our continuous and effective communication with our stakeholders, we have a relationship of trust and transparency.

We understand that in order to achieve a sustainable operation, it is necessary to identify the stakeholders with whom we interact and impact with our activity. The identification of our stakeholders and their expectations were established through strategic analysis exercises of the external and internal environment, thus identifying the following stakeholders and communication channels.

GRI: 2-29

	MEANS OF COMMUNICATION	EXPECTATIONS
<b>Shareholders / Investors</b>	<ul style="list-style-type: none"> <li>• Annual shareholders' meeting</li> <li>• Press releases</li> <li>• Website and social networks</li> <li>• Quarterly and annual financial report</li> <li>• Emails</li> <li>• Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion and growth</li> <li>• To maintain and enhance market reputation</li> <li>• Business leadership</li> <li>• Corporate social responsibility</li> <li>• Governance</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• Quarterly and annual reports</li> <li>• Emails</li> <li>• Regular meetings</li> <li>• Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• To maintain and enhance market reputation</li> <li>• Sound financial position</li> <li>• Corporate social responsibility</li> <li>• Governance</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Quarterly reports</li> <li>• Website and social networks</li> <li>• Emails</li> <li>• Regular meetings</li> <li>• Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• Traceability of gold</li> <li>• Responsible sourcing</li> <li>• Investment in social projects in artisanal and small-scale mining communities</li> <li>• Environmental sustainability</li> <li>• Employment rights</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Press conferences</li> <li>• Website and social networks</li> <li>• Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency of information</li> <li>• Contribution to society</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Digital newsletter</li> <li>• Website and social networks</li> <li>• Wall newspapers</li> <li>• Corporate communications and notices</li> <li>• Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• Employee welfare</li> <li>• Fair and favorable conditions</li> <li>• Pleasant organizational environment</li> <li>• Recognition of high performance</li> </ul>



**Continuous and effective communication with our stakeholders**

has allowed us to maintain a relationship of trust and transparency."

	MEANS OF COMMUNICATION	EXPECTATIONS
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Website and social networks</li> <li>Emails</li> <li>Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>On-time payments</li> <li>Capacity development for small local suppliers</li> </ul>
<b>Artisanal and small-scale miners</b>	<ul style="list-style-type: none"> <li>Emails</li> <li>Regular meeting</li> <li>Technical visits</li> <li>Purchasing offices</li> <li>Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>Transparent, on-time settlement process, at fair prices</li> <li>Support on security issues</li> <li>Corporate social responsibility</li> <li>Support for completing their formalization</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>Reports sent to industry regulators</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with legislation</li> <li>Supervision</li> <li>Job creation</li> <li>Legal certainty</li> <li>Corporate social responsibility</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Community meetings</li> <li>Community outreach</li> <li>Individual meetings</li> </ul>	<ul style="list-style-type: none"> <li>Community development</li> <li>Social development programs</li> <li>Investments in education and health</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>Corporate communications and notices</li> <li>Website and social networks</li> <li>Coordination meetings</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to society</li> <li>Corporate social responsibility</li> </ul>



### 3.9 Affiliation with GRI Associations GRI: 2-28

We build collaborative relationships with the following organizations that share our values and goals:



- Associated with the Institute of Mining Engineers of Peru (IIMP).



- Association with the Institute of Mining Safety (ISEM) of Peru.



- Member of the Prospectors and Developers Association of Canada (PDAC).



- Associated with the Canada-Peru Chamber of Commerce.

### 3.10 Commitments and Policies

Our commitment to business sustainability is reflected in our policies and commitments.

These include respect for human rights and alignment with 15 Sustainable Development Goals (SDGs), which are detailed in our report. The main policies and commitments are:

- Code of Conduct, which sets out the ethical and behavioural principles that guide our operations.
- Human Rights Policy, which emphasizes the importance of respecting and protecting human rights in all our activities.
- Occupational Health and Safety Policy, which ensures a safe and healthy working environment for all employees.
- Environmental Policy, which establishes our commitment to the protection and conservation of the environment.
- Social Investment Policy, which formalizes commitments to ensure responsible investment in the communities near our operation.
- Management Manual and Code of Conduct for the Prevention of Money Laundering and Terrorist Financing Risks, which establishes clear guidelines to prevent illicit activities.
- Internal Labour Regulations and Internal Occupational Health and Safety Regulations, which detail the internal rules to ensure compliance with the policies.





Our Human Rights Policy, implemented in 2022, contains 12 key commitments, including:



Rejection of forced or compulsory labour.



Zero tolerance for child labour.



Equal opportunities and rejection of any type of discrimination.



407-1 Freedom of association and collective bargaining.



Freedom of thought and political participation



Health, safety and welfare



Fair and favourable working conditions.



Sustainable supply chain.



Environmental impacts.



Respect for the rights of local communities.



Biodiversity and protection of areas of high conservation value.



Responsible communication.

All these policies, approved by Dynacor's Board of Directors, are communicated to employees through internal means and training. In addition, they are publicly available to all stakeholders, demonstrating our commitment to transparency and accountability. **GRI: 2-23**

This report details the SDGs to which we contribute positively with our management.





# 4

## Responsible Processing



- 5
- 6
- 7
- 8



# 4

## Responsible Processing

### 4.1 Incorporation of Commitments and Policies

We conduct our business in a responsible and ethical manner through our commitments and policies. These apply to all Dynacor's activities and business relationships and are approved by the Board of Directors.

The attribution of responsibilities is established by the Board of Directors; in the Veta Dorada subsidiary, the General Management is responsible for ensuring compliance with these policies and commitments.

To address and remedy possible negative impacts, grievance mechanisms have been put in place to ensure their proper management.

Our stakeholders have the possibility to submit their concerns through **denuncias@dynacor.com**, which is managed by the Corporation.

To complement this process, we also have the ethics hotline (**línea-etica@dynacor.com.pe**), dedicated to complaints regarding human rights violations.

Once a complaint or grievance is received, a confirmation of receipt is sent; an investigation is then carried out involving all parties and an appropriate response is issued.

All cases are reported to the Board of Directors, treated confidentially and the results, as well as the closure of the process, are communicated to the parties involved.

Stakeholders can access these mechanisms anonymously or through third party representation.

GRI: 2-24 GRI: 2-25 GRI: 2-26



In all activities and commercial relationships we apply our commitments and policies."







## 4.2 Compliance with Laws and Regulations

In 2023, Dynacor, through its subsidiary Veta Dorada, carried out once again a voluntary participatory environmental monitoring with the attendance of community representatives, local government representatives and authorities at our Veta Dorada Plant. In doing so, our project was publicized and our commitment to operate in full compliance with and exceeding current environmental standards was made known.

Three cases were classified as regulatory non-compliance during 2023, of which 2 resulted in fines. An amount of US\$27,399 was incurred for implementing equipment without authorization. As this equipment was located within our Chala production unit, its installation did not generate any risk of damage to the environment or to people. As for the other fine, it amounted to US\$9,190 and was due to an environmental emergency resulting from a pipe rupture caused by third parties at our unit during its post-closure stage and was quickly resolved.

The two breaches were not considered significant as they were reversible and did not affect our operations. **GRI: 2-27**

## 4.3 Ethics, Integrity and Legality

At Dynacor we work in compliance with the regulations applicable to each country where we operate, following ethical and integrity principles, with zero tolerance towards acts of corruption.

In 2023, all employees subject to our compliance system for the Prevention of Money Laundering and Terrorist Financing (PLAFT) received training, and the PLAFT Manual and the Code of Conduct were updated in accordance with regulations and distributed to all our employees.

In addition, with the support of an external company, a diagnosis of the Anti-Corruption System was carried out and the PLAFT risks of the mineral suppliers were segmented. In addition, training was provided on the ore traceability procedure.



### What we have achieved:

- There were no cases of money laundering, financing of terrorism and corruption (ML/TF) identified, linked or reported.
- No identified and reported cases of employee corruption and bribery in the purchase of ore and sale of gold (doré).
- All ore supplier records are complete and compliant.
- All mineral suppliers have been assessed for ML/TF risks.

### Our target for 2024 is to:

- Resume the production of regulatory documents and related training to establish an anti-corruption management system independent of the PLAFT system.
- Continue operating in an ethical and legally compliant manner such that we will not be investigated or sanctioned for corruption and bribery.
- Minimize the potential impacts of corruption, reduce legal risks, avoid sanctions for the Corporation and its representatives, as well as maintain its good reputation.





**Documents and commitments:**

- Code of Conduct: zero tolerance for acts of bribery and corruption.
- Manual and Code of Conduct for the Prevention of Money Laundering: these documents address bribery and corruption as predicate offences for money laundering. It also describes the prohibition of maintaining commercial, contractual, or labour relations with persons sanctioned for this type of crime.
- Checking international and national lists of persons with whom relations have been or will be established in order to identify whether they are being tried for money laundering, financing of terrorism and corruption (ML/TF) offences.

To ensure the effectiveness of our management, we include anti-bribery clauses into contracts and request anti-bribery affidavits from suppliers, employees and customers.

We have learned how necessary it is to update the tools implemented in accordance with the applicable

regulations and the variability of the context in which our Corporation operates.

The results are communicated to employees and directors in the training provided. **GRI: 3-3**

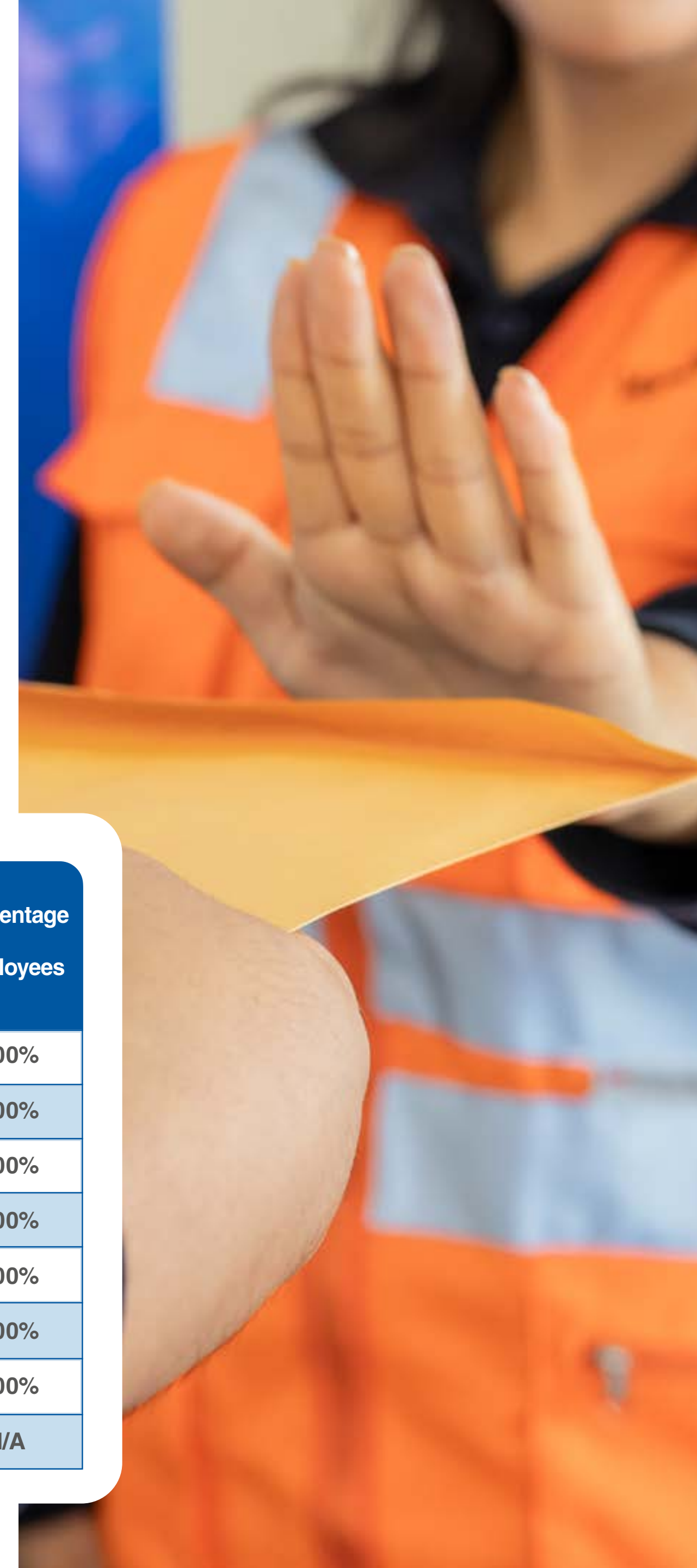
In 2023, we fully evaluated all our operations, including offices and the Veta Dorada Plant. Regarding the commercial transactions carried out, all of them were evaluated, for a total of 11,012 transactions.

In the assessments we identified risks of potentially buying ore from suppliers involved in ML/TF, corruption and bribery, and of selling gold to potential customers with weak or no regulation against ML/TF corruption and anti-bribery. These represent a low residual risk potential due to the controls in place.

Anti-corruption and ML/TF documents, as well as specific training, were provided to 307 employees, which constitutes the total number of employees to whom the system applies. **GRI: 205-1**

**Proportion of employees and the Board of Directors that have been made aware of anti-corruption policies and have received training on corruption issues**

Region	Job Category	Total number of employees	Total number of employees to whom the PLAFT rules apply	Total number of employees informed and trained on corruption-related issues	Percentage of employees
Canada	Board of Directors	2	2	2	100%
Perú	Board of Directors	2	2	2	100%
Arequipa	Employees	167	122	122	100%
Lima	Employees	61	61	61	100%
Other Provinces	Employees	83	83	83	100%
Arequipa	Workers	188	36	36	100%
Lima	Workers	1	1	1	100%
Other Provinces	Workers	24	0	0	N/A



We managed to hand out or send the corporate Code of Conduct to 70% of suppliers of goods and services, and 100% of ore suppliers; furthermore, it is available on the company's website

[\(https://www.dynacor.com/corporate-governance/\)](https://www.dynacor.com/corporate-governance/)

so that our strategic partners and stakeholders can access and peruse it. **GRI: 205-2**

## 4.4 Human Rights

At Dynacor we operate in a manner that respects and promotes human rights with our stakeholders. Our Code of Conduct and Human Rights Policy reflect our commitment. This approach ensures and promotes sustainable operations, stakeholder engagement as well as human rights compliance in our value chain.

We continue to promote and communicate our commitment to human rights through the promotion of our Human Rights Policy to employees and contractors, thus ensuring respect and promoting behaviours aligned with our values.

This policy details the 12 commitments we have made as a corporation and was disseminated to our main stakeholders, including Artisanal and Small-Scale Miners (ASMs) and suppliers of goods and services, by way of brochures, training and contractual agreements. In addition, surveillance personnel were trained in the prevention of human rights violations and in the identification of such cases.



### To ensure and promote respect for human rights, during 2023 the following were undertaken:

- Introduction of new employees to the Human Rights Policy.
- Dissemination of the Human Rights Policy and its whistleblowing channel to stakeholders and employees.
- Inclusion of our Human Rights Policy in service requests.
- Specific worker training on the Human Rights Policy.
- Assessment of critical suppliers of goods and services under human rights criteria.
- Explanation to ASMs about our Human Rights Policy, including the whistleblowing channel.
- Assessment of ASM in the field, human rights included.
- Training in human rights and identification of cases of violations to the Veta Dorada Plant's private security company.
- Internal audits in the purchasing offices and Lima office, including on human rights issues.

**“No cases of corruption were reported during the reporting year.”**

**GRI: 205-3**



**Our main achievements were as follows:**

- Training on human rights issues for all workers of the private security company (26 people).
- Evaluation of 70% of suppliers of goods and services on human rights issues.
- Evaluation of five ASM companies on human rights issues.
- Zero complaints and denunciations in the Corporation's channel regarding human rights violations.

Each year, we aim to maintain zero complaints and grievances related to human rights violations from our stakeholders.

In the long term, we seek to influence our suppliers to adopt best practices in this area.

In 2024, we plan to audit our critical suppliers of goods and services with respect to human rights issues.

These will be carried out for those who did not achieve the desired score on the 2023 assessment. We

also expect to work with the 5 assessed ASM companies to strengthen their management of human rights, the environment and occupational safety.

We know that there is a risk of human rights violations by ASM suppliers, so we are vigilant to prevent them from happening. Therefore, we want to further disseminate our policies, documents, and management in general, so that other artisanal miners will replicate them.

**The main policies and commitments include:**



Human Rights Policy



Code of Conduct



Environmental Policy



Occupational Health and Safety Policy

The implementation of audits of suppliers of goods and services, the ASM assessment, employee training and the dissemination of our commitments have

helped us to effectively manage the potential impacts that our activity may generate.

**To monitor the effectiveness of these actions, we conducted the following:**

- 1) Internal audits in the offices and Veta Dorada Plant, where not only the conditions of habitability, food, forced and child labour, among others, are verified, but also the degree of knowledge among employees about our guidelines on human rights.
- 2) Consistent review of the ethics hotline and whistleblowing channel to identify any doubts, complaints or reports of violation of the rights of employees, suppliers and the Corporation in general.
- 3) Inspections in our production unit, in order to ensure living and eating conditions are respected, as well as monitoring the health of direct employees, contractors and suppliers.

Our human rights objectives were set voluntarily and are based on appropriate human rights due diligence.

The audits showed the commitment and knowledge of our employees regarding



the Human Rights Policy, as well as an improvement in the management of this issue by the Corporation's employees. In addition, it is important to note that no breaches were identified in our operations during the year.

From the lessons learned during 2023, we plan to extend our focus in the coming years, involving more areas of the Corporation, with more employee participation to achieve a greater positive impact in the supply chain. To achieve this, we need to raise awareness of our complaints or grievance mechanisms with stakeholders.

We provide a public contact channel on our website, (<https://www.dynacor.com/contact-us/>) that our stakeholders can use to provide feedback. These suggestions are evaluated, and if they are beneficial to the Corporation and society, we consider their implementation or the modification of a procedure, as appropriate.

Continuous feedback is essential to strengthen our commitment to human rights and ensure effective management in this area. **GRI: 3-3**

At Dynacor we promote human respect, both internally and externally: communities and suppliers. Therefore, we do not tolerate any kind of discrimination (gender, colour, sex, religion, political opinion, age, illness, culture, etc.).

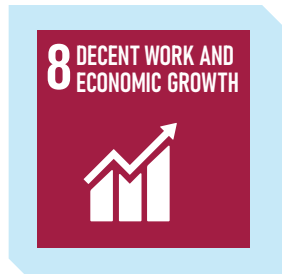
During 2023, no complaints were received and no cases of discrimination were recorded. In addition, training on discrimination was developed for employees so that they can identify these situations and report them.

There are no unions, bargaining groups or collective bargaining agreements within the Corporation. However, we ensure that employees' rights to exercise freedom of association and to engage in collective bargaining are respected. **GRI: 406-1**

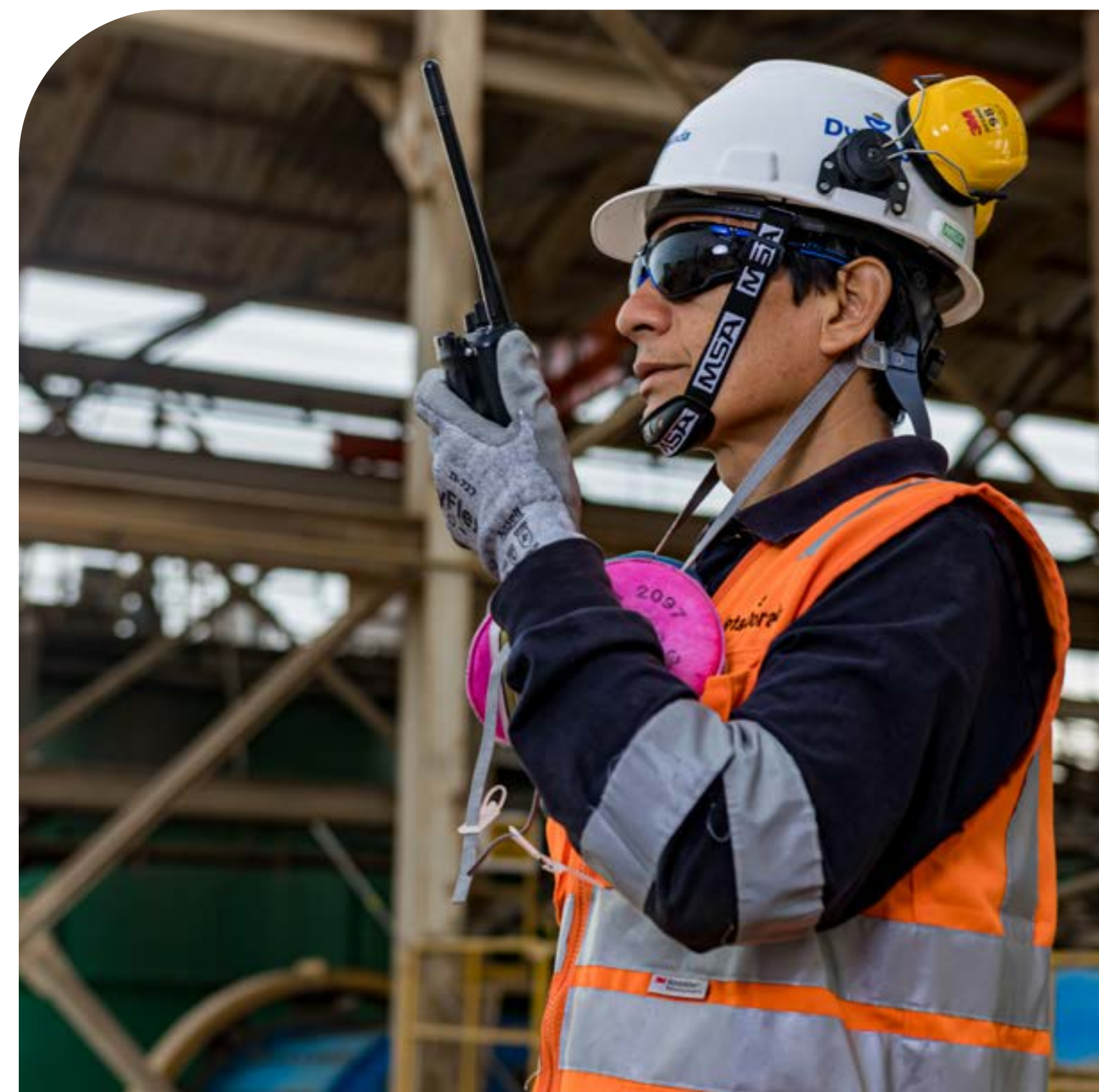
There is no risk of child or forced labour in our operation, as these are non-negotiable issues in our policy and are not tolerated under any circumstances. In addition, no suppliers or operational risks of child and forced labour were identified during the reporting period, as critical suppliers were assessed, and the mining work carried out by the geology division was verified. **GRI: 2-30 GRI: 407-1**

We expect to expand the sample and achieve greater reach when it comes to supplier and ASM evaluation. **GRI: 408-1 GRI: 409-1**

In addition, all employees performing private security functions were trained on our commitments and policies. **GRI: 410-1**



**In 2023, no human rights violations were recorded in our operations."**





## 4.5 Responsible Supply Chain

In 2023, by means of a checklist, we evaluated 70% of critical suppliers (defined by dollar amount of purchases and criticality to the production process) that provide services and supplies to our Veta Dorada subsidiary on social, environmental, legal, security and anti-money laundering issues, compared to 60% in 2022.

