Environmental and Social Review Summary (ESRS)
Calidra – Argentina, Colombia, and Peru

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1. General Information of the Project and Overview of Scope of IDB Invest's Review

With more than 100 years of experience, Grupo Calidra, S.A. de C.V. (the "Company" or "Calidra") has positioned itself as the leading company in the production of lime, ready mixes, and carbonates in Latin America, operating in Mexico, Honduras, Colombia, Peru, Argentina, and Chile. At the end of 2020, Calidra's operations consisted of 15 calciner plants, 15 hydration plants, two crushing plants, two dry mix plants, two precipitated calcium carbonate plants, a milling and oxide transfer plant, and a calcium sulfate plant. Calidra has 22 Distribution Centers in Mexico, two in Peru, three in Argentina, and two in Chile. In Mexico, the Company is divided into two regions: Operations 1, which consists of its plants in the northern and western parts of the country; and Operations 2, which consists of its plants in the central and eastern parts of the country. In addition to its corporate offices in Mexico, Calidra has regional offices for its two operations in Mexico and in the other countries in which it operates.

Calidra is seeking financial support for its subsidiaries in Argentina, Colombia, and Peru to finance capital investment needs (the "Project") that includes: i) the potential acquisition and start-up of Maerz furnaces as well as other maintenance and improvement works related to (a) the La Laja Plant in San Juan, Argentina; (b) the Caltek Plant in Envigado, Antioquia, Colombia; and (c) the Calidra Peru Plant in Yanahuara, Arequipa, Peru; and ii) the potential construction of infrastructure at a quarry owned and operated by a third party near the Caltek Plant in Envigado, Antioquia, Colombia. The Project will expand Calidra's productive capacity at the regional level and strengthen its presence and product availability in Latin American markets.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according to IDB Invest´s Environmental and Social Sustainability Policy[1], since it will likely generate, among others, the following impacts: i) air emissions; ii) water consumption; iii) wastewater; iv) potential soil contamination; v) waste; vi) occupational health and safety impacts; vii) loss of habitat (quarry infrastructure only); and viii) potential disturbance of cultural heritage (quarry infrastructure only). These impacts are deemed to be of medium intensity and are generally limited to the Project sites, are largely reversible, and can be mitigated via measures that are readily available and feasible to implement in the context of the operation.

[1] According to IDB Invest's Sustainability Policy, Category A projects could result in potentially significant environmental and/or social risks and impacts; Category B projects have potential environmental and/or social impacts and risks that are less adverse than those of Category A; and Category C projects are those that are likely to result in very limited or no adverse environmental or social impacts or risks.

The Performance Standards ("PS") triggered by the Project are: i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; iv) PS4: Community Health, Safety and Security; v) PS6: Biodiversity Conservation; and vi) PS8: Cultural Heritage.

Since no land will be acquired as part of the Project (and therefore no involuntary resettlement is anticipated) and no indigenous communities will be affected by the Project's activities, PS5: Land Acquisition and Involuntary Resettlement and PS7: Indigenous Peoples have not been triggered.

3. Environmental and Social Context

3.1 General Characteristics of the Project's Site

The La Laja Plant in Argentina is in the Department of Albardón, Province of San Juan. It is located on the southern slopes of the Sierra de Villicum, in a desert area with minimal vegetation. The nearest settlements are Gruta de la Virgen de Lourdes, approximately 3 km to the southeast, and the Aguas Termales de la Laja, approximately 3.5 km to the southeast. The plant is approximately 6.5 km northwest of the northern outskirts of San Juan (Las Lomitas) and approximately 25 km north of the city center.

The Caltek Plant in Colombia is in the Municipality of Puerto Triunfo, Department of Antioquia. It is located on the south side of a major highway, the Autopista Medellín-Bogotá. The area around the plant is mixed forest and land cleared for agricultural and pastoral purposes. The nearest settlement is Los Colores Ecoparque, located approximately 1.25 km to the northeast. The quarry is located approximately 4 km to the southwest of the plant.

The Calidra Peru Plant is in the Department of Arequipa, Province of Caylloma, District of Callalli. It is located on the west side of a Route 34E. The nearest settlement is Callalli, which is approximately 3 km to the northwest. The plant is located approximately 100 km north of Arequipa.

3.2 Contextual Risks

A contextual risk assessment was performed for the three Project areas, which identified the following over the last year: i) in San Juan, Argentina, 44 peaceful protests and two protests with intervention with no associated fatalities; ii) in Arequipa, Peru, 78 peaceful protests, three protests with intervention, three violent demonstrations, and four incidents of mob violence with no associated fatalities; no demonstrations took place in Yanahuara; and iii) in Evigado, Colombia, two peaceful protests and one violent demonstration in which eight officers were injured with no associated fatalities.

An ESG reputational risk assessment of Calidra identified two risk incidents, both in Mexico. The first, from 2016, was a report on criticism of water use permits granted to several companies in Puebla, Mexico, including Calidra. The second was from 2010.

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks

4.1.a E&S Assessment and Management System

Calidra has a Sustainability Model that guides the Company's approach to environmental and social management. The model consists of the following elements conceptualized to variously intersect with economic, social, and environmental dimensions: i) Business Integrity, which comprises Organization of Corporate Governance, Ethics and Compliance Culture, Supply Chain Management, and Risk Management sub-elements; ii) Collaborator Development, which includes Health and Safety Overview, Professional Opportunities, and Diversity sub-elements; iii) Community Wellbeing, which is composed of Social Investment and Development, and Environmental Impact Prevention and Mitigation sub-elements; iv) Operational Efficiency, which comprises Environmental Management Integration, Energy and Emissions (GHG and particulates) Management, and Circular Operations (quarries, water and residues) sub-elements; and v) Sustainable Products and Models, which includes Limestone Sustainable Uses, Development of Production Lines, and Quality sub-elements. The Company assigns a person responsible and has key performance indicators (KPIs) for each sub-element.

Calidra has a Policy and Procedures Manual (*Políticas y Procedimientos de Desarrollo Sustentable*) that lists the Company's policies associated with the following topics: i) Generalities; ii) Health, Safety, and Environment; iii) Health and Safety Commission; iv) Preventive Occupational Health and Safety Services; v) Contractors; vi) Incidents; vii) Safe Enterprise; viii) Hazardous and Special Management Waste; ix) Explosive Warehouse; x) Plant Nursery; xi) Process Safety Management; and xii) Water Treatment Plant. The manual also lists the Company's procedures associated with the following topics: i) Certifications; and ii) Annual Work Plan.

