



2022 Sustainability Report





At the Forefront of Mining Services



Table Of Contents

About this Report	2	Our Services	9	Social	14
About STRACON Group	3	Open-Pit Mining	9	Local Employment and Procurement	14
Letter to Stakeholders from the CEO	4	Underground Mining	9	Community Development	14
STRACON Group - Historical Timeline: From Then to Today to Tomorrow	5	Mining Technology	9	Governance	15
Who We Are	7	Asset Management and Equipment Rental	10	Governance Systems and Policies	16
Our Purpose	7	Engineering	10	Governance Structure	16
Our Vision	7	Our Journey to Sustainability	11	Leadership and Culture	17
Our Values	8	Materiality Assessment for 2022	12	Health and Safety	18
		Environmental	13	Talent Management (Employment and Training)	18
		Climate Change	13	Diversity, Equity, and Inclusion (DEI)	19
		Water Stewardship, Biodiversity, and Waste Management	13	Ethics	19
				Economic Sustainability	20
				Concluding Remarks	21

About this Report

We are proud to present our first annual Sustainability Report for STRACON Group (the “Group”) inclusive of its subsidiaries (AMECO, Dumas, OMT, STRACON Engineering, STRACON S.A., and STRACON Tech). This report covers the period from January 1 to December 31, 2022, unless otherwise indicated.

It should be noted that for this first report we have not included metrics or data collection. This is the first step in what we intend to be an ongoing reporting process that will support our sustainability strategy development and will help us track performance in line with achieving goals.

For the purposes of this report, the terms “sustainability” and “ESG” (Environmental, Social and Governance) are used interchangeably.

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 content of this report. We look forward to your feedback and invite you to email us at: inquiries@stracon.com.



About STRACON Group

STRACON Group (the “Group”) comprises specialist businesses providing technology and energy efficiency, engineering, construction, operations, equipment rental and asset management 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.

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

The Group’s corporate offices are located in Peru (Lima), Chile (Santiago), and Canada (Toronto).

For an historical view of the growth of STRACON Group, please see the section: [STRACON Group - Historical Timeline: From Then to Today to Tomorrow on pages 5 and 6.](#)



Map of STRACON Group Presence

Letter to Stakeholders from the CEO

We started STRACON S.A. 20 years ago, building sustainability into the fabric of the company from the very beginning. It has proved to be a major part of our success as we interacted with the communities and environments around us with responsibility, integrity and respect. We carry this ethic forward as we become STRACON Group.

For us, sustainability means, first and foremost, a business that sustains itself and continues to be profitable. A vital part of this is the strong relationships we build with local stakeholders, and managing our impact on the environments in which we work. A profitable business built on these cornerstones is able to provide ongoing benefits and opportunities for local communities such as infrastructure for community development, and local procurement and employment.

There is nothing more motivating for us than seeing the tangible benefits that flow from our business and the abundance of jobs we create as an organization. Looking at the number of people that have been able to improve their lives significantly through their involvement with us, and likewise the families associated with them, is hugely rewarding.

As leader of the organization, my role is to set the vision and uphold the values at the core of what we do and the way we operate (page 7). We live by those values and lead with them so all of us in the STRACON Group understand our goal – to bring excellent value to our clients, and to be

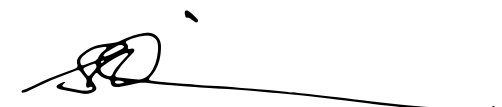
a reliable partner that delivers safe, efficient and sustainable services to the mining sector.

Our goals ahead include introducing electrification of operations, including equipment used in both underground and surface sites to help the fight against climate change (page 13), and continuing to increase diversity within our workforce (page 19). The more diverse we are, the more successful our company will be as we embrace different viewpoints and skills, a change we are proud to see gain pace within the industry.

For this inaugural report, it was important to capture the leadership team's perspectives on sustainability, understand what those mean to us and determine how we want to reflect those in our business. We hope this report conveys the message that sustainability for us rests first and foremost on business sustainability.

Our future reports will contain data as we are now at the start of our materiality process. As such, we are expanding our materiality assessment process to include a broader section of our leadership team and other stakeholders. Our next steps will include baselining our ESG performance for 2023, and including those performance numbers in our second annual Sustainability Report.

I hope you enjoy reading this inaugural Sustainability Report. We look forward to bringing you the next chapters in our story, and serving you with integrity and sustainability in the years to come.