This checklist consists of 15 items:

- |  |  |
|--|--|
|  Legal                            |  Diversity, inclusion and non-discrimination                    |
|  Occupational Health and Safety   |  Anti-corruption and bribery                                    |
|  Code of Conduct and Human Rights |  Conflict of interest   |
|  Environment                      |  Prevention of money laundering and terrorist financing (PLAFT) |
|  Worker relations                 |  Supplier and customer relations                                |
|  Forced labour                  |  Community relations  |
|  Child labour                   |  Communication  |
|  Harassment and abuse           |  |

Significantly, in the environmental assessment of suppliers we consider environmental certification when procuring products, such as *Forest Stewardship Council (FSC)* certification for office paper materials.

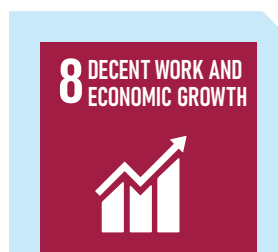
Likewise, during 2023, 5 ASMs were evaluated in Environmental, Social and Governance (ESG) criteria. For 2024, a pilot plan will be implemented to influence the development of strategic sustainability issues. The goal is to make the process replicable and scalable, thus achieving a sustainable supply chain.

### Following are the activities and achievements highlighted in 2023:

- Extending our delivery scope of our Human Rights Policy and Code of Conduct to our suppliers who have a service order and not just a contract.
- On-site review of safety, occupational health and environmental conditions of our suppliers performing work within the plant and offices.
- The ASM assessment procedure was established to evaluate the impact throughout the value chain.
- The initial ESG checklist for the ASM supplier assessment was carried out.

We aim to have 90% of our suppliers aware of our policies by 2024. We also commit to evaluating 75% of our suppliers of goods and services and auditing suppliers in need of management improvement by 2024.





To determine the effectiveness of the actions implemented, a value was assigned to the evaluation of suppliers of goods and services in order to categorize them, establishing spaces for feedback between companies. Regarding ASM, effectiveness will be evaluated in field visits to verify the recommendations made during the evaluation.

An important lesson in 2023, due to the growing demands of our stakeholders and the current market, is to conduct random audits and on-site visits to our suppliers.

GRI: 3-3 GRI: 308-1 GRI: 414-1



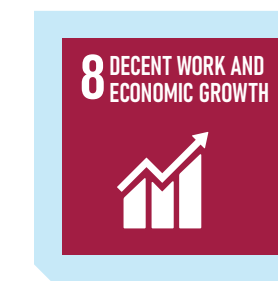
## 4.6 Local Suppliers

At Dynacor, our supply chain management ensures the supply of minerals, supplies and services to ensure the execution of our processes. Management is handled by the Ore Purchasing, Logistics and Projects areas.

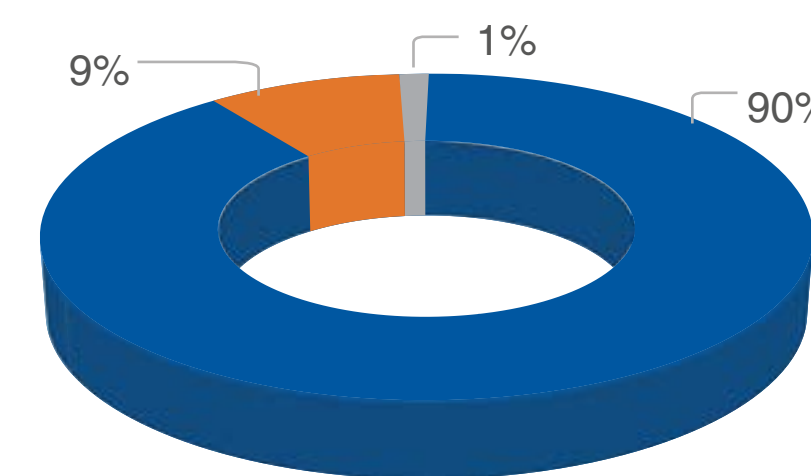
In our business model, Artisanal and Small-Scale Miners (ASMs) form an important part of our supply chain, as ore suppliers. Artisanal miners transport their ore from their concessions to the processing plant located in Chala, Arequipa region (Peru) or to the La Libertad crushing plant, Trujillo region (Peru).

Over 2023, our purchases resulted in a total of US\$222.5 million in ore, materials,

supplies and services. Of this total, the purchase of ore from ASM amounted to US\$201.9 million in Peru, which accounts for 90% of the purchases **GRI: 204-1**



Breakdown of purchases according to provenance



■ Ore in Peru ■ Goods and Services in Peru ■ Purchases in Other Countries

**In 2023, we exceeded our target of evaluating suppliers of goods and services, reaching 70%."**

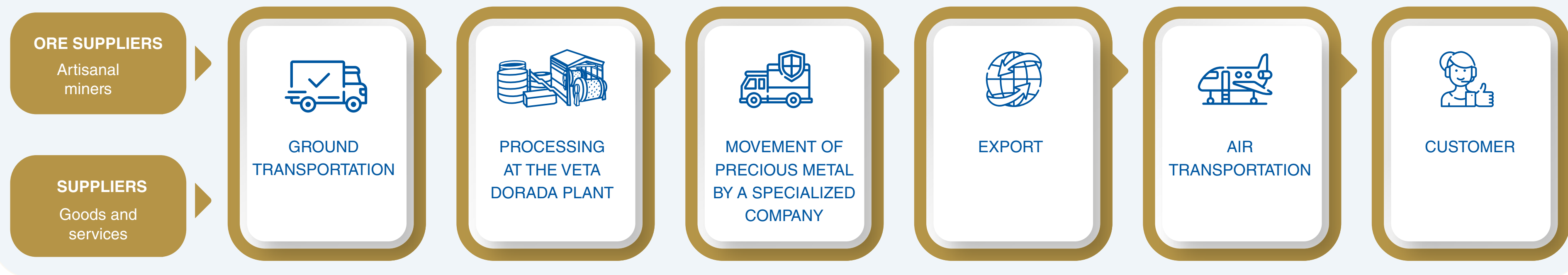


In addition, there was a 34% increase in purchases from Peruvian miners compared to 2022 (US\$201.9 million in 2023 vs. US\$150.6 million in 2022). This increase is part of our policy of promoting local sourcing to contribute to the development of the communities where we operate.



“During 2023, 90% of the total purchases were **made from ASMs in Peru, with US\$201.9 million in ore purchases.**”

### Responsible Supply Chain





## 4.7 ASM Management and Product Traceability

NO GRI

During 2023, 197,625 tons of ore were supplied to our Veta Dorada Plant; this represents an increase of 34% over the 2022 ore intake. Likewise, in 2023, we dealt with 721 formalized and formalizing Artisanal and Small-Scale Mining (ASM) enterprises, of which 21 were formalized.

Among the main activities in ASM management and ore traceability that we carried out in 2023, we would like to highlight the following:

### Control

- We continue with on-site verifications of mining work to verify the mining activity in person.
- We maintained standardized requirements for the origin and purchase of ore.
- We maintained standardized logistical support to contribute to the purchase of ore: cargo, freight, ore transportation and water transportation.

- We standardize contracts for the purchase and sale of ore and provide support to miners.
- We implemented the Mineral Management System.

### Loyalty:

- We advised ASMs on corrections to the Environmental Management Instrument for the Formalization of Small-Scale and Artisanal Mining Activities (IGAFOM) by preparing correspondence with regional governments.
- We provided technical advice to ASMs on geology and topography.
- Signing of exploitation contracts with miners who exploit ore in Veta Dorada's concessions.
- Standardized logistical support for the purchase of ore: cargo, freight, ore transportation and water transportation.

### During 2023 we achieved the following milestones:

- We guarantee that the mining concession from which the ore is extracted is as reported by the ASM.
- We guarantee the traceability of ore from its origin.
- We strengthened our ore traceability procedure.
- We subscribed exploitation contracts in Veta Dorada concessions: 2 in the department of Ancash and 1 in the department of Arequipa.
- We carried out geological assessments in the mining concessions where ASMs are active in order to increase exploitation contracts.



Working with ASMs generates positive impacts such as job creation and economic development in the areas of influence where we operate."

5  
6  
7  
8



“  
We have  
guaranteed the  
traceability  
of ore from  
ASMs in  
2023.”



In 2024, we wish to maintain production of 16,000 t/month of ore to cover our plant's processing capacity of 500t/day, maintaining the purchasing offices and the loyalty of the ASM supplier, continuing to provide technical advice to achieve formalization, and maintaining the mobile units for the purchasing of ore.

Our organization generates a positive impact by working with ASMs, creating new jobs and participating in the economic development of the areas where we operate, respecting our policy which consists of:

- Purchases are limited to ASMs whose mining work has been verified as compliant by the geology department.
- No purchase is made from any ASM convicted of money laundering, illegal mining, financing of terrorism, corruption and other crimes that generate illicit profits.
- All payments are made through bank transactions to ASM-held bank accounts.

- Purchases are made only from ASMs that meet the requirements for the origin and purchase of ore.

**We honour our commitments to:**

- Establish good conditions for the purchase of ore.
- Make payments at a fair and timely price.
- Provide technical advice to achieve formalization.
- Provide logistical support for mining campaigns.

To prevent negative impacts, we approach ASMs and their communities in person. With our social and environmental management with mining communities, we improve the technical conditions of ASMs through geological and topographical advice, achieving a gradual increase in ore purchases.

**With ASM management in 2023, we learned that:**

- On-site verifications of mining work make it possible to ascertain that the ore sold

by ASMs comes from their declared concession.

- Verification of the validity of the mining concession where the ASM mining work is located allows us to fulfil our obligations as ore purchaser.
- The implementation of the Mineral Management System facilitates traceability of the ore from its origin.
- Compliance with the requirements for the origin and purchase of ore ensures that we comply with legal and regulatory requirements.

The improvement of our employees' skills, the technical advice as well as our involvement in ASM communities through social and environmental programs have been relevant to avoid negative impacts on ASM management.

GRI: 3-3





# 5

# Our Talent






# 5

## Our Talent

### 5.1 Employees

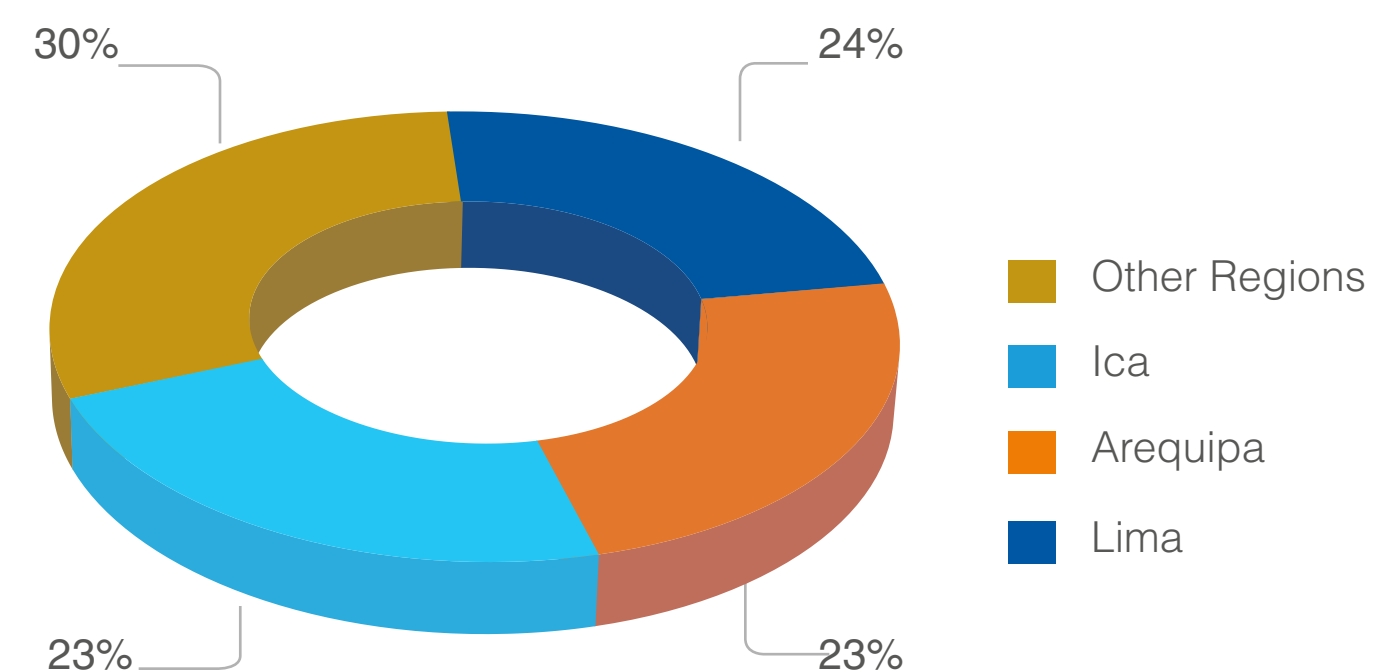
Due to the increase in activities and productive capacity of our Corporation, our payroll has grown over the years, with an increase of 62 people compared to 2022.

Number of Employees	Number of Employees		
	2021	2022	2023
	440	469	531

At the end of 2023, we had 524 employees in our Veta Dorada subsidiary and 7 in Canada.

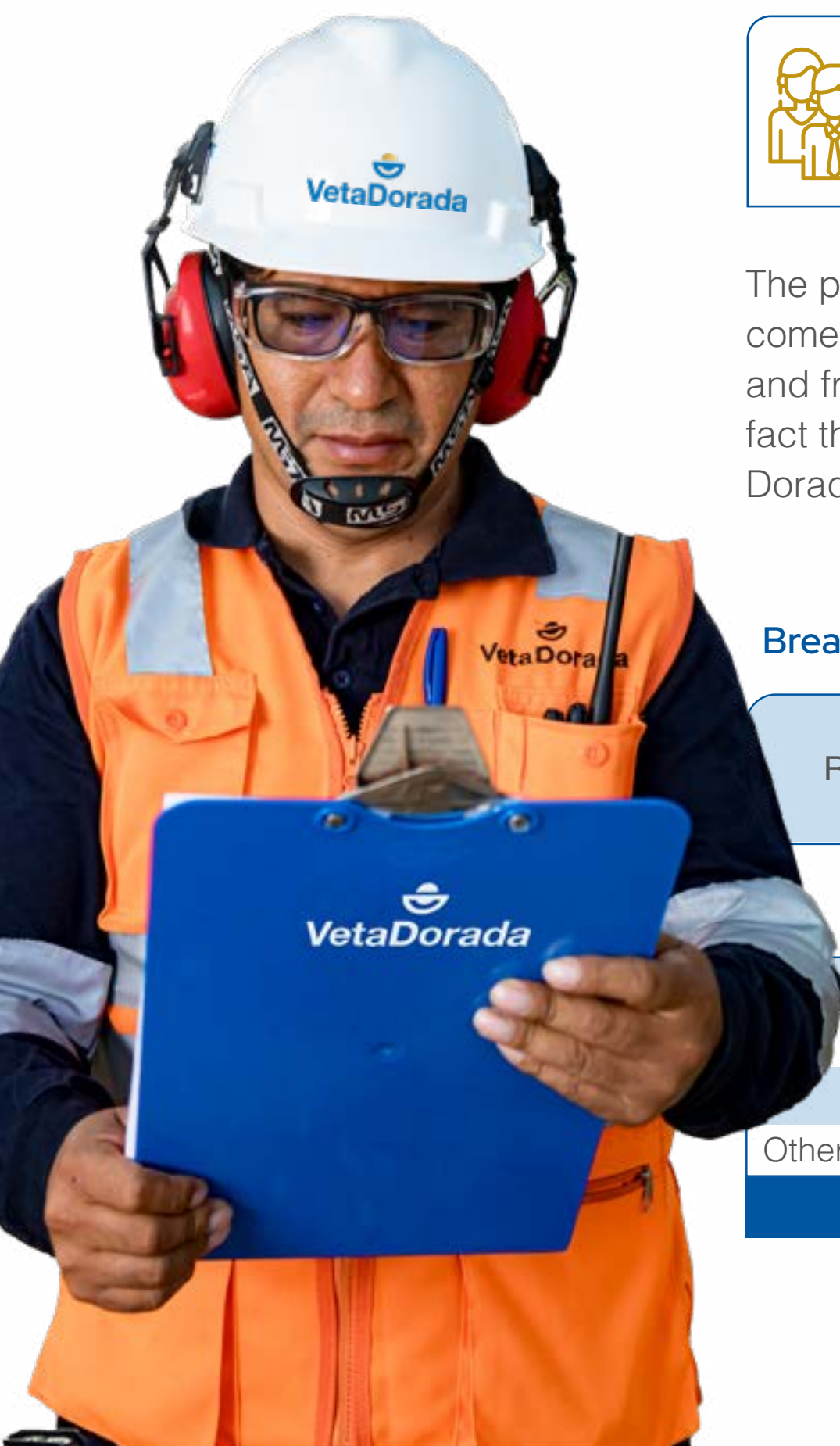
The presence of employees with greater representation in the company comes from the provinces of Arequipa and Ica with 121 employees each and from the Lima department with 123 employees. This is due to the fact that more activities are carried out in these regions, such as the Veta Dorada Plant, purchasing offices and the central office in Lima.

Geographical distribution of personnel **GRI: 2-7**



Breakdown of employees at the Veta Dorada subsidiary **GRI: 2-7**

Region	Permanent Contract				Temporary Contract								TOTAL	
	Full Time				Full Time				Part Time					
	Women	Men	Other	Undeclared	Women	Men	Other	Undeclared	Women	Men	Other	Undeclared		
Lima	11	46	0	0	13	53	0	0	0	0	0	0	0	123
Arequipa	7	49	0	0	9	52	0	0	4	0	0	0	0	121
Ica	11	58	0	0	3	47	0	0	1	1	0	0	0	121
Other Regions	4	60	0	0	6	85	0	0	4	0	0	0	0	159
<b>Total</b>	<b>33</b>	<b>213</b>	<b>0</b>	<b>0</b>	<b>31</b>	<b>237</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>524</b>





In our operations we have a total of 78 people under a non-guaranteed hourly contract: 29 people in Arequipa, 46 in other regions and 3 in Lima.

**Total employees on contract and per non-guaranteed hours - Veta Dorada subsidiary** GRI: 2-7

	Total Employees	524
	Number of Employees on Permanent Contract	246
	Number of Employees on Temporary Contract	278
	Total Number of Employees with Non-Guaranteed Hours	78

**Non-Employee Workers**

In 2023, we accounted for 39 contractors (non-employee workers), an increase of 5 compared to 2022. The activities they perform include infrastructure security and plant cleaning, with a total of 26 people for the private security company (66.7%), followed by 13 people for the cleaning company (33.3%).

These contractors carry out their work in the Veta Dorada Plant, and the total

number of people to work is established in the contracts signed. No significant fluctuations are observed in contracted personnel. GRI: 2-8

**5.2 Decent Work**

Decent and dignified working conditions are a priority at Dynacor. In 2023 we increased the number of employees.

To improve personnel management, the following activities were carried out::

- Strengthening the integration process with multidisciplinary work.
- Increased staffing of the Human Resources department to ensure compliance with employee labour rights.

During 2023 we managed to maintain full compliance with legislation regarding the recognition of employees' labour rights.

Our main goal is to maintain decent work with the freedom to carry it out, along with remuneration above the current minimum. This is why we train managers on management, persuasion

and motivation of personnel under their responsibility; given that as a company we consider that decent work promotes sustainable development.

We generate a positive impact on employee wellbeing through fair pay, opportunities for development within the company and adequate occupational health and safety conditions, and we strive to keep employees in constant professional and personal growth through training.

To achieve this, we offer staff bonuses for outstanding performance, meals and medical care within the Veta Dorada Plant, life insurance, training, strict compliance with legislation, among others.

We remain committed to providing employment opportunities, with fair

remuneration for which we have a wage policy.

The following measures were put in place to effectively manage impacts:

- 1) Internal Labour Regulations are handed out to all employees at the beginning of the employment relationship and when updated, detailing the rights and obligations of the employee.
- 2) Promotion of employees according to their skills.
- 3) Interpretation of regulations with the help of legal advice.

The constant evaluation of the employee relations process allows us to verify its effectiveness, including internal audits by the Sustainable Development department, as well as external audits carried out by local authorities.




Likewise, current and former employees of our Veta Dorada subsidiary have the possibility to pursue claims internally or through Sunafil, a decentralized administrative entity of the Ministry of Labour and Employment Promotion (MTPE). During 2023, we received 3 claims from former employees, which were reviewed, dismissed and archived by Sunafil.

In 2023, 205 new employee hires were registered in Peru. Arequipa accounted for 20% of new hires.

