

Sustainability Report 2023

Innovation Driving Mining Sustainability



Message from the Chairman of the Board

ESG is an important topic for STRACON Group. We believe our environmental approach, our relationship with communities, and our sound governance practices are world-class. Many of the concepts being discussed nowadays around ESG have been part of STRACON Group's core values for the last 20 years and will continue to be so for the next 20 years and beyond.

Sustainability means responsibility - to the communities we deal with, to our employees, and to our clients, suppliers, and service providers. We look for that same commitment in our clients who, because they are often large-scale mining groups, are highly disciplined in the practice of ESG and share the value we place on it.

The challenge going forward is to ensure more people share the concepts and philosophy of ESG so we are all on the same page when discussing practical solutions that can help communities and companies the world over. STRACON Group took a good first step towards this last year with our first sustainability report. In it we shared the measures we are taking to be a leader not just in responsibility, but also in green technology that is part of being a responsible and sustainable corporate citizen.

We are proud to present this, our second sustainability report, and hope you will find it useful and interesting, and that perhaps it will prompt deeper conversations about the steps each one of us is taking to promote and practice ESG.

Sincerely,



Fernando Garcia-Rosell
Chairman of the Board of Directors, STRACON Group



Letter to Stakeholders from the CEO

Dear Stakeholders,

I am pleased to present STRACON Group's 2023 Sustainability Report which underscores our unwavering commitment to Environmental, Social, and Governance (ESG) principles. This report conveys our vision for sustainable development, highlights our achievements over the past year, and outlines our roadmap for the future.

At STRACON Group, we believe that sustainable development is not just a goal but a fundamental aspect of our business strategy. Our vision is to be a strategic partner in the mining sector, delivering value and sustainability across the mining chain through technology, innovation, and operational excellence. This vision is anchored in our core values: prioritizing safety, acting with integrity, and passionately pursuing efficiency in all our endeavours.

Supporting our clients in achieving their sustainability goals is a core aspect of our mission. We deliver safe, efficient, and high-quality services, addressing our clients' needs and priorities through local employment, contracting initiatives, and targeted training and development. Our involvement in the construction and initial operation of greenfield mining operations, such as Hudbay's Constancia Mine and Anglo American's Quellaveco Mine in Peru, exemplifies our commitment to these objectives (as discussed on [page 35](#)).

We are particularly proud of the significant achievements our team made in 2023. The "people tracking" solution developed by STRACON Technologies, and deployed with several clients in Peru, improved control in areas of elevated risk and received an award in that country (please see [our website](#)). We also began initial mine rehabilitation activities for Barrick Gold in Peru, highlighting our focus on sustainable practices (see [page 33](#)).

Safety remains our utmost priority. Dumas set a new safety record at Torex Gold's El Limón Project in Mexico, achieving five years with no Lost-Time Incidents, whilst STRACON S.A. reached a milestone of over 23 million man-hours with no Lost-Time Incidents at Hudbay Minerals' Constancia Mine in Peru.

Our sustainability goals include continuous improvement in all aspects of our business. We aim to reduce carbon emissions through enhanced fleet management, technology deployment, and the use of electrified mining and construction equipment. Additionally, we are developing engineering and construction solutions to accelerate the transition to renewable energy sources for the mining industry (as outlined on [page 34](#)).

We acknowledge the challenges of balancing the need to deliver quality, cost-competitive services while investing in long-term sustainability initiatives. To address these challenges, we are working with clients to align on initiatives and priorities, developing focused plans with clear priorities, and assigning the necessary budget and resources to execute these plans (see [page 10](#) for our strategic approach).

My personal commitment to ESG is driven by the belief that acting responsibly is crucial in both business and personal life. I am motivated by the positive impact STRACON has had historically on the societies we touch, and how this continues to shape our growth. As a leader, I strive to foster a culture of sustainability within our company and encourage other leaders in the industry to strengthen their ESG commitments (read more about our leadership perspective on [page 22](#)).

To our stakeholders, I offer a message of commitment and collaboration. Your support and contributions are vital to our sustainability efforts. Together, we can drive meaningful change and achieve our shared goals.

I am confident that our ongoing efforts and dedication will enable us to navigate the evolving landscape of the mining industry while making significant contributions to sustainability. Thank you for your continued support.

Sincerely,



Steve Dixon
CEO, STRACON Group



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About this Report

Purpose

This is STRACON Holdings S.A.'s second annual Sustainability Report, representing our vision and commitment to sustainable development, as well as an overview of past and current activities, and future plans and commitments. We are dedicated to transparency in documenting the work that goes into developing our business sustainability strategy, and the resulting progress and performance results.

Throughout this report, STRACON Holdings S.A. and our subsidiary companies are referred to as "STRACON Group," "the Group," "we," "us," or "our," and include STRACON PERU S.A., AMECO South America Chile SpA (AMECO), Dumas Contracting Ltd. with subsidiaries Dumas Contracting USA Inc., and Grupo Minero Dumas Mexico, S.A. de C.V. (collectively "Dumas"), STRACON Eng & Energy S.A.C. ("STRACON Engineering"), STRACON S.A., and STRACON Technologies S.A.C. ("STRACON Tech"). Data from these companies is included in this Sustainability Report.

We use the words "ESG" (environmental, social, and governance) and "sustainability" interchangeably.

This report has been prepared with reference to the Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board (SASB). This year, we have published an ESG Data Book for the first time, which includes additional ESG data and content, and the GRI/SASB Index, a reference for locating specific metrics within the report. Our 2023 ESG Data Book can be found on our corporate website (www.stracon-group.com).

This report has been reviewed and approved by STRACON Group's executive management and board of directors. No external third-party assurance was sought for the contents of this report. Unless otherwise indicated, all monetary amounts are in United States dollars (USD). Some percentages and numbers may not add up to the total amount or 100% due to rounding.

Reporting Boundaries

This report covers the calendar year from January 1 to December 31, 2023. It includes our approach to sustainability management, performance and work on material ESG topics (areas where we have the most significant impact on external environments, i.e., local communities, environments, economies, and clients).

The report covers ESG information and data for all the STRACON Group companies except for STRACON Engineering, a newly formed company with, consequently, no data.

Audience

This report is written for our stakeholders, including our clients, shareholders, partners, employees, contractors, local communities, and suppliers, as well as governments, regulatory agencies, and the public.



About STRACON Group

STRACON Group is owned by Ashmore Group plc (London Stock Exchange) (~85%), and Group management (~15%).

The Group's corporate offices are in Peru (Lima), Chile (Santiago), and Canada (Toronto). STRACON Group operates in eight countries, namely Canada, United States, Mexico, the Dominican Republic, Colombia, Ecuador, Peru, and Chile.

STRACON Group comprises specialist businesses providing technology and energy efficiency, engineering, construction, operations, equipment rental, asset management and maintenance services for underground and open-pit mines in the Americas. Our focus is on commodities that contribute to the global energy transition, building upon three successful decades of doing business with continued, sustainable growth.



2023 Sustainability Highlights

New safety record set by Dumas at Torex Gold's El Limón Project (Mexico): Five years with no Lost-time Incidents



The Total Recordable Injury Frequency Rate (TRIFR) of the Group's companies in 2023 was 0.30 (based on 200,000 hours worked)



STRACON S.A. achieves 23,000,422 man hours or 10 years with no Lost-time Incidents at Hudbay Minerals' Constancia Mine (Peru)



31% of employees (AMECO, Dumas and STRACON S.A.) are hired from the local community¹



STRACON Group acquires OMT SpA to enhance digital technology capabilities, resulting in improved efficiency, safety, and sustainability



65% of professional level and 100% of manager level employees have received performance and career development reviews



STRACON Tech develops solution to enable tracking of personnel in high-risk environments



¹"Local community" is defined by each client in conjunction with the description in the Environmental Impact Study (EIA) and/or the Modification of the Environmental Impact Study (MEIA).

Our Business

STRACON Group is a leading mining service provider dedicated to serving the mining sector in North, Central and South America. We are the only specialist group offering both construction and operational mining services for underground and open-pit mines across the Americas. Our broad portfolio of integrated services across the mining

supply chain provides solutions for every stage of the mining life cycle, from planning to mine closure. We integrate technology, engineering, construction and operations services, and serve as a bridge between communities and our clients – mining companies – to enhance relationships and drive sustainable outcomes.

2023 Group Highlights

38 active projects across the Group

7,363 total employees of STRACON Group

\$1.12 billion (USD) total backlog²

14,844,346 hours worked

²“Backlog” is defined as the value of projects not completed as of the close of the reporting period (revenue contractually expected in the future but which has not been recognized). Ref. SASB Engineering reporting standard.



Our Purpose

To build a better future for the world and for new generations

Our Vision

To be a strategic partner in the mining sector that provides services generating value and sustainability across the mining chain, through technology, innovation, and operational excellence

Our Values

Our **people** and their safety are our top priority

We are **passionate** about what we do

We are **efficient**

We act with **integrity**



STRACON Group Services

Open-Pit Mining

STRACON Group has worked on multiple stages of more than 20 open-pit mining projects and has moved more than a billion tons of ore and waste rock. Our open-pit projects comply with high standards of safety, quality and sustainability, and promote social and economic benefits within local communities. We efficiently lead every part of the process from planning and engineering to construction, operation, and mine closure.



