



SUSTAINABILITY REPORT 2021

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1 OUR ORGANIZATION



Message from the General Management

(GRI 102-14)

Dear Friends, I am very pleased to present our fourth Sustainability Report, prepared according to the Global Reporting Initiative (GRI) and within the Competitive Business Program, which shows our will and commitment to improving each year.

Lafayette Mining Company belongs to the Non-Metallic Mining sector and we extract and commercialize calcium carbonate in five presentations: calcium carbonate stone Type "A", Type "B", Type CREMA, Crushed and Travertine Blocks. Our product diversification strategy allows us to improve our offer to the market with high-quality products. Year after year, customers are demanding more products and quantities. In 2021, we started massive blasting in the quarry, which will allow us to consolidate the extraction of our products in quantity, quality, and best price. It is worth noting some uses of our calcium carbonate, which is used to remedy mining liabilities, since this material allows raising the pH of acidic waters and, with a layer of topsoil, contributes to the revegetation of certain areas. It is also used as one of the components of clinker to make cement.

After 2020 was engulfed by COVID-19, which took the lives of more than 1.8 million people worldwide¹, meant the closure of millions of companies and an increase in mass unemployment, the year 2021 was a year of economic recovery. In the case of Peru, GDP grew by 13.3% in 2021 compared to 2020. The construction sector was one of those that recovered the most in 2021, registering a GDP increase of 35.5% compared to 2020². One factor that supported this economic recovery was the arrival of vaccines against COVID-19 in the country and the massive vaccination campaigns. This contributed greatly to the reactivation of employment and the increase in private consumption. However, it did not mean the eradication of the virus³. At the same time, the restart of economic activities throughout the world meant a greater oil demand, but the supply did not occur at the same level, so the increase in oil prices was significant. The variation in the price of Diesel B5 S50 UV fuel during the year was more than 54.37%, seriously impacting our costs of transportation service and operation in the quarry⁴. Likewise, July 28, 2021, marked the beginning of the mandate of President Pedro Castillo. The tensions between the president, the ministerial cabinet, and the congress brought a prominent political instability that had a great impact on the economy of the country, with the weakening of external investments and the strong depreciation of the local currency⁵.

¹ Grasso, D. (2020). 1,8 millones de muertos por covid en todo el mundo [1.8 million deaths from covid worldwide]. *El País*.

² INEI. (2021). Informe Técnico Producto Bruto Interno Trimestral [Quarterly Gross Domestic Product Technical Report]. *Instituto Nacional de Estadística e Informática*.

³ González Izquierdo, J. (2021). Recuperación económica del Perú a 17 meses de la pandemia, por Jorge González Izquierdo [Peru's economic recovery 17 months after the pandemic, by Jorge González Izquierdo]. *Centro de Investigación de la Universidad del Pacífico*.

⁴ Petroperú. (2021). Lista de precios de combustibles con impuestos del 07 de enero del 2021 y del 14 de octubre del 2021 [Fuel price list with taxes for January 7, 2021 and October 14, 2021]. *Petroperú. ADDENDUM N° 1*.

⁵ Gestión. (2022). ¿Por qué la presidencia de Perú está en crisis? [Why is the presidency of Peru in crisis?]. *Gestión*.

Although 2021 was a year of economic recovery, the virus was still present and hurt the lives of many Peruvians. Regarding our company, after 2020, in which we experienced the cessation of our activities for several months and had to limit the activities of the quarry to only maintenance and cleaning, 2021 was quite hopeful. To begin with, we managed to reduce the number of contractors and take control of 95% of the exploitation work. This allows us to have greater control and freedom of our operations, as well as first-hand job security. In addition, the following four new pieces of equipment were acquired for use in the quarry: 1 CAT 320 excavator, 1 Atlas Copco compressor, and 2 Jackleg manual drills. Getting new workers and equipment involved is a great challenge, however, the results have been positive so far and this solid base gives us great expectations for the future.

In the same way as the previous year, our greatest effort was to safeguard the health of our workers, especially those who work in the quarry. For this reason, we limit the capacity and apply a myriad of sanitary regulations, which are found in our Safety, Occupational Health, Environment, and Quality Management System (PASSOMAC, by its acronym in Spanish) and Internal Regulations on Safety and Health at Work (RISST, by its acronym in Spanish), as well as in our integrated management system for the entry of carriers to the quarry. All these measures are applied very rigorously on a day-to-day basis so that we can make sure not a single case of COVID-19 occurs among quarry workers throughout the year.

Regarding the environment, the communication and evaluation of the Domestic Energy Use Policy were carried out, which ensures the use of renewable solar energy and seeks to avoid the use of fuels for the generation of domestic electricity that would harm the environment. Concerning improvements at the social level, the Acquisitions Policy was launched to define the ethical principles and procedures that must be followed when executing an acquisition. Likewise, the communication and evaluation of the Code of Ethics and Conduct, implemented in 2020, began to ensure transparency and a culture of integrity within the entire company.

With the good results achieved, Lafayette Mining Company faces 2022 with great optimism, renewed strength, and full confidence in our capabilities, based on our excellent human resources and a firm commitment to ethical conduct, transparency, and a job well done.

Sincerely,

Hector Montoya Paredes
General Manager

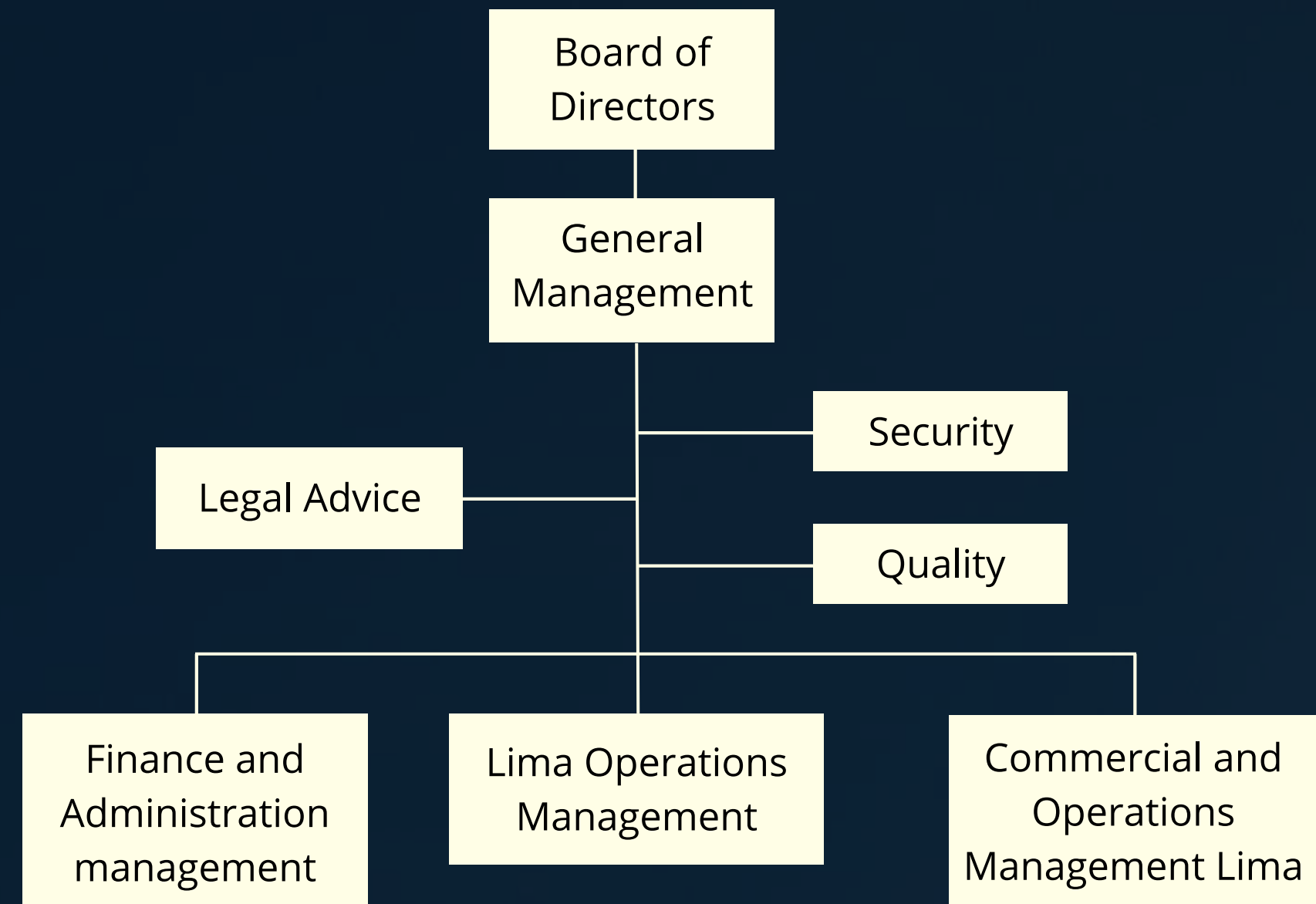
Who are we?

We are a leading Peruvian Company in the Non-Metallic Mining sector. We extract, transform and commercialize the non-metallic mineral Limestone/Travertine in its various presentations and qualities according to local and international market demand. **(GRI 102-2) (GRI 102-4)**

Our clients are those companies that transform raw materials into final products from various sectors. We serve the construction, building materials, mining, painting, and chemical sectors.

The main activities are in "La Mona" mining concession, located in Junín, Peru. There, the operations of mining exploitation, selection of materials, and commercialization are carried out. From this operation, we supply raw material (limestone/travertine) to plants in Lima such as UNACEM Atocongo Plant, COMACSA Plant, MOLICAL Plant, and other clients. **(GRI 102-6) (GRI 102-7)**

The governance structure of the organization is as follows:
(GRI 102-18)



Mision (GRI 102-16)

To be the leading limestone and travertine extraction company in Peru, gaining special recognition in the extraction of calcium carbonate stone in its various presentations and sizes.

Seek the development and success of our customers by providing them with quality raw materials on a timely basis.

Increase profitability to maintain our financial strength, ensure sustained growth and properly reward our shareholders.

Contribute to the personal and professional development of our workers by training leaders whose achievements transcend the company.

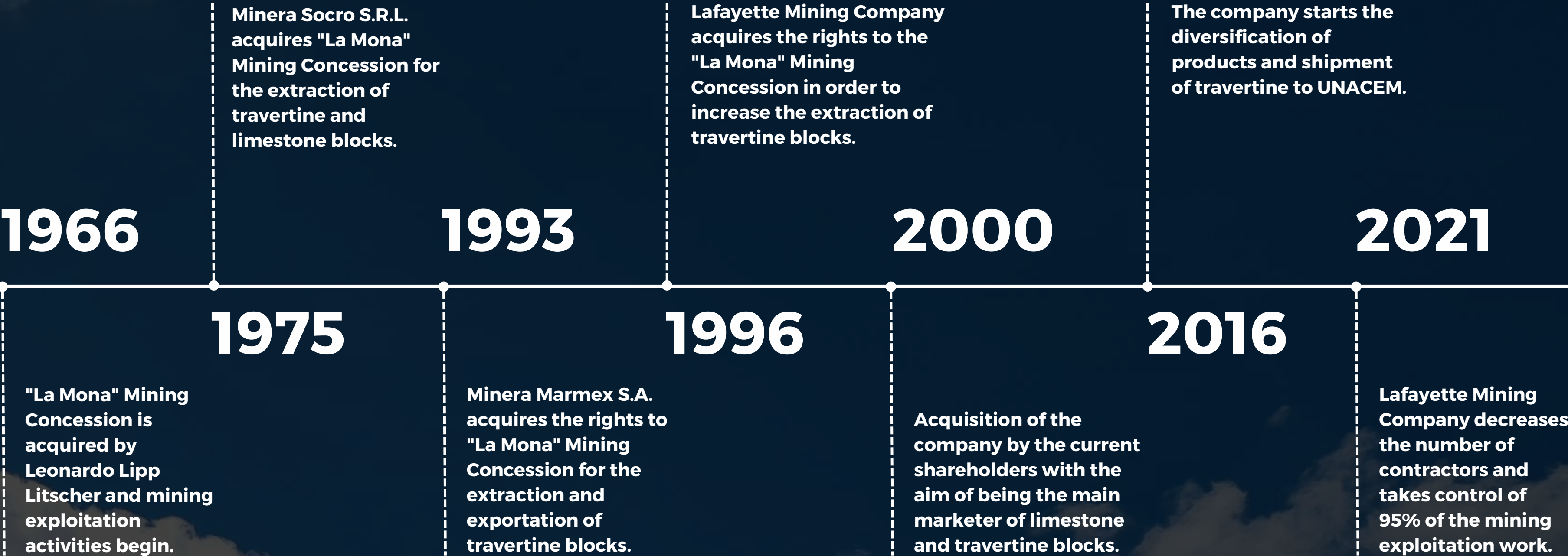
Maintain the harmonious development of the surrounding communities and the environment with policies aimed at their conservation.