In Peru, 87% of new employee hires were men, while 13% were women, an increase from 12% in 2022. **GRI: 401-1**

**Comparative new hires** **GRI: 401-1**

	Year	Men		Women		Total
		Number	%	Number	%	
	2021	145	83%	29	17%	174
	2022	138	88%	9	12%	157
	2023	178	87%	27	13%	205

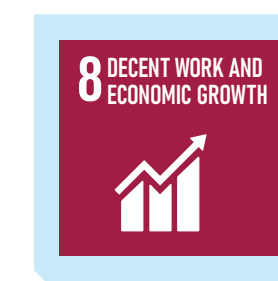
2023 was a year full of learning, where we reaffirmed the need for decent employment not only for economic development but also for the personal and emotional development of employees. **GRI: 3-3**

**New employee hires and hiring rate 2023** **GRI: 401-1**

Location/Gender	Under 30 years of age	Between 30 and 50 years old	Over 50 years old	Total by region and gender	New hire rate by region and gender
<b>Arequipa</b>	<b>22</b>	<b>19</b>	<b>0</b>	<b>41</b>	<b>20%</b>
Women	1	3	0	4	2%
Men	21	16	0	37	18%
<b>Lima</b>	<b>29</b>	<b>37</b>	<b>1</b>	<b>67</b>	<b>33%</b>
Women	6	7	0	13	13%
Men	23	30	1	54	56%
<b>Other regions</b>	<b>53</b>	<b>43</b>	<b>1</b>	<b>97</b>	<b>47%</b>
Women	6	3	1	10	5%
Men	47	40	0	87	42%
<b>Total by age group</b>	<b>104</b>	<b>99</b>	<b>2</b>	<b>205</b>	-
<b>Rate of new hires by age group</b>	<b>51%</b>	<b>48%</b>	<b>1%</b>	-	-

**“In 2023, the number of employees increased by 13% compared to 2022.”**

During 2023, the turnover rate amounted to 0.33 which means a total of 163 terminations, 109 workers and 54 employees. This increase from 2022 is explained by the redefinition of some job profiles and by the work value requirements of the new generations (under 30 years of age) hired for the positions created.





**Average employee turnover rate of Veta Dorada subsidiary** GRI: 401-1

Year	Average number of staff per period			Number of terminations for the period			Average turnover rate
	January	December	Average	Employees	Workers	Total Terminations	
2021	384	422	403	40	81	121	0.30
2022	437	470	454	43	70	113	0.25
2023	465	524	491	54	109	163	0.33

In the Arequipa region, there was a turnover of 25% of the total number of dismissals, lower than the 35% of 2022. GRI: 401-1

**Employee turnover and turnover rate 2023** GRI: 401-1

Location/Gender	Under 30 years of age	Between 30 and 50 years old	Over 50 years old	Total by gender and location	Turnover rate
<b>Arequipa</b>	<b>17</b>	<b>24</b>	<b>0</b>	<b>41</b>	<b>25%</b>
Women	3	3	0	6	4%
Men	14	21	0	35	21%
<b>Lima</b>	<b>11</b>	<b>30</b>	<b>2</b>	<b>43</b>	<b>26%</b>
Women	2	5	1	8	5%
Men	9	25	1	35	21%
<b>Other Regions</b>	<b>31</b>	<b>44</b>	<b>4</b>	<b>79</b>	<b>48%</b>
Women	4	3	0	7	4%
Men	27	41	4	72	44%
<b>Total by Age Group</b>	<b>59</b>	<b>98</b>	<b>6</b>	<b>163</b>	-
<b>Turnover Rate</b>	<b>36%</b>	<b>60%</b>	<b>4%</b>	-	-

The following benefits are granted to employees:

- Life Insurance
- EsSalud Insurance
- Coverage for disability and invalidity
- Parental leave
- Sick leave
- Leave for death of close family members
- Constant training and education

- Space for sports activities in main offices and at the Veta Dorada Plant
- Meals for staff in the Veta Dorada Plant GRI: 401-2

During 2023, a total of 43 employees benefited from parental leaves, of which 41 were for paternity and 2 for maternity. Of these, there was a return to work rate of 95% for men and 100% for women, achieving a 79% retention rate for men and 100% for women who benefited from this leave. GRI: 401-3

**Parental leave 2023** GRI: 401-3

Benefits	Gender	No.	Total
The total number of employees who have <b>been entitled to parental leave</b>	Male	41	<b>43</b>
	Female	2	
The total number of employees who have <b>taken parental leave</b>	Male	41	<b>43</b>
	Female	2	
The total number of employees who have returned to work in the reporting period after the end of parental leave.	Male	39	<b>41</b>
	Female	2	
The total number of employees who have returned to work after the end of parental leave and <b>who were still employed 12 months after</b> returning to work.	Male	31	<b>33</b>
	Female	2	
<b>Return to Work Rate</b>	<b>Male</b>	<b>95%</b>	-
	<b>Female</b>	<b>100%</b>	
<b>Retention rate of employees who took parental leave</b>	<b>Male</b>	<b>79%</b>	-
	<b>Female</b>	<b>100%</b>	



### 5.3 Work Climate NO GRI

At Dynacor, we reaffirm the importance of maintaining a favourable working environment for our employees. During 2023, the second work climate survey was conducted by a Great Place To Work® accredited company to determine the degree of employee satisfaction at our Veta Dorada subsidiary.

In the survey, carried out in December, we achieved a participation rate of 93%, which represents an increase of 6% compared to 2022.

#### The following activities were carried out:

- Focus groups to deepen the diagnosis of the organizational climate with an invitation to all employees.
- Area-based budget for job-specific training.
- Monthly election of the “Golden of the Month” to those employees with outstanding performance in the Veta Dorada Plant.
- Personal development conferences in emotional intelligence and stress management.

As we seek to continue ensuring optimal conditions for our employees to develop and to achieve this goal, the following activities are planned:

- Develop an organizational climate improvement work plan according to the baseline established in the diagnosis by a third-party company.
- Implement performance management for recognition and feedback from management to employees.

By fostering a good climate we impact on employee wellbeing, teamwork and an appropriate environment, through activities such as recognition for service time, transparent and open communication spaces, and recreational activities to maintain a dignified and safe working environment.

To evaluate these actions, visits to work areas, focus groups and an open-door policy are implemented. We also aim to achieve the Great Place To Work® certification, which would be the recognition of the effectiveness of the actions taken.

During this reporting period, the importance of generating spaces for

fellowship and dialogue between work teams was reaffirmed.

The electronic ballot project was not carried out as planned, due to delays in dealing with the service supplier; however, it will be taken up again in 2024.

The improvements and actions implemented are the result of employee participation, the company’s management tools, constant communication and feedback. GRI: 3-3



Responsible Processing









## 5.4 Social Wellbeing

NO GRI

To ensure and promote the wellbeing of our employees, we develop motivational and recreational programs; also, we carry out scheduled visits to the work areas to get to know their needs and concerns firsthand.

### The main activities carried out were as follows:

-  1. Happy Parent Program: A birth box was given to all employees who became parents.
-  2. Recreational activities: Chess and billiards championship, end-of-year party with integrative games and celebration of Miner's Day.
-  3. Football and athletics championships.
-  4. Health follow-up: Follow-ups were carried out for workers who were in recovery.

### Among the main achievements of 2023, we can consider the following:

-  1. The full implementation of all programmed motivational and recreational activities.
-  2. Greater participation and involvement of employees in the various activities carried out.
-  3. Identification, implementation, monitoring, maintenance and improvement of housing conditions in operational staff camps.

In 2024, our main goal is to continue to foster a favourable work environment and implement new activities and programs according to the needs of employees.

Likewise, we plan to continue with our wellness programs to generate positive impacts on people, such as promoting mental health, physical health, productivity and a good work environment.



### We therefore remain committed to:

-  Implementing integration programs and improving labour relations.
-  Carrying out artistic, cultural and sports activities.
-  Promoting harmony in the workplace.
-  Encouraging family integration.

Our annual wellness plan extends to the plants and offices, with visits to compile employees' expectations and opinions.

Monthly reports are made on the administrative and operational activities

carried out, which are presented to the management responsible for enabling their implementation.

The monitoring is carried out with quantitative indicators of employee involvement in the established programs.

In 2023 we learned that it is necessary to actively listen to employees' suggestions in order to diversify recreational activities that influence their motivation and wellbeing. **GRI: 3-3**





## 5.5 Training and Education

We promote actions to enable our employees to develop technical skills, personal development and job-specific skills. 2023 started with an annual training budget of US\$87,613, which is allocated by the number of employees in each area. Of this annual budget, 74.7% or US\$65,452 was invested in training and education.

During 2023, job-specific training for employees was carried out on-site and virtually.

### The following was achieved:

- Implementation of an annual budget allocation process to each area for training.
- Implementation of a training request procedure.
- The number of hours of training accumulated during the year increased by 18%
- Updating job profiles in operational areas to identify training needs.

For 2024, we aim to spend at least 85% of the allocated budget, thus ensuring professional, personal and social growth opportunities for our employees. To do this, the following activities will be carried out:

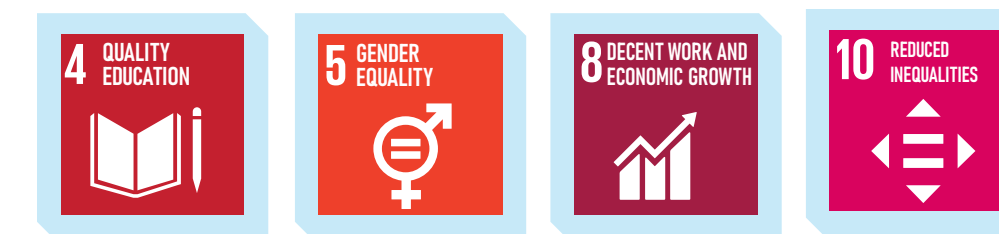
- Monthly monitoring by Human Resources of the execution of the budget allocated to each area.
- Propose training topics to the different areas based on the result of the work climate survey.
- Encourage and provide facilities regarding training and connectivity schedules.

Through the activities carried out in 2023, we have identified among employees increased opportunities for growth through acquired technical knowledge, and improvement of their wellbeing.

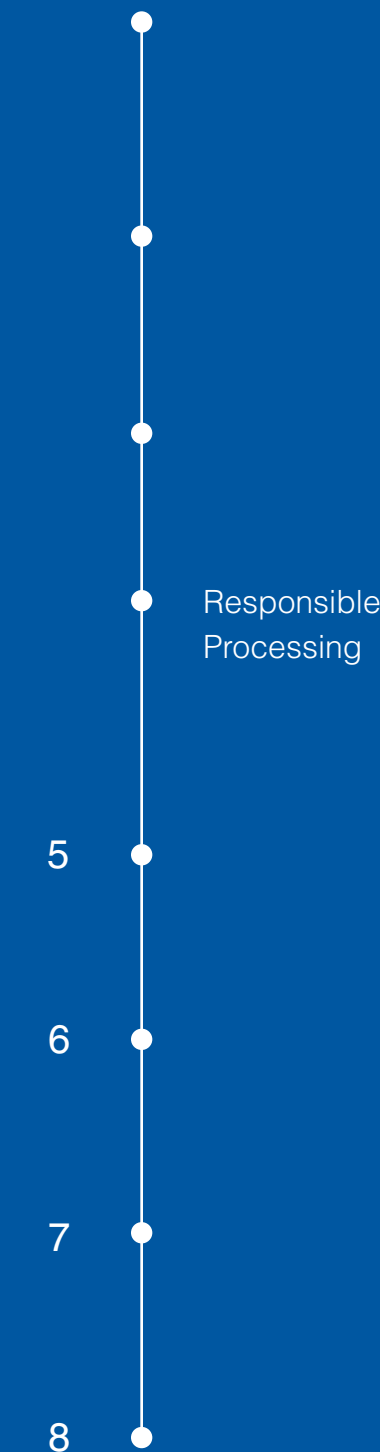
We are committed to ensuring that employees receive ongoing training, thus generating opportunities for professional growth and development.

We ensure the effectiveness of employee training by reviewing training attendance, monitoring progress, training completion and certificate delivery.

We learned that this process is continuously improved through the involvement of managers and their engagement with employees to identify specific training needs. **GRI: 3-3**



“  
We allocated  
US\$65,452 for  
the training of  
our staff.”





In 2023, thanks to the actions implemented and the budget, 445 employees were trained, of which 360 were men and 85 were women, representing 85% of the total employees in the company, an increase of more than 100% compared to 164 people trained in 2022. **GRI: 404-1**

**Average hours of training per employee 2023** **GRI: 404-1**

Job category	Gender	Total number of employees trained and taught	Total number of hours of training and education	Average hours per employee
Employee	Men	340	6,119	18
	Women	85	1,746	21
Worker	Men	20	146	7
	Women	0	0	0
<b>Total</b>		<b>445</b>	<b>8,011</b>	<b>18</b>

At year-end, a total of 8,011 hours of training were provided, representing an average of 18 hours per trained employee, compared to an average of 15.3 hours of training per employee in 2022. **GRI: 404-1**

In addition, during 2023, a group of 24 employees (Managers, Department Leaders and Coordinators) participated in the “Integral Mining Management Program,” taught by a company specializing in mining training.

**“During 2023 we increased the average hours of training per employee by 2.7 hours compared to 2022.”**

## 5.6 Diversity, Inclusion and Equal Opportunities

At Dynacor, we value and respect employee diversity and strive to be an inclusive company that promotes equal opportunities. In 2023, we saw a 12% increase in female staff compared to the previous year and an 11% increase in employees from regions other than Lima.

### Main activities carried out:

- Creation of the new Workplace Bullying and Sexual Harassment Prevention Committee
- Publication of job offers for personnel with disabilities and strengthening of ties with Peruvian State institutions.
- Provide advice to our employees on how to join the National Council for the Integration of People with Disabilities in Peru.

By 2024, we want to increase the number of women by raising awareness among area managers to remove unconscious biases in recruitment and promotion processes for female staff.

We generate a positive impact on employees through awareness-raising and training, so that respect for minorities is spread throughout the Corporation and in daily life, fostering a fair, equitable and inclusive environment.

Our commitments to diversity, inclusion and equal opportunities are described in the Code of Conduct and in our Internal Labour Regulations.

During 2023, we carried out the following actions:



1. Training on issues of equality, workplace harassment, abuse and discrimination.



2. Monitoring of suppliers for compliance with legislation.



3. Inclusive job offers.



To monitor the effectiveness of these actions, the following were carried out:

-  1. Monitoring of the electronic mailbox intended for receiving these issues.
-  2. Quarterly report on the number of women joining our organization.
-  3. Annual income report of people with disabilities or belonging to a minority.

As a company, we are subject to inspections from the Peruvian state and customer audits, which help us to check the effectiveness of the actions implemented.

In 2023 we learned that we need to broaden recruitment channels and improve job advertisements by making them more inclusive. **GRI: 3-3**

At Dynacor our salaries are set above the minimum established by the government, thus contributing to the welfare of our employees by covering their basic needs. Below is the breakdown of minimum wages by gender.

**Wage ratio compared to the local minimum wage** **GRI: 202-1**

Position	Gender	Base salary in S/	Peru minimum wage S/	Ratio
Worker	Man	1350	1025	1.32
	Woman	1350	1025	1.32
Employee	Man	1750	1025	1.71
	Woman	1750	1025	1.71

There are no gender pay gaps and remuneration is fixed according to the positions held in the Corporation. **GRI: 202-1**

Below is the detail for our Board of Directors.

**Diversity of the Dynacor Board of Directors** **GRI: 405-1**

Dynacor Board of Directors	Under 30 years of age	Between 30 and 50 years old	Over 50 years old	Total
Men	0	1	5	6
Women	0	1	1	2
<b>Total</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>8</b>

Twenty-five percent of our Board of Directors is female; another important indicator of diversity is the nationality of the members. Below are the details.

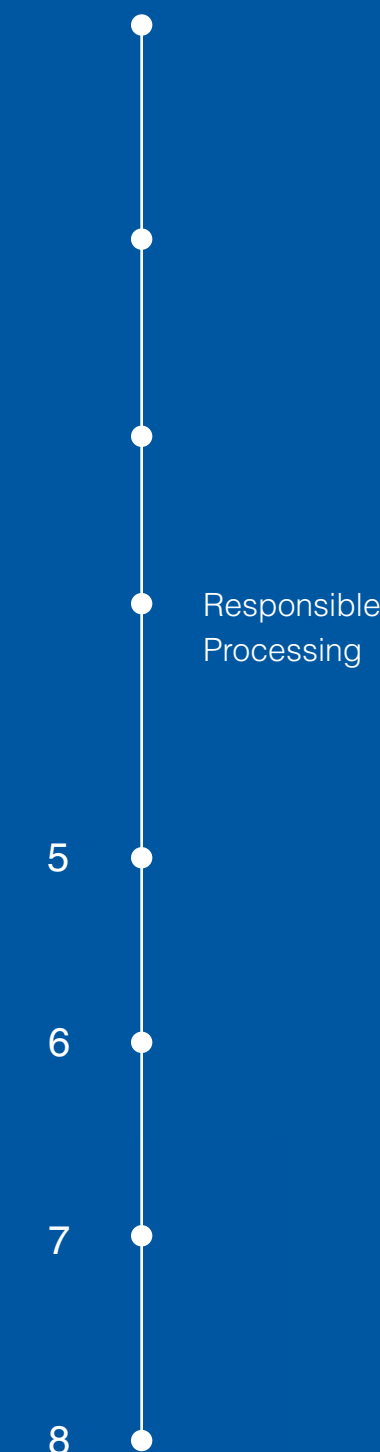


**Nationalities within the Board of Directors** **GRI: 405-1**

Dynacor Board of Directors	Total
Canada	5
Switzerland	2
Perú	1
<b>Total</b>	<b>8</b>

**Breakdown of Dynacor employees by country** **GRI: 405-1**

Country	2021	2022	2023
Canada	6	6	7
Peru	434	463	524





The largest number of employees is in Peru, where there is a 14% gender diversity percentage, with 62 women in administrative positions and 11 in operational positions as shown in the chart below:


**Breakdown of employees Peru 2023\*** GRI: 405-1

Job category	Gender	Under 30 years of age	Between 30 and 50 years old	Over 50 years old	Total
Employees	Men	43	153	52	248
	Women	17	42	3	62
Workers	Men	77	107	19	203
	Women	2	6	3	11
<b>Total</b>					<b>524</b>

\*The chart does not include personnel under the work training or internship modality.

There is also a diversity indicator for staff with disabilities, which increased by 20% compared to the previous year. Security conditions are adequate for them to carry out their work and receive the same remuneration and benefits according to their position in the Corporation. GRI: 405-1

**Total number of employees with disabilities 2023** GRI: 405-1

Category	Disability
 Employees	10
Workers	2
<b>Total</b>	<b>12</b>

**“ We had a 12% increase in female staff in 2023 compared to 2022.”**

## 5.7 Occupational Health and Safety

During 2023, Occupational Health and Safety Management performance was improved compared to 2022. Frequency, severity and accident rates were reduced, mainly due to training and practical orientation at the Operational Risk Training Centre (CERO), and safety breaks aimed at informing and making recommendations in the event of accidents.

Likewise, the hours of training in Occupational Health and Safety increased by 15% compared to 2022. In addition, the Occupational Health and Safety goals were aligned in accordance with the criteria managed by the Peruvian Institute of Mining Safety (ISEM), which should come to fruition by 2024.

The Corporation has an Occupational Health and Safety Policy that is periodically reviewed and updated, as well as standards, procedures and emergency plans. In addition, it conducts occupational health audits and monitoring. Occupational Health and Safety standards are adopted



by employees, and temporary and permanent contractors.

**The main measures carried out in 2023 to prevent accidents were as follows:**

- Improvement of the lifelines in the ore discharge areas.
- Implementation of safety breaks to report adverse events and make recommendations.
- Implementation of the Leadership Training Program, with the participation of managers and supervisors.
- Implementation of the Behaviour Based Safety (BBS) Program aimed at all plant employees.
- Launch of the Fatigue and Drowsiness Program, aimed at vehicle drivers.

To measure the performance of the Occupational Health and Safety Management System in our subsidiary, an external audit was carried out, achieving a compliance percentage of 98%. The indicators of frequency index, severity index and accident rate

demonstrated a decreasing trend from April 2023 to the end of the year.

The incorporation of the new programs and procedures was carried out with the participation of managers and supervisors, reinforcing the supervision of activities considered critical, thus achieving greater communication between workers and the Occupational Health and Safety management. **GRI: 3-3**



**Occupational Health and Safety Management System**

Our Occupational Health and Safety Management System complies with the requirements of the Occupational Health and Safety Laws and Regulations issued by the Peruvian Government.

Our Occupational Health and Safety Management System encompasses all our operational and administrative activities at our Veta Dorada Plant, La Libertad Crushing Plant and decentralized offices. The scope also considers third parties that carry out surveillance and cleaning activities. **GRI: 403-1**



**Hazard Identification, Risk Assessment and Incident Investigation**

To identify hazards and assess work-related risks, the Hazard Identification, Evaluation and Risk Control (IPERC) management tool is applied, involving employees, their representatives, managers and supervisors. With this tool, risk controls are established on a permanent basis.

There is an Incident Report mechanism for workers to report hazardous situations, which is part of their obligation and is established in the Internal Occupational Health and Safety Regulations. Likewise, it is provided that employees have the right to stop work in the event of imminent danger until the danger is eliminated and no longer threatens their safety.

The investigation of accidents and incidents involves the workers, their representatives, and the supervisors and managers concerned, who determine the root causes and take corrective action to ensure that these incidents or accidents do not happen again. **GRI: 403-2**



### Occupational Health Services

Our plant has a Medical Unit composed of a doctor and nurses who are available 24 hours a day to provide first aid and attend to emergency situations, as well as common illnesses. Results of medical examinations and care are provided confidentially to each employee treated.

The Medical Unit is stocked with medical equipment, basic medicines and an ambulance which is used in cases of emergency evacuation.

GRI: 403-3



### Employee Involvement, Consultation and Communication on Occupational Health and Safety

The participation and consultation of all employees are ensured through the Committee, Subcommittee or Supervisor of Occupational Health and Safety, whose members are elected, annually, by secret and direct vote.

