



TSM Verification Summary Report 2023

La Arena, Peru

PREPARED FOR



PAN AMERICAN
— SILVER —

Pan American Silver

DATE

January 16, 2024

REFERENCE

0706478



DOCUMENT DETAILS

The details entered below are automatically shown on the cover and the main page footer. PLEASE NOTE: This table must NOT be removed from this document.

DOCUMENT TITLE	TSM Verification Summary Report 2023
DOCUMENT SUBTITLE	La Arena, Peru
PROJECT NUMBER	0706478
Date	January 16, 2024
Version	02
Author	Cecilia Tejada, Michelle Gillen
Client name	Pan American Silver

DOCUMENT HISTORY

				ERM APPROVAL TO ISSUE		
VERSION	REVISION	AUTHOR	REVIEWED BY	NAME	DATE	COMMENTS
Draft	01	Cecilia Tejada	Michelle Gillen	Judy Fedorowick	01.09.2024	
Final	02	Cecilia Tejada	Michelle Gillen	Judy Fedorowick	01.16.2024	



TSM Verification Summary Report 2023

La Arena, Peru
0706478



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ACRONYMS AND ABBREVIATIONS

CMP	Crisis Management Plan
COI	Community of Interest
DSI	Dam Safety Inspection
DSR	Dam Safety Review
ECA	Environmental Compliance Approval
ECCC	Environment and Climate Change Canada
EEM	Environmental Effects Monitoring
EOR	Engineer of Record
EPRP	Emergency Preparedness and Response Plan
FN	First Nations
GHG	Greenhouse Gases
HR	Human Rights
HS	Health and Safety
IBA	Impact and Benefit Agreement

ITRB	Independent Tailings Review Board
JHSC	Joint Health and Safety Committee
LASA	La Arena Sociedad Anónima
MOU	Memorandum of Understanding
MOWL	Maximum Operating Water Level
NORCAT	Formerly Northern Centre for Advanced Technology
OMS	Operations, Maintenance and Surveillance
PAS	Pan American Silver
RASCI	Responsible, Accountable, Supporting, Consulted and Informed
SPCR	Spill Prevention, Control and Response
TARP	Trigger Action and Response Plan
TEK	Traditional Ecological Knowledge
TSM	Towards Sustainable Mining
VSP	TSM Verification Service Provider

1. FACILITY INFORMATION

Facility Information:	
Name of Company	Pan American Silver
Name of Facility	La Arena S. A. (LASA)
Address	The site contains the La Arena Mine and the La Arena II. It is located in northern Peru, 480 km NNW of Lima, Peru, in the Huamachuco District. The site is situated in the eastern slope of the Western Cordillera, close to the Continental Divide at an average altitude of 3,400 metres above sea level.
Country of Operation	Perú
Products/metals produced on site	Gold
Types of operations included in the scope:	
Mining	La Arena is a heap leach open-pit gold mine.
Concentrate blending	N/A
Smelting	N/A
Refining	N/A
Other (please explain)	N/A
Types of Infrastructure included in the scope:	
Roads	N/A
Rails	N/A
Ports	N/A
Other (please explain)	N/A

FIGURE 1 LOCATION OF LA ARENA, PERU OPERATION



2. VERIFIER AND VERIFICATION INFORMATION

Verification Firm	ERM Peru SA
Confirmation that all verifiers involved in the verification are accredited TSM verifiers	Yes. Cecilia Tejada, Principal Consultant, Qualified VSP.
Date(s) of verification activities (dd/mm/yyyy – dd/mm/yyyy)	Document Review: 13/11/2023 – 16/11/2023 Site Visit: 13/11/2023 – 16/11/2023 COI Interviews: 15/11/2023 – 16/11/2023 Reporting: 6/1/2024 – 08/01/2024
Verification period	This is the first external verification of the La Arena Mining Unit. The VSP focused on the 2023 self-assessments provided by the site, with reference to the 2021 and 2022 assessments.
Summary of the verification methodology	This was the first verification for La Arena.

The verification did not include other standards or the addition of the Responsible Sourcing Alignment Supplement.

A site visit to La Arena was agreed to given this is their first verification.