Steve Dixon
CEO

STRACON Group - Historical Timeline

Highlights

1994

DUMAS

Dumas is founded in Timmins, Ontario

AMECO
SOUTH AMERICA

AMECO starts operations in South America

1999

DUMAS

River Gold Shaft Project, Ontario

2002

DUMAS

Dumas sinks three shafts for Agnico Eagle, Quebec

2003

AMECO
SOUTH AMERICA

AMECO's first equipment outsourcing contract with Minera Escondida, Chile

STRACON

STRACON through a joint venture starts operations at El Brocal Mine, Peru

2005

AMECO
SOUTH AMERICA

AMECO's first major Lifting Services contract in Minera Los Pelambres, Chile

2009

AMECO
SOUTH AMERICA

AMECO Minera Collahuasi project, Chile

2010

DUMAS

Headquarters in Toronto

2011

STRACON

La Arena Project (Pan American Silver), Peru



From Then to Today to Tomorrow

Highlights

2012	2014	2018-2019	2020	2021	2022	2023
<p>DUMAS</p> <p>First major international project in Pinos Altos, Mexico</p> <p>STRACON</p> <p>Start of operations at Constancia (Hudbay), Peru and Cobre Panama (First Quantum), Panama</p>	<p>AMECO SOUTH AMERICA</p> <p>AMECO's first Mining Services contract with BHP, Chile</p> <p>STRACON</p> <p>Shahuindo Project (Pan American Silver), Peru</p>	<p>Ashmore</p> <p>Ashmore acquires 85% of STRACON</p> <p>DUMAS</p> <p>STRACON acquires 75% of Dumas</p> <p>STRACON</p> <p>Quellaveco Project (Anglo American), Peru</p>	<p>STRACON</p> <p>Start of operations at Antamina Project, Peru</p> 	<p>STRACON Tech</p> <p>Launch of STRACON Tech in the mining sector</p>	<p>STRACON Engineering</p> <p>Launch of energy transition services to the mining sector</p> <p>STRACON</p> <p>Curipamba Project, Ecuador</p>	<p>AMECO SOUTH AMERICA OMT</p> <p>STRACON Group acquires 100% of AMECO South America and 100% of OMT</p> <p>DUMAS</p> <p>STRACON acquired the remaining 25% of Dumas</p>



Who We Are

STRACON Group is a leading mining services 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, including mining companies, to enhance relationships and sustainable outcomes.

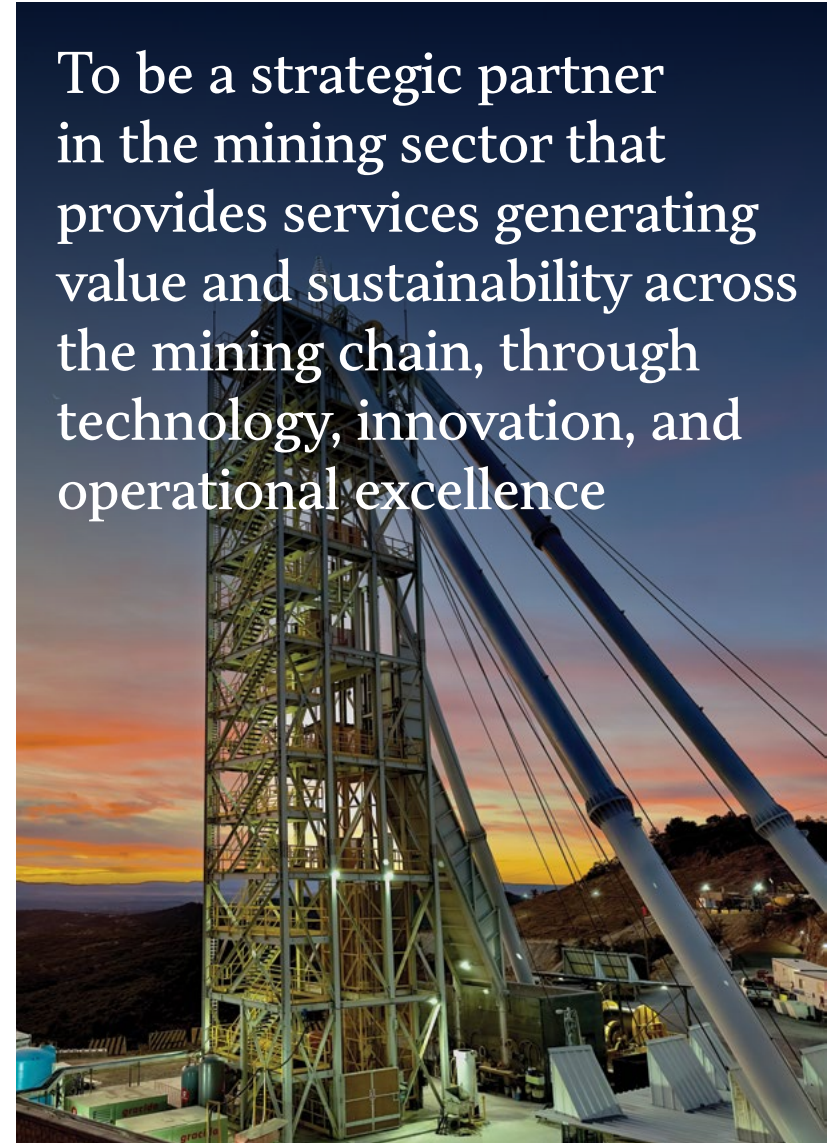
Our Purpose:

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 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 Technologies provides integrated technology services to mining clients with a range of practical digital solutions that encompass digital infrastructure, cybersecurity 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 all the equipment, support services, and equipment requirements of a mine site. As a result, mine owners, operators, and other on-site contractors can optimize their resources, lower their costs, and execute projects more efficiently.



Engineering

STRACON Group's Engineering team provides integrated engineering, procurement, investment, and construction services, delivering solutions for water and tailings management, and mine infrastructure, including facilitating decarbonization and transition to cleaner, more sustainable energy within the mining sector.



ISO Certification

ISO standards are recognized for management systems in quality, environmental impact and sustainability, and occupational health and safety management. Several of the STRACON Group companies have already been certified in these international standards:

AMECO

- ISO 9001 Quality Management
- ISO 14001 Environmental Management
- ISO 45001 Occupational Health and Safety

OMT

- ISO 9001 Quality Management

STRACON S.A.

- ISO 14001 Environmental Management



Our Journey to Sustainability

Sustainability has played an important role in each of the Group companies and their business principles. We believe it is our strong commitment to sustainability that attracts clients, suppliers and employees to us. This year (2023) marks the beginning of formally documenting it in the public sphere as we continue our journey as STRACON Group, the objective of which is to clearly communicate the Group's vision, an overview of current and past activities, and future plans and commitments to sustainability.

STRACON S.A. currently monitors its sustainability performance against the IFC (International Finance Corporation) Performance Standards, a set of guidelines to identify, mitigate, manage or avoid risks and impacts as a way of doing business in a sustainable way.

In 2024, our intention is to continue the materiality process that we have begun and to build significantly upon this year. We plan to develop a sustainability strategy that includes a reporting process with suitable metrics from appropriate international disclosures. The baseline for our sustainability footprint will be established in the 2023 Sustainability Report, which will be published in 2024.

Sustainability is already embedded in the individuals comprising our leadership team. Moving forward, we will work to align the six companies within the STRACON Group with a uniform culture of sustainability to maintain consistency and ensure business success.

In preparation for launching STRACON Group, we undertook an official process in early 2023 to understand the current state of ESG across the group of companies. This included assessing:

- The sustainability education of the board and executive team
- Identifying significant ESG issues for the STRACON Group operating companies by reviewing our reports and current data, conducting a gap analysis against relevant ESG regulations, and conducting a benchmarking exercise of our industry peers
- Preparing for this inaugural Sustainability Report for the 2022 reporting year