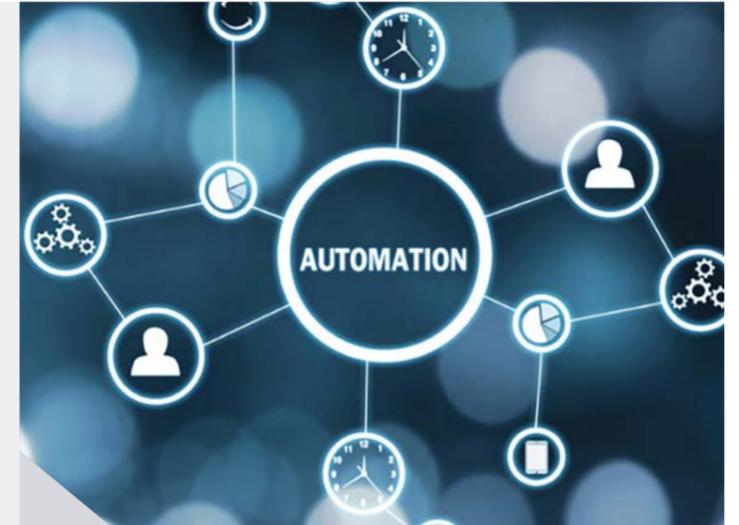
Underground Mining

With three decades of experience in underground mining across North, Central, and South America, STRACON Group is uniquely positioned to safely and sustainably deliver underground mining services to our clients. Our teams have delivered in excess of 300 kilometres of underground lateral development and 40 kilometres of vertical development in addition to many unique construction deliverables.



Mining Technology

STRACON Tech provides integrated technology services to mining clients with a range of practical digital solutions that encompass digital infrastructure, cyber-security and energy efficiency. The application of these modern technologies, coupled with our adaptable business model, translates into leading safety performance, high levels of productivity, efficiency, and sustainable business operations.



Asset Management and Equipment Rental

Our asset management and equipment rental services provide a single point of contact for equipment requirements and support services at a mine site. As a result, mine owners, operators, and other on-site contractors can optimize their resources, lower their costs, and execute projects safely and more efficiently.



Engineering

STRACON Group's engineering team provides integrated engineering, procurement, investment, and construction services, including delivery of solutions that facilitate the transition to sustainable energy within the mining sector.



Supporting Clients in their Business Sustainability Goals

As a strategic partner in the mining sector, our services generate value and sustainability across the mining chain, through technology, innovation, and operational excellence. Providing such support is a key element in the services STRACON Group offers our clients, and plays an essential role in supporting mining companies in achieving their own sustainability business goals. By participating responsibly in the value chain of mining, we contribute to an improved environment, more equitable society, and a better planet overall.



Our Sustainability Journey

In 2023, STRACON Group was formed from five companies, each with their own business principles and corporate culture. However, there was a common thread that united these companies under one umbrella (the Group). That thread was a commitment to safety, sustainable development practices, and a strong belief that they are critical to building successful businesses, maintaining a satisfied workforce, and making a strong connection with our clients.

This is our second annual sustainability report, documenting the Group's dedication to ESG that we share with our stakeholders and the general public. This year, our second year of reporting, STRACON Group underwent a materiality assessment, through which we identified our priority ESG topics, mapped them to international disclosures (GRI and SASB). This initiated data collection. We expect our sustainability reporting process to improve and strengthen with each year, and is something we will continue to do as we progress our journey as STRACON Group.



Our Approach

At STRACON Group, our commitment to sustainability and sustainable business growth informs and guides our ESG agenda.

Last year, in lockstep with the formation of STRACON Group, we began the materiality process which included a desktop study, external media scan, and five interviews that focused on the leadership team and board to understand their perspectives on ESG topics that were of utmost priority to them. We identified 27 sustainability topics through this process.

The goal was to understand how certain issues may impact our business in a financial or

reputational manner and, as a result, impact our stakeholders and the environment. The issues are presented in the graphic on the next page.

We will continue to build on the materiality process, strengthening our approach to sustainability year over year. For us, materiality is a dynamic and fluid process and must be approached annually, with care and a clear strategy. A baseline for our sustainability footprint is established in this Report and our ESG Data Book. Our ESG data is limited for now but as we continue to align the Group companies, it will compound year over year.





Materiality Assessment

A materiality assessment is a process to ascertain the nonfinancial issues (i.e., ESG issues) to which we dedicated time and resources, either to manage and mitigate risk, or to address necessary Group business decisions. This assessment helps us understand which ESG issues have the potential to impact the Company (positively or negatively) in a financial or reputational manner through our management and performance, or may have the potential to impact or influence the decisions of key stakeholders.

This year, we determined the ESG priority topics for STRACON Group by focusing on the topics that align with our purpose, vision and values, and

long-term business success. Materiality assessments are integral to defining our company's sustainability process, underpinned by our commitment to responsible business practices.

Stakeholder Engagement

Over 25 interviews were conducted. They were confidential in nature and the findings kept anonymous. Our goal was to hear from our stakeholders as to why they have a vested interest in STRACON Group, and how they themselves view sustainability. The interviews were analyzed and incorporated into the results of the desktop study.

Leadership Engagement/Workshop

A full-day ESG Leadership Workshop took place in Lima, Peru on March 27, 2024, and included 13 participants, including the Group's CEO and other members of the executive management team. The workshop formed a critical component of this year's materiality assessment process and had three primary objectives:

1. To determine how the leadership team of the Group is experiencing and/or managing sustainability through their roles and interactions with stakeholders (i.e., clients, suppliers, etc.)
2. To facilitate discussions about the business and the participants' commitment to ESG across the Group
3. To agree on the Group's priority ESG topics

The Leadership Workshop focused on the ESG issues that emerged from the desktop and stakeholder phases of this year's materiality process.

Four exercises were included in the day-long workshop, including the double materiality process/assignment which resulted in the establishment of the company's ESG priorities. These will be tracked and will be the focus of the Company's business sustainability strategy (see [pages 13-14](#) for results).

Key Stakeholders and Corresponding ESG Issues/Concerns

Stakeholder Group	Key ESG Interests
Suppliers/Contractors	Client Support, Economic Sustainability, Climate Change, Environmental Impact Management
Clients	Client Support, Leadership & Culture, Community Impact, Environmental Impact Management
Employees	Economic Sustainability, Environmental Impact Management, Leadership & Culture, Community Impact
Investors	Leadership & Culture

What Does Sustainability Mean to Us?

There were several over-arching messages that emerged from the group discussions in our first ESG Leadership Workshop in March 2024. These discussions reflect the Company's values and

inform decision-making at every stage. In response to the question, "What does sustainability mean to you?", the leaders' responses were distilled down to five main themes, as follows:

Think and act for the long term in such a way that all the relationships we build (both business and personal) will last a lifetime and provide a better world for our children.



Create value for everyone impacted by our actions by taking care of people and the environment.



Be a company that people want to work for and with.



Be a generous and respectful citizen that has a collective, inclusive perspective and does not override others' rights.



Reduce any negative impact in the world and always strive to improve.



Materiality Assessment Results

Understanding our company, particularly as we have experienced significant change and growth in recent years, means having a clear understanding of our business sustainability priorities. As we evolve, it is important to manage risk and ensure we take care of our people and our clients.

With this year's more comprehensive process (adding 25+ internal and external stakeholder interviews) and the leadership team participating in their first ESG Leadership Workshop, we found our ESG topics shifted slightly in order of ranking.

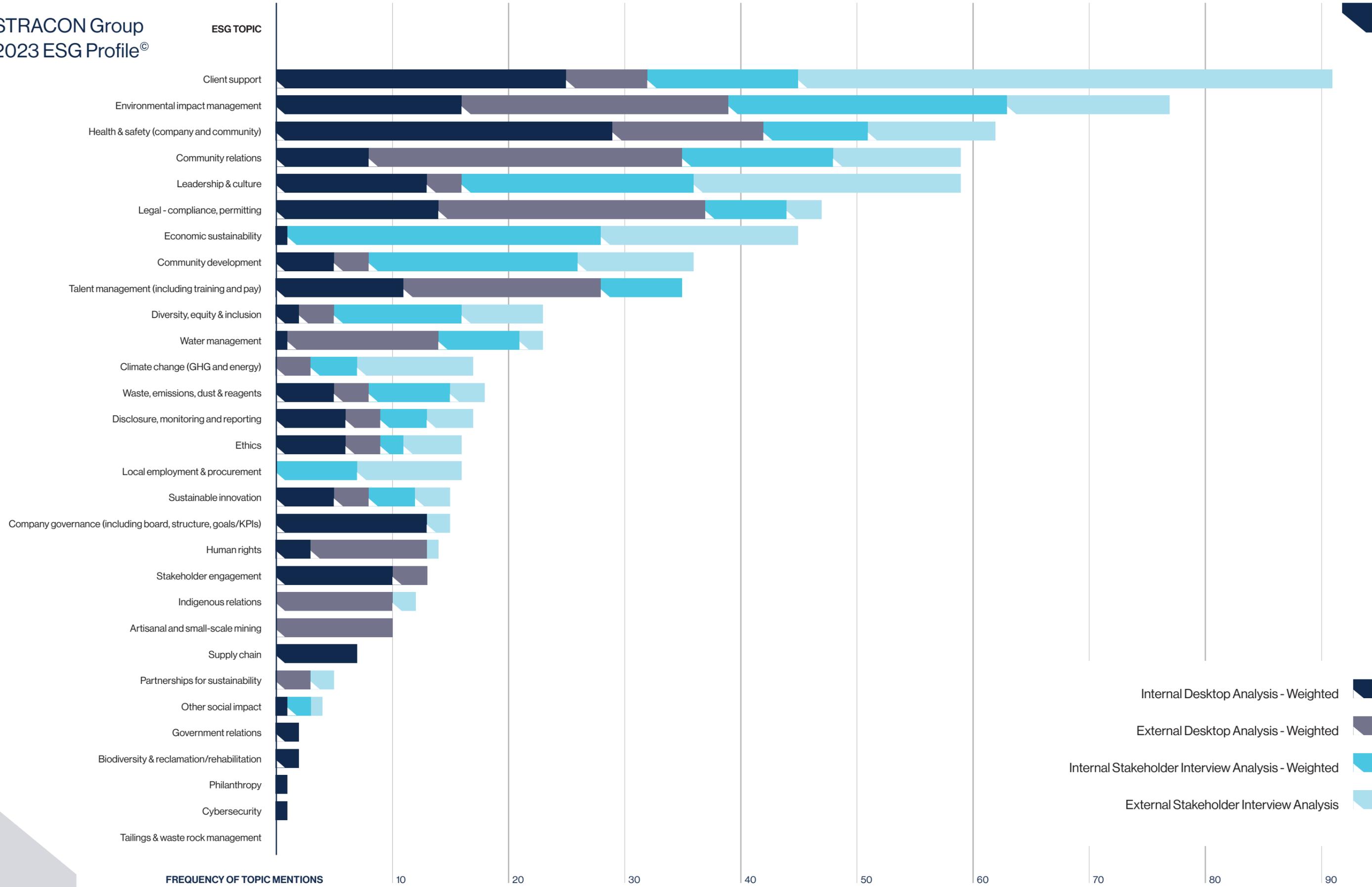
Climate Change moved up from below the top five and now lands second on our ESG Profile® (see [next page](#)). During the Leadership Workshop, after some discussion, Climate Change was renamed Emissions Reduction to more aptly portray how we support our clients in their climate change commitments.