Vision

To be a leading company in the extraction and transformation of non-metallic minerals, with growth in Peru and a strong presence in the international market, based on demanding criteria of quality and innovation, thus guaranteeing our clients an excellent product with a strict commitment to the environment and stakeholders.

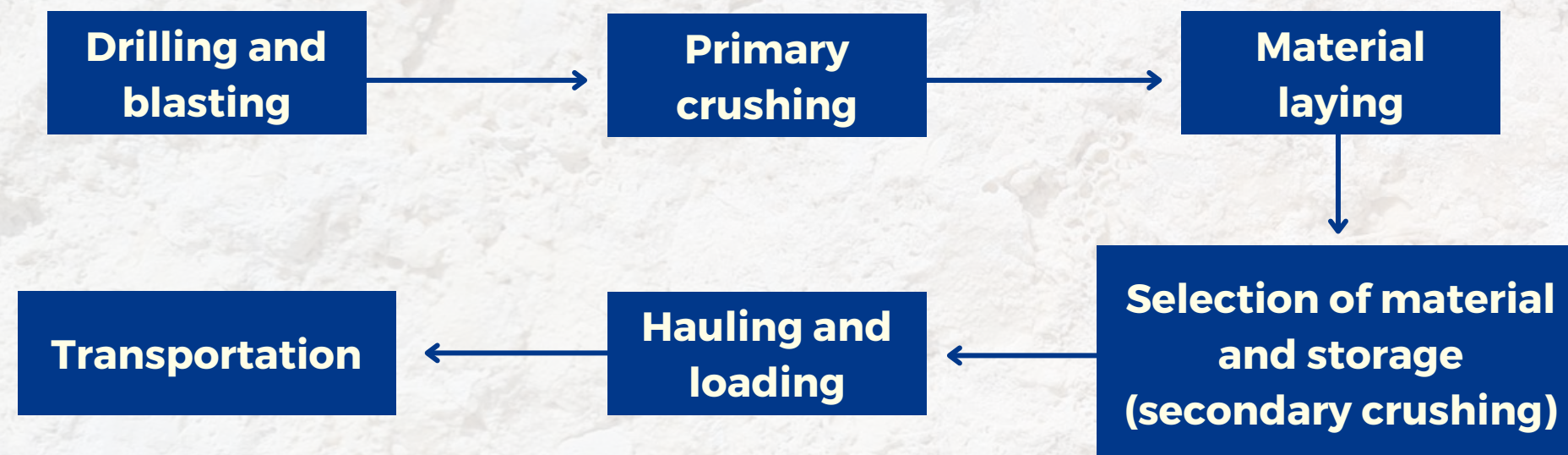


Company history



Our operations

The main operations are currently in "La Mona" Mining Concession, located in Junín. There, the activities of mining exploitation, selection, and dispatch of materials are carried out, which are developed under international standards under the following processes:



We execute our operations in this manner to raise our production and quality levels while preserving the environment, always for the benefit of our stakeholders.

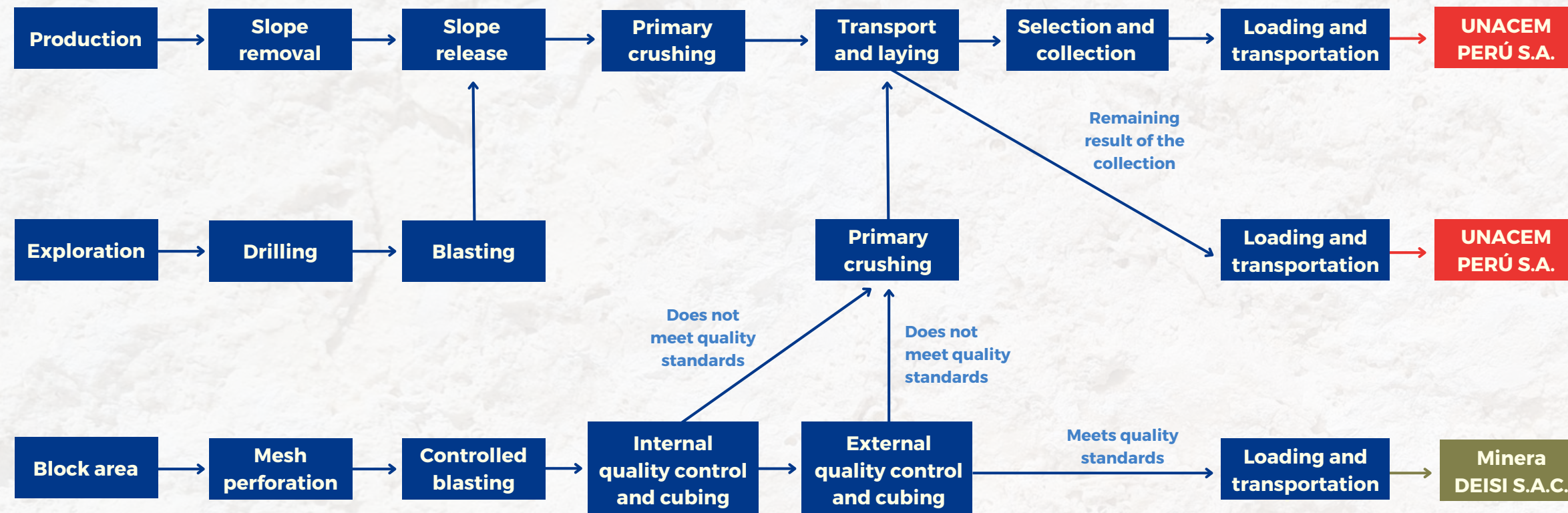


Machinery operating in "La Mona" quarry



Material loading in "La Mona" quarry

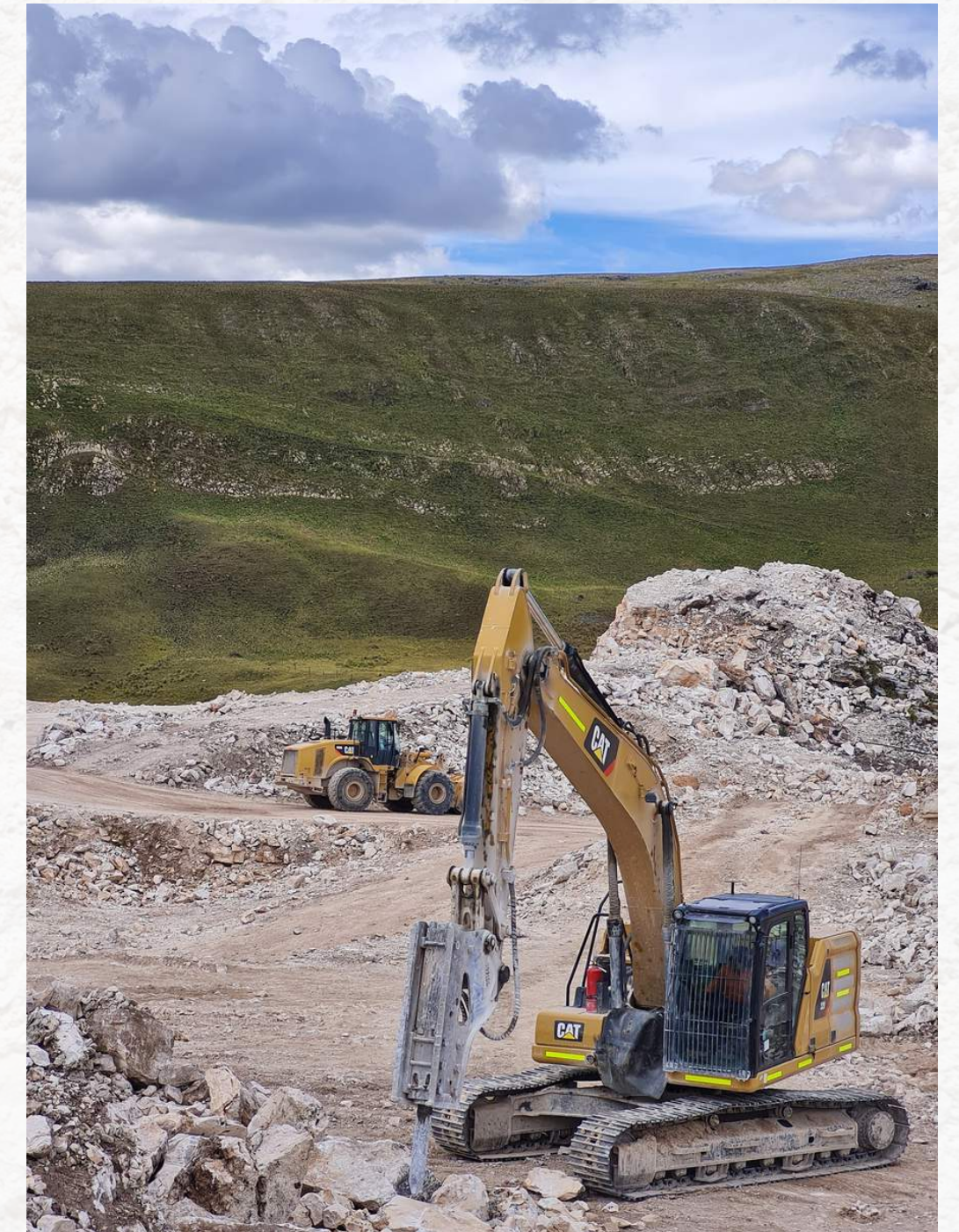
Our production process



Loading of drills



Rock Drill



Material selection



2 ECONOMIC CONDITIONS

Economic Performance

(GRI 103-1) (GRI 103-2)

Within the current context of the economic and health crisis in Peru, it is difficult to find economic growth similar to that of previous years. However, it is important to maintain good economic performance considering our possibilities and taking into account the safety of our employees, partners, customers, and other stakeholders. In the field of non-metallic mining companies, the correct development of the company's activities and financial success positively influence the country's economy by providing employment, paying taxes, benefiting local communities, and delivering quality products to customers. In the same way, good economic performance allows more resources to be devoted to long-term sustainable practices and to reduce or mitigate the negative impact that our activities may cause.

Lafayette Mining Company has as its main core the extraction of non-metallic raw materials, which begins in our quarry located in the central area of Peru. This process continues with the commercialization of the products in Lima for our main clients. In 2021, our revenues reached S/ 7,105,314, which represented an expansion of 36.38% compared to the previous year. This was due to the reopening of the economy, which led to a continuous reactivation at the end of 2020 and throughout 2021. Our products were gradually demanded by the construction and mass consumption sectors, particularly for cleaning supplies. As a consequence, our net income was S/ 227,982, expanding by 239.34% compared to the year 2020.

The **purpose** of this topic is to communicate the efforts made by the company to be sustainable over time and have good economic performance given the positive impact it has on the environment. Through constant exploration of its quarries, evaluation of possible new investments, and capitalization of its annual profit, we seek to fulfill this purpose.



Economic performance management

(GRI 103-2)



Commitments and goals

We **commit** to achieving good economic growth in 2022, higher than in 2021, with profits greater than zero. In compliance with the mission, vision, and objectives of the company.

Our **goal** is to ensure the long-term sustainability of the company through continuous economic growth, investment in the company, and the development of sustainable practices.



Responsibilities

It falls to the **Finance and Administration** area, which is in charge of managing the budget for its correct use and the achievement of the objectives.



Resources

We have financial capital as well as specialized human resources in the Finance and Administration and General Management departments, which are in charge of developing strategic plans. Likewise, we have technological resources in the quarry that allow us to correctly extract calcium carbonate.



Formal complaint mechanisms

Via email to the Manager of the Finance and Administration area.

Evaluation of the management approach (GRI 103-3)

The mechanism used to measure the management approach is the financial statement of the company, which, when compared with the previous ones, should be able to demonstrate that there is a growing economic development.

In 2021, we saw a greater demand for our products, and we invested money and effort in our operation. This is why our economic performance grew compared to 2020. In our 2021 financial statement, there is an increase in income of 36.38% and a growth in profit of 239.34%, both becoming positive. In addition, it also demonstrates compliance with annual taxes.