Workers' representatives participate in the development of management tools, inspections, ordinary and extraordinary meetings and occupational health and safety audits.

GRI: 403-4

Formal employee-corporate health and safety committee	
	<b>Responsibilities</b> The functions or responsibilities of the Committee are set out in the Regulations of the Occupational Safety and Health Law and the Occupational Safety and Health in Mining Regulations.
	<b>Frequency of meetings</b> The Committee meets on an ordinary basis once a month or meets in extraordinary form at the request of its Chairman, at the request of at least two (2) of its members, or in the event of a fatal accident
	<b>What is the decision-making authority?</b> Decisions taken in the Committee are generally by consensus. In the case of a consensus not being reached, a simple majority is required. In the event of a tie, the President has the casting vote.
	<b>Are workers represented on the committee? (YES/NO)</b> All employees are represented before the Occupational Health and Safety Committee.

GRI: 403-4



### Occupational Health and Safety Training for Employees

Occupational Health and Safety training needs are defined in accordance with the requirements of the Peruvian mining sector. Six trainings per month are scheduled at the plant and at least four trainings per year in the decentralised offices.

There is a facility for training, conducted by experienced and technically competent instructors. These trainings take place during working hours and are free of charge.

At the end of both internal and external training, each worker is evaluated to determine the degree of knowledge acquired. **GRI: 403-5**

### Occupational Health, Safety and Environment Training (SSOMA)

GRI: 403-5

Training hours			
2020	2021	2022	2023
10.606	24,523	23,277	26,702





## Promoting Employee Health

The Medical Unit of our Veta Dorada subsidiary provides care, prescriptions and medication for common illnesses not related to work, until the final recovery of its workers.

In addition, a patient transfer service is provided with an ambulance equipped for common medical emergencies such as: appendicitis, cholecystitis, renal lithiasis, hypertensive crisis. It also provides access to EsSalud medical services for employees and their declared beneficiaries.

During 2023, workers were provided with preventive programs and training for the improvement and care of their health, as well as vaccination and healthy eating campaigns, anthropometric measurement campaigns, glucose control, cardiovascular disease prevention campaigns, among others. The necessary training was also provided. **GRI: 403-6**



## Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked to Business Relations

In addition, all contractors or third parties performing work linked to our operations adopt our Occupational Health and Safety standards.

It is a requirement that third party personnel demonstrate their medical fitness through Occupational Medical Examinations (EMOs) and that they are covered by Complementary Hazard Work, Pension and Health Insurance. **GRI: 403-7**



## Occupational Health and Safety Management System

At year-end 2023, at our Veta Dorada subsidiary, there were 524 of our own full-time employees and 39 contracted employees, of which 100% were covered by our Occupational Health and Safety (OHS) Management System.

### General coverage of the occupational health and safety system

Worker Type	No.	No. of collaborators covered by the OHS system	%
Direct employees (own)	524	524	100%
Contract employees (third party)	39	39	100%

### OHS system coverage subject to external audit

Worker Type	No.	No. of collaborators covered by the OHS system	%
Direct and contract employees	563	563	100%

The Occupational Health and Safety Management System, in accordance with the Mining Occupational Health and Safety Regulations applied in our plant, covers all our employees and third-party employees.

In the first quarter of 2023, an external audit was conducted, encompassing our entire organization and including third-party employees. **GRI: 403-8**







## Work-Related Injuries

There were no fatal accidents or accidents with major consequences in 2023. A total of 9 injuries were recorded due to blows and bruises to fingers, hands and feet with no major consequences.

### Indicators of workplace accidents involving employees (in number) - Veta Dorada subsidiary

	2020	2021	2022	2023
Indicator	N°	N°	N°	N°
Total Recordable Fatalities (TRF)	0	0	0	0
Number of Lost Time Injuries (LTI) - With Major Consequences	0	0	0	0
Total Recordable Injuries (TRI)	1	1	10	9
Number of Days Lost	26	7	586	245

### Indicators of occupational accidents in employees (in rate) - Veta Dorada subsidiary

Indicator	2020	2021	2022	2023
Lost Time Injury Frequency Rate (LTIFR) - With Major Consequences	0	0	0	0
Recordable Injury Frequency Rate (RIFR)	1.33	0.94	8.61	6.75
Severity Rating (SR)	34.46	6.57	504.76	183.87
Number of Hours Worked	754,575	1,066,177	1,160,954	1,332,490

During 2023, no fatal accidents or other types of accidents with major consequences were recorded in third-party companies or contractors.

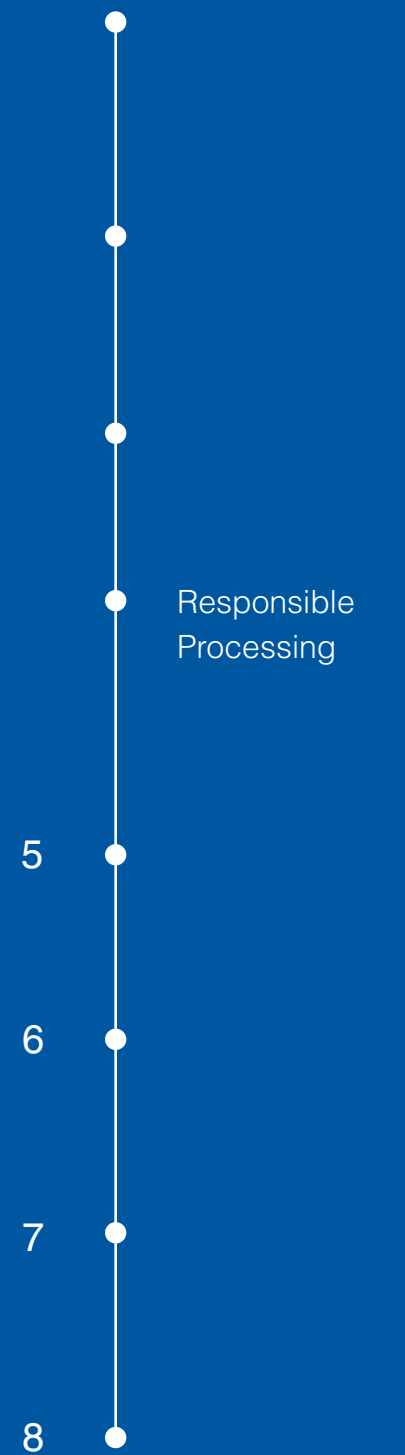
### Indicators of occupational accidents in employees (in number) - third parties

Indicator	2020	2021	2022	2023
	No.	No.	No.	No.
Total Recordable Fatalities (TRF)	0	0	0	0
Number of Lost Time Injuries (LTI) - With Major Consequences	0	0	0	0
Total Recordable Injuries (TRI)	0	0	0	0
Number of Days Lost	0	0	0	0

### Indicators of occupational accidents in employees (in rate) - third parties

Indicator	2020	2021	2022	2023
	No.	No.	No.	No.
Lost Time Injury Frequency Rate (LTIFR) - With Major Consequences	0	0	0	0
Recordable Injury Frequency Rate (TRIFR)	0	0	0	0
Severity Rating (SR)	0	0	0	0
Number of Hours Worked	94,029	150,131	150,987	169,559

The indicators in the above tables are calculated on the basis of 1 million hours worked.





“During 2023, no accidents with major consequences were recorded.”

Hazards posing a high consequence injury risk were identified using the Hazard Identification, Evaluation and Risk Control (IPERC) tool. High-risk hazards were identified as follows:



During 2023, no high-risk hazards caused major injuries, due to disposal, substitution, engineering controls, administrative controls, and use of Personal Protective Equipment (PPE) that were established to eliminate these hazards and minimize risks. **GRI: 403-9**

### Occupational Illnesses and Diseases

During 2023, there were no cases of illness or disease among our employees and contractors due to physical, chemical, biological, ergonomic or psychosocial risk factors at work, as the hazards that could affect health at work were previously determined on a Hazard Identification, Evaluation and Risk Control (IPERC) basis.

Also, to prevent occupational illnesses or to avoid intensifying them at work, all personnel periodically undergo an Occupational Medical Examination (OME), which, together with an employee monitoring and surveillance program, determines the level of risk and establishes controls such as staff rotation and the use of Personal Protective Equipment (PPE). **GRI: 403-10**





# Environmental Management



Responsible  
Processing



# 6

## Environmental Management

At Dynacor, we work responsibly while respecting the environment. Our Environmental Management System is kept up to date, using our Environmental Policy as a frame of reference. The latter orients us towards established and voluntary commitments, preventing possible negative environmental impacts and guaranteeing the monitoring of biodiversity, and the sustainable and efficient management of natural resources.

### 6.1 Energy Consumption

In 2023, we remained focused on reducing energy consumption through process optimization and energy efficiency at our Veta Dorada Plant. In addition, we replaced lighting fixtures with more efficient ones, switched on equipment during off-peak energy consumption hours and carried out training to raise staff awareness.

One of our main achievements is maintaining 100% of our electricity consumption at the Veta Dorada Plant

from a renewable source supplied by a third party, which accounts for 51% of our total energy consumption.

As a long-term goal, we will continue to promote the use of renewable energy in our operations and encourage the reduction of fossil fuel use.

By having a renewable energy supplier, we maintain a positive impact on the reduction of our carbon emissions, the promotion of environmental care and the use of clean energy.

To track and monitor our energy consumption, we rely on indicators of both fossil fuel use and electricity consumption.

During this period we learned to better identify the energy consumption within the organization for future calculations and that there should be greater dissemination of the results with internal groups. **GRI: 3-3**

In 2023, our Corporation's total energy consumption was 68,898 GJ, with the Veta Dorada Plant consuming 97.15%, the administration and purchasing offices 1.69% and the crushing plant 1.16%. In addition, 35,497 GJ are from renewable



Responsible Processing



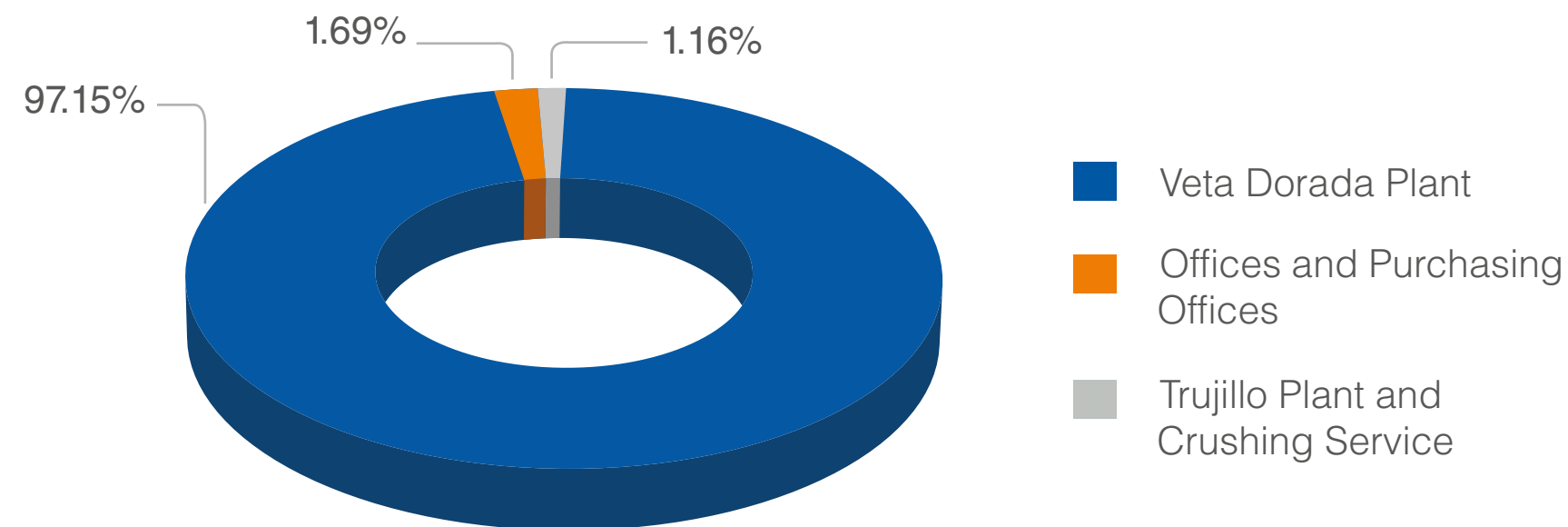
sources, consumed at our Veta Dorada Plant and our Montréal office, accounting for 51% of total global energy consumption.

The highest total energy consumption was in our Veta Dorada Plant with 97% of the total and 3% in the offices and the crushing plant. As for the type of energy, the highest consumption was electricity with a total of 52.42%, followed by liquefied petroleum gas (LPG) with 32.99% and diesel with 13.99%. **GRI: 302-1**

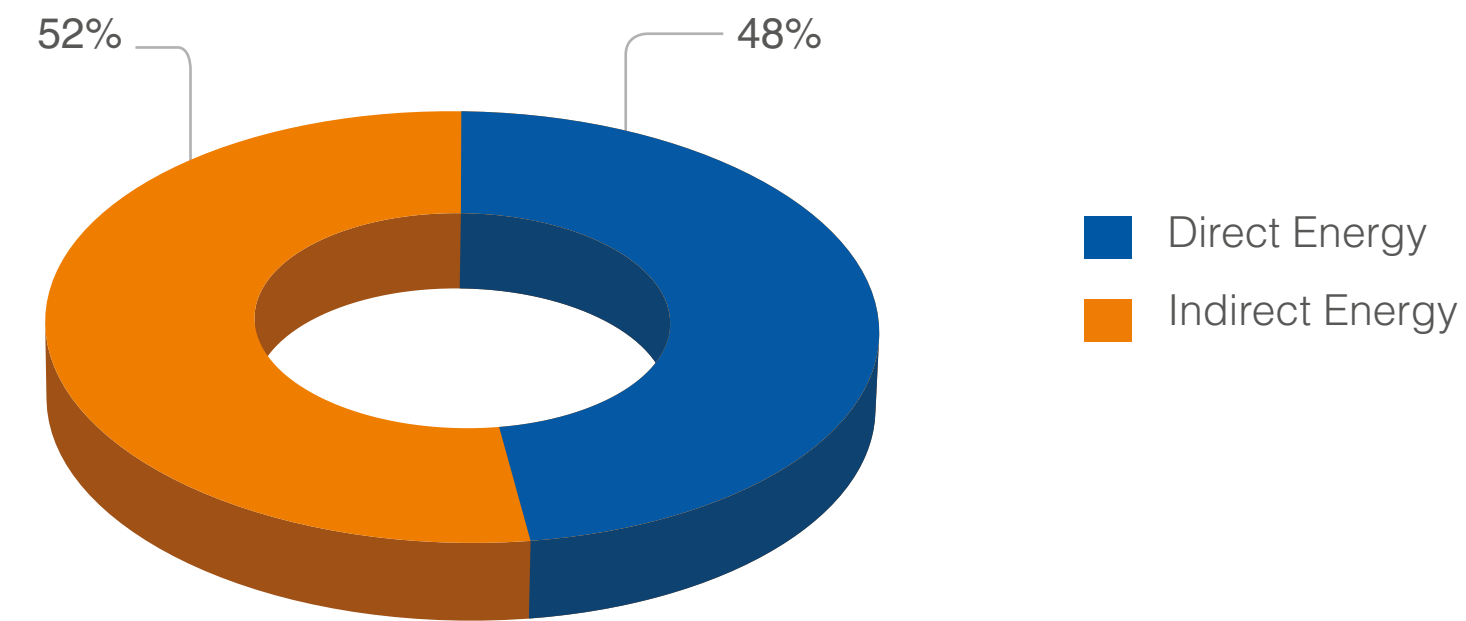
**Energy consumption by source 2023** **GRI: 302-1**

	Electricity [GJ]	Diesel [GJ]	Gas-LPG [GJ]	Gasoline [GJ]	Natural Gas [GJ]	T. Direct Energy [GJ]	T. Indirect Energy [GJ]	TOTAL ENERGY [GJ]
<b>Veta Dorada Plant</b>	35,258.25	8,957.18	22,714.33	3.87	0.00	31,675.38	35,258.25	<b>66,933.64</b>
<b>Offices and Purchasing Offices</b>	755.51	0.00	0.00	290.01	119.43	409.45	755.51	<b>1,164.96</b>
<b>Crushing Service</b>	103.35	678.97	16.76	0.00	0.00	695.73	103.35	<b>799.08</b>
<b>TOTAL DYNACOR</b>	<b>36,117.11</b>	<b>9,636.15</b>	<b>22,731.10</b>	<b>293.89</b>	<b>119.43</b>	<b>32,780.56</b>	<b>36,117.11</b>	<b>68,897.68</b>

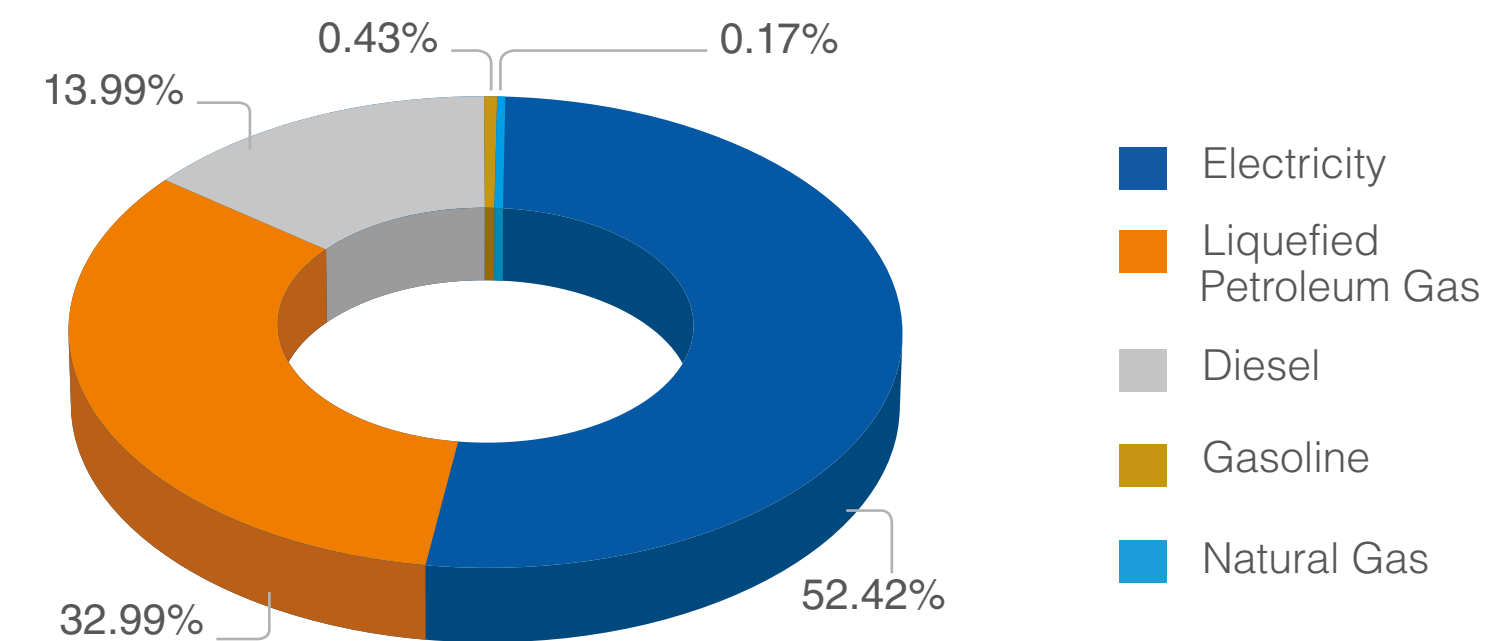
**Energy consumption by activity** **GRI: 302-1**



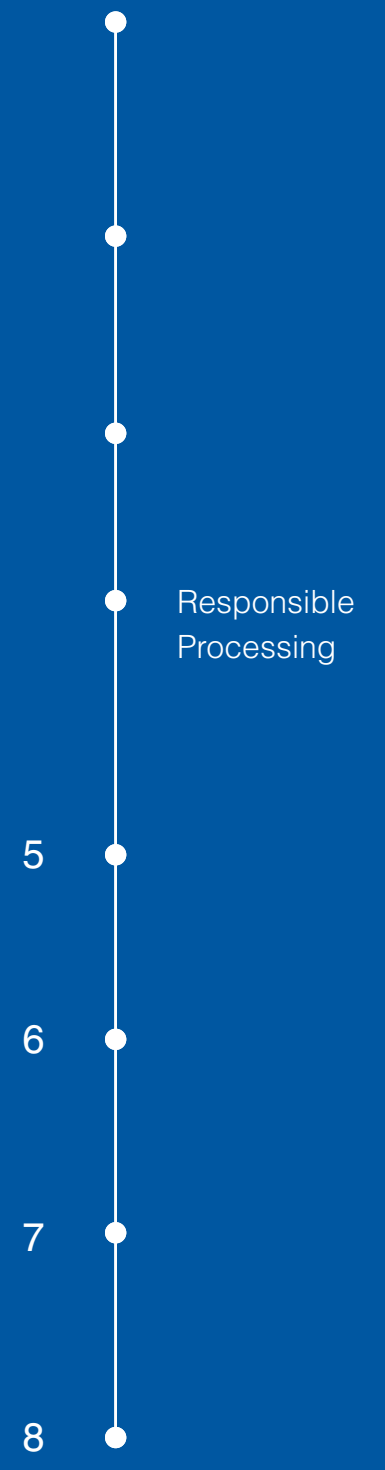
**Energy consumption by type 2023** **GRI: 302-1**



**Energy consumption detail 2023** **GRI: 302-1**



We have classified all fuels used in our activities as direct energy, which represents 48%, and indirect energy as electricity purchased from the local grid, which represents 52%. Likewise, no energy consumption has been recorded outside the Corporation. **GRI: 302-2**





“During 2023, 51% of our total energy consumption came from renewable sources.”

In 2023, the intensity of our energy consumption relative to total gold equivalent ounces was 0.5299 GJ/Oz, which was an 8% increase in intensity over 2022.

Clean energy projects for the Veta Dorada plant will be evaluated in 2024 to reduce this intensity.