Environmental Impact Management was a topic that emerged this year as an amalgamation of several topics from last year's analysis, such as biodiversity. This reflects the Group's strong commitment to minimizing negative environmental impact.

Diversity, Equity and Inclusion rose to the top three this year. Social Impact is a topic which also represents an amalgamation of several social topics, such as community impact and development.

Client Support, and Health and Safety both remained a priority, whilst Leadership and Culture, and Talent Management – both key Governance topics – remained in the top materiality topics for STRACON Group. Please see our final list of Priority topics on [page 14](#).





Double Materiality

The double materiality exercise engaged all members of the leadership team in deep discussion as to why each of the nine ESG topics were relevant to the business and to our stakeholders, and how to view any difference in urgency between the two entities.

We began by determining whether the top ten ESG topics from the ESG Profile remained accurate, using the knowledge and specific insights from our leadership roles. As a result of our discussions, we combined Community Relations and Community Development into one topic called Social Impact to better reflect the Group's actual activities. As mentioned

above, we addressed Climate Change, a pressing global issue for our stakeholders, under the new name of Emissions Reduction to more accurately reflect the Group's approach, and we removed Legal (permitting) as it is typically led by the client. The final list of priority topics can be seen in the highlight box to the right.

2023 Double Materiality Matrix



STRAICON Group 2023 Priority ESG Topics

- 1 Client Support
- 2 Environmental Impact Management
- 3 Emissions Reduction
- 4 Health and Safety (Company and Community)
- 5 Social Impact (Community Relations, and Community Development)
- 6 Leadership and Culture
- 7 Economic Sustainability (of STRACON Group)
- 8 Talent Management
- 9 Diversity, Equity, and Inclusion

This symbol  indicates a Priority ESG Topic.

Risk, Responsibility and Contribution

Each priority topic was then analyzed from the perspective of how we should approach each topic moving forward, as part of STRACON Group's business strategy.

In the graphic to the right, all topics are obligatory items that require us to act. However, the topics listed in the Contribution column are ones that are of particular importance to us.

When looking at topics that fall only within the Responsibility column, we ask ourselves the following questions:

1. Do our **Sustainability Policy, jurisdictional laws, and any client or community obligations require us to act?**
2. Do our projects and operations have a material impact on this issue?

For topics to move from the Responsibility column over to the Contribution column, we ask ourselves these questions:

1. Is there an urgent social or environmental need being faced in the areas in which we work?
2. Can we positively influence the mining industry through our actions?
3. What do we want STRACON Group to be known for?

The answers to these questions resulted in clarification of whether the topics fell into the category of Responsibility or Contribution as follows:

Responsibility and Contribution

RESPONSIBILITY Obligations that require us to act.

Economic Sustainability



Diversity, Equity, & Inclusion



Environmental Impact Management



Emissions Reduction



Talent Management



Leadership & Culture



CONTRIBUTION What do we want to be known for?

Health & Safety



Client Support



Local Employment & Procurement



Community Relations



Community Development



Governance

Sustainability is woven into STRACON Group's operations and is integral to our governance practices that guide our operations, protect our stakeholders, and ensure our long-term viability, thereby contributing to the Company's success.



How We Govern for Sustainability

STRACON Holdings S.A. is the holding company that controls the policies and oversees the management of our subsidiary companies, focusing on risk mitigation and value creation. This includes the appropriate execution of the policies we

have established in the past year across our group of companies, as well as the process currently underway of building a robust sustainability strategy.

One of these governance documents is the Sustainability Policy that governs

our principles of sustainability, as well as our safety, ethics and compliance practices. By adhering to these principles, we aim to drive continuous improvement in our ESG performance.



Governance Systems and Policies

Governance systems and policies allow STRACON Group to follow detailed plans and strategies in implementing our work successfully and with care. The Group's board level policies flow through to the corporate level. There they are incorporated into the internal culture, and are also shared with the sites so the entire organization is operating under the same guiding principles and mindset.

Since forming STRACON Group, our objective has been to create a uniform and structured approach to sustainability across all our united companies.

The following are Group-level policies guiding our company culture:

[Code of Ethics](#)

[Compliance Policy](#)

[Integrated Management System Policy](#)

[Policy for the Prevention of Corruption, Asset Laundering and/or Financing of Terrorism](#)

[Policy to Prevent and Sanction Sexual Harassment](#)

[Prevention of Alcohol and Drugs Use Policy](#)

[Social Responsibility Policy](#)

[Sustainability Policy](#)

[Whistleblower Protection](#)

Sustainability Oversight

Our operations are guided by the seven pillars of our Sustainability Policy, with the ultimate goal of building trust with our internal and external stakeholders, and surpassing expectations as an organization. Our pillars are the fundamental basis of our strategic approach to corporate sustainability. Their aim

is to support consistent and balanced value generation for our shareholders, the comprehensive well-being of our employees, constructive relationships with our clients and communities, as well as good corporate governance and care of our environment.

Our 7 Pillars of Sustainability



Doing the right thing:

Our management is based on the principles of good corporate governance, transparency, anti-corruption and anti-bribery practices, honesty, fair competition, and integrity, with the latter being a fundamental value in our company.



Developing people:

We continuously generate a positive impact on our employees and subcontractors, through an inclusive work environment that motivates good job performance, equal conditions, non-discrimination, and fosters a balance between family and professional life.



Operational excellence:

Our culture is based on continuous improvement, flexibility, innovation, quality, and productivity, which translates into providing efficient and high-quality services to our clients.



Taking care of people:

We provide conditions to create a safe and healthy work environment, managing risks and controls comprehensively in our operations, so that our employees, subcontractors, and visitors return home safe and sound.



Caring for the environment:

We contribute to environmental care by applying sustainable practices that prevent negative impacts on the environment where we operate. We are rigorous in complying with laws and continuously challenge ourselves to exceed what is established.



Good relationships and transparent dialogue:

We build trust with all our stakeholders through effective, open, and transparent dialogue, and through a close relationship that enables us to understand and align their expectations, monitor them, prioritize them, and sustainably satisfy them.



Generating welfare in society:

Aware of our role as a source of employment and development, we contribute to the sustainable and responsible growth of the communities around which we work. We develop capabilities that improve employability skills, develop our value chain, and show solidarity with those who need it most.

Good Corporate Citizenship Guided by our Commitment to Social Responsibility

It is of the utmost importance to us that we act as good corporate citizens. As a result, we have a policy that specifically focuses on social responsibility, allowing us to support our employees, clients,

communities, and other stakeholders in a sustainable manner. To ensure that we fulfill this vision, we are guided by the following commitments:

- 1 **Achieving an atmosphere of well-being for all our employees in a way that motivates good performance.**
- 2 **Ensuring that our employees are recognized as the source of the Company's success.**
- 3 **Communicating our Social Responsibility Policy to all our employees, members of the community, clients, subcontractors, consultants, and providers.**
- 4 **Raising awareness among our employees, subcontractors, consultants, and providers, so they can understand the needs and expectations of the communities in the areas of influence where we develop our projects.**
- 5 **Aligning with the social commitments adopted by our clients, managing the resources required to support the execution of sustainable development programs for the community.**
- 6 **Employing and training members of the surrounding communities to improve their skills and opportunities in the labour market.**
- 7 **Respecting the local customs and traditions, attending and participating in cultural and social activities of the communities in the areas of influence of our projects, involving our employees.**

Board Structure

About the Board of Directors

The STRACON Group Board of Directors (the Board) meets quarterly. Our board members are chosen to represent a diverse and balanced range of skills, perspectives and experience.

- Four of our seven board members are independent to STRACON Group
 - Only one is an executive board director
- The Board, upon recommendations from management, makes the final

decisions relating to our sustainability commitments, including strategic planning and risk management.

STRACON Group Board of Directors

◇ Committee Chair

	Fernando Garcia-Rosell (Chairman of the Board)	Camilo Villaveces	Steve Dixon (CEO)	Paula Caldwell St-Onge	Miguel Aramburú	Felipe Cantuarias	Geoff Cohen
Executive			◆				
Non-executive	◆	◆		◆	◆	◆	◆
Independent				◆	◆	◆	◆
Non-independent	◆	◆	◆				
Tenure	2018	2018	2011	2022	2022	2019	2023
Talent & Compensation Committee	◆		◆		◆	◇	
Corporate Finance Committee	◇		◆				◆
ESG Committee	◆		◆	◇		◆	
Audit and Risk Committee					◇	◆	
Gender	♂	♂	♂	♀	♂	♂	♂

Board Committees

STRACON Group has five board committees: the Talent and Compensation Committee, the Risk and Audit Committee, the Finance Committee, the Digital Transformation Committee, and the ESG Committee. Each is comprised of three board members, with the exception

of the ESG Committee which has four members. Each committee includes independent directors to ensure full and strong oversight, and follows a strict compliance system in order to meet applicable regulatory frameworks.