The process included document review, site-based interviews, COI interviews, and reporting.

The Tailings protocol was excluded, as La Arena does not generate tailings in its operation. The remaining 7 protocols were reviewed.

Summary of the verification activities

Planning

Planning for the verification was organized with Pan American Silver (PAS) corporate environment staff, who also attended the site visit with a representative from the sustainability team. A request for key COI representatives was made and arrangements were made to have short interviews. A schedule of verification activities was prepared and shared with site representatives. The schedule included a focused interview with the lead for each TSM protocol and selected site tours.

Document Review

In advance of the site visit, a SharePoint site was set up by PAS to allow access to the self-assessment reports and associated documented evidence. The VSP reviewed this material in advance of the site visit and in several cases, requested some additional information.

Site Visit

A visit to the La Arena Mine was conducted over five days. In accordance with the schedule, an opening meeting was held with site staff, including the mine general manager and other site leadership. The subsequent interviews focused on reviews of the site's self-assessments for each protocol. Evidence was reviewed and if required, the VSP requested additional information or adjustments to the self-assessment.

Sampling of evidence was limited to certain monitoring reports, minutes of meetings, and other periodically scheduled activities.

A tour of the facilities and general views of the operation were conducted.

Interviews were conducted with operational personnel and also verification of systems, processes and implementation of procedures. With some protocols, several people from the site participated in the discussion. See Appendix A for a list of PAS participants.

COI Interviews

The COI interviews were conducted virtually and by telephone call based on availability of the participants. See Appendix B for a list of COI the VSP engaged with.

3. SUMMARY OF FINDINGS

This section summarizes ratings for all TSM indicators and provide brief commentary regarding these indicators and the facility's score on a given protocol.

TABLE 1 SUMMARY OF CONFORMANCE RATINGS

Criterion	PAS Rating	ERM Verified Rating
<i>Indigenous and Community Relationships</i>		
1. Community of Interest (COI) Identification	AA	A
2. Effective COI Engagement and Dialogue	A	AA
3. Effective Indigenous Engagement and Dialogue	NA	NA
4. Community Impact and Benefit Management	A	A
5. COI Response Mechanism	A	A

Criterion	PAS Rating	ERM Verified Rating
<i>Safety and Health</i>		
1. Commitments and Accountability	A	AA
2. Planning and Implementation	A	AA
3. Training, Behaviour and Culture	A	AA
4. Monitoring and Reporting	A	A
5. Performance	A	A
<i>Crisis Management and Communications Planning</i>		
1. Crisis Management and Communications Preparedness	Yes	No
2. Review	Yes	No
3. Training	Yes	No
<i>Preventing of Child and Forced Labour</i>		
1. Preventing Forced Labour	Yes	Yes
2. Preventing Child Labour	Yes	Yes
<i>Climate Change Protocol</i>		
1. Corporate Climate Change Management	A	A
2. Facility Climate Change Management	AA	AA
3. Facility Performance Targets and Reporting	AA	AA

Criterion	PAS Rating	ERM Verified Rating
<i>Biodiversity Conservation Management</i>		
1. Corporate biodiversity conservation commitment, accountability, and communications	AA	AA
2. Biodiversity conservation planning and implementation	AA	AAA
3. Biodiversity conservation reporting	AA	AA
<i>Water Stewardship</i>		
1. Water Governance	AA	AA
2. Operational Water Management	AA	AA
3. Watershed-scale Planning	AA	AA
4. Water Reporting and Performance	A	AA

TABLE 2 SUMMARY COMMENTS ON CONFORMANCE RATINGS

Criterion	Rating	Comments
<i>Indigenous and Community Relationships</i>		
1. Community of Interest (COI) Identification	A	<p>La Arena (LASA) has a documented COI identification process that identifies stakeholders with a wide range of interests and concerns (P-PAS PERU-069 Situation Monitoring and Conflict Prevention, 26/09/2022, item 5.1 Stakeholders monitoring). This process includes:</p> <ul style="list-style-type: none"> - Mechanisms, such as an annual survey (anonymous), which allows COIs self-identify and, as part of their Relationship and Management Plan for Stakeholders indicates relationship mechanisms that have served to identify their COI. - Stakeholders Matrix, that includes attributes for identified COIs, including contact information, areas of interest, etc. This List is reviewed monthly or