Materiality Assessment for 2022

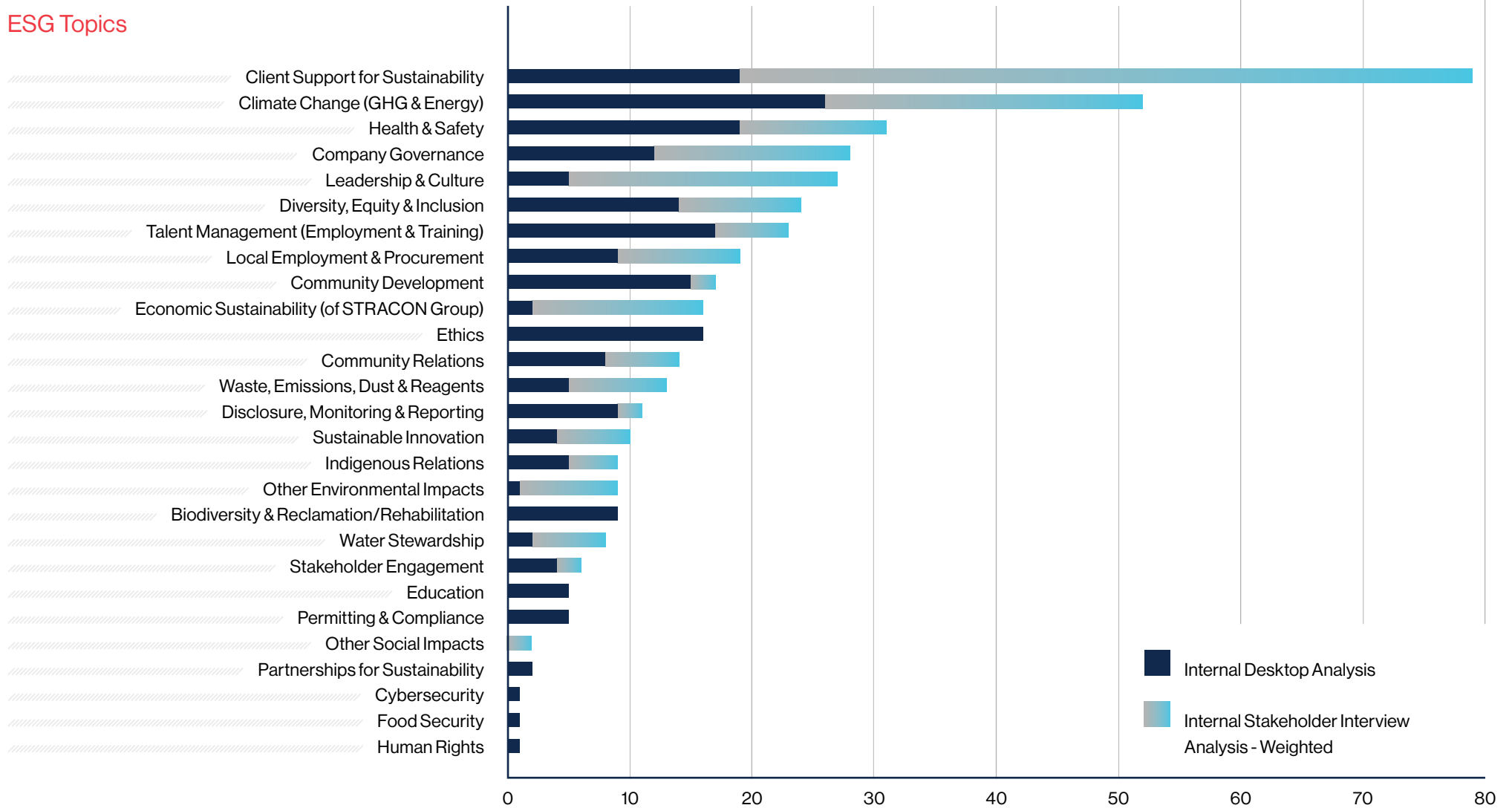
A materiality assessment is a process to ascertain the nonfinancial issues (i.e., ESG issues) that consumed time and resources during the 2022 year. This assessment helps us understand which ESG issues have the potential to impact the company (positively or negatively) in a financial or reputational manner through our management and performance, or may have the potential to impact or influence the decisions of key stakeholders. For this – our inaugural materiality process – we engaged a third party (SOOP Strategies Inc.) to facilitate the process.

A list of ESG issues relevant to STRACON Group's business was developed based on a review of internal and external documents including STRACON Group's governance documents, internal performance reports, industry and ESG trends, and industry initiatives, amongst others. From this, a total of 27 sustainability topics were identified.

Four interviews were then conducted, and focused on the leadership team and board for this first year of reporting to understand their perspectives on the ESG topics top of mind to them. The goal was to understand the inherent capacity of the issues that can cause an impact on the business in a financial or reputational manner. The issues are presented in the graph on the next page.

ESG Profile[®] for STRACON Group: Materiality Assessment 2022

ESG Topics



2022 Materiality Assessment Outcome Graph

Number of times the ESG topic is mentioned



Environmental

The environment has always been a core consideration for the STRACON Group in our business model. It is one reason why we strive to be the first choice that clients consider. We want them to know we will honour their sustainability goals.