4.1.b Policy

In addition to the policies included in the Policy and Procedures Manual, Calidra has several standalone environmental, social, and human resource policies. The broadest of these is the Sustainability Policy (*Política de Sostenibilidad*). This policy includes several general declarations, followed by statements organized according to the five elements and various sub-elements of the Sustainability Model described above.

Additional environmental and social (E&S) policies include an Environmental and Climate Change Policy (*Política Ambiental y de Cambio Climático*) and a Community Relations and Social Investment Policy (*Política de Relacionamiento Comunitario e Inversión Social*). Human resources policies include a Code of Ethics (*Código de Ética*), Diversity Policy (*Política de Diversidad*), Personnel Recruitment, Selection, and Contracting Policy (*Reclutamiento, Selección y Contratación de Personal*), and a Retrenchment Policy (*Retiro de Personal*).

4.1.c Identification of Risks and Impacts

4.1.c.i Direct and indirect impacts and risks

Host country laws and regulations do not require environmental and social impact assessments (ESIAs) for the upgrades to the Project's three plants, as these are all existing facilities. ESIAs were conducted in compliance with host country laws and regulations for the construction of all three plants, however, to obtain their required environmental licenses.

The environmental license[2] for the La Laja Complex in Argentina was issued on December 29, 1998. The ESIA for the plant was last updated in 2021[3]. The ESIA for the Caltek plant[4] in Colombia is dated October 2015 and its Environmental License[5] was issued by the Regional Autonomous Corporation of the Negro and Nare River Basins (*Corporación Autonoma Regional de Las Cuencas de los Rios Negro y Nare*, or "CORNARE") on November 20, 2015. The license was modified[6] by CORNARE on August 8, 2017. An update of the Environmental Impact Study (*Estudio de Impacto Ambiental*, or "EIA") for the Calidra Peru Plant was approved on July 19, 2019[7].

Caltek does not own or operate the quarry in Colombia. The Project will involve construction of infrastructure at the quarry managed by Caltek, however, to improve access to this facility. The environmental and social impacts for the construction of the infrastructure were evaluated several years ago as part of the quarry owner's modification of its Environmental Management Plan.[8] The Environmental License[9] was issued by the National Authority of Environmental Licenses (*Autoridad Nacional de Licencias Ambientales*, or "ANLA") on December 9, 2015.

In addition, Calidra maintains environmental and social impact matrices for all three plants. The matrices includes both positive and negative impacts. The magnitude of impacts is assessed for each activity with the potential to cause the impacts. The impact assessment calculates a numerical value for the magnitude for each activity based on their impact parameters (intensity, extent, occurrence, persistence, reversibility, recoverability, synergy, accumulation, effect, and periodicity). Calidra develops and implements measures to mitigate impacts after each update of the matrices.

4.1.c.ii Analysis of alternatives

Since the Project does not involve the construction of a specific facility, but rather the maintenance and improvement of existing facilities and operations, no alternatives analysis was conducted.

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2 Resolución No. 627-98.

3 Actualización Informe de Impacto Ambiental, Complejo Industrial La Laja, Asesoría Ambiental, marzo de 2021.

4 Estudio de Impacto Ambiental, Proyecto Génesis, Ecología y Gestión Consultores S.A.S, octubre de 2015.

5 Resolución No. 112-5789.

6 Resolución No. 112-4127-2017.

7 Resolución No. 634-2019-PRODUCE/DVMYPE-I/DGAAMI.

8 Modificación del Plan de Manejo Ambiental, Títulos Mineros 4410, 4411A, 4411B, 4412 y 4413, Integral, 1 de agosto de 2012.

9 Resolución No. 1576.

4.1.c.iii Cumulative impact analysis

Since the Project does not involve the construction of a specific facility, but rather the maintenance and improvement of existing facilities and operations, no cumulative impact assessment was conducted.

4.1.c.iv Gender risks

There is a significant gender gap, defined as the differential and unequal access to economic, political participation, educational, and occupational opportunities based on sex or gender, in Latin America and the Caribbean ("LAC"). This gap, reinforced by pervasive cultural norms regarding acceptable roles for men and women and exacerbated by weak legal protections and/or inadequate social response, leads to gender discrimination, unequal access to public services, educational differentials, pay and labor gaps, and lagging political participation rates. For the countries in the Project, the gender gap is strongest in Peru (index score of 0.72), followed closely by Colombia (0.73) and Argentina (0.75)[10].

Gender-based violence and harassment ("GBVH") is also a significant problem in LAC, which has the highest rate in the world. Brazil, Mexico, Argentina, Peru, El Salvador, and Bolivia represent 81% of global cases. Twelve women are murdered every day in the region. In Central America, two out of every three women killed is because of their gender (i.e., femicide), and the perpetrator is a partner or former partner in half of these cases. For the countries in the Project, femicide is higher in Colombia (571 reported cases in 2019) than in Argentina (327) and Peru (128)[11]. GBVH has been exacerbated by the COVID-19 pandemic, including in the countries in the Project. In Argentina, calls to a family violence helpline increased by 67% in April 2020 compared to a year earlier. In Colombia, there was a 130% increase in calls to the country's domestic violence helpline in the first 18 days of the country's quarantine. In Peru, there were almost 16,500 cases of gender-based violence between March and December 2020 and calls to the country's emergency sexual violence hotline almost doubled 2019 rates [12].

No specific gender risks were identified in the ESIAs for the three plants or the quarry infrastructure, and no such risks have been identified in the plants' impact matrices. Calidra is aware of the regional gender risks and has addressed them through strong policies of non-discrimination, equal opportunity, and intolerance for GBVH, as well as worker training on these topics and GBVH awareness campaigns.

4.1.c.v Climate change exposure

The La Laja Plant in Argentina has high exposure to a variety of climate-related risks, including droughts, heatwaves, and water supply scarcity towards the end of the century. The Caltek Plant in Colombia has moderate exposure to climate-related risks (droughts and changes in precipitation patterns) under one of five climate models screened. The Calidra Peru Plant has medium-high

10 Gender gap index in Latin America 2021 | Statista.

11 Number of femicides in Latin America by country 2019 | Statista.

12 COVID-19: rise of gender violence in Latin America | Statista.

exposure to climate-related shifts, including high exposure to changes in precipitation patterns, moderate exposure to droughts, and potential riverine flooding in a small area in a 1 km radius around the plant.