Criterion	Rating	Comments
		<p>quarterly, depending on the social situation, to ensure that it contains up-to-date information. LASA uses an IsoMetrix digital platform to keep and update its COIs.</p> <p>COI´s are periodically reconsidered during all stages of the mine life cycle (monthly or quarterly, depending on the social situation) to ensure that engagement with affected COI occurs for any new or expanded project.</p> <p>Although LASA has identified indirect organizations with interest in issues related to support in local development projects (for example, Quinoa project and tourism development project) that are NGOs or other organizations, these are not included in the Stakeholder Identification Matrix.</p>
2. Effective COI Engagement and Dialogue	AA	<p>LASA conducted an effective COI engagement and dialogue as part of their different social communication and local relations activities (permanent information office, Participatory Environmental Monitoring, meetings with the COIs to follow the execution projects, workshops, mechanism for handling claims and resolution of complaints). In this engagement process, the COIs express the problems or improvements that can impact them and serve as a basis for planning the social management in LASA and building the capacity of COI to allow them to effectively participate in dialogue. Additionally, this process is reviewed permanently to allow continual improvement, for the Participatory Environmental Monitoring is scheduled quarterly.</p> <p>LASA has a Commitment Matrix which integrates all the commitments, whether of the IGAs (Environmental Management Instruments) or the commitments linked to the agreements they may have with some COIs. This process considers some examples of underrepresented or vulnerable groups (expropriated local actors), based on Peruvian legislation.</p> <p>LASA communicates the feedback and results of their participation publicly. For example, projects execution through radio spots and press releases, in the bulletins that are shared in the permanent information offices. Based on what is reported, the permanent information offices can</p>

Criterion	Rating	Comments
		receive any feedback and any comments regarding the public information that is issued.
3. Effective Indigenous Engagement and Dialogue	NA	This indicator does not apply since there are no indigenous peoples in its La Arena 's Environmental Management Instruments.
4. Community Impact and Benefit Management	A	<p>Processes are in place to identify, prioritize and avoid potential adverse impacts on COI through a participatory environmental impact assessment, impact studies with contributions from COIs, identification and implementation of impacts with COIs procedure, social work/action with COIs procedure (includes participatory techniques and methods for the contribution of COIs), action plans risk management, meetings and commitments to discuss with COIs, review impact evaluations and action plan, handling claims and resolving complaints procedure.</p> <p>In addition, the site has a participatory committee with monthly meetings, in which issues related to current impacts and controls are discussed with the environmental area and the other members of LASA.</p> <p>LASA has a Social Impact Matrix associated with environmental impacts, occupational safety and health (approved 12/30/2023 vr01). This matrix considers the relevance of the COI in the impacts attributable to the presence of the operation, to the environment and the safety and health of the community, such as Alteration in the quality of water for human consumption, irrigation, animal drinking and fish farming, Alteration of living places. This process also identifies the significantly affected COIs such as La Arena, La Ramada, Raunate, Peña Colorada, La Unión and, depending on the social impact, and each project has a more specific level of detail at the level of affected groups, included under-represented COI.</p> <p>Each social impact has an action plan that is monitored monthly and is linked to the budget by activity, this includes objectives, KPIs and there are minutes with the COIs involved to review progress and identify improvements.</p> <p>External communication presentations on community development and social investment initiatives are in place to</p>