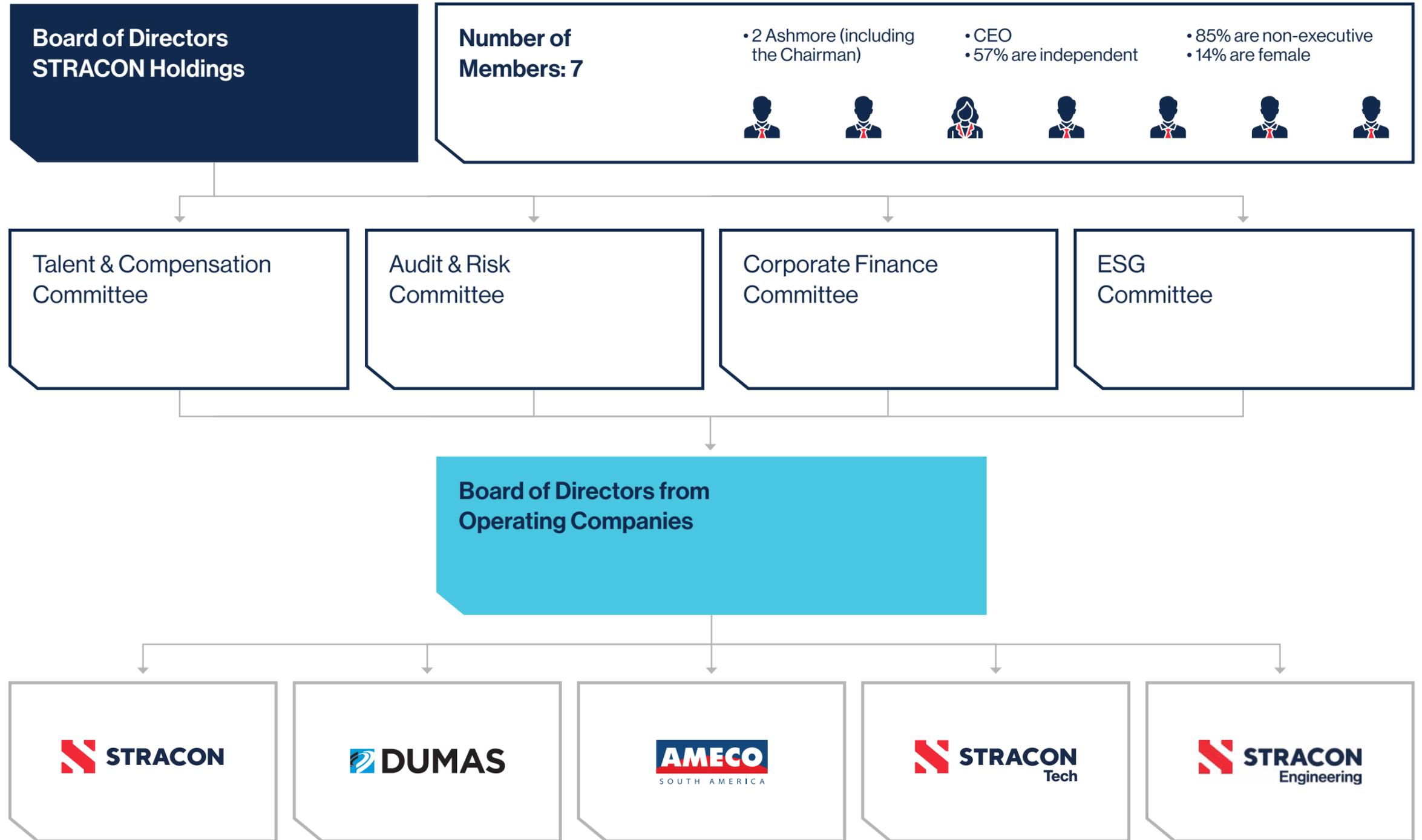
Code of Ethics

Ethics are an intrinsic part of a good governance system and responsible business practices, and run deeply through our company culture. To ensure a transparent and trustworthy governance system that allows for strong and

consistent implementation of the seven pillars of our Sustainability Policy (see [page 18](#)) across our group of companies, we have robust governance processes in place. These are laid out in our Code of Ethics Policy that ensures we remain

committed to ethical business conduct, including measures to prevent corruption, bribery, and conflicts of interest through the creation of policies, whistleblower programs, training and monitoring.

STRACON Group Governance Structure:



Risk Management

STRACON Group is exposed to a range of risks through our everyday business operations ranging from operational to financial and reputational. To address these risks, we incorporate ESG risk into our business sustainability strategy from the outset.

Risk Oversight

Our board oversees a comprehensive risk management framework. It includes identifying, assessing, and mitigating business risks including those relating to ESG factors. Our aim is to protect our stakeholders' interests.

ESG Risks

We have implemented specific programs and strategies to monitor, assess, and manage environmental and social risks over the long term, and we update them on a continual basis.

Regulatory Compliance

Compliance Framework

At STRACON Group, we adhere to the highest standards of regulatory compliance through our robust Compliance Framework. This framework ensures that we uphold all relevant laws and regulations wherever we operate. As a major service provider in the mining industry, we are committed to maintaining ethical business practices and meeting all compliance requirements to promote sustainable and responsible project development and operations. Our formal dedication to regulatory compliance through the creation of our Compliance Framework reflects our commitment to integrity and excellence in every aspect of our business.



Case Study: Compliance Review of Dumas Contracting Ltd.'s Timmins Maintenance Facility

In October 2022, Dumas Contracting Ltd. (Dumas) engaged Blue Heron Solutions for Environmental Management Inc. (Blue Heron) to conduct an environmental compliance review of our Timmins Maintenance Facility. Our goals were to identify non-compliance issues and improve our environmental practices, particularly given our proximity to the Mattagami River.

The review began with a site tour and discussions on October 5, 2022. We focused on air emissions, water management, waste management,

spills management, fuel handling, and sewage management. Blue Heron found that the facility manages environmental compliance effectively, with commendable housekeeping and waste segregation practices. However, some issues were noted which have all been addressed.

These key findings included:

- **Training Certificates:** One employee lacked an up-to-date Transportation of Dangerous Goods (TDG) certificate, but it was confirmed training was scheduled.

- **Fuel Tanks:** Various non-compliance issues were identified under the new Liquid Fuels Handling Code. We addressed those issues regarding signage and hose length compliance, added a fire extinguisher, and inspected the diesel tank.

- **Administrative Compliance:**

Issues with waste manifest management were identified as being previously rectified.

The review concluded that while the Timmins Maintenance Facility manages environmental compliance effectively,

there are areas for improvement. By addressing these issues promptly, STRACON Group and Dumas are demonstrating our commitment to sustainability and ESG principles, ensuring regulatory compliance and enhancing our reputation as a responsible and environmentally conscious organization.

Leadership and Culture

We are committed to fostering and strengthening a culture of sustainability throughout STRACON Group. Our goal is to create an organization where sustainable practices are instinctively integral to our operations and our mindset in order to have a positive impact on society, the environment, and the long-term success of our business.

Our leadership approach involves guiding and inspiring our employees, clients, and supply chain providers to integrate sustainable practices into their own core operations and methodologies. We prioritize the long-term environmental, social, and economic benefits, balancing the critical issues of the planet's well-being and societal welfare with that of profitability.

Our goal is to be known for excellence, not only in the way we approach all our interactions, but for the safety, sustainability, and efficiency we bring to the work we do every day in every location. This belief is embedded in all our leaders who work to engrain it through every process they undertake.

Through our governance structure, systems, and policies, our leadership team aims to nurture a mindset within STRACON Group that prioritizes sustainable practices wherein sustainability is embedded into our core values, norms, and practices of our group of companies.

Cultural Activation Plan

Merging multiple companies from different locations, with varying – albeit related – services, can be a challenging endeavour. As we undertook this work, it was important to recognize the individual strengths and culture of each company whilst building an even stronger cohesive unit operating as

STRACON Group. With this in mind, we have been working consistently to align the companies via a Cultural Activation Plan for STRACON Group. The main objectives of this project are highlighted below.

Objectives of the Cultural Activation Plan:

1 Understand and Appreciate: Through interviews and group sessions, we analyze our culture and heritage, giving them their value and place.



2 Analyze the Environment: At this stage, we conduct an environmental analysis and look for significant changes that require cultural evolution.



3 Definitions: Define what the new organizational culture is and its operating principles that will accompany us in the new global environment.



4 Cultural Diagnosis: At this stage, we identify the gaps between our current culture and the desired culture and outline the need for change.



5 Cultural Activation: An action plan is designed using a 5 Frequencies model.



Developing Our Cultural Activation Plan

Investors often seek the most up-to-date information regarding a company's governance practices. Therefore, it is standard practice to incorporate data that extends beyond the reporting year of a Sustainability Report. In this context, we are providing information in the following paragraphs that pertains to 2024.

In early 2024, we worked with a third party to create a strategy to develop our Cultural Activation Plan using a comprehensive approach. The strategy was to proactively engage our employees by asking

their opinions. These valuable insights can then be incorporated into the creation of a Cultural Activation Plan that will consequently be as appropriate and as effective as possible.