The Project's exposure to transition risk is considered medium to high. The exposure level is primarily based on the greenhouse gas ("GHG") emissions of the limestone industry as projects in the industry are likely to have significant Scope 1, 2, and 3 emissions[13]. Consequently, the project is exposed to carbon legislation and technological advancements in low-emission substitutes. Calidra has taken these risks into account in their standalone Environmental and Climate Change Policy (*Política Ambiental y de Cambio Climático*), which communicates the Company's commitment to implement measures to reduce its contribution to climate change and to "increase resilience to possible impacts." The policy deals specifically with resiliency by stating that the Company assesses and monitors potential physical risks of climate change, incorporates engineering and architectural improvements to address these risks, and develops plans for each facility to respond to extreme events. It also states that the Company identifies and mitigates transition risks of climate change.

4.1.d Management Programs

Calidra's Sustainability Policy requires that each of its facilities has an Environmental Management Plan (*Plan de Manejo Ambiental*, or "PMA"). It also states that the Company regular monitors each facility's implementation of their PMA.

The PMA for the La Laja Plant in Argentina is part of the most recent update of its ESIA and includes the following: i) environmental monitoring plan (air, noise, and water quality); ii) waste management plan; iii) mitigation measures (air quality); iv) waste management procedure; and v) conceptual closing plan. The updated ESIA also includes an Environmental Emergency Response Plan (*Plan de Respuesta a Emergencias Ambientales*).

The PMA for the Caltek Plant in Colombia includes the following management programs: i) soil; ii) water; iii) air; iv) wildlife; v) conservation of critically endangered or endemic species; vi) habitat protection and conservation; vii) development and promotion of ecosystems and fauna species affected by the Project; viii) compensation of the biotic environment; ix) personnel education and training; x) information and community participation; xi) support for institutional capacity; xii) training, education, and awareness-raising of the community; xiii) recruitment of local labor; xiv) preventive archaeology; and xv) social compensation.

The PMA for the Calidra Peru plant consists of the following management plans: i) solid waste; ii) hazardous materials and substances; iii) occupational health and safety; iv) transportation; v) contingencies; and vi) community relations. It also includes an environmental monitoring program that includes the biannual monitoring of the following: i) air quality; ii) meteorology; iii) noise; iv) gas emissions; and v) water quality of the Pulpera River.

[13] Scope 1 emissions are direct emissions from company-owned and controlled resources, Scope 2 emissions are indirect emissions from the generation of purchased energy, and Scope 3 emissions are indirect emissions that occur in the company's value chain (both upstream and downstream).

4.1.e Organizational Capacity and Competency

Environmental and social risks and impacts are managed by Calidra at both the corporate and facility levels. At the corporate level, Calidra has a Sustainable Development Director (*Director de Desarrollo Sustentable*). There are seven people that report directly to this director: an Occupational Health and Safety Manager; an Environmental Manager; a Social and Governance Manager; and four Sustainable Development Managers (one for each of the Company's two Mexico business units, one for its Central America and the Caribbean business unit, and one for its Southern Cone business unit). There are three people that report directly to the Occupational Health and Safety Manager: a Safety and Process Safety Management ("ASP") Coordinator; a Health Coordinator; and a Security Manager (*Gerente de Seguridad Patrimonial*). Twelve doctors report to the Health Coordinator. There are also three people that report to the Environmental Manager: a Compliance Coordinator (*Coordinador de Normatividad*); a Forestry Coordinator; and an Environmental Technology Coordinator. One person, a Social Management Coordinator, reports to the Social and Governance Manager.

At the facility level, each plant has a Sustainable Development Coordinator that reports to one of the corporate Sustainable Development Managers. There are 16 such coordinators (one of which is currently vacant) that report to the two managers in charge of the Company's Mexico business units. The team in Peru is led by a Sustainable Development Coordinator and a Community Relations Coordinator. A Sustainable Development Supervisor and Occupational Doctor report to the former. In Argentina, there is one Sustainable Development Coordinator, three Sustainable Development Supervisors, three Occupational Doctors, and seven additional specialists. In Colombia, the team is led by a Sustainable Development Manager. Two specialists report to the manager, along with a Laboratory Supervisor. Four lab technicians report to the Laboratory Supervisor.

4.1.f Emergency Preparedness and Response

Each of Calidra's plants has its own emergency plan. The Emergency Procedure (*Procedimiento de Emergencia*) for the La Laja Plant in Argentina has basic procedures (flowcharts) for the following types of emergencies: i) fires; ii) explosions; iii) spills and leaks; iv) grave accidents; and v) earthquakes. It also provides a list of external and internal contacts in the case of an emergency.

The Emergency Prevention, Preparation, and Response Plan (*Plan de Prevención, Preparación y Respuesta ante Emergencias*) for the Caltek Plant in Colombia describes its procedures for assessing emergency risks and classifying emergencies into levels (Levels 1, 2, and 3), roles and responsibilities (including an emergency committee and emergency brigade), specific information about the facilities at the plant, an inventory of the plant's emergency response equipment, and external points of contact (fire, police, Red Cross, Civil Defense, local hospital). It presents general emergency procedures, an evacuation plan, and specific procedures for the following types of emergencies: i) floods; ii) technological hazards; iii) rescues at heights; iv) confined space rescues; v) fires; vi) social hazards; vii) earthquakes; viii) massive intoxication by chemical substances; ix) traffic accidents; x) structural collapses; xi) chemical substance leaks; and xii) COVID-19 emergencies.

The Emergency Preparedness and Response Plan (*Plan de Preparación y Respuesta para Emergencias*) for the Calidra Peru Plant addresses roles and responsibilities (including emergency

brigades), procedures for identifying and evaluating emergency risks, classifying emergencies by level (Level 1, 2, and 3), and procedures for responding to the following types of emergencies: i) fires; ii) occupational accidents; iii) earthquakes; iv) electric storms; and v) chemical substance or hazardous material spills or leaks. It has a list of internal contacts in case of an emergency, and the plant's annual simulation program is an annex.

4.1.g Monitoring and Review

Calidra has developed a series of key performance indicators (KPIs) to monitor its environmental and social performance[14]. The social (and labor) KPIs are: i) number of permanent full-time workers; ii) lost day incidents; iii) accident rate; iv) severity rate; v) incidents reported and investigated; vi) fatalities; vii) fines due to legal non-compliance; viii) days lost due to strikes; ix) percentage of employees with health plan and retirement plan coverage; x) formal complaints from communities; xi) investment in projects with a social impact; xii) investment in safety; and xiii) investment in health. The environmental KPIs are: i) electricity consumption; ii) clean energy consumption; iii) energy intensity; iv) GHG emissions; v) carbon production intensity; vi) water consumption; vii) intensity of water consumption; viii) percentage of plants certified in clean industry; ix) reforested areas; x) generation of special management waste; xi) generation of hazardous waste; xii) fines due to environmental non-compliance; and xiii) investment in the environment.