GRI: 302-3

### Energy consumption and energy intensity

GRI: 302-1 GRI: 302-3

	2019	2020	2021	2022	2023
<b>Direct Energy (GJ)</b>	17,848	11,787	19,728	20,714	32,781
<b>Indirect Energy (GJ)</b>	25,952	20,680	28,160	33,206	36,117
<b>Total Energy (GJ)</b>	43,801	32,466	47,888	53,920	68,898
<b>Energy Intensity: Total Energy per GEO produced (GJ/oz)</b>	0.5327	0.6320	0.4481	0.4886	0.5299

During 2023, we saw no reduction in total energy consumption, mainly due to the increase in equipment and capacities in the production plants.

GRI: 302-4

## 6.2 Climate Change and Emissions Management

In 2023, our greenhouse gas (GHG) emissions intensity remained constant compared to 2022, and we achieved a 29% reduction compared to 2021, demonstrating our commitment to managing our GHGs.

We also began collecting data for the calculation of our Scope 3 emissions “Other Indirect GHG Emissions” and calculated them. For this purpose, we follow the ISO 14064-1:2018 “Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals,” which classifies emissions by category. We also use the **GHG Protocol Corporate Accounting and Reporting Standard** (protocol for calculating and reporting greenhouse gas emissions), developed by the World Resources Institute and the World Business Council for Sustainable Development.

For our calculation, we consider Category 1 as Scope 1, Category 2

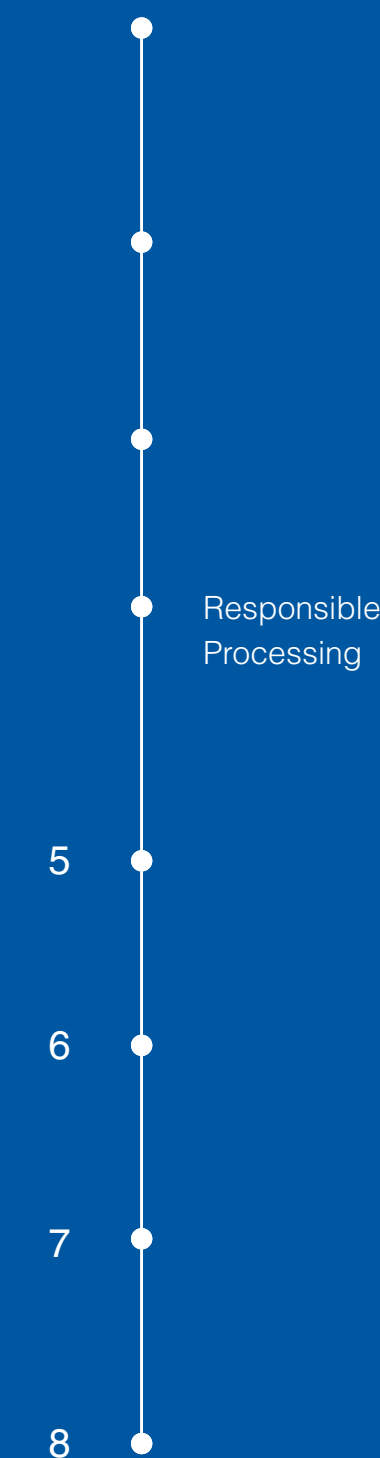
as Scope 2, and Categories 3 and 4 as Scope 3.

In that sense, we managed to complete the measurement of emissions corresponding to Scope 3, which will give us a better understanding of our total emissions to improve our management of climate change.

Our goal for 2024 is to conduct a third-party audit of our Veta Dorada Plant electricity supplier. This will help us reduce our emissions by 29% through the use of electricity from renewable sources, with the Renewable Energy Certificate, to promote the use of clean energy.

To limit the effects of GHGs and manage our impacts, we still use liquefied petroleum gas (LPG) at our Veta Dorada Plant and have implemented environmental indicator registers for each office and plant. These allow us to measure, track and improve our GHG emissions.

In order to verify how our emissions are calculated, hydrocarbon consumption is





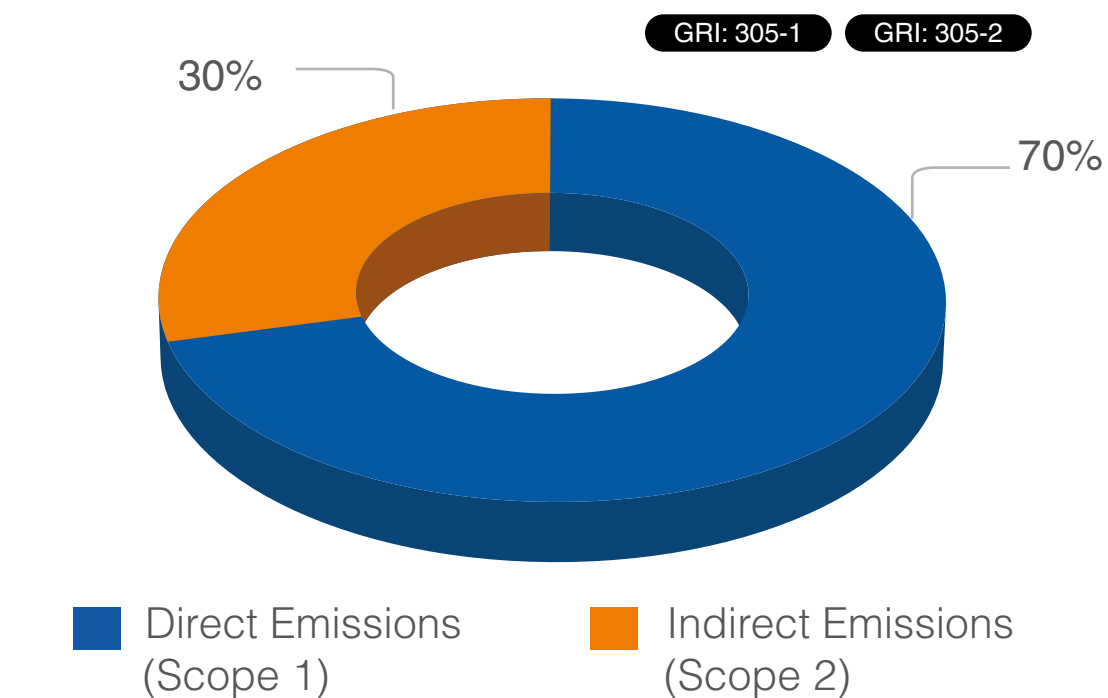
inventoried on a monthly basis, and electricity consumption is verified with the supplier's invoices.

With our Scope 3 measurement, we learned that reducing and mitigating emissions will be complex, but we are focused on finding solutions to do so.

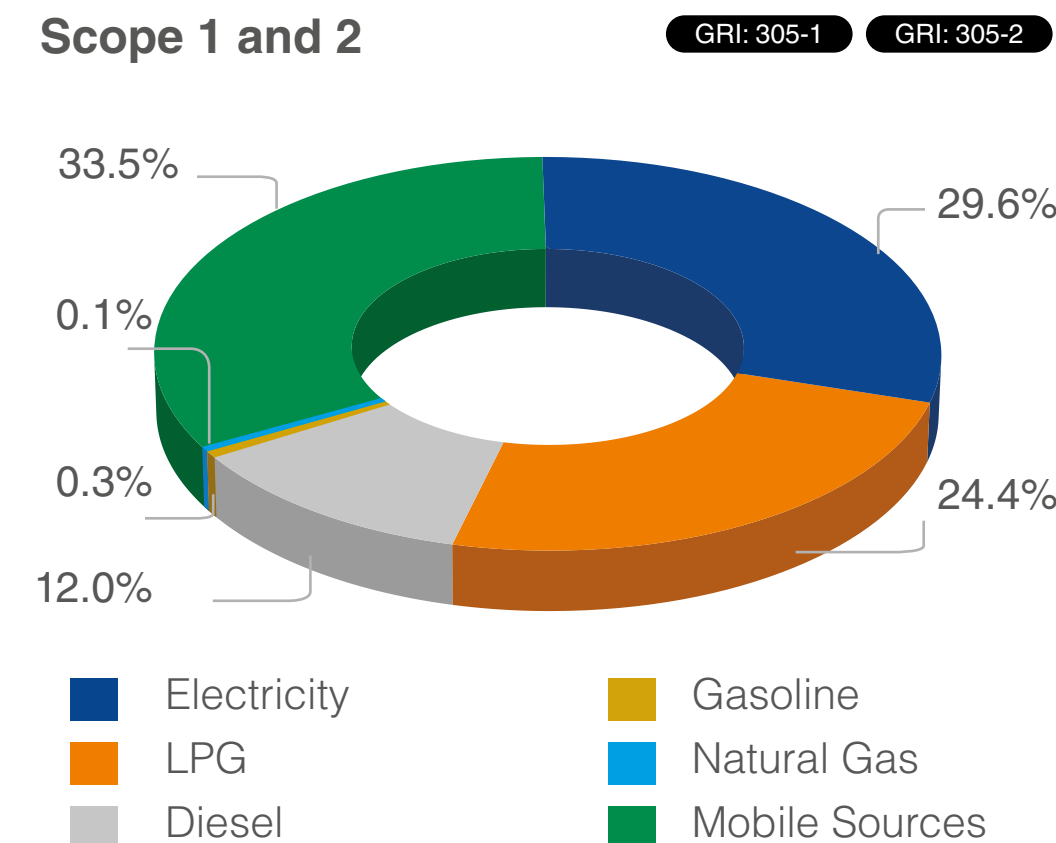
Managers and employees provide us with information for this process and we will report the results to our stakeholders through our annual reports. **GRI: 3-3**

During 2023, the total emissions from Scope 1 (emissions from hydrocarbon combustion at the Veta Dorada Plant, offices and vehicles) and Scope 2 (emissions from electricity consumption at the Veta Dorada Plant and offices), totalled 5,883 tons of CO<sub>2</sub>eq; 70% of these emissions were direct emissions (Scope 1) and 30% indirect emissions from purchased electricity (Scope 2). **GRI: 305-1 GRI: 305-2**

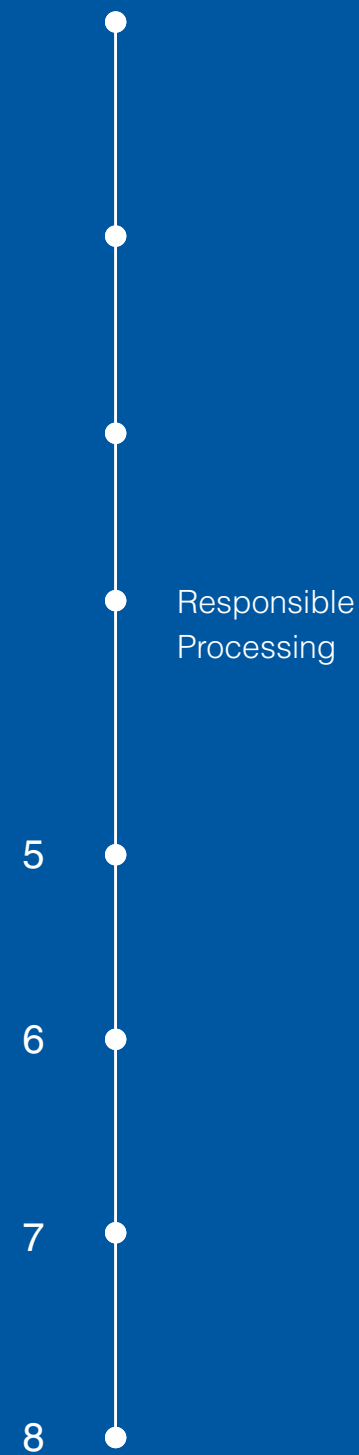
### Direct and indirect GHG emissions 2023



### Detail of GHG emissions 2023

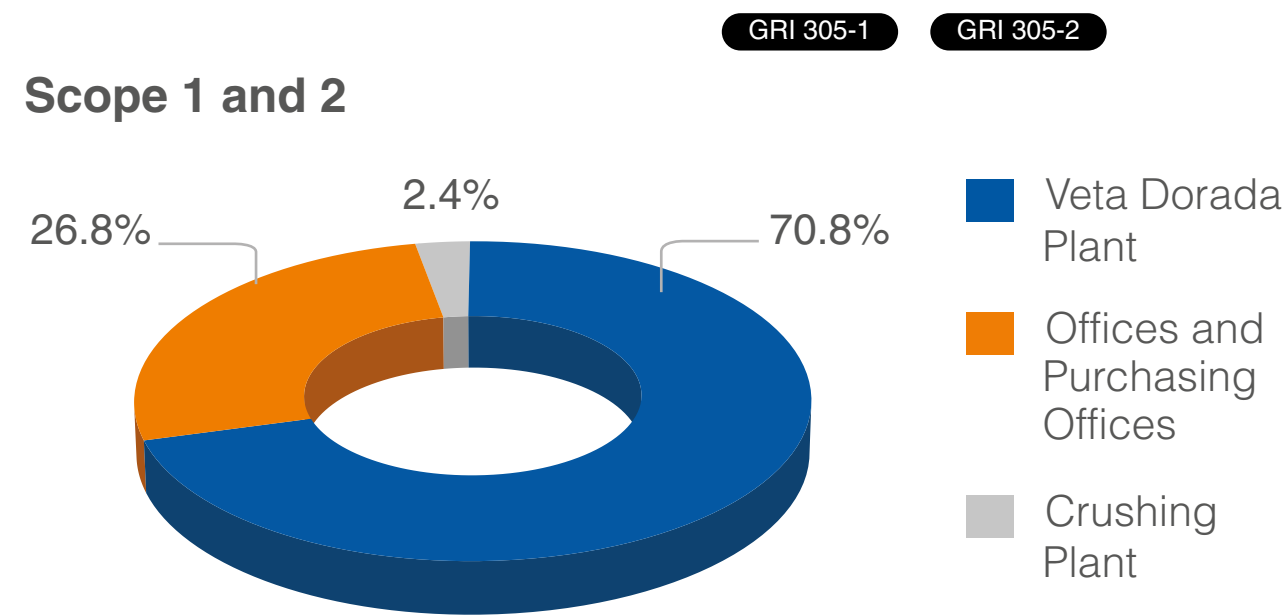


The emissions generated by our Veta Dorada Plant continue to represent the majority of our emissions, this being 71% of the total and 29% by the offices, purchasing offices and the crushing plant.



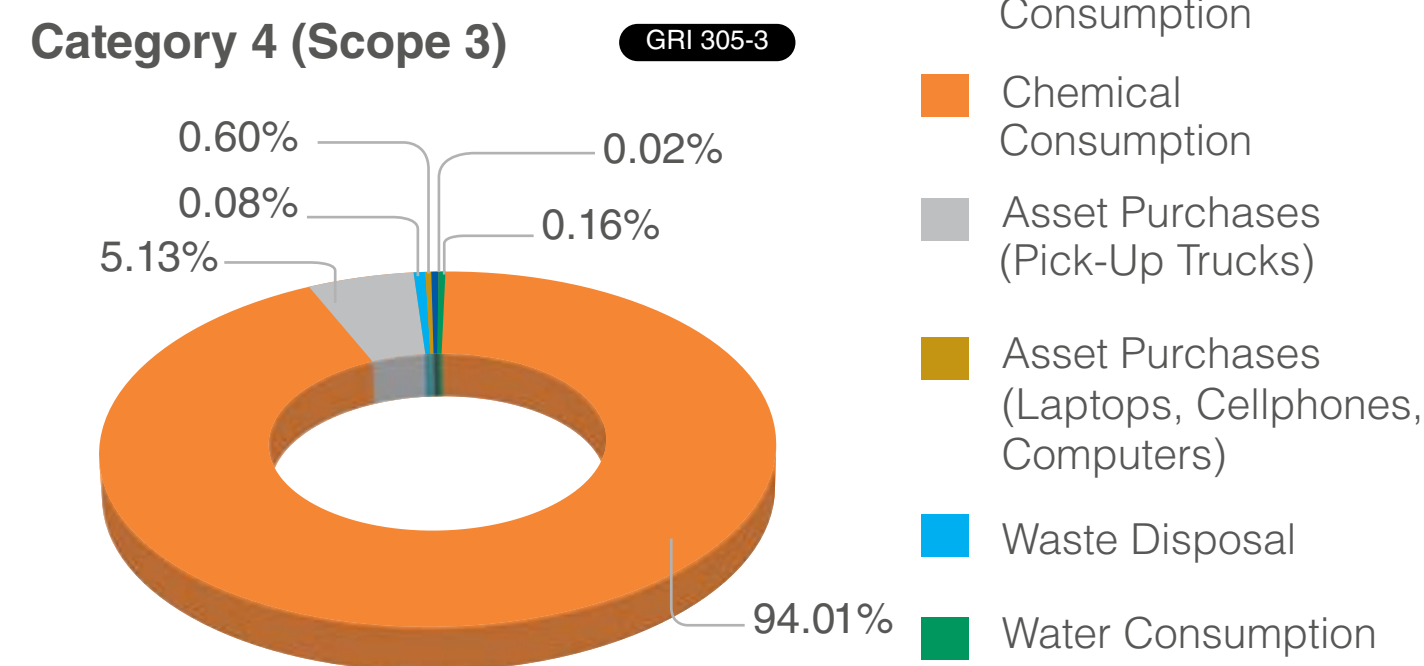


### GHG emissions by type of activity 2023



For the calculation of Scope 3, we followed the ISO 14064-1:2018 standard, accounting for Category 3 (transportation of ore, supplies, gold (doré), personnel, customers and visitors) and Category 4 (consumption of supplies, water, paper, waste disposal and purchase of assets). The Scope 3 measurement in 2023 resulted in 20,350 tons of CO<sub>2</sub>eq, of which Category 3 represents 71% and Category 4 29%. GRI 305-3

### Indirect GHG emissions 2023



The intensity of our GHG emissions, which is based on total emissions plus gold equivalent production, in Scope 1 and Scope 2 was 0.0453 tCO<sub>2</sub>eq per ounce of gold equivalent, an increase of 0.56% over 2022.

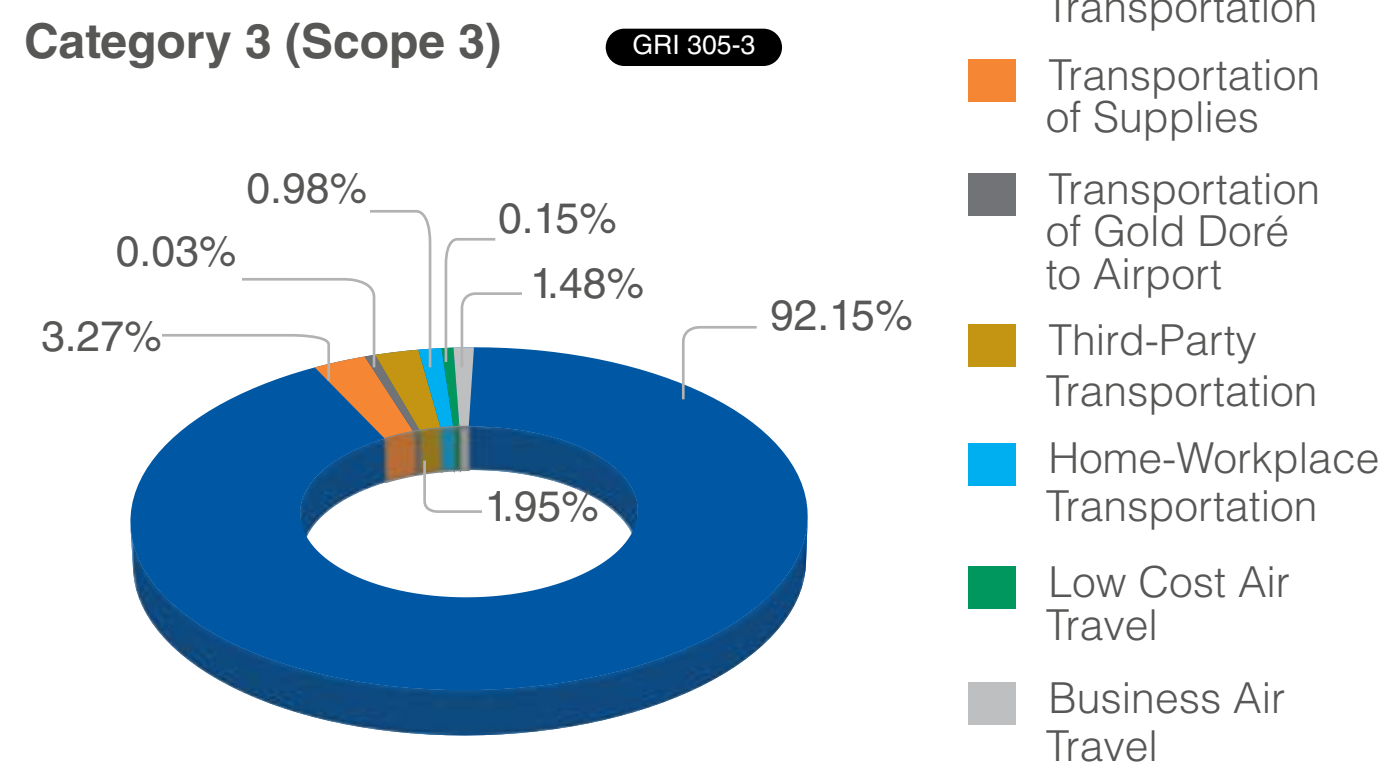
We are evaluating the introduction of clean energy at the Veta Dorada Plant to reduce the intensity of our emissions. GRI 305-4 GRI 305-5

**"In 2023, we started measuring our Scope 3 emissions."**

### Inventory of Ozone-Depleting Substances (ODS)

At Dynacor, we do not purchase or use any ozone depleting substances (ODS) in our operations. We choose to use natural refrigerants. GRI 305-6

### Indirect GHG emissions 2023



### Direct and indirect GHG emissions

GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4

	Emissions (ton CO <sub>2</sub> eq)				
	2019	2020	2021	2022	2023
<b>Direct Emissions (Scope 1)</b>	<b>2,605.26</b>	<b>1,922.55</b>	<b>2,626.66</b>	<b>3,375.60</b>	<b>4,138.75</b>
<b>Indirect Emissions (Scope 2)</b>	<b>3,849.34</b>	<b>3,063.64</b>	<b>4,188.90</b>	<b>1,592.18</b>	<b>1,744.13</b>
<b>Other Indirect Emissions (Scope 3)</b>	-	-	-	-	<b>20,350.07</b>
<b>Total ton CO<sub>2</sub> eq Scope 1 + Scope 2</b>	<b>6,454.60</b>	<b>4,986.20</b>	<b>6,815.56</b>	<b>4,967.78</b>	<b>5,882.88</b>
<b>Emissions intensity Total Scope 1 + Scope 2 GHG emissions per GEO produced (ton CO<sub>2</sub> eq/GEO)</b>	<b>0.0785</b>	<b>0.0971</b>	<b>0.0638</b>	<b>0.0450</b>	<b>0.0453</b>





### Atmospheric Emissions of Inorganic Compounds

We estimate our emissions of inorganic compounds that are generated during the combustion of hydrocarbons from our stationary sources. In 2023, we obtained a total of 15 tons of inorganic emissions, 99.58% of nitrogen oxide (NOx) and 0.42% of sulphur dioxide (SO<sub>2</sub>).

