

Principal Adverse Impacts (PAIs) on Sustainability Factors

La Mancha Resource Capital LLP (LMRC) considers PAIs on sustainability factors in connection with investments it recommends to La Mancha Resource Fund SCSp (Fund) as its appointed investment manager. This document is the Fund’s consolidated statement of PAIs on sustainability factors covering 1 January 2024 to 31 December 2024. References to **investee companies** refer to the Fund’s portfolio companies at the end of such period. The Fund’s percentage holding of the outstanding share capital of each investee company as of 31 December 2024 was as follows: Endeavour Mining Plc (EDV) – 17.1%, G Mining Ventures Corp. (GMIN) – 18.3%, Falcon Energy Materials PLC (previously known as SRG Mining Inc.) – 23.4%, Elemental Altus Royalties Corp. (ELE) – 31.9%, Greenheart Gold Corp. (GHRT) – 6.1%, and Belo Sun Mining Corp. (BSX) – 17.1%.

The mandatory indicators defined by Commission Delegated Regulation (EU) 2022/1288 (Delegated Regulation) covering investments in the Fund’s investee companies are set out below. LMRC publishes information on the impact of the Fund’s investments on these indicators annually in accordance with the EU Sustainable Finance Disclosure Regulation (SFDR).

Financial figures are in US dollars and as of 31 December 2024 unless otherwise noted. ELE, as a royalty company, does not report on the same metrics as the rest of the Fund’s investee companies and therefore is not covered in the below table.

	Topic	Indicator	Metric	Units	Fund impact <sup>1</sup>		Total impact <sup>2</sup>		Explanation	Actions taken, and actions planned/ targets set for the next reference period
					2024	2023	2024	2023		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS	Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions <sup>3</sup>	(000s) tCO2-e	116,000	186,000	676,000	906,000	2024 saw a material reduction in total GHG emissions, mainly attributable to a significant decrease in Scope 1 GHG emissions, which in turn was attributable to a reduction in some investee company operations as well as investee company emissions-reduction initiatives.	Climate and other environment indicators in 2024 generally followed a positive trend compared to 2023. Accordingly, LMRC’s action in 2025 will focus on supporting this trend by:  - investing in accordance with its Responsible Investment Policy and sustainable investment process with reference to European and international standards, including the SFDR, Regulation (EU) 2020/852 (EU Taxonomy), the UN-supported Principles for Responsible Investment, the UN Sustainable Development Goals, and Towards Sustainable Mining;  - conducting due diligence on behalf of the Fund to assesses sustainability risks; and  - monitoring investee company sustainability performance through investee company engagement and use of the Fund’s information rights and board appointment rights, which are features of the investor rights agreements concluded with most investee companies.  An exception to the positive trend for these indicators was the generation of hazardous waste, which sharply increased as a result of construction activity. Construction at Tocantinzhino is now complete, and LMRC intends to monitor this metric in anticipation of the generation of hazardous waste returning to around baseline levels, depending on levels of construction activity in 2025.
			Scope 2 GHG emissions <sup>4</sup>	(000s) tCO2-e	9,870	23,300	57,100	129,000		
			<b>Total Scope 1 and Scope 2 GHG Produced</b>	<b>(000s) tCO2-e</b>	126,000	209,000	733,000	1,040,000		
			Scope 3 GHG emissions <sup>5</sup>	(000s) tCO2-e	107,000	80,400	623,000	446,000		
		2. Carbon footprint	<b>Total GHG emissions</b>	<b>(000s) tCO2-e</b>	232,000	370,000	1,360,000	1,480,000	2024 saw a material increase in GHG intensity as a result of a reduction in the amount invested by the Fund.	
		3. GHG intensity of investee companies	GHG intensity of investee companies <sup>6</sup>	tCO2-e / \$	1.97	1.32	n/a	n/a		
		4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	%	None	None	None	None	The Fund does not invest in the fossil fuel sector.	
		5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption (GJ) of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	%	74.4%	100%	74.4%	100%	2024 saw a material decrease in the use of non-renewable energy as a result of the use of renewable energy sources by investee companies.	
		6. Energy consumption intensity per high-impact climate sector	Total energy consumption in GJ	GJ	1,740,000	1,660,000	10,100,000	9,210,000	2024 saw a material increase in energy consumption, attributable to an expansion in some investee company operations.	
			Energy consumption in GJ per million \$ of revenue of investee companies, per high-impact climate sector <sup>7</sup>	GJ / \$m	3,590	4,360	3,600	4,360 <sup>8</sup>	2024 saw a material decrease in the energy-consumption-to-revenue ratio as a result of increased investee company revenues.	