Direct economic value generated and distributed (GRI 201-1)

Economic value in the last year (expressed in soles)	2021
Direct economic value generated	7,105,314
Economic value distributed	6,877,332
Operating costs	6,027,548
Employee wages and benefits	837,562
Payments to providers of capital	0
Payments to government	12,222
Community investments	0
Economic value retained	227,982

Procurement Practices

(GRI 103-1) (GRI 103-2)

Procurement and supplier selection practices must always be transparent, professional, with equal conditions, and must respect the law. At the same time, every company must ensure the reliability of its raw materials or acquired assets by tracing the source and certifying that suppliers do not engage in unethical or environmentally harmful practices.

Lafayette Mining Company is a company dedicated to the extraction of raw materials, so we don't need to purchase supplies to deliver our final product. However, there are indirect purchases that affect our operations, such as office supplies, Personal Protection Equipment (PPE), furniture for the quarry, corrugated iron, solar panels, solar water heaters, and, on a few occasions, heavy machinery. On the one hand, for purchases of amounts greater than or equal to S/ 5,000, a Purchase Request is generated, and then a Purchase Order, signed by the General Manager as acceptance. On the other hand, for purchases of less than S/ 5,000, a purchase request is generated and, for confirmation, an email accepting the purchase from the General Manager is sufficient.

The **purpose** of this approach is to identify and mitigate procurement and supplier selection practices that may be detrimental to the supply chain or the environment. Thus, we seek to implement policies, procedures, moral codes, and common practices regarding our dealings with suppliers.



Procurement practices management

(GRI 103-2)



Policies

We have a **Procurement Policy** whose main objective is to establish and communicate the ethical principles and procedures that must be followed when executing acquisitions of goods or services. In addition, it provides necessary and important information to the company's personnel so that the acquisition process is carried out in an orderly and organized manner. In this way, the main objectives of acquisitions can be achieved: internal customer satisfaction, savings, and control of the operation.

Likewise, we have a **Code of Ethics and Conduct** that goes hand in hand with the Procurement Policy, in which the expected behaviors of all company employees are expressed when carrying out their day-to-day activities, including acquisitions.



Formal complaint mechanisms

Via email to the Finance and Administration area.



Commitments and goals

We are **committed** to strictly following the processes specified in the Procurement Policy and the behavioral standards set by the Code of Ethics and Conduct for any necessary purchase, no matter how small.

Our **objective** regarding the subject is to be able to provide good quality products by carrying out the necessary supply activities without creating a negative impact on suppliers or the environment.



Responsibilities

It falls under the Administration and Finance area. All purchase requests must be approved by this area, and it is responsible for generating purchase orders and paying invoices. Therefore, it is their duty to maintain good relationships with suppliers and make acquisitions following the Procurement Policy and the Code of Ethics and Conduct.

Evaluation of the management approach (GRI 103-3)

For the purpose of evaluating the **effectiveness** of this approach, the mechanism used is the review of the communication of the Code of Ethics and Conduct and the Procurement Policy through a signed certificate of the workers who have been informed about these policies.

As a **result** of the evaluation of this approach, we found that 100% of the workers in Lima, where purchasing activities are concentrated, have been informed about the Code of Ethics and Conduct and the Procurement Policy.

In 2021, we dedicated ourselves to communicating the Code of Ethics and Conduct and the Procurement Policy to the workers of Lima.

Proportion of spending on local suppliers (GRI 204-1)

The locations with significant operations are two: Lima and Junín. The main office is located in Lima, and the "La Mona" quarry is located in Junín. In 2021, 0% of the purchase budget was used in Lima, while 100% was used for acquisitions for our operations in Junín.

Internal view of
"La Mona" quarry

Anti-corruption

(GRI 103-1) (GRI 103-2)

It is extremely important to combat and avoid corruption in all areas of the company because it harms the trust of stakeholders. Therefore, we aim to prevent it to generate a reliable work environment, a positive impact on society, and promote accurate financial results and high profitability.

Lafayette Mining Company categorically rejects any action that lacks ethical and moral standards. Therefore, active communication is maintained with our employees about our Anti-Corruption Policy and our Code of Ethics and Conduct, from management to the operational staff. To this extent, all collaborators can identify illicit conduct, act appropriately, and file complaints in pertinent cases.

Our **purpose** is to take the initiative regarding the risk of corruption and require its correct identification, evaluation, and mitigation through personalized policies and procedures.



Anti-corruption management

(GRI 103-2)



Policies

We have an **Anti-Corruption Policy** that defines the conduct and responsibilities of each part of the company in relation to fraudulent and corrupt activities, taking into account the board of directors, senior management, area managers, and other employees. In addition, the actions considered corrupt are defined to facilitate their identification, and it is required to avoid, prevent, and report them in the event of witnessing any.

Likewise, we have a **Code of Ethics and Conduct** with a segment on Bribery and Corruption, specific sanctions, and a certificate of knowledge and compliance with the policy.



Formal complaint mechanisms

A report will be created if it is suspected or believed that there is evidence of irregular or inappropriate conduct or that a fraudulent act has been committed. This has to be brought in person or via email to the manager responsible for the area or the senior management and board of directors (in case an area manager is involved in the fraudulent activity).



Commitments and goals

By 2022, we are **committed** to carrying out internal audits to assess the scope and effectiveness of our Anti-Corruption Policy.

Our **objective** with respect to the subject is to achieve a full understanding of the anti-corruption policies in all areas, maintain compliance with them, and keep the transparency and good reputation of the company.



Responsibilities

It falls to Senior Management, which must ensure that the Anti-Corruption Policy has been communicated to all units of the company, as well as its correct implementation, and take the appropriate legal and/or disciplinary actions against those responsible for the corrupt acts.

Evaluation of the management approach (GRI 103-3)

Regarding the evaluation of the **effectiveness** of this approach, our main evaluation mechanism is the verification that all collaborators have been informed about the Code of Ethics and Conduct and the Anti-Corruption Policy, as well as ensuring that the formal complaint mechanisms work correctly.

The **Code of Ethics and Conduct** shows the following guidelines that every area or unit of the company must report to the General Manager annually:

- The total number and percentage of employees to whom the Code has been communicated, broken down by work unit and region.
- The total number and percentage of business partners to whom the Code has been communicated.
- List of gifts accepted and granted as exceptions according to this Code.
- Proof of knowledge and compliance with the Code of Ethics and Conduct.

As a result of the evaluation of the approach for the year 2021, we found that the scope of communication of the Anti-Corruption Policy was 100% of the employees. Regarding the Code of Ethics and Conduct, the result of the communication was 100% of the workers (7 company workers, 6 contract workers, and 7 clients). **(GRI 205-2)**

In 2021, we dedicated ourselves to communicating the Anti-Corruption Policy and the Code of Ethics and Conduct to more workers and members of the board of directors.

Finally, no cases of corruption have been identified throughout the year. **(GRI 205-3)**

Operations assessed for risks related to corruption

(GRI 205-1)

Among the main risks that may appear in our company are the following:

- Illegitimately seize a totally or partially owned company asset.
- Procure for himself or another an illicit benefit to the detriment of the company.
- Use for their benefit, or that of another, the assets of the company without being authorized to do so.
- Assume loans in the name of the company without being empowered to do so and without reporting it.
- Hide from shareholders, partners, associates, or interested third parties the true situation of the legal person.
- Taking an undue interest in the company's goals for any contract or operation in which they are involved because of their position.
- Payments, gifts, or incentives made by a supplier or contractor, fraudulent reception of supplier invoices, supplier or contractor reports of fraudulent and/or corrupt acts by company personnel.
- In general, any act that falls within the concept of a corrupt person is defined in the Anti-Corruption Policy.

Panoramic view of the interior of "La Mona" quarry



3 ENVIRONMENTAL CARE

Cordillera La Viuda,
Canta, Lima, Peru

Energy (GRI 103-1) (GRI 103-2)

The generation of energy (electricity, heating) in extractive mining operations is necessary and extremely important for the habitability of people, internal security, and, in some cases, the operability of electrical equipment.

Lafayette Mining Company manages the issue of energy through the use of solar power since we do not use fuel to generate electricity. In our quarry "La Mona", we generate energy by transforming solar energy into domestic electrical energy through a wide variety of solar panels. These are located in strategic areas of the camp and provide energy for lighting, televisions, batteries, computers, electric water heaters, etc. For this reason, we do not use fuel to generate energy in our quarries.

We have the **purpose** of managing the issue of energy by controlling and eliminating the risk that is produced by its mishandling. Similarly, we seek to take advantage of the use of natural solar energy through policies for domestic energy use and policies for safety and environmental care.



Solar water heater in
"La Mona" quarry

Energy usage management

(GRI 103-2)



Policies

We have a **Domestic Energy Use Policy**, which is proposed to ensure the use of renewable solar energy for the generation of domestic electricity in "La Mona" quarry and avoid the use of fuels for its generation. Also, it seeks to ensure the continuous improvement and maintenance of physical resources such as solar panels and solar water heaters, as well as the implementation of new assets for the generation of electricity with renewable energy.

Similarly, we have training procedures for our personnel in matters of **Occupational Health and Safety and the Environment (SSOMA, by its acronym in Spanish)** for the correct use and generation of electrical energy.



Responsibilities

The **Operations** area is in charge of managing all aspects of energy use and its proper usage with sustainable solutions. In addition, workers are responsible for the correct use of energy.



Commitments and goals

We have a **commitment** for 2022 to include eco stops, or solar stops, which convert solar energy to provide public lighting, act as a Wi-Fi zone, and a charging station for electronic devices.

Likewise, by 2022, we seek to implement solar poles that provide electricity 24 hours a day and lighting in operation areas.

Our **goal** is to maintain good management and maintenance of solar panels and energy use, especially in the quarry. Similarly, innovate and implement more resources that use solar energy in various parts of the quarry.



Formal complaint mechanisms

Complaints are made manually in a notarial notebook located in the operation areas. Similarly, complaints can be reported via email addressed to the area of security, environment, or operations management.

Energy usage management

(GRI 103-2)



Resources

We have solar panels and solar water heaters that provide renewable energy for domestic use by workers.



Solar water heaters



Solar water heaters in process of installation

Evaluation of the management approach (GRI 103-3)

Regarding the evaluation of the **effectiveness** of this approach, we measure the amount of electrical energy used in the quarry by an approximation of the use of domestic electrical energy per capita per month. In addition, we quantified the number of workers informed about the proper use of electricity and the prohibition of the use of fuels to generate electricity by reviewing the signed statements of the Domestic Energy Use Policy by all quarry workers.

In 2021, 100% of quarry workers were informed about this policy, and no cases of fuel used for electricity generation have been identified.

Energy consumption within the organization (GRI 302-1)

In our quarry, we do not use fuels from renewable or non-renewable sources for the generation of domestic electricity. Instead, we use solar panels to generate electrical energy (a type of renewable energy). In 2021, there was a consumption of **652.8 kWh** of electrical energy.



Solar panels



Solar panel control

Water and effluents

(GRI 103-1) (GRI 103-2)

Drinking water is a key natural resource for human subsistence and its access has been declared a human right by the United Nations (UN). Furthermore, in times of COVID, it is essential to facilitate access to clean water for toileting and hand washing to prevent the spread of the disease. Therefore, every company must aim to achieve certain sustainable goals regarding drinking water. Within objective 6 of the UN Sustainable Development Goals, the following goals are expressed: equitable access to sanitation and hygiene services; improvement of water quality by reducing pollution and discharges of chemical products and hazardous materials; efficient use of water resources in extraction and supply; and supporting local communities with water and sanitation management. All these objectives are of vital importance to our company, and we carry out our activities with the commitment to fully comply with them.

Lafayette Mining Company carries out the material extraction activities without water in the quarry, so no major effluents are generated. The water is used only for sanitary purposes, more specifically for the dining room, camps, bathrooms, and laundry of "La Mona" quarry. The area's water availability is high, and the water source is superficial. The water is extracted from the Pampahuayin stream, filtered, and used domestically. The dumping occurs in a septic tank coated with calcium carbonate to then be poured as clean water into the Pampahuayin stream.

The **goal** of this approach is good water management to avoid abuse of this shared resource and to reduce the company's impacts on the quality and quantity of water that reaches other users in the area, always prioritizing areas with water stress. For this reason, we must adapt our operations, policies, and controls regarding the use of water to the needs of the other actors in the area and the public policies in force.

Water and effluents management

(GRI 103-2)



Commitments and goals

We are **committed** to the responsible use of water and to not exceeding the use of 200 m3 per year. Likewise, we seek to avoid the contamination of water resources by not presenting observations in the semi-annual external evaluations for water sampling.

Our **objective** is to reduce water withdrawals, consumption, and discharges, together with the related impacts, in order not to deprive local communities or wildlife of this natural resource.