The consumption of liquefied petroleum gas in the Veta Dorada Plant, used in the refining, smelting and cupellation processes of samples, as well as the diesel used in the generator sets, are the main sources of our emissions of inorganic pollutants.

However, the results of monitoring carried out at the Veta Dorada Plant comply with local and regional permissible limits; this indicates that Dynacor's activities have no significant influence on air quality. **GRI 305-7**

### Atmospheric emissions of inorganic compounds **GRI 305-7**

		2019	2020	2021	2022	2023
<b>Nitrogen Oxide (NOx)</b>	(t/year)	12.22	8.18	16.54	12.38	14.76
<b>Sulphur Dioxide (SO<sub>2</sub>)</b>	(t/year)	0.08	0.05	0.07	0.060	0.063
<b>Total Inorganic Emissions</b>	(t/year)	12.30	8.20	16.60	12.44	14.82
<b>Nitrogen Oxide (NOx)</b>	(%)	99.32%	99.34%	99.60%	99.52%	99.58%
<b>Sulphur Dioxide (SO<sub>2</sub>)</b>	(%)	0.68%	0.66%	0.40%	0.48%	0.42%

## 6.3 Water and Effluent Management

In 2023, our corporate consumption was 134.91 ml representing a 3% reduction compared to 139.51 ml consumed in 2022. This had an impact on the reduction of water consumption intensity per ounce of gold equivalent by 18% as compared to 2022.

We have managed to reduce our overall water consumption, as a result of effective training and awareness raising for all our staff and the adoption of good practices such as the reuse of wastewater in our production process.

In 2023, we implemented drip irrigation systems for new green areas and requested authorization for a new well from the National Water Authority (ANA).

Our goal for 2024 is to continue reducing our water consumption intensity by adopting techniques that prevent evaporation in our tailings pond.

To effectively monitor water consumption, we have installed flow meters in our offices and in the crushing plant, and we keep track of water bucket fills in offices that do not have a flow meter.

We learned that constant awareness-raising and the adoption of new technologies for water use in our operations, including in water management by nearby communities, have a positive impact on the efficient use of water. **GRI 3-3**

Our water consumption consisted of 80.6% groundwater, 19.3% supplied by third parties and 0.1% from surface sources. None of the sources come from Ramsar-listed wetlands (Convention on Wetlands) or aquifers vulnerable to infiltration.

Our wells are authorized by the ANA and do not interfere negatively with the population and communities, for they are not in their proximity. Consumption is reported monthly to the authorities.

**In 2023, we managed to reduce the intensity of water consumption by 18% compared to 2022."**





We consider the reduction and reuse of this resource to be important because of the location of our Veta Dorada Plant, which is in a desert area under water stress. **GRI 303-1**

We have a domestic wastewater treatment plant and a reverse osmosis treatment plant that produces water fit for human consumption. Treated domestic wastewater and wastewater from ore processing is recirculated as a 74% solution in our tailings pond. **GRI 303-2**

In 2023, 80.6% of water extracted was groundwater, 19.3% was water supplied by third parties and 0.1% was surface water.

Of the overall consumption, 97% of the water extracted had a total dissolved solids value (TSD) greater than 1000 mg/L, which came from the wells supplying our Veta Dorada Plant, and 3% was fresh water supplying the offices, purchasing offices and the crushing plant.

During the same year, a new source of water use was acquired, which significantly decreased the water supplied by third parties and increased groundwater consumption. **GRI 303-3**

**Water harvesting by source** **GRI 303-3**

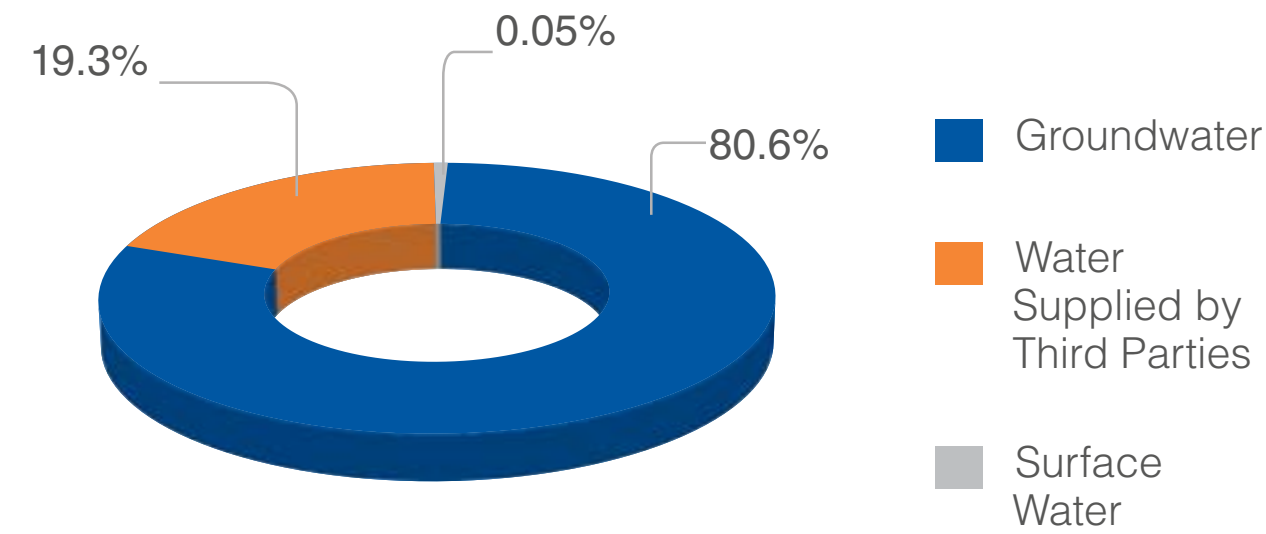
	2019 [ML]	2020 [ML]	2021 [ML]	2022 [ML]	2023 [ML]
<b>Groundwater</b>	23.30	23.06	29.86	37.82	108.78
<b>Water Supplied by Third Parties</b>	60.75	53.91	113.45	101.64	26.07
<b>Surface Water</b>	0.48	0.28	0.17	0.05	0.06
<b>Total Water Consumption</b>	<b>84.52</b>	<b>77.25</b>	<b>143.47</b>	<b>139.51</b>	<b>134.91</b>
<b>Water Consumption Intensity (ML water/GEO)</b>	<b>0.00103</b>	<b>0.00150</b>	<b>0.00134</b>	<b>0.00126</b>	<b>0.00104</b>

**“In 2023, we recirculated 74% of the water in our production process.”**





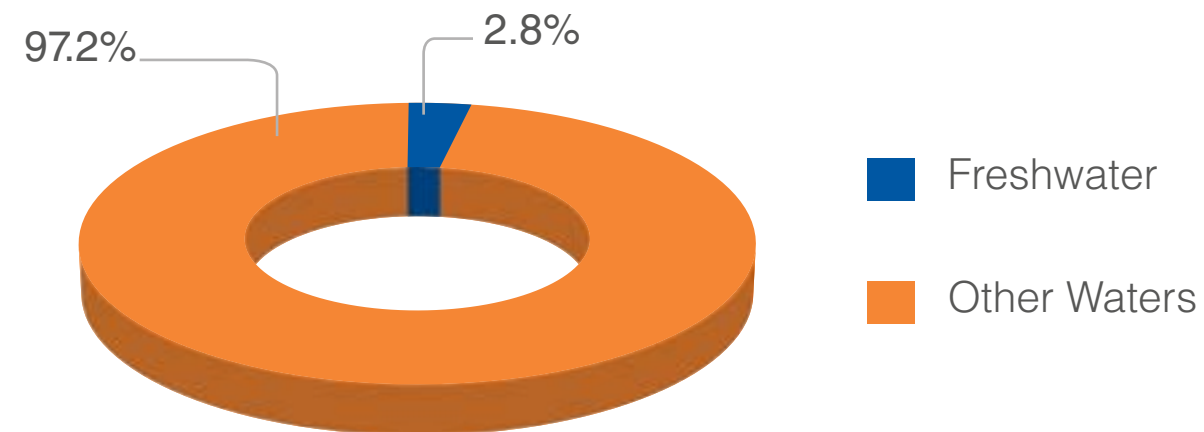
**Water harvesting by source 2023** GRI 303-3



**Overall water consumption by type** GRI 303-3

	2019 [ML]	2020 [ML]	2021 [ML]	2022 [ML]	2023 [ML]
Freshwater	6.45	6.02	4.25	3.83	3.83
Other Waters (TSD > 1000 mg/L)	78.08	71.23	139.23	135.68	131.08
<b>Total Water Consumption</b>	<b>84.52</b>	<b>77.25</b>	<b>143.47</b>	<b>139.51</b>	<b>134.91</b>

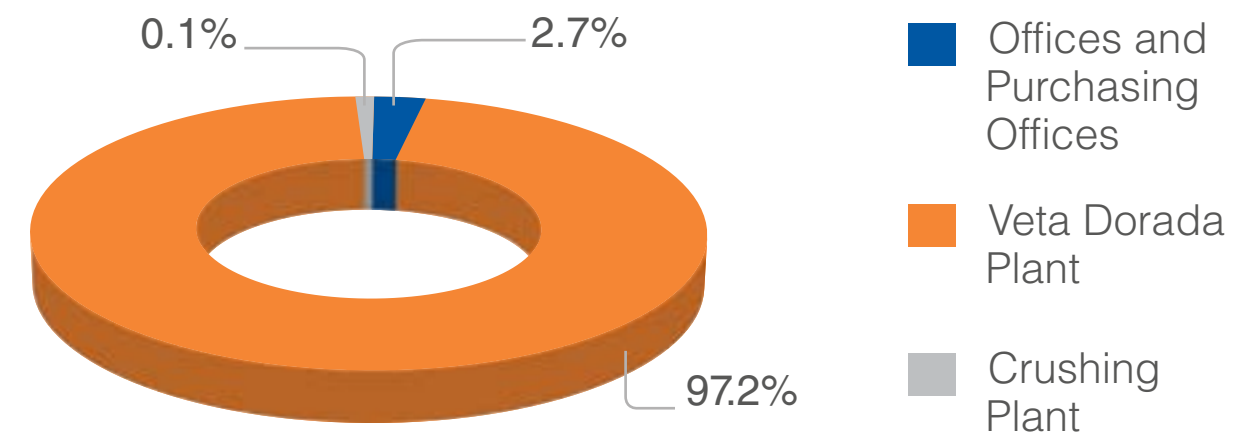
**Overall water consumption by type 2023** GRI 303-3



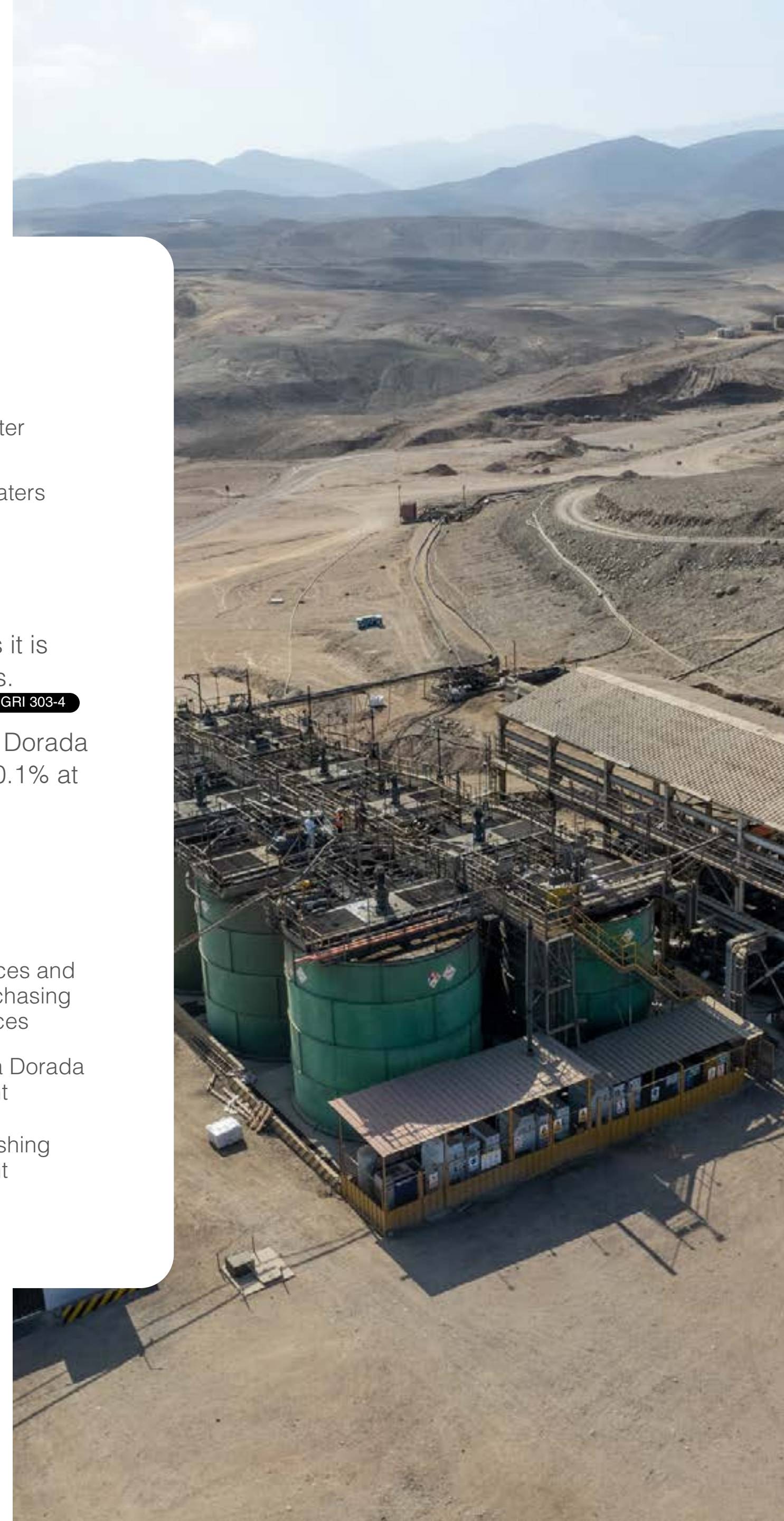
No water is discharged from the Veta Dorada Plant, as it is retrieved and reintroduced into the production process. GRI 303-4

In 2023, 97% of total water was consumed at our Veta Dorada Plant, 2.7% at the offices and purchasing offices and 0.1% at the crushing plant. GRI 303-5

**Water consumption by activity 2023** GRI 303-5



**“Our Veta Dorada Plant produces zero effluents.”**





## 6.4 Biodiversity and Protection of Areas of High Conservation Value

At Dynacor, we understand that our operations have the potential to affect the biodiversity of our area of influence. Therefore, despite the fact that the Veta Dorada Plant is located in an area characterized by its barrenness without vegetation and with little presence of fauna, we implement actions to preserve said biodiversity in the areas surrounding our operations.

In 2023, we continued with the biological monitoring described in our Environmental Management Plan, allowing us to obtain reliable information on the ecological balance and the effectiveness of the actions carried out. Therefore, the potential for negative impacts of our operations, such as the impact on the number of individuals or species, was reduced.

We also seek to maintain the species' diversity identified in the environmental baseline of our Environmental Management Instrument. As such, monitoring is carried out evaluating seven points, which ensures more accurate

information. The most abundant species are angiosperms for flora and fauna, the grey fox and the red-headed gallinule.

We aim to continue training on environmental care and to include specific topics on biodiversity and the importance of its care and conservation in 2024. **GRI 3-3**

Our operations are located in the Desert and Coastal Lomas Ecoregion. According to the National Vegetation Cover Map (MINAM, 2015), in the area surrounding the Veta Dorada Plant, one habitat and/or vegetation formation was identified: Coastal Desert.

In this context, it is specified that the components of the Veta Dorada plant are located and distributed in an area that is not considered a fragile ecosystem, according to the Peruvian General Environmental Law. **GRI 304-1**

To prevent potential impacts on biodiversity, we have implemented various measures such as a monitoring program for fauna, flora and land vegetation; proper waste management to prevent wildlife species from approaching or generating pests that could affect the biodiversity of the area; constant monitoring of our tailings ponds to prevent any environmental

incident with biodiversity. Our efforts are supported by the results of monitoring that show the presence of the same species in both dry and wet seasons.

In 2023 we donated 200 tara plants (*Caesalpinia spinosa*) to the community of Chala Viejo, where they were planted with the participation of our employees, residents and authorities. **GRI 304-2**

It is worth noting that our operations are not located in or near protected natural areas or areas of high conservation value.

In addition, during 2023, we have not generated or entered into partnerships or agreements with third parties for habitat protection or restoration. **GRI 304-3**

Regarding the species recorded both in the baseline and the monitoring, we have the following results with respect to the *International Union for Conservation of Nature (IUCN) red list*.

IUCN		
Classification	Number of Species	
	Flora	Fauna
Critically Endangered	0	0
Endangered	0	0
Vulnerable	0	0
Near Threatened	0	0
Least Concern	2	4

The presence in the area of flora and fauna characterized as of least concern are species that are found in abundance in the world and especially in coastal desert ecosystems such as the area of operation. **GRI 304-4**



In 2023 we promoted the planting of 200 tara plants (*Caesalpinia spinosa*) in favour of biodiversity."



## 6.5 Waste Management

In 2023 our waste generation increased, due to the final disposal of stored materials, maintenance of production process equipment and our alignment to an international standard. Nevertheless, we also managed to increase the amount of waste recycled or reused.

We conduct environmental awareness programs, training on circular economy, cyanide waste management and disposal, waste separation and sorting, waste reuse and the final disposal of unneeded materials from the Temporary Waste Storage Facility.

For 2024, our main goal is to reduce our hazardous waste and increase the amount of recyclable waste, as well as to continue with awareness campaigns to prevent the increase of waste.

We have achieved greater environmental awareness among our employees and hope to do so among people outside our Corporation.

In order to monitor the effectiveness of the measures taken, we record the generation and disposal of waste and compare this with the information provided by Solid Waste Companies.

GRI 3-3

Wastes that could generate potential soil contamination are our tailings. These are properly handled, transported and stored in our tailings pond, which is subjected to regular inspections, spill controls and emergency plans, minimizing any environmental risk.

GRI 306-1

The waste generated is classified as: hazardous waste, general waste, biocontaminated waste (biomedical), and special waste (electrical and electronic equipment).

In order to increase the percentage of reusable waste, awareness campaigns, waste segregation at source and the purchase of environmentally certified materials were carried out.

In 2023, we made an agreement with the Non-Governmental Organization (NGO) Aniquem (Association to Help

Burned Children) to donate our recyclable and reusable waste, such as cardboard, paper and plastics, thus achieving a positive impact on the treatment and recovery of burned children.

GRI 306-2

In 2023, 514 tons of waste was generated at our Veta Dorada Plant. 30% were classified as hazardous and 70% non-hazardous.

Due to the 18% increase in our production compared to 2022 (130,001 ounces of gold equivalent vs. 110,359 ounces of gold equivalent), we identified waste generating events and the disposal of disused materials from our temporary waste storage and maintenance structures. These increased the intensity to 3.95 kilograms of waste per ounce of gold equivalent produced, for which we intend to optimize the use of supplies to prevent the generation of waste from packaging in 2024.