We aim to make sustainability a natural part of every facet of our business so it appears seamlessly in everything we do.

For more details about our commitment to environmental stewardship, please refer to the Sustainability Reports of [Dumas](#) and [STRACON S.A.](#)

Climate Change

As STRACON Group provides equipment and services for our mining industry clients, the reality of climate change factors into all our decisions. As well as representing a risk, it also presents an opportunity. STRACON Group is able to focus on providing low emissions equipment and services where appropriate, which are increasingly in high demand from clients in order to meet their own climate change targets.

In addition, we care about managing our own GHG (greenhouse gases) footprint. As such, we will start surveying all Group employees to estimate our generation of Scope 3 emissions and the potential use of carbon offsets and alternate means of transportation.

Water Stewardship, Biodiversity, and Waste Management

We cannot talk about environmental stewardship without talking about water and biodiversity. These aspects are critical to any environmental management plan. Water and biodiversity are interconnected with climate change and we are seeing the reality of it at our sites. For example, traditionally wetter zones are now drier, and the impact of climate change on species and their habitats is clearly visible.

Acting with integrity when dealing with the environment means protecting water sources and natural habitats, mitigating and minimizing our waste streams by recycling wherever possible, and reducing our consumption of water, energy and other resources.



GHG Emissions Tracking at STRACON S.A.

Since 2018, STRACON S.A. has reported annually to Ashmore Group plc, a global asset manager that is the majority owner of STRACON Group. This includes monthly and quarterly tracking of resource usage and GHG (greenhouse gas emissions). We are now expanding our internal reporting to the project level for GHG (Scope 1 and 2) in order to manage and potentially reduce emissions. For this purpose, we are currently establishing a baseline for each project following a three-stage process:

- 1) Analyzing each of STRACON S.A.'s projects (8 in Peru, 3 internationally)
- 2) Detecting all emission sources at the project
- 3) Determining a baseline of monthly emissions



Social

A key advantage for STRACON Group has been our record of successful engagement and strong relationships with local communities and respect for their environments. This has been a cornerstone of our approach from the very beginning and one for which we are recognized. We believe it is one of the reasons people choose to work with us, whether they be clients, suppliers or potential employees.

For example, at the start of a new project, STRACON S.A. designs a Social Plan, where applicable, and tracks its progress through the life of the project. It is evaluated on a monthly basis to gauge its main achievements, and is revised as necessary.

For more information about our commitment to social aspects of ESG, please refer to the Sustainability Reports of [Dumas](#) and [STRACON S.A.](#)

Local Employment and Procurement

Companies of STRACON Group track local hiring and the percentage of workers from local communities and Indigenous groups. We also track local hiring of qualified and non-qualified labour, the gender of workers (with an aim to employ more females and increase our diversity), and the number of hours and types of training for each worker. For procurement, we track the sourcing of local goods and services, including the percentage of total purchases each month.

Community Development

Partnering with the communities in which we operate to offer support and access to resources otherwise unavailable is a fundamental value for us at STRACON Group. Enabling communities to enjoy a better standard of living and associated opportunities they would not otherwise experience is extremely important to us. See below for several important initiatives our operating companies have undertaken recently.

CHILE

During 2022, we supported a Chilean charity organization that provides aid to girls in need. AMECO provided basic needs (such as blankets and toiletries) and participated in celebrations to mark important occasions and milestones in their development.

MEXICO AND CANADA

Dumas supported the communities where we work by providing donations for local families in Canada and a nursing home in Mexico, as well as refurbishing an outdoor skating rink in Canada.

PERU

At STRACON S.A., we implemented training programs for local populations relating to their job skills, but also to ensure they understood the importance of environmental sustainability. We also provided support to local communities where the needs were greatest. Examples include donations of food and kitchen equipment, the supply of oxygen equipment during the COVID-19 pandemic, building materials for the construction of a school, and sewing equipment to a women's entrepreneur association, among other social responsibility activities.



Governance

As a holding company, governance is key for STRACON Group to ensure the proper and consistent execution of its plans and strategy across our group of companies. This is evidenced by the establishment of several internal policies and standards that are being rolled out to the Group.

One of these governance documents is the Sustainability Charter, to promote and commit ourselves to the principles of sustainability, along with safety, ethics and compliance practices. By setting, measuring, and reviewing key performance indicators, we aim to drive continuous improvement in ESG performance.