Criterion	Rating	Comments
		engage with relevant COI on contributions made by community area. Also, has a 2022 Sustainability Report on the web, newsletters, press releases, external videos, media publications and reports, information on updates to the company's website and radio spots.
5. COI Response Mechanism	A	<p>The process for receiving, documenting, reporting and responding to COI grievance and comments is described in the Attending Consultations and Resolution of Claims Procedure. It has a record of these concerns and in which all matters are listed. The procedure indicates a time of maximum 15 days to respond to the COIs involved.</p> <p>Grievances or comments can be received by many channels. The procedure is communicated to the COI, through the community relations team carries out training, newsletters, visits to families and sent WhatsApp to different actors to inform the COIs about the grievances and claims mechanism.</p>
Safety and Health		
1. Commitments and Accountability	AA	<p>There is a demonstrated commitment to safety and health through the Integrated Safety, Health and Environment Management System Policy (which is consistent with the intent of the MAC Safety and Health Framework). This Policy is communicated to workers and contractors through to HS procedures attached into the contracts, induction process to all new employees, and if some of the HS commitments are updated those are communicated by emails to all LASA staff, Contractors Committee (biweekly) where the status of the commitments established in their objectives is reviewed.</p> <p>LASA has a letter designating responsibilities for each element of the health and safety management system that is reflected. Accountability and responsibilities under the Health and Safety Management System are understood at all levels in each employee role profile and into the contracts.</p> <p>LASA has completed an internal audit of the HS management system. This internal audit was conducted by RDZ (September 2022); it included the degree of consistency with which the commitments are applied with respect to the intention of the MAC health and safety framework, accountabilities and responsibilities are understood, the commitments to safety and health have been communicated</p>

Criterion	Rating	Comments
		to employees, contractors, and suppliers at the facility. One of the results of this audit is the HS processes are in place to ensure that employees, contractors, and suppliers who work at LASA are aware of the safety and health commitments.
2. Planning and Implementation	AA	<p>LASA has a robust Occupational Health and Safety management system program, which includes:</p> <ul style="list-style-type: none"> • Annual setting objectives and goals. • Hazard identification and risk assessment, and maintenance of a risk register annually. • Annual industrial hygiene program (by Qualified Hygienic Engineer) • Defined roles and responsibilities (role profiles and into the HS procedures) • Annual Health and Safety Training Plan • Annual Safety and Health Plan at work • Occupational Health Plan • Workplace inspections • Validation of the effectiveness of controls. • Work procedures, including an accident investigation procedure <p>LASA has verified that critical controls are in place and functioning by monitoring Bow Tie and critical controls, mitigating controls and underpinning controls, developing cross internal audits between BU.</p> <p>Additionally, LASA has completed an internal audit of its Health and Safety management system conducted by RDZ (September 2022).</p>
3. Training, Behaviour and Culture	AA	<p>LASA maintains an Annual Health and Safety Training Program that is conducted by internal HS trainer and external training services (the competence of the external trainer is validated by LASA); this Training Program is developed for each role profile and contractor. There are orientation programs for employees, on-site contractors and visitors and its compliance is reviewed weekly, reporting the status of progress by area; likewise, it is reviewed monthly in HS</p>

Criterion	Rating	Comments
		<p>Committee meetings, including the hours of the contracting companies.</p> <p>Each employee must take an exam at the end of the training to measure the degree of learning received; likewise, certificates are issued for approved courses.</p> <p>Safety and health are integrated with business planning, purchasing decisions (selection and qualifications), performance evaluations and compensation (annual safety incentives).</p> <p>LASA has a monitoring system @ctua PAS for compliance with the IDS (HS indicators) assigned to the relevant site roles. These IDS consist of assigning a number of verifications, from the following tools: Inspections, OPT, Unsafe acts and conditions, incident reporting, VEOS.</p> <p>LASA has a Wellness Program and Mental Health Plans in the process of development whose activities implemented to date are well-being campaigns through topics such as the 8 rules for life, healthy eating, among others.</p>
4. Monitoring and Reporting	A	<p>Monthly reviews of the Occupational Health and Safety management system are carried out. This includes reviewing key indicators and reporting these to corporate. Performance and Health and Safety Management is also reviewed/discussed in the meetings of the Health and Safety Committee. The results are also shown in public reports linked to health and safety management.</p> <p>An audit program was carried out on all the site's production processes, prioritizing the highest risk activities. This is documented in the internal audit plan of DS-016 and in the results of the audits carried out in 2023.</p> <p>LASA also conducts an annual Management Review, which includes the review and verification of the effectiveness of its health and safety system program.</p> <p>The results of the health and safety performance is published annually in its Sustainability Report under the title of Health and Safety, section "Our Performance."</p>
5. Performance	A	<p>LASA's Health and Safety objectives and goals are communicated to the contracting companies. Each contractor integrates into its Annual HS Plan KPIs to compliance with</p>