Responsibilities

The **Safety** area is in charge of monitoring the use of water and contamination by effluents. This task is extended to all the production units and facilities of the quarry, together with all the direct and indirect contractors that perform work for the company.



Formal complaint mechanisms

Complaints are made via email addressed to the area of Security or Operations Management.

Evaluation of the management approach (GRI 103-3)

In order to assess the **effectiveness** of the approach, external verification is carried out through the Ministry of Agriculture and Irrigation and the National Water Authority (ANA, by its acronym in Spanish). These entities calculate the annual use of water in the quarry through an average of water per inhabitant. In addition, to ensure that we do not have negative impacts on the environment, water sampling is carried out twice a year through external evaluation.

In 2021, we had 10 inhabitants in the quarry, and the population's water consumption was 0.1825 megaliters. Likewise, according to the semi-annual environmental monitoring of the water, we have positively affected the water of the Mantaro river by reducing its acidity (pH), thanks to the calcium carbonate that covers the septic tank and filters the water discharges.

Interactions with water as a shared resource (GRI 303-1)

The company uses the water only for domestic purposes, more specifically for the dining room, camps, bathrooms, and laundry of the "La Mona" quarry. No water is used for the operations because dry extraction is carried out. The area's water availability is high, and the water source is superficial. The water is extracted from the Pampahuayin stream, filtered, and used domestically. The dumping occurs in a septic tank coated with calcium carbonate, to then be poured as clean water into the Pampahuayin stream.

The total water consumption of all zones in the year 2021 was **0.1825 megaliters. (GRI 303-5)**

Laguna siete colores in the
Province of Canta, Lima, Peru

Waste (GRI 103-1) (GRI 103-2)

Correct control and reduction of waste and effluents ensure the health of people individually and collectively, the conservation of biological diversity, and, in general, the sustainable development of the country. Solid waste management is the responsibility of the generator until its proper final disposal, under the control conditions established in the legislation.

Lafayette Mining Company, as a company responsible for its activities, environmental obligations, and legal compliance, presents the Solid Waste Management Declaration annually, which identifies the types and quantities of waste treated, stored, reused, or disposed of. Likewise, we have a Solid Waste Management Plan, which describes the procedures that are applied to perform adequate environmental control of the solid waste generated by mining activities.

To achieve compliance with the plan, there are agreements with the municipality of Carhuacayan for the evacuation of waste. At the same time, we hire a Solid Waste Service Provider Company (EPS-RS, by its acronym in Spanish) for the disposal of other types of waste. Regarding effluents, our mining exploitation process does not generate polluting effluents because the drilling process is dry. In the camping area, effluents from the habitability of the people are generated. These are directed to the septic tank and do not generate significant discharges to any water resource. This is explicit in the Environmental Impact Study (EIA, by its acronym in Spanish) of the "La Mona" quarry.

The **purpose** of this approach is to promote effective and responsible management of the waste generated during activities and ensure its proper segregation, collection, temporary storage, transportation, and final disposal, considering the types of waste, its potential use, and the characteristics of the area. In this way, we do not harm the health of workers and protect the environment by complying with environmental regulations and company standards.

Solid waste disposal management

(GRI 103-2)



Policies

The company has a **Solid Waste Management Plan** in which its internal policies are based on current national regulations: the General Law on Solid Waste (Law No. 27314) and its amending Legislative Decree (Law No. 1065). This law provides the general guidelines for the management of solid waste. It establishes the rights, obligations, attributions, and responsibilities of society as a whole to ensure proper sanitary and environmentally sound management and handling of solid waste for the prevention of environmental risks and health protection.

Another policy found within the Solid Waste Management Plan is the Peruvian Technical Standard 900.058-2005 on the **color code**. This establishes the colors to be used in waste storage devices to ensure their identification and segregation.



Commitments and goals

We are **committed** to complying with the Solid Waste Management Plan and the Solid Waste Management Declaration on an annual basis, improving disposal processes, and declaring annually to the Regional Directorate of Energy and Mines (DREM, by its acronym in Spanish) of Junín.

Our **objective** is to improve the management of solid waste generated in the company's activities under the 4R approach (Reduce, Reuse, Recycle and Replace), which will allow us to minimize environmental and health impacts.



Responsibilities

Falls in the **Security** area. The scope of this plan extends to all production units and facilities of Las Camelias Mining Company and to all direct and indirect contractors who perform work within the company.

Solid waste disposal management

(GRI 103-2)



Formal complaint mechanisms

Claims are made manually in a notarial notebook located in the operations area.
You can also communicate any complaints via email with the Operations Manager or with the head of security.



Specific actions

There is an agreement with the Municipality of Santa Barbara de Carhuacayan so that the latter collects and disposes of non-hazardous solid waste from the "La Mona" quarry every week. On the other hand, hazardous waste is handled and disposed of by a Solid Waste Service Provider Company depending on the volume generated once or twice a year.

In addition, each worker has been given a pocketbook on color-coding. Also, at each collection point, a visible poster has been placed with the details of the colors corresponding to each type of waste, thus allowing easy identification.



Resources

We have the respective "collection points" made up of cylinders with signs for the correct segregation of the different deposits and the respective color code.
In the case of possible oil spills, we have a Volatilization Field, in which the contaminated sand residues are disposed of. We also have personnel in charge of supervising and training in the disposal of solid waste and effluents.



Solid waste collection at "La Mona" quarry

Evaluation of the management approach (GRI 103-3)

The main mechanism that measures the effectiveness of solid waste management is the annual Solid Waste Management Declaration, where the volume of waste generated, distribution in segregation, methods of reuse and recycling, and final disposal can be seen.

We are a company considered a small mining producer, and the "La Mona" quarry is a mechanized operation. For this reason, according to the annual waste declaration, the generation of solid waste is very low and each year we can reuse and dispose of approximately 100% of the waste generated.

Management of significant waste-related impacts (GRI 306-2)

As our activities involve the extraction of raw materials, we do not use inputs to generate products that can generate waste. However, our activities themselves generate waste. The generation areas are as follows: Administrative Offices, Warehouse, Geology, Laboratory, Electromechanical Maintenance, Environment, Mine, Security, and Specialized Company Office areas. Within all these areas, there are material recycling centers with their respective color codes for proper separation. Segregation is carried out by the personnel that generates some type of solid waste. To facilitate such an operation, each worker has been given a pocket booklet after training, and at each collection point, a visible poster has been placed with the details of the colors corresponding to each type of waste, thus allowing easy identification. In the case of possible oil spills, there is a Volatilization Field in which the contaminated sand residues are disposed of. **(GRI 306-1)**

We previously ensured that the Solid Waste Service Provider Company is authorized by DIGESA of the Ministry of Health. In our case, the service is provided by the District Municipality of Santa Bárbara de Carhuacayan, Yauli, Junín. Data collection occurs in the areas of operations where the daily amount of waste is quantified and an online data record is given to DIGESA.

Waste generated (GRI 306-3)

The total weight of solid waste generated in 2021 was **0.6318** metric tons. Of these, **0.0972** tons were made up of recyclable hazardous waste. The remaining **0.5346** tons were made up of non-hazardous recyclable waste.

To quantify the amount of solid waste generated by the work area and the type of residue, deposits are placed in the generation areas after measuring their dimensions. Each week, the volume and weight of solid waste generated by type are quantified, taking into account safety measures, before its transfer, obtaining a daily generation total.

The general classification of solid waste has been established according to current legislation and to its degree of danger to human health and the environment, defining four main categories:

Hazardous waste: due to its physical, chemical, and/or toxicological characteristics, it represents a risk of potential damage to people's health and the environment. They must present one of the following characteristics: self-combustibility, explosivity, corrosivity, reactivity, toxicity, radioactivity, or pathogenicity. Within the company, we can identify the hazardous waste generated in the mechanical and electrical maintenance areas. Common waste in this area includes oil, rubber, plastics, and rags contaminated with lubricant or fuel.

Non-hazardous waste: due to its nature and composition, it does not have harmful effects on people's health and does not deteriorate the quality of the environment.

Recyclable waste: its use does not harm human health or the environment because it is a stable product. Paper, glass, plastic, metallic elements, and organic waste are examples of waste.

Non-recyclable waste: it is generated by the daily activities of the administrative offices or other similar ones and cannot be reused in any way.

Environmental compliance

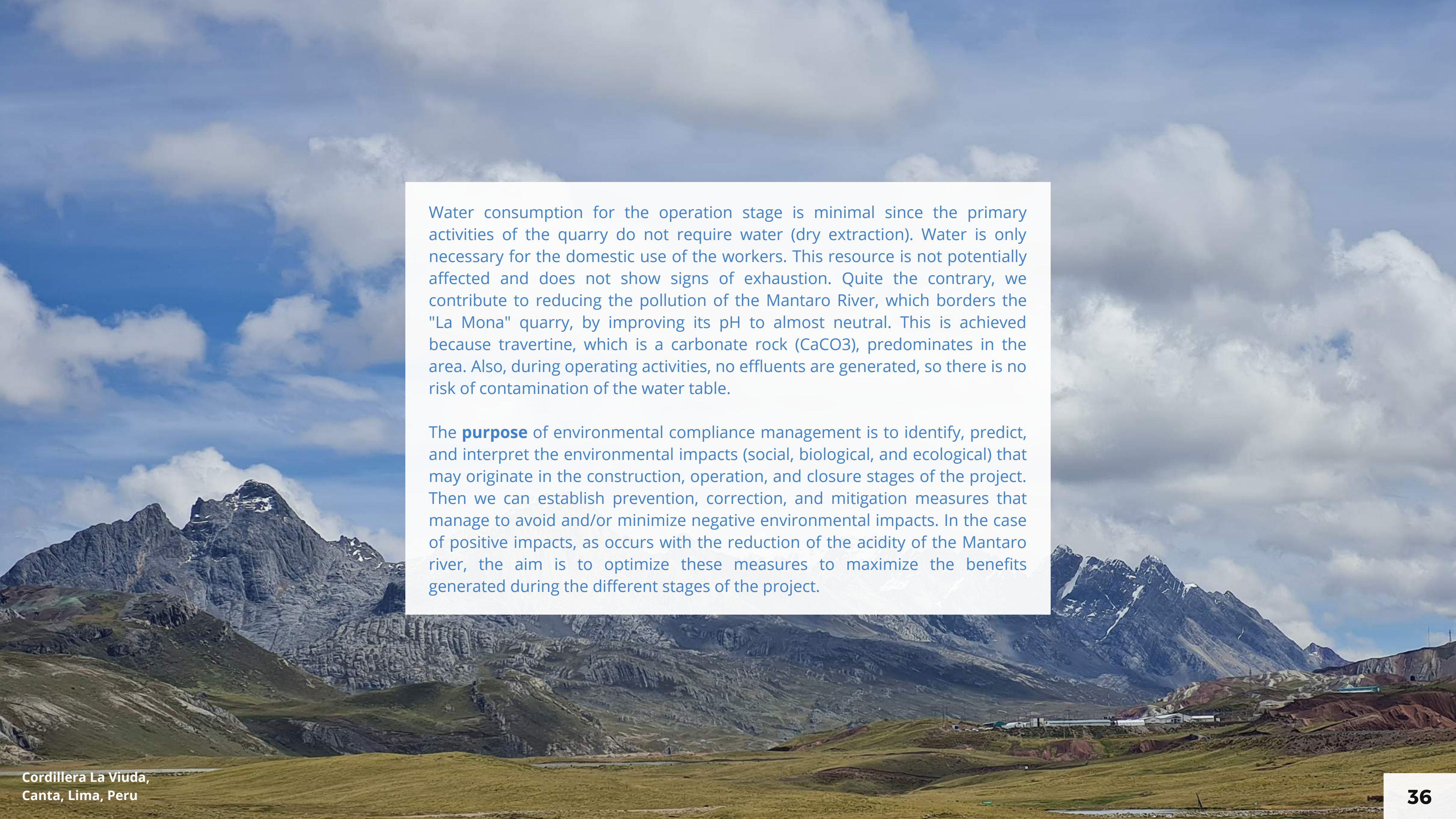
(GRI 103-1) (GRI 103-2)

Taking care of the environment is one of our greatest obligations. Being a company that extracts materials, we must make sure not to harm the ecosystem that surrounds us. As there are communities and wildlife near the quarry where we operate, we must reduce the negative impacts of our activities.

Lafayette Mining Company manages environmental compliance by addressing the impacts generated by energy consumption, waste and effluent disposal, emissions, and water use. Energy consumption is based on self-generated electricity through the implementation of solar panels. The generation of energy using fuels is avoided, contributing to sustainability in this aspect.