A survey of 24 questions was distributed to STRACON Group employees. The survey focused on five topics and included open-ended questions, some examples of which can be seen below:

Sample Employee Survey Questions:

Actions and decisions of leaders: What specific actions can leaders take to better demonstrate the values of our organization?



Rewards and recognition systems: How can we adjust our reward system to further incentivize behaviours aligned with our values?



Organizational tolerance: What behaviours contrary to our cultural values have we tolerated, and how can we effectively address them?



Building relational trust: What activities or initiatives could we introduce to foster more informal and meaningful interactions among team members?



Formal communication: What aspects of our formal communication have been particularly effective in motivating and guiding employees toward our objectives?



We also asked the participants to rate the importance of each of STRACON Group's eight Operating Principles. The resulting order is shown below:

1 Safety and Integrity.
We are responsible for Safety and Integrity, which are non-negotiable principles.



2 Focus on Employees.
We care for and respect our employees, offer opportunities, and recognize good performance, promoting meritocracy.



3 Sustainability and Value.
We are responsible for creating value and positive impact for everyone: employees, customers, suppliers, communities, and shareholders.



4 Diversity and Inclusion.
We recognize the value in diversity and inclusion, openly express our ideas, and work equally with everyone.



5 Excellence and Results.
We are passionate about achieving positive results and take responsibility for the success of STRACON Group.



6 Customer Orientation.
We make our customers' challenges our own and provide innovative solutions.



7 Transformation and Efficiency.
We seek transformation to transcend with agility, efficiency, and simplicity.



8 Focus on Operations.
The heart of the company is in the operation, and it has its feet on the ground.



In the coming year we will incorporate all responses and data received into our cultural activation initiatives.

Talent Management

Talent management refers to employment and training of our workforce, specifically the policies, procedures and systems we have in place to manage hiring, professional development, and collective bargaining, to name a few.

We consider our workforce to be more than just employees; they are invaluable assets. We are committed to their well-being and strive to provide top-tier training to ensure they excel in their roles. By offering access to professional development and growth opportunities,

we aim to foster a strong sense of commitment and loyalty, ensuring our employees remain as dedicated to the company as we are to them.

We use systems such as SAP to capture employee-related data and are currently working to align all the reporting systems across our group of companies. Our goal is to improve our employee performance, including training, turnover, and diversity, on a consistent basis, and to report with transparency.



Health, Safety, and Wellness

Health, safety, and wellness and our commitment to sustainable mining operations are of the utmost importance to STRACON Group. As such, we allocate significant resources to support our employees and the communities in which we operate. Accountability is measured and tracked to record progress towards targets, reflecting our dedication to protecting our workforce, communities, and environment.

As a major service provider specializing in project development and operations, we prioritize stringent health and safety protocols, and emphasize wellness to ensure the well-being of everyone involved in our projects. Our proactive approach includes comprehensive risk assessments, continuous training, and the implementation of advanced safety and wellness technologies.

2023 Performance

Key Health and Safety Figures¹

	STRACON S.A.	DUMAS	STRACON Tech	AMECO	Group / STRACON Holdings
The Lost Time Injury frequency rate (LTIFR) ²	0.04	0.00	0.00	0.22	0.07
Total Recordable Incident Frequency Rate (TRIFR)	0.22	1.28	0.00	0.22	0.30

¹ STRACON Engineering had no active employees in 2023, and is therefore not included in this data table.

² Rate is recorded as follows: (Number of recordable work-related injuries x 200,000)/Total Man Hours Worked.

STRACON Tech – Digital Solutions for Health and Safety

Our technology company, STRACON Tech, is dedicated to creating value through innovation for the mining industry by designing integrated digital solutions focused on OT (operational technology) and IT. Our digital solutions improve efficiency in operations, helping to reduce risks to our people, the community and the environment.

Our purpose is to create more productive, safe, and sustainable corporations by maximizing business outcomes and generating development opportunities for all involved, highlighting our unwavering focus on creating a safe, healthy, and supportive working environment, aligning with our core values and industry best practices.



Diversity, Equity, and Inclusion (DEI)

The mining industry is generally viewed as a traditionally male-dominated industry, a viewpoint we are striving to change, whilst bringing more diversity to STRACON Group. We recognize that diversity of gender, age, and under-represented populations brings strength to a company as we incorporate varying points of view and perspectives.

We are striving to employ more of the local populations in the areas where we operate to be more inclusive of their cultural identity within STRACON Group. Doing so leads to a more robust organization where communication and culture are strong and vibrant.

With this in mind, we are seeking to employ more women in traditionally male roles. In support of this, we focus on promoting education for women, particularly in the engineering field, and have policies in place around pay equity and maternity leave. We also recognize that women must feel safe from harassment

and intimidation. Our Policy to Prevent and Sanction Sexual Harassment was developed to detect and prevent cases of sexual harassment at an early stage. It outlines what is considered sexual harassment, whether that be a hostile environment or behaviour, and offers numerous channels to report such incidents. These include the STRACON Human Resources department in the corporate office, or designated people in the projects teams, using either written or oral communication methods.



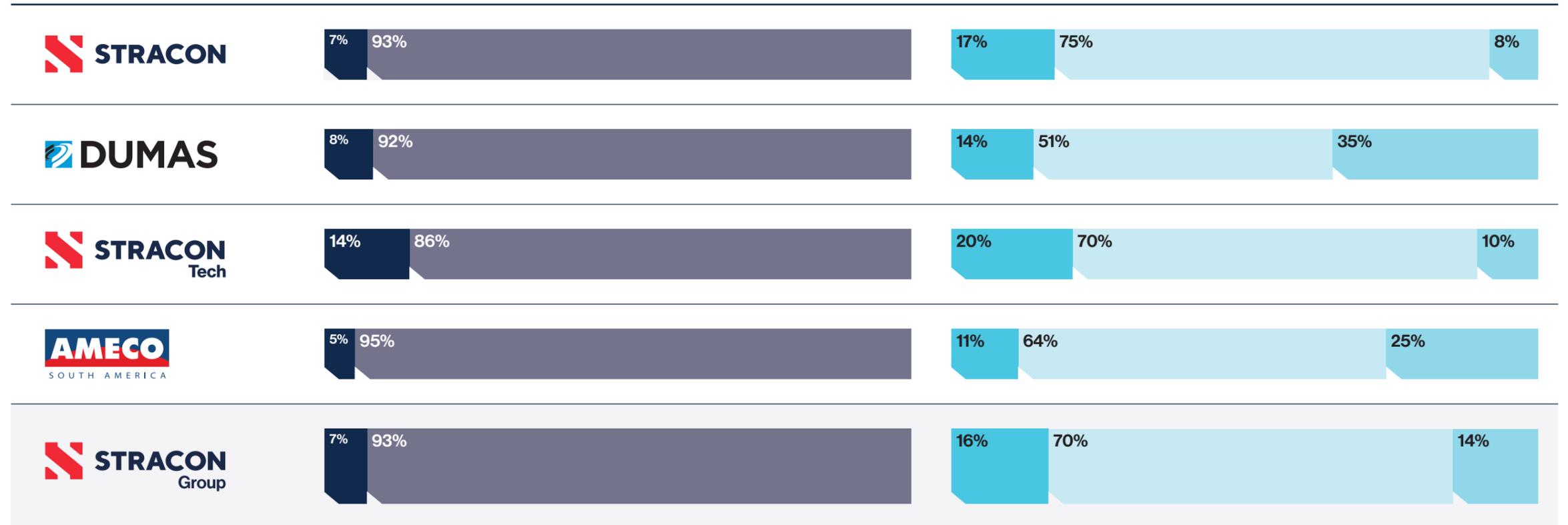
2023 Performance in DEI

Diversity at STRACON Group¹

Gender Diversity



Age Diversity



¹STRACON Engineering had no active employees in 2023, and is therefore not included in this data table.

Ratio of basic salary, Women to Men¹ (Entry-Level Positions)

Category	Ratio of basic salary women to men		
	Under 30 years old	30-50 years old	Over 50 years old
STRACON S.A.	1.18	1.13	0.48
DUMAS	0.77	0.90	0.50
STRACON Tech	1.28	0.94	1.23
AMECO	N/A ²	0.90	0.75
Group / STRACON Holdings ¹	1.07	0.97	0.74

¹ STRACON Engineering had no active employees in 2023, and is therefore not included in this data table.

² This data is unavailable for 2023 reporting year; we are working to include it for the next year's report.

Case Study: Vital Contributions of People with Disabilities to AMECO's Culture of Inclusivity in Chile

In Chile, recent legislation emphasizes that work is a right for everyone, as per the Labour Inclusion Law (Law No. 21,015). This law mandates that public organizations and private companies with 100 or more employees must hire at least 1% of their workforce from individuals with disabilities. Companies that do not meet this quota must either pay a penalty or donate to non-profit organizations supporting inclusion initiatives.

AMECO South America South America aimed to comply

with the labour inclusion law not only to meet legal requirements but also to foster a diverse and inclusive workforce that contributes positively to the company and our stakeholders.

As of December 2023, AMECO South America employed a total of 12 individuals with disabilities. Among these employees are Luis Pablo Sepulveda and Aida Torres, both of whom have significantly contributed to the company through their dedication and resilience.

Luis Pablo Sepulveda

After the amputation of his leg and subsequent rehabilitation and recovery, Luis Pablo Sepulveda returned to the Minera Los Pelambres project site in Los Vilos Port, Chile in 2012. With medical clearance and an ergonomic evaluation by the Chilean Safety Association (ACHS), he resumed his

role as Operations Supervisor. Luis has maintained his position as Operations Supervisor in the years since, working a 7x7 shift at the Minera Los Pelambres operation. His successful reintegration into the workforce exemplifies AMECO's commitment to supporting employees with disabilities.