Criterion	Rating	Comments
		<p>the LASA's objectives. Likewise, the Health and Safety performance of contractors are included within the results of LASA's performance.</p> <p>The LASA management is involved in reviewing and improving performance relative to targets in the HS Committee at LASA and in the Peru HS Committee.</p> <p>LASA has determined a health and safety performance indicator for each line of supervision of the Mining Unit. The results of the HS performance are communicated in the HS Central Committee monthly; they are also communicated through panels, newspaper and to the contractors, through the HS Contractors Committee. LASA has not had a fatality in the reporting year (2023).</p>
<i>Crisis Management and Communications Planning</i>		
1. Crisis Management and Communications Preparedness	No	<p>Credible threats and risks have been identified and protocols established to address them through the PL-LA-SEG-06 LASA Local Crisis Management and Communications Plan (Feb. 2023) and the PL-LA-SEG-04 Emergency Preparedness and Response (Dec. 2022), including a list of possible risks that can escalate a crisis, according to the emergency levels and describes the protocols to address them comprehensively. Those Plans are controlled documents and approved.</p> <p>Mechanisms to alert employees to a crisis and its developments have been established in those plans and have been probed in the developer's drills.</p> <p>The Emergency Preparedness and Response Plan have been shared directly with Peru Office, It have been published on the PAS intranet.</p> <p>A Lima Crisis Committee and its responsibilities have been established in the Emergency Preparedness and Response Plan. Additionally, there are "appointment letters" for each member of the local crisis committee, which includes their responsibilities.</p> <p>A notification protocol is in place.</p> <p>The HR Superintendent is the "media spokesman" in an emergency.</p> <p>A crisis control center has been established.</p>

Criterion	Rating	Comments
		<p>There is no evidence of a formal training for the “media spokesman”.</p> <p>Contact information for the stakeholders has not been in place.</p> <p>It was not possible to confirm the Local PL-LA-SEG-06 LASA Local Crisis Management and Communications Plan (Feb. 2023) and the PL-LA-SEG-04 Emergency Preparedness and Response (Dec. 2022) has been shared with the corporate office in Canada.</p>
2. Review	No	<p>Local crisis management and communications plans are reviewed annually and when there is a change in personnel.</p> <p>The mechanism to notify and alert employees during a crisis is tested in the semi-annual drills. Drills are also completed to assess the level of effectiveness of the measures considered in the crisis management plan.</p> <p>The facility maintains an alarm system to notify employees and contractors, as well as a radio system.</p> <p>A new crisis team member, the HR Superintendent, was added to the team in March 2023. At the time of the verification they had not been formally familiarized with the plan and a formal process to ensure that the new crisis team member are familiarized with the plan within two months of joining the crisis team was not in place.</p>
3.Training	No	<p>A facility-wide full crisis annual simulation exercises has not been carried out.</p>
Preventing of Child and Forced Labour		
1. Preventing Forced Labour	Yes	<p>LASA carried out an External Context Analysis study which describes the social aspect in which LASA operates and in interviews with those responsible for the process, that no aspect related to forced labor has been found.</p> <p>However, the processes established by LASA for its employees are the same applicable to its supply chain and are evidenced by emails sent to contractor companies for compliance. These are:</p>