In the mining exploitation area, mainly where the machinery and vehicles are located, there is a risk of damaging the soil due to the spillage of various substances such as fuel or grease. To confine the substance in the event of a spill and to assure a safe and clean collection, these areas have a perimeter metal fence for contingency cases in the event of possible spills and a cylinder with sand and absorbent cloths. On the other hand, in terms of solid waste disposal, this is minimal, so it is collected in bags and sent for treatment before final disposal. Therefore, approximately 100% of the solid waste can be disposed of.

The generation of suspended particles as a result of the execution of the exploitation project in the "La Mona" quarry involves the processes of transport and storage of material. These emissions slightly modify the air quality in the project area, influencing the direction and speed of the wind, which may affect the health of people in general. However, these are minimal and so is their effect, so their impact is not significant.



Water consumption for the operation stage is minimal since the primary activities of the quarry do not require water (dry extraction). Water is only necessary for the domestic use of the workers. This resource is not potentially affected and does not show signs of exhaustion. Quite the contrary, we contribute to reducing the pollution of the Mantaro River, which borders the "La Mona" quarry, by improving its pH to almost neutral. This is achieved because travertine, which is a carbonate rock (CaCO_3), predominates in the area. Also, during operating activities, no effluents are generated, so there is no risk of contamination of the water table.

The **purpose** of environmental compliance management is to identify, predict, and interpret the environmental impacts (social, biological, and ecological) that may originate in the construction, operation, and closure stages of the project. Then we can establish prevention, correction, and mitigation measures that manage to avoid and/or minimize negative environmental impacts. In the case of positive impacts, as occurs with the reduction of the acidity of the Mantaro river, the aim is to optimize these measures to maximize the benefits generated during the different stages of the project.

Environmental compliance management

(GRI 103-2)

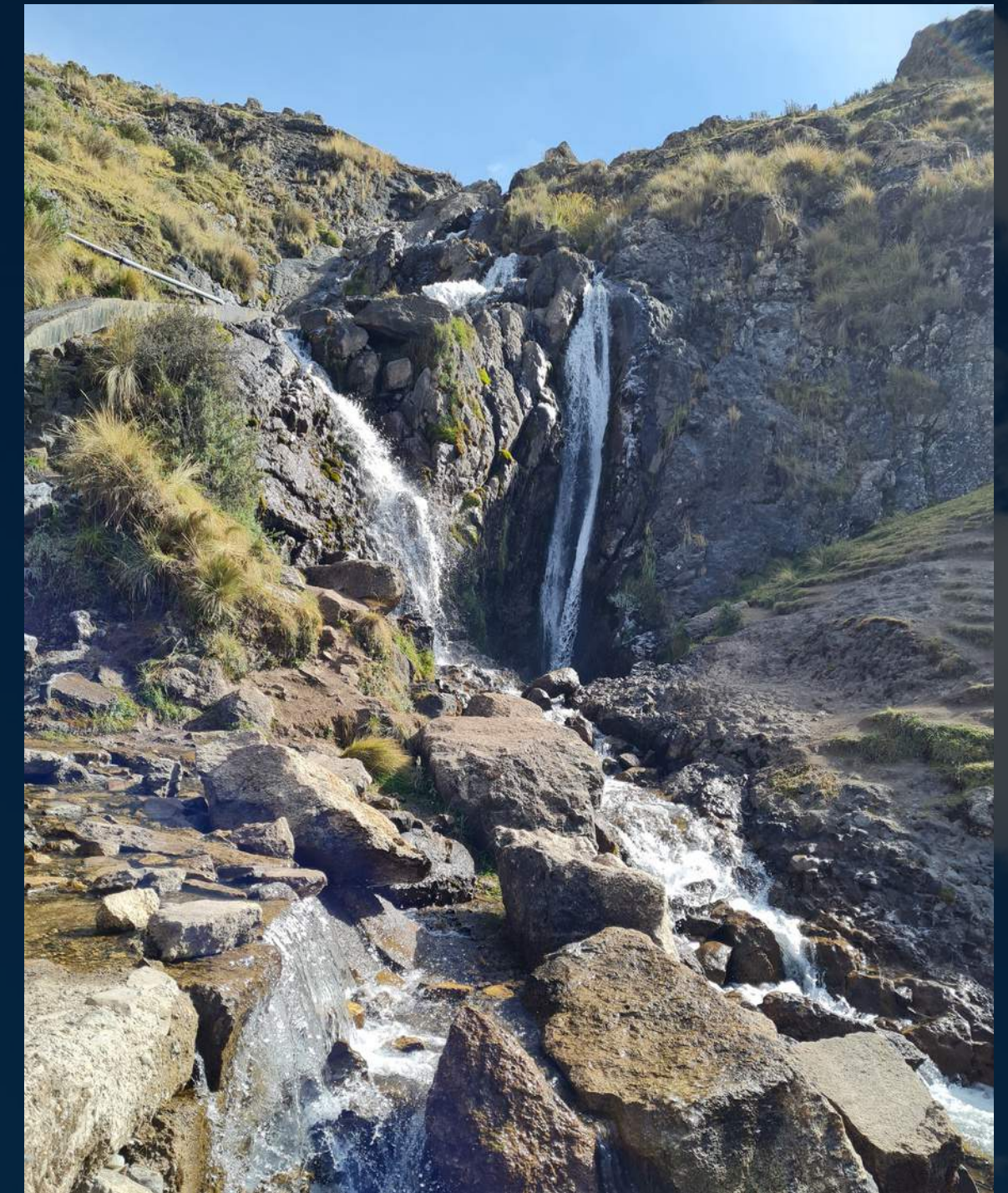


Policies

The company has the **Environmental Management Plan** found in Chapter 10 of the Environmental Impact Study (EIA, by its acronym in Spanish) of the "La Mona" quarry. With this, it has been possible to improve the methods and systems to mitigate, control, or eliminate direct impacts as a result of the exploitation of the quarry. The plan discloses the environmental control functions, which are the following: implement air and water quality monitoring; supervise that environmental technology is applied in the clearing or dump area; have signage that allows the identification of environmental hazards in the areas of operation; prepare monthly reports on the progress of practices; among others.

Likewise, we have the **Domestic Energy Use Policy**, which requires the use of solar energy for the generation of domestic electricity.

Lastly, we have the **Solid Waste Management Plan**, which describes the procedures that will be applied to adequately control the solid waste generated by mining activities.



Waterfall in Canta, Lima, Peru

Environmental compliance management

(GRI 103-2)



Commitments and goals

We are committed to complying with the Environmental Management Plan as well as with the semi-annual evaluations of air and water.

Our goal is to monitor activities and assess their impacts to ensure compliance with environmental laws and standards.



Formal complaint mechanisms

Claims are made via email to the head of security or to the Operations Management.



Responsibilities

It falls to the Mine Operations area, which has to ensure that it complies with the technical environmental control functions.



Water monitoring

Environmental compliance management

(GRI 103-2)



Resources

We have trained personnel within the areas responsible for the control, implementation, evaluation, and renewal of environmental policies. In addition to collection points in each operational area with their respective color codes.



Air Monitoring Equipment



Collection point with its respective color code

Evaluation of the management approach (GRI 103-3)

To assess the effectiveness of the approach, air and water sampling are carried out twice a year through an external evaluation. This allows us to know the levels of contamination by particulate matter (dust), if we affect the pH of the river water, or if we have a negative and significant impact on the quality of the water or air.

The main result of the approach is that there were zero fines for environmental issues in previous years. Likewise, the results of the six-monthly environmental monitoring never exceed the maximum permissible limits. Quite the contrary, we contribute to the reduction of the acidity (pH) of the Mantaro River that borders the "La Mona" quarry. **(GRI 307-1)**

In the coming years, we plan to update the Environmental Impact Study, where some minimal modifications could be made, supported by a possible change in the method of extraction and movement of the land.

Vicuña sighting
La Cima Highway,
La Mona Quarry

4 OUR STAKEHOLDERS



Employment (GRI 103-1) (GRI 103-2)

Our collaborators are the backbone of the organization. That is why we must look after their interests, grant them all labor benefits as dictated by law, and provide them with security in the context of a health crisis. In turn, it is necessary to inform workers about the rights that the legislation has established concerning employment.

Lafayette Mining Company directly manages the communication of labor benefits for its workers. Likewise, benefits such as affiliation to a Health Promoting Entity (EPS, by its acronym in Spanish) are gradually implemented after three months of starting work; and cancer insurance, after the first year of work. Likewise, reconciling professional and personal lives is one of the greatest concerns of our company. That is why we apply for hybrid work in the offices in Lima; that is, we work three days a week in the office and two virtually, together with flexible hours, to increase productivity and reduce absenteeism and accident rates.

The **purpose** of the employment approach is to promote the good value proposition offered to employees. Apart from good compensation and a benefits plan, a focus on the content and importance of the work is sought. Also, it is essential to promote continuous transversal learning since the company is not based on vertical growth but a multidimensional one. All this with the health and well-being of the collaborator as the main objective.



Employment management

(GRI 103-2)



Commitments and goals

Our **goal** is to provide a favorable work environment and the correct benefits to employees so that they feel comfortable and safe at work.



Resources

We do not have a human resources area since the area in charge of employee relations at the quarry is **Security**. On the other hand, in Lima, we only have three workers, so there is a close relationship between them and there is no need for an area in charge of employees. Regarding recruitment, this process is outsourced and interviews are given directly to the managers of each area.



Formal complaint mechanisms

Complaints are made directly to managers or heads of the areas via email in the event of any injustice in treatment or disagreement with labor benefits.



Specific actions

Benefits are provided to workers, such as affiliation with a Health Promoting Entity (EPS, by its acronym in Spanish), after three months of starting work; and cancer insurance, after the first year of work.



Responsibilities

Senior Management, Finance and Administration Management, **Operations** Management, and the **Security** area are responsible for ensuring fair labor benefits and good relationships with employees.

Evaluation of the management approach (GRI 103-3)

Because we are an organization with a small number of collaborators, job evaluations are not carried out regularly. An indicator used in the evaluation of the employment management approach is the staff turnover rate.

The main **result** of this approach is that our 2021 turnover rate was 0%, that is, no employees were removed from the company. This part indicates the commitment of the collaborators and their satisfaction with their work. However, we commit to implementing job satisfaction surveys by 2022.

The most notable change, unlike in 2020, was the start of hybrid work, with office hours on Monday, Wednesday, and Friday.

New employee hires and employee turnover (GRI 401-1)

We started 2021 with 4 workers. Throughout the year, 3 male employees were hired.

The rate of new hires for men between the ages of 30 and 50 was 75%.

Information on employees and other workers (GRI 102-8)

The activities of mining exploitation, selection of material, and work in the quarry are carried out by 4 male workers who operate in our "La Mona" quarry, located in Junín.

Our only temporary worker usually has a contract for 3 to 4 months during the first half of the year because he is in charge of preparing the Sustainability Report for the corresponding year.

Benefits provided to employees (GRI 401-2)

Todos los colaboradores que se encuentran en planilla obtienen los beneficios obligatorios por ley y otros beneficios acordados dentro de la empresa. Poseen seguro de vida, asistencia sanitaria, cobertura por incapacidad e invalidez, permiso por paternidad, provisiones por jubilación, afiliación a EPS y seguro oncológico.

Classification of workers by job category and sex (GRI 102-8)

Category	Men	Women	Total
Administrative	3	1	4
Operators	3	0	3
Total	6	1	7

Classification of workers by job category and place where they operate (GRI 102-8)

Categoría	Lima	Junín	Total
Administrative	3	1	4
Operators	0	3	3
Total	3	4	7

Occupational Health and Safety

(GRI 103-1)
(GRI 103-2)

In a mining company, there is always a risk of accidents and incidents occurring in the operations area. Likewise, there is a risk of contagion of COVID-19 both in the quarry and in the office. The health and safety of employees are essential to keep them satisfied with their work. They feel safer, with greater well-being, and can be more productive if they do not have the constant worry of being injured or contracting some disease.

Lafayette Mining Company manages this issue through its Annual Safety Program. This involves the planning, organization, management, execution, and control of activities aimed at identifying, evaluating, and controlling existing risks that may affect the health or physical integrity of workers, damage to property, or interruption of production processes. We regard the worker as the company's most valuable asset, and we are concerned with avoiding incidents and working in harmony with the environment. We conduct business in an ethical and socially responsible manner, consistent with our Safety, Occupational Health, and Environment Policy.

Our **purpose** is to be recognized for the excellence of our work through our profitability and productivity results, as well as performance in safety, occupational health, and social responsibility. Also, we seek to provide a decent and safe workplace that does not put at risk the health and integrity of the worker or his or her family, and that allows the human development of its members and their contribution to the development and progress of the country.