Aida Torres

Aida Torres joined AMECO South America in March 2023 as an HR Administrative Assistant in the Santiago head office. Although Aida has a hearing impairment, her integration into the workforce was seamless, and she quickly made a significant impact. Aida's arrival prompted AMECO South America to adapt its communication methods, ensuring that colleagues face

her directly when speaking to her so she can read their lips. This change not only improved communication with Aida but also promoted empathy and collaboration among all employees. Aida further contributed by teaching a selected group of workers Sign Language, fostering a more inclusive and understanding workplace environment.



AMECO South America plans to enhance our recruitment and selection programs to attract more eligible individuals to meet the quota and create a more inclusive workforce.

Employees with disabilities can elevate organizational culture, making it more collaborative. Inclusiveness can

strengthen customer relationships and enhance a firm's value proposition, and being recognized as a socially responsible company can also provide a competitive edge in attracting capital and talent. AMECO's ongoing efforts and plans for inclusivity reflect our desire to uphold these principles.

Cybersecurity

At STRACON Group, we understand that cybersecurity plays a fundamental role in today's digital environment. Our commitment to our clients, partners and employees is part of our core responsibility. Our cybersecurity initiatives and strategies are strongly focused on data protection and digital security.

We embrace a holistic strategic approach based on cybersecurity policies and methodologies that reference a GRC (Management, Risk and Compliance) framework for good practices that includes:

Governance and Compliance:

We base the cybersecurity governance framework on international standards such as ISO and NIST,

and comply with data protection laws and regulations such as LPDP and DGPR.

Risk Assessment and Management:

We conduct regular risk assessments to proactively identify and mitigate potential threats, and have

created a risk matrix that allows us to prioritize corrective actions and allocate resources efficiently.

CIS Controls:

We have adopted the 18 CIS v8 Controls to strengthen our protection, ensuring the implementation of effective security measures. Each

control is associated with specific projects to address risks identified in our security analysis aligned to the risk and its level of criticality.

Training and Awareness:

We have ongoing cybersecurity training programs for all employees, and encourage a culture of security

through regular awareness campaigns and phishing drills.

Security Technology and Tools:

We implement advanced security solutions, including firewalls, MFA for access protection to our systems, intrusion detection and anti-malware

protection. Real-time monitoring and analysis tools detect and respond to security incidents in conjunction with DRP (Digital Risk Protection) services.

Security Infrastructure:

We have a policy of investing in improvements to our technological

infrastructure in order to maintain a robust security posture.

Research and Development:

We support research and development initiatives to maintain our position at the forefront of emerging

security technologies, incorporating them into our products and services.

Collaborations and Alliances:

We collaborate with our cybersecurity clients and partners by participating in

industry information groups to share knowledge and best practices.

We understand that cybersecurity is a continuously evolving process and, as such, is transversal and comprehensive. Accordingly, we regularly review and update our security policies and practices, stay informed about the latest cybersecurity threats and trends, and listen and adapt to the needs and concerns of our clients and partners.

Social Impact

In today's closely connected world, we are keenly aware that the influence of our projects and operations extends far beyond the confines of our sites, touching the lives and livelihoods of communities across North, South, and Central America. As a leading service provider in the mining industry, we recognize that our responsibilities are not only to our clients and projects but also to the societies within which we operate. Taking responsibility for social impact is a basic tenet of our business ethos, guiding our interactions with local communities and shaping our strategies for community relations, development, and employment.

The consolidation of our companies in 2023 into the STRACON Group presented a unique opportunity to enhance our impact and streamline our efforts across various regions. This transition has allowed us to amalgamate best practices, reinforce our commitment to local economies, and foster a cohesive approach to sustainable development. In doing so, we uphold our commitment to building a sustainable future that benefits all stakeholders, demonstrating that corporate social responsibility is not just a duty, but a core part of our identity and a critical component of our success.



Management Discussion

Our planning and subsequent work to create positive social impact when we build a project or operate a site is guided by our [Social Responsibility Policy](#) (see [page 18](#)). Guided by the seven principles laid out in the policy, we ensure that our employees are made aware of and respect local customs and traditions at each of our projects. We align with the social commitments of our clients by incorporating them into our project planning and operations, whilst considering the needs and expectations of the communities of direct and indirect influence (COIs).



Community Relations

Building strong community relationships is integral to the services we offer. Our role extends beyond mere construction and operation; it involves active engagement with local communities surrounding our projects. This commitment to community relations ensures our presence is not only accepted but also valued by those directly impacted by our operations.

Taking care of our people and the communities in which we operate is a priority for us at STRACON Group. It gives us great pride to know that we are viewed through a positive lens and that we bring tangible benefits to their lives. It is important to us that we do what we say we will do, and that we follow through and deliver on our word.

Management Discussion

STRACON Group engages in a structured and formal process to collaborate directly with our clients on developing social responsibility plans. These plans are meticulously aligned with our clients' objectives and commitments, and focus on high-impact sustainable development projects within the community, covering areas such as education, health, infrastructure, and productive development.

When developing tenders and proposals, we deliver a comprehensive social responsibility plan encompassing three key aspects:

- 1 Local Hiring:** Ensuring compliance with any pre-established local employment objectives and development of training programs
- 2 Local Procurement:** Adhering to commitments for procuring goods and services locally
- 3 Sustainability Projects:** Developing and executing social projects with a focus on sustainability

The execution of these social responsibility plans is closely monitored biweekly for progress by our community relations officers. We have established a detailed procedure, STRACON Group's Social Management Plan, for the development and execution of these plans, ensuring consistency and effectiveness across all projects. This structured approach underscores our commitment to creating meaningful, sustainable impacts in the communities where we operate.

Our Social Management Plan

STRACON Group's Social Management Plan is a foundational framework developed by the Social Responsibility Department to guide the creation and execution of social management plans across our projects. It aligns with the Group's Social Responsibility Policy and aims to enhance the quality of life for communities impacted by our projects, especially those facing high levels of poverty.

The Group's Social Management Plan aims to address social disparities by:

- **Reducing Poverty:** Implementing initiatives to uplift economically disadvantaged communities
- **Enhancing Skills:** Fostering employability and entrepreneurship skills
- **Infrastructure Improvement:** Upgrading productive, educational, and health infrastructure through sustainable projects

Through this Plan, we achieve our objectives to assist clients in meeting their social responsibility commitments, enhance social indicators from environmental impact studies (EIA), improve the business competencies of local suppliers through training, and promote local employment to strengthen community relations. The Group's project management oversees execution and alignment with client requirements, provides supervision of plan implementation, and reports on progress. The Social Management Plan underlines our commitment to sustainable development and social impact, affirming our dedication to making a positive difference in the communities we serve.

Community Development

In our role as a major service provider and operator, we focus on community development not just as a service, but as an important component of the value we deliver to our clients, namely the site owners. Understanding that the long-term success of mining projects is deeply intertwined with the well-being of the local communities, we prioritize initiatives that foster sustainable growth and stability in these areas. This approach is essential for maintaining “social support from communities” on behalf of our clients and ensuring that the projects we manage are both welcomed and supported by local populations.

As we have recently evolved into a consolidated group of companies, our

capacity to drive meaningful community development has strengthened. This organizational change enables us to streamline our resources and expertise, ensuring consistent and impactful delivery of community development programs across all projects. By enhancing local infrastructure, education, or healthcare, for example, we not only meet our clients' needs for responsible project management but also contribute significantly to building resilient communities. These efforts not only fulfill our commitment to corporate social responsibility but also reinforce the project's acceptance and success, directly benefitting our clients and the communities we serve.



Case Study: Community Training Initiative Drives School Infrastructure Renovation

Education in the high Andean regions faces severe infrastructure challenges. To help remedy this, our client, Pan American Silver, wished to contribute to the community by helping to improve the adverse infrastructure conditions of educational institutions in the area of their Shahuindo Mine. STRACON began by providing robust infrastructure for a primary school in the mine's area of influence.

The project consisted of two goals. The first was to create a safe structure with higher-quality facilities where children of the community could attend school. The second was to increase the skills capacity of the local community by developing and implementing a training program in ceramic tiling procedures (skills they could then apply in the school and beyond), and training in the correct use of personal protective equipment (PPE) for the task.

The remodelling of a classroom at an elementary school in the village of Pampachancas, located in Cajabamba, Cajamarca, Peru, took place in August and September 2023.

Twenty community members underwent training, 30% of whom were women. The training program comprised 40 hours in total, and was divided into two sections. Thirty-two hours of theoretical-practical modules covered information such as equipment, materials, tile cutting and grouting. The remaining eight hours were dedicated to risk prevention and environmental management covering safety standards, hazardous materials and PPE, among others.

The first phase of the remodelling project involved plaster work on the interior and exterior of the classroom undertaken by civil works personnel, and installation of electrical wiring by a

qualified electrician. The second phase of the project involved installing ceramic tiles on the floor of the classroom, undertaken by community members who underwent our training program.

With support from presidents of the Parents' Association and the school's administration, STRACON implemented the project without disrupting the children's daily classes.

The trainees of the program have learned and applied new skills that can be applied in other projects, opening up more employment opportunities to them. Initiatives such as these have a positive and lasting impact on the community. Overcoming the lack of infrastructure is the first step towards achieving quality education. We plan – in partnership with our client – to replicate this initiative in other villages of the Shahuindo Mine's area of influence.



Local Employment & Procurement

Local employment and procurement are cornerstone practices of our operations, essential for fostering economic growth within the communities where we operate. By hiring local talent and sourcing materials from local suppliers, we contribute directly to the economic vitality of these communities, enhancing the social and economic infrastructure necessary for sustained project success. This approach ensures that the benefits of our projects are tangible and widespread, strengthening community ties and securing a robust supply chain that supports the local economy and the operational goals of our clients.