Criterion	Rating	Comments
		<p>a) 8 rules for life, with annual training within the SSO training program.</p> <p>b) Human Rights Policy, art. H.</p> <p>c) Code of conduct.</p> <p>d) Human Resources Policy</p> <p>e) Complaints and claims procedure, no related events were found</p> <p>In addition, the Human Resources area periodically carries out a "Verification of compliance with labour obligations" of suppliers and contractors with their staff, ensuring compliance with human rights and current labour legislation."</p>
2. Preventing Child Labour	Yes	<p>There are processes proportional to the jurisdictional risks to ensure that no one under 18 years of age is hired. PAS will not employ minors under 18 years of age in its operations.</p> <p>The site has a Code of Conduct which indicates that the work of people under 18 years of age is not permitted.</p>
Climate Change		
1. Corporate Climate Change Management	A	<p>A corporate climate change strategy has been developed at PAS and includes developing and implementing a corporate standard on energy, emissions and climate change. This process includes setting annual targets at each operation to support meeting corporate targets, setting accountabilities for implementing the standard, assessing material climate risks and opportunities across the company, detailed public reporting on the company's climate strategy. The standard is also supported by a Capital Appropriate Report Process to integrate climate change targets into review of new projects, equipment upgrades, etc.</p>
2. Facility Climate Change Management	AA	<p>The site has an Energy Management and Greenhouse Gases directive which mentions the commitment of the Environment and guidelines for the management of energy use and GHG emissions, which has been implemented at LASA. The operation also has a "Preparation of Calculation Reports on Energy Use and Greenhouse Gas Emissions Procedure" , that includes the standard calculation methodologies (e.g. IPCC, DEFRA, Info Carbono, among others). The site also, has an</p>

Criterion	Rating	Comments
		<p>identification and breakdown matrix of significant sources of energy consumption and GHG emissions.</p> <p>LASA completes monthly data recording reports based on energy use and emission sources.</p> <p>LASA carries out its annual review of energy management at the PAS Peru and locally by the Energy and GHG Management Committee carried out monthly. In the site's Energy and GHG Management Committee Regulations (Terms of Reference) the assignment of responsibilities to the members of the Energy Management Committee is documented.</p> <p>Consideration of energy and GHG emissions in business planning, including design criteria, are described in the improvement projects they carried out.</p> <p>Physical climate impacts were evaluated and did not identify any risks, however, the assessment will be repeated in 2024 as part of the site management system.</p> <p>The site collaborates with COI on climate change through participation in a project called "Management for the mitigation of greenhouse gas emissions and adaptation to climate change in the Mining Units of PAS Peru" this project includes collaboration with its COIs on projects that allow us to address and adapt to possible climatic variations. For example, during the project "Forestry with native and exotic plants and installation of fruit trees in Sanagorán", this involved discussing about the physical climate risk and how the forestation is a mitigate action with 37 communities.</p> <p>LASA has carried out an external audit based on ISO 14064-1:2018 in October 2023 by SGS.</p>
3. Facility Performance Targets and Reporting	AA	<p>LASA has a short and mid-long term target action plan with the objective. Likewise, PAS is committed to meeting the objective of reducing 30% of its emissions by 2030 in its Sustainability Report and has actions established in its plan "Assessments of climate-related risks and opportunities – Regulatory strategic initiative" where medium and long-term actions are determined. This progress is following in its Monthly Environmental Management Committees and in the monthly Dashboards sent to the Corporate level. In the 2022 Sustainability Report, LASA describes the methodological</p>

Criterion	Rating	Comments
		<p>source for the metrics and evaluation of the performance of its emissions.</p> <p>LASA has carried out an external audit based on ISO 14064-1:2018 in October 2023 by SGS.</p>
<i>Biodiversity Conservation Management</i>		
1. Corporate biodiversity conservation commitment, accountability, and communications	AA	<p>PAS Peru has established the Environmental Directive - Biodiversity Management, which mentions the commitment of the Environment and Permits Director with biodiversity. This Directive is applied in La Arena.</p> <p>LASA has a Biodiversity Management Plan (2020-2023) includes commitments to managing risks related to biodiversity and integrating biodiversity conservation into mine planning. This Plan is consistent with the intent of the TSM Mining and Biodiversity Conservation Framework and including the mitigation hierarchy.</p> <p>LASA's Operations Management has disseminated those commitments of Biodiversity to all employees and contractors and, sent the Environmental Directive - Biodiversity Management (commitment to the preservation of biodiversity) to local authorities. The Biodiversity commitments have also been communicated through local interest groups (COI) as part of the Communication and Relationship Plan.</p> <p>Roles and responsibilities for implementation of the commitment are clear, and the environmental team has been assigned to implement the commitment.</p> <p>LASA had an independent verification in September 2022 by RDZ company on the degree of implementation of its commitments on biodiversity preservation.</p>
2. Biodiversity conservation planning and implementation	AAA	<p>LASA has directives, procedures and plans linked to the preservation of Biodiversity approved by the senior management of LASA and PAS Peru, as well as the approval of the budget (2023) for the execution of its activities. These documents are communicated to the contractors.</p> <p>LASA had an independent verification in September 2022 by RDZ company on the degree of implementation of its commitments on biodiversity preservation.</p>