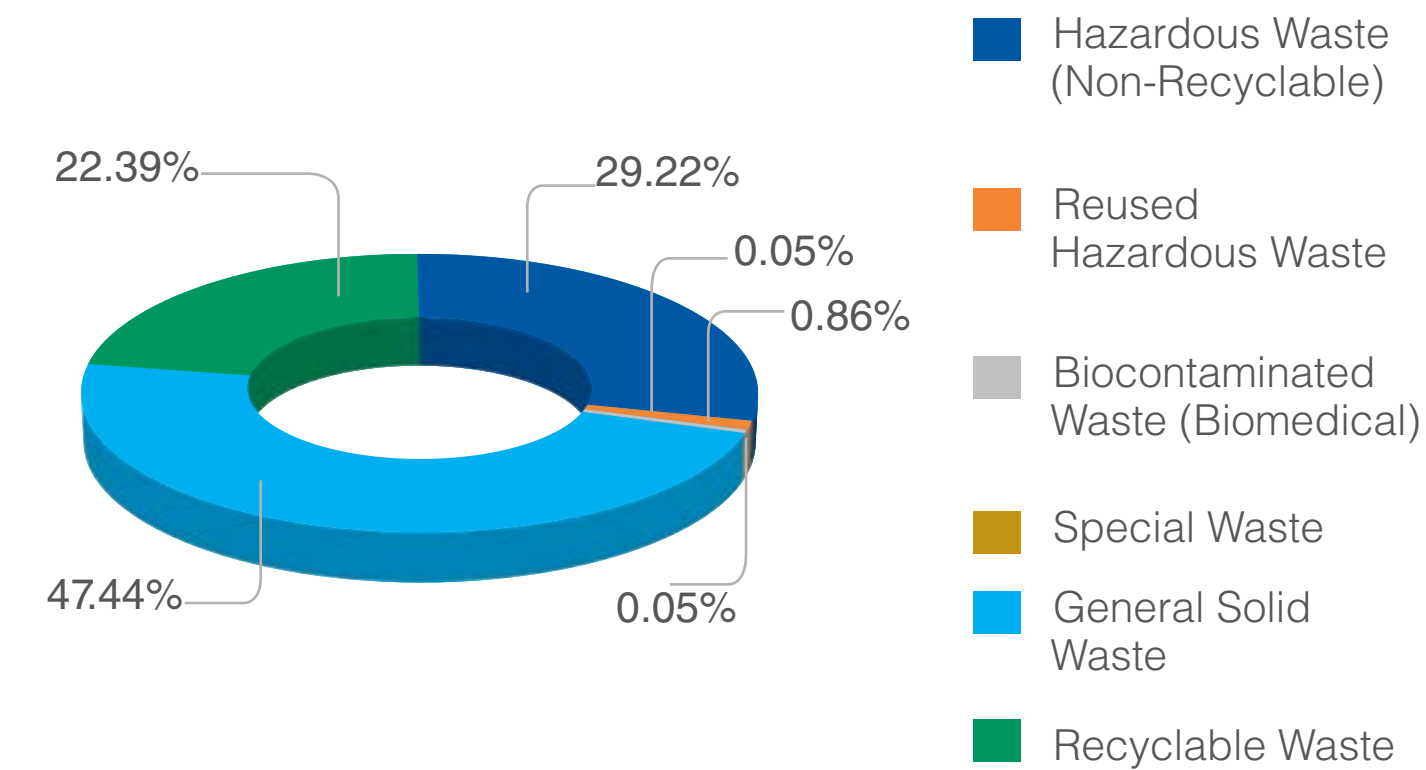
Waste generation in the Veta Dorada Plant 2023

GRI 306-3 GRI 306-4 GRI 306-5

		2023	2022	2021	2020	2019		
		(TM)	(TM)	(TM)	(TM)	(TM)	Sent to	Observations
HAZARDOUS WASTE	Unrecycled Hazardous Waste	150.17	118.18	123.39	68.61	112.15	Secure Landfill	Not Recycled
	Reused Hazardous Waste	4.43	5.73	6.63	3.60	8.87	Reuse	Reused
	Biomedical Waste (Biocontaminated)	0.24	0.48	0.47	0.06	0.08	Secure Landfill	Not Recycled
	Special Waste	0.24	0.18	0.34	0.22	0.34	Secure Landfill	Not Recycled
	<b>TOTAL HAZARDOUS WASTE</b>	<b>155.08</b>	<b>124.57</b>	<b>130.83</b>	<b>72.49</b>	<b>121.44</b>		
NON-HAZARDOUS WASTE	General Solid Waste	243.80	206.03	127.54	41.86	61.31	Sanitary Landfill	Not Recycled
	Recyclable Waste	115.06	74.81	67.59	14.79	36.87	Recycling	Recycled
	<b>TOTAL NON-HAZARDOUS WASTE</b>	<b>358.86</b>	<b>280.84</b>	<b>195.13</b>	<b>56.65</b>	<b>98.18</b>		
<b>TOTAL WASTE GENERATED</b>		<b>513.94</b>	<b>405.41</b>	<b>325.96</b>	<b>129.14</b>	<b>219.62</b>		
<b>Waste Sent for Disposal</b>		<b>394.45</b>	<b>324.87</b>	<b>251.74</b>	<b>110.75</b>	<b>173.88</b>		
<b>Recycled or Reused Waste</b>		<b>119.49</b>	<b>80.54</b>	<b>74.22</b>	<b>18.39</b>	<b>45.74</b>		
<b>Total Waste Generation Intensity (kg of waste generated/gold eq. oz.)</b>		<b>3.95</b>	<b>3.67</b>	<b>3.05</b>	<b>2.51</b>	<b>2.67</b>		

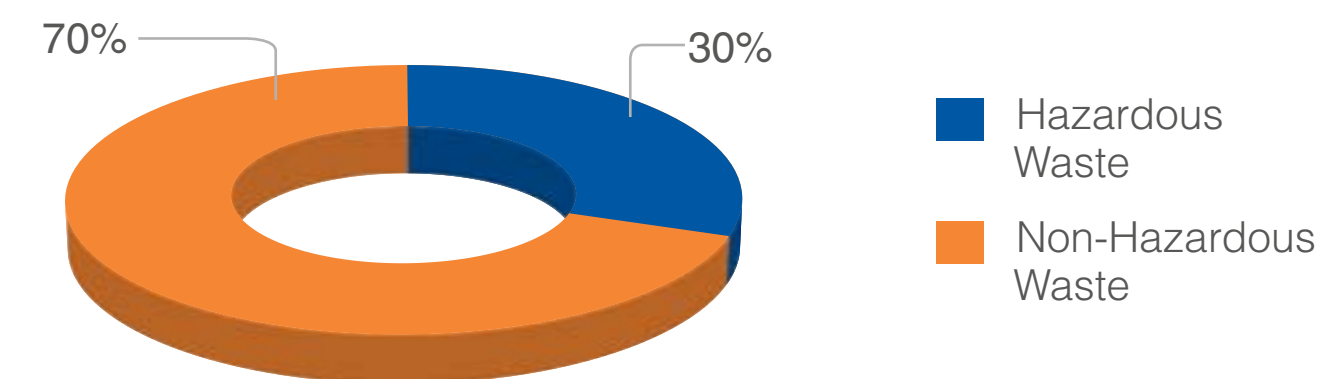
Waste classification 2023

GRI 306-2 GRI 306-3



Waste type 2023

GRI 306-3



In 2023, the total weight of recycled or reused waste, i.e., waste not destined for disposal, was 119 tons, which represented 23% of the overall waste generated. With this, we managed to increase by 48% the amount of waste that was recycled and reused compared to 2022.

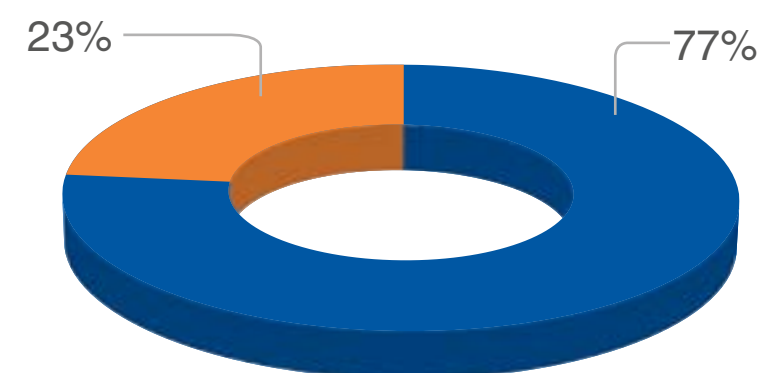
The wastes not destined for disposal were metal waste, cardboard, plastic, glass, wood and used oil.

GRI 306-4



### Waste according to its disposal 2023

GRI 306-4



■ Waste for Disposal

■ Waste Not Destined for Disposal (Recycled or Reused)

The total weight of disposed waste was 395 tons; this includes 151 tons of hazardous waste and 244 tons of non-hazardous waste. Hazardous waste is sent to final disposal in secured landfills and non-hazardous waste in sanitary landfills, both authorized. **GRI 306-5**

“During 2023, we increased the recycling and reuse of waste by 48%, compared to 2022.”

## 6.6 Tailings Management

NO GRI

In 2023, management of the tailings pond was essential to our business in avoiding negative impacts on the environment, as tailings generation was increased to 670 m<sup>3</sup>/day by the increase in processing capacity of the Veta Dorada Plant to 500 tons per day.

In 2023, the main activities carried out to properly manage our tailings pond were as follows:

- Update of the seismic hazard study of the area where the tailings pond is located.
- Tailings pond risk and rupture analysis.
- Closure plan update for the Veta Dorada Plant.
- Production of an engineering study for the completion of the fifth phase at 265 m.a.s.l. of the tailings pond.

With this, we were able to maintain the static safety factors at 1.5 and the pseudo-static safety factors at 1.1, which means that our tailings pond is physically stable.



On the other hand, we placed physical barriers over the mirror of water to prevent the access of birds and we managed to waterproof, with high-density polyethylene, the emergency channels of the tailings pipes and the recirculation of the barren solution, as part of the implementation of the International Cyanide Code.

In 2024, we will seek to continue to ensure the physical stability of the tailings pond and optimize the recovery of barren solution with the improved layout of tailings discharge points. We will



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also extend the life of the tailings pond with the completion of its fifth phase.

Additionally, we plan to carry out the reinforcement and optimization of the tailings pumping lines, the recovery system, the barren solution recirculation line and the development of conceptual and basic engineering for a new tailings pond.

Through our policies and good environmental practices, we generate positive impacts by properly managing our tailings. We have no impact on the soil or groundwater, and this has been confirmed by local authority inspections and audits. Furthermore, it does not present any risk of collapse in the event of natural disasters.

Our tailings pond management complies with the technical standards set out in our Environmental Management Instrument, the continuous implementation of controls in accordance with the Canadian Dam Association (CDA) and the technical control requirements established by the Peruvian Ministry of Energy and Mines.

To prevent impacts related to tailings management, tests were carried out with flocculants to accelerate the

sedimentation of solids in the tailings. The aim was to recover a greater volume of barren solution, which is recirculated in the process without producing effluents. In addition, daily inspections have been scheduled to ensure the normal operation of the tailings pond.

To verify the effectiveness of our tailings management, the following is carried out:

- Bimonthly topographic control of slope stability.
- Monthly water table measurement of the 3 control piezometers of the tailings pond.
- Weekly supervision of the tailings pond.
- External audits

Our goal is to minimize risks in all phases of the life cycle of the tailings pond: in operation, closure and post-closure, while respecting initial design parameters.

As a result of the measures taken, the following has been determined:

- The horizontal displacement does not exceed 4 cm; that is, the tailings

pond operates under normal conditions.

- The water levels in the 3 control piezometers maintain their level.
- No mass movement due to gravity has been detected during the operation of the tailings pond.

In 2023, we learned to assess risks at the tailings pond by working with multidisciplinary staff from our operation and with external consultants, and to maintain ongoing monitoring and inspections.

We keep our employees, the population, and nearby and visiting communities informed of the physical and chemical stability conditions of the tailings pond, its usefulness for reusing the water used in the process and the tailings management generated. **GRI 3-3**





## 6.7 Responsible Use of Chemicals

NO GRI

During 2023, we consumed 922,905 kg of sodium cyanide at our Veta Dorada Plant, with a ratio of 5.4 kg of cyanide/ton of ore processed. This is a 6% reduction compared to 2022, due to better ore selection for processing.

In 2023, we implemented the requirements of the International Cyanide Code, which consisted of meeting practical standards for cyanide production, purchasing, transportation, handling and storage, operations, decommissioning, employee health and safety, emergency response, training, and stakeholder dialogue and outreach.

Implementing the standards of practice of the International Cyanide Code enabled us to become more sustainable and prevent negative environmental, social and economic impacts.

The most relevant activities are presented in Annex 1.

The implementation of the International Cyanide Code was monitored by external auditors independent of our operations.

Compliance with the 94 practical standards of the code applicable to our Veta Dorada Plant was verified.

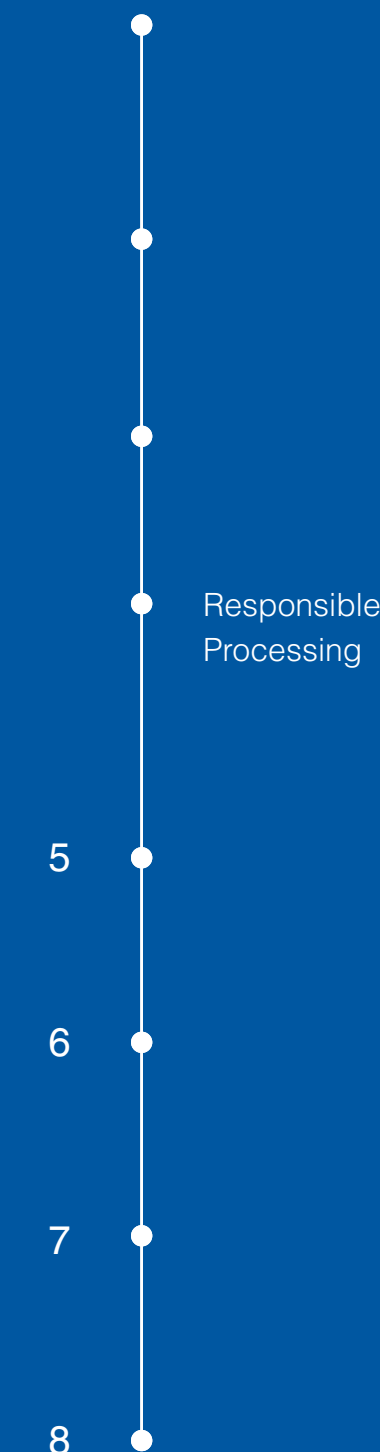
With the actions implemented during 2023, the Corporation achieved certification during the second quarter of 2024.

Our learning point is that process improvements, the implementation of new standards and procedures as required by the Cyanide Code, with the participation of multidisciplinary teams, including employees, can achieve objectives more efficiently.

GRI 3-3



“During 2023, we reduced the ratio of cyanide consumption per ton of ore processed by 6% compared to 2022.”





# 7

## Social Commitment



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# 7

## Social Commitment

In line with our path towards sustainability, each year we have increased our social investments in programs that help improve the quality of life for the people living in our area of influence.

We will continue to encourage and promote investment to improve education, health and local employment, as well as capacity building and support for vulnerable populations.

### Our social investments were made through:



Community  
Development  
Program

PX Impact®  
Program



### 7.1 Local Communities

Throughout 2023, interaction with social actors was active and positive, which contributed to the promotion of sustainable activities in our area of influence.

In order to promote social and economic development, programs were implemented in health, nutrition, education, basic infrastructure, environmental management, development and building of management capacities in local institutions, with a total investment of US\$105,958, benefiting more than 15,500 people.



**The main social activities and projects carried out in 2023 are as follows:**



- Delivery of school kits for students of the Rural Community of Chala Viejo.



- Improvement of phytosanitary conditions in the cultivation of the Hydraulic Sub-Sector User Committee's olive plants in the Chala Viejo Rural Community.



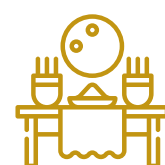
- The technological transfer of drip irrigation with the implementation of a demonstration plot in the Rural Community of Chala Viejo.



- Pilot project for the revegetation of the Chala Viejo Rural Community's communal fields with native plant species.



- Implementation of the social program "School for Mothers and Fathers" at the Hortencia Pardo Educational Institution and the José Olaya Balandra



- Contribution to the improvement of the "Mujeres Luchadoras" soup kitchen in the La Aguadita Village of Chala.



- "Digital Inclusion" Teacher Training Program at the José Olaya Balandra and Hortencia Pardo Mancebo Educational Institutions in Chala.



- Logistical support to the Chala Health Center.

Educational Institution No. 40272 in Chala.



- The purchase of X-ray equipment for the Chala Health Centre through the Regional Government of Arequipa, to be donated in the first quarter of 2024.



- Locally sourced employment for the implementation of our projects.



- Purchases of local goods and services.



**Achievements:**

- Contribution to the economic stimulation of the Chala District.
- Strengthening human factor capabilities to build a better society.
- Support for bridging gaps in the supply of Public Health and Education services in the district of Chala.
- Technological transfer to reduce water consumption for the irrigation of olive tree crops in the Rural Community of Chala Viejo.

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**Our goal for 2024 is to expand social investment in the other communities we interact with and strengthen our relationships with current stakeholders."**

Positive impacts were generated in 2023, including:



- The formalization of local companies to provide services to our value chain.
- Generation of local employment.
- Purchase of raw materials from local suppliers.

The following activities were also carried out to prevent negative impacts:

- Dissemination and enforcement of policies such as our Code of Conduct and Human Rights Policy.
- Implementation of our Conflict Prevention and Social Investment Resolution.
- Invitation to the authorities of the Chala District, the Chala Viejo Rural Community and the District Municipality of Chala to participate and disseminate the results obtained from participatory environmental monitoring.



To measure the effectiveness of our social management in 2023, a weekly verification of reported social and environmental grievances was carried out in our area of influence. The review and fulfilment of commitments undertaken by our subsidiary Veta Dorada were also carried out.

During 2023, no conflicts of any kind were raised with our communities within the scope of operations, which resulted in zero hours of operational stoppage due to social unrest.

We have learned that in order to maintain our long-term social relationship, it is important to build trust by sharing timely and transparent information and establishing feedback channels for our stakeholders. **GRI: 3-3**





To better understand the investment and its scope, the following describes our programs:



### Health and Nutrition Program

During 2023, we provided logistical support to the Chala Health Centre to guarantee the operation of the medical oxygen plant and donated fleece blankets for the care of vulnerable elderly populations.

We also provided food and clothing for the vulnerable populations of the town of Secocha, which was affected by natural disasters.

We also delivered food baskets to the Atiquipa and Chala municipalities, the Chala Viejo Rural Community, the Independencia Sector of Chala and the Hortencia Pardo Mancebo Educational Institution in Chala.

These initiatives benefited

**9,390**  
inhabitants



### Education and Infrastructure Program

In 2023, the social investment of our subsidiary Veta Dorada focused on enhancing the professional skills of 38 teachers from the Jose Olaya and Hortencia Pardo Educational Institutions in Chala, through the "Digital Inclusion" program run by the non-governmental organization (NGO) "Entrepreneurs for Education." Furthermore, in collaboration with the non-governmental organization (NGO) Educate, Impact, Grow, the "School for Mothers and Fathers" program was implemented, with the participation of 700 mothers and fathers of students from the Jose Olaya Balandra and Hortencia Pardo Mancebo schools in Chala.

We also provide equipment, supplies and school kits for educational institutions in Chala and Caravelí (Arequipa), Virú (Trujillo) and Santa Lucía (Ayacucho).

These initiatives benefited

**2,555**  
people



### Health program and nutrition



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## Environmental Management Program

We donated supplies for the fumigation campaign of the Hydraulic Sub-Sector User Committee of the Chala Viejo Rural Community, in order to improve the phytosanitary conditions of olive crops in Chala Viejo.

In addition, we supported the reforestation project of the Chala Viejo Rural Community, with the donation of 200 tara (*Caesalpinia spinosa*) and compost plants, starting this collaboration as a pilot plan.

Moreover, we delivered 27 solid waste containers to the Hortencia Pardo Mancebo Educational Institution, the Jose Olaya Balandra Educational Institution and the Mi Jardín de Amor Early Educational Institution.

Furthermore, in coordination with the authorities of the Chala District, the Chala Viejo Rural Community, and the participation of representatives from the District Municipality of Chala, we conducted participatory environmental monitoring at our Veta Dorada Plant. The results of this environmental monitoring, as well as our environmental management, were disseminated to the public.

These activities benefited

**2,134**  
people



## Program for the Development and Building of Management Capacities in Local Institutions

In 2023, our subsidiary Veta Dorada, in keeping with its policy of managing sustainable development jointly with its social actors, conducted training in "Drip Irrigation Systems" and implemented a trial system in a 600 m<sup>2</sup> demonstration parcel, aimed at the inhabitants of the Chala Viejo Rural Community. The objective was to promote water savings in crop irrigation by using sprinkler technology, thus benefiting local farmers.

In addition, improvements were made to the "Mujeres Luchadoras" soup kitchen in the La Aguadita Village of Chala, providing it with kitchen equipment to optimize its operations.

Likewise, as part of the traditional "Christmas with Veta Dorada" campaign, more than 1,500 children from 0 to 10 years of age from our areas of influence received toys and the ingredients for hot chocolate.

These events benefited

**1,579**  
people



## Local Employment and Local Economy Program

Local employment is also promoted in Chala, our operations' area of influence.

During 2023, residents and a cleaning company from Chala were hired permanently for the Veta Dorada Plant, bringing US\$235,016 into the local economy, which directly benefited 26 people.

These events benefited

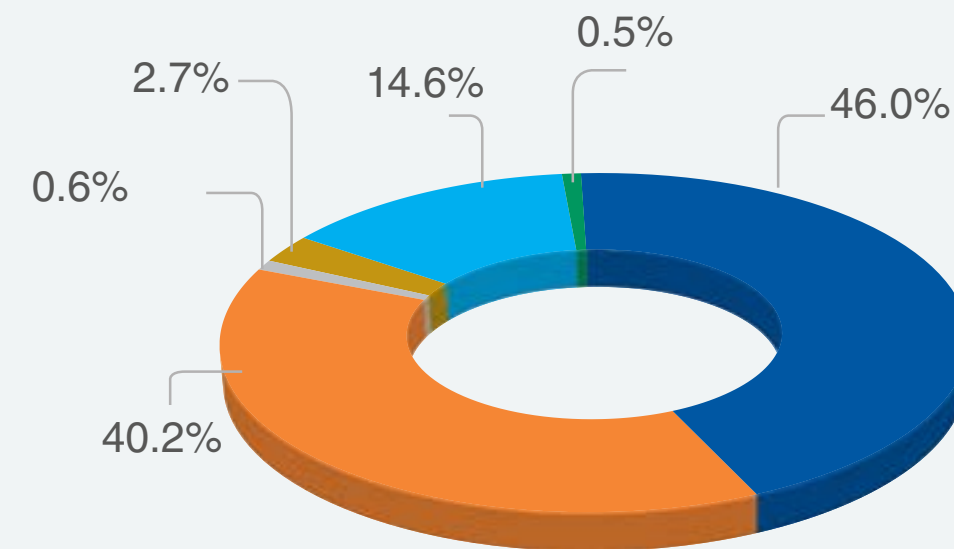
**26**  
people





**“In 2023, our social investment in communities reached US\$105,958, impacting more than 15,500 people.”**

**Social investment 2023**



- Health and Nutrition
- Education and Basic Infrastructure
- Local Economy
- Environmental Management
- Development and Building of Management Capacities in Local Institutions
- Culture

As part of the investments made in infrastructure and services, we delivered the materials for painting the sports slab in the Chala Viejo Rural Community and bags of cement for the reconstruction of the sports slab in the La Aguadita Village. The latter is generally used for various cultural, sporting and commemorative activities. **GRI: 203-1**



**“During 2023, US\$235,016 was invested in our Veta Dorada Plant, in labour and local employment.”**



## 7.2 PX Impact<sup>®</sup> Program

NO GRI

In 2017, PX Precinox and Dynacor decided to join forces to create the PX IMPACT<sup>®</sup> project, a fund that aims to contribute to the development of artisanal mining communities in Peru. As a result, the International Fund for Artisanal Miners (Fidamar) has been developing projects and interventions in favour of the most vulnerable people in the communities of artisanal miners in the southern part of the country.