Calidra also tracks its compliance with environmental monitoring to regulatory standards. Calidra's most recent Annual Sustainability Report indicates that the Company's overall compliance with environmental monitoring has increased significantly from 2014 to 2020.

4.1.h Stakeholder Engagement

Calidra's Community Relations and Social Investment Policy (*Política de Relacionamiento Comunitario e Inversión Social*) lists requirements for the following topics: i) cross cutting issues; ii) community management; iii) selection and identification of community leaders; iv) channels of communication and dialogue; v) selection of strategic allies; and vi) accountability.

Calidra recently conducted a Materiality Study (*Estudio de Materialidad*) that identifies potentially relevant themes that fall into the following four groups: i) governance, compliance, and ethics; ii) environment; iii) operation; and iv) social management (collaborators and community). The study prioritizes these themes based on worker questionnaires, interviews with clients and people responsible for community relations at each plant, and supplier questionnaires and interviews.

According to Calidra's most recent Annual Sustainability Report, the Company's social responsibility programs include support for: i) local employment (76% of the Company's workers and 51% of its contractors were from local communities in 2020); ii) families of workers (which were invited to participate in health and safety campaigns and were provided support in response to the COVID-19 pandemic and natural disasters); iii) community improvement projects; iv) education (43 scholarships and 42 professional trainings were provided to workers in 2020); and v) foundations

[14] Calidra's most recent Annual Sustainability Report (*Reporte Anual de Sustentabilidad*) provides measures of each KPI over the last seven years (2014-2020).

(including PROED, Alianza Sierra Madre AC, Cruz Roja Mexicana, la Asociación Mexicana de Ayuda a Niños con Cáncer de San Luis Potosí, Cabral Obregón AC, Manos Vida y Amor AC, Nuestros Niños de San Luis AC, and La Posada del Buen Samaritano in 2020). Calidra spent over $350,000 on social impact projects in 2020.

Some of Calidra's plants have their own social management plans or reports. The Caltek Plant in Colombia prepares an annual Social Compliance Report (*Informe de Cumplimiento del Componente Social*). The most recent report describes Caltek's implementation of the following social programs in 2020: i) education and training of Project personnel; ii) information and community participation; iii) institutional management capacity support; (iv) training, education, and awareness-raising for the community; (v) recruitment of local labor; and (vi) social compensation.

The Calidra Peru Plant has a Social Responsibility Plan (*Plan de Responsibilidad Social*) that describes the plant's social programs in the following areas: i) health; ii) education; iii) livestock and corporate production; and iv) institutional.

Calidra will develop or update its existing social management plans or reports into Stakeholder Engagement Plans for each of the three plants in the Project.

4.1.h.i Disclosure of information

Calidra discloses information to the public by means of its Annual Sustainability Report and corporate website. The most recent Annual Sustainability Report contains sections on: i) the Company, including its history, facilities, organizational culture, and Code of Ethics; ii) lime, including information on how it is produced and what it is used for; iii) the Company's Department of Sustainable Development; iv) occupational health; v) health and safety, including process safety management (*Administración de la Seguridad de Procesos*); vi) environmental management, including water, air, noise, waste, regulatory compliance, reforestation and biodiversity, and carbon footprint; vii) energy efficiency; viii) social responsibility; and ix) care for workers, including training, development, and psycho-social analysis.

Calidra's corporate website[15] includes sections on the Company, its products, sustainability, job opportunities, clients, photos of its projects and plants, a form to contact the Company, and contact information for each of its facilities. The sustainability section includes subsections on worker safety, health, the environment, energy, and social responsibility. Calidra also has a YouTube channel[16] and a Facebook page[17] to share information with the public.

4.1.h.ii Informed Consultation and Participation

Calidra's Sustainability Policy states that the Company favors constant dialogue with communities near its operations to provide them with information, consult with them, and receive information from them about their expectations.

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15 https://calidra.com.

16 https://www.youtube.com/channel/UCRHcxTzgqfFtRuiSLUy_Qnw.

17 https://www.facebook.com/CalidraMexico.

The Caltek Plant in Colombia has a Community Information and Participation Program. In 2020, Caltek hired an environmental and social consultant to help establish regular and permanent communication with local communities. The Company has shared a telephone number and e-mail with local community leaders so that it can be contacted by them at any time, including to lodge complaints or make inquiries. Caltek contacts the community leaders when it has news to share, including on vacancies at the plant. Caltek also held meetings with students from the local school in 2020. Unfortunately, in person meetings were suspended in 2020 due to the COVID-19 pandemic.

The Social Responsibility Plan of the Calidra Peru Plant requires the plant to regularly provide information to the local population to foster trust and counteract misinformation.

Calidra will conduct and document consultation meetings with local communities regarding the Project (i.e., improvements at the three plants and construction of the quarry infrastructure in Colombia).

4.1.h.iii Indigenous Peoples

Calidra's facilities in Argentina and Colombia are not located near any Indigenous communities and are not anticipated to affect any Indigenous Peoples. The Calidra Peru Plant is situated approximately 3 km from Callalli, a traditional community that is not considered as "indigenous" according to the Peruvian Ministry of Culture.[18]

4.1.h.iv Private sector responsibilities under government-led stakeholder engagement

Stakeholder engagement is the sole responsibility of the Client. No Government-led stakeholder engagement has taken place or is envisioned to take place.

4.1.i External Communication and Grievance Mechanisms

4.1.i.i External communication

Calidra communicates with the public through their Annual Sustainability Report, corporate website, YouTube channel, and Facebook page. The Company also has a Communications Plan, which is implemented by the Company's marketing team and therefore focuses on commercial aspects.

The Caltek Plant in Colombia and the Calidra Peru Plant have community relations programs that include meeting with, communicating with, and providing information to local communities.

4.1.i.ii Community grievance mechanism

Although its corporate website includes a form for the public to communicate with the Company, including to lodge grievances, Calidra's most recent Annual Sustainability Report indicates that the

[18] https://bdpi.cultura.gob.pe/buscador-de-localidades-de-pueblos-indigenas.

Company has not received any formal complaints from local communities for the last seven years (2014-2020). The Company does not have a formal corporate community grievance mechanism, as such mechanisms are developed and implemented at the facility level.

The Caltek Plant in Colombia and the Calidra Peru Plant have their own community grievance mechanisms. Caltek's is a Petitions, Grievances, Claims, and Suggestions Procedure (*Procedimiento de Peticiones, Quejas, Reclamos y Sugerencias – "PQRS – Comunidades"*). Community members can contact Caltek via a telephone number, by e-mail, or in writing. Responses must be provided within 20 days. According to Caltek's annual Social Compliance Report, 20 communications were received via these channels in 2020. Most of these were requests for support, and none were classified as grievances.