Strong governance is a cornerstone of our success and sustainability, as demonstrated by our governance practices that guide our operations, protect our stakeholders, and ensure our long-term viability.

7 Directors



57% are
independent



86% are non-
executive



14% are
female



Governance Systems and Policies

STRACON Group ensures we adhere to all standards by applying our [Code of Ethics](#), and Policy and Manual for the Prevention of Corruption, Asset Laundering and Financing of Terrorism.

For ethics and compliance issues, a third-party provider maintains a whistleblower hotline. Any calls are directed to the STRACON Group Executive Ethics Committee for management and resolution. The Group also worked with external parties to assemble a Compliance Policy. Additional policies are under development or review.

The entire company is certified annually in the Code of Ethics, and the People Management team (human resources) records all hours of annual training regarding ethics and compliance issues.

Governance Structure

The structure of our board of directors is purposely designed for transparency, with four independent directors and only one executive director. The board committees include independent directors to ensure full and strong oversight.



STRACON Group Board of Directors	Seats - Board Committees (★ = Committee Chair)	Non-Executive	Independent
Fernando García Rosell – Chairman	<ul style="list-style-type: none"> • Corporate Finance Committee ★ • ESG Committee 	✓	
Steve Dixon – Director and CEO	<ul style="list-style-type: none"> • Talent and Compensation Committee • Corporate Finance Committee • ESG Committee 		
Camilo Villaveces – Director		✓	
Miguel Aramburú – Director	<ul style="list-style-type: none"> • Talent and Compensation Committee • Audit and Risk Committee ★ 	✓	✓
Paula Caldwell St-Onge – Director	<ul style="list-style-type: none"> • ESG Committee ★ • Audit and Risk Committee 	✓	✓
Felipe Cantuarias – Director	<ul style="list-style-type: none"> • Talent and Compensation Committee ★ • ESG Committee • Audit and Risk Committee 	✓	✓
Geoff Cohen – Director	<ul style="list-style-type: none"> • Corporate Finance Committee 	✓	✓

Leadership and Culture

Given the Group's leadership team was the focus of the stakeholder engagement, it is not surprising that leadership and culture landed high on the ESG Profile ([page 12](#)). During the interviews, discussion and interest centred on maintaining the Group's market position as a preferred full-service supplier for the industry, as well as alignment of vision and values surrounding ESG, quality of service, and business sustainability going forward.

STRACON Group is a service provider that operates very much as a partner to our clients. We put our clients' interests first to ensure we deliver projects with the best possible outcome. Our goal is to be known for excellence, for being the best choice available, and as a partner that consistently delivers safe, sustainable and efficient services to the mining sector. See the next page to see how we support our clients' ESG goals and programs.

Sustainability is already embedded in leadership at the individual level. Our goal is to engrain it throughout our corporate culture as we assemble the governance systems and processes for the next phase of our growth.



Client Support for Sustainability

Client Support for ESG emerged as the top ESG topic in our materiality process. 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 sustainability and ESG goals. Some examples of services we offer:



Environmental:

- 1) **Reducing Carbon Footprint:** Investing in greener technology, such as electric vehicles to carry out mining operations, thereby helping clients reduce their overall carbon emissions.
- 2) **Waste Management:** Customized waste management solutions to ensure minimal waste production and maximum recycling.
- 3) **Water Treatment:** Provision of specialized water treatment systems to ensure minimal water waste and contamination.
- 4) **Reclamation Services:** Restoration of mining sites post-operation to meet environmental guidelines, often exceeding government regulations.
- 5) **Efficient Resource Utilization:** Optimizing mining techniques to maximize resource extraction, thereby reducing the environmental footprint per unit of resource.

Social:

- 1) **Local Hiring:** Creating employment opportunities for local communities surrounding the mining operations.
- 2) **Safety Training:** Providing rigorous safety training for workers to minimize accidents and health issues.
- 3) **Supply Chain Responsibility:** Ensuring that the supply chain practices are ethical and responsible, aligning with the client's ESG policies.

Customization and Adaptability:

- 1) **Policy Alignment:** Modifying or designing services that are fully aligned with the client's ESG policies and goals.
- 2) **Innovation:** Investing in research and development to create new methods or technologies that enhance sustainability and meet the unique needs of each client.