Occupational health and safety management

(GRI 103-2)



Policies

We have the **Safety, Occupational Health, and Environment Management System Policy (SSOMA, by its acronym in Spanish)**. It expresses the commitment to the protection and integrity of the members of the organization through the prevention of injuries, ailments, illnesses, and work-related incidents.

We also have the **Annual Safety, Occupational Health, and Environment Program (PASSOMA, by its acronym in Spanish)**. It aims to maintain and improve the SSOMA Management System and quantifies the activities carried out in terms of minimizing work accidents, complying with the annual program of security drills and inspections, complying with the training program, and detecting and responding promptly to workers' medical observations, among others.

Likewise, within the **Solid Waste Management Plan**, the **Security Plan for the Management of Hazardous Solid Waste** is handled. This plan includes the necessary security measures for the disposal of waste as well as the Written Safe Work Procedure (PETS, by its acronym in Spanish), staff training, and the correct use and handling of Personal Protection Equipment (PPE).



Commitments and goals

By 2022, we **commit** to evaluating the SSOMA Management System by complying with a minimum of 90% of the Annual Safety, Occupational Health and Environment Program (PASSOMA).

Our **goal** is to continue with the achievements of "zero fatal accidents" and to make "zero disabling accidents" viable. Likewise, we seek an assiduous improvement of the SSOMA Management System and PASSOMA according to the data recovered from the same program.



Disinfection procedure when entering "La Mona" quarry

Occupational health and safety management

(GRI 103-2)



Responsibilities

It falls on the **Security** area as well as on the workers themselves, who must attend all their training and comply with the rules, study them and apply them at all times. In addition, they must take care of themselves outside of work by obeying the regulations on COVID-19 imposed by the state, in order not to harm themselves or other collaborators.



Temperature taking procedure when entering the "La Mona" quarry



Formal complaint mechanisms

The main mechanism is the filing of the incident report. In this, the immediate boss is informed of any substandard condition that puts the physical integrity of himself and/or his colleagues at risk.



Workers of the "La Mona" quarry with their respective Personal Protection Equipment (PPE)

Occupational health and safety management

(GRI 103-2)



Resources

The proper Personal Protection Equipment (PPE) is provided according to the existing risks in the different work areas, and records and delivery charges are kept. All the company's work environments have an adequate signaling system according to the color code and signs (annex 17 of DS 024-2016-EM). All premises are provided with sufficient fire-extinguishing equipment adapted to the particular risks they present. People trained in the correct use of this equipment are present during all normal work periods. In addition, natural electrical discharges are prevented in the rainy season with lightning rods located at high points of the quarry.



Safety poster and mandatory use of PPE in the quarry powder keg.

Occupational health and safety management

(GRI 103-2)



Specific actions

Inspections in the different areas and workplaces are daily and permanent. The first person to inspect is the supervisor, and then the workers themselves, who carry out the inspection and control permanently during working hours. The security area must carry out a monthly inspection of all areas. Furthermore, we have a risk map, which consists of a graphic representation through symbols of general or adopted uses, which indicates the level of exposure to danger (low, medium, or high) according to the information collected from the results of risk measurements.

The company has an **Emergency Plan** that allows for anticipating any dangerous situation. These can be the following: pit work, rock slides, handling of explosives, drilling, earthquakes, fires, and floods, among others. For the creation and updating of the Emergency Plan, we carried out analyses of the probability of occurrence and magnitude of the impacts to be able to prioritize the risks and apply the plan within the areas of operations. Also, there are procedures and safety standards for the management of self-generated artificial electrical energy with solar panels.

Finally, all workers in general, at the beginning of their daily shift and after inspecting their work area, will carry out the **Hazard Identification and Risk Assessment (IPER, by its acronym in Spanish)**. In addition, they must write their evaluations, work sequences, needs, and orders received in their respective checklists.



Lightning rod located in the powder keg of the quarry



Evaluation of the management approach (GRI 103-3)

We evaluate the management of health and safety issues through the Annual Safety, Occupational Health, and Environment Program (PASSOMA, by its acronym in Spanish). This enables the calculation of compliance ratios for activities aimed at disseminating and implementing health and safety procedures to workers and activities. Another evaluation is the audits on health and safety issues of the National Ministry of Energy and Mines (MINEM, by its acronym in Spanish) or the Regional Directorate of Energy and Mines (DREM, by its acronym in Spanish) from Junín.

In 2021, **zero** injuries and **zero** deaths have been recorded in the company or due to an incident within the company. The most common injuries are blows to the hands or feet. The main types of occupational ailments and illnesses are stress, gastrointestinal discomfort, and fatigue. The operators work 6 days a week, from 6 a.m. to 6 p.m. The number of hours worked per month for all staff is 4,640 hours, and per day is 154.6 hours. **(GRI 403-9) (GRI 403-10)**

Occupational health and safety management system (GRI 403-1)

Our Annual Safety, Occupational Health, and Environment Program (PASSOMA) allows us to evaluate compliance with all activities related to occupational safety and prevention training. This system follows the following **regulations**: Law No. 29783 (Law on Safety and Health at Work), D.S. N° 005-2012 -TR (Regulation of Law N° 29783, Law on Safety and Health at Work) and D.S. 024 2016 E.M (Regulation of Occupational Safety and Health in Mining).

The scope of the Safety, Occupational Health, and Environment Management System (SSOMA) covers all workers who have an employment relationship with the company, the entire "La Mona" quarry area, and all the activities carried out there (exploitation, material selection, maintenance, monitoring, and marketing).

Worker participation, consultation, and communication on occupational health and safety (GRI 403-4)

We allow the active participation of our workers through the monthly meetings of the Health and Safety at Work committee, to extract decisions from all the members of the committee concerning the Health and Safety plans within the quarry.

The **Health and Safety at Work Committee** is a joint committee because it encompasses everything from the general manager to the workers. Among the responsibilities for the type of position, we have the General Manager as the president, the Operations Manager as secretary, and four quarry workers as members.

Accumulation of material
(limestone - travertine)



Hazard identification, risk assessment, and incident investigation (GRI 403-2)

Within the **PASSOMA**, the performance of the following monthly activities is evaluated: maintenance of signs and safety signaling; inspection of fire extinguishers; inspection of first aid kits; inspection of order and cleanliness of the areas; inspection of PPEs; and inspection of equipment, tools, and materials.

In addition, first aid, fire threat, and evacuation **drills** are carried out once a year.

On the **occupational health** side, we carry out pre-occupational medical examinations (at the entry of personnel), periodic occupational medical examinations, retirement occupational medical examinations (at the retirement of personnel), monitoring of physical and chemical agents, and detection of dysergonomic and psychosocial risks in a yearly manner.

The results of the **inspection** processes provide us with knowledge about any physical resource that is not in a condition to be used and could cause an occupational accident. In the case of the **safety drills**, we can measure how useful the induction activities have been for the employees and how they act in the event of a dangerous event. Finally, in terms of **occupational health**, we assess whether a worker is physically prepared to perform operational tasks, whether he/she is in good health during work, and whether he/she has acquired any physical or psychological health problems at the end of his or her work.

Occupational health services (GRI 403-3)

We perform the following monthly activities related to worker health insurance within the PASSOMA: pre-occupational medical examinations (at the entry of personnel), periodic occupational medical examinations, retirement occupational medical examinations (at the retirement of personnel), and annual monitoring of physical and chemical agents, as well as ergonomic and psychosocial risks.

The following safety drills are also carried out annually to prevent any occupational risk: dissemination of the contingency plan and emergency response; first aid drill; fire threat drill; and evacuation drill.

Lastly, quarterly meetings are held on incident management to evaluate the corrective actions for any incident that has occurred. We have the following meetings: implementation and follow-up of the controls established for the incidents that have occurred; and statistics on safety and health at work.



Training and Education

(GRI 103-1)
(GRI 103-2)

It is important for the workplace, productivity, and well-being of employees that they are motivated, trained, and actively learning. Apart from technical training, operators and administrative personnel must be educated about the dangers that exist in the quarry through occupational health and safety training.

Lafayette Mining Company has a horizontal and organic administrative structure, through which all workers learn from each other about various aspects of the company, obtain a more general view of its activities, and feel more identified with it. Moreover, there is training provided on safety, occupational health, and solid waste disposal issues.

The **purpose** of the approach is to provide employees with opportunities for development as well as personal and professional improvement through programs and training in all units of the company. All this is to achieve their satisfaction and to establish a closer link with the company.



Training and education management

(GRI 103-2)



Policies

Within the **Solid Waste Management Plan**, the training received by workers about the dangers they are exposed to is shown according to the work they perform and the types of solid waste they handle and generate. It also deals with the prevention of accidents and diseases derived from solid waste management. Within this, topics such as procedures to control hydrocarbon spills, the correct use of Personal Protection Equipment (PPE), and Written Safe Work Procedures (PETS, by its acronym in Spanish), are addressed.

In the **Annual Occupational Health and Safety and Environment Program (PASSOMA, by its acronym in Spanish)**, we have the following training: Dissemination of the Integrated Policy; Dissemination of Health and Safety Objectives and Goals; Dissemination of IPERC; Solid Waste Management Training; DS-024-2016 Training Program; and Dissemination of the Contingency Plan and Emergency Response.

(GRI 403-5) (GRI 404-2)



Commitments and goals

We are **committed** to complying with the PASSOMA 2022 schedule so that all training activities are completed correctly and employees have a broader understanding of the risks present at work.

Our **goal** is to provide learning facilities to all our employees, from health and safety training to personal training.

Training and education management

(GRI 103-2)



Responsibilities

It falls under the **Security** area in terms of technical training on occupational safety and health.

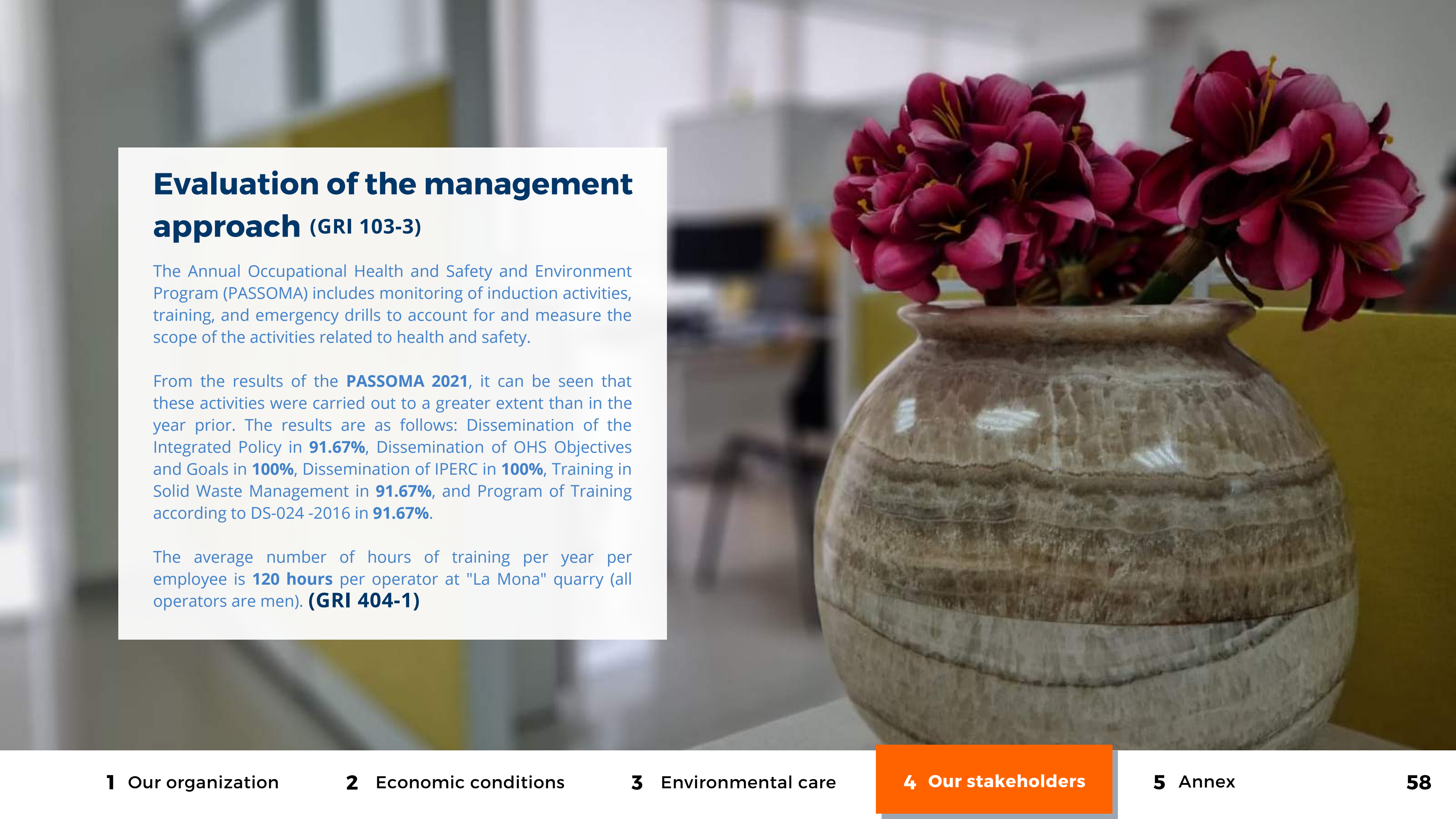


Formal complaint mechanisms

Complaints are given formally by email to the head of security at the quarry.