Calidra Peru's Grievance and Suggestions Mechanism (*Gestión de Quejas y Sugerencias de la Comunidad*) captures community grievances and claims through grievances boxes that are placed in strategic places. Grievances, which are checked weekly, are documented, investigated, and responded to by a Sustainable Development Committee, which is composed of a representative of the municipality, two representatives of affected landowners, two Calidra Peru employees from local communities, and a Calidra Peru environmental specialist.

The La Laja Plant in Argentina will develop and implement its own community grievance mechanism.

4.1.i.iii Provisions for addressing vulnerable groups' grievances

Calidra Peru's Community Grievance and Suggestions mechanism has been designed to be accessible to everyone in the community, including the most vulnerable groups, such as women and youth. Caltek will update its community grievance mechanism and the La Laja Plant in Argentina will develop its community grievance mechanism to include provisions for addressing the grievances of vulnerable groups.

4.1.j Ongoing Reporting to Affected Communities

At a corporate level, Calidra communicates with the public through its Annual Sustainability Report, corporate website, YouTube channel, and Facebook page. The Caltek Plant in Colombia and the Calidra Peru Plant have community relations programs that include meeting with, communicating with, and providing information to local communities on a regular basis.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

In 2020, Calidra had 2,433 employees, 1,587 of which were in Mexico and 846 in Central and South America.

As of September 2021, the La Laja Plant in Argentina had 145 workers, five (3%) of which are women, and 18 additional administrative employees in San Juan, six (33%) of which are women. The Caltek Plant in Colombia had 52 workers, seven (13%) of which are women, and 14 administrative

employees in Medellin, six (43%) of which are women. The Calidra Peru Plant had 96 workers, 12 (12.5%) of which are women, and Calidra Peru had nine additional administrative employees, three (33%) of which are women.

4.2.a.i Human resources policies and procedures

Calidra's Sustainability Policy includes a section on worker development (*Desarrollo del Colaborador*), which includes subsections on health and safety, professional opportunities, and diversity. Calidra also has a standalone Diversity Policy, Code of Ethics, Personnel Recruitment, Selection, and Contracting policy, and Personnel Retrenchment policy.

4.2.a.ii Working conditions and terms of employment

Calidra's Personnel Recruitment, Selection, and Contracting policy states that all candidates for employment are provided with the following information: i) job position; ii) salary; iii) benefits; iv) characteristics of the contract to be signed; v) specific contract conditions; and vi) date and time to report to work. The contract must be signed by the employee and the Company's legal representative before the employee can begin work. Employees are hired under their respective local regulations.

4.2.a.iii Workers' organizations

Calidra's Code of Ethics states that the Company respects the independence of trade union associations and seek relations with them to benefit both the Company and its workers.

4.2.a.iv Non-discrimination and equal opportunity

Calidra's Sustainability Policy states that it safeguards fairness and equity regardless of "sex, religion, political or sexual preference, or any other aspect of diversity in the remuneration of employees." It also states that the Company has "zero tolerance towards cases of discrimination, protecting the integrity of its workers."

Calidra's Diversity Policy states that the Company respects diversity and prohibits discrimination, sexual harassment, violence, and intolerance. The policy prohibits discrimination based on "political and/or religious affiliation, physical appearance, social and/or economic status, health status, disability, age, marital status, gender, nationality and/or ethnic origin, sexual orientation, family status, sex and/or sexual identity." The policy provides procedures to ensure non-discrimination in: i) selection and recruitment; ii) remuneration; iii) conciliation; iv) performance and promotions; v) operation; vi) appointment of the management team; vii) evaluation and monitoring; and viii) reporting and processing.

Calidra's Code of Ethics extends their non-discrimination, equal opportunity, and sexual harassment policies to contractors and suppliers.

4.2.a.v Retrenchment

Calidra's Personnel Retrenchment policy includes provisions for voluntary resignations, retirements, and termination of employment by Calidra. The latter includes termination for: i) organizational restructuring; ii) low performance; iii) non-compliance with the Code of Ethics; and iv) non-compliance with federal labor law. The section on termination for organizational restructuring, which would include termination due to completion of a project or operation, states that when a worker must be separated from the Company because of organizational restructuring, such worker must be liquidated in accordance with local applicable labor regulations.

4.2.a.vi Grievance mechanism

Calidra's Code of Ethics describes a mechanism for workers, known as "*Honestidad Calidra*," to report violations of the code. Grievances are received by, investigated by, and responded to by an Ethics Committee. Grievances are treated with confidentiality during and after their investigation. The code provides phone numbers for Mexico and Honduras, as well as a web page, e-mail, and postal address that can receive grievances from anywhere. The code specifically states that people who report a non-compliance with the code "should not be subject to retaliation, as such retaliation itself represents a breach of this document."

Calidra will update their existing mechanism into a Worker Grievance Mechanism that allows worker grievances not related to its Code of Ethics.

4.2.b Protecting the Workforce

4.2.b.i Child labor

Following the guidelines issued by the International Labor Organization ("ILO"), Calidra's Code of Ethics states that to avoid physical, psychological, and sexual violence, no children under 15 years of age are to be hired, since the latter are often isolated from their families and being exploited for commercial purposes. Calidra does not currently employ anyone under 18 years of age.

4.2.b.ii Forced labor

Although forced labor is illegal in all the countries in which it operates, Calidra will update its Code of Ethics to explicitly prohibit the practice by the Company, its contractors, and its suppliers.

4.2.c Occupational Health and Safety

Calidra's Sustainability Policy includes a section on occupational health and safety that states that the Company: i) guarantee the health and safety of its employees, providing appropriate working conditions and personal protective equipment; ii) believes in the responsibility and individual capacity of each of its employees, promoting autonomous and interdependent performance; iii) cares about the well-being, quality of life, and mental and physical health of its employees, providing support programs and favoring internal communication; and iv) promotes the active participation

of employees in the development and implementation of safety, health and well-being measures. There is also a section on occupational health and safety in Calidra's Code of Ethics.

Calidra's most recent Annual Sustainability Report (2020) contains a significant amount of data on the Company's occupational health and safety performance. Regarding COVID-19, there were 290 asymptomatic cases, 134 symptomatic cases, six hospitalizations, and no deaths among Calidra's employees in 2020. Cases peaked in July and August, with 96 cases in each month. While COVID-19 vaccines were not yet available in 2020, Calidra gave 1,002 influenza vaccines to its workers in a vaccination campaign in December 2020. Regarding health, Calidra conducted the following medical studies of its workers in 2020: i) lipid profile; ii) glycosylated hemoglobin; iii) anti-doping; iv) nutritional counselling; v) somatometry[19]; and vi) body mass index.