Governance:

- 1) **Transparency and Reporting:** Regular, detailed reports on ESG metrics and sustainability performance, aiding the client in their own disclosure requirements.
- 2) **Ethical Business Practices:** Ensuring anti-corruption measures, fair treatment of workers, and compliance with all relevant laws and regulations.
- 3) **Risk Assessment and Management:** Identifying, assessing, and mitigating ESG risks in the planning and execution phases.
- 4) **Contract Compliance:** Adherence to contractual obligations around sustainability and ESG measures, ensuring that clients do not face legal repercussions.

Health and Safety

Health and safety is a key topic for any company in the mining industry. STRACON Group has devoted significant resources to ensure the health and safety of its employees as well as the communities in which it operates. Performance is tracked and reported internally through a mechanism that measures accountability and progress towards targets.

Talent Management (Employment and Training)

Safety and taking care of our people is our number one priority, followed closely by education. This includes education about sustainability and the importance of the environment, the impact of our operations and the measures we can take to mitigate any such impacts.

STRACON Group sees its employees as valuable assets and treats them as such. Resources are devoted to ample training, as well as to employee-related initiatives such as the Dumas Employee Engagement and Donations ("DEED") program.

We currently capture company data related to our employees in systems such as SAP. Our next step will be aligning all reporting systems to ensure we are tracking and measuring performance consistently across the Group and rolling this into an ongoing reporting process. Our goal is to ensure we report with transparency, using tracking that allows us to improve our performance year over year.



Diversity, Equity, and Inclusion (DEI)

DEI is a leadership priority and whilst we are making strides, we recognize that we are at the start of this journey. We know that the traditional male-dominated mining industry presents several challenges but we urgently need diversity within generations, gender, and visible minorities from diverse backgrounds and under-represented populations.

Our emphasis is to employ local people. It is important not only from a communications perspective but also from a corporate cultural identity. We know that both of these contribute to overall success when communication is clear and corporate culture is strong.

We recognize that to become more diverse, we must be more inclusive, ensuring that the women who work with us feel safe and free to do their jobs without fear of harassment or intimidation. With this in mind, we implemented a policy to prevent sexual harassment.

Ethics

Ethics are the foundation of good governance and responsible business practices. Although ethics does not appear in the top ten subjects of our assessment, it is deeply embedded in our company culture and, therefore, is not explicitly mentioned via the interviews or desktop study.



Diversity, Equity and Inclusion at Dumas

At Dumas, we sought to strengthen our company through diversity by providing training for women, and engaging in educational programs at local colleges to encourage women to consider the mining industry as a career choice. We created a bursary specifically for female applicants.

40% of our Executive Team is Female

Economic Sustainability

For the STRACON Group, sustainability also means the business sustains itself economically and continues to be profitable going forward, providing ongoing employment, community support, and opportunities that a profitable business can bring. Long-term financial stability is key. Hand in hand with this is our responsibility for the environments in which we operate, balanced with sound governance practices that include responsible business policies, always aiming to adhere to the highest standards and regulations.

Evaluating the environmental impact of economic activity is essential while creating sustainability goals that allow a business to remain profitable. We recognize that some sustainable solutions are expensive and so we aim for a balance between the goals we would like to achieve and the practical realities of implementing them. The success of the Group ultimately means success for the project and its operations and, therefore, economic success for our clients.



Concluding Remarks

We hope you have enjoyed reading our inaugural Sustainability Report. While it contains no data, this first report was important to us to pull together and communicate our commitment to sustainability. As we embark on our sustainability reporting and tracking journey, our future reports will be detailed and contain data that will tell our story and inform our actions. We recognize that reporting is a strategy and a process, and we are excited to take our first step into it.

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

Credits and Copyright

The data, information, and images contained in this report were provided by or through STRACON Group. We engaged SOOP Strategies Inc. to serve as our sustainability reporting consultant and provide graphic design services. The reproduction of this publication in any form (including digital or print) is prohibited without prior authorization by STRACON Group.





Corporate Offices

LIMA

Av. Santo Toribio 143 Ofc. 401
San Isidro, Lima 27
Peru

SANTIAGO

Reyes Lavalle 3340 Office 50
Las Condes, Santiago
Chile

TORONTO

Royal Bank Plaza, South Tower, Suite 2301,
200 Bay Street, Toronto, Ontario M5J 2J1
Canada



stracon-group.com

stracon.com/en

stracontech.com/en

dumasmining.com

amecosa.com

omt.cl