Training in the quarry

A photograph of a light-colored, textured ceramic vase filled with several vibrant pink flowers. The vase is positioned in the foreground, and the background is a blurred office environment with desks and chairs.

Evaluation of the management approach (GRI 103-3)

The Annual Occupational Health and Safety and Environment Program (PASSOMA) includes monitoring of induction activities, training, and emergency drills to account for and measure the scope of the activities related to health and safety.

From the results of the **PASSOMA 2021**, it can be seen that these activities were carried out to a greater extent than in the year prior. The results are as follows: Dissemination of the Integrated Policy in **91.67%**, Dissemination of OHS Objectives and Goals in **100%**, Dissemination of IPERC in **100%**, Training in Solid Waste Management in **91.67%**, and Program of Training according to DS-024 -2016 in **91.67%**.

The average number of hours of training per year per employee is **120 hours** per operator at "La Mona" quarry (all operators are men). **(GRI 404-1)**

Non-discrimination

(GRI 103-1) (GRI 103-2)

Prejudice based on age, physical appearance, personal image, race, sex, gender, religion, disability, and sexual orientation must be avoided at all costs within any company. Discrimination in the work environment and in general is a deplorable attitude that not only causes moral damage and damages the integrity and self-esteem of the victim, but also promotes injustice, exclusion, and differential treatment. Given all this, it is necessary to eliminate it and prevent it in the company's work environment.

Lafayette Mining Company prohibits discrimination in all areas of work. For this reason, only valid worker differentiation criteria are used, such as the following: seniority, performance, cost of living, academic or educational profile, and place of work, among others. Also, there are criteria for the business model, strategic plan, or dynamics of its operations, such as the following: levels of exposure to risk, results or indicators of production or sales, work area, and working conditions, among others. All these criteria are objective and are communicated to all employees.

The **purpose** of this approach is to generate a climate of equality and diversity and to evaluate workers according to their merits and other skills without taking into account subjective or discriminatory factors.



Management against discrimination

(GRI 103-2)



Policies

We have a **Code of Ethics and Conduct** where all types of discriminatory actions are described to facilitate their correct identification and mitigation. More specifically, it can be found in section 2.9. Discrimination, harassment, and bullying.



Responsibilities

It falls on all management areas, especially on the security area, which monitors all activity in the quarry. However, as all workers are involved, they are primarily responsible for their actions and for maintaining a work environment free of discrimination.



Commitments and goals

Our **commitment** for 2022 is to implement job satisfaction surveys on the work environment and other relations between workers. We aim to understand the motivations of our workers more thoroughly and be able to improve on them.

Our **goal** is the satisfaction of our employees and to provide a diverse and comfortable work environment.



Formal complaint mechanisms

Complaints are made via email to the managers or heads of the areas in case of any injustice or discrimination in treatment.



Evaluation of the management approach (GRI 103-3)

Regarding the evaluation of the **effectiveness** of this approach, we evaluate the good treatment between collaborators and other parties involved by reviewing the complaints due to discrimination.

As a **result** of the management of the year 2021, the good handling of this issue can be verified by not having complaints to the National Superintendence of Labor Inspection (SUNAFIL, by its acronym in Spanish) or formal claims within the organization. That is, the total number of cases of discrimination was zero. **(GRI 406-1)**

During the year, the Code of Ethics and Conduct was communicated, together with its evaluation at the end of the year.

Child Labor prevention

(GRI 103-1)
(GRI 103-2)

The International Labor Organization (ILO), which is an agency of the United Nations in charge of promoting social justice and internationally recognized human and labor rights, defines "child labor" as all work that deprives children and adolescents of their childhood, their potential, their dignity, and harms their physical and psychological development. That is why we must avoid it at all costs.

Lafayette Mining Company operates in the sierra of the country, a place where many cases of child labor are exhibited. However, we managed to avoid these events by directly controlling the mining operation and by managing the payroll of our workers and contractors. This process is easy and effective due to the fact of having a small workforce. In 2021, there were no cases of child labor. It should be noted that approximately 80% of the volume produced is with heavy machinery, and a reduced labor force is required.

The **purpose** of this approach is to avoid child labor within the business through the continuous control of the payroll by the administration in conjunction with continuous visits to the quarry by the Operations Manager. Thus, we join the fight against this crime and aim to be an example in the sector so that other companies can achieve the same goal.



Child Labor prevention management

(GRI 103-2)



Policies

We have a **Policy Against Child Labor**, through which we ensure proper compliance with the conventions of the International Labor Organization (ILO) on the minimum age (No. 138) and on the worst forms of child labor (No. 182), to avoid any form of child labor in the company. It also expresses the obligation to maintain a strict recruitment process and an arduous review of documents when verifying the real age of the applicant and to carry out a continuous check of payroll in the quarry and Lima.



Responsibilities

The administration area is responsible for controlling recruitment, payroll, and avoiding the work of any minor. The security area is also in charge of reviewing the payroll in the quarry and accounting for the workers.



Commitments and goals

As a **commitment**, we have to carry out continuous checks of the payroll in the quarry and Lima, as well as a review of identity documents and regular contact with the head of mine security and with the contractor.

Our **objective** regarding this issue is to avoid hiring any minors, given the dangers of working at the quarry and the deprivation of human rights that this would cause.



Formal complaint mechanisms

Complaints can be made by direct notification or email to the Head of Security at the quarry, who reports to the Operations Management. Also, you can contact the administrative manager via email.

Evaluation of the management approach (GRI 103-3)

To **evaluate** this approach, the Finance and Administration area is in charge of reviewing the forms every month, both in the quarry and in the office, to ensure that there are no cases of employment of minors. In addition, the number and percentage of workers to whom the Policy Against Child Labor has been communicated, as well as the Code of Ethics and Conduct, which also contains a subsection on this subject, are reported annually to the General Manager.

In 2021, there were no cases of child labor in our mining operations. It was possible to communicate the policies to all the office and quarry workers, as well as to the contractors.

During the year, the communication of the Code of Ethics and Conduct was launched and its evaluation was conducted at the end of the year.

Operations and suppliers at significant risk for incidents of child labor (GRI 408-1)

Our **extractive mining operation** may pose a risk to minors because of the heavy equipment being handled.

Lafayette Mining Company asks its contractors for the worker's monthly payrolls, where the existence of minors is checked. At the same time, continuous on-site control is carried out by the head of security in our mining unit, and an arduous review of documents is conducted when recruiting workers.

View of the operation area in "La Mona" quarry

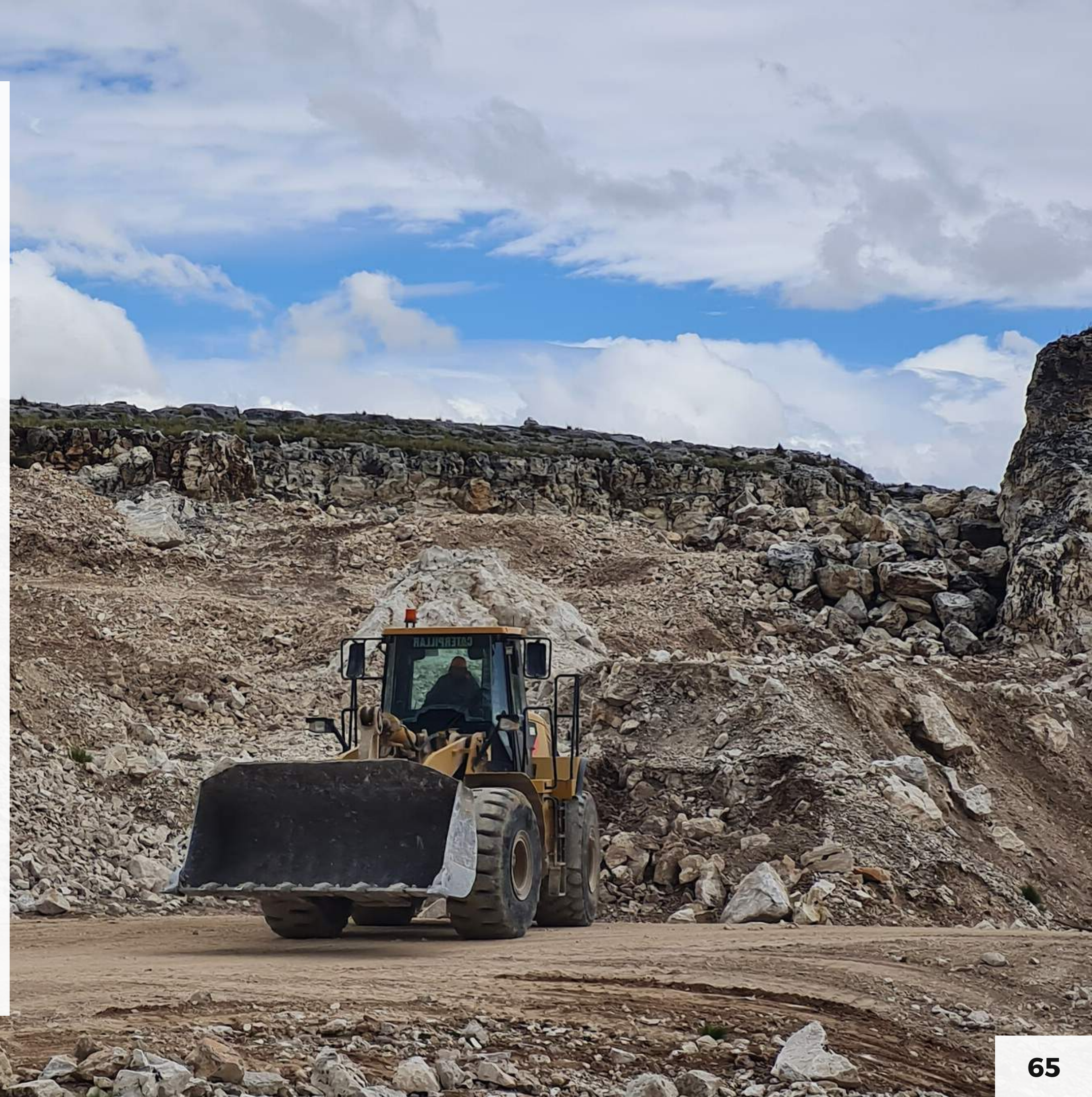
Forced or Compulsory Labor Prevention

(GRI 103-1)
(GRI 103-2)

Various indicators can be used to determine when a situation amounts to forced labor, such as the limitation of a worker's freedom of movement, withholding of wages or identity documents, physical or sexual violence, threats, intimidation, or fraudulent debts that workers cannot escape. It is of the utmost importance that employees receive the benefits they deserve and that they are treated with integrity, which is why we must avoid forced labor in all parts of the company.

Lafayette Mining Company controls and condemns all forms of modern slavery in its mining operations. For which we seek to hire the appropriate personnel, constantly evaluate working conditions, and collect all complaints from collaborators to solve them. In 2021, the company assumed 95% of the operations in the quarry, which provided a higher level of control and made it possible to easily identify any indication of forced labor.

The **purpose** of this approach is to eradicate and prevent any form of forced labor, threat, or intimidation against the workers within the company and in the activities of our contractors. We seek to fully respect the rights of our collaborators and establish great relationships with them.



Forced labor prevention management

(GRI 103-2)



Policies

We have a **Code of Ethics and Conduct**, where the limitations on the actions of employees are expressed. This includes detailed definitions of prohibited actions like threats, use of violence, manipulated debt, retention of documents, or intimidation.



Commitments and goals

We are **committed** to evaluating our communication and compliance with the Code of Ethics and Conduct year after year, as well as ensuring that we take the necessary measures when an act of forced labor occurs.

Our **goal** is to avoid and prevent any incident of forced labor, especially in the quarry, and to develop a good relationship and mutual trust with our workers.