Criterion	Rating	Comments
		<p>LASA participates with COI supporting biodiversity conservation through the social project, for example Sanahoran community, is developing reforestation and nursery activities in the area.</p> <p>Biodiversity conservation management is integrated into the broader business strategy as evidenced through:</p> <p>Investments in research and development with the project "Evaluation of the Effectiveness of Treatment and Control in the biogeochemical processes involved in different models of conventional closure and with technosols for the environmental restoration of the La Arena Mining Unit (April 2023)". The objective was to search for closure alternatives to determine the effectiveness and sustainability, in order to restore areas impacted by mining activity in the area. This project was presented to Concytec (public organization in charge of developing policies, regulations, as well as promoting Science, Technology and Technological Innovation actions in the country) and qualified as a scientific research project.</p>
3. Biodiversity conservation reporting	AA	<p>LASA has Monthly Environmental Management Reports (Dashboard) and weekly reports informing the progress biodiversity management. Also, LASA includes in its 2022 Annual Sustainability Report information on its performance in relation to biodiversity conservation. Likewise, LASA communicates its forestation projects related to biodiversity in meetings with relevant COI to get feedback of their progress and improvement.</p> <p>The GRI Biodiversity database for the preparation of Annual Sustainability Reports is reviewed by Corporate (Vancouver) before publication and there are evidences (by email) for their review.</p>
Water Stewardship		
1. Water Governance	AA	<p>PAS Peru has established the Water Responsibility Directive consistent with the intention of the TSM Water Stewardship Framework. The senior manager of LASA have implemented this directive in the site.</p> <p>LASA has a Risk Matrix for Water Management (July 2023) that includes opportunities, as part of the activities described in its Water Management Plan (May 2023). Likewise, the</p>

Criterion	Rating	Comments
		<p>executed budget linked to water management was reviewed to ensure that the actions are being developed.</p> <p>LASA has developed an internal audit carried out by an external party (RDZ, September 2022) that included the coherence of the Water Management guidelines with the Water Stewardship Framework, and that the commitments are being communicated and the roles defined.</p>
2. Operational Water Management	AA	<p>The Water Balance, in Goldsim, is updated monthly and includes the monitoring results. According to the analysis of climate change risks in the context of LASA there is not much variation, however LASA are waiting for the last update carried out of November 30, 2023.</p> <p>There is a Water Steering Committee (WSC) in place monthly, its regulations establish the areas/processes involved, the members, responsibilities, and functions of the WSC for the improvement of Water management (quality and quantity). These meetings include monitoring of actions in operational water management to inform continual improvement and/or decision-making for water management.</p> <p>LASA has a "Risk Identification, Evaluation and Management Matrix referring to the Operational Management of Water and Environmental Management" that includes assessing the effectiveness of the actions proposed for the water risks identified in its matrix.</p> <p>LASA has carried out a hydrogeological study (updated 2022) and a hydrological study (2023) by an external consultant, who validate that the study include the risks related to groundwater.</p> <p>LASA carried out an audit by an external party (RDZ, September 2022) which reviewed LASA's Water Management and verified its compliance with the requirements of the TSM level A.</p>
3. Watershed-scale Planning	AA	<p>LASA has developed and applied surveys to the identified external COIs to better understand the use of water resources at watershed-scale. Through the surveys, information was collected on factors, including local practices, beliefs, customs and traditional knowledge related to water and gave a value to the different risks with a basin focus.</p>