### Values:



- Integrity
- Commitment
- Respect
- Solidarity
- Transparency



In 2023, Fidamar carried out 7 social projects, 2 technical interventions, 2 social diagnostics in health and education, and provided humanitarian support to people in vulnerable situations. The total investment exceeded US\$527,000, including operating expenses.

These actions were concentrated in the mining towns of Secocha and Urasqui in the district of Mariano Nicolás Valcárcel, province of Camaná; the villages of Iquipí and Alto Molino, in the Río Grande district, and Ispacas, in the district of Yanaquihua, located in the province of Condesuyos; as well as in the districts of Chala and

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Processing

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Atiquipa, in the province of Caravelí. All these places are located in the Arequipa region.




This investment had a positive impact on more than 9,000 people, focusing on filling gaps in health and education. During that period, relations with local authorities were strengthened, with the district mayor of Mariano Nicolás Valcárcel acknowledging Fidamar's valuable contribution to community welfare.


Sustainability of interventions and projects was achieved through a multi-stakeholder strategy. Transparency was also strengthened by upgrading the website, making the 2022 financial statements public.

In addition, a Code of Conduct and Good Governance was approved. It is worth noting that investment increased by 49.66%, benefiting an additional 3,500 people compared to 2022.

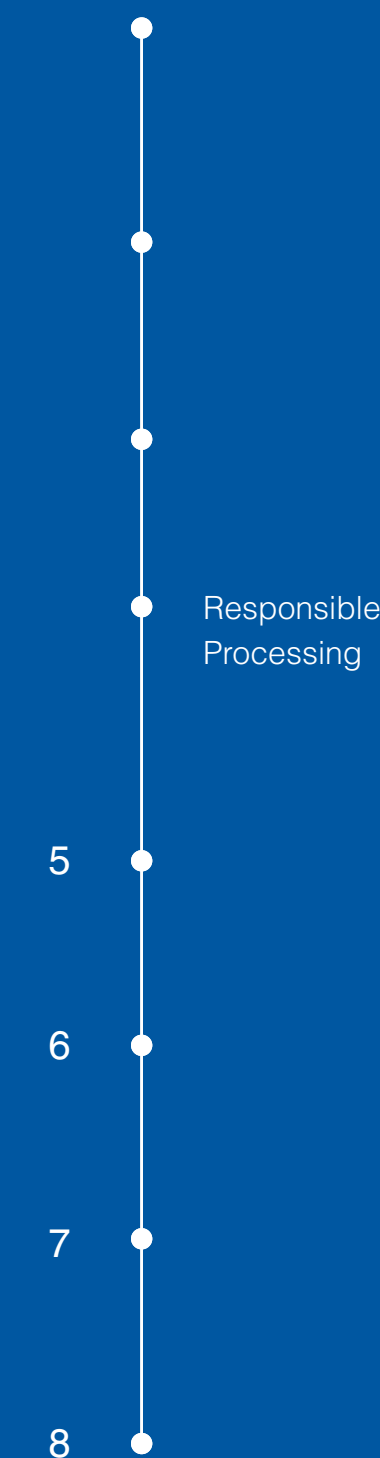
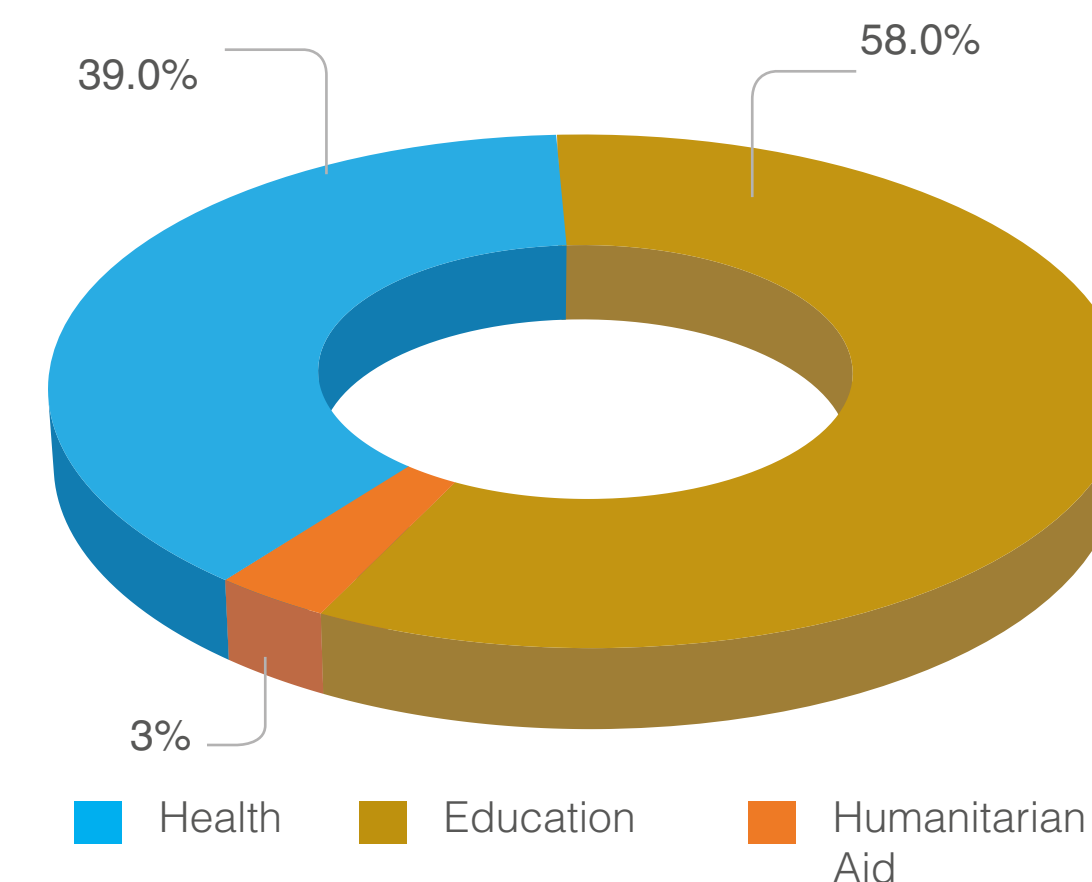
### Projects and activities - 2023

Projects and Interventions	Projects and Interventions
 <b>HEALTH</b>	<b>3,260</b> Chala and Atiquipa health campaign
	<b>3,117</b> Iquipí Health Centre infrastructure upgrade
	<b>1,547</b> Secocha health campaign
	<b>558</b> Program to combat anemia and malnutrition in children aged three to five years in the villages of Secocha and Urasqui
	 Community health diagnosis

Projects and Interventions	Projects and Interventions
 <b>EDUCATION</b>	<b>302</b> Infrastructure improvement at the Secocha Early Education Institute
	<b>56</b> Capacity building workshops for teachers
	<b>24</b> Infrastructure improvement at the Santa Rosa de Atiquipa Early Education Institute
	 Preparation of a technical report for maintenance work at the Ricardo Palma school in Secocha
	 Educational situation analysis

Projects and Interventions	Projects and Interventions
 <b>DONATIONS</b>	<b>203</b> Donations and humanitarian aid

### 2023 Total investment by item





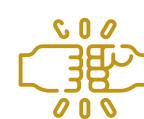
**The main achievements during 2023 were:**



Increase of approximately 50% of annual investment in projects and interventions compared to 2022.



Over 9,000 people benefited directly, 60% more than in 2022.



Strengthening the relationship and reputation between authorities and stakeholders.

In the short term for 2024, Fidamar aims to achieve an investment 40% higher than the previous year. This includes the expansion of its geographical area of action and the implementation of grant programs and management projects for small animal and vegetable production. In the long term, significant reductions in anemia and malnutrition in early childhood are targeted, especially in the villages of Secocha and Urasqui.

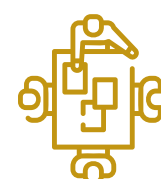
To prevent potential negative impacts and manage positive impacts, Fidamar:



Continuously updates its risk analysis and stakeholder mapping tool.



Maintains the objectives, indicators, and achievements of each project and intervention under constant review to ensure greater impact.



Plans regular meetings with local leaders, police, the Local Education Management Body (UGEL), health centres and producers' unions to ensure effective coordination and strategic action.



Enables commercial and legal terms and conditions in the procurement of goods and services or in settlements. Develops assessments and diagnostics by external specialists that take into account the perceptions of the target population.



Monitors constantly and proactively the social and political developments in areas of intervention in order to anticipate and alleviate risks.



**As part of its multi-stakeholder strategy for sustainability, Fidamar establishes strategic alliances with various state and private actors."**





A plan for education and health interventions was implemented by Fidamar in 2023, in partnership with the NGOs Enseña Perú and Descosur. Actions were based on the needs identified by local authorities and representatives of the population, including mayors, UGEL directors and health authorities. Each project has specific objectives, indicators and goals validated and monitored by an Executive Committee.

Fidamar monitors the effectiveness of its actions through meetings with stakeholders and beneficiaries, field diagnostic surveys and an annual external verification in accordance with the PX IMPACT® standard. The positive results of the 2023 audit confirmed compliance.

Ongoing interaction with authorities, beneficiaries and the Executive Committee helps identify improvements and adjustments, guaranteeing an effective impact on the projects carried out. **GRI: 3-3**



**“In 2023, Fidamar achieved an investment of US\$527,000; directly benefiting more than 9,000 people.”**





# 8

## Annexes



# 8

## Annex 1:

### Activities Pertaining to the International Cyanide Management Code

- ▶ Closing the cyanide transportation gap from the port of Callao to Lurin, Lima with certified suppliers.
- ▶ Ultrasonic level installation in the cyanide solution tank.
- ▶ Installation of a vertical enclosure to protect the cyanide store, avoiding contact with wind-driven cross rain.
- ▶ Verification of facilities and equipment that come into contact with or use cyanide by accredited professionals.
- ▶ Obtaining inspection certificates, which ensure that our equipment and facilities are suitable for further use of cyanide.
- ▶ Improvement of inspection procedures, formats and records of structures, tanks, pipes, pumps, valves, hoses, containment systems and secondary containment.
- ▶ Development of an integral probabilistic water balance model.
- ▶ Daily recording of wildlife and free-edge monitoring at the tailings pond.
- ▶ Inclusion of environmental meteorology conditions in environmental monitoring.
- ▶ Improvement of anti-spill contingencies in the transport of tailings and leach solution.
- ▶ Placement of physical barriers to prevent bird contact with the water mirror of the tailings pond.
- ▶ pH control of the barren solution before it is reused.
- ▶ Development of written procedures for the decommissioning of cyanide facilities upon cessation of operations (closure).
- ▶ Development of written procedures, booklets, check lists and training on handling, emergencies, cyanide waste and changes of equipment for cyanide use.
- ▶ Improvement of the emergency preparedness and response plan for cyanide use, handling, storage and waste disposal.

- ▶ Spreading awareness on responsible use and management of cyanide in the surrounding communities.



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# Annex 2: GRI Table of Contents

GRI 2-4 GRI 2-5

<b>Declaration of Use</b>	Dynacor Group has prepared the report in accordance with GRI Standards for the period from January 1, 2023 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	CONTENTS	PAGE OR ANSWER	SDG	OMISSION		
				OMITTED REQUIREMENT	REASON	EXPLANATION
<b>General Contents</b>						
<b>GRI 2:</b> General Disclosures 2021	2-1 Organizational details	7, 8	-	No	-	-
	2-2 Entities included in the organization's sustainability reporting	7	-	No	-	-
	2-3 Reporting period, frequency and contact point	16	-	No	-	-
	2-4 Restatements of information	Dynacor has not made any restatements during the reporting period.	-	No	-	-
	2-5 External assurance	This report has not been subjected to external verification or audit.	-	No	-	-
	2-6 Activities, value chain and other business relationships	9, 10	-	No	-	-
	2-7 Employees	36, 37	-	No	-	-
	2-8 Workers who are not employees	37	-	No	-	-
	2-9 Structure and composition of the Board of Directors	13	5,16	No	-	-
	2-10 Nomination and selection of the members of the Board of Directors	13	5,16	No	-	-



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GRI STANDARD	CONTENTS	PAGE OR ANSWER	SDG	OMISSION		
				OMITTED REQUIREMENT	REASON	EXPLANATION
<b>General Contents</b>						
<b>GRI 2:</b> General Disclosures 2021	2-11 Chair of the Board of Directors	13	16	No	-	-
	2-12 Role of the Board of Directors in overseeing the management of impacts	13	16	No	-	-
	2-13 Delegation of responsibility for managing impacts	13, 14	-	No	-	-
	2-14 Role of the Board of Directors in sustainability reporting	14	-	No	-	-
	2-15 Conflicts of interest	14	16	No	-	-
	2-16 Communication of critical concerns	14	-	No	-	-
	2-17 Collective knowledge of the Board of Directors	14	-	No	-	-
	2-18 Evaluation of the performance of the Board of Directors	14	-	No	-	-
	2-19 Remuneration policies	14	-	No	-	-
	2-20 Process to determine remuneration	14	-	No	-	-
	2-21 Annual total compensation ratio	14	-	No	-	-
	2-22 Statement on sustainable development strategy	3, 4	-	No	-	-
	2-23 Policy commitments	21, 22	-	No	-	-
	2-24 Embedding policy commitments	24	-	No	-	-
	2-25 Processes to remediate negative impacts	24	-	No	-	-
	2-26 Mechanisms for seeking advice and raising concerns	24	-	No	-	-





GRI STANDARD	CONTENTS	PAGE OR ANSWER	SDG	OMISSION		
				OMITTED REQUIREMENT	REASON	EXPLANATION
<b>General Contents</b>						
<b>GRI 2:</b> General Disclosures 2021	2-27 Compliance with laws and regulations	25	-	No	-	-
	2-28 Membership associations	21	-	No	-	-
	2-29 Approach to stakeholder engagement	19	-	No	-	-
	2-30 Collective bargaining agreements	29	-	No	-	-
<b>Material topics</b>						
<b>GRI 3:</b> Material Topics 2021	3-1 Process to determine material topics	17	-	No	-	-
	3-2 List of material topics	18	-	No	-	-
<b>Governance and corporate governance</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Reported on page 13.	-	No	-	-
<b>Economic performance</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	15, 16	-	No	-	-
<b>GRI 201:</b> Economic Performance 2016	201-1 Direct economic value generated and distributed	15	8,9	No	-	-
<b>Ethics, integrity and legality</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	25, 26	-	No	-	-
<b>GRI 205:</b> Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	26	16	No	-	-
	205-2 Communication and training about anti-corruption policies and procedures	27	-	No	-	-



GRI STANDARD	CONTENTS	PAGE OR ANSWER	SDG	OMISSION		
				OMITTED REQUIREMENT	REASON	EXPLANATION
<b>Ethics, integrity and legality</b>						
<b>GRI 205:</b> Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	27	-	No	-	-
<b>Human rights</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	27, 28, 29	-	No	-	-
<b>GRI 406:</b> Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	29	5,8	No	-	-
<b>GRI 407:</b> Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	29	8	No	-	-
<b>GRI 408:</b> Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	29	5,8,16	No	-	-
<b>GRI 409:</b> Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	29	5,8	No	-	-
<b>GRI 410:</b> Safety Practices 2016	410-1 Security personnel trained in human rights policies or procedures	29	16	No	-	-
<b>Diversity, inclusion and equal opportunities</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	43, 44	-	No	-	-
<b>GRI 202:</b> Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	44	1,5,8	No	-	-
<b>GRI 405:</b> Diversity and Equal Opportunity 2016	405-1 Diversity in the Board of Directors and employees	44, 45	5,8	No	-	-



GRI STANDARD	CONTENTS	PAGE OR ANSWER	SDG	OMISSION		
				OMITTED REQUIREMENT	REASON	EXPLANATION
<b>Decent work</b>						
<b>GRI 203:</b> Material Topics 2021	3-3 Management of material topics	37, 38	-	No	-	-
<b>GRI 401:</b> Employment 2016	401-1 New employee hires and employee turnover	38, 39	5,8,10	No	-	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	39	-	No	-	-
	401-3 Parental leave	39	-	No	-	-
This material topic has no associated specific GRI Standard	NO GRI Own working environment indicator	40	-	No	-	-
This material topic has no associated specific GRI Standard	NO GRI Own social welfare indicator	41	-	No	-	-
<b>Training and education</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	42	-	No	-	-
<b>GRI 404:</b> Training and Education 2016	404-1 Average hours of training per year per employee	43	4,5,8,10	No	-	-
<b>Responsible supply chain</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	30, 31	-	No	-	-
<b>GRI 414:</b> Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	30, 31	8,9	No	-	-
<b>GRI 308:</b> Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	30, 31	5,8,16	No	-	-



GRI STANDARD	CONTENTS	PAGE OR ANSWER	SDG	OMISSION		
				OMITTED REQUIREMENT	REASON	EXPLANATION
<b>Responsible supply chain</b>						
<b>GRI 204:</b> Procurement Practices 2016	204-1 Proportion of spending on local suppliers	31, 32	8	No	-	-
<b>ASM management and product traceability</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	33	-	No	-	-
This material topic has no associated specific GRI Standard	NO GRI Own ASM management and product traceability indicator	33, 34	-	No	-	-
<b>Occupational health and safety</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	45, 46	-	No	-	-
<b>GRI 403:</b> Occupational Health and Safety 2018	403-1 Occupational health and safety management system	46	3,8,16	No	-	-
	403-2 Hazard identification, risk assessment and incident investigation	46	3,8,16	No	-	-
	403-3 Occupational health services	47	3,8,16	No	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	47	3,8,16	No	-	-
	403-5 Worker training on occupational health and safety	47	3,8,16	No	-	-
	403-6 Promotion of worker health	48	3,8,16	No	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	48	3,8,16	No	-	-



GRI STANDARD	CONTENTS	PAGE OR ANSWER	SDG	OMISSION		
				OMITTED REQUIREMENT	REASON	EXPLANATION
<b>Occupational health and safety</b>						
<b>GRI 403:</b> Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	48	3,8,16	No	-	-
	403-9 Work-related injuries	49, 50	3,8,16	No	-	-
	403-10 Work-related ill health	50	3,8,16	No	-	-
<b>Energy consumption</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	52	-	No	-	-
<b>GRI 302:</b> Energy 2016	302-1 Energy consumption within the organization	52, 53, 54	7,12,13	No	-	-
	302-2 Energy consumption outside of the organization	53	-	No	-	-
	302-3 Energy intensity	53, 54	-	No	-	-
	302-4 Reduction of energy consumption	54	-	No	-	-
<b>Climate change and emissions management</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	54, 55	-	No	-	-
<b>GRI 305:</b> Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	55, 56	3,12,13,14,15	No	-	-
	305-2 Indirect (Scope 2) GHG emissions from energy generation	55, 56	3,12,13,14,15	No	-	-
	305-3 Other indirect (Scope 3) GHG emissions	56	-	No	-	-
	305-4 GHG emissions intensity	56	-	No	-	-
	305-5 Reduction of GHG emissions	56	-	No	-	-
	305-6 Emissions of ozone-depleting substances (ODS)	56	-	No	-	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	57	-	No	-	-



GRI STANDARD	CONTENTS	PAGE OR ANSWER	SDG	OMISSION		
				OMITTED REQUIREMENT	REASON	EXPLANATION
<b>Water and effluent management</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	57	-	No	-	-
<b>GRI 303:</b> Water and Effluents 2018	303-1 Interactions with water as a shared resource	57, 58	6,12	No	-	-
	303-2 Management of water discharge-related impacts	58	6	No	-	-
	303-3 Water withdrawal	58, 59	6	No	-	-
	303-4 Water discharge	59	6	No	-	-
	303-5 Water consumption	59	-	No	-	-
<b>Biodiversity and protection of areas of high conservation value</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	60	-	No	-	-
<b>GRI 304:</b> Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	60	15	No	-	-
	304-2 Significant impacts of activities, products and services on biodiversity	60	15	No	-	-
	304-3 Habitats protected or restored	60	15	No	-	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	60	15	No	-	-
<b>Waste management</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	61	-	No	-	-
<b>GRI 306:</b> Waste 2020	306-1 Waste generation and significant waste-related impacts	61	3,6,11,12	No	-	-



GRI STANDARD	CONTENTS	PAGE OR ANSWER	SDG	OMISSION		
				OMITTED REQUIREMENT	REASON	EXPLANATION
<b>Waste management</b>						
<b>GRI 306:</b> Waste 2020	306-2 Management of significant waste-related impacts	61, 62	3,6,11,12	No	-	-
	306-3 Waste generated	62	3,6,11,12	No	-	-
	306-4 Waste diverted from disposal	62, 63	3,6,11,12	No	-	-
	306-5 Waste directed to disposal	62, 63	3,6,11,12	No	-	-
<b>Tailings management</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	63, 64	-	No	-	-
This material topic has no associated specific GRI Standard	NO GRI Own tailings management indicator	63, 64	-	No	-	-
<b>Responsible use of chemicals</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	65	-	No	-	-
This material topic has no associated specific GRI Standard	NO GRI Responsible use of chemicals indicator	65	-	No	-	-
<b>Local communities</b>						
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	67, 68, 69	-	No	-	-
<b>GRI 413:</b> Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	71	-	No	-	-
<b>GRI 203:</b> Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	72	5,9,11	No	-	-
This material topic has no associated specific GRI Standard	NO GRI PX impact Program indicator	73 - 76	-	No	-	-