Responsibilities

It falls under the Security area in the quarry and the Operations area. These units must ensure that there is no threat of forced labor and act on any such claim.



Formal complaint mechanisms

Claims are given formally via email to the head of security or the Operations Manager. In the event of any instance of forced labor by any of the heads of these areas, the General Manager should be contacted in the same way.

Evaluation of the management approach (GRI 103-3)

To evaluate the **effectiveness** of this approach, we assess the correct communication of the Code of Ethics and Conduct to all workers in Lima and the "La Mona" quarry.

In 2021, the code was communicated to 100% of the workers both in the quarry and the office, and there were no cases of forced labor within the organization.

Operations and suppliers at significant risk for incidents of forced or compulsory labor (GRI 409-1)

Our **extractive mining operation** runs the risk of exposing forced labor because we work with heavy equipment.

Lafayette Mining Company informs all the personnel in the quarry of the type of work to be done, and they are instructed not to carry out any work that implies a risk to their health, nor can it be required as mandatory. Management tools such as the Safe Work Analysis (ATS, by its acronym in Spanish), Hazard Identification, Risk Assessment and Control (IPERC, by its acronym in Spanish), and incident reports are available to all workers. All of them prioritize the well-being of employees.

Local Communities

(GRI 103-1) (GRI 103-2)

Having a good relationship with the communities that live near the company's operations is of the utmost importance, especially in the case of mining companies. The surrounding communities could be affected by toxic waste, air and/or water pollution, child labor, forced and poorly paid labor, and damage to the ecosystem and nature, among other impacts. Therefore, the environment in which these companies operate must be respected, and they must be careful not to harm their population.

Lafayette Mining Company maintains an agreement with the Community of Santa Bárbara de Carhuacayán. At the same time, we support this with investment in the education of the district, the repair of bridges in case of rain, and the maintenance of roads through biannual rips. Furthermore, we offer jobs for locals to improve the economy of the residents and their quality of life. Proof of this was the support for the Carhuacayán community in 2019 when two bridges fell during the rainy season. At that time, the company supported the reconstruction process with wood, machinery, and supervision.

Our fundamental **purpose** regarding this approach is to maintain good relations with our neighbors in the communities surrounding the mining operation and contribute to their well-being, quality of life, and economic growth.



Local communities relations management

(GRI 103-2)



Policies

The company has a paused agreement with the community of Santa Bárbara de Carhuacayán, which highlights the financial contributions for the use of communal land as a result of the transit of heavy vehicles. In addition to educational incentives, road maintenance, jobs, and internships for young people of legal age, with food and accommodation, whose hiring is then evaluated.



Commitments and goals

We commit ourselves every year to complying with all the aspects assessed in the agreements with the communities and to having continuous and clear communication with the president of the community and other residents.

Our goal is to maintain mutually beneficial relationships between the company and the communities near the quarry.



Responsibilities

It falls in the **Commercial Management** area and in the **Operations** area, both in the mine and in Lima.



Formal complaint mechanisms

Complaints are made via email to the Operations Manager or the Head of Security at the quarry. Disagreements are also expressed in formal meetings with the president of the community.



Evaluation of the management approach (GRI 103-3)

The conformity of the local communities is evaluated in the annual meetings for the discussion and signing of the agreements. However, due to the pandemic, the agreement and the meetings with these communities had to be frozen.

The **result** of 2021 was positive, even with the agreement on pause, because we kept in contact and communicated with these communities, and we sought a relationship of mutual support from all parties involved. In addition, we had no legal issues or complaints from the communities.

The operation in the "La Mona" quarry (located in Paraje Socorro, Santa Bárbara de Carhuacayán District, Yauli Province, Junín Department) does not have any significant real impact on its surrounding communities. **(GRI 413-2)**

Likewise, the personnel of our operation in "La Mona" quarry participate in the community vigilance committee of the District of Santa Bárbara de Carhuacayán, supporting citizen security vigilance. **(GRI 413-1)**



5 ANNEX

Main labor
(operation area)
in "La Mona" quarry

About our report (GRI 102-46)

Within the framework of the Competitive Business Program, the process to define the contents of this report has been carried out by our implementing partner, "Asociación UNACEM", in coordination with our main client, UNACEM, who has invited us to prepare our Sustainability Report under the GRI methodology. Our report covers information from January 1 to December 31, 2021. **(GRI 102-50)**

Eight of the ten reporting principles have been applied. Our implementing partner, "Asociación UNACEM", within the framework of the Competitive Business Program, has made the selection of content. Therefore, the principles of inclusion of interest groups and materiality are not complied with. However, the following principles are followed: i. Sustainability Context ii. Completeness iii. Precision iv. Balance v. Clarity vi. Comparability vii. Reliability viii. Punctuality.

List of material topics (GRI 102-47)

GRI Standard	Material topic	Coverage (GRI 103-1)
GRI 200: Economic	GRI 201: Economic Performance	External/Internal
	GRI 204: Procurement Practices	External
	GRI 205: Anti-corruption	External/Internal
GRI 300: Environmental	GRI 302: Energy	External
	GRI 303: Water and Effluents	External/Internal
	GRI 306: Waste	External
	GRI 307: Environmental compliance	External
GRI 400: Social	GRI 401: Employment	Internal
	GRI 403: Occupational Health and Safety	External/Internal
	GRI 404: Training and Education	Internal
	GRI 406: Non-discrimination	External/Internal
	GRI 408: Child Labor	External/Internal
	GRI 409: Forced or Compulsory Labor	External/Internal
	GRI 413: Local Communities	External

GRI Content Index

This material references GRI 102: General Disclosures 2016, GRI 103: Management Approach 2016, GRI 201: Economic Performance 2016, GRI 204: Procurement Practices 2016, GRI 205: Anti-corruption 2016, GRI 302: Energy 2016, GRI 303: Water and Effluents 2018, GRI 306: WASTE 2020, GRI 307: Environmental Compliance 2016, GRI 401: Employment 2016, GRI 403: Occupational Health and Safety 2018, GRI 404: Training and Education 2016, GRI 406: Non-discrimination 2016, GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor 2016, GRI 413: Local Communities 2016. For a detailed overview of all relevant disclosure see GRI content index below.

GRI standard	Content	Page number/ Direct response	Omission
GRI 102: General Disclosures 2016			
GRI 102: General Disclosures	Organizational profile		
	102-1 Name of the organization	78	No
	102-2 Activities, brands, products, and services	6	No
	102-3 Location of headquarters	78	No
	102-4 Location of operations	6	No
	102-5 Ownership and legal form	78	No
	102-6 Markets served	6	No
	102-7 Scale of the organization	6	No
	102-8 Information on employees and other workers	45	No
	Strategy		
	102-14 Statement from senior decision-maker	4, 5	No
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	7	No
	Governance		
	102-18 Governance structure	6	No
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	The consolidated financial statements only include "Compañía Minera Lafayette S.A."	No
	102-46 Defining report content and topic Boundaries	72	No
	102-47 List of material topics	72	No
	102-48 Restatements of information	No significant changes have been made concerning the previous report.	No
	102-49 Changes in reporting	There were no changes in the reporting periods.	No

GRI standard	Content	Page number/ Direct response	Omission
GRI 102: General Disclosures	102-50 Reporting period	Between January 1 and December 31, 2021	No
	102-51 Date of most recent report	December 31, 2020	No
	102-52 Reporting cycle	Annual	No
	102-53 Contact point for questions regarding the report	78	No
	102-55 GRI content index	73, 74, 75, 76, 77	No
Topic Specific Standard			
200 series (Economic topics)			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	12, 72	No
	103-2 The management approach and its components	12, 13	No
	103-3 Evaluation of the management approach	14	No
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	14	No
Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	15, 72	No
	103-2 The management approach and its components	15, 16	No
	103-3 Evaluation of the management approach	17	No
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	17	No
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	18, 72	No
	103-2 The management approach and its components	18, 19	No
	103-3 Evaluation of the management approach	20	No
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	21	No
	205-2 Communication and training about anti-corruption policies and procedures	20	No
	205-3 Confirmed incidents of corruption and actions taken	20	No

GRI standard	Content	Page number/ Direct response	Omission
300 series (Environmental topics)			
Energy			
GRI 103:	103-1 Explanation of the material topic and its Boundary	23, 72	No
Management	103-2 The management approach and its components	23, 24, 25	No
Approach 2016	103-3 Evaluation of the management approach	26	No
GRI 302:	302-1 Energy consumption within the organization	26	No
Energy 2016			
Water and Effluents			
GRI 103:	103-1 Explanation of the material topic and its Boundary	27, 72	No
Management	103-2 The management approach and its components	27, 28	No
Approach 2016	103-3 Evaluation of the management approach	29	No
GRI 303:	303-1 Interactions with water as a shared resource	29	No
Water and			
Effluents 2018	303-5 Water consumption	29	No
Waste			
GRI 103:	103-1 Explanation of the material topic and its Boundary	30, 72	No
Management	103-2 The management approach and its components	30, 31, 32	No
Approach 2016	103-3 Evaluation of the management approach	33	No
GRI 306:	306-1 Waste generation and significant waste-related impacts	33	No
Waste 2020	306-2 Management of significant waste-related impacts	33	No
	306-3 Waste generated	34	No
Environmental Compliance			
GRI 103:	103-1 Explanation of the material topic and its Boundary	35, 72	No
Management	103-2 The management approach and its components	35, 36, 37, 38, 39	No
Approach 2016	103-3 Evaluation of the management approach	40	No
GRI 307:			
Environmental	307-1 Non-compliance with environmental laws and regulations	40	No
Compliance 2016			

GRI standard	Content	Page number/ Direct response	Omission
400 series (Social topics)			
Employment			
GRI 103:	103-1 Explanation of the material topic and its Boundary	42, 72	No
Management	103-2 The management approach and its components	42, 43	No
Approach 2016	103-3 Evaluation of the management approach	44	No
GRI 401:	401-1 New employee hires and employee turnover	44	No
Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	45	No
Occupational Health and Safety			
GRI 103:	103-1 Explanation of the material topic and its Boundary	46, 72	No
Management	103-2 The management approach and its components	46, 47, 48, 49, 50	No
Approach 2016	103-3 Evaluation of the management approach	51	No
GRI 403:	403-1 Occupational health and safety management system	52	No
	403-2 Hazard identification, risk assessment, and incident investigation	53	No
	403-3 Occupational health services	54	No
	403-4 Worker participation, consultation, and communication on occupational health and safety	52	No
	403-5 Worker training on occupational health and safety	56	No
	403-9 Work-related injuries	51	No
	403-10 Work-related ill health	51	No
Training and Education			
GRI 103:	103-1 Explanation of the material topic and its Boundary	55, 72	No
Management	103-2 The management approach and its components	55, 56, 57	No
Approach 2016	103-3 Evaluation of the management approach	58	No
GRI 404:	404-1 Average hours of training per year per employee	58	No
Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	56	No

GRI standard	Content	Page number/ Direct response	Omission
Non-discrimination			
GRI 103:	103-1 Explanation of the material topic and its Boundary	59, 72	No
Management	103-2 The management approach and its components	59, 60	No
Approach 2016	103-3 Evaluation of the management approach	61	No
GRI 406:			
Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	61	No
2016			
Child Labor			
GRI 103:	103-1 Explanation of the material topic and its Boundary	62, 72	No
Management	103-2 The management approach and its components	62, 63	No
Approach 2016	103-3 Evaluation of the management approach	64	No
GRI 408:	408-1 Operations and suppliers at significant risk for incidents of child		
Child Labor 2016	labor	64	No
Forced or Compulsory Labor			
GRI 103:	103-1 Explanation of the material topic and its Boundary	65, 72	No
Management	103-2 The management approach and its components	65, 66	No
Approach 2016	103-3 Evaluation of the management approach	67	No
GRI 409:	409-1 Operations and suppliers at significant risk for incidents of		
Forced or	forced or compulsory labor	67	No
Compulsory Labor			
Local Communities			
GRI 103:	103-1 Explanation of the material topic and its Boundary	68, 72	No
Management	103-2 The management approach and its components	68, 69	No
Approach 2016	103-3 Evaluation of the management approach	70	No
GRI 413:	413-1 Operations with local community engagement, impact		
Local Communities	assessments, and development programs	70	No
2016	413-2 Operations with significant actual and potential negative		
	impacts on local communities	70	No



Compañía Minera Lafayette S.A. (GRI 102-1) (GRI 102-5)

Av. El Polo 401, Of. 603, Urbanización Monterrico, Santiago de Surco, Lima – Peru. **(GRI 102-3)**

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Front view of
"La Mona" quarry