In 2019, Calidra developed and began implementing an Integrated Health and Safety Information System (*Sistema de Información de Salud y Seguridad Integral*), which is an electronic platform utilized to administer, analyze, and standardize occupational health and safety procedures at its plants. In addition, Calidra has developed and is implementing a Process Safety Management (*Administración de la Seguridad de los Processos*, or "ASP") system composed of the following elements: i) process technology; ii) process risk analysis; iii) safe operating procedures and practices; iv) management of technology changes; v) quality assurance; vi) pre-start security reviews; vii) mechanical integrity; viii) installation management of change; ix) training and performance; x) contractors; xi) incident investigation; xii) administration of personnel changes; xiii) emergency planning and response; and xiv) audits. The Company held workshops on the system attended by 233 key personnel in 2020, including 42 people in Argentina, 12 in Colombia, and 11 in Peru. The Company also conducted a hand safety campaign and a psycho-social risk prevention campaign in 2020.

Regarding health and safety statistics, Calidra's Annual Sustainability Report indicates that the Company had 40 lost day incidents in 2020, which is slightly more than in 2019 (34) but the same as in 2017. Its Accident Index (*Índice de Siniestralidad*) was 1.29 in 2020, which has been fairly consistent since 2014 (between 0.98 and 1.49), and its Severity Index (*Índice de Gravedad*) was 23 in 2020, which is significantly less than its peak from 2015 to 2017 (between 48 and 51). The Company had one fatality in 2020, one in 2017, and two in 2015.

At the facility level, each Calidra plant has its own occupational health and safety plan and procedures to incorporate local conditions, activities, and legal requirements into Calidra's corporate policies, plans, and procedures.

4.2.d Provisions for People with Disabilities

Calidra's Diversity Policy and Code of Ethics explicitly prohibit discrimination based on disabilities, and the Company's Sustainability Policy defines diversity to include disabilities. The Diversity Policy defines disabilities to encompass any situation leading to activity limitations (i.e., difficulties in executing actions or tasks) and/or participation restrictions (i.e., problems participating in specific activities).

[19] A branch of anthropometry that is concerned with measurement of parts of the body other than the head.

Regarding provisions for people with disabilities at its facilities, Calidra's Diversity Policy reaffirms the Company's understanding of the different needs of each individual and offers appropriate instructions for the development of professional activity. The Company promotes accessibility in its plants and corporate facilities, including the relevant infrastructure to avoid sex biases and/or physical or mental disability.

4.2.e Workers Engaged by Third Parties

Calidra's Code of Ethics encompasses all Company employees, contractors, clients, and suppliers, and states that it is their responsibility to know, understand, and always apply it.

In addition, Calidra has a general Contractor Control Procedure (*Procedimiento de Control de Contratistas*) and a specific contractor procedure for COVID-19 (*Requisitos de Ingreso para Contratistas por Contingencia COVID-19*). Calidra also has a Contractor Safety and Environmental Regulation (*Reglamento de Seguridad y Medio Ambiente para Contratistas*). The document lists requirements for contractors on the following topics: i) general requirements; ii) general safety standards; iii) identification of contractor personnel; iv) access and exit control; v) transit at the plant; vi) order and cleanliness; vii) work outside normal hours; viii) training; ix) high-risk work; x) emergency prevention and response; xi) environmental protection; and xii) audits.

Calidra conducts risk analyses of all activities performed by contractors and conducts daily inspections of contractors. These procedures for assessing compliance with the above procedures, however, are not yet documented. Calidra will therefore develop and implement a Contractor Management and Assurance Plan for the Project.

4.2.f Supply Chain

Calidra's Code of Ethics, which prohibits child labor, applies to suppliers. Calidra will update its Code of Ethics to explicitly prohibit forced labor in its supply chain.

4.3 Resource Efficiency and Pollution Prevention

Calidra's Sustainability Policy includes sections on the prevention and mitigation of environmental impacts (*Prevención y Mitigación de Impactos en el Entorno*) and operational efficiency (*Eficiencia Operacional*), which includes subsections on: i) environmental management integration; ii) energy and emission (GHG and particulates) management; and iii) operational circularity.

Calidra's Annual Sustainability Report indicates that the Company consumed 177.1 gigawatt-hours ("GWh") of electric energy and 80.0 GWh of clean energy in 2020, with an energy consumption intensity of 56.24 kilowatt-hours ("kWh") per metric ton. The latter represents a steady reduction from its peak of 64.79 in 2016. In 2020, the Company produced 3,197,888 metric tons of carbon dioxide equivalent ("CO_2e") emissions; it consumed 1,927,830 m^3 of water; it generated 0.56 kg special managed waste (*residuos de manejo especial*, or "RME") per metric ton of lime and 0.49 kg

of hazardous waste per metric ton of lime; had no fines for environmental non-compliances from 2014 to 2020; and invested US$2,511,408 in environmental programs in 2020. [20]

4.3.a Resource Efficiency

In recent years, Calidra has sought to increase its sources of renewable energy. The Company owns four windmills and has agreements with two wind farms in Mexico to provide 75% of the electricity required for Calidra's Mexico plants in 2020. The Company also obtains electricity from a solar park in Honduras and from a hydroelectric project in Colombia. Calidra's Andean, Central America, and Caribbean operation consumed 12,978,815 kWh of conventional energy and 3,893,645 kWh of renewable energy in 2020, avoiding the emission of 1,923 metric tons of CO_2. The Southern Cone operation consumed 26,799,322 kWh of conventional electricity and 2,263,145 kWh of renewable energy in 2020, avoiding 1,118 metric tons of CO_2[21].

4.3.a.i Greenhouse Gases

Regarding climate change and GHG, Calidra's Sustainability Policy states that the Company: i) reduces or mitigates its emissions that contribute to climate change (i.e., GHG emissions); ii) reduces its emissions through energy (electricity and/or fuels) efficiency and use of renewable energy sources (own and/or third-party); and iii) evaluates the implementation of compensation schemes with own and/or third-party removal projects for residual GHG emissions.

Calidra's Environmental and Climate Change Policy conveys the Company's commitment to combating climate change. Specifically regarding GHG emissions, the policy states that the Company is committed to: i) reducing GHG emissions that are generated directly and indirectly from its operations and production processes; ii) conducting inventories (Scope 1, 2, and 3) of GHG emissions in accordance with international best practices and national legislation; iii) the transition from fuels to less GHG-emitting alternatives, as well as the use of biofuels in the calcination process, and being carbon neutral in this process within its plants by 2050; and iv) define objectives for reducing GHG emissions in the medium and long term.