Criterion	Rating	Comments
		<p>LASA has a Participatory Environmental Monitoring Committee in which issues related to the operation that have opportunities in water management or rescheduling of activities are communicated as necessary. The Committee is also used to identify additional concerns/risks that may affect the communities and watershed.</p> <p>The area of LASA does not have water forums or governance groups.</p>
4. Water Reporting and Performance	AA	<p>Ongoing water management objectives, goals and action plans are established annually, tracked and reported to the site management and the Water Management Committee. Progress is documented and tracked in the Water Management Plan.</p> <p>LASA prepares information on its performance in water management into the 2022 Annual Sustainability Report, which includes compliance with the established objectives and goals. This water management performance data is verified by the corporation (Vancouver) in order to be reported in the Sustainability Report.</p>

4. STATEMENT OF VERIFICATION

<p>The external verification was conducted in accordance with the <i>Terms of Reference for Verifiers</i> and, accordingly, consisted primarily of interviews, data analysis, and examination (on a sample basis) of other evidence relevant to management’s assertion of conformance to the requirements of the TSM performance indicators.</p>	
<p>The scores indicated in this report are verified as being accurate based on the evidence reviewed during the external verification of this facility.</p>	
<p>Limitations</p>	<p>No limitations to how this verification was to be planned and completed were encountered.</p>
<p>Additional comments</p>	<p>The Pan American and La Arena teams were well prepared for the verification process. Their self-assessments were comprehensive, and they were very transparent with document and data sharing.</p>
<p>Name of lead verifier</p>	<p>Cecilia Tejada, VSP</p>
<p>Date of statement of verification</p>	<p>January 9, 2024</p>
<p>Signature of lead verifier</p>	

APPENDIX A PAN AMERICAN SILVER / LA ARENA PERSONNEL

Protocol	Interviewees	Position
Biodiversity	Magaly Chumpitaz Danilo Jurado Elman Rondán Diego Quenaya	Deputy Manager of Environmental Management - Lima Superintendent of Environmental Management Senior Environmental Engineer Environmental Engineer
Energy and GHG	Magaly Chumpitaz Danilo Jurador Garayar Juan Carlos Goicochea Diaz Diego Quenaya Rivera Jesus Balarezo Romero Marco Antonio Castillo del Carpio Bellido	Deputy Manager of Environmental Management - Lima Superintendent of Environmental Management Water Management Head Environmental Engineer Electrical Engineering & Plant Maintenance Superintendent Electrical & Maintenance Superintendent
Water	Magaly Chumpitaz Danilo Jurador Garayar Branco Beltran	Deputy Manager of Environmental Management - Lima Superintendent of Environmental Management Senior Engineer

Protocol	Interviewees	Position
Tailings	Not applicable	Not applicable
Crisis and Communications	Magaly Chumpitaz Marcos Rodas Guillermo	Deputy Manager of Environmental Management – Lima Emergency Response Supervisor
Indigenous and Community	Magaly Chumpitaz Antonella Castagnina Gustavo Guerra Jenny Morales Enrique Alcantara	Deputy Manager of Environmental Management – Lima Head of Social Management System Social Management Manager Social Management Assistant Oip Enterprise & Local Employment Head
Child and Forced Labour	Magaly Chumpitaz Maria Fernanda Solorzano Hernán Cartagena Diaz Ruben Ganoza Ubillus	Deputy Manager of Environmental Management – Lima HR Superintendent (i) Mining Administration Head Contractor Head
Safety and Health	Magaly Chumpitaz Luis Santos Chirinos	Deputy Manager of Environmental Management – Lima Health & Safety Superintendent

APPENDIX B COMMUNITY OF INTEREST (COI) PARTICIPANTS IN THE VERIFICATION PROCESS

Name	Organization	Protocol Association
Hipólito Acevedo Acevedo	President of the La Escorzonera Channel El Alizar Sector La Arena Village	Biodiversity Water Stewardship
Pedro Villanueva Carrión	President of La JASS Centro hamlet La Arena, social leader.	Water Stewardship Indigenous and Community
Cirilo Villanueva	Secretary of the Board of Directors of Canal La Zarza - La Arena village.	Water Stewardship
Edwin Villanueva Otiniano	Businessman (V&O La Arena) - La Arena village	Indigenous and Community Health and Safety



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