Having become a unified group of companies, we have taken the opportunity to sharpen our focus on optimizing our local employment and procurement strategies. This streamlined process increases our efficiency and also magnifies our impact on local economies, aligning our practices with global standards for sustainable development and furthering our role as a responsible steward of sustainability.

2023 Performance

Local Employment Data for 2023¹

Local community ² hires	Total # local community hires	Total % local community hires
STRACON S.A.	914	25%
DUMAS	308	68%
STRACON Tech ³	N/A	N/A
AMECO	545	34%
STRACON Group	1,767	31%

¹ STRACON Engineering had no active employees in 2023, and is therefore not included in this data table.

² "Local community" is defined by each client in conjunction with the description in the Environmental Impact Study (EIA) and/or the Modification of the Environmental Impact Study (MEIA).

³ Data for STRACON Tech is currently unavailable for 2023 reporting year; we are working to include it for the next year's report.



Environmental Impact Management

At STRACON Group, our goal is to have as little impact on the environment as possible in the areas in which we operate. Guided by our Sustainability Policy, which supports caring for the environment, we follow internationally recognized best practices in environmental management, whilst adapting to local regulations and the ecological sensitivities in those areas. We are rigorous in complying with laws and continuously challenge ourselves to exceed the established guidelines if a stricter set of controls is available.

Managing our environmental impact involves implementing strategies to use resources efficiently, to minimize waste, and to promote recycling throughout the lifecycle of our projects. We are client-centric, supporting our clients' environmental management plans to help them achieve their sustainability goals and regulatory requirements.

We provide training for our workforce relating to environmental best practices and regulatory compliance. Reviewing our environmental performance is important for us to continually learn and subsequently integrate those learnings into our work.



Waste Management

During 2023, STRACON Group, through our various companies and operations, prioritized the “3R” philosophy - Reduce, Reuse, and Recycle - in relation to waste management. Our internal philosophy is to maximize the use of our resources for as long as possible, extracting the greatest value from them, and recovering and regenerating products and materials at the end of their service life, creating a circular economy wherever achievable.

STRACON Group supports the adoption of circular economy principles, allowing waste that may be generated at each stage of our activities to be identified for alternate uses. A clear example of this is our maintenance system at STRACON PERU S.A. that re-uses components of equipment (trucks, loaders, etc.) before they ultimately become scrap material. We strive to apply these circular economy criteria to each of our other by-products as well, such as geomembranes, wood, and packaging.

Our approach to the planning and implementation of our waste management follows a client-centric focus. We align our waste management efforts with the specific sustainability and waste

reduction goals of our clients, ensuring our projects lead to a positive contribution to their overall environmental objectives, and often going beyond their requirements in the treatment of our waste. For example, we retread tires before they become waste at site, and implement chain protection systems on the tires of certain types of units, such as front loaders. This action prevents excessive wear and contributes to a 40% increase in the tire's useful life.

We share waste management information with our clients and regulatory bodies where required. By adopting waste management measures and supporting our clients' waste management goals, we aim to exceed our clients' expectations, using resources efficiently and minimizing environmental impact across all our global operations.

AMECO South America & STRACON S.A. are certified in ISO 14001 Environmental Management.

Water Stewardship

STRACON Group aims to reduce water usage by implementing efficient practices, effective technology, and water recycling efforts that support our clients' water management goals and commitments. We ensure compliance with regulatory standards and align

our water management practices with international standards. As service providers, we share our water management information with our clients regularly and in a format to best support their efforts in this area.

Biodiversity

The preservation and restoration of local biodiversity is an inherent part of our approach to sustainability, integrating habitat protection measures into our project planning and execution in order to protect and restore local habitats and reduce disturbances to flora and fauna. For more information on how the five Group companies manage biodiversity impacts, please refer to our 2023 ESG Data Book (Please see our website www.stracon-group.com).

We design infrastructure and operational plans that aim to maintain and enhance ecological corridors, allowing

for safe and uninterrupted movement of wildlife. As such, we participate in or conduct biodiversity assessments to identify critical habitats and species at risk. We subsequently develop and implement biodiversity action items, considering the local ecological context and client requirements. For example, STRACON is supporting Barrick Gold's Pierina Mine in Peru through the final phase of mine life, namely the closure of the mine pit and associated mine infrastructure. This project includes remediation using species that are native to the geographical area.



Emissions Reduction

At STRACON Group, we conduct assessments to understand and establish baseline emissions levels for each project, taking into consideration all sources of greenhouse gas (GHG) emissions. Going forward, our goal is to incorporate carbon footprint measurements for our projects, aligning with local regulations, and international standards such as ISO 14064.

By implementing energy efficiency measures in our operations, and optimizing processes and energy use, we are able to help our clients reduce their carbon footprint.

Where we have data available, we share our emissions performance with stakeholders and regulatory bodies, ensuring transparency and accountability in our efforts. To enhance our environmental performance, we continuously identify best practices and opportunities for improvement for carbon footprint reduction.

From the very beginning of a project, we collaborate with our clients to align with their environmental policies. As a result, we implement best practices to reduce the carbon footprint in the activities we undertake in our clients' projects, contributing to our clients' emissions reduction objectives, and ensuring the efficient and responsible management of GHG emissions across all our global operations.



Climate Change

Climate change and the mining industry are intricately linked as mining operations contribute significantly to greenhouse gas emissions which, in turn, drive climate change. Climate change itself poses risks to mining activities through extreme weather events, water scarcity and changing regulations.

It is crucial for the mining industry to have a robust climate strategy in place

for managing emissions. By doing so, the industry can mitigate its environmental impact, ensure regulatory compliance, enhance operational resilience, and meet the growing demands from stakeholders for sustainable practices. This is why we, as a service provider, implement best practices to help reduce the impact of climate change through plans aligned with the needs of our key stakeholders.

Energy Management

To optimize energy use in operations, we customize energy management plans for our projects, considering local energy sources, client needs, and regulatory requirements, and integrate strategies to reduce carbon footprints in alignment with international best practices, such as those guided by the Paris Agreement.

By collaborating with our clients, we are able to align our energy management efforts with their sustainability and energy efficiency goals. This allows us to develop customized energy management plans and solutions that support our clients in achieving their energy efficiency and sustainability commitments.

Case Study: Decreased Idling Time for Dump Trucks Reduces Fuel Consumption and Scope 1 Carbon Footprint in Peru

Our Pierina (Barrick Gold), Quellaveco (Anglo American), and Constancia (Hudbay Minerals) projects in Peru rely on dump trucks for loading and hauling material at the mines. In our continuous pursuit of delivering value to our clients and supporting their sustainability commitments, we identified an opportunity that could positively impact the carbon footprint by improving downtime of the dump trucks.

We focused on two objectives: (1) reduce the idling time of the dump trucks, with a target of 14%, and (2) reduce our Scope 1 carbon footprint by 2% by enhancing our operational performance.

Our solution involved creating a control room where an equipment controller was able to monitor the real-time location of all dump trucks and direct them to loading zones with shorter wait times. This resulted in a reduction of idling time and, consequently, fuel consumption.

We also provided comprehensive training to the dump truck operators on improved care of their vehicles and optimized driving practices to minimize harsh acceleration and braking, leading to increased vehicle longevity and reduced fuel consumption.

Software was installed in the dump trucks which used tracking indicators to

capture idling time and fuel consumption. The results showed a reduction in idling time to 12%, surpassing our goal of 14%. The lower fuel consumption also allowed us to achieve the 2% decrease we had targeted in our Scope 1 carbon footprint.

We plan to integrate the control room strategy into future projects, given its success, to efficiently manage the distribution of the dump truck fleet, improve the equipment's service life, and reduce waste generation.



Economic Sustainability



Economic sustainability forms the backbone of our strategic vision, ensuring the longevity and resilience of our business in the highly dynamic and competitive mining sector. As a leading service provider and operator, we recognize that the sustainability of our economic practices is crucial not only for our own prosperity but also for the numerous stakeholders depending on our continued success. This chapter details our commitment to fostering innovation and driving operational efficiencies (see Sustainability Innovation on [page 38](#)), all of which are essential to our ongoing viability and growth. For more information regarding the process we follow to maintain our financial health, please contact us to receive our annual financial reports.

In response to the evolving economic landscape and our recent expansion into a unified group of companies, we are intensifying our efforts to streamline operations and enhance financial performance across all areas of our business. By adopting prudent financial management, investing in advanced technologies, and strengthening our supply chain, we aim to optimize our resource allocation and reduce vulnerabilities to economic fluctuations. These strategies are designed to support not only our business objectives but also contribute to the broader economic stability of the regions in which we operate, ultimately creating shared value for our clients, employees, and community partners.

Bringing Value to the Mining Value Chain

As a strategic partner in the mining sector, our services generate value and sustainability across the mining chain, through technology, innovation, and operational excellence. Providing such support is a key element in the services STRACON Group offers our clients, and plays an essential role in supporting mining companies and their own sustainability business goals. By participating responsibly in the value chain of mining, we contribute to an improved environment, more equitable society, and a better planet overall.

Connecting Economic Objectives and our Sustainability Commitments

Economic sustainability is a multifaceted commitment that extends beyond financial stability. It also encompasses environmental stewardship, social responsibility, and robust governance as intrinsic elements of mitigating financial risks to our company. As a premier service provider and operator in the mining industry, our approach to sustainability is woven deeply into the support we provide our clients, ensuring that our operations not only thrive economically but also uphold and advance our clients' environmental, social, and governance (ESG) goals.