Regarding the Project's plants, the La Laja Plant in Argentina produced 116,494 metric tons of CO_2e emissions (combustion and decarbonation) and 147,141 metric tons of calcium oxide (CaO) in 2020. The Caltek Plant in Colombia produced 54,069 metric tons of CO_2e emissions and 49,907 metric tons of CaO, and the Calidra Peru Plant produced 89,391 metric tons of CO_2e emissions and 80,508 metric tons of CaO.[22]

4.3.a.ii Water Consumption

Calidra's Environmental and Climate Change Policy states that the Company is committed to reducing water consumption in its operations and in the lime hydration process, and to working on

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[20] Source: Calidra's Annual Sustainability report (https://calidra.com/wp-content/uploads/2021/05/Reporte-Anual-de-Sustentabilidad-2020.pdf)

[21] Ibid 20.

[22] Ibid 20.

greater efficiency in its consumption and reuse/recycling. To make water consumption more efficient, the Company incorporates cutting-edge technology into its processes that allow the recirculation of the resource and its maximum use. Calidra's most recent Annual Sustainability Report states that in 2020, the Company began operation of a system to recuperate the evaporated water in hydration, which has resulted in the recuperation of 46% of the water utilized in the process.

The La Laja Plant in Argentina used 113,400 m^3 of well water; the Caltek Plant in Colombia consumed 17,169 m^3 of well water and 3,978 m^3 of surface water (from the Quebrada Campo Godoy); and the Calidra Peru Plant utilized 8,087 m^3 of well water in 2020.[23]

4.3.b Pollution Prevention

In addition to GHG emissions, Calidra tracks and manages other air emissions and noise. Measures to reduce air emissions include: i) engineering standards for the design of stone and lime handling systems, which reduce dust emissions; ii) extraction systems, filters, and dust collectors to control atmospheric emissions in each chimney; iii) wet dust collection systems that reduce the emission of solid particles into the environment; iv) water-based dust suppression systems (dry mist), to prevent dust emission in stone handling systems; and v) equipment and processes that are self-contained to prevent fugitive emissions. Calidra has an annual atmospheric emissions monitoring program utilizing accredited laboratories to measure its compliance with national and international standards.

Calidra also has a noise monitoring program that includes perimeter and occupational noise monitoring. Calidra's most recent Annual Sustainability Report[24] indicates that 96.8% of its perimeter noise measurements complied with local regulations in 2020.

To improve its performance and develop procedures to monitor noise levels, Calidra will develop a Noise Management and Monitoring Plan for the Project.

4.3.b.i Wastes

Calidra's Environmental and Climate Change Policy has a section on management of materials and waste that declares the Company's commitment to reduce waste by classifying it and recycling what can be recycled, and to provide employees with the infrastructure and training necessary for the separation of hazardous waste and its differentiated management. The policy supports the use of third parties to maximize waste reuse and/or recycling. The Company also ensures strict compliance with local legislation regarding waste management. It works to promote the use of biodegradable packaging in its products, as well as their recovery to increase their useful life.

According to Calidra's most recent Annual Sustainability Report, the Company recycled 62% of its non-hazardous waste in 2020.

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[23] Ibid 20.

[24] Ibid 20.

In addition to corporate policies and procedures, each plant has its own waste management plan that is included in its PMA. The plans cover non-hazardous and hazardous solid waste as well as effluents.

4.3.b.ii Hazardous Materials Management

Calidra has a corporate procedure for the management of hazardous materials. In addition, each plant has its own hazardous materials management plan. The plan for the La Laja Plant in Argentina has not been updated since it was developed, but it contains adequate procedures for managing, storing, and containing hazardous materials. The Caltek Plant in Colombia has a plan (dated 2020) that includes procedures for the reception, storage, transfer, and management of hazardous materials as well as for what to do in the event of a chemical spill.[25] The plan for the Calidra Peru Plant (2021) includes procedures for the labeling, inventorying, transporting, storing, and inspecting of hazardous materials, and a section on responding to emergencies. Calidra Peru regularly conducts chemical spill simulations.

4.3.b.iii Pesticide Use and Management

Calidra does not directly utilize pesticides in any of their operations. They do hire certified contractors, however, to conduct disinfections and fumigations at their plants. Each plant has a procedure for this activity.

4.4 Community Health, Safety, and Security

4.4.a Community Health and Safety

4.4.a.i Infrastructure and equipment design and safety

The Project's upgrades at the three plants will be confined to existing facilities and are therefore not anticipated to adversely impact community health and safety. The ESIA for the quarry infrastructure in Colombia did not identify any potential impacts to community health and safety.

4.4.a.ii Hazardous materials management and safety

Calidra's procedures for managing hazardous materials are designed to prevent any adverse impacts to local communities as well as to Calidra's workforce.

4.4.a.iii Ecosystem services

The Project's upgrades at the three plants will be confined to existing facilities. These activities are therefore not anticipated to have any adverse impacts on ecosystem services.

[25] Caltek regularly performs chemical spill drills and simulations.

Calidra will conduct an ecosystem services impact assessment for the quarry infrastructure in Colombia. If significant impacts are identified, the Company will develop and implement measures to manage these impacts.

4.4.a.iv Community exposure to disease

Each of Calidra's plants utilizes certified contractors to disinfect and fumigate their plants to prevent the spread of communicable diseases.

The La Laja Plant currently employs 180 people. This will be increased by approximately 130 people during the Project, all of whom will be locals. The Caltek Plant in Colombia currently employs 68 people. It is estimated that an additional 100 people will be contracted during the Project, approximately 20% of which will be foreigners. These foreigners will be housed in Envigado. The Calidra Peru Plant currently employs 96 people. This will be increased by approximately 120 people during the Project, approximately 70% of which will by foreigners to be housed in Callalli.

4.4.a.v Emergency preparedness and response

Each of the Project's plants has its own emergency plan. Although these plans include procedures to notify local communities in the event of an emergency, they do not include procedures to provide local communities with information about their emergency plans. Calidra will therefore develop a Stakeholder Engagement Plan for each plant to include such procedures.

4.4.b Security Personnel

Calidra's Security Policies and Procedures (*Políticas y Procedimientos de Vigilancia*) include provisions on the following: i) security and protection plans; ii) procurement of security services; iii) security reports; iv) entry of external staff, visitors, suppliers, and service providers to the plants; and v) security and hygiene. It also includes control procedures for: i) contractors; ii) suppliers; iii) visitors; iv) exit of sold products; v) trucks for lime loading; vi) donor departures; vii) Company vehicles; and viii) workers. The section on Security and Protection Plans requires that each Calidra facility have such a plan that aligns with corporate policy and is approved by the Company's corporate security manager. No such plans have yet been developed for the Project's three plants. Calidra will therefore develop Security Management Plans for the three plants, to include a requirement that security guards receive training on the use of force and human rights.