<sup>1</sup> Represents the impact attributable to the Fund based on its percentage ownership in its investee companies.

<sup>2</sup> Represents the total impact attributable to all investee companies without taking into account the Fund’s percentage ownership. Both Fund Impact and Total Impact exclude investee companies that are non-producing, such as royalty companies.

<sup>3</sup> Caused directly by an organisation’s activities (e.g., emissions produced by company facilities or vehicles).

<sup>4</sup> Result indirectly from an organisation’s energy consumption (e.g., emissions from electricity the company purchased).

<sup>5</sup> All other indirect emissions (e.g., emissions from leased assets, business travel, or distribution network).

<sup>6</sup> Total GHG / total \$ invested

<sup>7</sup> Takes into consideration the combined revenues of producing investee companies.

<sup>8</sup> The number disclosed here in the 2023 PAI statement was incorrectly calculated and has been replaced with the correctly calculated figure.

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					2024	2023	2024	2023		
	Biodiversity	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity- sensitive areas where activities of those investee companies negatively affect those areas	%	n/a	n/a	98.0% <sup>9</sup>	75.0%	The increase in this metric is attributable to a change in calculation methodology (see footnote).	
	Water	8. Emissions to water (effluent discharge)	Litre (L) of emissions to water generated by investee companies per million \$ invested, expressed as a weighted average <sup>10</sup>	ML / \$m	0.07	0.08	n/a	n/a		
	Waste	9. Hazardous waste and radioactive waste ratio	Tonnes (t) of hazardous waste generated by investee companies per million \$ invested, expressed as a weighted average. No hazardous waste generated <sup>11</sup>	t / \$m	366	6.07	n/a	n/a	2024 saw a very significant increase in the production of hazardous waste. This was mainly attributable to the intensive generation of hazardous waste associated with construction at Tocantinzhino.	
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS	Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (“OECD”) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	n/a	n/a	None	None		Social and employee, human rights, anti-corruption and anti-bribery indicators in 2024 generally followed a positive trend compared to 2023. Accordingly, LMRC’s action in 2025 will focus on supporting this trend in the same ways as described above for climate and other environmental factors.  One investee company in 2024 did not have relevant policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations thereof. LMRC intends to keep this matter under review, particularly if the investee company’s activities expand in 2025, which may warrant the encouragement of more extensive compliance practices at the company.
		11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	n/a	n/a	20.0% <sup>12</sup>	None	The increase in this metric is attributable to the taking into account of an investee company that did not report on this metric in 2023.	
		12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies		n/a	n/a	6.4% <sup>13</sup>	Not reported		
		13. Board gender diversity	Average ratio of female to male board members in investee companies	%	n/a	n/a	44.0%	14.3%	2024 saw a material increase in the proportion of females on investee company boards, reflecting investee company efforts to sustain female talent at the board level.	
			Percentage of female members on LMRC Advisory Committee	% female	33.3%	19.0%	n/a	n/a	2024 saw a material increase in the proportion of females on the LMRC Advisory Committee, which resulted from the death of a male member of the Advisory Committee.	
		14. Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	None	None	None	None	LMRC’s Responsible Investment Policy prohibits LMRC recommending investments to the Fund that involve the manufacture or sale of weapons.	

<sup>9</sup> Under the Delegated Regulation, activities negatively affect biodiversity-sensitive areas where they deteriorate habitats or disturb certain species, unless certain mitigation measures have been implemented. All investee companies are required to put in place environmental mitigation measures as a condition of their permits. However, it is not possible to determine whether such measures are equivalent to the EU measures referred to in the Delegated Regulation. In the interests of prudence, we have assumed that the activities of any investee company with at least one mine in production or under construction in or near a biodiversity sensitive area have a negative effect under the Delegated Regulation. EDV and GMIN are investee companies with at least one mine in production or under construction in a biodiversity-sensitive area.

<sup>10</sup> ML of emissions to water / total \$m invested

<sup>11</sup> Tonnes of hazardous waste / total \$m invested

<sup>12</sup> Excluding ELE, all the investee companies other than one pre-production investee company had relevant compliance processes.

<sup>13</sup> Based on information provided by GHRT and BSX – the only investee companies for which such information was available.