Environmental Initiatives:

Our investment in greener technologies plays a crucial role in reducing our overall carbon footprint, aligning with our clients' sustainability objectives. Through specialized waste management solutions and water treatment systems, we minimize environmental impact, ensuring

efficient resource utilization and site reclamation that often exceeds regulatory standards. These practices are not only essential for environmental protection but also enhance the economic viability of mining projects by reducing costs and improving operational efficiency.

Customization and Adaptability:

We align our services with the specific ESG policies and goals of our clients, demonstrating our adaptability and commitment to customization. Our ongoing investments

in innovation enable us to develop new methods and technologies that meet unique client needs, further embedding economic sustainability into our business model.

Social Contributions:

By prioritizing local hiring and ongoing involvement with community projects (see [pages 30-31](#) for an example), we contribute to the economic and social vitality of the communities surrounding our operations. We use integrity when dealing with our providers to ensure they are paid on time and according to the

agreed conditions, and to ascertain that their financial situation is not solely dependent on STRACON Group, wherever possible. These community investment initiatives reflect our commitment to long-term, sustainable community development, directly supporting our clients' social responsibility goals.

Governance Practices:

Transparent reporting, ethical business practices, and comprehensive risk management underscore our governance framework. By ensuring compliance with all contractual and regulatory requirements, we

help our clients to comply with legal rulings and to enhance their own ESG disclosures, which is crucial for earning trust and respect amongst their stakeholders.

Through these integrated practices, we support our clients' sustainability journeys as well as ensure the long-term resilience and profitability of our operations. This strategic alignment between our economic objectives and our sustainability commitments enables us to deliver superior value, reinforcing the trust our clients place in us as a responsible and forward-thinking partner.

Sustainable Innovation

We utilize advanced technologies for monitoring and mitigating environmental impacts, such as water management and air quality control.

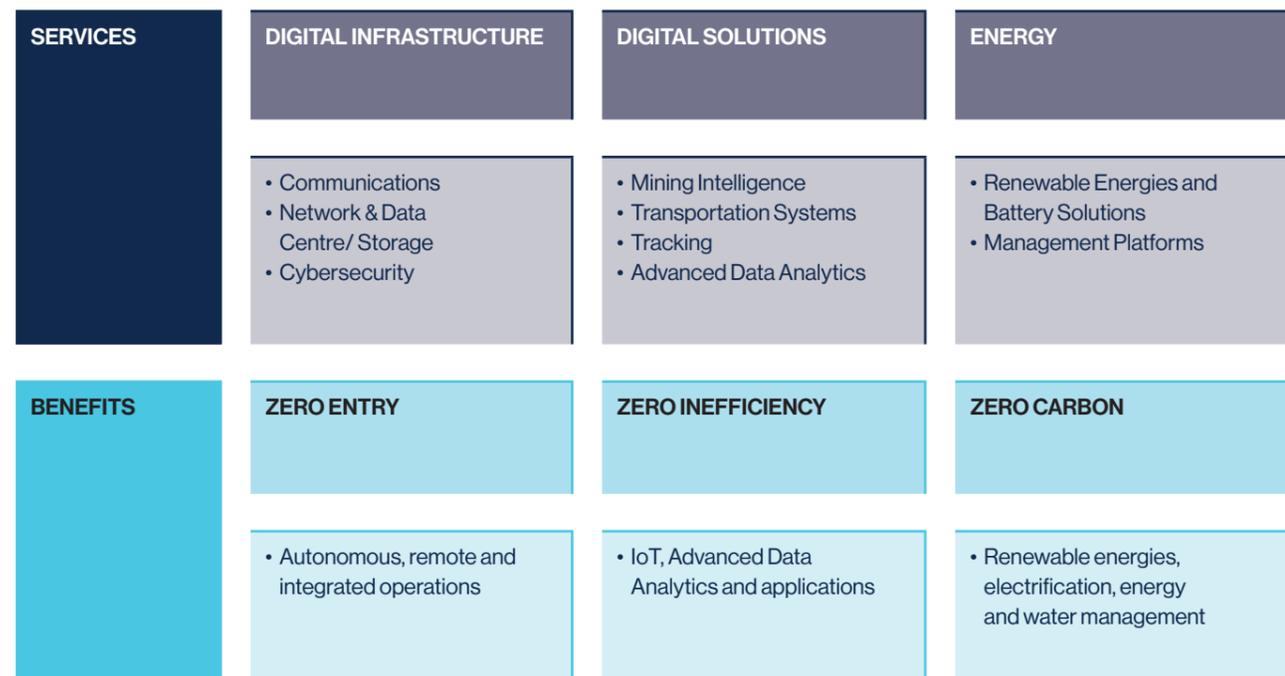
The Digital Mine

Through our Digital Mine program, we provide our clients with integrated technology services to deliver leading safety performance, productivity, efficiency, and sustainable business operations. This leads to increased

operational efficiency to provide more tons of output at a decreased cost, improved safety performance, and a more sustainable mine site.

Our digital solutions can be applied during the exploration, planning and construction phases, and during extraction. They can be applied to load and haul operations and process plants, and built into energy infrastructure and maintenance areas of the mine site.

The Digital Mine: Services and Benefits



What is a Digital Mine?

The "digital mine" integrates advanced digital technologies such as IoT (the Internet of Things that collects and shares data), automation, and data analytics to enhance efficiency, safety, and sustainability in mining operations. It employs real-time data collection, remote operation centres, and predictive

maintenance to optimize processes and reduce costs. Additionally, it improves safety through wearable technology and environmental monitoring, while promoting sustainability with energy-efficient practices and environmental compliance. Collectively, this leads to safer, more efficient and more environmentally responsible mining practices.

Case Study: Digital Timesheets Reduce Paper Usage

At STRACON Group, many processes, including work logging, have traditionally relied on manually completing physical documents. This method involves capturing daily tasks of field personnel which generates high operational loads and requires dedicated resources for digitization of documents, and increases the risk of input errors and untimely data acquisition.

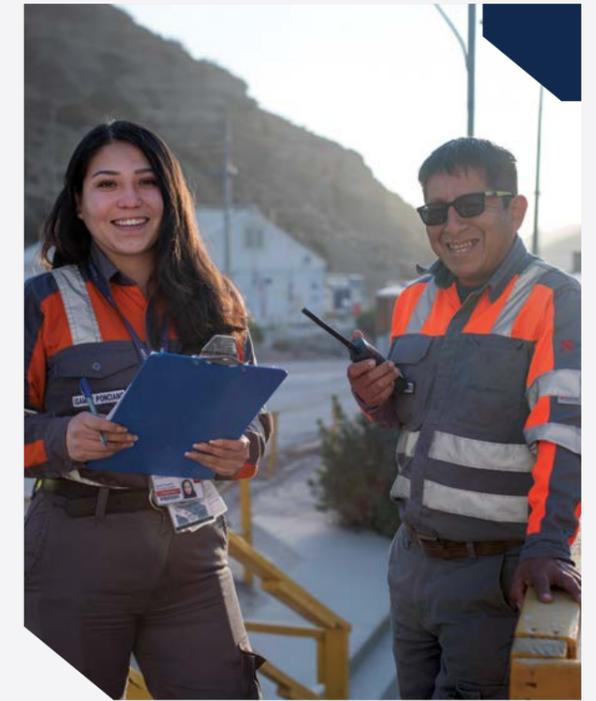
To address these issues, STRACON introduced the "STRAQUI – Digital Work Log Module." This digital alternative aims to capture man-hours in an easy, flexible manner without needing internet connectivity. Additionally, it integrates personnel cost information with payroll for timely management and error-free payment.

The main goals of this project were to digitize the hourly capture processes of our operations, empower field personnel to use technological tools, optimize information acquisition, integrate data across relevant areas, and reduce paper usage in line with our sustainability goals.

The project, which involves a mobile application for field leaders to capture information digitally and a web application for timely data access and cost/payroll closures, was developed using agile methodologies (SCRUM). Prototypes were tested by field personnel at Huby Minerals' Constancia Project, with adjustments made based on feedback from forepersons and field supervisors.

The main challenge was deploying the new solution across mining projects, which generated resistance due to the significant process change and the learning curve for workers lacking technological skills. To address these challenges, specialized implementers were hired to provide continuous training, facilitating technological skill development and process adaptation.

Results were measured during three-month trial periods at each mining unit, comparing manual and digital process times, demonstrating notable improvements in efficiency and time reduction. The implementation of this tool significantly reduced data entry time from four hours to zero hours per day, and cost redirection time from three hours



to 0.5 hours per week. Additionally, labour payroll closure execution time was reduced from six hours to three hours per week.

Two main lessons were learned from this project: (1) Having an implementation team at each mining unit is crucial for ensuring proper training, monitoring, and adaptation. (2) Involving project staff from the beginning of each digital solution ensures they feel part of the change and helps identify and correct shortcomings during the trial run phase.

Moving forward, STRACON Group plans to expand this digital solution to other projects, ensuring all operations benefit from increased efficiency and accuracy. Continuous improvement will be a key focus, with regular updates and enhancements based on feedback from field personnel and office staff. We will also explore integrating additional functionalities to further streamline operations and decision-making processes.

The STRAQUI – Digital Work Log Module empowers front-line leaders to capture data, process it, and generate cost control information in a timely manner, creating a routine daily approval process. This initiative has led to more accurate payroll closure data, standardized processes across the organization, and has ensured timely information loading for month-end closing, significantly contributing to STRACON Group's digital transformation efforts.

Concluding Remarks

Thank you for exploring our 2023 Sustainability Report. This year, we have taken steps to enhance our transparency and accountability by including relevant and available data on our sustainability efforts in our 2023 Data Book.

Our journey in sustainability reporting is ongoing, and we are committed to continuous improvement. We appreciate your support and feedback as we strive to create a more sustainable future.

We welcome all feedback and invite you to contact us at: inquiries@stracon.com





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