4.5 Land Acquisition and Involuntary Resettlement

The Project's activities at the three plants will be confined to existing facilities. As a result, no land acquisition or involuntary resettlement will be required. The Project's activities at the quarry in Colombia will require a concession from the owner of the quarry, which is a third party. Calidra does not intend to acquire any land, however, and no involuntary resettlement will be required.

4.6 Biodiversity Conservation and Natural Habitats

4.6.a General

Calidra has a reforestation program to offset its impacts to biodiversity. According to its most recent Annual Sustainability Report, the Company reforested 45,779 hectares ("ha") in 2020. It has conducted reforestation every year since 2015, ranging from 18,298 ha in 2016 to 212,741 ha in 2018.

4.6.b Protection and Conservation of Biodiversity

Calidra's Environmental and Climate Change Policy declares the Company's commitment to constant monitoring and evaluation to prevent significant impacts on flora and fauna, as well as strict compliance with applicable regulations; and to promote the conservation of biodiversity, applying initiatives and actions that contribute to its care and restoration (e.g., reforestation of endemic species), including the rescue of flora and fauna for relocation to promote their conservation.

The upgrades of the three plants will take place at existing facilities and are, therefore, not anticipated to adversely impact biodiversity. It should be noted, however, that the plants conduct biodiversity surveys and monitoring to comply with local regulations. The updated ESIA for the La Laja Plant in Argentina (2021), for example, presents the results of biodiversity surveys for both flora and fauna (arthropods, herpetofauna, birds, and mammals). The PMA for the Caltek Plant in Colombia includes the following biodiversity management programs: i) fauna; ii) critically endangered or endemic species; iii) protection and conservation of habitats; iv) ecosystems and fauna species affected by the Project; and v) biota compensation. The resolution approving the most recent EIA update for the Calidra Perú Plant indicates that no flora or fauna species under any level of protection under Peruvian law have been identified on the property. However, if a protected species is identified on the property, the plant will develop and implement a biodiversity management plan.

The construction of infrastructure at the quarry in Colombia will require the conversion of 123.7 ha of forest. The owner of the quarry obtained a unique forest harvesting permit (*Permiso de Aprovechamiento Forestal Único*) for this conversion on May 4, 2015[26]. The permit required the quarry owner to conduct additional biodiversity studies and to implement measures to mitigate the Project's impacts to these floral taxa. The additional studies have been conducted by Caltek.[27]

4.6.b.i Modified Habitat

The Project plant upgrades will take place at existing facilities, which are highly intervened and developed (i.e., modified habitat).

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[26] Resolución No. 112-1759-2015.

[27] "Caracterización de la Flora Vascular Epífita para el Área de Intervención, Planta Río Clara, Sonsón, Antioquia," +Verde S.A.S., junio de 2021; y "Respuesta a Numeral 1 y 2 del Artículo Segundo Resolución 112-2595-2020 del 26 de agosto de 2020, Planta Río Clara," +Verde S.A.S., julio de 2021; "Aprovechamiento para las Especies Presentes en el Polígono Objeto de Intervención dentro de los Títulos Mineros 4410 y 4411, Planta Río Claro," +Verde S.A.S., julio de 2021.

4.6.b.ii Natural and Critical Habitat

The construction of infrastructure at the quarry in Colombia will take place in a forest, which is natural habitat. Calidra will conduct a Critical Habitat Assessment ("CHA") for the 123.7 ha of forest to be impacted by the Project. Based on the results of the CHA, Calidra will develop a Biodiversity Management Plan ("BMP") to achieve no net loss of natural habitat and/or a net gain of critical habitat, as well as a Biodiversity Monitoring and Evaluation Plan ("BMEP").

4.6.b.iii Legally protected areas and internationally recognized areas

None of the Project's activities will take place in legally protected or internationally recognized areas. The plant upgrades will take place at existing facilities, which are modified habitat. The construction of infrastructure at the quarry in Colombia will take place in a forest, but it is not located in a legally protected area or internationally recognized area.

4.6.b.iv Invasive alien species

The Project's activities at the three plants are not anticipated to introduce any invasive alien species. Calidra will include measures to mitigate the potential impact of invasive alien species in its BMP for the quarry infrastructure in Colombia.

4.6.c Management of Ecosystem Services

The Project's upgrades at the three plants will be confined to existing facilities. These activities are therefore not anticipated to have any adverse impacts on ecosystem services.

Calidra will conduct an ecosystem services assessment for the quarry infrastructure in Colombia. If significant impacts are identified, Calidra will incorporate measures to mitigate these impacts into the BMP for the quarry infrastructure.

4.6.d Sustainable Management of Living Natural Resources

The Project will not involve the primary production of living natural resources.

4.6.d.i Supply chain

Calidra's Environmental and Climate Change Policy states that the Company promotes a culture of care and preservation of biodiversity by each of its collaborators, including suppliers.

Calidra will update its Code of Ethics to prohibit the significant conversion of natural and/or critical habitat by its suppliers.

4.7 Indigenous Peoples

The Calidra Peru Plant in Peru is located at about 3 km from Callalli, a traditional community considered as not "indigenous" according to the Peruvian Ministry of Culture. Even though about 70 people that will working in plant's improvement will be housed in this community, no material negative impacts are expected to occur in the latter. On the contrary, it is likely that this community will temporarily benefit from an increase in the demand of basic services (lodging, catering, etc.) during the plant's upgrade process.

4.8 Cultural Heritage

The Project's upgrades at the three plants will be confined to existing facilities and are therefore not anticipated to impact any physical cultural heritage. The Calidra Peru Plant has obtained permits from the Ministry of Culture indicating that there are no archaeological remains at the facility.[28]

The ESIA for the quarry infrastructure identified several archaeological sites in the area, although it notes that many of these have been impacted by erosion and prior land use. It identified loss or deterioration of archaeological resources, however, as a potential impact of the Project.

4.8.a Chance Find Procedures

Calidra will develop and implement a Cultural Heritage Management Plan for the quarry infrastructure to include an archaeological monitoring program, chance find procedure, archaeological site protection program, and cultural heritage training program.

5. Local Access of Project Documentation

Calidra's most recent Annual Sustainability Report can be accessed at the following website: https://calidra.com/wp-content/uploads/2021/05/Reporte-Anual-de-Sustentabilidad-2020.pdf.

[28] Certificado de Inexistencia de Restos Arqueológicos (CIRA) No. 024-DMA-2011 y CIRA No. 064-2018-DMA-DDC-ARE/MC.